
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **August 10, 2001**

SIMON PROPERTY GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-14469

(Commission File Number)

046268599

(IRS Employer Identification No.)

**115 WEST WASHINGTON STREET
INDIANAPOLIS, INDIANA**

(Address of principal executive offices)

46204

(Zip Code)

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

Not Applicable

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

Item 5. Other Events

On August 8, 2001, the Registrant issued a press release containing information on earnings for the quarter ended June 30, 2001 and other matters. A copy of the press release is included as an exhibit to this filing.

On August 8, 2001, the Registrant held a conference call to discuss earnings for the quarter ended June 30, 2001 and other matters. A transcript of this conference call is included as an exhibit to this filing.

On August 10, 2001, the Registrant made available additional ownership and operation information concerning the Registrant, SPG Realty Consultants, Inc. (the Registrant's paired-share affiliate), Simon Property Group, L.P., and properties owned or managed as of June 30, 2001, in the form of a Supplemental Information package, a copy of which is included as an exhibit to this filing. The Supplemental Information package is available upon request as specified therein.

Item 7. Financial Statements and Exhibits

Financial Statements:

None

Exhibits:

Exhibit No.	Description	Page Number in This Filing
99.1	Supplemental Information as of June 30, 2001	5
99.2	Earnings Release for the quarter ended June 30, 2001	30
99.3	Teleconference Text for the quarter ended June 30, 2001	35

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: August 10, 2001

SIMON PROPERTY GROUP, INC.

By:

/s/ STEPHEN E. STERRETT

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

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SIMON PROPERTY GROUP
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As of June 30, 2001

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**SIMON PROPERTY GROUP
Overview**

The Company

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

At June 30, 2001, the Company, directly or through the Operating Partnership, owned or had an interest in 250 properties which consisted of regional malls, community shopping centers, and specialty and mixed-use properties containing an aggregate of 185 million square feet of gross leasable area (GLA) in 36 states and six assets in Europe and Canada. The Company, together with its affiliated management companies, owned or managed approximately 190 million square feet of GLA in retail and mixed-use properties.

This package was prepared to provide (1) ownership information, (2) certain operational information, and (3) debt information as of June 30, 2001, for the Company and the Operating Partnership.

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

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

**SIMON PROPERTY GROUP
ECONOMIC OWNERSHIP STRUCTURE (1)
JUNE 30, 2001**

SIMON PROPERTY GROUP, L.P.	237,571,410 units	
Partners:	Units	%
Partners:		
Simon Property Group, Inc.(2)(3)(4)		
Public Shareholders		96.8%
Simon Family		2.5%
DeBartolo Family		0.0%
Executive Management(5)		0.7%
	172,682,063	100.00%
Limited Partners:		
Simon Family	34,584,455	53.3%
DeBartolo Family	21,759,328	33.5%
Executive Management(5)	153,498	0.2%
Other Limited Partners	8,392,066	13.0%
	64,889,347	100.0%
Ownership of Simon Property Group, L.P.		
Simon Property Group, Inc.		
Public Shareholders		70.2%
Simon Family		1.8%
DeBartolo Family		0.0%
Executive Management(5)		0.5%
		72.5%
Limited Partners		
Simon Family		14.7%
DeBartolo Family		9.2%
Executive Management(5)		0.1%
Other Limited Partners		3.5%

27.5%

100.0%

Simon Property Group, Inc.(2)(3)(4)

Common Shareholders	Shares	%
Public Shareholders	167,096,655	96.8%
Simon Family	4,353,311	2.5%
DeBartolo Family	32,206	0.0%
Executive Management(5)	1,199,891	0.7%
	172,682,063	100.0%

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

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SIMON PROPERTY GROUP
Changes in Common Shares and Unit Ownership
For the Period from December 31, 2000 through June 30, 2001

	Operating Partnership Units(1)	Company Common Shares(2)
Number Outstanding at December 31, 2000	64,966,226	171,945,760
Restricted Stock Awards (Stock Incentive Program), Net	—	462,130
Issuance of Stock for Stock Option Exercises	—	227,376
Conversion of Series A Preferred Stock into Common Stock	—	46,797
Conversion of Units into Cash	(85,064)	—
Issuance of Units in Connection with Liberty Tree Mall	8,185	—
Number Outstanding at June 30, 2001	64,889,347	172,682,063

Total Common Shares and Units Outstanding at June 30, 2001:
237,571,410(2)

Details for Diluted FFO Calculation:

Company Common Shares Outstanding at June 30, 2001	172,682,063
Number of Common Shares Issuable Assuming Conversion of:	
Series A Preferred 6.5% Convertible(3)	1,893,651
Series B Preferred 6.5% Convertible(3)	12,490,773
Net Number of Common Shares Issuable Assuming Exercise of Stock Options	220,123
Diluted Common Shares Outstanding at June 30, 2001	187,286,610

Fully Diluted Common Shares and Units Outstanding at June 30, 2001:
252,175,957

- (1) Excludes units owned by the Company (shown here as Company Common Shares) and units not convertible into common shares.
- (2) Excludes preferred units relating to preferred stock outstanding (see Schedule of Preferred Stock Outstanding).
- (3) Conversion terms provided in footnotes (1) and (2) on page 8 of this document.

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SIMON PROPERTY GROUP
Preferred Stock/Units Outstanding
As of June 30, 2001
(\$ in 000's)

Issuer	Description	Number of Shares/Units	Per Share Liquidation Preference	Aggregate Liquidation Preference	Ticker Symbol
Preferred Shares:					
Convertible					
Simon Property Group, Inc.	Series A Preferred 6.5% Convertible(1)	49,839	\$ 1,000	\$ 49,839	N/A
Simon Property Group, Inc.	Series B Preferred 6.5% Convertible(2)	4,830,057	\$ 100	\$ 483,006	SPGPrB
Perpetual					
Simon Property Group, Inc.	Series E Preferred 8% Cumulative Redeemable(3)	1,000,000	\$ 25	\$ 25,000	N/A
Simon Property Group, Inc.	Series F Preferred 8 3/4% Perpetual(4)	8,000,000	\$ 25	\$ 200,000	SPGPrF
Simon Property Group, Inc.	Series G Preferred 7.89% Perpetual(5)	3,000,000	\$ 50	\$ 150,000	SPGPrG
Preferred Units:					
Simon Property Group, L.P.	Series C 7% Cumulative Convertible Preferred(6)	2,600,895	\$ 28	\$ 72,825	N/A
Simon Property Group, L.P.	Series D 8% Cumulative Redeemable Preferred(7)	2,600,895	\$ 30	\$ 78,027	N/A

- (1) Assumed in connection with the CPI merger. Each share is convertible into a number of shares of common stock obtained by dividing \$1,000 by \$26.319 (conversion price), which is subject to adjustment as outlined below. The stock is not redeemable, except as needed to maintain or bring the direct or indirect ownership of the capital stock of the Company into conformity with the requirements of Section 856(a)(6) of the Code.
- (2) Issued as part of the consideration for the CPI merger. Each share is convertible into a number of shares of common stock of the Company obtained by dividing \$100 by \$38.669 (the conversion price), which is subject to adjustment as outlined below. The Company may redeem the stock on or after September 24, 2003 at a price beginning at 105% of the liquidation preference plus accrued dividends and declining to 100% of the liquidation preference plus accrued dividends any time on or after September 24, 2008. The shares are traded on the New York Stock Exchange. The closing price on July 2, 2001, was \$80.50 per share. *(The conversion prices of the Series A and Series B Convertible Preferred Stock are subject to adjustment by the Company in connection with certain events.)*
- (3) Issued in connection with the acquisition of Mall of America. Simon Property Group, Inc. Series E Preferred 8% Cumulative Redeemable Stock is not redeemable prior to August 27, 2004.
- (4) Represent securities issued to holders of substantially identical securities of SPG Properties, Inc., a former subsidiary of SPG which was merged into SPG effective July 1, 2001. The shares are redeemable on or after September 29, 2006. The shares are not convertible into any other securities of the Company. The shares are traded on the New York Stock Exchange. The closing price on July 3, 2001, was \$25.00 per share.
- (5) Represent securities issued to holders of substantially identical securities of SPG Properties, Inc., a former subsidiary of SPG which was merged into SPG effective July 1, 2001. The Cumulative Step-Up Premium Rate Preferred Stock was issued at 7.89%. The shares are redeemable after September 30, 2007. Beginning October 1, 2012, the rate increases to 9.89%. The shares are traded on the New York Stock Exchange. The closing price on July 2, 2001 was \$44.00 per share.
- (6) Issued in connection with the New England Development Acquisition. Each unit/share is convertible into 0.75676 shares of common stock on or after August 27, 2004 if certain conditions are met. Each unit/share is not redeemable prior to August 27, 2009.
- (7) Issued in connection with the New England Development Acquisition. Each unit/share is not redeemable prior to August 27, 2009.

SIMON PROPERTY GROUP
Reconciliation of Income to Funds From Operations ("FFO")
As of June 30, 2001
(Amounts in thousands, except per share data)

	2001	2000	2001	2000
Income Before Extraordinary Items and Cumulative Effect of Accounting Change(1)(2)	\$ 69,970	\$ 75,912	\$ 133,745	\$ 147,048
Plus: Depreciation and Amortization from Combined Consolidated Properties	106,580	98,906	212,746	197,142
Plus: Simon's Share of Depreciation and Amortization from Unconsolidated Entities	33,463	28,055	64,720	56,856
Less: (Gain) Loss on Sales of Real Estate	28	(1,562)	(2,683)	(8,658)
Less: Minority Interest Portion of Depreciation, Amortization and Extraordinary Items	(1,500)	(1,475)	(2,987)	(2,955)
Less: Preferred Distributions (including those of subsidiary)	(19,346)	(19,368)	(38,777)	(38,740)
FFO of the Simon Portfolio	\$ 189,195	\$ 180,468	\$ 366,764	\$ 350,693
Percent Increase	4.8%		4.6%	
FFO of the Simon Portfolio	\$ 189,195	\$ 180,468	\$ 366,764	\$ 350,693
Basic FFO per Paired Share:				
Basic FFO Allocable to the Companies	\$ 137,530	\$ 131,039	\$ 266,293	\$ 254,542
Basic Weighted Average Paired Shares Outstanding	172,485	173,672	172,244	173,448
Basic FFO per Paired Share	\$ 0.80	\$ 0.75	\$ 1.55	\$ 1.47
Percent Increase	6.7%		5.4%	
Diluted FFO per Paired Share:				
Diluted FFO Allocable to the Companies	\$ 146,997	\$ 140,364	\$ 285,038	\$ 273,039
Diluted Weighted Average Number of Equivalent Paired Shares	187,215	188,316	186,905	188,090
Diluted FFO per Paired Share	\$ 0.79	\$ 0.75	\$ 1.53	\$ 1.45
Percent Increase	5.3%		5.5%	

(1)

Includes gains on land sales of \$2.1 and \$2.7 million for the three months ended June 30, 2001 and 2000, respectively and \$3.3 and \$4.5 million for the six months ended June 30, 2001 and 2000, respectively.

(2)

Includes straight-line adjustments to minimum rent of \$1.8 and \$5.3 million for the three months ended June 30, 2001 and 2000, respectively and \$6.1 and \$10.3 million for the six months ended June 30, 2001 and 2000, respectively.

SIMON PROPERTY GROUP
Selected Financial Information
As of June 30, 2001
(In thousands, except as noted)

	As of or for the Six Months Ended June 30,		
	2001	2000	% Change
Financial Highlights of the Company			
Total Revenue—Consolidated Properties	\$ 978,946	\$ 965,510	1.4%
Total EBITDA of the Simon Group Portfolio	\$ 1,024,809	\$ 979,463	4.6%
Simon Group's Share of EBITDA	\$ 777,284	\$ 757,307	2.6%
Net Income Available to Common Shareholders	\$ 67,685	\$ 69,255	(2.3)%
Basic Net Income per Paired Share	\$ 0.39	\$ 0.40	(2.5)%
Diluted Net Income per Paired Share	\$ 0.39	\$ 0.40	(2.5)%
FFO of the Simon Portfolio	\$ 366,764	\$ 350,693	4.6%
Basic FFO Allocable to the Companies	\$ 266,293	\$ 254,542	4.6%
Diluted FFO Allocable to the Companies	\$ 285,038	\$ 273,039	4.4%
Basic FFO per Paired Share	\$ 1.55	\$ 1.47	5.4%
Diluted FFO per Paired Share	\$ 1.53	\$ 1.45	5.5%
Distributions per Paired Share	\$ 1.03	\$ 1.0100	2.0%
Operational Statistics			
Occupancy at End of Period:			
Regional Malls(1)	90.3%	90.0%	0.3%
Community Shopping Centers(2)	87.9%	91.2%	(3.3)%

Average Base Rent per Square Foot:					
Regional Malls(1)	\$	28.84	\$	27.63	4.4%
Community Shopping Centers(2)	\$	9.72	\$	9.12	6.6%
Releasing Spread, Regional Malls:					
Opening Base Rent per Square Foot	\$	36.41	\$	32.38	12.4%
Closing Base Rent per Square Foot	\$	28.25	\$	29.71	(4.9)%
Releasing Spread per Square Foot	\$	8.16	\$	2.67	205.6%
Percentage Increase		28.9%		9.0%	19.9%
Regional Malls:					
Total Tenant Sales Volume, in millions(3)(4)	\$	7,370	\$	7,075	4.2%
Comparable Sales per Square Foot(4)	\$	388	\$	387	0.3%
Total Sales per Square Foot(4)	\$	380	\$	373	1.9%
Number of U.S. Properties Open at End of Period		250		253	(1.2)%
Total U.S. GLA at End of Period, in millions of square feet		184.9		183.9	0.5%

- (1) Includes mall and freestanding stores.
- (2) Includes all Owned GLA.
- (3) Represents only those tenants who report sales.
- (4) Based upon the standard definition of sales for regional malls adopted by the International Council of Shopping Centers which includes only mall and freestanding stores less than 10,000 square feet.

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SIMON PROPERTY GROUP
Selected Financial Information
As of June 30, 2001
(In thousands, except as noted)

	June 30, 2001	June 30, 2000
Equity Information		
Limited Partner Units Outstanding at End of Period	64,889	65,436
Paired Shares Outstanding at End of Period	172,682	173,736
Total Common Shares and Units Outstanding at End of Period	237,571	239,172
Basic Weighted Average Paired Shares Outstanding	172,244	173,448
Diluted Weighted Average Number of Equivalent Paired Shares(1)	186,905	188,090
Debt Information		
Consolidated Debt	\$ 8,730,012	\$ 8,728,582
Simon Group's Share of Joint Venture Debt	\$ 2,214,475	\$ 2,186,197
Debt-to-Market Capitalization		
Common Stock Price at End of Period	\$ 29.97	\$ 24.00
Equity Market Capitalization(2)	\$ 8,104,878	\$ 6,596,008
Total Consolidated Capitalization	\$ 16,834,890	\$ 15,324,590
Total Capitalization—Including Simon Group's Share of JV Debt	\$ 19,049,365	\$ 17,510,787

- (1) Diluted for purposes of computing FFO per share.
- (2) Market value of Common Stock, Units and all issues of Preferred Stock of SPG .

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Type of Property	GLA-Sq. Ft.	Total Owned GLA	% of Owned GLA	% of Owned GLA Which is Leased	Avg. Annualized Base Rent Per Leased Sq. Ft. of Owned GLA
Regional Malls					
—Anchor	97,008,206	29,615,395	26.8%	97.1%	\$ 3.88
—Mall Store	56,386,922	56,339,025	51.0%	90.3%	\$ 29.54
—Freestanding	3,668,836	1,917,573	1.7%	90.9%	\$ 9.38
<i>Subtotal</i>	60,055,758	58,256,598	52.7%	90.3%	\$ 28.84
Regional Mall Total	157,063,964	87,871,993	79.5%	92.6%	\$ 19.84
Community Shopping Centers					
—Anchor	12,795,681	8,182,374	7.4%	89.5%	\$ 7.93
—Mall Store	4,359,183	4,273,425	3.9%	84.6%	13.44
—Freestanding	786,140	324,388	.3%	91.0%	9.05
Community Ctr. Total	17,941,004	12,780,187	11.6%	87.9%	\$ 9.72
Office Portion of Mixed-Use Properties	2,526,952	2,526,952	2.3%	86.5%	\$ 19.07
Value-Oriented Super-Regional Malls	6,475,880	6,350,880	5.8%	92.9%	\$ 17.40
Other	842,714	831,738	.8%		
GRAND TOTAL	184,850,514	110,361,750	100.00%		

Occupancy History

As of	Regional Malls(1)	Community Shopping Centers(2)
6/30/01	90.3%	87.9%
6/30/00	90.0%	91.2%
12/31/00	91.8%	91.5%
12/31/99	90.6%	88.6%
12/31/98	90.0%	91.4%
12/31/97	87.3%	91.3%
12/31/96	84.7%	91.6%

(1) Includes mall and freestanding stores.

(2) Includes all Owned GLA.

SIMON PROPERTY GROUP Rent Information As of June 30, 2001

Average Base Rent

As of	Mall & Freestanding Stores at Regional Malls	% Change	Community Shopping Centers	% Change
6/30/01	\$ 28.84	4.4%	\$ 9.72	6.6%
6/30/00	27.63	—	9.12	—
12/31/00	\$ 28.31	3.6%	\$ 9.36	12.0%
12/31/99	27.33	6.3	8.36	8.9
12/31/98	25.70	8.7	7.68	3.2
12/31/97	23.65	14.4	7.44	(2.7)
12/31/96	20.68	7.8	7.65	4.9

Rental Rates

Base Rent(1)

Amount of Change

Year	Store Openings During Period	Store Closings During Period	Dollar	Percentage
Regional Malls:				
2001 (YTD)	\$ 36.41	\$ 28.25	\$ 8.16	28.9%
2000	35.13	29.24	5.89	20.1
1999	31.25	24.55	6.70	27.3
1998	27.33	23.63	3.70	15.7
1997	29.66	21.26	8.40	39.5
1996	23.59	18.73	4.86	25.9

Community Shopping Centers:

2001 (YTD)	\$ 12.81	\$ 7.31	\$ 5.50	75.2%
2000	14.21	11.51	\$ 2.70	23.5
1999	10.26	7.44	2.82	37.9
1998	10.43	10.95	(0.52)	(4.7)
1997	8.63	9.44	(0.81)	(8.6)
1996	8.18	6.16	2.02	32.8

(1)

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

**SIMON PROPERTY GROUP
Lease Expirations(1)
As of June 30, 2001**

Year	Number of Leases Expiring	Square Feet	Avg. Base Rent per Square Foot at 6/30/01
Regional Malls—Mall & Freestanding Stores			
2001 (7/1—12/31)	403	1,644,125	\$ 26.92
2002	1,892	4,453,116	28.31
2003	1,997	4,452,128	30.46
2004	1,777	4,540,910	30.11
2005	1,726	5,301,064	28.63
2006	1,683	4,704,283	30.65
2007	1,423	4,196,693	31.83
2008	1,278	4,412,158	30.79
2009	1,339	4,382,638	28.74
2010	1,557	4,699,611	32.76
TOTALS	15,075	42,786,726	\$ 30.22
Regional Malls—Anchor Tenants			
2001 (7/1—12/31)	4	589,331	\$ 1.68
2002	14	1,554,308	1.81
2003	17	2,089,403	2.21
2004	26	2,528,258	3.30
2005	25	3,176,590	2.26
2006	21	2,466,630	3.05
2007	9	1,217,125	1.87
2008	15	1,467,310	4.81
2009	16	1,986,791	2.82
2010	14	1,392,776	4.01
TOTALS	161	18,468,522	\$ 2.82
Community Centers—Mall Stores & Freestanding Stores			
2001 (7/1—12/31)	36	86,001	\$ 12.33
2002	223	563,821	11.62
2003	162	543,758	12.32
2004	154	494,727	13.59
2005	180	644,123	14.54
2006	94	384,274	13.63
2007	20	179,368	11.08
2008	16	121,992	13.96
2009	14	84,118	18.47
2010	25	192,020	14.79

TOTALS 924 3,294,202 \$ 13.23

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

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Year	Number of Leases Expiring	Square Feet	Avg. Base Rent per Square Foot at 6/30/01
Community Centers—Anchor Tenants			
2001 (7/1 -12/31)	2	105,202	\$ 3.10
2002	6	190,825	6.46
2003	13	379,033	6.69
2004	12	410,586	5.09
2005	18	763,389	6.72
2006	15	637,549	5.88
2007	13	510,288	6.53
2008	9	237,172	11.00
2009	13	530,990	7.27
2010	19	719,935	9.62
TOTALS	120	4,484,969	\$ 7.11

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

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SIMON PROPERTY GROUP
SPG's Share of Total Debt Amortization and Maturities by Year
As of June 30, 2001
(In thousands)

Year	SPG's Share of Secured Consolidated Debt	SPG's Share of Unsecured Consolidated Debt	SPG's Share of Unconsolidated Joint Venture Debt	SPG's Share of Total Debt	
2001	1	116,346	435,000(1)	7,778	559,124
2002	2	382,398	422,929	115,002	920,329
2003	3	572,424	1,195,000	309,129	2,076,553
2004	4	700,433	798,192	199,867	1,698,492
2005	5	176,676	660,000	359,200	1,195,876
2006	6	167,110	550,000	333,691	1,050,801
2007	7	269,544	180,000	140,472	590,016
2008	8	44,706	200,000	301,491	546,197
2009	9	328,757	450,000	43,622	822,379
2010	10	98,913	0	298,337	397,250
Thereafter		105,556	725,000	98,454	929,010
Subtotal Face Amounts	\$ 2,962,863	\$ 5,616,121	\$ 2,207,044	\$ 10,786,028	
Premiums and Discounts on Indebtedness, Net	(2,132)	(3,764)	7,431	1,535	
SPG's Share of Total Indebtedness	\$ 2,960,731	\$ 5,612,357	\$ 2,214,475	\$ 10,787,563	

(1) Balance was retired on August 6, 2001.

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SIMON PROPERTY GROUP
Summary of Indebtedness
As of June 30, 2001
(In thousands)

Total SPG's Weighted Avg. Weighted Avg. Years

	Indebtedness	Share of Indebtedness	Interest Rate	to Maturity
Consolidated Indebtedness				
Mortgage Debt				
Fixed Rate(1)	2,414,665	2,276,417	7.47%	5.2
Other Hedged Debt	98,000	86,250	6.74%	2.5
Floating Rate Debt	607,954	600,195	5.14%	2.6
Total Mortgage Debt	3,120,619	2,962,862	6.98%	4.6
Unsecured Debt				
Fixed Rate	4,318,200	4,318,200	7.21%	5.7
Floating Rate Debt	177,921	177,921	5.97%	0.7
Subtotal	4,496,121	4,496,121	7.16%	5.5
Acquisition Facility	435,000	435,000	4.51%	0.2
Revolving Corporate Credit Facility	480,000	480,000	4.51%	2.2
Revolving Corporate Credit Facility (Hedged)	140,000	140,000	4.51%	2.2
Unsecured Term Loan	65,000	65,000	4.66%	2.2
Total Unsecured Debt	5,616,121	5,616,121	6.60%	4.7
Adjustment to Fair Market Value—Fixed Rate	(6,895)	(6,063)	N/A	N/A
Adjustment to Fair Market Value—Variable Rate	167	167	N/A	N/A
Consolidated Mortgages and Other Indebtedness	8,730,012	8,573,088	6.73%	4.7
Joint Venture Indebtedness				
Mortgage Debt				
Fixed Rate	3,612,594	1,563,324	7.57%	6.2
Other Hedged Debt	1,037,900	413,319	4.78%	3.0
Floating Rate Debt	573,464	227,098	5.31%	2.4
Subtotal	5,223,958	2,203,740	6.82%	5.2
Unsecured Fixed Rate Debt	6,609	3,305	7.93%	4.5
Total Unsecured Debt	6,609	3,305	7.93%	4.5
Adjustment to Fair Market Value—Fixed Rate	14,862	7,431	N/A	N/A
Joint Venture Mortgages and Other Indebtedness	5,245,429	2,214,475	6.82%	5.2
SPG's Share of Total Indebtedness		10,787,563	6.75%	4.8

(1)

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

SIMON PROPERTY GROUP
Summary of Indebtedness By Maturity
As of June 30, 2001
(In thousands)

Property Name	Maturity Date	Interest Rate	Total Indebtedness	SPG's Share of Indebtedness	Weighted Avg Interest Rate by Year
Consolidated Indebtedness					
Fixed Rate Mortgage Debt:					
Other	3/1/2001	8.00%	5,581	5,581	
Orland Square	9/1/2001	7.74%	50,000	50,000	
Subtotal 2001			55,581	55,581	7.77%
Lima Mall—1	3/1/2002	7.12%	14,180	14,180	
Lima Mall—2	3/1/2002	7.12%	4,723	4,723	
Columbia Center	3/1/2002	7.62%	42,326	42,326	
Northgate Shopping Center	3/1/2002	7.62%	79,035	79,035	
Tacoma Mall	3/1/2002	7.62%	92,474	92,474	
River Oaks Center	6/1/2002	8.67%	32,500	32,500	
North Riverside Park Plaza—1	9/1/2002	9.38%	3,632	3,632	
North Riverside Park Plaza—2	9/1/2002	10.00%	3,502	3,502	
Hutchinson Mall—2	9/15/2002	6.81%	4,482	4,482	

Hutchinson Mall—1		11/1/2002	8.44%	11,147	11,147
Palm Beach Mall		12/15/2002	7.50%	47,682	47,682
Other		5/31/2002	6.80%	263	263
Other		12/1/2002	8.00%	561	561
Subtotal 2002				336,507	336,507
Principal Mutual Mortgages—Pool 1	(8)	3/15/2003	6.79%	102,737	102,737
Principal Mutual Mortgages—Pool 2	(9)	3/15/2003	5.46%	111,158	111,158
Century III Mall		7/1/2003	6.78%	66,000	66,000
Miami International Mall		12/21/2003	6.91%	44,998	26,999
Subtotal 2003				324,893	306,894
Battlefield Mall—1		1/1/2004	7.50%	45,719	45,719
Battlefield Mall—2		1/1/2004	6.81%	43,788	43,788
Forum Phase I—Class A-2		5/15/2004	6.19%	44,386	26,632
Forum Phase II—Class A-2		5/15/2004	6.19%	40,614	22,338
Forum Phase I—Class A-1		5/15/2004	7.13%	46,996	28,198
Forum Phase II—Class A-1		5/15/2004	7.13%	43,004	23,652
CMBS Loan—Variable Component	(5)	12/15/2004	6.16%	50,000	50,000
CMBS Loan—Fixed Component		12/15/2004	7.31%	175,000	175,000
Subtotal 2004				489,507	415,326
Tippecanoe Mall—1	(3)	1/1/2005	8.45%	44,204	44,204
Tippecanoe Mall—2	(3)	1/1/2005	6.81%	15,572	15,572
Melbourne Square		2/1/2005	7.42%	38,095	38,095
Cielo Vista Mall—2		11/1/2005	8.13%	1,378	1,378
Subtotal 2005				99,249	99,249
Treasure Coast Square—1		1/1/2006	7.42%	51,125	51,125
Treasure Coast Square—2		1/1/2006	8.06%	11,839	11,839
Gulf View Square		10/1/2006	8.25%	36,120	36,120
Paddock Mall		10/1/2006	8.25%	28,728	28,728
Subtotal 2006				127,812	127,812
Lakeline Mall		5/1/2007	7.65%	70,946	70,946
Cielo Vista Mall—1	(4)	5/1/2007	9.38%	53,351	53,351

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SIMON PROPERTY GROUP
Summary of Indebtedness By Maturity
As of June 30, 2001
(In thousands)

Property Name		Maturity Date	Interest Rate	Total Indebtedness	SPG's Share of Indebtedness	Weighted Avg Interest Rate by Year
Cielo Vista Mall—3	(4)	5/1/2007	6.76%	37,906	37,906	
McCain Mall—1	(4)	5/1/2007	9.38%	24,912	24,912	
McCain Mall—2	(4)	5/1/2007	6.76%	17,496	17,496	
Valle Vista Mall—1	(4)	5/1/2007	9.38%	32,994	32,994	
Valle Vista Mall—2	(4)	5/1/2007	6.81%	7,779	7,779	
University Park Mall		10/1/2007	7.43%	59,500	35,700	
Subtotal 2007				304,884	281,084	8.11%
Arsenal Mall—1		9/28/2008	6.75%	34,046	34,046	
Subtotal 2008				34,046	34,046	6.75%
College Mall—1	(3)	1/1/2009	7.00%	40,026	40,026	
College Mall—2	(3)	1/1/2009	6.76%	11,676	11,676	
Greenwood Park Mall—1	(3)	1/1/2009	7.00%	33,523	33,523	
Greenwood Park Mall—2	(3)	1/1/2009	6.76%	60,327	60,327	
Towne East Square—1	(3)	1/1/2009	7.00%	52,919	52,919	
Towne East Square—2	(3)	1/1/2009	6.81%	24,331	24,331	
Bloomington Court		10/1/2009	7.78%	29,478	29,478	
Forest Plaza		10/1/2009	7.78%	16,168	16,168	

Lake View Plaza	10/1/2009	7.78%	21,492	21,492
Lakeline Plaza	10/1/2009	7.78%	23,562	23,562
Lincoln Crossing	10/1/2009	7.78%	3,254	3,254
Matteson Plaza	10/1/2009	7.78%	9,464	9,464
Muncie Plaza	10/1/2009	7.78%	8,182	8,182
Regency Plaza	10/1/2009	7.78%	4,436	4,436
St. Charles Towne Plaza	10/1/2009	7.78%	28,393	28,393
West Ridge Plaza	10/1/2009	7.78%	5,718	5,718
White Oaks Plaza	10/1/2009	7.78%	17,450	17,450
Subtotal 2009			390,399	390,399
				7.28%
Trolley Square	8/1/2010	9.03%	29,597	26,637
Crystal River	11/11/2010	7.63%	16,223	16,223
Biltmore Square	12/11/2010	7.95%	26,000	17,342
Port Charlotte Town Center	12/11/2010	7.98%	53,250	42,600
Subtotal 2010			125,070	102,802
				8.19%
Other	5/1/2012	8.00%	8,581	8,581
Subtotal 2012			8,581	8,581
				8.00%
Chesapeake Center	5/15/2015	8.44%	6,563	6,563
Grove at Lakeland Square, The	5/15/2015	8.44%	3,750	3,750
Terrace at Florida Mall, The	5/15/2015	8.44%	4,688	4,688
Subtotal 2015			15,001	15,001
				8.44%
Arsenal Mall—2	5/15/2016	8.20%	2,109	2,109
Subtotal 2016			2,109	2,109
				8.20%
Sunland Park Mall	1/1/2026	8.63%	38,489	38,489
Subtotal 2026			38,489	38,489
				8.63%
Keystone at the Crossing	7/1/2027	7.85%	62,537	62,537

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(In thousands)

Property Name	Maturity Date	Interest Rate	Total Indebtedness	SPG's Share of Indebtedness	Weighted Avg Interest Rate by Year
Subtotal 2027			62,537	62,537	7.85%
Total Consolidated Fixed Rate Mortgage Debt			2,414,665	2,276,417	7.47%
Variable Rate Mortgage Debt:					
Randall Park Mall—1	12/11/2001	6.96%	35,000	35,000	
Randall Park Mall—2	12/11/2001	8.86%	5,000	5,000	
Subtotal 2001			40,000	40,000	7.20%
White Oaks Mall	3/1/2002	5.56%	16,500	9,062	
Highland Lakes Center	3/1/2002	5.36%	12,877	12,877	
Mainland Crossing	3/31/2002	5.36%	1,603	1,282	
Bowie Mall—1	(6) 12/14/2002	5.36%	4,500	4,500	
Subtotal 2002			35,480	27,721	5.43%
Raleigh Springs Mall	2/23/2003	5.51%	11,000	11,000	
Richmond Towne Square	(1) 7/15/2003	4.86%	58,646	58,646	
Shops @ Mission Viejo	(1) 8/31/2003	4.91%	142,685	142,685	
Arboretum	(1) 11/30/2003	5.36%	34,000	34,000	
Subtotal 2003			246,331	246,331	4.99%

Jefferson Valley Mall	(1)	1/11/2004	5.11%	60,000	60,000	
North East Mall	(1)	5/20/2004	5.24%	147,380	147,380	
Waterford Lakes	(1)	8/15/2004	5.26%	63,282	63,282	
Subtotal 2004				270,662	270,662	5.22%
Brunswick Square	(1)	6/12/2005	5.36%	45,000	45,000	
Bowie Mall—2	(1)(6)	12/14/2005	5.36%	21,481	21,481	
Subtotal 2005				66,481	66,481	5.36%
Chesapeake Square		7/1/2006	6.61%	47,000	35,250	
Subtotal 2006				47,000	35,250	6.61%
Total Variable Rate Mortgage Debt				705,954	686,445	5.34%
Total Consolidated Mortgage Debt				3,120,619	2,962,863	6.98%
Fixed Rate Unsecured Debt:						
Unsecured Notes—CPI 1		3/15/2002	9.00%	250,000	250,000	
Subtotal 2002				250,000	250,000	9.00%
Unsecured Notes—CPI 2		4/1/2003	7.05%	100,000	100,000	
SPG, LP (Bonds)		6/15/2003	6.63%	375,000	375,000	
SPG, LP (PATS)		11/15/2003	6.75%	100,000	100,000	
Subtotal 2003				575,000	575,000	6.72%
SCA (Bonds)		1/15/2004	6.75%	150,000	150,000	
SPG, LP (Bonds)		2/9/2004	6.75%	300,000	300,000	
SPG, LP (Bonds)		7/15/2004	6.75%	100,000	100,000	

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SIMON PROPERTY GROUP
Summary of Indebtedness By Maturity
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(In thousands)

Property Name		Maturity Date	Interest Rate	Total Indebtedness	SPG's Share of Indebtedness	Weighted Avg Interest Rate by Year
Simon ERE Facility	(1)	7/31/2004	7.75%	28,200	28,200	
Unsecured Notes—CPI 3		8/15/2004	7.75%	150,000	150,000	
Subtotal 2004				728,200	728,200	6.99%
SCA (Bonds)		5/15/2005	7.63%	110,000	110,000	
SPG, LP (Bonds)		6/15/2005	6.75%	300,000	300,000	
SPG, LP (MTN)		6/24/2005	7.13%	100,000	100,000	
SPG, LP (Bonds)		10/27/2005	6.88%	150,000	150,000	
Subtotal 2005				660,000	660,000	6.98%
SPG, LP (Notes)		1/20/2006	7.38%	300,000	300,000	
SPG, LP (Bonds)		11/15/2006	6.88%	250,000	250,000	
Subtotal 2006				550,000	550,000	7.15%
SPG, LP (MTN)		9/20/2007	7.13%	180,000	180,000	
Subtotal 2007				180,000	180,000	7.13%
SPG, LP (MOPPRS)		6/15/2008	7.00%	200,000	200,000	
Subtotal 2008				200,000	200,000	7.00%
SPG, LP (Bonds)		2/9/2009	7.13%	300,000	300,000	
SPG, LP (Bonds)		7/15/2009	7.00%	150,000	150,000	
Subtotal 2009				450,000	450,000	7.08%
SPG, LP (Notes)		1/20/2011	7.75%	200,000	200,000	

Subtotal 2011				200,000	200,000	7.75%
Unsecured Notes—CPI 4		9/1/2013	7.18%	75,000	75,000	
Subtotal 2013				75,000	75,000	7.18%
Unsecured Notes—CPI 5		3/15/2016	7.88%	250,000	250,000	
Subtotal 2016				250,000	250,000	7.88%
SPG, LP (Bonds)		6/15/2018	7.38%	200,000	200,000	
Subtotal 2018				200,000	200,000	7.38%
Total Unsecured Fixed Rate Debt				4,318,200	4,318,200	7.21%
Variable Rate Unsecured Debt:						
Acquisition Facility—3	(10)	9/24/2001	4.51%	435,000	435,000	
Subtotal 2001				435,000	435,000	4.51%
SPG, L.P. Unsecured Term Loan—1		2/28/2002	4.66%	150,000	150,000	
SPG, L.P. Unsecured Term Loan—2	(2)	3/30/2002	4.86%	22,929	22,929	
Subtotal 2002				172,929	172,929	4.69%
Corporate Revolving Credit Facility	(1)	8/25/2003	4.51%	620,000	620,000	
Subtotal 2003				620,000	620,000	4.51%

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SIMON PROPERTY GROUP
Summary of Indebtedness By Maturity
As of June 30, 2001
(In thousands)

Property Name		Maturity Date	Interest Rate	Total Indebtedness	SPG's Share of Indebtedness	Weighted Avg Interest Rate by Year
SPG, L.P. Unsecured Term Loan—3	(1)	3/14/2004	4.66%	65,000	65,000	
Simon ERE Facility	(1)	7/31/2004	4.46%	4,992	4,992	
Subtotal 2004				69,992	69,992	4.65%
Total Unsecured Variable Rate Debt				1,297,921	1,297,921	4.54%
Total Unsecured Debt				5,616,121	5,616,121	6.60%
Net Premium on Fixed-Rate Indebtedness				(6,895)	(6,063)	N/A
Net Premium on Variable-Rate Indebtedness				167	167	N/A
Total Consolidated Debt				8,730,012	8,573,088	6.73%
Joint Venture Indebtedness						
Fixed Rate Mortgage Debt:						
Square One		1/1/2002	8.40%	103,834	51,021	
Subtotal 2002				103,834	51,021	8.40%
Crystal Mall		2/1/2003	8.66%	47,446	35,380	
Avenues, The		5/15/2003	8.36%	55,680	13,920	
Subtotal 2003				103,126	49,300	8.58%
Solomon Pond		2/1/2004	7.83%	94,620	46,494	
Northshore Mall		5/14/2004	9.05%	161,000	79,111	
Indian River Commons		11/1/2004	7.58%	8,348	4,174	
Indian River Mall		11/1/2004	7.58%	46,323	23,162	
Subtotal 2004				310,291	152,941	8.42%
Westchester, The—1		9/1/2005	8.74%	148,807	74,404	
Westchester, The—2		9/1/2005	7.20%	52,807	26,404	

Subtotal 2005				201,614	100,807	8.34%
Cobblestone Court		1/1/2006	7.64%	6,180	2,163	
Crystal Court		1/1/2006	7.64%	3,570	1,250	
Fairfax Court		1/1/2006	7.64%	10,320	2,709	
Gaitway Plaza		1/1/2006	7.64%	7,350	1,715	
Plaza at Buckland Hills, The		1/1/2006	7.64%	17,457	5,979	
Ridgewood Court		1/1/2006	7.64%	8,203	2,871	
Royal Eagle Plaza		1/1/2006	7.64%	7,920	2,772	
Village Park Plaza		1/1/2006	7.64%	8,960	3,136	
West Town Corners		1/1/2006	7.64%	10,330	2,411	
Westland Park Plaza		1/1/2006	7.64%	4,950	1,155	
Willow Knolls Court		1/1/2006	7.64%	6,490	2,272	
Yards Plaza, The		1/1/2006	7.64%	8,270	2,895	
CMBS Loan—Fixed Component	(7)	5/1/2006	7.41%	300,000	150,000	
CMBS Loan—Fixed Component—2	(7)	5/15/2006	8.13%	57,100	28,550	
Great Northeast Plaza		6/1/2006	9.04%	17,264	8,632	
Smith Haven Mall		6/1/2006	7.86%	115,000	28,750	
Mall of Georgia Crossing		6/9/2006	7.25%	34,301	17,151	

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SIMON PROPERTY GROUP
Summary of Indebtedness By Maturity
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(In thousands)

Property Name	Maturity Date	Interest Rate	Total Indebtedness	SPG's Share of Indebtedness	Weighted Avg Interest Rate by Year
Greendale Mall	11/1/2006	8.23%	41,569	20,426	
Subtotal 2006			665,234	284,835	7.65%
Town Center at Cobb—1	4/1/2007	7.54%	49,376	24,688	
Town Center at Cobb—2	4/1/2007	7.25%	64,566	32,283	
Gwinnett Place—1	4/1/2007	7.54%	38,755	19,378	
Gwinnett Place—2	4/1/2007	7.25%	84,840	42,420	
Mall at Rockingham	8/1/2007	7.88%	99,341	24,407	
Subtotal 2007			336,878	143,175	7.45%
Metrocenter	2/28/2008	8.45%	30,123	15,062	
Aventura Mall—A	4/6/2008	6.55%	141,000	47,000	
Aventura Mall—B	4/6/2008	6.60%	25,400	8,467	
Aventura Mall—C	4/6/2008	6.89%	33,600	11,200	
West Town Mall	5/1/2008	6.90%	76,000	38,000	
Mall of New Hampshire—1	10/1/2008	6.96%	103,261	50,740	
Mall of New Hampshire—2	10/1/2008	8.53%	8,398	4,127	
Grapevine Mills—1	10/1/2008	6.47%	155,000	58,125	
Ontario Mills—5	11/2/2008	6.75%	141,403	35,351	
Source, The	11/6/2008	6.65%	124,000	31,000	
Grapevine Mills—2	11/5/2008	8.39%	14,449	5,418	
Ontario Mills—6	12/5/2008	8.00%	10,500	2,625	
Subtotal 2008			863,134	307,114	6.86%
Apple Blossom Mall	9/10/2009	7.99%	40,468	19,885	
Auburn Mall	9/10/2009	7.99%	47,377	23,280	
Ontario Mills—4	12/28/2009	6.00%	4,198	1,050	
Subtotal 2009			92,043	44,214	7.94%
Mall of Georgia	7/1/2010	7.09%	200,000	100,000	
Coral Square	10/1/2010	8.00%	90,000	45,000	
Arizona Mills	10/5/2010	7.90%	145,353	38,251	
Florida Mall, The	11/13/2010	7.55%	268,906	134,453	
Subtotal 2010			704,259	317,704	7.51%
Atrium at Chestnut Hill	3/11/2011	6.89%	49,045	24,099	
Cape Cod Mall	3/11/2011	6.80%	99,781	49,030	
Polska Shopping Mall	12/31/2011	6.49%	12,355	3,583	

Highland Mall		6/30/2011	6.83%	71,000	35,500	
Subtotal 2011				232,181	112,212	6.82%
Total Joint Venture Fixed Rate Mortgage Debt				3,612,594	1,563,324	7.57%
Variable Rate Mortgage Debt:						
Montreal Forum		1/31/2002	7.50%	32,821	11,692	
Shops at Sunset Place, The		6/30/2002	5.01%	113,829	42,686	
Subtotal 2002				146,650	54,378	5.55%
Dadeland Mall	(1)	2/1/2003	4.66%	140,000	70,000	
CMBS Loan—Floating Component (IBM)	(7)	5/1/2003	4.36%	184,500	92,250	
Concord Mills	(1)	12/2/2003	5.21%	179,883	67,456	

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SIMON PROPERTY GROUP
Summary of Indebtedness By Maturity
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(In thousands)

Property Name		Maturity Date	Interest Rate	Total Indebtedness	SPG's Share of Indebtedness	Weighted Avg Interest Rate by Year
Liberty Tree Mall	(1)	10/1/2003	5.36%	46,336	22,768	
Subtotal 2003				550,719	252,474	4.76%
Circle Centre Mall—1	(1)	1/31/2004	4.30%	60,000	8,802	
Circle Centre Mall—2	(1)	1/31/2004	5.36%	7,500	1,100	
Orlando Premium Outlets	(1)	2/12/2004	5.16%	58,173	29,087	
Subtotal 2004				125,673	38,989	4.97%
Mall of America	(1)	3/10/2005	4.38%	312,000	85,800	
Emerald Square Mall	(1)	3/31/2005	5.35%	145,000	71,249	
Arundel Mills	(1)	4/30/2005	5.26%	142,422	53,408	
Northfield Square	(1)	4/30/2005	6.36%	37,000	11,692	
Seminole Towne Center	(1)	7/1/2005	6.36%	70,500	31,725	
Subtotal 2005				706,922	253,875	5.18%
CMBS Loan—Floating Component—2	(7)	5/15/2006	4.23%	81,400	40,700	
Subtotal 2006				81,400	40,700	4.23%
Total Joint Venture Variable Rate Debt				1,611,364	640,416	4.97%
Unsecured Debt:						
Merchantwired		12/31/2005	7.93%	6,609	3,305	
Subtotal 2005				6,609	3,305	7.93%
Total Unsecured Debt				6,609	3,305	7.93%
CMBS Loan—Fixed Premium				14,833	7,417	
Net Premium on NED Fixed-Rate Indebtedness				29	14	
Total Joint Venture Debt				5,245,429	2,214,475	6.82%
SPG's Share of Total Indebtedness				13,975,441	10,787,563	6.75%

(1) Includes applicable extensions available at Simon Group's option.

(2) This unsecured loan was previously secured by a mortgage of Eastgate Consumer Mall.

(3) This Pool is secured by cross-collateralized and cross-defaulted mortgages encumbering these four Properties.

(4) This Pool is secured by cross-collateralized and cross-defaulted mortgages encumbering these three Properties.

(5) Through an interest rate protection agreement, effectively fixed at an all-in-one rate of 6.16% .

(6) These Notes are cross-collateralized.

- (7) These Commercial Mortgage Notes are secured by cross-collateralized mortgages encumbering thirteen Properties. A weighted average rate is used.
- (8) This Principal Mutual Pool 1 loan is secured by cross-collateralized and cross-defaulted mortgages encumbering four of the Properties (Anderson, Forest Village Park, Longview, and South Park). A weighted average rate is used for these Pool 1 Properties. Includes applicable extensions available at Simon Group's option.
- (9) This Principal Mutual Pool 2 loan is secured by cross-collateralized and cross-defaulted mortgages encumbering seven of the Properties (Eastland, Forest Mall, Golden Ring, Hutchinson, Markland, Midland, and North Towne). A weighted average rate is used for these Pool 2 Properties. Includes applicable extensions available at Simon Group's option.
- (10) Acquisition Facility was retired on August 6, 2001.

SIMON PROPERTY GROUP
Summary of Variable Rate Debt and Interest Rate Protection Agreements
As of June 30, 2001
(In thousands)

Property Name	Maturity Date	Principal Balance 6/30/01	SPG Ownership %	SPG's Share of Loan Balance	Interest Rate(1) 6/30/01	Terms of Variable Rate	Terms of Interest Rate Protection Agreement
Consolidated Indebtedness:							
Variable Rate Debt Effectively Fixed to Maturity:							
Orland Square	9/1/2001	50,000	100.00%	50,000	7.742%	LIBOR + 0.500%	LIBOR Swapped at 7.24% through maturity.
Forum Phase I—Class A-2	5/15/2004	44,386	60.00%	26,632	6.190%	LIBOR + 0.300%	Through an interest rate protection agreement, effectively fixed at an all-in-one rate of 6.19%.
Forum Phase II—Class A-2	5/15/2004	40,614	55.00%	22,338	6.190%	LIBOR + 0.300%	Through an interest rate protection agreement, effectively fixed at an all-in-one rate of 6.19%.
Simon ERE Facility—Swap component	7/31/2004	28,200	100.00%	28,200	7.750%	EURIBOR + 0.600%	Through a cross-currency swap, effectively fixed EURIBORat rate of 7.75%
CMBS Loan—Variable Component	12/15/2004	50,000	100.00%	50,000	6.155%	LIBOR + 0.365%	Through an interest rate protection agreement, effectively fixed at an all-in-one rate of 6.16%.
		213,200		177,169			
Other Hedged Debt:							
Randall Park Mall—1	12/11/2001	35,000	100.00%	35,000	6.963%	LIBOR + 3.100%	LIBOR Capped at a rate of 6.40% through maturity. Embedded floor is set at 5.25%
Randall Park Mall—2	12/11/2001	5,000	100.00%	5,000	8.863%	LIBOR + 5.000%	LIBOR Capped at a rate of 6.40% through maturity. Embedded floor is set at 5.25%
Raleigh Springs Mall	2/23/2003	11,000	100.00%	11,000	5.513%	LIBOR + 1.650%	LIBOR Capped at a rate of 8.35% through September 10, 2001.
Unsecured Revolving Credit Facility—(1.25B—capped)	8/25/2003	140,000	100.00%	140,000	4.513%	LIBOR + 0.650%	LIBOR Capped at a rate Subject to an 11.53% LIBOR cap on \$90M and a 16.77% LIBOR cap on \$50M
Chesapeake Square	7/1/2006	47,000	75.00%	35,250	6.613%	LIBOR + 2.750%	LIBOR Capped at a rate of 6.5% through July 1, 2004.
		238,000		226,250			
Floating Rate Debt:							
CPI Merger Facility—3 (1.4B)	9/24/2001	435,000	100.00%	435,000	4.513%	LIBOR + 0.650%	
SPG, L.P. Unsecured Term Loan—1	2/28/2002	150,000	100.00%	150,000	4.663%	LIBOR + 0.650%	
Highland Lakes Center	3/1/2002	12,877	100.00%	12,877	5.363%	LIBOR + 1.500%	
White Oaks Mall	3/1/2002	16,500	54.92%	9,062	5.560%	LIBOR + 1.300%	Based on 90-day LIBOR (set on May 31, 2001).
SPG, L.P. Unsecured Term Loan—2	3/30/2002	22,929	100.00%	22,929	4.863%	LIBOR + 0.650%	
Mainland Crossing	3/31/2002	1,603	80.00%	1,282	5.363%	LIBOR + 1.500%	
Bowie Mall—1	12/14/2002	4,500	100.00%	4,500	5.363%	LIBOR + 1.500%	
Richmond Towne Square	7/15/2003	58,646	100.00%	58,646	4.863%	LIBOR + 1.000%	
Unsecured Revolving Credit Facility	8/25/2003	480,000	100.00%	480,000	4.513%	LIBOR + 0.650%	
Shops @ Mission Viejo	8/31/2003	142,685	100.00%	142,685	4.913%	LIBOR + 1.050%	
Arboretum	11/30/2003	34,000	100.00%	34,000	5.363%	LIBOR + 1.500%	
Jefferson Valley Mall	1/11/2004	60,000	100.00%	60,000	5.113%	LIBOR + 1.250%	
SPG, L.P. Unsecured Term Loan—3	3/14/2004	65,000	100.00%	65,000	4.663%	LIBOR + 0.800%	
North East Mall	5/20/2004	147,380	100.00%	147,380	5.238%	LIBOR + 1.375%	
Simon ERE Facility—Variable component	7/31/2004	4,992	100.00%	4,992	4.463%	EURIBOR + 0.600%	
Waterford Lakes	8/15/2004	63,282	100.00%	63,282	5.263%	LIBOR + 1.400%	
Brunswick Square	6/12/2005	45,000	100.00%	45,000	5.363%	LIBOR + 1.500%	
Bowie Mall—2	12/14/2005	21,481	100.00%	21,481	5.363%	LIBOR + 1.500%	
		1,765,875		1,758,116			

SIMON PROPERTY GROUP
Summary of Variable Rate Debt and Interest Rate Protection Agreements
As of June 30, 2001
(In thousands)

Property Name	Maturity Date	Principal Balance	SPG Ownership	SPG's Share of	Interest Rate(1)	Terms of Variable Rate	Terms of Interest Rate Protection Agreement
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	6/30/01	%	Loan Balance	6/30/01		
Joint Venture Indebtedness:						
Other Hedged Debt:						
Dadeland Mall	2/1/2003	140,000	50.00%	70,000	4.663%	LIBOR + 0.800% LIBOR Capped at 8.45% through February 1, 2002.
CMBS Loan—Floating Component (IBM)	5/1/2003	184,500	50.00%	92,250	4.361%	LIBOR + 0.4965%(2) LIBOR Capped at 11.53% through maturity.(3)
Circle Centre Mall—1	1/31/2004	60,000	14.67%	8,802	4.303%	LIBOR + 0.440% LIBOR Capped at 8.81% through January 31, 2002.
Circle Centre Mall—2	1/31/2004	7,500	14.67%	1,100	5.363%	LIBOR + 1.500% LIBOR Capped at 7.75% through January 31, 2002.
Emerald Square Mall	3/31/2005	145,000	49.14%	71,249	5.351%	LIBOR + 1.490% LIBOR Capped at 7.73% through March 31, 2003.
Mall of America	3/10/2005	312,000	27.50%	85,800	4.375%	LIBOR + 0.513% LIBOR Capped at 8.7157% through March 12, 2003.
Northfield Square	4/30/2005	37,000	31.60%	11,692	6.363%	LIBOR + 2.500% LIBOR Capped at 8.50% through April 30, 2003, embedded.
Seminole Towne Center	7/1/2005	70,500	45.00%	31,725	6.363%	LIBOR + 2.500% LIBOR Capped at 8% through July 1, 2003.
CMBS Loan—Floating Component—2 (IBM)	5/15/2006	81,400	50.00%	40,700	4.232%	LIBOR + 0.3695%(2) LIBOR Capped at 11.83% through maturity.
		1,037,900		413,319		

Floating Rate Debt:						
Montreal Forum	1/31/2002	32,821	35.63%	11,692	7.500%	Canadian Prime
Shops at Sunset Place, The	6/30/2002	113,829	37.50%	42,686	5.013%	LIBOR + 1.150%
Liberty Tree Mall	10/1/2003	46,336	49.14%	22,768	5.363%	LIBOR + 1.500%
Concord Mills	12/2/2003	179,883	37.50%	67,456	5.213%	LIBOR + 1.350%
Orlando Premium Outlets	2/12/2004	58,173	50.00%	29,087	5.163%	LIBOR + 1.300%
Arundel Mills	4/30/2005	142,422	37.50%	53,408	5.263%	LIBOR + 1.400%
		573,464		227,098		

Footnote:

- (1) LIBOR based on 3.8625%
- (2) Represents the weighted average spread.
- (3) Represents the weighted average cap rate.

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SIMON PROPERTY GROUP
New Development Activities
As of June 30, 2001

Mall/ Location	Simon Group's Ownership Percentage	Actual/ Projected Opening	Total Projected Cost(1) (\$ in millions)	Non-Anchor Sq. Footage Leased/ Committed	GLA (sq. ft.)
Projects Under Construction					
Bowie Town Center Bowie, MD	100.0%	Oct-01	\$ 66	100%	657,000

Anchors/Major Tenants: Hecht's, Sears, Old Navy, Barnes & Noble, Bed Bath & Beyond, Safeway

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

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SIMON PROPERTY GROUP
Significant Renovation/Expansion Activities
As of June 30, 2001

Mall/ Location	Simon Group's Ownership Percentage	Actual/ Projected Opening	Projected Cost (in millions)(1)	GLA Before Renov/Expan (sq. ft.)	New or Incremental GLA (sq. ft.)
North East Mall Hurst, TX	100%	10/01 & 2002	\$ 103	1,141,000	308,000

Project Description: New Foley's (to open 10/01); new Lord & Taylor in existing Montgomery Ward space (to open 2002)

Previously opened: New Nordstrom (3/01); new Saks Fifth Avenue, mall renovation and parking deck (9/00); JCPenney remodel and expansion and parking deck (11/99); new Dillard's, mall expansion and parking deck (9/99)

The Shops at Mission Viejo Mission Viejo, CA	100%	8/01	\$	146	817,000	427,000
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Project Description: Macy's expansion (to open 8/01)
Previously opened: Old Navy, PF Chang's and California Café (12/00); Robinsons-May expansion and remodel and food court addition (10/00); New Nordstrom, small shop expansion and renovation, new parking structure; new Saks Fifth Avenue (9/99)

(1)

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

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**SIMON PROPERTY GROUP
Capital Expenditures
For the Six Months Ended June 30, 2001
(In millions)**

	Consolidated Properties	Joint Venture Properties	
		Total	Simon's Share
New Developments	\$ 42.5	\$ 29.2	\$ 11.5
Renovations and Expansions	48.9	21.3	9.4
Tenant Allowances	20.2	10.1	4.0
Operational Capital Expenditures at Properties	8.2	3.0	1.0
Other	—	—	.5
Totals	\$ 119.8	\$ 63.6	\$ 26.4

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QuickLinks

[Exhibit 99.1](#)

- [SIMON PROPERTY GROUP Reconciliation of Income to Funds From Operations \("FFO"\) As of June 30, 2001 \(Amounts in thousands, except per share data\)](#)
- [SIMON PROPERTY GROUP Selected Financial Information As of June 30, 2001 \(In thousands, except as noted\)](#)
- [SIMON PROPERTY GROUP Selected Financial Information As of June 30, 2001 \(In thousands, except as noted\)](#)
- [SIMON PROPERTY GROUP Portfolio GLA, Occupancy & Rent Data As of June 30, 2001](#)
- [Occupancy History](#)
- [SIMON PROPERTY GROUP Rent Information As of June 30, 2001](#)
- [SIMON PROPERTY GROUP Lease Expirations\(1\) As of June 30, 2001](#)
- [SIMON PROPERTY GROUP SPG's Share of Total Debt Amortization and Maturities by Year As of June 30, 2001 \(In thousands\)](#)
- [SIMON PROPERTY GROUP Summary of Indebtedness As of June 30, 2001 \(In thousands\)](#)
- [SIMON PROPERTY GROUP New Development Activities As of June 30, 2001](#)
- [SIMON PROPERTY GROUP Significant Renovation/Expansion Activities As of June 30, 2001](#)
- [SIMON PROPERTY GROUP Capital Expenditures For the Six Months Ended June 30, 2001 \(In millions\)](#)

**SIMON
PROPERTY GROUP**

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FOR IMMEDIATE RELEASE

SIMON PROPERTY GROUP ANNOUNCES SECOND QUARTER RESULTS AND QUARTERLY DIVIDENDS

Indianapolis, Indiana—August 8, 2001...Simon Property Group, Inc. (the "Company") (NYSE:SPG) today announced results for the quarter ended June 30, 2001. Diluted funds from operations for the quarter increased 5.3%, to \$0.79 per share from \$0.75 per share in 2000. Diluted funds from operations for the six months increased 5.5%, to \$1.53 per share from \$1.45 per share in 2000. Total revenue for the six months increased 1.4%, to \$978.9 million as compared to \$965.5 million in 2000.

Occupancy for mall and freestanding stores in the regional malls at June 30, 2001 was 90.3% as compared to 90.0% at June 30, 2000. Total retail sales per square foot increased 1.9% to \$380 per square foot at June 30, 2001 as compared to \$373 one year earlier, while comparable retail sales per square foot were flat at \$388. Average base rents for mall and freestanding stores in the regional mall portfolio were \$28.84 per square foot at June 30, 2001, an increase of \$1.21 or 4%, from June 30, 2000. The average initial base rent for new mall store leases signed year-to-date was \$36.41, an increase of \$8.16, or 29% over the tenants who closed or whose leases expired.

"Despite the overall softness in the U.S. economy, which has resulted in relatively flat retail sales year-to-date, we have continued to successfully increase the profitability of the company," said David Simon, chief executive officer.

Financing Activities

Subsequent to June 30th, SPG retired the third and final tranche of the CPI debt facility totaling \$435 million. Funds used to retire this debt were primarily generated from:

- \$277 million 10 year financing of a four mall pool CMBS loan at a fixed rate of 6.99%, and
- \$110 million financing of Riverway Office complex at Libor + 115 bps.

New Development Activities

Bowie Town Center in Bowie, Maryland, is an open-air regional shopping center comprising 556,000 square feet that will open October 18th. The center is anchored by Hecht's, which opened today, August 8th, and Sears, which will open with the center on October 18th. Other large space users that will open with the center include Barnes & Noble, Bed Bath & Beyond and Old Navy. This new development also features a 101,000 square foot grocery retail component anchored by Safeway.

Bowie Town Center is 100% leased and committed. Tenants opening at Bowie include American Eagle, Lindt's Chocolate, Benetton, Gap, Gap Kids, Ann Taylor Loft, Victoria's Secret, Bath & Body, Wet Seal and Wilson's Leather. The center will also feature a restaurant lineup including Pizzeria Uno, DuClaw Brew Pub, Starbuck's, Olive Garden and Panera Bread. Best Buy will also be located on the peripheral of the property.

Dividends

On August 7th, the Company declared a common stock dividend of \$0.525 per share. This dividend will be paid on August 31, 2001 to shareholders of record on August 20, 2001. The Company also declared dividends on its three public issues of preferred stock, all payable on October 1, 2001 to shareholders of record on September 14, 2001:

- Simon Property Group, Inc. 6.50% Series B Convertible Preferred Stock (NYSE:SPGPrB)—\$1.625 per share
- Simon Property Group, Inc. 8.75% Series F Cumulative Redeemable Preferred Stock (NYSE:SPGPrF)—\$0.546875 per share
- Simon Property Group, Inc. 7.89% Series G Cumulative Preferred Stock (NYSE: SPGPrG)- \$0.98625 per share.

Earnings Estimates

Based upon year-to-date results and its view of current market conditions, the Company projects that FFO growth in 2001 will approximate 8% on a diluted per share basis.

Estimates of future FFO per share are, and certain other matters discussed in this press release may be, deemed forward-looking statements within the meaning of the federal securities laws. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained, and it is possible that our actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Those risks and uncertainties include, but are not limited to, the national, regional and local economic climate, competitive market forces, changes in market rental rates, trends in the retail industry, the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise, and changes in market rates of interest. The reader is directed to the Company's various filings with the Securities and Exchange Commission, including quarterly reports on Form 10-Q, reports on Form 8-K and annual reports on Form 10-K for a discussion of such risks and uncertainties.

Simon Property Group, Inc., headquartered in Indianapolis, Indiana, is a self-administered and self-managed real estate investment trust which, through its subsidiary partnerships, is engaged in the ownership, development, management, leasing, acquisition and expansion of income-producing properties, primarily regional malls and community shopping centers. It currently owns or has an interest in 250 properties containing an aggregate of 185 million square feet of gross leasable area in 36 states as well as six assets in Europe and Canada. Together with its affiliated management company, Simon owns or manages approximately 189 million square feet of gross leasable area in retail and mixed-use properties. Shares of Simon Property Group, Inc. are paired with beneficial interests in shares of stock of SPG Realty Consultants, Inc. Additional Simon Property Group information is available at www.shopsimon.com.

Supplemental Materials

The Company's June 30, 2001 Form 10-Q and supplemental information package (on Form 8-K) may be requested in e-mail or hard copy formats by contacting Shelly Doran—Director of Investor Relations, Simon Property Group, P.O. Box 7033, Indianapolis, IN 46207 or via e-mail at sdoran@simon.com.

Conference Call

The Company will provide an online simulcast of its second quarter conference call at www.shopsimon.com and www.streetevents.com. To listen to the live call, please go to either of these websites at least fifteen minutes prior to the call to register, download and install any necessary audio software. The call will begin at 4:00 p.m. Eastern Daylight Time today, August 8th. An online replay will be available for approximately 90 days at www.shopsimon.com.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Revenue:				
Minimum rent	\$ 307,386	\$ 294,265	\$ 614,517	\$ 590,727
Overage rent	7,130	6,718	17,013	18,756
Tenant reimbursements	146,449	154,303	294,963	299,147
Other income	27,305	32,373	52,453	56,880
Total revenue	488,270	487,659	978,946	965,510
Expenses:				
Property operating	82,666	79,459	161,440	156,441
Depreciation and amortization	106,748	99,140	213,263	197,628
Real estate taxes	48,721	49,729	101,513	98,151
Repairs and maintenance	19,333	16,195	39,060	35,760
Advertising and promotion	12,618	15,245	26,424	31,255
Provision for credit losses	2,243	2,214	5,147	4,345
Other	6,761	9,375	13,546	18,484
Total operating expenses	279,090	271,357	560,393	542,064
Operating Income	209,180	216,302	418,553	423,446
Interest Expense	149,970	155,207	307,894	313,866
Income before Minority Interest	59,210	61,095	110,659	109,580
Minority Interest	(3,115)	(2,283)	(5,231)	(4,717)
Gain (Loss) on Sales of Real Estate(B)	(28)	1,562	2,683	8,658
Income before Unconsolidated Entities	56,067	60,374	108,111	113,521
Income from Unconsolidated Entities	13,903	15,538	25,634	33,527
Income before Extraordinary Items and Cumulative Effect of Accounting Change	69,970	75,912	133,745	147,048
Extraordinary Items—Debt Related Transactions	—	—	(25)	(440)
Cumulative Effect of Accounting Change	—	—	(1,638)(C)	(12,342)(D)

Income before Allocation to Limited Partners	69,970	75,912	132,082	134,266
Less: Limited Partners' Interest in the Operating Partnerships	13,878	15,532	25,620	26,271
Less: Preferred Distributions of the SPG Operating Partnership	2,835	2,817	5,747	5,634
Less: Preferred Dividends of Subsidiary	7,334	7,334	14,668	14,668
Net Income	45,923	50,229	86,047	87,693
Preferred Dividends	(9,177)	(9,217)	(18,362)	(18,438)
Net Income Available to Common Shareholders	\$ 36,746	\$ 41,012	\$ 67,685	\$ 69,255

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
PER SHARE DATA:				
Basic and Diluted Income per Paired Share:				
Before Extraordinary Items and Cumulative Effect of Accounting Change	\$ 0.21	\$ 0.24	\$ 0.40	\$ 0.45
Extraordinary Items	0.00	0.00	0.00	0.00
Cumulative Effect of Accounting Change	0.00	0.00	(0.01)	(0.05)
Net Income Available to Common Shareholders	\$ 0.21	\$ 0.24	\$ 0.39	\$ 0.40

SELECTED BALANCE SHEET INFORMATION

	June 30, 2001	December 31, 2000
Cash and Cash Equivalents	\$ 180,359	\$ 223,111
Investment Properties, Net	\$ 11,486,799	\$ 11,564,414
Mortgages and Other Indebtedness	\$ 8,730,012	\$ 8,728,582

SELECTED REGIONAL MALL OPERATING STATISTICS

	June 30,	
	2001	2000
Occupancy(E)	90.3%	90.0%
Average Rent per Square Foot(E)	\$ 28.84	\$ 27.63
Total Sales Volume (in millions)(F)	\$ 7,370	\$ 7,075
Comparable Sales per Square Foot(F)	\$ 388	\$ 387
Total Sales per Square Foot(F)	\$ 380	\$ 373

Notes:

- (A) Represents combined condensed financial statements of Simon Property Group, Inc. and its paired share affiliate, SPG Realty Consultants, Inc.
- (B) Net of asset write downs of \$10.6 million for the three and six months ended June 30, 2000.
- (C) Due to the adoption of SFAS 133—Accounting for Derivatives and Financial Instruments on January 1, 2001.
- (D) Due to the adoption of SAB 101 on January 1, 2000, which requires overage rent to be recognized as revenue only when each tenant's sales exceed their sales threshold. Previously, the Company recognized overage rent based on reported and estimated sales through the end of the period, less the applicable prorated base sales amount.
- (E) Includes mall and freestanding stores.
- (F)

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Income before extraordinary items and cumulative effect of accounting change(1)(2)	\$ 69,970	\$ 75,912	\$ 133,745	\$ 147,048
Plus: Depreciation and amortization from combined consolidated properties	106,580	98,906	212,746	197,142
Plus: Simon's share of depreciation and amortization from unconsolidated entities	33,463	28,055	64,720	56,856
Less: (Gain) Loss on sales of real estate	28	(1,562)	(2,683)	(8,658)
Less: Minority interest portion of depreciation, amortization and extraordinary items	(1,500)	(1,475)	(2,987)	(2,955)
Less: Preferred distributions (including those of subsidiary)	(19,346)	(19,368)	(38,777)	(38,740)
FFO of the Simon Portfolio	\$ 189,195	\$ 180,468	\$ 366,764	\$ 350,693
FFO of the Simon Portfolio	\$ 189,195	\$ 180,468	\$ 366,764	\$ 350,693
Basic FFO per Paired Share:				
Basic FFO Allocable to the Companies	\$ 137,530	\$ 131,039	\$ 266,293	\$ 254,542
Basic Weighted Average Paired Shares Outstanding	172,485	173,672	172,244	173,448
Basic FFO per Paired Share	\$ 0.80	\$ 0.75	\$ 1.55	\$ 1.47
Diluted FFO per Paired Share:				
Diluted FFO Allocable to the Companies	\$ 146,997	\$ 140,364	\$ 285,038	\$ 273,039
Diluted Weighted Average Number of Equivalent Paired Shares	187,215	188,316	186,905	188,090
Diluted FFO per Paired Share	\$ 0.79	\$ 0.75	\$ 1.53	\$ 1.45

Notes:

- (1) Includes gains on land sales of \$2.1 and \$2.7 million for the three months ended June 30, 2001 and 2000, respectively and \$3.3 and \$4.5 million for the six months ended June 30, 2001 and 2000, respectively.
- (2) Includes straight-line adjustments to minimum rent of \$1.8 and \$5.3 million for the three months ended June 30, 2001 and 2000, respectively and \$6.1 and \$10.3 million for the six months ended June 30, 2001 and 2000, respectively.

QuickLinks

[EXHIBIT 99.2](#)

[SIMON PROPERTY GROUP ANNOUNCES SECOND QUARTER RESULTS AND QUARTERLY DIVIDENDS](#)

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

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

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

SIMON PROPERTY GROUP
Conference Call Text
August 8, 2001

Forward Looking Statement (Shelly Doran)

Good afternoon and welcome to the Simon Property Group second quarter earnings conference call. Please be aware that statements made during this call that are not historical may be deemed forward-looking statements. Although the Company believes that the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained, and it is possible that our actual results may differ materially from those indicated by these forward looking statements due to a variety of risks and uncertainties. Those risks and uncertainties include, but are not limited to: national, regional and local economic climates, competitive market forces, changes in market rental rates, trends in the retail industry, the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise, and changes in market rates of interest. We direct you to the Company's various filings with the Securities and Exchange Commission for a detailed discussion of risks and uncertainties.

Acknowledging the fact that this call may be webcast for some time to come, we believe it is important to note that today's call includes time-sensitive information that is accurate only as of today's date, August 8th, 2001.

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

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

Opening Comments (David Simon)

2001, so far, has been a challenging, yet successful year for Simon. We're facing the country's most significant economic slowdown in a decade, causing the consumer to tighten the purse strings, resulting in flat retail sales. Retailers have responded by filing bankruptcy and closing stores at the highest level since 1995.

Yet through this, Simon has been able to successfully "weather the storm" and continue to grow the profitability of our company. How did we do this? Through a combination of aggressive releasing, growth in occupancy, completion of opportunistic transactions, focused development and capital spending, and by taking advantage of a favorable interest rate environment.

I believe this is how a successful real estate company should function in times like these. In a year where a large percentage of the S&P 500 have had earnings warnings or misses, or layoffs or restructuring charges, we've hit our numbers and continue to grow our profitability.

These are challenging times, but many opportunities exist for us to position SPG for future growth. During today's call we will comment on results for the quarter and discuss our strategies for the future.

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

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Financial and Operational Results (Steve Sterrett)

Financial factors of note during the second quarter are as follows:

- Diluted FFO per share increased by 5.3%, to \$.79 versus \$.75 in 2000. This was in the middle of the range of guidance we provided in May. Diluted FFO for the six months increased by 5.5%, to \$1.53 per share, as compared to \$1.45 per share in 2000.

Operational highlights include:

- Occupancy increased 30 basis points from June 30, 2000 to 90.3% at June 30, 2001, a testament to the strength and quality of the portfolio.
- Total sales per square foot increased 2% to \$380 per square foot.
- Comparable sales per square foot, i.e. sales of tenants who have been in place for at least 24 months, was \$388 compared to \$387 in the prior year.
- Average base rent increased 4% to \$28.84.
- The average initial base rent for new mall store leases signed so far during 2001 was \$36.41, versus average rents of \$28.25 for those tenants who closed or whose leases expired, for a spread of \$8.16, or 29%. As we have told you previously, achieving higher rent spreads is a major priority for

us, so we're pleased at this number.

- Same property NOI growth year-to-date was 3.4%.

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

- Despite the slight rise in occupancy, we lost over one million square feet of mall in-line space to bankruptcies and restructurings during the first six months of 2001, and expect to lose another 200,000 square feet by year-end. It's the highest level in over 5 years, and includes tenants such as Warner Bros., Northern Reflections, Paul Harris, Natural Wonders, Garden Botanika, Store of Knowledge and Bugle Boy. And while releasing activity has been strong, we lose income from these closings in two ways: the downtime incurred to release the space and the write-off of any straight line rent receivables still on the balance sheet. For example, our 2001 second quarter consolidated straight-line rent revenue was \$2.5 million below 2000 levels, due primarily to these write-offs.

- Our tenant recoveries have also been negatively affected by these closings, as well as the timing of certain recoverable expenditures and a true-up of 2000 year-end accruals.

- Other income decreased \$5 million for the quarter, based on lower land and asset sale activity of approximately \$4 million, lower interest income of nearly \$2 million, and lower miscellaneous income items, partially offset by profitability from our Kimsward venture.

- MerchantWired's negative impact on FFO for the quarter was \$3.2 million. David will discuss MerchantWired in more detail shortly.

Regarding the Kimsward joint venture—As most of you know, Kimsward was formed to acquire the designation rights to the bankrupt Montgomery Ward real estate portfolio. SPG is an 18.5% partner with Kimco Realty and the Schottenstein Group in the venture. Significant progress has been made in the disposition on the Ward locations. Currently, 225 of the 315 assets have been disposed of, including 115 asset sales or lease assignments and 110 lease rejections. An additional 40 locations are under negotiation or under contract to be sold or assigned.

Based upon the closings that have already occurred and the structure of the transaction, we recorded \$9.7 million of net profit from the transaction during the second quarter. \$5.7 million of this

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is reflected in other income and \$4 million in income from unconsolidated entities. We believe that the total positive impact from the Kimsward transaction will be 6 to 7 cents per share for SPG, and we expect most of this to be recognized in 2001.

We are always challenging ourselves to make money in an opportunistic fashion, and the Kimsward transaction happens to have been a major opportunistic income item for 2001. In 2000, our "opportunistic" income was comprised of a number of smaller items—like gains on land sales and lease settlement income. And while these types of transactions may vary from year to year, the level of activity has been relatively consistent over the last few years.

Simon Brand Ventures and Simon Business Network are other examples of ways we can generate profit from other than our core business. We will continue to focus on new ways to generate these opportunistic profits and believe that our historical success in this area will continue.

Liquidity and Capital Activities

I would like to spend a few minutes discussing liquidity and capital activities. Subsequent to quarter-end, we completed the following financing transactions:

- We completed a financing pool on 4 "middle market" regional malls. This 10-year, \$277 million loan was obtained at a rate of 6.99%.

- We placed a \$110 million, 3 year mortgage on the Riverway office building at LIBOR plus 115 basis points.

- We then used the proceeds from the above transactions, along with excess cash flow, to retire the third and final \$435 million tranche of the CPI unsecured term loan facility.

We continue to maintain our financial flexibility and strong liquidity with over \$600 million available on our corporate credit facility and over \$800 million of EBITDA expected to be generated in the year 2001 from properties that are unencumbered. Our interest coverage ratio remains steady at 2.3 times, and all of our 2001 debt maturities have been addressed.

We would also plan to access the bond market again before year end. Our earnings guidance for 2001 reflects the recent financings and the anticipated bond offering. Despite the dilution from terming out short-term debt, given the current rate environment, we believe it's clearly the prudent thing to do.

Now I will turn the call over to Rick who will discuss our development strategy and current activities.

Development Activities (Rick Sokolov)

Our Bowie Towne Center in Bowie, Maryland will open this fall, 100% leased. Bowie has two components: a 556,000 square foot open-air regional mall and 101,000 square foot grocery retail component. The regional mall is anchored by Hecht's (which opened today) and Sears and features Barnes & Noble, Bed Bath & Beyond and Old Navy. Safeway anchors the grocery retail component. Developed at a cost of \$66 million, this project is expected to generate a first full year cash-on-cash return in excess of 10%.

We currently have no other new development projects under construction. Why? Because we are maintaining our very disciplined approach to development and have identified no other development opportunities that meet our risk/reward criteria. We are reviewing several projects. We only want to build or buy assets that add to our franchise. In difficult economic times such as these, we want to own high-quality, market dominant assets—assets that continue to grow in spite of the weak retail environment. Malls that are the dominant or only mall in their trade areas generate 80% of our annual cash flow. Our operating results reflect this strength.

As you may be aware, we are investigating the opportunity to invest with Chelsea Property Group in three additional assets and are excited about the prospect of expanding our Chelsea partnership. We are joint venture partners with Chelsea in one asset already —Orlando Premium Outlets—an investment that is providing a 17% cash-on-cash return to us. The three additional projects under consideration are expected to provide attractive returns on investment.

We also continue to allocate resources to our European initiative. The initial five projects open and operating are generating cash-on-cash returns of 14%. The next four projects in the pipeline are expected to generate comparable returns. We are also pursuing 2 additional major "U.S. mall type" developments in France. We continue to be bullish on these developments due to the greater returns provided than those in the states, as well as the appreciably lower borrowing costs in Europe. Our current investment in European initiatives is \$49 million with an incremental investment of approximately \$25 million anticipated over the next 18 months.

Technology Initiatives (David Simon)

Today I will focus my comments on the status of our investment in MerchantWired.

- SPG's current cash investment is \$40.1 million.
- SPG's 6/30/01 year-to-date FFO includes a loss of \$4.7 million, which is reflected in income from unconsolidated entities.

I'd like to take a minute and discuss the status on the state of affairs of MerchantWired. The slowdown of the U.S. economy and the underlying "tech wreck" have had a substantial impact on the operations of MerchantWired, SPG's 53% owned network infrastructure. The slowing economy has resulted in tougher operating conditions for retailers and much-reduced technology spending by retailers. Additionally, the collapse of the "dot.coms" has reduced the perceived threat of e-tailing, taking some of the pressure off of physical-based retailers to accelerate technology spending. The impact of these factors has been a retailer adoption rate below plan, and thus a longer time horizon to profitability.

Despite this, we believe the long-term outlook is solid, even though the timing of adoption has not met plan. Certain retailers that were deploying in advance of applications are now condensing the timeframes to deploy closer to or with application launch. Others have delayed the decision to deploy a network. Despite this, we have nine retailers under contract, and these nine represent a total of approximately 3,000 stores. We have strong prospects for an additional 10 retailers for 2002 deployment.

Despite the challenging environment, MerchantWired has continued to generate strong retailer interest, and retailers understand the potential value of MerchantWired to their business. We're working very hard to make it a profitable operation.

Conclusion

I want to focus for a just a moment on 2001 earnings guidance. As Yogi Berra once said "Its tough to make predictions, especially about the future." Seriously, though, our current guidance for 2001 is an approximate 8% FFO per share growth rate, which is consistent with current consensus. This growth rate is the result of current economic conditions both positive, such as lower interest rates, and negative, such as bankruptcies and soft retail sales. Kimsward and MerchantWired have also impacted 2001 results, and basically offset each other. We're absolutely committed to taking advantage of the current interest rate environment to refinance our upcoming maturities and conservatively manage our balance sheet. We own long-term assets and believe it to be prudent to term out our debt whenever possible, as evidenced by the recent repayment of the final CPI tranche with proceeds from securitized

financings and internally generated cash flow. And while it's tempting to finance the business at LIBOR + 65 bps (our line borrowing rate), that's a crutch that we won't rely on.

In closing, I want to say that I feel good about our business for the rest of the year. I believe that the majority of tenant bankruptcies and store closures are behind us, and we are optimistic that our year-end occupancy will exceed what we achieved in 2000, and that our releasing spreads should hold up pretty well.

Throughout the last two years, we've grown the business organically, with very little acquisition or development activity. We feel good about our decision to scale back these external activities in today's economic climate, and we're well positioned as we look forward.

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