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

FORM 10-Q/A
(AMENDMENT NO. 2)

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

For the quarterly period ended September 30, 1998

SIMON PROPERTY GROUP, INC. (Exact name of registrant as specified in its charter)	SPG REALTY CONSULTANTS, INC. (Exact name of registrant as specified in its charter)
Delaware (State of incorporation or organization)	Delaware (State of incorporation or organization)
001-14469 (Commission File No.)	001-14469-01 (Commission File No.)
046268599 (I.R.S. Employer Identification No.)	13-2838638 (I.R.S. Employer Identification No.)
National City Center 115 West Washington Street, Suite 15 East Indianapolis, Indiana 46204 (Address of principal executive offices)	National City Center 115 West Washington Street, Suite 15 East Indianapolis, Indiana 46204 (Address of principal executive offices)
(317) 636-1600 (Registrant's telephone number, including area code)	(317) 636-1600 (Registrant's telephone number, including area code)
CORPORATE PROPERTY INVESTORS, INC. (Former name of registrant)	CORPORATE REALTY CONSULTANTS, INC. (Former name of registrant)
Three Dag Hammarskjold Plaza 307 East 47th Street New York, New York 10017 (Former address of principal executive offices)	Three Dag Hammarskjold Plaza 307 East 47th Street New York, New York 10017 (Former address of principal executive offices)

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

As of November 11, 1998, 163,574,091 shares of common stock, par value $0.0001 per share, 3,200,000 shares of Class B common stock, par value $0.0001 per share and 4,000 shares of Class C common stock, par value $0.0001 of Simon Property Group, Inc. were outstanding, and were paired with 1,667,780.91 shares of common stock, par value $0.0001 per share, of SPG Realty Consultants, Inc. outstanding on that same date.

Simon Property Group, Inc. ("SPG") and SPG Realty Consultants, Inc. ("SRC") hereby amend their Quarterly Report on Form 10-Q for the period ended September 30, 1998 to correct the combined Balance Sheet of SPG and SRC as of September 30, 1998 and the consolidated Balance Sheet of SPG as of September 30, 1998 to reflect an adjustment required with regard to the allocation of the purchase price in connection with the CPI Merger (see Note 2). SRC's financial statements have been corrected to record as expense and payable amounts paid on its behalf by CPI in 1998, including legal, accounting, investment advisory and other costs incurred in connection with the CPI Merger in the amount of $4.1 million.

SIGNATURE

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

SIMON PROPERTY GROUP, INC. AND
SPG REALTY CONSULTANTS, INC.

/s/ James M. Barkley

James M. Barkley,
Secretary/General Counsel

Date: March 29, 1999

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS - INTRODUCTION

The following unaudited financial statements of Simon Property Group, Inc. and its paired-share affiliate, SPG Realty Consultants, Inc., are provided pursuant to the requirements of this Item. In the opinion of management, all adjustments necessary for fair presentation, consisting of only normal recurring adjustments, have been included. The financial statements presented herein have been prepared in accordance with the accounting policies described in Simon DeBartolo Group, Inc.'s Annual report on Form 10-K for the year ended December 31, 1997 and the accounting policies described in the notes to Corporate Property Investors, Inc. and Corporate Realty Consultants, Inc.'s historical financial statements included in their Registration Statement on Form S-4 filed August 13, 1998, and should be read in conjunction therewith.

As described in Note 2 to the financial statements, Corporate Property Investors, Inc. was acquired by Simon DeBartolo Group, Inc. as of the close of business on September 24, 1998 in a reverse purchase. Although Simon DeBartolo Group, Inc. became a legal subsidiary of Corporate Property Investors, Inc., the shareholders of Simon DeBartolo Group, Inc. hold the majority of the outstanding common stock of Corporate Property Investors, Inc. Accordingly, Simon DeBartolo Group, Inc. is the predecessor to Simon Property Group, Inc. for accounting and reporting purposes. In connection with the acquisition, Corporate Property Investors, Inc. and Corporate Realty Consultants, Inc. were renamed 'Simon Property Group, Inc.' and 'SPG Realty Consultants, Inc.', respectively. See Note 1 to the financial statements for a description of the basis of presentation of the following unaudited financial statements.

SIMON PROPERTY GROUP, INC. AND
SPG REALTY CONSULTANTS, INC.
COMBINED CONDENSED BALANCE SHEETS
(UNAUDITED AND DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	September 30, 1998	December 31, 1997
ASSETS:		
Investment properties, at cost	$ 11,679,790	$ 6,867,354
Less-- accumulated depreciation	645,277	461,792
	11,034,513	6,405,562
Goodwill	58,134	--
Cash and cash equivalents	102,517	109,699
Restricted cash	1,685	8,553
Tenant receivables and accrued revenue, net	216,202	188,359
Notes and advances receivable from Management Company and affiliate	111,391	93,809
Investment in partnerships and joint ventures, at equity	1,206,272	612,140
Investment in Management Company and affiliates	1,334	3,192
Other investment	48,239	53,785
Deferred costs and other assets	229,451	164,413
Minority interest	29,442	23,155
Total assets	$ 13,039,180	$ 7,662,667
LIABILITIES:		
Mortgages and other indebtedness	$ 7,745,917	$ 5,077,990
Accounts payable and accrued expenses	413,903	245,121
Accrued distributions	84,496	--
Cash distributions and losses in partnerships and joint ventures, at equity	25,836	20,563
Other liabilities	77,523	67,694
Total liabilities	8,347,675	5,411,368
COMMITMENTS AND CONTINGENCIES (Note 11)		
LIMITED PARTNERS' INTEREST IN THE OPERATING PARTNERSHIPS	997,431	694,437
PREFERRED STOCK OF SUBSIDIARY	339,262	--
SHAREHOLDERS' EQUITY:		
CAPITAL STOCK OF SIMON PROPERTY GROUP, INC.:		
Series B and C cumulative redeemable preferred stock, 0 shares authorized, 0 and 11,000,000 issued and outstanding, respectively	--	339,061
Series A convertible preferred stock, 209,249 shares authorized, 209,249 and 0 issued and outstanding, respectively	267,393	--
Series B convertible preferred stock, 5,000,000 shares authorized, 4,844,331 and 0 issued and outstanding, respectively	450,523	--
Common stock, $.0001 par value, 400,000,000 shares authorized, and 163,574,091 and 106,439,001 issued and outstanding, respectively	16	10
Class B common stock, $.0001 par value, 12,000,000 shares authorized, 3,200,000 issued and outstanding	1	1
Class C common stock, $.0001 par value, 4,000 shares authorized, issued and outstanding	--	--
CAPITAL STOCK OF SPG REALTY CONSULTANTS, INC.:		
Common stock, $.0001 par value, 7,500,000 shares authorized, 1,667,780.91 issued and outstanding	--	--
Capital in excess of par value	3,081,357	1,491,908
Accumulated deficit	(420,043)	(263,308)
Unrealized gain on long-term investment	(1,260)	2,420
Unamortized restricted stock award	(22,011)	(13,230)
Total shareholders' equity	3,355,976	1,556,862
Total liabilities, limited partners' interest and shareholders' equity	$ 13,039,180	$ 7,662,667

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, INC. AND
SPG REALTY CONSULTANTS, INC.
COMBINED CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED AND DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	1998	1997	1998	1997
REVENUE:				
Minimum rent	$ 194,623	$ 152,320	$ 565,557	$ 449,693
Overage rent	2,290	8,650	22,773	26,214
Tenant reimbursements	101,927	81,413	283,898	231,444
Other income	23,498	17,400	60,742	39,901
Total revenue	322,338	259,783	932,970	747,252
EXPENSES:				
Property operating	55,600	46,203	155,858	130,228
Depreciation and amortization	61,107	48,185	177,725	135,668
Real estate taxes	31,428	23,816	90,387	73,166
Repairs and maintenance	12,424	11,107	35,974	28,653
Advertising and promotion	11,283	8,396	28,005	20,296
Provision for (recovery of) credit losses	(1,857)	(135)	1,598	2,690
Other	4,816	4,639	16,993	12,818
Total operating expenses	174,801	142,211	506,540	403,519
OPERATING INCOME	147,537	117,572	426,430	343,733
INTEREST EXPENSE	97,331	68,940	281,751	203,934
INCOME BEFORE MINORITY INTEREST	50,206	48,632	144,679	139,799
MINORITY INTEREST	(1,108)	(1,423)	(4,704)	(3,648)
GAIN (LOSS) ON SALES OF ASSETS	(64)	--	(7,283)	20
INCOME BEFORE UNCONSOLIDATED ENTITIES	49,034	47,209	132,692	136,171
INCOME FROM UNCONSOLIDATED ENTITIES	3,817	7,077	8,797	9,590
INCOME BEFORE EXTRAORDINARY ITEMS	52,851	54,286	141,489	145,761
EXTRAORDINARY ITEMS	(22)	27,215	7,002	2,501
INCOME BEFORE LIMITED PARTNERS' INTERESTS	52,829	81,501	148,491	148,262
LESS:				
LIMITED PARTNERS' INTEREST IN THE OPERATING PARTNERSHIPS	15,789	27,758	45,368	48,522
PREFERRED DIVIDENDS OF SUBSIDIARY	482	--	482	--
NET INCOME	36,558	53,743	102,641	99,740
PREFERRED DIVIDENDS	(7,592)	(9,101)	(22,260)	(21,914)
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$ 28,966	$ 44,642	$ 80,381	$ 77,826
BASIC EARNINGS PER PAIRED SHARE:				
Income before extraordinary items	$ 0.25	$ 0.28	$ 0.67	$ 0.78
Extraordinary items	--	0.17	0.04	0.02
Net income	$ 0.25	$ 0.45	$ 0.71	$ 0.80
DILUTED EARNINGS PER PAIRED SHARE:				
Income before extraordinary items	$ 0.25	$ 0.28	$ 0.67	$ 0.78
Extraordinary items	--	0.17	0.04	0.02
Net income	$ 0.25	$ 0.45	$ 0.71	$ 0.80

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, INC. AND
SPG REALTY CONSULTANTS, INC.
COMBINED CONDENSED STATEMENTS OF CASH FLOWS

(UNAUDITED AND DOLLARS IN THOUSANDS)

	For the Nine Months Ended September 30, 1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 102,641	$ 99,740
Adjustments to reconcile net income to net cash provided by operating activities--		
Depreciation and amortization	185,798	140,927
Extraordinary items	(7,002)	(2,501)
(Gain) loss on sales of assets, net	7,283	(20)
Limited partners' interest in Operating Partnership	45,368	48,522
Straight-line rent	(5,892)	(6,378)
Minority interest	4,704	3,648
Equity in income of unconsolidated entities	(8,797)	(9,590)
Changes in assets and liabilities--		
Tenant receivables and accrued revenue	(3,942)	(1,341)
Deferred costs and other assets	(10,516)	(18,906)
Accounts payable, accrued expenses and other liabilities	41,648	8,151
Net cash provided by operating activities	351,293	262,252
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(1,881,183)	(736,600)
Capital expenditures	(233,200)	(219,672)
Change in restricted cash	6,868	(8,829)
Cash from acquisitions	17,213	--
Net proceeds from sales of assets	46,087	599
Investments in unconsolidated entities	(28,726)	(63,656)
Distributions from unconsolidated entities	164,914	22,199
Investments in and advances to Management Company	(19,915)	--
Other investing activity	--	(55,400)
Net cash used in investing activities	(1,927,942)	(1,061,359)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common and convertible preferred stock, net	114,629	327,101
Minority interest distributions, net	(10,991)	(2,825)
Distributions to shareholders	(205,697)	(168,263)
Distributions to limited partners	(104,139)	(91,632)
Mortgage and other note proceeds, net of transaction costs	3,305,199	1,595,202
Mortgage and other note principal payments	(1,529,534)	(852,906)
Other refinancing transaction	--	(21,000)
Net cash provided by financing activities	1,569,467	785,677
DECREASE IN CASH AND CASH EQUIVALENTS	(7,182)	(13,430)
CASH AND CASH EQUIVALENTS, beginning of period	109,699	64,309
CASH AND CASH EQUIVALENTS, end of period	$ 102,517	$ 50,879

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(UNAUDITED AND DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	September 30, 1998	December 31, 1997
ASSETS:		
Investment properties, at cost	$ 11,646,393	$ 6,867,354
Less-- accumulated depreciation	634,277	461,792
	11,012,116	6,405,562
Goodwill	58,134	--
Cash and cash equivalents	78,971	109,699
Restricted cash	1,685	8,553
Tenant receivables and accrued revenue, net	215,703	188,359
Due from SRC (Note 10)	4,093	--
Notes and advances receivable from Management Company and affiliates	131,956	93,809
Investment in partnerships and joint ventures, at equity	1,203,118	612,140
Investment in Management Company and affiliates	1,334	3,192
Other investment	48,239	53,785
Deferred costs and other assets	228,759	164,413
Minority interest	29,442	23,155
Total assets	$ 13,013,550	$ 7,662,667
LIABILITIES:		
Mortgages and other indebtedness	$ 7,744,926	$ 5,077,990
Accounts payable and accrued expenses	413,903	245,121
Accrued distributions	84,496	--
Cash distributions and losses in partnerships and joint ventures, at equity	25,836	20,563
Other liabilities	73,590	67,694
Total liabilities	8,342,751	5,411,368
COMMITMENTS AND CONTINGENCIES (Note 11)		
LIMITED PARTNERS' INTEREST IN THE SPG OPERATING PARTNERSHIP	990,378	694,437
PREFERRED STOCK OF SUBSIDIARY	339,262	--
SHAREHOLDERS' EQUITY:		
Series B and C cumulative redeemable preferred stock, 0 shares authorized, 0 and 11,000,000 issued and outstanding, respectively	--	339,061
Series A convertible preferred stock, 209,249 shares authorized, 209,249 and 0 issued and outstanding, respectively	267,393	--
Series B convertible preferred stock, 5,000,000 shares authorized, 4,844,331 and 0 issued and outstanding, respectively	450,523	--
Common stock, $.0001 par value, 400,000,000 shares authorized, and 163,574,091 and 106,439,001 issued and outstanding, respectively	16	10
Class B common stock, $.0001 par value, 12,000,000 shares authorized, 3,200,000 issued and outstanding	1	1
Class C common stock, $.0001 par value, 4,000 shares authorized, issued and outstanding	--	--
Capital in excess of par value	3,066,526	1,491,908
Accumulated deficit	(420,029)	(263,308)
Unrealized gain on long-term investment	(1,260)	2,420
Unamortized restricted stock award	(22,011)	(13,230)
Total shareholders' equity	3,341,159	1,556,862
Total liabilities, limited partners' interest and shareholders' equity	$ 13,013,550	$ 7,662,667

The accompanying notes are an integral part of these statements.

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	1998	1997	1998	1997
REVENUE:				
Minimum rent	$ 194,597	$ 152,320	$ 565,531	$ 449,693
Overage rent	2,290	8,650	22,773	26,214
Tenant reimbursements	101,935	81,413	283,906	231,444
Other income	23,515	17,400	60,759	39,901
Total revenue	322,337	259,783	932,969	747,252
EXPENSES:				
Property operating	55,592	46,203	155,850	130,228
Depreciation and amortization	61,092	48,185	177,710	135,668
Real estate taxes	31,428	23,816	90,387	73,166
Repairs and maintenance	12,424	11,107	35,974	28,653
Advertising and promotion	11,283	8,396	28,005	20,296
Provision for (recovery of) credit losses	(1,857)	(135)	1,598	2,690
Other	4,812	4,639	16,989	12,818
Total operating expenses	174,774	142,211	506,513	403,519
OPERATING INCOME	147,563	117,572	426,456	343,733
INTEREST EXPENSE	97,329	68,940	281,749	203,934
INCOME BEFORE MINORITY INTEREST	50,234	48,632	144,707	139,799
MINORITY INTEREST	(1,108)	(1,423)	(4,704)	(3,648)
GAIN (LOSS) ON SALES OF ASSETS	(64)	--	(7,283)	20
INCOME BEFORE UNCONSOLIDATED ENTITIES	49,062	47,209	132,720	136,171
INCOME FROM UNCONSOLIDATED ENTITIES	3,809	7,077	8,789	9,590
INCOME BEFORE EXTRAORDINARY ITEMS	52,871	54,286	141,509	145,761
EXTRAORDINARY ITEMS	(22)	27,215	7,002	2,501
INCOME BEFORE LIMITED PARTNERS' INTEREST	52,849	81,501	148,511	148,262
LESS:				
LIMITED PARTNERS' INTEREST IN THE SPG OPERATING PARTNERSHIP	15,795	27,758	45,374	48,522
PREFERRED DIVIDENDS OF SUBSIDIARY	482	--	482	--
NET INCOME	36,572	53,743	102,655	99,740
PREFERRED DIVIDENDS	(7,592)	(9,101)	(22,260)	(21,914)
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$ 28,980	$ 44,642	$ 80,395	$ 77,826
BASIC EARNINGS PER COMMON SHARE:				
Income before extraordinary items	$ 0.25	$ 0.28	$ 0.67	$ 0.78
Extraordinary items	--	0.17	0.04	0.02
Net income	$ 0.25	$ 0.45	$ 0.71	$ 0.80
DILUTED EARNINGS PER COMMON SHARE:				
Income before extraordinary items	$ 0.25	$ 0.28	$ 0.67	$ 0.78
Extraordinary items	--	0.17	0.04	0.02
Net income	$ 0.25	$ 0.45	$ 0.71	$ 0.80

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

(UNAUDITED AND DOLLARS IN THOUSANDS)

	For the Nine Months Ended September 30, 1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 102,655	$ 99,740
Adjustments to reconcile net income to net cash provided by operating activities--		
Depreciation and amortization	185,798	140,927
Extraordinary items	(7,002)	(2,501)
(Gain) loss on sales of assets, net	7,283	(20)
Limited partners' interest in Operating Partnership	45,374	48,522
Straight-line rent	(5,892)	(6,378)
Minority interest	4,704	3,648
Equity in income of unconsolidated entities	(8,789)	(9,590)
Changes in assets and liabilities--		
Tenant receivables and accrued revenue	(5,516)	(1,341)
Deferred costs and other assets	(10,516)	(18,906)
Accounts payable, accrued expenses and other liabilities	41,648	8,151
Net cash provided by operating activities	349,747	262,252
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(1,881,183)	(736,600)
Capital expenditures	(233,200)	(219,672)
Change in restricted cash	6,868	(8,829)
Cash from acquisitions	17,213	--
Net proceeds from sales of assets	46,087	599
Investments in unconsolidated entities	(28,726)	(63,656)
Distributions from unconsolidated entities	164,914	22,199
Investments in and advances to Management Company	(19,915)	--
Other investing activity	--	(55,400)
Net cash used in investing activities	(1,927,942)	(1,061,359)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common and convertible preferred stock, net	92,629	327,101
Minority interest distributions, net	(10,991)	(2,825)
Distributions to shareholders	(205,697)	(168,263)
Distributions to limited partners	(104,139)	(91,632)
Mortgage and other note proceeds, net of transaction costs	3,305,199	1,595,202
Mortgage and other note principal payments	(1,529,534)	(852,906)
Other refinancing transaction	--	(21,000)
Net cash provided by financing activities	1,547,467	785,677
DECREASE IN CASH AND CASH EQUIVALENTS	(30,728)	(13,430)
CASH AND CASH EQUIVALENTS, beginning of period	109,699	64,309
CASH AND CASH EQUIVALENTS, end of period	$ 78,971	$ 50,879

The accompanying notes are an integral part of these statements.

SPG REALTY CONSULTANTS, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(UNAUDITED AND DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	September 30, 1998	December 31, 1997
ASSETS:		
Investment properties, at cost	$ 33,397	$ 32,146
Less-- accumulated depreciation	11,000	10,613
	22,397	21,533
Cash and cash equivalents	23,546	4,147
Tenant Receivables	499	478
Investments in joint ventures, at equity	3,154	18,007
Other	1,158	1,898
Total assets	$ 50,754	$ 46,063
LIABILITIES:		
Mortgages and other indebtedness	$ 991	$ 1,184
Notes payable to affiliate	20,565	35,634
Deferred taxes	3,374	3,564
Payable to SPG (Note 10)	4,093	--
Other liabilities	1,025	1,365
Total liabilities	30,048	41,747
COMMITMENTS AND CONTINGENCIES (Note 11)		
LIMITED PARTNERS' INTEREST IN THE SRC OPERATING PARTNERSHIP	5,889	--
SHAREHOLDERS' EQUITY:		
Common stock, $.0001 par value, respectively, 7,500,000 shares authorized, 1,667,780.91 and 558,730.87 issued and outstanding, respectively	--	--
Capital in excess of par value	29,822	13,620
Accumulated deficit	(15,005)	(9,304)
Total shareholders' equity	14,817	4,316
Total liabilities, limited partners' interest and shareholders' equity	$ 50,754	$ 46,063

The accompanying notes are an integral part of these statements.

SPG REALTY CONSULTANTS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED AND DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	1998	1997	1998	1997
REVENUE:				
Minimum rent	$ 773	$ 597	$ 2,330	$ 2,370
Tenant reimbursements	165	210	635	779
Management fee income	1	439	4	1,304
Other income	73	41	181	232
Total revenue	1,012	1,287	3,150	4,685
EXPENSES:				
Property operating	759	737	2,126	2,262
Depreciation and amortization	237	236	701	660
Management fees	17	396	94	1,183
Merger-related costs	4,093	--	4,093	--
Administrative and other	97	72	362	227
Total operating expenses	5,203	1,441	7,376	4,332
OPERATING INCOME	(4,191)	(154)	(4,226)	353
INTEREST EXPENSE	337	340	1,013	1,025
INCOME BEFORE GAIN ON SALE OF PARTNERSHIP INTERESTS	(4,528)	(494)	(5,239)	(672)
GAIN ON SALES OF PARTNERSHIP INTERESTS	--	--	--	1,259
INCOME (LOSS) BEFORE UNCONSOLIDATED ENTITIES	(4,528)	(494)	(5,239)	587
INCOME FROM UNCONSOLIDATED ENTITIES	124	155	398	462
INCOME (LOSS) OF THE SRC OPERATING PARTNERSHIP	(4,404)	(339)	(4,841)	1,049
LIMITED PARTNERS' INTEREST IN THE SRC OPERATING PARTNERSHIP	(6)	--	(6)	--
INCOME (LOSS) BEFORE INCOME TAXES	(4,398)	(339)	(4,835)	1,049
PROVISION (BENEFIT) FOR INCOME TAXES	(3)	(124)	(193)	361
NET INCOME	$(4,395)	$ (215)	$(4,642)	$ 688
BASIC AND DILUTED EARNINGS PER COMMON SHARE	$ (6.56)	$ (.38)	$ (7.79)	$ 1.21
BASIC AND DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING	670	569	596	569

The accompanying notes are an integral part of these statements.

SPG REALTY CONSULTANTS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

(UNAUDITED AND DOLLARS IN THOUSANDS)

	For the Nine Months Ended September 30,	
	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (4,642)	$ 688
Adjustments to reconcile net income to net cash provided by operating activities--		
Depreciation and amortization	701	660
Gain on sale of assets, net	--	(1,259)
Limited partners' interest in SRC Operating Partnership	6	--
Equity in income of unconsolidated entities	(398)	(462)
Changes in assets and liabilities--		
Tenant receivables and other assets	719	662
Deferred taxes	(190)	(299)
Other liabilities	3,762	147
Net cash provided by (used in) operating activities	(42)	137
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(1,565)	(65)
Net proceeds from sales of assets	--	4,231
Investments in unconsolidated entities	(3,921)	(13,923)
Distributions from unconsolidated entities	19,151	591
Net cash provided by (used in) investing activities	13,665	(9,166)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common stock, net	14,097	(1,388)
Contributions from limited partners	8,000	
Acquisition and retirement of common stock	--	(771)
Distributions to shareholders	(1,059)	(872)
Mortgage and other note proceeds, net of transaction costs	2,408	12,036
Mortgage and other note principal payments	(17,670)	(117)
Net cash provided (used in) by financing activities	5,776	8,888
CHANGE IN CASH AND CASH EQUIVALENTS	19,399	(141)
CASH AND CASH EQUIVALENTS, beginning of period	4,147	4,797
CASH AND CASH EQUIVALENTS, end of period	$ 23,546	$ 4,656

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, INC. AND
SPG REALTY CONSULTANTS, INC.

NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

(Dollars in thousands, except per share amounts)

NOTE 1 - BASIS OF PRESENTATION

The accompanying combined consolidated financial statements include Simon Property Group, Inc. ("SPG") and subsidiaries and its paired-share affiliate SPG Realty Consultants, Inc. ("SRC" and together with SPG, the "Company") and its subsidiary. All significant intercompany amounts have been eliminated. The combined balance sheets and statements of operations and cash flows reflect the purchase of Corporate Property Investors, Inc. ("CPI") and related transactions (the "CPI Merger") as of the close of business on September 24, 1998. Operating results prior to the completion of the CPI Merger represent the operating results of Simon DeBartolo Group, Inc. and subsidiaries ("SDG"), the predecessor to SAG for financial reporting purposes.

The accompanying consolidated financial statements for SPG include the accounts of SPG and its subsidiaries. All significant intercompany amounts have been eliminated. SPG's primary subsidiary is Simon Property Group, L.P. (the "SPG Operating Partnership"), formerly known as Simon DeBartolo Group, L.P. ("SDG, LP"). The balance sheets and statements of operations and cash flows reflect the purchase of CPI as of the close of business on September 24, 1998. Operating results prior to the CPI Merger represent the operating results of SDG.

The accompanying consolidated financial statements of the paired share affiliate, SRC, include the accounts of its newly formed subsidiary, SPG Realty Consultants, L.P. (the "SRC Operating Partnership"). Because the cash contributed to SRC and the SRC Operating Partnership in exchange for shares of common stock and units of ownership interests ("Units"), in connection with the CPI Merger represented equity transactions, SRC, unlike CPI, is not subject to purchase accounting treatment. The separate statements of SRC represent the historical results of Corporate Realty Consultants, Inc. ("CRC"), the predecessor to SRC, for all periods presented.

The SRC Operating Partnership together with the SPG Operating Partnership are hereafter referred to as the "Operating Partnerships" and together with the Company, "Simon Group".

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from these estimations.

Outstanding common shares of SPG are paired with 1/100th of a share of SRC. The Company is a self-administrated and self-managed, paired-shared real estate investment trust ("REIT"), and is engaged primarily in the ownership, operation, management, leasing, acquisition, expansion and development of real estate properties, primarily regional malls and community shopping centers. As of September 30, 1998, Simon Group owned or held a combined interest in 241 income-producing properties, which consisted of 153 regional malls, 76 community shopping centers, three specialty retail centers, six office and mixed-use properties and three value-oriented super-regional malls in 35 states (the "Properties"). Simon Group also owned interests in one regional mall, one specialty retail center and one value-oriented super-regional mall under construction, an additional two community centers in the final stages of pre-development and eight parcels of land held for future development. In addition, Simon Group holds substantially all of the economic interest in M.S. Management Associates, Inc. (The "Management Company" - See Note 7). Simon Group holds substantially all of the economic interest in, and the Management Company holds substantially all of the voting stock of, DeBartolo Properties Management, Inc. ("DPMI"), which provides architectural, design, construction and other services to substantially all of the Properties, as well as certain other regional malls and community shopping centers owned by third parties. The Company owned 71.6% and 63.9% of the Operating Partnerships at September 30, 1998 and December 31, 1997, respectively.

NOTE 2 - CPI MERGER

For financial reporting purposes, as of the close of business on September 24, 1998, pursuant to the Agreement and Plan of Merger dated February 18, 1998, among Simon DeBartolo Group, Inc., Corporate Property Investors, Inc., and Corporate Realty Consultants, Inc., the CPI Merger was consummated.

Pursuant to the terms of the CPI Merger, SPG Merger Sub, Inc., a substantially wholly-owned subsidiary of CPI, merged with and into SDG with SDG continuing as the surviving company. SDG became a majority-owned subsidiary of CPI. The outstanding shares of common stock of SDG were exchanged for a like number of shares of CPI. Beneficial interests in CRC were acquired for $22,000 in order to pair the common stock of CPI with 1/100th of a share of common stock of CRC, the paired share affiliate.

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

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

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

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

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

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

NOTE 3 - RECLASSIFICATIONS

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

NOTE 4 - PER SHARE DATA

In accordance with SFAS No. 128 (Earnings Per Share), basic earnings per share is based on the weighted average number of shares of common stock outstanding during the period and diluted earnings per share is based on the weighted average number of shares of common stock outstanding combined with the incremental weighted average shares that would have been outstanding if all dilutive potential common shares would have been converted into shares at the earliest date possible. The weighted average number of shares of common stock used in the computation for the three-month periods ended September 30, 1998 and 1997 was 117,149,600 and 98,785,776, respectively. The weighted average number of shares of common stock used in the computation for the nine-month periods ended September 30, 1998 and 1997 was 112,956,863 and 97,766,243, respectively. The diluted weighted average number of shares used in the computation for the three-month periods ended September 30, 1998 and 1997 was 117,474,932 and 99,170,829, respectively. The diluted weighted average number of shares used in the computation for the nine-month periods ended September 30, 1998 and 1997 was 113,325,309 and 98,147,087, respectively.

Combined earnings per share is presented in the financial statements based upon the weighted average number of paired shares outstanding of the Company, giving effect to the CPI Merger as of the close of business on September 24, 1998. Management believes this presentation provides the shareholders with the most meaningful presentation of earnings for a single interest in the combined entities.

Paired Units held by limited partners in the Operating Partnerships may be exchanged for paired shares of common stock of the Company, on a one-for-one basis in certain circumstances. If exchanged, the paired Units would not have a dilutive effect. All of the series of preferred stock issued and outstanding during the comparative periods either were not convertible or their conversion would not have had a dilutive effect on earnings per share. The increase in weighted average shares outstanding under the diluted method over the basic method in every period presented for the Company is due entirely to the effect of outstanding options under the Company's stock incentive plan, including 304,210 additional options issued in connection with the CPI Merger. Basic earnings and diluted earnings were the same for all periods presented.

NOTE 5 - CASH FLOW INFORMATION

Cash paid for interest, net of amounts capitalized, during the nine months ended September 30, 1998 was $256,611, as compared to $199,285 for the same period in 1997. Unpaid distributions as of September 30, 1998 totaled $84,496 and included $83,978 to the Company's common stockholders and limited partnership units of the SPG Operating Partnership and $518 to the holders of the Series B Convertible Preferred stock issued in connection with the CPI Merger. All accrued distributions were paid as of December 31, 1997. See Notes 1,4 and 9 for information about non-cash transactions during the nine months ended September 30, 1998.

NOTE 6 - OTHER ACQUISITIONS, DISPOSITIONS AND DEVELOPMENTS

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

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

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

Effective May 5, 1998, in a series of transactions, Simon Group acquired the remaining 50.1% interest in Rolling Oaks Mall for 519,889 shares of SPG's common stock, valued at approximately $17,176.

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

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

PRO FORMA

The following unaudited pro forma summary financial information excludes any extraordinary items and combines the consolidated results of operations of SPG and SRC as if the CPI Merger and the RPT acquisition had occurred as of January 1, 1997, and were carried forward through September 30, 1998. Preparation of the pro forma summary information was based upon assumptions deemed appropriate by management. The pro forma summary information is not necessarily indicative of the results which actually would have occurred if the CPI Merger and the RPT acquisition had been consummated at January 1, 1997, nor does it purport to represent the results of operations for future periods.

	NINE MONTHS ENDED SEPTEMBER 30, 1998	NINE MONTHS ENDED SEPTEMBER 30, 1997
Revenue	$ 1,240,018	$ 1,153,576
Net income before Limited Partners' interest	$ 182,494	$ 236,485
Net income available to common shareholders	$ 90,753	$ 128,162
Net income per share	$ 0 .55	$ 0.84
Net income per share - assuming dilution	$ 0 .55	$ 0.84
Weighted average number of shares of common stock outstanding	164,868,865	152,379,137
Weighted average number of shares of common stock outstanding - assuming dilution	165,237,311	152,759,981

NOTE 7 - INVESTMENT IN UNCONSOLIDATED ENTITIES

Partnerships and Joint Ventures

On February 27, 1998, Simon Group, in a joint venture partnership with The Macerich Company ("Macerich"), acquired a portfolio of twelve regional malls and two community centers (the "IBM Properties") comprising approximately 10.7 million square feet of GLA at a purchase price of $974,500, including the assumption of $485,000 of indebtedness. Simon Group and Macerich, as noncontrolling 50/50 partners in the joint venture, were each responsible for one half of the purchase price, including indebtedness assumed and each assumed leasing and management responsibilities for six of the regional malls and one community center. Simon Group funded its share of the cash portion of the purchase price using borrowings from a new $300,000 unsecured revolving credit facility. (See Note 8)

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

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

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

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

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

BALANCE SHEETS	September 30, 1998	December 31, 1997
ASSETS:		
Investment properties at cost, net	$4,131,774	$2,880,094
Cash and cash equivalents	144,919	101,582
Tenant receivables	141,360	87,008
Other assets	129,983	71,548
Total assets	$4,548,036	$3,140,232
LIABILITIES AND PARTNERS' EQUITY:		
Mortgages and other indebtedness	$2,819,094	$1,888,512
Accounts payable, accrued expenses and other liabilities	227,631	212,543
Total liabilities	3,046,725	2,101,055
Partners' equity	1,501,311	1,039,177
Total liabilities and partners' equity	$4,548,036	$3,140,232
SIMON GROUP'S SHARE OF:		
Total assets	$1,803,056	$1,082,232
Partners' equity	$ 526,672	$ 297,866
Add Excess Investment (See below)	653,764	293,711
Simon Group's Net Investment in Joint Ventures	$1,180,436	$ 591,577

STATEMENTS OF OPERATIONS	For the three months ended September 30, 1998	1997	For the nine months ended September 30, 1998	1997
REVENUE:				
Minimum rent	$ 108,924	$ 62,613	$ 306,486	$ 168,817
Overage rent	426	2,319	8,236	5,633
Tenant reimbursements	51,775	27,913	138,433	77,491
Other income	5,985	5,384	17,205	12,747
Total revenue	167,110	98,229	470,360	264,688
OPERATING EXPENSES:				
Operating expenses and other	59,044	33,660	166,547	94,575
Depreciation and amortization	33,324	18,518	94,949	53,579
Total operating expenses	92,368	52,178	261,496	148,154
OPERATING INCOME	74,742	46,051	208,864	116,534
INTEREST EXPENSE	45,569	21,577	130,747	63,155
EXTRAORDINARY LOSSES	2,060	--	2,102	1,182
NET INCOME	27,113	24,474	76,015	52,197
THIRD PARTY INVESTORS' SHARE OF NET INCOME	21,811	17,970	55,841	38,347
SIMON GROUP'S SHARE OF NET INCOME	$ 5,302	$ 6,504	$ 20,174	$ 13,850
AMORTIZATION OF EXCESS INVESTMENT (SEE BELOW)	(3,636)	(2,823)	(9,038)	(8,792)
INCOME FROM UNCONSOLIDATED ENTITIES	$ 1,666	$ 3,681	$ 11,136	$ 5,058

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

three-month periods ended September 30, 1998 and September 30, 1997 was $3,636 and $2,823, respectively. Amortization included in income from unconsolidated entities for the nine-month periods ended September 30, 1998 and September 30, 1997 was $9,038 and $8,792, respectively.

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

The Management Company

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

NOTE 8 - DEBT

On February 28, 1998, Simon Group obtained an unsecured revolving credit facility in the amount of $300,000, to finance the acquisition of the IBM Properties (See Note 7). The new facility bore interest at LIBOR plus 0.65% and had a maturity of August 27, 1998. Simon Group drew $242,000 on this facility during 1998 and subsequently retired and canceled the facility using borrowing from the Credit Facility (See below).

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

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

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

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

$50,700 to consolidated indebtedness. A net premium of $19,165 was recorded in accordance with the purchase method of accounting to adjust the CPI Notes and mortgage indebtedness assumed in the CPI Merger to fair value, which is being amortized over the remaining lives of the related indebtedness.

At September 30, 1998, Simon Group had consolidated debt of $7,745,917, of which $5,362,285 was fixed-rate debt and $2,383,632 was variable-rate debt. Simon Group's pro rata share of indebtedness of the unconsolidated joint venture Properties as of September 30, 1998 and December 31, 1997 was $1,307,974 and $770,776, respectively. As of September 30, 1998 and December 31, 1997, Simon Group had interest-rate protection agreements related to $1,224,493 and $415,254 of its pro rata share of indebtedness, respectively. The agreements are generally in effect until the related variable-rate debt matures. As a result of the various interest rate protection agreements, consolidated interest savings were $122 and $285 for the three months ended September 30, 1998 and 1997, respectively, and were $301 and $1,371 for the nine months ended September 30, 1998 and 1997, respectively.

NOTE 9 - SHAREHOLDERS' EQUITY

The following table summarizes the changes in the combined shareholders' equity of the Company and SRC since December 31, 1997.

	SPG Preferred Stock	SPG Common Stock	SRC Common Stock	Unrealized Gain (Loss) on Investment(1)	Capital in Excess of Par Value
Balance at December 31, 1997	$ 339,061	$ 11	$ 0	$ 2,420	$ 1,491,908
Common stock issued to the public (2,957,335 shares)		1			91,398
The CPI Merger (2)	717,916	5	--		1,773,401
Preferred stock of subsidiary	(339,061)				
Common stock issued in connection with acquisitions (519,889 shares)					17,176
Other common stock issued, net (579,302 shares)					18,332
Amortization of stock incentive					
Adjustment to the limited partners' interest in the Operating Partnerships					(310,858)
Distributions					
Subtotal	717,916	17	--	2,420	3,081,357
Comprehensive Income:					
Unrealized loss on investment (1)				(3,680)	
Net income					
Total Comprehensive Income				(3,680)	
Balance at September 30, 1998	$ 717,916	$ 17	$ --	$ (1,260)	$ 3,081,357

	Accumulated Deficit	Unamortized Restricted Stock Award	Total Shareholders' Equity
Balance at December 31, 1997	$ (263,308)	$ (13,230)	$ 1,556,862
Common stock issued to the public (2,957,335 shares)			91,399
The CPI Merger (2)			2,491,322
Preferred stock of subsidiary			(339,061)
Common stock issued in connection with acquisitions (519,889 shares)			17,176
Other common stock issued, net (579,302 shares)		(16,080)	2,252
Amortization of stock incentive		7,299	7,299
Adjustment to the limited partners' interest in the Operating Partnerships			(310,858)
Distributions	(259,376)		(259,376)
Subtotal	(522,684)	(22,011)	3,257,015
Comprehensive Income:			
Unrealized loss on investment (1)			(3,680)
Net income	102,641		102,641
Total Comprehensive Income	102,641		98,961

Balance at September 30, 1998	$ (420,043)	$ (22,011)	$ 3,355,976

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

(2) In connection with the CPI Merger, 53,078,564 shares of common stock were issued. Notes receivable and permanent restrictions relating to common shares purchased by former employees of CPI of approximately $26,100 have been deducted from capital in excess of par.

Stock Incentive Programs

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

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

Capital Stock

In connection with the CPI Merger, SPG restated its certificate of incorporation to, among other things, restate the number of shares and classes of capital stock authorized for issuance. SPG is now authorized to issue up to 750,000,000 shares, par value $0.0001 per share, of capital stock. The authorized shares of capital stock consist of 400,000,000 shares of common stock, 12,000,000 shares of Class B common stock, 4,000 shares of Class C common stock, 100,000,000 shares of preferred stock, including 209,249 shares of Series A Convertible Preferred Stock and 5,000,000 shares of Class B Convertible Preferred Stock, and 237,996,000 shares of excess common stock.

The articles of incorporation of SRC were also restated in conjunction with the CPI Merger. SRC is now authorized to issue up to 7,500,000 shares, par value $0.0001 per share, of common stock. SRC's historical shares and per share amount have been adjusted to give effect to the change in SRC's par value of common stock from $.10 per share to $.0001 per share and to the CPI Merger exchange ratio of 2.0818 and to change the pairing of SRC's stock from 1/10th to 1/100th.

Common Stock Issuances

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

Preferred Stock

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

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

Preferred Stock of Subsidiary

In connection with the CPI Merger, SPG Properties, Inc., formerly Simon DeBartolo Group, Inc., became a subsidiary of SPG. Accordingly, the 11,000,000 shares of Series B and Series C cumulative redeemable preferred stock issued by SPG Properties, Inc. have been reflected outside of equity of SPG and The Company as Preferred Stock of Subsidiary as of the date of the CPI Merger.

NOTE 10 - RELATED PARTY TRANSACTIONS

SRC receives rental and operating expense recovery income from SPG Operating Partnership for space leased in the New York City office building, a portion of which SPG Operating Partnership occupies. Rental and operating expense recovery income earned from SPG Operating Partnership and CPI, amounted to approximately $1,660 and $1,531 for the nine months ended September 30, 1998 and 1997, respectively. In addition, SPG Operating Partnership receives ground rent from SRC on the land, which the New York City office building is built upon. Ground rent received for the period from the CPI Merger through September 30, 1998 was nominal.

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

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

NOTE 11 - COMMITMENTS AND CONTINGENCIES

LITIGATION

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

Carlo Angostinelli et al. v. DeBartolo Realty Corp. et al. On October 16, 1996, a complaint was filed in the Court of Common Pleas of Mahoning County, Ohio, captioned Carlo Angostinelli et al. v. DeBartolo Realty Corp. et al. The named defendants are SD Property Group, Inc., a indirect 99%-owned subsidiary of the Company, and DPMI, and the plaintiffs are 27 former employees of the defendants. In the complaint, the plaintiffs alleged that they were recipients of deferred stock grants under the DRC Plan and that these grants immediately vested under the DRC Plan's "change in control" provision as a result of the DRC Merger. Plaintiffs asserted that the defendants' refusal to issue them approximately 661,000 shares of DRC common stock, which is equivalent to approximately 450,000 shares of common stock of the Company computed at the 0.68 exchange ratio used in the DRC Merger, constituted a breach of contract and a breach of the implied covenant of good faith and fair dealing under Ohio law. Plaintiffs sought damages equal to such number of shares of DRC common stock, or cash in lieu thereof, equal to all deferred stock ever granted to them under the DRC Plan, dividends on such stock from the time of the grants, compensatory damages for breach of the implied covenant of good faith and fair dealing, and punitive damages. The complaint was served on the defendants on October 28, 1996. The plaintiffs and the Company each filed motions for summary judgment. On October 31, 1997, the Court entered a judgment in favor of the Company granting the Company's motion for summary judgment. The plaintiffs have appealed this judgment and the matter is pending. While it is difficult to predict the ultimate outcome of this action, based on the information known to date, it is not expected that this action will have a material adverse effect on Simon Group.

Roel Vento et al v. Tom Taylor et al. An affiliate of the Company is a defendant in litigation entitled Roel Vento et al v. Tom Taylor et al, in the District Court of Cameron County, Texas, in which a judgment in the amount of $7,800 has been entered against all defendants. This judgment includes approximately $6,500 of punitive damages and is based upon a jury's findings on four separate theories of liability including fraud, intentional infliction of emotional distress, tortuous interference with contract and civil conspiracy arising out of the sale of a business operating under a temporary license agreement at Valle Vista Mall in Harlingen, Texas. The Company is seeking to overturn the award and has appealed the verdict. The Company's appeal is pending.

Although management is optimistic that the Company may be able to reverse or reduce the verdict, there can be no assurance thereof. Management, based upon the advice of counsel, believes that the ultimate outcome of this action will not have a material adverse effect on the Simon Group.

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

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENTS

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

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

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

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

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0001063761
SIMON PROPERTY GROUP INC
1,000

9-MOS
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SEP-30-1998
78,971
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13,013,550
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932,969
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141,509
0
7,002
0
102,655
0.72
0.72

Receivables are stated net of allowances.
The Registrant does not report using a classified balance sheet.
Includes limited partner's interest in the Operating Partnership of
$990,378, and preferred stock of subsidiary of $339,262.

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0001067173
SPG REALTY CONSULTANTS INC
1,000

9-MOS
DEC-31-1998
SEP-30-1998
23,546
0
499
0
0
0
33,397
11,000
50,754
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21,556
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14,817
50,754
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3,150
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7,376
0
0
1,013
(4,835)
(193)
(4,642)
(4,642)
0
0
(4,642)
(7.79)
(7.79)

Receivables are stated net of allowances.
The Registrant does not report using a classified balance sheet.
Includes limited partner's interest in the SRC Operating Partnership of $5,889.