

# MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the purposes of the following comparisons between the years ended December 31, 2011 and 2010 and the years ended December 31, 2010 and 2009, the above transactions are referred to as the property transactions. In the following discussions of our results of operations, "comparable" refers to properties open and operating throughout both years in the year-to-year comparisons.

During 2011, we agreed to dispose of certain consolidated properties that had an aggregate carrying value of \$355.4 million and debt obligations of \$162.0 million for aggregate sales proceeds of \$136.0 million resulting in a net loss of \$42.4 million. The loss on disposition of these properties recognized in the consolidated statements of operations and comprehensive income and the operating results of such properties were not significant to our consolidated results of operations. The following lists those consolidated properties we disposed of during 2011 and the date of disposition:

<b>Property</b>	<b>Date of Disposition</b>
Crossville Outlet Center	March 18, 2011
Prime Outlets—Jeffersonville	June 28, 2011
Century III Mall	September 1, 2011
Crystal River Mall	December 1, 2011
Factory Merchants Branson	December 31, 2011

During 2010, we disposed of three consolidated properties that had an aggregate carrying value of \$91.4 million and debt obligations of \$91.3 million for which we received aggregate sales proceeds of \$5.8 million resulting in a net gain of \$5.7 million. The gain on disposition of these properties recognized in the consolidated statements of operations and comprehensive income and the operating results of the properties that we sold or disposed of during 2010 were not significant to our consolidated results of operations. The following lists those consolidated properties we disposed of during 2010 and the date of disposition:

<b>Property</b>	<b>Date of Disposition</b>
Crossroads Mall	March 4, 2010
Brightwood Plaza	March 30, 2010
Palm Beach Mall	March 31, 2010

During 2009, we disposed of four consolidated properties that had an aggregate net book value of \$13.7 million for aggregate sales proceeds of \$3.9 million, resulting in a net loss of \$9.8 million. The loss on disposition of these assets recognized in the consolidated statements of operations and comprehensive income and the operating results of the properties that we sold or disposed of during 2009 were not significant to our consolidated results of operations. The following lists those consolidated properties we disposed of during 2009 and the date of disposition:

<b>Property</b>	<b>Date of Disposition</b>
Knoxville Commons	November 2, 2009
Park Plaza	November 2, 2009
Eastland Plaza	October 30, 2009
Raleigh Springs Mall	October 15, 2009