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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, 2007

# 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.) |

**225 West Washington Street**
**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 |
| 6% Series I Convertible Perpetual Preferred Stock, $0.0001 par value | New York Stock Exchange |
| 8$^3$/8% Series J Cumulative Redeemable Preferred Stock, $0.0001 par value | New York Stock Exchange |

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

Indicate by check mark if the Registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act). Yes ☒ No o

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ☒

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. ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer ☒ | Accelerated filer o | Non-accelerated filer o<br>(Do not check if a smaller reporting company) | Smaller reporting company o |

Indicate by checkmark whether the Registrant is a shell company (as defined in rule 12-b of the Act). Yes o No ☒

The aggregate market value of shares of common stock held by non-affiliates of the Registrant was approximately $20,267 million based on the closing sale price on the New York Stock Exchange for such stock on June 29, 2007.

As of January 31, 2008, Simon Property Group, Inc. had 223,032,032, 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 2008 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, 2007**

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## Part I

### Item 1. Business

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

We own, develop, and manage retail real estate properties, which consist primarily of regional malls, Premium Outlet® centers, The Mills®, and community/lifestyle centers. As of December 31, 2007, we owned or held an interest in 320 income-producing properties in the United States, which consisted of 168 regional malls, 38 Premium Outlet centers, 67 community/lifestyle centers, 37 properties acquired in the Mills acquisition, and 10 other shopping centers or outlet centers in 41 states and Puerto Rico. Of the 37 Mills properties acquired, 17 of these are The Mills, 16 are regional malls, and four are community centers. We also own interests in four parcels of land held for future development. In the United States, we have four new properties currently under development aggregating approximately 2.75 million square feet which will open during 2008. Internationally, we have ownership interests in 51 European shopping centers (in France, Italy and Poland), six Premium Outlet centers in Japan, one Premium Outlet center in Mexico, and one Premium Outlet center in South Korea. Also, through a joint venture arrangement, we have a 32.5% interest in five shopping centers under development in China.

For a description of our operational strategies and developments in our business during 2007, see the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the 2007 Annual Report to Shareholders filed as Exhibit 13.1 to this Form 10-K.

### Other Policies

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*

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. 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 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. 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 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 covenants contained in our financing agreements that limit our ratio of debt to total asset or market value, as defined. 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 65%, or 60% in relation to certain debt, of total assets, as defined under the related arrangement, and secured debt to 50% of 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 our Board of Directors determines to seek additional capital, we may raise such capital through additional equity offerings, debt financing, creating 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 limited by the requirement for REITs to distribute at least 90% 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 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 expect most 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 such indebtedness may be secured or unsecured. Any such indebtedness may also have full or limited recourse to the borrower or cross-collateralized with other debt, or may be fully or partially guaranteed by the Operating Partnership. 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 have a $3.5 billion revolving unsecured credit facility. We issue debt securities through the Operating Partnership, but we may issue our debt securities which 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 one or more of 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 may also finance acquisitions through the following:

- issuance of shares of common stock or 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 of the Operating Partnership to issue units of limited partnership interest to transferors of properties or other partnership interests may defer gain recognition for tax purposes by the transferor. It may also be advantageous for us since there are ownership limits that restrict the number of shares of our capital stock that investors may own.

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. We also have covenants on our unsecured debt that limit our total secured debt.

Typically, we invest in or form special purpose entities to assist us in obtaining permanent financing on attractive terms. Permanent financing may be structured as a mortgage loan on a single property, or on a group of properties, and generally requires us to provide a mortgage interest on the property in favor of an institutional third party, as a joint venture with a third party, or as a securitized financing. For securitized financings, we 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, 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 or DeBartolo families who are significant stockholders. 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 our 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 our qualification as a REIT, unless the Board of Directors determines that it is no longer in our best interests to so 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 issue shares of our common stock, or cash at our option, 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. Our policy prohibits us from making any loans to our directors or executive officers for any purpose. We may make loans to the joint ventures in which we participate.

**Competition**

Our principal competitors are nine 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 and investments are of the same type and are within the same market area as competitor 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 other forms of retailing, such as catalog and e-commerce websites, that offer retail products and services.

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; 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 5,100 different retailers occupy more than 28,600 stores in our properties and no retail tenant represents more than 2.1% of our properties' total minimum rents.

### Certain Activities

During the past three years, we have:

- issued 4,060,755 shares of common stock upon the conversion of common units of limited partnership interest in the Operating Partnership;
- issued 1,038,364 restricted shares of common stock, net of forfeitures, under The Simon Property Group 1998 Stock Incentive Plan;
- issued 852,148 shares of common stock upon exercise of stock options under 1998 Plan;
- purchased and retired 111,000 shares of common stock;
- purchased 3,387,400 shares of common stock in the open market;
- issued 274,920 shares of common stock upon the conversion of 349,814 shares of Series I preferred stock;
- redeemed all of the outstanding 8,000,000 shares of Series F preferred stock;
- redeemed all of the outstanding 3,000,000 shares of Series G preferred stock;
- issued 716,731 shares of Series I preferred stock upon the exchange of Series I preferred units;
- borrowed a maximum amount of $2.6 billion under our unsecured $3.5 billion credit facility; the outstanding amount of borrowings under this facility as of December 31, 2007 was $2.4 billion;
- as a co-borrower with the Operating Partnership, borrowed $1.8 billion under an unsecured acquisition facility in connection with our acquisition of the former Chelsea Property Group in 2004, that was fully repaid as of December 31, 2006;
- 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.
- not made loans to other entities or persons, including our officers and directors, other than to certain joint venture properties;
- 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;
- not underwritten securities of other issuers; and
- not engaged in the purchase and sale or turnover of investments for the purpose of trading.

### Employees

At January 28, 2008, we and our affiliates employed approximately 5,100 persons at various properties and offices throughout the United States, of which approximately 1,900 were part-time. Approximately 1,100 of these employees were located at our corporate headquarters in Indianapolis, IN and 150 were located at our Chelsea offices in Roseland, NJ.

### Corporate Headquarters

Our corporate headquarters are located at 225 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/Financial Information" 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, Governance Committee Charter, and Executive Committee Charter.

**Executive Officers of the Registrant**

The following table sets forth certain information with respect to our executive officers as of December 31, 2007.

| Name | Age | Position |
|---|---|---|
| David Simon | 46 | Chairman and Chief Executive Officer |
| Richard S. Sokolov | 58 | President and Chief Operating Officer |
| Gary L. Lewis | 49 | Senior Executive Vice President and President — Leasing |
| Stephen E. Sterrett | 52 | Executive Vice President and Chief Financial Officer |
| John Rulli | 51 | Executive Vice President and President — Simon Management Group |
| James M. Barkley | 56 | General Counsel; Secretary |
| Andrew A. Juster | 55 | Senior Vice President and Treasurer |

The executive officers of Simon Property serve at the pleasure of the Board of Directors. For biographical information of David Simon, Richard S. Sokolov, Stephen E. Sterrett, and James M. Barkley, see Item 10 of this report.

Mr. Lewis is the Senior Executive Vice President and 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 Senior Executive Vice President and President — Leasing. In 2002 he was appointed to Executive Vice President — Leasing and in 2007 he became Senior Executive Vice President and President — Leasing.

Mr. Rulli serves as Simon Property's Executive Vice President and President — Simon Management Group and previously served as Executive Vice President — Chief Operating Officer — Operating Properties and prior to that 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 and in November 2007 to Executive Vice President and President — Simon Management Group.

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 1A. Risk Factors

*The following factors, among others, could cause our actual results to differ materially from those contained in forward-looking statements made in this Annual Report on Form 10-K and presented elsewhere by our management from time to time. These factors, among others, may have a material adverse effect on our business, financial condition, operating results and cash flows, and you should carefully consider them. It is not possible to predict or identify all such factors. You should not consider this list to be a complete statement of all potential risks or uncertainties and we may update them in our future periodic reports.*

### Risks Relating to Debt and the Financial Markets

***We have a substantial debt burden that could affect our future operations.***

As of December 31, 2007, our consolidated mortgages and other indebtedness, excluding the related premium and discount, totaled $17.2 billion, of which approximately $751 million matures during 2008, including recurring principal amortization on mortgages maturing during 2007. We are subject to the risks normally associated with debt financing, including the risk that our cash flow from operations will be insufficient to meet required debt service. Our debt service costs generally will not be reduced if developments at the property, such as the entry of new competitors or the loss of major tenants, cause a reduction in the income from the property. Should such events occur, our operations may be adversely affected. If a property is mortgaged to secure payment of indebtedness and income from the is insufficient to pay that indebtedness, the property could be foreclosed upon by the mortgagee resulting in a loss of income and a decline in our total asset value.

***We depend on external financings for our growth and ongoing debt service requirements.***

We depend primarily on external financings, principally debt financings, to fund the growth of our business and to ensure that we can meet ongoing maturities of our outstanding debt. Our access to financing depends on our credit rating, the willingness of banks to lend to us and conditions in the capital markets which have experienced increasing volatility in recent months. We cannot assure you that we will be able to obtain the financing we need for future growth or to meet our debt service as obligations mature, or that the financing available to us will be on acceptable terms.

***Adverse changes in our credit rating could affect our borrowing capacity and borrowing terms.***

Our outstanding senior unsecured notes and preferred stock are periodically rated by nationally recognized credit rating agencies. The credit ratings are based on our operating performance, liquidity and leverage ratios, overall financial position, and other factors viewed by the credit rating agencies as relevant to our industry and the economic outlook in general. Our credit rating can affect the amount of capital we can access, as well as the terms of any financing we obtain. Since we depend primarily on debt financing to fund our growth, adverse changes in our credit rating could have a negative effect on our future growth.

***Our hedging interest rate protection arrangements may not effectively limit our interest rate risk.***

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 refinance fixed rate debt at times when we believe rates and terms are appropriate. Our efforts to manage these exposures may not be successful.

Our use of interest rate hedging arrangements to manage risk associated with interest rate volatility may expose us to additional risks, including a risk that a counterparty to a hedging arrangement may fail to honor its obligations. Developing an effective interest rate risk strategy is complex and no strategy can completely insulate us from risks associated with interest rate fluctuations. There can be no assurance that our hedging activities will have the desired beneficial impact on our results of operations or financial condition. Termination of these hedging agreements typically involves costs, such as transaction fees or breakage costs.

**Factors Affecting Real Estate Investments and Operations**

***We face risks associated with the acquisition, development and expansion of properties.***

We regularly acquire and develop new properties and expand and redevelop existing properties, and these activities are subject to various risks. We may not be successful in pursuing acquisition, development or redevelopment/expansion opportunities. In addition, newly acquired, developed or redeveloped/expanded properties may not perform as well as expected. We are subject to other risks in connection with any acquisition, development and redevelopment/expansion activities, including the following:

- construction costs of a project may be higher than projected, potentially making the project unfeasible or unprofitable;
- we may not be able to obtain financing or to refinance construction loans on favorable terms, if at all;
- we may be unable to obtain zoning, occupancy or other governmental approvals;
- occupancy rates and rents may not meet our projections and the project may not be profitable; and
- we may need the consent of third parties such as anchor tenants, mortgage lenders and joint venture partners, and those consents may be withheld.

If a development or redevelopment/expansion project is unsuccessful, either because it is not meeting our expectations when operational or was not completed according to the project planning, we could lose our investment in the project. Further, if we guarantee the property's financing, our loss could exceed our investment in the project.

***Real estate investments are relatively illiquid.***

Our properties represent a substantial portion of our total consolidated assets. These investments are relatively illiquid. As a result, our ability to sell one or more of our properties or investments in real estate in response to any changes in economic or other conditions is limited. If we want to sell a property, we cannot assure you that we will be able to dispose of it in the desired time period or that the sales price of a property will exceed the cost of our investment.

**Environmental Risks**

***As owners of real estate, we can face liabilities for environmental contamination.***

Federal, state and local laws and regulations relating to the protection of the environment may require us, as a current or previous owner or operator of real property, to investigate and clean up hazardous or toxic substances or petroleum product releases at a property or at impacted neighboring properties. These laws often impose liability regardless of whether the property owner or operator knew of, or was responsible for, the presence of hazardous or toxic substances. These laws and regulations may require the abatement or removal of asbestos containing materials in the event of damage, demolition or renovation, reconstruction or expansion of a property and also govern emissions of and exposure to asbestos fibers in the air. Those laws and regulations also govern the installation, maintenance and removal of underground storage tanks used to store waste oils or other petroleum products. Many of our properties contain, or at one time contained, asbestos containing materials or underground storage tanks (primarily related to auto service center establishments or emergency electrical generation equipment). The costs of investigation, removal or remediation of hazardous or toxic substances may be substantial and could adversely affect our results of operations or financial condition but is not estimable. The presence of contamination, or the failure to remediate contamination, may also adversely affect our ability to sell, lease or redevelop a property or to borrow using a property as collateral.

***Our efforts to identify environmental liabilities may not be successful.***

Although we believe that our portfolio is in substantial compliance with Federal, state and local environmental laws, ordinances and regulations regarding hazardous or toxic substances, this belief is based on limited testing. Nearly all of our properties have been subjected to Phase I or similar environmental audits. 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 or financial condition. However, 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.

**Retail Operations Risks**

***We are subject to risks that affect the general retail environment.***

Our concentration in the retail real estate market means that we are subject to the risks that affect the retail environment generally, including the levels of consumer spending, seasonality, the willingness of retailers to lease space in our shopping centers, tenant bankruptcies, changes in economic conditions, consumer confidence and terrorist activities. The possibility that the United States may currently be experiencing a recession could adversely affect consumer spending. Any one or more of these factors could adversely affect our results of operations or financial condition.

***We may not be able to lease newly developed properties and renew leases and relet space at existing properties.***

We may not be able to lease new properties to an appropriate mix of tenants or for rents that are consistent with our projections. Also, when leases for our existing properties expire, the premises may not be relet or the terms of reletting, including the cost of allowances and concessions to tenants, may be less favorable than the current lease terms. To the extent that our leasing plans are not achieved, our cash generated before debt repayments and capital expenditures could be adversely affected.

***Some of our properties depend on anchor stores or major tenants to attract shoppers and could be adversely affected by the loss of or a store closure by one or more of these tenants.***

Regional malls are typically anchored by department stores and other large nationally recognized tenants. The value of some of our properties could be adversely affected if these tenants fail to comply with their contractual obligations, seek concessions in order to continue operations, or cease their operations. Department store and larger store, also referred to as "big box", consolidations typically result in the closure of existing stores or duplicate or geographically overlapping store locations. We do not control the disposition of those department stores or larger stores that we do not own. We also may not control the vacant space that is not re-leased in those stores we do own. Other tenants may be entitled to modify the terms of their existing leases in the event of such closures. The modification could be unfavorable to us as the lessor and could decrease rents or expense recovery charges. Additionally, major tenant closures may result in decreased customer traffic which could lead to decreased sales at other stores. If the sales of stores operating in our properties were to decline significantly due to closing of anchors, economic conditions, or other reasons, tenants may be unable to pay their minimum rents or expense recovery charges. In the event of default by a tenant or anchor store, we may experience delays and costs in enforcing our rights as landlord to recover amounts due to us under the terms of our agreements with those parties.

***We face potential adverse effects from tenant bankruptcies.***

Bankruptcy filings by retailers occur frequently in the course of our operations. We are continually re-leasing vacant spaces resulting from tenant terminations. The bankruptcy of a tenant, particularly an anchor tenant, may make it more difficult to lease the remainder of the affected properties. Future tenant bankruptcies could adversely affect our properties or impact our ability to successfully execute our re-leasing strategy.

**Risks Relating to Joint Venture Properties**

***We have limited control with respect to some properties that are partially owned or managed by third parties, which may adversely affect our ability to sell or refinance them.***

As of December 31, 2007, we owned interests in 181 income-producing properties with other parties. Of those, 19 properties are included in our consolidated financial statements. We account for the other 162 properties under the equity method of accounting, which we refer to as joint venture properties. We serve as general partner or property manager for 93 of these 162 properties; however, certain major decisions, such as selling or refinancing these properties, require the consent of the other owners. Of the properties for which we do not serve as general partner or property manager, 59 are in our international joint ventures. The other owners also have other participating rights that we consider substantive for purposes of determining control over the properties' assets. The remaining joint venture properties are managed by third parties. These limitations may adversely affect our ability to sell, refinance, or otherwise operate these properties.

***The Operating Partnership guarantees debt or otherwise provides support for a number of joint venture properties.***

Joint venture debt is the liability of the joint venture and is typically secured by a mortgage on the joint venture property. As of December 31, 2007, the Operating Partnership has loan guarantees and other guarantee obligations to support $132.5 million and $60.6 million, respectively, of our total $6.6 billion share of joint venture mortgage and other indebtedness. A default by a joint venture under its debt obligations may expose us to liability under a guaranty or letter of credit.

**Other Factors Affecting Our Business**

***Our Common Area Maintenance (CAM) contributions may not allow us to recover the majority of our operating expenses from tenants.***

CAM costs typically include allocable energy costs, repairs, maintenance and capital improvements to common areas, janitorial services, administrative, property and liability insurance costs, and security costs. We historically have used leases with variable CAM provisions that adjust to reflect inflationary increases. However, we are making a concerted effort to shift from variable to fixed CAM contributions for our cost recoveries which will fix our tenants' CAM contributions to us. As a result, our CAM contributions may not allow us to recover a substantial portion of these operating costs.

***We face a wide range of competition that could affect our ability to operate profitably.***

Our properties compete with other retail properties for tenants on the basis of the rent charged and location. The principal competition may come from existing or future developments in the same market areas and from discount shopping centers, outlet malls, catalogues, discount shopping clubs and electronic commerce. The presence of competitive properties also affects our ability to lease space and the level of rents we can obtain. Renovations and expansions at competing malls could also negatively affect our properties.

We also compete with other retail property developers to acquire prime development sites. In addition, we compete with other retail property companies for attractive tenants and qualified management.

***Our international expansion may subject us to different or greater risk from those associated with our domestic operations.***

We hold interests in joint venture properties that are under operation in Europe, Japan, South Korea, and Mexico. We have also established arrangements to develop joint venture properties in China, and expect to pursue additional expansion opportunities outside the United States. International development and ownership activities carry risks that are different from those we face with our domestic properties and operations. These risks include:

- adverse effects of changes in exchange rates for foreign currencies;
- changes in foreign political and economic environments, regionally, nationally, and locally;
- challenges of complying with a wide variety of foreign laws including corporate governance, operations, taxes, and litigation;
- differing lending practices;
- differences in cultures;
- changes in applicable laws and regulations in the United States that affect foreign operations;
- difficulties in managing international operations; and
- obstacles to the repatriation of earnings and cash.

Although our international activities currently are a relatively small portion of our business (international properties represented less than 6% of the GLA of all of our properties at December 31, 2007), to the extent that we expand our international activities, these risks could increase in significance which in turn could adversely affect our results of operations and financial condition.

***Some of our potential losses may not be covered by insurance.***

We maintain commercial general liability "all risk" property coverage including fire, flood, extended coverage and rental loss insurance on our properties. Our captive insurance company subsidiaries indemnify our general liability carrier for a specific layer of losses. A similar policy written through our subsidiary also provides a portion of our initial coverage for property insurance and certain windstorm risks at the properties located in coastal windstorm locations. Even insured losses could result in a serious disruption to our business and delay our receipt of revenue.

There are some types of losses, including lease and other contract claims that generally are not insured. If an uninsured loss or a loss in excess of insured limits occurs, we could lose all or a portion of the capital we have invested in a property, as well as the anticipated future revenue from the property. If this happens, we may still remain obligated for any mortgage debt or other financial obligations related to the property.

We currently maintain insurance coverage against acts of terrorism on all of our properties on an "all risk" basis in the amount of up to $1 billion per occurrence for certified foreign acts of terrorism and $500 million per occurrence for non-certified domestic acts of terrorism. The current federal laws which provide this coverage are expected to operate through 2014. Despite the existence of this insurance coverage, any threatened or actual terrorist attacks in high profile markets could adversely affect our property values, revenues, consumer traffic and tenant sales.

***Inflation may adversely affect our financial condition and results of operations.***

Although inflation has not materially impacted our operations in the recent past, increased inflation could have a more pronounced negative impact on our mortgage and debt interest and general and administrative expenses, as these costs could increase at a rate higher than our rents. Also, inflation may adversely affect tenant leases with stated rent increases, which could be lower than the increase in inflation at any given time. Inflation could also have an adverse effect on consumer spending which could impact our tenants' sales and, in turn, our overage rents, where applicable.

**Risks Relating to Federal Income Taxes**

***Our failure to qualify as a REIT would have adverse tax consequences to us and our stockholders.***

We cannot assure you that we will remain qualified as a REIT. Qualification as a REIT for federal income tax purposes is governed by highly technical and complex provisions for which there are only limited judicial or administrative interpretations. If we fail to comply with those provisions, we may be subject to monetary penalties or ultimately to possible disqualification as a REIT. If such events occurs, and if available relief provisions do not apply:

- we will not be allowed a deduction for distributions to stockholders in computing our taxable income;
- we will be subject to corporate level income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates; and
- unless entitled to relief under relevant statutory provisions, we will also be disqualified from treatment as a REIT for the four taxable years following the year during which qualification was lost.

As a result, net income and funds available for distribution to our stockholders will be reduced for those years in which we fail to qualify as a REIT. Also, we would no longer be required to distribute money to our stockholders. Although we currently intend to operate so as to qualify as a REIT, future economic, market, legal, tax or other considerations might cause us to revoke our REIT election.

**Item 1B. Unresolved Staff Comments**

None.

**Item 2. Properties**

***United States Properties***

Our U.S. properties primarily consist of regional malls, Premium Outlet centers, The Mills ®, community/lifestyle centers, and other properties. These properties contain an aggregate of approximately 242 million square feet of gross leasable area, or GLA, of which we own approximately 150.8 million square feet. Total estimated retail sales at the properties in 2007 were approximately $60 billion.

Regional malls typically contain at least one traditional department store anchor or a combination of anchors and big box retailers with a wide variety of smaller stores connecting the anchors. Additional stores are usually located along the perimeter of the parking area. Our 168 regional malls are generally enclosed centers and range in size from approximately 400,000 to 2.3 million square feet of GLA. Our regional malls contain in the aggregate more than 18,300 occupied stores, including approximately 675 anchors, which are mostly national retailers.

Premium Outlet centers generally contain a wide variety of retailers located in open-air manufacturers' outlet centers. Our 38 Premium Outlet centers range in size from approximately 200,000 to 850,000 square feet of GLA. The Premium Outlet centers are generally located near metropolitan areas including New York City, Los Angeles, Chicago, Boston, Washington, D.C., and San Francisco; or within 20 miles of major tourist destinations including Palm Springs, Napa Valley, Orlando, Las Vegas, and Honolulu.

The Mills portfolio consists of Mills centers, regional malls, and community centers. The 17 Mills centers generally range in size from 1.0 million to 2.3 million square feet of GLA. The Mills centers are located in major metropolitan areas and have a combination of traditional mall, outlet center, and big box retailers and entertainment uses. The 16 regional malls typically range in size from 700,000 to 1.3 million square feet of GLA and contain a wide variety of national retailers. The four community centers are adjacent to Mills centers, and contain a mix of big box and other local and national retail tenants.

Community/lifestyle centers are generally unenclosed and smaller than our regional malls. Our 67 community/lifestyle centers generally range in size from approximately 100,000 to 900,000 square feet of GLA. Community/lifestyle centers are designed to serve a larger trade area and typically contain anchor stores and other tenants that are usually national retailers among the leaders in their markets. These tenants generally occupy a significant portion of the GLA of the center. We also own traditional community shopping 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 own open-air centers adjacent to our regional malls designed to take advantage of the drawing power of the mall.

We also have interests in 10 other shopping centers or outlet centers. These properties range in size from approximately 85,000 to 300,000 square feet of GLA and in total represent less than 1% of our total operating income before depreciation.

The following table provides representative data for our U.S. properties as of December 31, 2007:

| | Regional Malls | Premium Outlet Centers | Mills Portfolio (including The Mills and Mills Regional Malls) | Community/ Lifestyle Centers | Other Properties |
|---|---|---|---|---|---|
| % of total property annualized base rent | 65.9% | 11.4% | 17.5% | 4.9% | 0.3% |
| % of total property GLA | 67.7% | 6.2% | 17.7% | 7.7% | 0.7% |
| % of owned property GLA | 59.4% | 10.0% | 20.9% | 8.6% | 1.1% |

As of December 31, 2007, approximately 93.5% of the owned GLA in regional malls and the retail space of the other properties was leased, approximately 99.7% of owned GLA in the Premium Outlet centers was leased, approximately 94.1% of the owned GLA for the Mills and 89.5% of owned GLA for the Mills regional malls was leased, and approximately 94.1% of owned GLA in the community/lifestyle centers was leased.

We own 100% of 198 of our properties, effectively control 19 properties in which we have a joint venture interest, and hold the remaining 103 properties through unconsolidated joint venture interests. We are the managing or co-managing general partner or member of 310 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 Outlet centers, the properties acquired in the Mills acquisition, and community/lifestyle centers located in the United States, including Puerto Rico, as of December 31, 2007.

# Simon Property Group, Inc. and Subsidiaries

## Property Table

## U.S. Properties

| | Property Name | State | City (CBSA) | Ownership Interest (Expiration if Lease)(3) | Legal Ownership | Year Built or Acquired | Occupancy(5) | Gross Leasable Area: Anchor | Gross Leasable Area: Mall & Freestanding | Gross Leasable Area: Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Regional Malls** | | | | | | | | | | |
| 1. | Anderson Mall | SC | Anderson (Greenville) | Fee | 100.0% | Built 1972 | 90.2% | 353,994 | 191,341 | 545,335 | Belk Ladies Fashion Store, Belk Men's & Home Store, JCPenney, Sears, Dillard's(6) |
| 2. | Apple Blossom Mall | VA | Winchester | Fee | 49.1%(4) | Acquired 1999 | 89.0% | 229,011 | 213,811 | 442,822 | Belk, JCPenney, Sears, RC Theatres |
| 3. | Arsenal Mall | MA | Watertown (Boston) | Fee | 100.0% | Acquired 1999 | 94.9% | 191,395 | 313,268(18) | 504,663 | Marshalls, The Home Depot, Linens 'n Things, Filene's Basement, Old Navy |
| 4. | Atrium Mall | MA | Chestnut Hill (Boston) | Fee | 49.1%(4) | Acquired 1999 | 100.0% | — | 204,568 | 204,568 | Borders Books & Music |
| 5. | Auburn Mall | MA | Auburn (Worcester) | Fee | 49.1%(4) | Acquired 1999 | 92.1% | 417,620 | 173,320 | 590,940 | Macy's, Macy's Home Store, Sears |
| 6. | Aventura Mall(1) | FL | Miami Beach | Fee | 33.3%(4) | Built 1983 | 93.8% | 1,116,938 | 662,394 | 1,779,332 | Bloomingdale's, Macy's, Macy's Mens & Home Furniture, JCPenney, Sears, Nordstrom, AMC Theatre |
| 7. | Avenues, The | FL | Jacksonville | Fee | 25.0%(4) (2) | Built 1990 | 93.9% | 754,956 | 363,249 | 1,118,205 | Belk, Dillard's, JCPenney, Belk Men and Kids, Sears |
| 8. | Bangor Mall | ME | Bangor | Fee | 67.4%(15) | Acquired 2003 | 95.2% | 416,582 | 236,068 | 652,650 | Macy's, JCPenney, Sears, Dick's Sporting Goods |
| 9. | Barton Creek Square | TX | Austin | Fee | 100.0% | Built 1981 | 99.1% | 922,266 | 506,852 | 1,429,118 | Nordstrom, Macy's, Dillard's Women's & Home, Dillard's Men's & Children's, JCPenney, Sears, General Cinema |
| 10. | Battlefield Mall | MO | Springfield | Fee and Ground Lease (2056) | 100.0% | Built 1970 | 93.9% | 770,111 | 432,865 | 1,202,976 | Macy's, Dillard's Women's, Dillard's Men's, Children's & Home, JCPenney, Sears |
| 11. | Bay Park Square | WI | Green Bay | Fee | 100.0% | Built 1980 | 98.4% | 425,773 | 274,380 | 700,153 | Younkers, Elder-Beerman, Kohl's, ShopKo, Bay Park Cinema |
| 12. | Bowie Town Center | MD | Bowie (Washington, D.C.) | Fee | 100.0% | Built 2001 | 99.7% | 355,557 | 328,589 | 684,146 | Macy's, Sears, Barnes & Noble, Bed Bath & Beyond |
| 13. | Boynton Beach Mall | FL | Boynton Beach (Miami-Fort Lauderdale) | Fee | 100.0% | Built 1985 | 87.9% | 714,210 | 387,830 | 1,102,040 | Macy's, Dillard's Men's & Home, Dillard's Women, JCPenney, Sears, Muvico Theatres |
| 14. | Brea Mall | CA | Brea (Los Angeles) | Fee | 100.0% | Acquired 1998 | 96.8% | 874,802 | 443,902 | 1,318,704 | Nordstrom, Macy's, JCPenney, Sears |
| 15. | Broadway Square | TX | Tyler | Fee | 100.0% | Acquired 1994 | 98.5% | 427,730 | 202,122 | 629,852 | Dillard's, JCPenney, Sears |
| 16. | Brunswick Square | NJ | East Brunswick (New York) | Fee | 100.0% | Built 1973 | 99.7% | 467,626 | 298,874 | 766,500 | Macy's, JCPenney, Barnes & Noble, Mega Movies |
| 17. | Burlington Mall | MA | Burlington (Boston) | Ground Lease (2048) | 100.0% | Acquired 1998 | 91.0% | 642,411 | 537,922 | 1,180,333 | Macy's, Lord & Taylor, Sears, Nordstrom (19), Crate & Barrel |
| 18. | Cape Cod Mall | MA | Hyannis | Ground Leases (2009-2073)(7) | 49.1%(4) | Acquired 1999 | 98.0% | 420,199 | 303,658 | 723,857 | Macy's, Macy's, Sears, Best Buy, Marshalls, Barnes & Noble, Regal Cinema |
| 19. | Castleton Square | IN | Indianapolis | Fee | 100.0% | Built 1972 | 96.6% | 908,481 | 466,700 | 1,375,181 | Macy's, Von Maur, JCPenney, Sears, Dick's Sporting Goods, Borders Books & Music, AMC Theatres |
| 20. | Century III Mall | PA | West Mifflin (Pittsburgh) | Fee | 100.0% | Built 1979 | 79.5% | 831,439 | 459,141(18) | 1,290,580 | Macy's, Macy's Furniture Galleries, JCPenney, Sears, Dick's Sporting Goods, Steve & Barry's |
| 21. | Charlottesville Fashion Square | VA | Charlottesville | Ground Lease (2076) | 100.0% | Acquired 1997 | 99.4% | 381,153 | 190,383 | 571,536 | Belk Women's & Children's, Belk Men's & Home, JCPenney, Sears |
| 22. | Chautauqua Mall | NY | Lakewood (Jamestown) | Fee | 100.0% | Built 1971 | 87.2% | 213,320 | 219,047 | 432,367 | Sears, JCPenney, Bon Ton, Office Max, Dipson Cinema |

**Simon Property Group, Inc. and Subsidiaries**

**Property Table**

**U.S. Properties**

| | Property Name | State | City (CBSA) | Ownership Interest (Expiration if Lease)(3) | Legal Ownership | Year Built or Acquired | Occupancy(5) | Gross Leasable Area: Anchor | Gross Leasable Area: Mall & Freestanding | Gross Leasable Area: Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 23. | Chesapeake Square | VA | Chesapeake (Virginia Beach-Norfolk) | Fee and Ground Lease (2062) | 75.0%(12) | Built 1989 | 93.5% | 534,760 | 272,783 | 807,543 | Macy's, Dillard's Women's, Dillard's Men's, Children's & Home, JCPenney, Sears, Target |
| 24. | Cielo Vista Mall | TX | El Paso | Fee and Ground Lease (2010)(7) | 100.0% | Built 1974 | 98.2% | 793,716 | 449,537 | 1,243,253 | Macy's, Dillard's Women's & Furniture, Dillard's Men's, Children's & Home, JCPenney, Sears, Cinemark Theatres |
| 25. | Circle Centre | IN | Indianapolis | Property Lease (2097) | 14.7%(4)(2) | Built 1995 | 88.1% | 350,000 | 432,662(18) | 782,662 | Nordstrom, Carson Pirie Scott, United Artists Theatre |
| 26. | Coconut Point | FL | Estero (Cape Coral-Fort Myers) | Fee | 50.0%(4) | Built 2006 | 94.3% | 503,819 | 498,679 | 1,002,498 | Dillard's, Barnes & Noble, Bed Bath & Beyond, Best Buy, DSW, Office Max, Old Navy, PetsMart, Pier 1 Imports, Ross Dress for Less, Cost Plus World Market, T.J. Maxx, Muvico Theatres, Super Target(6) |
| 27. | Coddingtown Mall | CA | Santa Rosa | Fee | 50.0%(4) | Acquired 2005 | 90.4% | 547,090 | 261,372 | 808,462 | Macy's, JCPenney, Gottschalk's, Whole Foods(6) |
| 28. | College Mall | IN | Bloomington | Fee and Ground Lease (2048)(7) | 100.0% | Built 1965 | 95.0% | 356,887 | 272,925 | 629,812 | Macy's, Sears, Target, Dick's Sporting Goods, Bed Bath & Beyond, Old Navy |
| 29. | Columbia Center | WA | Kennewick | Fee | 100.0% | Acquired 1987 | 92.2% | 408,052 | 365,311 | 773,363 | Macy's, Macy's Mens & Children, JCPenney, Sears, Barnes & Noble, Regal Cinema |
| 30. | Copley Place | MA | Boston | Fee | 98.1% | Acquired 2002 | 99.6% | 150,847 | 1,091,384(18) | 1,242,231 | Nieman Marcus, Barneys New York |
| 31. | Coral Square | FL | Coral Springs (Miami-Fort Lauderdale) | Fee | 97.2% | Built 1984 | 99.7% | 648,144 | 297,770 | 945,914 | Macy's Mens, Children & Home, Macy's Women, Dillard's, JCPenney, Sears |
| 32. | Cordova Mall | FL | Pensacola | Fee | 100.0% | Acquired 1998 | 94.6% | 395,875 | 469,150 | 865,025 | Dillard's Men's, Dillard's Women's, Belk, Best Buy, Bed, Bath & Beyond, Cost Plus World Market, Ross Dress for Less |
| 33. | Cottonwood Mall | NM | Albuquerque | Fee | 100.0% | Built 1996 | 96.0% | 631,556 | 408,590 | 1,040,146 | Macy's, Dillard's, JCPenney, Sears, Mervyn's, United Artists Theatre |
| 34. | Crossroads Mall | NE | Omaha | Fee | 100.0% | Acquired 1994 | 77.8% | 522,119 | 188,403 | 710,522 | Dillard's, Sears, Target, Barnes & Noble, Old Navy |
| 35. | Crystal Mall | CT | Waterford | Fee | 74.6%(4) | Acquired 1998 | 90.6% | 442,311 | 350,561 | 792,872 | Macy's, JC Penney, Sears, Old Navy, Regal Cinema, Bed Bath & Beyond(6), Christmas Tree Store(6),(17) |
| 36. | Crystal River Mall | FL | Crystal River | Fee | 100.0% | Built 1990 | 89.0% | 302,495 | 121,804 | 424,299 | JCPenney, Sears, Belk, Kmart, Gottschalk's |
| 37. | Dadeland Mall | FL | Miami | Fee | 50.0%(4) | Acquired 1997 | 97.2% | 1,132,072 | 337,869 | 1,469,941 | Saks Fifth Avenue, Nordstrom, Macy's, Macy's Children & Home, JCPenney |
| 38. | DeSoto Square | FL | Bradenton (Sarasota-Bradenton) | Fee | 100.0% | Built 1973 | 98.1% | 435,467 | 244,119 | 679,586 | Macy's, Dillard's, JCPenney, Sears |
| 39. | Domain, The | TX | Austin | Fee | 100.0% | Built 2006 | 91.1% | 220,000 | 411,118(18) | 631,118 | Neiman Marcus, Macy's, Borders Books & Music, Oakville Grocery, Village Roadshow |
| 40. | Eastland Mall | IN | Evansville | Fee | 50.0%(4) | Acquired 1998 | 93.5% | 489,144 | 375,242 | 864,386 | Macy's, JCPenney, Dillard's |
| 41. | Edison Mall | FL | Fort Myers | Fee | 100.0% | Acquired 1997 | 97.9% | 742,667 | 309,342 | 1,052,009 | Dillard's, Macy's Mens, Children & Home, Macy's Women, JCPenney, Sears |
| 42. | Emerald Square | MA | North Attleboro (Providence—RI-New Bedford) | Fee | 49.1%(4) | Acquired 1999 | 94.4% | 647,372 | 374,955 | 1,022,327 | Macy's, Macy's Mens & Home Store, JCPenney, Sears |
| 43. | Empire Mall(2) | SD | Sioux Falls | Fee and Ground Lease (2013)(7) | 50.0%(4) | Acquired 1998 | 93.9% | 497,341 | 547,880 | 1,045,221 | Macy's, Younkers, JCPenney, Sears, Gordmans, Old Navy |

## Simon Property Group, Inc. and Subsidiaries

## Property Table

## U.S. Properties

| | Property Name | State | City (CBSA) | Ownership Interest (Expiration if Lease)(3) | Legal Ownership | Year Built or Acquired | Occupancy(5) | Gross Leasable Area | | | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Anchor | Mall & Freestanding | Total | |
| 44. | Fashion Centre at Pentagon City, The | VA | Arlington (Washington, DC) | Fee | 42.5% (4) | Built 1989 | 95.7% | 472,729 | 521,516(18) | 994,245 | Nordstrom, Macy's |
| 45. | Fashion Mall at Keystone | IN | Indianapolis | Ground Lease (2067) | 100.0% | Acquired 1997 | 96.7% | 120,000 | 433,721(18) | 553,721 | Saks Fifth Avenue, Crate & Barrel, Nordstrom (19), Keystone Art Cinema |
| 46. | Fashion Valley Mall | CA | San Diego | Fee | 50.0% (4) | Acquired 2001 | 98.7% | 1,053,305 | 654,841 | 1,708,146 | Saks Fifth Avenue, Neiman-Marcus, Bloomingdale's, Nordstrom, Macy's, JCPenney, AMC Theatres |
| 47. | Firewheel Town Center | TX | Garland (Dallas-Forth Worth) | Fee | 100.0% | Built 2005 | 94.0% | 295,532 | 615,917(18) | 911,449 | Dillard's, Macy's, Barnes & Noble, Circuit City, Linens 'n Things, Old Navy, Pier One, DSW, Cost Plus World Market, AMC Theatres, Dick's Sporting Goods(6) |
| 48. | Florida Mall, The | FL | Orlando | Fee | 50.0% (4) | Built 1986 | 99.3% | 1,092,465 | 616,840 | 1,709,305 | Saks Fifth Avenue, Nordstrom, Macy's, Dillard's, JCPenney, Sears, (8) |
| 49. | Forest Mall | WI | Fond Du Lac | Fee | 100.0% | Built 1973 | 92.6% | 327,260 | 173,314 | 500,574 | JCPenney, Kohl's, Younkers, Sears, Cinema I & II |
| 50. | Forum Shops at Caesars, The | NV | Las Vegas | Ground Lease (2050) | 100.0% | Built 1992 | 99.7% | — | 635,258 | 635,258 | |
| 51. | Galleria, The | TX | Houston | Fee and Ground Lease (2029) | 31.5% (4) | Acquired 2002 | 95.8% | 1,233,802 | 1,113,396 | 2,347,198 | Saks Fifth Avenue, Neiman Marcus, Nordstrom, Macy's (2 locations), Borders Books & Music, University Club |
| 52. | Granite Run Mall | PA | Media (Philadelphia) | Fee | 50.0% (4) | Acquired 1998 | 86.7% | 500,809 | 535,357 | 1,036,166 | JCPenney, Sears, Boscov's, Granite Run 8 Theatres |
| 53. | Great Lakes Mall | OH | Mentor (Cleveland) | Fee | 100.0% | Built 1961 | 91.3% | 879,300 | 378,457 | 1,257,757 | Dillard's Men's, Dillard's Women's, Macy's, JCPenney, Sears, Atlas Cinema |
| 54. | Greendale Mall | MA | Worcester (Boston) | Fee and Ground Lease (2009)(7) | 49.1% (4) | Acquired 1999 | 91.0% | 132,634 | 298,632(18) | 431,266 | T.J. Maxx 'N More, Best Buy, DSW(8) |
| 55. | Greenwood Park Mall | IN | Greenwood (Indianapolis) | Fee | 100.0% | Acquired 1979 | 97.5% | 754,928 | 488,598 | 1,243,526 | Macy's, Von Maur, JCPenney, Sears, Dick's Sporting Goods, Barnes & Noble, AMC Theatres |
| 56. | Gulf View Square | FL | Port Richey (Tampa-St. Pete) | Fee | 100.0% | Built 1980 | 99.8% | 461,852 | 291,977 | 753,829 | Macy's, Dillard's, JCPenney, Sears, Best Buy, Linens 'n Things |
| 57. | Gwinnett Place | GA | Duluth (Atlanta) | Fee | 75.0% | Acquired 1998 | 87.1% | 843,609 | 434,300 | 1,277,909 | Belk, JCPenney, Macy's, Sears, Gwinnett Place Cinema,(8) |
| 58. | Haywood Mall | SC | Greenville | Fee and Ground Lease (2017)(7) | 100.0% | Acquired 1998 | 99.4% | 902,400 | 328,787 | 1,231,187 | Macy's, Dillard's, JCPenney, Sears, Belk |
| 59. | Highland Mall(1) | TX | Austin | Fee and Ground Lease (2070) | 50.0% (4) | Acquired 1998 | 77.6% | 732,000 | 359,199 | 1,091,199 | Dillard's Women's & Home, Dillard's Men's & Children's, Macy's |
| 60. | Independence Center | MO | Independence (Kansas City) | Fee | 100.0% | Acquired 1994 | 99.2% | 499,284 | 532,844 | 1,032,128 | Dillard's, Macy's, Sears |
| 61. | Indian River Mall | FL | Vero Beach | Fee | 50.0% (4) | Built 1996 | 94.5% | 445,552 | 302,881 | 748,433 | Dillard's, Macy's, JCPenney, Sears, AMC Theatres |
| 62. | Ingram Park Mall | TX | San Antonio | Fee | 100.0% | Built 1979 | 96.3% | 750,888 | 375,483 | 1,126,371 | Dillard's, Dillard's Home Store, Macy's, JCPenney, Sears, Bealls |
| 63. | Irving Mall | TX | Irving (Dallas-Fort Worth) | Fee | 100.0% | Built 1971 | 96.3% | 637,415 | 404,920 | 1,042,335 | Macy's, Dillard's, Sears, Circuit City, Burlington Coat Factory, Steve & Barry's, General Cinema, (20) |

## Property Table

## U.S. Properties

| | Property Name | State | City (CBSA) | Ownership Interest (Expiration if Lease)(3) | Legal Ownership | Year Built or Acquired | Occupancy(5) | Gross Leasable Area Anchor | Gross Leasable Area Mall & Freestanding | Gross Leasable Area Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 64. | Jefferson Valley Mall | NY | Yorktown Heights (New York) | Fee | 100.0% | Built 1983 | 93.0% | 310,095 | 277,988 | 588,083 | Macy's, Sears, H&M, Movies at Jefferson Valley |
| 65. | King of Prussia Mall | PA | King of Prussia (Philadelphia) | Fee | 12.4%(4)(15) | Acquired 2003 | 96.3% | 1,545,812 | 1,068,085(18) | 2,613,897 | Neiman Marcus, Bloomingdale's, Nordstrom, Lord & Taylor, Macy's (Plaza), Macy's (Court), JCPenney, Sears, Crate & Barrel(8) |
| 66. | Knoxville Center | TN | Knoxville | Fee | 100.0% | Built 1984 | 90.5% | 597,028 | 384,569 | 981,597 | JCPenney, Belk, Sears, The Rush Fitness Center, Regal Cinema, Dillard's(8) |
| 67. | La Plaza Mall | TX | McAllen | Fee and Ground Lease (2040)(7) | 100.0% | Built 1976 | 93.1% | 776,397 | 426,362 | 1,202,759 | Macy's, Macy's Home Store, Dillard's, JCPenney, Sears, Joe Brand |
| 68. | Laguna Hills Mall | CA | Laguna Hills (Los Angeles) | Fee | 100.0% | Acquired 1997 | 93.6% | 536,500 | 330,506 | 867,006 | Macy's, JCPenney, Sears, Laguna Hills Cinema, Nordstrom Rack(6), Ulta(6) |
| 69. | Lake Square Mall | FL | Leesburg (Orlando) | Fee | 50.0%(4) | Acquired 1998 | 83.3% | 296,037 | 239,982 | 536,019 | JCPenney, Sears, Belk, Target, AMC Theatres, Books-A-Million |
| 70. | Lakeline Mall | TX | Cedar Park (Austin) | Fee | 100.0% | Built 1995 | 95.8% | 745,179 | 352,513 | 1,097,692 | Dillard's, Macy's, JCPenney, Sears, Regal Cinema |
| 71. | Lehigh Valley Mall | PA | Whitehall (Allentown—Bethlehem) | Fee | 37.6%(4)(15) | Acquired 2003 | 99.1% | 564,353 | 593,841(18) | 1,158,194 | Macy's, Boscov's, JCPenney, Linens 'n Things, Barnes & Noble |
| 72. | Lenox Square | GA | Atlanta | Fee | 100.0% | Acquired 1998 | 90.6% | 873,580 | 665,010(18) | 1,538,590 | Neiman Marcus, Bloomingdale's, Macy's, Crate & Barrel |
| 73. | Liberty Tree Mall | MA | Danvers (Boston) | Fee | 49.1%(4) | Acquired 1999 | 91.3% | 498,000 | 358,291 | 856,291 | Marshalls, The Sports Authority, Target, Bed, Bath & Beyond, Kohl's, Best Buy, Staples, AC Moore, Old Navy, Pier 1 Imports, K&G Fashion Superstore, Gottschalk's, Lowes Theatre |
| 74. | Lima Mall | OH | Lima | Fee | 100.0% | Built 1965 | 90.6% | 541,861 | 203,650 | 745,511 | Macy's, JCPenney, Elder-Beerman, Sears |
| 75. | Lincolnwood Town Center | IL | Lincolnwood (Chicago) | Fee | 100.0% | Built 1990 | 96.7% | 220,830 | 201,033 | 421,863 | Kohl's, Carson Pirie Scott |
| 76. | Lindale Mall(1) | IA | Cedar Rapids | Fee | 50.0%(4) | Acquired 1998 | 85.4% | 305,563 | 387,862 | 693,425 | Von Maur, Sears, Younkers |
| 77. | Livingston Mall | NJ | Livingston (New York) | Fee | 100.0% | Acquired 1998 | 95.4% | 616,128 | 338,851 | 954,979 | Macy's, Lord & Taylor, Sears, Steve & Barry's, Barnes & Noble(6), Modell's Sporting Goods(6) |
| 78. | Longview Mall | TX | Longview | Fee | 100.0% | Built 1978 | 87.2% | 440,917 | 209,283 | 650,200 | Dillard's, JCPenney, Sears, Bealls,(17) |
| 79. | Mall at Chestnut Hill | MA | Chestnut Hill (Boston) | Lease (2039)(9) | 47.2%(4) | Acquired 2002 | 97.9% | 297,253 | 180,181 | 477,434 | Bloomingdale's, Bloomingdale's Home Furnishing and Men's Store |
| 80. | Mall at Rockingham Park, The | NH | Salem (Boston) | Fee | 24.6%(4) | Acquired 1999 | 99.9% | 638,111 | 382,059 | 1,020,170 | JCPenney, Sears, Macy's(8) |
| 81. | Mall at The Source, The | NY | Westbury (New York) | Fee | 25.5%(4)(2) | Built 1997 | 96.9% | 210,798 | 516,222 | 727,020 | Fortunoff, Off 5th-Saks Fifth Avenue, Nordstrom Rack, Circuit City, David's Bridal, Steve & Barry's, Golf Galaxy |
| 82. | Mall of Georgia | GA | Buford (Atlanta) | Fee | 100.0% | Built 1999 | 98.2% | 1,069,590 | 723,886 | 1,793,476 | Nordstrom, Dillard's, Macy's, JCPenney, Belk, Dick's Sporting Goods, Barnes & Noble, Haverty's Furniture, Bed Bath & Beyond, Regal Cinema |
| 83. | Mall of New Hampshire, The | NH | Manchester | Fee | 49.1%(4) | Acquired 1999 | 97.8% | 444,889 | 362,874 | 807,763 | Macy's, JCPenney, Sears, Best Buy, Old Navy, A.C. Moore |
| 84. | Maplewood Mall | MN | Minneapolis | Fee | 100.0% | Acquired 2002 | 98.2% | 588,822 | 341,702 | 930,524 | Macy's, JCPenney, Sears, Kohl's, Barnes & Noble |

## Simon Property Group, Inc. and Subsidiaries

## Property Table

## U.S. Properties

| | Property Name | State | City (CBSA) | Ownership Interest (Expiration if Lease)(3) | Legal Ownership | Year Built or Acquired | Occupancy(5) | Gross Leasable Area Anchor | Gross Leasable Area Mall & Freestanding | Gross Leasable Area Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 85. | Markland Mall | IN | Kokomo | Ground Lease (2041) | 100.0% | Built 1968 | 93.7% | 273,094 | 120,602 | 393,696 | Sears, Target, MC Sporting Goods(6)(8) |
| 86. | McCain Mall | AR | N. Little Rock | Fee and Ground Lease (2032)(10) | 100.0% | Built 1973 | 96.1% | 554,156 | 221,463 | 775,619 | Dillard's, JCPenney, Sears,(8) |
| 87. | Melbourne Square | FL | Melbourne | Fee | 100.0% | Built 1982 | 83.9% | 416,167 | 294,331 | 710,498 | Macy's, Dillard's Men's, Children's & Home, Dillard's Women's, JCPenney, Dick's Sporting Goods, Circuit City |
| 88. | Menlo Park Mall | NJ | Edison (New York) | Fee | 100.0% | Acquired 1997 | 97.4% | 527,591 | 794,480(18) | 1,322,071 | Nordstrom, Macy's, Barnes & Noble, Steve & Barry's, Cineplex Odeon |
| 89. | Mesa Mall(1) | CO | Grand Junction | Fee | 50.0%(4) | Acquired 1998 | 83.0% | 441,208 | 441,532 | 882,740 | Sears, Herberger's, JCPenney, Target, Mervyn's |
| 90. | Miami International Mall | FL | Miami | Fee | 47.8%(4) | Built 1982 | 95.6% | 778,784 | 294,765 | 1,073,549 | Macy's Mens & Home, Macy's Women & Children, Dillard's, JCPenney, Sears |
| 91. | Midland Park Mall | TX | Midland | Fee | 100.0% | Built 1980 | 90.0% | 339,113 | 279,216 | 618,329 | Dillard's, Dillard's Mens & Juniors, JCPenney, Sears, Bealls, Ross Dress for Less |
| 92. | Miller Hill Mall | MN | Duluth | Ground Lease (2013) | 100.0% | Built 1973 | 96.5% | 429,508 | 361,507 | 791,015 | JCPenney, Sears, Younkers, Barnes & Noble, Old Navy, DSW |
| 93. | Montgomery Mall | PA | North Wales (Philadelphia) | Fee | 60.0%(15) | Acquired 2003 | 90.0% | 684,855 | 408,873 | 1,093,728 | Macy's, JCPenney, Sears, Boscov's, Dick's Sporting Goods(6) |
| 94. | Muncie Mall | IN | Muncie | Fee | 100.0% | Built 1970 | 90.3% | 435,756 | 203,993 | 639,749 | Macy's, JCPenney, Sears, Elder Beerman |
| 95. | Nanuet Mall | NY | Nanuet (New York) | Fee | 100.0% | Acquired 1998 | 66.7% | 583,711 | 331,263 | 914,974 | Macy's, Boscov's, Sears |
| 96. | North East Mall | TX | Hurst (Dallas-Fort Worth) | Fee | 100.0% | Built 1971 | 95.6% | 1,191,930 | 452,245 | 1,644,175 | Nordstrom, Dillard's, Macy's, JCPenney, Sears, Dick's Sporting Goods, Rave Theatre |
| 97. | Northfield Square Mall | IL | Bourbonnais | Fee | 31.6%(12) | Built 1990 | 76.4% | 310,994 | 246,540 | 557,534 | Carson Pirie Scott Women's, Carson Pirie Scott Men's, Children's & Home, JCPenney, Sears, Cinemark Movies 10 |
| 98. | Northgate Mall | WA | Seattle | Fee | 100.0% | Acquired 1987 | 96.6% | 612,073 | 395,328 | 1,007,401 | Nordstrom, Macy's, JCPenney, Toys 'R Us, Barnes & Noble, Bed Bath & Beyond(6), DSW |
| 99. | Northlake Mall | GA | Atlanta | Fee | 100.0% | Acquired 1998 | 97.9% | 665,745 | 296,457 | 962,202 | Macy's, JCPenney, Sears, Kohl's(6) |
| 100. | NorthPark Mall | IA | Davenport | Fee | 50.0%(4) | Acquired 1998 | 86.0% | 650,456 | 422,579 | 1,073,035 | Dillard's, Von Maur, Younkers, JCPenney, Sears |
| 101. | Northshore Mall | MA | Peabody (Boston) | Fee | 49.1%(4) | Acquired 1999 | 89.8% | 677,433 | 692,439 | 1,369,872 | JCPenney, Sears, Filene's Basement, Nordstrom (19), Macy's Home(6) |
| 102. | Northwoods Mall | IL | Peoria | Fee | 100.0% | Acquired 1983 | 96.1% | 472,969 | 221,040 | 694,009 | Macy's, JCPenney, Sears |
| 103. | Oak Court Mall | TN | Memphis | Fee | 100.0% | Acquired 1997 | 93.3% | 532,817 | 314,812(18) | 847,629 | Dillard's, Dillard's Mens, Macy's |
| 104. | Ocean County Mall | NJ | Toms River (New York) | Fee | 100.0% | Acquired 1998 | 95.7% | 616,443 | 274,402 | 890,845 | Macy's, Boscov's, JCPenney, Sears |
| 105. | Orange Park Mall | FL | Orange Park (Jacksonville) | Fee | 100.0% | Acquired 1994 | 95.2% | 576,051 | 382,956 | 959,007 | Dillard's, JCPenney, Sears, Belk, Dick's Sporting Goods, AMC Theatres |
| 106. | Orland Square | IL | Orland Park (Chicago) | Fee | 100.0% | Acquired 1997 | 98.7% | 773,295 | 438,011 | 1,211,306 | Macy's, Carson Pirie Scott, JCPenney, Sears, Pitt Theatres |

# Simon Property Group, Inc. and Subsidiaries

## Property Table

## U.S. Properties

| | Property Name | State | City (CBSA) | Ownership Interest (Expiration if Lease)(3) | Legal Ownership | Year Built or Acquired | Occupancy(5) | Gross Leasable Area: Anchor | Gross Leasable Area: Mall & Freestanding | Gross Leasable Area: Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 107. | Oxford Valley Mall | PA | Langhorne (Philadelphia) | Fee | 63.2%(15) | Acquired 2003 | 96.0% | 762,558 | 556,333(18) | 1,318,891 | Macy's, JCPenney, Sears, Boscov's, United Artists Theatre |
| 108. | Paddock Mall | FL | Ocala | Fee | 100.0% | Built 1980 | 92.9% | 387,378 | 168,111 | 555,489 | Macy's, JCPenney, Sears, Belk |
| 109. | Palm Beach Mall | FL | West Palm Beach (Miami-Fort Lauderdale) | Fee | 100.0% | Built 1967 | 82.3% | 749,288 | 335,023 | 1,084,311 | Dillard's, Macy's, JCPenney, Sears, Borders Books & Music, DSW |
| 110. | Penn Square Mall | OK | Oklahoma City | Ground Lease (2060) | 94.5% | Acquired 2002 | 97.3% | 588,137 | 462,399 | 1,050,536 | Macy's, Dillard's Women's, Dillard's Men's, Children's & Home, JCPenney, Dickinson Theatre |
| 111. | Pheasant Lane Mall | NH | Nashua (Manchester) | (14) | (14) | Acquired 2002 | 97.0% | 555,474 | 313,095 | 868,569 | JCPenney, Sears, Target(8) |
| 112. | Phipps Plaza | GA | Atlanta | Fee | 100.0% | Acquired 1998 | 96.3% | 472,385 | 346,240 | 818,625 | Saks Fifth Avenue, Nordstrom, Belk, AMC Theatres |
| 113. | Plaza Carolina | PR | Carolina (San Juan) | Fee | 100.0% | Acquired 2004 | 97.9% | 504,796 | 592,267(18) | 1,097,063 | JCPenney, Sears, Cinevista |
| 114. | Port Charlotte Town Center | FL | Port Charlotte (Punta Gorda) | Fee | 80.0%(12) | Built 1989 | 86.9% | 458,251 | 322,000 | 780,251 | Dillard's, Macy's, JCPenney, Bealls, Sears, DSW, Regal Cinema |
| 115. | Prien Lake Mall | LA | Lake Charles | Fee and Ground Lease (2025)(7) | 100.0% | Built 1972 | 91.8% | 644,124 | 177,394 | 821,518 | Dillard's, JCPenney, Sears, Macy's, Cinemark Theatres, (8) |
| 116. | Quaker Bridge Mall | NJ | Lawrenceville (Trenton) | Fee | 38.0%(4)(15) | Acquired 2003 | 97.4% | 686,760 | 412,144 | 1,098,904 | Macy's, Lord & Taylor, JCPenney, Sears |
| 117. | Raleigh Springs Mall | TN | Memphis | Fee and Ground Lease (2018)(7) | 100.0% | Built 1971 | 59.1% | 691,230 | 225,965 | 917,195 | Sears, Malco Theatres,(8),(17) |
| 118. | Richmond Town Square | OH | Richmond Heights (Cleveland) | Fee | 100.0% | Built 1966 | 98.4% | 685,251 | 331,663 | 1,016,914 | Macy's, JCPenney, Sears, Barnes & Noble, Steve & Barry's, Loews Theatre |
| 119. | River Oaks Center | IL | Calumet City (Chicago) | Fee | 100.0% | Acquired 1997 | 90.8% | 807,871 | 557,760(18) | 1,365,631 | Macy's, Carson Pirie Scott, JCPenney, Sears, Steve & Barry's, River Oaks 6 |
| 120. | Rockaway Townsquare | NJ | Rockaway (New York) | Fee | 100.0% | Acquired 1998 | 98.0% | 786,626 | 456,720 | 1,243,346 | Macy's, Lord & Taylor, JCPenney, Sears |
| 121. | Rolling Oaks Mall | TX | San Antonio | Fee | 100.0% | Built 1988 | 88.9% | 596,308 | 285,785 | 882,093 | Dillard's, Macy's, JC Penney, Sears |
| 122. | Roosevelt Field | NY | Garden City (New York) | Fee and Ground Lease (2090)(7) | 100.0% | Acquired 1998 | 98.8% | 1,430,425 | 779,991(18) | 2,210,416 | Bloomingdale's, Bloomingdale's Furniture Gallery, Nordstrom, Macy's, JCPenney, Dick's Sporting Goods, Loews Theatre, Sport Fitness |
| 123. | Ross Park Mall | PA | Pittsburgh | Fee | 100.0% | Built 1986 | 93.9% | 563,477 | 458,220 | 1,021,697 | JCPenney, Sears, Nordstrom (19), Old Navy, H&M |
| 124. | Rushmore Mall(1) | SD | Rapid City | Fee | 50.0%(4) | Acquired 1998 | 91.2% | 470,660 | 361,643 | 832,303 | JCPenney, Herberger's, Sears, Target, Carmike Cinemas |
| 125. | Santa Rosa Plaza | CA | Santa Rosa | Fee | 100.0% | Acquired 1998 | 96.7% | 428,258 | 270,487 | 698,745 | Macy's, Mervyn's, Sears |
| 126. | Seminole Towne Center | FL | Sanford (Orlando) | Fee | 45.0%(4)(2) | Built 1995 | 92.5% | 768,798 | 369,098 | 1,137,896 | Macy's, Dillard's, Belk, JCPenney, Sears, United Artists Theatre |
| 127. | Shops at Mission Viejo, The | CA | Mission Viejo (Los Angeles) | Fee | 100.0% | Built 1979 | 98.9% | 677,215 | 472,775 | 1,149,990 | Saks Fifth Avenue, Nordstrom, Macy's (2 locations) |
| 128. | Shops at Sunset Place, The | FL | S. Miami | Fee | 37.5%(4)(2) | Built 1999 | 90.5% | — | 514,559 | 514,559 | NikeTown, Barnes & Noble, GameWorks, Virgin Megastore, Z Gallerie, LA Fitness, AMC Theatres |
| 129. | Smith Haven Mall | NY | Lake Grove (New York) | Fee | 25.0%(4) | Acquired 1995 | 92.2% | 794,315 | 517,201 | 1,311,516 | Macy's, Macy's Furniture Gallery, JCPenney, Sears, Dick's Sporting Goods, Barnes & Noble(6) |
| 130. | Solomon Pond Mall | MA | Marlborough (Boston) | Fee | 49.1%(4) | Acquired 1999 | 94.6% | 538,843 | 371,627 | 910,470 | Macy's, JCPenney, Sears, Linens 'n Things, Regal Cinema |

# Simon Property Group, Inc. and Subsidiaries

## Property Table

## U.S. Properties

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|---|---|---|---|---|---|---|---|---|---|---|---|
| 131. | South Hills Village | PA | Pittsburgh | Fee | 100.0% | Acquired 1997 | 97.8% | 655,987 | 484,424 | 1,140,411 | Macy's, Sears, Boscov's, Barnes & Noble, Carmike Cinemas |
| 132. | South Shore Plaza | MA | Braintree (Boston) | Fee | 100.0% | Acquired 1998 | 95.9% | 547,287 | 623,808 | 1,171,095 | Macy's, Lord & Taylor, Sears, Filene's Basement, Nordstrom (19) |
| 133. | Southern Hills Mall(1) | IA | Sioux City | Fee | 50.0%(4) | Acquired 1998 | 93.4% | 372,937 | 425,694 | 798,631 | Younkers, JCPenney, Sears, Sheel's Sporting Goods, Barnes & Noble, Carmike Cinemas |
| 134. | Southern Park Mall | OH | Boardman (Youngstown) | Fee | 100.0% | Built 1970 | 94.0% | 811,858 | 383,830 | 1,195,688 | Macy's, Dillard's, JCPenney, Sears, Tinseltown USA |
| 135. | SouthPark | NC | Charlotte | Fee & Ground Lease (2040)(11) | 100.0% | Acquired 2002 | 99.8% | 1,044,742 | 569,557 | 1,614,299 | Neiman Marcus, Nordstrom, Macy's, Dillard's, Belk, Dick's Sporting Goods, Crate & Barrel |
| 136. | SouthPark Mall | IL | Moline (Davenport—IA-Moline) | Fee | 50.0%(4) | Acquired 1998 | 83.3% | 578,056 | 445,948 | 1,024,004 | Dillard's, Von Maur, Younkers, JCPenney, Sears, Old Navy |
| 137. | SouthRidge Mall(1) | IA | Des Moines | Fee | 50.0%(4) | Acquired 1998 | 70.8% | 388,752 | 498,080 | 886,832 | JCPenney, Younkers, Sears, Target, Steve & Barry's,(8) |
| 138. | Springfield Mall(1) | PA | Springfield (Philadelphia) | Fee | 38.0%(4) (15) | Acquired 2005 | 86.9% | 367,176 | 221,592 | 588,768 | Macy's,(8) |
| 139. | Square One Mall | MA | Saugus (Boston) | Fee | 49.1%(4) | Acquired 1999 | 95.6% | 608,601 | 321,446 | 930,047 | Macy's, Sears, Best Buy, T.J. Maxx N More, Best Buy, Old Navy, Dick's Sporting Goods |
| 140. | St. Charles Towne Center | MD | Waldorf (Washington, D.C.) | Fee | 100.0% | Built 1990 | 94.0% | 631,602 | 350,858 | 982,460 | Macy's, Macy's Home Store, JCPenney, Sears, Kohl's, Dick Sporting Goods, Cineplex Odeon |
| 141. | St. Johns Town Center | FL | Jacksonville | Fee | 50.0%(4) | Built 2005 | 96.7% | 653,291 | 562,667 | 1,215,958 | Dillard's, Target, Ashley Furniture Home Store, Barnes & Noble, Dick's Clothing & Sporting Goods, Ross Dress for Less, Staples, DSW, JoAnn Fabrics, PetsMart, Old Navy |
| 142. | Stanford Shopping Center | CA | Palo Alto (San Francisco) | Ground Lease (2054) | 100.0% | Acquried 2003 | 97.2% | 849,153 | 528,696(18) | 1,377,849 | Neiman Marcus, Bloomingdale's, Nordstrom, Macy's, Macy's Mens Store |
| 143. | Summit Mall | OH | Akron | Fee | 100.0% | Built 1965 | 90.9% | 432,936 | 322,443 | 755,379 | Dillard's Women's & Children's, Dillard's Men's & Home, Macy's |
| 144. | Sunland Park Mall | TX | El Paso | Fee | 100.0% | Built 1988 | 96.2% | 575,837 | 341,916 | 917,753 | Macy's, Dillard's Women's & Children's, Dillard's Men's & Home, Mervyn's, Sears, AMC Theatres |
| 145. | Tacoma Mall | WA | Tacoma (Seattle) | Fee | 100.0% | Acquired 1987 | 95.1% | 797,895 | 405,638 | 1,203,533 | Nordstrom(6), Macy's, JCPenney, Sears, Davids Bridal |
| 146. | Tippecanoe Mall | IN | Lafayette | Fee | 100.0% | Built 1973 | 96.9% | 537,790 | 323,516 | 861,306 | Macy's, JCPenney, Sears, Kohl's, Dick's Sporting Goods, H.H. Gregg |
| 147. | Town Center at Aurora | CO | Aurora (Denver) | Fee | 100.0% | Acquired 1998 | 88.2% | 682,169 | 402,314 | 1,084,483 | Macy's, Dillard's, JCPenney, Sears, Century Theatres |
| 148. | Town Center at Boca Raton | FL | Boca Raton (Miami-Fort Lauderdale) | Fee | 100.0% | Acquired 1998 | 95.4% | 1,085,312 | 539,482 | 1,624,794 | Saks Fifth Avenue, Neiman Marcus, Bloomingdale's, Nordstrom, Macy's, Sears, Crate & Barrel |
| 149. | Town Center at Cobb | GA | Kennesaw (Atlanta) | Fee | 75.0% | Acquired 1998 | 95.4% | 866,381 | 406,582 | 1,272,963 | Belk, Macy's, JCPenney, Sears, Macy's Furniture |
| 150. | Towne East Square | KS | Wichita | Fee | 100.0% | Built 1975 | 91.7% | 779,490 | 357,126 | 1,136,616 | Dillard's, Von Maur, JCPenney, Sears |
| 151. | Towne West Square | KS | Wichita | Fee | 100.0% | Built 1980 | 77.9% | 619,269 | 333,162 | 952,431 | Dillard's Women's & Home, Dillard's Men's & Children, JCPenney, Sears, Dick's Sporting Goods, The Movie Machine |
| 152. | Treasure Coast Square | FL | Jensen Beach | Fee | 100.0% | Built 1987 | 97.8% | 511,372 | 348,748 | 860,120 | Macy's, Dillard's, JCPenney, Sears, |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | Borders Books & Music, Regal Cinema |
| 153. | Tyrone Square | FL | St. Petersburg (Tampa-St. Pete) | Fee | 100.0% | Built 1972 | 100.0% | 725,298 | 370,820 | 1,096,118 | Macy's, Dillard's, JCPenney, Sears, Borders Books & Music, Old Navy, AMC Theatres |

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## Property Table

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|---|---|---|---|---|---|---|---|---|---|---|---|
| 154. | University Mall | FL | Pensacola | Fee | 100.0% | Acquired 1994 | 73.5% | 478,449 | 230,657 | 709,106 | JCPenney, Sears, Belk, University Dollar Movies |
| 155. | University Park Mall | IN | Mishawaka (South Bend) | Fee | 100.0% | Built 1979 | 97.2% | 499,876 | 319,992 | 819,868 | Macy's, JCPenney, Sears, Barnes & Noble(6) |
| 156. | Upper Valley Mall | OH | Springfield (Dayton—Springfield) | Fee | 100.0% | Built 1971 | 89.6% | 479,418 | 249,495 | 728,913 | Macy's, JCPenney, Sears, Elder-Beerman, Steve & Bary's, MC Sporting Goods(6), Chakeres Theatres |
| 157. | Valle Vista Mall | TX | Harlingen | Fee | 100.0% | Built 1983 | 80.3% | 389,781 | 240,508 | 630,289 | Dillard's, JCPenney, Mervyn's, Sears, Marshalls, Steve & Barry's, Circuit City(6) |
| 158. | Valley Mall | VA | Harrisonburg | Fee | 50.0% (4) | Acquired 1998 | 86.9% | 315,078 | 190,714 | 505,792 | JCPenney, Belk, Target, Old Navy,(8) |
| 159. | Virginia Center Commons | VA | Glen Allen (Richmond) | Fee | 100.0% | Built 1991 | 98.0% | 506,639 | 280,803 | 787,442 | Macy's, Dillard's Men's, Dillard's Women's, Children's & Home, JCPenney, Sears |
| 160. | Walt Whitman Mall | NY | Huntington Station (New York) | Ground Lease (2012) | 100.0% | Acquired 1998 | 99.2% | 742,214 | 287,011 | 1,029,225 | Saks Fifth Avenue, Bloomingdale's, Lord & Taylor, Macy's |
| 161. | Washington Square | IN | Indianapolis | Fee | 100.0% | Built 1974 | 89.4% | 616,109 | 347,185 | 963,294 | Macy's(16), Sears, Target, Dick's Sporting Goods, Burlington Coat Factory, Steve & Barry's, Kerasotes Theatres |
| 162. | West Ridge Mall | KS | Topeka | Fee | 100.0% | Built 1988 | 90.7% | 716,811 | 281,378 | 998,189 | Macy's, Dillard's, JCPenney, Sears, Burlington Coat Factory, Hollywood Cinema |
| 163. | West Town Mall | TN | Knoxville | Ground Lease (2042) | 50.0% (4) | Acquired 1991 | 95.0% | 878,311 | 451,685 | 1,329,996 | Belk, Dillard's, JCPenney, Belk, Sears, Regal Cinema |
| 164. | Westchester, The | NY | White Plains (New York) | Fee | 40.0% (4) | Acquired 1997 | 98.5% | 349,393 | 478,269(18) | 827,662 | Neiman Marcus, Nordstrom |
| 165. | Westminster Mall | CA | Westminster (Los Angeles) | Fee | 100.0% | Acquired 1998 | 92.0% | 716,939 | 496,024 | 1,212,963 | Macy's, JCPenney, Sears, Target |
| 166. | White Oaks Mall | IL | Springfield | Fee | 77.5% | Built 1977 | 89.5% | 556,831 | 378,427 | 935,258 | Macy's, Bergner's, Sears, Linens'n Things, Cost Plus World Market, Dick's Sporting Goods, Kerasotes Theatres |
| 167. | Wolfchase Galleria | TN | Memphis | Fee | 94.5% | Acquired 2002 | 98.1% | 761,648 | 505,733 | 1,267,381 | Macy's, Dillard's, JCPenney, Sears, Malco Theatres |
| 168. | Woodland Hills Mall | OK | Tulsa | Fee | 94.5% | Acquired 2002 | 97.5% | 706,159 | 392,529 | 1,098,688 | Macy's, Dillard's, JCPenney, Sears |
| | **Total Regional Mall GLA** | | | | | | | **98,270,239** | **65,778,819** | **164,049,058** | |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Premium Outlet Centers** | | | | | | | | | | |
| 1. | Albertville Premium Outlets | MN | Albertville (Minneapolis) | Fee | 100.0% | Acquired 2004 | 98.9% | — | 429,534 | 429,534 | Banana Republic, Calvin Klein, Coach, Gap Outlet, Kenneth Cole, Lucky Brand Jeans, Nike, Polo Ralph Lauren, Tommy Hilfiger |
| 2. | Allen Premium Outlets | TX | Allen (Dallas-Ft. Worth) | Fee | 100.0% | Acquired 2004 | 100.0% | — | 441,492 | 441,492 | Ann Taylor, Brooks Brothers, Calvin Klein, Cole Haan, J.Crew, Kenneth Cole, Michael Kors, Neiman Marcus Last Call, Nike, Polo Ralph Lauren, Tommy Hilfiger |
| 3. | Aurora Farms Premium Outlets | OH | Aurora (Cleveland) | Fee | 100.0% | Acquired 2004 | 98.2% | — | 300,218 | 300,218 | Ann Taylor, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, Liz Claiborne, Michael Kors, Nautica, Polo Ralph Lauren, Saks Fifth Avenue Off 5th,Tommy Hilfiger |
| 4. | Camarillo Premium Outlets | CA | Camarillo | Fee | 100.0% | Acquired 2004 | 100.0% | — | 454,091 | 454,091 | Ann Taylor, Banana Republic, Barneys New York, Coach, Diesel, Giorgio Armani, Hugo Boss, Kenneth Cole, Nike, Polo Ralph Lauren, Saks Fifth Avenue Off 5th, Sony |
| 5. | Carlsbad Premium Outlets | CA | Carlsbad (San Diego) | Fee | 100.0% | Acquired 2004 | 100.0% | — | 287,931 | 287,931 | Adidas, Banana Republic, Barneys New York, BCBG Max Azria, Calvin Klein, Coach, Gap Outlet, Guess, Kenneth Cole, Lacoste, Polo Ralph Lauren, Theory |
| 6. | Carolina Premium Outlets | NC | Smithfield (Raleigh) | Ground Lease (2029) | 100.0% | Acquired 2004 | 100.0% | — | 439,445 | 439,445 | Banana Republic, Brooks Brothers, Coach, Gap Outlet, Liz Claiborne, Nike, Polo Ralph Lauren, Timberland, Tommy Hilfiger |
| 7. | Chicago Premium Outlets | IL | Aurora (Chicago) | Fee | 100.0% | Built 2004 | 100.0% | — | 437,800 | 437,800 | Ann Taylor, Banana Republic, Calvin Klein, Coach, Diesel, Dooney & Bourke, Elie Tahari, Gap Outlet, Giorgio Armani, Kate Spade, Michael Kors, Polo Ralph Lauren, Salvatore Ferragamo, Sony |
| 8. | Clinton Crossing Premium Outlets | CT | Clinton (New Haven) | Fee | 100.0% | Acquired 2004 | 100.0% | — | 276,163 | 276,163 | Banana Republic, Barneys New York, Calvin Klein, Coach, Dooney & Bourke, Gap Outlet, Kenneth Cole, Liz Claiborne, Nike, Polo Ralph Lauren, Saks Fifth Avenue Off 5th |
| 9. | Columbia Gorge Premium Outlets | OR | Troutdale (Portland) | Fee | 100.0% | Acquired 2004 | 100.0% | — | 163,815 | 163,815 | Adidas, Bass, Carter's, Gap Outlet, Liz Claiborne, Samsonite, Van Heusen |
| 10. | Desert Hills Premium Outlets | CA | Cabazon (Palm Springs) | Fee | 100.0% | Acquired 2004 | 100.0% | — | 498,838 | 498,838 | Burberry, Coach, Dior, Giorgio Armani, Gucci, Nike, Polo Ralph Lauren, Saks Fifth Avenue Off 5th, Salvatore Ferragamo, Space (Prada, Miu Miu), Yves Saint Laurent Rive Gauche, Zegna |
| 11. | Edinburgh Premium Outlets | IN | Edinburgh (Indianapolis) | Fee | 100.0% | Acquired 2004 | 100.0% | — | 377,772 | 377,772 | Adidas, Ann Taylor, Anne Klein, Banana Republic, Calvin Klein, Coach, Gap Outlet, J.Crew, Nautica, Nike, Polo Ralph Lauren, Tommy Hilfiger |

# Simon Property Group, Inc. and Subsidiaries

## Property Table

## U.S. Properties

| | Property Name | State | City (CBSA) | Ownership Interest (Expiration if Lease)(3) | Legal Ownership | Year Built or Acquired | Occupancy(5) | Gross Leasable Area Anchor | Gross Leasable Area Mall & Freestanding | Gross Leasable Area Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 12. | Folsom Premium Outlets | CA | Folsom (Sacramento) | Fee | 100.0% | Acquired 2004 | 99.7% | — | 299,328 | 299,328 | BCBG Max Azria, Bebe, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, Guess, Kenneth Cole, Liz Claiborne, Nautica, Nike, Saks Fifth Avenue Off 5th |
| 13. | Gilroy Premium Outlets | CA | Gilroy (San Jose) | Fee | 100.0% | Acquired 2004 | 99.8% | — | 577,305 | 577,305 | Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, J.Crew, Hugo Boss, Michael Kors, Nike, Polo Ralph Lauren, Sony, Timberland, Tommy Hilfiger |
| 14. | Jackson Premium Outlets | NJ | Jackson | Fee | 100.0% | Acquired 2004 | 100.0% | — | 285,775 | 285,775 | Banana Republic, Brooks Brothers, Calvin Klein, Gap Outlet, J.Crew, Liz Claiborne, Nike, Polo Ralph Lauren, Tommy Hilfiger |
| 15. | Johnson Creek Premium Outlets | WI | Johnson Creek (Milwaukee) | Fee | 100.0% | Acquired 2004 | 100.0% | — | 277,585 | 277,585 | Adidas, Banana Republic, Calvin Klein, Gap Outlet, Lands' End, Nike, Polo Ralph Lauren, Tommy Hilfiger |
| 16. | Kittery Premium Outlets | ME | Kittery | Ground Lease (2009) | 100.0% | Acquired 2004 | 100.0% | — | 264,425 | 264,425 | Anne Klein, Banana Republic, Calvin Klein, Coach, Gap Outlet, J.Crew, Polo Ralph Lauren, Puma, Reebok, Timberland, Tommy Hilfiger |
| 17. | Las Americas Premium Outlets | CA | San Diego | Fee | 100.0% | Acquired 2007 | 98.7% | — | 525,298 | 525,298 | Ann Taylor, Banana Republic, Calvin Klein, Coach, Gap Outlet, J.Crew, Kenneth Cole, Neiman Marcus Last Call, Nike, Polo Ralph Lauren |
| 18. | Las Vegas Outlet Center | NV | Las Vegas | Fee | 100.0% | Acquired 2004 | 100.0% | — | 477,002 | 477,002 | Adidas, Calvin Klein, Coach, Nautica, Nike, Reebok, Timberland, Tommy Hilfiger, VF Outlet |
| 19. | Las Vegas Premium Outlets | NV | Las Vegas | Fee | 100.0% | Built 2003 | 100.0% | — | 434,978 | 434,978 | A/X Armani Exchange, Ann Taylor, Banana Republic, Calvin Klein, Coach, Diesel, Dolce & Gabbana, Elie Tahari, Kenneth Cole, Lacoste, Polo Ralph Lauren |
| 20. | Leesburg Corner Premium Outlets | VA | Leesburg (Washington D.C.) | Fee | 100.0% | Acquired 2004 | 100.0% | — | 463,288 | 463,288 | Ann Taylor, Barneys New York, Burberry, Coach, Crate & Barrel, Kenneth Cole, Nike, Polo Ralph Lauren, Restoration Hardware, Saks Fifth Avenue Off 5th, Williams-Sonoma |
| 21. | Liberty Village Premium Outlets | NJ | Flemington | Fee | 100.0% | Acquired 2004 | 100.0% | — | 173,067 | 173,067 | Brooks Brothers, Calvin Klein, Cole Haan, J.Crew, Liz Claiborne, Michael Kors, Polo Ralph Lauren, Tommy Hilfiger |
| 22. | Lighthouse Place Premium Outlets | IN | Michigan City | Fee | 100.0% | Acquired 2004 | 99.4% | — | 454,314 | 454,314 | Ann Taylor, Banana Republic, Burberry, Coach, Coldwater Creek, Gap Outlet, J.Crew, Nike, Polo Ralph Lauren, Tommy Hilfiger |
| 23. | Napa Premium Outlets | CA | Napa | Fee | 100.0% | Acquired 2004 | 100.0% | — | 179,348 | 179,348 | Ann Taylor, Banana Republic, Barneys New York, Calvin Klein, Coach, Cole Haan, J.Crew, Kenneth Cole, |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| 24. | North Georgia Premium Outlets | GA | Dawsonville (Atlanta) | Fee | 100.0% | Acquired 2004 | 100.0% | — | 539,757 | 539,757 | Ann Taylor, Banana Republic, Calvin Klein, Coach, Hugo Boss, J.Crew, Nike, Polo Ralph Lauren, Restoration Hardware, Saks Fifth Avenue Off 5th, Williams-Sonoma |
| 25. | Orlando Premium Outlets | FL | Orlando | Fee | 100.0% | Acquired 2004 | 100.0% | — | 435,695 | 435,695 | Barneys New York, Burberry, Coach, Diesel, Dior, Fendi, Giorgio Armani, Hugo Boss, Lacoste, Nike, Polo Ralph Lauren, Salvatore Ferragamo, Theory |
| 26. | Osage Beach Premium Outlets | MO | Osage Beach | Fee | 100.0% | Acquired 2004 | 98.5% | — | 391,435 | 391,435 | Adidas, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, Polo Ralph Lauren, Tommy Hilfiger |
| 27. | Petaluma Village Premium Outlets | CA | Petaluma (Santa Rosa) | Fee | 100.0% | Acquired 2004 | 100.0% | — | 195,982 | 195,982 | BCBG Max Azria, Banana Republic, Brooks Brothers, Coach, Gap Outlet, Nike, Puma, Saks Fifth Avenue Off 5th, Tommy Hilfiger |
| 28. | Philadelphia Premium Outlets | PA | Limerick (Philadelphia) | Fee | 100.0% | Built 2007 | 96.9% | — | 425,242 | 425,242 | Adidas, Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Elie Tahari, Gap Outlet, Guess, J.Crew, Michael Kors, Neiman Marcus Last Call, Nike, Puma, Sony, Tommy Hilfiger, Waterford Wedgwood |
| 29. | Rio Grande Valley Premium Outlets | TX | Mercedes (McAllen) | Fee | 100.0% | Built 2006 | 100.0% | — | 403,207 | 403,207 | Adidas, Ann Taylor, Banana Republic, BCBG Max Azria, Burberry, Calvin Klein, Coach, Gap Outlet, Guess, Nike, Sony, Tommy Hilfiger |
| 30. | Round Rock Premium Outlets | TX | Round Rock (Austin) | Fee | 100.0% | Built 2006 | 100.0% | — | 431,621 | 431,621 | Adidas, Ann Taylor, Banana Republic, Burberry, Calvin Klein, Coach, Gap Outlet, Michael Kors, Nike, Polo Ralph Lauren, Theory, Cinemark Theatres |
| 31. | Seattle Premium Outlets | WA | Tulalip (Seattle) | Ground Lease (2035) | 100.0% | Built 2005 | 100.0% | — | 402,668 | 402,668 | Adidas, Ann Taylor, Banana Republic, Burberry, Calvin Klein, Coach, Kenneth Cole, Nike, Polo Ralph Lauren, Restoration Hardware, Sony |
| 32. | St. Augustine Premium Outlets | FL | St. Augustine (Jacksonville) | Fee | 100.0% | Acquired 2004 | 99.4% | — | 328,489 | 328,489 | Banana Republic, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, J.Crew, Nike, Polo Ralph Lauren, Reebok, Tommy Bahama |
| 33. | The Crossings Premium Outlets | PA | Tannersville | Fee and Ground Lease (2009)(7) | 100.0% | Acquired 2004 | 100.0% | — | 411,774 | 411,774 | Ann Taylor, Banana Republic, Burberry, Calvin Klein, Coach, Coldwater Creek, J.Crew, Liz Claiborne, Nike, Polo Ralph Lauren, Reebok, Tommy Hilfiger |
| 34. | Vacaville Premium Outlets | CA | Vacaville | Fee | 100.0% | Acquired 2004 | 100.0% | — | 442,041 | 442,041 | Adidas, Ann Taylor, Banana Republic, Burberry, Calvin Klein, Coach, J.Crew, Nike, Polo Ralph Lauren, Restoration Hardware |
| 35. | Waikele Premium Outlets | HI | Waipahu (Honolulu) | Fee | 100.0% | Acquired 2004 | 100.0% | — | 209,846 | 209,846 | A/X Armani Exchange, Banana Republic, Barneys New York, Calvin Klein, Coach, Guess, Kenneth Cole, Polo Ralph Lauren, Saks Fifth Avenue Off 5th |
| 36. | Waterloo Premium Outlets | NY | Waterloo | Fee | 100.0% | Acquired 2004 | 100.0% | — | 417,577 | 417,577 | Adidas, Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, J.Crew, Nike, Polo Ralph Lauren, Tommy Hilfiger, VF Outlet |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| 37. | Woodbury Common Premium Outlets | NY | Central Valley (New York) | Fee | 100.0% | Acquired 2004 | 100.0% | — | 844,246 | 844,246 | Banana Republic, Burberry, Chanel, Coach, Dior, Dolce & Gabbana, Giorgio Armani, Gucci, Lacoste, Neiman Marcus Last Call, Nike, Polo Ralph Lauren, Saks Fifth Avenue Off 5th |
| 38. | Wrentham Village Premium Outlets | MA | Wrentham (Boston) | Fee | 100.0% | Acquired 2004 | 98.8% | — | 615,713 | 615,713 | Banana Republic, Barneys New York, Burberry, Coach, Hugo Boss, Kenneth Cole, Lacoste, Nike, Polo Ralph Lauren, Saks Fifth Avenue Off 5th, Salvatore Ferragmo, Sony, Williams-Sonoma |
| | **Total U.S. Premium Outlet Centers GLA** | | | | | | | **—** | 15,014,105 | 15,014,105 | |
| | **Community/Lifestyle Centers** | | | | | | | | | | |
| 1. | Arboretum at Great Hills | TX | Austin | Fee | 100.0% | Acquired 1998 | 90.8% | 35,773 | 167,452 | 203,225 | Barnes & Noble |
| 2. | Bloomingdale Court | IL | Bloomingdale (Chicago) | Fee | 100.0% | Built 1987 | 96.5% | 467,513 | 162,846 | 630,359 | Best Buy, T.J. Maxx N More, Office Max, Old Navy, Linens 'n Things, Wal-Mart, Circuit City, Dick's Sporting Goods, Jo-Ann Fabrics |
| 3. | Brightwood Plaza | IN | Indianapolis | Fee | 100.0% | Built 1965 | 100.0% | 20,450 | 18,043 | 38,493 | |
| 4. | Charles Towne Square | SC | Charleston | Fee | 100.0% | Built 1976 | 100.0% | 71,794 | — | 71,794 | Regal Cinema |
| 5. | Chesapeake Center | VA | Chesapeake (Virginia Beach-Norfolk) | Fee | 100.0% | Built 1989 | 98.3% | 213,651 | 92,284 | 305,935 | K-Mart, Movies 10, Petsmart, Michaels, Value City Furniture |
| 6. | Clay Terrace | IN | Carmel (Indianapolis) | Fee | 50.0%(4)(18) | Built 2004 | 94.7% | 161,281 | 337,218 | 498,499 | Dick's Sporting Goods, Wild Oats Natural Marketplace, DSW, Circuit City Superstore |
| 7. | Cobblestone Court | NY | Victor (Rochester) | Fee and Ground Lease (2038)(7) | 35.0%(4)(13) | Built 1993 | 99.4% | 206,680 | 58,781 | 265,461 | Dick's Sporting Goods, Kmart, Office Max |
| 8. | Countryside Plaza | IL | Countryside (Chicago) | Fee | 100.0% | Built 1977 | 76.2% | 327,418 | 76,338 | 403,756 | Best Buy, Home Depot, PetsMart, Jo-Ann Fabrics, Office Depot, Value City Furniture |
| 9. | Crystal Court | IL | Crystal Lake (Chicago) | Fee | 35.0%(4)(13) | Built 1989 | 66.5% | 201,993 | 76,977 | 278,970 | JCPenney(6),(8) |
| 10. | Dare Centre | NC | Kill Devil Hills | Ground Lease (2058) | 100.0% | Acquired 2004 | 98.7% | 134,320 | 34,518 | 168,838 | Belk, Food Lion |
| 11. | DeKalb Plaza | PA | King of Prussia (Philadelphia) | Fee | 50.3%(15) | Acquired 2003 | 97.5% | 81,368 | 20,374 | 101,742 | Lane Home Furnishings, ACME Grocery |
| 12. | Eastland Convenience Center | IN | Evansville | Ground Lease (2075) | 50.0%(4) | Acquired 1998 | 96.1% | 161,849 | 13,790 | 175,639 | Marshalls, Toys 'R Us, Bed Bath & Beyond |
| 13. | Eastland Plaza | OK | Tulsa | Fee | 100.0% | Built 1986 | 56.0% | 152,451 | 37,810 | 190,261 | Marshalls, Toys 'R Us, (8)(17) |
| 14. | Empire East(1) | SD | Sioux Falls | Fee | 50.0%(4) | Acquired 1998 | 98.1% | 275,089 | 22,189 | 297,278 | Kohl's, Target, Bed Bath & Beyond |
| 15. | Fairfax Court | VA | Fairfax (Washington, D.C.) | Fee | 41.3%(4)(13) | Built 1992 | 100.0% | 169,043 | 80,615 | 249,658 | Burlington Coat Factory, Circuit City Superstore, Offenbacher's |
| 16. | Forest Plaza | IL | Rockford | Fee | 100.0% | Built 1985 | 100.0% | 270,840 | 89,528 | 360,368 | Kohl's, Marshalls, Michael's, Factory Card Outlet, Office Max, T.J. Maxx, Bed Bath & Beyond, Petco, Babies R' Us, Toys R' Us(6),(8) |
| 17. | Gaitway Plaza | FL | Ocala | Fee | 23.3%(4)(13) | Built 1989 | 97.2% | 123,027 | 85,713 | 208,740 | Books-A-Million, Office Depot, T.J. Maxx, Ross Dress for Less, Bed Bath & Beyond |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| 18. | Gateway Shopping Centers | TX | Austin | Fee | 95.0% | 2004 | 98.8% | 396,494 | 115,870 | 512,364 | Star Furniture, Best Buy, Linens 'n Things, Recreational Equipment, Inc., Whole Foods, Crate & Barrel, The Container Store, Old Navy, Regal Cinema,(17) |
| 19. | Great Lakes Plaza | OH | Mentor (Cleveland) | Fee | 100.0% | Built 1976 | 100.0% | 159,194 | 4,910 | 164,104 | Circuit City, Michael's, Best Buy, Cost Plus World Market, Linens 'n Things |
| 20. | Greenwood Plus | IN | Greenwood (Indianapolis) | Fee | 100.0% | Built 1979 | 100.0% | 134,141 | 21,178 | 155,319 | Best Buy, Kohl's |
| 21. | Henderson Square | PA | King of Prussia (Philadelphia) | Fee | 76.0% | Acquired 2003 | 100.0% | 72,683 | 34,690 | 107,373 | Staples, Genuardi's Family Market |
| 22. | Highland Lakes Center | FL | Orlando | Fee | 100.0%(15) | Built 1991 | 79.2% | 352,405 | 140,871 | 493,276 | Marshalls, Bed Bath & Beyond, American Signature Furniture, Save-Rite Supermarkets, Ross Dress for Less, Office Max, Burlington Coat Factory, K&G Menswear,(8) |
| 23. | Indian River Commons | FL | Vero Beach | Fee | 50.0% | Built 1997 | 100.0% | 233,358 | 22,524 | 255,882 | Lowe's, Best Buy, Ross Dress for Less, Bed Bath & Beyond, Michael's |
| 24. | Ingram Plaza | TX | San Antonio | Fee | 100.0% | Built 1980 | 100.0% | 52,231 | 59,287 | 111,518 | Sheplers, Macy's Home Store, Mervyn's |
| 25. | Keystone Shoppes | IN | Indianapolis | Ground Lease (2067) | 100.0% | Acquired 1997 | 100.0% | — | 29,140 | 29,140 | |
| 26. | Knoxville Commons | TN | Knoxville | Fee | 100.0% | Built 1987 | 100.0% | 171,563 | 8,900 | 180,463 | Office Max,(8)(17) |
| 27. | Lake Plaza | IL | Waukegan (Chicago) | Fee | 100.0% | Built 1986 | 96.3% | 170,789 | 44,673 | 215,462 | Home Owners Bargain Outlet,(8) |
| 28. | Lake View Plaza | IL | Orland Park (Chicago) | Fee | 100.0% | Built 1986 | 93.6% | 261,856 | 109,396 | 371,252 | Factory Card Outlet, Linens 'n Things, Best Buy, Petco, Jo-Ann Fabrics, Golf Galaxy, Value City Furniture, Loehmann's |
| 29. | Lakeline Plaza | TX | Cedar Park (Austin) | Fee | 100.0% | Built 1998 | 98.5% | 307,966 | 79,479 | 387,445 | Linens 'n Things, T.J. Maxx, Old Navy, Best Buy, Ross Dress for Less, Office Max, PetsMart, Party City, Cost Plus World Market, Toys 'R Us |
| 30. | Lima Center | OH | Lima | Fee | 100.0% | Built 1978 | 89.0% | 189,584 | 47,294 | 236,878 | Kohl's, Hobby Lobby, T.J. Maxx |
| 31. | Lincoln Crossing | IL | O'Fallon (St. Louis) | Fee | 100.0% | Built 1990 | 100.0% | 229,820 | 13,446 | 243,266 | Wal-Mart, PetsMart, The Home Depot |
| 32. | Lincoln Plaza | PA | King of Prussia (Philadelphia) | Fee | 63.2%(15) | Acquired 2003 | 100.0% | 251,224 | 16,007 | 267,231 | Burlington Coat Factory, Circuit City, Lane Home Furnishings, AC Moore, Michaels, T.J. Maxx, Home Goods |
| 33. | MacGregor Village | NC | Cary (Raleigh) | Fee | 100.0% | Acquired 2004 | 80.4% | — | 144,997 | 144,997 | Spa Health Club, Tuesday Morning |
| 34. | Mall of Georgia Crossing | GA | Buford (Atlanta) | Fee | 100.0% | Built 1999 | 98.7% | 341,503 | 99,109 | 440,612 | Best Buy, American Signature Furniture, T.J. Maxx, Nordstrom Rack, Staples, Target |
| 35. | Markland Plaza | IN | Kokomo | Fee | 100.0% | Built 1974 | 100.0% | 49,051 | 41,476 | 90,527 | Best Buy, Bed Bath & Beyond |
| 36. | Martinsville Plaza | VA | Martinsville | Space Lease (2046) | 100.0% | Built 1967 | 97.1% | 88,470 | 13,635 | 102,105 | Rose's |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| 37. | Matteson Plaza | IL | Matteson (Chicago) | Fee | 100.0% | Built 1988 | 87.1% | 230,885 | 40,070 | 270,955 | Michael's, Dominick's, Value City Department Store,(8) |
| 38. | Muncie Plaza | IN | Muncie | Fee | 100.0% | Built 1998 | 98.6% | 271,626 | 27,195 | 298,821 | Kohl's, Target, Shoe Carnival, T.J. Maxx, MC Sporting Goods, Kerasotes Theatres |
| 39. | New Castle Plaza | IN | New Castle | Fee | 100.0% | Built 1966 | 83.6% | 24,912 | 66,736 | 91,648 | Goody's, Jo-Ann Fabrics |
| 40. | North Ridge Plaza | IL | Joliet (Chicago) | Fee | 100.0% | Built 1985 | 99.3% | 190,323 | 114,747 | 305,070 | Hobby Lobby, Office Max, Fun In Motion, Minnesota Fabrics, Burlington Coat Factory |
| 41. | North Ridge Shopping Center | NC | Raleigh | Fee | 100.0% | Acquired 2004 | 99.6% | 43,247 | 123,308 | 166,555 | Ace Hardware, Kerr Drugs, Harris-Teeter Grocery |
| 42. | Northwood Plaza | IN | Fort Wayne | Fee | 100.0% | Built 1974 | 78.8% | 136,404 | 71,841 | 208,245 | Target, Cinema Grill |
| 43. | Palms Crossing | TX | McAllen | Fee | 100.0% | Built 2007 | 99.5% | 199,021 | 59,025 | 258,046 | Bealls, DSW, Barnes & Noble, Babies 'R Us, Sports Authority, Guitar Center, Cavendar's Boot City, Best Buy(6), Ashley Furniture |
| 44. | Park Plaza | KY | Hopkinsville | Fee | 100.0% | Built 1968 | 96.6% | 82,398 | 32,526 | 114,924 | Big Lots, Peddler's Mall |
| 45. | Plaza at Buckland Hills, The | CT | Manchester (Hartford) | Fee | 35.0%(4)(13) | Built 1993 | 97.1% | 252,179 | 82,214 | 334,393 | Linens 'n Things, Jo-Ann Fabrics, Party City, The Maytag Store, Toys 'R Us, Michaels, PetsMart, (17) |
| 46. | Regency Plaza | MO | St. Charles (St. Louis) | Fee | 100.0% | Built 1988 | 95.5% | 235,642 | 51,831 | 287,473 | Wal-Mart, Sam's Wholesale Club |
| 47. | Ridgewood Court | MS | Jackson | Fee | 35.0%(4)(13) | Built 1993 | 96.9% | 185,939 | 54,732 | 240,671 | T.J. Maxx, Lifeway Christian Bookstore, Bed Bath & Beyond, Best Buy, Michaels, Marshalls |
| 48. | Rockaway Convenience Center | NJ | Rockaway (New York) | Fee | 100.0% | Acquired 1998 | 90.9% | 99,556 | 50,086 | 149,642 | Best Buy, Acme, Office Depot |
| 49. | Rockaway Plaza | NJ | Rockaway (New York) | Fee | 100.0% | Acquired 1998 | 100.0% | 407,501 | 51,327 | 458,828 | Target, Pier 1 Imports, PetsMart, Dick's Sporting Goods, AMC Theatres |
| 50. | Royal Eagle Plaza | FL | Coral Springs (Miami-Ft. Lauderale) | Fee | 35.0%(4)(13) | Built 1989 | 100.0% | 124,479 | 74,830 | 199,309 | K Mart, Stein Mart |
| 51. | Shops at Arbor Walk, The | TX | Austin | Ground Lease (2055) | 100.0% | Built 2006 | 97.1% | 199,921 | 231,656 | 431,577 | Home Depot, Marshall's, DSW, Golf Galaxy, Jo-Ann Fabrics, Circuit City |
| 52. | Shops at North East Mall, The | TX | Hurst (Dallas-Ft. Worth) | Fee | 100.0% | Built 1999 | 98.2% | 265,595 | 99,148 | 364,743 | Michael's, PetsMart, Old Navy, Pier 1 Imports, T.J. Maxx, Bed Bath & Beyond, Best Buy, Barnes & Noble(6) |
| 53. | St. Charles Towne Plaza | MD | Waldorf (Washington, D.C.) | Fee | 100.0% | Built 1987 | 72.2% | 286,306 | 108,826 | 395,132 | Jo-Ann Fabrics, K & G Menswear, CVS, Shoppers Food Warehouse, Dollar Tree, Value City Furniture, Gallo,(8) |
| 54. | Teal Plaza | IN | Lafayette | Fee | 100.0% | Built 1962 | 43.4% | 98,337 | 2,750 | 101,087 | Circuit City, Pep Boys |
| 55. | Terrace at the Florida Mall | FL | Orlando | Fee | 100.0% | Built 1989 | 93.2% | 289,252 | 57,441 | 346,693 | Marshalls, American Signature Furniture, Global Import, Target, Bed Bath & Beyond, (8) |

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|---|---|---|---|---|---|---|---|---|---|---|---|
| 56. | Tippecanoe Plaza | IN | Lafayette | Fee | 100.0% | Built 1974 | 100.0% | 85,811 | 4,711 | 90,522 | Best Buy, Barnes & Noble |
| 57. | University Center | IN | Mishawaka (South Bend) | Fee | 100.0% | Built 1980 | 87.7% | 104,347 | 46,177 | 150,524 | Michael's, Best Buy, Linens 'n Things |
| 58. | Village Park Plaza | IN | Carmel (Indianapolis) | Fee | 35.0%(4)(13) | Built 1990 | 98.2% | 414,593 | 134,982 | 549,575 | Bed Bath & Beyond, Ashley Furniture HomeStore, Kohl's, Wal-Mart, Marsh, Menards, Regal Cinema |
| 59. | Washington Plaza | IN | Indianapolis | Fee | 100.0% | Built 1976 | 100.0% | 21,500 | 28,607 | 50,107 | |
| 60. | Waterford Lakes Town Center | FL | Orlando | Fee | 100.0% | Built 1999 | 99.5% | 622,244 | 329,625 | 951,869 | 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 HomeStore, L.A. Fitness, Regal Cinema |
| 61. | West Ridge Plaza | KS | Topeka | Fee | 100.0% | Built 1988 | 89.5% | 182,161 | 71,459 | 253,620 | Famous Footwear, T.J. Maxx, Toys 'R Us, Target |
| 62. | West Town Corners | FL | Altamonte Springs (Orlando) | Fee | 23.3%(4)(13) | Built 1989 | 98.2% | 263,782 | 121,477 | 385,259 | Sports Authority, PetsMart, Winn-Dixie Marketplace, American Signature Furniture, Wal-Mart |
| 63. | Westland Park Plaza | FL | Orange Park (Jacksonville) | Fee | 23.3%(4)(13) | Built 1989 | 97.2% | 123,548 | 39,606 | 163,154 | Sports Authority, PetsMart, Burlington Coat Factory |
| 64. | White Oaks Plaza | IL | Springfield | Fee | 100.0% | Built 1986 | 98.9% | 275,703 | 115,723 | 391,426 | T.J. Maxx, Office Max, Kohl's Babies 'R Us, Kids 'R Us, Country Market |
| 65. | Whitehall Mall | PA | Whitehall | Fee | 38.0%(15)(4) | Acquired 2003 | 90.5% | 493,475 | 94,647 | 588,122 | Sears, Kohl's, Bed Bath & Beyond, Borders Books & Music, Gold's Gym |
| 66. | Willow Knolls Court | IL | Peoria | Fee | 35.0%(4)(13) | Built 1990 | 99.7% | 341,328 | 41,049 | 382,377 | Burlington Coat Factory, Kohl's, Sam's Wholesale Club, Willow Knolls 14 |
| 67. | Wolf Ranch | TX | Georgetown (Austin) | Fee | 100.0% | Built 2005 | 81.4% | 395,071 | 219,614 | 614,685 | Kohl's, Target, Linens 'n Things, Michaels, Best Buy, Office Depot, Old Navy, Pier 1 Imports, PetsMart, T.J. Maxx, DSW |
| | **Total Community/Lifestyle Center GLA** | | | | | | | **13,483,958** | 5,069,324 | 18,553,282 | |

## Simon Property Group, Inc. and Subsidiaries

## Property Table

## U.S. Properties

| | Property Name | State | City (CBSA) | Ownership Interest (Expiration if Lease)(3) | Legal Ownership | Year Built or Acquired | Occupancy(5) | Gross Leasable Area Anchor | Gross Leasable Area Mall & Freestanding | Gross Leasable Area Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Other Properties** | | | | | | | | | | |
| 1. | Crossville Outlet Center | TN | Crossville | Fee | 100.0% | Acquired 2004 | 100.0% | — | 151,256 | 151,256 | Bass, Dressbarn, Kasper, L'eggs Hanes Bali Playtex, Liz Claiborne, Rack Room Shoes, Van Heusen, VF Outlet |
| 2. | Factory Merchants Branson | MO | Branson | Ground Lease (2021) | 100.0% | Acquired 2004 | 78.2% | — | 269,307 | 269,307 | Carter's, Crocs, Izod, Jones New York, Pendleton, Reebok, Tuesday Morning |
| 3. | Factory Stores of America- Boaz | AL | Boaz | Ground Lease (2012) | 100.0% | Acquired 2004 | 81.6% | — | 111,909 | 111,909 | Banister/Easy Spirit, Bon Worth, VF Outlet |
| 4. | Factory Stores of America- Georgetown | KY | Georgetown | Fee | 100.0% | Acquired 2004 | 97.7% | — | 176,615 | 176,615 | Bass, Dressbarn, Van Heusen |
| 5. | Factory Stores of America- Graceville | FL | Graceville | Fee | 100.0% | Acquired 2004 | 100.0% | — | 83,962 | 83,962 | Factory Brand Shoes, Van Heusen, VF Outlet |
| 6. | Factory Stores of America- Lebanon | MO | Lebanon | Fee | 100.0% | Acquired 2004 | 100.0% | — | 86,249 | 86,249 | Dressbarn, Van Heusen, VF Outlet |
| 7. | Factory Stores of America- Nebraska City | NE | Nebraska City | Fee | 100.0% | Acquired 2004 | 97.8% | — | 89,646 | 89,646 | Bass, Dressbarn, VF Outlet |
| 8. | Factory Stores of America- Story City | IA | Story City | Fee | 100.0% | Acquired 2004 | 85.3% | — | 112,405 | 112,405 | Dressbarn, Factory Brand Shoes, Van Heusen, VF Outlet |
| 9. | Factory Stores of North Bend | WA | North Bend | Fee | 100.0% | Acquired 2004 | 100.0% | — | 223,402 | 223,402 | Adidas, Bass, Carter's, Coach, Gap Outlet, Izod, Nike, Nine West, Samsonite, Van Heusen, VF Outlet |
| 10. | The Factory Shoppes at Branson Meadows | MO | Branson | Ground Lease (2021) | 100.0% | Acquired 2004 | 88.0% | — | 286,924 | 286,924 | Branson Meadows Cinemas, Dressbarn, VF Outlet |
| | **Total Other GLA** | | | | | | | **—** | 1,591,675 | 1,591,675 | |

## Simon Property Group, Inc. and Subsidiaries

## Property Table

## U.S. Properties

| | Property Name | State | City (CBSA) | Ownership Interest (Expiration if Lease)(3) | Legal Ownership | Year Built or Acquired | Occupancy(5) | Gross Leasable Area: Anchor | Mall & Freestanding | Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Mills Properties** | | | | | | | | | | |
| | **The Mills®** | | | | | | | | | | |
| 1. | Arizona Mills | AZ | Tempe (Phoenix) | Fee | 25.0% | Acquired 2007 | 97.8% | 594,294 | 657,941 | 1,252,235 | Marshalls, Last Call Nieman Marcus, Off 5th Saks Fifth Avenue, Linens N Things, Burlington Coat Factory, Sears Appliance Outlet, Gameworks, Sports Authority, Ross Dress for Less, JCPenney Outlet, Group USA, Virgin Megastore, Hi-Health, Harkins Cinemas, IMAX Theatre |
| 2. | Arundel Mills | MD | Hanover (Baltimore) | Fee | 29.6% (2) | Acquired 2007 | 99.2% | 669,935 | 619,767 | 1,289,702 | Bass Pro Shops, Bed Bath & Beyond, Best Buy, Books-A-Million, Burlington Coat Factory, The Children's Place, Dave & Buster's, F.Y.E., H&M, Modell's, Neiman Marcus Last Call, OFF 5TH Saks Fifth Avenue Outlet, Off Broadway Shoe Warehouse, Old Navy, T.J. MAXX, Muvico Theatres |
| 3. | Cincinnati Mills | OH | Cincinnati | Fee | 50.0% | Acquired 2007 | 77.8% | 931,475 | 510,696 | 1,442,171 | Bass Pro Shops, OFF 5th Saks Fifth Avenue Outlet, Burlington Coat Factory, Kohl's, Wonderpark, Steve & Barry's University Sportswear, Urban Behavior, Bigg's, Guitar Center, Berean Christian Store, Babies 'R' Us, Metropolis, Showcase Cinemas, Danbarry Cinemas |
| 4. | Colorado Mills | CO | Lakewood (Denver) | Fee | 18.8% (2) | Acquired 2007 | 82.1% | 452,746 | 650,246 | 1,102,992 | Borders Books Music Café, Eddie Bauer Outlet, Last Call Clearance Center from Neiman Marcus, Off Broadway Shoe Warehouse, OFF 5TH Saks Fifth Avenue Outlet, Sports Authority, United Artists Theatre, Steve & Barry's(5) |
| 5. | Concord Mills | NC | Concord (Charlotte) | Fee | 29.6% (2) | Acquired 2007 | 97.0% | 659,384 | 694,140 | 1,353,524 | Bass Pro Shops Outdoor World, Burlington Coat Factory, Off 5th Saks Fifth Avenue, FYE, The Children's Place Outlet, Blacklion, Dave & Buster's, NIKE, TJ Maxx, Group USA, Sun & Ski, Books-a-Million, AC Moore, Old Navy, Bed Bath & Beyond, Circuit City, NASCAR Speedpark, AMC Theatres |
| 6. | Discover Mills | GA | Lawrenceville (Atlanta) | Fee | 25.0% (2) | Acquired 2007 | 96.3% | 594,140 | 589,249 | 1,183,389 | Bass Pro Shops, Books-A-Million, Burlington Coat Factory, Lunar Golf, Neiman Marcus Last Call, Medieval Times, Off 5th Saks Fifth Avenue Outlet, Off Broadway Shoe Warehouse, ROSS Dress for Less, Sears Appliance Outlet, Sun & Ski Sports, Urban Behavior, Woodward Skatepark of Atlanta, Dave & Buster's, Steve & Barry's, AMC Theatres |

## Simon Property Group, Inc. and Subsidiaries

## Property Table

## U.S. Properties

| | Property Name | State | City (CBSA) | Ownership Interest (Expiration if Lease)(3) | Legal Ownership | Year Built or Acquired | Occupancy(5) | Gross Leasable Area Anchor | Gross Leasable Area Mall & Freestanding | Gross Leasable Area Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 7. | Franklin Mills | PA | Philadelphia | Fee | 50.0% | Acquired 2007 | 87.8% | 818,295 | 924,917 | 1,743,212 | Dave & Buster's, JC Penney Outlet Store, Burlington Coat Factory, Marshalls HomeGoods, Steve & Barry's, Modell's Sporting Goods, Group USA, Bed Bath & Beyond, Sam Ash Music, Off 5th Saks Fifth Avenue, Last Call Neiman Marcus, Sears Appliance Outlet, H&M, Woodward Skatepark, AMC Theatres |
| 8. | Grapevine Mills | TX | Grapevine (Dallas-Ft. Worth) | Fee | 29.6% (2) | Acquired 2007 | 95.8% | 803,372 | 974,691 | 1,778,063 | Bed, Bath & Beyond, Books-A-Million, Burlington Coat Factory, The Children's Place, Dr. Pepper STARSCENTER, Forever 21, Group USA —The Clothing Co. JCPenney Outlet, Last Call Neiman Marcus, Marshalls, NIKE, OFF 5th Saks Fifth Avenue, Old Navy, Sears, Steve & Barry's, Sun & Ski Sports, Virgin Megastore, Western Warehouse, Woodward Skatepark, Gameworks, AMC Theatres |
| 9. | Great Mall of the Bay Area | CA | Milpitas (San Jose) | Fee | 24.5% (2) | Acquired 2007 | 93.6% | 657,506 | 721,172 | 1,378,678 | Last Call Nieman Marcus, Sports Authority, Group USA, Old Navy, Kohl's, Dave & Busters, Sears Appliance Outlet, Burlington Coat Factory, Marshalls, Off 5th Saks Fifth Avenue, NIKE, Steve & Barry's(5), Century Theatres,(8) |
| 10. | Gurnee Mills | IL | Gurnee (Chicago) | Fee | 50.0% | Acquired 2007 | 97.0% | 952,662 | 863,966 | 1,816,628 | Bass Pro Shops Outdoor World, Bed Bath & Beyond, Burlington Coat Factory, Circuit City, H & M, JCPenny Outlet Store, Kohl's, Marshall's Home Goods, Off 5th—Saks Fifth Avenue Outlet, Rink Side Sports, Sears Grand, The Sports Authority, TJ Maxx, Value City, VF Outlet, AMC Theatres |
| 11. | Katy Mills | TX | Katy (Houston) | Fee | 31.3% (2) | Acquired 2007 | 90.7% | 581,053 | 1,006,847 | 1,587,900 | Bass Pro Shops Outdoor World, Bed Bath and Beyond, Books-A-Million, Burlington Coat Factory, F.Y.E.-For Your Entertainment, Marshalls, Neiman Marcus Last Call Clearance Center, Off 5th Saks Fifth Avenue Outlet, Steve and Barry's, Sun & Ski Sports, American Theatres, Circuit City(6) |
| 12. | Ontario Mills | CA | Ontario | Fee | 25.0% | Acquired 2007 | 94.5% | 809,476 | 672,834 | 1,482,310 | Burlington Coat Factory, Totally for Kids, NIKE, Gameworks, The Children's Place Outlet, Cost Plus World Market, Marshalls, JCPenney Outlet, Off 5th Saks Fifth Avenue Outlet, Bed Bath & Beyond, Nordstrom Rack, Steve & Barry's, Dave & Busters, Virgin Megastore, Group USA, Sam Ash Music, Off Broadway Shoes, AMC Theatres,(8) |

## Simon Property Group, Inc. and Subsidiaries

## Property Table

## U.S. Properties

| | Property Name | State | City (CBSA) | Ownership Interest (Expiration if Lease)(3) | Legal Ownership | Year Built or Acquired | Occupancy(5) | Gross Leasable Area Anchor | Gross Leasable Area Mall & Freestanding | Gross Leasable Area Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 13. | Opry Mills | TN | Nashville | Fee | 24.5% (2) | Acquired 2007 | 94.2% | 531,676 | 625,555 | 1,157,231 | Bass Pro Shops Outdoor World, Dave & Buster's, The Gibson Showcase, Bed Bath & Beyond, Off 5th Saks Fifth Avenue Outlet, Barnes & Noble Booksellers, Old Navy Clothing Co., Off Broadway Shoe Warehouse, Nike Factory Store, Sun & Ski Sports, BLACKLION, Regal Cinema, Forever(5) |
| 14. | Potomac Mills | VA | Prince William (Washington, D.C.) | Fee | 50.0% | Acquired 2007 | 96.9% | 771,623 | 791,957 | 1,563,580 | Group USA, Marshall's, TJ Maxx, Sears Appliance Outlet, Old Navy, JCPenney Outlet, Urban Behavior, Burlington Coat Factory, Off Broadway Shoe Warehouse, Nordstrom Rack and Off 5th Saks Fifth Avenue Outlet, Costco Warehouse, The Children's Place, AMC Theatres |
| 15. | Sawgrass Mills | FL | Sunrise (Miami-Ft. Lauderdale) | Fee | 50.0% | Acquired 2007 | 98.5% | 959,158 | 1,292,910 | 2,252,068 | American Signature Home, Beall's Outlet, Bed Bath & Beyond, Brandsmart USA, Burlington Coat Factory, Gameworks, JCPenny Outlet Store, Marshalls, Neiman Marcus Last Call Clearance Center, Nike Factory Store, Nordstrom Rack, Off 5th Saks Fifth Avenue Outlet, Ron Jon Surf Shop, The Sports Authority, Super Target, TJ Maxx, VF Factory Outlet, Wannado City, FYE, Off Broadway Shoes, Regal Cinema |
| 16. | St. Louis Mills | MO | Hazelwood (St. Louis) | Fee | 25.0% (2) | Acquired 2007 | 82.1% | 681,219 | 510,447 | 1,191,666 | Bed Bath & Beyond, Books-A-Million, Burlington Coat Factory, Cabela's, Circuit City, iceZONE, Marshalls MegaStore, NASCAR SpeedPark, Off Broadway Shoe Warehouse, Sears Appliance Outlet, The Children's Place Outlet, Regal Cinema |
| 17. | The Block at Orange | CA | Orange (Los Angeles) | Fee | 25.0% (2) | Acquired 2007 | 97.8% | 307,795 | 410,986 | 718,781 | Dave & Buster's, The Power House, Ron Jon Surf Shop, Vans Skatepark, Virgin Megastore, Steve & Barry's, Lucky Strike Lanes, Borders Books & Music, Hilo Hattie, Off 5th Saks Fifth Avenue, AMC Theatres |
| | Subtotal The Mills® | | | | | | | **11,775,809** | **12,518,321** | **24,294,130** | |

## Simon Property Group, Inc. and Subsidiaries

## Property Table

## U.S. Properties

| | Property Name | State | City (CBSA) | Ownership Interest (Expiration if Lease)(3) | Legal Ownership | Year Built or Acquired | Occupancy(5) | Gross Leasable Area Anchor | Gross Leasable Area Mall & Freestanding | Gross Leasable Area Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Mills Regional Malls** | | | | | | | | | | |
| 18. | Briarwood Mall | MI | Ann Arbor | Fee | 25.0% | Acquired 2007 | 94.2% | 608,118 | 353,185 | 961,303 | Macy's, JCPenney, Sears, Von Maur |
| 19. | Del Amo Fashion Center | CA | Torrance (Los Angeles) | Fee | 25.0% (2) | Acquired 2007 | 85.5% | 1,341,701 | 1,057,981(18) | 2,399,682 | Macy's Men's, Macy's Women's, Macy's Home & Furnishings, JCPenney, Sears, Marshalls, T.J. Maxx, Barnes & Noble, JoAnn Fabrics, Crate & Barrel, L.A. Fitness, Burlington Coat Factory, AMC Theatres |
| 20. | Dover Mall | DE | Dover | Fee | 34.1% | Acquired 2007 | 98.3% | 140,000 | 747,043 | 887,043 | Macy's, JCPenney, Boscov's, Sears, Carmike Cinemas |
| 21. | Esplanade, The | LA | Kenner (New Orleans) | Fee | 50.0% | Acquired 2007 | 89.4% | 544,140 | 352,940 | 897,080 | Dillard's, Dillard's Men's, Macy's(6) (20) |
| 22. | Falls, The | FL | Miami | Fee | 25.0% | Acquired 2007 | 95.0% | 455,000 | 352,654 | 807,654 | Bloomingdale's, Macy's, Regal Cinema |
| 23. | Galleria at White Plains, The | NY | White Plains (New York) | Fee | 50.0% | Acquired 2007 | 83.8% | 555,915 | 322,238 | 878,153 | Macy's, Sears, H&M |
| 24. | Hilltop Mall | CA | Richmond (San Francisco) | Fee | 25.0% | Acquired 2007 | 84.3% | 748,551 | 326,001 | 1,074,552 | JCPenny, Sears, Macy's, Wal-Mart, Steve & Barry's(6) |
| 25. | Lakeforest Mall | MD | Gaithersburg (Washington, D.C.) | Fee | 25.0% | Acquired 2007 | 87.4% | 639,289 | 398,608 | 1,037,897 | Macy's, Lord & Taylor, JCPenney, Sears |
| 26. | Mall at Tuttle Crossing, The | OH | Dublin (Columbus) | Fee | 25.0% | Acquired 2007 | 93.3% | 746,568 | 380,762 | 1,127,330 | Macy's, Macy's, Sears, JCPenney |
| 27. | Marley Station | MD | Glen Burnie (Baltimore) | Fee | 25.0% | Acquired 2007 | 78.0% | 735,682 | 333,901 | 1,069,583 | Boscov's, Macy's, JCPenney, Sears, The Movies at Marley Station |
| 28. | Meadowood Mall | NV | Reno | Fee | 25.0% | Acquired 2007 | 91.0% | 609,840 | 274,682 | 884,522 | Macy's Men's, Macy's, Sears, and JCPenney |
| 29. | Northpark Mall | MS | Ridgeland (Jackson) | Fee | 50.0% | Acquired 2007 | 93.8% | 646,725 | 311,610 | 958,335 | Dillard's, JCPenney, Belk, United Artists Theatre |
| 30. | Shops at Riverside, The | NJ | Hackensack (New York) | Fee | 50.0% | Acquired 2007 | 87.4% | 404,666 | 339,088 | 743,754 | Bloomingdale's, Saks Fifth Avenue, Barnes & Noble |
| 31. | Southdale Center | MN | Edina (Minneapolis) | Fee | 50.0% | Acquired 2007 | 87.4% | 817,320 | 525,191 | 1,342,511 | Macy's, JCPenney, Marshall's, American Theatres(8) |
| 32. | Southridge Mall | WI | Greendale (Milwaukee) | Fee | 50.0% | Acquired 2007 | 88.3% | 874,925 | 352,492 | 1,227,417 | JC Penney, Sears, Kohl's, Boston Store, Steve & Barry's, Linens N Things, Cost Plus World Market, Carmike Cinemas(8) |
| 33. | Stoneridge Mall | CA | Pleasanton (San Francisco) | Fee | 25.0% | Acquired 2007 | 97.9% | 841,454 | 459,265 | 1,300,719 | Macy's Women's, Macy's Men's, Nordstrom, Sears, JCPenney |
| | **Subtotal Mills Regional Malls** | | | | | | | **10,709,894** | **6,887,641** | **17,597,535** | |
| | **Mills Community Centers** | | | | | | | | | | |
| 34. | Arundel Mills Marketplace | MD | Hanover (Baltimore) | Fee | 29.6% (2) | Acquired 2007 | 100.0% | 77,472 | 24,141 | 101,613 | Circuit City, Michael's, Staples |
| 35. | Concord Mills Marketplace | NC | Concord (Charlotte) | Fee | 50.0% | Acquired 2007 | 100.0% | 216,870 | 13,813 | 230,683 | BJ's Wholesale Club, Garden Ridge |
| 36. | Denver West Village | CO | Lakewood | Fee | 18.8% | Acquired 2007 | 92.5% | 202,306 | 107,790 | 310,096 | Barnes & Noble, Bed Bath & Beyond, Office Max, Old Navy, Wild Oats, United Artists |
| 37. | Liberty Plaza | PA | Philadelphia | Fee | 50.0% | Acquired 2007 | 98.2% | 319,255 | 52,211 | 371,466 | Wal-Mart, Dick's Sporting Goods, Raymour & Flanigan, Super Fresh Food Market |
| | **Subtotal Mills Community Centers** | | | | | | | **815,903** | **197,955** | **1,013,858** | |
| | **Total Mills Properties** | | | | | | | **23,301,606** | **19,603,917** | **42,905,523** | |
| | **Total U.S. Properties GLA** | | | | | | | **135,055,803** | **107,057,840** | **242,113,643** | |

# Simon Property Group, Inc. and Subsidiaries

## Property Table

## U.S. Properties

| | Property Name | State | City (CBSA) | Ownership Interest (Expiration if Lease)(3) | Legal Ownership | Year Built or Acquired | Occupancy(5) | Gross Leasable Area: Anchor | Gross Leasable Area: Mall & Freestanding | Gross Leasable Area: Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **PROPERTIES UNDER CONSTRUCTION** | | | | | **Expected Opening** | | | | | |
| 1. | Pier Park | FL | Panama City Beach | Fee | 100.0% | 3/08 | | | | | Dillard's, JCPenney, Target (open), Old Navy, Borders, Grand Theatres |
| 2. | Hamilton Town Center | IN | Noblesville (Indianapolis) | Fee | 50.0% | 3/08 | | | | | JCPenney (open), Borders, Dick's Sporting Goods, Old Navy, Steinmart, Bed Bath & Beyond, DSW, Ulta |
| 3. | Houston Premium Outlets | TX | Houston | Fee | 100.0% | 3/08 | | | | | Adidas, Banana Republic, Coach, Cole Haan, Elie Tahari, Juicy Couture, Michael Kors, Nike, True Religion, Tommy Hilfiger |
| 4. | Jersey Shore Premium Outlets | NJ | Tinton Falls | Fee | 100.0% | 11/08 | | | | | Brooks Brothers, Calvin Klein, Elie Tahari, Guess, J. Crew, Michael Kors, Theory, NIKE, Timberland, Tommy Hilfiger |

*FOOTNOTES:*

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

(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) 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.

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

(5) 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.

(6) Indicates anchor is currently under development.

(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 Operating Partnership's indirect ownership interest is through an approximately 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) Mall & Freestanding GLA includes office space as follows:

Arsenal Mall—105,807 sq. ft.
Century III Mall—35,929 sq. ft.
Circle Centre Mall—9,123 sq. ft.
Copley Place—856,586 sq. ft.
Fashion Centre at Pentagon City, The—169,089 sq. ft.
Fashion Mall at Keystone, The—10,927 sq. ft.
Firewheel Town Center—75,000 sq. ft.
Greendale Mall—119,860 sq. ft.
The Plaza & Court at King of Prussia—13,627 sq. ft.
Lehigh Valley Mall—11,754 sq. ft.
Lenox Square—2,674 sq. ft.
Menlo Park Mall—50,615 sq. ft.
Oak Court Mall—126,319 sq. ft.
Oxford Valley Mall—109,832 sq. ft.
Plaza Carolina—28,192 sq. ft.
River Oaks Center—118,311 sq. ft.
Roosevelt Field—1,610 sq. ft.
Stanford Shopping Center—5,748 sq. ft.
The Westchester—820 sq. ft.
Del Amo Fashion Center—113,000 sq. ft.

(19) Nordstrom to open stores in locations previously operated by others at Burlington Mall (2008), Ross Park Mall (2008), Fasion Mall at Keystone (2008), South Shore Plaza (2009), and Northshore Mall (2009).

(20) Vacant anchor store owned by another company

## International Properties

Our interests in properties outside the United States are all owned through international joint venture arrangements.

### *European Investments*

The following summarizes our joint venture investments in Europe and the underlying countries in which these joint ventures own and operate real estate properties as of December 31, 2007:

| Joint Venture Investment | Ownership Interest | Properties open and operating | Countries of Operation |
|---|---|---|---|
| Gallerie Commerciali Italia, S.p.A., or GCI | 49.0% | 44 | Italy |
| Simon Ivanhoe S.à.r.l., or Simon Ivanhoe | 50.0% | 7 | France, Poland |

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. Simon Ivanhoe and its wholly-owned subsidiary 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 also our partner in GCI, or are anchored by the hypermarket Carrefour in France and Poland. Certain of the properties in Italy are subject to leaseholds whereby GCI leases all or a portion of the premises from a third party who is entitled to receive substantially all the economic benefits of that portion of the properties. Auchan and Carrefour are the two largest hypermarket operators in Europe.

### *Other International Investments*

We also hold real estate interests in six joint ventures in Japan, one in Mexico, and one in South Korea. The six joint ventures in Japan operate Premium Outlet centers in various cities in Japan and are held in joint ventures with Mitsubishi Estate Co., Ltd. and Sojitz Corporation (formerly known as Nissho Iwai Corporation). These centers have over 1.6 million square feet of GLA and were all 100% leased as of December 31, 2007. They contain 600 stores with approximately 300 different tenants. The Premium Outlet center in Mexico is 88% leased as of December 31, 2007, and the Premium Outlet center in South Korea is 100% leased as of December 31, 2007.

The following summarizes these eight Premium Outlet centers in international joint ventures:

| Joint Venture Investment Holdings | 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% |
| Toki Premium Outlets—Toki (Nagoya), Japan | 40.0% |
| Tosu Premium Outlets—Fukuoka (Kyushu), Japan | 40.0% |
| Kobe-Sanda Premium Outlets—Kobe, Japan | 40.0% |
| Punta Norte Premium Outlets—Mexico City, Mexico | 50.0% |
| Yeoju Premium Outlets—Yeoju, South Korea | 50.0% |

We also have begun construction on Sendai Izumi Premium Outlets, a 172,000 square foot center located in Sendai, Japan. We have a 40% interest in this property consistent with the ownership structure of our other Japanese investments. Also, through a joint venture arrangement with MSREF and SZITIC CP, we have a 32.5% interest in five shopping centers that are under construction in China aggregating 2.5 million square feet of GLA.

The following property table summarizes certain data on our properties that are under operation in Europe, Japan, Mexico, and South Korea at December 31, 2007.

# Simon Property Group, Inc. and Subsidiaries
# International Property Table

| | COUNTRY/Property Name | City (Metropolitan area) | Ownership Interest | SPG Effective Ownership | Year Built | Gross Leasable Area (1) Hypermarket/ Anchor (4) | Mall & Freestanding | Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|
| | **FRANCE** | | | | | | | | |
| 1. | Bay 2 | Torcy (Paris) | Fee | 50.0% | 2003 | 159,900 | 416,900 | 576,800 | Carrefour, Leroy Merlin |
| 2. | Bay 1 | Torcy (Paris) | Fee | 50.0% | 2004 | — | 348,900 | 348,900 | Conforama, Go Sport |
| 3. | Bel'Est | Bagnolet (Paris) | Fee | 17.5% | 1992 | 109,800 | 63,300 | 173,100 | Auchan |
| 4. | Villabé A6 | Villabé (Paris) | Fee | 7.5% | 1992 | 124,900 | 159,400 | 284,300 | Carrefour |
| 5. | Wasquehal | Wasquehal (Lille) | Fee | 50.0% | 2006 | 131,300 | 123,400 | 254,700 | Carrefour |
| | **Subtotal France** | | | | | **525,900** | **1,111,900** | **1,637,800** | |
| | **ITALY** | | | | | | | | |
| 6. | Ancona — Senigallia | Senigallia (Ancona) | Fee | 49.0% | 1995 | 41,200 | 41,600 | 82,800 | Cityper |
| 7. | Ascoli Piceno — Grottammare | Grottammare (Ascoli Piceno) | Fee | 49.0% | 1995 | 38,900 | 55,900 | 94,800 | Cityper |
| 8. | Ascoli Piceno — Porto Sant'Elpidio | Porto Sant'Elpidio (Ascoli Piceno) | Fee | 49.0% | 1999 | 48,000 | 114,300 | 162,300 | Cityper |
| 9. | Bari — Casamassima | Casamassima (Bari) | Fee | 49.0% | 1995 | 159,000 | 388,800 | 547,800 | Auchan, Coin, Eldo, Bata, Leroy Merlin, Decathlon |
| 10. | Bari — Modugno | Modugno (Bari) | Fee | 49.0% | 2004 | 96,900 | 46,600 | 143,500 | Auchan, euronics, Decathlon |
| 11. | Brescia — Mazzano | Mazzano (Brescia) | Fee / Leasehold (2) | 49.0% (2) | 1994 | 103,300 | 127,400 | 230,700 | Auchan, Bricocenter, Upim |
| 12. | Brindisi-Mesagne | Mesagne (Brindisi) | Fee | 49.0% | 2003 | 88,000 | 140,600 | 228,600 | Auchan |
| 13. | Cagliari — Santa Gilla | Cagliari | Fee / Leasehold (2) | 49.0% (2) | 1992 | 75,900 | 114,800 | 190,700 | Auchan, Bricocenter |
| 14. | Catania — La Rena | Catania | Fee | 49.0% | 1998 | 124,100 | 22,100 | 146,200 | Auchan |
| 15. | Cinisello | Cinisello (Milano) | Fee | 49.0% | 2007 | 125,000 | 250,600 | 375,600 | Auchan |
| 16. | Cuneo | Cuneo (Torino) | Fee | 49.0% | 2004 | 80,700 | 201,500 | 282,200 | Auchan, Bricocenter |
| 17. | Giugliano | Giugliano (Napoli) | Fee | 49.0% (5) | 2006 | 130,000 | 624,500 | 754,500 | Auchan |
| 18. | Milano — Rescaldina | Rescaldina (Milano) | Fee | 49.0% | 2000 | 165,100 | 212,000 | 377,100 | Auchan, Bricocenter, Decathlon, Media World |
| 19. | Milano — Vimodrone | Vimodrone (Milano) | Fee | 49.0% | 1989 | 110,400 | 80,200 | 190,600 | Auchan, Bricocenter |
| 20. | Napoli — Pompei | Pompei (Napoli) | Fee | 49.0% | 1990 | 74,300 | 17,100 | 91,400 | Auchan |
| 21. | Nola — Volcano Buono | Nola (Napoli) | Fee | 22.1% | 2007 | 142,900 | 733,100 | 876,000 | Auchan, Coin, Holiday Inn, Media World |
| 22. | Padova | Padova | Fee | 49.0% | 1989 | 73,300 | 32,500 | 105,800 | Auchan |
| 23. | Palermo | Palermo | Fee | 49.0% | 1990 | 73,100 | 9,800 | 82,900 | Auchan |
| 24. | Pesaro — Fano | Fano (Pesaro) | Fee | 49.0% | 1994 | 56,300 | 56,000 | 112,300 | Auchan |
| 25. | Pescara | Pescara | Fee | 49.0% | 1998 | 96,300 | 65,200 | 161,500 | Auchan |
| 26. | Pescara — Cepagatti | Cepagatti (Pescara) | Fee | 49.0% | 2001 | 80,200 | 189,600 | 269,800 | Auchan, Bata |
| 27. | Piacenza — San Rocco al Porto | San Rocco al Porto (Piacenza) | Fee | 49.0% | 1992 | 104,500 | 74,700 | 179,200 | Auchan, Darty |
| 28. | Porta Di Roma | Roma | Fee | 19.6% | 2007 | 624,800 | 630,600 | 1,255,400 | Auchan, Leroy Merlin, UGC Theatres, Ikea, Media World, Decathlon |
| 29. | Roma — Collatina | Collatina (Roma) | Fee | 49.0% | 1999 | 59,500 | 4,100 | 63,600 | Auchan |
| 30. | Sassari — Predda Niedda | Predda Niedda (Sassari) | Fee / Leasehold (2) | 49.0% (2) | 1990 | 79,500 | 154,200 | 233,700 | Auchan, Bricocenter |
| 31. | Taranto | Taranto | Fee | 49.0% | 1997 | 75,200 | 126,500 | 201,700 | Auchan, Bricocenter |
| 32. | Torino | Torino | Fee | 49.0% | 1989 | 105,100 | 66,700 | 171,800 | Auchan |
| 33. | Torino — Venaria | Venaria (Torino) | Fee | 49.0% | 1982 | 101,600 | 64,000 | 165,600 | Auchan, Bricocenter |
| 34. | Venezia — Mestre | Mestre (Venezia) | Fee | 49.0% | 1995 | 114,100 | 132,600 | 246,700 | Auchan |
| 35. | Vicenza | Vicenza | Fee | 49.0% | 1995 | 78,400 | 20,100 | 98,500 | Auchan |
| 36. | Ancona | Ancona | Leasehold (3) | 49.0% (3) | 1993 | 82,900 | 82,300 | 165,200 | Auchan |
| 37. | Bergamo | Bergamo | Leasehold (3) | 49.0% (3) | 1976 | 103,000 | 16,900 | 119,900 | Auchan |
| 38. | Brescia — Concesio | Concesio (Brescia) | Leasehold (3) | 49.0% (3) | 1972 | 89,900 | 27,600 | 117,500 | Auchan |

| | COUNTRY/Property Name | City (Metropolitan area) | Ownership Interest | SPG Effective Ownership | Year Built | Gross Leasable Area (1) Hypermarket/ Anchor (4) | Mall & Freestanding | Total | Retail Anchors and Major Tenants |
|---|---|---|---|---|---|---|---|---|---|
| | **ITALY (continued)** | | | | | | | | |
| 39. | Cagliari — Marconi | Cagliari | Leasehold (3) | 49.0% (3) | 1994 | 83,500 | 109,900 | 193,400 | Auchan, Bricocenter, Bata |
| 40. | Catania — Misterbianco | Misterbianco (Catania) | Leasehold (3) | 49.0% (3) | 1989 | 83,300 | 16,000 | 99,300 | Auchan |
| 41. | Merate — Lecco | Merate (Lecco) | Leasehold (3) | 49.0% (3) | 1976 | 73,500 | 88,500 | 162,000 | Auchan, Bricocenter |
| 42. | Milano — Cesano Boscone | Cesano Boscone (Milano) | Leasehold (3) | 49.0% (3) | 2005 | 163,800 | 120,100 | 283,900 | Auchan |
| 43. | Milano — Nerviano | Nerviano (Milano) | Leasehold (3) | 49.0% (3) | 1991 | 83,800 | 27,800 | 111,600 | Auchan |
| 44. | Napoli — Mugnano di Napoli | Mugnano di Napoli | Leasehold (3) | 49.0% (3) | 1992 | 98,000 | 94,900 | 192,900 | Auchan, Bricocenter |
| 45. | Olbia | Olbia | Leasehold (3) | 49.0% (3) | 1993 | 74,600 | 133,000 | 207,600 | Auchan |
| 46. | Roma — Casalbertone | Roma | Leasehold (3) | 49.0% (3) | 1998 | 62,700 | 84,900 | 147,600 | Auchan |
| 47. | Sassari — Centro Azuni | Sassari | Leasehold (3) | 49.0% (3) | 1995 | — | 35,600 | 35,600 | |
| 48. | Torino — Rivoli | Rivoli (Torino) | Leasehold (3) | 49.0% (3) | 1986 | 61,800 | 32,300 | 94,100 | Auchan |
| 49. | Verona — Bussolengo | Bussolengo (Verona) | Leasehold (3) | 49.0% (3) | 1975 | 89,300 | 75,300 | 164,600 | Auchan, Bricocenter |
| | **Subtotal Italy** | | | | | **4,475,700** | **5,742,800** | **10,218,500** | |
| | **POLAND** | | | | | | | | |
| 50. | Arkadia Shopping Center | Warsaw | Fee | 50.0% | 2004 | 202,200 | 900,800 | 1,103,000 | Carrefour, Leroy Merlin, Media Saturn, Cinema City, H & M, Zara, Royal Collection, Peek & Clopperburg |
| 51. | Wilenska Station Shopping Center | Warsaw | Fee | 50.0% | 2002 | 92,700 | 215,900 | 308,600 | Carrefour |
| | **Subtotal Poland** | | **Fee** | | | **294,900** | **1,116,700** | **1,411,600** | |
| | **JAPAN** | | | | | | | | |
| 52. | Gotemba Premium Outlets | Gotemba City (Tokyo) | Fee | 40.0% | 2000 | — | 380,100 | 380,100 | Bally, Coach, Diesel, Gap, Gucci, Jill Stuart, L.L. Bean, Nike, Tod's |
| 53. | Kobe-Sanda Premium Outlets | Hyougo-ken (Osaka) | Ground Lease | 40.0% | 2007 | — | 193,500 | 193,500 | BCBG, Bose, Coach, Cole Haan, Lego, Nike, Petit Bateau, Max Azria, Theory |
| 54. | Rinku Premium Outlets | Izumisano (Osaka) | Ground Lease (2020) | 40.0% | 2000 | — | 320,600 | 320,600 | Bally, Brooks Brothers, Coach, Eddie Bauer, Gap, Nautica, Nike, Timberland, Versace |
| 55. | Sano Premium Outlets | Sano (Tokyo) | Ground Lease (2022) | 40.0% | 2003 | — | 316,500 | 316,500 | Bally, Brooks Brothers, Coach, Nautica, New Yorker, Nine West, Timberland |
| 56. | Toki Premium Outlets | Toki (Nagoya) | Ground Lease (2024) | 40.0% | 2005 | — | 230,300 | 230,300 | Adidas, Brooks Brothers, Bruno Magli, Coach, Eddie Bauer, Furla, Nautica, Nike, Timberland, Versace |
| 57. | Tosu Premium Outlets | Fukuoka (Kyushu) | Ground Lease (2023) | 40.0% | 2004 | — | 240,400 | 240,400 | BCBG, Bose, Coach, Cole Haan, Lego, Nike, Petit Bateau, Max Azria, Theory |
| | **Subtotal Japan** | | | | | **—** | **1,681,400** | **1,681,400** | |
| | **MEXICO** | | | | | | | | |
| 54. | Punta Norte Premium Outlets | Mexico City | Fee | 50.0% | 2004 | — | 231,900 | 231,900 | Christian Dior, Sony, Nautica, Levi's, Nike, Rockport, Reebok, Adidas, Samsonite |
| | **Subtotal Mexico** | | | | | **—** | **231,900** | **231,900** | |
| | **SOUTH KOREA** | | | | | | | | |
| 55. | Yeoju Premium Outlets | Yeoju | Fee | 50.0% | 2007 | — | 249,900 | 249,900 | Armani, Burberry, Dunhill, Ermenegildo Zegna, Salvatore Ferragamo |
| | **Subtotal South Korea** | | | | | **—** | **249,900** | **249,900** | |
| | **TOTAL INTERNATIONAL ASSETS** | | | | | **5,296,500** | **10,134,600** | **15,431,100** | |

**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) These properties are 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) On April 4, 2007, Gallerie Commerciali Italia (the Italian joint venture in which the Company owns a 49% interest) acquired the remaining 60% interest in the shopping gallery at this center, which consists of 177,600 square feet of leasable area. The Company owns a 19.6% interest in the retail parks at this center, which consist of 446,900 square feet of leasable area.

***Land Held for Development***

We have direct or indirect ownership interests in four parcels of land held in the United States for future development, containing an aggregate of approximately 300 acres located in three states.

Also, on December 28, 2005, we invested $50.0 million of equity for a 40% interest in a joint venture with Toll Brothers, Inc. and Meritage Homes Corp. to purchase a 5,485-acre land parcel in northwest Phoenix from DaimlerChrysler Corporation for $312 million. The principal use of the land upon attaining entitled status is the development of single-family homesites by our partners. As a result of the recent downturn in the residential market, during the fourth quarter of 2007 we recorded an impairment charge of $55.1 million, $35.6 million net of tax benefit, representing our entire investment in this joint venture entity, including interest capitalized on our invested equity.

***Sustainability and Energy Efficiency***

Due to the size of our portfolio, we focus on energy efficiency as a core sustainability strategy. Through the continued use of energy conservation practices, energy efficiency projects, and continuous monitoring and reporting, have reduced our energy consumption at comparable properties every year since 2003. As a result, the absolute corporate energy use for operations under our control (which excludes electricity consumed by our tenants) has decreased by 9.7% from 2003 to 2007. The 102 million kilowatt-hours decrease in energy use for this four-year period reduced related annual $CO_2$ emissions by over 67,932 tons. This is equivalent to the amount of carbon sequestered annually by 15,439 acres of pine or fir forests and to approximately $11.0 million in avoided annual operating costs.

We were awarded *NAREIT's Leader in the Light Gold Award* for the second year in a row and have been named 2008 *"Energy Partner of the Year"* by the United States Environmental Protection Agency (EPA). We were the first real estate company in the S&P 500 and the first retail property REIT to win this award.

***Mortgage Financing on Properties***

The following table sets forth certain information regarding the mortgages and other debt encumbering our properties and the properties held by our international joint venture arrangements. Substantially all of the mortgage and property related debt is nonrecourse to us.

## Mortgage and Other Debt on Portfolio Properties

*As of December 31, 2007*
*(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% | | $ 28,206 | | $ 2,216 | | 10/10/12 | |
| Arsenal Mall — 1 | 6.75% | | 30,842 | | 2,724 | | 10/10/08 | |
| Arsenal Mall — 2 | 8.20% | | 1,199 | | 286 | | 05/05/16 | |
| Bangor Mall | 6.15% | | 80,000 | | 4,918 | (2) | 10/01/17 | |
| Battlefield Mall | 4.60% | | 96,217 | | 6,154 | | 07/01/13 | |
| Bloomingdale Court | 7.78% | | 27,080 | (4) | 2,578 | | 11/01/09 | |
| Brunswick Square | 5.65% | | 84,581 | | 5,957 | | 08/11/14 | |
| Carolina Premium Outlets — Smithfield | 9.10% | | 19,973 | (6) | 2,114 | | 03/10/13 | |
| Century III Mall | 6.20% | | 83,261 | (9) | 6,541 | | 10/10/12 | |
| Chesapeake Square | 5.84% | | 71,771 | | 5,162 | | 08/01/14 | |
| College Mall — 1 | 7.00% | | 30,953 | (8) | 3,908 | | 01/01/09 | |
| College Mall — 2 | 6.76% | | 10,492 | (8) | 935 | | 01/01/09 | |
| Copley Place | 5.25% | (1) | 191,000 | | 10,028 | (2) | 08/01/10 | (3) |
| Coral Square | 8.00% | | 84,489 | | 8,065 | | 10/01/10 | |
| The Crossings Premium Outlets | 5.85% | | 55,385 | | 4,649 | | 03/13/13 | |
| Crossroads Mall | 6.20% | | 41,816 | | 3,285 | | 10/10/12 | |
| Crystal River | 7.63% | | 15,135 | | 1,385 | | 11/11/10 | (25) |
| Dare Centre | 9.10% | | 1,663 | (6) | 176 | | 03/10/13 | (25) |
| DeKalb Plaza | 5.28% | | 3,189 | | 284 | | 01/01/15 | |
| Desoto Square | 5.89% | | 64,153 | | 3,779 | (2) | 07/01/14 | |
| The Factory Shoppes at Branson Meadows | 9.10% | | 9,289 | (6) | 983 | | 03/10/13 | (25) |
| Factory Stores of America — Boaz | 9.10% | | 2,717 | (6) | 287 | | 03/10/13 | (25) |
| Factory Stores of America — Georgetown | 9.10% | | 6,438 | (6) | 681 | | 03/10/13 | (25) |
| Factory Stores of America — Graceville | 9.10% | | 1,912 | (6) | 202 | | 03/10/13 | (25) |
| Factory Stores of America — Lebanon | 9.10% | | 1,607 | (6) | 170 | | 03/10/13 | (25) |
| Factory Stores of America — Nebraska City | 9.10% | | 1,510 | (6) | 160 | | 03/10/13 | (25) |
| Factory Stores of America — Story City | 9.10% | | 1,867 | (6) | 198 | | 03/10/13 | (25) |
| Forest Mall | 6.20% | | 16,746 | (10) | 1,316 | | 10/10/12 | |
| Forest Plaza | 7.78% | | 14,853 | (4) | 1,414 | | 11/01/09 | |
| Forum Shops at Caesars, The | 4.78% | | 533,470 | | 34,564 | | 12/01/10 | |
| Gateway Shopping Center | 5.89% | | 87,000 | | 5,124 | (2) | 10/01/11 | |
| Gilroy Premium Outlets | 6.99% | | 62,423 | (7) | 6,236 | | 07/11/08 | (25) |
| Greenwood Park Mall — 1 | 7.00% | | 25,924 | (8) | 3,273 | | 01/01/09 | |
| Greenwood Park Mall — 2 | 6.76% | | 54,206 | (8) | 4,831 | | 01/01/09 | |
| Gwinnett Place | 5.68% | | 115,000 | | 6,532 | (2) | 06/08/12 | |
| Henderson Square | 6.94% | | 14,846 | | 1,270 | | 07/01/11 | |
| Highland Lakes Center | 6.20% | | 15,436 | (9) | 1,213 | | 10/10/12 | |
| Independence Center | 5.94% | | 200,000 | | 11,886 | (2) | 07/10/17 | |
| Ingram Park Mall | 6.99% | | 78,372 | (20) | 6,724 | | 08/11/11 | |
| Kittery Premium Outlets | 6.99% | | 10,334 | (7) | 1,028 | | 07/11/08 | (25) |
| Knoxville Center | 6.99% | | 59,348 | (20) | 5,092 | | 08/11/11 | |
| Lake View Plaza | 7.78% | | 19,744 | (4) | 1,880 | | 11/01/09 | |
| Lakeline Plaza | 7.78% | | 21,647 | (4) | 2,061 | | 11/01/09 | |
| Las Americas Premium Outlets | 5.84% | | 180,000 | | 10,511 | (2) | 06/11/16 | |
| Lighthouse Place Premium Outlets | 6.99% | | 43,073 | (7) | 4,286 | | 07/11/08 | (25) |
| Lincoln Crossing | 7.78% | | 2,988 | (4) | 285 | | 11/01/09 | |
| Longview Mall | 6.20% | | 31,338 | (9) | 2,462 | | 10/10/12 | |
| MacGregor Village | 9.10% | | 6,689 | (6) | 708 | | 03/10/13 | (25) |
| Mall of Georgia | 7.09% | | 188,621 | | 16,649 | | 07/01/10 | |
| Markland Mall | 6.20% | | 22,172 | (10) | 1,742 | | 10/10/12 | |
| Matteson Plaza | 7.78% | | 8,695 | (4) | 828 | | 11/01/09 | |
| Midland Park Mall | 6.20% | | 32,369 | (10) | 2,543 | | 10/10/12 | |
| Montgomery Mall | 5.17% | | 91,018 | | 6,307 | | 05/11/14 | (25) |
| Muncie Plaza | 7.78% | | 7,518 | (4) | 716 | | 11/01/09 | |
| Northfield Square | 6.05% | | 29,742 | | 2,485 | | 02/11/14 | |
| Northlake Mall | 6.99% | | 68,466 | (20) | 5,874 | | 08/11/11 | |
| North Ridge Shopping Center | 9.10% | | 8,169 | (6) | 865 | | 03/10/13 | (25) |

| | | | | |
|---|---|---|---|---|
| Oxford Valley Mall | 6.76% | 77,451 | 7,801 | 01/10/11 |
| Palm Beach Mall | 6.20% | 51,781 | 4,068 | 10/10/12 |
| Penn Square Mall | 7.03% | 67,079 | 6,003 | 03/01/09 (25) |
| Plaza Carolina — Fixed | 5.10% | 92,405 | 7,085 | 05/09/09 |
| Plaza Carolina — Variable Capped | 5.50% (29) | 93,840 | 7,369 | 05/09/09 (3) |
| Plaza Carolina — Variable Floating | 5.50% (1) | 56,303 | 4,421 | 05/09/09 (3) |
| Port Charlotte Town Center | 7.98% | 51,517 | 4,680 | 12/11/10 (25) |
| Regency Plaza | 7.78% | 4,075 (4) | 388 | 11/01/09 |
| Richmond Towne Square | 6.20% | 45,466 (10) | 3,572 | 10/10/12 |
| SB Boardman Plaza Holdings | 5.94% | 23,490 | 1,682 | 07/01/14 |
| SB Trolley Square Holding | 9.03% | 28,116 | 2,880 | 08/01/10 |
| St. Charles Towne Plaza | 7.78% | 26,083 (4) | 2,483 | 11/01/09 |
| Stanford Shopping Center | 3.60% (11) | 220,000 | 7,920 (2) | 09/11/08 |
| Summit Mall | 5.42% | 65,000 | 3,768 (2) | 06/10/17 |
| Sunland Park Mall | 8.63% (13) | 34,558 | 3,768 | 01/01/26 |
| Tacoma Mall | 7.00% | 124,796 | 10,778 | 10/01/11 |
| Town Center at Cobb | 5.74% | 280,000 | 16,072 (2) | 06/08/12 |
| Towne East Square — 1 | 7.00% | 42,678 | 4,711 | 01/01/09 |
| Towne East Square — 2 | 6.81% | 21,879 | 1,958 | 01/01/09 |
| Towne West Square | 6.99% | 51,302 (20) | 4,402 | 08/11/11 |
| University Park Mall | 5.45% (1) | 100,000 | 5,450 (2) | 07/09/10 (3) |
| Upper Valley Mall | 5.89% | 47,904 | 2,822 (2) | 07/01/14 |
| Valle Vista Mall | 5.35% | 40,000 | 3,598 (2) | 05/10/17 |
| Washington Square | 5.94% | 30,552 | 2,194 | 07/01/14 |
| Waterloo Premium Outlets | 6.99% | 34,692 (7) | 3,452 | 07/11/08 (25) |
| West Ridge Mall | 5.89% | 68,711 | 4,047 (2) | 07/01/14 |
| West Ridge Plaza | 7.78% | 5,254 (4) | 500 | 11/01/09 |
| White Oaks Mall | 5.54% | 50,000 | 2,768 (2) | 11/01/16 |
| White Oaks Plaza | 7.78% | 16,031 (4) | 1,526 | 11/01/09 |
| Wolfchase Galleria | 5.64% | 225,000 | 12,700 (2) | 04/01/17 |
| Woodland Hills Mall | 7.00% | 80,144 | 7,185 | 01/01/09 (25) |
| **Total Consolidated Secured Indebtedness** | | $ 5,253,059 | | |

| | | | | |
|---|---|---|---|---|
| ***Unsecured Indebtedness:*** | | | | |
| Simon Property Group, LP: | | | | |
| Unsecured Revolving Credit Facility — USD | 4.98% (15) | $ 1,798,000 | $ 89,451 (2) | 01/11/11 (3) |
| Revolving Credit Facility — Yen Currency | 1.08% (15) | 215,593 | 2,323 (2) | 01/11/11 (3) |
| Revolving Credit Facility — Euro Currency | 4.66% (15) | 338,019 | 15,739 (2) | 01/11/11 (3) |
| Unsecured Notes — 2B | 7.00% | 150,000 | 10,500 (14) | 07/15/09 |
| Unsecured Notes — 4C | 7.38% | 200,000 | 14,750 (14) | 06/15/18 |
| Unsecured Notes — 5B | 7.13% | 300,000 | 21,375 (14) | 02/09/09 |
| Unsecured Notes — 6B | 7.75% | 200,000 | 15,500 (14) | 01/20/11 |
| Unsecured Notes — 8A | 6.35% | 350,000 | 22,225 (14) | 08/28/12 |
| Unsecured Notes — 8B | 5.38% | 150,000 | 8,063 (14) | 08/28/08 |
| Unsecured Notes — 9A | 4.88% | 300,000 | 14,625 (14) | 03/18/10 |
| Unsecured Notes — 9B | 5.45% | 200,000 | 10,900 (14) | 03/15/13 |
| Unsecured Notes — 10A | 3.75% | 300,000 | 11,250 (14) | 01/30/09 |
| Unsecured Notes — 10B | 4.90% | 200,000 | 9,800 (14) | 01/30/14 |
| Unsecured Notes — 11A | 4.88% | 400,000 | 19,500 (14) | 08/15/10 |
| Unsecured Notes — 11B | 5.63% | 500,000 | 28,125 (14) | 08/15/14 |
| Unsecured Notes — 12 A | 5.10% | 600,000 | 30,600 (14) | 06/15/15 |
| Unsecured Notes — 12 B | 4.60% | 400,000 | 18,400 (14) | 06/15/10 |
| Unsecured Notes — 13 A | 5.38% | 500,000 | 26,875 (14) | 06/01/11 |
| Unsecured Notes — 13 B | 5.75% | 600,000 | 34,500 (14) | 12/01/15 |
| Unsecured Notes — 14 A | 5.75% | 400,000 | 23,000 (14) | 05/01/12 |
| Unsecured Notes — 14 B | 6.10% | 400,000 | 24,400 (14) | 05/01/16 |
| Unsecured Notes — 15 A | 5.60% | 600,000 | 33,600 (14) | 09/01/11 |
| Unsecured Notes — 15 B | 5.88% | 500,000 | 29,375 (14) | 03/01/17 |
| Unsecured Notes — 16 A | 5.00% | 600,000 | 30,000 (14) | 03/01/12 |
| Unsecured Notes — 16 B | 5.25% | 650,000 | 34,125 (14) | 12/01/16 |
| Mandatory Par Put Remarketed Securities | 7.00% | 200,000 | 14,000 (14) | 06/15/08 (16) |
| | | 11,051,612 | | |
| The Retail Property Trust, subsidiary: | | | | |
| Unsecured Notes — CPI 4 | 7.18% | 75,000 | 5,385 (14) | 09/01/13 |
| Unsecured Notes — CPI 5 | 7.88% | 250,000 | 19,688 (14) | 03/15/16 |
| | | 325,000 | | |
| CPG Partners, LP, subsidiary: | | | | |
| Unsecured Notes — CPG 3 | 3.50% | 100,000 | 3,500 (14) | 03/15/09 |
| Unsecured Notes — CPG 4 | 8.63% | 50,000 | 4,313 (14) | 08/17/09 |
| Unsecured Notes — CPG 5 | 8.25% | 150,000 | 12,375 (14) | 02/01/11 |
| Unsecured Notes — CPG 6 | 6.88% | 100,000 | 6,875 (14) | 06/15/12 |
| Unsecured Notes — CPG 7 | 6.00% | 150,000 | 9,000 (14) | 01/15/13 |
| | | 550,000 | | |
| **Total Consolidated Unsecured Indebtedness** | | 11,926,612 | | |
| **Total Consolidated Indebtedness at Face Amounts** | | 17,179,671 | | |
| **Fair Value Interest Rate Swaps** | | (90) (24) | | |
| **Net Premium on Indebtedness** | | 63,901 | | |
| **Net Discount on Indebtedness** | | (24,808) | | |
| **Total Consolidated Indebtedness** | | $ 17,218,674 (19) | | |

***Joint Venture Indebtedness:***

***Secured Indebtedness:***

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Apple Blossom Mall | 7.99% | | $ | 37,689 | | $ | 3,607 | | 09/10/09 | |
| Arizona Mills | 7.90% | | | 136,017 | | | 10,752 | | 10/05/10 | |
| Arkadia Shopping Center | 5.63% | (31) | | 150,673 | | | 8,481 | (2) | 05/31/12 | |
| Arundel Marketplace | 5.92% | | | 11,784 | | | 884 | | 01/01/14 | |
| Arundel Mills | 6.14% | | | 385,000 | | | 23,639 | (2) | 08/01/14 | |
| Atrium at Chestnut Hill | 6.89% | | | 45,338 | | | 3,880 | | 03/11/11 | (25) |
| Auburn Mall | 7.99% | | | 44,123 | | | 4,222 | | 09/10/09 | |
| Aventura Mall | 5.91% | | | 430,000 | | | 25,392 | (2) | 12/11/17 | |
| Avenues, The | 5.29% | | | 74,226 | | | 5,325 | | 04/01/13 | |
| Bay 1 (Torcy) | 5.38% | (31) | | 20,721 | | | 1,115 | (2) | 05/31/11 | |
| Bay 2 (Torcy) | 5.38% | (31) | | 77,304 | | | 4,158 | (2) | 06/30/11 | |
| Block at Orange | 6.25% | | | 220,000 | | | 13,753 | (2) | 10/01/14 | |
| Briarwood Mall — 1 | 3.93% | | | 192,402 | | | 7,569 | (2) | 11/01/09 | |
| Briarwood Mall — 2 | 5.11% | | | 1,548 | | | 79 | (2) | 09/01/09 | |
| Cape Cod Mall | 6.80% | | | 92,100 | | | 7,821 | | 03/11/11 | |
| Castleton Storage | 6.65% | (1) | | 4,636 | | | 308 | (2) | 07/31/09 | (3) |
| Changshu SZITIC | 7.18% | (39) | | 27,140 | | | 1,949 | (2) | 04/10/17 | |
| Circle Centre Mall | 5.02% | | | 74,276 | | | 5,165 | | 04/11/13 | |
| Clay Terrace | 5.08% | | | 115,000 | | | 5,842 | (2) | 10/01/15 | |
| Cobblestone Court | 5.60% | (1) | | 2,700 | | | 151 | (2) | 04/16/10 | |
| Coconut Point | 5.83% | | | 230,000 | | | 13,409 | (2) | 12/10/16 | |
| Coddingtown Mall | 5.75% | (1) | | 15,500 | | | 891 | (2) | 07/14/10 | |
| Colorado Mills | 6.18% | (38) | | 170,000 | | | 10,506 | (2) | 11/12/09 | |
| Concord Mills Mall | 6.13% | | | 169,612 | | | 13,208 | | 12/07/12 | |
| Concord Marketplace | 5.76% | | | 13,715 | | | 1,013 | | 02/01/14 | |
| Crystal Mall | 5.62% | | | 98,213 | | | 7,319 | | 09/11/12 | (25) |
| Dadeland Mall | 6.75% | | | 186,553 | | | 15,566 | | 02/11/12 | (25) |
| Del Amo | 6.55% | (1) | | 326,513 | | | 21,387 | (2) | 01/10/08 | |
| Denver West Village | 8.15% | | | 22,515 | | | 2,153 | | 10/01/11 | |
| Discover Mills — 1 | 7.32% | | | 23,700 | | | 1,735 | (2) | 12/11/11 | |
| Discover Mills — 2 | 6.08% | | | 135,000 | | | 8,212 | (2) | 12/11/11 | |
| Domain Residential | 5.75% | (1) | | 29,810 | | | 1,714 | (2) | 03/03/11 | (3) |
| Dover Mall & Commons | 6.55% | (37) | | 83,756 | (35) | | 5,486 | (2) | 02/01/12 | (3) |
| Eastland Mall | 5.79% | | | 168,000 | | | 9,734 | (2) | 06/01/16 | |
| Emerald Square Mall | 5.13% | | | 134,642 | | | 9,479 | | 03/01/13 | |
| Empire Mall | 5.79% | | | 176,300 | | | 10,215 | (2) | 06/01/16 | |
| Esplanade, The | 6.55% | (37) | | 75,136 | (35) | | 4,921 | (2) | 02/01/12 | (3) |
| Falls, The | 4.34% | | | 148,200 | | | 6,432 | (2) | 11/01/09 | |
| Fashion Centre Pentagon Retail | 6.63% | | | 154,540 | | | 12,838 | | 09/11/11 | (25) |
| Fashion Centre Pentagon Office | 5.35% | (30) | | 40,000 | | | 2,140 | (2) | 07/09/09 | (3) |
| Fashion Valley Mall — 1 | 6.49% | | | 155,843 | | | 13,218 | | 10/11/08 | (25) |
| Fashion Valley Mall — 2 | 6.58% | | | 29,124 | | | 1,915 | (2) | 10/11/08 | (25) |
| Firewheel Residential | 6.45% | (1) | | 19,939 | | | 1,286 | (2) | 06/20/11 | (3) |
| Florida Mall, The | 7.55% | | | 250,721 | | | 22,766 | | 12/10/10 | |
| Franklin Mills | 5.65% | | | 290,000 | | | 16,385 | (2) | 06/01/17 | |
| Galleria at White Plains | 6.55% | (37) | | 125,566 | (35) | | 8,225 | (2) | 02/01/12 | (3) |
| Galleria Commerciali Italia — Facility A | 5.73% | (18) | | 358,954 | | | 26,938 | | 12/22/11 | (3) |
| Galleria Commerciali Italia — Facility B | 5.83% | (27) | | 354,932 | | | 28,200 | | 12/22/11 | |
| Galleria Commerciali Italia — Cinisello 1 | 5.48% | (32) | | 110,144 | | | 6,035 | (2) | 03/31/08 | |
| Galleria Commerciali Italia — Cinisello 2 | 5.38% | (33) | | 42,670 | | | 2,295 | (2) | 03/31/08 | |
| Galleria Commerciali Italia — Giugliano | 5.33% | (34) | | 41,241 | | | 2,198 | (2) | 10/20/13 | |
| Galleria Commerciali Italia — Catania | 5.48% | (5) | | 20,064 | | | 1,099 | (2) | 12/15/09 | |
| Gaitway Plaza | 4.60% | | | 13,900 | (17) | | 640 | (2) | 07/01/15 | |
| Granite Run Mall | 5.83% | | | 119,812 | | | 8,622 | | 06/01/16 | |
| Grapevine Mills | 6.47% | | | 145,160 | | | 11,720 | | 10/01/08 | |
| Grapevine Mills II | 8.39% | | | 13,622 | | | 1,324 | | 11/05/08 | |
| Great Mall of the Bay Area | 4.80% | | | 175,000 | | | 8,400 | (2) | 09/01/08 | |
| Greendale Mall | 6.00% | | | 45,000 | | | 2,699 | (2) | 10/01/16 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Gotemba Premium Outlets — Fixed | 2.00% | | 7,878 | (26) | 1,165 | | 10/25/14 | |
| Gotemba Premium Outlets — Variable | 1.61% | (12) | 60,154 | (26) | 4,494 | | 02/28/13 | |
| Gurnee Mills | 5.77% | | 321,000 | | 18,512 | (2) | 07/01/17 | |
| Hamilton Town Center | 5.60% | (1) | 36,677 | | 2,054 | (2) | 03/31/08 | |
| Hangzhou | 7.18% | (40) | 16,284 | | 1,170 | (2) | 06/15/17 | |
| Highland Mall | 6.83% | | 65,865 | | 5,634 | | 07/10/11 | |
| Hilltop Mall | 4.99% | | 64,350 | | 3,211 | (2) | 07/08/12 | |
| Houston Galleria — 1 | 5.44% | | 643,583 | | 34,985 | (2) | 12/01/15 | |
| Houston Galleria — 2 | 5.44% | | 177,417 | | 9,644 | (2) | 12/01/15 | |
| 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 | |
| Katy Mills | 6.69% | | 148,000 | | 9,906 | (2) | 01/09/13 | |
| King of Prussia Mall — 1 | 7.49% | | 151,396 | | 20,118 | | 01/01/17 | |
| King of Prussia Mall — 2 | 8.53% | | 10,564 | | 1,388 | | 01/01/17 | |
| Kobe Premium Outlets | 1.35% | | 18,799 | (26) | 770 | | 01/31/12 | |
| Lakeforest Mall | 4.90% | | 141,050 | | 6,904 | (2) | 07/08/10 | |
| Lehigh Valley Mall | 5.16% | (36) | 150,000 | | 7,740 | (2) | 08/09/10 | (3) |
| Liberty Plaza | 5.68% | | 43,000 | | 2,442 | (2) | 06/01/17 | |
| Liberty Tree Mall | 5.22% | | 35,000 | | 1,827 | (2) | 10/11/13 | |
| Mall at Chestnut Hill | 8.45% | | 13,966 | | 1,396 | | 02/01/10 | |
| Mall at Rockingham | 5.61% | | 260,000 | | 17,931 | | 03/10/17 | |
| Mall at Tuttle Crossing | 5.05% | | 118,180 | | 7,774 | | 11/05/13 | |
| Mall of New Hampshire — 1 | 6.96% | | 94,588 | | 8,345 | | 10/01/08 | (25) |
| Mall of New Hampshire — 2 | 8.53% | | 7,890 | | 786 | | 10/01/08 | |
| Marley Station | 4.89% | | 114,400 | | 5,595 | (2) | 07/01/12 | |
| Meadowood Mall | 5.19% | (38) | 182,000 | | 9,442 | (2) | 11/01/09 | (3) |
| Mesa Mall | 5.79% | | 87,250 | | 5,055 | (2) | 06/01/16 | |
| Miami International Mall | 5.35% | | 95,904 | | 6,533 | | 10/01/13 | |
| Mills Senior Loan Facility | 5.85% | (1) | 773,000 | | 45,221 | (2) | 06/07/12 | (3) |
| Net Leases I | 7.96% | | 26,326 | | 2,096 | (2) | 10/10/10 | |
| Net Leases II | 9.35% | | 21,049 | | 1,968 | (2) | 01/10/23 | |
| Northpark Mall — Mills | 6.55% | (37) | 105,543 | (35) | 6,913 | (2) | 02/01/12 | (3) |
| Northshore Mall | 5.03% | | 207,850 | | 13,566 | | 03/11/14 | (25) |
| Ontario Mills | 6.75% | | 128,192 | | 11,286 | | 12/01/08 | |
| Ontario Mills II | 8.01% | | 9,828 | | 925 | | 01/05/09 | |
| Opry Mills | 6.16% | | 280,000 | | 17,248 | (2) | 10/10/14 | |
| Potomac Mills | 5.83% | | 410,000 | | 23,901 | (2) | 07/11/17 | |
| Plaza at Buckland Hills, The | 4.60% | | 24,800 | (17) | 1,142 | (2) | 07/01/15 | |
| Quaker Bridge Mall | 7.03% | | 20,790 | | 2,407 | | 04/01/16 | |
| Ridgewood Court | 4.60% | | 14,650 | (17) | 674 | (2) | 07/01/15 | |
| Rinku Premium Outlets | 2.19% | | 36,998 | (26) | 4,935 | | 11/25/14 | |
| Rushmore Mall | 5.79% | | 94,000 | | 5,446 | (2) | 06/01/16 | |
| Sano Premium Outlets | 2.39% | | 34,755 | (26) | 7,094 | | 05/31/16 | |
| Sawgrass Mills | 5.82% | | 850,000 | | 49,470 | (2) | 07/01/14 | |
| Shops at Riverside, The | 5.40% | (1) | 130,000 | | 7,020 | (2) | 11/14/11 | (3) |
| St. Johns Town Center | 5.06% | | 170,000 | | 8,602 | (2) | 03/11/15 | |
| St. John's Town Center Phase II | 5.25% | (1) | 64,000 | | 3,360 | (2) | 02/12/10 | (3) |
| St. Louis Mills | 6.39% | | 90,000 | | 5,751 | (2) | 01/08/12 | (3) |
| Seminole Towne Center | 5.25% | (22) | 70,000 | | 3,675 | (2) | 07/09/09 | (3) |
| Shops at Sunset Place, The | 5.35% | (21) | 87,469 | | 6,701 | | 05/09/09 | (3) |
| Smith Haven Mall | 5.16% | | 180,000 | | 9,283 | (2) | 03/01/16 | |
| Solomon Pond | 3.97% | | 111,379 | | 6,505 | | 08/01/13 | |
| Source, The | 6.65% | | 124,000 | | 8,246 | (2) | 03/11/09 | |
| Southern Hills Mall | 5.79% | | 101,500 | | 5,881 | (2) | 06/01/16 | |
| Southdale Center | 5.18% | | 186,550 | | 9,671 | (2) | 04/01/10 | |
| SouthPark Residential | 6.00% | (1) | 41,141 | | 2,468 | (2) | 12/31/10 | (3) |
| Southridge Mall | 5.23% | | 124,000 | | 6,489 | (2) | 04/01/12 | |
| Springfield Mall | 5.70% | (1) | 76,500 | | 4,361 | (2) | 12/01/10 | (3) |
| Square One | 6.73% | | 88,763 | | 7,380 | | 03/11/12 | |
| Stoneridge Shopping Center | 4.69% | (38) | 293,800 | | 13,785 | (2) | 11/01/09 | |

| | | | | |
|---|---|---|---|---|
| Surprise Grand Vista | 10.61% | 298,161 | 31,640 (2) | 12/28/10 |
| Toki Premium Outlets | 1.45% (12) | 19,962 (26) | 3,313 | 10/31/11 |
| Tosu Premium Outlets | 2.20% | 20,379 (26) | 2,024 | 01/31/14 |
| University Storage | 6.65% (1) | 5,288 | 352 (2) | 07/31/09 (3) |
| Valley Mall | 5.83% | 46,602 | 3,357 | 06/01/16 |
| Villabe A6 — Bel'Est | 5.68% (31) | 12,917 | 734 (2) | 08/31/11 |
| Village Park Plaza | 4.60% | 29,850 (17) | 1,374 (2) | 07/01/15 |
| West Town Corners | 4.60% | 18,800 (17) | 865 (2) | 07/01/15 |
| West Town Mall | 6.34% | 210,000 | 13,309 (2) | 12/01/17 |
| Westchester, The | 4.86% | 500,000 | 24,300 (2) | 06/01/10 |
| Whitehall Mall | 6.77% | 12,663 | 1,282 | 11/01/08 |
| Wilenska Station Shopping Center | 6.08% (31) | 44,091 | 2,680 (2) | 08/31/11 |
| **Total Joint Venture Secured Indebtedness at Face Amounts** | | $ 16,191,865 | | |
| ***Unsecured Indebtedness:*** | | | | |
| Galleria Commerciali Italia—Facility C | 4.93% (1) | 189,562 (28) | 9,348 (2) | 12/22/08 |
| Trust Preferred Unsecured Securities | 7.38% | 100,000 | 7,375 (2) | 03/30/09 (3) |
| **Total Joint Venture Unsecured Indebtedness** | | 289,562 | | |
| **Net Premium on Indebtedness** | | 26,350 | | |
| **Net Discount on Indebtedness** | | (701) | | |
| **Total Joint Venture Indebtedness** | | $ 16,507,076 (23) | | |

*(Footnotes on following page)*

*(Footnotes for preceding pages)*

(1) Variable rate loans based on LIBOR plus interest rate spreads ranging from 37.5 bps to 205 bps. LIBOR as of December 31, 2007 was 4.60%.

(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) Debt is denominated in Euros and bears interest at 3 month Euribor + 0.80%. Debt consists of a Euros 14.7 million tranche with Euros 13.6 million is drawn.

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

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

(11) 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, 2007, 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 4.60%.

(12) 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, 2007 was 0.7025%.

(13) Lender also participates in a percentage of certain gross receipts above a specified base. This threshold was met and additional interest was paid in 2007.

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

(15) $3,500,000 Credit Facility. As of December 31, 2007, the Credit Facility bears interest at LIBOR + 0.375% and provides for different pricing based upon the Operating Partnership's investment grade rating. As of December 31, 2007, $1.1 billion was available after outstanding borrowings and letter of credits.

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

(17) Loans secured by these five Properties are cross-collateralized and cross-defaulted.

(18) Debt is denominated in Euros and bears interest at 3 month Euribor + 1.05%. Debt consists of a Euros 258.5 million tranche of which Euros 243.7 million is drawn.

(19) Our share of consolidated indebtedness was $16,933,771.

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

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

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

(23) Our share of joint venture indebtedness was $6,568,403.

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

(25) 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.

(26) Amounts shown in US Dollar Equivalent. Yen equivalent 22,221.8 million

(27) Debt is denominated in Euros and bears interest at 3 month Euribor + 1.15%. Debt consists of a Euros 255 million tranche which Euros 241.0 million is drawn.

(28) Debt is denominated in Euros and bears interest at Euribor + 0.650%. Debt consists of a Euros 150 million tranche of which Euros 128.7 million is drawn.

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

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

(31) Associated with these loans are interest rate swap agreements with a total combined Euro 199.3 million notional amount that effectively fixed these loans at a combined 4.75%.

(32) Debt is denominated in Euros and bears interest at 3 month Euribor + 0.70%. Debt consists of a Euros 75 million tranche which Euros 74.8 million is drawn.

(33) Debt is denominated in Euros and bears interest at 3 month Euribor + 0.80%. Debt consists of a Euros 30 million tranche which Euros 29.0 million is drawn.

(34) Debt is denominated in Euros and bears interest at 3 month Euribor + 0.65%. Debt consists of a Euros 55 million tranche which Euros 28.0 million is drawn.

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

(36) LIBOR + 0.560%, with LIBOR capped at 7.00%.

(37) LIBOR + 1.950%, with LIBOR capped at 6.00%.

(38) Associated with these loans are an interest rate swap agreement that effectively fixes the interest rate of the loans.

(39) Debt is denominated in Chinese Yuan Renuinbi and bears interest at 95% of the People's Republic of China (PBOC) rate. Debt consists of a CNY 250 million tranche which CNY 200 million is drawn.

(40) Debt is denominated in Chinese Yuan Renuinbi and bears interest at 95% of the People's Republic of China (PBOC) rate. Debt consists of a CNY 250 million tranche which CNY 120 million is drawn.

*(Dollars in thousands)*

***Changes in Mortgages and Other Indebtedness***

The changes in mortgages and other indebtedness for the years ended December 31, 2007, 2006 and 2005 are as follows:

| | 2007 | 2006 | 2005 |
|---|---|---|---|
| Balance, Beginning of Year | **$ 15,394,489** | $ 14,106,117 | $ 14,586,393 |
| Additions during period: | | | |
| New Loan Originations | **3,362,732** | 2,810,239 | 2,484,264 |
| Loans assumed in acquisitions and consolidations | **399,545** | 192,272 | — |
| Net Premium/(Discount) and other | **(1,669)** | (5,031) | (11,328) |
| Deductions during period: | | | |
| Loan Retirements | **(1,862,145)** | (1,619,148) | (2,764,438) |
| Loans Related to Deconsolidations | **—** | — | (100,022) |
| Amortization of Net (Premiums)/Discounts | **(13,661)** | (25,784) | (33,710) |
| Scheduled Principal Amortization | **(60,617)** | (64,176) | (55,042) |
| Balance, End of Year | **$ 17,218,674** | $ 15,394,489 | $ 14,106,117 |

## Item 3. Legal Proceedings

In November of 2004, the Attorneys General of Massachusetts, New Hampshire and Connecticut filed complaints in their respective state courts against us and our affiliate, SPGGC, Inc., alleging that the sale of co-branded, bank-issued gift cards sold in certain of our properties violated gift certificate statutes and consumer protection laws in those states. We filed our own actions for declaratory relief in Federal district courts in each of the three states. We have also been named as a defendant in two other state court proceedings in New York which have been brought by private parties as purported class actions. They allege violation of state consumer protection and contract laws and seek a variety of remedies, including unspecified damages and injunctive relief.

In 2006, we received a judgment in our favor in the Federal district court in New Hampshire. The First Circuit Court of Appeals affirmed that ruling on May 30, 2007, holding that the current gift card program is a banking product and state law regulation is preempted by federal banking laws. The First Circuit Court of Appeals did not, however, rule on the question of whether the gift card program as it existed prior to January 1, 2005, was similarly exempt from state regulation. In February 2007, we entered into a voluntary, no-fault settlement with the New Hampshire Attorney General relating to the gift card program in New Hampshire as it existed prior to January 1, 2005. The New Hampshire litigation was dismissed at that time.

In October 2007, the Second Circuit Court of Appeals issued a ruling in the case brought by the Connecticut Attorney General holding that the Connecticut gift card statute could be applied to the gift card program as it existed prior to January 1, 2005, and could prohibit the charging of administrative fees but could not prohibit the use of expiration dates on gift cards.

We believe we have viable defenses under both state and federal laws to the pending gift card actions in Massachusetts, Connecticut and New York. Although it is not possible to provide any assurance of the ultimate outcome of any of these pending actions, management does not believe they will have any material adverse affect on our financial position, results of operations or cash flow.

We are involved in various other legal proceedings that arise in the ordinary course of our business. We believe that such 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.

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

None.

## Part II

### Item 5. Market for the Registrant's Common Equity, 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 Dividends |
|---|---|---|---|---|
| 2006 | | | | |
| 1st Quarter | $ 88.48 | $ 76.21 | $ 84.14 | $ 0.76 |
| 2nd Quarter | 84.88 | 76.14 | 82.94 | 0.76 |
| 3rd Quarter | 92.35 | 81.19 | 90.62 | 0.76 |
| 4th Quarter | 104.08 | 89.75 | 101.29 | 0.76 |
| **2007** | | | | |
| **1st Quarter** | **$ 123.96** | **$ 98.50** | **$ 111.25** | **$ 0.84** |
| **2nd Quarter** | **118.25** | **91.12** | **93.04** | **0.84** |
| **3rd Quarter** | **103.00** | **82.60** | **100.00** | **0.84** |
| **4th Quarter** | **109.00** | **85.49** | **86.86** | **0.84** |

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 2,165 as of December 31, 2007. 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.

***Dividends***

We are required to pay a minimum level of dividends to maintain our status as a REIT. Our dividends and distributions of the Operating Partnership 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. We paid a common stock dividend of $0.84 per share in the fourth quarter of 2007.

We offer an Automatic Dividend Reinvestment Plan that allows stockholders 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.

***Unregistered Sales of Equity Securities***

During the fourth quarter of 2007, we sold 6,000,000 shares of Series L Variable Rate Redeemable Preferred Stock to a single institutional investor for $150.0 million. We used the proceeds to fund the redemption of the Series G Cumulative Redeemable Preferred Stock. The Series L preferred stock was not registered under the Securities Act of 1933, as amended, in reliance upon the exemption contained in Section 4(2) regarding private transactions. We redeemed the series L preferred stock in the fourth quarter of 2007 for a price equal to its liquidation value plus accrued dividends.

***Issuances Under Equity Compensation Plans***

For information regarding the securities authorized for issuance under our equity compensation plans, see Item 12 of this report.

***Issuer Purchases of Equity Securities***

On July 26, 2007, our Board of Directors authorized the repurchase of up to $1.0 billion of our common stock over the next twenty-four months as market conditions warrant. We may repurchase shares in the open market or in privately negotiated transactions. As of December 31, 2007, the program had remaining availability of approximately $950.7 million. There were no purchases under this program during the fourth quarter of 2007.

**Item 6. Selected Financial Data**

The information required by this item is incorporated herein by reference to the Selected Financial Data section of the 2007 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 Simon Property's 2007 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 Simon Property's 2007 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, 2007.

**Management's Report on Internal Control over Financial Reporting.** Our management's report on internal control over financial reporting is set forth in our 2008 Annual Report to Stockholders 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 2007 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, Executive Officers and Corporate Governance

The information required by this item is incorporated herein by reference to the definitive proxy statement for our 2008 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 the definitive proxy statement for our 2008 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 the definitive proxy statement for our 2008 annual meeting of stockholders to be filed with the Commission pursuant to Regulation 14A.

### Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this item is incorporated herein by reference to the definitive proxy statement for our 2008 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 the definitive proxy statement for our 2008 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 2007 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
Chairman of the Board of Directors
and Chief Executive Officer

February 26, 2008

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<br>David Simon | Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer) | February 26, 2008 |
| /s/ HERBERT SIMON<br>Herbert Simon | Co-Chairman Emeritus | February 26, 2008 |
| /s/ MELVIN SIMON<br>Melvin Simon | Co-Chairman Emeritus | February 26, 2008 |
| /s/ RICHARD S. SOKOLOV<br>Richard S. Sokolov | President, Chief Operating Officer and Director | February 26, 2008 |
| /s/ BIRCH BAYH<br>Birch Bayh | Director | February 26, 2008 |
| /s/ MELVYN E. BERGSTEIN<br>Melvyn E. Bergstein | Director | February 26, 2008 |
| /s/ LINDA WALKER BYNOE<br>Linda Walker Bynoe | Director | February 26, 2008 |
| /s/ PIETER S. VAN DEN BERG<br>Pieter S. van den Berg | Director | February 26, 2008 |

| | | |
|---|---|---|
| /s/ REUBEN S. LEIBOWITZ<br>Reuben S. Leibowitz | Director | February 26, 2008 |
| /s/ FREDRICK W. PETRI<br>Fredrick W. Petri | Director | February 26, 2008 |
| /s/ J. ALBERT SMITH, JR.<br>J. Albert Smith, Jr. | Director | February 26, 2008 |
| /s/ KAREN N. HORN<br>Karen N. Horn | Director | February 26, 2008 |
| /s/ M. DENISE DEBARTOLO YORK<br>M. Denise DeBartolo York | Director | February 26, 2008 |
| /s/ STEPHEN E. STERRETT<br>Stephen E. Sterrett | Executive Vice President and Chief Financial Officer (Principal Financial Officer) | February 26, 2008 |
| /s/ JOHN DAHL<br>John Dahl | Senior Vice President and Chief Accounting Officer (Principal Accounting Officer) | February 26, 2008 |

**Exhibits**

| | |
|---|---|
| 2 | Agreement and Plan of Merger, dated as February 12, 2007, by and among SPG-FCM Ventures, LLC, SPG-FCM Acquisitions, Inc., SPG-FCM Acquisitions, L.P., The Mills Corporation, and The Mills Limited Partnership (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed February 23, 2007). |
| 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 3.2 of the Registrant's Current Report on Form 8-K filed October 16, 2007). |
| 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). |
| 3.6 | Certificate of Powers, Designations, Preferences and Rights of the 7.89% Series G Cumulative Step-Up Premium Rate Preferred Stock, $0.0001 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). |
| 3.9 | Certificate of Powers, Designations, Preferences and rights of the Series L Variable Rate Redeemable Preferred Stock, $0.0001 Par Value (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on October 2, 2007). |
| 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 | $3,500,000,000 Credit Agreement, dated as of December 15, 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 99.2 of Simon Property Group, L.P.'s Current Report on Form 8-K filed on December 20, 2005). |
| 10.3 | Amendment to Credit Agreement among Simon Property Group, L.P., the Institutions named therein as Lenders and the Institutions named therein as Co-Agents, dated October 4, 2007. |
| 10.4 | 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)). |
| 10.5 | 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). |
| 10.6 | 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)). |
| 10.7 | 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)). |
| 10.8* | Simon Property Group, L.P. 1998 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10.1 to the Form 8-K dated October 5, 2006). |
| 10.9* | Form of Nonqualified Stock Option Award Agreement under the Simon Property Group, L.P. 1998 Stock Incentive Plan (incorporated by reference to Exhibit 10.8 of the 2004 Form 10-K filed by the Registrant). |

| | |
|---|---|
| 10.10* | Form of Performance-Based Restricted Stock Award Agreement under the Simon Property Group, L.P. 1998 Stock Incentive Plan (incorporated by reference to Exhibit 10.9number of the 2006 Form 10-K filed by the Registrant). |
| 10.11* | Form of Non-Employee Director Restricted Stock Award Agreement under the Simon Property Group, L.P. 1998 Stock Incentive Plan (incorporated by reference to this same Exhibit 10.10 of the 2004 Form 10-K filed by the Registrant). |
| 10.12* | Employment Agreement among Richard S. Sokolov, the Registrant, and Simon Property Group Administrative Services Partnership, L.P. dated January 1, 2007. |
| 10.13* | Description of Director and Executive Compensation Agreements. |
| 10.14 | Credit and Guaranty Agreement, dated as of February 16, 2007, by and among The Mills Limited Partnership, as Borrower, The Mills Corporation, as Parent, certain of its subsidiaries, as Guarantors, the lenders party thereto, and Simon Property Group, L.P., as Adminstrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrants Current Report of Form 8-K filed on February 23, 2007). |
| 10.15 | 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 2006 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, 2007*
*(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*** | | | | | | | | | | |
| Anderson Mall, Anderson, SC | $ 28,206 | $ 1,712 | $ 15,227 | $ 1,363 | $ 16,055 | $ 3,075 | $ 31,282 | $ 34,357 | $ 11,989 | 1972 |
| Arsenal Mall, Watertown, MA | 32,041 | 15,505 | 47,680 | — | 7,364 | 15,505 | 55,044 | 70,549 | 12,162 | 1999 (Note 4) |
| Bangor Mall, Bangor, ME | 80,000 | 5,478 | 59,740 | — | 7,495 | 5,478 | 67,235 | 72,713 | 13,692 | 2004 (Note 5) |
| Barton Creek Square, Austin, TX | — | 2,903 | 20,929 | 7,983 | 59,311 | 10,886 | 80,240 | 91,126 | 33,572 | 1981 |
| Battlefield Mall, Springfield, MO | 96,217 | 3,919 | 27,231 | 3,225 | 61,158 | 7,144 | 88,389 | 95,533 | 40,208 | 1970 |
| Bay Park Square, Green Bay, WI | — | 6,358 | 25,623 | 4,133 | 24,105 | 10,491 | 49,728 | 60,219 | 17,400 | 1980 |
| Bowie Town Center, Bowie, MD | — | 2,710 | 65,044 | 235 | 5,049 | 2,945 | 70,093 | 73,038 | 17,856 | 2001 |
| Boynton Beach Mall, Boynton Beach, FL | — | 22,240 | 78,804 | 4,666 | 24,444 | 26,906 | 103,248 | 130,154 | 29,795 | 1985 |
| Brea Mall, Brea, CA | — | 39,500 | 209,202 | — | 22,018 | 39,500 | 231,220 | 270,720 | 61,250 | 1998 (Note 4) |
| Broadway Square, Tyler, TX | — | 11,470 | 32,431 | — | 16,004 | 11,470 | 48,435 | 59,905 | 17,359 | 1994 (Note 4) |
| Brunswick Square, East Brunswick, NJ | 84,581 | 8,436 | 55,838 | — | 26,108 | 8,436 | 81,946 | 90,382 | 28,174 | 1973 |
| Burlington Mall, Burlington, MA | — | 46,600 | 303,618 | 19,600 | 72,156 | 66,200 | 375,774 | 441,974 | 84,695 | 1998 (Note 4) |
| Castleton Square, Indianapolis, IN | — | 26,250 | 98,287 | 7,434 | 65,375 | 33,684 | 163,662 | 197,346 | 44,713 | 1972 |
| Century III Mall, West Mifflin, PA | 83,261 | 17,380 | 102,364 | 10 | 8,089 | 17,390 | 110,453 | 127,843 | 55,625 | 1979 |
| Charlottesville Fashion Square, Charlottesville, VA | — | — | 54,738 | — | 13,038 | — | 67,776 | 67,776 | 20,590 | 1997 (Note 4) |
| Chautauqua Mall, Lakewood, NY | — | 3,257 | 9,641 | — | 16,211 | 3,257 | 25,852 | 29,109 | 9,987 | 1971 |
| Chesapeake Square, Chesapeake, VA | 71,771 | 11,534 | 70,461 | — | 7,286 | 11,534 | 77,747 | 89,281 | 31,720 | 1989 |
| Cielo Vista Mall, El Paso, TX | — | 1,005 | 15,262 | 608 | 42,336 | 1,613 | 57,598 | 59,211 | 27,745 | 1974 |
| College Mall, Bloomington, IN | 41,445 | 1,003 | 16,245 | 720 | 41,553 | 1,723 | 57,798 | 59,521 | 22,713 | 1965 |
| Columbia Center, Kennewick, WA | — | 17,441 | 66,580 | — | 20,271 | 17,441 | 86,851 | 104,292 | 25,290 | 1987 |
| Copley Place, Boston, MA | 191,000 | — | 378,045 | — | 63,682 | — | 441,727 | 441,727 | 66,948 | 2002 (Note 4) |
| Coral Square, Coral Springs, FL | 84,489 | 13,556 | 93,630 | — | 3,967 | 13,556 | 97,597 | 111,153 | 40,184 | 1984 |
| Cordova Mall, Pensacola, FL | — | 18,626 | 73,091 | 7,321 | 30,317 | 25,947 | 103,408 | 129,355 | 25,640 | 1998 (Note 4) |
| Cottonwood Mall, Albuquerque, NM | — | 10,122 | 69,958 | — | 2,656 | 10,122 | 72,614 | 82,736 | 28,290 | 1996 |
| Crossroads Mall, Omaha, NE | 41,816 | 639 | 30,658 | 409 | 35,628 | 1,048 | 66,286 | 67,334 | 24,538 | 1994 (Note 4) |
| Crystal River Mall, Crystal River, FL | 15,135 | 5,393 | 20,241 | — | 4,810 | 5,393 | 25,051 | 30,444 | 8,193 | 1990 |
| DeSoto Square, Bradenton, FL | 64,153 | 9,011 | 52,675 | — | 8,555 | 9,011 | 61,230 | 70,241 | 20,810 | 1973 |
| Domain, The, Austin, TX | — | 39,503 | 183,630 | — | — | 39,503 | 183,630 | 223,133 | 6,573 | 2005 |
| Edison Mall, Fort Myers, FL | — | 11,529 | 107,350 | — | 27,416 | 11,529 | 134,766 | 146,295 | 35,682 | 1997 (Note 4) |
| Fashion Mall at Keystone, Indianapolis, IN | — | — | 120,579 | — | 40,139 | — | 160,718 | 160,718 | 43,632 | 1997 (Note 4) |
| Firewheel Town Center, Garland, TX | — | 8,636 | 82,627 | — | 23,042 | 8,636 | 105,669 | 114,305 | 10,058 | 2004 |
| Forest Mall, Fond Du Lac, WI | 16,746 | 721 | 4,491 | — | 8,790 | 721 | 13,281 | 14,002 | 6,648 | 1973 |
| Forum Shops at Caesars, The, Las Vegas, NV | 533,470 | — | 276,378 | — | 198,757 | — | 475,135 | 475,135 | 92,336 | 1992 |

**Simon Property Group, Inc. and Subsidiaries**

*Real Estate and Accumulated Depreciation*

*December 31, 2007*

*(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** |
| Great Lakes Mall, Mentor, OH | — | 12,302 | 100,362 | — | 10,384 | 12,302 | 110,746 | 123,048 | 37,583 | 1961 |
| Greenwood Park Mall, Greenwood, IN | 80,130 | 2,423 | 23,445 | 5,275 | 111,180 | 7,698 | 134,625 | 142,323 | 39,570 | 1979 |
| Gulf View Square, Port Richey, FL | — | 13,690 | 39,991 | 2,023 | 18,939 | 15,713 | 58,930 | 74,643 | 20,090 | 1980 |
| Gwinnett Place, Duluth, GA | 115,000 | 20,222 | 141,191 | — | 549 | 20,222 | 141,740 | 161,962 | 32,626 | 1998 (Note 5) |
| Haywood Mall, Greenville, SC | — | 11,585 | 133,893 | 6 | 18,608 | 11,591 | 152,501 | 164,092 | 51,130 | 1998 (Note 4) |
| Independence Center, Independence, MO | 200,000 | 5,042 | 45,798 | — | 30,746 | 5,042 | 76,544 | 81,586 | 27,642 | 1994 (Note 4) |
| Ingram Park Mall, San Antonio, TX | 78,372 | 733 | 17,163 | 73 | 18,447 | 806 | 35,610 | 36,416 | 18,668 | 1979 |
| Irving Mall, Irving, TX | — | 6,737 | 17,479 | 2,533 | 37,362 | 9,270 | 54,841 | 64,111 | 29,393 | 1971 |
| Jefferson Valley Mall, Yorktown Heights, NY | — | 4,868 | 30,304 | — | 23,716 | 4,868 | 54,020 | 58,888 | 23,792 | 1983 |
| Knoxville Center, Knoxville, TN | 59,348 | 5,006 | 21,617 | 3,712 | 34,529 | 8,718 | 56,146 | 64,864 | 24,976 | 1984 |
| La Plaza Mall, McAllen, TX | — | 1,375 | 9,828 | 6,569 | 36,392 | 7,944 | 46,220 | 54,164 | 18,843 | 1976 |
| Laguna Hills Mall, Laguna Hills, CA | — | 27,928 | 55,446 | — | 11,628 | 27,928 | 67,074 | 95,002 | 19,798 | 1997 (Note 4) |
| Lakeline Mall, Austin, TX | — | 10,088 | 81,568 | 14 | 8,292 | 10,102 | 89,860 | 99,962 | 30,983 | 1995 |
| Lenox Square, Atlanta, GA | — | 38,213 | 492,411 | — | 56,412 | 38,213 | 548,823 | 587,036 | 137,573 | 1998 (Note 4) |
| Lima Mall, Lima, OH | — | 7,662 | 35,338 | — | 9,285 | 7,662 | 44,623 | 52,285 | 17,202 | 1965 |
| Lincolnwood Town Center, Lincolnwood, IL | — | 7,907 | 63,480 | 28 | 6,987 | 7,935 | 70,467 | 78,402 | 32,492 | 1990 |
| Livingston Mall, Livingston, NJ | — | 30,200 | 105,250 | — | 23,726 | 30,200 | 128,976 | 159,176 | 32,685 | 1998 (Note 4) |
| Longview Mall, Longview, TX | 31,338 | 259 | 3,567 | 124 | 7,980 | 383 | 11,547 | 11,930 | 5,323 | 1978 |
| Mall of Georgia, Mill Creek, GA | 188,621 | 47,492 | 326,633 | — | 2,604 | 47,492 | 329,237 | 376,729 | 49,416 | 1999 (Note 5) |
| Maplewood Mall, Minneapolis, MN | — | 17,119 | 80,758 | — | 11,377 | 17,119 | 92,135 | 109,254 | 18,231 | 2002 (Note 4) |
| Markland Mall, Kokomo, IN | 22,172 | — | 7,568 | — | 7,871 | — | 15,439 | 15,439 | 8,053 | 1968 |
| McCain Mall, N. Little Rock, AR | — | — | 9,515 | — | 11,633 | — | 21,148 | 21,148 | 14,899 | 1973 |
| Melbourne Square, Melbourne, FL | — | 15,762 | 55,891 | 4,160 | 25,376 | 19,922 | 81,267 | 101,189 | 23,049 | 1982 |
| Menlo Park Mall, Edison, NJ | — | 65,684 | 223,252 | — | 31,678 | 65,684 | 254,930 | 320,614 | 75,620 | 1997 (Note 4) |
| Midland Park Mall, Midland, TX | 32,369 | 687 | 9,213 | — | 11,681 | 687 | 20,894 | 21,581 | 11,584 | 1980 |
| Miller Hill Mall, Duluth, MN | — | 2,537 | 18,092 | — | 24,797 | 2,537 | 42,889 | 45,426 | 24,265 | 1973 |
| Montgomery Mall, Montgomeryville, PA | 91,018 | 27,105 | 86,915 | — | 17,675 | 27,105 | 104,590 | 131,695 | 19,713 | 2004 (Note 5) |
| Muncie Mall, Muncie, IN | 7,518 | 172 | 5,776 | 52 | 27,255 | 224 | 33,031 | 33,255 | 14,479 | 1970 |
| Nanuet Mall, Nanuet, NY | — | 27,310 | 162,993 | — | 3,093 | 27,310 | 166,086 | 193,396 | 73,597 | 1998 (Note 4) |
| North East Mall, Hurst, TX | — | 128 | 12,966 | 19,010 | 148,871 | 19,138 | 161,837 | 180,975 | 53,110 | 1971 |
| Northfield Square Mall, Bourbonnais, IL | 29,742 | 362 | 53,396 | — | 1,015 | 362 | 54,411 | 54,773 | 28,934 | 2004 (Note 5) |
| Northgate Mall, Seattle, WA | — | 24,392 | 115,992 | — | 90,176 | 24,392 | 206,168 | 230,560 | 43,725 | 1987 |
| Northlake Mall, Atlanta, GA | 68,466 | 33,400 | 98,035 | — | 4,146 | 33,400 | 102,181 | 135,581 | 39,763 | 1998 (Note 4) |
| Northwoods Mall, Peoria, IL | — | 1,185 | 12,779 | 2,451 | 36,223 | 3,636 | 49,002 | 52,638 | 25,609 | 1983 |
| Oak Court Mall, Memphis, TN | — | 15,673 | 57,304 | — | 8,740 | 15,673 | 66,044 | 81,717 | 20,180 | 1997 (Note 4) |
| Ocean County Mall, Toms River, NJ | — | 20,404 | 124,945 | — | 22,375 | 20,404 | 147,320 | 167,724 | 37,670 | 1998 (Note 4) |

## Simon Property Group, Inc. and Subsidiaries

*Real Estate and Accumulated Depreciation*
*December 31, 2007*
*(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** |
| Orange Park Mall, Orange Park, FL | — | 12,998 | 65,121 | — | 37,497 | 12,998 | 102,618 | 115,616 | 34,195 | 1994 (Note 4) |
| Orland Square, Orland Park, IL | — | 35,514 | 129,906 | — | 20,444 | 35,514 | 150,350 | 185,864 | 45,341 | 1997 (Note 4) |
| Oxford Valley Mall, Langhorne, PA | 77,451 | 24,544 | 100,287 | — | 4,514 | 24,544 | 104,801 | 129,345 | 40,214 | 2003 (Note 4) |
| Paddock Mall, Ocala, FL | — | 11,198 | 39,727 | — | 9,819 | 11,198 | 49,546 | 60,744 | 15,085 | 1980 |
| Palm Beach Mall, West Palm Beach, FL | 51,781 | 11,962 | 112,437 | — | 36,378 | 11,962 | 148,815 | 160,777 | 73,921 | 1967 |
| Penn Square Mall, Oklahoma City, OK | 67,079 | 2,043 | 155,958 | — | 27,562 | 2,043 | 183,520 | 185,563 | 45,100 | 2002 (Note 4) |
| Pheasant Lane Mall, Nashua, NH | — | 3,902 | 155,068 | 550 | 12,940 | 4,452 | 168,008 | 172,460 | 43,225 | 2004 (Note 5) |
| Phipps Plaza, Atlanta, GA | — | 19,200 | 210,610 | — | 20,238 | 19,200 | 230,848 | 250,048 | 61,783 | 1998 (Note 4) |
| Plaza Carolina, Carolina, PR | 242,548 | 15,493 | 279,560 | — | 5,027 | 15,493 | 284,587 | 300,080 | 35,177 | 2004 (Note 4) |
| Port Charlotte Town Center, Port Charlotte, FL | 51,517 | 5,471 | 58,570 | — | 15,153 | 5,471 | 73,723 | 79,194 | 25,667 | 1989 |
| Prien Lake Mall, Lake Charles, LA | — | 1,842 | 2,813 | 3,091 | 38,012 | 4,933 | 40,825 | 45,758 | 16,581 | 1972 |
| Raleigh Springs Mall, Memphis, TN | — | 9,137 | 28,604 | — | 12,983 | 9,137 | 41,587 | 50,724 | 29,294 | 1971 |
| Richmond Town Square, Richmond Heights, OH | 45,466 | 2,600 | 12,112 | — | 61,013 | 2,600 | 73,125 | 75,725 | 33,480 | 1966 |
| River Oaks Center, Calumet City, IL | — | 30,884 | 101,224 | — | 10,460 | 30,884 | 111,684 | 142,568 | 32,388 | 1997 (Note 4) |
| Rockaway Townsquare, Rockaway, NJ | — | 44,116 | 212,257 | 27 | 21,162 | 44,143 | 233,419 | 277,562 | 59,870 | 1998 (Note 4) |
| Rolling Oaks Mall, San Antonio, TX | — | 1,929 | 38,609 | — | 14,995 | 1,929 | 53,604 | 55,533 | 23,981 | 1988 |
| Roosevelt Field, Garden City, NY | — | 164,058 | 702,008 | 2,117 | 37,986 | 166,175 | 739,994 | 906,169 | 192,013 | 1998 (Note 4) |
| Ross Park Mall, Pittsburgh, PA | — | 23,541 | 90,203 | — | 49,793 | 23,541 | 139,996 | 163,537 | 47,019 | 1986 |
| Santa Rosa Plaza, Santa Rosa, CA | — | 10,400 | 87,864 | — | 9,679 | 10,400 | 97,543 | 107,943 | 26,254 | 1998 (Note 4) |
| Shops at Mission Viejo, The, Mission Viejo, CA | — | 9,139 | 54,445 | 7,491 | 145,094 | 16,630 | 199,539 | 216,169 | 66,893 | 1979 |
| South Hills Village, Pittsburgh, PA | — | 23,445 | 125,840 | — | 15,415 | 23,445 | 141,255 | 164,700 | 40,875 | 1997 (Note 4) |
| South Shore Plaza, Braintree, MA | — | 101,200 | 301,495 | — | 43,169 | 101,200 | 344,664 | 445,864 | 84,343 | 1998 (Note 4) |
| Southern Park Mall, Boardman, OH | — | 16,982 | 77,767 | 97 | 22,785 | 17,079 | 100,552 | 117,631 | 35,154 | 1970 |
| SouthPark, Charlotte, NC | — | 32,141 | 188,004 | 100 | 163,731 | 32,241 | 351,735 | 383,976 | 61,481 | 2002 (Note 4) |
| St Charles Towne Center, Waldorf, MD | — | 7,710 | 52,934 | 1,180 | 27,269 | 8,890 | 80,203 | 89,093 | 33,572 | 1990 |
| Stanford Shopping Center, Palo Alto, CA | 220,000 | — | 339,537 | — | 4,167 | — | 343,704 | 343,704 | 50,095 | 2003 (Note 4) |
| Summit Mall, Akron, OH | 65,000 | 15,374 | 51,137 | — | 31,896 | 15,374 | 83,033 | 98,407 | 24,337 | 1965 |
| Sunland Park Mall, El Paso, TX | 34,558 | 2,896 | 28,900 | — | 6,753 | 2,896 | 35,653 | 38,549 | 18,663 | 1988 |
| Tacoma Mall, Tacoma, WA | 124,796 | 37,803 | 125,826 | — | 47,096 | 37,803 | 172,922 | 210,725 | 50,032 | 1987 |
| Tippecanoe Mall, Lafayette, IN | — | 2,897 | 8,439 | 5,517 | 44,645 | 8,414 | 53,084 | 61,498 | 30,386 | 1973 |
| Town Center at Aurora, Aurora, CO | — | 9,959 | 56,766 | 6 | 55,602 | 9,965 | 112,368 | 122,333 | 29,303 | 1998 (Note 4) |
| Town Center at Boca Raton, Boca Raton, FL | — | 64,200 | 307,279 | — | 140,034 | 64,200 | 447,313 | 511,513 | 105,534 | 1998 (Note 4) |
| Town Center at Cobb, Kennesaw, GA | 280,000 | 31,759 | 158,225 | — | 1,723 | 31,759 | 159,948 | 191,707 | 36,012 | 1998 (Note 5) |
| Towne East Square, Wichita, KS | 64,557 | 8,525 | 18,479 | 1,429 | 32,130 | 9,954 | 50,609 | 60,563 | 27,343 | 1975 |

**Simon Property Group, Inc. and Subsidiaries**

*Real Estate and Accumulated Depreciation*

*December 31, 2007*

*(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 |
| Towne West Square, Wichita, KS | 51,302 | 972 | 21,203 | 61 | 11,662 | 1,033 | 32,865 | 33,898 | 16,669 | 1980 |
| Treasure Coast Square, Jensen Beach, FL | — | 11,124 | 72,990 | 3,067 | 29,027 | 14,191 | 102,017 | 116,208 | 32,179 | 1987 |
| Tyrone Square, St. Petersburg, FL | — | 15,638 | 120,962 | — | 27,798 | 15,638 | 148,760 | 164,398 | 46,698 | 1972 |
| University Mall, Pensacola, FL | 100,000 | 4,256 | 26,657 | — | 3,615 | 4,256 | 30,272 | 34,528 | 12,311 | 1994 |
| University Park Mall, Mishawaka, IN | — | 16,768 | 112,158 | 7,000 | 26,344 | 23,768 | 138,502 | 162,270 | 70,367 | 1996 (Note 4) |
| Upper Valley Mall, Springfield, OH | 47,904 | 8,421 | 38,745 | — | 8,261 | 8,421 | 47,006 | 55,427 | 14,779 | 1979 |
| Valle Vista Mall, Harlingen, TX | 40,000 | 1,398 | 17,159 | 372 | 14,336 | 1,770 | 31,495 | 33,265 | 15,779 | 1983 |
| Virginia Center Commons, Glen Allen, VA | — | 9,764 | 50,547 | 4,149 | 8,848 | 13,913 | 59,395 | 73,308 | 22,355 | 1991 |
| Walt Whitman Mall, Huntington Station, NY | — | 51,700 | 111,258 | 3,789 | 42,209 | 55,489 | 153,467 | 208,956 | 51,210 | 1998 (Note 4) |
| Washington Square, Indianapolis, IN | 30,552 | 16,800 | 36,495 | 462 | 27,556 | 17,262 | 64,051 | 81,313 | 31,016 | 1974 |
| West Ridge Mall, Topeka, KS | 68,711 | 5,453 | 34,132 | 1,168 | 14,684 | 6,621 | 48,816 | 55,437 | 20,793 | 1988 |
| Westminster Mall, Westminster, CA | — | 43,464 | 84,709 | — | 20,121 | 43,464 | 104,830 | 148,294 | 28,079 | 1998 (Note 4) |
| White Oaks Mall, Springfield, IL | 50,000 | 3,024 | 35,692 | 2,241 | 34,289 | 5,265 | 69,981 | 75,246 | 25,696 | 1977 |
| Wolfchase Galleria, Memphis, TN | 225,000 | 15,881 | 128,276 | — | 9,365 | 15,881 | 137,641 | 153,522 | 40,818 | 2002 (Note 4) |
| Woodland Hills Mall, Tulsa, OK | 80,144 | 34,211 | 187,123 | — | 10,718 | 34,211 | 197,841 | 232,052 | 41,142 | 2004 (Note 5) |
| ***Premium Outlet Centers*** | | | | | | | | | | |
| Albertville Premium Outlets, Albertville, MN | — | 3,900 | 97,059 | — | 2,659 | 3,900 | 99,718 | 103,618 | 15,882 | 2004 (Note 4) |
| Allen Premium Outlets, Allen, TX | — | 13,855 | 43,687 | 97 | 22,224 | 13,952 | 65,911 | 79,863 | 10,089 | 2004 (Note 4) |
| Aurora Farms Premium Outlets, Aurora, OH | — | 2,370 | 24,326 | — | 1,920 | 2,370 | 26,246 | 28,616 | 8,944 | 2004 (Note 4) |
| Camarillo Premium Outlets, Camarillo, CA | — | 16,670 | 224,721 | — | 7,510 | 16,670 | 232,231 | 248,901 | 28,939 | 2004 (Note 4) |
| Carlsbad Premium Outlets, Carlsbad, CA | — | 12,890 | 184,990 | 96 | 914 | 12,986 | 185,904 | 198,890 | 24,653 | 2004 (Note 4) |
| Carolina Premium Outlets, Smithfield, NC | 19,973 | 3,170 | 59,863 | — | 1,330 | 3,170 | 61,193 | 64,363 | 12,171 | 2004 (Note 4) |
| Chicago Premium Outlets, Aurora, IL | — | 659 | 118,005 | 6,448 | 13,337 | 7,107 | 131,342 | 138,449 | 19,323 | 2004 (Note 4) |
| Clinton Crossings Premium Outlets, Clinton, CT | — | 2,060 | 107,557 | 32 | 989 | 2,092 | 108,546 | 110,638 | 15,844 | 2004 (Note 4) |
| Columbia Gorge Premium Outlets, Troutdale, OR | — | 7,900 | 16,492 | — | 745 | 7,900 | 17,237 | 25,137 | 5,299 | 2004 (Note 4) |
| Desert Hills Premium Outlets, Cabazon, CA | — | 3,440 | 338,679 | — | 1,135 | 3,440 | 339,814 | 343,254 | 37,252 | 2004 (Note 4) |
| Edinburgh Premium Outlets, Edinburgh, IN | — | 2,857 | 47,309 | — | 10,673 | 2,857 | 57,982 | 60,839 | 10,854 | 2004 (Note 4) |
| Folsom Premium Outlets, Folsom, CA | — | 9,060 | 50,281 | — | 1,698 | 9,060 | 51,979 | 61,039 | 10,894 | 2004 (Note 4) |
| Gilroy Premium Outlets, Gilroy, CA | 62,423 | 9,630 | 194,122 | — | 3,416 | 9,630 | 197,538 | 207,168 | 28,938 | 2004 (Note 4) |
| Jackson Premium Outlets, Jackson, NJ | — | 6,413 | 104,013 | 3 | 2,399 | 6,416 | 106,412 | 112,828 | 12,308 | 2004 (Note 4) |
| Johnson Creek Premium Outlets, Johnson Creek, WI | — | 2,800 | 39,546 | — | 2,930 | 2,800 | 42,476 | 45,276 | 5,282 | 2004 (Note 4) |
| Kittery Premium Outlets, Kittery, ME | 10,334 | 11,832 | 94,994 | — | 4,079 | 11,832 | 99,073 | 110,905 | 8,938 | 2004 (Note 4) |
| Las Americas Premium Outlets, San Diego, CA | 180,000 | 45,168 | 251,634 | — | 1,037 | 45,168 | 252,671 | 297,839 | 2,556 | 2007 (Note 4) |
| Las Vegas Outlet Center, Las Vegas, NV | — | 13,085 | 160,777 | — | 3,401 | 13,085 | 164,178 | 177,263 | 15,846 | 2004 (Note 4) |
| Las Vegas Premium Outlets, Las Vegas, NV | — | 25,435 | 134,973 | — | 53,834 | 25,435 | 188,807 | 214,242 | 20,025 | 2004 (Note 4) |

**Simon Property Group, Inc. and Subsidiaries**

*Real Estate and Accumulated Depreciation*

*December 31, 2007*

*(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 |
| Leesburg Corner Premium Outlets, Leesburg, VA | — | 7,190 | 162,023 | — | 2,337 | 7,190 | 164,360 | 171,550 | 25,328 | 2004 (Note 4) |
| Liberty Village Premium Outlets, Flemington, NJ | — | 5,670 | 28,904 | — | 1,202 | 5,670 | 30,106 | 35,776 | 7,530 | 2004 (Note 4) |
| Lighthouse Place Premium Outlets, Michigan City, IN | 43,073 | 6,630 | 94,138 | — | 3,459 | 6,630 | 97,597 | 104,227 | 19,347 | 2004 (Note 4) |
| Napa Premium Outlets, Napa, CA | — | 11,400 | 45,023 | — | 1,069 | 11,400 | 46,092 | 57,492 | 7,188 | 2004 (Note 4) |
| North Georgia Premium Outlets, Dawsonville, GA | — | 4,300 | 132,325 | — | 1,128 | 4,300 | 133,453 | 137,753 | 20,314 | 2004 (Note 4) |
| Orlando Premium Outlets, Orlando, FL | — | 14,040 | 304,410 | 15,855 | 23,280 | 29,895 | 327,690 | 357,585 | 32,558 | 2004 (Note 4) |
| Osage Beach Premium Outlets, Osage Beach, MO | — | 9,460 | 85,804 | 3 | 2,197 | 9,463 | 88,001 | 97,464 | 15,360 | 2004 (Note 4) |
| Petaluma Village Premium Outlets, Petaluma, CA | — | 13,322 | 14,067 | — | 2,157 | 13,322 | 16,224 | 29,546 | 4,298 | 2004 (Note 4) |
| Philadelphia Premium Outlets, Limerick, PA | — | 16,676 | 105,249 | — | — | 16,676 | 105,249 | 121,925 | 635 | 2006 |
| Rio Grande Valley Premium Outlets, Mercedes, TX | — | 12,693 | 41,547 | 1 | 19,133 | 12,694 | 60,680 | 73,374 | 2,842 | 2005 |
| Round Rock Premium Outlets, Round Rock, TX | — | 22,911 | 82,252 | — | 5,245 | 22,911 | 87,497 | 110,408 | 6,005 | 2005 |
| Seattle Premium Outlets, Seattle, WA | — | 13,557 | 103,722 | 12 | 2,876 | 13,569 | 106,598 | 120,167 | 11,634 | 2004 (Note 4) |
| St. Augustine Premium Outlets, St. Augustine, FL | — | 6,090 | 57,670 | 2 | 5,041 | 6,092 | 62,711 | 68,803 | 11,185 | 2004 (Note 4) |
| The Crossings Premium Outlets, Tannersville, PA | 55,385 | 7,720 | 172,931 | — | 7,795 | 7,720 | 180,726 | 188,446 | 22,242 | 2004 (Note 4) |
| Vacaville Premium Outlets, Vacaville, CA | — | 9,420 | 84,856 | — | 2,892 | 9,420 | 87,748 | 97,168 | 17,234 | 2004 (Note 4) |
| Waikele Premium Outlets, Waipahu, HI | — | 22,630 | 77,316 | — | 922 | 22,630 | 78,238 | 100,868 | 12,183 | 2004 (Note 4) |
| Waterloo Premium Outlets, Waterloo, NY | 34,692 | 3,230 | 75,277 | — | 5,042 | 3,230 | 80,319 | 83,549 | 14,669 | 2004 (Note 4) |
| Woodbury Common Premium Outlets, Central Valley, NY | — | 11,110 | 862,557 | 1,658 | 1,735 | 12,768 | 864,292 | 877,060 | 96,410 | 2004 (Note 4) |
| Wrentham Village Premium Outlets, Wrentham, MA | — | 4,900 | 282,031 | — | 2,256 | 4,900 | 284,287 | 289,187 | 37,847 | 2004 (Note 4) |
| ***Community/Lifestyle Centers*** | | | | | | | | | | |
| Arboretum at Great Hills, Austin, TX | — | 7,640 | 36,774 | 71 | 8,642 | 7,711 | 45,416 | 53,127 | 12,143 | 1998 (Note 4) |
| Bloomingdale Court, Bloomingdale, IL | 27,080 | 8,748 | 26,184 | — | 9,481 | 8,748 | 35,665 | 44,413 | 14,579 | 1987 |
| Brightwood Plaza, Indianapolis, IN | — | 65 | 128 | — | 337 | 65 | 465 | 530 | 294 | 1965 |
| Charles Towne Square, Charleston, SC | — | — | 1,768 | 370 | 10,636 | 370 | 12,404 | 12,774 | 5,529 | 1976 |
| Chesapeake Center, Chesapeake, VA | — | 5,352 | 12,279 | — | 556 | 5,352 | 12,835 | 18,187 | 4,162 | 1989 |

**Simon Property Group, Inc. and Subsidiaries**
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*December 31, 2007*
*(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 |
| Countryside Plaza, Countryside, IL | — | 332 | 8,507 | 2,554 | 8,546 | 2,886 | 17,053 | 19,939 | 6,338 | 1977 |
| Dare Centre, Kill Devil Hills, NC | 1,663 | — | 5,702 | — | 204 | — | 5,906 | 5,906 | 573 | 2004 (Note 4) |
| DeKalb Plaza, King of Prussia, PA | 3,189 | 1,955 | 3,405 | — | 1,062 | 1,955 | 4,467 | 6,422 | 1,323 | 2003 (Note 4) |
| Eastland Plaza, Tulsa, OK | — | 651 | 3,680 | — | 85 | 651 | 3,765 | 4,416 | 2,809 | 1986 |
| Forest Plaza, Rockford, IL | 14,853 | 4,132 | 16,818 | 453 | 2,940 | 4,585 | 19,758 | 24,343 | 7,794 | 1985 |
| Gateway Shopping Centers, Austin, TX | 87,000 | 24,549 | 81,437 | — | 7,084 | 24,549 | 88,521 | 113,070 | 13,927 | 2004 (Note 4) |
| Great Lakes Plaza, Mentor, OH | — | 1,028 | 2,025 | — | 3,668 | 1,028 | 5,693 | 6,721 | 2,609 | 1976 |
| Greenwood Plus, Greenwood, IN | — | 1,131 | 1,792 | — | 3,773 | 1,131 | 5,565 | 6,696 | 2,493 | 1979 |
| Henderson Square, King of Prussia, PA | 14,846 | 4,223 | 15,124 | — | 147 | 4,223 | 15,271 | 19,494 | 2,283 | 2003 (Note 4) |
| Highland Lakes Center, Orlando, FL | 15,436 | 7,138 | 25,284 | — | 1,450 | 7,138 | 26,734 | 33,872 | 11,021 | 1991 |
| Ingram Plaza, San Antonio, TX | — | 421 | 1,802 | 4 | 59 | 425 | 1,861 | 2,286 | 1,131 | 1980 |
| Keystone Shoppes, Indianapolis, IN | — | — | 4,232 | — | 968 | — | 5,200 | 5,200 | 1,547 | 1997 (Note 4) |
| Knoxville Commons, Knoxville, TN | — | 3,731 | 5,345 | — | 1,738 | 3,731 | 7,083 | 10,814 | 4,361 | 1987 |
| Lake Plaza, Waukegan, IL | — | 2,487 | 6,420 | — | 1,059 | 2,487 | 7,479 | 9,966 | 3,051 | 1986 |
| Lake View Plaza, Orland Park, IL | 19,744 | 4,702 | 17,543 | — | 12,450 | 4,702 | 29,993 | 34,695 | 11,055 | 1986 |
| Lakeline Plaza, Austin, TX | 21,647 | 5,822 | 30,875 | — | 7,399 | 5,822 | 38,274 | 44,096 | 12,552 | 1998 |
| Lima Center, Lima, OH | — | 1,808 | 5,151 | — | 6,788 | 1,808 | 11,939 | 13,747 | 3,636 | 1978 |
| Lincoln Crossing, O'Fallon, IL | 2,988 | 674 | 2,192 | — | 598 | 674 | 2,790 | 3,464 | 1,072 | 1990 |
| Lincoln Plaza, King of Prussia, PA | — | — | 21,299 | — | 1,827 | — | 23,126 | 23,126 | 7,333 | 2003 (Note 4) |
| MacGregor Village, Cary, NC | 6,689 | 502 | 8,897 | — | 192 | 502 | 9,089 | 9,591 | 899 | 2004 (Note 4) |
| Mall of Georgia Crossing, Mill Creek, GA | — | 9,506 | 32,892 | — | 111 | 9,506 | 33,003 | 42,509 | 9,374 | 2004 (Note 5) |
| Markland Plaza, Kokomo, IN | — | 206 | 738 | — | 6,205 | 206 | 6,943 | 7,149 | 2,156 | 1974 |
| Martinsville Plaza, Martinsville, VA | — | — | 584 | — | 328 | — | 912 | 912 | 699 | 1967 |
| Matteson Plaza, Matteson, IL | 8,695 | 1,771 | 9,737 | — | 2,534 | 1,771 | 12,271 | 14,042 | 5,624 | 1988 |
| Muncie Plaza, Muncie, IN | — | 267 | 10,509 | 87 | 1,313 | 354 | 11,822 | 12,176 | 3,559 | 1998 |
| New Castle Plaza, New Castle, IN | — | 128 | 1,621 | — | 1,435 | 128 | 3,056 | 3,184 | 1,776 | 1966 |
| North Ridge Plaza, Joliet, IL | 8,169 | 2,831 | 7,699 | — | 3,172 | 2,831 | 10,871 | 13,702 | 4,009 | 1985 |
| North Ridge Shopping Center, Raleigh, NC | — | 385 | 12,838 | — | 407 | 385 | 13,245 | 13,630 | 1,340 | 2004 (Note 4) |
| Northwood Plaza, Fort Wayne, IN | — | 148 | 1,414 | — | 1,406 | 148 | 2,820 | 2,968 | 1,632 | 1974 |
| Palms Crossing, McAllen, TX | — | 14,282 | 45,925 | — | — | 14,282 | 45,925 | 60,207 | 364 | 2006 |
| Park Plaza, Hopkinsville, KY | — | 300 | 1,572 | — | 225 | 300 | 1,797 | 2,097 | 1,668 | 1968 |
| Regency Plaza, St. Charles, MO | 4,075 | 616 | 4,963 | — | 569 | 616 | 5,532 | 6,148 | 2,109 | 1988 |
| Rockaway Convenience Center, Rockaway, NJ | — | 5,149 | 26,435 | — | 6,525 | 5,149 | 32,960 | 38,109 | 6,184 | 1998 (Note 4) |
| Rockaway Town Plaza, Rockaway, NJ | — | — | 15,295 | — | 1,695 | — | 16,990 | 16,990 | 1,576 | 2004 |
| Shops at Arbor Walk, Austin, TX | — | 930 | 42,546 | — | 5,253 | 930 | 47,799 | 48,729 | 1,739 | 2005 |

## Simon Property Group, Inc. and Subsidiaries
*Real Estate and Accumulated Depreciation*
*December 31, 2007*
*(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** |
| Shops at North East Mall, The, Hurst, TX | — | 12,541 | 28,177 | 402 | 4,806 | 12,943 | 32,983 | 45,926 | 12,254 | 1999 |
| St. Charles Towne Plaza, Waldorf, MD | 26,083 | 8,377 | 18,993 | — | 2,835 | 8,377 | 21,828 | 30,205 | 9,061 | 1987 |
| Teal Plaza, Lafayette, IN | — | 99 | 878 | — | 2,986 | 99 | 3,864 | 3,963 | 1,907 | 1962 |
| Terrace at the Florida Mall, Orlando, FL | — | 2,150 | 7,623 | — | 5,161 | 2,150 | 12,784 | 14,934 | 3,422 | 1989 |
| Tippecanoe Plaza, Lafayette, IN | — | — | 745 | 234 | 5,012 | 234 | 5,757 | 5,991 | 2,851 | 1974 |
| University Center, Mishawaka, IN | — | 3,071 | 7,413 | — | 3,174 | 3,071 | 10,587 | 13,658 | 5,713 | 1980 |
| Washington Plaza, Indianapolis, IN | — | 941 | 1,697 | — | 398 | 941 | 2,095 | 3,036 | 2,522 | 1976 |
| Waterford Lakes Town Center, Orlando, FL | — | 8,679 | 72,836 | — | 13,246 | 8,679 | 86,082 | 94,761 | 27,447 | 1999 |
| West Ridge Plaza, Topeka, KS | 5,254 | 1,376 | 4,560 | — | 1,695 | 1,376 | 6,255 | 7,631 | 2,644 | 1988 |
| White Oaks Plaza, Springfield, IL | 16,031 | 3,169 | 14,267 | — | 1,166 | 3,169 | 15,433 | 18,602 | 6,083 | 1986 |
| Wolf Ranch, Georgetown, TX | — | 22,118 | 51,509 | — | 2,078 | 22,118 | 53,587 | 75,705 | 5,094 | 2004 |
| ***Other Properties*** | | | | | | | | | | |
| Crossville Outlet Center, Crossville, TN | — | 263 | 4,380 | — | 204 | 263 | 4,584 | 4,847 | 527 | 2004 (Note 4) |
| Factory Merchants Branson, Branson, MO | — | 1,383 | 19,637 | 1 | 736 | 1,384 | 20,373 | 21,757 | 1,750 | 2004 (Note 4) |
| Factory Shoppes at Branson Meadows, Branson, MO | 9,289 | — | 5,206 | — | 131 | — | 5,337 | 5,337 | 531 | 2004 (Note 4) |
| Factory Stores of America — Boaz, AL | 2,717 | — | 924 | — | 1 | — | 925 | 925 | 79 | 2004 (Note 4) |
| Factory Stores of America — Georgetown, KY | 6,438 | 148 | 3,610 | — | 17 | 148 | 3,627 | 3,775 | 347 | 2004 (Note 4) |
| Factory Stores of America — Graceville, FL | 1,912 | 12 | 408 | — | 46 | 12 | 454 | 466 | 41 | 2004 (Note 4) |
| Factory Stores of America — Lebanon. MO | 1,607 | 24 | 214 | — | — | 24 | 214 | 238 | 30 | 2004 (Note 4) |
| Factory Stores of America — Nebraska City, NE | 1,510 | 26 | 566 | — | 4 | 26 | 570 | 596 | 60 | 2004 (Note 4) |
| Factory Stores of America — Story City, IA | 1,867 | 7 | 526 | — | — | 7 | 526 | 533 | 48 | 2004 (Note 4) |
| Factory Stores of North Bend, North Bend, WA | — | 2,143 | 36,197 | — | 1,012 | 2,143 | 37,209 | 39,352 | 4,068 | 2004 (Note 4) |
| ***Development Projects*** | | | | | | | | | | |
| Houston Premium Outlets, Cypress, TX | — | 21,159 | 69,350 | — | — | 21,159 | 69,350 | 90,509 | — | 2007 |
| Jersey Shore Premium Outlets, Tinton Falls, NJ | — | — | 50,979 | — | — | — | 50,979 | 50,979 | — | 2007 |
| Pier Park, Panama City Beach, FL | — | 22,814 | 71,988 | — | — | 22,814 | 71,988 | 94,802 | — | 2006 |
| Other pre-development costs | — | 83,674 | 43,263 | 1,268 | 11,212 | 84,942 | 54,475 | 139,417 | — | |
| ***Other*** | — | 4,733 | 3,698 | 665 | 428 | 5,398 | 4,126 | 9,524 | 2,082 | |
| | $ 5,201,453 | 2,660,485 | $ 17,448,774 | $ 177,967 | $ 3,876,141 | $ 2,798,452 | $ 21,364,915 | $ 24,163,367 | $ 5,168,565 | |

**Simon Property Group, Inc. and Subsidiaries**

**Notes to Schedule III as of December 31, 2007**

**(Dollars in thousands)**

**(1) Reconciliation of Real Estate Properties:**

The changes in real estate assets for the years ended December 31, 2007, 2006, and 2005 are as follows:

| | 2007 | 2006 | 2005 |
|---|---|---|---|
| Balance, beginning of year | **$ 22,644,299** | $ 21,551,247 | $ 21,082,582 |
| Acquisitions and consolidations | **743,457** | 402,095 | 294,654 |
| Improvements | **1,057,663** | 772,806 | 661,569 |
| Disposals and de-consolidations | **(282,052)** | (81,849) | (487,558) |
| Balance, close of year | **$ 24,163,367** | $ 22,644,299 | $ 21,551,247 |

The unaudited aggregate cost of real estate assets for federal income tax purposes as of December 31, 2007 was $18,506,993.

**(2) Reconciliation of Accumulated Depreciation:**

The changes in accumulated depreciation and amortization for the years ended December 31, 2007, 2006, and 2005 are as follows:

| | 2007 | 2006 | 2005 |
|---|---|---|---|
| Balance, beginning of year | **$ 4,479,198** | $ 3,694,807 | $ 3,066,604 |
| Acquisitions and consolidations (5) | **12,714** | 64,818 | 2,627 |
| Depreciation expense | **808,041** | 767,726 | 768,028 |
| Disposals | **(131,388)** | (48,153) | (142,452) |
| Balance, close of year | **$ 5,168,565** | $ 4,479,198 | $ 3,694,807 |

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 10-40 years for the structure, 15 years for landscaping and parking lot, and 10 years for HVAC equipment.
- Tenant Allowances and Improvements — 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. Initial cost also includes any new developments that are opened during the current year. Costs of disposals of property are first reflected as a reduction to cost capitalized subsequent to acquisition.

(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 10.3**

AMENDMENT TO CREDIT AGREEMENT

THIS AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is made as of October 4, 2007, by and among SIMON PROPERTY GROUP, L.P., a Delaware limited partnership (the "Borrower"), the LENDERS listed on the signature pages hereof, JPMORGAN CHASE BANK, N.A., as Administrative Agent, DEUTSCHE BANK SECURITIES, INC., as Co-Documentation Agent, THE BANK OF NOVA SCOTIA, NEW YORK AGENCY, as Co-Documentation Agent, and SUMITOMO MITSUI BANKING CORPORATION, as Co-Documentation Agent, and UBS SECURITIES LLC, as Joint Syndication Agent, BANK OF AMERICA, N.A., as Joint Syndication Agent, and CITICORP NORTH AMERICA INC., as Joint Syndication Agent.

WITNESSETH:

WHEREAS, the Borrower and the Lenders have entered into the Credit Agreement, dated as of December 15, 2005 (the "Credit Agreement"); and

WHEREAS, the Borrower has exercised its option pursuant to Section 2.1(d) of the Credit Agreement; and

WHEREAS, the parties desire to modify the Credit Agreement upon the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. *Definitions.* All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

2. *Amendments to Definitions.*

   (a) The definition of "Managing Agents" is hereby amended by adding after T.M. Life Insurance Company", the following: "and Norddeutsche Landesbank Girozentrale, New York Branch, Aareal Bank AG and Goldman Sachs Bank USA"

   (b) The definition of "Revolving Credit Commitment" is hereby deleted and the following substituted therefor:

   *"Revolving Credit Commitment"* means, with respect to any Lender, the obligation of such Lender to make Committed Loans and to participate in Letters of Credit pursuant to the terms and conditions of this Agreement, and which shall not exceed the sum of the principal amount set forth opposite such Lender's name under the heading "Revolving Credit Commitment" and "Alternative Currency Commitment" on Schedule 1.1 attached to the Amendment to Credit Agreement, dated as of October 4, 2007 or the signature page of the Assignment and Acceptance by which it became a Lender, as modified from time to time pursuant to the terms of this Agreement or to give effect to any applicable Assignment and Acceptance, and "Revolving Credit Commitments" means the aggregate principal amount of the Revolving Credit Commitments and Alternative Currency Commitments of all the Lenders, the maximum amount of which shall be $3,500,000,000, as reduced from time to time pursuant to Section 4.1.

3. *Other Amendments.* Section 2.1(d) and all references thereto are hereby deleted in their entirety.

4. *Effective Date.* This Amendment shall become effective upon receipt by the Administrative Agent of (i) counterparts hereof signed by the Borrower and each existing Lender that has elected to increase its Revolving Credit Commitment and each institution (which shall be an Eligible Assignee) that has elected to become a Lender, and (ii) payment by Borrower of the agreed upon fees for the account of the Lenders increasing their Revolving Credit Commitments and new institutions becoming Lenders (the date of such receipt being deemed the "Effective Date").

5. *Representations and Warranties.* Borrower hereby represents and warrants that as of the Effective Date, all the representations and warranties set forth in the Credit Agreement, as amended hereby, are true and complete in all material respects.

6. *Entire Agreement.* This Amendment constitutes the entire and final agreement among the parties hereto with respect to the subject matter hereof and there are no other agreements, understandings, undertakings, representations or warranties among the parties hereto with respect to the subject matter hereof except as set forth herein.

7. *Governing Law.* This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

8. *Counterpart.* This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any of the parties hereto may execute this Amendment by signing any such counterpart.

9. *Headings Etc.* Section or other headings contained in this Amendment are for reference purposes only and shall not in any way affect the meaning or interpretation of this Amendment.

10. *No Further Modifications.* Except as modified herein, all of the terms and conditions of the Credit Agreement, as modified hereby shall remain in full force and effect and, as modified hereby, the Borrower confirms and ratifies all of the terms, covenants and conditions of the Credit Agreement in all respects.

IN WITTIESS WHEREOF, this Amendment has been duly executed as of the date first above written.

BORROWER:

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

By: SIMON PROPERTY GROUP, INC.,
as Managing General Partner

By: /s/ DAVID SIMON

*Chief Executive Officer*

*ADMINISTRATIVE AGENT AND LENDER:*

JPMORGAN CHASE BANK, N.A.

By: /s/ MARC COSTANTINO

Name: Marc Costantino
Title: Executive Director

| | | |
|---|---|---|
| *SYNDICATION AGENT AND LENDER:* | UBS LOAN FINANCE, LLC | |
| | By: | /s/ IRJA R. OTSA |
| | Name: | Irja R. Otsa |
| | Title: | Associate Director Banking Products Services, US |
| | By: | /s/ DAVID B. JULIE |
| | Name: | David B. Julie |
| | Title: | Associate Director Banking Products Services, US |

Revolving Credit Commitment: $106,765,625

Alternative Currency Commitment: $43,234,375

| | | |
|---|---|---|
| *SYNDICATION AGENT AND LENDER:* | CITICORP NORTH AMERICA, INC. | |
| | By: | /s/ RICARDO JAMES |
| | Name: | Ricardo James |
| | Title: | SCO 2 Real Estate Estate Industry Specialist |

Revolving Credit Commitment: $106,765,625

Alternative Currency Commitment: $43,234,375

*CO-DOCUMENTATION AGENT AND LENDER:*

DEUTSCHE BANK AG, NEW YORK BRANCH

By: /s/ BRENDA CASEY

Name: Brenda Casey
Title: Director

By: /s/ J.T. JOHNSTON COE

Name: J.T. Johnston Coe
Title: Managing Director

Revolving Credit Commitment: $103,015,625

Alternative Currency Commitment: $41,984,375

| | |
|---|---|
| *CO-DOCUMENTATION AGENT AND LENDER:* | THE BANK OF NOVA SCOTIA, NEW YORK AGENCY |
| | By: /s/ ROBERT BOESE |
| | Name: Robert Boese |
| | Title: Managing Director |

Revolving Credit Commitment: $95,515,625

Alternative Currency Commitment: $39,484,375

| | | |
|---|---|---|
| *CO-DOCUMENTATION AGENT AND LENDER:* | SUMITOMO MITSUI BANKING CORPORATION | |
| | By: | /s/ WILLIAM M. GINN |
| | Name: | William M. Ginn |
| | Title: | General Manager |

Revolving Credit Commitment: $99,265,625

Alternative Currency Commitment: $40,734,375

| | | |
|---|---|---|
| *SENIOR EXECUTIVE MANAGING AGENT AND LENDER:* | THE ROYAL BANK OF SCOTLAND PLC | |
| | By: | /s/ BRETT THOMPSON |
| | Name: | Brett Thompson |
| | Title: | Vice President |

Revolving Credit Commitment: $92,265,625

Alternative Currency Commitment: $37,734,375

| | | |
|---|---|---|
| *SENIOR EXECUTIVE MANAGING AGENT AND LENDER:* | CALYON NEW YORK BRANCH | |
| | By: | /s/ WILLIAM J. ROGERS |
| | Name: | William J. Rogers |
| | Title: | Managing Director |
| | By: | /s/ PAUL T. RAGUSIN |
| | Name: | Paul T. Ragusin |
| | Title: | Director |

Revolving Credit Commitment: $84,765,625

Alternative Currency Commitment: $35,234,375

*SENIOR EXECUTIVE MANAGING AGENT AND LENDER:*

CREDIT SUISSE, CAYMAN ISLANDS BRANCH

By: /s/ CASSANDRA DROOGAN

Name: Cassandra Droogan
Title: Vice President

By: /s/ SHAHEEN MALIK

Name: Shaheen Malik
Title: Associate

Revolving Credit Commitment: $88,515,625

Alternative Currency Commitment: $36,484,375

*SENIOR EXECUTIVE MANAGING AGENT AND LENDER:*

MERRILL LYNCH BANK USA

By: /s/ LOUIS ALDER

Name: Louis Alder
Title: Director

Revolving Credit Commitment: $88,515,625

Alternative Currency Commitment: $36,484,375

| | | |
|---|---|---|
| *SENIOR EXECUTIVE MANAGING AGENT AND LENDER:* | MORGAN STANLEY BANK | |
| | By: | /s/ DANIEL TWENGE |
| | Name: | Daniel Twenge |
| | Title: | Authorized Signatory |

Revolving Credit Commitment: $88,515,625

Alternative Currency Commitment: $36,484,375

| | | |
|---|---|---|
| *SENIOR EXECUTIVE MANAGING AGENT AND LENDER:* | PNC BANK, NATIONAL ASSOCIATION | |
| | By: | /s/ TERRI A. WYDA |
| | Name: | Terri A. Wyda |
| | Title: | Vice President |

Revolving Credit Commitment: $77,265,625

Alternative Currency Commitment: $32,734,375

| | | |
|---|---|---|
| *SENIOR MANAGING AGENT AND LENDER:* | NATIONAL CITY BANK | |
| | By: | /s/ JOHN J. THULLEN |
| | Name: | John J. Thullen |
| | Title: | Senior Vice President |

Revolving Credit Commitment: $75,000,000

Alternative Currency Commitment: $25,000,000

| | | |
|---|---|---|
| *SENIOR MANAGING AGENT AND LENDER:* | SUNTRUST BANK | |
| | By: | /s/ NANCY B. RICHARDS |
| | Name: | Nancy B. Richards |
| | Title: | Senior Vice Prcsident |

Revolving Credit Commitment: $60,000,000

Alternative Currency Commitment: $20,000,000

*MANAGING AGENT AND LENDER:*

KBC BANK N.V.

By: /s/ FRANCIS X. PAYNE

Name: Francis X. Payne
Title: Vice President

By: /s/ THOMAS R. LALLI

Name: Thomas R. Lalli
Title: First Vice President

Revolving Credit Commitment: $45,000,000

Alternative Currency Commitment: $15,000,000

| | |
|---|---|
| *MANAGING AGENT AND LENDER:* | UNION BANK OF CALIFORNIA, N.A |
| | By: /s/ DAVID B. MURPHY |
| | Name: David B. Murphy |
| | Title: SVP/Regional Mgr. |

Revolving Credit Commitment: $45,000,000

Alternative Currency Commitment: $15,000,000

*MANAGING AGENT AND LENDER:*

LANDESBANK BADEN-WURTTEMBERG
NEW YORK BRANCH

By: /s/ LEONARD J. CRANN

Name: Leonard J. Crann
Title: Head of Real Estate Finance Department

By: /s/ ROBERT DOWLING

Name: Robert Dowling
Title: Vice President
Sr. Marketing Officer

Revolving Credit Commitment: $48,750,000

Alternative Currency Commitment: $16,250,000

*MANAGING AGENT AND LENDER:*

BANK OF TOKYO—MITSUBISHI UFJ, LTD.

By: /s/ JAMES T. TAYLOR

Name: James T. Taylor
Title: Vice President

Revolving Credit Commitment: $45,000,000

Alternative Currency Commitment: $15,000,000

| | | |
|---|---|---|
| *MANAGING AGENT AND LENDER:* | AAREAL BANK AG | |
| | By: | /s/ MICHAEL GREVE |
| | Name: | Michael Greve |
| | Title: | Manager |
| | By: | /s/ K. PEETERMANS |
| | Name: | K. Peetermans |
| | Title: | Legal Counsel |

Revolving Credit Commitment: $22,500,000

Alternative Currency Commitment: $7,500,000

| | | |
|---|---|---|
| *MANAGING AGENT AND LENDER:* | GOLDMAN SACHS BANK USA | |
| | By: | /s/ WILLIAM YARBENET |
| | Name: | William Yarbenet |
| | Title: | Vice President |

Revolving Credit Commitment: $22,500,000

Alternative Currency Commitment: $7,500,000

| | | |
|---|---|---|
| *LENDER:* | PEOPLE'S UNITED BANK | |
| | By: | /s/ MAURICE FRY |
| | Name: | Maurice Fry |
| | Title: | Vice President |

Revolving Credit Commitment: $25,000,000

Alternative Currency Commitment: $0

SCHEDULE 1.1

| Lender | Revolving Credit Commitment | | Alternative Currency Commitment | |
|---|---|---|---|---|
| JPMorgan Chase Bank, N.A. | $ | 89,765,625 | $ | 42,734,375 |
| Bank of America, N.A. | $ | 89,765,625 | $ | 42,734,375 |
| Citicorp North America, Inc. | $ | 106,765,625 | $ | 43,234,375 |
| UBS Loan Finance LLC | $ | 106,765,625 | $ | 43,234,375 |
| Deutsche Bank AG, New York Branch | $ | 103,015,625 | $ | 41,984,375 |
| Sumitomo Mitsui Banking Corporation | $ | 99,265,625 | $ | 40,734,375 |
| The Bank of Nova Scotia, New York Agency | $ | 95,515,625 | $ | 39,484,375 |
| The Royal Bank of Scotland plc | $ | 92,265,625 | $ | 37,734,375 |
| Wachovia Bank, National Association | $ | 92,265,625 | $ | 37,734,375 |
| Credit Suisse, Cayman Islands Branch | $ | 88,515,625 | $ | 36,484,375 |
| Merrill Lynch Bank USA | $ | 88,515,625 | $ | 36,484,375 |
| Morgan Stanley Bank | $ | 88,515,625 | $ | 36,484,375 |
| U.S. Bank National Association | $ | 88,515,625 | $ | 36,484,375 |
| Calyon New York Branch | $ | 84,765,625 | $ | 35,234,375 |
| PNC Bank, National Association | $ | 77,265,625 | $ | 32,734,375 |
| Eurohypo AG, New York Branch | $ | 66,015,625 | $ | 28,984,375 |
| National City Bank of Indiana | $ | 75,000,000 | $ | 25,000,000 |
| Suntrust Bank | $ | 60,000,000 | $ | 20,000,000 |
| Bayerische Landesbank, New York Branch | $ | 56,250,000 | $ | 18,750,000 |
| ING Real Estate Finance (USA) LLC | $ | 56,250,000 | $ | 18,750,000 |
| LaSalle Bank National Association | $ | 56,250,000 | $ | 18,750,000 |
| Landesbank Baden-Wurttemberg New York Branch | $ | 48,750,000 | $ | 16,250,000 |
| Bank of Tokyo-.Mitsubishi UFJ, Ltd. | $ | 45,000,000 | $ | 15,000,000 |
| Fifth Third Bank | $ | 45,000,000 | $ | 15,000,000 |
| KBCBank N.V. | $ | 45,000,000 | $ | 15,000,000 |
| Union Bank of California, N.A. | $ | 45,000,000 | $ | 15,000,000 |
| Hypo Real Estate Capital Corporation | $ | 37,500,000 | $ | 12,500,000 |
| Mizuho Corporate Bank, Ltd. | $ | 37,500,000 | $ | 12,500,000 |
| Nomura Funding Facility Corporation Ltd. | $ | 37,500,000 | $ | 12,500,000 |
| Societe Generale | $ | 37,500,000 | $ | 12,500,000 |
| C.M. Life Insurance Company | $ | 3,000,000 | $ | 0 |
| Massachusetts Mutual Life Insurance Company | $ | 47,000,000 | $ | 0 |
| Emigrant Bank | $ | 50,000,000 | $ | 0 |
| Westdeutsche Immobilienbank | $ | 50,000,000 | $ | 0 |
| Norddeutsche Landesbank Girozentrale New York Branch | $ | 30,000,000 | $ | 10,000,000 |
| Aareal Bank AG | $ | 22,500,000 | $ | 7,500,000 |
| Goldman Sachs Bank USA | $ | 22,500,000 | $ | 7,500,000 |
| Banco Popular de Puerto Rico | $ | 25,000,000 | $ | 0 |
| Bank of China | $ | 25,000,000 | $ | 0 |
| Chang Hwa Commercial Bank, Ltd., New York Branch | $ | 25,000,000 | $ | 0 |
| Comerica Bank | $ | 25,000,000 | $ | 0 |
| Malayan Banking Berhad | $ | 25,000,000 | $ | 0 |
| People's United Bank | $ | 25,000,000 | $ | 0 |
| The Governor and Company of the Bank of Ireland | $ | 25,000,000 | $ | 0 |
| Mega International Commercial Bank, New York Branch | $ | 15,000,000 | $ | 5,000,000 |
| First Commercial Bank, Los Angeles Branch | $ | 20,000,000 | $ | 0 |
| The Norinchukin Bank, New York Branch | $ | 15,000,000 | $ | 5,000,000 |
| Bank of Taiwan, New York Agency | $ | 15,000,000 | $ | 0 |
| Chinatrust Commercial Bank, New York Branch | $ | 10,000,000 | $ | 0 |
| Hua Nan Commercial Bank Ltd., New York Agency | $ | 10,000,000 | $ | 0 |
| TOTAL | $ | 2,625,000,000 | $ | 875,000,000 |

QuickLinks

Exhibit 10.3

**Exhibit 10.12**

# EMPLOYMENT AGREEMENT

This **Employment Agreement** is made and entered into by and among SIMON PROPERTY GROUP, Inc., a Delaware corporation (the "Parent"), SIMON PROPERTY GROUP ADMINISTRATIVE SERVICES PARTNERSHIP, L.P., an indirect subsidiary of the Parent (the "Company") and RICHARD S. SOKOLOV (the "Executive"), as of January 1, 2007.

WHEREAS, Executive serves as President and Chief Operating Officer of Parent and its subsidiaries;

WHEREAS, Parent, Company and Executive are parties to a certain Employment Agreement dated March 26, 1996 and effective as of August 9, 1996, as the same has been amended and supplemented ("Prior Agreement");

WHEREAS, each of the Parent and the Company considers it essential to its best interests and the best interests of Parent's stockholders to foster the continued employment of Executive by the Parent and the Company;

WHEREAS, Executive is willing so to continue his employment on the terms hereinafter set forth in this agreement (the "Agreement"); and

WHEREAS, Executive has agreed that from and after the date hereof, this Agreement shall supersede in all respects the Prior Agreement and any other agreements, arrangements or understandings relating to the subject matter hereof.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, the parties agree as follows:

## ARTICLE I

## EXECUTIVE REPRESENTATIONS

1.1 *Executive Representations and Agreement*

(a) Executive agrees and acknowledges that as of the date hereof (i) this Agreement shall supersede the Prior Agreement in all respects and (ii) except as otherwise expressly provided in this Agreement, neither the Executive nor the Parent, the Company or their affiliates shall have any further rights, claims or obligations under any provisions of the Prior Agreement or any other existing agreements, arrangements or understandings relating to the subject matter hereof.

(b) Executive represents and warrants to the Parent and the Company, that to the best of his knowledge, neither the execution nor delivery of this Agreement nor the performance of his duties hereunder violates or will violate the provisions of any other agreement to which he is a party or by which he is bound.

## ARTICLE II

## EMPLOYMENT, DUTIES AND RESPONSIBILITIES

2.1 *Employment*. During the term of Executive's employment hereunder, Executive shall serve as the President and Chief Operating Officer of the Parent and agrees to serve, if elected, for no additional compensation as a trustee or director of the Parent and/or in the position of officer, trustee or director of any subsidiary or affiliate of the Parent. Executive hereby accepts such employment. Executive agrees to devote his full time and efforts to promote the interests of the

Parent and its affiliates. In addition, during the term of Executive's employment hereunder, the Parent shall use its best efforts to nominate Executive for election to, and to cause Executive to be elected to, the Board of Directors of Parent (the "Board") and to the Executive Committee of the Board and shall nominate Executive for re-election to the Board at each annual meeting of the Parent's shareholders at which directors of the Parent are to be elected.

2.2 *Duties and Responsibilities*. During the term of Executive's employment hereunder, Executive shall perform such duties and exercise such supervision and authority over and with regard to the business of the Parent as are similar in nature to those duties and services customarily associated with the position of President and Chief Operating Officer, including authority, subject to the oversight of the Chief Executive Officer of the Parent and the Board, with respect to the day-to-day operations of the Parent, and development and implementation of business strategies. In exercising such authority the Executive shall routinely consult with, and report directly and only to, the Chief Executive Officer of the Parent and the Board.

2.3 *Base of Operation*. Executive's principal base of operation for the performance of his duties and responsibilities under this Agreement shall initially be in Youngstown, Ohio; *provided*, *however*, that Executive shall perform such duties and responsibilities not involving a permanent transfer of his base of operation outside of Youngstown, Ohio at such other places as shall from time to time be reasonably necessary to fulfill his obligations hereunder and shall devote at least a majority of his business time to duties performed by Executive at the Parent's corporate offices in Indianapolis, Indiana.

ARTICLE III

TERM, EFFECTIVENESS

3.1 *Term*. Unless earlier terminated pursuant to Article VI below, the term of this Agreement (the "Term") shall commence as of the date hereof and shall continue for a period of three (3) years and one month thereafter (January 31, 2010); *provided*, *however*, that the Term shall be automatically renewed for two (2) successive twelve month periods unless either party hereto gives at least 90 days prior written notice to the other of its election not to so renew the Term.

ARTICLE IV

COMPENSATION AND EXPENSES

4.1 *Salary, Bonuses and Benefits*. As compensation and consideration for the performance by Executive of his obligations under this Agreement, Executive shall be entitled to the following (subject, in each case, to the provisions of ARTICLE VI hereof):

(a) *Base Salary*. The Company shall pay Executive a base salary during the Term, payable in accordance with the normal payment procedures of the Company, at the rate of $782,000 per annum. The Parent and the Company agree to review such compensation not less frequently than annually during the Term, which shall in any event be subject to review and approval by the Compensation Committee of the Board (the "Committee").

(b) *Retirement, Welfare and Other Benefits*. Executive shall participate during the Term in such pension, savings, profit sharing, life insurance, health, disability and major medical insurance plans, and in such other employee benefit plans and programs, for the benefit of the employees of the Parent and its affiliates, as may be maintained from time to time during the Term, in each case to the extent and in the manner available to other officers of the Parent and subject to the terms and provisions of such plans or programs. In addition, Executive will be afforded the same indemnity provisions regarding directors and officers liability that the Parent provides to its other senior executive officers and directors and Executive will be covered by any directors and officers liability policy generally in force for the Parent's senior executive officers and directors.

(c) *Equity Arrangements.*

(i) Executive shall participate during each calendar year during the Term commencing with fiscal year 2007, in the Parent's stock and performance incentive plans (or such plans of the Parent's affiliates maintained for the benefit of other officers of Parent) on the same basis as is made available to other executives of the Parent and approved by the Committee. As of the date hereof, 423,599 shares of restricted stock have been earned and awarded to Executive pursuant to the 1998 Incentive Stock Plan of Simon Property Group, L.P., as amended from time to time (the "Plan") but which remain subject to the vesting requirements of the Plan. Of that amount, 41,769 have not yet vested.

(d) *Bonus Opportunity*. Executive shall participate during the Term in the Parent's (or its affiliates') annual cash bonus plan for senior executives of the Parent as in effect from time to time, with a target annual bonus for each year during the Term equal to at least 75%, and a maximum bonus of not more than 150%, of Executive's base salary, and with the amount of any cash bonus to be approved by the Committee.

(e) *Vacation*. Executive shall be entitled to a reasonable paid vacation period (but not necessarily consecutive vacation weeks) during the Term.

(f) *Use of Aircraft*. To the extent reasonably practicable and feasible, the Company shall make available to the Executive the use of a chartered aircraft to transport to Executive to and from the Executive's home in Youngstown, Ohio and the Company's corporate offices in Indianapolis, Indiana, and for other incidental business related travel for Executive, all for the purpose of facilitating the performance of Executive's duties hereunder.

4.2 *Expenses*. The Parent will reimburse, or will cause the Company to reimburse, Executive for reasonable business-related expenses incurred by him in connection with the performance of his duties hereunder during the Term, subject, however, to the Parent's and the Company's policies relating to business-related expenses as in effect from time to time during the Term. Executive shall be responsible for any of Executive's housing expenses incurred in connection with the performance of Executive's duties in Indianapolis, Indiana.

## ARTICLE V

## EXCLUSIVITY, ETC.

5.1 *Exclusivity*. Executive agrees to perform his duties, responsibilities and obligations hereunder efficiently and to the best of his ability. Executive agrees that he will devote his entire working time, care and attention and best efforts to such duties, responsibilities and obligations throughout the Term. Executive also agrees that he will not engage in any other business activities, whether charitable or pursued for gain, profit, other pecuniary advantage or otherwise, that are competitive with the activities of the Parent or its affiliates or that would adversely effect Executive's ability to perform his duties hereunder. Executive agrees that all of his activities as an employee and/or trustee or director of the Parent or its affiliates shall be in conformity with all present and future policies, rules and regulations and directions of the Parent and its affiliates not inconsistent with this Agreement.

5.2 *Other Employment Business Ventures*. Executive agrees that for so long as he is employed by the Parent, and for a period of one (1) year thereafter, he will not, directly or indirectly, become an employee, shareholder, partner, owner, officer, agent, director of, or otherwise associate with, any firm, person, business enterprise or other entity which is engaged in or competitive with, any business engaged in by the Parent or its affiliates. Notwithstanding the foregoing, Executive may own, directly or indirectly, up to 5% of the outstanding capital stock of any business having a class of capital stock which is traded on any national stock exchange or in the over-the-counter market.

5.3 *Confidentiality; Non-solicitation*.

(a) Executive agrees that he will not, at any time during or after the Term, make use of or divulge to any other person, firm, business enterprise or other entity, any trade or business secret, process, method or means, or any other confidential information concerning the business or policies of the Parent or its affiliates including, without limitation, any information, data, or other confidential information relating to customers, development programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, manufacturing processes, financing methods, plans or the business and affairs of the Parent or its affiliates generally; *provided* that the foregoing shall not apply to information which is not unique to the Parent or its affiliates or which is generally known to the industry or the public other than as a result of the Executive's breach of this covenant. Executive agrees not to remove from the premises of the Parent or its affiliates, except as an employee of the Parent or its affiliates in pursuit of the business of the Parent or its affiliates or except as specifically permitted in writing by the Parent, any document or other object containing or reflecting any such confidential information. Executive recognizes that all such documents and objects, whether developed by him or by someone else, will be the sole exclusive property of the Parent and its affiliates. Upon termination of his employment hereunder, Executive shall forthwith deliver to the Parent all such confidential information, including without limitation all lists of customers, correspondence, accounts, records and any other documents or property made or held by him or under his control in relation to the business or affairs of the Parent or its affiliates, and no copy of any such confidential information shall be retained by him.

(b) Executive agrees that for so long as he is employed by the Parent and for a period of one (1) year thereafter. Executive shall not, directly or indirectly, whether as an employee, consultant, independent contractor, partner, joint venturer or otherwise, (A) solicit or induce, or in any manner attempt to solicit or induce, any person employed by, or as agent of, the Parent or its affiliates to terminate such person's contract of employment or agency, as the case may be, with the Parent or its affiliates, (B) employ or offer employment to any person who was employed by the Parent or its affiliates in other than a purely administrative capacity unless such person shall have ceased to be employed by the Parent or its affiliates for a period of at least 12 months, or (C) divert, or attempt to divert, any person, concern, or entity from doing business with the Parent or its affiliates, nor will he attempt to induce any such person, concern or entity to cease being a customer or supplier of the Parent or its affiliates.

(c) Executive agrees that, at any time and from time to time during and after the Term, he will execute any and all documents which the Parent may deem reasonably necessary or appropriate to effectuate the provisions of this Section 5.3.

5.4 *Specific Performance*. Executive acknowledges and agrees that the Parent's remedies at law for a breach or threatened breach of any of the provisions of this Article V would be inadequate and, in recognition of this fact, Executive agrees that, in the event of such a breach or threatened breath, in addition to any remedies at law, the Parent, without posting any bond, shall be entitled to seek equitable relief in the form of specific performances temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

## ARTICLE VI

## TERMINATION

6.1 *Termination by the Parent*. The Parent shall have the right to terminate this Agreement and Executive's employment hereunder at any time during the Term with or without Cause. For purposes of this Agreement, "Cause" shall mean (i) a substantial and continued failure by Executive to perform his duties hereunder or (ii) Executive's conviction of a felony; *provided* that no termination for Cause as a result of any of the events described in clause (i) shall be deemed effective unless and until the Parent shall have provided Executive with written notice specifying in detail the action(s) or event(s) allegedly constituting grounds for the Cause termination and the Executive shall have failed to cure such action(s) or event(s) within 10 days of receipt of such notice. Any such termination without cause or due to Executive's conviction of a felony shall be effective upon the giving of notice thereof to Executive in accordance with Section 8.3 hereof, and any termination which is based on any of the action(s) or event(s) described in clause (i) shall be effective as of the 10th day following Executive's receipt of such notice if Executive shall have failed to cure the applicable action(s) or event(s).

6.2 *Death*. In the event Executive dies during the Term, this Agreement shall automatically terminate, such termination to be effective on the date of Executive's death.

6.3 *Disability*. In the event that Executive shall suffer a disability during the Term which shall have prevented him from performing satisfactorily his obligations hereunder for a period of at least 90 consecutive days, the Parent shall have the right to terminate this Agreement and Executive's employment hereunder, such termination to be effective upon the giving of notice thereof to Executive in accordance with Section 8.3 hereof.

6.4 *Termination by Executive for Good Reason*. This Agreement and Executive's employment hereunder may be terminated during the Term by Executive with or without Good Reason, by giving 30 days advance written notice to the Parent in accordance with Section 8.3. For purposes of this Agreement, the following circumstances shall constitute "Good Reason":

(a) the assignment to Executive of any duties inconsistent in any material respect with Executive's position (including status, offices, titles and reporting requirements). or with his authority, duties or responsibilities as contemplated by Sections 2.1 and 2.2 of this Agreement or any other action by the Parent or its successor which results in a material diminution or material adverse change in Executive's titles, position, status, authority, duties or responsibilities (including, without limitation, removal of Executive from, or failure to secure the Executive's election or appointment to, the Board or the Executive Committee of the Board without the Executive's written consent during any period when the number of directors constituting the entire Board equals or exceeds 13, other than as a result of Executive's death or (excluding advisor directors) disability);

(b) any material breach by the Parent or its successor of the provisions of this Agreement;

(c) any failure by the Parent to comply with and satisfy Section 8.2(b) of this Agreement; or

(d) a relocation of Executive's principal base of operation to any location other than Youngstown, Ohio during the term of Executive's employment hereunder; *provided* that the requirement that Executive devote at least a majority of his business time to duties performed at the Parent's corporate offices in Indianapolis, Indiana shall not constitute a relocation of Executive's principal base of operation for purposes of this Agreement; *provided* that no termination by Executive for Good Reason shall be deemed effective unless and until the Executive shall have provided the Parent with written notice specifying in detail the action(s) or event(s) allegedly constituting grounds for the Good Reason termination and the Parent shall have failed to cure such action(s) or event(s) within 10 days of receipt of such notice.

6.5 *Effect of Termination.*

(a) In the event of termination of this Agreement during the Term by either party for any reason, or by reason of the Executive's death, the Company shall pay to Executive (or his beneficiary in the event of his death) any base salary earned but not paid to Executive prior to the effective date of such termination, together with any other earned and currently payable, but then unpaid, compensation.

(b) In the event of the termination of this Agreement during the Term (i) by the Parent without Cause (other than due to Executive's death or disability), or (ii) by Executive for Good Reason (each, a "Wrongful Termination"), the Company shall pay to Executive, in addition to the amounts described in Section 6.5(a) hereof, an amount equal to one-year's then current base salary and bonus, in twelve equal monthly installments following the date of such termination (the "Cash Severance"). For this purpose, Executive's then current bonus shall be Executive's maximum target bonus for the Parent's fiscal year within which such termination occurs.

(c) In the event of the termination of this Agreement during the Term for any of the reasons specified in (b) above, or a termination by Parent due to Executive's disability, then Executive shall continue to vest in any restricted stock grants deemed earned and awarded by the Committee due to the attainment of prescribed goals and objectives, provided that at the time of any such termination, Executive executes a release in favor of the Company in form and content reasonably acceptable to Executive and the Company, and provided, further, that Executive complies with the provisions of Sections 5.2 and 5.3(b) above.

(d) Unless otherwise agreed among the parties in writing, in the event of the termination of Executive's employment upon the expiration of the Term whether as the result of either the Company or the Executive providing notice electing not to renew the Term pursuant to Section 3.1 or otherwise, Executive shall be entitled to no further benefits hereunder, other than those described in Sections 6.5(a), and any continuation of Executive's employment with the Parent beyond the expiration of the Term shall be deemed an employment at will and shall not be deemed to extend any of the provisions of this Agreement, and Executive's employment may thereafter be terminated at will by Executive or the Parent.

(e) In the event of Executive's termination of employment by Parent as a result of Executive's death, in addition to Executive's entitlement to the amounts described in Section 6.5(a), the deferred stock deemed earned and awarded as described in Section 6.5(c) above shall be accelerated and shall be deemed fully vested as of the date of Executive's Death.

(f) Except as expressly provided in this Article VI, the Parent shall have no further obligations to Executive under this Agreement following Executive's termination of employment with the Parent. Any other benefits due Executive following Executive's termination of employment with the Parent shall be determined in accordance with the plans, policies and practices of the Parent; *provided* that any severance benefits otherwise payable to Executive in connection with Executive's termination of employment under any plan or policy of the Parent or its affiliates shall be reduced by the aggregate amount payable to Executive pursuant to Section 6.5(b).

(g) Upon the termination of Executive's employment with the Parent for any reason, Executive agrees to promptly resign, effective as of the date of such termination of employment, from the Board (and any committee thereof) and as an officer of Parent, as well as from participation as a member of the Board of Directors or trustee or committee member or officer of any of the Parent's affiliates and subsidiaries, and will take all action reasonably requested by the Parent in order to evidence such resignation.

## ARTICLE VII

## SECTION 409A COMPLIANCE

7.1 *Key Employee*. If as of the date his employment terminates, Executive is a "key employee" within the meaning of the Internal Revenue Code (the "Code") Section 416(i), without regard to paragraph 416(i)(5) thereof, and if the Company has stock that is publicly traded on an established securities market or otherwise, any deferred compensation payments otherwise payable to Executive because of his termination of service (for reasons other than death or disability) will be suspended until, and will be paid to the Executive on, the first day of the seventh month following the month in which the Executive's last day of employment occurs. For purposes of this Agreement, "deferred compensation" means compensation provided under a nonqualified deferred compensation plan as defined in, and subject to, Code Section 409A.

7.2 *Adjustments*. This Agreement and any amendments hereto shall be interpreted and applied in a manner consistent with the applicable standards for nonqualified deferred compensation plans established by Code Section 409A and its interpretive regulations and other regulatory guidance. To the extent that any terms of this Agreement would subject Executive to gross income inclusion, interest, or additional tax pursuant to Code Section 409A, those terms are to that extent superseded by, and shall be adjusted to the minimum extent necessary to satisfy, the applicable Code Section 409A standards.

## ARTICLE VIII

## MISCELLANEOUS

8.1 *Life Insurance*. Executive agrees that the Parent and/or its affiliates may apply for and secure and own insurance on Executive's life (in amounts determined by the Parent or its affiliates). Executive agrees to cooperate fully in the application for and securing of such insurance, including the submission by Executive to such physical and other examinations, and the answering of such questions and furnishing of such information by Executive, as may be required by the carrier(s) of such insurance. notwithstanding anything to the contrary contained herein, the Parent and its affiliates shall not be required to obtain any insurance for or on behalf of Executive, except as provided in Section 4.1(b) hereof.

8.2 *Benefit of Agreement; Assignment; Beneficiary.*

(a) This Agreement shall inure to the benefit of and be binding upon the Parent, the Company and its successors and assigns, including without limitation, any corporation or person which may acquire all or substantially all of the Parent's assets or business, or with or into which the Parent may be consolidated or merged. This Agreement shall also inure to the benefit of, and be enforceable by, the Executive and his personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amount would still be payable to the Executive pursuant to Section 6.5(a), all such amounts shall be paid in accordance with the terms of this Agreement to the Executive's beneficiary, devisee, legatee or other designee, or if there is no such designee, to the Executive's estate.

(b) The Parent shall require any successor (whether direct or indirect, by operation of law, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Parent to expressly assume and agree to perform this Agreement in the same manner and to the saint extent that the Parent would be required to perform it if no such succession had taken place.

8.3 *Notices*. Any notice required or permitted hereunder shall be in writing and shall be sufficiently given if personally delivered or if sent by telegram or telex or by registered or certified mail, postage prepaid, with return receipt requested, addressed: (a) in the case of the Parent to its principal corporate offices in Indianapolis, Indiana, Attention: *General Counsel*, or to such other address and/or to the attention of such other person as the Parent shall designate by written notice to Executive; and (b) in the case of Executive, to the then most current address of the Executive as recorded in the personnel records of the Parent, or to such other address as Executive shall designate by written notice to the Parent. Any notice given hereunder shall be deemed to have been given at the time of receipt thereof by the person to whom such notice is given.

8.4 *Entire Agreement; Amendment*.

(a) As of the Effective Date, this Agreement shall constitute the entire agreement of the parties hereto with respect to the terms and conditions of Executive's employment during the Term and supersedes any and all prior agreements and understandings, whether written or oral, between the parties hereof with respect to compensation due for services rendered hereunder. Executive, the Parent and the Company further hereby expressly agree that from and after the Effective Date, (i) this Agreement shall supersede the Prior Agreement in all respects, (ii) Executive's rights with respect to the vesting and payment of awards under any stock incentive plan of the Company shall be limited to those expressly provided in Section 4.1(c) and Section 6.5(c) and (e), and (iii) neither the Executive nor the Parent or its affiliates shall have any further rights, claims or obligations under any provisions of the Prior Agreement or any then existing agreements, arrangements or understandings relating to the subject matter hereof.

(b) This Agreement may not be changed or modified except by an instrument in writing signed by both of the parties hereto.

8.5 *Waiver*. The waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a continuing waiver or as a consent to or waiver of any subsequent breath hereof.

8.6 *Headings*. The Article and Section headings herein are for convenience of reference only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

8.7 *Governing Law*. This Agreement shall be governed by, and construed and interpreted in accordance with, the internal laws of the State of Indiana without reference to the principles of conflict in laws.

8.8 *Agreement to Take Actions*. Each party hereto shall execute and deliver such documents, certificates, agreements and other instruments, and shall take such other actions, as may be reasonably necessary or desirable in order to perform his or its obligations under this Agreement or to effectuate the purposes hereof.

8.9 *Arbitration*. Except for disputes with respect to Article V hereof, any dispute between the parties hereto respecting the meaning and intent of this Agreement or any of its terms and provisions shall be submitted to arbitration in Indianapolis, Indiana in accordance with the Commercial Rules of the American Arbitration Association then in effect, and the arbitration determination resulting from any such submission shall be final and binding upon the parties hereto. Judgment upon any arbitration award may be entered in any court of competent jurisdiction.

8.10 *Attorneys' Fees*. In the event of any arbitration or legal proceeding between the parties hereto arising out of the subject matter of this Agreement, including any such proceeding to enforce any right or provision hereunder, which proceeding shall result in the rendering by an arbitration panel or court of a decision in favor of Executive, the Parent shall pay to Executive all costs and expenses incurred therein by Executive, including, without limitation, reasonable attorneys' fees, which costs, expenses and attorneys' fees shall be included in and as a part of any award or judgment rendered in such arbitration or legal proceeding.

8.11 *Notification Requirement*. During the term of Executive's employment hereunder and for the one (1) year period following Executive's termination of employment with the Parent for any reason, the Executive shall give notice to the Parent of any change in the Executive's address and of each new employment that the Executive plans to undertake, at least seven (7) days prior to beginning any such new employment. Such notice shall state the nature of the new employment, the name and address of the person for whom such new employment is undertaken and the Executive shall provide the Parent with such other pertinent information concerning such new employment as the Parent may reasonably request in order to determine the Executive's continued compliance with the Executive's obligations under Article V.

8.12 *Withholding Taxes*. The Parent and its affiliates may withhold from any amounts payable under this Agreement such Federal, state and local taxes as are required to be withheld pursuant to any applicable law or regulation and the Parent and its affiliates shall be authorized to take such action as may be necessary in the opinion of the Parent's counsel (including, without limitation, withholding amounts from any compensation or other amount owing from the Parent (or its affiliates) to the Executive) to satisfy all obligations for the payment.

8.13 *Survival*. The respective tights 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.

8.14 *Validity*. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision or provisions of this Agreement, which shall remain in full force and effect.

8.15 *Counterparts*. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement as of this 1st day of January, 2007.

SIMON PROPERTY GROUP, INC., A DELAWARE CORPORATION

By: /s/ DAVID SIMON

David Simon
*Chairman and Chief Executive Officer*

SIMON PROPERTY GROUP ADMINISTRATIVE
SERVICES PARTNERSHIP, L.P., A DELAWARE LIMITED PARTNERSHIP

By its General Partner:

M.S. MANAGEMENT ASSOCIATES, INC.,
a Delaware corporation

By: /s/ DAVID SIMON

David Simon
*Chairman and Chief Executive Officer*

/s/ RICHARD S. SOKOLOV

RICHARD S. SOKOLOV

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Exhibit 10.12

**Exhibit 10.13**

**DESCRIPTION OF DIRECTOR AND EXECUTIVE COMPENSATION ARRANGEMENTS**
(February 26, 2008)

**Compensation of Non-Employee Directors**

*Annual Retainer.* Non-employee members of the Board receive a retainer in cash and restricted stock:

- The cash component is $70,000.
- The restricted stock award has a value of $82,500(1).

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(1) Grants of restricted stock are determined by dividing the cash value of the award by the 20 trading day average closing price of Company common stock ending on the trading day immediately preceding the date of such award.

- The retainer is payable annually, upon election, re-election or appointment to the Board(2).

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(2) Pro-rated for partial years of service.

*Committee Chair Retainers.* Each non-employee Committee Chair receives:

- Audit—$20,000, payable one-half in cash and one-half in restricted stock.
- All other Committees (except Executive Committee)—$15,000, payable one-half in cash and one-half in restricted stock.

*Meeting Fees.* Non-employee directors receive $2,000 per Board meeting for in person attendance. Non-employee directors receive $1,500 per committee meeting for attendance (whether in person, by telephone or video conference). The per meeting fee payable for in person attendance of Board or committee meetings is two (2) times regular meeting fee for any non-employee Director who must travel more than four (4) times zones from his or her personal residence to the location of a meeting of the Board or any of its committees.

*Lead Director Compensation.* The non-employee director designated as Lead Director receives an additional retainer of $25,000 annually, payable one-half in cash and one-half in restricted stock(2).

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(2) Pro-rated for partial years of service.

*Vesting of Restricted Stock.* All restricted stock compensation received by non-employee directors vests one year after the award.

*Director Ownership Guidelines.* Under the Company's Governance Principles, directors must own 3,000 shares or more of Company common stock within two years after their initial election or appointment and 5,000 shares or more three years from such date. Restricted stock qualifies for this purpose only after full vesting.

*Deferred Compensation.* Non-employee directors may elect to defer all or a portion of their cash compensation under the Company's Nonqualified Deferred Compensation Plan (the "Deferred Compensation Plan"). To date, none of our non-employee directors has elected to do so. All restricted stock issued to non-employee directors as retainers will be placed in the Deferred Compensation Plan. Dividends paid on the restricted stock in this account must be reinvested in Company common stock. Amounts in the Deferred Compensation Plan will not be released until a director retires and resigns from the Board or is not re-elected.

**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 sets or ratifies the base salaries of the Company's executive officers. The following are the current annual base salary levels for the Company's Chief Executive Officer, Chief Financial Officer and its three other most highly compensated executive officers (the "Named Executive Officers") required to be identified in the proxy statement for the Company's 2007 annual meeting of stockholders:

| | | |
|---|---|---|
| David Simon<br>Chief Executive Officer | $ | 1,000,000 |
| Steven Sterrett<br>Executive Vice President and<br>Chief Financial Officer | | 475,000 |
| Richard S. Sokolov<br>President and Chief Operating Officer | | 782,000 |
| Gary Lewis<br>Senior Executive Vice President | | 500,000 |
| James M. Barkley<br>General Counsel and Secretary | | 500,000 |

*Employment Agreements.* Mr. Sokolov has entered into an employment agreement with the Company, a copy of which has been filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2007 (the "2007 10-K").

*Bonus Plan.* Each of the Named Executive Officers is also eligible to receive an annual bonus under the Company's bonus program. For each participant, the Company sets a bonus target, generally expressed as a percentage of base salary. Actual bonus payments may range from 0 to 200% of the target amount. The Company sets specific criteria for corporate, business unit (if applicable) and individual (if applicable) objectives. The criteria may also include subjective measures of performance or financial measures such as EBITDA or other measures related to an executive's primary areas of responsibility. In the case of our Named Executive Officers, the bonus criteria are approved by the Compensation Committee. In the recent past, the payment of bonuses has been made subject to achievement of the Company's overall budget for the year. The Company also includes "stretch" levels which may justify higher payments if Company performance exceeds its budget. If an executive officer's bonus criteria are objective, then the achievement of those criteria are reviewed by the Compensation Committee. Achievement of the bonus criteria is generally determined in February of the year after the performance year and bonuses are paid in March.

At the time of filing this description, the Compensation Committee has not yet determined the bonuses for the Named Executive Officers for 2007.

*Stock-Based Awards.* The Named Executive Officers are eligible to receive discretionary awards under the Simon Property Group, L.P. 1998 Stock Incentive Plan (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 forms of awards the Compensation Committee has granted have been options and restricted stock. No stock options have been granted to employees since 2001.

Each year the Compensation Committee creates an annual stock incentive program under the 1998 Plan. The stock incentive program provides participants an opportunity to receive an award of restricted shares of common stock if financial and return-based performance measures for the program year are achieved. Until 2006, award opportunities were for a specific number of restricted shares that would be granted in the following year if the performance measures for the program year were met.

Beginning with the 2006 stock incentive program, award opportunities were designated as a specific dollar value which is to be converted into shares of restricted stock if the awards are granted.

The performance measures and weightings for the 2007 stock incentive program were:

| Measure | Weighting |
| --- | --- |
| "Target" FFO per Share Goal | 35% |
| "Stretch" FFO per Share Goal | 25% |
| Total Stockholder Return vs. MSCI US REIT Index (meet or exceed) | 20% |
| Total Stockholder Return vs. S&P 500 Index (meet or exceed) | 20% |
| *Total* | 100% |

The 2007 stock incentive program also recognizes evaluations of individual performance on a positive or negative basis. The committee assigns each executive officer an individual rating for his or her program year performance ranging from "0" to "3." Participants with the highest rating of "3" receive 110% to 125% of the initial allocation based on corporate performance (the "Calculated Award"). Participants with a rating of "2" receive 100% of the Calculated Award. Participants with a rating of "1" receive 75% of the Calculated Award, and participants with a rating of 0, which represents unacceptable performance, receive no award.

The Compensation Committee allocated to the Named Executive Officers, other than David Simon, the opportunity to receive restricted shares with an aggregate value of $4.5 million under the 2007 stock incentive program. David Simon was allocated the opportunity to receive an award of restricted shares with a value of $1.4 million under the 2007 stock incentive plan.

*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 for contributions made prior to January 1, 2007 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. Company basic contributions made after January 1, 2007 will vest 20% after completion of two years and an additional 20% after each additional year of service until fully vested after six 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 Deferred Compensation Plan, a non-qualified deferred compensation plan for certain executives, key employees and directors. While the Deferred Compensation 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 to be used to pay benefits to participants, except to the extent the Company becomes insolvent.

The Deferred Compensation Plan permits eligible employees to defer receipt of up to 100% of their compensation, including Company stock awarded under the 1998 Plan. The Deferred Compensation Plan also authorizes the Company to make matching contributions based on each eligible employee's elective cash deferrals. The Company has not made any matching contributions since the inception of the Deferred Compensation Plan. Participants in the Deferred Compensation 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. Employee elective cash deferrals generate earnings based on investment elections made by individual participants.

*Heath and Welfare Benefits.* The Named Executive Officers also participate in health and welfare benefit plans on the same terms as other salaried employees.

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Exhibit 10.13

DESCRIPTION OF DIRECTOR AND EXECUTIVE COMPENSATION ARRANGEMENTS (February 26, 2008)

**Exhibit 12.1**

**SIMON PROPERTY GROUP, INC.**
**Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends**
**(in thousands)**

| | For the year ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2007 | 2006 | 2005 | 2004 | 2003 |
| **Earnings:** | | | | | |
| Pre-tax income from continuing operations | $ 507,982 | $ 574,813 | $ 369,636 | $ 362,600 | $ 341,795 |
| Add: | | | | | |
| Pre-tax (loss) income from 50% or greater than 50% owned unconsolidated entities | (9,061) | 45,313 | 49,939 | 46,124 | 59,165 |
| Limited partners' interest in the Operating Partnership | 120,818 | 128,661 | 75,841 | 87,891 | 89,722 |
| Minority interest in income of majority owned subsidiaries | 13,936 | 11,524 | 13,743 | 9,687 | 7,277 |
| Distributed income from less than 50% owned unconsolidated entities | 51,594 | 53,000 | 66,165 | 45,909 | 42,939 |
| Amortization of capitalized interest | 2,462 | 5,027 | 2,772 | 2,533 | 1,850 |
| **Fixed Charges** | 1,218,298 | 985,797 | 932,404 | 769,883 | 696,289 |
| Less: | | | | | |
| Income from unconsolidated entities | (38,120) | (110,819) | (81,807) | (81,113) | (99,645) |
| Interest capitalization | (37,270) | (34,073) | (15,502) | (15,546) | (11,059) |
| **Earnings** | **$ 1,830,639** | **$ 1,659,243** | **$ 1,413,191** | **$ 1,227,968** | **$ 1,128,333** |
| **Fixed Charges:** | | | | | |
| Portion of rents representative of the interest factor | 9,032 | 9,052 | 8,869 | 7,092 | 5,507 |
| Interest on indebtedness (including amortization of debt expense) | 1,150,416 | 915,693 | 879,953 | 726,025 | 667,679 |
| Interest capitalized | 37,270 | 34,073 | 15,502 | 15,546 | 11,059 |
| Preferred distributions of consolidated subsidiaries | 21,580 | 26,979 | 28,080 | 21,220 | 12,044 |
| **Fixed Charges** | **$ 1,218,298** | **$ 985,797** | **$ 932,404** | **$ 769,883** | **$ 696,289** |
| Add: Preferred Stock Dividends | 55,075 | 77,695 | 73,854 | 42,346 | 55,138 |
| **Fixed Charges and Preferred Stock Dividends** | **$ 1,273,373** | **$ 1,063,492** | **$ 1,006,258** | **$ 812,229** | **$ 751,427** |
| **Ratio of Earnings to Fixed Charges and Preferred Stock Dividends** | **1.44x** | **1.56x** | **1.40x** | **1.51x** | **1.50x** |

For purposes of calculating the ratio of earnings to fixed charges, "earnings" have been computed by adding fixed charges, excluding capitalized interest, to pre-tax income from continuing operations including income from minority interests and our share of pre-tax income from 50%, or greater than 50%, owned unconsolidated entities which have fixed charges, and including distributed operating income from less than 50% owned unconsolidated joint ventures instead of income from the less than 50% owned 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, preferred distributions, and amortization of debt issue costs.

QuickLinks

Exhibit 12.1

SIMON PROPERTY GROUP, INC. Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends (in thousands)

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**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. Other data we believe is important in understanding trends in our business is also included in the tables.

## Selected Financial Data

| | As of or for the Year Ended December 31, | | | | |
|---|---|---|---|---|---|
| | **2007** | **2006** | **2005(1)** | **2004(1)** | **2003(1)** |
| | (in thousands, except per share data) | | | | |
| **OPERATING DATA:** | | | | | |
| Total consolidated revenue | **$ 3,650,799** | $ 3,332,154 | $ 3,166,853 | $ 2,585,079 | $ 2,242,399 |
| Income from continuing operations | **519,304** | 563,443 | 353,407 | 350,830 | 334,198 |
| Net income available to common stockholders | **$ 436,164** | $ 486,145 | $ 401,895 | $ 300,647 | $ 313,577 |
| **BASIC EARNINGS PER SHARE:** | | | | | |
| Income from continuing operations | **$ 2.09** | $ 2.20 | $ 1.27 | $ 1.49 | $ 1.47 |
| Discontinued operations | **(0.13)** | — | 0.55 | (0.04) | 0.18 |
| Net income | **$ 1.96** | $ 2.20 | $ 1.82 | $ 1.45 | $ 1.65 |
| Weighted average shares outstanding | **222,998** | 221,024 | 220,259 | 207,990 | 189,475 |
| **DILUTED EARNINGS PER SHARE:** | | | | | |
| Income from continuing operations | **$ 2.08** | $ 2.19 | $ 1.27 | $ 1.48 | $ 1.47 |
| Discontinued operations | **(0.13)** | — | 0.55 | (0.04) | 0.18 |
| Net income | **$ 1.95** | $ 2.19 | $ 1.82 | $ 1.44 | $ 1.65 |
| Diluted weighted average shares outstanding | **223,777** | 221,927 | 221,130 | 208,857 | 190,299 |
| Dividends per share (2) | **$ 3.36** | $ 3.04 | $ 2.80 | $ 2.60 | $ 2.40 |
| **BALANCE SHEET DATA:** | | | | | |
| Cash and cash equivalents | **$ 501,982** | $ 929,360 | $ 337,048 | $ 520,084 | $ 535,623 |
| Total assets | **23,605,662** | 22,084,455 | 21,131,039 | 22,070,019 | 15,684,721 |
| Mortgages and other indebtedness | **17,218,674** | 15,394,489 | 14,106,117 | 14,586,393 | 10,266,388 |
| Stockholders' equity | **$ 3,563,383** | $ 3,979,642 | $ 4,307,296 | $ 4,642,606 | $ 3,338,627 |
| **OTHER DATA:** | | | | | |
| Cash flow provided by (used in): | | | | | |
| Operating activities | **$ 1,458,648** | $ 1,273,367 | $ 1,170,371 | $ 1,080,532 | $ 950,869 |
| Investing activities | **(2,036,921)** | (601,851) | (52,434) | (2,745,697) | (761,663) |
| Financing activities | **$ 150,895** | $ (79,204) | $ (1,300,973) | $ 1,649,626 | $ (50,712) |
| Ratio of Earnings to Fixed Charges and Preferred Stock Dividends (3) | **1.44x** | 1.56x | 1.40x | 1.51x | 1.50x |
| Funds from Operations (FFO) (4) | **$ 1,691,887** | $ 1,537,223 | $ 1,411,368 | $ 1,181,924 | $ 1,041,105 |
| FFO allocable to Simon Property | **$ 1,342,496** | $ 1,215,319 | $ 1,110,933 | $ 920,196 | $ 787,467 |

**Notes**

(1) *On October 14, 2004 we acquired the former Chelsea Property Group, Inc. In the accompanying financial statements, Note 2 describes the basis of presentation and Note 4 describes acquisitions and disposals.*

(2) *Represents dividends declared per period.*

(3) *The ratios for 2004 and 2003 have been restated for the reclassification of discontinued operations described in Note 3.*

(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.*

You should read the following discussion in conjunction with the consolidated financial statements and notes thereto that are included in this Annual Report to Stockholders.

## Overview

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

We own, develop, and manage retail real estate properties, primarily regional malls, Premium Outlet® centers, The Mills®, and community/lifestyle centers. As of December 31, 2007, we owned or held an interest in 320 income-producing properties in the United States, which consisted of 168 regional malls, 67 community/lifestyle centers, 38 Premium Outlet centers, 37 properties acquired in the Mills acquisition, and 10 other shopping centers or outlet centers in 41 states plus Puerto Rico. Of the 37 Mills properties acquired, 17 of these are The Mills, 16 are regional malls, and four are community centers. We also own interests in four parcels of land held in the United States for future development. In the United States, we have four new properties currently under development aggregating approximately 2.75 million square feet which will open during 2008. Internationally, we have ownership interests in 51 European shopping centers (France, Italy, and Poland); six Premium Outlet centers in Japan, one Premium Outlet center in Mexico, and one Premium Outlet center in South Korea. Also, through a joint venture arrangement, we have a 32.5% interest in five shopping centers under construction in China.

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

- Base minimum rents,
- 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 taxes, repair and maintenance, and advertising and promotional expenditures.

Revenues of our management company, after intercompany eliminations, consist primarily of management fees that are typically based upon the revenues of the property being managed.

We seek growth in earnings, funds from operations, or FFO, and cash flows by enhancing the profitability and operation of our properties and investments. We seek to accomplish this growth through the following:

- Focusing on leasing to increase revenues and utilization of economies of scale to reduce operating expenses,
- Expanding and re-tenanting existing franchise locations at competitive market rates,
- Adding mixed-use elements to properties through our asset intensification initiatives, including the addition of multifamily housing, condominiums, hotels and self-storage facilities,
- Acquiring high quality real estate assets or portfolios of assets, and
- Selling non-core assets.

We also grow by generating supplemental revenues from the following activities:

- Establishing our malls as leading market resource providers for retailers and other businesses and consumer-focused corporate alliances, including: payment systems (including handling fees relating to the sales of bank-issued prepaid cards), national marketing alliances, static and digital media initiatives, business development, sponsorship, and events,

- Offering property operating services to our tenants and others, including: waste handling and facility services, as well as major capital expenditures such as roofing, parking lots and energy systems,

- Selling or leasing land adjacent to our shopping center properties, commonly referred to as "outlots" or "outparcels," and,

- Generating interest income on cash deposits and loans made to related entities.

We focus on high quality real estate across the retail real estate spectrum. We expand or renovate to enhance existing assets' profitability and market share when we believe the investment of our capital meets our risk-reward criteria. We selectively develop new properties in major metropolitan areas that exhibit strong population and economic growth.

We routinely review and evaluate acquisition opportunities based on their ability to complement our portfolio. Lastly, we are selectively expanding our international presence. Our international strategy includes partnering with established real estate companies and financing international investments with local currency to minimize foreign exchange risk.

To support our growth, we employ a three-fold capital strategy:

- Provide the capital necessary to fund growth,

- Maintain sufficient flexibility to access capital in many forms, both public and private, and

- Manage our overall financial structure in a fashion that preserves our investment grade credit ratings.

**Results Overview**

Diluted earnings per common share decreased $0.24 during 2007, or 11.0%, to $1.95 from $2.19 for 2006. The 2007 results include $19.0 million of lease settlements related to two department store closures, our share of the gain on sale of assets in Poland of $90.6 million, and $39.1 million of interest income attributable to loans made to The Mills Corporation and its majority-owned subsidiary, The Mills Limited Partnership (collectively "Mills") and SPG-FCM Ventures, LLC ("SPG-FCM"), net of inter-entity eliminations, and increases in portfolio operations. Also included in 2007 were $28.0 million in losses on sale of discontinued operations (net of limited partners' interest) and a $35.6 million charge, net-of-tax benefit, related to the impairment of our investment in an Arizona land joint venture investment. Included in the 2006 results is a $34.4 million gain from the sale of partnership interests in Simon Ivanhoe, S.à.r.l., or Simon Ivanhoe, one of our European joint ventures, to a new partner, an $86.5 million gain related to our receipt of capital transaction proceeds, and recognition of $15.6 million in income during 2006 from a property in which we had a beneficial interest, representing the right to receive cash flow, capital distributions, and related profits and losses, and increases in portfolio operations.

Core business fundamentals remained strong during 2007. Regional mall comparable sales per square foot ("psf") increased in 2007, by 3.2% to $491 psf from $476 psf in 2006, reflecting stable retail sales activity. Our regional mall average base rents increased 4.8% to $37.09 psf from $35.38 psf. In addition, our regional mall leasing spreads were $5.64 psf as of December 31, 2007, compared to $6.48 psf as of December 31, 2006, principally as a result of leasing larger "big box" spaces in 2007, which are generally at a lower rent per square foot as compared to traditional in-line retail stores. The operating fundamentals of the Premium Outlet centers, The Mills centers, and community/lifestyle centers also contributed to the improved 2007 operating results, as seen in the section entitled "United States Portfolio Data". Finally, regional mall occupancy was 93.5% as of December 31, 2007, as compared to 93.2% as of December 31, 2006.

During 2007, SPG-FCM, an entity in which a subsidiary of the Operating Partnership holds a 50% interest, completed the Mills acquisition, which adds an additional 37 properties and over 42 million square feet of gross leasable area to our portfolio. The properties are generally located in major metropolitan areas and consist of a combination of traditional anchor tenants, local and national retailers, and a number of larger "big box" tenants. The acquisition required an equity investment of $650.0 million by us, as well as our providing loans to SPG-FCM and Mills in various amounts throughout 2007 to effect the initial successful tender offer, and to acquire all remaining common and preferred equity, and to pay various costs of the transaction. We also serve as manager of the properties acquired in this transaction, which is more fully discussed in the "Liquidity and Capital Resources" section.

We continue to identify additional opportunities in various international markets. We continue to focus on our joint venture interests in Europe, Japan, and other market areas abroad. In 2005, we realigned the interests in Simon Ivanhoe with the result that our ownership and that of our new partner, Ivanhoe Cambridge, Inc., were increased to 50% each in the first quarter of 2006. In 2007, we increased our presence in Europe and Asia with the opening of Cinisello in Italy, a 376,000 square-foot center, Porta di Roma in Italy, a 1,300,000 square-foot center, Nola-Vulcano Buono in Italy, a 876,000 square-foot center, Yeoju Premium Outlets in South Korea, a 250,000 square-foot center, and Kobe-Sanda Premium Outlets in Japan, a 194,000 square foot center. We also opened expansions to a Premium Outlet center in Toki, Japan and a shopping center in Wasquehal, France. We expect international development and redevelopment/expansion activity for 2008 to include:

- Continuing construction by GCI, of three shopping centers: one in Naples, and two in Sicily with a total gross leasable area, or GLA, of nearly 1.2 million square feet;

- Completing and opening of Sendai Izumi Premium Outlets Phase 1, a 172,000 square foot Premium Outlet center located in Japan. We hold a 40% ownership interest in this property; and

- Completing and opening one and continuing construction on four additional Wal-Mart anchored shopping centers, all located in China. We hold a 32.5% ownership interest in these centers.

Despite a 15 basis point increase in the average LIBOR rate for the year as compared to the prior year (5.25% for 2007 versus 5.10% for 2006), our effective overall borrowing rate for the year ended December 31, 2007 decreased thirty basis points as compared to the year ended December 31, 2006. Our consolidated financing activities for the year ended December 31, 2007 included:

- We repaid $1.1 billion in unsecured notes that bore interest ranging from 6.38% to 7.25%.

- We repaid four mortgages totaling $191.3 million that bore interest at fixed rates ranging from 7.65% to 9.38%.

- We increased our borrowings on our $3.5 billion unsecured credit facility to approximately $2.4 billion during the twelve months ended December 31, 2007. At December 31, 2006, there were no outstanding amounts on the U.S.-denominated portion of our credit facility, and the multicurrency portion of our credit facility had a balance of $305.1 million. The increase was as a result of our $650 million equity funding commitment to SPG-FCM in relation to the Mills acquisition, funding of a loan to SPG-FCM totaling $548 million, the funding of our share of development costs for consolidated and joint venture property development and redevelopment and expansion opportunities, our other consolidated acquisition activity, and the retirement of unsecured notes.

- As a result of the Mills acquisition, we now have a majority ownership interest in Gwinnett Place and Town Center at Cobb, and we now consolidate those two properties. Included in this consolidation were two mortgages secured by Gwinnett Place of $35.6 million and $79.2 million at fixed rates of 7.54% and 7.25%, respectively, and two mortgages secured by Town Center at Cobb of $45.4 million and $60.3 million at fixed rates of 7.54% and 7.25%, respectively. On May 23, 2007, we refinanced Gwinnett Place and Town Center at Cobb with $115.0 million and $280.0 million mortgages at fixed rates of 5.68% and 5.74% respectively.

- We placed a $200.0 million fixed-rate mortgage on Independence Center, a regional mall property, on July 10, 2007 which matures on July 10, 2017 and bears a rate of 5.94%.

- As a result of the acquisition of Las Americas Premium Outlets on August 23, 2007, we assumed its $180.0 million fixed-rate mortgage that matures June 11, 2016 and bears a rate of 5.84%.

**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 for our four domestic platforms. 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 United States. The following table sets forth these key operating statistics for:

- properties that are consolidated in our consolidated financial statements,
- properties we account for under the equity method of accounting as joint ventures, and
- the foregoing two categories of properties on a total portfolio basis.

| | 2007 | %/basis points Change(1) | 2006 | %/basis points Change(1) | 2005 | %/basis point Change(1) |
|---|---|---|---|---|---|---|
| **Regional Malls:** | | | | | | |
| ***Occupancy*** | | | | | | |
| Consolidated | **93.9%** | **+90 bps** | 93.0% | -30 bps | 93.3% | +60 bps |
| Unconsolidated | **92.7%** | **-80 bps** | 93.5% | +80 bps | 92.7% | +10 bps |
| **Total Portfolio** | **93.5%** | **+30 bps** | 93.2% | +10 bps | 93.1% | +40 bps |
| ***Average Base Rent per Square Foot*** | | | | | | |
| Consolidated | **$ 36.24** | **4.2%** | $ 34.79 | 2.2% | $ 34.05 | 3.8% |
| Unconsolidated | **$ 38.73** | **6.2%** | $ 36.47 | 3.3% | $ 35.30 | 1.5% |
| **Total Portfolio** | **$ 37.09** | **4.8%** | $ 35.38 | 2.6% | $ 34.49 | 3.0% |
| ***Comparable Sales per Square Foot*** | | | | | | |
| Consolidated | **$ 472** | **2.2%** | $ 462 | 6.2% | $ 435 | 5.8% |
| Unconsolidated | **$ 530** | **4.9%** | $ 505 | 5.6% | $ 478 | 3.9% |
| **Total Portfolio** | **$ 491** | **3.2%** | $ 476 | 5.8% | $ 450 | 5.4% |
| **Premium Outlet Centers:** | | | | | | |
| ***Occupancy*** | **99.7%** | **+30 bps** | 99.4% | -20 bps | 99.6% | +30 bps |
| ***Average Base Rent per Square Foot*** | **$ 25.67** | **5.9%** | $ 24.23 | 4.6% | $ 23.16 | 6.0% |
| ***Comparable Sales per Square Foot*** | **$ 504** | **7.0%** | $ 471 | 6.1% | $ 444 | 7.8% |
| **The Mills®:** | | | | | | |
| ***Occupancy*** | **94.1%** | **—** | — | — | — | — |
| ***Average Base Rent per Square Foot*** | **$ 19.06** | **—** | — | — | — | — |
| ***Comparable Sales per Square Foot*** | **$ 372** | **—** | — | — | — | — |
| **Mills Regional Malls:** | | | | | | |
| ***Occupancy*** | **89.5%** | **—** | — | — | — | — |
| ***Average Base Rent per Square Foot*** | **$ 35.63** | **—** | — | — | — | — |
| ***Comparable Sales per Square Foot*** | **$ 444** | **—** | — | — | — | — |
| **Community/Lifestyle Centers:** | | | | | | |
| ***Occupancy*** | | | | | | |
| Consolidated | **92.9%** | **+140 bps** | 91.5% | +200 bps | 89.5% | -100 bps |
| Unconsolidated | **96.6%** | **+10 bps** | 96.5% | +40 bps | 96.1% | -140 bps |
| **Total Portfolio** | **94.1%** | **+90 bps** | 93.2% | +160 bps | 91.6% | -30 bps |
| ***Average Base Rent per Square Foot*** | | | | | | |
| Consolidated | **$ 12.73** | **7.0%** | $ 11.90 | 1.7% | $ 11.70 | 5.2% |
| Unconsolidated | **$ 11.85** | **1.5%** | $ 11.68 | 8.0% | $ 10.81 | 3.1% |
| **Total Portfolio** | **$ 12.43** | **5.2%** | $ 11.82 | 3.6% | $ 11.41 | 4.6% |

(1) Percentages may not recalculate due to rounding.

***Occupancy Levels and Average Base Rent Per Square Foot.*** Occupancy and average base rent are based on mall and freestanding Gross Leasable Area, or GLA, owned by us in the regional malls, all tenants at The Mills and the Premium Outlet centers, and all tenants at community/lifestyle centers. Our portfolio has maintained stable occupancy and increased average base rents despite the current economic climate.

***Comparable Sales Per Square Foot.*** Comparable sales include total reported retail tenant sales at owned GLA (for mall and freestanding stores with less than 10,000 square feet) in the regional malls, and all reporting tenants at The Mills and the Premium Outlet centers and community/lifestyle 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 which we account for using the equity method of accounting.

| | 2007 | 2006 | 2005 |
|---|---|---|---|
| **European Shopping Centers** | | | |
| Occupancy | **98.7%** | 97.1% | 98.1% |
| Comparable sales per square foot | **€421** | €391 | €380 |
| Average rent per square foot | **€29.58** | €26.29 | €25.72 |
| **International Premium Outlet Centers (1)** | | | |
| Occupancy | **100%** | 100% | 100% |
| Comparable sales per square foot | **¥93,169** | ¥89,238 | ¥84,791 |
| Average rent per square foot | **¥4,626** | ¥4,646 | ¥4,512 |

(1) Does not include our center in Mexico (Premium Outlets Punta Norte), which opened December 2004, or our center in South Korea (Yeoju Premium Outlets), which opened in June 2007.

**Critical Accounting Policies**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, or GAAP, requires management to use judgment in the application of accounting policies, including making estimates and assumptions. We base our estimates on historical experience and on various other assumptions believed to be reasonable under the circumstances. These judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied resulting in a different presentation of our financial statements. From time to time, we evaluate our estimates and assumptions. In the event estimates or assumptions prove to be different from actual results, adjustments are made in subsequent periods to reflect more current information. Below is a discussion of accounting policies that we consider critical in that they may require complex judgment in their application or require estimates about matters that are inherently uncertain. For a summary of all of our significant accounting policies, see Note 3 of the Notes to Consolidated Financial Statements.

- 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 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 plus its residual value 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.

- To maintain our status as a REIT, we must distribute at least 90% of our taxable income in any given year and meet certain asset and income tests. We monitor our business and transactions that may potentially impact our REIT status. In the unlikely event that we fail to maintain our REIT status, and available relief provisions do not apply, 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 allocation of fair value to the buildings as-if-vacant, land and market value of 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. 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.

- A variety of costs are incurred in the acquisition, development and leasing of properties. After determination is made to capitalize a cost, it is allocated to the specific component of a project that is benefited. Determination of when a development project is substantially complete and capitalization must cease involves a degree of judgment. Our capitalization policy on development properties is guided by SFAS No. 34 "Capitalization of Interest Cost" and SFAS No. 67 "Accounting for Costs and the Initial Rental Operations of Real Estate Properties." The costs of land and buildings under development include specifically identifiable costs. The capitalized costs include pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. We consider a construction project as substantially completed and held available for occupancy and cease capitalization of costs upon opening.

**Results of Operations**

In addition to the activity discussed above in "Results Overview", the following acquisitions, property openings, and other activity affected our consolidated results from continuing operations in the comparative periods:

- On November 15, 2007, we opened Palms Crossing, a 396,000 square foot community center, located adjacent to the new McAllen Convention Center in McAllen, Texas.

- On November 8, 2007, we opened Philadelphia Premium Outlets, a 425,000 square foot outlet center located 35 miles northwest of Philadelphia in Limerick, Pennsylvania.

- On November 1, 2007, we acquired an additional 6.5% interest in Montgomery Mall.

- On August 23, 2007, we acquired Las Americas Premium Outlets, a 560,000 square foot upscale outlet center located in San Diego, California, for $283.5 million, including the assumption of its $180.0 million mortgage.

- On July 13, 2007, we acquired an additional 1% interest in Bangor Mall.

- On March 29, 2007, we acquired an additional 25% interest in two regional malls (Town Center at Cobb and Gwinnett Place) in the Mills acquisition and now consolidate those properties.

- On March 28, 2007, we acquired a 100% interest in The Maine Outlet, a 112,000 square foot outlet center located in Kittery, Maine for a purchase price of $45.2 million. The center is 99% occupied.

- On March 9, 2007, we opened The Domain, in Austin, Texas, which combines 700,000 square feet of luxury fashion and restaurant space, 75,000 square feet of Class A office space and 390 apartments. The Domain is anchored by Macy's and central Texas' first Neiman Marcus.

- On March 1, 2007, we acquired the remaining 40% interest in University Park Mall and University Center. We had previously consolidated these properties, but now have no provision for minority interest in our consolidated income from continuing operations since March 1, 2007.

- On December 1, 2006, we opened Shops at Arbor Walk, a 230,841 square foot community center located in Austin, Texas.

- On November 2, 2006, we opened Rio Grande Valley Premium Outlets, a 404,000 square foot upscale outlet center in Mercedes, Texas, 20 miles east of McAllen, Texas, and 10 miles from the Mexico border.

- On November 2, 2006, we received capital transaction proceeds of $102.2 million related to the beneficial interests in a mall that the Simon family contributed to us in 2006. This transaction terminated our beneficial interests and resulted in the recognition of a $86.5 million gain.

- On November 1, 2006, we acquired the remaining 50% interest in Mall of Georgia from our partner for $252.6 million which includes the assumption of our $96.0 million share of debt.

- On August 4, 2006, we opened Round Rock Premium Outlets, a 432,000 square foot Premium Outlet center located 20 minutes North of Austin, Texas in Round Rock, Texas.

- In November 2005, we opened Rockaway Plaza, a 450,000 square foot community center located in Rockaway, New Jersey, adjacent to our Rockaway Townsquare.

- On October 7, 2005, we opened Firewheel Town Center, a 785,000 square foot open-air regional mall located 15 miles northeast of downtown Dallas in Garland, Texas.

- On July 15, 2005, we opened Wolf Ranch, a 600,000 square foot open-air community center located in Georgetown, Texas.

- On May 6, 2005, we opened the 400,000 square foot Seattle Premium Outlets.

- On March 15, 2005, we and our joint venture partner completed the construction of, obtained permanent financing for, and opened St. Johns Town Center (St. Johns), a 1.5 million square foot open-air retail project in Jacksonville, Florida. Prior to the project's completion, we consolidated St. Johns as we were responsible for 85% of the development costs and were deemed to be the property's primary beneficiary. At opening and permanent financing, the ownership percentages were each adjusted to 50%, and we began to account for St. Johns using the equity method of accounting.

In addition to the activities discussed above and in "Results Overview", the following acquisitions, dispositions, and property openings affected our income from unconsolidated entities in the comparative periods:

- On October 17, 2007, we acquired an 18.75% interest in Denver West Village in Lakewood, Colorado through our ownership in SPG-FCM.

- On July 5, 2007, Simon Ivanhoe sold its interest in five assets located in Poland, for which we recorded our share of the gain of $90.6 million.

- On November 10, 2006 we opened Coconut Point, in Bonita Springs, Florida, a 1.2 million square foot, open-air shopping center complex with village, lakefront and community center areas.

- On October 26, 2006, we opened the 200,000 square foot expansion of a shopping center in Wasquehal, France.

- On October 14, 2006 we opened a 53,000 square foot expansion of Toki Premium Outlets.

- On September 28, 2006, Simon Ivanhoe opened Gliwice Shopping Center, a 380,000 square foot shopping center in Gliwice, Poland.

- On May 31, 2006, GCI opened Giugliano, an 800,000 square foot center anchored by a hypermarket, in Italy.

- On November 18, 2005, we purchased a 37.99% interest in Springfield Mall in Springfield, Pennsylvania for approximately $39.3 million, including the issuance of our share of debt of $29.1 million.

- On November 21, 2005, we purchased a 50% interest in Coddingtown Mall in Santa Rosa, California for approximately $37.1 million, which includes the assumption of our share of debt of $10.5 million.

- In March 2005, we opened Toki Premium Outlets in Japan.

- On January 11, 2005, Metrocenter, a regional mall located in Phoenix, Arizona, was sold. We held a 50% interest in Metrocenter.

For the purposes of the following comparisons between the years ended December 31, 2007 and 2006 and the years ended December 31, 2006 and 2005, 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.

During 2007, we disposed of five consolidated properties that had an aggregate book value of $91.6 million for aggregate sales proceeds of $56.4 million, resulting in a net loss on sale of $35.2 million, or $28.0 million net of limited partners' interest. The loss on sale of these assets has been reported as discontinued operations in the consolidated statements of operations. The operating results of these properties disposed of during 2007 was not significant to our consolidated results of operations. The following is a list of consolidated property dispositions on the indicated date for which we have reported the operations or results of sale with discontinued operations:

| Property | Date of Disposition |
|---|---|
| Lafayette Square | December 27, 2007 |
| University Mall | September 28, 2007 |
| Boardman Plaza | September 28, 2007 |
| Griffith Park Plaza | September 20, 2007 |
| Alton Square | August 2, 2007 |
| Biltmore Square | December 28, 2005 |
| Eastland Mall (Tulsa, OK) | December 16, 2005 |
| Southgate Mall | November 28, 2005 |
| Cheltenham Square | November 17, 2005 |
| Grove at Lakeland Square | July 1, 2005 |
| Riverway (office) | June 1, 2005 |
| O'Hare International Center (office) | June 1, 2005 |

We sold the following properties in 2006. Due to the limited significance of these properties' operations and result of disposition on our consolidated financial statements, we did not report these properties as discontinued operations.

| Property | Date of Disposition |
|---|---|
| Northland Plaza | December 22, 2006 |
| Trolley Square | August 3, 2006 |
| Wabash Village | July 27, 2006 |

***Year Ended December 31, 2007 vs. Year Ended December 31, 2006***

Minimum rents increased $133.9 million during the period, of which the property transactions accounted for $87.0 million of the increase. Total amortization of the fair market value of in-place leases served to decrease minimum rents by $8.8 million due to certain in-place lease adjustments becoming fully amortized. Comparable rents increased $46.8 million, or 2.3%. This was primarily due to the leasing of space at higher rents that resulted in an increase in minimum rents of $54.6 million offset by a $9.2 million decrease in comparable property straight-line rents and fair market value of in-place lease amortization. In addition, rents from carts, kiosks, and other temporary tenants increased comparable rents by $1.4 million.

Overage rents increased $14.2 million or 14.9%, reflecting increases in tenant sales.

Tenant reimbursements increased $76.6 million, of which the property transactions accounted for $40.2 million. The remainder of the increase of $36.4 million, or 3.8%, was in comparable properties and was due to inflationary increases in property operating costs and our ongoing initiative of converting our leases to a fixed reimbursement with an annual escalation provision for common area maintenance costs.

Management fees and other income increased $31.5 million principally as a result of additional management fees derived from the additional properties being managed from the Mills acquisition and additional leasing and development fees as a result of incremental property activity.

Total other income increased $62.5 million, and was principally the result of the following:

- a $46.4 million increase in interest income of which $39.1 million is as a result of Mills-related loans, combined with increased interest rates on the investment of excess cash balances,
- an $18.4 million increase in lease settlement income as a result of settlements received from two department stores in 2007,
- a $17.4 million increase in loan financing fees, net of intercompany eliminations, related to Mills-related loan refinancing activity, offset by
- a $19.7 million decrease in gains on land sale activity.

Property operating expenses increased $13.3 million, or 3.0%, primarily as a result of the property transactions and inflationary increases.

Depreciation and amortization expense increased $49.4 million and is primarily a result of the property transactions.

Real estate taxes increased $13.1 million from the prior period, $10.4 million of which is related to the property transactions, and $2.7 million from our comparable properties due to the effect of increases resulting from reassessments, higher tax rates, and the effect of expansion and renovation activities.

Repairs and maintenance increased $14.2 million due to increased snow removal costs in 2007 over that of 2006, normal inflationary increases, and the effect of the property transactions.

Advertising and promotion increased $5.9 million primarily due to the effect of the property transactions.

Home and Regional office expense increased $7.3 million primarily due to increased personnel costs, primarily the result of the Mills acquisition, and the effect of incentive compensation plans.

General and administrative expenses increased $2.9 million due to increased executive salaries, principally as a result of additional share-based payment amortization from the vesting of recent years restricted stock grants.

Interest expense increased $124.0 million due principally to the following:

- increased borrowings to fund our development and redevelopment activities;
- additional borrowings to fund the Mills-related loans; and
- the full year effect of May, August, and December 2006 bond offerings.

Also impacting interest expense was the consolidation of Town Center at Cobb, Gwinnett Place, and Mall of Georgia as a result of our acquisition of additional ownership interests, and the assumption of debt related to the acquisition of Las Americas Premium Outlets.

Income tax expense of taxable REIT subsidiaries decreased $22.7 million due primarily to a $19.5 million tax benefit recognized related to the impairment charge related to our write-off of our entire investment in Surprise Grand Vista JV I, LLC, which is developing land located in Phoenix, Arizona, along with a reduction in the taxable income for the management company as a result of structural changes made to our wholly-owned captive insurance entities.

Income from unconsolidated entities decreased $72.7 million, due in part to the impact of the Mills transaction (net of eliminations). On a net income basis, our share of income from SPG-FCM approximates a net loss of $58.7 million for the year due to additional depreciation and amortization expenses on asset basis step-ups in purchase accounting approximating $102.2 million for the second through fourth quarters of 2007. Also contributing to the decrease is the prior year recognition of $15.6 million in income related to a beneficial interest that we held in 2006 in a regional mall entity. This beneficial interest was terminated in November 2006.

In 2007, we recognized an impairment of $55.1 million related to our Surprise Grand Vista venture in Phoenix, Arizona. As described above, the charge to earnings resulted in a $19.5 million tax benefit, resulting in a net charge to earnings, before consideration of the limited partners' interest, of $35.6 million.

We recorded a $92.0 million net gain on the sales of assets and interests in unconsolidated entities in 2007 primarily as a result of the sale of five assets in Poland by Simon Ivanhoe. In 2006, we recorded a gain related to the sale of a beneficial interest of $86.5 million, a $34.4 million gain on the sale of a 10.5% interest in Simon Ivanhoe, and the net gain on the sale of four non-core properties, including one joint venture property, of $12.2 million.

Preferred distributions of the Operating Partnership decreased $5.4 million due to the effect of the conversion of preferred units to common units or shares.

In 2007, the loss on sale of discontinued operations of $28.0 million, net of the limited partners' interest, represents the net loss upon disposition of five non-core properties consisting of three regional malls and two community/lifestyle centers.

Preferred dividends decreased $22.6 million as a result of the redemption of the Series G preferred stock in the fourth quarter of 2007 and the Series F preferred stock in the fourth quarter of 2006.

***Year Ended December 31, 2006 vs. Year Ended December 31, 2005***

Minimum rents increased $83.2 million during the period, of which the property transactions accounted for $21.2 million of the increase. Total amortization of the fair market value of in-place leases increased minimum rents by $5.3 million. Comparable rents increased $61.4 million, or 3.2%. This was primarily due to leasing space at higher rents, resulting in an increase in base rents of $51.9 million. In addition, rents from carts, kiosks, and other temporary tenants increased comparable rents by $5.1 million in 2006.

Overage rents increased $10.2 million or 12.0%, reflecting the increases in tenants' rents, particularly in the Premium Outlet centers.

Tenant reimbursements increased $49.7 million. The property transactions accounted for $11.8 million. The remainder of the increase of $37.9 million, or 4.2%, was in comparable properties and was due to inflationary increases in property operating costs.

Management fees and other revenues increased $4.5 million primarily due to increased leasing and development fees generated through our support activities provided to new joint venture properties.

Total other income increased $17.7 million. The aggregate increase in other income included the following significant activity:

- $11.9 million increase in our land sales activity on consolidated properties;

- $6.4 million increase in interest income as a result of increasing investments rates;
- $3.7 million increase related to a gain on sale of a holding in a technology venture by Chelsea;
- $4.7 million decrease in gift card revenues; and
- a $0.4 million increase in other net activity of the comparable properties.

Property operating expenses increased $19.6 million, $18.4 million of which was on comparable properties (representing an increase of 4.4%) and was principally as a result of inflationary increases.

Home office and regional costs increased $12.0 million due to increased personnel costs, which is primarily due to the effect of the increase in our stock price on our stock-based compensation program.

Other expenses increased $6.6 million primarily due to increases in ground rent expenses of $3.9 million and increased professional fees.

Interest expense increased $22.8 million due to the impact of increased debt, primarily as a result of the issuances of unsecured notes in May, August, and December of 2006, and the annualized effect of our unsecured notes issued in June and November of 2005.

Income from unconsolidated entities increased $29.0 million primarily due to favorable results of operations at the joint venture properties, plus the increase in our ownership of Simon Ivanhoe and $15.6 million in income related to a beneficial interest we held during 2006 in a regional mall entity.

We recorded a $132.8 million net gain on the sales of assets and interests in unconsolidated entities in 2006 that included a gain related to the sale of a beneficial interest of $86.5 million, a $34.4 million gain on the sale of 10.5% interest in Simon Ivanhoe, and the net gain on the sale of four non-core properties, including one joint venture property, of $12.2 million.

The increase in the Limited Partner interest of $52.8 million is primarily due to the increases in our income from continuing operations.

Discontinued operations for 2005 included the net operating results of properties sold, including the sale of underlying ground adjacent to the Riverway and O'Hare International Center properties. There were no discontinued operations in 2006.

In 2005, the gain on sale of discontinued operations of $115.8 million, net of the limited partners' interest, principally represents the net gain upon disposition of seven non-core properties consisting of four regional malls, two office buildings, and one community/lifestyle center.

Preferred dividends increased due to the redemption of the Series F preferred stock, which resulted in a $7.0 million charge to net income.

**Liquidity and Capital Resources**

Because we generate revenues primarily from long-term leases, our financing strategy relies primarily on long-term fixed rate debt. We manage our floating rate debt to be at or below 15-25% of total outstanding indebtedness by setting interest rates for each financing or refinancing based on current market conditions. Floating rate debt currently comprises approximately 19% of our total consolidated debt. We also enter into interest rate protection agreements as appropriate to assist in managing our interest rate risk. We derive most of our liquidity from leases that generate positive net cash flow from operations and distributions of capital from unconsolidated entities that totaled $1.9 billion during 2007. In addition, our $3.5 billion credit facility provides an alternative source of liquidity as our cash needs vary from time to time.

Our balance of cash and cash equivalents decreased $427.4 million during 2007 to $502.0 million as of December 31, 2007. December 31, 2007 and 2006 balances include $41.3 million and $27.2 million, respectively, related to our co-branded gift card programs, which we do not consider available for general working capital purposes.

On December 31, 2007, our credit facility had available borrowing capacity of approximately $1.1 billion, net of outstanding borrowings of $2.4 billion and letters of credit of $28.2 million. During 2007, the maximum amount outstanding under our Credit Facility was $2.6 billion and the weighted average amount outstanding was $1.4 billion. The weighted average interest rate was 5.31% for the year ended December 31, 2007. The credit facility is available through January 11, 2011, including a one-year extension at our option.

We and the Operating Partnership also have access to public equity and long term unsecured debt markets and access to private equity from institutional investors at the property level.

**Acquisition of The Mills Corporation by SPG-FCM**

On February 16, 2007, SPG-FCM, a 50/50 joint venture between an affiliate of the Operating Partnership and funds owned by Farallon Capital Management, L.L.C., entered into a definitive merger agreement to acquire all of the outstanding common stock of Mills for $25.25 per common share in cash. The acquisition of Mills and its interests in the 37 properties that remain at December 31, 2007 was completed through a cash tender offer and a subsequent merger transaction which concluded on April 3, 2007. As of December 31, 2007, we and Farallon had each funded $650.0 million into SPG-FCM to acquire all of the common stock of Mills. As part of the transaction, the Operating Partnership also made loans to SPG-FCM and Mills that bear interest primarily at rates of LIBOR plus 270-275 basis points. These funds were used by SPG-FCM and Mills to repay loans and other obligations of Mills, including the redemption of preferred stock, during the year. As of December 31, 2007, the outstanding balance of our loan to SPG-FCM was $548.0 million, and the average outstanding balance during the twelve month period ended December 31, 2007 of all loans made to SPG-FCM and Mills was approximately $993.3 million. During 2007, we recorded approximately $39.1 million in interest income (net of inter-entity eliminations) related to these loans. We also recorded fee income, including fee income amortization related to up-front fees on loans made to SPG-FCM and Mills, during 2007 of approximately $17.4 million (net of inter-entity eliminations), for providing refinancing services to Mills' properties and SPG-FCM. The existing loan facility to SPG-FCM bears a rate of LIBOR plus 275 basis points and matures on June 7, 2009, with three available one-year extensions, subject to certain terms and conditions. Fees charged on loans made to SPG-FCM and Mills are amortized on a straight-line basis over the life of the loan.

As a result of the change in control of Mills, holders of Mills' Series F convertible cumulative redeemable preferred stock had the right to require the repurchase of their shares for cash equal to the liquidation preference per share plus accrued and unpaid dividends. During the second quarter of 2007, all of the holders of Mills' Series F preferred stock exercised this right, and Mills redeemed this series of preferred stock for approximately $333.2 million, including accrued dividends. Further, as of August 1, 2007, The Mills Corporation was liquidated and the holders of the remaining series' of Mills preferred stock were paid a liquidation preference of approximately $693.0 million, including accrued dividends.

During the third quarter of 2007, the holders of less than 5,000 common units in the Mills' operating partnership ("Mills Units") received $25.25 in cash, and those holding 5,000 or more Mills Units had the option to exchange for cash of $25.25, or Units of the Operating Partnership based on a fixed exchange ratio of 0.211 Operating Partnership Units for each Mills Unit. That option expired on August 1, 2007. Holders electing to exchange received 66,036 Units in the Operating Partnership for their Mills Units. The remaining Mills Units were exchanged for cash.

Effective July 1, 2007, we or an affiliate of ours began serving as the manager for substantially all of the properties in which SPG-FCM holds an interest. In conjunction with the Mills acquisition, we acquired a majority interest in two properties in which we previously held a 50% ownership interest (Town Center at Cobb and Gwinnett Place) and as a result we have consolidated these two properties at the date of acquisition.

The acquisition of Mills involved the purchase of all Mills' outstanding shares of common stock and common units for approximately $1.7 billion (at $25.25 per share or unit), the assumption of $954.9 million of preferred stock, the assumption of a proportionate share of property-level mortgage debt, SPG-FCM's share of which approximated $3.8 billion, the assumption of $1.2 billion in unsecured loans provided by us, costs to effect the acquisition, and certain liabilities and contingencies, including an ongoing investigation by the Securities and Exchange Commission, for an aggregate purchase price of approximately $8 billion. SPG-FCM has completed its preliminary purchase price allocations for the acquisition of Mills. The valuations were developed with the assistance of a third-party professional appraisal firm. The preliminary allocations will be finalized within one year of the acquisition date in accordance with applicable accounting standards.

**Cash Flows**

Our net cash flow from operating activities and distributions of capital from unconsolidated entities totaled $1.9 billion during 2007. We also received proceeds of $56.4 million from the sale of partnership interests and the sale of assets during 2007. In addition, we received net proceeds from all of our debt financing and repayment activities in 2007 of $1.4 billion. These activities are further discussed below in "Financing and Debt". We also:

- repurchased preferred stock and limited partner units amounting to $384.5 million,
- paid stockholder dividends and unitholder distributions totaling $944.0 million,
- paid preferred stock dividends and preferred unit distributions totaling $76.7 million,
- funded consolidated capital expenditures of $1.0 billion. These capital expenditures include development costs of $432.3 million, renovation and expansion costs of $348.5 million, and tenant costs and other operational capital expenditures of $236.7 million, and
- funded investments in unconsolidated entities of $687.3 million.

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 2007 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 Debt***

***Unsecured Notes.*** We have $875 million of unsecured notes issued by subsidiaries 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 6.99% and weighted average maturities of 5.0 years.

***Credit Facility.*** Significant draws on our credit facility during the twelve-month period ended December 31, 2007 were as follows:

| Draw Date | Draw Amount | Use of Credit Line Proceeds |
|---|---|---|
| 02/16/07 | $ 600,000 | Borrowing to partially fund a $1.187 billion loan to Mills. |
| 03/29/07 | 550,000 | Borrowing to fund our equity commitment for the Mills acquisition and to fund a loan to SPG-FCM. |
| 04/17/07 | 140,000 | Borrowing to fund a loan to SPG-FCM. |
| 06/28/07 | 181,000 | Borrowing to fund a loan to SPG-FCM. |
| 07/31/07 | 557,000 | Borrowing to fund a loan to SPG-FCM. |
| 08/23/07 | 105,000 | Borrowing to fund a property acquisition. |
| 09/20/07 | 180,000 | Borrowing to fund SPG Medium Term Note payoff. |
| 10/22/07 | 125,000 | Borrowing to fund repayment of an unsecured note of the former Chelsea Property Group, which had a fixed rate of 7.25%. |
| 11/01/07 | 90,000 | Borrowing to partially fund redemption of the Series L preferred stock. |
| 11/15/07 | 550,000 | Borrowing to partially fund repayment of unsecured notes, which had a fixed rate of 6.38%. |

Other amounts drawn on our credit facility during the period were primarily for general working capital purposes. We repaid a total of $2.6 billion on our Credit Facility during the year ended December 31, 2007. The total outstanding balance of our credit facility as of December 31, 2007 was $2.4 billion, and the maximum amount outstanding during the year was approximately $2.6 billion. During the year ended December 31, 2007, the weighted average outstanding balance was approximately $1.4 billion. The amount outstanding as of December 31, 2007 includes $553.6 million in Euro and Yen-denominated borrowings.

On October 4, 2007, we exercised the $500 million accordion feature of our credit facility, increasing the revolving borrowing capacity from $3.0 billion to $3.5 billion. The expanded capacity includes an increase of $125.0 million to $875.0 million in the multi-currency tranche for Euro, Yen and Sterling borrowings.

**Secured Debt**

Total secured indebtedness was $5.3 billion and $4.4 billion at December 31, 2007 and 2006, respectively. During the twelve-month period ended December 31, 2007, we repaid $191.3 million in mortgage loans, unencumbering four properties.

As a result of the acquisition of Mills by SPG-FCM, we now hold a majority ownership interest in Gwinnet Place and Town Center at Cobb, and as a result they were consolidated as of the acquisition date. This included the consolidation of two mortgages secured by Gwinnett Place of $35.6 million and $79.2 million at fixed rates of 7.54% and 7.25%, respectively and two mortgages secured by Town Center at Cobb of $45.4 million and $60.3 million at fixed rates of 7.54% and 7.25%, respectively. On May 23, 2007, we refinanced Gwinnett Place and Town Center at Cobb with $115.0 million and $280.0 mortgages at fixed rates of 5.68% and 5.74%, respectively.

We placed a $200.0 million fixed-rate mortgage on Independence Center, a regional mall, on July 10, 2007, which matures on July 10, 2017, and bears a rate of 5.94%.

As a result of the acquisition of Las Americas Premium Outlets on August 23, 2007, we assumed its $180.0 million fixed-rate mortgage that matures June 11, 2016 and bears a rate of 5.84%.

**Summary of Financing**

Our consolidated debt, adjusted to reflect outstanding derivative instruments and the effective weighted average interest rates for the years then ended consisted of the following (dollars in thousands):

| Debt Subject to | Adjusted Balance as of December 31, 2007 | Effective Weighted Average Interest Rate | Adjusted Balance as of December 31, 2006 | Effective Weighted Average Interest Rate |
|---|---|---|---|---|
| **Fixed Rate** | **$ 14,056,008** | **5.88%** | $ 14,548,226 | 6.02% |
| **Variable Rate** | **3,162,666** | **4.73%** | 846,263 | 5.01% |
| | **$ 17,218,674** | **5.67%** | $ 15,394,489 | 5.97% |

As of December 31, 2007, we had interest rate cap protection agreements on $93.8 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 4.97% and a weighted average fixed receive rate of 3.72%. As of December 31, 2007 and December 31, 2006, these agreements effectively converted $370.0 million of fixed rate debt to variable rate debt. These were terminated in January 2008.

***Contractual Obligations and Off-balance Sheet Arrangements:*** The following table summarizes the material aspects of our future obligations as of December 31, 2007 (dollars in thousands):

| | 2008 | 2009 to 2010 | 2011 to 2013 | After 2013 | Total |
|---|---|---|---|---|---|
| **Long Term Debt** | | | | | |
| Consolidated (1) | $ 809,667 | $ 3,946,526 | $ 7,186,347 | $ 5,237,131 | $ 17,179,671 |
| **Pro Rata Share Of Long Term Debt:** | | | | | |
| Consolidated (2) | $ 806,968 | $ 3,917,203 | $ 7,050,818 | $ 5,120,676 | $ 16,895,665 |
| Joint Ventures (2) | 555,745 | 1,300,018 | 2,021,536 | 2,678,927 | 6,556,226 |
| **Total Pro Rata Share Of Long Term Debt** | 1,362,713 | 5,217,221 | 9,072,354 | 7,799,603 | 23,451,891 |
| Consolidated Capital Expenditure Commitments (3) | 699,110 | 142,596 | — | — | 841,706 |
| Joint Venture Capital Expenditure Commitments (3) | 119,892 | 13,417 | — | — | 133,309 |
| Consolidated Ground Lease Commitments(4) | 16,839 | 33,124 | 49,952 | 669,482 | 769,397 |
| **Total** | $ 2,198,554 | $ 5,406,358 | $ 9,122,306 | $ 8,469,085 | $ 25,196,303 |

(1) Represents principal maturities only and therefore, excludes net premiums and discounts and fair value swaps of $39,003.

(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.

(4) Represents only the minimum non-cancellable lease period, excluding applicable lease extension and renewal options.

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.

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, 2007, the Operating Partnership has loan guarantees and other guarantee obligations to support $132.5 million and $50.3 million, respectively, to support our total $6.6 billion share of joint venture mortgage and other indebtedness presented in the table above.

**Preferred Stock Activity**

During 2007, a total of 289,090 6% Convertible Perpetual Preferred Units were exchanged for an equal number of shares of Series I preferred stock; we redeemed 5,000 units of Series I Preferred Units for cash; we issued 51,987 shares of common stock to holders of Series I preferred stock who exercised their conversion rights; we issued 478,144 units as a result of the conversion of 606,400 6% Convertible Perpetual Preferred Units; and we issued 121, 727 units as a result of the conversion of 160,865 7% Cumulative Convertible Preferred Units; and we redeemed 7,266 8% Cumulative Redeemable Preferred Units for cash. On October 2, 2007, we redeemed all 3,000,000 shares of the 7.89% Series G Cumulative Redeemable Preferred Stock with proceeds from the issuance of a new series of preferred stock, which we then repurchased prior to year end.

### Acquisitions and Dispositions

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 retail real estate. Our partners in our joint venture properties 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 and we believe we have adequate liquidity to execute the purchases of the interests without hindering our cash flows or liquidity, then we may elect to buy. 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 or to reinvest in development, redevelopment, or expansion opportunities.

***Acquisitions.*** The acquisition of high quality individual properties or portfolios of properties remains an integral component of our growth strategies.

On November 1, 2007, we acquired an additional 6.5% interest in Montgomery Mall (which gives us a combined ownership interest of 60%). On August 23, 2007, we acquired Las Americas Premium Outlets, a 560,000 square foot upscale outlet center located at the San Diego — Tijuana border in Southern California. On July 13, 2007, we acquired an additional 1% interest in Bangor Mall (which gives us a combined ownership interest of 67.4%). On March 29, 2007, as part of the Mills acquisition, we acquired an additional 25% interest in two regional malls (Town Center at Cobb and Gwinnett Place), and as a result we now consolidate those properties. On March 28, 2007, we acquired a 100% interest in The Maine Outlet, a 112,000 square foot outlet center located in Kittery, Maine. The center is 99% occupied. Finally, on March 1, 2007, we acquired the remaining 40% interest in both University Park Mall and University Center located in Mishawaka, Indiana, and as a result we now own 100% of these properties. The aggregate purchase price of the consolidated assets acquired during 2007, excluding Town Center and Cobb and Gwinnett Place which were consolidated as a result of the Mills acquisition, was approximately $394.2 million, including the assumption of our share of debt of the properties acquired.

***Dispositions.*** We continue to pursue the sale of properties that no longer meet our strategic criteria or that are not the primary retail venue within their trade area. In 2007, we sold the following wholly-owned properties: Alton Square a regional mall located in Alton, Illinois; Griffith Park Plaza, a community center located in Griffith, Indiana; University Mall, a regional mall located in Little Rock, Arkansas; Boardman Plaza, a community center located in Youngstown, Ohio; and Lafayette Square, a regional mall located in Indianapolis, Indiana. Our joint venture partnership, Simon Ivanhoe, sold its interest in five assets located in Poland, of which we held a 50% interest. As part of the sale, we received a distribution of proceeds from Simon Ivanhoe of $125.4 million, and recorded $90.6 million as our share of the gain.

In addition to the distribution from Simon Ivanhoe, we received net proceeds of $56.4 million on the U.S. property dispositions. We recorded our share of the net loss on these dispositions of $35.2 million and presented it in the consolidated statement operations as loss on sale of discontinued operations. We do not believe the sale of these properties will have a material impact on our future results of operations or cash flows. We believe the disposition of these properties will enhance the average overall quality of our portfolio.

**Development Activity**

***New Developments.*** The following describes certain of our new development projects, the estimated total cost, and our share of the estimated total cost and our share of the construction in progress balance as of December 31, 2007 (dollars in millions):

| Property | Location | Gross Leasable Area | Estimated Total Cost (a) | Our Share of Estimated Total Cost | Our Share of Construction in Progress | Estimated Opening Date |
|---|---|---|---|---|---|---|
| **Under Construction:** | | | | | | |
| Hamilton Town Center | Noblesville, IN | 950,000 | $ 121 | $ 60 | $ 28 | 2nd Quarter 2008 |
| Houston Premium Outlets | Houston, TX | 427,000 | 96 | 96 | 91 | 1st Quarter 2008 |
| Jersey Shore Premium Outlets | Tinton Falls, NJ | 435,000 | 157 | 157 | 67 | 3rd Quarter 2008 |
| Pier Park | Panama City Beach, FL | 920,000 | 143 | 143 | 95 | 2nd Quarter 2008 |

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

We expect to fund these projects with available cash flow from operations, borrowings from our credit facility, or project specific construction loans. We expect our share of total 2008 new development costs for these and our other planned new development projects to be approximately $475 million.

***Strategic Expansions and Renovations.*** In addition to new development, we also incur costs related to construction for significant renovation and/or expansion projects at our properties. Included in these projects are the renovation and addition of Crate & Barrel and Nordstrom at Burlington Mall, expansions and life-style additions at Tacoma Mall and University Park Mall, Nordstrom additions at Aventura Mall, Northshore Mall and Ross Park Mall, and addition of Phase II expansions at Las Vegas Premium Outlets, Orlando Premium Outlets, Philadelphia Premium Outlets, and Rio Grande Valley Premium Outlets.

We expect to fund these capital projects with available cash flow from operations, borrowings from our credit facility, or project specific loans. We expect to invest a total of approximately $525 million (our share) on expansion and renovation activities in 2008.

***Capital Expenditures on Consolidated Properties.***

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

| | 2007 | 2006 | 2005 |
|---|---|---|---|
| New Developments | **$ 432** | $ 317 | $ 341 |
| Renovations and Expansions | **349** | 307 | 252 |
| Tenant Allowances | **106** | 52 | 69 |
| Operational Capital Expenditures | **130** | 92 | 64 |
| Total | **$ 1,017** | $ 768 | $ 726 |

***International Development Activity.*** We typically reinvest net cash flow from our international investments to fund future international development activity. We believe this strategy mitigates some of the risk of our initial investment and our exposure to changes in foreign currencies. We have also funded our European investments with Euro-denominated borrowings that act as a natural hedge against local currency fluctuations. This has also been the case with our Premium Outlet joint ventures in Japan and Mexico where we use Yen and Peso denominated financing, respectively. We expect our share of international development for 2008 to approximate $200 million.

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

The carrying amount of our total combined investment in Simon Ivanhoe and Gallerie Commerciali Italia ("GCI"), as of December 31, 2007, net of the related cumulative translation adjustment, was $289.5 million. Our investments in Simon Ivanhoe and GCI are accounted for using the equity method of accounting. Currently three European developments are under construction which will add approximately 1.2 million square feet of GLA for a total net cost of approximately €272 million, of which our share is approximately €78 million, or $115 million based on current Euro:USD exchange rates.

On October 20, 2005, Ivanhoe Cambridge, Inc. ("Ivanhoe"), an affiliate of Caisse de dépôt et placement du Québec, effectively acquired our former partner's 39.5% ownership interest in Simon Ivanhoe. On February 13, 2006, we sold a 10.5% interest in this joint venture to Ivanhoe for €45.2 million, or $53.9 million and recorded a gain on the disposition of $34.4 million. This gain is reported in "gain on sales of interests in unconsolidated entities" in the 2006 consolidated statements of operations. We then settled all remaining share purchase commitments from the company's founders, including the early settlement of some commitments by purchasing an additional 25.8% interest for €55.1 million, or $65.5 million. As a result of these transactions, we and Ivanhoe each own a 50% interest in Simon Ivanhoe at December 31, 2006 and 2007.

As of December 31, 2007, the carrying amount of our 40% joint venture investment in the six Japanese Premium Outlet centers net of the related cumulative translation adjustment was $273.0 million. Currently, Sendai-Izumi Premium Outlets, a 172,000 square foot Premium Outlet Center, is under construction in Sendai, Japan. The project's total projected net cost is JPY 5.4 billion, of which our share is approximately JPY 2.1 billion, or $19.1 million based on current Yen:USD exchange rates.

During 2006, we finalized the formation of joint venture arrangements to develop and operate shopping centers in China. The shopping centers will be anchored by Wal-Mart stores and we own a 32.5% interest in the joint venture entities, and a 32.5% ownership in the management operation overseeing these projects, collectively referred to as Great Mall Investments, Ltd. ("GMI"). We are planning on initially developing five centers in China, all of which are under construction as of December 31, 2007. Our total equity commitment for these centers approximates $60 million and as of December 31, 2007, our combined investment in GMI is approximately $32.1 million.

**Distributions and Stock Repurchase Program**

On February 1, 2008, our Board of Directors approved a 7.1% increase in the annual dividend rate to $3.60 per share. Dividends during 2007 aggregated $3.36 per share and dividends during 2006 aggregated $3.04 per share. We must pay a minimum amount 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. Future dividends and distributions of Simon Property and 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.

On July 26, 2007, our Board of Directors authorized the repurchase of up to $1.0 billion of common stock over the next twenty-four months as market conditions warrant. We may repurchase the shares in the open market or in privately negotiated transactions. During 2007, we repurchased 572,000 shares at an average price of $86.11 per share as part of this program. The program had remaining availability of approximately $950.7 million at December 31, 2007.

**Forward-Looking Statements**

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, uncertainties and other factors. Such factors include, but are not limited to: our ability to meet debt service requirements, the availability and terms of financing, changes in our credit rating, changes in market rates of interest and foreign exchange rates for foreign currencies, the ability to hedge interest rate risk, risks associated with the acquisition, development and expansion of properties, general risks related to retail real estate, the liquidity of real estate investments, environmental liabilities, international, national, regional and local economic climates, changes in market rental rates, trends in the retail industry, relationships with anchor tenants, the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise, risks relating to joint venture properties, costs of common area maintenance, competitive market forces, risks related to international activities, insurance costs and coverage, terrorist activities, changes in economic and market conditions and maintenance of our status as a real estate investment trust. We discuss these and other risks and uncertainties under the heading "Risk Factors" in our most recent Annual Report on Form 10-K. We may update that discussion in subsequent Quarterly Reports on Form 10-Q, but otherwise 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.

**Non-GAAP Financial Measure — Funds from Operations**

Industry practice is to evaluate real estate properties in part based on funds from operations, or 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, or 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, or 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 entities accounted for under the equity method of accounting 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 or disposal of depreciable real estate. However, you should understand that our computation of FFO might not be comparable to FFO reported by other REITs and 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 consolidated 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, | | |
|---|---|---|---|
| | 2007 | 2006 | 2005 |
| | | (in thousands) | |
| **Funds from Operations** | **$ 1,691,887** | $ 1,537,223 | $ 1,411,368 |
| **Increase in FFO from prior period** | **10.1%** | 8.9% | 19.4% |
| **Net Income** | **$ 491,239** | $ 563,840 | $ 475,749 |
| **Adjustments to Net Income to Arrive at FFO:** | | | |
| Limited partners' interest in the Operating Partnership and preferred distributions of the Operating Partnership | **142,398** | 155,640 | 103,921 |
| Limited partners' interest in discontinued operations | **(24)** | 87 | 1,744 |
| Depreciation and amortization from consolidated properties, beneficial interests and discontinued operations | **892,488** | 854,394 | 850,519 |
| Simon's share of depreciation and amortization from unconsolidated entities | **315,159** | 209,428 | 205,981 |
| Gain on sales of assets and interests in unconsolidated entities and discontinued operations, net of Limited partners' interest | **(64,072)** | (132,853) | (115,006) |
| Tax provision related to sale | **—** | — | (428) |
| Minority interest portion of depreciation and amortization | **(8,646)** | (8,639) | (9,178) |
| Preferred distributions and dividends | **(76,655)** | (104,674) | (101,934) |
| **Funds from Operations** | **$ 1,691,887** | $ 1,537,223 | $ 1,411,368 |
| FFO Allocable to Simon Property | **$ 1,342,496** | $ 1,215,319 | $ 1,110,933 |
| **Diluted net income per share to diluted FFO per share reconciliation:** | | | |
| **Diluted net income per share** | **$ 1.95** | $ 2.19 | $ 1.82 |
| Depreciation and amortization from consolidated properties and beneficial interests, and our share of depreciation and amortization from unconsolidated affiliates, net of minority interest portion of depreciation and amortization | **4.27** | 3.78 | 3.73 |
| Gain on sales of assets and interests in unconsolidated entities and discontinued operatinos, net of Limited partners' interest | **(0.20)** | (0.47) | (0.52) |
| Tax provision related to sale | **—** | — | — |
| Impact of additional dilutive securities for FFO per share | **(0.12)** | (0.11) | (0.07) |
| **Diluted FFO per share** | **$ 5.90** | $ 5.39 | $ 4.96 |
| Basic weighted average shares outstanding | **222,998** | 221,024 | 220,259 |
| Adjustments for dilution calculation: | | | |
| Effect of stock options | **778** | 903 | 871 |
| Impact of Series C cumulative preferred 7% convertible units | **122** | 912 | 1,086 |
| Impact of Series I preferred stock | **11,065** | 10,816 | 10,736 |
| Impact of Series I preferred units | **2,485** | 3,230 | 3,369 |
| Diluted weighted average shares outstanding | **237,448** | 236,885 | 236,321 |
| Weighted average limited partnership units outstanding | **58,036** | 58,543 | 59,566 |
| Diluted weighted average shares and units outstanding | **295,484** | 295,428 | 295,887 |

**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 disposition of asset;

- 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, 2007. 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 that assessment, we believe that, as of December 31, 2007, our internal control over financial reporting is effective based on those criteria.

Our independent registered public accounting firm has issued an audit report on their 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**

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

We have audited Simon Property Group, Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2007 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. and Subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on 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, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, 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, Simon Property Group, Inc. and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, 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, 2007 and 2006, 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, 2007 of Simon Property Group, Inc and Subsidiaries, and our report dated February 22, 2008 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana
February 22, 2008

**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, 2007 and 2006, 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, 2007. 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, 2007 and 2006, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2007, 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), Simon Property Group, Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 22, 2008, expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana
February 22, 2008

**Simon Property Group, Inc. and Subsidiaries**

*Consolidated Balance Sheets*

*(Dollars in thousands, except share amounts)*

| | December 31, 2007 | December 31, 2006 |
|---|---|---|
| **ASSETS:** | | |
| Investment properties, at cost | **$ 24,415,025** | $ 22,863,963 |
| Less — accumulated depreciation | **5,312,095** | 4,606,130 |
| | **19,102,930** | 18,257,833 |
| Cash and cash equivalents | **501,982** | 929,360 |
| Tenant receivables and accrued revenue, net | **447,224** | 380,128 |
| Investment in unconsolidated entities, at equity | **1,886,891** | 1,526,235 |
| Deferred costs and other assets | **1,118,635** | 990,899 |
| Note receivable from related party | **548,000** | — |
| **Total assets** | **$ 23,605,662** | $ 22,084,455 |
| **LIABILITIES:** | | |
| Mortgages and other indebtedness | **$ 17,218,674** | $ 15,394,489 |
| Accounts payable, accrued expenses, intangibles, and deferred revenues | **1,251,044** | 1,109,190 |
| Cash distributions and losses in partnerships and joint ventures, at equity | **352,798** | 227,588 |
| Other liabilities, minority interest and accrued dividends | **180,644** | 178,250 |
| **Total liabilities** | **19,003,160** | 16,909,517 |
| COMMITMENTS AND CONTINGENCIES | | |
| LIMITED PARTNERS' INTEREST IN THE OPERATING PARTNERSHIP | **731,406** | 837,836 |
| LIMITED PARTNERS' PREFERRED INTEREST IN THE OPERATING PARTNERSHIP | **307,713** | 357,460 |
| **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, 14,801,884 and 17,578,701 issued and outstanding, respectively, and with liquidation values of $740,094 and $878,935, respectively | **746,608** | 884,620 |
| Common stock, $.0001 par value, 400,000,000 shares authorized, 227,719,614 and 225,797,566 issued and outstanding, respectively | **23** | 23 |
| Class B common stock, $.0001 par value, 12,000,000 shares authorized, 8,000 issued and outstanding | **—** | — |
| Class C common stock, $.0001 par value, 4,000 shares authorized, issued and outstanding | **—** | — |
| Capital in excess of par value | **5,067,718** | 5,010,256 |
| Accumulated deficit | **(2,055,447)** | (1,740,897) |
| Accumulated other comprehensive income | **18,087** | 19,239 |
| Common stock held in treasury at cost, 4,697,332 and 4,378,495 shares, respectively | **(213,606)** | (193,599) |
| **Total stockholders' equity** | **3,563,383** | 3,979,642 |
| **Total liabilities and stockholders' equity** | **$ 23,605,662** | $ 22,084,455 |

*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, | | |
|---|---|---|---|
| | **2007** | **2006** | **2005** |
| **REVENUE:** | | | |
| Minimum rent | **$ 2,154,713** | $ 2,020,856 | $ 1,937,657 |
| Overage rent | **110,003** | 95,767 | 85,536 |
| Tenant reimbursements | **1,023,164** | 946,554 | 896,901 |
| Management fees and other revenues | **113,740** | 82,288 | 77,766 |
| Other income | **249,179** | 186,689 | 168,993 |
| **Total revenue** | **3,650,799** | 3,332,154 | 3,166,853 |
| **EXPENSES:** | | | |
| Property operating | **454,510** | 441,203 | 421,576 |
| Depreciation and amortization | **905,636** | 856,202 | 849,911 |
| Real estate taxes | **313,311** | 300,174 | 291,113 |
| Repairs and maintenance | **120,224** | 105,983 | 105,489 |
| Advertising and promotion | **94,340** | 88,480 | 92,377 |
| Provision for credit losses | **9,562** | 9,500 | 8,127 |
| Home and regional office costs | **136,610** | 129,334 | 117,374 |
| General and administrative | **19,587** | 16,652 | 17,701 |
| Other | **61,954** | 64,397 | 57,762 |
| **Total operating expenses** | **2,115,734** | 2,011,925 | 1,961,430 |
| **OPERATING INCOME** | **1,535,065** | 1,320,229 | 1,205,423 |
| Interest expense | **(945,852)** | (821,858) | (799,092) |
| Minority interest in income of consolidated entities | **(13,936)** | (11,524) | (13,743) |
| Income tax benefit (expense) of taxable REIT subsidiaries | **11,322** | (11,370) | (16,229) |
| Income from unconsolidated entities | **38,120** | 110,819 | 81,807 |
| Impairment charge | **(55,061)** | — | — |
| Gain (loss) on sales of assets and interests in unconsolidated entities, net | **92,044** | 132,787 | (838) |
| Limited partners' interest in the Operating Partnership | **(120,818)** | (128,661) | (75,841) |
| Preferred distributions of the Operating Partnership | **(21,580)** | (26,979) | (28,080) |
| **Income from continuing operations** | **519,304** | 563,443 | 353,407 |
| Discontinued operations, net of Limited Partners' interest | **(93)** | 331 | 6,498 |
| (Loss) gain on sale of discontinued operations, net of Limited Partners' interest | **(27,972)** | 66 | 115,844 |
| **NET INCOME** | **491,239** | 563,840 | 475,749 |
| Preferred dividends | **(55,075)** | (77,695) | (73,854) |
| **NET INCOME AVAILABLE TO COMMON STOCKHOLDERS** | **$ 436,164** | $ 486,145 | $ 401,895 |
| **BASIC EARNINGS PER COMMON SHARE:** | | | |
| Income from continuing operations | **$ 2.09** | $ 2.20 | $ 1.27 |
| Discontinued operations | **(0.13)** | — | 0.55 |
| **Net income** | **$ 1.96** | $ 2.20 | $ 1.82 |
| **DILUTED EARNINGS PER COMMON SHARE:** | | | |
| Income from continuing operations | **$ 2.08** | $ 2.19 | $ 1.27 |
| Discontinued operations | **(0.13)** | — | 0.55 |
| **Net income** | **$ 1.95** | $ 2.19 | $ 1.82 |
| **Net Income** | **$ 491,239** | $ 563,840 | $ 475,749 |
| Unrealized (loss) gain on interest rate hedge agreements | **(8,465)** | 5,211 | 2,988 |
| Net income (loss) on derivative instruments reclassified from accumulated other comprehensive income into interest expense | **716** | 1,789 | (1,428) |
| Currency translation adjustments | **4,991** | 1,336 | (7,342) |
| Other income (loss) | **1,606** | 1,110 | (790) |
| **Comprehensive Income** | **$ 490,087** | $ 573,286 | $ 469,177 |

*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, | | |
|---|---|---|---|
| | **2007** | **2006** | **2005** |
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| **Net income** | **$ 491,239** | $ 563,840 | $ 475,749 |
| Adjustments to reconcile net income to net cash provided by operating activities — | | | |
| Depreciation and amortization | **875,284** | 812,718 | 818,468 |
| (Gain) loss on sales of assets and interests in unconsolidated entities | **(92,044)** | (132,787) | 838 |
| Impairment charge | **55,061** | — | — |
| (Gain) loss on disposal or sale of discontinued operations, net of limited partners' interest | **27,972** | (66) | (115,844) |
| Limited partners' interest in the Operating Partnership | **120,818** | 128,661 | 75,841 |
| Limited partners' interest in the results of operations from discontinued operations | **(24)** | 87 | 1,744 |
| Preferred distributions of the Operating Partnership | **21,580** | 26,979 | 28,080 |
| Straight-line rent | **(20,907)** | (17,020) | (21,682) |
| Minority interest | **13,936** | 11,524 | 13,743 |
| Minority interest distributions | **(91,032)** | (37,200) | (24,770) |
| Equity in income of unconsolidated entities | **(38,120)** | (110,819) | (81,807) |
| Distributions of income from unconsolidated entities | **101,998** | 94,605 | 106,954 |
| **Changes in assets and liabilities —** | | | |
| Tenant receivables and accrued revenue, net | **(40,976)** | (3,799) | 22,803 |
| Deferred costs and other assets | **(82,793)** | (132,570) | (38,417) |
| Accounts payable, accrued expenses, intangibles, deferred revenues and other liabilities | **113,753** | 69,214 | (91,329) |
| **Net cash provided by operating activities** | **1,455,745** | 1,273,367 | 1,170,371 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | |
| Acquisitions | **(263,098)** | (158,394) | (37,505) |
| Funding of loans to related parties | **(2,752,400)** | — | — |
| Repayments of loans from related parties | **2,204,400** | — | — |
| Capital expenditures, net | **(1,017,472)** | (767,710) | (726,386) |
| Cash impact from the consolidation and de-consolidation of properties | **6,117** | 8,762 | (9,479) |
| Net proceeds from sale of partnership interests, other assets and discontinued operations | **56,374** | 209,039 | 384,104 |
| Investments in unconsolidated entities | **(687,327)** | (157,309) | (76,710) |
| Distributions of capital from unconsolidated entities and other | **416,485** | 263,761 | 413,542 |
| **Net cash used in investing activities** | **(2,036,921)** | (601,851) | (52,434) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | |
| Proceeds from sales of common and preferred stock and other | **156,710** | 217,237 | 13,811 |
| Purchase of limited partner units and treasury stock | **(83,993)** | (16,150) | (193,837) |
| Preferred stock redemptions | **(300,468)** | (393,558) | (579) |
| Minority interest contributions | **2,903** | 2,023 | — |
| Preferred distributions of the Operating Partnership | **(21,580)** | (26,979) | (28,080) |
| Preferred dividends and distributions to stockholders | **(804,271)** | (749,507) | (690,654) |
| Distributions to limited partners | **(194,823)** | (177,673) | (166,617) |
| Mortgage and other indebtedness proceeds, net of transaction costs | **5,577,083** | 5,507,735 | 3,962,778 |
| Mortgage and other indebtedness principal payments | **(4,177,763)** | (4,442,332) | (4,197,795) |
| **Net cash provided by (used in) financing activities** | **153,798** | (79,204) | (1,300,973) |
| **(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS** | **(427,378)** | 592,312 | (183,036) |
| **CASH AND CASH EQUIVALENTS, beginning of year** | **929,360** | 337,048 | 520,084 |
| **CASH AND CASH EQUIVALENTS, end of year** | **$ 501,982** | $ 929,360 | $ 337,048 |

*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 | Common Stock Held in Treasury | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|
| **Balance at December 31, 2004** | **$ 1,062,687** | **$ 23** | **$ 16,365** | **$ 4,971,885** | **$ (1,335,436)** | **$ (72,918)** | **$ 4,642,606** |
| Conversion of Limited Partner Units (2,281,481 Common Shares, Note 10) | | | | 37,381 | | | 37,381 |
| Stock options exercised (206,464 Common Shares) | | | | 6,184 | | | 6,184 |
| Series I Preferred Unit conversion to Series I Preferred Stock (197,155 Preferred Shares) | 9,858 | | | | | | 9,858 |
| Series J Preferred Stock premium net of amortization | 7,171 | | | | | | 7,171 |
| Treasury Stock purchase (2,815,400 Shares) | | | | | | (182,408) | (182,408) |
| Series G Preferred stock accretion | 306 | | | | | | 306 |
| Stock incentive program (400,541 Common Shares, Net) | | | | (25,240) | | 25,240 | — |
| Common Stock retired (18,000 Shares) | | | | (605) | (502) | | (1,107) |
| Amortization of stock incentive | | | | 14,320 | | | 14,320 |
| Other | | | | 505 | | | 505 |
| Adjustment to limited partners' interest from increased ownership in the Operating Partnership | | | | (5,707) | | | (5,707) |
| Distributions | | | | | (690,990) | | (690,990) |
| Other comprehensive income | | | (6,572) | | | | (6,572) |
| Net income | | | | | 475,749 | | 475,749 |
| **Balance at December 31, 2005** | **$ 1,080,022** | **$ 23** | **$ 9,793** | **$ 4,998,723** | **$ (1,551,179)** | **$ (230,086)** | **$ 4,307,296** |
| Conversion of Limited Partner Units (86,800 Common Shares, Note 10) | | | | 1,247 | | | 1,247 |
| Stock options exercised (414,659 Common Shares) | | | | 14,906 | | | 14,906 |
| Series I Preferred Unit conversion to Series I Preferred Stock (230,486 Preferred Shares) | 11,524 | | | | | | 11,524 |
| Series I Preferred Stock conversion to Common Stock (283,907 Preferred Shares to 222,933 Common Shares) | (14,195) | | | 14,195 | | | — |
| Series J Preferred Stock premium amortization | (329) | | | | | | (329) |
| Series F Preferred Stock redemption (8,000,000 shares) | (192,989) | | | | | | (192,989) |
| Series G Preferred stock accretion | 587 | | | | | | 587 |
| Series K Preferred Stock issuance (8,000,000 shares) | 200,000 | | | | | | 200,000 |
| Series K Preferred Stock redemption (8,000,000 shares) | (200,000) | | | | | | (200,000) |
| Stock incentive program (415,098 Common Shares, Net) | | | | (36,487) | | 36,487 | — |
| Common Stock retired (70,000 Shares) | | | | (2,354) | (4,051) | | (6,405) |
| Amortization of stock incentive | | | | 23,369 | | | 23,369 |
| Other | | | | 608 | | | 608 |
| Adjustment to limited partners' interest from increased ownership in the Operating Partnership | | | | (3,951) | | | (3,951) |
| Distributions | | | | | (749,507) | | (749,507) |
| Other comprehensive income | | | 9,446 | | | | 9,446 |
| Net income | | | | | 563,840 | | 563,840 |
| **Balance at December 31, 2006** | **$ 884,620** | **$ 23** | **$ 19,239** | **$ 5,010,256** | **$ (1,740,897)** | **$ (193,599)** | **$ 3,979,642** |
| Conversion of Limited Partner Units (1,692,474 Common Shares, Note 10) | | | | 22,781 | | | 22,781 |
| Stock options exercised (231,025 Common Shares) | | | | 7,604 | | | 7,604 |
| Series I Preferred Unit conversion to Series I Preferred Stock (289,090 Preferred Shares) | 14,455 | | | | | | 14,455 |
| Series I Preferred Stock conversion to Common Stock (65,907 Preferred Shares to 51,987 Common Shares) | (3,296) | | | 3,296 | | | — |
| Series J Preferred Stock premium amortization | (328) | | | | | | (328) |
| Treasury Stock purchase (572,000 Shares) | | | | | | (49,269) | (49,269) |
| Series G Preferred stock accretion | 1,157 | | | | | | 1,157 |
| Series G Preferred stock redemption (3,000,000 shares) | (150,000) | | | | | | (150,000) |
| Series L Preferred Stock issuance (6,000,000 shares) | 150,000 | | | | | | 150,000 |
| Series L Preferred Stock redemption (6,000,000 shares) | (150,000) | | | | | | (150,000) |
| Stock incentive program (222,725 Common Shares, Net) | | | | (29,262) | | 29,262 | — |
| Common Stock retired (23,000 Shares) | | | | (773) | (1,518) | | (2,291) |
| Amortization of stock incentive | | | | 26,779 | | | 26,779 |
| Other | | | | 571 | | | 571 |
| Adjustment to limited partners' interest from decreased ownership in the Operating Partnership | | | | 26,466 | | | 26,466 |
| Distributions | | | | | (804,271) | | (804,271) |
| Other comprehensive income | | | (1,152) | | | | (1,152) |
| Net income | | | | | 491,239 | | 491,239 |
| **Balance at December 31, 2007** | **$ 746,608** | **$ 23** | **$ 18,087** | **$ 5,067,718** | **$ (2,055,447)** | **$ (213,606)** | **$ 3,563,383** |

*The accompanying notes are an integral part of these statements.*

## 1. Organization

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

We own, develop, and manage retail real estate, which consist primarily of regional malls, Premium Outlet® centers, The Mills®, and community/lifestyle centers. As of December 31, 2007, we owned or held an interest in 320 income-producing properties in the United States, which consisted of 168 regional malls, 67 community/lifestyle centers, 38 Premium Outlet centers, 37 properties acquired in the Mills acquisition, and 10 other shopping centers or outlet centers in 41 states and Puerto Rico. Of the 37 Mills properties acquired, 17 of these are The Mills, 16 are regional malls, and four are community centers. We also own interests in four parcels of land held in the United States for future development. Internationally, we have ownership interests in 51 European shopping centers (France, Italy, and Poland); six Premium Outlet centers in Japan; one Premium Outlet center in Mexico, and one Premium Outlet center in South Korea. Also, through a joint venture arrangement we have ownership interests in five shopping centers under construction in China.

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

- Base minimum rents,
- 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 grow by generating supplemental revenues from the following activities:

- Establishing our malls as leading market resource providers for retailers and other businesses and consumer-focused corporate alliances, including: payment systems (including handling fees relating to the sales of bank-issued prepaid cards), national marketing alliances, static and digital media initiatives, business development, sponsorship, and events,
- Offering property operating services to our tenants and others, including: waste handling and facility services, as well as major capital expenditures such as roofing, parking lots and energy systems,
- Selling or leasing land adjacent to our shopping center properties, commonly referred to as "outlots" or "outparcels," and,
- Generating interest income on cash deposits and loans made to related entities.

## 2. Basis of Presentation and Consolidation

The accompanying consolidated financial statements include the accounts of all majority-owned subsidiaries, and all significant intercompany amounts have been eliminated.

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, among other factors, 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 included in deferred costs and other assets 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 or the joint venture partner is obligated to make additional contributions to the extent of any capital account deficits and has the ability to fund such additional contributions.

Investments in partnerships and joint ventures represent noncontrolling ownership interests in properties. 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, 2007, we consolidated 198 wholly-owned properties and consolidated 19 additional properties that are less than wholly-owned, but which we control or for which we are the primary beneficiary. We account for the remaining 162 properties using the equity method of accounting (joint venture properties). We manage the day-to-day operations of 93 of the 162 joint venture properties but have determined that our partner or partners have substantive participating rights in regards to the assets and operations of these joint venture properties. Additionally, we account for our investment in SPG-FCM Ventures, LLC ("SPG-FCM"), which acquired The Mills Corporation and its majority-owned subsidiary, The Mills Limited Partnership (collectively "Mills") in April 2007, using the equity method of accounting. We have determined that SPG-FCM is not a variable interest entity (VIE) and that Farallon Capital Management, L.L.C. ("Farallon"), our joint venture partner, has substantive participating rights with respect to the assets and operations of SPG-FCM pursuant to the applicable partnership agreements.

We allocate net operating results of the Operating Partnership after preferred distributions to third parties and to us based on the partners' respective weighted average ownership interests in the Operating Partnership.

Our weighted average ownership interest in the Operating Partnership was as follows:

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | **2007** | **2006** | **2005** |
| Weighted average ownership interest | **79.4%** | 79.1% | 78.7% |

As of December 31, 2007 and 2006, our ownership interest in the Operating Partnership was 79.4% and 78.9%, respectively. We adjust the limited partners' interest in the Operating Partnership at the end of each period to reflect their interest in the Operating Partnership.

Preferred distributions of the Operating Partnership in the accompanying statements of operations and cash flows represent distributions on outstanding preferred units of limited partnership interest.

## 3. Summary of Significant Accounting Policies

***Investment Properties***

We record investment properties at cost. Investment properties include costs of acquisitions; development, predevelopment, and construction (including allocable 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 repair 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 capitalize interest on projects during periods of construction until the projects are ready for their intended purpose based on interest rates in place during the construction period. The amount of interest capitalized during each year is as follows:

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | **2007** | **2006** | **2005** |
| Capitalized interest | **$ 35,793** | $ 30,115 | $ 14,433 |

We record depreciation on buildings and improvements utilizing the straight-line method over an estimated original useful life, which is generally 10 to 40 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 or occupancy term of the tenant, if shorter. 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 plus its residual value 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.

Certain of our real estate assets contain asbestos. The asbestos is appropriately contained, in accordance with current environmental regulations, and we have no current plans to remove the asbestos. If these properties were demolished, certain environmental regulations are in place which specify the manner in which the asbestos must be handled and disposed. Because the obligation to remove the asbestos has an indeterminable settlement date, we are not able to reasonably estimate the fair value of this asset retirement obligation.

***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" (SFAS 141). 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 and related improvements is determined either by real estate tax assessments, a third party valuation specialist, 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.

Amounts allocated to building are depreciated over the estimated remaining life of the acquired building or related improvements. We amortize amounts allocated to tenant improvements, in-place lease assets and other lease-related intangibles over the remaining life of the underlying leases. We also estimate the value of other acquired intangible assets, if any, which are amortized over the remaining life of the underlying related leases or intangibles.

***Discontinued Operations***

SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("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 seven regional malls, community/lifestyle centers, and office building properties disposed during 2005, as described in Note 4 to discontinued operations in the accompanying consolidated statements of operations and comprehensive income for 2005. Revenues included in discontinued operations were $29.3 million for the year ended December 31, 2005. There were no discontinued operations reported in 2006 as assets sold were not material to our consolidated financial statements. During 2007, we reported the loss upon sale on our five consolidated assets sold in "loss on sale of discontinued operations" in the consolidated statements of operations and comprehensive income. The operating results of the assets disposed of in 2007 were not significant to our consolidated results of operations.

***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. During 2005, independent banks assumed responsibility for the gift card programs. We collect gift card funds at the point of sale and then remit those funds to the banks for further processing. As a result, cash and cash equivalents, as of December 31, 2007 and 2006, includes a balance of $41.3 million and $27.2 million, respectively, related to these gift card programs 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 our insurance subsidiaries 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. Our insurance subsidiaries are required to maintain statutory minimum capital and surplus as well as maintain a minimum liquidity ratio. Therefore, our access to their securities may be limited.

***Accounting for Beneficial Interests in Mall of America***

In January 2006, an entity controlled by the Simon family assigned to us its right to receive cash flow, capital distributions, and related profits and losses with respect to a portion of its ownership interest in the Mall of America through Mall of America Associates ("MOAA"). This beneficial interest was transferred subject to a credit facility repayable from MOAA's distributions from the property. As a result of this assignment, we began recognizing our share of MOAA's income during the first quarter of 2006, including the proportionate share of earnings of MOAA since August 2004 through the first quarter of 2006 of $10.2 million. This income is included with "income from unconsolidated entities" in our consolidated statement of operations. We accounted for our beneficial interests in MOAA under the equity method of accounting. On November 2, 2006, the Simon family entity sold its partnership interest to an affiliate of another partner in MOAA and settled all pending litigation, terminating our beneficial interests. As a result of this sale, we ceased recording income from this property's operations, and recorded a gain of approximately $86.5 million as a result of the receipt of $102.2 million of capital transaction proceeds assigned to us from this arrangement which is included in "gain (loss) on sale of assets and interests in unconsolidated entities, net" in the consolidated statements of operations and comprehensive income.

***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.

***Segment Disclosure***

The Financial Accounting Standards Board (the "FASB") Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("Statement 131") requires disclosure of certain operating and financial data with respect to separate business activities within an enterprise. Our primary business is the ownership, development, and management of retail real estate. We have aggregated our retail operations, including regional malls, Premium Outlet centers, The Mills, and community/lifestyle 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 costs and other assets include the following as of December 31:

| | 2007 | 2006 |
|---|---|---|
| Deferred financing and lease costs, net | **$ 221,433** | $ 204,645 |
| In-place lease intangibles, net | **66,426** | 93,563 |
| Acquired above market lease intangibles, net | **49,741** | 70,623 |
| Marketable securities of our captive insurance companies | **116,260** | 103,605 |
| Goodwill | **20,098** | 20,098 |
| Minority interests | **163,196** | 81,282 |
| Prepaids, notes receivable and other assets, net | **481,481** | 417,083 |
| | **$ 1,118,635** | $ 990,899 |

***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, which are included in mortgages and other indebtedness, 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 these deferred costs as of December 31 are as follows:

| | 2007 | 2006 |
|---|---|---|
| Deferred financing and lease costs | **$ 401,153** | $ 340,427 |
| Accumulated amortization | **(179,720)** | (135,782) |
| Deferred financing and lease costs, net | **$ 221,433** | $ 204,645 |

The accompanying statements of operations and comprehensive income includes amortization as follows:

| | For the year ended December 31, | | |
|---|---|---|---|
| | 2007 | 2006 | 2005 |
| Amortization of deferred financing costs | **$ 15,467** | $ 18,716 | $ 22,063 |
| Amortization of debt premiums net of discounts | **(23,000)** | (28,163) | (26,349) |
| Amortization of deferred leasing costs | **26,033** | 22,259 | 20,606 |

We report amortization of deferred financing costs, amortization of premiums, and accretion of discounts as part of interest expense. Amortization of deferred leasing costs are a component of depreciation and amortization expense.

***Intangible Assets.*** The average life of the in-place lease intangibles is approximately 5.5 years and is amortized over the remaining life of the leases of the related property on the straight-line basis and is included with depreciation and amortization in the consolidated statements of operations and comprehensive income. The fair market value of above and below market leases are amortized into revenue over the remaining lease life as a component of reported minimum rents. The weighted average remaining life of these intangibles approximates 3.5 years. The unamortized amounts of below market leases are included in accounts payable, accrued expenses, intangibles and deferred revenues on the consolidated balance sheets and $146.7 million and $186.6 million as of December 31, 2007 and 2006, respectively. The amount of amortization of above and below market leases, net for the year ended December 31, 2007, 2006, and 2005 was $44.6 million, $53.3 million, and $48.0 million, respectively.

Details of intangible assets as of December 31 are as follows:

| | 2007 | 2006 |
|---|---|---|
| In-place lease intangibles | **$ 190,151** | $ 183,544 |
| Accumulated amortization | **(123,725)** | (89,981) |
| In-place lease intangibles, net | **$ 66,426** | $ 93,563 |
| Acquired above market lease intangibles | **$ 144,224** | $ 144,224 |
| Accumulated amortization | **(94,483)** | (73,601) |
| Acquired above market lease intangibles, net | **$ 49,741** | $ 70,623 |

Estimated future amortization, and the increasing (decreasing) effect on minimum rents for our above and below market leases recorded as of December 31, 2007 are as follows:

| | Below Market Leases | Above Market Leases | Increase to Minimum Rent, Net |
|---|---|---|---|
| 2008 | $ 49,269 | $ (16,929) | $ 32,340 |
| 2009 | 34,537 | (13,388) | 21,149 |
| 2010 | 23,287 | (6,958) | 16,329 |
| 2011 | 17,190 | (4,909) | 12,281 |
| 2012 | 12,280 | (3,703) | 8,577 |
| Thereafter | 10,096 | (3,854) | 6,242 |
| | $ 146,659 | $ (49,741) | $ 96,918 |

***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 associated with our indebtedness and interest payments as 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 other 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 Other Comprehensive Income***

The components of our accumulated other comprehensive income consisted of the following as of December 31:

| | 2007 | 2006 |
|---|---|---|
| Cumulative translation adjustment | **$ 3,516** | $ (1,475) |
| Accumulated derivative gains, net | **11,966** | 19,715 |
| Net unrealized gains on marketable securities | **2,605** | 999 |
| Total accumulated other comprehensive income | **$ 18,087** | $ 19,239 |

***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 the applicable 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 anchor stores, require the tenant to reimburse us for a substantial portion of our operating expenses, including common area maintenance (CAM), real estate taxes and insurance. This significantly reduces our exposure to increases in costs and operating expenses resulting from inflation. Such property operating expenses typically include utility, insurance, security, janitorial, landscaping, food court and other administrative expenses. We accrue reimbursements from tenants for recoverable portions of all these expenses as revenue in the period the applicable expenditures are incurred. For approximately 67.7% of our leases, we receive a fixed payment from the tenant for the CAM component. We are continually working towards converting the remainder of our leases to the fixed payment methodology. Without the fixed-CAM component, CAM expense reimbursements are based on the tenant's proportionate share of the allocable operating expenses and CAM capital expenditures for the property. We also receive escrow payments for these reimbursements from substantially all our non-fixed CAM tenants and monthly fixed CAM payments throughout the year. We recognize differences between estimated recoveries and the final billed amounts in the subsequent year. These differences were not material in any period presented. Our advertising and promotional costs are expensed as incurred.

***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 subsidiaries and other self-insurance programs as of December 31, 2007 and 2006 approximated $121.4 million and $112.5 million, respectively.

We recognize fee revenues from our co-branded gift card programs when the fees are earned under the related arrangements with the card issuer. Generally, these revenues are recorded at the issuance of the gift card for handling fees.

***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. Accounts are written off when they are deemed to be no longer collectible. Presented below is the activity in the allowance for credit losses and includes the activities related to discontinued operations during the following years:

| | For the year Ended December 31, | | |
|---|---|---|---|
| | **2007** | **2006** | **2005** |
| Balance at Beginning of Year | **$ 32,817** | $ 35,239 | $ 37,039 |
| Consolidation of previously unconsolidated entities | **495** | 321 | — |
| Provision for Credit Losses | **9,672** | 9,730 | 7,284 |
| Accounts Written Off | **(9,174)** | (12,473) | (9,084) |
| Balance at End of Year | **$ 33,810** | $ 32,817 | $ 35,239 |

***Income Taxes***

We and certain other subsidiaries of the Operating Partnership are taxed as REITs under Sections 856 through 860 of the Internal Revenue Code and applicable Treasury regulations relating to REIT qualification. In order to maintain this REIT status, the 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 our REIT status and that of the REIT subsidiaries. As REITs, these entities will generally not be liable for federal corporate income taxes as long as they continue to distribute in excess of 100% of their taxable income. 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, we or that entity 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.

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 and participate in activities that don't qualify as "rents from real property". 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 of December 31, 2007 and 2006, we had a net deferred tax asset of $19.8 million and $12.8 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 or reserves from insurance subsidiaries. State income, franchise or other taxes were not significant in any of the periods presented. The income tax benefit in 2007 results primarily from the tax deductibility of a $55.1 million impairment charge.

**4. Real Estate Acquisitions, Disposals, and Impairment**

We acquire properties to generate both current income and long-term appreciation in value. We acquire individual properties or portfolios of other retail real estate companies that meet our investment criteria. We sell properties which no longer meet our strategic criteria. Our consolidated acquisition and disposal activity for the periods presented are highlighted as follows:

***2007 Acquisitions***

As a result of the Mills acquisition which is more fully discussed in Note 7, we consolidated two regional mall properties, Town Center at Cobb and Gwinnett Place. In additional to the Mills acquisition, on March 1, 2007, we acquired the remaining 40% interest in both University Park Mall and University Center located in Mishawaka, Indiana from our partner and as a result, we now own 100% of these properties. On March 28, 2007, we acquired The Maine Outlet, a 112,000 square foot outlet center located in Kittery, Maine, adjacent to our Kittery Premium Outlets property. On August 23, 2007, we acquired Las Americas Premium Outlets, a 560,000 square foot upscale outlet center located in San Diego, California. We also purchased an additional 1% interest in Bangor Mall on July 13, 2007, and an additional 6.5% interest in Montgomery Mall on November 1, 2007. The aggregate purchase price of the consolidated assets acquired during 2007, excluding Town Center and Cobb and Gwinnett Place, was approximately $394.2 million, including the assumption of our share of debt of the properties acquired.

***2006 Acquisitions***

On November 1, 2006, we acquired the remaining 50% interest in Mall of Georgia, a regional mall property, from our partner for $252.6 million, including the assumption of our $96.0 million share of debt. As a result, we now own 100% of Mall of Georgia and the property was consolidated as of the acquisition date.

***2005 Acquisitions***

On November 18, 2005, we purchased a 37.99% interest in Springfield Mall in Springfield, Pennsylvania, for approximately $39.3 million, including the issuance of our share of debt of $29.1 million. On November 21, 2005, we purchased a 50% interest in Coddingtown Mall in Santa Rosa, California, for approximately $37.1 million, including the assumption of our share of debt of $10.5 million. Both of these properties are being accounted for on the equity method of accounting.

***2007 Dispositions***

During the year ended December 31, 2007, we sold five consolidated properties for which we received net proceeds of $56.4 million and recorded our share of a loss on the disposals totaling $35.2 million.

***2006 Dispositions***

During the year ended December 31, 2006, we sold three consolidated properties and one property in which we held a 50% interest and accounted for under the equity method. We received net proceeds of $52.7 million and recorded our share of a gain on the dispositions totaling $12.2 million.

***2005 Dispositions***

During the year ended December 31, 2005, we sold sixteen non-core properties, consisting of four regional malls, one community/lifestyle center, nine other outlet centers and two office buildings. Seven of these disposals were considered significant and we reclassified the operations and the resulting net gain on sale to discontinued operations. For these seven asset sales, we received net proceeds of $375.2 million and recorded our share of a gain on the dispositions totaling $115.8 million, net of $31.1 million in limited partners' interest. The additional nine other properties sold were insignificant non-core properties that resulted in no gain or loss

Certain of the net proceeds from these sales, net of repayment of outstanding debt, were held in escrow to complete IRS Section 1031 exchanges while the remainder was used for general working capital purposes.

***Impairment.*** We evaluate properties for impairment 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. As discussed in Note 7, we recorded an impairment charge of $55.1 million in 2007 related to our investment in a joint venture that holds an interest in land in Arizona.

**5. 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 amounts presented in the reconciliation below represent 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, | | |
|---|---|---|---|
| | 2007 | 2006 | 2005 |
| **Common Stockholders' share of:** | | | |
| **Net Income available to Common Stockholders — Basic** | **$ 436,164** | $ 486,145 | $ 401,895 |
| **Effect of dilutive securities:** | | | |
| Impact to General Partner's interest in Operating Partnership from all dilutive securities and options | **313** | 415 | 337 |
| **Net Income available to Common Stockholders — Diluted** | **$ 436,477** | $ 486,560 | $ 402,232 |
| **Weighted Average Shares Outstanding — Basic** | **222,998,313** | 221,024,096 | 220,259,480 |
| Effect of stock options | **778,471** | 903,255 | 871,010 |
| **Weighted Average Shares Outstanding — Diluted** | **223,776,784** | 221,927,351 | 221,130,490 |

For the year ending December 31, 2007, potentially dilutive securities include stock options, convertible preferred stock and common units of limited partnership interest ("Units") in the Operating Partnership which are exchangeable for common stock and certain preferred units of limited partnership interest of the Operating Partnership. The only security that had a dilutive effect for the years ended December 31, 2007, 2006 and 2005 were stock options.

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, | | |
|---|---|---|---|
| | 2007 | 2006 | 2005 |
| Total dividends paid per common share | **$ 3.36** | $ 3.04 | $ 2.80 |
| Percent taxable as ordinary income | **92.9**% | 81.4% | 85.8% |
| Percent taxable as long-term capital gains | **7.1**% | 18.6% | 14.2% |
| | **100.0**% | 100.0% | 100.0% |

## 6. Investment Properties

Investment properties consist of the following as of December 31:

| | 2007 | 2006 |
|---|---|---|
| Land | **$ 2,798,452** | $ 2,651,205 |
| Buildings and improvements | **21,364,915** | 19,993,094 |
| Total land, buildings and improvements | **24,163,367** | 22,644,299 |
| Furniture, fixtures and equipment | **251,658** | 219,664 |
| Investment properties at cost | **24,415,025** | 22,863,963 |
| Less — accumulated depreciation | **5,312,095** | 4,606,130 |
| Investment properties at cost, net | **$ 19,102,930** | $ 18,257,833 |
| Construction in progress included above | **$ 647,303** | $ 530,298 |

## 7. Investments in Unconsolidated Entities

Joint ventures are common in the real estate industry. We use joint ventures to finance properties, develop new properties, and diversify our risk in a particular property or portfolio. We held joint venture ownership interests in 103 properties as of December 31, 2007 and 68 as of December 31, 2006. We also held interests in two joint ventures which owned 51 European shopping centers as of December 31, 2007 and 53 as of December 31, 2006. We also held an interest in six joint venture properties under operation in Japan, one joint venture property in Mexico, and one joint venture property in South Korea. We account for these joint venture properties using the equity method of accounting.

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 joint venture agreements and the industry. Our partners in these joint ventures may initiate these provisions at any time (subject to any applicable lock up or similar restrictions), which will result in either the sale of our interest or the use of available cash or borrowings to acquire the joint venture interest.

***Acquisition of The Mills Corporation by SPG-FCM***

On February 16, 2007, SPG-FCM, a 50/50 joint venture between an affiliate of the Operating Partnership and funds owned by Farallon, entered into a definitive merger agreement to acquire all of the outstanding common stock of Mills for $25.25 per common share in cash. The acquisition of Mills and its interests in the 37 properties that remain at December 31, 2007 was completed through a cash tender offer and a subsequent merger transaction which concluded on April 3, 2007. As of December 31, 2007, we and Farallon had each funded $650.0 million into SPG-FCM to acquire all of the common stock of Mills. As part of the transaction, the Operating Partnership also made loans to SPG-FCM and Mills that bear interest primarily at rates of LIBOR plus 270-275 basis points. These funds were used by SPG-FCM and Mills to repay loans and other obligations of Mills, including the redemption of preferred stock, during the year. As of December 31, 2007, the outstanding balance of our loan to SPG-FCM was $548.0 million, and the average outstanding balance during the twelve month period ended December 31, 2007 of all loans made to SPG-FCM and Mills was approximately $993.3 million. During 2007, we recorded approximately $39.1 million in interest income (net of inter-entity eliminations) related to these loans. We also recorded fee income, including fee income amortization related to up-front fees on loans made to SPG-FCM and Mills, during 2007 of approximately $17.4 million (net of inter-entity eliminations), for providing refinancing services to Mills' properties and SPG-FCM. The existing loan facility to SPG-FCM bears a rate of LIBOR plus 275 basis points and matures on June 7, 2009, with three available one-year extensions, subject to certain terms and conditions. Fees charged on loans made to SPG-FCM and Mills are amortized on a straight-line basis over the life of the loan.

As a result of the change in control of Mills, holders of Mills' Series F convertible cumulative redeemable preferred stock had the right to require the repurchase of their shares for cash equal to the liquidation preference per share plus accrued and unpaid dividends. During the second quarter of 2007, all of the holders of Mills' Series F preferred stock exercised this right, and Mills redeemed this series of preferred stock for approximately $333.2 million, including accrued dividends. Further, as of August 1, 2007, The Mills Corporation was liquidated and the holders of the remaining series' of Mills preferred stock were paid a liquidation preference of approximately $693.0 million, including accrued dividends.

During the third quarter of 2007, the holders of less than 5,000 common units in the Mills' operating partnership ("Mills Units") received $25.25 in cash, and those holding 5,000 or more Mills Units had the option to exchange for cash of $25.25, or Units of the Operating Partnership based on a fixed exchange ratio of 0.211 Operating Partnership Units for each Mills Unit. That option expired on August 1, 2007. Holders electing to exchange received 66,036 Units in the Operating Partnership for their Mills Units. The remaining Mills Units were exchanged for cash.

Effective July 1, 2007, we or an affiliate of ours began serving as the manager for substantially all of the properties in which SPG-FCM holds an interest. In conjunction with the Mills acquisition, we acquired a majority interest in two properties in which we previously held a 50% ownership interest (Town Center at Cobb and Gwinnett Place) and as a result we have consolidated these two properties at the date of acquisition. We have reclassified the results of these properties in the Joint Venture Statement of Operations into "Income from consolidated joint venture interests."

The acquisition of Mills involved the purchase of all of Mills' outstanding shares of common stock and common units for approximately $1.7 billion (at $25.25 per share or unit), the assumption of $954.9 million of preferred stock, the assumption of a proportionate share of property-level mortgage debt, SPG-FCM's share of which approximated $3.8 billion, the assumption of $1.2 billion in unsecured loans provided by us, costs to effect the acquisition, and certain liabilities and contingencies, including an ongoing investigation by the Securities and Exchange Commission, for an aggregate purchase price of approximately $8 billion. SPG-FCM has completed its preliminary purchase price allocations for the acquisition of Mills. The valuations were developed with the assistance of a third-party professional appraisal firm. The preliminary allocations will be finalized within one year of the acquisition date in accordance with applicable accounting standards.

In addition we sold our interest in Broward and Westland Malls, which we acquired through the Mills acquisition, and recognized no gain or loss on these dispositions.

***Joint Venture Property Refinancing Activity***

The following joint venture property refinancing activity resulted in our receiving significant excess refinancing proceeds:

On November 15, 2007, we refinanced Aventura Mall, a joint venture property in which we own a 33.3% interest, with a $430.0 million, 5.905% fixed-rate mortgage that matures on December 11, 2017. The balances of the previous $200.0 million 6.61% fixed-rate mortgage was repaid, and we received our share of the excess refinancing proceeds of approximately $71.4 million.

On November 1, 2007, we refinanced West Town Mall, a joint venture property in which we own a 50% interest, with a $210.0 million, 6.3375% fixed-rate mortgage that matures on December 1, 2017. The balances of the previous $76.0 million 6.90% fixed-rate mortgage was repaid, and we received our share of the excess refinancing proceeds of approximately $66.4 million.

On May 10, 2006, we refinanced thirteen cross-collateralized mortgages with seven individual secured loans totaling $796.6 million with fixed rates ranging from 5.79% to 5.83%. The balance of the previous mortgages totaled $625.0 million, and bore interest at rates ranging from LIBOR plus 41 basis points to a fixed rate of 8.28%, and was scheduled to mature on May 15, 2006. We received our share of excess refinanced proceeds of approximately $86 million on the closing of the new mortgage loan.

On November 29, 2005, we refinanced Houston Galleria, a joint venture property, with a $821.0 million, 5.436% fixed-rate mortgage that matures on December 1, 2015. The balances of the two previous mortgages, which were repaid, were $213.2 million and $84.7 million and bore interest at a fixed rate of 7.93% and at LIBOR plus 150 basis points, respectively. They were scheduled to mature on December 1, 2005 and December 31, 2006, respectively. We received our share of the excess refinancing proceeds of approximately $165.0 million on the closing of the new mortgage loan.

On June 1, 2005, we refinanced Westchester Mall, a joint venture property, with a $500.0 million, 4.86% fixed-rate mortgage that matures on June 1, 2010. The balances of the two previous mortgages, which were repaid, were $142.0 million and $50.1 million and bore interest at fixed rates of 8.74% and 7.20%, respectively. Both were scheduled to mature on September 1, 2005. We received our share of the excess refinancing proceeds of approximately $120.0 million on the closing of the new mortgage loan.

***Summary Financial Information***

A summary of our investments in joint ventures 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 or became the primary beneficiary and as a result, gain unilateral control of the property. We reclassified these line items into "Income (loss) from discontinued joint venture interests" and "Income from consolidated joint venture interests" so that we may present comparative results of operations for those joint venture interests held as of December 31, 2007. Balance sheet information for the joint ventures is as follows:

| | December 31, 2007 | December 31, 2006 |
|---|---|---|
| **BALANCE SHEET** | | |
| **Assets:** | | |
| Investment properties, at cost | **$ 21,009,416** | $ 10,669,967 |
| Less — accumulated depreciation | **3,217,446** | 2,206,399 |
| | **17,791,970** | 8,463,568 |
| Cash and cash equivalents | **747,575** | 354,620 |
| Tenant receivables | **435,093** | 258,185 |
| Investment in unconsolidated entities | **258,633** | 176,400 |
| Deferred costs and other assets | **713,180** | 307,468 |
| Total assets | **$ 19,946,451** | $ 9,560,241 |
| **Liabilities and Partners' Equity:** | | |
| Mortgages and other indebtedness | **$ 16,507,076** | $ 8,055,855 |
| Accounts payable, accrued expenses, and deferred revenue | **972,699** | 513,472 |
| Other liabilities | **825,279** | 255,633 |
| Total liabilities | **18,305,054** | 8,824,960 |
| Preferred units | **67,450** | 67,450 |
| Partners' equity | **1,573,947** | 667,831 |
| Total liabilities and partners' equity | **$ 19,946,451** | $ 9,560,241 |
| **Our Share of:** | | |
| Total assets | **$ 8,040,987** | $ 4,113,051 |
| Partners' equity | **$ 776,857** | $ 380,150 |
| Add: Excess Investment | **757,236** | 918,497 |
| Our net Investment in Joint Ventures | **$ 1,534,093** | $ 1,298,647 |
| Mortgages and other indebtedness | **$ 6,568,403** | $ 3,472,228 |

"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 amortize excess investment over the life of the related properties, typically no greater than 40 years, and the amortization is included in the reported amount of income from unconsolidated entities.

As of December 31, 2007, scheduled principal repayments on joint venture properties' mortgages and other indebtedness are as follows:

| | |
|---|---|
| 2008 | $ 1,559,991 |
| 2009 | 1,622,137 |
| 2010 | 1,985,312 |
| 2011 | 1,634,178 |
| 2012 | 2,290,767 |
| Thereafter | 7,389,042 |
| Total principal maturities | 16,481,427 |
| Net unamortized debt premiums | 26,350 |
| Net unamortized debt discounts | (701) |
| Total mortgages and other indebtedness | $ 16,507,076 |

This debt becomes due in installments over various terms extending through 2023 with interest rates ranging from 1.35% to 10.61% and a weighted average rate of 5.84% at December 31, 2007.

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | 2007 | 2006 | 2005 |
| **STATEMENTS OF OPERATIONS** | | | |
| **Revenue:** | | | |
| Minimum rent | **$ 1,682,671** | $ 1,060,896 | $ 1,004,042 |
| Overage rent | **119,134** | 89,968 | 81,498 |
| Tenant reimbursements | **852,312** | 540,560 | 514,587 |
| Other income | **201,075** | 147,549 | 124,015 |
| Total revenue | **2,855,192** | 1,838,973 | 1,724,142 |
| **Operating Expenses:** | | | |
| Property operating | **580,910** | 366,122 | 339,552 |
| Depreciation and amortization | **627,929** | 318,589 | 311,870 |
| Real estate taxes | **220,474** | 131,359 | 129,374 |
| Repairs and maintenance | **113,517** | 83,331 | 80,995 |
| Advertising and promotion | **62,182** | 42,096 | 34,663 |
| Provision for credit losses | **22,448** | 4,620 | 8,723 |
| Other | **162,570** | 125,976 | 119,908 |
| Total operating expenses | **1,790,030** | 1,072,093 | 1,025,085 |
| **Operating Income** | **1,065,162** | 766,880 | 699,057 |
| Interest expense | **(853,307)** | (415,425) | (370,001) |
| Income (loss) from unconsolidated entities | **665** | 1,204 | (1,892) |
| Minority interest | **—** | — | — |
| Gain (loss) on sale of asset | **(6,399)** | (6) | 1,423 |
| **Income from Continuing Operations** | **206,125** | 352,653 | 328,587 |
| Income from consolidated joint venture interests | **2,562** | 14,070 | 13,626 |
| Income (loss) from discontinued joint venture interests | **202** | 736 | (2,452) |
| Gain on disposal or sale of discontinued operations, net | **198,952** | 20,375 | 65,599 |
| **Net Income** | **$ 407,841** | $ 387,834 | $ 405,360 |
| **Third-Party Investors' Share of Net Income** | **$ 232,586** | $ 232,499 | $ 238,265 |
| **Our Share of Net Income** | **175,255** | 155,335 | 167,095 |
| **Amortization of Excess Investment** | **(46,503)** | (49,546) | (48,597) |
| **Inncome from Beneficial Interests and Other, net** | **—** | 15,605 | — |
| **Write-off of Investment Related to Properties Sold** | **—** | (2,846) | (38,666) |
| **Our Share of Net (Gain)/Loss Related to Properties Sold** | **(90,632)** | (7,729) | 1,975 |
| **Income from Unconsolidated Entities** | **$ 38,120** | $ 110,819 | $ 81,807 |

***Prior Year Acquisition and Disposition Activity***

On November 1, 2006, we acquired the remaining 50% interest in Mall of Georgia, a regional mall property, from our partner for $252.6 million, including the assumption of our $96.0 million share of debt. As a result, we now own 100% of Mall of Georgia and the property was consolidated as of the acquisition date. We have reclassified the results of this property in the Joint Venture Statement of Operations into "Income from consolidated joint venture interests."

On January 11, 2005, Metrocenter, a joint venture regional mall property was sold. We recognized our share of the gain of $11.8 million, net of the write-off of the related investment and received $62.6 million representing our share of the proceeds from this disposition. On December 22, 2005, The Forum Entertainment Centre, our Canadian property, was sold. We recognized our share of the loss of $13.7 million, net of the write-off of the related investment, from the disposition of this property. On April 25, 2006, Great Northeast Plaza, a joint venture community center was sold. We recognized our share of the gain of $7.7 million, net of the write-off of the related investment and received $8.8 million representing our share of the proceeds from this disposition. Our share of the net gain resulting from the sale of Metrocenter, The Forum Entertainment Centre, and Great Northeast Plaza are shown separately in "gain (loss) on sales of assets and interests in unconsolidated entities, net" in the consolidated statement of operations and comprehensive income.

***Impairment Charge.*** On December 28, 2005, we invested $50.0 million of equity for a 40% interest in a joint venture with Toll Brothers, Inc. and Meritage Homes Corp. to purchase a 5,485-acre land parcel in northwest Phoenix from DaimlerChrysler Corporation for $312 million. The principal use of the land upon attaining entitled status is to develop single-family homesites by our partners. As a result of the recent downturn in the residential market, during the fourth quarter of 2007, we recorded an impairment charge of $55.1 million, $36.5 million net of tax benefit, representing our entire equity investment in this joint venture, including interest capitalized on our invested equity.

***International Joint Venture Investments***

***European Joint Ventures.*** We conduct our international operations in Europe through our two European joint venture investment entities; Simon Ivanhoe S.à.r.l. ("Simon Ivanhoe") and Gallerie Commerciali Italia ("GCI"). The carrying amount of our total combined investment in these two joint venture investments is $289.5 million and $338.1 million as of December 31, 2007 and 2006, respectively, net of the related cumulative translation adjustments. The Operating Partnership has a 50% ownership in Simon Ivanhoe and a 49% ownership in GCI as of December 31, 2007.

On October 20, 2005, Ivanhoe Cambridge, Inc. ("Ivanhoe"), an affiliate of Caisse de dépôt et placement du Québec, effectively acquired our former partner's 39.5% ownership interest in Simon Ivanhoe. On February 13, 2006, pursuant to the terms of our October 20, 2005 transaction with Ivanhoe, we sold a 10.5% interest in this joint venture to Ivanhoe for €45.2 million, or $53.9 million, and recorded a gain on the disposition of $34.4 million. This gain is reported in "gain (loss) on sales of assets and interests in unconsolidated entities, net" in the 2006 consolidated statements of operations. We then settled all remaining share purchase commitments from the company's founders, including the early settlement of some commitments by purchasing an additional 25.8% interest in Simon Ivanhoe for €55.1 million, or $65.5 million. As a result of these transactions, we and Ivanhoe each own a 50% interest in Simon Ivanhoe at December 31, 2006 and 2007.

On July 5, 2007, Simon Ivanhoe completed the sale of five non-core assets in Poland and we presented our share of the gain upon this disposition in "gain (loss) on sale of assets and interests in unconsolidated entities, net" in the consolidated statement of operations and comprehensive income.

***Asian Joint Ventures.*** We conduct our international Premium Outlet operations in Japan through joint ventures with Mitsubishi Estate Co., Ltd. and Sojitz Corporation (formerly known as Nissho Iwai Corporation). The carrying amount of our investment in these Premium Outlet joint ventures in Japan is $273.0 million and $281.2 million as of December 31, 2007 and 2006, respectively, net of the related cumulative translation adjustments. We have a 40% ownership in these Japan Premium Outlet joint ventures. During 2007, we also completed construction and opened our first Premium Outlet in South Korea. As of December 31, 2007 and 2006 respectively, our investment in our Premium Outlet in South Korea, for which we hold a 50% ownership interest, approximated $23.1 million and $18.5 million net of the related cumulative translation adjustments.

During 2006, we finalized the formation of joint venture arrangements to develop and operate shopping centers in China. The shopping centers will be anchored by Wal-Mart stores and we own a 32.5% interest in the joint venture entities, and a 32.5% ownership in the management operation overseeing these projects, collectively referred to as Great Mall Investments, Ltd. ("GMI"). We have five centers currently under construction, with our share of the total equity commitment of approximately $60 million. We account for our investments in GMI under the equity method of accounting. As of December 31, 2007, our combined investment in these shopping centers in GMI is approximately $32.1 million.

**8. Indebtedness and Derivative Financial Instruments**

Our mortgages and other indebtedness, excluding the impact of derivative instruments, consist of the following as of December 31:

| | 2007 | 2006 |
|---|---|---|
| ***Fixed-Rate Debt:*** | | |
| Mortgages and other notes, including $24,845 and $41,579 net premiums, respectively. Weighted average interest and maturity of 6.06% and 4.5 years at December 31, 2007. | **$ 4,836,761** | $ 4,266,045 |
| Unsecured notes, including $9,680 and $17,513 net premiums, respectively. Weighted average interest and maturity of 5.68% and 5.2 years at December 31, 2007. | **9,384,680** | 10,447,513 |
| 7% Mandatory Par Put Remarketed Securities, including $4,568 and $4,669 premiums, respectively, due June 2028 and subject to redemption June 2008. | **204,568** | 204,669 |
| **Total Fixed-Rate Debt** | **14,426,009** | 14,918,227 |
| ***Variable-Rate Debt:*** | | |
| Mortgages and other notes, at face value, respectively. Weighted average interest and maturity of 5.38% and 2.2 years. | **441,143** | 180,558 |
| Credit Facility (see below) | **2,351,612** | 305,132 |
| **Total Variable-Rate Debt** | **2,792,755** | 485,690 |
| Fair value interest rate swaps | **(90)** | (9,428) |
| **Total Mortgages and Other Indebtedness, Net** | **$ 17,218,674** | $ 15,394,489 |

***General.*** At December 31, 2007, we have pledged 80 properties as collateral to secure related mortgage notes including 7 pools of cross-defaulted and cross-collateralized mortgages encumbering a total of 39 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 80 encumbered properties, indebtedness on 19 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, 2007, we are in compliance with all our debt covenants.

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 $351.9 million of our consolidated debt at six 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.

***Unsecured Debt***

We have $875 million of unsecured notes issued by our subsidiaries 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 6.99% and weighted average maturities of 5.0 years.

***Credit Facility.*** Significant draws on our $3.5 billion credit facility during the twelve-month period ended December 31, 2007 were as follows:

| Draw Date | Draw Amount | Use of Credit Line Proceeds |
|---|---|---|
| 02/16/07 | $ 600,000 | Borrowing to partially fund a $1.187 billion loan to Mills. |
| 03/29/07 | 550,000 | Borrowing to fund our equity commitment for the Mills acquisition and to fund a loan to SPG-FCM. |
| 04/17/07 | 140,000 | Borrowing to fund a loan to SPG-FCM. |
| 06/28/07 | 181,000 | Borrowing to fund a loan to SPG-FCM. |
| 07/31/07 | 557,000 | Borrowing to fund a loan to SPG-FCM. |
| 08/23/07 | 105,000 | Borrowing to fund a property acquisition |
| 09/20/07 | 180,000 | Borrowing to fund SPG Medium Term Note payoff. |
| 10/22/07 | 125,000 | Borrowing to fund repayment of Chelsea unsecured note, which had a fixed rate of 7.25%. |
| 11/01/07 | 90,000 | Borrowing to partially fund redemption of Series L preferred stock. |
| 11/15/07 | 550,000 | Borrowing to partially fund repayment of unsecured notes, which had a fixed rate of 6.38%. |

Other amounts drawn on our credit facility were primarily for general working capital purposes. We repaid a total of $2.6 billion on our credit facility during the year ended December 31, 2007. The total outstanding balance of the credit facility as of December 31, 2007 was $2.4 billion, and the maximum amount outstanding during the year was approximately $2.6 billion. During the year ended December 31, 2007, the weighted average outstanding balance of the credit facility was approximately $1.4 billion. The amount outstanding as of December 31, 2007 includes $553.6 million in Euro and Yen-denominated borrowings.

On October 4, 2007, we exercised the $500 million accordion feature of our credit facility, increasing the revolving borrowing capacity from $3.0 billion to $3.5 billion. The expanded capacity includes an increase of $125.0 million to $875.0 million for the multi-currency tranche for Euro, Yen and Sterling borrowings. The credit facility is available through January 11, 2011, including a one-year extension at our option. The credit facility bears a rate of 37.5 basis points over the LIBOR rate applicable to our borrowings, which averaged 5.25% and 5.10% for the years ended December 31, 2007 and 2006, respectively, for U.S. dollar-denominated borrowings.

***Secured Debt***

***Mortgages and Other Indebtedness.*** The balance of fixed and variable rate mortgage notes was $5.3 billion and $4.4 billion as of December 31, 2007 and 2006, respectively. Of the 2007 amount, $5.2 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. During the twelve-month period ended December 31, 2007, we repaid $191.3 million in mortgage loans, unencumbering four properties.

As a result of the acquisition of Mills by SPG-FCM, we now hold a majority ownership interest in Gwinnett Place and Town Center at Cobb, and as a result they were consolidated as of the acquisition date. This included the consolidation of two mortgages secured by Gwinnett Place of $35.6 million and $79.2 million at fixed rates of 7.54% and 7.25%, respectively, and two mortgages secured by Town Center at Cobb of $45.4 million and $60.3 million at fixed rates of 7.54% and 7.25%, respectively. On May 23, 2007, we refinanced Gwinnett Place and Town Center at Cobb with $115.0 million and $280.0 mortgages at fixed rates of 5.68% and 5.74%, respectively.

We placed a $200.0 million fixed-rate mortgage on Independence Center, a regional mall property, on July 10, 2007, which matures on July 10, 2017, and bears a rate of 5.94%.

As a result of the acquisition of Las Americas Premium Outlets on August 23, 2007, we recorded its $180.0 million fixed-rate mortgage that matures June 11, 2016 and bears a rate of 5.84%.

***Debt Maturity and Other***

Our scheduled principal repayments on indebtedness as of December 31, 2007 are as follows:

| | | |
|---|---|---|
| 2008 | $ | 809,667 |
| 2009 | | 1,654,043 |
| 2010 | | 2,292,483 |
| 2011 | | 4,355,900 |
| 2012 | | 2,202,532 |
| Thereafter | | 5,865,046 |
| Total principal maturities | | 17,179,671 |
| Net unamortized debt premium and other | | 39,003 |
| Total mortgages and other indebtedness | $ | 17,218,674 |

Our cash paid for interest in each period, net of any amounts capitalized, was as follows:

| | For the year ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | **2007** | | **2006** | | **2005** | |
| Cash paid for interest | **$** | **983,219** | $ | 845,964 | $ | 822,906 |

***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, 2007, we reflected the fair value of outstanding consolidated derivatives in other liabilities for $6.8 million. In addition, we recorded the benefits from our treasury lock and interest rate hedge agreements in accumulated other comprehensive income and the unamortized balance of these agreements is $4.4 million as of December 31, 2007. The net benefits from terminated swap agreements are also recorded in accumulated other comprehensive income and the unamortized balance is $10.7 million as of December 31, 2007. As of December 31, 2007, our outstanding LIBOR based derivative contracts consisted of:

- interest rate cap protection agreements with a notional amount of $93.8 million that mature in May 2008.

- variable rate swap agreements with a notional amount of $370.0 million have a weighted average pay rate of 4.97% and a weighted average receive rate of 3.72%. These were terminated in January 2008.

Within the next twelve months, we expect to reclassify to earnings approximately $0.9 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 estimate the fair values of consolidated 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 as of December 31 is summarized as follows:

| | **2007** | **2006** |
|---|---|---|
| Fair value of fixed-rate mortgages and other indebtedness | **$ 14,741,949** | $ 14,479,171 |
| Average discount rates assumed in calculation of fair value | **5.16**% | 6.53% |

**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, 2007 are as follows:

| | |
|---|---|
| 2008 | $ 1,771,729 |
| 2009 | 1,666,698 |
| 2010 | 1,493,630 |
| 2011 | 1,312,011 |
| 2012 | 1,126,972 |
| Thereafter | 3,486,524 |
| | $ 10,857,564 |

Approximately 0.6% 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**

Our Board of Directors is authorized to reclassify 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 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 our outstanding voting stock.

Holders of our common stock 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 our 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 holders of the Class C common stock (the "DeBartolos") are entitled to elect two of the thirteen members of the Board of Directors. 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.

***Common Stock Issuances and Repurchases***

In 2007, we issued 1,692,474 shares of common stock to nine limited partners in exchange for an equal number of Units.

We issued 231,025 shares of common stock related to employee and director stock options exercised during 2007. We used the net proceeds from the option exercises of approximately $7.6 million to acquire additional units of the Operating Partnership. The Operating Partnership used the net proceeds for general working capital purposes.

On July 26, 2007, our Board of Directors authorized us to repurchase up to $1.0 billion of common stock over the next twenty-four months as market conditions warrant. We may repurchase the shares in the open market or in privately negotiated transactions. During 2007, we repurchased 572,000 shares at an average price of $86.11 per share as part of this program. The program had remaining availability of approximately $950.7 million at December 31, 2007.

Holders of Series I 6% Convertible Perpetual Preferred Stock can currently convert their shares into shares of common stock. During the twelve months ended December 31, 2007, 65,907 shares of Series I preferred stock were converted into 51,987 shares of common stock.

***Preferred Stock***

The following table summarizes the carrying values of each series of preferred stock of Simon Property that had shares issued and outstanding as of December 31:

| | 2007 | 2006 |
|---|---|---|
| Series G 7.89% Cumulative Step-Up Premium Rate Preferred Stock, 3,000,000 shares authorized, 3,000,000 issued and outstanding at 2006, none at 2007. | **$ —** | $ 148,843 |
| Series I 6% Convertible Perpetual Preferred Stock, 19,000,000 shares authorized, 14,004,936 and 13,781,753 issued and outstanding, respectively. | **700,247** | 689,088 |
| Series J $8^{3}/8$% Cumulative Redeemable Preferred Stock, 1,000,000 shares authorized, 796,948 issued and outstanding, including unamortized premium of $6,514 and 6,842 in 2007 and 2006, respectively. | **46,361** | 46,689 |
| | **$ 746,608** | $ 884,620 |

The following series of preferred stock were previously issued, but had no shares of such series issued and outstanding at the end of 2007 and 2006: Series B 6.5% Convertible Preferred Stock (5,000,000 shares); Series C 7.00% Cumulative Convertible Preferred Stock (2,700,000 shares); Series D 8.00% Cumulative Redeemable Preferred Stock (2,700,000 shares); Series E 8.00% Cumulative Redeemable Preferred Stock (1,000,000 shares); Series F 8.75% Cumulative Redeemable Preferred Stock (8,000,000 shares); and Series H Variable Rate Preferred Stock (4,530,000 shares), Series K Variable Rate Redeemable Preferred Stock (8,000,000 shares); Series L Variable Rate Redeemable Preferred Stock (6,000,000 shares).

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 us preferred distributions to Simon Property equal to the dividends we pay on the preferred stock issued.

***Series C 7.00% Cumulative Convertible Preferred Stock and Series D 8.00% Cumulative Redeemable Preferred Stock.*** We issued these two series of preferred stock in 1999 to facilitate the possible conversion of two related series of preferred units described below, 7.00% Cumulative Convertible Preferred Units and the 8.00% Cumulative Redeemable Preferred Units. Each of these series of preferred stock has terms that are substantially identical to the related series of preferred units. There are no shares of either series currently outstanding.

***Series F Cumulative Redeemable Preferred Stock.*** This series of preferred stock was redeemable on or after September 29, 2006, at a redemption equal to the liquidation value ($25.00 per share), plus accrued and unpaid dividends. We redeemed all outstanding shares of this series in October 2006 and recorded a $7.0 million charge to net income during the fourth quarter of 2006 related to the redemption.

***Series G Cumulative Step-Up Premium Rate Preferred Stock.*** This series of preferred stock was redeemable after September 30, 2007 at a redemption price equal to the liquidation value ($50.00 per share) plus accrued and unpaid dividends. We redeemed all outstanding shares of this series in October 2007.

***Series I 6% Convertible Perpetual Preferred Stock.*** This series of preferred stock was issued in connection with our acquisition of Chelsea Property Group in 2004. The terms of this series of preferred stock are substantially identical to those of the related series of 6% Series I Convertible Perpetual Preferred Units described below. During 2007, holders exchanged 289,090 preferred units for an equal number of shares of preferred stock. In prior years, 803,952 preferred units had been exchanged for an equal number of shares of preferred stock. Dividends accrue quarterly at an annual rate of 6% per share. On or after October 14, 2009, we can convert the preferred stock, in whole or in part, into shares of common stock having a value equal to the liquidation preference ($50.00 per share) plus accumulated and unpaid dividends. However, if the conversion date falls between the record date and the preferred stock dividend payment date, the conversion price will be the liquidation preference only. The conversion may occur only if, for 20 trading days within a period of 30 consecutive trading days ending on the trading day before notice of conversion is issued, the closing price per share of the common stock exceeds 130% of the applicable conversion price. This series of preferred stock is also convertible into common stock upon the occurrence of a conversion triggering event. A conversion triggering event includes the following: (a) if we call the preferred stock for conversion; 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 trigger price condition is not met at the end of any quarter, then conversions are not permitted in the following quarter.

As of December 31, 2007, the conversion trigger price of $78.71 had been met and each share of this series of preferred stock is convertible into 0.794079 of a share of common stock through March 31, 2008. During the twelve months ended December 31, 2007, 65,907 shares of preferred stock were converted into 51,987 shares of common stock.

***Series J 8 3/8% Cumulative Redeemable Preferred Stock.*** We issued this series of preferred stock in 2004 to replace a series of Chelsea preferred stock. Dividends accrue quarterly at an annual rate of 8 3/8% per share. We can redeem this series, in whole or in part, on and after October 15, 2027 at a redemption price of $50.00 per share, plus accumulated and unpaid dividends. This preferred stock was issued at a premium of $7,553 as of the date of our acquisition of Chelsea.

***Series K Variable Rate Redeemable Preferred Stock.*** We issued this series of preferred stock to fund the redemption of the Series F preferred stock in the fourth quarter of 2006. We later repurchased all outstanding shares of this series in the same quarter at the original issue price.

***Series L Variable Rate Redeemable Preferred Stock.*** We issued this series of preferred stock to fund the redemption of the Series G preferred stock in the fourth quarter of 2007. We later repurchased all outstanding shares of this series at the original issue price.

***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:

| | 2007 | 2006 |
|---|---|---|
| 6% Series I Convertible Perpetual Preferred Units, 19,000,000 units authorized, 3,034,675 and 3,935,165 issued and outstanding. | **$ 151,734** | $ 196,759 |
| 7.75% / 8.00% Cumulative Redeemable Preferred Units, 900,000 shares authorized, 850,698 issued and outstanding. | **85,070** | 85,070 |
| 7.5% Cumulative Redeemable Preferred Units, 260,000 units authorized, 255,373 issued and outstanding. | **25,537** | 25,537 |
| 7% Cumulative Convertible Preferred Units, 2,700,000 units authorized, 100,818 and 261,683 issued and outstanding as of December 31, 2007 and 2006, respectively. | **2,823** | 7,327 |
| 8.00% Cumulative Redeemable Preferred Units, 2,700,000 units authorized, 1,418,307 and 1,425,573 issued and outstanding. | **42,549** | 42,767 |
| | **$ 307,713** | $ 357,460 |

***6% Series I Convertible Perpetual Preferred Units.*** The Operating Partnership issued 4,753,794 preferred units of this series in the Chelsea acquisition in 2004. In 2007, holders exchanged 289,090 preferred units of this series for an equal number of shares of Series I preferred stock. In prior years, 803,952 units had been exchanged for an equal number of shares of Series I preferred stock. The preferred units have terms that are substantially identical to the Series I preferred stock, except that as it relates to the preferred units, we have the option to pay cash or issue shares of Series I preferred stock.

***7.75%/8.00% Cumulative Redeemable Preferred Units.*** The Operating Partnership issued this series of preferred units in connection with a 1999 acquisition. The preferred units accrue cumulative quarterly distributions at a rate of 8.00% of the liquidation value through 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. A holder may require the Operating Partnership to repurchase the preferred units on or after January 1, 2009, or any time that the aggregate liquidation value of the outstanding preferred units exceeds 10% of the book value of partners' equity of the Operating Partnership. The Operating Partnership may redeem the preferred units on or after January 1, 2011, or earlier upon the occurrence of certain tax triggering events. The Operating Partnership intends to redeem these units after January 1, 2009, upon the occurrence of a tax triggering event. The redemption price is the liquidation value ($100.00 per 7.75% preferred unit and 8.00% preferred unit) plus accrued and unpaid distributions, payable in cash or in interest to one or more properties mutually agreed upon.

***7.5% Cumulative Redeemable Preferred Units.*** The Operating Partnership issued this series of preferred units in connection with the purchase of an additional interest in a joint venture. The preferred units accrue cumulative quarterly distributions at a rate of $7.50 annually. The Operating Partnership may redeem the preferred units on or after November 10, 2013, unless there is the occurrence of certain tax triggering events such as death of the initial 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 redemption price is the liquidation value ($100.00 per preferred unit) plus accrued and unpaid distributions, payable either in cash or shares of our common stock. In the event of the death of a holder of the preferred units, the occurrence of certain tax triggering events applicable to the holder, or on or after November 10, 2006, the holder may require the Operating Partnership to redeem the preferred units at the same redemption price payable at the option of the Operating Partnership in either cash or shares of common stock.

***7.00% Cumulative Convertible Preferred Units.*** This series of preferred units accrues cumulative quarterly distributions at a rate of $1.96 annually. The preferred units are convertible at the holders' option on or after August 27, 2004, into either an equal number of shares of Series C preferred stock or Units of the Operating Partnership at a ratio of 0.75676 Units to each preferred unit provided that the closing stock price of the common stock exceeds $37.00 for any three consecutive trading days prior to the conversion date. The Operating Partnership may redeem the preferred Units at their liquidation value ($28.00 per unit) plus accrued and unpaid distributions on or after August 27, 2009, by issuing units. In the event of the death of a holder of the preferred units, or the occurrence of certain tax triggering events applicable to a holder, the Operating Partnership may be required to redeem the preferred units at the liquidation value payable at the option of the Operating Partnership in either cash or shares of common stock. During 2007, holders converted 160,865 preferred units into 121,727 Units.

***8.00% Cumulative Redeemable Preferred Units.*** This series of preferred units accrues cumulative quarterly distributions at a rate of $2.40 annually. The preferred units are paired with one 7.00% preferred unit or with the number of Units into which the 7.00% preferred units may be converted. The Operating Partnership may redeem the preferred units at their liquidation value ($30.00 per preferred unit) plus accrued and unpaid distributions on or after August 27, 2009, payable in either a new series of preferred units having the same terms as the preferred units, except that the distribution rate would be reset to a then determined market rate, or in Units. The preferred units are convertible at the holders' option on or after August 27, 2004, into shares of Series D preferred stock or Units. In the event of the death of a holder of the preferred units, or the occurrence of certain tax triggering events applicable to a holder, the Operating Partnership may be required to redeem the preferred units owned by such holder at their liquidation value payable at the option of the Operating Partnership in either cash or shares of common stock. During 2007, one holder redeemed 7,266 of the preferred units for $218.

***Notes Receivable from Former CPI Stockholders.*** Notes receivable of $17,199 from stockholders of an entity, are reflected as a deduction from capital in excess of par value in the consolidated statements of stockholders' equity in the accompanying financial statements. 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.*** This plan, or the 1998 plan, provides for the grant of equity-based awards in the form of options to purchase shares, stock appreciation rights, restricted stock grants and performance unit 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 of common stock to the Operating Partnership, at fair value, sufficient to satisfy the exercising of any 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 the Compensation Committee of the Board of Directors. The committee 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 its administration. Options granted to employees 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. Since 2001, we have not granted any options to employees, except for a series of reload options we assumed as part of a prior business combination.

***Automatic Awards For Eligible Directors.*** Until May 7, 2003, the 1998 plan provided for automatic grants of options to directors who are not also our employees or employees of our affiliates. Each eligible director was automatically granted options to purchase 5,000 shares upon the director's initial election to the Board of Directors, and upon each re-election, an additional 3,000 options multiplied by the number of calendar years that had elapsed since such person's last election to the Board of Directors. The exercise price of the options is equal to the fair market value of the shares on the date of grant. Director options vested and became 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 options was 2002.

From May 7, 2003 to May 10, 2006, eligible directors received annual grants of restricted stock under the 1999 plan. Each eligible director received 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 annually. Thereafter, as of the date of each annual meeting of stockholders, eligible directors re-elected received a grant of 1,000 shares of restricted stock. In addition, eligible directors who served as chairpersons of standing committees received 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).

Awards of restricted stock issued prior to May 11, 2006 vested 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 ceased to serve as a director before vesting, the unvested portion of the award terminated. Any unvested portion of a restricted stock award vested if the director died or became disabled while in office or has served a minimum of five annual terms as a director, but only if the committee or the full Board of Directors determines that such vesting is appropriate. The restricted stock also vested in the event of a "change in control."

Pursuant to an amendment to the 1998 plan approved by the stockholders effective May 11, 2006, each eligible director now receives on the first day of the first calendar month following his or her initial election an award of restricted stock with a value of $82,500 (pro-rated for partial years of service). Thereafter, as of the date of each annual meeting of stockholders, eligible directors who are re-elected receive an award of restricted stock having a value of $82,500. In addition, eligible directors who serve as chairpersons of the standing committees (excluding the Executive Committee) receive an additional annual award of restricted stock having a value of $10,000 (in the case of the Audit Committee) or $7,500 (in the case of all other standing committees). The Lead Director also receives an annual restricted stock award having a value of $12,500. The restricted stock vests in full after one year.

Once vested, the delivery of the shares of restricted stock (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 directors may vote and are entitled to receive dividends on the underlying shares; however, any dividends on the shares of restricted stock must be reinvested in shares of common stock and held in the deferred compensation plan until the shares of a restricted stock 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 stock to be granted to certain employees at no cost to those employees, subject to achievement of certain financial and return-based performance measures established by the committee related to the most recent year's performance. Once granted, the shares of restricted stock then vest annually over a four-year period (25% each year) beginning on January 1 of the following year. The cost of restricted stock grants, which is based upon the stock's fair market value on the grant date, is charged to earnings ratably over the vesting period. Through December 31, 2007 a total of 4,461,537 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, | | |
| --- | --- | --- | --- |
| | **2007** | **2006** | **2005** |
| Restricted stock shares awarded during the year, net of forfeitures | **222,725** | 415,098 | 400,541 |
| Weighted average fair value of shares granted during the year | **$ 120.55** | $ 84.33 | $ 61.01 |
| Amortization expense for all awards vesting during the year | **$ 26,779** | $ 23,369 | $ 14,320 |

The weighted average life of our outstanding options as of December 31, 2007 is 2.8 years. Information relating to Director Options and Employee Options from December 31, 2004 through December 31, 2007 is as follows:

| | Director Options | | Employee Options | |
|---|---|---|---|---|
| | Options | Weighted Average Exercise Price Per Share | Options | Weighted Average Exercise Price Per Share |
| Shares under option at December 31, 2004 | 64,290 | $ 26.75 | 1,696,026 | $ 29.71 |
| Granted | — | N/A | 18,000 | 61.48 |
| Exercised | (22,860) | 25.25 | (183,604) | 27.20 |
| Forfeited | (3,930) | 25.51 | (2,500) | 25.54 |
| Shares under option at December 31, 2005 | 37,500 | $ 27.80 | 1,527,922 | $ 30.39 |
| Granted | — | N/A | 70,000 | 90.87 |
| Exercised | (18,000) | 27.68 | (396,659) | 36.02 |
| Forfeited | (3,000) | 24.25 | (3,000) | 24.47 |
| Shares under option at December 31, 2006 | 16,500 | $ 28.57 | 1,198,263 | $ 32.07 |
| Granted | **—** | **N/A** | **23,000** | **99.03** |
| Exercised | **(16,500)** | **28.57** | **(214,525)** | **32.62** |
| Forfeited | **—** | **—** | **—** | **—** |
| Shares under option at December 31, 2007 | **—** | **$ —** | **1,006,738** | **$ 33.48** |

| Employee Options: | Outstanding | | | Exercisable | |
|---|---|---|---|---|---|
| Range of Exercise Prices | Options | Weighted Average Remaining Contractual Life in Years | Weighted Average Exercise Price Per Share | Options | Weighted Average Exercise Price Per Share |
| $22.36 - $30.38 | 820,939 | 2.63 | $ 25.10 | 820,939 | $ 25.10 |
| $30.39 - $46.97 | 59,749 | 6.10 | 46.97 | 59,749 | 46.97 |
| $46.98 - $63.51 | 33,050 | 6.18 | 50.17 | 33,050 | 50.17 |
| $63.52 - $99.03 | 93,000 | 0.85 | 92.89 | 70,000 | 90.87 |
| Total | 1,006,738 | | $ 33.48 | 983,738 | $ 31.95 |

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 determined 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 our common stock at that time. At December 31, 2007, we had reserved 76,514,149 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***

In November of 2004, the Attorneys General of Massachusetts, New Hampshire and Connecticut filed complaints in their respective state courts against us and our affiliate, SPGGC, Inc., alleging that the sale of co-branded, bank-issued gift cards sold in certain of our properties violated gift certificate statutes and consumer protection laws in those states. We filed our own actions for declaratory relief in Federal district courts in each of the three states. We have also been named as a defendant in two other state court proceedings in New York which have been brought by private parties as purported class actions. They allege violation of state consumer protection and contract laws and seek a variety of remedies, including unspecified damages and injunctive relief.

In 2006, we received a judgment in our favor in the Federal district court in New Hampshire. The First Circuit Court of Appeals affirmed that ruling on May 30, 2007, holding that the current gift card program is a banking product and state law regulation is preempted by federal banking laws. The First Circuit Court of Appeals did not, however, rule on the question of whether the gift card program as it existed prior to January 1, 2005, was similarly exempt from state regulation. In February 2007, we entered into a voluntary, no-fault settlement with the New Hampshire Attorney General relating to the gift card program in New Hampshire as it existed prior to January 1, 2005. The New Hampshire litigation was dismissed at that time.

In October 2007, the Second Circuit Court of Appeals issued a ruling in the case brought by the Connecticut Attorney General holding that the Connecticut gift card statute could be applied to the gift card program as it existed prior to January 1, 2005, and could prohibit the charging of administrative fees but could not prohibit the use of expiration dates on gift cards.

We believe we have viable defenses under both state and federal laws to the pending gift card actions in Massachusetts, Connecticut and New York. Although it is not possible to provide any assurance of the ultimate outcome of any of these pending actions, management does not believe they will have any material adverse affect on our financial position, results of operations or cash flow.

We are involved in various other legal proceedings that arise in the ordinary course of our business. We believe that such 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.

***Lease Commitments***

As of December 31, 2007, a total of 30 of the consolidated properties are subject to ground leases. The termination dates of these ground leases range from 2009 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, | | |
|---|---|---|---|
| | **2007** | **2006** | **2005** |
| Ground lease expense | **$ 30,499** | $ 29,301 | $ 25,584 |

Future minimum lease payments due under such ground leases for years ending December 31, excluding applicable extension options, are as follows:

| | | |
|---|---|---|
| 2008 | $ | 16,839 |
| 2009 | | 16,689 |
| 2010 | | 16,435 |
| 2011 | | 16,471 |
| 2012 | | 16,585 |
| Thereafter | | 686,378 |
| | $ | 769,397 |

***Insurance***

We maintain commercial general liability, fire, flood, extended coverage and rental loss insurance on all of our properties in the United States through wholly-owned captive insurance entities and other self-insurance mechanisms. Rosewood Indemnity, Ltd. and Bridgwood Insurance Company, Ltd. are our wholly-owned captive insurance subsidiaries, and have agreed to indemnify our general liability carrier for a specific layer of losses for the properties that are covered under these arrangements. 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 these captive insurance entities also provides initial coverage for property insurance and certain windstorm risks at the properties located in coastal windstorm locations.

We currently maintain insurance coverage against acts of terrorism on all of our properties in the United States on an "all risk" basis in the amount of up to $1 billion per occurrence for certified foreign acts of terrorism and $500 million per occurrence for non-certified domestic acts of terrorism. The current federal laws which provide this coverage are expected to operate through 2014. Despite the existence of this insurance coverage, any threatened or actual terrorist attacks in high profile markets could adversely affect our property values, revenues, consumer traffic and tenant sales.

***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, 2007, the Operating Partnership has loan guarantees and other guarantee obligations of $132.5 million and $60.6 million, respectively, to support our total $6.6 billion share of joint venture mortgage and other indebtedness in the event the joint venture partnership defaults under the terms of the underlying arrangement. Mortgages which are guaranteed by us are secured by the property of the joint venture and that property could be sold in order to satisfy the outstanding obligation.

***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, The Mills, and community/lifestyle centers rely heavily upon anchor tenants like most retail properties. Four retailers occupied 474 of the approximately 1,000 anchor stores in the properties as of December 31, 2007. An affiliate of one of these retailers is a limited partner in the Operating Partnership.

***Limited Life Partnerships***

FASB Statement No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" ("SFAS 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. We have certain 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 finite life of certain joint venture arrangements. However, SFAS 150 requires disclosure of the estimated settlement value of these non-controlling interests. As of December 31, 2007 and 2006, the estimated settlement value of these non-controlling interests was approximately $145 million and $175 million, respectively. The minority interest amount recognized as a liability on the consolidated balance sheets related to these non-controlling interests was approximately $14 million and $15 million as of December 31, 2007 and 2006, respectively.

**12. Related Party Transactions**

Our management company provides management, insurance, and other services to Melvin Simon & Associates, Inc., a related party, and other non-owned properties. Amounts for services provided by our management company and its affiliates to our unconsolidated joint ventures and other related parties were as follows:

| | For the year ended December 31, | | |
|---|---|---|---|
| | 2007 | 2006 | 2005 |
| Amounts charged to unconsolidated joint ventures | **$ 95,564** | $ 62,879 | $ 58,450 |
| Amounts charged to properties owned by related parties | **5,049** | 9,494 | 9,465 |

During 2007, we recorded interest income and financing fee income of $39.1 million and $17.4 million, respectively, net of inter-entity eliminations, related to the loans that we have provided to Mills and SPG-FCM and lending financing services to those entities and the properties in which they hold an ownership interest.

**13. Recently Issued Accounting Pronouncements**

In June 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Interpretation also provides guidance on description, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 became effective on January 1, 2007. The adoption of FIN 48 had no impact on our financial position or results of operations.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements". SFAS 157 is definitional and disclosure oriented and addresses how companies should approach measuring fair value when required by GAAP; it does not create or modify any current GAAP requirements to apply fair value accounting. The Standard provides a single definition for fair value that is to be applied consistently for all accounting applications, and also generally describes and prioritizes according to reliability the methods and inputs used in valuations. SFAS 157 prescribes various disclosures about financial statement categories and amounts which are measured at fair value, if such disclosures are not already specified elsewhere in GAAP. The new measurement and disclosure requirements of SFAS 157 are effective for us in the first quarter of 2008. The FASB deferred application of certain elements of SFAS No. 157 relating to non-financial assets and liabilities. We do not expect the provisions of SFAS 157 that we are required to adopt in 2008 will have a significant impact on our results of operations or financial position.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations", and SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements". SFAS No. 141(R) requires an acquirer to measure the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree at their fair values on the acquisition date, with goodwill being the excess value over the net identifiable assets acquired. SFAS No. 160 clarifies that a noncontrolling interest in a subsidiary should be reported as equity in the consolidated financial statements. The calculation of earnings per share will continue to be based on income amounts attributable to the parent. SFAS No. 141(R) and SFAS No. 160 are effective for financial statements issued for fiscal years beginning after December 15, 2008. Early adoption is prohibited. We do not expect the adoption of SFAS No. 141(R) or SFAS No. 160 will have a significant impact on our results of operations or financial position.

**14. Quarterly Financial Data (Unaudited)**

Quarterly 2007 and 2006 data is summarized in the table below and, as disclosed in Note 3, the amounts have been reclassified from previously disclosed amounts in accordance with the discontinued operations provisions of SFAS No. 144 and reflect dispositions through December 31, 2007. The amounts presented for income from continuing operations, income from continuing operations per share — Basic, and income from continuing operations per share — Diluted for the third quarter of 2007 are not equal to the same amounts previously reported in the September 30, 2007 Form 10-Q filed with the Securities and Exchange Commission as a result of the additional property sales which occurred in the fourth quarter of 2007 and resulted in losses on dispositions being reflected in discontinued operations. Income from continuing operations, income from continuing operations per share — Basic, and income from continuing operations per share — Diluted as previously reported in the September 30, 2007 Form 10-Q were $179,253, $0.74, and $0.74, respectively, and are presented below as $186,345, $0.77, and $0.77, respectively. All other amounts previously reported are equal to the amounts reported below.

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---|---|---|---|---|
| **2007** | | | | |
| Total revenue | **$ 852,141** | **$ 855,932** | **$ 907,145** | **$ 1,035,581** |
| Operating income | **348,966** | **333,551** | **378,699** | **473,849** |
| Income from continuing operations | **112,949** | **74,203** | **186,345** | **145,807** |
| Net income available to common stockholders | **98,381** | **59,917** | **164,937** | **112,929** |
| Income from continuing operations per share — Basic | **$ 0.44** | **$ 0.27** | **$ 0.77** | **$ 0.60** |
| Net income per share — Basic | **$ 0.44** | **$ 0.27** | **$ 0.74** | **$ 0.51** |
| Income from continuing operations per share — Diluted | **$ 0.44** | **$ 0.27** | **$ 0.77** | **$ 0.60** |
| Net income per share — Diluted | **$ 0.44** | **$ 0.27** | **$ 0.74** | **$ 0.51** |
| Weighted average shares outstanding | **222,443,434** | **223,399,287** | **223,103,314** | **223,015,421** |
| Diluted weighted average shares outstanding | **223,300,903** | **224,236,142** | **223,848,882** | **223,688,665** |
| **2006** | | | | |
| Total revenue | $ 787,649 | $ 798,738 | $ 818,736 | $ 927,031 |
| Operating income | 299,204 | 310,049 | 321,324 | 389,652 |
| Income from continuing operations | 122,461 | 101,282 | 112,950 | 226,750 |
| Net income available to common stockholders | 104,017 | 82,868 | 94,592 | 204,668 |
| Income from continuing operations per share — Basic | $ 0.47 | $ 0.37 | $ 0.43 | $ 0.93 |
| Net income per share — Basic | $ 0.47 | $ 0.37 | $ 0.43 | $ 0.93 |
| Income from continuing operations per share — Diluted | $ 0.47 | $ 0.37 | $ 0.43 | $ 0.92 |
| Net income per share — Diluted | $ 0.47 | $ 0.37 | $ 0.43 | $ 0.92 |
| Weighted average shares outstanding | 220,580,464 | 220,990,425 | 221,198,011 | 221,317,474 |
| Diluted weighted average shares outstanding | 221,553,566 | 221,875,643 | 222,069,615 | 222,185,308 |

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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 |
| Simon Capital Limited Partnership | Delaware |
| M.S. Management Associates, Inc. | Delaware |
| Rosewood Indemnity, Ltd. | Bermuda |
| Marigold Indemnity, Ltd. | Delaware |
| Bridgwood Insurance Company, Ltd. | Bermuda |
| Simon Business Network, LLC | Delaware |
| Simon Brand Ventures, LLC | Indiana |
| Simon Global Limited | United Kingdom |
| Simon Services, Inc. | Delaware |
| Simon Property Group Administrative Services Partnership, L.P. | Delaware |
| SPGGC, LLC | Virginia |
| Kravco Simon Investments, L.P. | Pennsylvania |
| SPG ML Holdings, LLC | Delaware |
| Simon Management Associates II, LLC | Delaware |
| Simon Management Associates, LLC | Delaware |
| CPG Partners, L.P. | Delaware |

Omits names of subsidiaries that as of December 31, 2007 were not, in the aggregate, a "significant subsidiary."

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Exhibit 21.1

**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 February 22, 2008, with respect to the consolidated financial statements of Simon Property Group, Inc., and the effectiveness of internal control over financial reporting of Simon Property Group, Inc., included in the 2007 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 audits. In our opinion, as to which the date is February 22, 2008, 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. 333-132513) of Simon Property Group, Inc.;

(2) Registration Statement (Form S-4 No. 333-118427) of Simon Property Group, Inc;

(3) Registration Statement (Form S-8 No. 333-101185) pertaining to the Simon Property Group 1998 Stock Incentive Plan;

(4) Registration Statement (Form S-8 No. 333-82471) pertaining to the Simon Property Group and Adopting Entities Matching Savings Plan;

(5) Registration Statement (Form S-8 No. 333-63919) pertaining to the Corporate Property Investors, Inc. and Corporate Realty Consultants, Inc. Employee Share Purchase Plan;

of our reports dated February 22, 2008, with respect to the consolidated financial statements of Simon Property Group, Inc. and our report dated February 22, 2008, with respect to the effectiveness of internal control over financial reporting of Simon Property Group, Inc., both 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. for the year ended December 31, 2007.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana
February 22, 2008

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Exhibit 23.1

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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: February 26, 2008

/s/ DAVID SIMON

David Simon
Chairman of the Board of Directors
and Chief Executive Officer

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Exhibit 31.1

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**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: February 26, 2008

/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, 2007 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
Chairman of the Board of Directors
and Chief Executive Officer
February 26, 2008

/S/ STEPHEN E. STERRETT

Stephen E. Sterrett
Executive Vice President and
Chief Financial Officer
February 26, 2008

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Exhibit 32