



Simon® Reports Second Quarter 2022 Results and Increases Full Year 2022 Guidance and Raises Quarterly Dividend

August 1, 2022

INDIANAPOLIS, Aug. 1, 2022 /PRNewswire/ -- Simon®, a real estate investment trust engaged in the ownership of premier shopping, dining, entertainment and mixed-use destinations, today reported results for the quarter ended June 30, 2022.



"We are very pleased with our financial and operational performance in the second quarter and once again raised our quarterly dividend and full-year 2022 guidance," said David Simon, Chairman, Chief Executive Officer and President.

Results for the Quarter

- Net income attributable to common stockholders was \$496.7 million, or \$1.51 per diluted share, as compared to \$617.3 million, or \$1.88 per diluted share in 2021. Results for the second quarter of 2022 include a non-cash unrealized loss of \$17.8 million, or \$0.05 per diluted share, from a mark-to-market in fair value of equity instruments. The prior year period included a non-cash gain of \$118.4 million, or \$0.32 per diluted share, from the reversal of a deferred tax liability within an international investment.
- Funds From Operations ("FFO") was \$1.093 billion, or \$2.91 per diluted share as compared to \$1.217 billion, or \$3.24 per diluted share in the prior year. FFO in the second quarter of 2022 includes the aforementioned non-cash unrealized loss from mark-to-market in fair value of equity instruments of \$0.05 per diluted share and FFO in the second quarter of 2021 includes the aforementioned non-cash gain related to the deferred tax liability reversal of \$0.32 per diluted share.
- Comparable FFO was \$1.111 billion, or \$2.96 per diluted share as compared to \$1.098 billion, or \$2.92 per diluted share in the prior year period, growth of 1.4%. Please see the accompanying reconciliation of consolidated net income to FFO and Comparable FFO.
- Domestic property Net Operating Income ("NOI") increased 3.6% and portfolio NOI increased 4.6%, compared to the prior year period.

Results for the Six Months

- Net income attributable to common stockholders was \$923.4 million, or \$2.81 per diluted share, as compared to \$1.063 billion, or \$3.24 per diluted share in 2021. Results for the six months ended 2022 include a non-cash unrealized loss of \$48.9 million, or \$0.13 per diluted share, from a mark-to-market in fair value of equity instruments. The prior year period results included the aforementioned non-cash gain of \$0.32 per diluted share related to the deferred tax liability reversal and gains, primarily related to disposition activity, of \$93.1 million, or \$0.25 per diluted share.
- FFO was \$2.108 billion, or \$5.61 per diluted share as compared to \$2.151 billion, or \$5.72 per diluted share in the prior year. FFO for the six months ended 2022 includes the aforementioned non-cash unrealized loss from mark-to-market in fair value of equity instruments of \$0.13 per diluted share and FFO for the six months ended 2021 included the aforementioned non-cash gain related to the deferred tax liability reversal of \$0.32 per diluted share.
- Comparable FFO was \$2.157 billion, or \$5.74 per diluted share as compared to \$2.032 billion, or \$5.40 per diluted share in the prior year period, growth of 6.3%.
- Domestic property NOI increased 5.6% and portfolio NOI increased 6.7%, compared to the prior year period.

U.S. Malls and Premium Outlets Operating Statistics

- Occupancy was 93.9% at June 30, 2022, compared to 91.8% at June 30, 2021.
- Base minimum rent per square foot was \$54.58 at June 30, 2022.

Development Activity

Construction continues on two new international development projects including:

- [Fukaya-Hanazono Premium Outlets](#)® (Tokyo, Japan); projected to open in October 2022. Simon owns a 40% interest in this project.
- [Paris-Giverny Designer Outlet](#) (Normandy, France); projected to open in the first quarter of 2023. Simon owns a 74% interest in this project.

Progress continues on the transformative mixed-use redevelopment of Phipps Plaza (Atlanta, GA). The additions of Nobu Hotel and Nobu Restaurant, Life Time Athletic and Work, Citizens Food Hall, and a 13-story Class A office tower will further elevate this premier destination, which will open in Fall 2022.

Construction also continues on other redevelopment projects, including The Falls (Miami, FL), Northgate Station (Seattle, WA), Roosevelt Field (Garden City, NY), Stanford Shopping Center (Palo Alto, CA) and Towne East Square (Wichita, KS).

Capital Markets and Balance Sheet Liquidity

The Company was active in the credit markets through the first six months of the year.

During the first six months, the Company completed 14 non-recourse mortgage loans totaling approximately \$1.6 billion (U.S. dollar equivalent), of which Simon's share was \$958 million. The weighted average interest rate on these loans was 3.75%.

As of June 30, 2022, Simon had approximately \$8.5 billion of liquidity consisting of \$1.2 billion of cash on hand, including its share of joint venture cash, and \$7.3 billion of available capacity under its revolving credit facilities.

Dividends

Simon's Board of Directors declared a quarterly common stock dividend of \$1.75 on August 1, 2022, for the third quarter of 2022. This is an increase of \$0.25, or 16.7% year-over-year and an

increase of \$0.05, or 2.9%, from the previous quarter. The dividend will be payable on September 30, 2022 to shareholders of record on September 9, 2022.

Simon's Board of Directors declared the quarterly dividend on its 8 3/8% Series J Cumulative Redeemable Preferred Stock (NYSE: SPGPrJ) of \$1.046875 per share, payable on September 30, 2022 to shareholders of record on September 16, 2022.

Common Stock Repurchase Program

During the quarter ended June 30, 2022, the Company repurchased 1,424,096 shares of its common stock.

2022 Guidance

The Company currently estimates net income to be within a range of \$5.93 to \$6.00 per diluted share and Comparable FFO will be within a range of \$11.70 to \$11.77 per diluted share for the year ending December 31, 2022. The Comparable FFO range is an increase of \$0.06 per diluted share at the mid-point compared to the range provided on May 9, 2022.

The following table provides the GAAP to non-GAAP reconciliation for the expected range of estimated net income attributable to common stockholders per diluted share to estimated FFO per diluted share and Comparable FFO per diluted share:

<u>For the year ending December 31, 2022</u>	Low	High
	<u>End</u>	<u>End</u>
Estimated net income attributable to common stockholders per diluted share	\$5.93	\$6.00
Depreciation and amortization including Simon's share of unconsolidated entities	5.60	5.60
Loss on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interest in unconsolidated entities and impairment, net	<u>0.04</u>	<u>0.04</u>
Estimated FFO per diluted share	\$11.57	\$11.64
First Half 2022 actual unrealized losses in fair value of publicly traded equity instruments of non-retail real estate	<u>0.13</u>	<u>0.13</u>
Estimated Comparable FFO per diluted share	<u>\$11.70</u>	<u>\$11.77</u>

Conference Call

Simon will hold a conference call to discuss the quarterly financial results today from 5:00 p.m. to 6:00 p.m. Eastern Daylight Time, Monday, August 1, 2022. A live webcast of the conference call will be accessible in listen-only mode at investors.simon.com. An audio replay of the conference call will be available until August 8, 2022. To access the audio replay, dial 1-844-512-2921 (international 1-412-317-6671) passcode 13730864.

Supplemental Materials and Website

Supplemental information on our second quarter 2022 performance is available at investors.simon.com. This information has also been furnished to the SEC in a current report on Form 8-K.

We routinely post important information online on our investor relations website, investors.simon.com. We use this website, press releases, SEC filings, quarterly conference calls, presentations and webcasts to disclose material, non-public information in accordance with Regulation FD. We encourage members of the investment community to monitor these distribution channels for material disclosures. Any information accessed through our website is not incorporated by reference into, and is not a part of, this document.

Non-GAAP Financial Measures

This press release includes FFO, FFO per share, Comparable FFO, Comparable FFO per share and portfolio Net Operating Income growth which are financial performance measures not defined by generally accepted accounting principles in the United States ("GAAP"). Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are included in this press release and in Simon's supplemental information for the quarter. FFO and Net Operating Income growth are financial performance measures widely used in the REIT industry. Our definitions of these non-GAAP measures may not be the same as similar measures reported by other REITs.

Forward-Looking Statements

Certain statements made in this press release may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its expectations will be attained, and it is possible that the Company's actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and other factors. Such factors include, but are not limited to: uncertainties regarding the impact of the COVID-19 pandemic and governmental restrictions intended to prevent its spread on our business, financial condition, results of operations, cash flow and liquidity and our ability to access the capital markets, satisfy our debt service obligations and make distributions to our stockholders; changes in economic and market conditions that may adversely affect the general retail environment; the potential loss of anchor stores or major tenants; the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise; the intensely competitive market environment in the retail industry, including e-commerce; an increase in vacant space at our properties; the inability to lease newly developed properties and renew leases and relet space at existing properties on favorable terms; our international activities subjecting us to risks that are different from or greater than those associated with our domestic operations, including changes in foreign exchange rates; risks associated with the acquisition, development, redevelopment, expansion, leasing and management of properties; general risks related to real estate investments, including the illiquidity of real estate investments; the impact of our substantial indebtedness on our future operations, including covenants in the governing agreements that impose restrictions on us that may affect our ability to operate freely; any disruption in the financial markets that may adversely affect our ability to access capital for growth and satisfy our ongoing debt service requirements; any change in our credit rating; changes in market rates of interest; the transition of LIBOR to an alternative reference rate; our continued ability to maintain our status as a REIT; changes in tax laws or regulations that result in adverse tax consequences; risks relating to our joint venture properties, including guarantees of certain joint venture indebtedness; environmental liabilities; the conflict in Ukraine; natural disasters; the availability of comprehensive insurance coverage; the potential for terrorist activities; security breaches that could compromise our information technology or infrastructure; and the loss of key management personnel. The Company discusses these and other risks and uncertainties under the heading "Risk Factors" in its annual and quarterly periodic reports filed with the SEC. The Company may update that discussion in subsequent other periodic reports, but except as required by law, the Company undertakes no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

About Simon

Simon® is a real estate investment trust engaged in the ownership of premier shopping, dining, entertainment and mixed-use destinations and an S&P 100 company (Simon Property Group, NYSE: SPG). Our properties across North America, Europe and Asia provide community gathering places for millions of people every day and generate billions in annual sales.

Simon Property Group, Inc.
Unaudited Consolidated Statements of Operations
(Dollars in thousands, except per share amounts)

**For the Three Months
Ended June 30,**

**For the Six Months
Ended June 30,**

	2022	2021	2022	2021
REVENUE:				
Lease income	\$ 1,194,700	\$ 1,158,825	\$ 2,402,566	\$ 2,303,883
Management fees and other revenues	28,811	26,061	56,398	51,358
Other income	56,331	69,260	116,799	138,856
Total revenue	1,279,842	1,254,146	2,575,763	2,494,097
EXPENSES:				
Property operating	112,408	96,073	216,071	182,692
Depreciation and amortization	298,273	315,732	608,436	631,470
Real estate taxes	111,989	114,695	223,680	230,706
Repairs and maintenance	20,050	19,036	42,354	40,391
Advertising and promotion	20,064	19,565	45,327	49,050
Home and regional office costs	47,516	47,699	99,713	83,698
General and administrative	9,360	7,254	17,194	13,830
Other	33,421	29,369	75,836	52,926
Total operating expenses	653,081	649,423	1,328,611	1,284,763
OPERATING INCOME BEFORE OTHER ITEMS	626,761	604,723	1,247,152	1,209,334
Interest expense	(187,316)	(200,419)	(372,473)	(402,435)
Loss on extinguishment of debt	-	-	-	(2,959)
Income and other tax expense	(24,346)	(47,003)	(22,912)	(41,105)
Income from unconsolidated entities	190,073	348,545	271,257	363,614
Unrealized (losses) gains in fair value of equity instruments	(17,817)	23	(48,850)	(3,177)
(Loss) gain on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	(17,875)	-	(16,384)	93,057
CONSOLIDATED NET INCOME	569,480	705,869	1,057,790	1,216,329
Net income attributable to noncontrolling interests	71,903	87,778	132,747	151,543
Preferred dividends	834	834	1,669	1,669
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ 496,743	\$ 617,257	\$ 923,374	\$ 1,063,117
BASIC AND DILUTED EARNINGS PER COMMON SHARE:				
Net income attributable to common stockholders	\$ 1.51	\$ 1.88	\$ 2.81	\$ 3.24

Simon Property Group, Inc.
Unaudited Consolidated Balance Sheets
(Dollars in thousands, except share amounts)

	June 30, 2022	December 31, 2021
ASSETS:		
Investment properties, at cost	\$ 37,890,484	\$ 37,932,366
Less - accumulated depreciation	15,982,792	15,621,127
	21,907,692	22,311,239
Cash and cash equivalents	541,240	533,936
Tenant receivables and accrued revenue, net	828,876	919,654
Investment in TRG, at equity	3,218,986	3,305,102
Investment in Klépierre, at equity	1,446,460	1,661,943
Investment in other unconsolidated entities, at equity	3,105,378	3,075,375
Right-of-use assets, net	499,699	504,119
Investments held in trust - special purpose acquisition company	345,000	345,000
Deferred costs and other assets	1,185,705	1,121,011
Total assets	\$ 33,079,036	\$ 33,777,379
LIABILITIES:		
Mortgages and unsecured indebtedness	\$ 24,885,968	\$ 25,321,022
Accounts payable, accrued expenses, intangibles, and deferred revenues	1,337,984	1,433,216
Cash distributions and losses in unconsolidated entities, at equity	1,709,379	1,573,105
Dividend payable	2,327	1,468
Lease liabilities	502,440	506,931
Other liabilities	543,936	540,912
Total liabilities	28,982,034	29,376,654
Commitments and contingencies		
Limited partners' preferred interest in the Operating Partnership and noncontrolling redeemable interests	566,080	547,740
EQUITY:		
Stockholders' Equity		
Capital stock (850,000,000 total shares authorized, \$0.0001 par value, 238,000,000 shares of excess common stock, 100,000,000 authorized shares of preferred stock):		
Series J 8 3/8% cumulative redeemable preferred stock, 1,000,000 shares authorized, 796,948 issued and outstanding with a liquidation value of \$39,847	41,599	41,763
Common stock, \$0.0001 par value, 511,990,000 shares authorized, 342,905,419 and 342,907,608 issued and outstanding, respectively	34	34

Class B common stock, \$0.0001 par value, 10,000 shares authorized, 8,000 issued and outstanding	-	-
Capital in excess of par value	11,218,057	11,212,990
Accumulated deficit	(6,012,757)	(5,823,708)
Accumulated other comprehensive loss	(167,895)	(185,186)
Common stock held in treasury, at cost, 15,553,702 and 14,295,983 shares, respectively	(2,007,706)	(1,884,441)
Total stockholders' equity	3,071,332	3,361,452
Noncontrolling interests	459,590	491,533
Total equity	3,530,922	3,852,985
Total liabilities and equity	\$ 33,079,036	\$ 33,777,379

Simon Property Group, Inc.
Unaudited Joint Venture Combined Statements of Operations
(Dollars in thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
REVENUE:				
Lease income	\$ 714,215	\$ 681,349	\$ 1,431,985	\$ 1,334,103
Other income	73,506	64,694	186,090	137,293
Total revenue	<u>787,721</u>	<u>746,043</u>	<u>1,618,075</u>	<u>1,471,396</u>
OPERATING EXPENSES:				
Property operating	142,697	136,129	292,212	269,166
Depreciation and amortization	164,913	170,443	335,474	341,597
Real estate taxes	63,365	68,123	128,689	137,021
Repairs and maintenance	19,209	16,304	40,690	35,350
Advertising and promotion	16,247	14,797	35,565	34,241
Other	47,867	37,657	96,710	69,643
Total operating expenses	<u>454,298</u>	<u>443,453</u>	<u>929,340</u>	<u>887,018</u>
OPERATING INCOME BEFORE OTHER ITEMS	333,423	302,590	688,735	584,378
Interest expense	(147,587)	(152,447)	(292,038)	(298,644)
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities, net	-	33,371	-	33,371
NET INCOME	\$ 185,836	\$ 183,514	\$ 396,697	\$ 319,105
Third-Party Investors' Share of Net Income	\$ 93,041	\$ 92,745	\$ 197,697	\$ 160,886
Our Share of Net Income	92,795	90,769	199,000	158,219
Amortization of Excess Investment (A)	(15,086)	(15,268)	(30,225)	(34,595)
Our Share of Gain on Sale or Disposal of Assets and Interests in Other Income in the Consolidated Financial Statements	-	(14,941)	-	(14,941)
Income from Unconsolidated Entities (B)	\$ 77,709	\$ 60,560	\$ 168,775	\$ 108,683

Note: The above financial presentation does not include any information related to our investments in Klépierre S.A. ("Klépierre"), The Taubman Realty Group ("TRG") and other platform investments. For additional information, see footnote B.

Simon Property Group, Inc.
Unaudited Joint Venture Combined Balance Sheets
(Dollars in thousands)

	June 30, 2022	December 31, 2021
Assets:		
Investment properties, at cost	\$ 19,334,244	\$ 19,724,242
Less - accumulated depreciation	8,411,236	8,330,891
	<u>10,923,008</u>	<u>11,393,351</u>
Cash and cash equivalents	1,345,099	1,481,287
Tenant receivables and accrued revenue, net	501,324	591,369
Right-of-use assets, net	145,506	154,561
Deferred costs and other assets	387,420	394,691
Total assets	<u>\$ 13,302,357</u>	<u>\$ 14,015,259</u>
Liabilities and Partners' Deficit:		
Mortgages	\$ 14,667,435	\$ 15,223,710
Accounts payable, accrued expenses, intangibles, and deferred revenue	810,849	995,392
Lease liabilities	133,720	158,372
Other liabilities	386,035	383,018
Total liabilities	<u>15,998,039</u>	<u>16,760,492</u>
Preferred units	67,450	67,450

Partners' deficit	<u>(2,763,132)</u>	<u>(2,812,683)</u>
Total liabilities and partners' deficit	<u>\$ 13,302,357</u>	<u>\$ 14,015,259</u>

Our Share of:

Partners' deficit	<u>\$ (1,233,943)</u>	<u>\$ (1,207,396)</u>
Add: Excess Investment (A)	<u>1,247,214</u>	<u>1,283,645</u>
Our net Investment in unconsolidated entities, at equity	<u>\$ 13,271</u>	<u>\$ 76,249</u>

Note: The above financial presentation does not include any information related to our investments in Klépierre, TRG and other platform investments. For additional information, see footnote B.

Simon Property Group, Inc.
Unaudited Reconciliation of Non-GAAP Financial Measures (C)
(Amounts in thousands, except per share amounts)

Reconciliation of Consolidated Net Income to FFO and Comparable FFO

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2022	2021	2022	2021
Consolidated Net Income (D)	\$ 569,480	\$ 705,869	\$ 1,057,790	\$ 1,216,329
Adjustments to Arrive at FFO:				
Depreciation and amortization from consolidated properties	296,022	313,572	603,935	627,147
Our share of depreciation and amortization from unconsolidated entities, including Klépierre, TRG and other corporate investments	215,616	202,515	440,702	406,752
Loss (gain) on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	17,875	-	16,384	(93,057)
Unrealized (gains) losses excluded from FFO (E)	-	(23)	-	3,177
Net loss attributable to noncontrolling interest holders in properties	122	1,531	1,118	2,469
Noncontrolling interests portion of depreciation and amortization, gain on consolidation of properties, and loss (gain) on disposal of properties	(4,856)	(5,259)	(9,245)	(9,348)
Preferred distributions and dividends	(1,313)	(1,313)	(2,626)	(2,626)
	<u>\$ 1,092,946</u>	<u>\$ 1,216,892</u>	<u>\$ 2,108,058</u>	<u>\$ 2,150,843</u>
FFO of the Operating Partnership				
Unrealized (gains) losses excluded from FFO (E)	17,817	-	48,850	-
Non-cash gain related to the reversal of a deferred tax liability within an international investment	-	(118,428)	-	(118,428)
Comparable FFO of the Operating Partnership	<u>\$ 1,110,763</u>	<u>\$ 1,098,464</u>	<u>\$ 2,156,908</u>	<u>\$ 2,032,415</u>
Diluted net income per share to diluted FFO per share reconciliation:				
Diluted net income per share	\$ 1.51	\$ 1.88	\$ 2.81	\$ 3.24
Depreciation and amortization from consolidated properties and our share of depreciation and amortization from unconsolidated entities, including Klépierre, TRG and other corporate investments, net of noncontrolling interests portion of depreciation and amortization	1.35	1.36	2.76	2.72
Loss (gain) on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	0.05	-	0.04	(0.25)
Unrealized (gains) losses excluded from FFO (E)	-	-	-	0.01
Diluted FFO per share	<u>\$ 2.91</u>	<u>\$ 3.24</u>	<u>\$ 5.61</u>	<u>\$ 5.72</u>
Unrealized (gains) losses included in FFO (E)	0.05	-	0.13	-
Non-cash gain related to the reversal of a deferred tax liability within an international investment	-	(0.32)	-	(0.32)
Comparable FFO per share	<u>\$ 2.96</u>	<u>\$ 2.92</u>	<u>\$ 5.74</u>	<u>\$ 5.40</u>

Details for per share calculations:

FFO of the Operating Partnership	\$ 1,092,946	\$ 1,216,892	\$ 2,108,058	\$ 2,150,843
Diluted FFO allocable to unitholders	(137,603)	(153,089)	(265,248)	(270,684)
Diluted FFO allocable to common stockholders	<u>\$ 955,343</u>	<u>\$ 1,063,803</u>	<u>\$ 1,842,810</u>	<u>\$ 1,880,159</u>
Basic and Diluted weighted average shares outstanding	328,445	328,594	328,525	328,555
Weighted average limited partnership units outstanding	47,310	47,281	47,287	47,301
Basic and Diluted weighted average shares and units outstanding	<u>375,755</u>	<u>375,875</u>	<u>375,812</u>	<u>375,856</u>
Basic and Diluted FFO per Share	\$ 2.91	\$ 3.24	\$ 5.61	\$ 5.72
Percent Change	-10.2 %		-1.9 %	
Comparable FFO per share	\$ 2.96	\$ 2.92	\$ 5.74	\$ 5.40
Percent Change	1.4 %		6.3 %	

Simon Property Group, Inc.
Footnotes to Unaudited Financial Information

Notes:

- (A) Excess investment represents the unamortized difference of our investment over equity in the underlying net assets of the related partnerships and joint ventures shown therein. The Company generally amortizes excess investment over the life of the related assets.
- (B) The Unaudited Joint Venture Combined Statements of Operations do not include any operations or our share of net income or excess investment amortization related to our investments in Klépierre, TRG and other platform investments. Amounts included in Footnote D below exclude our share of related activity for our investments in Klépierre, TRG and other platform investments. For further information on Klépierre, reference should be made to financial information in Klépierre's public filings and additional discussion and analysis in our Form 10-K.
- (C) This report contains measures of financial or operating performance that are not specifically defined by GAAP, including FFO, FFO per share, Comparable FFO and Comparable FFO per share. FFO is a performance measure that is standard in the REIT business. We believe FFO provides investors with additional information concerning our operating performance and a basis to compare our performance with those of other REITs. We also use these measures internally to monitor the operating performance of our portfolio. Our computation of these non-GAAP measures may not be the same as similar measures reported by other REITs.

We determine FFO based upon the definition set forth by the National Association of Real Estate Investment Trusts ("NAREIT") Funds From Operations White Paper - 2018 Restatement. Our main business includes acquiring, owning, operating, developing, and redeveloping real estate in conjunction with the rental of retail real estate. Gains and losses of assets incidental to our main business are included in FFO. We determine FFO to be our share of consolidated net income computed in accordance with GAAP, excluding real estate related depreciation and amortization, excluding gains and losses from extraordinary items, excluding gains and losses from the sale, disposal or property insurance recoveries of, or any impairment related to, depreciable retail operating properties, plus the allocable portion of FFO of unconsolidated joint ventures based upon economic ownership interest, and all determined on a consistent basis in accordance with GAAP. However, you should understand that FFO does not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income determined in accordance with GAAP as a measure of operating performance, and is not an alternative to cash flows as a measure of liquidity.

- (D) Includes our share of:
- Gain on land sales of \$6.1 million and \$0.9 million for the three months ended June 30, 2022 and 2021, respectively, and \$6.0 million and \$1.6 million for the six months ended June 30, 2022 and 2021, respectively.
 - Straight-line adjustments decreased income by (\$5.8) million and (\$5.9) million for the three months ended June 30, 2022 and 2021, respectively, and (\$16.1) million and (\$15.0) million for the six months ended June 30, 2022 and 2021, respectively.
 - Amortization of fair market value of leases decreased income by (\$0.2) million and (\$0.2) million for the three months ended June 30, 2022 and 2021, respectively, and (\$0.3) million and (\$0.4) million for the six months ended June 30, 2022 and 2021, respectively.
- (E) Unrealized (gains) losses excluded from FFO relate to mark-to-market fair value adjustments of publicly traded equity instruments of retail real estate.
- Unrealized (gains) losses included in FFO relate to mark-to-market fair value adjustments of publicly traded equity instruments of non-retail real estate.

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SOURCE Simon

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