Taubman

Don’t be Fooled by Taubman’s False and Misleading Claims

May 2017
Don’t be Fooled by Taubman’s False and Misleading Claims

• On May 8, 2017, Taubman Centers (“TCO” or the “Company”) issued a letter and presentation to Taubman shareholders in connection with the upcoming 2017 Annual Meeting and responding, in part, to the presentation that Land and Buildings filed in support of our two director nominees.

• The Company says “don’t be fooled” by Land and Buildings – we find this highly ironic as Chairman and CEO Bobby Taubman has been fooling investors for years and is again attempting to do so in Taubman’s latest materials.

• This election is about refreshing the Board with two proven individuals, Charles Elson and Jonathan Litt, to help instill accountability, remedy dismal performance and unlock substantial trapped value.

• Under the leadership of current Chairman and CEO Bobby Taubman and Lead Director Myron Ullman, TCO will likely never approach its intrinsic value.

• Taubman shareholders have been the victims of a seemingly self-interested management team and complacent Board that is out of touch with all relevant stakeholders – including shareholders, consumers, and retailers – it is time for accountability at Taubman.

• In this presentation we discuss:
  - Why shareholders should not be fooled by Taubman’s false and misleading claims by commenting on select slides from the Taubman presentation[1]
  - What Taubman’s response ignores
  - The path to unlocking shareholder value by voting the GOLD proxy card for Land and Buildings’ highly-qualified nominees.

Source: Company Form DEFA14A filed on May 8, 2017, Land and Buildings Form DFAN14A filed on May 1, 2017. Shareholders should refer to the Company’s and Land and Buildings’ presentations for additional details.

(1) Note: Emphasis added by Land and Buildings to certain of the slides reproduced herein as examples of false and misleading claims from Taubman’s May 8th presentation.
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LAND and BUILDINGS

1. Don’t Be Fooled by Taubman’s False and Misleading Statements – L&B Comments on Select Slides from Taubman Presentation
Taubman’s Apparent Confusion With the Meaning of Enhanced Corporate Governance

It appears to us that the only “longstanding commitment” Taubman has is to disenfranchise shareholders and ignore their voices.

Taubman’s commitment to enhancing corporate governance must not be very strong as Green Street Advisors has given Taubman the worst corporate governance score in the REIT sector.

Should the Board be touting that it has a “longstanding” commitment to improving governance when it has ignored shareholder voices by:

1. Appointing Lead Director Myron Ullman, who has decades of history with the Taubman Family and has never been elected by shareholders.

2. Ignoring shareholders despite majority-supported proposals to de-stagger two years in a row (1)

3. Ignoring shareholder voices in majority-supported acquisition by Simon (2)

Taubman will be the only REIT of 83 covered by Green Street following this year’s proxy season with a staggered board (3).

What are the “tightened” overboarding requirements?

Mr. Tysoe lists his occupation as “Professional Director” and is on the board of five public companies!


[3] Note: Assumes SL Green Realty Corp.’s (NYSE: SLG) and Washington REIT’s (NYSE: WRE) board-proposed amendments to de-classify their board are approved by shareholders at each company’s 2017 annual meeting.
The Skill the Taubman Board has Perfected Most is Disenfranchising Shareholders, In Our View

The Taubman Board’s self-assessment of its “skills and experience” overlooks perfect scores for disenfranchising shareholders and maintaining the worst corporate governance in the REIT industry.

Source: Company Form DEFA14A filed on May 8, 2017
Taubman Fails to Justify its New York Offices or Subsidizing Bobby’s Use of Corporate Jet at Shareholder Expense

Our G&A Practices Are Consistent with Peers and Have Been Taken Out of Context by Land & Buildings

<table>
<thead>
<tr>
<th>What We Do</th>
<th>What We Don’t Do</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Lease a corporate jet; a practice common across the REIT sector and our mall peers</td>
<td>× Allow shareholders to pay for executives’ personal use of the corporate jet</td>
</tr>
<tr>
<td>✓ Executives reimburse the Company for personal use flights at amounts that are more than their value as computed under the IRS-prescribed Standard Industry Fare Level formula (SIFL)</td>
<td>× Compensate our executives with personal use corporate jet perks as some of our peers do</td>
</tr>
<tr>
<td>✓ Provide an Annual Internal Audit report to the Board’s Audit Committee summarizing the use of the corporate jet by executives and their subsequent reimbursements for the Committee’s review</td>
<td></td>
</tr>
<tr>
<td>✓ Task our Financial Reporting and Accounting and Corporate Tax departments with reviewing itineraries and allocating costs to ensure compliance with IRS guidelines</td>
<td></td>
</tr>
<tr>
<td>Maintain small office in New York City, as do most peers, to facilitate business development given proximity to tenants, brokers, investors and other key business counterparts</td>
<td></td>
</tr>
</tbody>
</table>

Why does Taubman Centers have a NYC office with Central Park views despite owning no assets in New York? All other Class A Mall Peers\(^{(3)}\) have assets located in New York!

### SIFL Aircraft Rates as of 2016\(^{(2)}\)

<table>
<thead>
<tr>
<th>Miles</th>
<th>Cents/mile (up to 500)</th>
<th>Aircraft weight</th>
<th>Control employee</th>
<th>Non-control employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 500</td>
<td>$0.2061/m</td>
<td>6,000 lbs or less</td>
<td>62.5%</td>
<td>15.6%</td>
</tr>
<tr>
<td>501 – 1,500</td>
<td>$0.1572/m</td>
<td>6,001 – 10,000 lbs</td>
<td>125%</td>
<td>23.4%</td>
</tr>
<tr>
<td>Over 1,500</td>
<td>$0.1511/m</td>
<td>10,001 – 25,000 lbs</td>
<td>300%</td>
<td>31.3%</td>
</tr>
<tr>
<td>25,001 lbs or more</td>
<td>$0.1511/m</td>
<td>25,001 lbs or more</td>
<td>400%</td>
<td>31.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Miles</th>
<th>Cents/mile (500 - 1,500)</th>
<th>Aircraft weight</th>
<th>Control employee</th>
<th>Non-control employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>500 - 1,500</td>
<td>$0.1572/m</td>
<td>6,001 – 10,000 lbs</td>
<td>125%</td>
<td>23.4%</td>
</tr>
</tbody>
</table>

### LA to NYC (~2,500 miles)

<table>
<thead>
<tr>
<th>Miles</th>
<th>Cents/mile (up to 500)</th>
<th>Aircraft weight</th>
<th>Control employee</th>
<th>Non-control employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,500</td>
<td>$0.2061/m</td>
<td>6,001 – 10,000 lbs</td>
<td>125%</td>
<td>23.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weight Multiplier (Control)</th>
<th>Terminal Charge</th>
<th>Total SIFL Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>400%</td>
<td>$37.68</td>
<td>$2,098.68</td>
</tr>
</tbody>
</table>

Why is Bobby afraid to disclose the amount he reimburses the Company for personal use of the corporate jet?

Bobby Taubman only reimburses shareholders for incidental costs when he travels for personal use, such as pilot and crew expenses (not the actual cost of the plane)\(^{(1)}\)

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\(^{(1)}\) Source: Taubman Form DEFC14A filed on April 20, 2017; Company Form DEFA14A filed on May 8, 2017

\(^{(2)}\) Source: PWC “Updated SIFL rates...”, Aircraft Club / Issue 54 / August 2016

\(^{(3)}\) Note: Class A Mall Peers defined by Land and Buildings as Taubman’s high quality Class A Mall Peers GGP, Inc., The Macerich Company, Simon Property Group Inc. (collectively, “Class A Mall Peers”) (see Appendix to Land and Buildings’ presentation filed May 1, 2017)
Taubman’s “peers” change depending on the story the Company wants to tell.

Source: Company Form DEFA14A filed on May 8, 2017
What is the appropriate time period to evaluate TCO? TCO clearly prefers that the industry standard not be 1-, 3-, and 5-years. Make up your mind on time periods… Industry experts have!

Source: Company Form DEFA14A filed on May 8, 2017
Land and Buildings’ Total Shareholder Returns Consistent with Institutional Shareholder Services’ Typical Methodology

Cherry-picking time periods again: now Taubman is using a 10-year time period

Sources: Company Form DEFA14A filed on May 8, 2017, Institutional Shareholder Services 2013 Company Financials Data Definitions

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TCO Total Shareholder Returns Are Not Calculated Prior to Investor Engagement As is Industry Norm, In Our View

The Company shows performance through December 31, 2016, likely improving absolute and relative performance following public shareholder engagement.

Taubman TSR Outperformance Following Investor Engagement (1)

<table>
<thead>
<tr>
<th>Comparison</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCO vs. Class A Mall Peer Average</td>
<td>10%</td>
</tr>
<tr>
<td>TCO vs. Proxy Peer Average</td>
<td>7%</td>
</tr>
<tr>
<td>TCO vs. REIT Total Return Index</td>
<td>4%</td>
</tr>
</tbody>
</table>

October 17, 2016 through December 31, 2016, Taubman outperformed Class A Mall Peers by 10%, Proxy Peers (2) by 7% and REITs (3) overall by 4%.

Taubman apparently picks own timeframes and ignores industry norms to make themselves look better, in our view.

Source: Company Form DEFA14A filed on May 8, 2017

(1) Note: Reflects total returns October 17, 2016 through December 31, 2016 as obtained from Bloomberg data for Taubman, Class A Mall Peers and the Company’s Proxy Peers

(2) Note: Proxy Peers represents the Executive Compensation Peer Group as disclosed in Taubman Form DEFC14A filed on April 20, 2017 (collectively, “Proxy Peers”)

(3) Note: REIT Total Return Index is defined as the FTSE NAREIT All Equity Total Return Index
Taubman Earnings Growth Disappoints, So They Focus on Other Metrics

Sales growth for 11 years is misleading given asset sales and tenant mix

Our Portfolio Has Consistently Delivered Industry-Leading Sales Productivity and Strong NOI Growth

Core FFO Per Share Growth

<table>
<thead>
<tr>
<th>TCO</th>
<th>Trailing 3 Years</th>
<th>Trailing 5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Mall Peer Avg.</td>
<td>23%</td>
<td>53%</td>
</tr>
<tr>
<td>TCO Slower Earnings Growth</td>
<td>-25%</td>
<td>-36%</td>
</tr>
</tbody>
</table>

Taubman ignores earnings growth – undisciplined capital allocation has led to significantly inferior earnings growth

Cherry-picking time periods again: why is using an 11-year time period now appropriate?

Sources: Company Form DEFA14A filed on May 8, 2017, Company and Class A Mall Peer SEC filings, Land and Buildings’ analysis
Taubman’s Underperforming Margins: No Response to Our Strategic Plan to Enhance Operations

Why didn’t Taubman grow if scale is so important? Did they not want to dilute their ownership stake to the detriment of all common shareholders?

Source: Company Form DEFA14A filed on May 8, 2017
TCO Does Not Refute Our Analysis that Undisciplined Capital Allocation Has Cost Shareholders Dearly

What about the 4 developments we highlighted and believe destroyed $1 billion in value?

- TCO makes no mention in the 2017 Annual Meeting investor presentation of St. Louis Prestige Outlets, The Mall at San Juan, International Market Place and Beverly Center
- Taubman does not refute our analysis that that undisciplined capital allocation has cost shareholders dearly

Sources: Company Form DEF14A filed on May 8, 2017, Land and Buildings’ Form DFAN14A filed on May 1, 2017
A Board refresh with two proven individuals, Charles Elson and Jonathan Litt, to help instill accountability, remedy dismal performance and unlock substantial trapped value, is desperately needed at Taubman.

Source: Company Form DEFA14A filed on May 8, 2017

<table>
<thead>
<tr>
<th>Taubman</th>
<th>LANDandBUILDINGS</th>
<th>Stronger Candidates?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Leadership Experience</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Business Entrepreneurship and Transactional Experience</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Financial and Accounting Experience</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Real Estate Experience</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Brand Marketing, Social Media, and Technology Experience</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Public Company Board Experience</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Global Experience</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

89% of investors surveyed by Citi would vote Bobby and/or Myron out at 2017 Annual Meeting

Mr. Elson and Mr. Litt are widely regarded as industry leaders in their respective fields and Taubman is woefully understating relevant experience these individuals would bring to the table to establish accountability in the boardroom.
Mr. Litt Would Provide a Fresh Perspective, Deep Industry Expertise and Work to Hold Management Accountable

Throughout his tenure as an equity research analyst, Jonathan Litt consistently under-estimated Taubman's performance, demonstrating his fundamental lack of understanding of Taubman’s business model.

Mr. Litt was the #1 Institutional Investor All American Real Estate Research Team for 8 years and was top ranked for 13 years.

Taubman found one out of 20 malls they developed which outperformed our expectations while they ignore four projects in the past five years that we believe destroyed $1 billion of shareholder value.

Average 12 Month Stock Price Performance Following the Date of Litt’s Report

<table>
<thead>
<tr>
<th>Number of Ratings</th>
<th>Litt’s Target Stock Returns</th>
<th>Taubman Actual Stock Returns</th>
<th>“The Litt Difference”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outperform</td>
<td>6</td>
<td>15.1%</td>
<td>27.0%</td>
</tr>
<tr>
<td>Neutral</td>
<td>14</td>
<td>(0.4)%</td>
<td>19.8%</td>
</tr>
<tr>
<td>Sell / Underperform</td>
<td>28</td>
<td>(13.7)%</td>
<td>33.3%</td>
</tr>
</tbody>
</table>

Case Study: Dolphin Mall (opened in 2001)

Litt’s Prognosis

"Dolphin Mall has been an underperformer, in our opinion, since day 1..." Jonathan Litt, February 11, 2002

"Dolphin Mall should have been sold..." Jonathan Litt, August 1, 2002

"Dolphin Mall would probably never have been built..." Jonathan Litt, November 3, 2003

Actual Outcome

Dolphin Mall has become the highest NOI producing asset in TCO history.

Source: Company Form DEFA14A filed on May 8, 2017
Mr. Elson’s Corporate Governance Expertise Has Effected Change and Created Value

As a board member, Mr. Elson oversaw turnarounds through instilling best-in-class corporate governance practices and enhancing operating performance, management changes and strategic alternatives.

Source: Company Form DEFA14A filed on May 8, 2017

Healthsouth (2004-Present)
- 92% return
- Has served on the Board since Sep-2004, during which timeframe the company has outperformed its peers by ~240% and the S&P 500 by ~85%

Bob Evans (2014-Present)
- 49% return
- After years of underperformance, BOBE only recently caught up with peers after agreeing to sell their restaurant business

Sunbeam Corp (1996-2002)
- Company filed for bankruptcy during Elson’s Board tenure

Circon Corp (1997-1999)
- Sold
- Served on the board for 2 years, exiting when the company was acquired by Maximus Medical for less than what the company was worth when Elson joined the Board

- Sold
- Repaid underperformance under Elson’s watch which led to Nuevo being acquired by Plains Exploration & Production Company for less than what the company was worth when Elson joined the Board

Autozone (2000-2008)
- 484% return
- The company achieved solid returns, outperforming both peers and the market

Source: Company Form DEFA14A filed on May 8, 2017
LAND and BUILDINGS

2. What Taubman’s Response Ignores
What Taubman’s Response Ignores

Taubman has significantly underperformed Class A Mall Peers over the 1-, 3- and 5-year periods, the most relevant timeframe typically used by ISS and other institutional investors.

Taubman maintains a highly conflicted Board with decades of history between Taubman Family and Myron Ullman.

The Taubman Family’s proven track record of using “Killer B” to Taubman Family’s benefit.

The Taubman Family rejected the path of other celebrated REIT CEOs six years after IPO with “Killer B” creation without shareholder vote.

Bobby Taubman repeatedly ignores shareholders’ voices, misleading investors and likely his board.

Management’s ill-fated developments the past five years likely to cost shareholders $1 billion.

Significant operational mismanagement, evidenced by Woodfield Mall case study.

Source: Land and Buildings' Form DFAN14A filed on May 1, 2017
Taubman Centers’ Chronic Underperformance

- Taubman’s total shareholder return has materially and consistently lagged its Class A Mall Peers, Proxy Peers, and the REIT Total Return Index over the 1-, 3-, and 5-year trailing time periods.
- Taubman’s stock has underperformed peer Simon’s by 145%\(^{(1)}\) since Bobby unilaterally decided the Company was not for sale in response to Simon’s premium offer in 2003.

<table>
<thead>
<tr>
<th>TCO Total Shareholder Return Underperformance(^{(2)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCO vs. Class A Mall Peer Average</td>
</tr>
<tr>
<td>TCO vs. Proxy Peer Average</td>
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<tr>
<td>TCO vs. Proxy Peer Average</td>
</tr>
<tr>
<td>TCO vs. REIT Total Return Index</td>
</tr>
</tbody>
</table>

Source: Bloomberg data

\(^{(1)}\) Note: Underperformance of Taubman Centers since Simon withdrew offer to merge with the Company on October 7, 2003, calculated through October 14, 2016 (few days prior to Land and Buildings’ public involvement).

\(^{(2)}\) Note: Reflects total returns for the trailing 1-, 3- and 5-year periods through October 14, 2016 as obtained from Bloomberg data for Taubman, Class A Mall Peers and the Company’s Proxy Peers. Market capitalization and per share underperformance based on estimated figures at the beginning of the trailing 5-year period compared to if Taubman would have generated returns consistent with Class A Mall Peers.

Myron Ullman and the current Board have failed to oversee Bobby Taubman and hold him accountable for a track record of underperformance.

$2.5 billion ($30/share) of equity value left on the table!
Cobweb of Interconnections Among Board Members Demonstrates Questionable Independence, In Our View

16-year(1) average board tenure!

Source: Company SEC filings; OpenSecrets.org
(1) Note: Board tenure calculation excludes Cia Buckley Marakovits, who was appointed to the Board in 2016 following Land and Buildings’ public involvement

Never elected by shareholders!

www.SaveTaubman.com
Taubman Family and Myron Ullman: Decades of History

<table>
<thead>
<tr>
<th>Taubman Family</th>
<th>Myron Ullman</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="AI.png" alt="Image" /></td>
<td><img src="Myron.png" alt="Image" /></td>
</tr>
<tr>
<td><strong>Tenent at Taubman Centers</strong></td>
<td>Senior executive at Macy’s starting in 1988</td>
</tr>
<tr>
<td>Taubman Family was large Macy’s investor</td>
<td>Earned millions and remained in power during merger Al Taubman helped oversee</td>
</tr>
<tr>
<td>Tenant at Taubman Centers</td>
<td>Ascended ranks during Al’s Board tenure</td>
</tr>
<tr>
<td>Tenant at Taubman Centers</td>
<td>Two-time former JCPenney CEO</td>
</tr>
<tr>
<td>Taubman Family was controlling investor in Sotheby’s</td>
<td>Former LVMH Managing Director (1999 – 2002)</td>
</tr>
<tr>
<td></td>
<td>In 2000, LVMH attempted to acquire Sotheby’s™ – Possible white knight?</td>
</tr>
</tbody>
</table>

Myron Ullman appointed Lead Director without having ever been elected by shareholders!

We’ve Seen This Movie Before: Taubman Family’s Attack of the “Killer B”

• The “Killer B” is the Taubman Family’s M.O. to maintaining control and disenfranchising shareholders, in our view
  - The Taubman Family has used the “Killer B” share structure on multiple occasions
  - The family used its “Killer B” shares to defeat and mute Ron Barron of Barron Capital, which owned 55% of Sotheby’s (1)
  - The Taubman Family used its “Killer B” shares to defeat the Simon Property Group’s substantial premium offer in 2003 — one that garnered 85% approval from common shareholders

A Pattern of Disenfranchising Shareholders

Sotheby’s

• The Taubman Family acquired “Killer B” shares in Sotheby’s (BID) to gain 62% voting control despite owning only 22% of all shares (2)
• The Taubman Family’s “Killer B” thwarted Ron Barron’s attempts to unlock shareholder value despite Barron’s 55% ownership of Class A shares
• The Taubman Family was paid off with a ~20% premium to relinquish its Sotheby’s “Killer B” position (2)
• Daniel Loeb granted three board seats in 2014 and Bobby Taubman steps down from board in 2016 (3)
• Sotheby’s took a bath selling Taubman Family art in 2015 (4)

Taubman

• In 1998, Taubman’s independent directors authorized the Taubman Family to acquire a 30% vote in the Company for $38,400 without shareholder approval, in violation of the then Michigan Control Share Acquisition Act
• TCO’s clubby board continues to allow the Taubman Family to hold its “Killer B” position despite TCO’s ownership limits contained in its Charter
• We believe the Board lacks independence and has failed to fulfill its fiduciary duty to all shareholders given its comfort in allowing apparent violations of the Company’s Charter to persist

(1) Source: Sotheby’s Proxy Statement filed July 11, 2000
(2) Source: Sotheby’s Press Release filed September 8, 2005
(3) Sources: Bloomberg data, Matt Levine, “Dan Loeb and Sotheby’s Are Friends Now,” Bloomberg View, May 5, 2014
Taubman Family “Killer B” and Abysmal Governance – A Path Rejected by Celebrated CEOs

- The Taubman Family primarily owns minority non-voting partnership units of the Taubman Realty Group Limited Partnership, NOT common stock of Taubman Centers, Inc., the REIT\(^{(1)}\)

Board Grants “Killer B” 30% Vote at REIT for Measly $38,400

I’m out of here!

Per REIT Norm, All Agree to Non-Voting LP Interests

$500M Windfall from “Killer B”\(^{(2)}\)

Sources: Direct Selling News, Ken Dutton Art (Bee)

\(^{(1)}\) Note: Taubman Family ownership primarily in partnership units

\(^{(2)}\) Note: Assumes 31% premium for “Killer B” share, in-line with comparable transaction at Forest City Realty Trust (NYSE: FCE/A) announced on December 6, 2016
Bobby Taubman Repeatedly Ignores Shareholders Voices

- In 1998, the Board unilaterally issued “Killer B” shares without common shareholder vote
- In 2003, 85% of common shareholders tendered for Simon acquisition offer
- In 2007, 89% of common shareholders voted to de-stagger Board
- In 2008, 85% of common shareholders voted to de-stagger Board
- In 2016, 89% of investors surveyed by Citi would vote Bobby and/or Myron out
- Green Street Advisors declares Taubman Centers worst of the worst on corporate governance

Sources: Company SEC filings, Bloomberg data. Note: 2003, 2007 and 2008 shareholder votes reflect estimated vote totals of common shareholders (excludes the Series B Preferred Stock, i.e. the “Killer B”). See slide #27 for additional details on Citi survey.
Bobby is Out of Touch on Development – Misleading Investors, and Likely His Board, In Our View

<table>
<thead>
<tr>
<th></th>
<th>What Bobby Says…</th>
<th>But in Reality…</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Market Place</td>
<td>“…we estimate total project cost to be about $400M, with an expected return of 8% - 8.5%”</td>
<td>Taubman has spent roughly $500M on the project to date or ~$1500 per square foot</td>
</tr>
<tr>
<td></td>
<td>Q2 2013 Earnings Call, July 26, 2013</td>
<td></td>
</tr>
<tr>
<td>International Market Place</td>
<td>“…rents on the street has consistently been over $400/sf. Many individual stores are at $500 to $600/sf”</td>
<td>Few if any stores are paying over $400/sf; the average in-place net rent at the superior mall across the street is in the low $100’s/sf</td>
</tr>
<tr>
<td></td>
<td>Q4 2014 Earnings Call, February 13, 2015</td>
<td></td>
</tr>
<tr>
<td>The Mall of San Juan</td>
<td>“Leasing is going extremely well on that project…”</td>
<td>Recent walk through suggests occupancy sub-60% and falling; merchants have little inventory suggesting they are giving up on locations</td>
</tr>
<tr>
<td></td>
<td>Q4 2012 Earnings Call, February 14, 2013</td>
<td></td>
</tr>
<tr>
<td>The Mall of San Juan</td>
<td>“[It] will be a social and shopping destination like no other on the island.”</td>
<td>We observed few shoppers at night and mid-day while competitive malls were teeming with shoppers</td>
</tr>
<tr>
<td></td>
<td>Q4 2014 Earnings Call, February 13, 2015</td>
<td></td>
</tr>
<tr>
<td>Beverly Center</td>
<td>“Over the next two-and-a-half years, [Beverly Center] will go through a comprehensive $500 million re-imagination.”</td>
<td>Taubman’s lack of attention to the asset led to deferred maintenance and competitors gaining market share and eating Taubman’s lunch</td>
</tr>
<tr>
<td></td>
<td>Q1 2016 Earnings Call, May 3, 2016</td>
<td></td>
</tr>
<tr>
<td>Prestige Outlets</td>
<td>“Retailer interest is extremely high. There’s wide recognition that the market is superb and that our site is vastly superior.”</td>
<td>Taubman’s project cost 80% more per square foot than its competitor’s development, leased up poorly and is generating little to no income as its competitor earns a robust return</td>
</tr>
<tr>
<td></td>
<td>Q3 2012 Earnings Call, October 25, 2012</td>
<td></td>
</tr>
</tbody>
</table>

Shareholders are not alone in being misled by Bobby: The Court noted that the Taubman Family had hired Company advisors without consulting with the Board

Sources: Land and Buildings’ and Forsite LLC’s (a retail consultant utilized by Land and Buildings) analyses and observations, Simon and Company SEC filings
Management’s Ill-fated Developments The Past Five Years Likely to Cost Shareholders $1 Billion

- Horrible 5-year capital allocation record is littered with value-destroying developments totaling an estimated $1 billion that illustrate a lack of proper Board oversight
  - Persistent construction cost overruns
  - Delayed openings on over half new developments
  - High end focus appears out of touch with changing retail landscape
  - Likely to significantly miss forecasted stabilized returns
  - Substantial impairments likely needed

Taubman Value Destruction

<table>
<thead>
<tr>
<th>Estimated Loss</th>
<th>% Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>($70M)</td>
<td>54%</td>
</tr>
<tr>
<td>($260M)</td>
<td>50%</td>
</tr>
<tr>
<td>($160M)</td>
<td>34%</td>
</tr>
<tr>
<td>($500M)</td>
<td>100%</td>
</tr>
</tbody>
</table>

Total: ~$1 billion of losses

L&B estimates TCO destroyed ~$1 billion of value over the last 5 years in just 4 projects

Sources: Land and Buildings’ analysis. Company SEC filings; Note: Estimated loss represents Land and Buildings’ estimates of the difference between the Company’s share of the disclosed cost for each project and estimated market value of each asset based on estimated yields and cap rates. Percent loss represents Land and Buildings’ estimates of the percentage difference between the Company’s share of development cost and estimated market value. Developments include redevelopment of existing assets as well as new ground-up developments.
Woodfield Mall: Get Rid of Taubman Mall Management and NOI Rose 8%

- **Background:** Taubman developed and managed Woodfield Mall in Schaumburg, IL for over 40 years - New management took over the asset in 2013
- **NOI rose approximately $4 million**, or 8%, increasing asset value by $100 million driven by expense controls and incremental revenues
  - Installed kiosks in vacant open spaces
  - Increased short term tenant leasing on vacant space
  - Increased food options
  - Added sponsorship advertising
  - Operated at higher occupancy
  - Reduced energy costs
  - Reduced cleaning costs
  - Reduced trash removal costs
- We believe Taubman Centers shareholders could enjoy nearly $0.75 more in earnings per share, approximately 20% higher, under better management

Woodfield Mall highlights Taubman’s inferior operations and opportunity to increase NOI and margins through better management

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(1) Note: Excluding changes in real estate taxes following change of management; Source: Land and Buildings’ analysis and Forsite LLC

(2) Source: TripAdvisor

Note: See following slides for detailed examples
Bobby is Out of Touch with Mall Trends – Missing the Shift from Apparel to Food and Dining, In Our View

• The optimal retail mix is evolving: Sandeep Mathrani (Class A Mall Peer GGP) recently said that clothing stores, which used to be 70% of the average shopping center, are now closer to 50%, while food is now roughly 15%, up from around 6% \(^{(1)}\)

• New Jersey case study – The Mall at Short Hills (TCO) vs. Garden State Plaza (Westfield)
  - Garden State Plaza has **three times as many food options**, more than double the ratio to gross leasable area \(^{(2)}\)
  - **Garden State Plaza has 50 F&B tenants; The Mall at Short Hills has only 16**

**Food & Beverage Tenants**

<table>
<thead>
<tr>
<th>Garden State Plaza (Westfield)</th>
<th>Mall at Short Hills (TCO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 16 Handles</td>
<td>1 Au Bon Pain</td>
</tr>
<tr>
<td>2 Aroma Espresso Bar</td>
<td>2 California Pizza Kitchen</td>
</tr>
<tr>
<td>3 Au Bon Pain</td>
<td>3 Forty Carrots</td>
</tr>
<tr>
<td>4 Baked by Melissa</td>
<td>4 Godiva Chocolatier</td>
</tr>
<tr>
<td>5 Baskin Robbins</td>
<td>5 Joe’s American Bar &amp; Grill</td>
</tr>
<tr>
<td>6 Bell The Ice Cream Truck</td>
<td>6 Legal Sea Foods</td>
</tr>
<tr>
<td>7 Bourbon Street Grille</td>
<td>7 NM Café</td>
</tr>
<tr>
<td>8 Cafea</td>
<td>8 Nordstrom E-bar</td>
</tr>
<tr>
<td>9 California Pizza Kitchen</td>
<td>9 Nordstrom Marketplace Café</td>
</tr>
<tr>
<td>10 Chipper's Italian Ice Cream Pops</td>
<td>10 Papa Razzi</td>
</tr>
<tr>
<td>11 Cold Stone Creamery</td>
<td>11 Qdoba Mexican Grill</td>
</tr>
<tr>
<td>12 Chili’s</td>
<td>12 Starbucks</td>
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<tr>
<td>13 Chill Box</td>
<td>13 Sugarfina</td>
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<tr>
<td>14 Chipotle</td>
<td>14 The Cheesecake Factory</td>
</tr>
<tr>
<td>15 Cin Cin</td>
<td>15 Street Corner News</td>
</tr>
<tr>
<td>16 Handles</td>
<td>16 Starbucks (2)</td>
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<tr>
<td>17 Fresh U Grill + Juice Bar</td>
<td>17 Street Corner News</td>
</tr>
<tr>
<td>18 Godiva Chocolatier</td>
<td>18 Teavana</td>
</tr>
<tr>
<td>19 Grand Lux Café</td>
<td>19 The Capital Grille</td>
</tr>
<tr>
<td>20 Green Leaf’s</td>
<td>20 Tutti Frutti</td>
</tr>
<tr>
<td>21 Jamba Juice</td>
<td>21 Villa Fresh Italian Kitchen</td>
</tr>
<tr>
<td>22 Johnny Rockets</td>
<td>22 Wetzels's Pretzels (3)</td>
</tr>
<tr>
<td>23 KFC Express</td>
<td>23 Zinburger Wine and Burger Bar</td>
</tr>
<tr>
<td>24 Legal Sea Foods</td>
<td>24 Woops! Bake Shop (Event)</td>
</tr>
<tr>
<td>25 Lolli &amp; Pops</td>
<td>25 Yard House</td>
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<tr>
<td>26 Lola &amp; Pops</td>
<td>26 Yard House</td>
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<tr>
<td>27 McDonald's</td>
<td>27 Yard House</td>
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<tr>
<td>28 MW’s Hawaiian Grill</td>
<td>28 Yard House</td>
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<tr>
<td>29 Neiman Marcus - The Rotunda</td>
<td>29 Yard House</td>
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<tr>
<td>30 Neuhaus Belgian Chocolate</td>
<td>30 Yard House</td>
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<tr>
<td>31 Nordstrom E-Bar</td>
<td>31 Yard House</td>
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<tr>
<td>32 Nordstrom Bazille Restaurant</td>
<td>32 Yard House</td>
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<td>33 On The Border</td>
<td>33 Yard House</td>
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<tr>
<td>34 Potato Corner</td>
<td>34 Yard House</td>
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<td>35 Rolling Cow</td>
<td>35 Yard House</td>
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<td>36 Ruby Thai</td>
<td>36 Yard House</td>
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<td>37 Ruby Tuesday</td>
<td>37 Yard House</td>
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<td>38 Sugarfina</td>
<td>38 Yard House</td>
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<td>39 Shade Shack</td>
<td>39 Yard House</td>
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</tbody>
</table>

\(^{(1)}\) Source: Lily Katz, “This Whole Malls Are Dying Thing…”, Bloomberg, April 10, 2017
\(^{(2)}\) Source: Taubman company website, Westfield company website
\(^{(3)}\) Source: (image) www.aliexpress.com
3. Land and Buildings’ Director Nominees and the Incumbent Directors We Are Opposing
Kryptonite Could Not Protect Lex Luther From Superman, Nor Should “Killer B” Protect Bobby From Shareholder Voices

My family has “Killer B” – don’t mess with us!

Staggered board, you can’t get us!

We will pledge our shares to keep control!

Jon Litt can pound sand!

Old Boys Club on Board, 16 year tenure – you don’t stand a chance!

Taubman Family not interested in selling – We have the “Killer B”!

Myron, old friend, please be Lead Director to defeat L&B!

2017 Director voting is the only way for shareholders to defeat Bobby’s “Killer B” control vote, in our view

Sources: IGN, Ken Dutton Art (images); Note: Quotes are intended to reflect Land and Buildings’ views on Bobby Taubman and the Board and are not actual quotes or statements from Bobby Taubman
It is time for the shareholders’ voices to be heard by electing two new independent directors to the Board and sending a clear message that the status quo is no longer tolerable.

Charles Elson

- Edgar S. Woolard, Jr., Chair in Corporate Governance and the Director of the John L. Weinberg Center for Corporate Governance at the University of Delaware
- Current Director of HealthSouth Corporation, a healthcare services provider and Bob Evans Farms Inc., a restaurant and food products company
- Former Director at AutoZone Inc., a specialty retailer of automotive replacement parts

Jonathan Litt

- Founder and Chief Investment Officer of Land and Buildings
- Former Director at Mack-Cali Realty Corporation, an owner and operator of office and apartments assets throughout New Jersey and the northeast
- Former Managing Director and Senior Global Real Estate Analyst at Citigroup
Our Nominees: The Right Mix of Governance Expertise and Sector Experience

Our Highly-Qualified Director Nominees

✓ Mr. Elson would immediately leverage his strong corporate governance expertise and experience to push for shareholder-friendly governance changes at Taubman, including establishing best in class corporate governance structure and practices, among other initiatives.

✓ Mr. Litt would immediately leverage his decades of successful experience in the REIT and mall sectors to help drive positive operational and capital allocation improvements at Taubman.

✓ Mr. Litt would immediately push for a strong focus on identifying opportunities and developing strategies to maximize long-term shareholder value at the Company.

Incumbent Directors Weighing Down Taubman

✗ Bobby Taubman has repeatedly focused on the Taubman Family’s interests, not all common shareholders of the Company

✗ Bobby Taubman has presided over inferior financial and operational performance relative to industry peers while appearing to focus on ego-gratifying ambitions.

✗ Myron Ullman’s repeated support of preserving the status quo at Taubman and long history with the Taubman Family calls into question his independence

✗ Myron Ullman, who is on his second director stint and was appointed Lead Director without ever having been elected by shareholders, has overseen worst-in-class governance during his Board committee tenure.
Charles Elson: Proven Leader in Corporate Governance

- Expert in the fields of corporations, securities regulation and corporate governance
  - Edgar S. Woolard, Jr., Chair in Corporate Governance and the Director of the John L. Weinberg Center for Corporate Governance at the University of Delaware
  - Written extensively on the subject of boards of director and is a frequent contributor on corporate governance issues to various scholarly and popular publications

- Significant public company board experience
  - Director at HealthSouth Corporation, a healthcare services provider (2004 – present)
  - Director at Bob Evans Farms Inc., a restaurant and food products company (2014 – present)
  - Former Director at AutoZone Inc., a specialty retailer of automotive parts (2000 – 2008)

- Active in promoting best in class corporate governance practices
  - Served on the National Association of Corporate Directors’ Commissions on Director Compensation, Director Professionalism, CEO Succession, Audit Committees, Strategic Planning, Director Evaluation, Risk Governance, Effective Lead Director, and Board Diversity
  - Served on the National Association of Corporate Directors’ Advisory Council
  - Vice Chairman of the ABA Business Law Section’s Committee on Corporate Governance

“Taubman Centers has amongst the worst corporate governance practices across all public companies and that disregard for public shareholders has led to significant total shareholder return underperformance. Working collaboratively with my fellow board members, I look forward to helping Taubman Centers drastically enhance board oversight – an area I have dedicated my career to – and drive improved operations and capital allocation to close the substantial gap to fair value.”

Charles Elson, Director Nominee
Jonathan Litt

- Founder and Chief Investment Officer of Land and Buildings
  - Mr. Litt founded Land and Buildings in the summer of 2008 to take advantage of the opportunities uncovered by the global property bubble
  - Exclusively invests in real estate public equities, with a significant focus on activism at substantially undervalued real estate companies
- Former Managing Director and Senior Global Real Estate Analyst at Citigroup
  - Former top-ranked sell-side REIT analyst with over 22 years of experience
  - Responsible for Global Property Investment Strategy, coordinating a 44-person team of research analysts located across 16 countries
  - Recognized as a leading analyst since 1995, achieving prestigious Institutional Investor Magazine #1 ranking for eight years and top five ranking throughout the period
- Former Director at Mack-Cali Realty Corporation, an owner and operator of office and apartments assets throughout New Jersey and the northeast
- 25 years experience analyzing, researching, writing about and investing in Taubman Centers, regional malls and REITs

“When we initially brought our ideas to Bobby Taubman and the Board, we genuinely hoped to avoid a public campaign and work constructively. Unfortunately, this was not a path they were willing to take, and now that we find ourselves in a contested situation, we’re actually pleased to have this opportunity to put a spotlight on the Company. Taubman’s track record of inferior operations, capital allocation, and total shareholder returns is unacceptable. We have uncovered serious concerns about Taubman’s boardroom culture and we believe the Board is in need of a wakeup call, which we believe can benefit all shareholders.”

Jonathan Litt, Director Nominee
**Directors We Are Opposing – Bobby Taubman**

**Bobby has a demonstrated history of running roughshod over the Taubman Centers independent Board members and common shareholders, in our view**

- Dual-class structure repeatedly used to ignore shareholder voices
- Focuses on Taubman Family’s interests, not all common shareholders
- Unilaterally indicated the Company is not for sale
- Made Board decisions without consulting the full Board
- Acquired 30% “Killer B” vote at Taubman Centers for a mere $38,400, an estimated $500 million windfall to the Taubman Family⁽¹⁾
- Avoided reducing voting control by limited equity issuances
- Lobbied Michigan Legislature to change law to block Simon acquisition
- Dismissed concerns raised by Land and Buildings
- Supported likely Charter violations
- Supported exorbitant spending to counter dissident shareholders
- Oversaw massive persistent operational underperformance
- Oversaw $1 billion of development losses on four projects in last five years

 Sources: Company SEC filings and governance documents

⁽¹⁾ Note: Assumes 31% premium for “Killer B” share, in-line with comparable transaction at Forest City Realty Trust (NYSE: FCE/A) announced on December 6, 2016
Directors We Are Opposing – Myron Ullman

Myron Ullman’s repeated support of preserving the status quo at Taubman Centers and long history with the Taubman Family seriously calls into question his independence, in our view

- On his second stint on the Board that began 14 years ago
- Overlapping with more than half of the current TCO Board from his first stint
- Supported the Taubman Family during the Simon saga against shareholders’ will
- Despite two stints on the Taubman Board, he has never been elected by shareholders
- Al Taubman coincided with Myron’s ascent at Macy’s that netted Myron millions
- Quid pro quo? In April 2016, Myron was appointed to fill Lisa Payne’s seat after her resignation from the Board, two months after she was added to the JCP board, where Myron was previously CEO
- On Taubman’s Audit and Nominating and Corporate Governance committees, which have overseen:
  - Share pledging by Taubman Family for loans
  - Apparent failure to enforce the Ownership Limit in Company’s Charter
  - Likely Charter violation of shrinking board size, only resolved after our public scrutiny
  - Worst-in-class corporate governance in the REIT sector

Myron Ullman’s defense of Bobby Taubman and the rest of the Board’s actions raises the question, is Myron Ullman looking out for the interests of common shareholders?

Sources: Company SEC filings and governance documents, Macy’s SEC filings, JCP SEC filings, Green Street Advisors
The Path Forward – A New and Independent Vision

We believe that our nominees have the right experience and expertise to help correct the course of Taubman and drive strong shareholder value creation – without fresh voices, history has proven change will not happen.

Sources: Land and Buildings’ views and analysis of TCO, peers, and the REIT industry generally (see Appendix to Land and Buildings’ presentation filed May 1, 2017)
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