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

FORM 10-K/A

(Amendment No. 1)

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

For the fiscal year ended December 31, 2008

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

Delaware	**333-11491**	**34-1755769**
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(I.R.S. Employer Identification No.)

225 West Washington Street
Indianapolis, Indiana 46204
(Address of principal executive offices) (ZIP Code)

(317) 636-1600
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12 (b) of the Act: None

Securities registered pursuant to Section 12 (g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act). Yes ☒ No o

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ☒

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 ☒ No o

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes o No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o Accelerated filer o Non-accelerated filer ☒ Smaller reporting company o
(Do not check if a smaller reporting company)

Indicate by checkmark whether the Registrant is a shell company (as defined in rule 12-b of the Act). Yes o No ☒

Registrant had no publicly-traded voting equity as of June 30, 2008.

Registrant has no common stock outstanding.

Documents Incorporated By Reference

None.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (the "Amendment") amends the Annual Report on Form 10-K of Simon Property Group, L.P. ("we", "us", or "our"), for the year ended December 31, 2008, that we originally filed with the Securities and Exchange Commission (the "SEC") on March 2, 2009 (the "Original Filing"). On May 8, 2009, we filed a Quarterly Report on Form 10-Q for the period ended March 31, 2009 (the "Quarterly Report"). The Quarterly Report reflects our adoption of Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment to ARB 51* (SFAS 160) and the application of EITF Topic D-98, *Classification and Measurement of Redeemable Securities* (EITF D-98), to certain redeemable securities, as further described in Note 3 to the Condensed Notes to Consolidated Financial Statements included in the Quarterly Report. The Quarterly Report included reclassifications of prior period amounts to conform to the 2009 presentation. We are filing this Amendment to amend Items 6, 7, 8, and 9A in Part II of the Original Filing in their entirety to conform to the 2009 presentation included in the Quarterly Report. In addition, in connection with the filing of this Amendment and pursuant to the rules of the SEC, we are including with this Amendment exhibits consisting of an amended computation of the ratio of earnings to fixed charges, currently dated certifications of our senior executives and a consent from our independent registered public accounting firm. Accordingly, Item 15 of Part IV has also been amended to reflect the filing of these exhibits.

This Form 10-K/A does not attempt to modify or update any other disclosures set forth in the Original Filing, except as required to reflect the amended information in this Form 10-K/A. Additionally, this amended Form 10-K/A, except for the amended information included in Part II and Part IV, speaks as of the filing date of the Original Filing and does not update or discuss any other developments affecting us subsequent to the date of the Original Filing.

Simon Property Group, L.P. and Subsidiaries
Form 10-K/A
Year Ended December 31, 2008

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Part II

Item 6. Selected Financial Data

The following tables set forth selected financial data. The selected financial data should be read in conjunction with the financial statements and notes thereto and with Management's Discussion and Analysis of Financial Condition and Results of Operations. Other data we believe is important in understanding trends in our business is also included in the tables. Certain information in this table has been retrospectively adjusted based upon the reclassifications discussed in Note 3 to the consolidated financial statements.

	As of or for the Year Ended December 31,				
	2008	2007	2006	2005	2004 (1)
	(in thousands, except per share data)				
OPERATING DATA:					
Total consolidated revenue	$ 3,783,155	$ 3,650,799	$ 3,332,154	$ 3,166,853	$ 2,567,774
Consolidated income from continuing operations	599,560	674,605	729,727	470,303	463,452
Net income available to common unitholders	$ 529,726	$ 549,678	$ 614,911	$ 510,581	$ 380,711
BASIC EARNINGS PER UNIT:					
Income from continuing operations	$ 1.88	$ 2.09	$ 2.20	$ 1.27	$ 1.47
Discontinued operations	—	(0.13)	—	0.55	(0.04)
Net income attributable to unitholders	$ 1.88	$ 1.96	$ 2.20	$ 1.82	$ 1.43
Weighted average units outstanding	282,508	281,035	279,567	279,825	265,405
DILUTED EARNINGS PER UNIT:					
Income from continuing operations	$ 1.87	$ 2.08	$ 2.19	$ 1.27	$ 1.47
Discontinued operations	—	(0.13)	—	0.55	(0.04)
Net income attributable to unitholders	$ 1.87	$ 1.95	$ 2.19	$ 1.82	$ 1.43
Diluted weighted average units outstanding	283,059	281,813	280,471	280,696	266,272
Distributions per unit (2)	$ 3.60	$ 3.36	$ 3.04	$ 2.80	$ 2.60
BALANCE SHEET DATA:					
Cash and cash equivalents	$ 773,544	$ 501,982	$ 929,360	$ 337,048	$ 519,556
Total assets	23,422,749	23,442,466	22,003,173	21,068,666	21,870,490
Mortgages and other indebtedness	18,042,532	17,218,674	15,394,489	14,106,117	14,586,393
Total equity	$ 3,101,967	$ 3,414,612	$ 4,040,676	$ 4,444,228	$ 4,741,927
OTHER DATA:					
Cash flow provided by (used in):					
Operating activities	$ 1,634,484	$ 1,559,432	$ 1,316,148	$ 1,195,141	$ 1,099,518
Investing activities	(1,020,872)	(2,049,576)	(607,432)	(51,906)	(2,742,542)
Financing activities	$ (342,050)	$ 62,766	$ (116,404)	$ (1,325,743)	$ 1,633,544
Ratio of Earnings to Fixed Charges (3)	1.46x	1.53x	1.73x	1.56x	1.63x

Notes

(1) *On October 14, 2004 we acquired the former Chelsea Property Group, Inc. In the accompanying financial statements, Note 2 describes the basis of presentation and Note 4 describes acquisitions and disposals.*

(2) *Represents distributions declared per period.*

(3) *The ratios for 2004 have been restated for the reclassification of discontinued operations described in Note 3.*

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion in conjunction with the consolidated financial statements and notes thereto that are included in this report.

Overview

Simon Property Group, L.P. is a Delaware limited partnership and the majority-owned subsidiary of Simon Property Group, Inc. In this discussion, the terms "Operating Partnership", "we", "us" and "our" refer to Simon Property Group, L.P. and its subsidiaries and the term "Simon Property" refers specifically to Simon Property Group, Inc.

We own, develop, and manage retail real estate properties in five retail real estate platforms: regional malls, Premium Outlet Centers®, The Mills®, community/lifestyle centers, and international properties. As of December 31, 2008, we owned or held an interest in 324 income producing properties in the United States, which consisted of 164 regional malls, 70 community/lifestyle centers, 16 additional regional malls and four additional community centers acquired as a result of the 2007 acquisition of The Mills Corporation, or the Mills acquisition, 40 Premium Outlet Centers, 16 The Mills, and 14 other shopping centers or outlet centers in 41 states plus Puerto Rico. The Mills acquisition is described below in the "Results of Operations" section. We also own interests in four parcels of land held in the United States for future development. In the United States, we have one new property currently under development aggregating approximately 400,000 square feet which will open during 2009. Internationally, we have ownership interests in 52 European shopping centers (located in France, Italy, and Poland); seven Premium Outlet Centers located in Japan, one Premium Outlet Center located in Mexico, one Premium Outlet Center located in Korea, and one shopping center located in China. Also, through joint venture arrangements we have ownership interests in the following properties under development internationally: a 24% interest in two shopping centers in Italy, a 40% interest in a Premium Outlet Center in Japan, and a 32.5% interests in three additional shopping centers under construction in China.

We generate the majority of our revenues from leases with retail tenants including:

- Base minimum rents,
- Overage and percentage rents based on tenants' sales volume, and
- Recoveries of substantially all of our recoverable expenditures, which consist of property operating, real estate taxes, repair and maintenance, and advertising and promotional expenditures.

Revenues of our management company, after intercompany eliminations, consist primarily of management fees that are typically based upon the revenues of the property being managed.

We seek growth in earnings, and cash flows by enhancing the profitability and operation of our properties and investments. We seek to accomplish this growth through the following:

- Focusing on leasing to increase revenues and utilization of economies of scale to reduce operating expenses,
- Expanding and re-tenanting existing franchise locations at competitive market rates,
- Adding mixed-use elements to properties,
- Selectively acquiring high quality real estate assets or portfolios of assets, and
- Selling non-core assets.

We also grow by generating supplemental revenues from the following activities:

- Establishing our malls as leading market resource providers for retailers and other businesses and consumer-focused corporate alliances, including: payment systems (including handling fees relating to the sales of bank-issued prepaid cards), national marketing alliances, static and digital media initiatives, business development, sponsorship, and events,
- Offering property operating services to our tenants and others, including waste handling and facility services, and the sale of energy,

- Selling or leasing land adjacent to our shopping center properties, commonly referred to as "outlots" or "outparcels," and

We focus on high quality real estate across the retail real estate spectrum. We expand or renovate to enhance existing assets' profitability and market share when we believe the investment of our capital meets our risk-reward criteria. We selectively develop new properties in major metropolitan areas that exhibit strong population and economic growth.

We routinely review and evaluate acquisition opportunities based on their ability to complement our portfolio. Lastly, we are selectively expanding our international presence. Our international strategy includes partnering with established real estate companies and financing international investments with local currency to minimize foreign exchange risk.

To support our growth, we employ a three-fold capital strategy:

- Provide the capital necessary to fund growth,

- Maintain sufficient flexibility to access capital in many forms, both public and private, and

- Manage our overall financial structure in a fashion that preserves our investment grade credit ratings.

As more fully discussed in Notes 3 and 10 of the consolidated financial statements, we have retrospectively adopted SFAS 160 and concurrently applied certain provisions of EITF D-98. This resulted in the recording of certain reclassifications related to previously-reported minority interests and preferred limited partner interests. Minority interests are now reported and referred to as noncontrolling interests within this discussion and the consolidated financial statements. These reclassifications had no impact on previously reported net income available to unitholders or earnings per unit.

Results Overview

Diluted earnings per unit of limited partnership interest, or units, decreased $0.08 during 2008, or 4.1%, to $1.87 from $1.95 for 2007. The decrease is primarily due to the $20.3 million loss relating to the redemption of remarketable debt securities, and $21.2 million in impairment charges in 2008, as compared to net gains aggregating $1.7 million related to sales and disposition activity and impairment charges for the comparable period in 2007. Consolidated total revenues increased $132.4 million, or 3.6%, driven by the full year effect of our 2007 openings and expansion activities and the releasing of space at higher rental rates per square foot, or psf. Releasing spreads in the regional mall and Premium Outlet portfolios were strong at $8.02 psf (or 21.3%) and $12.48 psf (or 48.8%), respectively, due to continued demand for higher quality space in our portfolio. Total operating expenses increased $106.9 million, or 5.0%, due to additional depreciation provisions related to the full year of operations for 2007 openings and 2008 new openings, an increase in the provision for bad debts due to the estimated uncollectability of certain tenant receivables, and higher personnel and utility costs attributable to normal inflationary increases. Interest costs remained relatively flat despite an increase in total debt due to lowered variable borrowing costs as a result of a reduced one-month LIBOR rate, the benchmark rate for most of our floating rate debt.

In the United States, business fundamentals were relatively stable, except for tenant sales psf which were mixed across the portfolio, and were dependent upon asset type, geographic location, and mix of specialty and luxury tenants. Average base rents for the regional mall and domestic Premium Outlet portfolios were relatively stable for 2008. The regional malls average base rent ended the year at $39.49 psf, or an increase of 6.5% over 2007. The domestic Premium Outlets average base rent ended the year at $27.65 psf, or an increase of 7.7%. The stability of the occupancy, rent psf, and releasing rental spread fundamentals contributed to our ability to generate growth in our operating results despite the adverse effects the general economic pressures are creating for our tenants and the consumer.

Internationally, in 2008, we and our joint venture partners opened three additional centers (one each in Italy, China, and Japan) and expanded two existing Premium Outlet Centers which added an aggregate 1 million square feet of retail space to the international portfolio. Also during 2008, we acquired shares of stock of Liberty International, PLC, or Liberty. Liberty operates regional shopping centers and is the owner of other prime retail assets throughout the U.K. Liberty is a U.K. FTSE 100 listed company, with shareholders' funds of £4.7 billion and property investments of £8.6 billion, of which its U.K. regional shopping centers comprise 75%. Assets of the group under control or joint control amount to £11.0 billion. Liberty converted into a U.K. Real Estate Investment Trust (REIT) on

January 1, 2007. Our interest in Liberty is less than 5% of their shares and is adjusted to their quoted market price, including a related foreign exchange component.

Our effective overall borrowing rate for the year ended December 31, 2008, decreased 55 basis points to 5.12% as compared to the year ended December 31, 2007. This was a result of a significant decrease in the base LIBOR rate applicable to a majority of our floating rate debt (0.44% at December 31, 2008, versus 4.60% at December 31, 2007) and also the issuance of new unsecured and secured debt at favorable rates. Our financing activities for the year ended December 31, 2008, included:

- decreasing borrowings on our $3.5 billion unsecured credit facility, or Credit Facility, to approximately $1.0 billion during the year ended December 31, 2008. The amount outstanding includes $446.3 million (U.S. dollar equivalent) in Euro and Yen-denominated borrowings.

- borrowing $735.0 million on a term loan that matures March 5, 2012 and bears a rate of LIBOR plus 70 basis points. This loan is secured by the cash flow distributed from six properties and has additional availability of $115.0 million through the maturity date.

- issuing two tranches of senior unsecured notes in May totaling $1.5 billion at a weighed average fixed interest rate of 5.74%. We used the proceeds of the offering to reduce borrowings on the Credit Facility and for general working capital purposes.

- redeeming the $200.0 million in remarketable debt securities that bore interest at 7.00%, and, as discussed above, resulted in our recognizing a $20.3 million loss in the second quarter related to this extinguishment of debt.

- redeeming a $150.0 million unsecured note that bore interest at a fixed rate of 5.38%.

- borrowing $190.0 million on a loan secured by Philadelphia Premium Outlets, which matures on July 30, 2014 and bears interest at a variable rate of LIBOR plus 185 basis points. On January 2, 2009, we executed a swap agreement that fixes the interest rate of this loan at 4.19%. We used the proceeds of the borrowing for general working capital purposes.

- borrowing $260.0 million on a term loan that matures September 23, 2013 and bears interest at a variable rate of LIBOR plus 195 basis points. On January 2, 2009, we executed a swap agreement that fixes the interest rate of this loan at 4.35%. This is a cross-collateralized loan that is secured by The Domain, Shops at Arbor Walk, and Palms Crossing. We used the proceeds of the borrowing for general working capital purposes.

United States Portfolio Data

The portfolio data discussed in this overview includes the following key operating statistics: occupancy; average base rent per square foot; and comparable sales per square foot for our four domestic platforms. We include acquired properties in this data beginning in the year of acquisition and remove properties sold in the year disposed. We are separately reporting in this section the 16 regional malls we acquired in the 2007 acquisition of The Mills Corporation, or the Mills acquisition. We do not include any properties located outside of the United States in this section. The following table sets forth these key operating statistics for:

- properties that are consolidated in our consolidated financial statements,
- properties we account for under the equity method of accounting as joint ventures, and
- the foregoing two categories of properties on a total portfolio basis.

	2008	%/Basis Points Change(1)	2007	%/Basis Points Change(1)	2006	%/Basis Point Change(1)
Regional Malls:						
Occupancy						
Consolidated	**92.6%**	**-130 bps**	93.9%	+90 bps	93.0%	-30 bps
Unconsolidated	**91.9%**	**-80 bps**	92.7%	-80 bps	93.5%	+80 bps
Total Portfolio	**92.4%**	**-110 bps**	93.5%	+30 bps	93.2%	+10 bps
Average Base Rent per Square Foot						
Consolidated	**$ 38.21**	**5.4%**	$ 36.24	4.2%	$ 34.79	2.2%
Unconsolidated	**$ 42.03**	**8.5%**	$ 38.73	6.2%	$ 36.47	3.3%
Total Portfolio	**$ 39.49**	**6.5%**	$ 37.09	4.8%	$ 35.38	2.6%
Comparable Sales per Square Foot						
Consolidated	**$ 445**	**(5.6%)**	$ 472	2.2%	$ 462	6.2%
Unconsolidated	**$ 523**	**(1.5%)**	$ 530	4.9%	$ 505	5.6%
Total Portfolio	**$ 470**	**(4.3%)**	$ 491	3.2%	$ 476	5.8%
Premium Outlet Centers:						
Occupancy	**98.9%**	**-80 bps**	99.7%	+30 bps	99.4%	-20 bps
Average Base Rent per Square Foot	**$ 27.65**	**7.7%**	$ 25.67	5.9%	$ 24.23	4.6%
Comparable Sales per Square Foot	**$ 513**	**1.8%**	$ 504	7.0%	$ 471	6.1%
The Mills®:						
Occupancy	**94.5%**	**+40 bps**	94.1%	—	—	—
Average Base Rent per Square Foot	**$ 19.51**	**2.4%**	$ 19.06	—	—	—
Comparable Sales per Square Foot	**$ 372**	**0.1%**	$ 372	—	—	—
Mills Regional Malls:						
Occupancy	**87.4%**	**-210 bps**	89.5%	—	—	—
Average Base Rent per Square Foot	**$ 36.99**	**3.8%**	$ 35.63	—	—	—
Comparable Sales per Square Foot	**$ 418**	**(5.8%)**	$ 444	—	—	—
Community/Lifestyle Centers:						
Occupancy						
Consolidated	**89.3%**	**-360 bps**	92.9%	+140 bps	91.5%	+200 bps
Unconsolidated	**93.3%**	**-330 bps**	96.6%	+10 bps	96.5%	+40 bps
Total Portfolio	**90.7%**	**-340 bps**	94.1%	+90 bps	93.2%	+160 bps
Average Base Rent per Square Foot						
Consolidated	**$ 13.70**	**7.6%**	$ 12.73	7.0%	$ 11.90	1.7%
Unconsolidated	**$ 12.41**	**4.7%**	$ 11.85	1.5%	$ 11.68	8.0%
Total Portfolio	**$ 13.25**	**6.6%**	$ 12.43	5.2%	$ 11.82	3.6%

(1) Percentages may not recalculate due to rounding.

Occupancy Levels and Average Base Rent Per Square Foot. Occupancy and average base rent are based on mall and freestanding Gross Leasable Area, or GLA, owned by us in the regional malls, and all tenants at The Mills, Premium Outlet Centers, and community/lifestyle centers. Our portfolio has maintained relatively stable occupancy and increased the aggregate average base rents despite the current economic climate.

Comparable Sales Per Square Foot. Comparable sales include total reported retail tenant sales at owned GLA (for mall and freestanding stores with less than 10,000 square feet) in the regional malls, and all reporting tenants at The Mills and the Premium Outlet Centers and community/lifestyle centers. Retail sales at owned GLA affect revenue and profitability levels because sales determine the amount of minimum rent that can be charged, the percentage rent realized, and the recoverable expenses (common area maintenance, real estate taxes, etc.) that tenants can afford to pay.

International Property Data

The following are selected key operating statistics for certain of our international properties.

	2008	% Change	2007	% Change	2006
European Shopping Centers					
Occupancy	**98.4%**		98.7%		97.1%
Comparable sales per square foot	**€411**	**-2.5%**	€421	7.7%	€391
Average rent per square foot	**€30.11**	**1.8%**	€29.58	12.5%	€26.29
International Premium Outlet Centers(1)					
Occupancy	**99.9%**		100%		100%
Comparable sales per square foot	**¥92,000**	**-1.3%**	¥93,169	4.4%	¥89,238
Average rent per square foot	**¥4,685**	**1.3%**	¥4,626	-0.4%	¥4,646

(1) Does not include one center in Mexico (Premium Outlets Punta Norte), one center in Korea (Yeoju Premium Outlets), and one shopping center in China.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, or GAAP, requires management to use judgment in the application of accounting policies, including making estimates and assumptions. We base our estimates on historical experience and on various other assumptions believed to be reasonable under the circumstances. These judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied resulting in a different presentation of our financial statements. From time to time, we evaluate our estimates and assumptions. In the event estimates or assumptions prove to be different from actual results, adjustments are made in subsequent periods to reflect more current information. Below is a discussion of accounting policies that we consider critical in that they may require complex judgment in their application or require estimates about matters that are inherently uncertain. For a summary of our significant accounting policies, see Note 3 of the Notes to Consolidated Financial Statements.

- We, as a lessor, retain substantially all of the risks and benefits of ownership of the investment properties and account for our leases as operating leases. We accrue minimum rents on a straight-line basis over the terms of their respective leases. Substantially all of our retail tenants are also required to pay overage rents based on sales over a stated base amount during the lease year. We recognize overage rents only when each tenant's sales exceed its sales threshold.
- We review investment properties for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of investment properties may not be recoverable. These circumstances include, but are not limited to, declines in cash flows, occupancy and comparable sales per square foot at the property. We recognize an impairment of investment property when the estimated undiscounted operating income before depreciation and amortization plus its residual value is less than the carrying value of the property. To the extent impairment has occurred, we charge to income the excess of carrying value of the property over its estimated fair value. We may decide to sell properties that are held for use and the sale prices of these properties may differ from their carrying values.
- To maintain Simon Property's qualification as a REIT under the Internal Revenue Code, Simon Property is required to distribute at least 90% of its taxable income in any given year and meet certain asset and income tests. Simon Property monitors its business and transactions that may potentially impact its REIT status. In

the unlikely event that Simon Property fails to maintain its REIT status, and available relief provisions do not apply, then it would be required to pay federal income taxes at regular corporate income tax rates during the period it did not qualify as a REIT. If Simon Property lost its REIT status, it could not elect to be taxed as a REIT for four years unless its failure was due to reasonable cause and certain other conditions were met. As a result, failing to maintain REIT status would result in a significant increase in the income tax expense recorded during those periods. This could adversely impact our ability to sell our debt securities and Simon Property's ability to sell its securities in the capital markets. We make distributions to our unitholders including Simon Property in sufficient amounts so that Simon Property can meet the REIT qualification requirements.

- We make estimates as part of our allocation of the purchase price of acquisitions to the various components of the acquisition based upon the relative value of each component. The most significant components of our allocations are typically the allocation of fair value to the buildings as-if-vacant, land and market value of in-place leases. In the case of the fair value of buildings and the allocation of value to land and other intangibles, our estimates of the values of these components will affect the amount of depreciation we record over the estimated useful life of the property acquired or the remaining lease term. In the case of the market value of in-place leases, we make our best estimates of the tenants' ability to pay rents based upon the tenants' operating performance at the property, including the competitive position of the property in its market as well as sales psf, rents psf, and overall occupancy cost for the tenants in place at the acquisition date. Our assumptions affect the amount of future revenue that we will recognize over the remaining lease term for the acquired in-place leases.
- A variety of costs are incurred in the acquisition, development and leasing of properties. After determination is made to capitalize a cost, it is allocated to the specific component of a project that is benefited. Determination of when a development project is substantially complete and capitalization must cease involves a degree of judgment. Our capitalization policy on development properties is guided by SFAS No. 34 "Capitalization of Interest Cost" and SFAS No. 67 "Accounting for Costs and the Initial Rental Operations of Real Estate Properties." The costs of land and buildings under development include specifically identifiable costs. The capitalized costs include pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. We consider a construction project as substantially completed and held available for occupancy and cease capitalization of costs upon opening.

Results of Operations

In addition to the activity discussed above in "Results Overview," the following acquisitions, property openings, and other activity affected our consolidated results from continuing operations in the comparative periods:

- On December 31, 2008, we acquired an additional 5% interest in Gateway Shopping Center.
- On November 13, 2008, we opened Jersey Shore Premium Outlets, a 435,000 square foot outlet center with 120 designer and name-brand outlet stores located in Tinton Falls, New Jersey.
- On November 6, 2008, we opened the second phase of Orlando Premium Outlets, a 114,000 square foot expansion that is 100% leased and adds 40 new merchants, located in Orlando, Florida.
- On September 12, 2008, we acquired an additional 3.2% interest in White Oaks Mall.
- On May 1, 2008, we opened Pier Park, a 900,000 square foot, open-air retail center located in Panama City, Florida.
- On March 27, 2008, we opened Houston Premium Outlets, a 427,000 square foot outlet center located approximately 30 miles west of Houston in Cypress, Texas.
- On January 1, 2008 we acquired an additional 1.8% interest in Oxford Valley Mall and Lincoln Plaza.
- On November 15, 2007, we opened Palms Crossing, a 396,000 square foot community center, located adjacent to the new McAllen Convention Center in McAllen, Texas.
- On November 8, 2007, we opened Philadelphia Premium Outlets, a 425,000 square foot outlet center located 35 miles northwest of Philadelphia in Limerick, Pennsylvania.
- On November 1, 2007, we acquired an additional 6.5% interest in Montgomery Mall.
- On August 23, 2007, we acquired Las Americas Premium Outlets, a 560,000 square foot upscale outlet center located in San Diego, California, for $283.5 million, including the assumption of its $180.0 million mortgage.
- On July 13, 2007, we acquired an additional 1% interest in Bangor Mall.

- On March 29, 2007, we acquired an additional 25% interest in two regional malls (Town Center at Cobb and Gwinnett Place) in the Mills acquisition and now consolidate those properties.
- On March 28, 2007, we acquired a 100% interest in The Maine Outlet, a 112,000 square foot outlet center located in Kittery, Maine for a purchase price of $45.2 million.
- On March 9, 2007, we opened The Domain, in Austin, Texas, which combines 700,000 square feet of luxury fashion and restaurant space, 75,000 square feet of Class A office space and 390 apartments.
- On March 1, 2007, we acquired the remaining 40% interest in University Park Mall and University Center. We had previously consolidated these properties, but now have no provision for noncontrolling interest in our consolidated income from continuing operations since March 1, 2007.
- On December 1, 2006, we opened Shops at Arbor Walk, a 230,841 square foot community center located in Austin, Texas.
- On November 2, 2006, we opened Rio Grande Valley Premium Outlets, a 404,000 square foot upscale outlet center in Mercedes, Texas, 20 miles east of McAllen, Texas, and 10 miles from the Mexico border.
- On November 2, 2006, we received capital transaction proceeds of $102.2 million related to the beneficial interests in a mall that the Simon family contributed to us in 2006. This transaction terminated our beneficial interests and resulted in the recognition of an $86.5 million gain.
- On November 1, 2006, we acquired the remaining 50% interest in Mall of Georgia from our partner for $252.6 million which includes the assumption of our $96.0 million share of debt, and as a result consolidated the property.
- On August 4, 2006, we opened Round Rock Premium Outlets, a 432,000 square foot Premium Outlet Center located 20 minutes North of Austin, Texas in Round Rock, Texas.

In addition to the activities discussed above and in "Results Overview", the following acquisitions, dispositions, and property openings affected our income from unconsolidated entities in the comparative periods:

- On December 30, 2008, Cincinnati Mills, one of the properties we acquired in the Mills acquisition, was sold. We held a 50% interest the shopping center.
- On October 16, 2008, Chelsea Japan Company, Ltd., or Chelsea Japan, the joint venture which operates the Japanese Premium Outlet Centers in which we have a 40% ownership interest, opened Sendai-Izumi Premium Outlets. The 172,000 square foot first phase of the project opened fully leased to 80 tenants, and is located in Izumi Park Town serving the Sendai market of northern Honshu Island.
- On August 25, 2008, Gallerie Commerciali Italia, or GCI, one of our two European joint ventures, opened Monza, a 211,600 square foot shopping center in Monza, Italy.
- On June 5, 2008, Great Mall Investments, Ltd., or GMI, the joint venture which operates the hypermarket centers located in China in which we have a 32.5% ownership interest, opened Changshu IN CITY Plaza, a 487,000 square foot retail center located in Changshu, China. The center is anchored by Wal-Mart and has approximately 140 other retail shops.
- On May 2, 2008, we and our partner opened Hamilton Town Center, a 950,000 square foot open-air retail center in Noblesville, Indiana. We hold a 50% interest in this center.
- On December 6, 2007, GCI opened Nola, a 876,000 square foot shopping center in Naples, Italy.
- On October 17, 2007, we acquired an 18.75% interest in Denver West Village in Lakewood, Colorado through our 50% ownership in SPG-FCM.
- On September 27, 2007, GCI opened Cinisello, located in Milan, Italy.
- On July 5, 2007, Simon Ivanhoe S.à.r.l, or Simon Ivanhoe, our other European joint venture, sold its interest in five assets located in Poland, for which we recorded our share of the gain of $90.6 million.
- On July 5, 2007, Chelsea Japan opened the 195,000 square foot first phase of Kobe-Sanda Premium Outlets, located just north of downtown Kobe, Japan.
- On June 1, 2007, Chelsea Japan opened Yeoju Premium Outlets, a 250,000 square foot center in Korea.
- On February 16, 2007, SPG-FCM Ventures, LLC, or SPG-FCM, an entity in which a subsidiary of the Operating Partnership holds a 50% interest, entered into a definitive agreement to acquire Mills. The Mills acquisition added 36 properties and over 42 million square feet of gross leasable area to our portfolio. The properties are generally located in major metropolitan areas and consist of a combination of traditional anchor tenants, local and national retailers, and a number of larger "big box" tenants. We made an equity investment of $650.0 million and provided loans to SPG-FCM and Mills in various amounts throughout 2007 to acquire Mills' remaining common and preferred equity, and to pay various costs of the transaction. We serve as manager of the properties acquired in this transaction, which is more fully discussed in the "Liquidity and Capital Resources" section.

- On November 10, 2006 we and our partner opened Coconut Point, in Bonita Springs, Florida, a 1.2 million square foot, open-air shopping center complex with village, lakefront and community center areas.
- On October 26, 2006, Simon Ivanhoe opened the 200,000 square foot expansion of a shopping center in Wasquehal, France.
- On October 14, 2006 Chelsea Japan opened a 53,000 square foot expansion of Toki Premium Outlets.
- On September 28, 2006, Simon Ivanhoe opened Gliwice Shopping Center, a 380,000 square foot shopping center in Gliwice, Poland.
- On May 31, 2006, GCI opened Giugliano, an 800,000 square foot center anchored by a hypermarket, in Italy.

For the purposes of the following comparisons between the years ended December 31, 2008 and 2007 and the years ended December 31, 2007 and 2006, the above transactions are referred to as the property transactions. In the following discussions of our results of operations, "comparable" refers to properties open and operating throughout both the current and prior year.

In 2008 we had no consolidated property dispositions. During 2007, we disposed of five consolidated properties that had an aggregate book value of $91.6 million for aggregate sales proceeds of $56.4 million, resulting in a net loss on sale of $35.3 million. The loss on sale of these assets has been reported as discontinued operations in the consolidated statements of operations. The operating results of the properties that we sold or disposed during 2007 were not significant to our consolidated results of operations. The following is a list of consolidated property dispositions and the date of disposition for which we have reported the operations or results of sale with discontinued operations:

Property	Date of Disposition
Lafayette Square	December 27, 2007
University Mall	September 28, 2007
Boardman Plaza	September 28, 2007
Griffith Park Plaza	September 20, 2007
Alton Square	August 2, 2007

We sold the following properties in 2006. Due to the limited significance of these properties' operations and result of disposition on our consolidated financial statements, we did not report these properties as discontinued operations.

Property	Date of Disposition
Northland Plaza	December 22, 2006
Trolley Square	August 3, 2006
Wabash Village	July 27, 2006

Year Ended December 31, 2008 vs. Year Ended December 31, 2007

Minimum rents increased $137.2 million in 2008, of which the property transactions accounted for $64.6 million of the increase. Comparable rents increased $72.6 million, or 3.6%. This was primarily due to an increase in minimum rents of $82.1 million and an $8.5 million increase in straight-line rents, offset by a $16.4 million decrease in comparable property activity, primarily attributable to lower amounts of fair market value of in-place lease amortization.

Overage rents decreased $9.8 million or 8.9%, as a result of a reduction in tenant sales for the period as compared to the prior year.

Tenant reimbursements increased $42.8 million, due to a $26.9 million increase attributable to the property transactions and a $15.9 million, or 1.6%, increase in the comparable properties due to our ongoing initiative to convert leases to a fixed reimbursement methodology for common area maintenance costs.

Management fees and other revenues increased $18.7 million principally as a result of the full year of additional management fees derived from managing the properties acquired in the Mills acquisition, and additional leasing and development fees as a result of incremental joint venture property activity.

Total other income decreased $56.6 million, and was principally the result of the following:

- a $26.7 million decrease in interest income primarily due to the repayment of loans made to SPG-FCM and Mills, and lower interest rates attributable to this loan facility, combined with decreased interest earnings on investments due to lower excess cash balances and interest rates earned in 2008 as compared to 2007,
- an $18.7 million decrease in lease settlement income as a result of significant lease settlements received from two department stores in 2007, and
- a $14.3 million decrease in loan financing fees related to Mills-related loan activity during 2007 which did not recur in 2008.

These decreases were offset by a $3.1 million increase in net other activity.

Depreciation and amortization expense increased $63.8 million in 2008 primarily due to our acquisition, expansion and renovation activity and the accelerated depreciation of tenant improvements for tenant leases terminated during the period and for properties scheduled for redevelopment.

Real estate taxes increased $21.3 million from the prior period, $9.0 million of which is related to the property transactions, and $12.3 million from our comparable properties due to the effect of increases resulting from reassessments, higher tax rates, and the effect of expansion and renovation activities.

Repairs and maintenance decreased $12.3 million due to our cost savings efforts.

Provision for credit losses increased $14.5 million primarily due to an increase in tenant bankruptcies and tenant delinquencies. This was reflected in total square footage lost to tenant bankruptcies of 1,104,000 during 2008 as compared to only 69,000 square feet in 2007. We anticipate a challenging environment for our tenants continuing into 2009.

Home and regional office expense increased $8.3 million primarily due to increased personnel costs, primarily the result of the Mills acquisition, and the increased expense from certain incentive compensation plans.

Other expenses increased $6.1 million due to increased consulting and professional fees, including legal fees and related costs.

Interest expense increased $1.3 million despite an $823.9 million increase in consolidated borrowings to fund our development and redevelopment activities, and the full year impact of our borrowings to fund the Mills-related loans, due to a 55 basis point decline in our weighted average borrowing rates. This decrease in weighted average borrowing rates was driven primarily by a decline in the applicable LIBOR rate for a majority of our consolidated floating rate debt instruments, including the Credit Facility.

We recognized a loss on extinguishment of debt of $20.3 million in the second quarter of 2008 related to the redemption of $200 million in remarketable debt securities. We extinguished the debt because the remarketing reset base rate was above the rate for 30-year U.S. Treasury securities at the date of redemption.

Income tax expense of taxable REIT subsidiaries increased $14.9 million due primarily to a $19.5 million tax benefit recognized in 2007 related to the impairment charge resulting from of the write-off of our investment in a land joint venture in Phoenix, Arizona.

Income from unconsolidated entities decreased $5.9 million, due primarily to the impact of the Mills acquisition (net of eliminations). On a net basis, our share of loss from SPG-FCM increased $4.7 million from the prior period due to a full year of SPG-FCM activity in 2008 as compared to only nine months of activity in 2007. The loss was driven by depreciation and amortization expense on asset basis step-ups in purchase accounting.

In 2008, we recognized an impairment of $21.2 million primarily representing the write-down of a mall property to its estimated net realizable value and the write-off of predevelopment costs for various development opportunities that we no longer plan to pursue. In 2007, we recognized an impairment of $55.1 million related to a land joint venture in Phoenix, Arizona.

The gain on sale of assets and interests in unconsolidated entities of $92.0 million in 2007 was primarily the result of Simon Ivanhoe selling its interest in certain assets located in Poland.

In 2007, the loss on sale of discontinued operations of $35.3 million represents the net loss upon disposition of five non-core properties consisting of three regional malls and two community/lifestyle centers.

Preferred unit distribution requirements decreased $17.9 million as a result of the conversion or exchange of preferred units to units and the redemption of the Series G preferred units in the fourth quarter of 2007.

Year Ended December 31, 2007 vs. Year Ended December 31, 2006

Minimum rents increased $133.9 million in 2007, of which the property transactions accounted for $87.0 million of the increase. Total amortization of the fair market value of in-place leases served to decrease minimum rents by $8.8 million due to certain in-place lease adjustments becoming fully amortized. Comparable rents increased $46.8 million, or 2.3%. This was primarily due to the leasing of space at higher rents that resulted in an increase in minimum rents of $54.6 million offset by a $9.2 million decrease in comparable property straight-line rents and fair market value of in-place lease amortization. In addition, rents from carts, kiosks, and other temporary tenants increased comparable rents by $1.4 million.

Overage rents increased $14.2 million or 14.9%, reflecting increases in tenant sales.

Tenant reimbursements increased $76.6 million, of which the property transactions accounted for $40.2 million. The remainder of the increase of $36.4 million, or 3.8%, was in comparable properties and was due to inflationary increases in property operating costs and our ongoing initiative of converting our leases to a fixed reimbursement methodology for common area maintenance costs.

Management fees and other income increased $31.5 million principally as a result of additional management fees derived from the additional properties being managed from the Mills acquisition and additional leasing and development fees as a result of incremental property activity.

Total other income increased $62.5 million, and was principally the result of the following:

- a $46.4 million increase in interest income, of which $39.1 million is as a result of Mills-related loans, combined with increased interest rates on the investment of excess cash balances,
- an $18.4 million increase in lease settlement income as a result of settlements received from two department stores in 2007,
- a $17.4 million increase in loan financing fees, net of intercompany eliminations, related to Mills-related loan refinancing activity, offset by
- a $19.7 million decrease in gains on land sale activity.

Property operating expenses increased $13.3 million, or 3.0%, primarily as a result of the property transactions and inflationary increases.

Depreciation and amortization expense increased $49.4 million and is primarily a result of the property transactions.

Real estate taxes increased $13.1 million from the prior period, $10.4 million of which is related to the property transactions, and $2.7 million from our comparable properties due to the effect of increases resulting from reassessments, higher tax rates, and the effect of expansion and renovation activities.

Repairs and maintenance increased $14.2 million due to increased snow removal costs in 2007 over that of 2006, normal inflationary increases, and the effect of the property transactions.

Advertising and promotion increased $5.9 million primarily due to the effect of the property transactions.

Home and Regional office expense increased $7.3 million primarily due to increased personnel costs, primarily the result of the Mills acquisition, and the effect of incentive compensation plans.

General and administrative expenses increased $2.9 million due to increased executive salaries, principally as a result of additional share-based payment amortization from the vesting of restricted stock grants.

Interest expense increased $124.0 million due principally to the following:

- increased borrowings to fund our development and redevelopment activities;
- additional borrowings to fund the Mills-related loans; and
- the full year effect of May, August, and December 2006 senior note offerings.

Also impacting interest expense was the consolidation of Town Center at Cobb, Gwinnett Place, and Mall of Georgia as a result of our acquisition of additional ownership interests, and the assumption of debt related to the acquisition of Las Americas Premium Outlets.

Income tax expense of taxable REIT subsidiaries decreased $22.7 million due primarily to a $19.5 million tax benefit recognized related to the impairment charge related to our write-off of our entire investment in Surprise Grand Vista JV I, LLC, which is developing land located in Phoenix, Arizona, along with a reduction in the taxable income for the management company as a result of structural changes made to our wholly-owned captive insurance entities.

Income from unconsolidated entities decreased $72.7 million, due in part to the impact of the Mills transaction (net of eliminations). On a consolidated net income basis, our share of income from SPG-FCM approximates a net loss of $58.7 million for the year due to additional depreciation and amortization expenses on asset basis step-ups in purchase accounting approximating $102.2 million for the second through fourth quarters of 2007. Also contributing to the decrease is the prior year recognition of $15.6 million in income related to a beneficial interest that we held in 2006 in a regional mall entity. This beneficial interest was terminated in November 2006.

In 2007, we recognized an impairment of $55.1 million related to our Surprise Grand Vista venture in Phoenix, Arizona. As described above, the charge to earnings resulted in a $19.5 million tax benefit, resulting in a net charge to earnings, before consideration of the limited partners' interest, of $35.6 million.

We recorded a $92.0 million net gain on the sales of assets and interests in unconsolidated entities in 2007 primarily as a result of the sale of five assets in Poland by Simon Ivanhoe. In 2006, we recorded a gain related to the sale of a beneficial interest of $86.5 million, a $34.4 million gain on the sale of a 10.5% interest in Simon Ivanhoe, and the net gain on the sale of four non-core properties, including one joint venture property, of $12.2 million.

In 2007, the loss on sale of discontinued operations of $35.3 million represents the net loss upon disposition of five non-core properties consisting of three regional malls and two community/lifestyle centers.

Preferred unit distribution requirements decreased $28.0 million as a result of the redemption of the Series G preferred units in the fourth quarter of 2007 and the Series F preferred units in the fourth quarter of 2006.

Liquidity and Capital Resources

Because we generate revenues primarily from long-term leases, our financing strategy relies primarily on long-term fixed rate debt. We manage our floating rate debt to be at or below 15-25% of total outstanding indebtedness by negotiating interest rates for each financing or refinancing based on current market conditions. Floating rate debt currently comprises approximately 15% of our total consolidated debt. We also enter into interest rate protection agreements as appropriate to assist in managing our interest rate risk. We derive most of our liquidity from leases that generate positive net cash flow from operations and distributions of capital from unconsolidated entities that totaled $1.9 billion during 2008. In addition, the Credit Facility provides an alternative source of liquidity as our cash needs vary from time to time. Also, Simon Property recently declared a dividend for the first quarter of 2009 that it intends to pay in cash and shares of Simon Property's common stock, with the cash component limited to 10% on an aggregate basis. As a result, we would make a corresponding distribution to unitholders comprised of 10% cash, with the balance being paid with units. Paying 90% of the 2009 first quarter dividend, and as a result our distributions, in a form other than cash allows Simon Property to satisfy its REIT taxable income distribution requirement while enhancing financial flexibility and balance sheet strength.

Our balance of cash and cash equivalents increased $271.6 million during 2008 to $773.5 million as of December 31, 2008. December 31, 2008 and 2007 balances include $29.8 million and $41.3 million, respectively, related to our co-branded gift card programs, which we do not consider available for general working capital purposes.

On December 31, 2008, we had available borrowing capacity of approximately $2.4 billion under the Credit Facility, net of outstanding borrowings of $1.0 billion and letters of credit of $15.7 million. During 2008, the maximum amount outstanding under the Credit Facility was $2.6 billion and the weighted average amount outstanding was $1.4 billion. The weighted average interest rate was 3.49% for the year ended December 31, 2008. The Credit Facility is scheduled to mature on January 11, 2010, which we can extend for another year at our option.

We and/or Simon Property also have access to public equity and long term unsecured debt markets and access to private equity from institutional investors at the property level.

Our business model requires us to regularly access the debt and equity capital markets to raise funds for some of our acquisition activity, development and redevelopment capital, as well as to refinance many of our existing debt maturities. We are currently seeing significant turmoil in the capital markets. This has impacted access to debt and equity capital for many organizations, including ours. As demonstrated by recent financing activities (both secured and unsecured), we were able to successfully access capital in the third and fourth quarters of 2008; however, there is no assurance we will be able to do so on similar terms or conditions in future periods. We believe we have sufficient cash on hand and availability under the Credit Facility to address our debt maturities and capital needs through 2009.

Acquisition of The Mills Corporation by SPG-FCM

On February 16, 2007, SPG-FCM, a 50/50 joint venture between one of our affiliates and funds managed by Farallon Capital Management, L.L.C. ("Farallon"), entered into a definitive merger agreement to acquire all of the outstanding common stock of Mills for $25.25 per common share in cash. The acquisition of Mills and its interests in the 36 properties that remain at December 31, 2008 was completed in April 2007. As of December 31, 2008, we and Farallon had each funded $650.0 million into SPG-FCM to acquire all of the common stock of Mills. As part of the transaction, we also made loans to SPG-FCM and Mills primarily at rates of LIBOR plus 270-275 basis points. These funds were used by SPG-FCM and Mills to repay loans and other obligations of Mills, including the redemption of preferred stock, during 2007. As of December 31, 2008, the outstanding balance of our loan to SPG-FCM was $520.7 million, and the average outstanding balance during the twelve month period ended December 31, 2008 of all loans made to SPG-FCM and Mills was approximately $534.1 million. During 2008 and 2007, we recorded approximately $15.3 million and $39.1 million in interest income (net of inter-entity eliminations) related to these loans, respectively. We also recorded fee income, including fee income amortization related to up-front fees on loans made to SPG-FCM and Mills, during 2008 and 2007 of approximately $3.1 million and $17.4 million (net of inter-entity eliminations), respectively, for providing refinancing services to Mills' properties and SPG-FCM. The existing loan facility to SPG-FCM bears a rate of LIBOR plus 275 basis points and matures on June 7, 2009, with three available one-year extensions. Fees charged on loans made to SPG-FCM and Mills are amortized on a straight-line basis over the life of the loan.

The Mills acquisition involved the purchase of all Mills' outstanding shares of common stock and common units for approximately $1.7 billion (at $25.25 per share or unit), the assumption of $954.9 million of preferred stock, the assumption of a proportionate share of property-level mortgage debt, of which SPG-FCM's share approximated $3.8 billion, the assumption of $1.2 billion in unsecured loans provided by us, costs to effect the acquisition, and certain liabilities and contingencies, including an ongoing investigation by the Securities and Exchange Commission, for an aggregate purchase price of approximately $8 billion. SPG-FCM has completed its purchase price allocations for the Mills acquisition using valuations developed with the assistance of a third-party professional appraisal firm.

In conjunction with the Mills acquisition, we acquired a majority interest in two properties in which we previously held a 50% ownership interest (Town Center at Cobb and Gwinnett Place) and as a result we have consolidated these two properties at the date of acquisition.

In addition to the loans provided to SPG-FCM, we also provide management services to substantially all of the properties in which SPG-FCM holds an interest.

Cash Flows

Our net cash flow from operating activities and distributions of capital from unconsolidated entities totaled $1.9 billion during 2008. In addition, we received net proceeds from our debt financing and repayment activities in 2008 of $764.8 million. These activities are further discussed below in "Financing and Debt". We also:

- repurchased units and preferred units amounting to $17.9 million,
- paid unitholder distributions totaling $1.0 billion,
- paid preferred unit distributions totaling $58.7 million,
- funded consolidated capital expenditures of $874.3 million. These capital expenditures include development and other costs of $327.7 million, renovation and expansion costs of $431.9 million, and tenant costs and other operational capital expenditures of $114.7 million and
- funded investments in unconsolidated entities of $137.5 million.

In general, we anticipate that cash generated from operations will be sufficient to meet operating expenses, monthly debt service, recurring capital expenditures, and distributions to partners necessary to maintain Simon

Property's REIT qualification on a long-term basis. In addition, we expect to be able to obtain capital for nonrecurring capital expenditures, such as acquisitions, major building renovations and expansions, as well as for scheduled principal maturities on outstanding indebtedness, from:

- excess cash generated from operating performance and working capital reserves,
- borrowings on our Credit Facility,
- additional secured or unsecured debt financing, or
- additional equity raised in the public or private markets.

We expect to generate positive cash flow from operations in 2009, and we consider these projected cash flows in our sources and uses of cash. These cash flows are principally derived from retail tenants, many of whom are experiencing considerable financial distress. A significant deterioration in projected cash flows from operations could cause us to increase our reliance on available funds from the Credit Facility, curtail planned capital expenditures, or seek other additional sources of financing as discussed above.

Financing and Debt

Unsecured Debt

Our unsecured debt currently consists of $10.7 billion of senior unsecured notes and the Credit Facility. The Credit Facility bears interest at LIBOR plus 37.5 basis points and an additional facility fee of 12.5 basis points. The Credit Facility matures January 11, 2010 and may be extended one year at our option.

On May 19, 2008, we issued two tranches of senior unsecured notes totaling $1.5 billion at a weighted average fixed interest rate of 5.74% consisting of a $700.0 million tranche with a fixed interest rate of 5.30% due May 30, 2013 and a second $800.0 million tranche with a fixed interest rate of 6.125% due May 30, 2018. We used proceeds from the offering to reduce borrowings on the Credit Facility and for general working capital purposes.

On June 16, 2008, we completed the redemption of the $200.0 million outstanding principal amount of its 7% Mandatory Par Put Remarketed Securities, or MOPPRS. The redemption was accounted for as an extinguishment and resulted in a charge in the second quarter of 2008 of approximately $20.3 million.

On August 28, 2008, we repaid a $150.0 million unsecured note, which had a fixed rate of 5.38%.

During the year ended December 31, 2008, we drew amounts from the Credit Facility to fund the redemption of the remarketable debt securities and the repayment of the $150.0 million unsecured note. Other amounts drawn on the Credit Facility during the period were primarily for general working capital purposes. We repaid a total of $2.7 billion on the Credit Facility during the year ended December 31, 2008. The total outstanding balance of the Credit Facility as of December 31, 2008 was $1.0 billion, and the maximum amount outstanding during the year was approximately $2.6 billion. During the year ended December 31, 2008, the weighted average outstanding balance was approximately $1.4 billion. The amount outstanding as of December 31, 2008 includes $446.3 million in Euro and Yen-denominated borrowings. In addition, subsequent to December 31, 2008, we repaid $600 million in unsecured notes, consisting of two $300 million tranches that bore rates of 3.75% and 7.13%, respectively, using proceeds from the Credit Facility.

Secured Debt

Total secured indebtedness was $6.3 billion and $5.3 billion at December 31, 2008 and 2007, respectively. During the twelve-month period ended December 31, 2008, we repaid $274.0 million in mortgage loans, unencumbering five properties.

On January 15, 2008, we entered into a swap transaction that effectively converted $300.0 million of variable rate debt to fixed rate debt at a rate of 3.21%.

On March 6, 2008, we borrowed $705 million on a term loan that matures March 5, 2012 and bears a rate of LIBOR plus 70 basis points. On May 27, 2008, the loan was increased to $735 million. This loan is secured by the cash flow distributed from six properties and has additional availability of $115 million through the maturity date.

On July 30, 2008, we borrowed $190.0 million on a loan secured by Philadelphia Premium Outlets, which matures on July 30, 2014 and bears interest at a variable rate of LIBOR plus 185 basis points. On January 2, 2009, we executed a swap agreement that fixes the interest rate on this loan at 4.19%.

On September 23, 2008, we borrowed $170.0 million on a term loan that matures September 23, 2013 and bears interest at a rate of LIBOR plus 195 basis points. On November 4, 2008, the loan was increased to $220 million and on December 17, 2008, the loan was increased to its maximum availability of $260 million. This is a cross-collateralized loan that is secured by The Domain, Shops at Arbor Walk, and Palms Crossing. On January 2, 2009, we executed a swap agreement that fixes the interest rate on $200.0 million of this loan at 4.35%.

Summary of Financing

Our consolidated debt, adjusted to reflect one fair value derivative outstanding at December 31, 2007 and the effect of fixing variable rate debt with interest rate swaps, and the effective weighted average interest rates for the years then ended consisted of the following (dollars in thousands):

Debt Subject to	Adjusted Balance as of December 31, 2008	Effective Weighted Average Interest Rate	Adjusted Balance as of December 31, 2007	Effective Weighted Average Interest Rate
Fixed Rate	**$ 15,424,318**	**5.76%**	$ 14,056,008	5.88%
Variable Rate	**2,618,214**	**1.31%**	3,162,666	4.73%
	$ 18,042,532	**5.12%**	$ 17,218,674	5.67%

As of December 31, 2008, we had interest rate cap protection agreements on $281.8 million of consolidated variable rate debt. We also hold $505.0 million of notional amount variable rate swap agreements that have a weighted average fixed pay rate of 3.29% and a weighted average variable receive rate of 2.75%. As of December 31, 2008, the net effect of these agreements effectively converted $505.0 million of variable rate debt to fixed rate debt.

Contractual Obligations and Off-balance Sheet Arrangements: The following table summarizes the material aspects of our future obligations as of December 31, 2008 (dollars in thousands):

	2009	2010 to 2011	2012 to 2014	After 2014	Total
Long Term Debt					
Consolidated(1)	$ 1,475,510	$ 5,352,250	$ 6,333,770	$ 4,863,803	$ 18,025,333
Pro Rata Share Of Long Term Debt:					
Consolidated(2)	$ 1,464,866	$ 5,304,346	$ 6,164,777	$ 4,815,638	$ 17,749,627
Joint Ventures(2)	437,040	1,391,663	2,568,964	2,223,629	6,621,296
Total Pro Rata Share Of Long Term Debt	1,901,906	6,696,009	8,733,741	7,039,267	24,370,923
Consolidated Capital Expenditure Commitments(3)	133,512	48,987	—	—	182,499
Joint Venture Capital Expenditure Commitments(3)	8,536	609	—	—	9,145
Consolidated Ground Lease Commitments(4)	16,530	32,626	49,821	653,052	752,029
Total	$ 2,060,484	$ 6,778,231	$ 8,783,562	$ 7,692,319	$ 25,314,596

(1) Represents principal maturities only and therefore, excludes net premiums and discounts of $17,199 and all required interest payments. We incurred interest expense during 2008 of $947.1 million, net of capitalized interest of $27.8 million.

(2) Represents our pro rata share of principal maturities and excludes net premiums and discounts.

(3) Represents our pro rata share of capital expenditure commitments.

(4) Represents only the minimum non-cancellable lease period, excluding applicable lease extension and renewal options.

Capital expenditure commitments presented in the table above represent new developments, redevelopments or renovation/expansions that we have committed to the completion of construction. The timing of these expenditures may vary due to delays in construction or acceleration of the opening date of a particular project. In addition, the amount includes our share of committed costs for joint venture developments.

Our off-balance sheet arrangements consist primarily of our investments in real estate joint ventures which are common in the real estate industry and are described in Note 7 of the notes to the accompanying financial statements. Joint venture debt is the liability of the joint venture, is typically secured by the joint venture property, and is non-recourse to us. As of December 31, 2008, we had loan guarantees and other guarantee obligations to support $71.9 million and $6.6 million, respectively, to support our total $6.6 billion share of joint venture mortgage and other indebtedness presented in the table above.

Preferred Unit Activity

During 2008, the holders of 22,400 Series I preferred units exercised their rights to exchange the preferred units for shares of Simon Property's Series I preferred stock; we issued 5,151,776 Units to holders of Series I preferred units who exercised their conversion rights; we issued 1,187,238 units as a result of the conversion of 1,493,904 6% Convertible Perpetual Preferred Units; we issued 4,981 units as a result of the conversion of 6,583 7% Cumulative Convertible Preferred Units; and we redeemed 61,493 8% Cumulative Redeemable Preferred Units for cash.

Acquisitions and Dispositions

Buy-sell provisions are common in real estate partnership agreements. Most of our partners are institutional investors who have a history of direct investment in retail real estate. Our partners in our joint venture properties may initiate these provisions at any time. If we determine it is in our best interests to purchase the joint venture interest and we believe we have adequate liquidity to execute the purchase without hindering our cash flows, then we may initiate these provisions or elect to buy. If we decide to sell any of our joint venture interests, we expect to use the net proceeds to reduce outstanding indebtedness or to reinvest in development, redevelopment, or expansion opportunities.

Acquisitions. The acquisition of high quality individual properties or portfolios of properties remains an integral component of our growth strategy. Effective January 1, 2008 we acquired an additional 1.8% interest in Oxford Valley Mall and Lincoln Plaza (which gives us a combined ownership interest in each of 64.99%). On September 12, 2008 we acquired an additional 3.2% interest in White Oaks Mall (which gives us an ownership interest of 80.68%). On December 31, 2008 we acquired an additional 5% interest in Gateway Shopping Center for $2.6 million (which gives us 100% interest in the asset).

Dispositions. We continue to pursue the sale of properties that no longer meet our strategic criteria or that are not the primary retail venue within their trade area. On December 30, 2008, the joint venture partnership in which we own a 50% interest sold Cincinnati Mills for $8.3 million. No material gain or loss was recorded on this disposition. There were no other dispositions of properties during the year ended December 31, 2008.

Development Activity

New Domestic Developments. Given the significant downturn in the economy, we have substantially reduced our development spending. We expect to complete construction on Cincinnati Premium Outlets, a 400,000 square foot upscale manufacturers' outlet center located in Monroe, OH, during the third quarter of 2009. The estimated total cost of this project is $92 million, and the carrying amount of the construction in progress as of December 31, 2008 was $43 million. We expect to fund this project with available cash flow from operations and borrowings from the Credit Facility.

Strategic Domestic Expansions and Renovations. In addition to new development, we incur costs to renovate and/or expand selected properties. Current projects include a 600,000 square foot Phase II expansion at The Domain, a 220,000 square foot expansion of Camarillo Premium Outlets — The Promenade at, and the addition of Nordstrom and small shops at South Shore Plaza. We expect to fund these capital projects with available cash flow from operations and borrowings from the Credit Facility. We expect to invest a total of approximately $300 million (our share) on expansion and renovation activities in 2009.

Capital Expenditures on Consolidated Properties.

The following table summarizes total capital expenditures on consolidated properties on a cash basis:

	2008	2007	2006
New Developments and Other	**$327**	$ 432	$317
Renovations and Expansions	**432**	349	307
Tenant Allowances	**72**	106	52
Operational Capital Expenditures	**43**	130	92
Total	**$874**	$1,017	$768

International Development Activity. We typically reinvest net cash flow from our international investments to fund future international development activity. We believe this strategy mitigates some of the risk of our initial investment and our exposure to changes in foreign currencies. We have also funded our European investments with Euro-denominated borrowings that act as a natural hedge against local currency fluctuations. This has also been the case with our Premium Outlet Centers in Japan and Mexico where we use Yen and Peso denominated financing, respectively. We expect our share of international development costs for 2009 will be approximately $140 million. We expect international development and redevelopment/expansion activity for 2009 to include:

- continuing construction by Gallerie Commerciali Italia, or GCI, on two shopping centers: one in Naples, and one in Sicily with a total gross leasable area, or GLA, of 942,000 square feet.

- completing and opening of Ami Premium Outlets Phase 1, a 227,000 square foot Premium Outlet Center located in Japan. We hold a 40% ownership interest in this property.

- completing and opening three additional Wal-Mart anchored shopping centers, all located in China. We hold a 32.5% ownership interest in these centers.

Currently, our consolidated net income exposure to changes in the volatility of the Euro, Yen, Peso and other foreign currencies is not material. In addition, since cash flows from international operations are currently being reinvested in other development projects, we do not expect to repatriate foreign denominated earnings in the near term.

The carrying amount of our total combined investment in Simon Ivanhoe and GCI, as of December 31, 2008, including all related components of other comprehensive income, was $224.2 million. Our investments in Simon Ivanhoe and GCI are accounted for using the equity method of accounting. Currently two European developments are under construction which will add approximately 942,000 square feet of GLA for a total net cost of approximately €221 million, of which our share is approximately €53 million, or $74.8 million based on current Euro:USD exchange rates.

On October 20, 2005, Ivanhoe Cambridge, Inc., or Ivanhoe, an affiliate of Caisse de dépôt et placement du Québec, effectively acquired our former partner's 39.5% ownership interest in Simon Ivanhoe. On February 13, 2006, we sold a 10.5% interest in this joint venture to Ivanhoe for €45.2 million, or $53.9 million and recorded a gain on the disposition of $34.4 million. This gain is reported in "gain on sales of interests in unconsolidated entities" in the 2006 consolidated statements of operations. We then settled all remaining share purchase commitments from the company's founders, including the early settlement of some commitments by purchasing an additional 25.8% interest for €55.1 million, or $65.5 million. As a result of these transactions, we and Ivanhoe each own a 50% interest in Simon Ivanhoe at December 31, 2007 and 2008.

As of December 31, 2008, the carrying amount of our 40% joint venture investment in the seven Japanese Premium Outlet Centers including all related components of other comprehensive income was $312.6 million. Currently, Ami Premium Outlets, a 227,000 square foot Premium Outlet Center, is under construction in Ami, Japan. The project's total projected net cost is JPY 15.5 billion, of which our share is approximately JPY 6.2 billion, or $68.5 million based on applicable Yen:USD exchange rates.

As of December 31, 2008, the carrying amount of our 32.5% joint venture investment in GMI including all related components of other comprehensive income was $53.9 million. Currently, one center is open in Changshu, China and three additional centers are under development. The three centers under development will add approximately 1.5 million square feet of GLA for a total net cost of approximately CNY 1.6 billion, of which our share is approximately CNY 523 million, or $76.8 million based on applicable CNY:USD exchange rates.

During 2008, we acquired shares of stock of Liberty International, PLC, or Liberty. Liberty operates regional shopping centers and is the owner of other prime retail assets throughout the U.K. Liberty is a U.K. FTSE 100 listed company, with shareholders' funds of £4.7 billion and property investments of £8.6 billion, of which its U.K. regional shopping centers comprise 75%. Assets of the group under control or joint control amount to £11.0 billion. Liberty converted into a U.K. Real Estate Investment Trust (REIT) on January 1, 2007. Our interest in Liberty is less than 5% of their shares and is adjusted to their quoted market price, including a related foreign exchange component.

Distributions and Stock Repurchase Program

On January 30, 2009, Simon Property's Board of Directors approved a quarterly common stock dividend of $0.90 per share, to be paid in a combination of cash and shares of its common stock. The distribution rate on our units is equal to the dividend rate on Simon Property's common stock. While our unitholders will have the right to elect to receive their distribution in either cash or units, we have announced that the aggregate cash component of the distribution will not exceed 10% of the total distribution, or $0.09 per unit. If the number of unitholders electing to receive cash would result in the payment of cash in excess of this 10% limitation, we will allocate the cash payment on a pro rata basis among those unitholders making the cash election. Simon Property has reserved the right to elect to pay the first quarter dividend, and as a result our distribution, all in cash. Simon Property's Board of Directors reviews and approves Simon Property's dividends and, as a result, our distributions, on a quarterly basis, and no determination has been made about whether the remaining 2009 distributions will be paid in a similar combination of cash and common stock. Paying all or a portion of its remaining 2009 dividends in a combination of cash and common stock allows Simon Property to satisfy its REIT taxable income distribution requirement under existing IRS revenue procedures, while enhancing financial flexibility and balance sheet strength.

Distributions during 2008 aggregated $3.60 per unit and distributions during 2007 aggregated $3.36 per unit all paid in cash. We must pay a minimum amount of distributions to maintain Simon Property's status as a REIT. Our distributions typically exceed our consolidated net income generated in any given year primarily because of depreciation, which is a "non-cash" expense. Future distributions will be determined by the Simon Property Board of Directors based on actual results of operations, cash available for distributions, and what may be required to maintain Simon Property's status as a REIT.

On July 26, 2007, Simon Property's Board of Directors authorized a stock repurchase program under which Simon Property may purchase up to $1.0 billion of its common stock over the next twenty-four months as market conditions warrant. Simon Property may repurchase the shares in the open market or in privately negotiated transactions. During 2008, no purchases were made as part of this program. The program had remaining availability of approximately $950.7 million at December 31, 2008. As Simon Property repurchases shares under this program, we repurchase an equal number of our units from Simon Property.

Forward-Looking Statements

Certain statements made in this section or elsewhere in this report may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained, and it is possible that our actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and other factors. Such factors include, but are not limited to: the impact of a prolonged recession, our ability to meet debt service requirements, the availability and terms of financing, changes in our credit rating, changes in market rates of interest and foreign exchange rates for foreign currencies, the ability to hedge interest rate risk, risks associated with the acquisition, development and expansion of properties, general risks related to retail real estate, the liquidity of real estate investments, environmental liabilities, changes in market rental rates, trends in the retail industry, relationships with anchor tenants, the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise, risks relating to joint venture properties, competitive market forces, risks related to international activities, insurance costs and coverage, terrorist activities, and maintenance of our status as a real estate investment trust. We discuss these and other risks and uncertainties under the heading "Risk Factors" in our most recent Annual Report on Form 10-K. We may update that discussion in subsequent Quarterly Reports on Form 10-Q, but otherwise we undertake no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

Item 8. Financial Statements and Supplementary Data

Index to Financial Statements

Report of Independent Registered Public Accounting Firm

The Board of Directors of Simon Property Group, Inc.
and The Partners of Simon Property Group, L.P.:

We have audited the accompanying consolidated balance sheets of Simon Property Group, L.P. and Subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of operations and comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2008. Our audit also included the financial statement schedule listed in the Index at Item 15. These financial statements and schedule are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Simon Property Group, L.P. and Subsidiaries at December 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Simon Property Group, L.P. and Subsidiaries' internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2009, expressed an unqualified opinion thereon.

As discussed in Notes 3 and 10 to the financial statements, Simon Property Group, L.P. and Subsidiaries have retrospectively applied certain reclassification adjustments upon adoption of a new accounting pronouncement for noncontrolling interests.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana
February 25, 2009, except for the retrospective adjustments described in Notes 3 and 10 as to which the date is
April 29, 2009

Simon Property Group, L.P. and Subsidiaries
Consolidated Balance Sheets
(Dollars in thousands, except unit amounts)

	December 31, 2008	December 31, 2007
ASSETS:		
Investment properties, at cost	**$ 25,205,715**	$ 24,415,025
Less — accumulated depreciation	**6,184,285**	5,312,095
	19,021,430	19,102,930
Cash and cash equivalents	**773,544**	501,982
Tenant receivables and accrued revenue, net	**414,856**	447,224
Investment in unconsolidated entities, at equity	**1,663,886**	1,886,891
Deferred costs and other assets	**1,028,333**	955,439
Note receivable from related party	**520,700**	548,000
Total assets	**$ 23,422,749**	$ 23,442,466
LIABILITIES:		
Mortgages and other indebtedness	**$ 18,042,532**	$ 17,218,674
Accounts payable, accrued expenses, intangibles, and deferred revenue	**1,086,248**	1,251,044
Cash distributions and losses in partnerships and joint ventures, at equity	**380,730**	352,798
Other liabilities and accrued distributions	**155,151**	155,937
Total liabilities	**19,664,661**	18,978,453
COMMITMENTS AND CONTINGENCIES		
Preferred units, various series, at liquidation value, and noncontrolling redeemable interests in properties	**656,121**	1,049,401
EQUITY:		
Partners' Equity		
Preferred units, 891,183 and 897,766 units outstanding, respectively. Liquidation values $42,486 and $42,670, respectively	**48,671**	49,184
General Partner, 231,319,644 and 223,034,282 units outstanding, respectively	**2,576,307**	2,783,828
Limited Partners, 56,368,410 and 57,913,250 units outstanding, respectively	**627,799**	722,851
Total partners' equity	**3,252,777**	3,555,863
Noncontrolling nonredeemable deficit interests in properties, net	**(150,810)**	(141,251)
Total equity	**3,101,967**	3,414,612
Total liabilities and equity	**$ 23,422,749**	$ 23,442,466

The accompanying notes are an integral part of these statements.

Simon Property Group, L.P. and Subsidiaries

Consolidated Statements of Operations and Comprehensive Income

(Dollars in thousands, except per unit amounts)

	For the Year Ended December 31, 2008	2007	2006
REVENUE:			
Minimum rent	$ **2,291,919**	$ 2,154,713	$ 2,020,856
Overage rent	**100,222**	110,003	95,767
Tenant reimbursements	**1,065,957**	1,023,164	946,554
Management fees and other revenues	**132,471**	113,740	82,288
Other income	**192,586**	249,179	186,689
Total revenue	**3,783,155**	3,650,799	3,332,154
EXPENSES:			
Property operating	**455,874**	454,510	441,203
Depreciation and amortization	**969,477**	905,636	856,202
Real estate taxes	**334,657**	313,311	300,174
Repairs and maintenance	**107,879**	120,224	105,983
Advertising and promotion	**96,783**	94,340	88,480
Provision for credit losses	**24,035**	9,562	9,500
Home and regional office costs	**144,865**	136,610	129,334
General and administrative	**20,987**	19,587	16,652
Other	**69,061**	62,987	65,277
Total operating expenses	**2,223,618**	2,116,767	2,012,805
OPERATING INCOME	**1,559,537**	1,534,032	1,319,349
Interest expense	**(947,140)**	(945,852)	(821,858)
Loss on extinguishment of debt	**(20,330)**	—	—
Income tax (expense) benefit of taxable REIT subsidiaries	**(3,581)**	11,322	(11,370)
Income from unconsolidated entities	**32,246**	38,120	110,819
Impairment charge	**(21,172)**	(55,061)	—
Gain on sale of assets and interests in unconsolidated entity	**—**	92,044	132,787
Consolidated income from continuing operations	**599,560**	674,605	729,727
Results of operations from discontinued operations	**(25)**	(117)	418
Loss on disposal or sale of discontinued operations, net	**—**	(35,252)	84
CONSOLIDATED NET INCOME	**599,535**	639,236	730,229
Net income attributable to noncontrolling interests	**11,091**	12,903	10,644
Preferred unit requirement	**58,718**	76,655	104,674
NET INCOME ATTRIBUTABLE TO UNITHOLDERS	$ **529,726**	$ 549,678	$ 614,911
NET INCOME ATTRIBUTABLE TO UNITHOLDERS ATTRIBUTABLE TO:			
General Partner	$ **422,517**	$ 436,164	$ 486,145
Limited Partners	**107,209**	113,514	128,766
Net income attributable to unitholders	$ **529,726**	$ 549,678	$ 614,911
BASIC EARNINGS PER UNIT			
Income from continuing operations	$ **1.88**	$ 2.09	$ 2.20
Discontinued operations	$ **—**	(0.13)	—
Net income attributable to unitholders	$ **1.88**	$ 1.96	$ 2.20
DILUTED EARNINGS PER UNIT			
Income from continuing operations	$ **1.87**	$ 2.08	$ 2.19
Discontinued operations	$ **—**	(0.13)	—
Net income attributable to unitholders	$ **1.87**	$ 1.95	$ 2.19
Consolidated net income	$ **599,535**	$ 639,236	$ 730,229
Unrealized (loss) income on interest rate hedges	**(50,973)**	(10,760)	6,518
Net income (loss) on derivative instruments reclassified from accumulated other comprehensive income (loss) into interest expense	**(3,205)**	902	2,263
Currency translation adjustments	**(6,953)**	6,297	1,706
Changes in available-for-sale securities and other	**(168,619)**	2,020	1,404
Comprehensive income	**369,785**	637,695	742,120
Comprehensive income attributable to noncontrolling interests	**11,091**	12,903	10,644
Comprehensive income attributable to unitholders	$ **358,694**	$ 624,792	$ 731,476

The accompanying notes are an integral part of these statements.

Simon Property Group, L.P. and Subsidiaries
Consolidated Statements of Cash Flows
(Dollars in thousands)

	For the Year Ended December 31, 2008	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:			
Consolidated net income	**$ 599,535**	$ 639,236	$ 730,229
Adjustments to reconcile consolidated net income to net cash provided by operating activities —			
Depreciation and amortization	**956,827**	875,284	812,718
Gain on sale of interest in unconsolidated entity	**—**	(92,044)	(132,787)
Impairment charge	**21,172**	55,061	—
(Loss) gain on disposal or sale of discontinued operations, net	**—**	35,252	(84)
Straight-line rent	**(33,672)**	(20,907)	(17,020)
Equity in income of unconsolidated entities	**(32,246)**	(38,120)	(110,819)
Distributions of income from unconsolidated entities	**118,665**	101,998	94,605
Changes in assets and liabilities —			
Tenant receivables and accrued revenue, net	**(14,312)**	(40,976)	(3,799)
Deferred costs and other assets	**(22,698)**	(70,138)	(126,989)
Accounts payable, accrued expenses, intangibles, deferred revenues and other liabilities	**41,213**	114,786	70,094
Net cash provided by operating activities	**1,634,484**	1,559,432	1,316,148
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions	**—**	(263,098)	(158,394)
Funding of loans to related parties	**(8,000)**	(2,752,400)	—
Repayments of loans from related parties	**35,300**	2,204,400	—
Capital expenditures, net	**(874,286)**	(1,017,472)	(767,710)
Cash impact from the consolidation and de-consolidation of properties	**—**	6,117	8,762
Net proceeds from sale of partnership interest, other assets and discontinued operations	**—**	56,374	209,039
Investments in unconsolidated entities	**(137,509)**	(687,327)	(157,309)
Purchase of marketable and non-marketable securities	**(345,594)**	(12,655)	(5,581)
Distributions of capital from unconsolidated entities and other	**309,217**	416,485	263,761
Net cash used in investing activities	**(1,020,872)**	(2,049,576)	(607,432)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Partnership contributions and issuance of units	**11,106**	156,710	217,237
Purchase of preferred units and partnership units	**(16,009)**	(83,993)	(16,150)
Preferred unit redemptions	**(1,845)**	(300,468)	(393,558)
Distributions to noncontrolling interests	**(28,251)**	(91,032)	(37,200)
Contributions from noncontrolling interests	**4,005**	2,903	2,023
Partnership distributions	**(1,075,895)**	(1,020,674)	(954,159)
Mortgage and other indebtedness proceeds, net of transaction costs	**4,456,975**	5,577,083	5,507,735
Mortgage and other indebtedness principal payments	**(3,692,136)**	(4,177,763)	(4,442,332)
Net cash (used in) provided by financing activities	**(342,050)**	62,766	(116,404)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**271,562**	(427,378)	592,312
CASH AND CASH EQUIVALENTS, beginning of year	**501,982**	929,360	337,048
CASH AND CASH EQUIVALENTS, end of year	**$ 773,544**	$ 501,982	$ 929,360

The accompanying notes are an integral part of these statements.

Simon Property Group, L.P. and Subsidiaries

Consolidated Statements of Equity

(Dollars in thousands)

	Preferred Units	Simon Property (Managing General Partner)	Limited Partners	Noncontrolling interests	Total Equity
Balance at December 31, 2005	**$ 427,764**	**$ 3,202,242**	**$ 858,918**	**$ (44,696)**	**$ 4,444,228**
General partner contributions (414,659 units)		14,906			14,906
Series J preferred stock premium and amortization	(329)				(329)
Accretion of preferred units	587				587
Series C preferred units (1,149,077 units) converted to limited partner common units (869,552 units)	(32,174)		32,174		-
Series I preferred units (283,907 units) converted to common units (222,933 units)		14,195			14,195
Limited partner units converted to common units (86,800 units)		1,247	(1,247)		-
Series F preferred stock redemption (8,000,000 units)	(192,989)				(192,989)
Series K preferred stock issuance (8,000,000 units)	200,000				200,000
Series K preferred stock redemption (8,000,000 units)	(200,000)				(200,000)
Stock incentive program (415,098 units, net)					-
Amortization of stock incentive		23,369			23,369
Common units retired (70,000)		(6,405)			(6,405)
Other (includes 191,938 limited partner units converted to cash)		1,500	(15,942)	5,644	(8,798)
Adjustment to limited partners' interest from increased ownership in the Operating Partnership		(3,951)	3,951		—
Distributions, excluding distributions on interests classified as temporary equity	(37,828)	(671,812)	(177,673)	(36,049)	(923,362)
Net income, excluding preferred distributions on temporary equity preferred units of $66,846	37,828	486,145	128,766	10,644	663,383
Other comprehensive income (loss)		9,446	2,445		11,891
Balance at December 31, 2006	**$ 202,859**	**$ 3,070,882**	**$ 831,392**	**$ (64,457)**	**$ 4,040,676**
General partner contributions (231,025 units)		7,604			7,604
Series J preferred stock premium and amortization	(328)				(328)
Accretion of preferred units	1,157				1,157
Issuance of 147,241 limited partner common units for the purchase of Maine Premium Outlets			16,362		16,362
Issuance of 67,309 limited partner common units to the Mills Limited Partners			8,055		8,055
Series C preferred units (160,865 units) converted to limited partner common units (121,727 units)	(4,504)		4,504		-
Series I preferred units (65,907 units) converted to common units (51,987 units)		3,296			3,296
Series I preferred units (606,400 units) converted to limited partner common units (478,144 units)			30,320		30,320
Limited partner units converted to common units (1,692,474 units)		22,781	(22,781)		-
Series G preferred stock redemption (3,000,000 units)	(150,000)				(150,000)
Series L preferred stock issuance (6,000,000 units)	150,000				150,000
Series L preferred stock redemption (6,000,000 units)	(150,000)				(150,000)
Treasury unit purchase (572,000 units)		(49,269)			(49,269)
Stock incentive program (222,725 units, net)					-
Amortization of stock incentive		26,779			26,779
Common units retired (23,000)		(2,291)			(2,291)
Other (includes 322,135 limited partner units converted to cash)		(8,236)	(36,837)	(7,687)	(52,760)
Adjustment to limited partners' interest from increased ownership in the Operating Partnership		26,466	(26,466)		(0)
Distributions, excluding distributions on interests classified as temporary equity	(13,268)	(749,196)	(194,823)	(82,010)	(1,039,297)
Net income, excluding preferred distributions on temporary equity preferred units of $63,387	13,268	436,164	113,514	12,903	575,849
Other comprehensive income (loss)		(1,152)	(389)		(1,541)
Balance at December 31, 2007	**$ 49,184**	**$ 2,783,828**	**$ 722,851**	**$ (141,251)**	**$ 3,414,612**
General partner contributions (282,106 units)		11,886			11,886
Series J preferred stock premium and amortization	(329)				(329)
Series C preferred units (6,583 units) converted to limited partner common units (4,981 units)	(184)		184		-
Series I preferred units (6,437,072 units) converted to common units (5,151,776 units)		321,854			321,854
Series I preferred units (1,493,904 units) converted to limited partner common units (1,187,238 units)			74,695		74,695
Limited partner units converted to common units (2,574,608 units)		31,351	(31,351)		-
Stock incentive program (276,872 units, net)					-
Amortization of stock incentive		28,640			28,640
Other (includes 162,451 limited partner units converted to cash)		(5,834)	(16,797)	5,103	(17,528)
Adjustment to limited partners' interest from increased ownership in the Operating Partnership		(23,455)	23,455		—
Distributions, excluding distributions on interests classified as temporary equity	(3,531)	(811,327)	(205,850)	(25,753)	(1,046,461)
Net income, excluding preferred distributions on temporary equity preferred units of $55,187	3,531	422,517	107,209	11,091	544,348
Other comprehensive income (loss)		(183,153)	(46,597)		(229,750)
Balance at December 31, 2008	**$ 48,671**	**$ 2,576,307**	**$ 627,799**	**$ (150,810)**	**$ 3,101,967**

The accompanying notes are an integral part of these statements.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

1. Organization

Simon Property Group, L.P. is a Delaware limited partnership and the majority-owned subsidiary of Simon Property Group, Inc. In these notes to consolidated financial statements, the terms "Operating Partnership", "we", "us" and "our" refer to Simon Property Group, L.P., and its subsidiaries and the term "Simon Property" refers to Simon Property Group, Inc. Simon Property is a self-administered and self-managed real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to our partnership agreement, we are required to pay all expenses of Simon Property.

We own, develop, and manage retail real estate in five retail real estate platforms: regional malls, Premium Outlet Centers®, The Mills®, community/lifestyle centers, and international properties. As of December 31, 2008, we owned or held an interest in 324 income-producing properties in the United States, which consisted of 164 regional malls, 16 additional regional malls and four additional community centers acquired as a result of the 2007 acquisition of The Mills Corporation, or the Mills acquisition, 70 community/lifestyle centers, 16 The Mills, 40 Premium Outlet Centers, and 14 other shopping centers or outlet centers in 41 states and Puerto Rico. We also own interests in four parcels of land held in the United States for future development. Internationally, we have ownership interests in 52 European shopping centers (France, Italy, and Poland); seven Premium Outlet Centers in Japan; one Premium Outlet Center in Mexico; one Premium Outlet Center in Korea; and one shopping center in China. Also, through joint venture arrangements we have ownership interests in the following properties under development internationally: a 24% interest in two shopping centers in Italy, a 40% interest in a Premium Outlet Center in Japan, and a 32.5% interests in three additional shopping centers under construction in China.

We generate the majority of our revenues from leases with retail tenants including:

- Base minimum rents,
- Overage and percentage rents based on tenants' sales volume, and
- Recoveries of substantially all of our recoverable expenditures, which consist of property operating, real estate tax, repairs and maintenance, and advertising and promotional expenditures.

We also grow by generating supplemental revenues from the following activities:

- Establishing our malls as leading market resource providers for retailers and other businesses and consumer-focused corporate alliances, including: payment systems (including handling fees relating to the sales of bank-issued prepaid cards), national marketing alliances, static and digital media initiatives, business development, sponsorship, and events,
- Offering property operating services to our tenants and others, including: waste handling and facility services, as well as major capital expenditures such as roofing, parking lots and energy systems,
- Selling or leasing land adjacent to our shopping center properties, commonly referred to as "outlots" or "outparcels," and
- Generating interest income on cash deposits and loans made to related entities.

2. Basis of Presentation and Consolidation

The accompanying consolidated financial statements include the accounts of all majority-owned subsidiaries, and all significant intercompany amounts have been eliminated.

We consolidate properties that are wholly owned or properties that we own less than 100% but we control. Control of a property is demonstrated by, among other factors, our ability to:

- manage day-to-day operations,
- refinance debt and sell the property without the consent of any other partner or owner, and
- the inability of any other partner or owner to replace us.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

2. Basis of Presentation and Consolidation (Continued)

We also consolidate all variable interest entities, or VIE, when we are determined to be the primary beneficiary. Our determination of the primary beneficiary of a VIE considers all relationships between us and the VIE, including management agreements and other contractual arrangements, when determining the party obligated to absorb the majority of the expected losses, as defined in FASB Interpretation No. 46 (revised), Consolidation of Variable Interest Entities (FIN 46(R)). There have been no changes during 2008 in conclusions about whether an entity qualifies as a VIE or whether we are the primary beneficiary of any previously identified VIE. During 2008, we have not provided financial or other support to a previously identified VIE that we were not previously contractually obligated to provide.

Investments in partnerships and joint ventures represent our noncontrolling ownership interests in properties. We account for these investments using the equity method of accounting. We initially record these investments at cost and we subsequently adjust for net equity in income or loss, which we allocate in accordance with the provisions of the applicable partnership or joint venture agreement, and cash contributions and distributions. The allocation provisions in the partnership or joint venture agreements are not always consistent with the legal ownership interests held by each general or limited partner or joint venture investee primarily due to partner preferences.

As of December 31, 2008, we consolidated 203 wholly-owned properties and consolidated 18 additional properties that are less than wholly-owned, but which we control or for which we are the primary beneficiary. We account for the remaining 165 properties using the equity method of accounting (joint venture properties). We manage the day-to-day operations of 93 of the 165 joint venture properties but have determined that our partner or partners have substantive participating rights in regards to the assets and operations of these joint venture properties. Additionally, we account for our investment in SPG-FCM Ventures, LLC, or SPG-FCM, which acquired The Mills Corporation and its majority-owned subsidiary, The Mills Limited Partnership, or collectively Mills, in April 2007, using the equity method of accounting. We have determined that SPG-FCM is not a VIE and that Farallon Capital Management, L.L.C., or Farallon, our joint venture partner, has substantive participating rights with respect to the assets and operations of SPG-FCM pursuant to the applicable partnership agreements.

We allocate our net operating results after preferred distributions based on our partners' respective ownership. In addition, Simon Property owns series of our preferred units that have terms comparable to outstanding shares of Simon Property preferred stock. Simon Property's weighted average ownership interest in us was as follows:

	For the Year Ended December 31,		
	2008	**2007**	**2006**
Weighted average ownership interest	**79.8%**	79.4%	79.1%

As of December 31, 2008 and 2007, Simon Property's ownership interest was 80.4% and 79.4%, respectively. We adjust the limited partners' interest at the end of each period to reflect their ownership interest. Preferred distributions in the accompanying statements of operations and cash flows represent distributions on outstanding preferred units of limited partnership interest.

Reclassifications

We made certain reclassifications of prior period amounts in the consolidated financial statements to conform to the 2008 presentation. The reclassifications included the retrospective adoption of Statement of Financial Accounting Standard (SFAS) No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment to ARB 51" (SFAS 160), and the application of EITF Topic D-98, "Classification and Measurement of Redeemable Securities" (EITF D-98), to certain redeemable securities, as further described in Note 3. The reclassifications had no impact on previously reported net income attributable to unitholders or earnings per unit.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies

Investment Properties

We record investment properties at cost. Investment properties include costs of acquisitions; development, predevelopment, and construction (including allocable salaries and related benefits); tenant allowances and improvements; and interest and real estate taxes incurred related to construction. We capitalize improvements and replacements from repair and maintenance when the repair and maintenance extend the useful life, increase capacity, or improve the efficiency of the asset. All other repair and maintenance items are expensed as incurred. We capitalize interest on projects during periods of construction until the projects are ready for their intended purpose based on interest rates in place during the construction period. The amount of interest capitalized during each year is as follows:

	For the Year Ended December 31,		
	2008	**2007**	**2006**
Capitalized interest	**$27,847**	$35,793	$30,115

We record depreciation on buildings and improvements utilizing the straight-line method over an estimated original useful life, which is generally 10 to 40 years. We review depreciable lives of investment properties periodically and we make adjustments when necessary to reflect a shorter economic life. We record depreciation on tenant allowances, tenant inducements and tenant improvements utilizing the straight-line method over the term of the related lease or occupancy term of the tenant, if shorter. We record depreciation on equipment and fixtures utilizing the straight-line method over seven to ten years.

We review investment properties for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of investment properties may not be recoverable. These circumstances include, but are not limited to, declines in cash flows, occupancy and comparable sales per square foot at the property. We recognize an impairment of investment property when the estimated undiscounted operating income before depreciation and amortization plus its residual value is less than the carrying value of the property. To the extent impairment has occurred, we charge to income the excess of carrying value of the property over its estimated fair value. We may decide to sell properties that are held for use and the sale prices of these properties may differ from their carrying values.

Certain of our real estate assets contain asbestos. The asbestos is appropriately contained, in accordance with current environmental regulations, and we have no current plans to remove the asbestos. If these properties were demolished, certain environmental regulations are in place which specify the manner in which the asbestos must be handled and disposed. Because the obligation to remove the asbestos has an indeterminable settlement date, we are not able to reasonably estimate the fair value of this asset retirement obligation.

Purchase Accounting Allocation

We allocate the purchase price of acquisitions to the various components of the acquisition based upon the relative value of each component in accordance with SFAS No. 141 "Business Combinations" (SFAS 141). These components typically include buildings, land and intangibles related to in-place leases and we estimate:

- the fair value of the buildings on an as-if-vacant basis. The value allocated to land and related improvements is determined either by real estate tax assessments, a third party valuation specialist, or other relevant data.
- the market value of in-place leases based upon our best estimate of current market rents and amortize the resulting market rent adjustment into revenues.
- the value of costs to obtain tenants, including tenant allowances and improvements and leasing commissions.
- the value of revenue and recovery of costs foregone during a reasonable lease-up period, as if the space was vacant.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

Amounts allocated to building are depreciated over the estimated remaining life of the acquired building or related improvements. We amortize amounts allocated to tenant improvements, in-place lease assets and other lease-related intangibles over the remaining life of the underlying leases. We also estimate the value of other acquired intangible assets, if any, which are amortized over the remaining life of the underlying related leases or intangibles.

Discontinued Operations

SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS 144) provides a framework for the evaluation of impairment of long-lived assets, the treatment of assets held for sale or to be otherwise disposed of, and the reporting of discontinued operations. SFAS 144 requires us to reclassify any material operations related to consolidated properties sold during the period to discontinued operations. During 2007, we reported the net loss upon sale on our five consolidated assets sold in "loss on sale of discontinued operations" in the consolidated statements of operations and comprehensive income. The operating results of the assets disposed of in 2007 were not significant to our consolidated results of operations. There were no consolidated assets sold during 2008.

Cash and Cash Equivalents

We consider all highly liquid investments purchased with an original maturity of 90 days or less to be cash and cash equivalents. Cash equivalents are carried at cost, which approximates fair value. Cash equivalents generally consist of commercial paper, bankers acceptances, Eurodollars, repurchase agreements, and money markets. Our gift card programs are administered by banks. We collect gift card funds at the point of sale and then remit those funds to the banks for further processing. As a result, cash and cash equivalents, as of December 31, 2008 and 2007, includes a balance of $29.8 million and $41.3 million, respectively, related to these gift card programs which we do not consider available for general working capital purposes. Financial instruments that potentially subject us to concentrations of credit risk include our cash and cash equivalents and our trade accounts receivable. We place our cash and cash equivalents with institutions with high credit quality. However, at certain times, such cash and cash equivalents may be in excess of FDIC and SIPC insurance limits. See Notes 4, 8, and 10 for disclosures about non-cash investing and financing transactions.

Marketable and Non-Marketable Securities

Marketable securities consist primarily of the investments of our captive insurance subsidiaries, our investment in shares of stock of Liberty International PLC, or Liberty, our deferred compensation plan investments, and certain investments held to fund the debt service requirements of debt previously secured by investment properties that have been sold. Non-marketable securities includes an investment that we acquired in 2008.

The types of securities included in the investment portfolio of our captive insurance subsidiaries typically include U.S. Treasury or other U.S. government securities as well as corporate debt securities with maturities ranging from 1 to 10 years. These securities are classified as available-for-sale and are valued based upon quoted market prices or using discounted cash flows when quoted market prices are not available. The amortized cost of debt securities, which approximates fair value, held by our captive insurance subsidiaries is adjusted for amortization of premiums and accretion of discounts to maturity. Our investment in Liberty is also accounted for as an available-for-sale security. Liberty operates regional shopping centers and is owner of other retail assets throughout the U.K. Liberty is a U.K. FTSE 100 listed company. Liberty converted into a U.K. Real Estate Investment Trust (REIT) on January 1, 2007. Our interest in Liberty is less than 5% of their shares and is adjusted to their quoted market price, including a related foreign exchange component. Changes in the values of these securities are recognized in accumulated other comprehensive income (loss) until the gain or loss is realized and recorded in other income, and includes the effect of changes in foreign exchange rates on foreign currency denominated investments. However, if we determine a decline

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

in value is other than temporary, then we recognize the unrealized loss in earnings to write down the investments to their net realizable value.

Our insurance subsidiaries are required to maintain statutory minimum capital and surplus as well as maintain a minimum liquidity ratio. Therefore, our access to these securities may be limited. Our deferred compensation plan investments are classified as trading securities and are valued based upon quoted market prices. The investments have a matching liability recorded as the amounts are fully payable to the employees that earned the compensation. Changes in the values of these securities are recognized in earnings, but because of the matching liability the impact to consolidated net income is zero. As of December 31, 2008 and 2007, we have investments of $53.4 million and $55.9 million, respectively, which must be used to fund the debt service requirements of debt related to investment properties sold. These investments are classified as held-to-maturity and are recorded at amortized cost as we have the ability and intent to hold these investments to maturity. During 2008, we made an investment of $70 million in a non-marketable security that we account for under the cost method. To the extent an other-than-temporary decline in fair value is deemed to have occurred, we would adjust this investment to its fair value.

Fair Value Measurements

We hold marketable securities that total $316.7 million and $260.4 million at December 31, 2008 and 2007, respectively, and are considered to have Level 1 fair value inputs. The underlying aggregate unrealized loss on our marketable securities as of December 31, 2008 was $165.3 million. In addition, we have derivative instruments, primarily interest rate swap agreements, with a gross liability balance of $19.4 million and $6.8 million, at December 31, 2008 and 2007, respectively, which are classified as having Level 2 inputs. As defined by SFAS No. 157, "Fair Value Measurements" (SFAS 157), Level 1 fair value inputs are quoted prices for identical items in active, liquid and visible markets such as stock exchanges, and Level 2 fair value inputs include observable information for similar items in active or inactive markets. We appropriately consider counterparty creditworthiness in the valuations.

Accounting for Beneficial Interests in Mall of America

In January 2006, an entity controlled by the Simon family assigned to us its right to receive cash flow, capital distributions, and related profits and losses with respect to a portion of its ownership interest in the Mall of America through Mall of America Associates, or MOAA. This beneficial interest was transferred subject to a credit facility repayable from MOAA's distributions from the property. As a result of this assignment, we began recognizing our share of MOAA's income during the first quarter of 2006, including the proportionate share of earnings of MOAA since August 2004 through the first quarter of 2006 of $10.2 million. This income is included with "income from unconsolidated entities" in our consolidated statement of operations. We accounted for our beneficial interests in MOAA under the equity method of accounting. On November 2, 2006, the Simon family entity sold its partnership interest to an affiliate of another partner in MOAA and settled all pending litigation, terminating our beneficial interests. As a result of this sale, we ceased recording income from this property's operations, and recorded a gain of approximately $86.5 million as a result of the receipt of $102.2 million of capital transaction proceeds assigned to us from this arrangement which is included in "gain on sale of assets and interests in unconsolidated entities" in the consolidated statements of operations and comprehensive income.

Use of Estimates

We prepared the accompanying consolidated financial statements in accordance with accounting principles generally accepted in the United States, or GAAP. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reported period. Our actual results could differ from these estimates.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

Segment Disclosure

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" (SFAS 131) requires disclosure of certain operating and financial data with respect to separate business activities within an enterprise. Our primary business is the ownership, development, and management of retail real estate. We have aggregated our retail operations, including regional malls, Premium Outlet Centers, The Mills, and community/lifestyle centers, into one reportable segment because they have similar economic characteristics and we provide similar products and services to similar types of tenants. Further, all material operations are within the United States and no customer or tenant comprises more than 10% of consolidated revenues.

Deferred Costs and Other Assets

Deferred costs and other assets include the following as of December 31:

	2008	2007
Deferred financing and lease costs, net	**$ 237,619**	$221,433
In-place lease intangibles, net	**33,280**	66,426
Acquired above market lease intangibles, net	**32,812**	49,741
Marketable securities of our captive insurance companies	**105,860**	116,260
Goodwill	**20,098**	20,098
Other marketable securities	**210,867**	144,188
Prepaids, notes receivable and other assets, net	**387,797**	337,293
	$1,028,333	$955,439

Deferred Financing and Lease Costs. Our deferred costs consist primarily of financing fees we incurred in order to obtain long-term financing and internal and external leasing commissions and related costs. We record amortization of deferred financing costs on a straight-line basis over the terms of the respective loans or agreements. Our deferred leasing costs consist primarily of capitalized salaries and related benefits in connection with lease originations. We record amortization of deferred leasing costs on a straight-line basis over the terms of the related leases. Details of these deferred costs as of December 31 are as follows:

	2008	2007
Deferred financing and lease costs	**$ 444,220**	$ 401,153
Accumulated amortization	**(206,601)**	(179,720)
Deferred financing and lease costs, net	**$ 237,619**	$ 221,433

We report amortization of deferred financing costs, amortization of premiums, and accretion of discounts as part of interest expense. Amortization of deferred leasing costs are a component of depreciation and amortization expense. We amortize debt premiums and discounts, which are included in mortgages and other indebtedness, over the remaining terms of the related debt instruments. These debt premiums or discounts arise either at the debt issuance or

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

as part of the purchase price allocation of the fair value of debt assumed in acquisitions. The accompanying statements of operations and comprehensive income includes amortization as follows:

	For the Year Ended December 31,		
	2008	**2007**	**2006**
Amortization of deferred financing costs	**$ 17,044**	$ 15,467	$ 18,716
Amortization of debt premiums net of discounts	**(14,701)**	(23,000)	(28,163)
Amortization of deferred leasing costs	**31,674**	26,033	22,259

Intangible Assets. The average life of in-place lease intangibles is approximately 5.5 years and is amortized over the remaining life of the leases of the related property on the straight-line basis and is included with depreciation and amortization in the consolidated statements of operations and comprehensive income. The fair market value of above and below market leases are amortized into revenue over the remaining lease life as a component of reported minimum rents. The weighted average remaining life of these intangibles approximates 2 years. The unamortized amounts of below market leases are included in accounts payable, accrued expenses, intangibles and deferred revenues on the consolidated balance sheets were $94.3 million and $146.7 million as of December 31, 2008 and 2007, respectively. The amount of amortization of above and below market leases, net for the year ended December 31, 2008, 2007, and 2006 was $35.4 million, $44.6 million, and $53.3 million, respectively. If a lease is terminated prior to the original lease termination, any remaining unamortized intangible is charged to the income statement.

Details of intangible assets as of December 31 are as follows:

	2008	**2007**
In-place lease intangibles	**$ 160,125**	$ 190,151
Accumulated amortization	**(126,845)**	(123,725)
In-place lease intangibles, net	**$ 33,280**	$ 66,426
Acquired above market lease intangibles	**$ 144,224**	$ 144,224
Accumulated amortization	**(111,412)**	(94,483)
Acquired above market lease intangibles, net	**$ 32,812**	$ 49,741

Estimated future amortization, and the increasing (decreasing) effect on minimum rents for our above and below market leases recorded as of December 31, 2008 are as follows:

	Below Market Leases	**Above Market Leases**	**Increase to Minimum Rent, Net**
2009	$ 33,590	$ (13,388)	$20,202
2010	22,702	(6,958)	15,744
2011	17,228	(4,909)	12,319
2012	12,297	(3,703)	8,594
2013	5,105	(2,592)	2,513
Thereafter	3,372	(1,262)	2,110
	$ 94,294	$ (32,812)	$61,482

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

Derivative Financial Instruments

We account for our derivative financial instruments pursuant to SFAS 133 "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS 138, "Accounting for Derivative Instruments and Hedging Activities." We use a variety of derivative financial instruments in the normal course of business to manage or hedge the risks associated with our indebtedness and interest payments as described in Note 8 and record all derivatives on our balance sheets at fair value. We require that hedging derivative instruments be highly effective in reducing the risk exposure that they are designated to hedge. We formally designate any instrument that meets these hedging criteria as a hedge at the inception of the derivative contract.

We adjust our balance sheets on an ongoing basis to reflect the current fair market value of our derivatives. We record changes in the fair value of these derivatives each period in earnings or other comprehensive income, as appropriate. The ineffective portion of the hedge is immediately recognized in earnings to the extent that the change in value of a derivative does not perfectly offset the change in value of the instrument being hedged. The unrealized gains and losses held in accumulated other comprehensive income will be reclassified to earnings over time as the hedged items are recognized in earnings. We have a policy of only entering into contracts with major financial institutions based upon their credit ratings and other factors.

We use standard market conventions to determine the fair values of derivative instruments, and techniques such as discounted cash flow analysis, option pricing models, and termination cost to determine fair value at each balance sheet date. All methods of assessing fair value result in a general approximation of value and such value may never actually be realized.

Retrospective Adjustments Related to Noncontrolling Interests and Temporary Equity

Effective January 1, 2009, we adopted the provisions of SFAS 160, which requires a noncontrolling interest in a subsidiary to be reported as equity and the amount of consolidated net income specifically attributable to the noncontrolling interest to be included within consolidated net income. SFAS 160 also requires consistency in the manner of reporting changes in the parent's ownership interest and requires fair value measurement of any noncontrolling equity investment retained in a deconsolidation. In connection with our retrospective adoption of SFAS 160, we also performed a concurrent review and retrospectively adopted the measurement provisions of EITF D-98. Upon adoption, we adjusted the carrying amounts of noncontrolling redeemable interests held by third parties in certain of our properties to redemption values at each reporting date. Because holders of the noncontrolling redeemable interests in properties can require us to redeem these interests for cash, we have classified these noncontrolling redeemable interests outside of permanent equity upon the adoption of SFAS 160. These adjustments increased the December 31, 2005 carrying value of these noncontrolling redeemable interests by $31.7 million, with a corresponding decrease to partners' equity. Subsequent adjustments to the carrying amounts of these noncontrolling redeemable interests in properties, to reflect the change in their redemption value at the end of each reporting period, were also reflected in partners' equity.

Our reassessment of EITF D-98 also resulted in the reclassification of our 6% Series I Convertible Perpetual Preferred Units (Series I Preferred Units), our Series D 8% Cumulative Redeemable Preferred Units (Series D Preferred Units), and our 7.5% Cumulative Redeemable Preferred Units (7.5% Preferred Units) from permanent equity to temporary equity due to the possibility that we could be required to redeem the securities for cash. For the Series I Preferred Units, the reclassification to temporary equity resulted from the holders' ability to redeem this series of preferred units for cash upon the occurrence of a change in control event, which would include a change in the majority of Simon Property's directors that occurs over a two year period. Such a change in Board composition could be deemed outside of our control. For the Series D Preferred Units and 7.5% Preferred Units, the reclassification to temporary equity was required because redemption of these series of preferred units requires the delivery of fully registered shares of Simon Property common stock. The previous and current carrying amount of all of these series of

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

preferred units is equal to their liquidation value, which is the amount payable upon the occurrence of any event that could potentially result in cash settlement.

As a result of the reclassifications, total equity at December 31, 2008 and 2007 decreased by $720.2 million and $1.1 billion from the $3.8 billion and $4.5 billion previously reported, respectively.

Detail of the carrying value, which is at liquidation value, of the preferred units and the carrying amount of the noncontrolling redeemable interests in properties classified in temporary equity as of December 31 is included in Note 10.

The adoption of FAS 160 also resulted in the reclassification to equity of noncontrolling nonredeemable (deficit) interests in properties. Further, as a result of the adoption of SFAS 160, net income attributable to noncontrolling interests (which includes nonredeemable noncontrolling interests in consolidated properties) is now excluded from the determination of consolidated net income. Corresponding changes have also been made to the accompanying consolidated statements of cash flows. Such changes result in a net increase to cash flows provided by operating activities with an offsetting increase to cash flows used in financing activities related to distributions to noncontrolling interest holders in properties.

A progression of noncontrolling nonredeemable interests in properties for the years ending December 31 is as follows:

	2008	2007	2006
Noncontrolling interests at January 1	**$(141,251)**	$ (64,457)	$(44,696)
Net income attributable to noncontrolling interests	**11,091**	12,903	10,644
Distributions to noncontrolling interest holders	**(25,753)**	(82,010)	(36,049)
Other	**5,103**	(7,687)	5,644
Total noncontrolling nonredeemable interests in properties as of December 31	**$(150,810)**	$(141,251)	$(64,457)

Accumulated Other Comprehensive Income (Loss)

The components of our accumulated other comprehensive income (loss) consisted of the following as of December 31:

	2008	2007
Cumulative translation adjustments	**$ (2,524)**	$ 4,429
Accumulated derivative (losses) gains, net	**(39,100)**	15,078
Net unrealized (losses) gains on marketable securities, net	**(165,336)**	3,283
Total accumulated other comprehensive (loss) income	**$(206,960)**	$22,790

Included in cumulative translation adjustment is the gain related to the impact of exchange rate fluctuations on foreign currency denominated debt of $46.9 million and $35.4 million at December 31, 2008 and 2007, respectively, that hedges the currency exposure related to certain of our foreign investments. The net unrealized losses as of December 31, 2008 of $165.3 million represents the valuation and related currency adjustments for our marketable securities, primarily related to our investment in Liberty. We do not consider the decline in value of any of our marketable securities to be an other-than-temporary decline in value as these market value declines have existed for a short period of time, and we have the ability and intent to hold these securities. Further, as it relates to Liberty, we believe their underlying operating fundamentals remain substantially unchanged.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

We, as a lessor, retain substantially all of the risks and benefits of ownership of the investment properties and account for our leases as operating leases. We accrue minimum rents on a straight-line basis over the terms of their respective leases. Substantially all of our retail tenants are also required to pay overage rents based on sales over a stated base amount during the lease year. We recognize overage rents only when each tenant's sales exceed the applicable sales threshold.

We structure our leases to allow us to recover a significant portion of our property operating, real estate taxes, repairs and maintenance, and advertising and promotion expenses from our tenants. A substantial portion of our leases, other than those for anchor stores, require the tenant to reimburse us for a substantial portion of our operating expenses, including common area maintenance, or CAM, real estate taxes and insurance. This significantly reduces our exposure to increases in costs and operating expenses resulting from inflation. Such property operating expenses typically include utility, insurance, security, janitorial, landscaping, food court and other administrative expenses. We accrue reimbursements from tenants for recoverable portions of all these expenses as revenue in the period the applicable expenditures are incurred. For approximately 75% of our leases in the U.S. regional mall portfolio, we receive a fixed payment from the tenant for the CAM component. We are continually working towards converting the remainder of our leases to the fixed payment methodology. Without the fixed-CAM component, CAM expense reimbursements are based on the tenant's proportionate share of the allocable operating expenses and CAM capital expenditures for the property. We also receive escrow payments for these reimbursements from substantially all our non-fixed CAM tenants and monthly fixed CAM payments throughout the year. We recognize differences between estimated recoveries and the final billed amounts in the subsequent year. These differences were not material in any period presented. Our advertising and promotional costs are expensed as incurred.

Management Fees and Other Revenues

Management fees and other revenues are generally received from our unconsolidated joint venture properties as well as third parties. Management fee revenue is earned based on a contractual percentage of joint venture property revenue. Development fee revenue is earned on a contractual percentage of hard costs to develop a property. Leasing fee revenue is earned on a contractual per square foot charge based on the square footage of current year leasing activity. We recognize revenue for these services provided when earned based on the underlying activity.

Insurance premiums written and ceded are recognized on a pro-rata basis over the terms of the policies. Insurance losses are reflected in property operating expenses in the accompanying statements of operations and comprehensive income and include estimates for losses incurred but not reported as well as losses pending settlement. Estimates for losses are based on evaluations by third-party actuaries and management's best estimates. Total insurance reserves for our insurance subsidiaries and other self-insurance programs as of December 31, 2008 and 2007 approximated $116.5 million and $121.4 million, respectively.

We recognize fee revenues from our co-branded gift card programs when the fees are earned under the related arrangements with the card issuer. Generally, these revenues are recorded at the issuance of the gift card for handling fees.

Allowance for Credit Losses

We record a provision for credit losses based on our judgment of a tenant's creditworthiness, ability to pay and probability of collection. In addition, we also consider the retail sector in which the tenant operates and our historical collection experience in cases of bankruptcy, if applicable. Accounts are written off when they are deemed to be no

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

longer collectible. Presented below is the activity in the allowance for credit losses and includes the activities related to discontinued operations during the following years:

	For the Year Ended December 31,		
	2008	**2007**	**2006**
Balance at Beginning of Year	**$ 33,810**	$32,817	$ 35,239
Consolidation of previously unconsolidated entities	**—**	495	321
Provision for Credit Losses	**24,037**	9,672	9,730
Accounts Written Off	**(13,197)**	(9,174)	(12,473)
Balance at End of Year	**$ 44,650**	$33,810	$ 32,817

Income Taxes

As a partnership, the allocated share of our income or loss for each year is included in the income tax returns of the partners; accordingly, no accounting for income taxes is required in the accompanying consolidated financials statements. State income, franchise or other taxes were not significant in any of the periods presented.

Simon Property and two of our subsidiaries are taxed as REITs under Sections 856 through 860 of the Internal Revenue Code and applicable Treasury regulations relating to REIT qualification. In order to maintain this REIT status, the regulations require each REIT to distribute at least 90% of its taxable income to stockholders and meet certain other asset and income tests as well as other requirements. We intend to continue to make distributions to Simon Property and to assist Simon Property in meeting the asset and income tests and other REIT requirements in order to allow it to adhere to these requirements and maintain its REIT status. Our subsidiary REIT entities will generally not be liable for federal corporate income taxes as long as they continue to distribute in excess of 100% of their taxable income. Thus, we made no provision for federal income taxes for these entities in the accompanying consolidated financial statements. If Simon Property or either of our REIT subsidiaries fail to qualify as a REIT, Simon Property or that entity will be subject to tax at regular corporate rates for the years in which it failed to qualify. If Simon Property lost its REIT status, it could not elect to be taxed as a REIT for four years unless its failure to qualify was due to reasonable cause and certain other conditions were satisfied.

Simon Property has also elected taxable REIT subsidiary, or TRS, status for some of our subsidiaries. This enables us to provide services that would otherwise be considered impermissible for REITs and participate in activities that don't qualify as "rents from real property". For these entities, deferred tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of assets and liabilities at the enacted tax rates expected to be in effect when the temporary differences reverse. A valuation allowance for deferred tax assets is provided if we believe all or some portion of the deferred tax asset may not be realized. An increase or decrease in the valuation allowance that results from the change in circumstances that causes a change in our judgment about the realizability of the related deferred tax asset is included in income.

As of December 31, 2008 and 2007, we had a net deferred tax asset of $8.9 million and $19.8 million, respectively, related to our TRS subsidiaries. The net deferred tax asset is included in deferred costs and other assets in the accompanying consolidated balance sheets and consists primarily of operating losses and other carryforwards for federal income tax purposes as well as the timing of the deductibility of losses or reserves from insurance subsidiaries. No valuation allowance has been recorded as we believe these amounts will be realized. State income, franchise or other taxes were not significant in any of the periods presented. The income tax benefit in 2007 results primarily from the tax deductibility of a $55.1 million impairment charge.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

4. Real Estate Acquisitions, Disposals, and Impairment

We acquire properties to generate both current income and long-term appreciation in value. We acquire individual properties or portfolios of other retail real estate companies that meet our investment criteria. We sell properties which no longer meet our strategic criteria. Our consolidated acquisition and disposal activity for the periods presented are highlighted as follows:

2008 Acquisitions

Effective January 1, 2008, we acquired additional interests in three existing consolidated properties of between 1.8% and 5%, for an aggregate $6.2 million in cash. Two of the properties continue to have a noncontrolling interest holder. We now own 100% of the third property.

2007 Acquisitions

As a result of the Mills acquisition which is more fully discussed in Note 7, we consolidated two regional mall properties, Town Center at Cobb and Gwinnett Place. In addition to the Mills acquisition, on March 1, 2007, we acquired the remaining 40% interest in both University Park Mall and University Center located in Mishawaka, Indiana from our partner and as a result, we now own 100% of these properties. On March 28, 2007, we acquired The Maine Outlet, a 112,000 square foot outlet center located in Kittery, Maine, adjacent to our Kittery Premium Outlets property. On August 23, 2007, we acquired Las Americas Premium Outlets, a 560,000 square foot upscale outlet center located in San Diego, California. We also purchased an additional 1% interest in Bangor Mall on July 13, 2007, and an additional 6.5% interest in Montgomery Mall on November 1, 2007. The aggregate purchase price of the consolidated assets acquired during 2007, excluding Town Center and Cobb and Gwinnett Place, was approximately $394.2 million, including the assumption of our share of debt of the properties acquired.

2006 Acquisitions

On November 1, 2006, we acquired the remaining 50% interest in Mall of Georgia, a regional mall property for $252.6 million, including the assumption of our $96.0 million share of debt. As a result, we now own 100% of Mall of Georgia and the property was consolidated as of the acquisition date.

2008 Dispositions

We had no consolidated property dispositions during the year ended December 31, 2008.

2007 Dispositions

During the year ended December 31, 2007, we sold five consolidated properties for which we received net proceeds of $56.4 million and recorded our share of a loss on the disposals (net) totaling $35.3 million.

2006 Dispositions

During the year ended December 31, 2006, we sold three consolidated properties and one property in which we held a 50% interest and accounted for under the equity method. We received net proceeds of $52.7 million and recorded our share of a gain on the dispositions totaling $12.2 million.

Impairment. In 2008, we recorded an impairment charge of $21.2 million. This resulted primarily from a $10.5 million reduction in the carrying value of a regional mall to its estimated net realizable value and the write-off of predevelopment costs related to various projects that we no longer plan to pursue development.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

5. Per Unit Data

We determine basic earnings per unit based on the weighted average number of units outstanding during the period. We determine diluted earnings per unit based on the weighted average number of units outstanding combined with the incremental weighted average units that would have been outstanding assuming all dilutive potential common units were converted into units at the earliest date possible. The following table sets forth the computation elements of our basic and diluted earnings per unit.

	For the Year Ended December 31,		
	2008	**2007**	**2006**
Income attributable to unitholders from continuing operations, after preferred unit requirement	**$ 529,751**	$ 585,047	$ 614,409
Discontinued operations	**(25)**	(35,369)	502
Net Income attributable to unitholders — Basic & Diluted	**$ 529,726**	$ 549,678	$ 614,911
Weighted Average Units Outstanding — Basic	**282,508,087**	281,034,711	279,567,279
Effect of stock options of Simon Property	**551,057**	778,471	903,255
Weighted Average Units Outstanding — Diluted	**283,059,144**	281,813,182	280,470,534

For the year ending December 31, 2008, potentially dilutive securities include Simon Property stock options, convertible preferred stock and certain series of our preferred units The only security that had a dilutive effect for the years ended December 31, 2008, 2007 and 2006 were Simon Property stock options.

We accrue distributions when they are declared. The taxable nature of the distributions declared for each of the years ended as indicated is summarized as follows:

	For the Year Ended December 31,		
	2008	**2007**	**2006**
Total distributions paid per common unit	**$ 3.60**	$ 3.36	$ 3.04
Percent taxable as ordinary income	**84.7%**	92.9%	81.4%
Percent taxable as long-term capital gains	**1.2%**	7.1%	18.6%
Percent nontaxable as return of capital	**14.1%**	—	—
	100.0%	100.0%	100.0%

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

6. Investment Properties

Investment properties consist of the following as of December 31:

	2008	2007
Land	**$ 2,795,026**	$ 2,798,452
Buildings and improvements	**22,112,944**	21,364,915
Total land, buildings and improvements	**24,907,970**	24,163,367
Furniture, fixtures and equipment	**297,745**	251,658
Investment properties at cost	**25,205,715**	24,415,025
Less — accumulated depreciation	**6,184,285**	5,312,095
Investment properties at cost, net	**$19,021,430**	$19,102,930
Construction in progress included above	**$ 358,254**	$ 647,303

7. Investments in Unconsolidated Entities

Joint ventures are common in the real estate industry. We use joint ventures, primarily with institutional investors, to finance properties, develop new properties, and diversify our risk in a particular property or portfolio. We held joint venture ownership interests in 103 properties in the U.S. as of December 31, 2008 and December 31, 2007. We also held interests in two joint ventures which owned 52 European shopping centers as of December 31, 2008 and 51 as of December 31, 2007. We also held an interest in seven joint venture properties under operation in Japan, one joint venture property in Mexico, one joint venture property in Korea, and one joint venture property in China. We account for these joint venture properties using the equity method of accounting.

Substantially all of our joint venture properties are subject to rights of first refusal, buy-sell provisions, or other sale rights for partners which are customary in real estate joint venture agreements and the industry. Our partners in these joint ventures may initiate these provisions at any time (subject to any applicable lock up or similar restrictions), which will result in either the sale of our interest or the use of available cash or borrowings to acquire the joint venture interest.

Acquisition of The Mills Corporation by SPG-FCM

On February 16, 2007, SPG-FCM, a 50/50 joint venture between one of our affiliates and funds managed by Farallon Capital Management, L.L.C., or Farallon, entered into a definitive merger agreement to acquire all of the outstanding common stock of Mills for $25.25 per common share in cash. The acquisition of Mills and its interests in the 36 properties that remain at December 31, 2008 was completed in April 2007. As of December 31, 2008, we and Farallon had each funded $650.0 million into SPG-FCM to acquire all of the common stock of Mills. As part of the transaction, we also made loans to SPG-FCM and Mills at rates of LIBOR plus 270-275 basis points. These funds were used by SPG-FCM and Mills to repay loans and other obligations of Mills, including the redemption of preferred stock, during 2007. As of December 31, 2008, the outstanding balance of our loan to SPG-FCM was $520.7 million, and the average outstanding balance during the year ended December 31, 2008 of all loans made to SPG-FCM and Mills was approximately $534.1 million. During 2008 and 2007, we recorded approximately $15.3 million and $39.1 million in interest income (net of inter- entity eliminations) related to these loans, respectively. We also recorded fee income, including fee income amortization related to up-front fees on loans made to SPG-FCM and Mills, during 2008 and 2007 of approximately $3.1 million and $17.4 million (net of inter-entity eliminations), respectively, for providing refinancing services to Mills' properties and SPG-FCM. The existing loan facility to SPG-FCM bears a rate of LIBOR plus 275 basis points and matures on June 7, 2009, with three available one-year extensions. Fees charged on loans made to SPG-FCM and Mills are amortized on a straight-line basis over the life of the loan.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

7. Investments in Unconsolidated Entities (Continued)

As a result of the change in control of Mills, holders of Mills' Series F convertible cumulative redeemable preferred stock had the right to require the repurchase of their shares for cash equal to the liquidation preference per share plus accrued and unpaid dividends. During the second quarter of 2007, all of the holders of Mills' Series F preferred stock exercised this right, and Mills redeemed this series of preferred stock for approximately $333.2 million, including accrued dividends. Further, as of August 1, 2007, The Mills Corporation was liquidated and the holders of the remaining series' of Mills preferred stock were paid a liquidation preference of approximately $693.0 million, including accrued dividends.

During the third quarter of 2007, the holders of less than 5,000 common units in the Mills' operating partnership, or Mills Units, received $25.25 in cash, and those holding 5,000 or more Mills Units had the option to exchange for cash of $25.25, or units of the Operating Partnership based on a fixed exchange ratio of 0.211 Operating Partnership units for each Mills Unit. That option expired on August 1, 2007. Holders electing to exchange received 66,036 units in the Operating Partnership for their Mills Units. The remaining Mills Units were exchanged for cash.

Effective July 1, 2007, we or an affiliate of ours began serving as the manager for substantially all of the properties in which SPG-FCM holds an interest. In conjunction with the Mills acquisition, we acquired a majority interest in two properties in which we previously held a 50% ownership interest (Town Center at Cobb and Gwinnett Place) and as a result we have consolidated these two properties at the date of acquisition. We have reclassified the results of these properties in the Joint Venture Statement of Operations into "Income from consolidated joint venture interests."

The Mills acquisition involved the purchase of all of Mills' outstanding shares of common stock and common units for approximately $1.7 billion (at $25.25 per share or unit), the assumption of $954.9 million of preferred stock, the assumption of a proportionate share of property-level mortgage debt, of which SPG-FCM's share approximated $3.8 billion, the assumption of $1.2 billion in unsecured loans provided by us, costs to effect the acquisition, and certain liabilities and contingencies, including an ongoing investigation by the Securities and Exchange Commission, for an aggregate purchase price of approximately $8 billion. SPG-FCM has finalized its purchase price allocations for the Mills acquisition. The valuations were developed with the assistance of a third-party professional appraisal firm.

In addition we sold our interest in Cincinnati Mills and Broward and Westland Malls, which we acquired through the Mills acquisition, and recognized no gain or loss on these dispositions.

Joint Venture Property Refinancing Activity

The following joint venture property refinancing activity occurred during the period, some of which resulted in our receiving significant excess refinancing proceeds or making contributions:

On December 5, 2008, we refinanced Ontario Mills, a joint venture property in which we own a 25% interest, with a $75.0 million, LIBOR plus 296 basis points variable-rate mortgage that matures December 5, 2013. We subsequently entered into a swap agreement that essentially fixes the interest rate at 5.13%. The balances of the previous mortgages were $135.6 million and required a contribution by the partners to retire the loan. Our net share of the contribution was $15.7 million.

During 2008, we refinanced Fashion Valley Mall, a joint venture property in which we own a 50% interest, with a $200.0 million, LIBOR plus 200 bps variable-rate mortgage that matures October 9, 2013. The balances of the two previous mortgages, which were repaid, were $153.6 million and $29.1 million and bore interest at a fixed rate of 6.49% and 6.58%, respectively. We received our share of the excess refinancing proceeds of approximately $7.1 million on the closing of the new mortgage loan.

On October 1, 2008, we refinanced Mall of New Hampshire, a joint venture property in which we own a 49.14% interest, with a $136.7 million, 6.23% fixed-rate mortgage that matures October 5, 2015. The balances of the two previous mortgages, which were repaid, were $93.5 million and $7.8 million and bore interest at a fixed rate of 6.96%

7. Investments in Unconsolidated Entities (Continued)

and 8.53%, respectively. We received our share of the excess refinancing proceeds of approximately $18.7 million on the closing of the new mortgage loan.

On November 15, 2007, we refinanced Aventura Mall, a joint venture property in which we own a 33.3% interest, with a $430.0 million, 5.905% fixed-rate mortgage that matures on December 11, 2017. The balance of the previous $200.0 million 6.61% fixed-rate mortgage was repaid, and we received our share of the excess refinancing proceeds of approximately $71.4 million.

On November 1, 2007, we refinanced West Town Mall, a joint venture property in which we own a 50% interest, with a $210.0 million, 6.3375% fixed-rate mortgage that matures on December 1, 2017. The balance of the previous $76.0 million 6.90% fixed-rate mortgage was repaid, and we received our share of the excess refinancing proceeds of approximately $66.4 million.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

7. Investments in Unconsolidated Entities (Continued)

Summary Financial Information

A summary of our investments in joint ventures and share of income from such joint ventures follow. We condensed into separate line items major captions of the statements of operations for joint venture interests sold or consolidated. Consolidation occurs when we acquire an additional interest in the joint venture and as a result, gain control of the property or become the primary beneficiary of a VIE. We reclassified these line items into "Income from discontinued joint venture interests" and "Income from consolidated joint venture interests" so that we may present comparative results of operations for those joint venture interests held as of December 31, 2008. Balance sheet information for the joint ventures is as follows:

	December 31, 2008	December 31, 2007
BALANCE SHEETS		
Assets:		
Investment properties, at cost	**$ 21,472,490**	$ 21,009,416
Less — accumulated depreciation	**3,892,956**	3,217,446
	17,579,534	17,791,970
Cash and cash equivalents	**805,411**	747,575
Tenant receivables and accrued revenue, net	**428,322**	435,093
Investment in unconsolidated entities, at equity	**230,497**	258,633
Deferred costs and other assets	**594,578**	713,180
Total assets	**$ 19,638,342**	$ 19,946,451
Liabilities and Partners' Equity:		
Mortgages and other indebtedness	**$ 16,686,701**	$ 16,507,076
Accounts payable, accrued expenses, intangibles, and deferred revenue	**1,070,958**	972,699
Other liabilities	**982,254**	825,279
Total liabilities	**18,739,913**	18,305,054
Preferred units	**67,450**	67,450
Partners' equity	**830,979**	1,573,947
Total liabilities and partners' equity	**$ 19,638,342**	$ 19,946,451
Our Share of:		
Total assets	**$ 8,056,873**	$ 8,040,987
Partners' equity	**$ 533,929**	$ 776,857
Add: Excess Investment	**749,227**	757,236
Our net Investment in Joint Ventures	**$ 1,283,156**	$ 1,534,093
Mortgages and other indebtedness	**$ 6,632,419**	$ 6,568,403

"Excess Investment" represents the unamortized difference of our investment over our share of the equity in the underlying net assets of the joint ventures acquired. We amortize excess investment over the life of the related properties, typically no greater than 40 years, and the amortization is included in the reported amount of income from unconsolidated entities.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

7. Investments in Unconsolidated Entities (Continued)

As of December 31, 2008, scheduled principal repayments on joint venture properties' mortgages and other indebtedness are as follows:

2009	$ 1,511,663
2010	1,694,633
2011	1,630,437
2012	2,538,381
2013	1,563,591
Thereafter	7,724,784
Total principal maturities	16,663,489
Net unamortized debt premiums and discounts	23,212
Total mortgages and other indebtedness	$16,686,701

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

7. Investments in Unconsolidated Entities (Continued)

This debt becomes due in installments over various terms extending through 2036 with interest rates ranging from 1.00% to 10.61% and a weighted average rate of 4.99% at December 31, 2008.

	For the Year Ended December 31,		
	2008	**2007**	**2006**
STATEMENTS OF OPERATIONS			
Revenue:			
Minimum rent	**$ 1,956,129**	$ 1,682,671	$ 1,060,896
Overage rent	**130,549**	119,134	89,968
Tenant reimbursements	**1,005,638**	852,312	540,560
Other income	**199,774**	201,075	147,549
Total revenue	**3,292,090**	2,855,192	1,838,973
Operating Expenses:			
Property operating	**671,268**	580,910	366,122
Depreciation and amortization	**775,887**	627,929	318,589
Real estate taxes	**263,054**	220,474	131,359
Repairs and maintenance	**124,272**	113,517	83,331
Advertising and promotion	**70,425**	62,182	42,096
Provision for credit losses	**24,053**	22,448	4,620
Other	**177,298**	162,570	125,976
Total operating expenses	**2,106,257**	1,790,030	1,072,093
Operating Income	**1,185,833**	1,065,162	766,880
Interest expense	**(969,420)**	(853,307)	(415,425)
(Loss) income from unconsolidated entities	**(5,123)**	665	1,204
Loss on sale of asset	**—**	(6,399)	(6)
Income from Continuing Operations	**211,290**	206,121	352,653
Income from consolidated joint venture interests	**—**	2,562	14,070
Income from discontinued joint venture interests	**47**	202	736
Gain on disposal or sale of discontinued operations, net	**—**	198,956	20,375
Net Income	**$ 211,337**	$ 407,841	$ 387,834
Third-Party Investors' Share of Net Income	**$ 132,111**	$ 232,586	$ 232,499
Our Share of Net Income	**79,226**	175,255	155,335
Amortization of Excess Investment	**(46,980)**	(46,503)	(49,546)
Income from Beneficial Interests and Other, net	**—**	—	15,605
Write-off of Investment Related to Properties Sold	**—**	—	(2,846)
Our Share of Net Gain Related to Properties/Assets Sold	**—**	(90,632)	(7,729)
Income from Unconsolidated Entities, Net	**$ 32,246**	$ 38,120	$ 110,819

2006 Acquisition and Disposition Activity

On November 1, 2006, we acquired the remaining 50% interest in Mall of Georgia, a regional mall property for $252.6 million, which includes our $96.0 million share of debt. As a result, we now own 100% of Mall of Georgia and the property was consolidated as of the acquisition date. We have reclassified the results of this property in the Joint Venture Statement of Operations into "Income from consolidated joint venture interests."

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

7. Investments in Unconsolidated Entities (Continued)

Impairment Charge. On December 28, 2005, we invested $50.0 million of equity for a 40% interest in a joint venture with Toll Brothers, Inc. and Meritage Homes Corp. to purchase a 5,485-acre land parcel in northwest Phoenix from DaimlerChrysler Corporation for $312 million. The principal use of the land upon attaining entitled status is to develop single-family homesites by our partners. As a result of the downturn in the residential market, during the fourth quarter of 2007, we recorded an impairment charge of $55.1 million, $36.5 million net of tax benefit, representing our entire equity investment in this joint venture, including interest capitalized on our invested equity.

International Joint Venture Investments

European Joint Ventures. We conduct our international operations in Europe through our two European joint venture investment entities; Simon Ivanhoe S.à.r.l., or Simon Ivanhoe, and Gallerie Commerciali Italia, or GCI. The carrying amount of our total combined investment in these two joint venture investments is $224.2 million and $361.3 million as of December 31, 2008 and 2007, respectively, including all related components of other comprehensive income. We have a 50% ownership in Simon Ivanhoe and a 49% ownership in GCI as of December 31, 2008.

On October 20, 2005, Ivanhoe Cambridge, Inc., or Ivanhoe, an affiliate of Caisse de dépôt et placement du Québec, effectively acquired our former partner's 39.5% ownership interest in Simon Ivanhoe. On February 13, 2006, pursuant to the terms of our October 20, 2005 transaction with Ivanhoe, we sold a 10.5% interest in this joint venture to Ivanhoe for €45.2 million, or $53.9 million, and recorded a gain on the disposition of $34.4 million. This gain is reported in "gain (loss) on sales of assets and interests in unconsolidated entities, net" in the 2006 consolidated statement of operations and comprehensive income (loss). We then settled all remaining share purchase commitments from the company's founders, including the early settlement of some commitments by purchasing an additional 25.8% interest in Simon Ivanhoe for €55.1 million, or $65.5 million. As a result of these transactions, we and Ivanhoe each own a 50% interest in Simon Ivanhoe at December 31, 2007 and 2008.

On July 5, 2007, Simon Ivanhoe completed the sale of five non-core assets in Poland and we presented our share of the gain upon this disposition in "gain (loss) on sale of assets and interests in unconsolidated entities, net" in the consolidated statement of operations and comprehensive income.

Asian Joint Ventures. We conduct our international Premium Outlet operations in Japan through joint ventures with Mitsubishi Estate Co., Ltd. and Sojitz Corporation. The carrying amount of our investment in these Premium Outlet joint ventures in Japan is $312.6 million and $273.0 million as of December 31, 2008 and 2007, respectively, including all related components of other comprehensive income. We have a 40% ownership in these Japan Premium Outlet Centers through a joint venture arrangement. During 2007, we also completed construction and opened our first Premium Outlet in Korea. As of December 31, 2008 and 2007 respectively, our investment in our Premium Outlet in Korea, for which we hold a 50% ownership interest, approximated $18.0 million and $23.1 million including all related components of other comprehensive income.

During 2006, we finalized the formation of joint venture arrangements to develop and operate shopping centers in China. The shopping centers will be anchored by Wal-Mart stores and we own a 32.5% interest in the joint venture entities, and a 32.5% ownership in the management operation overseeing these projects, collectively referred to as Great Mall Investments, Ltd., or GMI. During 2008, we completed construction and opened our first center in China, and have three additional centers under construction and due for completion in 2009. As of December 31, 2008 and 2007 respectively, our investment in our centers in China approximated $53.9 million and $33.7 million including all related components of other comprehensive income. Our projected total equity commitment upon completion for all four centers in China is $53.7 million.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

8. Indebtedness and Derivative Financial Instruments

Our mortgages and other indebtedness, excluding the impact of derivative instruments except for our fair value interest rate swaps, consist of the following as of December 31:

	2008	2007
Fixed-Rate Debt:		
Mortgages and other notes, including $15,312 and $24,845 net premiums, respectively. Weighted average interest and maturity of 6.11% and 4.1 years at December 31, 2008.	**$ 4,192,430**	$ 4,836,761
Unsecured notes, including $1,887 and $9,680 net premiums, respectively. Weighted average interest and maturity of 5.69% and 4.7 years at December 31, 2008.	**10,726,887**	9,384,680
7% Mandatory Par Put Remarketed Securities, including $4,568 premiums in 2007 that were redeemed in June 2008.	**—**	204,568
Total Fixed-Rate Debt	**14,919,317**	14,426,009
Variable-Rate Debt:		
Mortgages and other notes, at face value, respectively. Weighted average interest and maturity of 2.00% and 3.3 years.	**2,076,927**	441,143
Credit Facility (see below)	**1,046,288**	2,351,612
Total Variable-Rate Debt	**3,123,215**	2,792,755
Fair value interest rate swaps	**—**	(90)
Total Mortgages and Other Indebtedness, Net	**$18,042,532**	$17,218,674

General

At December 31, 2008, we have pledged 76 properties as collateral to secure related mortgage notes including 7 pools of cross-defaulted and cross-collateralized mortgages encumbering a total of 39 properties. Under these cross-default provisions, a default under any mortgage included in the cross-defaulted package may constitute a default under all such mortgages and may lead to acceleration of the indebtedness due on each property within the collateral package. Of our 76 encumbered properties, indebtedness on 18 of these encumbered properties and our unsecured notes are subject to various financial performance covenants relating to leverage ratios, annual real property appraisal requirements, debt service coverage ratios, minimum net worth ratios, debt-to-market capitalization, and/or minimum equity values. Our mortgages and other indebtedness may be prepaid but are generally subject to payment of a yield-maintenance premium or defeasance. As of December 31, 2008, we were in compliance with all our debt covenants.

Some of our limited partners guarantee a portion of our consolidated debt through foreclosure guarantees. In total, 53 limited partners provide guarantees of foreclosure of $285.3 million of our consolidated debt at three consolidated properties. In each case, the loans were made by unrelated third party institutional lenders and the guarantees are for the benefit of each lender. In the event of foreclosure of the mortgaged property, the proceeds from the sale of the property are first applied against the amount of the guarantee and also reduce the amount payable under the guarantee. To the extent the sale proceeds from the disposal of the property do not cover the amount of the guarantee, then the limited partner is liable to pay the difference between the sale proceeds and the amount of the guarantee so that the entire amount guaranteed to the lender is satisfied. The debt is non-recourse to us and our affiliates.

Unsecured Debt

Our unsecured debt currently consists of $10.7 billion of senior unsecured notes and $1.0 billion outstanding under our $3.5 billion credit facility, or the Credit Facility. The Credit Facility bears interest at LIBOR plus 37.5 basis points and an additional facility fee of 12.5 basis points. The Credit Facility is scheduled to mature on January 11, 2010, which we can extend for another year at our option if, among other conditions, there is no default.

On May 19, 2008, we issued two tranches of senior unsecured notes totaling $1.5 billion at a weighted average fixed interest rate of 5.74% consisting of a $700.0 million tranche with a fixed interest rate of 5.30% due May 30, 2013 and a second $800.0 million tranche with a fixed interest rate of 6.125% due May 30, 2018. We used proceeds from the offering to reduce borrowings on the Credit Facility and for general working capital purposes.

On June 16, 2008, we completed redemption of the $200.0 million outstanding principal amount of its 7% Mandatory Par Put Remarketed Securities, or MOPPRS. The redemption was accounted for as an extinguishment and resulted in a charge in the second quarter of 2008 of approximately $20.3 million.

On August 28, 2008, we repaid a $150.0 million unsecured note, which had a fixed rate of 5.38%.

During the year ended December 31, 2008, we drew amounts from the Credit Facility to fund the redemption of the remarketable debt securities and the repayment of the $150.0 million unsecured note. Other amounts drawn on the Credit Facility were primarily for general working capital purposes. We repaid a total of $2.7 billion on the Credit Facility during the year ended December 31, 2008. The total outstanding balance of the Credit Facility as of December 31, 2008 was $1.0 billion, and the maximum amount outstanding during the year was approximately $2.6 billion. During the year ended December 31, 2008, the weighted average outstanding balance of the Credit Facility was approximately $1.4 billion. The amount outstanding as of December 31, 2008 includes $446.3 million in Euro and Yen-denominated borrowings. In addition, subsequent to December 31, 2008, we repaid $600 million in unsecured notes, consisting of two $300 million tranches that bore rates of 3.75% and 7.13%, respectively, using proceeds from the Credit Facility.

Secured Debt

The balance of fixed and variable rate mortgage notes was $6.3 billion and $5.3 billion as of December 31, 2008 and 2007, respectively. Of the 2008 amount, $5.3 billion is nonrecourse to us. The fixed-rate mortgages generally require monthly payments of principal and/or interest. The interest rates of variable-rate mortgages are typically based on LIBOR. During the twelve-month period ended December 31, 2008, we repaid $274.0 million in mortgage loans, unencumbering five properties.

On January 15, 2008, we entered into a swap transaction that effectively converted $300.0 million of variable rate debt to fixed rate debt at a net rate of 3.21%.

On March 6, 2008, we borrowed $705 million on a term loan that matures March 5, 2012 and bears interest at a rate of LIBOR plus 70 basis points. On May 27, 2008, the loan was increased to $735 million. This loan is secured by the cash flow distributed from six properties and has additional availability of $115 million through the maturity date.

On July 30, 2008, we borrowed $190.0 million on a loan secured by Philadelphia Premium Outlets, which matures on July 30, 2014 and bears interest at a variable rate of LIBOR plus 185 basis points. On January 2, 2009, we executed a swap agreement that fixes the interest rate of this loan at 4.19%.

On September 23, 2008, we borrowed $170.0 million on a term loan that matures September 23, 2013 and bears interest at a rate of LIBOR plus 195 basis points. On November 4, 2008, the loan was increased to $220 million and on December 17, 2008, the loan was increased to its maximum availability of $260 million. This is a cross- collateralized loan that is secured by The Domain, Shops at Arbor Walk, and Palms Crossing. On January 2, 2009, we executed a swap agreement that fixes the interest rate on $200.0 million of this loan at 4.35%.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

8. Indebtedness and Derivative Financial Instruments (Continued)

Debt Maturity and Other

Our scheduled principal repayments on indebtedness as of December 31, 2008 are as follows:

2009	$ 1,475,510
2010	2,301,674
2011	3,050,576
2012	2,938,395
2013	2,034,735
Thereafter	6,224,443
Total principal maturities	18,025,333
Net unamortized debt premium and other	17,199
Total mortgages and other indebtedness	$18,042,532

Our cash paid for interest in each period, net of any amounts capitalized, was as follows:

	For the Year Ended December 31,		
	2008	2007	2006
Cash paid for interest	**$1,001,718**	$983,219	$845,964

Derivative Financial Instruments

Our exposure to market risk due to changes in interest rates primarily relates to our long-term debt obligations. We manage exposure to interest rate market risk through our risk management strategy by a combination of interest rate protection agreements to effectively fix or cap a portion of variable rate debt, or in the case of a fair value hedge, effectively convert fixed rate debt to variable rate debt. We are also exposed to foreign currency risk on financings of certain foreign operations. Our intent is to offset gains and losses that occur on the underlying exposures, with gains and losses on the derivative contracts hedging these exposures. We do not enter into either interest rate protection or foreign currency rate protection agreements for speculative purposes.

We may enter into treasury lock agreements as part of an anticipated debt issuance. If the anticipated transaction does not occur, the cost is charged to consolidated net income. Upon completion of the debt issuance, the cost of these instruments is recorded as part of accumulated other comprehensive income and is amortized to interest expense over the life of the debt agreement.

As of December 31, 2008, we reflected the fair value of outstanding consolidated derivatives in other liabilities for $19.4 million. In addition, we recorded the benefits from our treasury lock and interest rate hedge agreements in accumulated other comprehensive loss and the unamortized balance of these agreements is $3.3 million as of December 31, 2008. The net deficit from terminated swap agreements is also recorded in accumulated other comprehensive loss and the unamortized balance is $3.4 million as of December 31, 2008. As of December 31, 2008, our outstanding LIBOR based derivative contracts consisted of:

- interest rate cap protection agreements with a notional amount of $281.8 million that mature in May 2009 and July 2010, and

- fixed-rate swap agreements with a notional amount of $505.0 million have a weighted average pay rate of 3.29% and a weighted average receive rate of 2.75%.

8. Indebtedness and Derivative Financial Instruments (Continued)

Within the next year, we expect to reclassify to earnings approximately $10.9 million of loss of the current balance held in accumulated other comprehensive loss. The amount of ineffectiveness relating to fair value and cash flow hedges recognized in income during the periods presented was not material.

Our joint ventures may also enter into interest rate swaps or caps, which are recorded at fair value on the joint ventures' balance sheet. Included in our accumulated other comprehensive income (loss) as of December 31, 2008 and 2007 is our share of the joint ventures accumulated derivative gains or (losses) of $(19.6) million and $(5.8) million, respectively.

Fair Value of Financial Instruments

The carrying value of our variable-rate mortgages and other loans approximates their fair values. We estimate the fair values of consolidated fixed-rate mortgages using cash flows discounted at current borrowing rates and other indebtedness using cash flows discounted at current market rates. We estimate the fair values of consolidated fixed-rate unsecured notes using quoted market prices, or, if no quoted prices are available, we use quoted market prices for securities with similar terms and maturities. The fair values of financial instruments and our related discount rate assumptions used in the estimation of fair value for our consolidated fixed-rate mortgages and other indebtedness as of December 31 is summarized as follows:

	2008	2007
Fair value of fixed-rate mortgages and other indebtedness (in millions)	**$12,385**	$14,742
Average discount rates assumed in calculation of fair value of fixed-rate mortgages	**6.33%**	5.23%

9. Rentals under Operating Leases

Future minimum rentals to be received under noncancelable tenant operating leases for each of the next five years and thereafter, excluding tenant reimbursements of operating expenses and percentage rent based on tenant sales volume as of December 31, 2008 are as follows:

2009	$ 1,898,110
2010	1,762,658
2011	1,584,012
2012	1,402,718
2013	1,209,345
Thereafter	3,731,109
	$11,587,952

Approximately 0.6% of future minimum rents to be received are attributable to leases with an affiliate of one of our limited partners.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

10. Equity

Temporary Equity

As discussed in Note 3, as a result of the retrospective adoption of SFAS 160 and the application of EITF D-98, we classify as temporary equity those securities for which there is the possibility that we could be required to redeem the security for cash, irrespective of the probability of such a possibility. As a result, we reclassified three series of preferred units from permanent equity to temporary equity, and we maintained in permanent equity two series of preferred units. We also reclassified into temporary equity one series of preferred units that was previously reported as mezzanine equity. The noncontrolling redeemable interests in properties included in temporary equity is more fully discussed in Note 3. The carrying values for those securities classified in temporary equity are discussed below and summarized as follows as of December 31:

	2008	2007
6% Series I Convertible Perpetual Preferred Units, 19,000,000 units authorized, 9,108,635 and 17,039,611 issued and outstanding, respectively	**$455,432**	$ 851,981
Series D 8% Cumulative Redeemable Preferred Units, 2,700,000 units authorized, 1,356,814 and 1,418,307 issued and outstanding, respectively	**40,704**	42,549
7.5% Cumulative Redeemable Preferred Units, 260,000 units authorized, 255,373 issued and outstanding	**25,537**	25,537
7.75%/8.00% Cumulative Redeemable Preferred Units, 850,698 units issued and outstanding	**85,070**	85,070
Total carrying value of preferred units	**606,743**	1,005,137
Noncontrolling redeemable interests in properties	**49,378**	44,264
Total preferred units and noncontrolling redeemable interests in properties	**$656,121**	$1,049,401

Series I 6% Convertible Perpetual Preferred Units. On October 14, 2004, we issued 18,015,506 Series I 6% convertible perpetual preferred units as part of our acquisition of Chelsea Property Group (Chelsea). Distributions are made quarterly, at an annual rate of 6% per unit. On or after October 14, 2009, we can redeem the Series I preferred units, in whole or in part, for cash only equal to the liquidation preference of $50.00 per unit plus accumulated and unpaid distributions. However, if the redemption date falls between the record date and the distribution payment date, the redemption price will be the liquidation preference only. The redemption may occur only if, for 20 trading days within a period of 30 consecutive trading days ending on the trading day before notice of redemption is issued, the closing price per share of common stock exceeds 130% of the applicable conversion price. The Series I preferred units are convertible into a number of fully paid and non-assessable common units upon the occurrence of a conversion triggering event. A conversion triggering event includes the following: (a) if we call the Series I preferred units for redemption; or, (b) if Simon Property is a party to a consolidation, merger, share exchange, or sale of all or substantially all of its assets; or, (c) if during any fiscal quarter after the fiscal quarter ending December 31, 2004, the closing sale price of Simon Property's common stock for at least 20 trading days in a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter exceeds 125% of the applicable conversion price. If the closing trigger price condition is not met at the end of any quarter, then conversions are not permitted in the following quarter. This series of preferred units can also be put to us for cash upon the occurrence of a change of control event, which would include a change in the majority of Simon Property's directors that occurs over a two year period. As a result, this series of preferred units is classified outside permanent equity because such a change in Board composition could be deemed outside our control. The carrying amount of the Series I preferred units of $455,432 and $851,981 as of December 31, 2008 and 2007, respectively, is equal to its liquidation value, which is the amount payable upon the occurrence of such event.

If a holder of Series I preferred units converts its Series I preferred units into units, then the holder may also elect to exchange those units into cash or shares of common stock of Simon Property as determined by Simon Property in its sole discretion, subject to an agreement between Simon Property and us as described in the Exchange Rights section of Note 10 below. Limited partner holders of Series I preferred units also have the option to exchange the

10. Equity (Continued)

Series I preferred units for an equal number of shares of Series I preferred stock of Simon Property; however, Simon Property may elect to pay cash in lieu of the conversion. In 2008, holders of Series I preferred units exchanged 22,400 Series I preferred units for an equal number of shares of Series I preferred stock of Simon Property. In prior years, 1,093,042 Series I preferred units were exchanged for an equal number of shares of Series I preferred stock of Simon Property. During 2008, we also issued 1,187,238 units to holders of limited partner preferred interests as a result of the conversion of 1,493,904 Series I preferred units.

As of December 31, 2008, the conversion trigger price of $77.88 was not met and, as a result, conversion of the Series I preferred units will not be permitted through March 31, 2009. However, during 2008, an additional 6,437,072 Series I preferred units held by Simon Property were converted into 5,151,776 units related to the conversion of Simon Property's Series I preferred stock to its common stock as a result of the conversion trigger price being met at certain quarterly determination dates during 2008.

Series D 8.00% Cumulative Redeemable Preferred Units. This series of preferred units accrues cumulative quarterly distributions at a rate of $2.40 annually. The preferred units are paired with one 7.00% preferred unit or with the number of units into which the 7.00% preferred units may be converted. We may redeem the preferred units at their liquidation value ($30.00 per preferred unit) plus accrued and unpaid distributions on or after August 27, 2009, payable in either a new series of preferred units having the same terms as the preferred units, except that the distribution rate would be reset to a then determined market rate, or in units. The preferred units are convertible at the holder's option on or after August 27, 2004, into 8.00% Cumulative Redeemable Preferred Stock of Simon Property with terms substantially identical to the preferred units. In the event of the death of a holder of the preferred units, or the occurrence of certain tax triggering events, we may be required to redeem the preferred units owned by such holder at their liquidation value payable at our option in either cash (the payment of which may be made in four equal annual installments) or fully registered shares of Simon Property common stock. During 2008, one holder redeemed 61,493 of the preferred units for $1.8 million in cash.

7.50% Cumulative Redeemable Preferred Units. This series of preferred units accrues cumulative quarterly distributions at a rate of $7.50 annually. We may redeem the preferred units on or after November 10, 2013, unless there is the occurrence of certain tax triggering events such as death of the initial holder, or the transfer of any units to any person or entity other than the persons or entities entitled to the benefits of the original holder. The redemption price is the liquidation value ($100.00 per preferred unit) plus accrued and unpaid distributions, payable either in cash or fully registered shares of common stock of Simon Property. In the event of the death of a holder of the preferred units, the occurrence of certain tax triggering events applicable to the holder, or on or after November 10, 2006, the holder may require us to redeem the preferred units at the same redemption price payable at our option in either cash or fully registered shares of common stock of Simon Property.

7.75%/8.00% Cumulative Redeemable Preferred Units. This series of preferred units accrues cumulative distributions at a rate of 8.00% through December 31, 2009, 10.00% of the liquidation value for the period beginning January 1, 2010, and ending December 31, 2010, and 12% of the liquidation value thereafter. A holder may require us to repurchase the preferred units on or after January 1, 2009, or any time that the aggregate liquidation value of the outstanding units exceeds 10% of the book value of our partners' equity. We may redeem the preferred units on or after January 1, 2011, or earlier upon the occurrence of certain tax triggering events. Our intent is to redeem these units after January 1, 2009, upon the occurrence of a tax-triggering event. The redemption price is the liquidation value ($100.00 per preferred unit) plus accrued and unpaid distributions, payable in cash or an interest in one or more properties mutually agreed upon.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

10. Equity (Continued)

Permanent Equity

Preferred units. The following table summarizes the carrying values of each series of preferred units that were outstanding as of December 31 and are classified within permanent equity:

	2008	2007
Series C 7.00% Cumulative Convertible Preferred Units, 2,700,000 units authorized, 94,235 and 100,818 issued and outstanding, respectively	**$ 2,639**	$ 2,823
Series J $8^3/8$% Cumulative Redeemable Preferred Units, 1,000,000 units authorized, 796,948 issued and outstanding, including unamortized premium of $6,185 and $6,514 in 2008 and 2007, respectively	**46,032**	46,361
Total preferred units	**$48,671**	$49,184

Series C 7.00% Cumulative Convertible Preferred Units. Each Series C 7.00% preferred unit has a liquidation value of $28.00 and accrues cumulative distributions at a rate of $1.96 annually, payable quarterly in arrears. The Series C preferred units are convertible at the holders' option on or after August 27, 2004, into either a like number of shares of 7.00% Cumulative Convertible Preferred Stock of Simon Property with terms substantially identical to the Series C preferred units or into our common units at a ratio of 0.75676 to one provided that the closing stock price of Simon Property common stock exceeds $37.00 for any three consecutive trading days prior to the conversion date. We may redeem the Series C preferred units at their liquidation value plus accrued and unpaid distributions on or after August 27, 2009, payable in units. In the event of the death of a holder of Series C preferred units, or the occurrence of certain tax triggering events, we may be required to redeem the Series C preferred units at their liquidation value payable at our option in either cash (the payment of which may be made in four equal annual installments) or shares of Simon Property common stock. During 2008, holders converted 6,583 of the preferred units into 4,981 units.

Series J $8^3/8$% Cumulative Redeemable Preferred Units. We issued this series of preferred units in 2004 to replace a series of Chelsea preferred units. Distributions accrue quarterly at an annual rate of $8^3/8$% per unit. We can redeem this series, in whole or in part, on and after October 15, 2027 at a redemption price of $50.00 per unit, plus accumulated and unpaid distributions. These preferred units were issued at a premium of $7,553 as of the date of our acquisition of Chelsea.

The following series of preferred units had previously issued units in years prior to 2007, but had no shares outstanding at the end of 2008 and 2007, and the authorized units for each series are as follows: Series B 6.5% Convertible Preferred Units (5,000,000 units); Series E 8.00% Cumulative Redeemable Preferred Units (1,000,000 units); Series F 8.75% Cumulative Redeemable Preferred Units (8,000,000 units); Series G 7.89% Cumulative Step-Up Premium Rate Convertible Preferred Units (3,000,000 units); Series H Variable Rate Preferred Units (4,530,000 units); Series K Variable Rate Redeemable Preferred Units (8,000,000 units); and Series L Variable Rate Redeemable Preferred Units (6,000,000 units).

Unit Issuances and Repurchases

In 2008, eight limited partners exchanged 2,574,608 units for an equal number of shares of common stock of Simon Property. We issued an equal number of units to Simon Property, increasing its ownership interest in us.

We issued 282,106 units to Simon Property related to employee and director stock options exercised during 2008. We used the net proceeds from the option exercises of approximately $11.9 million for general working capital purposes.

On July 26, 2007, the Simon Property Board of Directors authorized a common stock repurchase program under which Simon Property may purchase up to $1.0 billion of its common stock over the next twenty-four months as market conditions warrant. Simon Property may purchase the shares in the open market or in privately negotiated

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

10. Equity (Continued)

transactions. During 2008, no purchases were made as part of this program. Simon Property's share repurchase program had remaining availability of approximately $950.7 million at December 31, 2008.

Other Equity Activity

Notes Receivable from Former CPI Stockholders. Notes receivable of $17,199 from stockholders of an entity we acquired in 1998 are reflected as a deduction from equity in the accompanying financial statements. The notes do not bear interest and become due at the time the underlying shares are sold.

The Simon Property Group 1998 Stock Incentive Plan. We, along with Simon Property, have a stock incentive plan (the "1998 Plan"), which provides for the grant of awards with respect to the equity of Simon Property during a ten-year period, in the form of options to purchase shares of Simon Property common stock ("Options"), stock appreciation rights ("SARs"), restricted stock grants and performance unit awards (collectively, "Awards"). Options may be granted which are qualified as "incentive stock options" within the meaning of Section 422 of the Code and Options which are not so qualified. An aggregate of 11,300,000 shares of common stock have been reserved for issuance under the 1998 Plan. Additionally, the partnership agreement requires Simon Property to sell shares to us, at fair value, sufficient to satisfy the exercising of stock options, and for Simon Property to purchase common units for cash in an amount equal to the fair market value of such shares issued on the exercise of stock options.

Administration. The 1998 plan is administered by Simon Property's Compensation Committee of the Board of Directors. The committee determines which eligible individuals may participate and the type, extent and terms of the awards to be granted to them. In addition, the committee interprets the 1998 plan and makes all other determinations deemed advisable for its administration. Options granted to employees become exercisable over the period determined by the committee. The exercise price of an employee option may not be less than the fair market value of the shares on the date of grant. Employee options generally vest over a three-year period and expire ten years from the date of grant. Since 2001, Simon Property has not granted any options to employees, except for a series of reload options we assumed as part of a prior business combination.

Automatic Awards For Eligible Directors. Directors of Simon Property who are not employees or employees of affiliates of Simon Property ("Eligible Directors") receive automatic awards under the 1998 plan. Until 2003, these awards took the form of stock options. Since then, the awards have been shares of restricted stock of Simon Property.

Each eligible director receives on the first day of the first calendar month following his or her initial election an award of restricted stock with a value of $82,500 (pro-rated for partial years of service). Thereafter, as of the date of each annual meeting of stockholders, eligible directors who are re-elected receive an award of restricted stock having a value of $82,500. In addition, eligible directors who serve as chairpersons of the standing committees (excluding the Executive Committee) receive an additional annual award of restricted stock having a value of $10,000 (in the case of the Audit Committee) or $7,500 (in the case of all other standing committees). The Lead Director also receives an annual restricted stock award having a value of $12,500. The restricted stock vests in full after one year.

Once vested, the delivery of the shares of restricted stock (including reinvested dividends) is deferred under our Director Deferred Compensation Plan until the director retires, dies or becomes disabled or otherwise no longer serves as a director. The directors may vote and are entitled to receive dividends on the underlying shares; however, any dividends on the shares of restricted stock must be reinvested in shares of common stock and held in the deferred compensation plan until the shares of restricted stock are delivered to the former director.

In addition to automatic awards, eligible directors may be granted discretionary awards under the 1998 plan.

Restricted Stock. The 1998 Plan also provides for shares of restricted common stock of Simon Property to be granted to certain employees at no cost to those employees, subject to achievement of certain financial and return-based performance measures established by the Compensation Committee related to the most recent year's performance (the "Restricted Stock Program"). Restricted Stock Program grants vest annually over a four-year period (25% each year) beginning on January 1 of the year following the year in which the restricted stock award is granted.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

10. Equity (Continued)

The cost of restricted stock grants, which is based upon the stock's fair market value on the grant date, is charged to partners' equity and subsequently amortized against our earnings over the vesting period. Through December 31, 2008 a total of 4,738,409 shares of restricted stock, net of forfeitures, have been awarded under the plan. Information regarding restricted stock awards are summarized in the following table for each of the years presented:

	For the Year Ended December 31,		
	2008	2007	2006
Restricted stock shares awarded during the year, net of forfeitures	**276,872**	222,725	415,098
Weighted average fair value of shares granted during the year	**$ 85.77**	$ 120.55	$ 84.33
Amortization expense	**$ 28,640**	$ 26,779	$ 23,369

The weighted average life of our outstanding options as of December 31, 2008 is 2.3 years. Information relating to Director Options and Employee Options from December 31, 2005 through December 31, 2008 is as follows:

	Director Options		Employee Options	
	Options	Weighted Average Exercise Price Per Share	Options	Weighted Average Exercise Price Per Share
Shares under option at December 31, 2005	37,500	$ 27.80	1,527,922	$ 30.39
Granted	—	N/A	70,000	90.87
Exercised	(18,000)	27.68	(396,659)	36.02
Forfeited	(3,000)	24.25	(3,000)	24.47
Shares under option at December 31, 2006	16,500	$ 28.57	1,198,263	$ 32.07
Granted	—	N/A	23,000	99.03
Exercised, none were forfeited during the period	(16,500)	28.57	(214,525)	32.62
Shares under option at December 31, 2007	—	$ —	1,006,738	$ 33.48
Granted	**—**	**—**	**—**	**—**
Exercised, none were forfeited during the period	**—**	**—**	**(282,106)**	**41.96**
Shares under option at December 31, 2008	**—**	**$ —**	**724,632**	**$ 30.18**

Employee Options:	Outstanding and Exercisable		
Range of Exercise Prices	Options	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price Per Share
$22.36 - $30.38	615,583	1.96	$ 25.13
$30.39 - $46.97	59,749	5.09	46.97
$46.98 - $63.51	26,300	5.17	50.17
$63.52 - $99.03	23,000	0.24	99.03
Total	724,632		$ 30.18

We also maintain a tax-qualified retirement 401(k) savings plan and offer no other postretirement or post employment benefits to our employees.

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Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

10. Equity (Continued)

Exchange Rights

Limited partners have the right to exchange all or any portion of their units for cash or shares of Simon Property common stock as determined by Simon Property in its sole discretion. If Simon Property selects cash, Simon Property cannot cause us to redeem for cash without contributing cash to us as partners' equity sufficient to effect the redemption. If sufficient cash is not contributed, Simon Property will be deemed to have elected to exchange the units for shares of Simon Property common stock. The amount of cash to be paid if the exchange right is exercised and the cash option is selected will be based on the trading price of Simon Property's common stock at that time. The number of shares of Simon Property's common stock issued will be the same as the number of units exchanged.

Unit Distributions

On January 30, 2009, Simon Property's Board of Directors approved a quarterly common stock dividend of $0.90 per share, to be paid in a combination of cash and shares of its common stock. The distribution rate on our units is equal to the dividend rate on Simon Property's common stock. While our unitholders will have the right to elect to receive their distribution in either cash or units, we have announced that the aggregate cash component of the distribution will not exceed 10% of the total distribution, or $0.09 per unit. If the number of unitholders electing to receive cash would result in our payment of cash in excess of this 10% limitation, we will allocate the cash payment on a pro rata basis among those unitholders making the cash election. Simon Property has reserved the right to elect to pay the first quarter dividend, and as a result our distribution, all in cash. Simon Property's Board of Directors reviews and approves Simon Property's dividends and, as a result, our distributions, on a quarterly basis, and no determination has been made about whether the remaining 2009 dividends will be paid in a similar combination of cash and common stock. Paying all or a portion of its remaining 2009 dividends in a combination of cash and common stock allows Simon Property to satisfy its REIT taxable income distribution requirement under existing IRS revenue procedures, while enhancing financial flexibility and balance sheet strength.

11. Commitments and Contingencies

Litigation

As previously disclosed, for several years we have been defending actions brought by the Attorneys General of Massachusetts, New Hampshire and Connecticut in their respective state courts and similar litigation brought by other parties alleging that the sale of co-branded, bank-issued gift cards by our affiliate, SPGGC, Inc., at certain of our properties, violated state gift certificate and consumer protection laws. We previously reported the dismissal of the New Hampshire litigation. During the fourth quarter of 2008, the complaint in the Massachusetts litigation was dismissed and we settled the Connecticut litigation. The only remaining legal proceedings involving gift card sales are two purported class actions brought by private parties in New York. With the resolution of the remaining Attorneys General's actions in 2008, we no longer believe that the ultimate outcome of these related actions would have a material adverse effect on our financial position, results of operations or cash flows and, accordingly, we do not expect to report further developments in these actions.

We are also involved in various other legal proceedings that arise in the ordinary course of our business. We believe that such litigation, claims and administrative proceedings will not have a material adverse impact on our financial position or our results of operations. We record a liability when a loss is considered probable and the amount can be reasonably estimated.

Lease Commitments

As of December 31, 2008, a total of 29 of the consolidated properties are subject to ground leases. The termination dates of these ground leases range from 2009 to 2090. These ground leases generally require us to make fixed annual rental payments, or a fixed annual rental plus a percentage rent component based upon the revenues or total sales of the property. Some of these leases also include escalation clauses and renewal options. We incurred ground lease expense included in other expense as follows:

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

	For the Year Ended December 31,		
	2008	2007	2006
Ground lease expense	**$30,681**	$30,499	$29,301

Future minimum lease payments due under these ground leases for years ending December 31, excluding applicable extension options, are as follows:

2009	$ 16,530
2010	16,288
2011	16,338
2012	16,451
2013	16,699
Thereafter	669,723
	$752,029

Insurance

We maintain commercial general liability, fire, flood, extended coverage and rental loss insurance on all of our properties in the United States through wholly-owned captive insurance entities and other self-insurance mechanisms. Rosewood Indemnity, Ltd. and Bridgewood Insurance Company, Ltd. are our wholly-owned captive insurance subsidiaries, and have agreed to indemnify our general liability carrier for a specific layer of losses for the properties that are covered under these arrangements. The carrier has, in turn, agreed to provide evidence of coverage for this layer of losses under the terms and conditions of the carrier's policy. A similar policy written through these captive insurance entities also provides initial coverage for property insurance and certain windstorm risks at the properties located in coastal windstorm locations.

We currently maintain insurance coverage against acts of terrorism on all of our properties in the United States on an "all risk" basis in the amount of up to $1 billion per occurrence for certified foreign acts of terrorism and $500 million per occurrence for non-certified domestic acts of terrorism. The current federal laws which provide this coverage are expected to operate through 2014. Despite the existence of this insurance coverage, any threatened or actual terrorist attacks in high profile markets could adversely affect our property values, revenues, consumer traffic and tenant sales.

Guarantees of Indebtedness

Joint venture debt is the liability of the joint venture and is typically secured by the joint venture property, which is non-recourse to us. As of December 31, 2008, we had loan guarantees and other guarantee obligations of $71.9 million and $6.6 million, respectively, to support our total $6.6 billion share of joint venture mortgage and other indebtedness in the event the joint venture partnership defaults under the terms of the underlying arrangement. Mortgages which are guaranteed by us are secured by the property of the joint venture and that property could be sold in order to satisfy the outstanding obligation.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

11. Commitments and Contingencies (Continued)

Concentration of Credit Risk

We are subject to risks incidental to the ownership and operation of commercial real estate. These risks include, among others, the risks normally associated with changes in the general economic climate, trends in the retail industry, creditworthiness of tenants, competition for tenants and customers, changes in tax laws, interest rate and foreign currency levels, the availability of financing, and potential liability under environmental and other laws. Our regional malls, Premium Outlet Centers, The Mills, and community/lifestyle centers rely heavily upon anchor tenants like most retail properties. Four retailers occupied 532 of the approximately 1,376 anchor stores in the properties as of December 31, 2008. An affiliate of one of these retailers is one of our limited partners.

Limited Life Partnerships

FASB Statement No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" (SFAS 150) establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability. The effective date of a portion of the Statement has been indefinitely postponed by the FASB. We have certain transactions, arrangements, or financial instruments that have been identified that appear to meet the criteria for liability recognition in accordance with paragraphs 9 and 10 under SFAS 150 due to the finite life of certain joint venture arrangements. However, SFAS 150 requires disclosure of the estimated settlement value of these non-controlling interests. As of December 31, 2008 and 2007, the estimated settlement value of these non-controlling interests was approximately $130 million and $145 million, respectively. The noncontrolling interest amount recognized as a liability on the consolidated balance sheets related to these noncontrolling interests was approximately $23 million as of December 31, 2008 and 2007.

12. Related Party Transactions

Our management company provides management, insurance, and other services to Melvin Simon & Associates, Inc., a related party, and other non-owned properties. Amounts for services provided by our management company and its affiliates to our unconsolidated joint ventures and other related parties were as follows:

	For the Year Ended December 31,		
	2008	2007	2006
Amounts charged to unconsolidated joint ventures	$125,663	$95,564	$62,879
Amounts charged to properties owned by related parties	4,980	5,049	9,494

During 2008 and 2007, we recorded interest income of $15.3 million and $39.1 million, respectively, and financing fee income of $3.1 million and $17.4 million, respectively, net of inter-entity eliminations, related to the loans that we have provided to Mills and SPG-FCM and lending financing services to those entities and the properties in which they hold an ownership interest.

13. Recently Issued Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations", which requires an acquirer to measure the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree at their fair values on the acquisition date, with goodwill being the excess value over the net identifiable assets acquired, and that costs of acquisition be expensed as incurred. SFAS 141(R) is effective for financial statements issued for fiscal years beginning after December 15, 2008. Early adoption is prohibited. We do not expect the adoption of SFAS 141(R) will have a significant impact on our results of operations or financial position.

Simon Property Group, L.P. and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except unit and per unit amounts and where indicated as in millions or billions)

13. Recently Issued Accounting Pronouncements (Continued)

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133." This statement amends and expands the disclosure requirements of SFAS 133. This statement is effective for fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. We are in the process of determining the impact of adopting this statement.

14. Quarterly Financial Data (Unaudited)

Quarterly 2008 and 2007 data is summarized in the table below and, as disclosed in Note 3, the amounts have been reclassified from previously disclosed amounts in accordance with the discontinued operations provisions of SFAS No. 144 and reflect dispositions through December 31, 2008. Income from continuing operations, income from continuing operations per unit — Basic, and income from continuing operations per unit — Diluted as previously reported in the September 30, 2007 Form 10-Q were $227,532, $0.74, and $0.74, respectively, and are presented below as $239,269, $0.77, and $0.77, respectively. All other amounts previously reported are equal to the amounts reported below. Quarterly amounts may not equal annual amounts due to rounding.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2008				
Total revenue	**$ 895,298**	**$ 922,947**	**$ 935,594**	**$ 1,029,316**
Operating income	**351,775**	**379,038**	**383,351**	**445,373**
Consolidated income from continuing operations	**129,022**	**114,353**	**159,736**	**196,449**
Net income available to common unitholders	**87,933**	**76,572**	**112,809**	**145,203**
Income from continuing operations per unit — Basic	**$ 0.39**	**$ 0.34**	**$ 0.50**	**$ 0.65**
Net income per unit — Basic	**$ 0.39**	**$ 0.34**	**$ 0.50**	**$ 0.65**
Income from continuing operations per unit — Diluted	**$ 0.39**	**$ 0.34**	**$ 0.50**	**$ 0.64**
Net income per unit — Diluted	**$ 0.39**	**$ 0.34**	**$ 0.50**	**$ 0.64**
Weighted average units outstanding	**281,224,467**	**282,382,491**	**282,384,237**	**284,025,809**
Diluted weighted average units outstanding	**281,841,042**	**282,971,297**	**282,953,695**	**284,422,986**
2007				
Total revenue	$ 852,141	$ 855,932	$ 907,145	$ 1,035,581
Operating income	348,809	333,343	378,446	473,434
Consolidated income from continuing operations	146,819	98,176	239,269	190,341
Net income available to common unitholders	98,381	59,917	164,937	112,929
Income from continuing operations per unit — Basic	$ 0.44	$ 0.27	$ 0.77	$ 0.60
Net income per unit — Basic	$ 0.44	$ 0.27	$ 0.74	$ 0.51
Income from continuing operations per unit — Diluted	$ 0.44	$ 0.27	$ 0.77	$ 0.60
Net income per unit — Diluted	$ 0.44	$ 0.27	$ 0.74	$ 0.51
Weighted average units outstanding	280,858,656	281,282,172	281,028,487	280,944,298
Diluted weighted average units outstanding	281,716,125	281,119,027	281,774,055	281,617,542

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. We carried out an evaluation under the supervision and with participation of management, including Simon Property's chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, our management, including the chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective as of December 31, 2008.

Changes in Internal Control Over Financial Reporting. There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f)) that occurred during the fourth quarter of 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting. We are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, Simon Property's Board of Directors, principal executive and principal financial officers and effected by Simon Property's management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and disposition of assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We assessed the effectiveness of our internal control over financial reporting as of December 31, 2008. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework.

Based on that assessment, we believe that, as of December 31, 2008, our internal control over financial reporting is effective based on those criteria.

Our independent registered public accounting firm has issued an audit report on their assessment of our internal control over financial reporting. Their report is included within Item 9A of this Form 10-K.

Report Of Independent Registered Public Accounting Firm

The Board of Directors of Simon Property Group, Inc.
and The Partners of Simon Property Group, L.P.:

We have audited Simon Property Group, L.P. and Subsidiaries' internal control over financial reporting as of December 31, 2008 based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Simon Property Group, L.P. and Subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Simon Property Group, L.P. and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Simon Property Group, L.P. and Subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of operations and comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2008 of Simon Property Group, L.P. and Subsidiaries, and the financial statement schedule listed in the Index at Item 15, and our report dated February 25, 2009, except for the retrospective adjustments described in Notes 3 and 10, as to which the date is April 29, 2009, expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana
February 25, 2009

Part IV

Item 15. Exhibits and Financial Statement Schedules

	Page No.
(1) *Consolidated Financial Statements*	
Simon Property Group, L.P. and Subsidiaries' consolidated financial statements and independent registered public accounting firm's report are set forth in Item 8 of this Annual Report on Form 10-K/A and are incorporated herein by reference.	
(2) *Financial Statement Schedule*	
Simon Property Group, L.P. and Subsidiaries Schedule III—Schedule of Real Estate and Accumulated Depreciation	64
Notes to Schedule III	71
(3) *Exhibits*	
The Exhibit Index attached hereto is hereby incorporated by reference to this Item. The following exhibits listed on the Exhibit Index are filed with this Annual Report on Form 10-K/A.	72

Exhibit No.	
12.1	Statement regarding computation of ratios.
23.1	Consent of Ernst & Young LLP.
31.1	Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification by the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SIMON PROPERTY GROUP, L.P.

By /s/ STEPHEN E. STERRETT

Stephen E. Sterrett
Executive Vice President and Chief Financial Officer of Simon Property Group, Inc., General Partner

May 8, 2009

SCHEDULE III

Simon Property Group, L.P. and Subsidiaries

Real Estate and Accumulated Depreciation
December 31, 2008
(Dollars in thousands)

		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At December 31, 2008				
Name, Location	Encumbrances	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)	Accumulated Depreciation (2)	Date of Construction or Acquisition
Regional Malls										
Anderson Mall, Anderson, SC	$ 27,755	$ 1,712	$ 15,227	$ 1,363	$ 19,920	$ 3,075	$ 35,147	$ 38,222	$ 13,173	1972
Arsenal Mall, Watertown, MA	1,090	15,505	47,680	—	9,642	15,505	57,322	72,827	14,268	1999 (Note 4)
Bangor Mall, Bangor, ME	80,000	5,478	59,740	—	8,336	5,478	68,076	73,554	16,533	2004 (Note 5)
Barton Creek Square, Austin, TX	—	2,903	20,929	7,983	59,959	10,886	80,888	91,774	37,244	1981
Battlefield Mall, Springfield, MO	94,530	3,919	27,231	3,225	61,405	7,144	88,636	95,780	44,137	1970
Bay Park Square, Green Bay, WI	—	6,358	25,623	4,133	23,438	10,491	49,061	59,552	18,164	1980
Bowie Town Center, Bowie, MD	—	2,710	65,044	235	5,206	2,945	70,250	73,195	20,419	2001
Boynton Beach Mall, Boynton Beach, FL	—	22,240	78,804	4,666	25,616	26,906	104,420	131,326	33,023	1985
Brea Mall, Brea, CA	—	39,500	209,202	—	25,119	39,500	234,321	273,821	68,588	1998 (Note 4)
Broadway Square, Tyler, TX	—	11,470	32,431	—	21,590	11,470	54,021	65,491	19,376	1994 (Note 4)
Brunswick Square, East Brunswick, NJ	83,452	8,436	55,838	—	27,827	8,436	83,665	92,101	31,304	1973
Burlington Mall, Burlington, MA	—	46,600	303,618	19,600	87,961	66,200	391,579	457,779	96,968	1998 (Note 4)
Castleton Square, Indianapolis, IN	—	26,250	98,287	7,434	69,346	33,684	167,633	201,317	51,133	1972
Century III Mall, West Mifflin, PA	81,930	17,380	102,364	10	8,437	17,390	110,801	128,191	61,726	1979
Charlottesville Fashion Square, Charlottesville, VA	—	—	54,738	—	13,580	—	68,318	68,318	22,858	1997 (Note 4)
Chautauqua Mall, Lakewood, NY	—	3,257	9,641	—	16,214	3,257	25,855	29,112	10,859	1971
Chesapeake Square, Chesapeake, VA	70,841	11,534	70,461	—	7,445	11,534	77,906	89,440	35,341	1989
Cielo Vista Mall, El Paso, TX	—	1,005	15,262	608	43,508	1,613	58,770	60,383	30,773	1974
College Mall, Bloomington, IN	—	1,003	16,245	720	43,130	1,723	59,375	61,098	25,054	1965
Columbia Center, Kennewick, WA	—	17,441	66,580	—	21,461	17,441	88,041	105,482	28,211	1987
Copley Place, Boston, MA	200,000	—	378,045	—	78,878	—	456,923	456,923	83,023	2002 (Note 4)
Coral Square, Coral Springs, FL	83,134	13,556	93,630	—	13,987	13,556	107,617	121,173	44,897	1984
Cordova Mall, Pensacola, FL	—	18,626	73,091	7,321	43,797	25,947	116,888	142,835	29,187	1998 (Note 4)
Cottonwood Mall, Albuquerque, NM	—	10,122	69,958	—	3,316	10,122	73,274	83,396	30,708	1996
Crossroads Mall, Omaha, NE	41,150	639	30,658	409	35,783	1,048	66,441	67,489	26,719	1994 (Note 4)
Crystal River Mall, Crystal River, FL	14,916	5,393	20,241	—	4,857	5,393	25,098	30,491	9,077	1990
DeSoto Square, Bradenton, FL	64,153	9,011	52,675	—	8,107	9,011	60,782	69,793	22,276	1973
Domain, The, Austin, TX (Note 6)	—	45,152	197,010	—	52,560	45,152	249,570	294,722	15,462	2005
Edison Mall, Fort Myers, FL	—	11,529	107,350	—	28,267	11,529	135,617	147,146	40,169	1997 (Note 4)
Fashion Mall at Keystone, Indianapolis, IN	—	—	120,579	—	48,162	—	168,741	168,741	49,510	1997 (Note 4)
Firewheel Town Center, Garland, TX	—	8,636	82,716	—	23,617	8,636	106,333	114,969	14,381	2004
Forest Mall, Fond Du Lac, WI	16,478	721	4,491	—	8,792	721	13,283	14,004	7,180	1973
Forum Shops at Caesars, The, Las Vegas, NV	524,657	—	276,567	—	204,235	—	480,802	480,802	108,579	1992

SCHEDULE III

Simon Property Group, L.P. and Subsidiaries
Real Estate and Accumulated Depreciation
December 31, 2008
(Dollars in thousands)

		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At December 31, 2008				
Name, Location	**Encumbrances**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Total (1)**	**Accumulated Depreciation (2)**	**Date of Construction or Acquisition**
Great Lakes Mall, Mentor, OH	—	12,302	100,362	—	10,656	12,302	111,018	123,320	41,141	1961
Greenwood Park Mall, Greenwood, IN	—	2,423	23,445	5,275	114,688	7,698	138,133	145,831	44,094	1979
Gulf View Square, Port Richey, FL	—	13,690	39,991	2,023	20,097	15,713	60,088	75,801	22,595	1980
Gwinnett Place, Duluth, GA	115,000	17,051	141,191	—	4,210	17,051	145,401	162,452	38,335	1998 (Note 5)
Haywood Mall, Greenville, SC	—	11,585	133,893	6	18,976	11,591	152,869	164,460	56,637	1998 (Note 4)
Independence Center, Independence, MO	200,000	5,042	45,798	—	32,209	5,042	78,007	83,049	30,951	1994 (Note 4)
Ingram Park Mall, San Antonio, TX	77,180	733	17,163	73	19,934	806	37,097	37,903	19,914	1979
Irving Mall, Irving, TX	—	6,737	17,479	2,533	41,225	9,270	58,704	67,974	31,356	1971
Jefferson Valley Mall, Yorktown Heights, NY	—	4,868	30,304	—	24,516	4,868	54,820	59,688	26,133	1983
Knoxville Center, Knoxville, TN	58,446	5,006	21,617	3,712	35,324	8,718	56,941	65,659	27,153	1984
La Plaza Mall, McAllen, TX	—	1,375	9,828	6,569	38,146	7,944	47,974	55,918	20,715	1976
Laguna Hills Mall, Laguna Hills, CA	—	27,928	55,446	—	16,694	27,928	72,140	100,068	21,952	1997 (Note 4)
Lakeline Mall, Austin, TX	—	10,088	81,568	14	15,742	10,102	97,310	107,412	34,197	1995
Lenox Square, Atlanta, GA	—	38,213	492,411	—	58,481	38,213	550,892	589,105	154,881	1998 (Note 4)
Lima Mall, Lima, OH	—	7,662	35,338	—	9,611	7,662	44,949	52,611	18,738	1965
Lincolnwood Town Center, Lincolnwood, IL	—	7,907	63,480	28	7,435	7,935	70,915	78,850	34,674	1990
Livingston Mall, Livingston, NJ	—	22,214	105,250	—	36,557	22,214	141,807	164,021	37,760	1998 (Note 4)
Longview Mall, Longview, TX	30,839	259	3,567	124	7,931	383	11,498	11,881	5,461	1978
Mall of Georgia, Mill Creek, GA	185,238	47,492	326,633	—	3,826	47,492	330,459	377,951	63,130	1999 (Note 5)
Maplewood Mall, Minneapolis, MN	—	17,119	80,758	—	11,225	17,119	91,983	109,102	20,774	2002 (Note 4)
Markland Mall, Kokomo, IN	21,818	—	7,568	—	10,056	—	17,624	17,624	8,852	1968
McCain Mall, N. Little Rock, AR	—	—	9,515	10,530	12,180	10,530	21,695	32,225	15,541	1973
Melbourne Square, Melbourne, FL	—	15,762	55,891	4,160	27,929	19,922	83,820	103,742	25,959	1982
Menlo Park Mall, Edison, NJ	—	65,684	223,252	—	33,429	65,684	256,681	322,365	84,104	1997 (Note 4)
Midland Park Mall, Midland, TX	31,852	687	9,213	—	12,459	687	21,672	22,359	12,438	1980
Miller Hill Mall, Duluth, MN	—	2,998	18,092	—	27,471	2,998	45,563	48,561	26,800	1973
Montgomery Mall, Montgomeryville, PA	89,460	27,105	86,915	—	25,243	27,105	112,158	139,263	23,114	2004 (Note 5)
Muncie Mall, Muncie, IN	7,381	172	5,776	52	27,118	224	32,894	33,118	15,399	1970
North East Mall, Hurst, TX	—	128	12,966	19,010	148,611	19,138	161,577	180,715	59,473	1971
Northfield Square Mall, Bourbonnais, IL	29,067	362	53,396	—	1,240	362	54,636	54,998	30,675	2004 (Note 5)
Northgate Mall, Seattle, WA	—	24,369	115,992	—	93,581	24,369	209,573	233,942	51,408	1987
Northlake Mall, Atlanta, GA	67,423	33,400	98,035	—	4,324	33,400	102,359	135,759	45,679	1998 (Note 4)
Northwoods Mall, Peoria, IL	—	1,185	12,779	2,451	37,093	3,636	49,872	53,508	27,003	1983
Oak Court Mall, Memphis, TN	—	15,673	57,304	—	8,756	15,673	66,060	81,733	22,571	1997 (Note 4)
Ocean County Mall, Toms River, NJ	—	20,404	124,945	—	23,684	20,404	148,629	169,033	42,213	1998 (Note 4)

SCHEDULE III

Simon Property Group, L.P. and Subsidiaries
Real Estate and Accumulated Depreciation
December 31, 2008
(Dollars in thousands)

		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At December 31, 2008				
Name, Location	**Encumbrances**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Total (1)**	**Accumulated Depreciation (2)**	**Date of Construction or Acquisition**
Orange Park Mall, Orange Park, FL	—	12,998	65,121	—	40,115	12,998	105,236	118,234	38,028	1994 (Note 4)
Orland Square, Orland Park, IL	—	35,514	129,906	—	21,808	35,514	151,714	187,228	50,348	1997 (Note 4)
Oxford Valley Mall, Langhorne, PA	74,805	24,544	100,287	—	7,881	24,544	108,168	132,712	44,939	2003 (Note 4)
Paddock Mall, Ocala, FL	—	11,198	39,727	—	16,180	11,198	55,907	67,105	16,770	1980
Penn Square Mall, Oklahoma City, OK	65,828	2,043	155,958	—	27,936	2,043	183,894	185,937	53,104	2002 (Note 4)
Pheasant Lane Mall, Nashua, NH	—	3,902	155,068	550	14,786	4,452	169,854	174,306	48,112	2004 (Note 5)
Phipps Plaza, Atlanta, GA	—	19,200	210,610	—	21,669	19,200	232,279	251,479	69,196	1998 (Note 4)
Plaza Carolina, Carolina, PR	236,901	15,493	279,560	—	11,798	15,493	291,358	306,851	45,077	2004 (Note 4)
Port Charlotte Town Center, Port Charlotte, FL	50,998	5,471	58,570	—	15,396	5,471	73,966	79,437	28,559	1989
Prien Lake Mall, Lake Charles, LA	—	1,842	2,813	3,091	36,807	4,933	39,620	44,553	17,982	1972
Richmond Town Square, Richmond Heights, OH	44,739	2,600	12,112	—	59,924	2,600	72,036	74,636	39,566	1966
River Oaks Center, Calumet City, IL	—	30,884	101,224	—	10,726	30,884	111,950	142,834	35,903	1997 (Note 4)
Rockaway Townsquare, Rockaway, NJ	—	44,116	212,257	27	31,359	44,143	243,616	287,759	67,050	1998 (Note 4)
Rolling Oaks Mall, San Antonio, TX	—	1,929	38,609	—	14,027	1,929	52,636	54,565	24,504	1988
Roosevelt Field, Garden City, NY	—	164,058	702,008	2,117	39,064	166,175	741,072	907,247	214,402	1998 (Note 4)
Ross Park Mall, Pittsburgh, PA	—	23,541	90,203	—	71,846	23,541	162,049	185,590	52,602	1986
Santa Rosa Plaza, Santa Rosa, CA	—	10,400	87,864	—	10,039	10,400	97,903	108,303	29,416	1998 (Note 4)
Shops at Mission Viejo, The, Mission Viejo, CA	—	9,139	54,445	7,491	145,967	16,630	200,412	217,042	74,101	1979
South Hills Village, Pittsburgh, PA	—	23,445	125,840	—	16,698	23,445	142,538	165,983	45,546	1997 (Note 4)
South Shore Plaza, Braintree, MA	—	101,200	301,495	—	68,214	101,200	369,709	470,909	94,453	1998 (Note 4)
Southern Park Mall, Boardman, OH	—	16,982	77,767	97	23,786	17,079	101,553	118,632	38,609	1970
SouthPark, Charlotte, NC	—	42,092	188,055	100	165,073	42,192	353,128	395,320	76,472	2002 (Note 4)
St. Charles Towne Center, Waldorf, MD	—	7,710	52,934	1,180	26,829	8,890	79,763	88,653	35,872	1990
Stanford Shopping Center, Palo Alto, CA	240,000	—	339,537	—	5,914	—	345,451	345,451	59,939	2003 (Note 4)
Summit Mall, Akron, OH	65,000	15,374	51,137	—	37,647	15,374	88,784	104,158	27,201	1965
Sunland Park Mall, El Paso, TX	33,734	2,896	28,900	—	7,120	2,896	36,020	38,916	19,949	1988
Tacoma Mall, Tacoma, WA	122,687	37,803	125,826	—	73,353	37,803	199,179	236,982	55,789	1987
Tippecanoe Mall, Lafayette, IN	—	2,897	8,439	5,517	44,478	8,414	52,917	61,331	32,228	1973
Town Center at Aurora, Aurora, CO	—	9,959	56,832	6	56,463	9,965	113,295	123,260	34,436	1998 (Note 4)
Town Center at Boca Raton, Boca Raton, FL	—	64,200	307,317	—	151,838	64,200	459,155	523,355	121,435	1998 (Note 4)
Town Center at Cobb, Kennesaw, GA	280,000	32,585	158,225	—	10,577	32,585	168,802	201,387	42,921	1998 (Note 5)
Towne East Square, Wichita, KS	—	8,525	18,479	1,429	39,772	9,954	58,251	68,205	30,712	1975

SCHEDULE III

Simon Property Group, L.P. and Subsidiaries

Real Estate and Accumulated Depreciation

December 31, 2008

(Dollars in thousands)

		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At December 31, 2008				
Name, Location	Encumbrances	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)	Accumulated Depreciation (2)	Date of Construction or Acquisition
Towne West Square, Wichita, KS	50,520	972	21,203	61	11,960	1,033	33,163	34,196	17,703	1980
Treasure Coast Square, Jensen Beach, FL	—	11,124	72,990	3,067	34,067	14,191	107,057	121,248	36,073	1987
Tyrone Square, St. Petersburg, FL	—	15,638	120,962	—	28,764	15,638	149,726	165,364	51,781	1972
University Park Mall, Mishawaka, IN	100,000	16,768	112,158	7,000	47,833	23,768	159,991	183,759	79,097	1996 (Note 4)
Upper Valley Mall, Springfield, OH	47,904	8,421	38,745	—	10,739	8,421	49,484	57,905	17,660	1979
Valle Vista Mall, Harlingen, TX	40,000	1,398	17,159	372	20,659	1,770	37,818	39,588	18,165	1983
Virginia Center Commons, Glen Allen, VA	—	9,764	50,547	4,149	9,454	13,913	60,001	73,914	24,645	1991
Walt Whitman Mall, Huntington Station, NY	—	51,700	111,258	3,789	43,113	55,489	154,371	209,860	56,032	1998 (Note 4)
Washington Square, Indianapolis, IN	30,194	16,800	36,495	462	27,599	17,262	64,094	81,356	36,259	1974
West Ridge Mall, Topeka, KS	68,711	5,453	34,132	1,168	22,444	6,621	56,576	63,197	22,658	1988
Westminster Mall, Westminster, CA	—	43,464	84,709	—	29,676	43,464	114,385	157,849	31,882	1998 (Note 4)
White Oaks Mall, Springfield, IL	50,000	3,024	35,692	2,102	40,247	5,126	75,939	81,065	28,355	1977
Wolfchase Galleria, Memphis, TN	225,000	15,881	128,276	—	9,358	15,881	137,634	153,515	45,898	2002 (Note 4)
Woodland Hills Mall, Tulsa, OK	78,612	34,211	187,123	—	12,898	34,211	200,021	234,232	50,452	2004 (Note 5)
Premium Outlet Centers										
Albertville Premium Outlets, Albertville, MN	—	3,900	97,059	—	3,318	3,900	100,377	104,277	20,303	2004 (Note 4)
Allen Premium Outlets, Allen, TX	—	13,855	43,687	97	22,194	13,952	65,881	79,833	13,097	2004 (Note 4)
Aurora Farms Premium Outlets, Aurora, OH	—	2,370	24,326	—	2,285	2,370	26,611	28,981	11,525	2004 (Note 4)
Camarillo Premium Outlets, Camarillo, CA	—	16,670	224,721	558	42,303	17,228	267,024	284,252	36,705	2004 (Note 4)
Carlsbad Premium Outlets, Carlsbad, CA	—	12,890	184,990	96	1,679	12,986	186,669	199,655	28,057	2004 (Note 4)
Carolina Premium Outlets, Smithfield, NC	19,696	3,170	59,863	—	2,038	3,170	61,901	65,071	15,197	2004 (Note 4)
Chicago Premium Outlets, Aurora, IL	—	659	118,005	4,940	11,407	5,599	129,412	135,011	24,875	2004 (Note 4)
Clinton Crossings Premium Outlets, Clinton, CT	—	2,060	107,556	472	1,855	2,532	109,411	111,943	20,326	2004 (Note 4)
Columbia Gorge Premium Outlets, Troutdale, OR	—	7,900	16,492	—	785	7,900	17,277	25,177	6,402	2004 (Note 4)
Desert Hills Premium Outlets, Cabazon, CA	—	3,440	338,679	—	3,522	3,440	342,201	345,641	48,475	2004 (Note 4)
Edinburgh Premium Outlets, Edinburgh, IN	—	2,857	47,309	—	11,006	2,857	58,315	61,172	13,726	2004 (Note 4)
Folsom Premium Outlets, Folsom, CA	—	9,060	50,281	—	2,717	9,060	52,998	62,058	13,571	2004 (Note 4)
Gilroy Premium Outlets, Gilroy, CA	—	9,630	194,122	—	4,358	9,630	198,480	208,110	36,472	2004 (Note 4)
Houston Premium Outlets, Cypress, TX	—	21,159	69,350	—	28,755	21,159	98,105	119,264	3,335	2007
Jackson Premium Outlets, Jackson, NJ	—	6,413	104,013	3	2,778	6,416	106,791	113,207	16,211	2004 (Note 4)
Jersey Shore Premium Outlets, Tinton Falls, NJ	—	16,141	50,979	—	73,424	16,141	124,403	140,544	858	2007
Johnson Creek Premium Outlets, Johnson Creek, WI	—	2,800	39,546	—	4,458	2,800	44,004	46,804	6,986	2004 (Note 4)
Kittery Premium Outlets, Kittery, ME	43,556	11,832	94,994	—	4,557	11,832	99,551	111,383	12,049	2004 (Note 4)
Las Americas Premium Outlets, San Diego, CA	180,000	45,168	251,878	—	1,252	45,168	253,130	298,298	10,166	2007 (Note 4)
Las Vegas Outlet Center, Las Vegas, NV	—	13,085	160,777	—	4,144	13,085	164,921	178,006	21,023	2004 (Note 4)
Las Vegas Premium Outlets, Las Vegas, NV	—	25,435	134,973	—	58,647	25,435	193,620	219,055	28,121	2004 (Note 4)

SCHEDULE III

Simon Property Group, L.P. and Subsidiaries
Real Estate and Accumulated Depreciation
December 31, 2008
(Dollars in thousands)

		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At December 31, 2008				
Name, Location	Encumbrances	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)	Accumulated Depreciation (2)	Date of Construction or Acquisition
Leesburg Corner Premium Outlets, Leesburg, VA	—	7,190	162,023	—	2,930	7,190	164,953	172,143	32,161	2004 (Note 4)
Liberty Village Premium Outlets, Flemington, NJ	—	5,670	28,904	—	1,712	5,670	30,616	36,286	9,240	2004 (Note 4)
Lighthouse Place Premium Outlets, Michigan City, IN	88,623	6,630	94,138	—	4,019	6,630	98,157	104,787	23,683	2004 (Note 4)
Napa Premium Outlets, Napa, CA	—	11,400	45,023	—	1,349	11,400	46,372	57,772	9,239	2004 (Note 4)
North Georgia Premium Outlets, Dawsonville, GA	—	4,300	132,325	—	1,709	4,300	134,034	138,334	25,352	2004 (Note 4)
Orlando Premium Outlets, Orlando, FL	—	14,040	304,410	16,100	45,228	30,140	349,638	379,778	42,526	2004 (Note 4)
Osage Beach Premium Outlets, Osage Beach, MO	—	9,460	85,804	3	3,417	9,463	89,221	98,684	18,910	2004 (Note 4)
Petaluma Village Premium Outlets, Petaluma, CA	—	13,322	14,067	—	2,918	13,322	16,985	30,307	5,619	2004 (Note 4)
Philadelphia Premium Outlets, Limerick, PA	190,000	16,676	105,249	—	15,481	16,676	120,730	137,406	6,310	2006
Rio Grande Valley Premium Outlets, Mercedes, TX	—	12,693	41,547	1	34,874	12,694	76,421	89,115	6,576	2005
Round Rock Premium Outlets, Round Rock, TX	—	21,977	82,252	—	2,796	21,977	85,048	107,025	10,897	2005
Seattle Premium Outlets, Seattle, WA	—	13,557	103,722	12	3,181	13,569	106,903	120,472	16,207	2004 (Note 4)
St. Augustine Premium Outlets, St. Augustine, FL	—	6,090	57,670	2	6,825	6,092	64,495	70,587	14,436	2004 (Note 4)
The Crossings Premium Outlets, Tannersville, PA	53,992	7,720	172,931	—	8,821	7,720	181,752	189,472	28,388	2004 (Note 4)
Vacaville Premium Outlets, Vacaville, CA	—	9,420	84,850	—	4,540	9,420	89,390	98,810	21,354	2004 (Note 4)
Waikele Premium Outlets, Waipahu, HI	—	22,630	77,316	—	872	22,630	78,188	100,818	15,658	2004 (Note 4)
Waterloo Premium Outlets, Waterloo, NY	72,822	3,230	75,277	—	5,701	3,230	80,978	84,208	18,137	2004 (Note 4)
Woodbury Common Premium Outlets, Central Valley, NY	—	11,110	862,559	1,658	3,182	12,768	865,741	878,509	125,123	2004 (Note 4)
Wrentham Village Premium Outlets, Wrentham, MA	—	4,900	282,031	—	3,124	4,900	285,155	290,055	47,852	2004 (Note 4)
Community/Lifestyle Centers										
Arboretum at Great Hills, Austin, TX	—	7,640	36,774	71	8,248	7,711	45,022	52,733	13,249	1998 (Note 4)
Bloomingdale Court, Bloomingdale, IL	26,592	8,748	26,184	—	9,684	8,748	35,868	44,616	16,295	1987
Brightwood Plaza, Indianapolis, IN	—	65	128	—	337	65	465	530	311	1965
Charles Towne Square, Charleston, SC	—	—	1,768	370	10,636	370	12,404	12,774	6,225	1976
Chesapeake Center, Chesapeake, VA	—	5,352	12,279	—	532	5,352	12,811	18,163	4,523	1989

SCHEDULE III

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Real Estate and Accumulated Depreciation

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(Dollars in thousands)

		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At December 31, 2008				
Name, Location	**Encumbrances**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Total (1)**	**Accumulated Depreciation (2)**	**Date of Construction or Acquisition**
Countryside Plaza, Countryside, IL	—	332	8,507	2,554	9,002	2,886	17,509	20,395	7,031	1977
Dare Centre, Kill Devil Hills, NC	1,640	—	5,702	—	189	—	5,891	5,891	747	2004 (Note 4)
DeKalb Plaza, King of Prussia, PA	3,071	1,955	3,405	—	1,105	1,955	4,510	6,465	1,518	2003 (Note 4)
Eastland Plaza, Tulsa, OK	—	651	3,680	—	80	651	3,760	4,411	3,280	1986
Forest Plaza, Rockford, IL	14,585	4,132	16,818	453	9,689	4,585	26,507	31,092	8,573	1985
Gateway Shopping Centers, Austin, TX	87,000	24,549	81,437	—	7,719	24,549	89,156	113,705	17,706	2004 (Note 4)
Great Lakes Plaza, Mentor, OH	—	1,028	2,025	—	3,680	1,028	5,705	6,733	2,842	1976
Greenwood Plus, Greenwood, IN	—	1,131	1,792	—	3,735	1,131	5,527	6,658	2,678	1979
Henderson Square, King of Prussia, PA	14,616	4,223	15,124	—	147	4,223	15,271	19,494	2,705	2003 (Note 4)
Highland Lakes Center, Orlando, FL	15,189	7,138	25,284	—	1,217	7,138	26,501	33,639	12,026	1991
Ingram Plaza, San Antonio, TX	—	421	1,802	4	59	425	1,861	2,286	1,183	1980
Keystone Shoppes, Indianapolis, IN	—	—	4,232	—	974	—	5,206	5,206	1,730	1997 (Note 4)
Knoxville Commons, Knoxville, TN	—	3,731	5,345	—	1,738	3,731	7,083	10,814	4,819	1987
Lake Plaza, Waukegan, IL	—	2,487	6,420	—	1,059	2,487	7,479	9,966	3,325	1986
Lake View Plaza, Orland Park, IL	19,388	4,702	17,543	—	13,062	4,702	30,605	35,307	12,767	1986
Lakeline Plaza, Austin, TX	21,256	5,822	30,875	—	6,984	5,822	37,859	43,681	13,634	1998
Lima Center, Lima, OH	—	1,808	5,151	—	6,788	1,808	11,939	13,747	4,176	1978
Lincoln Crossing, O'Fallon, IL	2,935	674	2,192	—	630	674	2,822	3,496	1,169	1990
Lincoln Plaza, King of Prussia, PA	—	—	21,299	—	1,942	—	23,241	23,241	8,204	2003 (Note 4)
MacGregor Village, Cary, NC	6,596	502	8,897	—	183	502	9,080	9,582	1,150	2004 (Note 4)
Mall of Georgia Crossing, Mill Creek, GA	—	9,506	32,892	—	260	9,506	33,152	42,658	10,703	2004 (Note 5)
Markland Plaza, Kokomo, IN	—	206	738	—	6,234	206	6,972	7,178	2,513	1974
Martinsville Plaza, Martinsville, VA	—	—	584	—	408	—	992	992	720	1967
Matteson Plaza, Matteson, IL	8,537	1,771	9,737	—	2,685	1,771	12,422	14,193	6,044	1988
Muncie Plaza, Muncie, IN	—	267	10,509	87	1,350	354	11,859	12,213	3,959	1998
New Castle Plaza, New Castle, IN	—	128	1,621	—	1,417	128	3,038	3,166	1,893	1966
North Ridge Plaza, Joliet, IL	—	2,831	7,699	—	3,231	2,831	10,930	13,761	4,450	1985
North Ridge Shopping Center, Raleigh, NC	8,056	385	12,838	—	406	385	13,244	13,629	1,768	2004 (Note 4)
Northwood Plaza, Fort Wayne, IN	—	148	1,414	—	1,543	148	2,957	3,105	1,695	1974
Palms Crossing, McAllen, TX (Note 6)	—	13,923	45,925	—	5,837	13,923	51,762	65,685	2,802	2006
Park Plaza, Hopkinsville, KY	—	300	1,572	—	217	300	1,789	2,089	1,750	1968
Pier Park, Panama City Beach, FL		25,992	73,158	—	41,120	25,992	114,278	140,270	3,404	2006
Regency Plaza, St. Charles, MO	4,003	616	4,963	—	569	616	5,532	6,148	2,296	1988
Richardson Square Mall, Richardson, TX	—	6,285	—	1,268	15,506	7,553	15,506	23,059	322	1977
Rockaway Convenience Center, Rockaway, NJ	—	5,149	26,435	—	6,543	5,149	32,978	38,127	7,673	1998 (Note 4)
Rockaway Town Plaza, Rockaway, NJ	—	—	18,698	—	1,765	—	20,463	20,463	2,335	2004
Shops at Arbor Walk, Austin, TX (Note 6)	—	930	42,546	—	5,210	930	47,756	48,686	4,026	2005

SCHEDULE III

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		Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition (Note 3)		Gross Amounts At Which Carried At December 31, 2008				
Name, Location	**Encumbrances**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Land**	**Buildings and Improvements**	**Total (1)**	**Accumulated Depreciation (2)**	**Date of Construction or Acquisition**
Shops at North East Mall, The, Hurst, TX	—	12,541	28,177	402	5,782	12,943	33,959	46,902	13,879	1999
St. Charles Towne Plaza, Waldorf, MD	25,613	8,377	18,993	—	2,918	8,377	21,911	30,288	9,784	1987
Teal Plaza, Lafayette, IN	—	99	878	—	3,011	99	3,889	3,988	2,071	1962
Terrace at the Florida Mall, Orlando, FL	—	2,150	7,623	—	5,201	2,150	12,824	14,974	4,043	1989
Tippecanoe Plaza, Lafayette, IN	—	—	745	234	5,037	234	5,782	6,016	3,006	1974
University Center, Mishawaka, IN	—	3,071	7,413	—	3,095	3,071	10,508	13,579	7,115	1980
Washington Plaza, Indianapolis, IN	—	941	1,697	—	398	941	2,095	3,036	2,561	1976
Waterford Lakes Town Center, Orlando, FL	—	8,679	72,836	—	14,176	8,679	87,012	95,691	31,000	1999
West Ridge Plaza, Topeka, KS	5,158	1,376	4,560	—	1,770	1,376	6,330	7,706	2,866	1988
White Oaks Plaza, Springfield, IL	15,741	3,169	14,267	—	1,392	3,169	15,659	18,828	6,595	1986
Wolf Ranch, Georgetown, TX	—	22,118	51,547	—	5,489	22,118	57,036	79,154	7,695	2004
Other Properties										
Crossville Outlet Center, Crossville, TN	—	263	4,380	—	229	263	4,609	4,872	712	2004 (Note 4)
Factory Merchants Branson, Branson, MO	—	1,383	19,637	1	846	1,384	20,483	21,867	1,681	2004 (Note 4)
Factory Shoppes at Branson Meadows, Branson, MO	9,160	—	5,205	—	228	—	5,433	5,433	707	2004 (Note 4)
Factory Stores of America — Boaz, AL	2,678	—	924	—	7	—	931	931	104	2004 (Note 4)
Factory Stores of America — Georgetown, KY	6,349	148	3,610	—	47	148	3,657	3,805	461	2004 (Note 4)
Factory Stores of America — Graceville, FL	1,886	12	408	—	60	12	468	480	55	2004 (Note 4)
Factory Stores of America — Lebanon. MO	1,586	24	214	—	—	24	214	238	40	2004 (Note 4)
Factory Stores of America — Nebraska City, NE	1,488	26	566	—	13	26	579	605	80	2004 (Note 4)
Factory Stores of America — Story City, IA	1,841	7	526	—	—	7	526	533	64	2004 (Note 4)
Factory Stores of North Bend, North Bend, WA	—	2,143	36,197	—	1,901	2,143	38,098	40,241	5,498	2004 (Note 4)
Nanuet Mall, Nanuet, NY	—	27,310	162,993	—	3,427	27,310	166,420	193,730	104,236	1998 (Note 4)
Palm Beach Mall, West Palm Beach, FL	50,953	11,962	112,437	—	35,542	11,962	147,979	159,941	94,848	1967
Raleigh Springs Mall, Memphis, TN	—	4,663	28,604	—	12,892	4,663	41,496	46,159	40,567	1971
University Mall, Pensacola, FL	—	4,256	26,657	—	3,908	4,256	30,565	34,821	13,258	1994
Development Projects										
Cincinnati Premium Outlets, Monroe, OH	—	14,117	32,157	—	—	14,117	32,157	46,274	—	2008
Other pre-development costs	—	31,890	26,844	—	—	31,890	26,844	58,734	—	
Other	—	3,304	3,818	665	344	3,969	4,162	8,131	3,363	
	$ 5,208,029	2,606,933	$17,523,294	$ 188,093	$ 4,589,650	$2,795,026	$22,112,944	$24,907,970	$ 6,015,677	

Simon Property Group, L.P. and Subsidiaries

Notes to Schedule III as of December 31, 2008

(Dollars in thousands)

(1) Reconciliation of Real Estate Properties:

The changes in real estate assets for the years ended December 31, 2008, 2007, and 2006 are as follows:

	2008	2007	2006
Balance, beginning of year	**$24,163,367**	$22,644,299	$21,551,247
Acquisitions and consolidations	**7,640**	743,457	402,095
Improvements	**797,717**	1,057,663	772,806
Disposals and de-consolidations	**(60,754)**	(282,052)	(81,849)
Balance, close of year	**$24,907,970**	$24,163,367	$22,644,299

The unaudited aggregate cost of real estate assets for federal income tax purposes as of December 31, 2008 was $18,390,068.

(2) Reconciliation of Accumulated Depreciation:

The changes in accumulated depreciation and amortization for the years ended December 31, 2008, 2007, and 2006 are as follows:

	2008	2007	2006
Balance, beginning of year	**$5,168,565**	$4,479,198	$3,694,807
Acquisitions and consolidations (5)	**—**	12,714	64,818
Depreciation expense	**871,556**	808,041	767,726
Disposals	**(24,444)**	(131,388)	(48,153)
Balance, close of year	**$6,015,677**	$5,168,565	$4,479,198

Depreciation of our investment in buildings and improvements reflected in the consolidated statements of operations and comprehensive income is calculated over the estimated original lives of the assets as follows:

- Buildings and Improvements — typically 10-40 years for the structure, 15 years for landscaping and parking lot, and 10 years for HVAC equipment.

- Tenant Allowances and Improvements — shorter of lease term or useful life.

(3) Initial cost generally represents net book value at December 20, 1993, except for acquired properties and new developments after December 20, 1993. Initial cost also includes any new developments that are opened during the current year. Costs of disposals of property are first reflected as a reduction to cost capitalized subsequent to acquisition.

(4) Not developed/constructed by us or our predecessors. The date of construction represents the acquisition date.

(5) Property initial cost for these properties is the cost at the date of consolidation for properties previously accounted for under the equity method of accounting. Accumulated depreciation amounts for properties consolidated which were previously accounted for under the equity method of accounting include the minority interest holders' portion of accumulated depreciation.

(6) Secured by a $260,000 cross-collateralized and cross-defaulted mortgage loan facility.

Exhibits

2	Agreement and Plan of Merger, dated as February 12, 2007, by and among SPG-FCM Ventures, LLC, SPG-FCM Acquisitions, Inc., SPG-FCM Acquisitions, L.P., The Mills Corporation, and The Mills Limited Partnership (incorporated by reference to Exhibit 2.1 to Simon Property Group, Inc.'s Current Report on Form 8-K filed February 23, 2007).
3.1	Second Amended and Restated Certificate of Limited Partnership of the Limited Partnership (incorporated by reference to Exhibit 3.1 of Simon Property Group, L.P.'s Annual Report on Form 10-K for 2002).
3.2	Eighth Amended and Restated Limited Partnership Agreement (incorporated by reference to Exhibit 10.1 of Simon Property Group, Inc.'s Current Report on Form 8-K dated May 8, 2008).
3.3	Agreement between Simon Property Group, Inc. and Simon Property Group, L.P. dated March 7, 2007, but effective as of August 27, 1999, regarding a prior agreement filed under an exhibit 99.1 to Form S-3/A of Simon Property Group, L.P. on November 20, 1996 (incorporated by reference to Exhibit 3.3 of the Registrant's 2008 Form 10-K).
4(a)	Indenture, dated as of November 26, 1996, by and among Simon Property Group, L.P. and The Chase Manhattan Bank, as trustee (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-3 filed on October 21, 1996 (Reg. No. 333-11491)).
10.1	$3,500,000,000 Credit Agreement, dated as of December 15, 2005, among Simon Property Group, L.P., the Institutions named therein as Lenders and the Institutions named therein as Co-Agents (incorporated by reference to Exhibit 99.2 of Simon Property Group, L.P.'s Current Report on Form 8-K filed on December 20, 2005).
10.2	Amendment to Credit Agreement among Simon Property Group, L.P., the Institutions named therein as Lenders and the Institutions named therein as Co-Agents, dated October 4, 2007 (incorporated by reference to Exhibit 10.3 of Simon Property Group, L.P.'s Annual Report on Form 10-K for 2007).
10.3*	Simon Property Group, L.P. 1998 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10.2 to Simon Property Group, Inc.'s Current Report on Form 8-K dated May 8, 2008).
10.4(b)	Option Agreement to acquire the Excluded Retail Property (Previously filed as Exhibit 10.10).
10.5	Voting Agreement dated as of June 20, 2004 among the Simon Property Group, Inc., Simon Property Group, L.P., and certain holders of shares of common stock of Chelsea Property Group, Inc. and/or common units of CPG Partners, L.P. (incorporated by reference to Exhibit 99.3 to the Current Report on Form 8-K filed by Simon Property Group, L.P. on June 22, 2004).
12	Statement regarding computation of ratios.
21	List of Subsidiaries of the Company (incorporated by reference to Exhibit 21 of the Registrant's 2008 Form 10-K).
23.1	Consent of Ernst & Young LLP.
31.1	Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification by the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(a) Does not include supplemental indentures which authorize the issuance of debt securities series, none of which exceeds 10% of the total assets of Simon Property Group, L.P. on a consolidated basis. Simon Property Group, L.P. agrees to file copies of any such supplemental indentures upon the request of the Commission.

(b) Incorporated by reference to the exhibit indicated filed with the Annual Report on Form 10-K for the year ended December 31, 1993 by a predecessor of Simon Property Group, L.P.

* Represents a management contract, or compensatory plan, contract or arrangement required to be filed pursuant to Regulation S-K.

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Exhibit 12

SIMON PROPERTY GROUP, L.P.
Computation of Ratio of Earnings to Fixed Charges
(in thousands)

	For the Year Ended December 31, 2008	2007	2006	2005	2004
Earnings:					
Pre-tax income from consolidated continuing operations	$ 603,141	$ 663,283	$ 741,097	$ 486,532	$ 475,222
Add:					
Pre-tax (loss) income from 50% or greater than 50% owned unconsolidated entities	(29,093)	(9,061)	45,313	49,939	46,124
Distributed income from less than 50% owned unconsolidated entities	61,482	51,594	53,000	66,165	45,909
Amortization of capitalized interest	4,927	2,462	5,027	2,772	2,525
Fixed Charges	1,254,111	1,196,718	958,818	904,324	748,643
Less:					
Income from unconsolidated entities	(32,246)	(38,120)	(110,819)	(81,807)	(81,113)
Interest capitalization	(28,451)	(37,270)	(34,073)	(15,502)	(15,546)
Earnings	**$1,833,871**	**$1,829,606**	**$1,658,363**	**$1,412,423**	**$1,221,764**
Fixed Charges:					
Portion of rents representative of the interest factor	8,996	9,032	9,052	8,869	7,092
Interest on indebtedness (including amortization of debt expense)	1,196,334	1,150,416	915,693	879,953	726,025
Interest capitalized	28,451	37,270	34,073	15,502	15,546
Loss on extinguishment of debt	20,330	—	—	—	—
Fixed Charges	**$ 1,254,111**	**$1,196,718**	**$ 958,818**	**$ 904,324**	**$ 748,643**
Ratio of Earnings to Fixed Charges	**1.46x**	**1.53x**	**1.73x**	**1.56x**	**1.63x**

For purposes of calculating the ratio of earnings to fixed charges, "earnings" have been computed by adding fixed charges, excluding capitalized interest, to income from consolidated continuing operations including income from noncontrolling interests and our share of income from 50%-owned affiliates which have fixed charges, and including our share of distributed operating income from less than 50%-owned affiliates instead of our share of income from the less than 50%-owned affiliates. There are generally no restrictions on our ability to receive distributions from our unconsolidated joint ventures where no preference in favor of the other owners of the joint venture exists. "Fixed charges" consist of interest costs, whether expensed or capitalized, the interest component of rental expenses, losses on extinguishment of debt, and amortization of debt issuance costs.

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-132513) of Simon Property Group, L.P. and in the related prospectus of our report dated February 25, 2009, except for the retrospective adjustments described in Notes 3 and 10, as to which the date is April 29, 2009, with respect to the consolidated financial statements and schedule of Simon Property Group, L.P. and Subsidiaries, and our report dated February 25, 2009, with respect to the effectiveness of internal control over financial reporting of Simon Property Group, L.P. and Subsidiaries included in this Annual Report (Form 10-K/A) for the year ended December 31, 2008.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana
May 4, 2009

Exhibit 31.1

Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David Simon, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Simon Property Group, L.P.;

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; and

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.

Date: May 8, 2009

/s/ DAVID SIMON

David Simon
Chairman of the Board of Directors and
Chief Executive Officer of
Simon Property Group, Inc., General Partner

Exhibit 31.2

Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Stephen E. Sterrett, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of Simon Property Group, L.P.;

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; and

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.

Date: May 8, 2009

/s/ STEPHEN E. STERRETT

Stephen E. Sterrett
Executive Vice President and Chief Financial Officer of
Simon Property Group, Inc., General Partner

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Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Simon Property Group, L.P., on Form 10-K/A for the period ending December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report 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 the Report fairly presents, in all material respects, the financial condition and results of operations of Simon Property Group, L.P.

/s/ DAVID SIMON

David Simon
Chairman of the Board of Directors
and Chief Executive Officer of
Simon Property Group, Inc., General Partner
May 8, 2009

/s/ STEPHEN E. STERRETT

Stephen E. Sterrett
Executive Vice President and
Chief Financial Officer of
Simon Property Group, Inc., General Partner
May 8, 2009