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SIMON'S CHELSEA DIVISION OPENS RIO GRANDE VALLEY PREMIUM OUTLETS

Big Crowds from Texas and Mexico

MERCEDES, TEXAS (November 2, 2006) – Chelsea Property Group, a division of Simon Property Group, Inc. (NYSE:SPG), the country's largest owner, developer and manager of high quality retail real estate, opened Rio Grande Valley Premium Outlets® this morning in Mercedes, Texas. Located 20 miles east of McAllen and 10 miles from the Mexican border on 54 acres, Rio Grande Valley Premium Outlets features 100 designer and name-brand outlet stores. It is Chelsea's 42nd Premium Outlet Center.

Merchants such as Adidas, Ann Taylor, Anne Klein, Banana Republic, BCBG Max Azria, Brooks Brothers, Burberry, Calvin Klein, Coach, Gap Outlet, Guess, Nike, Tommy Hilfiger and Sony were among the outlet stores that opened their doors. Rio Grande Valley Premium Outlets is currently 97% leased.

"We were thrilled with the large crowds of enthusiastic shoppers from all over the state of Texas and from cities throughout Mexico," said Michele Rothstein, senior vice president of marketing for Chelsea Property Group. "We enjoyed hearing shoppers express their excitement in finding great bargains in both English and Spanish."

"This has been a much awaited project for our community, the Rio Grande Valley and northern Mexico," Mayor Joel Quintanilla of Mercedes told dignitaries and shoppers at the ribbon cutting. Quintanilla also said that approximately 800 jobs have been created with the opening of Rio Grande Valley Premium Outlets.

Simon Property Group, Inc., an S&P 500 company 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 \$46 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 38 states plus Puerto Rico. Simon also owns interests in 53 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. Simon Property Group, Inc. is publicly traded on the NYSE under the symbol SPG.