Simon Property Group Makes $10 Billion Offer to Acquire General Growth Properties

February 16, 2010

--Offer Provides 100% Cash Recovery Plus Accrued Interest To All Unsecured Creditors; Would Accelerate General Growth's Emergence From Bankruptcy --General Growth Shareholders Would Receive Value Exceeding $9.00 Per Share, Including $6.00 Per Share In Cash Plus Assets Valued At More Than $3.00 Per Share, While Avoiding Likely Dilution From Stand-Alone Recapitalization --Offer Supported By General Growth's Official Unsecured Creditor Committee --Acquisition of General Growth Portfolio By Best In Class Operator Offers Significant Value-Creation Opportunity For Simon Shareholders

INDIANAPOLIS, Feb 16, 2010 /PRNewswire via COMTEX/ -- Simon Property Group, Inc. (NYSE: SPG) today announced that it has made a written offer to acquire General Growth Properties, Inc. (OTC Pink Sheets: GGWPQ) in a fully financed transaction valued at more than $10 billion, including approximately $9 billion in cash. The text of Simon's February 8, 2010 offer letter to General Growth, as well as a letter Simon sent today to General Growth, are below.

Simon's offer would provide a 100% cash recovery of par value plus accrued interest and dividends to all General Growth unsecured creditors, the holders of its trust preferred securities, the lenders under its credit facility, the holders of its Exchangeable Senior Notes and the holders of Rouse bonds, immediately upon the effectiveness of a definitive transaction agreement. This consideration to creditors totals approximately $7 billion.

General Growth shareholders would receive more than $9.00 per General Growth share, consisting of $6.00 per share in cash and a distribution of General Growth's ownership interest in the Master Planned Community assets valued by General Growth at more than $3.00 per share. Simon is also prepared to offer Simon common equity instead of the cash consideration, in whole or in part, as payment to those General Growth shareholders or creditors who would prefer to participate in the upside of owning stock in Simon. Under Simon's offer, the existing secured debt on General Growth's portfolio of assets would remain in place.

The Official Committee of General Growth's Unsecured Creditors has advised Simon that it supports the Simon offer, and encourages General Growth to engage with Simon promptly to allow the proposed transaction to be considered by General Growth's creditors and shareholders as soon as possible.

David Simon, Chairman and Chief Executive Officer, said, "Simon's offer provides the best possible outcome for all General Growth stakeholders. Simon is in the unique position of being able to offer General Growth creditors and shareholders full, fair and immediate value. Our offer provides much-needed certainty to conclude General Growth's protracted reorganization process. We are confident it is the best option for all General Growth constituencies and far superior to any other third-party proposal or stand-alone plan that could be completed."

Mr. Simon continued, "This acquisition also offers a compelling value-creation opportunity for Simon shareholders. Simon's strong track record of successfully completing large acquisitions and our history of delivering superior property-level performance ideally position Simon to create additional value with General Growth's portfolio."

Michael Stamer, counsel for the Official Committee of General Growth's Unsecured Creditors, said, "Full cash payment to all unsecured creditors and the substantial recovery for equity holders that Simon has proposed would be a great result. We fully support and encourage prompt engagement by the company with Simon."

The transaction is not subject to a financing condition and would be financed through Simon's cash on hand and through equity co-investments in the acquisition by strategic institutional investors, with the balance coming from Simon's existing credit facilities. Simon expects the transaction to be immediately accretive to its Funds From Operations in the first year after closing.

Simon's offer is subject to confirmatory due diligence, which it believes can be completed within 30 days, and customary proceedings in the General Growth bankruptcy process, including bankruptcy court and creditor approvals. The transaction is also subject to negotiation of a definitive transaction agreement between Simon and General Growth which would provide for reasonable certainty of closing. Simon believes this can be accomplished promptly, simultaneously with the completion of confirmatory due diligence.

Lazard Ltd., J.P. Morgan and Morgan Stanley are acting as financial advisors to Simon and Wachtell, Lipton, Rosen & Katz is serving as legal advisor.

Following is the text of Simon's February 8, 2010 offer letter to General Growth, as well as a letter Simon sent today to General Growth:

February 16, 2010

Board of Directors

General Growth Properties, Inc.

110 North Wacker Drive

Chicago, Illinois 60606

Ladies and Gentlemen:

It has now been more than a week since we met with your lead director, your CEO and your financial advisors and formally proposed to acquire GGP in a transaction that would provide a full cash recovery (par plus accrued interest and dividends) to GGP's unsecured creditors, the holders of its trust preferred securities, the lenders under the GGP credit facility, and the holders of Exchangeable Senior Notes, and in which holders of GGP common stock would receive both $6.00 per share in cash and all of GGP's ownership interests in the MPC assets, for a total value of more than $9.00 per GGP share. As we advised you, we are also willing to discuss consideration consisting (in whole or in part) of Simon common equity in lieu of the cash portion of the consideration to GGP's stockholders, and perhaps certain of its unsecured creditors, for those who would prefer to participate in the upside associated with owning Simon stock. As you also know, our transaction would not be subject to any financing contingency.

We have not received a substantive response to this offer from GGP or its advisors, nor any indication that you are prepared to enter into serious discussions so as to make our offer available to your shareholders and creditors. Accordingly, we are today making our offer public. The official committee of unsecured creditors of GGP strongly supports our offer and will encourage GGP to engage with Simon without delay, so as to allow our proposed transaction to be made available to GGP's creditors and shareholders, and GGP to achieve a prompt and successful conclusion to its reorganization proceedings. We urge you to instruct your management and financial and legal advisors to immediately engage seriously with us, so that GGP and its creditors and shareholders can obtain the benefit of our proposed transaction - which provides for full and fair payment to all constituencies, is not subject to an extended period of market risk or other unforeseeable contingencies, and does not entail dilution of GGP's existing equity interests - and GGP can achieve a prompt and successful conclusion to its reorganization proceedings.

As we have previously stated, our offer is not open-ended, particularly given the uncertain economic environment that exists today. We look forward to hearing from you forthwith and to working together to consummate a transaction.

Very truly yours,

David Simon

Chairman of the Board and

Chief Executive Officer

cc: Official Committee of Unsecured Creditors

February 8, 2010

Mr. Glenn Rufrano

Lead Director

and

Mr. Adam Metz

Chief Executive Officer

General Growth Properties, Inc.

110 North Wacker Drive

Chicago, Illinois 60606

Dear Glenn and Adam:

We are prepared to acquire General Growth Properties, Inc. ("GGP") in an all-cash transaction which will result in a favorable outcome for all of GGP's creditors and shareholders, and a prompt conclusion to GGP's reorganization proceedings. This letter is intended to provide you with the specifics of our proposal which are outlined below.

Consideration.Simon Property Group, L.P. ("Simon") would provide a full cash recovery (par plus accrued interest and dividends) to GGP's unsecured creditors, the holders of its trust preferred securities, the lenders under the GGP credit facility, and the holders of Exchangeable Senior Notes. Simon would also pay the holders of GGP common stock $6.00 per share in cash, and distribute to them all of GGP's ownership interests in the MPC assets. We are willing to discuss consideration consisting (in whole or in part) of Simon common equity in lieu of the cash portion of the consideration to GGP's stockholders, and perhaps certain of its unsecured creditors, for those who would prefer to participate in the upside associated with owning Simon stock.

We believe the current trading value of GGP's common already includes a takeover premium, and given its high percentage of insider ownership and the fact that the stock trades in an over-the-counter securities market, reflects a price that cannot be realized in a stand alone reorganization. Any reorganization has a highly uncertain outcome which can be achieved only after an extended period of time, while incurring considerable additional expense, and may result in significant dilution of the current equity holders to the extent creditor claims are satisfied through the issuance of additional equity and/or GGP is recapitalized with proceeds from the issuance of new equity.

No Financing Contingency. We have, or have access to, all of the financial resources required to consummate this transaction, and the transaction would not be subject to any financing contingency or condition.

Due Diligence. The terms described above are based on publicly available information and subject to confirmatory due diligence. We and our team of advisors have thoroughly analyzed GGP, its assets and the ongoing bankruptcy proceedings, based upon publicly available information, and we are prepared to proceed immediately to undertake and complete confirmatory due diligence and to enter into and consummate this transaction as promptly as possible. Simon has an unmatched track record of completing large and successful acquisitions, and we are prepared to commit the resources necessary to address all issues and finalize a mutually beneficial transaction between our two companies.

We are convinced that a transaction with Simon is superior to any proposal you may be contemplating. We trust that when considering our proposal, you will take into account the many benefits of having GGP's equity holders receive full and fair compensation for their interest versus the uncertain value in any other scenario. The fact that the proposal is all cash and pays unsecured creditors in full will bring certainty to the reorganization process and accelerate its completion which will have the added benefit of eliminating GGP's significant bankruptcy related expenses.

Our proposal is not open-ended, particularly given the uncertain economic environment that exists today. We look forward to hearing from you soon and working together to consummate a transaction.

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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