

King of Prussia

The Court & The Plaza at King of Prussia

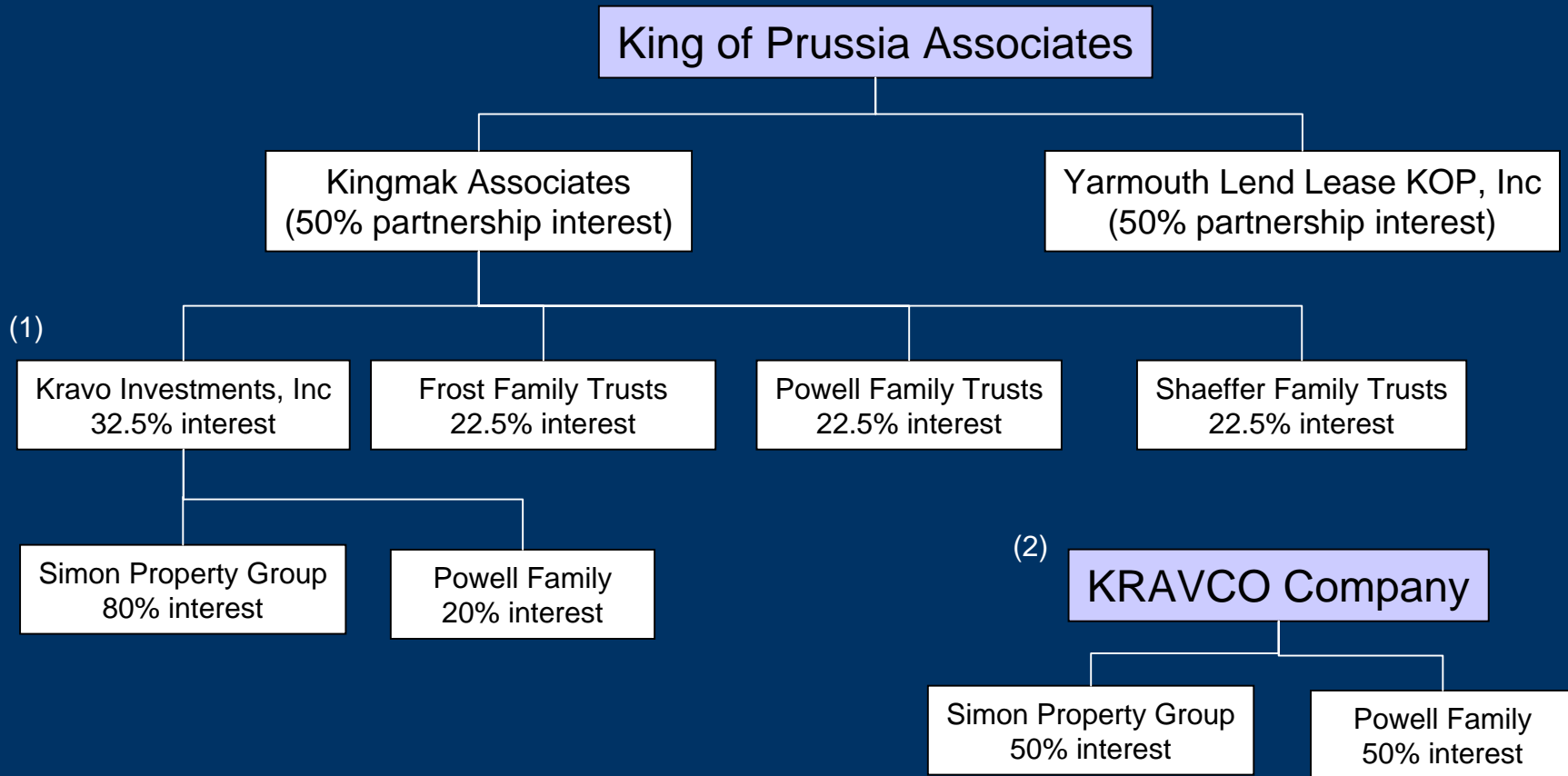


King of Prussia Mall, Pennsylvania



Built:	The Plaza 1961; The Court 1981
Square footage:	2,850,000
Purchased:	50% 1996 US\$110M
Joint Owner:	Kingmark Associates Largest enclosed retail shopping mall on the east coast of the U.S. 8 department stores 350 specialty shops 35 restaurants

Ownership Structure



(1) Kravco Investments, Inc. is the entity which holds the investment interest in other real estate assets outside of King of Prussia. Uncertain if control is still shared 50/50, or if Simon has a controlling vote.

(2) KRAVCO Company holds the management contracts and control is shared between the Simon Group and the Powell Family.

Asset Valuation (US\$m)

Valuation Summary	June 30, 2003	June 30, 2004
Property Free & Clear (1)	\$633.0	\$744.0
Forward 12 Month Net Operating Income (2)	\$ 46.4	\$47.2
Overall Average Rate of Return (OAR)	7.3%	6.3%
Mortgage Balance	(\$210.8)	(\$201.6)
Equity Position of Partnership	\$422.2	\$542.4
Lend Lease Share of Equity at 50%	\$211.1	\$271.2
Lend Lease Share of Estimated Loan Prepayment Penalty	(\$22.8)	(\$13.4)
Estimated Equity Position Net of Loan Prepayment Penalties	\$188.3	\$257.8

(1) The Free & Clear property values are based upon appraisals conducted by PricewaterhouseCoopers as of June 30, 2003 and June 30, 2004.

(2) Net Operating Income is before interest expense, depreciation and amortization

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Occupancy Summary

Gross Lettable Area (GLA) and Occupancy as of June 30, 2004

Land Area—126 Acres

	Owned Sq ft	Unowned Sq ft	Total Sq ft	Occupancy %
<i>The Plaza</i>				
In-Line GLA	744,589	—		96.9
JC Penney	171,558	—		100
Strawbridge's	193,500	—		100
Neiman Marcus	—	138,775		100
Nordstrom	—	225,000		100
Sears	—	215,252		100
Lord & Taylor	—	120,000		100
<i>Subtotal</i>	1,109,647	699,027	1,808,674	98.7
<i>The Court</i>				
In-Line GLA	246,632	—		94.5
Bloomingdale's	—	229,484		100
Macy's	—	252,243		100
<i>Subtotal</i>	246,632	481,727	728,359	98.1
Outparcels/Pavilion	83,584	230,059	313,643	100
Total Court and Plaza GLA	1,669,922	1,180,754	2,850,676	98.7

In-Line Rollover

In-line Rollover Statistics — The Court & The Plaza			
Fiscal Year	Sq ft Rolling*	Percentage Rolling %	Cum. Percentage %
Vacant	36,640	3.70%	3.70%
2005	46,888	4.73%	8.43%
2006	173,820	17.54%	25.96%
2007	80,577	8.13%	34.09%
2008	93,421	9.42%	43.52%
2009	160,565	16.20%	59.72%
2010	69,329	6.99%	66.71%
2011	102,759	10.37%	77.08%
2012	54,196	5.47%	82.54%
2013	70,075	7.07%	89.61%
2014	61,437	6.20%	95.81%
2015+	41,514	4.19%	100.00%
Total	991,221	100.00%	

*Reflects in-line SF only

Historical Financial Analysis

	Actual FY01	Actual FY02	Actual FY03	Actual FY04
Avg. Effective Rent per sq ft (\$) (1)	37.26	38.82	38.40	39.49
In-Line Occupancy (2)	91.9%	95.6%	94.1%	96.3%
Net Operating Income (US\$'000)	20,385	22,626	22,232	23,224
Interest Expense (US\$'000)	(8,706)	(8,427)	(8,104)	(7,779)
Investment Income (US\$'000)	11,679	14,198	14,127	15,445
Loan Amortization (US\$'000)	(3,729)	(4,005)	(4,318)	(4,655)
Capital Expenses (US\$'000)	(2,846)	(2,775)	(777)	(1,311)
Lend Lease Cash Flow (US\$'000)	5,104	7,418	9,032	9,478
Lend Lease Book Value (US\$'000)	126,196	132,396	138,490	144,456
Return on Equity – Before Tax	9.4%	11.0%	10.5%	10.9%
Cash Yield – Before Tax	4.1%	5.7%	6.7%	6.7%
Return on Equity – After Tax (3)	5.5%	6.4%	6.1%	6.4%
Cash Yield – After Tax (3)	2.4%	3.4%	3.9%	3.9%

(1) Consists of in-place minimum and percentage rents

(2) Weighted average in-line occupancy for The Court and The Plaza

(3) Based upon Lend Lease's US tax rate of approximately 41.5%

(4) Figures relate to Lend Lease 50% share