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

# FORM 8-K

## CURRENT REPORT

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

Date of Report(Date of earliest event reported): September 18, 1998

SIMON DeBARTOLO GROUP, L.P.
(Exact name of registrant as specified in its charter)

Commission file number 333-11491

| | |
|---|---|
| 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

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Item 5. OTHER EVENTS

Simon DeBartolo Group, LP (the Operating Partnership) is a subsidiary partnership of Simon DeBartolo Group, Inc. ("SDG or the Company"). The Operating Partnership is engaged primarily in the ownership, development, management, leasing, acquisition and expansion of income-producing 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. At June 30, 1998, the Operating Partnership owned or had an interest in 216 properties.

In February 1998, SDG, Corporate Property Investors, Inc. ("CPI") and Corporate Property Investors, Inc. ("CRC") entered into a Merger Agreement, which provides for the Merger of a substantially wholly owned subsidiary of CPI with and into SDG. Legally, SDG will become a majority-owned subsidiary of CPI. Pursuant to the Merger Agreement, the outstanding shares of SDG Common Stock will be exchanged for like shares of CPI. Beneficial interests in CRC will be acquired for cash. CPI's name will be changed to Simon Property Group, Inc. (SPG). In connection with, the Merger, the holders of CPI Common Stock will receive a dividend per share consisting of $90 in cash, 1.0818 shares of CPI Common Stock and 0.19 shares of Series B Convertible Preferred Stock of CPI. The aggregate purchase price is estimated by SDG to be approximately $5.9 billion.

CPI is a self-administered and self-managed privately held REIT which invests in income-producing properties. At June 30, 1998, CPI owned or held interests in 30 properties, 23 shopping centers and seven commercial properties. CRC is engaged in the ownership, operation, acquisition and development of income producing properties directly or through interests in joint ventures and other non-REIT qualifying activities.

Included under Item 7 are unaudited interim financial statements of CPI as of June 30, 1998 and for the six months then ended and pro forma financial statements as if the Merger and Other Property Transactions described hereunder had occurred as of June 30, 1998 or for the beginning of the periods presented.

Item 7. FINANCIAL STATEMENTS AND EXHIBITS.

a) and b) Updated interim financial statements of CPI and pro forma financial information follow beginning at page F-1.

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SIGNATURES

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

Date: September 18, 1998

SIMON DeBARTOLO GROUP, INC.

By /s/ John Dahl<br>
John Dahl<br>
Senior Vice President and Chief Accounting Officer

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CORPORATE PROPERTY INVESTORS, INC.

CONSOLIDATED BALANCE SHEETS

| ($ in thousands) | June 30, 1998 (Unaudited) | December 31, 1997 |
|---|---|---|
| Assets | | |
| Real estate investments: | | |
| Operating properties | $ 1,892,694 | $ 2,341,678 |
| Operating properties held for sale | 590,308 | -- |
| Investments in real estate joint ventures | 89,757 | 109,172 |
| Construction-in-progress and pre-construction costs ($21,360 and $20,510) | 46,519 | 31,697 |
| Land held for development | 7,350 | 22,420 |
| Properties subject to net lease and other | 18,781 | 21,529 |
| | $2,645,409 | $2,526,496 |
| Cash and cash equivalents | 75,866 | 124,808 |
| Short-term investments | | 40,000 |
| Receivables and other assets | 113,246 | 118,950 |
| Total assets | $ 2,834,521 | $2,810,254 |
| Liabilities and Shareholders' Equity | | |
| Liabilities: | | |
| Mortgages payable | $ 12,909 | $ 15,645 |
| Notes and Bonds payable | 843,310 | 843,415 |
| Accounts payable and other liabilities | 158,392 | 148,580 |
| Total liabilities | 1,014,611 | 1,007,640 |
| Shareholders' equity: | | |
| 6.5% First Series Perpetual Preference Shares, $1,000 par value, 209,249 shares authorized, issued and outstanding | 209,249 | 209,249 |
| Series A Common Shares, $1 par value, 33,423,973 and 33,427,848 authorized, and 26,422,480 and 26,419,355 issued and outstanding | 26,422 | 26,419 |
| Capital in excess in par value | 1,602,870 | 1,602,111 |
| Undistributed net income | 95,338 | 78,851 |
| Treasury shares, 1,092,071 and 1,092,500 Common Shares at cost | (113,969) | (114,016) |
| Total shareholders' equity | 1,819,910 | 1,802,614 |
| Total liabilities and shareholders' equity | $ 2,834,521 | $2,810,254 |

The accompanying notes are an integral part of these statements.

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CORPORATE PROPERTY INVESTORS, INC.
CONSOLIDATED STATEMENTS OF INCOME

| ($ in thousands) | For the three Months ended June 30, 1998 | For the three Months ended June 30, 1997 | For the Six Months ended June 30, 1998 | For the Six Months ended June 30, 1997 |
|---|---|---|---|---|
| | (Unaudited) | | | |
| Revenue: | | | | |
| Minimum rent | $ 84,720 | $78,793 | $ 170,201 | $154,557 |
| Overage rent | (40) | 2,357 | 3,058 | 4,730 |
| Expense recoveries | 38,450 | 33,988 | 75,423 | 67,608 |
| Other revenues | 2,020 | 1,184 | 3,564 | 2,156 |
| Interest income | 1,092 | 4,213 | 2,400 | 10,574 |
| Total revenue | 126,242 | 120,535 | 254,646 | 239,625 |
| Expenses: | | | | |
| Property expenses | 49,266 | 45,774 | 96,729 | 90,364 |
| Provision for bad debts | 719 | 654 | 1,445 | 1,283 |
| Depreciation and amortization | 19,428 | 23,021 | 41,762 | 45,509 |
| Administrative, trustee and other expenses | 2,483 | 2,160 | 4,689 | 4,347 |
| Interest expense | 16,325 | 16,718 | 32,799 | 35,732 |
| Total expenses | 88,221 | 88,327 | 177,424 | 177,235 |
| Income before equity in earnings of joint ventures | 38,021 | 32,208 | 77,222 | 62,390 |
| Equity in earnings of joint ventures | 5,107 | 4,657 | 10,661 | 9,911 |
| Income before gain on sales of properties and merger-related costs | 43,128 | 36,865 | 87,883 | 72,301 |
| Gain (loss) on sales of properties | 983 | (480) | 45,294 | 116,042 |
| Merger-related costs | (4,034) | | (11,573) | |
| Net income | 40,077 | 36,385 | 121,604 | 188,343 |
| Preference share distributions earned | (3,428) | (3,428) | (6,856) | (6,856) |
| Net Income available to Common Shareholders | $ 36,649 | $ 32,957 | $ 114,748 | $ 181,487 |
| Net Income per average Common Share outstanding | $1.45 | $1.26 | $4.53 | $6.96 |
| Net Income per average Common Share outstanding assuming dilution | $1.45 | $1.26 | $4.49 | $6.83 |

The accompanying notes are an integral part of these statements.

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CORPORATE PROPERTY INVESTORS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30,
($ in thousands)

| | 1998 (Unaudited) | 1997 |
|---|---|---|
| Operating Activities | | |
| Net Income | 121,604 | 188,343 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Equity in earnings of real estate joint ventures | (10,661) | (9,911) |
| Depreciation and amortization | 41,762 | 45,509 |
| Gain on disposition of properties | (45,294) | (116,042) |
| Decrease in receivables and other assets | 7,948 | 6,733 |
| Increase/(decrease) in accounts payable and accrued expenses | 1,548 | (38,133) |
| Net cash provided by operating activities | 116,907 | 76,499 |
| Investing Activities | | |
| Investments in real estate | (240,003) | (47,732) |
| Investments in real estate joint ventures | (14,399) | (17,281) |
| Distributions from real estate joint ventures | 43,900 | 59,645 |
| Purchases of short-term investments | 0 | (185,450) |
| Maturities of short-term investments | 40,000 | 218,562 |
| Proceeds from repayment of mortgage receivable from related party | 17,468 | 0 |
| Proceeds from repayment of mortgages receivable from real estate joint venture partners | 0 | 45,822 |
| Proceeds from disposition of properties | 82,337 | 3,482 |
| Other | (1,223) | (910) |
| Net cash (used in)/provided by investing activities | (71,920) | 76,138 |
| Financing Activities | | |
| Repayment of Bonds payable at maturity | | (100,000) |
| Proceeds from revolving credit drawdown | 75,000 | 0 |
| Repayment of revolving credit drawdown | (62,000) | 0 |
| Issuance of Common Shares | 924 | 60 |
| Acquisition of Common Shares | 0 | (351) |
| Principal payments on mortgages | (2,736) | (2,620) |
| Cash distributions | (105,117) | (108,360) |
| Net cash used in financing activities | (93,929) | (211,271) |
| Decrease in cash and cash equivalents | (48,942) | (58,634) |
| Cash and cash equivalents at beginning of period | 124,808 | 106,495 |
| Cash and cash equivalents at end of period | 75,866 | 47,861 |
| Supplemental Disclosure: | | |
| Interest paid (net of amounts capitalized) during the period | 32,899 | 41,339 |
| Non-cash investing and financing activities: | | |
| Redemption of common shares in exchange for real estate interests | | 142,521 |

The accompanying notes are an integral part of these statements.

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NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Description of Business

Corporate Property Investors, Inc. ("CPI") is a self managed real estate investment trust (REIT) under the Internal Revenue Code of 1986, as amended. On March 13, 1998, CPI, formerly a Massachusetts business trust, reorganized into a corporation under the laws of the State of Delaware. CPI engages in the ownership, operation, management, leasing, acquisition, development and expansion of income producing properties located throughout the United States. As of June 30, 1998, CPI owns interests in, directly or through interests in joint ventures, 23 super-regional and regional shopping centers, The General Motors Building, N.Y.C., 3 smaller office buildings and other properties.

The proportionate property revenues of CPI's lines of business for the six months ended June 30, 1998 and 1997 are summarized as follows:

| | June 30 1998 | June 30 1997 |
|---|---|---|
| Super-regional and regional shopping centers | 80% | 78% |
| General Motors Building | 17 | 18 |
| Other office buildings | 2 | 3 |
| Other | 1 | 1 |
| | 100% | 100% |

CPI shareholders, in proportion to their respective number of CPI shares, own the beneficial interests in the Corporate Realty Consultants, Inc. ("CRC") Trusts, in which all of the outstanding shares of CRC have been deposited. Ownership of CRC shares is not evidenced by a separate stock certificate and cannot be transferred separately from the corresponding CPI shares. All directors of CRC must be directors of CPI and the senior executive officers of CPI are also officers of CRC. The foregoing arrangements create a "Paired-Share REIT" structure for federal income tax purposes.

On February 19, 1998 CPI and CRC signed a definitive agreement to merge with Simon DeBartolo Group, Inc. which is described in note (1) of the Commitments, Contingencies and Other Comments footnote.

Basis of Presentation

The accompanying unaudited consolidated financial statements 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 financial statements for these interim periods have been included. The results for the three month and six month periods ended June 30, 1998 are not necessarily indicative of the results to be obtained for the year ended December 31, 1998. These financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in CPI's registration statement on Form S-4 dated August 13, 1998.

The consolidated financial statements include the accounts of CPI and its consolidated subsidiaries. Significant intercompany balances, transactions and accounts are eliminated in consolidation. Investments in real estate joint ventures which represent non-controlling ownership interests are accounted for using the equity method of accounting.

Investments in Real Estate Joint Ventures

CPI has a 50% interest in seven real estate joint ventures each of which own and operate a shopping center. CPI also has a 50% interest in Mall of Georgia, L.L.C., a joint venture which is developing a super-regional shopping center in Georgia. CPI has guaranteed the joint venture's $200 million loan in exchange for a priority distribution (see "Commitments, Contingencies and Other Comments"). Generally, net income/(loss) for each joint venture is allocated consistent with the ownership interests held by each joint venturer.

As of June 30, 1998 and December 31, 1997 the unamortized excess of CPI's investment over its share of the equity in the underlying net assets of the joint ventures was approximately $42.0 million and $42.4 million, respectively. This excess is amortized over the estimated lives of the related real estate assets. The combined condensed balance sheets of the real estate joint ventures, as of June 30, 1998 and December 31, 1997 and the related statements of net income for the six months ended June 30, 1998 and 1997 follows:

| ($ in thousands) | 1998 | 1997 |
|---|---|---|
| Assets | | |
| Real estate assets | $ 357,748 | $ 322,467 |
| Other | 41,403 | 26,995 |
| Total Assets | $ 399,151 | $ 349,462 |
| | | |
| Liabilities | | |
| Mortgages payable | $ 306,712 | $ 237,868 |
| Other | 11,345 | 10,675 |
| Total Liabilities | $ 318,057 | $ 248,543 |
| | | |
| Joint Venturers' Equity | | |
| CPI | $ 47,710 | $ 66,816 |
| Others | 33,384 | 34,103 |
| Total Joint Venturers' Equity | $ 81,094 | $ 100,919 |
| | | |
| Income | $ 60,339 | $ 57,261 |
| Expenses | (37,995) | ( 38,943) |
| Net Income | $ 22,344 | $ 18,318 |

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Income Per Common Share

In February 1997, the Financial Accounting Standards Board issued Statement No. 128, "Earnings per Share." Statement 128 replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. Basic earnings per share excludes any dilutive effects of options, warrants and convertible securities. All earnings per share amounts for all periods have been presented to conform to Statement 128 requirements. The following table sets forth the computation of basic and diluted earnings per common share for the six months ended June 30, 1998 and 1997:

| ($ in thousands, except per share data) | 1998 | 1997 |
|---|---|---|
| Numerator: | | |
| Net income | $ 121,604 | $ 188,343 |
| Preference Share distributions earned | (6,856) | (6,856) |
| Numerator for basic earnings per share-income available to Common Shareholders | 114,748 | 181,487 |
| Effect of dilutive securities: | | |
| Preference Share distributions earned | 6,856 | 6,856 |
| Numerator for diluted earnings per share | $ 121,604 | $ 188,343 |
| Denominator: | | |
| Denominator for basic earnings per share-weighted average shares | 25,353,000 | 26,063,000 |
| Effect of dilutive securities: | | |
| Employee Stock Options | 235,000 | |
| Convertible Preference Shares | 1,504,000 | 1,504,000 |
| Denominator for diluted earnings per share | 27,092,000 | 27,567,000 |
| Basic earnings per share | $ 4.53 | $ 6.96 |
| Diluted earnings per share | $ 4.49 | $ 6.83 |

The above computations are based upon the dilutive effects of agreements presently in effect. The basis for such computations is anticipated to change in the event the merger with Simon DeBartolo Group, Inc. (See "Commitments, Contingencies and other Comments") is closed.

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## New Accounting Pronouncements

On May 21, 1998, the Emerging Issues Task Force of the Financial Accounting Standards Board reached a final consensus regarding Issue 98-9, "Accounting for Contingent Rent in Interim Financial Periods" (EITF 98-9). The final consensus requires that the lessor defer recognition of contingent rental income, such as overage rent, until specified targets are met and amounts become billable to tenants. Although this consensus will not have a material effect on CPI's annual results, it is anticipated to impact the amount of overage rent recognized in the first three quarters of the calendar year. CPI adopted the consensus reached in EITF 98-9 during the second quarter of 1998 which had the effect of reducing net income by $3.3 million ($.13 per Common Share) for the six months ended June 30, 1998. Had this been applied to the 1997 financial statements it would have resulted in a $2.3 million ($.09 per Common Share) decrease to net income for the six months ended June 30, 1997.

In June 1997, the Financial Accounting Standards Board issued Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information," which is effective for fiscal years beginning after December 15, 1997. CPI intends to implement the operating and reportable segment rules in its year-end, audited financial statements.

## Reclassifications

Certain reclassifications have been made to the June 30, 1997 financial statements to conform to the presentation for the period ended June 30, 1998. These reclassifications have no significant impact on CPI's financial statements.

## Acquisitions and Dispositions

On December 31, 1996 and January 2, 1997, respectively, CPI, at a cost of $198 million and $145 million, respectively, redeemed 1.51 million and 1.09 million Series A Common Shares (and acquired related interests in CRC) held by a shareholder in exchange for cash of $13 million and interests in three shopping center properties valued at $330 million. The exchanges resulted in gain on disposition of the properties of $186.7 million, of which $71.7 million was recognized in December 1996 and $115 million was recognized in January 1997.

On January 9, 1998, CPI purchased a super-regional shopping center and adjoining land parcels located in Atlanta, Georgia for $198 million. Approximately $40 million was borrowed under a revolving credit facility to partially fund the purchase.

On January 30, 1998, CPI sold a super-regional shopping center for $81 million and recorded a gain on sale of $43 million. Proceeds from the sale were used to repay the aforementioned borrowing under the revolving credit facility.

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The following pro forma results of operations for the six months ended June 30, 1998 and 1997 assume the acquisition and dispositions closed as of January 1, 1997 and give effect to adjustments for depreciation expense related to the interest in property acquired and elimination of gain on the disposition of the properties.

| Six Months Ended June 30, ($ in thousands) | 1998 | 1997 |
|---|---|---|
| Rentals and related property income | $ 251,224 | $ 232,129 |
| Net Income | $ 78,300 | $ 76,052 |
| Net Income per average Common Share outstanding | $ 2.82 | $ 2.65 |

REAL ESTATE
($ in thousands)

| June 30, 1998 | Land | Buildings & Leaseholds | Construction & Pre-Construction Costs | Land Held for Development | Accumulated Depreciation and Amortization | Mortgages Payable |
|---|---|---|---|---|---|---|
| Shopping centers | $225,215 | $2,122,427 | $46,519 | $6,834 | $520,623 | $1,250 |
| Office buildings held for sale | 14,606 | 685,454 | 1,809 | | 111,561 | 10,707 |
| Office buildings (including related mortgage loan of $20,565) and industrial park | 11,053 | 74,339 | | 516 | 19,717 | |
| Properties subject to net lease (principally retail facilities) and other (including mortgage loans of $6,939) | 6,040 | 19,172 | | | 6,431 | 952 |
| | $256,914 | $2,901,392 | $48,328 | $7,350 | $658,332 | $12,909 |

| December 31, 1997 | Land | Buildings & Leaseholds | Construction & Pre-Construction Costs | Land Held for Development | Accumulated Depreciation and Amortization | Mortgages Payable |
|---|---|---|---|---|---|---|
| Shopping centers | $196,052 | $2,013,456 | $30,994 | $6,835 | $517,386 | $1,361 |
| Office buildings (including related mortgage loan of $20,565) and industrial park | 25,819 | 744,839 | 703 | 516 | 121,102 | 13,230 |
| Properties subject to net lease (principally retail facilities) and other (including mortgage loans of $22,054 of which $15,069 is related) | 6,796 | 20,993 | | 15,069 | 6,260 | 1,054 |
| | $228,667 | $2,779,288 | $31,697 | $22,420 | $644,748 | $15,645 |

Commitments, Contingencies and Other Comments

(1) On February 19, 1998 CPI and CRC signed a definitive agreement to merge with Simon DeBartolo Group, Inc. ("SDG"); a publicly-traded real estate investment trust. In connection therewith, on August 13, 1998 CPI and CRC filed a registration statement on Form S-4, which included the prospectus for CPI and CRC and the proxy statement for SDG, with the Securities and Exchange Commission. The Merger has been approved by all companies' Boards of Directors/Trustees. A majority of CPI's shareholders have agreed to approve the transaction which is subject to the approval of the shareholders of SDG, as well as customary regulatory and other conditions. The CPI and SDG shareholders' meetings to vote on the merger are scheduled for September 23, 1998. The transaction is expected to be completed soon thereafter, between September 24 and September 30, 1998 (the "Effective Time"). As of the Effective Time, a substantially wholly owned subsidiary of CPI will merge with and into SDG as stipulated in the merger agreement and discussed in the registration statement. CPI will then be renamed Simon Property Group Inc. ("SPG") and CRC will be renamed SPG Realty Consultants, Inc. The Board of Directors of SPG will consist of 13 directors which will include three directors designated by CPI and the officers of SPG and SPG Realty Consultants, Inc. shall include two present officers of CPI and CRC.

As of February 18 the transaction values CPI at approximately $5.8 billion, including the assumption of debt. Each CPI common share will be entitled to $90 in cash, 2.0818 in the combined REIT's common stock and $19 of liquidation preference in 6 1/2% convertible preferred stock of the combined REIT. The common stock component of the consideration is based upon a fixed exchange ratio of 2.0818 combined REIT shares and is subject to a 15% symmetrical collar based upon the price of SDG common stock determined in a period ending shortly before closing. Adjustments related to such collar will be in cash.

It is anticipated that on the day prior to the Merger, substantially all of CPI's assets will be transferred to Retail Properties Trust ("RPT"), a REIT substantially owned by the SDG Operating Partnership. RPT will assume CPI's obligations under the Notes. SDG and CPI have received inquiries from certain note holders as to the means being utilized to effect compliance with the terms of the note indentures in connection with the Merger. Certain of such holders have expressed their view that they do not believe compliance may be effected without receiving waivers from the requisite percentage of CPI's noteholders. CPI and SDG believe that the assignment of CPI's assets to RPT and RPT's assumption of CPI's liabilities fully complies with the provisions of the Note Indentures.

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In the first six months of 1998 CPI incurred approximately $11.6 million of merger-related costs, principally legal and advisory fees, which are included in the accompanying statements of income. If the merger is effected additional merger costs, including severance payments pursuant to CPI's present policies, professional fees and other transaction costs, payable by CPI or its successor are projected to be approximately $71 million.

(2) CPI sold the General Motors Building, New York City on July 31, 1998 for $800 million in cash and realized at a gain of $204 million ($8.05 per Common Share). CPI has agreed in principle to sell the Rockaway Office Building in Rockaway, New Jersey for $6.8 million. Such sale is anticipated to close sometime in the third quarter of 1998. The sale will result in an estimated gain of approximately $2 million ($.08 per Common Share).

The combined carrying amount of the General Motors Building and the Rockaway Office Building of $590 million is separately classified in the June 30, 1998 consolidated balance sheet. CPI ceased recording depreciation on these properties on the date they became properties held for sale. Rentals and related property income and net income from these properties included in the consolidated statements of income are summarized as follows:

| Six Months Ended June 30,<br>($ in thousands) | 1998 | 1997 |
|---|---|---|
| Rentals and related<br>property income | $46,172 | $45,264 |
| Net income | $22,882 | $15,739 |

(3) CPI has entered into commitments for future real estate investments aggregating approximately $138 million and $122 million at June 30, 1998 and December 31, 1997, respectively.

(4) CPI is a defendant in various lawsuits arising in the ordinary course of business. In the opinion of management, based upon the advice of both outside and corporate counsel, resolving these actions will not have a material effect upon CPI's financial condition.

(5) On August 6, 1998, the CPI Directors declared: (i) distributions ($49.1 million) of $1.94 per common share to shareholders of record at the close of business on August 14, 1998, payable August 17, 1998; (ii) in accordance with the terms of the Merger Agreement a per share, per diem distribution of $.0213 from and including July 1, 1998, through the date of the Merger, payable on the Effective Date of the Merger to shareholders of record as of the close of business the day prior to the Effective Date of the Merger and (iii) subject to the earning of sufficient cash flow for the six month period ending September 30, 1998, $32.76 per 6.5% First Series Perpetual Preference Share to shareholders of record at the close of business September 15, 1998, payable September 30, 1998.

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(6) On August 6, 1998, the Directors of CRC declared distributions ($.27 million) of $.10 per CRC common share (which is equivalent to 1 cent per CPI common share) to shareholders of record at the close of business on August 14, 1998, payable August 17, 1998 and, in accordance with the terms of the Merger Agreement, the Directors of CRC declared a per share, per diem distribution of $.0011 (which is equivalent to $.0001 per CPI common share) from and including July 1, 1998, through the date of the Merger, payable on the Effective Date of the Merger to shareholders of record as of the close of business the day prior to the Effective Date of the Merger.

(7) CPI has agreed to fully guarantee the payment of all installments of interest and principal on a $200 million loan dated June 30, 1998 between Mall of Georgia, L.L.C., a joint venture developing a super-regional shopping center in which CPI has a 50% interest, and Teachers Insurance and Annuity Association of America and the Prudential Insurance Company of America (the "Guaranty"). CPI has further guaranteed the lien free completion of construction of the improvements, as defined, on the Mall of Georgia site. In exchange for the Guaranty, CPI receives a priority distribution from the joint venture equal to the excess of 9% on the guaranteed loan balance over the actual interest accrued on the loan, such interest accruing at 7.09% per annum. Prior to December 31, 2002, CPI can fully or partially be released from the Guaranty if certain conditions are met as defined in the Guaranty agreement. As of June 30, 1998, $71 million has been drawn down under the loan agreement. CPI has not accrued a liability at June 30, 1998 as no events have occurred, or are probable of occurring, which would require funding of the guaranteed payments.

(8) CPI has entered into a $250 million revolving credit agreement with 13 banks. The agreement terminates on June 26, 2001,but is anticipated to be terminated at the time of the Merger. Interest, at CPI's choice, is computed at (1) a rate determined by a competitive bidding process, (2) a rate equal to a spread (currently 5/8%) over the adjusted London interbank (LIBOR) rate or (3) a rate equal to a spread (currently 0%) over the higher of the prime rate or 1/2% over the Federal Funds rate. The interest rate on each LIBOR-based borrowing is fixed at the time of borrowing. As of June 30, 1998, $13 million was outstanding pursuant to this agreement. Such outstanding balance was repaid in July 1998.

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# PRO FORMA COMBINED FINANCIAL INFORMATION

The accompanying financial statements prepared by the management of Simon DeBartolo Group, Inc., ("SDG") present the pro forma combined condensed Balance Sheet of Simon Property Group, LP ("SPG, LP or the Operating Partnership", formerly Simon DeBartolo Group, LP), as of June 30, 1998 and the pro forma combined condensed Statements of Operations of the Operating Partnership for the six months ended June 30, 1998 and for the year ended December 31, 1997.

The pro forma combined condensed Balance Sheet as of June 30, 1998 is presented as if (i) the CPI Merger Dividends and the Merger of SDG, Corporate Property Investors, Inc., ("CPI") and Corporate Realty Consultants, Inc., ("CRC") and cash contributed by the Operating Partnership to CRC and CRC's newly formed operating partnership on behalf of the SDG stockholders and limited partners of the Operating Partnership and the transfer of substantially all of the assets and liabilities of CPI, other than assets valued at $153.1 million including Ocean County Mall valued at $145.8 million, to the Operating Partnership or one or more of its subsidiaries in exchange for Operating Partnership Units and, (ii) the sale by CPI of the General Motors Building had occurred as of June 30, 1998. The pro forma combined condensed Statement of Operations for the six months ended June 30, 1998 and for the year ended December 31, 1997, are presented as if (i) the CPI merger dividends and the Merger of SDG, CPI and CRC and cash contributed by the Operating Partnership to CRC and CRC's newly formed operating partnership on behalf of the SDG stockholders and limited partners of the Operating Partnership and the transfer of substantially all of the assets and liabilities of CPI, other than assets valued at $153.1 million including Ocean County Mall valued at $145.8 million, to the Operating Partnership or one or more of its subsidiaries in exchange for Operating Partnership Units, (ii) the September and November 1997 transactions by SDG to acquire ten portfolio properties and 50% ownership interest in an eleventh property of The Realty Property Trust, ("RPT"), (iii) the December 1997 acquisition by SDG of the Fashion Mall at Keystone at the Crossing, (iv) the January 1998 acquisition by CPI of Phipps Plaza, (v) the January 1998 sale by CPI of Burnsville Mall, (vi) the January 1998 acquisition by SDG of Cordova Mall, (vii) the February 1998 acquisition by SDG of a 50% interest in a portfolio of twelve regional malls and (viii) the sale by CPI of the General Motors Building had occurred as of January 1, 1997, (items (ii) through (vii) collectively, the "Other Property Transactions").

Preparation of the pro forma financial information was based on assumptions deemed appropriate by management. These assumptions give effect to the Merger being accounted for as a reverse purchase in accordance with generally accepted accounting principles resulting in the assets and liabilities of CPI transferred to the Operating Partnership being reflected in the accompanying pro forma financial statements at fair value. The cash contributed by the Operating Partnership on behalf of its partners to CRC and the CRC Operating Partnership is being reflected as a distribution. The pro forma financial information is not necessarily indicative of the results which actually would have occurred if the transactions had been consummated at the beginning of the periods presented, nor does it purport to represent the future financial position and results of operations for future periods. The pro forma information should be read in conjunction with the historical financial statements of the Operating Partnership and CPI.

SIMON PROPERTY GROUP, LP

PRO FORMA COMBINED CONDENSED BALANCE SHEET
As of June 30, 1998
(unaudited, in thousands)

| | Pro Forma SDG, LP (Historical) (A) | CPI (Historical) (A) | Sale of GM Building (B) | Merger and Related Transactions Adjustments | Total |
|---|---|---|---|---|---|
| ASSETS: | | | | | |
| Investment in properties, partnerships and joint ventures, net | $7,241,697 | $2,624,844 | $(586,000) | $2,725,509(D) | $12,006,050 |
| Goodwill | -- | -- | -- | 78,866(D) | 78,866 |
| Cash and cash equivalents and short-term investments | 103,365 | 75,866 | 783,292 | (789,731)(D)<br>(22,000)(E) | 150,792 |
| Receivables, net | 189,344 | 66,786 | -- | (36,925)(D) | 219,205 |
| Investment, notes receivable and advances from management company and affiliate | 109,881 | -- | -- | 20,565(D) | 130,446 |
| Other assets | 263,685 | 46,460 | -- | 2,110(D) | 312,255 |
| Total assets | $7,907,972 | $2,813,956 | $ 197,292 | $1,978,394 | $12,897,614 |
| LIABILITIES: | | | | | |
| Mortgages and other indebtedness | $5,228,015 | $ 856,219 | $ (10,708) | $1,537,435(D) | $ 7,610,961 |
| Accounts payable, accrued expenses and other liabilities | 329,739 | 137,827 | (4,000) | 101,592(D) | 565,158 |
| Total liabilities | 5,557,754 | 994,046 | (14,708) | 1,639,027 | 8,176,119 |
| PARTNERS'EQUITY: | | | | | |
| Preferred Units | 339,195 | -- | -- | 765,940(D) | 1,105,135 |
| General partners Units | 1,301,017 | -- | -- | 1,627,337(D)<br>(300,179)(F)<br>(14,000)(E) | 2,614,175 |
| Limited Partners Units | 734,554 | -- | -- | 300,179(F)<br>(8,000)(E) | 1,026,733 |
| Unamortized restricted stock award | (24,548) | -- | -- | -- | (24,548) |
| Net assets | -- | 1,819,910 | 212,000 | (2,031,910)(D) | -- |
| Total partners' equity (net assets) | 2,350,218 | 1,819,910 | 212,000 | 339,367 | 4,721,495 |
| Total liabilities partners'equity | $7,907,972 | $2,813,956 | $197,292 | $1,978,394 | $12,897,614 |

The accompanying notes and management's assumptions are an integral part of this statement.

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Simon Property Group, LP -- Notes and Management's Assumptions to Pro Forma Combined Condensed Financial Information (in thousands, except share and per share amounts, unaudited)

1. Basis of Presentation

Simon DeBartolo Group, LP (the Operating Partnership) is a subsidiary partnership of Simon DeBartolo Group, Inc. ("SDG or the Company"). The Operating Partnership is engaged primarily in the ownership, development, management, leasing, acquisition and expansion of income-producing 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. At June 30, 1998, the Operating Partnership owned or had an interest in 216 properties.

In February 1998, SDG, CPI and CRC entered into a Merger Agreement, which provides for the Merger of a substantially wholly owned subsidiary of CPI with and into SDG. Legally, SDG will become a majority-owned subsidiary of CPI. Pursuant to the Merger Agreement, the outstanding shares of SDG Common Stock will be exchanged for like shares of CPI. Beneficial interests in CRC will be acquired for cash. CPI's name will be changed to Simon Property Group, Inc. (SPG). In connection with, the Merger, the holders of CPI Common Stock will receive a dividend per share consisting of $90 in cash, 1.0818 shares of CPI Common Stock and 0.19 shares of Series B Convertible Preferred Stock of CPI. The aggregate purchase price is estimated by SDG to be approximately $5.9 billion.

CPI is a self-administered and self-managed privately held REIT which invests in income-producing properties. At June 30, 1998, CPI owned or held interests in 30 properties, 23 shopping centers and seven commercial properties. CRC is engaged in the ownership, operation, acquisition and development of income producing properties directly or through interests in joint ventures and other non-REIT qualifying activities.

SPG will account for the Merger between SDG and the CPI merger subsidiary as a reverse acquisition in accordance with Accounting Principles Board Opinion No. 16. Although SPG Equity Stock will be issued to SDG stockholders and SDG will become a substantially wholly owned subsidiary of SPG following the Merger, CPI is considered the business acquired for accounting purposes. SDG is the acquiring company because the SDG stockholders will represent in excess of a majority of the stockholders of SPG. The fair market value of the consideration given by the acquiring company will be used as the valuation basis for the combination of SDG and CPI. The assets and liabilities of CPI will be revalued by SDG to their respective fair market values at the Effective Time. In connection with the merger, SPG will transfer substantially all the assets and liabilities of CPI other than assets valued at $153.1 million including Ocean County Mall valued at $145.8 million, to the Operating Partnership or one or more of its subsidiaries in exchange for Operating Partnership Units. The assets and liabilities transferred will be reflected by the Operating Partnership at fair market value. The Operating Partnership will also change its name from Simon DeBartolo Group, LP to Simon Property Group, LP (SPG,LP).

Further in connection with the merger the Operating Partnership will contribute cash to CRC and the newly formed SRC Operating Partnership on behalf of the SDG stockholders and the limited partners of the Operating Partnership to obtain the beneficial interests in CRC which will be paired with the shares to be issued by SPG and to obtain units in the SRC Operating Partnership so that the limited partners of the SDG Operating Partnership will hold the same proportionate interest in the SRC Operating Partnership as they hold in the Operating Partnership at the Effective Time of the Merger. The cash contributed on behalf of its partners by the Operating Partnership to CRC and the CRC Operating Partnership is being reflected by the Operating Partnership as a distribution.

In addition to the Merger and related transactions, the following transactions (the "Other Property Transactions") have been reflected in the accompanying unaudited pro forma financial statements using the purchase method of accounting. Investments in non-controlled joint ventures are reflected using the equity method. Controlled properties have been consolidated.

* On September 29, 1997, SDG completed its cash tender offer for all of the outstanding shares of beneficial interests of The Retail Property Trust ("RPT"). In connection therewith RPT, became a subsidiary of the Operating Partnership. RPT owned 98.8% of Shopping Center Associates ("SCA"), which owned or had interests in twelve regional malls and one community shopping center. Following the completion of the tender offer, the SCA portfolio was restructured. SDG exchanged its 50% interest in two SCA properties with a third party for similar interests in two other SCA properties, in which SDG had 50% interests, with the result that SCA now owns interest in a total of eleven properties. Effective November 30, 1997, SDG also acquired the remaining interest in another of the SCA properties. In addition, SDG acquired the remaining 1.2% interest in SCA. At the completion of these transactions, SDG held a 100% interest in ten of the eleven properties, and a noncontrolling 50% ownership interest in the remaining property. The total cost for the acquisition of RPT and related transactions was approximately $1,300,000, which includes SDG common stock issued valued at approximately $50,000, units of the Operating Partnership valued at approximately $25,300, and the assumption of consolidated debt and SDG's pro rata share of joint

venture indebtedness of approximately $475,300. The balance of the transaction costs was borrowed under the Operating Partnership's credit facility.

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* On December 29, 1997, the Operating Partnership completed the acquisition of the Fashion Mall at Keystone at the Crossing, a regional mall located in Indianapolis, Indiana, for $124,500. The purchase price was financed by additional borrowings under the Operating Partnership's credit facility of approximately $59,700 and the assumption of approximately $64,800 in mortgage debt. The mortgage debt bears interest at 7.85%.

* In January 1998, CPI acquired Phipps Plaza, a super regional mall located in Atlanta, Georgia, for approximately $198,800. The transaction was financed with cash of $158,800 and debt of $40,000.

* In January 1998, CPI sold one of its shopping centers (Burnsville Mall) for $80,672 cash. The selling price exceeded Burnsville Mall's historical net assets of $37,581 at December 31, 1997, by $43,091. A portion ($40,000) of the proceeds received in the Burnsville transaction was used to repay the amount borrowed in connection with the acquisition of Phipps Plaza.

* In January 1998, the Operating Partnership acquired Cordova Mall, a regional mall in Pensacola, Florida, for $94,000. This acquisition was financed by issuing units of the Operating Partnership valued at $55,523, the assumption of mortgage debt of $28,935 and other liabilities of $6,842 and cash of $2,700. The mortgage debt, which bore interest at 12.125%, has been refinanced through the Operating Partnership's credit facility.

* In February 1998, the Operating Partnership, through a joint venture with another REIT, acquired an interest in a portfolio of twelve regional malls comprising approximately 10.7 million square feet of GLA. The Operating Partnership's non-controlling 50% share of the total purchase price of $487,250 was financed with a $242,000 unsecured loan which bears interest at 6.4% per annum, accrued payables of $2,750 and the assumption of $242,500 of mortgage debt. The weighted average interest rate on the mortgage debt assumed was 6.94%.

* In July 1998, CPI sold the General Motors Building for $800,000. The net proceeds of $798,000 were used to pay off certain liabilities ($4,000) and the building's mortgage balance ($10,706) with the remainder available to partially finance a portion of the CPI Merger Dividends.

The accompanying pro forma combined condensed Balance Sheet of the Operating Partnership was prepared by management as if the Merger and related transactions and the Other Property Transactions described above which occurred subsequent to June 30, 1998, had occurred as of June 30, 1998. The accompanying pro forma combined condensed Statements of Operation were prepared by management as if the Merger and the Other Property Transactions previously described had occurred on January 1, 1997. Certain reclassifications have been made in CPI's historical financial statements to conform them to the Operating Partnership's historical presentation and certain reclassifications have been made in each entities' historical financial statements to conform them to the condensed combined pro forma presentation.

These pro forma financial statements should be read in conjunction with the historical financial statements and notes thereto of the Operating Partnership, and CPI. In the opinion of management, all adjustments necessary to reflect the effects of the Merger and related transactions and the Other Property Transactions previously described have been made. Certain adjustments have been estimated by management based on information currently available. Final adjustments are not expected by management to materially impact the pro forma results reported.

The pro forma financial statements are not necessarily indicative of the actual financial position at June 30, 1998, or what the actual results of operations would have been assuming the Merger and the Other Property Transactions had been completed as of January 1, 1997, nor are they indicative of the results of operations for future periods.

2. Pro Forma Adjustments to the Pro Forma Combined Condensed Balance Sheet

(A) Certain reclassifications have been made to the Operating Partnership and CPI historical balance sheets to conform to the pro forma combined condensed balance sheet presentation.

(B) Adjustments to reflect the sale of the General Motors Building for $800,000, and $2,000 of transaction costs, resulting in net proceeds of $798,000. The historical carrying value of the building and improvements was $586,000 at June 30, 1998. A portion of the net proceeds of $798,000 was used to pay off certain liabilities ($4,000) and the building's mortgage balance ($10,708) yielding net cash of $783,292 as of June 30, 1998.

(C) Determination of the Purchase Price of CPI:

As described in the Merger agreement the stockholders of CPI will receive consideration in the Merger aggregating approximately $179 for each share of CPI common stock. The $179 consideration includes a $90 cash dividend, approximately $70 of value of SPG common stock and approximately $19 of value of SPG 6.5% Series B Preferred Stock. The common stock component of the Merger consideration is based upon a fixed exchange ratio using SDG'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 SDG's common stock determined on the fifth trading day prior to closing. In the event SDG's stock price is outside the collar, an adjustment will be made in the cash dividend component of CPI Merger Dividends which will be increased or reduced by an amount equal to 2.0818 times the amount the SDG stock price at the measurement date falls outside the collar. As of June 30, 1998, there were 25,330,409 shares of CPI common stock outstanding. As of June 30, 1998, there were approximately 807,000 exercisable options. The following recap of the Merger consideration assumes the options are exercised, therefore, 26,137,409 shares are assumed to be outstanding as if the Merger occurred on June 30, 1998. CPI has invited the option holders to exchange their options for cash equal to the difference between the fair market value of the merger consideration and the exercise price of the options. To the extent this exchange occurs, it would not have a material impact on the accompanying combined condensed pro forma financial information. The Series A Convertible Preferred Stock will remain outstanding after the completion of the Merger. The 209,249 shares of Series A Convertible Preferred Stock was convertible into 1,505,000 shares of CPI common stock pre-Merger. In connection with the Merger, they have been valued by multiplying the per-share Merger consideration of $179 by the number of shares of common stock issuable upon conversion. At the Effective Time, the Series A Convertible Preferred Stock will be convertible into 7,950,492 shares of SPG Common Stock. Upon the transfer of substantially all of the assets and liabilities of CPI to the Operating Partnership, regular and preferred units will be issued. The preferred units will carry provisions which mirror the Series A and B preferred stock.

| | As of June 30, 1998 |
|---|---|
| Merger Consideration distributed to CPI stockholders (assuming 26,137,409 shares outstanding) | |
| Cash Dividend | $2,352,367 |
| Common Stock (54,412,858 shares) | 1,829,619 |
| Series B Preferred Stock (4,966,038 shares issued) | 496,611 |
| Fair Value of Series A Preferred Stock | 269,329 |
| Fair Value of mortgages and other indebtedness | 883,946 |
| Other liabilities | 211,419 |
| SDG Merger costs (see below) | 24,000 |
| Less: | |
| $90 cash portion of the Merger Consideration retained as an offset to proceeds due upon exercise of option shares | (72,630) |
| Notes receivable issued by CPI in connection with the exercise of 807,000 options at an average exercise price of $127.40 per share less $90 cash portion of the Merger Consideration | (30,182) |
| Permanent restrictions to notes receivable from former CPI stockholders | (19,000) |
| Other | (737) |
| Total Purchase Price | $5,944,742 |

Estimated fees and expenses of the Merger are as follows: Of these expenses,$11,573 have been incurred by CPI during the period ended June 30, 1998.

| | |
|---|---|
| Advisory fees | $ 27,000 |
| Legal and accounting | 12,600 |
| Severance, transfer taxes and related costs | 53,000 |
| | 92,600 |
| Less: CPI expenses | (68,600) |
| SDG Merger costs | $ 24,000 |

(D) Allocation of the Purchase Price of CPI:

The following pro forma adjustments are necessary as of June 30, 1998, in the opinion of management to reflect the assets and liabilities of CPI at fair value. The purchase price has been allocated utilizing the purchase method of accounting.

As of June 30, 1998

| | Allocation of Purchase Price (Da) | Fair Value of CPI Assets not Transferred to SPG, LP | Adjusted Purchase Price Allocation | Less CPI Historical, as Adjusted for the Sale of the GM Building (B) | Merger and Related Transactions Pro Forma Adjustment | |
|---|---|---|---|---|---|---|
| ASSETS: | | | | | | |
| Investment in properties, partnership and joint ventures, net | $4,917,453 | $(153,100) | $4,764,353 | $2,038,844 | $2,725,509 | |
| Goodwill | 78,866 | -- | 78,866 | -- | 78,866 | |
| Cash and cash equivalents and short-term investments | 849,427 | -- | 849,427 | 859,158 | (9,731) | (Db) |
| Receivables, net | 29,861 | -- | 29,861 | 66,786 | (36,925) | (Dc) |
| Receivables from affiliate | 20,565 | -- | 20,565 | -- | 20,565 | (Dg) |
| Other assets | 48,570 | -- | 48,570 | 46,460 | 2,110 | (Dd) |
| Total assets | $5,944,742 | $(153,100) | $5,791,642 | $3,011,248 | $2,780,394 | |
| LIABILITIES: | | | | | | |
| Mortgages and other indebtedness | $3,162,946 | $ -- | $3,162,946 | $ 845,511 | $2,317,435 | (De) |
| Accounts payable, accrued expenses and other liabilities | 235,419 | -- | 235,419 | 133,827 | 101,592 | (Dg) (Df) |
| Total liabilities | 3,398,365 | -- | 3,398,365 | 979,338 | 2,419,027 | |
| NET ASSETS | 2,546,377 | (153,100) | 2,393,277 | 2,031,910 | 361,367 | |
| Total liabilities and net assets | $5,944,742 | $(153,100) | $5,791,642 | $3,011,248 | $2,780,394 | |

OPERATING PARTNERSHIP UNITS EXCHANGES FOR CPI NET ASSETS:

| | | | | | |
|---|---|---|---|---|---|
| PARTNERS' EQUITY | | | | | |
| Preferred Units | | | $ 765,940 | $ -- | $ 765,940 |
| General Partner Units | | | 1,627,337 | -- | 1,627,337 |
| Limited Partner Units | | | -- | | |
| Net Assets | | | -- | (2,031,910) | (2,031,910) |
| Partner Equity | | | $2,393,277 | $(2,031,910) | $ 361,367 |

(Da) The purchase price has been allocated based on the estimated fair market value of the assets and liabilities of CPI using information currently available.

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| | June 30, 1998 |
|---|---|
| (Db) To reflect the decrease in cash and cash equivalents related to the CPI Merger | |
| Dividends and the Merger: | |
| Proceeds of indebtedness incurred in conjunction with the Merger | $ 1,499,000 |
| Cash proceeds from the sale of GM Building used to finance a portion of the CPI Merger Dividends | 780,000 |
| Debt issuance costs | (8,994) |
| Cash portion of CPI Merger Dividends | (2,352,367) |
| Proceeds from exercise of CPI stock options | 72,630 |
| | $ (9,731) |
| Less: Cash used to pay portion of CPI Merger Dividends(De) | (780,000) |
| | $ (789,731) |
| (DC) To reflect the adjustment by management to eliminate CPI's deferred asset related to the straight-lining of rent related to leases | $ (36,925) |
| (Dd) Adjustments to other assets: | |
| To eliminate historical unamortized deferred financing costs of CPI | $ (6,884) |
| To record deferred financing cost related to $1,499,000 assumed borrowed to finance the cash portion of the Merger consideration | 8,994 |
| | $ 2,110 |
| (De) Adjustments to mortgages and other indebtedness: | |
| To record a premium required to adjust CPI mortgage and other indebtedness to fair value using an estimated discount rate available to SDG on an instrument by instrument basis | $ 38,435 |
| To record the debt required to finance the cash portion of the CPI Merger Dividends consisting of: | |
| Binding commitment from a lender, two-year term loan,interest at LIBOR plus 80 basis points | 1,400,000 |
| Borrowing under SDG's credit facility, interest at LIBOR plus 65 basis points | 99,000 |
| Net cash proceeds from the sale of the General Motors Building see Item 2 (B) | 780,000 |
| | 2,279,000 |
| | $ 2,317,435 |
| Less: Net cash used to pay portion of CPI Merger Dividends from the sale of the GM Building | (780,000) |
| | $ 1,537,435 |
| (Df) To accrue Merger expenses and severance costs related to the Merger | $ 81,027 |
| (Dg) Amounts due from CRC of $20,565 as of June 30, 1998, are included in other liabilities; accordingly the following reclassification adjustment is required: | |
| Receivable from affiliate | $20,565 |
| Other Liabilities | 20,565 |

(E) Adjustment required to reflect $22,000 cash contributed by the Operating Partnership on behalf of the SDG stockholders ($14,000) and the limited partners of the Operating Partnership ($8,000) to obtain beneficial interests in CRC to be paired with shares of common stock issued by SPG and to obtain units in the CRC Operating Partnership whereby the limited partners of the Operating Partnership will hold the same proportionate interest in the CRC Operating Partnership as they hold in the Operating Partnership. The amount of cash is based on a preliminary estimate of the fair value of the net assets of CRC. At the Effective Time, the Board of Directors of CRC will make a

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determination of the fair market value of CRC's net assets based upon information then available. Management does not expect that the final amount will differ materially from the preliminary estimates. The cash contributed by the Operating Partnership has been reflected as a distribution.

| | June 30, 1998 |
|---|---|
| Cash and Cash Equivalents | $(22,000) |
| General Partners' Equity | (14,000) |
| Limited Partners' Equity | (8,000) |

(F) Adjustment required to allocate net equity of the Operating Partnership between the General and Limited Partners (before preferred units) to reflect the Merger and related transactions and Other Property Transactions:

| | At June 30, 1998 | | |
|---|---|---|---|
| | Total | General Partners | Limited Partners |
| Operating Partnership Equity before preferred units and unamortized restricted stock award-historical | $2,035,571 | | |
| Operating Partnership units issued in connection with the Merger (other than preferred units) | 1,627,337 | | |
| Other Merger related transactions | (22,000) | | |
| Total Operating Partnership equity excluding preferred units and unamortized restricted stock award | $3,640,908 | | |
| Pro Forma Partners Ownership percentages | 100% | 71.8% | 28.2% |
| Allocated pro forma Operating Partnership Equity excluding Preferred units and unamortized restricted stock award | $3,640,908 | $2,614,175 | $1,026,733 |
| Operating Partnership Equity before preferred units and Unamortized restricted stock award-historical | (2,035,571) | (1,301,017) | (734,554) |
| Operating Partnership units issued in connection with the Merger (other than preferred units) | (1,627,337) | (1,627,337) | |
| Distribution (other merger related transactions) | 22,000 | 14,000 | 8,000 |
| Required Pro Forma adjustment | $ -0- | $(300,179) | $300,179 |

Analysis of Partnership Units:

| | Preferred Units | General Partner Units | Limited Partner Units | Total General and Limited Units |
|---|---|---|---|---|
| Historical units outstanding | 11,000,000 | 113,678,134 | 64,182,681 | 177,860,815 |
| Units issued in connection with the Merger and related transactions | 5,175,287 | 49,859,698 | -- | 49,859,698 |
| Total pro forma units | 16,175,287 | 163,537,832 | 64,182,681 | 227,720,513 |
| Pro Forma ownership percentage | | 71.8% | 28.2% | 100% |

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SIMON PROPERTY GROUP, LP

Pro Forma Combined Condensed Statement of Operations
For the Six Months Ended June 30, 1998
(unaudited, in thousands except unit and per unit amounts)

| | | Pro Forma | | | | | |
|---|---|---|---|---|---|---|---|
| | SDG, LP (Historical) | CPI (Historical) | CPI (Historical) Not Transferred (A) | Sale of GM Building (Historical) | Related Transactions Adjustments | Merger and Other Property Transactions(G) | Total |
| REVENUE | | | | | | | |
| Minimum rent | $370,934 | $170,201 | $(4,974) | $(39,571) | $1,500(B) | $(248) | $497,842 |
| Overage rent | 20,483 | 3,058 | (11) | -- | | 33 | 23,563 |
| Tenant reimbursements | 181,971 | 75,423 | (2,125) | (6,259) | | (616) | 248,394 |
| Other income | 37,244 | 5,964 | (486) | (343) | (400)(C) | (71) | 41,908 |
| Total revenue | 610,632 | 254,646 | (7,596) | (46,173) | 1,100 | (902) | 811,707 |
| EXPENSES | | | | | | | |
| Property & other expenses | 215,121 | 114,436 | (2,480) | (19,430) | (11,573)(J) | (613) | 295,461 |
| Depreciation and amortization | 116,618 | 41,762 | (914) | (3,346) | 23,500(D) | 216 | 177,836 |
| Total expenses | 331,739 | 156,198 | (3,394) | (22,776) | 11,927 | (397) | 473,297 |
| INCOME BEFORE ITEMS BELOW | 278,893 | 98,448 | (4,202) | (23,397) | (10,827) | (505) | 338,410 |
| INTEREST EXPENSE | 184,420 | 32,799 | -- | (269) | 43,876(E) | 2,827 | 263,653 |
| INCOME BEFORE MINORITY INTEREST | 94,473 | 65,649 | (4,202) | (23,128) | (54,703) | (3,332) | 74,757 |
| MINORITY PARTNERS' INTEREST | (3,596) | -- | -- | -- | -- | -- | (3,596) |
| (LOSS) GAIN ON SALES OF ASSETS | (7,219) | 45,294 | -- | -- | -- | -- | 38,075 |
| INCOME BEFORE UNCONSOLIDATED ENTITIES | 83,658 | 110,943 | (4,202) | (23,128) | (54,703) | (3,332) | 109,236 |
| INCOME FROM UNCONSOLIDATED ENTITIES | 4,980 | 10,661 | -- | -- | -- | 1,879 | 17,520 |
| INCOME OF THE OPERATING PARTNERSHIPS BEFORE EXTRAORDINARY ITEMS | 88,638 | 121,604 | (4,202) | (23,128) | (54,703) | (1,453) | 126,756 |
| PREFERRED UNIT REQUIREMENT | 14,668 | 6,856 | -- | -- | 16,140(F) | -- | 37,664 |
| NET INCOME AVAILABLE TO UNITHOLDERS | $73,970 | $114,748 | $ (4,202) | $(23,128) | $ (70,843) | $(1,453) | $89,092 |

| | SDG, LP (Historical) | Total |
|---|---|---|
| NET INCOME AVAILABLE TO UNITHOLDERS ATTRIBUTABLE TO: | | |
| GENERAL PARTNERS | $46,956 | $63,701 (H) |
| LIMITED PARTNERS | 27,014 | 25,391 (H) |
| | $73,970 | $89,092 |
| NET INCOME PER UNITHOLDERS- BASIC AND DILUTED | $0.42 | $ 0.40 |
| WEIGHTED AVERAGE UNITS OUTSTANDING | 174,599,824 | 224,667,734 (I) |

The accompanying notes and management's assumptions are an integral part of this statement.

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SIMON PROPERTY GROUP, LP
Pro Forma Combined Condensed Statement of Operations
For the Year Ended December 31, 1997
(in thousands except unit and per unit amounts)

| | | Pro Forma | | | | | |
|---|---|---|---|---|---|---|---|
| | SDG, LP (Historical) | CPI (Historical) | CPI (Historical) Not Transferred(A) | Sale of GM Building (Historical) | Merger and Related Transactions Adjustments | Other Property Transactions(G) | Total |
| REVENUE | | | | | | | |
| Minimum rent | $ 641,352 | $319,862 | $(10,085) | $(77,707) | $3,000(B) | $ 88,305 | $964,727 |
| Overage rent | 38,810 | 10,489 | (167) | (536) | -- | 5,119 | 53,715 |
| Tenant reimbursements | 322,416 | 138,579 | (3,934) | (12,297) | -- | 49,251 | 494,015 |
| Other income | 51,589 | 24,858 | (546) | (962) | (800)(C) | 4,463 | 78,602 |
| Total revenue | 1,054,167 | 493,788 | (14,732) | (91,502) | 2,200 | 147,138 | 1,591,059 |
| EXPENSES | | | | | | | |
| Property & other expenses | 376,237 | 199,503 | (4,368) | (40,420) | -(J) | 53,779 | 584,731 |
| Depreciation and amortization | 200,900 | 91,312 | (1,784) | (17,764) | 35,400(D) | 28,866 | 336,930 |
| Total expenses | 577,137 | 290,815 | (6,152) | (58,184) | 35,400 | 82,645 | 921,661 |
| INCOME BEFORE ITEMS BELOW | 477,030 | 202,973 | (8,580) | (33,318) | (33,200) | 64,493 | 669,398 |
| INTERST EXPENSE | 287,823 | 69,562 | -- | (716) | 87,668(E) | 82,870 | 527,207 |
| INCOME BEFORE MINORITY INTEREST | 189,207 | 133,411 | (8,580) | (32,602) | (120,868) | (18,377) | 142,191 |
| MINORITY PARTNERS' INTEREST | (5,270) | -- | -- | -- | -- | -- | (5,270) |
| GAIN ON SALE OF ASSETS | 20 | 122,410 | -- | -- | -- | -- | 122,430 |
| INCOME BEFORE UNCONSOLIDATED ENTITIES | 183,957 | 255,821 | (8,580) | (32,602) | (120,868) | (18,377) | 259,351 |
| INCOME FROM UNCONSOLIDATED ENTITIES | 19,176 | 21,390 | -- | -- | -- | 8,770 | 49,336 |
| INCOME OF THE OPERATING PARTNERSHIPS BEFORE EXTRAORDINARY ITEMS | 203,133 | 277,211 | (8,580) | (32,602) | (120,868) | (9,607) | 308,687 |
| PREFERRED UNIT REQUIREMENT | 29,248 | 13,712 | -- | -- | 32,284(F) | -- | 75,244 |
| NET INCOME AVAILABLE TO UNITHOLDERS | $ 173,885 | $ 263,499 | $ (8,580) | $ (32,602) | $ (153,152) | $ (9,607) | $ 233,443 |
| NET INCOME AVAILABLE TO UNITHOLDERS ATTRIBUTABLE TO: | | | | | | | |
| GENERAL PARTNERS | $107,931 | | | | | | 164,344 (H) |
| LIMITED PARTNERS | 65,954 | | | | | | 69,099 (H) |
| | $173,885 | | | | | | $233,443 |
| BASIC NET INCOME PER UNIT AND DILUTED | $1.08 | | | | | | $1.09 |
| WEIGHTED AVERAGE UNITS OUTSTANDING | 161,022,887 | | | | | | 214,766,720 (I) |

The accompanying notes and management's assumptions are an integral part of this statement.

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3. Pro forma Adjustments to Unaudited Pro Forma Combined Condensed Statements of Operations

In connection with the Merger, CPI will incur $68,600 of expenses which have not been included in the Pro Forma Combined Condensed Statement of Operations. Further, the estimated gain of $212,000, respectively, related to the probable sale of the General Motors Building has been excluded from the unaudited Pro Forma Combined Condensed Statements of Operations.

| | For the Six Months Ended June 30, 1998 | For the year Ended December 31, 1997 |
|---|---|---|
| (A) Reflects the historical operating results of CPI assets not being transferred to the Operating Partnership primarily Ocean County Mall | | |
| (B) To recognize revenue from straight-lining rent related to leases which will be reset in connection with the Merger | $ 1,500 | $ 3,000 |
| (C) To reflect a reduction in interest income due to forgiveness of Notes Receivable from CPI employees ($13,200 multiplied by 6%) | $ (400) | $ (800) |
| (D) To reflect the increase in depreciation and amortization as a result of recording the investment properties at acquisition value, allocating 20% of the premium to land, versus historical cost and utilizing an estimated useful life of 35 years for investment properties and goodwill | $23,500 | $35,400 |
| (E) To reflect the following adjustments to interest expense: | | |
| (1) To reflect the elimination of amortization of deferred financing costs related to CPI written off in connection with the Merger | $(393) | $ (868) |
| (2) To reflect the amortization of the estimated costs incurred to finance the cash portion of the Merger consideration | 450 | 899 |
| (3) To reflect the amortization of the premium required to adjust mortgages and other notes payable to fair value | (4,450) | (8,900) |
| (4) To reflect interest expense for debt borrowed to finance the CPI Merger Dividends: | | |
| | 45,150 | 90,300 |
| Term loan commitment $1,400,000 at LIBOR plus 80 basis points--6.45% | 3,119 | 6,237 |
| Revolving credit facility $99,000 at LIBOR plus 65 basis points--6.30% | 48,269 | 96,537 |
| | $43,876 | $87,668 |
| (A 1/8% change in the LIBOR rate would change the annual pro forma adjustment to interest expense by $1,875.) | | |
| (F) To reflect annual dividends on 6.5% Series B Preferred Units issued in connection with the Merger | $16,140 | $32,284 |

(G) Other Property Transactions represent the historical operating results of the properties for the appropriate period to reflect a full year of activities in the unaudited pro forma statements of operations. The pro forma adjustments give effect when applicable to:

(1) An increase in depreciation expense as a result of recording the properties estimated fair value

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(2) An increase in interest expense primarily resulting from debt incurred to finance the transactions

(3) The elimination of expenses included in the historical results incurred by the seller directly related to the transaction

(4) The elimination of the historical results to reflect the sale of Burnsville Mall

The Other Property Transactions include:

(1) The acquisition of Phipps Plaza in January 1998

(2) The sale of Burnsville Mall in January 1998

(3) The acquisition of Cordova Mall January 1998

(4) The acquisition of a 50% interest in a portfolio of twelve properties in February 1998

| | For the Six Months Ended June 30, 1998 | For the year ended December 31, 1997 |
|---|---|---|
| (H) To reflect the allocation of the Limited Partners' interest in the net income of the Operating Partnerships, after consideration of the preferred unit distributions. The Limited Partners' weighted average pro forma ownership interest in the Operating Partnerships for the six months ended June 30, 1998 and for year ended December 31, 1997, is 28.5% and 29.6%, respectively | | |
| (I) The pro forma weighted average shares outstanding is computed as follows: | | |
| Historical Weighted Average Units Outstanding | 174,599,824 | 161,022,887 |
| Pro forma adjustments: | | |
| Units issued related to the acquisition of Cordova Mall | 208,212 | 1,713,016 |
| Units issued related to RPT transaction | -- | 2,163,945 |
| Units issued related to the Merger | 49,859,698 | 49,866,872 |
| Pro forma weighted average units Outstanding | 224,667,734 | 214,766,720 |
| (J) To eliminate Merger expenses incurred by CPI during the period | $ (11,573) | $ -- |