THE SPIN-OFF REPORT

October 22, 2010

General Growth Properties, Inc. (Pre-Spin)

(BUY)

Share Price (10/20/10): $17.36
Fair Value Estimate: $18.00
FD Shares Outstanding: 1,128.8 million
Market Capitalization: $19.6 billion

Ticker: GGP
Dividend: N/A
Yield: N/A

General Growth Properties, Inc. ("New GGP")

Fair Value Estimate: $12.00
FD Shares Outstanding: 1,128.8 million
Market Capitalization: $13.5 billion

Ticker: GGP
Dividend: N/A
Yield: N/A

Market capitalization is based upon fair value estimate.

Howard Hughes Corp.

Fair Value Estimate: $60.00
FD Shares Outstanding: 45.8 million
Market Capitalization: $2.7 billion

Ticker: HHC
Dividend: N/A
Yield: N/A

Market capitalization is based upon fair value estimate.

Exclusive Marketers of
The Spin-Off Report

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Investment Thesis

On August 25, 2010, General Growth Properties, Inc. (NYSE: GGP) ("General Growth") filed a Form 10 Registration Statement with the SEC to effect a pro rata, tax-free spin-off to existing shareholders of its strategic development and master planned community businesses. The spin-off is part of General Growth's restructuring plan and is expected to occur upon the company's emergence from bankruptcy, which is expected on November 8, 2010. General Growth shareholders will receive 0.0983 shares of the spun-off entity, which will be named Howard Hughes Corp. ("Hughes"), for every General Growth share owned, or approximately one Hughes share for every ten shares of General Growth. Hughes is expected to trade on the New York Stock Exchange under the ticker symbol "HHC."

Both Hughes and newly restructured General Growth ("New GGP") will be raising new equity capital as part of their restructuring, and General Growth's share price has approximated a sum-of-the-parts valuation based on the price where these entities are issuing new shares. These valuations, however, appear conservative, and investors can conservatively arrive at an $18 fair value estimate for the combined company relative to its current price of approximately $16 per share. Based on this discount, shares of General Growth are recommended for purchase before the separation of Hughes. Investment opportunities for New GGP and Hughes should be based on their fair value estimates of $12 per share and $60 per share (nearly $6 per current share), respectively, as independent entities. Further, both Hughes and the newly restructured General Growth ("New GGP") are attractive long-term investment opportunities with significant appreciation potential above these fair value estimates, which reflect current market conditions.

New GGP appears poised to emerge from bankruptcy as a leaner, more focused organization. After fending off a $10 billion takeover bid by rival Simon Property Group, restructuring $14.9 billion in secured debt, and spinning off the somewhat more speculative Hughes business, New GGP will boast a far more stable portfolio of income-producing mall properties. If one attaches a 15x multiple to estimated 2010 pro forma funds from operations, or a capitalization rate of just under 8.5% based on forecast net operating income, one arrives at a fair value estimate of $12 per share. These multiples, however, represent discounts to comparable companies and reflect valuation levels that are below historical averages, implying meaningful appreciation potential should multiples improve as the economy recovers.

As a stand-alone entity, Hughes will have the financial flexibility to fund additional master planned communities, which are large-scale, long-term commitments requiring significant capital investment. Given the current state of the real estate market, however, there is little visibility into the intrinsic value of its current assets and the timing of their development and ultimate sale, making Hughes a more speculative investment than New GGP. Because of this, a slight discount to book value may be warranted, despite the fact that impairment charges to these assets have been negligible in recent months and transactions related to these assets, although limited, point to values that are significantly higher than their book value. Further, many of these assets had been owned by the predecessor, The Rouse Company, for decades prior to the merger with General Growth and are, therefore, likely to be recorded on the balance sheet for far less than market value, even when taking into consideration the current market for real estate. Still, one can value Hughes at a 10% discount to book value, which represents a discount relative to a

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somewhat unimpressive peer group, and arrive at a fair value estimate of $60 per share, which represents significant upside to where the company is currently raising equity capital.

Lastly, investors may view Brookfield Asset Management's involvement as a strategic owner and manager as an indication of Hughes' upside potential. It is safe to assume that Brookfield would not be investing new equity capital into Hughes at $48-$50 per share without the expectation of a meaningful return on their investment, and the company's track record in growing book value per share (compounded annual growth of 10% and 15% for the trailing five- and ten-year periods, respectively, not including dividends) indicates that it is a disciplined investment group with a history of successfully identifying profitable investment opportunities. Considering these factors, Hughes appears to have significant appreciation potential as a long term investment.

Company Description

General Growth Properties, Inc. is the second largest mall Real Estate Investment Trust ("REIT") in the United States. The company's operations are divided along two lines: Retail and Other, which includes 185 mall properties, 34 strip shopping centers, and 30 office buildings, representing nearly 74 million square feet of mall and freestanding gross leasable area; and Master Planned Communities, with four major developments totaling 78,000 acres (with another 15,000 acres remaining to be sold) across Maryland, in Summerlin, Nevada, and in or near Houston, Texas, as well as mixed-use and redevelopment properties included in its Strategic Development segment.

General Growth declared bankruptcy in April 2009 owing to a combination of high debt levels and the company's inability to refinance its debt during the depths of the credit crisis. In total, 388 debtors with $21.8 billion in debt filed for Chapter 11 protection. The company has since restructured $14.9 billion in debt, extending the maturity date for all such loans past January 1, 2014, and it has submitted a reorganization plan whereby it will spin off its more volatile development portfolio ("Master Planned Communities"), while retaining its regional mall holdings ("Retail & Other). Throughout this report, we refer to the regional mall business, excluding the spun-off entity, as "New GGP."

The assets in the company's Retail & Other segment are considered to be of high quality (as will be shown later in this section), giving them a significant degree of resiliency despite an industry-wide rise in retail vacancies and increased demand for rental concessions. During the course of the recent economic downturn, revenues and net operating income (NOI) declined just 1% on a compound annual basis from 2007 through 2009, while operating margins remained relatively stable at 67% through June 30, 2010 (see Exhibit 1).

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Exhibit 1 GGP: Historical Net Operating Income by Segment
($ in thousands)

Real Estate Property	2007	2008	2009	CAGR	6 Mos. Ended 6/30/09	Ended 6/30/10
Retail & Other						
Revenues	3,673,225	3,812,176	3,625,018	-1%	1,804,745	1,760,058
NOI	2,473,598	2,587,858	2,416,522	-1%	1,218,792	1,179,772
Margin	*67.3%*	*67.9%*	*66.7%*		*67.5%*	*67.0%*
Master Planned Communities						
Land and condominium sales	230,666	138,746	83,990	-40%	49,955	91,007
NOI before impairment	56,145	28,994	(501)	N/A	3,991	3,034
Margin	*24.3%*	*20.9%*	N/A		*8.0%*	*3.3%*
NOI after impairment	(71,455)	(11,352)	(109,192)	N/A	(104,700)	3,034

Source: Company reports, *Spin-Off Report* estimates.

By contrast, the Master Planned Communities segment has seen revenues plummet 40% on a compound annual basis, which has led to losses on a net operating income basis, as unsold homes and land parcels continue to flood the market. Although Exhibit 1 shows nearly a 90% year-over-year increase in land and condominium sales during the first half of 2010, this is largely the result of the company's recognition of $52.9 million in deferred revenues from luxury condominium sales at the Nouvelle project in Natick, Massachusetts.

New GGP

New GGP has a well-diversified regional mall portfolio, in terms of both geography and tenant base, with 185 shopping malls boasting more than 24,000 retail stores across 43 states. During FY 2009, properties along the East Coast generated 33% of NOI, the West Coast and Hawaii, 33%, the north-central United States, 21%, and Texas and the surrounding states, 13% (Exhibit 2).

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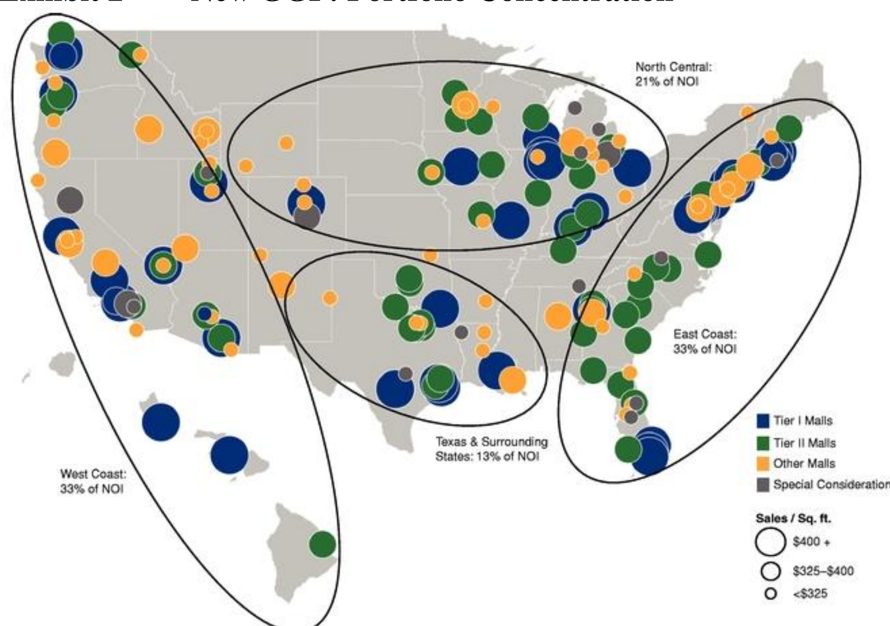
Exhibit 2 New GGP: Portfolio Concentration



Source: Company reports.

Because of its fairly wide tenant base, the company has been largely unaffected by tenant bankruptcies. Through June 30, 2010, General Growth's ten largest tenants contributed 18.6% toward minimum rents and tenant recoveries, with no single retailer representing more than 2.9% of revenues (Exhibit 3).

Exhibit 3 New GGP: Top 10 Retail Tenants, by Revenue Contribution

	Percent of Minimum Rents, Tenant Recoveries, and Other
Limited Brands	2.9%
The Gap	2.8%
Abercrombie & Fitch Stores	2.3%
Foot Locker	2.3%
Golden Gate Capital	1.7%
American Eagle Outfitters	1.5%
Macy's	1.3%
Forever 21	1.3%
Luxottica Retail North America	1.3%
American Multi-Cinema	1.2%
Total	**18.6%**

Source: Company reports, *Spin-Off Report* estimates.

Retail tenants provide up to three streams of revenue to the company, in the form of minimum rents, tenant recoveries, and overage rents. Minimum rent, which contributes two-thirds of the company's top line, is the contracted rental rate, set at the start of a lease, often with scheduled rate increases over time. Tenant recoveries are the next largest revenue component (30% of revenues) and represent tenant payments for real estate taxes and operating expenses, including

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common area maintenance, utilities, and insurance costs. Lastly, overage rent is calculated as a percentage of sales above some agreed-upon threshold, as stipulated in the leasing contract. Given the seasonality of retail sales, which tend to be strongest during the holiday shopping season, overage revenues are typically at their highest during the fourth quarter, although the contribution to total revenues is negligible. As shown in Exhibit 4, during the period 2007 to 2009, minimum rent revenues and tenant recoveries remained relatively unchanged at $2.4 billion and $1 billion, respectively, while overage revenues, hampered by weak retail sales, declined 40% to $60 million.

Exhibit 4 New GGP: Contribution by Revenue Stream, incl. Unconsolidated Properties
($ in thousands)

Real Estate Property	FY 2007	FY 2008	FY 2009	CAGR	6 Mos. Ended 6/30/09	% of Rev.	Ended 6/30/10	% of Rev.
Retail & Other								
Minimum Rents	2,339,915	2,468,761	2,381,043	0.9%	1,192,250	66%	1,174,562	67%
Tenant Recoveries	1,033,287	1,086,831	1,041,755	0.4%	537,251	30%	506,609	29%
Overage Rents	101,229	82,343	60,085	-23.0%	17,997	1%	19,983	1%
Other, inc. non-controlling interest	198,794	174,241	142,135	-15.4%	57,247	3%	58,904	3%
Revenues	3,673,225	3,812,176	3,625,018	-0.7%	1,804,745	100%	1,760,058	100%
NOI	2,473,598	2,587,858	2,416,522	-1.2%	1,218,792		1,179,772	
Margin	*67.3%*	*67.9%*	*66.7%*		*67.5%*		*67.0%*	

Source: Company reports.

New GGP has a sustainable advantage with its portfolio of high-quality Tier I and Tier II regional malls, which, in 2009, represented 56% of its regional malls and generated approximately 76% of NOI received from regional malls (see Exhibit 5). Tier I malls, such as Faneuil Hall Marketplace in Boston, Massachusetts, and Fashion Show in Las Vegas, Nevada, are typically high-traffic tourist destinations located in major metropolitan areas, offering a mix of shopping and entertainment components. These properties tend to be more upscale than Tier II malls, with tenants averaging at least $450 in annual sales per square foot. Tier II Malls have minimal regional competition and average $300-$450 in sales per square foot. Tier I and Tier II malls have seen minimal negative impact on occupancy rates in recent years, finishing 2009 with over 95% and 93% occupancy, respectively. Other Malls are more widely dispersed, and average between $200 and $300 in annual sales per square foot. New GGP plans to divest its Other Rental Properties, comprising 34 strip shopping centers and 30 stand-alone office buildings, over the next three to five years.

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Exhibit 5 GGP: Regional Malls and Other Rental Properties, 2009 (Pro Forma)
($ in millions, except sales per square foot)

	Properties	Mall and Freestanding GLA*	Avg. Annual Tenant Sales Per Sq. Ft.	Mall and Other Rental NOI	Occupancy
Tier I Malls	47	20.5	$581	$999.7	95.3%
Tier II Malls	57	20.9	$367	$712.7	93.4%
Other Malls	68	20.9	$294	$448.8	87.4%
Special Consideration Properties	13	3.3	$267	$63.4	85.8%
Total Regional Malls	**185**	**65.6**	**$410**	**$2,224.6**	**91.7%**
Other Rental Properties	64	8.2	N/A	$110.3	86.7%
Total	**249**	**73.8**	**$410**	**$2,334.9**	**91.3%**

Note: Mall and Freestanding Gross Leasable Area ("GLA") refers to spaces less than 30,000 square feet (excludes anchor tenants)
Source: Company reports.

New GGP has compared well to other industry leaders in terms of mall occupancy rates over the last five years (for spaces less than 30,000 square feet). As shown in Exhibit 6, during the period 2005-2008, General Growth achieved consistently higher occupancy levels than many of the five competing regional mall REITs: Simon Property Group (NYSE: SPG), The Macerich Company (NYSE: MAC), Glimcher Realty Trust (NYSE: GRT), Taubman Centers, Inc. (NYSE: TCO), and CBL & Associates Properties, Inc. (NYSE: CBL). The company began to lose ground in occupancy rates in 2009, however, and currently has rates two percentage points lower than those of its largest competitor, Simon Property Group.

Exhibit 6 GGP: Historical Occupancy Rates versus Competitors, 2005-2009

	2005	2006	2007	2008	2009	1Q '10	2Q '10
Competitors:							
Simon Property Group	93.1%	93.2%	93.5%	92.4%	92.1%	92.2%	93.1%
The Macerich Company	93.5%	93.6%	93.1%	92.3%	91.3%	91.1%	91.8%
Glimcher Realty Trust	91.9%	92.8%	95.2%	92.8%	93.3%	92.6%	92.7%
Taubman Centers, Inc.	88.9%	89.2%	90.0%	90.3%	89.0%	88.4%	88.0%
CBL & Associates Properties, Inc.	94.5%	94.1%	94.0%	92.3%	90.4%	88.8%	89.6%
Competitors (Avg)	**92.4%**	**92.6%**	**93.2%**	**92.0%**	**91.2%**	**90.6%**	**91.0%**
General Growth	**92.5%**	**93.6%**	**93.8%**	**92.5%**	**91.6%**	**90.5%**	**91.1%**

Source: Company reports, *Spin-Off Report* estimates.

The company's high level of occupancy contributed to its ability to increase rents as recently as 2008, when tenants were signing new leases and renewing leases at rates that were 15%-18% higher than the rates on expiring leases (see Exhibit 7). As the economy turned and as the company's own financial struggles materialized, however, General Growth began signing short-term leases at rates that were significantly below the previous market rates in an effort to keep occupancy relatively buoyant. Exhibit 7 shows that leases signed in 2009 through the first half of 2010 were at rates 18%-32% below those for leases signed in 2008. The company has stated that approximately 35% of its leases are short-term leases expiring between 2010 and 2012, which

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could present New GGP with the opportunity to realize meaningful revenue growth to the extent that it is able to renew these leases at rates approaching 2008 levels.

Exhibit 7 GGP: Historical Rent and Recoverable Costs and NOI, 2005-2009
(per square foot)

	2007	2008	2009	1H09	1H10
Consolidated:					
Year to Date New/Renewals	$39.64	$38.92	$32.02	$30.57	$30.96
Full Year Expirations	$31.38	$33.68	$35.43	$35.43	$34.35
Spread	$8.26	$5.24	($3.41)	($4.86)	($3.39)
Unconsolidated:					
Year to Date New/Renewals	$50.17	$56.02	$43.31	$44.28	$37.96
Full Year Expirations	$37.95	$47.51	$47.05	$47.05	$43.46
Spread	$12.22	$8.51	($3.74)	($2.77)	($5.50)

Source: Company reports, *Spin-Off Report* estimates.

It appears that the retail real estate market is in the midst of a recovery. August retail sales increased 3.4% year-over-year, marking the tenth consecutive month in which consumer spending increased on a year-over-year basis. During the second quarter of 2010, overage rents increased 12.9% versus the second quarter of 2009, and lease renewal rates improved 12.6% on a sequential basis, while 2.8 million square feet in new leases were signed, a 23% year-over-year increase. Tenants are also said to be expressing a greater interest in committing to long-term leases, which, with nearly one-fifth of New GGP's 17,000 leases set to expire by the end of this year, could allow the company to lock in new and existing tenants with long-term contracts at more favorable rental rates.

Howard Hughes Corp.

Howard Hughes Corp. ("Hughes") will comprise the Master Planned Communities and Strategic Development segments, which include 2.5 million square feet of mixed-use developments, 1.0 million square feet of redevelopment projects, 647 acres of land parcels set aside for mall construction, and other non-core interests, including a luxury condominium community, the Nouvelle at Natick, in Boston, Massachusetts (see Exhibit 8).

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Exhibit 8 Howard Hughes Corp.: Master Planned Communities and Strategic Development Assets

Master Planned Communities	Strategic Development		
	Mixed-Use Development Opportunities		Mall Development Projects
	Premiere	Other	
Bridgeland (Houston, TX)	Landmark Mall (VA)	Ala Moana Air Rights (HI)	Bridges at Mint Hill (NC)
Maryland (Various sites in MD)	South Street Seaport (NY)	Allen (TX)	Circle T Ranch and Power Center (TX)
Summerlin (Las Vegas, NV)	Ward Centers (HI)	Cottonwood Mall (UT)	Elk Grove Promenade (CA)
The Woodlands (Houston, TX)		Kendall (FL)	The Shops at Summerlin Centre (NV)
		West Windsor (NJ)	
		80% Fashion Show Air Rights (NV)	
	Redevelopment	**Other Interests**	
	Alameda Plaza (ID)	Hexalon (Minority Interest in Head Acquisition)	
	Century Plaza Mall (AL)	Lakemoor (Volo) Land	
	Cottonwood Square (UT)	Maui Ranch Land	
	Park West (AZ)	Minority Interest in Summerlin Hospital Medical Center	
	Rio West (NM)	Note Approximating Arizona Office Lease Payments	
	Riverwalk Marketplace (LA)	Nouvelle at Natick Condominium	
	Village at Redlands (CA)	Residual Payments from Golf Courses at Summerlin and the Canyons	
		110 N. Wacker Ground Lease Interest	

Source: Company reports.

Revenues for the Master Planned Communities ("MPC") segment are derived primarily from the sale of finished lots and undeveloped property to residential and commercial developers. In 2006, MPC accounted for nearly 80% of consolidated Hughes' revenues due to the robust real estate market. Recently, however, the revenue contribution from this segment has dropped to approximately 20%, with revenues declining approximately 90% from their peak. The Strategic Development segment, which realizes revenues primarily from tenant rents, has also seen business decline, with 2009 revenues down nearly 30% from 2007 levels.

Master Planned Communities

Through the first half of 2010, year-over-year revenues at the Bridgeland, Summerlin, and Maryland Master Planned Communities declined 61.5%, to $12 million, due to reduced individual lot sales (see Exhibit 9). It should be noted, however, that EBITDA was positive from 2007 through 2009, owing largely to the company's 52.5% stake in The Woodlands, which, since 1990, has led Texas communities in new home sales and currently ranks fourth nationwide. Located 27 miles north of Houston, The Woodlands sits on 28,400 acres of land and boasts 40,000 homes, 1,500 businesses, luxury hotels, office space, entertainment venues, and The Woodlands Mall, which will remain with New GGP. By 2020, the population of this community is expected to grow by nearly 40% to 130,000.

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Exhibit 9 Howard Hughes Corp.: Master Planned Communities Operating Results
($ in thousands)

Master Planned Communities	2007	2008	2009	6 Mos. Ended 6/30/09	6/30/10	YoY Change
Summerlin	104,618	32,622	11,998	7,386	3,006	*-59.3%*
Bridgeland	18,471	11,751	12,239	4,873	6,737	*38.3%*
Maryland Communities	19,271	22,184	21,759	19,175	2,365	*-87.7%*
Total Revenues	**142,360**	**66,557**	**45,996**	**31,434**	**12,108**	**-61.5%**
Combined MPC Adjusted EBITDA	28,150	3,136	(3,066)	(1,020)	(8,490)	
Margin	*19.8%*	*4.7%*	*N/A*	*N/A*	*N/A*	
EBITDA from The Woodlands land business	27,204	25,878	4,309	4,047	7,231	78.7%
Total MPC EBITDA	**55,354**	**29,014**	**1,243**	**3,027**	**(1,259)**	**-141.6%**
Impairment Provisions	(125,801)	---	(52,767)	(52,767)	---	

Note: The impairment provisions are attributable to the Maryland Communities (Fairwood and Columbia)

Source: Company reports, *Spin-Off Report* estimates.

Bridgeland is another popular Master Planned Community in the Houston area, being voted "Master Planned Community of the Year" in 2009 by the National Association of Home Builders. With home prices ranging from the mid-$100,000's to over $1 million, Bridgeland is expected to accommodate up to 65,000 residents in 20,000 homes, with a projected sell-out date of 2036.

General Growth recently surmounted a potentially significant hurdle in its efforts to exit bankruptcy by striking a $230 million settlement with the Hughes heirs, buying out their share of the 22,500-acre Summerlin Master Planned Community, located 12 miles from downtown Las Vegas. (The company will pay $10 million in cash and the remainder either in cash or shares of New GGP common stock.) In turn, the Hughes heirs are now expected to vote in favor of the reorganization plan, dropping previous objections. Considered one of the top ten Master Planned Communities in the US, Summerlin, which is home to approximately 100,000 residents, includes nearly 5 million square feet of developed retail (1.7 million square feet) and office space (3.2 million square feet), as well as amenities that include nine golf courses, three hotels, business parks, shopping destinations, and health centers.

Strategic Development

The Strategic Development portfolio includes a mix of near-, medium- and long-term real estate properties and projects, including nine mixed-use developments, such as New York's South Street Seaport, four mall development projects, seven redevelopment projects, and eight other property interests. Several construction projects have been delayed, including The Elk Grove Promenade in California and The Shops at Summerlin Centre, with construction on hold since 2008 as General Growth struggled with liquidity issues. Once separated from General Growth, Hughes expects to pursue financing and resume construction on certain development projects, although this activity will likely be modest until the MPC business improves significantly. The company does not intend to be a general contractor or property manager for most of its Strategic Development assets, and it will likely outsource these responsibilities going forward.

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Exhibit 10 Howard Hughes Corp.: Strategic Development Operating Results
($ in thousands)

Strategic Development	2007	2008	2009	6 Mos. Ended 6/30/09	6 Mos. Ended 6/30/10	YoY Change
Revenues	**186,860**	**160,696**	**135,988**	**68,493**	**65,540**	**-4.3%**
EBITDA	**43,289**	**36,377**	**20,280**	**12,445**	**11,924**	**-4.2%**
Margin	*23.2%*	*22.6%*	*14.9%*	*18.2%*	*18.2%*	
Impairment Provisions	(125,879)	(52,511)	(680,349)	(140,180)	(486)	

Source: Company reports.

As shown in Exhibit 10, this segment has also managed to post positive EBITDA despite the recent declines in revenue. Significant impairment provisions, however, have led to significant, albeit largely non-cash, losses since 2007.

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Reorganization Plan

On August 27, 2010, the U.S. Bankruptcy Court, Southern District of New York, approved General Growth's Disclosure Statement, which details the company's reorganization plan. This plan was then approved by The Court on October 21, 2010, allowing for General Growth's emergence from bankruptcy, which is scheduled for November 8, 2010. General Growth will emerge from bankruptcy as two, separately traded, independent companies.

General Growth anticipates that it will require approximately $8.495 billion to exit bankruptcy, as well as an additional $250 million for the capitalization of Hughes, with plans to pay down nearly $6.5 billion in debt and procure a $1.5 billion replacement line of credit from sponsors of the reorganization plan (assuming the bankruptcy court chooses not to reinstate $1.345 billion in existing Rouse notes).

New GGP Recapitalization

The majority of the capital required for New GGP's restructuring will come in the form of new equity capital, with plan sponsors Brookfield Asset Management Inc., The Fairholme Fund, and Pershing Square Capital Management having agreed to acquire up to $6.3 billion of New GGP common stock at $10 per share (see Exhibit 11). The Teacher Retirement System of Texas ("Texas Teachers") will acquire up to $500 million of New GGP common stock, at $10.25 per share. In addition, General Growth will issue seven-year warrants to Brookfield, Fairholme, and Pershing for 120 million shares of New GGP. Blackstone Real Estate Partners has entered into a separate arrangement with the sponsors whereby it will receive 7.6% of their common equity stakes in New GGP and Hughes, as well as a portion of their warrants.

Exhibit 11 New GGP: Equity Financing
($ in millions, shares in millions)

	Common Shares			Warrants		
New GGP	Shares	Price/share	Value	Shares	Price/share	Value
Existing GGP stockholders	**330**					
Plan Sponsors:						
Brookfield Asset Mgmt	250.0	$10.00	$2,500	57.5	$10.75	$618
Fairholme Funds	271.4	$10.00	$2,714	41.1	$10.50	$431
Pershing Square	108.6	$10.00	$1,086	16.4	$10.50	$173
Blackstone	0.0	---	---	5.0	$10.63	$53
Total plan sponsors	**630.0**		**$6,300**	**120.0**		**$1,275**
"Texas Teachers"	**48.8**	$10.25	**$500**			
Shares Issued and Outstanding	**1,128.8**					
Total Equity Financing	**$8,075**					

Source: Company reports, *Spin-Off Report* estimates.

Under the terms of the plan, New GGP's share count cannot exceed 1.3 billion shares upon emergence from bankruptcy. As of the effective date, New GGP's outstanding shares are expected to increase to over 1.1 billion shares, assuming the exercise of the warrants issued as

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part of the recapitalization. This could increase because of the $230 million settlement reached with the Hughes heirs, which calls for $10 million to be paid in cash and the remaining $220 million to be paid in either cash or shares, at New GGP's discretion, although the company has stated that it intends to settle this obligation with cash.

The investment agreements permit New GGP to reduce the equity stakes of Fairholme, Pershing Square, and Texas Teachers by up to 50% each, provided that the company either sells stock for at least $10.50/share, or, no more than 45 days after the effective date, repurchases stock for $10.25/share. With this in mind, the company filed a registration statement on July 15, 2010, for the issuance of $2.25 billion in mandatorily exchangeable notes, which would be convertible into shares of New GGP common stock. This notes offering will effectively replace $2.15 billion in commitments (equal to 50%) from Fairholme, Pershing, and Texas Teachers. Although the conversion price has not yet been set, this offering would not materially reduce New GGP's share count unless the conversion price is set significantly above $10.25 per share.

Finally, the plan sponsors' obligations to purchase shares of New GGP are subject to the satisfaction (or waiver by the plan sponsors) of a number of conditions, primarily that indebtedness cannot exceed $22.25 billion and that New GGP must have at least $350 million of unrestricted free cash upon the consummation of the plan.

Hughes Recapitalization

As part of Hughes's recapitalization, the plan sponsors will purchase $250 million of Hughes common stock at $47.62 per share and receive warrants to acquire 8 million shares at an exercise price of $50 per share. Hughes' fully diluted share count is, therefore, expected to approximate 45.75 million shares. Inclusive of warrants, Hughes will have raised $650 million in equity financing (see Exhibit 12).

Exhibit 12 Howard Hughes Corp.: Equity Financing

($ in millions, shares in millions)

	Common Shares			Warrants		
Howard Hughes Corp.	Shares	Price/share	Value	Warrants	Price/share	Value
Existing GGP stockholders	**32.5**	---	---	---	---	---
Plan Sponsors:						
Brookfield Asset Mgmt	2.62	$47.62	$125.0	3.8	$50.00	$191.5
Fairholme Funds	1.31	$47.62	$62.5	1.9	$50.00	$96.0
Pershing Square	1.31	$47.62	$62.5	1.9	$50.00	$96.0
Blackstone	---	---	---	0.3	$50.00	$16.5
Total	**5.25**		**$250**	**8.0**		**$400**
Shares Issued and Outstanding	**45.75**					
Total Equity Financing	**$650**					

Note: Existing shareholders will receive 0.0983 shares of Hughes for every share of GGP.
Source: Company reports, *Spin-Off Report* estimates.

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Plan sponsor Brookfield Asset Management, with an estimated 14% equity stake in Hughes, will install three executives, Real Estate Opportunity Fund CEO David Arthur, CFO Rael Diamond, and COO Steven Ganeless, to manage the company on an interim basis.

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Valuation

The valuation of the pre-spin-off General Growth, currently hovering around $17 per share, reflects a slight premium to the price at which New GGP and Hughes are raising new equity capital as part of their restructuring. As mentioned earlier in this report, New GGP is issuing shares in the $10.00-$10.25 per share range and warrants convertible at prices as high as $10.75 per share. Hughes is issuing shares at just under $48 per share and warrants convertible at $50 per share. Based on the conversion of 0.0983:1, the issuance price of the new Hughes shares equates to $4.68 per current share of General Growth, for a sum-of-the-parts valuation of nearly $15 per share, at the low end, to $15.65 per share, assuming the high end of the conversion prices for the warrants.

The valuations used in General Growth's restructuring, however, appear conservative, as a $10.50 share price for New GGP represents a multiple of approximately 13x estimated 2010 funds from operations ("FFO") and a capitalization rate ("cap rate") approaching 9% based on estimated 2010 net operating income ("NOI"). Similarly, a $5 share price for Hughes reflects a price-to-book value multiple of 0.75x. These valuation metrics for both companies represent considerable discounts to comparable company multiples and are also below historical averages. A sum-of-the-parts valuation of New GGP and Hughes returns a fair value estimate of $18, implying that General Growth shares are slightly undervalued at their current share price. Given this discount, combined with the long-term prospects of both entities, GGP shares are recommended for purchase today, before the spin-off of Hughes. Investment opportunities in either entity, post-spin, should be based on the fair value estimates of $12 per share for New GGP and $60 per share for Hughes.

New GGP

As shown in Exhibit 13, the price at which New GGP is raising equity capital reflects a cap rate approaching 9%. This is higher than its closest competitor, Simon Property Group (which has a current cap rate of approximately 8.1%), and these cap rates may be conservative given the comparable quality of both companies' real estate portfolios. If one used a cap rate comparable to that of Simon Property Group, New GGP's fair value approximates $13 per share, assuming the exercise of warrants. It is reasonable to assume that New GGP will experience a discount relative to peers as it emerges from bankruptcy. However, a cap rate of 8.0%-8.5% appears to be justified given current market conditions, implying a fair value estimate of approximately $11.50-$13.00 per share. This valuation assumes the $230 million payment to the Hughes heirs is made in cash.

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Exhibit 13 New GGP: NOI Valuation

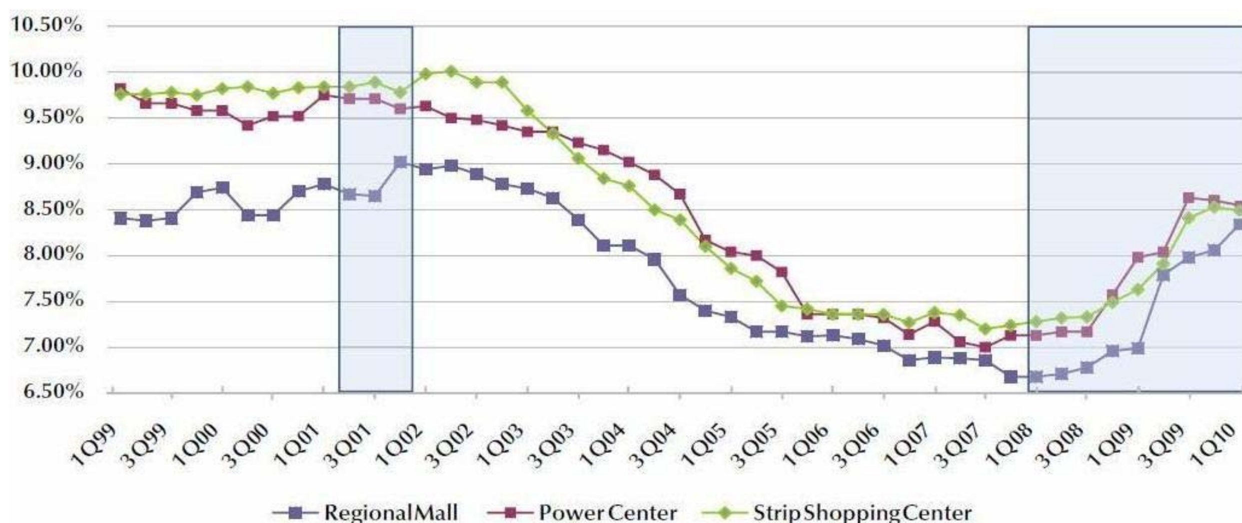
($ in millions)

Cap Rates	7.0%	7.5%	**8.0%**	**8.5%**	9.0%
2010E NOI	2,361	2,361	2,361	2,361	2,361
Property Value	33,730	31,481	29,514	**27,778**	26,234
Add: Other Assets	6,442	6,442	6,442	6,442	6,442
Less: Total Debt	18,575	18,575	18,575	18,575	18,575
Less: Other liabilities	2,825	2,825	2,825	2,825	2,825
Equity Value	**18,772**	**16,523**	**14,555**	**12,819**	**11,276**
Projected Diluted S/O	**1,129**				
Value per share	$16.63	$14.64	**$12.89**	**$11.36**	$9.99

Source: Company reports, *Spin-Off Report* estimates.

These current market prices, however, represent cap rates that are at their highest levels in over six years. Cap rates for regional malls averaged approximately 7% during the five-year period from mid-2004 to mid-2009 and, until the second half of 2009, had not been over 8% since 2004 (see Exhibit 14). Although it is difficult to forecast whether cap rates will continue to trend higher in the coming months, it is reasonable to assume that cap rates for regional malls will revert back below 8% over the long term as the economy gradually recovers. The upside to New GGP's share price from such a move would be significant, as the ten-year average cap rate of approximately 7% implies a fair value estimate of nearly $17 per share based on the company's estimated 2010 NOI. Further, owing to the potential for other positive catalysts over the near term, such as increased rental rates as short-term leases expire and are resigned to new contracts, New GGP is an attractive long-term investment despite being fairly priced relative to current market valuation metrics.

Exhibit 14 Historical Average Capitalization Rates, 1999-2010



Source: Korpacz Real Estate Investor Survey™; shading denotes recessionary periods as per the National Bureau of Economic Research.

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A valuation case based on a multiple of funds from operations ("FFO") appears to support a fair value estimate of at least $12 per share for New GGP. As shown in Exhibit 15, this $12 per share estimate implies a price-to-FFO multiple of 14.3x based on the company's 2011 FFO projections as stated in its bankruptcy filings. This multiple is approximately 10% below the comparable company average of 15.9x and slightly below the 15x multiple attributed to Simon Property Group. In this context, a $12 per share fair value estimate for New GGP appears reasonable, if not somewhat conservative.

Exhibit 15 New GGP: Comparable Company FFO Valuations
($ in millions, except per share amounts)

	New GGP (NYSE: GGP)	Simon Property Group (NYSE: SPG)	Macerich (NYSE: MAC)	Taubman (NYSE: TCO)
Share Price (10/12/10)*	$12.00	$96.44	$44.10	$47.88
FD Shares Out. (mn.)	1,128.8	292.8	130.1	54.7
Market Capitalization	13,545.4	28,239.6	5,737.6	2,618.1
Net Debt	16,734.9	15,397.4	3,583.8	2,837.7
Enterprise Value	30,280.3	43,637.0	9,321.4	5,455.8
2010E FFO per share	$0.80	$5.35	$2.66	$2.72
P/FFO	15.0x	18.0x	16.6x	17.6x
Average, ex. GGP	*17.4x*			
2011E FFO per share	$0.84	$6.41	$2.81	$2.83
P/FFO	14.3x	15.0x	15.7x	16.9x
Average, ex. GGP	*15.9x*			

*Price for New GGP reflects fair value estimate.
Source: Company reports, Thomson One, NAREIT *REIT Watch*, *The Spin-Off Report* estimates.

New GGP will continue to be classified as a REIT and, as such, must pay out at least 90% of ordinary income and 100% of capital gains to shareholders. The company has stated that it will distribute only 10% of its taxable income in cash for 2010 and 2011, with the remainder to be paid in stock. Thereafter, the company has stated that it is required to pay only 20% of its taxable income in cash.

In recent years, the company's dividends have amounted to 45%-55% of funds from operations. Comparable companies currently trade at dividend yields in the 2.5%-4.4% range, with an average of 3.5%. If one were to assume 50% of funds from operations were to be distributed as dividends, and further assume the comparable average dividend yield of 3.5%, one arrives at yet another fair value estimate of nearly $11.50, which implies meaningful upside to the price at which New GGP is currently raising equity capital (see Exhibit 16).

Exhibit 16 New GGP: Dividend Yield Valuation

	% of FFO Distributed										
Dividend Yield	45%	46%	47%	48%	49%	**50%**	51%	52%	53%	54%	55%
2.5%	$14.40	$14.72	$15.04	$15.36	$15.68	$16.00	$16.32	$16.64	$16.96	$17.28	**$17.60**
3.0%	$12.00	$12.27	$12.53	$12.80	$13.07	$13.33	$13.60	$13.87	$14.13	$14.40	$14.67
3.5%	$10.29	$10.51	$10.74	$10.97	$11.20	**$11.43**	$11.66	$11.89	$12.11	$12.34	$12.57
4.0%	$9.00	$9.20	$9.40	$9.60	$9.80	$10.00	$10.20	$10.40	$10.60	$10.80	$11.00
4.5%	$8.00	$8.18	$8.36	$8.53	$8.71	$8.89	$9.07	$9.24	$9.42	$9.60	$9.78
5.0%	$7.20	$7.36	$7.52	$7.68	$7.84	$8.00	$8.16	$8.32	$8.48	$8.64	$8.80

Source: *The Spin-Off Report* estimates.

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These various valuation methodologies support a fair value estimate for New GGP of approximately $12.00 per share in today's market. Again, however, the company's potential to generate higher earnings by resigning expiring short-term leases at higher rates in the coming years, increasing occupancy rates, and expanding its operating margins could lead to meaningful earnings growth going forward. Further, even modest increases in NOI could lead to significantly higher growth in FFO as the company pays down debt over the coming years, thus creating additional value for equity holders. The company's financial projections, for example, show that its forecast compounded annual growth in NOI of 4.5% during the next five years would lead to over 12% compounded annual growth in FFO, achieved simply by paying down its debt. This earnings potential, combined with the upside associated with a return to average historical valuation multiples, warrants a long-term investment in New GGP.

Howard Hughes Corp.

Howard Hughes Corp., which will have $250 million in cash upon spin-off, the potential to collect an additional $400 million upon the exercise of warrants, and negligible debt obligations until 2014, should have the financial flexibility to continue to develop its existing assets and ride out the current lull in the real estate market. The company expects to incur approximately $65 million in development and redevelopment expenditures through 2012, and its obligations and commitments, including debt-principal payments, interest, ground lease payments, and other purchase obligations, total approximately $225 million through 2013. Development expenditures are likely to increase after 2013, as the company's planned communities have sell-out dates extending out to 2039.

Although liquidity does not appear to be a concern, there is little visibility into the timing and magnitude of the company's future earnings. On a pro forma basis, Hughes posted net earnings of $(20) million through the first six months of 2010, and these losses are likely to continue until real estate sales rebound materially. Because of this, the equity valuation for Hughes is likely to be based on net asset value, rather than earnings or free cash flow, for the foreseeable future.

On this basis, the price at which Hughes is currently raising equity capital represents both a discount to net asset value and a discount to the price-to-book value multiples of comparable companies. As shown in Exhibit 17, a $48 per share fair value estimate for Hughes represents nearly a 30% discount to net asset value, whereas its homebuilder peers currently trade at 20%-30% premiums to book value. The valuation for Hughes assumes the exercise of the recently issued warrants.

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Exhibit 17 Howard Hughes Corp.: Comparable Company Valuations
($ in millions, except per share amounts)

	Howard Hughes Corp. (N/A)	Toll Brothers (NYSE: TOL)	D.R. Horton, Inc. (NYSE: DHI)	Meritage Homes Corporation (NYSE: MTH)
Share Price (10/12/10)*	$48.00	$18.51	$10.72	$18.96
FD Shares Out. (mn.)	45.75	165.9	318.3	32.1
Market Capitalization	2,196.0	3,070.4	3,412.3	608.3
Net Debt	(311.7)	326.9	686.3	178.1
Enterprise Value	1,884.3	3,397.3	4,098.6	786.4
2009 Net Income	(428.7)	35.7	(545.3)	(66.5)
Shareholders' Equity	1,504	2,513	2,260	485
ROE	-29%	1%	-24%	-14%
Average, ex. Hughes	*-12%*			
2010E Book Value per Share	$67.36	$15.28	$8.18	$15.70
P/B	0.71x	1.21x	1.31x	1.21x
Average, ex. Hughes	*1.2x*			

*Price for Howard Hughes Corp. reflects fair value estimate.
Source: Thomson One, *The Spin-Off Report* estimates.

Investors may choose to value only the MPC segment in this manner, as this business is more comparable to the homebuilders listed above than is Hughes's Strategic Development segment. Still, the valuation appears compelling. Hughes attributes $1.76 billion in net asset value to the MPC business, before any additional capital raised via the exercise of warrants. If one assumed a price-to-book value multiple of 1.25x, the mid-point of the comparable company range, one would arrive at a fair value estimate of $48 per share.

Although further declines in Hughes's consolidated book value are probable because of the likelihood of negative earnings over the coming months, these losses are not likely to be significant relative to book value and do not justify a 30% discount to shareholders' equity. As an example, if one were to assume a reduction to book value of $225 million (equal to its commitments and obligations through 2013, which includes outflows for items that would be neutral to book value, such as debt repayments), the $48 per share fair value estimate for Hughes would still represent a 20% discount to book value. Alternatively, if one were to value Hughes at 1.2x book value, which is equal to the low end of its peer group, one would arrive at a fair value estimate of $80 per share. This represents nearly 70% upside to where Hughes is currently raising equity capital.

Sales of the Hughes developments have been few and far between, but recent transactions point to asset values that are significantly higher than the values at which these assets are carried on Hughes's balance sheet. In 2010, transactions for lots in the Summerlin Community achieved valuations that averaged between $562,000 and $634,000 per acre. As shown in Exhibit 18, if one assumed an average valuation of $550,000 per acre for the 7,184 remaining saleable acres within the Summerlin Community, one would arrive at an asset value of nearly $4 billion.

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Exhibit 18 Howard Hughes Corp.: Transactions for Summerlin Community Acreage

	Acres	Aggregate Purchase Price (000s)	Price per Acre (000s)
Summerlin Community	32	$17,987	$562
Summerlin Community	31.5	$19,970	$634
Total Remaining Saleable Summerlin Acreage	7,184		
Price per Acre ('000s)	$550		
Value of Summerlin Acreage (000s)	**$3,951,200**		

Source: Company reports, *The Spin-Off Report* estimates.

As shown in Exhibit 19, Summerlin Community represents approximately half of the total remaining saleable acreage within the Master Planned Community segment, implying a total resale value of nearly $8 billion for MPC's land holdings using the same price assumptions found in Exhibit 18. The $4 billion valuation for Summerlin Community, alone, is approximately 45% higher than the the $2.7 billion total net investment in real estate currently on Hughes's balance sheet, which includes assets from the Strategic Development segment. Although the company will have to develop this acreage, at some expense, before it can be sold, and although sales will be extended over the next thirty years, the intrinsic value of Hughes's current holdings appears to greatly exceed the value at which these assets are recorded on the balance sheet, again supporting the argument for a multiple on par with, or at a premium to, book value.

Exhibit 19 Howard Hughes Corp.: Remaining Saleable Acres by Community

			Total/Gross	Remaining Saleable Acres			Projected Community
Community	**Location**	**Ownership**	**Acres**	**Residential**	**Commercial**	**Total**	**Sell-Out Date**
Bridgeland	Houston, TX	100%	11,400	3,981	1,246	5,227	2036
Summerlin	Las Vegas, NV	100%	22,500	6,559	625	7,184	2039
The Woodlands	Houston, TX	52.5%	28,400	1,063	1,018	2,081	2017
Maryland Communities:							
Columbia	Howard County, MD	100%	14,200	0	0	0	2035
Gateway	Howard County, MD	100%	630	0	121	121	2013
Emerson	Howard County, MD	100%	520	12	68	80	2013
Fairwood	Prince George's County, MD	100%	1,100	0	11	11	2013
Total			**78,750**	**11,615**	**3,089**	**14,704**	

Source: Company reports.

It is worth noting that the Hughes assets incurred nearly $860 million in impairment charges during the period 2007-2009, and that these impairments could likely be reversed, thus adding to book value, should the real estate market rebound and Hughes begin to realize increased demand for its real estate. Further, these write-downs appear to be behind the company, as impairments through the first six months of 2010 equaled only $486,000.

One can attach a conservative 0.9x book value multiple and still arrive at a valuation, at $60 per share, that implies nearly 20% upside from where Hughes is raising new equity capital. Given the exchange ratio of 0.0983 shares of Hughes for every share of pre-spin General Growth, this implies a value of nearly $6 per current GGP share, which, when combined with the $12 per share estimate for New GGP, equals a fair value estimate of $18 per share relative to $16 per share currently. Given that investors can purchase shares of both entities at over a 10% discount to fair value, shares of pre-spin GGP are recommended for purchase.

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Conclusion

Both New GGP and Hughes are raising new equity capital as part of their restructuring, and General Growth's current valuation, pre-spin-off, appears to be rooted in the sum-of-the-parts valuation derived from these transactions. It appears, however, that the valuations used for both New GGP and Hughes are conservative given current market multiples, and that both pieces represent attractive long-term investment opportunities. Using discounts to comparable FFO multiples and cap rates, one arrives at a fair value estimate of $12 per share for New GGP, while a 10% discount to book value (which also represents a discount to comparable book value multiples) returns a fair value estimate of $60 per share for Hughes. These valuations imply a fair value of $18 per share for pre-spin General Growth relative to its current share price of approximately $16. Because of this discount to fair value, shares of General Growth are recommended for purchase prior to the spin-off.

Upon completion of the spin-off, investment opportunities in New GGP and Hughes should be judged relative to their $12 per share and $60 per share fair value estimates, respectively. It should be noted that, as the second largest mall REIT in the US, New GGP will likely be the focus of significant index buying upon its emergence from bankruptcy and introduction to the markets as an independent entity, which should present a short-term trading opportunity.

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Exhibit 20 New GGP: Consolidated Income Statement

($ in thousands, except per share amounts)

	2008	2009	Less Spinco	Plan	Acquisition Accounting	**2009 Pro Forma**
Revenues:						
Minimum rents	2,085,758	1,992,046	65,653	0	(59,332)	1,867,061
Tenant recoveries	927,332	883,595	19,642	0	0	863,953
Overage rents	72,882	52,306	2,701	0	0	49,605
Land and condominium sales	66,557	45,997	45,997	0	0	---
Management fees and other corporate revenues	96,495	75,851	23	0	0	75,828
Other	112,501	86,019	2,333	0	0	83,686
Total Revenues	**3,361,525**	**3,135,814**	**136,349**	**0**	**(59,332)**	**2,940,133**
Expenses:						
Real estate taxes	274,317	280,895	13,827	0	907	267,975
Property maintenance costs	114,532	119,270	5,572	0	0	113,698
Marketing	43,426	34,363	1,071	0	0	33,292
Other property operating costs	557,259	529,686	32,573	0	(1,416)	495,697
Land and condominium sales operations	63,441	50,807	50,807	0	0	0
Provision for doubtful accounts	17,873	30,331	2,539	0	0	27,792
Property management and other costs	184,738	176,876	17,645	0	0	159,231
General and administrative	39,245	28,608	0	0	0	28,608
Strategic initiatives	18,727	67,341	5,380	0	0	61,961
Provisions for impairment	116,611	1,223,810	680,683	0	(543,127)	0
Litigation (benefit) provision	(57,145)	0	0	0	0	0
Depreciation and amortization	759,930	755,161	19,841	0	354,021	1,089,341
Total Expenses	**2,132,954**	**3,297,148**	**829,938**	**0**	**(189,615)**	**2,277,595**
Operating Income (Loss)	**1,228,571**	**(161,334)**	**(693,589)**	0	**130,283**	**662,538**
Interest income	3,197	3,321	1,689	0	0	1,632
Interest expense	(1,325,273)	(1,311,283)	(1,337)	183,911	(25,646)	(1,151,681)
Income (loss) before taxes	(93,505)	(1,469,296)	(693,237)	183,911	104,637	(487,511)
Benefit from (provision for) income taxes	(23,461)	14,610	28,497	7,985	0	(5,902)
Equity in income (loss) of Real Estate Affiliates	80,594	4,635	(28,209)	0	(21,256)	11,588
Reorganization items	0	146,190	(6,963)	(153,153)	0	0
Net income (loss) from continuing operations	**($36,372)**	**($1,303,861)**	**($699,912)**	**$38,743**	**$83,381**	**($481,825)**

Source: Company reports.

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Exhibit 21 New GGP: Consolidated Balance Sheet

($ in thousands)

	As of 6/30/2010	Less Spinco	Offering	Plan	Acquisition Accounting	**As of 6/30/10 Pro Forma**
ASSETS						
Investment in real estate:						
Land	3,326,837	194,380	0	0	2,185,338	5,317,795
Buildings and equipment	22,788,677	451,307	0	0	(1,382,105)	20,955,265
Less accumulated depreciation	(4,733,556)	(91,553)	0	0	4,642,003	0
Developments in progress	425,864	290,901	0	0	0	134,963
Net property and equipment	21,807,822	845,035	0	0	5,445,236	26,408,023
Investment in and loans to/from Real Estate Affiliates	1,991,782	139,838	0	0	657,120	2,509,064
Invst. property and property held for development and sale	1,913,655	1,907,175	0	0	(6,480)	0
Net investment in real estate	25,713,259	2,892,048	0	0	6,095,876	28,917,087
Cash and cash equivalents	548,265	2,982	2,160,000	(791,939)	0	1,913,344
Accounts and notes receivable, net	372,621	11,152	0	0	(270,851)	90,618
Goodwill	199,664	0	0	0	(199,664)	0
Deferred expenses, net	264,985	6,996	0	0	(257,989)	0
Prepaid expenses and other assets	738,589	176,203	0	48,471	1,548,146	2,159,003
Total assets	**$27,837,383**	**$3,089,381**	**$2,160,000**	**($743,468)**	**$6,915,518**	**$33,080,052**
LIABILITIES AND EQUITY						
Liabilities not subject to compromise:						
Mortgages, notes and loans payable	16,809,002	207,647	0	1,408,155	565,694	18,575,204
Invst. in and loans to/from unconsolidated real estate affiliates	40,536	0	0	0	(40,536)	0
Deferred tax liabilities	787,798	743,822	0	(1,779)	(1,457)	40,740
Accounts payable and accrued expenses	1,302,668	184,168	0	43,419	1,622,625	2,784,544
Total liabilities not subject to compromise	18,940,004	1,135,637	0	1,449,795	2,146,326	21,400,488
Liabilities subject to compromise:						
Mortgages, notes and loans payable	7,111,004	132,849	0	(6,978,155)	0	0
Accounts payable and accrued expenses	745,253	100,774	0	(644,479)	0	0
Total liabilities subject to compromise	7,856,257	233,623	0	(7,622,634)	0	0
Total liabilities	**26,796,261**	**1,369,260**	**0**	**(6,172,839)**	**2,146,326**	**21,400,488**
Redeemable noncontrolling interests:						
Preferred	**120,756**	0	0	0	**0**	120,756
Common	**97,851**	0	0	0	(24,058)	73,793
Total redeemable noncontrolling interests	**218,607**	**0**	**0**	**0**	**(24,058)**	194,549
Commitments and Contingencies	0	0	0	0	0	0
Equity:						0
Stockholders' equity	798,601	1,719,286	2,160,000	5,429,371	4,743,243	11,411,929
Noncontrolling interests in consolidated real estate affiliates	23,914	835	0	0	50,007	73,086
Total equity	**822,515**	**1,720,121**	**2,160,000**	**5,429,371**	**4,793,250**	**11,485,015**
Total liabilities and equity	**$27,837,383**	**$3,089,381**	**$2,160,000**	**($743,468)**	**$6,915,518**	**$33,080,052**

Source: Company reports.

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Exhibit 22 Howard Hughes Corp.: Consolidated Income Statement
($ in thousands)

	2009 Pro Forma	Six Mos. Ended 6/30/09	Six Mos. Ended 6/30/10 Pro Forma
Revenues:			
Minimum rents	$65,653	$33,517	$34,000
Tenant recoveries	19,642	9,782	9,252
Overage rents	2,701	850	912
Land sales	45,996	31,434	12,107
Other	2,356	(463)	3,148
Total Revenues	**136,348**	**75,120**	**59,419**
Expenses:			
Real estate taxes	13,813	6,282	7,029
Property maintenance costs	5,586	2,228	3,283
Marketing	1,071	460	507
Other property operating costs	33,739	16,020	17,694
Land sales operations	49,062	32,454	20,597
Provision for doubtful accounts	2,539	1,212	357
Property management and other costs	17,643	8,431	8,996
General and administrative	11,380	0	3,000
Strategic initiatives	---	5,114	---
Provisions for impairment	680,349	140,180	486
Depreciation and amortization	19,841	10,787	8,425
Total Expenses	835,023	223,168	70,374
Operating Loss	**(698,675)**	**(148,048)**	**(10,955)**
Interest income	1,689	332	59
Interest expense	(977)	(582)	(1,207)
Income (loss) before taxes	**(697,963)**	**(148,298)**	**(12,103)**
(Provision for) benefit from income taxes	297,483	2,913	(13,018)
Equity in income (loss) of Real Estate Affiliates	(28,209)	4,121	5,172
Reorganization items	---	(2,017)	0
Net income (loss) from continuing operations	**($428,689)**	**($143,281)**	**($19,949)**

Source: Company reports.

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Exhibit 23 Howard Hughes Corp.: Consolidated Balance Sheet
($ in thousands)

	As of 12/31/2009	As of 6/30/2010	Adjustments	Pro Forma
ASSETS				
Land	194,700	194,379	---	194,379
Buildings and equipment	451,279	450,719	---	450,719
Less accumulated depreciation	(85,639)	(91,553)	---	(91,553)
Developments in progress	258,807	256,289	---	256,289
Net property and equipment	**819,147**	**809,834**	**0**	**809,834**
Investment in and loans to/from Real Estate Affiliates	140,558	145,738	---	145,738
Investment property and property held for development and sale	1,782,470	1,789,191	---	1,789,191
Net investment in real estate	**2,742,175**	**2,744,763**	**---**	**2,744,763**
Cash and cash equivalents	3,204	2,982	650,000	652,982
Accounts and notes receivable, net	17,359	11,152	---	11,152
Deferred expenses, net	7,444	6,996	---	6,996
Prepaid expenses and other assets	135,045	140,257	303,750	444,007
Total assets	**$2,905,227**	**$2,906,150**	**$953,750**	**$3,859,900**
LIABILITIES AND EQUITY				
Mortgages, notes and loans payable	208,860	207,646	132,849	340,495
Deferred tax liabilities	782,817	726,916	(575,434)	151,482
Accounts payable and accrued expenses	134,191	217,327	69,062	286,389
Liabilities not subject to compromise	1,125,868	1,151,889	(373,523)	778,366
Liabilities subject to compromise	275,839	233,623	(233,623)	0
Total liabilities	**$1,401,707**	**$1,385,512**	**($607,146)**	**$778,366**
GGP Equity	1,504,364	1,521,448	1,560,896	3,082,344
Accumulated other comprehensive loss	(1,744)	(1,645)	---	(1,645)
Noncontrolling interests	900	835	---	835
Total equity	**1,503,520**	**1,520,638**	**1,560,896**	**3,081,534**
Total liabilities and equity	**$2,905,227**	**$2,906,150**	**$953,750**	**$3,859,900**

Source: Company reports.

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