EOG RESOURCES INC
Form S-3ASR
December 21, 2015
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**As filed with the Securities and Exchange Commission on December 21, 2015**

**Registration No. 333-**

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form S-3**

**REGISTRATION STATEMENT**

***UNDER***

***THE SECURITIES ACT OF 1933***

**EOG RESOURCES, INC.**

**(Exact name of registrant as specified in its charter)**

| **Delaware** | **47-0684736** |
|---|---|
| **(State or other jurisdiction of** | **(I.R.S. Employer** |

**incorporation or organization)** **Identification Number)**

**1111 Bagby, Sky Lobby 2**

**Houston, Texas 77002**

**(713) 651-7000**

**(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)**

**Michael P. Donaldson**

**Vice President, General Counsel and Corporate Secretary**

**EOG Resources, Inc.**

**1111 Bagby, Sky Lobby 2**

**Houston, Texas 77002**

**Telephone: (713) 651-7000**

**Facsimile: (713) 651-6987**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

***Copy to:***

**John Goodgame**

**Akin Gump Strauss Hauer & Feld LLP**

**1111 Louisiana Street, 44th Floor**

**Houston, Texas 77002**

**(713) 220-5800**

**Approximate Date of Commencement of Proposed Sale to the Public:** From time to time after this registration statement becomes effective, subject to market conditions and other factors.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ¨

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. þ

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. þ

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

| | |
|---|---|
| Large accelerated filer þ | Accelerated filer ¨ |
| Non-accelerated filer ¨ (Do not check if a smaller reporting company) | Smaller reporting company ¨ |

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**CALCULATION OF REGISTRATION FEE**

| Title of Each Class of Securities to be Registered | Amount to be Registered (1) | Proposed Maximum Offering Price per Unit (1) | Proposed Maximum Aggregate Offering Price (1) | Amount of Registration Fee (1) |
|---|---|---|---|---|
| Senior Debt Securities | | | | |
| Subordinated Debt Securities | | | | |
| Common Stock | | | | |
| Preferred Stock | | | | |
| Common Stock Purchase Contracts | | | | |
| Common Stock Purchase Units | | | | |
| Warrants | | | | |
| Depositary Shares (2) | | | | |
| Units (3) | | | | |

(1) An indeterminate aggregate initial offering price or principal amount or number of the securities of each identified class is being registered as may from time to time be issued at indeterminate prices or upon conversion, exchange or exercise of securities registered hereunder to the extent any such securities are, by their terms, convertible into, or exchangeable or exercisable for, such securities. Separate consideration may or may not be received for securities that are issuable on exercise, conversion or exchange of other securities. Any securities registered hereunder may be sold separately or as units with other securities registered hereunder. In accordance with Rule 456(b), and in reliance on Rule 457(r), under the Securities Act of 1933, as amended, the Registrant is deferring payment of all of the registration fee.

(2) The depositary shares registered hereunder will be evidenced by depositary receipts issued pursuant to a deposit agreement. If the Registrant elects to offer to the public fractional interests in shares of preferred stock, then the Registrant will distribute depositary receipts to those persons purchasing the fractional interests and will issue the shares of preferred stock to the depositary under the deposit agreement.

(3) Each unit will be issued under a unit agreement or indenture and will represent an interest in two or more of the securities being registered hereby, which may or may not be separable from one another.

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**PROSPECTUS**

**EOG Resources, Inc.**

***SENIOR DEBT SECURITIES***

***SUBORDINATED DEBT SECURITIES***

***COMMON STOCK***

***PREFERRED STOCK***

***COMMON STOCK PURCHASE CONTRACTS***

***COMMON STOCK PURCHASE UNITS***

***WARRANTS***

***DEPOSITARY SHARES***

***UNITS***

The descriptions of the securities contained in this prospectus, together with the applicable prospectus supplements, summarize all of the material terms and provisions of the various types of securities that we may offer. The particular terms of the securities offered by us will be described in a supplement to this prospectus. If indicated in an applicable prospectus supplement, the terms of the securities may differ from the terms summarized below. An applicable prospectus supplement will also contain information, where appropriate, about material U.S. federal income tax considerations relating to the securities, and the securities exchange, if any, on which the securities will be listed.

We may sell from time to time, in one or more offerings:

- senior debt securities;
- subordinated debt securities;
- common stock;
- preferred stock;
- common stock purchase contracts;
- common stock purchase units;
- warrants;
- depositary shares; or
- units;

or any combination of the foregoing securities. The senior debt securities, subordinated debt securities, preferred stock and common stock purchase contracts and units may be convertible into, or exercisable for, our common or preferred

stock or other securities of ours.

In this prospectus, securities collectively refers to the securities described above.

Our common stock is listed on the New York Stock Exchange under the symbol EOG. On December 18, 2015, the last reported sale price of our common stock on the New York Stock Exchange was $71.43 per share.

We may sell securities to or through underwriters, dealers or agents. For additional information on the method of sale, you should refer to the section entitled Plan of Distribution. The names of any underwriters, dealers or agents involved in the offer and sale of any securities and the specific manner in which they may be offered will be set forth in the prospectus supplement covering the offer and sale of those securities.

**You should read carefully the information included or incorporated by reference in this prospectus and any applicable prospectus supplement, including any information we direct you to under the heading Risk Factors, for a discussion of factors you should consider before deciding to invest in any securities offered by this prospectus. See Risk Factors on page 5.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is December 21, 2015.

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the United States Securities and Exchange Commission, referred to in this prospectus as the SEC or the Commission, using a shelf registration process. Using this process, we may, from time to time, offer to sell any combination of the securities described in this prospectus in one or more offerings at an aggregate initial offering price to be specified at the time of any such offer. This prospectus provides you with a general description of the securities we may offer. Each time we offer to sell securities, we will provide a supplement to this prospectus. The prospectus supplement will describe the specific terms of that offering, including the specific amounts, prices and terms of the securities offered. The prospectus supplement may also add, update or change the information contained in this prospectus. Please carefully read this prospectus and the applicable prospectus supplement, in addition to the information contained in the documents we refer you to under the heading Where You Can Find Additional Information below. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the applicable prospectus supplement.

**You should rely only on the information contained or incorporated by reference in this prospectus and any accompanying prospectus supplement. We have not authorized anyone to provide you with different information. This prospectus may only be used where it is legal to sell the offered securities. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the respective date on the front cover of those documents. You should not assume that the information incorporated by reference in this prospectus is accurate as of any date other than the date the respective information was filed with the SEC. Our business, financial condition, results of operations and prospects may have changed since those dates.**

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## ABOUT EOG RESOURCES, INC.

EOG Resources, Inc., a Delaware corporation organized in 1985, together with its subsidiaries, explores for, develops, produces and markets crude oil and natural gas primarily in major producing basins in the United States of America, Canada, The Republic of Trinidad and Tobago, the United Kingdom, The People s Republic of China and, from time to time, select other international areas. At December 31, 2014, our total estimated net proved reserves were 2,497 million barrels of oil equivalent (which we refer to in this prospectus as MMBoe ), of which 1,140 million barrels (which we refer to in this prospectus as MMBbl ) were crude oil and condensate reserves, 467 MMBbl were natural gas liquids reserves and 5,343 billion cubic feet, or 890 MMBoe, were natural gas reserves. At such date, approximately 97% of our net proved reserves (on a crude oil equivalent basis) were located in the United States and 3% in Trinidad. EOG employed approximately 3,000 persons, including foreign national employees, as of December 31, 2014.

Our principal executive offices are located at 1111 Bagby, Sky Lobby 2, Houston, Texas 77002. Our telephone number at that location is (713) 651-7000.

In this prospectus, references to EOG, we, us, our and the Company each refers to EOG Resources, Inc. and, unl otherwise stated, our subsidiaries.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file annual, quarterly and other reports, proxy and information statements and other information with the SEC. You may read and copy any document we file at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for information regarding the Public Reference Room and its copying charges. You can also find our filings on the SEC s website at http://www.sec.gov and on our website at http://www.eogresources.com. Information contained on our website, except for the SEC filings referred to below, is not a part of, and shall not be deemed to be incorporated by reference into, this prospectus. In addition, our reports and other information concerning us can be inspected at the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The SEC allows us to incorporate by reference the information we have filed with the SEC, which means that we can disclose important information to you by referring you to those documents without actually including the specific information in this prospectus. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and may replace this information and information previously filed with the SEC. We incorporate by reference into this prospectus the following documents:

- our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on February 18, 2015;
- our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2015, June 30, 2015 and September 30, 2015, filed with the SEC on May 4, 2015, August 6, 2015 and November 5, 2015, respectively;
- our Current Reports on Form 8-K filed with the SEC on March 5, 2015, March 17, 2015, March 19, 2015, July 24, 2015 and September 28, 2015; and

the description of our common stock, par value $0.01 per share, contained in our Registration Statement on Form 8-A filed with the SEC on August 29, 1989.

We also incorporate by reference into this prospectus any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, referred to in this prospectus as the Exchange Act, until we sell all of the securities offered by this prospectus, other than information furnished to the SEC under Items 2.02 or 7.01, or the exhibits related thereto under Item 9.01, of

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Form 8-K, which information is not deemed filed under the Exchange Act and is not incorporated by reference into this prospectus.

You may request a copy of these filings at no cost by writing or telephoning our Corporate Secretary at our principal executive offices, which are located at 1111 Bagby, Sky Lobby 2, Houston, Texas 77002, telephone: (713) 651-7000.

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## OIL AND GAS TERMS

| | | | |
|---|---|---|---|
| When describing commodities produced and sold: | oil | = | crude oil and condensate |
| | liquids | = | crude oil, condensate, and natural gas liquids |
| | gas | = | natural gas |
| When describing liquids: | Bbl | = | barrel |
| | MBbl | = | thousand barrels |
| | MMBbl | = | million barrels |
| | Boe | = | barrel of oil equivalent |
| | MMBoe | = | million barrels of oil equivalent |
| When describing natural gas: | Mcf | = | thousand cubic feet |
| | MMcf | = | million cubic feet |
| | Bcf | = | billion cubic feet |
| | MMBtu | = | million British thermal units |

Crude oil equivalent volumes are determined using a ratio of 1.0 Bbl of crude oil and condensate or natural gas liquids to 6.0 Mcf of natural gas.

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## RISK FACTORS

Investing in our securities involves risks. Before deciding to purchase any of our securities, you should read carefully the discussion of risks and uncertainties under the headings Risk Factors and Information Regarding Forward-Looking Statements contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, which is incorporated by reference in this prospectus, and under similar headings in our subsequently filed Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K, as well as the other risks and uncertainties described in any applicable prospectus supplement and in the other documents incorporated by reference in this prospectus. See the section entitled Where You Can Find Additional Information in this prospectus. The risks and uncertainties we discuss in the documents incorporated by reference in this prospectus are those we currently believe may materially affect our company.

## INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference into this prospectus include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, referred to in this prospectus as the Securities Act , and Section 21E of the Exchange Act. All statements, other than statements of historical facts, including, among others, statements and projections regarding EOG s future financial position, operations, performance, business strategy, returns, budgets, reserves, levels of production and costs, statements regarding future commodity prices and statements regarding the plans and objectives of EOG s management for future operations, are forward-looking statements. EOG typically uses words such as expect, anticipate, estimate, project, strategy, in plan, target, goal, may, will, should and believe or the negative of those terms or other variations or compa terminology to identify its forward-looking statements. In particular, statements, express or implied, concerning EOG s future operating results and returns or EOG s ability to replace or increase reserves, increase production, generate income or cash flows or pay dividends are forward-looking statements. Forward-looking statements are not guarantees of performance. Although EOG believes the expectations reflected in its forward-looking statements are reasonable and are based on reasonable assumptions, no assurance can be given that these assumptions are accurate or that any of these expectations will be achieved (in full or at all) or will prove to have been correct. Moreover, EOG s forward-looking statements may be affected by known, unknown or currently unforeseen risks, events or circumstances that may be outside EOG s control. Important factors that could cause EOG s actual results to differ materially from the expectations reflected in EOG s forward-looking statements include, among others:

- the timing, extent and duration of changes in prices for, and demand for, crude oil and condensate, natural gas liquids, natural gas and related commodities;
- the extent to which EOG is successful in its efforts to acquire or discover additional reserves;
- the extent to which EOG is successful in its efforts to economically develop its acreage in, produce reserves and achieve anticipated production levels from, and optimize reserve recovery from, its existing and future crude oil and natural gas exploration and development projects;
- the extent to which EOG is successful in its efforts to market its crude oil, natural gas and related commodity production;

the availability, proximity and capacity of, and costs associated with, appropriate gathering, processing, compression, transportation and refining facilities;

the availability, cost, terms and timing of issuance or execution of, and competition for, mineral licenses and leases and governmental and other permits and rights-of-way, and EOG s ability to retain mineral licenses and leases;

the impact of, and changes in, government policies, laws and regulations, including tax laws and regulations; environmental, health and safety laws and regulations relating to air emissions, disposal of produced water, drilling fluids and other wastes, hydraulic fracturing and access to and use of water; laws

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and regulations imposing conditions or restrictions on drilling and completion operations and on the transportation of crude oil and natural gas; laws and regulations with respect to derivatives and hedging activities; and laws and regulations with respect to the import and export of crude oil, natural gas and related commodities;

EOG s ability to effectively integrate acquired crude oil and natural gas properties into its operations, fully identify existing and potential problems with respect to such properties and accurately estimate reserves, production and costs with respect to such properties;

the extent to which EOG s third-party-operated crude oil and natural gas properties are operated successfully and economically;

competition in the oil and gas exploration and production industry for employees and other personnel, facilities, equipment, materials and services;

the availability and cost of employees and other personnel, facilities, equipment, materials (such as water) and services;

the accuracy of reserve estimates, which by their nature involve the exercise of professional judgment and may therefore be imprecise;

weather, including its impact on crude oil and natural gas demand, and weather-related delays in drilling and in the installation and operation (by EOG or third parties) of production, gathering, processing, refining, compression and transportation facilities;

the ability of EOG s customers and other contractual counterparties to satisfy their obligations to EOG and, related thereto, to access the credit and capital markets to obtain financing needed to satisfy their obligations to EOG;

EOG s ability to access the commercial paper market and other credit and capital markets to obtain financing on terms it deems acceptable, if at all, and to otherwise satisfy its capital expenditure requirements;

the extent and effect of any hedging activities engaged in by EOG;

the timing and extent of changes in foreign currency exchange rates, interest rates, inflation rates, global and domestic financial market conditions and global and domestic general economic conditions;

political conditions and developments around the world (such as political instability and armed conflict), including in the areas in which EOG operates;

the use of competing energy sources and the development of alternative energy sources;

the extent to which EOG incurs uninsured losses and liabilities or losses and liabilities in excess of its insurance coverage;

acts of war and terrorism and responses to these acts;

physical, electronic and cyber security breaches; and

the other factors described under Item 1A, Risk Factors , on pages 13 through 20 of EOG s Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and any updates to those factors set forth in EOG s subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K.

In light of these risks, uncertainties and assumptions, the events anticipated by EOG s forward-looking statements may not occur, and, if any of such events do, we may not have anticipated the timing of their occurrence or the extent of their impact on our actual results. Accordingly, you should not place any undue reliance on any of EOG s forward-looking statements. EOG s forward-looking statements speak only as of the date made, and EOG undertakes no obligation, other than as required by applicable law, to update or revise its forward-looking statements, whether as a result of new information, subsequent events, anticipated or unanticipated circumstances or otherwise.

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## USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement, we intend to apply any net proceeds that we receive from the sale of securities under this prospectus to our general funds to be used for working capital and general corporate purposes, including in certain circumstances to retire outstanding indebtedness. Pending any specific application, we may initially invest any net proceeds that we receive from the sale of securities under this prospectus in short-term marketable securities.

## RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

| | Nine months ended September 30, | Year ended December 31, | | | | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Ratio of Earnings to Fixed Charges | (23.56) | 15.62 | 10.72 | 4.80 | 6.87 | 2.40 |
| Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends | (23.56) | 15.62 | 10.72 | 4.80 | 6.87 | 2.40 |

For the nine months ended September 30, 2015, total fixed charges exceeded total earnings available for fixed charges by $6.6 billion, primarily due to impairment charges recorded in the third quarter of 2015 with respect to our proved oil and gas properties and related assets.

In calculating the ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends, earnings represents the sum of net income (loss), income tax provision (benefit) and fixed charges, less capitalized interest. Fixed charges represents interest expense (including capitalized interest), amortization of debt costs and the portion of rental expense representing the interest factor. EOG had no shares of preferred stock outstanding in any of the periods shown and, therefore, did not pay any preferred stock dividends in any of the periods shown.

## DESCRIPTION OF DEBT SECURITIES

The following description highlights the general terms and provisions of the debt securities that we may offer under this prospectus and the related trust indentures. When debt securities are offered, which we call the Offered Debt Securities, the applicable prospectus supplement will explain the particular terms of such Offered Debt Securities and the extent to which these general provisions may apply. If there are any differences between the prospectus supplement and this prospectus, the prospectus supplement will control. Thus, some statements we make in this section may vary from the Offered Debt Security described in the applicable prospectus supplement.

We will issue any senior Offered Debt Securities under an indenture between EOG and Wells Fargo Bank, National Association, as trustee, dated as of May 18, 2009. We will issue any subordinated Offered Debt Securities under a subordinated indenture to be executed in the future by us and Wells Fargo Bank, National Association, as trustee. The senior indenture and the subordinated indenture are together referred to in this section as the indentures. Unless otherwise indicated, when used herein the term Offered Debt Securities will refer to senior Offered Debt Securities and subordinated Offered Debt Securities, collectively. The senior indenture is, and the subordinated indenture and the Offered Debt Securities will be, governed by Texas law. Wells Fargo Bank, National Association or any successor, in its capacity as trustee under either or both of the indentures, is referred to as the trustee for purposes of this section. The senior indenture and form of subordinated indenture are filed as exhibits to the registration statement of which

this prospectus is a part. The following statements are summaries of certain of the provisions contained in the indentures and do not purport to be complete statements of all the terms and provisions of the indentures. We encourage you to refer to the

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indentures for full and complete statements of such terms and provisions, including the definitions of certain terms used in this prospectus, because those provisions and not these summaries define your rights as a holder of the Offered Debt Securities. We have italicized numbers in the following discussion to refer to section numbers of the indentures so that you can more easily locate these provisions.

When we refer to EOG, we, us or our in this section, we mean only EOG Resources, Inc. and not its subsidiaries.

*General.* We may issue senior Offered Debt Securities or subordinated Offered Debt Securities. The Offered Debt Securities will not be secured by any of our properties or assets. Thus, by owning an Offered Debt Security, you are one of our unsecured creditors. The indentures do not limit the aggregate principal amount of unsecured debentures, notes or other evidences of indebtedness we may issue under each indenture from time to time in one or more series. We may in the future issue Offered Debt Securities in addition to any particular series of previously issued Offered Debt Securities. The terms of any series of Offered Debt Securities that are listed below, among other things, will be contained in the prospectus supplement relating to such series of Offered Debt Securities:

the title of the Offered Debt Securities;

any limit on the aggregate principal amount of the Offered Debt Securities;

the person or entity to whom any interest on the Offered Debt Securities is payable;

the date or dates on which the principal of, and any premium on, the Offered Debt Securities is payable;

the rate or rates, which may be fixed or variable, or the method by which such rate or rates shall be determined, at which the Offered Debt Securities shall bear interest, if any, the date or dates from which such interest shall accrue, or the method by which such date or dates shall be determined, the interest payment dates on which any such interest shall be payable and the regular record date for any interest payable on any interest payment date;

the place or places where the principal of, and premium, if any, and interest on, Offered Debt Securities shall be payable;

the period or periods within which, the price or prices at which and the terms and conditions upon which the Offered Debt Securities may be redeemed, in whole or in part, at our option, if we have that option;

our obligation, if any, and our option, if any, to redeem, purchase or repay the Offered Debt Securities pursuant to any sinking fund or analogous provisions or at the option of a holder thereof and the period or periods within which, the price or prices at which and the terms and conditions upon which the Offered Debt Securities shall be redeemed, purchased or repaid in whole or in part, pursuant to such obligation or option;

whether the Offered Debt Securities are to be issued upon original issuance in whole or in part in the form of one or more global securities and, if so, the identity of the depository for such global securities;

any trustees, paying agents, transfer agents or registrars with respect to the Offered Debt Securities; and

any other term of the Offered Debt Securities not inconsistent with the provisions of the applicable indenture. (*Section 301*.)

We will maintain in each place we specify for payment of any series of Offered Debt Securities an office or agency where Offered Debt Securities of that series may be presented or surrendered for payment, where Offered Debt Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or on us in respect of the Offered Debt Securities of that series and the applicable indenture may be served. *(Section 1002.)*

Unless otherwise indicated in the prospectus supplement relating to the Offered Debt Securities, the Offered Debt Securities will be issued only in fully registered form, without coupons, in denominations of $2,000 or any integral multiple of $1,000. (*Section 302*.) No service charge will be made for any registration of transfer or

exchange of any Offered Debt Securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto, other than with respect to certain exchanges not involving any transfer. (*Section 305.*)

Offered Debt Securities may be issued under each indenture as original issue discount securities to be offered and sold at a substantial discount below their principal amount. Material U.S. federal income tax, accounting and other considerations applicable to any such original issue discount securities will be described in any prospectus supplement relating to such Offered Debt Securities. Original issue discount securities means any Offered Debt Security that provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of maturity during the existence and continuation of an event of default. (*Section 101.*)

Unless otherwise indicated in the prospectus supplement relating to the Offered Debt Securities, the covenants contained in the indentures and the Offered Debt Securities would not necessarily afford holders of the Offered Debt Securities protection in the event of a decline in our credit quality, change of control, recapitalization, or a highly leveraged or other transaction involving us that may adversely affect holders thereof.

*Global Offered Debt Securities.* If any Offered Debt Securities are issuable in global form, the applicable prospectus supplement will describe the circumstances, if any, under which beneficial owners of interests in any such global Offered Debt Security may exchange such interests for Offered Debt Securities registered to any Person other than the depository of the same series and of like tenor and aggregate principal amount in any authorized form and denomination. (*Section 305.*) Principal of, and premium, if any, and interest on, an Offered Debt Security will be payable in the manner described in the applicable prospectus supplement.

*Series of Offered Debt Securities*. We may issue many distinct Offered Debt Securities or series of Offered Debt Securities under either indenture as we wish. This section summarizes terms of the securities that apply generally to all Offered Debt Securities and series of Offered Debt Securities. The provisions of each indenture allow us not only to issue Offered Debt Securities with terms different from those of Offered Debt Securities previously issued under that indenture, but also to reopen a previously issued series of Offered Debt Securities and issue additional Offered Debt Securities of that series. We may do this at any time without your consent and without notifying you.

*Modification of the Indentures.* With certain exceptions and under certain circumstances, each indenture provides that, with the consent of the holders of more than 50% in principal amount of all outstanding Offered Debt Securities (including, for purposes of this section only, other debt securities issued under the applicable indenture, but not pursuant to this prospectus) affected by such supplemental indenture voting as one class (such affected Offered Debt Securities are referred to in this prospectus as the Indenture Securities ), we and the trustee may enter into a supplemental indenture for the purpose of adding to, changing or eliminating any of the provisions of the indenture or modifying in any manner the rights of the holders of Indenture Securities. Notwithstanding the above, the consent of the holder of each outstanding Indenture Security will be required to:

(a) change the stated maturity of the principal of, or any installment of principal of or interest on, any Indenture Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or reduce the amount of the principal of an original issue discount security that would be due and payable upon a declaration of acceleration of maturity during the existence and continuation of an event of default or the amount thereof provable in bankruptcy, or change any place of payment where, or the coin or currency in which, any Indenture Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date); or

(b) reduce the percentage in principal amount of the outstanding Indenture Securities of any series, the consent of whose holders is required for any supplemental indenture or for any waiver (of compliance with certain provisions of the indenture or certain defaults thereunder and their consequences) provided for in the indenture; or

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(c) with certain exceptions, modify any of the provisions of the sections of the indentures which concern waiver of past defaults, waiver of certain covenants or consent to supplemental indentures, except to increase the percentage of principal amount of Indenture Securities of any series, the holders of which are required to effect such waiver or consent or to provide that certain other provisions of the applicable indenture cannot be modified or waived without the consent of the holder of each outstanding Indenture Security. Each indenture provides that a supplemental indenture which changes or eliminates any covenant or other provision of the indenture which has expressly been included solely for the benefit of one or more particular series of Indenture Securities, or which modifies the rights of the holders of Indenture Securities of such series with respect to such covenant or other provision shall be deemed not to affect the rights under the indenture of the holder of Indenture Securities of any other series. (*Section 902*.)

In addition, we and the trustee may amend the indentures without the consent of any holder of the Offered Debt Securities to make certain technical changes, such as:

(a) evidencing the succession of another person to us, and the assumption by that successor of our obligations under the applicable indenture and the Offered Debt Securities of any series;

(b) adding or changing provisions relating to a particular series of Offered Debt Securities for the benefit of the holders of such series;

(c) adding, changing or eliminating provisions relating to a particular series of Offered Debt Securities to be issued;

(d) securing the Offered Debt Securities;

(e) providing for a successor trustee; or

(f) curing ambiguities or correcting defects or inconsistencies. (*Section 901*.)

The holders of more than 50% in principal amount of the outstanding Offered Debt Securities (including, for purposes of this sentence only, other debt securities issued under the applicable indenture, but not pursuant to this prospectus) may waive compliance by us with certain covenants of the applicable indenture, including, with respect to the senior indenture, the restrictive covenant set forth in Section 1007 of the senior indenture. (*Section 1009 of the senior indenture; Section 1007 of the subordinated indenture*.)

*Events of Default and Rights Upon Default.* Under each indenture, the term Event of Default with respect to any series of Offered Debt Securities, means any one of the following events which shall have occurred and is continuing:

(a) default in the payment of any interest upon any Offered Debt Security of that series when such interest becomes due and payable or default in the payment of any mandatory sinking fund payment provided for by the terms of any series of Offered Debt Securities, and continuance of such default for a period of 30 days (whether or not such payment is prohibited by the terms of any subordinated Offered Debt Securities we may issue);

(b) default in the payment of the principal of (or premium, if any, on) any Offered Debt Security of that series at its maturity (whether or not such payment is prohibited by the terms of any subordinated Offered Debt Securities we may issue);

(c) default in the performance, or breach, of any of our covenants or warranties in the indenture (other than a covenant or warranty a default in whose performance or whose breach is otherwise specifically dealt with in Section 501 of the indenture or which has been expressly included in the indenture solely for the benefit of one or more series of Offered

Debt Securities other than that series), and continuance of such default or breach for 60 days after we have been given by the trustee, or the holders of at least 25% in principal amount of all outstanding Offered Debt Securities (including, for purposes of this sentence only, other debt securities issued under the applicable indenture, but not pursuant to this prospectus) have given to us and the trustee, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a Notice of Default under the indenture;

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(d) certain events involving us in bankruptcy, receivership or other insolvency proceedings or an assignment for the benefit of creditors; or

(e) any other event of default provided with respect to Offered Debt Securities of that series. (*Section 501*.)

The trustee shall not be charged with, or be deemed to have knowledge of, any default or Event of Default, except for an event of default specified in clause (a) or (b) in the foregoing paragraph, until an appropriate officer of the trustee has actual notice thereof or until appropriate written notice of any such event is received by the trustee at its corporate trust office. If an Event of Default described in clause (a), (b) or (e) in the foregoing paragraph has occurred and is continuing with respect to Offered Debt Securities of any series, each indenture provides that the trustee or the holders of not less than 25% in principal amount of the outstanding Offered Debt Securities of that series may declare the principal amount (or, if the Offered Debt Securities are original issue discount securities, such portion of the principal amount as may be specified in the terms of that series) of all of the Offered Debt Securities of that series to be due and payable immediately, and upon any such declaration such principal amount (or specified portion thereof) shall become immediately due and payable. If an Event of Default described in clause (c) or (d) of the foregoing paragraph has occurred and is continuing, the trustee or the holders of not less than 25% in principal amount of all of the Offered Debt Securities issued under the applicable indenture (including, for purposes of this sentence only, other debt securities issued under the applicable indenture, but not pursuant to this prospectus) then outstanding may declare the principal amount (or, if the Offered Debt Securities are original issue discount securities, such portion of the principal amount as may be specified in the terms of that series) of all of the Offered Debt Securities then outstanding to be due and payable immediately, and upon any such declaration such principal amount (or specified portion thereof) shall become immediately due and payable. (*Section 502*.)

A default under our other indebtedness is not necessarily an Event of Default under the indentures, and an Event of Default under one series of Offered Debt Securities will not necessarily be an Event of Default under another series of Offered Debt Securities issued under the indentures.

At any time after a declaration of acceleration with respect to Offered Debt Securities of any series (or of all series, as the case may be) has been made and before a judgment or decree for payment of the money due has been obtained by the trustee, the holders of a majority in principal amount of the outstanding Offered Debt Securities of that series (or of all series, as the case may be) may rescind and annul such declaration and its consequences, if, subject to certain conditions, all Events of Default with respect to Offered Debt Securities of that series (or of all series, as the case may be), other than the non-payment of the principal of the Offered Debt Securities of that series (or of all series, as the case may be) due solely by such declaration of acceleration, have been cured or waived and all payments due (other than by such declaration of acceleration) have been paid or deposited with the trustee. (*Section 502*.) With certain exceptions, the holders of not less than a majority in principal amount of the outstanding Offered Debt Securities of any series, on behalf of the holders of all the Offered Debt Securities of such series, may waive any past default described in clause (a), (b) or (e) of the first paragraph of this heading Events of Default and Rights Upon Default (or, in the case of a default described in clause (c) or (d) of such paragraph, the holders of a majority in principal amount of all outstanding Offered Debt Securities (including other debt securities issued under the applicable indenture, but not pursuant to this prospectus) may waive any such past default), and its consequences, except a default (a) in respect of the payment of the principal of (or premium, if any) or interest on any Offered Debt Security, or (b) in respect of a covenant or provision of the indenture which, pursuant to the terms of the indenture, cannot be modified or amended without the consent of the holder of each outstanding Offered Debt Security of such series affected. (*Section 513*.)

The holders of not less than a majority in principal amount of the Offered Debt Securities of any series at the time outstanding are empowered under the terms of the indenture to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee relating to

or arising under any past default described in clause (a), (b) or (e) of the first paragraph of this heading Events of Default and Rights Upon Default. Subject to certain limitations, the holders of not less

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than a majority in principal amount of all outstanding Offered Debt Securities (including other debt securities issued under the applicable indenture, but not pursuant to this prospectus) are empowered under the terms of the indenture to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee not relating to or arising under any past default described in clause (a), (b) or (e) of the first paragraph of this heading Events of Default and Rights Upon Default. (*Section 512*.)

Each indenture further provides that no holder of an Offered Debt Security of any series may enforce the indenture unless (a) such holder shall have given written notice to the trustee of a continuing Event of Default with respect to the Offered Debt Securities of that series, (b) the holders of not less than 25% in principal amount of the outstanding Offered Debt Securities of that series, in the case of any Event of Default described in clause (a), (b) or (e) of the first paragraph of this heading Events of Default and Rights Upon Default (or, in the case of a default described in clause (c) or (d) of such paragraph, the holders of not less than 25% in principal amount of all outstanding Offered Debt Securities (including other debt securities issued under the applicable indenture, but not pursuant to this prospectus)), shall have made written request to the trustee to institute proceedings in respect of such Event of Default in its own name as trustee under the indenture, (c) such holder or holders have offered to the trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, (d) the trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding and (e) no direction inconsistent with such written request has been given to the trustee during such 60-day period by the relevant holders thereof. However, this provision will not prevent a holder of any Offered Debt Security from enforcing the payment of the principal of and any premium, and interest on, such holder s Offered Debt Security on the stated maturity date or maturities expressed in such Offered Debt Security (or, in the case of redemption, on the redemption date). (*Sections 507 and 508*.)

Each indenture requires that we deliver to the trustee, within 120 days after the end of each fiscal year, an officers certificate stating whether to the best knowledge of the signers thereof we are in default in the performance and observance of any of the terms, provisions and conditions of the indenture, and, if so, specifying each such default and the nature and status thereof of which such signers may have knowledge. (*Section 1008*.)

*Discharge of Indenture.* With certain exceptions, we may discharge our obligations under the indentures with respect to any series of Offered Debt Securities by:

(a) paying or causing to be paid the principal of (and premium, if any) and interest on all the Offered Debt Securities of such series outstanding, as and when the same shall become due and payable;

(b) delivering to the trustee for cancellation all outstanding Offered Debt Securities of such series (other than with respect to certain Offered Debt Securities which have been apparently destroyed, lost or stolen and which have been replaced or paid as provided pursuant to the terms of the indenture); or

(c) entering into an agreement with the trustee in form and substance satisfactory to us and the trustee providing for the creation of an escrow fund and irrevocably depositing or causing to be deposited in trust with the trustee, as escrow agent of such fund, sufficient funds in cash and/or Eligible Obligations and/or certain U.S. government obligations, maturing as to principal and interest in such amounts and at such times, as will be sufficient without consideration of any reinvestment of such interest, and as further expressed in the opinion of a nationally recognized firm of independent public accountants in a written certification thereof delivered to the trustee, to pay at the stated maturity or redemption date all such Offered Debt Securities of such series not previously delivered to the trustee for cancellation, including principal (and premium, if any) and interest to the stated maturity or redemption date. (*Section 401.)*

Each indenture defines Eligible Obligations to mean interest bearing obligations as a result of the deposit of which the Offered Debt Securities are rated in the highest generic long-term debt rating category assigned to legally defeased debt by one or more nationally recognized rating agencies. (*Section 101.)*

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For U.S. federal income tax purposes, there is a substantial risk that a legal defeasance of a series of Offered Debt Securities by the deposit of cash or such Eligible Obligations or U.S. government obligations in a trust would be characterized by the Internal Revenue Service or a court as a taxable exchange by the holders of the Offered Debt Securities of that series for either:

(a) an issue of obligations of the defeasance trust; or

(b) a direct interest in the cash and/or such Eligible Obligations and/or such U.S. government obligations held in the defeasance trust.

If the defeasance were so characterized, then a holder of an Offered Debt Security of the series defeased would be:

(a) required to recognize gain or loss (which would be capital gain or loss if the Offered Debt Securities were held as a capital asset) at the time of the defeasance as if the Offered Debt Security had been sold at such time for an amount equal to the amount of cash and the fair market value of such Eligible Obligations and/or such U.S. government obligations held in the defeasance trust;

(b) required to include in income in each taxable year the interest and any original issue discount or gain or loss attributable to either such defeasance trust obligations or such securities, as the case may be; and

(c) subject to the market discount provisions of the Internal Revenue Code of 1986, as amended, as they may pertain to such defeasance trust obligations or such securities.

As a result, a holder of an Offered Debt Security may be required to pay taxes on any such gain or income even though such holder may not have received any cash. Prospective investors are urged to consult their own tax advisors as to the tax consequences of an actual or legal defeasance, including the applicability and effect of tax laws other than U.S. federal income tax law.

*Concerning the Trustee.* The indentures provide that, except during the continuance of an Event of Default, the trustee will perform only such duties as are specifically set forth in the applicable indenture. The trustee under each indenture has two main roles:

First, the trustee can enforce your rights against us if we default. There are some limitations on the extent to which the trustee acts on your behalf, which we summarize under the heading Events of Default and Rights Upon Default.

Second, the trustee performs administrative duties for us, such as sending you interest payments and notices. The trustee may from time to time also act as a depository of funds for, make loans to, and perform other services for, us in the normal course of business. The address of the trustee under the senior indenture is: 201 Main Street, Suite 301, Fort Worth, Texas 76102. The address of the trustee under the subordinated indenture is: 750 North St. Paul Place, Suite 1750, Dallas, Texas 75201.

The Trust Indenture Act of 1939, as amended, or the Trust Indenture Act, provides that if an Event of Default occurs (and is not cured), the trustee will be required, in the exercise of its power, to use the degree of care and skill that a prudent person would exercise under the circumstances in the conduct of such person s own affairs. Subject to such

provisions, the trustee will be under no obligation to exercise any of its rights or powers vested in it by the indenture at the request or direction of any holder of securities issued under the indenture, unless such holder shall have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. (*Section 603*.) The trustee may resign at any time with respect to the Offered Debt Securities of one or more series, or may be removed by the holders of a majority in principal amount of the outstanding Offered Debt Securities of such series or, under certain circumstances, by us. If the trustee resigns, is removed or becomes incapable of acting as trustee or if a vacancy occurs in the office of the trustee for any cause, a successor trustee shall be appointed in accordance with the provisions of the indenture. (*Section 610*.)

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If the trustee shall have or acquire any conflicting interest within the meaning of the Trust Indenture Act, the trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and the indenture. (*Section 608*.) The Trust Indenture Act also contains certain limitations on the right of the trustee, as our creditor, to obtain payment of claims in certain cases, or to realize on certain property received by it in respect of such claims, as security or otherwise. (*Section 613*.)

*Limitations on Liens.* Subject to certain limitations described below, the senior indenture provides that so long as any of the senior Offered Debt Securities issued under such indenture are outstanding, we will not, and will not permit any of our subsidiaries to, create or suffer to exist, except in favor of us or any of our subsidiaries, any lien on any principal property at any time owned by it, to secure any of our or any of our subsidiaries funded debt, unless effective provision is made whereby outstanding senior Offered Debt Securities will be equally and ratably secured with any and all such funded debt and with any other indebtedness similarly entitled to be equally and ratably secured. This restriction does not apply to prevent the creation or existence of any (1) acquisition lien or permitted encumbrance; or (2) lien created or assumed by us or any of our subsidiaries in connection with the issuance of Offered Debt Securities the inteed for any year is treated as an amount distributed during that year for purposes of calculating such tax.

*Property Transfers.* Any gain realized by Simon Property on the sale of any property held as inventory or other property held primarily for sale to customers in the ordinary course of business, including Simon Property's share of any such gain realized by the Operating Partnership, either directly or through its subsidiary partnerships, will be treated as income from a prohibited transaction that is subject to a 100% penalty tax. This prohibited transaction income may also adversely affect Simon Property's ability to satisfy the income tests for qualification as a REIT. Under existing law, whether property is held as inventory or primarily for sale to customers in the ordinary course of a trade or business is a question of fact that depends on all the facts and circumstances surrounding the particular transaction. The Operating Partnership intends to hold its properties for investment with a view to long-term appreciation, to engage in the business of acquiring, developing and owning its properties and to make occasional sales of the properties as are consistent with the Operating Partnership's investment objectives. However, the Internal Revenue Service may successfully contend that some or all of the sales made by the Operating Partnership or its subsidiaries are prohibited transactions. We would be subject to the 100% penalty tax on our allocable share of the gains resulting from any such sales.

**Failure to Qualify**

If Simon Property fails to qualify for taxation as a REIT in any taxable year, and the relief provisions described above do not apply, Simon Property will be subject to tax, including any applicable alternative minimum tax, on its taxable income at regular corporate rates. Distributions to stockholders in any year in which Simon Property fails to qualify will not be deductible by Simon Property and Simon Property will not be required to distribute any amounts to its stockholders. As a result, Simon Property's failure to qualify as a REIT would reduce the cash available for distribution to Simon Property stockholders. In addition, if Simon Property fails to qualify as a REIT, all distributions to stockholders will be taxable as ordinary income to the extent of Simon Property's current and accumulated earnings and profits, and subject to certain limitations of the Internal Revenue Code, corporate distributees may be eligible for the dividends received deduction and non-corporate stockholders may be eligible for reduced rates of tax on dividend distributions. Unless entitled to relief under specific statutory provisions, Simon Property will also be disqualified from taxation as a REIT for the four taxable years following the year during which it lost its qualification. It is not possible to state whether in all circumstances we would be entitled to this statutory relief.

**Tax Aspects of the Operating Partnership and the Joint Ventures**

*General.* Substantially all of our income-producing properties are held directly or indirectly through the Operating Partnership. In addition, the Operating Partnership holds certain of its investments indirectly through joint ventures. In general, partnerships are "pass-through" entities which are not subject to federal income tax. Rather, partners are allocated their proportionate shares of the items of income, gain, loss, deduction and credit of a partnership, and are potentially subject to tax thereon, without regard to whether the partners receive a distribution from the partnership. Simon Property includes in its income its proportionate share of the foregoing partnership items for purposes of the various REIT income tests and in the computation of Simon Property's REIT taxable income. Moreover, for purposes of the REIT asset tests, we will include our proportionate share of assets held by the Operating Partnership and joint ventures. See " Taxation of Simon Property."

*Entity Classification.* Simon Property's interests in the Operating Partnership and the subsidiary partnerships, including joint ventures, involve special tax considerations, including the possibility of a challenge by the Internal Revenue Service of the status of the Operating Partnership or a subsidiary partnership as a partnership as opposed to an association taxable as a corporation for federal income tax purposes. If the Operating Partnership or a subsidiary partnership were treated as an association, it would be taxable as a corporation and therefore be subject to an entity-level tax on its income. In such a situation, the character of Simon Property's assets and items of gross income would change and preclude Simon Property from satisfying the asset tests and possibly the income tests. See " Taxation of Simon Property Asset Tests" and " Income Tests". This, in turn, would prevent Simon Property from qualifying as a REIT. See " Failure to Qualify" for a discussion of the effect of our failure to meet these tests for a taxable year. In addition, a change in the Operating Partnership's or a partnership's status for tax purposes might be treated as a taxable event. If so, Simon Property might incur a tax liability without any related cash distributions.

Treasury Regulations that apply for tax periods beginning on or after January 1, 1997 provide that a domestic business entity not otherwise classified as a corporation and which has at least two members will be taxed as a partnership for federal income tax purposes unless it elects to be treated as a corporation or it was in existence prior to January 1, 1997, and it reported its income as a corporation under the entity classification Treasury Regulations in effect prior to this date. In addition, such an entity which did not exist, or did not claim a classification, prior to January 1, 1997, will be classified as a partnership for federal income tax purposes unless it elects otherwise. The Operating Partnership and each of the subsidiary partnerships have claimed classification as a partnership under the final Treasury Regulations, and, as a result, we believe such partnerships will be classified as partnerships for federal income tax purposes.

The Treasury Regulations also provide that certain specified foreign entities are taxed as corporations. Foreign entities with two or more members are taxed as partnerships if (a) at least one of the members has unlimited liability for the liabilities of the entity or (b) the entity elects to be taxed as a partnership. Each foreign entity having two or more members in which Simon Property is treated as an owner for tax purposes has elected or will elect to be taxed as a partnership or as a taxable REIT subsidiary. Certain foreign entities with only one member are also taxed as corporations unless the entity elects to have its existence as separate from its member disregarded for tax purposes. A foreign entity with a single member is also disregarded for tax purposes if the member has unlimited liability for such entity's debts. Each eligible foreign entity in which Simon Property is the only member has elected or will elect to be treated as a disregarded entity.

*Allocations of Operating Partnership Income, Gain, Loss and Deduction.* A partnership is not a taxable entity for federal income tax purposes. Rather, a partner is required to take into account its allocable share of a partnership's income, gains, losses, deductions and credits for any taxable year of the partnership ending within or with the taxable year of the partner, without regard to whether the

partner has received or will receive any distributions from the partnership. Although a partnership agreement will generally determine the allocation of income and losses among partners, such allocations will be disregarded for tax purposes under section 704(b) of the Internal Revenue Code if they do not comply with the provisions of section 704(b) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder as to substantial economic effect.

If an allocation is not recognized for federal income tax purposes because it does not have substantial economic effect, the item subject to the allocation will be reallocated in accordance with the partners' interests in the partnership, which will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. The allocations of taxable income and loss of the Operating Partnership and subsidiary partnerships are intended to comply with the requirements of section 704(b) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder.

**Taxation of Taxable U.S. Stockholders**

As used below, the term "U.S. stockholder" means a holder of shares of common stock who, for United States federal income tax purposes, is:

a citizen or resident of the United States;

a corporation, partnership, or other entity created or organized in or under the laws of the United States or of any state thereof or in the District of Columbia, unless, in the case of a partnership, Treasury Regulations provide otherwise;

an estate the income of which is subject to United States federal income taxation regardless of its source; or

a trust whose administration is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust.

Notwithstanding the preceding sentence, to the extent provided in Treasury Regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to this date that elect to continue to be treated as United States persons, shall also be considered U.S. stockholders.

*Distributions Generally.* As long as Simon Property qualifies as a REIT, distributions out of its current or accumulated earnings and profits, other than capital gain dividends discussed below, will constitute dividends taxable to its taxable U.S. stockholders as ordinary income. These distributions will not be eligible for the dividends-received deduction in the case of U.S. stockholders that are corporations. Individual U.S. stockholders may be eligible for reduced rates of tax to the extent that these distributions constitute "qualified dividend income". Such amounts will be specified in a written notice to shareholders. However, Simon Property does not expect a significant portion of the distributions will be eligible for treatment as "qualified dividend income." For purposes of determining whether distributions to holders of common stock are out of current or accumulated earnings and profits, Simon Property's earnings and profits will be allocated first to the outstanding preferred stock and then to the common stock.

To the extent that Simon Property makes distributions in excess of its current and accumulated earnings and profits, these distributions will be treated first as a tax-free return of capital to each U.S. stockholder. This treatment will reduce the adjusted basis, but not below zero, which each U.S. stockholder has in his shares of stock for tax purposes by the amount of the distribution in excess of current and accumulated earnings and profits. Such distributions in excess of a U.S. stockholder's adjusted basis in his shares will be taxable as capital gains, provided that the shares have been held as a capital asset, and will be taxable as long-term capital gain if the shares have been held for more than

one year. Dividends declared in October, November, or December of any year and payable to a stockholder of record on a specified date in any of these months shall be treated as both paid by Simon Property and received by the stockholder on December 31 of that year, provided Simon Property actually pays the dividend on or before January 31 of the following calendar year. Stockholders may not include in their own income tax returns any of Simon Property's net operating losses or capital losses.

*Capital Gain Dividends.* Dividends to U.S. stockholders that are properly designated by Simon Property as capital gain dividends will be treated as long-term capital gain to the extent they do not exceed Simon Property's actual net capital gain for the taxable year without regard to the period for which the stockholder has held his stock. Dividends designated as capital gains will be taxed to each individual at a rate up to 25% depending on the tax characteristics of the assets which produced such gain and such individual's situation. Corporate stockholders, however, may be required to treat up to 20% of certain capital gain dividends as ordinary income.

Simon Property may elect to retain and pay income tax on some or all of its undistributed net capital gains, in which case Simon Property's stockholders will include such retained amount in their income. In that event, the stockholders would be entitled to a tax credit or refund in the amount of the tax paid by Simon Property on the undistributed gain allocated to the stockholders, and the stockholders would be entitled to increase their tax basis by the amount of undistributed capital gains allocated to such stockholders reduced by the amount of the credit.

*Passive Activity Losses and Investment Interest Limitations.* Dividends that Simon Property pays and gain arising from the sale or exchange by a U.S. stockholder of shares will not be treated as passive activity income. As a result, U.S. stockholders generally will not be able to apply any "passive losses" against this income or gain. Dividends, to the extent they do not constitute a return of capital, generally will be treated as investment income for purposes of computing the investment interest limitation. Gain arising from the sale or other disposition of shares, however, will not be treated as investment income except to the extent the stockholder elects to reduce the amount of his net capital gain eligible for the capital gains rate.

**Dispositions of Shares**

A U.S. stockholder will recognize gain or loss on the sale or exchange of shares of common stock to the extent of the difference between the amount realized on such sale or exchange and the holders' adjusted tax basis in such shares. Such gain or loss generally will constitute long-term capital gain or loss if the holder has held such shares for more than one year. Individual taxpayers are generally subject to a maximum tax rate of 15% on long-term capital gain, but shareholders subject to the alternative minimum tax may be taxed at a rate of 25% on some or all of their long-term capital gain. Losses incurred on the sale or exchange of shares of common stock held for one year or less, after applying certain holding period rules, however, will generally be deemed long-term capital loss to the extent of any long-term capital gain dividends received by the U.S. stockholder and undistributed capital gains allocated to such U.S. stockholder with respect to such shares.

**Taxation of Tax-Exempt U.S. Stockholders**

The Internal Revenue Service has ruled that amounts distributed as dividends by a REIT do not constitute unrelated business taxable income when received by a tax-exempt pension trust and certain other tax-exempt entities. Based on that ruling, provided that a tax-exempt stockholder, except certain tax-exempt stockholders described below, has not held its shares as "debt financed property" within the meaning of the Internal Revenue Code and the shares are not otherwise used in an unrelated trade or business, dividend income from us will not be unrelated business taxable income to a tax-exempt stockholder. Generally, "debt financed property" means shares of common stock, the acquisition of

which was financed through a borrowing by the tax-exempt stockholder. Similarly, income from the sale of shares will not constitute unrelated business taxable income unless a tax-exempt stockholder has held its shares as "debt financed property" within the meaning of the Internal Revenue Code or has used the shares in its unrelated trade or business.

For tax-exempt stockholders which are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, and qualified group legal services plans exempt from federal income taxation under Internal Revenue Code Section 501(c)(7), (c)(9), (c)(17) and (c)(20), respectively, income from an investment in Simon Property's shares will constitute unrelated business taxable income unless the organization is able to properly deduct amounts set aside or placed in reserve for certain purposes so as to offset its dividend income. These prospective investors should consult their own tax advisors concerning these "set aside" and reserve requirements.

Notwithstanding the above, however, a portion of the dividends paid by a "pension held REIT" are treated as unrelated business taxable income as to certain types of trusts which hold more than 10% (by value) of the interests in the REIT. A REIT will not be a "pension held REIT" if it is not "predominantly held" by tax-exempt pension trusts. We do not anticipate that Simon Property will be predominantly held by tax-exempt pension trusts within the meaning of the Internal Revenue Code and accordingly, believe that dividends paid by Simon Property to tax-exempt pension trusts should not be treated as unrelated business taxable income.

**Special Tax Considerations For Foreign Stockholders**

The rules governing United States federal income taxation of non-U.S. stockholders, including non-resident alien individuals, foreign corporations, foreign partnerships and foreign trusts and estates, are complex, and the following discussion is intended only as a summary of such rules. Prospective non-U.S. stockholders should consult with their own tax advisors to determine the impact of federal, state and local income tax laws on an investment in Simon Property, including any reporting requirements, as well as the tax treatment of such an investment under their home country laws.

In general, non-U.S. stockholders will be subject to regular United States federal income tax with respect to their investment in Simon Property if such investment is "effectively connected" with the non-U.S. stockholder's conduct of a trade or business in the United States. A corporate non-U.S. stockholder that receives income that is, or is treated as, effectively connected with a United States trade or business may also be subject to the branch profits tax under section 884 of the Internal Revenue Code, which is payable in addition to regular United States corporate income tax. The following discussion will apply to non-U.S. stockholders whose investment in Simon Property is not so effectively connected. Simon Property expects to withhold United States income tax, as described below, on the gross amount of any distributions paid to a non-U.S. stockholder unless (i) the non-U.S. stockholder files an Internal Revenue Service Form W-8ECI with Simon Property claiming that the distribution is "effectively connected" or (ii) certain other exceptions apply.

A distribution by Simon Property that is not attributable to gain from the sale or exchange by Simon Property of a United States real property interest and that is not designated by Simon Property as a capital gain dividend will be treated as an ordinary income dividend to the extent made out of current or accumulated earnings and profits. Generally, an ordinary income dividend will be subject to tax at the rate of 30% of the gross amount of the distribution unless such tax is reduced or eliminated by an applicable tax treaty. A distribution in cash in excess of Simon Property's earnings and profits will be treated first as a return of capital that will reduce a non-U.S. stockholder's basis in its shares of Simon Property stock, but not below zero, and then as gain from the disposition of such shares, the tax treatment of which is described under the rules discussed below with respect to dispositions of shares. Simon Property is required to withhold from distributions to non-U.S. stockholders, and to remit to the Internal Revenue Service, 30% of the amount of ordinary dividends. A distribution in excess of Simon

Property's earnings and profits may be subject to 30% dividend withholding if, at the time of the distribution, it cannot be determined whether the distribution will be in an amount in excess of Simon Property's current or accumulated earnings and profits. Any amount not designated as a capital gain dividend or return of basis will be subject to the tax treatment and withholding described below.

Distributions attributable to gains from sales of real property interests by a REIT are not subject to the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA") if the non-U.S. holder did not own more than 5% of the class of stock with respect to which the distribution was made at any time during the taxable year in which the distribution was made.

Distributions by Simon Property that are attributable to gain from the sale or exchange of a United States real property interest will be taxed to a non-U.S. stockholder under FIRPTA if such non-U.S. stockholder owns more than 5% of the class of stock with respect to which such distribution was made at any time during the same taxable year. Under FIRPTA, distribution amounts not subject to the tax treatment described in the preceding paragraph are taxed to a non-U.S. stockholder as if such distributions were gains "effectively connected" with a United States trade or business. Accordingly, a non-U.S. stockholder will be taxed at the normal capital gain rates applicable to a U.S. stockholder on such amounts, subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals.

Simon Property will be required to withhold from distributions subject to FIRPTA, and remit to the Internal Revenue Service, 35% of designated capital gain dividends, or, if greater, 35% of the amount of any distributions that could be designated as capital gain dividends. In addition, if Simon Property designates prior distributions as capital gain dividends, subsequent distributions, up to the amount of such prior distributions not withheld against, will be treated as capital gain dividends for purposes of withholding. It should be noted that the 35% withholding tax rate on capital gain dividends currently corresponds to the maximum income tax rate applicable to corporations, but it is higher than the maximum rate on capital gains of individuals. It is not clear how these withholding obligations will apply to non-U.S. stockholders who own 5% or less of the class of stock with respect to when the distributions were made but subsequently acquired more than 5% of such stock during the same taxable year.

Tax treaties may reduce Simon Property's withholding obligations. If the amount withheld by Simon Property with respect to a distribution exceeds the non-U.S. stockholder's tax liability, the non-U.S. stockholder may file for a refund of such excess from the Internal Revenue Service.

Unless Simon Property shares constitute a "United States real property interest" within the meaning of FIRPTA or are effectively connected with a U.S. trade or business, a sale of such shares by a non-U.S. stockholder generally will not be subject to United States taxation. Simon Property shares will not constitute a United States real property interest if Simon Property is a "domestically controlled REIT." A domestically controlled REIT is a REIT in which at all times during a specified testing period less than 50% in value of its shares is held directly or indirectly by non-U.S. stockholders. We believe that Simon Property is a domestically controlled REIT, and therefore that the sale of shares in Simon Property will not be subject to taxation under FIRPTA. However, because Simon Property shares are publicly traded, no assurance can be given that Simon Property is or will continue to be a domestically controlled REIT. Notwithstanding the foregoing, capital gain not subject to FIRPTA will be taxable to a non-U.S. stockholder if the non-U.S. stockholder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions apply, in which case the nonresident alien individual will be subject to a 30% tax on such individual's capital gains. If Simon Property did not constitute a domestically controlled REIT, a non-U.S. stockholder's sale of shares of Simon Property would be subject to tax under FIRPTA as a sale of a United States real property interest if the shares were "regularly traded" as defined by applicable Treasury Regulations on an established securities market, *e.g.*, the New York Stock

Exchange, on which the shares of Simon Property common stock are listed and if the selling stockholder's interest in Simon Property constitutes 5% or less ownership. If the gain on the sale of Simon Property's shares were subject to taxation under FIRPTA, the non-U.S. stockholder would be subject to the same treatment as a U.S. stockholder with respect to such gain, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals. In any event, a purchaser of shares of Simon Property common stock from a non-U.S. stockholder will not be required under FIRPTA to withhold on the purchase price if the purchased shares are "regularly traded" on an established securities market or if Simon Property is a domestically controlled REIT. Otherwise, under FIRPTA, the purchaser of shares of common stock may be required to withhold 10% of the purchase price and remit such amount to the Internal Revenue Service.

**Information Reporting Requirement And Backup Withholding Tax**

Simon Property will report to its U.S. stockholders and the Internal Revenue Service the amount of distributions paid during each calendar year and the amount of tax withheld, if any. Under certain circumstances, U.S. stockholders may be subject to backup withholding. Backup withholding will apply only if the holder

- fails to furnish its taxpayer identification number, which, for an individual, would be his Social Security number,
- furnishes an incorrect taxpayer identification number,
- is notified by the Internal Revenue Service that it has failed properly to report payments of interest and dividends, or
- under certain circumstances, fails to certify, under penalty of perjury, that it has furnished a correct taxpayer identification number and has not been notified by the Internal Revenue Service that it is subject to backup withholding for failure to report interest and dividend payments.

Backup withholding will not apply with respect to payments made to certain exempt recipients, such as corporations and tax-exempt organizations. U.S. stockholders should consult their own tax advisors regarding their qualification for exemption from backup withholding and the procedure for obtaining such an exemption. Backup withholding is not an additional tax. Rather, the amount of any backup withholding with respect to a payment to a U.S. stockholder will be allowed as a credit against such U.S. stockholder's United States federal income tax liability and may entitle such U.S. stockholder to a refund, provided that the required information is furnished to the Internal Revenue Service.

Additional issues may arise pertaining to information reporting and backup withholding with respect to non-U.S. stockholders. For example, we may be required to withhold a portion of capital gain distributions to any stockholders who fail to certify their foreign status to us on Form W-8BEN. Non-U.S. stockholders should consult their tax advisors with respect to any such information reporting and backup withholding requirements.

**State And Local Tax Considerations**

Simon Property is, and its stockholders may be, subject to state or local taxation in various state or local jurisdictions where Simon Property, its affiliates and its stockholders transact business or reside. The state and local tax treatment of Simon Property and its stockholders may not conform to the federal income tax consequences discussed above. Consequently, prospective stockholders should consult their own tax advisors regarding the effect of state and local tax laws on their investment in Simon Property shares.

**Possible Federal Tax Developments**

The rules dealing with federal income taxation are constantly under review by the Internal Revenue Service, the Treasury Department and Congress. New federal tax legislation or other provisions may be enacted into law or new interpretations, rulings or Treasury Regulations could be adopted, all of which could affect the taxation of the Companies and their stockholders. No prediction can be made as to the likelihood of passage of any new tax legislation or other provisions either directly or indirectly affecting us or our stockholders. Consequently, the tax treatment described herein may be modified prospectively or retroactively by legislative action.

## SELLING STOCKHOLDERS

The shares covered by this prospectus are being registered pursuant to provisions of certain registration rights agreements by and among Simon Property, the selling stockholders and other persons. Except as otherwise indicated, the number of shares beneficially owned is determined under rules promulgated by the SEC, and the information may not represent beneficial ownership for any other purpose. Except as indicated otherwise in the table below, each selling stockholder has sole voting power and disposition power with respect to all shares listed as owned by such selling stockholder. At December 31, 2004, there were 220,294,495 shares of common stock outstanding.

We do not know when or in what amounts the selling stockholders may offer shares for sale. The selling stockholders may elect not to sell any or all of the shares offered by this prospectus. Because the selling stockholders may offer all or some of the shares pursuant to this offering, and because there are currently no agreements, arrangements or understandings with respect to the sale of any of the shares that will be held by the selling stockholders after completion of the offering, we cannot estimate the number of the shares that will be held by the selling stockholders after completion of the offering. However, for purposes of this table, we have assumed that, after completion of the offering, none of the shares covered by the prospectus will be held by the selling stockholders.

The following tables set forth, to our knowledge, certain information about the selling stockholders as of December 31, 2004.

### SHARES OF COMMON STOCK REGISTERED FOR RESALE

| Name of Selling Stockholder | Number of Shares Beneficially Owned Prior to Offering | Percentage of Shares Beneficially Owned Prior to Offering | Number of Shares Offered Hereby | Number of Shares Beneficially Owned After Offering | Percentage of Shares Beneficially Owned After Offering |
|---|---|---|---|---|---|
| M. Denise DeBartolo York(1) | 1,191,631(2) | *(2) | 1,186,815 | 4,816(3) | *(3) |
| Martha S. Mugar 1976 Trust | 71,482 | * | 71,482 | 0 | 0 |
| Deborah L. Brennan | 7,934 | * | 7,934 | 0 | 0 |

* Less than one percent (1%)

(1) The selling stockholder may be considered a member of the DeBartolo family group, which consists of M. Denise DeBartolo York, NID Corporation, and directly or indirectly, other members of the DeBartolo family, including Edward J. DeBartolo, Jr. or trusts established for the benefit of members of the DeBartolo family or partnerships in which the foregoing persons hold partnership interests. Two of our thirteen directors, M. Denise DeBartolo York and Fredrick W. Petri, have been elected by this group as holders of the outstanding shares of Class C common stock.

(2) Does not include securities owned by other members of the DeBartolo family group. As of December 31, 2004, the DeBartolo family group owned a total of 17,075,069 shares (including 17,066,253 shares that may be issued upon the exchange of units of limited partnership interest in the Operating Partnership, 4,816 shares and 4,000 shares that may be issued upon the conversion of Class C common stock). The DeBartolo Family group beneficially owns 7.2% of our outstanding shares. Units held by limited partners are exchangeable either for shares (on a one-for-one basis) or for cash as selected by our independent directors. Upon the occurrence of certain events, shares of Class C common stock convert automatically into shares (on a one-for-one basis).

(3) Does not include securities owned by other members of the DeBartolo family group. After giving effect to the sale of shares offered by this prospectus, the DeBartolo family group would own a total of 15,888,254 shares (including 15,879,438 shares that may be issued upon the exchange of units of limited partnership interest in the Operating Partnership, 4,816 shares and 4,000 shares that may be issued upon the conversion of Class C common stock) or 6.7% of our outstanding shares.

## PLAN OF DISTRIBUTION

The shares covered by this prospectus may be offered and sold from time to time by the selling stockholders. The term "selling stockholders" includes pledgees, donees, transferees or other successors in interest selling shares received after the date of this prospectus from one of the selling stockholders as a pledge, gift or other non-sale related transfer. To the extent required, this prospectus may be amended and supplemented from time to time to describe a specific plan of distribution.

The selling stockholders will act independently of us in making decisions with respect to the timing, manner and size of each sale. These sales may be made at a fixed price or prices, which may be changed or at prices on the New York Stock Exchange and under terms then prevailing or at prices related to the then current market price. Sales may also be made in negotiated transactions at negotiated prices, including pursuant to one or more of the following methods:

- purchases by a broker-dealer as principal and resale by such broker-dealer for its own account pursuant to this prospectus,
- ordinary brokerage transactions and transactions in which the broker solicits purchasers,
- an exchange distribution in accordance with the rules of the New York Stock Exchange or other exchange or trading system on which the shares are admitted for trading privileges,
- sales "at the market" to or through a market maker or into an existing trading market, on an exchange or otherwise, for the shares,
- sales in other ways not involving market makers or established trading markets,
- through put or call transactions relating to the shares,
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction, and
- in privately negotiated transactions.

In connection with distributions of the shares or otherwise, the selling stockholders may:

- enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the shares in the course of hedging the positions they assume,
- sell the shares short and redeliver the shares to close out such short positions,
- enter into option or other transactions with broker-dealers or other financial institutions which require the delivery to them of shares offered by this prospectus, which they may in turn resell, or
- pledge shares to a broker-dealer or other financial institution, which, upon a default, they may in turn resell.

In addition, any shares that qualify for sale pursuant to Rule 144 may be sold under Rule 144 rather than pursuant to this prospectus.

In effecting sales, broker-dealers or agents engaged by the selling stockholders may arrange for other broker-dealers to participate. Broker-dealers or agents may receive commissions, discounts or concessions from the selling stockholders, in amounts to be negotiated

immediately prior to the sale.

In offering the shares covered by this prospectus, the selling stockholders, and any broker-dealers and any other participating broker-dealers who execute sales for the selling stockholders may be deemed to be "underwriters" within the meaning of the Securities Act in connection with these sales. Any profits realized by the selling stockholders and the compensation of such broker-dealers may be deemed to be underwriting discounts and commissions.

In order to comply with the securities laws of certain states, the shares must be sold in those states only through registered or licensed brokers or dealers. In addition, in certain states the shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

We have advised the selling stockholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling stockholders and their affiliates. In addition, we will make copies of this prospectus available to the selling stockholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. The selling stockholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

At the time a particular offer of shares is made, if required, a prospectus supplement will be distributed that will set forth:

the number of shares being offered,

the terms of the offering, including the name of any underwriter, dealer or agent,

the purchase price paid by any underwriter,

any discount, commission and other underwriter compensation,

any discount, commission or concession allowed or reallowed or paid to any dealer, and

the proposed selling price to the public.

We have agreed to indemnify the selling stockholders against certain liabilities, including certain liabilities under the Securities Act.

We have agreed with the selling stockholders to keep the Registration Statement of which this prospectus constitutes a part effective until the earlier of such time as:

all of the shares covered by this prospectus have been disposed of pursuant to the Registration Statement or

we have delivered to the selling stockholders an opinion of counsel to the effect that such shares may be sold pursuant to Rule 144 without regard to any volume limitations.

## LEGAL MATTERS

The validity of the securities offered hereby and certain federal income tax matters have been passed upon for us by Baker & Daniels, Indianapolis, Indiana.

## EXPERTS

Ernst & Young LLP, independent registered public accounting firm, have audited our consolidated financial statements at December 31, 2003 and 2002 and for each of the two years then ended incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2003, as reissued, and the related financial statement schedule included therein, as set forth in their reports, which are incorporated by reference in this prospectus and elsewhere in this registration statement. Our financial statements and schedule are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

The remaining audited financial statements incorporated by reference in this prospectus and elsewhere in the registration statement have been audited by Arthur Andersen LLP, independent auditors, as indicated in their reports with respect thereto and are incorporated by reference herein in reliance upon the authority of said firm as experts in giving said reports. Arthur Andersen LLP has informed us that it will no longer be able to issue written consents to the inclusion of its reports in our registration statements and has not consented to the incorporation by reference of its reports on our financial statements for the year ended December 31, 2001 in this prospectus and elsewhere in the registration statement. Rule 437a of the Securities Act permits us to include these reports on the financial statements incorporated by reference in this prospectus and elsewhere in the registration statement without the consent of Arthur Andersen LLP. Because Arthur Andersen LLP has not consented to the incorporation by reference of its reports in this prospectus and elsewhere in the registration statement, your ability to recover for claims against Arthur Andersen LLP will be limited. In particular, you may not be able to recover against Arthur Andersen LLP under Section 11 of the Securities Act for any untrue statements of material fact contained in the financial statements audited by Arthur Andersen LLP or any omission to state a material fact required to be stated therein.

## FORWARD-LOOKING STATEMENTS MAY PROVE INACCURATE

This prospectus contains or incorporates forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify these forward-looking statements by our use of the words "believes," "anticipates," "plans," "expects," "may," "will," "intends," "estimates" and similar expressions, whether in the negative or affirmative. We cannot guarantee that we actually will achieve the plans, intentions or expectations discussed in these forward-looking statements. Our actual results could differ materially. We have included important factors in the cautionary statements contained or incorporated in this prospectus, particularly under the heading "Risk Factors," that we believe would cause our actual results to differ materially from the forward-looking statements that we make. We do not intend to update information contained in any forward-looking statement we make.

**INCORPORATION OF INFORMATION WE FILE WITH THE SEC**

The SEC allows us to "incorporate by reference" the information we file with them, which means:

- incorporated documents are considered part of the prospectus;
- we can disclose important information to you by referring you to those documents; and
- information that we file with the SEC will automatically update and supersede this incorporated information.

We incorporate by reference the following documents that we have filed with the SEC:

- Annual Report on Form 10-K for the year ended December 31, 2003;
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2004, June 30, 2004 and September 30, 2004;
- Current Reports on Form 8-K filed June 22, 2004, August 11, 2004, October 6, 2004, October 20, 2004 (amended November 5, 2004) and February 16, 2005;
- The definitive proxy statement for our 2004 annual meeting of stockholders; and
- The description of the shares of common stock contained in the Registration Statement on Form 8-A/A filed on September 24, 1998, including any amendment or report filed for the purpose of updating such description.

We also incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus until this offering is completed or after the date of this initial registration statement and before the effectiveness of the registration statement:

- reports filed under Sections 13(a) and (c) of the Exchange Act;
- any document filed under Section 14 of the Exchange Act; and
- any reports filed under Section 15(d) of the Exchange Act.

You should rely only on information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus is accurate as of the date of this prospectus only. Our business, financial condition and results of operation may have changed since that date.

To receive a free copy of any of the documents incorporated by reference in this prospectus (other than exhibits, unless they are specifically incorporated by reference in the documents), call or write Simon Property Group, 115 West Washington Street, Suite 15 East, Indianapolis, IN, Attention: Investor Relations (317/685-7330).

**WHERE YOU CAN FIND MORE INFORMATION**

We file reports, proxy statements and other information with the SEC. Our SEC filings are also available over the Internet at the SEC's website at http://www.sec.gov. You may also read and copy any document we file by visiting the SEC's public reference room in Washington, D.C. The SEC's address in Washington, D.C. is 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. You may also inspect our SEC reports and other information at the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-3 with the SEC covering the securities that may be sold under this prospectus. For further information on Simon Property and the securities, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Because the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement of which this prospectus is a part.

**PART II**
**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item. 14. Other Expenses of Issuance and Distribution.**

The expenses (not including underwriting commissions and fees) of issuance and distribution of the securities are estimated to be:

| | | |
|---|---|---|
| Registration Fee | $ | 9,549 |
| Printing Expenses | | 15,000* |
| Accounting Fees and Expenses | | 30,000* |
| Attorneys' Fees and Expenses | | 25,000* |
| Miscellaneous Expenses | | 5,000* |
| Total | $ | 84,549* |

* Estimated.

**Item 15. Indemnification of Directors and Officers.**

The Registrant's officers and directors are indemnified under Delaware law, the Registrant's Charter and the Partnership Agreement of Simon Property Group, L.P. (the "Operating Partnership") against certain liabilities. The Delaware General Corporation Law ("DGCL") generally permits a corporation to indemnify its directors and officers, among others, against expenses, judgments, fines and amounts paid in settlement actually or reasonably incurred by them in the defense or settlement of third-party actions or action by or in right of the corporation, and for judgments in third party actions provided there is a determination by directors who were not parties to the action, or if directed by such directors, by independent legal counsel or by a majority vote of a quorum of the stockholders, that the person seeking indemnification acted in good faith and in a manner reasonably believed to be in, or not opposed to, the interests of the corporation, and in a criminal proceeding, that the person had no reason to believe his or her conduct to be unlawful. Without court approval, however, no indemnification may be made in respect of any action by or in right of the corporation in which such person is adjudged liable. The DGCL states that the indemnification provided by statute shall not be deemed exclusive of any rights under any by-law, agreement, vote of stockholders or disinterested directors or otherwise. In addition, the liability of officers may not be eliminated or limited under Delaware law.

The Registrant's Charter contain a provision limiting the liability of directors and officers to the Registrant and its stockholders to the fullest extent permitted under and in accordance with the laws of the State of Delaware. The Registrant's Charter provides that the directors will not be personally liable to the corporation or to its stockholders for monetary damages for breach of fiduciary duty as a director; provided, however, that such provision will not eliminate or limit the liability of a director for (i) any breach of the director's duty of loyalty to the corporation and its stockholders; (ii) acts or omissions not in good faith; (iii) any transaction from which the director derived an improper personal benefit; or (iv) any matter in respect of which such director would be liable under Section 174 of the DGCL. The personal liability of a director for violation of the federal securities laws is not limited or otherwise affected. In addition, these provisions do not affect the ability of stockholders to obtain injunctive or other equitable relief from the courts with respect to a transaction involving gross negligence on the part of a director. No amendment of the Registrant's Charter shall limit or eliminate the right to indemnification provided with respect to acts or omissions occurring prior to such amendment or repeal. The Registrant's By-Laws contain provisions which implement the indemnification provisions of the Registrant's Charter.

The Partnership Agreement of the Operating Partnership provides for indemnification of the officers and directors of each general partner of the Operating Partnership to the same extent indemnification is provided to officers and directors of the Registrant in its Charter, and limits the liability of such general partners and their officers and directors to the Operating Partnership and their partners to the same extent liability of officers and directors of the Registrant to the Registrant and its stockholders is limited under the Registrant's Charter.

The Registrant has entered into indemnification agreements with each of the Registrant's directors and officers. The indemnification agreements require, among other things, that the Registrant indemnify its directors and officers to the fullest extent permitted by law, and advance to the directors and officers all related expenses, subject to reimbursement if it is subsequently determined that indemnification is not permitted. The Registrant also must indemnify and advance all expenses incurred by directors and officers seeking to enforce their rights under the indemnification agreements, and cover each director and officer if the Registrant obtains directors' and officers' liability insurance.

In addition, the Registrant has a directors' and officers' liability and company reimbursement policy that insures against certain liabilities, including liabilities under the Securities Act, subject to applicable retentions.

**Item 16. Exhibits.**

The list of exhibits is incorporated by reference to the Exhibit Index on page E-1.

**Item 17. Undertakings.**

(a)

The undersigned Registrant hereby undertakes:

(1)

To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i)

To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii)

To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the registration statement;

(iii)

To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2)

That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement

relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3)

To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b)

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

(c)

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Indianapolis, State of Indiana, on February 14, 2005.

**SIMON PROPERTY GROUP, INC.**

By: /s/ DAVID SIMON

David Simon, Chief Executive Officer

**POWER OF ATTORNEY**

Each person whose signature appears below hereby authorizes David Simon, Stephen E. Sterrett, James M. Barkley and John Dahl, or any of them, each with full power of substitution, to execute in the name and on behalf of such person any amendment to this Registration Statement, including post-effective amendments, and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933 and to file the same, with exhibits thereto, and other documents in connection therewith, making such changes in this Registration Statement as the Registrant deems appropriate, and appoints David Simon, Stephen E. Sterrett, James M. Barkley and John Dahl, or any of them, each with full power of substitution, attorney-in-fact to sign any amendment to this Registration Statement, including post-effective amendments, and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933 and to file the same, with exhibits thereto, and other documents in connection therewith.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in their respective capacities and on February 14, 2005.

| Signature | Title |
|---|---|
| /s/ DAVID SIMON<br>David Simon | Chief Executive Officer and Director<br>(Principal Executive Officer) |
| /s/ HERBERT SIMON<br>Herbert Simon | Co-Chairman of the Board of Directors |
| /s/ MELVIN SIMON<br>Melvin Simon | Co-Chairman of the Board of Directors |
| /s/ RICHARD S. SOKOLOV<br>Richard S. Sokolov | President, Chief Operating Officer and Director |
| /s/ BIRCH BAYH<br>Birch Bayh | Director |
| /s/ MELVYN E. BERGSTEIN<br>Melvyn E. Bergstein | Director |

| | |
|---|---|
| /s/ LINDA WALKER BYNOE<br>Linda Walker Bynoe | Director |
| /s/ KAREN N. HORN<br>Karen N. Horn | Director |
| /s/ G. WILLIAM MILLER<br>G. William Miller | Director |
| /s/ FREDRICK W. PETRI<br>Fredrick W. Petri | Director |
| /s/ J. ALBERT SMITH, JR.<br>J. Albert Smith, Jr. | Director |
| /s/ PIETER S. VAN DEN BERG<br>Pieter S. van den Berg | Director |
| /s/ M. DENISE DEBARTOLO YORK<br>M. Denise DeBartolo York | Director |
| /s/ STEPHEN E. STERRETT<br>Stephen E. Sterrett | Executive Vice President and Chief Financial Officer (Principal Financial Officer) |
| /s/ JOHN DAHL<br>John Dahl | Senior Vice President<br>(Principal Accounting Officer) |

**INDEX TO EXHIBITS**

| Exhibit No. | Description of Exhibit |
|---|---|
| 4.1 | Restated Certificate of Incorporation of Simon Property Group, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed October 9, 1998). |
| 4.2 | Amended and Restated By-laws of Simon Property Group, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002). |
| 4.3 | Registration Rights Agreement dated as of September 24, 1998 by and among Simon Property Group, Inc. and certain persons set forth on Schedule A thereto (incorporated by reference to Exhibit 4.4 to the Registrant's Current Report on Form 8-K filed October 9, 1998) |
| 4.4 | Registration Rights Agreement dated as of August 27, 1999 by and among Simon Property Group, Inc. and certain persons set forth on Schedule A thereto (incorporated by reference to Exhibit 4.3 to the Registrants's Registration Statement on Form S-3 filed October 21, 2004). |
| 5* | Opinion of Baker & Daniels. |
| 8* | Tax Opinion of Baker & Daniels. |
| 23.1 | Consent of Ernst & Young LLP |
| 23.2 | Consent of Arthur Andersen LLP (omitted pursuant to Rule 437a of the Securities Act). |
| 23.3 | Consent of Baker & Daniels will be contained in their opinions to be filed as Exhibits 5 and 8. |
| 24 | Power of Attorney (included on the Signature Page). |

* To be filed by amendment.

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