

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 OR 15(d)  
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 10, 2020

**SIMON PROPERTY GROUP, INC.**  
**SIMON PROPERTY GROUP, L.P.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(Simon Property Group, Inc.)  
**Delaware**  
(Simon Property Group, L.P.)  
(State of incorporation  
or organization)

**001-14469**  
(Simon Property Group, Inc.)  
**001-36110**  
(Simon Property Group, L.P.)  
(Commission File No.)

**04-6268599**  
(Simon Property Group, Inc.)  
**34-1755769**  
(Simon Property Group, L.P.)  
(I.R.S. Employer  
Identification No.)

**225 West Washington Street**  
**Indianapolis, Indiana 46204**  
(Address of principal executive offices)

**(317) 636-1600**  
(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

<b>Title of each class</b>	<b>Trading Symbols</b>	<b>Name of each exchange on which registered</b>
Common stock, \$0.0001 par value	SPG	New York Stock Exchange
8 $\frac{3}{8}$ % Series J Cumulative Redeemable Preferred Stock, \$0.0001 par value	SPGJ	New York Stock Exchange
2.375% Senior Unsecured Notes due 2020	SPG/20	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Simon Property Group, Inc.: Emerging growth company

Simon Property Group, L.P.: Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Simon Property Group, Inc.:

Simon Property Group, L.P.:

## Item 7.01 Regulation FD Disclosure.

On February 10, 2020, Simon Property Group, Inc., a Delaware corporation (“Simon”) and Taubman Centers, Inc., a Michigan corporation (“TCO”), issued a joint press release announcing the execution of an Agreement and Plan of Merger (the “Merger Agreement”) by and among Simon, Simon Property Group, L.P., a Delaware limited partnership (“Simon OP”), Silver Merger Sub 1, LLC, a Delaware limited liability company and wholly owned subsidiary of Simon OP, Silver Merger Sub 2, LLC, a Delaware limited liability company and wholly owned subsidiary of Silver Merger Sub 1, LLC, TCO and The Taubman Realty Group Limited Partnership, a Delaware limited partnership (“TRG”), dated as of February 9, 2020, pursuant to which, among other things and subject to the satisfaction or waiver of certain conditions, Simon OP will acquire 100% of the equity interests of TCO and, following the transactions contemplated in the Merger Agreement, will hold 80% of the equity interests of TRG, with the Taubman Family (as defined in the Merger Agreement) retaining a 20% interest in TRG. Consummation of the transactions contemplated by the Merger Agreement are subject to the satisfaction or waiver of customary closing conditions, including the approval and adoption of the Merger Agreement by shareholders holding two-thirds of TCO’s outstanding voting stock and shareholders, excluding the Taubman Family, holding a majority of TCO’s outstanding voting stock. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Also on February 10, 2020, Simon posted an investor presentation to its investor relations website at <https://investors.simon.com/investor-overview> related to the transaction. The presentation provides information on both Simon and TCO and an overview of the strategic rationale for the transaction. The presentation is attached hereto as Exhibit 99.2.

The information furnished under this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, Exhibit 99.2, shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

### Cautionary Statement Regarding Forward-Looking Statements

This communication contains certain “forward-looking” statements as that term is defined by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements that are predictive in nature, that depend on or relate to future events or conditions, or that include words such as “believes”, “anticipates”, “expects”, “may”, “will”, “would,” “should”, “estimates”, “could”, “intends”, “plans” or other similar expressions are forward-looking statements. Forward-looking statements involve significant known and unknown risks and uncertainties that may cause Simon’s or TCO’s actual results in future periods to differ materially from those projected or contemplated in the forward-looking statements as a result of, but not limited to, the following factors: the failure to receive, on a timely basis or otherwise, the required approvals by TCO’s shareholders; the risk that a condition to closing of the proposed transaction may not be satisfied; Simon’s and TCO’s ability to consummate the transactions contemplated by the Merger Agreement; the possibility that the anticipated benefits from the transaction cannot be fully realized (including Simon’s expectations regarding FFO accretion); the ability of TCO to retain key personnel and maintain relationships with business partners pending the consummation of the transaction; and the impact of legislative, regulatory and competitive changes and other risk factors relating to the industries in which Simon and TCO operate, as detailed from time to time in each of Simon’s filings with the Securities Exchange Commission. There can be no assurance that the proposed transaction will in fact be consummated.

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found under Item 1.A in Simon’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018. Simon cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on forward-looking statements to make decisions with respect to the proposed transaction, shareholders and others should carefully consider the foregoing factors and other uncertainties and potential events. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to Simon or any other person acting on their behalf are expressly qualified in their entirety by the cautionary statements referenced above. The forward-looking statements contained herein speak only as of the date of this communication. Simon undertakes no obligation to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, except as may be required by law.

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**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">99.1</a>	<a href="#">Press release of Simon and TCO, dated February 10, 2020.</a>
<a href="#">99.2</a>	<a href="#">Investor Presentation.</a>
104	The cover page from this Current Report on Form 8-K formatted in Inline XBRL (included as Exhibit 104)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

Date: February 10, 2020

**Simon Property Group, Inc.**

By: /s/ BRIAN J. MCDADE

Brian J. McDade

Executive Vice President, Chief Financial Officer and Treasurer

**Simon Property Group, L.P.**

By: Simon Property Group, Inc.

Its general partner

By: /s/ BRIAN J. MCDADE

Brian J. McDade

Executive Vice President, Chief Financial Officer and Treasurer

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FOR IMMEDIATE RELEASE

Taubman

**SIMON PROPERTY GROUP TO ACQUIRE TAUBMAN CENTERS, INC.**

***Taubman Shareholders to Receive \$52.50 Per Share in Cash***

***Transaction Expected to be Immediately Accretive to Simon's Funds From Operations***

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**Indianapolis, IN and Bloomfield Hills, MI – February 10, 2020** – Simon Property Group, Inc. (NYSE: SPG) (“Simon”) and Taubman Centers, Inc. (NYSE: TCO) (“Taubman”) today announced that they have entered into a definitive agreement under which Simon will acquire an 80% ownership interest in The Taubman Realty Group Limited Partnership (“TRG”). Simon, through its operating partnership, Simon Property Group, L.P., will acquire all of Taubman common stock for \$52.50 per share in cash and the Taubman family will sell approximately one-third of its ownership interest at the transaction price and remain a 20% partner in TRG.

TRG is engaged in the ownership, management and/or leasing of 26 super-regional shopping centers in the U.S. and Asia. TRG’s ownership includes 24 high-quality retail assets (including 21 in the United States and 3 in Asia), consisting of approximately 25 million feet of gross leasable area, and will continue to be managed by its existing executive team, under the leadership of Taubman Chairman, President and Chief Executive Officer Robert S. Taubman, in partnership with Simon. The parties have agreed to work together to implement best practices to achieve operational efficiencies and will eliminate Taubman’s public company costs immediately following closing.

The transaction has been unanimously recommended by a Special Committee of independent directors of Taubman and approved unanimously by the Boards of Directors of both companies. Simon expects to fund the total required cash consideration of approximately \$3.6 billion with existing liquidity.

Simon Chairman of the Board, Chief Executive Officer and President David Simon stated, “We are very pleased to announce this transaction, which will be immediately accretive to Simon’s FFO. By joining together, we will enhance the ability of TRG to invest in innovative retail environments that create exciting shopping and entertainment experiences for consumers, immersive opportunities for retailers, and substantial new job prospects for local communities. I look forward to partnering with Bobby and the TRG executive team in this exciting new joint venture.”

Myron E. Ullman, Lead Director of the Taubman Board of Directors and Chairman of the Special Committee of the Taubman Board of Directors, added, “The Taubman Board of Directors has always been focused on maximizing shareholder value. With this transaction, we will deliver a significant, immediate cash premium to shareholders. The Special Committee of the Board unanimously believes that this transaction with Simon is a great outcome for all of our stakeholders.”

Robert S. Taubman, Chairman, President and Chief Executive Officer of Taubman, added, “Since Taubman Centers’ founding 70 years ago, we have built a portfolio of high-quality assets and continuously adapted to the evolving retail landscape. I am proud of all that this company’s talented employees have achieved and am thrilled to have the opportunity to join together with Simon through this joint venture. Over the last few years, David and I have developed an excellent personal relationship and importantly, Simon shares our commitment to serving retailers, shoppers and the communities in which we operate. The Board and I are confident that Simon is the ideal partner to help us build on our progress.”

#### Strategic and Financial Rationale

- **Simon to acquire an 80% interest in TRG, which owns a highly productive mall portfolio.** The purchase price represents an underwritten capitalization rate of approximately 6.2%.
- **Delivers certain and meaningful value to Taubman shareholders.** The transaction price of \$52.50 per share in cash represents a 51% premium to TCO’s closing price on February 7, 2020 and a 19% premium to total enterprise value, which includes debt and preferred equity.
- **Immediate accretion for Simon shareholders.** The transaction is expected to be at least 3% accretive to Simon’s Funds From Operations (FFO) per share on an annualized basis, beginning immediately upon consummation of the transaction.
- **Develop innovative retail environments.** The transaction will enhance TRG’s ability to invest in innovative retail environments for retailers and consumers, deliver exciting shopping and entertainment experiences to consumers, and create new job prospects for local communities.

#### Transaction Details

Required approvals for the transaction include: (i) two-thirds of the outstanding Taubman voting stock and (ii) a majority of the outstanding Taubman voting stock not held by the Taubman family. The Taubman family, which represents approximately 29% of outstanding Taubman voting stock, has agreed to vote in favor of the transaction. The transaction is also subject to customary closing conditions and is expected to close in mid-2020.

Taubman will be releasing its fourth quarter and full year 2019 earnings this morning in a separate press release.

### Advisors

BofA Securities is serving as financial advisor to Simon and Paul, Weiss, Rifkind, Wharton & Garrison LLP and Latham & Watkins LLP are serving as legal advisors. Goldman Sachs & Co. LLC is serving as financial advisor to Taubman and Wachtell, Lipton, Rosen & Katz and Honigman LLP are serving as legal advisors. The Special Committee of the Board of Directors of Taubman has retained Lazard as its independent financial advisor and Kirkland & Ellis LLP as its independent legal counsel.

### Transaction Conference Call and Webcast Information

Simon and Taubman will conduct a live conference call and webcast today, February 10, 2020 at 8:30 a.m. Eastern Time. The live webcast will be available at [investors.simon.com](http://investors.simon.com). Within the United States, the call may be accessed by dialing 1-888-528-4228. Callers outside the U.S. can dial 1-704-935-3408. The conference ID for the call is “9456226.”

An audio replay will be available from approximately 11:30 a.m. Eastern Time on February 10, 2020 until 11:00 a.m. Eastern Time on February 17, 2020. The replay can be accessed within the U.S. by dialing 1-855-859-2056. Callers outside the U.S. can access the replay at 1-404-537-3406. The replay passcode is “9456226.” The call will also be archived on [investors.simon.com](http://investors.simon.com) for approximately 90 days.

### **About Simon**

Simon is a real estate investment trust engaged in the ownership of premier shopping, dining, entertainment and mixed-use destinations and an S&P 100 company (Simon Property Group, NYSE: SPG). Our properties across North America, Europe and Asia provide community gathering places for millions of people every day and generate billions in annual sales. For more information, visit [simon.com](http://simon.com).

### **About Taubman**

Taubman Centers is an S&P MidCap 400 Real Estate Investment Trust engaged in the ownership, management and/or leasing of 26 regional, super-regional and outlet shopping centers in the U.S. and Asia. Taubman’s U.S.-owned properties are the most productive in the publicly held U.S. regional mall industry. Founded in 1950, Taubman is headquartered in Bloomfield Hills, Mich. Taubman Asia, founded in 2005, is headquartered in Hong Kong. [www.taubman.com](http://www.taubman.com).

## Forward Looking Statements

*This communication contains certain “forward-looking” statements as that term is defined by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements that are predictive in nature, that depend on or relate to future events or conditions, or that include words such as “believes”, “anticipates”, “expects”, “may”, “will”, “would,” “should”, “estimates”, “could”, “intends”, “plans” or other similar expressions are forward-looking statements. Forward-looking statements involve significant known and unknown risks and uncertainties that may cause actual results in future periods to differ materially from those projected or contemplated in the forward-looking statements as a result of, but not limited to, the following factors: the failure to receive, on a timely basis or otherwise, the required approvals by Taubman’s shareholders; the risk that a condition to closing of the transaction may not be satisfied; Simon’s and Taubman’s ability to consummate the transaction; the possibility that the anticipated benefits from the transaction will not be fully realized (including Simon’s underwritten capitalization rate and its expectations regarding FFO per share accretion); the ability of Taubman to retain key personnel and maintain relationships with business partners pending the consummation of the transaction; and the impact of legislative, regulatory and competitive changes and other risk factors relating to the industries in which Simon and Taubman operate, as detailed from time to time in each of Simon’s and Taubman’s reports filed with the SEC. There can be no assurance that the transaction will in fact be consummated.*

*Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found under Item 1.A in each of Simon’s and Taubman’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018. Simon and Taubman caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on forward-looking statements to make decisions with respect to the proposed transaction, shareholders and others should carefully consider the foregoing factors and other uncertainties and potential events. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to Simon and Taubman or any other person acting on their behalf are expressly qualified in their entirety by the cautionary statements referenced above. The forward-looking statements contained herein speak only as of the date of this communication. Neither Simon nor Taubman undertakes any obligation to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, except as may be required by law.*

## Additional Information and Where to Find It

This communication is being made in respect of the proposed transaction involving Taubman and Simon. In connection with the proposed transaction, Taubman intends to file relevant materials with the Securities and Exchange Commission (the “SEC”), including a preliminary proxy statement on Schedule 14A. Promptly after filing its definitive proxy statement with the SEC, Taubman will mail the definitive proxy statement and a proxy card to each shareholder of Taubman entitled to vote at the special meeting relating to the proposed transaction. This communication is not a substitute for the proxy statement or any other document that Taubman may file with the SEC or send to its shareholders in connection with the proposed transaction. **BEFORE MAKING ANY VOTING DECISION, SHAREHOLDERS OF TAUBMAN ARE URGED TO READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS IN CONNECTION WITH THE PROPOSED TRANSACTION THAT TAUBMAN WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT TAUBMAN AND THE PROPOSED TRANSACTION.** The definitive proxy statement, the preliminary proxy statement and other relevant materials in connection with the proposed transaction (when they become available), and any other documents filed by TAUBMAN with the SEC, may be obtained free of charge at the SEC’s website (<http://www.sec.gov>) or at Taubman’s website ([www.taubman.com](http://www.taubman.com)).



## **Participants in the Solicitation**

Taubman and certain of its directors, executive officers and employees may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the shareholders of Taubman in connection with the transaction, including a description of their respective direct or indirect interests, by security holdings or otherwise, is included in the Proxy Statement described above filed with the SEC. Additional information regarding Taubman's directors and executive officers is also included in the Taubman's proxy statement on Schedule 14A for its 2019 Annual Meeting of Shareholders, which was filed with the SEC on April 30, 2019, or its Annual Report on Form 10-K for the year ended December 31, 2018, which was filed with the SEC on February 28, 2019. These documents are available free of charge as described above.

### **Simon Investors**

Tom Ward  
Simon Property Group  
317-685-7330

### **Simon Media**

Reevemark  
Hugh Burns/Paul Caminiti  
212-433-4600  
[SPGinquiries@reevemark.com](mailto:SPGinquiries@reevemark.com)

### **Taubman Media**

Maria Mainville, Taubman, Director, Strategic Communications, 248-258-7469  
or  
Joele Frank, Wilkinson Brimmer Katcher  
Joele Frank/Dan Katcher  
212-355-4449

### **Taubman Investors**

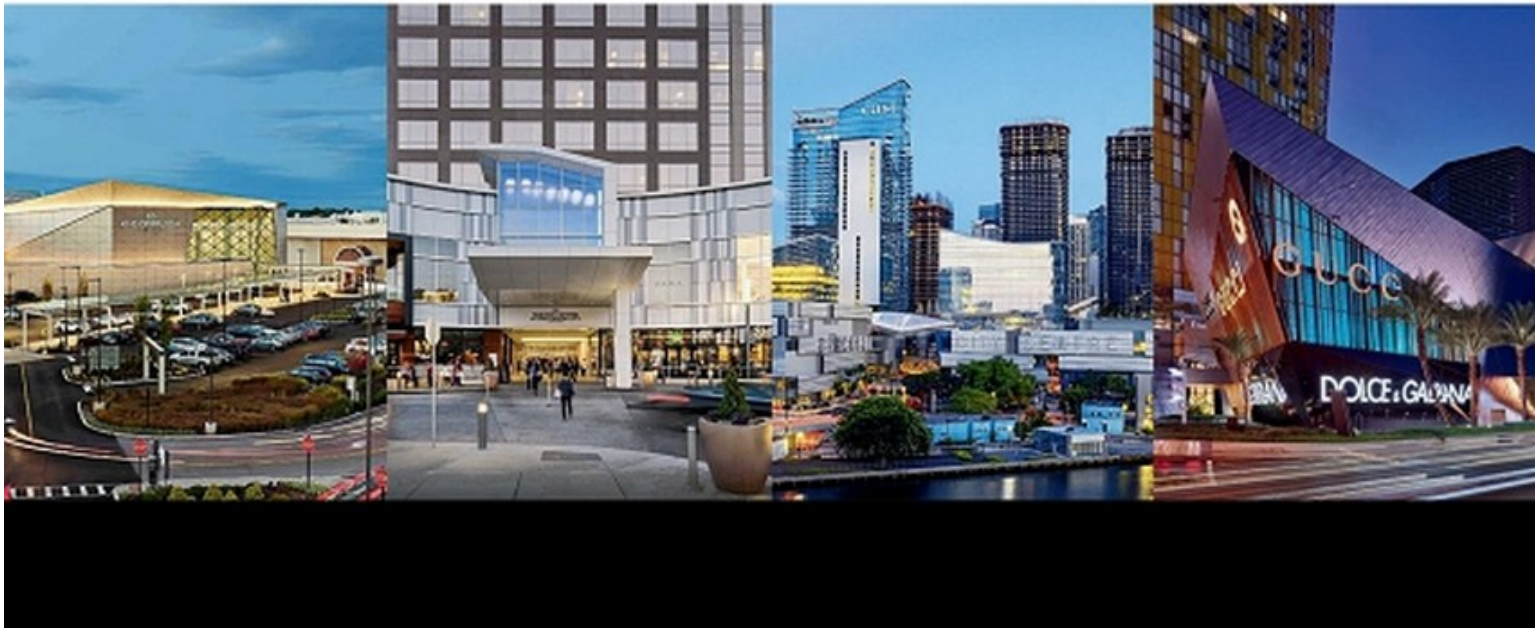
Erik Wright, Taubman, Manager, Investor Relations, 248-258-7390  
[ewright@Taubman.com](mailto:ewright@Taubman.com)



Taubman

## SIMON PROPERTY GROUP TO ACQUIRE TAUBMAN CENTERS, INC.

INVESTOR PRESENTATION  
FEBRUARY 10, 2020



# IMPORTANT INFORMATION

## FORWARD-LOOKING STATEMENTS

This presentation contains certain "forward-looking" statements as that term is defined by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements that are predictive in nature, that depend on or relate to future events or conditions, or that include words such as "believes", "anticipates", "expects", "may", "will", "would," "should", "estimates", "could", "intends", "plans" or other similar expressions are forward-looking statements. Forward-looking statements involve significant known and unknown risks and uncertainties that may cause actual results in future periods to differ materially from those projected or contemplated in the forward-looking statements as a result of, but not limited to, the following factors: the failure to receive, on a timely basis or otherwise, the required approvals by Taubman's shareholders; the risk that a condition to closing of the transaction may not be satisfied; Simon's and Taubman's ability to consummate the transaction; the possibility that the anticipated benefits from the transaction will not be fully realized (including Simon's underwritten capitalization rate and its expectations regarding FFO per share accretion); the ability of Taubman to retain key personnel and maintain relationships with business partners pending the consummation of the transaction; and the impact of legislative, regulatory and competitive changes and other risk factors relating to the industries in which Simon and Taubman operate, as detailed from time to time in each of Simon's and Taubman's reports filed with the SEC. There can be no assurance that the transaction will in fact be consummated.

Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found under Item 1.A in each of Simon's and Taubman's Annual Report on Form 10-K for the fiscal year ended December 31, 2018. Simon and Taubman caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on forward-looking statements to make decisions with respect to the proposed transaction, shareholders and others should carefully consider the foregoing factors and other uncertainties and potential events. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to Simon and Taubman or any other person acting on their behalf are expressly qualified in their entirety by the cautionary statements referenced above. The forward-looking statements contained herein speak only as of the date of this presentation. Neither Simon nor Taubman undertakes any obligation to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, except as may be required by law.

This presentation includes the non-GAAP measures of funds from operations, or FFO, net operating income, or NOI, and net debt. Industry practice is to evaluate real estate properties in part based upon FFO. The Company believes that FFO and NOI are helpful to investors because they are widely recognized measures of the performance of real estate investment trusts and provide a relevant basis for comparison among REITs. The Company also uses these measures internally to measure the operating performance of its portfolio. For information on FFO and NOI, see the Supplemental Information Package available on our investor relations website at [investors.Simon.com](http://investors.Simon.com), under Financials. Simon's historical NOI used in this presentation is based on the year ended December 31, 2019 and, with respect to the impact of the transaction, Simon's underwriting of the transaction. NOI for the historical period represents Simon's NOI from consolidated entities (consolidated net income (\$2,423.2mm), plus income and other taxes (\$30.1mm), interest expense (\$789.4mm), loss on extinguishment of debt (\$195.3mm), unrealized losses in fair value of equity instruments (\$5.2mm), depreciation and amortization (\$1,340.5mm), home and regional office costs (\$190.1mm) and general and administrative (\$34.9mm), less income from unconsolidated entities (\$444.2mm) and gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net (\$14.9mm)), plus NOI of unconsolidated entities (\$2,156.6mm), plus share of NOI from Klépierre, HBS and other corporate investments (\$294.0mm), less joint venture partners' share of NOI (\$1,164.0mm). A quantitative reconciliation for Simon's estimated NOI to estimated consolidated net income after giving effect to the transaction is not available without unreasonable efforts due to the inherent variability in timing and/or amount of various items considered in Simon's underwriting of the transaction that could impact estimated consolidated net income. Simon's historical net debt as of December 31, 2019 and estimate after giving effect to the transaction represents the principal value of Simon's share of consolidated and unconsolidated debt (\$31.4bn historical, \$39.3bn giving effect to transaction), less Simon's share of consolidated and unconsolidated cash and cash equivalents (\$1.1bn historical, \$1.2bn giving effect to transaction).

## ADDITIONAL INFORMATION AND WHERE TO FIND IT

This communication is being made in respect of the proposed transaction involving Taubman and Simon. In connection with the proposed transaction, Taubman intends to file relevant materials with the Securities and Exchange Commission (the "SEC"), including a preliminary proxy statement on Schedule 14A. Promptly after filing its definitive proxy statement with the SEC, Taubman will mail the definitive proxy statement and a proxy card to each shareholder of Taubman entitled to vote at the special meeting relating to the proposed transaction. This communication is not a substitute for the proxy statement or any other document that Taubman may file with the SEC or send to its shareholders in connection with the proposed transaction. BEFORE MAKING ANY VOTING DECISION, SHAREHOLDERS OF TAUBMAN ARE URGED TO READ THESE MATERIALS (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS IN CONNECTION WITH THE PROPOSED TRANSACTION THAT TAUBMAN WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT TAUBMAN AND THE PROPOSED TRANSACTION. The definitive proxy statement, the preliminary proxy statement and other relevant materials in connection with the proposed transaction (when they become available), and any other documents filed by Taubman with the SEC, may be obtained free of charge at the SEC's website (<http://www.sec.gov>) or at Taubman's website ([www.taubman.com](http://www.taubman.com)).

## PARTICIPANTS IN THE SOLICITATION

Taubman and certain of its directors, executive officers and employees may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the shareholders of Taubman in connection with the transaction, including a description of their respective direct or indirect interests, by security holdings or otherwise, is included in the Proxy Statement described above filed with the SEC. Additional information regarding Taubman's directors and executive officers is also included in the Taubman's proxy statement on Schedule 14A for its 2019 Annual Meeting of Shareholders, which was filed with the SEC on April 30, 2019, or its Annual Report on Form 10-K for the year ended December 31, 2018, which was filed with the SEC on February 28, 2019. These documents are available free of charge as described above.

## TRANSACTION OVERVIEW

### SUMMARY OF TRANSACTION

#### Transaction Structure & Consideration

- Simon will acquire an 80% interest in Taubman Realty Group ("TRG"), the operating partnership through which Taubman Centers, Inc. ("TCO") conducts its operations, for \$52.50 per share in cash
  - Simon to acquire all of TCO common stock at the transaction price
  - The Taubman family will sell approximately one-third of its ownership interest in TRG at the transaction price and remain a 20% partner in TRG
  - OP units held by non-Taubman family members may elect to receive consideration in either all-cash or in Simon OP units at the transaction price
- Post-transaction, TRG will be 80% owned by Simon and accounted for as an equity method investment
- Simon expects to fund total required cash consideration of approximately \$3.6 billion with existing liquidity

#### Management & Board

- TRG management will continue to operate the TRG assets in partnership with Simon
- New TRG board to be comprised of 3 Simon designees and 3 Taubman designees

#### Dividend

- Simon expects to maintain a quarterly dividend of at least \$2.10 per share (\$8.40 per share on an annualized basis) upon the closing of the transaction with a continued commitment to consistent increases

#### Timing & Approvals

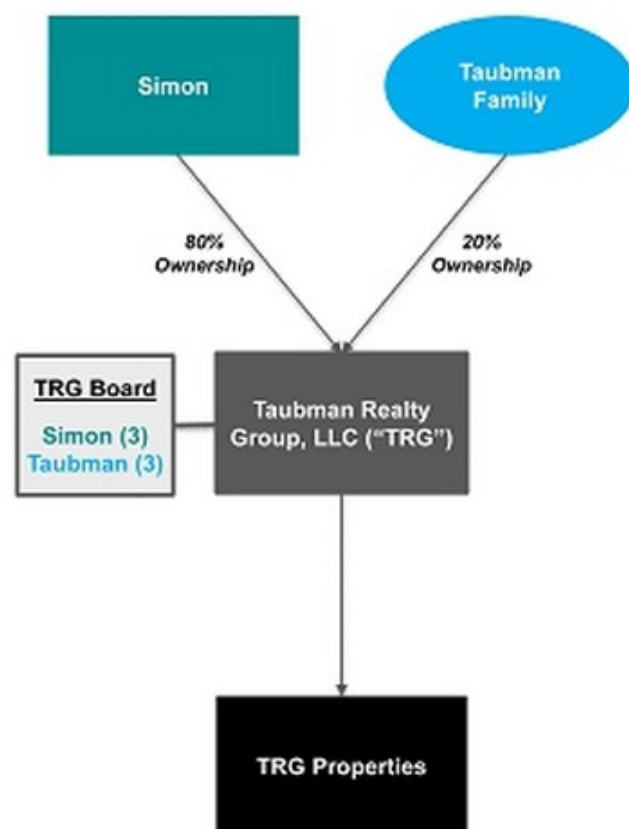
- Closing expected in mid-2020, subject to customary closing conditions
- Required approvals include: (i) 2/3 of the outstanding voting stock of Taubman and (ii) a majority of the outstanding voting stock of Taubman not held by the Taubman family
  - The Taubman family, representing approximately 29% of outstanding voting stock, has executed a voting agreement in support of the transaction
- Simon shareholder approval not required

## TRANSACTION OVERVIEW

### SUMMARY OF JOINT VENTURE AGREEMENT

#### TRG Management & Governance

- Robert Taubman will continue to be Chairman, President and CEO of TRG
- TRG Board will have operational and corporate approval rights; Board comprised of 3 Simon and 3 Taubman designees
- Taubman family subject to 2 year lock up and thereafter can exchange its interest in TRG for cash and / or Simon OP units, subject to certain limitations and procedures
- Simon will have a call right to purchase the Taubman family interest under certain circumstances
- Companies to implement best practices to achieve operational efficiencies and immediate removal of all public company costs



## TRANSACTION BENEFITS AND STRATEGIC RATIONALE



Taubman

- 1 Acquisition of a highly productive mall portfolio at a 6.2% underwritten cap rate
- 2 Offer premium of 51% to TCO share price and 19% premium to Total Enterprise Value
- 3 Expected to be at least 3% accretive to Simon FFO per share on an annualized basis immediately upon consummation
- 4 Simon partnership will enhance the growth prospects of TRG assets including creating exciting shopping and entertainment experiences for consumers
- 5 Simon has the ability to continue to attract capital investment and invest in TRG assets over the long term for the benefit of the communities in which TRG operates

## SOURCES AND USES

### Acquired Equity Value

Figures in millions, except per share amounts

TCO Diluted Common Shares Acquired 61.5

TRG OP Units Acquired 9.6

**Total Shares & Units Acquired 71.0**

Transaction Price \$52.50

**Acquired Equity Value \$3,729**

### Transaction Consideration

- Equity consideration consists of the following:

#### 80% Acquired Interest

- **Cash: \$3.6bn**
  - ♦ Expected to be funded with existing liquidity
- **Simon OP Units: \$119mm <sup>(1)</sup>**
  - ♦ ~863k units or merger consideration at the unitholder's election

#### 20% Retained Interest

- **Taubman Family Rollover: \$0.9bn**
- Existing debt at TRG is expected to remain in-place

### Simon Balance Sheet Impact

- Simon net debt / NOI expected to increase from 5.2x to 6.1x at closing
- No changes expected to Simon credit ratings: A2 / A (Moody's / S&P)

(1) Non-Taubman family OP unitholders may elect to receive Simon OP units at a fixed exchange ratio of 0.3914x per Taubman OP unit held, or merger consideration of \$52.50 per unit in cash. Value shown based on merger consideration of \$52.50 per unit in cash.

## TAUBMAN'S OWNED PORTFOLIO



Taubman

**24**

Assets and managed properties <sup>(1)</sup>  
(21 U.S. / 3 International)

**~25mm**

Total GLA  
(At 100%)

**\$62.11**

U.S. Comp. ABR PSF <sup>(2)</sup>

**\$972**

U.S. Comp. Sales PSF <sup>(2)</sup>

**~94%**

4Q19 Occupancy <sup>(3)</sup>

(1) Excludes 1 development property in Ansong, South Korea and 1 ground lease in Chesterfield, Missouri.

(2) TTM basis as of 4Q19. U.S. comparable centers are generally defined as centers that were owned and open for the entire current and preceding period presented, excluding centers impacted by significant redevelopment activity.

(3) Occupancy statistic includes temporary in-line tenants and anchor spaces at Dolphin Mall and Great Lakes Crossing Outlets.



## TAUBMAN RETAIL ASSETS



The Mall at Short Hills  
Short Hills, NJ



Dolphin Mall  
Miami, FL



International Plaza  
Tampa, FL



International Market Place  
Honolulu, HI



The Mall at Millenia  
Orlando, FL



Twelve Oaks Mall  
Novi, MI



Great Lakes Crossing Outlets  
Auburn Hills, MI



Fair Oaks Mall  
Fairfax, VA