



# Taubman

**Fourth Quarter 2004 Supplemental Information**

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**TAUBMAN CENTERS, INC.**  
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**Fourth Quarter 2004**

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**TAUBMAN CENTERS, INC.**  
**Introduction**  
**Fourth Quarter 2004**

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Taubman Centers, Inc. (The Company or TCO), a real estate investment trust, currently owns 21 urban and suburban regional and super-regional shopping centers in 9 states. Taubman Centers is headquartered in Bloomfield Hills, Michigan. The Company has a 61% managing general partnership interest in The Taubman Realty Group Limited Partnership (Operating Partnership or TRG), through which the Company conducts all of its operations. The Company owns, develops, acquires, and operates regional shopping centers and interests therein.

This package was prepared to provide supplemental operating, financing, and development information of the Company and the Operating Partnership for the fourth quarter of 2004. The information herein contains terms, captions, and other content for which definitions and additional background can be found in the Company's regular filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. Refer to <http://www.taubman.com> for the latest available version of this package, which will incorporate any revisions to the information.

Any questions, comments, or suggestions regarding the information contained in this package should be directed to Barbara Baker, Vice President of Investor Relations - Taubman Centers, Inc., 200 East Long Lake Road, Suite 300, PO Box 200, Bloomfield Hills, Michigan 48303, Telephone (248) 258-7367, email: [bbaker@taubman.com](mailto:bbaker@taubman.com).

**TAUBMAN CENTERS, INC.**  
**Summary Financial Information**  
**For the Periods Ended December 31, 2004 and 2003**

(in thousands of dollars, except as noted)

	Three Months Ended		Year Ended	
	2004	2003	2004	2003
<b>Funds from Operations (1):</b>				
FFO:				
TCO	25,703	30,030	99,392	85,472
TRG	42,510	50,050	164,049	141,465
Per common share:				
Basic	0.53	0.60	2.03	1.70
Diluted	0.52	0.59	1.99	1.67
Growth rate-diluted	-11.9%		19.2%	
Adjusted FFO (2):				
TCO	30,774	29,894	103,825	100,568
TRG	50,897	49,824	171,392	166,297
Per common share (2):				
Basic	0.63	0.60	2.12	2.00
Diluted	0.62	0.59	2.08	1.96
Growth rate-diluted	5.1%		6.1%	
<b>Earnings allocable to common shareowners (3):</b>				
Income (loss) from continuing operations	(2,064)	23,862	(5,265)	(6,657)
Per common share - basic	(0.04)	0.48	(0.11)	(0.13)
Per common share - diluted	(0.04)	0.48	(0.11)	(0.13)
Discontinued operations (4)	24	27,827	199	27,893
Per common share - basic	0.00	0.56	0.00	0.55
Per common share - diluted	0.00	0.55	0.00	0.54
Net income (loss)	(2,040)	51,689	(5,066)	21,236
Per common share - basic	(0.04)	1.04	(0.10)	0.42
Per common share - diluted	(0.04)	1.02	(0.10)	0.41
<b>Dividends:</b>				
Dividends paid per common share	0.285	0.270	1.095	1.050
Payout ratio of diluted FFO per common share (1)	55%	46%	55%	63%
<b>Coverage (1):</b>				
Interest only	2.6	2.7	2.5	2.3
Fixed charges (5)	1.8	2.0	1.8	1.8
<b>Market Capitalization:</b>				
Closing stock price at end of period	29.95	20.60		
Market equity value of share equivalents	2,411,412	1,685,901		
Preferred equity (at book value)	330,000	300,000		
Beneficial interest in debt	2,380,200	2,162,100		
Debt to total market capitalization	46.5%	52.1%		
<b>Ownership:</b>				
TCO common shares outstanding:				
End of period	48,745,625	49,936,786		
Weighted average	48,654,657	49,867,294	49,021,843	50,387,616
TRG units of partnership interest:				
End of period (6)	80,514,605	81,839,857		
Weighted average - basic	80,469,068	83,111,912	80,929,755	83,383,334
Weighted average - diluted	81,710,766	84,654,036	82,320,486	84,821,247
Units not receiving distributions at end of period	43,514	87,028		
Non-voting units at end of period	2,020,834	2,083,333		
TCO ownership of TRG (excluding units not receiving distributions):				
End of period	60.6%	61.1%		
Weighted average	60.5%	60.0%	60.6%	60.4%

(1) 2003 amounts have been restated from amounts previously reported to include an add-back of depreciation of center replacement assets recoverable from tenants.

(2) Adjusted FFO excludes the following unusual and/or nonrecurring items: costs incurred in connection with the recent unsolicited tender offer (net of insurance recoveries), a fourth quarter 2004 charge incurred in connection with the redemption of the Series C and D Preferred Equity, and a restructuring loss recognized in the fourth quarter of 2004. Refer to the reconciliations to adjusted funds from operations on pages 5 and 9.

(3) Refer to the reconciliation on page 8 for additional computations of TRG's income from continuing operations, discontinued operations, and net income as well as TCO's ownership therein.

(4) In December 2003, the Company sold its interest in Biltmore Fashion Park. The results of Biltmore Fashion Park are presented as discontinued operations.

(5) Fixed charges include beneficial interest expense, preferred dividends and distributions, and debt payments.

(6) Includes units not receiving distributions and non-voting units.

**TAUBMAN CENTERS, INC.**  
**Income Statement**  
**For the Quarters Ended December 31, 2004 and 2003**

(in thousands of dollars)

	2004			2003		
	UNCONSOLIDATED		(1)	UNCONSOLIDATED		(1)
	CONSOLIDATED BUSINESSES	JOINT VENTURES		CONSOLIDATED BUSINESSES	JOINT VENTURES	
<b>REVENUES:</b>						
Minimum rents	65,603	48,529		56,775	53,584	
Percentage rents	4,006	3,844		2,381	1,868	
Expense recoveries	38,470	27,804		32,187	27,618	
Management, leasing and development	4,994			6,638		
Other	7,210	3,511		6,616	1,983	
Total revenues	<u>120,283</u>	<u>83,688</u>		<u>104,597</u>	<u>85,053</u>	
<b>OPERATING EXPENSES:</b>						
Recoverable expenses (2)	36,259	22,775		27,408	23,339	
Other operating	11,885	6,094		10,473	7,268	
Costs related to unsolicited tender offer, net of recoveries				(226)		
Restructuring loss	5,662					
Management, leasing and development	2,862			4,972		
General and administrative	7,233			6,517		
Interest expense	25,557	17,096		22,111	21,011	
Depreciation and amortization	27,519	11,114		26,748	14,503	
Total operating expenses	<u>116,977</u>	<u>57,079</u>		<u>98,003</u>	<u>66,121</u>	
	3,306	<u>26,609</u>		6,594	<u>18,932</u>	
Equity in income of Unconsolidated Joint Ventures	<u>13,407</u>			<u>9,911</u>		
Income before discontinued operations and minority and preferred interests	16,713			16,505		
Discontinued operations (3):						
Net gain on disposition of interest in center	39			49,578		
EBITDA				2,420		
Interest expense				(1,290)		
Minority and preferred interests:						
TRG preferred distributions (4)	(4,640)			(2,250)		
Minority share of consolidated joint ventures	(18)			21		
Minority share of income of TRG	(3,527)			(27,660)		
Distributions less than (in excess of) minority share of income	(5,613)			18,515		
Net income (loss)	2,954			55,839		
Preferred dividends	(4,994)			(4,150)		
Net income (loss) allocable to common shareowners	<u>(2,040)</u>			<u>51,689</u>		
<b>SUPPLEMENTAL INFORMATION (5):</b>						
EBITDA - 100%	58,528	56,094		61,156	56,384	
EBITDA - outside partners' share	<u>(2,705)</u>	<u>(25,447)</u>		<u>(359)</u>	<u>(26,001)</u>	
Beneficial interest in EBITDA	55,823	30,647		60,797	30,383	
Beneficial interest expense	(24,276)	(9,511)		(23,138)	(10,995)	
Non-real estate depreciation	(539)			(597)		
Preferred dividends and distributions	<u>(9,634)</u>			<u>(6,400)</u>		
Funds from Operations contribution	<u>21,374</u>	<u>21,136</u>		<u>30,662</u>	<u>19,388</u>	
Net straightline adjustments to rental revenue and ground rent expense at TRG %	<u>(376)</u>	<u>51</u>		<u>563</u>	<u>338</u>	

(1) With the exception of the Supplemental Information, amounts include 100% of the Unconsolidated Joint Ventures. Amounts are net of intercompany transactions. The Unconsolidated Joint Ventures are presented at 100% in order to allow for measurement of their performance as a whole, without regard to the Company's ownership interest. In its consolidated financial statements, the Company accounts for its investments in the Unconsolidated Joint Ventures under the equity method. The results of International Plaza are presented within the Consolidated Businesses for periods beginning July 1, 2004, as a result of the Company's acquisition of a controlling interest in the center. Results of International Plaza prior to the acquisition date are included within the Unconsolidated Joint Ventures.

(2) Included in recoverable expenses of the Consolidated Businesses and Unconsolidated Joint Ventures are \$2.1 million and \$1.3 million, respectively, of depreciation of center replacement assets for the three months ended December 31, 2004, and \$3.3 million and \$1.9 million, respectively, for the three months ended December 31, 2003. TRG's beneficial interest in these amounts was \$2.1 million and \$0.7 million, respectively, for the three months ended December 31, 2004, and \$3.3 million and \$1.0 million, respectively, for the three months ended December 31, 2003.

(3) Discontinued operations includes the results of Biltmore Fashion Park.

(4) TRG preferred distributions for the three months ended December 31, 2004 includes a \$2.7 million charge incurred in connection with the redemption of the Series C and D Preferred Equity.

(5) EBITDA and FFO for the three months ended December 31, 2003 have been restated from amounts previously reported to include an add-back of depreciation of center replacement assets recoverable from tenants.

**TAUBMAN CENTERS, INC.**  
**Income Statement**  
**For the Years Ended December 31, 2004 and 2003**  
(in thousands of dollars)

	2004			2003		
	UNCONSOLIDATED		UNCONSOLIDATED	UNCONSOLIDATED		UNCONSOLIDATED
	CONSOLIDATED	JOINT		CONSOLIDATED	JOINT	
	BUSINESSES	VENTURES (1)	BUSINESSES	VENTURES (1)	BUSINESSES	VENTURES (1)
<b>REVENUES:</b>						
Minimum rents	235,114	195,017	207,539	199,965		
Percentage rents	6,288	6,534	4,821	3,743		
Expense recoveries	137,466	101,467	125,627	103,866		
Management, leasing and development	21,333		22,088			
Other	<u>31,252</u>	<u>9,771</u>	<u>28,408</u>	<u>12,414</u>		
Total revenues	<u>431,453</u>	<u>312,789</u>	<u>388,483</u>	<u>319,988</u>		
<b>OPERATING EXPENSES:</b>						
Recoverable expenses (2)	127,563	85,563	111,522	87,816		
Other operating	38,229	22,193	37,089	22,599		
Costs related to unsolicited tender offer, net of recoveries	(1,044)		24,832			
Restructuring loss	5,662					
Management, leasing and development	17,533		19,359			
General and administrative	26,617		24,591			
Interest expense	95,934	74,033	84,194	82,744		
Depreciation and amortization	<u>101,059</u>	<u>50,448</u>	<u>92,344</u>	<u>55,769</u>		
Total operating expenses	<u>411,553</u>	<u>232,237</u>	<u>393,931</u>	<u>248,928</u>		
	19,900	<u>80,552</u>	(5,448)	<u>71,060</u>		
Equity in income of Unconsolidated Joint Ventures	<u>40,070</u>		<u>36,740</u>			
Income before discontinued operations and minority and preferred interests	59,970		31,292			
Discontinued operations (3):						
Net gain on disposition of interest in center EBITDA	328		49,578	10,418		
Interest expense			(5,888)			
Depreciation and amortization			(3,227)			
Minority and preferred interests:						
TRG preferred distributions (4)	(12,244)		(9,000)			
Minority share of consolidated joint ventures	18		164			
Minority share of income of TRG	(14,913)		(28,189)			
Distributions in excess of minority share of income	<u>(20,781)</u>		<u>(7,312)</u>			
Net income (loss)	12,378		37,836			
Preferred dividends	<u>(17,444)</u>		<u>(16,600)</u>			
Net income (loss) allocable to common shareowners	<u>(5,066)</u>		<u>21,236</u>			
<b>SUPPLEMENTAL INFORMATION (5):</b>						
EBITDA - 100%	222,448	210,359	187,778	215,179		
EBITDA - outside partners' share	<u>(6,164)</u>	<u>(97,716)</u>	<u>(4,058)</u>	<u>(98,641)</u>		
Beneficial interest in EBITDA	216,284	112,643	183,720	116,538		
Beneficial interest expense	(92,874)	(39,913)	(87,399)	(43,320)		
Non-real estate depreciation	(2,403)		(2,474)			
Preferred dividends and distributions	<u>(29,688)</u>		<u>(25,600)</u>			
Funds from Operations contribution	<u>91,319</u>	<u>72,730</u>	<u>68,247</u>	<u>73,218</u>		
Net straightline adjustments to rental revenue and ground rent expense at TRG %	<u>1,262</u>	<u>241</u>	<u>1,667</u>	<u>581</u>		

(1) With the exception of the Supplemental Information, amounts include 100% of the Unconsolidated Joint Ventures. Amounts are net of intercompany transactions. The Unconsolidated Joint Ventures are presented at 100% in order to allow for measurement of their performance as a whole, without regard to the Company's ownership interest. In its consolidated financial statements, the Company accounts for its investments in the Unconsolidated Joint Ventures under the equity method. The results of International Plaza are presented within the Consolidated Businesses for periods beginning July 1, 2004, as a result of the Company's acquisition of a controlling interest in the center. Results of International Plaza prior to the acquisition date are included within the Unconsolidated Joint Ventures.

(2) Included in recoverable expenses of the Consolidated Businesses and Unconsolidated Joint Ventures are \$5.6 million and \$5.3 million, respectively, of depreciation of center replacement assets for the year ended December 31, 2004, and \$6.3 million and \$5.6 million, respectively, for the year ended December 31, 2003. TRG's beneficial interest in these amounts was \$5.4 million and \$2.8 million, respectively, for the year ended December 31, 2004, and \$6.2 million and \$2.8 million, respectively, for the year ended December 31, 2003.

(3) Discontinued operations includes the results of Billmore Fashion Park.

(4) TRG preferred distributions for the year ended December 31, 2004 includes a \$2.7 million charge incurred in connection with the redemption of the Series C and D Preferred Equity.

(5) EBITDA and FFO for the year ended December 31, 2003 have been restated from amounts previously reported to include an add-back of depreciation of center replacement assets recoverable from tenants.

**TAUBMAN CENTERS, INC.**
**Reconciliation of Net Income (Loss) to Funds from Operations and Adjusted Funds from Operations  
For the Periods Ended December 31, 2004 and 2003**

(in thousands of dollars)

	Three Months Ended		Year Ended	
	2004	2003	2004	2003
<b>Net income (loss) allocable to common shareowners</b>	<b>(2,040)</b>	<b>51,689</b>	<b>(5,066)</b>	<b>21,236</b>
Add (less) depreciation and gain on disposition of property:				
Gain on disposition of interest in center	(39)	(49,578)	(328)	(49,578)
Depreciation and amortization (1):				
Consolidated businesses at 100%	29,665	30,031	106,614	98,614
Minority partners in consolidated joint ventures	(1,406)	(117)	(3,122)	(1,539)
Discontinued operations				3,227
Share of unconsolidated joint ventures	7,729	9,477	32,660	36,478
Non-real estate depreciation	(539)	(597)	(2,403)	(2,474)
Add minority interests in TRG:				
Minority share of income of TRG	3,527	27,660	14,913	28,189
Distributions (less than) in excess of minority share of income of TRG	5,613	(18,515)	20,781	7,312
<b>Funds from Operations - TRG</b>	<b>42,510</b>	<b>50,050</b>	<b>164,049</b>	<b>141,465</b>
<b>Funds from Operations - TCO (2)</b>	<b>25,703</b>	<b>30,030</b>	<b>99,392</b>	<b>85,472</b>
Funds from Operations - TRG (1) (2)	42,510	50,050	164,049	141,465
Charge upon redemption of Series C and D preferred equity	2,725		2,725	
Restructuring loss	5,662		5,662	
Costs related to unsolicited tender offer		4,909		30,471
Insurance recoveries related to unsolicited tender offer		(5,135)	(1,044)	(5,639)
<b>Adjusted Funds from Operations - TRG (3)</b>	<b>50,897</b>	<b>49,824</b>	<b>171,392</b>	<b>166,297</b>
<b>Adjusted Funds from Operations - TCO (2) (3)</b>	<b>30,774</b>	<b>29,894</b>	<b>103,825</b>	<b>100,568</b>

(1) Depreciation and amortization includes depreciation of center replacement assets recoverable from tenants, classified as recoverable expenses in the Company's financial statements. 2003 amounts have been restated to include such depreciation.

(2) TCO's share of TRG's FFO is based on an average ownership of 60% during the three months ended December 31, 2004 and 2003, and 61% and 60% during the year ended December 31, 2004 and 2003, respectively.

(3) Adjusted FFO excludes the following unusual and/or nonrecurring items: costs incurred in connection with the recent unsolicited tender offer (net of insurance recoveries), a fourth quarter 2004 charge incurred in connection with the redemption of the Series C and D Preferred Equity, and a restructuring loss recognized in the fourth quarter of 2004.

**TAUBMAN CENTERS, INC.****Reconciliation of Net Income (Loss) to Beneficial Interest in EBITDA****For the Periods Ended December 31, 2004 and 2003**

(in thousands of dollars)

	<b>Three Months Ended</b>		<b>Year Ended</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
<b>Net income (loss) allocable to common shareowners</b>	<b>(2,040)</b>	<b>51,689</b>	<b>(5,066)</b>	<b>21,236</b>
Add (less) depreciation and gain on disposition of property:				
Gain on disposition of interest in center	(39)	(49,578)	(328)	(49,578)
Depreciation and amortization (1):				
Consolidated businesses at 100%	29,665	30,031	106,614	98,614
Minority partners in consolidated joint ventures	(1,406)	(117)	(3,122)	(1,539)
Discontinued operations				3,227
Share of unconsolidated joint ventures	7,729	9,477	32,660	36,478
Add minority interests in TRG:				
Minority share of income of TRG	3,527	27,660	14,913	28,189
Distributions (less than) in excess of minority share of income of TRG	5,613	(18,515)	20,781	7,312
Add (less) preferred interests and interest expense:				
Preferred dividends and distributions	9,634	6,400	29,688	25,600
Interest expense for all businesses in continuing operations	42,653	43,122	169,967	166,938
Interest expense allocable to minority partners in consolidated joint ventures	(1,281)	(263)	(3,060)	(2,683)
Interest expense of discontinued operations		1,290		5,888
Interest expense allocable to outside partners in unconsolidated joint ventures	(7,585)	(10,016)	(34,120)	(39,424)
<b>Beneficial Interest in EBITDA - TRG</b>	<b>86,470</b>	<b>91,180</b>	<b>328,927</b>	<b>300,258</b>

(1) Depreciation and amortization includes depreciation of center replacement assets recoverable from tenants, classified as recoverable expenses in the Company's financial statements. 2003 amounts have been restated to include such depreciation.



**TAUBMAN CENTERS, INC.**
**Reconciliation of Net Income (Loss) to Comparable Center Net Operating Income  
For the Periods Ended December 31, 2004 and 2003**

(in thousands of dollars)

	Three Months Ended		Year Ended	
	2004	2003	2004	2003
<b>Net income (loss) allocable to common shareowners</b>	<b>(2,040)</b>	<b>51,689</b>	<b>(5,066)</b>	<b>21,236</b>
Add (less) depreciation and gain on disposition of property:				
Gain on disposition of interest in center	(39)	(49,578)	(328)	(49,578)
Depreciation and amortization (1):				
Consolidated businesses at 100%	29,665	30,031	106,614	98,614
Minority partners in consolidated joint ventures	(1,406)	(117)	(3,122)	(1,539)
Discontinued operations				3,227
Share of unconsolidated joint ventures	7,729	9,477	32,660	36,478
Add minority interests in TRG:				
Minority share of income of TRG	3,527	27,660	14,913	28,189
Distributions (less than) in excess of minority share of income of TRG	5,613	(18,515)	20,781	7,312
Add (less) preferred interests and interest expense:				
Preferred dividends and distributions	9,634	6,400	29,688	25,600
Interest expense for all businesses in continuing operations	42,653	43,122	169,967	166,938
Interest expense allocable to minority partners in consolidated joint ventures	(1,281)	(263)	(3,060)	(2,683)
Interest expense of discontinued operations		1,290		5,888
Interest expense allocable to outside partners in unconsolidated joint ventures	(7,585)	(10,016)	(34,120)	(39,424)
Add EBITDA allocations to outside partners:				
EBITDA allocable to minority partners in consolidated joint ventures	2,705	359	6,164	4,058
EBITDA allocable to outside partners in unconsolidated joint ventures	25,447	26,001	97,716	98,641
<b>EBITDA at 100% - TRG</b>	<b>114,622</b>	<b>117,540</b>	<b>432,807</b>	<b>402,957</b>
Add (less) items excluded from shopping center Net Operating Income:				
General and administrative expenses	7,233	6,517	26,617	24,591
Management, leasing and development services, net	(2,132)	(1,666)	(3,800)	(2,729)
Costs related to unsolicited tender offer, net of recoveries		(226)	(1,044)	24,832
Restructuring loss	5,662		5,662	
Gains on peripheral land sales	(1,007)	(545)	(6,759)	(1,906)
Individually significant lease cancellation fees (2)	(550)		(4,475)	(7,705)
Straight-line of minimum rent	168	(1,487)	(2,932)	(4,613)
Non-center specific operating expenses and other	3,363	3,083	10,415	8,890
<b>Net Operating Income - all centers at 100%</b>	<b>127,359</b>	<b>123,216</b>	<b>456,491</b>	<b>444,317</b>
Less - Net Operating Income of non-comparable centers (3)	(5,105)	(4,755)	(17,548)	(13,244)
<b>Net Operating Income - comparable centers at 100%</b>	<b>122,254</b>	<b>118,461</b>	<b>438,943</b>	<b>431,073</b>
<b>Net Operating Income - growth % (4)</b>	<b>3%</b>		<b>2%</b>	

(1) Depreciation and amortization includes depreciation of center replacement assets recoverable from tenants, classified as recoverable expenses in the Company's financial statements. 2003 amounts have been restated to include such depreciation.

(2) The Company excludes individual lease cancellation fees in excess of \$0.5 million from its computation of comparable center net operating income.

(3) Includes Biltmore Fashion Park, Stony Point Fashion Park, and Waterside Shops at Pelican Bay.

(4) Excluding all lease cancellation fees, comparable center growth in net operating income was 2% for the three months and year ended December 31, 2004.

**TAUBMAN CENTERS, INC.**  
**Reconciliation of Funds from Operations to Net Income (Loss) (1)**  
**For the Periods Ended December 31, 2004 and 2003**

(in thousands of dollars)

	Three Months Ended		Year Ended	
	2004	2003	2004	2003
<b>Continuing Operations:</b>				
<i>The Taubman Realty Group Limited Partnership (TRG):</i>				
FFO - TRG	42,510	50,050	164,049	141,465
Adjustments to FFO to arrive at income from continuing operations:				
Depreciation and amortization (2):				
Consolidated Businesses at 100%	(29,665)	(30,031)	(106,614)	(98,614)
less: minority partners in consolidated joint ventures	1,406	117	3,122	1,539
less: non-real estate depreciation	539	597	2,403	2,474
Unconsolidated Joint Ventures at TRG%	(7,729)	(9,477)	(32,660)	(36,478)
TCO's additional basis in TRG	1,820	1,820	7,280	7,280
FFO of discontinued operations		(1,130)		(4,530)
Income (loss) from continuing operations - TRG	<u>8,881</u>	<u>11,946</u>	<u>37,580</u>	<u>13,136</u>
<i>Taubman Centers, Inc. (TCO):</i>				
TCO's ownership share of TRG's income (loss) from continuing operations	5,369	7,167	22,796	7,935
Depreciation of TCO's additional basis in TRG	(1,820)	(1,820)	(7,280)	(7,280)
Income from continuing operations before distributions less than (in excess) of earnings allocable to minority interest	3,549	5,347	15,516	655
Distributions less than (in excess) of earnings allocable to minority interest	(5,613)	18,515	(20,781)	(7,312)
Income (loss) from continuing operations allocable to common shareowners	<u>(2,064)</u>	<u>23,862</u>	<u>(5,265)</u>	<u>(6,657)</u>
<b>Discontinued Operations:</b>				
Discontinued operations (including gain on disposition) - TRG	39	57,204	328	57,486
TCO's ownership share	24	34,323	199	34,498
Less: Depreciation of TCO's additional basis in assets disposed of				(109)
less: TCO's additional basis in gains on dispositions		(6,496)		(6,496)
Income (loss) from discontinued operations allocable to common shareowners	<u>24</u>	<u>27,827</u>	<u>199</u>	<u>27,893</u>
<b>Net Income (loss):</b>				
Income (loss) from continuing operations allocable to common shareowners	(2,064)	23,862	(5,265)	(6,657)
Income (loss) from discontinued operations allocable to common shareowners	24	27,827	199	27,893
Net income (loss) allocable to common shareowners	<u>(2,040)</u>	<u>51,689</u>	<u>(5,066)</u>	<u>21,236</u>
<b>Per share - basic (3):</b>				
Income (loss) from continuing operations allocable to common shareowners	(0.04)	0.48	(0.11)	(0.13)
Income (loss) from discontinued operations allocable to common shareowners	0.00	0.56	0.00	0.55
Net income (loss) allocable to common shareowners	<u>(0.04)</u>	<u>1.04</u>	<u>(0.10)</u>	<u>0.42</u>

(1) This reconciliation provides additional information as to TRG's income from continuing operations, discontinued operations, and net income as well as TCO's ownership therein.

(2) Depreciation and amortization includes depreciation of center replacement assets recoverable from tenants, classified as recoverable expenses in the Company's financial statements. 2003 amounts have been restated to include such depreciation.

(3) Based on corresponding earnings amounts shown in this reconciliation and using weighted average common shares outstanding of 48,654,657 and 49,867,294 for the three months ended December 31, 2004 and 2003, respectively, and 49,021,843 and 50,387,616 for the year ended December 31, 2004 and 2003, respectively. Amounts may not add due to rounding.

**TAUBMAN CENTERS, INC.**

**Reconciliation of Funds from Operations to Adjusted Funds from Operations**

**For the Periods Ended December 31, 2004 and 2003**

(in thousands of dollars, except for share and unit data; per share/unit amounts on a diluted basis, rounded to nearest penny)

	Three Months Ended		Year Ended	
	\$	per unit/share	\$	per unit/share
<b>2004:</b>				
<b>Funds from Operations - TRG (1)</b>	<b>42,510</b>	<b>0.52</b>	<b>164,049</b>	<b>1.99</b>
Charge upon redemption of Series C and D preferred equity	2,725	0.03	2,725	0.03
Restructuring loss	5,662	0.07	5,662	0.07
Costs related to unsolicited tender offer, net of recoveries			(1,044)	(0.01)
<b>Adjusted Funds from Operations - TRG</b>	<b>50,897</b>	<b>0.62</b>	<b>171,392</b>	<b>2.08</b>
<b>Adjusted Funds from Operations - TCO</b>	<b>30,774</b>	<b>0.62</b>	<b>103,825</b>	<b>2.08</b>
<b>2003:</b>				
<b>Funds from Operations - TRG, as originally reported (1)</b>	<b>45,756</b>	<b>0.54</b>	<b>132,471</b>	<b>1.56</b>
Beneficial interest in depreciation included in recoverable expenses	4,294	0.05	8,994	0.11
<b>Funds from Operations - TRG</b>	<b>50,050</b>	<b>0.59</b>	<b>141,465</b>	<b>1.67</b>
Costs related to unsolicited tender offer, net of recoveries	(226)	(0.00)	24,832	0.29
<b>Adjusted Funds from Operations - TRG</b>	<b>49,824</b>	<b>0.59</b>	<b>166,297</b>	<b>1.96</b>
<b>Adjusted Funds from Operations - TCO</b>	<b>29,894</b>	<b>0.59</b>	<b>100,568</b>	<b>1.96</b>

(1) Prior to the fourth quarter of 2004, the Company did not include an add-back for depreciation of center replacement assets when computing its FFO. As of the fourth quarter of 2004, the Company began to include such an add-back and restated previously reported FFO amounts. For the three months ended December 31, 2004, TRG's beneficial interest in the depreciation of center replacement assets for its Consolidated Businesses and Unconsolidated Joint Ventures was \$2.1 million and \$0.7 million, respectively (in total, \$0.03 per share). For the year ended December 31, 2004, TRG's beneficial interest in the depreciation of center replacement assets for its Consolidated Businesses and Unconsolidated Joint Ventures was \$5.4 million and \$2.8 million, respectively (in total, \$0.10 per share). Restated FFO for the first, second, and third quarters of 2004 was \$44.7 million (\$0.53 per share), \$37.6 million (\$0.46 per share), and \$39.2 million (\$0.48 per share), respectively.

**TAUBMAN CENTERS, INC.**  
**Changes in Funds from Operations and Earnings per Share**  
**For the Quarter Ended December 31, 2004**

(all per share amounts on a diluted basis; rounded to nearest half penny; amounts may not add due to rounding)

<b>2003 Fourth Quarter Funds from Operations as originally reported</b>	<b>\$ 0.54</b>
Depreciation included in recoverable expenses	0.050
<b>2003 Fourth Quarter Funds from Operations as currently reported</b>	<b>\$ 0.59</b>
<i>Changes - 2004 vs. 2003</i>	
Rents	0.055
Net recoveries	(0.045)
Acquisitions (International Plaza and Waterside)	0.010
Gains on peripheral land sales	0.005
Lease cancellation revenue	0.010
General and administrative	(0.010)
Effect of stock repurchases	0.010
Issuance of Series F preferred equity	(0.005)
<b>2004 Fourth Quarter Funds from Operations - Adjusted</b>	<b>\$ 0.62</b>
Charge upon redemption of Series C and D preferred equity	(0.030)
Restructuring loss	(0.070)
<b>2004 Fourth Quarter Funds from Operations</b>	<b>\$ 0.52</b>
<b>2003 Fourth Quarter Earnings per Share</b>	<b>\$ 1.02</b>
<i>Changes - 2004 vs. 2003</i>	
Change in FFO per share	(0.070)
Distributions to minority interest in excess of percentage share of income	(0.485)
Gain on disposition of interest in center:	
Operating partnership gains	(0.675)
TCO additional basis	0.130
Depreciation and other	0.040
<b>2004 Fourth Quarter Earnings per Share</b>	<b>\$ (0.04)</b>

**TAUBMAN CENTERS, INC.**  
**Changes in Funds from Operations and Earnings per Share**  
**For the Year Ended December 31, 2004**

(all per share amounts on a diluted basis; rounded to nearest half penny; amounts may not add due to rounding)

<b>2003 Funds from Operations as originally reported</b>	<b>\$ 1.56</b>
Depreciation included in recoverable expenses	0.105
<b>2003 Funds from Operations as currently reported</b>	<b>\$ 1.67</b>
Costs related to unsolicited tender offer	0.290
<b>2003 Funds from Operations - Adjusted as currently reported</b>	<b>\$ 1.96</b>
<i>Changes - 2004 vs. 2003</i>	
Rents	0.125
Net recoveries	(0.065)
Acquisitions/dispositions	0.030
Stony Point	0.025
Net revenue from management, leasing, and development services	0.015
Gains on peripheral land sales	0.055
Lease cancellation revenue	(0.035)
General and administrative	(0.025)
Issuance of Series F preferred equity	(0.015)
Effect of other equity transactions	0.010
<b>2004 Funds from Operations - Adjusted</b>	<b>\$ 2.08</b>
Insurance recoveries related to unsolicited tender offer	0.015
Charge upon redemption of Series C and D preferred equity	(0.030)
Restructuring loss	(0.070)
<b>2004 Funds from Operations</b>	<b>\$ 1.99</b>
<b>2003 Earnings per Share</b>	<b>\$ 0.41</b>
<i>Changes - 2004 vs. 2003</i>	
Change in FFO per share	0.320
Distributions to minority interest in excess of percentage share of income	(0.265)
Stony Point depreciation	(0.050)
Gain on disposition of interest in center:	
Operating partnership gains	(0.670)
TCO additional basis	0.130
Depreciation and other	0.025
<b>2004 Earnings per Share</b>	<b>\$ (0.10)</b>

**TAUBMAN CENTERS, INC.**  
**Components of Other Income**  
**For the Periods Ended December 31, 2004**

(in thousands of dollars)

**Three months ended December 31, 2004**

	<b>Consolidated Businesses at 100%</b>	<b>Consolidated Businesses at TRG%</b>	<b>Unconsolidated Joint Ventures at 100%</b>	<b>Unconsolidated Joint Ventures at TRG%</b>
Shopping center related revenues	5,011	4,775	1,774	803
Gains on peripheral land sales	1,007	1,007	-	-
Lease cancellation revenue	863	863	1,649	832
Interest income	329	322	88	43
	<u>7,210</u>	<u>6,967</u>	<u>3,511</u>	<u>1,678</u>

**Year ended December 31, 2004**

	<b>Consolidated Businesses at 100%</b>	<b>Consolidated Businesses at TRG%</b>	<b>Unconsolidated Joint Ventures at 100%</b>	<b>Unconsolidated Joint Ventures at TRG%</b>
Shopping center related revenues	15,901	15,453	5,966	2,963
Gains on peripheral land sales	6,759	6,443	-	-
Lease cancellation revenue	7,480	7,463	3,569	1,703
Interest income	1,112	1,100	236	121
	<u>31,252</u>	<u>30,459</u>	<u>9,771</u>	<u>4,787</u>

**TAUBMAN CENTERS, INC.****Balance Sheets****As of December 31, 2004 and December 31, 2003**

(in thousands of dollars)

	<b>As of</b>	
	<b>December 31, 2004</b>	<b>December 31, 2003</b>
<b>Consolidated Balance Sheet of Taubman Centers, Inc.:</b>		
<b>Assets:</b>		
Properties	2,936,964	2,519,922
Accumulated depreciation and amortization	(558,891)	(450,515)
	<u>2,378,073</u>	<u>2,069,407</u>
Investment in Unconsolidated Joint Ventures	23,567	6,093
Cash and cash equivalents	29,081	30,403
Accounts and notes receivable, net	32,124	32,592
Accounts and notes receivable from related parties	1,636	1,679
Deferred charges and other assets	61,586	46,796
	<u>2,526,067</u>	<u>2,186,970</u>
<b>Liabilities:</b>		
Notes payable	1,930,439	1,495,777
Accounts payable and accrued liabilities	223,331	258,938
Dividends and distributions payable	13,892	13,481
	<u>2,167,662</u>	<u>1,768,196</u>
Preferred Equity of TRG	29,217	97,275
<b>Shareowners' Equity:</b>		
Series A Cumulative Redeemable Preferred Stock	80	80
Series B Non-Participating Convertible Preferred Stock	30	30
Series G Cumulative Redeemable Preferred Stock		
Common Stock	487	499
Additional paid-in capital	729,481	664,362
Accumulated other comprehensive income (loss)	(11,387)	(12,593)
Dividends in excess of net income	(389,503)	(330,879)
	<u>329,188</u>	<u>321,499</u>
	<u>2,526,067</u>	<u>2,186,970</u>
<b>Combined Balance Sheet of Unconsolidated Joint Ventures (1):</b>		
<b>Assets:</b>		
Properties	1,080,482	1,250,964
Accumulated depreciation and amortization	(360,830)	(331,321)
	<u>719,652</u>	<u>919,643</u>
Cash and cash equivalents	25,173	28,448
Accounts and notes receivable	22,866	16,504
Deferred charges and other assets	26,213	29,526
	<u>793,904</u>	<u>994,121</u>
<b>Liabilities:</b>		
Notes payable	1,008,604	1,345,824
Accounts payable and other liabilities	53,706	61,614
	<u>1,062,310</u>	<u>1,407,438</u>
<b>Accumulated Deficiency in Assets:</b>		
Accumulated deficiency in assets - TRG	(173,579)	(228,264)
Accumulated deficiency in assets - Joint Venture Partners	(91,259)	(181,009)
Accumulated other comprehensive income (loss) - TRG	(2,817)	(3,192)
Accumulated other comprehensive income (loss) - Joint Venture Partners	(751)	(852)
	<u>(268,406)</u>	<u>(413,317)</u>
	<u>793,904</u>	<u>994,121</u>

(1) 2003 amounts exclude Waterside Shops at Pelican Bay, in which TRG acquired a 25% interest in December 2003. Effective July 1, 2004, amounts exclude International Plaza, which the Company began consolidating upon the acquisition of a controlling interest in the center.

TAUBMAN CENTERS, INC.  
Debt Summary  
As of December 31, 2004

(in millions of dollars, amounts may not add due to rounding)

MORTGAGE AND OTHER NOTES PAYABLE INCLUDING WEIGHTED INTEREST RATES AT DECEMBER 31, 2004															
	100%	Beneficial	Effective	LIBOR											
	12/31/04	Interest	Rate (a)	Rate											
		12/31/04	12/31/04	Spread	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
<b>Consolidated Fixed Rate Debt:</b>															
Beverly Center	347.5	347.5	5.28%			3.9	4.8	5.0	5.4	5.7	6.0	6.3	6.6	303.8	347.5
Great Lakes Crossing	147.5	147.5	5.25%		2.2	2.3	2.5	2.6	2.7	2.9	3.0	3.2	126.0		147.5
International Plaza	50.10% 185.4	92.7	4.38% (b)		1.6	1.6	1.7	87.8							92.7
MacArthur Center	95.00% 143.3	136.3	6.85% (c)		2.3	2.6	2.7	2.8	3.0	122.9					136.3
Regency Square	79.8	79.8	6.75%		0.9	1.1	1.1	1.2	1.3	1.4	72.8				79.8
Stony Point Fashion Park	114.5	114.5	6.24%		1.3	1.4	1.5	1.5	1.6	1.8	1.9	2.0	2.1	99.5	114.5
The Mall at Short Hills	261.8	261.8	6.70%		3.5	3.7	4.0	4.2	246.4						261.8
<b>Total Consolidated Fixed Weighted Rate</b>	<b>1,279.7</b> 5.79%	<b>1,180.0</b> 5.89%			<b>11.7</b> 6.10%	<b>16.5</b> 5.92%	<b>18.3</b> 5.90%	<b>105.2</b> 4.66%	<b>260.5</b> 6.65%	<b>134.6</b> 6.74%	<b>83.7</b> 6.58%	<b>11.4</b> 5.44%	<b>134.8</b> 5.27%	<b>403.3</b> 5.52%	<b>1,180.0</b>
<b>Consolidated Floating Rate Debt:</b>															
Dolphin Mall	143.5	143.5	4.55% (d)	2.15%	2.2	141.3 (k)									143.5
Northlake Mall	29.4	29.4	4.06% (e)	1.75%			29.4 (l)								29.4
Oyster Bay	42.6	42.6	4.28% (e)	2.00%	42.6 (j)										42.6
The Mall at Wellington Green	90.00% 140.0	126.0	6.17% (f)	1.50%			126.0								126.0
The Shops at Willow Bend	98.0	98.0	3.90% (g)	1.50%	1.6	96.4 (l)									98.0
The Shops at Willow Bend	49.0	49.0	6.15% (h)	3.75%	0.8	48.2 (l)									49.0
TRG Revolving Credit	23.2	23.2	3.32% (i)				23.2								23.2
TRG Revolving Credit	125.0	125.0	3.08% (e)	0.80%			125.0 (m)								125.0
<b>Total Consolidated Floating Weighted Rate</b>	<b>650.7</b> 4.20%	<b>636.7</b> 4.52%			<b>47.1</b> 4.31%	<b>285.9</b> 4.60%	<b>155.4</b> 5.77%	<b>148.2</b> 3.12%							<b>636.7</b>
<b>Total Consolidated Weighted Rate</b>	<b>1,930.4</b> 5.25%	<b>1,816.8</b> 5.41%			<b>58.9</b> 2.64%	<b>302.5</b> 4.22%	<b>173.7</b> 4.18%	<b>253.4</b> 5.37%	<b>260.5</b> 4.67%	<b>134.6</b> 6.65%	<b>83.7</b> 6.73%	<b>11.4</b> 6.58%	<b>134.8</b> 5.44%	<b>403.3</b> 5.27%	<b>1,816.8</b>
<b>Joint Ventures Fixed Rate Debt:</b>															
Arizona Mills	50.00% 140.9	70.5	7.90%		0.8	0.8	0.9	0.9	1.0	66.0					70.5
Cherry Creek	50.00% 176.3	88.1	7.68%		1.2	87.0									88.1
Fair Oaks	50.00% 140.0	70.0	6.60%				70.0								70.0
Mall at Millenia	50.00% 210.0	105.0	5.46%				0.9	1.4	1.5	1.6	1.6	98.1			105.0
Sunvalley	50.00% 131.8	65.9	5.67%		0.9	1.0	1.0	1.1	1.2	1.2	1.3	58.2			65.9
Westfarms	78.94% 204.1	161.1	6.10%		2.1	2.3	2.4	2.6	2.7	2.9	3.1	142.9			161.1
<b>Total Joint Venture Fixed Weighted Rate</b>	<b>1,003.1</b> 6.51%	<b>560.6</b> 6.47%			<b>5.0</b> 6.66%	<b>91.1</b> 7.62%	<b>4.3</b> 6.36%	<b>75.5</b> 6.57%	<b>6.3</b> 6.17%	<b>71.7</b> 7.73%	<b>6.0</b> 5.84%	<b>202.7</b> 5.97%	<b>98.1</b> 5.46%		<b>560.6</b>
<b>Joint Ventures Floating Rate Debt:</b>															
Other	5.5	2.9	4.91%		0.9	0.8	0.6	0.3	0.2						2.9
<b>Total Joint Venture Floating Weighted Rate</b>	<b>5.5</b> 4.91%	<b>2.9</b> 4.91%			<b>0.9</b> 4.91%	<b>0.8</b> 4.91%	<b>0.6</b> 4.91%	<b>0.3</b> 4.91%	<b>0.2</b> 4.91%						<b>2.9</b>
<b>Total Joint Venture Weighted Rate</b>	<b>1,008.6</b> 6.50%	<b>563.5</b> 6.46%			<b>5.9</b> 6.39%	<b>91.9</b> 7.60%	<b>5.0</b> 6.18%	<b>75.7</b> 6.57%	<b>6.6</b> 6.13%	<b>71.7</b> 7.73%	<b>6.0</b> 5.84%	<b>202.7</b> 5.97%	<b>98.1</b> 5.46%		<b>563.5</b>
<b>TRG Beneficial Interest Totals</b>															
<b>Fixed Rate Debt</b>	<b>2,282.8</b> 6.11%	<b>1,740.6</b> 6.08%			<b>16.7</b> 6.27%	<b>107.6</b> 7.36%	<b>22.6</b> 5.99%	<b>180.6</b> 5.46%	<b>266.8</b> 6.64%	<b>206.3</b> 7.09%	<b>89.7</b> 6.53%	<b>214.1</b> 5.94%	<b>232.9</b> 5.35%	<b>403.3</b> 5.52%	<b>1,740.7</b>
<b>Floating Rate Debt</b>	<b>656.2</b> 4.21%	<b>639.6</b> 4.52%			<b>48.0</b> 4.32%	<b>286.8</b> 4.60%	<b>156.0</b> 5.76%	<b>148.5</b> 3.12%	<b>0.2</b> 4.91%						<b>639.6</b>
<b>Total</b>	<b>2,939.0</b> 5.68%	<b>2,380.2</b> 5.66%			<b>64.8</b> 4.82%	<b>394.4</b> 5.35%	<b>178.7</b> 5.79%	<b>329.1</b> 4.40%	<b>267.0</b> 6.64%	<b>206.3</b> 7.09%	<b>89.7</b> 6.53%	<b>214.1</b> 5.94%	<b>232.9</b> 5.35%	<b>403.3</b> 5.52%	<b>2,380.2</b>
<b>Average Maturity</b>					<b>5.78</b>										

- (a) Includes the impact of interest rate swaps but does not include effect of amortization of debt issuance costs, losses on settlement of derivatives used to hedge the refinancing of certain fixed rate debt, or interest rate cap premiums.
- (b) Debt is reduced by \$0.5 million of purchase accounting discount from acquisition which increases the stated rate on the debt of 4.21% to an effective rate of 4.38%.
- (c) Debt includes \$4.3 million of purchase accounting premium from acquisition which reduces the stated rate on the debt of 7.59% to an effective rate of 6.85%.
- (d) The debt is floating month to month at LIBOR plus spread and the entire debt balance is capped at 7% plus spread.
- (e) LIBOR rate floats month to month.
- (f) \$100 million of this debt is swapped to 5.25% plus spread to May 2005. The remainder is floating month to month at LIBOR plus spread.
- (g) LIBOR rate is floating month to month. \$96.9 million of this debt is capped at 4.6% plus spread to July 2006.
- (h) LIBOR rate is floating month to month. \$48.5 million of this debt is capped at 5.75% plus spread to July 2006.
- (i) Rate floats daily.
- (j) If construction commences prior to 12/31/05, the maturity date is automatically extended from 12/31/05 to three years from the commencement of construction.
- (k) Maturity date may be extended for a total of 3 years.
- (l) Maturity date may be extended for a total of 2 years.
- (m) Maturity date may be extended for 1 year.



**TAUBMAN CENTERS, INC.**  
**Other Debt Information**  
**As of December 31, 2004**  
(in millions of dollars)

**TRG's Debt Guarantees**

<u>Center</u>	<u>Loan Balance</u>	<u>TRG's Beneficial Interest in Loan Balance</u>	<u>TRG's Guarantees</u>		
			<u>Amount of Loan Balance</u>	<u>Percentage of Principal</u>	<u>Percentage of Interest</u>
Dolphin Mall	143.5	143.5	143.5	100%	100%
The Mall at Millenia	1.7	0.8	0.8	50%	50%
Northlake Mall	29.4	29.4	29.4	100%	100%
The Mall at Wellington Green	140.0	126.0	140.0	100%	100%
The Shops at Willow Bend	147.0	147.0	147.0	100%	100%

**TRG's Beneficial Interest in Fixed and Floating Rate Debt**

	<u>Amount</u>	<u>Percentage of Total</u>	<u>Interest Rate Including Spread</u>	<u>LIBOR Swap Rate</u>
Fixed rate debt	1,740.6	73%	6.08% (1)	
Floating rate debt:				
Swapped through April 2005	100.0		6.75%	5.25%
Floating month to month	539.6		4.11% (1)	
Total floating rate debt	<u>639.6</u>	<u>27%</u>	4.52% (1)	
Total beneficial interest in debt	<u>2,380.2</u>	<u>100%</u>	5.66% (1)	
Amortization of financing costs (3)			<u>0.32%</u>	
Average all-in rate			<u>5.98%</u>	

(1) Represents weighted average interest rate before amortization of financing costs.

(2) Financing costs include financing fees, interest rate cap premiums, and losses on settlement of derivatives used to hedge the refinancing of certain fixed rate debt.

**TAUBMAN CENTERS, INC.**  
**Construction and Center Openings**

**Construction:**

<u>Center Name</u>	<u>Location</u>	<u>Anchors</u>	<u>Size (1)</u>	<u>Opening (1)</u>	<u>Owned</u>	<u>Project Cost (1)(2)</u>
<b>New Centers:</b>						
Northlake Mall	Charlotte, North Carolina	AMC Theatres, Belk, Dick's Sporting Goods, Dillard's, Hecht's	1.1 million sq. ft.	September 15, 2005	100%	\$175 million
The Pier at Caesars	Atlantic City, New Jersey	-	0.3 million sq. ft.	2006	30% (3)	(3)
<b>Expansions and Renovations:</b>						
Waterside Shops at Pelican Bay	Naples, Florida	-	78 thousand sq. ft.	October 2005	25%	\$48 million

**Center Recently Opened:**

<u>Center Name</u>	<u>Location</u>	<u>Anchors</u>	<u>Size</u>	<u>Opened</u>	<u>Owned</u>	<u>Project Cost (2)</u>
Stony Point Fashion Park	Richmond, Virginia	Dillard's, Dick's Sporting Goods, Saks Fifth Avenue	0.7 million sq. ft.	September 18, 2003	100%	\$115 million

(1) Anticipated opening date, size, and estimated project costs are subject to adjustment as a result of factors inherent in the development process, some of which may not be under the direct control of the Company. Refer to the Company's filings with the Securities and Exchange Commission on Form 10-K and 10-Q for other risk factors.

(2) Project costs exclude costs of peripheral land.

(3) The Company's capital contribution in The Pier will be made in three steps. The initial investment of \$4 million was made at closing. A second payment equal to 70 percent of The Company's projected required total investment (less the initial \$4 million payment) is expected to be made within six months after the project opens. The third and final payment will be made shortly after the completion of the project's stabilization year (2007) based on the project's annual NOI and debt levels.

TAUBMAN CENTERS, INC.  
**Capital Spending**  
**For the Periods Ended December 31, 2004**  
(in thousands of dollars)

	<b>Three Months ended December 31, 2004 (1)</b>				<b>Year ended December 31, 2004 (1)</b>			
	<b>Consolidated Businesses at 100%</b>	<b>Consolidated Businesses at TRG%</b>	<b>Unconsolidated Joint Ventures at 100%</b>	<b>Unconsolidated Joint Ventures at TRG%</b>	<b>Consolidated Businesses at 100%</b>	<b>Consolidated Businesses at TRG%</b>	<b>Unconsolidated Joint Ventures at 100%</b>	<b>Unconsolidated Joint Ventures at TRG%</b>
<b>Capital Spending Not Recovered from Tenants (2):</b>								
Existing centers	3,011	2,599	5,746	1,821	8,677	7,868	17,864	7,074
New centers	19,832 (3)	19,832 (3)			50,076 (3)	50,076 (3)		
Pre-construction activities	6,876 (4)	6,876 (4)			37,624 (4)	37,624 (4)		
Mall tenant allowances	8,509	7,955	4,161	2,217	15,586	15,007	8,390	4,469
Corporate office improvements and equipment	384	384			1,348	1,348		
Other	417	400	114	50	1,170	1,145	139	62
	<u>39,028</u>	<u>38,044</u>	<u>10,022</u>	<u>4,087</u>	<u>114,479</u>	<u>113,066</u>	<u>26,393</u>	<u>11,604</u>
<b>Capitalized leasing costs</b>	1,897	1,745	848	446	7,422	7,083	4,431	2,213
<b>Asset replacement costs reimbursable by tenants</b>	5,417	4,642	2,449	1,400	8,637	7,779	3,910	2,128
<b>Asset replacement costs reimbursed by tenants</b>	2,146	2,079	1,275	671	5,555	5,407	5,326	2,753

(1) Costs are net of intercompany profits.

(2) Amounts may not add due to rounding.

(3) Primarily includes costs related to Northlake Mall.

(4) Primarily includes acquisition of land and related project costs at Oyster Bay.

	<b>Consolidated Businesses at 100%</b>	<b>Consolidated Businesses at TRG%</b>	<b>Unconsolidated Joint Ventures at 100%</b>	<b>Unconsolidated Joint Ventures at TRG%</b>
<b>Assets on which interest is being capitalized, at December 31, 2004</b>	150,120	150,120	-	-
<b>Capitalized interest, for the year ended December 31, 2004</b>	5,995	5,995	-	-

**TAUBMAN CENTERS, INC.**  
**Acquisitions and Divestitures**

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**Acquisitions:**

<b>Acquisition</b>	<b>City</b>	<b>State</b>	<b>Anchors</b>	<b>Size</b>	<b>Date</b>	<b>Purchase Price</b>
25% interest in Waterside Shops at Pelican Bay	Naples	Florida	Saks Fifth Avenue	0.3 million sq. ft.	December 18, 2003	\$21.5 million (1)
Additional 30% interest in Beverly Center	Los Angeles	California	Bloomingdale's, Macy's	0.9 million sq. ft.	January 16, 2004	\$11.0 million (2)
Additional 23.6% interest in International Plaza	Tampa	Florida	Dillard's, Neiman Marcus, Nordstrom, Robb & Stucky	1.2 million sq. ft.	July 1, 2004	\$104.5 million (3)

**Divestitures:**

<b>Center</b>	<b>City</b>	<b>State</b>	<b>Anchors</b>	<b>Size</b>	<b>Date</b>	<b>Sales Price</b>
Biltmore Fashion Park	Phoenix	Arizona	Macy's, Saks Fifth Avenue	0.6 million sq. ft.	December 18, 2003	\$158.5 million (4)

(1) The purchase price was paid in cash. The center is managed by The Forbes Company.

(2) Amount includes cash purchase price of \$3.3 million and \$7.6 million of partnership units (valued at a negotiated price of \$27.50 per unit). The price of the acquisition was determined pursuant to a 1988 option agreement. The Company had carried the net exercise price as a liability on its balance sheet, and already recognized 100% of the financial results of the center in its financial statements.

(3) Amount includes cash purchase price of \$60.2 million and \$44.3 million of beneficial interest in debt attributable to this interest. The debt matures in January 2008 and bears an interest rate of 4.21 percent.

(4) The total sales price was \$158.5 million, comprised of \$51.0 million of cash, 705,636 Macerich partnership units, and the assumption of \$77.4 million of property level fixed rate debt. The Macerich partnership units were subsequently transferred to several Operating Partnership holders who were the original owners of Biltmore Fashion Park.

**TAUBMAN CENTERS, INC.**  
**Operational Statistics**  
**For the Periods Ended December 31, 2004 and 2003**

	<b>Three Months Ended</b>		<b>Year Ended</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
<b>Occupancy (1):</b>				
Ending - all	89.6%	87.4%	89.6%	87.4%
Ending - comparable (2)	89.4%	87.3%	89.4%	87.3%
Average - all	89.2%	87.2%	87.4%	86.6%
Average - comparable (2)	89.0%	87.2%	87.1%	86.6%
<b>Leased Space (1):</b>				
All	90.7%	89.8%	90.7%	89.8%
Comparable (2)	90.5%	89.5%	90.5%	89.5%
<b>Average Base Rents (2) (3):</b>				
Average rent per square foot:				
Consolidated Businesses	42.12	40.12	41.35	40.06
Unconsolidated Joint Ventures	41.72	43.12	42.48	42.75
Opening base rent per square foot:				
Consolidated Businesses	45.14	40.75	44.64	43.41
Unconsolidated Joint Ventures	39.82	41.77	44.63	40.06
Square feet of GLA opened	307,640	254,936	1,054,116	1,011,055
Closing base rent per square foot:				
Consolidated Businesses	39.22	31.08	44.79	40.80
Unconsolidated Joint Ventures	42.62	37.25	47.66	41.28
Square feet of GLA closed	133,353	157,086	828,485	1,098,769
Releasing spread per square foot:				
Consolidated Businesses	5.92	9.67	(0.15)	2.61
Unconsolidated Joint Ventures	(2.80)	4.52	(3.03)	(1.22)
<b>Mall Tenant Sales (in thousands of dollars):</b>				
All mall tenants	1,268,144	1,171,787	3,728,010	3,417,572
Comparable (2)	1,219,389	1,124,335	3,570,914	3,293,697
Sales per square foot (2)			477	441
Sales per square foot growth (2)	6.2%	3.0%	8.2%	2.4%
<b>Occupancy Costs as a Percentage of Sales (3):</b>				
All centers:				
Consolidated Businesses	12.2%	12.3%	15.2%	16.0%
Unconsolidated Joint Ventures	11.7%	12.0%	14.4%	15.4%
Comparable centers (2):				
Consolidated Businesses	12.2%	12.2%	15.2%	16.1%
Unconsolidated Joint Ventures	11.9%	12.0%	14.6%	15.4%
<b>Tenant Bankruptcy Filings as a Percentage of Total Tenants</b>	0.0%	0.3%	1.7%	2.3%
<b>Comparable Center Growth in Net Operating Income (4) (5)</b>	3%	4%	2%	2%
<b>Number of Owned Properties at End of Period</b>	21	21	21	21

(1) 2003 statistics have been restated to include anchor spaces at value centers (Arizona Mills, Dolphin Mall, and Great Lakes Crossing).

(2) Statistics exclude Biltmore Fashion Park, Stony Point Fashion Park, and Waterside Shops at Pelican Bay. Sales per square foot exclude value centers (Arizona Mills, Dolphin Mall, and Great Lakes Crossing).

(3) The results of International Plaza are presented within the Consolidated Businesses for periods beginning July 1, 2004, as a result of the Company's acquisition of a controlling interest in the center. Results of International Plaza prior to the acquisition date are included within the Unconsolidated Joint Ventures.

(4) 2003 amounts have been restated from amounts previously reported to include an add-back of depreciation of center replacement assets recoverable from tenants.

(5) Excludes individual lease cancellation fees in excess of \$0.5 million. Excluding all lease cancellation fees, comparable center growth in net operating income was 2% and 5% for the three months ended December 31, 2004 and 2003, respectively, and 2% for the year ended December 31, 2004 and 2003.

**TAUBMAN CENTERS, INC.**  
**Owned Centers**  
**At December 31, 2004**

Center	Anchors	Sq. Ft. of GLA/ Mall GLA	Year Opened/ Expanded	Ownership %
<b>Consolidated Businesses:</b>				
Beverly Center Los Angeles, CA	Bloomingdale's, Macy's	879,000 571,000	1982	100%
Dolphin Mall Miami, FL	Burlington Coat Factory, Cobb Theatres, Dave & Busters, The Sports Authority, Off 5th Saks, Marshalls, Neiman Marcus-Last Call	1,313,000 623,000	2001	100%
Fairlane Town Center Dearborn, MI <i>(Detroit Metropolitan Area)</i>	Marshall Field's, JCPenney, Lord & Taylor, Off 5th Saks, Sears	1,536,000 646,000	1976/1978/ 1980/2000	100%
Great Lakes Crossing Auburn Hills, MI <i>(Detroit Metropolitan Area)</i>	Bass Pro Shops Outdoor World, GameWorks, Neiman Marcus- Last Call, Off 5th Saks, Star Theatres, Circuit City	1,357,000 548,000	1998	100%
International Plaza Tampa, FL	Dillard's, Neiman Marcus, Nordstrom, Robb & Stucky (2005)	1,223,000 581,000	2001	50%
MacArthur Center Norfolk, VA	Dillard's, Nordstrom	932,000 518,000	1999	95%
Regency Square Richmond, VA	Hecht's (two locations), JCPenney, Sears	821,000 234,000	1975/1987	100%
The Mall at Short Hills Short Hills, NJ	Bloomingdale's, Macy's, Neiman Marcus, Nordstrom, Saks Fifth Avenue	1,342,000 520,000	1980/1994/ 1995	100%
Stony Point Fashion Park Richmond, VA	Dillard's, Saks Fifth Avenue, Dick's Sporting Goods	(1) 662,000 296,000	2003	100%
Twelve Oaks Mall Novi, MI <i>(Detroit Metropolitan Area)</i>	Marshall Field's, JCPenney, Lord & Taylor, Sears	1,190,000 452,000	1977/1978	100%
The Mall at Wellington Green Wellington, FL <i>(Palm Beach County)</i>	Burdines, Dillard's, JCPenney, Nordstrom	1,281,000 467,000	(2) 2001/2003	90%
The Shops at Willow Bend Plano, TX <i>(Dallas Metropolitan Area)</i>	Dillard's, Foley's, Lord & Taylor, Neiman Marcus, Saks Fifth Avenue	1,392,000 534,000	2001/2004	100%
Total GLA		13,928,000		
Total Mall GLA		5,990,000		
<b>Unconsolidated Joint Ventures:</b>				
Arizona Mills Tempe, AZ <i>(Phoenix Metropolitan Area)</i>	GameWorks, Harkins Cinemas, JCPenney Outlet, Neiman Marcus- Last Call, Off 5th Saks	1,227,000 521,000	1997	50%
Cherry Creek Denver, CO	Foley's, Lord & Taylor, Neiman Marcus, Saks Fifth Avenue	1,016,000 543,000	1990/1998	50%
Fair Oaks Fairfax, VA <i>(Washington, DC Metropolitan Area)</i>	Hecht's, JCPenney, Lord & Taylor, Sears, Macy's	1,574,000 569,000	1980/1987/ 1988/2000	50%
The Mall at Millenia Orlando, FL	Bloomingdale's, Macy's, Neiman Marcus	1,116,000 516,000	2002	50%
Stamford Town Center Stamford, CT	Filene's, Macy's, Saks Fifth Avenue	855,000 362,000	(3) 1982	50%
Sunvalley Concord, CA <i>(San Francisco Metropolitan Area)</i>	JCPenney, Macy's (two locations), Sears	1,327,000 487,000	1967/1981	50%
Waterside Shops at Pelican Bay Naples, FL	Saks Fifth Avenue	233,000 124,000	1992	25%
Westfarms West Hartford, CT	Filene's, Filene's Men's Store/Furniture Gallery, JCPenney, Lord & Taylor, Nordstrom	1,292,000 522,000	1974/1983/1997	79%
Woodland Grand Rapids, MI	Marshall Field's, JCPenney, Sears	1,022,000 348,000	1968/1974/ 1984/1989	50%
Total GLA		9,662,000		
Total Mall GLA		3,992,000		

(1) In December 2004, Galyan's was converted to Dick's Sporting Goods.

(2) GLA includes the former Lord & Taylor store, which closed in July 2004.

(3) GLA includes the former Filene's store, which closed in January 2005.

**TAUBMAN CENTERS, INC.**  
**Major Tenants in Owned Portfolio**  
**At December 31, 2004**

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Tenant	Number of Stores	Square Footage	Percent of Mall GLA
Limited (The Limited, Express, Victoria's Secret)	68	500,734	5.0%
Gap (Gap, Gap Kids, Banana Republic, Old Navy)	37	291,416	2.9%
Forever 21	17	251,193	2.5%
Foot Locker (Foot Locker, Lady Foot Locker, Champs Sports)	45	222,320	2.2%
Abercrombie & Fitch (Abercrombie & Fitch, Hollister)	29	215,486	2.2%
Williams-Sonoma (Williams-Sonoma, Pottery Barn, Pottery Barn Kids)	28	196,593	2.0%
Retail Brand Alliance (Brooks Brothers, Casual Corner)	30	179,886	1.8%
The TJX Companies (Marshalls, T.J. Maxx)	4	151,313	1.5%
Ann Taylor	26	138,726	1.4%
Talbots	18	132,426	1.3%

**TAUBMAN CENTERS, INC.**  
**Anchors in Owned Portfolio**  
**At December 31, 2004**

(Excludes Value Centers, GLA in thousands of square feet)

Name	Number of Stores	GLA	% of GLA
Dick's Sporting Goods (1)	1	84	0.4%
Dillard's	5	1,149	5.8%
Federated			
Macy's	7	1,469	
Burdines	1	200	
Bloomingdale's	3	614	
Total	11	2,283	11.6%
JCPenney	8	1,508	7.7%
May Company			
Lord & Taylor	6	778	
Marshall Field's	3	647	
Hecht's	3	453	
Filene's (2)	2	379	
Filene's Men's Store/ Furniture Gallery	1	80	
Foley's	2	418	
Total	17	2,755	14.0%
Neiman Marcus	5	556	2.8%
Nordstrom	5	796	4.0%
Robb & Stucky (2005)	1	119	0.6%
Saks			
Saks Fifth Avenue	6	467	
Off 5th Saks	1	93	
Total	7	560	2.8%
Sears	6	1,370	7.0%
<b>Total</b>	<b>66</b>	<b>11,180</b>	<b>56.8%</b> (3)

(1) In December 2004, Galyan's was converted to Dick's Sporting Goods.

(2) In January 2005, Filene's closed its store at Stamford Town Center.

(3) Percentages may not add due to rounding.