

SIMON PROPERTY GROUP INC /DE/
Form 424B5
June 27, 2002

[QuickLinks](#) -- Click here to rapidly navigate through this document

Filed pursuant to Rule 424(b)(5)
Registration Nos. 333-68938 and 333-68938-01

Prospectus Supplement to Prospectus dated September 24, 2001.

9,000,000 Shares

SIMON PROPERTY GROUP, INC. SPG REALTY CONSULTANTS, INC.

Common Stock

Each share of common stock of Simon Property Group, Inc. is paired with a beneficial interest in 1/100th of a share of common stock of SPG Realty Consultants, Inc. Our common stock is traded on the New York Stock Exchange (NYSE) under the symbol "SPG". On June 25, 2002, the closing sale price of our common stock as reported by the NYSE was \$36.00 per share.

See "Risk Factors" beginning on page 3 of the accompanying prospectus to read about factors you should consider before buying shares of the common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial price to public	\$ 35.94	\$ 323,460,000
Underwriting discount(1)	\$ 0.14	\$ 1,260,000
Proceeds, before expenses, to the Companies	\$ 35.80	\$ 322,200,000

- (1) In addition, Goldman, Sachs & Co. and Salomon Smith Barney Inc. may receive from purchasers of the common stock normal brokerage commissions in amounts agreed upon with such purchasers.

The underwriters expect to deliver the shares against payment in New York, New York on July 1, 2002.

Joint Book-Running Managers

Goldman, Sachs & Co.

Salomon Smith Barney

Prospectus Supplement dated June 26, 2002.

FORWARD-LOOKING STATEMENTS

This prospectus supplement contains or incorporates forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify these forward-looking statements by our use of the words "believes," "anticipates," "plans," "expects," "may," "will," "intends," "estimates" and similar expressions, whether in the negative or affirmative. We cannot guarantee that we actually will achieve the plans, intentions and expectations discussed in these forward-looking statements. Our actual results may differ materially. We have included important factors in the cautionary statements contained or incorporated by reference in this prospectus supplement or the accompanying prospectus that we believe would cause our actual results to differ materially from the forward-looking statements that we make. We do not intend to update information contained in any forward-looking statement we make. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate as of their dates. Our business, financial condition, results of operations and prospects may have changed since then.

The following may not contain all the information that may be important to you. You should read the entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference in the prospectus, before making an investment decision.

In this prospectus supplement, "we," "us," "our," and "the Companies" refer to Simon Property Group, Inc., SPG Realty Consultants, Inc. and their subsidiaries. "SPG" refers specifically to Simon Property Group, Inc., "SRC" refers specifically to SPG Realty Consultants, Inc., and "the Operating Partnership" refers specifically to SPG's majority-owned subsidiary, Simon Property Group, L.P.

WHO WE ARE

We own, operate, manage, lease, acquire, expand and develop real estate properties, primarily regional malls and community shopping centers. SPG has elected to be taxed as a real estate investment trust or REIT for federal income tax purposes. SRC is SPG's "paired share" affiliate.

The core of our business originated with the shopping center businesses of Melvin Simon, Herbert Simon, David Simon and other members and associates of the Simon family. We have grown significantly by acquiring properties and merging with other real estate companies, including our merger with DeBartolo Realty Corporation in 1996 and our combination with Corporate Property Investors, Inc. and its paired share affiliate in 1998.

As of June 25, 2002, SPG and the Operating Partnership owned or held interests in 251 income-producing properties containing an aggregate of 187 million square feet of gross leasable area in 36 states, as well as eight assets in Europe and Canada.

The predecessor of SPG was formed as a Massachusetts business trust in 1971 and reorganized as a Delaware corporation in 1998. SRC was formed as a Delaware corporation in 1975. Our principal executive offices are located at National City Center, Suite 15 East, 115 West Washington Street, Indianapolis, Indiana 46204; our telephone number is (317) 636-1600. Our World Wide Web site address is www.shopsimon.com. The information in our Web site is not incorporated by reference into this prospectus supplement.

If you would like to find more information about us, please see the sections entitled "Incorporation of Information We File with the SEC" and "Where You Can Find More Information" in the accompanying prospectus.

RECENT DEVELOPMENTS

Standard & Poor's, a division of The McGraw Hill Companies, Inc., or S&P, has announced that, effective as of the close of trading on June 25, 2002, our common stock will be included in the Standard & Poor's Corporation 500 Composite Stock Price Index, or the S&P 500 Index, which is composed of 500 common stocks that S&P selects. The common stock offered by this prospectus supplement will be offered primarily to index funds whose portfolios are primarily based on stocks included in the S&P 500 Index.

On May 31, 2002, the Operating Partnership sold all of its interests in the five value-oriented super-regional malls which we accounted for as joint ventures with the Mills Corporation, who managed the properties. These assets were no longer part of our ongoing real estate ownership strategy. We sold these joint-venture interests to Mills Corporation for \$448 million, including approximately \$175 million of cash and the assumption of approximately \$273 million of joint-venture debt, resulting in a gain of approximately \$138 million subject to final pro-rations.

Edgar Filing: SIMON PROPERTY GROUP INC /DE/ - Form 424B5

The members of MerchantWired LLC, including an affiliate of the Operating Partnership, agreed to sell all their collective membership interests in MerchantWired LLC under the terms of a definitive agreement with Transaction Network Services, Inc ("TNSI"). The transaction was expected to close

S-2

in the second quarter of 2002, but in June 2002, TNSI unexpectedly informed the members of MerchantWired LLC that it would not complete the transaction. As a result, MerchantWired LLC is shutting down its operations and transitioning its customers to alternate service providers. We do not anticipate making further cash contributions to MerchantWired LLC and we will take a pre-tax charge in June 2002 of approximately \$30 million related to our investment in and advances to MerchantWired LLC.

USE OF PROCEEDS

We expect to receive net proceeds from the sale of the common stock, after deducting expenses payable by the Companies estimated at \$150,000, of approximately \$322.0 million. We intend to contribute or otherwise transfer the net proceeds of the sale of the common stock in exchange for an equal number of units of limited partnership interest issued by the Operating Partnership, increasing SPG's ownership of the Operating Partnership. The Operating Partnership will use the proceeds to reduce the \$475 million outstanding balance of the \$600 million acquisition facility which matures on April 29, 2003 and bears interest at a variable grid rate of LIBOR plus 65 basis points. At June 25, 2002, the effective rate of interest was 2.49% per year. An affiliate of one of the underwriters is a lender under this facility. See "Underwriting."

S-3

IMPORTANT FEDERAL INCOME TAX CONSIDERATIONS

For a discussion of important federal income tax considerations applicable to distributions to stockholders and SPG's election to be taxed as a REIT, you should review the section captioned "Important Federal Income Tax Considerations" in the accompanying prospectus.

In the opinion of Baker & Daniels, counsel to SPG, SPG has been organized and has operated in a manner so as to qualify for taxation as a REIT under the Internal Revenue Code and its proposed methods of operation will enable it to continue to so qualify. Counsel's opinion is based on various assumptions and conditioned upon factual representations we have made concerning our business and properties and the business and properties of the Operating Partnership. Unlike a tax ruling, an opinion of counsel is not binding on the Internal Revenue Service. SPG's continued qualification as a REIT will depend upon SPG's ability to meet, through actual annual operating results, distribution levels, diversity of stock ownership, and the various other qualification tests imposed under the Internal Revenue Code that are discussed in the accompanying prospectus. Accordingly, we cannot assure you that the actual results of SPG's operations for any taxable year will satisfy such requirements. For more information on the consequences of failing to qualify as a REIT, see "Important Federal Income Tax Considerations Taxation of SPG Failure to Qualify" in the accompanying prospectus.

S-4

UNDERWRITING

The Companies and the underwriters for the offering (the "Underwriters") named below have entered into an underwriting agreement with respect to the shares being offered. Goldman, Sachs & Co. and Salomon Smith Barney Inc. are joint book-running managers of this offering. Subject to certain conditions, each Underwriter has severally agreed to purchase the number of shares indicated in the following table.

Underwriters	Number of Shares
Goldman, Sachs & Co.	6,300,000
Salomon Smith Barney Inc.	2,700,000

Underwriters	Number of Shares
Total	9,000,000

The Underwriters are committed to take and pay for all of the shares being offered, if any are taken. It is a condition to the closing of this offering that the Companies' common stock be added to the S&P 500 Index.

The following table shows the per share and total underwriting discounts and commissions to be paid to the Underwriters by the Companies.

Paid by the Companies

Per Share	\$	0.14
Total	\$	1,260,000.00

Shares sold by the Underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Goldman, Sachs & Co. and Salomon Smith Barney Inc. may receive from purchasers of the common stock normal brokerage commissions in amounts agreed with such purchasers. If all the shares are not sold at the initial price to public the Underwriters may change the offering price and the other selling terms.

The Companies have agreed with the Underwriters not to dispose of or hedge any common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus supplement continuing through the date 30 days after the date of the closing of this offering, except with the prior written consent of the Underwriters. This agreement does not apply to issuances upon exercise of outstanding options or grants of restricted stock under any existing employee benefit plans, the exchange of units of the Operating Partnership or the conversion of outstanding capital stock.

In connection with the offering, the Underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Underwriters of a greater number of shares than they are required to purchase in the offering. The Underwriters must close out any short position by purchasing shares in the open market. A short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the Underwriters in the open market prior to the completion of the offering.

The Underwriters may also impose a penalty bid. This occurs when a particular Underwriter repays to the Underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such Underwriter in stabilizing or short covering transactions.

S-5

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of the common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

The Companies estimate that their share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$150,000.

The Companies have agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The Underwriters and their affiliates have in the past provided and may in the future from time to time provide, commercial or investment banking services, for which they have in the past received, and may in the future receive, customary fees. Additionally, an affiliate of Salomon Smith Barney Inc., one of the Underwriters, is a lender under the acquisition facility described under "Use of Proceeds." Net proceeds from this offering will be used to reduce the outstanding balance of this facility. See "Use of Proceeds."

LEGAL MATTERS

The validity of the issuance of the shares of common stock and specified legal matters in connection with this offering will be passed upon for us by Baker & Daniels, Indianapolis, Indiana. Clifford Chance Rogers & Wells LLP, New York, New York, will act as counsel for the Underwriters.

S-6

PROSPECTUS

\$500,000,000

**SIMON PROPERTY GROUP, INC.
SPG REALTY CONSULTANTS, INC.**

**COMMON STOCK, PREFERRED STOCK, DEPOSITARY SHARES AND
WARRANTS**

By this prospectus, we may offer from time to time up to \$500,000,000 of our

common stock
preferred stock

depository shares; and
warrants.

Any shares of common stock of Simon Property Group, Inc. or preferred stock (including shares issued upon conversion or exercise of preferred stock, depository shares or warrants) convertible into common shares of Simon Property Group, Inc. covered by this prospectus will be paired with a beneficial interest in 1/100th of common stock of SPG Realty Consultants, Inc.

When we offer securities, we will provide you with a prospectus supplement describing the terms of the specific issue of securities including the offering price of the securities. This prospectus may be used to offer and sell securities only if accompanied by a prospectus supplement.

You should read carefully both this prospectus and any prospectus supplement before you invest.

Investing in our securities involves risk. See "Risk Factors" beginning on page 3.

**THE SECURITIES AND EXCHANGE COMMISSION AND STATE SECURITIES REGULATORS HAVE NOT APPROVED
OR DISAPPROVED OF THESE SECURITIES OR DETERMINED WHETHER THIS PROSPECTUS IS TRUTHFUL OR
COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

Our principal executive offices are located at National City Center, Suite 15 East, 115 West Washington Street, Indianapolis, Indiana 46204 and our telephone number is (317) 636-1600.

The date of this prospectus is September 24, 2001.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC using a "shelf" registration process. Under this shelf process, we may sell securities in one or more offerings up to a total amount of \$500,000,000. This prospectus provides you with a general description of the securities. Each time we offer to sell any of the securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering and the securities being offered. The prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and the applicable prospectus supplement together with the additional information described under the headings "Where You Can Find More Information" and "Incorporation of Information We File with the SEC."

WHO WE ARE

We own, operate, manage, lease, acquire, expand and develop real estate properties, primarily regional malls and community shopping centers. Simon Property Group, Inc. or "SPG" has elected to be taxed as a real estate investment trust or REIT for federal income tax purposes. SPG Realty Consultants, Inc. or "SRC" is SPG's "paired share" affiliate.

The core of our business originated with the shopping center businesses of Melvin Simon, Herbert Simon, David Simon and other members and associates of the Simon family. We have grown significantly by acquiring properties and merging with other real estate companies, including our merger with DeBartolo Realty Corporation in 1996 and our combination with Corporate Property Investors, Inc. and its paired share affiliate in 1998.

As of June 30, 2001, SPG and SPG's majority-owned subsidiary, Simon Property Group, L.P. or the "Operating Partnership", owned or held interests in 250 income-producing properties, consisting of 164 regional malls, 72 community shopping centers, five specialty retail centers, four office and mixed-use properties, and five value-oriented super regional malls located in a total of 36 states. These properties have over 185 million square feet of gross leaseable area of which the Operating Partnership owns approximately 110 million square feet. The Operating Partnership also owns six retail properties in Europe and Canada, one property under construction in the United States and 11 parcels of land held for future development.

The predecessor of SPG was formed as a Massachusetts business trust in 1971 and reorganized as a Delaware corporation in 1998. SRC was formed as a Delaware corporation in 1975. Our principal executive offices are located at National City Center, Suite 15 East, 115 West Washington Street, Indianapolis, Indiana 46204; our telephone number is (317) 636-1600. Our World Wide Web site address is www.shopsimon.com. The information in our web site is not incorporated by reference into this prospectus.

If you want to find more information about us, please see the sections entitled "Where You Can Find More Information" and "Incorporation of Information We File with the SEC" in this prospectus.

In this prospectus, "we," "us," "our" and "the Companies" refer to Simon Property Group, Inc. and SPG Realty Consultants, Inc. and their subsidiaries. "SPG" refers specifically to Simon Property Group, Inc., "SRC" refers specifically to SPG Realty Consultants, Inc., and the "Operating Partnership" refers specifically to SPG's majority-owned subsidiary, Simon Property Group, L.P.

USE OF PROCEEDS

We intend to use the net proceeds from the sale of the securities for general corporate purposes, unless otherwise specified in the prospectus supplement or term sheet relating to a specific issue of securities. Our general corporate purposes may include increasing our ownership of the Operating Partnership or financing acquisitions. Until we use the net proceeds from the sale of any of our securities for general corporate purposes, we will use the net proceeds for temporary investments. We expect that we will, on a recurrent basis, engage in equity financings as the need arises to finance our growth, through acquisitions or otherwise, or to meet capital commitments for development and expansion of our properties.

RISK FACTORS

You should consider carefully the following risks, along with the other information contained or incorporated by reference in this prospectus before you decide to purchase any of our securities. The risks and uncertainties described below are not the only ones affecting us. Additional risks and uncertainties may also adversely affect our business and operations. If any of the following events actually occurs, our business, financial condition and results of operations would likely suffer, possibly materially.

We Have a Substantial Debt Burden That Could Affect Our Future Operations

We are subject to the risks normally associated with debt financing, including the risk that our cash flow from operations will be insufficient to meet required payments of principal and interest, the risk that existing indebtedness will not be able to be refinanced or that the terms of such refinancing will not be as favorable as the terms of such indebtedness and the risk that necessary capital expenditures for such purposes as renovations and other improvements will not be able to be financed on favorable terms or at all. Certain significant expenditures associated with a property (such as mortgage payments) generally will not be reduced when circumstances cause a reduction in income from such property. Should such events occur, our operations and ability to make expected distributions to stockholders may be adversely affected. If a property is mortgaged to secure payment of indebtedness and we are unable to make payments on such indebtedness, the property could be transferred to the mortgagee with a possible consequent loss of income and asset value to us.

Certain of our loans have floating interest rates. In certain cases, we will continue to be a party to existing interest rate protection agreements with financial institutions whereby these institutions agree to indemnify us against the risk of increases in interest rates above certain levels.

Rising Interest Rates and Other Factors Could Adversely Affect Our Stock Price and Borrowing Costs

Any significant increase in market interest rates from their current levels could lead holders of our securities to seek higher yields through other investments, which could adversely affect the market price of the shares. One of the factors that may influence the price of our stock in public markets is the annual distribution rate we pay as compared with the yields on alternative investments. Numerous other factors, such as governmental regulatory action and tax laws, could have a significant impact on the future market price of our shares. In addition, increases in market interest rates could result in increased borrowing costs for us, which may adversely affect our cash flow and the amounts available for distributions to our stockholders.

We employ standard risk management strategies to hedge exposures, primarily related to interest rate volatility. Interest rate cap agreements are used as a protection against interest rate increases on variable rate debt. We also enter into hedging transactions based upon U.S. Treasury Bill rates to manage exposure to rising interest rates before anticipated bond offerings. We intend to continue to enter into such arrangements if management determines they are in the best interest of the stockholders.

Interest rate hedging arrangements may expose us to certain risks. Although we will try to minimize these risks, interest rate movements during the terms of interest rate hedging agreements may result in a gain or loss on our investment in the hedging arrangement. Developing an effective strategy is complex and no strategy can completely insulate us from risks associated with interest rate fluctuations. There can be no assurance that our hedging activities will have the desired beneficial impact on our results of operations or financial condition. Such hedging agreements may involve certain costs, such as transaction fees or non-material breakage costs if they are terminated

by us. In order to minimize counterparty credit risk, our policy is to enter into hedging arrangements only with large creditworthy financial institutions.

There Are Factors Outside Our Control That Affect the Revenues and Economic Value of Shopping Centers

The revenues and value of shopping centers may be adversely affected by a number of factors, including: the national, regional and local economic climate; local real estate conditions; perceptions by retailers or shoppers of the safety, convenience and attractiveness of the shopping center; the proximity and quality of competing centers; trends in the retail industry, including contraction in the number of retailers and the number of locations operated; the quality and philosophy of management; changes in market rental rates; the inability to collect rent due to bankruptcy or insolvency of tenants or otherwise; the need periodically to renovate, repair and relet space and the costs thereof; the ability of an owner to provide adequate maintenance and insurance; and increased operating costs. In addition, shopping center values are affected by such factors as changes in interest rates, the availability of financing, changes in governmental regulations, changes in tax laws or rates and potential environmental or other legal liabilities.

Our concentration in the retail shopping center real estate market subjects our portfolio of properties to certain risks, including, among others, the following risks: demand for shopping center space in our markets may decrease; we may be unable to relet space upon lease expirations or to pay related renovation and reletting costs; economic and other conditions may affect shopping center property cash flows and values; tenants may be unable to make lease payments or may become bankrupt; and a property may not generate revenue sufficient to meet operating expenses, including future debt service.

We Have Limited Control With Respect to Certain Properties Partially Owned or Managed by Third Parties

We own interests in a number of properties which are not, directly or indirectly, wholly owned by the Operating Partnership ("Joint Venture Properties"). We do not have sole control of certain major decisions relating to many of the Joint Venture Properties, although we generally have a right of approval with respect to such matters. We do not have day-to-day operational control of other of the Joint Venture Properties. These limitations may result in decisions by third parties with respect to such properties that do not fully reflect our interests at such time, including decisions relating to the requirements with which we must comply in order to maintain SPG's status as a REIT for tax purposes. In addition, the sale or transfer of interests in certain of the partnerships is subject to rights of first refusal and buy-sell or similar arrangements. These rights may be triggered at a time when we will not desire to sell but may be forced to do so because we do not have the cash to purchase the other party's interest. We are contractually restricted from selling certain of these properties without the consent of certain unrelated parties. These limitations on sale may adversely affect our ability to sell these properties at the most advantageous time for us.

Our Properties Face a Wide Range of Competition

Shopping malls compete with other retail properties for tenants on the basis of the rent charged and location. However, the principal competition for the shopping malls may come from future shopping malls that will be located in the same market areas and from mail order and electronic commerce. There is also considerable competition to acquire equity interests in desirable real estate. The competition is provided by other real estate investment trusts, insurance companies, private pension plans and private developers. Additionally, our credit rating and leverage will affect our competitive position in the public debt and equity markets.

4

We face competition from other shopping mall developers for the acquisition of prime development sites and for tenants and are subject to the risks of real estate development, including the lack of financing, construction delays, environmental requirements, budget overruns and lease-up. Numerous other developers, managers and owners of real estate compete with us in seeking management, leasing revenues, land for development and properties for acquisition. In addition, retailers at our properties face increasing competition from discount shopping centers, outlet malls, catalogues, discount shopping clubs and electronic commerce. With respect to many of our properties, there are similar properties within the same market area. The existence of competitive properties could affect our ability to lease space and on the level of rents we can obtain. Renovations and expansions at competing malls could negatively affect our properties. Increased competition could adversely affect our revenues.

Real Estate Investments Are Relatively Illiquid

Real property investments are relatively illiquid. Our ability to vary our portfolio of properties in response to changes in economic and other conditions is limited. If we want to sell a property, there is no assurance that we will be able to dispose of it in the desired time period or that the sales price of a property will exceed our investment.

We Depend on Our Anchors and Tenants

Our cash available for distribution would be adversely affected if the space in our properties could not be leased or if tenants or anchors failed to meet their contractual obligations or seek concessions in order to continue operations. If the sales of stores operating in our properties were to decline significantly due to economic conditions, closing of anchors or for other reasons, tenants may be unable to pay their minimum rents or expense recovery charges. In the event of default by a tenant or anchor, we may experience delays and costs in enforcing our rights as landlord.

We May Not Be Able to Renew Leases and Relet Space

We are subject to the risks that, upon expiration of leases for space in our properties, the premises may not be relet or the terms of reletting (including the cost of concessions to tenants) may be less favorable than current lease terms. If we were unable promptly to relet all or a substantial portion of this space or if the rental rates upon such reletting were significantly lower than expected rates, our cash generated before debt repayments and capital expenditures and ability to make expected distributions to stockholders may be adversely affected.

A Large Number of Securities Available for Future Sale Could Adversely Affect the Market Price of Our Securities

Sale of substantial numbers of our securities or units of limited partnership interests of the Operating Partnership which are exchangeable for our securities, or the perception that such sales could occur, could adversely affect the prevailing market price for our securities. If such sales reduce our market price, our ability to raise additional capital in the equity markets could be adversely affected. The existence of registration rights contained in various registration rights agreements also may adversely affect the terms upon which we can obtain additional capital in the equity markets in the future.

Charter and Bylaw Provisions Could Prevent a Change of Control

SPG's Charter places restrictions on the accumulation of shares in excess of 8% of the capital stock (18% in the case of the Simons and 11% in the case of one institutional stockholder) (calculated based on the lower of outstanding shares, voting power or value), subject to certain

5

exceptions permitted with the approval of the SPG Board of Directors to allow (i) underwritten offerings or (ii) the sale of equity securities in circumstances where the SPG Board of Directors determines SPG's ability to qualify as a REIT will not be jeopardized. These restrictions on ownership and transferability may have the effect of delaying, deferring or preventing a transaction or change in control of SPG that might involve a premium price for SPG securities or that otherwise might be in the best interest of SPG's stockholders. Certain other provisions of SPG's Charter and By-laws could have the effect of delaying or preventing a change of control even if some of SPG's stockholders deem such a change to be in SPG's and their best interest. These include provisions preventing holders of SPG common stock from acting by written consent and requiring that up to six directors in the aggregate may be elected by holders of SPG Class B Common Stock and SPG Class C Common Stock.

Federal Income Tax Risks

Failure to Qualify as a REIT Would Have Serious Adverse Consequences on Our Stockholders

SPG and a subsidiary of the Operating Partnership have elected to be taxed as REITs (the "REIT Members"). We believe that the REIT Members have been organized and operated so as to qualify as a REIT under the Internal Revenue Code. We intend to continue to operate them in a manner to maintain their status as a REIT, but we cannot assure you that we will succeed in this. Qualification as a REIT requires us to satisfy numerous requirements (some on an annual and quarterly basis) established under highly technical and complex Internal Revenue Code provisions for which there are only limited judicial and administrative interpretations, and involves the determination of various factual matters and circumstances that are not entirely within our control. For example, at least 95% of our gross income in any year must be derived from qualifying sources, and we must pay dividends to stockholders aggregating annually at least 90% of REIT taxable income (determined without regard to the dividends paid deduction and by excluding capital gains). These provisions and the applicable treasury regulations are more complicated in our case because we hold our assets in partnership form. Legislation, new regulations, administrative interpretations or court decisions could significantly change the tax laws with respect to qualification as a REIT or the federal income tax consequences of such qualification. However, we are not aware of any pending tax legislation that would adversely affect the ability of either of the REIT Members to qualify as a REIT.

If either of the REIT Members fails to qualify as a REIT in any taxable year, the nonqualifying entity will be subject to federal income tax (including any applicable alternative minimum tax) on its taxable income at regular corporate rates. Unless the nonqualifying entity is entitled to relief under certain statutory provisions, it would be disqualified from treatment as a REIT for the four taxable years following the year during which it lost qualification. If SPG loses its REIT status, its net earnings available for investment or distribution to stockholders would be significantly reduced for each of the years involved. In addition, SPG would no longer be required to make distributions to stockholders.

There are Uncertainties That Exist with Regard to Our "Paired REIT" Status

The common stock and convertible preferred stock of SPG are paired with beneficial interests in SRC common stock. This structure is referred to as a "paired REIT." Legislation enacted in 1984 required that paired entities be treated as one entity for purposes of determining whether either entity meets the REIT requirements unless the paired entities qualified for a "grandfathering" rule as SPG and SRC did. Later legislation enacted in 1998 terminated this "grandfathering" rule with respect to "non-grandfathered assets" acquired (or substantially improved) by either paired entity after March 26, 1998. As a result, SPG and SRC are treated as one entity with respect to

6

"non-grandfathered assets" for purposes of determining whether either entity qualifies as a REIT. Consequently, the benefits of the "grandfathering" rule have been eliminated for any "non-grandfathered assets" acquired by SPG or SRC. More recent legislation which permits REITs to own taxable REIT subsidiaries has further reduced the advantages of our paired REIT status. We are considering whether maintaining our paired REIT status structure is in the best interests of our shareholders.

**RATIO OF EARNINGS TO COMBINED FIXED CHARGES
AND PREFERRED STOCK DIVIDENDS**

The following table sets forth our historical ratios of earnings to fixed charges and preferred stock dividends for the periods indicated:

Six Months Ended June 30,		Year Ended December 31,				
2001	2000	2000	1999	1998	1997	1996
1.29x	1.31x	1.37x	1.35x	1.44x	1.54x	1.55x

For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consist of earnings from continuing operations before income taxes and fixed charges, excluding capitalized interest and preferred security dividend requirements. "Fixed charges" consist of interest costs, the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.

THE SECURITIES

We intend to sell the securities covered by this prospectus from time to time. These securities may include the following types of equity securities, in each case, as specified by the Companies at the time of offering:

common stock;

preferred stock;

depository shares representing preferred stock; and

warrants to purchase shares of common or preferred stock.

We may offer the securities independently or together with other securities and the securities may be attached to, or separate from other securities. However, any shares of common stock of SPG or preferred stock of SPG which is convertible into common stock of SPG (including shares issued upon conversion or exercise of preferred stock, depository shares or warrants) covered by this prospectus will be paired with a beneficial interest in 1/100th of a share of common stock of SRC. We will offer the securities to the public on terms determined by market conditions at the time of sale and set forth in a prospectus supplement or term sheet relating to the specific issue of securities.

We will offer the securities described in this prospectus either separately or together with one or more series of up to \$500,000,000 in aggregate public offering price or its equivalent in foreign currencies or units of two or more currencies, based on the applicable exchange rate at the time of offering, subject to reduction on account of the sale of other securities under the registration statement of which this prospectus is a

part.

We have summarized certain terms and provisions of our capital stock in this section, including descriptions of certain provisions of the Restated Certificate of Incorporation of SPG or the "SPG Charter," the Restated Certificate of Incorporation of SRC or the "SRC Charter," the Restated By-laws of SPG or the "SPG By-laws" and the Restated By-laws of SRC or the "SRC By-laws." This summary is not complete and is qualified by reference to the SPG Charter, the SRC Charter, the SPG By-laws and the SRC By-laws, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part. See "Where You Can Find More Information."

Authorized Stock

The total number of shares of all classes of capital stock that SPG has authority to issue is 750,000,000 shares, par value \$0.0001 per share, consisting of 400,000,000 shares of Common Stock ("SPG Common Stock"), 12,000,000 shares of Class B Common Stock ("SPG Class B Common Stock"), 4,000 shares of Class C Common Stock ("SPG Class C Common Stock" and together with SPG Common Stock and SPG Class B Common Stock, "SPG common stock"), 237,996,000 shares of Excess Common Stock, par value \$0.0001 per share ("Excess Common Stock"), of which 209,249 shares have been designated Series A Excess Preferred Stock and 5,000,000 shares have been designated Series B Excess Preferred Stock and 100,000,000 shares of Preferred Stock, par value \$0.0001 per share ("SPG Preferred Stock"), of which 209,249 shares have been designated as 6.50% Series A Convertible Preferred Stock (the "Series A Preferred Stock"), 5,000,000 shares have been designated as 6.50% Series B Convertible Preferred Stock (the "Series B Preferred Stock"), 2,700,000 shares have been designated as 7% Series C Convertible Preferred Stock (the "Series C Preferred Stock"), 2,700,000 shares have been designated as 8% Series D Cumulative Redeemable Preferred Stock (the "Series D Preferred Stock"), 1,000,000 shares have been designated as 8% Series E Cumulative Redeemable Preferred Stock (the "Series E Preferred Stock"), 8,000,000 shares have been designated as 8³/₄% Series F

8

Cumulative Redeemable Preferred Stock (the "Series F Preferred Stock") and 3,000,000 shares have been designated as 7.89% Series G Cumulative Step-Up Premium Rate Preferred Stock (the "Series G Preferred Stock"). As of September 1, 2001, there were no shares of Series C Preferred Stock or Series D Preferred Stock outstanding.

SRC has authority to issue 7,500,000 shares of Common Stock par value \$0.0001 per share ("SRC Common Stock").

Description of Common Stock

Terms of SPG Common Stock

The holders of shares of SPG Common Stock are entitled to one vote per share on all matters to be voted on by stockholders. The holders of shares of SPG Common Stock are not entitled to cumulate their votes in the election of directors, which means that holders of more than half the outstanding shares of SPG Common Stock (including SPG Class B Common Stock and SPG Class C Common Stock which vote with the SPG Common Stock) can elect all of the directors of SPG who are to be elected by the holders of SPG Common Stock. Subject to preferential rights of holders of SPG Preferred Stock, the holders of shares of SPG Common Stock are entitled to receive such dividends as may be declared from time to time by the SPG Board of Directors, in its discretion, from any assets legally available therefor as long as dividends are paid ratably on the SPG Class B Common Stock and the SPG Class C Common Stock.

The holders of SPG Common Stock are not entitled to preemptive, subscription or conversion rights, and there are no redemption or sinking fund provisions applicable to the SPG Common Stock. The holders of SPG Common Stock are not subject to further calls or assessments by SPG. The SPG Common Stock currently outstanding is, and the SPG Common Stock to be sold from time to time in one offering or a series of offerings pursuant to this prospectus will be, validly issued, fully paid and non-assessable.

Terms of SPG Class B Common Stock and SPG Class C Common Stock

As of September 1, 2001, SPG had 3,200,000 shares of SPG Class B Common Stock outstanding and 4,000 shares of SPG Class C Common Stock outstanding. Holders of SPG Common Stock, SPG Class B Common Stock and SPG Class C Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, other than the election of directors elected exclusively by the holders of SPG Class B Common Stock and the election of directors elected exclusively by the holders of SPG Class C Common Stock. Holders of SPG Common Stock, SPG Class B Common Stock and SPG Class C Common Stock have no right to cumulative voting for the

election of directors. Subject to preferential rights of holders of SPG Preferred Stock, the holders of SPG Common Stock, SPG Class B Common Stock and SPG Class C Common Stock are entitled to receive ratably such dividends as may be declared by the SPG Board of Directors out of funds legally available therefor. If SPG is liquidated, subject to the right of the holders of SPG Preferred Stock (including any Excess Preferred Stock (as defined below) into which shares such series has been converted) to receive preferential distributions, each outstanding share of SPG Common Stock, SPG Class B Common Stock and SPG Class C Common Stock, including shares of Excess Common Stock, if any, will be entitled to participate *pro rata* in the assets remaining after payment of, or adequate provision for, all known debts and liabilities of SPG.

All outstanding shares of SPG Class B Common Stock are held by the Simons. The holders of SPG Class B Common Stock are entitled to elect four of the 13 directors of SPG, unless their portion of the aggregate equity interest of SPG (including SPG Common Stock, SPG Class B Common Stock and units of limited partnership interests of the Operating Partnership considered

on an as-converted basis) decreases to less than 50% of the amount that they owned as of August 9, 1996, in which case they will be entitled to elect only two directors of SPG.

Shares of SPG Class B Common Stock may be converted at the holder's option into an equal number of shares of SPG Common Stock. If the aggregate equity interest of the Simons in SPG on a fully diluted basis has been reduced to less than 5%, the outstanding shares of SPG Class B Common Stock convert automatically into an equal number of shares of SPG Common Stock. Shares of SPG Class B Common Stock also convert automatically into an equal number of shares of SPG Common Stock upon the sale or transfer thereof to a person not affiliated with the Simons. Holders of shares of SPG Common Stock and SPG Class B Common Stock have no sinking fund rights, redemption rights or preemptive rights to subscribe for any securities of SPG.

All outstanding shares of SPG Class C Common Stock are held by the DeBartolos. Except with respect to the right to elect directors, as summarized below, each share of SPG Class C Common Stock has the same rights and restrictions as a share of SPG Class B Common Stock.

The holders of SPG Class C Common Stock are entitled to elect two of the 13 directors of SPG, unless their portion of the aggregate equity interest of SPG (including SPG Common Stock, SPG Class B Common Stock and Units considered on an as-converted basis) decreases to less than 50% of the amount that they owned as of August 9, 1996, in which case they will be entitled to elect only one director of SPG. Shares of SPG Class C Common Stock may be converted at the holder's option into an equal number of shares of SPG Common Stock. If the aggregate equity interest of the DeBartolos in SPG on a fully diluted basis is reduced to less than 5%, the outstanding shares of SPG Class C Common Stock convert automatically into an equal number of shares of SPG Common Stock. Shares of SPG Class C Common Stock also convert automatically into an equal number of shares of SPG Common Stock upon the sale or transfer thereof to a person not affiliated with the DeBartolos. Holders of shares of SPG Class C Common Stock have no sinking fund rights, redemption rights or preemptive rights to subscribe for any securities of SPG.

Under the SPG Charter, so long as any shares of both SPG Class B Common Stock and SPG Class C Common Stock are outstanding, the number of members of the SPG Board of Directors shall be 13, so long as any shares of SPG Class B Common Stock (but no SPG Class C Common Stock) are outstanding, or if any shares of SPG Class C Common Stock (but no shares of SPG Class B Common Stock) are outstanding, the number of members of the SPG Board of Directors' shall be nine, and if no shares of SPG Class B Common Stock or SPG Class C Common Stock are outstanding, the number of members of the SPG Board of Directors shall be fixed by the SPG Board of Directors from time to time. Under the SPG Charter, at least a majority of the directors shall be Independent Directors. The SPG Charter further provides that, subject to any separate rights of holders of SPG Preferred Stock or as described below, any vacancies on the SPG Board of Directors resulting from death, disability, resignation, retirement, disqualification, removal from office, or other cause of a director shall be filled by a vote of the stockholders or a majority of the directors then in office; provided that:

any vacancy relating to a director elected by the SPG Class B Common Stock is to be filled by the holders of the SPG Class B Common Stock; and

any vacancy relating to a director elected by the SPG Class C Common Stock is to be filled as provided in the SPG Charter.

The SPG Charter provides that, subject to the right of holders of any class or series separately entitled to elect one or more directors, if any such right has been granted, directors may be removed with or without cause upon the affirmative vote of holders of at least a majority of the

voting power of all the then outstanding shares entitled to vote generally in the election of directors, voting together as a single class.

Terms of SRC Common Stock

All of the outstanding stock of SRC is owned by trusts for the benefit of SPG's stockholders (the "SRC Trusts"), pursuant to a Trust Agreement, dated as of October 30, 1979 (the "Common Stock Trust Agreement"), and a Trust Agreement, dated as of August 26, 1994 (the "Preference Shares Trust Agreement" and, together with the Common Stock Trust Agreement, the "Trust Agreements"). The Trust Agreements provide, and any similar trusts created in the future will provide, that all cash dividends and other assets received by the trustee for the relevant trust, exclusive of shares of stock, warrants and rights to purchase shares of stock, of SRC, will be distributed currently by such trustee to the beneficiaries of the SRC Trust in proportion to the respective number of shares of SPG equity stock held by them. Each of the Trust Agreements provides that the beneficial interest of the shares of SRC Common Stock held in trust are not transferable separately but only by and as part of a transfer of shares of SPG equity stock, and every sale or transfer of SPG equity stock shall include all or a proportionate part of such transferor's beneficial interest in the shares of stock of SRC or in any other assets held in the SRC Trust. Each of the Trust Agreements provides that the SRC Trusts shall terminate upon the earlier to occur of (i) the dissolution of SPG or (ii) upon notification to the trustee under the Trust Agreements of the vote to that effect, at a meeting or by proxy, of beneficiaries of the respective SRC Trust holding two-thirds of the outstanding shares of SPG equity stock. In addition, the Preference Shares Trust Agreement provides that shares held by the trustee thereunder will be transferred to the trustee under the Common Stock Trust Agreement as SPG Series A Preferred Stock and SPG Series B Preferred Stock is converted into SPG Common Stock. Upon termination of any SRC Trust, the assets of such trust will be transferred and assigned to the beneficiaries of such SRC Trust.

Under the SRC Charter, the number of members of the SRC Board of Directors, which is currently 13, may be fixed by the SRC Board of Directors in the future. The SRC Charter further provides that only directors of SPG may serve as directors of SRC. Under the SRC Charter, at least a majority of the directors shall be Independent Directors. Any vacancies on the SRC Board of Directors resulting from death, disability, resignation, retirement, disqualification, removal from office, or other cause shall be filled by a vote of the stockholders or a majority of the directors then in office. The SRC Charter provides that directors may be removed with or without cause upon the affirmative vote of holders of at least a majority of the voting power of all of the then outstanding shares entitled to vote generally in the election of directors.

The trustee under each Trust Agreement is obligated under the Trust Agreement to which it is a party to vote the SRC Common Stock held by it so that each member of the Board of Directors of SRC is also a director of SPG.

Transfer Agent

Mellon Investor Services LLC is the transfer agent for the paired shares of SPG Common Stock and SRC Common Stock.

Description of Preferred Stock

Subject to the restrictions prescribed by Delaware law and the SPG Charter, the SPG Board of Directors has the authority to issue the remaining authorized but unissued shares of SPG Preferred Stock in one or more series and to fix the designation, relative rights, preferences and limitations of shares of each series, including dividend rights, conversion rights, voting rights, terms of

redemption, redemption prices, liquidation preferences and the number of shares constituting any series or the designation of such series, without further vote or action by the stockholders. The issuance of SPG Preferred Stock could decrease the amount of earnings and assets available for distribution to holders of SPG Common Stock, SPG Class B Common Stock and SPG Class C Common Stock and may have the effect of delaying, deferring or preventing a change in control of SPG. Pursuant to the SPG Charter, whenever SPG designates a series of SPG Preferred Stock convertible into shares of SPG Common Stock, it must also designate an additional series of excess preferred stock of such series having substantially identical terms to such series of SPG Preferred Stock, but being subject to the transfer restrictions described below. Any such series of excess preferred stock so designated, including the SPG Series A Excess Preferred Stock and the SPG Series B Excess Preferred Stock, are referred to herein collectively as "Excess Preferred Stock."

Edgar Filing: SIMON PROPERTY GROUP INC /DE/ - Form 424B5

In addition, as described under "Description of Depositary Shares," SPG, at its option, instead of offering full shares of any series of preferred stock, may offer depositary shares evidenced by depositary receipts, each representing a fraction of a share of the particular series of preferred stock issued and deposited with a depositary. The fraction of a share of preferred stock which each depositary share represents will be set forth in the prospectus supplement relating to the depositary shares.

Terms of Future Series of Preferred Stock

The applicable prospectus supplement will describe the terms of each future series of preferred stock, including, where applicable, the following:

the designation, stated value, liquidation preference and number of shares offered;

the offering price or prices;

the dividend rate or rates, or method of calculation, the dividend periods, the date on which dividends shall be payable and whether dividends are cumulative or noncumulative and, if cumulative, the dates from which dividends begin to cumulate;

any redemption or sinking fund provisions;

any conversion or exchange provisions;

any voting rights;

to the extent permitted by applicable law, whether the preferred stock will be issued in certificated or book-entry form;

whether the preferred stock will be listed on a national securities exchange;

information with respect to any book-entry procedures; and

any additional rights, preferences, privileges, limitations and restrictions of the preferred stock which are not inconsistent with the provisions of the certificate of incorporation.

The preferred stock will be, when issued against payment, fully paid and nonassessable. Holders will have no preemptive rights to subscribe for any additional securities which SPG may issue. Unless otherwise specified in the applicable prospectus supplement, the shares of each series of preferred stock will rank equally with all other outstanding series of preferred stock issued by SPG as to payment of dividends, other than with respect to cumulation of dividends, and as to the distribution of assets upon liquidation, dissolution, or winding up of SPG.

Unless otherwise specified in the applicable prospectus supplement, Mellon Investors Services LLC will be the transfer agent, dividend disbursing agent and registrar for the shares of the preferred stock.

Because SPG is a holding company, its rights and the rights of holders of its securities, including the holders of preferred stock, to participate in the distribution of assets of any subsidiary of SPG upon its liquidation or recapitalization will be subject to the prior claims of the subsidiary's creditors and preferred stockholders, except to the extent SPG may itself be a creditor with recognized claims against the subsidiary or a holder of preferred stock of the subsidiary.

Dividends and Distributions. Holders of shares of the preferred stock will be entitled to receive, as, if and when declared by the Board of Directors of SPG or a duly authorized committee of the Board of Directors, out of funds legally available for the payment of dividends, cash dividends at the rate set forth in, or calculated in accordance with the formula set forth in, the prospectus supplement relating to the preferred stock being offered.

Dividends on the preferred stock may be cumulative or noncumulative as provided in the applicable prospectus supplement. Dividends on the cumulative preferred stock will accumulate from the date of original issue and will be payable quarterly in arrears on the dates specified in the applicable prospectus supplement. If any date so specified as a dividend payment date is not a business day, declared dividends on the preferred stock will be paid on the immediately succeeding business day, without interest. The applicable prospectus supplement will set forth the applicable dividend period with respect to a dividend payment date. If the Board of Directors of SPG or a duly authorized committee of the Board of Directors, fails to declare a dividend on any series of noncumulative preferred stock for any dividend period, SPG will have no obligation to pay a dividend for that period, whether or not dividends on that series of noncumulative preferred stock are declared for any future dividend period. Dividends on the preferred stock will be payable to record holders as they appear on the stock books of SPG on each record date, not more than 30 nor less than 15 days preceding the applicable payment date, as shall be fixed by the Board of Directors of SPG or a duly authorized committee of the Board of Directors.

No dividends will be declared or paid or set apart for payment on the preferred stock of any series ranking, as to dividends, equally with or junior to any other series of preferred stock for any period unless dividends have been or are contemporaneously declared and paid or declared and a sum sufficient for the payment of those dividends have been set apart for,

in the case of cumulative preferred stock, all dividend periods terminating on or before the date of payment of full cumulative dividends; or

in the case of noncumulative preferred stock, the immediately preceding dividend period.

When dividends are not paid in full upon any series of preferred stock, and any other preferred stock ranking equally as to dividends with that series of preferred stock, all dividends declared upon shares of that series of preferred stock and any other preferred stock ranking equally as to dividends will be declared pro rata so that the amount of dividends declared per share on that series of preferred stock and any other preferred stock ranking equally as to dividends will in all cases bear to each other the same ratio that accrued dividends per share on the shares of that series of preferred stock and the other preferred stock bear to each other. In the case of noncumulative preferred stock, any accrued dividends described in the immediately preceding paragraph will not include any cumulation in respect of unpaid dividends for prior dividend periods.

Except as provided in the immediately preceding paragraph, unless full dividends on all outstanding shares of any series of preferred stock have been declared and paid,

in the case of a series of cumulative preferred stock, for all past dividend periods, or

13

in the case of noncumulative preferred stock, for the immediately preceding dividend period,

then:

SPG may not declare dividends or pay or set aside for payment or other distribution on any of its capital stock ranking junior to or equally with that series of preferred stock as to dividends or upon liquidation, other than dividends or distributions paid in shares of, or options, warrants or rights to subscribe for or purchase shares of, the common stock of SPG or other capital stock of SPG ranking junior to that series of preferred stock as to dividends and upon liquidation, and

other than in connection with the distribution or trading of any of its capital stock, SPG may not redeem, purchase or otherwise acquire any of its capital stock ranking junior to or equally with that series of preferred stock as to dividends or upon liquidation, for any consideration or any moneys paid to or made available for a sinking fund for the redemption of any shares of any of its capital stock, except by conversion or exchange for capital stock of SPG ranking junior to that series of

preferred stock as to dividends and upon liquidation.

Unless otherwise specified in the applicable prospectus supplement, the amount of dividends payable for any period shorter than a full dividend period shall be computed on the basis of twelve 30-day months, a 360-day year and the actual number of days elapsed in any period of less than one month.

Liquidation Preference. Upon any voluntary or involuntary liquidation, dissolution or winding up of SPG, the holders of the preferred stock will have preference and priority over the common stock of SPG and any other class of stock of SPG ranking junior to the preferred stock upon liquidation, dissolution or winding up, for payments out of or distributions of the assets of SPG or proceeds from any liquidation, whether from capital or surplus, of the amount per share set forth in the applicable prospectus supplement plus all accrued and unpaid dividends, whether or not earned or declared, to the date of final distribution to such holders. After any liquidating payment, the holders of preferred stock will be entitled to no other payments. If, in the case of liquidation, dissolution or winding up of SPG, the assets of SPG or the proceeds from any liquidation should be insufficient to make the full liquidation payment in the amount per share set forth in the applicable prospectus supplement relating to a series of preferred stock, plus all accrued and unpaid dividends on that preferred stock, and liquidating payments on any other preferred stock ranking equally as to liquidation, dissolution or winding up with that preferred stock, then any assets and proceeds will be distributed among the holders of the preferred stock and any other preferred stock ratably in accordance with the respective amounts which would be payable on those shares of preferred stock and any other preferred stock if all amounts payable were paid in full. In the case of noncumulative preferred stock, accrued and unpaid dividends will not include cumulation of unpaid dividends from prior dividend periods. A consolidation or merger of SPG with one or more corporations will not be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary of SPG.

Redemption. If specified in the prospectus supplement relating to a series of preferred stock being offered, SPG may, at its option, at any time or from time to time on not less than 30 nor more than 60 days notice, redeem that series of preferred stock in whole or in part at the redemption price and on the dates set forth in the applicable prospectus supplement.

If less than all outstanding shares of a series of preferred stock are to be redeemed, the selection of the shares to be redeemed shall be determined by lot or pro rata as may be determined by the Board of Directors of SPG or a duly authorized committee of the Board of Directors to be equitable. From and after the redemption date, unless SPG is in default in providing for the payment of the redemption price, dividends shall cease to accrue on the shares of that

series of preferred stock called for redemption and, except for the right to receive the redemption price, all other rights of the holders shall cease.

Voting Rights. Unless otherwise described in the applicable prospectus supplement, holders of the preferred stock will have no voting rights except as set forth below or as otherwise required by law.

Whenever dividends payable on the preferred stock are in arrears for six or more quarterly dividend periods, the holders of outstanding shares of the preferred stock, voting as a class with holders of shares of all other series of preferred stock ranking equally with the preferred stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable, will be entitled to vote for the election of two additional directors on the terms set forth below. These voting rights will continue, in the case of any series of cumulative preferred stock, until all past dividends accumulated on shares of cumulative preferred stock are paid in full and, in the case of noncumulative preferred stock, until all dividends on shares of noncumulative preferred stock are paid in full for at least one calendar year. Upon payment in full of these dividends, the voting rights will terminate except as expressly provided by law. These voting rights are subject to re-vesting in the event of each and every subsequent default in the payment of dividends. Holders of all series of preferred stock which are granted these voting rights and which rank equally with the preferred stock will vote as a class, and, unless otherwise specified in the applicable prospectus supplement, each holder of shares of the preferred stock will have one vote for each share of stock held and each other series will have the number of votes, if any, for each share of stock held as may be granted to them. As long as any shares of SPG Class B Common Stock or SPG Class C Common Stock are outstanding, the election of additional directors by holders of preferred stock will reduce a corresponding number of directors to be elected by the holders of SPG Common Stock, SPG Class B Common Stock and SPG Class C Common Stock. If no shares of SPG Class B Common Stock or SPG Class C Common Stock are outstanding, the entire Board of Directors will be increased by two directors.

Upon termination of the right of the holders of the preferred stock to vote for directors as discussed in the preceding paragraph, the term of office of all directors then in office elected by those holders will terminate immediately. Whenever the term of office of the directors elected by those holders ends and the related special voting rights expire, the number of directors will automatically be decreased to the number of directors as would otherwise prevail.

Edgar Filing: SIMON PROPERTY GROUP INC /DE/ - Form 424B5

So long as any shares of preferred stock remain outstanding, SPG shall not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of the preferred stock outstanding at the time, voting as a class with all other series of preferred stock ranking equally with the preferred stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable, given in person or by proxy, either in writing or at a meeting:

authorize, create or issue, or increase the authorized or issued amount of, any class or series of stock ranking senior to the preferred stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of SPG; or

amend, alter or repeal, whether by merger, consolidation or otherwise, the provisions of SPG's restated certificate of incorporation or the certificate of designations of the preferred stock so as to materially and adversely affect any right, preference, privilege or voting power of the preferred stock or the holders of the preferred stock;

provided, however, that any increase in the amount of authorized preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock,

15

or any increase in the amount of authorized shares of preferred stock, in each case ranking equally with or junior to the preferred stock with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up of SPG, will not be deemed to materially and adversely affect these rights, preferences, privileges or voting powers.

The foregoing voting provisions will not apply if all outstanding shares of preferred stock have been redeemed or sufficient funds have been deposited in trust to effect such a redemption which is scheduled to be consummated within three months after the time that such rights would otherwise be exercisable.

Conversion or Exchange Rights. The prospectus supplement relating to a series of preferred stock that is convertible or exchangeable will state the terms on which shares of that series are convertible or exchangeable into common stock, another series of preferred stock or debt securities.

Summary of Series A Preferred Stock

The Series A Preferred Stock ranks, with respect to dividends and the distribution of assets upon liquidation, senior to the SPG common stock and on a parity with the other outstanding classes of SPG Preferred Stock. Classification of authorized but unissued capital stock into additional shares of SPG Preferred Stock and issuance thereof, unless ranking junior to or on a parity with the Series A Preferred Stock, must be approved by two-thirds vote of the holders of each of the Series A Preferred Stock.

The holders of the Series A Preferred Stock have the right to convert their shares into the number of shares of SPG Common Stock obtained by dividing \$1,000 (the liquidation preference) by \$26.319. The conversion price for the Series A Preferred Stock is subject to adjustment in connection with certain events, including:

any subdivision or combination of shares of SPG Common Stock or the declaration of a distribution payable to holders of SPG Common Stock in additional shares of SPG Common Stock;

issuances of rights or warrants to all holders of SPG Common Stock having an exercise price less than the current market price per share of SPG Common Stock; and

any consolidation or merger to which SPG is a party (other than in which SPG is the surviving person), any sale or conveyance to another person of all or substantially all the assets of SPG or any statutory exchange of securities with another person.

Edgar Filing: SIMON PROPERTY GROUP INC /DE/ - Form 424B5

In addition, the conversion price of the Series A Preferred Stock is subject to adjustment in the event that SPG retains cash flow after the payment of distributions on other classes of SPG securities.

Holders of the Series A Preferred Stock are entitled to receive cumulative annual cash dividends when, as and if declared by the SPG Board of Directors, in their sole discretion, of \$65.53 per share (an approximately 6.50% annual dividend, based upon the \$1,000 liquidation preference per share) payable in equal semiannual installments on March 31 and September 30 of each year.

SPG may not declare or pay any dividend on the SPG Common Stock, the SPG Class B Common Stock or the SPG Class C Common Stock or on any other class of stock ranking junior to the Series A Preferred Stock as to dividends and upon liquidation, distribution or winding up of SPG which, with respect to the Series A Preferred Stock and any of the other existing classes of SPG Preferred Stock, is referred to as "Junior Stock", other than in shares of Junior Stock or rights to purchase or acquire Junior Stock, and SPG may not redeem or make any payment on account of, or set apart money for, a sinking or other analogous fund for the purchase, redemption or other

16

retirement of any Junior Stock or make any distribution in respect thereof, in each case, either directly or indirectly and whether in cash or property or in obligations or shares of SPG, unless and until such time as all accrued and unpaid dividends with respect to the Series A Preferred Stock have been paid and sufficient funds have been set apart for the payment of the dividend for the current dividend period with respect to the Series A Preferred Stock.

SPG may redeem shares of the Series A Preferred Stock for the purpose of maintaining or bringing the direct or indirect ownership of the capital stock of SPG into conformity with the requirements of Section 856(a)(6) of the Internal Revenue Code at the greater of (i) a price equal to the liquidation preference of the Series A Preferred Stock (\$1,000 per share), plus dividends accrued and unpaid to the date of redemption, and (ii) the current market price of the SPG Common Stock issuable upon conversion of such shares of the Series A Preferred Stock.

The holders of the Series A Preferred Stock have the right to vote with the holders of the SPG Common Stock on all matters, voting together with the holders of shares of SPG Common Stock as a single class, on an as-converted basis.

In addition, without the affirmative consent or approval of the holders of a least two-thirds of the shares of the Series A Preferred Stock, SPG may not:

authorize any class of stock ranking prior to the Series A Preferred Stock with respect to dividends or distribution of assets upon dissolution or winding up of SPG;

amend, alter or repeal any of the provisions of the SPG Charter so as to affect adversely the powers, preferences or rights of the holders of the Series A Preferred Stock;

authorize or create, or increase the authorized amount of, any shares, or any security convertible into stock, of any class ranking prior to the Series A Preferred Stock with respect to dividends or distribution of assets upon dissolution or winding up of SPG;

merge or consolidate with or into any other person, unless each holder of shares of the Series A Preferred Stock immediately preceding such merger or consolidation shall receive or continue to hold in the resulting person the same number of shares, with substantially the same rights and preferences, as correspond to the shares of the Series A Preferred Stock so held;

increase the authorized number of shares of the Series A Preferred Stock;

amend, alter or modify any of the provisions of the Series A Preferred Stock; or

otherwise alter or change the powers, preferences, rights, or qualifications, limitations or restrictions of the shares of the Series A Preferred Stock so as to affect the holders thereof adversely.

In the event of any liquidation, dissolution or winding up of the affairs of SPG (any or all of such events, a "liquidation"), the holders of the Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of SPG, before any payment shall be made to the holders of the Junior Stock, an amount equal to \$1,000 per share plus an amount equal to any unpaid cumulative dividends accrued to the date when such payment shall be made available to the holders thereof.

Summary of Series B Preferred Stock

The Series B Preferred Stock ranks, with respect to dividends and the distribution of assets upon liquidation, senior to the SPG common stock and on a parity with the other outstanding classes of SPG Preferred Stock. Classification of authorized but unissued capital stock into additional shares of SPG Preferred Stock and issuance thereof, unless ranking junior to or on a

17

parity with the Series B Preferred Stock, must be approved by two-thirds vote of the holders of the Series B Preferred Stock.

The holders of the Series B Preferred Stock have the right to convert their shares into the number of shares of SPG Common Stock obtained by dividing \$100 (the liquidation preference) by \$38.669. The conversion price for the Series B Preferred Stock is subject to adjustment in connection with certain events, including:

any subdivision or combination of shares of SPG Common Stock or the declaration of a distribution payable to holders of SPG Common Stock in additional shares of SPG Common Stock.

issuance of rights or warrants to all holders of SPG Common Stock having an exercise price less than the current market price per share of SPG Common Stock; and

any consolidation or merger to which SPG is a party (other than in which SPG is the surviving person), any sale or conveyance to another person of all or substantially all the assets of SPG or any statutory exchange of securities with another person.

Holders of the Series B Preferred Stock are entitled to receive cumulative annual cash dividends when, as and if declared by the SPG Board of Directors, in their sole discretion, of \$6.50 per share (an approximately 6.50% annual dividend, based upon the \$100 liquidation preference per share) payable in equal quarterly installments on March 31, June 30, September 30 and December 31 of each year.

SPG may not declare or pay any dividend on the SPG Common Stock, the SPG Class B Common Stock or the SPG Class C Common Stock or on any other class of Junior Stock, other than in shares of Junior Stock or rights to purchase or acquire Junior Stock, and SPG may not redeem or make any payment on account of, or set apart money for, a sinking or other analogous fund for the purchase, redemption or other retirement of any Junior Stock or make any distribution in respect thereof, in each case, either directly or indirectly and whether in cash or property or in obligations or shares of SPG, unless and until such time as all accrued and unpaid dividends with respect to the Series B Preferred Stock have been paid (or declared and a sum sufficient for the payment thereof is set apart for such payment) and sufficient funds have been set apart for the payment of the dividend for the current dividend period with respect to the Series B Preferred Stock.

In the event dividends or amounts payable to the Series B Preferred Stock upon liquidation remain unpaid for six consecutive quarterly dividend periods, the size of the SPG Board of Directors will automatically be increased by two and the holders of shares of the Series B Preferred Stock (voting together as a single class with the holders of other series of SPG Preferred Stock with similar voting rights) will have the right to elect two directors to fill such vacant positions until such time as all dividends accrued and unpaid are paid in full.

In addition, without the affirmative consent or approval of the holders of at least two-thirds of the shares of the Series B Preferred Stock, SPG may not amend, alter or repeal any provision of the SPG Charter so as to materially adversely affect the rights, preferences, privileges or voting power of the holders of shares of the SPG Series B Preferred Stock.

In the event of any liquidation, dissolution or winding up of the affairs of SPG (any or all of such events, a "liquidation"), the holders of the Series B Preferred Stock then outstanding shall be entitled to be paid out of the assets of SPG, before any payment shall be made to the holders of the Junior Stock, an amount equal to \$100 per share, plus an amount equal to any unpaid cumulative dividends accrued to the date when such payment shall be made available to the holders thereof.

Summary of Series C Preferred Stock

Although the terms of the Series C Preferred Stock have been designated and the shares are reserved for issuance upon exchange of a series of preferred units of the Operating Partnership with substantially identical economic terms, no shares of Series C Preferred Stock are currently outstanding. When issued, the Series C Preferred Stock will rank, with respect to dividends and the distribution of assets upon liquidation, senior to the SPG common stock and on a parity with the other outstanding classes of SPG Preferred Stock. Classification of authorized but unissued capital stock into additional shares of SPG Preferred Stock and issuance thereof, unless ranking junior to or on a parity with the Series C Preferred Stock, must be approved by the holders of at least a majority in liquidation preference of the shares of Series C Preferred Stock and the 7.00% Cumulative Convertible Preferred Units of the Operating Partnership then outstanding, voting together as a class.

If the Closing Price of the SPG Common Stock on any three (3) consecutive trading days occurring after August 27, 1999 is greater than the then Threshold Value (as defined below), each share of Series C Preferred Stock is convertible at the option of the holder, at any time on and after August 27, 2004, into shares of SPG Common Stock at the "Conversion Rate" of 0.75676 shares of SPG Common Stock for each share of Series C Preferred Stock.

The "Threshold Value" is initially \$37.00 but is subject to adjustment in the event that SPG declares a dividend, or makes a distribution, on the outstanding Common Stock, in either case, in additional Common Stock, or effects a subdivision, combination, consolidation or reclassification of the outstanding Common Stock into a greater or lesser number of shares of Common Stock.

The "Conversion Rate" is subject to adjustment upon the occurrence of any of the following events:

any subdivision or combination of the SPG Common Stock shares or the declaration of a distribution payable to holders of the Common Stock in additional shares of Common Stock;

issuances of SPG Common Stock at a price per share less than 95% of the current market price per share;

issuances of options, warrants or other rights to purchase any shares of Common Stock at an exercise price less than 95% of the current market price per share; or

any consolidation, merger or reorganization of SPG with another entity, or the sale of substantially all the assets of SPG to another entity, other than a consolidation, merger or sale which is treated as the liquidation or recapitalization of SPG.

No adjustment in the Conversion Factor or the Threshold Value is required unless any such adjustment would require an increase or decrease of at least 0.25%; however any adjustments which are not made will be carried forward and taken into account in any subsequent adjustment.

Holders of the Series C Preferred Stock are entitled to receive cumulative annual cash dividends when, as and if declared by the SPG Board of Directors, in their sole discretion, of \$1.96 per share (an approximately 7% annual dividend based upon the \$28.00 liquidation preference per each share) payable in equal quarterly installments on or about the last day of March, June, September and December of each year.

SPG may not declare or pay any dividend on Junior Stock or any stock on a parity with the affected preferred stock or "Parity Stock" other than in shares of Junior Stock or rights to purchase or acquire Junior Stock, and SPG may not redeem or make any payment on account of, or set apart money for, a sinking or other analogous fund for the purchase, redemption or other retirement of any Junior Stock or Parity Stock or make any distribution in respect thereof (except for

conversion into or exchange for Junior Stock), unless and until such time as all accrued and unpaid dividends with respect to the Series C Preferred Stock have been paid (or declared and a sum sufficient for the payment thereof is set apart for such payment) and sufficient funds have been set apart for the payment of the dividend for the current dividend period with respect to the Series C Preferred Stock. When dividends are not paid in full (or a sum sufficient for such full payment is not set apart) upon the Series C Preferred Stock and any Parity Stock, all dividends declared upon the Series C Preferred Stock and any Parity Stock shall be declared pro rata.

SPG may redeem shares of the Series C Preferred Stock at any time beginning on August 27, 2009, by paying the liquidation preference of the Series C Preferred Stock (\$28 per share), plus any accrued and unpaid dividends up to the date of redemption. The redemption price is payable in cash or (other than the portion thereof consisting of accrued and unpaid dividends, which shall be payable in cash) in Common Stock at the current per share market price, as of the redemption date, of the Common Stock to be issued.

Without the affirmative consent or approval of the holders of at least a majority in liquidation preference of the shares of Series C Preferred Stock and 7.00% Cumulative Convertible Preferred Units of the Operating Partnership then outstanding, voting together as a class, SPG may not amend, alter or modify any of the provisions of the SPG Charter so as to adversely affect the holders of the Series C Preferred Stock.

In the event of any liquidation, dissolution or winding up of the affairs of SPG, the holders of the Series C Preferred Stock then outstanding shall be entitled to be paid out of the assets of SPG, before any payment shall be made to the holders of Junior Stock, an amount equal to the aggregate liquidation preference of SPG Series C Preferred Stock (\$28 per share) held by such holder, plus an amount equal to accrued and unpaid dividends thereon, if any. If upon any such liquidation, dissolution or winding up of SPG the remaining assets of SPG available for distribution shall be insufficient to pay the holders of the Series C Preferred Stock and the holders of Parity Stock the full amount to which they shall be entitled, the holders of the Series C Preferred Stock and the holders of the Parity Stock shall share any distribution pro rata.

Summary of Series D Preferred Stock

Although the terms of the Series D Preferred Stock have been designated and the shares are reserved for issuance upon exchange of a series of preferred units of the Operating Partnership with substantially identical economic terms, no shares of Series D Preferred Stock are currently outstanding. When issued, the Series D Preferred Stock will rank, with respect to dividends and the distribution of assets upon liquidation, senior to the SPG common stock and on a parity with the other outstanding classes of SPG Preferred Stock. Classification of authorized but unissued capital stock into additional shares of SPG Preferred Stock and issuance thereof, unless ranking junior to or on a parity with Series D Preferred Stock, must be approved by the holders of at least a majority in liquidation preference of the shares of Series D Preferred Stock and 8.00% Cumulative Convertible Preferred Units of the Operating Partnership then outstanding, voting together as a class.

Holders of the Series D Preferred Stock are entitled to receive cumulative annual cash dividends when, as and if declared by the SPG Board of Directors, in their sole discretion, of \$2.40 per share (an approximately 8% annual dividend based upon the \$30.00 liquidation preference per share) payable in equal quarterly installments on or about the last day of March, June, September and December of each year.

SPG may not declare or pay any dividend on Junior Stock, other than in shares of Junior Stock or rights to purchase or acquire Junior Stock, and SPG may not redeem or make any payment on account of, or set apart money for, a sinking or other analogous fund for the purchase, redemption or other retirement of any Junior Stock or make any distribution in respect thereof (except for conversion into or exchange for Junior Stock), in each case, either directly or indirectly and whether in cash or property or in obligations or shares of SPG, unless and until such time as all accrued and unpaid dividends with respect to the Series D Preferred Stock have been paid (or declared and a sum sufficient for the payment thereof is set apart for such payment) and sufficient funds have been set apart for the payment of the dividend for the current dividend period with respect to the Series D Preferred Stock. When dividends are not paid in full (or a sum sufficient for such full payment is not set apart) upon the Series D Preferred Stock and any Parity Stock, all dividends declared upon the Series D Preferred Stock and any Parity Stock shall be declared pro rata.

SPG may redeem shares of the Series D Preferred Stock at any time beginning on August 27, 2009, by paying the liquidation preference of the Series D Preferred Stock (\$30 per share), plus any accrued and unpaid dividends up to the date of redemption. The redemption price is payable in cash or (other than the portion thereof consisting of accrued and unpaid dividends, which shall be payable in cash) in Common Stock at the current per share market price, as of the redemption date, of the Common Stock to be issued.

Without the affirmative consent or approval of the holders of at least a majority in liquidation preference of the shares of Series D Preferred Stock and 8.00% Cumulative Convertible Preferred Units of the Operating Partnership then outstanding, voting together as a class, SPG may not amend, alter or modify any of the provisions of the SPG Charter so as to adversely affect the holders of the Series D Preferred Stock.

In the event of any liquidation, dissolution or winding up of the affairs of SPG, the holders of Series D Preferred Stock then outstanding shall be entitled to be paid out of the assets of SPG, before any payment shall be made to the holders of Junior Stock, an amount equal to the aggregate liquidation preference of SPG Series D Preferred Stock (\$30 per share) held by such holder, plus an amount equal to accrued and unpaid dividends thereon, if any. If upon any such liquidation, dissolution or winding up of SPG the remaining assets of SPG available for distribution shall be insufficient to pay the holders of the Series D Preferred Stock and the holders of Parity Stock the full amount to which they shall be entitled, the holders of the Series D Preferred Stock and the holders of Parity Stock shall share any distribution pro rata.

Summary of Series E Preferred Stock

The Series E Preferred Stock ranks, with respect to dividends and the distribution of assets upon liquidation, senior to the SPG common stock. The Series E Preferred Stock ranks on a parity with the other outstanding classes of SPG Preferred Stock. Classification of authorized but unissued capital stock into additional shares of SPG Preferred Stock and issuance thereof, unless ranking junior to or on a parity with the Series E Preferred Stock, must be approved by two-thirds vote of the holders of the Series E Preferred Stock.

Holders of the Series E Preferred Stock are entitled to receive cumulative annual cash dividends when, and as declared by the SPG Board of Directors, in their sole discretion, of \$2.00 per share (an approximately 8% annual dividend based upon the \$25 liquidation preference per share), payable in equal quarterly amounts in arrears on the last day of March, June, September and December of each year.

SPG may not declare or pay any dividend on Junior Stock, other than in shares of Junior Stock or rights to purchase or acquire Junior Stock, and SPG may not redeem or make any

payment on account of, or set apart money for, a sinking or other analogous fund for the purchase, redemption or other retirement of any Junior Stock or make any distribution in respect thereof (except for conversion into or exchange for Junior Stock), unless and until such time as all accrued and unpaid dividends with respect to the Series E Preferred Stock have been paid (or declared and a sum sufficient for the payment thereof is set apart for such payment) and sufficient funds have been set apart for the payment of the dividend for the current dividend period with respect to the Series E Preferred Stock. When dividends are not paid in full (or a sum sufficient for such full payment is not set apart) upon the Series E Preferred Stock and any Parity Stock, all dividends declared upon the Series E Preferred Stock and any Parity Stock shall be declared pro rata.

