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

FORM 10-Q

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

For the quarterly period ended June 30, 2003

or

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

For the transition period from ___________ to _________________.

Commission File No. 33-98136

CPG PARTNERS, L.P.
(Exact name of registrant as specified in its charter)

Delaware	**22-3258100**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

103 Eisenhower Parkway, Roseland, New Jersey 07068
(Address of principal executive offices - zip code)

(973) 228-6111
(Registrant's telephone number, including area code)

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__.

Indicate by check mark whether the registrant is an accelerated filer.
Yes___ No _X_

There are no outstanding shares of Common Stock or voting securities.

CPG Partners, L.P.

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Part I. Financial Information

CPG Partners, L.P.
Consolidated Balance Sheets
(In thousands, except per unit data)

	June 30, 2003	December 31, 2002
	(Unaudited)	
Assets:		
Rental properties:		
Land	$ 285,424	$ 266,461
Depreciable property	1,675,145	1,570,713
Total rental property	1,960,569	1,837,174
Accumulated depreciation	(313,794)	(284,239)
Rental properties, net	1,646,775	1,552,935
Cash and cash equivalents	21,306	22,551

	2003	2002
Restricted cash-escrows	**4,525**	3,455
Tenant accounts receivable (net of allowance for doubtful accounts of $2,317 in 2003 and $2,593 in 2002)	**2,559**	7,762
Deferred rent receivable	**21,778**	18,778
Investments in unconsolidated affiliates	**72,774**	47,997
Notes receivable-related parties	**2,728**	2,746
Deferred costs, net	**14,475**	16,706
Other assets	**29,695**	30,100
Total assets	**$1,816,615**	$ 1,703,030
Liabilities and partners' capital:		
Liabilities:		
Unsecured bank debt	**$ 83,035**	$ 103,035
Unsecured notes	**621,584**	621,330
Mortgage debt	**363,348**	306,455
Construction payables	**6,964**	8,046
Accounts payable and accrued expenses	**44,226**	43,570
Obligation under capital lease	**1,191**	1,507
Accrued distribution payable	**28,284**	4,927
Other liabilities	**21,342**	18,886
Total liabilities	**1,169,974**	1,107,756
Commitments and contingencies		
Partners' Capital:		
General partner units outstanding 43,078 in 2003 and 37,946 in 2002	**514,571**	462,127
Limited partners' units outstanding 7,438 in 2003 and 6,274 in 2002	**75,555**	77,094
Preferred partner units outstanding, 1,300 in 2003 and 2002	**63,315**	63,315
Officer loan	**(488)**	(488)
Accumulated other comprehensive loss	**(6,312)**	(6,774)
Total partners' capital	**646,641**	595,274
Total liabilities and partners' capital	**$1,816,615**	$1,703,030

The accompanying notes are an integral part of the financial statements.

CPG Partners, L.P.
Condensed Consolidated Statements of Income
for the Three and Six Months Ended June 30, 2003, and 2002
(Unaudited)
(In thousands, except per unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Revenues:				
Base rent	**$60,001**	$43,181	**$119,751**	$81,571
Percentage rent	**4,993**	4,465	**9,178**	7,519
Expense reimbursements	**20,596**	14,485	**39,328**	27,019
Other income	**1,816**	2,711	**3,291**	5,214
Total revenues	**87,406**	64,842	**171,548**	121,323
Expenses:				
Operating and maintenance	**24,516**	18,135	**47,440**	34,283
Depreciation and amortization	**17,258**	14,222	**34,872**	27,139
General and administrative	**2,468**	1,921	**4,669**	3,438
Other	**1,632**	1,085	**3,068**	2,191
Total expenses	**45,874**	35,363	**90,049**	67,051
Income before unconsolidated investments, interest expense, and discontinued operations	**41,532**	29,479	**81,499**	54,272
Income from unconsolidated investments	**2,495**	2,982	**3,946**	6,752
Loss from Chelsea Interactive	**(905)**	(3,776)	**(1,742)**	(6,476)
Interest expense	**(16,553)**	(10,843)	**(33,187)**	(20,593)
Income from continuing operations	**26,569**	17,842	**50,516**	33,955
Income from discontinued operations	**89**	100	**200**	233
Gain on sale of discontinued operations	**4,717**	-	**4,717**	-
Net income	**$**	$17,942	**$55,433**	$34,188
Preferred unit requirement	**(2,296)**	(2,311)	**(4,592)**	(4,677)
Net income available to common unitholders:	**$29,079**	$15,631	**$50,841**	$29,511
Net income to common unitholders:				
General partner	**$24,705**	$13,408	**$43,118**	$25,295
Limited partners	**4,374**	2,223	**7,723**	4,216
Total	**$29,079**	$15,631	**$50,841**	$29,511
Net income per common unit:				
General partner (including $0.10 net income from discontinued operations for the three and six months ended June 30, 2003)	**$0.59**	$0.35	**$1.03**	$0.67
Limited partners (including $0.10 net income from discontinued operations for the three and six months ended June 30, 2003)	**$0.59**	$0.35	**$1.03**	$0.67
Weighted average units outstanding:				
General partner	**42,041**	37,877	**41,801**	37,725
Limited partners	**7,442**	6,281	**7,501**	6,290
Total	**49,483**	44,158	**49,302**	44,015

The accompanying notes are an integral part of the financial statements.

CPG Partners, L.P.
Condensed Consolidated Statements of Cash Flows
for the Six Months Ended June 30, 2003 and 2002
(Unaudited) *(In thousands)*

	2003	2002
Cash flows from operating activities		
Net income	**$55,433**	$34,188
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**34,901**	27,184
Equity-in-earnings of unconsolidated investments in excess of distributions received	**(1,240)**	(974)
Loss from Chelsea Interactive	-	6,476
Loss on interest rate swap	**514**	-
Gain on sale of discontinued operations	**(4,717)**	-
Proceeds from non-compete receivable	-	4,300
Amortization of non-compete revenue	-	(2,568)
Additions to deferred leasing costs	**(439)**	(228)
Other operating activities	**(116)**	(446)
Changes in assets and liabilities:		
Straight-line rent receivable	**(3,597)**	(1,448)
Due from affiliates	**(340)**	(1,617)
Other assets	**8,135**	6,511
Deferred incentive compensation	-	(14,401)
Accounts payable and accrued expenses	**134**	(4,482)
Net cash provided by operating activities	**88,668**	52,495
Cash flows from investing activities		
Additions to rental properties	**(65,381)**	(76,955)
Net proceeds from sale of center	**7,198**	4,224
Additions to investments in unconsolidated affiliates	**(22,451)**	(18,501)

Distributions from investments in unconsolidated affiliates in excess of earnings	-	337
Additions to deferred development costs	**(321)**	(2,844)
Payments from related parties	**18**	1,104
Loans to related parties	-	(550)
Net cash used in investing activities	**(80,937)**	(93,185)
Cash flows from financing activities		
Debt proceeds	-	177,324
Repayment of debt	**(27,107)**	(89,806)
Net proceeds from sale of the Company's common stock	**53,461**	5,001
Distributions	**(34,632)**	(25,177)
Redemption of the Company's preferred stock	-	(9,010)
Additions to deferred financing costs	**(698)**	(389)
Net cash (used in) provided by financing activities	**(8,976)**	57,943
Net (decrease) increase in cash and cash equivalents	**(1,245)**	17,253
Cash and cash equivalents, beginning of period	**22,551**	24,604
Cash and cash equivalents, end of period	**$21,306**	$41,857
Supplemental information :		
Non-cash investing activities:		
Additions to rental properties on consolidation of property previously held as a 50% investment in unconsolidated affiliates	-	$68,938
Non-cash financing activities:		
Assumption of construction loan payable on consolidation of property previously held as a 50% investment in unconsolidated affiliates	-	$59,360
Assumption of mortgage debt	$60,747	-

The accompanying notes are an integral part of the financial statements.

CPG Partners, L.P.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Organization and Basis of Presentation

CPG Partners, L.P. (the "Operating Partnership" or "OP") which commenced operations on November 2, 1993 specializes in owning, developing, leasing, marketing and managing upscale and fashion-oriented manufacturers' outlet centers. As of June 30, 2003, the OP wholly or partially owned 59 centers in 31 states and Japan containing approximately 14.9 million square feet of gross leasable area ("GLA"). The OP's portfolio is comprised of 28 premium outlet centers containing 9.3 million square feet of GLA (the "Premium Properties") and 31 other retail centers containing approximately 5.6 million square feet of GLA ("Other Properties") (collectively the "Properties"). The OP's Premium Properties generated approximately 77% and 88% of the OP's retail real estate net operating income for the six months ended June 30, 2003, and 2002, respectively. The Premium Properties generally are located near metropolitan areas including New York City, Los Angeles, Boston, Washington, D.C., San Francisco, Sacramento, Cleveland, Atlanta, Dallas, Portland (Oregon), Tokyo and Osaka, Japan. Some Premium Properties are also located within 20 miles of major tourist destinations including Palm Springs, the Napa Valley, Orlando, and Honolulu.

The sole general partner in the OP, Chelsea Property Group, Inc. (the "Company") is a self-administered and self-managed Real Estate Investment Trust.

The financial statements contain the accounts of the Operating Partnership and its majority owned subsidiaries. Such subsidiaries represent partnerships in which the OP has greater than a 50% ownership interest and the ability to maintain operational control. All significant intercompany transactions and accounts have been eliminated in consolidation.

Common ownership of the OP as of June 30, 2003, was approximately as follows:

General Partner	85.3%	43,078,000	units
Limited Partners	14.7%	7,438,000	units
Total	**100.0%**	**50,516,000**	

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the six month period ended June 30, 2003, are not necessarily indicative of the results that may be expected for the year ending December 31, 2003. The balance sheet at December 31, 2002 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. These financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in the OP's Annual Report on Form 10-K for the year ended December 31, 2002.

Certain amounts in the prior year financial statements have been reclassified to conform to current year presentation.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Organization and Basis of Presentation (continued)

In August 2001, the FASB issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143") which is effective January 1, 2003. SFAS 143 requires the recording of the fair value of a liability for an asset retirement obligation in the period in which it is incurred. See note 3 to financial statements for discussion related to the estimated future costs to be incurred in connection with the future operations of Chelsea Interactive.

In November 2002, the FASB issued Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others ("FIN 45"). FIN 45 requires certain guarantees to be recorded at fair value, instead of recording a liability only when a loss is probable and reasonably estimatable, as those terms are defined in FASB Statement No. 5, Accounting for Contingencies. FIN 45 also requires a guarantor to make significant new disclosures, even when the likelihood of making any payments under the guarantee is remote. The disclosure requirements of FIN 45 are effective for financial statements of interim or annual periods ending after December 15, 2002. The OP adopted the disclosure provisions of FIN 45 effective December 31, 2002. FIN 45's initial recognition and initial measurement provisions are applicable on a prospective basis to guarantees issued or modified after December 31, 2002.

In January of 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN 46"). FIN 46 clarifies the application of existing accounting pronouncements to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The provisions of FIN 46 will be immediately effective for all variable interests in variable interest entities created after January 31, 2003, and the OP will need to apply its provisions to any existing variable interests in variable interest entities by no later than September 30, 2003. The OP does not believe that FIN 46 will have a significant impact on the OP's financial statements.

2. Acquisitions and Dispositions

Acquisitions

On June 12, 2003, the OP purchased The Crossings Factory Stores, a 390,000 square-foot outlet center located in Tannersville, Pennsylvania for $111.3 million, including closing costs, and assumed a $60.7 million 5.85% mortgage loan due 2013. An additional $5.0 million will be due to the sellers upon the completion of a 21,000 square-foot expansion scheduled to open in late summer 2004, subject to permits. The OP is in the process of finalizing the purchase price allocation and is considering the fair value of the mortgage assumed, the in-place leases, land and building.

Dispositions

On June 2, 2003, the OP sold a 23,000 square-foot Premium Outlet Center located in St. Helena, California for $7.4 million resulting in a gain of approximately $4.7 million. The center partially secured a mortgage note due April 2010 and $5.0 million of the sales proceeds were used to pay down the mortgage loan. The aggregate revenues and net income of the sold property were $0.2 million and $0.1 million for the three months ended June 30, 2003, and $0.4 million and $0.2 million for the six months ended June 30, 2003.

3. Investments in Affiliates

The OP holds several non-controlling interests in domestic and international joint ventures accounted for under the equity method. Equity in earnings or losses of these affiliates and related management advisory, license, leasing and guarantee fees earned are included in income from unconsolidated investments in the accompanying financial statements.

As of June 30, 2003, the OP’s interests in joint ventures included a 40% interest in Chelsea Japan Co., Ltd. (“Chelsea Japan”), a 50% interest in two Premium Outlet Centers with Simon Property Group, Inc. (“Simon”), a 50% interest in a strategic alliance with Sordo Madaleno y Asociados and Mr. Carlos Peralta of Mexico City (“Chelsea Mexico”), minority interests in various outlet centers and development projects in Europe operated by Value Retail PLC (“Value Retail”) and 100% of the non-voting preferred stock and 50% of the non-voting common stock of Chelsea Interactive, representing 40% of the total common stock.

In March 2003, Chelsea Japan opened the 180,000 square-foot first phase of Sano Premium Outlets, located 40 miles north of Tokyo. Chelsea Japan has two other centers: Gotemba Premium Outlets, located to the west of Tokyo, a 220,000 square-foot center, was expanded by an additional 170,000 square feet in July 2003; Rinku Premium Outlets, located near Osaka, is a 250,000 square-foot center including a 70,000 square-foot second phase that opened in March 2002.

In June 2002, the OP and Simon entered into a 50/50 joint venture to develop and operate Las Vegas Premium Outlets, a 435,000 square-foot single-phase outlet center located in Las Vegas, Nevada, which opened on August 1, 2003. The OP is responsible for financing its 50% share of development costs, or approximately $48.0 million. As of June 30, 2003, the OP had contributed $36.6 million and capitalized interest and other costs of $2.3 million.

In August 2002, the OP and Simon entered into a 50/50 joint venture to develop and operate Chicago Premium Outlets, a 438,000 square-foot single-phase outlet center located in Aurora, Illinois, scheduled to open in mid-2004. The OP is responsible for financing its 50% share of the development costs, or approximately $46.0 million. As of June 30, 2003, the OP had contributed $12.8 million and capitalized interest and other costs of $1.2 million.

At June 30, 2003, the OP had incurred approximately $1.9 million related to pre-development costs and formation of the Chelsea Mexico joint venture.

At June 30, 2003, the OP had minority interests ranging from 3% to 8% in several outlet centers and outlet development projects in Europe.

At December 31, 2002, the OP recognized an impairment loss equal to the net book value of its investment in Chelsea Interactive. The OP believes that it will not be able to recover the net book value of its investment in Chelsea Interactive through future cash flows before reaching the OP’s $60.0 million funding limit. Through June 30, 2003, the OP had funded $54.1 million and anticipates that the $5.9 million funding balance may be used to further develop the platform and/or to fund operating cash shortfalls and potential costs related to the disposal or discontinuance of the business. A $0.9 million and $1.7 million funding loss was reported for the three and six months ended June 30, 2003, respectively. Future funding by the OP will be reported as a loss in the period funding is required. The OP has signed a joint venture agreement with a third party to restructure Chelsea Interactive, subject to the satisfaction of certain conditions. There can be no assurance that this joint venture will be successful or that Chelsea Interactive will be able to continue as a going concern.

The following is a summary of investments in and amounts due from affiliates at June 30, 2003 (in thousands):

	Chelsea Japan	Simon-Ventures	Chelsea Mexico	Other	Total
Balance December 31, 2002	$12,471	$31,919	$ -	$3,607	$47,997
Additional investment..................	487	20,956	1,912	25	23,380
Income from unconsolidated investments................	3,946	-	-	-	3,946
Distribution and fees..................	(2,706)	-	-	-	(2,706)
Advances (net)................	98	59	-	-	157
Balance June 30, 2003.........	$14,296	$52,934	$1,912	$3,632	$72,774

The OP’s share of income (loss) before depreciation, depreciation expense and income (loss) from unconsolidated investments for the three and six months ended June 30, 2003, and 2002, are as follows (in thousands):

For the Three Months Ended June 30,

	2003			2002		
	Income(loss) before Depreciation	Depr.	Income (loss) from Unconsol. Investments	Income (loss) before Depreciation	Depr.	Income (loss) from Unconsol. Investments
Chelsea Japan.....	$3,189	$694	$2,495	$1,595	$ 433	$ 1,162
F/C (1)...........	-	-	-	2,546	726	1,820
Total..........	$3,189	$694	$2,495	$4,141	$1,159	$2,982
Chelsea Interactive.......	($ 905)	$ -	($ 905)	($1,716)	$2,060	($3,776)

For the Six Months Ended June 30,

	2003			2002		
	Income (loss) before Depreciation	Depr.	Income (loss) from Unconsol. Investments	Income (loss) before Depreciation	Depr.	Income (loss) from Unconsol. Investments
Chelsea Japan.....	$5,239	$1,293	$3,946	$2,887	$832	$2,055
F/C (1)...........	-	-	-	4,809	1,447	3,362
Simon-Orlando(2)........	-	-	-	1,833	523	1,310
Other............	-	-	-	25	-	25
Total..........	$5,239	$1,293	$3,946	$9,554	$2,802	$6,752
Chelsea Interactive......	($1,742)	$ -	($1,742)	($2,908)	$3,568	($6,476)

(1) During the three and six months ended June 30, 2002, the OP had a 49% interest in a joint venture, F/C Acquisition, that owns four Premium Outlet centers. In August 2002, the OP became the sole owner of F/C Acquisition by acquiring the remaining 51% undivided ownership interest from the joint venture partner, and consolidated the operations and balance sheet from the buyout date.

(2) During the three months ended June 30, 2002, the OP had a 50% interest in Orlando Premium Outlets through a 50/50 joint venture with Simon. In April 2002, the OP became the sole owner of Orlando Premium Outlets by acquiring the remaining 50% undivided ownership interest from Simon, and consolidated the operations and balance sheet from the buyout date.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

3. Investments in Affiliates (continued)

Condensed financial information as of June 30, 2003, and December 31, 2002, and for the three and six months ended June 30, 2003, and 2002 for investments in unconsolidated affiliates is as follows:

	Retail	Chelsea Interactive
Property, plant and equipment (net)		
June 30, 2003	$210,246	$ -
December 31, 2002 (3)	140,057	-
Total assets		
June 30, 2003	265,634	-
December 31, 2002 (3)	190,157	-
Long term debt		
June 30, 2003	95,082	-
December 31, 2002	75,139	-
Total liabilities		
June 30, 2003	154,947	1,656
December 31, 2002	119,886	1,548
Net income (loss)		
Three months ended:		
June 30, 2003	2,448	-
June 30, 2002 (1)	4,055	(3,776)
Six months ended:		
June 30, 2003	3,100	-
June 30, 2002 (1) (2)	9,047	(7,337)
OP's share of net income (loss)		
Three months ended:		
June 30, 2003	979	(905)
June 30, 2002 (1)	1,865	(3,776)
Six months ended:		
June 30, 2003	1,240	(1,742)
June 30, 2002 (1) (2)	4,284	(6,476)
Fee income		
Three months ended:		
June 30, 2003	1,516	-
June 30, 2002 (1)	1,117	-
Six months ended:		
June 30, 2003	2,706	-
June 30, 2002 (1) (2)	2,468	-

(1) During the three and six months ended June 30, 2002, the OP had a 49% interest in a joint venture, F/C Acquisition, that owns four Premium Outlet centers. In August 2002, the OP became the sole owner of F/C Acquisition by acquiring the remaining 51% undivided ownership interest from the joint venture partner, and consolidated the operations and balance sheet from the buyout date.

(2) During the three months ended June 30, 2002, the OP had a 50% interest in Orlando Premium Outlets through a 50/50 joint venture with Simon. In April 2002, the OP became the sole owner of Orlando Premium Outlets by acquiring the remaining 50% undivided ownership interest from Simon, and consolidated the operations and balance sheet from the buyout date.

(3) At December 31, 2002, Chelsea Interactive recorded an impairment loss equal to the carrying amount of its net assets.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

4. Non-Compete Agreement

The OP recognized income from its non-compete agreement with The Mills Corporation of $1.3 and $2.6 million during the three and six months ended June 30, 2002, which is included in other income in the accompanying financial statements.

5. Debt

Unsecured Bank Debt

The OP has a $200.0 million senior unsecured bank line of credit (the “Senior Credit Facility”) with an expiration date of March 31, 2005, which the OP has the right to extend until March 31, 2006. The Senior Credit Facility bears interest on the outstanding balance, payable monthly, at a rate equal to the London Interbank Offered Rate (“LIBOR”) plus 1.05% (2.21% at June 30, 2003) or the prime rate, at the OP’s option. The LIBOR rate spread ranges from 0.85% to 1.50% depending on the OP’s Senior Debt rating. The OP received a debt rating upgrade in July 2003, resulting in a reduction of the LIBOR rate spread to 0.95% from 1.05%. At June 30, 2003, $78.0 million was outstanding under the Senior Credit Facility.

The OP also has a $5.0 million term loan that carries the same interest rate and maturity as the Senior Credit Facility.

Unsecured Notes

A summary of the terms of the unsecured notes outstanding at June 30, 2003, and December 31, 2002, is as follows (in thousands):

		June 30, 2003	December 31, 2002	Effective Yield (1)
8.375%	Unsecured Notes due August 2005	**$ 49,937**	$ 49,922	8.44%
7.25%	Unsecured Notes due October 2007	**124,857**	124,841	7.39
8.625%	Unsecured Notes due August 2009	**49,938**	49,933	8.76
8.25%	Unsecured Notes due February 2011	**148,890**	148,817	8.40
6.875%	Unsecured Notes due June 2012	**99,869**	99,825	6.90
6.00%	Unsecured Notes due January 2013	**148,093**	147,992	6.18
Total		**$ 621,584**	$621,330	

(1) Including discount on the notes

5. Debt (continued)

Mortgage Debt

A summary of the terms of the mortgage debt outstanding at June 30, 2003, and December 31, 2002, and the related interest rate and Net Book Value ("NBV") of the associated collateral as of June 30, 2003, are as follows (in thousands):

	June 30, 2003	December 31, 2002	Effective Interest Rate	NBV
Due July 2008 (1)	$166,236	$167,723	7.26%	$255,043
Due April 2010 (2)	61,975	67,250	7.26%	68,352
Due December 2012 (3)	70,974	71,482	7.67%	74,948
Due March 2013 (4)	64,163	-	5.10%	114,426
	$363,348	$306,455		$512,769

(1) The mortgage loan due July 2008 was consolidated as part of the August 2002 buyout of a joint venture partner's 51% interest in the F/C Acquisition joint venture. The mortgage calls for a $1.2 million fixed monthly debt service payment based on a 26-year amortization schedule. During the six months ended June 30, 2003, the OP recognized $67,000 in debt discount amortization that is included in interest expense in the accompanying financial statements.

(2) Chelsea Financing entered into a $70.0 million mortgage loan due April 2010 originally secured by its four properties. On June 2, 2003 the OP sold one of the encumbered properties for $7.4 million with a NBV of $2.5 million. Proceeds of $5.0 million were used to pay down the mortgage loan. The loan bears interest equal to LIBOR plus 1.50% (2.82% at June 30, 2003) or prime rate plus 1.0% and calls for quarterly principal amortization of $0.25 million through April 2005 and thereafter $0.45 million per quarter until maturity. In December 2000, the OP entered into an interest rate swap agreement to hedge against unfavorable fluctuations in LIBOR rates by fixing the interest rate at 7.26% until January 2006. During the six months ended June 30, 2003, and 2002, the OP recognized interest expense of $1.5 million on the hedge that is included in interest expense in the accompanying financial statements.

(3) The mortgage loan due December 2012 was assumed as part of a September 2001 acquisition. The loan calls for a $0.5 million fixed monthly debt service payment based on a 26-year amortization schedule. During the six months ended June 30, 2003, and 2002, the OP recognized $0.2 million in debt premium amortization that is included in interest expense in the accompanying financial statements.

(4) The mortgage loan due March 2013 was assumed as part of a June 2003 acquisition. The stated interest rate of 5.85% was greater than that available to the OP for comparable debt. Accordingly, the OP recorded a $3.4 million debt premium that will be amortized over the period of the loan which reduces the effective interest rate to 5.10%. The loan calls for a $0.4 million fixed monthly debt service payment on a 25-year amortization schedule.

Interest and loan costs of approximately $1.3 million and $0.6 million were capitalized as development costs during the three months ended June 30, 2003, and 2002, respectively; and approximately $2.2 million and $1.3 million during the six months ended June 30, 2003, and 2002, respectively.

6. Financial Instruments: Derivatives and Hedging

The OP employs interest rate and foreign currency forwards or purchased options to hedge qualifying anticipated transactions. Gains and losses are deferred and recognized in net income in the same period that the underlying hedged transaction affects net income, expires or is otherwise terminated or assigned.

At June 30, 2003 the OP's interest rate swap was reported at its fair value and classified as an other liability of $6.9 million. At June 30, 2003, there were $6.4 million in deferred losses, recorded in accumulated other comprehensive loss, a partners' capital account. During the three months ended June 30, 2003, the OP reclassified $0.5 million of other comprehensive loss to other expense as a result of its $5.0 million pay down of swapped mortgage debt in June 2003.

Hedge Type	Notional Value	Rate	Maturity	Fair Value
Swap, Cash Flow	$67.0 million	5.7625%	1/1/06	($6.9 million)

The notional value and fair value of the above hedge provides an indication of the extent of the OP's involvement in financial derivative instruments at June 30, 2003, but does not represent exposure to credit, interest rate, foreign exchange or market risk.

7. Partners' Capital

Following is a statement of partners' capital for the six months ended June 30, 2003 (in thousands):

	General Partner's Capital	Limited Partners' Capital	Preferred Partner's Capital	Officer Loan	Accum. Other Comp. Income (Loss)	Total Partners' Capital
Balance December 31, 2002......	**$462,127**	**$77,094**	**$63,315**	**($488)**	**($6,774)**	**$595,274**
Net income.....................	44,786	10,647	-	-	-	55,433
Other comprehensive income/(loss):						
Foreign currency translation.....	-	-	-	-	(48)	(48)
Interest rate swap...............	-	-	-	-	511	511
Total comprehensive income.........						55,896
Common distributions..............	(45,390)	(8,007)	-	-	-	(53,398)
Preferred distribution............	(1,668)	(2,924)	-	-	-	(4,592)
Contributions (net of costs).......	53,461	-	-	-	-	53,461
Transfer of limited partners' interest...........................	1,255	(1,255)	-	-	-	-
Balance June 30, 2003............	**$514,571**	**$75,555**	**$63,315**	**($488)**	**($6,312)**	**$646,641**

On June 18, 2003, the Company sold 1.2 million shares of common stock at a price of $42.10 per share, yielding net proceeds after expenses of $49.4 million, which were used to repay borrowings under the OP's Senior Credit Facility associated with the OP's Tannersville acquisition.

8. Distribution

On June 5, 2003, the Board of Directors of the Company declared a $0.535 per unit distribution to unitholders of record on June 30, 2003. The distribution, totaling $27.0 million, was paid on July 14, 2003.

9. Income Taxes

No provision has been made for income taxes in the accompanying consolidated financial statements since such taxes, if any, are the responsibility of the individual partners.

10. Net Income Per Partnership Unit

Net income per partnership unit is determined by allocating net income to the general partner (including the general partner's preferred unit allocation) and the limited partners based on their weighted average partnership units outstanding during the respective periods presented.

11. Commitments and Contingencies

In connection with the Simon joint ventures, the OP has committed to provide 50% of the development costs, or approximately $48.0 million for Las Vegas Premium Outlets and $46.0 million for Chicago Premium Outlets. As of June 30, 2003, the OP had contributed $36.6 million and $12.8 million to the Las Vegas and Chicago projects, respectively.

Borrowings related to Chelsea Japan for which the Company and the OP have provided guarantees for repayment of debt as of June 30, 2003, are as follow:

Total Facility		Outstanding				
Yen	US $ Equivalent	Yen	US $ Equivalent	US $ Guarantee	Due Date	Interest Rate
4.0 billion (1)	$33.4 million	0.9 billion	$7.9 million	$7.9 million	2004	1.41%
3.8 billion (2)	31.7 million	3.4 billion	28.1 million	11.2 million	2015	2.20%
0.6 billion (2)	5.0 million	0.5 billion	4.5 million	1.8 million	2012	1.50%

1) Facility entered into by an equity investee of the OP that has a one-year extension option until April 1, 2005.
2) Facilities entered into by Chelsea Japan, secured by Gotemba and Rinku and 40% severally guaranteed by the OP.

In May 2002, the OP entered into a 50/50 joint venture agreement with Sordo Madaleno y Asociados and Mr. Carlos Peralta of Mexico City to jointly develop premium outlet centers in Mexico. Subject to leasing and entitlements, construction on the 232,000 square-foot first phase of the outlet project is scheduled to commence later in 2003 and open in late 2004. The site can support a second phase containing approximately 165,000 square feet of GLA. Once Phase I of the project has been approved, the OP will be committed to fund approximately $14 million which is 50% of the development costs.

As of June 30, 2003, the OP had provided limited debt service guarantees of approximately $17.3 million to Value Retail and affiliates, under a standby facility for loans provided to Value Retail and affiliates to construct outlet centers in Europe. The standby facility, which has a maximum limit of $22.0 million, expired in November 2001 and outstanding guarantees shall not survive more than five years after project completion.

At June 30, 2003, other assets includes $9.4 million and accrued expenses and other liabilities include $12.8 million related to the 2002 deferred unit incentive program which may be paid to certain key officers in 2007.

The OP is not presently involved in any material litigation nor, to its knowledge, is any material litigation threatened against the OP or its properties, other than routine litigation arising in the ordinary course of business. Management believes the cost incurred by the OP related to any of its litigation will not be material and have been adequately provided for in the consolidated financial statements.

12. Related Party Information

In 1999, the OP established a $6.0 million secured loan facility that will expire in June 2004 for the benefit of certain unitholders. Each borrower issued a note that is secured by OP units, bears interest at a rate of LIBOR plus 200 basis points per annum payable quarterly and is due by the facility expiration date. At June 30, 2003, loans made to two unitholders, who are also officers of the Company, totaled $3.2 million, $0.5 million of which was used to exercise Company stock options and is reflected as a reduction to partners' capital in the accompanying financial statements. Effective June 2002, the OP changed its policy to eliminate new loans to directors and officers.

In August 1997, the OP and one of the Company's directors entered into a Consulting Agreement pursuant to which the director agreed to perform services for the OP in connection with the development and operation of manufacturer's outlet centers in Japan and Hawaii. The agreement provided for payments to the director of $10,000 per month and was terminated by the OP in December 1999. During the term of the agreement and for four years after the termination of the agreement, the director will be entitled to deferred compensation of 1% of the development costs, up to a maximum amount of $0.5 million per project, on all projects in which he was involved in Japan or Hawaii either directly or as a result of Mitsubishi and/or Nissho Iwai committing to develop such project with the OP in Japan. Fees paid under this agreement totaled $0.3 million for the six months ended June 30, 2003. These fees are included in investment in affiliates in the accompanying financial statements.

13. Segment Information

The OP is principally engaged in the development, ownership, acquisition and operation of manufacturers' outlet centers and has determined that under SFAS No.131 "Disclosures About Segments of an Enterprise and Related Information" it has three reportable retail real estate segments: Premium domestic, other domestic and international. The OP evaluates real estate performance and allocates resources based on Net Operating Income ("NOI") defined as total revenue less operating and maintenance expense. The primary sources of revenue are generated from tenant base rents, percentage rents and reimbursement revenue. Operating expenses primarily consist of common area maintenance, real estate taxes and promotional expenses. The retail real estate business segments meet the quantitative threshold for determining reportable segments.

13. Segment Information (continued)

(in thousands)	Premium Domestic	Other Domestic (1)	International (2)	Other (3)	Total
Total revenues					
Three months ended:					
June 30, 2003.........	$64,605	$23,248	$ -	$(447)	$87,406
June 30, 2002.........	50,924	12,555	-	1,363	64,842
Six months ended:					
June 30, 2003.........	126,770	45,193	-	(415)	171,548
June 30, 2002.........	94,799	23,784	-	2,740	121,323
Interest income					
Three months ended:					
June 30, 2003.........	252	10	-	61	323
June 30, 2002.........	257	40	-	78	375
Six months ended:					
June 30, 2003.........	507	14	-	93	614
June 30, 2002.........	540	64	-	171	775
Income from unconsolidated investments					
Three months ended:					
June 30, 2003.........	-	-	2,495	(905)	1,590
June 30, 2002.........	1,819	-	1,163	(3,776)	(794)

Six months ended:					
June 30, 2003.........	-	-	3,946	(1,742)	2,204
June 30, 2002.........	4,672	-	2,080	(6,476)	276
NOI					
Three months ended:					
June 30, 2003.........	46,738	15,525	4,102	(4,278)	62,087
June 30, 2002.........	40,453	6,017	2,148	(1,819)	46,799
Six months ended:					
June 30, 2003.........	92,005	29,988	6,516	(7,135)	121,374
June 30, 2002.........	77,039	10,947	3,851	(2,563)	89,274
Fixed asset additions					
Six months ended:					
June 30, 2003.........	6,711	61,424	-	661	68,796
June 30, 2002.........	47,036	29,088	-	831	76,955
Total assets					
June 30, 2003.........	1,147,618	620,863	17,928	30,206	1,816,615
December 31, 2002.....	1,262,190	394,984	16,077	29,779	1,703,030

(1) Approximately 15% and 25% of the GLA is occupied by and approximately 7% and 13% of annualized base rent is derived from one tenant during the 2003 and 2002 periods, respectively.
(2) Principally comprised of the OP's interest in Chelsea Japan.
(3) Includes corporate overhead assets and results from Chelsea Interactive.

Notes to Condensed Consolidated Financial Statements
(Unaudited)

13. Segment Information (continued)

Following is a reconciliation of net operating income to net income for the three and six months ended June 30, 2003, and 2002 (in thousands):

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
Segment NOI...	$62,087	$46,799	$121,374	$89,274
Interest expense - consolidated..........................	(16,553)	(10,843)	(33,187)	(20,593)
Interest expense - unconsolidated investments............	(189)	(139)	(333)	(267)
Depreciation and amortization expense - consolidated......	(17,269)	(14,243)	(34,901)	(27,184)
Depreciation and amortization expense - unconsolidated investments................	(694)	(1,159)	(1,293)	(2,802)
Depreciation and amortization expense - Chelsea Interactive................	-	(2,060)	-	(3,568)
Income tax - unconsolidated investments..................	(724)	(413)	(944)	(672)
Gain on sale of discontinued operations..................	4,717	-	4,717	-
Net income...	$31,375	$17,942	$55,433	$34,188

14. Fair Value of Financial Instruments

The following disclosures of estimated fair value were determined by management, using available market information and appropriate valuation methodologies. Considerable judgment is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the OP could realize on disposition of the financial instruments. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Cash equivalents, accounts receivable, accounts payable, and revolving credit facilities balances reasonably approximate their fair values due to the short maturities of these items. Mortgage debt and the unsecured notes payable have an estimated fair value based on discounted cash flow models of approximately $1.0 billion, which exceeds the book value by $0.1 billion. Unsecured bank debt is carried at an amount which reasonably approximates its fair value since it is a variable rate instrument whose interest rate reprices frequently.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of June 30, 2003. Although management is not aware of any factors that would significantly affect the reasonable fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since such date and current estimates of fair value may differ significantly from the amounts presented herein.

15. Subsequent Events

On August 1, 2003, the OP acquired Belz Factory Outlet World – Las Vegas, a 477,000 square-foot outlet center in Las Vegas, Nevada for $104.0 million including the assumption of a $24.4 million 8.12% mortgage loan due 2012. As part of the same transaction, the OP acquired Belz Factory Outlet World – Lakeland, a 319,000 square-foot outlet center near Memphis, Tennessee for an additional $3.5 million. The Lakeland property is expected to be marketed for sale shortly after closing. The approximately $84.0 million cash portion of the overall transaction was financed through a $100 million one-year bridge loan facility at an annual interest rate of LIBOR plus 0.80% that is due on July 31, 2004 and extendible for six months until January 31, 2005 at the OP’s option. The LIBOR rate spread ranges from 0.70% to 1.35% depending on the OP’s Senior Debt rating. Surplus proceeds from the financing of approximately $16.0 million will be used for general corporate purposes.

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

The following discussion should be read in connection with the accompanying unaudited condensed consolidated financial statements and notes thereto. These financial statements include all adjustments, which in the opinion of management are necessary to reflect a fair statement of results for all interim periods presented, and all such adjustments are of a normal recurring nature.

General Overview

From July 1, 2002 to June 30, 2003, the OP has grown rental revenue by $39.8 million to $128.9 million. This was achieved by increasing rents, expanding three wholly-owned centers and acquiring seven centers in 2002 and one center in 2003. These increases were partially offset by rent decreases from selling three non-core centers. Increasing rents at operating centers resulted in base rent growth of $1.6 million. The OP re-leased or renewed approximately 1.2 million square feet of Premium Property GLA during the twelve months ended June 30, 2003, for which initial contractual cash rents under new leases were 12% higher than expiring leases. The expansion of three wholly-owned centers increased base rents by $0.8 million. The acquisition of eight centers increased rental revenue by $17.4 million. In addition, the purchase of ownership interests in the five centers previously held as unconsolidated investments resulted in rental revenue growth of $19.4 million and a decrease in income from unconsolidated investments of $2.8 million. Income from unconsolidated investments for Chelsea Japan grew due to higher earnings, increased fees, the expansion of Rinku Premium Outlets in March 2002 and the opening of Sano Premium Outlets in March 2003.

At June 30, 2003, the OP wholly or partially-owned 14.9 million square feet of GLA. Since July 1, 2002, the OP has added 2.2 million square feet (“sf”) of net GLA and details are as follows:

Net GLA added since July 1, 2002 is detailed as follows:

	12 months ended June 30, 2003	6 months ended June 30, 2003	6 months ended December 31, 2002
Changes in GLA (sf in 000's):			
New centers developed:			
Sano Premium Outlets (40% owned)	180	180	-

Centers expanded:			
Desert Hills Premium Outlets................	23	-	23
Liberty Village Premium Outlets.............	23	-	23
Other.......................................	(31)	(22)	(9)
Total centers expanded..........................	15	(22)	37
Centers acquired:			
The Crossings Factory Stores................	390	390	-
Factory Outlet Village Osage Beach	391	-	391
St. Augustine Premium Outlets	329	-	329
Outlets at Albertville......................	305	-	305
Factory Merchants Branson...................	300	-	300
Jackson Outlet Village......................	292	-	292
Johnson Creek Outlet Center.................	278	-	278
Total centers acquired..........................	2,285	390	1,895
Centers sold:			
St. Helena Premium Outlets..................	(23)	(23)	-
Three Other Properties......................	(256)	-	(256)
Total centers sold..............................	(279)	(23)	(256)
Net GLA added during the period.................	2,201	525	1,676
GLA at end of period............................	14,911	14,911	14,386

Results of Operations

Comparison of the three months ended June 30, 2003, to the three months ended June 30, 2002.

Income from continuing operations increased $8.7 million, or 48.9%, to $26.6 million for the three months ended June 30, 2003, from $17.9 million for the three months ended June 30, 2002. This increase was primarily the result of the buyout of ownership interests in four centers in 2002, the acquisition of six centers in 2002 and one center in 2003, higher rents from releasing and renewals, and a decrease in the loss from Chelsea Interactive, partially offset by increases in general and administrative, interest and other expenses.

Base rentals increased $16.8 million, or 39.0%, to $60.0 million for the three months ended June 30, 2003, from $43.2 million for the three months ended June 30, 2002, due to the buyout of ownership interests in four centers in 2002 and the acquisition of six centers in 2002 and one center in 2003, higher average rents on releasing and renewals, and the expansion of two wholly-owned centers in late 2002.

Percentage rents increased $0.5 million, or 11.8%, to $5.0 million for the three months ended June 30, 2003, from $4.5 million for the three months ended June 30, 2002, primarily due to the buyout of ownership interests in four centers in 2002 and the acquisition of six centers in 2002.

Expense reimbursements, representing contractual recoveries from tenants of certain common area maintenance, operating, real estate tax, promotional and management expenses, increased $6.1 million, or 42.2%, to $20.6 million for the three months ended June 30, 2003, from $14.5 million for the three months ended June 30, 2002, due to the recovery of operating and maintenance costs from increased GLA. The average recovery of reimbursable expenses for the Premium Portfolio was 90% for the three months ended June 30, 2003, compared to 88% for the three months ended June 30, 2002. The average recovery of reimbursable expenses for the Other Retail Centers was 70% for the three months ended June 30, 2003, compared to 55% for the three months ended June 30, 2002. The increase in average recovery on the Other Retail Centers is a result of the centers acquired in 2002.

Other income decreased $0.9 million or 33.0% to $1.8 million for the three months ended June 30, 2003, from $2.7 million for the three months ended June 30, 2002, primarily due to the expiration of the non-compete agreement which included income recognition of $1.3 million in 2002 partially offset by a $0.3 million gain on an outparcel sale in 2003.

Operating and maintenance expenses increased $6.4 million, or 35.2%, to $24.5 million for the three months ended June 30, 2003, from $18.1 million for the three months ended June 30, 2002. The increase was primarily due to costs related to increase in GLA.

Depreciation and amortization expense increased $3.1 million, or 21.3% to $17.3 million for the three months ended June 30, 2003, from $14.2 million for the three months ended June 30, 2002. The increase was due to depreciation of the increased GLA.

General and administrative expense increased $0.6 million or 28.5% to $2.5 million for the three months ended June 30, 2003, from $1.9 million for the three months ended June 30, 2002, primarily due to increases in deferred unit incentive program accrual, salaries and professional fees.

Other expenses increased $0.5 million or 50.4% to $1.6 million for the three months ended June 30, 2003, from $1.1 million for the three months ended June 30, 2002, due to a non-cash charge of $0.5 million on an interest rate swap resulting from the pay down of a hedged mortgage loan in June 2003 related to the sale of St. Helena Premium Outlets.

Income from unconsolidated investments decreased $0.5 million or 16.3% to $2.5 million for the three months ended June 30, 2003, from $3.0 million for the three months ended June 30, 2002, due to the buyout of ownership interest in four centers which were previously held as unconsolidated investments partially offset by higher income and fees including a one-time leasing fee of $0.6 million from Chelsea Japan.

The loss from Chelsea Interactive decreased $2.9 million or 76.0% to $0.9 million for the three months ended June 30, 2003, from $3.8 million for the three months ended June 30, 2002, due to the write-off of the Company’s investment at December 31, 2002. The June 30, 2003 loss represents second quarter funding to Chelsea Interactive.

Interest expense increased $5.7 million or 52.7% to $16.5 million for the three months ended June 30, 2003, from $10.8 million for the three months ended June 30, 2002, due to higher debt that partially financed acquisitions and the buyouts of partner’s interests.

Income from discontinued operations of $0.1 million for the three months ended June 30, 2003 and 2002, and gain on sale of discontinued operations of $4.7 million for the three months ended June 30, 2003, relates to the June 2003 sale of St. Helena Premium Outlets, a 23,000 square-foot Premium Property.

Results of Operations

Comparison of the six months ended June 30, 2003, to the six months ended June 30, 2002.

Income from continuing operations increased $16.6 million, or 48.8%, to $50.5 million for the six months ended June 30, 2003, from $34.0 million for the six months ended June 30, 2002. This increase was primarily the result of the buyouts of ownership interests in five centers in 2002, the acquisition of seven centers in 2002 and one center in 2003, higher rents from releasing and renewals and decrease in the loss from Chelsea Interactive, partially offset by increases in general and administrative, interest and other expenses.

Base rentals increased $38.2 million, or 46.8%, to $119.8 million for the six months ended June 30, 2003, from $81.6 million for the six months ended June 30, 2002, due to the buyouts of ownership interests in five centers in 2002, the acquisition of seven centers in 2002 and one center in 2003, higher average rents on releasing and renewals, and the expansion of two wholly-owned centers in late 2002.

Percentage rents increased $1.7 million, or 22.1%, to $9.2 million for the six months ended June 30, 2003, from $7.5 million for the six months ended June 30, 2002, primarily due to the buyouts of ownership interests in five centers in 2002 and the acquisition of seven centers in 2002.

Expense reimbursements, representing contractual recoveries from tenants of certain common area maintenance, operating, real estate tax, promotional and management expenses, increased $12.3 million, or 45.6%, to $39.3 million for the six months ended June 30, 2003, from $27.0 million for the six months ended June 30, 2002, due to the recovery of operating and maintenance costs from increased GLA. The average recovery of reimbursable expenses for the Premium Portfolio was 89% for the six months ended June 30, 2003 compared to 88% for the six months ended June 30, 2002. The average recovery of reimbursable expenses for the Other Retail Centers was 69% for the six months ended June 30, 2003, compared to 54% for the six months ended June 30, 2002. The increase in average recovery on the Other Retail Centers is a result of the centers acquired in 2002.

Other income decreased $1.9 million or 36.9% to $3.3 million for the six months ended June 30, 2003, from $5.2 million for the six months ended June 30, 2002, primarily due to the expiration of the non-compete agreement which included income recognition of $2.6 million in 2002 partially offset by an increase in ancillary operating income and gain from an outparcel sale in 2003.

Operating and maintenance expenses increased $13.1 million, or 38.4%, to $47.4 million for the six months ended June 30, 2003, from $34.3 million for the six months ended June 30, 2002. The increase was primarily due to costs related to increase in GLA.

Depreciation and amortization expense increased $7.7 million, or 28.5% to $34.9 million for the six months ended June 30, 2003, from $27.2 million for the six months ended June 30, 2002. The increase was due to depreciation of the increased GLA.

General and administrative expense increased $1.3 million or 35.8% to $4.7 million for the six months ended June 30, 2003, from $3.4 million for the six months ended June 30, 2002, primarily due to increases in deferred unit incentive program accrual, salaries and professional fees.

Other expenses increased $0.9 million or 40.0% to $3.1 million for the six months ended June 30, 2003, from $2.2 million for the six months ended June 30, 2002, due to a non-cash charge of $0.5 million on an interest rate swap resulting from the pay down of a hedged mortgage loan in June 2003 related to the sale of St. Helena Premium Outlets, and increased reserve for bad debt and center rent expense.

Income from unconsolidated investments decreased $2.8 million or 41.6% to $3.9 million for the six months ended June 30, 2003, from $6.7 million for the six months ended June 30, 2002, due to the buyouts of ownership interests in five centers in 2002 which were previously held as unconsolidated investments partially offset by higher income and fees including one-time leasing fees of $1.1 million from Chelsea Japan.

The loss from Chelsea Interactive decreased $4.8 million or 73.1% to $1.7 million for the six months ended June 30, 2003, from $6.5 million for the six months ended June 30, 2002, due to the write-off of the Company’s investment at December 31, 2002. The loss represents funding to Chelsea Interactive during the six months ended June 30, 2003.

Interest expense increased $12.6 million or 61.2% to $33.2 million for the six months ended June 30, 2003, from $20.6 million for the six months ended June 30, 2002, due to higher debt that partially financed acquisitions and the buyouts of partner’s interests.

Income from discontinued operations of $0.2 million for the six months ended June 30, 2003 and 2002, and gain on sale of discontinued operations of $4.7 million for the six months ended June 30, 2003, relates to the June 2003 sale of St. Helena Premium Outlets, a 23,000 square-foot Premium Property.

Liquidity and Capital Resources

The OP believes it has adequate financial resources to fund operating expenses, distributions, and planned development, construction and acquisition activities over the short term, which is less than 12 months and the long term, which is 12 months or more. Operating cash flow for the year ended December 31, 2002, of $128.2 million is expected to increase with a full year of operations from the five joint venture buyout centers and the 1.8 million square feet of GLA added during 2002 as well as scheduled openings of approximately 800,000 square feet of new joint venture GLA in 2003 and recent acquisition activity. The OP has adequate funding sources to complete and open all current development projects from available cash, credit facilities and secured construction financing. The OP also has access to the public markets through its $800 million debt and the Company’s $750 million equity shelf registration for funding or refinancing requirements.

Operating cash flow is expected to provide sufficient funds for distributions in accordance with REIT federal income tax requirements. In addition, the OP anticipates retaining sufficient operating cash to fund re-tenanting and lease renewal tenant improvement costs, as well as capital expenditures to maintain the quality of its centers, meet funding requirements of Chelsea Interactive and partially fund development projects.

Common distributions declared and recorded in 2003 were $53.4 million, or $1.07 per unit. The OP’s dividend payout ratio as a percentage of net income before gain or loss on sale or writedown of assets and depreciation and amortization (reduced by amortization of deferred financing costs, depreciation of non-real estate assets and preferred dividends (“FFO”)) was 65.8%. The OP’s senior unsecured bank line of credit (“Senior Credit Facility”) limits aggregate dividends and distributions to the lesser of (i) 90% of FFO on an annual basis or (ii) 100% of FFO for any two consecutive quarters.

The OP’s $200 million Senior Credit Facility expires in March 2005 (unless extended until March 2006), bears interest on the outstanding balance at an annual rate equal to the London Interbank Offered Rate (“LIBOR”) plus 1.05% (2.21% at June 30, 2003) or the prime rate, at the OP’s option, and has an annual facility fee of 0.125%. The LIBOR rate spread ranges from 0.85% to 1.50% depending on the OP’s Senior Debt rating. The OP received a debt rating upgrade in July 2003, resulting in a reduction of the LIBOR rate spread to 0.95% from 1.05%. At June 30, 2003, $78.0 million was outstanding under the Senior Credit Facility.

During 2003, the OP completed two acquisition transactions valued at approximately $219 million. On June 12, 2003, the OP purchased The Crossings Factory Stores, a 390,000 square-foot outlet center located in Tannersville, Pennsylvania, for $111.3 million, including closing costs, and assumed a $60.7 million 5.85% mortgage loan due 2013. In conjunction with the Crossings Factory Stores acquisition, the OP completed an offering of 1.2 million shares of the Company’s common stock at a price of $42.10 per share on June 18, 2003. Net proceeds after expenses of $49.4 million were used to fund substantially the entire cash portion of the acquisition.

On August 1, 2003, the OP acquired Belz Factory Outlet World – Las Vegas, a 477,000 square-foot outlet center in Las Vegas, Nevada for $104.0 million including the assumption of a $24.4 million 8.12% mortgage loan due 2012. As part of the same transaction, the OP acquired Belz Factory Outlet World – Lakeland, a 319,000 square-foot outlet center near Memphis, Tennessee for an additional $3.5 million. The Lakeland property is expected to be marketed for sale shortly after closing. The approximately $84.0 million cash portion of the overall transaction was financed through a $100 million one-year bridge loan facility at an annual interest rate of LIBOR plus 0.80% that is due on July 31, 2004 and extendible for six months until January 31, 2005 at the OP’s option. The LIBOR rate spread ranges from 0.70% to 1.35% depending on the OP’s Senior Debt rating. Surplus proceeds from the financing of approximately $16.0 million will be used for general corporate purposes.

A summary of the maturity of the OP’s contractual debt obligations (at par) as of June 30, 2003, is as follows :

	Total	Less than One Year	1 to 3 Years	4 to 5 Years	After 5 Years
Unsecured bank debt	$ 83,035	$ -	$ 83,035	$ -	$ -
Unsecured notes	625,000	-	50,000	125,000	450,000
Mortgage debt	354,662	3,126	13,206	166,634	171,696
Total	$1,062,697	$3,126	$146,241	$291,634	$621,696

Construction projects underway at June 30, 2003 included a 170,000 square-foot second phase at Gotemba Premium Outlets, which opened on July 8, 2003; and the 435,000 square-foot Las Vegas Premium Outlets, which opened on August 1, 2003. The 180,000 square-foot first phase of Sano Premium Outlets, located north of Tokyo, Japan opened March 14, 2003. The OP is also under construction on the 438,000 square-foot Chicago Premium Outlets in Aurora, Illinois, scheduled to open in mid-2004, and the 124,000 square-foot third phase of Outlets at Albertville, scheduled to open in March 2004. The Gotemba and Sano projects are developments of Chelsea Japan Co., Ltd., the OP’s 40%-owned Japanese joint venture. The Las Vegas and Chicago projects are 50/50 joint ventures with Simon. Other projects in various stages of development are expected to open in 2004 and beyond. There can be no assurance that these projects will be completed or opened, or that there will not be delays in opening or completion. All current development activity is fully financed either through project specific secured construction financing, the yen denominated line of credit, available cash or through the Senior Credit Facility. The OP will seek to obtain permanent financing once the projects are completed and income has been stabilized.

In connection with the Simon joint ventures, the OP has committed to provide 50% of the development costs, which are expected to be approximately $48.0 million for Las Vegas Premium Outlets and $46.0 million for Chicago Premium Outlets. As of June 30, 2003, the OP had contributed $36.6 million and $12.8 million to the Las Vegas and Chicago projects, respectively.

The OP has an agreement with Mitsubishi Estate Co., Ltd. and Nissho Iwai Corporation to jointly develop, own and operate premium outlet centers in Japan under the joint venture Chelsea Japan. Borrowings related to Chelsea Japan for which the Company and the OP have provided guarantees as of June 30, 2003, are as follows:

Total Facility	Outstanding

Yen	US $ Equivalent	Yen	US $ Equivalent	US $ Guarantee	Due Date	Interest Rate
4.0 billion (1)	$33.4 million	0.9 billion	$7.9 million	$7.9 million	2004	1.41%
3.8 billion (2)	31.7 million	3.4 billion	28.1 million	11.2 million	2015	2.20%
0.6 billion (2)	5.0 million	0.5 billion	4.5 million	1.8 million	2012	1.50%

1) Facility entered into by an equity investee of the OP that has a one-year extension option until April 1, 2005.
2) Facilities entered into by Chelsea Japan, secured by Gotemba and Rinku and 40% severally guaranteed by the OP.

In May 2002, the OP, through an affiliated entity, entered into a 50/50 strategic alliance with Sordo Madaleno y Asociados and Mr. Carlos Peralta of Mexico City to jointly develop premium outlet centers in Mexico. Subject to leasing and entitlements, construction on a 232,000 square-foot first phase of an outlet project north of Mexico City is expected to commence later in 2003 and to open in late 2004. The site can support a second phase containing approximately 165,000 square feet of GLA. Once phase one of the project has been approved, the OP will be committed to fund approximately $14 million which is 50% of the development costs. As of June 30, 2003, the OP had incurred costs of approximately $1.9 million related to predevelopment costs and formation of the joint venture.

At December 31, 2002, the OP recognized an impairment loss equal to the net book value of its investment in Chelsea Interactive. The OP believes that it will not be able to recover the net book value of its investment in Chelsea Interactive through future cash flows before reaching the OP's $60.0 million funding limit. Through June 30, 2003, the OP had funded $54.1 million and anticipates that the $5.9 million funding balance may be used to further develop the platform and to finance operating cash shortfalls and potential costs related to the disposal or discontinuance of the business. A $0.9 million and $1.7 million funding loss was reported for the three and six months ended June 30, 2003 respectively. Future funding by the OP will be reported as a loss in the period funding is required. The OP has signed an agreement with a third party to restructure Chelsea Interactive, subject to the satisfaction of certain conditions. There can be no assurance that this joint venture will be successful or that Chelsea Interactive will be able to continue as a going concern.

The OP has minority interests ranging from 3% to 8% in several outlet centers and outlet development projects in Europe operated by Value Retail. The OP's total investment in Europe as of June 30, 2003, was $3.6 million. The OP has also provided $17.3 million in limited debt service guarantees under a standby facility for loans arranged by Value Retail to construct outlet centers in Europe. The standby facility for new guarantees, which has a maximum of $22.0 million, expired in November 2001 and outstanding guarantees shall not survive more than five years after project completion.

To achieve planned growth and favorable returns in both the short and long-term, the OP's financing strategy is to maintain a strong, flexible financial position by: (i) maintaining a conservative level of leverage; (ii) extending and sequencing debt maturity dates; (iii) managing exposure to floating interest rates; and (iv) maintaining liquidity. Management believes these strategies will continue to enable the OP to access a broad array of capital sources, including bank or institutional borrowings and secured and unsecured debt and equity offerings, subject to market conditions.

Net cash provided by operating activities was $88.7 million and $52.5 million for the six months ended June 30, 2003, and 2002, respectively. The increase was primarily due to increased operating cash flow generated on the growth of the OP's GLA and decreased losses from Chelsea Interactive offset by the payout of the deferred incentive compensation in March 2002 and the receipt in January 2002 of the final non-compete installment. Net cash used in investing activities decreased to $80.9 million from $93.2 for the six months ended June 30, 2003, and 2002, respectively primarily as a result of a decrease in joint venture and wholly owned property acquisition activity and an increase in proceeds from sale of a center. Net cash used in financing activities increased to $9.0 million from cash provided of $57.9 million for the six months ended June 30, 2003, and 2002, respectively. The increase was primarily a result of decreased debt proceeds and repayments offset by common stock issuance in 2003, preferred stock redemptions in 2002 and increased distributions in 2003.

Funds from Operations

Management believes that funds from operations ("FFO") should be considered in conjunction with net income, as presented in the statements of income included elsewhere herein, to facilitate a clearer understanding of the operating results of the OP. The White Paper on Funds from Operations approved by the Board of Governors of NAREIT in October 1999 defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring and sales of properties, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. The OP believes that FFO is helpful to investors as a measure of the performance of an equity REIT because, along with cash flow from operating activities, financing activities and investing activities, it provides investors with an indication of the ability of the OP to incur and service debt, to make capital expenditures and to fund other cash needs. The OP computes FFO in accordance with the current standards established by NAREIT which may not be comparable to FFO reported by other REITS that do not define the term in accordance with current NAREIT definition or that interpret the current NAREIT definition differently than the OP. FFO does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of the OP's financial performance or to cash flow from operating activities (determined in accordance with GAAP) as a measure of the OP's liquidity, nor is it indicative of funds available to fund the OP's cash needs, including its ability to make cash distributions.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	**2002**	**2003**	**2002**
Net income to common unitholders	**$29,079**	$15,631	**$50,841**	$29,511
Add (deduct):				
Depreciation and amortization - wholly owned	**17,269**	14,243	**34,901**	27,184
Depreciation and amortization - joint ventures	**694**	1,159	**1,293**	2,802
Amortization of deferred financing costs and depreciation of non-rental real estate assets	**(583)**	(616)	**(1,183)**	(1,168)
Gain of sale of discontinued operations	**(4,717)**	-	**(4,717)**	-
FFO	**$41,742**	$30,417	**$81,135**	$58,329
Average units outstanding	**49,483**	44,158	**49,302**	44,015
Distributions declared per unit	**$0.535**	$0.485	**$1.07**	$0.89

Recent Accounting Pronouncements

In November 2002, the FASB issued Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others ("FIN 45"). FIN 45 requires certain guarantees to be recorded at fair value, instead of recording a liability only when a loss is probable and reasonably estimatable, as those terms are defined in FASB Statement No. 5, Accounting for Contingencies. FIN 45 also requires a guarantor to make significant new disclosures, even when the likelihood of making any payments under the guarantee is remote. The disclosure requirements of FIN 45 are effective for financial statements of interim or annual periods ending after December 15, 2002. The OP adopted the disclosure provisions of FIN 45 effective December 31, 2002. FIN 45's initial recognition and initial measurement provisions are applicable on a prospective basis to guarantees issued or modified after December 31, 2002.

In January of 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN 46"). FIN 46 clarifies the application of existing accounting pronouncements to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The provisions of FIN 46 will be immediately effective for all variable interests in variable interest entities created after January 31, 2003, and the OP will need to apply its provisions to any existing variable interests in variable interest entities by no later than September 30, 2003. The OP does not believe that FIN 46 will have a significant impact on the OP's financial statements.

Critical Accounting Policies and Estimates

The OP's discussion and analysis of its financial condition and results of operations are based upon the OP's consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the OP to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The OP bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The OP believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Bad Debt

The OP maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its tenants to make required rent payments. If the financial condition of the OP's tenants were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The OP's allowance for doubtful accounts included in tenant accounts receivable totaled $2.3 million and $2.6 million at June 30, 2003, and December 31, 2002, respectively.

Valuation of Investments

On a periodic basis, management assesses whether there are any indicators that the value of real estate properties, including joint venture properties, may be impaired. If the carrying amount of the property is greater than the estimated expected future cash flow (undiscounted and without interest charges) of the asset, impairment has occurred. The OP will then record an impairment loss equal to the difference between the carrying amount and the fair value of the asset. The OP does not believe that the value of any of its rental properties were impaired at June 30, 2003. The OP currently believes that it will not be able to recover the net book value of its investment in Chelsea Interactive through future cash flows unless Chelsea Interactive is able to achieve positive cash flow before reaching the $60.0 million funding limit. Due to current market conditions and the costs of operating the platform, future funding by the OP will be reported as a loss in the period funding occurs. As of June 30, 2003, $54.1 million had been funded and $0.9 million and $1.7 million has been reported as a loss for the three and six month periods then ended.

Economic Conditions

Substantially all leases contain provisions, including escalations of base rents and percentage rentals calculated on gross sales, to mitigate the impact of inflation. Inflationary increases in common area maintenance and real estate tax expenses are substantially reimbursed by tenants.

Virtually all tenants have met their lease obligations and the OP continues to attract and retain quality tenants. The OP intends to reduce operating and leasing risks by continually improving its tenant mix, rental rates and lease terms and by pursuing contracts with creditworthy upscale and national brand-name tenants.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The OP is exposed to changes in interest rates primarily from its floating rate debt arrangements. In December 2000, the OP implemented a policy to protect against interest rate and foreign exchange risk. The OP's primary strategy is to protect against this risk by using derivative transactions as appropriate to minimize the variability that floating rate interest and foreign currency fluctuations could have on cash flow. In December 2000, a wholly-owned subsidiary of the OP entered into an interest rate swap agreement effective January 2, 2001 with a financial institution for a notional amount of $69.3 million amortizing to $64.1 million to hedge against unfavorable fluctuations in the LIBOR rates of its secured mortgage loan facility. The hedge effectively produces a fixed rate of 7.2625% on the notional amount until January 1, 2006.

At June 30, 2003, a hypothetical 100 basis point adverse move (increase) in US Treasury and LIBOR rates applied to unhedged debt would adversely affect the OP's annual interest cost by approximately $0.8 million annually.

Following is a summary of the OP's debt obligations at June 30, 2003, (in thousands):

	Expected Maturity Date							
	2004	2005	2006	2007	2008	Thereafter	Total	Fair Value
Fixed Rate Debt:	-	$49,937	-	$124,857	$166,236	$581,927	$922,957	$1,046,412
Average Interest Rate:	-	8.38%	-	7.25%	6.99%	7.14%	7.19%	
Variable Rate Debt:	-	$83,035	-	-	-	$61,975	$145,010	$ 145,010
Average Interest Rate:	-	2.21%	-	-	-	2.82%	2.47%	

Item 4. Controls and Procedures

The Company's chief executive officer and chief financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in rule 13a-14(c) under the Securities Exchange Act of 1934, as amended) as of June 30, 2003 and, based on that evaluation, concluded that, as of the end of the quarter covered by this report we had sufficient controls and procedures for recording, processing, summarizing and reporting information that is required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended, within the time periods specified in the SEC's rules and forms.

During the quarter ended June 30, 2003, there have not been any significant changes to our internal controls including any corrective actions with regard to significant deficiencies and material weaknesses or other factors that could significantly affect these controls.

CPG Partners, L.P.

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

(a) 31 Section 302 Certifications

32 Section 906 Certifications

(b) Current Report on Form 8K reporting under Items 7 and 9 on an event that occurred May 6, 2003.

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.

CPG PARTNERS, L.P.

By: /s/ Michael J. Clarke
Michael J. Clarke
Chief Financial Officer

Date: August 12 , 2003

CERTIFICATION

I, David C. Bloom, Chief Executive Officer of Chelsea Property Group, Inc., the sole general partner of CPG Partners, L.P. (the "OP"), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of the OP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Intentionally Omitted

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to material affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2003

/s/ David C. Bloom
David C. Bloom
Chief Executive Officer

CERTIFICATION

I, Michael J. Clarke, Chief Financial Officer of Chelsea Property Group, Inc., the sole general partner of CPG Partners, L.P. (the "OP"), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of the OP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Intentionally Omitted

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to material affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2003

/s/ Michael J. Clarke
Michael J. Clarke

Chief Financial Officer

CERTIFICATION

I, David C. Bloom, Chief Executive Officer of Chelsea Property Group, Inc., the sole general partner of CPG Partners, L.P. ("the OP"), pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, do hereby certify as follows:

1. The quarterly report on Form 10-Q of the OP for the period ended June 30, 2003 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the OP.

IN WITNESS WHEREOF, I have executed this Certification this 12th day of August, 2003.

/s/ David C. Bloom
David C. Bloom
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Chelsea Property Group, Inc. and will be retained by Chelsea Property Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION

I, Michael J. Clarke, Chief Financial Officer of Chelsea Property Group, Inc., the sole general partner of CPG Partners, L.P. ("the OP"), pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, do hereby certify as follows:

1. The quarterly report on Form 10-Q of the OP for the period ended June 30, 2003 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the OP.

IN WITNESS WHEREOF, I have executed this Certification this 12th day of August, 2003.

/s/ Michael J. Clarke
Michael J. Clarke
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Chelsea Property Group, Inc. and will be retained by Chelsea Property Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.