

The following schedule reconciles consolidated net income to total FFO and diluted net income per share to diluted FFO per share.

	For the Year Ended December 31,		
	2011	2010	2009
	(in thousands)		
<b>Funds from Operations</b>	<b>\$ 2,438,765</b>	<b>\$ 1,762,322</b>	<b>\$ 1,748,280</b>
<b>Increase/(Decrease) in FFO from prior period</b>	<b>38.4%</b>	<b>0.8%</b>	<b>(5.6)%</b>
<b>Consolidated Net Income</b>	<b>\$ 1,245,900</b>	<b>\$ 753,514</b>	<b>\$ 387,262</b>
<b>Adjustments to Arrive at FFO:</b>			
Depreciation and amortization from consolidated properties	1,047,571	968,695	983,487
Our share of depreciation and amortization from unconsolidated entities	384,367	388,565	399,509
Impairment charges of depreciable real estate	—	8,169	63,947
(Gain) loss upon acquisition of controlling interests, and on sale or disposal of assets and interests in unconsolidated entities, net	(216,629)	(321,036)	30,108
Net income attributable to noncontrolling interest holders in properties	(8,559)	(10,640)	(5,496)
Noncontrolling interests portion of depreciation and amortization	(8,633)	(7,847)	(8,396)
Preferred distributions and dividends	(5,252)	(8,929)	(38,194)
<b>Funds from Operations</b>	<b>\$ 2,438,765</b>	<b>\$ 1,770,491</b>	<b>\$ 1,812,227</b>
FFO Allocable to Simon Property	\$ 2,021,850	\$ 1,472,522	\$ 1,493,245
<b>Diluted net income per share to diluted FFO per share reconciliation:</b>			
<b>Diluted net income per share</b>	<b>\$ 3.48</b>	<b>\$ 2.10</b>	<b>\$ 1.05</b>
Depreciation and amortization from consolidated properties and beneficial interests, and our share of depreciation and amortization from unconsolidated affiliates, net of noncontrolling interests portion of depreciation and amortization	4.02	3.86	4.22
Impairment charges of depreciable real estate	—	0.02	0.17
(Gain) loss upon acquisition of controlling interests, and on sale or disposal of assets and interests in unconsolidated entities, net	(0.61)	(0.92)	0.09
Impact of additional dilutive securities for FFO per share	—	(0.03)	(0.03)
<b>Diluted FFO per share</b>	<b>\$ 6.89</b>	<b>\$ 5.03</b>	<b>\$ 5.50</b>
Basic weighted average shares outstanding	293,504	291,076	267,055
Adjustments for dilution calculation:			
Effect of stock options	69	274	316
Effect of contingently issuable shares from stock dividends	—	—	1,101
Impact of Series C cumulative preferred 7% convertible units	—	—	46
Impact of Series I preferred stock	—	1,749	6,354
Impact of Series I preferred units	—	238	1,228
Diluted weighted average shares outstanding	293,573	293,337	276,100
Weighted average limited partnership units outstanding	60,522	58,900	57,292
Diluted weighted average shares and units outstanding	354,095	352,237	333,392

During the year ended December 31, 2010, FFO includes a \$350.7 million loss on extinguishment of debt associated with two unsecured notes tender offers, reducing diluted FFO per share by \$1.00 per share. During the year ended December 31, 2010, we recorded transaction expenses of \$69.0 million, reducing diluted FFO per share by \$0.20.

During the year ended December 31, 2009, we recorded \$164.7 million of other impairment charges not related to depreciable real estate, reducing FFO per share by \$0.51.