

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

SIMON DEBARTOLO GROUP INC

CIK: **912564** | IRS No.: **351901999** | State of Incorpor.: **MD** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-12618** | Film No.: **96620686**
SIC: **6798** Real estate investment trusts

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 9, 1996

SIMON DEBARTOLO GROUP, INC.

(Exact name of registrant as specified in charter)

MARYLAND

1-12618

35-1901999

(State or other
jurisdiction of
incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

115 WEST WASHINGTON STREET, INDIANAPOLIS, INDIANA

46204

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (317) 636-1600

SIMON PROPERTY GROUP, INC.

(Former name or former address, if changed since last report)

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ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

On August 9, 1996, pursuant to an Agreement and Plan of Merger, dated as of March 26, 1996, as amended, among Simon DeBartolo Group, Inc., a Maryland corporation (formerly known as Simon Property Group, Inc.) ("SPG"), Day Acquisition Corp., an Ohio corporation and a subsidiary of SPG ("Sub"), and DeBartolo

Realty Corporation, an Ohio corporation ("DRC"), Sub was merged with and into DRC (the "Merger"). The Merger and certain other related matters were approved by stockholders of SPG and shareholders of DRC at their special meetings held on August 7, 1996 and August 6, 1996, respectively. A copy of the press release announcing the shareholders' approvals and the closing of the merger are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively.

Pursuant to the Merger, each outstanding share of common stock of DRC, par value \$0.01 per share, other than shares as to which dissenters' rights have been perfected, was converted into the right to receive 0.68 share of common stock of SPG, par value \$0.0001 per share (the "Common Stock"), and cash for any fractional shares. As a result, shareholders of DRC received approximately 37.9 million shares of Common Stock pursuant to the Merger.

Substantially the same information required by this Current Report on Form 8-K concerning the Merger was previously reported in SPG's Prospectus/Joint Proxy Statement which formed a part of the Company's Registration Statement on Form S-4 (333-06933) as amended and declared effective by the Securities and Exchange Commission on June 28, 1996 (the "Registration Statement"), which is incorporated by reference herein to the extent appropriate.

Item 7. FINANCIAL STATEMENTS AND EXHIBITS.

a) and b) Updated pro forma financial information and interim financial statements of DRC follow beginning at page F-1.

c) Exhibits

The items listed on the Exhibit Index attached hereto are filed with or made a part of this Current Report on Form 8-K.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 26, 1996

SIMON DeBARTOLO GROUP, INC.

By /s/ James M. Barkley

Name: James M. Barkley
Title: Secretary/General Counsel

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Simon DeBartolo Group, Inc. Pro Forma
Combined Condensed Financial Information
(Unaudited)

The accompanying financial statements present the unaudited pro forma combined condensed Balance Sheet of the Simon DeBartolo Group, Inc. ("SDG") as of June 30, 1996 and the unaudited pro forma combined condensed Statements of Operations of SDG for the six-month period ended June 30, 1996 and for the year ended December 31, 1995.

The unaudited pro forma combined condensed Balance Sheet as of June 30, 1996 is presented as if the Merger and the Other Transactions had occurred on June 30, 1996. The unaudited pro forma combined condensed Statements of Operations for the six-month period ended June 30, 1996 and for the year ended December 31, 1995 are presented as if the Merger and the Other Transactions had occurred as of January 1, 1995 and carried forward through June 30, 1996.

Preparation of the pro forma financial information was based on assumptions deemed appropriate by the management of Simon Property Group, Inc. ("SPG") and DeBartolo Realty Corporation ("DRC"). The assumptions give effect to the Merger and the Other Transactions under the purchase method of accounting in accordance with generally accepted accounting principles and the combined entity qualifying as a REIT, distributing all of its taxable income and, therefore, incurring no federal income tax expense during the periods presented. The pro forma financial information is unaudited and is not necessarily indicative of the results which actually would have occurred if the transactions had been consummated at the beginning of the periods presented, nor does it purport to represent the future financial position and results of operations for future periods. The pro forma information should be read in conjunction with the historical financial statements of SPG and DRC.

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<TABLE>

PRO FORMA COMBINED CONDENSED BALANCE SHEET

As of June 30, 1996

(In thousands)

(Unaudited)

	SPG (Historical)	DRC (Historical)	Merger and Other Transactions Pro Forma Adjustments		Pro Forma Combined Condensed
<S>	<C>	<C>	<C>	<S>	<C>
ASSETS:					
Investments in properties, partnerships and joint ventures, net	\$2,243,674	\$1,349,147	\$1,636,203 (B)		\$5,229,024
Cash, cash equivalents and short-term investments	65,556	45,938	(34,400) (C)		77,094
Receivables	141,520	40,754	(26,934) (D)		155,340
Note receivable from the SPG, LP Management Company	91,478	--	--		91,478
Other assets	120,734	118,136	(59,312) (E)		179,558
	-----	-----	-----		-----
Total assets	\$2,662,962	\$1,553,975	\$1,515,557		\$5,732,494
	=====	=====	=====		=====
LIABILITIES AND STOCKHOLDERS' EQUITY:					
LIABILITIES:					
Mortgages and other notes payable	\$2,178,539	\$1,479,515	\$22,423 (F)		\$3,680,477
Accounts payable, accrued expenses and other liabilities	194,998	80,035	(2,801) (G)		272,232
Investment in the SPG, LP Management Company	19,740	--	--		19,740
	-----	-----	-----		-----
Total liabilities	2,393,277	1,559,550	19,622		3,972,449
	-----	-----	-----		-----
LIMITED PARTNERS' INTEREST IN THE OPERATING PARTNERSHIP					
	68,525	(2,126)	576,877 (H)		643,276
STOCKHOLDERS' EQUITY:					
Preferred stock	99,923	--	--		99,923
Common stock	7	553	(549) (H)		11
Capital in excess of par value	269,757	(4,002)	919,607 (H)		1,185,362
Accumulated deficit	(162,131)	--	--		(162,131)
Unamortized restricted stock award	(6,396)	--	--		(6,396)
	-----	-----	-----		-----
Total stockholders' equity	201,160	(3,449)	919,058		1,116,769
	-----	-----	-----		-----
Total liabilities and stockholders' equity	\$2,662,962	\$1,553,975	\$1,515,557		\$5,732,494
	=====	=====	=====		=====

The accompanying notes and management's assumptions are an integral part of this statement.
</TABLE>

<TABLE>

Simon DeBartolo Group, Inc.

PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS

For the Six-Months Ended June 30, 1996

(In thousands, except share and per share amounts)

(Unaudited)

	SPG (Historical)	DRC (Historical)	Merger and Other Transactions Pro Forma Adjustments		Pro Forma Combined Condensed
<S>	<C>	<C>	<C>	<C>	<C>
REVENUE					
Minimum rent	\$159,076	\$114,086	\$ 1,700	(A)	\$274,862
Overage rent	10,751	5,635	--		16,386
Tenant reimbursements	93,696	45,456	--		139,152
Other income	19,681	11,455	--		31,136
Total revenue	283,204	176,632	1,700		461,536
EXPENSES					
Property and other operating expenses	107,773	66,484	(5,000)	(B)	169,257
Depreciation and amortization	51,307	32,432	5,821	(C)	89,560
Merger and Other Transaction expenses	--	10,200	(10,200)	(D)	--
Total expenses	159,080	109,116	(9,379)		258,817
OPERATING INCOME	124,124	67,516	11,079		202,719
INTEREST EXPENSE	79,134	60,759	(7,437)	(E)	132,456
INCOME BEFORE MINORITY INTEREST	44,990	6,757	18,524		70,271
MINORITY PARTNERS' INTEREST	(1,175)	(325)	--		(1,500)
INCOME BEFORE UNCONSOLIDATED ENTITIES	43,815	6,432	18,524		68,771
INCOME FROM UNCONSOLIDATED ENTITIES	3,985	8,236	--		12,221
INCOME OF THE OPERATING PARTNERSHIP	47,800	14,668	18,524		80,992
LESS LIMITED PARTNERS' INTEREST IN THE OPERATING PARTNERSHIP	16,883	5,593	7,219	(F)	29,695
NET INCOME FROM CONTINUING OPERATIONS	30,917	9,075	11,305		51,297
PREFERRED DIVIDENDS	4,062	--	--		4,062
NET INCOME FROM CONTINUING OPERATIONS AVAILABLE TO COMMON STOCKHOLDERS	\$ 26,855	\$ 9,075	\$ 11,305		\$ 47,235

NET INCOME FROM CONTINUING OPERATIONS PER SHARE OF COMMON STOCK	\$0.46	\$0.49
WEIGHTED AVERAGE SHARES OUTSTANDING	58,471,201	96,355,721 (G)

The accompanying notes and management's assumptions are an integral part of this statement.

</TABLE>

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<TABLE>

Simon DeBartolo Group, Inc.

PRO FORMA COMBINED CONDENSED STATEMENTS OF OPERATIONS
For the Year Ended December 31, 1995
(In thousands, except share and per share amounts)
(Unaudited)

	SPG (Historical)	DRC (Historical)	Merger and Other Transactions Pro Forma Adjustments		Pro Forma Combined Condensed	
<S>	<C>	<C>	<C>	<S>	<C>	<S>
REVENUE	-----	-----	-----		-----	
Minimum rent	\$307,849	\$205,056	\$3,400 (A)		\$516,305	
Overage rent	23,278	12,924	--		36,202	
Tenant reimbursements	191,535	82,147	--		273,682	
Other income	30,995	32,530	--		63,525	
	-----	-----	-----		-----	
Total revenue	553,657	332,657	3,400		889,714	
	-----	-----	-----		-----	
EXPENSES						
Property and other operating expenses	209,782	118,498	(10,000) (B)		318,280	
Depreciation and amortization	92,739	58,603	11,641 (C)		162,983	
	-----	-----	-----		-----	
Total expenses	302,521	177,101	1,641		481,263	
	-----	-----	-----		-----	
OPERATING INCOME	251,136	155,556	1,759		408,451	
INTEREST EXPENSE	150,224	124,567	(23,678) (E)		251,113	
	-----	-----	-----		-----	
INCOME BEFORE MINORITY INTEREST	100,912	30,989	25,437		157,338	
MINORITY PARTNERS' INTEREST	(2,681)	1,029	--		(1,652)	
GAIN ON SALE OF ASSET	1,871	5,460	--		7,331	
	-----	-----	-----		-----	
INCOME BEFORE UNCONSOLIDATED ENTITIES	100,102	37,478	25,437		163,017	
INCOME FROM UNCONSOLIDATED ENTITIES	1,403	8,865	--		10,268	
	-----	-----	-----		-----	
INCOME OF THE OPERATING PARTNERSHIP	101,505	46,343	25,437		173,285	
LESS LIMITED PARTNERS' INTEREST IN THE						

OPERATING PARTNERSHIP	40,297	18,715	8,675 (F)	67,687
	-----	-----	-----	-----
NET INCOME FROM CONTINUING OPERATIONS	61,208	27,628	16,762	105,598
PREFERRED DIVIDENDS	1,490	--	--	1,490
	-----	-----	-----	-----
NET INCOME FROM CONTINUING OPERATIONS AVAILABLE TO COMMON STOCKHOLDERS	\$ 59,718	\$ 27,628	\$ 16,762	\$ 104,108
	=====	=====	=====	=====
NET INCOME PER SHARE OF COMMON STOCK	\$ 1.08			\$ 1.12
	=====			=====
WEIGHTED AVERAGE SHARES OUTSTANDING	55,312,078			93,196,598 (G)
	=====			=====

The accompanying notes and management's assumptions are an integral part of this statement.

</TABLE>

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Simon DeBartolo Group, Inc.--Notes and Management Assumptions to Pro Forma Combined Condensed Financial Information (Unaudited, in thousands, except share and per share amounts)

1. Accounting Treatment

The exchange of DRC Common Stock for SPG Common Stock, the merger, and transfer by SPG and the SPG Limited Partners' interests in the SPG Operating Partnership to the DRC Operating Partnership under the contribution agreement technically result in a reverse merger for financial reporting purposes. In substance, DRC and the DRC Limited Partners' interests in the DRC Operating Partnership are being acquired and accordingly have been adjusted to fair value in connection with the application of purchase accounting. The interests transferred by SPG and SPG Limited Partners to DRC Operating Partnership have been appropriately reflected at historical cost.

2. Adjustments To Pro Forma Combined Condensed Balance Sheet

- (A) Certain reclassifications have been made to the SPG and DRC historical balance sheets to conform to the desired pro forma combined condensed balance sheet presentation.
- (B) Represents adjustments to record the Merger and the Other Transactions in accordance with the purchase method of accounting, based upon an assumed purchase price of \$1,512,960 assuming a market value of SPG Common Stock of \$24.375 (which was the closing price of SPG's Common Stock on August 9, 1996), and the Exchange Ratio of 0.68 as follows:

Value of DRC Common Stock (55,712,529 shares outstanding immediately prior to the Merger) and 34,203,623 DRC Operating Partnership interests multiplied by the Exchange Ratio and the market value of SPG Common Stock	\$1,490,360
Merger and the Other Transactions costs (see below)	22,600

	\$1,512,960
	=====
Estimated fees and expenses related to the Merger and the Other Transactions, as follows:	
Advisory fees	\$11,000
Legal and accounting	6,200
Severance and relocation costs	19,000

	36,200
Less DRC expenses	(13,600)

SPG transaction costs	\$22,600
	=====
Adjustment to reflect investment in properties, partnerships and joint ventures, net at fair value:	
Purchase price (see above)	\$1,512,960
Historical book value of DRC (equity) deficit acquired as of the Effective Time:	
Historical book value of the DRC Operating Partnership	5,575
To adjust equity for the Stay Bonus and to reflect accelerated vesting of accrued compensation in accordance with the terms of the Merger and the Other Transactions	5,599
To reflect DRC's expenses associated with the Merger and the Other Transactions of \$13,600 less \$10,200 recognized as expense in the six-month period ended June 30, 1996 (\$1,800 was paid with the balance of \$8,400 accrued)	3,400
Adjustments to reflect certain assets and liabilities of DRC at fair value:	
Receivables (see Note (D))	26,934
Other assets (see Note (E))	59,312
Mortgages and other notes payable (see Note (F))	22,423

Adjustment required to reflect investment in properties, partnerships and joint ventures, net at fair value	\$1,636,203
	=====
(C) To reflect the decrease in cash and cash equivalents due to the estimated Merger and the Other Transactions costs, including expenses of DRC, of \$36,200 less cash payments made of \$1,800	\$ (34,400)
	=====
(D) To reflect the adjustment to eliminate DRC's deferred asset related to the straight-lining of rent related to leases	\$ (26,934)
	=====
(E) To reflect the following adjustments to other assets:	

To eliminate deferred financing, interest rate buy-downs and similar costs related to mortgages and other notes payable and organization costs \$(53,536)

To adjust DRC's historical basis in the DRC Management Company to estimated fair market value of \$15,000 13,428

To eliminate deferred leasing costs (19,204)

\$ (59,312)
=====

(F) To record a premium required to adjust mortgages and other notes payable to fair value using a discount rate estimated on an instrument by instrument basis \$22,423
=====

(G) To reflect the following adjustments to accounts payable, accrued liabilities and other liabilities:

1. To record accrued compensation expense related to the Stay Bonus (\$8,467), less the portion which vests immediately for which DRC Common Stock was issued (\$1,325) and to reflect the accelerated vesting of accrued compensation settled with DRC Common Stock (\$1,543) \$ 5,599

2. To eliminate accrued DRC Merger and the Other Transactions Costs paid in (C) above (8,400)

\$ (2,801)
=====

(H) To adjust DRC's shareholders' equity and the DRC Limited Partners' interests to reflect the issuance of 37,884,520 shares of SPG Common Stock and the conversion of the DRC Limited Partners' interests in the DRC Operating Partnership into Units in the Operating Partnership at the Exchange Ratio (assuming that there were 55,712,529 shares of DRC Common Stock and 34,203,623 DRC Limited Partners' interests outstanding immediately prior to the Effective Time) with an assumed value of \$24.375 per share and per unit (which was the closing price of SPG's Common Stock on August 9, 1996), in exchange for substantially all of the outstanding DRC Common Stock and DRC Interests, as follows:

<TABLE>

	Common Stock	Capital in excess of par value	Accumulated deficit	Total common stockholders' equity before unrestricted stock award	Limited Partners' interest in the Operating partnership	Total equity of the operating partnership before preferred units
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Value of Shares and Interests Acquired	\$ 4	\$ 923,431	\$ --	\$ 923,435	\$566,925	\$1,490,360
Historical Value of SPG	7	269,757	(162,131)	107,633	68,525	176,158

Combined Equity	11	1,193,188	(162,131)	1,031,068	635,450	1,666,518
Pro Forma Ownership				61.4%	38.6%	100.0%
Pro Forma Equity	11	1,185,362	(162,131)	1,023,242	643,276	1,666,518
Less Historical Value of SPG	7	269,757	(162,131)	107,633	68,525	176,158
Less Historical Value of DRC	553	(4,002)	--	(3,449)	(2,126)	(5,575)
Pro Forma Adjustments	\$ (549)	\$ 919,607	\$-----	\$ 919,058	\$576,877	\$1,495,935

</TABLE>

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3. Adjustments To Pro Forma Combined Condensed Statements of Operations

Immediately prior to the Merger and the Other Transactions, DRC will expense \$8,467 in connection with the Stay Bonus which has not been included in the Pro Forma Combined Condensed Statements of Operations. DRC will also incur \$13,600 of expenses in connection with the Merger and the Other Transactions, of which \$10,200 has been accrued as of June 30, 1996, which have not been included in the Pro Forma Combined Condensed Statements of Operations.

	For the Six Months Ended June 30, 1996	For the Year Ended December 31, 1995
	-----	-----
(A) To recognize revenue from straight-lining rent related to leases which will be reset in connection with the Merger and the Other Transactions	\$ 1,700 =====	\$ 3,400 =====
(B) To reflect cost savings to eliminate duplicative public company costs and other identified redundancies which have been estimated based upon historical costs for those items as a result of the Merger and the Other Transactions	\$ (5,000) =====	\$ (10,000) =====
(C) To reflect the increase in depreciation as a result of recording the investment properties of DRC at acquisition value versus historical cost and utilizing an estimated useful life of 35 years offset by the decrease in amortization expense as a result of the elimination of deferred leasing costs	\$5,821 =====	\$11,641 =====
(D) To reflect the elimination of Merger and the Other Transactions related costs expensed during the six-month period ended June 30, 1996	\$10,200 =====	\$ -- =====
(E) To reflect the following adjustments to interest expense:		
(1) To reflect the elimination of amortization of deferred mortgage costs related to DRC written-off in		

connection with the Merger and the Other Transactions	\$ (5,062)	\$ (18,929)
(2) To reflect the amortization of the premium required to adjust mortgages and other notes payable to fair value	(2,375)	(4,749)
	-----	-----
	\$ (7,437)	\$ (23,678)
	=====	=====
(F) To adjust the allocation of the Limited Partners' interest in the net income of the Operating Partnership, after consideration of the preferred unit distribution. The Partners' pro forma weighted average ownership interest for the six months ended June 30, 1996 and for the year ended December 31, 1995 was 38.6% and 39.4% , respectively	\$7,219	\$8,675
	=====	=====
(G) The pro forma weighted average common shares outstanding is computed as follows:		
SPG Historical Weighted Average Shares Outstanding	58,471,201	55,312,078
Issuance of shares of SPG Common Stock in connection with the Merger and the Other Transactions (assuming that there are 55,712,529 shares of DRC Common Stock outstanding immediately prior to the Effective Time)	37,884,520	37,884,520
	-----	-----
	96,355,721	93,196,598
	=====	=====

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<TABLE>

DEBARTOLO REALTY CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Dollars in thousands except share data)

	As of June 30, 1996	As of December 31, 1995
	-----	-----
<S>	<C>	<C>
Assets:		
Investment properties (Note 4)	\$ 1,968,344	\$ 1,793,663
Less accumulated depreciation	632,762	574,338
	-----	-----
Cash and cash equivalents	32,486	25,851
Restricted cash (Note 3)	12,477	13,910
Short term investments	975	14,057
Accounts receivable, less allowance for doubtful accounts of \$9,031 and \$10,070 in 1996 and 1995	40,754	39,103
Investments in and advances to nonconsolidated joint ventures (Notes 4 and 5)	61,872	116,725
Minority interest in capital deficits		

of consolidated joint ventures	34,456	25,496
Deferred charges and prepaid expenses	83,680	77,103
	-----	-----
	\$ 1,602,282	\$ 1,531,570
	=====	=====
Liabilities and Shareholders' Equity:		
Liabilities:		
Mortgages and notes payable (Note 4)	\$ 1,479,515	\$ 1,348,573
Accounts payable and accrued expenses	51,779	38,810
Dividends and distributions payable	28,256	28,225
Deficits in nonconsolidated joint ventures (Notes 4 and 5)	48,307	71,147
	-----	-----
	1,607,857	1,486,755
	-----	-----
Commitments and contingencies	--	--
Limited Partners' interest in Operating Partnership	(2,126)	17,142
Shareholders' Equity (Deficit):		
Preferred Stock, \$.01 par value, 10,000,000 shares authorized, no shares issued and outstanding	--	--
Common Stock, \$.01 par value, 175,000,000 shares authorized, 55,496,757 shares in 1996, 55,329,162 shares in 1995, issued and outstanding	553	553
Additional paid-in capital	--	27,120
Accumulated deficit	(4,002)	--
Total Shareholders' Equity (Deficit)	(3,449)	27,673
	-----	-----
	\$ 1,602,282	\$ 1,531,570
	=====	=====

See accompanying notes

</TABLE>

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<TABLE>

DEBARTOLO REALTY CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended June 30,	
	1996	1995
	-----	-----
<S>	<C>	<C>
Revenues:		
Minimum rents	\$ 57,532	\$ 52,957
Tenant recoveries	22,416	20,090
Percentage rents	2,841	2,667
Other	5,417	5,509
	-----	-----
Total revenues	88,206	81,223
	-----	-----
Expenses:		
Shopping Center Expenses:		
Property operating	9,841	8,383
Repairs and maintenance	6,958	6,614

Real estate taxes	9,555	8,323
Advertising & promotion	1,782	1,413
Management expenses	2,021	1,400
Provision for doubtful accounts	904	879
Ground leases	744	638
Other	1,470	1,739
	-----	-----
Total shopping center expenses	33,275	29,389
Deferred stock compensation expense	52	52
Interest expense	31,235	30,465
Depreciation and amortization	16,907	14,188
Merger Expenses (Note 4)	10,200	--
	-----	-----
	91,669	74,094
	-----	-----
Gain on sale of assets	--	18
Income from nonconsolidated joint ventures (Notes 4 and 5)	4,755	2,427
Minority partners' interest in consolidated joint ventures	(390)	252
	-----	-----
Income before Limited Partners' interest In the Operating Partnership	902	9,826
Limited Partners' interest in the Operating Partnership	344	(4,049)
	-----	-----
Net income	\$ 558	\$ 5,777
	=====	=====
EARNINGS PER COMMON SHARE AND COMMON EQUIVALENT SHARE (Note 6)	\$ 0.01	\$ 0.12
	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING (000's)	55,616	48,982
	=====	=====

See accompanying notes

</TABLE>

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<TABLE>

DEBARTOLO REALTY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(Dollars in thousands, except per share data)

	Six Months Ended June 30,	
	1996	1995
	-----	-----
<S>	<C>	<C>
Revenues:		
Minimum rents	\$ 114,086	\$ 106,191
Tenant recoveries	45,456	39,844
Percentage rents	5,635	5,632
Other	11,455	8,785
	-----	-----
Total revenues	176,632	160,452
	-----	-----

Expenses:

Shopping Center Expenses:

Property operating	19,695	16,962
Repairs and maintenance	15,130	12,791
Real estate taxes	18,338	16,806
Advertising & promotion	3,778	2,761
Management expenses	4,143	2,797
Provision for doubtful accounts	1,502	1,493
Ground leases	1,450	1,207
Other	2,343	2,776
	-----	-----
Total shopping center expenses	66,379	57,593
Deferred stock compensation expense	105	105
Interest expense	60,759	61,338
Depreciation and amortization	32,432	28,348
Merger expenses (Note 4)	10,200	--
	-----	-----
	169,875	147,384
	-----	-----
Gain on sale of assets	--	3,779
Income from nonconsolidated joint ventures (Notes 4 and 5)	8,236	4,182
Minority partners' interest in consolidated joint ventures	(325)	536
	-----	-----
Income before extraordinary item	14,668	21,565
Extraordinary item (Note 4)	9,191	--
	-----	-----
Income before Limited Partners' interest	23,859	21,565
Limited Partners' interest in the Operating Partnership	(9,097)	(8,891)
	-----	-----
Net income	\$ 14,762	\$ 12,674
	=====	=====
EARNINGS PER COMMON SHARE AND COMMON EQUIVALENT SHARE (Note 6):		
Income before extraordinary item	\$ 0.28	\$ 0.26
Extraordinary item	(0.01)	---
	-----	-----
Net income	\$ 0.27	\$ 0.26
	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING (000's)		
	55,613	48,982
	=====	=====

See accompanying notes

</TABLE>

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<TABLE>

DEBARTOLO REALTY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Dollars in thousands)

	Six Months Ended June 30,	
	1996	1995
	-----	-----
<S>	<C>	<C>
Cash Flow From Operating Activities:		
Net income	\$ 14,762	\$ 12,674
Adjustments to reconcile net income to net cash provided by Operating Activities:		
Amortization of formation costs	4,838	6,531
Amortization of interest rate protection agreements and deferred loan costs	224	1,556
Gain on sale of assets	--	(3,779)
Depreciation and amortization	32,432	28,348
Extraordinary item	(9,191)	--
Deferred stock compensation expense	105	105
Minority partners' interests in consolidated joint ventures	325	(536)
Limited Partners' interest in the Operating Partnership	9,097	8,891
Income from nonconsolidated joint ventures	(8,236)	(4,182)
Decrease in restricted cash	1,433	7,746
Decrease (increase) in short term investments	13,082	(7,333)
Decrease in accounts receivable	1,214	2,805
Decrease (increase) in prepaid expenses and other	1,317	(4,074)
Increase in accounts payable and accrued expenses	16,794	8,144
	-----	-----
Net Cash Provided By Operating Activities	78,196	56,896
	-----	-----
Cash Flows From Investing Activities:		
Additions to investment properties	(36,146)	(22,274)
Cash paid for tenant allowances	(3,735)	(2,144)
Purchase of partnership interest	(5,375)	--
Additions to deferred charges for lease costs and other	(3,640)	(1,612)
Distributions from nonconsolidated joint ventures	36,811	11,058
Advances to and investments in nonconsolidated joint ventures	(12,055)	(888)
Net proceeds from sale of assets	307	3,750
	-----	-----
Net Cash Used In Investing Activities	(23,833)	(12,110)
	-----	-----
Cash Flows From Financing Activities:		
Proceeds from issuance of debt	41,904	15,263
Scheduled principal payments on mortgages	(3,301)	(3,340)
Other payments on debt	(30,298)	(9,545)
Proceeds from dividend reinvestment plan	50	--
Loan costs paid	(294)	(444)
Minority partner distributions	(1,600)	(127)
Distributions to Limited Partners	(21,571)	(21,526)
Dividends paid	(34,909)	(30,660)
Decrease (increase) in affiliate receivables	2,291	499
	-----	-----
Net Cash Used in Financing Activities	(47,728)	(49,880)
	-----	-----
Net (Decrease) Increase in Cash	6,635	(5,094)

Cash and Cash Equivalents:		
Beginning of period	25,851	38,899
	-----	-----
End of period	\$ 32,486	\$ 33,805
	=====	=====
Supplemental Information:		
Interest Paid	\$ 53,878	\$ 50,254
	=====	=====
Supplemental schedule of non-cash and financing activities:		
Step-up in connection with acquisition of additional interest in joint venture	\$ 7,296	\$ --
	=====	=====
Historical cost basis of net investment properties consolidated as a result of acquisitions of additional interests in joint ventures		
	\$121,245	\$ --
	=====	=====
Mortgages on those properties consolidated as a result of acquisitions of additional interests in joint ventures		
	\$136,009	\$ --
	=====	=====
Historical cost basis of net investment property disposed		
	\$ (4,040)	\$ --
	=====	=====
Mortgage extinguishment relating to property disposition		
	\$ (13,372)	\$ --
	=====	=====
Acquisition of certain businesses of Property Manager		
	\$ 4,020	\$ --
	=====	=====

See accompanying notes

</TABLE>

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DEBARTOLO REALTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited and Dollars in Thousands)

Note 1 - Organization and Ownership

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and in conjunction with the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting solely of normal recurring matters) necessary for a fair presentation of the consolidated financial statements for these interim periods have been included. The results for the interim period ended June 30, 1996 are not necessarily indicative of the results that may be expected for the full fiscal year. These financial statements should be read in conjunction with the DeBartolo Realty Corporation December 31, 1995 audited consolidated financial statements and notes thereto included in its annual report on Form 10-K for the year ended December 31, 1995 filed with the Securities and Exchange Commission and Management's Discussion and Analysis of Financial Condition and Results of Operations.

DeBartolo Realty Corporation, (together with its subsidiaries and operating affiliates, sometimes referred to as the "Company"), is an Ohio corporation which operates as a self-administered and self-managed real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended. Through its majority-owned managing general partnership interest in DeBartolo Realty Partnership, L.P., a Delaware limited partnership (the "Operating Partnership") and indirectly, interests in DeBartolo Capital Partnership, a Delaware general partnership, the Company is engaged in the ownership, development, management, leasing, acquisition and expansion of super-regional and regional malls and community shopping centers.

The Company was formed to continue and expand the shopping mall ownership, management and development business of The Edward J. DeBartolo Corporation ("EJDC") in a portfolio which, as of June 30, 1996, consisted of 50 super-regional and regional malls (the "DeBartolo Malls"), 11 community centers and land held for future development (collectively, the "DeBartolo Properties").

The Company completed its initial public offering of securities (the "IPO") in April, 1994. At June 30, 1996, the Company was the sole general partner of and owned a 61.9% interest in the Operating Partnership. As of June 30, 1996, EJDC and certain affiliates (collectively, the "DeBartolo Group") and certain current and former employees of EJDC, along with JCP Realty, Inc. ("JCP"), own the remaining 38.1% interest in the Operating Partnership.

In addition, the Operating Partnership owns 100% of the non-voting preferred stock and a non-controlling common stock interest (5%) in DeBartolo Properties Management, Inc. (the "Property Manager") which provides certain architectural, design, construction and other services to substantially all of the DeBartolo Properties, as well as, certain other regional malls and community shopping centers owned by third parties.

Note 2 - Basis of Presentation

The financial statements of the Company are presented on a consolidated basis. Properties which are controlled through majority ownership have been consolidated and all significant intercompany transactions and accounts have been eliminated. Properties where the Company owns less than a majority interest have been accounted for under the equity method. One property, which is owned 2% by the Operating Partnership, is accounted for under the cost method.

The Operating Partnership owns 5% of the voting common stock and all of the nonvoting preferred stock of the Property Manager. The Company accounts for the investment in the Property Manager under the equity method.

Certain prior year amounts have been reclassified to conform to the current year presentation.

Note 3 - Restricted Cash

Cash is restricted primarily for renovations and redevelopment of the 17 DeBartolo Properties in connection with a securitized commercial pass-through certificate issuance simultaneously with the IPO.

Note 4 - Mergers, Acquisitions and Dispositions

The Company entered into an Agreement and Plan of Merger, dated as of March 26, 1996 (the "Agreement"), among Simon Property Group, Inc., a Maryland corporation ("SPG"), its merger subsidiary and the Company, pursuant to which the Company agreed to merge with the merger subsidiary. The Agreement provides for the exchange of all outstanding Company common stock for SPG common stock, \$0.0001 par value (the "SPG Common Stock"), at an exchange ratio of 0.68 shares of SPG

Common Stock for each share of Company common stock. The merger and other related transactions were approved by shareholders of both companies and were closed on August 9, 1996. Shareholders of the Company received approximately 37.9 million shares of SPG common stock valued at \$24.375 per share. During the six-month period ended June 30, 1996, the company incurred \$10,200 of underwriting, legal, accounting and other expenses associated with the merger. These costs were charged to expense.

During January, 1996, the Property Manager acquired partnership interests of 33 1/3% and 25% in two joint ventures, respectively, from an unrelated joint venture partner. As a result, the Company effectively owns 65% and 74% of these joint ventures and includes the financial position and results of operations and cash flows of these joint ventures in its consolidated financial statements. Effective March 31, 1996, the Company acquired an additional 10% partnership interest in Miami International Mall. As a result, the Company owns 60% of this joint venture and includes the financial position and results of operations and cash flows in its consolidated financial statements effective April 1, 1996.

Effective January 1, 1996, the Company acquired the management, leasing and certain other operating divisions of the Property Manager. The operating results of these divisions are included in the Company's consolidated financial statements net of eliminated intercompany transactions. The Property Manager continues to provide architectural, engineering and construction services for the Company.

The Company transferred ownership of one property to its lender, as of March 1, 1996, fully satisfying the property's mortgage note payable. This property no longer met the Company's criteria for its ongoing strategic plan. The Company has recognized an extraordinary gain on this transaction of \$9.2 million. The Operating Partnership's share of this property's net income (loss) for 1993, 1994 and 1995 was \$9, (\$760) and (\$513), respectively. The Operating Partnership's share of this property's cash generated before debt payments and capital expenditures ("FFO") for 1993, 1994 and 1995 was \$512, (\$237) and \$48, respectively.

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Note 5 - Investment in Nonconsolidated Joint Ventures

As a result of the above-discussed acquisitions, the combined Balance Sheet of the nonconsolidated joint ventures includes the financial position of nine joint ventures at June 30, 1996 and twelve joint ventures at December 31, 1995. Three joint ventures, in which the Company acquired additional partnership interests during the first quarter of 1996, are included in the Company's consolidated Balance Sheet at June 30, 1996 (see Note 4 above).

	June 30, 1996	December 31, 1995
	-----	-----
Balance Sheets		
Investment properties (net)	\$ 505,288	\$ 599,234
Other assets	42,471	43,094
	-----	-----
Total assets	547,759	642,328
	-----	-----
Mortgages and notes payable	508,341	584,495
Other liabilities	46,980	90,549
	-----	-----
Total liabilities	555,321	675,044
	-----	-----
Accumulated equity (deficit)	(7,562)	(32,716)

Less: Outside partners' equity	(9,740)	180
Advances to nonconsolidated joint ventures	30,867	78,474
	-----	-----
Net surplus in nonconsolidated joint ventures	\$ 13,565	\$ 45,578
	=====	=====
Net surplus (deficits) in nonconsolidated joint ventures is presented in the accompanying consolidated balance sheets as follows:		
Investments in nonconsolidated joint ventures	\$ 31,005	\$ 38,251
Advances to nonconsolidated joint ventures	30,867	78,474
	-----	-----
Total investments in and advances to nonconsolidated joint ventures	61,872	116,725
Deficits in nonconsolidated joint ventures	(48,307)	(71,147)
	-----	-----
	\$ 13,565	\$ 45,578
	=====	=====

The combined statements of operations for the nonconsolidated joint ventures include the operating results of ten joint ventures for the three month period ended March 31, 1996, nine joint ventures for the three months ended June 30, 1996 and twelve joint ventures in 1995. The operating results of two joint ventures, in which the Company acquired additional partnership interest in January 1996, are included in the Company's consolidated operating statement. The operating results of one joint venture, in which the Company acquired additional partnership interest effective March 31, 1996, are included in the Company's consolidated operating statement effective April 1, 1996.

	Six Months 1996	Ended June 30, 1995
Statements of Operations		
Revenues:		
Minimum rents	\$ 41,183	\$ 46,571
Tenant recoveries	19,549	21,971
Percentage rents	2,251	2,860
Other	5,238	3,294
	-----	-----
Total revenues	68,221	74,696
	-----	-----
Expenses:		
Shopping Center Expenses:		
Property operating	6,197	6,968
Repairs and maintenance	5,050	5,704
Real estate taxes	8,124	9,367
Advertising and promotion	1,833	2,019
Management fees to affiliate	2,329	2,477
Provision for doubtful accounts	554	467
Ground leases		60
Other	539	674
	-----	-----
	24,626	27,736
Interest expense	20,150	28,604
Depreciation and amortization	10,559	11,814
	-----	-----

	55,335	68,154
Net income	\$ 12,886	\$ 6,542
	=====	=====
The Operating Partnership's share of:		
Revenues less shopping center expenses	\$ 19,982	\$ 20,275
Interest expense	7,333	9,866
Depreciation, amortization and other	4,413	6,227
	-----	-----
Net income	\$ 8,236	\$ 4,182
	=====	=====

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Note 6 - Earnings Per Common Share and Common Share Equivalent

Earnings per share and common share equivalent is based on the weighted average number of common stock and common stock equivalents outstanding for the six months ended June 30, 1996. Common stock awarded but not yet issued under the deferred stock plan (42,400 shares) and the Company's long-term incentive plan (80,400 shares) have been considered common stock equivalents for the six months ended June 30, 1996.

Note 7 - Dividends

The Company paid a dividend of \$0.315 per share on July 22, 1996 for the period of April 1, 1996 through June 28, 1996. On August 9, 1996, the Company paid a prorated dividend of \$0.1454 per share for the period June 29, 1996 through August 9, 1996.

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EXHIBIT INDEX

Exhibit No.	Description	Sequentially Numbered Page
-----	-----	-----
2.1	Agreement and Plan of Merger (the "Merger Agreement") (dated as of March 26, 1996, among SPG, Sub and DRC (included as Annex I to the Prospectus/Joint Proxy Statement referred to in Exhibit 20.1).	
2.2	Amendment No. 1 to the Merger Agreement, dated as of June 26, 1996 (included as Annex I to the Prospectus/Joint Proxy Statement referred to in Exhibit 20.1).	
2.3	Amendment No. 2 to the Merger Agreement, dated as of August 8, 1996.	
20.1	Prospectus/Joint Proxy Statement dated June 28, 1996 (incorporated by reference to	

the Prospectus/Joint Proxy Statement dated June 28, 1996, forming a part of the registrant's Registration Statement on Form S-4 (333-06933), as amended and declared effective by the Securities and Exchange Commission on June 28, 1996).

99.1 Press Release dated August 7, 1996.

99.2 Press Release dated August 9, 1996

AMENDMENT NO. 2 TO

THE AGREEMENT AND PLAN OF MERGER

THIS AMENDMENT NO. 2 (this "Amendment") to the Merger Agreement (as defined below), dated as of August 8, 1996, is hereby entered into by and among Simon Property Group, Inc., a Maryland corporation ("Parent"), Day Acquisition Corp., an Ohio corporation and a direct subsidiary of Parent ("Sub"), and DeBartolo Realty Corporation, an Ohio corporation (the "Company"). Capitalized terms not otherwise defined have the meanings set forth in the Merger Agreement.

(a) the Board of Directors of each of Parent, Sub and the Company have approved the merger of Sub with and into the Company (the "Merger"), upon terms and subject to the conditions set forth in the Agreement and Plan of Merger, dated as of March 26, 1996, among Parent, Sub and the Company, as amended (the "Merger Agreement"); and

(b) Parent, Sub and Company now wish to further amend the Merger Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendment. (a) Simon hereby agrees that following consummation of the Merger, in accordance with and subject to the terms and conditions set forth in the Merger Agreement (including, without limitation, the issuance of the opinions described in Section 6.2(e) and 6.3(e) of the Merger Agreement), to make all payments (including settlements relating thereto) with respect to Dissenting Shares, any provision of the Merger Agreement or the Ohio Statute to the contrary notwithstanding. It is hereby further agreed that such payments shall not constitute Economic Losses for purposes of Section 6.2(a) of the Merger Agreement. In furtherance of these and other agreements, the Merger Agreement is hereby amended and modified as follows:

(1) Section 2.1(d) of the Merger Agreement is

amended by substituting the word "Parent's" for "Company's" in the last sentence of the section.

- (2) Section 2.2(d)(i) of the Merger Agreement is amended by replacing the third sentence with the following: "The Company shall, prior to the Effective Time, deposit into escrow with the Exchange Agent sufficient funds to pay such dividends in respect of the Common Stock. The dividends payable hereunder to holders of Common Stock shall be paid upon presentation of the certificates of Common Stock for exchange in accordance with this Article II."

(b) In the event that the Merger is approved, but the Required Vote is not obtained, effective upon such approval Exhibit G-2 to the Merger Agreement (Form of Amended and Restated Regulations of SD Property Group, Inc.) is hereby amended by replacing the word "thirteen" in the first sentence of Article II, Section 2 with the word "nine"

Section 2. Effectiveness. The amendments to the Merger Agreement provided for in this Amendment shall become effective as of the date hereof upon the execution and delivery of one or more counterparts of this Amendment duly executed by Parent, Sub and the Company.

Section 3. Miscellaneous. (a) Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any rights, powers or remedies of Parent, Sub and the Company under the Merger Agreement, nor constitute a waiver of any provision of the Merger Agreement. Except as expressly amended hereby, the Merger Agreement shall be unchanged and remain in full force and effect and the Merger Agreement as amended hereby is ratified and confirmed.

(b) This Amendment shall for a part of the Merger Agreement for all purposes, and each party to the Merger Agreement shall be found and shall be inured of the benefits hereby.

(c) This Amendment may be executed in any number of counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Amendment by signing any such counterpart.

(d) THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER

APPLICABLE PRINCIPLES OF CONFLICT OF LAWS THEREOF, EXCEPT TO THE EXTENT THAT THE MERGER OR OTHER TRANSACTIONS CONTEMPLATED HEREBY ARE REQUIRED TO BE GOVERNED BY THE OHIO STATUTE.

(e) From and after the effectiveness of this Amendment as provided in Section 2 hereof, all references to the Merger Agreement in the Merger Agreement and in any other agreement in connection with the Transactions shall be deemed to be references to the Merger Agreement after giving effect to this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above

SIMON PROPERTY GROUP, INC.

By /s/ David Simon

Name: David Simon
Title: CEO

DAY ACQUISITION CORP.

By /s/ David Simon

Name: David Simon
Title: President

DeBARTOLO REALTY CORPORATION

By

Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

SIMON PROPERTY GROUP, INC.

By

Name:

Title:

DAY ACQUISITION CORP.

By

Name:

Title:

DeBARTOLO REALTY CORPORATION

By /s/ Richard S. Sokolov

Name: Richard S. Sokolov

Title:

SIMON
PROPERTY
GROUP

CONTACTS:

Shelly Doran 317.685.7330 Investors
Billie Scott 317.263.7148 Media

FOR IMMEDIATE RELEASE

SIMON PROPERTY GROUP SHAREHOLDERS APPROVE MERGER WITH DeBARTOLO
REALTY CORPORATION

Indianapolis, Indiana - August 7, 1996...Simon Property Group, Inc. (NYSE:SPG) announces that its shareholders have approved the merger agreement with DeBartolo Realty Corporation (NYSE:EJD) by 81.2%, or 50.6 million, of the 62,369,748 shares entitled to vote.

Approval of the merger required approval by a majority of the shareholders of SPG. Concurrent with approval of the merger, SPG shareholders also approved certain amendments to its Articles of Incorporation, among other things, to increase the size of its Board of Directors from nine to thirteen and to authorize a new Class C stock. These amendments required the approval of 80% or more of its outstanding shares, which was obtained.

Separately, at a special shareholders' meeting yesterday, the shareholders of EJD approved the merger with more than 83% of the shares voting in favor.

The merger is expected to be completed on Friday, August 9, 1996. A special dividend of \$0.1515 per share of SPG common stock will be paid to holders of record on Thursday, August 8, 1996.

Simon Property Group owns, develops, manages, leases, expands and acquires regional malls, comity shopping centers and specialty and mixed-use properties throughout the United States. It currently owns or has an interest in 123 properties which consist of existing regional malls, community shopping centers and specialty and mixed-use properties containing an aggregate of 63 million square feet of gross leasable area in 29 states, of which approximately 37.7 million square feet is Company-owned. Simon Property Group, together with its affiliated management company, currently manages approximately 76 million square feet of gross leasable area in retail and mixed-use properties. On July 31, 1996, SPG opened Cottonwood Mall, a one million square foot super-regional mall in Albuquerque, New Mexico. In March of 1996,

Simon Property Group and DeBartolo Realty Corporation announced a plan to merge the two companies.

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CONTACTS:

Shelly Doran	317.685.7330	Investors
Billie Scott	317.263.7148	Media

FOR IMMEDIATE RELEASE

SIMON PROPERTY GROUP AND DeBARTOLO REALTY CORPORATION
COMPLETE MERGER

Indianapolis, Indiana- August 9, 1996...Simon Property Group, Inc. (NYSE:SPG) and DeBartolo Realty Corporation (NYSE:EJD) today announced that they have completed a merger of the two companies. The combined company, Simon DeBartolo Group, Inc. (NYSE:SPG), unites two of the founding families of the regional mall business and creates the largest public real estate company in North America with a total market capitalization of \$7.5 billion.

David Simon, Chief Executive Officer of Simon DeBartolo Group, stated, "The amount of effort expended by individuals from both organizations to complete the closing of this transaction was exceptional. The level of cooperation and professionalism exhibited bodes well for the future of Simon DeBartolo Group."

"We remain thoroughly convinced that, through this merger, we have created a new real estate company of unparalleled size, talent and financial strength," said Rick Sokolov, President and Chief Operating Officer of Simon DeBartolo Group. "It offers enhanced opportunities for future growth in addition to the cost savings and operating efficiencies which will be of immediate benefit to the company. Our integration and transition plan will begin immediately and should be fully in place by mid-1997."

Under the terms of the merger, DeBartolo shareholders will receive 0.68 share of Simon common stock for each share of DeBartolo common stock owned. DeBartolo Realty Corporation stock will be delisted after the close of trading today. Stock of the combined company, Simon DeBartolo Group, Inc., will begin trading on Monday, August 12, 1996, under the existing SPG ticker symbol.

Simon DeBartolo Group owns, develops, manages, leases, expands and acquires regional malls, community shopping centers and specialty and mixed-use properties throughout the United States. It currently owns or has an interest in 184 properties which consist of existing regional malls, community shopping centers and specialty and mixed-use properties containing an aggregate of 110 million square feet of gross leasable area in 33 states. Simon DeBartolo Group, together with its affiliated

management company, manages approximately 127 million square feet of gross leasable area in retail and mixed-use properties.

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