



October 28, 2005

Mr. Robert Herz
Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: Proposed Statement of Financial Accounting Standards, "Consolidated Financial Statements, Including Accounting and Reporting of Noncontrolling Interests in Subsidiaries, a replacement of ARB No. 51"

Dear Mr. Herz:

Taubman Centers, Inc. has reviewed the above-referenced Proposed Statement of Financial Accounting Standards and appreciates the opportunity to comment on it. Taubman Centers, Inc. is a real estate investment trust that is engaged in the ownership, development, acquisition, and operation of regional shopping centers and interests therein. We currently own and/or manage 23 shopping centers in 11 states and have an additional center under construction.

Our company was formed through an umbrella partnership real estate investment trust (UPREIT) transaction of the variety outlined in EITF Issue 94-2 "Treatment of Minority Interests in Certain Real Estate Investment Trusts." In that regard, the interests of the limited partners' (noncontrolling) interests in the operating partnership are reported as a minority interest in our REIT's consolidated financial statements. The net equity of the operating partnership is less than zero because of accumulated distributions in excess of net income and not as a result of operating losses. Consistent with many other REITs, our cash distributions exceed our financial reporting income due to noncash charges such as depreciation. As a result of our application of the consensus on EITF Issue 94-2, our minority interest is presented at zero in the REIT's consolidated financial statements. With this as background, we wish to provide our comments on certain aspects of the Proposed Statement in the context of the improvements they represent to the financial reporting of a company currently accounting for its noncontrolling interests under this particular EITF consensus.

In response to the Board's Questions 1 and 2 in the Proposed Statement, we agree that considering the noncontrolling interests in the operating partnership as part of the equity of the consolidated entity, separate from that of the REIT parent, would improve the relevance and transparency of our financial reporting, as we believe the ownership risks and rewards of the noncontrolling interests in our operating partnership mirror those of the REIT shareholders. The noncontrolling interests participate in their investments in

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the same way as other equity stakeholders, earning the benefits of a profitable enterprise, bearing the risks of an unprofitable one, and voting on the same basis with the common shareholders. Treatment of the noncontrolling interests as part of consolidated equity would therefore be more representative of the risks and rewards of ownership in our business. We believe the accounting contained in the Proposed Standard is indeed justified.

In response to the Board's Question 3, we similarly believe allocating income or loss to the controlling and noncontrolling interests based on ownership interests or other contractual arrangements, as applicable, provides more consistency with the economics of ownership of our business. Currently, as our minority interest is required to be presented at zero, the minority partners receive a disproportionate share of income in order to bring the minority interest to zero, even though distributions to noncontrolling interests in the operating partnership per unit of partnership are equivalent to the dividends paid to the common shareholders. By allocating income or loss on any other basis than ownership interest or contractual arrangement, as is unfortunately currently required, provides potentially confusing or misleading information to investors, perhaps inappropriately implying that the REIT shareholders and the noncontrolling interests in the operating partnership share in the economic profits of ownership of our business differently. We again reach the conclusion that the accounting put forth in the Proposed Standard would be an improvement over current requirements.

We find the Board's proposed view of presenting the consolidated financial statements of a single economic entity to be consistent with how we manage our business. Together the REIT and operating partnership own, operate, and comprise a single business enterprise for which economics and governance are shared directly in proportion to ownership interests. We therefore support the Board's consideration of principles that change the current views of accounting for noncontrolling interests, specifically those relating to the accounting for real estate investment trusts such as ours.

Thank you for this opportunity to submit our comments regarding the accounting and reporting for noncontrolling interests in subsidiaries.

Sincerely yours,

/s/ Esther R. Blum

Esther R. Blum
Senior Vice President, Controller, and Chief Accounting Officer