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

FORM 10-Q

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

For the quarterly period ended June 30, 1998

Commission file number 333-11491

SIMON DeBARTOLO 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

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 DeBARTOLO GROUP, L.P.
FORM 10-Q

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SIMON DeBARTOLO GROUP, L.P.
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited and dollars in thousands, except per unit amounts)

	June 30, 1998	December 31, 1997
ASSETS:		
Investment properties, at cost	$7,063,621	$6,867,354
Less - accumulated depreciation	558,504	461,792
	6,505,117	6,405,562
Cash and cash equivalents	103,365	109,699
Restricted cash	5,962	8,553
Tenant receivables and accrued revenue, net	189,344	188,359
Notes and advances receivable from Management Company and affiliate	110,854	93,809
Investment in partnerships and joint ventures, at equity	760,450	612,140
Investment in Management Company and affiliates	0	3,192
Other investment	56,338	53,785
Deferred costs and other assets	175,500	164,413
Minority interest	25,885	23,155
Total assets	$7,932,815	$7,662,667
LIABILITIES:		
Mortgages and other indebtedness	$5,228,015	$5,077,990
Accounts payable and accrued expenses	247,680	245,121
Cash distributions and losses in partnerships and joint ventures, at equity	23,870	20,563
Investment in Management Company and affiliates	973	0
Other liabilities	82,059	67,694
Total liabilities	5,582,597	5,411,368
COMMITMENTS AND CONTINGENCIES (Note 10)		
PARTNERS' EQUITY:		
Preferred units, 11,000,000 units outstanding	339,195	339,061
General Partners, 113,678,134 and 109,643,001 units outstanding, respectively	1,301,017	1,231,031
Limited Partners, 64,182,681 and 61,850,762 units outstanding, respectively	734,554	694,437
Unamortized restricted stock award	(24,548)	(13,230)
Total partners' equity	2,350,218	2,251,299
Total liabilities and partners' equity	$7,932,815	$7,662,667

The accompanying notes are an integral part of these statements.

SIMON DeBARTOLO GROUP, L.P.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Unaudited and dollars in thousands, except per unit amounts)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	1998	1997	1998	1997
REVENUE:				
Minimum rent	$186,474	$149,354	$370,934	$297,373
Overage rent	10,701	10,049	20,483	17,564
Tenant reimbursements	91,811	74,208	181,971	150,031
Other income	21,389	11,444	37,244	22,501
Total revenue	310,375	245,055	610,632	487,469
EXPENSES:				
Property operating	50,479	41,357	100,258	84,025
Depreciation and amortization	58,313	44,129	116,618	87,483
Real estate taxes	28,764	24,589	58,959	49,350

Repairs and maintenance	11,655	7,597	23,550	17,546
Advertising and promotion	8,621	6,687	16,722	11,900
Provision for credit losses	733	1,850	3,455	2,825
Other	6,584	4,391	12,177	8,179
Total operating expenses	165,149	130,600	331,739	261,308
OPERATING INCOME	145,226	114,455	278,893	226,161
INTEREST EXPENSE	92,510	67,076	184,420	134,994
INCOME BEFORE MINORITY INTEREST	52,716	47,379	94,473	91,167
MINORITY INTEREST	(2,154)	(741)	(3,596)	(2,225)
GAINS (LOSSES) ON SALES OF ASSETS	(7,219)	(17)	(7,219)	20
INCOME BEFORE UNCONSOLIDATED ENTITIES	43,343	46,621	83,658	88,962
INCOME FROM UNCONSOLIDATED ENTITIES	171	1,792	4,980	2,513
INCOME BEFORE EXTRAORDINARY ITEMS	43,514	48,413	88,638	91,475
EXTRAORDINARY ITEMS	7,024	(1,467)	7,024	(24,714)
NET INCOME	50,538	46,946	95,662	66,761
PREFERRED UNIT REQUIREMENT	(7,334)	(6,407)	(14,668)	(12,813)
NET INCOME AVAILABLE TO UNITHOLDERS	$43,204	$40,539	$80,994	$53,948
NET INCOME AVAILABLE TO UNITHOLDERS ATTRIBUTABLE TO:				
General Partner	$27,467	$24,951	$51,415	$33,184
Limited Partners	15,737	15,588	29,579	20,764
	$43,204	$40,539	$80,994	$53,948
BASIC EARNINGS PER UNIT:				
Income before extraordinary items	$0.21	$0.27	$0.42	$0.50
Extraordinary items	0.04	(0.01)	0.04	(0.16)
Net income	$0.25	$0.26	$0.46	$0.34
DILUTED EARNINGS PER UNIT:				
Income before extraordinary items	$0.21	$0.27	$0.42	$0.50
Extraordinary items	0.04	(0.01)	0.04	(0.16)
Net income	$0.25	$0.26	$0.46	$0.34

The accompanying notes are an integral part of these statements.

SIMON DeBARTOLO GROUP, L.P.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited and dollars in thousands)

	For the Six Months Ended June 30,	
	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$95,662	$66,761
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	120,915	90,961
Extraordinary items	(7,024)	24,714
(Gains) losses on sales of assets, net	7,219	(20)
Straight-line rent	(4,091)	(3,461)
Minority interest	3,596	2,225
Equity in income of unconsolidated entities	(4,980)	(2,513)
Changes in assets and liabilities-		
Tenant receivables and accrued revenue	4,507	7,104
Deferred costs and other assets	(1,866)	(8,370)
Accounts payable, accrued expenses and other liabilities	(817)	(5,347)
Net cash provided by operating activities	213,121	172,054

CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(243,355)	0
Capital expenditures	(126,776)	(142,327)
Change in restricted cash	2,591	(27,304)
Cash from acquisitions	4,387	0
Net proceeds from sales of assets	46,087	599
Investments in unconsolidated entities	(6,554)	(25,130)
Distributions from unconsolidated entities	113,426	19,211
Investments in and advances to Management Company	(17,045)	(14,757)
Other investing activity	0	(55,400)
Net cash used in investing activities	(227,239)	(245,108)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common stock, net	92,350	5,920
Minority interest distributions, net	(6,326)	(1,792)
Partnership distributions	(190,425)	(170,646)
Mortgage and other note proceeds, net of transaction costs	1,485,545	590,798
Mortgage and other note principal payments	(1,373,360)	(349,589)
Other refinancing transaction	0	(21,000)
Net cash provided by (used in) financing activities	7,784	53,691
DECREASE IN CASH AND CASH EQUIVALENTS	(6,334)	(19,363)
CASH AND CASH EQUIVALENTS, beginning of period	109,699	64,309
CASH AND CASH EQUIVALENTS, end of period	$103,365	$44,946

The accompanying notes are an integral part of these statements.

SIMON DeBARTOLO GROUP, L.P.

Notes to Unaudited Consolidated Condensed Financial Statements

(Dollars in thousands, except per share amounts)

Note 1 - Organization

Simon DeBartolo Group, L.P. (the "Operating Partnership") is a subsidiary partnership of Simon DeBartolo 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 June 30, 1998, the Operating Partnership owned or held an interest in 216 income-producing properties, which consisted of 131 regional malls, 75 community shopping centers, three specialty retail centers, four mixed-use properties and three value-oriented super-regional malls in 34 states (the "Properties"). The Operating Partnership also owned interests in one specialty retail center and one value-oriented super-regional mall under construction, an additional two community centers in the final stages of preconstruction 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 7). 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 63.9% of the Operating Partnership at both June 30, 1998 and 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 June 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 75.0% 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 three-month periods ended June 30, 1998 and 1997 was 63.6% and 61.5%, respectively. The Company's remaining weighted average ownership interest in the Operating Partnership for the six-month periods ended June 30, 1998 and 1997 was 63.5% and 61.5%, respectively.

Note 3 - 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 recorded.

Note 4 - Acquisitions and Development

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 of ownership interest in the Operating Partnership ("Units"), valued at approximately $55,500. This 874,000 square-foot regional mall is wholly-owned by the Operating Partnership.

On January 30, 1998, the Operating Partnership acquired additional 15% ownership interests in Lakeline Mall and Lakeline Plaza for 191,634 Units valued at approximately $6,300. On April 30, 1998 the Operating Partnership acquired additional 10% ownership interests in Lakeline Mall and Lakeline Plaza for 127,756 Units valued at approximately $4,200. On July 31, 1998, the Operating Partnership acquired additional 5% ownership interests in both Lakeline Mall and Lakeline Plaza for $2,100 in cash. These acquisitions increased the Operating Partnership's ownership interest in each of these Properties to a noncontrolling 80%.

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 $300,000 unsecured revolving credit facility, which bore interest at LIBOR plus 0.65% and had a maturity of August 27, 1998. This facility was subsequently retired as described in Note 8.

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 Company'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 as consideration for the shares of common stock.

Effective June 1, 1998, the Operating Partnership sold The Promenade for $33,500. The sale has been accounted for as an adjustment to the allocation of the purchase price for the SCA Properties (See below). Effective June 30, 1998, the Operating Partnership sold Southtown Mall for $3,250 and recorded a $7,219 loss on the transaction.

On June 4, 1998, the Operating Partnership, Argo II, an investment fund established by J.P. Morgan and The O'Connor Group, and Harvard Private Capital Group ("Harvard") 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 12 to 18 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.

Pro Forma

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. Additionally, on February 2, 1998, the Operating Partnership sold the community center for $9,550. Also in 1998, as described above, the Operating Partnership sold The Promenade, another SCA Property. 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. Final adjustments to the purchase price allocation were not completed at June 30, 1998. While no material changes to the allocation are anticipated, additional changes will be recorded in 1998.

The following unaudited pro forma summary financial information excludes any extraordinary items and combines the consolidated results of operations of the Operating Partnership as if the RPT acquisition had occurred as of January 1, 1997, and was carried forward through June 30, 1997.

Preparation of the pro forma summary information was based upon assumptions deemed appropriate by the Operating Partnership. The pro forma summary information is not necessarily indicative of the results which actually would have occurred if the RPT acquisition had been consummated at January 1, 1997, nor does it purport to represent the results of operations for future periods.

	Six Months Ended June 30, 1997
Revenue	$ 558,532
Net income available for Unitholders attributable to:	
General Partner	44,425
Limited Partners	27,800
Total	$ 72,225
Net income per Unit	$ 0.45
Net income per Unit - assuming dilution	$ 0.45
Weighted average number of Units outstanding	160,597,521
Weighted average number of Units outstanding - - assuming dilution	160,972,777

Note 5 - Cash Flow Information

Cash paid for interest, net of amounts capitalized, during the six months ended June 30, 1998 was $186,614, as compared to $132,889 for the same period in 1997. All accrued distributions had been paid as of June 30, 1998 and December 31, 1997. See Notes 4 and 9 for information about non-cash transactions during the six months ended June 30, 1998.

Note 6 - 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 June 30, 1998 and 1997 was 176,098,843 and 158,494,224, respectively. The weighted average number of Units used in the computation for the six-month periods ended June 30, 1998 and 1997 was 174,599,824 and 158,222,077, respectively. The diluted weighted average number of Units used in the computation for the three-month periods ended June 30, 1998 and 1997 was 176,441,372 and 158,337,889, respectively. The diluted weighted average number of Units used in the computation for the six-month periods ended June 30, 1998 and 1997 was 174,989,025 and 158,597,333, respectively. The Operating Partnership's 4,000,000 Series A preferred Units have not been considered in the computations of diluted earnings per Unit for any of the periods presented, as they did not have a dilutive effect. On November 11, 1997, these Units were converted into 3,809,523 Units. 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 Operating Partnership's Employee Plan and Director Plan. Basic and diluted earnings were the same for all periods presented.

Note 7 - Investment in Unconsolidated Entities

Partnerships and Joint Ventures

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.

Summary financial information of 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	June 30, 1998	December 31, 1997
Assets:		
Investment properties at cost, net	$3,838,289	$ 2,880,094
Cash and cash equivalents	94,019	101,582
Tenant receivables	98,891	87,008
Other assets	91,976	71,548
Total assets	$4,123,175	$ 3,140,232
Liabilities and Partners' Equity:		
Mortgages and other indebtedness	$2,487,967	$ 1,888,512
Accounts payable, accrued expenses and other liabilities	187,562	212,543
Total liabilities	2,675,529	2,101,055
Partners' equity	1,447,646	1,039,177
Total liabilities and partners' equity	$4,123,175	$ 3,140,232
The Operating Partnership's Share of:		
Total assets	$1,537,286	$ 1,082,232
Partners' equity	$ 444,197	$ 297,866
Add: Excess Investment (See below)	292,383	293,711
The Operating Partnership's Net Investment in Joint Ventures	$ 736,580	$ 591,577

STATEMENTS OF OPERATIONS	For the three months ended June 30, 1998	1997	For the six months ended June 30, 1998	1997
Revenue:				
Minimum rent	$106,881	$ 53,749	$197,562	$106,204
Overage rent	4,988	1,623	7,810	3,314
Tenant reimbursements	44,782	24,346	86,658	49,578
Other income	5,534	5,666	11,220	7,363
Total revenue	162,185	85,384	303,250	166,459
Operating Expenses:				
Operating expenses and other	56,866	30,121	107,503	60,915
Depreciation and amortization	31,835	17,062	61,625	35,061
Total operating expenses	88,701	47,183	169,128	95,976
Operating Income	73,484	38,201	134,122	70,483
Interest Expense	46,501	20,489	85,178	41,578
Extraordinary Losses	42	324	42	1,182
Net Income	26,941	17,388	48,902	27,723
Third Party Investors' Share of Net Income	17,207	13,340	34,030	20,377
The Operating Partnership's Share of Net Income	$ 9,734	$ 4,048	$ 14,872	$ 7,346
Amortization of Excess Investment (See below)	(3,417)	(3,062)	(5,402)	(5,969)
Income from Unconsolidated Entities	$ 6,317	$ 986	$ 9,470	$ 1,377

As of June 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 $292,383 and $293,711, respectively. This Excess Investment, which resulted primarily from the Company's 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 June 30, 1998 and June 30, 1997 was $3,417 and $3,062, respectively. Amortization included in income from unconsolidated entities for the six-month periods ended June 30, 1998 and June 30, 1997 was $5,402 and $5,969, 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, 33 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 ($6,146) and $806 for the three-month periods ended June 30, 1998 and 1997, respectively, and was ($4,490) and $1,136 for the six-month periods ended June 30, 1998 and 1997, respectively.

Note 8 - Debt

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 Note 4) and to reduce the balance of the Operating Partnership's $1,250,000 unsecured revolving credit facility (the "Credit Facility") to $27,000. 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%.

The Operating Partnership has obtained a commitment from The Chase Manhattan Bank, as administrative agent, for a $1,400,000 unsecured line of credit (the "Facility") in connection with the Operating Partnership's pending merger with Corporate Property Investors ("CPI") (the "CPI Merger") (See Note 12). The Facility, which is scheduled to close in conjunction with the CPI Merger, will bear interest at 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 Facility will be subject to covenants and conditions substantially identical to those of the Credit Facility.

At June 30, 1998, the Operating Partnership had consolidated debt of $5,228,015, of which $4,569,953 was fixed-rate debt and $658,062 was variable-rate debt. The Operating Partnership's pro rata share of indebtedness of the unconsolidated joint venture Properties as of June 30, 1998 and December 31, 1997 was $1,097,292 and $770,776, respectively. As of June 30, 1998 and December 31, 1997, the Operating Partnership had interest-rate protection agreements related to $674,279 and $380,379 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 $179 and $1,086 for the six months ended June 30, 1998 and 1997, respectively.

Note 9- 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 (3,024,846 Units)		93,321			93,321
Units issued in connection with acquisitions (519,889 and 2,336,699 Units, respectively)		17,176	76,114		93,290
Stock incentive program (487,498 Units, net of forfeitures)		15,765		(15,765)	--
Amortization of stock incentive				4,447	4,447
her (2,900 general partner Units issued and 4,780 limited partner Units redeemed)	134	93	(156)		71
Adjustment to allocate net equity of the Operating Partnership		2,615	(2,615)		--
Distributions	(14,668)	(112,030)	(63,727)		(190,425)
Subtotal	324,527	1,247,971	704,053	(24,548)	2,252,003
Comprehensive Income:					
Net income	14,668	51,415	29,579		95,662
Unrealized loss on investment (1)		1,631	922		2,553
Total Comprehensive Income	14,668	53,046	30,501	--	98,215
Balance at June 30, 1998	$339,195	$ 1,301,017	$ 734,554	$ (24,548)	$2,350,218

(1) Amounts consist of the Company'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., 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.

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. Through June 30, 1998, 1,279,592 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 $3,100 and $1,519 relating to these programs were amortized in the three-month periods ended June 30, 1998 and 1997, respectively and approximately $4,447 and $3,024 relating to these programs were amortized in the six-month periods ended June 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.

Common Stock Issuances

During the second quarter, the Company issued 2,957,335 shares of its common stock in private offerings generating combined net proceeds of approximately $91,412. 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.

Note 10 - Commitments and Contingencies

Litigation

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 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 Company each filed motions for summary judgment. On October 31, 1997, the Court entered a judgment in favor of the Company granting the Company's motion for summary judgment. The plaintiffs have appealed this judgment and the matter is pending. While it is difficult for the Company to predict the ultimate outcome of this action, based on the information known to the Company to date, it is not expected that this action will have a material adverse effect on the Company.

Roel Vento et al v. Tom Taylor et al. A subsidiary of the Operating Partnership 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 Operating Partnership's appeal is pending. Although the Operating Partnership is optimistic that it 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 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 11 - 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 has adopted this pronouncement prospectively, beginning May 22, 1998, which did not materially impact the quarterly financial statements. Management has determined that adopting EITF 98-9 retroactively would not have had a material impact on the financial statements, nor does management expect the adoption to have a material impact on the 1998 annual financial statements.

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.

Note 12 - Proposed Merger with Corporate Property Investors

On February 19, 1998, the Company and Corporate Property Investors ("CPI") signed a definitive agreement to merge the two companies. The merger is expected to be completed September of 1998 and is subject to approval by the shareholders of the Company as well as customary regulatory and other conditions. A majority of the CPI shareholders have already approved the transaction. Under the terms of the agreement, the shareholders of CPI will receive, in a reverse triangular merger, consideration valued at $179 for each share of CPI common stock held consisting of $90 in cash, $70 in the Company's common stock and $19 worth of 6.5% convertible preferred stock. The common stock component of the consideration is based upon a fixed exchange ratio using the Company's February 18, 1998 closing price of $33 5/8 per share, and is subject to a 15% symmetrical collar based upon the price of the Company's common stock determined at closing. In the event the Company's common stock price at closing is outside the parameters of the collar, an adjustment will be made in the cash component of consideration. The total purchase price, including indebtedness which would be assumed, is estimated at $5.8 billion. In anticipation of the merger, on July 31, 1998, CPI, with the Operating Partnership's assistance, completed the sale of its General Motors office building in New York, New York for approximately $800,000.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain statements made in this report may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Operating Partnership to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, which will, among other things, affect demand for retail space or retail goods, availability and creditworthiness of prospective tenants, lease rents and the terms and availability of financing; changes in the real estate and retailing markets including, among other things, competition with other companies and technology; risks of real estate development and acquisition; governmental actions and initiatives; and environmental/safety requirements.

Overview

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"). 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. 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. On February 2, 1998, the Operating Partnership sold the community center for $9.6 million and on June 1, 1998, the Operating Partnership sold The Promenade for $33.5 million. At the completion of these transactions, the Operating Partnership directly or indirectly now owns 100% of eight of the nine SCA properties, and 50% of the remaining property.

In addition, the following Property opening and ownership acquisitions (the "Property Transactions"), collectively, had a notable impact on the Operating Partnership's results of operations in the comparative periods. On August 29, 1997, the Operating Partnership opened the 55%-owned, $89 million phase II expansion of The Forum Shops at Caesar's. On December 30, 1997, the Operating Partnership acquired 100% of The Fashion Mall at Keystone at the Crossing, a 651,671 square-foot regional mall, along with an adjacent 29,140 square-foot community center, in Indianapolis, Indiana for $124.5 million. On January 26, 1998, the Operating Partnership acquired 100% of Cordova Mall in Pensacola, Florida for approximately $87.3 million. (See "Liquidity and Capital Resources" for additional information regarding the Cordova Mall acquisition.)

Results of Operations

For the Three Months Ended June 30, 1998 vs. the Three Months Ended June 30, 1997

Total revenue increased $65.3 million or 26.7% for the three months ended June 30, 1998, as compared to the same period in 1997. This increase is primarily the result of the RPT acquisition ($38.1 million), the Property Transactions ($13.8 million) and approximately $2.7 million realized from marketing initiatives throughout the portfolio from the Company's new strategic marketing division, Simon Brand Ventures ("SBV"). Excluding these items, total revenues increased $10.8 million, primarily due to a $3.0 million increase in minimum rent and an $8.1 million increase in other income. The minimum rent increase results from increased occupancy levels and the replacement of expiring tenant leases with renewal leases at higher minimum base rents. The $8.1 million increase in other income is primarily the result of a $6.3 million increase in interest and dividend income, including a $5.0 million dividend received from DPMI.

Total operating expenses increased $34.5 million, or 26.5%, for the three months ended June 30, 1998, as compared to the same period in 1997. This increase is primarily the result of the RPT acquisition ($20.4 million) and the Property Transactions ($9.2 million). Excluding these transactions, total operating expenses increased $4.9 million, primarily due to a $3.2 million increase in depreciation and amortization and a $1.9 million increase in repairs and maintenance.

Interest expense increased $25.4 million, or 37.9% for the three months ended June 30, 1998, as compared to the same period in 1997. This increase is primarily a result of the RPT acquisition ($18.2 million), the Property Transactions ($4.0 million), and incremental interest on borrowings under the Credit Facility to acquire the IBM Properties ($3.8 million) and the Chelsea stock ($0.7 million). Excluding these transactions, interest expense has decreased $1.3 million, primarily resulting from a decrease in the weighted average interest rates on consolidated indebtedness and reductions in indebtedness from capital raised in common and preferred stock offerings.

The $7.2 million loss on the sale of an asset in 1998 is the result of the July 1, 1998, sale of Southtown Mall for $3.3 million.

Income (loss) from unconsolidated entities decreased from $1.8 million in 1997 to $0.2 million in 1998, resulting from a decrease in the Operating Partnership's share of income from the Management Company ($7.0 million), partially offset by an increase in its share of income from partnerships and joint ventures ($5.3 million). The decrease in Management Company income includes a $5.0 million dividend declared by DPMI, substantially all of which went to the Operating Partnership, and a $2.4 million increase in salaries and wages, including the vesting of the restricted stock awards. The increase in the Operating Partnership's share of income from partnerships and joint ventures is primarily the result of the unconsolidated joint-venture Properties opened or acquired

since June 30, 1997 ($6.8 million) including $4.2 million from the IBM Properties.

The $7.0 million extraordinary gain in 1998 is the result of a gain on forgiveness of debt of $5.2 and the write-off of the premium on such indebtedness $1.8 million.

Net income was $50.5 million for the three months ended June 30, 1998, as compared to $46.9 million for the same period in 1997, reflecting an increase of $3.6 million, for the reasons discussed above, and was allocated to the Company based on the Company's preferred unit preference and ownership interest in the Operating Partnership during the period.

For the Six Months Ended June 30, 1998 vs. the Six Months Ended June 30, 1997

Total revenue increased $123.2 million or 25.3% for the six months ended June 30, 1998, as compared to the same period in 1997. This increase is primarily the result of the RPT acquisition ($74.5 million), the Property Transactions ($24.2 million) and approximately $6.2 million realized from SBV marketing initiatives. Excluding these items, total revenues increased $18.2 million, primarily due to a $7.4 million increase in minimum rent and a $10.5 million increase in other income. The minimum rent increase results from increased occupancy levels and the replacement of expiring tenant leases with renewal leases at higher minimum base rents. The increase in other income includes a $7.8 million increase in interest and dividend income, including a $5.0 million dividend received from DPMI.

Total operating expenses increased $70.4 million, or 27.0%, for the six months ended June 30, 1998, as compared to the same period in 1997. This increase is primarily the result of the RPT acquisition ($40.7 million) and the Property Transactions ($14.9 million). Excluding these transactions, total operating expenses increased $14.8 million, primarily due to an $9.2 million increase in depreciation and amortization, a $2.2 million increase in advertising and promotion and a $2.1 million increase in repairs and maintenance.

Interest expense increased $49.4 million, or 36.6% for the six months ended June 30, 1998, as compared to the same period in 1997. This increase is primarily as a result of the RPT acquisition ($37.0 million) and the Property Transactions ($8.7 million), and incremental interest on borrowings under the Credit Facility to acquire the IBM Properties ($5.1 million) and the Chelsea stock ($1.4 million). Excluding these transactions, interest expense has decreased $2.8 million, primarily resulting from a decrease in the weighted average interest rates on consolidated indebtedness and reductions in indebtedness from capital raised in common and preferred stock offerings.

The $7.2 million loss on the sale of an asset in 1998 is the result of the July 1, 1998, sale of Southtown Mall for $3.3 million.

Income (loss) from unconsolidated entities increased from $2.5 million in 1997 to $5.0 million in 1998, resulting from an increase in the Operating Partnership's share of income from partnerships and joint ventures ($8.1 million), partially offset by a decrease in its share of income from the Management Company ($5.6 million). The increase in the Operating Partnership's share of income from partnerships and joint ventures is primarily from the unconsolidated joint-venture Properties opened or acquired since June 30, 1997 ($9.3 million) including $5.1 million from the IBM Properties. The decrease in Management Company income includes a $5.0 million dividend declared by DPMI substantially all of which went to the Operating Partnership.

The $7.0 million extraordinary gain in 1998 is the result of a gain on forgiveness of debt of $5.2 and the write-off of the premium on such indebtedness $1.8 million. The $24.7 million loss from extraordinary items in 1997 is the result of the acquisition of the contingent interest feature on four loans for $21.0 million and write-off of mortgage costs associated with early extinguishments of debt.

Net income was $95.7 million for the six months ended June 30, 1998, as compared to $66.8 million for the same period in 1997, reflecting an increase of $28.9 million, primarily for the reasons discussed above, and was allocated to the Company based on the Company's preferred unit preference and ownership interest in the Operating Partnership during the period.

New Accounting Pronouncement

During the second quarter of 1998, the Financial Accounting Standards Board released EITF 98-9, which clarified its position relating to the timing of recognizing contingent rent. The Operating Partnership has adopted this pronouncement prospectively, beginning May 22, 1998, which did not materially impact the quarterly financial statements. Management has determined that adopting EITF 98-9 retroactively would not have had a material impact on the financial statements, nor does management expect the adoption to have a material impact on the 1998 annual financial statements. Management estimates the negative impact on earnings for the third quarter of 1998 to be approximately $6.0 million.

Liquidity and Capital Resources

As of June 30, 1998, the Operating Partnership's balance of unrestricted cash and cash equivalents was $103.4 million. In addition to its cash balance, the Operating Partnership has a $1.25 billion unsecured revolving credit facility (the "Credit Facility") which had $1,221.8 million available after outstanding borrowings and letters of credit at June 30, 1998. The Company and the Operating Partnership also have access to public equity and debt markets. The Company has an equity shelf registration statement currently effective, under which $950 million in equity securities may be issued, and the Operating Partnership has a debt shelf registration statement currently effective, under which $850 million in debt securities may be issued.

Management anticipates that cash generated from operating performance will provide the necessary funds on a short- and long-term basis for its operating expenses, interest expense on outstanding indebtedness, recurring capital expenditures, and distributions to shareholders in accordance with REIT requirements. Sources of capital for nonrecurring capital expenditures, such as major building renovations and expansions, as well as for scheduled principal payments, including balloon payments, on outstanding indebtedness are expected to be obtained from: (i) excess cash generated from operating performance; (ii) working capital reserves; (iii) additional debt financing; and (iv) additional equity raised in the public markets.

Sensitivity Analysis

The Operating Partnership's future earnings, cash flows and fair values relating to financial instruments is dependent upon prevalent market rates of interest, such as LIBOR. Based upon consolidated indebtedness and interest rates at June 30, 1998, a 1% increase in the market rates of interest would decrease future earnings and cash flows by approximately $3.1 million per year, and would decrease the fair value of debt by approximately $706 million. A 1% decrease in the market rates of interest would increase future earnings and cash flows by approximately $3.5 million per year, and would increase the fair value of debt by approximately $968 million.

Financing and Debt

At June 30, 1998, the Operating Partnership had consolidated debt of $5,228 million, of which $4,570 million is fixed-rate debt bearing interest at a weighted average rate of 7.27% and $658 million is variable-rate debt bearing interest at a weighted average rate of 6.47%. As of June 30, 1998, the Operating Partnership had interest rate protection agreements related to $542.4 million of consolidated variable-rate debt. The Operating Partnership's hedging activity as a result of these interest rate protection agreements resulted in net interest costs of $14 thousand for the three months ended June 30, 1998 compared to interest savings of $473 thousand for the same period in 1997. Interest savings were $179 thousand and $1,086 thousand for the six months ended June 30, 1998 and 1997, respectively. The Operating Partnership's hedging activities did not materially impact its weighted average borrowing rates.

Scheduled principal payments of consolidated indebtedness over the next five years is $1,744 million, with $3,486 million thereafter, which excludes the $2 million net discount on indebtedness. The Company's ratio of consolidated debt-to-market capitalization was 46.0% at both June 30, 1998 and December 31, 1997.

On June 22, 1998, the Operating Partnership completed the sale of $1.075 billion of senior unsecured debt securities. The issuance included three tranches of senior unsecured notes as follows (1) $375 million bearing interest at 6.625% and maturing on June 15, 2003 (2) $300 million bearing interest at 6.75% and maturing on June 15, 2005 and (3) $200 million bearing interest at 7.375% and maturing on June 15, 2018. This offering also included a fourth tranche of $200 million of

7.00% Mandatory Par Put Remarketed Securities due June 15, 2028, which are subject to redemption on June 16, 2008. The net proceeds of approximately $1.062 billion were combined with $40 million of working capital and used to retire and terminate the Operating Partnership's $300 million unsecured revolving credit facility and to reduce the balance of the Operating Partnership's Credit Facility to $27 million. The Credit Facility has an initial maturity of September 1999, which the Operating Partnership may, at its option, extend for up to one year. The debt retired had a weighted average interest rate of 6.29%.

On June 18, 1998, the Operating Partnership refinanced a $33.9 million mortgage on a regional mall Property and recorded a $7.0 million extraordinary gain, including debt forgiveness of $5.2 million and the write-off of a premium of $1.8 million. The new mortgage, which totals $35 million, 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.

The Operating Partnership has obtained a commitment from The Chase Manhattan Bank, as administrative agent, for a $1.4 billion unsecured line of credit (the "Facility") in connection with the pending CPI Merger. The Facility, which is scheduled to close in conjunction with the CPI Merger, will bear interest at LIBOR plus 65 basis points and will mature at the following intervals (i) $450 million on the nine-month anniversary of the closing (ii) $450 million on the eighteen-month anniversary of the closing and (iii) $500 million on the two-year anniversary of the closing. The Facility will be subject to covenants and conditions substantially identical to those of the Credit Facility.

During the second quarter, the Company issued 2,957,335 shares of its common stock in private offerings generating aggregate net proceeds of approximately $91.4 million. 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.

Acquisitions and Dispositions

Management continues to actively review and evaluate a number of individual property and portfolio acquisition opportunities. Management believes that funds on hand, and amounts available under the Credit Facility, together with the net proceeds of public and private offerings of debt and equity securities are sufficient to finance likely acquisitions. No assurance can be given that the Operating Partnership will not be required to, or will not elect to, even if not required to, obtain funds from outside sources, including through the sale of debt or equity securities, to finance significant acquisitions, if any.

On January 26, 1998, the Operating Partnership acquired Cordova Mall in Pensacola, Florida for approximately $87.3 million, which included the assumption of a $28.9 million mortgage, which was later retired, and the issuance of 1,713,016 Units, valued at approximately $55.5 million. This 874,000 square-foot regional mall is wholly-owned by the Operating Partnership.

On January 30, 1998, the Operating Partnership acquired additional 15% ownership interests in Lakeline Mall and Lakeline Plaza for Units valued at approximately $6.3 million. On April 30, 1998 the Operating Partnership acquired additional 10% ownership interests in Lakeline Mall and Lakeline Plaza for 127,756 Units valued at approximately $4.2 million. On July 31, 1998, the Operating Partnership acquired another 5% ownership of both Lakeline Mall and Lakeline Plaza for $2.1 million in cash. These acquisitions have increased the Operating Partnership's ownership interest in each of these Properties to a noncontrolling 80%.

On February 27, 1998, the Operating Partnership, in a joint venture partnership with Macerich, acquired a portfolio of twelve regional malls and two community centers comprising approximately 10.7 million square feet of GLA at a purchase price of $974.5 million, including the assumption of $485.0 million 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 million unsecured revolving credit facility, which bore interest at LIBOR plus 0.65% and had a maturity of August 27, 1998.

On April 15, 1998, the Operating Partnership purchased the remaining 7.5% ownership interest in Buffalo Grove Towne Center for $255

thousand.

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 $17.2 million. The Operating Partnership issued 519,889 Units to the Company as consideration for the shares of common stock.

Effective June 1, 1998, the Operating Partnership sold The Promenade for $33.5 million. No gain or loss was recognized on this transaction. Effective June 30, 1998, the Operating Partnership sold Southtown Mall for $3.3 million and recorded a $7.2 million loss on the transaction.

Portfolio Restructuring. As a continuing part of the Operating Partnership's long-term strategic plan, management is evaluating the potential sale of the Operating Partnership's non-retail holdings, along with a number of retail assets that are no longer aligned with the Operating Partnership's strategic criteria.

Development, Expansions and Renovations. The Operating Partnership is involved in several development, expansion and renovation efforts.

In March 1998, the Operating Partnership opened the approximately $13.3 million 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 million 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.

Construction continues on the following development projects: The Shops at Sunset Place, an approximately $150 million destination-oriented retail and entertainment project containing approximately 510,000 square feet of GLA is scheduled to open in December 1998 in South Miami, Florida and Concord Mills, an approximately $218 million, 50%-owned value-oriented super regional mall project, is scheduled to open in the fall of 1999 in Concord (Charlotte), North Carolina.

In addition, the Operating Partnership is in the final stages of predevelopment on Houston Premium Outlets in Houston, Texas and The Shops at North East Plaza in Hurst, Texas. Houston Premium Outlets is the Operating Partnership's first project in its joint venture partnership with Chelsea GCA to develop premium manufacturers' outlet shopping centers. This 50%-owned 462,000 square foot center is scheduled to begin construction in August 1998 and open in September 1999. The Shops at North East Plaza is a 320,000 square-foot community center project adjacent to North East Mall. This wholly-owned project is scheduled to begin construction this fall, with a fall 1999 opening date.

On June 4, 1998, the Operating Partnership, Argo II, an investment fund established by J.P. Morgan and The O'Connor Group, and Harvard Private Capital Group ("Harvard") 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 $15.0 million of equity capital for a noncontrolling 22% ownership interest and are committed to an additional investment of $37.5 million over the next 12 to 18 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 gain a controlling interest in BEG over time.

A key objective of the Operating Partnership is to increase the profitability and market share of its Properties through the completion of strategic renovations and expansions. The Operating Partnership's share of projected costs to fund all renovation and expansion projects in 1998 is approximately $300 million. It is anticipated that the cost of these projects will be financed principally with the Credit Facility, project-specific indebtedness, access to debt and equity markets, and cash flows from operations. The Operating Partnership currently has 18 expansion and/or redevelopment projects under construction and in the preconstruction development stage with targeted 1998 completion dates and an additional five with 1999 completion dates. Included in consolidated investment properties at June 30, 1998 is approximately $243 million of construction in progress, with another $80.3 million in the unconsolidated joint venture investment properties.

Distributions. During 1998, on each of January 23, April 23, and July 22, the Operating Partnership declared distributions of $0.5050 per Unit payable to Unitholders of record on February 6, 1998, May 8, 1998 and August 6, 1998, respectively. All of such dividends have been paid. The current annual distribution rate is $2.02 per Unit. Future distributions will be determined based on actual results of operations and cash available for distribution. In addition, preferred dividends of $1.0938 per Series B preferred Unit and $1.9725 per Series C preferred Unit were paid during the first six months of 1998.

Investing and Financing Activities

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.

Cash used in investing activities for the six months ended June 30, 1998 of $227.2 million is primarily the result of acquisitions of $243.4 million, $126.8 million of capital expenditures and $17.0 million of investments in and advances to the Management Company, partially offset by the net proceeds of $46.1 million from the sales of Sherwood Gardens, The Promenade and Southtown Mall and net distributions from unconsolidated entities of $106.9 million, which includes $52.1 million associated with the refinancing of Randall Park Mall and $33.4 million from The Source transactions described above. The $17.0 million investment in the Management Company is primarily the $15.0 million investment in Group BEG described earlier. Acquisitions include $240.3 million for the acquisition of the IBM Properties and $2.7 million for the acquisition of Cordova Mall. Capital expenditures include development costs of $32.9 million, including $25.9 million at The Shops at Sunset Place. Also included in capital expenditures is renovation and expansion costs of approximately $72.3 million, including, $16.4 million, and $5.8 million at Prien Lake Mall and Richardson Square, respectively, and tenant costs and other operational capital expenditures of approximately $21.6 million.

Cash flows from financing activities for the six months ended June 30, 1998 was $7.8 million and includes net proceeds from sales of common stock ($92.4 million) contributed from the Company in exchange for a like number of Units and net borrowings of $112.2 million primarily used to fund 1998 acquisition and development activity, partially offset by distributions of $196.8 million.

EBITDA-Earnings from Operating Results before Interest, Taxes, Depreciation and Amortization

Management believes that there are several important factors that contribute to the ability of the Operating Partnership to increase rent and improve profitability of its shopping centers, including aggregate tenant sales volume, sales per square foot, occupancy levels and tenant costs. Each of these factors has a significant effect on EBITDA. Management believes that EBITDA is an effective measure of shopping center operating performance because: (i) it is industry practice to evaluate real estate properties based on operating income before interest, taxes, depreciation and amortization, which is generally equivalent to EBITDA; and (ii) EBITDA is unaffected by the debt and equity structure of the property owner. EBITDA: (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income as a measure of operating performance; (iii) is not indicative of cash flows from operating, investing and financing activities; and (iv) is not an alternative to cash flows as a measure of liquidity.

Total EBITDA for the Properties increased from $419.2 million for the six months ended June 30, 1997 to $591.3 million for the same period in 1998, representing a 41.1% increase. This increase is primarily attributable to the RPT acquisition ($59.7 million), the IBM Properties ($27.9 million) and the other Properties opened or acquired during 1997 and 1998 ($54.3 million). During this period operating profit margin increased from 64.1% to 64.7%. Excluding the newly opened or acquired Properties, operating profit margin would be 64.5%.

FFO-Funds from Operations

FFO, as defined by the National Association of Real Estate Investment Trusts, means the consolidated net income of the Operating Partnership and its subsidiaries without giving effect to depreciation and amortization, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses on investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the Operating Partnership's ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis in accordance with generally accepted accounting principles. Management believes that FFO is an important and widely used measure of the operating performance of REITs which provides a relevant basis for comparison among REITs. FFO is presented to assist investors in analyzing the performance. The Operating Partnership's method of calculating FFO may be different from the methods used by other REITs. FFO: (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) is not an alternative to cash flows as a measure of liquidity.

The following summarizes FFO and reconciles income before extraordinary items to FFO for the periods presented:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	1998	1997	1998	1997
(In thousands)				
FFO	$115,957	$ 93,285	$224,864	$181,224
Reconciliation:				
Income before extraordinary items	$ 43,514	$ 48,413	$ 88,638	$ 91,475
Plus:				
Depreciation and amortization from consolidated Properties	58,082	43,774	116,161	87,086
The Operating Partnership's share of depreciation and amortization and extraordinary items from unconsolidated affiliates	16,304	9,152	31,108	18,010
Loss on the sale of real estate	7,219	--	7,219	--
Less:				
Gain on the sale of real estate	--	17	--	(20)
Minority interest portion of depreciation, amortization and extraordinary items	(1,828)	(1,664)	(3,594)	(2,514)
Preferred distributions	(7,334)	(6,407)	(14,668)	(12,813)
FFO	$115,957	$ 93,285	$224,864	$181,224

Portfolio Data

The following statistics exclude Charles Towne Square, Richmond Town Square and Mission Viejo Mall, which are all undergoing extensive redevelopments. The value-oriented super-regional mall category consists of Arizona Mills, Grapevine Mills and Ontario Mills.

Aggregate Tenant Sales Volume. For the six months ended June 30, 1998 compared to the same period in 1997, total reported retail sales at mall and freestanding GLA owned by the Operating Partnership ("Owned GLA") in the regional malls and value-oriented super-regional malls, and all reporting tenants at community shopping centers increased $1,298 million or 44.7% from $2,902 million to $4,200 million, primarily as a result of the RPT acquisition, the IBM Properties and other Property additions to the portfolio ($1,210 million), increased productivity of our existing tenant base and an overall increase in occupancy. Retail sales at Owned GLA affect revenue and profitability levels because they determine the amount of minimum rent that can be charged, the percentage rent realized, and the recoverable expenses (common area maintenance, real estate taxes, etc.) the tenants can afford to pay.

Occupancy Levels. Occupancy levels for Owned GLA at mall and freestanding stores in the regional malls increased from 85.2% at June 30, 1997, to 87.0% at June 30, 1998. Occupancy levels for value-oriented super-regional malls was 95.1% at June 30, 1998. Occupancy levels for community shopping centers decreased from 92.4% at June 30, 1997, to 90.5% at June 30, 1998. Owned GLA has increased 17.4 million square feet from June 30, 1997, to June 30, 1998, primarily as a result of the RPT acquisition, the acquisition of the IBM Properties, Cordova Mall,

Dadeland Mall, The Fashion Center at Keystone at the Crossing and the openings of Arizona Mills, Grapevine Mills, The Source, Muncie Plaza and Lakeline Plaza, partially offset by the sales The Promenade and Southtown Mall.

Average Base Rents. Average base rents per square foot of mall and freestanding Owned GLA at regional malls increased 10.3%, from $20.94 at June 30, 1997 to $23.10 for the same period in 1998. Average base rents per square foot of Owned GLA at value-oriented super-regional malls was $16.12 at June 30, 1998 and average base rents of Owned GLA in the community shopping centers decreased 3.6%, from $7.75 at June 30, 1997 to $7.47 for the same period in 1998.

Inflation

Inflation has remained relatively low during the past few years and has had a minimal impact on the operating performance of the Properties. Nonetheless, substantially all of the tenants' leases contain provisions designed to lessen the impact of inflation. Such provisions include clauses enabling the Operating Partnership to receive percentage rentals based on tenants' gross sales, which generally increase as prices rise, and/or escalation clauses, which generally increase rental rates during the terms of the leases. In addition, many of the leases are for terms of less than ten years, which may enable the Operating Partnership to replace existing leases with new leases at higher base and/or percentage rentals if rents of the existing leases are below the then-existing market rate. Substantially all of the leases, other than those for anchors, require the tenants to pay a proportionate share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing the Operating Partnership's exposure to increases in costs and operating expenses resulting from inflation.

However, inflation may have a negative impact on some of the Operating Partnership's other operating items. Interest and general and administrative expenses may be adversely affected by inflation as these specified costs could increase at a rate higher than rents. Also, for tenant leases with stated rent increases, inflation may have a negative effect as the stated rent increases in these leases could be lower than the increase in inflation at any given time.

Year 2000 Costs

Management continues to assess the impact of the year 2000 Issue on its reporting systems and operations. The Year 2000 Issue exists because many computer systems and applications abbreviate dates by eliminating the first two digits of the year, assuming that these two digits would always be "19". Unless corrected, this shortcut would cause problems when the century date occurs. On that date, some computer programs may misinterpret the date January 1, 2000 as January 1, 1900. This could cause systems to incorrectly process critical financial and operational information, or stop processing altogether.

To help facilitate the Operating Partnership's continued growth, substantially all of the computer systems and applications in use in its home office in Indianapolis have been, or are in the process of being, upgraded and modified. The Operating Partnership is of the opinion that, in connection with those upgrades and modifications, it has addressed applicable Year 2000 Issues as they might affect the computer systems and applications located in its home office. The Operating Partnership continues to evaluate what effect, if any the Year 2000 Issue might have at its portfolio properties. The Operating Partnership anticipates that the process of reviewing this issue at the portfolio properties and the implementation of solutions to any Year 2000 Issue which it may discover will require the expenditure of sums which the Operating Partnership does not expect to be material. Management expects to have all systems appropriately modified before any significant processing malfunctions could occur and does not expect the Year 2000 Issue will materially impact the financial condition or operations of the Operating Partnership.

Definitive Merger Agreement

On February 19, 1998, the Company and Corporate Property Investors ("CPI") signed a definitive agreement to merge the two companies. The merger is expected to be completed in September of 1998 and is subject to approval by the shareholders of the Company as well as customary regulatory and other conditions. A majority of the CPI shareholders have already approved the transaction. Under the terms of the agreement, the shareholders of CPI will receive, in a reverse triangular merger, consideration valued at $179 for each share of CPI common stock held consisting of $90 in cash, $70 in the Company's common

stock and $19 worth of 6.5% convertible preferred stock. The common stock component of the consideration is based upon a fixed exchange ratio using the Company's February 18, 1998 closing price of $33 5/8 per share, and is subject to a 15% symmetrical collar based upon the price of the Company's common stock determined at closing. In the event the Company's common stock price at closing is outside the parameters of the collar, an adjustment will be made in the cash component of consideration. The total purchase price, including indebtedness which would be assumed, is estimated at $5.8 billion. In anticipation of the merger, on July 31, 1998, CPI, with the Operating partnership's assistance, completed the sale of its General Motors office building in New York, New York for approximately $800 million.

Seasonality

The shopping center industry is seasonal in nature, particularly in the fourth quarter during the holiday season, when tenant occupancy and retail sales are typically at their highest levels. In addition, shopping malls achieve most of their temporary tenant rents during the holiday season. As a result of the above, earnings are generally highest in the fourth quarter of each year.

Part II - Other Information

Item 1: Legal Proceedings

None.

Item 6: Exhibits and Reports on Form 8-K

(a) Exhibits

None.

(b) Reports on Form 8-K

None.

SIGNATURES

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

SIMON DEBARTOLO GROUP, L.P.
By: Simon DeBartolo Group Inc.
General Partner

Date: August 14, 1998

/s/ John Dahl

John Dahl,
Senior Vice President and
Chief Accounting Officer
(Principal Accounting Officer)

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This schedule contains summary financial information extracted from SEC Form
10-K and is qualified in its entirety by reference to such financial statements.

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6-MOS
DEC-31-1998
JUN-30-1998
103,365
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189,344
0
0
0
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558,504
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5,228,015
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2,060,119
2,060,119
7,932,815
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610,632
0
328,284
0
3,455
184,420
88,638
88,638
88,638
0
7,024
0
66,083
0.46
0.46

The Operating Partnership does not report using a classified balance sheet.