
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 11, 2001

SIMON PROPERTY GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

001-14469

046268599

(State or other jurisdiction of incorporation)

(Commission File Number)

(IRS Employer Identification No.)

**115 WEST WASHINGTON STREET
INDIANAPOLIS, INDIANA**

46204

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **317.636.1600**

Not Applicable

(Former name or former address, if changed since last report)

Page 1 of 41 Pages

Item 5. Other Events

On May 8, 2001, the Registrant issued a press release containing information on earnings for the quarter ended March 31, 2001 and other matters. A copy of the press release is included as an exhibit to this filing.

On May 9, 2001, the Registrant held a conference call to discuss earnings for the quarter ended March 31, 2001 and other matters. A transcript of this conference call is included as an exhibit to this filing.

On May 11, 2001, the Registrant made available additional ownership and operation information concerning the Registrant, SPG Realty Consultants, Inc. (the Registrant's paired-share affiliate), Simon Property Group, L.P., and properties owned or managed as of March 31, 2001, in the form of a Supplemental Information package, a copy of which is included as an exhibit to this filing. The Supplemental Information package is available upon request as specified therein.

Item 7. Financial Statements and Exhibits

Financial Statements:

None

Exhibits:

Exhibit No.	Description	Page Number in This Filing
99.1	Supplemental Information as of March 31, 2001	5
99.2	Earnings Release for the quarter ended March 31, 2001	30
99.3	Teleconference text for the quarter ended March 31, 2001	36

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SIGNATURES

Pursuant to the requirements 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.

Dated: May 11, 2001

SIMON PROPERTY GROUP, INC.

By: /s/ STEPHEN E. STERRETT

Stephen E. Sterrett, *Executive Vice President and
Chief Financial Officer*

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**SIMON PROPERTY GROUP
Overview**

The Company

Simon Property Group, Inc. ("SPG") (NYSE:SPG) is a self-administered and self-managed real estate investment trust ("REIT"). Simon Property Group, L.P. (the "Operating Partnership") is a subsidiary partnership of SPG. Shares of SPG are paired with beneficial interests in shares of stock of SPG Realty Consultants, Inc. ("SRC", and together with SPG, the "Company"). The Company and the Operating Partnership (collectively the "Simon Group") are engaged primarily in the ownership, operation, management, leasing, acquisition, expansion and development of real estate properties, primarily regional malls and community shopping centers.

At March 31, 2001, the Company, directly or through the Operating Partnership, owned or had an interest in 250 properties which consisted of regional malls, community shopping centers, and specialty and mixed-use properties containing an aggregate of 185 million square feet of gross leasable area (GLA) in 36 states and five assets in Europe. The Company, together with its affiliated management companies, owned or managed approximately 191 million square feet of GLA in retail and mixed-use properties.

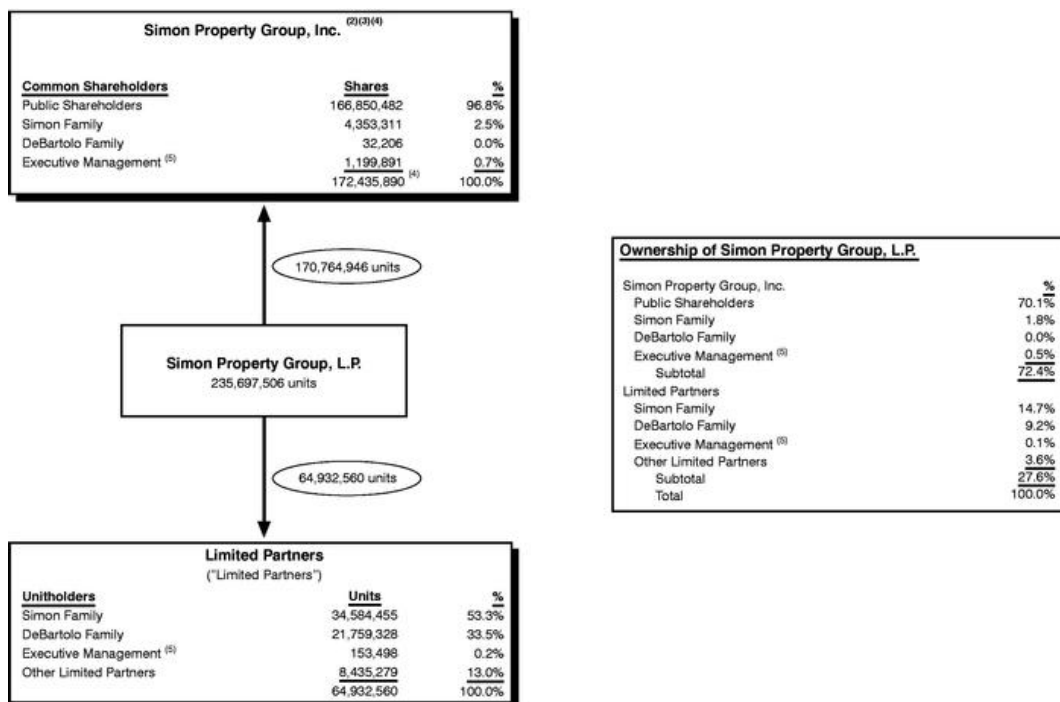
This package was prepared to provide (1) ownership information, (2) certain operational information, and (3) debt information as of March 31, 2001, for the Company and the Operating Partnership.

Certain statements contained in this Supplemental Package may constitute "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned that forward-looking statements involve risks and uncertainties, which may affect the business and prospects of the Company and the Operating Partnership. We direct you to the Company's various filings with the Securities and Exchange Commission including Form 10-K and Form 10-Q for a detailed discussion of risks and uncertainties.

We hope you find this Supplemental Package beneficial. Any questions, comments or suggestions should be directed to: Shelly J. Doran, Director of Investor Relations-Simon Property Group, P.O. Box 7033, Indianapolis, IN 46207. Telephone: (317) 685-7330; e-mail: sdoran@simon.com

Simon Property Group Economic Ownership Structure (1)

March 31, 2001



- (1) Schedule excludes preferred stock (see "Preferred Stock—Units Outstanding") and units not convertible into common stock.
- (2) Managing general partner of Simon Property Group, L.P.
- (3) Shares of Simon Property Group, Inc. ("SPG") are paired with beneficial interests in shares of stock of SPG Realty Consultants, Inc.
- (4) The number of outstanding shares of common stock of SPG exceeds the number of Simon Property Group, L.P. units owned by SPG by 1,670,944. This is the result of the direct ownership of Ocean County Mall by SPG, partially offset by units issued to SPG in exchange for North Shore Mall.
- (5) Executive management excludes Simon family members.

Changes in Common Shares and Unit Ownership

For the Period from December 31, 2000 through March 31, 2001

	Operating Partnership Units(1)	Company Common Shares(2)
Number Outstanding at December 31, 2000	64,966,226	171,945,760
Restricted Stock Awards (Stock Incentive Program), Net	—	463,130
Issuance of Stock for Stock Option Exercises	—	27,000
Conversion of Units into Cash	(41,851)	—
Issuance of Units in Connection with Liberty Tree Mall	8,185	—
Number Outstanding at March 31, 2001	64,932,560	172,435,890
Total Common Shares and Units Outstanding at March 31, 2001: 237,368,450(2)		

Details for Diluted FFO Calculation:

Company Common Shares Outstanding at March 31, 2001	172,435,890
Number of Common Shares Issuable Assuming Conversion of:	
Series A Preferred 6.5% Convertible(3)	1,940,005
Series B Preferred 6.5% Convertible(3)	12,490,773
Net Number of Common Shares Issuable Assuming Exercise of Stock Options	176,860
Diluted Common Shares Outstanding at March 31, 2001	187,043,528
Fully Diluted Common Shares and Units Outstanding at March 31, 2001: 251,976,088	

(1) Excludes units owned by the Company (shown here as Company Common Shares) and units not convertible into common shares.

(2) Excludes preferred units relating to preferred stock outstanding (see Schedule of Preferred Stock Outstanding).

(3) Conversion terms provided in footnotes (1) and (2) on page 8 of this document.

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SIMON PROPERTY GROUP

Preferred Stock/Units Outstanding

As of March 31, 2001

(\$ in 000's)

Issuer	Description	Number of Shares/Units	Per Share Liquidation Preference	Aggregate Liquidation Preference	Ticker Symbol
Preferred Shares:					
Convertible					
Simon Property Group, Inc.	Series A Preferred 6.5% Convertible(1)	51,059	\$ 1,000	\$ 51,059	N/A
Simon Property Group, Inc.	Series B Preferred 6.5% Convertible(2)	4,830,057	\$ 100	\$ 483,006	SPGPrB
Perpetual					
SPG Properties, Inc.	Series B Preferred 8 ³ / ₄ % Perpetual(3)	8,000,000	\$ 25	\$ 200,000	SGVPrB
SPG Properties, Inc.	Series C Preferred 7.89% Perpetual(4)	3,000,000	\$ 50	\$ 150,000	N/A
Simon Property Group, Inc.	Series E Preferred 8% Cumulative Redeemable(5)	1,000,000	\$ 25	\$ 25,000	N/A
Preferred Units:					
Simon Property Group, L.P.	Series C 7% Cumulative Convertible Preferred(6)	2,600,893	\$ 28	\$ 72,825	N/A
Simon Property Group, L.P.	Series D 8% Cumulative Redeemable Preferred(7)	2,600,893	\$ 30	\$ 78,027	N/A

(1) Assumed in connection with the CPI merger. Each share is convertible into a number of shares of common stock obtained by dividing \$1,000 by \$26.319 (conversion price), which is subject to adjustment as outlined below. The stock is not redeemable, except as needed to maintain or bring the direct or indirect ownership of the capital stock of the Company into conformity with the requirements of Section 856(a)(6) of the Code.

(2) Issued as part of the consideration for the CPI merger. Each share is convertible into a number of shares of common stock of the Company obtained by dividing \$100 by \$38.669 (the conversion price), which is subject to adjustment as outlined below. The Company may redeem the stock on or after September 24, 2003 at a price beginning at 105% of the liquidation preference plus accrued dividends and declining to 100% of the liquidation preference plus accrued dividends any time on or after September 24, 2008. The shares are traded on the New York Stock Exchange. The closing price on March 30, 2001, was \$72.50 per share.

The conversion prices of the Series A and Series B Convertible Preferred Stock are subject to adjustment by the Company in connection with certain events.

(3) SPG Properties, Inc. may redeem the stock on or after September 29, 2006. The shares are not convertible into any other securities of SPG Properties, Inc. or the Company. The shares are traded on the New York Stock Exchange. The closing price on March 30, 2001, was \$25.36 per share.

(4) The Cumulative Step-Up Premium Rate Preferred Stock was issued at 7.89%. The shares are redeemable after September 30, 2007. Beginning October 1, 2012, the rate increases to 9.89%.

(5) Issued in connection with the acquisition of Mall of America. Simon Property Group, Inc. Series E Preferred 8% Cumulative Redeemable Stock is not redeemable prior to August 27, 2004.

(6) Issued in connection with the New England Development Acquisition. Each unit/share is convertible into 0.75676 shares of common stock on or after August 27, 2004 if certain conditions are met. Each unit/share is not redeemable prior to August 27, 2009.

(7) Issued in connection with the New England Development Acquisition. Each unit/share is not redeemable prior to August 27, 2009.

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SIMON PROPERTY GROUP

Reconciliation of Income to Funds From Operations ("FFO")

As of March 31, 2001

(Amounts in thousands, except per share data)

	Three Months Ended March 31,	
	2001	2000
Income Before Extraordinary Items and Cumulative Effect of Accounting Change(1)(2)	\$ 63,775	\$ 71,136
Plus: Depreciation and Amortization from Combined Consolidated Properties	106,166	98,236
Plus: Simon's Share of Depreciation and Amortization from Unconsolidated Entities	31,257	28,801
Less: Gain on Sales of Real Estate	(2,711)	(7,096)
Less: Minority Interest Portion of Depreciation, Amortization and Extraordinary Items	(1,487)	(1,480)
Less: Preferred Distributions (including those of subsidiary)	(19,431)	(19,372)
FFO of the Simon Portfolio	\$ 177,569	\$ 170,225
<i>Percent Increase</i>	4.3%	
FFO of the Simon Portfolio	\$ 177,569	\$ 170,225
Basic FFO per Paired Share:		
Basic FFO Allocable to the Company	\$ 128,766	\$ 123,506
Basic Weighted Average Paired Shares Outstanding	172,001	173,223
Basic FFO per Paired Share	\$ 0.75	\$ 0.71
<i>Percent Increase</i>	5.6%	
Diluted FFO per Paired Share:		
Diluted FFO Allocable to the Company	\$ 138,047	\$ 132,667
Diluted Weighted Average Number of Equivalent Paired Shares	186,609	187,807
Diluted FFO per Paired Share	\$ 0.74	\$ 0.71
<i>Percent Increase</i>	4.2%	

(1) Includes gains on land sales of \$1.2 million and \$1.8 million for the three months ended March 31, 2001 and 2000, respectively.

(2) Includes straight-line adjustments to minimum rent of \$4.3 million and \$5.0 million for the three months ended March 31, 2001 and 2000, respectively.

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SIMON PROPERTY GROUP

Selected Financial Information

As of March 31, 2001

(In thousands, except as noted)

	As of or for the Three Months Ended March 31,		
	2001	2000	% Change
Financial Highlights of the Company			
Total Revenue—Consolidated Properties	\$ 490,676	\$ 477,851	2.7%
Total EBITDA of the Simon Group Portfolio	\$ 511,582	\$ 484,785	5.5%
Simon Group's Share of EBITDA	\$ 388,867	\$ 375,224	3.6%
Net Income Available to Common Shareholders	\$ 30,939	\$ 28,243	9.5%
Basic Net Income per Paired Share	\$ 0.18	\$ 0.16	12.5%
Diluted Net Income per Paired Share	\$ 0.18	\$ 0.16	12.5%
FFO of the Simon Group Portfolio	\$ 177,569	\$ 170,225	4.3%
Basic FFO Allocable to the Company	\$ 128,766	\$ 123,506	4.3%
Diluted FFO Allocable to the Company	\$ 138,047	\$ 132,667	4.1%
Basic FFO per Paired Share	\$ 0.75	\$ 0.71	5.6%
Diluted FFO per Paired Share	\$ 0.74	\$ 0.71	4.2%
Distributions per Paired Share	\$ 0.5050	\$ 0.5050	0.0%
Operational Statistics			
Occupancy at End of Period:			
Regional Malls(1)	90.2%	89.5%	0.7%
Community Shopping Centers(2)	90.7%	88.6%	2.1%
Average Base Rent per Square Foot:			
Regional Malls(1)	\$ 28.60	\$ 27.52	3.9%
Community Shopping Centers(2)	\$ 9.54	\$ 8.59	11.1%
Releasing Spread, Regional Malls:			
Opening Base Rent per Square Foot	\$ 35.06	\$ 30.77	13.9%
Closing Base Rent per Square Foot	\$ 28.95	\$ 28.77	0.6%
Releasing Spread per Square Foot	\$ 6.11	\$ 2.00	205.5%
Regional Malls:			
Total Tenant Sales Volume, in millions(3)(4)	\$ 3,658	\$ 3,422	6.9%
Comparable Sales per Square Foot(4)	\$ 389	\$ 385	1.0%
Total Sales per Square Foot(4)	\$ 381	\$ 370	3.0%
Number of U.S. Properties Open at End of Period	250	257	-2.7%
Total U.S. GLA at End of Period, in millions of square feet	184.9	184.2	0.4%

(1)

Includes mall and freestanding stores.

(2)

Includes all Owned GLA.

(3)

Represents only those tenants who report sales.

(4)

Based upon the standard definition of sales for regional malls adopted by the International Council of Shopping Centers which includes only mall and freestanding stores less than 10,000 square feet.

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SIMON PROPERTY GROUP

Selected Financial Information

As of March 31, 2001

(In thousands, except as noted)

	March 31, 2001	March 31, 2000
Equity Information		
Limited Partner Units Outstanding at End of Period	64,933	65,442
Paired Shares Outstanding at End of Period	172,436	173,656
Total Common Shares and Units Outstanding at End of Period	237,368	239,098
Basic Weighted Average Paired Shares Outstanding	172,001	173,223
Diluted Weighted Average Number of Equivalent Paired Shares(1)	186,609	187,807
	March 31, 2001	December 31, 2000
Debt Information		
Consolidated Debt	\$ 8,747,219	\$ 8,728,582
Simon Group's Share of Joint Venture Debt	\$ 2,179,390	\$ 2,186,197
Debt-to-Market Capitalization		
Common Stock Price at End of Period	\$ 25.60	\$ 24.00
Equity Market Capitalization(2)	\$ 7,020,504	\$ 6,596,008
Total Consolidated Capitalization	\$ 15,767,723	\$ 15,324,590
Total Capitalization—Including Simon Group's Share of JV Debt	\$ 17,947,113	\$ 17,510,787

(1)

Diluted for purposes of computing FFO per share.

(2)

Market value of Common Stock, Units and all issues of Preferred Stock of SPG and SPG Properties, Inc.

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SIMON PROPERTY GROUP

Portfolio GLA, Occupancy & Rent Data

As of March 31, 2001

Type of Property	GLA Sq. Ft.	Total Owned GLA	% of Owned GLA	% of Owned GLA Which is Leased	Avg. Annualized Base Rent Per Leased Sq. Ft. of Owned GLA
Regional Malls					
—Anchor	96,985,725	29,457,434	26.7%	97.8%	\$ 3.88
—Mall Store	56,288,197	56,240,300	51.1%	90.2%	\$ 29.29
—Freestanding	3,684,911	1,901,032	1.7%	91.4%	\$ 9.27
<i>Subtotal</i>	59,973,108	58,141,332	52.8%	90.2%	\$ 28.60
Regional Mall Total	156,958,833	87,598,766	79.5%	92.8%	\$ 19.74
Community Shopping Centers					
—Anchor	12,857,777	8,170,780	7.4%	93.6%	\$ 7.77
—Mall Store	4,358,232	4,272,474	3.9%	85.1%	13.30
—Freestanding	793,350	327,098	.3%	90.9%	9.17
Community Ctr. Total	18,009,359	12,770,352	11.6%	90.7%	\$ 9.54
Office Portion of Mixed-Use Properties	2,543,948	2,543,948	2.3%	87.2%	\$ 18.75
Value-Oriented Super-Regional Malls	6,509,839	6,384,839	5.8%	93.3%	\$ 17.43
Other	843,107	832,131	.8%		

GRAND TOTAL	184,865,086	110,130,036	100.00%
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Occupancy History

As of	Regional Malls(1)		Community Shopping Centers(2)	
3/31/01		90.2%		90.7%
3/31/00		89.5%		88.6%
12/31/00		91.8%		91.5%
12/31/99		90.6%		88.6%
12/31/98		90.0%		91.4%
12/31/97		87.3%		91.3%
12/31/96		84.7%		91.6%

(1) Includes mall and freestanding stores.

(2) Includes all Owned GLA.

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SIMON PROPERTY GROUP

Rent Information

As of March 31, 2001

Average Base Rent

As of	Mall & Freestanding Stores at Regional Malls		% Change		Community Shopping Centers		% Change	
3/31/01	\$	28.60	3.9%	\$	9.54	11.1%		
3/31/00		27.52	—		8.59	—		
12/31/00	\$	28.31	3.6%	\$	9.36	12.0%		
12/31/99		27.33	6.3		8.36	8.9		
12/31/98		25.70	8.7		7.68	3.2		
12/31/97		23.65	14.4		7.44	-2.7		
12/31/96		20.68	7.8		7.65	4.9		

Rental Rates

Year	Base Rent(1)				Amount of Change		
	Store Openings During Period		Store Closings During Period		Dollar	Percentage	
Regional Malls:							
2001 (YTD)	\$	35.06	\$	28.95	\$	6.11	21.1%
2000		35.13		29.24		5.89	20.1
1999		31.25		24.55		6.70	27.3
1998		27.33		23.63		3.70	15.7
1997		29.66		21.26		8.40	39.5
1996		23.59		18.73		4.86	25.9
Community Shopping Centers:							
2001 (YTD)	\$	13.02	\$	10.47	\$	2.55	24.4%
2000		14.21		11.51		2.70	23.5
1999		10.26		7.44		2.82	37.9
1998		10.43		10.95		(0.52)	(4.7)
1997		8.63		9.44		(0.81)	(8.6)
1996		8.18		6.16		2.02	32.8

(1) Represents the average base rent in effect during the period for those tenants who signed leases as compared to the average base rent in effect during the period for those tenants whose leases terminated or expired.

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SIMON PROPERTY GROUP

Lease Expirations(1)

As of March 31, 2001

Year	Number of Leases Expiring	Square Feet	Avg. Base Rent per Square Foot at 3/31/01
Regional Malls—Mall & Freestanding Stores			
2001 (⁴ / ₁ - ¹² / ₃₁)	673	1,395,341	\$ 27.79
2002	1,887	3,676,963	28.19
2003	2,004	4,527,516	30.32
2004	1,747	4,554,585	29.48
2005	1,735	5,388,660	28.31

2006	1,648	4,708,255	30.12
2007	1,423	4,162,186	31.83
2008	1,302	4,479,287	30.59
2009	1,361	4,449,038	28.54
2010	1,565	4,723,149	32.56

TOTALS	15,345	42,064,980	\$ 29.95
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Regional Malls—Anchor Tenants

2001 (⁴ / ₁ - ¹² / ₃₁)	6	750,230	\$ 1.64
2002	14	1,604,579	1.91
2003	17	2,089,403	2.21
2004	25	2,462,680	3.31
2005	23	3,030,767	2.26
2006	19	2,182,652	3.22
2007	8	1,109,740	1.71
2008	15	1,467,310	4.81
2009	16	1,986,791	2.82
2010	15	1,505,476	4.27

TOTALS	158	18,189,628	\$ 2.86
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Community Centers—Mall Stores & Freestanding Stores

2001 (⁴ / ₁ - ¹² / ₃₁)	67	158,676	\$ 12.68
2002	227	568,938	11.62
2003	159	537,107	12.24
2004	146	491,550	13.68
2005	179	658,433	14.18
2006	73	317,568	13.02
2007	20	179,368	11.08
2008	15	117,334	13.40
2009	14	84,118	16.25
2010	25	192,020	14.76

TOTALS	925	3,305,112	\$ 13.06
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(1) Does not consider the impact of options to renew that may be contained in leases.

SIMON PROPERTY GROUP

Lease Expirations(1)

As of March 31, 2001

Year	Number of Leases Expiring	Square Feet	Avg. Base Rent per Square Foot at 3/31/01
Community Centers—Anchor Tenants			
2001 (⁴ / ₁ - ¹² / ₃₁)	3	158,077	\$ 3.10
2002	8	234,940	6.89
2003	14	570,752	4.81
2004	12	410,586	5.09
2005	17	751,911	6.71
2006	15	597,674	5.82
2007	11	466,173	6.28
2008	9	237,172	10.94
2009	15	689,636	6.92
2010	19	719,935	9.62
TOTALS	123	4,836,856	\$ 6.81

(1) Does not consider the impact of options to renew that may be contained in leases.

SIMON PROPERTY GROUP

SPG's Share of Total Debt Amortization and Maturities by Year

As of March 31, 2001

(In thousands)

Year	SPG's Share of Secured Consolidated Debt	SPG's Share of Unsecured Consolidated Debt	SPG's Share of Unconsolidated Joint Venture Debt	SPG's Share of Total Debt
2001	1	149,937	435,000	698,747
2002	2	382,803	422,929	866,527
2003	3	581,446	1,220,000	2,087,697
2004	4	693,490	798,192	1,691,348

2005	5	163,157	960,000	323,800	1,446,957
2006	6	133,049	250,000	333,321	716,370
2007	7	270,380	180,000	140,340	590,720
2008	8	44,798	200,000	301,319	546,117
2009	9	330,318	650,000	42,974	1,023,292
2010	10	98,990	0	369,108	468,097
Thereafter		105,888	525,000	0	630,888
Subtotal Face Amounts		\$ 2,954,256	\$ 5,641,121	\$ 2,171,385	\$ 10,766,762
Premiums and Discounts on Indebtedness, Net		(1,895)	(2,653)	8,003	3,455
SPG's Share of Total Indebtedness		\$ 2,952,361	\$ 5,638,468	\$ 2,179,388	\$ 10,770,218

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SIMON PROPERTY GROUP

Summary of Indebtedness

As of March 31, 2001

(In thousands)

	Total Indebtedness	SPG's Share of Indebtedness	Weighted Avg. Interest Rate	Weighted Avg. Years to Maturity
Consolidated Indebtedness				
Mortgage Debt				
Fixed Rate(1)	2,475,409	2,325,862	7.47%	5.4
Other Hedged Debt	51,000	51,000	8.12%	1.0
Floating Rate Debt	585,152	577,393	6.47%	2.8
Total Mortgage Debt	3,111,561	2,954,255	7.28%	4.8
Unsecured Debt				
Fixed Rate(1)	4,318,200	4,318,200	7.21%	6.0
Floating Rate Debt	177,921	177,921	5.97%	1.0
Subtotal	4,496,121	4,496,121	7.16%	5.8
Acquisition Facility	435,000	435,000	5.80%	0.5
Revolving Corporate Credit Facility	505,000	505,000	5.80%	2.4
Revolving Corporate Credit Facility (Hedged)	140,000	140,000	5.80%	2.4
Unsecured Term Loan	65,000	65,000	5.95%	2.4
Total Unsecured Debt	5,641,121	5,641,121	6.68%	4.9
Adjustment to Fair Market Value—Fixed Rate	(5,734)	(4,819)	N/A	N/A
Adjustment to Fair Market Value—Variable Rate	271	271	N/A	N/A
Consolidated Mortgages and Other Indebtedness	8,747,219	8,590,828	7.03%	
Joint Venture Indebtedness				
Mortgage Debt				
Fixed Rate	3,478,990	1,527,265	7.59%	6.2
Other Hedged Debt	973,094	349,934	6.00%	4.2
Floating Rate Debt	696,444	290,883	6.45%	2.3
Subtotal	5,148,528	2,168,082	7.18%	5.4
Unsecured Fixed Rate Debt	6,609	3,305	7.93%	4.8
Total Unsecured Debt	6,609	3,305	7.93%	4.8
Adjustment to Fair Market Value—Fixed Rate	16,015	8,003	N/A	N/A
Joint Venture Mortgages and Other Indebtedness	5,171,152	2,179,390	7.18%	5.4
SPG's Share of Total Indebtedness		10,770,218	7.06%	5.0

(1) Includes \$213,200 of variable rate debt, of which \$177,169 is SPG's share, that is effectively fixed to maturity through the use of interest rate hedges.

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SIMON PROPERTY GROUP
Summary of Indebtedness By Maturity
As of March 31, 2001
(In thousands)

Property Name	Maturity Date	Interest Rate	Total Indebtedness	SPG's Share of Indebtedness	Weighted Avg Interest Rate by Year
Consolidated Indebtedness					
Fixed Rate Mortgage Debt:					
Windsor Park Mall—1	(1) 3/1/01	8.00%	5,589	5,589	
Chesapeake Square	7/1/01	7.28%	44,921	33,691	
Orland Square	9/1/01	7.74%	50,000	50,000	
Subtotal 2001			100,510	89,280	7.58%
Lima Mall—1	3/1/02	7.12%	14,180	14,180	

Lima Mall—2		3/1/02	7.12%	4,723	4,723
Columbia Center		3/15/02	7.62%	42,326	42,326
Northgate Shopping Center		3/15/02	7.62%	79,035	79,035
Tacoma Mall		3/15/02	7.62%	92,474	92,474
River Oaks Center		6/1/02	8.67%	32,500	32,500
North Riverside Park Plaza—1		9/1/02	9.38%	3,655	3,655
North Riverside Park Plaza—2		9/1/02	10.00%	3,523	3,523
Hutchinson Mall—2		9/15/02	6.81%	4,500	4,500
Hutchinson Mall—1		11/1/02	8.44%	11,188	11,188
Palm Beach Mall		12/15/02	7.50%	47,985	47,985
Other		5/31/02	6.80%	326	326
Other		12/1/02	8.00%	614	614
Subtotal 2002				337,029	337,029
Principal Mutual Mortgages—Pool 1	(8)	3/15/03	6.79%	102,841	102,841
Principal Mutual Mortgages—Pool 2	(9)	2/11/03	6.62%	121,800	121,800
Century III Mall		7/1/03	6.78%	66,000	66,000
Miami International Mall		12/21/03	6.91%	45,158	27,095
Subtotal 2003				335,799	317,736
Battlefield Mall—1		1/1/04	7.50%	46,050	46,050
Battlefield Mall—2		1/1/04	6.81%	43,921	43,921
Forum Phase I—Class A-2		5/15/04	6.19%	44,386	26,632
Forum Phase II—Class A-2		5/15/04	6.19%	40,614	22,338
Forum Phase I—Class A-1		5/15/04	7.13%	46,996	28,198
Forum Phase II—Class A-1		5/15/04	7.13%	43,004	23,652
CMBS Loan—Variable Component	(5)	12/15/04	6.16%	50,000	50,000
CMBS Loan—Fixed Component		12/15/04	7.31%	175,000	175,000
Subtotal 2004				489,971	415,790
Tippecanoe Mall—1	(3)	1/1/05	8.45%	44,429	44,429
Tippecanoe Mall—2	(3)	1/1/05	6.81%	15,619	15,619
Melbourne Square		2/1/05	7.42%	38,229	38,229
Cielo Vista Mall—2		11/1/05	8.13%	1,441	1,441
Subtotal 2005				99,718	99,718
Treasure Coast Square—1		1/1/06	7.42%	51,352	51,352
Treasure Coast Square—2		1/1/06	8.06%	11,866	11,866
Gulf View Square		10/1/06	8.25%	36,285	36,285
Paddock Mall		10/1/06	8.25%	28,859	28,859
Subtotal 2006				128,362	128,362

Lakeline Mall		5/1/07	7.65%	71,162	71,162
Cielo Vista Mall—1	(4)	5/1/07	9.38%	53,554	53,554
Cielo Vista Mall—3	(4)	5/1/07	6.76%	38,024	38,024
McCain Mall—1	(4)	5/1/07	9.38%	25,007	25,007
McCain Mall—2	(4)	5/1/07	6.76%	17,551	17,551
Valle Vista Mall—1	(4)	5/1/07	9.38%	33,120	33,120
Valle Vista Mall—2	(4)	5/1/07	6.81%	7,802	7,802
University Park Mall		10/1/07	7.43%	59,500	35,700
Subtotal 2007				305,720	281,920
Arsenal Mall—1		9/28/08	6.75%	34,138	34,138
Subtotal 2008				34,138	34,138
College Mall—1	(3)	1/1/09	7.00%	40,299	40,299
College Mall—2	(3)	1/1/09	6.76%	11,712	11,712
Greenwood Park Mall—1	(3)	1/1/09	7.00%	33,752	33,752
Greenwood Park Mall—2	(3)	1/1/09	6.76%	60,513	60,513
Towne East Square—1	(3)	1/1/09	7.00%	53,283	53,283
Towne East Square—2	(3)	1/1/09	6.81%	24,405	24,405
Bloomington Court		10/1/09	7.78%	29,548	29,548
Forest Plaza		10/1/09	7.78%	16,206	16,206
Lake View Plaza		10/1/09	7.78%	21,543	21,543
Lakeline Plaza		10/1/09	7.78%	23,618	23,618
Lincoln Crossing		10/1/09	7.78%	3,261	3,261
Matteson Plaza		10/1/09	7.78%	9,487	9,487
Muncie Plaza		10/1/09	7.78%	8,202	8,202
Regency Plaza		10/1/09	7.78%	4,447	4,447
St. Charles Towne Plaza		10/1/09	7.78%	28,461	28,461
West Ridge Plaza		10/1/09	7.78%	5,732	5,732
White Oaks Plaza		10/1/09	7.78%	17,491	17,491
Subtotal 2009				391,960	391,960
Trolley Square		8/1/10	9.03%	29,650	26,685
Crystal River		11/11/10	7.63%	16,252	16,252
Biltmore Square		12/11/10	7.95%	26,000	17,342

Port Charlotte Town Center		12/11/10	7.98%	53,250	42,600	
Subtotal 2010				125,152	102,879	8.19%
Windsor Park Mall—2	(1)	5/1/12	8.00%	8,592	8,592	
Subtotal 2012				8,592	8,592	8.00%
Chesapeake Center		5/15/15	8.44%	6,563	6,563	
Grove at Lakeland Square, The		5/15/15	8.44%	3,750	3,750	
Terrace at Florida Mall, The		5/15/15	8.44%	4,688	4,688	
Subtotal 2015				15,001	15,001	8.44%
Arsenal Mall—2		5/15/16	8.20%	2,139	2,139	
Subtotal 2016				2,139	2,139	8.20%
Sunland Park Mall		1/1/26	8.63%	38,601	38,601	
Subtotal 2026				38,601	38,601	8.63%

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Keystone at the Crossing		7/1/27	7.85%	62,717	62,717	
Subtotal 2027				62,717	62,717	7.85%
Total Consolidated Fixed Rate Mortgage Debt				2,475,409	2,325,862	7.47%

Variable Rate Mortgage Debt:

Randall Park Mall—1		12/11/01	8.25%	35,000	35,000	
Randall Park Mall—2		12/11/01	10.15%	5,000	5,000	
Subtotal 2001				40,000	40,000	8.49%
White Oaks Mall		3/1/02	8.39%	16,500	9,062	
Highland Lakes Center		3/1/02	6.65%	12,877	12,877	
Mainland Crossing		3/31/02	6.65%	1,603	1,282	
Bowie Mall -1	(1)	12/14/02	6.65%	4,500	4,500	
Subtotal 2002				35,480	27,721	7.22%
Raleigh Springs Mall		2/23/03	6.80%	11,000	11,000	
Richmond Towne Square	(6)	7/15/03	6.15%	57,410	57,410	
Shops @ Mission Viejo	(6)	8/31/03	6.30%	142,228	142,228	
Arboretum	(6)	11/30/03	6.65%	34,000	34,000	
Subtotal 2003				244,638	244,638	6.34%
Jefferson Valley Mall	(6)	1/11/04	6.40%	60,000	60,000	
North East Mall	(6)	5/20/04	6.53%	142,572	142,572	
Waterford Lakes	(6)	8/15/04	6.55%	60,820	60,820	
Subtotal 2004				263,392	263,392	6.50%
Brunswick Square	(6)	6/12/05	6.65%	45,000	45,000	
Bowie Mall -2	(1)	12/14/05	6.65%	7,642	7,642	
Subtotal 2005				52,642	52,642	6.65%
Total Variable Rate Mortgage Debt				636,152	628,393	6.61%
Total Consolidated Mortgage Debt				3,111,561	2,954,255	7.28%

Fixed Rate Unsecured Debt:

Unsecured Notes—CPI 1		3/15/02	9.00%	250,000	250,000	
Subtotal 2002				250,000	250,000	9.00%
Unsecured Notes—CPI 2		4/1/03	7.05%	100,000	100,000	
SPG, LP (Bonds)		6/15/03	6.63%	375,000	375,000	
SPG, LP (PATS)		11/15/03	6.75%	100,000	100,000	
Subtotal 2003				575,000	575,000	6.72%
SCA (Bonds)		1/15/04	6.75%	150,000	150,000	
SPG, LP (Bonds)		2/9/04	6.75%	300,000	300,000	
SPG, LP (Bonds)		7/15/04	6.75%	100,000	100,000	

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Simon ERE Facility	(6)	7/31/04	7.75%	28,200	28,200	
Unsecured Notes—CPI 3		8/15/04	7.75%	150,000	150,000	
Subtotal 2004				178,200	178,200	6.99%
SCA (Bonds)		5/15/05	7.63%	110,000	110,000	
SPG, LP (Bonds)		6/15/05	6.75%	300,000	300,000	
SPG, LP (MTN)		6/24/05	7.13%	100,000	100,000	

SPG, LP (Bonds)	10/27/05	6.88%	150,000	150,000	
Subtotal 2005			660,000	660,000	6.98%
SPG, LP (Notes)	1/20/06	7.38%	300,000	300,000	
SPG, LP (Bonds)	11/15/06	6.88%	250,000	250,000	
Subtotal 2006			550,000	550,000	7.15%
SPG, LP (MTN)	9/20/07	7.13%	180,000	180,000	
Subtotal 2007			180,000	180,000	7.13%
SPG, LP (MOPPRS)	6/15/08	7.00%	200,000	200,000	
Subtotal 2008			200,000	200,000	7.00%
SPG, LP (Bonds)	2/9/09	7.13%	300,000	300,000	
SPG, LP (Bonds)	7/15/09	7.00%	150,000	150,000	
Subtotal 2009			450,000	450,000	7.08%
SPG, LP (Notes)	1/20/11	7.75%	200,000	200,000	
Subtotal 2011			200,000	200,000	7.75%
Unsecured Notes—CPI 4	9/1/13	7.18%	75,000	75,000	
Subtotal 2013			75,000	75,000	7.18%
Unsecured Notes—CPI 5	3/15/16	7.88%	250,000	250,000	
Subtotal 2016			250,000	250,000	7.88%
SPG, LP (Bonds)	6/15/18	7.38%	200,000	200,000	
Subtotal 2018			200,000	200,000	7.38%
Total Unsecured Fixed Rate Debt			4,318,200	4,318,200	7.21%

Variable Rate Unsecured Debt:

Acquisition Facility—3	9/24/01	5.80%	435,000	435,000	
Subtotal 2001			435,000	435,000	5.80%
SPG, L.P. Unsecured Loan—1	(6) 2/28/02	5.95%	150,000	150,000	
SPG, L.P. Unsecured Loan—3	(2) 3/30/02	6.15%	22,929	22,929	
Subtotal 2002			172,929	172,929	5.98%
Corporate Revolving Credit Facility	(6) 8/25/03	5.80%	645,000	645,000	
Subtotal 2003			645,000	645,000	5.80%
Unsecured Notes -7	3/14/04	5.95%	65,000	65,000	
Simon ERE Facility	(6) 7/31/04	5.75%	4,992	4,992	
Subtotal 2004			69,992	69,992	5.94%

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Total Unsecured Variable Rate Debt			1,322,921	1,322,921	5.83%
Total Unsecured Debt			5,641,121	5,641,121	6.89%
Net Premium on Fixed-Rate Indebtedness			(5,734)	(4,819)	N/A
Net Premium on Variable-Rate Indebtedness			271	271	N/A
Total Consolidated Debt			8,747,219	8,590,828	7.03%

Joint Venture Indebtedness

Fixed Rate Mortgage Debt:

Seminole Towne Center	6/30/01	8.00%	70,377	31,670	
Highland Mall—2	10/1/01	8.50%	83	42	
Highland Mall—3	11/1/01	9.50%	869	435	
Square One	12/1/01	8.40%	104,184	51,193	
Subtotal 2001			175,513	83,339	8.25%
Crystal Mall	2/1/03	8.66%	47,760	35,614	
Avenues, The	5/15/03	8.36%	55,892	13,973	
Subtotal 2003			103,652	49,587	8.58%
Solomon Pond	2/1/04	7.83%	94,905	46,634	
Northshore Mall	5/14/04	9.05%	161,000	79,111	
Indian River Commons	11/1/04	7.58%	8,367	4,184	
Indian River Mall	11/1/04	7.58%	46,429	23,215	
Subtotal 2004			310,701	153,143	8.42%
Westchester, The—1	9/1/05	8.74%	149,170	74,585	
Westchester, The—2	9/1/05	7.20%	52,954	26,477	

Subtotal 2005			202,124	101,062	8.34%
Cobblestone Court	1/1/06	7.64%	6,180	2,163	
Crystal Court	1/1/06	7.64%	3,570	1,250	
Fairfax Court	1/1/06	7.64%	10,320	2,709	
Gaitway Plaza	1/1/06	7.64%	7,350	1,715	
Plaza at Buckland Hills, The	1/1/06	7.64%	17,422	5,967	
Ridgewood Court	1/1/06	7.64%	8,365	2,928	
Royal Eagle Plaza	1/1/06	7.64%	7,920	2,772	
Village Park Plaza	1/1/06	7.64%	8,834	3,092	
West Town Corners	1/1/06	7.64%	10,330	2,411	
Westland Park Plaza	1/1/06	7.64%	4,950	1,155	
Willow Knolls Court	1/1/06	7.64%	6,490	2,272	
Yards Plaza, The	1/1/06	7.64%	8,270	2,895	
CMBS Loan—Fixed Component (IBM)	(7)	5/1/06	7.41%	300,000	150,000
CMBS Loan—Fixed Component—2 (IBM)	(7)	5/15/06	8.13%	57,100	28,550
Great Northeast Plaza	6/1/06	9.04%	17,309	8,655	
Smith Haven Mall	6/1/06	7.86%	115,000	28,750	
Mall of Georgia Crossing	6/9/06	7.25%	34,380	17,190	
Greendale Mall	11/1/06	8.23%	41,638	20,460	

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Subtotal 2006			665,428	284,932	7.65%
Town Center at Cobb—1	4/1/07	7.54%	49,534	24,767	
Town Center at Cobb—2	4/1/07	7.25%	64,713	32,357	
Gwinnett Place—1	4/1/07	7.54%	38,875	19,438	
Gwinnett Place—2	4/1/07	7.25%	85,034	42,517	
Mall at Rockingham	8/1/07	7.88%	99,542	24,456	
Subtotal 2007			337,698	143,534	7.45%
Metrocenter	2/28/08	8.45%	30,243	15,122	
Aventura Mall—A	4/6/08	6.55%	141,000	47,000	
Aventura Mall—B	4/6/08	6.60%	25,400	8,467	
Aventura Mall—C	4/6/08	6.89%	33,600	11,200	
West Town Mall	5/1/08	6.90%	76,000	38,000	
Mall of New Hampshire—1	10/1/08	6.96%	103,528	50,871	
Mall of New Hampshire—2	10/1/08	8.53%	8,414	4,134	
Grapevine Mills—1	10/1/08	6.47%	155,000	58,125	
Ontario Mills—5	11/2/08	6.75%	141,883	35,471	
Source, The	11/6/08	6.65%	124,000	31,000	
Ontario Mills—6	12/5/08	8.00%	10,500	2,625	
Grapevine Mills—2	11/5/08	8.39%	14,480	5,430	
Subtotal 2008			864,048	307,444	6.86%
Apple Blossom Mall	9/10/09	7.99%	40,543	19,922	
Auburn Mall	9/10/09	7.99%	47,464	23,323	
Highland Mall—1	12/1/09	9.75%	6,714	3,357	
Ontario Mills—4	12/28/09	6.00%	4,198	1,050	
Subtotal 2009			98,919	47,651	8.07%
Mall of Georgia	7/1/10	7.09%	200,000	100,000	
Coral Square	10/1/10	8.00%	90,000	45,000	
Florida Mall, The	11/13/10	7.55%	269,402	134,701	
Subtotal 2010			559,402	279,701	7.46%
Atrium at Chestnut Hill	3/11/11	6.89%	49,150	24,151	
Cape Cod	3/11/11	6.80%	100,000	49,138	
Polska Shopping Mall	12/31/11	6.49%	12,355	3,583	
Subtotal 2011			161,505	76,872	6.81%
Total Joint Venture Fixed Rate Mortgage Debt			3,478,990	1,527,265	7.59%
Variable Rate Mortgage Debt:					
Liberty Tree Mall	10/1/01	6.65%	46,509	22,853	
Subtotal 2001			46,509	22,853	6.65%
Montreal Forum	1/31/02	7.50%	24,931	8,882	
Shops at Sunset Place, The	(6)	6/30/02	6.30%	113,829	42,686
Subtotal 2002			138,760	51,568	6.51%
Dadeland Mall	(6)	2/1/03	5.95%	140,000	70,000

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CMBS Loan—Floating Component (IBM)	(7)	5/1/03	5.65%	184,500	92,250
Concord Mills	(6)	12/2/03	6.50%	179,883	67,456
Subtotal 2003			504,383	229,706	5.99%

		191,000		191,000			
Floating Rate Debt:							
Unsecured Notes—7	3/14/02	65,000	100.00%	65,000	5.951%	LIBOR + 0.800%	
White Oaks Mall	3/1/02	16,500	54.92%	9,062	8.391%	LIBOR + 1.300%	90
CPI Merger Facility—3 (1.4B)	9/24/01	435,000	100.00%	435,000	5.801%	LIBOR + 0.650%	
SPG, L.P. Unsecured Loan—1	2/28/02	150,000	100.00%	150,000	5.951%	LIBOR + 0.650%	
Highland Lakes Center	3/1/02	12,877	100.00%	12,877	6.651%	LIBOR + 1.500%	
SPG, L.P. Unsecured Loan—3	3/30/02	22,929	100.00%	22,929	6.151%	LIBOR + 0.650%	
Mainland Crossing	3/31/02	1,603	80.00%	1,282	6.651%	LIBOR + 1.500%	
Jefferson Valley Mall	1/11/04	60,000	100.00%	60,000	6.401%	LIBOR + 1.250%	
Richmond Towne Square	7/15/03	57,410	100.00%	57,410	6.151%	LIBOR + 1.000%	
Unsecured Revolving Credit Facility	8/25/03	505,000	100.00%	505,000	5.801%	LIBOR + 0.650%	
Shops @ Mission Viejo	8/31/03	142,228	100.00%	142,228	6.301%	LIBOR + 1.150%	
Arboretum	11/30/03	34,000	100.00%	34,000	6.651%	LIBOR + 1.500%	
Bowie Mall -1	12/14/02	4,500	100.00%	4,500	6.651%	LIBOR + 1.500%	
Bowie Mall -2	12/14/05	7,642	100.00%	7,642	6.651%	LIBOR + 1.500%	
North East Mall	5/20/04	142,572	100.00%	142,572	6.526%	LIBOR + 1.375%	
Waterford Lakes	8/15/04	60,820	100.00%	60,820	6.551%	LIBOR + 1.400%	
Simon ERE Facility—Variable component	7/31/04	4,992	100.00%	4,992	5.751%	EURIBOR + 0.600%	
Brunswick Square	6/12/05	45,000	100.00%	45,000	6.651%	LIBOR + 1.500%	
		1,768,073		1,760,314			

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Joint Venture Indebtedness:							
Other Hedged Debt:							
Arizona Mills	10/10/10	145,694	26.32%	38,341	6.451%	LIBOR + 1.300%	LJ
CMBS Loan—Floating Component (IBM)	5/1/03	184,500	50.00%	92,250	5.649%	See Footnote(1)	LJ
CMBS Loan—Floating Component—2 (IBM)	5/15/06	81,400	50.00%	40,700	5.520%	See Footnote(1)	LJ
Circle Centre Mall—1	1/31/04	60,000	14.67%	8,802	5.591%	LIBOR + 0.440%	LJ
Circle Centre Mall—2	1/31/04	7,500	14.67%	1,100	6.651%	LIBOR + 1.500%	LJ
Emerald Square Mall	3/31/05	145,000	49.14%	71,249	6.639%	LIBOR + 1.490%	LJ
Mall of America	3/10/05	312,000	27.50%	85,800	5.663%	LIBOR + 0.513%	LJ
Northfield Square	4/30/05	37,000	31.60%	11,692	7.651%	LIBOR + 2.500%	LJ
		973,094		349,934			
Floating Rate Debt:							
Arundel Mills	4/30/05	133,119	37.50%	49,920	6.801%	LIBOR + 1.650%	R
Dadeland Mall	2/1/03	140,000	50.00%	70,000	5.951%	LIBOR + 0.800%	pe
Liberty Tree Mall	10/1/01	46,509	49.14%	22,853	6.651%	LIBOR + 1.500%	
Montreal Forum	1/31/02	24,931	35.63%	8,882	7.500%	Canadian Prime	
Shops at Sunset Place, The	6/30/02	113,829	37.50%	42,686	6.301%	LIBOR + 1.150%	R
Concord Mills	12/2/03	179,883	37.50%	67,456	6.501%	LIBOR + 1.350%	pe
Orlando Premium Outlets	2/12/04	58,173	50.00%	29,087	6.651%	LIBOR + 1.500%	R
		696,444		290,883			pe

Footnote:

(1) Represents the weighted average interest rate.

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**SIMON PROPERTY GROUP
New Development Activities
As of March 31, 2001**

Mall/ Location	Simon Group's Ownership Percentage	Actual/ Projected Opening	Projected Cost (in millions) (1)	Non-Anchor Sq. Footage Leased/ Committed	GLA (sq. ft.)
Projects Under Construction					
Bowie Town Center Annapolis, MD	100.0%	Fall 2001	\$ 66	97%	657,000

anchors/major tenants: Hecht's, Sears, Old Navy, Barnes & Noble, Bed Bath & Beyond, Safeway

(1) Includes soft costs such as architecture and engineering fees, tenant costs (allowances/leasing commissions), development, legal and other fees, marketing costs, cost of capital, and other related costs.

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**SIMON PROPERTY GROUP
Significant Renovation/Expansion Activities
As of March 31, 2001**

Mall/ Location	Simon Group's Ownership Percentage	Actual/ Projected Opening	Projected Cost (in millions) (1)	GLA Before Renov/Expan (sq. ft.)	New or Incremental GLA (sq. ft.)
North East Mall Hurst, TX	100%	10/01 & 2002	\$ 103	1,141,000	308,000
Project Description: <i>New Foley's (to open 10/01); new Lord & Taylor in existing Montgomery Ward space (to open 2002)</i>					
<i>Previously opened: New Nordstrom (3/01); new Saks Fifth Avenue, mall renovation and parking deck (9/00); JCPenney remodel and expansion and parking deck (11/99); new Dillard's, mall expansion and parking deck (9/99)</i>					

Project Description: Macy's expansion (to open fall 2001)
Previously opened: Old Navy, PF Chang's and California Café (12/00); Robinsons-May expansion and remodel and food court addition (10/00); New Nordstrom, small shop expansion and renovation, new parking structure; new Saks Fifth Avenue (9/99)

(1)

Includes soft costs such as architecture and engineering fees, tenant costs (allowances/leasing commissions), development, legal and other fees, marketing costs, cost of capital, and other related costs.

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**SIMON PROPERTY GROUP
Capital Expenditures
For the Three Months Ended March 31, 2001**

(In millions)

	Consolidated Properties	Joint Venture Properties	
		Total	Simon Group's Share
New Developments	\$ 14.6	\$ 15.3	\$ 6.2
Renovations and Expansions	19.8	14.5	6.3
Tenant Allowances	8.6	4.4	1.9
Operational Capital Expenditures at Properties	2.6	(.2)	.2
Other	—	—	(.2)
Totals	\$ 45.6	\$ 34.0	\$ 14.4

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QuickLinks

- [SIMON PROPERTY GROUP Overview](#)
- [Simon Property Group Economic Ownership Structure \(1\) March 31, 2001](#)
- [SIMON PROPERTY GROUP Changes in Common Shares and Unit Ownership For the Period from December 31, 2000 through March 31, 2001](#)
- [SIMON PROPERTY GROUP Preferred Stock/Units Outstanding As of March 31, 2001 \(\\$ in 000's\)](#)
- [SIMON PROPERTY GROUP Reconciliation of Income to Funds From Operations \("FFO"\) As of March 31, 2001 \(Amounts in thousands, except per share data\)](#)
- [SIMON PROPERTY GROUP Selected Financial Information As of March 31, 2001 \(In thousands, except as noted\)](#)
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- [SIMON PROPERTY GROUP Portfolio GLA, Occupancy & Rent Data As of March 31, 2001](#)
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- [SIMON PROPERTY GROUP Lease Expirations\(1\) As of March 31, 2001](#)
- [SIMON PROPERTY GROUP Lease Expirations\(1\) As of March 31, 2001](#)
- [SIMON PROPERTY GROUP SPG's Share of Total Debt Amortization and Maturities by Year As of March 31, 2001 \(In thousands\)](#)
- [SIMON PROPERTY GROUP Summary of Indebtedness As of March 31, 2001 \(In thousands\)](#)
- [SIMON PROPERTY GROUP Summary of Indebtedness By Maturity As of March 31, 2001 \(In thousands\)](#)
- [SIMON PROPERTY GROUP Summary of Variable Rate Debt and Interest Rate Protection Agreements As of March 31, 2001 \(In thousands\)](#)
- [SIMON PROPERTY GROUP New Development Activities As of March 31, 2001](#)
- [SIMON PROPERTY GROUP Significant Renovation/Expansion Activities As of March 31, 2001](#)
- [SIMON PROPERTY GROUP Capital Expenditures For the Three Months Ended March 31, 2001](#)

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FOR IMMEDIATE RELEASE

**SIMON PROPERTY GROUP ANNOUNCES FIRST QUARTER RESULTS
AND QUARTERLY DIVIDENDS**

Common Stock Dividend Increased by 4%

Indianapolis, Indiana—May 8, 2001...Simon Property Group, Inc. (the "Company") (NYSE:SPG) today announced results for the quarter ended March 31, 2001. Diluted funds from operations increased 4.2%, to \$0.74 per share from \$0.71 per share in 2000. Total revenue increased 2.7%, to \$490.7 million as compared to \$477.9 million in 2000.

Occupancy for mall and freestanding stores in the regional malls at March 31, 2001 increased 70 basis points to 90.2%, as compared to 89.5% at March 31, 2000. Total retail sales per square foot increased 3% to \$381 while comparable retail sales per square foot increased 1% to \$389. Average base rents for mall and freestanding stores in the regional mall portfolio were \$28.60 per square foot at March 31, 2001, an increase of \$1.08, or 4%, from March 31, 2000. The average initial base rent for new mall store leases signed during the quarter was \$35.06, an increase of \$6.11, or 21% over the tenants who closed or whose leases expired.

"Our portfolio has performed according to our expectations," said David Simon, chief executive officer. "Occupancy and rent increases have been somewhat offset by stagnant sales growth due to a softening economy. All-in-all, our portfolio exhibited its strength and stability in the first quarter."

Disposition Activities

The Company continued its efforts to dispose of non-core assets. During the first quarter of 2001, the Company sold its interests in two retail properties and one small freestanding office building in Rockaway, NJ for approximately \$20 million. Proceeds from the asset sales were primarily utilized to repay indebtedness.

Financing Activities

On January 18, 2001, the Company's operating partnership, Simon Property Group, L.P., announced the completion of the sale of \$500 million of senior unsecured notes. Issued in two tranches, \$300 million mature in 2006 and \$200 million mature in 2011. The weighted average interest rate of the issuance was 7.62%.

New Development Activities

Bowie Town Center in Bowie, Maryland, is a 556,000 square foot open-air regional shopping center with main street architecture and a 101,000 square foot grocery retail component scheduled to open this Fall. Hecht's and Sears, who are scheduled to open August 4th and October 20th, respectively, anchor the project. Other large space users—Barnes & Noble, Bed Bath & Beyond, and Old Navy—will open with the center. Safeway anchors the grocery retail component.

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Bowie Town Center is 97% leased and committed with only four spaces left to lease. The tenant lineup includes: American Eagle, Lindt's Chocolate, Benetton, Gap, Gap Kids, Ann Taylor Loft, Victoria's Secret, Bath & Body, Wet Seal and Wilson's Leather. The center will also feature a restaurant lineup including Pizzeria Uno, DuClaw Brew Pub, Starbuck's, Olive Garden and Panera Bread.

Dividends

On May 8th, the Company declared a common stock dividend of \$0.525 per share, which represents a 4% increase from \$0.505 per share. This dividend will be paid on May 31, 2001 to shareholders of record on May 18, 2001. The Company also declared dividends on its three public issues of preferred stock, all payable on July 2, 2001 to shareholders of record on June 15, 2001:

- Simon Property Group, Inc. 6.50% Series B Convertible Preferred Stock (NYSE:SPGPrB)—\$1.625 per share
- SPG Properties, Inc. 8.75% Series B Cumulative Redeemable Preferred Stock (NYSE:SGVPrB)—\$0.546875 per share
- SPG Properties, Inc. 7.89% Series C Cumulative Preferred Stock—\$0.98625 per share.

Earnings Estimates

Based upon first quarter results and its view of current market conditions, the Company projects that FFO per share will be in the range of \$0.78 to \$0.80 for the second quarter and \$3.50 to \$3.60 for the year 2001.

Estimates of future FFO per share are, and certain other matters discussed in this press release may be, deemed forward-looking statements within the meaning of the federal securities laws. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that its 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 include, but are not limited to, the national, regional and local economic climate, 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, and changes in market rates of interest. The reader is directed to the Company's various filings with the Securities and Exchange Commission, including quarterly reports on Form 10-Q, reports on Form 8-K and annual reports on Form 10-K for a discussion of such risks and uncertainties.

Simon Property Group, Inc., headquartered in Indianapolis, Indiana, is a self-administered and self-managed real estate investment trust which, through its subsidiary partnerships, is engaged in the ownership, development, management, leasing, acquisition and expansion of income-producing properties, primarily regional malls and community shopping centers. It currently owns or has an interest in 250 properties containing an aggregate of 185 million square feet of gross leasable area in 36 states as well as five assets in Europe. Together with its affiliated management company, Simon owns or manages approximately 191 million square feet of gross leasable area in retail and mixed-use properties. Shares of Simon Property Group, Inc. are paired with beneficial interests in shares of stock of SPG Realty Consultants, Inc. Additional Simon Property Group information is available at www.shopsimon.com.

Supplemental Materials

The Company's March 31, 2001 Form 10-Q and supplemental information package (on Form 8-K) may be requested in e-mail or hard copy formats by contacting Shelly Doran—Director of Investor Relations, Simon Property Group, P.O. Box 7033, Indianapolis, IN 46207 or via e-mail at sdoran@simon.com.

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Conference Call

The Company will provide an online simulcast of its first quarter conference call at www.shopsimon.com and www.streetevents.com. To listen to the live call, please go to either of these websites at least fifteen minutes prior to the call to register, download and install any necessary audio software. The call will begin at 11:30 a.m. Eastern Daylight Time tomorrow, May 9th. An online replay will be available for approximately 90 days at www.shopsimon.com.

SIMON
Combined Financial Highlights(A)
Unaudited
(In thousands, except as noted)

	Three Months Ended March 31,	
	2001	2000
Revenue:		
Minimum rent	\$ 307,131	\$ 296,462
Overage rent	9,883	12,038
Tenant reimbursements	148,514	144,844
Other income	25,148	24,507
Total revenue	490,676	477,851
Expenses:		
Property operating	78,774	76,982
Depreciation and amortization	106,515	98,488
Real estate taxes	52,792	48,422
Repairs and maintenance	19,727	19,565
Advertising and promotion	13,806	16,010
Provision for credit losses	2,904	2,131
Other	6,785	9,109
Total operating expenses	281,303	270,707
Operating Income	209,373	207,144
Interest Expense	157,924	158,659
Income before Minority Interest	51,449	48,485
Minority Interest	(2,116)	(2,434)
Gain on Sales of Real Estate	2,711	7,096
Income before Unconsolidated Entities	52,044	53,147
Income from Unconsolidated Entities	11,731	17,989
Income before Extraordinary Items and Cumulative Effect of Accounting Change	63,775	71,136
Extraordinary Items—Debt Related Transactions	(25)	(440)
Cumulative Effect of Accounting Change	(1,638) ^(B)	(12,342) ^(C)
Income before Allocation to Limited Partners	62,112	58,354
Less: Limited Partners' Interest in the Operating Partnerships	11,742	10,739
Less: Preferred Distributions of the SPG Operating Partnership	2,912	2,817
Less: Preferred Dividends of Subsidiary	7,334	7,334
Net Income	40,124	37,464
Preferred Dividends	(9,185)	(9,221)
Net Income Available to Common Shareholders	\$ 30,939	\$ 28,243

SIMON
Combined Financial Highlights- Continued(A)
Unaudited
(In thousands, except as noted)

	Three Months Ended March 31,	
	2001	2000
PER SHARE DATA:		
Basic Income per Paired Share:		
Before Extraordinary Items and Cumulative Effect of Accounting Change	\$ 0.19	\$ 0.21
Extraordinary Items	0.00	0.00
Cumulative Effect of Accounting Change	(0.01)	(0.05)
Net Income Available to Common Shareholders	\$ 0.18	\$ 0.16

Diluted Income per Paired Share:		
Before Extraordinary Items and Cumulative Effect of Accounting Change	\$ 0.19	\$ 0.21
Extraordinary Items	0.00	0.00
Cumulative Effect of Accounting Change	(0.01)	(0.05)
	<u> </u>	<u> </u>
Net Income Available to Common Shareholders	\$ 0.18	\$ 0.16
	<u> </u>	<u> </u>

SELECTED BALANCE SHEET INFORMATION

	March 31, 2001	December 31, 2000
Cash and Cash Equivalents	\$ 135,017	\$ 223,111
Investment Properties, Net	\$ 11,492,595	\$ 11,564,414
Mortgages and Other Indebtedness	\$ 8,747,218	\$ 8,728,582

SELECTED REGIONAL MALL OPERATING STATISTICS

	March 31,	
	2001	2000
Occupancy ^(D)	90.2%	89.5%
Average Rent per Square Foot ^(D)	\$ 28.60	\$ 27.52
Total Sales Volume (in millions) ^(E)	\$ 3,658	\$ 3,422
Comparable Sales per Square Foot ^(E)	\$ 389	\$ 385
Total Sales per Square Foot ^(E)	\$ 381	\$ 370

Notes:

- (A) Represents combined condensed financial statements of Simon Property Group, Inc. and its paired share affiliate, SPG Realty Consultants, Inc.
- (B) Due to the adoption of SFAS 133—Accounting for Derivatives and Financial Instruments on January 1, 2001.
- (C) Due to the adoption of SAB 101 on January 1, 2000, which requires overage rent to be recognized as revenue only when each tenant's sales exceed their sales threshold. Previously, the Company recognized overage rent based on reported and estimated sales through the end of the period, less the applicable prorated base sales amount.
- (D) Includes mall and freestanding stores.
- (E) Based on the standard definition of sales for regional malls adopted by the International Council of Shopping Centers, which includes only mall and freestanding stores.

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SIMON
Combined Financial Highlights-Continued(A)
Unaudited
(In thousands, except as noted)

RECONCILIATION OF NET INCOME TO FUNDS FROM OPERATIONS ("FFO")

	Three Months Ended March 31,	
	2001	2000
Income before extraordinary items and cumulative effect of accounting change(1) (2)	\$ 63,775	\$ 71,136
Plus: Depreciation and amortization from combined consolidated properties	106,166	98,236
Plus: Simon's share of depreciation and amortization from unconsolidated entities	31,257	28,801
Less: Gain on sales of real estate	(2,711)	(7,096)
Less: Minority interest portion of depreciation, amortization and extraordinary items	(1,487)	(1,480)
Less: Preferred distributions (including those of subsidiary)	(19,431)	(19,372)
	<u> </u>	<u> </u>
FFO of the Simon Portfolio	\$ 177,569	\$ 170,225
	<u> </u>	<u> </u>
FFO of the Simon Portfolio	\$ 177,569	\$ 170,225
	<u> </u>	<u> </u>
Basic FFO per Paired Share:		
Basic FFO Allocable to the Company	\$ 128,766	\$ 123,506
Basic Weighted Average Paired Shares Outstanding	172,001	173,223
Basic FFO per Paired Share	\$ 0.75	\$ 0.71
	<u> </u>	<u> </u>
Diluted FFO per Paired Share:		
Diluted FFO Allocable to the Company	\$ 138,047	\$ 132,667
Diluted Weighted Average Number of Equivalent Paired Shares	186,609	187,807
Diluted FFO per Paired Share	\$ 0.74	\$ 0.71

Notes:

- (1) Includes gains on land sales of \$1.2 million and \$1.8 million for the three months ended March 31, 2001 and 2000, respectively.
- (2) Includes straight-line adjustments to minimum rent of \$4.3 million and \$5.0 million for the three months ended March 31, 2001 and 2000, respectively.

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QuickLinks

[SIMON PROPERTY GROUP ANNOUNCES FIRST QUARTER RESULTS AND QUARTERLY DIVIDENDS Common Stock Dividend Increased by 4%](#)

[SIMON Combined Financial Highlights\(A\) Unaudited \(In thousands, except as noted\)](#)

[SIMON Combined Financial Highlights- Continued\(A\) Unaudited \(In thousands, except as noted\)](#)

[SIMON Combined Financial Highlights-Continued\(A\) Unaudited \(In thousands, except as noted\)](#)

SIMON PROPERTY GROUP
Conference Call Text
May 9, 2001

Forward Looking Statement (Shelly Doran)

Welcome to the Simon Property Group first quarter earnings conference call. Please be aware that statements made during this call that are not historical may be deemed forward-looking statements. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that its 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 include, but are not limited to, the national, regional and local economic climate, 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, and changes in market rates of interest. We direct you to the Company's various filings with the Securities and Exchange Commission including Form 10-K and Form 10-Q for a detailed discussion of risks and uncertainties.

The Company's quarterly supplemental information package will be filed as a Form 8-K by the end of the week. This filing will be available via mail or e-mail. If you would like to receive the supplemental information via e-mail, please notify me, Shelly Doran, at sdoran@simon.com.

Participating in today's call will be David Simon (chief executive officer), Rick Sokolov (president and chief operating officer) and Steve Sterrett (chief financial officer). Mike McCarty, our Senior VP of Research and Corporate Communications will also be available during the Q&A session. And now, Mr. Simon will provide opening comments.

Retail Environment (David Simon)

I'd like to make a few introductory comments regarding the economy and its impact on the retail climate. The slowdown in the general economy is affecting our retailers' sales performance. Higher energy prices, increasingly frequent layoff announcements, and a continuation of turmoil within the stock markets have resulted in a dramatic decline in consumer confidence. This declining consumer confidence is associated with the weakening in sales, which has shown up both nationally and within the SPG portfolio. Sales growth for retail tenants in the portfolio has slowed during the first quarter of 2001, a continuation of the trend we saw developing in the second half of 2000. Weak sales trends result in higher bankruptcies, which we have also seen in '01.

Comparable sales at the end of the first quarter surpassed \$389 psf; a 1% increase over last year's reported number. However, as with all averages, there are revealing differences within the SPG portfolio: by region, by category and by retailer.

- The New England region continues to show the greatest growth in sales at 3.8% through the first quarter. The Southwest and Pacific regions also contributed strong growth. The Great Lakes and Mountain regions were the weakest. Regional variances such as these support our strategy of creating geographic diversity.

- The apparel categories continued their dominance within the SPG portfolio. Of the nine apparel categories, all but one, women's specialty/accessories, showed positive sales growth. This is in contrast to the national trend where apparel sales growth has been negative since the fourth quarter of 2000.

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- At the bottom of the list, the toy category at -3.3% shows the greatest decline. Jewelry also performed poorly. It is interesting to note that, in spite of their recent financial troubles, theaters are showing above average growth in sales of 4.7%.

With respect to occupancy, while we did increase occupancy 70 basis points from a year ago, we have seen some increased supply of space because of bankruptcies.

Square footage lost in the SPG portfolio due to bankruptcy terminations during the first quarter of 2001 totaled 580,000 square feet. This compares to 800,000 square feet lost in all of 2000. We believe that we have already seen the lion's share of bankruptcy activity for this year.

SPG's leasing representatives are in the field every day, dealing with the country's retailers. Their current perception is that retailers seem to have good control of their inventory levels and are in generally good financial shape and will, therefore, weather this lull in tenant sales better than in the past.

Better, stronger malls are still in demand. If a space becomes available in one of the top SPG malls, a retailer will eagerly take it, even if their expansion plans for the year have already been met. It is important to note that SPG continues to get 20 to 30% of all expansion projects from the nation's top in-line retailers such as: Williams-Sonoma, Talbots, Brookstone, Pacific Sunwear, El Portal, Wilson's, and Ann Taylor. Our 2001 leasing activity is substantially complete. We do expect to see 12/31/01 occupancy equal or slightly exceed 2000 levels. Lower tenant demand for space may not fully manifest itself until 2002.

And now I would like to ask Steve to provide commentary on financial and operational results for the quarter.

Financial and Operational Results (Steve Sterrett)

Highlights of our first quarter operating results are as follows:

- Diluted FFO per share increased by 4.2%, to \$.74 versus \$.71 in 2000. This was in the middle of the range of guidance we provided in March.

- In analyzing and interpreting the financial results for the quarter, there are a number of factors that contributed to a lower-than-historical level of growth:

- David mentioned the softening economy and slowing sales growth. Percentage-based rents were \$2.1 million lower in the first quarter of 2001 than in 2000. Three things drive this decline: 1) lower sales growth in '01 versus '00; 2) the normal rollover of leases, where high overage-paying tenants' leases expired and we captured that overage in the form of fixed minimum rent; and 3) in 2000, we had some carryover benefit from the strong 1999 holiday season and we were slightly underaccrued at 12/31/99.

- Despite the lower interest rate environment, interest expense was only \$735,000 lower in Q1 2001 versus 2000. As you will recall, we issued \$500 million of bonds in January, paying off floating-rate debt. Also, since we use 30-day LIBOR contracts, we didn't get the full impact of lower rates in Q1. This benefit will accelerate in Q2.

- Management Company profitability was \$4 million lower in Q1 2001 versus the prior year due to a number of factors, most notably our reduced level of development activity and resultant lower fees.

- Occupancy increased 70 basis points from March 31, 2000 to 90.2% at March 31, 2001.

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- Total sales per square foot increased 3% to \$381 per square foot.

- Comparable sales per square foot, i.e. sales of tenants who have been in place for at least 24 months, increased 1% to \$389.

- Average base rent increased 4% to \$28.60.

- The average initial base rent for stores opened during the first quarter was \$35.06 per square foot, versus average rents of \$28.95 for those tenants who closed or whose leases expired, for a leasing spread of \$6.11, or 21%.

- Same property NOI growth was 3.5%.

The weakening retail environment and increased tenant bankruptcy levels being experienced in 2001 have not adversely impacted the health of SPG's receivables. A review of the SPG accounts receivable picture at 3/31/01 illustrates the soundness of the portfolio:

- Average "days-in-receivables" decreased 17.4% from 3/31/00. Average "days-in-receivables" were 7.8 days, their lowest level in the past 2 years.

- Total receivables aged over 90 days decreased \$7 million, or 20.4%, from 3/31/00.

Liquidity and Capital Activities

As of March 31st, we have approximately \$680 million of remaining debt maturing in 2001. Of this, \$435 million due in September is the third and final tranche of unsecured debt related to the CPI acquisition. The remaining amounts are mortgages on 7 assets that have aggregate coverage levels of approximately 2.5 times. We already have lender commitments to refinance most of this debt. We continue to maintain our financial flexibility and strong liquidity with over \$600 million available on our corporate credit facility and over \$800 million of EBITDA expected to be generated in the year 2001 from properties that are unencumbered. Our interest coverage ratio remains steady at 2.3 times.

Dispositions

During the first quarter, we sold three small assets—Century Consumer, Golden Ring Mall and Rockaway Office Building—with gross proceeds of approximately \$20 million. The net gain on the sale of these three assets was \$2.7 million.

Dividends

I'd like to also mention that at our Board Meeting yesterday, the SPG Board authorized a 4% dividend increase, to \$2.10 per share annually. The Board's decision reflects the increased profitability of the Company as well as its confidence in the long-term business prospects for SPG.

Earnings Guidance

In March, we provided earnings guidance for the four quarters and full-year 2001. Our first quarter results were within the range of guidance given.

We believe that any negative impact of the economic slowdown, such as lower percentage-based rents and advertising revenues, will be offset by interest savings (as the Fed continues to aggressively reduce

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short-term interest rates) and other factors. Our estimates for the remainder of 2001 remain unchanged from our earlier guidance, and are as follows:

Second quarter	78 to 80 cents
Third quarter	87 to 90 cents
Fourth quarter	\$1.11 to \$1.15
For the year	\$3.50 to \$3.60

At this time, Rick will provide insight into certain of our department store relationships, development activities and complementary revenue growth.

Department Stores (Rick Sokolov)

In late February, SPG entered into an alliance with Kimco Realty Corporation and the Shottenstein/Bernstein Capital Group forming Kimsward, which was awarded the designation rights by the Delaware bankruptcy court to sell the real estate assets for all of Montgomery Ward's owned and leased properties. SPG's interest in the alliance is 18.5%. We wanted to be proactive in dealing with this bankruptcy given our significant number of Ward locations and decided to partner with Kimco who has a successful track record for purchasing designation rights and profiting from the sale and releasing of the locations. This process is ongoing and to date allocations have been made on over half of the Ward stores. It is too early to comment on the impact to our 2001 financials, but we have been pleased by the retailer response to the Ward locations.

Of our 23 mall locations, Dillard has acquired six, two have been acquired by Target, Sears has acquired two and the May Company has acquired four. We have ongoing conversations on our remaining locations and anticipate finalizing another four locations in the near future.

In each instance, we are anticipating substantial increases in market share with the opening of the new anchors in our properties.

Development Activities

Bowie Towne Center in Annapolis, Maryland is the only new development project currently under construction. Months from opening, this center is already 97% leased and committed with only four spaces left to lease. Some of the tenants opening at Bowie include American Eagle, Lindt's Chocolate, Benetton, Gap, Gap Kids, Ann Taylor Loft, Victoria's Secret, Bath & Body, Wet Seal and Wilson's Leather. We currently expect occupancy at opening to exceed 90%.

The center will also feature a restaurant lineup including Pizzeria Uno, DuClaw Brew Pub, Starbuck's and Panera Bread. Olive Garden will be located on the periphery.

Bowie has two components: a 556,000 square foot open-air regional mall and 101,000 square foot grocery retail component. The regional mall is anchored by Hecht's and Sears and features Barnes & Noble, Bed Bath & Beyond and Old Navy. All anchors and large space users will be open with the center in the Fall. The Shops at Bowie Town Center is the grocery retail component anchored by Safeway and is also over 90% leased.

We have continued our ongoing redevelopment program in our portfolio.

North East Mall—Nordstrom opened this past March, Foley's will be opening a new 240,000 foot store in August and Lord & Taylor will be opening in the former Ward store in Spring of 2002.

Mission Viejo Mall—Macy's is pursuing their expansion and renovation and they will open their newly remodeled and expanded store this Fall.

We are starting work this month on the next phase of our Florida Mall expansion in Orlando. Construction will begin on a new Nordstrom and additional small shop space, which will open in October, 2002. Additionally, Saks is expanding their highly successful store at Florida Mall and Lord & Taylor, which recently acquired the Parisian store, is completely remodeling that store and expanding it to 140,000 feet with an opening scheduled next Spring.

We are continuing our renovation program with minor facelifts at about a half-dozen malls.

Our typical, detailed disclosure for new development and redevelopment activities will be provided in our 8-K.

SBV and SBN Initiatives

On May 21st, Mountain Dew will launch its first national line extension since Diet Dew in 1998 with Mountain Dew Code Red. Code Red will only be sold in 20 ounce bottles for the launch, which makes Pepsi's partnership with Simon the perfect platform for introducing this new product. Simon malls will host an exclusive vending promotion along with a select market mall tour to bring Code Red to life this summer. SPG's relationship with Pepsi continues to flourish, further validating the Simon portfolio as a valuable marketing medium.

On March 15th, Up Front Plus parking debuted at Lenox Square in Atlanta, Georgia. This innovative program, which is a partnership between Denison Parking of Indianapolis and our Simon Business Network, will provide a defined, full-service parking area that offers Simon shoppers a parking space close to the mall entrance plus a variety of free perks and additional fee-based services. At Lenox, approximately 100 parking spaces located in the most sought after area of the parking lot have been designated for this program. Customers are treated to an attractive, non-congested, well-lighted environment with amenities and services including wider parking spaces, convenient access to the mall entrance, and a full-time customer service representative to assist with strollers, packages, directions, etc. The parking charge has been initially set at \$3.00.

Initial response at Lenox Square has been outstanding. The plan is to have Up Front Plus operational at three centers by the end of 2001, with 10-12 additional locations being added to the program annually over the next 3-4 years. In all, it is anticipated that the Simon portfolio includes at least 50 upscale malls in high-density markets where this program will be successful.

One aspect of the SBV initiatives that we are watching closely is whether the slowdown in the economy will impact our ad and sponsorship income in the coming months.

David will now discuss Simon's technology initiatives.

Technology Initiatives (David Simon)

Our efforts in the technology area have primarily been focused in two areas: MerchantWired and Clixnmortar. I'd like to briefly discuss the status of each now.

MerchantWired:

Progress continues at MerchantWired:

- In-mall infrastructure for 300 malls was completed in 2000
- SPG's investment in MerchantWired through Q1 was approximately \$29 million
- They have signed contracts with 9 national retailers representing over 4,000 stores; the goal is to get over 20 retailers signed by year-end
- MerchantWired has positive momentum and good traction with retailers, and

-
- They have completed approvals with major credit card companies such as Visa and Amex to provide credit card authorization services

MerchantWired remains, in our opinion and that of our partners, a viable and potentially valuable concept. Retailer interest is strong.

Clixnmortar:

With regards to Clix, we have formed an alliance with Found, Inc. to develop a joint application, called clixlist, using our wireless technology previously tested in Atlanta as well as Found's proprietary ability to provide real-time access to retailers' store inventory.

Found has taken the lead role in the development of this clixlist product. As a result, SPG's current spending level on clix is virtually nil. Preliminary discussions with retailers regarding the product have been encouraging, and we continue to believe that there is significant, ongoing value in the technology we have developed in this area.

Conclusion

In conclusion, we remain confident about our business as evidenced by the increase in our common stock dividend and earnings reaffirmation for FFO growth of between 7 to 10% this year in a slowing economy.

And now Operator, we are ready to open the call to questions.