UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q/A

(AMENDMENT NO. 1)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1998

Commission file number 333-11491

SIMON PROPERTY GROUP, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE	34-1755769
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
115 WEST WASHINGTON STREET INDIANAPOLIS, INDIANA	46204
(Address of principal executive offices)	(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (317) 636-1600

Simon DeBartolo Group, L.P.

(Former name of registrant)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO [ ]

Simon Property Group, L.P. hereby amends its Quarterly Report on Form 10-Q for the period ended September 30, 1998 to correct the consolidated Balance Sheet as of September 30, 1998 to reflect an adjustment required with regard to the allocation of the purchase price in connection with the CPI Merger (see Note 3).

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SIMON PROPERTY GROUP, L.P.
By: Simon Property Group, Inc.
General Partner

/s/ James M. Barkley

James M. Barkley,
Secretary/General Counsel

Date: March 29, 1999

SIMON PROPERTY GROUP, L.P.
CONSOLIDATED CONDENSED BALANCE SHEETS
(UNAUDITED AND DOLLARS IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)

	September 30, 1998	December 31, 1997
ASSETS:		
Investment properties, at cost	$ 11,493,293	$ 6,867,354
Less-- accumulated depreciation	634,277	461,792
	10,859,016	6,405,562
Goodwill	58,134	--
Cash and cash equivalents	78,971	109,699
Restricted cash	1,685	8,553
Tenant receivables and accrued revenue, net	215,468	188,359
Due from SRC (Note 11)	4,093	--
Notes and advances receivable from Management Company and affiliate	131,956	93,809
Investment in partnerships and joint ventures, at equity	1,203,118	612,140
Investment in Management Company and affiliates	1,334	3,192
Other investment	48,239	53,785
Deferred costs and other assets	228,759	164,413
Minority interest	29,442	23,155
Total assets	$ 12,860,215	$ 7,662,667
LIABILITIES:		
Mortgages and other indebtedness	$ 7,744,926	$ 5,077,990
Accounts payable and accrued expenses	413,903	245,121
Accrued distributions	84,496	---
Cash distributions and losses in partnerships and joint ventures, at equity	25,836	20,563
Other liabilities	73,590	67,694
Total liabilities	8,342,751	5,411,368
COMMITMENTS AND CONTINGENCIES (Note 12)		
PARTNERS' EQUITY:		
Preferred units, 16,053,580 units outstanding	1,057,178	339,061
General Partners, 161,490,077 and 109,643,001 units outstanding, respectively	2,491,919	1,231,031
Limited Partners, 64,181,981 and 61,850,762 units outstanding, respectively	990,378	694,437
Unamortized restricted stock award	(22,011)	(13,230)
Total partners' equity	4,517,464	2,251,299
Total liabilities and partners' equity	$ 12,860,215	$ 7,662,667

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, L.P.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED AND DOLLARS IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)

	For the Three Months Ended September 30, 1998	For the Three Months Ended September 30, 1997	For the Nine Months Ended September 30, 1998	For the Nine Months Ended September 30, 1997
REVENUE:				
Minimum rent	$ 194,360	$ 152,320	$ 565,294	$ 449,693
Overage rent	2,283	8,650	22,766	26,214
Tenant reimbursements	101,834	81,413	283,805	231,444
Other income	23,510	17,400	60,754	39,901
Total revenue	321,987	259,783	932,619	747,252
EXPENSES:				
Property operating	55,564	46,203	155,822	130,228
Depreciation and amortization	61,092	48,185	177,710	135,668
Real estate taxes	31,382	23,816	90,341	73,166
Repairs and maintenance	12,403	11,107	35,953	28,653
Advertising and promotion	11,270	8,396	27,992	20,296
Provision for credit losses	(1,856)	(135)	1,599	2,690
Other	4,806	4,639	16,983	12,818
Total operating expenses	174,661	142,211	506,400	403,519
OPERATING INCOME	147,326	117,572	426,219	343,733
INTEREST EXPENSE	97,327	68,940	281,748	203,934
INCOME BEFORE MINORITY INTEREST	49,999	48,632	144,471	139,799
MINORITY INTEREST	(1,108)	(1,423)	(4,704)	(3,648)
GAIN (LOSS) ON SALES OF ASSETS	(64)	--	(7,283)	20
INCOME BEFORE UNCONSOLIDATED ENTITIES	48,827	47,209	132,484	136,171
INCOME FROM UNCONSOLIDATED ENTITIES	3,808	7,077	8,789	9,599
INCOME BEFORE EXTRAORDINARY ITEMS	52,635	54,286	141,273	145,761
EXTRAORDINARY ITEMS	(22)	27,215	7,002	2,501
NET INCOME	52,613	81,501	148,275	148,262
PREFERRED UNIT REQUIREMENT	(8,074)	(9,101)	(22,742)	(21,914)
NET INCOME AVAILABLE TO UNITHOLDERS	$ 44,539	$ 72,400	$ 125,533	$ 126,348
NET INCOME AVAILABLE TO UNITHOLDERS ATTRIBUTABLE TO:				
General Partner	$ 28,744	$ 44,642	$ 80,159	$ 77,826
Limited Partners	15,795	27,758	45,374	48,522
	$ 44,539	$ 72,400	$ 125,533	$ 126,348
BASIC EARNINGS PER UNIT:				
Income before extraordinary items	$ 0.25	$ 0.28	$ 0.67	$ 0.78
Extraordinary items	--	0.17	0.04	0.02
Net income	$ 0.25	$ 0.45	$ 0.71	$ 0.80
DILUTED EARNINGS PER UNIT:				
Income before extraordinary items	$ 0.25	$ 0.28	$ 0.67	$ 0.78
Extraordinary items	--	0.17	0.04	0.02
Net income	$ 0.25	$ 0.45	$ 0.71	$ 0.80

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, L.P.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

(UNAUDITED AND DOLLARS IN THOUSANDS)

	For the Nine Months Ended September 30,	
	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 148,275	$ 148,262
Adjustments to reconcile net income to net cash provided by operating activities--		
Depreciation and amortization	185,798	140,927
Extraordinary items	(7,002)	(2,501)
(Gain) loss on sales of assets, net	7,283	(20)
Straight-line rent	(5,892)	(6,378)
Minority interest	4,704	3,648
Equity in income of unconsolidated entities	(8,789)	(9,590)
Changes in assets and liabilities--		
Tenant receivables and accrued revenue	(5,280)	(1,341)
Deferred costs and other assets	(10,516)	(18,906)
Accounts payable, accrued expenses and other liabilities	41,648	8,151
Net cash provided by operating activities	350,229	262,252
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(1,881,183)	(739,600)
Capital expenditures	(233,200)	(219,672)
Change in restricted cash	6,868	(8,829)
Cash from acquisitions	17,213	--
Net proceeds from sales of assets	46,087	599
Investments in unconsolidated entities	(28,726)	(63,656)
Distributions from unconsolidated entities	164,914	22,199
Investments in and advances to Management Company	(19,915)	--
Other investing activity	--	(55,400)
Net cash used in investing activities	(1,927,942)	(1,061,359)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common stock, net	92,629	327,101
Minority interest distributions, net	(10,991)	(2,825)
Partnership distributions	(310,318)	(259,895)
Mortgage and other note proceeds, net of transaction costs	3,305,199	1,595,202
Mortgage and other note principal payments	(1,529,534)	(852,906)
Other refinancing transaction	--	(21,000)
Net cash provided by financing activities	1,546,985	785,677
DECREASE IN CASH AND CASH EQUIVALENTS	(30,728)	(13,430)
CASH AND CASH EQUIVALENTS, beginning of period	109,699	64,309
CASH AND CASH EQUIVALENTS, end of period	$ 78,971	$ 50,879

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, L.P.

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

(Dollars in thousands, except per share amounts)

NOTE 1 - ORGANIZATION

Simon Property Group, L.P. (the "Operating Partnership"), formerly Simon DeBartolo Group, L.P., is a subsidiary partnership of Simon Property Group, Inc. (the "Company"). The Operating Partnership is engaged primarily in the ownership, operation, management, leasing, acquisition, expansion and development of real estate properties, primarily regional malls and community shopping centers. The Company is a self-administered and self-managed real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended. As of September 30, 1998, the Operating Partnership owned or held an interest in 239 income-producing properties, which consisted of 152 regional malls, 76 community shopping centers, three specialty retail centers, five office and mixed-use properties and three value-oriented super-regional malls in 35 states (the "Properties"). The Operating Partnership also owned interests in one regional mall, one specialty retail center and one value-oriented super-regional mall under construction, an additional two community centers in the final stages of pre-development and eight parcels of land held for future development. In addition, the Operating Partnership holds substantially all of the economic interest in M.S. Management Associates, Inc. (the "Management Company" - See Note 8). The Operating Partnership also holds substantially all of the economic interest in, and the Management Company holds substantially all of the voting stock of, DeBartolo Properties Management, Inc. ("DPMI"), which provides architectural, design, construction and other services to substantially all of the Portfolio Properties, as well as certain other regional malls and community shopping centers owned by third parties. The Company owned 71.6% of the Operating Partnership at September 30, 1998 and 63.9% at December 31, 1997.

NOTE 2 - BASIS OF PRESENTATION

The accompanying consolidated condensed financial statements are unaudited; however, they have been prepared in accordance with generally accepted accounting principles for interim financial information and in conjunction with the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the disclosures required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting solely of normal recurring matters) necessary for a fair presentation of the consolidated condensed financial statements for these interim periods have been included. The results for the interim period ended September 30, 1998 are not necessarily indicative of the results to be obtained for the full fiscal year. These unaudited consolidated condensed financial statements should be read in conjunction with the December 31, 1997 audited financial statements and notes thereto included in the Simon DeBartolo Group, L.P. Annual Report, as amended, on Form 10-K/A.

The accompanying consolidated condensed financial statements of the Operating Partnership include all accounts of all entities owned or controlled by the Operating Partnership. All significant intercompany amounts have been eliminated. The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles, which requires management to make estimates and assumptions that affect the reported amounts of the Operating Partnership's assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported periods. Actual results could differ from these estimates.

Properties which are wholly-owned or owned less than 100% and are controlled by the Operating Partnership are accounted for using the consolidated method of accounting. Control is demonstrated by the ability of the general partner to manage day-to-day operations, refinance debt and sell the assets of the partnership without the consent of the limited partner and the inability of the limited partner to replace the general partner. Investments in partnerships and joint ventures which represent noncontrolling 14.7% to 80.0% ownership interests and the investment in the Management Company are accounted for using the equity method of accounting. These investments are recorded initially at cost and subsequently adjusted for net equity in income (loss) and cash contributions and distributions.

Net operating results of the Operating Partnership are allocated to the Company, based first on the Company's preferred unit preference and then on its remaining ownership interest in the Operating Partnership during the period. The Company's remaining weighted average ownership interest in the Operating Partnership for the nine-month periods ended September 30, 1998 and 1997 was 63.8% and 61.6%, respectively. The Company's remaining weighted average ownership interest in the Operating Partnership for the three-month periods ended September 30, 1998 and 1997 was 64.5% and 61.8%, respectively.

NOTE 3 - CPI MERGER

For financial reporting purposes, as of the close of business on September 24, 1998, pursuant to the Agreement and Plan of Merger dated February 18, 1998, SPG Merger Sub, Inc., a substantially wholly-owned subsidiary of Corporate Property Investors ("CPI"), merged with and into Simon DeBartolo Group, Inc. ("SDG") with SDG continuing as the surviving company (the "CPI Merger"). Pursuant to the terms of the CPI Merger, SDG became a majority-owned subsidiary of CPI. The outstanding shares of common stock of SDG were exchanged for a like number of shares of CPI. Additionally, beneficial interests in Corporate Realty Consultants, Inc. ("CRC"), CPI's paired share affiliate, were acquired for $22,000 in order to pair the common stock of CPI with 1/100th of a share of common stock of CRC.

Immediately prior to the consummation of the CPI Merger, the holders of CPI common stock were paid a merger dividend consisting of (i) $90 in cash, (ii) 1.0818 additional shares of CPI common stock and (iii) 0.19 shares of 6.50% Series B convertible preferred stock of CPI. Immediately prior to the CPI Merger, there were 25,496,476 shares of CPI common stock outstanding. The aggregate value associated with the completion of the CPI Merger is approximately $5.9 billion including transaction costs and liabilities assumed.

To finance the cash portion of the CPI Merger consideration, $1.4 billion was borrowed under a new unsecured medium term bridge loan, which bears interest at a base rate of LIBOR plus 65 basis points and matures in three mandatory amortization payments (on June 22, 1999, March 24, 2000 and September 24, 2000). An additional $237,000 was also borrowed under the Company's existing $1.25 billion credit facility. In connection with the CPI Merger, CPI was renamed 'Simon Property Group, Inc.'. Its paired share affiliate, Corporate Realty Consultants, Inc., was renamed 'SPG Realty Consultants, Inc.'("SRC"). In addition SDG and Simon DeBartolo Group, LP were renamed 'SPG Properties, Inc.', and 'Simon Property Group, L.P.', respectively.

Upon completion of the CPI Merger, the Company transferred substantially all of the CPI assets acquired, which consisted primarily of 23 regional malls, one community center, two office buildings and one regional mall under construction (other than one regional mall, Ocean County Mall, and certain net leased properties valued at approximately $153,100) and liabilities assumed (except that the Company remains a co-obligor with respect to the Merger Facility) of approximately $2.3 billion to the Operating Partnership or one or more subsidiaries of the Operating Partnership in exchange for 47,790,550 limited partnership interests and 5,053,580 preferred partnership interests in the Operating Partnership. The preferred partnership interests carry the same rights and equal the number of preferred shares issued and outstanding as a direct result of the CPI Merger. Likewise, the assets of SRC were transferred to the SPG Realty Consultants, L.P. (the "SRC Operating Partnership") in exchange for partnership interests.

As a result of the CPI Merger, the Company owns a 71.6% interest in the Operating Partnerships as of September 30, 1998.

The Company accounted for the merger between SDG and the CPI merger subsidiary as a reverse purchase in accordance with Accounting Principles Board Opinion No. 16. Although paired shares of the former CPI and CRC were issued to SDG common stock holders and SDG became a substantially wholly owned subsidiary of CPI following the CPI Merger, CPI is considered the business acquired for accounting purposes. SDG is the acquiring company because the SDG common stockholders hold a majority of the common stock of the Company post-merger. The value of the consideration paid by SDG has been allocated on a preliminary basis to the estimated fair value of the CPI assets acquired and liabilities assumed which resulted in goodwill of $58,134. Goodwill will be amortized over the estimated life of the properties of 35 years. The allocation of the purchase will be finalized when the Operating Partnership completes its evaluation of the assets acquired and liabilities assumed and finalizes its operating plan.

The Operating Partnership contributed cash to CRC and the SRC Operating Partnership on behalf of the SDG common stockholders and the limited partners of SDG, LP to obtain the beneficial interests in CRC, which were paired with the shares of common stock issued by the Company, and to obtain units of ownership interest ("Units") in the SRC Operating Partnership so that the limited partners of the Operating Partnership would hold the same proportionate interest in the SRC Operating Partnership that they hold in the Operating Partnership. The cash contributed on behalf of its partners was accounted for as a distribution by the Operating Partnership. The cash contributed to CRC and the SRC Operating Partnership in exchange for an ownership interest therein have been appropriately accounted for as capital infusion or equity transactions. The assets and liabilities of CRC have been reflected at historical cost. Adjusting said assets and liabilities to fair value would only have been appropriate if the SDG stockholders' beneficial interests in CRC exceeded 80%.

NOTE 4 - RECLASSIFICATIONS

Certain reclassifications of prior period amounts have been made in the financial statements to conform to the 1998 presentation. These reclassifications have no impact on the net operating results previously reported.

NOTE 5 - PER UNIT DATA

In accordance with SFAS No. 128 (Earnings Per Share), basic earnings per Unit is based on the weighted average number of Units outstanding during the period and diluted earnings per Unit is based on the weighted average number of Units outstanding combined with the incremental weighted average Units that would have been outstanding if all dilutive potential Units would have been converted into Units at the earliest date possible. The weighted average number of Units used in the computation for the three-month periods ended September 30, 1998 and 1997 was 180,987,067 and 159,795,424, respectively. The weighted average number of Units used in the computation for the nine-month periods ended September 30, 1998 and 1997 was 176,752,302 and 158,752,289, respectively. The diluted weighted average number of Units used in the computation for the three-month periods ended September 30, 1998 and 1997 was 181,312,399 and 160,180,477, respectively. The diluted weighted average number of Units used in the computation for the nine-month periods ended September 30, 1998 and 1997 was 177,120,748 and 159,133,133, respectively. Each of the series of preferred Units outstanding during the comparative periods either were not convertible or their conversion would not have had a dilutive effect on earnings per Unit. Accordingly, the increase in weighted average Units outstanding under the diluted method over the basic method in every period presented for the Operating Partnership is due entirely to the effect of outstanding options under the Company's Employee Plan and Director Plan. Basic and diluted earnings were the same for all periods presented.

NOTE 6 - CASH FLOW INFORMATION

Cash paid for interest, net of amounts capitalized, during the nine months ended September 30, 1998 was $256,611, as compared to $199,285 for the same period in 1997. Unpaid distributions as of September 30, 1998 totaled $84,496 and included $83,978 to Unitholders, and $518 to the holders of the Series B Convertible Preferred Units issued in connection with the CPI Merger. All accrued distributions were paid as of December 31, 1997. See Notes 1, 7 and 10 for information about non-cash transactions during the nine months ended September 30, 1998.

NOTE 7 - OTHER ACQUISITIONS, DISPOSITIONS AND DEVELOPMENTS

On January 26, 1998, the Operating Partnership acquired Cordova Mall in Pensacola, Florida for approximately $87,300, which included the assumption of a $28,935 mortgage, which was later retired, and the issuance of 1,713,016 Units, valued at approximately $55,500. This 874,000 square-foot regional mall is wholly-owned by the Operating Partnership.

In March of 1998, the Operating Partnership opened the approximately $13,300 Muncie Plaza in Muncie, Indiana. The Operating Partnership owns 100% of this 196,000 square-foot community center. In addition, phase I of the approximately $34,000 Lakeline Plaza opened in April 1998 in Austin, Texas. Phase II of this 360,000 square-foot community center is scheduled to open in 1999. Each of these new community centers is adjacent to an existing regional mall in the Operating Partnership's portfolio.

On April 15, 1998, the Operating Partnership purchased the remaining 7.5% ownership interest in Buffalo Grove Towne Center for $255. This 134,000 square-foot community center is in Buffalo Grove, Illinois.

Effective May 5, 1998, in a series of transactions, the Operating Partnership acquired the remaining 50.1% interest in Rolling Oaks Mall for 519,889 shares of the Company's common stock, valued at approximately $17,176. The Operating Partnership issued 519,889 Units to the Company in exchange for the shares of common stock.

Effective June 30, 1998, the Operating Partnership sold Southtown Mall for $3,250 and recorded a $7,219 loss on the transaction.

On September 29, 1997, the Operating Partnership completed its cash tender offer for all of the outstanding shares of beneficial interests of The Retail Property Trust ("RPT"), a private REIT. RPT owned 98.8% of Shopping Center Associates ("SCA"), which owned or had interests in twelve regional malls and one community center, comprising approximately twelve million square feet of GLA in eight states (the "SCA Properties"). Following the completion of the tender offer, the SCA portfolio was restructured. The Operating Partnership exchanged its 50% interests in two SCA Properties to a third party for similar interests in two other SCA Properties, in which it had 50% interests, with the result that SCA then owned interests in a total of eleven Properties. Effective November 30, 1997, the Operating Partnership also acquired the remaining 50% ownership interest in another of the SCA Properties. In addition, an affiliate of the Operating Partnership acquired the remaining 1.2% interest in SCA. During 1998, the Operating Partnership sold the community center and The Promenade for $9,550 and $33,500, respectively. These Property sales were accounted for as an adjustment to the allocation of the purchase price. At the completion of these transactions, the Operating Partnership owns 100% of eight of the nine SCA Properties, and a noncontrolling 50% ownership interest in the remaining Property.

PRO FORMA

The following unaudited pro forma summary financial information excludes any extraordinary items and includes the consolidated results of operations of the Operating Partnership as if the CPI Merger and the RPT acquisition had occurred as of January 1, 1997, and were carried forward through September 30, 1998. Preparation of the pro forma summary information was based upon assumptions deemed appropriate by management. The pro forma summary information is not necessarily indicative of the results which actually would have occurred if the CPI Merger and the RPT acquisition had been consummated at January 1, 1997, nor does it purport to represent the results of operations for future periods. Pro forma net income includes net gains on sales of assets of $37,973 and $114,799 during the nine months ended September 30, 1998 and 1997, respectively.

	NINE MONTHS ENDED SEPTEMBER 30, 1998	NINE MONTHS ENDED SEPTEMBER 30, 1997
Revenue	$ 1,227,234	$ 1,140,084
Net income available to Unitholders	$ 120,731	$ 173,305
Net income per Unit	$ 0.54	$ 0.83
Net income per Unit - assuming dilution	$ 0.54	$ 0.83
Weighted average number of Units outstanding	223,492,510	208,941,885
Weighted average number of Units outstanding - assuming dilution	223,860,956	209,322,729

NOTE 8 - INVESTMENT IN UNCONSOLIDATED ENTITIES

Partnerships and Joint Ventures

On February 27, 1998, the Operating Partnership, in a joint venture partnership with The Macerich Company ("Macerich"), acquired a portfolio of twelve regional malls and two community centers (the "IBM Properties") comprising approximately 10.7 million square feet of GLA at a purchase price of $974,500, including the assumption of $485,000 of indebtedness. The Operating Partnership and Macerich, as noncontrolling 50/50 partners in the joint venture, were each responsible for one half of the purchase price, including indebtedness assumed and each assumed leasing and management responsibilities for six of the regional malls and one community center. The Operating Partnership funded its share of the cash portion of the purchase price using borrowings from a new $300,000 unsecured revolving credit facility. (See Note 9)

In March 1998, the Operating Partnership transferred its 50% ownership interest in The Source, an approximately 730,000 square-foot regional mall, to a newly formed limited partnership in which it has a 50% ownership interest, with the result that the Operating Partnership now owns an indirect noncontrolling 25% ownership interest in The Source. In connection with this transaction, the Operating Partnership's partner in the newly formed limited partnership is entitled to a preferred return of 8% on its initial capital contribution, a portion of which was distributed to the Operating Partnership. The Operating Partnership applied the distribution against its investment in The Source.

On June 4, 1998, the Operating Partnership, Harvard Private Capital Group ("Harvard") and Argo II, an investment fund established by J.P. Morgan and The O'Connor Group, announced that they have collectively committed to acquire a 44 percent ownership position in Groupe BEG, S.A. ("BEG"). BEG is a fully integrated retail real estate developer, lessor and manager headquartered in Paris, France. The Operating Partnership and its affiliated Management Company have contributed $15,000 of equity capital for a noncontrolling 22% ownership interest and are committed to an additional investment of $37,500 over the next 9 to 15 months, subject to certain financial and other conditions. The agreement with BEG is structured to allow the Operating Partnership, Argo II and Harvard to collectively acquire a controlling interest in BEG over time.

In August 1998, the Operating Partnership sold one-half of its 75% ownership in The Shops at Sunset Place construction project. The Operating Partnership now holds a 37.5% noncontrolling interest in this project, which is scheduled to open in December 1998. The Operating Partnership applied the distribution against its investment in the project.

Through September 30, 1998, in a series of transactions, the Operating Partnership has acquired additional 30% ownership interests in Lakeline Mall and Lakeline Plaza for 319,390 Units valued at approximately $10,500 and $2,100 in cash. These transactions increased the Operating Partnership's ownership interest in these Properties to a noncontrolling 80%. On October 28, 1998, the Operating Partnership acquired an additional 5% noncontrolling ownership interest in Lakeline Mall and Lakeline Plaza for $2,100.

Summary unaudited financial information of the Operating Partnership's investment in partnerships and joint ventures accounted for using the equity method of accounting and a summary of the Operating Partnership's investment in and share of income from such partnerships and joint ventures follow:

BALANCE SHEETS	September 30, 1998	December 31, 1997
ASSETS:		
Investment properties at cost, net	$4,131,774	$2,880,094
Cash and cash equivalents	144,919	101,582
Tenant receivables	141,360	87,008
Other assets	129,983	71,548
Total assets	$4,548,036	$3,140,232

	==========	==========
LIABILITIES AND PARTNERS' EQUITY:		
Mortgages and other indebtedness	$2,819,094	$1,888,512

Accounts payable, accrued expenses and other liabilities	227,631	212,543
Total liabilities	3,046,725	2,101,055
Partners' equity	1,501,311	1,039,177
Total liabilities and partners' equity	$4,548,036	$3,140,232
THE OPERATING PARTNERSHIP'S SHARE OF:		
Total assets	$1,803,056	$1,082,232
Partners' equity	$ 523,518	$ 297,866
Add: Excess Investment (See below)	653,764	293,711
The Operating Partnership's Net Investment in Joint Ventures	$1,177,282	$ 591,577

STATEMENTS OF OPERATIONS	For the three months ended September 30, 1998	1997	For the nine months ended September 30, 1998	1997
REVENUE:				
Minimum rent	$108,924	$ 62,613	$ 306,486	$ 168,817
Overage rent	426	2,319	8,236	5,633
Tenant reimbursements	51,775	27,913	138,433	77,491
Other income	5,985	5,384	17,205	12,747
Total revenue	167,110	98,229	470,360	264,688
OPERATING EXPENSES:				
Operating expenses and other	59,044	33,660	166,547	94,575
Depreciation and amortization	33,324	18,518	94,949	53,579
Total operating expenses	92,368	52,178	261,496	148,154
OPERATING INCOME	74,742	46,051	208,864	116,534
INTEREST EXPENSE	45,569	21,577	130,747	63,155
EXTRAORDINARY LOSSES	2,060	--	2,102	1,182
NET INCOME	27,113	24,474	76,015	52,197
THIRD PARTY INVESTORS' SHARE OF NET INCOME	21,820	17,970	55,849	38,347
THE OPERATING PARTNERSHIP'S SHARE OF NET INCOME	$ 5,293	$ 6,504	$20,166	$13,850
AMORTIZATION OF EXCESS INVESTMENT (SEE BELOW)	(3,636)	(2,823)	(9,038)	(8,792)
INCOME FROM UNCONSOLIDATED ENTITIES	$ 1,657	$ 3,681	$11,128	$ 5,058

As of September 30, 1998 and December 31, 1997, the unamortized excess of the Operating Partnership's investment over its share of the equity in the underlying net assets of the partnerships and joint ventures ("Excess Investment") was $653,764 and $293,711, respectively. This Excess Investment, which resulted primarily from the CPI Merger and the August 9, 1996 acquisition, through merger (the "DRC Merger"), of the national shopping center business of DeBartolo Realty Corporation ("DRC"), is being amortized generally over the life of the related Properties. Amortization included in income from unconsolidated entities for the three-month periods ended September 30, 1998 and September 30, 1997 was $3,636 and $2,823, respectively. Amortization included in income from unconsolidated entities for the nine-month periods ended September 30, 1998 and September 30, 1997 was $9,038 and $8,792, respectively.

The net income or net loss for each partnership and joint venture is allocated in accordance with the provisions of the applicable partnership or joint venture agreement. The allocation provisions in these agreements are not always consistent with the ownership interest held by each general or limited partner or joint venturer, primarily due to partner preferences.

The Management Company

The Management Company, including its consolidated subsidiaries, provides management, leasing, development, accounting, legal, marketing and management information systems services to one wholly-owned Property, 41 non-wholly owned Properties, Melvin Simon & Associates, Inc., and certain other nonowned properties. Certain subsidiaries of the Management Company provide architectural, design, construction, insurance and other services primarily to certain of the Properties. The Management Company also invests in other businesses to provide other synergistic services to the Properties. The Operating Partnership's share of consolidated net income (loss) of the Management Company, after intercompany profit eliminations, was $2,151 and $3,396 for the three-month periods ended September 30, 1998 and 1997, respectively, and was ($2,339) and $4,532 for the nine-month periods ended September 30, 1998 and 1997, respectively.

NOTE 9 - DEBT

On February 28, 1998, the Operating Partnership obtained an unsecured revolving credit facility in the amount of $300,000, to finance the acquisition of the IBM Properties (See Note 8). The new facility bore interest at LIBOR plus 0.65% and had a maturity of August 27, 1998. The Operating Partnership drew $242,000 on this facility during 1998 and subsequently retired and canceled the facility using borrowing's from the Credit Facility (See below).

On June 18, 1998, the Operating Partnership refinanced a $33,878 mortgage on a regional mall Property and recorded a $7,024 extraordinary gain on the transaction, including debt forgiveness of $5,162 and the write-off of a premium of $1,862. The new mortgage, which totals $35,000, bears interest of 7.33% and matures on June 18, 2008. The retired mortgage bore interest at 9.25% with a maturity of January 1, 2011.

On June 22, 1998, the Operating Partnership completed the sale of $1,075,000 of senior unsecured debt securities. The issuance included three tranches of senior unsecured notes as follows (1) $375,000 bearing interest at 6.625% and maturing on June 15, 2003 (2) $300,000 bearing interest at 6.75% and maturing on June 15, 2005 and (3) $200,000 bearing interest at 7.375% and maturing on June 15, 2018. This offering also included a fourth tranche of $200,000 of 7.00% Mandatory Par Put Remarketed Securities ("MOPPRS") due June 15, 2028, which are subject to redemption on June 16, 2008. The premium received relating to the MOPPRS of approximately $5,302 is being amortized over the life of the debt securities. The net proceeds of approximately $1,062,000 were combined with approximately $40,000 of working capital and used to retire and terminate the $300,000 unsecured revolving credit facility (See Above) and to reduce the outstanding balance of the Operating Partnership's $1,250,000 unsecured revolving credit facility (the "Credit Facility"). The Credit Facility has an initial maturity of September 1999 with an optional one-year extension. The debt retired had a weighted average interest rate of 6.29%.

In conjunction with the CPI Merger, the Operating Partnership and the Company, as co-borrowers, closed a $1,400,000 medium term unsecured bridge loan (the "Merger Facility"). The Merger Facility bears interest at a base rate of LIBOR plus 65 basis points and will mature at the following intervals (i) $450,000 on the nine-month anniversary of the closing (ii) $450,000 on the eighteen-month anniversary of the closing and (iii) $500,000 on the two-year anniversary of the closing. The Merger Facility is subject to covenants and conditions substantially identical to those of the Credit Facility. The Operating Partnership drew the entire $1,400,000 available on the Merger Facility along with $237,000 on the Credit Facility to pay for the cash portion of the dividend declared in conjunction with the CPI Merger, as well as certain other costs associated with the CPI Merger. Financing costs of $9,456, which were incurred to obtain the Merger Facility, are being amortized over the Merger Facility's average life of 18-months.

In connection with the CPI Merger, RPT, a REIT and the 99.999% owned subsidiary of the Operating Partnership, took title for substantially all of the CPI assets and assumed $825,000 of unsecured notes (the "CPI Notes"), as described in Note 3. As a result, the CPI Notes are structurally senior in right of payment to holders of other unsecured notes of the Operating Partnership to the extent of the assets and related cash flow of RPT only, with over 99.999% of the excess cash flow plus any capital event transactions available for the Operating Partnership's other unsecured notes. The CPI Notes pay interest semiannually, and bear interest rates ranging from 7.05% to 9.00% (weighted average of 8.03%), and have various due dates through 2016 (average maturity of 9.6 years). The CPI Notes contain leverage ratios, annual real property appraisal requirements, debt service coverage ratios and minimum Net Worth ratios. Additionally, consolidated mortgages totaling $2,093, and a pro-rata share of $194,952 of nonconsolidated joint venture indebtedness were assumed in the CPI Merger, and as a result of acquiring the remaining interest in Palm Beach Mall in connection with the CPI Merger, the Operating Partnership began accounting for that Property using the consolidated method of accounting, adding $50,700 to consolidated indebtedness. A net premium of $19,165 was recorded in accordance with the purchase method of accounting to adjust the CPI Notes and mortgage indebtedness assumed in the CPI Merger to fair value, which is being amortized over the remaining lives of the related indebtedness.

At September 30, 1998, the Operating Partnership had consolidated debt of $7,744,926, of which $5,361,294 was fixed-rate debt and $2,383,632 was variable-rate debt. The Operating Partnership's pro rata share of indebtedness of the unconsolidated joint venture Properties as of September 30, 1998 and December 31, 1997 was $1,307,974 and $770,776, respectively. As of September 30, 1998 and December 31, 1997, the Operating Partnership had interest-rate protection agreements related to $1,224,493 and $415,254 of its pro rata share of indebtedness, respectively. The agreements are generally in effect until the related variable-rate debt matures. As a result of the various interest rate protection agreements, consolidated interest savings were $122 and $285 for the three months ended September 30, 1998 and 1997, respectively, and were $301 and $1,371 for the nine months ended September 30, 1998 and 1997, respectively.

NOTE 10- PARTNERS' EQUITY

The following table summarizes the change in the Operating Partnership's partners' equity since December 31, 1997.

	Preferred Units	General Partners	Limited Partners	Unamortized Restricted Stock Award	Total Partners' Equity
Balance at December 31, 1997	$ 339,061	$1,231,031	$ 694,437	$ (13,230)	$2,251,299
General partner contributions (3,009,036 Units)	--	93,650	--	--	93,650
CPI Merger(1)	717,916	1,605,551	--	--	2,323,467
Units issued in connection with acquisitions (519,889 and 2,336,699 Units, respectively)	--	17,176	76,114	--	93,290
Stock incentive program (516,641 Units, net of forfeitures)	--	16,080	--	(16,080)	--
Amortization of stock incentive	--	--	--	7,299	7,299
Other (2,900 general partner Units issued and 2,580 limited partner Units redeemed)	201	(90)	(84)	--	27
Adjustment to allocate net equity of the Operating Partnership	--	(310,842)	310,842	--	--
Distributions	(22,742)	(237,116)	(134,439)	--	(394,297)
Subtotal	1,034,436	2,415,440	946,870	(22,011)	4,374,735
Comprehensive Income:					
Net income	22,742	80,159	45,374	--	148,275
Unrealized loss on investment (1)	--	(3,680)	(1,866)	--	(5,546)
Total Comprehensive Income	22,742	76,479	43,508	--	142,729
Balance at September 30, 1998	$1,057,178	$2,491,919	$ 990,378	$ (22,011)	$4,517,464

(1) Amounts consist of the Operating Partnership's pro rata share of the unrealized gain resulting from the change in market value of 1,408,450 shares of common stock of Chelsea GCA Realty, Inc. ("Chelsea"), a publicly traded REIT, which the Operating Partnership purchased on June 16, 1997. The investment in Chelsea is being reflected in the accompanying consolidated condensed balance sheets in other investments.

(2) In connection with the CPI Merger, 47,790,550 Units were issued. Notes receivable and permanent restrictions relating to common shares purchased by former employees of CPI of approximately $26,100 have been deducted from capital in excess of par.

Stock Incentive Programs

In March 1995, an aggregate of 1,000,000 shares of restricted stock was granted to 50 executives, subject to the performance standards, vesting requirements and other terms of the Stock Incentive Program. Prior to the DRC Merger, 2,108,000 shares of DRC common stock were deemed available for grant to certain designated employees of DRC, also subject to certain performance standards, vesting requirements and other terms of DRC's stock incentive program (the "DRC Plan"). In April 1998, 492,478 shares were awarded to executives relating to 1997 performance, and another 24,163 awarded in August 1998. Through September 30, 1998, 1,290,285 shares of common stock of the Company, net of forfeitures, were deemed earned and awarded under the Stock Incentive Program and the DRC Plan. Approximately $2,852 and $1,086 relating to these programs were amortized in the three-month periods ended September 30, 1998 and 1997, respectively and approximately $7,299 and $4,110 relating to these programs were amortized in the nine-month periods ended September 30, 1998 and 1997, respectively. The cost of restricted stock grants, based upon the stock's fair market value at the time such stock is earned, awarded and issued, is charged to shareholders' equity and subsequently amortized against earnings of the Operating Partnership over the vesting period.

On September 24, 1998, in conjunction with the CPI Merger, a new stock incentive plan, 'The Simon Property Group 1998 Stock Incentive Plan' ("The 1998 Plan"), was approved by a vote of the Company's shareholders. The 1998 Plan replaced the existing Stock Incentive Program, the DRC Plan and the existing employee and director stock option plans. The 1998 Plan provides for the grant of equity-based awards during the ten-year period following its adoption, in the form of options to purchase common stock of The Company, stock appreciation rights, restricted stock awards and performance unit awards. A total of 6,300,000 shares of common stock of the Company have been approved for issuance under The 1998 Plan, including approximately 2,230,875 shares reserved for the exercise of options granted and award of restricted stock allocated under the previously existing Stock Incentive Program and DRC Plan.

Common Stock Issuances

During 1998, the Company issued 2,957,335 shares of its common stock in private offerings generating combined net proceeds of approximately $91,398. The net proceeds were contributed to the Operating Partnership in exchange for a like number of Units. The Operating Partnership used the net proceeds for general working capital purposes.

Preferred Units

As a result of the CPI Merger, the Company has issued and outstanding 209,249 shares of 6.50% Series A Convertible Preferred Stock. Each share of Series A Convertible Preferred Stock is convertible into 37.995 shares of common stock of the Company, subject to adjustment under certain circumstances including (i) a subdivision or combination of shares of common stock of the Company, (ii) a declaration of a distribution of additional shares of common stock of the Company, issuances of rights or warrants by the Company and (iii) any consolidation or merger, which the Company is a part of or a sale or conveyance of all or substantially all of the assets of the Company to another person or any statutory exchange of securities with another person. The Series A Convertible Preferred Stock is not redeemable, except as needed to maintain or bring the direct or indirect ownership of the capital stock of the Company into conformity with REIT requirements. The Operating Partnership has issued and outstanding a like number of preferred units with terms identical to those of the Company's Series A Preferred Stock, with the Company as the holder.

In addition, 4,844,331 shares of 6.50% Series B Convertible Preferred Stock were issued in connection with the CPI Merger. Each share of Series B Convertible Preferred Stock is convertible into 2.586 shares of common stock of the Company, subject to adjustment under circumstances identical to those of the Series A Preferred Stock described above. The Company may redeem the Series B Preferred Stock on or after September 24, 2003 at a price beginning at 105% of the liquidation preference plus accrued dividends and declining to 100% of the liquidation preference plus accrued dividends any time on or after September 24, 2008. The Operating Partnership has issued and outstanding a like number of preferred units with terms identical to those of the Company's Series B Preferred Stock, with the Company as the holder.

NOTE 11 - RELATED PARTY TRANSACTIONS

In preparation for the CPI Merger, on July 31, 1998, CPI, with assistance from the Operating Partnership, completed the sale of the General Motors Building in New York, New York for approximately $800,000. The Operating Partnership and certain third parties each received a $2,500 brokerage fee from CPI in connection with the sale.

The amount due from SRC of $4,093 at September 30, 1998 represents expenses paid by CPI in 1998, including legal, accounting, investment advisory and other costs on behalf of SRC in connection with the CPI Merger.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

LITIGATION

Richard E. Jacobs, et al. v. Simon DeBartolo Group, L.P. On September 3, 1998, a complaint was filed in the Court of Common Pleas in Cuyahoga County, Ohio, captioned Richard E. Jacobs, et al. v. Simon DeBartolo Group, L.P. The plaintiffs are all principals or affiliates of The Richard E. Jacobs Group, Inc. ("Jacobs"). The plaintiffs allege in their complaint that Simon DeBartolo Group, L.P. (now Simon Property Group, L.P. or the Operating Partnership) engaged in malicious prosecution, abuse of process, defamation, libel, injurious falsehood/unlawful disparagement, deceptive trade practices under Ohio law, tortious interference and unfair competition in connection with the Operating Partnership's acquisition by tender offer of shares in RPT, a Massachusetts business trust, and certain litigation instituted in September, 1997, by the Operating Partnership against Jacobs in federal district court in New York, wherein the Operating Partnership alleged that Jacobs and other parties had engaged, or were engaging in activity which violated Section 10(b) of the Securities Exchange Act of 1934, as well as certain rules promulgated thereunder. Plaintiffs in the Ohio action are seeking compensatory damages in excess of $200,000, punitive damages and reimbursement for fees and expenses. It is difficult to predict the ultimate outcome of this action and there can be no assurance that the Operating Partnership will receive a favorable verdict. Based upon the information known at this time, in the opinion of management, it is not expected that this action will have a material adverse effect on the Operating Partnership.

Carlo Angostinelli et al. v. DeBartolo Realty Corp. et al. On October 16, 1996, a complaint was filed in the Court of Common Pleas of Mahoning County, Ohio, captioned Carlo Angostinelli et al. v. DeBartolo Realty Corp. et al. The named defendants are SD Property Group, Inc., a indirect 99%-owned subsidiary of the Company, and DPMI, and the plaintiffs are 27 former employees of the defendants. In the complaint, the plaintiffs alleged that they were recipients of deferred stock grants under the DRC Plan and that these grants immediately vested under the DRC Plan's "change in control" provision as a result of the DRC

Merger. Plaintiffs asserted that the defendants' refusal to issue them approximately 661,000 shares of DRC common stock, which is equivalent to approximately 450,000 shares of common stock of the Company computed at the 0.68 exchange ratio used in the DRC Merger, constituted a breach of contract and a breach of the implied covenant of good faith and fair dealing under Ohio law. Plaintiffs sought damages equal to such number of shares of DRC common stock, or cash in lieu thereof, equal to all deferred stock ever granted to them under the DRC Plan, dividends on such stock from the time of the grants, compensatory damages for breach of the implied covenant of good faith and fair dealing, and punitive damages. The complaint was served on the defendants on October 28, 1996. The plaintiffs and the Operating Partnership each filed motions for summary judgment. On October 31, 1997, the Court entered a judgment in favor of the Operating Partnership granting the Operating Partnership's motion for summary judgment. The plaintiffs have appealed this judgment and the matter is pending. While it is difficult to predict the ultimate outcome of this action, based on the information known to date, it is not expected that this action will have a material adverse effect on the Operating Partnership.

Roel Vento et al v. Tom Taylor et al. An affiliate of the Operating Partnership is a defendant in litigation entitled Roel Vento et al v. Tom Taylor et al, in the District Court of Cameron County, Texas, in which a judgment in the amount of $7,800 has been entered against all defendants. This judgment includes approximately $6,500 of punitive damages and is based upon a jury's findings on four separate theories of liability including fraud, intentional infliction of emotional distress, tortuous interference with contract and civil conspiracy arising out of the sale of a business operating under a temporary license agreement at Valle Vista Mall in Harlingen, Texas. The Operating Partnership is seeking to overturn the award and has appealed the verdict. The appeal is pending. Although management is optimistic that the Operating Partnership may be able to reverse or reduce the verdict, there can be no assurance thereof. Management, based upon the advice of counsel, believes that the ultimate outcome of this action will not have a material adverse effect on the the Operating Partnership.

The Operating Partnership currently is not subject to any other material litigation other than routine litigation and administrative proceedings arising in the ordinary course of business. On the basis of consultation with counsel, management believes that these items will not have a material adverse impact on the Operating Partnership's financial position or results of operations.

NOTE 13 - NEW ACCOUNTING PRONOUNCEMENTS

During the second quarter of 1998, the Financial Accounting Standards Board ("FASB") released EITF 98-9, which clarified its position relating to the timing of recognizing contingent rent. The Operating Partnership adopted this pronouncement prospectively, beginning May 22, 1998, which has reduced overage rent by approximately $5,600 through September 30, 1998.

On June 15, 1998, the FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities. The Statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The Statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate, and assess the effectiveness of transactions that receive hedge accounting.

Statement 133 will be effective for the Operating Partnership beginning with the 1999 fiscal year and may not be applied retroactively. Management does not expect the impact of Statement 133 to be material to the financial statements. However, the Statement could increase volatility in earnings and other comprehensive income.

In June 1997, the FASB issued Statement of Financial Accounting Standards No. 131, Disclosure about Segments of an Enterprise and Related Information. The Statement establishes standards for the way public companies report information about operating segments in annual financial statements and also requires those enterprises to report selected information about operating segments in interim financial reports issued to shareholders. This statement is effective for financial statements for fiscal years beginning after December 15, 1997. Management is currently evaluating the impact, if any, the Statement will have on the Operating Partnership's 1998 annual financial statements.