

If You Wait For The Robins,
Spring Will Be Over*

December 7, 2009



Pershing Square Capital Management, L.P.

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At the Beginning of 2009, The World was a Very Different Place for Mall REITs

- ▶ The U.S. economy was on the verge of a depression
- ▶ The U.S. consumer had hit the wall
- ▶ Credit markets were closed
- ▶ Mall REIT balance sheets were dangerously leveraged
- ▶ Cap rates increased and transactions stopped as bid-ask spreads widened
- ▶ Bankruptcy risk and tenant “right-sizing” initiatives were expected to result in massive store closures
- ▶ Rent relief was a serious concern
- ▶ Tenant sales were expected to fall off a cliff

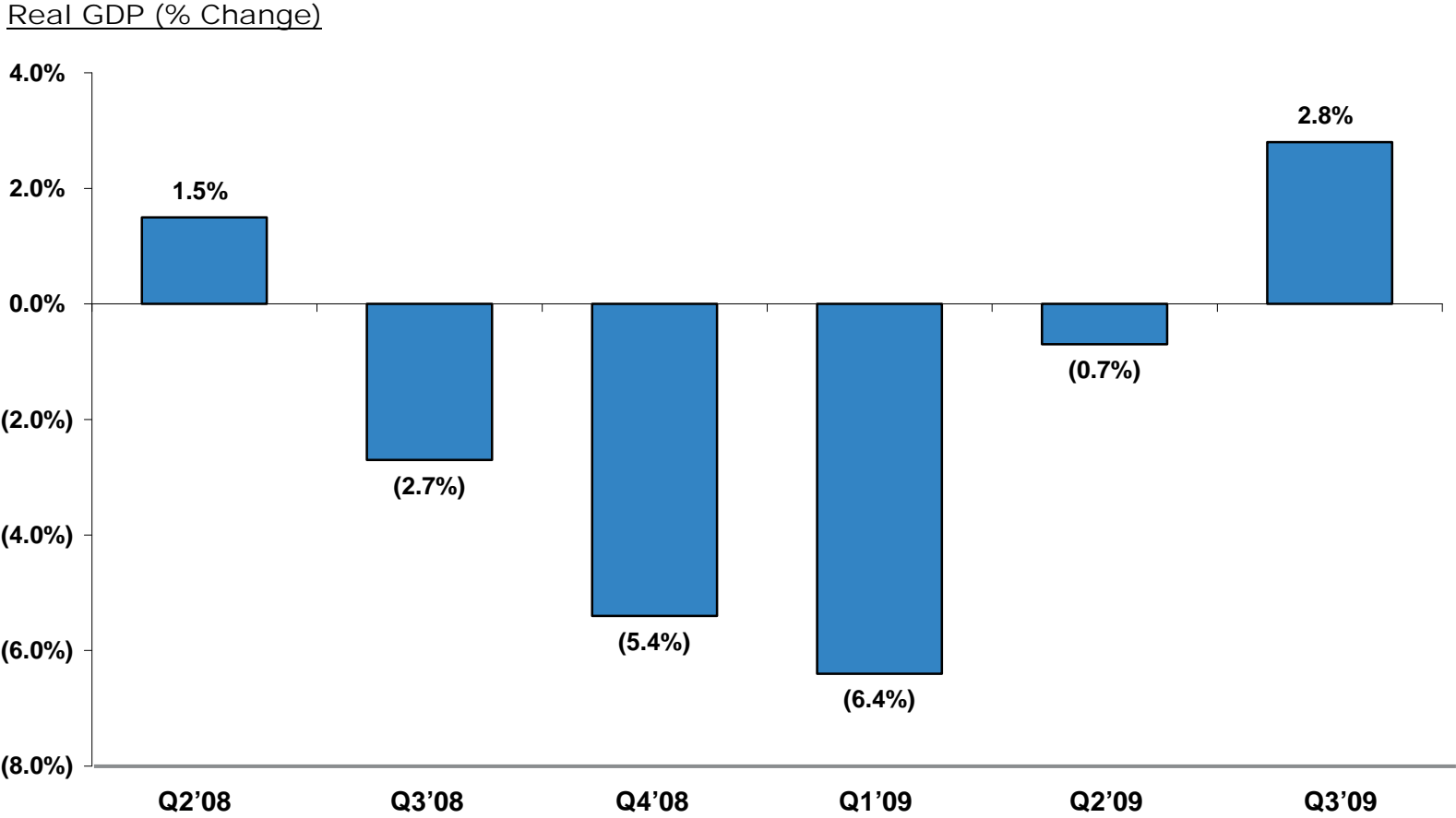


*Since
Then...*

The U.S. Economy has Recovered

The Recession is "Very Likely Over"

GDP grew 2.8% in Q3 and Federal Reserve Chairman Bernanke said the recession is "very likely over"

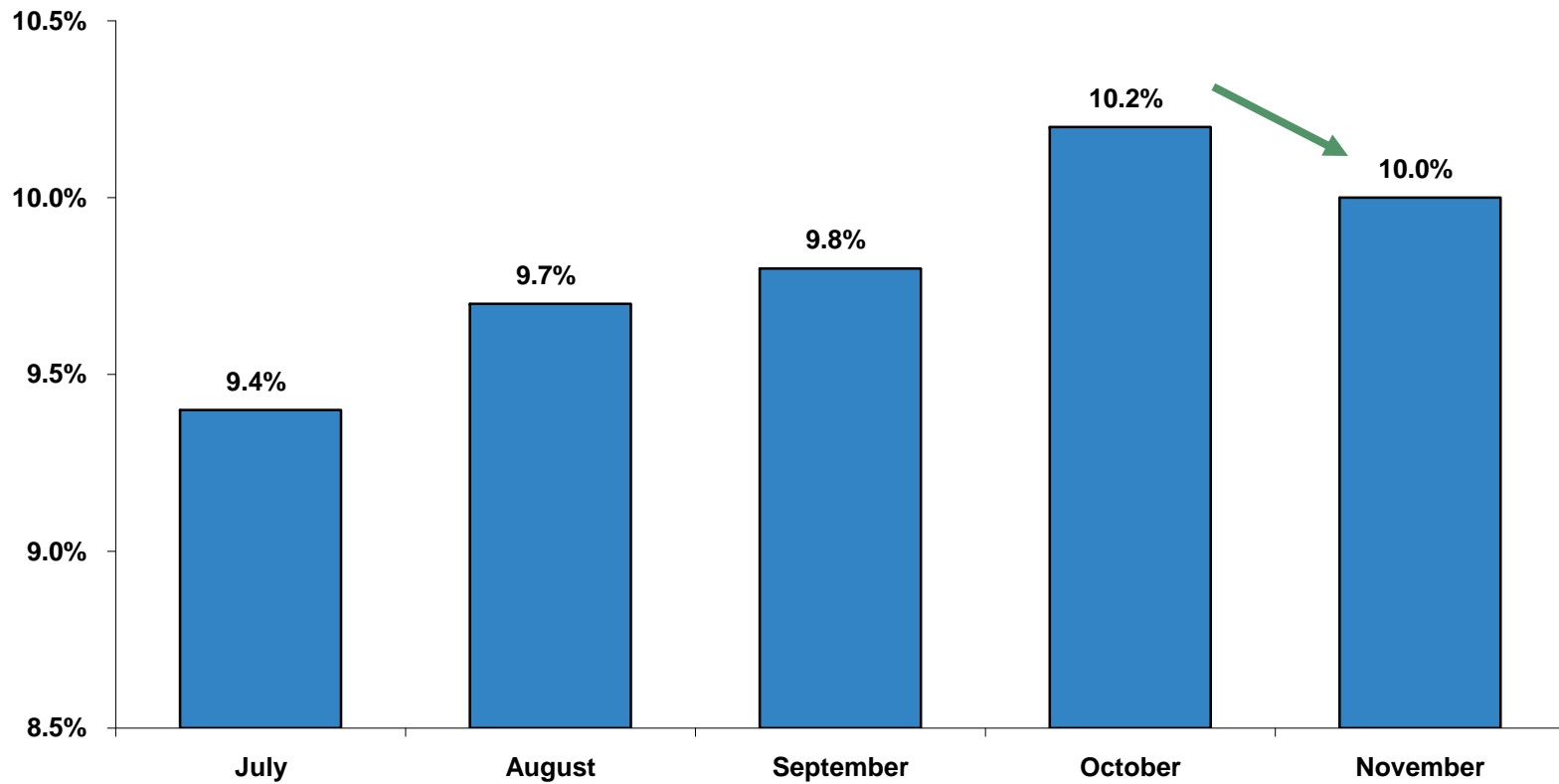


Source: Bureau of Economic Analysis (11/24/09).

Unemployment Down in November

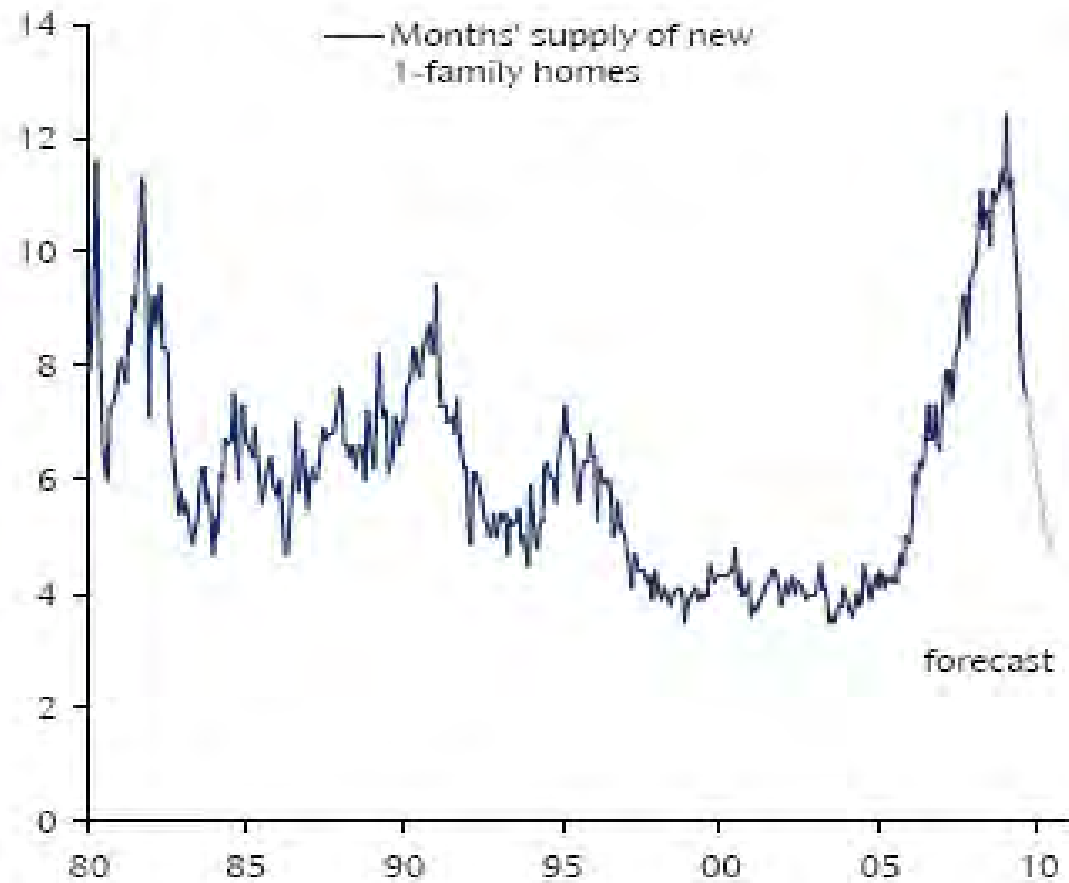
The U.S. unemployment rate improved 20bps in November

U.S. Unemployment Rate



Housing Market Showing Signs of Recovery

New home inventories are falling sharply and are projected to continue to do so

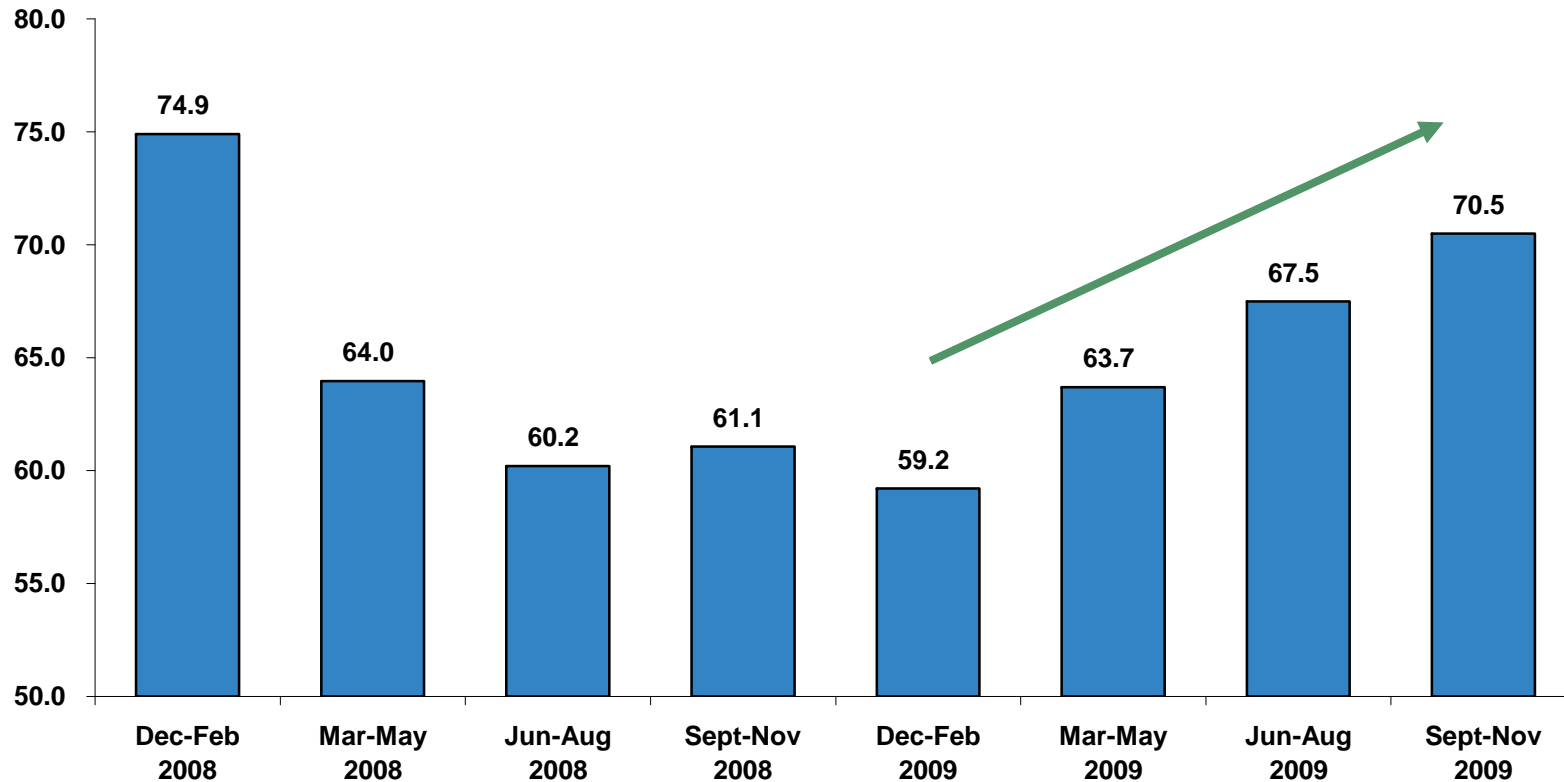


The U.S. Consumer is Beginning to Bounce Back

Consumer Confidence Improving

The University of Michigan Survey of Consumer Confidence Sentiment Index has improved since the beginning of the year

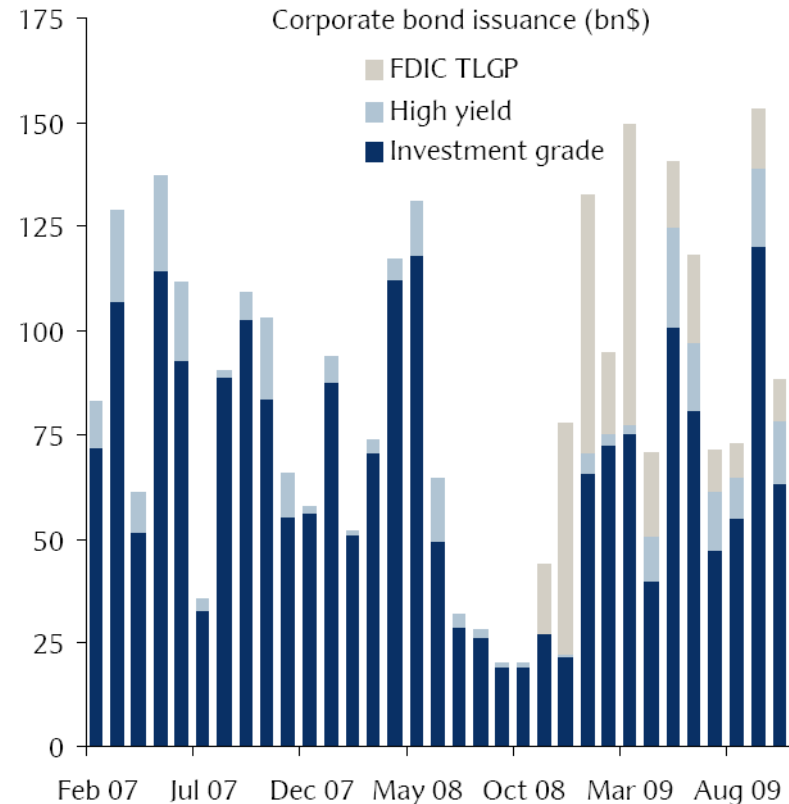
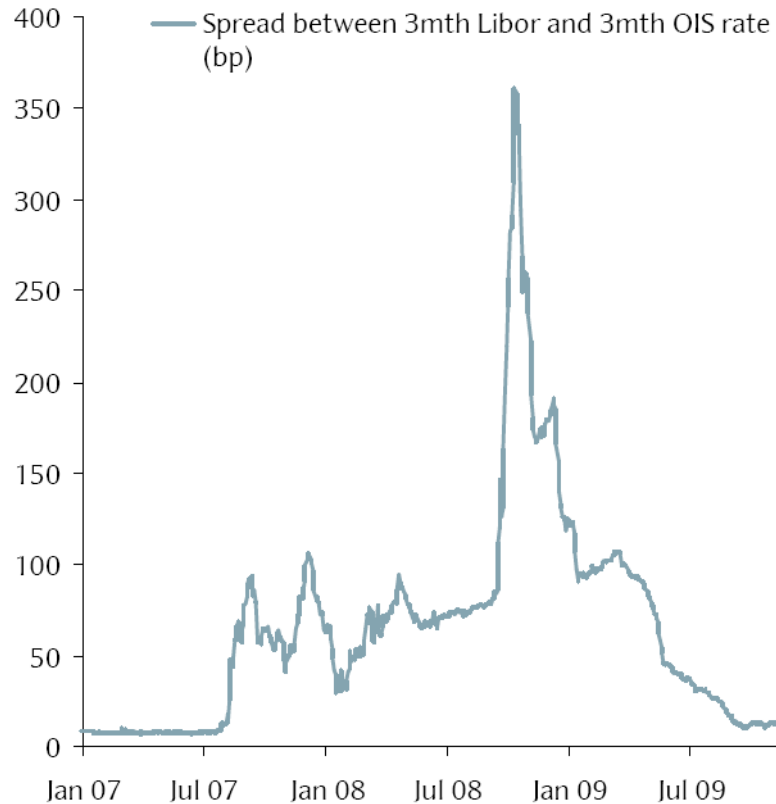
University of Michigan Consumer Confidence Index (Trailing Three Month Average)



The Credit Markets Have Improved

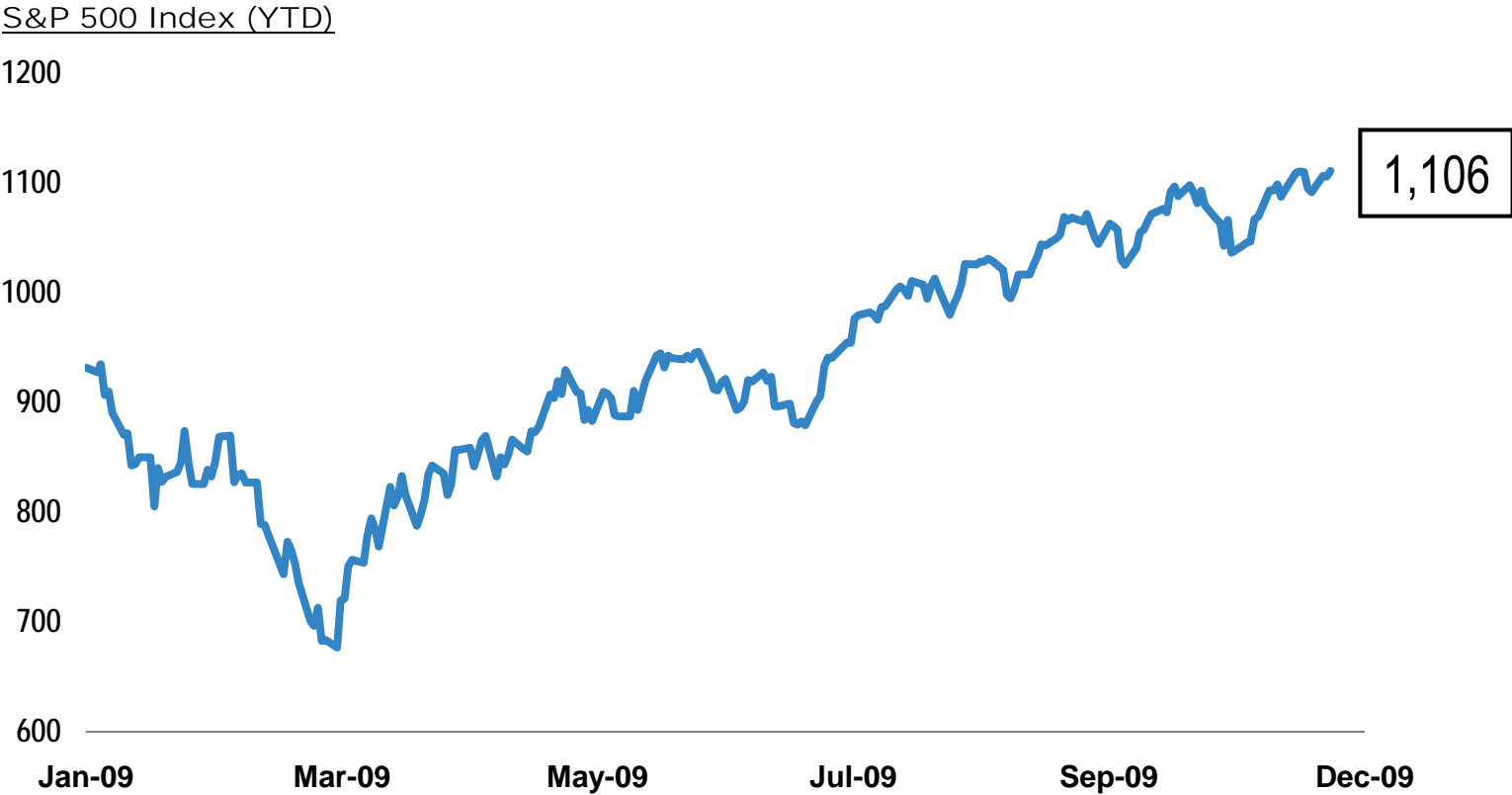
Financial Markets Normalizing

Overnight bank lending markets have stabilized and debt issuance is beginning to pick up



Stock Market has Rebounded

The S&P 500 is up over 60% since March

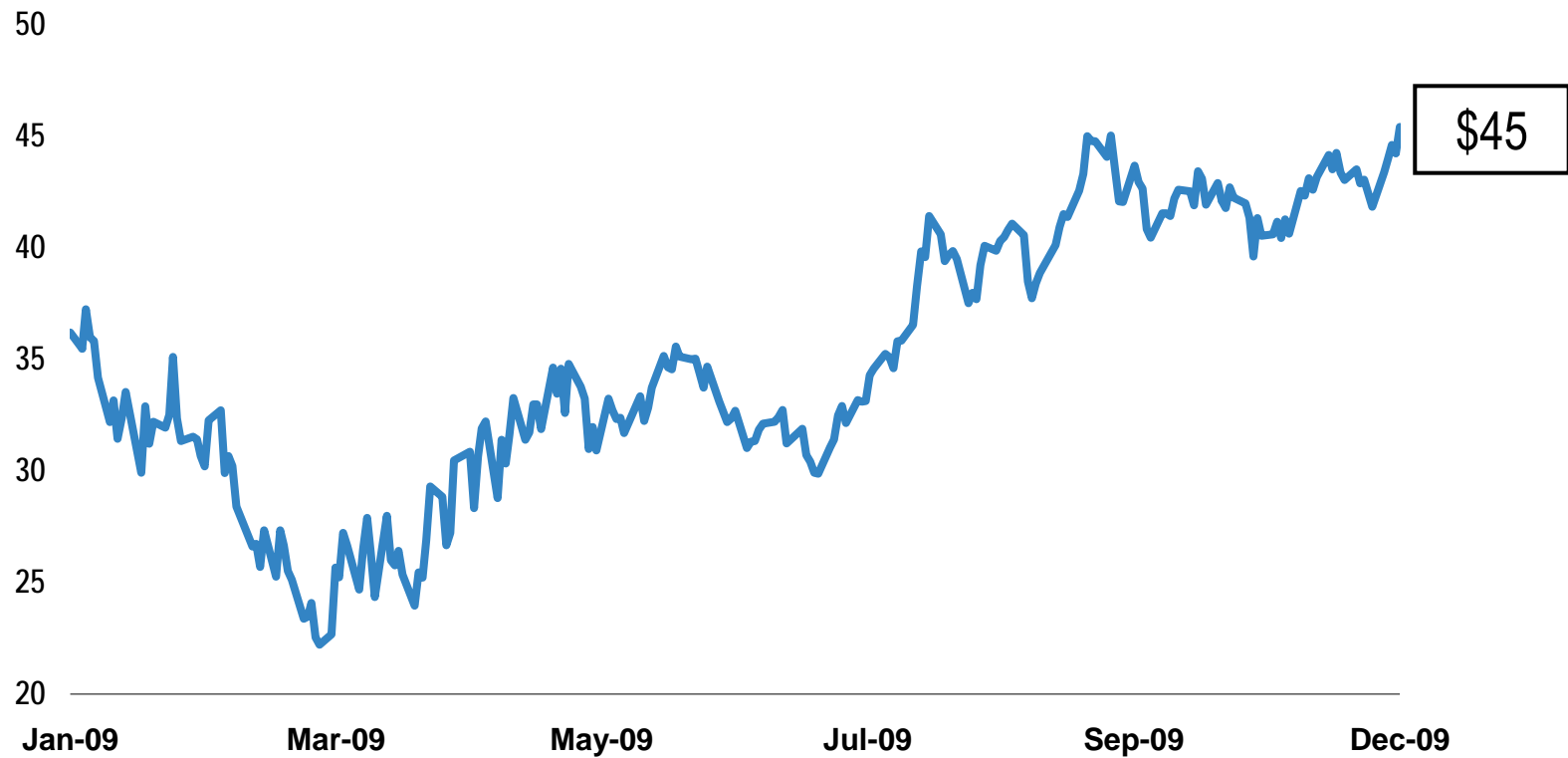


Source: Capital IQ (as of 12/4/09).

REIT Stocks have Rebounded

The IYR REIT Index has doubled since March

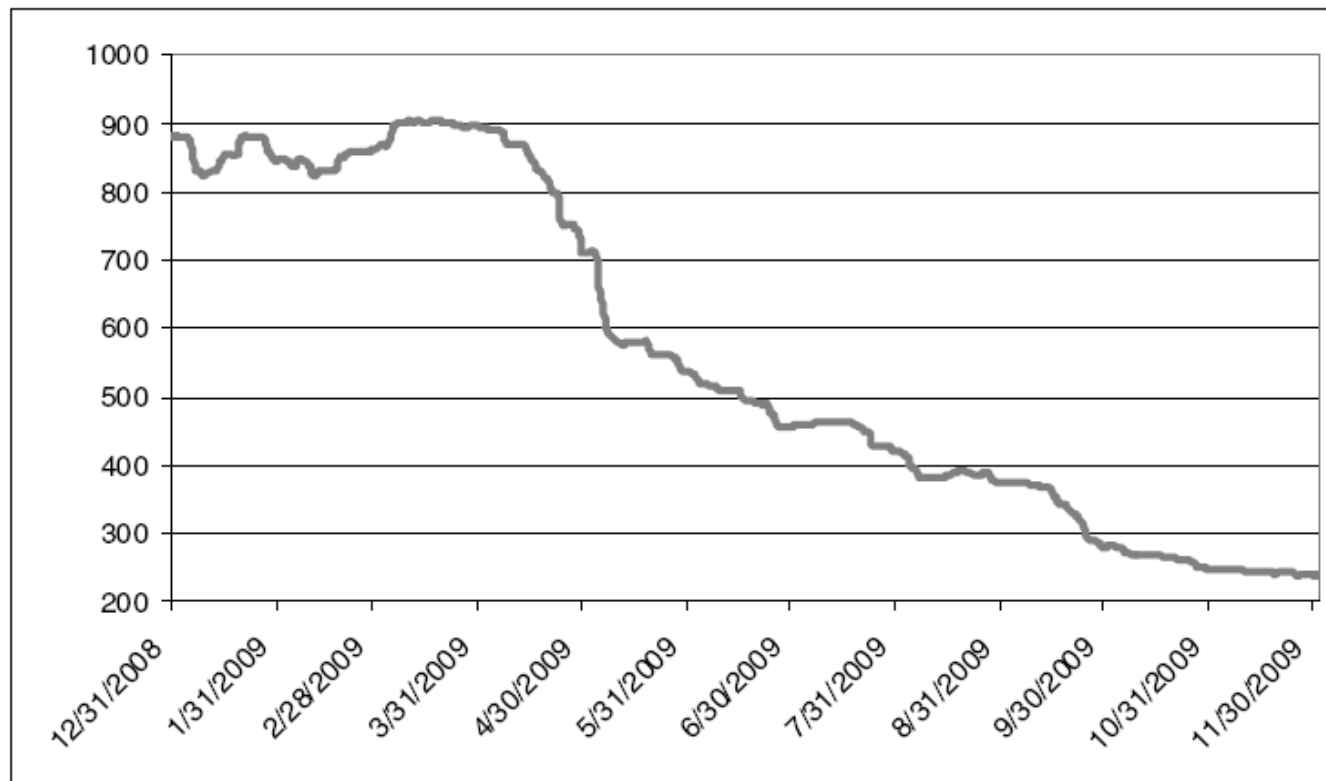
IYR REIT Index (YTD)



REIT CDS Spreads Tightening

REIT CDS spreads have meaningfully compressed year-to-date

Exhibit 1: Year to Date REIT CDS Basket



Source: Company data, Credit Suisse estimates

REIT Cost of Debt Improving

Over the past three months, REITs have been able to issue large amounts of low-cost debt

	Type of financing	Interest rate	Amount (\$mn)	Offer date
AMB	Senior unsecured notes	6.19%	\$500	17-Nov
PLD	Senior unsecured notes	7.38%	\$600	27-Oct
BXP	Senior unsecured notes	5.88%	\$700	6-Oct
DDR	Senior unsecured notes	9.63%	\$300	25-Sep
VNO	Senior unsecured notes	7.88%	\$400	23-Sep
BDN	Senior unsecured notes	7.50%	\$250	21-Sep
KIM	Senior unsecured notes	6.88%	\$300	17-Sep
AVB	Unsecured medium-term notes	5.70%	\$250	8-Sep
AVB	Unsecured medium-term notes	6.10%	\$250	8-Sep
Average		6.92%		
ARE	Senior unsecured notes	8.00%	\$175	21-Apr
VTR	Senior unsecured notes	6.50%	\$200	6-Apr
SPG	Senior unsecured notes	10.35%	\$650	19-Mar
Average		9.20%		

Source: Goldman Sachs Global Investment Research (December 2, 2009). Includes AMB Property Corp (AMB), ProLogis (PLD), Boston Properties (BXP), DDR Corp (DDR), Vornado (VNO), Brandywine Realty (BDN), Kimco (KIM), Avalonbay (AVB), Alexandria Real Estate (ARE), Ventas (VTR) and Simon Property Group (SPG).

DDR TALF Deal

- ▶ Closed on October 8, 2009
- ▶ \$400mm loan
- ▶ Five year term
- ▶ Blended interest of 4.225%

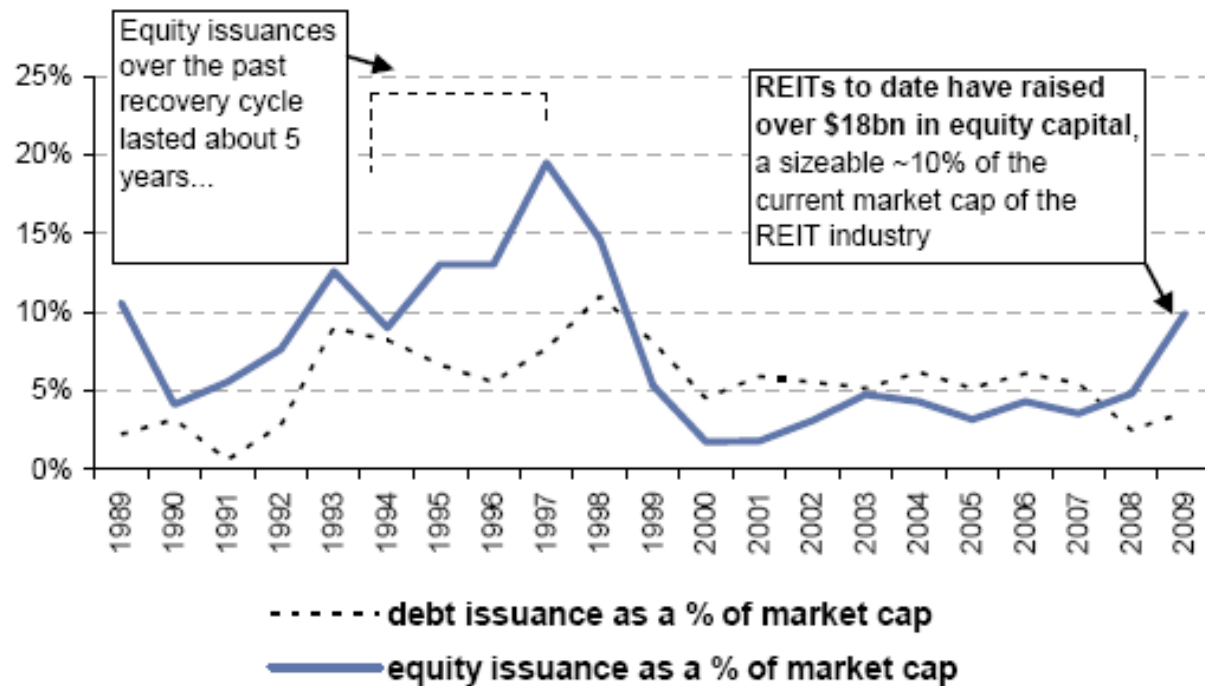
“Based on secondary market trading, if Simon were to issue debt today, an issuance of five year unsecured debt could potentially be completed at a cost of 5% or less”

– Credit Suisse Equity Research, December 4, 2009

Mall REIT Balance Sheets Have
Strengthened

REITs Have Raised over \$18bn of Equity YTD

REITs have raised equity capital equivalent to approximately 10% of the market cap of the entire industry

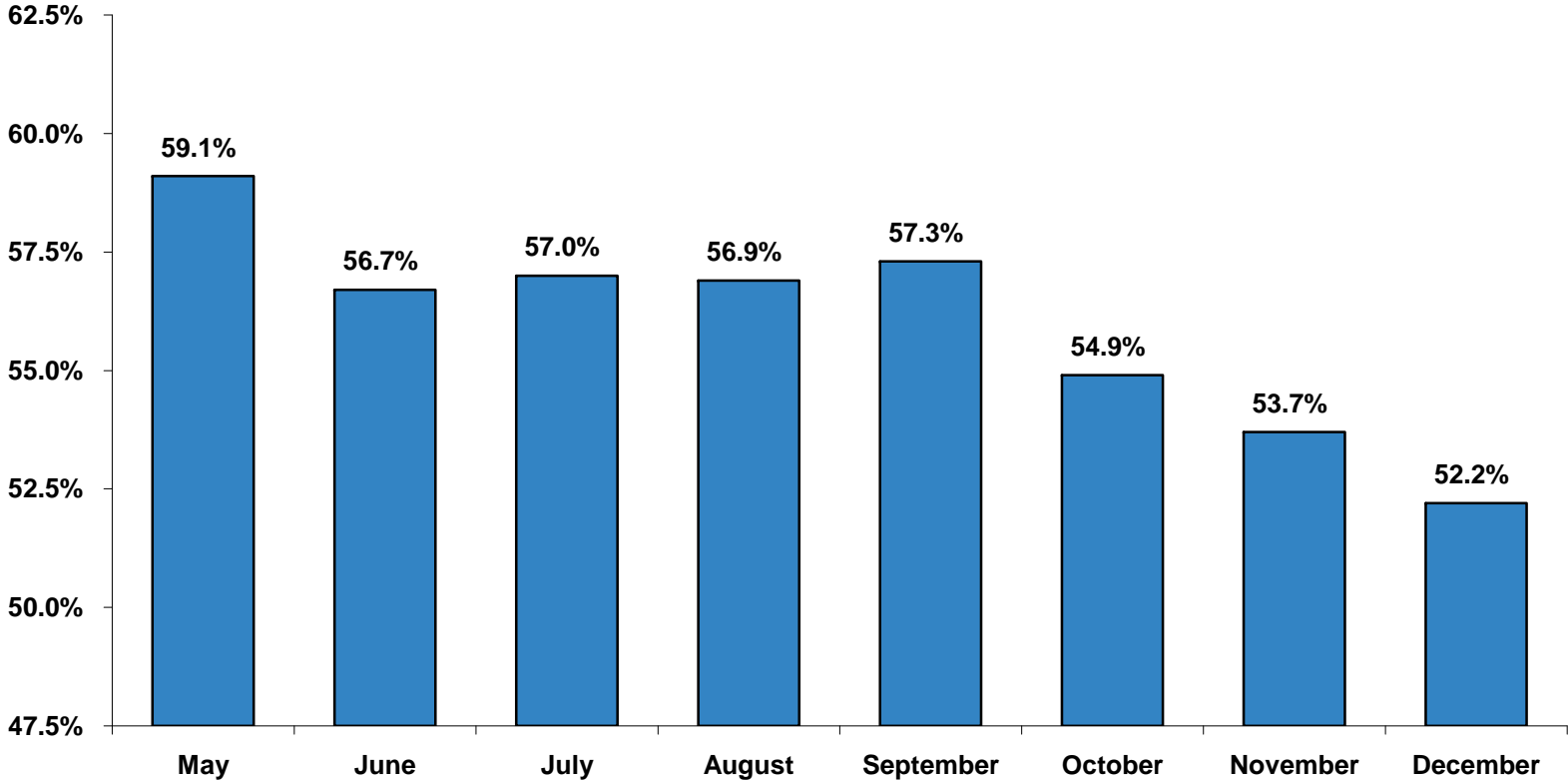


Source: Goldman Sachs Global Investment Research (December 2, 2009).

Mall REITs have Delevered

Mall REIT leverage ratios have decreased meaningfully since May

Mall REIT Leverage Ratio (total liabilities net of cash as a % of current value of assets) ⁽¹⁾



Source: Green Street Real Estate Securities Monthly.

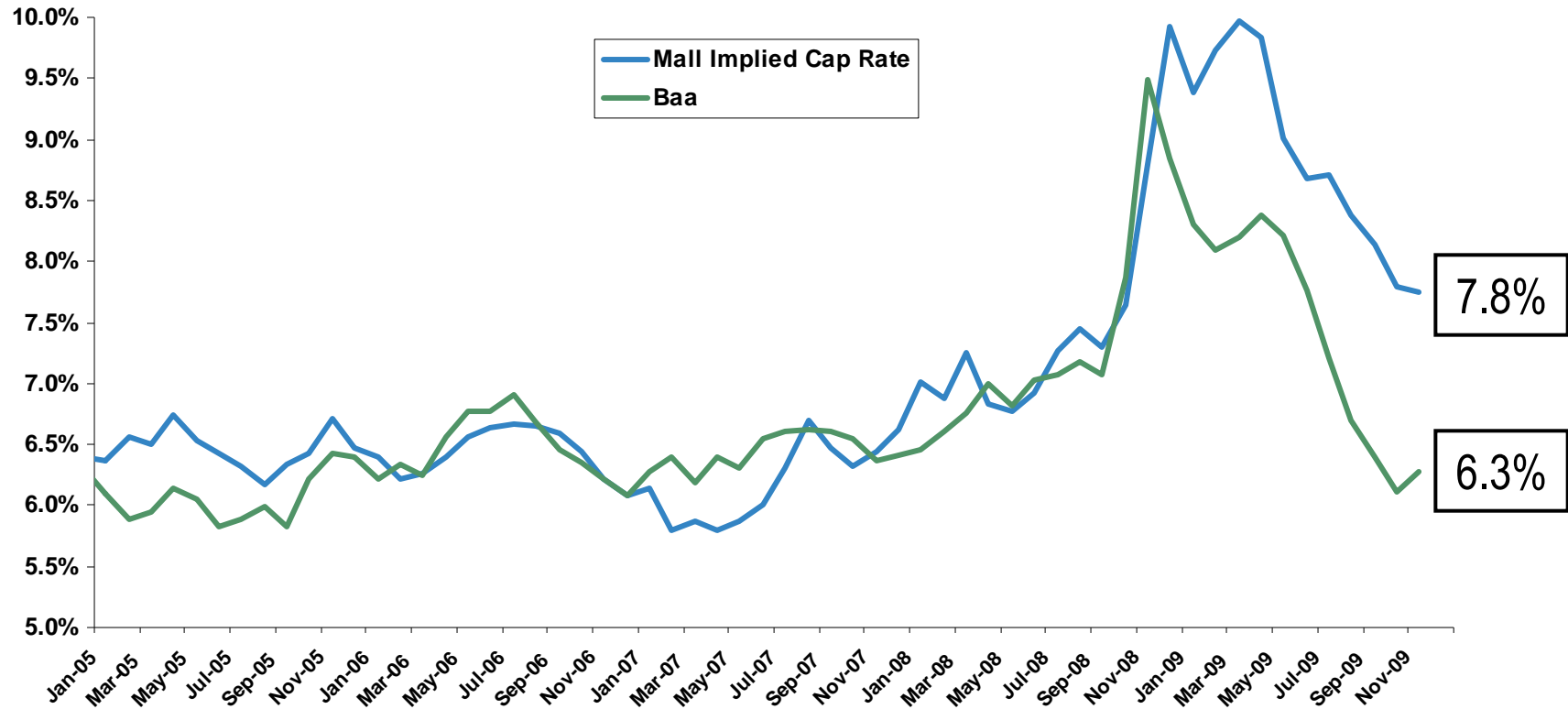
⁽¹⁾ Total liabilities (including preferred shares) net of cash as a % of current value of assets. Mall average includes CBL, GGP, Glimcher, Macerich, PREIT, Simon, Tanger, Taubman and Westfield.

Cap Rates Have Declined
Substantially

Mall REIT Cap Rates Have Declined and Should Decline Further Based on Historical Precedent

Although mall REIT cap rates have come in from their double-digit highs, they still trade at a wide spread to corporate Baa yields

Mall Implied Cap Rate vs. Baa Yields



Source: Green Street (as of November 2009).

Store Closure Fears were Overblown

White Knights

Although there have been some tenant bankruptcies year-to-date, white knight buyers have minimized store liquidations

Selected Bankruptcies	White Knight	Comments
Eddie Bauer <i>Jun-09</i>	Golden Gate <i>Aug-09</i>	<ul style="list-style-type: none"> ▶ In July, CCMP bid \$202mm for Eddie Bauer w/ plan to liquidate 121 of 371 stores ▶ In August, Golden Gate beat out CCMP w/ \$286mm bid ▶ Golden Gate plans to keep “the substantial majority” of the company’s stores open
Ritz Camera <i>Feb-09</i>	David Ritz <i>Jul-09</i>	<ul style="list-style-type: none"> ▶ David Ritz and RCI Acquisition LLC beat out three liquidators at auction ▶ Ritz will attempt to keep all the remaining 375 stores open, though some closures still expected
Filene’s <i>May-09</i>	Vornado / Syms <i>Jun-09</i>	<ul style="list-style-type: none"> ▶ In May, Crown Acquisition bid \$22mm for Filene’s w/ plan to liquidate 8 stores ▶ In June, a joint venture formed by Syms and Vornado beat out Crown w/ a \$62.4mm bid ▶ Vornado / Syms plan to operate Filene’s remaining 22 outlets and re-open a location in Boston
J. Jill <i>Out of court</i>	Golden Gate <i>Jun-09</i>	<ul style="list-style-type: none"> ▶ At the beginning of 2009, Talbots had been considering winding down its J. Jill concept ▶ In June, Golden Gate acquired the J. Jill retail chain for \$75mm ▶ Golden Gate plans to keep open 204 of the existing 279 locations open

Store closures that have arisen in bankruptcy have tended to be in low-quality, underperforming locations

Liquidations Could Be Good For Malls

Retailers with successful concepts are acquiring leases from liquidating retailers, allowing malls to refresh their product offerings with concepts that should drive increased traffic

Selected Liquidations	Strategic Acquirer(s)	Comments
Gottschalks <i>Jan-09</i>	Forever 21 <i>Jun-09</i>	<ul style="list-style-type: none"> ▶ Gottschalks auctioned to liquidation company, Great American Group ▶ 13 retail spaces sold to Forever 21 on June 10, 2009
Joe's Sports <i>Mar-09</i>	Dick's Sporting Goods <i>Jul-09</i>	<ul style="list-style-type: none"> ▶ Joe's Sports sold to liquidator Gordon Brothers for \$61mm ▶ 6 retail spaces sold to Dick's Sporting Goods in July, which will be opened by year-end
Mervyn's <i>Jul-08</i>	Forever 21 / Kohls <i>Dec-08</i>	<ul style="list-style-type: none"> ▶ In December, Kohls and Forever 21 acquired 46 Mervyn's leases for \$6.25mm ▶ Forever 21 primarily focused on Mervyn's mall-based locations ▶ Speculation that Forever 21 has acquired additional Mervyn's spaces since December

Many Mall-Based Tenants Expanded in 2009

Although there have been some “right-sizing” initiatives in 2009, many mall-based tenants actually expanded certain concepts

Company	Concept	Stores ⁽¹⁾	
		BOY ⁽²⁾	Current ⁽³⁾
Abercrombie & Fitch	abercrombie	212	213
	Hollister	515	522
	Gilly Hicks	14	16
Aeropostale	Aeropostale U.S.	874	894
	P.S.	-	11
American Eagle	Aerie	116	137
Bebe	2b bebe	32	33
Bed, Bath & Beyond	buybuy BABY	15	25
	CTS	52	57
	Harmon Face Values	40	42
	Charlotte Russe	495	501
Cheesecake Factory	Cheesecake Factory	145	146
Chico's	WH BM	344	347
	Soma	71	76
Children's Place	Children's Place	917	950
Coach	Coach N.A. (excl factory)	324	340
Coldwater Creek	Coldwater Creek	348	356
Dick's Sporting Goods	Dick's Sporting Goods	384	420
Dressbarn	Dressbarn	834	846
	Maurices	697	741
Subtotal	20	6,429	6,673

Source: Company filings, earnings transcripts, investor presentations, company press releases. In some cases, stores were counted from the store locator on the companies' websites. This analysis is not meant to be comprehensive and is limited by its inability to get information for private or international based tenants (i.e. Forever 21, Luxottica, etc...) as well as many public companies.

⁽¹⁾ Where available, attempted to limit store count to U.S., mall-based locations; however, many store counts include international stores or non mall-based locations.

⁽²⁾ Beginning of Year 2009. Most store data is as of January 31, 2009.

⁽³⁾ Most store data is as of October 31, 2009 or November 2009.

Many Mall-Based Tenants Expanded in 2009 (Cont'd)

Company	Concept	Stores ⁽¹⁾	
		BOY ⁽²⁾	Current ⁽³⁾
Foot Locker	CCS	-	2
Gamestop	Gamestop U.S.	4,331	4,425
Genesco	Journeys	1,012	1,022
	Johnston & Murphy	157	162
GNC	GNC N.A. (excl franchise)	2,774	2,806
Guess	Guess N.A.	425	433
Gymboree	Gymboree U.S.	583	594
	Crazy 8	38	62
	Janie & Jack	115	120
H&M	H&M USA	169	175
hhgregg	hhgregg	108	128
J Crew	J Crew (excl outlets)	211	243
	Crewcuts	6	9
	Madewell	12	17
JC Penney	JC Penney	1,093	1,109
Liz Claiborne	Juicy Couture U.S. (excl outlets)	62	65
Lululemon Athletica	Luluemon	113	119
LVMH	Sephora	898	963
New York & Co	New York & Co	589	592
Nordstrom	Nordstrom full-line	109	112
Subtotal	20	12,805	13,158

Source: Company filings, earnings transcripts, investor presentations, company press releases. In some cases, stores were counted from the store locator on the companies' websites. This analysis is not meant to be comprehensive and is limited by its inability to get information for private or international based tenants (i.e. Forever 21, Luxottica, etc...) as well as many public companies.

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Many Mall-Based Tenants Expanded in 2009 (Cont'd)

Company	Concept	Stores ⁽¹⁾	
		BOY ⁽²⁾	Current ⁽³⁾
Payless	Stride Rite	355	360
Restoration Hardware	Restoration Hardware (excl outlets)	101	109
Rue21	Rue21	449	537
Stage Stores	Bealls, Palais Royal, Peebles, Goody's	739	751
Talbots	Talbots	587	589
The Buckle	The Buckle	387	405
The Gap	Banana Republic N.A.	573	582
The Limited	Victoria's Secret	1,043	1,046
	Henri Bendel	5	9
Tiffany & Co	Tiffany U.S.	76	78
Urban Outfitters	Urban Outfitters	142	151
	Anthropologie	121	133
	Free People	30	34
VF Corp	VF-operated retail stores	698	733
Wet Seal	Wet Seal	409	420
Williams-Sonoma	West Elm	36	40
	Williams-Sonoma Home	10	11
Zumiez	Zumiez	343	378
Subtotal	18	6,104	6,366
Total	58	25,338	26,197

Source: Company filings, earnings transcripts, investor presentations, company press releases. In some cases, stores were counted from the store locator on the companies' websites. This analysis is not meant to be comprehensive and is limited by its inability to get information for private or international based tenants (i.e. Forever 21, Luxottica, etc...) as well as many public companies.

(1) Where available, attempted to limit store count to U.S., mall-based locations; however, many store counts include international stores or non mall-based locations.

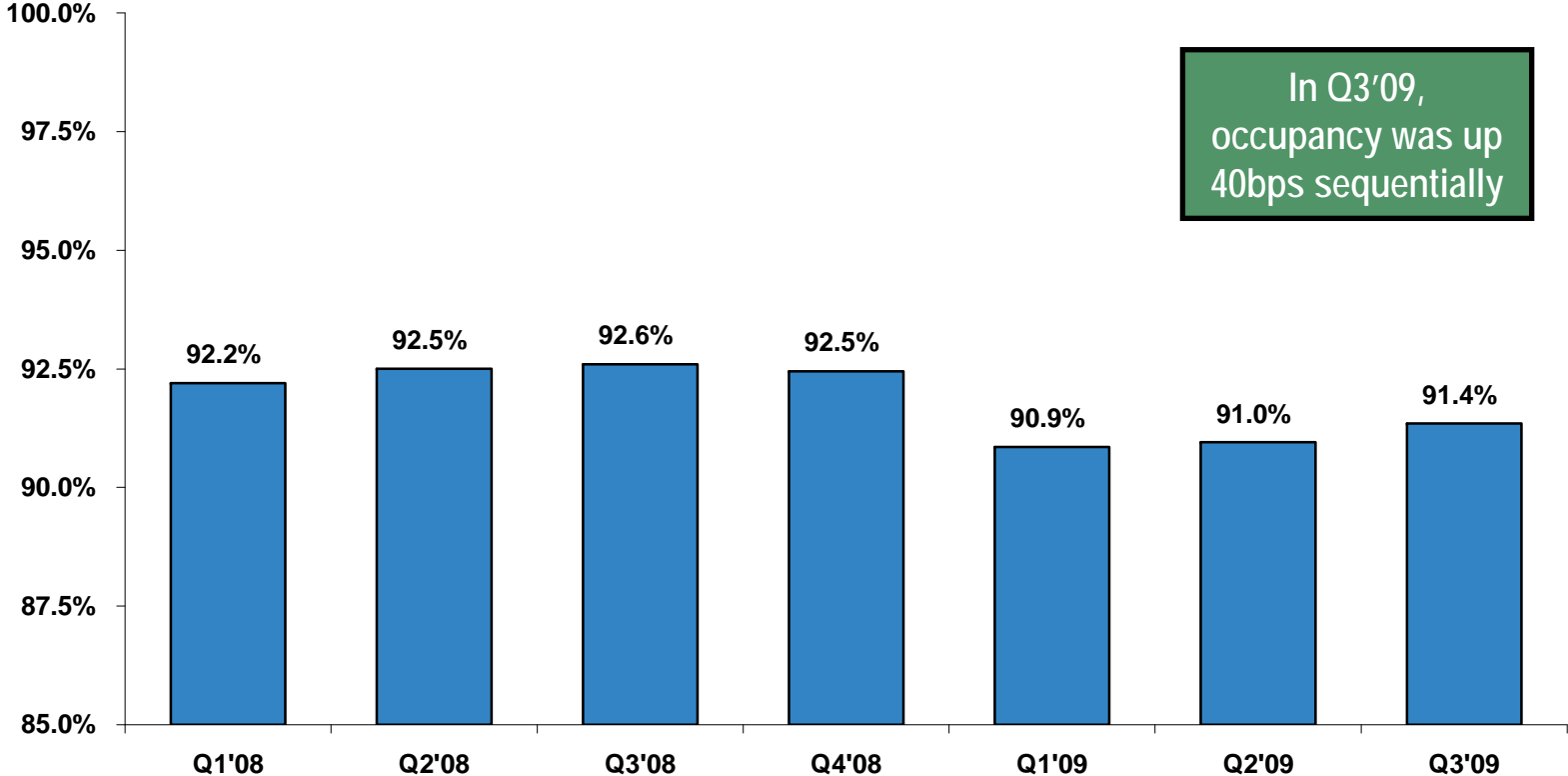
(2) Beginning of Year 2009. Most store data is as of January 31, 2009.

(3) Most store data is as of October 31, 2009 or November 2009.

Mall Occupancy is Stable

Occupancy is stable despite deterioration in lower-quality malls

Mall REIT Occupancy (GGP & Simon) ⁽¹⁾

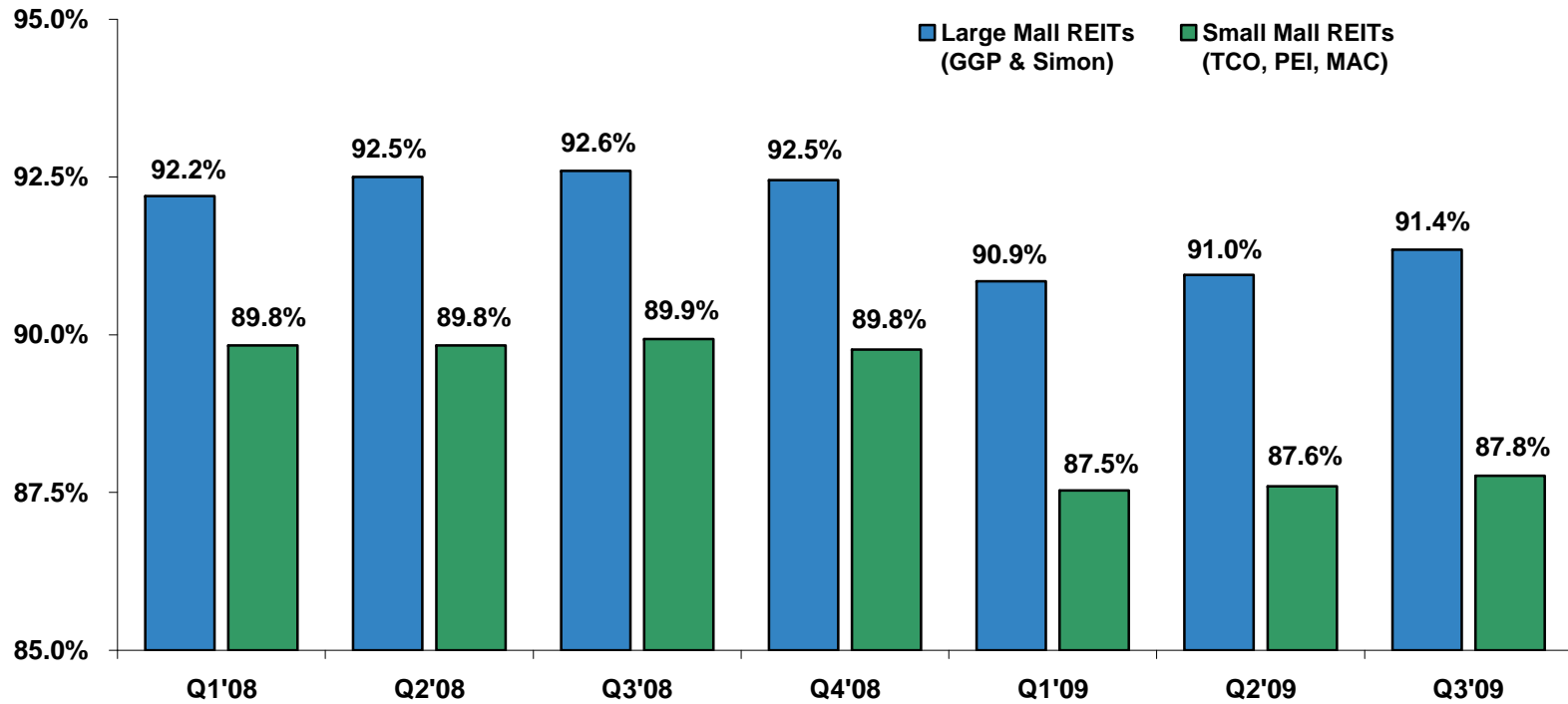


⁽¹⁾ Average of Simon and GGP. Simon data excludes regional Mills malls.

Survival of the Largest

Comparing the occupancy performance of Simon & GGP to that of smaller mall REITs shows the benefit of scale in leasing negotiations

Large Mall REIT Occupancy vs. Small Mall REIT Occupancy ⁽¹⁾



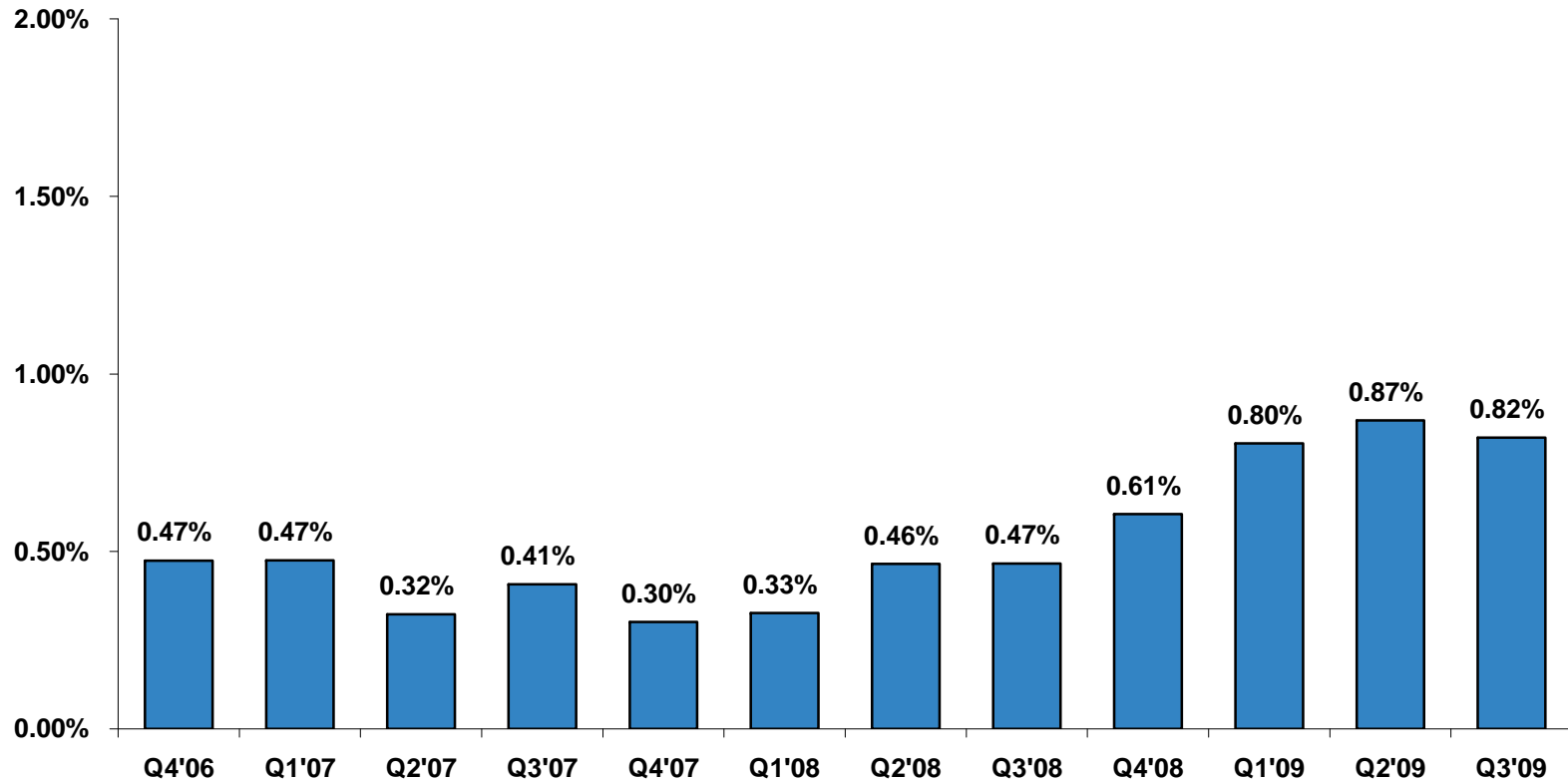
Difference	2.4%	2.7%	2.7%	2.7%	3.3%	3.4%	3.6%
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⁽¹⁾ Average regional mall occupancy. Excludes anchors. Glimcher is excluded from the analysis as its occupancy includes temporary tenants that are excluded from other mall REIT reported occupancy metrics.

Bad Debt Expense

Mall REIT provisions for doubtful accounts have not increased materially

TTM Provision for Doubtful Accounts as a % of TTM Revenue (GGP & Simon) ⁽¹⁾

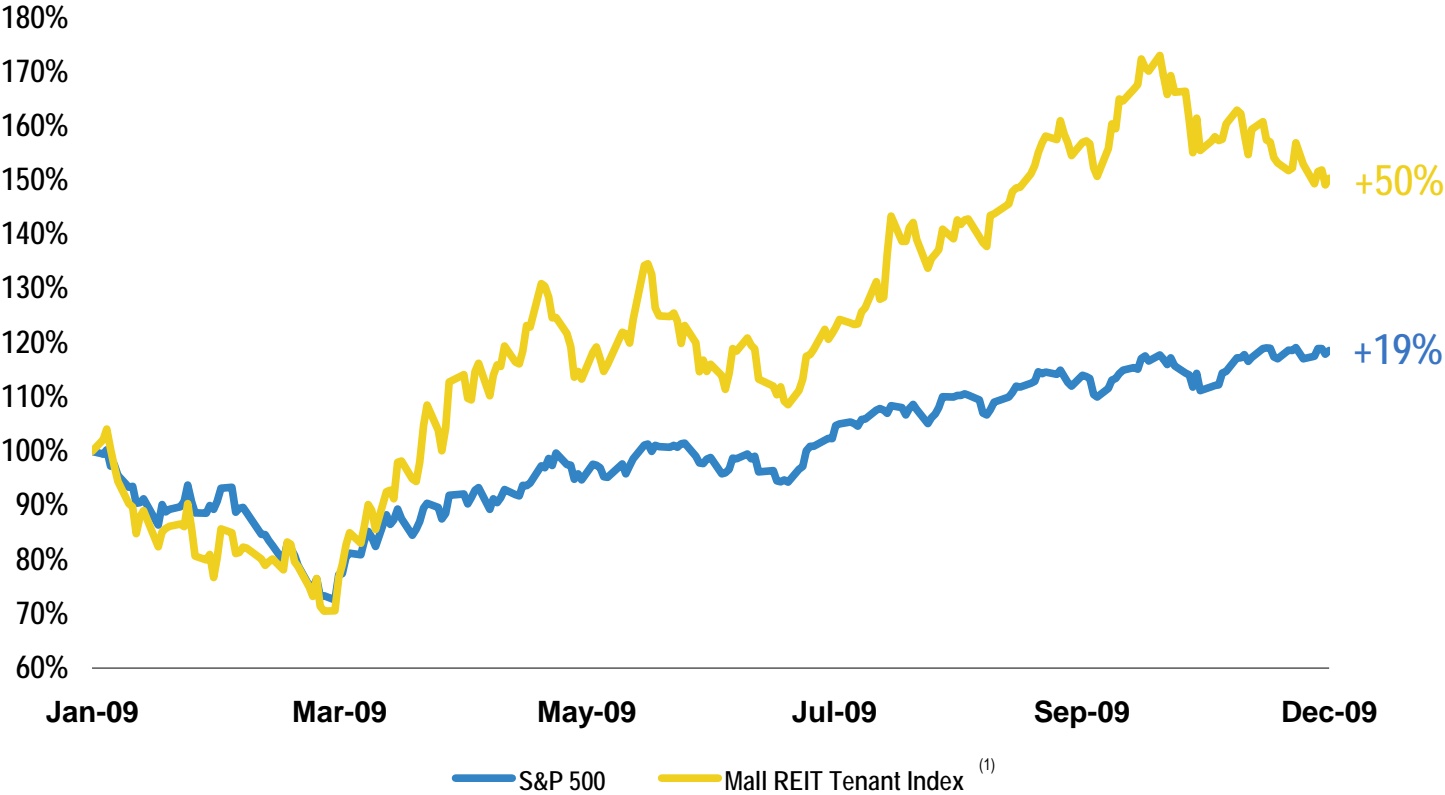


⁽¹⁾ Average of Simon and GGP. GGP data only includes revenue from the mall segment (i.e. excluding MPCs and GGMI).

Tenants Are Much Better Capitalized

Tenant Stock Price Performance

Mall REIT tenant stock prices have outperformed the S&P 500 by more than 30% year-to-date



Source: Capital IQ. Stock price data through December 4, 2009.

⁽¹⁾ Market cap weighted average index of GGP's publicly traded top 10 tenants (Gap, Limited, Abercrombie, Foot Locker, American Eagle, JC Penney, Macy's and Genesco).

Tenants have Delevered

(Top Ten & Selected Anchor Tenants)

On average, tenants have improved their net debt positions more than 30% since the same period last year

(\$ in millions)		Net (Debt) / Cash		
Tenants	Selected Concepts	Last Year	Current	Improvement
Top Ten Tenants ⁽¹⁾				
The Gap	Gap, Old Navy, Banana Republic	\$1,367	\$2,398	75%
Limited Brands	Victoria's Secret, Bath & Body Works	(2,520)	(1,912)	24%
Abercrombie & Fitch	Abercrombie, Hollister, Ruehl	158	472	198%
Foot Locker	Foot Locker, Champs Sports	272	300	10%
American Eagle	American Eagle, Aerie, M+O	269	466	73%
Express	Express	NA	NA	NA
JCPenney Company	JC Penney	(1,881)	(1,263)	33%
Forever 21	4 Love, Forever 21, Gadzooks	NA	NA	NA
Macy's	Macy's, Bloomingdale's	(9,534)	(8,221)	14%
Genesco	Journeys, Underground Station, Lids	(120)	(5)	95%
Subtotal		(\$11,989)	(\$7,765)	35%
Selected Anchor Tenants				
Bon-Ton Stores	Bon-Ton	(\$1,306)	(\$1,212)	7%
Dillard's	Dillard's	(1,393)	(900)	35%
Nordstrom	Nordstrom, Nordstrom Rack	(2,674)	(2,131)	20%
Saks Incorporated	Saks, Off Fifth	(629)	(512)	19%
Sears Holdings	Sears	(3,475)	(2,450)	29%
Subtotal		(\$9,477)	(\$7,205)	24%

Source: Capital IQ. Net debt data is most recent as of December 4, 2009.

⁽¹⁾ GGP's top ten tenants as disclosed in its quarterly operating supplement.

Tenants have Delevered (Cont'd)

(Selected In-line Tenants)

On average, tenants have improved their net debt positions more than 30% since the same period last year

(\$ in millions)		Net (Debt) / Cash		
Tenants	Selected Concepts	Last Year	Current	Improvement
<u>Selected In-line Tenants</u>				
Anntaylor	Anntaylor, Anntaylor Loft	\$73	\$136	87%
Aeropostale	Aeropostale, P.S. kids	107	286	166%
Bebe Stores	Bebe, Bebe Sport, 2b bebe	120	201	68%
Borders	Borders, Waldenbooks	(487)	(375)	23%
The Buckle	The Buckle	118	94	(21%)
Chico's Fas	Chico's, Soma, WH BM	256	423	65%
Claire's Stores	Claire's, Icing	(2,382)	(2,364)	1%
The Children's Place	The Children's Place	101	102	1%
Coach	Coach	407	970	138%
Hot Topic	Hot Topic, Torrid	60	91	52%
Liz Claiborne	Juicy Couture, Kate Spade, Lucky Brand	(924)	(803)	13%
Pacific Sunwear Stores	D.E.M.O., Pacsun	(38)	16	141%
RadioShack	Radioshack	63	169	170%
Tiffany & Co.	Tiffany & Co.	(661)	(378)	43%
Wet Seal	Wet Seal, Arden B	125	141	13%
Zales Corporation	Zales, Piercing Pagoda	(329)	(442)	(34%)
Zumiez	Zumiez	62	82	33%
Subtotal		(\$3,329)	(\$1,652)	50%
Total		(\$24,795)	(\$16,622)	33%

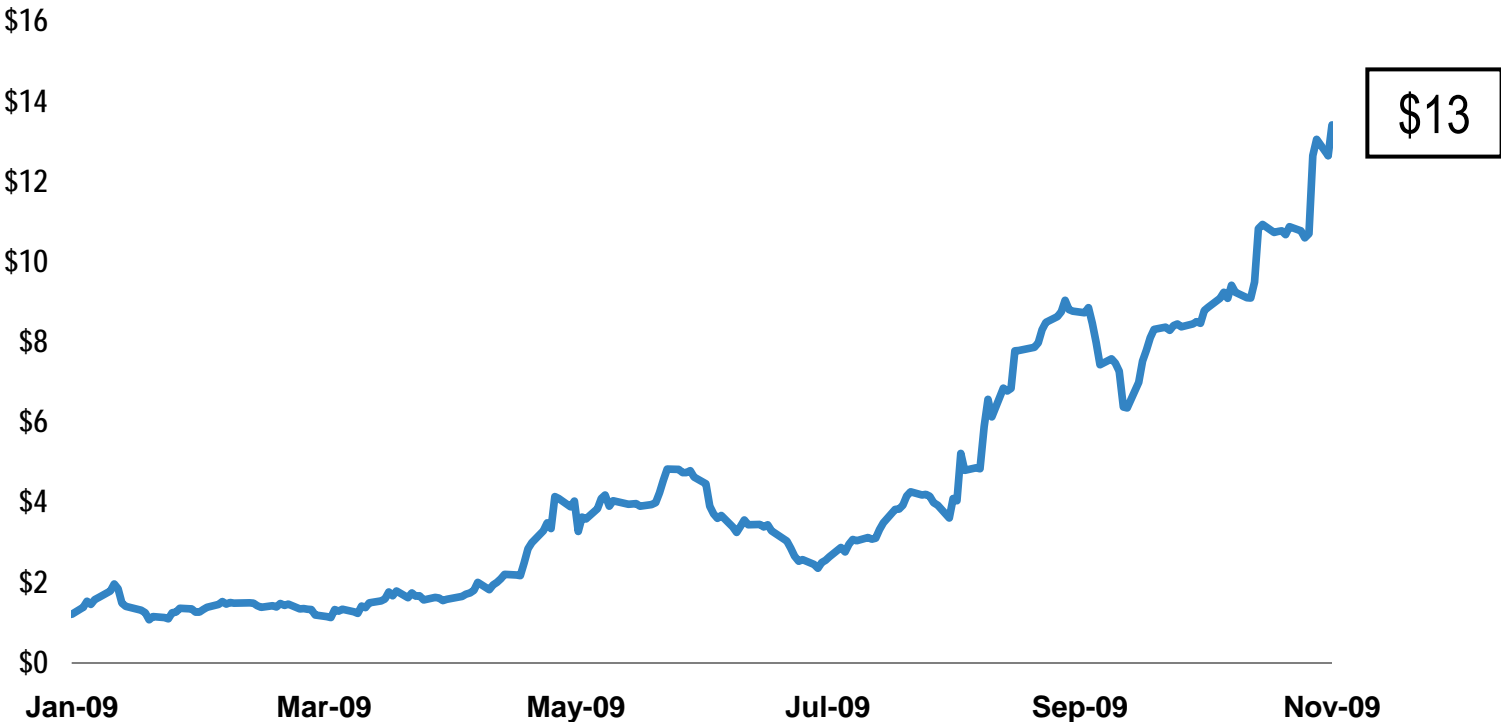
Source: Capital IQ. Net debt data is most recent as of December 4, 2009.

(1) GGP's top ten tenants as disclosed in its quarterly operating supplement.

Case Study: Bon-Ton

At the beginning of 2009, Bon-Ton was perceived to be on the verge of bankruptcy. Today, it's stock has increased more than 10 times. In November, it secured a 3.5 year extension on its \$750mm credit facility

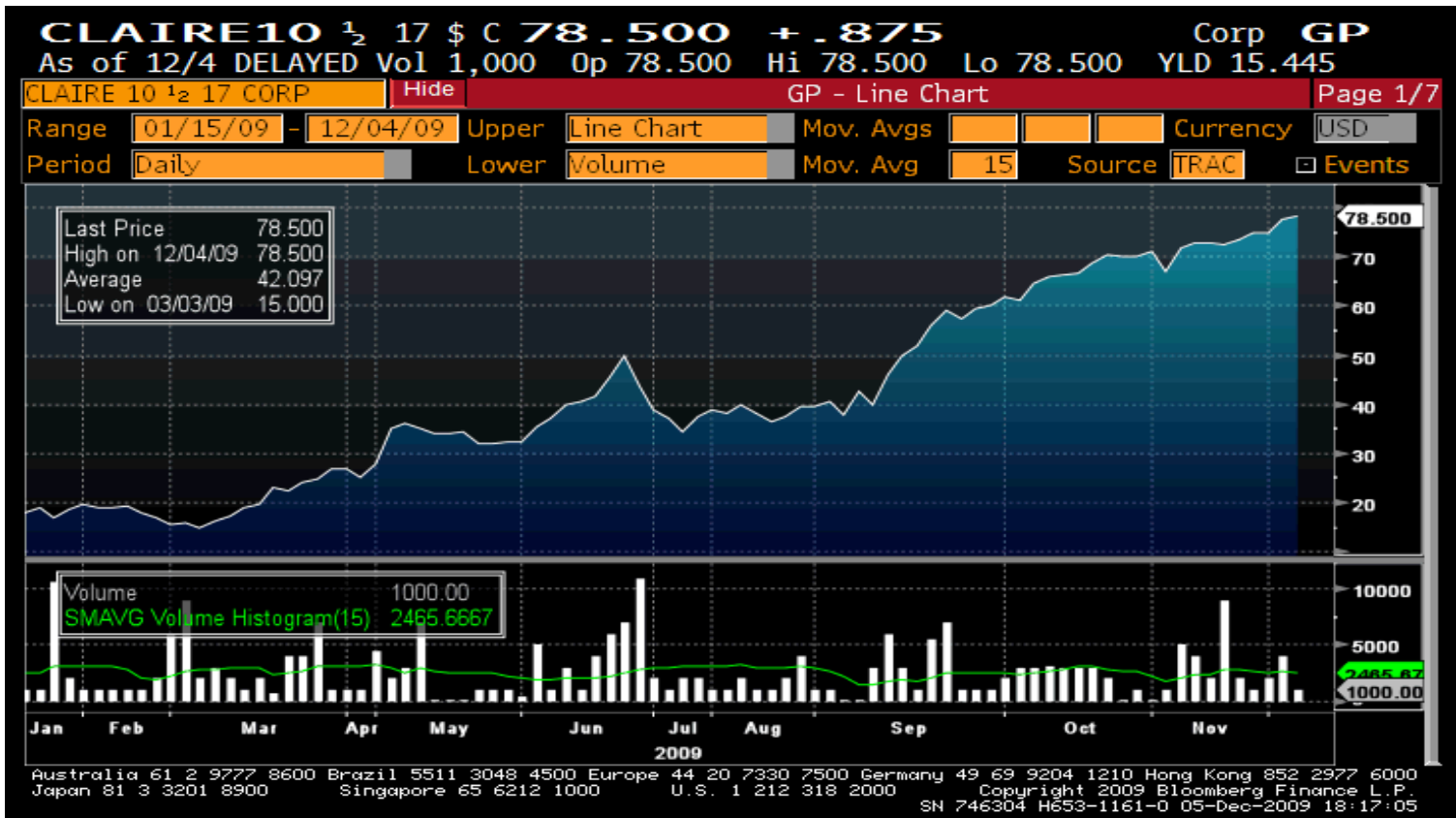
Bon-Ton Stock Price Performance (YTD)



Source: Capital IQ (as of 12/4/09).

Case Study: Claire's

Like Bon-Ton, many feared Claire's would seek bankruptcy protection. Year-to-date, its debt has traded up more than 4 times



Source: Bloomberg.

Case Study: Zales

Zales' net debt increased YoY primarily as the result of accelerating its payment of vendor merchandise receipts into Fiscal Q1. Going forward, its liquidity should benefit from the recently passed Business Assistance Act of 2009, which extends the period for which companies can carry-back NOLs

"The recently-enacted Business Assistance Act of 2009, which extended the carry-back period for net operating losses from two to five years, is expected to provide a significant cash refund and tax benefit to us in fiscal 2010."

– Matt Appel, CFO of Zales Corp., November 24, 2009

We expect many other retailers will benefit from the Business Assistance Act

Rent Relief Has Been Minimal

Rent Relief Less of an Issue than Originally Anticipated

Simon expects to lose less than 2bps of total revenue as the result of rent relief concessions in 2009

"Our 2009 rent relief total will be under \$10 million, as in the \$7 million to \$8 million range. But as I think we said on the call last quarter, we hadn't seen much of it year-to-date. So it's a little back-end weighted, and as you look at the impact of average base rent it could have a nominal impact. But it's a small number in the context of the size of our income statements."

– Steve Sterrett, CFO of Simon Property Group, October 30, 2009

Tenant Sales are Down, but Inventories are Down Even More While Retailer Cash Flows Have Improved Materially

A New Paradigm: Sales vs. Cash Flow

Old Paradigm: Focus on Sales

- ▶ From 2003 to 2007, retailers achieved high sales with bloated cost structures. Driven by Wall Street's insatiable demand for same-store sales growth, retailers overspent to achieve high rates of same-store sales growth
- ▶ Even though mall REITs derive a small percentage of NOI from overage rent, retail real estate investors and landlords have focused disproportionately on tenant sales

New Paradigm: Focus on Cash Flow

- ▶ In 2009, retailers have used the economic crisis to re-shape their cost structures and improve inventory management to generate more cash flow at meaningfully lower sales levels

▶ Retailer focus has shifted from growing sales to improving profit margins and increasing cash flow

▶ As same-store sales again begin to increase, retailer profitability should accelerate

It's Hard to Increase Sales when there is Less on the Shelves (Top Ten & Selected Anchor Tenants)

Comparing November same-store sales to October inventory levels partially explains why tenant sales were down in November

(\$ in millions) Tenants	Inventory			Memo: Nov SSS
	Last Year	Current	Decrease	
Top Ten Tenants ⁽¹⁾				
The Gap	\$2,224	\$1,999	(10%)	0%
Limited Brands	1,648	1,426	(13%)	3%
Abercrombie & Fitch	505	347	(31%)	(17%)
Foot Locker	1,262	1,228	(3%)	NA
American Eagle	422	425	1%	(2%)
Express	NA	NA	NA	NA
JCPenney Company	4,471	4,018	(10%)	(6%)
Forever 21	NA	NA	NA	NA
Macy's	7,161	6,622	(8%)	(6%)
Genesco	380	360	(5%)	NA
Subtotal / Wtd Avg	\$18,072	\$16,425	(9%)	(5%)
Selected Anchor Tenants				
Bon-Ton Stores	\$979	\$901	(8%)	(6%)
Dillard's	2,243	1,752	(22%)	(11%)
Nordstrom	1,278	1,193	(7%)	2%
Saks Incorporated	1,016	799	(21%)	(26%)
Sears Holdings	11,364	10,805	(5%)	NA
Subtotal / Wtd Avg	\$49,152	\$44,876	(9%)	(9%)

Inventories have declined more than same-store sales

Source: Capital IQ. inventory data is most recent as of December 4, 2009.

⁽¹⁾ GGP's top ten tenants as disclosed in its quarterly operating supplement.

It's Hard to Increase Sales when there is Less on the Shelves (Selected In-line Tenants)

Comparing November same-store sales to October inventory levels partially explains why tenant sales were down in November

Tenants	Inventory			Memo: Nov SSS
	Last Year	Current	Decrease	
Selected In-line Tenants				
Anntaylor	\$275	\$211	(23%)	NA
Aeropostale	207	222	7%	7%
Bebe Stores	49	37	(26%)	NA
Borders	1,257	1,157	(8%)	NA
The Buckle	118	118	0%	1%
Chico's Fas	187	160	(15%)	NA
Claire's Stores	149	139	(7%)	NA
The Children's Place	233	251	8%	(13%)
Coach	402	338	(16%)	NA
Hot Topic	95	91	(3%)	(10%)
Liz Claiborne	549	410	(25%)	NA
Pacific Sunwear Stores	234	168	(28%)	NA
RadioShack	681	737	8%	NA
Tiffany & Co.	1,639	1,542	(6%)	NA
Wet Seal	41	40	(3%)	(5%)
Zales Corporation	985	902	(8%)	NA
Zumiez	82	76	(7%)	(9%)
Subtotal / Wtd Avg	\$7,181	\$6,599	(8%)	(4%)
Total	\$74,406	\$67,900	(9%)	(6%)

Inventories have declined more than same-store sales

Source: Capital IQ. inventory data is most recent as of December 4, 2009.

⁽¹⁾ GGP's top ten tenants as disclosed in its quarterly operating supplement.

Lower Inventory = Higher Cash Flow

(Top Ten & Selected Anchor Tenants)

Tenant cash flows have gone from materially negative to materially positive. This is all the more impressive given that Q3 is usually cash flow negative for retailers as they prepare for the holidays

Tenants	Cash Flow from Operations			Inventory Decrease
	Q3'08	Q3'09	Improvement	
Top Ten Tenants ⁽¹⁾				
The Gap	\$272	\$432	59%	(10%)
Limited Brands	(244)	(114)	53%	(13%)
Abercrombie & Fitch	NA	NA	NA	(31%)
Foot Locker	NA	NA	NA	(3%)
American Eagle	76	65	(15%)	1%
Express	NA	NA	NA	NA
JCPenney Company	(189)	(30)	84%	(10%)
Forever 21	NA	NA	NA	NA
Macy's	(275)	(52)	81%	(8%)
Genesco	NA	NA	NA	(5%)
Subtotal	(\$361)	\$301	183%	(9%)
Selected Anchor Tenants				
Bon-Ton Stores	NA	NA	NA	(8%)
Dillard's	(69)	78	214%	(22%)
Nordstrom	83	104	25%	(7%)
Saks Incorporated	NA	NA	NA	(21%)
Sears Holdings	(962)	(35)	96%	(5%)
Subtotal	(\$1,697)	\$430	125%	(9%)

Inventory declines, coupled with cost reduction measures, has resulted in materially higher tenant cash flows

Source: Capital IQ. Most Q3 periods ended in October.

⁽¹⁾ GGP's top ten tenants as disclosed in its quarterly operating supplement.

Lower Inventory = Higher Cash Flow (Cont'd)

(Selected In-line Tenants)

Tenant cash flows have gone from materially negative to materially positive. This is all the more impressive given that Q3 is usually cash flow negative for retailers as they prepare for the holidays

Tenants	Cash Flow from Operations			Inventory
	Q3'08	Q3'09	Improvement	Decrease
Selected In-line Tenants				
Anntaylor	(\$1)	\$8	715%	(23%)
Aeropostale	NA	NA	NA	7%
Bebe Stores	15	(10)	(168%)	(26%)
Borders	NM	NM	NM	(8%)
The Buckle	NA	NA	NA	0%
Chico's Fas	1	56	3893%	(15%)
Claire's Stores	NA	NA	NA	(7%)
The Children's Place	61	79	29%	8%
Coach	77	241	214%	(16%)
Hot Topic	14	17	22%	(3%)
Liz Claiborne	(121)	(101)	17%	(25%)
Pacific Sunwear Stores	(7)	(7)	(5%)	(28%)
RadioShack	54	(20)	(137%)	8%
Tiffany & Co.	1	99	8909%	(6%)
Wet Seal	10	7	(36%)	(3%)
Zales Corporation	NA	NA	NA	(8%)
Zumiez	NA	NA	NA	(7%)
Subtotal	\$104	\$369	253%	(8%)
Total	(\$1,953)	\$1,100	156%	(9%)

Inventory declines, coupled with cost reduction measures, has resulted in materially higher tenant cash flows

Source: Capital IQ. Most Q3 periods ended in October.

⁽¹⁾ GGP's top ten tenants as disclosed in its quarterly operating supplement.

Which is better for the landlord,
tenant sales growth or tenant
cash flow growth?

Simon Property Group's Point of View

"The retailers that we are dealing with are certainly focused on sales, but they are far more focused today on profitability and cash flow, which leads to capital allocation for new stores or remodeled stores upon renewal. What we faced in 2009 was, most retailers saying we are preserving our cash because we are unsure about our line [of credit]. And we are insecure about our ability to finance. Now that they have better cash margins and better cash on deposit, we are now hearing that they are allocating money for new open-to-buys. And I think David gave you a list in his comments of those stores that are looking at that. So I think it is going to be less correlated with sales and more correlated with profitability and cash flow generation."

– Rick Sokolov, COO of Simon Property Group, October 30, 2009

Macerich's Point of View

On the sales side, I want to talk about sales and talk about our leasing activity and our leasing spread. As you know in the fourth quarter of last year, sales were off in general around 15% give or take, for most of the major mall owners including ourselves. That was a disastrous comp sales decrease from a retailer's viewpoint. Because it was totally unexpected from the retailer's viewpoint. As a result of that, it put the retailers into a freeze mode, not only into a freeze mode, they even got into a cutback mode, because it was totally unexpected. Over the course of this year, the retailers made major changes in their cost structure, major changes in their inventory levels and major changes in their business plan. Made plans for their businesses to be down roughly 10 to 15%.

In February this year, we told you that we anticipated that for the first three quarters of this year, that we anticipated double digit sales declines, and at the time, frankly, that was not a very thrilling prospect. In fact, we've had double digit sales declines, off 12% in the first quarter, 11% in the second quarter, 9% in the third. But we're seeing a moderation in the decreases, but more importantly, and I said this on the last call, is that you have to be careful about the comp sales, because this year the difference between the first three quarters of this year and the fourth quarter of last year is that our retailers planned to have their sales be off at this level. This was their business plan. They are meeting their business plan.

They are maintaining their margins. So being off 10% when you plan to be off 10% and you keep your margin is a significantly different situation than being off 15% when it wasn't your plan and your margins were decimated. As a consequence of that, it's put our retailers into a mood where they're willing to talk about new leasing and we're able to look at beginning to have some pickup in store growth. The moods of the retailers, and you've heard this on the other conference calls with our peers, is improving dramatically. They went from being in a freeze mode in the fourth quarter of last year, to things began to fall out in the second quarter of this year around ICSC. Now we're really having positive conversations with our retailers about how they can grow their business and how we can grow our business together.

– Art Coppola, Chairman & CEO of Macerich, November 5, 2009

Summary

At the Beginning of 2009, The World was a Very Different Place for Mall REITs

- ▶ The U.S. economy was on the verge of a depression
- ▶ The U.S. consumer had hit the wall
- ▶ Credit markets were closed
- ▶ Mall REIT balance sheets were dangerously leveraged
- ▶ Cap rates increased and transactions stopped as bid-ask spreads widened
- ▶ Bankruptcy risk and tenant “right-sizing” initiatives were expected to result in massive store closures
- ▶ Rent relief was a serious concern
- ▶ Tenant sales were expected to fall off a cliff



*Since
Then...*

The World has Improved Dramatically

- ✓ The U.S. economy has recovered
- ✓ The U.S. consumer is beginning to bounce back
- ✓ The credit markets have improved
- ✓ Mall REIT balance sheets have strengthened
- ✓ Cap rates have declined substantially
- ✓ Store closure fears were overblown
- ✓ Tenants are much better capitalized
- ✓ Rent relief has been minimal
- ✓ Tenant sales are down, but inventories are down even more while retailer cash flows have improved materially

Why We Are Optimistic About the Next Five Years

We Performed a Bottoms Up Analysis to Inform Our Outlook for Mall REITs

Using public information we analyzed:

- ▶ Store expansion plans for 2010 and beyond
- ▶ New concepts either currently being rolled out or upcoming
- ▶ Revenue forecasts
- ▶ Profit forecasts

Source of data for our analysis:

- ▶ Evaluated tenant websites, public filings, earnings transcripts, investor presentations and press releases; mall REIT earnings transcripts; industry trade publications and news articles to develop a sense of tenant expansions and new concepts on tap for 2010 and beyond
- ▶ Gathered consensus equity research estimates for tenant revenue and EBITDA projections through 2010 and 2011

Expansions / New Concepts

Though there will continue to be store closures in 2010, there will be store openings as well. More than half the companies we reviewed were either planning to add new stores or roll out new concepts

Aeropostale Rolling out 25-30 PS Kids new concept in '10 25 Aeropostale stores in 2010	A'gaci Growing store counts (per Simon)	American Eagle Plans to expand 77kids pop-up concept to a permanent brick & mortar store in 2010
Apple 20-25 domestic stores in 2010	Bebe 6 new stores in 2010 Expanding 2b bebe & PH8 concepts	Bed Bath & Beyond Expects to continue to add buybuy Baby locations
Best Buy Sees Best Buy Mobile as a growth vehicle going forward	The Buckle Continues to expand and has added 18 stores YTD	Build-A-Bear Sees potential for 350 stores in N.A.
California Pizza Kitchen Growing store counts (per Simon)	Charlotte Russe On track to open 20 stores in F2009 Already signed 11 leases for 2010	Cheesecake Factory Testing Grand Lux and Rock Pan Asian Kitchen concepts
Chico's 40 new stores in 2010 Expanding Soma concept	The Children's Place Rolling out new Tech II store format	CJ Banks Will opportunistically pursue store expansions in 2010, incl jewelry concept
Coach 20 new stores in N.A. in 2010	Coldwater Creek Sees opportunity to grow store base when margins improve	Cotton On Australian retailer looking to expand store base from 600 to the 1,000s

Note: This list is not meant to be comprehensive. It is based off publicly disclosed expansion / new concept plans. Some of these tenants are also considering selectively closing stores as well.

Expansions / New Concepts (Cont'd)

Dave & Buster's Growing store counts (per Simon)	Destination Maternity 12 to 17 stores in 2010 Opening new multi-brand store concept	Dick's Sporting Goods Sees potential for 800 stores nationwide (~420 in Oct-09)
Dressbarn 15 Dressbarn stores in 2010 35 Maurices in 2010	Five Below Aggressive growth plan -- 100+ stores in the next 3 years	Footlocker Plans to build out its CCS new concept in 2010
Forever 21 Rapid expansion in 2009 Rolling out Faith21 line	Gamestop 300 US stores in 2010	Genesco 60 to 70 stores in 2010, incl recently acquired Sports Fanatic concept
GNC Testing new prototype store Plans to open more domestic stores in 2010 than 2009 (>30)	Guess 60 accessory stores in 2010 (new concept)	Gymboree Goal of opening a minimum of 50 Crazy 8 stores next year
H&M Flagged US as market where it plans to grow the most in 2010	hhgregg At least 45 new stores in 2010	J Crew Considering rollout of Madewell concept
Jones Apparel Group Rolling out 6 Shoe Woo test stores by end of F2009	Jos A Bank Accelerating expansion plan to open 30 to 40 stores in 2010	Limited Expanding Henri Bendel in US

Note: This list is not meant to be comprehensive. It is based off publicly disclosed expansion / new concept plans. Some of these tenants are also considering selectively closing stores as well.

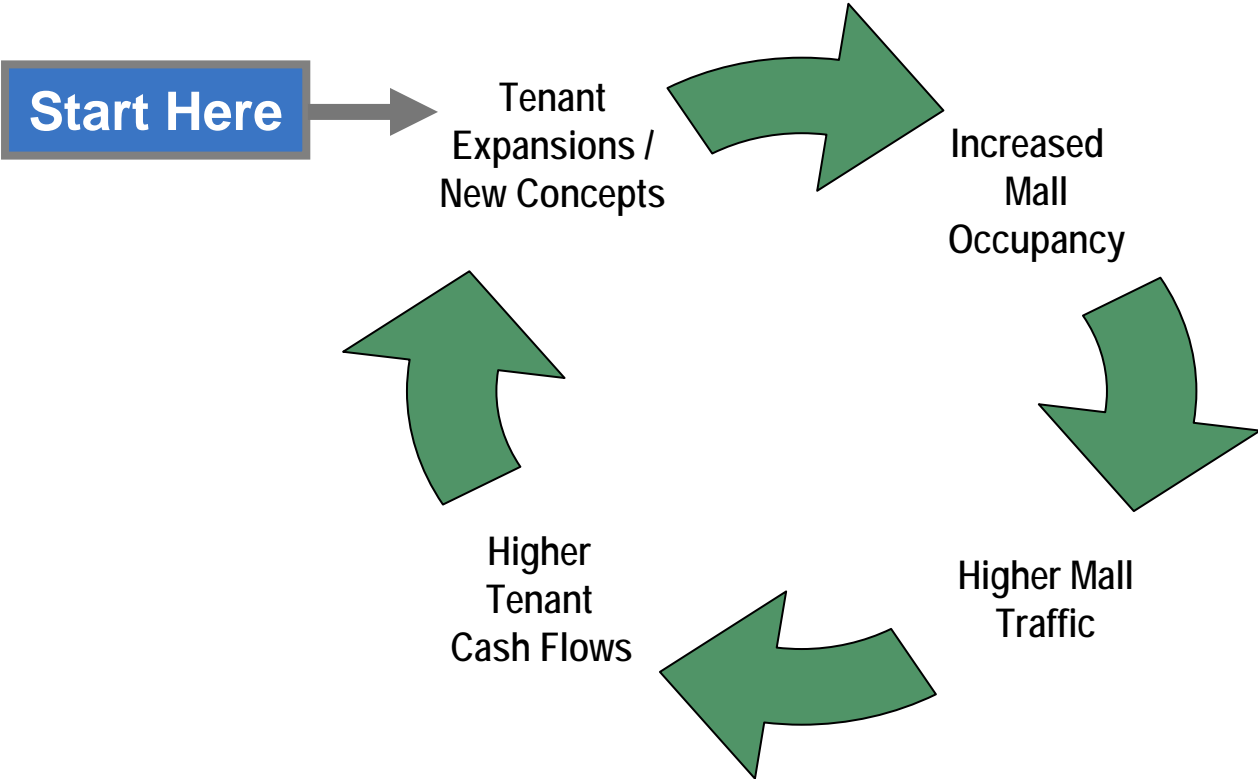
Expansions / New Concepts (Cont'd)

Liz Claiborne Rolling out LCNY new concept	Lululemon Sees potential for over 300 stores in N.A. (119 in Oct-09)	Mattel Expects to open more American Girl stores stores over time
Michael Kors Growing store counts (per Simon)	Microsoft Rolling out retail store to compete with Apple (new concept)	Nordstrom 3 full-line stores in 2010 15 Rack stores in 2010
Pandora Jewelry Has expanded to 10 US stores since opening first store in NC in 2007	Payless Growing Sperry TopSider stores (per Simon) Looking to expand Stride Rite in 2010	Red Robin Growing store counts (per Simon)
Restoration Hardware Rolling out Baby & Child concept	Rue21 Sees opportunity to grow store base from 527 to >1,000 in 5 yrs Rolling out Rue21! larger box concept	Saks (Off Fifth) Growing store counts (per Simon)
Sephora Pursuing expansions in US, France and China	Stage Stores Increase from ~750 to 1,000 stores by 2014	Target Looking to grow store base, but they are constrained by new shopping center dvlpmt Looking to move into existing malls
Tiffany Objective to open 14 stores (net) in F2009 Experimenting w/ new, smaller concept	TJ Maxx Growing store counts (per Simon)	Urban Outfitters 50 new stores next year
VF Corp Selectively opening stores Expects to open 80 stores in F2009	Wet Seal Sees opportunity to nearly double its US store base (~400 stores)	Williams Sonoma Rolling out PBteen concept

Note: This list is not meant to be comprehensive. It is based off publicly disclosed expansion / new concept plans. Some of these tenants are also considering selectively closing stores as well.

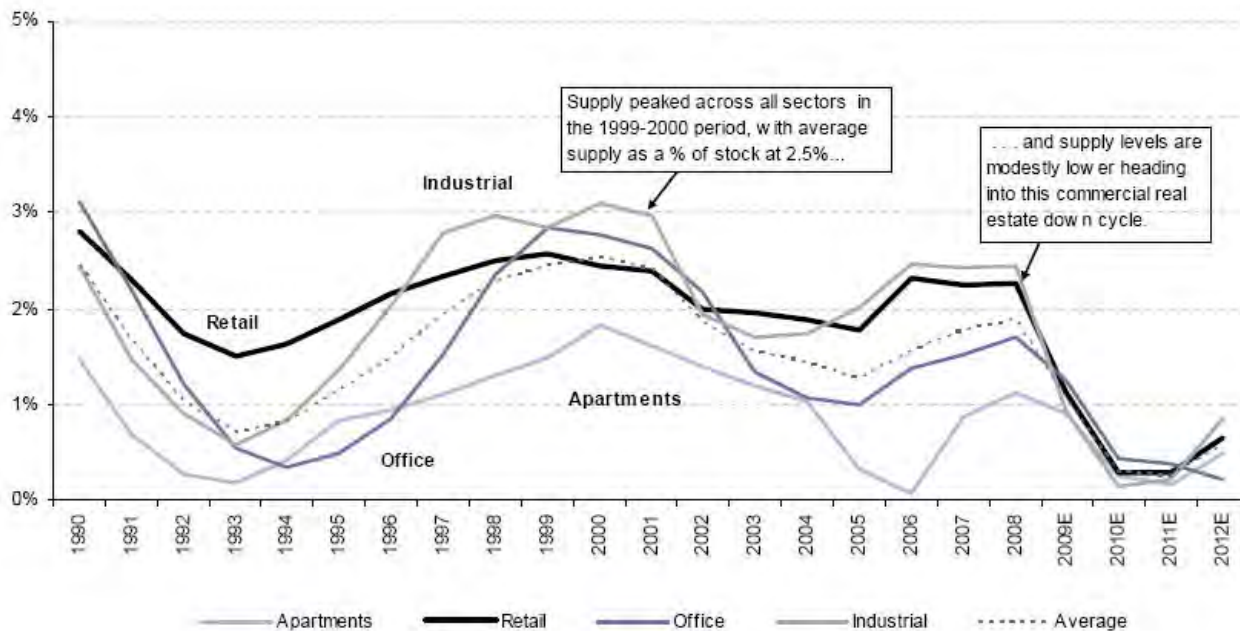
Store Expansions / New Concepts Create a Virtuous Cycle for Mall REITs and their Tenants

The current environment has set the stage for tenants with value-focused concepts, which are performing well in today's market, to expand and replace underperforming tenants. This mall "refresh" creates a virtuous cycle



Supply Constraints Enhance Virtuous Cycle

Exhibit 12: Supply levels have been lower heading into this downturn
Supply as % of stock as of 3Q 2009



“And frankly, when you look at the capital situation today, the construction in the retail sector is at a 20-year low. We certainly anticipate it will remain there, and the lack of new supply can only hopefully help the demand side for the existing product.”

– Rick Sokolov, COO of Simon Property Group, December 4, 2009

Low Store Build-out Costs Enhance Virtuous Cycle

"A lot of contractors out there, you have a lot of architect firms, you have a lot of vendors that are doing fixtures, a lot of them are very aggressive right now and doing deals. So if you're going to grow and open up stores, there's an opportunity to really drive down your build-out costs there ."

– John Smith, SVP of Development, Collective Brands, October 6, 2009

Positive Tenant Sales Momentum

Though tenant sales are down year-to-date, sales momentum is starting to build

Nordstrom Q3'09 Earnings Call

- ▶ “We experienced an improving sales trend in each month of the quarter and generated increases in year-over-year transactions in the months of September and October”

Macy's Q3'09 Earnings Release

- ▶ “Given the difficult economic climate, we had an excellent quarter. Our business improved progressively each month during the period and we are entering the holiday season confident in our locally focused organizational structure and the high caliber of our talent”

Bon-Ton Q3'09 Earnings Call

- ▶ “Our comparable store sales turned positive in the month of October with a 3.1% increase as compared with last year, a good month following improvements in sales trends in August and September”

Wall Street Anticipates Tenant Revenue Growth

Positive sales momentum has culminated in rising consensus revenue estimates for mall-based retailers. Wall Street is now forecasting 2.6% and 3.5% revenue growth in 2010 and 2011, respectively

(\$ in millions)		Weight Factor ⁽²⁾	Consensus Revenue Estimates (CY)				Consensus Revenue Growth		
Tenants	Selected Concepts		2008a	2009e	2010e	2011e	2009e	2010e	2011e
Top Ten Tenants ⁽¹⁾									
The Gap	Gap, Old Navy, Banana Republic	2.9%	\$14,526	\$14,149	\$14,324	\$14,672	(2.6%)	1.2%	2.4%
Limited Brands	Victoria's Secret, Bath & Body Works	2.6%	9,043	8,528	8,612	8,799	(5.7%)	1.0%	2.2%
Abercrombie & Fitch	Abercrombie, Hollister, Ruehl	2.3%	3,450	3,002	3,235	3,533	(13.0%)	7.8%	9.2%
Foot Locker, Inc.	Foot Locker, Champs Sports, Footaction	2.3%	5,237	4,796	4,803	4,842	(8.4%)	0.1%	0.8%
American Eagle	American Eagle, Aerie, M+O	1.5%	2,989	2,956	3,093	3,238	(1.1%)	4.7%	4.7%
Express	Express	1.3%	NA	NA	NA	NA	NA	NA	NA
JCPenney Company	JC Penney	1.3%	18,846	17,583	17,760	18,115	(6.7%)	1.0%	2.0%
Forever 21	4 Love, Forever 21, Gadzooks	1.2%	NA	NA	NA	NA	NA	NA	NA
Macy's	Macy's, Bloomingdale's, Lord & Taylor	1.1%	24,892	23,448	23,838	23,908	(5.8%)	1.7%	0.3%
Genesco	Journeys, Underground Station, Lids	1.1%	1,552	1,563	1,621	1,726	0.7%	3.7%	6.5%
Total / Wtd Avg		17.6%	\$80,534	\$76,024	\$77,286	\$78,834	(5.8%)	2.6%	3.5%

Source: Capital IQ consensus estimates as of December 5, 2009.

⁽¹⁾ Based on GGP's top ten tenants as disclosed in its quarterly operating supplement. An analysis of other publicly traded mall-based retailers results in similar growth expectations.

⁽²⁾ Consensus revenue growth weighted average is weighted by each tenant as a % of GGP's revenue (as disclosed in GGP's quarterly operating supplement).

Wall Street Anticipates Tenant Margin Expansion

Cost cutting and inventory management initiatives will help tenant margins expand despite lower 2009 sales

(\$ in millions)		Weight Factor ⁽²⁾	Consensus EBITDA Estimates (CY)				Consensus EBITDA Margin				Comments '10e Margin > '08a?
Tenants	Selected Concepts		2008a	2009e	2010e	2011e	2008a	2009e	2010e	2011e	
Top Ten Tenants ⁽¹⁾											
The Gap	Gap, Old Navy, Banana Republic	2.9%	\$2,116	\$2,280	\$2,399	\$2,382	14.6%	16.1%	16.8%	16.2%	Yes
Limited Brands	Victoria's Secret, Bath & Body Works	2.6%	1,061	1,099	1,182	1,279	11.7%	12.9%	13.7%	14.5%	Yes
Abercrombie & Fitch	Abercrombie, Hollister, Ruehl	2.3%	695	349	477	594	20.2%	11.6%	14.7%	16.8%	No
Foot Locker, Inc.	Foot Locker, Champs Sports, Footaction	2.3%	286	252	269	311	5.5%	5.3%	5.6%	6.4%	Yes
American Eagle	American Eagle, Aerie, M+O	1.5%	440	392	486	551	14.7%	13.3%	15.7%	17.0%	Yes
Express	Express	1.3%	NA	NA	NA	NA	NA	NA	NA	NA	NA
JCPenney Company	JC Penney	1.3%	1,604	1,156	1,355	1,494	8.5%	6.6%	7.6%	8.2%	No
Forever 21	4 Love, Forever 21, Gadzooks	1.2%	NA	NA	NA	NA	NA	NA	NA	NA	NA
Macy's	Macy's, Bloomingdale's, Lord & Taylor	1.1%	2,680	2,481	2,722	2,851	10.8%	10.6%	11.4%	11.9%	Yes
Genesco	Journeys, Underground Station, Lids	1.1%	113	123	135	145	7.3%	7.9%	8.3%	8.4%	Yes
Total / Wtd Avg		17.6%	\$8,995	\$8,132	\$9,026	\$9,608	12.2%	11.1%	12.4%	13.0%	Yes

Source: Capital IQ consensus estimates as of December 5, 2009.

⁽¹⁾ Based on GGP's top ten tenants as disclosed in its quarterly operating supplement. An analysis of other publicly traded mall-based retailers results in similar margin expectations.

⁽²⁾ Consensus EBITDA margin weighted average is weighted by each tenant as a % of GGP's revenue (as disclosed in GGP's quarterly operating supplement).

2009e Holiday Same-Store Comps

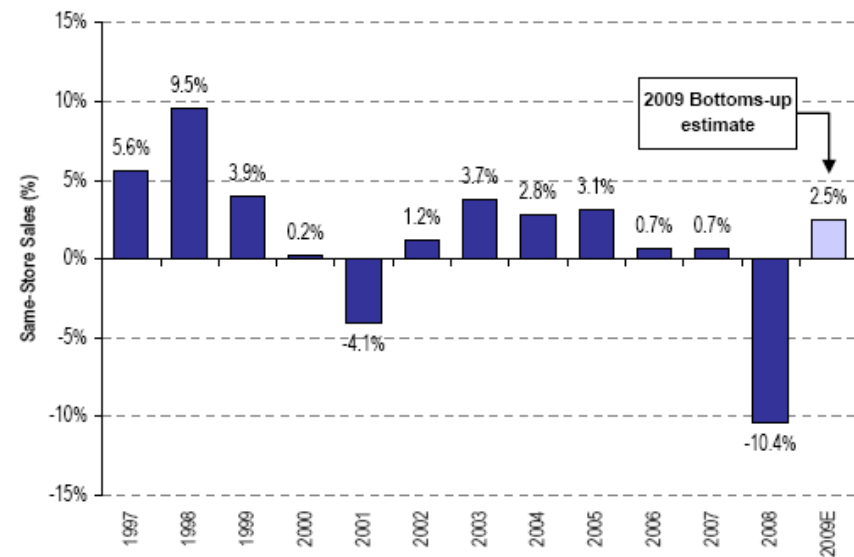
Citigroup performed a bottoms-up analysis to project 2009e holiday same-store sales of positive 2.5 percent

Holiday 2009 Snapshot 29 October 2009

Our Bottoms-Up Analysis Drives Our ~+2.5% Holiday Same-Store Sales Forecast

Bottoms-Up Approach Forecasts ~2.5% Increase. Using a bottoms-up approach (a sales-weighted average of our current estimates for each company), we currently project Holiday (November/December) comparable-store sales for our coverage universe of Softlines retailers will increase approximately 2.5% vs. last year's -10.4% decline. We currently project ARO, ROST and TJX will post the strongest Holiday comps (~+MSD), while we project AEO, PLCE, GPS, HOTT and LTD will generate comp store sales in the flat to up slightly range. ANF is the only retailer that we project to post a decline in Holiday comp store sales (we forecast ~-10%). Of the retailers we follow that report comparable-store sales quarterly, we expect the best 4Q comps from CHS (+HSD) and JCG (+HSD). We note our ~+2.5% estimate represents a slight improvement over the +1% increase in BTS/Fall comps but is inline with the average Holiday same store sales increase of +2.5% from 1997-2007.

Figure 12. Softlines Holiday Same-Store Sales Bottoms-up Forecast of ~+2.5%



Source: Citi Investment Research

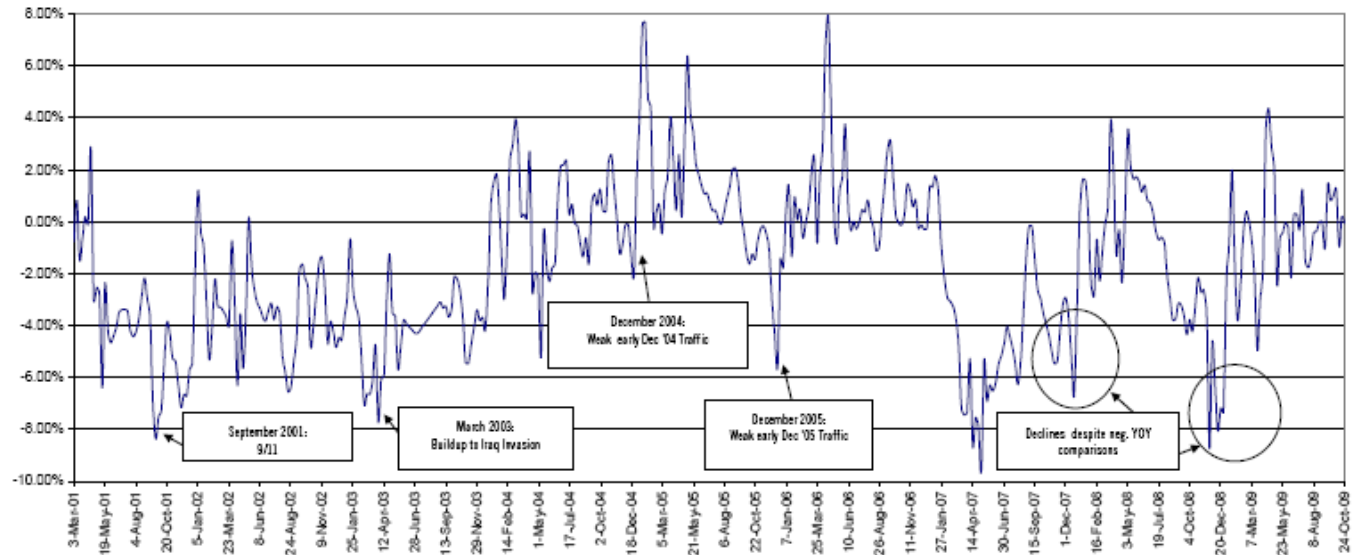
Mall Traffic Trending Up

Citigroup also anticipates improving Holiday 2009 mall traffic

Expect Improving Holiday 2009 Mall Traffic

We expect mall traffic up +0-2% this Holiday season, representing a slight improvement vs. the flattish mall traffic on average year-to-date. We expect November and December mall traffic to benefit from easier comparisons and milder and drier weather conditions, particularly in December. Mall traffic comparisons ease throughout 2009 as traffic was ~flat in 1Q08 and 2Q08, declined ~3-4% in August through October 2008 and declined ~-5% in November and December 2008.

Figure 9. Y-o-Y % Weekly Mall Traffic Growth: Trailing 4 Week Average



Source: Citi Investment Research and Analysis

Growing Strategic Interest in Malls

October 2008 – June 2009:

- ▶ No material mall transactions that we have been able to identify

July 2009:

- ▶ Vintage Real Estate acquires regional mall, South Bay Pavilion, for \$50mm

July 2009:

- ▶ Macerich sells a 49% interest in Queens Center in NY to Cadillac Fairview for \$150mm in cash plus \$168mm in property level debt

September 2009:

- ▶ Macerich sells a 75% interest in its Flatiron Crossing Mall in CO for \$116mm in cash plus \$136mm of assumed debt to private equity firm, GI Partners

October 2009:

- ▶ Heitman pays \$168mm in cash and assumes \$167mm of property level debt to acquire a 49.9% interest in Macerich's Freehold Raceway Mall in NJ and Chandler Fashion Center in AZ

November 2009:

- ▶ Blackstone acquires a 60% interest in two of Glimcher's best malls – Lloyd Center and WestShore Plaza – for \$62mm in cash and \$130mm in assumed debt

November / December 2009:

- ▶ Simon Property Group hires advisers to evaluate a potential acquisition of GGP
- ▶ The Wall Street Journal announces Brookfield has acquired \$1bn of GGP's unsecured debt

Mall REITs are Still Cheap

All of the principal drivers of mall valuations are favorable in the current economic environment

Principal Drivers of Mall Valuation

Current Environment

- | | |
|----------------------------|---|
| 1. Occupancy | <ul style="list-style-type: none">■ Store liquidations have been less than anticipated■ Many retailers are planning expansions in 2010■ New mall construction is on hold■ Economics of new store openings are attractive |
| 2. Risk-Free Rate | <ul style="list-style-type: none">■ 10-yr Treasury yield of 3.4%; 10-yr TIPS yield 1.3%; other inflation protected assets trade at very low yields■ Corporate BBBs yield ~6%■ Mall cap rates are estimated to be ~7 to 8% |
| 3. Tenant Creditworthiness | <ul style="list-style-type: none">■ Tenant stock prices are up over 50% year-to-date■ Tenant cash flows have improved and margins are projected to expand■ Tenant balance sheets have strengthened |

Which would you rather own?

- 1) A 10-yr Treasury at a 3.4% yield
- 2) A 10-yr TIP at a 1.3% yield, or
- 3) Shares in a mall REIT at a 7.5%,
7.0%, or even 6.0% cap rate

What are the Characteristics of the Ideal Mall REIT Best Positioned to Perform in the Current Environment?

Assets

- **Established national platform**
provides leverage when dealing with tenants who are looking to expand or reposition stores
- **High-quality malls, B+ to A+**
- **Established tenant relationships**
- **Low in-place occupancy costs**
- **Diverse footprint**
- **Lease-up / redevelopment opportunities**

Liabilities

- **Secured, non-recourse debt**
a portfolio of options is more valuable than an option on a portfolio
- **Fixed-rate debt**
provides a hedge against inflation
- **Low interest rates**
- **Long-dated maturities**
- **A healthy amount of leverage**
provides upside for return on equity
- **Good liabilities are an asset**

Conclusion

- ▶ **During one of the worst recessions in over 50 years, mall REITs and their tenants have proven to be highly resilient**
- ▶ **Consumer spending does not need to return to 2007 levels for mall REITs and their tenants to outperform**
- ▶ **Store closures of underperforming tenants is a long-term positive for the mall industry**
- ▶ **Tenant cash flows and balance sheets have massively improved over the last twelve months**
- ▶ **Many opportunistic retailers have substantial growth plans. Retailers on the sidelines are just like those investors who didn't buy stocks in the spring**