



General Growth Announces Acquisitions and \$634 Million Joint Venture

Chicago, Illinois, August 26, 2002 -- General Growth Properties, Inc. (NYSE: GGP) today announced the formation of a new 50/50 joint venture with Teachers' Retirement System of the State of Illinois. The venture, GGP-TRS L.L.C., today acquired the four enclosed regional malls described below.

GGP-TRS L.L.C. acquired Galleria at Tyler in Riverside, California, Kenwood Towne Centre in Cincinnati, Ohio, and Silver City Galleria in Taunton, Massachusetts from an institutional investor. Clackamas Town Center in Portland, Oregon, which was 100% owned by Illinois Teachers', was also conveyed to the new joint venture.

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The four enclosed regional malls are valued at approximately \$634 million and are encumbered by approximately \$412 million of nonrecourse mortgage loans. An existing \$75 million fixed rate loan on Silver City Galleria bearing interest at 7.41% was assumed and three new acquisition loans totaling approximately \$337 million were obtained. The new loans bear interest at a weighted average rate of LIBOR plus 76 basis points. General Growth's share of the equity was provided by cash on hand plus a portion of new unsecured loans that will total \$150 million and bear interest at LIBOR plus 100 basis points. This new unsecured debt is being obtained by General Growth's wholly owned Victoria Ward subsidiary, which was previously unencumbered following its recent acquisition for \$250 million. The joint venture is expected to generate approximately \$55 million of net operating income over the next twelve months. General Growth believes that each of the four malls is well positioned in its local market. Current average sales are approximately \$408 per square foot and current average occupancy is approximately 86%.

"All four of these regional shopping centers produce strong current cash flow," said John Bucksbaum, General Growth's CEO. "We look forward to further enhancing the value of these centers by applying our expertise in the areas of operations, leasing, remerchandising and redevelopment."

"We are happy to have helped bring GGP-TRS L.L.C. to fruition," said Mark Kirincich, President of Commonwealth Realty Advisors, the investment advisor to Illinois Teachers' on this transaction. "Illinois Teachers' and General Growth Properties seemed like the perfect fit. Both entities concentrate on investing wisely and, in this investment, goals align perfectly to create value for both parties."

General Growth Properties is the country's second largest shopping center owner, developer and manager of regional shopping malls. General Growth currently has ownership interests in, or management responsibility for, a portfolio of 167 regional shopping malls in 41 states. The company portfolio totals approximately 145 million square feet of retail space and includes over 15,000 retailers nationwide. A publicly traded Real Estate Investment Trust (REIT), General Growth Properties is listed on the New York Stock Exchange under the symbol GGP. For more information on General Growth Properties and its portfolio of malls, please visit the company web site at <http://www.generalgrowth.com>.

Teachers' Retirement System of the State of Illinois represents Illinois educators teaching outside the City of Chicago and includes 285,000 active and retired members.

This release may contain forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are statements that may be deemed forward-looking statements, which are subject to a number of risks, uncertainties and assumptions. Representative examples of these risks, uncertainties and assumptions include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital requirements, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, changes in retail rental rates in the company's markets, shifts in customer demands, tenant bankruptcies or store closures, changes in vacancy rates at the company's properties, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes, changes in applicable laws, rules and regulations (including changes in tax laws), the ability to obtain suitable equity and/or debt financing, and the continued availability of financing in the amounts and on the terms necessary to support the company's future business. Readers are referred to the documents filed with the SEC, specifically the most recent reports on Forms 10-K and 10-Q, which identify important risk factors which could cause actual results to differ from those contained in the forward-looking statements.