Simon Responds to Inferior and Highly Conditional General Growth Proposal

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INDIANAPOLIS, Feb 24, 2010 /PRNewswire via COMTEX/ -- Simon Property Group, Inc. (NYSE: SPG) today issued the following statement in response to the highly conditional recapitalization proposal announced by General Growth Properties, Inc. (OTC: GGWPQ.PK):

"General Growth's proposed recapitalization amounts to a risky equity play on the backs of its unsecured creditors. While continuing to block the immediate and certain 100% cash recovery provided by Simon's offer, General Growth has preempted its own self-proclaimed 'process' in favor of a highly speculative and risky plan to attempt to raise $5.8 billion of new capital in today's uncertain markets -- including $3.3 billion of dilutive new equity, $1 billion in asset sales and $1.5 billion in new debt -- on top of the approximately $28 billion it already owes. Simon is providing $10 billion of real value -- $3 billion to shareholders as well as $7 billion to creditors -- as compared to a complex piece of financial engineering that is so highly conditional as to be illusory."

Simon's offer is far superior to the General Growth proposal in many ways, including:

- **$9 billion of cash upfront vs.** the General Growth plan which offers only $2 billion in cash and the hope of additional cash down the road, subject to highly uncertain market conditions.
- **100% immediate and certain cash recovery to unsecured creditors vs.** the General Growth plan which would likely result in unsecured creditors receiving most of any recovery at some point down the road in the form of equity in a highly leveraged, capital constrained entity. In addition, the inevitable sale of shares by creditors who receive stock would put downward pressure on the value of General Growth shares.
- **Cash value to equity holders with no dilution vs.** the General Growth plan which would result in significant dilution of General Growth shareholders -- who would be left with two speculative equity securities that are likely to underperform.
- **Fully addresses claims of unsecured creditors vs.** General Growth's proposal which turns the bankruptcy process on its head by favoring equity holders at the expense of creditors.
- **No financing condition vs.** the combination of the massive required capital raising and asset sales in the General Growth plan which amount to a financing condition for the majority of potential cash recovery for creditors.
- **Potential for equity holders and certain creditors to elect SPG stock in lieu of cash, providing certainty and upside potential in an established equity security of an S&P 500 company that has historically outperformed.** Stakeholders who elect SPG stock will be investors in an entity that has enhanced growth prospects through superior management, synergies and access to capital to realize value creation.

About Simon Property Group

Simon Property Group, Inc. is an S&P 500 company and the largest public U.S. real estate company. Simon is a fully integrated real estate company which operates from five retail real estate platforms: regional malls, Premium Outlet Centers(R), The Mills(R), community/lifestyle centers and international properties. It currently owns or has an interest in 382 properties comprising 261 million square feet of gross leasable area in North America, Europe and Asia. The Company is headquartered in Indianapolis, Indiana and employs more than 5,000 people worldwide. Simon Property Group, Inc. is publicly traded on the NYSE under the symbol SPG. For further information, visit the Company's 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, 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.

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