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GENERAL GROWTH PROPERTIES INC
Form 10-K405
March 15, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(MARK ONE)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the fiscal year ended December 31, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____.

COMMISSION FILE NUMBER 1-11656

GENERAL GROWTH PROPERTIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

42-1283895

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

110 N. Wacker Dr., Chicago, IL

60606

(Address of principal executive offices)

(Zip Code)

(312) 960-5000

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
-----	-----
Common Stock, \$.10 par value	New York Stock Exchange
Depository Shares, each representing 1/40 of a share of 7.25% Preferred Income Equity Redeemable Stock, Series A	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

Indicate by a check mark if disclosure of delinquent filers pursuant to

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Item 405 of Regulation S-K (S) 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of March 14, 2002, the aggregate market value of the 59,269,508 shares of Common Stock held by non-affiliates of the registrant was \$2,622,083,034 based upon the closing price on the New York Stock Exchange composite tape on such date. (For this computation, the registrant has excluded the market value of all shares of its Common Stock reported as beneficially owned by executive officers and directors of the registrant; such exclusion shall not be deemed to constitute an admission that any such person is an "affiliate" of the registrant). As of March 14, 2002, there were 62,017,756 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the annual stockholders meeting to be held on May 8, 2002 are incorporated by reference into Part III.

PART I
ITEM 1. BUSINESS

All references to numbered Notes are to specific footnotes to the Consolidated Financial Statements of the Company (as defined below) included in this Annual Report on Form 10-K and the descriptions included in such Notes are incorporated into the applicable Item response by reference. The following discussion should be read in conjunction with such Consolidated Financial Statements and related Notes.

General

General Growth Properties Inc. ("General Growth") was formed in 1986 by Martin Bucksbaum and Matthew Bucksbaum (the "Original Stockholders"). On April 15, 1993, an initial public offering of the common stock (the "Common Stock") of General Growth and certain related transactions were completed. Concurrently, General Growth (as general partner) and the Original Stockholders (as limited partners) formed GGP Limited Partnership (the "Operating Partnership"). General Growth has elected to be taxed as a real estate investment trust (a "REIT") for federal income tax purposes. As of December 31, 2001, General Growth either directly or through the Operating Partnership and subsidiaries (collectively, the "Company") owned 100% of fifty-four regional mall shopping centers (the "Wholly-Owned Centers"); 50% of the common stock of GGP/Homart, Inc. ("GGP/Homart"), 50% of the membership interests of GGP/Homart II, L.L.C. ("GGP/Homart II"), 51% of the common stock of GGP Ivanhoe, Inc. ("GGP Ivanhoe"), 51% of the common stock of GGP Ivanhoe III, Inc. ("GGP Ivanhoe III"), 50% of each of two regional mall shopping centers, Quail Springs Mall and Town East Mall, and a 50% general partnership interest in Westlake Retail Associates, Ltd ("Circle T") (collectively, the "Unconsolidated Real Estate Affiliates"). The 50% interest in the twenty-three centers owned by GGP/Homart, the 50% interest in the eight centers owned by GGP/Homart II, the 51% ownership interest in the two centers owned by GGP Ivanhoe, the 51% ownership interest in the eight centers owned by GGP Ivanhoe III, and the 50% ownership interest in both Quail Springs Mall and Town East Mall comprise the "Unconsolidated Centers". Circle T is currently developing a regional mall in Dallas, Texas and, as it is not yet operational, has been excluded from the definition of Unconsolidated Centers. Together, the Wholly-Owned Centers

and the Unconsolidated Centers comprise the "Company Portfolio" or the "Portfolio Centers". In addition, as of December 31, 2001, the Company owned 100% of the common stock of General Growth Management, Inc. ("GGMI"). On December 31, 2001, General Growth owned an approximate 76% general partnership interest in the Operating Partnership, and various minority holders, including the Original Stockholders and subsequent contributors of properties to the Operating Partnership, owned the remaining 24% limited partnership interest. See Item 7 and the Consolidated Financial Statements and Notes included in Item 8 of this Annual Report on Form 10-K for certain financial and other information required by this Item 1.

On December 22, 1995 the Company, jointly with four other investors, acquired 100% of the stock of GGP/Homart which owned substantially all of the regional mall assets and liabilities of Homart Development Co., an indirect wholly-owned subsidiary of Sears, Roebuck & Co. The Company acquired approximately 38.2% of GGP/Homart for approximately \$178 million including certain transaction costs. All of the stockholders of GGP/Homart committed to contribute up to \$80.0 million of additional capital and, as of December 31, 1997 this commitment had been fulfilled. During 1999, three of the original four other investors, in independent transactions and pursuant to their respective exchange rights, exchanged their interests in GGP/Homart for Common Stock of General Growth. As a result of these transactions, the Company currently owns a 50% interest in GGP/Homart, which has elected to be taxed as a REIT.

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On December 22, 1995, GGP Management, Inc. ("GGP Management") was formed to manage, lease, develop and operate enclosed malls. The Operating Partnership owned 100% of the non-voting preferred stock ownership interest in GGP Management representing 95% of the equity interest. Key employees of the Company held the remaining 5% equity interest in the form of common stock entitled to all of the voting rights in GGP Management. In August of 1996, GGP Management acquired GGMI through arm's length negotiations for approximately \$51.5 million which was accounted for as a purchase. GGP Management was then merged into GGMI with GGMI as the surviving entity. On January 1, 2001, the REIT provisions of the Tax Relief Extension Act of 1999 became effective. Among other things, the law permits a REIT to own up to 100% of the stock of a taxable REIT subsidiary (a "TRS"). A TRS, which must pay corporate income tax, can provide services to REIT tenants and others without disqualifying the rents that a REIT receives from its tenants. Accordingly, on January 1, 2001 the Company acquired for nominal consideration 100% of the common stock of GGMI and has subsequently elected to have GGMI treated as a TRS. In connection with the acquisition, the GGMI preferred stock owned by the Company was cancelled. The Company and GGMI concurrently terminated the management contracts for the Wholly-Owned Centers as the management activities would thereafter be performed directly by the Company. GGMI has continued to manage, lease, and perform

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various other services for the Unconsolidated Centers and other properties owned by unaffiliated third parties.

On September 17, 1997, GGP Ivanhoe indirectly acquired The Oaks Mall in Gainesville, Florida and Westroads Mall in Omaha, Nebraska. The purchase price for the two properties was approximately \$206 million of which \$125 million was financed through property level indebtedness. The Company contributed approximately \$43 million for its 51% ownership interest in GGP Ivanhoe. Ivanhoe Cambridge Inc. of Montreal, Canada ("Ivanhoe") owns the remaining 49% ownership interest in GGP Ivanhoe. GGP Ivanhoe has elected to be taxed as a REIT.

Effective as of June 30, 1998, GGP Ivanhoe III acquired the U.S. Prime Property, Inc. ("USPPI") real estate portfolio through a merger of a wholly-owned subsidiary of GGP Ivanhoe III into USPPI. The common stock of GGP Ivanhoe III, which has elected to be taxed as a REIT, is owned 51% by the Company and 49% by Ivanhoe. The aggregate consideration paid pursuant to the merger agreement was approximately \$625 million. The properties acquired include Landmark Mall in Alexandria, Virginia; Mayfair Mall and adjacent office buildings in Wauwatosa (Milwaukee), Wisconsin; Meadows Mall in Las Vegas, Nevada; Northgate Mall in Chattanooga, Tennessee; Oglethorpe Mall in Savannah, Georgia; and Park City Center in Lancaster, Pennsylvania. During 1999, GGP Ivanhoe III acquired Oak View Mall in Omaha, Nebraska and Eastridge Mall in San Jose, California. The aggregate purchase price for the two properties was approximately \$160 million, financed by capital contributions of the partners, a new \$83 million long-term mortgage loan and certain short-term financing.

In November 1999, the Company formed GGP/Homart II, a new joint venture with the New York State Common Retirement Fund, the Company's venture partner in GGP/Homart. GGP/Homart II owns three regional malls contributed by the New York State Common Retirement Fund (Alderwood Mall in Lynnwood (Seattle), Washington; Carolina Place in Charlotte, North Carolina; and Montclair Plaza in Montclair (Los Angeles), California), and four regional malls (Altamonte Mall in Orlando, Florida; Natick Mall in Natick, Massachusetts; Northbrook Court in Northbrook, Illinois;

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Stonebriar Centre in Frisco (Dallas), Texas) contributed by the Company as more fully described in Note 4. During 2001, GGP/Homart II acquired the Willowbrook Mall in Houston, Texas for approximately \$145 million, approximately \$102 million of which consisted of new, non-recourse mortgage financing collateralized by the property.

During May 2000, the Operating Partnership formed GGPLP L.L.C., a Delaware limited liability company (the "LLC") by contributing its interest in a portfolio of 44 Wholly-Owned Centers to the LLC in exchange for all of the common units of membership interest in the LLC. On May 25, 2000, a total of 700,000 redeemable preferred units of membership interest

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in the LLC (the "RPU") were issued to an institutional investor by the LLC, which yielded approximately \$170.6 million in net proceeds to the Company. The net proceeds of the sale of the RPUs were used to repay a portion of the Company's unsecured debt.

Business of the
Company

The Company is primarily engaged in the ownership, operation, management, leasing, acquisition, development, expansion and financing of regional mall shopping centers in the United States. Most of the shopping centers in the Company Portfolio are strategically located in major and middle markets where they have strong competitive positions. A detailed listing starting on page 14 of this report contains information on each regional mall shopping center in the Company Portfolio including location, year opened, square footage, anchors, and anchor vacancies. The Company Portfolio's geographic diversification should mitigate the effects of regional economic conditions and local factors.

The Company makes all key strategic decisions for the Portfolio Centers. However, in connection with the Unconsolidated Centers and Circle T, such strategic decisions are made jointly with the respective stockholders or joint venture partners. The Company is also the asset manager of the Portfolio Centers, executing the strategic decisions and overseeing the day-to-day activities performed directly by the Operating Partnership or, with respect to the Unconsolidated Centers, by GGMI. GGMI performs day-to-day property management functions including leasing, construction management, data processing, maintenance, accounting, marketing, promotion and security pursuant to the management agreements with the Unconsolidated Centers. As of December 31, 2001, GGMI was the property manager for forty-one of the Unconsolidated Centers. The remaining two centers, owned by GGP/Homart through joint ventures, are managed by certain joint venture partners of GGP/Homart. GGMI also performs and receives fees for similar property management functions for forty-four regional malls owned by unaffiliated third parties.

The majority of the income from the Portfolio Centers is derived from rents received through long-term leases with retail tenants. The long-term leases require the tenants to pay base rent which is a fixed amount specified in the lease. The base rent is often subject to scheduled increases defined in the lease. Another component of income is overage rent. Overage rent is paid by a tenant generally if their sales exceed an agreed upon minimum amount. Overage rent is calculated by multiplying the sales in excess of the minimum amount by a percentage defined in the lease. Long-term leases generally contain a provision for the lessor to recover certain expenses incurred in the day-to-day operations including common area maintenance and real estate taxes. The recovery is generally related to the tenant's pro-rata share of space in the property.

The evolution of the shopping center business necessitates the implementation of new

approaches to shopping center management and leasing. Management's strategies to increase shareholder value and cash flow include the integration of mass merchandise retailers with traditional department stores, specialty leasing, entertainment-oriented tenants, proactive property management and leasing, operating cost reductions including those resulting from economies of scale, strategic expansions and acquisitions, e-business initiatives and selective new shopping center developments. Management believes that these approaches should enable the Company to operate and grow successfully in today's value-oriented and technological environment. Following is a summary of recent acquisition, development and expansion and redevelopment activity.

As used in this Annual Report on Form 10-K, the term "GLA" refers to gross leaseable retail space, including Anchors and mall tenant areas; the term "Mall GLA" refers to gross leaseable retail space, excluding Anchors; the term "Anchor" refers to a department store or other large retail store; the term "Mall Stores" refers to stores (other than Anchors) that are typically specialty retailers who lease space in shopping centers; and the term "Freestanding GLA" means gross leaseable area of freestanding retail stores in locations that are not attached to the primary complex of buildings that comprise a regional mall shopping center.

Acquisitions

The Company continues to seek to acquire properties that provide opportunities for enhanced profitability and appreciation in value and corresponding increases in shareholder value. In 2001, the Company acquired a 100% ownership interest in Tucson Mall, a regional mall in Tucson, Arizona for an aggregate investment by the Company of approximately \$180 million. In addition, the Company, through GGP/Homart II, acquired in 2001 a 100% ownership interest in Willowbrook Mall in Houston, Texas for approximately \$145 million.

The Company's management feels that it has a competitive advantage with respect to the acquisition of regional mall shopping centers for the following reasons:

- . The funds necessary for a cash acquisition of a shopping center may be available to the Company from a combination of sources, including mortgage or unsecured financing or the issuance of public or private debt or equity.
- . The Company has the flexibility to pay for an acquisition with a combination of cash, Preferred or Common Stock or common units of limited partnership interest in the Operating Partnership (the "Units"). This creates the opportunity for a tax-advantaged transaction for the seller.
- . Management's expertise allows it to evaluate proposed acquisitions for their increased profit potential. Additional profit can originate from many sources

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including expansions, remodeling, re-merchandising, and more efficient management of the property.

Development The Company intends to pursue development when warranted by the potential financial returns. GGP/Homart II completed and opened on schedule in August 2000 the Stonebriar Centre (described below), an enclosed shopping center in Frisco (Dallas), Texas. In addition, the Company, through Circle T, is preparing to develop (with a joint venture partner) an enclosed regional mall in Westlake (Dallas), Texas (described below) and is investigating certain other development sites (representing a net investment of approximately \$19.3 million), including Toledo; Ohio; West Des Moines, Iowa; and South Sacramento, California. However, there can be no assurance that development of these sites will proceed.

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Construction commenced on the Stonebriar Centre in Frisco, Texas in October 1998. Upon its completion in August 2000, this 1,658,000 square foot regional mall shopping center featured five department store anchors, a 24-screen AMC theater, approximately 350,000 square feet of Mall Stores and 150,000 square feet of big box and large format retailers.

During 1999, the Company formed the Circle T joint venture to develop an enclosed mall in Westlake (Dallas), Texas. As of December 31, 2001, the Company had invested approximately \$16.2 million in the joint venture. The Company is currently obligated to fund pre-development costs (estimated to be approximately \$2.3 million, most of which has been incurred). The retail site, part of a planned community which is expected to contain a resort hotel, a golf course, luxury homes and corporate offices, is currently planned to contain up to 1.3 million square feet of tenant space including up to six anchor stores, an ice rink and a multi-screen theater. A late 2004 opening is currently scheduled.

Expansions and Renovations During 2001, 15 major projects were underway or completed. The expansion and renovation of a Portfolio Center often increases customer traffic, trade area penetration and typically improves the competitive position of the property. Four of the larger renovation and expansion projects under construction in 2001 are described below.

The redevelopment of the Lansing Mall, a 840,667 square foot center located in Lansing, Michigan, began in 2001. The project includes a food court renovation and a complete mall upgrade, which is expected to be completed in late 2002.

Eden Prairie Mall, located in Eden Prairie, Minnesota, a suburb of Minneapolis, was previously a four-anchor center with approximately 325,000 square feet of Mall Stores. Phase I of the renovation commenced in early 1999 consisting of a new Von Maur anchor store and a new 500 car parking structure. Construction of Phase II of the project commenced

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in late 1999 and will consist of a mall renovation, a food court renovation, and the construction of a multi-screen theatre. Phase I is completed and Phase II is now scheduled to be completed in early 2002.

Fallbrook Mall is a 788,437 square foot enclosed mall located in West Hills, (Los Angeles) California. The renovation of the mall commenced in 2000 and will consist of converting the mall to an outdoor, 1,100,000 square foot power center with an additional anchor store and additional big box retailers. Completion of the project is anticipated for fall 2002.

Parks at Arlington Mall, a 1,188,309 square foot center located in Arlington, Texas is undergoing an extensive expansion which commenced in 2000. The mall will add a new store to the existing anchors, Dillard's, Foley, Mervyn's, JC Penney and Sears. The project also includes a multiplex theatre and an ice rink. Completion is planned for late 2002.

The Portfolio Centers

All of the 97 Portfolio Centers are shopping centers with at least one major department store as an Anchor and a wide variety of smaller Mall Stores. Most of the Portfolio Centers have three or four Anchors and additional Freestanding Stores. Each Portfolio Center provides ample parking for shoppers. The Portfolio Centers:

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- . Range in size between approximately 184,000 and 1,820,000 square feet of total GLA and between approximately 123,000 and 800,000 square feet of Mall and Freestanding GLA. The smallest Portfolio Center has approximately 30 stores, and the largest has over 280 stores;
- . Have approximately 384 Anchors, operating under approximately 59 trade names; and
- . Have approximately 9,700 Mall and Freestanding Stores.

The average size of the 97 Portfolio Centers is approximately 920,000 square feet of GLA, including all Anchors, Mall Stores and Freestanding Stores. The average Mall and Freestanding GLA per Portfolio Center is approximately 365,000 square feet.

As of December 31, 2001, the Wholly-Owned Centers contained approximately 44.9 million square feet of GLA consisting of Anchors (whether owned or leased), Mall Stores and Freestanding Stores. The Unconsolidated Centers contained approximately 44.3 million square feet of GLA.

The Company's share of total revenues from the Portfolio Centers and GGMI increased to \$1,156 million in 2001 from \$1,112 million in 2000. No single Portfolio Center generated more than 9.6% of the Company's total 2001 pro rata

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revenues. In 2001, total Mall Store sales from the Portfolio Centers increased by approximately 1.9% in comparison to the total Mall Store sales in 2000.

The table below shows the top 25 tenants, by trade name, ranked by percentage of aggregate annualized effective rents as compared to consolidated effective rents on an annualized basis in the Wholly-Owned Centers at December 31, 2001. In addition, similar percentages existed in the Portfolio Centers as of December 31, 2001.

Tenant Name -----	% of Total Annualized Rents -----
Old Navy Clothing Company	1.72%
Sears	1.63%
JC Penney	1.50%
Express (1)	1.19%
Victoria's Secret (1)	1.11%
Footlocker	1.10%
The Gap	1.10%
American Eagle Outfitters	0.94%
Abercrombie & Fitch	0.92%
Zales Jewelers	0.85%
Kay Bee Toys	0.81%
Lane Bryant	0.76%
Banana Republic	0.76%
Sam Goody	0.74%
Payless Shoe Source	0.72%
Louis Vuitton	0.70%
Eddie Bauer	0.69%
The Finish Line	0.68%
Kay Jewelers	0.68%

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Lerner New York	0.65%
Gap/Gap Kids	0.62%
Champs Sports	0.60%
The Buckle	0.60%
Macy's	0.60%
Pacific Sunwear of California	0.60%

(1) Under common ownership by The Limited, Inc.

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Mall and Freestanding Stores The Portfolio Centers have a total of approximately 9,700 Mall and Freestanding Stores. The following table reflects the tenant representation by category in the Portfolio Centers as of December 31, 2001.

Tenant Categories	% of Sq. Ft. in Portfolio Centers	Types of Tenants/Products
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Specialty	21%	Photo studios, beauty and nail salons, sundries, variety stores, pet stores, repair, shoe repair, tailor, video game home/bath/kitchen, rugs, fabric store, luggage, perfume, tobacco, toys, arcade sunglasses, books
Women's Apparel	18%	Women's apparel
Apparel	21%	Unisex apparel, children's apparel, footwear
Shoes	10%	Shoes
Food	7%	Restaurant, food court, fast food
Gifts	6%	Cards, candles, engraving stores, other
Music/Electronics	6%	Music, electronics, computer and software
Sporting Goods	3%	Sports apparel, sports and exercise equipment
Jewelry	4%	Fine jewelry and costume jewelry
Men's Apparel	2%	Men's apparel
Specialty Food	2%	Candy, coffee, nuts, chocolate, health
Total	100%	

Specialty tenants include Mastercuts, One Hour Photo, California Nails, Kay-Bee Toys, Dollar Tree, Pottery Barn and many others. Typical tenants in the Women's Apparel category include The Limited, Casual Corner, Lane Bryant and Victoria's Secret. The Apparel category typically includes tenants such as The Gap, American Eagle, Old Navy and J.Crew. The Shoes category includes tenants such as Footlocker, Journeys and Payless Shoesource. The Food category includes restaurants such as Ruby Tuesday, Cheesecake Factory and Max and Erma's, fast food restaurants such as Arby's, and food court tenants such as Sbarro. Typical tenants in the Gifts Category include Disney, Things Remembered, Kirlin's Hallmark and Spencer Gifts. The Music/Electronics category includes tenants such as Camelot Music, Radio Shack, and Suncoast Pictures. Sporting Goods include tenants such as Champs, Big 5 Sports and Scheel's Sports. Jewelry tenants typically include Zales Jewelers, Helzberg Diamonds and Kay Jewelers. The Men's Apparel category includes tenants such as The Men's Warehouse and Nicks for Men. Specialty Food tenants include General Nutrition Center, Mr. Bulky, and Bernie's Coffee and Tea Company.

Competition The Portfolio Centers compete with numerous shopping alternatives in seeking to attract retailers to lease space as retailers themselves face increasing competition from discount shopping centers, outlet malls, discount shopping clubs, direct mail, internet sales and

telemarketing. The nature and extent of competition varies from property to property within the Company Portfolio. Below is a description of the type of competition that three of the Portfolio Centers face from other retail locations within their trade area. These examples are representative of the competitive environment in which the Company operates.

Regency Square Mall is a 1,457,000 square foot, enclosed regional shopping center located in Jacksonville, Florida. The mall was constructed in 1967 and a renovation, including a new food court, was recently completed. The mall serves a trade area of over 450,000 people. The mall contains four anchor department stores: Belk, JC Penney, Dillard's and Sears as well as 118 mall shops with national retailers such as The Disney Store, Gap/Gap Kids, American Eagle Outfitters and Old Navy. There is also a 24-screen AMC Theatre with stadium seating. Regency Square's primary regional mall competition consists of centers such as The Avenues, 9 miles to the south, and Orange Park Mall, located 20 miles to the southeast. Regency Square Mall also faces competition from neighborhood strip and power shopping centers throughout the trade area such as Jacksonville Landing located on the St. John's riverfront and St. Augustine Outlet Center located approximately one half hour to the south.

Tucson Mall is a two-level, 1,300,000 square foot regional mall located in Tucson, Arizona. The mall contains 162 mall shops, and six Anchor department stores: Dillard's, JC Penney, Macy's, Mervyn's, Robinson-May and Sears. The property includes a 14-screen General Cinema Theater and national retailers such as American Eagle Outfitters, Ann Taylor, Banana Republic, Old Navy and Eddie Bauer. Park Place, located eight miles southeast of Tucson Mall but also owned by the Company, recently completed an extensive expansion and renovation that included constructing a new Dillard's department store, adding a new streetscape along Broadway Avenue, and a new food court and 20-screen theatre in the new entertainment wing. Park Place is a single level 1,000,000 square foot center that offers three Anchor department stores, Dillard's, Sears and Macy's as well as popular retailers such as Abercrombie, Z Gallerie and Borders Books. The secondary competition for both malls consists of discount retailers and numerous strip shopping centers located within a few miles of the centers.

Mayfair Mall is a one million square foot, two-level, regional shopping center located in Wauwatosa (Milwaukee), Wisconsin. Mayfair Mall is anchored by Boston Store and Marshall Fields and has 121 specialty mall shops and an 18-screen General Cinema Theatre. The mall's trade area includes over 900,000 people. Mayfair Mall is the dominant enclosed shopping center in Wisconsin. It is located in a densely populated area and customers prefer the center because of the variety/selection of stores, friendly atmosphere and the quality of the merchandise offerings. Mayfair Mall's primary competition includes Brookfield Square, Southridge Mall and Bayshore Mall. Secondary

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competition includes Northridge Mall and Grand Avenue Mall.

Environmental Matters

Under various federal, state and local laws and regulations, an owner of real estate is liable for the costs of removal or remediation of certain hazardous or toxic substances on such property. These laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The costs of remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to promptly remediate such substances, may adversely affect the owner's ability to sell such real estate or to borrow using such real estate as collateral. In connection with its ownership and operation of the

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Portfolio Centers, General Growth, the Operating Partnership or the relevant property venture through which the property is owned, may be potentially liable for such costs.

All of the Portfolio Centers have been subject to Phase I environmental assessments, which are intended to discover information regarding, and to evaluate the environmental condition of, the surveyed and surrounding properties. The Phase I assessments included a historical review, a public records review, a preliminary investigation of the site and surrounding properties, screening for the presence of asbestos, polychlorinated biphenyls ("PCBs") and underground storage tanks and the preparation and issuance of a written report, but do not include soil sampling or subsurface investigations. Where the Phase I assessment so recommended, a Phase II assessment was conducted to further investigate any issues raised by the Phase I assessment. In each case where Phase I and/or Phase II assessments resulted in specific recommendations for remedial actions, management has either taken or scheduled the recommended action.

Neither the Phase I nor the Phase II assessments have revealed any environmental liability that the Company believes would have a material effect on the Company's business, assets or results of operations, nor is the Company aware of any such liability. Nevertheless, it is possible that these assessments do not reveal all environmental liabilities or that there are material environmental liabilities of which the Company is unaware. Moreover, no assurances can be given that (i) future laws, ordinances or regulations will not impose any material environmental liability or (ii) the current environmental condition of the Portfolio Centers will not be adversely affected by tenants and occupants of the Portfolio Centers, by the condition of properties in the vicinity of the Portfolio Centers (such as the presence of underground storage tanks) or by third parties unrelated to the Company.

Employees

As of March 14, 2002, the Company had 3,429 full-time employees. Certain employees at three of the Portfolio Centers are subject to collective bargaining agreements. The Company's management believes that its employee relations

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are satisfactory and there has not been a labor-related work stoppage at any of its Portfolio Centers.

Insurance The Company has comprehensive liability, fire, flood, earthquake, extended coverage and rental loss insurance with respect to the Portfolio Centers. The Company's management believes that all of the Portfolio Centers are adequately covered by insurance.

Qualification as a Real Estate Investment Trust and Taxability of Distributions General Growth currently qualifies as a real estate investment trust pursuant to the requirements contained in Sections 856-858 of the Internal Revenue Code of 1986, as amended (the "Code"). If, as General Growth contemplates, such qualification continues, General Growth will not be taxed on its real estate investment trust taxable income. During 2001, General Growth distributed (or was deemed to have distributed) 100% of its taxable income to its preferred and common stockholders. Cash distributions in the amount of \$2.24 per share of Common Stock were paid in 2001, of which \$1.70 (76.0%) was ordinary income and \$0.54 (24.0%) was a return of capital based on the taxable income of General Growth.

ITEM 2. PROPERTIES The Company's investment in real estate as of December 31, 2001 consisted of its interests in the Portfolio Centers, developments in progress and certain other real estate. In most cases, the land underlying the Portfolio Centers is also owned by the Company; however, at a few of the centers, all or part of the underlying land is owned by a third party that leases the land pursuant to a ground lease.

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Leasing The Portfolio Centers average Mall Store rent per square foot from leases that expired in 2001 was \$27.40. As a result of market rents being higher than the rents under many of the expiring leases, the average Mall Store rent per square foot on new and renewal leases during 2001 was \$33.29, or \$5.89 per square foot more than the average for expiring leases. The following schedule shows scheduled lease expirations over the next five years.

PORTFOLIO CENTERS
FIVE YEAR LEASE EXPIRATION SCHEDULE

	All Expirations			Expirations @ Share /(*)/		
	Base Rent	Footage	Rent/PSF	Base Rent	Footage	Rent/PSF
Wholly-Owned						
2002	\$ 21,867,988	\$ 799,538	\$ 27.35	\$ 21,867,988	799,538	\$ 27.35
2003	26,697,662	996,319	26.80	26,697,662	996,319	26.80
2004	22,705,672	842,925	26.94	22,705,672	842,925	26.94
2005	34,570,107	1,157,798	29.86	34,570,107	1,157,798	29.86
2006	30,646,937	921,113	33.27	30,646,937	921,113	33.27
Portfolio Total	\$136,488,366	4,717,693	\$ 28.93	\$136,488,366	4,717,693	\$ 28.93

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Unconsolidated						
2002	\$ 30,628,103	956,115	\$ 32.03	\$ 14,066,551	437,639	\$ 32.14
2003	31,280,521	956,489	32.70	13,613,310	419,366	32.46
2004	35,812,767	1,061,049	33.75	16,906,188	500,056	33.81
2005	26,680,860	814,360	32.76	12,473,717	378,628	32.94
2006	25,964,595	851,684	30.49	12,622,864	412,927	30.57
Portfolio Total	\$150,366,846	4,639,697	\$ 32.41	\$ 69,682,630	2,148,616	\$ 32.43
Grand Total	\$286,855,212	9,357,390	\$ 30.66	\$206,170,996	6,866,309	\$ 30.03

(*) Expirations at share reflect the Company's direct or indirect ownership interest in a joint venture.

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Company Portfolio Debt At December 31, 2001, the Company had direct or indirect ("pro rata") mortgage and other debt of approximately \$5,008.8 million. The ratio of pro rata variable rate debt to total pro rata debt and preferred stock and preferred Operating Partnership Units was 16.7% at December 31, 2001. The following table reflects the maturity dates of the Company's pro rata debt and the related interest rates, after the effect of the current swap agreements of the Company as described in Notes 5 and 13.

COMPANY PORTFOLIO DEBT
MATURITY AND CURRENT AVERAGE INTEREST RATE SUMMARY / (a) /
AS OF DECEMBER 31, 2001
(Dollars in Thousands)

Year	Wholly-Owned Centers		Unconsolidated Centers / (b) /		Company Portfolio
	Maturing Amount (a)	Current Average Interest Rate (c)	Maturing Amount (a)	Current Average Interest Rate (c)	Maturing Amount (a)
2002	\$ -	-%	\$ 179,743	6.00%	\$ 179,743
2003	282,000	5.11%	270,752	5.78%	552,752
2004	339,184	5.77%	87,708	4.96%	426,892
2005	250,000	4.89%	82,950	4.89%	332,950
2006	613,161	5.88%	305,528	5.04%	918,689
Subsequent	\$1,913,862	6.41%	683,892	5.78%	\$2,597,754
Totals	\$3,398,207	6.03%	\$1,610,573	5.57%	\$5,008,780
Variable Rate	\$ 491,764	3.99%	\$429,882	3.32%	\$ 921,646

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Fixed Rate	2,906,443	6.38%	1,180,691	6.40%	4,087,134
	-----	-----	-----	-----	-----
Totals	\$3,398,207	6.03%	\$1,610,573	5.57%	\$5,008,780
	=====	=====	=====	=====	=====

- (a) Excludes principal amortization.
- (b) Unconsolidated properties debt reflects the Company's share of debt (based on its respective equity ownership interests in the Unconsolidated Real Estate Affiliates) relating to the properties owned by the Unconsolidated Real Estate Affiliates.
- (c) For variable rate loans, the interest rate reflected is the actual annualized weighted average rate for the variable rate debt outstanding during the twelve months ended December 31, 2001.

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Property Data The following tables set forth certain information regarding the Wholly-Owned Centers and the Unconsolidated Centers as of December 31, 2001. The first table depicts the Wholly-Owned Centers and the second table depicts the Unconsolidated Centers.

Wholly-Owned Centers

Name of Center/ Location / (1) /	Year Opened/Remodeled or Expanded	Total GLA/Mall and Freestanding GLA (Square Feet) / (2) /	----- Anchors
Ala Moana Center Honolulu, Hawaii	1959/ 1966,1987,1989,1999	1,820,301/ 808,836	JCPenney, Macy's Neiman Marcus, Sears
Apache Mall Rochester, Minnesota	1969/ 1985,1992	740,572/ 244,306	JCPenney, Marshall Field's Sears
Baybrook Mall Houston, Texas	1978/ 1984,1985,1995	1,083,780/ 343,442	Dillard's, Foley's, Mervyn's, Sears
Bayshore Mall Eureka, California	1987/ 1989	613,659/ 343,644	Gottschalks, Mervyn's, Sears
Bellis Fair Mall Bellingham, Washington	1988/ N/A	763,372/ 350,209	JCPenney, Mervyn's, Sears, Target, The Bon Marché
Birchwood Mall Port Huron, Michigan	1990/ 1991,1997	782,663/ 356,529	JCPenney, Marshall Field's, Sears, Target, Youngers
The Boulevard Mall Las Vegas, Nevada	1968/ 1992	1,184,766/ 396,730	Dillard's, JCPenney, Macy's,
Capital Mall Jefferson City, Missouri	1978/ 1985,1992	530,868/ 301,183	Dillard's, JCPenney, Sears
Century Plaza	1975/	743,273/	JCPenney, McRae's, Rich's, S

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Birmingham, Alabama	1990,1994	254,797	
Chapel Hills Mall Colorado Springs, CO	1982/ 1986,1997,1998	1,174,484/ 428,995	Dillard's, Foley's, JCPenney Mervyn's, Sears
Coastland Center Naples, Florida	1977/ 1985,1996	923,976/ 333,586	Burdines, Dillard's, JCPenne
Colony Square Mall Zanesville, Ohio	1981/ 1985,1987	549,147/ 291,143	Elder-Beerman, JCPenney, Laz Sears
Columbia Mall Columbia, Missouri	1985/ 1986	740,423/ 324,979	Dillard's, JCPenney, Sears,
Coral Ridge Mall Iowa City, Iowa	1998/ N/A	1,055,000/ 417,962	Dillard's, JCPenney, Scheel' Sears, Target, Younkens
Crossroads Center St. Cloud, Minnesota	1966/ 1995	784,228/ 281,899	JCPenney, Marshall Field's, Sears, Target
The Crossroads Portage, Michigan	1980/ 1992	763,151/ 260,191	Hudson's, JCPenney, Mervyn's Sears
Cumberland Mall Atlanta, Georgia	1973/ 1989	1,158,366/ 324,251	JCPenney, Macy's, Rich's, Se

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Name of Center/ Location / (1) / -----	Year Opened/Remodeled or Expanded -----	Total GLA/Mall and Freestanding GLA (Square Feet) / (2) / -----	Anchor -----
Eagle Ridge Mall Lake Wales, Florida	1996/ 2000	626,867/ 314,585	Dillard's, JCPenney, S
Eden Prairie Mall Eden Prairie, Minnesota	1976/ 1989,1994,2001	1,124,683/ 438,875	Kohl's, Mervyn's, Sear Target, Von Maur
Fallbrook Mall West Hills, (Los Angeles), California	1966/ 1985	788,437/ 236,423	Burlington Coat Factor Mervyn's, Target
Fox River Mall Appleton, Wisconsin	1984/ 1991,1997,1998	1,136,325/ 541,411	Dayton's, JCPenney, Se Target, Younkens
Gateway Mall Springfield/Eugene, Oregon	1990/ 1999	716,086/ 432,821	Sears, Target, The Emp
Grand Traverse Mall Traverse City, Michigan	1992/ N/A	577,649/ 312,300	Hudson's, JCPenney, Ta
Greenwood Mall Bowling Green, Kentucky	1979/ 1987,1996	832,629/ 403,576	Dillard's, Famous Barr JCPenney, Sears
Knollwood Mall	1955/	406,755/	Cub Foods, Kohl's

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St. Louis Park, (Minneapolis), Minnesota	1981,1999	196,155	
Lakeview Square Mall Battle Creek, Michigan	1983/ 1998,2001	607,607/ 316,014	JCPenney, Marshall Field's
Lansing Mall Lansing, Michigan	1969/ 2001	840,667/ 397,265	Hudson's, JCPenney, Me Younkers
Lockport Mall Lockport, New York	1971/ 1984	336,015/ 122,934	Ames, Rosa's Homestore The Bon Ton
Mall of the Bluffs Council Bluffs, Iowa	1986/ 1988,1998	666,427/ 352,553	Dillard's, JCPenney, S
Mall St. Vincent Shreveport, Louisiana	1976/ 1991	546,045/ 198,045	Dillard's, Sears
Market Place Shopping Center Champaign, Illinois	1976/1984 1987,1990,1994,1999	1,105,488/ 429,357	Bergner's, Famous Barr Sears
McCreless Mall San Antonio, Texas	1962/ 1985,1997	477,118/ 291,260	Beall's
Northridge Fashion Center Northridge, California	1971/ 1995,1997	1,445,798/ 621,355	JCPenney, Macy's, Robi Sears
Oakwood Mall Eau Claire, Wisconsin	1986/ 1991,1997	815,322/ 330,246	JCPenney, Marshall Field's Scheel's All Sports, S

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Name of Center/ Location / (1) / -----	Year Opened/Remodeled or Expanded -----	Total GLA/Mall and Freestanding GLA (Square Feet) / (2) / -----	----- Anchors -----
Park Place Tucson, Arizona	1974/ 1998,2001	1,038,839/ 457,382	Dillard's, Macy's, Sears
Piedmont Mall Danville, Virginia	1984/ 1995	667,618/ 205,207	Belk, Belk Men's Store, JCPenney, Sears
Pierre Bossier Mall Bossier City, Louisiana	1982/ 1985,1993	611,098/ 229,194	Dillard's, JCPenney, Sears, Stage
The Pines Pine Bluff, Arkansas	1986/ 1990	604,887/ 265,180	Dillard's, JCPenney, Sears, Wal-Mart
Regency Square Mall Jacksonville, Florida	1968/ 1992,1998,2001	1,456,668/ 577,667	Belk, Dillard's, JCPenney, Sears
Rio West Mall Gallup, New Mexico	1981/ 1991,1998	446,177/ 265,044	Beall's, JCPenney, KMart

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River Falls Mall Clarksville, Indiana	1990/ N/A	752,363/ 407,325	Dillard's, Toys "R" Us, Wal-
River Hills Mall Mankato, Minnesota	1991/ 1996	647,664/ 283,722	Herberger's, JCPenney, Sears, Target
Riverlands Shopping Center LaPlace, Louisiana	1965/ 1984,1990	183,768/ 136,834	None
RiverTown Crossings Granville (Grand Rapids), Michigan	1999/ N/A	1,248,374/ 521,403	Galyan's, Hudson's, JCPenney Kohl's, Sears, Younkers
Sooner Fashion Square Norman, Oklahoma	1976/ 1989,1999	511,419/ 171,347	Dillard's, JCPenney, Old Navy Clothing Company, Sears, Steinmart
Southlake Mall Morrow, Georgia	1976/ 1995,1999	1,016,645/ 278,145	JCPenney, Macy's, Rich's, Se
SouthShore Mall Aberdeen, Washington	1981/ N/A	337,828/ 148,501	JCPenney, Sears
Southwest Plaza Littleton, Colorado	1983/ 1994,1995,2001	1,196,265/ 559,088	Dillard's, Foley's, JCPenney, Sears
Spring Hill Mall West Dundee, Illinois	1980/ 1992,1997	1,096,981/ 415,401	Carson Pirie Scott, JCPenney Marshall Field's, Sears
The Tucson Mall Tucson, Arizona	1982/ 1991,1993	1,304,968/ 446,704	Dillard's, JCPenney, Macy's, Mervyn's, Robinson-May, Sear
Valley Hills Mall Hickory, North Carolina	1978/ 1988,1990,1996	893,572/ 282,056	Belk, Dillard's, JCPenney, S
Valley Plaza Mall Bakersfield, California	1967/ 1988,1997,1998	1,157,429/ 430,740	Gottschalks, JCPenney, Macy's, Robinson-May, Sears

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Name of Center/ Location / (1) /	Year Opened/Remodeled or Expanded	Total GLA/Mall and Freestanding GLA (Square Feet) / (2) /	Anchors
West Valley Mall Tracy, California	1995/ 1997	812,129/ 451,654	Gottschalks, JCPenney, Ross Sears, Target
Westwood Mall Jackson, Michigan	1972/ 1978,1993	454,989/ 136,895	Elder-Beerman, JCPenney

- (1) In certain cases, where a Center's location is part of a larger metropolitan area, the metropolitan area is identified in parentheses.
- (2) Includes square footage added in redevelopment/expansion projects.
- (3) Winn-Dixie does not occupy its space but is currently paying rent under a

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- lease which expires in October 2002.
 (4) Contract pending for replacement.
 (5) Location scheduled for demolition and renovation.

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UNCONSOLIDATED CENTERS

Name of Center/ Location / (1) / -----	Year Opened/ Remodeled or Expanded -----	Ownership Interest % of Operating Partnership -----	Total GLA/Mall and Freestanding GLA Square Feet / (2) / -----	----- Anchors -----
Alderwood Mall Lynnwood (Seattle), Washington	1979/ 1995,1996	50	1,039,264/ 307,456	JCPenney, Nord's Sears, The Bon
Altamonte Mall Orlando, Florida	1974/ 1989,1990	50	1,099,805/ 421,257	Burdines, Dilla JCPenney, Sears
Arrowhead Towne Center Glendale, Arizona	1993/ N/A	16.7	1,112,061/ 374,114	Dillard's, JCPe Robinson-May
Bay City Mall Bay City, Michigan	1991/ 1994,1997	50	526,184/ 210,533	JCPenney, Sears Target, Younker
Brass Mill Center/Commons Waterbury, Connecticut	1997/ N/A	50	1,197,195/ 612,557	Filene's, JCPen Sears
Carolina Place Charlotte, North Carolina	1991/ 1994	50	1,091,284/ 317,782	Belk, Dillard's JCPenney, Sears
Chula Vista Center Chula Vista, California	1962/ 1993,1994	50	877,969/ 323,869	JCPenney, Macy' Mervyn's, Sears
Columbiana Centre Columbia, South Carolina	1990/ 1993	50	871,965/ 312,988	Belk, Dillard's Parisian, Sears
Deerbrook Mall Humble (Houston), Texas	1984/ 1996,1997	50	1,198,119/ 458,526	Dillard's, Fole Mervyn's, Sears
Eastridge Mall San Jose, California	1970/ 1982,1988,1995	51	1,358,684/ 501,203	JCPenney, Macy'
Lakeland Square Lakeland, Florida	1988/ 1990,1994	50	900,094/ 290,056	Belk, Burdines, Dillard's Men's JCPenney, Sears
Landmark Mall Alexandria, VA	1965/ 1989,1990	51	969,287/ 358,350	Hecht's, Lord &
Mayfair Mall Wauwatosa, Wisconsin	1958/ 1973,1986,1994, 2001	51	1,037,294/ 537,984	The Boston Stor Marshall Fields
Meadows Mall Las Vegas, Nevada	1978/ 1987,1997	51	946,651/ 309,798	Dillard's, JCPe Sears

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Montclair Plaza Montclair (Los Angeles), California	1968/ 1985	50	1,370,043/ 567,028	JCPenney, Macy' Nordstrom, Robi Sears, Wards
Moreno Valley Mall Moreno Valley, California	1992/ N/A	50	1,035,606/ 430,072	Gottschalks, JC Robinson-May, S
Natick Mall Natick, Massachusetts	1966/ 1994	50	1,155,391/ 428,729	Filene's, Lord Macy's, Sears

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Name of Center/ Location / (1) / -----	Year Opened/ Remodeled or Expanded -----	Ownership Interest % of Operating Partnership -----	Total GLA/Mall and Freestanding GLA Square Feet / (2) / -----	----- Anchors -----
Neshaminy Mall Bensalem, Pennsylvania	1968/ 1995,1998	25	1,062,487/ 425,696	Boscov's, Sears Strawbridge
Newgate Mall Ogden, Utah	1981/ 1994,1998	50	726,729/ 316,565	Dillard's, Merv Oshman's, Sears
New Park Mall Newark, California	1980/ 1993	50	1,168,569/ 425,105	JCPenney, Macy' Sears, Target
Northbrook Court Northbrook, Illinois	1976/ 1995,1996	50	982,990/ 446,713	Lord & Taylor, Neiman Marcus
Northgate Mall Chattanooga, Tennessee	1972/ 1991,1997	51	821,600/ 378,980	JCPenney, Proff
North Point Mall Alpharetta (Atlanta), Georgia	1993/ N/A	50	1,367,422/ 397,322	Dillard's, JCPe Taylor, Parisia
The Oaks Mall Gainesville, Florida	1978/ 1995	51	911,172/ 353,305	Belk, Burdines, JCPenney, Sears
Oak View Mall Omaha, Nebraska	1991/ N/A	51	867,615/ 263,355	Dillard's, JCPe Sears, Younkers
Oglethorpe Mall Savannah, Georgia	1969/ 1974,1982,1990,1992	51	935,131/ 398,547	Belk, JCPenney,
Park City Center Lancaster, Pennsylvania	1970/ 1988,1997	51	1,393,515/ 530,326	JCPenney, Kohl' The Bon-Ton, Bo
The Parks at Arlington Arlington, Texas	1988/ 1996	50	1,188,309/ 357,364	Dillard's, Fole Mervyn's, Sears
Pavilions at Buckland Hills Manchester, Connecticut	1990/ 1994	50	1,006,300/ 378,128	Dick's Sporting Filene's Home S Lord & Taylor,
Pembroke Lakes Mall Pembroke Pines, Florida	1992/ 1997	50	1,103,122/ 391,847	Burdine's, Dill Dillard's Men's

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Name of Center/ Location/(1)/	Year Opened/ Remodeled or Expanded	Ownership Interest % of Operating Partnership	Total GLA/Mall and Freestanding GLA Square Feet/(2)/	----- Anchors
Prince Kuhio Plaza Hilo, Hawaii	1985/ 1994,1999	50	504,427/ 268,307	JCPenney, Sears JCPenney, Macy's Sears
Quail Springs Oklahoma City, Oklahoma	1980/ 1992,1998,1999	50	1,124,482/ 436,629	Dillard's, Foley's JCPenney, Sears
Steeplegate Mall Concord, New Hampshire	1990/ N/A	50	481,418/ 225,071	JCPenney, Sears The Bon Ton
Stonebriar Centre Frisco (Dallas), Texas	2000/ N/A	50	1,657,523/ 711,106	Foley's, Galyan Macy's, Nordstrom
Superstition Springs East Mesa, Arizona	1990/ 1994	16.7	1,067,978/ 361,284	Dillard's, JCPenney Robinson-May, Sears
Town East Mall Mesquite, Texas	1971/ 1986,1996,1998,2000	50	1,249,405/ 440,019	Dillard's, Foley's Sears

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Name of Center/ Location/(1)/	Year Opened/ Remodeled or Expanded	Ownership Interest % of Operating Partnership	Total GLA/Mall and Freestanding GLA Square Feet/(2)/	----- Anchors
Tysons Galleria McLean, Virginia	1988/ 1994,1997	50	810,959/ 299,026	Macy's, Neiman Saks Fifth Avenue
Vista Ridge Mall Lewisville, Texas	1989/ 1991	50	1,053,151/ 380,089	Dillard's, Foley's JCPenney, Sears
Washington Park Mall Bartlesville, Oklahoma	1984/ 1986	50	351,406/ 157,110	Dillard's, JCPenney Sears
West Oaks Mall Ocoee (Orlando), Florida	1996/ 1998	50	1,071,928/ 428,466	Dillard's, JCPenney Parisian, Sears
Westroads Mall Omaha, Nebraska	1968/ 1990,1995,1999	51	1,078,641/ 382,427	JCPenney, The J Von Maur, Young
Willowbrook Mall Houston, TX	1981/ 1992	50	1,528,116/ 421,532	Dillard's, Foley's Lord & Taylor,
The Woodlands Mall The Woodlands (Houston), Texas	1994/ 1998	25	1,032,490/ 350,975	Dillard's, Foley's Mervyn's, Sears

- (1) In certain cases where a Center's location is part of a larger metropolitan area, the metropolitan area is identified in parenthesis.
- (2) Includes square footage added in redevelopment/expansion projects.
- (3) Under contract for replacement.

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(4) Location scheduled for demolition and renovation.

Anchors have traditionally been a major factor in the public's image of an enclosed shopping center. Anchors are generally department stores whose merchandise appeals to a broad range of shoppers. Anchors either own their stores, the land under them and adjacent parking areas, or enter into long-term leases at rates that are generally lower than the rents charged to Mall Store tenants. Although the Portfolio Centers receive a smaller percentage of their operating income from Anchors than from Mall Stores, strong Anchors play an important part in maintaining customer traffic and making the Portfolio Centers desirable locations for Mall Store tenants.

The following table indicates the parent company of each Anchor and sets forth the number of stores and square feet owned or leased by each Anchor at the Portfolio Centers as of December 31, 2001.

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GENERAL GROWTH PROPERTIES, INC.
PORTFOLIO ANCHORS
AS OF DECEMBER 31, 2001

Name	Total Stores	Square Feet (000's)
Sears	82	12,235
JCPenney	75	8,925
Dillard's Inc.		
Dillard's	42	6,996
Dillard's Men's and Home Store	2	157
Sub-Total Dillard's Inc.	44	7,153
Target Corporation		
Target	15	1,658
Mervyn's	17	1,414
Marshall Fields	8	1,255
Hudson's	4	517
Dayton's	1	169
Sub-Total Target Corporation	45	5,013
May Department Stores Company		
Foley's	11	2,015
Robinson's-May	7	1,127
Lord & Taylor	6	700
Filene's	3	515

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Hecht's	2	345
Famous Barr	2	272
Strawbridge's	1	218
The Jones Store	1	153
Filene's Home Store	1	36
	-----	-----
Sub-Total May Department Stores Company	34	5,381
	=====	=====

Federated Department Stores, Inc.		
Macy's	17	3,017
Rich's	5	937
Burdines	5	676
The Bon Marche	2	321
Lazarus	1	50
	-----	-----
Sub-Total Federated Department Stores, Inc.	30	5,001
	=====	=====

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GENERAL GROWTH PROPERTIES, INC.
 PORTFOLIO ANCHORS
 AS OF DECEMBER 31, 2001
 (continued)

Name	Total Stores	Square Feet (000's)
-----	-----	-----
Saks Holdings Incorporated		
Younkers	8	982
Parisian	3	395
Boston Store	1	211
Bergners	1	154
Carson Pirie Scott	1	138
McRae's	1	124
Saks Fifth Avenue	1	120
Proffitt's	1	90
Herberger's	1	71
	-----	-----
Sub-Total Saks Holdings Incorporated	18	2,285
	=====	=====
Belk		
Belk	8	1,172
Belk Men's	1	34
	-----	-----
Sub-Total Belk	9	1,206
	=====	=====
Kohl's	5	451
Neiman-Marcus	3	423
Gottschalks	4	418
Boscov	2	412
Nordstrom	3	379

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The Bon Ton	3	312
KMart	3	301
Wal-Mart	2	196
Von Maur	1	329
Scheel's All Sports	2	174
Galyans	2	169
Elder-Beerman	3	141
Cub Foods	1	130
Burlington Coat Factory	1	101
Ames	1	81
Dick's Sporting Goods	1	80
Oshman's	1	64
Beall's	2	56
The Emporium	1	50
Rosa's Home Store	1	50
Toys "R" Us	1	48
Stein Mart	1	39
Stage	1	35
Old Navy Clothing Company	1	34
Ross Dress for Less	1	28
	---	-----
	47	4,501
	===	=====

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Ground Leases The Company currently leases the land under Rio West Mall and Tuscon Mall, a portion of the land under Lansing, Mall St. Vincent and Ala Moana malls and a portion of the land under the Apache, SouthShore and Bayshore parking areas. In addition, Prince Kuhio Plaza, one of the Homart Centers, and the office building owned and used by the Company as its headquarters are subject to long-term ground leases. The leases generally contain various purchase options in favor of the Company and typically provide for a right of first refusal in favor of the Company in the event of a proposed sale of the property by the landlord.

For other information concerning the Portfolio Centers see "Item 1 - Business - Business of the Company" and for additional information concerning the mortgage debt encumbering the Wholly-Owned Centers, see Note 5. As stated in Item 1 above, management of the Company believes that each of the properties in the Company Portfolio is adequately insured.

ITEM 3. LEGAL PROCEEDINGS The Company is not currently involved in any material litigation nor, to the Company's knowledge, is any material litigation currently threatened against the Company, the properties or any of the Unconsolidated Real Estate Affiliates. For information about certain environmental matters, see "Item 1 - Business - Environmental Matters."

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS No matters were submitted to a vote of General Growth's stockholders during the fourth quarter of fiscal 2001.

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PART II
 ITEM 5. MARKET
 FOR REGISTRANT'S
 COMMON EQUITY
 AND RELATED
 STOCKHOLDER
 MATTERS

The Common Stock is listed on the New York Stock Exchange ("NYSE") and trades under the symbol "GGP". As of March 14, 2002, the 62,017,756 outstanding shares of Common Stock were held by approximately 1,484 stockholders of record. The closing price per share of the Common Stock on the NYSE on such date was \$44.24 per share.

Set forth below are the high and low sales prices per share of Common Stock for each such period as reported by the NYSE, and the distributions per share of Common Stock declared for each such period.

2001	Price		Declared
Quarter Ended	High	Low	Distribution
March 31	\$38.38	\$33.00	\$.53
June 30	\$39.36	\$33.75	\$.53
September 30	\$39.51	\$32.80	\$.65
December 31	\$40.50	\$34.35	\$.65

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2000	Price		Declared
Quarter Ended	High	Low	Distribution
March 31	\$30.56	\$26.38	\$.51
June 30	\$34.19	\$29.63	\$.51
September 30	\$34.50	\$31.69	\$.51
December 31	\$36.50	\$28.69	\$.53

1999	Price		Declared
Quarter Ended	High	Low	Distribution
March 31	\$38.44	\$31.25	\$.49
June 30	\$38.63	\$31.13	\$.49
September 30	\$35.63	\$31.06	\$.49
December 31	\$31.69	\$25.00	\$.51

ITEM 6. SELECTED FINANCIAL DATA
 (Dollars in Thousands, except per share amounts)

The following table sets forth selected financial data for the Company which is derived from, and should be read in conjunction with, the audited Consolidated Financial Statements and the related Notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in this Annual Report.

	2001	2000	1999	1
OPERATING DATA				
Revenue	\$ 803,709	\$ 698,767	\$ 612,342	\$ 4
Network discontinuance costs	66,000	-	-	

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Depreciation and amortization	145,352	119,663	108,272	
Other operating expenses	295,843	226,234	206,088	1
Interest expense, net	209,622	212,649	174,104	1
Equity in income of				
Unconsolidated Affiliates	63,566	50,063	19,689	
Minority Interest	(40,792)	(52,380)	(33,058)	(
Net gain on sales, including				
CenterMark in 1997	-	44	4,412	
	-----	-----	-----	-----
Income before extraordinary items and				
cumulative effect of accounting change	109,666	137,948	114,921	
Extraordinary items	(14,022)	-	(13,796)	
Cumulative effect of accounting change	(3,334)	-	-	
	-----	-----	-----	-----
Net income (loss)	92,310	137,948	101,125	
	-----	-----	-----	-----
Convertible Preferred Stock Dividends	(24,467)	(24,467)	(24,467)	(
Net income available				
to common stockholders	\$ 67,843	\$ 113,481	\$ 76,658	\$
	=====	=====	=====	=====
Earnings before extraordinary items and				
cumulative effect of accounting change				
per share-Basic	\$ 1.61	\$ 2.18	\$ 1.97	\$
Earnings before extraordinary items and				
cumulative effect of accounting change				
per share-Diluted	1.61	2.18	1.96	
Earnings per share-Basic	1.28	2.18	1.67	
Earnings per share-Diluted	1.28	2.18	1.66	
Distributions Declared Per Share	2.36	2.06	1.98	
CASH FLOW DATA				
Operating Activities	\$ 207,125	\$ 287,103	\$ 205,705	\$
Investing Activities	(367,366)	(356,914)	(1,238,268)	(1,4
Financing Activities	293,767	71,447	1,038,526	1,3
FUNDS FROM OPERATIONS/(1)/				

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Operating Partnership	\$ 376,799	\$ 330,299	\$ 274,234
Minority Interest	(101,844)	(90,805)	(82,631)
Funds From Operations - Company	274,955	239,494	191,603

BALANCE SHEET DATA

Investment in Real Estate Assets - Cost	\$5,703,568	\$5,439,466	\$5,023,690
Total Assets	5,646,807	5,284,104	4,954,895
Total Debt	3,398,207	3,244,126	3,119,534
Redeemable Preferred Units	175,000	175,000	--
Convertible Preferred Stock	337,500	337,500	337,500
Stockholders' Equity	1,183,386	938,418	927,758

/(1)/ Funds from Operations (as defined below) does not represent cash flow from operations as defined by Generally Accepted Accounting Principles ("GAAP")

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and is not necessarily indicative of cash available to fund all cash requirements.

Funds From Operations Funds from Operations is used by the real estate industry and investment community as a primary measure of the performance of real estate companies. As revised in October 1999, the National Association of Real Estate Investment Trusts ("NAREIT") defines Funds from Operations as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring and sales of properties, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. In calculating its Funds from Operations, the Company also excluded \$66,000 of network discontinuance costs recognized in 2001. The Company's Funds from Operations may not be directly comparable to similarly titled measures reported by other real estate investment trusts. Funds from Operations does not represent cash flow from operating activities in accordance with GAAP and should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of the Company's financial performance or to cash flow from operating activities (determined in accordance with GAAP) as a measure of the Company's liquidity, nor is it indicative of funds available to fund the Company's cash needs, including its ability to make cash distributions. In accordance with past practices and consistent with current recommendations of NAREIT, the Company has and will continue to provide GAAP earnings and earnings per share information in its periodic reports to investors and the real estate investment community.

RECONCILIATION OF NET INCOME DETERMINED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES TO FUNDS FROM OPERATIONS:

	2001	2000	19
	-----	-----	-----
Net Income available to common stockholders	\$ 67,843	\$ 113,481	\$ 76
Extraordinary items - charges related to early retirement of debt	14,022	--	13
Cumulative effect of accounting change	3,334	--	
Allocations to Operating Partnership unitholders	25,128	43,026	33
Net loss (gain) on sales	--	1,005	(4
Depreciation and amortization	200,472	172,787	155
Network discontinuance costs	66,000	--	
	-----	-----	-----
Funds From Operations	\$ 376,799	\$ 330,299	\$ 274
	=====	=====	=====

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

All references to numbered Notes are to specific footnotes to the Consolidated Financial Statements of the Company included in this Annual Report, which descriptions are incorporated into the applicable response by reference. The following discussion should be read in conjunction with such Consolidated Financial Statements and related Notes. Capitalized terms used but not defined in this Management's Discussion and Analysis of Financial Condition and Results of Operations have the same meanings as in such Notes.

Forward-Looking
Information

This Annual Report may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including (without limitation) statements with respect to anticipated future operating and financial performance, growth and acquisition opportunities and other similar forecasts and statements of expectation. Words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates" and "should" and variations of these words and similar expressions are intended to identify these forward-looking statements. Forward-looking statements made by the Company and its management are based on estimates, projections, beliefs and assumptions of management at the time of such statements and are not guarantees of future performance. The Company disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements made by the Company and its management as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, costs of capital and capital requirements, availability of real estate properties, inability to consummate acquisition opportunities, competition from other companies and venues for the sale/distribution of goods and services, changes in retail rental rates in the Company's markets, shifts in customer demands, tenant bankruptcies or store closures, changes in vacancy rates at the Company's properties, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes, changes in applicable laws, rules and regulations (including changes in tax laws), the ability to obtain suitable equity and/or debt financing, and the continued availability of financing in the amounts and on the terms necessary to support the Company's future business.

Use of Estimates

The preparation of financial statements in conformity

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and Significant Accounting Policies with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. For example, significant estimates and assumptions have been made with respect to useful lives of assets, capitalization of development and leasing costs, recoverable amounts of receivables and deferred taxes and amortization periods of deferred costs and intangibles. Actual results could differ from those estimates.

Certain Information About The Company Portfolio As of December 31, 2001, the Company owned 100% of the fifty-four Wholly-Owned Centers, 50% of the common stock of GGP/Homart, 50% of the membership interests in GGP/Homart II, 51% of the common stock of GGP Ivanhoe, 51% of the common stock of GGP Ivanhoe III and 50% of Quail Springs Mall and Town East Mall. Reference is

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made to Notes 3 and 4 for a further discussion of such entities owned by the Company. As of December 31, 2001, GGP/Homart owned interests in twenty-three shopping centers, GGP/Homart II owned interests in eight shopping centers, GGP Ivanhoe owned interests in two shopping centers, and GGP Ivanhoe III owned interests in eight shopping centers (collectively, with the Wholly-Owned centers, Quail Springs Mall and Town East Mall, the "Company Portfolio").

As used in this Annual Report, the term "GLA" refers to gross leaseable retail space, including Anchors and mall tenant areas; the term "Mall GLA" refers to gross leaseable retail space, excluding Anchors; the term "Anchor" refers to a department store or other large retail store; the term "Mall Stores" refers to stores (other than Anchors) that are typically specialty retailers who lease space in shopping centers; and the term "Freestanding GLA" means gross leaseable area of freestanding retail stores in locations that are not attached to the primary complex of buildings that comprise a regional mall shopping center.

The Mall Store and Freestanding Store portions of the centers in the Company Portfolio which were not undergoing redevelopment on December 31, 2000 had an occupancy rate of approximately 91% as of such date. On December 31, 2001, the Mall Store and Freestanding Store portions of the centers in the Company Portfolio which were not undergoing redevelopment were also approximately 91% occupied, as overall occupancy percentages which had declined during 2001 recovered to 2000 levels by the end of the year.

Total annualized sales averaged \$355 per square foot for the Company Portfolio for the year ended December 31,

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2001, approximately equal to the comparable amount for 2000. Comparable Mall Store sales are current sales of those certain tenants that were open during the previous measuring period compared to the sales of those same tenants for the previous measuring period. Therefore, Comparable Mall Store sales in the year ended December 31, 2001 are of those tenants that were also operating for the full year ended December 31, 2000. Comparable Mall Store sales in the year ended December 31, 2001 decreased by 0.8% from the same period in 2000.

The Company Portfolio average Mall Store rent per square foot from leases that expired in the year ended December 31, 2001 was \$27.40. The Company Portfolio benefited from increasing rents inasmuch as the average Mall Store rent per square foot on new and renewal leases executed during 2001 was \$33.29 or \$5.89 per square foot above the average for expiring leases.

Results of Operations of the Company

General:

Company revenues are primarily derived from fixed minimum rents, overage rents and recoveries of operating expenses from tenants. Inasmuch as the Company's financial statements reflect the use of the equity method to account for its investments in GGP/Homart, GGP/Homart II, GGP Ivanhoe, GGP Ivanhoe III, Quail Springs Mall and Town East Mall, the discussion of results of operations which follows relates primarily to the revenues and expenses of the Wholly-Owned Centers and GGMI. In addition, during 1999, the Company opened Rivertown Crossings and purchased interests in the following Wholly-Owned Centers: The Crossroads, Ala Moana, and Baybrook. Also during 1999, the Company contributed its 100% interests in one development project. Stonebriar, as well as three operating properties, Northbrook Court, Natick, and Altamonte to GGP/Homart II, an unconsolidated entity. During April 2000, the Company purchased a 100% interest in Crossroads Center. On January 1, 2001, the

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Operating Partnership purchased the common stock of GGMI and the preferred stock of GGMI, which was 100% owned by the Operating Partnership, was cancelled. In August 2001, the Company purchased a 100% interest in Tucson Mall. For purposes of the following discussion of the results of operations, the net effect of acquisitions will include the effect of the Rivertown Crossings opening, the effect of the new acquisitions in 1999, 2000 and 2001, the effect of the three operating properties contributed to GGP/Homart II and the consolidation of GGMI's operations in 2001.

Comparison of Year Ended December 31, 2001 To Year Ended December 31, 2000

Total revenues for 2001 were \$803.7 million, which represents an increase of \$104.9 million or approximately 15.0% from \$698.8 million in 2000. Approximately \$12.8 million or 12.2% of the increase was from properties acquired or developed after January 1, 2000. Minimum rent

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during 2001 increased \$28.6 million or 6.5% from \$440 million in 2000 to \$468.6 million. The acquisition and development of properties generated a \$7.6 million increase in minimum rents. Expansion space, specialty leasing and a combination of occupancy and rental charges at the comparable centers accounted for the remaining increase in minimum rents. Tenant recoveries increased by \$8.4 million or 3.9% from \$213.5 million in 2000 to \$221.9 million in 2001. The increase in tenant recoveries was generated by a combination of new acquisitions and increased recoverable operating costs at the comparable centers. Overage rents decreased \$5.8 million or 20.3 % from \$28.6 million in 2000 to \$22.8 million in 2001. The majority of the decline in overage rents is due to the conversion of overage rent to minimum rent on the releasing of tenant space and due to general economic conditions as discussed below. Fees for 2001 increased \$ 70.3 million or 1004.3% from \$7.0 million in 2000 to \$77.3 million in 2001. The increase was primarily generated by the acquisition of GGMI as described above and in Notes 1 and 4.

Total operating expenses, including depreciation and amortization, increased by approximately 46.6% or \$161.3 million, from \$345.9 million in 2000 to \$507.2 million in 2001. Part of the increase in total operating expenses was attributable to the \$66 million provision for the discontinuance of the Company's Network Services development activities as more fully described in Note 11. The Company's Network Services development activities was an effort to create for retailers a suite of broadband applications to support retail tenant operations, on-line sales, and private wide area network services to be delivered by the Broadband System as discussed below. The Network Services development activities were discontinued on June 29, 2001, resulting in a charge to operations of \$65 million in the three months ended June 30, 2001, which represented the Company's entire investment in the Network Services development activities. The Company incurred \$1 million of net incremental discontinuance costs in the three months ended September 30, 2001 related primarily to payroll and severance costs and expects that any net additional costs related to the discontinuance of the Network Services development activities will not be significant. Depreciation expense increased by approximately \$25.7 million, primarily due to increased depreciation on property additions including Broadband System additions which have shorter depreciable lives. An increase of \$65.9 million was attributable to the consolidation of GGMI as described above and in Notes 1 and 4. The increase in total operating expenses from the new acquisitions described above consists primarily of approximately \$1.2 million of real estate taxes, \$3.2 million of property operating costs, and \$2.7 million of depreciation and amortization.

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Interest income decreased approximately \$7.8 million or 62.4% from \$12.5 million in 2000 to \$4.7 million in 2001. The note receivable from GGMI generated \$6.8 million of interest income in 2000, whereas no such interest income was

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recognized in 2001 due to the consolidation of GGMI in 2001 as discussed above. The corresponding interest expense incurred by GGMI in 2000 was reflected as a component of the equity in the income (loss) of GGMI.

Interest expense decreased by \$10.8 million or 4.8% from \$225.1 million in 2000 to \$214.3 million in 2001. Declines in effective interest rates, partially offset by the effect of acquisitions, were the major source of such interest expense decreases.

Equity in income (loss) of unconsolidated affiliates during 2001 increased by \$13.5 million to \$63.6 million from \$50.1 million in 2000. GGP/Homart II accounted for an increase of approximately \$4 million primarily due to declines in interest rates in 2001 and the acquisition of Willowbrook Mall in March 2001 by GGP/Homart II. The Company's ownership interest in GGMI resulted in a increase of \$1.6 million due to the consolidation of GGMI in 2001.

Extraordinary items were approximately \$14.0 million in 2001, primarily due to the refinancing of debt (see also Note 5) as a result of the GGP MPTC financing and the 2001 Offering (as discussed below and in Note 1).

Comparison of Year Ended December 31, 2000 To Year Ended December 31, 1999

Total revenues for 2000 were \$698.8 million, which represents an increase of \$86.5 million or approximately 14.1% from \$612.3 million in 1999. Approximately \$46.5 million or 53.8% of the increase was from properties acquired or developed after July 30, 1999. Minimum rent during 2000 increased \$52.5 million or 13.5% from \$387.5 million in 1999 to \$440 million. The acquisition and development of properties generated a \$27.9 million increase in minimum rents. Expansion space, specialty leasing and a combination of occupancy, rental charges and allowance reserve adjustments at the comparable centers accounted for the remaining increase in minimum rents. Tenant recoveries increased by \$32.9 million or 18.2% from \$180.6 million to \$213.5 million in 2000. The increase in tenant recoveries was generated by a combination of new acquisitions and increased recoverable operating costs at the comparable centers. Overage rents increased \$1.6 million or 5.9% from \$27.0 million in 1999 to \$28.6 million in 2000 as a result of the acquisition of new properties and improved performance at the comparable centers. Fees for 2000 increased \$1.6 million or 29.6% from \$5.4 million in 1999 to \$7.0 million in 2000. The fee revenue was primarily generated by asset management services performed for GGP/Homart and GGP/Homart II.

Total operating expenses, including depreciation and amortization, increased by approximately 10% or \$31.5 million, from \$314.4 million in 1999 to \$345.9 million in 2000. The majority of the increase in total operating expenses was attributable to properties acquired and developed in 1999 and 2000. The increase in total operating expenses from the new properties consists primarily of approximately \$3.6 million of real estate taxes, \$9.9 million of property operating costs, and \$6.0 million of depreciation and amortization.

Interest expense increased by \$34.5 million or 18.1% from \$190.6 million in 1999 to \$225.1 million in 2000, substantially all due to indebtedness incurred in connection with

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the acquisition of new properties in 1999 and 2000. The note receivable from GGMI generated \$6.8 million of interest income in 2000, a decrease of \$4.6 million from \$11.4 million in 1999.

Equity in income (loss) of unconsolidated affiliates during 2000 increased by \$30.3 million to \$50.0 million from \$19.7 million in 1999. GGP/Homart II accounted for an increase of approximately \$19.0 million. The Company's ownership interest in GGMI resulted in a increase of \$11.1 million over 1999.

Liquidity and Capital Resources of the Company As of December 31, 2001, the Company held approximately \$160.8 million of unrestricted cash and cash equivalents and approximately \$155.1 million of marketable securities. As described in Note 1, such marketable securities represent a portion of the certificates issued through the GGP MPTC financing (Note 5) and are secured by 28 properties included in the Company Portfolio. The Company uses operating cash flow as the principal source of internal funding for short-term liquidity and capital needs such as tenant construction allowances and minor improvements made to individual properties that are not recoverable through common area maintenance charges to tenants. The Company continues to explore potential long-term investment alternatives such as acquisitions, new development, expansions and major renovation programs at individual centers. These long-term investments may require external sources of long-term liquidity such as construction loans, mini-permanent loans, long-term project financing, joint venture financing with institutional partners, additional Operating Partnership level or Company level equity securities, unsecured Company level debt or secured loans collateralized by individual shopping centers. In addition, the Company considers its Unconsolidated Real Estate Affiliates as potential sources of short and long-term liquidity. In such regard, the Company has borrowed approximately \$95 million from GGP/Homart and GGP/Homart II (bearing interest at 5.5% per annum and due March 30, 2003).

At December 31, 2001, the Company had borrowed \$207 million on its Term Loan which matures on July 31, 2003. Further, during December 2001, the Company issued 9,200,000 shares of Common Stock in a public offering (the "2001 Offering") (Note 1) which resulted in net proceeds to the Company of approximately \$345 million. In addition, in order to maintain its access to the public equity and debt markets, the Company has a currently effective shelf registration statement under which up to an additional \$2 billion in equity or debt securities could be issued from time to time. The Company also believes it could obtain,

if necessary, revolving credit facilities similar to those which were fully repaid in December 2001 with a portion of the proceeds of the GGP MPTC financing.

As of December 31, 2001, the Company had consolidated debt of approximately \$3,398 million, of which approximately (after the effect of certain interest rate swap agreements described below) \$2,906 million is comprised of debt bearing interest at fixed rates, with the remaining approximately \$492 million bearing interest at variable rates. In addition, the Company's pro rata share of the debt of the Unconsolidated Real Estate Affiliates was approximately \$1,610.6 million, of which approximately (after the effect of certain interest rate swap agreements) \$1,180.7 million is comprised of debt bearing interest at a fixed rate, with the remaining approximately \$429.9 million bearing interest at variable rates. Except in instances where certain Wholly-Owned Centers are cross-collateralized with the Unconsolidated Centers, the Company has not otherwise guaranteed the debt of the Unconsolidated Real Estate Affiliates. Reference is made to Note 5 and Items 2 and 7A of the Company's Annual Report on Form 10-K for additional information regarding the Company's debt and the potential impact on the Company of interest rate

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fluctuations.

The following summarizes certain significant investment and financing transactions of the Company currently planned or completed since December 31, 2000:

In January 2001, GGMI borrowed \$37.5 million under a new revolving line of credit obtained by GGMI. The interest rate per annum with respect to any borrowings varied from LIBOR plus 100 to 190 basis points depending on the Company's average leverage ratio and the revolving line of credit had been scheduled to mature in July 2003. All borrowings under the line of credit were fully repaid in December 2001 from a portion of the proceeds of the GGP MPTC financing and the revolving line of credit was terminated.

In March 2001, the Company obtained a \$65 million redevelopment loan collateralized by Eden Prairie Mall. The new loan had an initial draw of approximately \$19.4 million, required monthly payments of interest at a rate of LIBOR plus 190 basis points and was fully repaid in December 2001 from a portion of the proceeds of the 2001 Offering.

In March 2001, the Company obtained a \$115 million non-recourse mortgage loan collateralized by Capital Mall, Greenwood Mall, and Gateway Mall. The new mortgage loan bears interest at a rate of 7.28% per annum, requires monthly payments of principal and interest and matures in April 2011.

During June 2001, the Company refinanced the \$110 million construction loan collateralized by the Rivertown Crossings

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Mall which was scheduled to mature on June 30, 2001. The new \$130 million non-recourse mortgage loan bears interest at 7.54% per annum and matures in July 2011.

During June 2001, the Company refinanced Northridge Fashion Center, one of the nine malls which had collateralized the GGP-Ivanhoe CMBS. The outstanding principal amount of the GGP-Ivanhoe CMBS was reduced by approximately \$132.5 million with the proceeds of a new long-term mortgage loan. The new \$140 million non-recourse mortgage loan provides for monthly payments of principal and interest at a rate per annum of 7.24% and matures July 1, 2011.

In August 2001, the Company acquired the Tucson Mall which was financed primarily by a new \$150 million collateralized short-term acquisition loan. The new loan bore interest at LIBOR plus 95 basis points and was scheduled to mature in December 2001. The loan was refinanced in December 2001 with a portion of the proceeds of the GGP MPTC financing described below.

During August 2001, the Company refinanced Bayshore Mall with a long-term fixed rate mortgage loan. The \$34.3 million new non-recourse mortgage loan bears interest at 7.13% per annum and matures in September 2011.

In October 2001, the Company refinanced the debt collateralized by the Century Plaza, Eagle Ridge and Knollwood Malls (with a previous outstanding aggregate balance of approximately \$66.5 million). The new \$90 million bridge loan bore interest at a rate per annum equal to LIBOR plus 210 basis points and was scheduled to mature on February 1, 2002. The bridge loan was repaid in December 2001 from a portion of the proceeds of the 2001 Offering.

In December 2001, the Operating Partnership and certain Unconsolidated Real Estate Affiliates completed the placement of \$2,550 million of non-recourse commercial mortgage pass-through certificates through the GGP MPTC financing as more fully described in Note 5. The certificates are comprised of 36 and 51 month variable rate

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securities (before extension options) and 5 year fixed rate securities. This new financing is collateralized by a portfolio of 28 properties, including 19 malls that are owned by GGP/Homart, GPP/Homart II or GGP Ivanhoe III. The GGP MPTC financing replaced the GGP-Ivanhoe CMBS, the Ala Moana CMBS, a CMBS loan collateralized by a portfolio of ten properties owned by GGP/Homart or GGP/Homart II and certain other individual property mortgages. The original principal amount of the GGP MPTC was comprised of \$1,235 million attributed to the Operating Partnership, \$900 million to GGP/Homart and GGP/Homart II and \$415 million to GGP Ivanhoe III. The interest rates on approximately \$666.9 million of the consolidated variable rate securities were fixed by interest rate swaps which effectively limit the rate on such debt to a current weighted average annual rate of 4.85%. Approximately \$575 million of such swap agreements are with

independent financial services firms and approximately \$91.9 million is with GGP Ivanhoe III to provide Ivanhoe with only variable rate debt. The interest rates on an additional \$475 million of variable rate debt collateralized by properties owned by the GGP/Homart and GGP/Homart II joint ventures were fixed by interest rate swaps which effectively limit the rate on such debt to a current weighted average annual rate of 4.83%. The financing provided approximately \$470 million of excess proceeds (including amounts attributed to GGP/Homart, GGP/Homart II and GGP Ivanhoe III). Approximately \$95 million of the attributed proceeds to GGP/Homart and GGP/Homart II were loaned to the Operating Partnership as described in Note 5. Such proceeds were used to repay other short-term borrowings, interim financing, acquire certain marketable securities described above and provide for additional liquidity needs.

In December 2001, General Growth completed the 2001 Offering as more fully described in Note 1. General Growth received net proceeds of approximately \$345 million from the sale of 9,200,000 shares of Common Stock which were utilized to reduce existing indebtedness and increase working capital.

On March 3, 2002, the Company entered into a definitive merger agreement with JP Realty, Inc. ("JP Realty"), a publicly held real estate investment trust and its operating partnership subsidiary, Price Development Company, Limited Partnership ("PDC"). The total acquisition price of JP Realty will be approximately \$1,100 million which includes assumption of approximately \$460 million in existing debt and approximately \$116 million of existing preferred operating units. Pursuant to the terms of the merger agreement, each outstanding share of JP Realty common stock will be converted into \$26.10 in cash. Holders of common units of partnership interest PDC will receive \$26.10 per unit in cash or, at the election of the holder, .522 units of 8.5% Series B convertible preferred partnership units of the Operating Partnership (convertible to Common Stock based on a conversion price of \$50 per share). JP Realty owns or has an interest in 50 properties, including 18-enclosed regional mall centers, 25 anchored community centers, one free standing retail property and 6 mixed-use commercial/business properties, containing an aggregate of over 15.1 million square feet of GLA in 10 western states. The transaction is scheduled to close in the second quarter of 2002 and is subject to certain closing conditions including approval by the stockholders of JP Realty.

In addition, certain Unconsolidated Real Estate Affiliates completed significant investment and financing transitions since December 31, 2000 as summarized as follows:

During March 2001, GGP/Homart II closed on a new \$125 million non-recourse mortgage loan collateralized by Stonebriar Centre. The new loan (the principal balance of which was increased to \$135 million in August 2001) bears interest at LIBOR plus 75 basis points per annum and matures October 2003 (assuming all no cost extension options available are exercised). Approximately \$80 million of the proceeds was

advanced to GGP/Homart at March 31, 2001 to repay other GGP/Homart mortgage debt and the majority of the remainder was utilized to fund the cash portion of the March, 2001 purchase of the Willowbrook Mall in Houston, Texas as discussed in Note 4. The balance of the \$145 million purchase price of Willowbrook Mall was financed by a \$102 million non-recourse mortgage loan which bears interest at 6.93% per annum and matures in April 2011.

In April 2001, GGP/Homart closed on a new \$90 million non-recourse mortgage loan collateralized by Vista Ridge Mall. The new mortgage loan refinanced the approximately \$69.3 million allocated to the Vista Ridge Mall portion of GGP/Homart pooled financing. The new mortgage loan bears interest at a rate of 6.87% per annum, requires monthly payments of principal and interest and matures in April 2011.

In July 2001, GGP/Homart obtained a new \$100 million redevelopment loan collateralized by Brass Mill Center and Commons. The new loan bore interest at LIBOR plus 162.5 basis points and was scheduled to mature in July 2003. This loan was refinanced in December 2001 with a portion of the proceeds of the GGP MPTC financing described below.

In August 2001, GGP/Homart II refinanced Northbrook Court. The new fixed-rate \$98 million non-recourse loan repaid the \$74 million allocated to the Northbrook Court portion of the GGP/Homart II pooled financing. The new loan provides for monthly payments of principal and interest at a rate of 7.15% per annum and is scheduled to mature in September 2011.

In September 2001, GGP/Homart refinanced the mortgage loan collateralized by Arrowhead Towne Center with a new non-recourse mortgage loan securing two promissory notes, one in the amount of \$75 million and the other in the amount of \$10 million. The notes are identical, other than the amounts, and bear interest at 6.9% per annum and mature in October 2011.

In November 2001, GGP/Homart repaid the \$35 million mortgage loan collateralized by the Moreno Valley Mall. This repayment was financed by current working capital which was replaced in December 2001 by a portion of the proceeds of the GGP MPTC financing described below.

None of the Company's consolidated debt is scheduled to mature in 2002 and approximately \$282 million of consolidated debt is scheduled to mature in 2003. In addition, the Unconsolidated Real Estate Affiliates have certain mortgage loans maturing in 2002 (the Company's prorata portion of which is approximately \$179.7 million). Although agreements to refinance all of such indebtedness have not yet been reached, the Company anticipates that all of its debt will be repaid on a timely basis. Other than as described above or in conjunction with possible future acquisitions, there are no current plans to incur additional

debt, increase the amounts available under the Term Loan or raise equity capital. If additional capital is required, the Company believes that it can increase the amounts available under the Term Loan, obtain new revolving credit facilities, obtain an interim bank loan, obtain additional mortgage financing on under-leveraged or unencumbered assets, enter into new joint venture partnership arrangements or raise additional debt or equity capital. However, there can be no assurance that the Company can obtain such financing on satisfactory terms. The Company will continue to monitor its capital structure, investigate potential investments or joint venture partnership arrangements and purchase additional properties if they can be acquired and financed on terms that the Company reasonably believes will enhance long-term stockholder value. When property operating cash flow has been increased, the Company anticipates the refinancing of portions of its long-term floating rate debt with

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pooled or property-specific, non-recourse fixed-rate mortgage financing.

Net cash provided by operating activities was \$207.1 million in 2001, a decrease of \$73 million from \$280.1 million in the same period in 2000. Net income before gain on sales, extraordinary items and cumulative effect of accounting change decreased \$28.2 million, which was primarily due to the \$66 million provision for the discontinuance of the Network Services development activities as described above.

Net cash provided by operating activities was \$287.1 million in 2000, an increase of \$81.4 million from \$205.7 million in the same period in 1999. Net income before gain on sales, extraordinary items and cumulative effect of acquiring change increased \$27.4 million, which was primarily due to earnings attributable to properties acquired in 2000 and 1999.

Summary of Investing
Activities

Net cash used by investing activities in 2001 was \$367.4 million, compared to a use of \$349.9 million in 2000. Cashflow from investing activities was affected by the timing of acquisitions, development and improvements to real estate properties, requiring a use of cash of approximately \$338.2 million in 2001 compared to \$286.7 million in 2000. In addition, approximately \$155.1 million of the use of cash for investing activities was the purchase of the marketable securities discussed in Note 1.

Net cash used by investing activities was \$356.9 million in 2000 compared to \$1,238.3 million of cash used in 1999. Cash flow from investing activities was impacted by acquisitions, development and improvements to real estate properties, which utilized cash of approximately \$286.7 million in 2000 and \$1,248.4 million in 1999 due to fewer acquisitions of investment property in 2000 as compared to 1999.

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Summary of Financing Activities Financing activities provided cash of \$293.8 million in 2001, compared to \$71.4 million in 2000. The 2001 Offering resulted in net proceeds of approximately \$345 million which, as described in Note 1, was utilized to reduce outstanding indebtedness and provide for additional working capital. An additional significant contribution of cash from financing activity was financing from mortgages and acquisition debt, which had a positive impact of \$2,138 million in 2001 versus approximately \$360 million in 2000. The majority of such financing was attributable to the GGP MPTC financing described above. The additional financing was used to repay existing indebtedness and to fund the acquisitions and redevelopment of real estate as discussed above. The remaining uses of cash consisted primarily of increased distributions (including dividends paid to preferred stockholders in 2001 and 2000).

Financing activities in 2000 provided \$71.4 million of cash compared to a \$1,038.5 million source of cash flow in 1999. The proceeds from the issuance of the preferred units of membership interest provided approximately \$170.6 million of cash from financing activities in 2000. The majority of the cash flow from financing activities in 1999 were from the \$1,736.1 million of proceeds of mortgage and other notes payable. Distributions to common stockholders and the minority interests in the Operating Partnership were \$152.5 million in 2000 compared to \$120.8 million in 1999. The increase in distributions is due to the increased distribution rate on the Common Stock and Operating Partnership Units during 2000 compared to 1999 as well as the issuance of the preferred units of membership interest as discussed above and in Note 1.

REIT Requirements In order to remain qualified as a real estate investment trust for federal income tax purposes, the Company must, among other things, distribute at least 90% of its ordinary taxable income to stockholders and distribute to stockholders, or pay tax on, 100% of capital gains. The following factors, among others, will

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affect operating cash flow and, accordingly, influence the decisions of the Board of Directors regarding distributions: (i) scheduled increases in base rents of existing leases; (ii) changes in minimum base rents and/or percentage rents attributable to replacement of existing leases with new or renewal leases; (iii) changes in occupancy rates at existing centers and procurement of leases for newly developed centers; and (iv) the Company's share of operating cash flow generated by the Unconsolidated Joint Ventures, to the extent distributed to the Company, less oversight costs and debt service on additional loans that have been or will be incurred to finance Company acquisitions. The Company anticipates that its operating cash flow, and potential new debt or equity from future offerings, new financings or refinancings will

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provide adequate liquidity to conduct its operations, fund general and administrative expenses, fund operating costs and interest payments and allow distributions to the Company's preferred and common stockholders in accordance with the requirements of the Code for continued qualification as a real estate investment trust and to avoid any Company level federal income or excise tax.

On January 1, 2001 the REIT provisions of the Tax Relief Extension Act of 1999 became effective. Among other things, the law permits a REIT to own up to 100% of the stock of a Taxable REIT Subsidiary ("TRS"). A TRS, which must pay corporate income tax, can provide services to REIT tenants and others without disqualifying the rents that a REIT receives from its tenants. Accordingly, on January 1, 2001 the Operating Partnership acquired for nominal cash consideration 100% of the common stock of GGMI and has elected in 2001 to have GGMI treated as a TRS. In connection with the acquisition, the GGMI preferred stock owned by the Operating Partnership was cancelled and approximately \$40 million of the outstanding loans owed by GGMI to the Operating Partnership contributed to the capital of GGMI. The Operating Partnership and GGMI concurrently terminated the management contracts for the Wholly-Owned Centers as the management activities would thereafter be performed directly by the Company. GGMI has continued to manage, lease, and perform various other services for the Unconsolidated Centers and other properties owned by unaffiliated third parties.

Recently Issued Accounting Pronouncements	As more fully described in Note 13, certain accounting pronouncements were issued in 2001, which either became effective in 2001 or will become effective in subsequent years. The Company does not expect the application of such new pronouncements to have a significant impact on its consolidated results of operations. However, the Company has over the past six months experienced a significant increase in its stock price. Pursuant to Interpretation 44 as more fully described in Note 13, certain options granted under the 1998 Incentive Plan (Note 9) may vest in 2002 which would cause the recognition of approximately \$5.3 million of additional compensation cost in 2002.
---	--

Economic Conditions	Inflation has been relatively low and has not had a significant detrimental impact on the Company. Should inflation rates increase in the future, substantially all of the Company's tenant leases contain provisions designed to partially mitigate the negative impact of inflation. Such provisions include clauses enabling the Company to receive percentage rents based on tenants' gross sales, which generally increase as prices rise, and/or escalation clauses, which generally increase rental rates during the terms of the leases. In addition, many of the leases expire each year which may enable the Company to replace or renew such expiring leases with new leases at higher base and/or percentage rents, if rents under the expiring leases are below the then-existing market rates. Finally, many of the existing leases require the tenants to pay all or substantially all of their share of certain operating expenses, including common area maintenance, real estate taxes and insurance, thereby partially reducing the
---------------------	--

Company's exposure to increases in costs and operating expenses resulting from inflation.

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Inflation also poses a potential threat to the Company due to the possibility of future increases in interest rates. Such increases would adversely impact the Company due to the amount of its outstanding floating rate debt. However, in recent years, the Company's ratio of interest expense to cash flow has continued to decrease. Therefore, the relative risk the Company bears due to interest expense exposure has been declining. In addition, the Company has limited its exposure to interest rate increases on a portion of its floating rate debt by arranging interest rate cap and swap agreements as described below. Finally, subject to current market conditions, the Company has a policy of replacing variable rate debt with fixed rate debt. (See Note 5).

During 2000 and 2001, the retail sector was experiencing declining growth due to layoffs, eroding consumer confidence, falling stock prices and, most recently, the September 11th attacks. Although the 2001 holiday season was generally stronger than economist predictions, the retail sector and the economy as a whole remains weak. Such reversals or reductions in the retail market adversely impacts the Company as demand for leasable space is reduced and rents computed as a percentage of tenant sales declines. In addition, a number of local, regional and national retailers, including tenants of the Company, have voluntarily closed their stores or filed for bankruptcy protection during the last few years. Most of the bankrupt retailers reorganized their operations and/or sold stores to stronger operators. Although some leases were terminated pursuant to the lease cancellation rights afforded by the bankruptcy laws, the impact on Company earnings was negligible. Over the last three years, the provision for doubtful accounts has averaged only \$3.3 million per year, which represents less than 1% of average total revenues of \$704.9 million. In addition, the Company historically has generally been successful in finding new uses or tenants for retail locations that are vacated either as a result of voluntary store closing or bankruptcy proceedings. Therefore, the Company does not expect these store closings or bankruptcy reorganizations to have a material impact on its consolidated financial results of operations.

The Company and its affiliates currently have interests in 97 operating shopping centers in the United States. The Portfolio Centers are diversified both geographically and by property type (both major and middle market properties) and this may mitigate the impact of a potential economic downturn at a particular property or in a particular region of the country.

The shopping center business is seasonal in nature. Mall stores typically achieve higher sales levels during the fourth quarter because of the holiday selling season. Although the Company has a year-long temporary leasing program, a significant portion of the rents received from

short-term tenants are collected during the months of November and December. Thus, occupancy levels and revenue production are generally highest in the fourth quarter of each year and lower during the first and second quarters of each year.

The Internet and electronic retailing are growing at significant rates. Although the amount of retail sales conducted solely via the Internet is expected to rise in the future, the Company believes that traditional retailing and "e-tailing" will converge such that the regional mall will continue to be a vital part of the overall mix of shopping alternatives for the consumer.

In order to enhance the value and competitiveness of its properties through technology, the Company has installed a broadband wiring and routing system that provides tenants at its properties with the supporting equipment to allow tenants and mall locations to arrange high-speed cable access to the Internet (the "Broadband

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System") as more fully discussed in Note 11. The Company has made a cumulative investment of approximately \$67.7 million in the Broadband System as of December 31, 2001, which has been reflected in buildings and equipment and investments in Unconsolidated Real Estate Affiliates in the accompanying consolidated financial statements.

ITEM 7A.
QUANTITATIVE AND
QUALITATIVE
DISCLOSURES
ABOUT MARKET
RISK

The Company has not entered into any transactions using derivative commodity instruments. The Company is subject to market risk associated with changes in interest rates. Interest rate exposure is principally limited to the \$1,158.7 million of debt of the Company outstanding at December 31, 2001 that is priced at interest rates that vary with the market. However, approximately \$666.9 million of such floating rate consolidated debt is comprised of non-recourse commercial mortgage-backed securities which are subject to interest rate swap agreements, the effect of which is to fix the interest rate the Company would be required to pay on such debt to approximately 4.85% per annum. Therefore, a 25 basis point movement in the interest rate on the remaining \$492 million of variable rate debt would result in an approximately \$1.2 million annualized increase or decrease in consolidated interest expense and cash flows. The remaining debt is fixed rate debt. In addition, the Company is subject to interest rate exposure as a result of the variable rate debt collateralized by the Unconsolidated Real Estate Affiliates for which similar interest rate swap agreements have not been obtained. The Company's share (based on the Company's respective equity ownership interests in the Unconsolidated Real Estate Affiliates) of such variable rate debt was approximately \$430 million. A similar 25 basis point annualized movement in the interest rate on the variable rate debt of the Unconsolidated Real Estate Affiliates would result in an approximately \$1.1 million annualized increase or decrease in the Company's equity in the income and cash flows from

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the Unconsolidated Real Estate Affiliates. The Company is further subject to interest rate risk with respect to its fixed rate financing in that changes in interest rates will impact the fair value of the Company's fixed rate financing. The Company has an ongoing program of refinancing its consolidated and unconsolidated variable and fixed rate debt and believes that this program allows it to vary its ratio of fixed to variable rate debt and to stagger its debt maturities to respond to changing market rate conditions. Reference is made to Item 2 above and Note 5 for additional debt information. The Company is further subject to market risk associated with changes in interest rates with respect to its \$155.1 million investment in marketable securities. A similar 25 basis point movement in interest rates would result in an approximately \$.4 million annualized increase or decrease in interest income and cash flow.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Reference is made to the Index to Consolidated Financial Statements and Consolidated Financial Statement Schedules on page F-1 for the required information.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On March 29, 2001, the Board of Directors of General Growth, acting upon the recommendation of the Audit Committee of the Board, approved the engagement of Deloitte & Touche LLP as its independent accountants for the fiscal year ending December 31, 2001 to replace the firm of PricewaterhouseCoopers LLP ("PwC"), who was informed on March 29, 2001 that it would no longer serve as the Company's independent accountants.

The reports of PwC on the Company's financial statements for the past two fiscal years contained no adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principle. In connection with its audits for the two most recent fiscal years and the subsequent interim period

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through March 29, 2001, there have been no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PwC, would have caused them to make reference thereto in their reports on the financial statements for such years. During the two most recent fiscal years and the subsequent interim period through March 29, 2001, there were no reportable events (as defined in Item 304(a)(1)(v) of Regulation S-K).

During the two most recent fiscal years and the subsequent interim period through March 29, 2001, the Company did not consult with Deloitte & Touche LLP regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed; (ii) the type of audit opinion that might be rendered on the financial statements; or (iii) any matter that was either the subject

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of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K) or a reportable event (as defined in Item 304(a)(1)(v) of Regulation S-K).

The Company had reported this change in accountants in a Current Report on Form 8-K, as amended, dated March 29, 2001, and the Company provided PwC with a copy of the disclosures of the Company in response to Item 4 in such Form 8-K. PwC furnished the Company a letter addressed to the Securities and Exchange Commission stating that it agrees with certain statements of the Company made in the Form 8-K. A copy of such letter is incorporated by reference into Exhibit 16 of this Form 10-K.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY
The information which appears under the captions "Election of Directors" and "Executive Officers" in the Company's proxy statement for its 2002 Annual Meeting of Stockholders is incorporated by reference into this Item 10.

ITEM 11. EXECUTIVE COMPENSATION
The information which appears under the caption "Executive Compensation" in the Company's proxy statement for its 2002 Annual Meeting of Stockholders is incorporated by reference into this Item 11; provided, however, that the Report of the Compensation Committee of the Board of Directors on Executive Compensation shall not be incorporated by reference herein, in any of the Company's previous filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or in any of the Company's future filings.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT
The information which appears under the captions "Certain Relationships and Related Party Transactions" and "Stock Ownership" in the Company's proxy statement for its 2002 Annual Meeting of Stockholders is incorporated by reference into this Item 12.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS
The information which appears under the caption "Compensation Committee Interlocks and Insider Participation" and "Certain Relationships and Related Party Transactions" in the Company's proxy statement for its 2002 Annual Meeting of Stockholders is incorporated by reference into this Item 13.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS,
(a) Financial Statements and Financial Statement Schedules.
The consolidated financial statements and schedules listed in the accompanying Index to

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SCHEDULES AND REPORTS ON FORM 8-K
Consolidated Financial Statements and Financial Statement Schedules are filed as part of this Annual Report on Form 10-K.

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(b) The following reports on Form 8-K were filed by the Company during the last quarter of the period covered by this report.

The Company's Report on Form 8-K dated November 20, 2001 describing under Item 5 the Company's pricing of the GGP MPTC financing. No financial statements were required to be filed therewith.

The Company's Report on Form 8-K dated December 5, 2001 describing under Item 5 the Company's completion of the placement of \$2.55 billion of GGP MPTC financing. No financial statements were required to be filed therewith.

The Company's Report on Form 8-K dated December 12, 2001 describing under Item 5 the Company's negotiations to acquire a multi-billion portfolio of real estate assets. No financial statements were required to be filed therewith.

The Company's Report on Form 8-K dated December 12, 2001 describing under Item 5 the issuance and sale of 9,200,000 shares of Common Stock of the Company. No financial statements were required to be filed therewith.

The Company's Report on Form 8-K dated December 14, 2001 describing under Item 5 the rejection of the Company's bid to acquire a multi-billion portfolio of real estate assets. No financial statements were required to be filed therewith.

(c) Exhibits.

See Exhibit Index on page S-1

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GENERAL GROWTH PROPERTIES, INC.

By: /s/ John Bucksbaum

John Bucksbaum,
Chief Executive Officer

March 14, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Matthew Bucksbaum		

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----- Matthew Bucksbaum	Chairman of the Board	March 14, 2002
 /s/ Robert Michaels ----- Robert Michaels	Director, President and Chief Operating Officer	March 14, 2002
 /s/ Bernard Freibaum ----- Bernard Freibaum	Executive Vice President, Chief Financial Officer and Principal Accounting Officer	March 14, 2002
 /s/ Anthony Downs ----- Anthony Downs	Director	March 14, 2002
 /s/ Morris Mark ----- Morris Mark	Director	March 14, 2002
 /s/ Beth Stewart ----- Beth Stewart	Director	March 14, 2002
 /s/ Alan Cohen ----- Alan Cohen	Director	March 14, 2002

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GENERAL GROWTH PROPERTIES, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND CONSOLIDATED FINANCIAL STATEMENT
SCHEDULE

The following consolidated financial statements and consolidated financial statement schedule are included in Item 8 of this Annual Report on Form 10-K:

General Growth Properties, Inc.

Financial Statements	Page(s)
Independent Auditors' Report	F-2
Independent Auditors' Report	F-3
Independent Auditors' Report	F-4
Report of Independent Accountants	F-5

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Consolidated Balance Sheets as of December 31, 2001 and 2000	F-6
Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2001, 2000 and 1999	F-7
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2001, 2000 and 1999	F-8, F-9
Consolidated Statements of Cash Flows for the years ended December 31, 2001, 2000 and 1999	F-10
Notes to Consolidated Financial Statements	F-11 to F-42
Financial Statement Schedule	
Independent Auditors' Report	F-43, F-44
Schedule III - Real Estate and Accumulated Depreciation	F-45

All other schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule or because the information required is included in the consolidated financial statements and related notes.

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Independent Auditors' Report

Board of Directors and Stockholders
General Growth Properties, Inc.

We have audited the accompanying consolidated balance sheet of General Growth Properties, Inc. (the "Company") as of December 31, 2001, and the related consolidated statements of operations and comprehensive income, stockholders' equity, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the consolidated financial statements of GGP/Homart, Inc. and GGP/Homart II L.L.C., the Company's investments in which are accounted for by use of the equity method. The Company's equity of \$223,650,000 in GGP/Homart, Inc. net assets and \$134,453,000 in GGP/Homart II L.L.C.'s net assets as of December 31, 2001 and of \$21,822,000 and \$23,995,00 in GGP/Homart, Inc. net income and GGP/Homart II L.L.C.'s net income, respectively, for the year then ended are included in the accompanying consolidated financial statements. The consolidated financial statements of GGP/Homart, Inc. and GGP/Homart II L.L.C. were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such companies, is based solely on the reports of such other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of

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the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of General Growth Properties, Inc. at December 31, 2001, and the consolidated results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 13 to the consolidated financial statements, the Company changed its method of accounting for derivative instruments and hedging activities in 2001.

Deloitte & Touche LLP

Chicago, Illinois
February 6, 2002
(March 3, 2002 as to Note 15)

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Independent Auditors' Report

The Stockholders
GGP/Homart, Inc:

We have audited the consolidated balance sheet of GGP/Homart, Inc. (a Delaware Corporation) and subsidiaries (the Company) as of December 31, 2001, and the related consolidated statements of income and comprehensive income, stockholders' equity and cash flows for the year then ended (not presented separately herein). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of GGP/Homart, Inc. and subsidiaries as of December 31, 2000 were audited by other auditors whose report dated January 26, 2001 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2001 consolidated financial statements referred to above present fairly, in all material respects, the financial position of GGP/Homart, Inc. and subsidiaries at December 31, 2001, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1, the Company changed its method of accounting for derivative instruments and hedging activities in 2001.

KPMG LLP

Chicago, Illinois

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January 30, 2002

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Independent Auditors' Report

The Members
GGP/Homart II L.L.C.:

We have audited the consolidated balance sheet of GGP/Homart II L.L.C. (a Delaware Limited Liability Company) and subsidiaries (the Company) as of December 31, 2001, and the related consolidated statements of income and comprehensive income, members' equity and cash flows for the year then ended (not presented separately herein). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of GGP/Homart II L.L.C. and subsidiaries as of December 31, 2000 were audited by other auditors whose report dated January 26, 2001 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2001 consolidated financial statements referred to above present fairly, in all material respects, the financial position of GGP/Homart II L.L.C. and subsidiaries at December 31, 2001, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1, the Company changed its method of accounting for derivative instruments and hedging activities in 2001.

KPMG LLP

Chicago, Illinois
January 30, 2002

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Report of Independent Accountants

To the Board of Directors and Stockholders
General Growth Properties, Inc.

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of operations and comprehensive income, of stockholders' equity and of cash flows present fairly, in all material respects, the financial position of General Growth Properties, Inc. at December 31, 2000, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America. These financial statements

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are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Chicago, Illinois
February 6, 2001

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GENERAL GROWTH PROPERTIES, INC. CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2001 AND 2000

(Dollars in thousands, except for per share amounts)

ASSETS -----	December 31	
	2001	2000
	-----	-----
Investment in real estate:		
Land	\$ 649,312	\$ 649,312
Buildings and equipment	4,379,143	3,900,000
Less accumulated depreciation	(624,986)	(488,000)
Developments in progress	57,436	12,000
	-----	-----
Net property and equipment	4,460,905	4,180,000
Investment in and loans from Unconsolidated Real Estate Affiliates	617,677	76,000
	-----	-----
Net investment in real estate	5,078,582	4,950,000
Cash and cash equivalents	160,755	2,000
Marketable securities	155,103	9,000
Tenant accounts receivable, net	93,043	10,000
Deferred expenses, net	100,313	10,000
Investment in and note receivable from General Growth Management, Inc.	-	6,000
Prepaid expenses and other assets	59,011	3,000
	-----	-----
	\$5,646,807	\$5,280,000
	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY -----		
Mortgage notes and other debt payable	\$3,398,207	\$3,240,000
Distributions payable	62,368	4,000
Network discontinuance reserve	5,161	18,000
Accounts payable and accrued expenses	104,826	18,000
	-----	-----
	3,570,562	3,470,000

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Minority interests:		
Redeemable Preferred Units	175,000	17
Common Units	380,359	35
	-----	-----
	555,359	53
	-	-
Commitments and contingencies		
Preferred stock: \$100 par value; 5,000,000 shares authorized; 345,000 designated as PIERS (Note 1) which are convertible and carry a \$1,000 liquidation value, 337,500 of which were issued and outstanding at December 31, 2001 and 2000	337,500	33
Stockholders' Equity:		
Common stock: \$.10 par value; 210,000,000 shares authorized; 61,923,932 and 52,281,259 shares issued and outstanding as of December 31, 2001 and 2000, respectively	6,192 1,523,213	1,21
Additional paid-in capital	(328,349)	(26
Retained earnings (deficit)	(19,890)	(
Notes receivable-common stock purchase	2,220	(
	-----	-----
Accumulated other comprehensive gains (losses)	1,183,386	93
	-----	-----
Total stockholders' equity	\$5,646,807	\$5,28
	=====	=====

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GENERAL GROWTH PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME

(Dollars in thousands, except for per share amounts)

		Year

		2001

Revenues:		
Minimum rents	\$	468,617
Tenant recoveries		221,850
Overage rents		22,849
Fees*		77,344
Other		13,049

Total revenues		803,709
Operating expenses:		
Real estate taxes		52,200
Management fees to affiliate		-
Property operating		234,235
Provision for doubtful accounts		3,402
General and administrative		6,006
Depreciation and amortization		145,352
Network discontinuance costs		66,000

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Total operating expenses	507,195
Operating income	296,514
Interest income	4,655
Interest expense	(214,277)
(Income) loss allocated to minority interests	(40,792)
Equity in income (loss) of unconsolidated affiliates	63,566
Income (loss) before gain on sales, extraordinary items and cumulative effect of accounting change	109,666
Gain on sales	-
Income (loss) before extraordinary items and cumulative effect of accounting change	109,666
Extraordinary items	(14,022)
Cumulative effect of accounting change	(3,334)
Net income (loss)	92,310
Convertible Preferred Stock Dividends (PIERS)	(24,467)
Net income (loss) available to common stockholders	\$ 67,843
Earnings (loss) before extraordinary items and cumulative effect of accounting change per share-basic	\$ 1.61
Earnings (loss) before extraordinary items and cumulative effect of accounting change per share-diluted	\$ 1.61
Earnings (loss) per share-basic	\$ 1.28
Earnings (loss) per share-diluted	\$ 1.28
Net income (loss)	\$ 92,310
Other comprehensive income (loss):	
Net unrealized gains (losses) on financial instruments, net of minority interest	2,389
Equity in unrealized income (loss) on available-for-sale securities of unconsolidated affiliate, net of minority interest	1,368
Comprehensive income (loss)	\$ 96,067

* Including \$45,079, \$6,957 and \$5,362 respectively from Unconsolidated Real Estate Affiliates

The accompanying notes are an integral part of these consolidated financial statements.

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GENERAL GROWTH PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in thousands, except for per share amounts)

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	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings (Deficit)	Employee Stock Loans
	-----	-----	-----	-----	-----
Balance, December 31, 1998	39,000,972	\$3,900	\$ 843,238	\$ (258,267)	\$ (3,164)
Net income				101,125	
Cash distributions declared (\$1.98 per share)				(90,590)	
Convertible Preferred Stock Dividends				(24,467)	
Issuance of common stock, net of \$1,929 of issuance costs	10,000,000	1,000	329,296		
Exercise of stock options, net of employee stock loans	60,000	6	1,134		(380)
Reduction in employee stock loans					
Conversion of operating partnership units to common stock					124
Conversion of interests in GGP/Homart to Common Stock	2,603,291	261	90,252		
Conversion of operating partnership units to common stock	33,162	3	519		
Other comprehensive loss of unconsolidated affiliate					
Adjustment for minority interest in operating partnership			(64,518)		
	-----	-----	-----	-----	-----
Balance, December 31, 1999	51,697,425	5,170	1,199,921	(272,199)	(3,420)
	-----	-----	-----	-----	-----
Net income				137,948	
Cash distributions declared (\$2.06 per share)				(107,367)	
Convertible Preferred Stock Dividends				(24,467)	
RPU issuance costs			(4,375)		
Conversion of operating partnership units to common stock	212,050	21	5,490		
Issuance of Common Stock, net of employee stock option loans	371,784	37	10,666		(6,029)
Other comprehensive gains of unconsolidated affiliate					
Adjustment for minority interest in operating partnership			(1,441)		

continued on next page

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GENERAL GROWTH PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in thousands, except for per share amounts)

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Balance, December 31, 2000	52,281,259	\$5,228	\$1,210,261	\$(266,085)	\$ (9,449)
Net income				92,310	
Cash distributions declared (\$2.36 per share)				(130,107)	
Convertible Preferred Stock Dividends				(24,467)	
Conversion of operating partnership units to common stock	21,212	2	575		
Issuance of Common Stock, net of employee stock option loans	9,621,461	962	357,824		(10,441)
Other comprehensive gains					
Adjustment for minority interest in operating partnership			(45,447)		
Balance, December 31, 2001	61,923,932	\$6,192	\$1,523,213	\$(328,349)	\$(19,890)

The accompanying notes are an integral part of these consolidated financial statements.

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GENERAL GROWTH PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands, except for per share amounts)

	2001	2000
	-----	-----
Cash flows from operating activities:		
Net Income	\$ 92,310	\$ 137,948
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interests	40,792	52,380
Extraordinary items	14,022	-
Cumulative effect of accounting change	3,334	-
Equity in net income of unconsolidated affiliates	(63,566)	(50,063)
Provision for doubtful accounts	3,402	2,025
Distributions received from unconsolidated affiliates	59,403	37,523
Depreciation	128,682	111,457
Amortization	24,196	15,232
Gain on sales	-	(44)
Net Changes:		
Tenant accounts receivable	15,810	(14,059)
Prepaid expenses and other assets	(821)	1,550
Increase in deferred expenses	(33,595)	(22,371)
Network discontinuance reserve	5,161	-
Accounts payable and accrued expenses	(82,005)	15,525
Net cash provided by (used in) operating activities	207,125	287,103
Cash flows from investing activities:		
Acquisition/development of real estate and improvements and additions to properties	(338,236)	(286,734)
Network and Broadband System additions	(47,037)	-

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Increase in investments in unconsolidated affiliates	(23,229)	(91,663)
Increase in mortgage note receivable	-	-
Change in notes receivable from General Growth Management, Inc.	-	(2,406)
Reduction in employee stock loans	-	-
Distributions received from unconsolidated affiliates	101,243	23,889
Loans from unconsolidated affiliates	94,996	-
Increase in investments in marketable securities	(155,103)	-
	-----	-----
Net cash provided by (used in) investing activities	(367,366)	(356,914)
	-----	-----
Cash flows from financing activities:		
Cash distributions paid to common stockholders	(117,585)	(106,103)
Cash distributions paid to minority interests	(43,854)	(40,333)
Cash distributions paid to holders of RPU's	(15,663)	(6,091)
Payment of dividends on PIERS	(24,467)	(24,467)
Proceeds from sale of common stock, net of issuance costs	348,346	4,674
Proceeds from issuance of RPU's, net of issuance costs	-	170,625
Proceeds from issuance of mortgage and other debt payable	2,137,667	360,301
Principal payments on mortgage notes and other debt payable	(1,983,586)	(282,301)
Increase in deferred expenses	(7,091)	(4,858)
	-----	-----
Net cash provided by (used in) financing activities	293,767	71,447
	-----	-----
Net change in cash and cash equivalents	133,526	1,636
Cash and cash equivalents at beginning of period	27,229	25,593
	-----	-----
Cash and cash equivalents at end of period	\$ 160,755	\$ 27,229
	=====	=====
Supplemental disclosure of cash flow information:		
Interest paid	\$ 211,319	\$ 222,711
Interest capitalized	16,272	17,709
	=====	=====
Non-cash investing and financing activities:		
Common stock issued in exchange for Operating Partnership Units	\$ 577	\$ 5,511
Common stock issued in exchange for GGP/Homart stock	-	-
Contribution of property, other assets and related debt, net to GGP/Homart II	-	-
Notes receivable issued for exercised stock options	10,441	7,149
Assumption and conversion of notes in conjunction with acquisition of property	8,207	77,657
Operating Partnership Units and common stock issued as consideration for purchase of real estate	-	215
Penalty on retirement of debt	-	-
Distributions payable	62,368	47,509
Acquisition of GGMI	66,079	-

The accompanying notes are an integral part of these consolidated financial statements.

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(Dollars in thousands, except for per share amounts)

NOTE 1 ORGANIZATION General

General Growth Properties, Inc., a Delaware corporation ("General Growth"), was formed in 1986 to own and operate regional mall shopping centers. All references to the "Company" in these notes to Consolidated Financial Statements include General Growth and those entities owned or controlled by General Growth (including the Operating Partnership and the LLC as described below), unless the context indicates otherwise. On April 15, 1993, General Growth completed its initial public offering and a business combination involving entities under varying common ownership. Proceeds from the initial public offering were used to acquire a majority interest in GGP Limited Partnership (the "Operating Partnership") which was formed to succeed to substantially all of the interests in regional mall general partnerships owned and controlled by the Company and its original stockholders. The Company conducts substantially all of its business through the Operating Partnership.

During December 2001, General Growth completed a public offering of 9,200,000 shares of Common Stock (the "2001 Offering"). General Growth received net proceeds of approximately \$345,000 which was used to reduce outstanding indebtedness and increase working capital.

On January 1, 2001, the Operating Partnership acquired for nominal cash consideration 100% of the common stock of General Growth Management, Inc. ("GGMI"). In connection with the acquisition, the GGMI preferred stock owned by the Operating Partnership was cancelled and approximately \$40,000 of the outstanding loans owed by GGMI to the Operating Partnership were contributed to the capital of GGMI. The operations of GGMI have been fully consolidated with the Company as of and for the year ended December 31, 2001. This transaction was accounted for as a purchase. In addition, the Operating Partnership and GGMI concurrently terminated the management contracts for the Wholly-Owned Centers (as defined below) as the management activities would thereafter be performed directly by the Company. GGMI has continued to manage, lease, and perform various other services for the Unconsolidated Centers (as defined below) and other properties owned by unaffiliated third parties. During 2001, the Company elected that GGMI be treated as a taxable REIT subsidiary (a "TRS") as permitted under the Tax Relief Extension Act of 1999.

Effective January 1, 2000, General Growth established a Dividend Reinvestment and Stock Purchase Plan ("DRSP"). General Growth has reserved for issuance up to 1,000,000 shares of Common Stock for issuance under the DRSP. The DRSP allows, in general, participants in the plan to make purchases of Common Stock from dividends received or additional cash investments. Although the purchase price of the Common Stock is determined by the current market price, the purchases will be made without fees or commissions. General Growth has and will satisfy DRSP Common Stock purchase needs through the issuance of new shares of Common Stock or by repurchases of currently outstanding Common Stock. As of December 31, 2001 an aggregate of 54,981 shares of Common Stock have been issued under the DRSP.

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During July 1999, General Growth completed a public offering of 10,000,000 shares of Common Stock (the "1999 Offering"). General Growth received net proceeds of approximately \$330,296 of which a portion was used to reduce outstanding loans including certain indebtedness to affiliates of the underwriter of the 1999 Offering. In addition, a portion of the proceeds of the 1999 Offering was used to fund a portion of the purchase price of Ala Moana Center (Note 3).

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

Redeemable Preferred Stock

During June 1998, General Growth completed a public offering of 13,500,000 depositary shares (the "Depositary Shares"), each representing 1/40 of a share of 7.25% Preferred Income Equity Redeemable Stock, Series A, par value \$100 per share ("PIERS"). The Depositary Shares are convertible at any time, at the option of the holder, into shares of Common Stock at the conversion price of \$39.70 per share of Common Stock. On or after July 15, 2003, General Growth has the option to redeem the PIERS and the Depositary Shares at the rate of .6297 shares of Common Stock per Depositary Share if the closing price of the Common Stock exceeds \$45.65 per share for 20 trading days within any period of 30 consecutive trading days. In addition, the PIERS have a preference on liquidation of General Growth equal to \$1,000 per PIERS (equivalent to \$25.00 per Depositary Share), plus accrued and unpaid dividends, if any, to the liquidation date. The PIERS and the Depositary Shares are subject to mandatory redemption by General Growth on July 15, 2008 at a price of \$1,000 per PIERS, plus accrued and unpaid dividends, if any, to the redemption date. Accordingly, the PIERS have been reflected in the accompanying consolidated financial statements at such liquidation or redemption value.

Shareholder Rights Plan

In November 1998, General Growth adopted a shareholder rights plan (the "Plan"), pursuant to which General Growth declared a dividend of one preferred share purchase right (a "Right") for each outstanding share of Common Stock outstanding on December 10, 1998 to the shareholders of record on that date. A Right is also attached to subsequently issued share of Common Stock. Prior to becoming exercisable, the Rights trade together with the Common Stock. In general, the Rights will become exercisable if a person or group acquires or announces a tender or exchange offer for 15% or more of the Common Stock. Each Right will initially entitle the holder to purchase from General Growth one one-thousandth of a share of newly-created Series A Junior Participating Preferred Stock, par value \$100 per share (the "Preferred Stock"), at an exercise price of \$148 per one one-thousandth of a share, subject to adjustment. In the event that a person or group acquires 15% or more of the

Common Stock, each Right will entitle the holder (other than the acquirer) to purchase shares of Common Stock (or, in certain circumstances, cash or other securities) having a market value of twice the exercise price of a Right at such time. Under certain circumstances, each Right will entitle the holder (other than the acquirer) to purchase common stock of the acquirer having a market value of twice the exercise price of a Right at such time. In addition, under certain circumstances, the Board of Directors of General Growth may exchange each Right (other than those held by the acquirer) for one share of Common Stock, subject to adjustment. If the Rights become exercisable, holders of units of partnership interest in the Operating Partnership, other than General Growth, will receive the number of Rights they would have received if their units had been redeemed and the purchase price paid in Common Stock. The Rights expire on November 18, 2008, unless earlier redeemed by the General Growth Board of Directors for \$0.01 per Right or such expiration date is extended.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

Operating Partnership

The Operating Partnership commenced operations on April 15, 1993 and as of December 31, 2001, it owned 100% of fifty-four regional shopping centers (the "Wholly-Owned Centers"); 50% of the common stock of GGP/Homart, Inc. ("GGP/Homart"), 50% of the membership interests in GGP/Homart II, L.L.C. ("GGP/Homart II"), 51% of the common stock of GGP Ivanhoe, Inc. ("GGP Ivanhoe"), 51% of the common stock of GGP Ivanhoe III, Inc. ("GGP Ivanhoe III"), 50% of Quail Springs Mall and Town East Mall, and a 50% general partnership interest in Westlake Retail Associates, Ltd. ("Circle T") (collectively, the "Unconsolidated Real Estate Affiliates"), and a 100% common stock interest in GGMI. As of such date, GGP/Homart owned interests in twenty-three shopping centers, GGP/Homart II owned interests in eight shopping centers, GGP Ivanhoe owned 100% of two shopping centers, and GGP Ivanhoe III (through certain wholly-owned subsidiaries) owned 100% of eight shopping centers, collectively, with Quail Springs Mall and Town East Mall, the "Unconsolidated Centers". Circle T is currently developing a regional mall (in Dallas, Texas) and as it is not yet operational has been excluded from the definition of Unconsolidated Centers (see Notes 3 & 4). Together, the Wholly-Owned Centers and the Unconsolidated Centers comprise the "Company Portfolio" or the "Portfolio Centers".

During May 2000, the Operating Partnership formed GGPLP L.L.C., a Delaware limited liability company (the "LLC") by contributing its interest in a portfolio of 44 Wholly-Owned regional shopping centers to the LLC in exchange for all of the common units of membership interest in the LLC. On May 25, 2000, a total of 700,000 redeemable preferred units of membership interest in the LLC (the "RPUs") were issued to

an institutional investor by the LLC, which yielded approximately \$170,625 in net proceeds to the Company. The net proceeds from the sale of the RPU's were used to repay a portion of the Company's unsecured debt. Holders of the RPU's are entitled to receive cumulative preferential cash distributions per RPU (payable quarterly commencing July 15, 2000) at a per annum rate of 8.95% of the \$250 liquidation preference thereof (or \$5.59375 per quarter) prior to any distributions by the LLC to the Operating Partnership. Subject to certain limitations, the RPU's may be redeemed at the option of the LLC at any time on or after May 25, 2005 for cash equal to the liquidation preference amount plus accrued and unpaid distributions and may be exchanged at the option of the holders of the RPU's on or after May 25, 2010 for an equivalent amount of a newly created series of redeemable preferred stock of General Growth. Such preferred stock would provide for an equivalent 8.95% annual preferred distribution and would be redeemable at the option of General Growth for cash equal to the liquidation preference amount plus accrued and unpaid distributions. The RPU's have been reflected in the accompanying consolidated financial statements as a component of minority interest at the current total liquidation preference amount of \$175,000.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

As of December 31, 2001, the Company owned an approximate 76% general partnership interest in the Operating Partnership (excluding its preferred units of partnership interest as discussed below). The remaining approximate 24% minority interest in the Operating Partnership is held by limited partners that include trusts for the benefit of the families of the original stockholders who initially owned and controlled the Company and subsequent contributors of properties to the Company. These minority interests are represented by common units of limited partnership interest in the Operating Partnership (the "Units"). The Units can be redeemed at the option of the holders for cash or, at General Growth's election with certain restrictions, for shares of Common Stock on a one-for-one basis. The holders of the Units also share equally with General Growth's common stockholders on a per share basis in any distributions by the Operating Partnership on the basis that one Unit is equivalent to one share of Common Stock.

In connection with the issuance of the Depositary Shares and in order to enable General Growth to comply with its obligations with respect to the PIERS, the Operating Partnership Agreement was amended to provide for the issuance to General Growth of preferred units of limited partnership interest (the "Preferred Units") in the Operating Partnership which have rights, preferences and other privileges, including distribution, liquidation, conversion and redemption rights, that mirror those of the PIERS. Accordingly, the Operating Partnership is required to make all required distributions on the Preferred Units prior

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to any distribution of cash or assets to the holders of the Units. At December 31, 2001, 100% of the Preferred Units of the Operating Partnership (337,500) were owned by General Growth.

Changes in outstanding Operating Partnership Units (excluding the Preferred Units) for the three years ended December 31, 2001, are as follows:

	Units

December 31, 1998	19,831,354
Conversion to common stock	(33,162)

December 31, 1999	19,798,192
Acquisition of outparcel at Greenwood Mall	7,563
Conversion to common stock	(212,050)

December 31, 2000	19,593,705
Conversion to common stock	(21,212)

December 31, 2001	19,572,493
	=====

Business Segment Information

The Financial Accounting Standards Board (the "FASB") issued Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("Statement 131") in June of 1997. Statement 131 requires disclosure of certain operating and financial data with respect to separate business activities within an enterprise. The primary business of General Growth and its consolidated affiliates is the owning and operation of shopping centers. General Growth evaluates operating results and allocates resources on a property-by-property basis. General Growth does not distinguish or group its consolidated operations on a geographic basis. Accordingly, General Growth has concluded it currently has a single reportable segment for Statement 131 purposes. Further, all operations are within the United States and no customer or tenant comprises more than 10% of consolidated revenues.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	Principles of Consolidation
	The accompanying consolidated financial statements include the accounts of the Company consisting of the fifty-four centers and the unconsolidated investments in GGP/Homart, GGP/Homart II, GGP Ivanhoe, GGP Ivanhoe III, Circle T, Quail Springs Mall, and Town East Mall and, until the acquisition

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of its common stock by the Operating Partnership in January 2001 as discussed above, GGMI. All significant intercompany balances and transactions have been eliminated.

Revenue Recognition

Minimum rent revenues are recognized on a straight-line basis over the terms of the related leases. As of December 31, 2001, approximately \$49,027 has been recognized as straight-line rents receivable (representing the current net cumulative rents recognized prior to when billed and collectible as provided by the terms of the leases), all of which is included in tenant accounts receivable, net in the accompanying consolidated financial statements. Overage rents are recognized on an accrual basis once tenant sales revenues exceed contractual tenant lease thresholds. Recoveries from tenants for taxes, insurance and other shopping center operating expenses are recognized as revenues in the period the applicable costs are incurred. Fee income primarily represents GGMI management and leasing fees in 2001 due to the consolidation of GGMI and, in 2000 and 1999, financing fees and other ancillary services performed by the Company for the benefit of its Unconsolidated Real Estate Affiliates. Management and leasing fees of GGMI are recognized as services are rendered.

The Company provides an allowance for doubtful accounts against the portion of accounts receivable which is estimated to be uncollectible. Such allowances are reviewed periodically based upon the recovery experience of the Company. Accounts receivable in the accompanying consolidated balance sheets are shown net of an allowance for doubtful accounts of \$5,523 and \$7,665 as of December 31, 2001 and 2000, respectively.

Cash And Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The cash and cash equivalents of the Company are held at two financial institutions.

Deferred Expenses

Deferred expenses consist principally of financing fees which are amortized over the terms of the respective agreements and leasing commissions which are amortized over the average life of the tenant leases. Deferred expenses in the accompanying consolidated balance sheets are shown at cost, net of accumulated amortization of \$61,282 and \$52,240 as of December 31, 2001 and 2000, respectively.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

Financial Investments

Statement No. 107, Disclosure about the Fair Value of Financial Instruments, ("SFAS No. 107"), issued by the Financial Accounting Standards Board ("FASB"), requires the disclosure of the fair value of the Company's financial instruments for which it is practicable to estimate that value, whether or not such instruments are recognized in the consolidated balance sheets. SFAS No. 107 does not apply to all balance sheet items and the Company has utilized market information as available or present value techniques to estimate the amounts required to be disclosed. Since such amounts are estimates, there can be no assurance that the disclosed value of any financial instrument could be realized by immediate settlement of the instrument. The Company considers the carrying value of its cash and cash equivalents to approximate the fair value due to the short maturity of these investments. Based on borrowing rates available to the Company at the end of 2001 and 2000 for mortgage loans with similar terms and maturities, the fair value of the mortgage notes and other debts payable approximates carrying value at December 31, 2001 and 2000. In addition, the Company estimates that the fair value of its interest rate cap and swap agreements (Note 5) related to consolidated debt at December 31, 2001 is approximately \$3,487.

The Company has purchased approximately \$155,100 of marketable securities (bearing interest at a weighted average annual rate of LIBOR (1.88% at December 31, 2001) plus 103 basis points and having a weighted average maturity of approximately 3.63 years). Such securities are classified as available-for-sale securities and have been recorded at cost which approximates market value at December 31, 2001. Such securities represent a portion of the commercial mortgage pass-through certificates issued in December 2001 as more fully described in Note 5. In addition, the Company has certain derivative financial instruments as described in Notes 5 and 13.

Acquisitions

Acquisitions of properties are accounted for utilizing the purchase method and, accordingly, the results of operations are included in the Company's results of operations from the respective dates of acquisition. The Company has financed the acquisitions through a combination of secured and unsecured debt, issuance of Operating Partnership Units and the proceeds of the public offerings of Depositary Shares and Common Stock as described in Note 1.

Properties

Real estate assets are stated at cost. Interest and real estate taxes incurred during construction periods are capitalized and amortized on the same basis as the related assets. For redevelopment of existing operating properties, the net book value of the existing property under redevelopment plus the cost for the construction and improvements incurred in connection with the redevelopment are capitalized to the extent the capitalized costs of the property do not exceed the estimated fair value of the redeveloped property when complete. The real estate assets

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of the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. A real estate asset is considered to be impaired when the estimated future undiscounted operating cash flow is less than its carrying value. To the extent an impairment has occurred, the excess of carrying value of the asset over its estimated fair value will be charged to operations. Depreciation expense is computed using the straight-line method based upon the following estimated useful lives:

	Years

Buildings and improvements	40
Equipment and fixtures	10

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

Construction allowances paid to tenants are capitalized and depreciated over the average lease term. Maintenance and repairs are charged to expense when incurred. Expenditures for significant betterments and improvements are capitalized.

Investments In Unconsolidated Affiliates

The Company accounts for its investments in unconsolidated affiliates using the equity method whereby the cost of an investment is adjusted for the Company's share of equity in net income or loss from the date of acquisition and reduced by distributions received. The Company generally shares in the profit and losses, cash flows and other matters relating to its unconsolidated affiliates in accordance with its respective ownership percentages. However, due to unpaid and accrued preferences on the GGMI preferred stock as described in Note 4, the Company was entitled to 100% of the earnings (loss) and cash flows generated by GGMI in 2000 and 1999. As of January 1, 2001, GGMI has been consolidated due to the acquisition of its common stock as discussed above. In addition, the differences between the Company's carrying value of its investment in the unconsolidated affiliates and the Company's share of the underlying equity of such unconsolidated affiliates (approximately \$130,752 and \$149,774 at December 31, 2001 and 2000, respectively) are amortized over lives ranging from five to forty years. Further, any advances to or loans (see Note 5) from the Unconsolidated Real Estate Affiliates (loans equal approximately \$94,996 and zero at December 31, 2001 and 2000, respectively) have been included in the balance of the Company's investments in Unconsolidated Affiliates.

Income Taxes

General Growth elected to be taxed as a real estate investment trust under sections 856-860 of the Internal

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Revenue Code of 1986 (the "Code"), commencing with its taxable year beginning January 1, 1993. In order to qualify as a real estate investment trust, General Growth is required to distribute at least 90% of its ordinary taxable income and to distribute to stockholders or pay tax on 100% of capital gains to stockholders and to meet certain asset and income tests as well as certain other requirements. As a real estate investment trust, General Growth will generally not be liable for Federal income taxes, provided it satisfies the necessary requirements. Accordingly, the consolidated statements of operations do not reflect a provision for income taxes. State income taxes are not significant.

One of the Company's subsidiaries, GGMI, is a taxable corporation and accordingly, state and Federal income taxes on its net taxable income are payable by GGMI. GGMI has recognized a benefit provided for income taxes on its separate financial records in the amount of \$0, \$1,002 and \$4,178 for 2001, 2000 and 1999, respectively. The net deferred tax asset (liability), net of a valuation allowance of \$11,649 at December 31, 2001 was approximately \$5,133 which was primarily comprised of net operating loss carry-forwards. At December 31, 2001, the Company has concluded that it was more likely than not that this net deferred tax asset will be realized in future periods.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

Earnings Per Share ("EPS")

Basic per share amounts are based on the weighted average of common shares outstanding of 52,844,821 for 2001, 52,058,320 for 2000 and 45,940,104 for 1999. Diluted per share amounts are based on the total number of weighted average common shares and dilutive securities (stock options) outstanding of 52,906,549 for 2001, 52,096,331 for 2000 and 46,030,559 for 1999. The effect of the issuance of the PIERS is anti-dilutive with respect to the Company's calculation of diluted earnings per share for the years ended December 31, 2001, 2000 and 1999 and therefore has been excluded. However, certain options outstanding were not included in the computation of diluted earnings per share either because the exercise price of the options was higher than the average market price of the Common Stock for the applicable periods and therefore, the effect would be anti-dilutive or because the conditions which must be satisfied prior to the issuance of any such shares were not achieved during the applicable periods. The outstanding Units have been excluded from the diluted earnings per share calculation as there would be no effect on the EPS amounts since the minority interests' share of income would also be added back to net income.

The following are the reconciliations of the numerators and denominators of the basic and diluted EPS:

	Years ended Decemb	
	2001	2000
	-----	-----
Numerators:		
Income before extraordinary items and cumulative effect of accounting change	\$ 109,666	\$ 137,948
Dividends on PIERS	(24,467)	(24,467)
	-----	-----
Income available to common stockholders before extraordinary items and cumulative effect of accounting change - for basic and diluted EPS	85,199	113,481
Extraordinary items	(14,022)	-
Cumulative effect of accounting change	(3,334)	-
	-----	-----
Net income available to common stockholders - for basic and diluted EPS	\$ 67,843	\$ 113,481
	=====	=====
Denominators:		
Weighted average common shares outstanding (in thousands) - for basic EPS	52,845	52,058
Effect of dilutive securities - options	62	38
	-----	-----
Weighted average common shares outstanding (in thousands) - for diluted EPS	52,907	52,096
	=====	=====

Minority Interest

Income is allocated to the limited partners (the "Minority Interest") based on their ownership percentage of the Operating Partnership. The ownership percentage is determined by dividing the numbers of Operating Partnership Units held by the Minority Interest by the total Operating Partnership Units (excluding Preferred Units) outstanding. The issuance of additional shares of Common Stock or Operating Partnership Units changes the percentage ownership of both the Minority Interest and the Company. Since a Unit is generally redeemable for cash or Common Stock at the option of the Company, it may be deemed to be equivalent to a common share. Therefore, such transactions are treated as capital transactions and result in an allocation between stockholders' equity and Minority Interest in the accompanying consolidated balance sheets to account for the change in the ownership of the underlying equity in the Operating Partnership.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

Comprehensive Income

Statement of Financial Accounting Standards No. 130 "Reporting

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Comprehensive Income" requires that the Company disclose comprehensive income in addition to net income. Comprehensive income is a more inclusive financial reporting methodology that encompasses net income and all other changes in equity except those resulting from investments by and distributions to equity holders. Included in comprehensive income but not net income is unrealized holding gains or losses on marketable securities classified as available-for-sale and unrealized gains or losses on financial instruments designated as cash flow hedges (Note 13). In addition, one of the Company's unconsolidated affiliates received common stock of a large publicly-traded real estate company as part of a 1998 transaction. Unrealized holding gains or losses on such securities through December 31, 1998 were not significant and were not reflected. However, during 1999 the Company reduced its carrying amount for its investment in such unconsolidated affiliate by \$2,436 and reflected \$1,714 as other comprehensive loss, net of minority interest of \$722, as its equity in such unconsolidated affiliate's cumulative unrealized holding loss on such securities. For the year ended December 31, 2000 there were holding gains on such securities of \$177, net of minority interest of \$67 which were recorded. During 2001, portions of the Company's holdings of the stock were sold and the cumulative previously unrealized losses for the stock sold were reversed. For the year ended December 31, 2001, there were additional unrealized holdings gains of approximately \$3,757, net of minority interest of \$1,392, primarily related to financial instruments.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. For example, significant estimates and assumptions have been made with respect to useful lives of assets, capitalization of development and leasing costs, recoverable amounts of receivables and deferred taxes and amortization periods of deferred costs and intangibles. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2000 and 1999 consolidated financial statements have been reclassified to conform to the current year presentation.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

NOTE 3 PROPERTY Wholly-Owned Properties
ACQUISITIONS AND
DEVELOPMENTS

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2001

During April 2001, GGP-Tucson Mall, L.L.C., a wholly-owned subsidiary of the Operating Partnership ("GGP-Tucson"), agreed to advance \$20,000 to an unaffiliated developer in the form of a secured promissory note (bearing interest at 8% per annum) collateralized by such developer's ownership interest in Tucson Mall, a 1.3 million square foot enclosed regional mall in Tucson, Arizona. The promissory note was payable interest only and was due on demand. GGP-Tucson had also entered into an option agreement to purchase Tucson Mall from such developer and its co-tenants in title to the property. On August 15, 2001, the promissory note was repaid in conjunction with GGP-Tucson's completion of its acquisition of Tucson Mall pursuant to the option agreement. The aggregate consideration paid by GGP-Tucson for Tucson Mall was approximately \$180,000 (subject to prorations and to certain adjustments and payments to be made by GGP-Tucson). The consideration was paid in the form of cash borrowed under the Operating Partnership's revolving line of credit and an approximately \$150,000 short-term floating rate acquisition loan which was scheduled to mature in December 2001 but was refinanced in December 2001 as further discussed in Note 5.

2000

During September 1999, St. Cloud Funding, L.L.C., a wholly-owned subsidiary of the Operating Partnership ("St. Cloud Funding"), agreed to advance approximately \$31,000 to an unaffiliated developer in the form of a second mortgage loan (bearing interest at 15% per annum) collateralized by such developer's ownership interest in Crossroads Center in St. Cloud (Minneapolis), Minnesota. Contemporaneously with the loan, St. Cloud Mall L.L.C., all of the interests of which are owned by the Company ("St. Cloud Mall"), was granted an option to acquire the property in 2002. The loan had a scheduled maturity of June 1, 2004 which was accelerated in February 2000 to April 28, 2000. In conjunction with the maturity date modification, a put option agreement was executed which would permit the borrower (after March 15, 2000) to require St. Cloud Mall to purchase the property. In addition, St. Cloud Mall's purchase option was advanced to April 2000. On March 15, 2000, the borrower notified St. Cloud Mall of the exercise of the put option. Pursuant to the put option agreement, on April 26, 2000, St. Cloud Mall purchased the property at a price equal to approximately \$2,000 plus the assumption of the first mortgage (approximately \$46,600) and St. Cloud Funding's second mortgage.

1999

On January 11, 1999, the Company acquired a 100% ownership interest in The Crossroads Mall in Kalamazoo, Michigan. The aggregate purchase price was approximately \$68,000 (subject to pro-rations and certain adjustments), which was funded initially from a new \$83,655 short-term floating rate interim loan. In May 1999, a new \$45,000 ten-year non-recourse mortgage loan collateralized by the property was obtained.

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On July 30, 1999, the Company acquired a 100% ownership interest in the Ala Moana Center in Honolulu, Hawaii. The price paid to the seller was \$810,000 (before closing adjustments, including a credit for the cost to complete an ongoing expansion project), and was funded with the proceeds of a short-term first mortgage loan of approximately \$438,000 and approximately \$294,000 in cash including a portion of the net proceeds from the 1999 Offering. The short-term floating rate loan was fully repaid on August 26, 1999 with the proceeds of the issuance of the Ala Moana CMBS described in Note 5.

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GENERAL GROWTH PROPERTIES, INC.
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On October 28, 1999, the Company acquired Baybrook Mall in Houston, Texas. The aggregate consideration paid by the Company was approximately \$133,000 (subject to pro-rations and certain adjustments), which was paid in cash (raised primarily through new long-term financing on other previously unsecured properties), and a new 10-year \$95,000 non-recourse loan.

Developments

During the three year period ended December 31, 2001, the Company was developing or had completed construction at the following three development sites: Grandville (Grand Rapids), Michigan; Frisco (Dallas), Texas and Westlake (Dallas), Texas. Construction of the Grandville (Grand Rapids) mall (RiverTown Crossings) commenced in 1997 and opened in November 1999. Construction of Stonebriar Centre, currently owned by GGP/Homart II, located in Frisco (Dallas), Texas commenced in 1998 and opened in August 2000. The Westlake construction project, owned by the Circle T joint venture discussed below, commenced in 2001 and is scheduled to be completed in late 2004.

The Company has an ongoing program of renovations and expansions at its properties including significant projects currently under construction or recently completed at the Park Mall in Tucson, Arizona; Eden Prairie Mall in Eden Prairie (Minneapolis), Minnesota; Southwest Plaza in Littleton, Colorado, and Knollwood Mall in St. Louis Park (Minneapolis), Minnesota. In addition, during 2000 the Company had commenced construction of an integrated broadband distribution system that would provide tenants at its properties with a private wide-area network as well as supporting applications and equipment (the "Broadband System"). The Company initially financed the majority of these network costs by fixed-rate intermediate term equipment financing which was repaid in December 2001 with a portion of the proceeds of the 2001 Offering. (See Note 11).

During 1999, the Company formed the Circle T joint venture to develop a regional mall in Westlake (Dallas), Texas as further described in Note 4 below. As of December 31, 2001,

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the Company had invested approximately \$16,200 in the joint venture. The Company is currently obligated to fund additional pre-development costs of approximately \$800. Actual development costs are not finalized or committed but are anticipated to be funded from a construction loan that is expected to be obtained. The retail site, part of a planned community which is expected to contain a resort hotel, a golf course, luxury homes and corporate offices, is currently planned to contain up to 1.3 million square feet of tenant space including up to six anchor stores, an ice rink and a multi-screen theater. A late 2004 opening is currently scheduled.

The Company also owns and/or is investigating certain other potential development sites (representing a net investment of approximately \$19,300), including sites in Toledo, Ohio; West Des Moines, Iowa; and South Sacramento, California but there can be no assurance that development of these sites will proceed.

NOTE 4 INVESTMENTS IN UNCONSOLIDATED

GGP/Homart

AFFILIATES The Company owns 50% of the common stock of GGP/Homart with the remaining ownership interest held by the New York State Common Retirement Fund ("NYSCRF"), an institutional investor. GGP/Homart has elected to be taxed as a REIT. The Company's co-investor in GGP/Homart has an exchange right under the GGP/Homart Stockholders Agreement, which permits it to convert its ownership interest in GGP/Homart to shares of Common Stock of General Growth. If such exchange right is exercised, the Company may alternatively satisfy such exchange in cash.

GENERAL GROWTH PROPERTIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, except for per share amounts)

In early 1999, the Company received notice that an institutional investor (which then owned an approximate 4.7% interest in GGP/Homart) desired to exercise its exchange right. The Company satisfied the exercise of such exchange right (effective as of January 1, 1999) by issuing 1,052,182 shares of Common Stock, thereby increasing its ownership interest in GGP/Homart from approximately 38.2% in 1998 to approximately 42.9% for the first quarter of 1999. During the second quarter of 1999, two other co-investors (which then owned in the aggregate an approximate 7.1% interest in GGP/Homart) notified the Company that they desired to exercise their exchange rights. The Company satisfied the exercise of such exchange rights (effective as of April 1, 1999) by issuing an aggregate of 1,551,109 shares of Common Stock, thereby increasing its ownership interest in GGP/Homart to 50%.

GGP/Homart II

In November 1999, the Company, together with NYSCRF, the Company's co-investor in GGP/Homart, formed GGP/Homart II, a Delaware limited liability company which is owned equally by the Company and NYSCRF. GGP/Homart II owns 100% interests in

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Stonebriar Centre in Frisco (Dallas), Texas, Altamonte Mall in Altamonte Springs (Orlando), Florida, Natick Mall in Natick (Boston), Massachusetts and Northbrook Court in Northbrook (Chicago), Illinois which were contributed by the Company; and 100% interests in Alderwood Mall in Lynnwood (Seattle), Washington; Carolina Place in Charlotte, North Carolina; and Montclair Plaza in Los Angeles, California which were contributed by NYSCRF. Certain of the malls were contributed subject to existing financing in order to balance the net equity values of the malls contributed by each of the venture partners. During March 2001, GGP/Homart II acquired a 100% ownership interest in Willowbrook Mall in Houston, Texas for a purchase price of approximately \$145,000. GGP/Homart II financed the Willowbrook acquisition with a new \$102,000 10-year mortgage loan bearing interest at 6.93% per annum and approximately \$43,000 in financing proceeds from a new mortgage loan collateralized by the Stonebriar Center. According to the membership agreement between the venture partners, the Company and its joint venture partner share in the profits and losses, cash flows and other matters relating to GGP/Homart II in accordance with their respective ownership percentages.

GGP Ivanhoe III

As of June 30, 1998, GGP Ivanhoe III acquired the U.S. Prime Property, Inc. ("USPPI") portfolio through a merger of a wholly-owned subsidiary of GGP Ivanhoe III into USPPI. The common stock of GGP Ivanhoe III is owned 51% by the Company and 49% by an affiliate of Ivanhoe Cambridge Inc. of Montreal, Quebec, Canada ("Ivanhoe"). GGP Ivanhoe III has elected to be taxed as a REIT. The aggregate consideration paid pursuant to the merger agreement was approximately \$625,000. The acquisition was financed with a \$392,000 acquisition loan bearing interest at LIBOR plus 90 basis points which became due July 1, 1999, (subsequently extended and repaid in September 1999 as described below) and capital contributions from the Company and Ivanhoe in proportion to their respective stock ownership. Pursuant to the GGP Ivanhoe III stockholders' agreement, the Company initially contributed approximately \$91,290 to GGP Ivanhoe III (less certain interest and other credits). The Company's capital contributions were funded primarily with borrowing under the Company's Credit Facility. The properties acquired include: Landmark Mall in Alexandria, Virginia; Mayfair Mall and adjacent office buildings in Wauwatosa (Milwaukee), Wisconsin; Meadows Mall in Las Vegas, Nevada; Northgate Mall in Chattanooga, Tennessee; Oglethorpe Mall in Savannah, Georgia; and Park City Center in Lancaster, Pennsylvania.

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GENERAL GROWTH PROPERTIES, INC.
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Effective as of September 28, 1999, GGP Ivanhoe III acquired, through its wholly-owned subsidiary, Oak View Mall in Omaha, Nebraska from an unrelated third party. In addition, on December 22, 1999, GGP Ivanhoe III acquired

Eastridge Shopping Center in San Jose, California. The aggregate purchase price for the two properties was approximately \$160,000. A portion of the purchase price was financed with an \$83,000 ten-year mortgage loan, collateralized by the Oak View Mall which bears interest at 7.71% per annum (and requires monthly payments of principal and interest based upon a 30-year amortization schedule). The remainder of the purchase price was funded by capital contributions from the Company and Ivanhoe in proportion to their respective stock ownership in GGP Ivanhoe III and short-term floating-rate loans of approximately \$30,000 which were repaid or refinanced in 2001. The Company's capital contributions were funded primarily from proceeds from the Company's Credit Facility.

On September 30, 1999, GGP Ivanhoe III repaid the \$392,000 acquisition loan with its allocated portion of the proceeds of the issuance of commercial mortgage-backed securities as described in Note 5 and capital contributions of approximately \$26,000 and \$25,000 from each of the Company and Ivanhoe, respectively. In conjunction with the repayment, GGP Ivanhoe III expensed previously unamortized deferred financing costs, the Company's share of which (approximately \$1,799) has been reflected as an extraordinary item for the year ended December 31, 1999.

In conjunction with the GGP MPTC financing as defined and described in Note 5, GGP Ivanhoe III entered into an interest rate swap agreement with the Operating Partnership. The swap agreement effectively converts approximately \$91,933 of GGP Ivanhoe III debt bearing interest at a weighted average fixed rate of 5.33% per annum which was obtained in the GGP MPTC transaction to variable rate debt bearing interest at a weighted average rate per annum of LIBOR plus 110 basis points as Ivanhoe desired only variable rate debt. The swap agreement qualifies as a cash flow hedge for the Operating Partnership and a fair value hedge for GGP Ivanhoe III.

The joint venture partner in GGP Ivanhoe III is also the Company's joint venture partner in GGP Ivanhoe (described below). The Company and Ivanhoe share in the profits and losses, cash flows and other matters relating to GGP Ivanhoe III in accordance with their respective ownership percentages except that certain major operating and capital decisions (as defined in the stockholders' agreement) require the approval of both stockholders. Accordingly, the Company is accounting for GGP Ivanhoe III using the equity method.

GGP Ivanhoe

GGP Ivanhoe owns The Oaks Mall in Gainesville, Florida and Westroads Mall in Omaha, Nebraska. The Company contributed approximately \$43,700 for its 51% ownership interest in GGP Ivanhoe and Ivanhoe owns the remaining 49% ownership interest. The terms of the stockholders' agreement are similar to those of GGP Ivanhoe III.

Town East Mall / Quail Springs Mall

The Company owns a 50% interest in Town East Mall, located

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in Mesquite, Texas and a 50% interest in Quail Springs Mall in Oklahoma City, Oklahoma. The Company shares in the profits and losses, cash flows and other matters relating to Town East Mall and Quail Springs Mall in accordance with its ownership percentage.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Circle T

At December 31, 2001, the Company, through a wholly-owned subsidiary, owns a 50% general partnership interest in Westlake Retail Associates, Ltd. ("Circle T"). AIL Investment, LP, an affiliate of Hillwood Development Company, ("Hillwood") is the limited partner of Circle T. Circle T is currently developing the Circle T Ranch Mall, a regional mall in Dallas, Texas, scheduled for completion in late 2004. Development costs are expected to be funded by a construction loan to be obtained by the joint venture and capital contributions by the joint venture partners. As of December 31, 2001, the Company has made contributions of approximately \$16,200 to the project for pre-development costs and Hillwood has contributed approximately \$11,200, mostly in the form of land costs and related predevelopments costs. As certain major decisions concerning Circle T must be made jointly by the Company and Hillwood, the Company is accounting for Circle T using the equity method.

GGMI

At December 31, 2000, the Operating Partnership owned all of the non-voting preferred stock of GGMI representing 95% of the equity interest. Certain key current and former employees of the Operating Partnership held the remaining 5% equity interest through ownership of 100% of the common stock of GGMI, which was entitled to all voting rights in GGMI. Accordingly, the Company utilized the equity method to account for its ownership interest in GGMI. As no preferred stock dividends had been paid by GGMI, the Company had been allocated 100% of the earnings (loss) and cash flows generated by GGMI since 1996. The Operating Partnership also had advanced funds to GGMI, at interest rates ranging from 8% to 14% per annum, which were scheduled to mature by 2016. The loans required payment of interest only until maturity.

On January 1, 2001 the Operating Partnership acquired 100% of the common stock of GGMI as described in Note 1 and the operations of GGMI have been fully consolidated with the Company as of and for the year ended December 31, 2001.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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SUMMARIZED FINANCIAL INFORMATION OF INVESTMENTS IN UNCONSOLIDATED REAL ESTATE AFFILIATES

Following is summarized financial information for the Company's Unconsolidated Real Estate Affiliates as of December 31, 2001 and 2000 and for the years ended December 31, 2001, 2000 and 1999.

CONDENSED BALANCE SHEETS

	GGP/Homart -----	GGP/Homart II -----
		December 31, 2001
Assets:		
Net investment in real estate*	\$1,428,163	\$1,410,349
Investment in real estate joint ventures	25,604	-
Other assets	117,198	95,184
	-----	-----
	\$1,570,965	\$1,505,533
	=====	=====
Liabilities and Owners' Equity:		
Mortgage and other notes payable	\$1,186,616	\$ 956,576
Accounts payable and accrued expenses	43,216	47,591
Owners' equity	341,133	501,366
	-----	-----
	\$1,570,965	\$1,505,533
	=====	=====
		December 31, 2000
	GGP/Homart -----	GGP/Homart II -----
Assets:		
Net investment in real estate*	\$1,437,600	\$1,288,853
Investment in real estate joint ventures	49,563	-
Other assets	116,242	32,722
	-----	-----
	\$1,603,405	\$1,321,575
	=====	=====
Liabilities and Owners' Equity:		
Mortgage and other notes payable	\$1,134,346	\$ 621,924
Accounts payable and accrued expenses	38,712	38,016
Owners' equity	430,347	661,635
	-----	-----
	\$1,603,405	\$1,321,575
	=====	=====

(*) At December 31, 2001 and 2000 the net investment in real estate includes

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approximately \$27,400 and \$25,600, respectively, of assets of the Circle T joint venture which are currently categorized as developments in progress.

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GENERAL GROWTH PROPERTIES, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (Dollars in thousands, except for per share amounts)

CONDENSED STATEMENTS OF OPERATIONS

	GGP/Homart	GGP/Homart II
	-----	-----
		December 31,
Revenues:		
Tenant rents	\$ 279,993	\$ 189,280
Operating expenses (1)	161,547	105,156
	-----	-----
Operating income (loss)	118,446	84,124
Interest expense, net (2)	(74,422)	(44,938)
Equity in net income of unconsolidated real estate affiliates	3,375	-
Gain (loss) on property sales	(1,074)	65
	-----	-----
Net income (loss)	\$ 46,325	\$ 39,251
	=====	=====

	GGP/Homart	GGP/Homart II
	-----	-----
		December 31,
Revenues:		
Tenant rents	\$ 253,348	\$ 146,730
Operating expenses (1)	143,862	80,339
	-----	-----
Operating income (loss)	109,486	66,391
Interest expense, net (2)	(74,447)	(36,253)
Equity in net income of unconsolidated real estate affiliates	3,266	-
Loss on property sales	(744)	-
Income allocated to minority interest	(408)	-
	-----	-----
Net income (loss)	\$ 37,153	\$ 30,138
	=====	=====

December 31,

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	GGP/Homart -----	GGP/Homart II -----
Revenues:		
Tenant rents	\$ 224,599	\$ 12,535
Operating expenses (1)	129,465	6,590
	-----	-----
Operating income (loss)	95,134	5,945
Interest expense, net (2)	(60,814)	(1,758)
Equity in net income of unconsolidated real estate affiliates	5,504	-
Gain on property sales	816	-
Income allocated to minority interest	(808)	-
	-----	-----
Net income (loss)	\$ 39,832	\$ 4,187
	=====	=====

Significant accounting policies used by the Unconsolidated Real Estate Affiliates are the same as those used by the Company.

- (1) Includes depreciation and amortization.
(2) Includes extraordinary items and cumulative effect of accounting change.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

NOTE 5 MORTGAGE NOTES AND OTHER DEBT PAYABLE Mortgage notes and other debts payable at December 31, 2001 and 2000 consisted of the following:

	December 31, 2001	December 31, 2000
Fixed-Rate debt:		
Mortgage notes payable	\$ 2,239,511	\$ 1,832,000
Variable-Rate debt:		
Mortgage notes payable	951,696	1,146,000
Credit Facilities and bank loan	207,000	265,000
	-----	-----
Total Variable-Rate debt	1,158,696	1,411,000
	-----	-----
Total	\$ 3,398,207	\$ 3,243,000
	=====	=====

FIXED RATE DEBT

Mortgage notes and other debt payable

The fixed rate notes bear interest ranging from 5.37% to 10.00% per annum (weighted average of 6.38% per annum), require monthly payments of principal and/or interest and have various maturity dates through 2020 (weighted average remaining term of 5.9 years). Certain properties are pledged as collateral for the related mortgage notes. The mortgage notes payable as of December 31, 2001 are non-recourse to the Company. Certain mortgage notes payable may be prepaid but are generally subject to a prepayment penalty of a yield-maintenance premium or a percentage of the loan balance. Certain loans have cross-default provisions and are cross-collateralized as part of a group of properties. Under certain cross-default provisions, a default under any mortgage notes included in a cross-defaulted package may constitute a default under all such mortgage notes and may lead to acceleration of the indebtedness due on each property within the collateral package. In general, the cross-defaulted properties are under common ownership. However, GGP Ivanhoe debt collateralized by two GGP Ivanhoe centers (totaling \$125,000) is cross-defaulted and cross-collateralized with debt collateralized by eleven Wholly-Owned centers.

VARIABLE RATE DEBT

Mortgage notes and other debt payable

Variable rate mortgage notes and other debt payable at December 31, 2001 consist primarily of approximately \$951,696 of collateralized mortgage-backed securities (approximately \$666,933 of which are currently subject to fixed rate interest swap agreements as described below and in Note 13) and \$207,000 outstanding on the Company's Term Loan, both as described below. The loans bear interest at a rate per annum equal to LIBOR plus 60 to 250 basis points.

Commercial Mortgage-Backed Securities

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GENERAL GROWTH PROPERTIES, INC.
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In August 1999, the Company issued \$500,000 of commercial mortgage-backed securities (the "Ala Moana CMBS") collateralized by the Ala Moana Center (see Note 3). The securities were comprised of notes which bore interest at rates per annum ranging from LIBOR plus 50 basis points to LIBOR plus 275 basis points (weighted average equal to LIBOR plus 95 basis points), calculated and payable monthly. The notes were repaid in December 2001 with a portion of the proceeds of the GGP MPTC financing described below. In conjunction with the issuance of the Ala Moana CMBS, the Company arranged for an interest rate cap agreement, the effect of which was to limit the maximum interest rate the Company would be required to pay on the securities to 9% per annum. Payments received pursuant to the interest rate cap agreement for the year ended December 31, 2000 were approximately \$77,

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which were reflected as a reduction in net interest expense. No amounts were received on the cap agreement in 2001. Approximately \$438,000 of the proceeds from the sale of the Ala Moana CMBS was used by the Company to repay the short-term mortgage loan obtained in July 1999 to enable it to purchase the Ala Moana Center. The remainder was utilized by the Company for general working capital purposes including repayments of outstanding indebtedness under the Company's Credit Facility.

In September 1999, the Company issued \$700,229 of commercial mortgage-backed securities (the "GGP-Ivanhoe CMBS") cross-collateralized and cross-defaulted by a portfolio of nine regional malls and an office complex adjacent to one of the regional malls. The properties in the portfolio were Mayfair Mall and adjacent office buildings in Wauwatosa (Milwaukee), Wisconsin; Park City Center in Lancaster, Pennsylvania; Oglethorpe Mall in Savannah, Georgia; Landmark Mall in Alexandria, Virginia, all centers owned by GGP Ivanhoe III; and Northgate Mall in Chattanooga, Tennessee; The Boulevard Mall in Las Vegas, Nevada; Regency Square Mall in Jacksonville, Florida; Valley Plaza Shopping Center in Bakersfield, California; Northridge Fashion Center in Northridge (Los Angeles), California, all Wholly-Owned Centers. The GGP-Ivanhoe CMBS was comprised of notes which bore interest at rates per annum ranging from LIBOR plus 52 basis points to LIBOR plus 325 basis points (weighted average equal to LIBOR plus approximately 109 basis points), calculated and payable monthly. The notes were repaid in December 2001 with a portion of the proceeds of the GGP MPTC financing described below. In conjunction with the issuance of the GGP-Ivanhoe CMBS, the Company arranged for an interest rate cap agreement, the effect of which was to limit the maximum interest rate the Company would be required to pay on the securities to 9.03% per annum. Payments received pursuant to the interest rate cap agreement for the year ended December 31, 2000 were approximately \$366, which were reflected as a reduction in net interest expense. No amounts were received on the cap agreement in 2001. Approximately \$340,000 of the proceeds from the sale of the GGP-Ivanhoe CMBS repaid amounts collateralized by the GGP Ivanhoe III properties in the GGP-Ivanhoe CMBS Portfolio of properties and the remaining approximately \$360,000 repaid amounts collateralized by Wholly-Owned properties in the GGP-Ivanhoe CMBS portfolio of properties.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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In early December 2001, the Operating Partnership and certain Unconsolidated Real Estate Affiliates completed the placement of \$2,550,000 of non-recourse commercial mortgage pass-through certificates (the "GGP MPTC"). The GGP MPTC is collateralized by 27 malls and one office building, including 19 malls owned by certain Unconsolidated Real Estate Affiliates. The GGP MPTC is comprised of both variable rate and fixed rate notes which require monthly payments of principal and interest. The certificates represent beneficial interests in three loan groups made by three sets of borrowers (GGP/Homart-GGP/Homart II, Wholly-Owned and GGP Ivanhoe III). The original principal amount of the GGP MPTC was comprised of \$1,235,000 attributed to the Operating Partnership, \$900,000 to GGP/Homart and GGP/Homart II and \$415,000 to GGP Ivanhoe III. The three loan groups

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are comprised of variable rate notes with a 36 month initial maturity (with two no cost 12-month extension options), variable rate notes with a 51 month initial maturity (with two no cost 18-month extension options) and fixed rate notes with a 5 year maturity. The 36 month variable rate notes bear interest at rates per annum ranging from LIBOR plus 60 to 235 basis points (weighted average equal to 79 basis points), the 51 month variable rate notes bear interest at rates per annum ranging from LIBOR plus 70 to 250 basis points (weighted average equal to 103 basis points) and the 5 year fixed rate notes bear interest at rates per annum ranging from approximately 5.01% to 6.18% (weighted average equal to 5.38%). The extension options with respect to the variable rate notes are subject to obtaining extensions of the interest rate protection agreements which were required to be obtained in conjunction with the GGP MPTC. The GGP MPTC yielded approximately \$470,000 of net proceeds (including amounts attributed to the Unconsolidated Real Estate Affiliates) which were utilized for loan repayments and temporary investments in cash equivalents and marketable securities. On closing of the GGP MPTC financing, approximately \$94,996 of such proceeds attributable to GGP/Homart and GGP/Homart II were loaned to the Operating Partnership. The loans, which are comprised of approximately \$78,400 by GGP/Homart and \$16,596 by GGP/Homart II, bear interest at a rate of 5.5% per annum on the remaining outstanding balance and mature on March 30, 2003.

Concurrent with the issuance of the certificates, the Company purchased interest rate protection agreements (structured to limit the Company's exposure to interest rate fluctuations in a manner similar to the interest rate cap agreements purchased in connection with the Ala Moana and GGP-Ivanhoe CMBS), and simultaneously an equal amount of interest rate protection agreements were sold to fully offset the effect of these agreements and to recoup a substantial portion of the cost of such agreements. Further, to achieve a more desirable balance between fixed and variable rate debt, the Company entered into \$666,933 of swap agreements. Approximately \$575,000 of such swap agreements are with independent financial services firms and approximately \$91,933 is with GGP Ivanhoe III to provide Ivanhoe with only variable rate debt (see Note 4). The notational amounts of such swap agreements decline over time to an aggregate of \$25,000 at maturity of the 51 month variable rate loans (assuming both 18 month extension options are exercised). The swap agreements convert the related variable rate debt to fixed rate debt currently bearing interest at a weighted average rate of 4.85% per annum. Such swap agreements have been designated as hedges of related variable rate debt as described in Note 13.

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GENERAL GROWTH PROPERTIES, INC.
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Credit Facilities

The Company's \$200,000 unsecured revolving Credit Facility was originally scheduled to mature on July 31, 2000. On June 23, 2000 the Company prepaid all remaining outstanding principal amounts and terminated the Credit Facility. The Credit Facility bore interest at a floating rate per annum equal to LIBOR plus 80 to 120 basis points depending upon the Company's leverage ratio. The Credit Facility was subject to financial performance covenants including debt-to-market

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capitalization, minimum earnings before interest, taxes, depreciation and amortization ("EBITDA") ratios and minimum equity values.

As of July 31, 2000, the Company obtained a new unsecured revolving credit facility (the "Revolver") in a maximum aggregate principal amount of \$135,000 (cumulatively increased to \$185,000 through December 2001). The outstanding balance of the Revolver was fully repaid from a portion of the proceeds of the GGP MPTC financing described above and the Revolver was terminated. The Revolver bore interest at a floating rate per annum equal to LIBOR plus 100 to 190 basis points, depending on the Company's average leverage ratio. The Revolver was subject to financial performance covenants including debt to value and net worth ratios, EBITDA ratios and minimum equity values.

In January 2001, GGMI borrowed \$37,500 under a new revolving line of credit obtained by GGMI and an affiliate, which was guaranteed by General Growth and the Operating Partnership. This revolving line of credit was scheduled to mature in July 2003 but was fully repaid in December 2001 from a portion of the proceeds of the GGP MPTC financing described above and the line of credit was terminated. The interest rate per annum with respect to any borrowings varied from LIBOR plus 100 to 190 basis points depending on the Company's average leverage ratio.

Interim Financing

In January 2000, the Company obtained a new \$200,000 unsecured short-term bank loan. The Company's initial draw under this loan was \$120,000 in January 2000 and the remaining available amounts were fully drawn at June 30, 2000. Loan proceeds were used to fund ongoing redevelopment projects and repay the remaining balance of \$83,000 on an interim loan obtained in September 1999. The bank loan bore interest at a rate per annum of LIBOR plus 150 basis points and was refinanced on August 1, 2000 with the Revolver and the Term Loan described below.

As of July 31, 2000, the Company obtained an unsecured term loan (the "Term Loan") in a maximum principal amount of \$100,000. As of September 30, 2001, the maximum principal amount of the Term Loan was increased to \$255,000 and, as of such date, all amounts available under the Term Loan were fully drawn. Term Loan proceeds were used to fund ongoing redevelopment projects and repay a portion of the remaining balance of the bank loan described in the prior paragraph immediately above. During the fourth quarter of 2001, approximately \$48,000 of the principal amount of the Term Loan was repaid from a portion of the 2001 Offering. The Term Loan has a scheduled maturity of July 31, 2003 and bears interest at a rate per annum of LIBOR plus 100 to 170 basis points depending on the Company's average leverage ratio.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

In April 1999, the Company obtained an additional \$25,000 bank loan, partially secured by Park Mall in Tucson, Arizona. As of September 30, 2001, the maximum available amounts under the loan had been

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cumulatively increased to \$100,000. The loan, with a then outstanding balance of approximately \$83,900 and which bore interest at a rate per annum of LIBOR plus 165 basis points, was refinanced in December 2001 by the GGP MPTC described above.

In March 2001, the Company obtained a \$65,000 redevelopment loan collateralized by Eden Prairie Mall. The new loan had an initial draw of approximately \$19,400, required monthly payments of interest at a rate of LIBOR plus 190 basis points and was scheduled to mature in April 2004. In December 2001, this loan, with a then outstanding balance of approximately \$44,079, was repaid with a portion of the proceeds of the 2001 Offering.

In October 2001, the Company refinanced the mortgage debt collateralized by Century Plaza, Eagle Ridge Mall and the Knollwood Mall. These properties were part of a floating rate cross-collateralized pool of mortgage notes (obtained in October 1999), originally collateralized by a portfolio of 5 regional malls and 1 office property, which was originally scheduled to mature November 1, 2001. The three malls were refinanced with a \$90,000 bridge loan which bore interest at a rate per annum of LIBOR plus 210 basis points and was scheduled to mature on February 1, 2002 subject to one three-month extension option. The bridge loan was repaid in December 2001 with a portion of the proceeds of the 2001 Offering. The Knollwood Mall portion (\$10,000) and the SouthShore Mall portion (\$9,000) of the original \$130,000 six property loan was repaid in full from the Company's Revolver in August 2001 and the remaining properties, 110 N. Wacker and West Valley Mall, were refinanced in December 2001 with a portion of the proceeds from the GGP MPTC.

Construction Loan

During April 1999, the Company received \$30,000 representing the initial loan draw on a \$110,000 construction loan facility. The facility was collateralized by and provided financing for the RiverTown Crossings Mall development (including outparcel development) in Grandville (Grand Rapids), Michigan. The construction loan provided for periodic funding as construction and leasing continued and bore interest at a rate per annum of LIBOR plus 150 basis points. As of July 17, 2000 additional loan draws of approximately \$80,000 had been made and no further amounts were available under the construction loan facility. Interest was due monthly. The loan had been scheduled to mature on June 30, 2001 and was refinanced on June 28, 2001 with a non-recourse, long-term mortgage loan. The new \$130,000 non-recourse mortgage loan bears interest at 7.53% per annum and matures on July 1, 2011.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

Letters of Credit

As of December 31, 2001 and 2000, the Company had outstanding letters of credit of \$13,200 and \$7,700, respectively, primarily in connection with special real estate assessments and insurance requirements.

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Principal amounts due under mortgage notes and other debts payable mature as follows:

Year	Amount Maturing
----	-----
2002	\$ 39,686
2003	249,955
2004	260,267
2005	50,303
2006	176,410
Subsequent	2,621,586

Total	\$3,398,207
	=====

Land, buildings and equipment related to the mortgage notes payable with an aggregate cost of approximately \$4,111,208 at December 31, 2001 have been pledged as collateral. Certain properties, including those within the portfolios collateralized by commercial mortgage-backed securities, are subject to financial performance covenants, primarily debt service coverage ratios.

NOTE 6
EXTRAORDINARY
ITEMS

The extraordinary items resulted from prepayment penalties and unamortized deferred financing costs related to the early extinguishment, primarily through refinancings, of mortgage notes payable. In 2001, the basic and diluted per share impact of the extraordinary items was \$.27. The basic and the diluted per share impact of the extraordinary items in 1999 was \$.30.

NOTE 7 RENTALS
UNDER OPERATING
LEASES

The Company receives rental income from the leasing of retail shopping center space under operating leases. The minimum future rentals based on operating leases of Wholly-Owned Centers held as of December 31, 2001 are as follows:

Year	Amount
----	-----
2002	\$ 404,390
2003	382,482
2004	358,272
2005	318,825
2006	277,401
Thereafter	\$1,100,336

Minimum future rentals do not include amounts which are payable by certain tenants based upon a percentage of their gross sales or as reimbursement of shopping center operating expenses.

The tenant base includes national and regional retail chains and local retailers, and consequently, the Company's credit risk is concentrated in the retail industry.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

NOTE 8
TRANSACTIONS
WITH AFFILIATES

GGMI

In 2000 and 1999, GGMI had been contracted to provide management, leasing, development and construction management services for the Wholly-Owned Centers. In addition, certain shopping center advertising and payroll costs of the properties were paid by GGMI and reimbursed by the Company. Total costs included in the consolidated financial statements related to agreements between the Wholly-Owned Centers and GGMI are as follows:

	Year Ended December 31,	
	2000	1999
	-----	-----
Management and Leasing Fees	\$22,834	\$21,201
Cost Reimbursements	55,937	56,548
Development Costs	8,833	3,499

On January 1, 2001, in connection with the acquisition of the common stock of GGMI, the Company and GGMI agreed to concurrently terminate the management contracts with respect to the Wholly-Owned Centers. Since January 1, 2001, the Wholly-Owned Centers have been self-managed under the same standards and procedures in effect prior to January 1, 2001.

Notes Receivable-Officers

During 1998 certain officers of the Company issued to the Company an aggregate of \$3,164 of promissory notes in connection with their exercise of options to purchase an aggregate of 166,000 shares of the Company's Common Stock. During 1999, the Company received approximately \$62 in payments, made advances of approximately \$380 in conjunction with additional advances and Common Stock purchases by such officers and forgave approximately \$64 in principal and accrued interest on such notes. During 2000, the Company made aggregate advances of \$7,149 in conjunction with the exercise of options to purchase an aggregate 270,000 shares of Common Stock by officers. In June 2000, a \$1,120 loan was repaid by one of the officers. Also in 2000, the Company forgave approximately \$150 of other notes receivable from an officer (previously reflected in prepaid expenses and other assets). During 2001, the Company made additional advances to officers of an aggregate of \$10,441 in conjunction with the exercise of options to purchase an aggregate of 330,000 shares of Common Stock. During February 2002, additional advances of approximately \$2,104 were made in connection with the exercise of options to purchase an aggregate of 60,000 shares of Common Stock. The notes, which bear interest at a rate computed as a formula of a market rate, are full recourse to the officers, are collateralized by the shares of Common Stock issued upon exercise of such options, provide for quarterly payments of interest and are payable to the Company on demand. At December 31, 2001, the Company has also cumulatively paid approximately \$2,092 representing income tax withholding for such officers. Such amounts carry the same terms as the promissory notes for the Common Stock but are reflected in prepaid and other assets in the accompanying consolidated financial statements.

GENERAL GROWTH PROPERTIES, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (Dollars in thousands, except for per share amounts)

NOTE 9 EMPLOYEE Stock Incentive Plan

BENEFIT AND
STOCK PLANS

The Company's Stock Incentive Plan provides incentives to attract and retain officers and key employees. An aggregate of 3,000,000 shares of Common Stock have been authorized for issuance under the plan. Options are granted by the Compensation Committee of the Board of Directors at an exercise price of not less than 100% of the fair market value of the Common Stock on the date of grant. The term of the option is fixed by the Compensation Committee, but no option is exercisable more than 10 years after the date of the grant. Options granted to officers and key employees are for 10-year terms and are generally exercisable in either 33 1/3% or 20% annual increments from the date of the grants. However, during 2000, 53,319 options were granted to certain employees under the Stock Incentive Plan (of which 5,000 were forfeited during 2000) with the same terms as the TSO's granted in 2000 (as described and defined below). Options granted to non-employee directors are exercisable in full commencing on the date of grant and expire on the tenth anniversary of the date of the grant.

A summary of the status of the Company's Stock Incentive Plan as of December 31, 2001, 2000 and 1999 and changes during the year ended on those dates is presented below.

	2001		2000		Share
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	
Outstanding at beginning of year	742,319	\$31.36	827,500	\$29.85	848,500
Granted	213,000	\$33.97	205,319	\$30.89	47,500
Exercised	(350,000)	\$31.60	(276,500)	\$26.38	(60,000)
Forfeited	(62,100)	\$34.07	(14,000)	\$33.97	(8,500)
Outstanding at end of year	543,219	\$31.92	742,319	\$31.36	827,500
Exercisable at end of year	217,500	\$30.50	467,500	\$30.64	595,500
Options available for future grants	1,493,114		1,644,014		1,835,333
Weighted average per share					

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251,030 and 313,964 shares of Common Stock at an exercise price of \$34.73, \$29.97 and \$31.69 respectively, were granted in 2001, 2000 and 1999, respectively. The estimated fair value of the TSOs granted was \$2.21 in 2001, \$1.49 in 2000 and \$1.36 in 1999. None of the TSOs granted have vested. In addition, 16,575 of the 329,996 shares granted in 2001, 56,524 of the 251,030 shares granted in 2000 and 86,198 of the 313,964 shares granted in 1999 have been forfeited through December 31, 2001.

The fair value of each option grant for 2001, 2000 and 1999 for the Stock Incentive Plan and the 1998 Incentive Plan was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2001 -----	2000 -----	1999 -----
Risk-free interest rate	4.79%	6.19%	5.21%
Dividend yield	6.46%	6.86%	7.22%
Expected life	4.6 years	5.2 years	4.6 years
Expected volatility	19.48%	18.2%	20.0%

Employee Stock Purchase Plan

During 1999, General Growth established the General Growth Properties, Inc. Employee Stock Purchase Plan (the "ESPP") to assist eligible employees in acquiring a stock ownership interest in General Growth. A maximum of 500,000 shares of Common Stock is reserved for issuance under the ESPP. Under the ESPP, eligible employees make payroll deductions over a six-month purchase period, at which time, the amounts withheld are used to purchase shares of Common Stock at a purchase price equal to 85% of the lesser of the closing price of a share of Common Stock on the first or last trading day of the purchase period. Purchases of stock under the ESPP are made on the first business day of the next month after the close of the purchase period. As of February 6, 2002, an aggregate of 157,369 shares of Common Stock have been sold under the ESPP, including 23,105 shares for the purchase period ending December 31, 2001 which were purchased on January 2, 2002 at a price of \$32.94 per share.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

Stock Option Pro Forma Data

The Company has applied Accounting Principles Board Opinion 25 in accounting for the Stock Incentive Plan, the 1998 Incentive Plan and the Employee Stock Purchase Plan as provided by Interpretation 44 as defined and further

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described in Note 13. Accordingly, no compensation costs have been recognized in 2001 and 1999 and, pursuant to the provisions of Interpretation 44, only compensation costs related to Stock Options granted from July 1, 2000 to December 31, 2000 were recorded. Had compensation costs for the Company's plans been determined based on the fair value at the grant date for options granted in 2001, 2000 and 1999 in accordance with the method required by Statement of Financial Accounting Standards No. 123 "Accounting for Stock-Based Compensation" the Company's net income available to common stockholders and earnings per share would have been reduced to the pro forma amounts as follows:

	Year Ended December 31,		
	2001	2000	1999
	----	----	----
Net income available to common stockholders			
As Reported	\$67,843	\$113,481	\$76,658
Pro Forma	\$67,511	\$113,081	\$76,160
Earnings per share - basic			
As Reported	\$1.28	\$ 2.18	\$ 1.67
Pro Forma	\$1.28	\$ 2.17	\$ 1.66
Earnings per share - diluted			
As Reported	\$1.28	\$ 2.18	\$ 1.66
Pro Forma	\$1.28	\$ 2.17	\$ 1.65

Management Savings Plan

The Company sponsors the General Growth Management Savings and Employee Stock Ownership Plan (the "401(k) Plan") which permits all eligible employees to defer a portion of their compensation in accordance with the provisions of Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code"). Under the 401(k) Plan, the Company may make, but is not obligated to make, contributions to match the contributions of the employees. For the years ending December 31, 2001, 2000 and 1999, the Company made matching contributions of approximately \$4,353, \$3,554 and \$2,891, respectively.

NOTE 10
PAYABLE

On December 10, 2001, DISTRIBUTIONS the Company declared a cash distribution of \$.65 per share that was paid on January 31, 2002, to stockholders of record (1,481 owners of record) on January 14, 2002, totaling \$40,266. Also on January 14, 2002, a distribution of \$12,722 was paid to the limited partners of the Operating Partnership. Also on December 10, 2001, the Company declared the fourth quarter 2001 preferred stock dividend, for the period from October 1, 2001 through December 31, 2001, in the amount of \$0.4531 per share, payable to preferred stockholders of record on January 4, 2002 and paid on January 15, 2002. As described in Note 1, such preferred stock dividend was in the same amount as the Operating Partnership's distribution to the Company of the same date with respect to the Preferred Units held by the Company

On December 15, 2000, the Company declared a cash

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distribution of \$.53 per share that was paid on January 31, 2001, to stockholders of record on January 5, 2001, totaling \$27,744. In addition, a distribution of \$10,385 was paid to the limited partners of the Operating Partnership. Also on December 15, 2000, the Company declared the fourth quarter 2000 preferred stock dividend, for the period from October 1, 2000 through December 31, 2000, in the amount of \$0.4531 per share, payable to preferred stockholders of record on January 5, 2001 and paid on January 15, 2001.

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GENERAL GROWTH PROPERTIES, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (Dollars in thousands, except for per share amounts)

The allocations of the common distributions declared and paid for income tax purposes are as follows:

	Year Ended December 31,		
	2001	2000	1999
	----	----	----
Ordinary Income	76.0%	92.2%	66.0%
Capital Gain	--%	--%	3.0%
Return of Capital	24.0%	7.8%	31.0%
	-----	-----	-----
	100.0%	100.0%	100.0%
	=====	=====	=====

NOTE 11 NETWORK DISCONTINUANCE COSTS AND OTHER INTERNET INITIATIVES The Company has installed a broadband wiring and routing system that would provide tenants at the Company's properties with the supporting equipment (the "Broadband System") to allow such tenants and mall locations to arrange high-speed cable access to the Internet.

Since early 2000, the Company had also been engaged in Network Services development activities, an effort to create for retailers a suite of broadband applications to support retail tenant operations, on-line sales, and private wide area network services to be delivered by the Broadband System. As of December 31, 2000, the Company had invested approximately \$66,000 in the Broadband System and approximately \$18,000 in Network Services development activities, all of which was reflected in buildings and equipment in the accompanying consolidated financial statements. The Company discontinued its Network Services development activities on June 29, 2001, as retailer demand for such services had not developed as anticipated. The discontinuance of the Network Services development activities resulted in a non-recurring, pre-tax charge to second quarter 2001 earnings of \$65,000. The \$65,000 charge was comprised of an approximate \$11,800 reduction in the carrying value of equipment that was intended to allow tenants access to the Network Services applications and approximately \$53,200 in the write-off of capitalized Network development costs as follows: approximately \$17,400 in obligations to various vendors including amounts related

to the termination of contracts which provide no future benefit to the Company, approximately \$10,600 in private wide area network equipment that is deemed without value, approximately \$25,200 in capitalized network development costs including third-party consultants, internal payroll, supplies and equipment for the design, configuration and installation costs of private wide area network equipment; various costs related to the development of Mallibu.com, a consumer Internet portal; and related consumer-direct e-commerce initiatives. In addition, the Company recognized \$1,000 of net incremental discontinuance costs in the third quarter of 2001. This third quarter amount was comprised of approximately \$1,366 of incremental discontinuance costs (primarily payroll and severance costs) and approximately \$366 of reduction in the Network discontinuance reserve. Such reduction in the Network discontinuance reserve was primarily due to the settlement of obligations to Network Services vendors and consultants at amounts lower than originally contracted for. Settlement discussions are continuing with other vendors and the Company will further reduce the Network discontinuance reserve as additional settlements are agreed to (expected to be finalized in the next 12 months).

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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The following table summarizes the amounts capitalized by the Company and the related charge:

	Total

Balance at December 31, 2000	\$84,451
Additions (Cash)	44,071
Additions (Non-cash)*	5,161
Write off of Network Services Activities	(66,000)
Depreciation and amortization of Broadband System costs	(6,663)

Ending Balance at December 31, 2001	\$61,020
	=====

*Reflected in the accompanying consolidated financial statements as approximately \$5,161 in Network discontinuance reserve.

The Company's investment in the Broadband System, which is comprised primarily of mall equipment and mall wiring, is

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being retained by the Company. The Company has made a cumulative investment of approximately \$67,683 in the Broadband System as of December 31, 2001, which has been reflected in buildings and equipment and investment in Unconsolidated Real Estate Affiliates in the accompanying consolidated financial statements as detailed below. Although no direct revenue is currently being generated from the Broadband System, the Company anticipates that revenues will be recognized in future periods either from the sale of such access or increased rents for the Company's retail spaces.

The following represents the Company's net carrying values for the Broadband System:

	December 31, 2001		
	Building and equipment	Investments in Unconsolidated Real Estate Affiliates	
Mall Wiring and Equipment	\$ 36,349	\$ 31,334	\$
less Accumulated Depreciation	(3,439)	(3,224)	
	-----	-----	-----
	\$ 32,910	\$ 28,110	\$
	=====	=====	=====

NOTE 12
COMMITMENTS AND
CONTINGENCIES

In the normal course of business, from time to time, the Company is involved in legal actions relating to the ownership and operations of its properties. In management's opinion, the liabilities, if any that may ultimately result from such legal actions are not expected to have a material adverse effect on the consolidated financial position, results of operations or liquidity of the Company.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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The Company leases land or buildings at certain properties from third parties. Rental expense including participation rent related to these leases was \$664, \$460 and \$375 for the years ended December 31, 2001, 2000 and 1999, respectively. The leases generally provide for a right of first refusal in favor of the Company in the event of a proposed sale of the property by the landlord.

From time to time the Company has entered into contingent agreements for the acquisition of properties. Each acquisition is subject to satisfactory completion of due diligence and, in the case of developments, completion and occupancy of the project.

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NOTE 13 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

On June 1, 1998 the FASB issued Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities" ("Statement 133"). Statement 133, as amended, is effective for fiscal years beginning after June 15, 2000 as provided by FASB Statement No. 137 issued in July 1999. The Company's only hedging activities are the cash flow hedges represented by its interest rate cap and swap agreements relating to its commercial mortgage-backed securities (Note 5). These agreements either place a limit on the effective rate of interest the Company will bear on such variable rate obligations or fix the effective interest rate on such obligations to a certain rate. The Company has concluded that these agreements are highly effective in achieving its objective of eliminating its exposure to variability in cash flows relating to these variable rate obligations in any interest rate environment for loans subject to swap agreements and for loans with related cap agreements, when LIBOR rates exceed the strike rates of the agreements. However, Statement 133 also requires that the Company fair value the interest rate cap and swap agreements as of the end of each reporting period. Interest rates have declined since these agreements were obtained. The Company adopted Statement 133 January 1, 2001. In accordance with the transition provisions of Statement 133, the Company recorded at January 1, 2001 a loss to earnings of \$3,334 as a cumulative-effect type transition adjustment to recognize at fair value the time-value portion of all the interest rate cap agreements that were previously designated as part of a hedging relationship. Included in the \$3,334 loss is \$704 relating to interest rate cap agreements held by Unconsolidated Real Estate Affiliates. The Company also recorded \$112 to other comprehensive income at January 1, 2001 to reflect the then fair value of the intrinsic portion of the interest rate cap agreements. Subsequent changes in the fair value of these agreements will be reflected in current earnings and accumulated other comprehensive income. During 2001, the Company recorded approximately \$2,389 of additional other comprehensive income to reflect 2001 changes in the fair value of its interest rate cap and swap agreements.

In conjunction with the GGP MPTC financing (Note 5), all of the debt hedged by the Company's then existing interest rate cap agreements was refinanced. As the related fair values of the previous cap agreements were nominal on the refinancing date, these cap agreements were not terminated and any subsequent changes in the fair value of these cap agreements will be reflected in interest expense. Further, certain caps were purchased and sold in conjunction with GGP MPTC financing. These purchased and sold caps do not qualify for hedge accounting and changes in the fair values of these agreements will also be reflected in interest expense. Finally, certain interest rate swap agreements were entered into to partially fix the interest rates on a portion of the GGP MPTC financing. These swap agreements have been designated as cash flow hedges on \$666,933 of the Company's consolidated variable rate debt (see also Note 4).

GENERAL GROWTH PROPERTIES, INC.
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(Dollars in thousands, except for per share amounts)

In March 2000, the FASB issued Statement of Accounting Standards Interpretation 44, "Accounting for Certain Transactions Involving Stock Compensation" ("Interpretation 44"). Interpretation 44 is generally effective for new stock option grants beginning July 1, 2000. However, the interpretive definition of an employee applies to new awards granted after December 15, 1998. Further, the FASB determined that any modifications to current accounting as a result of this guidance are to be recorded prospectively, effective as of July 1, 2000. General Growth has previously granted stock options to its employees, directors and to employees of its then unconsolidated subsidiary, GGMI (which, as of January 1, 2001, became a consolidated subsidiary). Under the terms of the Interpretation, any awards to GGMI employees are considered awards to non-employees. The Company has applied the accounting mandated by Interpretation 44 as of July 1, 2000 with no significant impact on the Company's consolidated financial position or consolidated results of operations. Due to the acquisition of the common stock of GGMI by the Operating Partnership on January 1, 2001 as discussed in Note 1, those individuals who are employed by GGMI are now considered to be employees of General Growth for the purposes of accounting for stock option grants in 2001 and subsequent years.

In July 2001, the FASB issued Statement No. 141, "Business Combinations", ("SFAS 141") and Statement No. 142 "Goodwill and Other Intangible Assets", ("SFAS 142"). SFAS 141 requires the purchase method to be used for business combinations initiated after June 30, 2001. As the Company has never engaged in a pooling acquisition transaction and its customary acquisitions are of individual assets or malls rather than operating businesses, the Company does not anticipate that SFAS 141 will have a significant impact on its current or future operations or financial results. SFAS 142 requires that goodwill no longer be amortized to earnings, but instead reviewed for impairment, when the statement is required to be adopted on January 1, 2002. The Company does not believe the impact of the adoption of SFAS 142 will be significant.

In August 2001, the FASB issued Statement No. 143 "Accounting for Asset Retirement Obligations", ("SFAS 143"). SFAS 143 addresses the financial accounting and reporting for asset retirement costs and related obligations and is effective for fiscal years beginning after June 15, 2002. The Company does not believe the impact of the adoption of SFAS 143 will be significant.

In October 2001, the FASB issued Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). SFAS 144 develops one accounting model (based on the model in SFAS 121) for long-lived assets (including discontinued operations) that are to be held or disposed of by sale, as well as addresses certain discontinued operations issues. SFAS 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001. As the Company does not generally hold its properties for sale and has historically not had significant operations that have been accounted for as "discontinued operations", the Company does not anticipate that

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SFAS 144 will have a significant impact on its current or future operations or financial results.

In February 2002, the FASB announced the rescission of Statement No. 4 "Reporting Gains and Losses from Extinguishment of Debt" Generally, such rescission has the effect of suspending the treatment of debt extinguishment costs as extraordinary items. The rescission is effective for the year ended December 31, 2003. Accordingly, in the comparative statements presented in the year of adoption, the Company will reclass approximately \$14,022 of debt extinguishment costs recorded for 2001 that are classified under current accounting standards as extraordinary items to other interest costs.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 14 QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Year Ended December 31, 2001 -----	First Quarter -----	Se Qu ---
Total revenues	\$191,970	\$1
Operating income	86,032	
Income (loss) before extraordinary items and cumulative effect of accounting change	30,071	(
Net income (loss) applicable to common shares	20,620	(
Earnings (loss) before extraordinary items and cumulative effect of accounting change per share-basic (a)	\$ 0.46	
Earnings (loss) before extraordinary items and cumulative effect of accounting change per share-diluted (a)	0.46	
Earnings (loss) per share - basic (a)	0.39	
Earnings (loss) per share - diluted (a)	0.39	
Distributions declared per share	\$ 0.53	\$
Weighted average shares outstanding (in thousands) - basic	52,365	
Weighted average shares outstanding (in thousands) - diluted	52,444	
Year Ended	First	S

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December 31, 2000 -----	Quarter -----	Q -----
Total revenues	\$162,483	\$1
Operating income	76,636	
Income before extraordinary items	28,241	
Net income applicable to common shares	22,124	
Earnings before extraordinary items per share-basic (a)	\$ 0.43	\$
Earnings before extraordinary items per share-diluted (a)	0.43	
Earnings per share - basic (a)	0.43	
Earnings per share - diluted (a)	0.43	
Distributions declared per share	\$ 0.51	\$
Weighted average shares Outstanding (in thousands) - basic	51,918	
Weighted average shares Outstanding (in thousands) - diluted	51,936	

(a) Earnings (loss) per share for the four quarters do not add up to the annual earnings per share due to the issuance of additional stock during the year.

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GENERAL GROWTH PROPERTIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except for per share amounts)

NOTE 15
SUBSEQUENT EVENT

On March 3, 2002, the Company entered into a definitive merger agreement with JP Realty, Inc., a publicly held real estate investment trust. The acquisition price will be approximately \$1,100, which includes the assumption of approximately \$460 of existing debt and approximately \$116 in existing preferred operating units. Each outstanding share of JP Realty common stock will be converted into \$26.10 cash and each common unit of limited partnership interest in JP Realty's operating partnership subsidiary will receive \$26.10 in cash or, at the election of the holder, .522 units of newly created Series B preferred units of the Operating Partnership. The acquisition, which is expected to occur in the second quarter of 2002, involves 50 properties including 18 enclosed regional malls, 25 community centers, 1 free standing retail property and 6 mixed-use commercial/business properties in 10 western

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states. However, the transaction is subject to certain closing conditions including approval by the stockholders of JP Realty.

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Independent Auditors' Report on Financial Statement Schedule

Board of Directors and Stockholders
General Growth Properties, Inc.

We have audited the consolidated financial statements of General Growth Properties, Inc. (the "Company") as of December 31, 2001, and for the year then ended, and have issued our report thereon dated February 6, 2002 (March 3, 2002 as to Note 15); such financial statements and report are included elsewhere in this Form 10-K. Our audit also included the Reconciliation of Real Estate and Reconciliation of Accumulated Depreciation for the year ended December 31, 2001 of the financial statement schedule of the Company, listed in the Index to Consolidated Financial Statements and Consolidated Financial Statement Schedule on page F-1 of this Form 10-K. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audit. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

Deloitte & Touche LLP

Chicago, Illinois
February 6, 2002

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Report of Independent Accountants on Financial Statement Schedule

To the Board of Directors and Stockholders
General Growth Properties, Inc.

Our audits of the consolidated financial statements referred to in our report dated February 6, 2001 appearing in this Annual Report on Form 10-K of General Growth Properties, Inc. also included an audit of the Reconciliation of Real Estate and Reconciliation of Accumulated Depreciation for each of the two years in the period ended December 31, 2000 of the financial statement schedule listed in the Index to Consolidated Financial Statements and Consolidated Financial Statement Schedule of this Form 10-K. In our opinion, based on our audits, the Reconciliation of Real Estate and Reconciliation of Accumulated Depreciation for each of the two years in the period ended December 31, 2000 of the financial statement schedule listed in the Index to Consolidated Financial Statements and Consolidated Financial Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

Chicago, Illinois

PricewaterhouseCoopers LLP

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February 6, 2001

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GENERAL GROWTH PROPERTIES, INC.
 Schedule III - Real Estate and Accumulated Depreciation as of December 31, 2001

Col. A -----	Col. B -----	Col. C -----		Col. D -----		L
Description -----	Encumbrances (a) -----	Initial Cost ----- Land	Buildings and Improvements (b) -----	Costs Capitalized Subsequent To Acquisition ----- Improvements	Carrying Costs (c) -----	L
Ala Moana Combined Honolulu, HI	642,275,669	336,229,260	473,770,740	3,647,175	5,685.073	336,2
Apache Mall Rochester, MN	55,583,346	8,110,292	72,992,628	4,361,643	0	8,1
Baybrook Mall Friendswood, TX	93,173,250	13,300,000	117,162,546	4,642,596	0	13,3
Bayshore Mall, Eureka, CA	34,217,304	3,004,345	27,398,907	24,683,533	2,887,090	3,0
Bellis Fair Mall, Bellingham, WA	72,122,388	7,616,458	47,040,131	10,674,314	6,122,020	7,4
Birchwood Mall, Port Huron, MI	43,396,941	1,768,935	34,574,635	12,632,977	1,980,603	3,0
Boulevard Mall Las Vegas, NV	100,181,545	16,490,343	148,413,086	4,882,898	0	16,4
Capital Mall Jefferson City, MO	22,163,392	4,200,000	14,201,000	8,072,548	0	3,9
Century Mall Birmingham, AL	0	3,164,000	28,513,908	4,378,737	0	3,1
Chapel Hills Colorado Springs, CO	36,275,538	4,300,000	34,017,000	60,248,333	36,805	4,3
Coastland Center Naples, FL	84,669,396	11,450,000	103,050,200	4,098,534	0	11,4
Colony Square Mall Zanesville, OH	25,600,000	1,000,000	24,500,000	15,885,950	0	1,2

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Columbia Mall Columbia, MO	56,100,000	5,383,208	19,663,231	15,191,303	1,368,803	5,3
Coral Ridge Mall Coralville, IA	78,982,915	3,363,602	64,217,772	9,898,887	4,420,355	3,3
Crossroads (MI)						

Col. A -----	Col. F -----	Col. G -----	Col. H -----	Col. I -----
Description -----	Accumulated Depreciation -----	Date of Construction -----	Date Acquired -----	Life Upon Which Depreciation in Latest Income Statement is Computed -----
Ala Moana Combined Honolulu, HI	37,739,295		1999	(e)
Apache Mall Rochester, MN	6,761,237		1998	(e)
Baybrook Mall Friendswood, TX	6,763,788		1999	(e)
Bayshore Mall, Eureka, CA	19,241,253	1986-1987		(e)
Bellis Fair Mall, Bellingham, WA	25,494,998	1987-1988		(e)
Birchwood Mall, Port Huron, MI	17,114,853	1989-1990		(e)
Boulevard Mall Las Vegas, NV	13,626,317		1998	(e)
Capital Mall Jefferson City, MO	5,007,301		1993	(e)
Century Mall Birmingham, AL	3,891,809		1997	(e)
Chapel Hills Colorado Springs, CO	16,597,024		1993	(e)
Coastland Center Naples, FL	8,762,428		1998	(e)
Colony Square Mall Zanesville, OH	14,537,079		1986	(e)
Columbia Mall Columbia, MO	15,007,604	1984-1985		(e)

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Coral Ridge Mall
Coralville, IA 8,738,636 1998-1999 (e)

Crossroads (MI)

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GENERAL GROWTH PROPERTIES, INC.

Kalamazoo, MI	44,021,921	6,800,000	61,200,000	14,265,513	41,616	6,800
Crossroads Center St. Cloud, MN	0	10,851,689	72,202,847	2,090,047	209,018	11,200
Kalamazoo, MI	5,050,869		1999	(e)		
Crossroads Center St. Cloud, MN	3,061,981		2000	(e)		

Col. A -----	Col. B -----	Col. C -----		Col. D -----		
Description -----	Encumbrances (a) -----	Initial Cost -----		Costs Capitalized Subsequent To Acquisition -----		La -----
		Land	Buildings And Improvements (b) -----	Improvements	Carrying Costs (c) -----	
Cumberland Mall Atlanta, GA	97,882,147	15,198,568	136,787,110	4,709,268	77,583	15,198
Development in Progress	0	0	121,465,170	(64,028,739)	0	
Eagle Ridge Mall Lake Wales, FL	0	7,619,865	49,560,538	6,661,469	5,678,662	7,620
Eden Prairie Mall Eden Prairie, MN	0	465,063	19,024,047	98,416,950	4,591,247	465
Fallbrook Mall, West Hills, CA	46,900,000	6,117,338	10,076,520	56,901,512	4,693,078	6,117
Fox River Mall Appleton, WI	93,200,000	2,700,566	18,291,067	35,357,987	2,025,925	4,700
Gateway Mall, Springfield, OR	43,436,220	8,728,263	34,707,170	19,762,738	7,642,587	8,728

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GGPLP Corp. Chicago, IL	207,000,000	0	556,740	49,758,561	0	
110 Building Chicago, IL	26,694,143	0	29,035,310	2,184,058	0	
Grand Traverse Mall, Grand Traverse, MI	50,835,108	3,529,966	20,775,772	21,838,857	3,643,793	3,53
Greenwood Mall Bowling Green, KY	48,766,423	3,200,000	40,202,000	19,213,539	0	3,43
Knollwood Mall, St. Louis Park, MN	0	0	9,748,047	24,895,840	2,867,530	7,02
Lakeview Square Mall Battle Creek, MI	25,465,587	3,578,619	32,209,980	14,962,185	42,469	3,57

Col. A Col. F Col. G Col. H Col. I

Description	Accumulated Depreciation	Date of Construction	Date Acquired	Life Upon Which Depreciation in Latest Income Statement is Computed
-----	-----	-----	-----	-----
Cumberland Mall Atlanta, GA	12,337,025		1998	(e)
Development in Progress	0			
Eagle Ridge Mall Lake Wales, FL	10,434,054	1995-1996		(e)
Eden Prairie Mall Eden Prairie, MN	4,394,533		1997	
Fallbrook Mall, West Hills, CA	27,934,988		1984	(e)
Fox River Mall Appleton, WI	20,690,575	1983-1984		(e)
Gateway Mall, Springfield, OR	19,967,562	1989-1990		(e)
GGPLP Corp. Chicago, IL	13,875,807			(e)
110 Building Chicago, IL	3,127,906		1997	(e)
Grand Traverse Mall, Grand Traverse, MI	15,873,623	1990-1991		(e)
Greenwood Mall Bowling Green, KY	14,603,235		1993	(e)

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Knollwood Mall, St. Louis Park, MN	15,858,577	1978	(e)
Lakeview Square Mall Battle Creek, MI	5,577,665	1996	(e)

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GENERAL GROWTH PROPERTIES, INC.

Lansing Mall Lansing, MI	30,030,398	6,977,798	62,800,179	11,799,121	182,298	6,977,798
Lockport Mall, Lockport, NY	9,300,000	800,000	10,000,000	4,301,489	23,656	800,000
Lansing Mall Lansing, MI	9,134,984	1996	(e)			
Lockport Mall, Lockport, NY	5,618,636	1986	(e)			

Col. A ----- Description	Col. B ----- Encumbrances (a)	Col. C ----- Initial Cost		Col. D ----- Costs Capitalized Subsequent To Acquisition		Col. E ----- Land
		Land	Buildings and Improvements (b)	Improvements	Carrying Costs (c)	
Mall of the Bluffs, Council Bluffs, IA	43,396,941	1,860,116	24,016,343	15,812,545	2,529,093	1,860,116
Mall St. Vincent Shreveport, LA	18,573,688	2,640,000	23,760,000	4,522,637	0	2,640,000
Marketplace Champaign, IL	47,000,000	7,000,000	63,972,357	36,715,247	86,705	7,000,000
McCreless Mall San Antonio, TX	0	1,000,000	9,000,002	711,531	0	1,000,000
MEPC Corp. Chicago, IL	0	0	(1,549,401)	0	0	
Northridge Fashion Center						

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Northridge, CA	139,333,432	16,618,095	149,562,583	25,479,771	2,977,145	16,88
Oakwood Mall, Eau Claire, WI	57,862,588	3,266,669	18,281,160	21,640,333	1,711,573	3,61
Park Mall Tucson, AZ	100,495,593	4,996,024	44,993,177	97,388,605	5,438,192	4,71
Piedmont Mall, Danville, VA	30,148,678	2,000,000	38,000,000	5,030,782	20,787	2,00
Pierre Bossier Mall Bossier City, LA	40,411,286	5,280,707	47,558,468	4,517,187	0	5,28
The Pines, Pine Bluff, AR	26,404,644	1,488,928	17,627,258	10,737,087	1,365,091	1,24
Regency Square Mall Jacksonville, FL	86,049,352	16,497,552	148,477,968	10,507,182	0	16,45
Rio West Mall, Gallup, NM	13,500,000	0	19,500,000	5,491,177	0	

Description	Col. F	Col. G	Col. H	Col. I
	-----	-----	-----	-----
	Accumulated Depreciation	Date of Construction	Date Acquired	Life Upon Which Depreciation in Latest Income Statement is Computed
-----	-----	-----	-----	-----
Mall of the Bluffs, Council Bluffs, IA	15,581,498	1985-1986		(e)
Mall St. Vincent Shreveport, LA	2,526,704		1998	(e)
Marketplace Champaign, IL	9,905,792		1997	(e)
McCreless Mall San Antonio, TX	894,527		1998	(e)
MEPC Corp. Chicago, IL	37,157			
Northridge Fashion Center Northridge, CA	14,703,128		1998	(e)
Oakwood Mall, Eau Claire, WI	15,342,361	1985-1986		(e)
Park Mall Tucson, AZ	10,044,200		1996	(e)
Piedmont Mall, Danville, VA	7,027,298		1995	(e)

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Pierre Bossier Mall Bossier City, LA	4,388,459		1998	(e)
The Pines, Pine Bluff, AR	11,519,510	1985-1986		(e)
Regency Square Mall Jacksonville, FL	13,552,943		1998	(e)
Rio West Mall, Gallup, NM	8,768,478		1986	(e)

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River Falls Mall, Clarksville, IN	0	3,177,688	54,610,421	7,881,505	5,281,892
River Hills Mall, Mankato, MN	51,200,000	3,713,529	29,013,757	18,335,639	2,662,102
Riverlands Shopping Center LaPlace, LA	0	500,000	4,500,000	200,693	0
River Falls Mall, Clarksville, IN	3,182,305	67,773,818	70,956,123	25,539,634	1989-1990
River Hills Mall, Mankato, MN	4,707,482	50,011,498	54,718,980	16,288,834	1990-1991
Riverlands Shopping Center LaPlace, LA	500,000	4,700,693	5,200,693	484,103	1998

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Description	Encumbrances (a)	Initial Cost		Costs C
		Land	Buildings and Improvements (b)	Sub To Ac
-----	-----	-----	-----	-----
Rivertown Crossing Grandville, MI	129,511,696	10,972,923	97,141,738	30,321,159
Sooner Fashion Mall,				

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Norman, OK	20,000,000	2,700,000	24,300,000	15,061,684
Southlake Mall, Morrow, GA	51,300,000	6,700,000	60,406,902	11,114,616
SouthShore Mall, Aberdeen, WA	0	650,000	15,350,000	2,911,571
Southwest Plaza Littleton, CO	82,841,400	9,000,000	103,983,673	11,337,140
Spring Hill West Dundee, IL	88,563,257	12,400,000	111,643,525	5,487,900
Tucson Mall Tucson, AZ	113,057,542	0	181,424,484	1,171,195
Valley Hills, Harrisonburg, VA	34,342,506	3,443,594	31,025,471	34,770,165
Valley Plaza Shopping Center Bakersfield, CA	81,652,670	12,685,151	114,166,356	(4,500,452)
West Valley Mall, Tracy, CA	53,388,284	9,295,045	47,789,310	14,327,722
Westwood Mall Jackson, MI	20,900,000	2,658,208	23,923,869	4,503,917
	-----	-----	-----	-----
Grand Totals	\$3,398,207,188	\$636,492,407	\$3,440,637,702	\$897,868,361
	=====	=====	=====	=====

Gross Amounts at Which
Carried at Close of Period

Description	Land	Buildings And Improvements	Total (c) (d)	Accumulated Depreciation	Dat Const
-----	-----	-----	-----	-----	-----
Rivertown Crossing Grandville, MI	7,246,462	140,622,472	147,868,934	9,181,596	199
Sooner Fashion Mall, Norman, OK	2,580,578	39,361,684	41,942,262	4,479,597	
Southlake Mall, Morrow, GA	6,700,000	71,521,518	78,221,518	7,292,119	
SouthShore Mall, Aberdeen, WA	650,000	18,261,571	18,911,571	7,935,089	
Southwest Plaza Littleton, CO	9,000,000	115,885,700	124,885,700	10,704,748	
Spring Hill West Dundee, IL	12,400,000	117,131,425	129,531,425	10,440,294	
Tucson Mall					

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Tucson, AZ	0	182,595,679	182,595,679	1,717,668
Valley Hills, Harrisonburg, VA	5,656,275	65,965,176	71,621,451	4,860,786
Valley Plaza Shopping Center Bakersfield, CA	12,685,151	109,665,904	122,351,055	9,695,099
West Valley Mall, Tracy, CA	10,885,507	70,003,228	80,888,735	11,572,603
Westwood Mall Jackson, MI	3,571,208	28,427,786	31,998,994	3,676,463
	-----	-----	-----	-----
Grand Totals	\$649,311,682	\$4,436,579,052	\$5,085,890,734	\$624,986,330
	=====	=====	=====	=====

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GENERAL GROWTH PROPERTIES, INC.

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General Growth Properties, Inc.

Notes to Schedule III

(Dollars in Thousands)

- (a) See description of mortgage notes payable in Note 5 of Notes to Consolidated Financial Statements.
- (b) Initial cost for constructed malls is cost at end of first complete calendar year subsequent to opening.
- (c) Carrying costs consists of capitalized construction-period interest and taxes.
- (d) The aggregate cost of land, buildings and equipment for federal income tax purposes is approximately \$4,027,382.

Reconciliation of Real Estate

	1999	2000	2001
	-----	-----	-----
Balance at beginning of year	\$ 3,676,796	\$ 4,326,551	\$ 4,676,740
Additions:	1,238,874	350,189	352,186
Other additions/(reductions):	(589,119)	--	56,965
	-----	-----	-----

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Balance at close of year	\$ 4,326,551	\$ 4,676,740	\$ 5,085,891
	=====	=====	=====

Reconciliation of Accumulated Depreciation

	1999	2000	2001
	-----	-----	-----
Balance at beginning of year	\$ 301,789	\$ 376,673	\$ 488,130
Depreciation Expense	105,046	111,457	128,682
Other additions/(reductions):	(30,162)	--	8,174
	-----	-----	-----
Balance at close of year	\$ 376,673	\$ 488,130	\$ 624,986
	=====	=====	=====

(e) Depreciation is computed based upon the following estimated lives:

Buildings, improvements and carrying costs	40 years
Tenant allowances	10 - 40 years
Equipment and fixtures	10 years

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GENERAL GROWTH PROPERTIES, INC.

EXHIBIT INDEX

2(a) Purchase and Sale Agreement dated as of May 3, 1999, among D/E Hawaii Joint Venture, GGP Limited Partnership and General Growth Properties, Inc. (17)

2(b) Agreement of Purchase and Sale, dated as of July 27, 1999, among Oak View Mall Corporation, a Delaware corporation, and Oak View Mall, L.L.C., a Delaware limited liability company. (18)

2(c) Agreement of Purchase and Sale, dated as of July 22, 1999 between General Growth Properties, Inc., a Delaware corporation (the "Company"), and RREEF USA Fund-III, a California group trust. (18)

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GENERAL GROWTH PROPERTIES, INC.

2(d) Operating Agreement, dated November 10, 1999, between GGP Limited Partnership, a Delaware limited partnership, The Comptroller of the State of New York as Trustee of the Common Retirement Fund ("NYSCRF"), and GGP/Homart II L.L.C. a Delaware limited liability company ("GGP/ Homart II"). (18)

2(e) Contribution Agreement dated November 10, 1999, by and between GGP Limited Partnership, a Delaware limited partnership (the "Operating Partnership"), and GGP/Homart II (Altamonte Mall). (19)

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2(f) Contribution Agreement dated November 10, 1999, by and between the Operating Partnership and GGP/Homart II (Northbrook Court). (19)

2(g) Contribution Agreement dated November 10, 1999, by and between the Operating Partnership and GGP/Homart II (Natick Trust). (19)

2(h) Contribution Agreement dated November 10, 1999, by and between the Operating Partnership and GGP/Homart II (Stonebriar Centre). (19)

2(i) Contribution Agreement dated November 10, 1999, by and between NYSCRF and GGP/Homart II (Carolina Place). (19)

2(j) Contribution Agreement dated November 10, 1999, by and between NYSCRF and GGP/Homart II (Alderwood Mall). (19)

2(k) Contribution Agreement dated November 10, 1999, by and between NYSCRF and GGP/Homart II (Montclair Plaza). (19)

2(l) Contribution Agreement, dated February 1, 2000, by and between General Growth Companies, Inc. and GGP Limited Partnership. (20)

2(m) Purchase and Sale Agreement dated as of March 15, 2000 by and between Crossroads Shopping Center Trust and St. Cloud Mall L.L.C. (21)

2(n) Purchase Agreement dated May 25, 2000 among General Growth Properties, Inc., GGP Limited Partnership, GGPLP L.L.C. and Goldman Sachs 2000 Exchange Place Fund, L.P. (23)

2(o) Purchase and Sale Agreement dated as of August 7, 2001 by and between Oracle-Wetmore Co. and GGP-Tucson Mall, L.L.C. (27)

2(p) Purchase and Sale Agreement dated as of August 7, 2001 by and between TMall-WN, L.L.C. and GGP-Tucson Mall, L.L.C. (27)

2(q) Purchase and Sale Agreement dated as of August 7, 2001 by and between JCP Realty, Inc. and GGP-Tucson Mall, L.L.C. (27)

3(a) Amended and Restated Certificate of Incorporation of the Company. (2)

3(b) Amendment to Amended and Restated Certificate of Incorporation of the Company. (3)

3(c) Amendment to Amended and Restated Certificate of Incorporation of the Company filed on December 21, 1995. (6)

3(d) Amendment to Amended and Restated Certificate of Incorporation of the Company filed on May 20, 1997. (10)

3(e) Amendment to Second Amendment and Restated Certificate of Incorporation of the Company filed on May 17, 1999. (17)

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GENERAL GROWTH PROPERTIES, INC.

3(f) Bylaws of the Company. (3)

3(g) Amendment to Bylaws of the Company. (3)

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4(a) Redemption Rights Agreement, dated July 13, 1995, by and among GGP Limited Partnership, General Growth Properties, Inc. and the persons listed on the signature pages thereof. (5)

4(b) Redemption Rights Agreement dated December 6, 1996, among GGP Limited Partnership, a Delaware corporation, Forbes/Cohen Properties, a Michigan general partnership, Lakeview Square Associates, a Michigan general partnership, and Jackson Properties, a Michigan general partnership. (1)

4(c) Redemption Rights Agreement, dated June 19, 1997, among GGP Limited Partnership, a Delaware limited partnership, General Growth Properties, Inc., a Delaware corporation, and CA Southlake Investors, Ltd., a Georgia limited partnership. (8)

4(d) Redemption Rights Agreement dated October 23, 1997, among GGPI, GGPLP and Peter Leibowits. (10)

4(e) Form of Indenture. (7)

4(f) Certificate of Designations, Preferences and Rights of 7.25% Preferred Equity Redeemable Stock, Series A. (14)

4(g) Amendment to Certificate of Designations, Preferences and Rights of 7.25% Preferred Income Equity Redeemable Stock, Series A of General Growth Properties, Inc. filed on May 17, 1999. (17)

4(h) Redemption Rights Agreement dated April 2, 1998, among GGP Limited Partnership, General Growth Properties, Inc. and Southwest Properties Venture. (11)

4(i) Indenture and Servicing Agreement dated as of November 25, 1997, among the Issuers named therein, LaSalle National Bank, as Trustee, and Midland Loan Services, L.P., as Servicer (the "Indenture Agreement"). (12)

4(j) Form of Note pursuant to the Indenture Agreement. (12)

4(k) Mortgage, Deed of Trust, Security Agreement, Assignment of Leases and Rents, Fixture Filing and Financing Statement, date and effective as of November 25, 1997, among the Issuers, the Trustee and the Deed Trustees named therein. (12)

4(l) Rights Agreement, dated November 18, 1998, between General Growth Properties, Inc. and Norwest Bank Minnesota, N.A., as Rights Agent (including the Form of Certificate of Designation of Series A Junior Participating Preferred Stock attached thereto as Exhibit A, the Form of Right Certificate attached Preferred Stock attached thereto as Exhibit C). (15)

4(m) Form of Common Stock Certificate. (16)

4(n) First Amendment to Rights Agreement, dated as of November 10, 1999, between the Company and Norwest Bank, Minnesota, N.A. (18)

4(o) Letter Agreement concerning Rights Agreement, dated November 10, 1999, between the Operating Partnership and NYSCRF. (18)

4(p) Certificate of Designations, Preferences and Rights of 8.95% Cumulative Redeemable Preferred Stock, Series B. (22)

10(a) Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership. (13)

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GENERAL GROWTH PROPERTIES, INC.

10(b) Rights Agreement between the Company and the Limited Partners of the Operating Partnership. (4)

10(c) General Growth Properties, Inc. 1993 Stock Incentive Plan, as amended. (9)

10(d) Amendment, dated May 8, 2001, to 1993 Stock Incentive Plan, as amended. (27)

10(e) Form of Amended and Restated Agreement of Partnership for each of the Property Partnerships. (2)

10(f) Form of Indemnification Agreement between the Operating Partnership, Martin Bucksbaum, Matthew Bucksbaum, Mall Investment L.P. and M. Bucksbaum Company. (2)

10(g) Form of Registration Rights Agreement between the Company and the Bucksbaums. (2)

10(h) Form of Registration Rights Agreement between the Company and certain trustees for the IBM Retirement Plan. (2)

10(i) Form of Incidental Registration Rights Agreement between the Company, Equitable, Frank Russell and Wells Fargo. (2)

10(j) Form of Letter Agreements restricting sale of certain shares of Common Stock. (2)

10(k)* Letter Agreement dated October 14, 1993, between the Company and Bernard Freibaum. (4)

10(l)* Form of Option Agreement between the Company and certain Executive Officers. (8)

10(m)* General Growth Properties, Inc. 1998 Incentive Stock Plan. (16)

10(n) Amended and Restated Operating Agreement of GGPLP L.L.C. dated as of May 25, 2000. (22)

10(o) Amendment, dated May 9, 2000, to 1998 Stock Incentive Plan. (28)

10(p) Registration Rights Agreement dated May 25, 2000 between General Growth Properties, Inc. and Goldman Sachs 2000 Exchange Place Fund, L.P. (23)

10(q) Term Loan Agreement, dated as of July 31, 2000, among the Operating Partnership and GGPLP L.L.C. (collectively "Borrower"), Bankers Trust Company ("BT") and Lehman Commercial Paper Inc. ("Lehman"). (24)

10(r) Promissory Note dated July 31, 2000 made by Borrower in favor of BT. (24)

10(s) Promissory Note dated July 31, 2000 made by Borrower in favor of Lehman. (24)

10(t) Joinder Agreement, dated as of September 1, 2000, between Bayerische Hypo-Und Vereinsbank AG, New York Branch ("Hypo") and Borrower. (24)

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10(u) Promissory Note dated September 1, 2000 made by Borrower in favor of Hypo. (24)

10(v) Joinder Agreement, dated as of September 22, 2000, between Fleet National Bank ("Fleet") and Borrower. (24)

10(w) Promissory Note dated September 22, 2000 made by Borrower in favor of Fleet. (24)

10(x) First Amendment to Term Loan Agreement, dated as of September 22, 2000, among Borrower and BT, Lehman, Hypo and Fleet. (24)

10(y) Lender Addendum, dated as of October 20, 2000, between Lehman, Borrower and BT. (24)

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GENERAL GROWTH PROPERTIES, INC.

10(z) Replacement Note dated October 20, 2000 made by Borrower in favor of Lehman. (24)

10(aa) Joinder Agreement, dated as of December 28, 2000, between The Chase Manhattan Bank ("Chase"), Borrower, BT and Lehman. (24)

10(bb) Promissory Note dated December 28, 2000 made by Borrower in favor of Chase. (24)

10(cc) Second Amendment to Term Loan Agreement, dated as of December 28, 2000, among Borrower and BT, Lehman, Fleet and Chase. (24)

10(dd) Third Amendment to Term Loan Agreement, dated as of June 11, 2001, executed by Borrower and BT, Lehman, Hypo, Fleet, Chase and Comerica Bank. (29)

10(ee) Joinder Agreement, dated as of August 1, 2001 between Commerzbank AG, New York and Grand Cayman Branches ("Commerzbank"), Borrower, BT and Lehman. (28)

10(ff) Promissory Note dated August 1, 2001 made by Borrower in favor of Commerzbank. (28)

10(gg) Revolving Credit Agreement, dated as of July 31, 2000 among Borrower, Bank of America, N.A. ("BofA") Dresdner Bank, AG ("Dresdner"). And U.S. Bank National Association ("USB"). (24)

10(hh) Promissory Note dated July 31, 2000 made by Borrower in favor of BofA. (24)

10(ii) Promissory Note dated July 31, 2000 made by Borrower in favor of Dresdner. (24)

10(jj) Promissory Note dated July 31, 2000 made by Borrower in favor of USB. (24)

10(kk) Joinder to Revolving Credit Agreement, dated as of September 1, 2000, among Hypo, Borrower, BofA, Dresdner and USB. (24)

10(ll) Promissory Note dated September 1, 2000 made by Borrower in favor of Hypo. (24)

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10(mm) First Amendment to Revolving Credit Agreement, dated as of June 7, 2001, executed by Borrower, BofA, Dresdner, USB and Hypo. (29)

10(nn) Joinder to Revolving Credit Agreement, dated as of August 10, 2001, executed by Commerzbank, as consented to by Borrower, BofA, Dresdner, USB and Hypo. (29)

10(oo) Promissory Note dated August 16, 2001 made by Borrower in favor of Commerzbank. (29)

10(pp) Revolving Credit Agreement, dated as of January 30, 2001, among General Growth Management, Inc. and GGPLP L.L.C. (collectively, "Borrower"), BofA, USB, and LaSalle Bank National Association ("LaSalle"). (26)

10(qq) Promissory Note dated January 30, 2001 made by Borrower in favor of BofA. (26)

10(rr) Promissory Note dated January 30, 2001 made by Borrower in favor of USB. (26)

10(ss) Promissory Note dated January 30, 2001 made by Borrower in favor of LaSalle. (26)

10(tt) First Amendment to Revolving Credit Agreement, dated as of June 7, 2001, executed by Borrower, BofA, USB and LaSalle. (29)

16. Letter of Pricewaterhouse Coopers LLP dated April 11, 2001 regarding change in certifying accountant. (25)

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GENERAL GROWTH PROPERTIES, INC.

21. List of Subsidiaries of General Growth Properties, Inc.

23.1 Consent of Deloitte & Touche LLP.

23.2 Consent of KPMG LLP.

23.3 Consent of PricewaterhouseCoopers LLP - Independent Accountants.

(*) A compensatory plan or arrangement required to be filed.

(1) Previously filed as an exhibit to the Company's Current Report on Form 8-K dated January 3, 1996, incorporated herein by reference.

(2) Previously filed as an exhibit to the Company's Registration Statement on Form S-11 (No. 33-56640), incorporated herein by reference.

(3) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1994, incorporated herein by reference.

(4) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1993, incorporated herein by reference.

(5) Previously filed as an exhibit to the Company's Current Report on Form 8-K dated July 17, 1996, incorporated herein by reference.

(6) Previously filed as an exhibit to the Company's Annual Report on Form

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10-K for the year ended December 31, 1995, incorporated herein by reference.

(7) Previously filed as an exhibit to the Company's Registration Statement on Form S-3 (No. 333-37247) dated October 6, 1997, incorporated herein by reference.

(8) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1996, incorporated herein by reference.

(9) Previously filed as an exhibit to the Company's Registration Statement on Form S-8 (No. 333-28449) dated June 3, 1997, incorporated herein by reference.

(10) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1997, incorporated herein by reference.

(11) Previously filed as an exhibit to the Company's current report on Form 8-K dated May 26, 1998, incorporated herein by reference.

(12) Previously filed as an exhibit to the Company's current report on Form 8-K/A dated June 2, 1998, incorporated herein by reference.

(13) Previously filed as an exhibit to the Company's current report on Form 10-Q dated May 14, 1998, as amended May 21, 1998, incorporated herein by reference.

(14) Previously filed as an exhibit to the Company's current report on Form 8-K dated August 7, 1998, incorporated herein by reference.

(15) Previously filed as an exhibit to the Company's current report on Form 8-K, dated November 18, 1998, incorporated herein by reference.

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GENERAL GROWTH PROPERTIES, INC.

(16) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1998, incorporated herein by reference.

(17) Previously filed as an exhibit to the Company's Current Report on Form 8-K, dated July 12, 1999, incorporated herein by reference.

(18) Previously filed as an exhibit to the Company's Current Report on Form 8-K, dated November 23, 1999, incorporated herein by reference.

(19) Previously filed as an exhibit to the Company's Current Report on Form 8-K/A, dated January 11, 2000, incorporated herein by reference.

(20) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1999, incorporated herein by reference.

(21) Previously filed as an exhibit to the Company's Current Report on Form 8-K, dated May 9, 2000, incorporated herein by reference.

(22) Previously filed as an exhibit to the Company's Current Report on Form 8-K, dated June 13, 2000, incorporated herein by reference.

(23) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q dated August 9, 2000, incorporated herein by reference.

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(24) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2000, incorporated herein by reference.

(25) Previously filed as an exhibit to the Company's Current Report on Form 8-K, as amended, dated April 11, 2001, incorporated herein by reference.

(26) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q dated May 10, 2001, incorporated herein by reference.

(27) Previously filed as an exhibit to the Company's Current Report on Form 8-K, dated August 30, 2001, incorporated herein by reference.

(28) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q dated August 13, 2001, incorporated herein by reference.

(29) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q dated November 9, 2001, incorporated herein by reference.

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