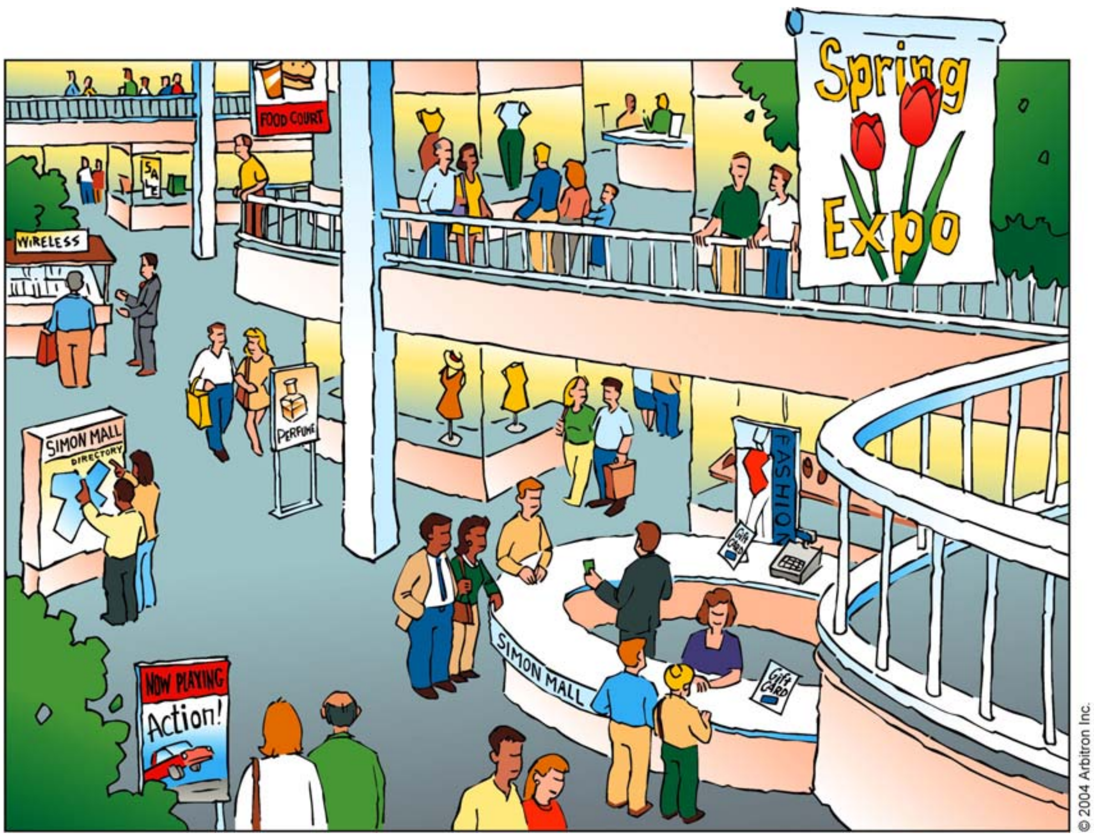
Arbitron Inc.

Simon Malls Shopper Profile



Presented by:

Bill Rose
Vice President and General Manager
Arbitron New Ventures
142 West 57th Street
New York, NY 10019
(212) 887-1327
bill.rose@arbitron.com

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Overview

Welcome to Arbitron's study of the efficacy of the Simon Property Group network of shopping malls as an advertising medium.

While "place-based media" have been around for years, it may seem odd to the advertiser or media planner to think of the shopping mall as an advertising medium—like TV, radio, magazines, or newspaper. It should not. The mall is a place for people to convene as community, to browse, chat—and transact. And it is a place where the delivery of advertising impressions can be extremely impactful.

As with all marketing expenses, though, the benefits of mall advertising must be quantifiable. Marketers are faced with an increasingly challenging environment, and with an often dizzying array of choices for spending marketing (and advertising) dollars. Subsequently, any expenditure passing muster and earning its way into the marketing plan must have some demonstrable Return On Investment. Arbitron believes the power of mall advertising and experiential marketing in general, and of Simon Malls in particular, can exceed this criterion.

With respect to advertising, marketers require information about certain core audience metrics to consider a medium or media vehicle. These include Reach, Frequency, Gross Impressions, and descriptive information about the audience's composition (demographics) and their shopping behavior. This report provides information about media value of the Simon Shopper to the advertising and marketing community. Scarborough Research data on the Simon network as a medium is available on an ongoing basis.

Mall advertising has distinct elements that make it strategically valuable for marketers. For mall advertising, three stand out:

- **High effective reach:** When viewed as a national medium, the reach of the Simon network is surprisingly high, and compares favorably with many national media vehicles. Approximately one-third of America shops at a Simon Mall. While Simon visitors account for 2 billion shopping trips, it is important to remember that one trip does not equal one advertising impression. With multiple mall placements, it is possible to reach the Simon customer 3+ times on a single visit. That means, if we think of "effective reach" as 3+ exposures per visit, there are 6+ billion opportunities to reach Simon Shoppers effectively each year.
- **Recency and Point-of-Purchase (POP):** An advertising message placed at a mall is received by the prospective customer immediately prior to (and even during) making a disproportionately large number of purchase decisions—both with respect to selection of retailer, and with respect to actual product purchase decision across numerous categories.
- **Active and experiential**: The mall is the physical place in the market where people come—in clusters of friends and family—to shop, socialize, seek entertainment, have a meal, catch a movie, and **spend money**. The mall is a destination, an attraction and a centerpiece of the community. Put simply: it's fun there. Additionally, Simon brand research indicates that Simon Shoppers equate mall shopping with the "exciting", often spending significant time in the mall and sharing the experience with friends or family. By contrast, the goal of shopping at "value" destinations, (sources for life's basic staples - e.g., cleaning supplies, toiletries, etc.), is to purchase these necessities in the least amount of time. This distinction makes the mall an ideal advertising

environment. And the fact that malls are places where shopper communities physically convene allows marketers unparalleled opportunities to break down barriers between advertising, promotion, and POP. At its core, shopping remains a "tactile" activity, where most shoppers want to see, touch and experience products before they buy.

This report draws on multiple sources for information about the Simon shopper and the Mall as the Medium. These sources include Scarborough Research, the leading local, regional, and national source of consumer behavior, especially with respect to retail and multi-media. Simon has funded a custom aggregation of their properties in Scarborough (which collects data on mall visitation) to enable the network of Simon malls to be analyzed through traditional media software.

A second key source is a proprietary study conducted by Arbitron for Simon. The study was conducted in December 2003; details on the study methodology may be found in the "How the Study Was Conducted" section.

Finally, to underscore and emphasize points we found in these two sources, this report periodically uses other third party data to which Simon subscribes, and makes use of Simon-proprietary data. In all cases, the source of data will be clearly identified.

About Scarborough

Scarborough is a national study of over 200,000 US consumers aged 18+. The study is conducted in two waves each year and updated twice annually to include the two most recent 6-month waves. Scarborough is comprised of stand-alone samples in 75 of the largest DMA® markets, as well as a balance-US sample, allowing breakouts on a local, regional, and national basis. For more information on Scarborough, visit: www.scarborough.com.

Some of the data contained herein is culled from the Scarborough Multi-Market study, Release 2, 2003. This study aggregates the 75 individual local DMA®s covered by Scarborough. These markets account for approximately 78% of total US 18+ population (and 89% of Simon Malls); all data from the Scarborough Multi-Market study are projectable against this universe.

How the Arbitron Study was Conducted

Arbitron began with a frame of radio ratings participants, and contacted respondents via a telephone interview. The interviewer screened for any visits to local Simon Malls in the last three months. 1,106 telephone interviews were completed with Simon Shoppers between December 8 and December 22, 2003. The interviewing was conducted in the 21 top-25 DMA®s where Simon has malls (a list of these DMA®s may be found later in the report.) The study was designed to understand:

- Who is shopping at Simon Malls?
- Shopping frequency
- Who is the heavy Simon shopper?
- What are Simon Shoppers doing at the mall?
- The nature of shopping behavior
- Advertising awareness
- Interest in new advertising and experiential marketing options

The State of Mall Media Today

Traditional media are faced with the continued challenges of fragmentation and consumer avoidance of marketing messages (ex: do-not-call, personal video recorders (PVRs) with fast-forward capabilities). Shopping mall operators are well suited to take advantage of these trends. Indeed, the very physical space that comprises the mall—and the audience of shoppers streaming through the mall each day—comprises a powerful tool for marketers as advertising and messaging inventory. Simon Property Group, the largest owner, developer, manager and marketer of malls in the U.S., recognized early the power of the mall as a medium and is aggressively pursuing a strategy to enhance its media and marketing platform to make it easier and more attractive for advertisers and media planners to leverage this platform.

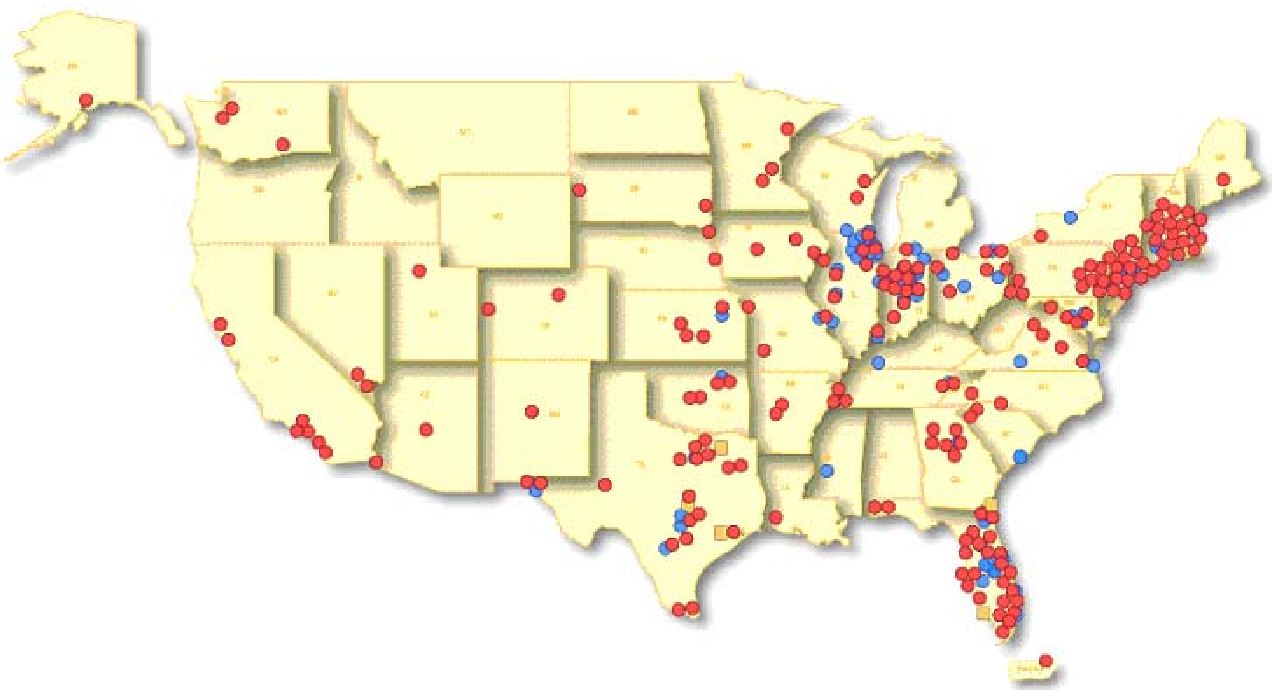
Increasingly, shopping centers and malls are offering diverse and creative ways to use multi-media approaches to delivering messages to the shopper audience, including:

- Digital Displays
- Backlit Indoor Panels
- Free Standing Posters
- Banners/Spectaculars
- Food Court Advertising Options
- Entrance Door Clings
- Floor Displays
- Outdoor Billboards and Other Options
- Events, Promotions and Sampling
- Customer Acquisition Marketing
- Sponsorship and Naming Rights

In short, mall and shopping center operators have begun to take a fresh look at their offerings, and to realize that the mall itself is a viable advertising and experiential marketing medium. The challenge becomes developing tools and information for marketers to best deploy this medium in the distribution of targeted marketing messages.

The Simon Network[1]

Not surprisingly, the emergence of Simon Property Group as a media vehicle is the result of one of the most significant trends in business today—consolidation. Simon Property Group is now (May 2004) comprised of 247 properties in 37 states.



Property Types:

- Malls
- Community Centers
- Development Sites

[1]This section is provided by Simon Brand Ventures.

Additionally, many of the country's premier malls are Simon Malls, including:

Lenox Square
Atlanta, GA

Roosevelt Field
Long Island, NY

King of Prussia
Philadelphia Area

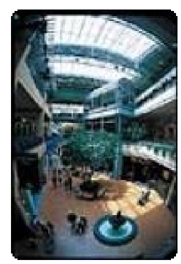
Forum Shops
Las Vegas, NV

The Westchester
White Plains, NY

Copley Place
Boston, MA

Houston Galleria
Houston, TX

Fashion Centre at Pentagon City
Washington D.C. area



Mall of America
Minneapolis, MN

Stanford Shopping Center
Palo Alto, CA
(San Francisco)

Shops at Mission Viejo
Mission Viejo, CA
(Orange County or Los Angeles)

Florida Mall
Orlando, FL

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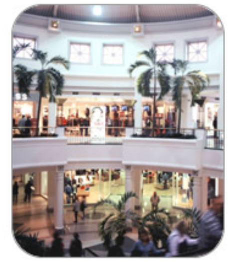
Orland Square
Orland Park, IL
(Chicago)

Town Center at Boca
Boca Raton, FL



Fashion Mall at Keystone
Indianapolis, IN

Irving Mall
Irving (Dallas), TX

Miami International
Miami, FL

Tacoma Mall
Tacoma (Seattle), WA

Simon Media and Experiential Marketing Options

Simon offers an array of scalable, multi-platform alternatives for presenting the Simon shopper with an "Opportunity to See" (OTS)—or hear—an advertiser's message. These include:

- Digital displays (coming soon)
- Backlit indoor advertising panels
- Free standing posters
- Banners/spectaculars
- Food court options (e.g., table tents, table clings)
- Entrance door clings and floor displays
- Outdoor advertising options (e.g., billboards, building wraps, parking lot banners)
- Events, promotions and sampling
- Customer acquisition marketing
- Sponsorships and naming rights
- Simon.com
- Simon Marketplace (customer service desks)
- Simon direct marketing capabilities
- Simon GiftCard
- Simon Platform programs

Why Mall Advertising?

Marketers are growing increasingly challenged by the state of traditional advertising today. Mass media continue to fragment. Advertising Vehicles such as Network TV are finding it more difficult to deliver the same size audience they had a few years ago and advertisers struggle to link a clear return on their investment. Consumers are becoming increasingly empowered, through technology and legislation, to exercise their ability to avoid commercial messaging. Millions of American households have registered for the federal do-not-call list. TiVo and other personal video recorder (PVR) technologies are presenting challenges on two fronts. On one hand, TiVo reports that 90% of users fast forward through commercials. On the other hand, today's TV ratings systems in the United States exclude PVR households. Thus advertisers cannot adequately measure the impact of PVR usage on their advertising. The net effect appears to be a general undermining of the effectiveness of traditional media.

Increasingly, marketers are seeking alternative ways to disseminate their messages—not just to advertise, but to dialogue with consumers, become part of their lives, their landscape. Direct marketing, sponsorships, joint marketing opportunities, and CRM (Customer Relationship Management) are attracting much interest as marketers seek the best ways to remain front and center in the mind's eye of the prospect.

The shopping mall serves as a major community and entertainment center and marketplace in America today—both in suburban and urban areas. Even for marketers in categories that do not have distribution in malls (e.g., health care, automotive) the mall is an ideal place to reach consumers when they are most pre-disposed to receiving a marketing message. When people are at the mall, they have their "consumer" hat on. Thus, the value of receptivity to messaging—of environment, of context—cannot be understated.

Finally, there is the opportunity to combine advertising with consumer experiences to create "branded moments." Through experiential marketing initiatives, the target consumer can connect with the message. Simon Malls, with its significant consumer traffic, broad array of media options, and flexible promotional platforms, represents a valuable experiential marketing venue for advertisers.

Significant Highlights

The size and scope of the Simon audience in a media context. Shoppers make 2 billion trips annually to a Simon mall. Simon reach continues to build from one to three months. According to Scarborough, in one month, Simon reaches 22 million unique shoppers aged 18+; in three months, the figure grows to 41 million. Reach among males almost doubles in this time frame. When looking at the Simon Malls as a media vehicle, it becomes apparent that Simon is a high-reach vehicle that can compare with traditional national media vehicles in net reach. Simon has a significant presence in major markets, including 21 of the top-25 DMAs.

Simon traffic: Who they are. Simon Shoppers are a cross-section of America. While Simon Shoppers tend to skew upscale and female, Simon Malls also generates significant reach against most traditional adult media targets, including males, teens, adults with kids and many other segments. Simon Shoppers are likely to be heavy newspaper readers, and less likely to be among the heaviest TV viewers.

Simon traffic: How they behave. Simon's own data shows that key demographics make frequent trips to the mall. Because of the nature of mall advertising and shopper behavior, multiple opportunities exist to reach each shopper each trip. The average shopping trip lasts 82 minutes. Shoppers visit an average of 4 stores per trip, using the interior corridors of the mall to get from one store to the next. Additionally, according to a study conducted by Arbitron for Simon, 56 percent of shoppers report spending time in the corridors or walkways, where the majority of advertising messages are placed. Of all shoppers in the past 2 weeks, 78% report having spent over an hour in the mall. The overwhelming majority of shoppers enter and depart from the same location, yielding at least 2 exposures per visit. Shopping at the mall tends to be a "friends-and-family," as opposed to an individual, experience.

Simon M1s: The core shopper. Among Simon Shoppers, 27% account for 67% of shopping trips. These are the shoppers who will account for the majority of ad impressions. We are calling these shoppers the Simon M1s. They have made at least 6 trips to a Simon property in the last 3 months and are a valuable advertising target because they are most likely to have made a purchase on their last trip to the mall. The M1s are even more upscale than the overall Simon shopper with strong showings across all age demographics. Women (25-64) and Teens (13-17) are particularly devoted Simon Mall shoppers, while Simon M1 males account for 500 million shopping trips annually.

The Simon shopper receptivity to advertising and "branding moments." As we will see, because the Simon shopper is in the shopping mode, they have their "consumer hat" on and their receptivity to marketing messages is surprisingly high.

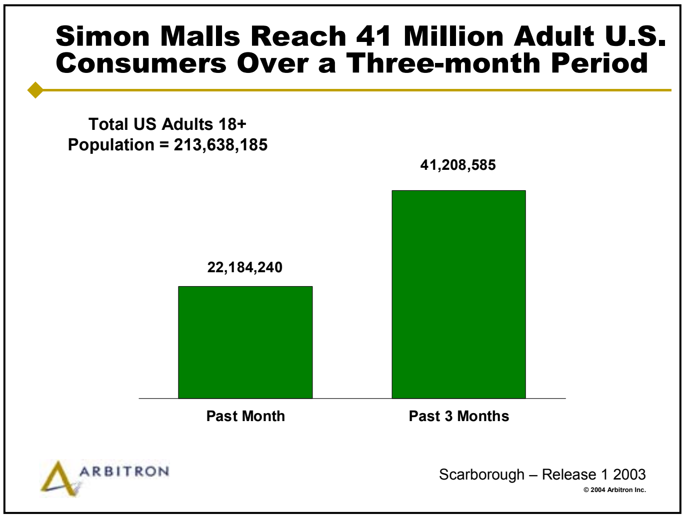
Key Findings

A. The Size and Scope of the Simon Audience in a Media Context

Simon accounts for 2 billion shopper trips annually. Based upon a third-party sophisticated video system that measures shopper visits to Simon Malls, a total of 2 billion shopping trips a year are made to the Simon network of properties. Simon's visit counts are conservative compared to other less rigorous, subjective car-count based methods often used in the industry to estimate the number of people visiting malls.

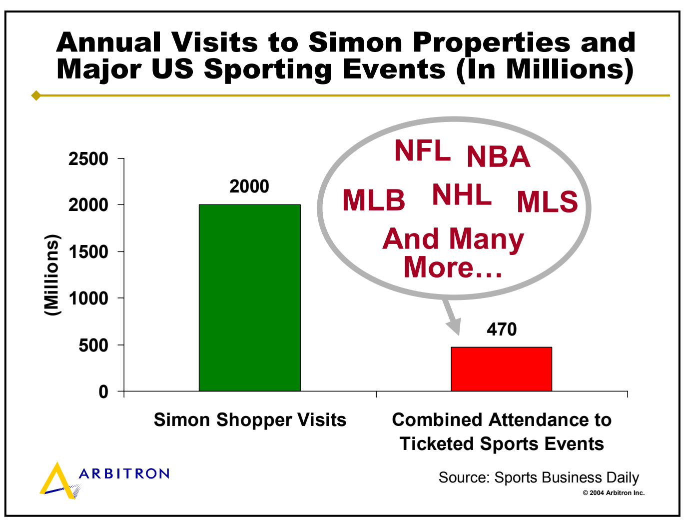
Simon Malls reach approximately one-third of Americans annually, according to third-party research commissioned by Simon. This research also reveals that Simon Shoppers within a mall's trade area visit the mall 2-5 times per month. Visit frequency varies by consumer segment with Teens leading the way with approximately 5 mall visits per month.

Simon reaches 22 million unique American visitors aged 18+ in a month, and 41 million in three months. According to Scarborough Release 1 2003, in a single month Simon reaches 22.2 million unique US shoppers aged 18+. Over a three-month period, Scarborough reports that Simon Malls reaches 41.2 million unique US shoppers 18+.

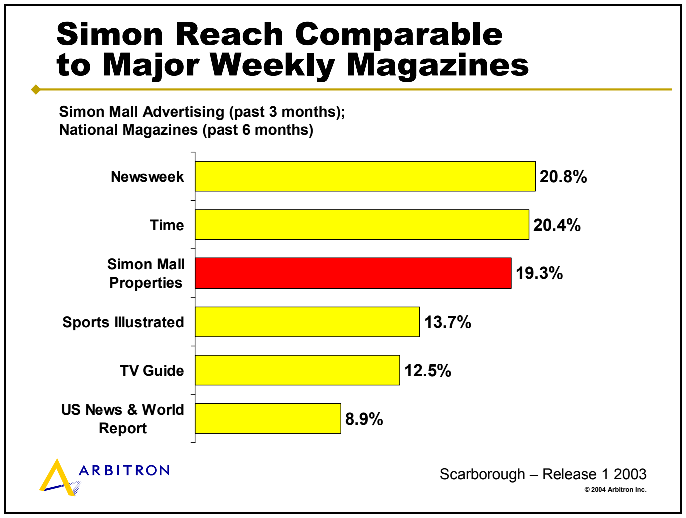


Simon also reaches substantial numbers of Americans not measured by Scarborough including Kids (people age 12 or younger) and Teens (13-17) and shoppers visiting Simon Malls in markets not covered by Scarborough.

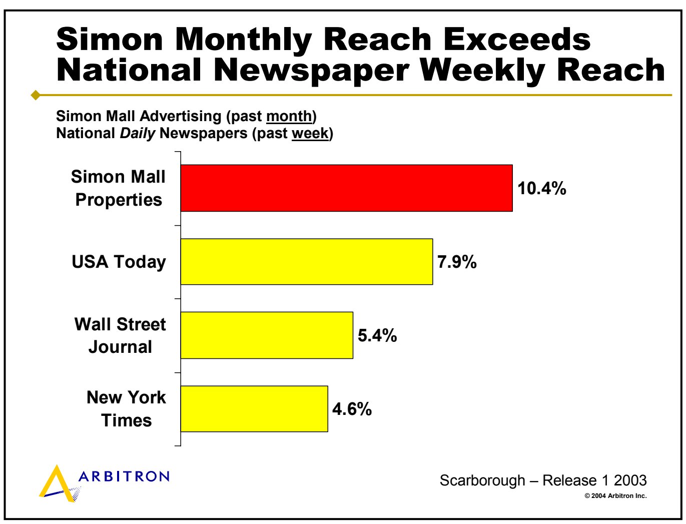
Americans are five times more likely to visit a Simon property than attend a ticketed sporting event. According to Sports Business Daily, the combined annual attendance of the four major professional sports (baseball, football, basketball, hockey), NASCAR, Major League Soccer, major NCAA events, major tennis events, and the PGA total 470 million visits annually. This is roughly one fifth the number of trips to a Simon property.



Simon's net reach is comparable to, or exceeds, major weekly national magazines. According to Scarborough Release 1 2003, and comparing a SIX-MONTH magazine reach to a THREE-MONTH Simon reach (Simon is measured in Scarborough for past-month and past-three-months), Simon Malls reach is comparable to major consumer magazines among adults 18+.



Simon's one-month reach exceeds national newspaper weekly reach. According to Scarborough Release 1 2003, and comparing a ONE-WEEK national newspaper reach to a ONE-MONTH Simon reach (Simon is measured in Scarborough for past-month and past-three-months), Simon Malls reach exceeds each of the major national newspapers among adults 18+, and arguably the quality of the impression is greater given the "shopper's mindset" at time of exposure and the proximity to the point-of-sale.



Simon has significant presence in the top-25 DMA®s. Simon has a total of 100 malls in 21 of the top-25 Television DMA®s. These 21 DMA®s account for 44 **%** of total US population.

DMA®	**Market**	**Number of Simon Malls**
1	NY	13
2	LA	4
3	Chicago	4
4	Philadelphia	10
5	San Francisco	2
6	Boston	16
7	Dallas/FW	4
8	Wash DC	4
9	Atlanta	6
11	Houston	1
12	Seattle/Tacoma	2
13	Tampa-St. Pete	4
14	Minneapolis-St. Paul	2
15	Phoenix	1
16	Cleveland-Akron	3
17	Miami-Ft. Lauderdale	5
18	Denver	1
20	Orlando-Daytona Beach-Melbourne	5
21	St Louis	1
22	Pittsburgh	3
25	Indianapolis	9
Total –Top 25 Markets		**100**

Simon's penetration is particularly high among consumers in key markets (according to Scarborough, R2, 2003):

Market (DMA®)	Percent of Adults 18+ Who Shop at Simon Malls in the past 3 months
Indianapolis	68%
Boston	68%
Atlanta	57%
Philadelphia	57%
Miami	47%
New York	45%
Dallas	29%
Chicago	23%
Washington, DC	22%
Houston	22%
Los Angeles	17%

B. Simon Shopper Traffic: Who They Are

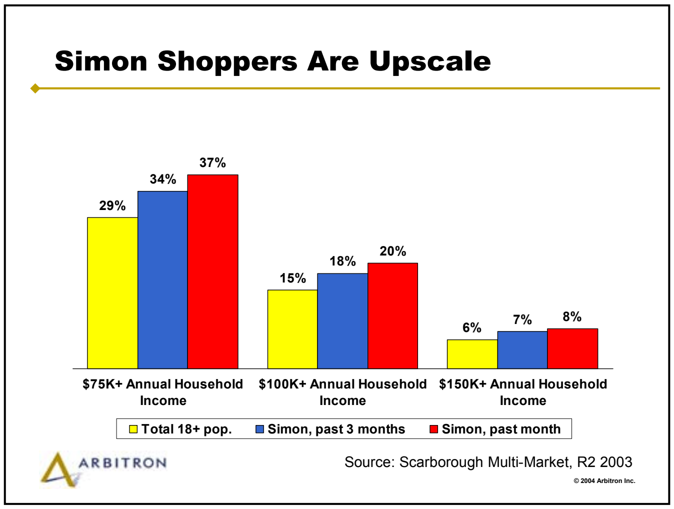
How can marketers begin to put Simon Media into practical use? There are two important components to consider: the profile of the shopper audience, and the way in which these shoppers "navigate" through the mall (just as consumers navigate the Internet or TV remote control).

In this section we will focus on the profile of the Simon Shopper using Scarborough data from the release 2, 2003 Multi-Market study.

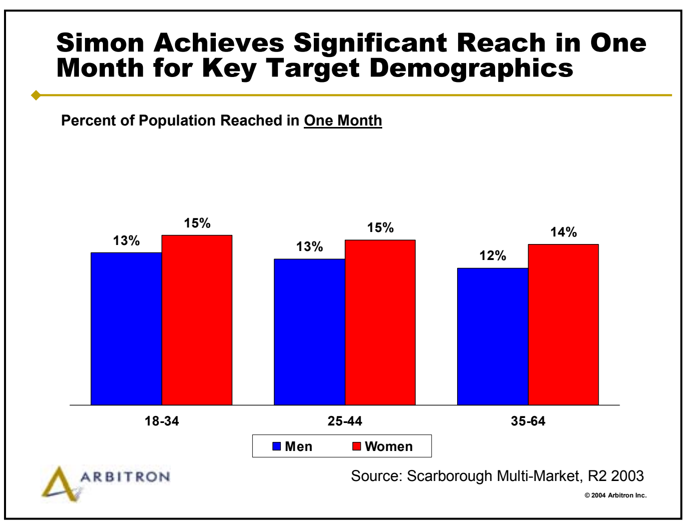
Snapshot: Simon Shoppers
Source: Scarborough Multi-Market Release 2 2003

	Past 30 Days	Past 3 Months
Median age persons 18+	42.3	43.0
Median age: Men 18+	41.2	41.8
Median age: Women 18+	43.1	43.9
Median HH Income	$59,959	$55,693

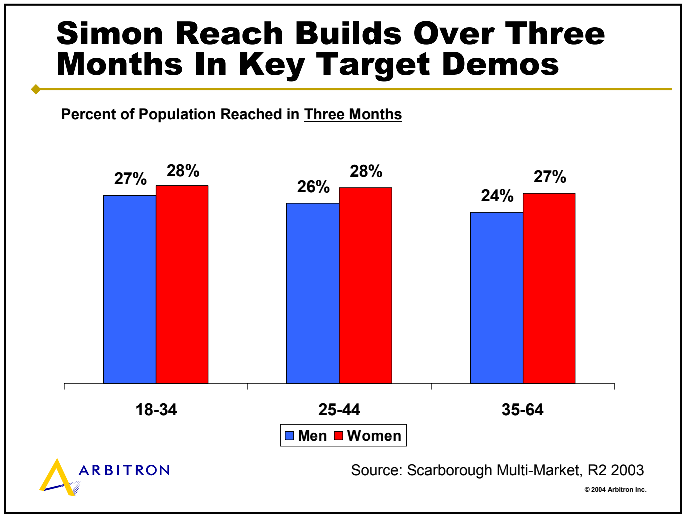
Simon Mall shoppers are more upscale than the general population. According to Scarborough Multi-Market Release 2, 2003, the Simon Shopper is more likely than the general market to have a household income of $75,000 or greater, $100,000 or greater, and $150,000 or greater. This is more pronounced for past-30-day shoppers than for past-three-month shoppers, suggesting that the more frequent shoppers are the higher income. Indeed this is one of the unspoken values of using malls for advertising; they reach spenders. Thirty-seven percent of past-30-day Simon Shoppers have a household income of $75,000 or more.



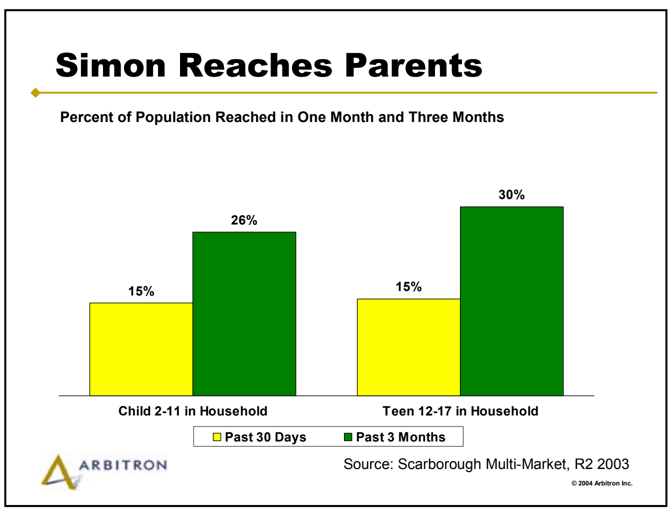
Simon achieves significant reach against key target demographics in one month. For some of the most desirable age/gender targets, Simon delivers a high penetration in one month. According to Scarborough's Multi-Market database, Simon reaches 15% of women 18-34 and of women 25-44, in a month. Reach among males in these age groups is just slightly lower.



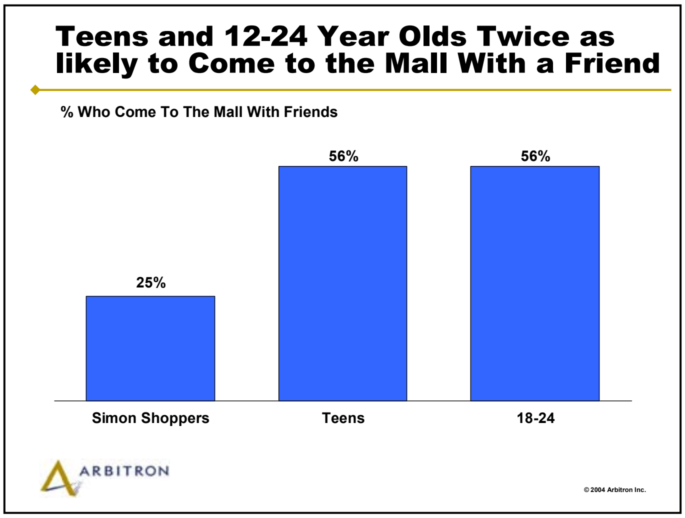
Simon Malls reach continues to build over three months, delivering approximately 25% of key target demographics. Over three months, Simon reaches 28% of women 18-34; 28% of women 25-44; and 27% of women 35-64. Interestingly, reach among men builds faster from one month to three—indeed male reach approximately doubles when looking at the longer time span. For example, reach among men 18-34 grows from 14% in one month to 27% in three months.



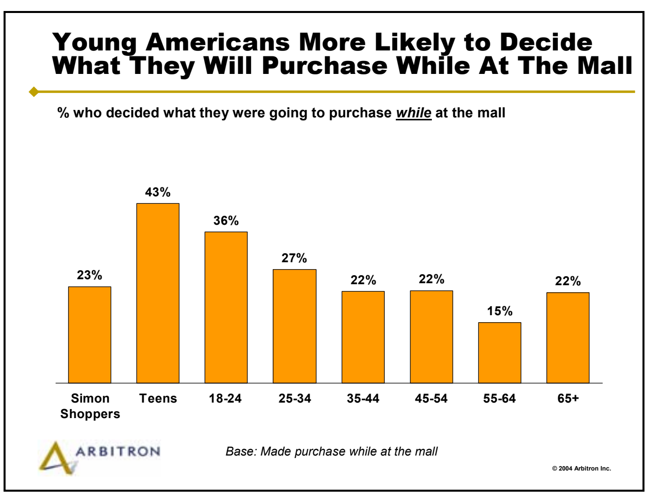
Simon Malls achieves significant reach among parents of children and teens. In three months, Simon reaches over one quarter of adults with kids 2-11 in the household, and 30% of adults with Teens 12-17 in the household.

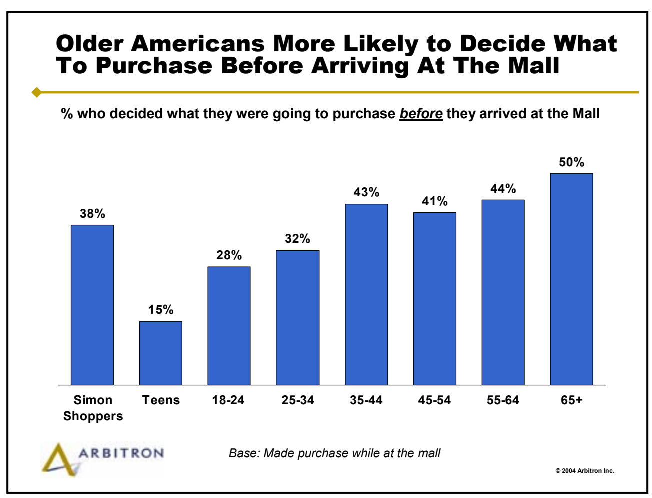


Advertisers targeting Teens and 18-24 year olds can create a significant impact utilizing mall advertising media. It is becoming increasingly difficult to reach Teens and young adults in today's fragmented media world but advertising in malls provides advertisers with a highly effective means of reaching young Americans. Overall, 22% of Simon Shoppers visited the mall with friends. However, mall advertising has significantly more impact among young Americans since 56% of Teens and 18 to 24 year olds visit the mall with their friends. According to Simon research Teens visit on average 5 or more times per month and spent a significant amount of time at the mall per visit.



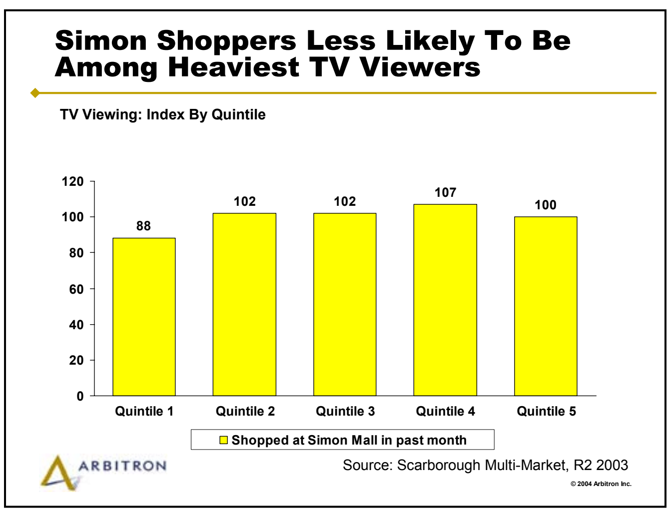
Teens and 18-24 year olds are more likely to make their purchasing decisions while at the mall while older shoppers tend to decide before they get to the mall. Thus, mall advertising is an effective medium for swaying the purchasing decision of young Americans at the most crucial moment. Forty-three percent of Teens (and 36% of 18-24 year olds) who made a purchase at the mall decided to make that purchase while at the mall compared to 23% of average shoppers. People 35 and older tend to decide what to purchase before arriving at the mall but not necessarily which brand. Thus, the last chance for advertisers to change their mind is while these consumers are in the mall on the way to making their purchase.





Simon Shoppers tend to be heavy newspaper readers. In developing indices for media usage among Simon Shoppers (based on the Scarborough Multi-Market data) it becomes clear that Simon Shoppers tend to be among the heavier newspaper users. Past month Simon Shoppers are 13% more likely than the general population (index of 113) to be in the heaviest 20% (quintile 1) newspaper readers, and 15% less likely (Index of 85) to be in the lightest 20% of newspaper readers (Quintile 5). This suggests that combining Simon Mall media and newspapers might be a cost effective means of extending reach with these shoppers.

Simon Shoppers are unlikely to be among the heaviest TV viewers. Simon past month shoppers are 22% less likely (Index of 88) to be in the heaviest TV viewers (Quintile 1). The top quintile tends to account for a disproportionate proportion of ad exposures to a medium so this finding is significant with respect to reaching high income shoppers who are potentially under-exposed to a TV campaign.



C. Simon Shopper Traffic: How They Behave

In this section, we use third-party research validated by Simon, to explore the nature of mall navigation behavior. In addition, we will use data from the Arbitron study commissioned by Simon.

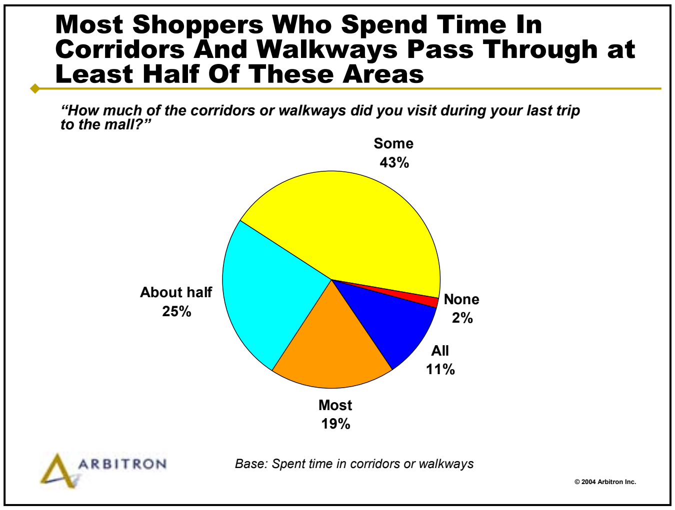
Simon internal data shows key target demographics account for high levels of shopper trips. According to Simon data, kids, teens, men, and women all make numerous trips to Simon Malls, ranging from 2-5 visits per month. Within Simon Mall trade areas, Teens (13-17) make an average of over 5 trips per month.

Simon delivers significant reach across key demographic segments:

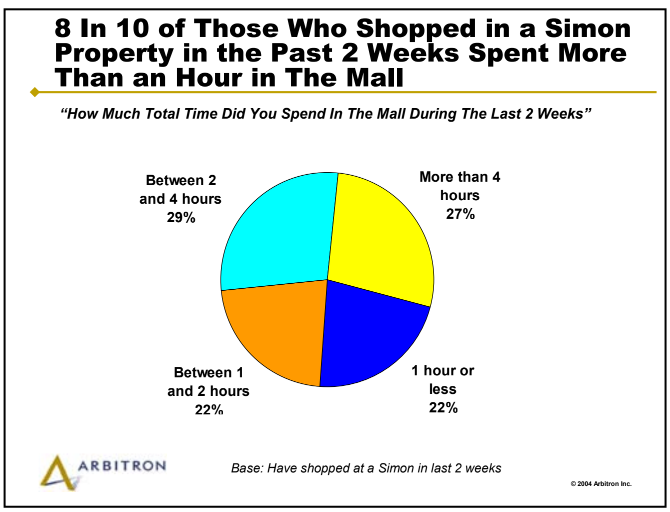
Teens 13-17 339+ million visits per year	**Women 18+** 810+ million visits per year	**Men 18+** 545+ million visits per year
Children <13 299+ million visits per year	**Women 18-24** 149+ million visits per year	**Men 18-24** 136+ million visits per year
	Women 25-54 450+ million visits per year	**Men 25-54** 294+ million visits per year
	Women 55+ 210+ million visits per year	**Men 55+** 115+ million visits per year

Multiple opportunities-to-see advertising exist on each shopping trip. According to Simon data, the average shopping trip lasts 82 minutes. Shoppers visit an average of four stores per trip, and spend time in the "common area" sections of the mall. According to a study conducted by Arbitron for Simon, 56% of shoppers reported spending time in the corridors or in walkways (as opposed to traveling through the corridors); 35% reported spending time in the food court (note: these numbers are not additive). Shoppers "roam" the mall, providing ample opportunity for messaging**.**

Of all shoppers spending time in the corridors or walkways, 55% report passing through at least half these areas. Of those shoppers reporting spending time in the corridors or walkways, 25% report having visited about half these areas; an additional 30% report visiting most or all these areas.



Of all persons shopping at a Simon property within the past 2 weeks, 78% spent over an hour there. According to the Arbitron study, 78% of Simon Shoppers report having spent over an hour at the mall within the past 2 weeks. Fifty-six percent report spending over 2 hours, and 29% report having spent over 4 hours in the past 2 weeks.



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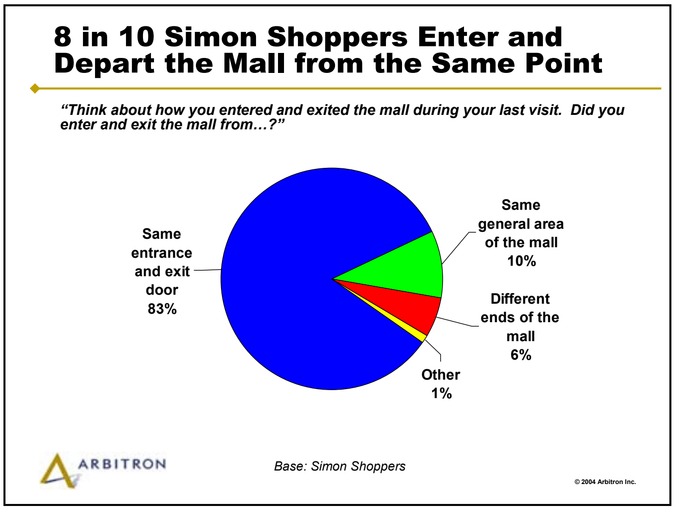
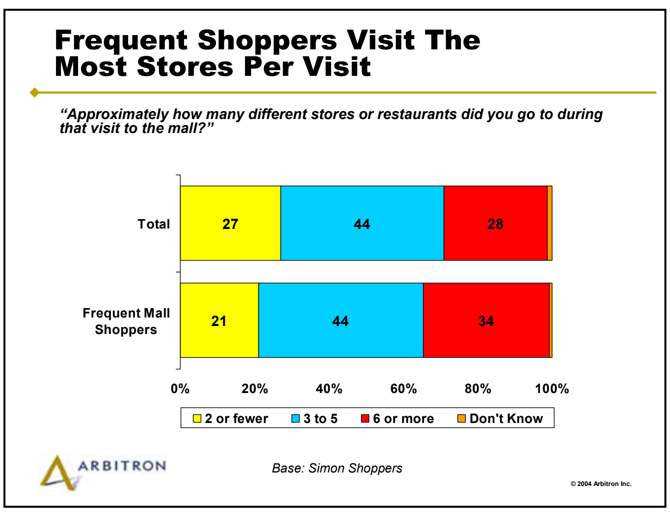
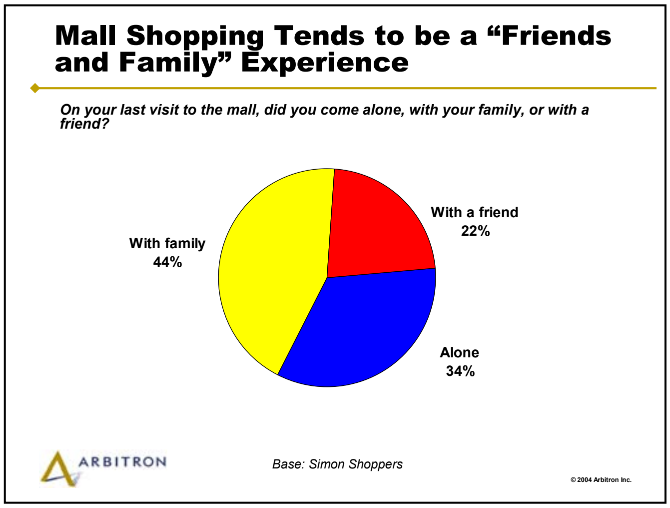
The overwhelming majority of shoppers enter and depart the mall from the same point. Eighty-three percent of Simon Shoppers enter and exit the mall using the same door; another 10% report entering and departing from the same general area. By definition, this creates the opportunity to reach every shopper more than once (everyone must both enter and leave).



Frequent shoppers visit more stores per visit. Among all Simon shoppers, according to the Arbitron study, 44% of shoppers visited between 3 and 5 stores on their most recent visit to the mall; 28% visited 6 stores or more. A total of 72% of shoppers, then, visited 3 or more stores. Among the most frequent mall visitors, 44% visited between 3 and 5 stores on their last Simon visit; 34% (over a third) visited 6 or more stores. Among the heaviest Simon visitors, 78% shopped in 3 or more stores on their last trip.



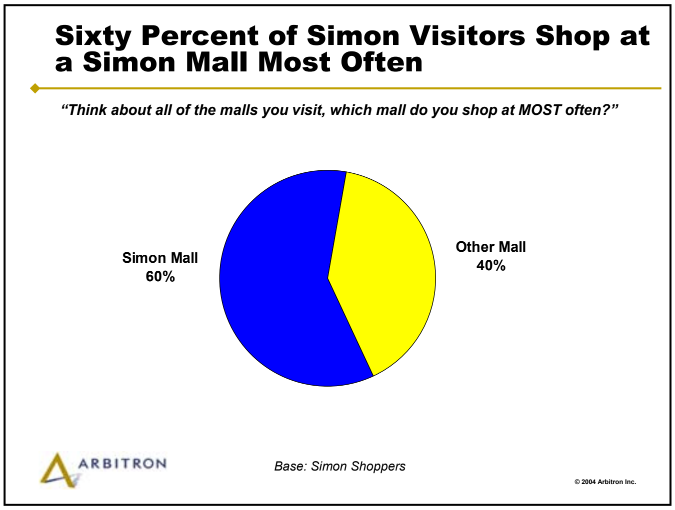
Mall shopping tends to be a "friends-and-family" environment. According to the Arbitron study, 44% of Simon Shoppers reported going with one or more family members on their most recent trip to the mall. Another 22% reported going with a friend or friends.



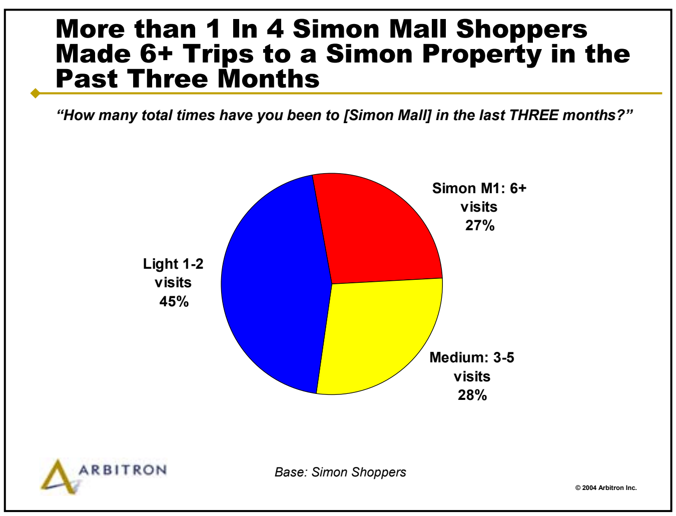
D. Simon M1s: The "Core" Simon Shopper

We've all heard about the "20/80 rule" that states that 20% of shoppers contribute 80% of the volume purchased. In radio, for example, Arbitron knows that a station's core listeners—called "P1," or First Preference—are a subset of the station's audience that accounts for a disproportionate quantity of that station's total listening (and by extension, advertising exposures). This dynamic exists in all media and these are the "core users" who are most impacted by advertising messages. In this section we will look at some data from the Arbitron study focusing on the core Simon shopper. These are the shoppers who made six or more shopping trips to a Simon property in the past 3 months. Let's call them the "Simon M1s." We will call those who have shopped at a Simon Mall in the past three months, "Simon Shoppers."

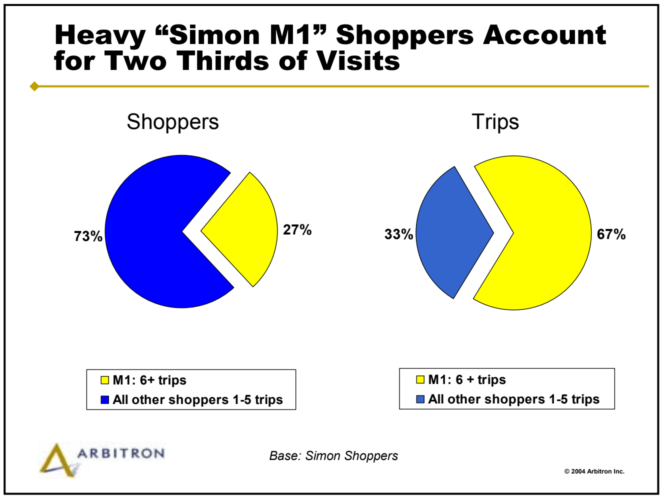
Sixty percent of Simon Shoppers shop at a Simon mall most often. According to the Arbitron study conducted for Simon, 60% of those who have shopped at a Simon property in the past three months mention a Simon property as the mall where they shop most often.



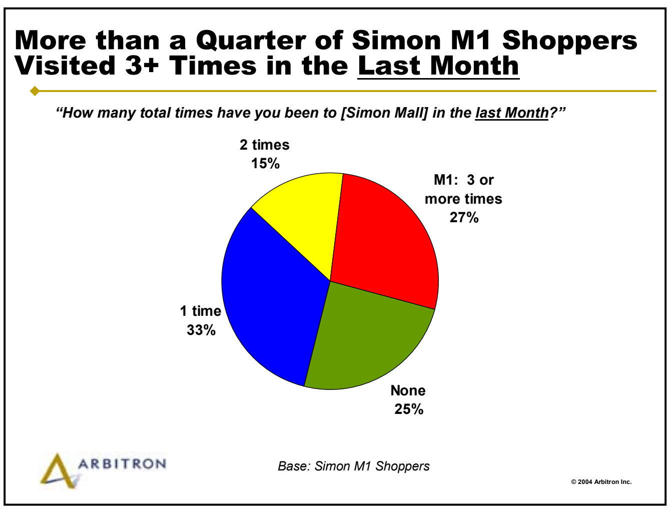
Twenty-seven percent of Simon Mall shoppers have made 6 or more trips to a Simon property in the past three months. These heavy Simon Shoppers, the ones we are calling "M1s", are most likely to be exposed to, and impacted by, Simon media. In addition, another 28% visited a Simon property 3-5 times over the past 3 months. These customers undoubtedly account for a majority of the remaining trips.



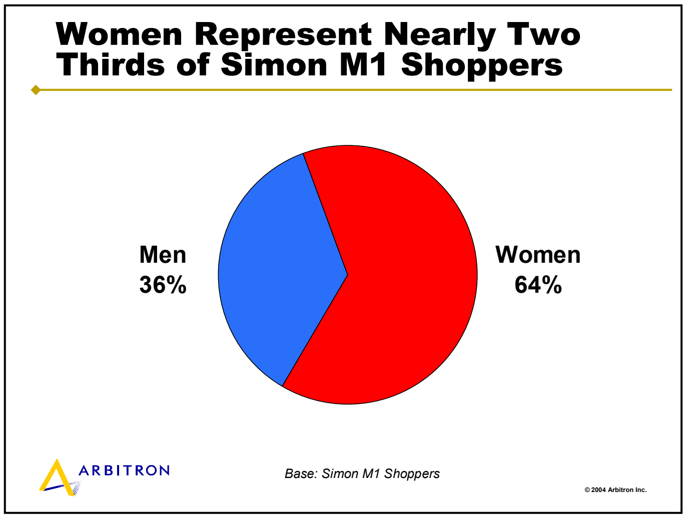
The "core" Simon M1 shopper (6+ trips in the past 3 months) accounts for the majority of Simon visits. The 27% of Simon Shoppers representing the core shopper base accounts for 67% of Simon's total shopping visits. Naturally, this makes it especially important to understand the distinct make-up, attitudes, and behavior of this core shopper.

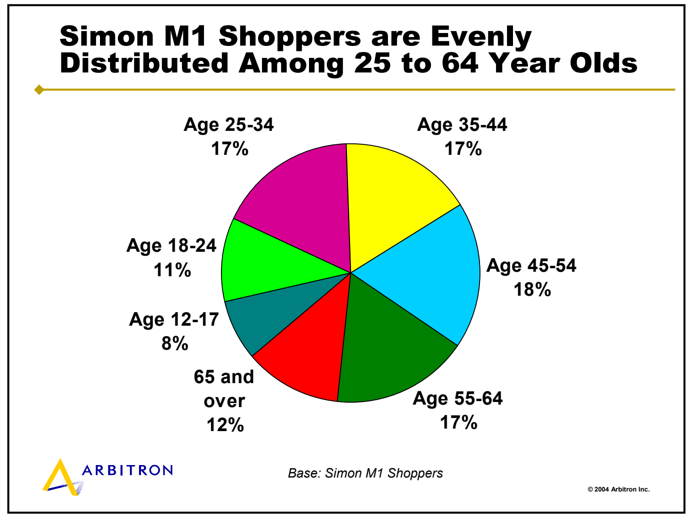


The M1 shopper makes 3 or more visits in a month. Seventy-five percent of Simon Shoppers make at least one trip to a Simon property during a month.



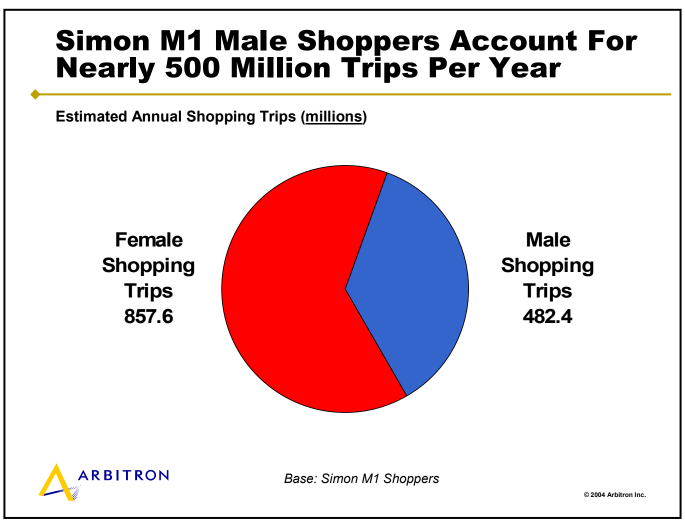
Sixty-four percent of Simon M1 shoppers are female; age distribution is relatively evenly dispersed across 25-34, 35-44, 45-54, and 55-64. Who is the Simon M1 shopper? According to the Arbitron study of Simon Shoppers, there is a distinct female skew (64%). With respect to age, 69% are between the ages of 25 and 64, and these are distributed almost equally across the 25-34, 35-44, 45-54, and 55-64 cells.



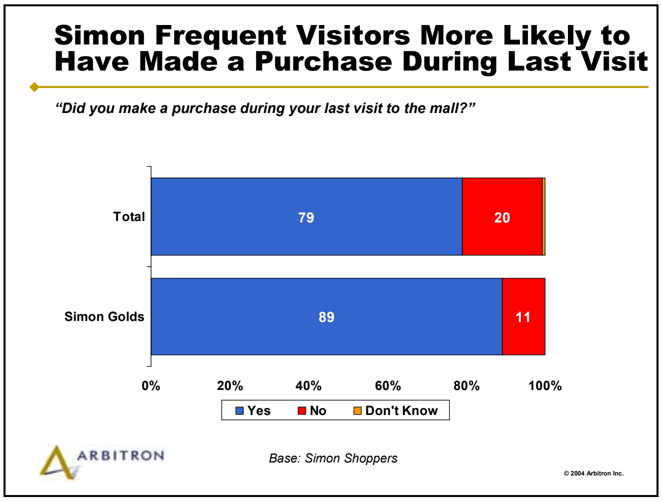


Teens consider Simon Malls the place to be. It is no surprise that teenagers like malls and choose to spend a good deal of their leisure time there. One-quarter of the Teens who visit Simon Malls qualify as Simon M1 shoppers with an average of 15 or more visits in the past 3 months.

Simon M1 male shoppers account for a significant number of shopping trips annually. While the Simon M1 shopper skews female, the Simon M1 **male** shopper accounts for an estimated 500 million shopping trips annually. This assumes a total of 2 billion annual trips, 67% coming from core shoppers, and 36% of core shoppers being male.



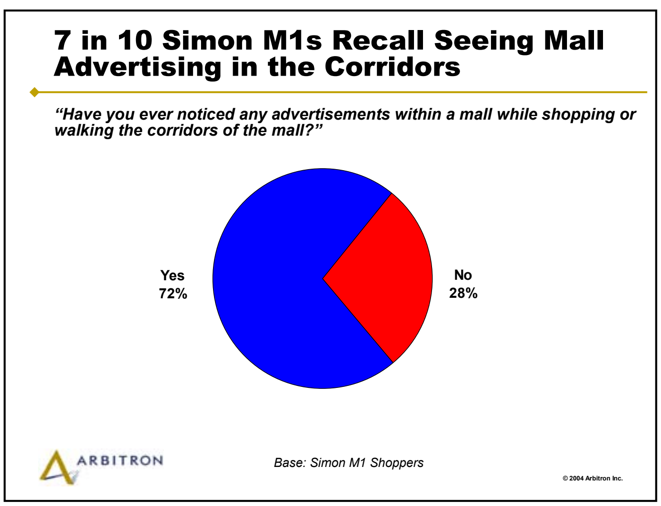
Simon's M1s are more likely to have made a purchase on their last trip to the mall. The more frequent the consumer visits Simon Malls, the more likely that consumer is to have made a purchase during his or her most recent visit. In other words, heavy users are heavy spenders. The people who buy the most stuff are the same people who will see the most ads.



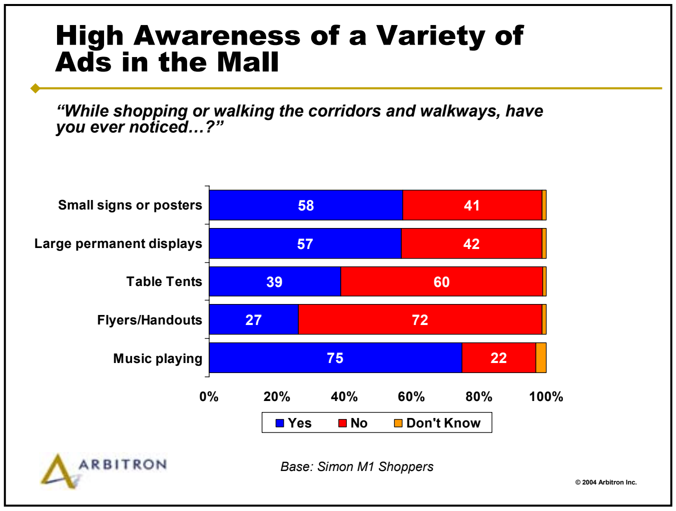
E. The Simon Shopper Receptivity to Advertising and Brand Experiences

In this section we will zero in on the perceptions and attitudes of the heaviest shoppers, that core 27% who account for 67% of trips. In addition, we will consider Simon shopper interest in mall advertising options.

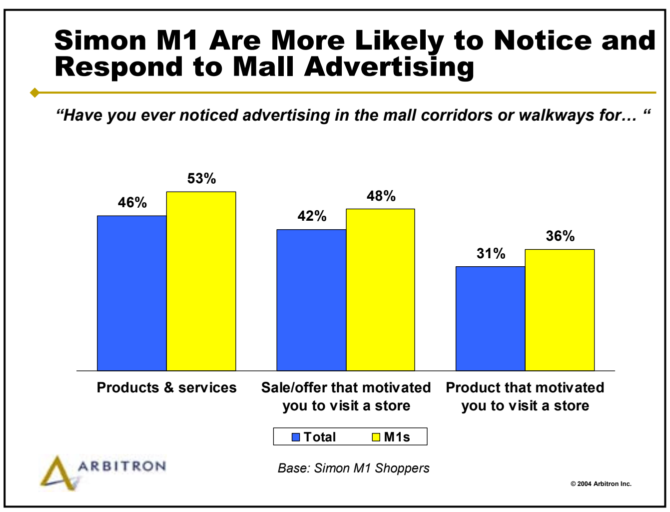
72% of Simon M1s distinctly recall seeing mall advertising in the corridors. One of the most valuable mall inventory locations is corridor advertising. Sixty-six percent of Simon Shoppers recall having seen advertising in the corridors of a Simon property; among the M1s this figure is 72%.



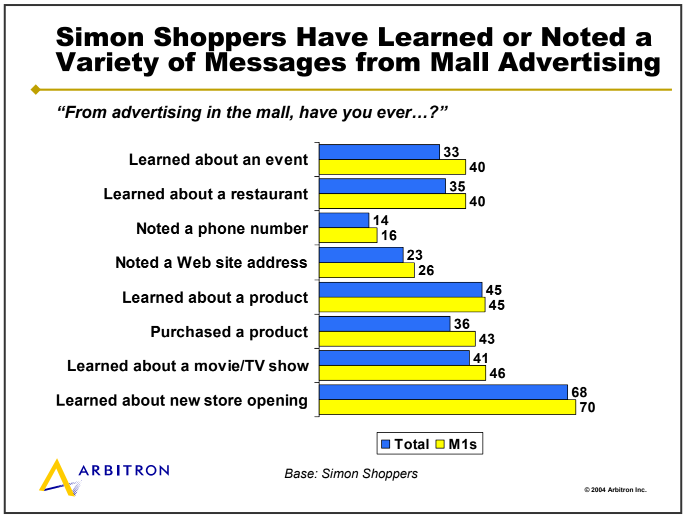
75% of Simon M1s are aware of audio in the corridors and walkways and awareness of signage is high. Three quarters of the Simon M1s report awareness of music playing during their trips to the mall. Fifty-eight percent are aware of small signs or posters in the mall; 57% are aware of large permanent displays.



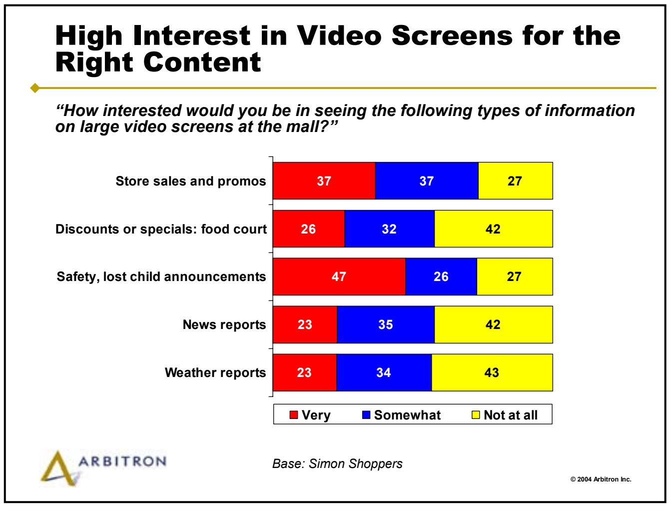
Simon M1s are more likely than total shoppers to notice-- and respond to-- mall ads. Forty-eight percent of Simon M1s can recall instances where they were motivated by seeing a mall ad for a sale or special offer to make a specific trip into a store; 36% report instances where specific product advertising motivated special store visits.



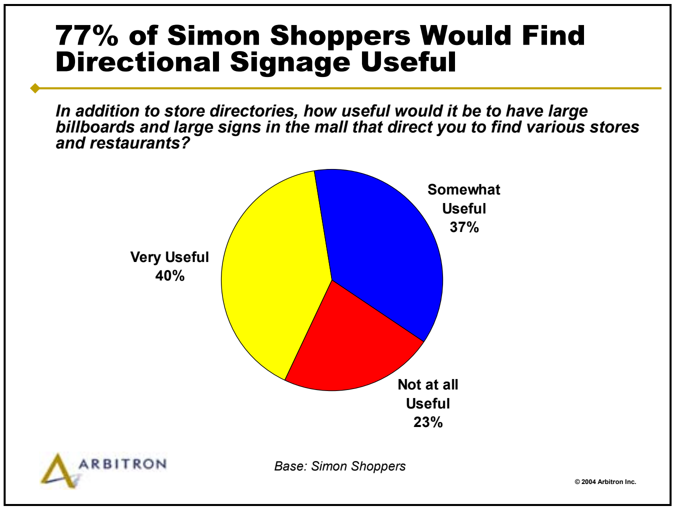
Total Simon shoppers, and Simon M1 shoppers in particular, report having learned about or noting many marketing messages from mall advertising. Seventy percent of Simon M1s report having learned about a new store opening from advertising at the mall. Forty-five percent report having learned about a new film or TV show from mall advertising; 45% report having learned about a new product.



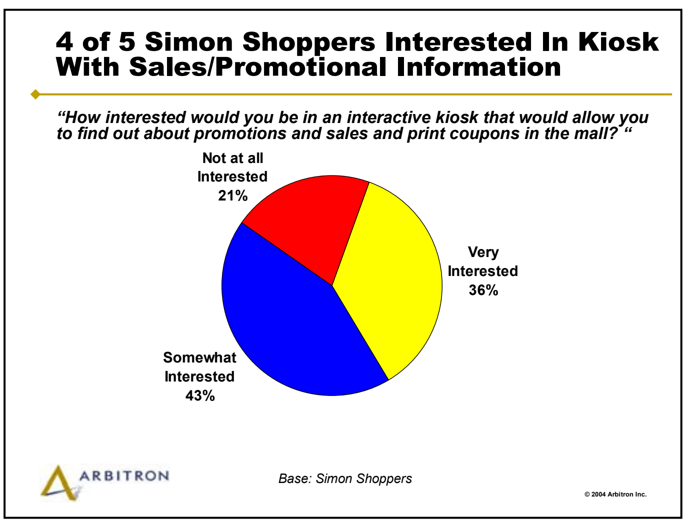
Among ALL Simon shoppers, interest in video monitors is high for the right kind of content. Almost three fourths of all Simon Shoppers would be interested in video displays if the content included information on store sales and promotions. Almost 60% would be interested if the content included information about discounts or special offers in the food court. Additionally, newsworthy content—news, weather, and especially mall safety and lost child announcements—would be of great interest to the Simon shopper. This suggests that video monitors could provide a highly engaging environment for marketing messages in the proper context.

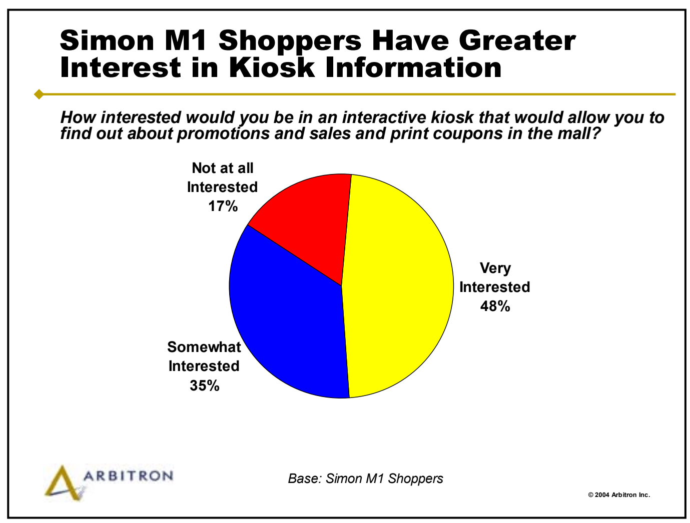


Seventy-seven percent of Simon Shoppers would find directional signage useful. One of the most valuable uses of indoor signage is directional—to inform the consumer that a specific retailer is nearby. Among all Simon shoppers, 77% would find such signage in the mall useful.



Four out of five Simon Shoppers would find a kiosk with sales and promotional literature to be useful. Among all Simon shoppers, 79% would be interested in a kiosk within the mall from which sales and promotional literature might be obtained. This underscores the point that when reaching consumers in the shopping mode, their receptivity to marketing messages is at its highest. Among Simon M1s, this percentage increases to 83%-- and 48% of the M1s would be very interested.





F. Simon Advertising and Marketing Opportunities

This section, written by Simon, provides an overview of advertising and marketing opportunities available at Simon Malls.

Simon Media is a flexible experiential marketing platform and advertisers have the opportunity to develop consumer experiences and brand presence opportunities using sight, sound, smell, taste, and touch. Using Simon Media enables advertisers to go beyond advertising and to begin relationship-building.

Simon Malls offer brands and media planners a variety of compelling and differentiated advertising and marketing opportunities to engage, influence and interact with the American consumer.

Simon has unparalleled scale and market position in the industry with a broad mix of dominant suburban and upscale malls, including 52 (30%+) of "Top Tier" U.S. malls. Many of the premier malls in the country are Simon Malls, including Mall of America, Forum Shops, Copley Place, Stanford Shopping Center, The Westchester and many more. Simon Malls include over 4,000 national and specialty retailers.

Key consumer groups, including Women (25-44) and Teens, are well represented in Simon's unique shoppers and approximately 2 billion annual shopper visits. Simon Malls are a substantial "agora" or marketplace where over $42 billion in sales are generated annually, across a broad range of products and services.

From an advertising perspective, advertisers can choose from a variety of media to reach consumers at a time when they are receptive to messaging and demonstrate a high propensity to buy. Many of these options are deployed in networks throughout the interior corridors of the mall to ensure the greatest opportunity to see by consumers. These options include:

Digital displays (coming soon)

Backlit Indoor Displays

Free Standing Posters

Banners/Spectaculars

Food Court Advertising Options
- Table tents
- Table clings
- Tray liners

Entrance Door Clings and Floor Displays

Outdoor Advertising Options

- Billboards
- Building Wraps
- Parking Lot Banners

Simon's national footprint and significant market penetration in key DMA®s are unmatched in the industry and provide advertisers with "critical mass" from a reach and frequency standpoint.

From a marketing perspective, Simon Marketing Partners have access to and utilize an integrated mix of mall assets and media to effectively reach consumers where they work, play and buy. These options include:

Events, Promotions and Sampling

- Prime locations, proven shopper traffic, targeted demographics

Customer Acquisition Marketing

- Lead generation, referrals, customer activation

Sponsorships and Naming Rights

- Special events, Food Courts, Entertainment Pavilions, Holiday events, etc.

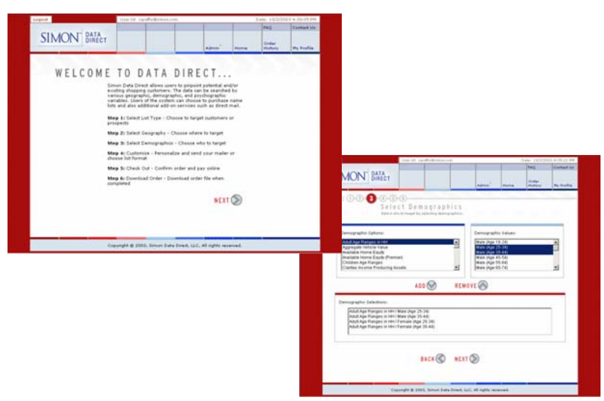
Mall of Georgia Pavilion

Simon Marketplace

- Turnkey marketing solution, trained professional staff

Simon Data Direct

- Online access to 270 million names, automated privacy suppression, multiple selection variables



Simon.com

- Corporate and individual mall websites, 1.5MM monthly visits, personalized campaign delivery

Simon GiftCard

- Largest distributor of VISA "pre-paid" value cards in the country
- VISA backed
- Co-branded/affinity opportunities

Simon Platform Programs

- Innovative, proprietary and turnkey marketing programs targeted towards key demographic and lifestyle groups, including kids/families, teens, women and boomers

Simon can customize its media and marketing assets to meet the specific marketing objectives of its clients. Key Simon Marketing Partners include Coca Cola, Visa and Cingular Wireless.

Media Planning Implications

For marketers seeking alternative ways to surround consumers with "360 degree messaging," Mall advertising is a logical addition to the media mix. We traditionally think of media and retail as two distinct things. However, shopping malls, and in particular Simon Media, should be seen as a media platform where customers and prospects can be found and targeted when purchasing decisions are being made and where those decisions are acted upon.

Mall advertising reaches shoppers. It may seem obvious, but among all media, the mall is probably the best place to concentrate marketing messages on those persons who do the bulk of shopping. This includes the household's primary shopper, as well as multiple household members in more upscale households who tend to do more shopping.

Simon Malls is a highly effective reach ad vehicle. Simon campaigns can deliver a level of reach that is comparable to traditional national media. In addition, a vast majority of consumers experience multiple ad exposures per visit, so Simon Malls deliver effective reach (3+ impressions) for each individual shopping trip.

Simon Malls is a highly effective frequency ad vehicle. Simon M1s are the 27% of shoppers accounting for 67% of shopping visits. Simon M1s visit the mall an average of 3+ times per month offering advertisers the opportunity for multiple impressions and higher message retention. The profile of these shoppers indicates that the majority of impressions will be delivered against upscale adult females. The reach among males and consumers of all ages is also substantial.

Consider mall advertising when recency is a goal. Many advertisers are looking to reach customers as close to the time of purchase as possible. With 4,000 unique retailers and over $42 billion in retail transactions annually, Simon Malls is a compelling point-of-sale option for advertisers. When recency is a campaign objective, malls provide an ideal advertising platform.

Simon Shoppers are a receptive audience to advertising messages. In a sense, Simon Media, and mall advertising in general, may be seen as "advertising for the TiVo generation." With other media vehicles consumers are increasingly exercising their ability to avoid commercial messaging. However, shoppers at the mall are in the frame of mind to be most receptive to marketing messages—even among non-mall categories. Context and environment are ideal for ad receptivity.

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