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OLD NAVY, PANERA BREAD AND STARBUCKS COMING TO SIMON'S PIER PARK

PANAMA CITY BEACH, FL (May 12, 2006) – Simon Property Group, Inc. (NYSE:SPG) announced today that **Old Navy**, **Panera Bread**, and **Starbucks** will join the outstanding tenant lineup at its Pier Park development.

Pier Park is a much-anticipated 900,000 square-foot retail and entertainment complex located on 93 acres that covers land from Front Beach Road (at the City Pier) to the heavily-traveled Highway 98. Phase I of Pier Park is scheduled to open in October of this year, with the opening of **Target** and the first phase of specialty shops.

Other exciting retailers previously announced as coming to Pier Park include great restaurants such as **Back Porch Seafood House** and **Reggae J's Island Grill**; exciting retailers such as **Ron Jon Surf Shop**; and entertainment options including **Southern Theatres'** 16-screen, 3,000-seat movie theater.

Old Navy will locate its first store in the market at Pier Park with a 14,800 square foot store. Old Navy's mission is to offer affordable, fashionable clothing and accessories for the whole family.

Panera Bread will also come to the market with its first location at Pier Park. The 5,000 square foot restaurant will seat 175 patrons and will face Highway 98.

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Panera Bread bakery-cafes showcase the art and craft of bread making, helping customers truly appreciate and enjoy a great loaf of bread by studying its crust, crumb and craft. Panera Bread understands that great bread makes great meals, from made-to-order sandwiches to tossed-to-order salads and soup served in bread bowls.

Panera Bread is widely recognized for driving the nationwide trend for specialty breads. As reported by the Wall Street Journal, Panera Bread scored the highest level of customer loyalty among quick-casual restaurants, according to research conducted by TNS Intersearch.

Starbucks will locate a 1,500 square foot store in the Cabana area of Pier Park. Located just outside Southern Theatres' Grand 16 complex, this lushly landscaped area equipped with comfortable seating benches will serve as one of the prime gathering spots at Pier Park.

Starbucks purchases and roasts high-quality whole bean coffees and sells them along with fresh, rich-brewed, Italian style espresso beverages, a variety of pastries and confections, and coffee-related accessories and equipment – primarily through its company-operated retail stores.

“Old Navy, Panera Bread, and Starbucks are three of the leading retailers that provide an experience to the customer, further enabling Pier Park to become truly a destination location,” said Paul Ajdaharian, regional vice president in Simon’s community /lifestyle centers division. “These retailers strive to make shopping fun, which complements our vision of Pier Park.”

Simon Property Group, Inc., headquartered in Indianapolis, Indiana, is a real estate investment trust engaged in the ownership, development and management of retail real estate, primarily regional malls, Premium Outlet® centers and community/lifestyle centers. The Company’s current total market capitalization is approximately \$42 billion. Through its subsidiary partnership, it currently owns or has an interest in 285 properties in the United States containing an aggregate of 200 million square feet of gross leasable area in 39 states plus Puerto Rico. Simon also owns interests in 51 European shopping centers in France, Italy, and Poland; 5 Premium Outlet centers in Japan; and one Premium Outlet center in Mexico. Additional Simon Property Group information is available at www.simon.com.

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