

**GENERAL GROWTH PROPERTIES, INC.**

**OVERVIEW**

(In thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
<b>Funds From Operations ("FFO")</b>				
Company stockholders	\$ 190,996	\$ 173,359	\$ 375,260	\$ 577,890
Operating Partnership unitholders	37,027	36,917	75,964	124,053
Operating Partnership	<u>\$ 228,023</u>	<u>\$ 210,276</u>	<u>\$ 451,224</u>	<u>\$ 701,943</u>
Increase (decrease) in FFO over comparable prior year period	<u>8.4 %</u>	<u>15.5 %</u>	<u>(35.7) %</u>	<u>71.5 %</u>
FFO per share:				
Company stockholders - basic	\$ 0.71	\$ 0.71	\$ 1.47	\$ 2.37
Operating Partnership - basic	0.71	0.71	1.47	2.37
Operating Partnership - diluted	0.71	0.71	1.46	2.36
Increase (decrease) in diluted FFO over comparable prior year period	- %	14.5 %	(38.1) %	69.8 %
<b>Core Funds From Operations ("Core FFO")</b>				
Core FFO	\$ 228,440	\$ 216,562	\$ 455,063	\$ 408,975
Core FFO per share - diluted	0.72	0.73	1.48	1.38
Increase in Core FFO over comparable prior year period	5.5 %	17.7 %	11.3 %	4.0 %
<b>Dividends</b>				
Dividends paid per share	\$ 0.50	\$ 0.45	\$ 1.00	\$ 0.90
Payout ratio (% of diluted FFO paid out)	70.4 %	63.4 %	68.5 %	38.1 %
<b>Real Estate Property Net Operating Income ("NOI")</b>				
Retail and Other:				
Consolidated	\$ 529,580	\$ 464,980	\$ 1,070,236	\$ 913,664
Unconsolidated	99,254	115,302	192,661	225,333
Total Retail and Other	<u>628,834</u>	<u>580,282</u>	<u>1,262,897</u>	<u>1,138,997</u>
Master Planned Communities:				
Consolidated	644	6,588	(210)	10,237
Unconsolidated	6,606	7,895	14,318	13,561
Total Master Planned Communities	<u>7,250</u>	<u>14,483</u>	<u>14,108</u>	<u>23,798</u>
Total Real estate property net operating income	<u>\$ 636,084</u>	<u>\$ 594,765</u>	<u>\$ 1,277,005</u>	<u>\$ 1,162,795</u>
<b>Selected Balance Sheet Information</b>				
	<b>June 30,</b>	<b>December 31,</b>		
	<b>2008</b>	<b>2007</b>		
Cash and cash equivalents	\$ 87,444	\$ 99,534		
Investment in real estate:				
Net land, buildings and equipment	\$ 22,773,140	\$ 22,359,249		
Developments in progress	1,196,249	987,936		
Net investment in and loans to/from				
Unconsolidated Real Estate Affiliates	1,827,629	1,803,366		
Investment land and land held for development and sale	1,678,838	1,639,372		
Net investment in real estate	<u>\$ 27,475,856</u>	<u>\$ 26,789,923</u>		
Total assets	\$ 29,505,589	\$ 28,814,319		
Mortgage, notes and loans payable	\$ 24,461,117	\$ 24,282,139		
Minority interest - Preferred	121,482	121,482		
Minority interest - Common	434,636	351,362		
Stockholders' equity	1,991,001	1,456,696		
Total capitalization (at cost)	<u>\$ 27,008,236</u>	<u>\$ 26,211,679</u>		
<b>Summarized Debt Information</b>				
	<b>Consolidated Properties</b>		<b>Unconsolidated Properties (a)</b>	
	<b>Outstanding</b>	<b>Average</b>	<b>Outstanding</b>	<b>Average</b>
	<b>Balance</b>	<b>Interest</b>	<b>Balance</b>	<b>Interest</b>
Fixed rate (c)	\$ 20,240,942	5.55 % (d)	\$ 2,903,863	5.68 %
Variable rate (c)	4,018,737	4.22	310,959	6.87
Totals	<u>\$ 24,259,679 (b)</u>	<u>5.33 %</u>	<u>\$ 3,214,822</u>	<u>5.79 %</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 \$71.0 million, minority interest adjustment of \$71.5 million and purchase accounting mark-to-market adjustments of \$58.9 million.

(c) 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		Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
<b>Revenues:</b>				
Minimum rents	\$ 507,099	\$ 443,432	\$ 1,032,041	\$ 879,474
Tenant recoveries	231,548	195,403	463,179	394,858
Overage rents	10,892	10,876	24,410	26,456
Land sales	15,855	36,130	24,921	59,923
Management and other fees	21,918	26,348	42,157	53,920
Other	28,306	27,893	59,232	54,244
Total revenues	<u>815,618</u>	<u>740,082</u>	<u>1,645,940</u>	<u>1,468,875</u>
<b>Expenses:</b>				
Real estate taxes	69,004	55,089	137,653	111,949
Repairs and maintenance	56,997	47,918	119,098	98,891
Marketing	8,776	10,713	21,052	23,294
Other property operating costs	104,434	97,609	216,326	197,645
Land sales operations	15,211	29,542	25,131	49,686
Provision for (recovery of) doubtful accounts	6,287	(1,701)	8,996	3,791
Property management and other costs	54,804	56,447	106,942	109,589
General and administrative	4,416	4,030	12,515	16,299
Depreciation and amortization	191,242	163,289	375,501	338,408
Total expenses	<u>511,171</u>	<u>462,936</u>	<u>1,023,214</u>	<u>949,552</u>
Operating income	304,447	277,146	622,726	519,323
Interest income	1,449	2,944	2,006	4,977
Interest expense	(312,943)	(275,547)	(632,337)	(543,896)
(Loss) income before income taxes, minority interest and equity				
in income of Unconsolidated Real Estate Affiliates	(7,047)	4,543	(7,605)	(19,596)
(Provision for) benefit from income taxes	(6,866)	(17,647)	(16,257)	270,744
Minority interest	(3,969)	(5,085)	(9,290)	(59,502)
Equity in income of Unconsolidated Real Estate Affiliates	21,145	26,581	44,973	46,940
Income from continuing operations	3,263	8,392	11,821	238,586
Discontinued operations, net of minority interest - gains on dispositions	30,819	-	30,819	-
Net income	<u>\$ 34,082</u>	<u>\$ 8,392</u>	<u>\$ 42,640</u>	<u>\$ 238,586</u>
<b>Basic Earnings Per Share:</b>				
Continuing operations	\$ 0.01	\$ 0.03	\$ 0.05	\$ 0.98
Discontinued operations	0.12	-	0.12	-
Total basic earnings per share	<u>\$ 0.13</u>	<u>\$ 0.03</u>	<u>\$ 0.17</u>	<u>\$ 0.98</u>
<b>Diluted Earnings Per Share:</b>				
Continuing operations	\$ 0.01	\$ 0.03	\$ 0.05	\$ 0.97
Discontinued operations	0.12	-	0.12	-
Total diluted earnings per share	<u>\$ 0.13</u>	<u>\$ 0.03</u>	<u>\$ 0.17</u>	<u>\$ 0.97</u>

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

(In thousands)

	Three Months Ended June 30, 2008		
	Consolidated Properties	Unconsolidated Properties	Segment Basis
<b>Retail and Other</b>			
Property revenues:			
Minimum rents	\$ 507,099	\$ 94,544	\$ 601,643
Tenant recoveries	231,548	39,522	271,070
Overage rents	10,892	1,723	12,615
Other, including minority interest	25,539	18,012	43,551
Total property revenues	<u>775,078</u>	<u>153,801</u>	<u>928,879</u>
Property operating expenses:			
Real estate taxes	69,004	11,990	80,994
Repairs and maintenance	56,997	8,945	65,942
Marketing	8,776	1,590	10,366
Other property operating costs	104,434	31,534	135,968
Provision for doubtful accounts	6,287	488	6,775
Total property operating expenses	<u>245,498</u>	<u>54,547</u>	<u>300,045</u>
Retail and other net operating income	<u>529,580</u>	<u>99,254</u>	<u>628,834</u>
<b>Master Planned Communities</b>			
Land sales	15,855	17,802	33,657
Land sales operations	(15,211)	(11,196)	(26,407)
Master Planned Communities net operating income	<u>644</u>	<u>6,606</u>	<u>7,250</u>
Real estate property net operating income	<u>530,224</u>	<u>105,860</u>	<u>\$ 636,084</u>
Management and other fees	21,918	5,477	
Property management and other costs	(20,590)	(584)	
Headquarters/regional costs	(34,214)	(9,508)	
General and administrative	(4,416)	(2,464)	
Depreciation on non-income producing assets, including headquarters building	(2,603)	-	
Interest income	1,449	1,363	
Interest expense	(312,943)	(41,876)	
Provision for income taxes	(6,866)	(801)	
Preferred unit distributions	(2,903)	-	
Other FFO from minority interest	1,470	30	
FFO	<u>170,526</u>	<u>57,497</u>	
Equity in FFO of Unconsolidated Properties	<u>57,497</u>	<u>(57,497)</u>	
Operating Partnership FFO	<u>\$ 228,023</u>	<u>\$ -</u>	

	Three Months Ended June 30, 2007		
	Consolidated Properties	Unconsolidated Properties	Segment Basis
<b>Retail and Other</b>			
Property revenues:			
Minimum rents	\$ 443,432	\$ 112,053	\$ 555,485
Tenant recoveries	195,403	47,684	243,087
Overage rents	10,876	1,467	12,343
Other, including minority interest	24,897	23,197	48,094
Total property revenues	<u>674,608</u>	<u>184,401</u>	<u>859,009</u>
Property operating expenses:			
Real estate taxes	55,089	14,392	69,481
Repairs and maintenance	47,918	10,640	58,558
Marketing	10,713	2,874	13,587
Other property operating costs	97,609	40,796	138,405
(Recovery of) provision for doubtful accounts	(1,701)	397	(1,304)
Total property operating expenses	<u>209,628</u>	<u>69,099</u>	<u>278,727</u>
Retail and other net operating income	<u>464,980</u>	<u>115,302</u>	<u>580,282</u>
<b>Master Planned Communities</b>			
Land sales	36,130	22,661	58,791
Land sales operations	(29,542)	(14,766)	(44,308)
Master Planned Communities net operating income	<u>6,588</u>	<u>7,895</u>	<u>14,483</u>
Real estate property net operating income	<u>471,568</u>	<u>123,197</u>	<u>\$ 594,765</u>
Management and other fees	26,348	4,074	
Property management and other costs	(18,714)	(779)	
Headquarters/regional costs	(37,733)	(10,865)	
General and administrative	(4,030)	(1,423)	
Depreciation on non-income producing assets, including headquarters building	(3,076)	-	
Interest income	2,944	8,046	
Interest expense	(275,547)	(51,304)	
Provision for income taxes	(17,647)	(3,122)	
Preferred unit distributions	(3,055)	-	
Other FFO from minority interest	1,394	-	
FFO	<u>142,452</u>	<u>67,824</u>	
Equity in FFO of Unconsolidated Properties	<u>67,824</u>	<u>(67,824)</u>	
Operating Partnership FFO	<u>\$ 210,276</u>	<u>\$ -</u>	

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

	<b>Six Months Ended June 30, 2008</b>		
	<b>Consolidated Properties</b>	<b>Unconsolidated Properties</b>	<b>Segment Basis</b>
<b>Retail and Other</b>			
Property revenues:			
Minimum rents	\$ 1,032,041	\$ 187,236	\$ 1,219,277
Tenant recoveries	463,179	78,613	541,792
Overage rents	24,410	3,035	27,445
Other, including minority interest	53,731	31,552	85,283
Total property revenues	<u>1,573,361</u>	<u>300,436</u>	<u>1,873,797</u>
Property operating expenses:			
Real estate taxes	137,653	23,581	161,234
Repairs and maintenance	119,098	18,246	137,344
Marketing	21,052	3,778	24,830
Other property operating costs	216,326	61,387	277,713
Provision for doubtful accounts	8,996	783	9,779
Total property operating expenses	<u>503,125</u>	<u>107,775</u>	<u>610,900</u>
Retail and other net operating income	<u>1,070,236</u>	<u>192,661</u>	<u>1,262,897</u>
<b>Master Planned Communities</b>			
Land sales	24,921	40,920	65,841
Land sales operations	(25,131)	(26,602)	(51,733)
Master Planned Communities net operating (loss) income	<u>(210)</u>	<u>14,318</u>	<u>14,108</u>
Real estate property net operating income	<u>1,070,026</u>	<u>206,979</u>	<u>\$ 1,277,005</u>
Management and other fees	42,157	10,508	
Property management and other costs	(39,012)	(1,526)	
Headquarters/regional costs	(67,930)	(18,198)	
General and administrative	(12,515)	(4,719)	
Depreciation on non-income producing assets, including headquarters building	(5,399)	-	
Interest income	2,006	3,071	
Interest expense	(632,337)	(80,986)	
Provision for income taxes	(16,257)	(1,690)	
Preferred unit distributions	(5,806)	-	
Other FFO from minority interest	2,791	61	
FFO	<u>337,724</u>	<u>113,500</u>	
Equity in FFO of Unconsolidated Properties	113,500	(113,500)	
Operating Partnership FFO	<u>\$ 451,224</u>	<u>\$ -</u>	

	<b>Six Months Ended June 30, 2007</b>		
	<b>Consolidated Properties</b>	<b>Unconsolidated Properties</b>	<b>Segment Basis</b>
<b>Retail and Other</b>			
Property revenues:			
Minimum rents	\$ 879,474	\$ 221,219	\$ 1,100,693
Tenant recoveries	394,858	95,944	490,802
Overage rents	26,456	3,934	30,390
Other, including minority interest	48,446	44,655	93,101
Total property revenues	<u>1,349,234</u>	<u>365,752</u>	<u>1,714,986</u>
Property operating expenses:			
Real estate taxes	111,949	29,521	141,470
Repairs and maintenance	98,891	21,761	120,652
Marketing	23,294	6,246	29,540
Other property operating costs	197,645	81,643	279,288
Provision for doubtful accounts	3,791	1,248	5,039
Total property operating expenses	<u>435,570</u>	<u>140,419</u>	<u>575,989</u>
Retail and other net operating income	<u>913,664</u>	<u>225,333</u>	<u>1,138,997</u>
<b>Master Planned Communities</b>			
Land sales	59,923	36,022	95,945
Land sales operations	(49,686)	(22,461)	(72,147)
Master Planned Communities net operating income	<u>10,237</u>	<u>13,561</u>	<u>23,798</u>
Real estate property net operating income	<u>923,901</u>	<u>238,894</u>	<u>\$ 1,162,795</u>
Management and other fees	53,920	8,162	
Property management and other costs	(45,273)	(1,578)	
Headquarters/regional costs	(64,316)	(21,992)	
General and administrative	(16,299)	(1,558)	
Depreciation on non-income producing assets, including headquarters building	(6,191)	-	
Interest income	4,977	11,723	
Interest expense	(543,896)	(103,388)	
Benefit from (provision for) income taxes	270,744	(1,574)	
Preferred unit distributions	(7,113)	-	
Other FFO from minority interest	2,800	-	
FFO	<u>573,254</u>	<u>128,689</u>	
Equity in FFO of Unconsolidated Properties	128,689	(128,689)	
Operating Partnership FFO	<u>\$ 701,943</u>	<u>\$ -</u>	

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

	Three Months Ended June 30, 2008		Three Months Ended June 30, 2007	
	Consolidated Properties	Unconsolidated Properties	Consolidated Properties	Unconsolidated Properties
	<b>Minimum rents:</b>			
Above- and below-market tenant leases, net	\$ 2,812	\$ 2,144	\$ 8,517	\$ 2,367
Straight-line rent	9,961	2,137	8,347	2,507
<b>Other property operating costs:</b>				
Non-cash ground rent expense	(1,820)	(231)	(1,589)	(193)
<b>Real estate taxes:</b>				
Real estate tax stabilization agreement	(981)	-	(981)	-
<b>Interest expense:</b>				
Statutory interest expense on Glendale judgment being appealed	(2,225)	-	-	-
Mark-to-market adjustments on debt	4,354	754	7,531	1,076
Amortization of deferred finance costs	(3,490)	(441)	(4,539)	(461)
Debt extinguishment costs:				
Write-off of mark-to-market adjustments	-	-	112	-
Write-off of deferred finance costs	(1)	(244)	(2,387)	-
Totals	<u>\$ 8,610</u>	<u>\$ 4,119</u>	<u>\$ 15,011</u>	<u>\$ 5,296</u>

	Six Months Ended June 30, 2008		Six Months Ended June 30, 2007	
	Consolidated Properties	Unconsolidated Properties	Consolidated Properties	Unconsolidated Properties
	<b>Minimum rents:</b>			
Above- and below-market tenant leases, net	\$ 8,747	\$ 4,280	\$ 18,057	\$ 4,734
Straight-line rent	21,903	4,934	17,755	5,486
<b>Other property operating costs:</b>				
Non-cash ground rent expense	(3,555)	(462)	(3,178)	(385)
<b>Real estate taxes:</b>				
Real estate tax stabilization agreement	(1,962)	-	(1,962)	-
<b>Interest expense:</b>				
Statutory interest expense on Glendale judgment being appealed	(4,457)	-	-	-
Mark-to-market adjustments on debt	8,520	1,466	18,037	2,070
Amortization of deferred finance costs	(12,230)	(821)	(8,070)	(913)
Debt extinguishment costs:				
Write-off of mark-to-market adjustments	-	-	112	-
Write-off of deferred finance costs	207	(244)	(2,387)	-
Totals	<u>\$ 17,173</u>	<u>\$ 9,153</u>	<u>\$ 38,364</u>	<u>\$ 10,992</u>

**WEIGHTED AVERAGE SHARES**  
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	Basic	267,369	244,960	256,067
Diluted	267,597	245,627	256,253	244,850
Assuming full conversion of Operating Partnership units:				
Basic	319,202	297,125	307,903	296,579
Diluted	319,430	297,792	308,089	297,264

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
<b>Reconciliation of Real Estate Property Net Operating Income ("NOI") to GAAP Operating Income</b>				
Real estate property net operating income:				
Segment basis	\$ 636,084	\$ 594,765	\$ 1,277,005	\$ 1,162,795
Unconsolidated Properties	(105,860)	(123,197)	(206,979)	(238,894)
Consolidated Properties	530,224	471,568	1,070,026	923,901
Management and other fees	21,918	26,348	42,157	53,920
Property management and other costs	(20,590)	(18,714)	(39,012)	(45,273)
Headquarters/regional costs	(34,214)	(37,733)	(67,930)	(64,316)
General and administrative	(4,416)	(4,030)	(12,515)	(16,299)
Depreciation and amortization	(191,242)	(163,289)	(375,501)	(338,408)
Minority interest in NOI of Consolidated Properties and other	2,767	2,996	5,501	5,798
Operating income	<u>\$ 304,447</u>	<u>\$ 277,146</u>	<u>\$ 622,726</u>	<u>\$ 519,323</u>
<b>Reconciliation of Core FFO to Funds From Operations ("FFO") and to GAAP Net Income</b>				
Core FFO	\$ 228,440	\$ 216,562	\$ 455,063	\$ 408,975
Master Planned Communities net operating income	7,250	14,483	14,108	23,798
(Provision for) benefit from income taxes	(7,667)	(20,769)	(17,947)	269,170
Funds From Operations - Operating Partnership	228,023	210,276	451,224	701,943
Depreciation and amortization of capitalized real estate costs	(225,010)	(200,471)	(438,665)	(412,983)
Minority interest in depreciation of Consolidated Properties and other	828	47	1,653	842
Minority interest to Operating Partnership unitholders	(578)	(1,460)	(2,391)	(51,216)
Income from continuing operations	3,263	8,392	11,821	238,586
Discontinued operations, net of minority interest - gains on dispositions	30,819	-	30,819	-
Net income	<u>\$ 34,082</u>	<u>\$ 8,392</u>	<u>\$ 42,640</u>	<u>\$ 238,586</u>
<b>Reconciliation of Equity in NOI of Unconsolidated Properties to GAAP Equity in Income of Unconsolidated Affiliates</b>				
Equity in Unconsolidated Properties:				
NOI	\$ 105,860	\$ 123,197	\$ 206,979	\$ 238,894
Net property management fees and costs	4,893	3,295	8,982	6,584
Net interest expense	(40,513)	(43,258)	(77,915)	(91,665)
Headquarters, general and administrative, income taxes and minority interest in FFO	(12,743)	(15,410)	(24,546)	(25,124)
FFO of unconsolidated properties	57,497	67,824	113,500	128,689
Depreciation and amortization of capitalized real estate costs	(36,371)	(40,258)	(68,562)	(80,766)
Other, including (loss) on sales of investment properties	19	(985)	35	(983)
Equity in income of unconsolidated real estate affiliates	<u>\$ 21,145</u>	<u>\$ 26,581</u>	<u>\$ 44,973</u>	<u>\$ 46,940</u>
<b>Reconciliation of Weighted Average Shares Outstanding</b>				
Basic:				
Weighted average number of shares outstanding - FFO per share	319,202	297,125	307,903	296,579
Conversion of Operating Partnership units	(51,833)	(52,165)	(51,836)	(52,414)
Weighted average number of Company shares outstanding - GAAP EPS	<u>267,369</u>	<u>244,960</u>	<u>256,067</u>	<u>244,165</u>
Diluted:				
Weighted average number of shares outstanding - FFO per share	319,430	297,792	308,089	297,264
Conversion of Operating Partnership units	(51,833)	(52,165)	(51,836)	(52,414)
Weighted average number of Company shares outstanding - GAAP EPS	<u>267,597</u>	<u>245,627</u>	<u>256,253</u>	<u>244,850</u>