



## Simon Property Group Sends Letter to General Growth Regarding Non-Disclosure Agreement

February 19, 2010

### Official Unsecured Creditor Committee Criticizes Terms of Agreement

INDIANAPOLIS, Feb 19, 2010 /PRNewswire via COMTEX/ -- Simon Property Group, Inc. (NYSE: SPG) today sent a letter to General Growth Properties, Inc. (OTC: GGWPQ.PK) in response to General Growth's comments to the form of non-disclosure agreement Simon Property Group delivered to General Growth at the meeting on February 8, 2010, at which Simon Property Group provided General Growth with a firm, fully financed \$10 billion offer.

The Official Committee of Unsecured Creditors of General Growth today issued a statement criticizing the excessively restrictive terms under which General Growth would agree to engage with Simon Property Group. The letter and statement appear below.

Following is the text of Simon's letter to General Growth:

February 19, 2010

Mr. Adam Metz

Chief Executive Officer

General Growth Properties, Inc.

110 North Wacker Drive

Chicago, Illinois 60606

Dear Adam,

Last night, we received General Growth's comments to the form of non-disclosure agreement that we delivered to you, with our signature attached, at the meeting on February 8, 2010 at which we provided you with our firm, fully financed \$10 billion offer. As you know, our offer provides immediate 100% cash recovery of par value plus accrued interest and dividends to all unsecured creditors, plus more than \$9.00 per share in value to shareholders.

General Growth's comments to the non-disclosure agreement are not constructive and make clear your apparent interest in precluding our offer from moving forward or being considered by your stakeholders. Specifically,

- Your draft would prohibit SPG from making any proposal to acquire General Growth without your prior approval. SPG has already made such a proposal, and our continued ability to do so is an important means of ensuring that you fulfill your stated commitment to act in the best interest of your stakeholders.
- Your draft would forbid SPG from disclosing any aspect of our communications with you - even the existence of the non-disclosure agreement itself - to the company's stakeholders, including the official committee of unsecured creditors of General Growth and the equity committee. We do not share your belief that your unsecured creditors, or other stakeholders, should be categorically precluded from information that may be useful to them as they seek the best recovery available to them.
- Your draft would prohibit SPG from speaking with, or reaching an agreement with, any third parties regarding a possible transaction involving General Growth or any of its assets or securities. As we have stated publicly, SPG already has engaged with potential co-investors, and we cannot - and should not - agree to any restriction on our ability to present the best offer to your stakeholders.
- Further, you have deleted language requiring General Growth to conduct your long-awaited strategic alternatives process in good faith, provide SPG with the same information made available to other interested parties, and to treat SPG on an equal footing with other interested parties. We see no justification for your inability to commit to playing by the same rules when it comes to SPG, especially since we are the only party to date that has come forth with a firm offer to provide your stakeholders with full, fair and immediate value.

This draft non-disclosure agreement is plainly inconsistent with General Growth's pledge in your February 18, 2009 letter to "explore all avenues to emerge from Chapter 11 and maximize value for all the Company's stakeholders." In light of the lack of interest General Growth has shown to date in engaging with us, SPG clearly cannot, and we will not, accede to terms that do not guarantee us fair treatment in your process and indeed seem to be intended specifically to sideline us, while you pursue discussions with other parties - as you have previously threatened to do - without engaging with us.

SPG has been seeking to engage with you since October, and your consistent refusal to do so raises serious questions about your ability to obtain the best result for your stakeholders. By continuing to request the unreasonable restrictions set forth in your proposed non-disclosure agreement, you render your "process" a charade from the start by seeking to exclude the most logical and capable acquiror. We urge you to reconsider the terms of your proposed non-disclosure agreement, and we remain willing to abide by the agreement that we delivered to you on February 8, 2010, and to immediately commence our confirmatory due diligence. We look forward to hearing from you promptly.

Very truly yours,

David Simon

Chairman of the Board and

Chief Executive Officer

cc: Official Committee of Unsecured Creditors

Following is the statement issued by The Official Committee of Unsecured Creditors of General Growth:

Michael Stamer, counsel for the Committee, said: "The terms of the non-disclosure agreement provided to Simon by General Growth are excessively restrictive and not in the best interest of the unsecured creditors and other stakeholders. We continue to believe that Simon's offer (or any other offer) to provide a full cash recovery to all unsecured creditors and substantial value for equity holders is an excellent result, and we strongly encourage General Growth to engage with Simon now on reasonable terms to bring this reorganization to a prompt and successful conclusion, and to run a fair process designed to produce maximum value in the minimum time for all stakeholders."

#### **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](http://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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