



Simon Property Group Sends Letter to General Growth Properties

February 17, 2010

INDIANAPOLIS, Feb 17, 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 letter on February 16, 2010 regarding Simon's \$10 billion offer to acquire General Growth.

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

February 17, 2010

Mr. Adam Metz

Chief Executive Officer

General Growth Properties, Inc.

110 North Wacker Drive

Chicago, Illinois 60606

Dear Adam,

We appreciate that you have responded to the written offer we made to you on February 8, 2010, but we are concerned by your letter of February 16, 2010.

It is simply wrong to characterize our offer as an "indication of interest." As you well know, we have made a firm, fully financed \$10 billion offer that 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. Our offer has no financing contingency and can be completed quickly. The credibility of Simon Property Group as an acquiror speaks for itself, no one has completed more mergers and acquisitions in the retail real estate industry.

Importantly, this is the only offer for General Growth which provides a full cash recovery for unsecured creditors while reducing risk and providing potential upside. It is far superior to any third-party proposal or stand-alone plan that would result from your "process." Proceeding expeditiously to complete our transaction would prevent an extended period of market risk for your stakeholders. In addition, our offer would remove the serious downside risks associated with a recapitalization, the value of which would be inherently uncertain and subject to future market conditions, even if a recapitalization could be secured.

Given the clear risks of pursuing an alternative plan, the current state of the retail industry and your company's past history of risky financial choices, your lack of urgency should deeply concern creditors and shareholders. Time is passing and General Growth is inappropriately speculating with creditors' money - the company's high leverage means not only that equity value could be destroyed by relatively small market movements, but that the value of the unsecured debt is also at risk. Accordingly, it is not surprising that the Official Committee of General Growth's Unsecured Creditors has publicly stated that it supports our offer and encourages you to engage with us promptly to allow our offer to be considered by your creditors and shareholders.

We have tried for many months to explore a transaction with you that would give creditors and shareholders an attractive and expeditious exit from your bankruptcy process and have been repeatedly put off. Time and again, serious engagement with us has been pushed off into some indefinite future when you might start to begin to commence a "process."

While you pay lip service to time being of the essence, the "process" outlined in your letter will take many months before a transaction could be agreed and made available to stakeholders. Our offer is fully financed and we are prepared to complete confirmatory due diligence within 30 days, during which time we are also prepared to negotiate and enter into a definitive agreement that will bring certainty to the closing of a transaction. We will promptly provide you a draft of such a definitive agreement and are prepared to meet with your advisors to complete its negotiation.

With respect to your equity holders, we do not believe there is any other party which can offer the value creation of a Simon-General Growth transaction. As you know, we are prepared to discuss offering Simon common equity instead of cash to those General Growth shareholders or unsecured creditors who would prefer to participate in the upside of owning Simon stock. While Simon equity is subject to market conditions, Simon is today -- and would be following any transaction -- a fortress of stability.

We are unwilling to waste our time and resources in a process not conducted on a level playing field, that is dragged out to provide an unfair advantage to any party, or that will serve any agenda other than maximizing return for General Growth's stakeholders -- while also minimizing the risk and uncertainty of needlessly extending the bankruptcy proceedings. Accordingly, we urge you not to pursue another proposal that you might receive, whether before or after the commencement of your process - as you threaten in your letter - without also substantively engaging with us. Regarding access to the data necessary for us to perform our confirmatory diligence, we are willing to agree to customary undertakings to preserve the confidentiality of such information. However, in light of your conduct to date, and for the reasons outlined above, we are not willing to agree to any restriction on our right to make proposals at any time or to otherwise speak freely, including to all of General Growth's stakeholders, or to agree to any other standstill or similar provision.

I want to reiterate that our offer is not open-ended, and we have a number of other opportunities under consideration. We sincerely hope you will engage seriously with us without further delay.

Very truly yours,

David Simon

Chairman of the Board and

Chief Executive Officer

cc: Official Committee of Unsecured Creditors

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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