



News Release

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DEBARTOLO DIVERSIFIES FAMILY REAL ESTATE BUSINESS THROUGH CREATION OF DEBARTOLO HOLDINGS

TAMPA – May 10, 2004 – Like many of the great American family empires – Rockefellers, Gettys, Steinbrenners – before him, Edward J. DeBartolo, Jr. announces that his family’s company, created in the 1950s by the legendary entrepreneur and real estate developer Edward J. DeBartolo, Sr., will diversify from its purely real estate heritage to an organization with a merchant banking focus.

Effective immediately, DeBartolo Holdings LLC will serve as the new identity of the DeBartolo merchant banking group. The group’s main mission will be to optimize the DeBartolo portfolio of operating companies, real estate investments and equity interests. Their activities will consist of investments in partnership interests, equity securities as well as short and medium-term mezzanine, bridge or senior loans for expansion financing, acquisitions, leveraged or management buyouts and recapitalization of promising North American companies.

The merchant banking group’s lending and investment strategy is to focus on companies that have a well-defined, predictable business model and need assistance in the form of capital, financial expertise or simply the use of the DeBartolo name and its business relationships. The group’s professionals work with strong management teams to help companies achieve their financial and strategic goals.

Concurrent with the move to merchant banking, DeBartolo Development LLC will become the identity of the organization’s real estate business, replacing DeBartolo Property group.

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DeBartolo will remain active with the new entity as its Chairman. Jerry DeNicholas, formerly President of DeBartolo Property Group, will serve as its President and Chief Executive Officer, while Lisa DeBartolo and Nikki DeBartolo Heldfond will serve as Executive Vice Presidents among a group of twelve senior executives. DeBartolo Development will be lead by Ed Kobel.

“Early last year we reviewed our progress in executing our strategic plan and realized that we had too much capital allocated to the real estate industry. Currently, the DeBartolo real estate business includes nearly \$800 million square feet under development. This total, together with our investment in Simon Property Group, accounts for nearly all of our investment portfolio,” states DeBartolo. “As a result, we made the decision to diversify by creating a merchant banking activity.”

The first relationship formed under the new identity was Famiglia-DeBartolo LLC, a regional pizza operation created when DeBartolo partnered with Paul Kolaj and his family business. Through the formation of Famiglia-DeBartolo, the new entity will develop Famous Famiglia locations throughout the country utilizing either a company-owned or franchise business model depending on location. The chain's original growth plan to open 150 units in 10 years will be accelerated by the DeBartolo partnership.

“Famiglia-DeBartolo is the ideal model we want for all future relationships,” states DeNicholas. “The Kolaj family's attention to detail, quality of product, quality of the business system and devotion to customer service are criteria on which all future relationships will be judged.”

DeBartolo adds that new ventures will eventually include an array of products and services, but will stay within the organization's skill set. “Who better to help entrepreneurs realize their goals than a family that has made success a winning tradition.”

“This is an extremely exciting time for our organization,” states DeBartolo. “While our real estate business has gotten us where we are today, to become a great American brand, we needed to expand our activities. With the great professionals we already have on staff, I truly believe we are poised to accomplish this goal and more.”

DeBartolo Holdings Inc. continues the work ethic, foresight and achievements of the legendary Edward J. DeBartolo, Sr. From creating new economic opportunities in troubled cities to facilitating and financing business growth of new ventures outside of real estate, DeBartolo Holdings provides the leadership, insight and resources to create and develop projects on a national scale.