TAUBMAN CENTERS INC

FORM 10-Q
(Quarterly Report)

Filed 08/13/01 for the Period Ending 06/30/01

Address	200 E LONG LAKE RD SUITE 300 P O BOX 200 BLOOMFIELD HILLS, MI 48303-0200
Telephone	2482586800
CIK	0000890319
Symbol	TCO
SIC Code	6798 - Real Estate Investment Trusts
Industry	Real Estate Operations
Sector	Services
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

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

For the Quarter Ended: June 30, 2001
Commission File No. 1-11530

Taubman Centers, Inc.
(Exact name of registrant as specified in its charter)

Michigan	38-2033632
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

200 East Long Lake Road, Suite 300, P.O. Box 200, Bloomfield Hills, Michigan
(Address of principal executive offices)

(248) 258-6800
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to
13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for su
that the registrant was required to file such reports), and (2) has been subject to such filing
the past 90 days.

Yes X . No .

As of August 10, 2001, there were outstanding 51,021,138 shares of the Company's
value $0.01 per share.

PART 1. FINANCIAL INFORMATION

Item 1. Financial Statements.

The following consolidated financial statements of Taubman Centers, Inc. (the Company) are p
the requirements of this item.

TAUBMAN CENTERS, INC.

CONSOLIDATED BALANCE SHEET
(in thousands, except share data)

	June 30 2001
Assets:	
Properties	$ 2,060,041
Accumulated depreciation and amortization	(310,120)
	$ 1,749,921
Investment in Unconsolidated Joint Ventures (Note 4)	131,681
Cash and cash equivalents	24,188
Accounts and notes receivable, less allowance for doubtful accounts of $4,525 and $3,796 in 2001 and 2000	31,095
Accounts and notes receivable from related parties (Note 10)	15,524
Deferred charges and other assets	50,540
	$ 2,002,949
Liabilities:	
Notes payable	$ 1,316,161
Accounts payable and accrued liabilities	113,579
Dividends payable	16,838
	$ 1,446,578
Commitments and Contingencies (Note 7)	
Series C and D Preferred Equity of TRG (Note 1)	$ 97,275
Partners' Equity of TRG Allocable to Minority Partners (Note 1)	
Shareowners' Equity:	
Series A Cumulative Redeemable Preferred Stock, $0.01 par value, 8,000,000 shares authorized, $200 million liquidation preference, 8,000,000 shares issued and outstanding at June 30, 2001 and December 31, 2000	$ 80
Series B Non-Participating Convertible Preferred Stock, $0.001 par and liquidation value, 40,000,000 shares authorized and 31,835,066 shares issued and outstanding at June 30, 2001 and December 31, 2000	32
Series C Cumulative Redeemable Preferred Stock, $0.01 par value, 1,000,000 shares authorized, $75 million liquidation preference, none issued	
Series D Cumulative Redeemable Preferred Stock, $0.01 par value, 250,000 shares authorized, $25 million liquidation preference, none issued	
Common Stock, $0.01 par value, 250,000,000 shares authorized, 50,750,551 and 50,984,397 issued and outstanding at June 30, 2001 and December 31, 2000 (Note 8)	508
Additional paid-in capital	674,529
Accumulated other comprehensive income (Note 2)	1,020
Dividends in excess of net income	(217,073)

	$ 459,096
	$ 2,002,949

See notes to consolidated financial statements.

TAUBMAN CENTERS, INC.

CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
(in thousands, except share data)

	Three Months End
	2001
Income:	
Minimum rents	$ 40,309
Percentage rents	934
Expense recoveries	26,303
Revenues from management, leasing and development services	6,086
Other	9,957
	$ 83,589
Operating Expenses:	
Recoverable expenses	$ 22,840
Other operating	10,063
Management, leasing and development services	5,089
General and administrative	4,862
Interest expense	14,972
Depreciation and amortization	15,255
	$ 73,081
Income before equity in income of Unconsolidated Joint Ventures and minority and preferred interests	$ 10,508
Equity in income of Unconsolidated Joint Ventures (Note 4)	5,215
Income before minority and preferred interests	$ 15,723
Minority interest in consolidated joint ventures	181
Minority interest in TRG:	
TRG income allocable to minority partners	(4,406)
Distributions in excess of earnings allocable to minority partners	(3,488)
TRG Series C and D preferred distributions (Note 1)	(2,250)
Net income	$ 5,760
Series A preferred dividends	(4,150)
Net income allocable to common shareowners	$ 1,610
Net income	$ 5,760
Other Comprehensive Income (Note 2):	
Unrealized gain on interest rate instruments	2,683
Reclassification adjustment for losses recognized in net income	106
Comprehensive income	$ 8,549

Basic and diluted net income per common share (Note 9)	$ 0.03
Cash dividends declared per common share	$ .25
Weighted average number of common shares outstanding	50,181,946

See notes to consolidated financial statements.

TAUBMAN CENTERS, INC.

CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
(in thousands, except share data)

	Six Months Ende
	2001
Income:	
Minimum rents	$ 80,983
Percentage rents	2,092
Expense recoveries	50,529
Revenues from management, leasing and development services	12,457
Other	16,376
	$ 162,437
Operating Expenses:	
Recoverable expenses	$ 43,302
Other operating	18,064
Management, leasing and development services	9,430
General and administrative	9,617
Interest expense	30,163
Depreciation and amortization	32,473
	$ 143,049
Income before equity in income of Unconsolidated Joint Ventures, extraordinary items, cumulative effect of change in accounting principle and minority and preferred interests	$ 19,388
Equity in income before extraordinary items and cumulative effect of change in accounting principle of Unconsolidated Joint Ventures (Note 4)	10,071
Income before extraordinary items, cumulative effect of change in accounting principle, and minority and preferred interests	$ 29,459
Extraordinary items	
Cumulative effect of change in accounting principle (Note 2)	(8,404)
Minority interest in consolidated joint ventures	598
Minority interest in TRG:	
TRG income allocable to minority partners	(4,889)
Distributions in excess of earnings allocable to minority partners	(11,003)
TRG Series C and D preferred distributions (Note 1)	(4,500)
Net income	$ 1,261

Series A preferred dividends	(8,300)
Net loss allocable to common shareowners	$ (7,039)
Net income	$ 1,261
Other Comprehensive Income (Note 2):	
Cumulative effect of change in accounting principle	(779)
Unrealized gain on interest rate instruments	1,594
Reclassification adjustment for losses recognized in net income	205
Comprehensive income	$ 2,281
Basic and diluted earnings per common share (Note 9):	
Income (loss) before extraordinary items and cumulative effect of change in accounting principle	$ (0.04)
Net loss	$ (0.14)
Cash dividends declared per common share	$ .50
Weighted average number of common shares outstanding	50,291,596

See notes to consolidated financial statements.

TAUBMAN CENTERS, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	Six Months End
	2001
Cash Flows from Operating Activities:	
Income before extraordinary items, cumulative effect of change in accounting principle, and minority and preferred interests	$ 29,459
Adjustments to reconcile income before extraordinary items, cumulative effect of change in accounting principle, minority and preferred interests to net cash provided by operating activities:	
Depreciation and amortization	32,473
Provision for losses on accounts receivable	1,208
Other	1,379
Gains on sales of land	(2,749)
Increase (decrease) in cash attributable to changes in assets and liabilities:	
Receivables, deferred charges and other assets	(164)
Accounts payable and other liabilities	(12,245)
Net Cash Provided By Operating Activities	$ 49,361
Cash Flows from Investing Activities:	
Additions to properties	$ (112,575)
Proceeds from sales of land	3,490
Investment in equity securities	(2,890)
Contributions to Unconsolidated Joint Ventures	(28,679)

Distributions from Unconsolidated Joint Ventures in excess of income before extraordinary items and cumulative effect of change in accounting principle	8,182
Net Cash Used in Investing Activities	$ (132,472)
Cash Flows from Financing Activities:	
Debt proceeds	$ 143,597
Debt payments	(1,409)
Debt issuance costs	(3,210)
Repurchases of common stock	(11,159)
Distributions to minority and preferred interests	(18,142)
Issuance of stock pursuant to Continuing Offer	8,264
Cash dividends to common shareowners	(25,334)
Cash dividends to Series A preferred shareowners	(4,150)
Net Cash Provided By Financing Activities	$ 88,457
Net Increase in Cash and Cash Equivalents	$ 5,346
Cash and Cash Equivalents at Beginning of Period	18,842
Cash and Cash Equivalents at End of Period	$ 24,188

See notes to consolidated financial statements.

TAUBMAN CENTERS, INC.
Notes to Consolidated Financial Statements
Three months ended June 30, 2001

Note 1 - Interim Financial Statements

Taubman Centers, Inc. (the Company or TCO), a real estate investment trust, or REIT, is t partner of The Taubman Realty Group Limited Partnership (the Operating Partnership or TR Partnership is an operating subsidiary that engages in the ownership, management, lea development, and expansion of regional retail shopping centers and interests therei Partnership's portfolio as of June 30, 2001 includes 17 urban and suburban shopping centers i additional center opened in Plano, Texas in August 2001 and three other centers are unde Florida.

The consolidated financial statements of the Company include all accounts of the Compa Partnership and its consolidated subsidiaries; all intercompany balances have been eliminat entities not unilaterally controlled by ownership or contractual obligation (Unconsolidated accounted for under the equity method.

At June 30, 2001, the Operating Partnership's equity included three classes of preferred e and D) and the net equity of the partnership unitholders. Net income and distributions Partnership are allocable first to the preferred equity interests, and the remaining amounts limited partners in the Operating Partnership in accordance with their percentage owner Preferred Equity is owned by the Company and is eliminated in consolidation. The Series C and Equity are owned by institutional investors and have a fixed 9% coupon rate, no stated maturity mandatory redemption requirements.

Because the net equity of the partnership unitholders is less than zero, the interest of unitholders is presented as a zero balance in the balance sheet as of June 30, 2001 and Dece income allocated to the noncontrolling unitholders is equal to their share of distributions. the Operating Partnership is less than zero because of accumulated distributions in excess of as a result of operating losses. Distributions to partners are usually greater than net income includes non-cash charges for depreciation and amortization.

The Company's ownership in the Operating Partnership at June 30, 2001 consisted of a 61.6% partnership interest, as well as the Series A Preferred Equity interest. The Company's percentage in the Operating Partnership for the three months ended June 30, 2001 and 2000 w respectively. During the six months ended June 30, 2001, the Company's ownership in the Ope decreased to 61.6% due to the ongoing share buyback and unit redemption program (Note 8), p additional interests acquired in connection with the Continuing Offer (Note 7). At June Partnership had 82,585,617 units of partnership interest outstanding, of which the Company Included in the total units outstanding are 261,088 units issued in connection with the 1999 Associates that currently do not receive allocations of income or distributions.

The unaudited interim financial statements should be read in conjunction with the audited fi and related notes included in the Company's Annual Report on Form 10-K for the year ended De the opinion of management, all adjustments (consisting only of normal recurring adjustments) n presentation of the financial statements for the interim periods have been made. The results are not necessarily indicative of the results for a full year.

Certain prior year amounts have been reclassified to conform to 2001 classifications.

Note 2 - Change in Accounting Principle

Effective January 1, 2001, the Company adopted SFAS 133, which establishes accounting and r for derivative instruments. All derivatives, whether designated in hedging relationships o to be recorded on the balance sheet at fair value. If the derivative is designated as a ca effective portions of changes in the fair value of the derivative are recorded in other co (OCI) and are recognized in the income statement when the hedged item affects earnings. Ineff changes in the fair value of cash flow hedges are recognized in the Company's earnings as inte Company uses derivative instruments primarily to manage exposure to interest rate risks inhere debt and refinancings. The Company routinely uses cap, swap, and treasury lock agreeme objectives. For interest rate cap instruments designated as cash flow hedges, changes in excluded from the assessment of hedge effectiveness. The swap agreement on the Dolphin construc not qualify for hedge accounting although its use is consistent with the Company's overal objectives. As a result, the Company recognizes its share of losses and income related to earnings as the value of the agreement changes.

The initial adoption of SFAS 133 on January 1, 2001 resulted in a reduction to income of million as the cumulative effect of a change in accounting principle and a reduction to OC These amounts represent the transition adjustments necessary to mark the Company's shar agreements to fair value as of January 1, 2001. During the three and six months ended addition to the transition adjustments, the Company recognized as a reduction of earnings its losses of $0.7 million and $2.5 million, respectively, due to the decline in interest rates decrease in value of the Company's interest rate agreements. Of these amounts, approximatel $2.1 million represent the changes in value of the Dolphin swap agreement and $0.1 millio represent the changes in time value of cap instruments, respectively. The Company also recog OCI of approximately $2.7 million and $1.6 million for the three and six months ended June 3 representing net unrealized gains on instruments hedging a refinancing expected to occur dur of the year.

Of the net unrealized gains of $1.0 million included in Accumulated OCI as of June 30, expects that approximately $0.3 million will be reclassified into earnings during the next t related interest expense is accrued. Hedge ineffectiveness, determined in accordance wit impact on earnings for the three or six months ended June 30, 2001. No hedges were derecognize for the three or six months ended June 30, 2001.

Note 3 - Tax Elections

In connection with the Tax Relief Extension Act of 1999, the Company made Taxable REIT Su for all of its corporate subsidiaries. The elections, effective for January 1, 2001, wer section 856(I) of the Internal Revenue Code. The Company's Taxable REIT Subsidiaries are s level income taxes which will be provided for in the Company's financial statements.

Deferred tax assets and liabilities reflect the impact of temporary differences between th and liabilities for financial reporting purposes and the bases of such assets and liabilities laws. Deferred tax assets are reduced, if necessary, by a valuation allowance to the amount w more likely than not after considering all available evidence. The Company's temporary dif

relate to deferred compensation, depreciation and deferred income. During the three and si
30, 2001, utilization of a deferred tax asset reduced the Company's federal income tax expen
As of June 30, 2001, the Company had a net deferred tax asset of $3.3 million, after a valu
$6.7 million.

Note 4 - Investments in Unconsolidated Joint Ventures

Following are the Company's investments in Unconsolidated Joint Ventures. The Operating managing general partner or managing member in these Unconsolidated Joint Ventures, except for a (*).

Unconsolidated Joint Venture	Shopping Center	Owne Jun
Arizona Mills, L.L.C. *	Arizona Mills	
Dolphin Mall Associates Limited Partnership	Dolphin Mall	
Fairfax Company of Virginia L.L.C.	Fair Oaks	
Forbes Taubman Orlando L.L.C. *	The Mall at Millenia (under construction)	
Rich-Taubman Associates	Stamford Town Center	
Tampa Westshore Associates Limited Partnership	International Plaza (under construction)	
Taubman-Cherry Creek Limited Partnership	Cherry Creek	
West Farms Associates	Westfarms	
Woodland	Woodland	

In March 2001, Dolphin Mall, a 1.4 million square foot value regional center, opened
Through April 2001, the Operating Partnership advanced $15.7 million to Dolphin Mall
Partnership to fund construction costs. In April 2001, the Operating Partnership contributed
plus accrued interest to this Unconsolidated Joint Venture in exchange for a preferred inte
As of June 30, 2001, the Operating Partnership has a preferred investment in Dolphin Mall of
which an annual preferential return of 16.0% will accrue.

The Company's carrying value of its Investment in Unconsolidated Joint Ventures differs fr
deficiency in assets reported in the combined balance sheet of the Unconsolidated Joint Vent
Company's cost of its investment in excess of the historical net book values of the Unconsolida
and (ii) the Operating Partnership's adjustments to the book basis, including intercompany
services that are capitalized by the Unconsolidated Joint Ventures. The Company's additional
depreciable assets is recognized on a straight-line basis over 40 years. The Operating Partner
in bases are amortized over the useful lives of the related assets.

Combined balance sheet and results of operations information are presented in the f
thousands) for all Unconsolidated Joint Ventures, followed by the Operating Partnership's ben
the combined information. Beneficial interest is calculated based on the Operating Partn
interest in each of the Unconsolidated Joint Ventures. The accounts of Lakeside and Twelve
Unconsolidated Joint Ventures, are included in the operations for the three and six months e
Twelve Oaks is now 100% owned by the Operating Partnership and is a consolidated entity.

	June 30 2001
Assets:	
Properties	$ 1,252,010
Accumulated depreciation and amortization	(201,940)
	$ 1,050,070
Other assets	69,867

	$ 1,119,937
Liabilities and partners' accumulated deficiency in assets:	
Debt	$ 1,070,142
Other liabilities	93,877
TRG's accumulated deficiency in assets	(15,611)
Unconsolidated Joint Venture Partners' accumulated deficiency in assets	(28,471)
	$ 1,119,937
TRG's accumulated deficiency in assets (above)	$ (15,611)
TRG basis adjustments, including elimination of intercompany profit	20,488
TCO's additional basis	126,804
Investment in Unconsolidated Joint Ventures	$ 131,681

	Three Months Ended June 30		Six M
	2001	2000	2001
Revenues	$ 54,375	$ 61,555	$ 108,
Recoverable and other operating expenses	$ 19,946	$ 21,622	$ 38,
Interest expense	17,570	17,069	36,
Depreciation and amortization	8,595	8,168	17,
Total operating costs	$ 46,111	$ 46,859	$ 92,
Income before extraordinary items	$ 8,264	$ 14,696	$ 16,
Extraordinary items			
Cumulative effect of change in accounting principle			3,
Net income	$ 8,264	$ 14,696	$ 12,
Net income allocable to TRG	$ 4,496	$ 7,448	$ 6,
Cumulative effect of change in accounting principle allocable to TRG			1,
Extraordinary item allocable to TRG			
Realized intercompany profit	1,478	1,424	3,
Depreciation of TCO's additional basis	(759)	(1,144)	(1,
Equity in income before extraordinary items and cumulative effect of change in accounting principle of Unconsolidated Joint Ventures	$ 5,215	$ 7,728	$ 10,
Beneficial interest in Unconsolidated Joint Ventures' operations:			
Revenues less recoverable and other operating expenses	$ 19,653	$ 22,215	$ 39,
Interest expense	(9,243)	(9,126)	(19,
Depreciation and amortization	(5,195)	(5,361)	(10,
Income before extraordinary items and cumulative effect of change in accounting principle	$ 5,215	$ 7,728	$ 10,

=========== =========== ========

Note 5 - Beneficial Interest in Debt and Interest Expense

In May 2001, the Company closed on a $168 million construction loan for The Mall at Welli loan bears interest at LIBOR plus 1.85% and has an initial term of three years with two options. The interest on $70 million of the loan is capped at 7.00% plus credit spread an another $70 million is capped at 7.25% plus credit spread. The Operating Partnership principal and interest; the amounts guaranteed will be reduced as certain center performa criteria are met (Note 7).

The Operating Partnership's beneficial interest in the debt, capital lease obligations, ca and interest expense of its consolidated subsidiaries and its Unconsolidated Joint Ventures i following table. The Operating Partnership's beneficial interest in consolidated subsidiaries interest relating to the 15% minority interest in Great Lakes Crossing and the 30% minority in Center.

	At 100%		At Benefi	
	Consolidated Subsidiaries	Unconsolidated Joint Ventures	Consolidated Subsidiaries	Unco V
	(in thousands of dollars)			
Debt as of:				
June 30, 2001	1,316,161	1,070,142	1,238,849	
December 31, 2000	1,173,973	950,847	1,105,008	
Capital Lease Obligations:				
June 30, 2001	965	342	911	
December 31, 2000	1,581	630	1,522	
Capitalized Interest				
Six months ended June 30, 2001	16,396	9,662	16,300	
Six months ended June 30, 2000	10,127	4,607	10,127	
Interest expense:				
Six months ended June 30, 2001	30,163	36,160	27,597	
Six months ended June 30, 2000	26,825	33,919	24,366	

Note 6 - Incentive Option Plan

The Operating Partnership has an incentive option plan for employees of the Manager. Curr 7.7 million Operating Partnership units may be issued under the plan, substantially all issued. Incentive options generally become exercisable to the extent of one-third of the u third, fourth, and fifth anniversaries of the date of grant. Options expire ten years from The Operating Partnership's units issued in connection with the incentive option plan are exch of the Company's common stock under the Continuing Offer (Note 7). There were options exercised during the six months ended June 30, 2001 at an average exercise price of $11.10 pe no options exercised during the six months ended June 30, 2000. There were no options gr during the six months ended June 30, 2001. There were options for 250,000 units granted at no options cancelled during the six months ended June 30, 2000. As of June 30, 2001, there w for 6.2 million units with a weighted average exercise price of $11.31 per unit and o (including unvested options) for a total of 6.9 million units with a weighted average exerci per unit. Options for 4.0 million units granted at $11.14 per unit will expire in No exercised.

Note 7 - Commitments and Contingencies

At the time of the Company's initial public offering (IPO) and acquisition of its partnersh Operating Partnership, the Company entered into an agreement (the Cash Tender Agreement) with who is the Company's chairman and owns an interest in the Operating Partnership, whereby he h to tender to the Company units of partnership interest in the Operating Partnership (provided value is at least $50 million) and cause the Company to purchase the tendered interests at a pu on a market valuation of the Company on the trading date immediately preceding the date o Company will have the option to pay for these interests from available cash, borrowed funds, o of an offering of the Company's common stock. Generally, the Company expects to finance these the sale of new shares of its stock. The tendering partner will bear all market risk if t closing is less than the purchase price and will bear the costs of sale. Any proceeds of the of the purchase price will be for the sole benefit of the Company. At A. Alfred Taubman's el and certain others may participate in tenders.

Based on a market value at June 30, 2001 of $14.00 per common share, the aggregate value Operating Partnership that may be tendered under the Cash Tender Agreement was approximately $ purchase of these interests at June 30, 2001 would have resulted in the Company owning an addi in the Operating Partnership.

The Company has made a continuing, irrevocable offer to all present holders (other than holders, including A. Alfred Taubman), assignees of all present holders, those future hold interests in the Operating Partnership as the Company may, in its sole discretion, agre continuing offer, and all existing and future optionees under the Operating Partnership's in to exchange shares of common stock for partnership interests in the Operating Partnership (the Under the Continuing Offer agreement, one unit of partnership interest is exchangeable f Company's common stock.

Shares of common stock that were acquired by GMPT in connection with the IPO may be sold t offering. Pursuant to a registration rights agreement with the Company, the owners of the annual right to cause the Company to register and publicly sell their shares of common stock shares have an aggregate value of at least $50 million and subject to certain other restricti of such a registration are to be borne by the Company, other than the underwriting dis commissions, which will be borne by the exercising party.

The Company is currently involved in certain litigation arising in the ordinary course of bu believes that this litigation will not have a material adverse effect on the Company's financial

Payments of principal and interest on the loans in the following table are guaranteed Partnership as of June 30, 2001. All of the loan agreements provide for a reduction of the amo certain center performance and valuation criteria are met.

Center	Loan balance as of 6/30/01	TRG's beneficial interest in loan balance as of 6/30/01	Amount of loan balance guaranteed by TRG as of 6/30/01	% of loan balance guaranteed by TRG
	(in millions of dollars)			
Dolphin Mall	164.6	82.3	82.3	50%
Great Lakes Crossing	169.6	144.2	169.6	100%
International Plaza	121.4	32.2	121.4	100%(1
The Mall at Millenia	22.3	11.2	11.2	50%
The Mall at Wellington Green	86.0	77.4	86.0	100%
The Shops at Willow Bend	153.1	153.1	153.1	100%

(1) An investor in the International Plaza venture has indemnified the Operating Partne of approximately 25% of the amounts guaranteed.

In addition, the Operating Partnership guarantees the $100 million facility secured by an Oaks that was obtained in August 2000. Also, the Operating Partnership has guaranteed capital of $3.8 million relating to its investment in MerchantWired, and has committed an addition funding for Constellation Real Technologies, LLC.

Note 8 - Common Stock Repurchases

In March 2000, the Company's Board of Directors authorized the purchase of up to $50 milli common stock in the open market. The stock may be purchased from time to time as market condit each share of the Company's stock repurchased, an equal number of the Company's Operating Pa redeemed. As of June 30, 2001, the Company had purchased and the Operating Partner approximately 3.3 million shares and units for approximately $36.9 million.

Note 9 - Earnings Per Share

Basic earnings per common share are calculated by dividing earnings available to common average number of common shares outstanding during each period. For diluted earnings per Company's ownership interest in the Operating Partnership (and therefore earnings) are adj exercise of all options for units of partnership interest under the Operating Partnership's in having exercise prices less than the average market value of the units using the treasury sto three months ended June 30, 2001 and 2000, options for 0.3 million and 2.0 million units of pa with average exercise price of $13.56 and $12.46 per unit were excluded from the computation o per unit because the exercise prices were greater than the average market price for the perio the six months ended June 30, 2001 and 2000, options for 1.1 million and 2.0 million un interest with average exercise price $13.00 and $12.46 per unit were excluded from the comp earnings per unit because the exercise prices were greater than average market price for the per

	Three Months Ended June 30		
	2001	2000	2
	(in thousands, except s		
Income (loss) before extraordinary items and cumulative effect of change in accounting principle allocable to common shareowners (Numerator):			
Net income (loss) allocable to common shareowners	$ 1,610	$ 600	$ (
Common shareowners' share of cumulative effect of change in accounting principle			
Common shareowners' share of extraordinary items			
Basic income (loss) before extraordinary items and cumulative effect of change in accounting principle	$ 1,610	$ 600	$ (
Effect of dilutive options	(91)	(34)	
Diluted income (loss) before extraordinary items and cumulative effect of change in accounting principle	$ 1,519	$ 566	$ (
Shares (Denominator) - basic and diluted	50,181,946	52,622,546	50,29
Income (loss) before extraordinary items and cumulative effect of change in accounting principle per common share - basic and diluted	$ 0.03	$ 0.01	$ (
Extraordinary items per common share - basic and diluted			
Cumulative effect of change in accounting principle per common share - basic and diluted			$ (

Note 10 - Cash Flow Disclosures and Noncash Investing and Financing Activities

Interest on mortgage notes and other loans paid during the six months ended June 30, 200 amounts capitalized of $16.4 million and $10.1 million, was $27.9 million and $23.8 million, following non-cash investing and financing activities occurred during the six months ended June

		Six Months ended 2001
Non-cash additions to properties	$	8,473
Non-cash contributions to Unconsolidated Joint Ventures		3,778
Partnership units released		878
Accrual of preferred dividends and distributions		6,400
Unrealized gain on interest rate instruments included in Other Comprehensive Income		1,020
Adjustment of interest rate instruments - Cumulative effect of change in accounting principle		8,404

In April 2001, the $10 million investment in Swerdlow was converted into a note receivable be 12% with a maturity date in December 2001.

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of O various "forward-looking statements" within the meaning of Section 27A of the Securities Act o and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking st the Company's expectations or beliefs concerning future events, including the following: st future developments and joint ventures, rents and returns, statements regarding the continu trends and any statements regarding the sufficiency of the Company's cash balances and ca operating and financing activities for the Company's future liquidity and capital resource cautions that although forward-looking statements reflect the Company's good faith belief based upon current information, these statements are qualified by important factors that results to differ materially from those in the forward-looking statements, including those ris and factors detailed from time to time in reports filed with the SEC, and in particular those headings "General Risks of the Company" and "Environmental Matters" in the Company's Annual R The following discussion should be read in conjunction with the accompanying Consolidated Fina Taubman Centers, Inc. and the Notes thereto.

General Background and Performance Measurement

The Company owns a managing general partner's interest in The Taubman Realty Group L (Operating Partnership or TRG), through which the Company conducts all of its operatio Partnership owns, develops, acquires, and operates regional shopping centers nationally. Businesses consist of shopping centers that are controlled by ownership or contractual agre projects for future regional shopping centers, and The Taubman Company Limited Partnersh Shopping centers that are not controlled and that are owned through joint ventures w (Unconsolidated Joint Ventures) are accounted for under the equity method.

The operations of the shopping centers are best understood by measuring their performance a regard to the Company's ownership interest. Consequently, in addition to the discussion of th Consolidated Businesses, the operations of the Unconsolidated Joint Ventures are presented whole.

In August 2000, the Company completed a transaction to acquire an additional inte Unconsolidated Joint Ventures; the Operating Partnership became the 100 percent owner of joint venture partner became the 100 percent owner of Lakeside. Statistics presented include the date of the transaction.

Seasonality

The regional shopping center industry is seasonal in nature, with mall tenant sales hi quarter due to the Christmas season, and with lesser, though still significant, sales fluct with the Easter holiday and back-to-school events. While minimum rents and recoveries are ge to seasonal factors, most leases are scheduled to expire in the first quarter, and the maj open in the second half of the year in anticipation of the Christmas selling season. Accordi occupancy levels are generally highest in the fourth quarter.

The following table summarizes certain quarterly operating data for 2000 and the first and 2001.

	1st Quarter 2000	2nd Quarter 2000	3rd Quarter 2000	4th Quarter 2000	Total 2000
				(in thousands)	
Mall tenant sales	$589,996	$628,999	$602,417	$895,783	$2,717,195
Revenues	132,331	130,923	127,034	142,318	532,606
Occupancy:					
Average	88.8%	88.1%	88.8%	90.3%	89.1%
Ending	88.5%	88.1%	89.2%	90.5%	90.5%
Leased space	91.4%	90.5%	91.7%	93.8%	93.8%

(1) Excluding Dolphin Mall, which opened in March 2001, average occupancy, ending occ space would have been 88.1%, 88.4%, and 92.4%, respectively.
(2) Excluding Dolphin Mall, average occupancy, ending occupancy, and leased space wou 87.7%, and 91.8%, respectively.

Because the seasonality of sales contrasts with the generally fixed nature of minimum ren mall tenant occupancy costs (the sum of minimum rents, percentage rents and expense recoveries) are considerably higher in the first three quarters than they are in the fourth quarter. Th summarizes occupancy costs, excluding utilities, for mall tenants as a percentage of sales for and second quarters of 2001:

	1st Quarter 2000	2nd Quarter 2000	3rd Quarter 2000	4th Quarter 2000	Total 2000
Minimum rents	11.3%	10.6%	10.6%	7.2%	9.7%
Percentage rents	0.3	0.1	0.1	0.6	0.3
Expense recoveries	4.8	4.7	4.7	3.7	4.4
Mall tenant occupancy costs	16.4%	15.4%	15.4%	11.5%	14.4%

Current Operating Trends

In 2001, the regional shopping center industry has been affected by the softening of the cycle. Economic pressures that affect consumer confidence, job growth, energy costs, an affect retail sales growth and impact the Company's ability to lease vacancies and advantageous rates. A number of regional and national retailers have recently announced stor for bankruptcy. During the remainder of 2001, largely as a result of the current economi Company expects that the average occupancy of its portfolio may continue to decline, tenant exceed historical levels, and tenant sales growth may continue to slow down and/or revers softening economy on the Company's current results of operations may be moderated by lease ca which tends to increase in down-cycles of the economy.

In the second quarter of 2001, for the first time in the Company's history as a public square foot decreased both for the quarter and for the six month period compared to the prio the current difficult retail environment. In addition, an increased number of the Company's the protection of the bankruptcy laws in 2001. The number of leases so affected was 3.4% thr compared to 2.3% for the full year in 2000. This statistic for the full year 2001 may exc highest reported statistic of 4.5%. However, not all bankruptcies result in tenants closing.

On a comparable center basis, average occupancy was 87.9% for the second quarter of 2001, from 88.6% for the second quarter of 2000, and 88.1% for the first half of 2001, a decrease for the first half of 2000. The Company expects that the year over year decrease may widen to the year progresses.

Rental Rates

Annualized average base rent per square foot for all mall tenants at the 16 centers owne least two years was $40.88 for the three months ended June 30, 2001, compared to $40.00 for ended June 30, 2000. As leases have expired in the shopping centers, the Company has ge to rent the available space, either to the existing tenant or a new tenant, at rental rates t those of the expired leases. In periods of increasing sales, rents on new leases will tend expectations of future growth become more optimistic. In periods of slower growth or declinin new leases will grow more slowly or will decline for the opposite reason. However, center rev increase as older leases roll over or are terminated early and replaced with new leases neg rental rates that are usually higher than the average rates for existing leases.

Results of Operations

New Center Openings

In March 2001, Dolphin Mall, a 1.4 million square foot value regional center, opened Dolphin Mall is a 50% owned Unconsolidated Joint Venture and is accounted for under the e Company currently estimates an unleveraged return of approximately 6% in 2001 on its share of approximately $145 million. The Operating Partnership will be entitled to a preferred retur equity contributions made to this center through June 2001, which were used to fund construction

The Shops at Willow Bend, a wholly owned regional center, opened August 3, 2001 in Pla million square foot center is anchored by Neiman Marcus, Saks Fifth Avenue, Lord & Ta Dillard's. Saks Fifth Avenue will open in 2004.

Two additional centers are scheduled to open in 2001. International Plaza will open in September; and The Mall at Wellington Green will open in West Palm Beach County, Fl International Plaza, a 1.3 million square foot center, will be anchored by Nordstrom, Lord & and Neiman Marcus. The Company originally had a controlling 50.1% interest in the partnership that owns the project. The Company was responsible for providing the funding for project construction financing in exchange for a preferential return. In November 1999, the Com agreements with a new investor, which provided funding for the project and thereby redu ownership interest to approximately 26%. It is anticipated that given the preferential return original 49.9% owner in Tampa Westshore will not initially receive cash distributions. The Co initially allocated approximately 33% of the net operating income of the project, with representing return of capital.

The Mall at Wellington Green, a 1.3 million square foot center will initially be anchore Burdines, Dillard's and JCPenney. A fifth anchor, Nordstrom, is obligated under the r agreement to open within 24 months of the opening of the center and is presently expected to center will be owned by a joint venture in which the Operating Partnership has a 90% controlling

The Company expects returns on these four new centers to average 8.5% on $670 milion of c that these centers will be open in 2001. The Company's share of costs for the four center be approximately $700 million. The Company expects returns to average 10% in 2002 and 11% in 2 exclude land sale gains upon which interest expense savings on the gains will add approxi projects' returns, based on interest savings due to the reduction of debt. Estimates on projects are forward-looking statements and certain significant factors could cause th differ materially, including but not limited to: 1) actual results of negotiations with te and residual land purchasers; 2) cost overruns; and 3) timing of tenant openings, land s expenditures.

Other Significant Debt, Equity, and Other Transactions

The following represent other significant debt, equity, and other transactions which a results described under Comparison of Three Months Ended June 30, 2001 to the Three Months and comparison of Six Months Ended June 30, 2001 to the Six Months Ended June 30, 2000.

In April 2001, the Operating Partnership's $10 million investment in Swerdlow was con bearing interest at 12% and maturing in December 2001.

In October 2000, a $146 million refinancing of Arizona Mills was completed. The proceeds to repay the existing $142.2 million mortgage and to fund transaction costs. The Ope recognized its $0.2 million share of an extraordinary charge, consisting of the write-off of costs. Also in October 2000, MacArthur Center completed a $145 million secured financing. The to repay the existing $120 million construction loan and transaction costs. The remaini approximately $23.9 million were distributed to the Operating Partnership, which used the d down its line of credit.

In August 2000, the Company completed a transaction to acquire an additional owner Unconsolidated Joint Ventures. Under the terms of the agreement, the Operating Partnership be of Twelve Oaks and the joint venture partner became the 100% owner of Lakeside. Both properties to the existing mortgage debt. The transaction resulted in a net payment to the joint approximately $25.5 million in cash. The results of Twelve Oaks have been consolidated in the subsequent to the acquisition date (prior to that date, Twelve Oaks was accounted for under t an Unconsolidated Joint Venture). A gain of $85.3 million on the transaction was recogni representing its share of the excess of the fair value over the net book basis of the Comp Lakeside, adjusted for the $25.5 million paid and transaction costs.

In January 2000, the $76 million refinancing of Stamford Town Center was completed. The pr repay the $54 million participating mortgage, the $18.3 million prepayment premium, and ac transaction costs. The Operating Partnership recognized its $9.3 million share of an extraordi consisted primarily of a prepayment premium.

New Accounting Pronouncement

Effective January 1, 2001, the Company adopted SFAS 133, which establishes accounting and r for derivative instruments. All derivatives, whether designated in hedging relationships o to be recorded on the balance sheet at fair value. If the derivative is designated as a ca effective portions of changes in the fair value of the derivative are recorded in other co (OCI) and are recognized in the income statement when the hedged item affects earnings. Ineff changes in the fair value of cash flow hedges are recognized in the Company's earnings as inte Company uses derivative instruments primarily to manage exposure to interest rate risks inhere debt and refinancings. The Company routinely uses cap, swap, and treasury lock agreeme objectives. For interest rate cap instruments designated as cash flow hedges, changes in excluded from the assessment of hedge effectiveness. The swap agreement on the Dolphin construc not qualify for hedge accounting although its use is consistent with the Company's overal objectives. As a result, the Company recognizes its share of losses and income related to earnings as the value of the agreement changes.

The initial adoption of SFAS 133 on January 1, 2001 resulted in a reduction to income of million as the cumulative effect of a change in accounting principle and a reduction to OC These amounts represent the transition adjustments necessary to mark the Company's shar agreements to fair value as of January 1, 2001. During the three and six months ended addition to the transition adjustments, the Company recognized as a reduction of earnings its losses of $0.7 million and $2.5 million, respectively, due to the decline in interest rates decrease in value of the Company's interest rate agreements. Of these amounts, approximatel $2.1 million represent the changes in value of the Dolphin swap agreement and $0.1 millio represent the changes in time value of cap instruments, respectively. The Company also recog OCI of approximately $2.7 million and $1.6 million for the three and six months ended June 3 representing net unrealized gains on instruments hedging a refinancing expected to occur dur of the year.

Of the net unrealized gains of $1.0 million included in Accumulated OCI as of June 30, expects that approximately $0.3 million will be reclassified into earnings during the next t related interest expense is accrued. Hedge ineffectiveness, determined in accordance wit impact on earnings for the three or six months ended June 30, 2001. No hedges were derecognize for the three or six months ended June 30, 2001.

Comparable Center Operations

The performance of the Company's portfolio can be measured through comparisons of c operations. During the three months ended June 30, 2001, revenues (excluding land sales and ce significant lease cancellation fees) less operating costs (operating and recoverable expense owned and open for the entire period increased approximately three percent in comparison t results in the comparable period of 2000. This growth was primarily due to increases in minim from the JCDecaux program, and expense reductions. The Company expects that comparable cent increase annually by two to three percent. This is a forward-looking statement and certain s could cause the actual results to differ materially; refer to the General Risks of the Compa latest filing on Form 10-K.

Presentation of Operating Results

The following tables contain the combined operating results of the Company's Consolidated Unconsolidated Joint Ventures. Income allocated to the noncontrolling partners of the Operati preferred interests is deducted to arrive at the results allocable to the Company's common sh the net equity of the Operating Partnership is less than zero, the income allocated to partners is equal to their share of distributions. The net equity of these minority partner due to accumulated distributions in excess of net income and not as a result of operating los to partners are usually greater than net income because net income includes non-cash charges f amortization. Also, losses allocable to minority partners in certain consolidated joint vent to arrive at the net results of the Company. The Company's average ownership percentage Partnership was approximately 61% and 63% in the 2001 and 2000 periods, respectively. The res are included in the Consolidated Businesses in 2001, while both Twelve Oaks and Lakesid Unconsolidated Joint Ventures for 2000.

Comparison of the Three Months Ended June 30, 2001 to the Three Months Ended June 30, 2000

The following table sets forth operating results for the three months ended June 30, 2001 showing the results of the Consolidated Businesses and Unconsolidated Joint Ventures:

	Three months ended June 30, 2001			Th
	CONSOLIDATED BUSINESSES	UNCONSOLIDATED JOINT VENTURES AT 100%(1)	TOTAL OF CONSOLIDATED BUSINESSES AND UNCONSOLIDATED JOINT VENTURES AT 100%	CONSOLI BUSINESS
			(in millions of dolla	
REVENUES:				
Minimum rents	40.3	34.0	74.3	3
Percentage rents	0.9	0.2	1.2	
Expense recoveries	26.3	16.5	42.8	2
Management, leasing and development	6.1		6.1	
Other	10.0	3.6	13.6	
	----	----	----	-
Total revenues	83.6	54.4	138.0	6
OPERATING COSTS:				
Recoverable expenses	22.8	16.1	38.9	1
Other operating	10.1	2.8	12.8	
Management, leasing and development	5.1		5.1	
General and administrative	4.9		4.9	
Interest expense	15.0	17.6	32.6	1
Depreciation and amortization (3)	15.3	8.4	23.7	1
	----	----	----	-
Total operating costs	73.1	44.8	117.9	6
Net results of Memorial City (2)				(
	----	----	----	-

	10.5	9.5	20.1	
		====	====	
Equity in income of Unconsolidated Joint Ventures (3)	5.2			
	----			-
Income before minority and preferred interests	15.7			1
TRG preferred distributions	(2.3)			(
Minority share of consolidated joint ventures	0.2			
Minority share of income of TRG	(4.4)			(
Distributions in excess of minority share of income	(3.5)			(
	----			-
Net income	5.8			
Series A preferred dividends	(4.2)			(
	----			-
Net income allocable to common shareowners	1.6			
	====			=
SUPPLEMENTAL INFORMATION (4):				
EBITDA - 100%	40.7	35.5	76.3	3
EBITDA - outside partners' share	(2.1)	(15.9)	(18.0)	(
	----	----	----	-
EBITDA contribution	38.6	19.7	58.2	3
Beneficial Interest Expense	(13.7)	(9.2)	(23.0)	(1
Non-real estate depreciation	(0.7)		(0.7)	(
Preferred dividends and distributions	(6.4)		(6.4)	(
	----	----	----	-
Funds from Operations contribution	17.8	10.4	28.2	1
	====	====	====	=

(1) With the exception of the Supplemental Information, amounts include 100% of the Unconso of intercompany profits. The Unconsolidated Joint Ventures are presented at 100% in orde performance as a whole, without regard to the Company's ownership interest. In its con Company accounts for its investments in the Unconsolidated Joint Ventures under the equity

(2) The results of operations of Memorial City are presented net in this table. The Operat manage Memorial City on April 30, 2000.

(3) Amortization of the Company's additional basis in the Operating Partnership was $1.9 mi 2000, respectively. Of these amounts, $0.8 million and $1.1 million were included in Joint Ventures in 2001 and 2000, respectively, while $1.1 million and $0.9 million amortization in 2001 and 2000, respectively.

(4) EBITDA represents earnings before interest and depreciation and amortization. Fun discussed in Liquidity and Capital Resources.

(5) Amounts in the table may not add due to rounding. Certain reclassifications have b to 2001 classifications.

Consolidated Businesses

Total revenues for the three months ended June 30, 2001 were $83.6 million, a $14.2 millio over the comparable period in 2000. Minimum rents increased $5.6 million of which $5.3 mil inclusion of Twelve Oaks. Minimum rents also increased due to tenant rollovers and arrangements, offsetting decreases in rent caused by lower occupancy. Expense recoveries incr to Twelve Oaks. Other revenue increased primarily due to increases in gains on sales of perip cancellation revenue, and interest income.

Total operating costs were $73.1 million, an $11.0 million or 17.7% increase over the co 2000. Recoverable expenses increased primarily due to Twelve Oaks. Other operating expense i due to increases in the charge to operations for costs of pre-development activities, i expense, professional fees relating to process improvement projects, and losses relating t MerchantWired. Interest expense increased primarily due to debt assumed and incurred relating working capital needs, offset by decreases due to changes in rates on floating rate debt. De increased due to Twelve Oaks.

Unconsolidated Joint Ventures

Total revenues for the three months ended June 30, 2001 were $54.4 million, a $7.2 million from the comparable period of 2000. Rents and recoveries decreased primarily due to Lakesi partially offset by Dolphin Mall. Other revenue increased primarily due to an increase in revenue.

Total operating costs decreased by $0.8 million to $44.8 million for the three months e Recoverable expenses decreased primarily due to Lakeside and Twelve Oaks, offset by Dolphin. increased because of a decrease in capitalized interest upon opening of Dolphin Mall, as wel value of Dolphin Mall's interest rate agreements, offset by decreases due to Lakeside Depreciation expense increased primarily due to the opening of Dolphin Mall, partially off Twelve Oaks.

As a result of the foregoing, income of the Unconsolidated Joint Ventures decreased by $6 to $9.5 million. The Company's equity in income of the Unconsolidated Joint Ventures was $5. decrease from the comparable period in 2000.

Net Income

As a result of the foregoing, the Company's income before minority and preferred interes million or 8.3% to $15.7 million for the three months ended June 30, 2001. After alloc minority and preferred interests, the net income allocable to common shareowners for 200 compared to $0.6 million in 2000.

Comparison of the Six Months Ended June 30, 2001 to the Six Months Ended June 30, 2000

The following table sets forth operating results for the six months ended June 30, 2001 showing the results of the Consolidated Businesses and Unconsolidated Joint Ventures:

	Six months ended June 30, 2001			S
	CONSOLIDATED BUSINESSES	UNCONSOLIDATED JOINT VENTURES AT 100%(1)	TOTAL OF CONSOLIDATED BUSINESSES AND UNCONSOLIDATED JOINT VENTURES AT 100%	CONSOLI BUSINESS
			(in millions of dolla	
REVENUES:				
Minimum rents	81.0	66.8	147.8	6
Percentage rents	2.1	0.8	2.9	
Expense recoveries	50.5	32.8	83.3	4
Management, leasing and development	12.5		12.5	1
Other	16.4	8.0	24.4	1
	----	----	----	-
Total revenues	162.4	108.4	270.9	13
OPERATING COSTS:				
Recoverable expenses	43.3	29.9	73.2	3
Other operating	18.1	6.2	24.2	1
Management, leasing and development	9.4		9.4	1
General and administrative	9.6		9.6	
Interest expense	30.2	36.2	66.4	2
Depreciation and amortization (3)	32.5	17.3	49.7	2

Total operating costs	143.0	89.5	232.5	12
Net results of Memorial City (2)				(
	19.4	19.0	38.3	1
Equity in income of Unconsolidated Joint Ventures (3) (4)	10.1			1
Income before extraordinary items, cumulative effect of change in accounting principle, and minority and preferred interests	29.5			3
Extraordinary items				(
Cumulative effect of change in accounting principle	(8.4)			
TRG preferred distributions	(4.5)			(
Minority share of consolidated joint ventures	0.6			
Minority share of income of TRG	(4.9)			(
Distributions in excess of minority share of income	(11.0)			(1
Net income	1.3			
Series A preferred dividends	(8.3)			(
Net loss allocable to common shareowners	(7.0)			(
SUPPLEMENTAL INFORMATION (5):				
EBITDA - 100%	82.0	72.4	154.4	7
EBITDA - outside partners' share	(4.0)	(32.7)	(36.7)	(
EBITDA contribution	78.0	39.7	117.7	6
Beneficial Interest Expense	(27.6)	(19.1)	(46.7)	(2
Non-real estate depreciation	(1.4)		(1.4)	(
Preferred dividends and distributions	(12.8)		(12.8)	(1
Funds from Operations contribution	36.2	20.6	56.9	2

(1) With the exception of the Supplemental Information, amounts include 100% of the Unconso of intercompany profits. The Unconsolidated Joint Ventures are presented at 100% in orde performance as a whole, without regard to the Company's ownership interest. In its the Company accounts for its investments in the Unconsolidated Joint Ventures under

(2) The results of operations of Memorial City are presented net in this table. The Operat manage Memorial City on April 30, 2000.

(3) Amortization of the Company's additional basis in the Operating Partnership was $3.8 m 2000, respectively. Of these amounts, $1.5 million and $2.3 million were included in Joint Ventures in 2001 and 2000, respectively, while $2.3 million and $1.9 million amortization in 2001 and 2000, respectively.

(4) Equity in income of Unconsolidated Joint Ventures is before the cumulative effect of t incurred in connection with the Company's adoption of SFAS 133. The Company's Ventures' cumulative effect was approximately $1.6 million.

(5) EBITDA represents earnings before interest and depreciation and amortization. Funds from in Liquidity and Capital Resources.

(6) Amounts in the table may not add due to rounding. Certain reclassifications have b to 2001 classifications.

Consolidated Businesses

Total revenues for the six months ended June 30, 2001 were $162.4 million, a $22.9 million over the comparable period in 2000. Minimum rents increased $11.2 million of which $10.6 mil inclusion of Twelve Oaks. Minimum rents also increased due to tenant rollovers and arrangements, offsetting decreases in rent caused by lower occupancy. Expense recoveries incr to Twelve Oaks. Other revenue increased primarily due to increases in lease cancellation r income, partially offset by a decrease in gains on sales of peripheral land.

Total operating costs were $143.0 million, a $20.1 million or 16.4% increase over the co 2000. Recoverable expenses increased primarily due to Twelve Oaks. Other operating expense increase in the charge to operations for costs of pre-development activities, increased professional fees relating to process improvement projects, and losses relating to MerchantWired. Interest expense increased primarily due to debt assumed and incurred relating working capital needs, offset by decreases due to changes in rates on floating rate debt. De increased primarily due to Twelve Oaks.

Unconsolidated Joint Ventures

Total revenues for the six months ended June 30, 2001 were $108.4 million, a $15.3 million from the comparable period of 2000. Rents and recoveries decreased primarily due to Lakesi partially offset by Dolphin Mall. Other revenue increased primarily due to an increase in revenue.

Total operating costs decreased by $1.5 million to $89.5 million for the six months en Recoverable expenses decreased primarily due to Lakeside and Twelve Oaks, partially offset by operating expense decreased primarily due to a decrease in bad debt expense and Twelve partially offset by Dolphin Mall. Interest expense increased because of a decrease in capital opening of Dolphin Mall, as well as changes in the value of Dolphin Mall's interest rate agr offset by decreases due to Lakeside and Twelve Oaks. Depreciation expense increased primarily of Dolphin Mall, partially offset by Lakeside and Twelve Oaks.

As a result of the foregoing, income before extraordinary items and cumulative effect of c principle of the Unconsolidated Joint Ventures decreased by $13.8 million or 42.1% to $ Company's equity in income before extraordinary items and the cumulative effect of the ch principle of the Unconsolidated Joint Ventures was $10.1 million, a 38.0% decrease from the c 2000.

Net Income

As a result of the foregoing, the Company's income before extraordinary items, cumulative accounting principle, and minority and preferred interests decreased $1.9 million to $29.5 months ended June 30, 2001. During 2001, a cumulative effect of a change in accounting princi was recognized in connection with the Company's adoption of SFAS 133. During 2000, an extra $9.3 million was recognized related to the refinancing of the debt on Stamford Town Center. A income to minority and preferred interests, the net loss allocable to common shareowners million compared to $(5.8) million in 2000.

Liquidity and Capital Resources

In the following discussion, references to beneficial interest represent the Operating Par the results of its consolidated and unconsolidated businesses. The Company does not have parent company indebtedness; all debt discussed represents obligations of the Operating subsidiaries and joint ventures.

The Company believes that its net cash provided by operating activities, distributio ventures, the unutilized portion of its credit facilities, and its ability to access the cap adequate liquidity to conduct its operations in accordance with its dividend and financing polic

As of June 30, 2001, the Company had a consolidated cash balance of $24.2 million. Additio has a secured $200 million line of credit. This line had $88.0 million of borrowings as o expires in September 2001. The Company is in the process of obtaining a 45-day extension on t Company is also negotiating a new facility to replace this current line of credit. The Company a second secured bank line of credit of up to $40 million. The line had $5.5 million of bor 30, 2001 and expires in November 2001.

Debt and Equity Transactions

Discussion of significant debt and equity transactions that affected operations is conta of Operations. In addition to the items described therein, in May 2001, the Company close construction loan for the Mall at Wellington Green. The loan bears interest at LIBOR plu initial term of three years with two one-year extension options. The interest on $70 mil capped at 7% plus credit spread and the interest on another $70 million is capped at 7.25% p The Operating Partnership guarantees 100% of principal and interest; the amounts guaranteed certain center performance and valuation criteria are met.

Summary of Investing Activities

Net cash used in investing activities was $132.5 million in 2001 compared to $71.7 million in investing activities was impacted by the timing of capital expenditures, with additions to and 2000 for the construction of The Mall at Wellington Green and The Shops at Willow Be development activities and other capital items (see Capital Spending below). Proceeds from land were $3.5 million, a decrease of $1.9 million from 2000. Contributions to Unconsolidated $28.7 million in 2001 and $2.8 million in 2000, primarily representing funding for construc Dolphin Mall. An additional $2.9 million was invested in technology-related ventures in 2001. Unconsolidated Joint Ventures were primarily consistent with 2000.

Summary of Financing Activities

Financing activities contributed cash of $88.5 million, an increase of $66.8 million from t 2000. Debt proceeds, net of repayments and issuance costs, provided $139.0 million in 2001, million from 2000. Stock repurchases of $11.2 million were made in connection with the Company program in 2001, an increase of $3.7 million from 2000. Issuance of stock pursuant to the contributed $8.3 million in 2001. Due to the timing of the 2001 end of the quarter, the Compan 2001 preferred dividends and distributions were not paid until July 2001.

Beneficial Interest in Debt

At June 30, 2001, the Operating Partnership's debt and its beneficial interest i Consolidated and Unconsolidated Joint Ventures totaled $1,771.4 million. As shown in the foll million of this debt was floating rate debt that remained unhedged at June 30, 2001. Interest include amortization of debt issuance costs and interest rate hedging costs. Debt issuance rate hedging costs are reported as interest expense in the results of operations. Amortizatio costs added 0.42% to TRG's effective interest rate in the second quarter of 2001. Included in b in debt is debt used to fund development and expansion costs. Beneficial interest in assets o being capitalized totaled $574.9 million as of June 30, 2001. Beneficial interest in capita $9.9 million and $20.2 million for the three and six months ended June 30, 2001, respectively.

	Beneficial Interest in Debt			
	Amount (in millions of dollars)	Interest Rate at 6/30/01	LIBOR Cap Rate	Frequ of R Res
Total beneficial interest in fixed rate debt	$944.7	7.57% (1)		
Floating rate debt hedged via interest rate caps:				
Through October 2001	50.0	4.43	8.55%	Mon
Through March 2002	100.0	5.15(1)	7.25	Mon
Through March 2002	144.5	5.56	7.25	Mon
Through July 2002	43.4	5.10	6.50	Mon
Through August 2002	38.0	4.78	8.20	Mon
Through September 2002	100.0(2)	8.14(3)	7.00	Mon
Through October 2002	26.5	5.65	7.10	Mon
Through November 2002	80.2(4)	5.25(1)	8.75	Mon
Through May 2003	119.0(5)	5.89	7.15	Mon
Through September 2003	63.0	5.73(1)	7.00	Mon
Through September 2003	37.8(6)	5.43(1)	7.25	Mon
Other floating rate debt	24.3	5.15(1)		

Total beneficial interest in debt	$1,771.4	6.70(1)
	========	

(1) Denotes weighted average interest rate.
(2) This construction debt at a 50% owned unconsolidated joint venture is swapped at a rate
(3) Rate reflects impact of interest rate swap.
(4) This construction debt at a 50% owned unconsolidated joint venture is hedged with an $8
(5) The notional amount on the cap, which hedges a construction facility, accretes $7 mi million.
(6) The notional amount on the cap, which hedges a construction facility on a 90% owned co $6 million a month until it reaches $70 million.

Sensitivity Analysis

The Company has exposure to interest rate risk on its debt obligations and interest rate ins the Operating Partnership's beneficial interest in debt and interest rates in effect at Ju percent increase or decrease in interest rates on floating rate debt would decrease or incr approximately $7.3 million and, due to the effect of capitalized interest, annual earnings by million. Based on the Company's consolidated debt and interest rates in effect at June 30, increase in interest rates would decrease the fair value of debt by approximately $38.9 mi percent decrease in interest rates would increase the fair value of debt by approximately $41.7

Covenants and Commitments

Certain loan agreements contain various restrictive covenants, including limitations on debt service and fixed charges coverage ratios, a maximum payout ratio on distributions, and a ratio, the latter being the most restrictive. The Company is in compliance with all of such cov

Payments of principal and interest on the loans in the following table are guaranteed Partnership as of June 30, 2001. All of the loan agreements provide for a reduction of the amo certain center performance and valuation criteria are met.

Center	Loan balance as of 6/30/01	TRG's beneficial interest in loan balance as of 6/30/01	Amount of loan balance guaranteed by TRG as of 6/30/01	% of loan balance guaranteed by TRG
	(in millions of dollars)			
Dolphin Mall	164.6	82.3	82.3	50%
Great Lakes Crossing	169.6	144.2	169.6	100%
International Plaza	121.4	32.2	121.4	100%(1
The Mall at Millenia	22.3	11.2	11.2	50%
The Mall at Wellington Green	86.0	77.4	86.0	100%
The Shops at Willow Bend	153.1	153.1	153.1	100%

(1) The new investor in the International Plaza venture has indemnified the Operating extent of approximately 25% of the amounts guaranteed.

In addition, the Operating Partnership guarantees the $100 million facility secured by an Oaks that was obtained in August 2000.

Funds from Operations

A principal factor that the Company considers in determining dividends to shareowners is Fu (FFO), which is defined as income before extraordinary items, cumulative effects of cha principles, real estate depreciation and amortization, and the allocation to the minori Operating Partnership, less preferred dividends and distributions. Gains on dispositio operating properties are excluded from FFO.

Funds from Operations does not represent cash flows from operations, as defined by accounting principles, and should not be considered to be an alternative to net income a operating performance or to cash flows from operations as a measure of liquidity. Howe Association of Real Estate Investment Trusts (NAREIT) suggests that Funds from Operat supplemental measure of operating performance for REIT's. Funds From Operations as presented not be comparable to similarly titled measures of other companies.

Reconciliation of Income to Funds from Operations

	Three Months Ended June 30, 2001	Thre J
	(in millions of dollars	
Income before minority and preferred interests (1) (2)	15.7	
Depreciation and amortization (3)	15.3	
Share of Unconsolidated Joint Ventures' depreciation and amortization (4)	5.2	
Non-real estate depreciation	(0.7)	
Minority partners in consolidated joint ventures share of funds from operations	(0.9)	
Preferred dividends and distributions	(6.4)	
Funds from Operations - TRG	28.2	
Funds from Operations allocable to TCO	17.3	

(1) Includes gains on peripheral land sales of $1.5 million and $0.2 million for the thre 30, 2001 and June 30, 2000, respectively.
(2) Includes net non-cash straightline adjustments to minimum rent revenue and ground r million and zero for the three months ended June 30, 2001 and June 30, 2000, respective
(3) Includes $0.7 million and $0.6 million of mall tenant allowance amortization for the June 30, 2001 and June 30, 2000, respectively.
(4) Includes $0.6 million and $0.3 million of mall tenant allowance amortization for the June 30, 2001 and June 30, 2000, respectively.
(5) Amounts in this table may not add due to rounding.

	Six Months Ended June 30, 2001
	(in millions of dollars
Income before extraordinary items, cumulative effect of change in accounting principle, and minority and preferred interests (1) (2)	29.5
Depreciation and amortization (3)	32.5
Share of Unconsolidated Joint Ventures' depreciation and amortization (4)	10.6
Non-real estate depreciation	(1.4)
Minority partners in consolidated joint ventures share of funds from operations	(1.4)
Preferred dividends and distributions	(12.8)
Funds from Operations - TRG	56.9
Funds from Operations allocable to TCO	34.9

(1) Includes gains on peripheral land sales of $2.8 million and $4.0 million for the si 30, 2001 and June 30, 2000, respectively.
(2) Includes net non-cash straightline adjustments to minimum rent revenue and ground r million and $(0.2) million for the six months ended June 30, 2001 and June 30, 2000, re
(3) Includes $1.3 million and $1.1 million of mall tenant allowance amortization for t June 30, 2001 and June 30, 2000, respectively.
(4) Includes $1.0 million and $0.7 million of mall tenant allowance amortization for t

June 30, 2001 and June 30, 2000, respectively.

(5) Amounts in this table may not add due to rounding.

Reconciliation of Funds from Operations to Net Income

	Three Months Ended June 30, 2001	T
	(in millions of dollars	
Fund from Operations-TRG	28.2	
Depreciation adjustments:		
Consolidated Businesses' depreciation and amortization	(15.3)	
Minority partners in consolidated joint ventures share of depreciation and amortization	1.1	
Depreciation of TCO's additional basis	1.9	
Non-real estate depreciation	0.7	
Share of Unconsolidated Joint Ventures' depreciation and amortization	(5.2)	
Net income - TRG	11.4	
TCO's ownership share of net income of TRG (1)	7.0	
Depreciation of TCO's additional basis	(1.9)	
Income before distributions in excess of earnings allocable to minority interest - TCO	5.1	
Distributions in excess of earnings allocable to minority interest	(3.5)	
Net income allocable to common shareowners-TCO	1.6	

(1) TCO's average ownership of TRG was approximately 61% and 63% during the three months

(2) Amounts in this table may not add due to rounding.

	Six Months Ended June 30, 2001
	(in millions of dollars
Fund from Operations-TRG	56.9
Depreciation adjustments:	
Consolidated Businesses' depreciation and amortization	(32.5)
Minority partners in consolidated joint ventures share of depreciation and amortization	1.6
Depreciation of TCO's additional basis	3.8
Non-real estate depreciation	1.4
Share of Unconsolidated Joint Ventures' depreciation and amortization	(10.6)
Income before extraordinary items and cumulative effect of accounting change - TRG	20.5
TCO's ownership share of income of TRG (1)	12.7
Depreciation of TCO's additional basis	(3.8)
Income before distributions in excess of earnings allocable to minority interest - TCO	8.9
Distributions in excess of earnings allocable to minority interest	(11.0)

Income before extraordinary items and cumulative effect of accounting change allocable to common shareowners-TCO	(2.1)

(1) TCO's average ownership of TRG was approximately 61% and 63% during the six months
(2) Amounts in this table may not add due to rounding.

Dividends

The Company pays regular quarterly dividends to its common and Series A preferred shareow its common shareowners are at the discretion of the Board of Directors and depend on the cas Company, its financial condition, capital and other requirements, and such other facto Directors deems relevant. Preferred dividends accrue regardless of whether earnings, cash contractual obligations were to prohibit the current payment of dividends.

On May 31, 2001, the Company declared a quarterly dividend of $0.25 per common share payab shareowners of record on July 2, 2001. The Board of Directors also declared a quarterly divid share on the Company's 8.3% Series A Preferred Stock for the quarterly dividend period ended Ju was paid on July 2, 2001 to shareowners of record on June 22, 2001.

The tax status of total 2001 common dividends declared and to be declared, assuming conti per common share quarterly dividend, is estimated to be approximately 30% return of capital, 70% of ordinary income. The tax status of total 2001 dividends to be paid on Series A estimated to be 100% ordinary income. These are forward-looking statements and certain signif cause the actual results to differ materially, including: 1) the amount of dividends declared; Company's share of anticipated taxable income of the Operating Partnership due to the act Operating Partnership; 3) changes in the number of the Company's outstanding shares; 4) prope dispositions; 5) financing transactions, including refinancing of existing debt; and 6) chan Revenue Code or its application.

The annual determination of the Company's common dividends is based on anticipated Fun available after preferred dividends and distributions, as well as financing considerations an factors. Further, the Company has decided that the growth in common dividends will be less Funds from Operations for the immediate future.

Any inability of the Operating Partnership or its Joint Ventures to obtain financing maturing debts, capital expenditures and changes in working capital, including developme expansions, may require the utilization of cash to satisfy such obligations, thereby distributions to partners of the Operating Partnership and funds available to the Company dividends.

Capital Spending

Capital spending for routine maintenance of the shopping centers is generally recovered following table summarizes planned capital spending, which is not recovered from tenant acquisitions during 2001:

	2001		
	Consolidated Businesses	Unconsolidated Joint Ventures (1)	Beneficial Consolidate and Uncon Joint Vent
	(in millions of dollars)		
Development, renovation, and expansion	194.2 (3)	305.8 (4)	31
Mall tenant allowances	9.5	6.4	1
Pre-construction development and other	15.5	0.5	1
Total	219.2	312.7	34

(1) Costs are net of intercompany profits.
(2) Includes the Operating Partnership's share of construction costs for The Mall at Well owned consolidated joint venture), International Plaza (a 26% owned unconsolidated joint Mall (a 50% owned unconsolidated joint venture), and The Mall at Millenia (a 50% owned u venture).
(3) Includes costs related to The Shops at Willow Bend and The Mall at Wellington Green.
(4) Includes costs related to Dolphin Mall, International Plaza, and The Mall at Millenia.

The Operating Partnership has entered into a 50%-owned joint venture to develop The Mall at under construction in Orlando, Florida. This project is expected to cost approximately $200 October 2002. The Mall at Millenia will be anchored by Bloomingdale's, Macy's, and Neiman Marcu

Additionally, food courts at Twelve Oaks, in the suburban Detroit area, and Woodland in Gran are scheduled to open in the fall of 2001. The Operating Partnership's share of the cost of expected to be approximately $12.5 million.

The Operating Partnership and The Mills Corporation have formed an alliance to develop va projects in major metropolitan markets. The ten-year agreement calls for the two companies and own at least seven of these centers, each representing approximately $200 million of capi number of locations across the nation are targeted for future initiatives.

The Operating Partnership anticipates that its share of costs for development project completed in 2002 will be as much as $46 million in 2002. Estimates of future capital spen projects approved by the Company's Board of Directors and, consequently, estimates will cha are approved. Estimates regarding capital expenditures presented above are forward-looki certain significant factors could cause the actual results to differ materially, including but actual results of negotiations with anchors, tenants and contractors; 2) changes in the projects; 3) cost overruns; 4) timing of expenditures; 5) financing considerations; and complete projects.

Investments in Technology Businesses

The Company owns an approximately 6.8% interest in MerchantWired, LLC, a service company and network infrastructure to shopping centers and retailers. As of June 30, 2001, the investment of approximately $4 million in the venture, representing $5.4 million of cont Company's share of losses through June 2001. The Company has also severally guaranteed its lease payments, a $3.8 million commitment.

The Company also owns a $7.4 million preferred interest in Fashionmall.com, an e-comm markets, promotes, advertises, and sells fashion apparel and related accessories and products Fashionmall.com continues to have sufficient cash on hand to cover the Company's preferre Fashionmall.com ever liquidate. As Fashionmall.com has stated in its recently filed tender of company is exploring many options including "acquisitions, mergers, sales of assets, issuing s finding other options to provide opportunities for liquidity to shareholders". Some of thes timing could impact the Company's preference more favorably than others.

Also, the Company has an investment of $500 thousand in Constellation Real Technolo commitment for an additional $1.5 million. In total, the Company's current technology exposu $17 million as of June 30, 2001, including contingencies and commitments.

Cash Tender Agreement

A. Alfred Taubman has the annual right to tender to the Company units of partnership intere Partnership (provided that the aggregate value is at least $50 million) and cause the Comp tendered interests at a purchase price based on a market valuation of the Company on the tradi preceding the date of the tender (the Cash Tender Agreement). At A. Alfred Taubman's election Robert C. Larson and his family may participate in tenders. The Company will have the opti interests from available cash, borrowed funds, or from the proceeds of an offering of the stock. Generally, the Company expects to finance these purchases through the sale of new s The tendering partner will bear all market risk if the market price at closing is less than t and will bear the costs of sale. Any proceeds of the offering in excess of the purchase pr sole benefit of the Company.

Based on a market value at June 30, 2001 of $14.00 per common share, the aggregate value

Operating Partnership that may be tendered under the Cash Tender Agreement was approximately purchase of these interests at June 30, 2001 would have resulted in the Company owning an addi in the Operating Partnership.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The information required by this item is included in this report at Item 2 under the capti Capital Resources - Sensitivity Analysis".

Item 4. Submission of Matters to a Vote of Security Holders

On May 31, 2001, the Company held its annual meeting of shareholders. The matters on which were: the election of three directors to serve a three year term, and the ratification of the of Deloitte & Touche LLP as the Company's independent auditors for the year ended December Bloostein, Jerome A. Chazen, and S. Parker Gilbert were re-elected at the meeting, and incumbent directors continued to hold office after the meeting. The shareholders ratified t independent auditors. The results of the voting are shown below:

ELECTION OF DIRECTORS

NOMINEES	VOTES FOR	VOTES WITHHELD
Allan J. Bloostein	70,585,229	62,239
Jerome A. Chazen	70,583,759	63,709
S. Parker Gilbert	70,589,739	57,729

RATIFICATION OF AUDITORS

70,569,744	Votes were cast for ratification;
53,303	Votes were cast against ratification; and
24,421	Votes abstained (including broker non-votes).

PART II

OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

12 -- Statement Re: Computation of Taubman Centers, Inc. Ratio of E Fixed Charges and Preferred Dividends and Distributions.

99 -- Debt Maturity Schedule

b) Current Reports on Form 8-K.

None

SIGNATURES

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

TAUBMAN CENTERS, INC.

Date: August 13, 2001

By: /s/ Lisa A. Payne

Lisa A. Payne
Executive Vice Presi
Chief Financial Offi

EXHIBIT INDEX

Exhibit Number	
12	-- Statement Re: Computation of Taubman Centers, Inc. Ratio of E Fixed Charges and Preferred Dividends and Distributions.
99	-- Debt Maturity Schedule

TAUBMAN CENTERS, INC.

Computation of Ratios of Earnings to Combined Fixed Charges and Preferred Dividends and D
(in thousands, except ratios)

	Six Months End
	2001
Net Earnings from Continuing Operations	$ 29,459
Add back:	
Fixed charges	71,615
Amortization of previously capitalized interest (1)	1,099
Deduct:	
Capitalized interest (1)	(20,240)
Earnings Available for Fixed Charges and Preferred Dividends and Distributions	$ 81,933

Fixed Charges	
Interest expense	$ 30,163
Capitalized interest	16,396
Interest portion of rent expense	1,933
Proportionate share of Unconsolidated Joint Ventures' fixed charges	23,123
Total Fixed Charges	$ 71,615
Preferred Dividends and Distributions	12,800
Total Fixed Charges and Preferred Dividends and Distributions	$ 84,415
Ratio of Earnings to Fixed Charges and Preferred Dividends and Distributions	0.97 (2)

(1) Amounts include TRG's pro rata share of the Unconsolidated Joint Ventures.
(2) Earnings available for fixed charges and preferred dividends and distributions are less of fixed charges and preferred dividends and distributions by approximately $2.5 million.

MORTGAGE AND OTHER NO
INCLUDING WEIGHTED INTEREST RA

	100%	BENEFICIAL INTEREST	EFFECTIVE RATE (a)	----
	06/30/01	06/30/01	06/30/01	20
CONSOLIDATED FIXED RATE DEBT:				
BEVERLY CENTER	146.0	146.0	8.36%	
BILTMORE	79.4	79.4	7.68%	
MACARTHUR CENTER	144.2	101.0	7.59%	
THE MALL AT SHORT HILLS	270.0	270.0	6.70%	
OTHER	24.4	24.3	11.94%	
TOTAL CONSOLIDATED FIXED WEIGHTED RATE	664.0	620.7	7.57%	
CONSOLIDATED FLOATING RATE DEBT:				
GREAT LAKES CROSSING	169.6	144.2	5.56%	
THE SHOPS AT WILLOW BEND	153.1	153.1	5.89%	
TWELVE OAKS	50.0	50.0	4.43%	
OTHER	100.0	100.0	5.08%	
WELLINGTON GREEN	86.0	77.4	5.90%	
TRG CREDIT FACILITY	5.5	5.5	5.00%	
TRG CREDIT FACILITY	88.0	88.0	4.88%	

TOTAL CONSOLIDATED FLOATING WEIGHTED RATE		652.2	618.2	5.41%
TOTAL CONSOLIDATED WEIGHTED RATE		1,316.2	1,238.9	6.49%
JOINT VENTURES FIXED RATE DEBT:				
ARIZONA MILLS	36.84%	145.3	53.5	7.90%
CHERRY CREEK	50.00%	177.0	88.6	7.68%
FAIR OAKS	50.00%	140.0	70.0	6.60%
WESTFARMS	78.94%	100.0	78.9	7.85%
WOODLAND	50.00%	66.0	33.0	8.20%
TOTAL JOINT VENTURE FIXED WEIGHTED RATE		628.3	324.0	7.58%
JOINT VENTURES FLOATING RATE DEBT:				
DOLPHIN MALL	50.00%	164.6 (b)	82.3	8.14%
THE MALL AT MILLENIA	50.00%	22.3	11.2	5.92%
STAMFORD TOWN CENTER	50.00%	76.0	38.0	4.78%
INTERNATIONAL PLAZA	26.49%	121.4	32.2	5.65%
WESTFARMS	78.94%	55.0	43.4	5.10%
OTHER		2.6	1.4	7.00%
TOTAL JOINT VENTURE FLOATING WEIGHTED RATE		441.9	208.5	6.38%
TOTAL JOINT VENTURE WEIGHTED RATE		1,070.2	532.5	7.11%
TRG BENEFICIAL INTEREST TOTALS				
FIXED RATE DEBT			944.7	7.57%
FLOATING RATE DEBT			826.7	5.66%
TOTAL			1,771.4	6.70%

Average Maturity

===

(a) Rate includes effect of swap at Dolphin. No caps are in the money at June 30, 2001.
(b) As of 6/30/01, $200 million is swapped to an all-in rate of 8.14%.

End of Filing