Simon Property Group Announces Two Strategic Acquisitions, Strengthening Domestic and International Footprint

March 8, 2012

Acquires 28.7% Interest in Leading European Mall Owner and Operator Klépierre from BNP Paribas

Acquires Joint Venture Partner Farallon Capital's Stake in 26 Mills Assets

Both Transactions Expected to be Immediately Accretive to FFO; SPG Increases 2012 FFO and Net Income Guidance

INDIANAPOLIS--(BUSINESS WIRE)--Mar. 8, 2012-- Simon Property Group, Inc. (NYSE: SPG) ("SPG") today announced that it has signed a definitive agreement under which it is acquiring a 28.7% equity stake (54,430,000 shares) in Klépierre (Euronext Paris: LI) from BNP Paribas (Euronext Paris: BNP) for €28.00 per share, or a total transaction value of approximately $2.0 billion (€1.5 billion). SPG will receive payment of Klépierre's dividend to be declared in April 2012. Klépierre is a Paris-based real estate company that focuses on the ownership, management, and development of shopping centers, retail properties and offices across Continental Europe. Klépierre's portfolio includes 271 shopping centers in 13 countries, with 50 percent of its properties in France and Belgium, 25 percent in Scandinavia, and the balance in Central and Southern Europe.

David Simon, Chairman and Chief Executive Officer of SPG, said, "We are very excited to become the largest shareholder in Klépierre, which has a collection of unique retail assets in strong markets in Europe. The investment in Klépierre represents an attractive opportunity for SPG as we seek to broaden our global footprint. We have long been admirers of Klépierre, its pan-European footprint and growth potential, and we look forward to working closely with the Klépierre management team."

As part of the Klépierre transaction, Mr. Simon will become the Chairman of Klépierre's nine member Supervisory Board. Two additional SPG representatives will join the Klépierre Board as well.

Laurent Morel, Chief Executive Officer of Klépierre, commented, "We are very enthusiastic to have Simon Property Group as a significant investor in Klépierre, which will combine Klépierre's expertise, strong European presence and development potential with the expertise and leadership of the largest global retail real estate company. Simon's collaboration with the Klépierre team will be a significant asset in driving the profitable growth of our company."

Klépierre, a listed real estate company, held assets valued at €16.2 billion at December 31, 2011. Klépierre specializes in designing, managing, and enhancing the value of its real estate assets via its subsidiaries, Ségécé and Steen & Strøm, Scandinavia's number one owner and manager of shopping centers. Klépierre is listed on Euronext Paris™ and belongs to the SBF 40, CAC Large 60, and EPRA Eurozone indexes.

The Klépierre transaction is expected to close next week. SPG has no current intention to acquire additional shares of Klépierre.

SPG also announced today that it has signed a definitive agreement with its joint venture partner Farallon Capital Management, L.L.C. ("Farallon") under which SPG is acquiring Farallon's stake in 26 assets of The Mills Limited Partnership ("The Mills") in a transaction valued at $1.5 billion, which includes repayment of The Mills' senior loan facility and mezzanine loan, and the retirement of preferred stock. The Mills assets included in this transaction, all of which will continue to be managed by SPG, are listed below.

Mr. Simon added, "The Mills transaction is a compelling opportunity for SPG to expand our investment in a portfolio of assets we know well and already manage, which are well-located in key metropolitan markets, have considerable consumer brand equity and large trade areas, and generate significant cash flow and total sales volumes. We were pleased to have partnered with Farallon since our initial investment in 2007, and we have made significant progress improving The Mills' assets. We look forward to a continued strengthening of these high-quality, well-positioned properties, and will continue to pursue redevelopment opportunities throughout this portfolio."

Rocky Fried, Managing Member of Farallon, said "We are extremely gratified by this outcome. When we entered into the transaction in 2007, we had a shared vision for The Mills properties and brand and Simon Property Group did an exceptional job of accomplishing those goals, despite a historic downturn in the property markets. We know that under Simon's continued stewardship, The Mills will continue to prosper."

The Mills assets included in the transaction are:

	Total	Incremental Interest Being	Ownership Interest Post

Property Name	City (CBSA)	State	Square Feet	Acquired	Transaction
The Mills®					
Arizona Mills	Tempe (Phoenix)	AZ	1,253,037	25.0%	50.0%
Arundel Mills	Hanover (Baltimore)	MD	1,566,033	29.6%	59.2%
Colorado Mills	Lakewood (Denver)	CO	1,097,757	18.8%	37.6%
Concord Mills	Concord (Charlotte)	NC	1,334,264	29.6%	59.2%
Grapevine Mills	Grapevine (Dallas)	TX	1,777,336	29.6%	59.2%
Great Mall	Milpitas (San Jose)	CA	1,361,692	50.0%	100.0%
Gurnee Mills	Gurnee (Chicago)	IL	1,782,927	50.0%	100.0%
Katy Mills	Katy (Houston)	TX	1,555,948	31.3%	62.6%
Ontario Mills	Ontario (Riverside)	CA	1,463,988	25.0%	50.0%
Opry Mills	Nashville	TN	1,159,953	50.0%	100.0%
The Outlets at Orange	Orange (Los Angeles)	CA	723,495	25.0%	50.0%
Potomac Mills	Woodbridge (Washington, D.C.)	VA	1,518,937	50.0%	100.0%
Sawgrass Mills	Sunrise (Miami)	FL	2,151,121	50.0%	100.0%
Regional Malls					
Briarwood Mall	Ann Arbor	MI	973,601	25.0%	50.0%
Dover Mall and Dover Commons	Dover	DE	886,258	34.1%	68.2%
The Falls	Miami	FL	807,365	25.0%	50.0%
The Mall at Tuttle Crossing	Dublin (Columbus)	OH	1,121,351	25.0%	50.0%
Meadowood Mall	Reno	NV	876,847	25.0%	50.0%
The Shops at Riverside	Hackensack (New York)	NJ	769,146	50.0%	100.0%
Southdale Center	Edina (Minneapolis)	MN	1,302,787	50.0%	100.0%
Southridge Mall	Greendale (Milwaukee)	WI	1,167,416	50.0%	100.0%
Stoneridge Shopping Center	Pleasanton (San Francisco)	CA	1,300,563	25.0%	50.0%
Town Center at Cobb	Kennesaw (Atlanta)	GA	1,281,560	25.0%	100.0%
Community Centers					
Arundel Mills Marketplace	Hanover (Baltimore)	MD	101,535	29.6%	59.2%
Concord Mills Marketplace	Concord (Charlotte)	NC	230,683	50.0%	100.0%
Denver West Village	Lakewood (Denver)	CO	310,709	18.8%	37.6%

Mr. Simon concluded, “Both of these transactions represent attractive growth opportunities for SPG. They significantly bolster SPG’s footprint and advance the strategy of investing in high-quality retail real estate and increasing our presence in growing markets domestically and around the world. Importantly, the Klépierre and Mills transactions are each expected to be immediately accretive to FFO.”

The company has sufficient cash on hand and current available capacity on its existing credit facilities to fund these transactions.

Lazard, J.P. Morgan Securities LLC and Goldman, Sachs & Co. are serving as financial advisors to SPG on the Klépierre transaction. Bank of America Merrill Lynch is serving as financial advisor to SPG on The Mills transaction.

2012 Guidance

On February 3, 2012, the Company initially provided FFO guidance with an estimate of FFO within a range of $7.20 to $7.30 per diluted share. After giving effect to the transactions announced today, the Company is revising its guidance for 2012, estimating that FFO will be within a range of $7.35 to $7.50 per diluted share for the year ending December 31, 2012, and diluted net income will be within a range of $2.83 to $2.98 per share.

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

For the year ending December 31, 2012

	Low	High

	End	End
Estimated diluted net income available to common stockholders per share	$ 2.83	$ 2.98
Gain on sale of interest in GCI	(0.08)	(0.08)
Depreciation and amortization including the Company's share of joint ventures	4.60	4.60
Estimated diluted FFO per share	$ 7.35	$ 7.50

This guidance is a forward-looking statement and is subject to the risks and other factors described elsewhere in this release.

About Simon Property Group

Simon Property Group, Inc. is an S&P 500 company and the largest real estate company in the world. The Company currently owns or has an interest in 337 retail real estate properties comprising 245 million square feet in North America and Asia. Simon Property Group is headquartered in Indianapolis, Indiana and employs more than 5,000 people worldwide. The Company's common stock is publicly traded on the NYSE under the symbol SPG. For further information, visit the Simon Property Group website at www.simon.com.

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 our 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 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.

Source: Simon Property Group, Inc.

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