

SIMON PROPERTY GROUP INC /DE/
Form 424B7
February 07, 2013
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As filed pursuant to Rule 424(b)(7)
Registration Statement No. 333-179874

PROSPECTUS SUPPLEMENT
(To Prospectus dated March 2, 2012)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Maximum offering price per share(1)	Maximum aggregate offering price(1)	Amount of registration fee(1)
Common Stock, \$0.0001 par value per share	123,043	\$ 162.91	\$ 20,045,550.35	\$ 2,734.22

(1) Calculated in accordance with Rule 457(r) of the Securities Act. The price per share is based on the average of the high and low sale prices reported on the New York Stock Exchange for shares of the Registrant's common stock on February 5, 2013.

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**PROSPECTUS SUPPLEMENT
(To Prospectus dated March 2, 2012)**

123,043 Shares

Simon Property Group, Inc.

Common Stock

This prospectus supplement relates to resales of shares of common stock by certain stockholders who acquired shares upon the exchange of units of partnership interest in our majority-owned operating partnership subsidiary, Simon Property Group, L.P. We will not receive any of the proceeds from the sale of the shares by the selling stockholders.

The selling stockholders, or their pledgees, donees, transferees or other successors in interest, may offer the shares through public or private transactions at prevailing market prices, at prices related to prevailing market prices or at privately negotiated prices. Our common stock is traded on the New York Stock Exchange under the symbol SPG. On February 6, 2013, the closing sale price as reported by the NYSE was \$ 161.70 per share.

You should read carefully this prospectus supplement and accompanying prospectus before you invest.

Investing in our securities involves risk. See Risk Factors beginning on page S-4.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is February 7, 2013

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ABOUT THIS PROSPECTUS SUPPLEMENT

We provide information to you about our common stock in two separate documents that offer varying levels of detail:

- The accompanying base prospectus, which provides general information, some of which may not apply to the offering of our common stock; and
- This prospectus supplement, which provides a summary of the terms of the offering of our common stock.

Generally, when we refer to this prospectus, we are referring to both documents combined. If information in this prospectus supplement is inconsistent with the accompanying base prospectus, you should rely on this prospectus supplement.

We have not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus supplement, the accompanying base prospectus and any other offering material. The selling stockholders are offering to sell, and seeking offers

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to buy, our shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement, the accompanying base prospectus, any other offering material or the documents incorporated by reference herein or therein is accurate only as of their respective date, regardless of the time of delivery of this prospectus supplement, the accompanying base prospectus, any other offering material or of any sale of the shares.

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WHO WE ARE

Simon Property Group, Inc. owns, develops and manages retail real estate properties, which consist primarily of malls, Premium Outlets®, The Mills® and community/lifestyle shopping centers. We have elected to be treated as a real estate investment trust, or REIT, for United States federal income tax purposes. We own our properties and conduct our business activities through our majority-owned subsidiary, Simon Property Group, L.P., or the Operating Partnership.

In this prospectus supplement, unless the context otherwise requires, we, us, and our refer to Simon Property Group, Inc. and its subsidiaries and the Operating Partnership refers to Simon Property Group, L.P.

As of September 30, 2012, we owned or held an interest in 320 income-producing properties in the United States, which consisted of 160 malls, 60 Premium Outlets, 68 community/lifestyle centers, 13 Mills, and 19 other shopping centers or outlet centers in 41 states and Puerto Rico. Internationally, as of September 30, 2012, we had ownership interests in eight Premium Outlets in Japan, two Premium Outlets in South Korea, one Premium Outlet in Mexico and one Premium Outlet in Malaysia, as well as a 28.9% ownership interest in Klépierre, a publicly traded, Paris-based real estate company, which owns, or has an interest in, more than 260 shopping centers located in 13 countries in Europe.

Our predecessor was organized as a Massachusetts business trust in 1971 and reorganized as a Delaware corporation on March 10, 1998. Our principal executive offices are located at 225 West Washington Street, Indianapolis, Indiana 46204. Our telephone number is (317) 636-1600. Our Internet website address is www.simon.com. The information in our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus.

If you want to find more information about us, please see the sections entitled Where You Can Find More Information and Incorporation of Information We File with the SEC in the accompanying prospectus.

RECENT DEVELOPMENTS

On February 4, 2013, we issued an earnings release reporting our financial results for the quarter and year ended December 31, 2012, a copy of which was furnished to the SEC on Form 8-K on February 4, 2013. All financial data set forth below is preliminary and unaudited and subject to revision based upon our review and a review by our independent registered accounting firm of our financial condition and results of operations as of such dates and for such periods.

Funds from operations (FFO) for the quarter was \$827.4 million, or \$2.29 per diluted share, as compared to \$678.9 million, or \$1.91 per diluted share, in the prior year period. The increase on a per share basis was 19.9%. FFO for the year was \$2.885 billion, or \$7.98 per diluted share, as compared to \$2.439 billion, or \$6.89 per diluted share, in 2011. The increase of \$446 million was 15.8% on a per share basis.

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Net income attributable to common stockholders for the quarter was \$315.4 million, or \$1.01 per diluted share, as compared to \$362.9 million, or \$1.24 per diluted share, in the prior year period. 2011 results included a net gain from acquisition and disposition activities of \$0.35 per share. Net income attributable to common stockholders for the year was \$1.431 billion, or \$4.72 per diluted share, as compared to \$1.021 billion, or \$3.48 per diluted share, in 2011.

We also announced that the Board of Directors declared a quarterly common stock dividend of \$1.15 per share, payable February 28, 2013, to stockholders of record on February 14, 2013.

We consider FFO to be a key measure of our operating performance that is not specifically defined by generally accepted accounting principles. We believe that FFO is helpful to investors because it is a widely recognized measure of performance of REITs and provides a relevant basis for comparison among REITs. We also use this measure internally to measure the operating performance of the portfolio. We determine FFO in accordance

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with the definition set forth by the National Association of Real Estate Investment Trusts (NAREIT). The following table provides a reconciliation of net income to FFO.

Simon Property Group, Inc. and Subsidiaries*Unaudited Reconciliation of Non-GAAP Financial Measures (A)*

(Amounts in thousands, except per share amounts)

Reconciliation of Consolidated Net Income to FFO

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2012	2011	2012	2011
Consolidated Net Income (B) (C) (D) (E)	\$ 370,496	\$ 441,931	\$ 1,719,632	\$ 1,245,900
Adjustments to Arrive at FFO:				
Depreciation and amortization from consolidated properties	346,594	270,081	1,242,741	1,047,571
Simon's share of depreciation and amortization from unconsolidated entities, including Klépierre	134,692	98,009	456,011	384,367
Gain upon acquisition of controlling interests, sale or disposal of assets and interests in unconsolidated entities, and impairment charge on investment in unconsolidated entities, net	(18,104)	(124,557)	(510,030)	(216,629)
Net income attributable to noncontrolling interest holders in properties	(2,092)	(2,679)	(8,520)	(8,559)
Noncontrolling interests portion of depreciation and amortization	(2,831)	(2,553)	(9,667)	(8,633)
Preferred distributions and dividends	(1,313)	(1,313)	(5,252)	(5,252)
FFO of the Operating Partnership	\$ 827,442	\$ 678,919	\$ 2,884,915	\$ 2,438,765
Diluted net income per share to diluted FFO per share reconciliation:				
Diluted net income per share	\$ 1.01	\$ 1.24	\$ 4.72	\$ 3.48
Depreciation and amortization from consolidated properties and Simon's share of depreciation and amortization from unconsolidated entities, including Klépierre, net of noncontrolling interests portion of depreciation and amortization	1.33	1.02	4.67	4.02
Gain upon acquisition of controlling interests, sale or disposal of assets and interests in unconsolidated entities, and impairment charge on investment in unconsolidated entities, net	(0.05)	(0.35)	(1.41)	(0.61)
Diluted FFO per share	\$ 2.29	\$ 1.91	\$ 7.98	\$ 6.89
Details for per share calculations:				
FFO of the Operating Partnership	\$ 827,442	\$ 678,919	\$ 2,884,915	\$ 2,438,765

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Diluted FFO allocable to unitholders	(119,633)	(116,424)	(464,567)	(416,833)
Diluted FFO allocable to common stockholders	\$ 707,809	\$ 562,495	\$ 2,420,348	\$ 2,021,932
Basic weighted average shares outstanding	309,417	293,822	303,137	293,504
Adjustments for dilution calculation:				
Effect of stock options	1	11	1	69
Diluted weighted average shares outstanding	309,418	293,833		