Simon Property Group Reports Second Quarter Results And Announces Quarterly Dividend

July 29, 2013

INDIANAPOLIS, July 29, 2013 /PRNewswire-FirstCall/ -- Simon Property Group, Inc. (NYSE:SPG) today reported results for the quarter and six months ended June 30, 2013.

Results for the Quarter

- Funds from Operations ("FFO") was $766.3 million, or $2.11 per diluted share, as compared to $688.8 million, or $1.89 per diluted share, in the prior year period. The FFO increase on a per diluted share basis was 11.6%.
- Net income attributable to common stockholders was $339.9 million, or $1.10 per diluted share, as compared to $215.4 million, or $0.71 per diluted share, in the prior year period.

Results for the Six Months

- Funds from Operations ("FFO") was $1.508 billion, or $4.16 per diluted share, as compared to $1.337 billion, or $3.71 per diluted share, in the prior year period. The FFO increase on a per diluted share basis was 12.1%.
- Net income attributable to common stockholders was $623.1 million, or $2.01 per diluted share, as compared to $860.9 million, or $2.87 per diluted share, in the prior year period. Results for 2012 include primarily non-cash net gains from acquisitions and dispositions of $1.37 per diluted share.

"This was an excellent quarter for Simon Property Group, with strong financial and operational performance, the opening of two new Premium Outlet Centers®, the groundbreaking for our second Premium Outlet in Canada, and the acquisition of a highly productive center," said David Simon, Chairman and CEO. "Our portfolio continued to deliver strong results in the quarter, with 5.9% growth in comparable property net operating income for our U.S. Malls and Premium Outlets. Based upon our results to date and expectations for the remainder of 2013, we are again increasing our 2013 guidance."

U.S. Malls and Premium Outlets Operational Statistics

	As of June 30, 2013	As of June 30, 2012	% Increase
Occupancy (1)	95.1%	94.2%	+ 90 basis points
Total Sales per Sq. Ft. (2)	$577	$554	4.2%
Base Minimum Rent per Sq. Ft. (1)	$41.41	$39.99	3.6%
Releasing Spread per Sq. Ft. (1)(3)	$7.49	$4.77	+ $2.72
Releasing Spread (Percentage Change) (1)(3)	14.1%	10.0%	+ 410 basis points

(1)	Represents mall stores in Malls and all owned square footage in Premium Outlets.
(2)	Rolling 12-month sales per square foot for mall stores less than 10,000 square feet in Malls and all owned square footage in Premium Outlets.
(3)	Same space measure that compares opening and closing rates on individual spaces leased during trailing 12-month period.

Dividends

Today the Company announced that the Board of Directors declared a quarterly common stock dividend of $1.15 per share. The dividend is payable on August 30, 2013 to stockholders of record on August 16, 2013.

The Company 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, 2013 to stockholders of record on September 16, 2013.

Acquisition and Disposition Activity

The Company completed several transactions during the quarter:

- May 7th —Sold Laguna Hills Mall in Laguna Hills, California for $110 million.
- May 30th —Acquired an existing outlet shopping center in Woodburn, Oregon for $147 million. The 390,000 square foot center serving the Portland metropolitan area is home to 110 leading designer and name brand outlet stores and has been rebranded Woodburn Premium Outlets. The center is 99% occupied and generates sales in excess of $600 per square foot.
- June —Announced the signing of a definitive agreement to form a joint venture to invest in certain assets of McArthurGlen, the leader in upscale, European designer outlet centers. The Company also became a partner in McArthurGlen's property management and development companies.

Development Activity

Two new Premium Outlets opened during the quarter:

- Phoenix Premium Outlets opened on April 4th. The center serves the greater Phoenix and Scottsdale areas and is located in Chandler, Arizona on Interstate 10. Phase I of the project is 100% leased and is comprised of 360,000 square feet with 90 outlet stores featuring high-quality designer and name brands. The Company owns 100% of Phoenix Premium Outlets.
- Shisui Premium Outlets opened on April 19th. The property is located approximately 40 miles from the center of Tokyo, near Narita International Airport. Phase I of the project is 100% leased and is comprised of 235,000 square feet with 120 stores featuring a mix of international brands, Japanese brands and restaurants. The Company owns a 40% interest in this project, its ninth Premium Outlet Center in Japan.

Three new Premium Outlets are scheduled to open next month:

- August 1st —Toronto Premium Outlets in Halton Hills (Toronto), Canada is a 360,000 square foot center that will house over 100 high quality outlet stores. The center will be the Canadian entry point for many upscale, U.S. retailers and designer brands and is 98% leased. The Company owns a 50% interest in this project.
- August 22nd —St. Louis Premium Outlets in Chesterfield (St. Louis), Missouri is located on the south side of I-64/US Highway 40 east of the Daniel Boone Bridge. The center's first phase of 350,000 square feet with 85 stores is 100% leased. St. Louis Premium Outlets is a part of Chesterfield Blue Valley, a mixed-use development to include office space, hotel, restaurant and entertainment venues. The Company owns a 60% interest in the project.
- August 29th —Busan Premium Outlets in Busan, Korea is a 340,000 square foot center that will serve southeastern Korea, including the cities of Busan, Ulsan and Daegu, as well as local and overseas visitors. The center is 99% leased. The Company owns a 50% interest in this project, which will be its third Premium Outlet Center in Korea.

Construction commenced during the second quarter at Premium Outlets™Montreal, located in the town of Mirabel, Quebec, 24 miles northwest of Montreal. The first phase of the planned 360,000 square foot center will open in October of 2014. The Company owns a 50% interest in this project, a joint venture with Calloway Real Estate Investment Trust and SmartCentres.

Redevelopment and expansion projects, including the addition of anchors and big box tenants, are underway at more than 40 properties in the U.S. and Asia. The Company's share of the cost of these projects is approximately $1 billion. During the second quarter of 2013, significant projects were completed at Dadeland Mall, Paju Premium Outlets, Seattle Premium Outlets and Sawgrass Mills.

Financing Activity

On May 16th, Standard & Poor's Ratings Services raised its corporate credit ratings on Simon Property Group, Inc. and Simon Property Group, L.P. (the Company's majority-owned operating partnership subsidiary) to 'A' from 'A-'. Senior unsecured debt ratings were increased to 'A' from 'A-' and preferred stock ratings were increased to 'BBB+' from 'BBB'. The outlook is stable.

The Company has been active in the debt markets in 2013, closing or locking rates on 17 new loans totaling approximately $2.4 billion, of which SPG's share is $1.7 billion. The weighted average interest rate on these new loans is 2.96% and the weighted average term is 8.1 years.

2013 Guidance

Today the Company updated and raised its guidance for 2013, estimating that FFO will be within a range of $8.60 to $8.70 per diluted share for the year ending December 31, 2013, and net income will be within a range of $3.98 to $4.08 per diluted share. This represents an increase of $0.10 per diluted share for both the low and high end of the ranges provided on April 26, 2013.

The following table provides the reconciliation of the ranges of estimated diluted net income available to common stockholders per share to estimated diluted FFO per share.

For the year ending December 31, 2013		
	Low	High
	End	End
Estimated net income available to common stockholders per diluted share	$3.98	$4.08
Depreciation and amortization including the Company's share of unconsolidated entities	4.87	4.87
Gain upon acquisition of controlling interests, sale or disposal of assets and interests in unconsolidated entities, net	(0.25)	(0.25)
Estimated FFO per diluted share	$8.60	$8.70

Conference Call

The Company will provide streaming audio of its quarterly conference call at www.simon.com (Investors tab), www.earnings.com, and www.streetevents.com. To listen to the live call, please go to any of these websites at least fifteen minutes prior to the call to register, download and install any necessary audio software. The call will begin at 11:00 a.m. Eastern Time (New York time) today, July 29, 2013. An online replay will be available for approximately 90 days at www.simon.com, www.earnings.com, and www.streetevents.com. A fully searchable podcast of the conference call will also be available at www.REITcafe.com.

Supplemental Materials and Website

The Company has prepared a supplemental information package which is available at www.simon.com in the Investors section, Financial Information tab. It has also been furnished to the SEC as part of a current report on Form 8-K. If you wish to receive a copy via mail or email, please call 800-461-3439.

We routinely post important information for investors on our website, www.simon.com, in the "Investors" section. We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investor Relations section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be 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 and comparable property net operating income growth, which are financial performance measures not defined by accounting principles generally accepted in the United States ("GAAP"). Reconciliations of these measures to the most directly comparable GAAP measures are included within this press release or the Company's supplemental information package. FFO and comparable property net operating income growth are financial performance measures widely used in the REIT industry. Our computation 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 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 Company's ability to meet debt service requirements, the availability and terms of financing, changes in the Company's credit rating, changes in market rates of interest and foreign exchange rates for foreign currencies, changes in value of investments in foreign entities, the ability to hedge interest rate and currency risk, risks associated with the acquisition, development, expansion, leasing and management of properties, general risks related to retail real estate, the liquidity of real estate investments, environmental liabilities, international, national, regional and local economic climates, 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, costs of common area maintenance, intensely competitive market environment in the retail industry, risks related to international activities, insurance costs and coverage, terrorist activities, changes in economic and market conditions and maintenance of our status as a real estate investment trust. 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 its periodic reports, but otherwise 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.

Simon Property Group

Simon Property Group, Inc. (NYSE:SPG) is an S&P 100 company and a leader in the global retail real estate industry. The Company currently owns or has an interest in 325 retail real estate properties in North America and Asia comprising 241 million square feet. We are headquartered in Indianapolis, Indiana and employ approximately 5,500 people in the U.S. For more information, visit the Simon Property Group website at www.simon.com.

Simon Property Group, Inc. and Subsidiaries

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,	
	2013	2012	2013	2012
REVENUE:				
Minimum rent	**$ 778,159**	$ 746,198	**$ 1,556,066**	$ 1,448,295
Overage rent	**40,248**	31,427	**77,947**	59,107
Tenant reimbursements	**353,163**	330,470	**692,132**	636,857
Management fees and other revenues	**31,814**	28,347	**61,543**	60,634
Other income	**33,179**	51,624	**63,933**	102,142
Total revenue	**1,236,563**	1,188,066	**2,451,621**	2,307,035
EXPENSES:				

Property operating	**117,479**	116,018	**227,388**	220,758	
Depreciation and amortization	**318,638**	311,863	**635,272**	596,972	
Real estate taxes	**109,409**	106,777	**219,114**	205,479	
Repairs and maintenance	**27,107**	26,665	**56,832**	52,307	
Advertising and promotion	**29,360**	28,549	**50,619**	49,648	
(Recovery of) provision for credit losses	**(1,301)**	2,906	**1,433**	6,451	
Home and regional office costs	**36,956**	35,104	**71,850**	67,962	
General and administrative	**15,421**	14,733	**29,930**	28,622	
Other	**18,604**	21,124	**36,605**	37,788	
Total operating expenses	**671,673**	663,739	**1,329,043**	1,265,987	
OPERATING INCOME	**564,890**	524,327	**1,122,578**	1,041,048	
Interest expense	**(279,966)**	(288,560)	**(564,991)**	(546,636)	
Income and other taxes	**(8,983)**	(3,963)	**(22,176)**	(5,968)	
Income from unconsolidated entities	**56,516**	29,132	**110,747**	59,484	
Gain upon acquisition of controlling interests, sale or disposal of assets and interests in unconsolidated entities, and impairment charge on investment in unconsolidated entities, net	**68,068**	-	**88,835**	494,837	(A)
CONSOLIDATED NET INCOME	**400,525**	260,936	**734,993**	1,042,765	
Net income attributable to noncontrolling interests	**59,755**	44,657	**110,250**	180,241	
Preferred dividends	**834**	834	**1,669**	1,669	
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	**$ 339,936**	$ 215,445	**$ 623,074**	$ 860,855	
BASIC EARNINGS PER COMMON SHARE:					
Net income attributable to common stockholders	**$ 1.10**	$ 0.71	**$ 2.01**	$ 2.87	
DILUTED EARNINGS PER COMMON SHARE:					

Net income attributable to common stockholders	**$ 1.10**	$ 0.71	**$ 2.01**	$ 2.87

Simon Property Group, Inc. and Subsidiaries

Unaudited Consolidated Balance Sheets

(Dollars in thousands, except share amounts)

	June 30, 2013	**December 31, 2012**
ASSETS:		
Investment properties at cost	**$ 34,636,100**	$ 34,252,521
Less - accumulated depreciation	**9,544,943**	9,068,388
	25,091,157	25,184,133
Cash and cash equivalents	**1,095,829**	1,184,518
Tenant receivables and accrued revenue, net	**491,388**	521,301
Investment in unconsolidated entities, at equity	**1,958,503**	2,108,966
Investment in Klepierre, at equity	**1,903,839**	2,016,954
Deferred costs and other assets	**1,474,421**	1,570,734
Total assets	**$ 32,015,137**	$ 32,586,606
LIABILITIES:		
Mortgages and unsecured indebtedness	**$ 22,687,622**	$ 23,113,007
Accounts payable, accrued expenses, intangibles, and deferred revenues	**1,273,211**	1,374,172
Cash distributions and losses in partnerships and joint ventures, at equity	**836,265**	724,744
Other liabilities	**231,774**	303,588
Total liabilities	**25,028,872**	25,515,511
Commitments and contingencies		
Limited partners' preferred interest in the Operating Partnership and noncontrolling		

redeemable interests in properties	**180,018**	178,006
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	**44,554**	44,719
Common stock, $ 0.0001 par value, 511,990,000 shares authorized, 313,977,706		
and 313,658,419 issued and outstanding, respectively	**31**	31
Class B common stock, $ 0.0001 par value, 10,000 shares authorized, 8,000		
issued and outstanding	**-**	-
Capital in excess of par value	**9,184,788**	9,175,724
Accumulated deficit	**(3,174,266)**	(3,083,190)
Accumulated other comprehensive loss	**(102,327)**	(90,900)
Common stock held in treasury at cost, 3,651,580 and 3,762,595 shares, respectively	**(118,031)**	(135,781)
Total stockholders' equity	**5,834,749**	5,910,603
Noncontrolling interests	**971,498**	982,486
Total equity	**6,806,247**	6,893,089
Total liabilities and equity	**$ 32,015,137**	$ 32,586,606

Simon Property Group, Inc. and Subsidiaries

Unaudited Joint Venture Statements of Operations

(Dollars in thousands)

	For the Three Months	For the Six Months

	Ended June 30,		Ended June 30,	
	2013	**2012**	**2013**	**2012**
Revenue:				
Minimum rent	**$ 399,391**	$ 363,541	**$ 793,544**	$ 721,517
Overage rent	**40,014**	36,064	**87,781**	84,620
Tenant reimbursements	**187,151**	165,623	**371,550**	332,153
Other income	**39,528**	36,597	**81,602**	86,934
Total revenue	**666,084**	601,825	**1,334,477**	1,225,224
Operating Expenses:				
Property operating	**123,296**	111,967	**239,165**	226,801
Depreciation and amortization	**126,701**	122,475	**254,386**	249,453
Real estate taxes	**50,072**	42,450	**104,778**	87,550
Repairs and maintenance	**16,339**	15,427	**32,503**	29,851
Advertising and promotion	**14,103**	12,688	**30,023**	27,895
Provision for (recovery of) credit losses	**336**	(793)	**1,580**	399
Other	**36,496**	38,549	**72,181**	92,043
Total operating expenses	**367,343**	342,763	**734,616**	713,992
Operating Income	**298,741**	259,062	**599,861**	511,232
Interest expense	**(154,508)**	(148,980)	**(301,994)**	(302,690)
Income from Continuing Operations	**144,233**	110,082	**297,867**	208,542
Loss from operations of discontinued joint venture interests	**(26)**	(5,280)	**(346)**	(18,791)
Gain on disposal of discontinued operations, net	**18,356**	-	**18,356**	-
Net Income	**$ 162,563**	$ 104,802	**$ 315,877**	$ 189,751
Third-Party Investors' Share of Net Income	**$ 94,949**	$ 56,787	**$ 178,715**	$ 96,800
Our Share of Net Income	**$ 67,614**	$ 48,015	**$ 137,162**	$ 92,951

Amortization of Excess Investment (B)	**(24,853)**	(18,749)	**(49,682)**	(33,333)
Income from Unconsolidated Entities (C)	**$ 42,761**	$ 29,266	**$ 87,480**	$ 59,618

Note: The above financial presentation does not include any information related to our investment in Klepierre S.A. ("Klepierre").

For additional information, see footnote C.

Simon Property Group, Inc. and Subsidiaries

Unaudited Joint Venture Balance Sheets

(Dollars in thousands)

	June 30, 2013	**December 31, 2012**
Assets:		
Investment properties, at cost	**$ 14,621,714**	$ 14,607,291
Less - accumulated depreciation	**5,027,179**	4,926,511
	9,594,535	9,680,780
Cash and cash equivalents	**551,059**	619,546
Tenant receivables and accrued revenue, net	**225,178**	252,774
Investment in unconsolidated entities, at equity	**38,958**	39,589
Deferred costs and other assets	**707,343**	438,399
Total assets	**$ 11,117,073**	$ 11,031,088
Liabilities and Partners' Deficit:		
Mortgages	**$ 11,964,864**	$ 11,584,863
Accounts payable, accrued expenses, intangibles, and deferred revenue	**596,283**	672,483
Other liabilities	**657,205**	447,132
Total liabilities	**13,218,352**	12,704,478

Preferred units	**67,450**	67,450
Partners' deficit	**(2,168,729)**	(1,740,840)
Total liabilities and partners' deficit	**$ 11,117,073**	$ 11,031,088

Our Share of:

Partners' deficit	**$ (992,395)**	$ (799,911)
Add: Excess Investment (B)	**2,114,633**	2,184,133
Our net Investment in Joint Ventures	**$ 1,122,238**	$ 1,384,222

Note: The above financial presentation does not include any information related to our investment in Klepierre.

For additional information, see footnote C.

Simon Property Group, Inc. and Subsidiaries

Unaudited Reconciliation of Non-GAAP Financial Measures (D)

(Amounts in thousands, except per share amounts)

Reconciliation of Consolidated Net Income to FFO

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2013	**2012**	**2013**	**2012**
Consolidated Net Income (E)	**$ 400,525**	$ 260,936	**$ 734,993**	$ 1,042,765
Adjustments to Arrive at FFO:				
Depreciation and amortization from consolidated properties	**314,622**	308,186	**627,207**	589,536
Our share of depreciation and amortization from unconsolidated entities, including Klepierre	**124,828**	124,989	**246,377**	211,130

Gain upon acquisition of controlling interests, sale or disposal of assets and interests in unconsolidated entities, and impairment charge on investment in unconsolidated entities, net	**(68,068)**	-	**(88,835)**	(494,837)
Net income attributable to noncontrolling interest holders in properties	**(2,097)**	(1,855)	**(4,558)**	(3,963)
Noncontrolling interests portion of depreciation and amortization	**(2,204)**	(2,174)	**(4,377)**	(4,582)
Preferred distributions and dividends	**(1,313)**	(1,313)	**(2,626)**	(2,627)
FFO of the Operating Partnership	**$ 766,293**	$ 688,769	**$ 1,508,181**	$ 1,337,422
Diluted net income per share to diluted FFO per share reconciliation:				
Diluted net income per share	**$ 1.10**	$ 0.71	**$ 2.01**	$ 2.87
Depreciation and amortization from consolidated properties and our share of depreciation and amortization from unconsolidated entities, including Klepierre, net of noncontrolling interests portion of depreciation and amortization	**1.20**	1.18	**2.40**	2.21
Gain upon acquisition of controlling interests, sale or disposal of assets and interests in unconsolidated entities, and impairment charge on investment in unconsolidated entities, net	**(0.19)**	-	**(0.25)**	(1.37)
Diluted FFO per share	**$ 2.11**	$ 1.89	**$ 4.16**	$ 3.71
Details for per share calculations:				
FFO of the Operating Partnership	**$ 766,293**	$ 688,769	**$ 1,508,181**	$ 1,337,422
Diluted FFO allocable to unitholders	**(110,346)**	(115,421)	**(217,034)**	(226,290)
Diluted FFO allocable to common stockholders	**$ 655,947**	$ 573,348	**$ 1,291,147**	$ 1,111,132
Basic weighted average shares outstanding	**310,261**	303,252	**310,125**	299,473
Adjustments for dilution calculation:				
Effect of stock options	**-**	1	**-**	1
Diluted weighted average shares outstanding	**310,261**	303,253	**310,125**	299,474

Weighted average limited partnership units outstanding	**52,194**	61,048	**52,130**	60,990
Diluted weighted average shares and units outstanding	**362,455**	364,301	**362,255**	360,464
Basic FFO per Share	**$ 2.11**	$ 1.89	**$ 4.16**	$ 3.71
Percent Change	**11.6%**		**12.1%**	
Diluted FFO per Share	**$ 2.11**	$ 1.89	**$ 4.16**	$ 3.71
Percent Change	**11.6%**		**12.1%**	

Simon Property Group, Inc. and Subsidiaries

Footnotes to Unaudited Reconciliation of Non-GAAP Financial Measures

Notes:

(A) 2012 primarily represents non-cash gains resulting from our acquisition/disposition activity and the remeasurement of our previously held interest to fair value for those properties in which we now have a controlling interest.

(B) 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 properties.

(C) The Unaudited Joint Venture Statements of Operations do not include any operations or our share of net income or excess investment amortization related to our investment in Klepierre. Amounts included in Footnotes E below exclude our share of related activity for our investment in Klepierre. For further information, reference should be made to financial information in Klepierre's public filings and additional discussion and analysis in our Form 10-Q.

(D) 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"). 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 sales or disposals of, or any impairment charges related to, previously depreciated 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.

We have adopted NAREIT's clarification of the definition of FFO that requires it 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 or disposal of, or any impairment charges relating to, previously depreciated retail 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 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.

(E) Includes our share of:

- Gains on land sales of $0.8 million and $6.6 million for the three months ended June 30, 2013 and 2012, respectively, and $1.2 million and $9.8 million for the six months ended June 30, 2013 and 2012, respectively

- Straight-line adjustments to minimum rent of $13.3 million and $11.4 million for the three months ended June 30, 2013 and 2012, respectively, and $26.1 million and $20.2 million for the six months ended June 30, 2013 and 2012, respectively

- Amortization of fair market value of leases from acquisitions of $5.6 million for the three months ended June 30, 2013 and 2012, and $16.3 million and $10.7 million for the six months ended June 30, 2013 and 2012, respectively

- Debt premium amortization of $11.3 million and $13.4 million for the three months ended June 30, 2013 and 2012, respectively, and $22.2 million and $20.1 million for the six months ended June 30, 2013 and 2012, respectively.

SOURCE Simon Property Group, Inc.

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