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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

SIMON PROPERTY GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-14469**	**04-6268599**
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(I.R.S. Employer Identification No.)

115 West Washington Street, Suite 15 East
Indianapolis, Indiana 46204
(Address of principal executive offices) (ZIP Code)

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

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

Title of each class	**Name of each exchange on which registered**
Common stock, $0.0001 par value	New York Stock Exchange
8.75% Series F Cumulative Redeemable Preferred Stock, $.0001 par value	New York Stock Exchange
7.89% Series G Cumulative Step-Up Premium Rate Preferred Stock, $.0001 par value	New York Stock Exchange
6% Series I Convertible Perpetual Preferred Stock, $.0001 par value	New York Stock Exchange
$8^{3}/8$% Series J Cumulative Redeemable Preferred Stock, $.0001 par value	New York Stock Exchange

Securities registered pursuant to Section 12 (g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether Registrant is an accelerated filer (as defined by Rule 12b-2 of the Securities Exchange Act of 1934). YES ☒ NO o

The aggregate market value of shares of common stock held by non-affiliates of the Registrant was approximately $10,229 million based on the closing sale price on the New York Stock Exchange for such stock on June 30, 2004.

As of February 28, 2005, Simon Property Group, Inc. had 223,149,753, 8,000 and 4,000 shares of common stock, Class B common stock and Class C common stock outstanding, respectively.

Documents Incorporated By Reference

Portions of the Registrant's Annual Report to Stockholders are incorporated by reference into Parts I, II and IV; and portions of the Registrant's Proxy Statement in connection with its 2005 Annual Meeting of Stockholders are incorporated by reference in Part III.

Simon Property Group, Inc. and Subsidiaries
Annual Report on Form 10-K
December 31, 2004

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Part I

Item 1. Business

Background

Simon Property Group, Inc. ("Simon Property") is a Delaware corporation that operates as a self-administered and self-managed real estate investment trust ("REIT"). Simon Property Group, L.P. (the "Operating Partnership") is our majority-owned partnership subsidiary that owns all but one of our real estate properties. In this report, the terms "we", "us" and "our" refer to Simon Property, the Operating Partnership and their subsidiaries.

We are engaged primarily in the ownership, operation, leasing, management, acquisition, expansion and development of real estate properties. Our real estate properties consist primarily of regional malls, Premium Outlet® centers and community shopping centers. As of December 31, 2004, we owned or held an interest in 297 income-producing properties in the United States, which consisted of 172 regional malls, 71 community shopping centers, 31 Premium Outlet centers and 23 other properties in 40 states plus Puerto Rico (collectively, the "Properties", and individually, a "Property"). Our other Properties include retail space, office space, and/or hotel components. In addition, we also own interests in twelve parcels of land held in the United States for future development (together with the Properties, the "Portfolio"). Finally, we have ownership interests in 51 European shopping centers (located in France, Italy, Poland and Portugal); four Premium Outlet centers in Japan; one Premium Outlet center in Mexico; and one shopping center in Canada.

The Operating Partnership's wholly-owned subsidiary, M.S. Management Associates, Inc. (the "Management Company") provides leasing, management, and development services to most of the Properties. In addition, insurance subsidiaries of the Management Company insure: the self-insured retention portion of our general liability program; the deductible associated with our workers' compensation programs; and provide reinsurance for the primary layer of general liability coverage to our third party maintenance providers while performing services under contract with us. Third party insurers provide coverage above the insurance subsidiaries' limits.

Mergers and Acquisitions

Mergers and acquisitions have been a significant component of the growth and development of our business. In 2004, we completed a series of acquisitions that added to our overall Portfolio:

- On February 5, 2004 we purchased a 95% interest in Gateway Shopping Center in Austin, Texas for approximately $107.0 million.
- On April 1, 2004, we increased our ownership interest in Mall of Georgia Crossing from 50% to 100% for approximately $26.3 million, including the assumption of $16.5 million of debt.
- On April 27, 2004, we increased our ownership interest in Bangor Mall and Montgomery Mall to approximately 67.6% and 54.4%, respectively, for approximately $67.0 million, including the assumption of our $16.8 million share of debt.
- On May 4, 2004, we purchased a 100% interest in Plaza Carolina in San Juan, Puerto Rico for approximately $309.0 million.
- On October 14, 2004 we completed our acquisition of Chelsea Property Group, Inc. (Chelsea). The acquisition included 32 Premium Outlets in the United States, 4 Premium Outlets in Japan, 3 community centers, 21 other retail centers, and its development portfolio. The purchase price was approximately $5.2 billion including the assumption of our $1.5 billion share of debt.
- On November 19, 2004 we increased our ownership interest in Lehigh Valley, located in Whitehall, Pennsylvania, to 37.6% for approximately $42.3 million, including the assumption of our $25.9 million share of debt.
- Finally, on December 15, 2004, we increased our ownership interest in Woodland Hills, located in Tulsa, Oklahoma, to approximately 94.5% for approximately $119.5 million, including the assumption of our $39.7 million share of debt.

Dispositions

As part of our strategic plan to own quality retail real estate, we continually evaluate our properties and sell those which no longer meet our strategic criteria. We may use the capital generated from these dispositions to invest in higher-quality, higher-growth properties. We believe that the sale of these non-core Properties will not have a material impact on our future results of operations or cash flows nor will their sale materially affect our ongoing operations. Generally, any earnings dilution from the sales on our results of operations from these dispositions will be offset by the positive impact of our acquisitions and development and redevelopment activities.

During 2004, we sold five non-core Properties, consisting of three regional malls, one community center and one Premium Outlet. The Properties and their dates of sale were:

- Hutchinson Mall on June 15, 2004
- Bridgeview Court on July 22, 2004
- Woodville Mall on September 1, 2004
- Santa Fe Premium Outlets on December 28, 2004
- Heritage Park Mall on December 29, 2004

In addition, on April 7, 2004, we sold a joint venture interest in a hotel property held by the Management Company. On April 8, 2004, we sold our joint venture interest in Yards Plaza, in Chicago, Illinois, and on August 6, 2004, we completed the court ordered sale of our joint venture interest in Mall of America, in Minneapolis, Minnesota (see Item 3).

The sales of these properties did not result in any significant gain or loss.

Operating Policies and Strategies

The following is a discussion of our investment policies, financing policies, conflict of interest policies and policies with respect to certain other activities. One or more of these policies may be amended or rescinded from time to time without a stockholder vote.

Investment Policies

We conduct our investment activities, except for one Property that we own directly, through the Operating Partnership and its subsidiaries. Our primary business objectives are to increase Funds From Operations ("FFO") per share, operating results and the value of our Properties while maintaining a stable balance sheet consistent with our financing policies. We intend to achieve these objectives by:

- pursuing a leasing strategy that capitalizes on the desirable location of our Properties;
- improving the performance of our Properties by using the economies of scale that result from our size to help control operating costs and by generating additional revenues through merchandising, marketing and promotional activities;
- renovating and/or expanding our Properties where appropriate;
- developing new shopping centers which meet our economic criteria; and
- acquiring additional shopping centers and the portfolios of other retail real estate companies that meet our investment criteria.

We cannot assure you that we will achieve our business objectives.

We develop and acquire properties to generate both current income and long-term appreciation in value. We do not limit the amount or percentage of assets that may be invested in any particular property or type of property or in any geographic area. We may purchase or lease properties for long-term investment or develop, redevelop, and/or sell our Properties, in whole or in part, when circumstances warrant. We participate with other entities in property ownership, through joint ventures or other types of co-ownership. These equity investments may be subject to existing mortgage financing and other indebtedness that have priority over our equity interest.

While we emphasize equity real estate investments, we may, at our discretion, invest in mortgages and other real estate interests consistent with our qualification as a REIT under the Internal Revenue Code ("Code"). We do not currently intend to invest to a significant extent in mortgages or deeds of trust, however, we hold an interest in one Property through a mortgage note which results in us receiving 100% of the economics of the Property. We may invest in participating or convertible mortgages if we conclude that we may benefit from the cash flow or any appreciation in the value of the property.

We may also invest in securities of other entities engaged in real estate activities or securities of other issuers. However, any of these investments would be subject to the percentage ownership limitations and gross income tests necessary for REIT qualification under the Code. These REIT limitations mean that we cannot make an investment that would cause our real estate assets to be less than 75% of our total assets. In addition, at least 75% of our gross income must be derived directly or indirectly from investments relating to real property or mortgages on real property, including "rents from real property," dividends from other REIT's and, in certain circumstances, interest from certain types of temporary investments. At least 95% of our income must be derived from such real property investments, and from dividends, interest and gains from the sale or dispositions of stock or securities or from other combinations of the foregoing.

Subject to these REIT limitations, we may invest in the securities of other issuers in connection with acquisitions of indirect interests in real estate. Such an investment would normally be in the form of general or limited partnership or membership interests in special purpose partnerships and limited liability companies that own one or more properties. We may, in the future, acquire all or substantially all of the securities or assets of other REITs, management companies or similar entities where such investments would be consistent with our investment policies.

Financing Policies

We must comply with the covenant restrictions of debt agreements of the Operating Partnership that limit our ratio of debt to total market valuation. For example, the Operating Partnership's lines of credit and the indentures for the Operating Partnership's debt securities contain covenants that restrict the total amount of debt of the Operating Partnership to 60% of adjusted total assets, as defined, and secured debt to 55% of adjusted total assets. In addition, these agreements contain other covenants requiring compliance with financial ratios. Furthermore, the amount of debt that we may incur is limited as a practical matter by our desire to maintain acceptable ratings for our equity securities and the debt securities of the Operating Partnership.

If the Board of Directors determines to seek additional capital, we may raise such capital through additional equity offerings, debt financing, creation of joint ventures with existing ownership interests in Properties, retention of cash flows or a combination of these methods. Our ability to retain cash flows is subject to Code provisions requiring REITs to distribute a certain percentage of their taxable income. We must also take into account taxes that would be imposed on undistributed taxable income. If the Board of Directors determines to raise additional equity capital, it may, without stockholder approval, issue additional shares of common stock or other capital stock. The Board of Directors may issue a number of shares up to the amount of our authorized capital in any manner and on such terms and for such consideration as it deems appropriate. This may include issuing stock in exchange for property. Such securities may be senior to the outstanding classes of common stock. Such securities also may include additional classes of preferred stock which may be convertible into common stock. Existing stockholders will have no preemptive right to purchase shares in any subsequent offering of our securities. Any such offering could dilute a stockholder's investment in us.

We anticipate that any additional borrowings would be made through the Operating Partnership or its subsidiaries. We might, however, incur borrowings that would be reloaned to the Operating Partnership. Borrowings may be in the form of bank borrowings, publicly and privately placed debt instruments, or purchase money obligations to the sellers of properties. Any of such indebtedness may be unsecured or may be secured by any or all of our assets, the Operating Partnership or any existing or new property-owning partnership. Any such indebtedness may also have full or limited recourse to all or any portion of the assets of any of the foregoing. Although we may borrow to fund the payment of dividends, we currently have no expectation that we will regularly be required to do so.

We may obtain unsecured or secured lines of credit. We also may determine to issue debt securities. Any such debt securities may be convertible into capital stock or be accompanied by warrants to purchase capital stock. We also may sell or securitize our lease receivables. The proceeds from any borrowings or financings may be used for the following:

- financing acquisitions;
- developing or redeveloping properties;
- refinancing existing indebtedness;
- working capital or capital improvements; or
- meeting the income distribution requirements applicable to REITs if we have income without the receipt of cash sufficient to enable us to meet such distribution requirements.

We also may determine to finance acquisitions through the following:

- issuance of shares of common stock;
- issuance of shares of preferred stock;
- issuance of additional units of limited partnership interest in the Operating Partnership;
- issuance of preferred units of the Operating Partnership;
- issuance of other securities; or
- sale or exchange of ownership interests in Properties.

The ability to offer units of limited partnership interest to transferors may result in beneficial tax treatment for the transferors. This is because the exchange of units for properties may defer the recognition of gain for tax purposes by the transferor. It may also be an advantage for us since certain investors may be limited in the number of shares of our capital stock that they may purchase.

If the Board of Directors determines to obtain additional debt financing, we intend to do so generally through mortgages on Properties, drawings against revolving lines of credit or term loan facilities, or the issuance of unsecured debt through the Operating Partnership. We may do this directly or through an entity owned or controlled by us. The mortgages may be non-recourse, recourse, or cross-collateralized. We do not have a policy limiting the number or amount of mortgages that may be placed on any particular property. Mortgage financing instruments, however, usually limit additional indebtedness on such properties.

Typically, we invest in or form special purpose entities only to obtain permanent financing for Properties on attractive terms. Permanent financing for Properties is typically structured as a mortgage loan on one or a group of Properties in favor of an institutional third party or as a joint venture with a third party or as a securitized financing. For securitized financings, we are required to create special purpose entities to own the Properties. These special purpose entities are structured so that they would not be consolidated with us in the event we would ever become subject to a bankruptcy proceeding. We decide upon the structure of the financing based upon the best terms then available to us and whether the proposed financing is consistent with our other business objectives. For accounting purposes, we include the outstanding securitized debt of special purpose entities owning consolidated Properties as part of our consolidated indebtedness.

Conflict of Interest Policies

We maintain policies and have entered into agreements designed to reduce or eliminate potential conflicts of interest. We have adopted governance principles governing our affairs and the Board of Directors (the Board), as well as written charters for each of the standing Committees of the Board of Directors. In addition, we have a Code of Business Conduct and Ethics which applies to all of our officers, directors, and employees. At least a majority of the members of our Board of Directors must qualify as independent under the listing standards for New York Stock Exchange companies and cannot be affiliated with the Simon and DeBartolo families. Any transaction between us and the Simons or the DeBartolos, including property acquisitions, service and property management agreements and retail space leases, must be approved by a majority of non-affiliated directors.

The sale by the Operating Partnership of any property that it owns may have an adverse tax impact on the Simons or the DeBartolos and the other limited partners of the Operating Partnership. In order to avoid any conflict of interest between Simon Property and the limited partners of the Operating Partnership, our charter requires that at least six of our independent directors must authorize and require the Operating Partnership to sell any property it owns. Any such sale is subject to applicable agreements with third parties. Noncompetition agreements executed by each of the Simons contain covenants limiting the ability of the Simons to participate in certain shopping center activities in North America.

Policies With Respect To Certain Other Activities

We intend to make investments which are consistent with the REIT requirements of the Code, unless the Board of Directors determines that it is no longer in our best interests to qualify as a REIT. The Board of Directors may make such a determination because of changing circumstances or changes in the REIT requirements. We have authority to offer shares of our capital stock or other securities in exchange for property. We also have authority to repurchase or otherwise reacquire our shares or any other securities. We may engage in such activities in the future. We may issue shares of our common stock to holders of units of limited partnership interest in the Operating Partnership in future periods upon exercise of such holders' rights under the Operating Partnership agreement. We may also repurchase shares of our common stock subject to Board approval. We have not made loans to persons, including our officers and directors. It is our policy to not make any loans to our directors and executive officers for any purpose and all loans previously made to current executive officers have been repaid in full. We may make loans to the Management Company and to joint ventures in which we participate.

Operating Strategies

We plan to achieve our primary business objectives through a variety of methods discussed below, although we cannot assure you that we will achieve such objectives.

Leasing. We pursue a leasing strategy that includes:

- marketing available space to maintain or increase occupancy levels;
- renewing existing leases and originating new leases at higher base rents per square foot;
- negotiating leases that allow us to recover from our tenants the majority of our property operating, real estate tax, repairs and maintenance, and advertising and promotion expenditures; and
- executing leases that provide for percentage or overage rents and/or regular or periodic fixed contractual increases in base rents.

Management. We draw upon our expertise gained through management of a geographically diverse Portfolio, nationally recognized as comprising high quality retail and other Properties. In doing so, we seek to maximize cash flow through a combination of:

- an active merchandising program to maintain our shopping centers as inviting shopping destinations;
- efforts to minimize overhead and operating costs which not only benefits our operations but also reduces the costs reimbursed to us from our tenants. A tenant's ability to pay rent is affected by the percentage of its sales represented by occupancy costs, which consist of rent and expense recoveries. As sales levels increase, if expenses subject to recovery are controlled, the tenant can afford to pay higher base rent.
- coordinated marketing and promotional activities that establish and maintain customer loyalty; and
- systematic planning and monitoring of results.

We believe that if we are successful in our efforts to increase sales while controlling operating expenses we will be able to continue to increase base rents at the Properties.

We manage substantially all our Properties held as joint venture Properties and as a result we derive revenues from management fees and other services.

Other Revenues. Due to our size, tenant and vendor relationships, we also generate revenues from other sources, including:

- Simon Brand Venture ("Simon Brand") obtains revenues from establishing our malls as leading market resource providers for retailers and other businesses and consumer-focused corporate alliances. Simon Brand revenues include payment services, national media contracts, a national beverage contract and other contracts with national companies as well as the sale of bank-issued gift cards under the Simon brand.
- Simon Business Network ("Simon Business") revenues are derived from the offering of products and property operating services, resulting from its relationships with vendors, to our tenants and others. These services include such items as waste handling, facility services, and energy services, as well as major capital expenditures such as roofing, parking lots and energy systems.

We also generate other revenues through the sale or lease of land adjacent to our Properties commonly referred to as "outlots" or "outparcels."

International Expansion. Our investments in Europe, Japan, Mexico, and Canada are currently conducted through joint ventures. In Europe, we have investments in partnerships with LaRinacante/Auchan and Argo/Peabody (known as Gallerie Commercialai Italia ("GCI") and European Retail Enterprises, B.V. ("ERE")). In Japan, our investments are in partnerships with Mitsubishi Estate Co., Ltd. and Sojitz Corporation (formerly known as Nissho Iwai Corporation). Our Mexico investment is a joint venture with Sordo Madaleno y Asociados**.** We account for our European and international joint venture activities under the equity method of accounting as defined by accounting policies generally accepted in the United States.

We believe that the expertise we have gained through the development, leasing, management, and marketing of our domestic Properties can be utilized in retail properties abroad. There are risks inherent in international operations that may be beyond our control including:

- changes in foreign currency exchange rates;
- declines in economic conditions abroad;
- changes in foreign political environments; and
- changes in applicable laws and regulations in the United States that affect foreign operations.

Competition

We consider our principal competitors to be seven other major United States or internationally publicly-held companies that own or operate regional malls, outlet centers, and other shopping centers in the United States and abroad. We also compete with many commercial developers, real estate companies and other owners of retail real estate that operate in our trade areas. Some of our Properties are of the same type and are within the same market area as other competitive properties. The existence of competitive properties could have a material adverse effect on our ability to lease space and on the level of rents we can obtain. This results in competition for both the acquisition of prime sites (including land for development and operating properties) and for tenants to occupy the space that we and our competitors develop and manage. In addition, our Properties compete against non-physical based forms of retailing such as catalog companies and e-commerce websites that offer retail products.

We believe that our Portfolio is the largest, as measured by gross leasable area ("GLA"), of any publicly-traded retail REIT. In addition, we own or have an interest in more regional malls than any other publicly-traded REIT. We believe that we have a competitive advantage in the retail real estate business as a result of:

- the size, quality and diversity of our Properties;
- our management and operational expertise;
- our extensive experience and relationships with retailers and lenders;
- our mall marketing initiatives and consumer focused strategic corporate alliances; including those developed by Simon Brand and Simon Business; and
- our ability to use our size to reduce the total occupancy cost of our tenants.

Our size reduces our dependence upon individual retail tenants. Approximately 3,800 different retailers occupy more than 24,400 stores in our Properties and no retail tenant represents more than 4.0% of our Properties' total minimum rents.

Environmental Matters

General Compliance. We believe that the Portfolio is in compliance, in all material respects, with all Federal, state and local environmental laws, ordinances and regulations regarding hazardous or toxic substances. Nearly all of the Portfolio have been subjected to Phase I or similar environmental audits (which generally involve only a review of records and visual inspection of the property without soil sampling or ground water analysis) by independent environmental consultants. Phase I environmental audits are intended to discover information regarding, and to evaluate the environmental condition of, the surveyed properties and surrounding properties. These environmental audits have not revealed, nor are we aware of, any environmental liability that we believe will have a material adverse effect on our results of operations. We cannot assure you that:

- existing environmental studies with respect to the Portfolio reveal all potential environmental liabilities;
- any previous owner, occupant or tenant of a Property did not create any material environmental condition not known to us;
- the current environmental condition of the Portfolio will not be affected by tenants and occupants, by the condition of nearby properties, or by other unrelated third parties; or
- future uses or conditions (including, without limitation, changes in applicable environmental laws and regulations or the interpretation thereof) will not result in environmental liabilities.

Asbestos-Containing Materials. Asbestos-containing materials are present in most of the Properties, primarily in the form of vinyl asbestos tile, mastics and roofing materials, which we believe are generally in good condition. Fireproofing and insulation containing asbestos is also present in certain Properties in limited concentrations or in limited areas. The presence of such asbestos-containing materials does not violate currently applicable laws. Generally, we remove asbestos-containing materials as required in the ordinary course of any renovation, reconstruction, or expansion, and in connection with the retenanting of space.

Mold Management. From time to time, during normal maintenance activities, increased levels of moisture may be found in building materials and mechanical systems. When this occurs, the source of the moisture (typically, due to a plumbing system malfunction or weather related damage) is corrected and the impact to building operations is assessed. When active mold growth is reasonably suspected or identified, the services of environmental professionals are utilized to evaluate and address the situation appropriately.

Underground Storage Tanks. Several of the Properties contain, or at one time contained, underground storage tanks used to store waste oils or other petroleum products primarily related to auto service center establishments or emergency electrical generation equipment. We believe that regulated tanks have been removed, upgraded or abandoned in accordance with applicable environmental laws. Site assessments have revealed certain soil and groundwater contamination associated with such tanks at some of these Properties. Subsurface investigations (Phase II assessments) and remediation activities are either completed, ongoing, or scheduled to be conducted at such Properties. The costs of remediation with respect to such matters has not been material and we do not expect these costs will have a material adverse effect on our results of operations.

Properties to be Developed or Acquired. Land held for mall development or that may be acquired for development may contain residues or debris associated with the use of the land by prior owners or third parties. In certain instances, such residues or debris could be or could contain hazardous wastes or hazardous substances. Prior to exercising any option to acquire properties, we typically conduct environmental due diligence consistent with acceptable industry standards.

Certain Activities

During the past three years, we have:

- issued 14,336,846 shares of common stock upon the conversion of Series A and B preferred stock;
- issued 19,375 shares of common stock in lieu of preferred dividends on Series A preferred stock;
- issued 7,248,369 shares of common stock upon the conversion of common units of limited partnership interest in the Operating Partnership;
- issued 803,341 shares of common stock upon the conversion of preferred units of limited partnership interest in the Operating Partnership;
- issued 725,367 restricted shares of common stock, net of forfeitures, under The Simon Property Group 1998 Stock Incentive Plan;
- issued 1,798,396 shares of common stock upon exercise of stock options under The Simon Property Group 1998 Stock Incentive Plan;
- issued 9,000,000 shares of common stock in a public offering;
- purchased and retired 93,000 shares of common stock;
- purchased 317,300 shares of common stock in the open market;
- issued 12,978,795 shares of common stock in the Chelsea acquisition;
- issued 3,328,540 shares of Series H preferred stock in 2003 and repurchased 3,250,528 shares in 2003 and 78,012 shares in 2004;
- issued 1,156,039 shares of Series D preferred stock in 2004 upon the conversion of Series D preferred units and repurchased 1,156,039 shares of Series D preferred stock in 2004;
- redeemed all of the 1,000,000 shares of Series E preferred stock;
- issued 13,261,712 shares of Series I preferred stock in the Chelsea acquisition;
- issued 376,307 shares of Series I preferred stock upon the conversion of Series I preferred units;
- issued 796,948 shares of Series J preferred stock in the Chelsea acquisition;
- borrowed a maximum amount of $743.0 million under our $1.25 billion unsecured revolving credit facility; the outstanding amount of borrowings under this facility as of December 31, 2004 was $425.0 million;
- as a co-borrower with the Operating Partnership, borrowed a maximum of $1.8 billion under an unsecured acquisition facility in connection with the Chelsea acquisition;
- as a co-borrower with the Operating Partnership, borrowed a maximum of $600 million under a $600 million 12-month acquisition credit facility taken out in connection with the Rodamco acquisition; the outstanding balance of this acquisition credit facility was paid off during the third quarter of 2002;

- not made loans to other entities or persons, including our officers and directors, other than to the Management Company and certain officers to pay income taxes due upon the vesting of restricted stock; all loans previously made to current executive officers have been repaid in full and our Code of Conduct prohibits us from making any further loans to officers and directors;
- not invested in the securities of other issuers for the purpose of exercising control, other than the Operating Partnership, certain wholly-owned subsidiaries and to acquire interests in real estate and, our 2003 withdrawn tender offer for Taubman Centers, Inc.;
- not underwritten securities of other issuers;
- not engaged in the purchase and sale or turnover of investments; and
- provided annual reports containing financial statements certified by our independent registered public accounting firm and quarterly reports containing unaudited financial statements to our security holders.

Employees

At February 25, 2005 we and our affiliates employed approximately 4,610 persons at various properties and offices throughout the United States, of which approximately 1,590 were part-time. Approximately 916 of these employees were located at our corporate headquarters in Indianapolis, IN and 151 were located at the Chelsea offices in Roseland, NJ.

Corporate Headquarters

Our corporate headquarters are located at National City Center, 115 West Washington Street, Indianapolis, Indiana 46204, and our telephone number is (317) 636-1600.

Available information

Our Internet website address is www.simon.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available or may be accessed free of charge through the About Simon /Investor Relations section of our Internet website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our Internet website and the information contained therein or connected thereto are not intended to be incorporated into this Annual Report on Form 10-K.

The following corporate governance documents are also available through the About Simon/Investor Relations/Corporate Governance section of our Internet website or may be obtained in print form by request of our Investor Relations Department: Governance Principles, Code of Business Conduct and Ethics, Audit Committee Charter, Compensation Committee Charter, Nominating Committee Charter, and Governance Committee Charter.

Executive Officers of the Registrant

The following table sets forth certain information with respect to the executive officers of Simon Property as of December 31, 2004.

Name	Age	Position
Melvin Simon (1)	78	Co-Chairman
Herbert Simon (1)	70	Co-Chairman
David Simon (1)	43	Chief Executive Officer
Richard S. Sokolov	55	President and Chief Operating Officer
Hans C. Mautner	67	Chairman, Simon Global Limited and President, International Division
Gary L. Lewis	46	Executive Vice President — Leasing
Stephen E. Sterrett	49	Executive Vice President and Chief Financial Officer
J. Scott Mumphrey	53	Executive Vice President — Property Management
John Rulli	48	Executive Vice President — Chief Operating Officer — Operating Properties
James M. Barkley	53	General Counsel; Secretary
Andrew A. Juster	52	Senior Vice President and Treasurer

(1) Melvin Simon is the brother of Herbert Simon and the father of David Simon.

Set forth below is a summary of the business experience of the executive officers of Simon Property. The executive officers of Simon Property serve at the pleasure of the Board of Directors. For biographical information of Melvin Simon, Herbert Simon, David Simon, Hans C. Mautner, and Richard S. Sokolov, see Item 10 of this report.

Mr. Lewis is the Executive Vice President — Leasing of Simon Property. Mr. Lewis joined Melvin Simon & Associates, Inc. ("MSA") in 1986 and held various positions with MSA and Simon Property prior to becoming Executive Vice President in charge of Leasing of Simon Property in 2002.

Mr. Sterrett serves as Simon Property's Executive Vice President and Chief Financial Officer. He joined MSA in 1989 and held various positions with MSA until 1993 when he became Simon Property's Senior Vice President and Treasurer. He became Simon Property's Chief Financial Officer in 2001.

Mr. Mumphrey serves as Simon Property's Executive Vice President — Property Management. He joined MSA in 1974 and also held various positions with MSA before becoming Senior Vice President of Property Management in 1993. In 2000, he became the President of Simon Business Network. Mr. Mumphrey became Executive Vice President — Property Management in 2002.

Mr. Rulli serves as Simon Property's Executive Vice President — Chief Operating Officer — Operating Properties and previously served as Executive Vice President and Chief Administrative Officer. He joined MSA in 1988 and held various positions with MSA before becoming Simon Property's Executive Vice President in 1993 and Chief Administrative Officer in 2000. In December 2003, he was appointed to Executive Vice President — Chief Operating Officer — Operating Properties.

Mr. Barkley serves as Simon Property's General Counsel and Secretary. Mr. Barkley holds the same position for MSA. He joined MSA in 1978 as Assistant General Counsel for Development Activity.

Mr. Juster serves as Simon Property's Senior Vice President and Treasurer. He joined MSA in 1989 and held various financial positions with MSA until 1993 and thereafter has held various positions with Simon Property. Mr. Juster became Treasurer in 2001.

Item 2. Properties

United States Properties

Our Properties primarily consist of regional malls, Premium Outlets, community shopping centers, and other properties. Our Properties contain an aggregate of approximately 203 million square feet of GLA, of which we own approximately 121.7 million square feet ("Owned GLA"). Total estimated retail sales at the Properties in 2004 were approximately $48 billion.

Regional malls generally contain two or more anchors and a wide variety of smaller stores ("Mall" stores) located in enclosed malls connecting the anchors. Additional stores ("Freestanding" stores) are usually located along the perimeter of the parking area. Our 172 regional malls range in size from approximately 200,000 to 2.6 million square feet of GLA, with all but four regional malls over 400,000 square feet. Our regional malls contain in the aggregate more than 18,300 occupied stores, including approximately 700 anchors, which are mostly national retailers. Our regional mall totals include certain life-style centers when the center contains a traditional department store anchor.

Community shopping centers are generally unenclosed and smaller than regional malls. Our 71 community shopping centers generally range in size from approximately 50,000 to 950,000 square feet of GLA. Community shopping centers generally are of three types. First, we own "power centers" that are designed to serve a larger trade area and contain at least two anchors, and usually as many as 5 to 7 other tenants, that are usually national retailers among the leaders in their markets and occupy more than 70% of the GLA in the center. Second, we own traditional community centers that focus primarily on value-oriented and convenience goods and services. These centers are usually anchored by a supermarket, discount retailer, or drugstore and are designed to service a neighborhood area. Finally, we also own open air centers adjacent to our regional malls designed to take advantage of the drawing power of the mall. Our community center totals also include life-style centers when the center does not contain a traditional department store anchor.

Premium Outlets generally contain a wide variety of retailers located in open-air manufacturer's outlet centers. Our 31 Premium Outlets range in size from approximately 75,000 to 840,000 square feet of GLA. The Premium Outlets are generally located near metropolitan areas including New York City, Los Angeles, Chicago, Boston, Washington, D.C., San Francisco, Sacramento, Atlanta, and Dallas; or within 20 miles of major tourist destinations including Palm Springs, Napa Valley, Orlando, Las Vegas and Honolulu.

We also have interests in 23 other Properties, which are comprised of retail and office Properties. The other Properties range in size from approximately 60,000 to 819,000 square feet of GLA. Two of these Properties contain primarily office space. The combined office and other Properties total less than 3.5% of our total GLA and no more than 2% of our total operating income before depreciation.

The following table provides data as of December 31, 2004:

	Regional Malls	Premium Outlets®	Community Centers	Other
% of total annualized base rent	80.0%	10.5%	5.5%	4.0%
% of total GLA	81.6%	5.7%	9.3%	3.4%
% of Owned GLA	73.9%	9.5%	11.1%	5.5%

As of December 31, 2004, approximately 92.7% of the Mall and Freestanding Owned GLA in regional malls and the retail space of the other Properties was leased, approximately 99.3% of Owned GLA in the Premium Outlets was leased and approximately 91.9% of Owned GLA in the community shopping centers was leased.

We own 100% of 210 of our 297 Properties, control 20 Properties in which we have a joint venture interest, and hold the remaining 67 Properties through unconsolidated joint venture interests. We are the managing or co-managing general partner or member of 288 of our Properties. Substantially all of our joint venture Properties are subject to rights of first refusal, buy-sell provisions, or other sale rights for all partners which are customary in real estate partnership agreements and the industry. Our partners in our joint ventures may initiate these provisions at any time, which will result in either the use of available cash or borrowings to acquire their partnership interest or the disposal of our partnership interest.

The following property table summarizes certain data on our regional malls, Premium Outlets, and community centers located in the United States.

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

	Property Name	State	City (Metropolitan area)	Ownership Interest (Expiration if Lease) (1)	Legal Ownership	Year Built or Acquired	Occupancy (3)	Gross Leasable Area Anchor	Gross Leasable Area Mall & Freestanding	Gross Leasable Area Total	Retail Anchors and Major Tenants
	REGIONAL MALLS										
1.	Alton Square	IL	Alton (St. Louis)	Fee	100.0%	Acquired 1993	69.9%	426,315	212,897	639,212	Sears, JCPenney, Famous-Barr
2.	Anderson Mall	SC	Anderson (Greenville)	Fee	100.0%	Built 1972	87.3%	404,394	212,667	617,061	JCPenney, Belk Ladies & Children, Belk Men's, Home Store
3.	Apple Blossom Mall	VA	Winchester	Fee	49.1% (4)	Acquired 1999	82.7%	229,011	213,381	442,392	Belk, JCPenney, Sears
4.	Arsenal Mall	MA	Watertown (Boston)	Fee	100.0%	Acquired 1999	93.5%	191,395	310,546 (19)	501,941	Marshalls, Home Depot, Linens-N-Things, Filene's Basement
5.	Atrium Mall	MA	Chestnut Hill (Boston)	Fee	49.1% (4)	Acquired 1999	97.8%	—	206,591	206,591	Border Books & Music, Cheesecake Factory, Tiffany
6.	Auburn Mall	MA	Auburn (Boston)	Fee	49.1% (4)	Acquired 1999	95.8%	417,620	174,366	591,986	Filene's, Filene's Home Store, Sears
7.	Aurora Mall	CO	Aurora (Denver)	Fee	100.0%	Acquired 1998	79.8%	611,637	418,551	1,030,188	JCPenney, Foley's, Foley's Mens & Home, Sears, Dillard's (6)
8.	Aventura Mall (5)	FL	Miami Beach	Fee	33.3% (4)	Built 1983	98.1%	1,242,098	662,423	1,904,521	Macy's, Sears, Bloomingdales, JCPenney, Burdines-Macy's
9.	Avenues, The	FL	Jacksonville	Fee	25.0% (4) (2)	Built 1990	95.3%	754,956	362,554	1,117,510	Belk, Dillard's, JCPenney, Parisian, Sears
10.	Bangor Mall	ME	Bangor	Fee	66.4% (15)	Acquired 2003	87.5%	416,582	236,753	653,335	Dick's Sporting Goods, JCPenney, Hannafords, Filene's, Sears
11.	Barton Creek Square	TX	Austin	Fee	100.0%	Built 1981	99.6%	922,266	507,906	1,430,172	Dillard's Womens & Home, Dillard's Mens & Children, Foley's, Sears, Nordstrom, JCPenney
12.	Battlefield Mall	MO	Springfield	Fee and Ground Lease (2056)	100.0%	Built 1970	98.5%	770,111	423,399	1,193,510	Dillard's Women, Dillard's Mens, Children & Home, Famous-Barr, Sears, JCPenney, Steve & Barry's
13.	Bay Park Square	WI	Green Bay	Fee	100.0%	Built 1980	96.6%	447,508	268,378	715,886	Younkers, Elder-Beerman, Kohl's, ShopKo
14.	Biltmore Square	NC	Asheville	Fee	100.0%	Built 1989	73.5%	242,576	251,285	493,861	Belk, Dillard's, Proffitt's
15.	Bowie Town Center	MD	Bowie (Washington, D.C.)	Fee	100.0%	Built 2001	100.0%	338,567	328,698	667,265	Hecht's, Sears, Barnes & Noble, Bed Bath & Beyond, Best Buy
16.	Boynton Beach Mall	FL	Boynton Beach (W. Palm Beach)	Fee	100.0%	Built 1985	94.6%	883,720	299,843	1,183,563	Burdines-Macy's, Sears, Dillard's Mens & Home, Dillard's Women, JCPenney
17.	Brea Mall	CA	Brea (Orange County)	Fee	100.0%	Acquired 1998	98.5%	874,802	442,557	1,317,359	Macy's, JCPenney, Robinson-May, Nordstrom, Sears
18.	Broadway Square	TX	Tyler	Fee	100.0%	Acquired 1994	95.6%	427,730	189,388	617,118	Dillard's, JCPenney, Sears
19.	Brunswick Square	NJ	East Brunswick (New York)	Fee	100.0%	Built 1973	96.4%	467,626	301,415	769,041	Macy's, JCPenney, Barnes & Noble
20.	Burlington Mall	MA	Burlington (Boston)	Ground Lease (2048)	100.0%	Acquired 1998	99.0%	836,236	410,439	1,246,675	Macy's, Lord & Taylor, Filene's, Sears
21.	Cape Cod Mall	MA	Hyannis (Barnstable	Ground Leases (2009-	49.1% (4)	Acquired 1999	100.0%	420,199	303,966	724,165	Macy's,

			— Yarmouth)	2073) (7)							Filene's, Marshalls, Sears, Best Buy, Barnes & Noble
22.	Castleton Square	IN	Indianapolis	Fee	100.0%	Built 1972	96.0%	1,105,913	363,264	1,469,177	Dick's Sporting Goods, L.S. Ayres, Lazarus-Macy's, JCPenney, Sears, Von Maur

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

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23.	Century III Mall	PA	West Mifflin (Pittsburgh)	Fee	100.0%	Built 1979	85.3%	831,439	454,993 (19)	1,286,432	Steve & Barry's, Dick's Sporting Goods, JCPenney, Kaufmann's, Sears, Kaufmann's Furniture Galleries
24.	Charlottesville Fashion Square	VA	Charlottesville	Ground Lease (2076)	100.0%	Acquired 1997	100.0%	381,153	191,236	572,389	Belk Womens & Children, Belk Mens & Home, JCPenney, Sears
25.	Chautauqua Mall	NY	Lakewood (Jamestown)	Fee	100.0%	Built 1971	91.5%	213,320	218,646	431,966	Sears, JCPenney, The Bon Ton, Office Max
26.	Cheltenham Square	PA	Philadelphia	Fee	100.0%	Built 1981	92.3%	368,266	271,394	639,660	Burlington Coat Factory, Home Depot, Value City, Shop Rite
27.	Chesapeake Square	VA	Chesapeake (Norfolk-VA Beach)	Fee and Ground Lease (2062)	75.0% (12)	Built 1989	96.3%	537,279	271,291	808,570	Dillard's Women, Dillard's Mens, Children & Home, JCPenney, Sears, Hecht's, Target
28.	Cielo Vista Mall	TX	El Paso	Fee and Ground Lease (2005) (7)	100.0%	Built 1974	95.8%	793,716	399,387	1,193,103	Dillard's Womens & Furniture, Dillard's Mens, Children & Home, JCPenney, Foley's, Sears
29.	Circle Centre	IN	Indianapolis	Property Lease (2097)	14.7% (4)	Built 1995	85.2%	350,000	441,037 (19)	791,037	Nordstrom, Parisian
30.	College Mall	IN	Bloomington	Fee and Ground Lease (2048) (7)	100.0%	Built 1965	93.8%	356,887	235,197	592,084	Sears, L.S. Ayres, Target, Dick's Sporting Goods (6), Linens-N-Things (6), Pier One (6)
31.	Columbia Center	WA	Kennewick	Fee	100.0%	Acquired 1987	96.4%	408,052	333,727	741,779	Sears, JCPenney, Bon-Macy's, Bon-Macy's Mens & Children, Toys 'R Us
32.	Copley Place	MA	Boston	Fee	98.1%	Acquired 2002	95.3%	104,332	1,108,133 (19)	1,212,465	Nieman Marcus, Barney's (6)
33.	Coral Square	FL	Coral Springs (Miami-Ft. Lauderdale)	Fee	97.2%	Built 1984	96.2%	648,144	296,873	945,017	Dillard's, JCPenney, Sears, Burdines-Macy's Mens, Children & Home, Burdines-Macy's Women
34.	Cordova Mall	FL	Pensacola	Fee	100.0%	Acquired 1998	89.3%	437,477	395,875	833,352	Parisian, Dillard's Men, Dillard's Women, Best Buy, Bed, Bath & Beyond, Cost Plus World Market, Ross Dress for Less (6)
35.	Cottonwood Mall	NM	Albuquerque	Fee	100.0%	Built 1996	91.5%	631,556	410,124	1,041,680	Dillard's, Foley's, JCPenney, Mervyn's, Sears
36.	Crossroads Mall	NE	Omaha	Fee	100.0%	Acquired 1994	78.9%	609,669	248,841	858,510	Dillard's, Sears, Younkers, Target (6)
37.	Crystal Mall	CT	Waterford (New London-Norwich)	Fee	74.6% (4)	Acquired 1998	94.9%	442,311	351,515	793,826	Macy's, Filene's, JC Penney, Sears
38.	Crystal River Mall	FL	Crystal River	Fee	100.0%	Built 1990	89.5%	302,495	121,847	424,342	JCPenney, Sears, Belk, Kmart
39.	Dadeland Mall	FL	N. Miami Beach	Fee	50.0% (4)	Acquired 1997	97.7%	1,132,072	335,565	1,467,637	Saks Fifth Avenue, Nordstrom, JCPenney, Burdines-Macy's, Burdines-Macy's Children

											& Home, The Limited/Express
40.	DeSoto Square	FL	Bradenton (Sarasota-Bradenton)	Fee	100.0%	Built 1973	92.1%	435,467	254,786	690,253	JCPenney, Sears, Dillard's, Burdines-Macy's
41.	Eastland Mall	IN	Evansville	Fee	50.0% (4)	Acquired 1998	95.3%	532,955	365,956	898,911	JCPenney, Famous Barr, Lazarus-Macy's

Property Table

U.S. Properties

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42.	Eastland Mall	OK	Tulsa	Fee	100.0%	Built 1986	53.6%	435,843	264,841	700,684	Dillard's, Mervyn's, Mickey's, Buyer's Bargains, (8)
43.	Edison Mall	FL	Fort Myers	Fee	100.0%	Acquired 1997	93.0%	742,667	299,622	1,042,289	Dillard's, JCPenney, Sears, Burdines-Macy's Mens, Children & Home, Burdines-Macy's Women
44.	Emerald Square	MA	North Attleboro (Providence — Fall River)	Fee	49.1% (4)	Acquired 1999	98.0%	647,372	374,011	1,021,383	Filene's, Filene's Home Store, JCPenney, Sears, Filene's Mens Store (6)
45.	Empire Mall (5)	SD	Sioux Falls	Fee and Ground Lease (2013) (7)	50.0% (4)	Acquired 1998	88.2%	497,341	551,245	1,048,586	JCPenney, Younkers, Sears, Richman Gordman, Marshall Field's
46.	Fashion Centre at Pentagon City, The	VA	Arlington (Washington, DC)	Fee	42.5% (4)	Built 1989	99.4%	472,729	518,046 (19)	990,775	Macy's, Nordstrom
47.	Fashion Mall at Keystone, The	IN	Indianapolis	Ground Lease (2067)	100.0%	Acquired 1997	96.8%	249,721	398,403 (19)	648,124	Parisian, Saks Fifth Avenue, Crate & Barrel (6)
48.	Fashion Valley Mall	CA	San Diego	Fee	50.0% (4)	Acquired 2001	97.6%	1,053,305	654,697	1,708,002	JCPenney, Macy's, Neiman-Marcus, Nordstrom, Robinsons-May, Saks Fifth Avenue
49.	Florida Mall, The	FL	Orlando	Fee	50.0% (4)	Built 1986	97.6%	1,232,416	615,508	1,847,924	Dillard's, JCPenney, Lord & Taylor (16), Saks Fifth Avenue, Sears, Burdines-Macy's, Nordstrom
50.	Forest Mall	WI	Fond Du Lac	Fee	100.0%	Built 1973	83.1%	327,260	173,393	500,653	JCPenney, Kohl's, Younkers, Sears
51.	Forum Shops at Caesars, The	NV	Las Vegas	Ground Lease (2050)	100.0%	Built 1992	97.9%	—	635,741	635,741	
52.	Galleria, The	TX	Houston	Fee	31.5% (4)	Acquired 2002	92.6%	1,300,466	1,102,436	2,402,902	University Club, Neiman Marcus, Lord & Taylor (16), Macy's, Saks Fifth Avenue, Nordstrom, Foley's
53.	Granite Run Mall	PA	Media (Philadelphia)	Fee	50.0% (4)	Acquired 1998	93.7%	500,809	546,249	1,047,058	JCPenney, Sears, Boscov's, Kohls
54.	Great Lakes Mall	OH	Mentor (Cleveland)	Fee	100.0%	Built 1961	85.4%	879,300	422,727	1,302,027	Dillard's Men, Dillard's Women, Kaufmann's, JCPenney, Sears
55.	Greendale Mall	MA	Worcester (Boston)	Fee and Ground Lease (2009) (7)	49.1% (4)	Acquired 1999	93.4%	132,634	298,703 (19)	431,337	Marshalls, T.J. Maxx ‘N More, Best Buy
56.	Greenwood Park Mall	IN	Greenwood (Indianapolis)	Fee	100.0%	Acquired 1979	95.2%	909,928	414,737	1,324,665	JCPenney, Lazarus-Macy's, L.S.

											Ayres, Sears, Von Maur, Dick's Sporting Goods
57.	Gulf View Square	FL	Port Richey (Tampa-St. Pete)	Fee	100.0%	Built 1980	95.6%	461,852	292,059	753,911	Sears, Dillard's, JCPenney, Burdines-Macy's, Best Buy, Linens-N-Things
58.	Gwinnett Place	GA	Duluth (Atlanta)	Fee	50.0% (4)	Acquired 1998	86.3%	843,609	434,067	1,277,676	Parisian, Rich's-Macy's, JCPenney, Sears, (8)
59.	Haywood Mall	SC	Greenville	Fee and Ground Lease (2017) (7)	100.0%	Acquired 1998	95.8%	902,400	330,255	1,232,655	Rich's-Macy's, Sears, Dillard's, JCPenney, Belk
60.	Highland Mall (5)	TX	Austin	Fee and Ground Lease (2070)	50.0% (4)	Acquired 1998	90.2%	732,000	359,671	1,091,671	Dillard's Women & Home, Dillard's Mens & Children, Foley's, JCPenney
61.	Independence Center	MO	Independence (Kansas City)	Fee	100.0%	Acquired 1994	98.8%	499,284	521,445	1,020,729	Dillard's, Sears, The Jones Store Co.
62.	Indian River Mall	FL	Vero Beach	Fee	50.0% (4)	Built 1996	86.8%	445,552	302,456	748,008	Sears, JCPenney, Dillard's, Burdines-Macy's

Simon Property Group, Inc. and Subsidiaries

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U.S. Properties

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63.	Ingram Park Mall	TX	San Antonio	Fee	100.0%	Built 1979	96.0%	751,704	378,284	1,129,988	Dillard's, Dillard's Home Center, Foley's, JCPenney, Sears, Bealls
64.	Irving Mall	TX	Irving (Dallas-Ft. Worth)	Fee	100.0%	Built 1971	97.4%	722,049	408,688	1,130,737	Foley's, Dillard's, Mervyn's, Sears, Circuit City, Burlington Coat Factory (6)
65.	Jefferson Valley Mall	NY	Yorktown Heights (New York)	Fee	100.0%	Built 1983	97.2%	310,095	276,709	586,804	Macy's, Sears, H&M
66.	Knoxville Center	TN	Knoxville	Fee	100.0%	Built 1984	83.0%	597,028	383,830	980,858	Dillard's, JCPenney, Proffitt's, Sears, The Rush
67.	La Plaza Mall	TX	McAllen	Fee and Ground Lease (2040) (7)	100.0%	Built 1976	98.3%	776,397	426,765	1,203,162	JCPenney, Foley's Home Store, Foley's, Dillard's, Sears, Bealls, Joe Brand
68.	Lafayette Square	IN	Indianapolis	Fee	100.0%	Built 1968	87.1%	937,223	270,158	1,207,381	L.S. Ayres, Sears, Burlington Coat Factory, Steve & Barry's, (8)
69.	Laguna Hills Mall	CA	Laguna Hills (Orange County)	Fee	100.0%	Acquired 1997	98.5%	536,500	330,736	867,236	Macy's, JCPenney, Sears
70.	Lake Square Mall	FL	Leesburg (Orlando)	Fee	50.0% (4)	Acquired 1998	84.2%	296,037	264,777	560,814	JCPenney, Sears, Belk, Target
71.	Lakeline Mall	TX	Austin	Fee	100.0%	Built 1995	92.2%	745,179	355,463	1,100,642	Dillard's, Foley's, Sears, JCPenney, Mervyn's
72.	Lehigh Valley Mall	PA	Whitehall (Allentown — Bethlehem)	Fee	37.6% (4) (15)	Acquired 2003	94.4%	564,353	494,641 (19)	1,058,994	JCPenney, Macy's, Strawbridge's
73.	Lenox Square	GA	Atlanta	Fee	100.0%	Acquired 1998	92.3%	821,356	663,328	1,484,684	Neiman Marcus, Rich's-Macy's, Bloomingdale's
74.	Liberty Tree Mall	MA	Danvers (Boston)	Fee	49.1% (4)	Acquired 1999	97.9%	498,000	359,075	857,075	Marshalls, The Sports Authority, Target, Bed, Bath & Beyond, Kohl's, Shop Rite, Best Buy, Staples
75.	Lima Mall	OH	Lima	Fee	100.0%	Built 1965	92.1%	541,861	204,014	745,875	Elder-Beerman, Sears, Lazarus-Macy's, JCPenney
76.	Lincolnwood Town Center	IL	Lincolnwood (Chicago)	Fee	100.0%	Built 1990	96.9%	220,830	200,632	421,462	Kohl's, Carson Pirie Scott
77.	Lindale Mall (5)	IA	Cedar Rapids	Fee	50.0% (4)	Acquired 1998	86.7%	305,563	386,975	692,538	Von Maur, Sears, Younkers, (8)
78.	Livingston Mall	NJ	Livingston (New York)	Fee	100.0%	Acquired 1998	97.1%	616,128	363,898	980,026	Macy's, Sears, Lord & Taylor
79.	Longview Mall	TX	Longview	Fee	100.0%	Built 1978	82.5%	402,843	209,983	612,826	Dillard's, Dillard's Men, JCPenney, Sears, Beall's
80.	Mall at Chestnut Hill, The	MA	Newton (Boston)	Lease (2039) (9)	47.2% (4)	Acquired 2002	97.5%	297,253	180,946	478,199	Bloomingdale's, Filene's
81.	Mall at Rockingham Park	NH	Salem (Boston)	Fee	24.6% (4)	Acquired 1999	99.1%	638,111	382,046	1,020,157	Macy's, Filene's, JCPenney, Sears
82.	Mall of Georgia	GA	Mill Creek (Atlanta)	Fee	50.0% (4)	Built 1999	92.5%	1,069,590	715,774	1,785,364	JCPenney, Dick's Sporting Goods, Nordstrom, Dillard's, Lord & Taylor (16), Rich's-Macy's, Barnes & Noble, Haverty's Furniture
83.	Mall of New Hampshire	NH	Manchester (Boston)	Fee	49.1% (4)	Acquired 1999	97.8%	444,889	362,010	806,899	JCPenney, Filene's, Sears, Best Buy, A.C. Moore (6)
84.	Maplewood Mall	MN	Minneapolis	Fee	100.0%	Acquired 2002	96.5%	588,822	339,302	928,124	Sears, Marshall Field's, Kohl's, Barnes &

85.	Markland Mall	IN	Kokomo	Ground Lease (2041)	100.0%	Built 1968	94.4%	273,094	142,149	415,243	Noble, JCPenney (6) Lazarus-Macy's, Sears, Target

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86.	McCain Mall	AR	N. Little Rock	Fee and Ground Lease (2032) (10)	100.0%	Built 1973	97.5%	554,156	222,340	776,496	Sears, Dillard's, JCPenney, M.M. Cohn
87.	Melbourne Square	FL	Melbourne	Fee	100.0%	Built 1982	88.4%	471,173	258,729	729,902	Dillard's Mens, Children & Home, Dillard's Women, JCPenney, Burdines-Macy's, Dick's Sporting Goods (6), Circuit City (6)
88.	Menlo Park Mall	NJ	Edison (New York)	Fee	100.0%	Acquired 1997	94.5%	527,591	755,332 (19)	1,282,923	Macy's Women, Macy's Men, Macy's Children & Home, Nordstrom, Barnes & Noble
89.	Mesa Mall (5)	CO	Grand Junction	Fee	50.0% (4)	Acquired 1998	86.2%	425,817	440,141	865,958	Sears, Herberger's, JCPenney, Target, Mervyn's
90.	Metrocenter	AZ	Phoenix	Fee	50.0% (4) (18)	Acquired 1998	90.3%	876,027	515,946	1,391,973	Macy's, Dillard's, Robinsons-May, JCPenney, Sears
91.	Miami International Mall	FL	South Miami	Fee	47.8% (4)	Built 1982	95.0%	783,308	293,366	1,076,674	Sears, Dillard's, JCPenney, Burdines-Macy's Mens & Home, Burdines-Macy's Women & Children
92.	Midland Park Mall	TX	Midland	Fee	100.0%	Built 1980	92.6%	339,113	278,980	618,093	Dillard's, Dillard's Mens & Juniors, JCPenney, Sears, Beall's, Ross Dress for Less
93.	Miller Hill Mall	MN	Duluth	Ground Lease (2008)	100.0%	Built 1973	96.5%	429,508	379,651	809,159	JCPenney, Sears, Younkers, Barnes & Noble, DSW
94.	Montgomery Mall	PA	Montgomeryville (Philadelphia)	Fee	53.5% (15)	Acquired 2003	91.9%	684,855	435,540	1,120,395	JCPenney, Macy's, Sears, Strawbridge's
95.	Muncie Mall	IN	Muncie	Fee	100.0%	Built 1970	99.5%	435,756	214,360	650,116	JCPenney, L.S. Ayres, Sears, Elder Beerman
96.	Nanuet Mall	NY	Nanuet (New York)	Fee	100.0%	Acquired 1998	90.5%	583,711	332,903	916,614	Macy's, Boscov's, Sears
97.	North East Mall	TX	Hurst (Dallas-Ft. Worth)	Fee	100.0%	Built 1971	97.3%	1,194,589	467,610	1,662,199	Saks Fifth Avenue, Nordstrom, Dillard's, JCPenney, Sears, Foley's
98.	Northfield Square Mall	IL	Bourbonnais (Chicago)	Fee	31.6% (12)	Built 1990	75.0%	310,994	247,535	558,529	Sears, JC Penney, Carson Pirie Scott Womens, Carson Pirie Scott Mens, Children & Home
99.	Northgate Mall	WA	Seattle	Fee	100.0%	Acquired 1987	94.1%	688,391	297,324	985,715	Nordstrom, JCPenney, Gottschalks, Bon-Macy's, Toys ‘R Us
100.	Northlake Mall	GA	Atlanta	Fee	100.0%	Acquired 1998	96.2%	665,745	297,027	962,772	Parisian, Rich's-Macy's, Sears, JCPenney

101.	NorthPark Mall	IA	Davenport	Fee	50.0% (4)	Acquired 1998	84.7%	651,533	425,218		1,076,751	Von Maur, Younkers, Dillard's, JCPenney, Sears
102.	Northshore Mall	MA	Peabody (Boston)	Fee	49.1% (4)	Acquired 1999	91.2%	989,277	697,782		1,687,059	Macy's, Filene's, JCPenney, Lord & Taylor, Sears, Filene's Basement
103.	Northwoods Mall	IL	Peoria	Fee	100.0%	Acquired 1983	96.7%	472,969	223,816		696,785	Famous Barr, JCPenney, Sears
104.	Oak Court Mall	TN	Memphis	Fee	100.0%	Acquired 1997	97.9%	535,000	318,098	(19)	853,098	Dillard's, Goldsmith's-Macy's, Dillard's Mens,
105.	Ocean County Mall	NJ	Toms River (New York)	Fee	100.0%	Acquired 1998	91.6%	616,443	276,126		892,569	Macy's, Boscov's, JCPenney, Sears
106.	Orange Park Mall	FL	Orange Park (Jacksonville)	Fee	100.0%	Acquired 1994	96.1%	534,180	389,232		923,412	Dillard's, JCPenney, Sears, Belk

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

	Property Name	State	City (Metropolitan area)	Ownership Interest (Expiration if Lease) (1)	Legal Ownership	Year Built or Acquired	Occupancy (3)	Gross Leasable Area: Anchor	Gross Leasable Area: Mall & Freestanding	Gross Leasable Area: Total	Retail Anchors and Major Tenants
107.	Orland Square	IL	Orland Park (Chicago)	Fee	100.0%	Acquired 1997	98.2%	773,295	436,343	1,209,638	JCPenney, Marshall Field's, Sears, Carson Pirie Scott
108.	Oxford Valley Mall	PA	Langhorne (Philadelphia)	Fee	63.2%(15)	Acquired 2003	89.9%	762,558	503,488 (19)	1,266,046	J.C. Penney, Sears, Strawbridge's, Macy's
109.	Paddock Mall	FL	Ocala	Fee	100.0%	Built 1980	94.4%	387,378	166,851	554,229	JCPenney, Sears, Belk, Burdines-Macy's
110.	Palm Beach Mall	FL	West Palm Beach	Fee	100.0%	Built 1967	96.0%	749,288	334,919	1,084,207	Dillard's, JCPenney, Sears, Burdines-Macy's, Borders, DSW
111.	Penn Square Mall	OK	Oklahoma City	Ground Lease (2060)	94.5%	Acquired 2002	98.2%	588,137	443,798	1,031,935	Foley's, JCPenney, Dillard's Womens, Dillard's Mens, Children & Home
112.	Pheasant Lane Mall	NH	Nashua (Boston)	(14)	(14)	Acquired 2002	98.2%	675,759	313,478	989,237	Macy's, Filene's, JC Penney, Sears, Target
113.	Phipps Plaza	GA	Atlanta	Fee	100.0%	Acquired 1998	87.5%	472,385	346,801	819,186	Parisian, Saks Fifth Avenue, Nordstrom (6)
114.	Plaza & Court at King of Prussia, The	PA	King of Prussia (Philadelphia)	Fee	12.4%(4) (15)	Acquired 2003	96.8%	1,545,812	1,074,658 (19)	2,620,470	Macy's, Bloomingdale's, J.C. Penney, Sears, Strawbridge's, Nordstrom, Neiman Marcus, Lord & Taylor
115.	Plaza Carolina	PR	Carolina (San Juan)	Fee	100.0%	2004	94.4%	504,796	608,089 (19)	1,112,885	JCPenney, Pueblo Xtra, Sears
116.	Port Charlotte Town Center	FL	Port Charlotte (Punta Gorda)	Ground Lease (2064)	80.0%(12)	Built 1989	87.4%	458,554	321,871	780,425	Dillard's, JCPenney, Beall's, Sears, Burdines-Macy's, DSW
117.	Prien Lake Mall	LA	Lake Charles	Fee and Ground Lease (2025) (7)	100.0%	Built 1972	91.2%	644,124	178,697	822,821	Dillard's, JCPenney, Foley's, Sears
118.	Quaker Bridge Mall	NJ	Lawrenceville	Fee	38.0%(4) (15)	Acquired 2003	94.9%	686,760	415,230	1,101,990	JCPenney, Lord & Taylor, Macy's, Sears
119.	Raleigh Springs Mall	TN	Memphis	Fee and Ground Lease (2018) (7)	100.0%	Built 1971	77.1%	691,230	226,323	917,553	Sears, (8)
120.	Richardson Square Mall	TX	Richardson (Dallas-Ft. Worth)	Fee	100.0%	Built 1977	80.2%	471,436	284,000	755,436	Dillard's, Sears, Super Target, Ross Dress for Less, Barnes & Noble
121.	Richmond Town Square	OH	Richmond Heights (Cleveland)	Fee	100.0%	Built 1966	97.5%	685,251	331,752	1,017,003	Sears, JCPenney, Kaufmann's, Barnes & Noble, Steve & Barry's (6)
122.	River Oaks Center	IL	Calumet City (Chicago)	Fee	100.0%	Acquired 1997	96.2%	834,588	545,236 (19)	1,379,824	Sears, JCPenney, Carson Pirie Scott, Marshall Field's
123.	Rockaway Townsquare	NJ	Rockaway (New York)	Fee	100.0%	Acquired 1998	93.0%	786,626	462,881	1,249,507	Macy's, Lord & Taylor, JCPenney, Sears
124.	Rolling Oaks Mall	TX	San Antonio	Fee	100.0%	Built 1988	75.5%	596,984	292,917	889,901	Sears, Dillard's, Foley's, JC Penney
125.	Roosevelt Field	NY	Garden City (New York)	Fee and Ground Lease (2090) (7)	100.0%	Acquired 1998	96.7%	1,430,425	759,516	2,189,941	Macy's, Bloomingdale's, JCPenney, Nordstrom, Bloomingdale's Furniture, Dick's Sporting Goods
126.	Ross Park Mall	PA	Pittsburgh	Fee	100.0%	Built 1986	93.9%	827,015	406,764	1,233,779	Lazarus-Macy's, JCPenney, Sears,

											Kaufmann's, Media Play, DSW Shoe Warehouse
127.	Rushmore Mall (5)	SD	Rapid City	Fee	50.0%(4)	Acquired 1998	90.8%	470,660	364,948	835,608	JCPenney, Sears, Herberger's, Hobby Lobby, Target
128.	Santa Rosa Plaza	CA	Santa Rosa	Fee	100.0%	Acquired 1998	94.0%	428,258	269,950	698,208	Macy's, Mervyn's, Sears
129.	Seminole Towne Center	FL	Sanford (Orlando)	Fee	45.0%(4) (2)	Built 1995	87.3%	768,798	384,803	1,153,601	McRae's, Burdine's-Macy's, Dillard's, Sears, JCPenney

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								Gross Leasable Area			
	Property Name	**State**	**City (Metropolitan area)**	**Ownership Interest (Expiration if Lease) (1)**	**Legal Ownership**	**Year Built or Acquired**	**Occupancy (3)**	**Anchor**	**Mall & Freestanding**	**Total**	**Retail Anchors and Major Tenants**
130.	Shops at Mission Viejo Mall, The	CA	Mission Viejo (Orange County)	Fee	100.0%	Built 1979	100.0%	677,215	472,409	1,149,624	Macy's, Saks Fifth Avenue, Robinsons-May, Nordstrom
131.	Shops at Sunset Place, The	FL	Miami	Fee	37.5% (4) (2)	Built 1999	87.8%	—	514,974	514,974	Niketown, Barnes & Noble, Gameworks, Virgin Megastore, Z Gallerie, LA Fitness
132.	Smith Haven Mall	NY	Lake Grove (New York)	Fee	25.0% (4)	Acquired 1995	93.0%	902,595	455,084	1,357,679	Macy's, Sears, JCPenney, H&M
133.	Solomon Pond Mall	MA	Marlborough (Boston)	Fee	49.1% (4)	Acquired 1999	96.2%	538,843	371,338	910,181	Filene's, Sears, JCPenney, Linens-N-Things
134.	Source, The	NY	Westbury (New York)	Fee	25.5% (4) (2)	Built 1997	92.1%	210,798	516,283	727,081	Fortunoff, Off 5th-Saks Fifth Avenue, Nordstrom Rack, Circuit City, David's Bridal (6)
135.	South Hills Village	PA	Pittsburgh	Fee	100.0%	Acquired 1997	83.0%	655,987	457,939	1,113,926	Sears, Kaufmann's, Lazarus-Macy's, Barnes & Noble (6)
136.	South Shore Plaza	MA	Braintree (Boston)	Fee	100.0%	Acquired 1998	96.3%	847,603	615,019	1,462,622	Macy's, Filene's, Lord & Taylor, Sears
137.	Southern Hills Mall (5)	IA	Sioux City	Fee	50.0% (4)	Acquired 1998	83.0%	372,937	431,254	804,191	Younkers, Sears, Sheel's Sporting Goods, JCPenney, Barnes & Noble
138.	Southern Park Mall	OH	Boardman (Youngstown)	Fee	100.0%	Built 1970	95.1%	811,858	386,481	1,198,339	Dillard's, JCPenney, Sears, Kaufmann's
139.	Southgate Mall	AZ	Yuma	Fee	100.0%	Acquired 1988	97.2%	252,264	68,850	321,114	Sears, Albertson's, (8)
140.	Southpark Mall	IL	Moline (Davenport — Moline)	Fee	50.0% (4)	Acquired 1998	84.8%	578,056	447,879	1,025,935	JCPenney, Younkers, Sears, Von Maur, Dillard's
141.	SouthPark Mall	NC	Charlotte	Fee & Ground Lease (2040) (11)	100.0%	Acquired 2002	94.1%	964,742	456,171	1,420,913	Nordstrom, Hecht's, Belk, Dillard's, Dick's Sporting Goods, Neiman Marcus (6), Joseph Beth Booksellers (6)
142.	SouthRidge Mall (5)	IA	Des Moines	Fee	50.0% (4)	Acquired 1998	65.9%	497,806	504,332	1,002,138	Sears, Younkers, JCPenney, Target, (8)
143.	Square One Mall	MA	Saugus (Boston)	Fee	49.1% (4)	Acquired 1999	98.2%	540,101	324,558	864,659	Filene's, Sears, Best Buy, T.J. Maxx N More, Filene's Basement, Gold's Gym, Best Buy, Dick's Sporting Goods (6)
144.	St. Charles Towne Center	MD	Waldorf (Washington, D.C.)	Fee	100.0%	Built 1990	94.8%	631,602	353,951	985,553	Sears, JCPenney, Kohl's, Hecht's, Hecht's Home Store, Dick Sporting Goods
145.	Stanford Shopping Center	CA	Palo Alto (San Francisco)	Ground Lease (2054)	100.0%	Acquried 2003	95.5%	849,153	530,563 (19)	1,379,716	Macy's, Neiman Marcus, Nordstrom, Bloomingdales, Macy's Men's Store
146.	Summit Mall	OH	Akron	Fee	100.0%	Built 1965	94.4%	432,936	331,302	764,238	Dillard's Women & Children, Dillard's Mens & Home, Kaufmann's
147.	Sunland Park Mall	TX	El Paso	Fee	100.0%	Built 1988	90.9%	575,837	342,052	917,889	Mervyn's,

											Sears, Dillard's Women & Children, Dillard's Mens & Home, Foley's
148.	Tacoma Mall	WA	Tacoma	Fee	100.0%	Acquired 1987	95.7%	924,045	415,754	1,339,799	Nordstrom, Sears, JCPenney, Bon-Macy's, Mervyn's, Davids Bridal

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	Property Name	State	City (Metropolitan area)	Ownership Interest (Expiration if Lease) (1)	Legal Ownership	Year Built or Acquired	Occupancy (3)	Gross Leasable Area Anchor	Gross Leasable Area Mall & Freestanding	Gross Leasable Area Total	Retail Anchors and Major Tenants
149.	Tippecanoe Mall	IN	Lafayette	Fee	100.0%	Built 1973	96.7%	537,790	322,291	860,081	L.S. Ayres, Dick's Sporting Goods, JCPenney, Sears, Kohl's, H.H. Gregg
150.	Town Center at Boca Raton	FL	Boca Raton (W. Palm Beach)	Fee	100.0%	Acquired 1998	99.6%	1,067,197	493,062	1,560,259	Saks Fifth Avenue, Nordstrom, Bloomingdale's, Sears, Burdines-Macy's, Neiman Marcus (6)
151.	Town Center at Cobb	GA	Kennesaw (Atlanta)	Fee	50.0% (4)	Acquired 1998	93.2%	851,346	422,138	1,273,484	Rich's-Macy's, Parisian, Sears, JCPenney, Rich's-Macy's Furniture
152.	Towne East Square	KS	Wichita	Fee	100.0%	Built 1975	93.7%	779,490	389,676	1,169,166	Dillard's, JCPenney, Sears, Von Maur, Steve & Barry's
153.	Towne West Square	KS	Wichita	Fee	100.0%	Built 1980	83.8%	619,269	335,778	955,047	Dillard's Women & Home, Dillard's Mens & Children, Sears, JCPenney, Dick's Sporting Goods
154.	Treasure Coast Square	FL	Jensen Beach (Ft. Pierce)	Fee	100.0%	Built 1987	92.7%	511,372	357,982	869,354	Dillard's, Sears, JCPenney, Burdines-Macy's, Borders
155.	Trolley Square	UT	Salt Lake City	Fee	90.0%	Acquired 1986	83.1%	—	225,735	225,735	
156.	Tyrone Square	FL	St. Petersburg (Tampa-St. Pete)	Fee	100.0%	Built 1972	92.6%	748,269	376,337	1,124,606	Dillard's, JCPenney, Sears, Burdines-Macy's, Borders
157.	University Mall	AR	Little Rock	Ground Lease (2026)	100.0%	Built 1967	98.0%	369,015	153,009	522,024	JCPenney, M.M. Cohn, (8)
158.	University Mall	FL	Pensacola	Fee	100.0%	Acquired 1994	85.1%	478,449	230,542	708,991	JCPenney, Sears, McRae's
159.	University Park Mall	IN	Mishawaka (South Bend)	Fee	60.0%	Built 1979	98.0%	622,508	320,014	942,522	L.S. Ayres, JCPenney, Sears, Marshall Field's
160.	Upper Valley Mall	OH	Springfield (Dayton — Springfield)	Fee	100.0%	Built 1971	90.1%	479,418	263,246	742,664	Lazarus-Macy's, JCPenney, Sears, Elder-Beerman
161.	Valle Vista Mall	TX	Harlingen	Fee	100.0%	Built 1983	78.5%	389,781	265,109	654,890	Dillard's, Mervyn's, Sears, JCPenney, Marshalls
162.	Valley Mall	VA	Harrisonburg	Fee	50.0% (4)	Acquired 1998	89.6%	191,343	179,631	370,974	JCPenney, Belk, Peebles, Target (6)
163.	Virginia Center Commons	VA	Glen Allen (Richmond)	Fee	100.0%	Built 1991	94.6%	506,639	280,577	787,216	Dillard's Women, Dillard's Mens, Children & Home, Hecht's, JCPenney, Sears
164.	Walt Whitman Mall	NY	Huntington Station (New York)	Ground Lease (2012)	100.0%	Acquired 1998	97.1%	742,214	292,494	1,034,708	Macy's, Lord & Taylor, Bloomingdale's, Saks Fifth Avenue
165.	Washington Square	IN	Indianapolis	Fee	100.0%	Built 1974	81.6%	616,109	307,462	923,571	L.S. Ayres, Dick's Sporting Goods, Target, Sears, Burlington Coat Factory
166.	West Ridge Mall	KS	Topeka	Fee	100.0%	Built 1988	83.0%	716,811	303,464	1,020,275	Dillard's, JCPenney, The Jones Store Co., Sears, (8)
167.	West Town Mall	TN	Knoxville	Ground Lease (2042)	50.0% (4)	Acquired 1991	94.8%	878,311	448,873	1,327,184	Parisian, Dillard's, JCPenney, Proffitt's, Sears
168.	Westchester, The	NY	White Plains (New York)	Fee	40.0% (4)	Acquired 1997	94.8%	349,393	477,816	827,209	Neiman Marcus,

											Nordstrom
169.	Westminster Mall	CA	Westminster (Orange County)	Fee	100.0%	Acquired 1998	89.7%	716,939	502,347	1,219,286	Sears, JCPenney, Robinsons-May, Macy's
170.	White Oaks Mall	IL	Springfield	Fee	77.5%	Built 1977	91.8%	724,147	361,878	1,086,025	Famous Barr, Sears, Bergner's, Linens-N-Things (6), Cost Plus World Market (6), Dick's Sporting Goods

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171.	Wolfchase Galleria	TN	Memphis	Fee	94.5%	Acquired 2002	100.0%	761,648	506,451	1,268,099	Goldsmith's-Macy's, JC Penney, Sears, Dillard's
172.	Woodland Hills Mall	OK	Tulsa	Fee	94.5%	Acquired 2002	95.2%	709,447	382,808	1,092,255	Foley's, JCPenney, Sears, Dillard's
	Total Regional Mall GLA							**102,810,781**	**64,853,467**	**167,664,248**	
	PREMIUM OUTLET CENTERS										
1.	Albertville Premium Outlets	MN	Albertville (Minneapolis/St. Paul)	Fee	100.0%	Acquired 2004	96.8%	0	429,701	429,701	Banana Republic, Calvin Klein, Kenneth Cole, Gap, Old Navy, Polo Ralph Lauren, Tommy Hilfiger
2.	Allen Premium Outlets	TX	Allen (Dallas)	Fee	100.0%	Acquired 2004	99.3%	0	348,549	348,549	Brooks Brothers, Calvin Klein, Cole-Haan, Crate & Barrel, Kenneth Cole, Liz Claiborne, Tommy Hilfiger.
3.	Aurora Farms Premium Outlets	OH	Aurora (Cleveland)	Fee	100.0%	Acquired 2004	98.7%	0	300,181	300,181	Ann Taylor, Brooks Brothers, Calvin Klein, Coach, Gap, Liz Claiborne, Off 5th-Saks Fifth Avenue, Polo Ralph Lauren, Tommy Hilfiger
4.	Camarillo Premium Outlets	CA	Camarillo (Los Angeles)	Fee	100.0%	Acquired 2004	100.0%	0	454,070	454,070	Banana Republic, Barneys New York, Coach, Polo Ralph Lauren, Sony, St. John, Versace
5.	Carlsbad Premium Outlets	CA	Carlsbad	Fee	100.0%	Acquired 2004	100.0%	0	287,936	287,936	Banana Republic, Calvin Klein, Cole-Haan, Gap, Guess, Polo Ralph Lauren, Reebok, Tommy Hilfiger
6.	Carolina Premium Outlets	NC	Smithfield (Raleigh-Durham-Chapel Hill)	Ground Lease (2029)	100.0%	Acquired 2004	100.0%	0	439,303	439,303	Brooks Brothers, Gap, Liz Claiborne, Nike, Polo Ralph Lauren, Timberland, Tommy Hilfiger
7.	Chicago Premium Outlets	IL	Aurora (Chicago)	Fee	100.0%	Built 2004	100.0%	0	437,775	437,775	Ann Taylor, Banana Republic, Calvin Klein, Coach, Diesel, Dooney & Bourke, Elie Tahari, Gap, Giorgio Armani, Kate Spade, Nike, Polo Ralph Lauren
8.	Clinton Crossing Premium Outlets	CT	Clinton (Hartford)	Fee	100.0%	Acquired 2004	100.0%	0	272,351	272,351	Barneys New York, Calvin Klein, Coach, Dooney & Bourke, Gap, Kenneth Cole, Liz Claiborne,

											Nike, Polo Ralph Lauren
9.	Columbia Gorge Premium Outlets	OR	Troutdale (Portland-Vancouver)	Fee	100.0%	Acquired 2004	100.0%	0	164,039	164,039	Adidas, Bass, Carter's, Gap, Liz Claiborne, Samsonite, Van Heusen
10.	Desert Hills Premium Outlets	CA	Cabazon (Palm Springs-Los Angeles)	Fee	100.0%	Acquired 2004	100.0%	0	498,516	498,516	Burberry, Christian Dior, Coach, Giorgio Armani, Gucci, Max Mara, Polo Ralph Lauren, Salvatore Ferragamo, Versace, Yves Saint Laurent, Zegna

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11.	Edinburgh Premium Outlets	IN	Edinburgh (Indianapolis)	Fee	100.0%	Acquired 2004	100.0%	0	305,475	305,475	Banana Republic, Coach, Gap, Nautica, Nike, OshKosh, Polo Ralph Lauren, Tommy Hilfiger
12.	Folsom Premium Outlets	CA	Folsom (Sacramento)	Fee	100.0%	Acquired 2004	100.0%	0	299,270	299,270	Bass, Brooks Brothers, Gap, Guess, Kenneth Cole, Liz Claiborne, Nike, Off 5th-Saks Fifth Avenue, Tommy Hilfilger
13.	Gilroy Premium Outlets	CA	Gilroy (San Jose)	Fee	100.0%	Acquired 2004	100.0%	0	577,265	577,265	Brooks Brothers, Calvin Klein, Coach, J. Crew, Hugo Boss, Nike, Polo Ralph Lauren, Sony, Timberland, Tommy Hilfiger
14.	Kittery Premium Outlets	ME	Kittery (Boston)	Ground Lease (2009)	100.0%	Acquired 2004	94.1%	0	150,564	150,564	Banana Republic, Calvin Klein, Coach, J. Crew, Polo Ralph Lauren, Reebok, Tumi
15.	Las Vegas Premium Outlets	NV	Las Vegas	Fee	100.0%	Built 2003	100.0%	0	434,978	434,978	A / X Armani Exchange, Calvin Klein, Coach, Dolce & Gabbana, Elie Tahari, Lacoste, Polo Ralph Lauren, Theory
16.	Leesburg Corner Premium Outlets	VA	Leesburg (Washington DC)	Fee	100.0%	Acquired 2004	100.0%	0	463,288	463,288	Ann Taylor, Barneys New York, Kenneth Cole, Liz Claiborne, Nike, Polo Ralph Lauren, Restoration Hardware, Williams-Sonoma
17.	Liberty Village Premium Outlets	NJ	Flemington (New York-Philadelphia)	Fee	100.0%	Acquired 2004	99.3%	0	173,645	173,645	Calvin Klein, Ellen Tracy, Jones New York, L.L. Bean, Polo Ralph Lauren, Tommy Hilfiger, Timberland, Waterford Wedgwood
18.	Lighthouse Place Premium Outlets	IN	Michigan City (Chicago)	Fee	100.0%	Acquired 2004	99.4%	0	475,806	475,806	Burberry, Coach, Crate & Barrel, Gap, Liz Claiborne, Old Navy, Polo Ralph Lauren, Tommy Hilfiger
19.	Napa Premium Outlets	CA	Napa (Napa Valley)	Fee	100.0%	Acquired 2004	100.0%	0	179,348	179,348	Banana Republic, Barneys New York, Coach, J. Crew, Jones New York, Kenneth Cole, Nautica, Tommy Hilfiger, TSE
20.	North Georgia Premium Outlets	GA	Dawsonville (Atlanta)	Fee	100.0%	Acquired 2004	97.7%	0	539,757	539,757	Ann Taylor, Coach, Escada, J. Crew, Liz Claiborne, Polo Ralph Lauren, Restoration Hardware, Tommy Hilfiger, Williams-Sonoma
21.	Orlando Premium Outlets	FL	Orlando	Fee	100.0%	Acquired 2004	100.0%	0	427,743	427,743	Barneys New York, Coach, Giorgio Armani, Hugo Boss, Max Mara, Nike, Polo Ralph Lauren, Timberland
22.	Osage Beach Premium Outlets	MO	Osage Beach	Fee	100.0%	Acquired 2004	99.4%	0	391,381	391,381	Brooks Brothers, Calvin

23.	Patriot Plaza	VA	Williamsburg (Norfolk-VA Beach)	Fee	100.0%	Acquired 2004	100.0%	0	76,521	76,521	Klein, Coach, Gap, Liz Claiborne, Polo Ralph Lauren, Tommy Hilfiger Plow & Hearth, WestPoint Stevens

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U.S. Properties

	Property Name	State	City (Metropolitan area)	Ownership Interest (Expiration if Lease) (1)	Legal Ownership	Year Built or Acquired	Occupancy (3)	Gross Leasable Area: Anchor	Gross Leasable Area: Mall & Freestanding	Gross Leasable Area: Total	Retail Anchors and Major Tenants
24.	Petaluma Village Premium Outlets	CA	Petaluma (San Francisco)	Fee	100.0%	Acquired 2004	93.2%	0	195,837	195,837	Brooks Brothers, Coach, Gap, Guess, Jones New York, Liz Claiborne, Off 5th-Saks Fifth Avenue
25.	St. Augustine Premium Outlets	FL	St. Augustine (Jacksonsville)	Fee	100.0%	Acquired 2004	98.4%	0	329,003	329,003	Banana Republic, Brooks Brothers, Coach, Gap, Movado, Nike, Polo Ralph Lauren, Reebok, Tommy Bahama, Tommy Hilfiger
26.	The Crossings Premium Outlets	PA	Tannersville	Fee	100.0%	Acquired 2004	97.9%	0	411,391	411,391	Ann Taylor, Banana Republic, Coach, Liz Claiborne, Polo Ralph Lauren, Reebok, Tommy Hilfiger
27.	Vacaville Premium Outlets	CA	Vacaville	Fee	100.0%	Acquired 2004	100.0%	0	447,512	447,512	Ann Taylor, Burberry, Coach, Gap, Liz Claiborne, Nike, Polo Ralph Lauren, Restoration Hardware
28.	Waikele Premium Outlets	HI	Waipahu (Honolulu)	Fee	100.0%	Acquired 2004	100.0%	0	209,846	209,846	Adidas, A / X Armani Exchange, Banana Republic, Barneys New York, Coach, Guess, Max Mara, Polo Ralph Lauren
29.	Waterloo Premium Outlets	NY	Waterloo	Fee	100.0%	Acquired 2004	100.0%	0	391,519	391,519	Ann Taylor, Brooks Brothers, Calvin Klein, Coach, Gap, J. Crew, Jones New York, Liz Claiborne, Polo Ralph Lauren, Tommy Hilfiger
30.	Woodbury Common Premium Outlets	NY	Central Valley (New York City)	Fee	100.0%	Acquired 2004	100.0%	0	844,179	844,179	Banana Republic, Brooks Brothers, Coach, Giorgio Armani, Gucci, Neiman Marcus Last Call, Polo Ralph Lauren, Salvatore Ferragamo, Zegna
31.	Wrentham Village Premium Outlets	MA	Wrentham (Boston)	Fee	100.0%	Acquired 2004	100.0%	0	600,621	600,621	Barneys New York, Burberry, Hugo Boss, Kenneth Cole, Nike, Polo, Ralph Lauren, Sony, Versace
	Total Premium Outlet Center GLA							**0**	**11,557,370**	**11,557,370**	

COMMUNITY SHOPPING CENTERS

	Property Name	State	City (Metropolitan area)	Ownership Interest (Expiration if Lease) (1)	Legal Ownership	Year Built or Acquired	Occupancy (3)	Gross Leasable Area: Anchor	Gross Leasable Area: Mall & Freestanding	Gross Leasable Area: Total	Retail Anchors and Major Tenants
1.	Arboretum, The	TX	Austin	Fee	100.0%	Acquired 1998	92.8%	35,773	169,253	205,026	Barnes &

											Noble
2.	Bloomingdale Court	IL	Bloomingdale	Fee	100.0%	Built 1987	97.8%	436,255	165,120	601,375	Best Buy, T.J. Maxx N More, Village Bloomingdale Theatre, Office Max, Old Navy, Linens-N-Things, Wal-Mart, Circuit City, Dress Barn, Jo-Ann Fabrics (6)
3.	Boardman Plaza	OH	Youngstown	Fee	100.0%	Built 1951	81.3%	366,992	266,744	633,736	Hobby Lobby, Alltel, Linens-N-Things, Burlington Coat Factory, Giant Eagle, (8)
4.	Brightwood Plaza	IN	Indianapolis	Fee	100.0%	Built 1965	100.0%	—	38,493	38,493	Preston Safeway
5.	Celina Plaza	TX	El Paso	Fee and Ground Lease (2005) (11)	100.0%	Built 1978	100.0%	—	8,695	8,695 (8)	

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

	Property Name	State	City (Metropolitan area)	Ownership Interest (Expiration if Lease) (1)	Legal Ownership	Year Built or Acquired	Occupancy (3)	Gross Leasable Area: Anchor	Mall & Freestanding	Total	Retail Anchors and Major Tenants
6.	Charles Towne Square	SC	Charleston	Fee	100.0%	Built 1976	100.0%	71,794	—	71,794	Regal Cinema, (8)
7.	Chesapeake Center	VA	Chesapeake	Fee	100.0%	Built 1989	70.5%	213,609	92,284	305,893	K-Mart, SM Newco, Movies 10, (8)
8.	Clay Terrace	IN	Carmel (Indianapolis)	Fee	50.0% (4)	Built 2004	84.4%	161,281	280,464	441,745	Dick's Sporting Goods, Wild Oats, DSW Shoe Warehouse and Circuit City Superstore
9.	Cobblestone Court	NY	Victor	Fee and Ground Lease (2038) (7)	35.0% (4) (13)	Built 1993	98.8%	206,680	58,819	265,499	Dick's Sporting Goods, Kmart, Office Max
10.	Countryside Plaza	IL	Countryside	Fee and Ground Lease (2058) (7)	100.0%	Built 1977	70.1%	290,216	137,472	427,688	Best Buy, Old Country Buffet, Burlington Coat, Home Depot, (8)
11.	Crystal Court	IL	Crystal Lake	Fee	35.0% (4) (13)	Built 1989	85.6%	201,993	76,978	278,971	Cub Foods, Wal-Mart, SM Newco
12.	Dare Centre	NC	Kill Devil Hills	Ground Lease (2058)	100.0%	Acquired 2004	100.0%	—	115,288	115,288	Fashion Bug, Food Lion
13.	DeKalb Plaza	PA	King of Prussia	Fee	50.3% (15)	Acquired 2003	96.2%	81,368	20,345	101,713	Lane Home Furnishings, ACME
14.	Eastland Convenience Center	IN	Evansville	Ground Lease (2075)	50.0% (4)	Acquired 1998	88.4%	48,940	126,699	175,639	Marshalls, Toys "R" Us, Bed Bath & Beyond, David's Bridal
15.	Eastland Plaza	OK	Tulsa	Fee	100.0%	Built 1986	88.4%	152,451	33,695	186,146	Marshalls, Target, Toys "R" Us
16.	Empire East (5)	SD	Sioux Falls	Fee	50.0% (4)	Acquired 1998	89.2%	253,388	48,580	301,968	Kohl's, Target
17.	Fairfax Court	VA	Fairfax	Fee	26.3% (4) (13)	Built 1992	100.0%	169,043	80,614	249,657	Burlington Coat Factory, Circuit City Superstore, Offenbacher's, (8)
18.	Forest Plaza	IL	Rockford	Fee	100.0%	Built 1985	98.2%	325,170	100,588	425,758	Kohl's, Marshalls, Media Play, Michael's, Factory Card Outlet, Office Max, T.J. Maxx, Bed, Bath & Beyond, Petco
19.	Gaitway Plaza	FL	Ocala	Fee	23.3% (4) (13)	Built 1989	89.4%	123,027	93,361	216,388	Books-A-Million, Office Depot, T.J. Maxx, Ross Dress for Less, Bed, Bath & Beyond
20.	Gateway Shopping Center	TX	Austin	Fee	95.0%	2004	98.9%	396,494	116,057	512,551	Regal Cinema, Star Furniture, Best Buy, Linens-N-Things, Recreational Equipment, Inc., Whole Foods, Crate & Barrel, CompUSA, The Container Store, Old Navy
21.	Great Lakes Plaza	OH	Mentor (Cleveland)	Fee	100.0%	Built 1976	100.0%	142,229	21,875	164,104	Circuit City, Michael's, Handy Andy
22.	Great Northeast Plaza	PA	Philadelphia	Fee	50.0% (4)	Acquired 1989	100.0%	237,151	57,600	294,751	Sears
23.	Greenwood Plus	IN	Greenwood	Fee	100.0%	Built 1979	100.0%	134,141	25,790	159,931	Best Buy, Kohl's
24.	Griffith Park Plaza	IN	Griffith	Ground Lease (2060)	100.0%	Built 1979	31.8%	175,595	94,073	269,668	K-Mart
25.	Grove at Lakeland Square, The	FL	Lakeland	Fee	100.0%	Built 1988	86.0%	142,317	73,274	215,591	Lakeland Square 10 Theatre, Wal-

												Mart, Sports Authority
26.	Henderson Square	PA	King of Prussia	Fee	76.0%	(15)	Acquired 2003	97.3%	72,683	34,661	107,344	Staples, Genuardi's Family Market
27.	Highland Lakes Center	FL	Orlando	Fee	100.0%		Built 1991	90.4%	352,277	140,799	493,076	Marshalls, Bed, Bath & Beyond, American Signature Home, Save-Rite, Ross Dress for Less, Office Max, Burlington Coat Factory, (8)
28.	Indian River Commons	FL	Vero Beach	Fee	50.0%	(4)	Built 1997	93.9%	233,358	27,510	260,868	Lowe's, Best Buy, Ross Dress for Less, Bed, Bath & Beyond, Michael's
29.	Ingram Plaza	TX	San Antonio	Fee	100.0%		Built 1980	100.0%	—	111,518	111,518	

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

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30.	Keystone Shoppes	IN	Indianapolis	Ground Lease (2067)	100.0%		Acquired 1997	83.5%	—	29,140	29,140	
31.	Knoxville Commons	TN	Knoxville	Fee	100.0%		Built 1987	60.4%	91,483	88,980	180,463	Office Max, Circuit City, (8)
32.	Lake Plaza	IL	Waukegan	Fee	100.0%		Built 1986	100.0%	170,789	44,673	215,462	Pic 'N Save, Home Owners Bargain Outlet
33.	Lake View Plaza	IL	Orland Park (Chicago)	Fee	100.0%		Built 1986	95.7%	262,341	109,022	371,363	Marshalls, Factory Card Outlet, Linens-N-Things, Best Buy, Petco, Jo-Ann Fabrics, Ulta 3, Golf Galaxy, Value City Furniture
34.	Lakeline Plaza	TX	Austin	Fee	100.0%		Built 1998	99.2%	310,529	79,446	389,975	Linens-N-Things, T.J. Maxx, Old Navy, Best Buy, Ross Dress for Less, Office Max, PetsMart, Ulta 3, Party City, Cost Plus World Market, Toys R Us, Ultimate Electronics
35.	Lima Center	OH	Lima	Fee	100.0%		Built 1978	94.2%	159,584	47,294	206,878	Kohl's, Hobby Lobby, Regal Cinema
36.	Lincoln Crossing	IL	O'Fallon	Fee	100.0%		Built 1990	100.0%	229,820	13,446	243,266	Wal-Mart, PetsMart
37.	Lincoln Plaza	PA	King of Prussia	Fee	63.2%	(15)	Acquired 2003	87.6%	143,649	123,582	267,231	Burlington Coat Factory, Circuit City, Lane Furniture
38.	MacGregor Village	NC	Cary	Fee	100.0%		Acquired 2004	95.1%	—	145,579	145,579	Spa Health Club, Tuesday Morning
39.	Mall of Georgia Crossing	GA	Mill Creek (Atlanta)	Fee	100.0%		Built 1999	98.4%	341,503	99,109	440,612	Best Buy, American Signature, T.J. Maxx, Nordstrom Rack, Staples, Target
40.	Markland Plaza	IN	Kokomo	Fee	100.0%		Built 1974	89.9%	49,051	41,675	90,726	Best Buy, Bed Bath & Beyond
41.	Martinsville Plaza	VA	Martinsville	Space Lease (2046)	100.0%		Built 1967	97.1%	60,000	42,105	102,105	Rose's, Food Lion
42.	Matteson Plaza	IL	Matteson	Fee	100.0%		Built 1988	43.5%	230,959	44,570	275,529	Michael's, Dominick's, Value City, (8)
43.	Muncie Plaza	IN	Muncie	Fee	100.0%		Built 1998	100.0%	271,656	27,195	298,851	Kohl's, Shoe Carnival, T.J. Maxx, Office Max, Target
44.	New Castle Plaza	IN	New Castle	Fee	100.0%		Built 1966	97.3%	24,912	66,736	91,648	Goody's, Jo-Ann Fabrics
45.	North Ridge Plaza	IL	Joliet	Fee	100.0%		Built 1985	98.8%	190,323	114,747	305,070	Hobby Lobby, Office Max, Fun In Motion, Minnesota Fabrics, (8)
46.	North Ridge Shopping Center	NC	Raleigh	Fee	100.0%		Acquired 2004	98.5%	—	166,006	166,006	Ace Hardware, Kerr Drugs, Winn Dixie
47.	Northland Plaza	OH	Columbus	Fee and Ground Lease (2085) (7)	100.0%		Built 1988	68.2%	118,304	91,230	209,534	Hobby Lobby, Marshalls, (8)
48.	Northwood Plaza	IN	Fort Wayne	Fee	100.0%		Built 1974	88.4%	136,404	71,841	208,245	Cinema Grill, Target
49.	Park Plaza	KY	Hopkinsville	Fee and Ground Lease (2039) (7)	100.0%		Built 1968	95.2%	82,398	32,626	115,024	Wal-Mart (17)
50.	Plaza at Buckland Hills, The	CT	Manchester	Fee	35.0%	(4) (13)	Built 1993	88.2%	252,179	82,436	334,615	Linens-N-Things, CompUSA, Jo-Ann Fabrics, Party City, The Maytag Store, SM Newco, Toys R Us, (8)
51.	Regency Plaza	MO	St. Charles	Fee	100.0%		Built 1988	92.0%	210,627	76,846	287,473	Wal-Mart, Sam's Wholesale Club
52.	Ridgewood Court	MS	Jackson	Fee	35.0%	(4) (13)	Built 1993	100.0%	185,939	54,723	240,662	T.J. Maxx, Lifeway Christian Bookstore, Bed Bath & Beyond, Best Buy, JLPK Jackson
53.	Rockaway Convenience Center	NJ	Rockaway (New York)	Fee	100.0%		Acquired 1998	100.0%	131,438	103,934	235,372	Best Buy, Borders Books & Music,

Linens-N-
Things,
Michael's, Acme

Simon Property Group, Inc. and Subsidiaries

Property Table

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54.	Rockaway Plaza	NJ	Rockaway (New York)	Fee	100.0%		Acquired 1998	0.0%	153,282	—	153,282	Target
55.	Royal Eagle Plaza	FL	Coral Springs (Miami-Ft. Lauderale)	Fee	35.0%	(4) (13)	Built 1989	100.0%	124,479	74,676	199,155	K Mart, Stein Mart
56.	Shops at North East Mall, The	TX	Hurst	Fee	100.0%		Built 1999	100.0%	265,595	98,989	364,584	Michael's, Office Max, PetsMart, Old Navy, Pier 1 Imports, Ulta 3, T.J. Maxx, Bed Bath & Beyond, Nordstrom Rack, Best Buy
57.	St. Charles Towne Plaza	MD	Waldorf (Washington, D.C.)	Fee	100.0%		Built 1987	75.0%	285,586	117,801	403,387	T.J. Maxx, Jo-Ann Fabrics, K & G Menswear, CVS, Shoppers Food Warehouse, Dollar Tree, Value City Furniture, (8)
58.	Teal Plaza	IN	Lafayette	Fee	100.0%		Built 1962	100.0%	98,337	2,750	101,087	Hobby Lobby, Circuit City, Pep Boys
59.	Terrace at the Florida Mall	FL	Orlando	Fee	100.0%		Built 1989	96.3%	281,252	47,531	328,783	Marshalls, American Signature Furniture, Global Imports, Target, Bed Bath & Beyond, (8)
60.	Tippecanoe Plaza	IN	Lafayette	Fee	100.0%		Built 1974	100.0%	85,811	4,711	90,522	Best Buy, Barnes & Noble
61.	University Center	IN	Mishawaka	Fee	60.0%		Built 1980	84.7%	104,347	46,177	150,524	Michael's, Best Buy, Linens-N-Things, (8)
62.	Village Park Plaza	IN	Carmel (Indianapolis)	Fee	35.0%	(4) (13)	Built 1990	93.5%	430,368	112,407	542,775	Bed Bath & Beyond, Ashley Furniture, Kohl's, Regal Cinema, Wal-Mart, Marsh, (8)
63.	Wabash Village	IN	West Lafayette	Ground Lease (2063)	100.0%		Built 1970	12.2%	109,388	15,148	124,536	
64.	Washington Plaza	IN	Indianapolis	Fee	100.0%		Built 1976	100.0%	21,500	28,607	50,107	Deals
65.	Waterford Lakes Town Center	FL	Orlando	Fee	100.0%		Built 1999	99.8%	622,244	329,427	951,671	Regal Cinema, Ross Dress for Less, T.J. Maxx, Bed Bath & Beyond, Old Navy, Barnes & Noble, Best Buy, Jo-Ann Fabrics, Office Max, PetsMart, Target, Ashley Furniture, L.A. Fitness
66.	West Ridge Plaza	KS	Topeka	Fee	100.0%		Built 1988	100.0%	182,161	55,622	237,783	Famous Footwear, T.J. Maxx, Toys R Us, Target
67.	West Town Corners	FL	Altamonte Springs	Fee	23.3%	(4) (13)	Built 1989	98.0%	263,782	121,455	385,237	Sports Authority, PetsMart, Winn-Dixie, American Signature Furniture, Wal-Mart
68.	Westland Park Plaza	FL	Orange Park	Fee	23.3%	(4) (13)	Built 1989	95.6%	123,548	39,606	163,154	Sports Authority, PetsMart, Burlington Coat Factory
69.	White Oaks Plaza	IL	Springfield	Fee	100.0%		Built 1986	99.6%	275,703	115,723	391,426	T.J. Maxx, Office Max, Kohl's Babies

													R Us, Kids R Us, Cub Foods
70.	Whitehall Mall	PA	Whitehall	Fee	38.0%	(15)	(4)	Acquired 2003	97.2%	378,642	174,933	553,575	Sears, Kohl's, Bed Bath & Beyond, Weis Markets
71.	Willow Knolls Court	IL	Peoria	Fee	35.0%	(4)	(13)	Built 1990	97.3%	309,440	72,937	382,377	Willow Knolls 14, Burlington Coat Factory, Kohl's, Sam's Wholesale Club
	Total Community Shopping Center GLA									**12,793,578**	**5,872,090**	**18,665,668**	

Property Table

U.S. Properties

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	OFFICE AND OTHER PROPERTIES										
1.	Crossville Outlet Center	TN	Crossville	Fee	100.0%	Acquired 2004	96.5%	0	151,256	151,256	Bass, Liz Claiborne, OshKosh, Reebok, Van Heusen, VF Outlet
2.	Factory Merchants Branson	MO	Branson	Fee	100.0%	Acquired 2004	78.7%	0	299,739	299,739	Carter's, Easy Spirit, Izod, Nautica, Pfaltzgraff, Van Heusen
3.	Factory Stores of America-Arcadia	LA	Arcadia	Fee	100.0%	Acquired 2004	94.2%	0	89,528	89,528	Bass, VF Outlet, Van Heusen
4.	Factory Stores of America-Boaz	AL	Boaz	Ground Lease (2007)	100.0%	Acquired 2004	72.8%	0	111,909	111,909	Banister Shoes, VF Outlet
5.	Factory Stores of America-Draper	UT	Draper	Fee	100.0%	Acquired 2004	91.3%	0	183,827	183,827	Dress Barn, Samsonite, VF Outlet
6.	Factory Stores of America-Georgetown	KY	Georgetown	Fee	100.0%	Acquired 2004	96.3%	0	176,615	176,615	Carolina Pottery, Dress Barn, Levi's, Van Heusen
7.	Factory Stores of America-Graceville	FL	Graceville	Fee	100.0%	Acquired 2004	98.0%	0	83,962	83,962	Factory Brand Shoes, VF Outlet, Van Heusen
8.	Factory Stores of America-Hanson	KY	Hanson	Fee	100.0%	Acquired 2004	100.0%	0	63,891	63,891	Banister Shoes, VF Outlet
9.	Factory Stores of America-Lebanon	MO	Lebanon	Fee	100.0%	Acquired 2004	92.1%	0	86,249	86,249	Dress Barn, VF Outlet, Van Heusen
10.	Factory Stores of America-Nebraska City	NE	Nebraska City	Fee	100.0%	Acquired 2004	97.4%	0	89,646	89,646	Dress Barn, VF Outlet
11.	Factory Stores of America-Story City	IA	Story City	Fee	100.0%	Acquired 2004	88.4%	0	112,405	112,405	Dress Barn Woman, Factory Brand Shoes, VF Outlet, Van Heusen
12.	Factory Stores of America-Tupelo	MS	Tupelo	Fee	100.0%	Acquired 2004	96.4%	0	129,412	129,412	Banister Shoes, VF Outlet
13.	Factory Stores of America-Union City	TN	Union City	Fee	100.0%	Acquired 2004	97.4%	0	60,229	60,229	VF Outlet
14.	Factory Stores of America-West Frankfort	IL	West Frankfort	Fee	100.0%	Acquired 2004	82.3%	0	91,063	91,063	VF Outlet
15.	Factory Stores of America-Tri-Cities	TN	Blountville	Fee	100.0%	Acquired 2004	78.9%	0	132,908	132,908	Carolina Pottery, L'eggs Hanes Bali Playtex, Tri-Cities Cinemas
16.	Factory Stores of North Bend	WA	North Bend	Fee	100.0%	Acquired 2004	100.0%	0	223,397	223,397	Adidas, Bass, Carter's, Eddie Bauer, Gap, Nike, OshKosh, Samsonite, VF Outlet
17.	Jackson Outlet Village	NJ	Jackson	Fee	100.0%	Acquired 2004	100.0%	0	285,881	285,881	Brooks Brothers, Calvin Klein, Gap, Nike, Polo Ralph Lauren, Reebok, Timberland, Tommy Hilfiger
18.	Johnson Creek Outlet Center	WI	Johnson Creek	Fee	100.0%	Acquired 2004	97.6%	0	277,517	277,517	Adidas, Calvin Klein, Gap, Lands' End, Nike, Old Navy, Polo Ralph Lauren, Tommy Hilfiger
19.	Lakeland Factory Outlet Mall	TN	Lakeland	Fee	100.0%	Acquired 2004	85.0%	0	318,983	318,983	L'eggs Hanes Bali Playtex, VF Outlet, Van Heusen
20.	Las Vegas Outlet Center	NV	Las Vegas	Fee	100.0%	Acquired 2004	100.0%	0	476,985	476,985	Calvin Klein, Liz Claiborne, Nike, Reebok, Tommy Hilfiger, VF Outlet, Waterford Wedgwood
21.	O'Hare International Center	IL	Rosemont	Fee	100.0%	Built 1988	81.9%	0	494,504	494,504 (19)	—

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

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22.	Riverway	IL	Rosemont	Fee	100.0%	Acquired 1991	85.2%	0	819,300	819,300 (19)	—
23.	The Factory Shoppes at Branson Meadows	MO	Branson	Ground Lease (2021)	100.0%	Acquired 2004	80.2%		286,924	286,924	Dress Barn Woman, Easy Spirit, VF Outlet
	Total Office and Other GLA							**0**	**5,046,130**	**5,046,130**	
	Total U.S. Properties GLA							**115,604,359**	**87,329,057**	**202,933,416**	

PROPERTIES UNDER CONSTRUCTION

	Property Name	State	City (Metropolitan area)	Legal Ownership	Expected Opening	Retail Anchors and Major Tenants
1.	Firewheel Town Center	TX	Garland	100.0%	4th Quarter 2005	Dillard's, Barnes & Noble, Dick's Sporting Goods, Target, Ross Dress for Less, Old Navy, Staples, DSW, JoAnn Fabrics, Pier One, PetsMart
2.	Rockaway Plaza	NJ	Rockaway (New York)	100.0%	4th Quarter 2005/ 1st Quarter 2006	Target, Dick's Sporting Goods, Loews Cineplex, PetsMart
3.	Seattle Premium Outlets	WA	Tulalip	100.0%	2nd Quarter 2005	Foley's, Dillard's, AMC Theater, Barnes & Noble, Circuit City, Linens 'n Things, Old Navy, Pier One, DSW, Sports Authority
4.	St. Johns Town Center	FL	Jacksonville	50.0% (2)	1st Quarter 2005	Kohl's, Target, Linens 'n Things, Office Depot, Best Buy, T.J.Maxx, Michael's, Old Navy, Pier One, PetsMart
5.	Town Center at Coconut Point, The	FL	Estero/Bonita Springs	50.0%	1st Quarter 2006	Dillard's, Muvico Theatres, Barnes & Noble, Bed Bath & Beyond, Best Buy, DSW, Office Max, Old Navy, PetsMart, Pier One, Ross Dress for Less, Ulta Cosmetics, Golfsmith, Sports Authority, Party City
6.	Wolf Ranch	TX	Georgetown (Austin)	100.0%	3rd Quarter 2005	

FOOTNOTES:

(1) The date listed is the expiration date of the last renewal option available to the operating entity under the ground lease. In a majority of the ground leases, we have a right of first refusal or the right to purchase the lessor's interest. Unless otherwise indicated, each ground lease listed in this column covers at least 50% of its respective Property.

(2) The Operating Partnership's direct and indirect interests in some of the Properties held as joint venture interests are subject to preferences on distributions in favor of other partners or the Operating Partnership.

(3) Regional Malls—Executed leases for all company-owned GLA in mall and freestanding stores, excluding majors. Premium Outlet Centers—Executed leases for all company-owned GLA (or total center GLA). Community Centers—Executed leases for all company-owned GLA including majors, mall stores and freestanding stores.

(4) Joint Venture Properties accounted for under the equity method.

(5) This Property is managed by a third party.

(6) Indicates anchor is currently under construction or in predevelopment.

(7) Indicates ground lease covers less than 50% of the acreage of this Property.

(8) Indicates vacant anchor space(s).

(9) The lease at the Mall at Chestnut Hill includes the entire premises including land and building.

(10) Indicates ground lease covers all of the Property except for parcels owned in fee by anchors.

(11) Indicates ground lease covers outparcel only.

(12) The Operating Partnership receives substantially all the economic benefit of the property due to a preference or advance.

(13) Outside partner receives substantially all of the economic benefit due to a partner preference.

(14) The Operating Partnership owns a mortgage note that encumbers Pheasant Lane Mall that entitles it to 100% of the economics of this property.

(15) The Company's indirect ownership interest, evidenced through an approximatley 76% ownership interest in Kravco Simon Investments.

(16) Indicates anchor has announced its intent to close this location.

(17) Indicates anchor has closed, but the Operating Partnership still collects rents and/or fees under an agreement.

(18) Property was sold January 11, 2005.

(19) Mall & Freestanding GLA includes office space as follows:

Arsenal Mall—approx. 106,000 sq. ft.

Century III Mall—approx. 32,000 sq. ft.

Circle Centre Mall—approx. 9,000 sq. ft.

Copley Place—approx. 847,000 sq. ft.

Fashion Centre at Pentagon City, The—approx. 169,000 sq. ft.

Fashion Mall at Keystone, The—approx. 30,000 sq. ft.

Greendale Mall—approx. 120,000 sq. ft.

The Plaza & Court at King of Prussia—approx. 14,000 sq. ft.

Lehigh Valley Mall—approx. 12,000 sq. ft.

Menlo Park Mall—approx. 50,000 sq. ft.

Oak Court Mall—approx. 131,000 sq. ft.

Oxford Valley Mall—approx. 111,000 sq. ft.

Plaza Carolina—approx. 28,000 sq. ft.

River Oaks Center—approx. 118,000 sq. ft.

Stanford Shopping—approx. 6,000 sq. ft.

European Properties

The following summarizes our investments in Europe and the countries of real estate ownership and operation as of December 31, 2004:

Investment	Ownership Interest	Properties open and operating	Countries
Gallerie Commerciali Italia, S.p.A.	49.0%	40	Italy
European Retail Enterprises ("ERE"), B.V.	34.7%	11	France, Poland, Portugal

In addition, we jointly hold with a third party an interest in one parcel of land for development near Paris, France outside of these two joint ventures. ERE also operates through a wholly-owned subsidiary, Groupe BEG, S.A. ("BEG"). ERE and BEG are fully integrated European retail real estate developers, owners and managers.

Our properties in Europe consist primarily of hypermarket-anchored shopping centers. Substantially all of our European properties are anchored by either the hypermarket retailer Auchan, primarily in Italy, who is our partner in GCI, or are anchored by the hypermarket Carrefour in France, Poland, and Portugal. Certain of these properties are subject to leaseholds that entitle the lessor to receive substantially all the economic benefits of the leased portion of the property. Auchan and Carrefour are the two largest hypermarket operators in Europe.

Other International Properties

We also hold real estate interests in four joint ventures in Japan, one in Mexico, and one in Canada. The four centers in Japan are Premium Outlets that have over 1.1 million square feet of GLA and were 100% leased as of December 31, 2004. These four Premium Outlets contained 524 stores with approximately 270 different tenants. The Mexico Premium Outlet center opened in December of 2004 and our shopping center in Canada was opened in 2001.

The following summarizes our ownership of our six other international joint venture Properties:

Investment	Ownership Interest
Gotemba Premium Outlets — Gotemba City (Tokyo), Japan	40.0%
Rinku Premium Outlets — Izumisano (Osaka), Japan	40.0%
Sano Premium Outlets — Sano (Tokyo), Japan	40.0%
Tosu Premium Outlets — Fukuoka (Kyushu), Japan	40.0%
Forum Entertainment Centre — Montreal, Canada	38.1%
Punta Norte Premium Outlets — Mexico City, Mexico	50.0%

The following property table summarizes certain data on our properties located in Europe, Japan, Mexico, and Canada.

Simon Property Group, Inc. and Subsidiaries
International Property Table

	Property Name	City (Metropolitan area)	Ownership Interest	SPG Ownership	Year Built	Gross Leasable Area (1) Hypermarket/ Anchor (4)	Gross Leasable Area (1) Mall & Freestanding	Gross Leasable Area (1) Total	Retail Anchors and Major Tenants
	FRANCE								
1.	Bay 2	Torcy (Paris)	Freehold	34.7%	2003	132,400	408,900	541,300	Carrefour, Leroy Merlin
2.	Bay 1	Torcy (Paris)	Freehold	34.7%	2004	—	336,300	336,300	Conforama, Go Sport
3.	Bel'Est	Bagnolet (Paris)	Freehold	12.1%	1992	150,700	63,000	213,700	Auchan
4.	Villabé A6	Villabé (Paris)	Freehold	5.2%	1992	102,300	104,500	206,800	Carrefour
	Subtotal France					**385,400**	**912,700**	**1,298,100**	
	ITALY								
5.	Ancona — Senigallia	Senigallia (Ancona)	Freehold	49.0%	1995	41,200	41,600	82,800	Cityper
6.	Ascoli Piceno — Grottammare	Grottammare (Ascoli Piceno)	Freehold	49.0%	1995	38,900	55,900	94,800	Cityper
7.	Ascoli Piceno — Porto Sant'Elpidio	Porto Sant'Elpidio (Ascoli Piceno)	Freehold	49.0%	1999	48,000	114,300	162,300	Cityper
8.	Bari — Casamassima	Casamassima (Bari)	Freehold	49.0%	1995	159,000	388,800	547,800	Auchan, Coin, Eldo, Bata, Leroy Merlin, Decathlon
9.	Bari — Modugno (5)	Modugno (Bari)	Freehold	49.0%	2004	96,900	46,600	143,500	Auchan, euronics, Decathlon
10.	Brescia — Mazzano	Mazzano (Brescia)	Freehold/Leasehold (2)	49.0% (2)	1994	103,300	127,400	230,700	Auchan, Bricocenter, Upim
11.	Brindisi — Mesagne	Mesagne (Brindisi)	Freehold	49.0%	2003	88,000	140,600	228,600	Auchan
12.	Cagliari — Santa Gilla	Cagliari	Freehold	49.0% (2)	1992	75,900	114,800	190,700	Auchan, Bricocenter
13.	Catania — La Rena	Catania	Freehold	49.0%	1998	124,100	22,100	146,200	Auchan
14.	Cuneo	Cuneo (Torino)	Freehold	49.0%	2004	80,700	201,500	282,200	Auchan, Bricocenter
15.	Milano — Rescaldina	Rescaldina (Milano)	Freehold	49.0%	2000	165,100	212,000	377,100	Auchan, Bricocenter, Decathlon, Media World
16.	Milano — Vimodrone	Vimodrone (Milano)	Freehold	49.0%	1989	110,400	80,200	190,600	Auchan, Bricocenter
17.	Napoli — Pompei	Pompei (Napoli)	Freehold	49.0%	1990	74,300	17,100	91,400	Auchan
18.	Padova	Padova	Freehold	49.0%	1989	73,300	32,500	105,800	Auchan
19.	Palermo	Palermo	Freehold	49.0%	1990	73,100	9,800	82,900	Auchan
20.	Pesaro — Fano	Fano (Pesaro)	Freehold	49.0%	1994	56,300	56,000	112,300	Auchan
21.	Pescara	Pescara	Freehold	49.0%	1998	96,300	65,200	161,500	Auchan
22.	Pescara — Cepagatti	Cepagatti (Pescara)	Freehold	49.0%	2001	80,200	189,600	269,800	Auchan, Bata
23.	Piacenza — San Rocco al Porto	San Rocco al Porto (Piacenza)	Freehold	49.0%	1992	104,500	74,700	179,200	Auchan, Darty
24.	Roma — Collatina	Collatina (Roma)	Freehold	49.0%	1999	59,500	4,100	63,600	Auchan
25.	Sassari — Predda Niedda	Predda Niedda (Sassari)	Freehold/Leasehold (2)	49.0% (2)	1990	79,500	154,200	233,700	Auchan, Bricocenter
26.	Taranto	Taranto	Freehold	49.0%	1997	75,200	126,500	201,700	Auchan, Bricocenter
27.	Torino	Torino	Freehold	49.0%	1989	105,100	66,700	171,800	Auchan
28.	Torino — Venaria	Venaria (Torino)	Freehold	49.0%	1982	101,600	64,000	165,600	Auchan, Bricocenter
29.	Venezia — Mestre	Mestre (Venezia)	Freehold	49.0%	1995	114,100	132,600	246,700	Auchan
30.	Vicenza	Vicenza	Freehold	49.0%	1995	78,400	20,100	98,500	Auchan
31.	Ancona	Ancona	Leasehold (3)	49.0% (3)	1993	82,900	82,300	165,200	Auchan
32.	Bergamo	Bergamo	Leasehold (3)	49.0% (3)	1976	103,000	16,900	119,900	Auchan
33.	Brescia — Concesio	Concesio (Brescia)	Leasehold (3)	49.0% (3)	1972	89,900	27,600	117,500	Auchan
34.	Cagliari — Marconi	Cagliari	Leasehold (3)	49.0% (3)	1994	83,500	109,900	193,400	Auchan, Bricocenter, Bata
35.	Catania — Misterbianco	Misterbianco (Catania)	Leasehold (3)	49.0% (3)	1989	83,300	16,000	99,300	Auchan
36.	Merate — Lecco	Merate (Lecco)	Leasehold (3)	49.0% (3)	1976	73,500	88,500	162,000	Auchan, Bricocenter

Simon Property Group, Inc. and Subsidiaries
International Property Table

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37.	Milano — Cinisello — Balsamo	Cinisello — Balsamo (Milano)	Leasehold (3)	49.0% (3)	1993	68,400	18,600	87,000	Auchan
38.	Milano — Nerviano	Nerviano (Milano)	Leasehold (3)	49.0% (3)	1991	83,800	27,800	111,600	Auchan
39.	Napoli — Mugnano di Napoli	Mugnano di Napoli	Leasehold (3)	49.0% (3)	1992	98,000	94,900	192,900	Auchan, Bricocenter
40.	Olbia	Olbia	Leasehold (3)	49.0% (3)	1993	49,000	48,800	97,800	Auchan
41.	Roma — Casalbertone	Roma	Leasehold (3)	49.0% (3)	1998	62,700	84,900	147,600	Auchan
42.	Sassari — Centro Azuni	Sassari	Leasehold (3)	49.0% (3)	1995	—	35,600	35,600	
43.	Torino — Rivoli	Rivoli (Torino)	Leasehold (3)	49.0% (3)	1986	61,800	32,300	94,100	Auchan
44.	Verona — Bussolengo	Bussolengo (Verona)	Leasehold (3)	49.0% (3)	1975	89,300	75,300	164,600	Auchan, Bricocenter
	Subtotal Italy					**3,332,000**	**3,318,300**	**6,650,300**	
	POLAND								
45.	Arkadia Shopping Center	Warsaw		34.7%	2004	202,100	902,400	1,104,500	Carrefour, Leroy Merlin, Media, Saturn, Cinema City, H & M, Zara, Royal Collection, Peek & Clopperburg
46.	Borek Shopping Center	Wroclaw	Freehold	34.7%	1999	119,900	129,300	249,200	Carrefour
47.	Dabrowka Shopping Center	Katowice	Freehold	34.7%	1999	121,000	172,900	293,900	Carrefour, Castorama
48.	Turzyn Shopping Center	Szczecin	Freehold	34.7%	2001	87,200	120,900	208,100	Carrefour
49.	Wilenska Station Shopping Center	Warsaw	Freehold	34.7%	2002	92,700	215,900	308,600	Carrefour
50.	Zakopianka Shopping Center	Krakow	Freehold	34.7%	1998	120,200	425,400	545,600	Carrefour, Castorama
	Subtotal Poland					**743,100**	**1,966,800**	**2,709,900**	
	PORTUGAL								
51.	Minho center	Braga (Porto)	Leasehold (3)	34.7% (3)	1997	120,000	99,100	219,100	Carrefour, Toys R Us, Sport Zone
						120,000	**99,100**	**219,100**	

Simon Property Group, Inc. and Subsidiaries
International Property Table

	Property Name	City (Metropolitan area)	Ownership Interest	SPG Ownership	Year Built	Gross Leasable Area (1) Hypermarket/ Anchor (4)	Gross Leasable Area (1) Mall & Freestanding	Gross Leasable Area (1) Total	Retail Anchors and Major Tenants
	JAPAN								
52.	Gotemba Premium Outlets	Gotemba City (Tokyo)	Ground Lease (2019)	40.0%	2000	—	390,000	390,000	Bally, Coach, Diesel, Gap, Gucci, Jill Stuart, L.L. Bean, Nike, Tod's
53.	Rinku Premium Outlets	Izumisano (Osaka)	Ground Lease (2020)	40.0%	2000	—	321,000	321,000	Bally, Brooks Brothers, Coach, Eddie Bauer, Gap, Nautica, Nike, Timberland, Versace
54.	Sano Premium Outlets	Sano (Tokyo)	Ground Lease (2022)	40.0%	2003	—	228,766	228,766	Bally, Brooks Brothers, Coach, Nautica, New Yorker, Nine West, Timberland
55.	Tosu Premium Outlets	Fukuoka (Kyushu)	Ground Lease (2023)	40.0%	2004	—	187,000	187,000	BCBG, Bose, Coach, Cole Haan, Lego, Nike, Petit Bateau, Max Azria, Theory
	Subtotal Japan					**—**	1,126,766	1,126,766	
	MEXICO								
56.	Punta Norte Premium Outlets	Mexico City	Fee	50.0%	2004	—	232,000	232,000	Christian Dior, Sony, Nautica, Levi's, Nike Rockport, Reebok, Adidas, Samsonite
	Subtotal Mexico					**—**	232,000	232,000	
	CANADA								
57.	Forum Entertainment Centre	Montreal	Fee	38.1%	2001	—	247,000	247,000	
	TOTAL INTERNATIONAL ASSETS					**4,580,500**	7,902,666	12,483,166	

FOOTNOTES:

(1) All gross leasable area listed in square feet.

(2) This property is held partially in fee and partially encumbered by a leasehold on the premise which entitles the lessor to the majority of the economics of the portion of the property subject to the leasehold.

(3) This property is encumbered by a leasehold on the entire premises which entitles the lessor the majority of the economics of the property.

(4) Represents the sales area of the anchor and excludes any warehouse/storage areas.

(5) Gallerie Commerciali Italia, in which we have a 49% joint venture interest, has been notified by an Italian appellate court that the center which opened in February 2004, though properly permitted, was not in accordance with the Modugno master plan. The joint venture is appealing the decision of the appellate court and is otherwise working to resolve the issue. The center remains open. The joint venture partner has indemnified us for the amount of our allocated investment in the project.

Land Held for Development

We have direct or indirect ownership interests in twelve parcels of land held in the United States for future development, containing an aggregate of approximately 600 acres located in five states.

Mortgage Financing on Properties

The following table sets forth certain information regarding the mortgages and other debt encumbering the Properties. Substantially all of the mortgage and property related debt is nonrecourse to us.

Mortgage and Other Debt on Portfolio Properties
As of December 31, 2004
(Dollars in thousands)

Property Name	Interest Rate	Face Amount	Annual Debt Service	Maturity Date
Consolidated Indebtedness:				
Secured Indebtedness:				
Simon Property Group, LP:				
Anderson Mall	6.20%	$ 29,414	$ 2,216	10/10/12
Arsenal Mall — 1	6.75%	32,501	2,724	09/28/08
Arsenal Mall — 2	8.20%	1,652	286	05/05/16
Bangor Mall	7.06%	23,427	2,302	12/01/07
Battlefield Mall	4.60%	100,000	4,603 (2)	07/01/13
Biltmore Square	7.95%	26,000	2,067 (2)	12/11/10 (30)
Bloomingdale Court	7.78%	28,337 (4)	2,578	11/01/09
Boardman Plaza	5.94%	23,598	1,402 (2)	07/01/14
Brunswick Square	5.65%	86,000	4,859 (2)	08/11/14
Carolina Premium Outlets — Smithfield	9.10%	20,681 (6)	2,114	03/10/13
Century III Mall	6.20%	86,827 (10)	6,541	10/10/12
Cheltenham Square	5.89%	54,941	3,236	07/01/14
Chesapeake Center	8.44%	6,563 (32)	554 (2)	06/15/05 (30)
Chesapeake Square	5.84%	73,000	4,263 (2)	08/01/14
Cielo Vista Mall — 1	9.38%	49,943 (5)	5,828	05/01/07
Cielo Vista Mall — 3	6.76%	36,033 (5)	3,039	05/01/07
College Mall — 1	7.00%	35,653 (8)	3,908	01/01/09
College Mall — 2	6.76%	11,103 (8)	935	01/01/09
Copley Place	7.44%	177,677	16,266	08/01/07
Coral Square	8.00%	87,962	8,065	10/01/10
The Crossings Premium Outlets	5.85%	59,127	4,649	03/13/13
Crossroads Mall	6.20%	43,608	3,285	10/10/12
Crystal River	7.63%	15,707	1,385	11/11/10 (30)
Dare Centre	9.10%	1,722 (6)	176	03/10/13 (30)
DeKalb Plaza	5.28%	3,500	284	01/01/15
Desoto Square	5.89%	64,153	3,779 (2)	07/01/14
The Factory Shoppes at Branson Meadows	9.10%	9,618 (6)	983	03/10/13 (30)
Factory Stores of America — Boaz	9.10%	2,813 (6)	287	03/10/13 (30)
Factory Stores of America — Georgetown	9.10%	6,666 (6)	681	03/10/13 (30)
Factory Stores of America — Graceville	9.10%	1,981 (6)	202	03/10/13 (30)
Factory Stores of America — Lebanon	9.10%	1,664 (6)	170	03/10/13 (30)
Factory Stores of America — Nebraska City	9.10%	1,563 (6)	160	03/10/13 (30)
Factory Stores of America — Story City	9.10%	1,933 (6)	198	03/10/13 (30)
Forest Mall	6.20%	17,463 (11)	1,316	10/10/12
Forest Plaza	7.78%	15,542 (4)	1,414	11/01/09
Forum Shops at Caesars, The	4.78%	550,000	26,312 (2)	12/01/10
Gateway Shopping Center	3.35% (1)	86,000	2,881 (2)	03/31/08 (3)
Gilroy Premium Outlets	6.99%	67,242 (7)	6,236	07/11/08 (30)
Greenwood Park Mall — 1	7.00%	29,861 (8)	3,273	01/01/09
Greenwood Park Mall — 2	6.76%	57,365 (8)	4,831	01/01/09
Grove at Lakeland Square, The	8.44%	3,750 (32)	317 (2)	06/15/05 (30)
Gulf View Square	8.25%	33,402	3,652	10/01/06
Henderson Square	6.94%	15,453	1,270	07/01/11
Highland Lakes Center	6.20%	16,097 (10)	1,213	10/10/12
Ingram Park Mall	6.99%	81,527 (24)	6,724	08/11/11
Keystone at the Crossing	7.85%	59,594	5,642	07/01/27
Kittery Premium Outlets	6.99%	11,132 (7)	1,028	07/11/08 (30)
Knoxville Center	6.99%	61,737 (24)	5,092	08/11/11
Lake View Plaza	7.78%	20,660 (4)	1,880	11/01/09
Lakeline Mall	7.65%	67,455	6,300	05/01/07
Lakeline Plaza	7.78%	22,651 (4)	2,061	11/01/09
Las Vegas Outlet Center	8.12%	21,789	3,712	12/10/12
Lighthouse Place Premium Outlets	6.99%	46,399 (7)	4,286	07/11/08 (30)
Lincoln Crossing	7.78%	3,127 (4)	285	11/01/09
Longview Mall	6.20%	32,681 (10)	2,462	10/10/12
MacGregor Village	9.10%	6,926 (6)	708	03/10/13 (30)
Mall of Georgia Crossing	4.40% (1)	32,575	2,825	06/09/06

Markland Mall	6.20%	23,122 (11)	1,742	10/10/12
Matteson Plaza	7.78%	9,098 (4)	828	11/01/09
McCain Mall — 1	9.38%	23,320 (5)	2,721	05/01/07
McCain Mall — 2	6.76%	16,632 (5)	1,402	05/01/07
Midland Park Mall	6.20%	33,756 (11)	2,543	10/10/12
Montgomery Mall	5.17%	95,264	6,307	05/11/14 (30)
Muncie Plaza	7.78%	7,866 (4)	716	11/01/09
North East Mall	3.78% (1)	140,000	5,285 (2)	05/20/05
Northfield Square	6.05%	31,553	2,485	02/11/14
Northlake Mall	6.99%	71,221 (24)	5,874	08/11/11
North Ridge Shopping Center	9.10%	8,459 (6)	865	03/10/13 (30)
Oxford Valley Mall	6.76%	84,397	7,801	01/10/11
Paddock Mall	8.25%	26,566	2,905	10/01/06
Palm Beach Mall	6.20%	53,999	4,068	10/10/12
Penn Square Mall	7.03%	70,305	6,003	03/01/09 (30)
Plaza Carolina — Fixed	5.10%	98,996	7,085	05/09/09
Plaza Carolina — Variable Capped	3.30% (36)	99,209	5,880	05/09/09 (3)
Plaza Carolina — Variable Floating	3.30% (1)	59,525	3,528	05/09/09 (3)
Port Charlotte Town Center	7.98%	52,877	4,680	12/11/10 (30)
Raleigh Springs Mall	4.40% (31)	10,877	479 (2)	12/09/05
Regency Plaza	7.78%	4,264 (4)	388	11/01/09
Richmond Towne Square	6.20%	47,413 (11)	3,572	10/10/12
Riverway	3.55% (18)	110,000	3,905 (2)	10/01/06 (3)
St. Charles Towne Plaza	7.78%	27,294 (4)	2,483	11/01/09
St. Johns Town Center	3.65% (1)	100,022	3,651 (2)	03/12/08 (3)
Stanford Shopping Center	3.60% (12)	220,000	7,920 (2)	09/11/08
Sunland Park Mall	8.63% (14)	36,647	3,773	01/01/26
Tacoma Mall	7.00%	130,308	10,778	10/01/11
Terrace at Florida Mall, The	8.44%	4,688 (32)	396 (2)	06/15/05 (30)
Towne East Square — 1	7.00%	47,329	4,711	01/01/09
Towne East Square — 2	6.81%	23,145	1,958	01/01/09
Towne West Square	6.99%	53,366 (24)	4,402	08/11/11
Treasure Coast Square — 1	7.13%	50,254	3,583 (2)	01/01/06
Treasure Coast Square — 2	7.77%	11,736	912 (2)	01/01/06
Trolley Square	9.03%	28,918	2,880	08/01/10 (30)
University Park Mall	7.43%	58,189	4,958	10/01/07
Upper Valley Mall	5.89%	47,904	2,822 (2)	07/01/14
Valle Vista Mall — 1	9.38%	30,887 (5)	3,604	05/01/07
Valle Vista Mall — 2	6.81%	7,397 (5)	626	05/01/07
Washington Square	5.94%	30,693	1,823	07/01/14
Waterloo Premium Outlets	6.99%	37,370 (7)	3,452	07/11/08 (30)
West Ridge Mall	5.89%	68,711	4,047 (2)	07/01/14
West Ridge Plaza	7.78%	5,498 (4)	500	11/01/09
White Oaks Mall	3.50% (1)	48,563	1,700 (2)	02/25/08 (3)
White Oaks Plaza	7.78%	16,775 (4)	1,526	11/01/09
Wolfchase Galleria	7.80%	73,292	6,911	06/30/07
Woodland Hills Mall	7.00%	84,180	7,185	01/01/09 (30)
Total Consolidated Secured Indebtedness		$ 4,987,680		
Unsecured Indebtedness:				

Simon Property Group, LP:				
Unsecured Revolving Credit Facility	3.05% (16)	$ 425,000	$ 12,963 (2)	04/16/06 (3)
Medium Term Notes — 1	7.13%	100,000	7,125 (15)	06/24/05
Medium Term Notes — 2	7.13%	180,000	12,825 (15)	09/20/07
SPG, L.P. Unsecured Euro Term Loan	2.73% (9)	268,695	7,330 (2)	12/16/06 (3)
SPG, L.P. Unsecured Term Loan	3.05% (1)	250,000	7,625 (2)	04/01/07 (3)
Unsecured 1.8B Chelsea Acquisition Facility	2.95% (1)	1,800,000	53,100 (2)	10/14/06
Unsecured Notes — 1	6.88%	250,000	17,188 (15)	11/15/06
Unsecured Notes — 2B	7.00%	150,000	10,500 (15)	07/15/09
Unsecured Notes — 3	6.88%	150,000	10,313 (15)	10/27/05
Unsecured Notes — 4B	6.75%	300,000	20,250 (15)	06/15/05
Unsecured Notes — 4C	7.38%	200,000	14,750 (15)	06/15/18
Unsecured Notes — 5B	7.13%	300,000	21,375 (15)	02/09/09
Unsecured Notes — 6A	7.38%	300,000	22,125 (15)	01/20/06
Unsecured Notes — 6B	7.75%	200,000	15,500 (15)	01/20/11
Unsecured Notes — 7	6.38%	750,000	47,813 (15)	11/15/07
Unsecured Notes — 8A	6.35%	350,000	22,225 (15)	08/28/12
Unsecured Notes — 8B	5.38%	150,000	8,063 (15)	08/28/08
Unsecured Notes — 9A	4.88%	300,000	14,625 (15)	03/18/10
Unsecured Notes — 9B	5.45%	200,000	10,900 (15)	03/15/13
Unsecured Notes — 10A	3.75%	300,000	11,250 (15)	01/30/09
Unsecured Notes — 10B	4.90%	200,000	9,800 (15)	01/30/14
Unsecured Notes — 11A	4.88%	400,000	19,500 (15)	08/15/10
Unsecured Notes — 11B	5.63%	500,000	28,125 (15)	08/15/14
Mandatory Par Put Remarketed Securities	7.00%	200,000	14,000 (15)	06/15/08 (17)
		8,223,695		
Shopping Center Associates, subsidiary:				
Unsecured Notes — SCA 2	7.63%	110,000	8,388 (15)	05/15/05
		110,000		
The Retail Property Trust, subsidiary:				
Unsecured Notes — CPI 4	7.18%	75,000	5,385 (15)	09/01/13
Unsecured Notes — CPI 5	7.88%	250,000	19,688 (15)	03/15/16
		325,000		
CPG Partners, LP, subsidiary:				
Term Loan	7.26% (39)	60,475	5,392	04/27/10
Yen Credit Facility	1.31% (40)	11,845 (41)	155 (2)	04/01/05
Peso Credit Facility	10.56% (29)	12,514 (42)	1,321 (2)	01/27/07
8.375% Notes due August 2005	8.38%	50,000	4,188 (15)	08/17/05
7.250% Notes due October 2007	7.25%	125,000	9,063 (15)	10/21/07
3.500% Notes due March 2009	3.50%	100,000	3,500 (15)	03/15/09
8.625% Notes due August 2009	8.63%	50,000	4,313 (15)	08/17/09
8.250% Notes due February 2011	8.25%	150,000	12,375 (15)	02/01/11
6.875% Notes due June 2012	6.88%	100,000	6,875 (15)	06/15/12
6.000% Notes due January 2013	6.00%	150,000	9,000 (15)	01/15/13
		809,834		
Total Consolidated Unsecured Indebtedness		$ 9,468,529		
Total Consolidated Indebtedness at Face Amounts		$ 14,456,209		
Fair Value Interest Rate Swaps		(4,447) (28)		
Net Premium on Indebtedness		161,826		
Net Discount on Indebtedness		(27,195)		
Total Consolidated Indebtedness		$ 14,586,393 (23)		

Joint Venture Indebtedness:

Secured Indebtedness:				
Apple Blossom Mall	7.99%	$ 39,159	$ 3,607	09/10/09
Arkadia Shopping Center	4.28% (38)	143,398	11,871	11/01/14
Atrium at Chestnut Hill	6.89%	47,264	3,880	03/11/11 (30)
Auburn Mall	7.99%	45,845	4,222	09/10/09
Aventura Mall — A	6.55%	141,000	9,231 (2)	04/06/08
Aventura Mall — B	6.60%	25,400	1,675 (2)	04/06/08
Aventura Mall — C	6.89%	33,600	2,314 (2)	04/06/08
Avenues, The	5.29%	78,100	5,325	04/01/13
Bay 1 (Torcy)	3.93% (38)	19,511	1,352	12/01/11
Bay 2 (Torcy)	3.33% (38)	74,525	4,813	06/01/13
Borek Shopping Center	6.19%	19,634	3,050	02/01/12
Cape Cod Mall	6.80%	96,084	7,821	03/11/11
Circle Centre Mall	5.02%	78,122	5,165	04/11/13
Clay Terrace Partners	3.90% (1)	80,008	3,120 (2)	01/20/08 (3)
CMBS Loan — Fixed (encumbers 13 Properties)	7.52%	357,100 (19)	26,871 (2)	05/15/06
CMBS Loan — 1 Floating (encumbers 13 Properties)	2.81% (1)	186,500 (19)	5,241 (2)	05/15/06
CMBS Loan — 2 Floating (encumbers 13 Properties)	2.77% (1)	81,400 (19)	2,254 (2)	05/15/06
Cobblestone Court	7.64%	10,597 (20)	810 (2)	01/01/06
Crystal Court	7.64%	2,767 (20)	211 (2)	01/01/06
Crystal Mall	5.62%	102,952	7,319	09/11/12 (30)
Dabrowka Shopping Center	6.22%	5,818 (38)	812	07/01/14
Dadeland Mall	6.75%	194,127	15,566	02/11/12 (30)
Emerald Square Mall	5.13%	141,507	9,479	03/01/13
Fairfax Court	7.64%	12,997 (20)	993 (2)	01/01/06
Fashion Centre Pentagon Retail	6.63%	161,181	12,838	09/11/11 (30)
Fashion Centre Pentagon Office	3.15% (37)	40,000	1,260 (2)	07/09/09 (3)
Fashion Valley Mall — 1	6.49%	163,936	13,255	10/11/08 (30)
Fashion Valley Mall — 2	6.58%	29,124	1,915 (2)	10/11/08 (30)
Florida Mall, The	7.55%	260,274	22,766	12/10/10
Galleria Commerciali Italia — Facility A	3.18% (21)	295,256	15,289	12/22/11 (3)
Galleria Commerciali Italia — Facility B	3.28% (34)	347,922	18,364	12/22/11
Gaitway Plaza	7.64%	8,997 (20)	687 (2)	01/01/06
Great Northeast Plaza	9.04%	16,511	1,744	06/01/06
Greendale Mall	8.23%	40,326	3,779	12/10/06
Gotemba Premium Outlets — Fixed	2.00%	12,082 (33)	1,411	10/25/14
Gotemba Premium Outlets — Variable	2.10% (13)	26,988 (33)	4,660	09/30/07
Gwinnett Place — 1	7.54%	36,894	3,412	04/01/07
Gwinnett Place — 2	7.25%	81,550	7,070	04/01/07
Highland Mall	6.83%	68,513	5,571	07/11/11
Houston Galleria — 1	7.93%	215,378	19,684	12/01/05 (30)
Houston Galleria — 2	3.90% (1)	84,711	3,304 (2)	06/25/07 (3)
Indian River Commons	5.21%	9,645	503 (2)	11/01/14
Indian River Mall	5.21%	65,355	3,408 (2)	11/01/14
King of Prussia Mall — 1	7.49%	183,906	23,183	01/01/17
King of Prussia Mall — 2	8.53%	12,683	1,685	01/01/17
Lehigh Valley Mall	7.90%	46,091	4,959	10/10/06
Liberty Tree Mall	5.22%	35,000	1,827 (2)	10/11/13
Mall at Rockingham	7.88%	95,748	8,705	09/01/07
Mall at Chestnut Hill	8.45%	14,536	1,396	02/02/10
Mall of Georgia	7.09%	197,450	16,649	07/01/10
Mall of New Hampshire — 1	6.96%	99,108	8,345	10/01/08 (30)
Mall of New Hampshire — 2	8.53%	8,164	786	10/01/08
Metrocenter	8.45%	28,154	3,031	02/28/08
Miami International Mall	5.35%	97,500	5,216 (2)	10/01/13
Montreal Forum — Canada	5.76% (22)	46,278	2,666 (2)	08/08/06 (3)
Northshore Mall	5.03%	210,000	10,553 (2)	03/11/14 (30)
Quaker Bridge Mall	7.03%	23,339	2,407	04/01/16
Plaza at Buckland Hills, The	7.64%	17,072 (20)	1,304 (2)	01/01/06

Ridgewood Court	7.64%	7,447 (20)	569 (2)	01/01/06
Rinku Premium Outlets	2.33%	45,114 (33)	5,834	10/25/14
Sano Premium Outlets	2.45%	50,226 (33)	6,941	08/31/09
Seminole Towne Center	3.05% (26)	70,000	2,135 (2)	06/30/09 (3)
Shops at Sunset Place, The	3.15% (25)	98,276	5,395	05/09/09 (3)
Smith Haven Mall	7.86%	115,000	9,039 (2)	06/01/06
Solomon Pond	3.97%	114,000	4,523 (2)	08/01/13
Source, The	6.65%	124,000	8,246 (2)	03/11/09
Square One	6.73%	92,341	7,380	03/11/12
Toki Premium Outlets	1.14% (13)	15,590 (33)	1,932	10/30/09
Tosu Premium Outlets	2.60%	15,975 (33)	2,244	08/24/13
Town Center at Cobb — 1	7.54%	46,948	4,347	04/01/07
Town Center at Cobb — 2	7.25%	62,001	5,381	04/01/07
Turzyn Shopping Center	6.56%	27,494	3,488	06/01/14
Villabe A6 — Bel'Est	3.13% (38)	13,790	918	08/01/11
Village Park Plaza	7.64%	18,377 (20)	1,404 (2)	01/01/06
West Town Corners	7.64%	10,997 (20)	840 (2)	01/01/06
West Town Mall	6.90%	76,000	5,244 (2)	05/01/08 (30)
Westchester, The — 1	8.74%	142,640	14,478	09/01/05
Westchester, The — 2	7.20%	50,376	4,399	09/01/05
Whitehall Mall	6.77%	13,816	1,282	11/01/08
Wilenska Station Shopping Center	4.08% (38)	44,112	3,941	11/01/13
Willow Knolls Court	7.64%	10,722 (20)	819 (2)	01/01/06
Zakopianka Shopping Center	6.82%	18,264	3,183	12/01/11
Total Joint Venture Secured Indebtedness at Face Amounts		$ 6,380,593		
Unsecured Indebtedness:				
Galleria Commerciali Italia — Facility C	2.78% (35)	17,191	478 (2)	12/22/08 (3)
Total Joint Venture Unsecured Indebtedness		17,191		
Net Premium on Indebtedness		4,664		
Net Discount on Indebtedness		(4,136)		
Total Joint Venture Indebtedness		$ 6,398,312 (27)		

(Footnotes on following page)

(Footnotes for preceding pages)

(1) Variable rate loans based on LIBOR plus interest rate spreads ranging from 37 bps to 200 bps. LIBOR as of December 31, 2004 was 2.40%.

(2) Requires monthly payment of interest only.

(3) Includes applicable extension available at the Operating Partnership's option.

(4) Loans secured by these eleven Properties are cross-collateralized and cross-defaulted.

(5) Loans secured by these three Properties are cross-collateralized and cross-defaulted.

(6) Loans secured by these eleven Properties are cross-collateralized and cross-defaulted.

(7) Loans secured by these four Properties are cross-collateralized and cross-defaulted.

(8) Loans secured by these two Properties are cross-collateralized and cross-defaulted.

(9) Euribor + 0.600%. Euros 200 million term loan. As of December 31, 2004, Euros 3.1 million available after outstanding borrowings.

(10) Loans secured by these three Properties are cross-collateralized.

(11) Loans secured by these four Properties are cross-collateralized.

(12) Simultaneous with the issuance of this loan, the Operating Partnership entered into a $70 million notional amount variable rate swap agreement which is designated as a hedge against this loan. As of December 31, 2004, after including the impacts of this swap, the terms of the loan are effectively $150 million fixed at 3.60% and $70 million variable rate at 2.3850%.

(13) Variable rate loans based on Yen LIBOR plus interest rate spreads ranging from 50 bps to 187.5 bps. Yen LIBOR as of December 31, 2004 was 0.3938%.

(14) Lender also participates in a percentage of certain gross receipts above a specified base. No additional interest was due in 2004.

(15) Requires semi-annual payments of interest only.

(16) $1,250,000 Credit Facility. As of December 31, 2004, the Credit Facility bears interest at LIBOR + 0.650% and provides for different pricing based upon the Operating Partnership's investment grade rating. As of December 31, 2004, an interest rate cap agreement limits LIBOR on $48,050 of this indebtedness to 12.787%. As of December 31, 2004, $786,869 was available after outstanding borrowings and letters of credit.

(17) The MOPPRS have an actual maturity of June 15, 2028, but are subject to mandatory redemption on June 15, 2008.

(18) LIBOR + 1.150% with LIBOR capped at 8.100%.

(19) These Commercial Mortgage Notes are secured by cross-collateralized mortgages encumbering thirteen Properties (Eastland Mall, Empire East, Empire Mall, Granite Run Mall, Mesa Mall, Lake Square, Lindale Mall, Northpark Mall, Southern Hills Mall, Southpark Mall, Southridge Mall, Rushmore Mall, and Valley Mall). A weighted average rate is used for each component. The floating components have interest protection agreements which caps LIBOR at 10.63% and 11.83% respectively.

(20) Loans secured by these nine Properties are cross-collateralized and cross-defaulted.

(21) Debt is denominated in Euros and bears interest at Euribor + 1.05%. Debt consists of a Euros 269.0 million tranche of which Euros 216.4 million is drawn.

(22) Canadian Banker's Acceptance Rate (CBAR) + 3.000%.

(23) Our share of consolidated indebtedness was $14,343,726.

(24) Loans secured by these four Properties are cross-collateralized and cross-defaulted.

(25) LIBOR + 0.750%, with LIBOR capped at 7.500%.

(26) LIBOR + 0.650%, with LIBOR capped at 8.500%.

(27) Our share of joint venture indebtedness was $2,750,327.

(28) Represents the fair market value of interest rate swaps entered into by the Operating Partnership.

(29) Interbank Interest Equilibrium Rate (TIIE) + 0.8250%

(30) The maturity date shown represents the Anticipated Maturity Date of the loan which is typically 10-20 years earlier than the stated Maturity Date of the loan. Should the loan not be repaid at the Anticipated Repayment Date the applicable interest rate shall increase as specified in the loan agreement.

(31) LIBOR + 2.000%, with LIBOR floor at 1.800%.

(32) Loans secured by these three Properties are cross-collateralized and cross-defaulted.

(33) Amounts shown in US Dollar Equivalent. Yen equivalent 17,033.9 million

(34) Debt is denominated in Euros and bears interest at Euribor + 1.15%. Debt consists of a Euros 255 million tranche which is fully drawn.

(35) Debt is denominated in Euros and bears interest at Euribor + 0.650%. Debt consists of a Euros 150 million tranche of which Euros 12.6 million is drawn.

(36) LIBOR + 0.900%, with LIBOR capped at 8.250%.

(37) LIBOR + 0.750%, with LIBOR capped at 8.250%.

(38) Associated with these loans are interest rate swap agreements with a total combined Euro 195.9 million notional amount that effectively fixed these loans at a combined 5.08%.

(39) Through an interest rate swap agreement, effectively fixed through January 1, 2006 at the all-in interest rate presented.

(40) Yen LIBOR + 1.250%

(41) Amounts shown in USD Equivalent. Yen equivalent is 1,215.7 million.

(42) Amounts shown in USD Equivalent. Peso equivalent is 139.5 million.

The changes in mortgages and other indebtedness for the years ended December 31, 2004, 2003, 2002 are as follows:

	2004	2003	2002
Balance, Beginning of Year	**$ 10,266,388**	$ 9,546,081	$ 8,841,378
Additions during period:			
New Loan Originations	**4,509,640**	1,745,275	1,243,267
Loans assumed in acquisitions and consolidations	**1,387,182**	105,131	423,365
Net Premium/(Discount)	**132,905**	(1,308)	34,536
Deductions during period:			
Loan Retirements	**(1,652,022)**	(1,079,855)	(922,772)
Cost of Mortgages Sold	**—**	—	(52,179)
Amortization of Net (Premiums)/Discounts	**(14,043)**	(13,142)	10,080
Scheduled Principal Amortization	**(43,657)**	(35,794)	(31,594)
Balance, Close of Year	**$ 14,586,393**	$ 10,266,388	$ 9,546,081

Item 3. Legal Proceedings

On November 15, 2004, the Attorneys General of Massachusetts, New Hampshire and Connecticut filed complaints in their respective state Superior Courts against us and our affiliate, SPGGC, Inc., alleging that the sale of co-branded, bank-issued gift cards sold in certain of its Portfolio Properties violated gift certificate statutes and consumer protection laws in those states. Each of these suits seeks injunctive relief, unspecified civil penalties and disgorgement of any fees determined to be improperly charged to consumers.

In addition, we are a defendant in three other proceedings relating to the gift card program: Lisa Corbiles and Dana Walicky vs. Simon Property Group, Inc. d/b/a Simon Malls, Superior Court of New Jersey, County of Essex, Docket No: ESX-L-224-04, filed January 6, 2004; Betty Benson and Andrea Nay-Richardson vs. Simon Property Group, Inc., and Simon Property Group, L.P., Superior Court of Cobb County, State of Georgia, Case No.: 04-1-9617-42, filed December 9, 2004; Christopher Lonner vs. Simon Property Group, Inc., Supreme Court of the State of NY, County of Westchester, Case No.: 04-2246, filed February 18, 2004, Erin Reilly, individually and on behalf of all others similarly situated vs. SPG, Inc., SPG, L.P. and SPGGC, Inc., Lee County Circuit Court, Florida, filed February 8, 2005 and Aliza Goldman, individually and on behalf of all others similarly situated vs. Simon Property Group, Inc., Supreme Court of the State of New York, County of Nassau, filed February 7, 2005. Each of these proceedings has been brought by a private plaintiff as a purported class action and alleges violation of state consumer protection laws, state abandoned property and contract laws or state statutes regarding gift certificates or gift cards and seeks a variety of remedies including unspecified damages and injunctive relief.

On February 3, 2005, the Attorney General of the State of New York filed a petition in the Supreme Court of New York, County of New York against us and the Operating Partnership alleging violations of New York law with respect to gift card sales. The New York proceeding was settled on March 1, 2005.

We believe that we have viable defenses under both state and federal laws to the gift card actions. Although it is not possible to provide any assurance of the ultimate outcome of any of these pending actions, management does not believe that an adverse outcome would have a material adverse effect on our financial position, results of operations or cash flow.

Triple Five of Minnesota, Inc., a Minnesota corporation, v. Melvin Simon, et. al. On or about November 9, 1999, Triple Five of Minnesota, Inc. commenced an action in the District Court for the State of Minnesota, Fourth Judicial District, against, among others, Mall of America, certain members of the Simon family and entities allegedly controlled by such individuals, and us. The action was later removed to federal court. On September 10, 2003, the court issued its decision in a Memorandum and Order (the "Order"). In the Order, the court found that certain entities and individuals breached their fiduciary duties to Triple Five. The court did not award Triple Five damages but instead awarded Triple Five equitable and other relief and imposed a constructive trust on that portion of the Mall of America owned by us. Specifically, as it relates to us, the court ordered that Triple Five was entitled to purchase from us the one-half partnership interest that we purchased in October 1999, provided Triple Five remits to us the sum of $81.38 million within nine months of the Order. On August 6, 2004, Triple Five closed on its purchase of our one-half partnership interest. The court further held that we must disgorge all "net profits" that we received as a result of our ownership interest in the Mall from October 1999 to the present.

We have appealed the Order and the Ancillary Relief Order to the United States Court of Appeals for the Eighth Circuit. Briefing on the appeals is complete and oral argument took place on October 18, 2004. It is not possible to provide any assurance on the ultimate outcome of this litigation.

As a result of the Order, we initially recorded a $6.0 million charge for our share of the estimated loss in 2003. In the first quarter of 2004, as a result of the May 3, 2004 memorandum issued by the court appointed mediator, which has now been affirmed by the court, we recorded an additional $13.5 million charge for our share of the loss that is included in "(Loss) gain on sales of assets and other, net" in the accompanying consolidated financial statements of operations and comprehensive income. We ceased recording any contribution to either net income or Funds from Operations ("FFO") from the results of operations of Mall of America as of September 1, 2003.

We are also involved in various legal proceedings that arise in the ordinary course of our business. We believe that such routine litigation, claims and administrative proceedings will not have a material adverse impact on our financial position or our results of operations. We record a liability when a loss is considered probable and the amount can be reasonably estimated. If the reasonable estimate of a probable loss is a range, and no amount within the range is a better estimate, the mid point in the range is accrued. If a loss is not probable or a probable loss cannot be reasonably estimated, no liability is recorded.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Part II

Item 5. Market for the Registrant's Common Equity, and Related Stockholder Matters, and Issuer Purchases of Equity Securities

Market Information

Our common stock trades on the New York Stock Exchange under the symbol "SPG". The quarterly price range on the NYSE for the shares and the distributions declared per share for each quarter in the last two fiscal years are shown below:

	High	Low	Close	Declared Distribution
2004				
1st Quarter	**$ 58.62**	**$ 45.90**	**$ 58.44**	**$ 0.65**
2nd Quarter	**58.83**	**44.39**	**51.42**	**0.65**
3rd Quarter	**56.76**	**48.65**	**53.63**	**0.65**
4th Quarter	**65.87**	**53.45**	**64.67**	**0.65**
2003				
1st Quarter	37.18	31.70	35.83	0.60
2nd Quarter	40.04	35.85	39.03	0.60
3rd Quarter	43.96	38.59	43.58	0.60
4th Quarter	48.59	43.58	46.34	0.60

There is no established public trading market for Simon Property's Class B common stock or Class C common stock. Distributions per share of the Class B and Class C common stock are identical to the common stock.

Holders

The number of holders of record of common stock outstanding was 2,350 as of December 31, 2004. The Class B common stock is held entirely by a voting trust to which Melvin Simon, Herbert Simon, David Simon and certain of their affiliates are parties and is exchangeable on a one-for-one basis into shares of common stock, and the Class C common stock is held entirely by NID Corporation, the successor corporation of Edward J. DeBartolo Corporation, and is also exchangeable on a one-for-one basis into shares of common stock.

Distributions

Simon Property qualifies as a REIT under the Code. To maintain our status as a REIT, we are required each year to distribute to our stockholders at least 90% of our taxable income after certain adjustments. Future distributions are determined at the discretion of the Board of Directors and will depend on our actual cash flow, financial condition, capital requirements, the annual REIT distribution requirements and such other factors as our Board of Directors deem relevant.

Simon Property offers an Automatic Dividend Reinvestment Plan for its common shares that allows stockholders, at their election, to acquire additional shares by automatically reinvesting cash dividends. Shares are acquired pursuant to the plan at a price equal to the prevailing market price of such shares, without payment of any brokerage commission or service charge.

On October 4, 2004, we announced a partial quarterly dividend of $0.409783 per share of common stock payable on November 30, 2004, for which ultimate payment of this dividend was subject to the completion of the merger with Chelsea. The purpose of this dividend, which was paid on November 30, 2004, was to align the dividend payment periods for normal recurring dividends paid on the common stock of Simon Property and Chelsea. Given that the completion of the merger with Chelsea was on October 14, 2004, the record date for the partial dividend was October 13, 2004. This partial quarterly dividend was paid in addition to a later dividend to aggregate the $0.65 total quarterly dividend rate.

Unregistered Sales of Equity Securities

During the fourth quarter of 2004, we issued 709,013 shares of common stock to our limited partners in exchange for an equal number of units. The issuance of the shares of common stock was made pursuant to the terms of the Partnership Agreement of the Operating Partnership and was exempt from registration under the Securities Act of

1933 as amended, in reliance upon Section 4(2) as a private offering. We subsequently registered the resale of the shares of common stock under the Securities Act.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
August 1 — August 31, 2004	20,000	$ 55.84		$ 250,000,000
September 1 — September 30, 2004	20,000	$ 56.55		$ 250,000,000
October 1 — October 31, 2004	44,000	$ 58.35		$ 250,000,000
November 1 — November 30, 2004	17,300	$ 60.01	17,300	$ 248,961,867
December 1 — December 31, 2004	309,000	$ 64.50	300,000	$ 229,600,332
Total	410,300	$ 62.84	317,300	

(1) On May 5, 2004, the Board of Directors authorized a one-year common stock repurchase program. The program was publicly announced on May 6, 2004. Under the program, we may purchase up to $250 million of our common stock as market conditions warrant. We may repurchase shares in the open market or in privately negotiated transactions.

Item 6. Selected Financial Data

The information required by this item is incorporated herein by reference to the Selected Financial Data section of the 2004 Annual Report to Stockholders filed as Exhibit 13.1 to this Form 10-K.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information required by this item is incorporated herein by reference to the Management's Discussion and Analysis of Financial Condition and Results of Operations section of the 2004 Annual Report to Stockholders filed as Exhibit 13.1 to this Form 10-K.

Item 7A. Qualitative and Quantitative Disclosure About Market Risk

The information required by this item is incorporated herein by reference to the Management's Discussion and Analysis of Financial Condition and Results of Operations section of the 2004 Annual Report to Stockholders under the caption "Liquidity and Capital Resources — Market Risk", filed as Exhibit 13.1 to this Form 10-K.

Item 8. Financial Statements and Supplementary Data

Reference is made to the Index to Financial Statements contained in Item 15.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. We carried out an evaluation under the supervision and with participation of management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, our management, including the chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective as of December 31, 2004.

Management's Report on Internal Control over Financial Reporting. Our management's report on internal control over financial reporting is set forth in our 2004 Annual Report to Stockholders as the last page of management's discussion and analysis of financial condition and results of operation, filed as Exhibit 13.1 to this Form 10-K and is incorporated herein by reference.

Changes in Internal Control Over Financial Reporting. There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f)) that occurred during the fourth quarter of 2004 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

Part III

Item 10. Directors and Executive Officers of the Registrant

The information required by this item is incorporated herein by reference to Simon Property's definitive Proxy Statement for its annual meeting of stockholders to be filed with the Commission pursuant to Regulation 14A and the information included under the caption "Executive Officers of the Registrants" in Part I hereof.

Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to Simon Property's definitive Proxy Statement for its annual meeting of stockholders to be filed with the Commission pursuant to Regulation 14A.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated herein by reference to Simon Property's definitive Proxy Statement for its annual meeting of stockholders to be filed with the Commission pursuant to Regulation 14A.

Item 13. Certain Relationships and Related Transactions

The information required by this item is incorporated herein by reference to Simon Property's definitive Proxy Statement for its annual meeting of stockholders to be filed with the Commission pursuant to Regulation 14A.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated herein by reference to Simon Property's definitive Proxy Statement for its annual meeting of stockholders to be filed with the Commission pursuant to Regulation 14A.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(1) *Consolidated Financial Statements*

Simon Property Group, Inc. and Subsidiaries' consolidated financial statements and independent registered public accounting firm's reports are included in our 2004 Annual Report to Stockholders, filed as Exhibit 13.1 to this Form 10-K and are incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SIMON PROPERTY GROUP, INC.

By /s/ DAVID SIMON

David Simon
Chief Executive Officer

March 14, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/ DAVID SIMON David Simon	Chief Executive Officer And Director (Principal Executive Officer)	March 14, 2005
/s/ HERBERT SIMON Herbert Simon	Co-Chairman of the Board of Directors	March 14, 2005
/s/ MELVIN SIMON Melvin Simon	Co-Chairman of the Board of Directors	March 14, 2005
/s/ RICHARD S. SOKOLOV Richard S. Sokolov	President, Chief Operating Officer and Director	March 14, 2005
/s/ BIRCH BAYH Birch Bayh	Director	March 14, 2005
/s/ MELVYN E. BERGSTEIN Melvyn E. Bergstein	Director	March 14, 2005
/s/ LINDA WALKER BYNOE Linda Walker Bynoe	Director	March 14, 2005
/s/ PIETER S. VAN DEN BERG Pieter S. van den Berg	Director	March 14, 2005

/s/ G. WILLIAM MILLER G. William Miller	Director	March 14, 2005
/s/ FREDRICK W. PETRI Fredrick W. Petri	Director	March 14, 2005
/s/ ALBERT SMITH, JR. J. Albert Smith, Jr.	Director	March 14, 2005
/s/ KAREN N. HORN Karen N. Horn	Director	March 14, 2005
/s/ M. DENISE DEBARTOLO YORK M. Denise DeBartolo York	Director	March 14, 2005
/s/ STEPHEN E. STERRETT Stephen E. Sterrett	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 14, 2005
/s/ JOHN DAHL John Dahl	Senior Vice President (Principal Accounting Officer)	March 14, 2005

Exhibits

2	Agreement and Plan of Merger, dated as of June 20, 2004, by and among Simon Property Group, Inc., Simon Property Group, L.P., Simon Acquisition I, LLC, Simon Acquisition II, LLC, Chelsea Property Group, Inc., and CPG Partners, L.P. (incorporated by reference to Exhibit 99.2 to the Registrant's Current Report on Form 8-K filed June 22, 2004).
3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 of the Form 8-K filed by the Registrant on October 9, 1998).
3.2	Restated By-laws of the Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002).
3.3	Certificate of Powers, Designations, Preferences and Rights of the 7.00% Series C Cumulative Convertible Preferred Stock, $0.0001 Par Value (incorporated by reference to Exhibit 3.1 of the Registrant's Form 10-Q filed on November 15, 1999).
3.3a	Certificate of Correction Filed to Correct Certain Errors in Certificate of Powers, Designations, Preferences and Rights of the 7.00% Series C Cumulative Convertible Preferred Stock, $0.0001 Par Value (incorporated by reference to Exhibit 3.1a of the Registrant's Form 10-Q filed on November 15, 1999).
3.4	Certificate of Powers, Designations, Preferences and Rights of the 8.00% Series D Cumulative Redeemable Preferred Stock, $0.0001 Par Value (incorporated by reference to Exhibit 3.2 of the Registrant's Form 10-Q filed on November 15, 1999).
3.4a	Certificate of Correction Filed to Correct Certain Errors in Certificate of Powers, Designations, Preferences and Rights of the 8.00% Series D Cumulative Redeemable Preferred Stock, $0.0001 Par Value (incorporated by reference to Exhibit 3.2a of the Registrant's Form 10-Q filed on November 15, 1999).
3.5	Certificate of Powers, Designations, Preferences and Rights of the $8^3/4$% Series F Cumulative Redeemable Preferred Stock, $.0001 Par Value (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-4 filed by the Registrant on May 9, 2001 (Reg. No. 333-60526)).
3.6	Certificate of Powers, Designations, Preferences and Rights of the 7.89% Series G Cumulative Step-Up Premium Rate Preferred Stock, $.0001 Par Value (incorporated by reference to Exhibit 4.2 to the Registration Statement on Form S-4 filed by the Registrant on May 9, 2001 (Reg. No. 333-60526)).
3.7	Certificate of Powers, Designations, Preferences and Rights of the 6% Series I Convertible Perpetual Preferred Stock, $0.0001 Par Value (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed October 20, 2004).
3.8	Certificate of Powers, Designations, Preferences and Rights of the $8^3/8$% Series J Cumulative Redeemable Preferred Stock, $0.0001 Par Value (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed October 20, 2004).
9.1	Second Amended and Restated Voting Trust Agreement, Voting Agreement and Proxy dated as of March 1, 2004 between Melvin Simon & Associates, Inc., on the one hand and Melvin Simon, Herbert Simon, and David Simon on the other hand (incorporated by reference to Exhibit 9.1 of the Registrant's Quarterly Report on Form 10-Q filed on May 10, 2004).
9.2	Voting Trust Agreement, Voting Agreement and Proxy dated as of March 1, 2004 between David Simon, Melvin Simon and Herbert Simon (incorporated by reference to Exhibit 9.2 of the Registrant's Quarterly Report on Form 10-Q filed on May 10, 2004).
10.1	Credit Agreement, dated as of October 12, 2004, among Simon Property Group, L.P., the Lenders named therein, and the Co-Agents named therein (incorporated by reference to Exhibit 10 of the Registrant's Quarterly Report on Form 10-Q filed on November 8, 2004).
10.2	$2,000,000,000 Credit Agreement, dated as of January 11, 2005, among Simon Property Group, L.P., the Institutions named therein as Lenders and the Institutions named therein as Co-Agents (incorporated by reference to Exhibit 99.1 of Simon Property Group, L.P.'s Current Report on Form 8-K filed on January 18, 2005).
10.3	Form of the Indemnity Agreement between the Registrant and its directors and officers. (incorporated by reference to Exhibit 10.7 of the Form S-4 filed by the Registrant on August 13, 1998 (Reg. No. 333-61399)).
10.4	Registration Rights Agreement, dated as of September 24, 1998, by and among the Registrant and the persons named therein. (incorporated by reference to Exhibit 4.4 of the Form 8-K filed by the Registrant on October 9, 1998).
10.5	Registration Rights Agreement, dated as of August 27, 1999 by and among the Registrant and the persons named therein (incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-3 filed March 24, 2004 (Reg. No. 333-113884)).
10.6	Registration Rights Agreement, dated as of November 14, 1997, by and between O'Connor Retail Partners, L.P. and Simon DeBartolo Group, Inc. (incorporated by reference to Exhibit 4.8 to the Registration Statement on Form S-3 filed December 7, 2001 (Reg. No. 333-74722)).
10.7*	Simon Property Group, L.P. 1998 Stock Incentive Plan (incorporated by reference to Appendix G to the Registrants' Definitive Proxy Statement on Schedule 14A dated April 7, 2003).
10.8*	Form of Nonqualified Stock Option Award Agreement under the Simon Property Group, L.P. 1998 Stock Incentive Plan.

10.9*	Form of Performance-Based Restricted Stock Award Agreement under the Simon Property Group, L.P. 1998 Stock Incentive Plan.
10.10*	Form of Non-Employee Director Restricted Stock Award Agreement under the Simon Property Group, L.P. 1998 Stock Incentive Plan.
10.11*	Form of Employment Agreement between Hans C. Mautner and the Registrant (incorporated by reference to Exhibit 10.63 of the Form S-4 filed by Corporate Property Investors, Inc. on August 13, 1998 (Reg. No. 333-61399)).
10.12*	Form of Incentive Stock Option Agreement between the Registrant and Hans C. Mautner pursuant to the Operating Partnership 1998 Stock Incentive Plan (incorporated by reference to Exhibit 10.59 of the Form S-4 filed by Corporate Property Investors, Inc. on August 13, 1998 (Reg. No. 333-61399)).
10.13*	Form of Nonqualified Stock Option Agreement between the Registrant and Hans C. Mautner pursuant to the Operating Partnership 1998 Stock Incentive Plan (incorporated by reference to Exhibit 10.61 of the Form S-4 filed by Corporate Property Investors, Inc. on August 13, 1998 (Reg. No. 333-61399)).
10.14*	Employment Agreement dated March 1, 2004 between Simon Global Limited and Hans C. Mautner.
10.15*	Second Amendment to Employment Agreement dated September 23, 1998, dated as of March 1, 2004, between Hans C. Mautner and Simon Property Group Administrative Services Partnership, L.P.
10.16*	Secondment Agreement dated March 1, 2004 among Simon Property Group Administrative Services Partnership, L.P., European Retail Enterprises B.V./S.a.r.l. and Hans Mautner.
10.17*	Tax Indemnity Letter Agreement dated March 1, 2004 between the Registrant and Hans C. Mautner.
10.18*	Employment Agreement between Richard S. Sokolov, the Registrant, and Simon Property Group Administrative Services Partnership, L.P. Dated March 26, 1996 (incorporated by reference to Exhibit 10.12 of the 2000 Form 10-K filed by the Registrant).
10.19*	Description of Director and Executive Compensation Agreements.
10.20	Voting Agreement dated as of June 20, 2004 among the Registrant, Simon Property Group, L.P., and certain holders of shares of common stock of Chelsea Property Group, Inc. and/or common units of CPG Partners, L.P. (incorporated by reference to Exhibit 99.3 to the Registrant's Current Report on Form 8-K filed June 22, 2004).
12.1	Statement regarding computation of ratios.
13.1	Selected Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and Financial Statements of the Registrant as contained in the Registrant's 2004 Annual Report to Stockholders.
21.1	List of Subsidiaries of the Company.
23.1	Consent of Ernst & Young LLP.
31.1	Certification by the Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification by the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Represents a management contract, or compensatory plan, contract or arrangement required to be filed pursuant to Regulation S-K.

Simon Property Group, Inc. and Subsidiaries

Real Estate and Accumulated Depreciation
December 31, 2004
(Dollars in thousands)

		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At Close of Period				
Name, Location	Encumbrances	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)	Accumulated Depreciation (2)	Date of Construction
Regional Malls										
Alton Square, Alton, IL	$ —	$ 154	$ 7,641	$ —	$ 10,717	$ 154	$ 18,358	$ 18,512	$ 6,669	1993 (Note 4)
Anderson Mall, Anderson, SC	29,414	1,712	15,227	1,363	8,800	3,075	24,027	27,102	8,575	1972
Arsenal Mall, Watertown, MA	34,153	15,505	47,680	—	1,140	15,505	48,820	64,325	7,282	1999 (Note 4)
Aurora Mall, Aurora, CO	—	11,400	55,692	6	32,057	11,406	87,749	99,155	15,223	1998 (Note 4)
Bangor Mall, Bangor, ME	23,427	5,544	59,567	—	4,421	5,544	63,988	69,532	4,259	2004 (Note 5)
Barton Creek Square, Austin, TX	—	2,903	20,699	7,983	52,831	10,886	73,530	84,416	23,611	1981
Battlefield Mall, Springfield, MO	100,000	3,919	27,231	3,225	45,891	7,144	73,122	80,266	29,667	1970
Bay Park Square, Green Bay, WI	—	6,358	25,623	4,133	21,393	10,491	47,016	57,507	9,887	1980
Biltmore Square, Asheville, NC	26,000	6,641	23,582	—	1,539	6,641	25,121	31,762	7,321	1989
Bowie Town Center, Bowie, MD	—	2,710	65,044	235	5,756	2,945	70,800	73,745	9,791	2001
Boynton Beach Mall, Boynton Beach, FL	—	22,240	79,144	—	14,782	22,240	93,926	116,166	21,083	1985
Brea Mall, Brea, CA	—	39,500	209,202	—	13,657	39,500	222,859	262,359	39,976	1998 (Note 4)
Broadway Square, Tyler, TX	—	11,470	32,439	—	8,168	11,470	40,607	52,077	12,197	1994 (Note 4)
Brunswick Square, East Brunswick, NJ	86,000	8,436	55,838	—	23,595	8,436	79,433	87,869	19,815	1973
Burlington Mall, Burlington, MA	—	46,600	303,618	—	15,704	46,600	319,322	365,922	55,786	1998 (Note 4)
Castleton Square, Indianapolis, IN	—	26,250	98,287	2,500	31,026	28,750	129,313	158,063	30,769	1972
Century III Mall, West Mifflin, PA	86,827	17,380	102,364	10	7,528	17,390	109,892	127,282	38,180	1979
Charlottesville Fashion Square, Charlottesville, VA	—	—	54,738	—	12,062	—	66,800	66,800	13,777	1997 (Note 4)
Chautauqua Mall, Lakewood, NY	—	3,257	9,641	—	15,616	3,257	25,257	28,514	7,781	1971
Cheltenham Square, Philadelphia, PA	54,941	14,206	43,699	—	4,678	14,206	48,377	62,583	12,589	1981
Chesapeake Square, Chesapeake, VA	73,000	11,534	70,461	—	5,646	11,534	76,107	87,641	21,647	1989
Cielo Vista Mall, El Paso, TX	85,976	1,307	18,512	608	24,685	1,915	43,197	45,112	23,046	1974
College Mall, Bloomington, IN	46,756	1,003	16,245	722	30,603	1,725	46,848	48,573	17,591	1965
Columbia Center, Kennewick, WA	—	18,285	66,580	—	8,232	18,285	74,812	93,097	17,648	1987
Copley Place, Boston, MA	177,677	147	378,045	—	6,782	147	384,827	384,974	27,014	2002 (Note 4)
Coral Square, Coral Springs, FL	87,962	13,556	93,630	—	2,192	13,556	95,822	109,378	26,571	1984
Cordova Mall, Pensacola, FL	—	18,626	73,091	7,321	13,500	25,947	86,591	112,538	16,794	1998 (Note 4)
Cottonwood Mall, Albuquerque, NM	—	10,414	69,958	—	162	10,414	70,120	80,534	21,324	1996
Crossroads Mall, Omaha, NE	43,608	881	37,263	409	30,563	1,290	67,826	69,116	21,097	1994 (Note 4)
Crystal River Mall, Crystal River, FL	15,707	5,661	20,241	—	4,570	5,661	24,811	30,472	5,796	1990
DeSoto Square, Bradenton, FL	64,153	9,380	52,723	—	6,990	9,380	59,713	69,093	15,677	1973
Eastland Mall, Tulsa, OK	—	3,124	6,035	518	6,986	3,642	13,021	16,663	13,876	1986
Edison Mall, Fort Myers, FL	—	11,529	107,350	—	6,231	11,529	113,581	125,110	24,137	1997 (Note 4)
Fashion Mall at Keystone, The, Indianapolis, IN	59,594	—	120,579	—	15,919	—	136,498	136,498	27,813	1997 (Note 4)

Simon Property Group, Inc. and Subsidiaries
Real Estate and Accumulated Depreciation
December 31, 2004
(Dollars in thousands)

		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At Close of Period				
Name, Location	Encumbrances	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)	Accumulated Depreciation (2)	Date of Construction
Forest Mall, Fond Du Lac, WI	17,463	728	4,491	—	7,825	728	12,316	13,044	5,471	1973
Forum Shops at Caesars, The, Las Vegas, NV	550,000	—	276,378	—	186,986	—	463,364	463,364	42,749	1992
Great Lakes Mall, Mentor, OH	—	12,304	100,362	432	7,888	12,736	108,250	120,986	27,210	1961
Greenwood Park Mall, Greenwood, IN	87,226	2,559	23,445	5,277	72,451	7,836	95,896	103,732	30,771	1979
Gulf View Square, Port Richey, FL	33,402	13,690	39,991	2,023	17,525	15,713	57,516	73,229	13,671	1980
Haywood Mall, Greenville, SC	—	11,585	133,893	6	4,263	11,591	138,156	149,747	34,858	1998 (Note 4)
Independence Center, Independence, MO	—	5,042	45,798	2	26,688	5,044	72,486	77,530	19,678	1994 (Note 4)
Ingram Park Mall, San Antonio, TX	81,527	733	17,163	169	17,670	902	34,833	35,735	15,907	1979
Irving Mall, Irving, TX	—	6,737	17,479	2,533	31,308	9,270	48,787	58,057	23,623	1971
Jefferson Valley Mall, Yorktown Heights, NY.	—	4,868	30,304	—	20,774	4,868	51,078	55,946	17,165	1983
Knoxville Center, Knoxville, TN	61,737	5,006	21,965	3,712	34,203	8,718	56,168	64,886	20,028	1984
La Plaza Mall, McAllen, TX	—	1,375	9,828	6,569	31,790	7,944	41,618	49,562	13,080	1976
Lafayette Square, Indianapolis, IN	—	14,251	54,589	50	12,977	14,301	67,566	81,867	21,295	1968
Laguna Hills Mall, Laguna Hills, CA	—	28,074	55,689	—	5,709	28,074	61,398	89,472	13,580	1997 (Note 4)
Lakeline Mall, Austin, TX	67,455	10,383	81,568	14	1,285	10,397	82,853	93,250	22,015	1995
Lenox Square, Atlanta, GA	—	38,213	492,411	—	8,309	38,213	500,720	538,933	89,695	1998 (Note 4)
Lima Mall, Lima, OH	—	7,910	35,338	—	8,372	7,910	43,710	51,620	12,464	1965
Lincolnwood Town Center, Lincolnwood, IL	—	7,907	63,480	28	6,645	7,935	70,125	78,060	25,034	1990
Livingston Mall, Livingston, NJ	—	30,200	105,250	—	8,127	30,200	113,377	143,577	21,029	1998 (Note 4)
Longview Mall, Longview, TX	32,681	259	3,567	124	6,669	383	10,236	10,619	4,086	1978
Maplewood Mall, Minneapolis, MN	—	17,119	80,758	—	7,243	17,119	88,001	105,120	7,737	2002 (Note 4)
Markland Mall, Kokomo, IN	23,122	—	7,568	—	7,495	—	15,063	15,063	5,837	1968
McCain Mall, N. Little Rock, AR	39,952	—	9,515	—	9,445	—	18,960	18,960	11,766	1973
Melbourne Square, Melbourne, FL	—	15,762	55,891	2,963	14,783	18,725	70,674	89,399	15,430	1982
Menlo Park Mall, Edison, NJ	—	65,684	223,252	—	20,787	65,684	244,039	309,723	50,830	1997 (Note 4)
Midland Park Mall, Midland, TX	33,756	687	9,213	—	9,466	687	18,679	19,366	8,727	1980
Miller Hill Mall, Duluth, MN	—	2,537	18,092	—	20,924	2,537	39,016	41,553	16,427	1973
Montgomery Mall, Montgomeryville, PA	95,264	27,377	86,343	—	921	27,377	87,264	114,641	6,645	2004 (Note 5)
Muncie Mall, Muncie, IN	—	172	5,833	52	24,443	224	30,276	30,500	10,338	1970
Nanuet Mall, Nanuet, NY	—	27,310	162,993	—	2,323	27,310	165,316	192,626	34,324	1998 (Note 4)
North East Mall, Hurst, TX	140,000	128	14,124	19,010	142,179	19,138	156,303	175,441	36,812	1971
Northfield Square Mall, Bourbonnais, IL	31,553	362	53,396	—	46	362	53,442	53,804	23,575	2004 (Note 5)
Northgate Mall, Seattle, WA	—	27,411	115,992	—	30,985	27,411	146,977	174,388	27,807	1987
Northlake Mall, Atlanta, GA	71,221	33,400	98,035	—	3,385	33,400	101,420	134,820	22,547	1998 (Note 4)
Northwoods Mall, Peoria, IL	—	1,193	12,779	2,451	29,791	3,644	42,570	46,214	19,388	1983
Oak Court Mall, Memphis, TN	—	15,673	57,304	—	5,461	15,673	62,765	78,438	13,623	1997 (Note 4)

Simon Property Group, Inc. and Subsidiaries
Real Estate and Accumulated Depreciation
December 31, 2004
(Dollars in thousands)

		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At Close of Period				
Name, Location	Encumbrances	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)	Accumulated Depreciation (2)	Date of Construction
Ocean County Mall, Toms River, NJ	—	20,404	124,945	—	18,396	20,404	143,341	163,745	24,078	1998 (Note 4)
Orange Park Mall, Orange Park, FL	—	13,345	65,121	—	19,673	13,345	84,794	98,139	24,892	1994 (Note 4)
Orland Square, Orland Park, IL	—	35,514	129,906	—	14,624	35,514	144,530	180,044	30,107	1997 (Note 4)
Oxford Valley Mall, Langhorne, PA	84,397	24,544	100,287	—	286	24,544	100,573	125,117	23,927	2003 (Note 4)
Paddock Mall, Ocala, FL	26,566	11,198	39,727	—	7,598	11,198	47,325	58,523	10,750	1980
Palm Beach Mall, West Palm Beach, FL	53,999	11,962	112,741	—	37,287	11,962	150,028	161,990	46,433	1967
Penn Square Mall, Oklahoma City, OK	70,305	2,043	155,958	—	17,154	2,043	173,112	175,155	21,299	2002 (Note 4)
Pheasant Lane Mall, Nashua, NH	—	3,902	155,068	—	360	3,902	155,428	159,330	29,391	2004 (Note 5)
Phipps Plaza, Atlanta, GA	—	19,200	210,610	—	13,505	19,200	224,115	243,315	40,299	1998 (Note 4)
Plaza Carolina, Carolina, PR	257,730	15,489	279,395	—	187	15,489	279,582	295,071	4,699	2004 (Note 4)
Port Charlotte Town Center, Port Charlotte, FL	52,877	5,561	58,570	—	11,728	5,561	70,298	75,859	18,447	1989
Prien Lake Mall, Lake Charles, LA	—	1,842	2,813	3,091	41,780	4,933	44,593	49,526	15,072	1972
Raleigh Springs Mall, Memphis, TN	10,877	9,137	28,604	—	12,069	9,137	40,673	49,810	12,838	1971
Richardson Square Mall, Richardson, TX	—	4,532	6,329	1,268	11,510	5,800	17,839	23,639	5,931	1977
Richmond Town Square, Richmond Heights, OH	47,413	2,600	12,112	—	60,048	2,600	72,160	74,760	21,937	1966
River Oaks Center, Calumet City, IL	—	30,884	101,224	—	6,490	30,884	107,714	138,598	22,292	1997 (Note 4)
Rockaway Townsquare, Rockaway, NJ	—	45,626	212,257	27	8,942	45,653	221,199	266,852	39,257	1998 (Note 4)
Rolling Oaks Mall, San Antonio, TX	—	2,180	38,609	—	10,385	2,180	48,994	51,174	19,337	1988
Roosevelt Field, Garden City, NY	—	164,058	702,008	2,117	13,700	166,175	715,708	881,883	127,264	1998 (Note 4)
Ross Park Mall, Pittsburgh, PA	—	23,541	90,203	—	24,169	23,541	114,372	137,913	34,756	1986
Santa Rosa Plaza, Santa Rosa, CA	—	10,400	87,864	—	5,016	10,400	92,880	103,280	17,270	1998 (Note 4)
Shops at Mission Viejo Mall, Mission Viejo, CA	—	9,139	54,445	7,491	143,596	16,630	198,041	214,671	45,125	1979
South Hills Village, Pittsburgh, PA	—	23,445	125,840	—	11,884	23,445	137,724	161,169	27,373	1997 (Note 4)
South Shore Plaza, Braintree, MA	—	101,200	301,495	—	10,731	101,200	312,226	413,426	55,991	1998 (Note 4)
Southern Park Mall, Boardman, OH	—	16,982	77,767	97	20,467	17,079	98,234	115,313	25,529	1970
Southgate Mall, Yuma, AZ	—	1,817	7,974	—	3,598	1,817	11,572	13,389	5,249	1988
SouthPark Mall, Charlotte, NC	—	32,141	188,004	100	98,403	32,241	286,407	318,648	22,559	2002 (Note 4)
St Charles Towne Center, Waldorf, MD	—	7,710	52,934	1,180	12,772	8,890	65,706	74,596	26,988	1990
Standford Shopping Center, Palo Alto, CA	220,000	—	339,537	—	480	—	340,017	340,017	14,817	2003 (Note 4)
Summit Mall, Akron, OH	—	15,374	51,137	—	17,541	15,374	68,678	84,052	16,934	1965

Simon Property Group, Inc. and Subsidiaries
Real Estate and Accumulated Depreciation
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(Dollars in thousands)

		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At Close of Period				
Name, Location	**Encumbrances**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Total (1)**	**Accumulated Depreciation (2)**	**Date of Construction**
Sunland Park Mall, El Paso, TX	36,647	2,896	28,900	—	5,722	2,896	34,622	37,518	15,699	1988
Tacoma Mall, Tacoma, WA	130,308	37,803	125,826	—	21,602	37,803	147,428	185,231	35,451	1987
Tippecanoe Mall, Lafayette, IN	—	2,897	8,474	5,517	42,705	8,414	51,179	59,593	23,330	1973
Town Center at Boca Raton, Boca Raton, FL	—	64,200	307,425	—	78,053	64,200	385,478	449,678	67,048	1998 (Note 4)
Towne East Square, Wichita, KS	70,474	8,525	18,479	2,042	25,231	10,567	43,710	54,277	20,935	1975
Towne West Square, Wichita, KS	53,366	972	21,203	76	7,552	1,048	28,755	29,803	13,760	1980
Treasure Coast Square, Jensen Beach, FL	61,990	11,124	73,077	3,067	18,750	14,191	91,827	106,018	22,426	1987
Trolley Square, Salt Lake City, UT	28,918	4,739	27,600	435	11,074	5,174	38,674	43,848	15,269	1986
Tyrone Square, St. Petersburg, FL	—	15,638	120,962	—	16,670	15,638	137,632	153,270	33,156	1972
University Mall, Little Rock, AR	—	123	17,411	—	728	123	18,139	18,262	8,762	1967
University Mall, Pensacola, FL	—	4,554	26,657	—	4,110	4,554	30,767	35,321	9,983	1994
University Park Mall, Mishawaka, IN	58,189	15,105	61,100	—	14,693	15,105	75,793	90,898	72,940	1996 (Note 4)
Upper Valley Mall, Springfield, OH	47,904	8,421	38,745	—	3,625	8,421	42,370	50,791	11,255	1979
Valle Vista Mall, Harlingen, TX	38,284	1,398	17,159	372	11,224	1,770	28,383	30,153	12,170	1983
Virginia Center Commons, Glen Allen, VA	—	9,764	50,547	4,149	7,136	13,913	57,683	71,596	15,850	1991
Walt Whitman Mall, Huntington Station, NY	—	51,700	111,258	3,789	34,377	55,489	145,635	201,124	35,703	1998 (Note 4)
Washington Square, Indianapolis, IN	30,693	16,812	41,248	100	25,197	16,912	66,445	83,357	17,355	1974
West Ridge Mall, Topeka, KS	68,711	5,453	34,132	197	6,579	5,650	40,711	46,361	16,161	1988
Westminster Mall, Westminster, CA	—	43,464	84,709	—	13,532	43,464	98,241	141,705	18,010	1998 (Note 4)
White Oaks Mall, Springfield, IL	48,563	3,024	35,692	2,413	27,232	5,437	62,924	68,361	18,219	1977
Wolfchase Galleria, Memphis, TN	73,292	16,470	128,276	—	8,472	16,470	136,748	153,218	24,293	2002 (Note 4)
Woodland Hills Mall, Tulsa, OK	84,180	34,211	187,498	—	135	34,211	187,633	221,844	14,842	2004 (Note 5)
Premium Outlets										
Albertville Premium Outlets, Albertville, MN	—	4,806	87,686	—	—	4,806	87,686	92,492	763	2004 (Note 4)
Allen Premium Outlets, Allen, TX	—	14,187	50,719	—	3,548	14,187	54,267	68,454	624	2004 (Note 4)
Aurora Farms Premium Outlets, Aurora, OH	—	2,627	32,442	—	248	2,627	32,690	35,317	504	2004 (Note 4)
Camarillo Premium Outlets, Camarillo, CA	—	22,562	200,271	—	222	22,562	200,493	223,055	1,554	2004 (Note 4)
Carlsbad Premium Outlets, Carlsbad, CA	—	13,890	158,874	—	7	13,890	158,881	172,771	1,267	2004 (Note 4)
Carolina Premium Outlets, Smithfield, NC	20,681	3,463	60,935	—	63	3,463	60,998	64,461	677	2004 (Note 4)

Simon Property Group, Inc. and Subsidiaries

Real Estate and Accumulated Depreciation

December 31, 2004

(Dollars in thousands)

		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At Close of Period				
Name, Location	Encumbrances	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)	Accumulated Depreciation (2)	Date of Construction
Chicago Premium Outlets, Aurora, IL	—	886	115,360	—	209	886	115,569	116,455	2,114	2004 (Note 4)
Clinton Crossings Premium Outlets, Clinton, CT	—	2,272	98,534	26	66	2,298	98,600	100,898	923	2004 (Note 4)
Columbia Gorge Premium Outlets, Troutdale, OR	—	7,990	21,007	—	3	7,990	21,010	29,000	276	2004 (Note 4)
Desert Hills Premium Outlets, Cabazon, CA	—	3,643	319,179	—	10	3,643	319,189	322,832	2,321	2004 (Note 4)
Edinburgh Premium Outlet, Edinburgh, IN	—	3,124	48,077	—	396	3,124	48,473	51,597	493	2004 (Note 4)
Folsom Premium Outlets, Folsom, CA	—	9,390	50,893	—	18	9,390	50,911	60,301	536	2004 (Note 4)
Gilroy Premium Outlets, Gilroy, CA	67,242	10,542	168,823	—	256	10,542	169,079	179,621	1,322	2004 (Note 4)
Kittery Premium Outlets, Kittery, ME	11,132	466	53,077	—	—	466	53,077	53,543	394	2004 (Note 4)
Las Vegas Premium Outlets, Las Vegas, NV	—	25,986	138,273	—	—	25,986	138,273	164,259	4,777	2004 (Note 4)
Leesburg Corner Premium Outlets, Leesburg, VA	—	7,456	143,699	—	490	7,456	144,189	151,645	1,436	2004 (Note 4)
Liberty Village Premium Outlets, Flemington, NJ	—	6,295	34,723	—	435	6,295	35,158	41,453	390	2004 (Note 4)
Lighthouse Place Premium Outlets, Michigan City, IN	46,399	7,018	93,640	—	13	7,018	93,653	100,671	854	2004 (Note 4)
Napa Premium Outlets, Napa, CA	—	11,952	45,280	—	—	11,952	45,280	57,232	414	2004 (Note 4)
North Georgia Premium Outlets, Dawsonville, GA	—	4,433	122,182	—	149	4,433	122,331	126,764	1,129	2004 (Note 4)
Orlando Premium Outlets, Orlando, FL	—	14,924	288,018	—	82	14,924	288,100	303,024	1,923	2004 (Note 4)
Osage Beach Premium Outlets, Osage Beach, MO	—	9,965	87,258	—	149	9,965	87,407	97,372	775	2004 (Note 4)
Patriot Plaza, Williamsburg, VA	—	1,576	4,381	—	320	1,576	4,701	6,277	46	2004 (Note 4)
Petaluma Village Premium Outlets, Petaluma, CA	—	22,446	11,276	—	523	22,446	11,799	34,245	115	2004 (Note 4)
St. Augustine Premium Outlets, St. Augustine, FL	—	6,371	59,111	—	195	6,371	59,306	65,677	525	2004 (Note 4)
The Crossings Premium Outlets, Tannersville, PA	59,127	8,557	145,938	—	4,186	8,557	150,124	158,681	990	2004 (Note 4)
Vacaville Premium Outlets, Vacaville, CA	—	9,891	75,185	—	277	9,891	75,462	85,353	770	2004 (Note 4)
Waikele Premium Outlets, Waipahu, HI	—	23,737	69,900	—	91	23,737	69,991	93,728	600	2004 (Note 4)
Waterloo Premium Outlets, Waterloo, NY	37,370	3,511	75,953	—	373	3,511	76,326	79,837	670	2004 (Note 4)
Woodbury Common Premium Outlets, Central Valley, NY	—	10,712	801,372	—	172	10,712	801,544	812,256	1,920	2004 (Note 4)
Wrentham Village Premium Outlets, Wrentham, MA	—	5,030	266,467	—	330	5,030	266,797	271,827	885	2004 (Note 4)

Simon Property Group, Inc. and Subsidiaries

Real Estate and Accumulated Depreciation
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(Dollars in thousands)

		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At Close of Period				
Name, Location	**Encumbrances**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Total (1)**	**Accumulated Depreciation (2)**	**Date of Construction**
Community Shopping Centers										
Arboretum, The, Austin, TX	—	7,640	36,778	71	6,318	7,711	43,096	50,807	7,779	1998 (Note 4)
Bloomingdale Court, Bloomingdale, IL	28,337	8,748	26,184	—	6,750	8,748	32,934	41,682	9,871	1987
Boardman Plaza, Youngstown, OH	23,598	7,443	23,801	—	9,996	7,443	33,797	41,240	8,421	1951
Brightwood Plaza, Indianapolis, IN	—	65	128	—	289	65	417	482	231	1965
Celina Plaza, El Paso, TX	—	138	815	—	107	138	922	1,060	430	1978
Charles Towne Square, Charleston, SC	—	—	1,768	370	10,636	370	12,404	12,774	3,442	1976
Chesapeake Center, Chesapeake, VA	6,563	5,352	12,279	—	275	5,352	12,554	17,906	3,022	1989
Countryside Plaza, Countryside, IL	—	411	8,507	2,569	2,014	2,980	10,521	13,501	4,422	1977
Dare Centre, Kill Devil Hills, NC	1,722	—	5,202	—	—	—	5,202	5,202	28	2004 (Note 4)
DeKalb Plaza, King of Prussia, PA	3,499	1,955	3,405	—	845	1,955	4,250	6,205	685	2003 (Note 4)
Eastland Plaza, Tulsa, OK	—	651	3,680	—	84	651	3,764	4,415	1,378	1986
Forest Plaza, Rockford, IL	15,542	4,132	16,818	453	1,761	4,585	18,579	23,164	5,804	1985
Gateway Shopping Center, Austin, TX	86,000	24,549	80,585	—	7,034	24,549	87,619	112,168	2,351	2004 (Note 4)
Great Lakes Plaza, Mentor, OH	—	1,028	2,025	—	3,630	1,028	5,655	6,683	1,906	1976
Greenwood Plus, Greenwood, IN	—	1,131	1,792	—	3,735	1,131	5,527	6,658	1,938	1979
Griffith Park Plaza, Griffith, IN	—	—	2,412	1,664	515	1,664	2,927	4,591	1,818	1979
Grove at Lakeland Square, The, Lakeland, FL	3,750	5,237	6,016	—	1,049	5,237	7,065	12,302	2,234	1988
Henderson Square, King of Prussia, PA	15,453	4,223	15,124	—	—	4,223	15,124	19,347	1,005	2003 (Note 4)
Highland Lakes Center, Orlando, FL	16,097	7,138	25,284	—	769	7,138	26,053	33,191	6,777	1991
Ingram Plaza, San Antonio, TX	—	421	1,802	4	21	425	1,823	2,248	981	1980
Keystone Shoppes, Indianapolis, IN	—	—	4,232	—	893	—	5,125	5,125	1,029	1997 (Note 4)
Knoxville Commons, Knoxville, TN	—	3,731	5,345	—	1,730	3,731	7,075	10,806	2,993	1987
Lake Plaza, Waukegan, IL	—	2,577	6,420	—	802	2,577	7,222	9,799	2,255	1986
Lake View Plaza, Orland Park, IL	20,660	4,775	17,543	—	10,075	4,775	27,618	32,393	7,257	1986
Lakeline Plaza, Austin, TX	22,651	5,822	30,875	—	6,957	5,822	37,832	43,654	8,030	1998
Lima Center, Lima, OH	—	1,808	5,151	—	4,685	1,808	9,836	11,644	2,046	1978
Lincoln Crossing, O'Fallon, IL	3,127	674	2,192	—	467	674	2,659	3,333	791	1990
Lincoln Plaza, King of Prussia, PA	—	—	21,299	—	710	—	22,009	22,009	4,778	2003 (Note 4)
MacGregor Village, Cary, NC	6,926	645	5,059	—	3	645	5,062	5,707	29	2004 (Note 4)
Mall of Georgia Crossing, Mill Creek, GA	32,575	9,506	33,071	—	49	9,506	33,120	42,626	5,572	2004 (Note 5)
Markland Plaza, Kokomo, IN	—	206	738	—	5,860	206	6,598	6,804	1,182	1974
Martinsville Plaza, Martinsville, VA	—	—	584	—	328	—	912	912	630	1967
Matteson Plaza, Matteson, IL	9,098	1,830	9,737	—	2,328	1,830	12,065	13,895	4,275	1988

Simon Property Group, Inc. and Subsidiaries
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December 31, 2004
(Dollars in thousands)

		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At Close of Period				
Name, Location	**Encumbrances**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Total (1)**	**Accumulated Depreciation (2)**	**Date of Construction**
Muncie Plaza, Muncie, IN	7,866	267	10,509	87	303	354	10,812	11,166	2,475	1998
New Castle Plaza, New Castle, IN	—	128	1,621	—	1,435	128	3,056	3,184	1,347	1966
North Ridge Plaza, Joliet, IL	—	2,831	7,699	—	880	2,831	8,579	11,410	2,933	1985
North Ridge Shopping Center, Raleigh, NC	8,459	570	6,508	—	24	570	6,532	7,102	32	2004 (Note 4)
Northland Plaza, Columbus, OH	—	4,490	8,893	—	1,308	4,490	10,201	14,691	3,787	1988
Northwood Plaza, Fort Wayne, IN	—	148	1,414	—	1,271	148	2,685	2,833	1,233	1974
Park Plaza, Hopkinsville, KY	—	300	1,572	—	225	300	1,797	2,097	1,395	1968
Regency Plaza, St. Charles, MO	4,264	616	4,963	—	368	616	5,331	5,947	1,544	1988
Rockaway Convenience Center, Rockaway, NJ	—	5,149	26,435	—	4,668	5,149	31,103	36,252	3,105	1998 (Note 4)
St. Charles Towne Plaza, Waldorf, MD	27,294	8,524	18,993	—	1,146	8,524	20,139	28,663	6,800	1987
Shops at North East Mall, The, Hurst, TX	—	12,541	28,177	402	7,130	12,943	35,307	48,250	7,988	1999
Teal Plaza, Lafayette, IN	—	99	878	—	2,930	99	3,808	3,907	1,370	1962
Terrace at the Florida Mall, Orlando, FL	4,688	2,150	7,623	—	1,812	2,150	9,435	11,585	1,936	1989
Tippecanoe Plaza, Lafayette, IN	—	—	745	234	4,957	234	5,702	5,936	2,204	1974
University Center, Mishawaka, IN	—	2,388	5,214	—	2,529	2,388	7,743	10,131	6,257	1980
Wabash Village, West Lafayette, IN	—	—	976	—	274	—	1,250	1,250	693	1970
Washington Plaza, Indianapolis, IN	—	941	1,697	—	308	941	2,005	2,946	2,302	1976
Waterford Lakes Town Center, Orlando, FL	—	8,679	72,836	—	12,298	8,679	85,134	93,813	17,227	1999
West Ridge Plaza, Topeka, KS	5,498	1,376	4,560	—	1,352	1,376	5,912	7,288	1,903	1988
White Oaks Plaza, Springfield, IL	16,775	3,169	14,267	—	767	3,169	15,034	18,203	4,678	1986
Other Properties										
Las Vegas Outlet Center, Las Vegas, NV	21,789	13,860	183,961	—	—	13,860	183,961	197,821	1,064	2004 (Note 4)
O'Hare International Center, Rosemont, IL	—	125	47,482	—	14,127	125	61,609	61,734	19,762	1988
Riverway, Rosemont, IL	110,000	8,723	106,478	16	13,420	8,739	119,898	128,637	40,708	1991 (Note 4)
Other Retail	26,238	16,016	204,648	—	582	16,016	205,230	221,246	1,305	2004 (Note 4)
Development Projects										
Wolf Ranch, Georgetown, TX	—	23,539	21,473	—	—	23,539	21,473	45,012	—	2004
St. Johns Town Center, Jacksonville, FL	100,022	17,858	96,021	—	—	17,858	96,021	113,879	—	2004
Firewheel Town Center, Garland, TX	—	12,154	42,111	—	—	12,154	42,111	54,265	—	2004
Rockaway Plaza, Rockaway, NJ	—	—	1,748	—	—	—	1,748	1,748	—	2004
Seattle Premium Outlets, Tulalip, WA	—	3,875	42,660	—	—	3,875	42,660	46,535	—	2004 (Note 4)
Other pre-development costs	—	131,649	15,237	—	—	131,649	15,237	146,886	—	
Other	—	5,960	8,510	668	337	6,628	8,847	15,475	2,230	
	$ 4,987,679	$ 2,493,003	$ 15,912,701	$ 118,540	$ 2,558,338	$ 2,611,543	$ 18,471,039	$ 21,082,582	$ 3,066,604	

Simon Property Group, Inc. and Subsidiaries
Notes to Schedule III as of December 31, 2004
(Dollars in thousands)

(1) Reconciliation of Real Estate Properties:

The changes in real estate assets for the years ended December 31, 2004, 2003, and 2002 are as follows:

	2004	2003	2002
Balance, beginning of year	**$ 14,834,443**	$ 14,129,739	$ 13,095,005
Acquisitions and consolidations	**5,753,600**	761,179	1,107,581
Improvements	**624,610**	377,548	208,257
Disposals and abandonments	**(112,071)**	(434,023)	(281,104)
Impairment write-down	**(18,000)**	—	—
Balance, close of year	**$ 21,082,582**	$ 14,834,443	$ 14,129,739

The unaudited aggregate cost of real estate assets for federal income tax purposes as of December 31, 2004 was $14,040,242.

(2) Reconciliation of Accumulated Depreciation:

The changes in accumulated depreciation and amortization for the years ended December 31, 2004, 2003, and 2002 are as follows:

	2004	2003	2002
Balance, beginning of year	**$ 2,482,955**	$ 2,168,281	$ 1,827,140
Acquisitions and consolidations (5)	**76,121**	21,111	16,491
Depreciation expense	**545,882**	461,546	417,064
Disposals and abandonments	**(38,354)**	(167,983)	(92,414)
Balance, close of year	**$ 3,066,604**	$ 2,482,955	$ 2,168,281

Depreciation of Simon Property's investment in buildings and improvements reflected in the consolidated statements of operations and comprehensive income is calculated over the estimated original lives of the assets as follows:

- Buildings and Improvements — typically 10 - 35 years for the structure, 15 years for landscaping and parking lot, and 10 years for HVAC equipment.

- Tenant Inducements — shorter of lease term or useful life.

(3) Initial cost generally represents net book value at December 20, 1993 except for acquired properties and new developments after December 20, 1993. Costs of disposals of property are first reflected as a reduction to cost capitalized subsequent to acquisition. Property initial cost for properties acquired during 2004 are preliminary until purchase price allocations are finalized.

(4) Not developed/constructed by Simon Property or its predecessors. The date of construction represents acquisition date.

(5) Property initial cost for these properties is the cost at the date of consolidation for properties previously accounted for under the equity method of accounting. Accumulated depreciation amounts for properties consolidated which were previously accounted for under the equity method of accounting include the minority interest holders' portion of accumulated depreciation.

QuickLinks

Exhibit 10.8

Form of
Nonqualified Stock Option Award Agreement
Simon Property Group, L.P.
1998 Stock Incentive Plan

THIS NONQUALIFIED STOCK OPTION AGREEMENT ("*Agreement*"), effective the 25th day of August, 2004, by and between SIMON PROPERTY GROUP, INC., a Delaware corporation (the "*Company*"), and ("[ ]").

BACKGROUND

By action of its Board of Directors and Stockholders, the Company has adopted the Simon Property Group, L.P. 1998 Stock Incentive Plan (the "*Plan*"), under which the Company may grant stock options and other stock awards to employees of the Company. The Plan is administered by a committee ("*Committee*") appointed by Simon Property Group, L.P. (the "*Partnership*"). The Company and [ ] are parties to a certain Nonqualified Stock Option Agreement dated as of , pursuant to which [ ] was granted an option to purchase a shares of Common Stock of the Company upon and subject to the terms of the Plan (the "*Original Agreement*"). Pursuant to the Original Agreement, [ ] has the right to be granted a new stock option under the Plan upon certain terms and conditions ("*Reload Option*"), and [ ] wishes to exercise that right and be granted a Reload Option.

THE OPTION

The Committee has determined to grant a Reload Option to [ ], and [ ], by his execution of this Agreement, agrees to accept the Reload Option, subject to the following terms and conditions:

SECTION 1. *Grant of Reload Option.*

a. *Number of Shares.* The Company grants to [ ] the right and option to purchase, subject to the terms and conditions of this Agreement and the Plan, a total of shares of common stock of the Company, par value $.000l per share ("*Common Stock*"), which shares are designated as shares granted under a nonqualified stock option (as that term is described in Section 1 (d) below).

b. *Option Price.* The purchase price of all such shares of Common Stock shall be $ per share.

c. *"Option" Defined.* The Reload Option granted hereby and all of [ ]'s rights under this Agreement and the Plan are referred to collectively as the "Option."

d. *Tax Status of Option.* The Option is designated as constituting a "nonqualified stock option" that is not qualified under Section 422 of the Internal Revenue Code of 1986, as amended (the "*Code*").

a. *Exercise Period—General.* [ ] may exercise the Option to purchase the shares at any time, and from time to time (but not as to less than 50 shares at any one time), on and after and through and including (the "*Expiration Date*").

b. *Exercise Period—Death or Retirement.* If [ ] dies while the Option is still outstanding, the Option may be exercised by the executor, administrator or personal representative of [ ]'s estate or other person entitled by law to [ ]'s rights under the Option at any time through and including the Expiration Date.

c. *Exercise on or before the Expiration Date.* Notwithstanding any other provision of this Agreement, in no event may the Option or any portion of the Option be exercised after September 24, 2008.

SECTION 2. *Manner of Exercise; Notices.* The Option shall be exercised by filing with the Partnership a written notice of [ ]'s intention to purchase such shares, specifying the number of shares (but not less than 50 shares at any one time) and the date that the purchase is to occur. Payment of the option price may be made (i) by certified or official bank check payable to the Company (or the equivalent thereof acceptable to the Committee) or, with the consent of the Committee, by personal check (subject to collection), (ii) through the delivery of previously owned Common Stock that has been owned by [ ] for at least six months and that has a fair market value equal to the option price, or (iii) by a combination of the foregoing. Full payment must be made for all shares to be purchased before the shares will be released to [ ]. Payment in accordance with clause (i) above may be deemed to be satisfied, by delivery to the Company of an assignment of a sufficient amount of the proceeds from the sale of Common Stock acquired upon exercise to pay for all of the Common Stock acquired upon exercise and an authorization to the broker or selling agent to pay that amount to the Company, which sale shall be made at [ ]'s direction at the time of exercise, provided that the Committee may require [ ] to furnish an opinion of counsel acceptable to the Committee to the effect that such delivery does not require any consent (as defined in Section 5.3 of the Plan).

The exercise notice shall be addressed to the General Counsel of the Partnership at 115 West Washington Street, Indianapolis, Indiana 46204, or at such other address as the Company designates in writing to [ ]. Any notice to [ ] shall be sent to his address as shown in the records of the Company or at such other address as [ ] designates in writing to the Company. Any such notice shall be deemed to have been duly given if it is personally delivered or registered and deposited, postage and registry fee prepaid, in a United States Post Office.

For purposes of this Section 6, the "fair market value" of any shares of Common Stock that are delivered in payment of the option price shall be equal to (i) the last sale price for Common Stock for the business day immediately preceding the date on which any portion of the Option is exercised as reported on the New York Stock Exchange, or, if Common Stock is not traded on the New York Stock Exchange, on the exchange on which such Common Stock is principally traded, or, if no sale price is reported for such day, the first preceding business day for which a sale price for Common Stock is reported.

SECTION 3. *Reload Option.* If [ ] delivers shares of Common Stock in payment of the option price of the Option, [ ] shall be issued a new stock option (the "*Reload Option*"), under the Plan or any subsequently adopted Company stock incentive or stock option plan (collectively, the "*Plans*") that has Common Stock available for option grant, upon the following terms: (i) the number of option shares of Common Stock granted under the Reload Option shall be equal to the number of shares of Common Stock that were delivered in payment of the option price of the Option plus, if so provided by the Committee, the shares retained by the Company to satisfy any Federal, state or local tax withholding requirements in connection with the exercise of the Option, (ii) the option exercise price of the Reload Option shall be equal to the fair market value of the Common Stock on the day on which the Reload Option was granted, or, if Common Stock is not then traded on the New York Stock Exchange, on the exchange on which such Common Stock is principally traded, (iii) the Reload Option shall have a term equal to the remaining term of the original Option to which it relates (subject to earlier termination as provided in the Plan and this Agreement), (iv) the Reload Option shall vest immediately, and (v) no Reload Option may be exercised within one year from the date on which the Reload Option was granted.

SECTION 4. *Tax Provisions.* At the request of [ ], the Company shall retain or accept a sufficient number of shares in connection with the receipt or exercise of the Option or a sale of the underlying shares to satisfy the Company's tax withholding obligations, if any, or [ ]'s tax liabilities with respect to such transactions.

SECTION 5. *Adjustments upon Certain Changes in the Common Stock.* If and to the extent specified by the Committee, the number of shares of Common Stock which may be issued pursuant to the exercise of the Option, the Option exercise price, and the amount payable by [ ] as the exercise price, shall be appropriately adjusted (as the Committee may determine) for any change in the number of issued shares of Common Stock resulting from the subdivision or combination of shares of Common Stock or other capital adjustments, or the payment of a stock dividend or other change in such shares of Common Stock effected without receipt of consideration by the Company; provided that any awards covering fractional shares of Common Stock resulting from any such adjustment shall be eliminated.

SECTION 6. *[ ]'s Rights Prior to Issuance of Shares.* [ ] shall not be, nor shall [ ] have any of the rights or privileges of, a stockholder of the Company with regard to any of the shares issuable upon exercise of the Option unless and until a physical stock certificate for such shares has been issued or such shares have been credited to [ ]'s account under a book entry or comparable system.

SECTION 7. *Assignment or Transfer.* The Option shall not be transferable by [ ] other than by will or the laws of descent and distribution and may be exercised during [ ]'s lifetime only by the [ ] or by his or her guardian or legal representative, except that the Option may be transferred by gift to any member of [ ]'s immediate family or to a trust for the benefit of one or more of such immediate family members. "Immediate family" shall mean [ ]'s spouse, parents, children or grandchildren. Any transferee of the Option shall be subject to the terms and conditions of this Agreement. No such transfer of the Option shall be effective to bind the Company unless the Company shall have been furnished with written notice thereof and a copy of the will and/or such other evidence as the Company may deem necessary to establish the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions of this Agreement. Except as described above, no assignment or transfer of this Option, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the purported assignee or transferee any interest or right herein whatsoever.

SECTION 8. *Binding on Successors.* This Agreement shall be binding upon and inure to the benefit of the Company and [ ] and their respective successors, representatives and assigns.

SECTION 9. *Captions.* The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of any of its provisions.

SECTION 10. *Amendments.* This Agreement may only be amended in writing and with the mutual consent of the Company and [ ].

SECTION 11. *Applicable Law.* This Agreement and any disputes arising under this Agreement shall be governed by, and construed in accordance with, the laws of the state of Delaware and any applicable laws of the United States of America.

* * * * *

IN WITNESS WHEREOF, the Company and [ ] have executed this Agreement as of the day and year first above written.

ATTEST:

____

SIMON PROPERTY GROUP, INC.,
a Delaware corporation

By: _______________________________

By: _______________________________

Exhibit 10.9

Form of Performance-Based
Restricted Stock Award Agreement

This Restricted Stock Award Agreement ("Agreement") has been entered into as of the 11th day of March 2005, among Simon Property Group, L.P., a Delaware limited partnership (the "Partnership"), and **«Fname» «Lname»**, a key personnel member of the Partnership or one of the Partnership's Affiliates ("Participant"), pursuant to the Simon Property Group, L.P. 1998 Stock Incentive Plan (the "Plan").

WHEREAS, the Compensation Committee (the "Committee") of the Board of Directors of Simon Property Group, Inc., a Delaware corporation and sole general partner of the Partnership (the "Company"), appointed to administer the Plan, has granted to Participant a special restricted stock award pursuant to the terms and conditions as provided in the Plan and this Agreement; and

WHEREAS, the parties desire to set forth the terms and conditions of such stock grant;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the parties agree as follows:

1. *Capitalized Terms.* All capitalized terms used in this Agreement and not otherwise defined shall have the meanings given them in the Plan.

2. *Grant.* The restricted stock award is for **«Award»** shares of Common Stock, subject to satisfaction of the vesting and other conditions set forth in this Agreement and the Plan, as the same may be amended or modified from time to time by the Committee.

3. *Vesting.* Shares of Common Stock awarded pursuant to this Agreement shall vest and be delivered to Participant subject to the following vesting schedule: twenty-five percent (25%) of the shares shall vest on January 1 of each of the four consecutive calendar years following the date of this Agreement, provided that the Participant is an employee of the Partnership or one of its Affiliates on the date of vesting. Any shares awarded which do not vest because the Participant is not an employee of the Partnership or one of its Affiliates on the date of vesting shall be forfeited.

4. *Plan Controlling.* The terms and conditions set forth in the Agreement are subject in all respects to the terms and conditions of the Plan, which are controlling. All determinations and interpretations of the Committee with respect to the Plan and this Agreement shall be binding and conclusive upon the Participant and his or her legal representatives.

5. *Qualification of Rights.* Neither this Agreement nor the existence of the restricted stock award described herein shall be construed as giving the Participant any right (a) to be retained as a director or employee of the Partnership or any of its Affiliates; or (b) as a shareholder with respect to the shares of Common Stock underlying the award until the certificates for the Common Stock have been issued and delivered to the Participant.

6. *Governing Law; Entire Agreement.* This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. This Agreement and the Plan contain the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings, if any, with respect thereto. This Agreement may not be modified, supplemented or terminated except as expressly provided herein or in the Plan or by written instrument signed by the parties hereto.

7. *Notices.* All notices and other communications required or permitted under this Agreement shall be in writing, signed by or on behalf of the party by which given, and shall be considered to have been duly given when (a) delivered by hand, (b) sent by telecopier (with receipt confirmed), provided that a copy is mailed (on the same date) by certified or registered mail, return receipt requested, postage prepaid, or (c) received by the addressee, if sent by Express Mail, Federal Express or other reputable express delivery service (receipt requested), or by first class certified or registered mail,

return receipt requested, postage prepaid, addressed as follows: if to the Partnership or the Company, to the Company's executive offices in Indianapolis, Indiana, and if to the Participant or his or her successor, to the address last furnished by the Participant to the Company. Each notice and communication shall be deemed to have been given when received by the Company or the Participant.

8. *Representations and Warranties of Participant.* The Participant represents and warrants that he or she has received and reviewed a copy of the Plan.

9. *Successors and Assigns.* This Agreement shall be binding upon and inure to the benefit of the successors, assigns and heirs of the respective parties.

10. *Waiver.* The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

11. *Titles.* Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of the Agreement. The masculine pronoun shall include the feminine and neuter and the singular shall include the plural, when the context so indicates.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

SIMON PROPERTY GROUP, L.P., a Delaware limited partnership

By: SIMON PROPERTY GROUP, INC., a Delaware corporation,
General Partner

By: ______________________________

SIMON PROPERTY GROUP, INC., a Delaware corporation

By: ______________________________

Signature of Participant

____

Printed Name

Exhibit 10.10

Form Of Non-Employee Director
Restricted Stock Award Agreement

THIS RESTRICTED STOCK AWARD AGREEMENT ("Agreement") has been entered into as of the 7th day of May, 2003, among Simon Property Group, L.P., a Delaware limited partnership (the "Partnership"), and [ ] ("[use last name]"), a member of the Board of Directors ("Board") of Simon Property Group, Inc., a Delaware corporation (the "Corporation"), the sole general partner of the Partnership, pursuant to the Simon Property Group, L.P. 1998 Stock Incentive Plan, as amended (the "Plan").

WHEREAS, the Compensation Committee of the Board (the "Committee") has been appointed to administer the Plan; and

WHEREAS, the Plan provides for automatic awards of restricted Common Stock to certain non-employee Directors of the Corporation upon their election and re-election to the Board; and

WHEREAS, the Plan also provides for an additional award of restricted Common Stock to those persons who serve as a Chairman of one of the Board's standing committees; and

WHEREAS, [ ], having been duly elected to the Board (and having been appointed to serve as the Chairman of the [ ] Committee of the Board), the parties hereto desire to set forth the terms and conditions of [ ]'s restricted stock award;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the parties agree as follows:

1. *Capitalized Terms.* All capitalized terms used in this Agreement and not otherwise defined shall have the meanings given them in the Plan.

2. *Award.* The restricted stock award is for [ ] shares of Common Stock, subject to satisfaction of the vesting and other conditions set forth in this Agreement and the Plan, as the same may be amended or modified from time to time by the Committee or the Board of Directors of the Company.

3. *Vesting.* Shares of Common Stock awarded hereunder shall be distributed to [ ] subject to the following vesting schedule and the provisions of paragraph 4 below: twenty-five percent (25%) of the shares shall vest on January 1 of each of the next four consecutive calendar years, the first such date being January 1, 20 ; provided that [ ] is a member of the Board on the date of vesting. Any awarded shares which do not vest because [ ] is not a member of the Board on the date of vesting shall be forfeited.

4. *Deferred Compensation Plan.* [ ] hereby irrevocably directs that shares of Common Stock awarded pursuant to this Agreement and the Plan shall be deposited in the Corporation's Director Deferred Compensation Account ("Deferred Plan"), and shall remain in the Deferred Plan notwithstanding any vesting thereof during [ ]'s tenure as a member of the Board. Any dividends payable with respect to the Common Stock awarded pursuant to this Agreement shall be automatically reinvested in additional Common Stock of the Corporation which shall also be held in the Deferred Plan upon the same terms and conditions.

5. *Plan Controlling.* The terms and conditions set forth in this Agreement are subject in all respects to the terms and conditions of the Plan, which are controlling. All determinations and interpretations of the Committee with respect to the Plan and this Agreement shall be binding and conclusive upon [ ] and [his or her] legal representatives.

6. *Qualification of Rights.* Neither this Agreement nor the existence of the restricted stock award described herein shall be construed as giving [ ] any right (a) to be retained as a Director of the Corporation or any of its affiliates; or (b) as a shareholder with respect to the shares of Common Stock

underlying the award until such shares have fully vested, but subject in all cases to the terms and conditions of this Agreement and the Plan.

7. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

8. *Notices.* All notices and other communications required or permitted under this Agreement shall be in writing, signed by or on behalf of the party by which given, and shall be considered to have been duly given when (a) delivered by hand, (b) sent by telecopier (with receipt confirmed), provided that a copy is mailed (on the same date) by certified or registered mail, return receipt requested, postage prepaid, or (c) received by the addressee, if sent by Express Mail, Federal Express or other reputable express delivery service (receipt requested), or by first class certified or registered mail, return receipt requested, postage prepaid, addressed as follows: if to the Partnership or the Corporation, to the Corporation's executive offices in Indianapolis, Indiana, and if to [ ] or [his or her] successor, to the address last furnished by [ ] to the Corporation. Each notice and communication shall be deemed to have been given when received by the Corporation or [ ].

9. *Representations and Warranties of Participant.* [ ] represents and warrants that he or she has received and reviewed a copy of the Plan.

10. *Successors and Assigns.* This Agreement shall be binding upon and inure to the benefit of the successors, assigns and heirs of the respective parties.

11. *Waiver.* The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

12. *Titles.* Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of the Agreement. The masculine pronoun shall include the feminine and neuter and the singular shall include the plural, when the context so indicates. *

* * * *

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

PARTNERSHIP:

SIMON PROPERTY GROUP, L.P., a Delaware
limited partnership

By: SIMON PROPERTY GROUP, INC., a Delaware
corporation, its general partner

By: ______________________________

CORPORATION:

By: SIMON PROPERTY GROUP, INC., a Delaware
corporation, its general partner

By: ______________________________

DIRECTOR:

By: ______________________________
[Director Name]

QuickLinks

Exhibit 10.14

DATED MARCH 1, 2004

SIMON GLOBAL LIMITED

and

HANS. C. MAUTNER

EMPLOYMENT AGREEMENT

Jones Day Gouldens
Bucklersbury House
3 Queen Victoria Street
London

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is entered into this 1st day of March, 2004, by and between **SIMON GLOBAL LIMITED** (the "Company") and **HANS C. MAUTNER** (the "Executive").

RECITALS

The Executive is currently employed by Simon Property Group, L.P., a Delaware limited partnership ("SPG LP") as President—International Division and an advisory member of the Board of Simon Property Group, Inc., a Delaware corporation ("SPG") pursuant to an employment agreement ("Employment Agreement") dated September 23, 1998 between the Executive and Corporate Property Investors, Inc. a Delaware corporation ("CPI"), as amended. The Employment Agreement was entered into as a consequence of the merger of CPI and Simon DeBartolo Group, Inc., a Maryland corporation ("Simon"), pursuant to the terms of an Agreement and Plan of Merger dated as of February 18, 1998 among CPI, Simon and Corporate Realty Consultants, Inc., a Delaware corporation (the "Merger") for the purpose of retaining the Executive as an officer of SPG following the Merger, and was assigned to SPG LP by SPG as successor in business to CPI.

The Company has been incorporated in the United Kingdom as a subsidiary of SPG and wishes to retain the Executive on a temporary assignment as its Chief Executive Officer to manage its operations from within the United Kingdom under the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. *Employment. Term and Duties*

1.1 *Employment.* The Company hereby employs the Executive and the Executive hereby accepts employment by the Company on the terms and conditions set forth in this Agreement.

1.2 *Term.* The Executive's employment with the Company shall be deemed to have commenced on 1 November, 1999 (the "Effective Date") and shall automatically terminate on 1 October 2005 (the "Termination Date") unless terminated earlier as provided in Section 4 below (the "Term"), or otherwise renewed by mutual agreement of the Company and the Executive.

1.3 *Positions and Duties.* During the Term, the Executive shall serve as Chief Executive Officer of the Company. During the Term, the Executive shall report directly to the board of directors of the Company (the "Board") and/or to such other person as the Board may determine from time to time. The Executive shall abide by such lawful instructions given by the Board or under its authority. The Executive's principal focus shall be to assist in the operation of the Company at its most senior level in a manner determined from time to time by the Board. The Executive shall be and serve as a director of the Company. Save as aforesaid the Executive shall not, in the United Kingdom, engage on any business on his own account, nor take other employment, nor represent any person's interests other than the Company (or any of its affiliates), nor do or omit to do anything which may prejudice the Executive's continued residence in the United Kingdom on such terms as may be specified by or under the authority of the government of the United Kingdom from time to time. Notwithstanding the foregoing, the Executive may engage in the following activities outside the United Kingdom (or in the United Kingdom in circumstances which do not prejudice the Executive's continued residence in the United Kingdom as mentioned above) (and shall be entitled to retain all economic benefits thereof including fees paid in connection therewith) as long as they do not (without the approval of the Company) substantially interfere with the performance of the Executive's duties and responsibilities hereunder: (i) serve on corporate, civic, religious, educational and/or charitable boards or committees, (ii) deliver lectures, fulfill speaking engagements or teach on a part-time basis at educational institutions and (iii) make investments in businesses or enterprises and manage his personal investments in accordance with the business and ethics policy adopted from time to time by the Company or SPG, (iv) participate (and continue to participate) as a director of the commercial corporations listed on Schedule I attached hereto. Notwithstanding the above, the Executive shall not be required to perform any duties and responsibilities which would be likely to result in a non-compliance with or violation of any applicable law.

1.4 *Commitment of Employee.* The Executive shall carry out his duties on such days and during such hours as shall be reasonably determined by the Board having regard to the needs of the Company's business. Regulation 4(1) of The Working Time Regulations 1998 (the "Regulations") provides that an employee's average working time, including overtime, in any applicable reference period (generally a period of 17 weeks) shall not exceed 48 hours for each seven day period. The Regulations allow individuals to contract out of Regulation 4(1). By entering into this Agreement the Executive agrees with the Company, that for the duration of the Executive's employment, Regulation 4(1) or any successor provision shall not apply, unless and until the expiry of three month's prior written notice given by the Executive to the Company to end such agreement. Whether or not Regulation 4(1) shall apply to the Executive's employment hereunder, the Executive agrees that the 17 week reference period referred to above shall consist of fixed 17 week periods, such 17 week periods shall be deemed to have commenced on October 1, 1999.

1.5 *Data Protection.* The Executive understands that for purposes connected with his employment by the Company and for providing other benefits connected with his employment, the Company will be processing personal data and sensitive personal data concerning him (the terms "processing", "personal data" and "sensitive personal data" having the meanings given to them in the Data Protection Act 1998). This information will only be processed for the legitimate human resources purposes of the Company. The Executive also understands that the Company may need to transmit this information to affiliates of Simon Property Group and to the providers of benefits made available to him in connection with his employment by the Company. Finally, the Executive understands that this information may need to be transmitted by the Company to the United States of America. The Executive agrees to the processing, disclosing and transmitting of such information, as described above.

2. *Compensation and Other Benefits.*

2.1 *Base Compensation.* As compensation for services rendered during the Term, the Company shall pay to the Executive a base salary (the "Base Salary") initially at an annual rate equal to $ such Base Salary to be subject to increase from time to time by the Board. The Base Salary and the housing subsidy referred to in 2.7 below shall be calculated in US dollars and be paid to the Executive in pounds sterling applying the average of the daily spot US dollar to sterling exchange rates for the calendar month preceding the month in which any such payments are to be made. In any event, the Board shall review the Executive's annual Base Salary no less frequently than annually to determine whether any increase should be made. The Base Salary shall be payable in accordance with the payroll policies of the Company as from time to time in effect, less such amounts as shall be required to be deducted or withheld therefrom by applicable law and regulations.

2.2 *General Business Expenses.* The Company shall pay or reimburse the Executive for all expenses that are consistent with the Company's policy and reasonably and necessarily incurred by the Executive during the Term in the performance of the Executive's duties under this Agreement. Such expenses shall include all Company-related business expenses arising out of activities at clubs at which the Executive is a member. Such payment shall be made upon presentation of such documentation as the Company may reasonably require of its senior executive employees prior to making such payments or reimbursements.

2.3 *Expenses.* The Company will reimburse the Executive for the cost of airfare and other miscellaneous out-of-pocket expenses incurred by the Executive and his spouse for not more than three (3) personal round trips annually between the United States and the United Kingdom.

2.4 *Vacation.* During the Term, the Executive shall be entitled to a total of five (5) weeks of vacation per calendar year which shall be taken by the Executive concurrently with, but not in addition to, the vacation days to which the Executive is entitled under his Employment Agreement, as amended and under the Secondment Agreements between SPG LP, Groupe BEG SARL and the Executive and between SPG LP, European Retail Enterprises B.V./SARL and the Executive dated the date hereof. The Executive shall not be permitted to accumulate and carry over unused vacation time or pay from year to year except to the extent permitted in accordance with the Company's vacation policy for senior executives. The Executive's entitlement to vacation shall accrue during each calendar year pro rata to the number of completed calendar months continuous service by the Executive during such year.

2.5 *Unused Vacation.* On the termination of the Executive's employment, the Executive will be entitled to pay in lieu of any untaken vacation entitlement calculated on the basis of 1/260 of Base Salary for each day's holiday entitlement. If on termination of the Executive's employment he has taken holiday in excess of his entitlement then a sum calculated adopting the same method may be deducted from any salary or other payments due to the Executive.

2.6 *Location, Office and Support Staff.* During the Term the Executive shall be entitled to administrative assistance of a type and extent, and to an office or offices (with furnishings and other appointments) of a type and size as may be agreed between the Executive and the Company from time to time. The Executive will be based at the Company's premises in London although, the Executive may regularly on a day to day basis be required to travel and carry out his duties at other places within the United Kingdom as the needs of the Company's business may require. The Executive shall not be required to, and shall not, undertake any duties for the Company outside the United Kingdom.

2.7 *Housing Subsidy.* During the Term the Company shall provide the Executive with a housing subsidy at a maximum rate of 2,240 pounds sterling per week to defray liabilities for rent and associated costs incurred by the Executive in securing residential accommodation for himself in London during the Term. The housing subsidy shall be payable following production by the Executive of such documentation as the Company may reasonably require evidencing the Executive's liability for such housing costs. The housing subsidy shall be paid at such times as shall be agreed between the Executive and the Company and shall, at the Company's option, be paid directly to the person or entity providing the Executive's residential accommodation.

3. *Non-Competition.*

3.1 *Covenants Against Competition.* The Executive acknowledges that as of the execution of this Employment Agreement (i) the Company is engaged in providing Business Services to such one or more of its affiliates as the Company may from time to time agree; (ii) his employment with the Company will have given him access to confidential information; and (iii) the agreements and covenants contained in this Agreement are essential to protect the business and goodwill of the Company and its affiliates. Accordingly, the Executive covenants and agrees as follows:

(a) *Non-Compete.* Without the prior written consent of the Board of the Company, the Executive shall not anywhere in the world directly or indirectly (except in the Executive' s capacity as an officer of the Company or any of its affiliates), during the Restricted Period (as defined below): (i) engage or participate in any activity falling within the definition of

Business Services; (ii) enter the employ of, or render any services (whether or not for a fee or other compensation) to, any person engaged in any activity falling within the definition of Business Services; or (iii) acquire an equity interest in any such person in any capacity; provided, that during the Restricted Period the Executive may own, directly or indirectly, solely as a passive investment, securities of any company traded on any national securities exchange or on the National Association of Securities Dealers Automated Quotation System. As used herein, "Business Services" means the research, analysis and development of business relationships and opportunities relating to the acquisition, ownership, financing, leasing, operation and development of shopping centres and other retail projects in Europe, the Far East and Latin America and the "Restricted Period" shall mean the period commencing with the Effective Date and ending on the first anniversary of the date that the Executive's employment hereunder is lawfully terminated by either the Executive, the Company, or both.

(b) *Confidential Information; Personal Relationship.* The Executive acknowledges that the Company has a legitimate and continuing proprietary interest in the protection of its confidential information and has invested substantial sums and will continue to invest substantial sums to develop, maintain and protect confidential information. The Executive agrees that, during and after the Restricted Period, without the prior written consent of the Board, the Executive shall keep secret and retain in strictest confidence, and shall not knowingly use for the benefit of himself or others all confidential matters relating to the Company's Business including, without limitation, operational methods, marketing or development plans or strategies, business acquisition plans, joint venture proposals or plans, and new personnel acquisition plans, learned by the Executive heretofore or hereafter (such information shall be referred to herein collectively as "Confidential Information"); provided, however, that nothing in this Agreement shall prohibit the Executive from disclosing or using any Confidential Information (A) in the performance of his duties hereunder, (B) as required by applicable law, regulatory authority, recognized subpoena power or any court of competent jurisdiction, (C) in connection with the enforcement of his rights under this Agreement or any other agreement with the Company, or (D) in connection with the defense or settlement of any claim, suit or action brought or threatened against the Executive by or in the right of the Company. Notwithstanding any provision contained herein to the contrary, the term "Confidential Information" shall not be deemed to include any general knowledge, skills or experience acquired by the Executive or any knowledge or information known or available to the public in general (other than as a result of a breach of this provision by the Executive). Moreover, the Executive shall be permitted to retain copies of, or have access to, all such Confidential Information relating to any disagreement, dispute or litigation (pending or threatened) involving the Executive.

(c) *Employee of the Company and its Affiliates.* During the Restricted Period, without the prior written consent of the Board, the Executive shall not, directly or indirectly, hire or solicit, or cause others to hire or solicit, for employment by any person other than the Company or any affiliate or successor thereof, any employee of, or person employed within the two years preceding the Executive's hiring or solicitation of such person by, the Company and its affiliates or successors or encourage any such employee to leave his employment. For this purpose, any person whose employment has been terminated involuntarily by the Company (or any predecessor of the Company) shall be excluded from those persons protected by this Section 3.1(c) for the benefit of the Company.

(d) *Business Relationship.* During the Restricted Period, the Executive shall not, directly or indirectly, request or advise a person that has a business relationship with the Company to curtail or cancel such person' s business relationship with the Company.

3.2 *Rights and Remedies Upon Breach.* If the Executive breaches, or threatens to commit a breach of, any of the provisions contained in Section 3.1 of this Agreement (the "Restrictive Covenants"), the Company shall have the rights and remedies set out in (a) to (c) below, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity.

(a) *Specific Performance.* The right and remedy to have the Restrictive Covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company.

(b) *Accounting.* The right and remedy to require the Executive to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits derived or received by the Executive as the result of any action constituting a breach of Restrictive Covenants.

(c) *Severability of Covenants.* The Executive acknowledges and agrees that the Restrictive Covenants are reasonable and valid in duration and geographical scope and in all other respects. If any court determines that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect without regard to the invalid portions.

4. *Termination.*

4.1 *Termination by the Company for Cause.* The Company may terminate the Executive's employment hereunder for Cause (as defined below) as provided in this Section 4.1. If the Company terminates the Executive's employment hereunder for Cause, the Executive shall be entitled to:

(a) Base Salary at the rate in effect (as provided for by Section 2.1 of this Agreement) at the time of such termination through to the Date of Termination;

(b) any accrued vacation pay;

(c) reimbursement for expenses incurred, but not yet paid prior to the Date of Termination; and

(d) any other compensation and benefits, including deferred compensation, as may be provided in accordance with the terms and provisions of any applicable plans and programs of the Company through to the Date of Termination.

In any case described in this Section 4.1, the Executive shall be given written notice authorized by a vote of at least a majority of the members of the Board that the Company intends to terminate the Executive's employment for Cause. Such written notice shall specify the particular act or acts, or failure to act, which is or are the basis for the decision to so terminate the Executive's employment for Cause. The Executive shall be given the opportunity within 30 calendar days of the receipt of such notice to meet with the Board to defend such act or acts, or failure to act, and the Executive shall be given 15 business days after such meeting to correct such act or failure to act. Upon failure of the Executive, within such latter 15 day period, to correct such act or failure to act, the Executive's employment by the Company may be immediately terminated for Cause by summary written notice from the Company to the Executive. Anything herein to the contrary notwithstanding, if, following a termination of the Executive's employment by the Company for Cause based upon the conviction of the Executive for a felony involving actual dishonesty as against the Company, such conviction is overturned on appeal, the Executive shall be entitled to the payments and the economic equivalent of the benefits that the

Executive would have received as a result of a termination of the Executive's employment by the Company Without Cause.

For purposes of this Section 4.1, "Cause" means (a) the Executive is convicted of a felony involving actual dishonesty as against the Company, or (b) the Executive, in carrying out his duties and responsibilities under this Agreement, voluntarily engages in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise, unless such act, or failure to act, was believed by the Executive in good faith to be in the best interests of the Company.

4.2 *Termination Other Than For Cause.* The Company and the Executive may terminate the Executive's employment hereunder upon the expiry of 30 days prior written notice to be given by each party to the other at any time. If the Executive's employment is terminated pursuant to this clause 4.2 then the Executive shall be entitled to:

(a) any Base Salary accrued as of the Date of Termination;

(b) keep any computer and/or software provided to the Executive by the Company for home or travel use for no consideration provided that any Confidential Information shall first be deleted therefrom by and to the satisfaction of the Company;

(c) any accrued vacation pay;

(d) reimbursement for expenses incurred, but not paid prior to such termination of employment; and

(e) any other compensation and benefits, including deferred compensation, as may be provided through to the Date of Termination in accordance with the terms and provisions of any applicable plans or programs of the Company (including, but not limited to, those plans described in Section 2).

4.3 *Resignation from Offices on Termination.* Upon termination of the Executive's employment for whatever reason or at the election of the Board or upon either party hereto giving notice to terminate the Executive's employment the Executive shall upon the request of the Board resign forthwith without claim for compensation (but without prejudice to any claim he may have for damages for breach of this agreement) from any, and all, offices he may hold as a director of the Company or in any other capacity with any person as the Company's nominee. Should the Executive fail to resign from his offices and all of them as required under this clause 4.3 the Company is hereby irrevocably authorized by the Executive to appoint some person in his name and on his behalf to execute any such documents and do all such things requisite to effect such resignations by the Executive.

4.4 *Date of Termination.* For purposes of this Section 4, "Date of Termination" shall mean the date on which the Executive's employment with the Company shall terminate for any reason.

5. *Indemnification.* Contemporaneously herewith, the Company and the Executive shall execute an indemnification agreement which, by its terms, shall indemnify the Executive to the fullest extent permitted by applicable law and by the Company's certification of incorporation and by-laws. Such indemnification agreement shall contain terms no less favourable to the Executive than the terms of any other indemnification agreement provided to any other senior officer of the Company.

6. *Other Provisions.*

6.1 *Notices.* Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed or sent by facsimile transmission or, if mailed, on the date of actual receipt thereof, as follows:

If to the Company to:

Simon Global Limited
HQ Business Centres
33 St. James' Square
Office Number 2-12 and 2-13
London SW1Y 4JS England

With a copy to:

Simon Property Group, Inc.
115 West Washington Street
Indianapolis, Indiana 46204
Attn: Chief Executive Officer

If to the Executive, to:

Mr. Hans C. Mautner
8 Cadogan Square
London SW1 England

Any party may change its address for notice hereunder by notice to the other party hereto.

6.2 *Entire Agreement; Prior Agreements.* This Agreement, including the attached Schedules which are a part hereof for all purposes, contains the entire agreement and understanding between the parties with respect to the subject matter hereof. As of the Effective Date, this Agreement shall supersede all prior employment and severance agreements between the Company (or its predecessors) and the Executive, it being understood, however, that this Agreement shall not supersede the Employment Agreement (or any amendments thereto).

6.3 *Governing Law.* This Agreement shall be governed and construed in accordance with the laws of the State of New York.

6.4 *Assignment.* The obligations of the Executive hereunder are personal and may not be assigned or delegated by him or transferred in any manner whatsoever, nor are such obligations subject to involuntary alienation, assignment or transfer. The Company shall have the right to assign this Agreement and to delegate all rights, duties and obligations hereunder, either in whole or in part, to any parent, affiliate, successor or subsidiary organization or company of the Company, so long as the obligations of the Company under this Agreement remain the obligations of the Company, provided, that the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance reasonably acceptable to the Executive, to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

7. *Resolution of Disputes.*

7.1 *Negotiation.* The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations between the Executive and an executive officer of the Company who has authority to settle the controversy. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within 10 days after the effective date of such notice, the Executive and an executive officer of the Company shall meet at a mutually acceptable time and place within the New York City metropolitan area, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within 30 days of the disputing party's notice, or if the parties fail to meet within 10 days, either party may initiate arbitration of the controversy or claim as provided hereinafter. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator shall be given at least three business days' notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this Section 7.1 shall be treated as compromise and settlement negotiations for the purposes of the federal and state rules of evidence and procedure.

7.2 *Arbitration.* Any dispute arising out of or relating to this Agreement or the breach, termination or validity thereof, which has not been resolved by nonbinding means as provided in Section 7.1 within 60 days of the initiation of such procedure, shall be finally settled by arbitration conducted expeditiously in New York City, New York in accordance with the Centre for Public Resources, Inc. **("CPR")** Rules for Non-Administered Arbitration of Business Disputes by three independent and impartial arbitrators, of whom each party shall appoint one, provided that if one party has requested the other to participate in a non-binding procedure and the other has failed to participate, the requesting party may initiate arbitration before the expiration of such period. Any such party shall be appointed from the CPR Panels of Neutrals. The arbitration shall be governed by the United States Arbitration Act and any judgment upon the award decided upon the arbitrators may be entered by any court having jurisdiction thereof. The arbitrators are not empowered to award damages in excess of compensatory damages and each party hereby irrevocably waives any damages in excess of compensatory damages. Each party hereby acknowledges that compensatory damages include (without limitation) any benefit or right of indemnification given by one party to the other under this Agreement.

7.3 *Expenses.* The Company shall promptly pay or reimburse the Executive for all costs and expenses, including, without limitation, court or arbitration costs and attorneys' and accountants' fees and disbursements incurred by the Executive as a result of any claim, action or proceeding (including, without limitation, a claim, action or proceeding by the Executive against the Company) arising out of, or challenging the validity or enforceability of, this Agreement or any provision hereof or any other agreement or entitlement referred to herein.

8. *Successors.* This Agreement shall be binding upon and inure to the benefit of the Executive and his heirs, executors, administrators and legal representatives. This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns.

9. *Amendment.* This Agreement may be amended or modified only by an agreement in writing executed by all of the parties hereto.

10. *Beneficiaries/References.* The Executive shall be entitled to select (and change) a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following the Executive's death, and may change such election, in either case by giving the Company written notice thereof. In the event of the Executive's death or a judicial determination of his incompetence, reference in this Agreement to the Executive shall be deemed, where appropriate, to refer to his beneficiary(ies), estate or other legal representative(s), as the case may be.

11. *Representation.* The Company represents and warrants that it is fully authorized and empowered to enter into this Agreement and that the performance of its obligations under this Agreement will not violate any agreement between the Company and any other person, firm or organization or any applicable laws or regulations.

12. *Survivorship.* The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement or the Executive's employment hereunder to the extent necessary to the intended preservation of such rights and obligations.

IN WITNESS WHEREOF, the parties have executed this Agreement effective for all purposes as of the date first above written.

For and on behalf of **SIMON GLOBAL LIMITED**

By: /s/ Herber Simon

Herbert Simon, Director

By: /s/ James M. Barkley

James M. Barkley, Secretary

/s/ Hans C. Mautner

Hans C. Mautner

Schedule I

Directorships

Blackwell Land Company
Capital & Regional plc
Dreyfus California Tax Exempt Money Market Fund, Inc.
Dreyfus Insured Municipal Bond Fund, Inc.
Dreyfus New Leaders Fund, Inc.
Dreyfus Strategic Municipals, Inc.
Dreyfus Strategic Municipal Bond Fund, Inc.
Dreyfus Municipal Bond Fund, Inc.
Dreyfus Municipal Money Market Fund, Inc.
Dreyfus Premier Stock Funds
Mezzanine Lending Associates Advisory Board
Advisory Board of Mezzacappa Partners

Exhibit 10.15

DATED AS OF MARCH 1, 2004

SIMON PROPERTY GROUP ADMINISTRATIVE

SERVICES PARTNERSHIP, L.P.

-and-

HANS C. MAUTNER

SECOND AMENDMENT TO EMPLOYMENT

AGREEMENT DATED SEPTEMBER 23, 1998

Jones Day Gouldens
Bucklersbury House
3 Queen Victoria Street
London
EC4N 8NA

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

This Second Amendment to Employment Agreement (this "Second Amendment") is entered into as of this 1st day of March, 2004, by and between **SIMON PROPERTY GROUP ADMINISTRATIVE SERVICES PARTNERSHIP, L.P**., a Delaware limited partnership (the "Partnership") and **HANS C. MAUTNER** (the "Executive").

RECITALS

The Executive was employed as Vice Chairman and a member of the Board of Directors of Simon Property Group, Inc ("SPG Inc.") and was a member of the Executive Committee of such Board pursuant to an employment agreement ("Employment Agreement" dated September 23, 1998 between the Executive and Corporate Property Investors, Inc. ("CPI"), as amended by the First Amendment to the Employment Agreement dated 30 December 1999 (the "First Amendment"). The Employment Agreement was entered into as a consequence of the merger of CPI and Simon DeBartolo Group, Inc., a Maryland corporation ("Simon"), pursuant to the terms of an Agreement and Plan of Merger dated as of February 18, 1998 among CPI, Simon and Corporate Realty Consultants, Inc., a Delaware corporation (the "Merger"), for the purpose of retaining the Executive as an officer of SPG Inc. following the Merger. The Employment Agreement was assigned to the Partnership as of 1 January 2000.

The Partnership and the Executive wish to restate and supersede in its entirety the First Amendment and amend the terms of the Employment Agreement to reflect certain agreements between the Executive and the Partnership as a consequence of the Executive continuing to undertake certain part-time duties for Simon Global Limited ("Simon Global"), a company incorporated under the laws of England and Wales (the "UK Employment Agreement") and an affiliate of SPG Inc., and agreeing to provide services by way of part-time secondment to Groupe BEG SARL ("BEG"), a company incorporated under the laws of France (the "French Secondment Agreement"), and to European Retail Enterprises BV/SARL ("ERE"), a company incorporated under the laws of Luxembourg and the Netherlands (the "Luxembourg Secondment Agreement") (collectively, the "Secondment Agreements").

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree to restate and supersede in its entirety the First Amendment and amend the Employment Agreement as follows:

1. *Definitions.* Capitalised terms under herein and not otherwise defined shall have the meanings given to them in the Employment Agreement.

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2. *Employment, Term and Duties.* All of Section 1 of the Employment Agreement is hereby deleted, and the following clauses are hereby inserted in its place:

1.1 *Employment.* The Company has employed the Executive and the Executive has accepted employment by the Company on the terms and conditions set forth in the Employment Agreement and this Second Amendment.

1.2 *Term.* The Executive's employment under the Employment Agreement commenced on September 24, 1998 (the "Effective Date") and shall terminate on October 1, 2005 (the "Termination Date"), unless earlier terminated as provided in Section 4 of the Employment Agreement, as modified by this Second Amendment (the "Term").

1.3 *Positions and Duties.* During the remainder of the Term, the Executive shall serve as President—International Division of SPG Inc., and its affiliates and shall report directly to the Co-Chairmen of the Board or the Chief Executive Officer ("CEO") of SPG Inc. In connection therewith, the Executive's principal focus shall be to assist, and be primarily responsible for, the Company's efforts to acquire, operate, finance, supervise and monitor one or more investments of SPG Inc. and its affiliates in companies or assets located outside of the United States, and to otherwise assist in the operation of SPG Inc. and its affiliates in a manner determined from time-to-time by the CEO or the Board of Directors of SPG Inc. In addition, the Executive has been appointed, and shall continue to serve, as an "Advisory Director" of that Board of Directors for the remainder of the Term, subject to the By-Laws of SPG Inc. Notwithstanding the foregoing, the Executive may engage in the following activities (and shall be entitled to retain all economic benefits thereof including fees paid in connection therewith) as long as they do not (without the approval of SPG Inc.) substantially interfere with the performance of the Executive's duties and responsibilities hereunder: (i) serve on corporate, civic, religious, educational and/or charitable boards or committees, (ii) deliver lectures, fulfil speaking engagements or teach on a part-time basis at educational institutions and (iii) make investments in businesses or enterprises and manage his personal investments in accordance with SPG Inc.'s Code of Business Conduct and Ethics Policy. The parties acknowledge that the Executive's participation (and continuing participation) as a director of the commercial corporations listed on Schedule I attached hereto (as modified by the terms of Paragraphs 10 and 11 below) have been approved by SPG Inc. Notwithstanding the above, the Executive shall not be required to perform any duties and responsibilities which would be likely to result in a non-compliance with or violation of any applicable law or regulation.

1.4 *Scope of Duties.* During the continuance of the Employment Agreement the Executive shall not carry out any of his duties for the Partnership within the United Kingdom or France nor shall the Executive have the authority of the Partnership to, and the Executive shall not, enter into any legally binding obligation on behalf of the Partnership or any of its subsidiaries or affiliates within the United Kingdom or France except in the proper performance of his duties to Simon Global, BEG or ERE respectively.

3. *Compensation and Other Benefits.* Sections 2.1 and 2.2 of the Employment Agreement are hereby deleted, and the following clauses are hereby inserted in their place:

2.1 *Base Compensation.* For purposes of the Employment Agreement, upon commencement of the Employee's employment with Simon Global and his secondment to BEG, the Employee's Base Salary for purposes of the Employment Agreement shall be $204,702 per annum, provided that (a) upon the termination of the Executive's employment with Simon Global and/or his secondment to BEG and/or ERE, the sum of Executive's base salary thereafter payable in connection with his continued employment by Simon Global or secondment to BEG or ERE, plus his Base Salary for purposes of the Employment Agreement, shall be $762,000 per annum, such Base Salary (as so much thereof payable by the Partnership) to be subject to increase from time to time by the Compensation Committee of the Board of SPG, Inc. (the "Compensation

Committee") and (b) upon the termination of the Executive's secondment to BEG and ERE alone, the Base Salary shall be reapportioned appropriately between the Employment Agreement (as hereby amended) and the UK Employment Agreement, in such amounts as the parties agree. The Compensation Committee shall review the Executive's annual Base Salary no less frequently than annually to determine whether any such increase should be made. The Base Salary shall be payable in accordance with the payroll policies of the Partnership as from time to time in effect, less such amounts as shall be required to be deducted or withheld therefrom by applicable law and regulations.

2.2 *Annual Bonus.* For each calendar year or portion thereof occurring during the Term, the Executive shall be eligible for such discretionary bonus as may be determined by the Compensation Committee from time to time for work performed by the Executive on behalf of SPG Inc., Simon Global and (if Executive does not participate in any bonus program at BEG or ERE) for work performed by the Executive on behalf of BEG and/or ERE, subject always to the rules of the relevant bonus scheme as determined by the Compensation Committee in its absolute discretion The Annual Bonus shall be paid to the Executive less such amounts as shall be required to be deducted or withheld therefrom by applicable law and regulations, at such time or times as is in accordance with the then prevailing policy of the Partnership relating to incentive compensation programs.

4. *General Business Expenses.* During the period that the Executive is employed by Simon Global and/or seconded to BEG and/or ERE, the Partnership shall no longer be required to provide the Executive with a car and driver as contemplated by Section 2.5 of the Employment Agreement or to receive executive secretarial and other administrative assistance as contemplated by Section 2.8 of the Employment Agreement, provided that upon termination of the Executive's employment with Simon Global and the Executive's secondment to BEG and ERE, the Executive shall be provided with executive secretarial or other administrative assistance as contemplated by Section 2.8 of the Employment Agreement.

5. *Fringe Benefits.* The Executive and the Partnership acknowledge that the Partnership does not have an aircraft for purposes of Section 2.8 of the Employment Agreement. Therefore all references to the Executive's entitlement to use of an aircraft in such Section 2.8 shall be deleted. Should the Partnership at some subsequent date acquire an aircraft for use by its executive officers generally, then the Executive shall be afforded an opportunity to use such aircraft (subject to availability) for the purpose of carrying out his duties hereunder. During the Term, the Executive shall be entitled to five (5) weeks of vacation per calendar year which shall be taken by the Executive concurrently with, but not in addition to, the vacation days to which the Executive is entitled under his employment arrangement with Simon Global and under the Secondment Agreements.

6. *Covenants, Non-Competition.* Section 3.1 of the Employment Agreement is hereby deleted, and the following clause is hereby inserted in its place:

3.1 *Covenants Against Competition.* The Executive acknowledges that (i) the Partnership and its subsidiaries and affiliates are engaged in the business of shopping center and other retail project acquisition, ownership, financing, leasing, operation and development in the United States, Europe, the Far East and Latin America (the "Business"); (ii) the Partnership's Business is conducted by the Partnership and its subsidiaries and affiliates in various markets throughout the United States, Europe, the Far East and Latin America; (iii) his employment with the Partnership will have given him access to confidential information concerning the Partnership and its subsidiaries and affiliates and the Business; and (iv) the agreements and covenants contained in this Agreement are essential to protect the business and goodwill of the Partnership and its subsidiaries and affiliates. Accordingly, the Executive covenants and agrees as follows:

(a) *Non-Compete.* Without the prior written consent of the Board, the Executive shall not directly (except in the Executive's capacity as an officer of the Partnership or any of its subsidiaries or affiliates), during the Restricted Period (as defined below) within any metropolitan area in which the Partnership, its parent, subsidiaries or affiliates is engaged directly or indirectly in the Business: (i) engage or participate in the Business; (ii) enter the employ of, or render any services (whether or not for a fee or other compensation) to, any person engaged in the Business; or (iii) acquire an equity interest in any such person in any capacity; provided, that the foregoing restrictions shall not apply at any time if the Executive's employment is terminated during the Term by the Executive for Good Reason (as defined below) or by the Partnership without Cause (as defined below); provided, further, that during the Restricted Period the Executive may own, directly or indirectly, solely as a passive investment, securities of any company traded on any national or international securities exchange, including the National Association of Securities Dealers Automated Quotation System. As used herein, the "Restricted Period" shall mean the period commencing on the date of termination of this Agreement and ending on the first anniversary of such termination date.

(b) *Confidential Information; Personal Relationships.* The Executive acknowledges that the Partnership has a legitimate and continuing proprietary interest in the protection of its confidential information and has invested substantial sums and will continue to invest substantial sums to develop, maintain and protect confidential information. The Executive agrees that, during and after the Restricted Period, without the prior written consent of the Board of Directors of the Partnership the Executive shall keep secret and retain in strictest confidence, and shall not knowingly use for the benefit of himself or others all confidential matters relating to the Partnership's Business or the Partnership, its subsidiaries or affiliates including, without limitation, operational methods, marketing or development plans or strategies, business acquisition plans, joint venture proposals or plans, and new personnel acquisition plans, learned by the Executive heretofore or hereafter (such information shall be referred to herein collectively as "Confidential Information"); provided, however, that nothing in this Agreement shall prohibit the Executive from disclosing or using any Confidential Information (A) in the performance of his duties hereunder, (B) as required by applicable law, regulatory authority, recognized subpoena power or any court of competent jurisdiction, (C) in connection with the enforcement of his rights under this Agreement or any other agreement with the Partnership, or (D) in connection with the defence or settlement of any claim, suit or action brought or threatened against the Executive by or in the right of the Partnership. Notwithstanding any provision contained herein to the contrary, the term "Confidential Information" shall not be deemed to include any general knowledge, skills or experience acquired by the Executive or any knowledge or information known or available to the public in general (other than as a result of a breach of this provision by the Executive). Moreover, the Executive shall be permitted to retain copies of, or have access to, all such Confidential Information relating to any disagreement, dispute or litigation (pending or threatened) involving the Executive.

(c) *Employee of the Partnership and its Affiliates.* During the Restricted Period, without the prior written consent of the Board of Directors of the Partnership, the Executive shall not, directly or indirectly, hire or solicit, or cause others to hire or solicit, for employment by any person other than the Partnership or any subsidiary or affiliate or successor thereof, any employee of, or person employed within the two years preceding the Executive's hiring or solicitation of such person by, the Partnership and its subsidiaries or affiliates or successors or encourage any such employee to leave his employment. For this purpose, any person whose employment has been terminated involuntarily by the Partnership or any subsidiary or affiliate or successor thereof (or any predecessor of the Partnership) shall be excluded from those persons protected by this Section 4.1(c) for the benefit of the Partnership.

(d) *Business Relationship.* During the Restricted Period, the Executive shall not, directly or indirectly, request or advise a person that has a business relationship with the Partnership or any subsidiary or affiliate or successor thereof to curtail or cancel such person's business relationship with such Partnership.

7. Section 4.3 of the Employment Agreement is hereby deleted and the following clause is hereby inserted in its place:

4.3 *Termination Without Cause or Termination for Good Reason.* The Partnership may terminate the Executive's employment under the Employment Agreement and this Second Amendment without Cause (as defined in Section 4.2 of the Employment Agreement save that references in that Section to "the Company" shall be deemed hereafter to refer to the "Partnership, Simon Global, ERE or BEG") and the Executive may terminate his employment hereunder for Good Reason. If the Partnership terminates the Executive's employment under the Employment Agreement and Second Amendment without Cause other than due to death or Disability (as defined in the Employment Agreement), or if the Executive terminates his employment for Good Reason, the Executive shall be entitled to receive from the Partnership any Base Salary and bonus earned but not yet paid as at the date of termination of employment, any accrued vacation pay, reimbursement for reimbursable expenses incurred but not paid prior to such termination of employment and also a severance payment equivalent to his Base Salary and pro-rated discretionary bonus from the date of termination of employment through 31 October 2005 (the "Severance Payment") provided that:

(a) The Severance Payment shall not be less than the Executive would have received if he was terminated without Cause under the Partnership's applicable severance policy at that time and taking into account his years of service with CPI, SPG Inc. and the Partnership; and

(b) The Base Salary and bonus referred to in this Section 4.3 comprises the total Base Salary together with the sum of the most recent bonuses paid for the preceding bonus year to the Executive prior to the termination of his employment as determined under the Employment Agreement, this Second Amendment, the UK Agreement and the Secondment Agreements, but the Severance Payment from the Partnership will be reduced proportionately by any amounts received or due to be received by the Executive in respect of his overall severance payment entitlements under the UK Employment Agreement and/or the French Secondment Agreement and/or the Luxembourg Secondment Agreement; and

(c) The Severance Payment shall be paid after deduction of any applicable tax and social security payments.

(d) In addition, the Director shall be entitled to:

(i) All outstanding options granted to Executive to purchase common stock under the Partnership's or SPG Inc.'s options plans shall remain exercisable until the end of the original term of such options without regard to Executive's termination of employment; and

(ii) At the date of termination, SPG Inc. shall distribute the split dollar life insurance policy (if any) in effect on the life of the Executive without requiring the Executive to repay any premium paid by the Partnership, SPG Inc. or its predecessor company; and

(iii) The Executive shall be entitled to keep any computer and/or software provided to the Executive by the Partnership or SPG Inc., for home or travel use for no consideration.

For the purposes of this Section 4.3, "Good Reason" means and shall be deemed to exist if, without the prior express written consent of the Executive, (a) the Executive is assigned any duties or responsibilities inconsistent in any material respect with the scope of the duties or responsibilities associated with the Executive's titles or positions under the Employment Agreement as amended by this Second Amendment, the UK Employment Agreement or the Secondment Agreements; (b) the Executive suffers a reduction in the duties, responsibilities or effective authority associated with his titles and positions, as set forth and described in the Employment Agreement as amended by the Second Amendment, the UK Employment Agreement or the Secondment Agreements; (c) the Executive is not appointed to, or is removed from, the offices or positions provided for in the Employment Agreement as amended by this Second Amendment, the UK Employment Agreement or the Secondment Agreements; (d) the Executive's compensation is decreased by the Partnership, or the Executive's benefits under any employee benefit or health or welfare plans or programs of the Partnership are in the aggregate materially decreased; (e) the Partnership fails to obtain the full assumption of this Agreement by a successor entity in accordance with Section 6.4 of the Employment Agreement; (f) the Partnership fails to use its reasonable best efforts to maintain, or cause to be maintained, adequate directors and officers liability insurance coverage for the Executive; (g) without the Executive's express written consent, the Partnership's requiring the Executive's work location to be other than in the County of New York, New York, or Martin County, Florida, or in Paris, France in respect of the French Secondment Agreement, or in Luxembourg in respect of the Luxembourg Secondment Agreement, or in London, England in respect of the UK Employment Agreement or otherwise if mutually agreed in connection with the expansion of the Partnership's or SPG, Inc.'s overseas operations; (h) the Partnership purports to terminate the Executive's employment for Cause (as defined in Section 4.2 of the Employment Agreement and amended in Section 4.3 of this Second Amendment) and such a purported termination of employment is not effected in accordance with the requirements of the Employment Agreement as amended by this Second Amendment.

8. Section 4.7 of the Employment Agreement is hereby deleted and shall be of no further force or effect.

9. *Notices.* The contact details for purposes of Section 6.1 of the Employment Agreement shall be as follows:

If to the Partnership, to:

Simon Property Group Administrative Services Partnership, L.P.
National City Center
115 West Washington Street
Indianapolis, Indiana 46204
USA

(Attn: Chief Administrative Officer)

If to the Executive, to:
Hans C. Mautner
8 Cadogan Square
London SW1 England

10. The following directorships are hereby added to Schedule I of the Employment Agreement:

Blackwell Land Company

Capital & Regional plc

Dreyfus California Tax Exempt Money Market Fund, Inc.

Dreyfus Insured Municipal Bond Fund, Inc.

Dreyfus New Leaders Fund, Inc.

Dreyfus Strategic Municipals, Inc.

Dreyfus Strategic Municipal Bond Fund, Inc.

Dreyfus Municipal Bond Fund, Inc.

Dreyfus Municipal Money Market Fund, Inc.

Dreyfus Premier Stock Funds

Mezzanine Lending Associates Advisory Board

Advisory Board of Mezzacappa Partners

11. The following directorship is hereby deleted from Schedule I of the Employment Agreement:

Bank Julius Baer & Co. Ltd. U.S. Advisory Board

12. *Governing Law.* This Agreement shall be governed and construed in accordance with the laws of the State of New York.

13. *Effect.* Other than as explicitly set forth herein, all provisions of the Employment Agreement shall remain in full force and effect in accordance with their terms including without limitation, Sections 2.4 and 2.5. This Second Amendment shall supersede in its entirety the First Amendment, which shall cease forthwith to have any force or effect.

14. *Termination.* On 1 October 2005, or upon the termination of the UK Employment Agreement and the Secondment Agreements if earlier, both the Employment Agreement and this Second Amendment shall terminate automatically and neither the Partnership nor SPG shall have any further liability or obligations to the Executive, save for the Severance Payment and any post-termination rights and obligations shall continue in full force and effect to the extent necessary to the intended preservation of such rights and obligations.

IN WITNESS WHEREOF, the parties have executed this Second Amendment effective for all purposes as of the date first above written.

SIMON PROPERTY GROUP ADMINISTRATIVE SERVICES PARTNERSHIP, L.P., a Delaware limited partnership

By: Simon Property Group, L.P., a Delaware limited partnership, general partner

By: Simon Property Group, Inc., a Delaware corporation, general partner

By: /s/ HERBERT SIMON

Herbert Simon
Co-Chairman of the Board

/s/ HANS C. MAUTNER

Hans C. Mautner

Exhibit 10.16

DATED MARCH 1, 2004

(1) SIMON PROPERTY GROUP
ADMINISTRATIVE SERVICES
PARTNERSHIP, L.P.

(2) EUROPEAN RETAIL ENTERPRISES B.V./S.à.r.l.

(3) HANS C. MAUTNER

SECONDMENT AGREEMENT

THIS AGREEMENT ("**Agreement**") is made the 1st day of March 2004

BETWEEN:

(1) **SIMON PROPERTY GROUP ADMINISTRATIVE SERVICES PARTNERSHIP, L.P.,** a Delaware limited partnership with its principal office at National City Center, 115 West Washington Street, Indianapolis, Indiana 46204, U.S.A. (the "**Employer**");

(2) **EUROPEAN RETAIL ENTERPRISES B.V./S.à.r.l.,** a limited liability company registered as European Retail Enterprises B.V. where the company has its statutory seat (in Amsterdam, the Netherlands n° of registration 24285800) and as European Retail Enterprises S.à.r.l. where the company has its principal establishment (in Luxembourg, 23 rue Philippe II—L-2340, n° of registration B 88 938) (the "**Host Company**"); and

(3) **Hans Conrad Mautner**, a US citizen residing at 8 Cadogan Square, London SW1X OJU (England), and having the status of non domiciled resident for UK tax purposes (the "**Secondee**").

WHEREAS the Secondee was appointed as non-remunerated member of the Board of Directors (the "**Board**") on July 19, 2000 by the meeting of shareholders of the Host Company.

WHEREAS the Board of Directors of the Host Company approved on March 26, 2003 the appointment of the Secondee as non-remunerated Chairman of the Board. These duties have resulted in Mr. Mautner devoting more and more of his time to the Company, supervising the way the decisions made by the Board are implemented, following the progress of the projects under development and the possible new projects, gathering key information for the Board to allow the latter to make its decisions whether to study new projects and possibly develop them, and making recommendations to the Board for its consideration.

WHEREAS in view of this situation, the Board of the Host Company approved on November 19, 2003 the principle of the Secondee's secondment in the Host Company as Chief Executive Officer and gave full power to the Compensation Committee to determine the remuneration of the Secondee in the context thereof. The Compensation Committee of the Host Company approved on the date hereof the financial terms and conditions of this Secondment Agreement, a copy of such approval being attached hereto as *Annex 3*.

WHEREAS the Secondee is employed by the Employer and has agreed to be seconded to the Host Company for a specified period of time pursuant to the terms and conditions hereof to act as Chief Executive Officer.

NOW IT IS HEREBY AGREED as follows:

1 DEFINITIONS

1.1 In this Agreement:

"**Affiliate**" means any Person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a party to this Agreement; each of the words "control", "controlling", or "controlled" as used in this Clause 1.1. shall mean ownership of any such party which is not less than 50% plus one share, or the right to elect the majority of the Board of Directors or such other similar governing body;

"**Authorised Representative**" means the Board of Directors or the shareholders of the Host Company;

"**Commencement Date**" means the Signature Date hereof;

"**Employment Contract**" means the contract of employment between the Employer and the Secondee dated 23 September 1998, as amended;

"**Person**" means an individual, firm, trust, partnership, joint venture, association, company, unincorporated organisation, governmental body or authority (in any form) or any other entity.

1.2 References in this Agreement to statutes shall include any statute modifying, re-enacting, extending or made pursuant to the same or which is modified, re-enacted or extended by the same or pursuant to which the same is made.

1.3 Clause headings are in this Agreement for ease of reference only and shall not be taken into account in construing this Agreement.

1.4 References in this Agreement to Clauses are references to those clauses contained in this Agreement.

2 APPOINTMENT AND TERM

2.1 The Employer shall second the Secondee, who accepts, to act initially as Chief Executive Officer of the Host Company or in such other capacity as the Authorized Representative of the Host Company may with the agreement of the Employer from time to time direct (the "**Secondment**"). In his role as Chief Executive Officer, the Secondee will fulfil such duties as are necessary for a Chief Executive Officer's position. The Secondee shall report to the Authorized Representative. As such, the Secondee shall:

- assist the Board and the shareholders of the Host Company in defining the development strategy of the Host Company and more generally of the Host Company and its Affiliates,

- ensure good and long term relationships with major clients, developers and service suppliers,

- supervise the way the decisions made by the Board are implemented,

- follow the progress of the projects under development and the possible new projects by visiting as the case maybe such sites and meeting with the relevant persons able to provide information as to such progress and keep the Board informed,

- gather key information for the Board to allow the latter to make its decisions whether to study new projects and possibly develop them,

- negotiate key contracts on behalf of the Host Company and its subsidiaries and Affiliates, under the control of the Authorized Representative,

- supervise the performance of the agreements entered into by the Host Company or any Affiliate,

- and more generally do whatever is necessary or useful to implement the decisions made by the Board or the shareholders of the Host Company, including without limitation visit the sites where projects are being developed or where potential projects could be developed, organize any meeting or take any contact deemed useful or necessary and make any trip in this respect.

2.2 In view of the assignments given to the Secondee and because the Host Company has projects being developed principally in France and Poland, subsidiaries in Turkey and Portugal and is exploring the Russian market (although nothing prevents the Host Company from investing in other countries), the parties acknowledge that there is no reason for the Secondee to carryout any of his duties hereunder on the Luxembourg territory or within the United Kingdom, his visits to Luxembourg being limited to the Board and shareholders meetings and more generally to the performance of his non remunerated duties as member of the Board and Chairman of the Board. As a result, the Secondee shall not have to spend time in Luxembourg, the Host Company having no project in that country, and therefore he should not need any residence or work permit issued by the Luxembourg authorities, and no Luxembourg withholding taxes on his Compensation shall be required.

2.3 In the context of his duties hereunder, the Secondee may be required to hold any title or office as set forth in clause 4.2 below.

2.4 Subject to the terms of this Agreement and in particular to clause 9 below, the Secondment to the Host Company and the terms of this Agreement shall commence on the Commencement Date and shall continue through 1 October 2004 (the "**Term**"). The Term may be extended by prior mutual agreement of the Employer, the Secondee and the Authorized Representative of the Host Company for up to two additional extension periods (each an "**Extension Period**") of six months each in which case the Term will be deemed to include the Extension Period.

3 DUTIES AND OBLIGATIONS

3.1 The Secondee agrees with the Host Company that he shall act at all times with the utmost fidelity, honesty and loyalty.

3.2 The Secondee shall use all reasonable endeavours to promote the best interests of the Host Company and any Affiliate.

4 COMMITMENT OF SECONDEE

4.1 The Secondee shall spend such portion of his working time on the affairs of the Host Company as is agreed from time to time between the Employer and the shareholders or the Board of Directors of the Host Company.

4.2 The Secondee may be required to hold any office with the Host Company and/or any Affiliate as the Authorised Representative may notify him from time to time in writing. The Secondee shall not be entitled to any director's or other fees from the Employer, the Host Company or any Affiliate or to any fees in respect of any office he may hold as the Affiliate's nominee or representative.

5 EMPLOYER'S RESPONSIBILITIES AND INDEMNITIES

5.1 This Agreement shall not be construed to take effect as a contract of employment (whether a contract for services or a contract of service) between the Host Company and the Secondee.

5.2 The Employer shall remain responsible for disciplining the Secondee if either the Employer or the Host Company considers or suspects that the Secondee may have committed a disciplinary offence or may be under-performing. In this respect, the Host Company shall use all reasonable endeavours to inform the Employer of the suspected offence or under-performance and the surrounding circumstances as soon as reasonably practicable so that the Employer can take appropriate steps in a timely manner.

5.3 At all times during the continuance of this Agreement the Secondee shall remain solely employed by the Employer and the Employer shall remain solely responsible for all general regulations, contractual obligations and statutory requirements owed to or in relation to the Secondee save as detailed in Clause 6 below.

6 REMUNERATION AND FEES

6.1 In consideration for the secondment of the Secondee to the Host Company by the Employer, the Host Company agrees to pay directly to the Secondee a gross compensation of Euro 250,000 per annum (the "**Compensation**") to be paid in equal monthly instalments in arrears on or about the last day of each calendar month by credit transfer with no compulsory 20% withholding pursuant to Luxembourg tax laws as a result of the commitment set forth in Section 2.2 above. For the avoidance of doubt, the Compensation shall be made into the following bank account located in the USA:

Bank:	National City Bank, Indianapolis, IN
SWIFT Code:	NATCUS34
Acct. Name:	Simon Property Group Administrative Services Partnership
Acct #:	501-774-602
Reference:	Salary Reimbursement—Mautner, notify Hannah Brown (317) 685-7316.

In this respect, the Secondee represents that he is a US citizen and a non domiciled resident in the United Kingdom, and that as a result the Compensation shall be subject to taxes in the USA as part of his worldwide income.

6.2 The Employer shall continue to provide the Secondee with the benefits detailed in Sections 2.4 and 2.5 of the Employment Contract as described in *Annex 1*, and the Host Company shall reimburse the Employer on a monthly basis for 35.7% of such cost, or approximately 35.7% of Euro 33,245 per annum. In the event the Employer increases such benefits, the Host Company shall in no event be obligated to pay more thanEuro 11,880 per annum.

6.3 The Compensation is exclusive of VAT and the Host Company shall be wholly responsible for the payment of any applicable taxes if any or, to the extent applicable, social security contributions, payable in Luxembourg, on the Compensation or on any bonus or in relation to the Secondee's services to the Host Company generally if any, and the Host Company shall indemnify and keep indemnified the Employer and the Secondee against any such charges and any fines, penalties or interest associated with them. It is however recalled that the Secondee shall not perform his duties hereunder on the Luxembourg territory. Moreover, the Employer and the Secondee represents and warrants that the Secondee is and shall remain insured under the USA social security system and exempted from contribution of social security charges in the UK, avoiding thereby that the Secondee be insured under the Luxembourg social security system. In this respect, an original of a certificate issued by the relevant US social security authorities has been delivered to the Host Company, certifying that the Secondee is still and shall remain insured by the US social security system, a copy of which is attached hereto as Annex 2.

7 EXPENSES

The Host Company shall be responsible for reimbursing directly to the Secondee the amount of all reasonable travel, entertainment and other expenses wholly and properly incurred by the Secondee in the performance of his Secondment duties, subject to the prior production to the Host Company of such supporting vouchers and documents in respect of the actual payment of such costs and expenses by the Secondee.

8 VACATION

The Secondee shall be entitled to a total of 5 weeks of vacation per calendar year which shall be taken by the Secondee concurrently with, but not in addition to, the vacation days to which the Secondee is entitled under any other employment contract, including but not limited to under the Employment Contract The Secondee shall not be permitted to accumulate and carry over unused vacation time or pay from year to year except to the extent permitted in accordance with the Host Company's vacation policy for senior executives. The Secondee's entitlement to vacation shall accrue during each calendar year pro rata to the number of completed calendar months of continuous service by the Secondee during such year. If on termination of the Secondee's secondment, he has taken holiday in excess of his entitlement, then a sum calculated adopting the same method may be deducted from any salary or other payments due to the Secondee.

9 TERMINATION

9.1 The Employer or the Authorized Representative of the Host Company respectively (but not the Secondee) may terminate this Agreement by registered letter with return receipt requested, no other formality being necessary, with immediate effect for serious cause, that is in the event:

(a) the Secondee is convicted of a felony involving actual dishonesty as against the Employer or the Host Company or their respective Affiliates; or

(b) the Secondee, in carrying out his duties and responsibilities under this Agreement, voluntarily engages in conduct which is demonstrably and materially injurious to the Employer or the Host Company or their respective Affiliates, monetarily or otherwise, unless such act, or failure to act was believed by the Secondee in good faith to be in the best interests of respectively the Employer or Host Company or their respective Affiliates; or

(c) the Secondee, in carrying out his duties and responsibilities under this Agreement, commits other gross negligence or wilful misconduct that those described on (a) and (b) above; or

(d) the Secondee is no longer a Board member of the Host Company due to his resignation or removal from office by the meeting of the shareholders or the Board of the Host Company; or

(e) of death, permanent disability (meaning physical or mental illness for a period of three consecutive full months or more) or legal incapacity of the Secondee.

9.2 If this Agreement is terminated in accordance with clause 9.1 above, the Host Company will pay directly to the Secondee:

(a) any Compensation and bonus earned but not yet paid as at the date of termination of this Agreement; and

(b) reimbursement for expenses incurred but not paid prior to the termination of this Agreement.

Moreover, the Employer shall cause the Secondee, who commits not to claim or require any other indemnity, payment or damages from the Host Company as a result of such early termination made in compliance with Section 9.1. This payment shall constitute full indemnification for all claims or damages that the Secondee could make or incur as a result of the performance of this Secondment Agreement or its termination.

9.3 If the Authorized Representative of the Host Company terminates this Agreement other than in accordance with clause 9.1 (above), the Host Company will pay directly to the Employer the amounts referred to in Section 9.2 above, but also a severance payment equivalent to the

Compensation that would have been payable had this Agreement continued for the shorter of 3 months or the outstanding portion of the Term (the "**Severance Payment**").

This payment shall constitute liquidated damages for the termination of the Secondment. Moreover, the Employer shall cause the Secondee, who commits not to claim for any other indemnity, payment, indemnification or damages from the Host Company as a result of such early termination made in compliance with Section 9.2. This payment shall constitute full indemnification for all claims or damages that the Secondee could make or incur as a result of the performance of this Secondment Agreement or its termination.

10 OBLIGATIONS ON TERMINATION AND COVENANTS

10.1 The Secondee hereby agrees that he will not at any time after the termination of this Agreement either personally or by his agent, directly or indirectly represent himself as being in any way still connected with or interested in the business of the Host Company or any Affiliate (excluding the Employer or Simon Global Limited), except if he exercises other duties in the Host Company.

10.2 The Host Company, the Employer and the Secondee acknowledge that (i) the Host Company and its Affiliates are engaged in the business of shopping center development and other retail project acquisition, ownership, financing, leasing, operation and development (the "**Business**"); (ii) the Host Company's Business is conducted in various markets in France, Poland, Turkey, Russia, Portugal and Eastern Europe (the "**Markets**"); (iii) pursuant to this Secondment Agreement, the Secondee will have been given access to confidential information concerning the Host Company and its Affiliates and the Business; (iv) the agreements and covenants contained in this Agreement are essential to protect the business and goodwill of the Host Company and its Affiliates; and (v) nothing in this Clause 10.2 shall prevent or prejudice the Secondee's ability to conduct the Business in the Markets or elsewhere on behalf of the Employer or Simon Global Limited in accordance with his duties under the Employment Contract or his employment agreement with Simon Global Limited, whether before, during or after the Restricted Period (as defined below). Accordingly, the Secondee covenants and agrees as follows:

(a) *Non-Compete*. Without the prior written consent of the Authorised Representative, the Secondee shall not directly (except in the proper performance of the Secondee's Secondment duties) during the Restricted Period (as defined below) within the Markets or any metropolitan area in which the Host Company or any of its Affiliates is engaged directly or indirectly in the Business: (i) engage or participate in the Business; (ii) enter in the employ of, or render any services (whether or not for a fee or other compensation) to, any person engaged in the Business; or (iii) acquire an equity interest in any such person in any capacity; provided, that the foregoing restrictions shall not apply at any time if this Agreement is terminated during the Term by the Host Company other than in accordance with Clause 9.1 above; provided, further, that during the Restricted Period, the Secondee may own, directly or indirectly, solely as a passive investment, securities of any company traded on any national or international securities exchange, including the National Association of Securities Dealers Automated Quotation System. As used herein, the "**Restricted Period**" shall mean the period commencing on the date of termination of this Agreement and ending on the first anniversary of such termination date.

(b) *Confidential Information; Personal Relationships*. The Secondee acknowledges that the Host Company has a legitimate and continuing proprietary interest in the protection of its confidential information and has invested substantial sums and will continue to invest substantial sums to develop, maintain and protect confidential information. The Secondee agrees that, during and after the Restricted Period, without the prior written consent of the Authorised Representative, the Secondee shall keep secret and retain in strictest confidence, and shall not knowingly use for the benefit of himself or others all trade secrets and confidential matters relating to the Host Company's Business or the Host

Company or Affiliates including, without limitation, operational methods, marketing or development plans or strategies, business acquisition plans, joint venture proposals or plans, and new personnel acquisition plans, learned by the Secondee heretofore or hereafter (such information shall be referred to herein collectively as "**Confidential Information**"); provided, however, that nothing in this Agreement shall prohibit the Secondee from disclosing or using any Confidential Information (A) in the performance of his duties hereunder, (B) as required by applicable law, regulatory authority, recognized subpoena power or any court of competent jurisdiction, (C) in connection with the enforcement of his rights under this Agreement or any other agreement with the Host Company, or (D) in connection with the defense or settlement of any claim, suit or action brought or threatened against the Secondee by or in the right of the Host Company. Notwithstanding any provision contained herein to the contrary, the term "**Confidential Information**" shall not be deemed to include any general knowledge, skills or experience acquired by the Secondee or any knowledge or information known or available to the public in general (other than as a result of a breach of this provision by the Secondee). Moreover, the Secondee shall be permitted to retain copies of, or have access to, all such Confidential Information relating to any disagreement, dispute or litigation (pending or threatened) involving the Secondee solely for use in connection with such disagreement, dispute or litigation (pending or threatened).

(c) *Employee of the Host Company and its Affiliates*. During the Restricted Period, without the prior written consent of the Board, the Secondee shall not, directly or indirectly, hire or solicit, or cause others to hire or solicit, for employment by any person other than the Host Company or any Affiliate or successor thereof, any employee of, or person employed within the two years preceding the Secondee's hiring or solicitation of such person by, the Host Company and its Affiliates or successors or encourage any such employee to leave his employment. For this purpose, any person whose employment has been terminated by the Host Company or any Affiliate or successor thereof (or any predecessor of the Host Company) shall be excluded from those persons protected by this Clause 10.2(c) for the benefit of the Host Company.

(d) *Business Relationship*. During the Restricted Period, the Secondee shall not, directly or indirectly, request or advise a person that has a business relationship with the Host Company or any Affiliate or successor thereof to curtail or cancel such person's business relationship with such Host Company.

10.3 The termination of this Agreement shall not operate to terminate the provisions of this clause which, after such termination, shall remain in full force and effect and binding on the Secondee.

11 NOTICES

Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed or sent by facsimile transmission or, if mailed, on the date of actual receipt thereof as follows:

If to the Employer to:

Simon Property Group Administrative Services Partnership, L.P.
National City Center
115 West Washington Street
Indianapolis
Indiana 46204
USA
(Attn: John Rulli)

If to the Host Company, to:

European Retail Enterprises B.V./S.à.r.l.
23, rue Philippe II
L-2340 Luxembourg city
Grand Duchy of Luxembourg
(Attn: The Board of Directors)

with copy to:

Groupe BEG
Washington Plaza—Immeuble Artois
44 rue Washington
75408 Paris Cedex 08
(Attn: the General Counsel and the Chief Financial Officer)

If to the Secondee, to:

Hans C. Mautner
33 St James's Square,
London SW1Y 4JS England
Any party may change its address for notice hereunder by written notice to the other parties hereto.

12 SEVERABILITY AND WAIVER

12.1 If any clause or provision in this Agreement is found by a court of competent jurisdiction or other competent authority to be invalid, unlawful or unenforceable then such clause or provision shall be severed from the remainder of the Agreement or clause and that remainder shall continue to be valid and enforceable to the fullest extent permitted by law. In this event, the parties shall negotiate in good faith to replace any invalid, unlawful or unenforceable clause or provision with a suitable substitute clause or provision which maintains as far as possible the purpose and effect of this Agreement.

12.2 No waiver of any breach of this Agreement shall constitute a waiver of any other breach of the same or other provisions of this Agreement and no waiver shall be effective unless made in writing.

13 OTHER AGREEMENTS

The parties acknowledge and warrant that there are no agreements or arrangements whether written, oral or implied between the Employer, the Host Company or any Affiliate and the Secondee relating to the Secondment of the Secondee other than those expressly set out or referred to in this Agreement (which expressly supersede all previous arrangements between the Employer, the Host Company or Affiliate and the Secondee as to the Secondment of the Secondee) and that no party is entering into this Agreement in reliance upon any representation not expressly set out in this Agreement.

14 ASSIGNMENT

The obligations of the Host Company and the Secondee hereunder are personal and may not be assigned or delegated by it or him or transferred in any manner whatsoever, nor are such obligations subject to involuntary alienation, assignment or transfer. The Employer shall have the right to assign this Agreement and to delegate all rights, duties and obligations hereunder, either in whole or in part, to any parent, affiliate, successor or subsidiary organization or company of Employer, so long as the obligations of the Employer under this Agreement remain the obligations of the Employer, provided, that the Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Employer, by agreement in form and substance reasonably acceptable to the Secondee, to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place.

15 RESOLUTION OF DISPUTES

15.1 *Negotiation*. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations between the Secondee and an executive officer of each of the Host Company and of the Employer who has authority to settle the controversy. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within 10 days after the effective date of such notice, the Secondee and an executive officer of each of the Host Company and the Employer shall meet at a mutually acceptable time and place within the New York City metropolitan area, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within 30 days of the disputing party's notice, or if the parties fail to meet within 10 days, either party may initiate arbitration of the controversy or claim as provided hereinafter. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiators shall be given at least three business days' notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this Clause 15.1 shall be treated as compromise and settlement negotiations for the purposes of the federal and state rules of evidence and procedure.

15.2 *Arbitration*. Any dispute arising out of or relating to this Agreement or the breach, termination or validity thereof, which has not been resolved by nonbinding means as provided in Clause 15.1 within 60 days of the initiation of such procedure, shall be finally settled by arbitration conducted expeditiously in New York City, New York in accordance with the Centre for Public Resources, Inc. ("**CPR**") Rules for Non-Administered Arbitration of Business Disputes by three independent and impartial arbitrators, of whom each party shall appoint one, provided that if one party has requested the others to participate in a non-binding procedure and one or more of the others has failed to participate, the requesting party may initiate arbitration before the expiration of such period. Any such party shall be appointed from the CPR Panels of Neutrals. The arbitration shall be governed by the United States Arbitration Act and any judgment upon the award decided upon the arbitrators may be entered by any court having jurisdiction thereof. The arbitrators are not empowered to award damages in excess of compensatory damages and each party hereby irrevocably waives any damages in excess of compensatory damages. Each party hereby acknowledges that compensatory damages include (without limitation) any benefit or right of indemnification given by one party to the others under this Agreement.

15.3 *Expenses*. The Host Company or the Employer, as appropriate, shall promptly pay or reimburse the Secondee for all costs and expenses, including, without limitation, court or arbitration costs and attorneys' and accountants' fees and disbursements incurred by the Secondee as a result of any claim, action or proceeding (including, without limitation, a claim, action or proceeding by the Secondee against the Host Company or the Employer, as the case may be) arising out of, or challenging the validity or enforceability of, this Agreement or any provision hereof or any other agreement or entitlement referred to herein; provided, however, that the Secondee will be entitled to reimbursement under this clause only if the Secondee is the substantially prevailing party in such claim, action or proceeding.

16 SUCCESSORS

This Agreement shall be binding upon and inure to the benefit of the Secondee and his heirs, executors, administrators and legal representatives. This Agreement shall be binding upon and inure to the benefit of the Employer and the Host Company and their successors and assigns.

17 AMENDMENT

This Agreement may be amended or modified only by an agreement in writing executed by all of the parties hereto.

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18 REPRESENTATION

The Employer and the Host Company represent and warrant that they are fully authorized and empowered to enter into this Agreement and that the performance of their obligations under this Agreement will not violate any agreement between the Employer and the Host Company and any other person, firm or organization or any applicable laws or regulations.

19 SURVIVORSHIP

The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

20 GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of New York, subject to the application of the mandatory provisions of Luxembourg law.

Annex 1: Description of the Benefits provided by the Employer to the Secondee
Annex 2: Copy of the certificate issued by the relevant US social security authorities
Annex 3: Copy of the decisions made by the Compensation Committee of the Host Company

IN WITNESS WHEREOF, the parties have executed this Agreement effective for all purposes as of the date first above written.

For and on behalf of:

SIMON PROPERTY GROUP
ADMINISTRATIVE SERVICES
PARTNERSHIP, L.P.

By: Simon Property Group, L.P., a Delaware limited partnership, general partner

By: Simon Property Group, Inc., a Delaware corporation, general partner

By: /s/ MELVIN SIMON

Melvin Simon, Director

For and on behalf of:

EUROPEAN RETAIL ENTERPRISES
B.V./S.à.r.l.

By: /s/ JOHN MCCARTHY

John McCarthy, managing director

THE SECONDEE

By: /s/ HANS C. MAUTNER

Hans C. Mautner

Exhibit 10.17

March 1, 2004

Mr. Hans C. Mautner
c/o Simon Property Group
Administrative Services Partnership, L.P.
National City Center
115 West Washington Street
Indianapolis
Indiana 46204
USA

RE: Employment by Simon Global Limited and Secondment to ERE

Dear Mr. Mautner:

You and we are parties to a certain employment agreement dated as of September 23, 1998 and assigned as of 1 January 2000 to Simon Property Group Administrative Services Partnership, L.P. ("SPG LP"), as amended (the "US Employment Agreement"), under which you are retained as President -International Division of Simon Property Group, Inc. ("SPG") and an Advisory Director of its Board of Directors, upon the terms and conditions set forth in the US Employment Agreement and subsequent amendments. SPG has established an affiliated company in the United Kingdom known as Simon Global Limited ("Simon Limited") with which you have entered into a further supplemental employment agreement (the "Second UK Employment Agreement"), as amended, in which Simon Limited has retained you as its Chief Executive Officer and you agree to render certain services for the benefit of Simon Limited and its affiliates and subsidiaries. SPG LP has also entered into an agreement with European Retail Enterprises B.V./S.A.R.L. ("ERE") under which it will provide your services to ERE by way of part-time secondment (the "Secondment Agreement"). In conjunction with the execution of the Second UK Employment Agreement and the Secondment Agreement, we are entering into a further amendment to the US Employment Agreement ("Second Amendment") to reflect, among other things, your continued engagement as an officer and employee of Simon Limited and your new secondment to ERE.

In addition to those terms and conditions set forth in the US Employment Agreement, as amended, and the Second UK Employment Agreement, we have also agreed as follows:

1. SPG shall indemnify, defend, and hold you harmless from and against any and all additional income taxes imposed upon you by applicable governmental entities and taxing authorities with respect to the compensation received by you under the US Employment Agreement and the Second UK Employment Agreement and in relation to the services provided under the Secondment Agreement, to the extent applicable (collectively, the "Combined Income Tax Liability") in excess of those income taxes which you would pay upon that compensation received by you under the US Employment Agreement without regard to the Second Amendment ("Existing Income Tax Liability"). For purposes of this indemnification, "Combined Income Tax Liability" shall include the sum of all federal, national, state, and local taxes actually payable (in each case net of all applicable tax credits) with respect to your compensation to any governmental authority at the federal, national, state and local level in the United States, and to any governmental authority in the United Kingdom and, to the extent not already paid or indemnified by ERE, in Luxembourg. For purposes of determining the amounts due from the undersigned to you under this indemnity, if any, the Existing Income Tax Liability shall be determined assuming that (i) all of the compensation received by you under all of the US Employment Agreement (as amended), the Secondment Agreement and the Second UK Employment Agreement had instead been paid to you under the US Employment Agreement and (ii) you are a resident of Florida, at the time of the receipt of that compensation. Thereafter, your Combined Income Tax Liability, after taking into account any credits or other deductions to which you may be entitled, and assuming that you are

considered a resident of the United Kingdom, and not a resident of Florida, shall also be determined and to the extent the amount arrived at through that determination exceeds your Existing Income Tax Liability determined as provided above, such excess shall be paid to you, by the Company. The determination of your income tax liability shall be made annually, within 75 days after the end of each calendar year, with any payments due you from the Company to be made within 20 days thereafter. Such determination shall be made by an independent certified public accountant reasonably acceptable to you and the Company, and the determination shall be binding upon both you and the Company. Both the Company and you acknowledge that Ernst & Young LLP is an acceptable independent certified public accountant for purposes of this determination.

2. You will be entitled to no payment under the indemnity set out in paragraph 1 in any period or tax year in which you do not claim a credit under the terms of the US/UK double tax treaty for all taxes payable in the United Kingdom against your liability to taxes in the United States or under the terms of the US/France double tax treaty for all taxes payable in France or under the terms of the US/Luxembourg double tax treaty (if applicable) in each case against your liability to taxes in the United States.

3. You will be entitled to no payment under the indemnity set out in paragraph 1 to the extent that the additional income taxes arise directly as a result of your remittance to the United Kingdom or France or Luxembourg of income or benefits provided to you under the US Employment Agreement or the Secondment Agreement.

4. You will be entitled to no payment under the indemnity set out in paragraph 1 to the extent that the additional income taxes arise as a result of the location of the performance of your duties under the US Employment Agreement, the Secondment Agreement or the Second UK Employment Agreement being otherwise than as provided for in those agreements.

5. SPG shall, in accordance with its existing relocation policy, pay for, or otherwise reimburse you, for the reasonable third party costs and expenses associated with moving your furniture, furnishings and other household goods from London to your primary residence in the United States in the event the Second UK Employment Agreement is terminated.

The term of this agreement shall expire in relation to each of the Second UK Employment Agreement and the Secondment Agreement upon the termination of each of the respective agreements (except for any Income Tax Liability associated with the compensation paid by you under the Second UK Employment Agreement or Secondment Agreement prior to the date of such termination, which indemnity shall survive the termination of the Second UK Employment Agreement and/or Secondment Agreement and be subject to determination as provided above).

SIMON PROPERTY GROUP, INC.,
a Delaware corporation

By:
/s/ HERBERT SIMON

Herbert Simon

/s/ HANS C. MAUTNER

Hans C. Mautner

Exhibit 10.19

DESCRIPTION OF DIRECTOR AND EXECUTIVE COMPENSATION ARRANGEMENTS
(March 11, 2005)

Compensation of Non-Employee Directors

We pay each non-employee director the following compensation in respect of his/her service on the Board of Directors:

- an annual retainer of $20,000;
- $1,000 per Board meeting for in-person attendance;
- $500 per Board meeting for telephonic attendance;
- $2,500 per Audit Committee meeting for attendance (whether in person or telephonic) by the chairperson of the Audit Committee;
- $1,000 per Audit Committee meeting for attendance (whether in person or telephonic) by other Audit Committee members; and
- $1,000 per committee meeting for attendance (whether in person or telephonic) at meetings of committees other than the Audit Committee.

Non-employee directors may elect to defer all or a portion of their cash compensation under our Director Deferred Compensation Plan which was established in 2003. To date, none of our non-employee directors has elected to do so. We do not pay directors who are employees or employees of our affiliates any compensation for their services as directors. All directors are reimbursed for their expenses incurred in attending Board or committee meetings.

Non-employee directors also receive non-cash compensation under the Simon Property Group, L.P. 1998 Stock Incentive Plan (the "1998 Plan"). Each of our non-employee directors receives on the first day of the first calendar month following his or her initial election as director a grant of 1,000 shares of restricted stock and an additional 1,000 shares of restricted stock each time he or she is re-elected as a director. In addition, the Chairperson of our Audit Committee receives an additional annual grant in the amount of 500 shares of restricted stock and the Chairpersons of the other standing Committees of our Board of Directors receive an additional annual grant of 300 shares of restricted stock. These awards of restricted stock vest in four equal annual installments beginning on January 1 following the date of the award. Any dividends on this restricted stock must be reinvested in shares of the Company's common stock and held in the Director Deferred Compensation Plan. Each share of restricted stock is deferred under our Director Deferred Compensation Plan until the director retires, dies or becomes disabled or no longer serves as a director. In addition, directors may be granted discretionary awards under the 1998 Plan. A copy of the 1998 Plan has been filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2004 (the "2004 10-K").

Compensation of Named Executive Officers

Base Salaries. The executive officers of the Company serve at the discretion of the Board of Directors. The Compensation Committee of the Board determines the base salaries of the Company's Chief Executive Officer and its President and Chief Operating Officer based upon, among other things, information provided by third parties with regard to peers in the REIT industry in order to determine reasonable and competitive compensation levels. The Compensation Committee approves the base salaries of the other executive officers, which are recommended by the Chief Executive Officer. The following are the current annual base salary levels for the Company's Chief Executive Officer and its four other most highly compensated executive officers (the "Named Executive Officers") as identified in the Company's proxy statement dated April 2, 2004:

David Simon Chief Executive Officer	$	800,000
Hans C. Mautner President—International Division	$	795,000
Richard S. Sokolov President and Chief Operating Officer	$	700,000
Gary Lewis Executive Vice President — Leasing	$	500,000
James M. Barkley General Counsel and Secretary	$	475,000

Employment Agreements. Mr. Mautner and Mr. Sokolov have entered into employment agreements with the Company, copies of which have been filed as exhibits to the Company's 2004 10-K.

Bonus Plan. Each of the Named Executive Officers is also eligible to receive an annual bonus under the Company's unwritten Incentive Bonus Plan (the "Bonus Plan"). The Bonus Plan is intended to provide senior executives and key employees with opportunities to earn cash incentives based upon the performance of the Company, the participant's business unit and the individual participant. The Company budgets bonus dollars each year based upon its targeted performance and the Company's overall budget is approved each year by the Board. Certain "stretch" levels of performance are also identified at the beginning of each year which may justify higher payments under the Bonus Plan, but those will only be paid out to the extent the Company's performance exceeds its budget. Each participant's bonus award for the year is expressed as a percentage of base salary, a fixed dollar amount, or a percentage of the available incentive pool. The bonus opportunities for some senior executives are based upon objective performance criteria such as achievement of certain levels of EBITDA and/or specific performance objectives relative to their primary areas of responsibility. The bonus criteria for other senior executives are discretionary in nature. Where an executive's bonus criteria are objective and based upon clearly identified formulas, the calculation of that executive's bonus is reviewed with the Committee each year. Where the bonus opportunities of a senior executive are determined on a discretionary basis, the Committee makes the final determination of any bonus dollars paid to that executive. Bonus amounts for each year are determined in the following February with disbursement in March.

Stock-Based Awards. The Named Executive Officers are eligible to receive discretionary awards under the 1998 Plan. Under the 1998 Plan, the Compensation Committee may make the following types of equity-based awards: incentive stock options, nonqualified stock options, stock appreciation rights, performance units and restricted stock. The only type of award the Compensation Committee has made since 2002 is restricted stock which is subject to satisfaction of performance-based criteria set on an annual basis.

Insurance and 401(k) Plan. The Company pays employee and dependent life insurance premiums for each Named Executive Officer and makes annual contributions to the accounts of the Named Executive Officers under the Company's 401(k) retirement plan. The Company's basic contribution to the 401(k) retirement plan is equal to 1.5% of the Named Executive Officer's compensation and becomes vested 30% after completion of three years of service, 40% after four years of service and an additional 20% after each additional year of service until fully vested after seven years. The Company matches 100% of the first 3% of the Named Executive Officer's contribution and 50% of the next 2% of the Named Executive Officer's contribution. Company matching contributions are vested when made. The Company's basic and matching contributions are subject to applicable IRS limits and regulations.

Non-Qualified Plan. The Named Executive Officers may also participate in the Simon Property Group, L.P. Deferred Compensation Plan (the "Non-Qualified Plan"), a non-qualified deferred compensation plan for the benefit of a group of highly compensated employees. While the Non-Qualified Plan is an unfunded plan for purposes of the Employee Retirement Income Security Act of 1974, as amended, certain assets have been set aside in the Simon Property Group, L.P. Deferred Compensation Plan Trust (the "Non-Qualified Trust") to be used to pay benefits to Non-Qualified Plan participants, except to the extent the Company becomes insolvent.

The Non-Qualified Plan permits eligible employees to defer receipt of up to 100% of their compensation, including Company stock awarded under the 1998 Plan. The Non-Qualified Plan also authorizes the Company to make matching contributions based on each eligible employee's elective cash deferrals. Participants in the Non-Qualified Plan are 100% vested in all elective cash deferrals. Deferrals of Company stock awarded under the 1998 Plan vest in accordance with the terms of the 1998 Plan. Company matching contributions are vested 20% after one year of service, and an additional 20% for each year of service thereafter. Employee elective cash deferrals and matching contributions generate earnings based on hypothetical investment elections made by individual participants.

Benefits are payable from the Non-Qualified Plan at such time as elected by each participant. Benefits are payable either in a single lump sum or in up to ten annual installments, as elected by the participant. Upon termination of the participant's employment for any reason other than death, prior to age $59^{1}/_{2}$ or prior to age 55 with completion of ten years of service, the employee's Non-Qualified Plan benefits will be paid in a single lump sum. As soon as possible following a "change of control" (as defined in the Non-Qualified Plan), each employee would be paid his or her Non-Qualified Plan benefit in a single lump sum.

As of December 31, 2004, the Non-Qualified Plan was frozen with respect to deferrals made and/or amounts vested prior to 2005, and a new deferred compensation plan (the "New Non-Qualified Plan"), identical in all material respects to the Non-Qualified Plan, was adopted effective January 1, 2005. It is intended that the New Non-Qualified Plan will be amended to modify the timing of deferral elections, incorporate new rules regarding the election of benefit payment options and add certain restrictions on distributions, to the extent necessary to comply with the requirements of new Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), as enacted as part of the American Jobs Creation Act of 2004.

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Exhibit 12.1

Simon Property Group, Inc. and Subsidiaries
Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends
(in thousands)

	For the year ended December 31,				
	2004	2003	2002	2001	2000
Earnings:					
Pre-tax income from continuing operations	$ 462,175	$ 456,675	$ 542,978	$ 282,460	$ 346,770
Add:					
Pre-tax income from 50% or greater than 50% owned unconsolidated entities	46,125	59,165	47,939	62,448	50,377
Minority interest in income of majority owned subsidiaries	9,687	7,277	10,498	10,593	10,370
Distributed income from less than 50% owned unconsolidated entities	45,909	42,939	37,811	51,740	45,948
Amortization of capitalized interest	2,533	1,850	1,876	1,706	1,323
Fixed Charges	778,280	703,947	694,291	726,007	776,347
Less:					
Income from unconsolidated entities	81,113	(99,645)	(78,695)	(67,116)	(56,773)
Interest capitalization	(15,546)	(11,059)	(5,507)	(10,325)	(20,108)
Preferred distributions of consolidated subsidiaries	(21,220)	(12,044)	(11,340)	(26,085)	(40,602)
Earnings	**$ 1,389,056**	**$ 1,149,105**	**$ 1,239,851**	**$ 1,031,428**	**$ 1,113,652**
Fixed Charges:					
Portion of rents representative of the interest factor	7,197	5,620	4,298	4,977	5,078
Interest on indebtedness (including amortization of debt expense)	734,317	675,224	673,146	684,620	710,559
Interest capitalized	15,546	11,059	5,507	10,325	20,108
Preferred distributions of consolidated subsidiaries	21,220	12,044	11,340	26,085	40,602
Fixed Charges	**$ 778,280**	**$ 703,947**	**$ 694,291**	**$ 726,007**	**$ 776,347**
Preferred Stock Dividends	42,346	55,138	64,201	51,360	36,808
Fixed Charges and Preferred Stock Dividends	**$ 820,626**	**$ 759,085**	**$ 758,492**	**$ 777,367**	**$ 813,155**
Ratio of Earnings to Fixed Charges and Preferred Stock Dividends	**1.69x**	**1.51x**	**1.63x**	**1.33x**	**1.37x**

For purposes of calculating the ratio of earnings to fixed charges, "earnings" have been computed by adding fixed charges, excluding capitalized interest, to income (loss) from continuing operations including income from minority interests and our share of income (loss) from 50%-owned affiliates which have fixed charges, and including distributed operating income from unconsolidated joint ventures instead of income from unconsolidated joint ventures. There are generally no restrictions on our ability to receive distributions from our joint ventures where no preference in favor of the other owners of the joint venture exists. "Fixed charges" consist of interest costs, whether expensed or capitalized, the interest component of rental expenses and amortization of debt issue costs.

The computation of ratio of earnings to fixed charges has been restated to comply with FASB Statement No. 144 which requires the operating results of the properties sold in the current year to be reclassified to discontinued operations and requires restatement of previous years' operating results of the properties sold to discontinued operations.

QuickLinks

[Simon Property Group, Inc. and Subsidiaries Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends (in thousands)]

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 13.1

The following tables set forth selected financial data. The selected financial data should be read in conjunction with the financial statements and notes thereto and with Management's Discussion and Analysis of Financial Condition and Results of Operations. Amounts represent the combined amounts for Simon Property and SPG Realty Consultants, Inc. ("SPG Realty") for all periods as of or for the years ended December 31, 2000 to December 31, 2002 and Simon Property thereafter. SPG Realty, Simon Property's former "paired share" affiliate merged into Simon Property on December 31, 2002. Other data we believe is important in understanding trends in Simon Property's business is also included in the tables.

Selected Financial Data

	As of or for the Year Ended December 3l,				
	2004(1)	2003(1)	2002(1)	2001(1)	2000(1)
	(in thousands, except per share data)				
OPERATING DATA:					
Total consolidated revenue (6)	**$ 2,641,751**	$ 2,300,214	$ 2,113,701	$ 2,048,835	$ 2,020,751
Income from continuing operations (6)	**450,405**	449,078	542,978	282,460	346,770
Net income available to common stockholders	**$ 300,647**	$ 313,577	$ 358,387	$ 147,789	$ 186,528
BASIC EARNINGS PER SHARE:					
Income from continuing operations	**$ 1.45**	$ 1.52	$ 1.91	$ 0.87	$ 1.13
Discontinued operations	**—**	0.13	0.08	—	—
Cumulative effect of accounting change	**—**	—	—	(0.01)	(0.05)
Net income	**$ 1.45**	$ 1.65	$ 1.99	$ 0.86	$ 1.08
Weighted average shares outstanding	**207,990**	189,475	179,910	172,669	172,895
DILUTED EARNINGS PER SHARE:					
Income from continuing operations	**$ 1.44**	$ 1.52	$ 1.91	$ 0.86	$ 1.13
Discontinued operations	**—**	0.13	0.08	—	—
Cumulative effect of accounting change	**—**	—	—	(0.01)	(0.05)
Net income	**$ 1.44**	$ 1.65	$ 1.99	$ 0.85	$ 1.08
Diluted weighted average shares outstanding	**208,857**	190,299	181,501	173,028	172,994
Distributions per share (2)	**$ 2.60**	$ 2.40	$ 2.18	$ 2.08	$ 2.02
BALANCE SHEET DATA:					
Cash and cash equivalents	**$ 520,084**	$ 535,623	$ 397,129	$ 259,760	$ 223,111
Total assets	**22,070,019**	15,684,721	14,904,502	13,810,954	13,937,945
Mortgages and other indebtedness	**14,586,393**	10,266,388	9,546,081	8,841,378	8,728,582
Stockholders' equity	**$ 4,642,606**	$ 3,338,627	$ 3,467,733	$ 3,214,691	$ 3,064,471
OTHER DATA:					
Cash flow provided by (used in): (5)					
Operating activities	**$ 1,082,858**	$ 951,967	$ 882,990	$ 859,062	$ 743,519
Investing activities	**(2,745,697)**	(761,663)	(785,730)	(351,310)	(134,237)
Financing activities	**1,647,300**	(51,810)	40,109	(471,103)	(543,803)
Ratio of Earnings to Fixed Charges and Preferred Stock Dividends (3)	**1.69x**	1.51x	1.63x	1.33x	1.37x
Funds from Operations (FFO) (4)	**$ 1,181,924**	$ 1,041,105	$ 936,356	$ 786,635	$ 781,937
FFO allocable to Simon Property	**$ 920,196**	$ 787,467	$ 691,004	$ 571,974	$ 567,532

Notes

(1) *On October 14, 2004 Simon Property acquired Chelsea Property Group, Inc. On May 3, 2002, Simon Property jointly acquired Rodamco North America N.V. In the accompanying financial statements, Note 2 describes the basis of presentation and Note 4 describes acquisitions and disposals.*

(2) *Represents distributions declared per period.*

(3) *The ratios for 2004, 2003, and 2002 have been restated for the reclassification of discontinued operations described in Note 3. 2002 includes $162.0 million of gains on sales of assets, net, and excluding these gains the ratio would have been 1.42x. 2001 includes a $47,000 impairment charge (see Note 4 to the accompanying financial statements). Excluding this charge the ratio would have been 1.39x in 2001.*

(4) *FFO is a non-GAAP financial measure that we believe provides useful information to investors. Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations for a definition and reconciliation of FFO.*

(5) *Certain reclassifications have been made to prior period cash flow information to conform to the current year presentation.*

(6) *Before allocation to Limited Partners.*

Management's Discussion and Analysis of Financial Condition and Results of Operation

Simon Property Group, Inc. and Subsidiaries

You should read the following discussion in conjunction with the financial statements and notes thereto that are included in this Annual Report to Stockholders. Certain statements made in this section or elsewhere in this report may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained, and it is possible that our actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Those risks and uncertainties incidental to the ownership and operation of commercial real estate include, but are not limited to: national, international, regional and local economic climates, competitive market forces, changes in market rental rates, trends in the retail industry, the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise, risks associated with acquisitions, the impact of terrorist activities, environmental liabilities, maintenance of REIT status, the availability of financing, and changes in market rates of interest and fluctuations in exchange rates of foreign currencies. We undertake no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

Overview

Simon Property Group, Inc. ("Simon Property") is a Delaware corporation that operates as a self-administered and self-managed real estate investment trust ("REIT"). To qualify as a REIT, a company must distribute at least 90 percent of its taxable income to its stockholders annually. Taxes are paid by stockholders on ordinary dividends received and any capital gains. Most states also follow this federal treatment and do not require REITs to pay state income tax. Simon Property Group, L.P. (the "Operating Partnership") is a majority-owned partnership subsidiary of Simon Property that owns all but one of our real estate properties. In this discussion, the terms "we", "us" and "our" refer to Simon Property, the Operating Partnership, and their subsidiaries.

We are engaged primarily in the ownership, operation, leasing, management, acquisition, expansion and development of real estate properties. Our real estate properties consist primarily of regional malls, Premium Outlet® centers and community shopping centers. As of December 31, 2004, we owned or held an interest in 297 income-producing properties in the United States, which consisted of 172 regional malls, 71 community shopping centers, 31 Premium Outlet centers and 23 other properties in 40 states plus Puerto Rico (collectively, the "Properties", and individually, a "Property"). Other Properties are properties that include retail space, office space, and/or hotel components. In addition, we also own interests in twelve parcels of land held in the United States for future development (together with the Properties, the "Portfolio"). Finally, we have ownership interests in 51 European shopping centers (France, Italy, Poland and Portugal); four Premium Outlet centers in Japan; one Premium Outlet center in Mexico; and one shopping center in Canada.

The Operating Partnership's wholly-owned subsidiary, M.S. Management Associates, Inc. (the "Management Company") provides leasing, management, and development services to most of the Properties. In addition, insurance subsidiaries of the Management Company insure: the self-insured retention portion of our general liability program; the deductible associated with our workers' compensation programs; and provide reinsurance for the primary layer of general liability coverage to our third party maintenance providers while performing services under contract with us. Third party providers provide coverage above the insurance subsidiaries' limits.

Operating Philosophy

We seek growth in our earnings, funds from operations ("FFO"), and cash flows through:

- focusing on our core business of regional malls,
- acquiring individual properties or portfolios of properties, focusing on quality retail real estate. As part of our acquisition strategy, we review and evaluate a number of acquisition opportunities and evaluate each based on its compliment to our Portfolio,
- pursuing new development as well as strategic expansion and renovation activity to enhance existing assets' profitability and market share when we believe the investment of our capital meets our risk-reward criteria. We seek to selectively develop new properties in major metropolitan areas that exhibit strong population and economic growth.

To support this growth, our capital strategy is three-fold:

- to provide the capital necessary to fund growth,
- to maintain sufficient flexibility to access capital in many forms, both public and private, and
- to manage our overall financial structure in a fashion that preserves our investment grade ratings.

We own and operate investment properties which generate revenues primarily from long-term leases; therefore, our financing strategy relies primarily on long-term fixed rate debt. We manage our floating rate debt to be approximately 15-20% of total outstanding indebtedness by setting interest modalities for each financing or refinancing based on current market conditions. We also enter into interest rate swap agreements as appropriate to assist in managing our interest rate risk. We believe this strategy is the most appropriate for the long term health of our company. Our credit facility (which was for a total of $1.25 billion at December 31, 2004) ("Credit Facility") provides a source of liquidity and flexibility in our capital strategy as our cash needs vary from time to time. In January of 2005, the Credit Facility was refinanced and was increased to $2 billion, at substantially equivalent terms, except that the rate was decreased 10 basis points.

We derive our liquidity primarily from our leases that generate positive net cash flow from operations and distributions from unconsolidated entities that totaled $1.2 billion in 2004. We generate the majority of our revenues from leases with retail tenants including:

- Base minimum rents, cart and kiosk rentals,
- Overage and percentage rents based on tenants' sales volume, and
- Recoveries of a significant amount of our recoverable expenditures, which consist of property operating, real estate tax, repairs and maintenance, and advertising and promotional expenditures.

Revenues of the Management Company, after intercompany eliminations, consist primarily of management fees that are typically based upon the revenues of the property being managed. We generate revenues from outlot land sales and, due to our size and tenant relationships, from the following:

- Simon Brand Ventures ("Simon Brand") mall marketing initiatives, including the sale of gift cards. Simon Brand revenues include payment services, national media contracts, a national beverage contract and other contracts with national companies as well as the sale of bank-issued gift cards under the Simon brand.
- Simon Business Network ("Simon Business") property operating services to our tenants and others resulting from its relationships with vendors.

Results Overview

Our core business fundamentals remained stable during 2004. Regional mall comparable sales per square foot ("psf") strengthened in 2004, increasing 6.1% to $427 psf from $402 in 2003, as the overall economy begins to show signs of recovery and as a result of the disposition of lower quality properties. Our regional mall average base rents increased 3.8% to $33.50 psf from $32.26 psf. In addition, we maintained strong regional mall leasing spreads of $5.74 psf in 2004 decreasing from $8.29 psf in 2003. The regional mall leasing spread for 2004 includes new store leases signed at an average of $39.33 psf initial base rents as compared to $33.59 psf for store leases terminating or expiring in the same period. Our same store leasing spread for 2004 was $4.99 or a 12.8% growth rate and is calculated by comparing leasing activity completed in 2004 with the prior tenants' rents for those exact same spaces. Finally, our regional mall occupancy was up by 30 basis points to 92.7% as of December 31, 2004 from 92.4% as of December 31, 2003.

During 2004, we completed acquisitions of 62 properties and increased our ownership in five core Properties through the following transactions aggregating $5.8 billion:

- On February 5, 2004 we purchased a 95% interest in Gateway Shopping Center in Austin, Texas for approximately $107.0 million.
- On April 1, 2004, we increased our ownership interest in Mall of Georgia Crossing from 50% to 100% for approximately $26.3 million, including the assumption of our $16.5 million share of debt.

- On April 27, 2004, we increased our ownership interest in Bangor Mall and Montgomery Mall to approximately 67.6% and 54.4%, respectively for approximately $67.0 million, including the assumption of our $16.8 million share of debt.
- On May 4, 2004, we purchased a 100% interest in Plaza Carolina in San Juan, Puerto Rico for approximately $309.0 million.
- On October 14, 2004, we completed our acquisition of Chelsea Property Group, Inc. (Chelsea). The acquisition included 32 Premium Outlets, 4 Premium Outlets in Japan, 3 community centers, 21 other retail centers, 1 Premium Outlet in Mexico, and its development portfolio. The purchase price was approximately $5.2 billion including the assumption of debt. As a result, we acquired the remaining 50% interests in two Premium Outlets in Las Vegas and Chicago, which resulted in our owning a 100% interest in these Properties which were previously accounted for under the equity method of accounting.
- On November 19, 2004, we increased our ownership interest in Lehigh Valley, located in Whitehall, Pennsylvania, to 37.6% for approximately $42.3 million, including the assumption of our $25.9 million share of debt.
- Finally, on December 15, 2004, we increased our ownership interest in Woodland Hills, located in Tulsa, Oklahoma, to approximately 94.5% for $119.5 million, including the assumption of our $39.7 million share of debt.

We invested approximately $459.0 million in development and redevelopment/expansion opportunities in 2004 for our consolidated properties. We also invested additional amounts through our joint venture interests. We opened the following properties in 2004:

- Clay Terrace, a 570,000 square foot upscale center located north of Indianapolis, Indiana. Clay Terrace is an open-air shopping center, incorporating a mix of anchor stores, specialty retail stores, unique restaurants and Class A office space. We own the center in a $^{50}/_{50}$ joint venture.
- Phase III expansion of The Forum Shops at Caesars in Las Vegas, a 175,000 square feet expansion for luxury designers, restaurants, and unique retailers. Simon Property owns 100% of Forum Shops.
- Chicago Premium Outlets, a 438,000 square foot center located in Aurora, Illinois, 35 miles West of Chicago.

We expect to invest in excess of $304.5 million in 2005 on development and redevelopment/expansion opportunities on consolidated and joint venture Properties, including the following developments:

- St. Johns Town Center, a 1.5 million square foot open-air retail project, is under construction in Jacksonville, Florida. The project is comprised of a village component, a community center and a hotel. We will own 85% of this project until certain financial performance hurdles are met, at which time ownership will be $^{50}/_{50}$. Gross costs are expected to approximate $158 million.
- Seattle Premium Outlets is an upscale outlet center under construction in Tulalip, Washington. The center will comprise 383,000 square feet. Gross costs are expected to approximate $58 million and we own 100% of this project.
- Wolf Ranch is a 670,000 square foot community center located north of Austin, Texas in Georgetown. It will be an open-air, mixed-use shopping center containing a mix of anchor stores, specialty retail stores and unique restaurants. Gross costs are expected to approximate $98 million and we own 100% of this project.
- Firewheel Town Center is a 785,000 square foot open-air regional shopping center located in Garland, Texas. Gross costs are expected to approximate $132 million and we own 100% of this project.
- Rockaway Plaza is a 250,000 square foot community center located in Rockaway, New Jersey, adjacent to our Rockaway Townsquare. Gross costs are expected to approximate $39 million and we own 100% of this project.
- The Town Center at Coconut Point is an open-air mainstreet regional shopping center that is part of a 482 acre master planned community named Coconut Point located in Estero/Bonita Springs, Florida. The Town Center at Coconut Point will contain approximately 1.2 million square feet of retail space, 45,000 square feet of office condominiums and 305 condominium units. Gross costs are expected to approximate $242 million. Town Center at Coconut Point is a $^{50}/_{50}$ joint venture.

Finally, we increased our international presence with the acquisition of Chelsea through its Premium Outlet centers in Japan. We continue to be alert to additional opportunities in the international markets and look to continue to focus on our joint venture interests in Europe. Development activities in 2004 related to our international joint ventures included the following:

- Arkadia, a 1.1 million square foot shopping center located in Warsaw, Poland. The project incorporates a hypermarket, approximately 200 retail shops, a home improvement center and a cinema. We hold a 34.7% interest in the center through our joint venture with European Retail Enterprises, B.V.

Further, we expect development and redevelopment/expansion activity for 2005 for our international joint ventures to include the following activity:

- Our Italian joint venture will continue construction of three shopping centers in Roma, Nola, and Guigliano, Italy with a total GLA of nearly 4 million.
- Our Premium Outlet in Nagoya, Japan will undergo a 178,000 square foot expansion.

Regarding financing activities, we lowered our overall borrowing rate by 42 basis points during the year as a result of our financing activities related to consolidated indebtedness. Our financing activities were highlighted by five significant transactions:

- On January 20, 2004, we issued two tranches of senior unsecured notes to institutional investors pursuant to Rule 144A totaling $500.0 million at a weighted average fixed interest rate of 4.21%. We used the net proceeds to reduce borrowings on our Credit Facility, to unencumber one Property, exchange other indebtedness and for general working capital purposes. We subsequently completed an exchange offer in which notes registered under the Securities Act of 1933 with the same economic terms and conditions were exchanged for the Rule 144A notes.
- On February 26, 2004, we obtained a $250.0 million unsecured term loan which bears interest at LIBOR plus 65 basis points. The proceeds from this financing were used to pay off various unsecured term loans, with rates ranging from LIBOR plus 65 basis points to LIBOR plus 80 basis points, and for general working capital purposes.
- On June 15, 2004, we refinanced a pool of seven cross-collateralized mortgages totaling $219.4 million with a $220.0 million variable-rate term loan. The original mortgages were to mature on December 15, 2004 and had an effective interest rate of 7.06%. The refinanced mortgages have a new maturity date of July 1, 2014 and have a weighted average interest rate of 5.90%. We also unencumbered one Property as part of this refinancing activity.
- On August 11, 2004, we issued two tranches of senior unsecured notes to institutional investors pursuant to Rule 144A totaling $900.0 million at a weighted average fixed interest rate of 5.29%. We received net proceeds of $890.6 million and used $585.0 million of the net proceeds to reduce borrowings on our Credit Facility, $150.0 million to retire fixed rate 7.75% unsecured notes, $120.7 million to unencumber two consolidated Properties with rates of LIBOR plus 130 basis points and LIBOR plus 150 basis points, with the remaining portion being used for general working capital purposes.
- On October 12, 2004, in connection with the acquisition of Chelsea, we entered into an agreement and obtained unsecured borrowings of $1.8 billion (the Acquisition Facility) which matures on October 12, 2006. Base rate loans under the Acquisition Facility bear interest at a rate per annum equal to LIBOR plus 55 basis points.

United States Portfolio Data

The Portfolio data discussed in this overview includes the following key operating statistics: occupancy; average base rent per square foot; and comparable sales per square foot. We include acquired Properties in this data beginning in the year of acquisition and remove properties sold in the year disposed. We do not include any Properties located outside of the U.S. The following table sets forth these key operating statistics for:

- Properties that we control and which are consolidated in our consolidated financial statements;

- Properties which we do not control that we account for under the equity method as unconsolidated joint ventures; and,
- all Properties on a total Portfolio basis.

We believe the total Portfolio data provides you with information helpful in evaluating not only the quality and growth potential of the Portfolio, but also the effectiveness of our management.

	2004	% Change(1)	2003	% Change(1)	2002	% Change(1)
Regional Malls						
Occupancy						
Consolidated	**92.7%**		92.2%		92.3%	
Unconsolidated	**92.6%**		92.7%		93.5%	
Total Portfolio	**92.7%**		92.4%		92.7%	
Average Base Rent per Square Foot						
Consolidated	**$ 32.81**	**4.9%**	$ 31.28	5.5%	$ 29.66	4.5%
Unconsolidated	**$ 34.78**	**3.1%**	$ 33.73	3.8%	$ 32.50	5.3%
Total Portfolio	**$ 33.50**	**3.8%**	$ 32.26	5.1%	$ 30.70	4.8%
Comparable Sales Per Square Foot						
Consolidated	**$ 411**	**5.9%**	$ 388	3.8%	$ 374	1.6%
Unconsolidated	**$ 460**	**7.8%**	$ 427	0.5%	$ 425	2.4%
Total Portfolio	**$ 427**	**6.1%**	$ 402	2.9%	$ 391	2.0%
Premium Outlets						
Occupancy	**99.3%**		—		—	
Average Base Rent per Square Foot	**$ 21.85**		—		—	
Comparable Sales Per Square Foot	**$ 412**		—		—	
Community Shopping Centers						
Occupancy						
Consolidated	**90.5%**		87.1%		84.9%	
Unconsolidated	**94.7%**		96.3%		91.2%	
Total Portfolio	**91.9%**		90.2%		86.9%	
Average Base Rent per Square Foot						
Consolidated	**$ 11.12**	**1.0%**	$ 11.01	7.5%	$ 10.24	4.6%
Unconsolidated	**$ 10.49**	**7.4%**	$ 9.77	(0.9%)	$ 9.86	(0.6%)
Total Portfolio	**$ 10.91**	**3.0%**	$ 10.59	4.6%	$ 10.12	2.5%
Comparable Sales Per Square Foot						
Consolidated	**$ 222**	**5.5%**	$ 210	6.6%	$ 197	2.0%
Unconsolidated	**$ 200**	**(2.9%)**	$ 206	1.6%	$ 203	(6.6%)
Total Portfolio	**$ 215**	**2.9%**	$ 209	4.8%	$ 199	(1.1%)

(1) Percentages may not recalculate due to rounding.

Occupancy Levels and Average Base Rents. Occupancy and average base rent is based on mall and freestanding GLA owned by us ("Owned GLA") at mall and freestanding stores in the regional malls, all tenants at Premium Outlets, and all tenants at community shopping centers. We believe the continued growth in regional mall occupancy is primarily the result of the overall quality of our Portfolio. The result of the growth in occupancy is a direct or indirect increase in nearly every category of revenue. Our portfolio has maintained stable occupancy and increased average base rents, in the current economic climate.

Comparable Sales per Square Foot. Sales volume includes total reported retail sales at Owned GLA in the regional malls and all reporting tenants at Premium Outlets and community shopping centers. Retail sales at Owned GLA affect revenue and profitability levels because sales determine the amount of minimum rent that can be charged, the percentage rent realized, and the recoverable expenses (common area maintenance, real estate taxes, etc.) that tenants can afford to pay.

International Property Data

The following key operating statistics are provided for our international properties all of which are accounted for on the equity method of accounting. Discussion regarding our results of operations for our investment in unconsolidated entities is included in our year over year comparisons to follow. The values for Premium Outlets are provided for 2004 only as these investments were acquired as part of our acquisition of Chelsea in the fourth quarter of 2004.

		2004	2003
European Shopping Centers			
Number of shopping centers		**51**	47
Total GLA (in millions of square feet)		**10.90**	8.90
Occupancy		**96.0%**	99.3%
Comparable sales per square foot	**$**	**526**	N/A
Average rent per square foot	**$**	**34**	N/A
International Premium Outlets (1)			
Total number of Premium Outlets		**4**	—
Total GLA (in millions of square feet)		**1.13**	—
Occupancy		**100%**	—
Comparable sales per square foot	**$**	**821**	—
Average rent per square foot	**$**	**82**	—

(1) Does not include Premium Outlets Punta Norte in Mexico, which opened December 2004.

Significant Accounting Policies

Our significant accounting policies are described in detail in Note 3 of the Notes to Consolidated Financial Statements. The following briefly describes those accounting policies we believe are most critical to understanding our business:

- We, as a lessor, retain substantially all of the risks and benefits of ownership of the investment properties and account for our leases as operating leases. We accrue minimum rents on a straight-line basis over the terms of their respective leases. Substantially all of our retail tenants are also required to pay overage rents based on sales over a stated base amount during the lease year. We recognize overage rents only when each tenant's sales exceeds its sales threshold.
- We review Properties for impairment on a case-by-case basis whenever events or changes in circumstances indicate that our carrying value may not be recoverable. These circumstances include, but are not limited to, declines in cash flows, occupancy and comparable sales per square foot. Changes in our estimates of the future undiscounted operating income before depreciation and amortization as well as the holding period for each Property could affect our conclusion on whether an impairment charge is necessary. We recognize an impairment of investment property when we estimate that the undiscounted operating income before depreciation and amortization is less than the carrying value of the Property. To the extent an impairment has occurred, we charge to income the excess of the carrying value of the Property over its estimated fair value. We may decide to sell Properties that are held for use and the sales prices of these Properties may differ from their carrying values.
- To maintain our status as a REIT, we must distribute 90% of our taxable income in any given year and meet certain asset and income tests in addition to other requirements. Certain relief provisions were recently enacted, but are generally applicable for 2005 and subsequent years. We monitor our business and transactions that may potentially impact our REIT status. If we fail to maintain our REIT status, then we would be required to pay federal income taxes at regular corporate income tax rates during the period we did

not qualify as a REIT. If we lost our REIT status, we could not elect to be taxed as a REIT for four years unless our failure was due to reasonable cause and certain other conditions were met. As a result, failing to maintain REIT status would result in a significant increase in the income tax expense recorded during those periods.

- We make estimates as part of our allocation of the purchase price of acquisitions to the various components of the acquisition based upon the relative value of each component. The most significant components of our allocations are typically the market value in-place leases and the allocation of fair value to the buildings, as if vacant, and land. In the case of the market value of in-place leases, we make our best estimates of the tenants' ability to pay rents based upon the tenants' operating performance at the property, including the competitive position of the property in its market as well as sales psf, rents psf, and overall occupancy cost for the tenants in place at the acquisition date. Our assumptions affect the amount of future revenue that we will recognize over the remaining lease term for the acquired in-place leases. In the case of the fair value of buildings and the allocation of value to land and other intangibles, our estimates of the values of these components will affect the amount of depreciation we record over the estimated useful life of the property acquired or the remaining lease term.

Results of Operations

In addition to the 2004 acquisitions and dispositions previously discussed, the following acquisitions, dispositions, and openings affected our consolidated results from continuing operations in the comparative periods:

- On October 22, 2004, Phase III of The Forum Shops at Caesars in Las Vegas opened.
- On August 20, 2003, we acquired a 100% interest in Stanford Shopping Center.
- In the fourth quarter of 2003, we increased our ownership in Kravco Investments L.P. ("Kravco") that resulted in the consolidation of four Properties.
- We acquired a 100% interest in 31 Premium Outlet Properties located in the U.S., an equity interest in five international Premium Outlets (four in Japan and one in Mexico), and 100% interest in 3 community centers and 21 other Properties.
- On July 19, 2002, we acquired the remaining ownership interest in Copley Place that resulted in our consolidation of this Property. Our initial joint venture interest in this Property was acquired as part of our acquisition of Rodamco North America, N.V. ("Rodamco").
- On May 3, 2002, we completed the Rodamco acquisition that added five new consolidated Properties.
- During 2002, we sold seven of the nine assets that were held for sale as of December 31, 2001. We also sold two other non-core Properties in the fourth quarter of 2002.

In addition to the 2004 acquisitions and dispositions previously discussed, the following acquisitions, dispositions, and openings affected our income from unconsolidated entities in the comparative periods:

- On October 14, 2004, Clay Terrace in Carmel, Indiana opened.
- The Kravco transactions increased our ownership percentages in 11 joint venture properties. Four of the Properties we now control and therefore they have been consolidated.
- On May 10, 2004, we and our joint venture partner completed the construction and opened Chicago Premium Outlets.
- On April 7, 2004, we sold the joint venture interest in a hotel property held by the Management Company, and on August 6, 2004, we completed the court ordered sale of our joint venture interest in Mall of America, in Minneapolis, Minnesota (see Item 3).
- On August 4, 2003, we and our joint venture partner completed construction and opened Las Vegas Premium Outlets.
- On May 31, 2002, we sold our interests in our five value oriented super-regional malls to Mills Corporation.
- On May 3, 2002, we completed the Rodamco acquisition that added six new joint venture Properties during the period, including our initial interest in Copley Place.
- On April 1, 2002, we sold our interest in Orlando Premium Outlets. This property was acquired in the merger with Chelsea on October 14, 2004.

As a result of the adoption of Interpretation No. 46, "Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51" ("FIN 46") on January 1, 2004, we consolidated the operations of two Properties, which were previously accounted for under the equity method.

Our consolidated discontinued operations reflect results of the following Properties which were sold on various dates in 2003 and 2004:

- Richmond Square, Mounds Mall, Mounds Mall Cinema and Memorial Mall on January 9, 2003
- Forest Village Park Mall on April 29, 2003
- North Riverside Park Plaza on May 8, 2003
- Memorial Plaza on May 21, 2003
- Fox River Plaza on May 22, 2003
- Eastern Hills Mall on July 1, 2003
- New Orleans Center on October 1, 2003
- Mainland Crossing on October 28, 2003
- SouthPark Mall on November 3, 2003
- Bergen Mall on December 12, 2003
- Hutchinson Mall on June 15, 2004
- Bridgeview Court on July 22, 2004
- Woodville Mall on September 1, 2004
- Santa Fe Premium Outlets on December 28, 2004
- Heritage Park Mall on December 29, 2004

For the purposes of the following comparison between the years ended December 31, 2004 and December 31, 2003, the above transactions are referred to as the Property Transactions. In the following discussions of our results of operations, "comparable" refers to Properties open and operating throughout both the current and prior year.

In addition to the Property Transactions, on March 14, 2003, we purchased the remaining ownership interest in Forum Shops which impacted our minority interest expense, depreciation expense, and interest expense. On January 1, 2003, the Operating Partnership acquired all of the remaining equity interests of the Management Company that resulted in the consolidation of the Management Company at that point. The Management Company was previously accounted for using the equity method during 2002**.**

Year Ended December 31, 2004 vs. Year Ended December 31, 2003

Minimum rents, excluding rents from our consolidated Simon Brand and Simon Business initiatives, increased $205.9 million during the period. The net effect of the Property Transactions increased minimum rents $172.5 million, including the amortization of $5.3 million of fair market value of acquired in-place leases as part of our acquisitions. Comparable base rents increased $33.4 million due principally to the leasing of space at higher rents that resulted in an increase in base rents of $23.4 million. In addition, increased rents from carts, kiosks, and renting unoccupied in-line space increased comparable rents from temporary tenant income by $12.7 million. Straight-line rents also increased by $5.1 million year over year.

Overage rents increased $19.1 million of which $15.3 million related to the Property Transactions. Comparable overage rents increased $3.8 million.

Tenant reimbursements increased $94.5 million of which the Property Transactions accounted for $79.2 million of the increase. The remaining portion of the increase was primarily due to increases in comparable recoverable expenditures amounting to $15.3 million.

The Management Company recorded fee revenues of $53.2 million and insurance premium revenues of $17.3 million.

Total other income, excluding consolidated Simon Brand and Simon Business initiatives, increased $6.0 million. The increase in other income was primarily due to increased outlot land sales of $11.2 million offset by a decline in lease settlement income of $2.8 million and interest income of $4.6 million.

Consolidated revenues from Simon Brand and Simon Business initiatives increased $17.9 million to $117.8 million from $99.9 million. The increase in revenues is primarily due to:

- increased revenue from our gift card program,
- increased rents and fees from service providers,
- increased advertising rentals, and
- increased event and sponsorship income.

The increased revenues from Simon Brand and Simon Business were offset by a $20.2 million increase in Simon Brand and Simon Business expenses that primarily resulted from increased gift card and other operating expenses included in property operating expenses.

Property operating expenses increased $45.0 million, $8.4 million of which was on comparable properties. The remainder of the increase in property operating expenses was due to the effect of Property Transactions. Depreciation and amortization expenses increased $126.3 million primarily due to the net effect of the Property Transactions, while comparable properties accounted for $33.2 million of the increase. In 2003, we incurred $10.6 million of costs related a withdrawn tender offer which did not recur in 2004. Other expenses increased $12.6 million and the increases in home office and regional office costs and general and administrative expenses were due to the effect of the Property Transactions and increased professional fees. We also recorded in the fourth quarter a non-cash impairment charge of $18 million related to one property.

Interest expense increased $59.6 million. The increase is due primarily to an increase in our average borrowings of $1.8 billion. The increase in the average borrowings is primarily due to the financing of our 2004 and 2003 acquisitions, our $500 million unsecured note offering in January of 2004, our $900 million unsecured senior note offering in August of 2004, and the effect of slightly higher variable interest rate levels during 2004. The increases were offset by an overall decrease in weighted average interest rates as a result of refinancing activity which moved certain borrowings as previously described to lower borrowing rates. Our effective weighted average interest rate on fixed-rate borrowings decreased from 6.71% in 2003 to 6.48% in 2004. Conversely, our weighted average interest rate on variable rate borrowings increased from 2.61% in 2003 to 3.06% in 2004.

Income from unconsolidated entities decreased $18.5 million in 2004 as compared to 2003. This was principally the result of the Property Transactions and the effect of development projects in joint venture operations that were placed into service during 2003 resulting in a full year of operations.

We recorded a $0.8 million net loss on the sale of assets in 2004 (Mall of America loss offset by a gain on the disposition of our interests in the hotel property previously mentioned) as compared to a $5.1 million net loss for 2003. Included in the net loss for 2003 was a $6.0 million charge in connection with Mall of America.

In 2004, discontinued operations were the result of our sale of five non-core Properties consisting of three regional malls, one community center, and one Premium Outlet. As a result of these transactions, we reclassified the results of operations from these consolidated Properties to discontinued operations. We believe these dispositions will not have a material effect on our results of operations or liquidity.

Preferred distributions of the Operating Partnership increased by $9.2 million for 2004 as a result of the issuance of additional units in the Chelsea acquisition and Kravco transaction in the fourth quarter of 2003. The Limited Partners' weighted average interest in the Operating Partnership was 22.3% and 24.6% for 2004 and 2003, respectively.

Finally, preferred dividends decreased $12.8 million due to the conversion of shares of 6.5% Series B Preferred Stock into common stock in the fourth quarter of 2003 and redemption of the Series E Preferred 8% Stock in the fourth quarter of 2004, partially offset by preferred dividends on the recently issued Series I and J Preferred Stock issued in connection with the acquisition of Chelsea.

Year Ended December 31, 2003 vs. Year Ended December 31, 2002

Minimum rents, excluding rents from our consolidated Simon Brand and Simon Business initiatives, increased $76.0 million during the period. The net effect of the Property Transactions increased minimum rents $45.1 million and the purchase accounting estimation of the fair market value of in-place leases as part of our acquisitions, increased rents by $6.2 million. Comparable rents increased $24.7 million. This was primarily due to the leasing of space at higher rents that resulted in an increase in base rents of $23.9 million. In addition, increased rents from carts, kiosks, and renting unoccupied in-line space increased comparable rents from temporary tenant income by $4.4 million. These increases were offset by a $3.9 million decrease in straight-line rent revenue.

The Management Company recorded fee revenues of $58.5 million and insurance premium revenues of $16.2 million.

Total other income, excluding consolidated Simon Brand and Simon Business initiatives, decreased $16.3 million. The impact of the consolidation of the Management Company included the addition of $7.0 million of investment income primarily from the insurance subsidiaries and the elimination of consolidated intercompany interest and dividend income that totaled $13.6 million in 2002 received from the Management Company previously recorded in other income in 2002. In addition, outlot land sales decreased by $2.0 million due to higher than normal activity in 2002 and lease settlement income decreased $2.2 million. In addition, other income in 2002 included the impact of our hedges of the Rodamco acquisition in 2002, of which $7.8 million was included in other income and $0.7 million of expense is included in other expenses.

Consolidated revenues from Simon Brand and Simon Business initiatives increased $19.0 million to $99.9 million from $80.9 million. This included a net $6.9 million increase from the Property Transactions primarily due to acquired parking services. The increase in revenues is primarily due to:

- increased revenue from our gift card program,
- increased rents and fees from service providers,
- increased advertising rentals, and
- increased event and sponsorship income.

These increases were offset by revenues in 2002 that resulted from our settlement with Enron Corporation that totaled $8.6 million, net. The increased revenues from Simon Brand and Simon Business were offset by a $6.9 million increase in Simon Brand expenses that primarily resulted from increased gift card and other operating expenses included in property operating expenses.

Tenant reimbursements increased $32.2 million of which the Property Transactions accounted for $17.3 million of the increase. The remaining portion of the increase was primarily due to increases in comparable recoverable expenditures. Depreciation and amortization expenses increased $30.7 million primarily due to the net effect of the Property Transactions, the consolidation of the Management Company, and the Forum Shops acquisition. The costs related to the withdrawn tender offer of $10.6 million relate to the write off of our deferred acquisition costs. Other expenses decreased $1.9 million due to the $4.0 million of expense related to a litigation settlement in 2002. This was offset by increased ground rent expense of $4.0 million primarily due to the acquisition of Stanford Shopping Center. The increase in home office and regional office costs and general and administrative expenses was due to the consolidation of the Management Company that added $52.9 million of total operating expenses in 2003.

Interest expense increased $4.2 million. Our average borrowings increased as a result of the full year impact of the financing of the Rodamco acquisition, the unsecured senior note offering in March of 2003, and financing of acquisition activities in 2003. This increase was offset by an overall decrease in weighted average interest rates as a result of refinancing activity, an increase in capitalized imputed interest due to increased development, renovation and expansion activity, and slightly lower variable interest rate levels.

In 2003, we recorded a $5.1 million net loss on the sale of assets, which primarily consisted of the $6.0 million loss we recorded in connection with the Mall of America litigation. In 2002, gains on sales of assets and other, net, were $162.0 million as we sold several Properties and partnership interests that resulted in net proceeds of $432.7 million. We sold our interest in the specialty retail center, Orlando Premium Outlets, during 2002 to our joint venture partner. We sold our interests in five value oriented regional malls to our partner, the Mills Corporation, and sold two of the acquired Rodamco partnership interests and one existing partnership interest to Teachers Insurance and Annuity Association of America to fund a portion of the Rodamco acquisition. We sold one community center, two regional malls and two jointly held assets acquired in the Rodamco acquisition. In addition, as part of our disposition strategy we disposed of seven of the nine assets held for sale as of December 31, 2001. Finally, we made the decision to no longer pursue certain development projects and wrote-off the carrying amount of our predevelopment costs and land acquisition costs associated with these projects that totaled $17.1 million.

During 2002, we also recognized $16.1 million in gains on the forgiveness of debt related to the disposition of two regional malls. Net cash proceeds from these dispositions were $3.6 million. In addition, we recognized $1.5 million of expenses related to the early extinguishment of debt that consisted of prepayment penalties and the write-off of unamortized mortgage costs. Our income tax expense of taxable REIT subsidiaries of $7.6 million in 2003 is due to the consolidation of the Management Company.

Income from unconsolidated entities increased $6.8 million in 2003 as compared to 2002. In 2002, income from unconsolidated entities included income from Management Company operations, excluding MerchantWired LLC, of approximately $14.1 million. This included our share of the gain of $8.4 million, net of tax, associated with the sale of land partnership interests previously discussed. In 2003, income from unconsolidated entities owned by the Management Company in 2003 totaled $3.7 million. In addition, income from unconsolidated partnerships and joint ventures, excluding the Management Company, increased $17.2 million resulting from:

- the full year impact of the Rodamco acquisition,
- increased ownership interests in Kravco joint ventures,
- the opening of Las Vegas Premium Outlets, and
- our $8.3 million share increase from outlot land sales.

These increases were offset by the loss of income due to the sale of our interests in the Mills Properties and Orlando Premium Outlets, and due to our cessation of recording any contribution to net income from Mall of America (see Note 11).

Losses from MerchantWired LLC in 2002 included our indirect share of operating losses of $10.2 million, after a tax benefit of $6.2 million. These operating losses included our share of an impairment charge of $4.2 million, after tax, on certain technology assets. The Management Company recorded a net write-off of $22.5 million, after a tax benefit of $9.4 million, of its investment in MerchantWired LLC in September 2002. The total technology write-off related to MerchantWired LLC was $38.8 million before tax.

Net income from the results of operations of the Management Company, excluding the losses of MerchantWired LLC, was flat during the period. Increased management fees as a result of the Rodamco acquisition and increased income from insurance subsidiaries were offset by the partnership interests sold in 2002 resulting in our share of a gain of $8.4 million, net of tax.

We continued our disposition activities in 2003 with the sale of 13 non-core Properties consisting of seven regional malls, five community centers, and one mixed-use Property. These non-core Properties were sold for a total of $275.1 million that resulted in a net gain of $22.4 million. As a result of these transactions, we reclassified the results of operations from these consolidated Properties to discontinued operations. These dispositions will not have a material effect on our results of operations or liquidity.

On October 8, 2003, we and Westfield America, Inc. ("Westfield"), the U.S. subsidiary of Westfield America Trust, withdrew our tender offer for all of the outstanding common shares of Taubman Centers, Inc. The withdrawal of the tender offer followed the enactment of a law amending the Michigan Control Share Acquisitions Act and which allowed the Taubman family group to effectively block our ability to conclude the tender offer. As a result we expensed deferred acquisition costs of $10.6 million, net, related to this acquisition during 2003.

Finally, preferred dividends decreased $9.1 million due to the conversion of shares of 6.5% Series B Preferred Stock into common stock.

Liquidity and Capital Resources

Our balance of cash and cash equivalents decreased $15.5 million during 2004 to $520.1 million as of December 31, 2004, including a balance of $185.6 million related to our gift card program, which we do not consider available for general working capital purposes.

On December 31, 2004, the Credit Facility had available borrowing capacity of $786.9 million net of outstanding borrowings of $425.0 million, including letters of credit of $38.1 million. The Credit Facility bore interest at LIBOR plus 65 basis points with an additional 15 basis point facility fee on the entire $1.25 billion facility and provided for variable grid pricing based upon our corporate credit rating. The Credit Facility had an initial maturity of April 2005, with an additional one-year extension available at our option. In addition, the Credit Facility had a $100 million EURO sub-tranche that allows us to borrow Euros at EURIBOR plus 65 basis points and/or dollars at LIBOR plus 65 basis points, at our option, and had the same maturity date as the overall Credit Facility. The amount available under the $100 million EURO sub-tranche varied with changes in the exchange rate, however, we may have borrowed amounts available under this EURO sub-tranche in dollars, if necessary. During 2004, the maximum amount outstanding under the Credit Facility was $585.1 million and the weighted average amount outstanding was $370.3 million. The weighted average interest rate was 1.95% for the year ended December 31, 2004.

On January 11, 2005, we refinanced the Credit Facility with a new $2.0 billion unsecured revolving credit facility. The new credit facility has a maturity date of January 11, 2008, with an additional one-year extension available at our option. The facility can be increased to $2.5 billion within the first two years of closing at our option subject to a fee approximating 25 basis points. The Credit Facility bears interest at LIBOR plus 55 basis points with an additional 15 basis point facility fee on the entire $2.0 billion facility and provides for variable grid pricing based upon our corporate credit rating. In addition, the new facility has a $500 million multi-currency tranche for Euro, Yen or Sterling borrowings and also includes a money market competitive bid option program that allows us to hold auctions to obtain lower pricing for short-term funds for up to $1.0 billion.

We and the Operating Partnership also have access to public equity and long term unsecured debt markets and we have access to private equity from institutional investors at the Property level. Our current senior unsecured debt ratings are Baa2 by Moody's Investors Service and BBB+ by Standard & Poor's.

Cash Flows

Our net cash flow from operating activities and distributions of capital from unconsolidated entities totaled $1.2 billion during 2004. This includes $35.1 million of excess proceeds from refinancing activities primarily from three unconsolidated joint ventures. We assumed $51.2 million of cash from acquisitions. We also received $51.3 million primarily from the sale of seven non-core Properties. We had net proceeds from all of our debt financing and repayment activities in 2004 of $2.5 billion, as discussed below in "Financing and Debt". We used part of these proceeds as follows:

- to fund $2.4 billion in cash needs for our acquisitions which are detailed under the "Acquisitions" section of this discussion.
- paid stockholder dividends and unitholder distributions totaling $688.3 million,
- paid preferred stock dividends and preferred unit distributions totaling $57.4 million,
- funded consolidated capital expenditures of $549.3 million. These capital expenditures include development costs of $214.8 million, renovation and expansion costs of $244.1 million and tenant costs and other operational capital expenditures of $90.4 million, and
- funded investments in unconsolidated entities of $84.9 million of which $48.9 million was used to fund new developments, redevelopments, and other capital expenditures.

We met our maturing debt obligations in 2004 primarily through refinancings and borrowings on our Credit Facility.

In general, we anticipate that cash generated from operations will be sufficient, to meet operating expenses, monthly debt service, recurring capital expenditures, and distributions to stockholders necessary to maintain our REIT qualification for 2005 and on a long-term basis. In addition, we expect to be able to obtain capital for nonrecurring capital expenditures, such as acquisitions, major building renovations and expansions, as well as for scheduled principal maturities on outstanding indebtedness, from:

- excess cash generated from operating performance and working capital reserves,
- borrowings on our Credit Facility,
- additional secured or unsecured debt financing, or
- additional equity raised in the public or private markets.

Financing and Debt

Unsecured Financing

On January 15, 2004, we paid off $150.0 million of 6.75% unsecured notes that matured on that date with borrowings from the Credit Facility.

On January 20, 2004, we issued two tranches of senior unsecured notes to institutional investors pursuant to Rule 144A totaling $500.0 million at a weighted average fixed interest rate of 4.21%. The first tranche is $300.0 million at a fixed interest rate of 3.75% due January 30, 2009 and the second tranche is $200.0 million at a fixed interest rate of 4.90% due January 30, 2014. We received net proceeds of $383.4 million and we exchanged our $113.1 million Floating Rate Mandatory Extension Notes ("MAXES") with the holder. The MAXES were due November 15, 2014 and bore interest at LIBOR plus 80 basis points. The exchange of the MAXES for the notes instruments did not result in a significant modification of the terms in the debt arrangement. We used $277.0 million of the net proceeds to reduce borrowings on the Credit Facility, to unencumber one Property, and the remaining portion was used for general working capital purposes. Subsequently, we completed an exchange offer in which notes registered under the Securities Act of 1933 with the same economic terms and conditions were exchanged for the Rule 144A notes.

Concurrent with the issuance of the Rule 144A notes, we entered into a five-year variable rate $300.0 million notional amount swap agreement to effectively convert the $300.0 million tranche to floating rate debt at an effective rate of six-month LIBOR. We completed this swap agreement, as our amount of variable rate indebtedness as a percent of our total outstanding debt was lower than our desired range.

On February 9, 2004, we paid off $300.0 million of 6.75% unsecured notes that matured on that date with borrowings from the Credit Facility.

On February 26, 2004, we obtained a $250.0 million unsecured term loan with an initial maturity date of April 1, 2005. The maturity date may be extended, at our option, for two, one-year extension periods. The unsecured term loan bears interest at LIBOR plus 65 basis points. The proceeds from this financing were used to pay off our $65.0 million unsecured term loan that matured on March 15, 2004 and our $150.0 million unsecured term loan that matured on February 28, 2004. The remaining proceeds were used for general working capital purposes. The $65.0 million unsecured term loan bore interest at LIBOR plus 80 basis points and the $150.0 million unsecured term loan bore interest at LIBOR plus 65 basis points.

On July 15, 2004, we paid off $100.0 million of 6.75% unsecured notes that matured on that date with available working capital.

On August 11, 2004, we issued two tranches of senior unsecured notes to institutional investors pursuant to Rule 144A totaling $900.0 million at a weighted average fixed interest rate of 5.29%. The first tranche is $400.0 million at a fixed interest rate of 4.875% due August 15, 2010 and the second tranche is $500.0 million at a fixed interest rate of 5.625% due August 15, 2014. We received net proceeds of $890.6 million. We used $585.0 million of the net proceeds to reduce borrowings on our Credit Facility, $150.0 million to retire fixed rate 7.75% unsecured notes, $120.7 million to unencumber two consolidated Properties, and the remaining portion was used for general working capital purposes. Subsequently, we completed an exchange offer in which notes registered under the Securities Act of 1933 with the same economic terms and conditions were exchanged for the Rule 144A notes.

On October 12, 2004, we obtained a $1.8 billion unsecured term loan ("Acquisition Facility") to finance the cash portion of our acquisition of Chelsea. The Acquisition Facility matures on October 12, 2006 and requires minimum principal repayments in three equal installments after twelve months, eighteen months, and at maturity. The Acquisition Facility bears interest at LIBOR plus 55 basis points and provides for variable grid pricing based upon our credit rating.

Secured Financing

On January 22, 2004, we paid off a $60.0 million variable rate mortgage, at LIBOR plus 125 basis points, that encumbered one consolidated Property with remaining proceeds from the senior unsecured notes mentioned above. In addition, we refinanced another consolidated mortgaged Property with a $32.0 million 6.05% fixed rate mortgage that matures on February 11, 2014. The balance of the previous mortgage was $34.7 million at a variable rate of LIBOR plus 250 basis points and was scheduled to mature on April 1, 2004.

On March 31, 2004, we secured a $86.0 million variable rate mortgage, at LIBOR plus 95 basis points, to permanently finance a portion of the Gateway Shopping Center acquisition. The mortgage has an initial maturity date of March 31, 2005 with three, one-year extensions available at our option.

On April 27, 2004, we secured a $96.0 million fixed rate mortgage at 5.17% to permanently finance a portion of the Montgomery Mall. A portion of the proceeds were used to purchase additional ownership interest. The mortgage has a maturity date of May 11, 2014.

On May 19, 2004, we secured a $260.0 million mortgage to permanently finance a portion of the Plaza Carolina Mall acquisition. The mortgage consists of two fixed-rate tranches and three variable-rate tranches. The fixed-rate components total $100 million at a blended rate of 5.10% and have a maturity date of May 9, 2009. The $160.0 million variable-rate components bear interest at LIBOR plus 90 basis points and have an initial maturity of May 9, 2006 with three, one-year, extensions available at our option. The initial weighted average all-in interest rate was approximately 3.2%.

On June 15, 2004, we refinanced a pool of seven cross-collateralized mortgages totaling $219.4 million with a $220.0 million variable-rate term loan. The original mortgages would have matured on December 15, 2004 and had an effective interest rate of 7.06% including the effect of an interest rate protection agreement on $48.1 million of variable-rate debt. The collateralized term loan bore interest at LIBOR plus 80 basis points. On June 30, 2004, we refinanced the term loan with individually secured fixed-rate mortgages on six of the seven original mortgages totaling $290.0 million. The mortgages have a maturity date of July 1, 2014 and have a weighted average interest rate of 5.90%. One of the Properties was unencumbered as part of this refinancing.

On July 1, 2004, we paid off, with available working capital, two mortgages encumbering one consolidated Property that were scheduled to mature on January 1, 2005. The first mortgage had a balance of $41.1 million, and bore interest at a fixed rate of 8.45%. The second mortgage had a balance of $14.9 million, and bore interest at a fixed rate of 6.81%.

On July 12, 2004, we refinanced a consolidated Property with a $73.0 million, 5.84% fixed rate mortgage that matures on August 11, 2014. The balance of the previous mortgage was $47.0 million, bore interest at a variable rate of LIBOR plus 275 basis points and was scheduled to mature on July 1, 2005.

On July 28, 2004, we refinanced a consolidated Property with a $86.0 million, 5.65% fixed rate mortgage that matures on August 11, 2014. The balance of the previous mortgage was $45.0 million, bore interest at a variable rate of LIBOR plus 150 basis points and was scheduled to mature on June 12, 2005.

On November 25, 2004, we paid off, one mortgage encumbering a consolidated Property that was scheduled to mature on February 1, 2005. The mortgage had a balance of $36.0 million, and bore interest at a fixed rate of 7.42%.

Summary of Financing

Our consolidated debt adjusted to reflect outstanding derivative instruments consisted of the following (dollars in thousands):

Debt Subject to	Adjusted Balance as of December 31, 2004	Effective Weighted Average Interest Rate	Adjusted Balance as of December 31, 2003	Effective Weighted Average Interest Rate
Fixed Rate	$ 10,766,015	6.48%	$ 8,499,750	6.71%
Variable Rate	3,820,378	3.06%	1,766,638	2.61%
	$ 14,586,393	5.58%	$ 10,266,388	6.00%

As of December 31, 2004, we had interest rate cap protection agreements on $257.1 million of consolidated variable rate debt. We had interest rate protection agreements effectively converting variable rate debt to fixed rate debt on $65.5 million of consolidated variable rate debt. We also hold $370.0 million of notional amount variable rate swap agreements that have a weighted average variable pay rate of 2.71% and a weighted average fixed receive rate of 3.72% at December 31, 2004. As of December 31, 2004, the net effect of these agreements effectively converted $304.5 million of fixed rate debt to variable rate debt. As of December 31, 2003, the net effect of these agreements effectively converted $237.0 million of fixed rate debt to variable rate debt.

Contractual Obligations and Off-balance Sheet Arrangements: The following table summarizes the material aspects of our future obligations as of December 31, 2004 (dollars in thousands):

	2005	2006 to 2007	2008 to 2010	After 2010	Total
Long Term Debt					
Consolidated (1)	$ 1,542,161	$ 4,692,333	$ 4,208,665	$ 4,013,050	$ 14,456,209
Pro Rata Share Of Long Term Debt:					
Consolidated (2)	$ 1,539,463	$ 4,649,859	$ 4,117,140	$ 3,909,760	$ 14,216,222
Joint Ventures (2)	181,099	672,066	798,745	1,098,117	2,750,027
Total Pro Rata Share Of Long Term Debt	1,720,562	5,321,925	4,915,885	5,007,877	16,966,249
Consolidated Capital Expenditure Commitments (3)	296,571	65,929	—	—	362,500
Joint Venture Capital Expenditure Commitments (3)	57,145	16,074	—	—	73,219
Consolidated Ground Lease Commitments	13,993	30,782	46,831	635,911	727,517
Total	$ 2,088,271	$ 5,434,710	$ 4,962,716	$ 5,643,788	$ 18,129,485

(1) Represents principal maturities only and therefore, excludes net premiums and discounts and fair value swaps of $130,184.

(2) Represents our pro rata share of principal maturities and excludes net premiums and discounts.

(3) Represents our pro rata share of capital expenditure commitments.

Capital expenditure commitments presented in the table above represent new developments, redevelopments or renovation/expansions that we have committed to the completion of construction. The timing of these expenditures may vary due to delays in construction or acceleration of the opening date of a particular project. In addition, the amount includes our share of committed costs for joint venture developments.

We expect to meet our 2005 debt maturities through refinancings, the issuance of new debt securities or borrowings on the Credit Facility. We expect to have access to capital markets to meet all future long term obligations when they come due. Specific financing decisions will be made based upon market rates, property values, and our desired capital structure at the maturity date of each obligation. We incurred interest expense during 2004 of $662.1 million net of capitalized interest of $14.6 million.

Our off-balance sheet arrangements consist primarily of our investments in real estate joint ventures which are common in the real estate industry and are described in Note 7 of the notes to the accompanying financial statements. Joint venture debt is the liability of the joint venture, is typically secured by the joint venture Property, and is non-recourse to us. As of December 31, 2004, we have guaranteed or have provided letters of credit to support $104.7 million of our total $2.8 billion share of joint venture mortgage and other indebtedness presented in the table above.

Preferred Stock Activity

Commensurate with the acquisition of Chelsea on October 14, 2004, we issued 13,261,712 shares of Series I 6% Convertible Perpetual Preferred Stock and 796,948 shares of Series J $8^3/8$% Cumulative Redeemable Preferred Stock. During the quarter ended December 31, 2004, three unit holders exchanged 376,307 units of the 6% Convertible Perpetual Preferred Units for an equal number of shares of Series I Preferred Stock.

During 2004, all outstanding shares of our Series E Cumulative Redeemable Preferred Stock were redeemed. We also issued a total of 4,194,117 shares of common stock to the holders who exercised their conversion rights.

Acquisitions and Dispositions

Significant Acquisitions. On October 14, 2004, we completed the $5.2 billion (including the assumption of debt) acquisition of Chelsea. Chelsea common stockholders received merger consideration of $36.00 in cash; 0.2936 of a share of Simon common stock; and 0.3000 of a share of Simon 6% Series I convertible perpetual preferred stock for each share of Chelsea common stock. In connection with the merger transaction, holders of limited partnership common units in CPG Partners, L.P., the operating partnership subsidiary of Chelsea, exchanged their units for common and convertible preferred units of the Operating Partnership. The following shares and units were issued at closing:

- 12,978,795 shares of common stock
- 4,652,232 Operating Partnership common units
- 13,261,712 shares of Simon Property 6% Series I Convertible Perpetual Preferred Stock (liquidation value of $50 per share)
- 4,753,794 Operating Partnership 6% Convertible Perpetual Preferred Units (liquidation value of $50 per unit)

Also during 2004, we:

- acquired a 95% interest in Gateway Shopping Center in Austin, Texas for approximately $107.0 million,
- acquired a 100% interest in Plaza Carolina in San Juan, Puerto Rico for approximately $309.0 million, and
- acquired an increased ownership interest in Bangor Mall and Montgomery Mall for approximately $67.0 million.

Dispositions. As part of our strategic plan to own quality retail real estate we continue to pursue the sale of Properties, under the right circumstances, that no longer meet our strategic criteria. In 2004, we disposed of five non-core Properties that no longer met our strategic criteria. These consisted of three regional malls, one community centers, and one Premium Outlet. We do not believe the sale of these Properties will have a material impact on our future results of operations or cash flows and their removal from service and sale will not materially affect our ongoing operations. We believe the disposition of these Properties will enhance the average overall quality of our Portfolio.

Joint Ventures. Buy/sell provisions are common in real estate partnership agreements. Most of our partners are institutional investors who have a history of direct investment in regional mall properties. Our partners in our joint ventures may initiate these provisions at any time and if we determine it is in our stockholders' best interests for us to purchase the joint venture interest, we believe we have adequate liquidity to execute the purchases of the interests without hindering our cash flows or liquidity. Should we decide to sell any of our joint venture interests, we would expect to use the net proceeds from any such sale to reduce outstanding indebtedness.

Development Activity

New U.S. Developments. The following describes selected new development projects, the estimated total net cost, our share of the estimated total net cost and construction in progress as of December 31, 2004 (dollars in millions):

Property	Location	Gross Leasable Area	Estimated Total Net Cost(b)	Our Share of Estimated Total Net Cost	Our Share of Construction in Progress (a)	Actual/Estimated Opening Date
The Town Center at Coconut Point	Estero/Bonita Springs, FL	1,200,000	$ 189	$ 95	$ 29.9	Spring 2006
St. Johns Town Center (c)	Jacksonville, FL	1,500,000	126	107	102.3	Spring 2005
Seattle Premium Outlets	Tulalip, WA	383,000	58	58	37.0	Spring 2005
Wolf Ranch	Georgetown, TX (Austin)	670,000	62	62	45.1	Summer 2005
Rockaway Plaza	Rockaway, NJ	250,000	8	8	7.4	Fall 2005
Firewheel Center	Garland, TX	785,000	98	98	54.6	Fall 2005

(a) Amounts include the portion of the project placed in service as of December 31, 2004, if any.

(b) Represents the project costs net of land sales, tenant reimbursements for construction, and other items (where applicable).

(c) Due to our preference in the joint venture partnership, we are contributing 85% of the project costs.

We expect to fund these capital projects with either available cash flow from operations, borrowings from our Credit Facility, or project specific construction loans. Our share of expected 2005 new development costs related to the above projects is approximately $150 million in 2005. In addition, we also expect to fund development/predevelopment costs related to certain other new U.S. developments amounting to $170 million in 2005.

Strategic U.S. Expansions and Renovations. The following describes our significant renovation and/or expansion projects currently under construction, the estimated total cost, our share of the estimated total cost and our share of construction in progress as of December 31, 2004 (dollars in millions):

Property	Location	Gross Leasable Area	Estimated Total Cost(b)	Our Share of Estimated Total Cost	Our Share of Construction in Progress(a)	Actual/Estimated Opening Date
Aurora Mall	Aurora, CO	380,000	$ 45	$ 45	$ 16.6	Fall 2005
Southpark Mall (Phase II)	Charlotte, NC	250,000	31	31	26.1	Summer 2005

(a) Amounts include the portion of the project placed in service as of December 31, 2004, if any.

(b) Represents the project costs net of land sales, tenant reimbursements for construction, and other items (where applicable).

In addition to the above two projects, we also expect to fund development/predevelopment related to certain other new U.S. expansions and renovations amounting to $70 million in 2005.

Capital Expenditures on Consolidated Properties

The following table summarizes total capital expenditures on consolidated Properties on a cash basis:

	2004	2003	2002
New Developments	**$ 215**	$ 105	$ 11
Renovations and Expansions	**244**	187	95
Tenant Allowances	**73**	54	60
Operational Capital Expenditures	**17**	8	48
Total	**$ 549**	$ 354	$ 214

International. In 2003 we significantly increased our presence in Europe through our joint venture with the Rinascente Group, Gallerie Commerciali Italia ("GCI"). Our strategy is to invest capital internationally not only to acquire existing properties but also to use the net cash flow from the existing properties to fund other future developments. We believe reinvesting the cash flows derived overseas in foreign denominated development and redevelopment projects helps minimize our exposure to our initial investment and to the changes in foreign currencies on future investments that might otherwise significantly increase our cost and reduce our returns on these new projects and developments. In addition, to date we have funded the majority of our investments specific to Europe, with Euro-denominated borrowings that act as a natural hedge on our investments. This has also been the case with our Premium Outlet joint ventures in Japan and Mexico whereby Yen and Peso denominated financing have been secured for the financing of the affected properties.

Currently, our net income exposure to changes in the volatility of the Euro, Yen, and Peso are not material. In addition, since cash flow from operations is currently being reinvested in other development projects, we do not expect to repatriate foreign denominated earnings for the next few years.

The agreements for the Operating Partnership's 34.7% interest in European Retail Enterprises, B.V. ("ERE") are structured to allow us to acquire an additional 26.1% ownership interest over time. The future commitments to purchase shares from three of the existing stockholders of ERE are based upon a multiple of adjusted results of operations in the year prior to the purchase of the shares. Therefore, the actual amount of these additional commitments may vary. The current estimated additional commitments is approximately $60 million to purchase shares of stock of ERE, assuming that the three existing stockholders exercise their rights under put options. We expect these purchases to be made from 2006-2008. In addition, the agreements contain normal buy/sell provisions as previously described, as well as a marketing right which a partner may exercise. We and the other significant owner of ERE have the right to market the sale of the entire company, subject to a right of first offer to the non-selling partner. If the non-selling partner does not exercise its right for a specified price, then the selling partner can sell each partners' interest in ERE commencing in the second quarter of 2005. Our partner has initiated a process in order to exercise this marketing right but has not yet given us the notice required to formally commence the marketing right or allow us to exercise our right of first offer.

The carrying amount of our total combined investment in ERE and GCI of December 31, 2004 net of the related cumulative translation adjustment was $320.6 million, including subordinated debt in ERE. Our investments in ERE and GCI are accounted for using the equity method of accounting. Currently a total of 3 European developments are under construction which will add approximately 3.9 million square feet of GLA for a total net cost of approximately €422 million, of which our share is approximately €85 million.

As of December 31, 2004, the carrying amount of our 40% investment in the four Japanese Premium Outlet joint ventures was $398.3 million, and is accounted for using the equity method of accounting. There is a single project under expansion in Nagoya, Japan which contains 178,000 square feet of GLA to Toki Premium Outlets for a total net cost of $44 million, of which our share is approximately $18 million.

Distributions

On February 10, 2005, our Board of Directors approved an increase in the annual distribution rate to $2.80 per share. Dividends during 2004 aggregated $2.60 per share and dividends during 2003 aggregated $2.40 per share. We are required to pay a minimum level of dividends to maintain our status as a REIT. Our dividends and limited partner distributions typically exceed our net income generated in any given year primarily because of depreciation, which is a "non-cash" expense. Our future dividends and the distributions of the Operating Partnership will be determined by the Board of Directors based on actual results of operations, cash available for dividends and limited partner distributions, and what may be required to maintain our status as a REIT.

Non-GAAP Financial Measure—Funds from Operations

Industry practice is to evaluate real estate properties in part based on funds from operations ("FFO"). We consider FFO to be a key measure of our operating performance that is not specifically defined by accounting principles generally accepted in the United States ("GAAP"). We believe that FFO is helpful to investors because it is a widely recognized measure of the performance of REITs and provides a relevant basis for comparison among REITs. We also use this measure internally to measure the operating performance of our Portfolio.

As defined by the National Association of Real Estate Investment Trusts ("NAREIT"), FFO is consolidated net income computed in accordance with GAAP:

- excluding real estate related depreciation and amortization,
- excluding gains and losses from extraordinary items and cumulative effects of accounting changes,
- excluding gains and losses from the sales of real estate,
- plus the allocable portion of FFO of unconsolidated joint ventures based upon economic ownership interest, and
- all determined on a consistent basis in accordance with GAAP.

We have adopted NAREIT's clarification of the definition of FFO that requires us to include the effects of nonrecurring items not classified as extraordinary, cumulative effect of accounting change or resulting from the sale of depreciable real estate. However, you should understand that FFO:

- does not represent cash flow from operations as defined by GAAP,
- should not be considered as an alternative to net income determined in accordance with GAAP as a measure of operating performance, and
- is not an alternative to cash flows as a measure of liquidity.

The following schedule sets forth total FFO before allocation to the limited partners of the Operating Partnership and FFO allocable to Simon Property. This schedule also reconciles net income, which we believe is the most directly comparable GAAP financial measure, to FFO for the periods presented.

	For the Year Ended December 31,		
	2004	2003	2002
	(in thousands)		
Funds From Operations	**$ 1,181,924**	$ 1,041,105	$ 936,356
Increase in FFO from prior period	**13.5%**	11.2%	19.0%
Reconciliation:			
Net Income	**$ 342,993**	$ 368,715	$ 422,588
Plus:			
Limited partners' interest in the Operating Partnership, Preferred distributions of the Operating Partnership, and preferred dividends of subsidiary	**106,867**	113,000	139,067
Depreciation and amortization from consolidated properties and discontinued operations	**615,195**	499,737	478,379
Our share of depreciation and amortization and other items from unconsolidated affiliates	**181,999**	147,629	150,217
Loss (gain) on sales of real estate and discontinued operations	**1,012**	(17,248)	(162,011)
Tax provision related to gain on sale	**4,281**	—	—
Less:			
Management Company gain on sale of real estate, net	**—**	—	(8,400)
Minority interest portion of depreciation and amortization	**(6,857)**	(3,546)	(7,943)
Preferred distributions and dividends (including those of subsidiaries)	**(63,566)**	(67,182)	(75,541)
Funds From Operations	**$ 1,181,924**	$ 1,041,105	$ 936,356
FFO allocable to Simon Property	**$ 920,196**	$ 787,467	$ 691,004

Market Risk

Our exposure to market risk due to changes in interest rates primarily relates to our long-term debt obligations. We manage our exposure to interest rate risk by a combination of interest rate protection agreements to effectively fix or cap a portion of our variable rate debt, or in the case of a fair value hedge, effectively convert fixed rate debt to variable rate debt. In addition, we manage this exposure by refinancing fixed rate debt at times when rates and terms are appropriate.

We are also exposed to foreign currency risk on financings of foreign operations. Our intent is to offset gains and losses that occur on the underlying exposures, with gains and losses on the derivative contracts hedging these exposures. We do not enter into either interest rate protection or foreign currency rate protection agreements for speculative purposes.

Our future earnings, cash flows and fair values relating to financial instruments are dependent upon prevalent market rates of interest, primarily LIBOR. Based upon consolidated indebtedness and interest rates at December 31, 2004, a 0.50% increase in the market rates of interest would decrease future earnings and cash flows by approximately $19.1 million, and would decrease the fair value of debt by approximately $252.2 million. A 0.50% decrease in the market rates of interest would increase future earnings and cash flows by approximately $19.1 million, and would increase the fair value of debt by approximately $260.8 million.

Retail Climate and Tenant Bankruptcies

Bankruptcy filings by retailers are normal in the course of our operations. We are continually releasing vacant spaces resulting from tenant terminations. Pressures that affect consumer confidence, job growth, energy costs and income gains can affect retail sales growth, and a continuing soft economic cycle may impact our ability to retenant property vacancies resulting from store closings or bankruptcies. We lost approximately 500,000 square feet of mall shop tenants in 2004.

The geographical diversity of our Portfolio mitigates some of the risk of an economic downturn. In addition, the diversity of our tenant mix also is important because no single retailer represents either more than 1.7% of total GLA or more than 4.0% of our annualized base minimum rent. Bankruptcies and store closings may, in some circumstances, create opportunities for us to release spaces at higher rents to tenants with enhanced sales performance. We have demonstrated an ability to successfully retenant anchor and in-line store locations during soft economic cycles. While these factors reflect some of the inherent strengths of our portfolio in a difficult retail environment, we cannot assure you that we will successfully execute our releasing strategy.

Insurance

We maintain commercial general liability "all risk" property coverage including fire, flood, extended coverage and rental loss insurance on our Properties. Rosewood Indemnity, Ltd, a wholly-owned subsidiary of the Management Company indemnifies our general liability carrier for a specific layer of losses. The carrier has, in turn, agreed to provide evidence of coverage for this layer of losses under the terms and conditions of the carrier's policy. A similar policy written through Rosewood Indemnity, Ltd. also provides a portion of our initial coverage for property insurance and certain windstorm risks at the Properties located in Florida.

The events of September 11, 2001 affected our insurance programs. Although insurance rates remain high, since the President signed into Law the Terrorism Risk Insurance Act (TRIA) in November of 2002, the price of terrorism insurance has steadily decreased, while the available capacity has been substantially increased. We have purchased terrorism insurance covering all Properties. The program provides limits up to one billion per occurrence for Certified (Foreign) acts of terrorism and $500 million per occurrence for Certified (Domestic) acts of terrorism. The coverage is written on an "all risk" policy form that eliminates the policy aggregates associated with our previous terrorism policies. This policy is in place throughout the remainder of 2005.

Inflation

Inflation has remained relatively low in recent years and has had minimal impact on the operating performance of the Properties. Nonetheless, substantially all of the tenants' leases contain provisions designed to lessen our exposure to the impact of inflation. These provisions include clauses enabling us to receive percentage rentals based on tenants' gross sales, which generally increase as prices rise, and/or escalation clauses, which generally increase rental rates during the terms of the leases. In addition, many of the leases are for terms of less than ten years, which may enable us to replace existing leases with new leases at higher base and/or percentage rentals if rents of the existing leases are below the then-existing market rate. A substantial portion of our leases, other than those for anchors, require the tenant to pay their proportionate share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation. For most of our remaining leases, we receive fixed reimbursement from the tenant which is subject to annual adjustments.

However, inflation may have a negative impact on some of our other operating items. Interest and general and administrative expenses may be adversely affected by inflation as these specified costs could increase at a rate higher than rents. Also, for tenant leases with stated rent increases, inflation may have a negative effect as the stated rent increases in these leases could be lower than the increase in inflation at any given time.

Seasonality

The shopping center industry is seasonal in nature, particularly in the fourth quarter during the holiday season, when tenant occupancy and retail sales are typically at their highest levels. In addition, shopping malls achieve most of their temporary tenant rents during the holiday season. As a result, our earnings are generally highest in the fourth quarter of each year.

In addition, given the number of Properties in warm summer climates our utility expenses are typically higher in the months of June through September due to higher electricity costs to supply air conditioning to our Properties. As a result some seasonality results in increased property operating expenses during these months; however, the majority of these costs are recoverable from tenants.

Environmental Matters

Nearly all of the Properties have been subjected to Phase I or similar environmental audits. Such audits have not revealed nor is management aware of any environmental liability that we believe would have a material adverse impact on our financial position or results of operations. We are unaware of any instances in which we would incur significant environmental costs if any or all Properties were sold, disposed of or abandoned.

Management's Report On Internal Control Over Financial Reporting

We are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and dispositions of the assets;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We assessed the effectiveness of our internal control over financial reporting as of December 31, 2004. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework.

Based on our assessment, we believe that, as of December 31, 2004, our internal control over financial reporting is effective based on those criteria.

Our independent registered public accounting firm has issued an audit report on our assessment of our internal control over financial reporting. Their report appears on the following page of this Annual Report.

**Report Of Independent Registered Public Accounting Firm On
Internal Control Over Financial Reporting**

The Board of Directors and Stockholders of
Simon Property Group, Inc.:

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting immediately preceeding of this report, that Simon Property Group Inc. maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Simon Property Group Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Simon Property Group Inc. maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, Simon Property Group Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Simon Property Group Inc. and Subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of operations and comprehensive income, stockholder's equity and cash flows for each of the three years in the period ended December 31, 2004, and our report dated March 14, 2005 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana
March 14, 2005

Report Of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Simon Property Group, Inc.:

We have audited the accompanying consolidated balance sheets of Simon Property Group, Inc. and Subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of operations and comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Simon Property Group, Inc. and Subsidiaries at December 31, 2004 and 2003, and the consolidated results of their operations and their cash flows for the three years in the period ended December 31, 2004, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Simon Property Group, Inc.'s internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 14, 2005, expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana
March 14, 2005

Simon Property Group, Inc. and Subsidiaries
Consolidated Balance Sheets
(Dollars in thousands, except share amounts)

	December 31, 2004	December 31, 2003
ASSETS:		
Investment properties, at cost	**$ 21,253,761**	$ 14,971,823
Less — accumulated depreciation	**3,162,523**	2,556,578
	18,091,238	12,415,245
Cash and cash equivalents	**520,084**	535,623
Tenant receivables and accrued revenue, net	**361,590**	305,200
Investment in unconsolidated entities, at equity	**1,920,983**	1,811,773
Deferred costs and other assets	**1,176,124**	616,880
Total assets	**$ 22,070,019**	$ 15,684,721
LIABILITIES:		
Mortgages and other indebtedness	**$ 14,586,393**	$ 10,266,388
Accounts payable, accrued expenses, intangibles, and deferred revenues	**1,113,645**	667,610
Cash distributions and losses in partnerships and joint ventures, at equity	**37,739**	14,412
Other liabilities, minority interest and accrued dividends	**311,592**	280,414
Total liabilities	**16,049,369**	11,228,824
COMMITMENTS AND CONTINGENCIES		
LIMITED PARTNERS' INTEREST IN THE OPERATING PARTNERSHIP	**965,204**	859,050
LIMITED PARTNERS' PREFERRED INTEREST IN THE OPERATING PARTNERSHIP	**412,840**	258,220
STOCKHOLDERS' EQUITY:		
CAPITAL STOCK (750,000,000 total shares authorized, $.0001 par value, 237,996,000 shares of excess common stock):		
All series of preferred stock, 100,000,000 shares authorized, 25,434,967 and 12,078,012 issued and outstanding, respectively. Liquidation values $1,071,748 and $376,950, respectively.	**1,062,687**	367,483
Common stock, $.0001 par value, 400,000,000 shares authorized, 222,710,350 and 200,876,552 issued and outstanding, respectively	**23**	20
Class B common stock, $.0001 par value, 12,000,000 shares authorized, 8,000 and 3,200,000 issued and outstanding, respectively	**—**	1
Class C common stock, $.0001 par value, 4,000 shares authorized, issued and outstanding	**—**	—
Capital in excess of par value	**4,993,698**	4,121,332
Accumulated deficit	**(1,335,436)**	(1,097,317)
Accumulated other comprehensive income	**16,365**	12,586
Unamortized restricted stock award	**(21,813)**	(12,960)
Common stock held in treasury at cost, 2,415,855 and 2,098,555 shares, respectively	**(72,918)**	(52,518)
Total stockholders' equity	**4,642,606**	3,338,627
Total liabilities and stockholders' equity	**$ 22,070,019**	$ 15,684,721

The accompanying notes are an integral part of these statements.

Simon Property Group, Inc. and Subsidiaries

Consolidated Statements of Operations and Comprehensive Income

(Dollars in thousands, except per share amounts)

	For the Year Ended December 31,		
	2004	2003	2002
			(Note 2)
REVENUE:			
Minimum rent	$ **1,577,752**	$ 1,369,042	$ 1,290,264
Overage rent	**66,960**	47,831	47,168
Tenant reimbursements	**766,704**	672,172	639,986
Management fees and other revenues	**72,737**	74,677	—
Other income	**157,598**	136,492	136,283
Total revenue	**2,641,751**	2,300,214	2,113,701
EXPENSES:			
Property operating	**366,054**	321,006	304,532
Depreciation and amortization	**622,581**	496,297	465,592
Real estate taxes	**254,977**	218,129	209,015
Repairs and maintenance	**91,974**	83,998	73,493
Advertising and promotion	**69,059**	61,523	59,581
Provision for credit losses	**17,716**	14,319	8,981
Home and regional office costs	**91,178**	80,105	44,997
General and administrative	**16,781**	15,078	3,233
Costs related to withdrawn tender offer	**—**	10,581	—
Impairment charge	**18,000**	—	—
Other	**39,832**	27,216	29,120
Total operating expenses	**1,588,152**	1,328,252	1,198,544
OPERATING INCOME	**1,053,599**	971,962	915,157
Interest expense	**662,090**	602,509	598,348
Income before minority interest	**391,509**	369,453	316,809
Minority interest	**(9,687)**	(7,277)	(10,498)
(Loss) gain on sales of assets and other, net	**(760)**	(5,146)	162,021
Gain from debt related transactions, net	**—**	—	14,577
Income tax expense of taxable REIT subsidiaries	**(11,770)**	(7,597)	—
Income before unconsolidated entities	**369,292**	349,433	482,909
Income from unconsolidated entities	**81,113**	99,645	60,069
Income from continuing operations	**450,405**	449,078	542,978
Results of operations from discontinued operations	**(293)**	10,243	18,677
(Loss) gain on disposal or sale of discontinued operations, net	**(252)**	22,394	—
Income before allocation to limited partners	**449,860**	481,715	561,655
LESS:			
Limited partners' interest in the Operating Partnership	**85,647**	100,956	127,727
Preferred distributions of the Operating Partnership	**21,220**	12,044	11,340
NET INCOME	**342,993**	368,715	422,588
Preferred dividends	**(42,346)**	(55,138)	(64,201)
NET INCOME AVAILABLE TO COMMON STOCKHOLDERS	$ **300,647**	$ 313,577	$ 358,387
BASIC EARNINGS PER COMMON SHARE:			
Income from continuing operations	$ **1.45**	$ 1.52	$ 1.91
Discontinued operations	**—**	0.13	0.08
Net income	$ **1.45**	$ 1.65	$ 1.99
DILUTED EARNINGS PER COMMON SHARE:			
Income from continuing operations	$ **1.44**	$ 1.52	$ 1.91
Discontinued operations	**—**	0.13	$ 0.08
Net income	$ **1.44**	$ 1.65	$ 1.99
Net Income	$ **342,993**	$ 368,715	$ 422,588
Unrealized gain on interest rate hedge agreements	**4,514**	21,135	4,431
Net income on derivative instruments reclassified from accumulated other comprehensive loss into interest expense	**(3,535)**	(4,442)	(982)
Currency translation adjustment	**3,130**	2,993	(1,665)
Other (loss) income	**(330)**	1,009	—
Comprehensive Income	$ **346,772**	$ 389,410	$ 424,372

The accompanying notes are an integral part of these statements.

Simon Property Group, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(Dollars in thousands)

	For the Year Ended December 31,		
	2004	**2003**	**2002**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	**$ 342,993**	$ 368,715	$ 422,588
Adjustments to reconcile net income to net cash provided by operating activities —			
Depreciation and amortization	**611,090**	518,560	491,306
Impairment on Investment Properties	**18,000**	—	—
Gain from debt related transactions, net	**—**	—	(14,307)
(Gain) loss on sales of assets and other, net	**760**	5,146	(162,011)
Loss (gain) on disposal or sale of discontinued operations, net	**252**	(22,394)	—
Limited partners' interest in the Operating Partnership	**85,647**	100,956	127,727
Preferred distributions of the Operating Partnership	**21,220**	12,044	11,340
Straight-line rent	**(8,981)**	(3,630)	(6,785)
Minority interest	**9,687**	7,277	10,498
Minority interest distributions	**(20,426)**	(5,466)	(13,214)
Equity in income of unconsolidated entities	**(81,113)**	(99,645)	(60,069)
Distributions of income from unconsolidated entities	**97,666**	87,453	80,141
Changes in assets and liabilities —			
Tenant receivables and accrued revenue	**(37,166)**	34,277	14,237
Deferred costs and other assets	**(47,012)**	(26,396)	(15,778)
Accounts payable, accrued expenses, deferred revenues and other liabilities	**90,241**	(24,930)	(2,683)
Net cash provided by operating activities	**1,082,858**	951,967	882,990
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions	**(2,359,056)**	(814,629)	(1,129,139)
Capital expenditures, net	**(549,304)**	(353,903)	(213,990)
Cash from acquisitions	**51,189**	2,267	8,516
Cash from the consolidation of joint ventures and the Management Company	**2,507**	48,910	—
Net proceeds from sale of assets, partnership interests, and discontinued operations	**51,271**	278,066	436,350
Investments in unconsolidated entities	**(84,876)**	(81,480)	(90,113)
Distributions of capital from unconsolidated entities and other	**142,572**	159,106	191,314
Notes and Advances to Management Company and affiliate	**—**	—	11,332
Net cash used in investing activities	**(2,745,697)**	(761,663)	(785,730)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from sales of common and preferred stock	**3,430**	99,725	341,445
Purchase of preferred stock, limited partner units, and treasury stock	**(40,195)**	(93,954)	—
Preferred Stock redemptions	**(59,681)**	—	—
Minority interest contributions, net	**464**	—	779
Preferred distributions of the Operating Partnership	**(21,220)**	(12,044)	(11,340)
Preferred dividends and distributions to shareholders	**(572,669)**	(507,569)	(457,085)
Distributions to limited partners	**(151,809)**	(147,492)	(138,789)
Mortgage and other indebtedness proceeds, net of transaction costs	**5,710,886**	2,536,498	2,408,685
Mortgage and other indebtedness principal payments	**(3,221,906)**	(1,926,974)	(2,103,586)
Net cash provided by (used in) financing activities	**1,647,300**	(51,810)	40,109
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(15,539)**	138,494	137,369
CASH AND CASH EQUIVALENTS, beginning of year	**535,623**	397,129	259,760
CASH AND CASH EQUIVALENTS, end of year	**$ 520,084**	$ 535,623	$ 397,129

The accompanying notes are an integral part of these statements.

Simon Property Group, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity

(Dollars in thousands)

	Preferred Stock	Common Stock	Accumulated Other Comprehensive Income	Capital in Excess of Par Value	Accumulated Deficit	Unamortized Restricted Stock Award	Common Stock Held in Treasury	Total Stockholders' Equity
Balance at December 31, 2001	**$ 877,468**	**$ 18**	**$ (9,893)**	**$ 3,347,567**	**$ (927,654)**	**$ (20,297)**	**$ (52,518)**	**$ 3,214,691**
Series A Preferred stock conversion (1,893,651 Common Shares)	(63,688)			63,688				—
Common stock issued as dividend (19,375 Common Shares)				653				653
Conversion of Limited Partner Units (173,442 Common Shares, Note 10)				5,709				5,709
Common stock issued (9,000,000 Common Shares)		1		322,199				322,200
Stock options exercised (671,836 Common Shares)				15,740				15,740
Series E and Series G Preferred stock accretion	474							474
Stock incentive program (21,070 Forfeited Common Shares)				(604)		604		—
Amortization of stock incentive						8,957		8,957
Other				399				399
Adjustment to limited partners' interest from increased ownership in the Operating Partnership				(69,190)				(69,190)
Distributions					(456,272)			(456,272)
Other comprehensive income			1,784					1,784
Net income					422,588			422,588
Balance at December 31, 2002	**$ 814,254**	**$ 19**	**$ (8,109)**	**$ 3,686,161**	**$ (961,338)**	**$ (10,736)**	**$ (52,518)**	**$ 3,467,733**
Conversion of Limited Partner Units (2,880,810 Common Shares, Note 10)		1		39,704				39,705
Series B Preferred stock conversion (12,443,195 Common Shares)	(447,485)	1		447,484				—
Series B Preferred stock redemption for cash (18,340 Preferred Shares)	(1,711)							(1,711)
Series H Variable Rate Preferred stock issuance (3,328,540 preferred shares)	83,213							83,213
Series H Variable Rate Preferred stock repurchase (3,250,528 net preferred shares)	(81,263)							(81,263)
Stock options exercised (733,617 Common Shares)				17,451				17,451
Series E and Series G Preferred stock accretion	475							475
Stock incentive program (380,835 Common Shares, Net)				12,579		(12,579)		—
Amortization of stock incentive						10,355		10,355
Acquisition of minority interest in Management Company				(2,334)				(2,334)
Other				173				173
Adjustment to limited partners' interest from increased ownership in the Operating Partnership				(79,886)				(79,886)
Distributions					(504,694)			(504,694)
Other comprehensive income			20,695					20,695
Net income					368,715			368,715
Balance at December 31, 2003	**$ 367,483**	**$ 21**	**$ 12,586**	**$ 4,121,332**	**$ (1,097,317)**	**$ (12,960)**	**$ (52,518)**	**$ 3,338,627**
Conversion of Limited Partner Units (4,997,458 Common Shares, Note 10)		1		103,450				103,451
Series H Variable Rate Preferred stock repurchase (78,012 net preferred shares)	(1,950)							(1,950)
Stock options exercised (392,943 Common Shares)				10,689				10,689
Common Stock Issuance (12,978,795 Shares)		1		734,339				734,340
Series I Preferred Stock issuance (13,261,712 Shares)	663,086							663,086
Series I Preferred Unit Conversion to Series I Preferred Stock (376,307 shares)	18,815							18,815
Series J Preferred Stock issuance (796,948 Preferred Shares)	39,847							39,847
Series D Preferred Stock issuance (1,156,039 shares)	34,681							34,681
Series D Preferred Stock redemption (1,156,039 shares)	(34,681)							(34,681)
Series E Preferred Stock redemption (1,000,000 shares)	(25,000)							(25,000)
Treasury Stock purchase (317,300 Shares)							(20,400)	(20,400)
Series E and Series G Preferred stock accretion	406							406
Stock incentive program (365,602 Common Shares, Net)				20,788		(20,788)		—
Common Stock retired (-93,000 Shares)				(3,127)	(2,258)			(5,385)
Amortization of stock incentive						11,935		11,935
Other				26				26
Adjustment to limited partners' interest from increased ownership in the Operating Partnership				6,201				6,201
Distributions					(578,854)			(578,854)
Other comprehensive income			3,779					3,779
Net income					342,993			342,993
Balance at December 31, 2004	**$ 1,062,687**	**$ 23**	**$ 16,365**	**$ 4,993,698**	**$ (1,335,436)**	**$ (21,813)**	**$ (72,918)**	**$ 4,642,606**

The accompanying notes are an integral part of these statements.

1. Organization

Simon Property Group, Inc. ("Simon Property") is a Delaware corporation that operates as a self-administered and self-managed real estate investment trust ("REIT"). Simon Property Group, L.P. (the "Operating Partnership") is a majority-owned partnership subsidiary of Simon Property that owns all but one of our real estate properties. In these notes, the terms "we", "us" and "our" refer to Simon Property, the Operating Partnership, and their subsidiaries.

We are engaged primarily in the ownership, operation, leasing, management, acquisition, expansion and development of real estate properties. Our real estate properties consist primarily of regional malls, Premium Outlet® centers and community shopping centers. As of December 31, 2004, we owned or held an interest in 297 income-producing properties in the United States, which consisted of 172 regional malls, 71 community shopping centers, 31 Premium Outlet centers and 23 other properties in 40 states plus Puerto Rico (collectively, the "Properties", and individually, a "Property"). Other properties are properties that include retail space, office space, and/or hotel components. In addition, we also own interests in twelve parcels of land held in the United States for future development (together with the Properties, the "Portfolio"). Finally, we have ownership interests in 51 European shopping centers (France, Italy, Poland and Portugal); four Premium Outlet centers in Japan; one Premium Outlet center in Mexico; and one shopping center in Canada.

We generate the majority of our revenues from leases with retail tenants including:

- Base minimum rents and cart and kiosk rentals,
- Overage and percentage rents based on tenants' sales volume, and
- Recoveries of substantially all of our recoverable expenditures, which consist of property operating, real estate tax, repairs and maintenance, and advertising and promotional expenditures.

We also generate revenues due to our size and tenant relationships from:

- Pursuing mall marketing initiatives, including the sale of gift cards,
- Forming consumer focused strategic corporate alliances, and
- Offering property operating services to our tenants and others resulting from our relationships with vendors.

M.S. Management Associates, Inc. (the "Management Company") is a wholly-owned subsidiary that provides leasing, management, and development services to most of the Properties. In addition, insurance subsidiaries of the Management Company insure: the self-insured retention portion of our general liability program; the deductible associated with our workers' compensation programs; and provide reinsurance for the primary layer of general liability coverage to our third party maintenance providers while performing services under contract with us. Third party providers provide coverage above the insurance subsidiaries' limits.

Structural Simplification

On December 31, 2002, we continued to simplify our organizational structure by merging SPG Realty Consultants, Inc. ("SPG Realty") into Simon Property, ending our "paired share" REIT structure resulting from our combination with Corporate Property Investors, Inc. All of the outstanding stock of SPG Realty was previously held in trust for the benefit of the holders of common stock of Simon Property. As a result of the merger, our stockholders who were previously the beneficial owners of the SPG Realty stock are now, by virtue of their ownership of our common stock, the owners of the assets and operations formerly owned or conducted by SPG Realty. Note 2 describes the basis of presentation of the merger in the accompanying financial statements.

On January 1, 2003, the Operating Partnership acquired all of the remaining equity interests of the Management Company from three Simon family members for a total purchase price of $425, which was equal to the appraised value of the interests as determined by an independent third party. The acquisition was approved by our independent directors. As a result, the Management Company is now a wholly owned consolidated taxable REIT subsidiary ("TRS") of the Operating Partnership. See Note 7 for further discussion of the operations of the Management Company for the year ended December 31, 2002.

2. Basis of Presentation and Consolidation

The accompanying consolidated financial statements of Simon Property include Simon Property and its subsidiaries. We eliminated all significant intercompany amounts.

Simon Property and SPG Realty were entities under common control and the merger of SPG Realty into Simon Property on December 31, 2002 was accounted for similar to a pooling of interests. The accompanying statements of operations and comprehensive income, cash flows, stockholders' equity and related disclosures in these notes to financial statements represent the combined results of Simon Property and SPG Realty for the year ended December 31, 2002.

We consolidate Properties that are wholly owned or Properties that we own less than 100% but we control. Control of a Property is demonstrated by our ability to:

- manage day-to-day operations,
- refinance debt and sell the Property without the consent of any other partner or owner, and
- the inability of any other partner or owner to replace us.

We also consolidate all variable interest entities when we are determined to be the primary beneficiary.

The deficit minority interest balances in the accompanying consolidated balance sheets represent outside partners' interests in the net equity of certain properties. We record deficit minority interests when a joint venture agreement provides for the settlement of deficit capital accounts before distributing the proceeds from the sale of joint venture assets, the joint venture partner is obligated to make additional contributions to the extent of any capital account deficits or the joint venture partner has the ability to fund such additional contributions.

Investments in partnerships and joint ventures represent noncontrolling ownership interests in Properties and prior to 2003 our investment in the Management Company. We account for these investments using the equity method of accounting. We initially record these investments at cost and we subsequently adjust for net equity in income or loss, which we allocate in accordance with the provisions of the applicable partnership or joint venture agreement, and cash contributions and distributions. The allocation provisions in the partnership or joint venture agreements are not always consistent with the legal ownership interests held by each general or limited partner or joint venture investee primarily due to partner preferences.

As of December 31, 2004, of our 354 properties we consolidated 210 wholly-owned properties, consolidated 20 additional properties that are less than wholly-owned which we control, and accounted for 124 properties using the equity method. We manage the day-to-day operations of 58 of the 124 equity method properties.

We allocate net operating results of the Operating Partnership after preferred distributions based on the partners' respective weighted average ownership interests and after preferred distributions of the Operating Partnership and preferred dividends. Our weighted average ownership interest in the Operating Partnership was as follows:

	For the Year Ended December 31,		
	2004	**2003**	**2002**
Weighted average ownership interest	**77.7%**	75.4%	73.6%

Simon Property's ownership interest in the Operating Partnership as of December 31, 2004 was 78.2% and at December 31, 2003 was 76.8%. We adjust the limited partners' interest in the Operating Partnership at the end of each period to reflect their interest in the Operating Partnership. The adjustment is reflected in the accompanying consolidated statements of stockholders' equity.

3. Summary of Significant Accounting Policies

Investment Properties and Goodwill

We record investment properties at cost. Investment properties include costs of acquisitions; development, predevelopment, and construction (including salaries and related benefits); tenant allowances and improvements; and interest and real estate taxes incurred related to construction. We capitalize improvements and replacements from repair and maintenance when the repairs and maintenance extend the useful life, increase capacity, or improve the efficiency of the asset. All other repair and maintenance items are expensed as incurred. We record depreciation on buildings and improvements utilizing the straight-line method over an estimated original useful life, which is generally 10 to 35 years. We review depreciable lives of investment properties periodically and we make adjustments when necessary to reflect a shorter economic life. We record depreciation on tenant allowances, tenant inducements and tenant improvements utilizing the straight-line method over the term of the related lease. We record depreciation on equipment and fixtures utilizing the straight-line method over seven to ten years.

We review investment properties for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of investment properties may not be recoverable. These circumstances include, but are not limited to, declines in cash flows, occupancy and comparable sales per square foot at the property. We recognize an impairment of investment property when the estimated undiscounted operating income before depreciation and amortization is less than the carrying value of the property. To the extent impairment has occurred, we charge to income the excess of carrying value of the property over its estimated fair value. We may decide to sell properties that are held for use and the sale prices of these properties may differ from their carrying values.

Goodwill resulted from our merger with Corporate Property Investors, Inc. in 1998. We review goodwill for impairment at the reporting unit level on an annual basis or more frequently if an event occurs that would change the fair value of the reporting unit below its carrying amount. If we determine the reporting unit is impaired, the loss would be recognized as an impairment loss in income. Goodwill is reflected in "deferred costs and other assets" in the accompanying consolidated balance sheets.

Purchase Accounting Allocation

We allocate the purchase price of acquisitions to the various components of the acquisition based upon the relative value of each component in accordance with SFAS No. 141 "Business Combinations." These components typically include buildings, land and intangibles related to in-place leases and we estimate:

- the fair value of the buildings on an as-if-vacant basis. The value allocated to land is determined either by real estate tax assessments, a third party or other relevant data.
- the market value of in-place leases based upon our best estimate of current market rents and amortize the resulting market rent adjustment into revenues.
- the value of costs to obtain tenants, including tenant allowances and improvements and leasing commissions.
- the value of revenue and recovery of costs foregone during a reasonable lease-up period, as if the space was vacant.

We amortize all of these amounts over the remaining estimated life of the building or average term of the acquired in-place leases, as appropriate. We also estimate the value of tenant or other customer relationships acquired, if any, which are amortized over the term of the related leases and any expected renewals. Any remaining amount of value will be allocated to in-place leases, as deemed appropriate under the circumstances.

Discontinued Operations

In 2002, we adopted SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"). SFAS No. 144 provides a framework for the evaluation of impairment of long-lived assets, the treatment of assets held for sale or to be otherwise disposed of, and the reporting of discontinued operations. SFAS No. 144

requires us to reclassify any material operations related to consolidated properties sold during the period to discontinued operations. We have reclassified the results of operations of the five properties sold during 2004, the thirteen properties sold in 2003, and the seven properties sold in 2002 as described in Note 4 to discontinued operations in the accompanying consolidated statements of operations and comprehensive income for all periods presented. Revenues included in discontinued operations were $6.0 million for the year ended December 31, 2004, $47.8 million for the year ended December 31, 2003 and $72.1 million for the year ended December 31, 2002.

Cash and Cash Equivalents

We consider all highly liquid investments purchased with an original maturity of 90 days or less to be cash and cash equivalents. Cash equivalents are carried at cost, which approximates market value. Cash equivalents generally consist of commercial paper, bankers acceptances, Eurodollars, repurchase agreements, and money markets. Our balance of cash and cash equivalents includes a balance of $185.6 million related to our gift card program which we do not consider available for general working capital purposes. See Notes 4, 8, and 10 for disclosures about non-cash investing and financing transactions.

Marketable Securities

Marketable securities consist primarily of the assets of the insurance subsidiaries of the Management Company and are included in deferred costs and other assets. The types of securities typically include U.S. Treasury or other U.S. government securities as well as corporate debt securities with maturities ranging from 1 to 10 years. These securities are classified as available-for-sale and are valued based upon quoted market prices or using discounted cash flows when quoted market prices are not available. The amortized cost of debt securities in this category is adjusted for amortization of premiums and accretion of discounts to maturity. Changes in the values of these securities are recognized in accumulated other comprehensive income until the gain or loss is realized and recorded in other income. However, if we determine a decline in value is other than temporary, then we recognize the unrealized loss in income to write down the investments to their net realizable value.

The insurance subsidiaries of the Management Company are required to maintain statutory minimum capital and surplus as well as maintain a minimum liquidity ratio. Therefore, our access to these securities may be restricted.

Use of Estimates

We prepared the accompanying consolidated financial statements in accordance with accounting principles generally accepted in the United States ("GAAP"). GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reported period. Our actual results could differ from these estimates.

Capitalized Interest

We capitalize interest on projects during periods of construction until the projects are ready for their intended purpose. The amount of interest capitalized during each year is as follows:

For the Year Ended December 31,		
2004	**2003**	**2002**
$ 14,612	$ 10,705	$ 4,249

Segment Disclosure

The Financial Accounting Standards Board (the "FASB") issued Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("Statement 131"), in June of 1997. Statement 131 requires disclosure of certain operating and financial data with respect to separate business activities within an enterprise. Our primary business is the owning and operation of retail real estate. We have aggregated our retail operations, including regional malls, Premium Outlets and community centers, into one reportable segment because they have similar economic characteristics and we provide similar products and services to similar types of tenants. Further, all material operations are within the United States and no customer or tenant comprises more than 10% of consolidated revenues.

Deferred Costs and Other Assets

Deferred Financing and Lease Costs. Our deferred costs consist primarily of financing fees we incurred in order to obtain long-term financing and internal and external leasing commissions and related costs. We record amortization of deferred financing costs on a straight-line basis over the terms of the respective loans or agreements. Our deferred leasing costs consist primarily of capitalized salaries and related benefits in connection with lease originations. We record amortization of deferred leasing costs on a straight-line basis over the terms of the related leases. We amortize debt premiums and discounts over the remaining terms of the related debt instruments. These debt premiums or discounts arise either at the debt issuance or as part of the purchase price allocation of the fair value of debt assumed in acquisitions. Details of deferred costs as of December 31 are as follows:

	2004	2003
Deferred financing and lease costs	**$ 419,258**	$ 301,567
Accumulated amortization	**(239,218)**	(177,373)
Deferred financing and lease costs, net	**$ 180,040**	$ 124,194

The accompanying statements of operations and comprehensive income includes amortization as follows:

	For the year ended December 31,		
	2004	2003	2002
Amortization of deferred financing costs	**$ 17,188**	$ 15,710	$ 17,079
Amortization of debt premiums net of discounts	**(8,401)**	(5,723)	(2,269)
Amortization of deferred leasing costs	**19,281**	18,684	17,255

We record amortization of deferred financing costs, amortization of premiums, and accretion of discounts as part of interest expense.

Intangible Assets. Intangible assets are included in deferred costs and other assets on the accompanying consolidated balance sheets. Amounts allocated as a component of our 2004 acquisitions are based on our preliminary valuations and will be finalized within one year. The unamortized balance consists of the following as of December 31:

	Average Life (years)	2004	2003
In-place lease intangibles	6.5	**$ 173,224**	$ 5,516
Fair market value of above market leases	6.5	**126,338**	8,752
Tenant relationship and other intangibles	10.0	**176,250**	—
		$ 475,812	$ 14,268

We also recorded intangible liabilities that are included in accounts payable, accrued expenses, intangibles and deferred revenues on the consolidated balance sheets related to the fair value of below market leases. The unamortized amounts as of December 31, 2004 and 2003 are $334.2 million and $81.7 million, respectively. The average life of these intangibles approximates 6 years.

Deferred costs and other assets also include the following items as of December 31:

	2004	2003
Marketable securities of our captive insurance companies	**$ 95,493**	$ 49,579
Goodwill	**20,098**	20,098
Minority interests	**51,412**	41,467
Prepaids, notes receivable, and other assets	**353,269**	367,274
	$ 520,272	$ 478,418

Derivative Financial Instruments

We account for our derivative financial instruments pursuant to SFAS 133 "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS 138, "Accounting for Derivative Instruments and Hedging Activities." We use a variety of derivative financial instruments in the normal course of business to manage or hedge the risks described in Note 8 and record all derivatives on our balance sheets at fair value. We require that hedging derivative instruments are effective in reducing the risk exposure that they are designated to hedge. We formally designate any instrument that meets these hedging criteria as a hedge at the inception of the derivative contract.

We adjust our balance sheets on an ongoing basis to reflect the current fair market value of our derivatives. We record changes in the fair value of these derivatives each period in earnings or comprehensive income, as appropriate. The ineffective portion of the hedge is immediately recognized in earnings to the extent that the change in value of a derivative does not perfectly offset the change in value of the instrument being hedged. The unrealized gains and losses held in accumulated other comprehensive income will be reclassified to earnings over time as the hedged items are recognized in earnings. We have a policy of only entering into contracts with major financial institutions based upon their credit ratings and other factors.

We use standard market conventions to determine the fair values of derivative instruments, and techniques such as discounted cash flow analysis, option pricing models, and termination cost are used to determine fair value at each balance sheet date. All methods of assessing fair value result in a general approximation of value and such value may never actually be realized.

Accumulated Comprehensive Income

The components of our accumulated comprehensive income consisted of the following as of December 31:

	2004	2003
Cumulative translation adjustment	**$ 4,531**	$ 1,401
Accumulated derivative gains, net	**11,155**	10,176
Net unrealized gains on marketable securities	**679**	1,009
Total accumulated comprehensive income	**$ 16,365**	$ 12,586

Revenue Recognition

We, as a lessor, retain substantially all of the risks and benefits of ownership of the investment properties and account for our leases as operating leases. We accrue minimum rents on a straight-line basis over the terms of their respective leases. Substantially all of our retail tenants are also required to pay overage rents based on sales over a stated base amount during the lease year. We recognize overage rents only when each tenant's sales exceeds its sales threshold.

We structure our leases to allow us to recover a significant portion of our property operating, real estate taxes, repairs and maintenance, and advertising and promotion expenses from our tenants. A substantial portion of our leases, other than those for anchors, require the tenant to pay their proportionate share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation. For most of our remaining leases, we receive a fixed payment from the tenant which is subject to an annual adjustment. Such property operating expenses typically include utility, insurance, security, janitorial, landscaping, food court and other administrative expenses. Our advertising and promotional costs are expensed as incurred. We accrue reimbursements from tenants for recoverable portions of all these expenses as revenue in the period the applicable expenditures are incurred. We also receive escrow payments for these reimbursements from substantially all our tenants throughout the year. We do this to reduce the risk of loss on uncollectible accounts once we perform the final year end billings for recoverable expenditures. We recognize differences between estimated recoveries and the final billed amounts in the subsequent year and we believe these differences were not material in any period presented.

Management Fees and Other Revenues

Management fees and other revenues are generally received from our unconsolidated joint venture Properties as well as third parties. Management fee revenue is recognized based on a contractual percentage of joint venture property revenue. Development fee revenue is recognized on a contractual percentage of hard costs to develop a property. Leasing fee revenue is recognized on a contractual per square foot charge based on the square footage of current year leasing activity.

Insurance premiums written and ceded are recognized on a pro-rata basis over the terms of the policies. Insurance losses are reflected in property operating expenses in the accompanying statements of operations and comprehensive income and include estimates for losses incurred but not reported as well as losses pending settlement. Estimates for losses are based on evaluations by actuaries and management's best estimates. Total insurance reserves for our insurance subsidiary as of December 31, 2004 and 2003 approximated $80.0 million and $60.7 million, respectively.

We recognize revenues from our gift card program when fees are earned according to the provisions of the card arrangements and respective terms and conditions.

Allowance for Credit Losses

We record a provision for credit losses based on our judgment of a tenant's creditworthiness, ability to pay and probability of collection. In addition, we also consider the retail sector in which the tenant operates and our historical collection experience in cases of bankruptcy, if applicable. Presented below is the activity in the allowance for credit losses and includes the activities related to discontinued operations during the following years ended:

	For the year ended December 31,		
	2004	**2003**	**2002**
Balance at Beginning of Year	**$ 31,473**	$ 20,490	$ 24,682
Consolidation of Management Company	**—**	1,700	—
Provision for Credit Losses	**18,975**	14,630	8,972
Accounts Written Off	**(13,409)**	(5,347)	(13,164)
Balance at End of Year	**$ 37,039**	$ 31,473	$ 20,490

Income Taxes

Simon Property and several subsidiaries of the Operating Partnership are taxed as REITs under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury regulations relating to REIT qualification. The Operating Partnership acquired two additional entities that will be taxed as REITs in 2004 and in subsequent years. These regulations require us to distribute at least 90% of our taxable income to stockholders and meet certain other asset and income tests as well as other requirements. We intend to continue to adhere to these requirements and maintain the REIT status of Simon Property and the REIT subsidiaries. As REITs, these entities will generally not be liable for federal corporate income taxes. Thus, we made no provision for federal income taxes for these entities in the accompanying consolidated financial statements. If Simon Property or any of our REIT subsidiaries fail to qualify as a REIT, it will be subject to tax at regular corporate rates for the years in which it failed to qualify. If we lose our REIT status we could not elect to be taxed as a REIT for four years unless our failure to qualify was due to reasonable cause and certain other conditions were satisfied. State income, franchise or other taxes were not significant in any of the periods presented.

We have also elected taxable REIT subsidiary ("TRS") status for some of our subsidiaries. This enables us to provide services that would otherwise be considered impermissible for REITs. For these entities, deferred tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of assets and liabilities at the enacted tax rates expected to be in effect when the temporary differences reverse. A valuation allowance for deferred tax assets is provided if we believe all or some portion of the deferred tax asset may not be realized. An increase or decrease in the valuation allowance that results from the change in circumstances that causes a change in our judgment about the realizability of the related deferred tax asset is included in income.

As a result of the consolidation of the Management Company, the deferred tax assets and liabilities and income tax expense of the Management Company are included in the accompanying consolidated financial statements as of and for the years ended December 31, 2004 and 2003. As of December 31, 2004 and 2003, we had a net deferred tax asset of $11.3 million and $22.5 million, respectively, related to our TRS subsidiaries. The net deferred tax asset is included in deferred costs and other assets in the accompanying consolidated balance sheets and consists primarily of operating losses and other carryforwards for Federal income tax purposes as well as the timing of the deductibility of losses from insurance subsidiaries.

Per Share Data

We determine basic earnings per share based on the weighted average number of shares of common stock outstanding during the period. We determine diluted earnings per share based on the weighted average number of shares of common stock outstanding combined with the incremental weighted average shares that would have been outstanding assuming all dilutive potential common shares were converted into shares at the earliest date possible. The following table sets forth the computation of our basic and diluted earnings per share. The effect of dilutive securities amounts presented in the reconciliation below represents the common stockholders' pro rata share of the respective line items in the statements of operations and is after considering the effect of preferred dividends.

	For the Year Ended December 31,		
	2004	**2003**	**2002**
Common Stockholders share of:			
Income from continuing operations	**$ 301,071**	$ 288,954	$ 344,634
Discontinued operations	**(424)**	24,623	13,753
Net Income available to Common Stockholders — Basic	**$ 300,647**	$ 313,577	$ 358,387
Effect of Dilutive Securities:			
Impact to General Partner's interest in Operating Partnership from all dilutive securities and options	**$ 279**	$ 333	$ 1,919
Net Income available to Common Stockholders — Diluted	**$ 300,926**	$ 313,910	$ 360,306
Weighted Average Shares Outstanding — Basic	**207,989,585**	189,475,124	179,910,355
Effect of stock options	**867,368**	823,532	671,972
Effect of convertible preferred stock	**—**	—	918,615
Weighted Average Shares Outstanding — Diluted	**208,856,953**	190,298,656	181,500,942
Basic per share amounts:			
Income from continuing operations	**$ 1.45**	$ 1.52	$ 1.91
Discontinued operations	**—**	0.13	0.08
Net income available to Common Stockholders — Basic	**$ 1.45**	$ 1.65	$ 1.99
Diluted per share amounts:			
Income from continuing operations	**$ 1.44**	$ 1.52	$ 1.91
Discontinued operations	**—**	0.13	0.08
Net income available to Common Stockholders — Diluted	**$ 1.44**	$ 1.65	$ 1.99

For the year ending December 31, 2004, potentially dilutive securities include stock options, certain preferred units of limited partnership interest of the Operating Partnership, certain contingently convertible preferred stock and the units of limited partnership interest ("Units") in the Operating Partnership which are exchangeable for common stock.

We accrue distributions when they are declared. The taxable nature of the dividends declared for each of the years ended as indicated is summarized as follows:

	For the Year Ended December 31,		
	2004	**2003**	**2002**
Total dividends paid per share	**$ 2.60**	$ 2.40	$ 2.175
Percent taxable as ordinary income	**88.0%**	95.1%	58.0%
Percent taxable as long-term capital gains	**6.0%**	0.9%	36.6%
Percent taxable as unrecaptured Section 1250 gains	**—**	—	5.4%
Percent non-taxable as return of capital	**6.0%**	4.0%	0.0%
	100.0%	100.0%	100.0%

Reclassifications

We made certain reclassifications of prior period amounts in the financial statements to conform to the 2003 presentation. These reclassifications have no impact on net income previously reported. These include reclassifying certain home office and regional office costs, and general and administrative expenses. Effective January 1, 2003, we adopted SFAS No. 145 "Rescission of FASB Statements No. 4, 44, and 64, Amendment of SFAS No. 13, and Technical Corrections" ("SFAS No. 145") and therefore we have reclassified those items which no longer qualify as extraordinary items to income from continuing operations. In 2002, we reclassified $14.6 million, or $0.06 per share, of gains from debt extinguishments of consolidated Properties to "gains from debt related transactions, net."

4. Real Estate Acquisitions, Disposals, and Impairment

Acquisitions

During 2004

On February 5, 2004, we purchased a 95% interest in Gateway Shopping Center in Austin, Texas, for approximately $107.0 million. We initially funded this transaction with borrowings on the Credit Facility and with the issuance of 120,671 units of the Operating Partnership valued at approximately $6.0 million.

On April 1, 2004, we increased our ownership interest in The Mall of Georgia Crossing from 50% to 100% for approximately $26.3 million, including the assumption of $16.5 million of debt. As a result of this transaction, this Property is now reported as a consolidated entity.

On April 27, 2004, we increased our ownership in Bangor Mall in Bangor, Maine from 32.6% to 67.6% and increased our ownership in Montgomery Mall in Montgomery, Pennsylvania from 23.1% to 54.4%. We acquired these additional ownership interests from our partner in the properties for approximately $67.0 million, including the assumption of $16.8 million of debt. We funded this transaction with the Montgomery Mall mortgage discussed in Note 8 and borrowings on the Credit Facility. Bangor Mall and Montgomery Mall were previously accounted for under the equity method. These Properties are now consolidated as a result of this acquisition.

On May 4, 2004, we purchased a 100% interest in Plaza Carolina in San Juan, Puerto Rico for approximately $309.0 million. We funded this transaction with the mortgage discussed in Note 8 and borrowings on the Credit Facility.

On October 14, 2004, we acquired all of the outstanding common stock of Chelsea Property Group, Inc. ("Chelsea") and the limited partnership units of its operating partnership subsidiary in a transaction valued at approximately $5.2 billion, including the assumption of $1.5 billion of debt. Chelsea has interests in 36 Premium Outlet centers and 24 other shopping centers containing 16.6 million square feet of gross leasable area in 31 states and Japan. We funded the cash portion of this acquisition with a $1.8 billion unsecured term loan facility discussed in Note 8.

Chelsea common stockholders received consideration of $36.00 per share for each share of Chelsea's common stock in cash, a fractional share of 0.2936 of our common stock, and a fractional share of 0.3000 of Simon 6% Series I convertible perpetual preferred stock. The holders of Chelsea's operating partnership subsidiary's limited partnership common units exchanged their units for common and convertible preferred units of the Operating Partnership. The following shares and units were issued at closing:

- 12,978,795 shares of common stock
- 4,652,232 Operating Partnership common units
- 13,261,712 shares of Simon Property 6% Series I Convertible Perpetual Preferred Stock (liquidation value of $50 per share)
- 4,753,794 Operating Partnership 6% Convertible Perpetual Preferred Units (liquidation value of $50 per unit)

The following summarized balance sheet represents the impact of the acquisition of Chelsea in 2004:

Investment properties, at cost	$	**4,685,738**
Cash and cash equivalents		**27,250**
Tenant receivables		**4,052**
Investment in unconsolidated entities		**417,439**
Deferred costs and other assets (including intangibles)		**499,523**
Total assets	$	**5,634,002**
Mortgages and other indebtedness	$	**1,611,184**
Accounts payable, accrued expenses, intangibles and other		**351,645**
Total liabilities	$	**1,962,829**

On November 19, 2004 we increased our ownership interest in Lehigh Valley, located in Whitehall, Pennsylvania, from 24.88% to 37.61% for approximately $42.3 million, including the assumption of our $25.9 million share of debt.

On December 15, 2004, we increased our ownership in Woodland Hills in Tulsa, Oklahoma from 47.2% to 94.5%. We acquired this additional ownership interests from our partner in the property for approximately $119.5 million, including the assumption of $39.7 million of debt. Woodland Hills was previously accounted for under the equity method. This Property is now consolidated as a result of this acquisition.

Purchase price allocations for all of the above 2004 business combinations are preliminary and will be finalized in 2005. Any adjustment to the values assigned to identified assets and liabilities in finalizing the purchase price allocation for these business combinations above are not expected to have a material effect on consolidated net income.

During 2003

On March 14, 2003, we purchased the remaining interest in The Forum Shops at Caesars in Las Vegas, NV from the minority limited partner who initiated the buy/sell provision of the partnership agreement. We purchased this interest for $174.0 million in cash and assumed the minority limited partner's $74.2 million share of debt, and other partnership liabilities. We funded this purchase with borrowings from our Credit Facility. We recorded minority interest expense relating to the minority limited partner's share of the results of operations of The Forum Shops at Caesars through March 14, 2003.

On August 20, 2003, we purchased a 100% leasehold stake in Stanford Shopping Center in Palo Alto, California for $333.0 million from Stanford University. Stanford University holds, as lessor, a long-term ground lease underlying the asset. We funded this purchase with a mortgage, with borrowings from our Credit Facility, and with available working capital.

In the fourth quarter 2003, through a series of transactions we increased our ownership interest in Kravco Investments L.P. ("Kravco"), a Philadelphia, PA based owner of regional malls, from approximately 18% to approximately 80% (which has been subsequently reduced to 76% in the fourth quarter of 2004) and in its affiliated management company from approximately 15% to 50%. The portfolio consists of six regional malls, five of which are in the Philadelphia metropolitan area, and four community centers. We acquired our interest in Kravco from certain private investor real estate companies. We acquired our initial interest jointly with these real estate companies in connection with the Rodamco acquisition in 2002. As a result of this acquisition, we consolidated four new partnerships and account for six new partnerships as joint ventures. The total consideration paid in these transactions was approximately $293.4 million and consisted of:

- cash of $82.0 million,
- issuance of $107.4 million of perpetual preferred units by the Operating Partnership, and
- the assumption of our share of mortgage debt and other payables of $104.0 million.

On December 22, 2003, we jointly formed with The Rinascente Group the joint venture Gallerie Commerciali Italia S.p.A ("GCI"), which owns a geographically diverse portfolio in Italy of 40 existing shopping centers as of December 31, 2004 (38 as of December 31, 2003). The Rinascente Group contributed these 38 existing shopping centers as well as development opportunities to GCI and then sold 49% of GCI to one of our affiliates. The initial gross value of GCI was approximately €860 million, or approximately $1.1 billion, and our initial equity investment was approximately €187 million, or $232 million. We account for our interest in GCI under the equity method of accounting.

During 2002

On May 3, 2002, we purchased, jointly with Westfield and Rouse, the partnership interests of Rodamco North America N.V. ("Rodamco") and its affiliates through the acquisition of Rodamco stock. Our portion of the acquisition includes the purchase of the remaining partnership interests in four of our existing joint venture Properties, new partnership interests in nine additional Properties, and other partnership interests and assets. We acquired these partnership interests as part of our acquisition strategy to acquire and own quality retail real estate thereby enhancing our overall Portfolio. The results of operations for the partnership interests acquired have been included in our results of operations since May 3, 2002.

The purchase price was €2.5 billion for the 45.1 million outstanding shares of Rodamco stock, or €55 per share, and the assumption of certain Rodamco obligations. Our share of the total purchase price was approximately $1.6 billion, including €795.0 million or $720.7 million to acquire Rodamco shares, the assumption of $579 million of debt and preferred units, and cash of $268.8 million to pay off our share of corporate level debt and unwind interest rate swap agreements.

We, and the Management Company, hold the other Rodamco partnership interests and assets jointly with two other real estate companies. We account for these assets under the equity method. These included our initial interest in Kravco, two notes receivable, an interest in a hotel, and three other retail properties. Some of these assets were considered held for sale and amounted to approximately $8 million. We sold two of the other retail properties in 2002 for no gain or loss for approximately $4.4 million and we sold the remaining asset held for sale in 2003 for $2.9 million and recognized a nominal gain.

In connection with the Rodamco acquisition we entered into a series of hedging transactions to manage our €795 million exposure to fluctuations in the Euro currency, all of which were closed out at the completion of the acquisition. Our total net gains were $7.1 million on the hedging activities.

We financed a portion of the Rodamco acquisition through the sale of two partnership interests acquired as part of the Rodamco acquisition and an existing partnership interest to Teacher's Insurance and Annuity Association ("Teachers"). We sold these partnership interests for approximately $391.7 million, including approximately $198.0 million of cash and approximately $193.7 million of debt assumed. Our sale of the existing partnership interest resulted in a net gain of $25.7 million.

As a result of the Rodamco acquisition and the Teachers transaction, we consolidated five new partnerships and account for six new partnerships as joint ventures.

On July 19, 2002, we purchased the remaining two-thirds interest in Copley Place (we had acquired our initial interest in the Rodamco acquisition) for $241.4 million, including $118.3 million in cash and the assumption of $123.1 million of debt. We funded the acquisition with borrowings from our existing Credit Facility. As a result of this transaction, we have consolidated the results of operations of Copley Place since July 19, 2002.

Disposals

During 2004

We sold five non-core properties, consisting of three regional malls, one community center and one Premium Outlet center. In total, we received net proceeds from these sales of approximately $34.3 million. As a result of these transactions, we recorded a net loss of $0.3 million during the twelve months ended December 31, 2004. The properties and their dates of sale consisted of:

- Hutchinson Mall on June 15, 2004
- Bridgeview Court on July 22, 2004
- Woodville Mall on September 1, 2004
- Santa Fe Premium Outlet on December 28, 2004
- Heritage Park Mall on December 29, 2004

As of December 31, 2003, the carrying value of the properties sold at cost, net of accumulated depreciation was $27.0 million.

On April 7, 2004, we sold a joint venture interest in a hotel property held by the Management Company and on April 8, 2004 we sold our joint venture interest in Yards Plaza, in Chicago, Illinois for net proceeds of $17.0 million, resulting in a gain of $12.6 million, $8.3 million net of tax.

On August 6, 2004, we completed the court ordered sale of our joint venture interest in Mall of America, in Minneapolis, Minnesota.

On January 11, 2005, we sold our 50% interest in a joint venture Property that was accounted for on the equity method of accounting for $62.6 million resulting in a gain of $10.4 million.

During 2003

We sold 13 non-core properties, consisting of seven regional malls, five community centers and one mixed-use property. In total, we received net proceeds from these sales of $275.1 million. As a result of these transactions, we recorded a net gain of $22.4 million during the twelve months ended December 31, 2003. The properties and their dates of sale consisted of:

- Richmond Square, Mounds Mall, Mounds Mall Cinema and Memorial Mall on January 9, 2003
- Forest Village Park Mall on April 29, 2003
- North Riverside Park Plaza on May 8, 2003
- Memorial Plaza on May 21, 2003
- Fox River Plaza on May 22, 2003
- Eastern Hills Mall on July 1, 2003
- New Orleans Center on October 1, 2003
- Mainland Crossing on October 28, 2003
- SouthPark Mall on November 3, 2003
- Bergen Mall on December 12, 2003

As of December 31, 2002, the carrying value of the properties sold during 2003 at cost, net of accumulated depreciation was $259.1 million.

During 2002

On April 1, 2002, we sold our interest in Orlando Premium Outlets, one of our joint venture properties, for a gross sales price of $76.3 million, including cash of $46.6 million and the assumption of our 50% share of $59.1 million of joint venture debt, resulting in a net gain of $39.0 million.

In addition, on May 31, 2002, we sold our interests in the five joint venture value-oriented super-regional malls to the Mills Corporation, who was our partner in these properties and who managed these joint ventures. We disposed of these joint venture interests in order to fund a portion of the Rodamco acquisition. We sold these joint venture interests for approximately $424.3 million including $150.9 million of cash and the assumption of approximately $273.4 million of joint venture debt. The transaction resulted in a gain of $123.3 million. We were also relieved of all guarantees of the indebtedness related to these five properties. In connection with this transaction, the Management Company also sold its land partnership interests for $24.1 million that resulted in our $8.4 million share of gains, net of tax, recorded in income from unconsolidated entities. Also during 2002, we made the decision to no longer pursue certain development projects. As a result, we wrote-off the carrying amount of our predevelopment costs and land acquisition costs associated with these projects in the amount of $17.1 million, which is included in "gain (loss) on sales of assets and other, net" in the accompanying statements of operations and comprehensive income.

During 2002, we disposed of seven of our nine assets held for sale as of December 31, 2001. The seven assets disposed included three community centers and four regional malls. The three community centers and two of the regional malls were sold for a net sales price of $28.1 million resulting in a net loss of $7.0 million. In addition, we negotiated with the lenders the sale of our interests in one regional mall to a third party resulting in net proceeds of $3.6 million and deeded one regional mall to the lender in satisfaction of the outstanding mortgage indebtedness. The two regional malls were encumbered with $52.2 million of indebtedness. The net impact of these two transactions resulted in a net gain on debt forgiveness of $16.1 million that is reflected in "gain from debt related transactions, net" in the accompanying statements of operations and comprehensive income.

The cash flows and results of operations of the Properties disposed of during the three years ended December 31, 2004 were not material to our cash flows and results of operations. These Properties' removal from service will not materially affect our ongoing operations.

Impairment. In 2004, we recorded an $18.0 million impairment charge related to one Property. We evaluate our Properties for the potential impairment of our assets using a combination of estimations of the fair value based upon a multiple of the net cash flow of the Properties and discounted cash flows from the individual Properties' operations as well as contract prices, if applicable and available.

5. Pro Forma Financial Information (Unaudited)

The pro forma condensed consolidated statements of operations for the years ended December 31, 2004 and 2003 includes adjustments for the acquisition of Chelsea as if the transaction had occurred as of January 1, 2003. The pro forma information does not purport to present what actual results would have been had the acquisitions, and related transactions, in fact, occurred at the previously mentioned date, or to project results for any future period. Other acquisitions during 2004 were not considered material business combinations for the purpose of presenting this pro forma financial information.

PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS	For the Year Ended December 31, 2004	For the Year Ended December 31, 2003
Revenue:		
Minimum rent	$ **1,816,758**	$ 1,655,315
Overage rent	**91,129**	77,588
Tenant reimbursements	**835,626**	761,237
Management fees and other revenues	**72,737**	74,677
Other income	**163,229**	145,357
Total revenue	**2,979,479**	2,714,174
Expenses:		
Property operating	**418,470**	377,325
Depreciation and amortization	**801,170**	717,316
Real estate taxes	**275,704**	236,618
Repairs and maintenance	**101,769**	92,971
Advertising and promotion	**93,993**	84,587
Provision for credit losses	**18,895**	15,673
Home and regional office costs	**90,545**	80,105
General and administrative	**29,470**	27,474
Other (including impairment charge)	**64,296**	45,298
Total operating expenses	**1,894,312**	1,677,367
Operating Income	**1,085,167**	1,036,807
Interest Expense	**738,272**	692,170
Income Before Minority Interest and Unconsolidated Entities	**346,895**	344,637
Minority interest and other	**(10,447)**	(12,423)
Income tax expense of taxable REIT subsidiaries	**(11,770)**	(7,597)
Pro Forma Income before unconsolidated entities	**324,678**	324,617
Income from unconsolidated entities	**91,354**	100,651
Pro Forma Income from continuing operations	**416,032**	425,268
Pro Forma Limited partners' interest in the Operating Partnership and Preferred Distributions of the Operating Partnership	**107,367**	99,725
Pro Forma Net Income	**308,665**	325,543
Preferred Dividends	**78,264**	100,508
Pro Forma Net Income Available to Common Stockholders	$ **230,401**	$ 225,035
Pro Forma Earnings Per Common Share — Basic	$ **1.06**	$ 1.11
Pro Forma Earnings Per Common Share — Diluted	$ **1.05**	$ 1.11

(a) Pro forma basis earning per share are based upon weighted average common shares of 218,264,464 for 2004 and 202,453,919 for 2003. Pro forma diluted earning per share are based upon weighted average common shares of 219,131,832 for 2004 and 203,277,451 for 2003.

6. Investment Properties

Investment properties consist of the following:

	As of December 31,	
	2004	**2003**
Land	**$ 2,611,543**	$ 2,068,264
Buildings and improvements	**18,471,039**	12,766,179
Total land, buildings and improvements	**21,082,582**	14,834,443
Furniture, fixtures and equipment	**171,179**	137,380
Investment properties at cost	**21,253,761**	14,971,823
Less — accumulated depreciation	**3,162,523**	2,556,578
Investment properties at cost, net	**$ 18,091,238**	$ 12,415,245
Construction in progress included in investment properties	**$ 393,769**	$ 243,953

7. Investments in Unconsolidated Entities

Joint ventures are common in the real estate industry. We use joint ventures to finance properties and diversify our risk in a particular property or trade area. We may also use joint ventures in the development of new properties. We held joint venture ownership interests in 67 Properties as of December 31, 2004 and 75 as of December 31, 2003, as well as joint venture interests in our investments in 51 European shopping centers; four Premium Outlet centers in Japan; one Premium Outlet in Mexico; and one shopping center in Canada as of December 31, 2004. We held 47 European shopping centers and one shopping center in Canada as of December 31, 2003. Since we do not control or otherwise have an interest that would require us to consolidate these joint venture Properties, accounting principles generally accepted in the United States currently require that we account for these Properties on the equity method. Substantially all of our joint venture Properties are subject to rights of first refusal, buy-sell provisions, or other sale rights for partners which are customary in real estate partnership agreements and the industry. Each partner in these joint ventures may initiate these provisions at any time, which would result in either the sale of or the use of available cash or borrowings to acquire the partnership interest.

Summary financial information of the joint ventures and a summary of our investment in and share of income from such joint ventures follow. We condensed into separate line items major captions of the statements of operations for joint venture interests sold or consolidated. Consolidation occurs when we acquire an additional interest in the joint venture and as a result, gain unilateral control of the Property. We reclassified these line items into "Discontinued Joint Venture Interests" and "Consolidated Joint Venture Interests" so that we may present comparative results of operations for those joint venture interests held as of December 31, 2004.

	December 31,	
	2004	2003
BALANCE SHEETS		
Assets:		
Investment properties, at cost	**$ 9,429,465**	$ 8,787,816
Less — accumulated depreciation	**1,745,498**	1,427,291
	7,683,967	7,360,525
Cash and cash equivalents	**292,770**	227,921
Tenant receivables	**209,040**	236,023
Investment in unconsolidated entities	**167,182**	94,853
Deferred costs and other assets	**322,660**	176,477
Assets of Consolidated Joint Venture Interests	**—**	474,745
Assets of Discontinued Joint Venture Interests	**—**	764,833
Total assets	**$ 8,675,619**	$ 9,335,377
Liabilities and Partners' Equity:		
Mortgages and other indebtedness	**$ 6,398,312**	$ 5,936,104
Accounts payable, accrued expenses, and deferred revenue	**373,887**	273,704
Other liabilities	**179,443**	38,780
Mortgages and liabilities of Consolidated Joint Venture Interests	**—**	229,718
Mortgages and liabilities of Discontinued Joint Venture Interests	**—**	549,142
Total liabilities	**6,951,642**	7,027,448
Preferred units	**67,450**	152,450
Partners' equity	**1,656,527**	2,155,479
Total liabilities and partners' equity	**$ 8,675,619**	$ 9,335,377
Our Share of:		
Total assets	**$ 3,619,969**	$ 3,861,497
Partners' equity	**$ 779,252**	$ 885,149
Add: Excess Investment	**1,103,992**	912,212
Our net Investment in Joint Ventures	**$ 1,883,244**	$ 1,797,361
Mortgages and other indebtedness	**$ 2,750,327**	$ 2,739,630

"Excess Investment" represents the unamortized difference of our investment over our share of the equity in the underlying net assets of the joint ventures acquired. We generally amortize excess investment over the life of the related Properties, typically 35 years, and the amortization is included in income from unconsolidated entities. We periodically review our ability to recover the carrying values of our investments in the joint venture Properties. If we conclude that any portion of our investment, including the excess investment, is not recoverable, we record an adjustment to write off the unrecoverable amounts.

As of December 31, 2004, scheduled principal repayments on joint venture indebtedness were as follows:

2005	$	500,885
2006		1,083,340
2007		512,958
2008		790,007
2009		526,266
Thereafter		2,984,328
Total principal maturities		6,397,784
Net unamortized debt premiums		528
Total mortgages and other indebtedness	$	6,398,312

This debt becomes due in installments over various terms extending through 2017 with interest rates ranging from 1.14% to 9.04% and a weighted average rate of 5.84% at December 31, 2004.

	For the Year Ended December 31,		
	2004	**2003**	**2002**
STATEMENTS OF OPERATIONS			
Revenue:			
Minimum rent	**$ 960,934**	$ 795,386	$ 728,294
Overage rent	**44,494**	28,486	26,621
Tenant reimbursements	**490,023**	400,921	352,669
Other income	**67,233**	78,069	50,317
Total revenue	**1,562,684**	1,302,862	1,157,901
Operating Expenses:			
Property operating	**300,656**	229,146	179,208
Depreciation and amortization	**290,256**	230,578	205,721
Real estate taxes	**128,578**	118,193	105,082
Repairs and maintenance	**71,649**	64,247	63,021
Advertising and promotion	**38,238**	37,162	35,060
Provision for credit losses	**11,354**	7,728	8,143
Other	**66,504**	39,683	30,080
Total operating expenses	**907,235**	726,737	626,315
Operating Income	**655,449**	576,125	531,586
Interest Expense	**375,884**	335,494	316,872
Income Before Minority Interest and Unconsolidated Entities	**279,565**	240,631	214,714
(Loss) Income from Unconsolidated Entities	**(5,129)**	8,393	3,062
Minority interest	**—**	(654)	(751)
Income From Continuing Operations	**274,436**	248,370	217,025
Income from Consolidated Joint Venture Interests	**19,378**	23,801	9,866
Income from Discontinued Joint Venture Interests	**6,431**	44,424	28,600
Gain on disposal or sale of Discontinued operations, net	**4,704**	—	—
Net Income	**$ 304,949**	$ 316,595	$ 255,491
Third-Party Investors' Share of Net Income	**$ 193,282**	$ 190,535	$ 150,161
Simon Group's Share of Net Income	**111,667**	126,060	105,330
Amortization of Excess Investment	**30,554**	26,415	26,635
Income from Joint Ventures	**$ 81,113**	$ 99,645	$ 78,695

European Investments

The carrying amount of our total combined investment in two joint venture investments, European Retail Enterprises, B.V. ("ERE") and Gallerie Commerciali Italia ("GCI"), is $320.6 million as of December 31, 2004, net of the related cumulative translation adjustment, including subordinated debt in ERE. Our investments in ERE and GCI are accounted for using the equity method of accounting. The Operating Partnership has a 49% ownership in GCI and a current 34.7% ownership in ERE.

The agreements for the Operating Partnership's 34.7% interest in ERE are structured to allow us to acquire an additional 26.1% ownership interest over time. The future commitments to purchase shares from three of the existing stockholders of ERE are based upon a multiple of adjusted results of operations in the year prior to the purchase of the shares. Therefore, the actual amount of these additional commitments may vary. The current estimated additional commitments is approximately $60 million to purchase shares of stock of ERE, assuming that the three existing stockholders exercise their rights under put options. We expect these purchases to be made from 2006-2008. In addition, the agreements contain normal buy/sell provisions as previously described, as well as a marketing right which a partner may exercise. We and the other significant owner of ERE have the right to market the sale of the entire company, subject to a right of first offer to the non-selling partner. If the non-selling partner does not exercise its right for a specified price, then the selling partner can sell each partners' interest in ERE commencing in the second quarter of 2005. Our partner has initiated a process in order to exercise this marketing right but has not yet given us the notice required to formally commence the marketing right or allow us to exercise our right of first offer.

The Management Company

On January 1, 2003, the Operating Partnership acquired all of the remaining equity interests of the Management Company, and as a result, the Management Company is now a consolidated subsidiary of the Operating Partnership. Prior to this, we owned voting and non-voting common stock and three classes of participating preferred stock of the Management Company; however, 95% of the voting common stock was owned by three Simon family members. Prior to that date, we accounted for our investment in the Management Company using the equity method of accounting. At that time, we exercised significant influence but did not control the financial and operating policies of the Management Company. Our preferred and common interest and our note receivable from the Management Company entitled us to approximately 98% of the after-tax economic benefits of the Management Company's operations.

Prior to the consolidation of the Management Company, common costs were allocated by the Management Company to us, based primarily on minimum and overage rent, using assumptions that we believe are reasonable. The following data summarizes interest income and preferred dividends from the Management Company for the year ended December 31, 2002, included in other income, and total costs incurred on consolidated properties related to services provided by the Management Company:

Interest and preferred dividends	$	13,620
Total costs incurred on consolidated properties	$	76,469

Summarized consolidated operating data of the Management Company for the year ended December 31, 2002 is as follows:

Total revenue	$	130,988
Operating income	$	33,571
Net loss attributable to common stockholders	$	(18,626)

8. Indebtedness and Derivative Financial Instruments

Our mortgages and other indebtedness consist of the following:

	December 31, 2004	December 31, 2003
Fixed-Rate Debt		
Mortgages and other notes, including $68,746 and $21,742 net premiums, respectively. Weighted average interest and maturity of 6.45% and 6.1 years.	**$ 4,369,655**	$ 3,360,917
Unsecured notes, including $61,034 net premiums and $16,547 net discounts, respectively. Weighted average interest and maturity of 6.32% and 5.2 years.	**6,501,034**	4,998,453
7% Mandatory Par Put Remarketed Securities, including $4,851 and $4,933 premiums, respectively, due June 2028 and subject to redemption June 2008.	**204,851**	204,933
Commercial mortgage pass-through, due December 2004	**—**	172,290
Total fixed-rate debt	**11,075,540**	8,736,593
Variable-Rate Debt		
Mortgages and other notes, at face value, respectively. Weighted average interest and maturity of 3.58% and 2.5 years.	**$ 686,771**	$ 619,763
Floating Rate Mandatory Extension Notes, due November 15, 2014.	**—**	113,100
Credit Facility (see below)	**425,000**	327,901
Acquisition Facility (see below)	**1,800,000**	—
Alternative Currency Facilities	**24,359**	—
Commercial mortgage pass-through certificates, due December 2004.	**—**	48,157
Unsecured term loans. Weighted average rates and maturities of 3.34% and 2.4 years.	**579,170**	419,679
Total variable-rate debt	**3,515,300**	1,528,600
Fair value interest rate swaps	**(4,447)**	1,195
Total mortgages and other indebtedness, net	**$ 14,586,393**	$ 10,266,388

General. We have pledged 94 Properties as collateral to secure related mortgage notes including 9 pools of cross-defaulted and cross-collateralized mortgages encumbering a total of 45 Properties. Under these cross-default provisions, a default under any mortgage included in the cross-defaulted package may constitute a default under all such mortgages and may lead to acceleration of the indebtedness due on each Property within the collateral package. Of our 94 encumbered Properties, indebtedness of 23 of these encumbered Properties and our unsecured notes are subject to various financial performance covenants relating to leverage ratios, annual real property appraisal requirements, debt service coverage ratios, minimum net worth ratios, debt-to-market capitalization, and/or minimum equity values. Our mortgages and other indebtedness may be prepaid but are generally subject to prepayment of a yield-maintenance premium or defeasance. As of December 31, 2004, we are in compliance with all our debt covenants.

Mortgages and Other Indebtedness. We have 94 encumbered consolidated properties at December 31, 2004. The balance of fixed and variable rate mortgage notes was $5.0 billion as of December 31, 2004 and of this amount $4.7 billion is nonrecourse to us. The fixed-rate mortgages generally require monthly payments of principal and/or interest. The interest rates of variable-rate mortgages are typically based on LIBOR.

Some of the limited partner Unitholders guarantee a portion of our consolidated debt through foreclosure guarantees. In total, 53 limited partner Unitholders provide guarantees of foreclosure of $354.8 million of our consolidated debt at 12 consolidated Properties. In each case, the loans were made by unrelated third party institutional lenders and the guarantees are for the benefit of each lender. In the event of foreclosure of the mortgaged property, the proceeds from the sale of the property are first applied against the amount of the guarantee and also reduce the amount payable under the guarantee. To the extent the sale proceeds from the disposal of the property do not cover the amount of the guarantee, then the Unitholder is liable to pay the difference between the sale proceeds and the amount of the guarantee so that the entire amount guaranteed to the lender is satisfied. The debt is non-recourse to us and our affiliates.

On January 22, 2004, we paid off a $60.0 million variable rate mortgage, at LIBOR plus 125 basis points, that encumbered one consolidated Property with proceeds from a senior unsecured notes offering. In addition, we refinanced another consolidated mortgaged Property with a $32.0 million 6.05% fixed rate mortgage that matures on February 11, 2014. The balance of the previous mortgage was $34.7 million at a variable rate of LIBOR plus 250 basis points and was scheduled to mature on April 1, 2004.

On March 31, 2004, we secured a $86.0 million variable rate mortgage, at LIBOR plus 95 basis points, to permanently finance a portion of the Gateway Shopping Center acquisition. The mortgage has an initial maturity date of March 31, 2005 with three, one-year, extensions available at our option.

On April 27, 2004, we secured a $96.0 million fixed rate mortgage at 5.17% to permanently finance a portion of the Montgomery Mall acquisition. The mortgage has an anticipated maturity date of May 11, 2014.

On May 19, 2004, we secured a $260.0 million mortgage to permanently finance a portion of the Plaza Carolina Mall acquisition. The mortgage consists of two fixed-rate tranches and three variable-rate tranches. The fixed-rate components total $100 million at a blended rate of 5.10% and have a maturity date of May 9, 2009. The $160.0 million variable-rate components bear interest at LIBOR plus 90 basis points and have an initial maturity of May 9, 2006 with three, one-year extensions available at our option. The initial weighted average all-in interest rate was approximately 3.2%.

On June 15, 2004, we refinanced a pool of seven cross-collateralized mortgages totaling $219.4 million with a $220.0 million variable-rate term loan. The original mortgages would have matured on December 15, 2004 and had an effective interest rate of 7.06% including the effect of an interest rate protection agreement on $48.1 million of variable-rate debt. The collateralized term loan bore interest at LIBOR plus 80 basis points. On June 30, 2004, we refinanced the term loan with individually secured fixed-rate mortgages on six of the seven original Properties totaling $290.0 million. The mortgages have a maturity date of July 1, 2014 and have a weighted average interest rate of 5.90%. One of the Properties was unencumbered as part of this refinancing.

On July 1, 2004, we paid off, with available working capital, two mortgages encumbering one consolidated Property that were scheduled to mature on January 1, 2005. The first mortgage had a balance of $41.1 million, and bore interest at a fixed rate of 8.45%. The second mortgage had a balance of $14.9 million, and bore interest at a fixed rate of 6.81%.

On July 12, 2004, we refinanced a consolidated Property with a $73.0 million, 5.84% fixed rate mortgage that matures on August 1, 2014. The balance of the previous mortgage was $47.0 million, bore interest at a variable rate of LIBOR plus 275 basis points and was scheduled to mature on July 1, 2005.

On July 28, 2004, we refinanced a consolidated Property with a $86.0 million, 5.65% fixed rate mortgage that matures on August 11, 2014. The balance of the previous mortgage was $45.0 million, bore interest at a variable rate of LIBOR plus 150 basis points and was scheduled to mature on June 12, 2005.

On November 25, 2004, we paid off, with available working capital, one mortgage encumbering one consolidated Property that was scheduled to mature on February 1, 2005. The mortgage had a balance of $36.0 million, and bore interest at a fixed rate of 7.42%.

Unsecured Notes. We have $1.2 billion of unsecured notes that are structurally senior in right of payment to holders of other unsecured notes to the extent of the assets and related cash flows of certain Properties. These unsecured notes have a weighted average interest rate of 7.14% and weighted average maturities of 6.4 years.

On January 15, 2004, we paid off $150.0 million of 6.75% unsecured notes that matured on that date with borrowings from our $1.25 billion unsecured revolving credit facility ("Credit Facility").

On January 20, 2004, we issued two tranches of senior unsecured notes to institutional investors pursuant to Rule 144A totaling $500.0 million at a weighted average fixed interest rate of 4.21%. The first tranche is $300.0 million at a fixed interest rate of 3.75% due January 30, 2009 and the second tranche is $200.0 million at a fixed interest rate of 4.90% due January 30, 2014. We received net proceeds of $383.4 million and we exchanged our $113.1 million Floating Rate Mandatory Extension Notes ("MAXES") with the holder. The MAXES were due November 15, 2014 and bore interest at LIBOR plus 80 basis points. The exchange of the MAXES for the notes instruments did not result in a significant modification of the terms in the debt arrangement. We used $277.0 million of the net proceeds to reduce borrowings on the Credit Facility, to unencumber one Property, and the remaining portion was used for general working capital purposes. We subsequently completed an exchange offer in which notes registered under the Securities Act of 1933 with the same economic terms and conditions were exchanged for the Rule 144A notes.

Concurrent with the issuance of the Rule 144A notes, we entered into a five-year variable rate $300.0 million notional amount swap agreement to effectively convert the $300.0 million tranche to floating rate debt at an effective rate of six-month LIBOR.

On February 9, 2004, we paid off $300.0 million of 6.75% unsecured notes that matured on that date with borrowings from the Credit Facility.

On February 26, 2004, we obtained a $250.0 million unsecured term loan with an initial maturity date of April 1, 2005. The maturity date may be extended, at our option, for two, one-year extension periods. The unsecured term loan bears interest at LIBOR plus 65 basis points. The proceeds from this financing were used to pay off our $65.0 million unsecured term loan that matured on March 15, 2004 and our $150.0 million unsecured term loan that matured on February 28, 2004. The remaining proceeds were used for general working capital purposes. The $65.0 million unsecured term loan bore interest at LIBOR plus 80 basis points and the $150.0 million unsecured term loan bore interest at LIBOR plus 65 basis points.

On July 15, 2004, we paid off $100.0 million of 6.75% unsecured notes that matured on that date with available working capital.

On August 11, 2004, we issued two tranches of senior unsecured notes to institutional investors pursuant to Rule 144A totaling $900.0 million at a weighted average fixed interest rate of 5.29%. The first tranche is $400.0 million at a fixed interest rate of 4.875% due August 15, 2010 and the second tranche is $500.0 million at a fixed interest rate of 5.625% due August 15, 2014. We received net proceeds of $890.6 million. We used $585.0 million of the net proceeds to reduce borrowings on our Credit Facility, $150.0 million to retire fixed rate 7.75% unsecured notes, $120.7 million to unencumber two consolidated Properties, and the remaining portion was used for general working capital purposes. We subsequently completed an exchange offer in which notes registered under the Securities Act of 1933 with the same economic terms and conditions were exchanged for the Rule 144A notes.

Credit Facility. As of December 31, 2004, the Credit Facility was a $1.25 billion unsecured revolving credit facility with a maturity date of April 16, 2005 and a one-year extension of the maturity date available at our option. The Credit Facility bore interest at LIBOR plus 65 basis points and provided for different pricing based upon our corporate credit rating, with an additional 15 basis point facility fee on the entire $1.25 billion. The Credit Facility had available a EURO sub-tranche for up to $100 million U.S. dollar equivalent which provides availability for Euros at EURIBOR plus 65 basis points and dollars at LIBOR plus 65 basis points, at our option. We use the Credit Facility primarily for funding acquisition, renovation and expansion and predevelopment opportunities and general corporate purposes. The Credit Facility contains financial covenants relating to a capitalization value and leverage criteria, minimum EBITDA and unencumbered EBITDA coverage ratio requirements and a minimum equity value.

A summary of the Credit Facility is as follows:

	As of December 31,	
	2004	**2003**
Total Facility Amount	**$ 1,250,000**	$ 1,250,000
Borrowings	**(425,000)**	(327,901)
Letters of credit	**(38,131)**	(24,081)
Remaining Availability	**$ 786,869**	$ 898,018
Effective Interest rate	**1.95%**	1.94%
Maximum borrowings during the period ended	**$ 585,000**	$ 667,067
Average borrowings during the period ended	**$ 370,315**	$ 396,250

On January 11, 2005, we refinanced the Credit Facility with a new $2.0 billion unsecured revolving credit facility (the "New Credit Facility"). The New Credit Facility has a maturity date of January 11, 2008, with an additional one-year extension available at our option. The facility can be increased to $2.5 billion within the first two years of closing at our option. The New Credit Facility bears interest at LIBOR plus 55 basis points with an additional 15 basis point facility fee on the entire $2.0 billion facility and provides for variable grid pricing based upon our corporate credit rating. In addition, the New Credit Facility has a $500 million U.S. dollar equivalent multi-currency tranche for Euro, Yen or Sterling borrowings. The New Credit Facility contains financial covenants relating to a capitalization value and leverage criteria, minimum EBITDA and unencumbered EBITDA coverage ratio requirements and a minimum equity value.

Acquisition Facility. On October 12, 2004, we obtained a $1.8 billion unsecured term loan ("Acquisition Facility") to finance the cash portion of our acquisition of Chelsea. The Acquisition Facility matures on October 12, 2006 and requires minimum principal repayments in three equal installments after twelve months, eighteen months, and at maturity. The Acquisition Facility bears interest at LIBOR plus 55 basis points with an additional 15 basis point facility fee on all loans outstanding and provides for variable grid pricing based upon our credit rating.

Debt Maturity and Other

Our scheduled principal repayments on indebtedness as of December 31, 2004 was as follows:

2005	$ 1,542,161
2006	2,772,108
2007	1,920,225
2008	1,044,997
2009	1,653,507
Thereafter	5,523,211
Total principal maturities	14,456,209
Net unamortized debt premium and other	130,184
Total mortgages and other indebtedness	$ 14,586,393

Our cash paid for interest in each period, net of any amounts capitalized, was as follows:

For the year ended December 31,		
2004	**2003**	**2002**
$ 648,984	$ 596,274	$ 591,328

Derivative Financial Instruments

Our exposure to market risk due to changes in interest rates primarily relates to our long-term debt obligations. We manage exposure to interest rate market risk through our risk management strategy by a combination of interest rate protection agreements to effectively fix or cap a portion of variable rate debt, or in the case of a fair value hedge, effectively convert fixed rate debt to variable rate debt. We are also exposed to foreign currency risk on financings of certain foreign operations. Our intent is to offset gains and losses that occur on the underlying exposures, with gains and losses on the derivative contracts hedging these exposures. We do not enter into either interest rate protection or foreign currency rate protection agreements for speculative purposes.

We may enter into treasury lock agreements as part of an anticipated debt issuance. If the anticipated transaction does not occur, the cost is charged to net income. Upon completion of the debt issuance, the cost of these instruments is recorded as part of accumulated other comprehensive income and is amortized to interest expense over the life of the debt agreement.

As of December 31, 2004, we have reflected the fair value of outstanding consolidated derivatives in other liabilities for $6.2 million. In addition, we recorded the benefits from our treasury lock agreements in accumulated comprehensive income and the unamortized balance of these agreements is $8.2 million as of December 31, 2004. As of December 31, 2004, our outstanding LIBOR based derivative contracts consist of:

- interest rate cap protection agreements with a notional amount of $257.1 million that mature from January 2005 to May 2006.
- variable rate swap agreements with a notional amount of $370.0 million that mature in September 2008 and January 2009 and have a weighted average pay rate of 2.71% and a weighted average receive rate of 3.72%.

Within the next twelve months, we expect to reclassify to earnings approximately $2.7 million of income of the current balance held in accumulated other comprehensive income. The amount of ineffectiveness relating to fair value and cash flow hedges recognized in income during the periods presented was not material.

Fair Value of Financial Instruments

The carrying value of our variable-rate mortgages and other loans approximates their fair values. We estimated the fair values of combined fixed-rate mortgages using cash flows discounted at current borrowing rates and other indebtedness using cash flows discounted at current market rates. The fair values of financial instruments and our related discount rate assumptions used in the estimation of fair value for our consolidated fixed-rate mortgages and other indebtedness are summarized as follows:

	As of December 31,	
	2004	**2003**
Fair value of fixed-rate mortgages and other indebtedness	**$ 11,357,011**	$ 9,189,538
Discount rates assumed in calculation of fair value	**5.20%**	4.81%

9. Rentals under Operating Leases

Future minimum rentals to be received under noncancelable tenant operating leases for each of the next five years and thereafter, excluding tenant reimbursements of operating expenses and percentage rent based on tenant sales volume, as of December 31, 2004, are as follows:

2005	$	1,511,919
2006		1,390,145
2007		1,229,812
2008		1,066,342
2009		906,608
Thereafter		2,775,307
	$	8,880,133

Approximately 0.8% of future minimum rents to be received are attributable to leases with an affiliate of a limited partner in the Operating Partnership.

10. Capital Stock

The Board of Directors is authorized to reclassify the excess common stock into one or more additional classes and series of capital stock, to establish the number of shares in each class or series and to fix the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, and qualifications and terms and conditions of redemption of such class or series, without any further vote or action by the stockholders. The issuance of additional classes or series of capital stock may have the effect of delaying, deferring or preventing a change in control of Simon Property without further action of the stockholders. The ability of the Board of Directors to issue additional classes or series of capital stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring, a majority of the outstanding voting stock of Simon Property.

The holders of common stock of Simon Property are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders, other than for the election of directors. At the time of the initial public offering of Simon Property's predecessor in 1993, the charter of the predecessor gave Melvin Simon, Herbert Simon, David Simon and certain of their affiliates (the "Simons") the right to elect four of the thirteen members of the Board of Directors, conditioned upon the Simons, or entities they control, maintaining specified levels of equity ownership in Simon Property's predecessor, the Operating Partnership and all of their subsidiaries. In addition, at that time, Melvin Simon & Associates, Inc. ("MSA"), acquired 3,200,000 shares of Class B common stock. MSA placed the Class B common stock into a voting trust under which the Simons were the sole trustees. These voting trustees had the authority to elect the four members of the Board of Directors. These same arrangements were incorporated into Simon Property's Charter in 1998 during the combination of its predecessor and Corporate Property Investors, Inc. Shares of Class B common stock convert automatically into an equal number of shares of common stock upon the sale or transfer thereof to a person not affiliated with Melvin Simon, Herbert Simon or David Simon. The holder of the Class C common stock is entitled to elect two of the thirteen members of the board. Shares of Class C common stock convert automatically into an equal number of shares of common stock upon the sale or transfer thereof to a person not affiliated with the members of the DeBartolo family or entities controlled by them. The Class B and Class C shares can be converted into shares of common stock at the option of the holders. At the initial offering we reserved 3,200,000 and 4,000 shares of common stock for the possible conversion of the outstanding Class B and Class C shares, respectively.

On March 1, 2004, Simon Property and the Simons completed a restructuring transaction in which MSA exchanged 3,192,000 Class B common shares for an equal number of shares of common stock in accordance with our Charter. Those shares continue to be owned by MSA and remain subject to a voting trust under which the Simons are the sole voting trustees. MSA exchanged the remaining 8,000 Class B common shares with David Simon for 8,000 shares of common stock and David Simon's agreement to create a new voting trust under which the Simons as voting trustees, hold and vote the remaining 8,000 shares of Class B common stock acquired by David Simon. As a result, these voting trustees have the authority to elect four of the members of the Board of Directors contingent on the Simons maintaining specified levels of equity ownership in Simon Property, the Operating Partnership and their subsidiaries.

Common Stock Issuances and Repurchases

In 2004, fifty-five limited partners exchanged 4,194,117 units for 4,194,117 shares of common stock. On November 5, 2004 thirty-one limited partners converted 1,061,580 preferred units for 803,341 shares of common stock.

We issued 392,943 shares of common stock related to employee stock options exercised during 2004. We used the net proceeds from the option exercises of approximately $10.7 million to acquire additional units of the Operating Partnership. The Operating Partnership used the net proceeds for general working capital purposes. We also issued 12,978,795 shares of common stock in connection with the Chelsea acquisition.

We have purchased 317,300 shares of common stock in the open market as part of our common stock repurchase program at an average price of $64.26. We have a Board approved share repurchase program that permits us to acquire up to $250.0 million in shares through May 6, 2005.

Preferred Stock

The following table summarizes each of the authorized series of preferred stock of Simon Property:

	As of December 31,	
	2004	**2003**
Series B 6.5% Convertible Preferred Stock, 5,000,000 shares authorized, none issued and outstanding	**$ —**	$ —
Series C 7.00% Cumulative Convertible Preferred Stock, 2,700,000 shares authorized, none issued or outstanding	**—**	—
Series D 8.00% Cumulative Redeemable Preferred Stock, 2,700,000 shares authorized, none issued or outstanding	**—**	—
Series E 8.00% Cumulative Redeemable Preferred Stock, 1,000,000 shares authorized, 0 and 1,000,000 issued and outstanding	**—**	24,863
Series F 8.75% Cumulative Redeemable Preferred Stock, 8,000,000 shares authorized, 8,000,000 issued and outstanding	**192,989**	192,989
Series G 7.89% Cumulative Step-Up Premium Rate Preferred Stock, 3,000,000 shares authorized, 3,000,000 issued and outstanding	**147,950**	147,681
Series H Variable Rate Preferred Stock, 4,530,000 shares authorized, 0 and 78,012 issued and outstanding	**—**	1,950
Series I 6% Convertible Perpetual Preferred Stock, 19,000,000 shares authorized, 13,638,019 and 0 issued and outstanding	**681,901**	—
Series J $8^3/8$% Cumulative Redeemable Preferred Stock, 1,000,000 shares authorized, 796,948 and 0 issued and outstanding	**39,847**	—
	$ 1,062,687	$ 367,483

Dividends on all series of preferred stock are calculated based upon the preferred stock's preferred return multiplied by the preferred stock's corresponding liquidation value. The Operating Partnership pays preferred distributions to Simon Property equal to the dividends paid on the preferred stock issued.

Series B Convertible Preferred Stock. During 2003, all of the outstanding shares of our 6.5% Series B Convertible Preferred Stock were either converted into shares of common stock or were redeemed at a redemption price of $106.34 per share. We issued an aggregate of 1,628,400 shares of common stock to the holders who exercised their conversion rights. The remaining 18,340 shares of Series B preferred stock were redeemed for cash.

Series C Cumulative Convertible Preferred Stock and Series D Cumulative Redeemable Preferred Stock. On August 27, 1999, Simon Property authorized these two new series of preferred stock to be available for issuance upon conversion by the holders or redemption by the Operating Partnership of the 7.00% Preferred Units or the 8.00% Preferred Units, described below. On October 1, 2004, thirty-two limited partners exchanged a total of 1,156,039 units of 8.00% Series D Cumulative Redeemable Preferred Units for a like number of our 8.00% Series D Cumulative Redeemable Preferred Stock. On December 1, 2004 we repurchased the 1,156,039 shares of Series D 8.00% Cumulative Redeemable Preferred Stock for $36.9 million. Each of these new series of preferred stock had terms that were substantially identical to the respective series of Preferred Units.

Series E Cumulative Redeemable Preferred Stock. We issued the Series E Cumulative Redeemable Preferred Stock for $24.2 million. These preferred shares were being accreted to their liquidation value. The Series E Cumulative Redeemable Preferred Stock was redeemed on November 10, 2004 at the liquidation value of $25 per share.

Series F Cumulative Redeemable Preferred Stock and Series G Cumulative Step-Up Premium Rate Preferred Stock. The 8.75% Series F Cumulative Redeemable Preferred Stock may be redeemed at any time on or after September 29, 2006 at a liquidation value of $25.00 per share (payable solely out of the sale proceeds of other capital stock of Simon Property, which may include other series of preferred shares), plus accrued and unpaid dividends. The 7.89% Series G Cumulative Step-Up Premium Rate Preferred Stock are being accreted to their liquidation value and may be redeemed at any time on or after September 30, 2007 at a liquidation value of $50.00 per share (payable solely out of the sale proceeds of other capital stock of Simon Property, which may include other series of preferred shares), plus accrued and unpaid dividends. Beginning October 1, 2012, the rate on this series of preferred stock increases to 9.89% per annum. We intend to redeem the Series G Preferred Shares prior to October 1, 2012. Neither of these series of preferred stock has a stated maturity or is convertible into any other securities of Simon Property. Neither series is subject to any mandatory redemption provisions, except as needed to maintain or bring the direct or indirect ownership of the capital stock of Simon Property into conformity with REIT requirements. The Operating Partnership pays a preferred distribution to Simon Property equal to the dividends paid on the preferred stock.

Series H Variable Rate Preferred Stock. To fund the redemption of the Series B Preferred Stock in 2003, we issued 3,328,540 shares of Series H Variable Rate Preferred Stock for $83.2 million. Series H Variable Rate Preferred Stock is not redeemable at the option of the holders, but was redeemable at any time prior to March 15, 2004 or after March 15, 2009 at specified prices. We repurchased 3,250,528 shares of the Series H Preferred Stock for $81.3 million on December 17, 2003. On January 7, 2004 we repurchased the remaining 78,012 shares for $1.9 million.

Series I 6% Convertible Perpetual Preferred Stock. On October 14, 2004, we issued 13,261,712 shares of this new series of preferred stock in the acquisition of Chelsea. The terms of this new series of preferred stock is substantially identical to those of the respective series of Preferred Units. Subsequent to the initial issuance, three unitholders exchanged 376,307 units of the 6% Convertible Perpetual Preferred Stock for an equal number of shares of Series I Preferred Stock. Distributions are to be made quarterly beginning November 30, 2004 at an annual rate of 6% per share. On or after October 14, 2009, we shall have the option to redeem the 6% Convertible Perpetual Preferred Stock, in whole or in part, for shares of common stock only at a liquidation preference of $50.00 per share plus accumulated and unpaid dividends. However, if the redemption date falls between the record date and dividend payment date the redemption price will be equal to only the liquidation preference per share, and will not include any amount of dividends declared and payable on the corresponding dividend payment date. The redemption may occur only if, for 20 trading days within a period of 30 consecutive trading days ending on the trading day before notice of redemption is issued, the closing price per share of common stock exceeds 130% of the applicable conversion price. The 6% Convertible Perpetual Preferred Stock shall be convertible into a number of fully paid and non-assessable Common Shares upon the occurrence of a conversion triggering event at a conversion rate of 0.783 of a common share. A conversion triggering event includes the following: (a) if the 6% Convertible Perpetual Preferred Share is called for redemption by us; or, (b) if we are a party to a consolidation, merger, binding share exchange, or sale of all or substantially all of our assets; or, (c) if during any fiscal quarter after the fiscal quarter ending December 31, 2004, the closing sale price of the Common Stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter exceeds 125% of the applicable conversion price. If the closing price condition is not met at the end of any fiscal quarter, then conversions will not be permitted in the following fiscal quarter.

Series J 8$^{3}/_{8}$% Cumulative Redeemable Preferred Stock. On October 14, 2004, we issued 796,948 shares of Series J 8$^{3}/_{8}$% Cumulative Redeemable Preferred Stock in the acquisition of Chelsea. On or after October 15, 2027, the Series J Preferred Stock, in whole or in part, may be redeemed at our option at a price, payable in cash, of $50.00 per share plus accumulated and unpaid dividends. The Series J Preferred Stock is not convertible or exchangeable for any other property or securities of Simon Property.

Limited Partners' Preferred Interests in the Operating Partnership

The following table summarizes each of the authorized preferred units of the Operating Partnership:

	As of December 31,	
	2004	2003
6% Series I Convertible Perpetual Preferred Units, 19,000,000 units authorized, 4,377,487 and 0 issued and outstanding	**$ 218,874**	$ —
7.75% / 8.00% Cumulative Redeemable Preferred Units, 900,000 shares authorized, 822,588 issued and outstanding	**82,259**	82,259
7.5% Cumulative Redeemable Preferred Units, 260,000 units authorized, 255,373 and 251,096 issued and outstanding	**25,537**	25,109
7% Cumulative Convertible Preferred Units, 2,700,000 units authorized, 1,529,439 and 2,600,895 issued and outstanding	**42,824**	72,825
8.00% Cumulative Redeemable Preferred Units, 2,700,000 units authorized, 1,444,856 and 2,600,895 issued and outstanding	**43,346**	78,027
	$ 412,840	$ 258,220

6% Series I Convertible Perpetual Preferred Units. On October 14, 2004, the Operating Partnership issued 4,753,794 6% Convertible Perpetual Preferred Units in the Chelsea acquisition. Subsequent to the initial issuance, we had three unitholders exchange 376,307 Preferred Units into an equal number of shares of the Series I Preferred Stock. The Series I Units have terms that are substantially identical to the respective series of Preferred Stock, except that as it relates to the Series I Units, we have the option to satisfy the holder's exchange of Series I Preferred Units for cash or Series I Preferred Stock.

7.75%/8.00% Cumulative Redeemable Preferred Units. During 2003, in connection with the purchase of additional interest in Kravco, the Operating Partnership issued 7.75%/8.00% Cumulative Redeemable Preferred Units (the "7.75% Preferred Units") that accrue cumulative dividends at a rate of 7.75% of the liquidation value for the period beginning December 5, 2003 and ending December 31, 2004, 8.00% of the liquidation value for the period beginning January 1, 2005 and ending December 31, 2009, 10.00% of the liquidation value for the period beginning January 1, 2010 and ending December 31, 2010, and 12% of the liquidation value thereafter. These dividends are payable quarterly in arrears. A unitholder may require the Operating Partnership to repurchase the 7.75% Preferred Units on or after January 1, 2009 or any time the aggregate liquidation value of the outstanding units exceeds 10% of the book value of partners' equity of the Operating Partnership. The Operating Partnership may redeem the 7.75% Preferred Units on or after January 1, 2011 or earlier upon the occurrence of certain tax triggering events. Our intent is to redeem these units after January 1, 2009 after the occurrence of a tax triggering event. The redemption price is the liquidation value plus accrued and unpaid distributions, payable in cash or interest in one or more properties mutually agreed upon.

7.5% Cumulative Redeemable Preferred Units. The Operating Partnership issued 7.5% Cumulative Redeemable Preferred Units (the "7.5% Preferred Units") in connection with the purchase of additional interest in Kravco. The 7.5% Preferred Units accrue cumulative dividends at a rate of $7.50 annually, which is payable quarterly in arrears. The Operating Partnership may redeem the 7.5% Preferred Units on or after November 10, 2013 unless there is the occurrence of certain tax triggering events such as death of the initial unit holder, or the transfer of any units to any person or entity other than the persons or entities entitled to the benefits of the original holder. The 7.5% Preferred Units' redemption price is the liquidation value plus accrued and unpaid distributions, payable either in cash or shares of common stock. In the event of the death of a holder of the 7.5% Preferred Units, the occurrence of certain tax triggering events applicable to the holder, or on or after November 10, 2006, the Preferred unit holder may require the Operating Partnership to redeem the 7.5% Preferred Units payable at the option of the Operating Partnership in either cash or shares of common stock. On August 16, 2004, the Operating Partnership issued an additional 4,277 of these preferred units.

7.00% Cumulative Convertible Preferred Units. The 7.00% Cumulative Convertible Preferred Units (the "7.00% Preferred Units") accrue cumulative dividends at a rate of $1.96 annually, which is payable quarterly in arrears. The 7.00% Preferred Units are convertible at the holders' option on or after August 27, 2004, into either a like number of shares of 7.00% Cumulative Convertible Preferred Stock of Simon Property with terms substantially identical to the 7.00% Preferred Units or Units of the Operating Partnership at a ratio of 0.75676 to one provided that the closing stock price of Simon Property's common stock exceeds $37.00 for any three consecutive trading days prior to the conversion date. The Operating Partnership may redeem the 7.00% Preferred Units at their liquidation value plus accrued and unpaid distributions on or after August 27, 2009, payable in Units. In the event of the death of a holder of the 7.00% Preferred Units, or the occurrence of certain tax triggering events applicable to a holder, the Operating Partnership may be required to redeem the 7.00% Preferred Units at liquidation value payable at the option of the Operating Partnership in either cash (the payment of which may be made in four equal annual installments) or shares of common stock. On November 5, 2004, 31 holders of the 7% Cumulative Convertible Preferred Units converted 1,061,580 of the units into common stock.

8.00% Cumulative Redeemable Preferred Units. The 8.00% Cumulative Redeemable Preferred Units (the "8.00% Preferred Units") accrue cumulative dividends at a rate of $2.40 annually, which is payable quarterly in arrears. The 8.00% Preferred Units are each paired with one 7.00% Preferred Unit or with the Units into which the 7.00% Preferred Units may be converted. The Operating Partnership may redeem the 8.00% Preferred Units at their liquidation value plus accrued and unpaid distributions on or after August 27, 2009, payable in either new preferred units of the Operating Partnership having the same terms as the 8.00% Preferred Units, except that the distribution coupon rate would be reset to a then determined market rate, or in Units. The 8.00% Preferred Units are convertible at the holders' option on or after August 27, 2004, into 8.00% Cumulative Redeemable Preferred Stock of Simon Property with terms substantially identical to the 8.00% Preferred Units. In the event of the death of a holder of the 8.00% Preferred Units, or the occurrence of certain tax triggering events applicable to a holder, the Operating Partnership may be required to redeem the 8.00% Preferred Units owned by such holder at their liquidation value payable at the option of the Operating Partnership in either cash (the payment of which may be made in four equal annual installments) or shares of common stock. On October 1, 2004, 32 holders of the 8% Cumulative Redeemable Preferred Units converted 1,156,039 units into an equal number of Series D Cumulative Redeemable Preferred Stock.

Notes Receivable from Former CPI Stockholders. Notes receivable of $17,926 from former Corporate Property Investors, Inc. ("CPI") stockholders, which result from securities issued under CPI's executive compensation program and were assumed in our merger with CPI, are reflected as a deduction from capital in excess of par value in the consolidated statements of stockholders' equity in the accompanying financial statements. A total of $277 of these notes bear interest at rates ranging from 6.00% to 7.50%. The remainder of the notes do not bear interest and become due at the time the underlying shares are sold.

The Simon Property Group 1998 Stock Incentive Plan. We have a stock incentive plan (the "1998 Plan"), which provides for the grant of equity-based awards during a ten-year period, in the form of options to purchase shares ("Options"), stock appreciation rights ("SARs"), restricted stock grants and performance unit awards (collectively, "Awards"). Options may be granted which are qualified as "incentive stock options" within the meaning of Section 422 of the Code and Options which are not so qualified. An aggregate of 11,300,000 shares of common stock have been reserved for issuance under the 1998 Plan. Additionally, the partnership agreement requires us to sell shares to the Operating Partnership, at fair value, sufficient to satisfy the exercising of stock options, and for us to purchase Units for cash in an amount equal to the fair market value of such shares.

Administration. The 1998 Plan is administered by Simon Property's Compensation Committee (the "Committee"). The Committee, at its sole discretion, determines which eligible individuals may participate and the type, extent and terms of the Awards to be granted to them. In addition, the Committee interprets the 1998 Plan and makes all other determinations deemed advisable for the administration of the 1998 Plan. Options granted to employees ("Employee Options") become exercisable over the period determined by the Committee. The exercise price of an Employee Option may not be less than the fair market value of the shares on the date of grant. Employee Options generally vest over a three-year period and expire ten years from the date of grant.

Automatic Awards For Eligible Directors. Prior to May 7, 2003, the 1998 Plan provided for automatic grants of Options to directors ("Director Options") of Simon Property who are not also our employees or employees of our affiliates ("Eligible Directors"). Each Eligible Director was automatically granted Director Options to purchase 5,000 shares upon the director's initial election to the Board, and upon each re-election, an additional 3,000 Director Options multiplied by the number of calendar years that had elapsed since such person's last election to the Board. The exercise price of Director Options is equal to the fair market value of the shares on the date of grant. Director Options vest and become exercisable on the first anniversary of the date of grant or in the event of a "Change in Control" as defined in the 1998 Plan. The last year during which Eligible Directors received awards of Director Options was 2002.

Pursuant to an amendment to the 1998 Plan approved by the stockholders effective May 7, 2003, Eligible Directors now receive annual grants of restricted stock in lieu of Director Options. Each Eligible Director receives on the first day of the first calendar month following his or her initial election as a director, a grant of 1,000 shares of restricted stock. Thereafter, as of the date of each annual meeting of Simon Property's stockholders, Eligible Directors who are re-elected as directors receive a grant of 1,000 shares of restricted stock. In addition, Eligible Directors who serve as chairpersons of the standing committees of the Board of Directors receive an additional annual grant in the amount of 500 shares of restricted stock (in the case of the Audit Committee) or 300 shares of restricted stock (in the case of all other standing committees).

Each award of restricted stock vests in four equal annual installments on January 1 of each year, beginning in the year following the year in which the award occurred. If a director otherwise ceases to serve as a director before vesting, the unvested portion of the award terminates. Any unvested portion of a restricted stock award vests if the director dies or becomes disabled while in office or has served a minimum of five annual terms as a director, but only if the Compensation Committee or full Board of Directors determines that such vesting is appropriate. The restricted stock also vests in the event of a "Change in Control".

Once vested, the delivery of any shares with respect to a restricted stock award (including reinvested dividends) is deferred under our Director Deferred Compensation Plan until the director retires, dies or becomes disabled or otherwise no longer serves as a director. The Eligible Directors may vote and are entitled to receive dividends on the shares underlying the restricted stock awards; however, any dividends on the shares underlying restricted stock awards must be reinvested in shares and held in the Director Deferred Compensation Plan until the shares underlying a restricted stock award are delivered to the former director.

In addition to automatic awards, Eligible Directors may be granted discretionary awards under the 1998 Plan.

Restricted Stock. The 1998 Plan also provides for shares of restricted common stock of Simon Property to be granted to certain employees at no cost to those employees, subject to growth targets established by the Compensation Committee (the "Restricted Stock Program"). Restricted stock is issued on the grant date and vests annually in four installments of 25% each beginning on January 1 following the year in which the restricted stock is awarded. The cost of restricted stock grants, which is based upon the stock's fair market value on the grant date, is charged to stockholders' equity and subsequently amortized against our earnings over the vesting period. Through December 31, 2004 a total of 3,423,173 shares of restricted stock, net of forfeitures, have been awarded under the plan. Information regarding restricted stock awards are summarized in the following table for each of the years presented:

	For the Year Ended December 31,		
	2004	**2003**	**2002**
Restricted stock shares awarded, net of forfeitures	**365,602**	380,835	(21,070)
Weighted average grant price of shares granted	**$ 56.86**	$ 33.03	n/a
Amortization expense	**$ 11,935**	$ 10,355	$ 8,957

The fair value of the options at the date of grant was estimated using the Black-Scholes option pricing model for our 2002 grants.

The weighted average life of our outstanding options as of December 31, 2004 is 5.3 years.

During 2002, we changed our method of accounting for options and began expensing options in the consolidated statement of operations.

Information relating to Director Options and Employee Options from December 31, 2001 through December 31, 2004 is as follows:

	Director Options		Employee Options	
	Options	Option Price per Share (1)	Options	Option Price per Share (1)
Shares under option at December 31, 2001	169,720	$ 25.86	3,177,751	$ 25.03
Granted	24,000	33.68	—	—
Exercised	(6,360)	22.29	(665,476)	23.44
Forfeited	(9,000)	27.05	(7,225)	24.25
Shares under option at December 31, 2002	178,360	$ 26.97	2,505,050	$ 25.46
Granted	—	N/A	—	N/A
Exercised	(86,000)	26.43	(647,617)	23.44
Forfeited	—	N/A	(5,400)	25.54
Shares under option at December 31, 2003	92,360	$ 27.48	1,852,033	$ 26.16
Granted and other (2)	**—**	N/A	**263,884**	49.79
Exercised	**(28,070)**	**29.13**	**(364,873)**	**27.05**
Forfeited	**—**	N/A	**(55,018)**	**24.15**
Shares under option at December 31, 2004	**64,290**	**$ 26.75**	**1,696,026**	**$ 29.71**
Exercise price range options 2003 and prior		**$ 22.25-$33.68**		**$ 22.35-$30.38**
Exercise price range 2004 options		**N/A**		**$ 46.97-$63.51**
Options exercisable at December 31, 2002	154,360	$ 25.93	1,695,750	$ 25.67
Options exercisable at December 31, 2003	92,360	$ 27.48	1,552,983	$ 26.28
Options exercisable at December 31, 2004	**64,290**	**$ 26.75**	**1,603,026**	**$ 28.08**

(1) Represents the weighted average price when multiple prices exist.

(2) Principally includes Chelsea options issued to certain employees as part of acquisition consideration.

We also maintain a tax-qualified retirement 401(k) savings plan and offer no other postretirement or post employment benefits to our employees.

Exchange Rights

Limited partners in the Operating Partnership have the right to exchange all or any portion of their Units for shares of common stock on a one-for-one basis or cash, as selected by the Board of Directors. The amount of cash to be paid if the exchange right is exercised and the cash option is selected will be based on the trading price of Simon Property's common stock at that time. At December 31, 2004, we had reserved 83,121,284 shares of common stock for possible issuance upon the exchange of Units, options, Class B and C common stock and certain convertible preferred stock.

11. Commitments and Contingencies

Litigation

On November 15, 2004, the Attorneys General of Massachusetts, New Hampshire and Connecticut filed complaints in their respective state Superior Courts against us and our affiliate, SPGGC, Inc., alleging that the sale of co-branded, bank-issued gift cards sold in certain of its Portfolio Properties violated gift certificate statutes and consumer protection laws in those states. Each of these suits seeks injunctive relief, unspecified civil penalties and disgorgement of any fees determined to be improperly charged to consumers.

In addition, we are a defendant in three other proceedings relating to the gift card program. Each of the three proceedings has been brought by a private plaintiff as a purported class action and alleges violation of state consumer protection laws, state abandoned property and contract laws or state statutes regarding gift certificates or gift cards and seeks a variety of remedies including unspecified damages and injunctive relief.

On February 3, 2005, the Attorney General of the State of New York filed a petition in the Supreme Court of New York, County of New York against us and the Operating Partnership alleging violations of New York law with respect to gift card sales. The New York proceeding was settled on March 1, 2005.

We believe that we have viable defenses under both state and federal laws to the above gift card actions. Although it is not possible to provide any assurance of the ultimate outcome of any of these pending actions, management does not believe that an adverse outcome would have a material adverse effect on our financial position, results of operations or cash flow.

Triple Five of Minnesota, Inc., a Minnesota corporation, v. Melvin Simon, et. al. On or about November 9, 1999, Triple Five of Minnesota, Inc. commenced an action in the District Court for the State of Minnesota, Fourth Judicial District, against, among others, Mall of America, certain members of the Simon family and entities allegedly controlled by such individuals, and us. The action was later removed to federal court. On September 10, 2003, the court issued its decision in a Memorandum and Order (the "Order"). In the Order, the court found that certain entities and individuals breached their fiduciary duties to Triple Five. The court did not award Triple Five damages but instead awarded Triple Five equitable and other relief and imposed a constructive trust on that portion of the Mall of America owned by us. Specifically, as it relates to us, the court ordered that Triple Five was entitled to purchase from us the one-half partnership interest that we purchased in October 1999, provided Triple Five remits to us the sum of $81.38 million within nine months of the Order. On August 6, 2004, Triple Five closed on its purchase of our one-half partnership interest. The court further held that we must disgorge all "net profits" that we received as a result of our ownership interest in the Mall from October 1999 to the present.

We have appealed the Order and the Ancillary Relief Order to the United States Court of Appeals for the Eighth Circuit. Briefing on the appeals is complete and oral argument took place on October 18, 2004. It is not possible to provide any assurance on the ultimate outcome of this litigation.

As a result of the Order, we initially recorded a $6.0 million charge for our share of the estimated loss in 2003. In the first quarter of 2004, as a result of the May 3, 2004 memorandum issued by the court appointed mediator, which has now been affirmed by the court, we recorded an additional $13.5 million charge for our share of the loss that is included in "(Loss) gain on sales of assets and other, net" in the accompanying consolidated financial statements of operations and comprehensive income. We ceased recording any contribution to either net income or Funds from Operations ("FFO") from the results of operations of Mall of America as of September 1, 2003.

We are involved in various legal proceedings that arise in the ordinary course of our business. We believe that such routine litigation, claims and administrative proceedings will not have a material adverse impact on our financial position or our results of operations. We record a liability when a loss is considered probable and the amount can be reasonably estimated. If the reasonable estimate of a probable loss is a range, and no amount within the range is a better estimate, the mid point in the range is accrued. If a loss is not probable or a probable loss cannot be reasonably estimated, no liability is recorded.

Lease Commitments

As of December 31, 2004, a total of 38 of the consolidated Properties are subject to ground leases. The termination dates of these ground leases range from 2005 to 2090. These ground leases generally require us to make payments of a fixed annual rent, or a fixed annual rent plus a participating percentage over a base rate based upon the revenues or total sales of the property. Some of these leases also include escalation clauses and renewal options. We incurred ground lease expense included in other expense and discontinued operations as follows:

For the year ended December 31,		
2004	**2003**	**2002**
$ 20,689	$ 17,028	$ 13,984

Future minimum lease payments due under such ground leases for each of the next five years ending December 31 and thereafter are as follows:

2005	$ 13,993
2006	15,271
2007	15,511
2008	15,757
2009	15,655
Thereafter	651,330
	$ 727,517

Insurance

We maintain commercial general liability, fire, flood, extended coverage and rental loss insurance on our Properties. Rosewood Indemnity, Ltd, a wholly-owned subsidiary of the Management Company, has agreed to indemnify our general liability carrier for a specific layer of losses. The carrier has, in turn, agreed to provide evidence of coverage for this layer of losses under the terms and conditions of the carrier's policy. A similar policy written through Rosewood Indemnity, Ltd. also provides initial coverage for property insurance and certain windstorm risks at the Properties located in Florida.

The events of September 11, 2001 affected our insurance programs. Although insurance rates remain high, since the President signed into Law the Terrorism Risk Insurance Act (TRIA) in November of 2002, the price of terrorism insurance has steadily decreased, while the available capacity has been substantially increased. We have purchased terrorism insurance covering all Properties. The program provides limits up to one billion per occurrence for Certified (Foreign) acts of terrorism and $500 million per occurrence for Certified (Domestic) acts of terrorism. The coverage is written on an "all risk" policy form that eliminates the policy aggregates associated with our previous terrorism policies. This policy is in place throughout the remainder of 2005.

Guarantees of Indebtedness

Joint venture debt is the liability of the joint venture and is typically secured by the joint venture Property, which is non-recourse to us. As of December 31, 2004, we have guaranteed or have provided letters of credit to support $104.7 million of our total $2.8 billion share of joint venture mortgage and other indebtedness in the event the joint venture partnership defaults under the terms of the mortgage. The mortgages guaranteed are secured by the property of the joint venture partnership and could be sold in order to satisfy the outstanding obligation.

Environmental Matters

Nearly all of the Properties have been subjected to Phase I or similar environmental audits. Such audits have not revealed nor is management aware of any environmental liability that we believe would have a material adverse impact on our financial position or results of operations. We are unaware of any instances in which we would incur significant environmental costs if we disposed of or abandoned any or all Properties.

Taubman Centers, Inc. Tender Offer

On December 5, 2002, Simon Property Acquisitions, Inc., our wholly-owned subsidiary, commenced a tender offer to acquire all of the outstanding shares of Taubman Centers, Inc. ("Taubman") and on January 15, 2003, Westfield America, Inc., the U.S. subsidiary of Westfield America Trust, joined our tender offer. On October 8, 2003, we and Westfield America, Inc. withdrew our joint tender offer. As a result we expensed deferred acquisition costs of $10.6 million, net, related to this acquisition. These expenses are included in "Costs related to withdrawn tender offer" in the accompanying statement of operations and comprehensive income. The withdrawal of the tender offer followed the enactment of a law, which amended the Michigan Control Share Acquisitions Act and which allowed the Taubman family group to effectively block our ability to conclude the tender offer.

Concentration of Credit Risk

We are subject to risks incidental to the ownership and operation of commercial real estate. These risks include, among others, the risks normally associated with changes in the general economic climate, trends in the retail industry, creditworthiness of tenants, competition for tenants and customers, changes in tax laws, interest rate and foreign currency levels, the availability of financing, and potential liability under environmental and other laws. Our regional malls, Premium Outlet centers and community shopping centers rely heavily upon anchor tenants like most retail properties. Four retailers' anchor stores occupied 414 of the approximately 960 anchor stores in the Properties as of December 31, 2004. An affiliate of one of these retailers is a limited partner in the Operating Partnership.

Limited Life Partnerships

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" ("SFAS 150"). SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability. The effective date of a portion of the Statement has been indefinitely postponed by the FASB. As a result, we have no transactions, arrangements, or financial instruments that have been identified that appear to meet the criteria for liability recognition in accordance with paragraphs 9 and 10 under SFAS 150 due to the indefinite life of certain joint venture arrangements. SFAS 150 requires disclosure of the estimated settlement value of these non-controlling interests. As of December 31, 2004 and 2003, the estimated settlement value of these non-controlling interests was approximately $100 million and $40 million, respectively.

12. Related Party Transactions

The Management Company provides management, insurance, and other services to Melvin Simon & Associates, Inc. ("MSA"), a related party, and other non-owned properties. Amounts for services provided by the Management Company and its affiliates to our unconsolidated joint ventures and other related parties were as follows:

	For the year ended December 31,		
	2004	2003	2002
Amounts charged to unconsolidated joint ventures	**$ 56,557**	$ 59,631	$ 55,720
Amounts charged to properties owned by related parties	**9,364**	4,850	4,045

13. Recently Issued Accounting Pronouncements

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities, an Interpretation of Accounting Research Bulletin No. 51" ("FIN 46"). FIN 46 requires the consolidation of entities that meet the definition of a variable interest entity in which an enterprise absorbs the majority of the entity's expected losses, receives a majority of the entity's expected residual returns, or both, as a result of ownership, contractual or other financial interests in the entity. Our joint venture interests in variable interest entities consist of real estate assets and are for the purpose of owning, operating and/or developing real estate. Our property partnerships rely primarily on financing from third party lenders, which is secured by first liens on the Property of the partnership and partner equity. Our maximum exposure to loss as a result of our involvement in these partnerships is represented by the carrying amount of our investments in unconsolidated entities as disclosed on the accompanying balance sheets plus our guarantees of joint venture debt as disclosed in Note 11.

We adopted FIN 46 on January 1, 2004 for variable interest entities that existed prior to February 1, 2003 and as a result we consolidated two joint ventures that hold two regional malls. During 2003, we consolidated one joint venture that was created in 2003 for the purpose of developing one regional mall. The aggregate carrying amount of the investment property for these properties was approximately $274.2 million as of December 31, 2004.

14. Quarterly Financial Data (Unaudited)

Summarized quarterly 2004 and 2003 data is summarized in the table below and the amounts have been reclassified from previously disclosed amounts due to the sale of properties in 2004 and 2003. The results of operations of these sold properties were reclassified to discontinued operations:

2004	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
Total revenue	**$ 582,128**	**$ 600,589**	**$ 622,972**	**$ 836,062**
Operating income	**228,856**	**240,146**	**248,785**	**335,812**
Income from Continuing Operations	**76,172**	**104,203**	**108,003**	**162,027**
Net income available to common stockholders	**48,351**	**70,711**	**74,141**	**107,444**
Income from Continuing Operations per share — Basic	**$ 0.24**	**$ 0.34**	**$ 0.36**	**$ 0.49**
Net income per share — Basic	**$ 0.24**	**$ 0.34**	**$ 0.36**	**$ 0.49**
Income from Continuing Operations per share — Diluted	**$ 0.24**	**$ 0.34**	**$ 0.36**	**$ 0.49**
Net income per share — Diluted	**$ 0.24**	**$ 0.34**	**$ 0.36**	**$ 0.49**
Weighted average shares outstanding	**202,249,926**	**205,552,968**	**206,057,105**	**218,009,468**
Diluted weighted average shares outstanding	**203,214,344**	**206,361,031**	**206,897,726**	**218,896,387**
2003				
Total revenue	$ 532,362	$ 551,408	$ 559,073	$ 657,371
Operating income	217,901	227,363	219,728	306,970
Income from Continuing Operations	84,318	99,048	86,243	179,469
Net income available to common stockholders	55,140	50,292	42,721	165,424
Income from Continuing Operations per share — Basic	$ 0.26	$ 0.33	$ 0.27	$ 0.66
Net income per share — Basic	$ 0.29	$ 0.27	$ 0.23	$ 0.86
Income from Continuing Operations per share — Diluted	$ 0.26	$ 0.32	$ 0.26	$ 0.64
Net income per share — Diluted	$ 0.29	$ 0.26	$ 0.22	$ 0.83
Weighted average shares outstanding	187,070,456	189,037,143	189,165,175	192,532,892
Diluted weighted average shares outstanding	187,744,825	189,827,171	190,059,806	202,766,825

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EXHIBIT 21.1

List of Subsidiaries of Simon Property

Subsidiary	Jurisdiction
Simon Property Group, L.P.	Delaware
The Retail Property Trust	Massachusetts
Simon Property Group (Illinois), L.P.	Illinois
Simon Property Group (Texas), L.P.	Texas
Shopping Center Associates	New York
DeBartolo Capital Partnership	Delaware
Simon Capital Limited Partnership	Delaware
M.S. Management Associates, Inc.	Delaware
Rosewood Indemnity, Ltd.	Bermuda
Marigold Indemnity, Ltd.	Delaware
Simon Business Network, LLC	Delaware
Simon Brand Ventures, LLC	Delaware
Simon Global Limited	United Kingdom
Simon Services, Inc.	Delaware
Simon Property Group Administrative Services Partnership, L.P.	Delaware
SPGGC, Inc.	Virginia
Kravco Simon Investments, L.P.	Pennsylvania
Kravco Simon Company	Pennsylvania
Chelsea Property Group, Inc.	Delaware
CPG Partners, LP	Delaware

Omits names of subsidiaries that as of December 31, 2004 were not, in the aggregate, a "significant subsidiary".

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EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Simon Property Group, Inc. of our reports dated March 14, 2005, with respect to the consolidated financial statements of Simon Property Group, Inc. as of December 31, 2004 and 2003 and for the three years in the period ended December 31, 2004 and Simon Property Group, Inc.'s management assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting of Simon Property Group, Inc. as of December 31, 2004 included in the 2004 Annual Report to Stockholders of Simon Property Group, Inc.

Our audits also included the financial statement schedule of Simon Property Group, Inc. listed in Item 15(a). This schedule is the responsibility of Simon Property Group, Inc.'s management. Our responsibility is to express an opinion based on our audit. In our opinion, as to which the date is March 14, 2005, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-101185) of Simon Property Group, Inc.;

(2) Registration Statement (Form S-3 No. 333-68938) of Simon Property Group, Inc.;

(3) Registration Statement (Form S-3 No. 333-113884) of Simon Property Group, Inc.;

(4) Registration Statement (Form S-3 No. 333-119882) of Simon Property Group, Inc.;

(5) Registration Statement (Form S-3 No. 333-122872) of Simon Property Group, Inc.;

(6) Registration Statement (Form S-8 No. 333-101185) pertaining to the Simon Property Group and Adopting Entities Matching Savings Plan;

(7) Registration Statement (Form S-8 No. 333-82471) pertaining to the Simon Property Group and Adopting Entities Matching Savings Plan;

(8) Registration Statement (Form S-8 No. 333-64313) pertaining to the Simon Property Group and Adopting Entities Matching Savings Plan;

(9) Registration Statement (Form S-8 No. 333-63919) pertaining to the Simon Property Group and Adopting Entities Matching Savings Plan;

of our report dated March 14, 2005, with respect to the consolidated financial statements of Simon Property Group, Inc. incorporated herein by reference, our report dated March 14, 2005, with respect to Simon Property Group, Inc. management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting of Simon Property Group, Inc., incorporated by reference herein, and our report included in the preceding paragraph with respect to the financial statement schedule of Simon Property Group, Inc. included in this Annual Report (Form 10-K) of Simon Property Group, Inc.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana
March 14, 2005

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Exhibit 31.1

Certification by the Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David Simon, certify that:

1. I have reviewed this Annual Report on Form 10-K of Simon Property Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 14, 2005

/s/ David Simon

David Simon
Chief Executive Officer

Exhibit 31.2

Certification by the Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Stephen E. Sterrett, certify that:

1. I have reviewed this Annual Report on Form 10-K of Simon Property Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 14, 2005

/s/ Stephen E. Sterrett

Stephen E. Sterrett
Executive Vice President and Chief Financial Officer

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Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Simon Property Group, Inc. ("Simon Property"), on Form 10-K for the period ending December 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Simon Property.

/s/ David Simon

David Simon
Chief Executive Officer
March 14, 2005

/s/ Stephen E. Sterrett

Stephen E. Sterrett
Chief Financial Officer
March 14, 2005

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Exhibit 32