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GGP follow-up report assuming sale of properties

Summary

The global credit markets have become dysfunctional, or put more accurately, “functional” in the prudent pricing of risk in the wake of losses incurred by financial institutions and lenders owing to the OPM (other people’s money) methodology of writing loans destined for sale through market securitization. The resultant problem of ‘shrinking liquidity’ is aggravating the operations, to say the least, of many real asset and related financial concerns. In particular, this has considerably impacted the ability of commercial real estate companies including GGP, which has huge debt obligations payable in next few years, to refinance its loans and capital expenditure (capex) requirements.

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In the event of GGP not being able to meet the requisite financing/refinancing needs as we have forecast, it is likely to find itself faced with either of the following two options – *‘foreclose some of their existing loans’* or *‘sell few of their unencumbered properties’*. Yesterday, we had discussed the impact of foreclosure and sale of some of its properties on GGP’s valuation. We are now presenting our analysis on its valuation in case GGP elects to only sell some of its unencumbered properties – the ‘sale of properties’ scenario.

GGP’s valuation summary

In our base case scenario (without assuming sale or foreclosure), we arrived at GGP’s valuation of approximately \$6.9 bn or \$28.4 per share (under the CFAT approach – please refer table below). Our underlying assumption in the above valuation was that GGP would be able to arrange the requisite financing for its loan repayment and capex requirements.

However considering the tight liquidity condition in the current capital market scenario, GGP might have to sell some of its prime and unencumbered properties. Accordingly, we have assumed that GGP would sell its properties to arrange for \$1.2 bn and \$1.5 bn, respectively, in 2008 and 2009, representing approximately 30% of its total refinancing needs in these years. We expect GGP to sell these properties at a significant discount to their current valuation (arrived at using net present value approach) due to subdued demand for commercial real estate amid a liquidity crunch in the credit market. Additionally, we expect GGP to postpone its re-development and new development plans, which would put a strain on the GGP’s future revenue streams. Incorporating the above assumptions, we expect GGP’s valuation under ‘sale of properties’ scenario of \$6.0 bn, translating into a per share value of \$24.5. This represents a downside risk of 38.7% from the current market price of \$40 (as of February 1, 2008)

GGP’s valuation comparison under ‘base case’ and ‘sale of properties’

<i>GGP's valuation - comparison</i> <small>(All figures in \$ bn except per share data)</small>	<i>Base case</i>		<i>Sale of properties</i>	
	<i>PV NOI</i>	<i>CFAT</i>	<i>PV NOI</i>	<i>CFAT</i>
Value of GGP properties	\$29.5	\$4.5	\$29.5	\$4.5
<i>less: New developments curtailed</i>			\$0.7	\$0.3
<i>less: Sale of property</i>			\$3.4	\$3.3
Value of GGP properties			\$25.4	\$0.9
Current debt	\$24.1		\$24.1	
<i>less: Sales proceeds</i>			\$2.7	\$2.7
Debt net of sales proceeds	\$24.1		\$21.4	(\$2.7)
GGP's portfolio valuation	\$5.4	\$4.5	\$4.0	\$3.6
PV of other income	\$2.4	\$2.4	\$2.4	\$2.4
GGP valuation	\$7.8	\$6.9	\$6.4	\$6.0
Per Share valuation	\$32.1	\$28.4	\$26.1	\$24.5

Re-financing needs

Re-financing under conditions of sale (\$ mn)	2008	2009
Re-financing required (base scenario)	\$3,850	\$5,000
Capital improvements (base scenario)	\$1,582	\$661
Financing re-quired (base scenario)	\$5,432	\$5,661
Financed through sale of asstes	\$1,209	\$1,465
% of re-financing required	31%	29%
Capital improvemnts curtailed	\$772	\$466
Re-financing required	2,641	3,535
Capital improvemnts	810	195
Financing re-quired (revised scenario)	3,450	3,731

Re-financing under conditions of foreclosure and sale (\$ mn)	2,008	2009
Re-financing required (base scenario)	\$3,850	\$5,000
Capital improvements (base scenario)	\$1,582	\$661
Financing re-quired (base scenario)	\$5,432	\$5,661
O/S Loan	\$24,074	
Foreclosed loan (approx. 6% of poperties)	\$4,748	
(% of O/S loan)	19.7%	
Balance O/S loan	\$19,326	
Loan re-paymnet (as per amortization schedule)	\$2,608	\$3,295
Loan re-paymnet (after default)	\$2,093	\$2,645
Reduction in re-financing need due to foreclosure	\$514	\$650
% reduction	13%	13%
Financed through sale of assets	\$1,209	\$1,465
% of re-financing required	31%	29%
Capital improvemnts curtailed	\$772	\$466
Re-financing required	\$1,900	\$2,200
Capital improvements	\$810	\$195
Financing required (revised scenario)	\$2,710	\$2,395

Under our 'foreclosure and sale' scenario (posted yesterday), we expect GGP to foreclose approximately 6% of its property portfolio which would reduce GGP's re-payment obligations by nearly 20% each in 2008 and 2009, to \$2.0 bn and \$2.6 bn, respectively. In addition, we expect GGP to sell some of its un-encumbered properties and curtail capital improvement requirements. Consequently, the assumed foreclosure and sale of properties together with estimated curtailment in capital expenditure would bring down GGP's total financing needs by 50% and 42% in 2008 and 2009, respectively, to \$2.7 bn and \$2.4 bn. However as a result of foreclosure, GGP's credit standing would take a severe beating. Consequentially increased penalties in form of increased cost of financing and additional difficulty in raising finance for future projects would restraint GGP from foreclosing its mortgaged properties. Also since re-financing and maintaining credit standing is one of the prime business drivers for REIT's unless the situation aggravates steeply from here, GGP may opt not to go the foreclosure route.

Since both the scenarios - '[base case scenario](#)' (without assuming sale or foreclosure) with entire debt re-financed through additional loans and '[foreclosure and sale](#)' - may seem extreme (*the first being too optimistic and the other being too pessimist*), we believe that GGP might alternatively sell a few of its unencumbered properties to partly meet its re-financing requirements. We expect GGP to re-finance approx. 30% of its re-financing needs each in 2008 and 2009 through sale proceeds of \$1.2 bn and \$1.5 bn from properties. In addition, we expect GGP to reduce its capital expenditure towards re-developments and new developments by 50% and 70% to \$0.8 bn and \$0.20 bn in 2008 and 2009, respectively. As a result of sale and reduction in capital expenditure, we expect GGP to reduce its financing requirements by 36% and 34% in 2008 and 2009, respectively to \$3.5 bn and \$3.7 bn.

We have identified the following properties which would enable the company to meet above re-financing needs.

Sale of properties in 2008-2009 (\$ mn)	PV NOI	CFAT	Selling price	Year of sale	Purchase price	Net of dep	Gain / Loss	Cap rate
Market Place Shopping Center	\$375	\$375	\$293	2008	\$124	\$87	\$206	16.5%
South Street Seaport	\$241	\$240	\$188	2008	\$11	\$5	\$184	119.2%
The Mall In Columbia	\$239	\$217	\$187	2008	\$572	\$502	(\$315)	2.3%
Burbank Town Center	\$692	\$666	\$541	2008	\$480	\$408	\$133	7.9%
Fallbrook Center	\$275	\$260	\$215	2009	\$117	\$67	\$148	12.8%
Festival Bay Mall at International Drive	\$273	\$265	\$214	2009	\$215	\$183	\$31	6.9%
Ford City Mall	\$422	\$405	\$330	2009	\$348	\$295	\$35	6.6%
SouthBay Pavilion	\$453	\$443	\$354	2009	\$243	\$206	\$148	10.2%
Queen Kalahumanu Center	\$240	\$270	\$188	2009	\$143	\$121	\$67	8.3%
Windward Mall	\$209	\$196	\$163	2009	\$125	\$106	\$57	9.1%
Total	\$3,419	\$3,337	\$2,674		\$2,377	\$1,980	\$694	

We expect GGP to realize approximately \$2.7 bn from sale of above mentioned properties (in 2008 and 2009) having a book value of \$2.0 bn. As a result of above sale, GGP is expected to record profit of \$0.7 bn over the next couple of years. Although GGP would be able to record gain on sale for the above transaction, it would actually drag

down the company's valuation as the current valuation (arrived at using net present value approach) of these properties is noticeably higher than the sale proceeds (see table above). This assumption is based on the hypothesis that GGP would be able to sell these properties only at a discount (15% assumed by us) due to fewer buyers for commercial real estate properties in a down trending market with diminishing liquidity – basically, the typical buyer's market. In addition, we have assumed 8% cost on sale of transaction.

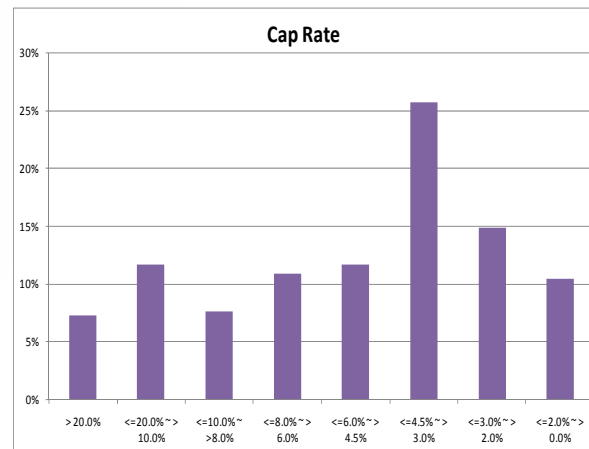
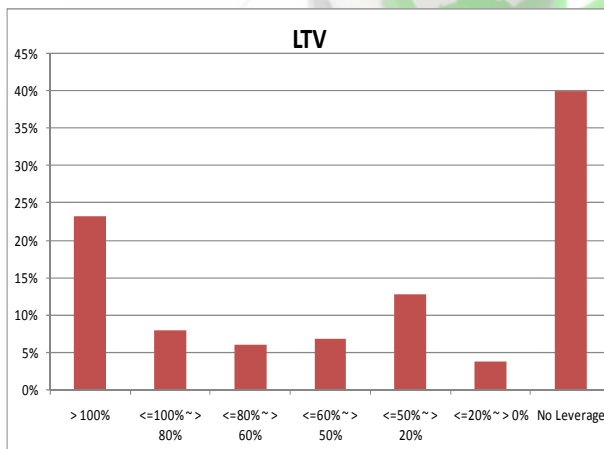
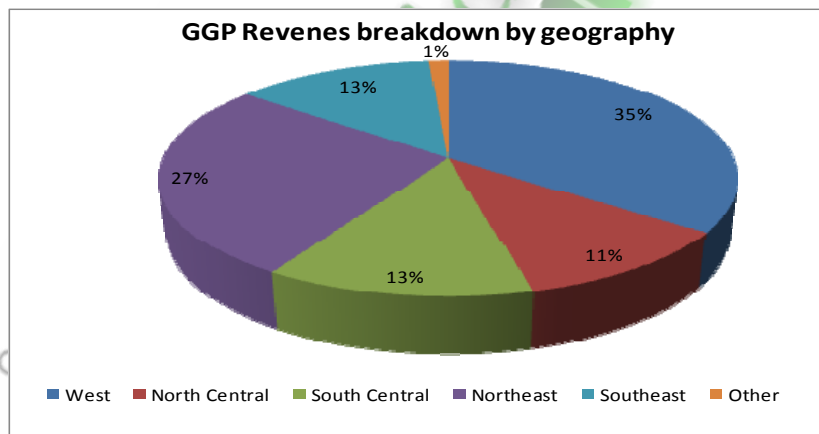
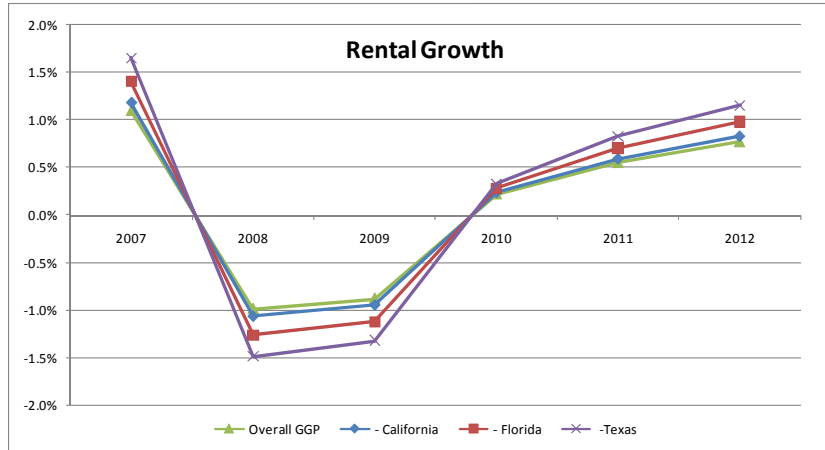
Sale of properties (\$ mn)	PV NOI	Selling Price	Purchase price	Net of dep	Gain / Loss
2008	1,546	1,209	1,187	1,002	208
2009	1,873	1,465	1,190	979	486

GGP detailed valuation summary – under sale

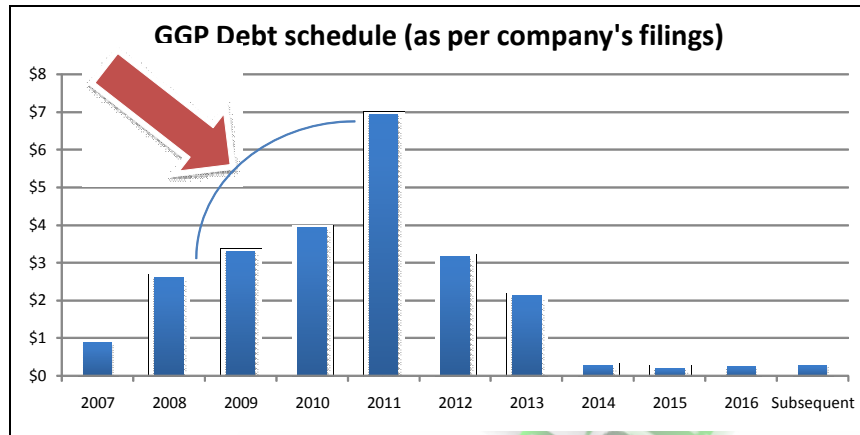
Sale of office properties

	PV NOI	CFAT	Purchase price	Net of dep	Gain / Loss	Cap rate
GGP properties	\$29,487,000,000	\$4,520,000,000				
Expansion plans curtailed						
Ala Moana Center						
Augusta Mall						
Mall of Louisiana						
New developments curtailed						
Elk Grove Promenade	\$285,261,768	\$6,332,015				5.5%
Natick Collection	\$173,965,955	\$158,572,135				2.2%
Park West	\$81,679,862	(\$32,340,233)				4.3%
The Shops at Fallen Timbers	\$165,442,740	\$158,576,294				3.6%
Total	\$706,350,323	\$291,140,210				
GGP Valuation excl new developments	\$28,780,649,677	\$4,228,859,790				
Sale of properties in 2008-2009						
Market Place Shopping Center	\$374,644,164	\$374,644,164	\$123,800,000	\$87,204,000	\$205,767,736	16.5%
South Street Seaport	\$240,638,934	\$239,648,851	\$10,985,000	\$4,599,000	\$183,580,646	119.2%
The Mall In Columbia	\$238,623,044	\$217,451,642	\$571,949,000	\$501,719,000	(\$315,115,780)	2.3%
Burbank Town Center	\$692,446,644	\$666,176,454	\$480,000,000	\$408,000,000	\$133,493,276	7.9%
Fallbrook Center	\$274,760,989	\$259,686,361	\$117,463,000	\$67,171,000	\$147,692,094	12.8%
Festival Bay Mall at International Drive	\$273,312,934	\$264,874,368	\$215,000,000	\$182,750,000	\$30,980,714	6.9%
Ford City Mall	\$422,233,456	\$405,038,452	\$347,500,000	\$295,375,000	\$34,811,562	6.6%
SouthBay Pavilion	\$453,288,785	\$443,112,734	\$242,500,000	\$206,125,000	\$148,346,830	10.2%
Queen Ka'ahumanu Center	\$240,203,388	\$270,071,351	\$142,500,000	\$121,125,000	\$66,714,050	8.3%
Windward Mall	\$209,068,581	\$196,407,848	\$125,000,000	\$106,250,000	\$57,241,630	9.1%
	\$3,419,220,919	\$3,337,112,224	\$2,376,697,000	\$1,980,318,000	\$693,512,759	
GGP's properties portfolio after sale	\$25,361,428,758	\$891,747,566				
less : Loan O/S net of proceeds	\$24,073,812,000					
Add : Net Proceeds	2,673,830,759	2,673,830,759				
Value of GGP's properties	\$3,961,447,516	\$3,565,578,325				
PV of other income	\$2,412,000,000	\$2,412,000,000				
GGP's estimated market cap	\$6,373,447,516	\$5,977,578,325				
Balance Loan O/S	\$21,661,812,000					
Per share valuation assuming sale	\$26.1	\$24.5				
Current price	\$36.5					
Upside (downside) potential (base case)	-28.4%	-32.8%				
Previous estimates	\$32.1	\$28.4				

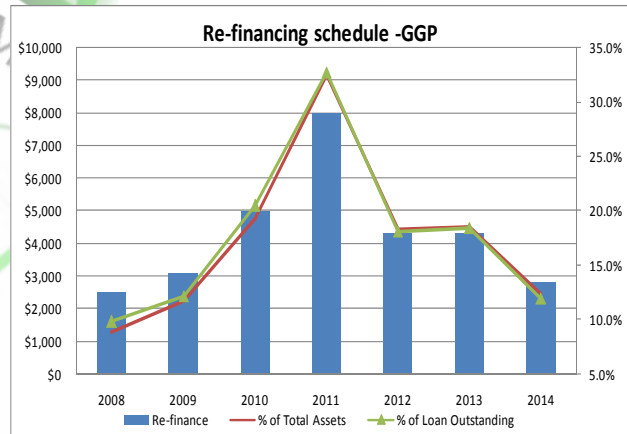
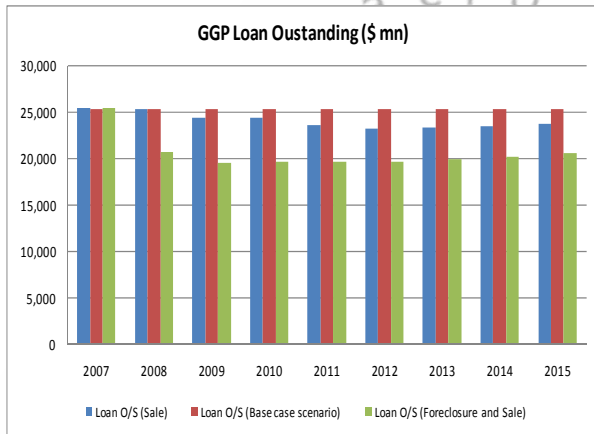
GGP's portfolio analysis



GGP's financing options



(All figures in \$ mn)	2008	2009	2010	2011	2012	2013	2014	2015
Loan Outstanding at the beg of year	\$25,504	\$25,571	\$24,965	\$24,322	\$24,508	\$24,494	\$24,711	\$24,884
Principal repayment as per schedule	(\$2,608)	(\$3,295)	(\$3,930)	(\$6,934)	(\$3,144)	(\$2,121)	(\$257)	(\$197)
Additional loan for capital improvements (a)	\$810	\$195	\$453	\$381	\$396	\$400	\$404	\$409
Loan repayment (re-financing and capital improvements)	(\$776)	(\$1,043)	(\$1,465)	(\$2,262)	(\$2,065)	(\$2,561)	(\$2,975)	(\$3,453)
Loan Outstanding at the end of year (before re-financing)	\$22,931	\$21,429	\$20,022	\$15,508	\$19,694	\$20,211	\$21,884	\$21,643
Re-financing (b)	\$2,640	\$3,536	\$4,300	\$9,000	\$4,800	\$4,500	\$3,000	\$3,500
Loan O/S at the end of year	25,571	24,965	24,322	24,508	24,494	24,711	24,884	25,143
Total Financing (a + b)	3,450	3,731	4,753	9,381	5,196	4,900	3,404	3,909



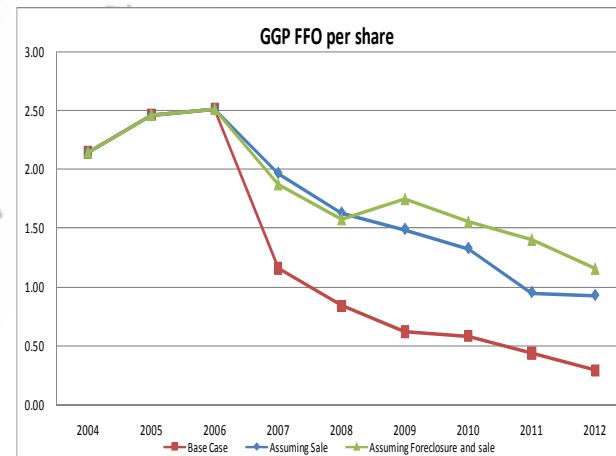
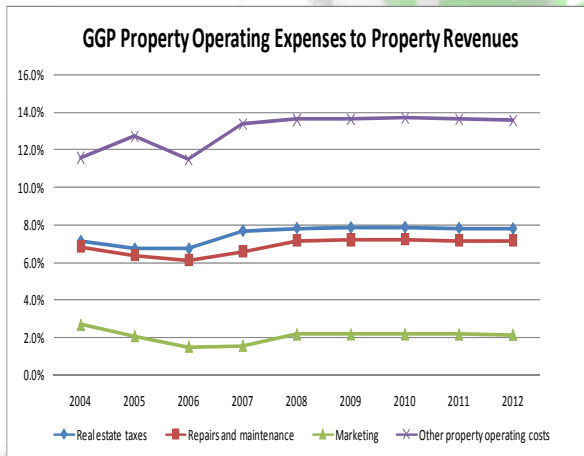
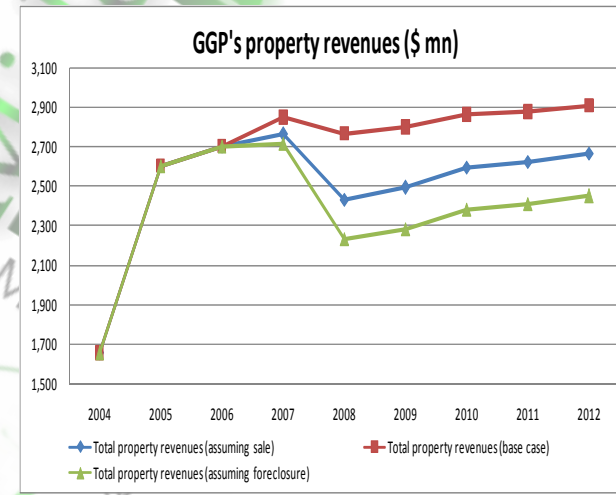
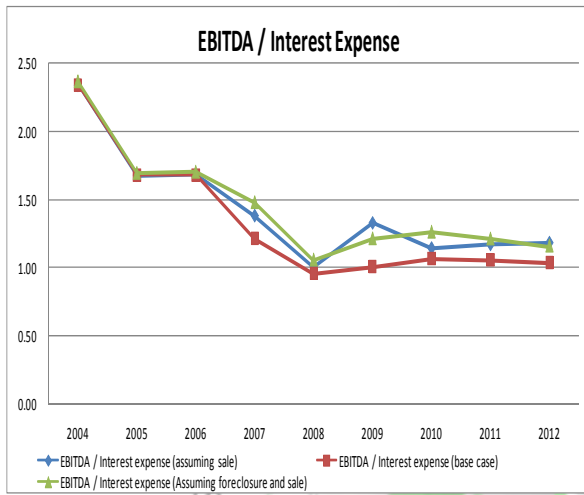
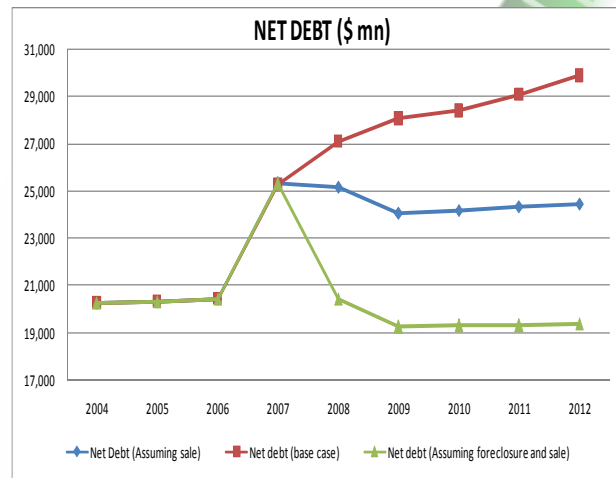
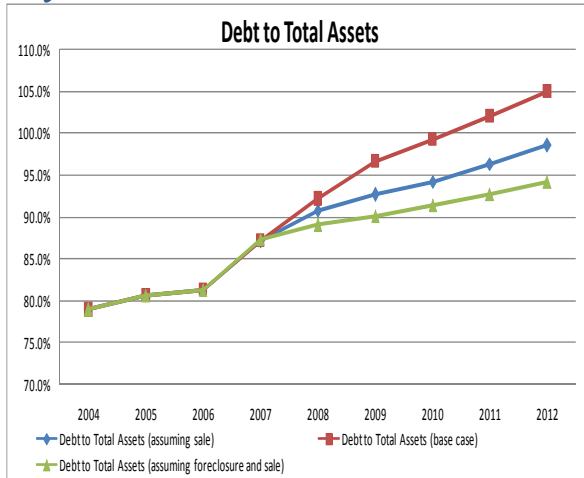
GGP – Peer group analysis and relative valuation

Company	Market Cap (US\$ mn)	Net Debt (US\$ mn)	Current EV (US\$ mn)	EV/EBITDA			P/FFO			P/B		
				2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E
GGP	8,880	24,026	32,905	19.5	24.2	21.1	81.3	146.6	151.7	5.5	9.3	N/A
Simon Property	19,580	16,876	36,456	13.8	12.8	12.1	15.5	14.0	12.9	4.5	10.0	2.6
Kimco Realty Corp.	8,883	4,371	13,254	17.4	14.5	12.9	13.7	12.8	11.6	1.6	1.6	1.5
Boston Properties	10,949	3,515	14,464	16.0	16.1	15.0	20.4	19.9	18.7	2.9	2.6	3.1
SL Green Realty Corp.	5,282	5,248	10,530	18.0	17.0	16.7	15.8	14.9	13.6	0.7	0.7	0.7
Vonardo Realty Trust	13,692	11,742	25,434	18.3	16.6	15.3	15.6	15.1	14.2	0.7	2.6	2.6
Macerich Co.	4,890	5,082	9,972	18.8	16.3	14.3	14.7	13.3	12.1	1.8	2.8	2.7
Industry Average				17.1	15.5	14.4	15.9	15.0	13.8	2.0	3.4	2.2

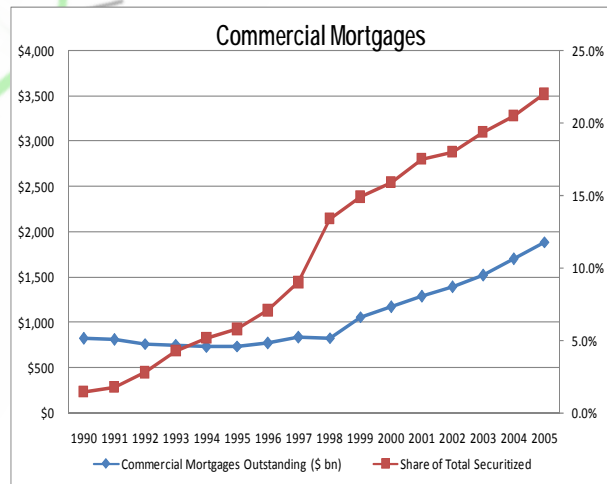
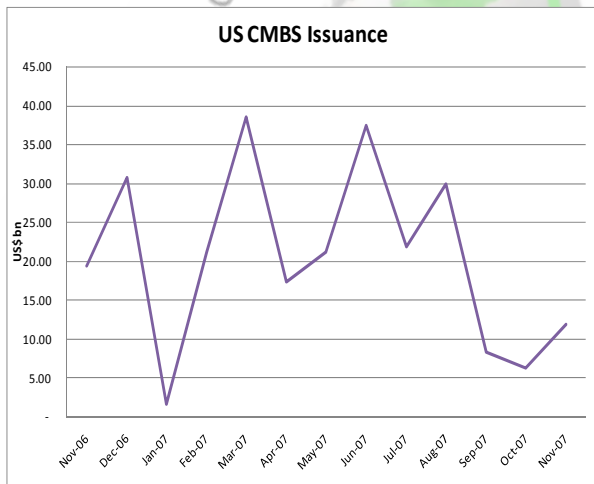
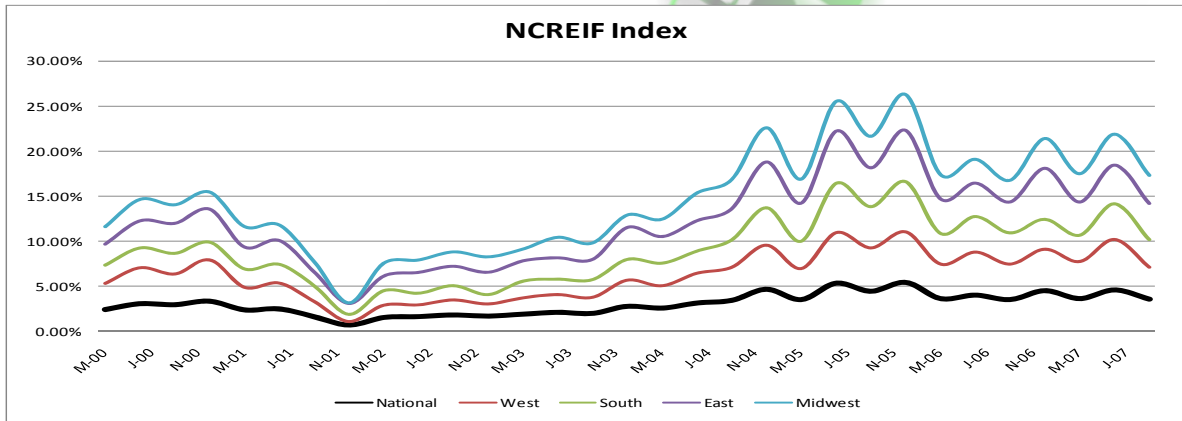
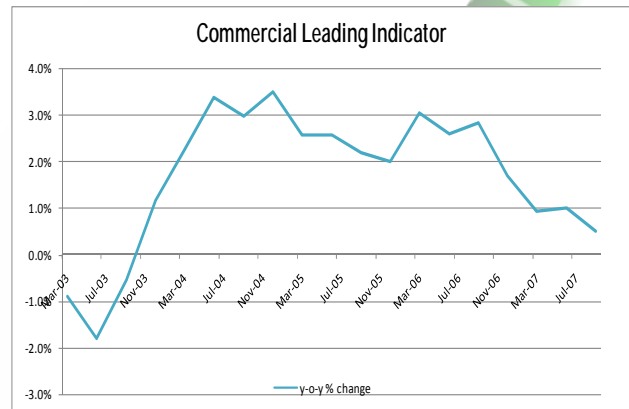
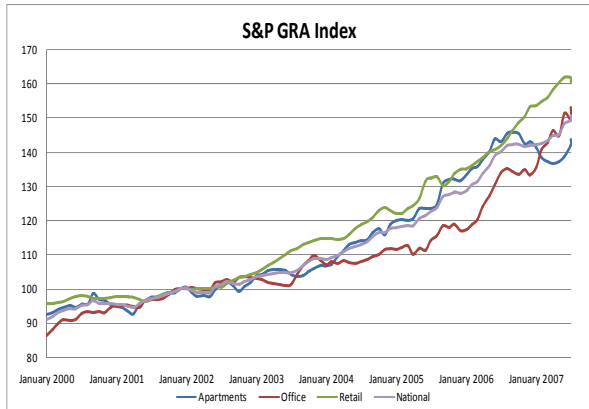
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Summary Valuation	
Earnings Approach	
- DCF	\$26.6
- CFAT	\$24.5
- NOI	\$26.1
Relative Valuation	
- P/B	\$31.2
- P/FFO	\$3.9

Key charts



Key charts (continued)



GGP NOI (Base case assuming sale)

(All figures in \$ mn)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
GROSS INCOME	623	2,504	2,566	2,677	2,708	2,751	2,777	2,792	2,807	2,820	2,834	2,848	2,862	2,877	2,891	2,905	2,920	2,934	2,949	2,963
- Vacancy & Credit Allowance	66	264	270	282	286	290	293	295	296	298	299	301	302	303	305	307	308	310	311	313
+ Operating Expenses	208	837	858	895	905	920	928	933	938	943	947	952	957	961	966	971	976	981	986	990
NET OPERATING INCOME	349	1,403	1,438	1,500	1,517	1,541	1,556	1,564	1,572	1,580	1,588	1,596	1,604	1,612	1,620	1,628	1,636	1,644	1,652	1,660
- Interest, All Loans	249	900	743	625	486	378	275	189	116	62	38	24	13	6	2	1	1	1	0	0
- Depreciation and Amortization	159	780	788	802	810	826	830	835	840	845	851	856	862	868	873	878	884	889	891	891
+ Interest, Funded Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INCOME OR (LOSS)	(59)	(277)	(93)	72	221	338	451	540	617	673	699	716	729	738	744	748	751	755	761	769
(LOSS) UTILIZED THIS YEAR	(53)	(255)	(62)	0	(6)	(5)	(7)	(7)	(3)	(0)	0	0	1	1	1	1	1	1	1	1
TAXABLE INCOME	(53)	(255)	(62)	72	215	333	444	533	613	673	700	717	730	738	745	749	752	755	762	770
NET OPERATING INCOME	349	1,403	1,438	1,500	1,517	1,541	1,556	1,564	1,572	1,580	1,588	1,596	1,604	1,612	1,620	1,628	1,636	1,644	1,652	1,660
- Debt Service, All Mortgages	1,847	4,455	3,673	3,302	2,741	2,324	1,886	1,580	1,259	713	327	233	181	111	33	11	8	6	6	0
+ Proceeds of Mortgages, Less Points	0	473	81	76	43	44	25	38	56	43	39	5	0	36	0	0	0	0	0	0
- Capital Expenditures and Funded Reserves*	211	519	183	181	173	152	148	195	159	188	213	173	237	199	204	187	191	171	56	9
CASH FLOW BEFORE TAXES	(1,498)	(3,098)	(2,336)	(1,906)	(1,354)	(890)	(453)	(172)	210	721	1,087	1,195	1,186	1,338	1,384	1,430	1,437	1,466	1,589	1,651

GGP income statement (Base case assuming sale)

(All figures in \$ mn except per share data)

	2004	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E
Revenues:									
Minimum rents	1,059	1,670	1,754	1,710	1,476	1,513	1,579	1,597	1,623
Tenant recoveries	472	755	773	864	764	783	816	825	838
Overage rents	54	70	76	82	84	85	86	87	88
Land sales	69	385	423	161	160	160	167	181	195
Management and other fees	83	91	116	117	119	121	124	127	131
Other	63	102	115	118	120	121	123	126	128
Total revenues	1,800	3,073	3,256	3,051	2,724	2,782	2,895	2,943	3,003
Expenses:									
Real estate taxes	128	206	219	234	213	218	228	230	234
Repairs and maintenance	123	195	199	200	195	200	209	211	215
Marketing	48	64	49	47	59	60	63	63	64
Other property operating costs	208	390	373	407	370	379	396	400	407
Land sales operations	66	312	316	208	404	262	160	158	157
Provision for doubtful accounts	10	14	22	68	16	16	16	16	16
Property management and other costs	100	147	185	191	164	160	160	162	165
General and administrative	9	13	15	25	19	17	15	15	15
Depreciation and amortization	365	673	690	687	780	788	802	810	826
Total expenses	1,059	2,014	2,068	2,067	2,221	2,102	2,048	2,067	2,100
Operating Income	741	1,059	1,188	984	710	1,166	847	876	903
Interest income	3	10	12	9	101	162	134	21	29
Interest expense	(472)	(1,031)	(1,117)	(1,210)	(1,479)	(1,472)	(1,445)	(1,442)	(1,462)
Income before tax and minority income	272	38	83	(217)	(668)	(144)	(464)	(544)	(530)
Income taxes	(2)	(51)	(99)	240.5	(63.9)	(63.9)	(63.9)	(63.9)	(63.9)
Minority interest	(105)	(44)	(38)	(45.7)	62.9	48.3	36.2	23.5	12.1
Equity Income of unconsolidated affiliates	88	121	114	32.9	(6.3)	(3.9)	(1.2)	1.6	3.6
Net income before discontinued operations	253	64	60	10	(675)	(163)	(493)	(583)	(578)
Discontinued operations, net of minority interests:									
Income from operations	4	7	0	0	0	0	0	0	0
Gains (losses) on dispositions	11	5	(1)	0	0	0	0	0	0
Net income	268	76	59	10	(675)	(163)	(493)	(583)	(578)
Basic	244	244	244	244	244	244	244	244	244
Diluted	244	244	244	244	244	244	244	244	244
Assuming full conversion of Operating Partnership units:									
Weighted shares outstanding - basic	296	296	296	296	296	296	296	296	296
Weighted shares outstanding - diluted	296	296	296	296	296	296	296	296	296
FFO and Core FFO									
Net Income	268	76	59	87	(608)	(515)	(467)	(570)	(578)
Minority interest to Operating Partnership unitholders									
Minority interest in depreciation of Consolidated Properties and other									
Depreciation and amortization of capitalized real estate costs	365	673	690	687	780	788	802	810	826
Funds From Operations - Operating Partnership	633	748	749	775	173	273	335	240	247
Benefit (provision) for income taxes	2	51	99	(240)	64	64	64	64	64
Master Planned Communities net operating income	(3)	(73)	(107)	47	244	103	(7)	(23)	(38)
Core FFO	633	726	742	581	481	440	391	281	273
Basic Earnings (Loss) Per Share	1.22	0.32	0.25	0.04	(2.77)	(0.67)	(2.02)	(2.39)	(2.37)
Diluted Earnings (Loss) Per Share	1.21	0.32	0.24	0.04	(2.77)	(0.67)	(2.02)	(2.39)	(2.37)
FFO per Share (Basic)	2.14	2.46	2.51	1.96	1.63	1.49	1.32	0.95	0.92
FFO per Share (Diluted)	2.14	2.46	2.51	1.96	1.63	1.49	1.32	0.95	0.92

GGP balance sheet (Base case assuming sale)

Balancesheet (All figures in \$ mn)	2004	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E
Assets									
Investment in real estate:									
Land	2,860	2,827	2,952	3,289	3,289	3,289	3,289	3,289	3,289
Buildings and equipment	18,251	18,739	19,379	23,014	22,637	21,642	22,095	22,476	22,872
Less: Accumulated depreciation	(1,453)	(2,105)	(2,767)	(3,605)	(4,200)	(4,778)	(5,580)	(6,390)	(7,216)
Developments in progress	560	370	674	1,032	1,032	1,032	1,032	1,032	1,032
Net property and equipment	20,217	19,831	20,239	23,729	22,757	21,185	20,835	20,406	19,976
Investment in and loans to Unconsolidated Affiliates	1,946	1,818	1,499	1,755	1,755	1,755	1,755	1,755	1,755
Investment land and land held for development and sale	1,638	1,651	1,656	1,663	1,388	1,254	1,229	1,217	1,217
Net investment in real estate	23,801	23,300	23,394	27,147	25,899	24,194	23,819	23,378	22,948
Cash and cash equivalents	40	103	97	212	401	908	144	195	36
Accounts and notes receivable, net	242	293	329	303	302	308	310	315	321
Goodwill	0	421	372	386	386	386	386	386	386
Deferred expenses, net	153	210	252	291	291	291	291	291	291
Prepaid expenses and other assets	1,483	980	798	931	892	850	858	866	879
Insurance recovery receivable	0	0	0	0	0	0	0	0	0
Total Assets	25,719	25,307	25,241	29,270	28,171	26,937	25,808	25,430	24,862
Liabilities and Stockholders' Equity									
Mortgages, notes and loans payable	20,311	20,419	20,522	25,504	25,571	24,965	24,322	24,508	24,494
Investment in and loans to/from Unconsolidated Affiliates		18	172	64	64	64	64	64	64
Deferred tax liabilities	1,415	1,287	1,302	912	912	912	912	912	912
Accounts payable and accrued expenses	896	1,014	1,050	1,136	1,133	1,156	1,162	1,181	1,205
Total Liabilities	22,621	22,738	23,047	27,617	27,680	27,097	26,460	26,665	26,675
Minority interests:									
Preferred	403	206	183	121	121	121	121	121	121
Common	551	430	348	363	363	363	363	363	363
Total Minority Interests	954	636	531	485	485	485	485	485	485
Stockholders' Equity:									
Common stock (\$.01 par value)	2	2	2	2	2	2	2	2	2
Additional paid-in capital	2,378	2,469	2,534	2,596	2,596	2,596	2,596	2,596	2,596
Retained earnings	(228)	(519)	(868)	(1,365)	(2,527)	(3,178)	(3,671)	(4,253)	(4,832)
Accumulated other comprehensive income	(10)	10	10	31	31	31	31	31	31
Less: Common stock in treasury, at cost		(30)	(13)	(96)	(96)	(96)	(96)	(96)	(96)
Total stockholders' equity	2,143	1,933	1,664	1,169	7	(644)	(1,137)	(1,720)	(2,296)
Total liabilities and stockholders' equity	25,719	25,307	25,241	29,270	28,171	26,937	25,808	25,430	24,862

GGP cash flow (Base case assuming sale)

Cash Flow Statement (All figures in \$ mn)	2004	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E
Cash Flows from Operating Activities:									
Net income (loss)	268	76	59	10	(675)	(163)	(493)	(583)	(578)
Adjustments:									
Minority interests	106	45	38	61					
Equity in income of Unconsolidated Affiliates	(88)	(121)	(114)	(33)					
Provision for doubtful accounts	10	14	22	10					
Distributions received from Unconsolidated Affiliates	88	120	112	83					
Depreciation	348	657	664	662	780	788	802	810	826
Amortization	29	31	43	25					
Amortization of debt market rate adjustment and other non-cash inte	(1)	(47)	(32)	(11)					
(Gain) loss on disposition	(11)	(5)	1	0	(208)	(486)			
Participation expense pursuant to Contingent Stock Agreement	9	106	111	26					
Land/Residential development and acquisitions expenditures	(28)	(141)	(184)	(192)					
Cost of land sales	52	181	175	117	275	134	25	12	0
Tax restructuring benefit	2	29	58	(297)					
Straight-line rent amortization	(15)	(34)	(34)	(27)					
Amortization of intangibles other than in-place leases	(26)	(24)	(33)	(21)					
Proceeds from the sale of marketable securities	8	28	5	0					
Debt assumed by purchasers of land	(0)	(11)	(6)	0					
Insurance recoveries	0	0	0	12					
Net changes:									
Accounts and notes receivable	(6)	(51)	(23)	54	1	(6)	(2)	(5)	(6)
Prepaid expenses and other assets	16	(69)	28	(88)	40	42	(8)	(8)	(14)
Deferred expenses	(43)	(73)	(47)	(23)	0	0	0	0	0
Accounts payable and accrued expenses and DTL	(13)	122	(30)	(363)	(3)	22	6	19	24
Other, net	16	10	5	13					
Net cash provided by operating activities	719	842	816	18	210	331	332	246	251
Cash Flows from Investing Activities:									
Acquisition/development/ Improvements of properties	(9,000)	(498)	(699)	(1,940)	(810)	(195)	(453)	(381)	(396)
Proceeds from sales of investment properties	65	144	23	3	1,209	1,465			
Increase in investments in Unconsolidated Affiliates	(211)	(196)	(286)	(298)					
Distributions received from Unconsolidated Affiliates	(2)	(23)	12	183					
Loans (to) from Unconsolidated Affiliates, net		5	28	(138)					
(Increase) decrease in restricted cash	134	261	628	(12)					
Insurance recoveries	(9)	127	68	4					
Other, net	2	27	16	4					
Net cash provided by (used in) investing activities	(9,021)	(154)	(210)	(2,194)	400	1,269	(453)	(381)	(396)
Cash Flows from Financing Activities:									
Proceeds - mortgages, notes and loans	12,733	3,907	9,366	3,132	3,450	3,731	4,753	9,381	5,196
Principal payments - mortgages, notes and loans	(4,431)	(3,792)	(9,383)	(151)	(3,383)	(4,337)	(5,395)	(9,196)	(5,209)
Deferred financing costs	(13)	(7)	(39)	(28)					
Distributions to common stockholders	(275)	(354)	(404)	(451)	(488)	(488)	0	0	0
Distributions to holders of Common Units	(70)	(81)	(89)	(71)					
Distributions - perpetual and convertible preferred unit	(37)	(27)	(18)	(11)					
Proceeds from issuance of common stock	532	45	49	57					
Redemption of preferred minority interests	(108)	(183)	0	(60)					
Purchase of treasury stock	0	(99)	(86)	(96)					
Other, net	(1)	(34)	(8)	(3)					
Net cash provided by (used in) financing activities	8,330	(625)	(612)	2,318	(421)	(1,093)	(643)	186	(14)
Effect of exchange rate changes on cash	0	0	0	(27)					
Net change in cash	29	63	(6)	115	189	507	(764)	50	(158)
Cash at the beginning of period :	11	40	103	97	212	401	908	144	195
Cash at the end of period :	40	103	97	212	401	908	144	195	36