



Simon Property Group to Acquire Prime Outlets

December 8, 2009

INDIANAPOLIS, Dec. 8 /PRNewswire-FirstCall/ -- Simon Property Group, Inc. (NYSE: SPG) ("Simon") announced today that it has entered into a definitive agreement whereby Simon will acquire all of the outlet shopping center business of Prime Outlets Acquisition Company and certain of its affiliated entities ("Prime Outlets") in a transaction valued at approximately \$2.325 billion, including the assumption of Prime Outlets' existing indebtedness and preferred stock.

Under the terms of the agreement, Simon will pay equity consideration of approximately \$0.7 billion for the owners' interests in Prime Outlets. The equity consideration to Prime Outlets' owners will generally be comprised of 80% in cash and 20% in SPG common operating partnership units, which will be based on a ten day trading average of SPG common stock shortly before closing, subject to a 10% collar.

Prime Outlets is a leading owner, manager, operator and developer of outlet centers in the U.S. The Prime Outlets portfolio includes 22 high quality outlet centers located in major metropolitan markets such as Washington D.C., Baltimore, MD and San Antonio, TX and popular tourist destinations such as Orlando, FL and Williamsburg, VA. As of June 30, 2009, Prime Outlets' centers were 92% occupied and generated annual sales per square foot of approximately \$370.

Commenting on the transaction, David Simon, SPG Chairman and Chief Executive Officer, stated "Prime Outlets is an excellent opportunity for Simon as it represents a strong strategic fit for our existing Premium Outlet portfolio and enhances our leadership position in the outlet business. Following the completion of this transaction our outlet portfolio will have 63 centers comprising approximately 25 million square feet."

Simon expects the transaction to be immediately accretive to Funds from Operations.

Simon intends to fund the cash portion of the equity consideration using its existing sources of capital. Simon was advised in this transaction by UBS Investment Bank and JP Morgan and was represented by Fried, Frank, Harris, Shriver & Jacobson LLP.

The Prime Outlets portfolio is comprised of the following assets:

Prime Outlets Property Roster

Property	City / State	GLA (sq. ft.)
Prime Outlets Orlando	Orlando, FL	773,368
Prime Outlets Birch Run	Birch Run, MI	681,621
Prime Outlets San Marcos	San Marcos, TX	672,093
Prime Outlets Grove City	Grove City, PA	532,152
Prime Outlets Williamsburg	Williamsburg, VA	521,604
Prime Outlets Hagerstown	Hagerstown, MD	484,906
Prime Outlets Ellenton	Ellenton, FL	476,755
Prime Outlets Jeffersonville	Jeffersonville, OH	409,869
Prime Outlets Pleasant Prairie	Pleasant Prairie, WI	401,436
Prime Outlets St. Augustine	St. Augustine, FL	338,414
Prime Outlets Barceloneta	Barceloneta, PR	331,813
Prime Outlets Gaffney	Gaffney, SC	303,602
Prime Outlets Gulfport	Gulfport, MS	302,783
Prime Outlets Queenstown	Queenstown, MD	298,409
Prime Outlets Huntley	Huntley, IL	278,759
Prime Outlets Calhoun	Calhoun, GA	253,667
Prime Outlets Lebanon	Lebanon, TN	226,869
Prime Outlets Lee	Lee, MA	224,519
Prime Outlets Florida City	Florida City, FL	207,873
Outlet Marketplace	Orlando, FL	204,866
Prime Outlets Pismo Beach	Pismo Beach, CA	147,416
Prime Outlets Naples	Naples, FL	145,966
Total		8,218,760

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®, The Mills®, community/lifestyle centers and international properties. It currently owns or has an interest in 385 properties comprising 262 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.

SOURCE Simon Property Group, Inc.

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