# Simon Property Group Offers to Invest $2.5 Billion in General Growth Reorganization Plan at Same Per Share Price as Existing Brookfield-Sponsored Proposal

April 14, 2010

**--Superior Proposal Would Eliminate Equity Dilution from Warrants --Paulson & Co. Agrees to $1 Billion Co-Investment**

INDIANAPOLIS, April 14, 2010 /PRNewswire via COMTEX/ --Simon Property Group, Inc. (NYSE: SPG) ("SPG") today sent a letter to General Growth Properties, Inc. (NYSE: GGP) ("GGP") offering to invest $2.5 billion in a General Growth reorganization at the same per share price as the plan of reorganization sponsored by Brookfield Asset Management. SPG's proposal is substantially more favorable to GGP and its equityholders than the currently proposed plan of reorganization because it would eliminate the highly dilutive warrants that GGP proposes to issue to Brookfield, Pershing Square and Fairholme Capital. SPG's proposal also includes a $1 billion co-investment commitment by Paulson & Co.

Following is the text of the letter sent today by Simon Property Group to General Growth:

April 14, 2010

Mr. Adam Metz

Chief Executive Officer

General Growth Properties, Inc.

110 North Wacker Drive

Chicago, Illinois 60606

Dear Adam:

This will formally confirm that Simon Property Group is prepared to participate in the recapitalization of General Growth Properties in the same format as the proposed plan of reorganization sponsored by Brookfield Asset Management, but on a basis very substantially more favorable to GGP and its equityholders, as outlined below.

***Consideration***.Simon would acquire 250,000,000 shares of common stock in GGP for $2.5 billion in the aggregate, or $10.00 per share, the same amount as Brookfield would acquire, at the same price, pursuant to its Cornerstone Investment Agreement. Simon would also backstop the GGO rights offering as contemplated in the Brookfield sponsored recapitalization, and would otherwise enter into agreements on the same basis as Brookfield with respect to the recapitalization of GGP and the spin-off of GGO, subject to the adjustments for the benefit of GGP outlined herein.

***Warrants***. Simon would not receive <u>any</u> warrants or similar payment or fees in respect of its commitment to invest in GGP, either on an interim basis, or as part of the post-reorganization consideration to be issued to Simon in respect of its investment. GGP's equityholders would accordingly not suffer the dilution contemplated by the Brookfield investment, and their ongoing interest in GGP would be substantially more valuable. We estimate that this benefit could be at least $895 million, or $2.75 per share based on today's share count.

***Governance****.* In order to ensure that GGP remains an independent company for all regulatory purposes and avoid the interposition of any challenge to the proposed transaction, Simon is prepared to agree to the limits on its governance rights described in Annex A. These governance mechanisms - which you and your counsel should find familiar from other similar situations - will obviate any possible concern about Simon exercising inappropriate or unreasonable influence over the reorganized GGP. Our counsel are of course prepared to discuss these matters with yours.

***Co-Investors***. If Pershing Square and Fairholme will agree to amend their investment agreements with GGP to forego the warrants currently contemplated by those agreements, Simon would welcome them as co-investors in GGP's recapitalization. However, a number of alternative sources of capital are interested in co-investing in GGP with Simon, on such terms, in their stead. Pursuant to the attached letter from Paulson & Co. Inc., Paulson is prepared to co-invest at least $1 billion with Simon in connection with a Simon sponsored recapitalization of GGP. In order to ensure the success of GGP's recapitalization, in addition to working with GGP to negotiate and finalize the revised Pershing Square and Fairholme co-investment commitments or replacements thereof, Simon will itself fully backstop the entire amount of such co-investment commitments, without any warrants, as well as backstopping an additional $125 million investment in GGO as Pershing Square and Fairholme are currently contemplated to do. However, it is not Simon's intent to gain control of GGP pursuant to this backstop obligation, and, as set forth on Annex A, Simon would agree not only to seek the disposition of any shares issued with respect to its backup commitment as promptly as practicable, but also to the effective sterilization of such interest for voting and control purposes prior to such disposition. Simon's voting interest in GGP would generally be limited to 20% of the outstanding shares.

***No Financing or Other Contingencies***. There will be no financing condition whatsoever to Simon's obligations to close the transaction. Simon, which has an equity market capitalization in excess of $27 billion, $3.5 billion of available cash on its balance sheet, and $3.3 billion of available borrowing capacity under its revolving credit facility, and would be fully and immediately responsible for its commitment and backstop obligations, in distinction to Brookfield, which does not seem to have yet delivered an equity commitment to the shell subsidiary with which GGP contracted and seems to be entirely free to walk away from the agreed deal. Simon's investment would not be contingent on any vote of Simon shareholders, and Simon will not require any commitment or other fee in respect of its equity investment commitment in the recapitalization of GGP.

***Improvement to Brookfield Terms***. Except as specified herein, the terms of Simon's commitment to invest in GGP would be substantially identical to Brookfield's obligations pursuant to the Brookfield investment agreement and the other agreements contemplated thereby. Our proposed form of investment agreement is attached, along with a comparison to the Brookfield agreement.

If you are interested, we remain prepared to discuss with you instead an acquisition of GGP in a fully-financed transaction.

We look forward to hearing from you and to working together to consummate a transaction.

Very truly yours,

David Simon

Chairman of the Board and

Chief Executive Officer

cc: Board of Directors, General Growth Properties, Inc.

Official Committee of Equity Security Holders

Official Committee of Unsecured Creditors

Jackson Hsieh, UBS Investment Bank

**About Simon Property Group**

Simon Property Group, Inc. is an S&P 500 company and the largest real estate company in the U.S. The Company currently owns or has an interest in 381 properties comprising 260 million square feet of gross leasable area in North America, Europe 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.

**About Paulson & Co. Inc.**

Paulson & Co. Inc. is a New York-based investment management firm with approximately $32 billion under management across merger, event and credit strategies. One of Paulson & Co's core strategies is providing capital to companies as they emerge from bankruptcy so that they can operate with a deleveraged balance sheet allowing them to prosper in the future.

**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, competitive market forces, 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.