



General Growth Properties, Inc. Reports Results of Operations for First Quarter 2009

CHICAGO, May 06, 2009 (BUSINESS WIRE) -- General Growth Properties, Inc. (the Company) released today its first quarter 2009 operating results. For the first quarter of 2009, Core Funds From Operations (Core FFO) per fully diluted share were a loss of \$0.38, Funds From Operations (FFO) per fully diluted share were a loss of \$0.52 and Earnings per share - diluted (EPS) were a loss of \$1.27. In the comparable 2008 period, Core FFO per fully diluted share were \$0.74, FFO per fully diluted share were \$0.73 and EPS were \$0.01. The declines in Core FFO and FFO are primarily attributable to provisions for impairment, termination income and restructuring costs related to the development of alternatives to address our current liquidity and financing situations. A Supplemental Schedule of Significant FFO Items that Impact Comparability is provided with this release. In addition, the 2008 results have been restated to reflect the adoption of two accounting pronouncements as of January 1, 2009 that required retrospective application.

As previously reported, we filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code in the Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). Although approximately 166 of our regional malls and certain other subsidiaries have also sought voluntary protection in related Chapter 11 filings, our property management subsidiary, certain of our wholly-owned subsidiaries, and our joint ventures, either consolidated or unconsolidated, have not sought such protection. The Bankruptcy Court has ruled to allow joint administration of these cases and has approved, on an interim basis, certain "first day" motions generally designed to permit continued normal operations and covering, among other things, employee obligations, critical service providers, tax matters, insurance matters, tenant obligations, cash management and cash collateral. These motions are subject to a final hearing before the Bankruptcy Court on May 8, 2009. The Company intends to pursue a plan of reorganization that extends mortgage maturities and reduces its corporate debt and overall leverage. We intend to work with our various lenders and other constituencies to emerge from bankruptcy as quickly as possible while executing on a plan of reorganization that preserves GGP's integrated, national business operations.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- **Core FFO** is defined as Funds From Operations excluding the Real Estate Property Net Operating Income (NOI) from the Master Planned Communities segment and the benefit from (provision for) income taxes. Core FFO for the first quarter of 2009 was a loss of \$122.9 million or \$0.38 per fully diluted share as compared to a positive \$220.3 million or \$0.74 per fully diluted share for the first quarter of 2008. The primary reason for the Core FFO decline is the approximately \$279.8 million of Core FFO impairments recognized in the first quarter of 2009, as detailed in our Supplemental Schedule of Significant FFO Items that Impact Comparability included with this release. No significant impairments were recognized in the first quarter of 2008. In addition, approximately \$38.3 million of restructuring costs were incurred in 2009 whereas no such restructuring costs were incurred in the first quarter of 2008. With respect to minimum rents, approximately \$11.7 million more of termination income was recognized in 2008 than in 2009.
- **FFO** per fully diluted share was a loss of \$0.52 in the first quarter of 2009. FFO for the quarter was a loss of \$165.9 million as compared to \$216.9 million in the first quarter of 2008. In addition to the items detailed in the Supplemental Schedule of Significant FFO Items that Impact Comparability, we experienced land sales declines in the Master Planned Community segment discussed below.
- **EPS** for the first quarter of 2009 were a loss of \$1.27 per share versus earnings of \$0.01 in the first quarter of 2008. Our first quarter 2009 EPS were significantly impacted by the FFO items discussed above as well as increased depreciation due to the scheduled acquisition of The Shoppes at The Palazzo in 2008.

SEGMENT RESULTS

Retail and Other Segment

- **NOI** for the first quarter of 2009 was \$608.6 million, a decrease of approximately 4.1% from the \$634.5 million reported in the first quarter of 2008. Minimum rents in the first quarter of 2009 declined approximately \$2.7 million as compared to the same period of 2008 due to the 2008 sale of three office buildings and two office parks. Temporary tenant revenues, other revenues (including sponsorship, vending, parking and advertising) and overage rents declined in 2009 due to decreases in occupancy and the overall weakness of the retail economy. Weaknesses in certain of our tenants' businesses also led to an \$8.6 million increase in our provision for doubtful accounts in 2009 as compared to 2008. In addition, other revenues declined in 2009 due to a loss on sale of outparcel land of \$3.9 million whereas 2008 had outparcel sales gains of approximately \$4.3 million.

- **Revenues from consolidated properties** were \$ 757.6 million for the first quarter of 2009, a decline of 5.1% compared to \$798.3 million for the same period in 2008. The majority of this decline is due to the items impacting FFO discussed above.
- **Revenues from unconsolidated properties**, at the Company's ownership share, increased to \$152.1 million or 3.8% compared to \$146.6 million in the first quarter of 2008. This increase was primarily due to the completion and commencement of operations at the Natick Collection in 2008.
- **Total tenant sales** declined 6.1% and comparable tenant sales declined 6.7% in 2009, both on a trailing 12 month basis, compared to the same period last year.
- **Comparable NOI from consolidated properties** in the first quarter of 2009 declined by 4.4% compared to the first quarter of 2008. **Comparable NOI from unconsolidated properties** at the Company's ownership share in the first quarter of 2009 increased by approximately 3.7% compared to the first quarter of 2008. In the aggregate, comparable segment NOI decreased 3.3% as compared to the first quarter of 2008.
- **Retail Center occupancy** decreased to 90.9% at March 31, 2009, compared to 92.5% at December 31, 2008 and 92.7% at March 31, 2008.
- **Sales per square foot** for first quarter 2009 (on a trailing twelve month basis) were \$427 versus \$438 for the fourth quarter 2008 and \$460 in the first quarter of 2008.

Master Planned Communities Segment

- **NOI** in the first quarter of 2009 for the Master Planned Communities segment was a loss of \$54.4 million for consolidated properties and income of \$0.3 million for unconsolidated properties as compared to a loss of \$0.9 million and income of \$7.7 million, respectively, in the first quarter of 2008. As detailed in the Supplemental Schedule of FFO Items that Impact Comparability, the NOI loss in the first quarter of 2009 is due primarily to the \$52.8 million provision for impairment related to the agreement to sell substantially all of our remaining acreage at the Fairwood Community in a single bulk sale, a transaction which is expected to be completed in the third quarter of 2009. NOI remains negative for certain other communities as operating expenses cannot be completely eliminated despite the significant reduction in current sales revenues.
- **Land sale revenues** in the first quarter of 2009 were approximately \$9.0 million for consolidated properties and approximately \$5.1 million for unconsolidated properties, compared to \$9.1 million and \$23.1 million, respectively, in the first quarter of 2008.

GGP INFORMATION/WEBSITE

The Company currently has ownership interest in, or management responsibility for, over 200 regional shopping malls in 44 states, as well as ownership in planned community developments and commercial office buildings. The Company's portfolio totals approximately 200 million square feet of retail space and includes over 24,000 retail stores nationwide. The Company's common stock is currently traded in the pink sheets using the symbol GGWPQ. For more information, please visit the Company website at <http://www.ggp.com>.

NON-GAAP SUPPLEMENTAL FINANCIAL MEASURES AND DEFINITIONS

FUNDS FROM OPERATIONS AND CORE FFO

The Company, consistent with real estate industry and investment community preferences, uses FFO as a supplemental measure of operating performance for a Real Estate Investment Trust (REIT). The National Association of Real Estate Investment Trusts (NAREIT) defines FFO as net income (loss) attributable to controlling interests (computed in accordance with Generally Accepted Accounting Principles (GAAP)), excluding gains (or losses) from cumulative effects of accounting changes, extraordinary items and sales of properties, plus real estate related depreciation and amortization and including adjustments for unconsolidated partnerships and joint ventures.

The Company considers FFO a supplemental measure for equity REITs and a complement to GAAP measures because it facilitates an understanding of the operating performance of the Company's properties. FFO does not give effect to real estate depreciation and amortization since these amounts are computed to allocate the cost of a property over its useful life. Since values for well-maintained real estate assets have historically increased or decreased based upon prevailing market conditions, the Company believes that FFO provides investors with a clearer view of the Company's operating performance. However, we believe that FFO is a less meaningful supplemental measure for the Master Planned Communities segment of our business. FFO does not facilitate an understanding of the operating performance of the Master Planned Communities segment of our business as our primary strategy in this segment is to develop and sell land in a manner that increases the value of the remaining land. In addition, the Master Planned Communities segment of our business is operated within taxable REIT subsidiaries and therefore our (provision for) benefit from income tax expense is largely attributable to this segment of the

business. To isolate these parts of the Company from the Retail and Other segment, for which FFO is a relevant measure of operating performance, the Company also uses Core FFO as an operating measure. Core FFO is defined as FFO excluding the NOI from the Master Planned Communities segment and the (provision for) benefit from income taxes.

In order to provide a better understanding of the relationship between Core FFO, FFO and GAAP net income, a reconciliation of Core FFO and FFO to GAAP net income attributable to controlling interests has been provided. Neither Core FFO nor FFO represent cash flow from operating activities in accordance with GAAP, neither should be considered as an alternative to GAAP net income attributable to controlling interests and neither is necessarily indicative of cash available to fund cash needs. In addition, the Company has presented FFO on a consolidated and unconsolidated basis (at the Company's ownership share) as the Company believes that given the significance of the Company's operations that are owned through investments accounted for on the equity method of accounting, the detail of the operations of the Company's unconsolidated properties provides important insights into the income and FFO produced by such investments for the Company as a whole.

REAL ESTATE PROPERTY NET OPERATING INCOME (NOI) AND COMPARABLE NOI

The Company believes that NOI is a useful supplemental measure of the Company's operating performance. The Company defines NOI as operating revenues (rental income, land sales, tenant recoveries and other income) less property and related expenses (real estate taxes, land sales operating costs, repairs and maintenance, marketing and other property expenses). As with FFO described above, NOI has been reflected on a consolidated and unconsolidated basis (at the Company's ownership share). Other REITs may use different methodologies for calculating NOI, and accordingly, the Company's NOI may not be comparable to other REITs.

Because NOI excludes general and administrative expenses, interest expense, retail investment property impairment or other non-recoverable development costs, depreciation and amortization, gains and losses from property dispositions, allocations to noncontrolling interests and extraordinary items, it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating commercial real estate properties and the impact on operations from trends in occupancy rates, rental rates, land values (with respect to the Master Planned Communities) and operating costs. This measure thereby provides an operating perspective not immediately apparent from GAAP operating or net income attributable to controlling interests. The Company uses NOI to evaluate its operating performance on a property-by-property basis because NOI allows the Company to evaluate the impact that factors such as lease structure, lease rates and tenant base, which vary by property, have on the Company's operating results, gross margins and investment returns.

In addition, management believes that NOI provides useful information to the investment community about the Company's operating performance. However, due to the exclusions noted above, NOI should only be used as an alternative measure of the Company's financial performance. For reference, and as an aid in understanding management's computation of NOI, a reconciliation of NOI to consolidated operating income as computed in accordance with GAAP has been presented.

Comparable NOI excludes from both years the NOI of properties with significant physical or merchandising changes and those properties acquired or opened during the relevant comparative accounting periods.

PROPERTY INFORMATION

The Company has presented information on its consolidated and unconsolidated properties separately in the accompanying financial schedules. As a significant portion of the Company's total operations are structured as joint venture arrangements which are unconsolidated, management of the Company believes that operating data with respect to all properties owned provides important insights into the income produced by such investments for the Company as a whole. In addition, the individual items of revenue and expense for the unconsolidated properties have been presented at the Company's ownership share of such unconsolidated ventures. As substantially all of the management operating philosophies and strategies are the same regardless of ownership structure, an aggregate presentation of NOI and other operating statistics yields a more accurate representation of the relative size and significance of such elements of the Company's overall operations.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements. Actual results may differ materially from the results suggested by these forward-looking statements, for a number of reasons, including, but not limited to, the impact of our bankruptcy filing, our ability to refinance our near and intermediate term debt, our substantial level of indebtedness and interest rates, retail and credit market conditions, impairments, land sales in the Master Planned Communities segment, the cost and success of development and re-development projects and our ability to successfully manage our strategic and financial review and our liquidity demands. Readers are referred to the documents filed by General Growth Properties, Inc. with the Securities and Exchange Commission, which further identify the important risk factors which could cause actual results to differ materially from the forward-looking statements in this release. The Company disclaims any obligation to update any forward-looking statements.

GENERAL GROWTH PROPERTIES, INC.
OVERVIEW
(In thousands, except per share amounts)

	Three Months Ended	
	March 31,	
	<u>2009</u>	<u>2008</u>
Funds From Operations ("FFO")		
Company stockholders	\$ (161,388)	\$ 178,993
Operating Partnership unit holders	(4,528)	37,910
Operating Partnership	<u>\$ (165,916)</u>	<u>\$ 216,903</u>
Decrease in FFO over comparable prior year period	<u>(176.5)%</u>	<u>(55.9)%</u>
FFO per share:		
Company stockholders - basic	\$ (0.52)	\$ 0.73
Operating Partnership - basic	(0.52)	0.73
Operating Partnership - diluted	(0.52)	0.73
Decrease in diluted FFO per share over comparable prior year period	(171.2)%	(56.0)%
Core Funds From Operations ("Core FFO")		
Core FFO	\$ (122,886)	\$ 220,328
(Decrease) increase in Core FFO over comparable prior year period	(155.8)%	14.5 %
Core FFO per share - diluted	(0.38)	0.74
(Decrease) increase in diluted Core FFO per share over comparable prior year period	(151.2)%	13.8 %
Dividends		
Dividends paid per share	\$ -	\$ 0.50
Payout ratio (% of diluted FFO paid out)	- %	68.5 %
Real Estate Property Net Operating Income ("NOI")		
Retail and Other:		
Consolidated	\$ 509,085	\$ 541,029
Unconsolidated	99,495	93,514
Total Retail and Other	<u>608,580</u>	<u>634,543</u>
Master Planned Communities:		
Consolidated	(54,397)	(855)
Unconsolidated	333	7,712
Total Master Planned Communities	<u>(54,064)</u>	<u>6,857</u>

Total Real estate property net operating income	<u>\$ 554,516</u>	<u>\$ 641,400</u>
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March 31,	December 31,
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Selected Balance Sheet Information

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	<u>\$ 195,745</u>	<u>\$ 168,993</u>

Investment in real estate:

Net land, buildings and equipment	\$22,332,535	\$22,723,390
Developments in progress	1,004,869	1,076,675
Net investment in and loans to/from		
Unconsolidated Real Estate Affiliates	1,864,353	1,869,929
Investment property and property held for development and sale	<u>1,774,681</u>	<u>1,823,362</u>
Net investment in real estate	<u><u>\$26,976,438</u></u>	<u><u>\$27,493,356</u></u>

Total assets	\$28,903,412	\$29,557,330
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Mortgages, notes and loans payable	\$24,702,810	\$24,756,577
Redeemable noncontrolling interests - Preferred	120,756	120,756
Redeemable noncontrolling interests - Common	102,543	379,169
Total equity	<u>1,729,661</u>	<u>1,860,407</u>
Total capitalization (at cost)	<u><u>\$26,655,770</u></u>	<u><u>\$27,116,909</u></u>

	<u>Consolidated Properties</u>		<u>Unconsolidated Properties (a)</u>	
	<u>Outstanding Balance</u>	<u>Average Interest Rate</u>	<u>Outstanding Balance</u>	<u>Average Interest Rate</u>
Summarized Debt Information		(d)		(d)
Fixed rate [©]	<u>\$20,015,887</u>	<u>5.69 %</u>	<u>\$ 2,836,875</u>	<u>5.70%</u>
Variable rate [©]	<u>4,589,741</u>	<u>7.81</u>	<u>331,289</u>	<u>5.72</u>
Totals	<u><u>\$24,605,628</u></u> (b)	<u><u>6.09 %</u></u>	<u><u>\$ 3,168,164</u></u>	<u><u>5.70%</u></u>

(a) Reflects the Company's share of debt relating to the properties owned by the Unconsolidated Real Estate Affiliates.

(b) Excludes liabilities to special improvement districts of \$69.3 million, noncontrolling interest adjustment of \$70.7 million, a senior notes discount of \$90.0 million and purchase accounting mark-to-market adjustments of \$47.3 million.

© Includes the effects of interest rate swaps.

(d) Rates include the effects of deferred finance costs and the effect of a 360 day rate applied over a 365 day period.

GENERAL GROWTH PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)

Three Months Ended

	March 31,	
	2009	2008
Revenues:		
Minimum rents	\$ 499,107	\$ 524,942
Tenant recoveries	233,019	231,632
Overage rents	10,025	13,518
Land sales	8,986	9,066
Management and other fees	19,198	20,239
Other	18,305	30,925
Total revenues	<u>788,640</u>	<u>830,322</u>
Expenses:		
Real estate taxes	71,558	68,649
Repairs and maintenance	55,356	62,100
Marketing	7,576	12,276
Other property operating costs	103,701	111,520
Land sales operations	10,614	9,921
Provision for doubtful accounts	10,332	2,709
Property management and other costs	43,408	52,138
General and administrative	45,825	8,098
Provisions for impairment	331,093	372
Depreciation and amortization	204,615	184,259
Total expenses	<u>884,078</u>	<u>512,042</u>
Operating (loss) income	(95,438)	318,280
Interest income	730	557
Interest expense	(328,489)	(325,692)
Loss before income taxes, noncontrolling interests and equity in income of Unconsolidated Real Estate Affiliates	(423,197)	(6,855)
Benefit from (provision for) income taxes	11,514	(9,392)
Equity in income of Unconsolidated Real Estate Affiliates	7,538	23,828
(Loss) income from continuing operations	(404,145)	7,581
Discontinued operations - loss on dispositions	(55)	-
Net (loss) income	(404,200)	7,581
Allocation to noncontrolling interests	8,118	(4,221)
Net (loss) income attributable to common stockholders	<u>\$ (396,082)</u>	<u>\$ 3,360</u>
Basic and Diluted (Loss) Earnings Per Share:		
Continuing operations	\$ (1.27)	\$ 0.01
Discontinued operations	-	-
Total basic and diluted (loss) earnings per share	<u>\$ (1.27)</u>	<u>\$ 0.01</u>

GENERAL GROWTH PROPERTIES, INC.
PORTFOLIO RESULTS AND FUNDS FROM OPERATIONS ("FFO")
(In thousands)

	Three Months Ended March 31, 2009		
	Consolidated Properties	Unconsolidated Properties	Segment Basis
Retail and Other			
Property revenues:			
Minimum rents	\$ 499,107	\$ 97,391	\$ 596,498
Tenant recoveries	233,019	40,819	273,838
Overage rents	10,025	1,216	11,241
Other, including noncontrolling interests	15,457	12,628	28,085
Total property revenues	<u>757,608</u>	<u>152,054</u>	<u>909,662</u>
Property operating expenses:			
Real estate taxes	71,558	12,581	84,139
Repairs and maintenance	55,356	8,718	64,074

Marketing	7,576	1,475	9,051
Other property operating costs	103,701	28,538	132,239
Provision for doubtful accounts	10,332	1,247	11,579
Total property operating expenses	<u>248,523</u>	<u>52,559</u>	<u>301,082</u>
Retail and other net operating income	<u>509,085</u>	<u>99,495</u>	<u>608,580</u>

Master Planned Communities

Land sales	8,986	5,101	14,087
Land sales operations	(10,614)	(4,768)	(15,382)
Master Planned Communities net operating (loss) income before provision for impairment	<u>(1,628)</u>	<u>333</u>	<u>(1,295)</u>
Provision for impairment	<u>(52,769)</u>	<u>-</u>	<u>(52,769)</u>
Master Planned Communities net operating (loss) income	<u>(54,397)</u>	<u>333</u>	<u>(54,064)</u>
Real estate property net operating income	<u>454,688</u>	<u>99,828</u>	<u>\$ 554,516</u>

Management and other fees	19,198	3,532
Property management and other costs	(43,408)	(9,046)
General and administrative	(45,825)	(4,261)
Provisions for impairment	(278,324)	(1,446)
Depreciation on non-income producing assets, including headquarters building	(2,480)	-
Interest income	730	917
Interest expense	(328,489)	(41,592)
Benefit from (provision for) income taxes	11,514	(480)
Preferred unit distributions	(2,336)	-
Other FFO from noncontrolling interests	1,335	29
FFO	<u>(213,397)</u>	<u>47,481</u>
Equity in FFO of Unconsolidated Properties	47,481	(47,481)
Operating Partnership FFO	<u>\$ (165,916)</u>	<u>\$ -</u>

Three Months Ended March 31, 2008

	<u>Consolidated Properties</u>	<u>Unconsolidated Properties</u>	<u>Segment Basis</u>
Retail and Other			
Property revenues:			
Minimum rents	\$ 524,942	\$ 92,692	\$ 617,634
Tenant recoveries	231,632	39,091	270,723
Overage rents	13,518	1,312	14,830
Other, including noncontrolling interests	28,191	13,541	41,732
Total property revenues	<u>798,283</u>	<u>146,636</u>	<u>944,919</u>
Property operating expenses:			
Real estate taxes	68,649	11,591	80,240
Repairs and maintenance	62,100	9,301	71,401
Marketing	12,276	2,188	14,464
Other property operating costs	111,520	29,747	141,267
Provision for doubtful accounts	2,709	295	3,004
Total property operating expenses	<u>257,254</u>	<u>53,122</u>	<u>310,376</u>
Retail and other net operating income	<u>541,029</u>	<u>93,514</u>	<u>634,543</u>

Master Planned Communities

Land sales	9,066	23,118	32,184
Land sales operations	<u>(9,921)</u>	<u>(15,406)</u>	<u>(25,327)</u>

Master Planned Communities net operating (loss) income	(855)	7,712	6,857
Real estate property net operating income	<u>540,174</u>	<u>101,226</u>	<u>\$ 641,400</u>
Management and other fees	20,239	5,031	
Property management and other costs	(52,138)	(9,737)	
General and administrative	(8,098)	(2,256)	
Provisions for impairment	(372)	-	
Depreciation on non-income producing assets, including headquarters building	(2,795)	-	
Interest income	557	1,708	
Interest expense	(325,692)	(39,110)	
Provision for income taxes	(9,392)	(890)	
Preferred unit distributions	(2,903)	-	
Other FFO from noncontrolling interests	1,321	30	
FFO	<u>160,901</u>	<u>56,002</u>	
Equity in FFO of Unconsolidated Properties	56,002	(56,002)	
Operating Partnership FFO	<u>\$ 216,903</u>	<u>\$ -</u>	

GENERAL GROWTH PROPERTIES, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO GAAP FINANCIAL MEASURES
(In thousands)

	Three Months Ended	
	March 31,	
	2009	2008
Reconciliation of Real Estate Property Net Operating Income ("NOI") to GAAP Operating (Loss) Income		
Real estate property net operating income:		
Segment basis	\$ 554,516	\$ 641,400
Unconsolidated Properties	<u>(99,828)</u>	<u>(101,226)</u>
Consolidated Properties	454,688	540,174
Management and other fees	19,198	20,239
Property management and other costs	(43,408)	(52,138)
General and administrative	(45,825)	(8,098)
Provisions for impairment	(278,324)	(372)
Depreciation and amortization	(204,615)	(184,259)
Noncontrolling interest in NOI of Consolidated Properties and other	<u>2,848</u>	<u>2,734</u>
Operating (loss) income	<u>\$ (95,438)</u>	<u>\$ 318,280</u>

Reconciliation of Core FFO to Funds From Operations ("FFO") and to GAAP Net (Loss) Income Attributable to Controlling Interest

Core FFO	\$ (122,886)	\$ 220,328
Master Planned Communities net operating (loss) income	(54,064)	6,857
Benefit from (provision for) income taxes	<u>11,034</u>	<u>(10,282)</u>
Funds From Operations - Operating Partnership	(165,916)	216,903
Depreciation and amortization of capitalized real estate costs	(242,097)	(213,655)
Discontinued operations - loss on dispositions	(55)	-
Noncontrolling interests in depreciation of Consolidated Properties and other	<u>874</u>	<u>824</u>
Redeemable noncontrolling interests	<u>11,112</u>	<u>(712)</u>

Net (loss) income attributable to common stockholders	<u>\$ (396,082)</u>	<u>\$ 3,360</u>
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Reconciliation of Equity in NOI of Unconsolidated Properties to GAAP Equity in Income of Unconsolidated Real Estate Affiliates

Equity in Unconsolidated Properties:

NOI	\$ 99,828	\$ 101,226
Net property management fees and costs	(5,514)	(4,706)
Net interest expense	(40,675)	(37,402)
General and administrative, provisions for impairment income taxes and noncontrolling interest in FFO	<u>(6,158)</u>	<u>(3,116)</u>
FFO of unconsolidated properties	47,481	56,002
Depreciation and amortization of capitalized real estate costs	(39,962)	(32,191)
Other, including gains on sales of investment properties	19	17
Equity in income of unconsolidated real estate affiliates	<u>\$ 7,538</u>	<u>\$ 23,828</u>

Reconciliation of Weighted Average Shares Outstanding

Basic:

Weighted average number of shares outstanding - FFO per share	319,590	296,605
Conversion of Operating Partnership units	<u>(8,722)</u>	<u>(51,840)</u>
Weighted average number of Company shares outstanding - GAAP EPS	<u>310,868</u>	<u>244,765</u>

Diluted:

Weighted average number of shares outstanding - FFO per share	319,590	296,758
Conversion of Operating Partnership units	<u>(8,722)</u>	<u>(51,840)</u>
Weighted average number of Company shares outstanding - GAAP EPS	<u>310,868</u>	<u>244,918</u>

GENERAL GROWTH PROPERTIES, INC.
SUPPLEMENTAL DISCLOSURE OF CERTAIN NON-CASH REVENUES AND EXPENSES REFLECTED IN FFO
(In thousands)

	<u>Three Months Ended March 31, 2009</u>		<u>Three Months Ended March 31, 2008</u>	
	<u>Consolidated Properties</u>	<u>Unconsolidated Properties</u>	<u>Consolidated Properties</u>	<u>Unconsolidated Properties</u>
Minimum rents:				
Above- and below-market tenant leases, net	\$ 854	\$ 1,718	\$ 5,936	\$ 2,136
Straight-line rent	8,636	3,778	11,942	2,799
Real estate taxes:				
Real estate tax stabilization agreement	(981)	-	(981)	-
Other property operating costs:				
Non-cash ground rent expense	(1,587)	(200)	(1,736)	(231)
Provisions for impairment	(331,093)	(1,446)	(372)	-
Interest expense:				

Mark-to-market adjustments on debt	2,247	387	4,166	712
Amortization of deferred finance costs	(20,131)	(425)	(8,740)	(380)
Amortization of discount on exchangeable notes	(6,692)	-	(6,298)	-
Termination of interest rate swaps	8,614	-	-	-
Debt extinguishment costs:				
Write-off of deferred finance costs	-	-	208	-
Totals	<u>\$ (340,133)</u>	<u>\$ 3,812</u>	<u>\$ 4,125</u>	<u>\$ 5,036</u>

WEIGHTED AVERAGE SHARES

(In thousands)

**Three Months Ended
March 31,**

2009 2008

Basic	310,868	244,765
Diluted	310,868	244,918
Assuming full conversion of Operating Partnership units:		
Basic	319,590	296,605
Diluted	319,590	296,758

**GENERAL GROWTH PROPERTIES, INC.
SUPPLEMENTAL SCHEDULE OF SIGNIFICANT FFO ITEMS THAT IMPACT
COMPARABILITY (a)**

(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2009	2008
	<u>2009</u>	<u>2008</u>
Operating Partnership FFO	<u>\$ (165,916)</u>	<u>\$ 216,903</u>
Operating Partnership FFO per share - diluted	<u>\$ (0.52)</u>	<u>\$ 0.73</u>
Significant items that affect comparability increase (decrease)		
Provisions for impairment:		
Operating properties	121,422	-
Non-recoverable development costs	48,959	372
Goodwill	109,389	-
Core FFO Impairments	279,770	372
Master planned communities impairment	52,769	-
Total impairments	332,539	372
Restructuring costs (b)	38,300	-
Termination income	(9,267)	(21,006)

Operating Partnership FFO as adjusted for comparability	<u>\$ 195,656</u>	<u>\$ 196,269</u>
Adjusted Operating Partnership FFO per share - diluted	<u>\$ 0.61</u>	<u>\$ 0.66</u>

(a) Includes consolidated and unconsolidated properties.

(b) The Restructuring costs amount reflects fees and expenses incurred for various consultants and advisors assisting in the development of our strategic alternatives to address our current liquidity and financing situation.

SOURCE: General Growth Properties, Inc.

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