SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(MARK ONE)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998
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                (I.R.S. Employer
incorporation or organization)              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
Depositary Shares, each representing                 New York Stock
Exchange
```

1/40 of a share of 7.25% Preferred Income
Equity Redeemable Stock, Series A
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

[X] Indicate by a check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (ss. 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 19, 1999, the aggregate market value of the 36,351,342 shares of Common Stock held by non-affiliates of the registrant was

$1,142,795,314 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 and certain other stockholders; such exclusion shall not be deemed to constitute an admission that any such person is an "affiliate" of the registrant). As of March 19, 1999, there were 39,052,095 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the annual stockholders meeting to be held on May 12, 1999 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, which descriptions are hereby incorporated herein by reference. The following discussion should be read in conjunction with such Consolidated Financial Statements and Notes thereto.

FORWARD LOOKING INFORMATION

Forward looking statements contained in this Annual Report on Form 10-K may include certain forward-looking information 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 General Growth Properties, Inc. ("General Growth"), its Operating Partnership (as defined below) and Subsidiaries (collectively, 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 statement 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, cost of capital and capital requirements, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, tenant bankruptcies, 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), and the continued availability of financing in the amounts and at the terms necessary to support the Company's future business.

GENERAL

General Growth Properties, Inc. was formed in 1986 by Martin Bucksbaum and Matthew Bucksbaum (the "Original Stockholders"). On April 15, 1993, an initial public offering (the "IPO") of the common stock (the "Common Stock") of General Growth Properties, Inc. and certain related transactions were completed. In connection with the IPO, General Growth Properties, Inc. (as general partner) and the Original Stockholders (as limited partners) formed GGP Limited Partnership (the "Operating Partnership"). As a result of the IPO and related transactions, the Company owned 100% of twenty-one enclosed mall shopping centers. During May of 1995, General Growth completed a follow-on stock offering of 4,500,000 shares of Common Stock. General Growth issued 3,451,783 shares of Common Stock during 1996 in connection with various acquisitions. In the third quarter of 1997 General Growth sold an additional 4,927,680 shares of Common Stock in two separate transactions. 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"), of General Growth. During November 1998, General Growth adopted a shareholder's rights plan as more fully described in Note 1.

As of December 31, 1998, the Company owned 100% of fifty-one enclosed mall shopping centers (the "Wholly-Owned Centers"); 51% of the stock of GGP/Ivanhoe, Inc. ("GGP/Ivanhoe"), 50% of each of two enclosed mall shopping centers, Quail Springs Mall and Town East Mall, and 51% of the stock of GGP Ivanhoe III, Inc. ("GGP Ivanhoe III") (collectively the "Property Joint Ventures"); approximately 38.2% of the stock of GGP/Homart, Inc. ("GGP/Homart") and a non-voting preferred stock interest in General Growth Management, Inc. ("GGMI"). The fifty-one 100% owned enclosed mall shopping centers, the 51% ownership interest in the two centers owned by GGP/Ivanhoe, the 51% ownership interest in the six centers owned by GGP Ivanhoe III, and the 50% ownership interest in both Quail Springs Mall and Town East Mall comprise the "GGP Centers". On December 31, 1998, General Growth Properties, Inc. owned an approximate 66% general partnership interest in the Operating Partnership, and various minority holders, including the Original Stockholders and subsequent contributors of properties to the Company, owned the remaining 34% 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 February 11, 1994, the Company acquired 40% of the outstanding stock of CenterMark Properties, Inc. ("CenterMark") for approximately $182.0 million in cash. CenterMark owned interests in sixteen enclosed mall shopping centers, three power centers and certain other real estate. On December 19, 1995, the Company sold a portion of its interest in CenterMark for $72.5 million and granted the buyer an option to purchase its remaining interest. Pursuant to such option, the Company's remaining interest was sold in two transactions with $87.0 million received on July 1, 1996 and $130.5 million received on January 2, 1997.

On December 22, 1995 the Company, jointly with four other investors, acquired 100% of the stock in 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. At December 31, 1998 GGP/Homart owned interests in twenty-three shopping centers (the "Homart Centers"). Together, the GGP Centers and the Homart Centers comprise the "Company Portfolio" or the "Portfolio Centers".

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% ownership interest therein 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, by completing the following steps: GGP Management borrowed approximately $39.9 million from the Operating Partnership, and used the loan proceeds to acquire 1,555,855 newly-issued shares of Common Stock from the Company. GGP Management then exchanged the 1,555,855 shares of Common Stock and 453,791 Operating Partnership Units (contributed by the Operating Partnership) for 100% of the outstanding shares in GGMI. GGP Management was then merged into GGMI with GGMI as the surviving entity.

The Operating Partnership currently holds all of the non-voting preferred stock ownership interest in GGMI representing 95% of the equity interest. Certain key employees of the Company hold the remaining 5% equity interest through ownership of 100% of the common stock which is entitled to all voting rights in GGMI. GGMI cannot distribute funds until its available cash flow exceeds all accumulated preferred dividends owed to the preferred stockholder. As of December 31, 1998, no such distributions by GGMI have been made. Any dividends in excess of the preferred cumulative dividend are allocated 95% to the preferred stockholder and 5% to the common stockholders. The interest only loan from the Operating Partnership to GGMI bears interest at 14% and matures in 2016. GGMI may make principal payments on the loan if it has sufficient cash flow. GGMI manages, leases, and performs various other services for the Portfolio Centers and other properties owned by unaffiliated parties.

On September 17, 1997, GGP/Ivanhoe indirectly acquired both The Oaks Mall in Gainesville, Florida and Westroads Mall in Omaha, Nebraska. The purchase price for the two properties was approximately $206,000 of which $125,000 was financed through property level indebtedness. The Company contributed approximately $43,700 for its 51% ownership interest in GGP/Ivanhoe. Ivanhoe, Inc. of Montreal, Canada ("Ivanhoe") owns the remaining 49% ownership interest in GGP/Ivanhoe.

On July 23, 1998, effective 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, which will elect 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 $625,000 (less certain adjustments, including a credit of approximately $64,000 for outstanding mortgage indebtedness and accrued interest thereon as well as credits for tenant allowances, construction costs, commissions, due diligence items and certain miscellaneous items). The acquisition was financed with a $392,000 interim loan, which becomes due July 1, 1999, and capital contributions from the Company and the joint venture partner in proportion to their respective stock ownership. The properties acquired include Landmark Mall in Alexandria, Virginia; the Mayfair Mall and adjacent office buildings in Wauwatosa (Milwaukee), Wisconsin; the Meadows Mall in Las Vegas, Nevada; the Northgate

Mall in Chattanooga, Tennessee; Oglethorpe Mall in Savannah, Georgia; and the Park City Center in Lancaster, Pennsylvania. The properties acquired are currently managed by GGMI.

BUSINESS OF THE COMPANY

The Company is primarily engaged in the ownership, operation, management, leasing, acquisition, development, expansion and financing of enclosed 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 on page 17 of this report contains information on each enclosed 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 Homart Centers and the properties owned by the Property Joint Ventures, 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 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. As of December 31, 1998 GGMI was the property manager for all of the GGP Centers and twenty of the Homart Centers. Certain joint venture partners of GGP/Homart managed the other three Homart Centers.

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 percentage rent. Percentage rent is paid by the tenant if their sales exceed an agreed upon minimum annual amount. Percentage rent is calculated by multiplying the sales in excess of the minimum annual 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, strategic expansions and acquisitions, and selective new shopping center developments. These approaches should enable the Company to operate and grow successfully in today's value-oriented environment. Following is a summary of recent acquisition, development and expansion and redevelopment activity.

ACQUISITIONS

The Company continues to seek properties for acquisition that make financial sense. In 1998, the Company acquired 100% ownership interests in fifteen regional malls and partial ownership interests in six additional regional malls for an aggregate investment by the Company of approximately $1,709.9 million. The following is a summary description of the acquisitions made by the Company since December 31, 1997.

During the second quarter of 1998 the Company acquired a 100% ownership interest in ten properties: Southwest Plaza in Denver, Colorado; Northbrook Court in Northbrook (Chicago), Illinois; The Apache Mall in Rochester, Minnesota; the Boulevard Mall in Las Vegas, Nevada; the Cumberland Mall in Atlanta, Georgia; the McCreless Mall in San Antonio, Texas; the Northridge Fashion Center in Northridge (Los Angeles), California; the Regency Square Mall in Jacksonville, Florida; the Riverlands Shopping Center in LaPlace, Louisiana and the Valley Plaza Mall in Bakersfield, California. The latter eight properties were acquired in one transaction and previously comprised the U.S. retail portfolio of MEPC plc, a United Kingdom based real estate company. The aggregate consideration paid for the ten properties was approximately $1,132 million (subject to prorations and certain adjustments). On July 23, 1998, effective as of June 30, 1998, GGP Ivanhoe III acquired through a merger of a wholly-owned subsidiary of GGP Ivanhoe III with and into USPPI, the following six properties directly or indirectly: the Landmark Mall in Alexandria, Virginia; the Mayfair Mall and adjacent office buildings in Wauwatosa (Milwaukee), Wisconsin; the Meadows Mall in Las Vegas, Nevada; the Northgate Mall in Chattanooga, Tennessee; Oglethorpe Mall in Savannah, Georgia and the Park City Center in Lancaster, Pennsylvania. The total consideration paid for these properties was approximately $625 million. The Company owns 51% of the ownership interest in GGP Ivanhoe III for an investment of approximately $91.3 million.

During the third quarter of 1998, the Company acquired 100% ownership of the following four properties: Coastland Center in Naples, Florida, Spring Hill Mall in West Dundee (Chicago), Illinois, Pierre Bossier Mall in Bossier City (Shreveport), Louisiana and Altamonte Mall in Orlando, Florida. The aggregate consideration paid for the four properties was approximately $460.2 million (subject to prorations and certain adjustments).

During the fourth quarter of 1998, the Company acquired a 100% ownership interest in Mall St. Vincent located in Shreveport, Louisiana on October 21, 1998 for an aggregate consideration of approximately $26.4 million.

On January 11, 1999, the Company acquired a 100% ownership interest in the Crossroads Mall in Kalamazoo, Michigan for an aggregate purchase price of approximately $68 million.

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

- The funds necessary for a cash acquisition of a shopping center can be obtained by the Company from a combination of sources, including mortgage or unsecured financing or the issuance of public 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 tax-advantaged transactions for the seller.

- Management's expertise allows it to evaluate proposed acquisitions for their increased profit potential. Additional profit can originate from many sources 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. Coral Ridge Mall in Coralville (Iowa City), Iowa was completed and opened in July of 1998. The Company is currently developing enclosed shopping centers in Grandville (Grand Rapids), Michigan and Frisco (Dallas), Texas.

Coral Ridge Mall is a 1,200,000 square foot enclosed regional mall that includes five department store anchors, two big box retailers, a theater, an ice arena, a children's museum and approximately 200,000 square feet of Mall Store space. Coral Ridge was 100% leased at its grand opening.

Rivertown Crossings in Grandville, Michigan, will consist of approximately 1,100,000 square feet and is currently scheduled to open in November of 1999. As of December 31, 1998 approximately $45 million has been spent of an estimated total cost of $135 million. The funding for the development of this project comes primarily from the Company's line of credit facility and retained cash flow of the Company.

The Company broke ground on the construction of the Stonebriar Mall at the Bridges in Frisco, Texas in October 1998. This 1,300,000 square foot enclosed mall shopping center, upon its scheduled completion in July of 2000, will initially feature five department store anchors, a 24 screen AMC theater, approximately 350,000 square feet of Mall Stores and up to 150,000 square feet of big box or large format retailers. Plans also include a possible second phase expansion to include two additional department stores. As of December 31, 1998, approximately $26 million of an estimated $145 - $175 million construction cost has been spent, primarily funded by the Company's line of credit facility and retained cash flow.

EXPANSIONS AND RENOVATIONS

Most of the Portfolio Centers were designed to allow for expansion and growth through the addition of new Anchors or Mall and Freestanding Stores. During 1998, 41 major projects were announced 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 are the renovation and expansion of, Chapel Hills Mall, Neshaminy Mall, Market Place Mall and Park Mall as described below:

Chapel Hills Mall, a 1,159,187 square foot center, located in Colorado Springs, Colorado completed an extensive renovation in the spring of 1998. The project included adding a 203,000 square foot Dillards, an enlarged food court, a renovation of the Sears store, an ice arena, a play area and other amenities.

Neshaminy Mall, located in Bensalem, Pennsylvania, a suburb of Philadelphia, and previously a 945,779 square foot enclosed mall, completed an expansion project in September 1998. The project consisted of a 24 screen AMC Theatre and approximately 20,000 square feet of Mall Store space.

Market Place Mall is currently an 821,117 square foot enclosed mall anchored by Sears, Bergner's and JCPenney. The mall, located in Champaign, Illinois, is in the preliminary phase of a renovation and expansion project consisting of a new 150,000 square foot Famous-Barr department store, approximately 43,000 square feet of additional Mall Store space, a new food court, a new service center and other customer amenities. The renovation and expansion is projected to open in late 1999.

Park Mall, an 848,325 square foot center located in Tucson, Arizona is undergoing a remodel and expansion to 1,350,000 square feet. The mall will initially add a completely retrofitted Dillards to the existing anchors of Macy's and Sears. The project will add a food court, a multiplex theater and an outdoor plaza for fine dining, and is expected to be completed during 2000.

THE PORTFOLIO CENTERS

As used herein, the term "GLA" refers to gross leaseable retail space, including anchors and mall tenant areas; the term "Mall GLA" refers to gross 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 an enclosed mall shopping center.

All of the eighty-four 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:

- Range in size between approximately 190,000 and 1,510,000 square feet of total GLA and between approximately 125,000 and 765,000 square feet of Mall and Freestanding GLA. The smallest Portfolio Center has approximately 20 stores, and the largest has over 160 stores;

- Have approximately 334 Anchors, operating under approximately 59 trade names; and

- Have approximately 8,500 Mall and Freestanding Stores.

The average size of the eighty-four Portfolio Centers is approximately 855,000 square feet of GLA, including all Anchors, Mall Stores and Freestanding Stores. The average Mall and Freestanding GLA per Portfolio Center is approximately 345,000 square feet.

As of December 31, 1998, the GGP Centers contain approximately 50.1 million square feet of GLA consisting of Anchors (whether owned or leased), Mall Stores and Freestanding Stores. The Homart Centers contain approximately 20.8 million square feet of GLA.

The Company's share of total revenues from the Portfolio Centers and GGMI increased to $627.9 million in 1998 from $448.3 million in 1997. No single Portfolio Center generated more than 7% of the Company's total 1998 pro rata revenues. In 1998, total Mall Store sales from the Portfolio Centers increased by approximately 11.0% in comparison to the total Mall Store sales in 1997.

The table below shows tenants, by trade name, with more than .75% of annualized effective rents as compared to consolidated effective rents on an annualized basis in the Wholly-Owned Centers at December 31, 1998. In addition, management believes that similar percentages existed in the Portfolio Centers as of December 31, 1998.

Tenant Name	% of Total Annualized Rents
JCPenney	1.90%
Sears	1.79%
Gap	1.62%
Victoria's Secret(2)	1.33%
Lane Bryant(2)	1.18%
Footlocker(1)	1.08%
Express (2)	0.97%
Kay-Bee Toys	0.97%
B. Dalton Bookseller	0.87%
Champs Sports(1)	0.87%
Lerner New York(2)	0.86%
Macy's	0.83%
The Limited (2)	0.79%

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

MALL AND FREESTANDING STORES

The Portfolio Centers have a total of approximately 8,500 Mall and Freestanding Stores. The following table reflects the tenant representation by category in the Wholly-Owned Centers as of December 31, 1998. In addition, management believes that similar tenant representation by category existed in the Portfolio Centers as of December 31, 1998.

Tenant Categories	% Of Sq. Ft. in Wholly-Owned Centers	Types of Tenants/Products Sold
Specialty	22%	Photo studios and development, beauty and nail salons, pharmacy and sundries, variety stores, pet stores, newsstands, jewelry repair, shoe repair, tailor, video games, sporting goods, shops for home/bath/ kitchen, rugs, fabric stores, beds/ waterbeds, luggage, perfume, tobacco, toys, arcades, cameras, sunglasses, books
Women's Apparel	19%	Women's apparel
Apparel	14%	Unisex apparel, children's apparel, lingerie, formalwear
Shoes	13%	Shoes
Food	9%	Restaurant, food court
Gifts	6%	Cards, candles, engraving stores, other gift or novelty
Music/Electronics	6%	Music, electronics, computer and software, video rental
Sporting Goods	4%	Sports apparel, sports and exercise equipment
Jewelry	3%	Fine jewelry and costume jewelry
Men's Apparel	2%	Men's apparel
Specialty Food	2%	Candy, coffee, nuts, chocolate, health food/vitamins
Total	100%	

Specialty tenants include Mastercuts, One Hour Photo, California Nails, Lechter's, Kay-Bee Toys, Dollar Tree, Lemstone Books 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 Gap, Eddie Bauer, American Eagle, Old Navy and Gymboree. The Shoes category often includes tenants such as Footlocker and Payless Shoesource. The Food category typically includes restaurants such as Ruby Tuesday, 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, Suncoast Pictures and Waldensoftware. Sporting Goods include tenants such as Champs, Big 5 Sports and Scheel's Sports. Jewelry tenants typically include Zales, Friedman's Jewelers and Kay Jewelers. The Men's Apparel category includes tenants such as J. Riggins and

Nicks for Men. Specialty Food tenants often include General Nutrition Center, Mr. Bulky, and Barnie'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.

Oakwood Mall is a 786,000 square foot enclosed regional shopping center located in Eau Claire, Wisconsin. The mall is the region's dominant retail center in a trade area that spans 13 counties. Eau Claire, the largest city in west central Wisconsin, has a diverse economic base consisting of manufacturing, high-tech, agriculture, higher education, and health care. The mall attracts many younger shoppers because of its proximity to the large college population in the community. The mall currently has five anchor tenants: Dayton's, JCPenney, Scheel's Allsports, Sears, and Target. The mall has over 100 mall shops with national retailers such as Gap, Eddie Bauer, The Disney Store, Victoria's Secret, and Helzbergs. The mall's food court includes 10 restaurants and seating capacity for 550 people. Carmike Cinemas expanded from 6 to 12 screens in November of 1997. Oakwood Mall's shopping center competition within its trade area is limited to London Square Mall, located one mile north of the center. London Square Mall is a 550,000 square foot shopping center with two anchors: Younkers and TJ Maxx. The third anchor space is vacant. London Square Mall opened in 1971 and was renovated in 1992. Currently its non-anchor space is approximately 10% leased. No plans have been announced for redevelopment. Several retailers have closed and moved to Oakwood, including Sears, Kitchen Collections, and Famous Footwear. The mall also faces competition from discounters/category killers such as Kohl's, Wal-Mart, Sam's Club, Best Buy, and Border's, all of which are located within one mile of the center.

Valley Plaza Mall is a single-level, 1,100,000 square foot shopping center located in Bakersfield, California, approximately 110 miles north of Los Angeles. The mall contains 147 mall shops, five anchor department stores and one outparcel. It is the largest and most dominant mall in the San Joaquin Valley. The mall is anchored by Macy's, Gottschalks, JCPenney, Sears and Robinson's-May. A new 16-screen Pacific Theater is scheduled to open in May 1999 which will be complemented by two new full-service restaurants, one of which, Pizzeria Uno, opened in August 1998. Valley Plaza's only significant mall competition is East Hills Mall, a single-level, 410,000 square foot, enclosed mall anchored by Gottschalk's, Harris and Mervyn's. East Hills Mall, built in 1988, is struggling due to Valley Plaza's stronger position in the market. East Hills is approximately 7 miles northeast of Valley Plaza. The secondary competition for Valley Plaza consists of discount retailers.

Coastland Mall is a 926,000 square foot, single-level, regional shopping center located in Naples, Florida. Located just north of downtown Naples at the southeast corner of the intersection of Tamiami Trail (US Route 41) and Golden Gate Parkway (State Route 886), Coastland is anchored by Burdines, Dillard's, Sears and JCPenney as well as over 149 mall shops. Coastland is the only enclosed regional shopping center in Naples, is the only enclosed mall within 35 miles and is the largest retail venue in the area. Coastland's primary competition is from a number of smaller centers that have an open-air format to take advantage of the warm climate. These centers typically target tourists and do not offer a broad selection of merchandise or price points. Examples of such centers in Coastland's trade area include: Waterside Shops at Pelican Bay, Village on Venetian Bay, Coral Isle Factory Shops and Old Naples. Waterside Shops at Pelican Bay is an open-air center located three miles north of Coastland at the intersection of Tamiami Trail and Pine Ridge Road. The center is anchored by two small (45,000 square foot) resort-format department stores, Saks Fifth Avenue and Jacobsons. The single-level center, which opened in 1992, contains 50 in-line tenants, most of which are upscale and offer high price point merchandise. The center caters to tourists and high-end consumers and is not considered directly competitive to Coastland Center. Village on Venetian Bay is located on Gulf Shore Boulevard in Naples and has no anchor stores. The center is built along the water and has extremely upscale boutiques and restaurants. The center caters primarily to seasonal residents and tourists. Coral Isle Factory Shops is a 105,000 square foot strip center located 15 miles southeast of Coastland. Coral Isle offers discount merchandise and caters to a value-oriented customer. Because of its distance and discount-orientation, it does not pose a significant competitive threat to Coastland. Old Naples refers to the boutiques and restaurants that line the streets of the historic district in downtown Naples. The majority of these shops are located along Fifth Street and Third Avenue. Old Naples is located three miles south of Coastland, but does not compete effectively because of traffic congestion, lack of anchors, and the lack of a coordinated marketing plan. This area also caters to tourists and seasonal residents. Coastland's only notable regional mall competitor is Edison Mall, a 637,000 square foot, enclosed, single level shopping center located 35 miles north in Fort Myers. Due to its distance, it provides only limited competition within Coastland's trade area.

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 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 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 19, 1999, the Company and GGMI had approximately 3,267 full-time employees. Certain employees at three of the Portfolio Centers within the Company Portfolio are subject to collective bargaining agreements and the Company has not experienced a labor-related work stoppage at any of its 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 described herein which are owned by the Company, in whole or in part, are adequately covered by insurance.

QUALIFICATION AS A REAL ESTATE INVESTMENT TRUST AND TAXABILITY OF DISTRIBUTIONS

The Company currently qualifies as a real estate investment trust pursuant to the requirements contained under Sections 856-858 of the Internal Revenue Code of 1986, as amended (the "Code"). If, as the Company contemplates, such qualification continues, the Company will not be taxed on its real estate investment trust taxable income. During 1998, the Company distributed (or was deemed to have distributed) 100% of its taxable income to stockholders. Cash distributions in the amount of $1.86 per share were paid in 1998, of which $1.82 (98%) was ordinary income and $0.04 (2%) was long-term capital gain from sales of property, based on the taxable income of the Company.

ITEM 2. PROPERTIES

The Company's investment in real estate as of December 31, 1998 consisted of its interest 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 GGP Centers, all or part of the underlying land is owned by a third party that leases the land pursuant to a ground lease as described below.

LEASING

The Portfolio Centers average Mall Store rent per square foot from leases that expired in 1998 was $23.90. 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 1998 was $27.26, or $3.36 per square foot more than the above-indicated average for expiring leases. Below is a schedule of the lease expirations over the next five years.

PORTFOLIO CENTERS
FIVE YEAR LEASE EXPIRATION SCHEDULE

	All Expirations			Expirations @ Share(1)		
	Base Rent	Sq.Ft.	Rent/Sq.Ft.	Base Rent	Sq.Ft.	Rent/Sq.Ft.
GGP Centers						
1999	$23,939,049	1,187,423	$20.16	$20,817,945	1,037,327	$20.07
2000	23,196,932	978,340	23.71	19,853,701	862,953	23.01
2001	25,619,764	1,121,864	22.84	22,527,000	993,266	22.68
2002	32,230,172	1,355,223	23.78	28,275,037	1,189,607	23.77
2003	31,016,239	1,386,620	22.37	27,516,518	1,249,433	22.02
	136,002,156	6,029,470	22.56	118,990,201	5,332,586	22.31
Homart Centers						
1999	9,199,009	489,184	18.80	2,526,923	139,940	18.06
2000	16,981,735	532,804	31.87	4,260,490	146,852	29.01
2001	10,939,530	383,924	28.49	3,086,783	113,912	27.10
2002	13,176,067	414,190	31.81	4,095,315	131,014	31.26
2003	20,281,142	689,202	29.43	5,946,559	205,726	28.91
	70,577,483	2,509,304	28.13	19,916,070	737,444	27.01
Portfolio Centers						
1999	33,138,058	1,676,607	19.76	23,344,868	1,177,267	19.83
2000	40,178,667	1,511,144	26.59	24,114,191	1,009,805	23.88
2001	36,559,294	1,505,788	24.28	25,613,783	1,107,178	23.13
2002	45,406,239	1,769,413	25.66	32,370,352	1,320,621	24.51
2003	51,297,381	2,075,822	24.71	33,463,077	1,455,159	23.00
	$206,579,639	8,538,774	$ 24.19	$138,906,271	6,070,030	22.88

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

COMPANY PORTFOLIO DEBT

At December 31, 1998, the Company had direct or indirect ("pro rata") mortgage debt of approximately $3,346,124,000. The ratio of consolidated pro rata floating rate debt to total pro rata debt was 28.9% at December 31, 1998. Although there was an increase in the percentage of floating rate debt, the consolidated pro rata weighted average interest rate on the Company's debt was reduced to 6.69% as of December 31, 1998 compared to 7.14% in the prior year. The following table reflects the maturity dates of the Company's pro rata debt and the related interest rates.

COMPANY PORTFOLIO DEBT
MATURITY AND CURRENT AVERAGE INTEREST RATE SUMMARY(a)
AS OF DECEMBER 31, 1998
(Dollars in Thousands)

	Wholly-Owned Centers		Unconsolidated Properties(b)		Company Portfolio Debt	
Year	Maturing Amount(c)	Current Average Rate	Maturing Amount	Current Average Rate	Maturing Amount	Current Average Rate
1999	$ 768,000	6.50%	$ 324,654	6.24%	$1,092,654	6.42%
2000	225,000	5.09%	67,135	6.60%	292,135	6.21%
2001	152,000	6.41%	--	--%	152,000	6.41%
2002	183,000	6.00%	25,281	8.72%	208,281	6.33%
2003	0	--	102,609	7.19%	102,609	7.19%
Subsequent	$1,320,776	6.97%	177,669	7.51%	1,498,445	7.03%
Totals	$2,648,776	6.66%	$ 697,348	6.83%	$3,346,124	6.69%
Floating	$ 612,566	6.22%	$ 354,312	6.20%	$ 966,878	6.21%
Fixed Rate	2,036,210	6.79%	343,036	7.49%	2,379,246	6.89%
Totals	$2,648,776	6.66%	$ 697,348	6.83%	$3,346,124	6.69%

(a) Excludes principal amortization.
(b) Unconsolidated properties debt reflects the Company's share of debt relating to the properties owned by the Property Joint Ventures and GGP/Homart.
(c) The maturing amount assumes the exercise of the Company's option to extend to July 31, 2000 the maturity date of the $200,000 Credit Facility from its current maturity of July 31, 1999.

PROPERTY DATA

The following tables set forth certain information regarding the GGP Centers and the Homart Centers as of December 31, 1998. The first table depicts the GGP Centers and the second table depicts the Homart Centers.

NAME OF CENTER/ LOCATION(1)	YEAR OPENED/REMODELED OR EXPANDED	GGP CENTERS TOTAL GLA/MALL AND FREESTANDING GLA (SQUARE FEET)(3)	ANCHORS	ANCHOR VACANCIES
Altamonte Mall Orlando, FL	1974/ 1989	1,093,521 414,973	Burdine's, Dillard's, Sears, JCPenney	None
Apache Mall Rochester, MN	1969/ 1990-1992	763,169 266,903	Dayton's, JCPenney, Montgomery Ward, Sears	None
Bayshore Mall Eureka, California	1987/ 1989	620,447/ 345,466	Gottschalks, JCPenney, Sears, Mervyn's	None
Bellis Fair Mall Bellingham, Washington	1988/ N/A	763,448/ 350,285	The Bon Marche, JCPenney, Sears, Mervyn's, Target	None
Birchwood Mall Port Huron, Michigan	1990/ 1991, 1997	713,449/ 287,315	Younkers, JCPenney, Sears, Target, Hudson's	None
The Boulevard Mall Las Vegas, NV	1960/ 1992	1,210,050 451,027	Dillard's, JCPenney, Macy's, Sears	None
Capital Mall Jefferson City, Missouri	1978/ 1985,1992	537,700/ 308,815	Dillard's, JCPenney, Sears	None
Century Mall Birmingham, Alabama	1975/ 1990,1994	726,240/ 237,764	JCPenney, McRae's Rich's, Sears	None
Chapel Hills Mall Colorado Springs, Colorado	1982/ 1986/ 1998	1,166,206/ 420,058	Foley's, Sears, KMart, Dillard's, Mervyn's, JCPenney	None
Coastland Center Naples, FL	1977/ 1985/1996	925,954 335,564	Burdines, Dillard's, Sears, JCPenney	None
Colony Square Mall Zanesville, Ohio	1981/ 1987	547,418/ 289,409	Lazarus, Elder-Beerman, JCPenney, Sears	None
Columbia Mall Columbia, Missouri	1985/ 1987	733,447/ 318,003	Dillard's, JCPenney, Sears, Target	None

NAME OF CENTER/ LOCATION(1)	YEAR OPENED/REMODELED OR EXPANDED	GGP CENTERS TOTAL GLA/MALL AND FREESTANDING GLA (SQUARE FEET)(3)	ANCHORS	ANCHOR VACANCIES
Coral Ridge Mall Iowa City, Iowa	1998/ N/A	985,943/ 348,905	Dillard's, Target, Younkers, Sears, JCPenney, Scheel's	None
Cumberland Mall Atlanta, GA	1973/ 1989	1,198,440 364,325	JCPenney, Macy's, Rich's, Sears	None
Eagle Ridge Mall Winter Haven, Florida	1996/ N/A	629,900/ 317,648	Dillard's, JCPenney, Sears	None
Eden Prairie Mall Eden Prairie, Minnesota	1976/ 1994	861,410/ 325,602	Sears, Target, Kohl's, Carson Pirie Scott	None
Fallbrook Mall West Hills, (Los Angeles), California	1966/ 1985	1,018,265/ 466,251	JCPenney, Target, Kmart, Mervyn's, Burlington Coat Factory	None
Fox River Mall Appleton, Wisconsin	1984/ 1991	1,102,711/ 537,797	Dayton's, Younkers, JCPenney, Sears, Target	None
Gateway Mall Springfield/Eugene, Oregon	1990/ 1990	641,245/ 357,980	The Emporium, Sears, Target	None
Grand Traverse Mall Traverse City, Michigan	1992/ N/A	578,215/ 312,866	Hudson's, JCPenney, Target	None
Greenwood Mall Bowling Green, Kentucky	1979/ 1987	774,367/ 373,744	Famous-Barr, JCPenney, Sears, Dillard's	None
Knollwood Mall St. Louis Park, (Minneapolis), Minnesota	1955/ 1981	512,073/ 301,389	Kohl's, Cub Foods(7)	One (7)
Lakeview Mall Battle Creek, Michigan	1993/ N/A	623,134/ 331,541	Hudson's,JCPenney, Sears	None
Landmark Mall Alexandria, VA	1965/ 1991	965,137 334,131	Hecht's,JCPenney,Sears	None

18 to 44

NAME OF CENTER/ LOCATION(1)	YEAR OPENED/REMODELED OR EXPANDED	GGP CENTERS TOTAL GLA/MALL AND FREESTANDING GLA (SQUARE FEET)(3)	ANCHORS	ANCHOR VACANCIES
Lansing Mall Lansing, Michigan	1969/ N/A	834,610/ 391,208	Hudson's, JCPenney, Mervyn's, Montgomery Ward	None
Lockport Mall Lockport, New York	1971/ 1984	345,932/ 125,535	Montgomery Ward, Hill, The Bon Ton	None
Mall St. Vincent Shreveport, LA	1977/ 1991	568,426 220,426	Sears, Dillard's	None
Mall of the Bluffs Council Bluffs, Iowa (Omaha, Nebraska)	1986/ 1988	666,264/ 352,390	Dillard's, JCPenney, Target, Sears	None
Market Place Mall Champaign, Illinois	1975/ N/A	821,135/ 357,984	Sears, Bergner's, JCPenney	None
Mayfair Mall Wauwatosa, WI	1958/ 1986,1994	1,265,236 765,926	Marshall Fields, The Boston Store	None
McCreless Mall San Antonio, TX	1962/ 1997	477,846 291,988	Beall's, Montgomery Ward	None
Meadows Mall Las Vegas, NV	1978/ 1987,1997	946,444 309,591	Dillard's, JCPenney, Macy's, Sears	None
Natick Mall Natick, Massachusetts	1966/ 1994	1,154,701/ 428,039	Sears, Filene's, Lord & Taylor, Macy's	None
Northbrook Court Northbrook, IL	1976/ 1995,1996	915,862 379,585	Neiman Marcus, Lord & Taylor, Marshall Fields	None
Northgate Mall Chattanooga, TN	1972/ 1991	822,268 379,648	JCPenney, Proffitt's, Sears	None
Northridge Fashion Center Northridge, CA	1971/ 1995	1,511,433 737,005	JCPenney, Macy's, Robinson's-May, Sears	None
Oaks Mall (2) Gainesville, Florida	1978/ N/A	907,595/ 349,728	Dillard's, Burdines, Sears, JCPenney, Belk	None
Oakwood Mall Eau Claire, Wisconsin	1986/ 1991	786,326/ 321,250	Dayton's, JCPenney, Scheel's All Sports, Target, Sears	None

NAME OF CENTER/ LOCATION(1)	YEAR OPENED/REMODELED OR EXPANDED	GGP CENTERS TOTAL GLA/MALL AND FREESTANDING GLA (SQUARE FEET)(3)	ANCHORS	ANCHOR VACANCIES
Oglethorpe Mall Savannah, GA	1969/ 1990,1992	950,140 413,556	Belk, JCPenney, Rich's, Sears	None
Park City Center Lancaster, PA	1970/ 1985,1989	1,382,837 526,500	The Bon-Ton, Boscov's, Kohl's, Sears, JCPenney	None
Park Mall Tucson, Arizona	1974/ N/A	857,638/ 339,325	Sears, Dillards, Macy's	None
Piedmont Mall Danville, Virginia	1984/ 1995	659,935/ 187,315	Belk, Hills, JCPenney, Sears, Belk Men's	None
Pierre Bossier Mall Bossier City, LA	1982/ 1985,1992	646,480 264,576	Dillard's, JCPenney, Sears, Service Merchandise, Stage	None
The Pines Pine Bluff, Arkansas	1986/ 1990	608,126/ 268,417	Dillard's, JCPenney, Sears, Wal-Mart	None
Quail Springs (2) Oklahoma City, Oklahoma	1980/ 1992	1,015,028/ 327,175	Dillard's, Foley's, JCPenney, Sears	None
Regency Square Mall Jacksonville, FL	1967/ 1982,1992, 1998	1,347,751 536,120	Dillard's, Belk, JCPenney, Montgomery Ward, Sears	None
Rio West Mall Gallup, New Mexico	1981/ 1991	383,429/ 202,296	Beall's, JCPenney, KMart	None
River Falls Mall Clarksville, Indiana (Louisville, Kentucky)	1990/ N/A	744,897/ 399,859	Bacon's, Wal-Mart, Toys "R" Us	None
River Hills Mall Mankato, Minnesota	1991/ 1996	647,262/ 285,213	Herberger's, JCPenney, Target, Sears	None
Riverlands Shopping Center LaPlace, LA	1965/ 1984	183,808 136,874	Winn-Dixie	None (4)
Sooner Fashion Square Norman, Oklahoma	1976/ N/A	504,864/ 199,910	Dillard's, JCPenney, Sears, Stein Mart, Service Merchandise	None
Southlake Mall Morrow, Georgia	1976/ N/A	1,024,019/ 285,519	Sears, Rich's, JCPenney, Macy's	None

NAME OF CENTER/ LOCATION(1)	YEAR OPENED/REMODELED OR EXPANDED	GGP CENTERS TOTAL GLA/MALL AND FREESTANDING GLA (SQUARE FEET)(3)	ANCHORS	ANCHOR VACANCIES
SouthShore Mall Aberdeen, Washington	1981/ N/A	340,321/ 150,994	JCPenney, Sears, KMart	None
Southwest Plaza Littleton, CO	1983/ 1994,1995	1,243,695 606,518	Joslin's, Foley's, Sears, JCPenney, Montgomery Ward	None
Spring Hill Mall West Dundee, IL	1980/ 1992,1996	1,023,990 342,410	Carson Pirie Scott, Kohl's, JCPenney, Sears Marshall Field's	None
Town East Mall (2) Mesquite, Texas	1971/ 1986	1,243,994/ 434,608	Sears, Foley's, JCPenney, Dillard's	None
Valley Hills Mall Hickory, North Carolina	1978/ 1986	618,126/ 205,830	Belk, JCPenney, Sears	None
Valley Plaza Mall Bakersfield, CA	1967/ 1986-1988	1,094,253 367,564	Gottschalks, JCPenney, Macy's, Robinson's-May, Sears	None
West Valley Mall Tracy, California	1995/ N/A	687,950/ 337,135	Gottschalks, JCPenney, Target, Sears, Ross Dress for Less	None
Westwood Mall Jackson, Michigan	1972/ 1993	465,570/ 147,476	Elder-Beerman, JCPenney, Montgomery Ward	None
Westroads Mall (2) Omaha, Nebraska	1968/ 1995	1,079,280/ 382,870	Von Maur, JCPenney, Younkers, The Jones Store	None
MALLS UNDER DEVELOPMENT				
Rivertown Crossings Grand Rapids, Michigan	1999/ N/A	1,239,842/ 604,798	(5)	(5)
Stonebriar Mall Frisco, Texas	2000/ N/A	1,341,728/ 612,000	(6)	(6)

(1) In certain cases, where a Center's location is part of a larger metropolitan area, the metropolitan area is identified in parentheses.
(2) The Company owns 50% of Quail Springs Mall and Town East Mall and 51% of Landmark Mall, Mayfair Mall, Meadows Mall, Northgate Mall, Oaks Mall, Oglethorpe Mall, Park City Center and Westroads Mall.

(3) Includes square footage added in redevelopment/expansion projects.
(4) Winn-Dixie does not occupy its space but is currently paying rent under a lease which expires in October 2002.
(5) Upon completion, this mall will contain up to five major department stores, currently expected to be JCPenney, Kohl's, Hudsons, Sears, and Younkers.
(6) Upon completion, this mall will contain up to five major department stores, currently expected to be Foley's, JCPenney, Sears, Macy's, and Nordstrom.
(7) The Cubs Foods store has a signed lease and is currently under construction with completion expected in the spring of 1999 which will fill the current vacancy.

NAME OF CENTER/ LOCATION(1)	YEAR OPENED/ REMODELED OR EXPANDED	HOMART CENTERS OWNERSHIP INTEREST % OF GGP/HOMART	TOTAL GLA/MALL AND FREESTANDING GLA SQUARE FEET(2)	ANCHORS	ANCHOR VACANCIES
Arrowhead Towne Center Glendale, Arizona	1993/ 1996	33.3	1,130,901/ 392,954	Dillard's,Mervyn's JCPenney, Montgomery Ward, Robinson's-May	None
Bay City Mall Bay City, Michigan	1991/ 1993	100	527,273/ 211,622	Sears, Target, Younkers, JCPenney	None
Brass Mill Center/Commons Waterbury,	1997/ N/A	100	1,044,497/ 528,884	Sears, Filene's, JCPenney	One
Chula Vista Center Chula Vista, California	1960/ 1994	100	874,827/ 323,627	Macy's, Sears, Mervyn's, JCPenney	None
Columbiana Centre Columbia South Carolina	1990/ 1992	100	817,847/ 258,870	Sears, Parisian, Belk, Dillards	None
Deerbrook Mall Humble, Texas (Houston, Texas)	1984/ N/A	100	1,197,227/ 457,634	Sears, Mervyn's, JCPenney, Macy's Foley's	None
Lakeland Square Lakeland, Florida	1988/ 1994	50	904,993/ 291,862	Sears, Belk, JCPenney, Burdines, Dillard's, Mervyn's	None
Moreno Valley Mall Moreno Valley, California	1992/ N/A	100	1,035,508/ 429,974	Sears, JCPenney, Robinson's-May, Harris	None
Neshaminy Mall Bensalem, Pennsylvania	1968/ 1998	50	975,469/ 371,874	Sears, Boscov's, Strawbridge	One
Newgate Mall Ogden, Utah	1981/ 1994	100	688,801/ 278,637	Sears, Mervyn's, Dillard's, Oshman's	None
New Park Mall Newark, California	1980/ 1993	100	1,131,329/ 387,865	Sears, Mervyn's, JCPenney, Macy's, Target	None

NAME OF CENTER/ LOCATION(1)	YEAR OPENED/ REMODELED OR EXPANDED	HOMART CENTERS OWNERSHIP INTEREST % OF GGP/HOMART	TOTAL GLA/MALL AND FREESTANDING GLA SQUARE FEET(2)	ANCHORS	ANCHOR VACANCIES
North Point Mall Alpharetta, (Atlanta), Georgia	1993/ N/A	100	1,366,405/ 396,344	Sears, JCPenney, Rich's, Dillard's, Parisian, Lord & Taylor	None
The Parks at Arlington Arlington, Texas	1988/ N/A	N/A(3)	1,191,471/ 360,526	Sears, Dillard's, Foley's, JCPenney Mervyn's	None
The Pavilions at Buckland Hills Manchester, Connecticut	1990/ 1994	N/A(3)	963,120/ 327,284	Sears, Filene's, Lord & Taylor, Filene's Home Store, Dick's Sporting Goods, JCPenney	None
Pembroke Lakes Mall Pembroke Pines, Florida	1992/ N/A	100	1,063,860/ 352,585	Sears, Burdine's, Dillard's, Dillard's (Men's & Home Furnishings) JCPenney	None
Prince Kuhio Plaza Hilo, Hawaii	1985/ N/A	100	464,893/ 268,097	Sears, Liberty House, JCPenney	One
Steeplegate Mall Concord, New Hampshire	1990/ N/A	100	393,787/ 170,237	Sears, JCPenney, Steinbach's	One
Superstition Springs East Mesa, Arizona	1990/ 1994	33.3	1,073,726/ 367,032	Sears, JCPenney, Mervyn's, Dillard's Robinson's-May	None
Tysons Galleria McLean, Virginia	1988/ 1997	100	809,225/ 297,292	Macy's, Neiman Marcus, Saks Fifth Avenue	None
Vista Ridge Mall Lewisville, Texas	1989/ 1991	80	1,052,419/ 379,357	Sears, Dillard's, JCPenney, Foley's	None
Washington Park Mall Bartlesville, Oklahoma	1984/ 1986	100	351,483/ 157,187	Sears, Dillard's, JCPenney	None

NAME OF CENTER/ LOCATION(1)	YEAR OPENED/ REMODELED OR EXPANDED	HOMART CENTERS OWNERSHIP INTEREST % OF GGP/HOMART	TOTAL GLA/MALL AND FREESTANDING GLA SQUARE FEET(2)	ANCHORS	ANCHOR VACANCIES
West Oaks Mall Ocoee, (Orlando), Florida	1996/ N/A	100	1,074,223/ 430,741	Dillard's, Sears, Parisian, JCPenney	None
The Woodlands Mall The Woodlands, (Houston), Texas	1994/ N/A	50	1,178,342/ 350,377	Sears, Dillard's, Foley's, JCPenney Mervyn's	None

(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) GGP/Homart's participation is subordinated to certain preferred returns to its Joint Venture Partners.

ANCHORS

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, 1998.

GENERAL GROWTH PROPERTIES, INC.
PORTFOLIO ANCHORS
AS OF DECEMBER 31, 1998

Name	Total Stores	Square Feet (000's)
Sears	69	9,804
JCPenney	68	7,771
Dillard's inc.		
Dillard's	34	5,179
Bacon's	1	187
Sub-Total Dillard's Inc.	35	5,366
Dayton Hudson Corporation		
Target	15	1,650
Mervyn's	14	1,115
Marshall Fields	3	692
Dayton's	3	432
Hudson's	4	405
Sub-Total Dayton Hudson Corporation	39	4,294
May Department Stores Company		
Foley's	8	1,423
Robinson's-May	5	802
Filene's	3	520
Lord & Taylor	4	460
Strawbridge's	1	218
Hecht's	1	198
Famous-Barr	1	122
Filene's Home Store	1	36
Sub-Total May Department Stores Company	24	3,779
Federated Department Stores, Inc.		
Macy's	12	2,190
Rich's	5	937
Burdines	5	676
The Bon Marche	1	101
Lazarus	1	50
Sub-Total Federated Department Stores, Inc.	24	3,954
Saks Incorporated		
Younkers	5	525
Parisian	3	395
Carson Pirie Scott	2	268
Boston Store	1	211
Bergners	1	154

McRae,s	1	124
Saks Fifth Avenue	1	120
Profits	1	91
Herberger's	1	71
	------	-------
Sub-Total Saks Incorporated	16	1,959
	------	-------
Montgomery Ward & Co.	9	1,095
Belk		
Belk	7	931
Belk Men's	1	34
	------	-------
Sub-Total Belk	8	965
	------	-------
Boscov	2	405
Kohl's	4	362
KMart	4	357
Gottschalks	3	273
Neiman-Marcus	2	262
The Bon Ton	2	224
Wal-Mart	2	196
Von Maur	1	179
Hills Department Store	2	176
Harris	1	150
Scheel's All Sports	2	154
Elder-Beerman	2	142
Burlington Coat Factory	1	101
Service Merchandise	2	93
Dick's Sporting Goods	1	80
Beall's	2	56
Steinbach's	1	55
Emporium	1	50
Liberty House	1	50
Winn-Dixie	1	47
Toys "R" Us	1	47
Stein Mart	1	39
Stage	1	

GROUND LEASES

The Company currently leases the land under Rio West Mall, the Northridge Fashion Center, a portion of the Fallbrook Mall land and a portion of the SouthShore and Bayshore parking areas. In addition, Prince Kuhio Plaza, one of the Homart Centers, and the office building owned by GGMI 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 GGP 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 GGP/Homart other than routine litigation arising in the ordinary course of business, most of which is expected to be covered by liability insurance. 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 the General Growth's stockholders during the fourth quarter of fiscal 1998.

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 19, 1999, the 39,052,095 outstanding shares of Common Stock were held by approximately 1,107 stockholders of record. The closing price per share of Common Stock on the NYSE on such date was $31.44 per share.

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

1998 Quarter Ending	Price High	Low	Declared Distribution
March 31, 1998	$38.00	$34.88	$.47
June 30, 1998	$38.63	$34.44	$.47
September 30, 1998	$38.69	$33.19	$.47
December 31, 1998	$37.94	$32.88	$.47

1997 Quarter Ending	Price High	Low	Declared Distribution
March 31, 1997	$32.13	$30.25	$.45
June 30, 1997	$33.75	$31.13	$.45
September 30, 1997	$37.00	$32.44	$.45
December 31, 1997	$38.25	$31.81	$.45

1996 Quarter Ending	Price High	Low	Declared Distribution
March 31, 1996	$24.00	$20.63	$.43
June 30, 1996	$24.63	$20.63	$.43
September 30, 1996	$26.00	$23.50	$.43
December 31, 1996	$32.75	$23.88	$.43

Set forth below is certain information about sales of securities made by the Operating Partnership during the fourth quarter of 1998, which sales were not registered under the Securities Act of 1933, as amended. The sales were all made in connection with the acquisition of the malls and interests therein indicated below, were effected in reliance upon the exemption contained in Section 4 (2) of the Securities Act of 1933, as amended, and/or Regulation D promulgated thereunder, and were not underwritten offerings.

Date	Issuer	Security	Amount	Purchaser	Offering Price or Consideration
10/21/98	Operating Partnership(1)	Operating Partnership Units	200,052	Harry J. Butler, Mark P. Seally and various trusts for the benefit of Seally family members - (seller of Mall St. Vincent)	Mall St. Vincent

(1) Holders of the units sold by the Operating Partnership have the right to require that the Operating Partnership redeem such units for cash; provided, however, that General Growth Properties, Inc. may assume the Operating Partnership's obligations and redeem the units for cash or shares of Common Stock on a one-for-one basis. Pursuant to such rights, 88,871 units were redeemed for cash immediately following the purchase of the property.

ITEM 6. SELECTED FINANCIAL DATA
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

The following table sets forth selected financial data for the Company and should be read in conjunction with the Consolidated Financial Statements and Notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in this Annual Report on Form 10-K.

	1998	1997	1996	1995	1994
OPERATING DATA					
Revenue	$426,576	$291,147	$217,405	$167,396	$152,583
Operating Expenses	151,784	109,677	75,954	63,968	63,118
Depreciation and Amortization	75,227	48,509	39,809	30,855	28,190
Interest Expense,Net	109,840	70,252	66,439	46,334	42,995
Equity in Net Income of Unconsolidated Affiliates	11,067	19,344	17,589	9,274	6,096

	1998	1997	1996	1995	1994
Net gain on sales including CenterMark in 1997, 1996 and 1995	$ 196	$ 58,647	$ 43,821	$ 33,397	$ --
Income Before Minority Interest	100,988	140,700	96,613	68,910	24,376
Minority Interest	(29,794)	(49,997)	(34,580)	(25,856)	(9,518)
Income Before Extraordinary Items	71,194	90,703	62,033	43,054	14,858
Extraordinary Item	(4,749)	(1,152)	(2,291)	--	(693)
Net Income	66,445	89,551	59,742	43,054	14,165
Convertible Preferred Stock Dividends	(13,433)	--	--	--	--
Net Income available to common stockholders	$ 53,012	$ 89,551	$ 59,742	$ 43,054	$ 14,165
Earnings Before Extraordinary Item Per Share - Basic	1.60	2.78	2.20	1.69	.65
Earnings Before Extraordinary Item Per Share - Diluted	1.59	2.76	2.20	1.69	.65
Net Earnings Per Share - Basic	1.46	2.75	2.12	1.69	.62
Net Earnings Per Share - Diluted	1.46	2.73	2.12	1.69	.62
Distributions Declared Per Share	1.88	1.80	1.72	1.66	1.58

	1998	1997	1996	1995	1994
CASH FLOW DATA					
Operating Activities	$ 101,381	$ 85,716	$ 67,202	$ 60,660	$ 48,936
Investing Activities	(1,491,475)	(167,029)	(29,285)	(469,204)	(145,253)
Financing Activities	1,383,826	91,264	(40,268)	421,225	96,380
FUNDS FROM OPERATIONS					
Funds From Operations (1) Operating Partnership	$ 192,274	$ 147,625	$ 114,721	$ 85,138	$ 69,610
Minority Interest	(69,182)	(52,890)	(42,115)	(32,409)	(27,927)
Funds From Operations Company	123,092	94,735	72,606	52,729	41,683
BALANCE SHEET DATA					
Investment in Real Estate Assets-Cost	$4,063,097	$2,157,251	$1,828,184	$1,547,621	$ 996,125

	1998	1997	1996	1995	1994
Total Assets	4,027,474	2,097,719	1,757,717	1,455,982	906,533
Total Debt	2,648,776	1,275,785	1,168,522	1,027,932	607,561
Convertible Preferred Stock	337,500	--	--	--	--
Stockholders' Equity	585,707	498,505	330,267	229,383	154,426

(1) Funds From Operations (as defined below) does not represent cash flow from operations as defined by Generally Accepted Accounting Principles ("GAAP") 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. 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 excludes gains on land sales, if any. The NAREIT definition of Funds from Operations does not exclude the aforementioned item. 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.

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

	1998	1997	1996
Net Income available to common shareholders	$ 53,012	$ 89,551	$ 59,742
Extraordinary item - charges related to early retirement of debt	4,749	1,152	2,291
Allocations to Operating Partnership Unit holders	29,794	49,997	34,580
Net gain on sales	(196)	(63,813)	(43,975)
Depreciation and amortization	104,915	70,738	62,083
Funds From Operations	$192,274	$147,625	$114,721

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 and which descriptions are hereby incorporated herein by reference. The following discussion should be read in conjunction with such Consolidated Financial Statements and Notes thereto.

CERTAIN INFORMATION ABOUT THE COMPANY PORTFOLIO

As of December 31, 1998, the Company owned 100% of the fifty-one Wholly-Owned Centers, 51% of the stock of GGP/Ivanhoe, 50% of Quail Springs Mall and Town East Mall, 51% of the stock of GGP Ivanhoe III, approximately 38.2% of the stock of GGP/Homart, and a non-voting preferred stock ownership interest (representing 95% of the equity interest) in GGMI. The Company is also in the process of developing two additional centers as discussed below. Reference is made to Notes 3 and 4 for a further discussion of such entities owned by the Company. GGP/Homart owned interests in twenty-three shopping centers, GGP/Ivanhoe owned interests in two shopping centers, and GGP Ivanhoe III owned interests in six shopping centers. During 1996, the Company owned an interest in CenterMark Properties, Inc. ("CenterMark"). Revenues are primarily derived from fixed minimum rents, percentage 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/Ivanhoe, GGP Ivanhoe III, GGMI, Quail Springs Mall and Town East Mall, and (in 1996) in CenterMark, the discussion of results of operations below relates primarily to the revenues and expenses of the Wholly-Owned Centers.

The Mall Store and Freestanding Store portions of the centers in the Company Portfolio which were not undergoing redevelopment on December 31, 1997, had an occupancy of approximately 85.7% as of such date. On December 31, 1998, the Mall Store and Freestanding Store portions of the centers in the Company Portfolio which were not undergoing redevelopment were approximately 88.6% occupied as of such date, representing an increase of 2.9% over 1997.

Comparable Mall Store sales are sales of those tenants that were open the previous 12 months. Therefore, Comparable Mall Store sales in the year ended December 31, 1998, are of those tenants that were operating in the year ended December 31, 1997. Comparable Mall Store annualized sales averaged $299 per square foot for the Company Portfolio in the year ended December 31, 1998. In the year ended December 31, 1998, total mall store sales for the Company Portfolio increased by 11.0% over the same period in 1997, and Comparable Mall Store sales increased by 4.4% over 1997.

The average Mall Store rent per square foot from leases that expired in the year ended December 31, 1998, was $23.90. The Company Portfolio benefited from increasing rents inasmuch as the average Mall Store rent per square foot on new and renewal leases executed during 1998 was $27.26, or $3.36 per square foot above the average for expiring leases.

RESULTS OF OPERATIONS OF THE COMPANY

COMPARISON OF YEAR ENDED DECEMBER 31, 1998 TO YEAR ENDED DECEMBER 31, 1997

Total revenues for 1998 were $426.6 million, which represents an increase of $135.5 million or approximately 46.5% from $291.1 million in 1997. Approximately $128.8 million or 95.1% of the increase was from properties acquired or developed after January 1, 1997. Minimum rent during 1998 increased $93.2 million or 53.0% from $175.8 million in 1997 to $269.0 million. The acquisition and development of properties after January 1, 1997, generated a $77.5 million increase in minimum rents. Expansion space, specialty leasing and a combination of occupancy, rental charges and allowance reserve adjustments at the comparable centers (properties owned for the entire time during current and prior periods) accounted for the remaining increase in minimum rents. Tenant recoveries increased by $33.6 million or 34.5% from $97.3 million to $130.9 million in 1998. The increase in tenant recoveries was generated by a combination of new acquisitions and increased recoverable operating costs at the comparable centers. Percentage rents and other income increased $8.4 million or 61.8% from $13.6 million in 1997 to $22.0 million in 1998. The acquisition of new properties and improved performance at the comparable centers accounted for the increase in percentage rents and other income. Fee income during 1998 was comparable to the year ended December 31, 1997. The fee revenue was primarily generated by asset management services performed for GGP/Homart.

Total expenses, including depreciation and amortization, increased by approximately 43.5% or $68.8 million, from $158.2 million in 1997 to $227.0 million in 1998. Virtually all of the increase in total expenses was from properties acquired and developed since January 1, 1997. The increase in total expenses from the new properties consists of $13.4 million of real estate taxes, $1.0 million of management fees, $32.3 million of property operating costs, $0.9 million of provision for doubtful accounts, and $21.1 million of depreciation and amortization.

Net interest expense increased by $39.5 million or 56.2% from $70.3 million in 1997 to $109.8 million in 1998, substantially all due to indebtedness incurred in connection with the acquisition of new properties in 1997 and 1998. The note receivable from GGMI generated $10.7 million of interest income in 1998, an increase of $4.3 million from $6.4 million in 1997. The change was due to the increase in the outstanding balance of the note, which proceeds GGMI primarily used to finance the cost of the new corporate headquarters building in downtown Chicago.

Equity in net income of unconsolidated affiliates during 1998 decreased by $8.2 million to $11.1 million from $19.3 million in 1997. GGP/Homart and the Property Joint Ventures accounted for increases of approximately $1.4 million and $6.8 million, respectively. The Company's ownership interest in GGMI resulted in a decrease of $16.4 million, caused primarily by the write-off of terminated third-party management contracts in 1998.

Net income decreased by approximately $23.2 million in 1998 to $66.4 million, from $89.6 million in 1997. Net income in 1997 included a $58.6 million gain on the January 1997 sale of the remaining investment in CenterMark. The 1997 net income without the CenterMark gain (net of minority interest) would have been $52.9 million and 1998 net income would have increased by $13.5 million compared to this amount, primarily as a result of net income from newly acquired properties and higher income on comparable centers.

COMPARISON OF YEAR ENDED DECEMBER 31, 1997
TO YEAR ENDED DECEMBER 31, 1996

Total revenues for 1997 were $291.1 million, which represents an increase of $73.7 million or approximately 33.9% from $217.4 million in 1996. Approximately $55.8 million of the increase was from properties acquired or developed after January 1, 1996. Minimum rent during 1997 increased $35.3 million or 25.1% from $140.5 million in 1996 to $175.8 million. The $35.3 million increase in minimum rent was primarily caused by the acquisition and development of properties after January 1, 1996. Tenant recoveries increased by $34.3 million or 54.4% from $63.0 million to $97.3 million in 1997. The increase in tenant recoveries was generated by a combination of new acquisitions and increased recoverable operating costs at the comparable centers. Percentage rents and other income increased $4.3 million or 46.2% from $9.3 million in 1996 to $13.6 million in 1997. The acquisition of new properties and improved performance at the comparable centers accounted for the increase in percentage rents and other income. Fee income during 1997 was comparable to the year ended December 31, 1996. The fee revenue was primarily generated by asset management services performed for GGP/Homart.

Total expenses, including depreciation and amortization, increased by approximately 36.6% or $42.4 million, from $115.8 million in 1996 to $158.2 million in 1997. Approximately $28.5 million or 67.2% of the increase in total expenses was from properties acquired and developed since January 1, 1996. The increase in total expenses consists of $4.4 million of real estate taxes, $0.6 million of management fees, $27.7 million of property operating costs, $0.6 million of provision for doubtful accounts, $0.4 million of general and administrative and $8.7 million of depreciation and amortization. The remaining $13.9 million of the increase was primarily accounted for by increased recoverable operating costs.

Net interest expense increased by $3.9 million or 5.8% from $66.4 million in 1996 to $70.3 million in 1997. Debt used to fund acquisitions generated an $18.5 million increase in 1997 compared to 1996. This increase was partially offset with the use of the stock offering proceeds and CenterMark sale proceeds to repay existing indebtedness. The note receivable from GGMI generated $6.4 million of interest income in 1997, an increase of $3.6 million from $2.8 million in 1996.

Equity in net income of unconsolidated affiliates during 1997 increased by $1.7 million to $19.3 million from $17.6 million in 1996. A $9.4 million decrease is attributable to the sale of the Company's interest in CenterMark. GGP/Homart and the Property Joint Ventures accounted for increases of approximately $7.1 million and $2.9 million, respectively. The Company's ownership interest in GGMI resulted in an increase of $1.1 million. In addition the Company had a net gain of $58.6 million on the sale of its remaining interest in CenterMark on January 2, 1997. As of that date, the Company no longer held an ownership interest in CenterMark.

Net income increased by approximately $29.8 million in 1997 to $89.5 million, from $59.7 million in 1996. The increase resulted from a larger gain on the sale of CenterMark in the amount of $9.9 million (net of minority interest share) and a combination of the above items.

LIQUIDITY AND CAPITAL RESOURCES OF THE COMPANY

As of December 31, 1998, the Company held approximately $19.6 million of unrestricted cash and cash equivalents. The Company uses operating cash flow as the principal source of internal funding for recurring capital expenditures such as tenant construction allowances and minor improvements made to individual properties that are not recoverable through common area maintenance charges to tenants. External funding alternatives for acquisitions, new development, expansions and major renovation programs at individual centers include 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 has access to the public equity and debt markets through a currently effective shelf registration statement under which up to $662.5 millon in equity or debt securities may be issued from time to time. The Company also has a $200 million unsecured credit facility (the "Credit Facility") which matures on July 31, 2000, including a one-year extension option which the Company currently expects to exercise. On December 31, 1998, the Credit Facility was fully drawn.

As of December 31, 1998, the Company had consolidated debt of $2,649 million, of which $2,036 million is comprised of debt bearing interest at a fixed rate, with the remaining $613 million bearing interest at floating rates. 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 fluctuations.

The following summarizes certain significant financing and refinancing transactions completed since December 31,1997:

On March 31, 1998, the Operating Partnership obtained a short-term unsecured loan in the principal amount of $20 million. The proceeds of the loan were distributed to General Growth and used by General Growth for working capital purposes. This loan was repaid in full in June 1998 with a portion of the net proceeds of General Growth's equity offering, as described below.

On April 29, 1998, the Company obtained a one-year loan in the principal amount of $195 million, secured by mortgages encumbering Coral Ridge Mall in Coralville (Iowa City), Iowa and Northbrook Court in Northbrook (Chicago), Illinois. A portion of the proceeds of the loan in the amount of $95 million was immediately used to acquire Northbrook Court. The balance of the proceeds of the loan in the amount of $100 million was used in May 1998 to pay certain of the costs of constructing the capital improvements to Coral Ridge Mall in Coralville (Iowa City), Iowa. The principal amount of $100 million was repaid on October 28, 1998, in connection with the refinancing of the Coral Ridge Mall indebtedness, as described below.

On May 15, 1998, Dayjay Associates (in which the Company holds a 50% interest as a general partner) obtained a ten-year loan in the principal amount of $45 million, secured by a mortgage encumbering Quail Springs Mall in Oklahoma City, Oklahoma. A portion of the proceeds of the loan was used to repay outstanding indebtedness of approximately $16.1 million, which had been secured by a mortgage on Quail Springs Mall, and the balance was used for capital improvements to Quail Springs Mall.

On June 2, 1998, in connection with the Company's acquisition of the U.S. retail property portfolio (the "MEPC Portfolio") of MEPC plc, a United Kingdom based real estate company, nine wholly-owned affiliates of the Company obtained, on a joint and several basis, a one-year loan in the original principal amount of $855 million. The loan was secured by mortgages encumbering the following eight centers which comprise the MEPC Portfolio: Apache Mall in Rochester, Minnesota; The Boulevard Mall in Las Vegas, Nevada; Cumberland Mall in Atlanta, Georgia; McCreless Mall in San Antonio, Texas; Northridge Fashion Center in Northridge (Los Angeles), California; Regency Square Mall in Jacksonville, Florida; Riverlands Shopping Center in LaPlace, Louisiana; and Valley Plaza Mall in Bakersfield, California. The principal amount of $25 million was immediately repaid on June 2, 1998. The remaining $830 million proceeds of the loan was used to acquire the malls which comprise the MEPC Portfolio. $217 million of this loan was repaid on or about June 10, 1998, resulting in $613 million remaining outstanding under this loan as of December 31, 1998.

During June 1998, General Growth completed a public offering of 13,500,000 Depositary Shares, each representing 1/40 of one share of General Growth's PIERS. General Growth received proceeds of approximately $322.7 million, net of approximately $14.8 million of issuance costs. The proceeds were used to fund certain of the Company's acquisitions during 1998, to pay down short-term loans and amounts drawn under the Credit Facility and for working capital purposes.

On July 23, 1998, effective as of June 30, 1998, GGP Ivanhoe III acquired the U.S. Prime Property, Inc. ("USPPI") retail property portfolio through a merger of a wholly-owned subsidiary of GGP Ivanhoe III with USPPI. In connection therewith, four affiliates of the Company obtained a one-year loan in the principal amount of $392 million. The loan was secured by mortgages encumbering Landmark Mall in Alexandria, Virginia; the Mayfair Mall and adjacent office buildings in Wauwatosa (Milwaukee), Wisconsin; the Meadows Mall in Las Vegas, Nevada; the Northgate Mall in Chattanooga, Tennessee; Oglethorpe Mall in Savannah, Georgia; and the Park City Center in Lancaster, Pennsylvania. The proceeds of the loan were used to acquire the foregoing malls.

On August 28, 1998, Altamonte Mall Venture (a wholly-owned affiliate of the Company) obtained a ten-year loan in the principal amount of $125 million, secured by a mortgage encumbering Altamonte Springs Mall in Altamonte Springs, Florida. The proceeds of the loan were used to acquire such mall.

On September 15, 1998, Spring Hill Mall L.L.C. (a wholly-owned affiliate of the Company) obtained a ten-year loan in the principal amount of $92 million, secured by a mortgage encumbering Spring Hill Mall in West Dundee, Illinois. The proceeds of the loan were used to acquire such mall.

On September 15, 1998, Pierre Bossier Mall, L.P. (a wholly-owned affiliate of the Company) obtained a ten-year loan in the principal amount of $42 million, secured by a mortgage encumbering Pierre Bossier Mall in Bossier City, Louisiana. The proceeds of the loan were used to acquire such mall.

On October 9, 1998, the Company obtained a ten-year loan in the principal amount of $150 million. The loan was secured by mortgages encumbering Birchwood Mall in Port Huron, Michigan, Oakwood Mall in Eau Claire, Wisconsin and Mall of the Bluffs in Council Bluffs, Iowa. Approximately $113.8 million of the loan proceeds was used to repay outstanding indebtedness which had been secured by mortgages on such properties, and the balance of the loan proceeds was used primarily for ongoing development activity at Rivertown Crossings in Grandville (Grand Rapids), Michigan and other expansions and renovations currently in progress.

On October 21, 1998, the Company acquired Mall St. Vincent in Shreveport, Louisiana. The aggregate consideration paid for Mall St. Vincent was approximately $26.4 million (subject to prorations and certain adjustments), and was paid by issuing 200,052 redeemable common units of limited partnership in the Operating Partnership (of which 88,871 common units were immediately redeemed for cash by the Operating Partnership upon demand of the holders of such units) and by assuming $19.2 million of existing debt. The cash paid in exchange for the redemption of such units was funded from the Credit Facility.

On October 28, 1998, the Company obtained an eleven-year loan in the principal amount of $82 million, secured by a mortgage encumbering Coral Ridge Mall in Iowa City, Iowa. The proceeds of the loan were used, together with a portion of the proceeds of the loan described in the next paragraph, to repay $100 million principal amount of outstanding indebtedness which had been secured by mortgages on Coral Ridge Mall and Northbrook Court, as described above.

Also on October 28, 1998, the Company obtained a ten-year loan in the principal amount of $86 million, secured by a mortgage encumbering Southwest Plaza in Littleton, Colorado. Approximately $51 million of the loan proceeds was used to repay outstanding indebtedness which had been secured by a mortgage on Southwest Plaza. Approximately $13.8 million was distributed to the Operating Partnership and used, together with a portion of the proceeds of the loan described in the preceding paragraph, to repay $100 million principal amount of outstanding indebtedness which had been secured by mortgages on Coral Ridge Mall and Northbrook Court, as described above.

On November 30, 1998, the Company obtained a thirteen month loan in the principal amount of $55 million, secured by a negative pledge (i.e., the promise not to encumber) of Coastland Center in Naples, Florida. This loan is expected to be replaced in mid 1999 by approximately $80 - $90 million of new long-term non-recourse mortgage financing. The proceeds of the loan were distributed to the Operating Partnership to fund ongoing expansion and development activity, including Stonebriar Mall in Frisco (Dallas), Texas.

In January 1999, the Company obtained an additional $30 million unsecured six-month bank loan bearing interest at a floating market rate and an additional $75 million short-term floating rate loan, which is expected to be replaced within the next six months with two new fixed rate, non-recourse mortgage loans, $50 million to be secured by The Crossroads Mall and $25 million to be secured by Century Mall and West Valley Mall.

On January 11, 1999, the Company acquired The Crossroads Mall in Kalamazoo, Michigan. The aggregate purchase price was approximately $68 million, which was funded from the Company's new $75 million short-term floating rate interim loan described above.

Other than a new $200 million construction loan for Rivertown Crossings and Park Mall or as described above, there are no current plans for additional debt or equity capital. However, if additional capital is required, the Company believes that it can obtain an interim bank loan, obtain mortgage financing on unencumbered assets or raise additional debt or equity capital. The Company will continue to monitor its capital structure and plans to purchase properties if they can be acquired and financed in a manner that management of the Company reasonably believes will enhance stockholder value.

Net cash provided by operating activities was $101.4 million in 1998, an increase of $15.7 million from $85.7 million in the same period in 1997. Net income before allocations to the minority interest decreased $39.7 million, which was primarily due to the $58.6 million gain on the sale of the Company's remaining interest in CenterMark recognized in 1997. The other significant change in cash provided by operating activities was a $26.7 million net change in cash flows from operating activities in 1998 as compared to 1997 related to depreciation and amortization.

SUMMARY OF INVESTING ACTIVITIES

Net cash used by investing activities was $1,491.5 million in 1998 compared to $167.0 million of cash used in 1997. Cash flow from investing activities was impacted by acquisitions, development and improvements to real estate properties, which utilized cash of approximately $1,360.1 million in 1998. The proceeds from the sale of CenterMark provided funds of $130.5 million in 1997.

Net cash used by investing activities in 1997 was $167.0 million, compared to a use of $29.3 million in 1996. Cash flow from investing activities was affected by the timing of acquisitions, development and improvements to real estate properties, requiring a use of cash of approximately $200.6 million in 1997 compared to $121.1 in 1996. Market Place Shopping Center and Century Plaza were acquired in 1997 for approximately $101.8 million. The sale of portions of the Company's interest in CenterMark provided cash flow of $130.5 million in 1997 and $87.0 million in 1996. Investments in GGP/Homart and the Property Joint Ventures used $86.2 million of cash flow in 1997 compared to $33.5 million in 1996. During 1996 distributions of $21.5 million were received from CenterMark. Distributions received from GGP/Homart in 1997 were $20.4 million compared to $13.8 million in 1996. The change in notes receivable from affiliates used $24.0 million of cash flow compared to the receipt of $12.5 million in 1996.

SUMMARY OF FINANCING ACTIVITIES

Financing activities contributed cash of $1,383.8 million in 1998, compared to a source of cash of $91.3 million in 1997. As described in Note 1, the Company completed a public offering of preferred stock in June, 1998. This public offering resulted in net proceeds of approximately $322.7 million, which was primarily used to reduce acquisition-related financing and amounts drawn on the Company's line of credit. Such payments are reflected in the increase in the use of cash for financing activities for principal payments on mortgage notes and other debt in 1998 as compared to 1997. An additional significant contribution of cash from financing activity is financing from mortgages and acquisition debt, which had a positive impact of $2,093 million in 1998 versus approximately $832.5 million in 1997. The additional financing was used to fund the acquisitions and redevelopment of real estate that was discussed above. The remaining use of cash was primarily accounted for by increased distributions (including amounts to the new preferred stockholders paid during 1998).

Financing activities in 1997 provided $91.3 million of cash compared to a $40.3 million use of cash flow in 1996. Distributions to common stockholders and the minority interest in the Operating Partnership were $88.9 million in 1997 compared to $75.5 million in 1996. The increase is due to the increased distribution rate and additional shares and Operating Partnership Units outstanding during 1997 compared to 1996. Net proceeds from the issuance of common stock during 1997 provided $165.8 million of cash flow. Net borrowing activity provided $29.6 million of cash flow in 1997 compared to $37.7 million in 1996. The purchase of treasury stock used $5.7 million of cash flow during 1997. The payment of deferred financing costs used $9.3 million of cash flow in 1997 compared to $2.4 million in 1996.

REIT REQUIREMENTS

In order to remain qualified as a real estate investment trust for federal income tax purposes, the Company must distribute 100% of capital gains and at least 95% of its ordinary taxable income to stockholders. The following factors, among others, will 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 GGMI, the Property Joint Ventures, GGP/Homart and distributions therefrom, less oversight costs and debt service on additional loans that were 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 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 Internal Revenue Code of 1986, as amended, for continued qualification as a real estate investment trust and to avoid any Company level federal income or excise tax.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

As more fully described in Note 12, certain accounting pronouncements have been issued in 1998, which are effective for the current or subsequent year. The Company does not expect the application of such new pronouncements to have a significant impact on its annual reported operations.

YEAR 2000 READINESS DISCLOSURES

The Year 2000 problem results from the use of a two digit year date instead of a four digit date in the programs that operate computers (information technology or "IT" systems) and other devices (i.e. "non-IT" systems such as elevators, utility monitoring systems and time clocks that use computer chips). Systems with a Year 2000 problem have programs that were written to assume that the first two digits for any date used in the program would always be "19". Unless corrected, this assumption may result in problems when the century date occurs. On that date, these computer programs likely will misinterpret the date January 1, 2000, as January 1, 1900. This could cause systems to incorrectly process critical financial and operational information, generate erroneous information or fail altogether. The Year 2000 issue affects almost all companies and organizations.

THE COMPANY'S STATE OF READINESS:

The Company recently upgraded its major information systems including its databases and primary accounting software which, as of the date of this report, were fully operational and are all Year 2000 compliant. These upgrades were performed primarily for the purpose of routine improvements to the Company's information systems. These upgrades were initiated in advance of any concern for the Year 2000 issue. The Company is continuing its process of evaluating several other smaller non-IT systems (i.e. time keeping systems, elevators, etc.) to verify that they are Year 2000 compliant. In addition, the Company has formed a Year 2000 Committee that includes senior personnel from most areas of the Company. These people are charged with the duty of determining the extent of the Company's exposure and taking the appropriate action to minimize any impact on the Company's operations. The non-IT systems evaluation process is expected to be completed by early 1999. If these non-IT systems are found to be not Year 2000 compliant, the appropriate upgrades or replacements will be purchased. The cost of any upgrades that may be required is expected to be less than $1 million. In addition, the Company is communicating with its customers, tenants, suppliers and service providers to determine whether they are actively involved in projects to ensure that their products and business systems will be Year 2000 compliant. The Company's exposure is widely spread, with no known major direct exposure.

COSTS TO ADDRESS THE COMPANY'S YEAR 2000 ISSUE:

As the Company's IT systems Year 2000 compliance issues have already been addressed, the Company does not expect to incur any significant additional costs regarding its IT systems due to the Year 2000 issue. Costs to specifically remediate non-IT systems that are non Year 2000 compliant are not expected to be material.

RISKS RELATING TO THE YEAR 2000 ISSUE AND CONTINGENCY PLANS:

Although the Company is not currently aware of any specific significant Year 2000 issues involving third-parties, the Company believes that its most significant potential risk relating to the Year 2000 issue is in regard to such third parties. For example, the Company believes there could be failure in the information systems of certain service providers that the Company relies upon for electrical, telephone and data transmission and banking services. The Company believes that any service disruption with respect to these providers due to a Year 2000 issue would be of a short-term nature. The Company has existing back-up systems and procedures, developed primarily for natural disasters that could be utilized on a short-term basis to address any service interruptions. In addition, with respect to tenants, a failure of their information systems could delay the payment of rents or even impair their ability to operate. These tenant problems are likely to be isolated and likely would not impact the operations of any particular mall or the Company as a whole. While it is not possible at this time to determine the likely impact of any of these potential problems, the Company will continue to evaluate these areas and develop additional contingency plans, as appropriate. However, although the Company believes that its Year 2000 issues have been addressed and that suitable remediation and/or contingency procedures will be in place by December 31, 1999, there can be no assurance that Year 2000 issues will not have a material adverse effect on the Company's results of operations or financial condition.

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 tenants' leases contain provisions designed to 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 are for terms of less than 10 years which may enable the Company to replace or renew expiring leases with new leases at higher base and/or percentage rents, if rents of the existing leases are below the then-existing market rates. Finally, most of the leases require the tenants to pay their share of certain operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing the Company's exposure to increases in costs and operating expenses resulting from inflation.

A number of local, regional and national retailers 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 by virtue of 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 $2.6 million per year, which represents less than 1% of average total revenues of $312 million.

The Company and its affiliates currently have an interest in 84 shopping centers. 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 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.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company has not entered into any transactions using derivative financial instruments or derivative commodity instruments. The Company is subject to market risk associated with changes in interest rates. Interest rate exposure is principally limited to the $612.6 million of debt of the Company outstanding at December 31, 1998 that is priced at interest rates that float with the market. A 25 basis point movement in the interest rate on the floating rate debt would result in an approximate $1.5 million annualized increase or decrease in interest expense and cash flows. The remaining debt is fixed rate debt. The Company has an ongoing program of refinancing its floating and fixed rate debt and believes that this program allows it to vary its ratio of fixed to floating rate debt to respond to changing market rate conditions. Reference is made to Item 2 above and Note 5 for additional debt information.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

There is hereby incorporated by reference the information which appears under the captions "Proposal No. 1 - Election of Directors" and "Executive Officers" in the Company's definitive proxy statement for its 1999 Annual Meeting of Stockholders.

ITEM 11. EXECUTIVE COMPENSATION

There is hereby incorporated by reference the information which appears under the caption "Executive Compensation" in the Company's definitive proxy statement for its 1999 Annual Meeting of Stockholders; provided, however, that neither the Report of the Compensation Committee of the Board of Directors on Executive Compensation nor the Performance Graph set forth therein shall 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

There is hereby incorporated by reference the information which appears under the captions "Certain Relationships and Related Transactions" and "Common Stock Ownership of Management" in the Company's definitive proxy statement for its 1999 Annual Meeting of Stockholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

There is hereby incorporated by reference the information which appears under the caption "Compensation Committee Interlocks and Insider Participation" in the Company's definitive proxy statement for its 1999 Annual Meeting of Stockholders.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES AND REPORTS ON FORM 8-K

(a) Financial Statements and Financial Statement Schedules.

The financial statements and schedules listed in the accompanying Index to Consolidated Financial Statements and Financial Statement Schedules are filed as part of this Annual Report on Form 10-K.

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

1) Current report on Form 8-K dated October 1, 1998, concerning the acquisition of Pierre Bossier Mall. No financial statements were filed therewith.
2) Current report Form 8-K dated October 5, 1998, as amended by Form 8-K/A dated November 9, 1998, concerning the acquisition of Coastland Center. Financial statements relating to the Coastland Center were filed therewith.
3) Current report on Form 8-K dated November 10, 1998, concerning the acquisition of Mall St. Vincent. No financial statements were filed therewith.
4) Current report on Form 8-K dated November 18, 1998, concerning the adoption of the Shareholders Rights Plan. No financial statements were filed therewith.
(c) Exhibits.

See Exhibit Index on page S-1

GENERAL GROWTH PROPERTIES, INC.

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/ Matthew Bucksbaum

Matthew Bucksbaum, Chairman of the Board
and Chief Executive Officer
Date: March 19, 1999

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/ Robert Michaels

Robert Michaels President and Director March 19, 1999

/s/ John Bucksbaum

John Bucksbaum Executive Vice President - Director March 19, 1999

/s/ Bernard Freibaum

Bernard Freibaum Executive Vice President, Chief Financial Officer and Principal Accounting Officer March 19, 1999

/s/ Anthony Downs

Anthony Downs Director March 19, 1999

/s/ Morris Mark

Morris Mark Director March 19, 1999

/s/ Beth Stewart

Beth Stewart Director March 19, 1999

/s/ Lorne Weil

A. Lorne Weil Director March 19, 1999

GENERAL GROWTH PROPERTIES, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENT SCHEDULE

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

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.

REPORT OF INDEPENDENT ACCOUNTANTS

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, stockholders' equity and cash flows present fairly, in all material respects, the consolidated financial position of General Growth Properties, Inc. as of December 31, 1998 and 1997 and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles. 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 audits. We conducted our audits in accordance with generally accepted auditing standards, 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 the significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion expressed above.

Chicago, Illinois PricewaterhouseCoopers LLP February 8, 1999

GENERAL GROWTH PROPERTIES, INC.

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1998 AND 1997

(Dollars in thousands, except for per share amounts)

ASSETS	December 31, 1998	December 31, 1997
Investment in Real Estate:		
Land	$ 364,699	$ 194,131
Buildings and equipment	3,222,237	1,601,351
Less accumulated depreciation	(301,789)	(233,295)
Developments in progress	89,860	68,003
Net property and equipment	3,375,007	1,630,190
Investment in Unconsolidated Real Estate Affiliates	386,301	293,766
Net Investment in Real Estate	3,761,308	1,923,956
Cash and cash equivalents	19,630	25,898
Tenant accounts receivable, net	74,585	34,849
Deferred expenses, net	71,593	42,343
Investment in and note receivable from General Growth Management, Inc.	84,716	61,588
Prepaid expenses and other assets	15,642	9,085
	$4,027,474	$2,097,719

LIABILITIES AND STOCKHOLDERS' EQUITY

Mortgage notes and other debts payable	$2,648,776	$1,275,785
Distributions payable	33,757	24,421
Accounts payable and accrued expenses	122,303	36,540
	2,804,836	1,336,746
Minority interest in Operating Partnership	299,431	262,468

Commitments and contingencies

Convertible Preferred Stock: $100 par value; 5,000,000 shares authorized; 345,000 designated as PIERS (Note 1)

with a $1,000 liquidation value, 337,500 and none of which were issued and outstanding at December 31, 1998 and December 31, 1997	337,500	---
Stockholders' Equity:		
Common stock: $0.10 par value; 210,000,000 shares authorized; 39,000,972 shares issued and outstanding at December 31, 1998 and 35,769,454 shares issued and 35,634,977 outstanding at December 31, 1997	3,900	3,577
Additional paid-in capital	843,238	738,630
Retained earnings (deficit)	(258,267)	(239,139)
Treasury stock, at cost; none and 134,477 shares held at December 31, 1998 and 1997	---	(4,563)
Notes receivable - common stock purchase	(3,164)	---
Total Stockholders' Equity	585,707	498,505
	$4,027,474	$2,097,719

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

GENERAL GROWTH PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except for per share amounts)

	Years ended December 31, 1998	1997	1996
Revenues:			
Minimum rents	$268,976	$175,830	$140,468
Tenant recoveries	130,903	97,291	63,040
Percentage rents	16,226	7,976	5,412
Other	5,796	5,577	3,925
Fee Income	4,675	4,473	4,560
Total Revenues	426,576	291,147	217,405
Expenses:			
Real estate taxes	33,548	20,761	16,332
Management fee to affiliate	4,288	3,308	2,713
Property operating	106,986	79,175	51,466
Provision for doubtful accounts	2,451	3,025	2,421
General and administrative	4,511	3,408	3,022
Depreciation and amortization	75,227	48,509	39,809
Total Expenses	227,011	158,186	115,763
Operating Income	199,565	132,961	101,642
Interest income	16,011	8,523	3,833
Interest expense	(125,851)	(78,775)	(70,272)
Equity in net income (loss) of unconsolidated affiliates:			
GGP/Homart	17,865	16,505	9,355
Property Joint Ventures	9,837	3,033	9,507
General Growth Management, Inc.	(16,635)	(194)	(1,273)
Net gain on sales	196	58,647	43,821
Income before extraordinary item & allocation to minority interest	100,988	140,700	96,613
Income allocated to minority interest	(29,794)	(49,997)	(34,580)
Income before extraordinary item	71,194	90,703	62,033
Extraordinary Items	(4,749)	(1,152)	(2,291)
Net Income	66,445	89,551	59,742
Convertible Preferred Stock Dividends	(13,433)	--	--
Net income available to common stockholders	$ 53,012	$ 89,551	$ 59,742
Earnings before extraordinary item per share-basic	$ 1.60	$ 2.78	$ 2.20
Earnings before extraordinary item per share-diluted	$ 1.59	$ 2.76	$ 2.20
Net earnings per share - basic	$ 1.46	$ 2.75	$ 2.12
Net earnings per share - diluted	$ 1.46	$ 2.73	$ 2.12

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

GENERAL GROWTH PROPERTIES, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Dollars in Thousands, except for Per Share Amounts)

	Common Shares	Stock Amount	Additional Paid-in Capital	Retained Earnings (Deficit)	Treasury Stock	Employee Stock Loans	Total Stock-holders' Equity
Balance, December 31, 1995	27,272,560	$2,727	$506,107	$(279,451)	$ --	$ --	$229,383
Net income				59,742			59,742
Cash distributions declared ($1.72 per share)				(48,731)			(48,731)
Acquisitions:							
General Growth Management, Inc. less $38 of issuance costs	1,555,855	156	39,675				39,831
Real estate investments	1,895,928	190	49,511				49,701
Exercise of stock options	66,667	7	1,381				1,388
Purchase and retirement of common stock	(66,667)	(7)	(1,443)				(1,450)
Conversion of operating partnership units to common stock	64,842	6	1,315				1,321
Adjustment for minority interest in operating partnership			(918)				(918)
Balance, December 31, 1996	30,789,185	3,079	595,628	(268,440)	--	--	330,267
Net income				89,551			89,551
Cash distributions declared ($1.80 per share)				(59,779)			(59,779)
Issuance of common stock, less $533 of offering costs	4,927,680	493	165,270				165,763
Issuance of common stock for services	2,000		50				50
Exercise of stock options	44,500		147	(471)	1,185		861

GENERAL GROWTH PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in Thousands, except for Per Share Amounts)
- continued -

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings (Deficit)	Treasury Stock	Employee Stock Loans	Total Stock-holders' Equity
Purchase treasury stock	(171,213)	$ --	$ --	$ --	$(5,748)	$ --	$(5,748)
Conversion of operating partnership units to common stock	42,825	5	776				781
Adjustment for minority interest in operating partnership			(23,241)				(23,241)
Balance, December 31, 1997	35,634,977	3,577	738,630	(239,139)	(4,563)	--	498,505
Net income				66,445			66,445
Cash distributions declared ($1.88 per share)				(68,940)			(68,940)
PIERS Dividends				(13,433)			(13,433)
Cost of issuance of preferred stock			(14,814)				(14,814)
Exercise of stock options, net of employee stock loans	166,000	14	2,526	(530)	1,154	(3,164)	--
Purchase treasury stock	(32,350)				(1,136)		(1,136)
Conversion of operating partnership units to common stock	3,232,345	309	47,932	(2,670)	4,545		50,116
Adjustment for minority interest in operating partnership			68,964				68,964
Balance, December 31, 1998	39,000,972	$3,900	$843,238	$(258,267)	$ --	$(3,164)	$585,707

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

GENERAL GROWTH PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands, except for per share amounts)

	Years ended December 31, 1998	1997	1996
Cash flows from operating activities:			
Net Income	$ 66,445	$ 89,551	$ 59,742
Adjustments to reconcile net income to net cash provided by operating activities:			
Minority interest	29,794	49,997	34,580
Net gain on sales	(196)	(58,647)	(43,821)
Extraordinary items	4,749	1,152	2,291
Equity in net income of unconsolidated affiliates	(11,067)	(19,344)	(17,589)
Provision for doubtful accounts	2,451	3,025	2,421
Depreciation	68,494	44,551	35,469
Amortization	6,733	3,957	4,340
Net Changes:			
Tenant accounts receivable	(42,187)	(12,490)	(12,974)
Prepaid expenses and other assets	(6,557)	46	(5,744)
Accounts payable and accrued expenses	(17,278)	(16,082)	8,487
Net cash provided by (used in) operating activities	101,381	85,716	67,202
Cash flows from investing activities:			
Acquisition/development of real estate and additions to properties	(1,360,071)	(200,564)	(121,138)
Increase in investments in property joint ventures	(92,990)	(72,514)	(14,397)
Investment in GGP/Homart	--	(13,719)	(19,058)
Change in notes receivable from General Growth Management, Inc.	(33,031)	(24,045)	12,532
Proceeds received from sale of CenterMark stock	--	130,500	87,000
Distributions received from CenterMark	--	--	21,531
Distributions received from GGP/Homart	21,865	20,352	13,791
Distributions received from property joint ventures	6,292	--	--
Increase in deferred expenses	(33,540)	(7,039)	(9,546)
Net cash provided by (used in) investing activities	(1,491,475)	(167,029)	(29,285)
Cash flows from financing activities:			
Cash distributions paid to common stockholders	(66,639)	(56,989)	(47,604)
Cash distributions paid to minority interest	(36,467)	(31,884)	(27,861)
Proceeds from exercised options	--	861	1,388
Retirement of Common Stock	--	--	(1,450)
Proceeds of preferred stock issuance, net of issuance costs of $14,814	322,686	--	--
Capital contribution from minority interest	119	--	--

GENERAL GROWTH PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands, except for per share amounts)

- continued -

	Years ended December 31, 1998	1997	1996
Payment of dividends on PIERS (Note 1)	$ (7,316)	$ --	$ --
Proceeds of common stock issuance, net of issuance costs of $533 in 1997 and $38 in 1996	--	165,763	(38)
Proceeds from issuance of mortgage / other notes payable	2,093,000	832,525	705,815
Principal payments on mortgage notes and other debts payable	(913,229)	(802,929)	(668,107)
Purchase of treasury stock	(1,136)	(5,748)	--
Prepayment penalty on early retirement of debt	(4,749)	(1,073)	--
Increase in deferred financing costs	(2,443)	(9,262)	(2,411)
Net cash provided by (used in) financing activities	1,383,826	91,264	(40,268)
Net change in cash and cash equivalents	(6,268)	9,951	(2,351)
Cash and cash equivalents at beginning of year	25,898	15,947	18,298
Cash and cash equivalents at end of year	$ 19,630	$ 25,898	$ 15,947
Supplemental disclosure of cash flow information:			
Interest paid	$ 128,987	$ 79,787	$ 73,386
Interest capitalized	12,028	4,753	5,947
Non-cash investing and financing activities:			
Debt and other liabilities assumed as consideration to seller for purchase of real estate and General Growth Management, Inc. (1996)	$ 289,530	$ 185,298	$ 348,639
Operating partnership units exchanged for treasury stock	1,875	--	--
Operating partnership units exchanged for common stock	48,241	781	1,321
Notes receivable issued for exercised stock options	3,164	--	--
Partnership units and common stock issued as consideration for purchase of real estate	163,514	30,408	140,935
Distributions declared	33,757	24,421	20,744

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

NOTE 1 ORGANIZATION

GENERAL

General Growth Properties, Inc., a Delaware corporation ("General Growth"), was formed in 1986 to own and operate enclosed 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 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 enclosed 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.

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"). General Growth received proceeds of approximately $322,686 net of approximately $14,814 of issuance costs, which were utilized to fund certain of the acquisitions described in Note 3 and for other working capital needs.

Each owner of a Depositary Share is entitled to its pro rata share of all the rights and preferences of the PIERS represented thereby. The PIERS are convertible at any time, at the option of the holder, into shares of common stock of General Growth ("Common Stock") at the conversion price of $39.70 per share of Common Stock. 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 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 General Growth's Common Stock outstanding on December 10, 1998 to the shareholders of record on that date. Prior to becoming exercisable, the Rights trade together with the Common Stock. The Rights will become exercisable if a person or group acquires or commences or announces a tender or exchange offer for 15% or more of the Common Stock (or, in the case of certain grandfathered stockholders described in the Plan, more than the applicable grandfathered limit described therein). 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 (the "Board") may exchange each Right (other than those held by the acquirer) for one share of Common Stock, subject to adjustment. The Rights expire on November 18, 2008, unless earlier redeemed by the Board for $0.01 per Right or such expiration date is extended.

OPERATING PARTNERSHIP

The Operating Partnership commenced operations on April 15, 1993 and as of December 31, 1998, the Company owned 100% of fifty-one enclosed regional shopping centers (the "Wholly-Owned Centers"); 51% of GGP/Ivanhoe, Inc. ("GGP/Ivanhoe"), 50% of Quail Springs Mall and Town East Mall and 51% of GGP Ivanhoe III, Inc. ("GGP Ivanhoe III") (collectively the "Property Joint Ventures" or "PJVs"); approximately 38.2% of the stock of GGP/Homart, Inc. ("GGP/Homart") and a 100% non-voting preferred stock interest representing 95% of the equity interest in General Growth Management, Inc. ("GGMI"). As of such date, GGP/Homart owned interests in twenty-three shopping centers (the "Homart Centers"), GGP/Ivanhoe owned 100% of The Oaks Mall and the Westroads Mall, and GGP Ivanhoe III (through a wholly owned subsidiary) owned 100% of six shopping centers. During 1996, the Company owned an interest in CenterMark.

As of December 31, 1998, the Company owned an approximate 66% general partnership interest in the Operating Partnership (excluding its preferred units of partnership interest as discussed below). The remaining approximate 34% 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 for cash; provided however, that General Growth may assume the Operating Partnership's obligations and redeem the Units for cash or shares of Common Stock on a one-for-one basis. Certain Units owned by or for the benefit of certain officers and directors of General Growth and their families can be exchanged for cash or shares of Common Stock, at General Growth's election, if such persons own, in the aggregate, 25% or more of the outstanding Common Stock at the time of the exchange. The holders of the Units also share equally with General Growth's stockholders on a per share basis in any distributions by the Operating Partnership.

(Dollars in thousands, except for per share amounts)

In connection with the issuance of the Depositary Shares and in order to enable General Growth to comply with its obligations in 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 will be required to make all required distributions on the Preferred Units prior to any distribution of cash or assets to the holders of the Units. At December 31, 1998, 100% of the Preferred Units of the Operating Partnership (337,500) were owned by General Growth.

Changes in Operating Partnership Units (excluding the Preferred Units) for the three years ending December 31, 1998, are as follows:

	Units
December 31, 1995	16,100,461
Acquisition of General Growth Management, Inc. (issued to the original stockholders)	453,791
Acquisition of Lakeview Square, Lansing and Westwood Malls	1,445,000
Conversion to common stock	(64,842)
December 31, 1996	17,934,410
Acquisition of Southlake Mall	353,537
Acquisition of Valley Hills Mall	518,833
Conversion to common stock	(42,825)
December 31, 1997	18,763,955
Acquisition of Southwest Plaza	505,420
Acquisition of Altamonte Mall	3,683,143
Acquisition of Mall St. Vincent	111,181
Conversion to common stock	(3,232,345)
December 31, 1998	19,831,354

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 sole 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 operations on a geographic basis. Accordingly, General Growth has concluded it 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. Therefore, no additional disclosure due to the adoption of Statement 131 is currently required.

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-one centers and the unconsolidated investments in GGP/Homart, GGMI, GGP/Ivanhoe, Quail Springs Mall, Town East Mall and GGP Ivanhoe III. All significant intercompany balances and transactions have been eliminated.

REVENUE RECOGNITION

Minimum rent revenues are recognized on a straight-line basis over the term of the related leases. Percentage rents are recognized on an accrual basis (see Note 12). Recoveries from tenants for taxes, insurance and other shopping center operating expenses are recognized as revenues in the period the applicable costs are incurred.

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 $7,737 and $5,011 as of December 31, 1998 and 1997, 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. The carrying amount approximates fair value due to the short maturity of these investments.

DEFERRED EXPENSES

Deferred expenses consist principally of financing fees and leasing commissions, which are amortized over the terms of the respective agreements. Deferred expenses in the accompanying consolidated balance sheets are shown at cost, net of accumulated amortization of $30,685 and $25,235 as of December 31, 1998 and 1997, respectively.

(Dollars in thousands, except for per share amounts)

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. The real estate assets of the Company are periodically reviewed for impairment. Based principally on a review of cash flows, management has determined that the fair value of its real estate assets exceeds their carrying value. 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

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 improvements are capitalized.

INVESTMENTS IN UNCONSOLIDATED AFFILIATES

The Company accounts for its investments in 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 currently unpaid and accrued preferences as described in Note 4 on the preferred stock, the Company was entitled to 100% of the earnings (loss) and cash flows generated by GGMI in 1998, 1997 and 1996. Subsequent to the sale in July 1996 of a portion of the Company's investment in CenterMark, the remaining investment in CenterMark was accounted for using the cost method whereby distributions received were included in income instead of its share of equity in net income or loss.

INCOME TAXES

The Company elected to be taxed as a real estate investment trust under sections 856-860 of the Internal Revenue Code of 1986, commencing with its taxable year beginning January 1, 1993. In order to qualify as a real estate investment trust, the Company is required to distribute at least 95% of its ordinary taxable income and 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, the Company will generally not be liable for Federal income taxes, provided it satisfies the necessary requirements. As a result, Federal income taxes related to the distribution in the form of dividends of substantially all of the net taxable income of the Company as described above are payable by the stockholders of the Company. 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 affiliates, GGMI, is a taxable corporation and accordingly, state and Federal income taxes on its net taxable income are payable by GGMI.

EARNINGS PER SHARE

Basic per share amounts are based on the weighted average of common shares outstanding of 36,190,367 for 1998, 32,622,665 for 1997, and 28,145,091 for 1996. Diluted per share amounts are based on the total number of weighted average common shares and dilutive securities (stock options) outstanding of 36,381,914 for 1998, 32,839,637 for 1997, and 28,220,707 for 1996. 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 year ended December 31, 1998 and therefore has been excluded from the diluted earnings per share calculation. The outstanding Units have been excluded from the diluted earnings per share calculation as there would be no effect on the 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:

	Year ended December 31,		
	1998	1997	1996
Numerators:			
Income before extraordinary items	$ 71,194	$90,703	$62,033
Dividends on PIERS	(13,433)	--	--
Extraordinary items	(4,749)	(1,152)	(2,291)
Net income available to common shareholders for basic and diluted EPS	$ 53,012	$89,551	$59,742
Denominators (in thousands):			
Weighted average common shares outstanding for basic EPS	36,190	32,623	28,145
Effect of dilutive securities - options	192	217	76
Weighted average common shares outstanding for diluted EPS	36,382	32,840	28,221

MINORITY INTEREST

Income before minority interest 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 balance sheets to account for the change in the ownership of the underlying equity in the Operating Partnership.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

RECLASSIFICATIONS

The consolidated financial statements of prior periods have been reclassified to conform with current classifications with no effect on results of operations.

NOTE 3 PROPERTY ACQUISITIONS AND DEVELOPMENTS

WHOLLY-OWNED PROPERTIES
1998

On April 2, 1998, the Company acquired Southwest Plaza located in Denver, Colorado. On May 8, 1998, the Company completed the acquisition of Northbrook Court Shopping Center located in Northbrook (Chicago), Illinois. The aggregate purchase price for Southwest Plaza and Northbrook Court was approximately $261,000, including approximately $149,000 of assumed debt.

On June 2, 1998, the Company acquired the U.S. retail property portfolio (the "MEPC Portfolio") of MEPC plc, a United Kingdom based real estate company ("MEPC"), through the purchase of the stock of the three U.S. subsidiaries of MEPC ("MEPC U.S. Subsidiaries") that directly or indirectly owned the MEPC Portfolio. The Company acquired the MEPC Portfolio for approximately $871,000 (less certain adjustments for tenant allowances, construction costs, MEPC U.S. Subsidiary liabilities and other items). The Company borrowed approximately $830,000 to finance the purchase price for the stock, which was paid in cash at closing as more fully described in Note 5. The MEPC Portfolio consists of eight enclosed mall shopping centers: Apache Mall in Rochester, Minnesota; The Boulevard Mall in Las Vegas, Nevada; Cumberland Mall in Atlanta, Georgia; McCreless Mall in San Antonio, Texas; Northridge Fashion Center in Northridge (Los Angeles), California; Regency Square Mall in Jacksonville, Florida; Riverlands Shopping Center in LaPlace, Louisiana and Valley Plaza Mall in Bakersfield, California.

On July 21, 1998, the Company acquired Altamonte Mall in Altamonte Springs (Orlando), Florida. The aggregate consideration paid for the Altamonte Mall was $169,000 (subject to prorations and certain adjustments), part of which was paid by the payoff of approximately $24,000 of indebtedness assumed at acquisition from cash funded from the Company's line of credit facility and the balance of which was paid by the issuance of 3,683,143 Units.

On September 3, 1998, the Company acquired Pierre Bossier Mall in Bossier City (Shreveport), Louisiana. The aggregate consideration paid for the Pierre Bossier Mall was approximately $52,700 (subject to prorations and certain adjustments) which was paid in the form of approximately $10,000 in cash (funded from the Company's line of credit facility), a new mortgage loan (obtained from an independent third party) of approximately $42,000 and the assumption of approximately $700 of existing debt. The Company had previously loaned the sellers approximately $50,000 in early 1998 and received an option to buy the property. In conjunction with the closing of the sale, the loan was fully repaid.

On September 15, 1998, the Company acquired Spring Hill Mall in West Dundee (Chicago), Illinois. The aggregate consideration paid by the Company was approximately $124,000 (subject to prorations and certain adjustments) which was paid in the form of approximately $32,000 in cash (through the Company's line of credit facility) and a new ten year fixed rate $92,000 mortgage.

On September 18, 1998, the Company acquired Coastland Center in Naples, Florida, for approximately $114,500 in cash (subject to prorations and certain adjustments). The aggregate consideration paid was borrowed under the Company's line of credit facility.

On October 21, 1998, the Company acquired Mall St. Vincent in Shreveport, Louisiana. The aggregate consideration paid for Mall St. Vincent was $26,400 (subject to prorations and certain adjustments) which was paid by issuing 200,052 redeemable Units in the Operating Partnership (of which 88,871 were immediately redeemed for cash [funded by the Company's line of credit facility] upon demand of the holders of such Units) and by assuming approximately $19,200 of debt.

1997

On March 31, 1997, the Company acquired Market Place Mall for a cash purchase price of approximately $70,000. Market Place Mall is located in Champaign, Illinois.

During the second quarter of 1997, the Company acquired three properties, Century Plaza, Southlake Mall and Eden Prairie Center. Century Plaza located in Birmingham, Alabama, was acquired on May 1, 1997, for $31,800 in cash. Southlake Mall was acquired on June 18, 1997, for a purchase price of $67,000 which consisted of $45,100 of mortgage debt assumption, $11,500 of Operating Partnership Units (353,537 units), and $10,400 in cash. Southlake Mall is located in Atlanta, Georgia. The aggregate consideration paid for Eden Prairie Center located in Eden Prairie (Minneapolis), Minnesota was $19,900. It included the assumption of a $16,800 mortgage, the payment of $1,100 in cash and the assumption of $2,000 of short-term liabilities.

The Company acquired Valley Hills Mall located in Hickory, North Carolina, on October 23, 1997, for a purchase price of approximately $34,500. The purchase price consisted of approximately $18,900 of Operating Partnership Units (518,833 units) and the assumption of approximately $15,600 of mortgage debt.

1996

On October 4, 1996, Park Mall in Tucson, Arizona, was acquired for one million shares of newly issued common stock and the payment of $23,995 in cash. Sooner Fashion Mall and 50% of Quail Springs Mall, in Norman and Oklahoma City, Oklahoma, respectively, were acquired on November 27, 1996, for 895,928 newly issued common shares, the assumption of $8,636 of mortgage debt and the payment of $16,695 in cash. On December 6, 1996, the Company acquired Lakeview Square, Lansing Mall and Westwood Mall, all located in south central Michigan for an aggregate purchase price of $132,148. The purchase price consisted of $92,411 of mortgage debt assumption, of which $4,436 was retired at closing, and the issuance of $39,737 (1,445,000 units) of Operating Partnership Units.

GENERAL

The acquisitions were 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 (for pro forma effect, see Note 13). Subsequent to year-end, on January 11, 1999 the Company acquired The Crossroads Mall in Kalamazoo, Michigan. The aggregate purchase price was approximately $68,000 (subject to prorations and certain adjustments), which was funded from a new $75,000 short-term floating rate interim loan. Such interim loan is expected to be replaced within the next six months with two new fixed rate, non-recourse mortgage loans, $50,000 to be secured by The Crossroads Mall and $25,000 to be secured by the Century and West Valley Malls.

DEVELOPMENTS

The Company owns three development sites in the following locations: Coralville (Iowa City), Iowa; Grandville (Grand Rapids), Michigan and Frisco (Dallas), Texas. Coral Ridge Mall, located in Coralville (Iowa City), Iowa was completed and opened as scheduled in July of 1998. Construction of the Grandville (Grand Rapids) mall (RiverTown Crossings) commenced in December, 1997, and is scheduled to open in the fall of 1999. Construction of Stonebriar Mall at the Bridges, located in Frisco (Dallas), Texas commenced in October of 1998 with an anticipated completion date in the summer of 2000.

NOTE 4 INVESTMENTS IN UNCONSOLIDATED AFFILIATES

GGP/HOMART

The Company owns approximately 38.2% of GGP/Homart with the remaining ownership interests held by four institutional investors. The co-investors in GGP/Homart are allowed to exercise an exchange right according to the GGP/Homart Stockholders Agreement. The exchange right is designed to allow a GGP/Homart stockholder to convert their ownership interest in GGP/Homart to a common stock ownership interest in the Company. However, if such a right is exercised by a stockholder, the Company may elect to satisfy such conversion in cash. GGP/Homart currently owns interests in twenty-three regional shopping malls. GGP/Homart has elected real estate investment trust status for income tax purposes.

PROPERTY JOINT VENTURES
1998

On July 23, 1998, effective 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, which will elect to be taxed as a REIT, is owned 51% by the Company and 49% by a joint venture partner. The aggregate consideration paid pursuant to the merger agreement was approximately $625,000 (less certain adjustments, including a credit of approximately $64,000 for outstanding mortgage indebtedness and accrued interest thereon as well as credits for tenant allowances, construction costs, commissions, due diligence items and certain miscellaneous items). The acquisition was financed with a $392,000 interim loan, which becomes due July 1, 1999, and capital contributions from the Company and the joint venture partner in proportion to their respective stock ownership. Pursuant to the GGP Ivanhoe III stockholders' agreement, the Company has contributed approximately $91,290 to GGP Ivanhoe III (less certain interest and other credits). The Company's capital contributions were funded primarily from proceeds from the Company's line of 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. The properties acquired are currently managed by GGMI.

The joint venture partner in GGP Ivanhoe III is an affiliate of Ivanhoe Inc. of Montreal, Quebec, Canada ("Ivanhoe") and 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, Inc. 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.

Additionally, the stockholders' agreement of GGP Ivanhoe III contains provisions regarding buy-sell rights of the Company and Ivanhoe. This stockholders' agreement further provides that Ivanhoe has the right (exercisable on certain specified future dates) to require the Company to acquire Ivanhoe's interest in GGP Ivanhoe III for a purchase price determined by reference to the then value of GGP Ivanhoe III. In the alternative, the Company has the right to market the assets to third parties rather than acquire Ivanhoe's interest. If the Company acquires Ivanhoe's interest, the consideration can be paid in cash, common stock of the Company, or a combination thereof as unilaterally determined by the Company.

1997

On September 17, 1997, GGP/Ivanhoe indirectly acquired both The Oaks Mall in Gainesville, Florida and Westroads Mall in Omaha, Nebraska. The purchase price for the two properties was approximately $206,000 of which $125,000 was financed through property level indebtedness. The Company contributed approximately $43,700 for its 51% ownership interest in GGP/Ivanhoe. Ivanhoe owns the remaining 49% ownership interest in GGP/Ivanhoe. The terms of the stockholder's agreement are similar to those of GGP/Ivanhoe III.

On June 11, 1997, the Company acquired a 50% interest in Town East Mall, located in Mesquite, Texas, for $56,500. The consideration included approximately $27,500 in cash, the assumption of approximately $27,900 of mortgage indebtedness and the assumption of $1,100 in net current liabilities.

1996

On November 27, 1996, the Company acquired a 50% interest in Quail Springs Mall in Oklahoma City, Oklahoma. The Company's interest was acquired concurrently with a 100% interest in Sooner Fashion Mall in Norman, Oklahoma, which joint acquisition is described in Note 3 above.

CENTERMARK

On February 11, 1994, the Company acquired 40% of the outstanding stock of CenterMark for approximately $182,000 in cash. CenterMark owned interests in sixteen enclosed regional shopping centers, three power centers and certain other real estate. On December 19, 1995, the Company sold a portion of its interest in CenterMark for $72,500 and granted the buyer an option to purchase its remaining interest. Pursuant to such option, the Company's remaining interest was sold in two transactions with $87,000 received on July 1, 1996 and $130,500 received on January 2, 1997. The Company's equity in the operations of CenterMark of $9,397 in 1996 has been included in the caption "Property Joint Ventures".

GGMI

On December 22, 1995, GGP Management, Inc. 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, Inc. representing 95% of the equity interest. Key employees of the Company held the remaining 5% ownership interest therein in the form of common stock, which was entitled to all of the voting rights in GGP Management, Inc. In August 1996, GGP Management, Inc., acquired GGMI for approximately $51,500 by exchanging 1,555,855 newly issued shares of common stock of the Company and 453,791 Operating Partnership Units (contributed by the Operating Partnership) for 100% of the outstanding shares in GGMI. A loan of approximately $39,900 from the Operating Partnership to GGP Management, Inc. was used to purchase the Company's common stock used to acquire GGMI. The interest-only loan bears interest at 14% and matures in 2016. Upon acquisition of GGMI, GGP Management, Inc. was merged into GGMI with GGMI as the surviving entity. The Operating Partnership currently holds all of the non-voting preferred stock ownership interest in GGMI representing 95% of the equity interest. Five key employees of the Company hold the remaining 5% equity interest through ownership of 100% of the common stock, which is entitled to all voting rights in GGMI. GGMI cannot distribute funds to its stockholders until its available cash flow exceeds all accumulated preferred dividends owed to the preferred stockholder. Any dividends in excess of the preferred cumulative dividend are allocated 95% to the preferred stockholder and 5% to the common stockholders. GGMI may make principal payments on the Operating Partnership loan if it has sufficient cash flow. GGMI manages, leases, and performs various other services for the Wholly-Owned Centers, the Property Joint Ventures, GGP/Homart and other properties owned by unaffiliated parties.

On June 16, 1997, GGMI acquired an office building in downtown Chicago, Illinois to be used as the new corporate headquarters for the Company. GGMI and Company personnel took occupancy of the building in April of 1998.

SUMMARIZED FINANCIAL INFORMATION OF INVESTMENT IN UNCONSOLIDATED AFFILIATES

Following is summarized financial information for the Company's unconsolidated affiliates as of December 31, 1998 and 1997 and for the years ended December 31, 1998, 1997 and 1996.

CONDENSED BALANCE SHEETS

	December 31,1998		
	GGP/Homart	GGMI	PJVs
Assets:			
Net investment in real estate	$1,102,907	$ 39,711	$972,024
Investment in real estate joint ventures	124,668	-	-
Other assets	123,739	80,901	66,531
	$1,351,314	$120,612	$1,038,555
Liabilities and Owners' Equity:			
Mortgage and other notes payable	$ 814,738	$ 1,500	$674,627
Accounts payable and accrued expenses	39,881	125,997	30,394
Owners' equity	496,695	(6,885)	333,534
	$1,351,314	120,612	$1,038,555

	December 31,1997		
	GGP/Homart	GGMI	PJVs
Assets:			
Net investment in real estate	$1,088,310	$ 13,302	$329,080
Investment in real estate joint ventures	154,109	-	-
Other assets	64,558	88,771	17,170
	$1,306,977	$102,073	$346,250
Liabilities and Owners' Equity:			
Mortgage and other notes payable	$ 742,362	$ 1,500	$191,531
Accounts payable and accrued expenses	54,806	89,942	11,369
Owners' equity	509,809	10,631	143,350
	$1,306,977	$102,073	$346,250

(Dollars in thousands, except for per share amounts)

CONDENSED STATEMENTS OF OPERATIONS

	Year Ended December 31, 1998		
	GGP/Homart	GGMI	PJVs
Revenues:			
Tenant rents	$ 184,783	$ -	$103,803
Fees and other revenues	-	63,771	-
Total Revenues	184,783	63,771	103,803
Operating expenses (1)	107,717	70,407	54,530
Operating Income (loss)	77,066	(6,636)	49,273
Interest expense, net (2)	(47,799)	(9,999)	(29,882)
Equity in net income of unconsolidated real estate affiliates	5,011	-	-
Gain on property sales	13,182	-	-
Income allocated to minority interest	(705)	-	-
Net Income (loss)	$ 46,755	$(16,635)	$19,391

	Year Ended December 31, 1997		
	GGP/Homart	GGMI	PJVs
Revenues:			
Tenant rents	$ 159,280	$ -	$28,540
Fees and other revenues	-	62,867	-
Total Revenues	159,280	62,867	28,540
Operating expenses (1)	92,498	57,166	15,724
Operating Income (loss)	66,782	5,701	12,816
Interest expense, net (2)	(42,980)	(5,895)	(6,787)
Equity in net income of unconsolidated real estate affiliates	5,999	-	-
Gain on property sales	13,767	-	-
Income allocated to minority interest	(372)	-	-
Net Income (loss)	$ 43,196	$ (194)	$ 6,029

	Year Ended December 31, 1996		
	GGP/Homart	GGMI	PJVs
Revenues:			
Tenant rents	$142,611	$ -	$ 842

(Dollars in thousands, except for per share amounts)

Fees and other revenues	-	39,343	-
Total Revenues	142,611	39,343	842
Operating expenses (1)	82,826	37,793	500
Operating Income (loss)	59,785	1,550	342
Interest expense, net (2)	(37,497)	(2,823)	(121)
Equity in net income of unconsolidated real estate affiliates	2,434	-	-
Gain on property sales	-	-	-
Income allocated to minority interest	(239)	-	-
Net Income (loss)	$ 24,483	$(1,273)	$ 221

Significant accounting policies used by GGP/Homart, GGMI, and the PJVs are the same as those used by the Company.

(1) Includes depreciation and amortization.
(2) Includes extraordinary items for the PJVs.

NOTE 5 MORTGAGE NOTES AND OTHER DEBTS PAYABLE

Mortgage notes and other debts payable at December 31, 1998 and 1997 consisted of the following:

	December 31, 1998	1997
Fixed-Rate debt		
Mortgage notes payable	$2,036,210	$1,173,042
Variable-Rate debt		
Mortgage notes payable	412,566	16,743
Line of credit facility	200,000	86,000
Total Variable-Rate debt	612,566	102,743
Total mortgage notes and other debts payable	$2,648,776	$1,275,785

FIXED RATE DEBT
Mortgage Notes Payable

The fixed-rate mortgage notes bear interest ranging from 6.00% to 10.00% per annum (weighted average of 6.79% per annum), require monthly payments of principal and/or interest and have various maturity dates through 2020 (weighted average remaining term of 6.7 years). Certain properties are pledged as collateral for the related mortgage note(s). The mortgage notes payable as of December 31, 1998 are non-recourse to the Company (except to the extent of supplemental guarantees executed by the Company). Certain loans are cross-defaulted and cross-collateralized as part of a group of properties. Under certain cross-default provisions, a default under any mortgage included in a cross-defaulted package may constitute a default under all such mortgages and may lead to acceleration of the indebtedness due on each property within the collateral package. GGP/Ivanhoe debt totaling $125,000 is cross-defaulted and cross-collateralized with eleven wholly owned centers. Certain properties are subject to financial performance convenants, primarily minimum earnings before interest, taxes, depreciation and amortization ("EBITDA") ratios.

VARIABLE RATE DEBT
Mortgage Notes Payable

Variable rate mortgage notes payable consist primarily of a $100,000 loan collateralized by Northbrook Court (due August 1, 1999), and the $233,000 portion of the MEPC acquisition financing as described below. The remaining loans are generally short term in nature and bear interest at a rate per annum equal to the sum of LIBOR (5.064% at December 31, 1998) plus 90 to 120 basis points. The Company expects to retire or refinance such obligations when due.

MEPC ACQUISITION FINANCING

In June, 1998, the Company obtained a loan of approximately $830,000 to acquire the MEPC portfolio. The Company repaid approximately $217,000 of this loan on June 10, 1998 from the net proceeds of the public offering of the PIERS. Subsequently, the Company fixed the annual interest rate with respect to approximately $380,000 of such loan at 6.7% per annum and the remainder (approximately $233,000) bears interest at a rate per annum equal to the sum of LIBOR plus 90 basis points, which rate is adjusted monthly. The loan is collateralized by the MEPC Portfolio and matures on July 1, 1999. The Company expects to refinance such obligations when due.

LINE OF CREDIT FACILITY

The Company's $200,000 unsecured revolving line of credit facility bears interest at a rate per annum equal to the sum of LIBOR plus 80 to 120 basis points depending upon the Company's leverage ratio and matures on July 31, 2000 including a one-year extension option which can be unilaterally exercised by the Company. The line of credit facility is subject to financial performance covenants including debt-to-market capitalization, minimum earnings before interest, taxes, depreciation and amortization ("EBITDA") ratios and minimum equity values. On December 31, 1998, the line of credit facility had an outstanding balance of $200,000.

CONSTRUCTION LOANS AND LETTERS OF CREDIT

Two construction loans were arranged in connection with the development of two regional malls. These recourse loans were repaid in 1997.

(Dollars in thousands, except for per share amounts)

As of December 31, 1998 and 1997, the Company had outstanding letters of credit of $9,956 and $7,717 respectively, primarily in connection with special real estate assessments and insurance requirements.

Principal amounts due under mortgage notes and other debts payable mature as follows (assuming the extension of the Credit Facility described above):

Year Pending	Amount of Maturing
1999	$ 776,648
2000	234,290
2001	161,998
2002	193,741
2003	11,535
Subsequent	1,270,564
Total	$2,648,776

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.

Land, buildings and equipment related to the mortgage notes payable with an aggregate cost of $3,162,990 at December 31, 1998 have been pledged as collateral. In addition, loans totaling approximately $231,796 (collateralized by assets with a total carrying value of approximately $165,289) were supplementally guaranteed by the Company. Based on borrowing rates available to the Company at the end of 1998 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, 1998 and 1997.

NOTE 6 EXTRAORDINARY ITEMS

The extraordinary items resulted from prepayment costs and unamortized deferred financing costs related to the early extinguishment, primarily through refinancings, of mortgage notes payable. The basic per share impact of the extraordinary items in 1998 was $.14, and the diluted per share impact was $.13. The basic and diluted per share impact of the extraordinary items was $.03 in 1997 and $.08 in 1996.

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 held as of December 31, 1998, are as follows:

(Dollars in thousands, except for per share amounts)

Year	Amount
1999	$ 277,720
2000	271,691
2001	253,591
2002	232,640
2003	204,910
Thereafter	838,546

Minimum future rentals do not include amounts which may be received from 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.

NOTE 8 TRANSACTIONS WITH AFFILIATES

GGMI

GGMI has been contracted to provide management, leasing, development and construction management services for the owned properties. In addition, certain shopping center advertising and payroll costs of the properties are paid by GGMI and reimbursed by the Company. Total costs included in the consolidated financial statements related to agreements with GGMI are as follows:

	Year Ended December 31,		
	1998	1997	1996
Management and Leasing Fees	$15,074	$ 8,285	$ 7,956
Cost Reimbursements	41,594	28,099	23,641
Development Costs	7,801	2,015	1,529

In December 1996, the Operating Partnership acquired a development site located in Grandville (Grand Rapids), Michigan from a related partnership for $11,441. This site is now the location of the RiverTown Crossings expected to open in the fall of 1999 (see Note 3).

NOTES RECEIVABLE

In April, May and September, 1998, certain officers of the Company issued to the Company an aggregate of $3,164 of notes in connection with such officers' exercise of options to purchase an aggregate of 166,000 shares of the Company's common stock. The notes, which bear interest at a rate (5.61% per annum at December 31, 1998) computed as a formula of a market rate, 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.

NOTE 9 STOCK PLANS

STOCK INCENTIVE PLAN

The Company's Stock Incentive Plan provides incentives to attract and retain officers and key employees. The Stock Incentive Plan originally consisted of 1,000,000 shares of common stock available for grant, which was increased, by 1,000,000 shares in both 1996 and 1997. As of December 31, 1998, the number of shares of common stock authorized for issuance under the plan was 3,000,000. 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 shall be 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. 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.

1998 INCENTIVE PLAN

General Growth and its stockholders approved a new incentive stock plan entitled the 1998 Incentive Stock Plan (the "1998 Incentive Plan"). Under the 1998 Incentive Plan, the Compensation Committee of the Board of Directors of General Growth is authorized to grant to employees of the Company and GGMI stock incentive awards in the form of threshold-vesting stock options ("TSOs"). The exercise price of the TSOs to be granted to a participant will be the Fair Market Value ("FMV") of a share of Common Stock on the date the TSO is granted. The threshold price (the "Threshold Price") which must be achieved in order for the TSO to vest will be determined by multiplying the FMV on the date of grant by the Estimated Annual Growth Rate (currently set at 7% in the 1998 Incentive Plan) and compounding the product over a five year period. Shares of the Company's Common Stock must achieve and sustain the Threshold Price for at least 20 consecutive trading days at any time over the five years following the date of grant in order for the TSO to vest. All TSOs granted will have a term of 10 years but must vest within 5 years of the grant date in order to avoid forfeiture.

The purpose of the 1998 Incentive Plan is to give the Company an advantage in attracting, retaining and motivating management employees and to provide the Company with the ability to provide competitive incentives which are directly linked to the profitability of the Company's business and increases in stockholder value. Grants under the 1998 Incentive Plan are intended to reinforce the attainment of annual performance goals while encouraging sustained profitable long-term growth.

The aggregate number of shares of Common Stock which may be subject to TSOs issued pursuant to the 1998 Incentive Plan will not exceed 1,000,000 subject to certain customary adjustment to prevent dilution. No options under the 1998 Incentive Plan were granted in 1998.

(Dollars in thousands, except for per share amounts)

A summary of the status of the Company's stock option plans as of December 31, 1998, 1997 and 1996 and changes during the year ended on those dates is presented below.

	1998		1997		1996	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	785,000	$ 24.79	827,500	$24.48	425,500	$19.50
Granted	229,500	$ 36.19	2,000	$31.75	502,000	$27.97
Exercised	(166,000)	$ 19.06	(44,500)	$19.35	(66,667)	$20.81
Forfeited					(33,333)	$20.81
Outstanding at end of year	848,500	$ 28.99	785,000	$24.79	827,500	$24.48
Exercisable at end of year	414,500	$ 27.57	379,000	$23.85	267,500	$22.46
Options available for future grants	2,874,333		2,103,833		1,105,833	

Weighted average per share
fair value of options
granted during the year $ 3.18 $ 2.74 $ 2.28

The fair value of each option grant for 1998, 1997 and 1996 was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	1998	1997	1996
Risk free interest rate	5.48%	6.23%	5.78%
Dividend yield	7.28%	7.77%	7.75%
Expected life	4.2 years	4.75 years	4.00 years
Expected volatility	19.4%	18.8%	18.8%

(Dollars in thousands, except for per share amounts)

The following table summarizes information about stock options outstanding at December 31, 1998:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at 12/31/98	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Options Exercisable at 12/31/98	Weighted Average Exercise Price
$19.00 - $36.19	848,500	8.36 years	$28.99	414,500	$27.57

The Company has applied Accounting Principles Board Opinion 25 and selected interpretations in accounting for its plan. Accordingly, no compensation costs have been recognized. Had compensation costs for the Company's Plan been determined based on the fair value at the grant date for options granted in 1998, 1997 and 1996 in accordance with the method required by Statement of Financial Accounting Standards No. 123 "Accounting for Stock-Based Compensation", the Company's net income and net income per share would have been reduced to the pro forma amounts as follows:

	Year Ended December 31,		
	1998	1997	1996
Net Income			
As Reported	$53,012	$89,551	$59,742
Pro Forma	$52,709	$89,341	$59,536
Net earnings per share - basic			
As Reported	$ 1.46	$ 2.75	$ 2.12
Pro Forma	$ 1.46	$ 2.74	$ 2.12
Net earnings per share - diluted			
As Reported	$ 1.46	$ 2.73	$ 2.12
Pro Forma	$ 1.45	$ 2.72	$ 2.11

NOTE 10 DISTRIBUTIONS PAYABLE

On December 17, 1998, the Company declared a cash distribution of $.47 per share that was paid on January 29, 1999, to stockholders of record (1,106 owners of record) on January 6, 1999, totaling $18,330. In addition, a distribution of $9,309 was paid to the limited partners of the Operating Partnership. Concurrently, the Company declared the fourth quarter 1998 preferred stock dividend, for the period from October 1, 1998 through December 31, 1998, in the amount of $0.4531 per share, payable to preferred stockholders of record on January 6, 1999 and paid on January 15, 1999. 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 16, 1997, the Company declared a cash distribution of $.45 per share that was paid on January 30, 1998, to stockholders of record on December 30, 1997, totaling $16,029. In addition, a distribution of $8,392 was paid to the limited partners of the Operating Partnership.

On December 17, 1996, the Company declared a cash distribution of $.43 per share that was paid on December 31, 1996 to stockholders of record on December 29, 1996, totaling $13,239. In addition, a distribution of $7,505 was paid to the limited partners of the Operating Partnership.

(Dollars in thousands, except for per share amounts)

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

	Year Ended December 31,		
	1998	1997	1996
Ordinary Income	98.0%	29.8%	47.0%
Capital Gain	2.0%	70.2%	53.0%
	100.0%	100.0%	100.0%

NOTE 11 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 materially adverse effect on the consolidated financial position, results of operations or liquidity of the Company.

The Company leases land at certain properties from third parties. Rental expense including participation rent related to these leases was $292, $595, and $590 for the years ended December 31, 1998, 1997, and 1996 respectively. The leases 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.

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.

NOTE 12 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In March 1998, the Emerging Issues Task Force of the FASB ("EITF") issued a consensus opinion entitled "Accounting for Internal Costs Relating to Real Estate Property Acquisitions" ("EITF 97-11"). EITF 97-11 was effective as of March 19, 1998 and provides that the internal costs of identifying and acquiring operating property should be expensed as incurred. This has caused a nominal increase in expenses during 1998 for such expenditures that were previously capitalized and reflected as property costs to be depreciated over the useful life of the property acquired.

In April 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities" ("SOP 98-5") which is effective for fiscal years beginning after December 15, 1998. SOP 98-5 requires that the net unamortized balance of all start up costs and organizational costs be written off as a cumulative effect of a change in accounting principle and all future start-up costs and organizational costs be expensed. As the Company does not have a significant amount of such unamortized costs, the effect of adopting this statement in 1999 is not expected to be material.

In May, 1998, the EITF issued a consensus opinion entitled "Accounting for Contingent Rent in Interim Financial Periods" ("EITF 98-9"). EITF 98-9 was effective as of May 21, 1998 and provided that rental income should be deferred in interim periods by the lessor if the triggering events that create contingent rent have not yet occurred. The Company has contingent rents as a majority of the tenant leases provide for additional rent computed as a percentage of tenant sales revenues above certain annual thresholds (predominately computed on a calendar year basis). The Company had previously accrued, on an interim basis, such percentage rents based on the prorated annual percentage rent estimated to be due from tenants. The Company, as provided by EITF 98-9, prospectively adopted this consensus and did not record additional percentage rent in the third and fourth quarters of 1998 above amounts recognized in the six months ended June 30, 1998 ($5,013) until such triggering events occurred. Accordingly, the Company recognized approximately $1,300 of percentage rent in the fourth quarter of 1998, which would otherwise have been recognized in previous periods. During the fourth quarter of 1998, EITF 98-9 was withdrawn and, pursuant to the guidance issued by the EITF, the Company will, effective January 1, 1999, revert back to the original policy of accruing percentage rents on an estimated basis. As of the date of this report, no further accounting guidance has been issued on this subject. It is possible that the SEC or the EITF will, in the future, restrict the accrual of such estimated percentage rent for interim periods. This would cause a shift in the Company's recognition, including amounts from the operations of GGP/Homart and the Property Joint Ventures, of portions of percentage rent from interim quarters to the fourth quarter of 1999 and subsequent years.

On June 1, 1998 the FASB issued a Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities", effective for fiscal years beginning after June 15, 1999. As the Company does not currently have any investments in derivatives, the effect of adoption of the standard when effective is not expected to have any significant impact on the Company's financial statements.

NOTE 13 PRO FORMA FINANCIAL INFORMATION (unaudited)

Due to the impact of the public offering of the PIERS in 1998 and the acquisitions during 1996, 1997 and 1998, historical results of operations may not be indicative of future results of operations. The pro forma condensed consolidated statements of operations for the year ended December 31, 1998 include adjustments for the public offering of the PIERS in 1998 and the acquisition of 100% of Southwest Plaza, Northbrook Court, Altamonte Mall, Pierre Bossier Mall, Spring Hill Mall, Coastland Mall, and Mall St. Vincent, the eight operating properties in the MEPC Portfolio, and a 51% interest in the six operating properties owned by GGP Ivanhoe III as if such transactions occurred on January 1, 1998. The pro forma condensed consolidated statements of operations for the year ended December 31, 1997 include adjustments for the public offering of the PIERS in 1998 and the acquisition of 100% of the fifteen operating properties in 1998 and 51% of GGP Ivanhoe III and adjustments for the acquisitions of Market Place Shopping Center, Century Plaza, Southlake Mall, Eden Prairie, Valley Hills, a 51% interest in GGP/Ivanhoe, and a 50% interest in Town East as if such transactions had occurred on January 1, 1997. The pro forma condensed consolidated statements of operations for 1996 include adjustments for the acquisition of 100% of the five operating properties in 1997, 50% of Town East, 100% of the five operating properties in 1996, 50% of Quail Springs Mall and the disposition of CenterMark Properties as if they had occurred on January 1, 1996. The pro forma information is based upon the historical consolidated statements of operations excluding extraordinary items and non-recurring gains on sales, including the gain in 1997 on the sale of a portion of the CenterMark stock and does not purport to present what actual results would have been had the offerings, acquisitions, and related transactions, in fact, occurred at the previously mentioned dates, or to project results for any future period.

(Dollars in thousands, except for per share amounts)

PRO FORMA FINANCIAL INFORMATION

	Years Ended		
	1998	1997	1996
Total Revenues:	$514,101	$482,248	$280,939
Expenses:			
Property operating	179,200	179,091	96,512
Management fees	5,027	5,014	3,630
Depreciation and amortization	92,407	87,009	48,705
Total expenses	276,634	271,114	148,847
Operating income	237,467	211,134	132,092
Interest expense, net	(148,606)	(160,120)	(83,061)
Equity in net income/(loss) of unconsolidated affiliates			
GGP/Homart	17,865	16,506	9,355
Property Joint Ventures	9,768	4,350	2,758
General Growth Management, Inc.	(14,938)	3,211	(1,273)
	101,556	75,081	59,871
Minority interest in operating partnership	(29,630)	(20,981)	(23,005)
Pro forma net income (a)	71,926	54,100	36,866
Pro forma preferred stock dividends	(24,469)	(24,469)	--
Pro forma net income available to common stockholders	$ 47,457	$ 29,631	$ 36,866
Pro forma earnings per share - basic (b)	$ 1.31	$ 0.91	$ 1.24
Pro forma earnings per share - diluted (b)	$ 1.30	$ 0.90	$ 1.24

(a) The pro forma adjustments include management fee and depreciation modifications and adjustments to give effect to the public offering and acquisitions activity described above.

(b) Pro forma basic earnings per share are based upon weighted average common shares of 36,190,367 for 1998, 32,622,665 for 1997 and 29,717,353 for 1996. Pro forma diluted per share amounts are based on the weighted average common shares and the effect of dilutive securities (stock options) outstanding of 36,381,914 for 1998, 32,839,637 for 1997 and 29,792,969 for 1996.

NOTE 14 QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Year Ended December 31, 1998	First Quarter	Second Quarter	Third Quarter(b)	Fourth Quarter(b)	Total
Total Revenues	$80,447	$88,618	$113,055	$144,456	$426,576
Income before minority interest	12,882	27,133	25,395	35,578	100,988
Income before extraordinary item	8,455	18,141	18,040	26,558	71,194
Net income applicable to common shares	8,455	16,942	11,923	15,692	53,012
Earnings before extraordinary item per share-basic (a)	$ 0.24	$ 0.47	$ 0.33	$ 0.56	$ 1.60
Earnings before extraordinary item per share-diluted (a)	0.24	0.47	0.33	0.55	1.59
Net earnings per share-basic (a)	0.24	0.47	0.33	0.42	1.46
Net earnings per share-diluted (a)	0.24	0.47	0.33	0.42	1.46
Distributions declared per share	$ 0.47	$ 0.47	$ 0.47	$ 0.47	$ 1.88
Weighted average shares outstanding (in thousands) -basic	35,689	35,877	35,899	37,283	36,190
Weighted average shares outstanding (in thousands) - diluted	35,936	36,047	35,990	37,450	36,382

(a) Earnings 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.
(b) Application of EITF 98-9 resulted in the recognition of approximately $1,300 of percentage rental revenue in the fourth quarter, which would have otherwise been recognized in the third quarter.

Year Ended December 31, 1997	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Total Revenues	$65,328	$69,694	$74,199	$81,926	$291,147
Income before minority interest	75,495	17,823	24,440	22,942	140,700
Income before extraordinary item	47,953	11,127	15,982	15,641	90,703
Net income applicable to common shares	47,576	11,127	15,287	15,561	89,551
Earnings before extraordinary item per share-basic (a)	$ 1.56	$ 0.36	$ 0.48	$ 0.44	$ 2.78
Earnings before extraordinary item per share-diluted (a)	1.55	0.36	0.48	0.44	2.76
Net earnings per share-basic (a)	1.55	0.36	0.46	0.44	2.75
Net earnings per share-diluted (a)	1.54	0.36	0.46	0.44	2.73
Distributions declared per share	$ 0.45	$ 0.45	$ 0.45	$ 0.45	$ 1.80
Weighted average shares outstanding (in thousands)-basic	30,789	30,781	33,219	35,640	32,623
Weighted average shares outstanding (in thousands) - diluted	30,835	30,831	33,279	35,701	32,840

(a) Earnings 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 and the gain on the sale of a portion of CenterMark stock in the first quarter.

REPORT OF INDEPENDENT ACCOUNTANTS

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

Our report on the consolidated financial statements of General Growth Properties, Inc. is included as page F-2 of this Form 10-K. In connection with our audits of such financial statements, we have also audited the related financial statement schedule listed in the Index to Consolidated Financial Statements on page F-1 of this Form 10-K. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

Chicago, Illinois PricewaterhouseCoopers LLP February 8, 1999

GENERAL GROWTH PROPERTIES, INC

Schedule III - Real Estate and Accumulated Depreciation as of December 31, 1998

Col. A	Col. B	Col. C		Col. D		Col. E		
		Initial Cost(b)		Costs Capitalized Subsequent To Acquisition		Gross Amounts at Which Carried at Close of Period		
Description	Encumbrances (a)	Land	Buildings and Improvements	Improvements	Carrying Costs (c)	Land	Buildings and Improvements	Total (d)
Altamonte Mall Altamonte Springs, FL	$124,662,440	$16,900,000	$152,100,750	$ 2,124,775	$ 0	$16,900,000	$154,225,525	$171,125,525
Apache Mall Rochester, MN	57,079,323	8,110,292	72,992,628	440,548	0	8,110,292	73,433,176	81,543,468
Bayshore Mall, Eureka, CA	37,250,000	3,004,345	27,398,907	20,827,325	2,887,090	3,005,040	51,113,322	54,118,362
Bellis Fair Mall, Bellingham, WA	73,000,000	7,616,458	47,040,131	7,101,524	6,122,020	7,485,224	60,263,675	67,748,899
Birchwood Mall, Port Huron, MI	44,960,875	1,768,935	34,574,635	8,927,430	1,967,320	3,045,616	45,469,385	48,515,001
Boulevard Mall Las Vegas, NV	116,057,178	16,490,343	148,413,086	972,961	0	16,490,343	149,386,047	165,876,390
Capital Mall Jefferson City, MO	16,500,000	4,200,000	14,201,000	4,270,275	0	3,912,935	18,471,275	22,384,210
Century Mall Birmingham, AL	0	3,164,000	28,513,908	1,114,199	187,268	3,164,000	29,815,375	32,979,375
Chapel Hills Colorado Springs,CO	36,750,000	4,300,000	34,017,000	51,497,364	87,441	4,300,000	85,601,805	89,901,805
Coastland Center Naples, FL	0	11,450,000	103,050,200	1,599,934	0	11,450,000	104,650,134	116,100,134
Colony Square Mall Zanesville, OH	25,600,000	1,000,000	24,500,000	10,004,627	0	1,243,184	34,504,627	35,747,811
Columbia Mall Columbia, MO	56,100,000	5,383,208	19,663,231	8,837,494	1,368,803	5,383,208	29,869,528	35,252,736
Coral Ridge Mall Coralville, IA	81,926,159	3,363,602	64,217,772	0	3,604,651	3,363,602	67,822,423	71,186,025
Cumberland Mall Atlanta, GA	106,965,809	15,198,568	136,787,110	271,249	0	15,198,568	137,058,359	152,256,927
Development in Progress	0	45,797,971	44,062,986	0	0	45,797,971	44,062,986	89,860,957
Eagle Ridge Mall Lake Wales, FL	0	7,619,865	49,560,538	1,434,368	5,678,662	7,621,768	56,673,568	64,295,336

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
Altamonte Mall Altamonte Springs, FL	$ 1,903,994		1998	(f)
Apache Mall Rochester, MN	943,222		1998	(f)
Bayshore Mall, Eureka, CA	14,554,987	1986-1987		(f)
Bellis Fair Mall, Bellingham, WA	19,781,018	1987-1988		(f)
Birchwood Mall, Port Huron, MI	11,790,313	1989-1990		(f)
Boulevard Mall Las Vegas, NV	1,881,625		1998	(f)
Capital Mall Jefferson City, MO	2,766,680		1993	(f)
Century Mall Birmingham, AL	1,188,866		1997	(f)
Chapel Hills Colorado Springs,CO	7,426,611		1993	(f)
Coastland Center Naples, FL	440,021		1998	(f)
Colony Square Mall Zanesville, OH	10,916,015		1986	(f)
Columbia Mall Columbia, MO	11,638,883	1984-1985		(f)
Coral Ridge Mall Coralville, IA	1,040,658	1998-1999		(f)

Col. A	Col. B	Col. C		Col. D		Col. E		
		Initial Cost(b)		Costs Capitalized Subsequent To Acquisition		Gross Amounts at Which Carried at Close of Period		
Description	Encumbrances (a)	Land	Buildings and Improvements	Improvements	Carrying Costs (c)	Land	Buildings and Improvements	Total
Eden Prairie Mall Eden Prairie, MN	$ 0	$ 465,063	$ 19,024,047	$ 1,918,094	$ 0	$ 465,063	$ 20,942,141	$ 21,407,204
Fallbrook Mall, West Hills, CA	46,900,000	6,117,338	10,076,520	55,900,398	2,286,195	6,127,138	68,263,113	74,390,251
Fox River Mall Appleton, WI	93,200,000	2,700,566	18,291,067	31,321,167	1,820,253	2,700,566	51,432,487	54,133,053
Gateway Mall, Springfield, OR	30,750,000	8,728,263	34,707,170	13,120,683	7,520,779	8,749,088	55,348,632	64,097,720
GGPLP Corp. Chicago, IL	255,000,000	0	556,740	0	0	0	556,740	556,740
Grand Traverse Mall, Grand Traverse, MI	51,500,000	3,529,966	20,775,772	19,561,103	3,643,793	3,533,745	43,980,668	47,514,413
Greenwood Mall Bowling Green, KY	39,500,000	3,200,000	40,202,000	13,294,944	0	3,202,734	53,496,944	56,699,678
Knollwood Mall, St. Louis Park, MN	0	0	9,748,047	23,322,630	1,767,267	7,025,606	34,837,944	41,863,550
Lakeview Square Mall Battle Creek, MI	26,544,687	3,578,619	32,209,980	3,956,032	0	3,578,619	36,166,012	39,744,631
Lansing Mall Lansing, MI	43,702,305	6,977,798	62,800,179	2,485,290	0	6,977,798	65,285,469	72,263,267
Lockport Mall, Lockport, NY	9,300,000	800,000	10,000,000	4,152,161	23,656	800,000	14,175,817	14,975,817
Mall of the Bluffs, Council Bluffs, IA	44,960,875	1,860,116	24,016,343	9,166,342	2,641,492	1,866,392	35,824,177	37,690,569
Mall St. Vincent Shreveport, LA	19,164,975	2,640,000	23,760,000	441,162	0	2,640,000	24,201,162	26,841,162
Marketplace Champaign, IL	47,000,000	7,000,000	63,972,357	2,794,353	495,252	7,000,000	67,261,962	74,261,962
McCreless Mall San Antonio, TX	7,037,887	1,000,000	9,000,002	583,123	0	1,000,000	9,583,125	10,583,125
MEPC Acquisition Financing	25,000,000	0	0	0	0	0	0	0
Natick Mall Natick, MA	183,000,000	65,744,891	198,358,969	1,380,188	0	65,751,628	199,739,157	265,490,785

Col. A	Col. F	Col. G	Col. H	Col. I
Description	Accumulated Depreciation	Date of Construction	Date Acquired	Depreciation in Latest Income Statement is Computed
Eden Prairie Mall Eden Prairie, MN	$ 761,780		1997	(f)
Fallbrook Mall, West Hills, CA	21,753,539		1984	(f)
Fox River Mall Appleton, WI	14,892,886	1983-1984		(f)
Gateway Mall, Springfield, OR	13,926,406	1989-1990		(f)
GGPLP Corp. Chicago, IL	82,711			
Grand Traverse Mall, Grand Traverse, MI	10,159,031	1990-1991		(f)
Greenwood Mall Bowling Green, KY	8,126,489		1993	(f)
Knollwood Mall, St. Louis Park, MN	12,413,439		1978	(f)
Lakeview Square Mall Battle Creek, MI	1,856,637		1996	(f)
Lansing Mall Lansing, MI	3,418,76[illegible]		1996	(f)
Lockport Mall, Lockport, NY	4,193,250		1986	(f)
Mall of the Bluffs,				

Col. A	Col. B	Col. C		Col. D		Col. E		
		Initial Cost(b)		Costs Capitalized Subsequent To Acquisition		Gross Amounts at Which Carried at Close of Period		
Description	Encumbrances (a)	Land	Buildings and Improvements	Improvements	Carrying Costs (c)	Land	Buildings and Improvements	Total (d)
Northbrook Court Northbrook, IL	$100,000,000	$14,532,953	$133,572,961	$ 4,425,208	$ 0	$14,749,796	$137,998,169	$152,747,965
Northridge Fashion Center Northridge, CA	116,956,281	16,618,095	149,562,583	7,357,606	692,972	16,618,095	157,613,161	174,231,256
Oakwood Mall, Eau Claire, WI	59,947,833	3,266,669	18,281,160	13,256,740	1,711,573	3,266,669	33,249,473	36,516,142
Park Mall Tucson, AZ	0	4,996,024	44,993,177	5,062,951	237,323	4,996,024	50,293,451	55,289,475
Piedmont Mall, Danville, VA	16,950,000	2,000,000	38,000,000	2,087,648	20,787	2,000,000	40,108,435	42,108,435
Pierre Bossier Mall Bossier City, LA	41,924,299	5,280,707	47,558,468	1,548,737	0	5,283,970	49,107,205	54,391,175
The Pines, Pine Bluff, AR	26,750,000	1,488,928	17,627,258	7,106,669	1,365,091	1,259,284	26,099,018	27,358,302
Regency Square Mall Jacksonville, FL	116,107,915	16,497,552	148,477,968	4,657,064	0	16,506,853	153,135,032	169,641,885
Rio West Mall, Gallup, NM	13,500,000	0	19,500,000	3,801,489	0	0	23,301,489	23,301,489
River Falls Mall, Clarksville, IN	28,000,000	3,177,688	54,610,421	3,673,523	5,281,892	3,182,305	63,565,836	66,748,141
River Hills Mall, Mankato, MN	51,200,000	3,713,529	29,013,757	16,030,858	2,584,241	3,792,109	47,628,856	51,420,965
Riverlands Shopping Center LaPlace, LA	3,518,944	500,000	4,500,000	98,273	0	500,000	4,598,273	5,098,273
Sooner Fashion Mall, Norman, OK	20,000,000	2,700,000	24,300,000	2,995,220	0	2,700,000	27,295,220	29,995,220
Southlake Mall, Morrow, GA	51,300,000	6,700,000	60,406,902	1,256,242	0	6,700,000	61,663,144	68,363,144
SouthShore Mall, Aberdeen, WA	0	650,000	15,350,000	4,335,166	0	650,000	19,685,166	20,335,166
Southwest Plaza Littleton , CO	85,922,707	9,000,000	103,983,673	2,450,988	0	9,000,000	106,434,661	115,434,661
Spring Hill West Dundee, IL	91,836,419	12,400,000	111,643,525	1,574,896	0	12,400,000	113,218,421	125,618,421

Col. A	Col. F	Col. G	Col. H	Col. I
Description	Accumulated Depreciation	Date of Consruction	Date Acquired	Life Upon Which Depreciation in Latest Income Statement is Computed
Northbrook Court Northbrook, IL	1,764,705		1998	(f)
Northridge Fashion Center Northridge, CA	1,891,071		1998	(f)
Oakwood Mall, Eau Claire, WI	11,333,722	1985-1986		(f)
Park Mall Tucson, AZ	2,554,176		1996	(f)
Piedmont Mall, Danville, VA	3,430,563		1995	(f)
Pierre Bossier Mall Bossier City, LA	210,990		1998	(f)
The Pines, Pine Bluff, AR	8,822,049	1985-1986		(f)
Regency Square Mall Jacksonville, FL	1,880,131		1998	(f)
Rio West Mall, Gallup, NM	6,724,218		1986	(f)
River Falls Mall, Clarksville, IN	18,284,543	1989-1990		(f)
River Hills Mall,				

Col. A Description	Col. B Encumbrances (a)	Col. C Initial Cost(b) Land	Col. C Initial Cost(b) Buildings and Improvements	Col. D Costs Capitalized Subsequent To Acquisition Improvements	Col. D Costs Capitalized Subsequent To Acquisition Carrying Costs (c)
Valley Hills, Harrisonburg, VA	$ 15,272,172	$ 3,443,594	$ 31,025,471	$ 1,059,911	$ 0
Valley Plaza Shopping Center Bakersfield, CA	89,276,663	12,685,151	114,166,356	(6,837,554)	0
West Valley Mall, Tracy, CA	0	9,295,045	47,789,310	7,344,250	7,686,293
Westwood Mall Jackson, MI	20,900,000	2,658,208	23,923,869	1,628,554	0
Grand Totals	$2,648,775,746	$ 401,314,350	$2,816,879,934	$ 387,736,182	$ 61,682,114

Col. A Description	Col. E Gross Amounts at Which Carried at Close of Period Land	Col. E Buildings and Improvements	Col. E Total(d)	Col. F Accumulated Depreciation	Col. G. Date of Construction	Col. H Date Acquired	Col. I Life Upon Which Depreciation In Latest Income Statement is Computed
Valley Hills, Harrisonburg, VA	$ 3,450,665	$ 32,085,382	$ 35,536,047	$ 931,290		1997	(f)
Valley Plaza Shopping Center Bakersfield, CA	12,685,151	107,328,802	120,013,953	1,365,161		1998	(f)
West Valley Mall, Tracy, CA	9,295,045	62,819,853	72,114,898	5,225,881	1995		(f)
Westwood Mall Jackson, MI	3,571,208	25,552,423	29,123,631	1,325,901		1996	(f)
Grand Totals	$ 410,497,302	$3,266,298,230	$3,676,795,532	$ 301,789,466			

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 $2,779,000.

Reconciliation of Real Estate

	1996	1997	1998
Balance at beginning of year	$1,248,892	$1,555,068	$1,863,485
Additions:	306,176	308,417	1,813,311
Balance at close of year	$1,555,068	$1,863,485	$3,676,796

Reconciliation of Accumulated Depreciation

	1996	1997	1998
Balance at beginning of year	$153,275	$188,744	$233,295
Depreciation Expense	35,469	44,551	68,494
Balance at close of year	$188,744	$233,295	$301,789

(f) 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

EXHIBIT INDEX

2(a) Amended and Restated Stock Purchase Agreement, dated as of October 16, 1995, by and among Sears, Roebuck and Co., Homart Development Co., Homart Newco One, Inc. and GGP/Homart, Inc.(1)

2(b) Amendment No. 1 to Amended and Restated Stock Purchase Agreement, dated as of December 22, 1995, by and among Sears, Roebuck and Co., Homart Development Co., Homart Newco One, Inc. and GGP/Homart, Inc.(1)

2(c) Real Estate Purchase Agreement, dated as of July 31, 1995, by and among Sears, Roebuck and Co., Homart Development Co. and GGP/Homart, Inc.(1)

2(d) Amendment No. 1 to Real Estate Purchase Agreement, dated as of October 16, 1995, by and among Sears, Roebuck and Co., Homart Development Co. and GGP/Homart, Inc.(1)

2(e) Amendment No. 2 to Real Estate Purchase Agreement, dated as of December 22, 1995, by and among Sears, Roebuck and Co., Homart Development Co. and GGP/Homart, Inc.(1)

2(f) Mall Purchase Agreement, dated as of December 22, 1995, by and among Sears, Roebuck and Co., Homart Development Co. and General Growth Properties-Natick Limited Partnership.(1)

2(g) Contribution Agreement dated December 6, 1996, between Forbes/Cohen Properties, a Michigan general partnership, and GGP Limited Partnership, a Delaware limited partnership.(2)

2(h) Contribution Agreement dated December 6, 1996, between Lakeview Square Associates, a Michigan general partnership, and GGP Limited Partnership, a Delaware limited partnership.(2)

2(i) Contribution Agreement dated December 6, 1996, between Jackson Properties, a Michigan general partnership, and GGP limited Partnership, a Delaware limited partnership.(2)

2(j) Sale and Contribution Agreement dated June 19, 1997, between CA Southlake Investors, Ltd., a Georgia limited partnership, and GGP Limited Partnership, a Delaware limited partnership.(10)

2(k) Contribution Agreement dated June 10, 1997, among Atlantic Freeholds II, a Nevada general partnership, Town East Mall, L.P., a Delaware limited partnership, and Town East Mall Partnership, a Texas general partnership.(10)

2(l) Purchase and Sale Agreement dated as of March 22, 1997, between Century Plaza Co., an Alabama general partnership, and Century Plaza L.L.C., a Delaware limited liability company. (10)

2(m) Real Estate Purchase Agreement dated March 12, 1997, between Champaign Venture, an Illinois general partnership, and Champaign Market Place L.L.C., a Delaware limited liability company. (10)

2(n) Stock Purchase Agreement dated as of April 17, 1998 and amended June 2, 1998, among MEPC PLC, MEPC North American Properties Limited, U.K.-American Holdings Limited and GGP Limited Partnership. (16)

2(o) Purchase and Sale Agreement dated May 8, 1998, among Grosvenor International Limited, P.I.C. Investments, Northbrook Court I L.L.C. and Northbrook Court II L.L.C. (17)

2(p) Merger Agreement dated May 14, 1998, among GGP Limited Partnership, GGP Acquisition L.L.C. and U.S. Prime Property, Inc. (17)

2(q) Sale and Contribution Agreement dated April 2, 1998, between Southwest Properties Venture and GGP Limited Partnership. (18)

2(r). Contribution and Exchange Agreement dated as of July 10, 1998 (the "Contribution Agreement") among Nashland Associates, HRE Altamonte, Inc., Altamonte Springs Mall L.P., and GGP Limited Partnership. (21)

2(s). Purchase and Sale Agreement and Joint Escrow Instructions dated as of August 21, 1998 by and between Spring Hill Mall Partnership (seller) and Spring Hill Mall L.L.C., (purchaser). (22)

2(t).Purchase and Sale Agreement dated as of the 18th day of September, 1998 by and between Coastland Center Joint Venture (seller) and Coastland Center, L.P. (purchaser). (23)

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

3(b) Amendment to Amended and Restated Certificate of Incorporation of the Company.(5)

3(c) Amendment to Amended and Restated Certificate of Incorporation of the Company filed on December 21, 1995.(11)

3(d) Amendment to Amended and Restated Certificate of Incorporation of the Company filed on May 20, 1997.(15)

3(e) Bylaws of the Company.(5)

3(f) Amendment to Bylaws of the Company.(5)

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.(8)

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.(2)

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.(13)

4(d) Redemption Rights Agreement dated October 23, 1997, among GGPI, GGPLP and Peter Leibowits.(15)

4(e) Form of Indenture.(12)

4(f) Certificate of Designations, Preferences and Rights of 7.25% Preferred Equity Redeemable Stock, Series A. (20)

4(g) Redemption Rights Agreement dated April 2, 1998, among GGP Limited Partnership, General Growth Properties, Inc. and Southwest Properties Venture.
(17)

4(h) 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). (18)

4(i) Form of Note pursuant to the Indenture Agreement. (18)

4(j) 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.
(18)

4(k) 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). (24)

4(l) Form of Common Stock Certificate.

10(a) Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership. (19)

10(b) Rights Agreement between the Company and the Limited Partners of the Operating Partnership.(6)

10(c) Real Estate Management Agreement dated July 1, 1996, between General Growth Management, Inc. and GGP Limited Partnership.(13)

10(d)* General Growth Properties, Inc. 1993 Stock Incentive Plan, as amended.(14)

10(e) Form of Amended and Restated Agreement of Partnership for each of the Property Partnerships.(3)

10(f) Sale-Purchase Agreement dated as of December 30, 1992, by and between Equitable and the Company.(3)

10(g) Form of Indemnification Agreement between the Operating Partnership, Martin Bucksbaum, Matthew Bucksbaum, Mall Investment L.P. and M. Bucksbaum Company. (3)

10(h) Form of Registration Rights Agreement between the Company and the Bucksbaums. (3)

10(i) Form of Registration Rights Agreement between the Company and certain trustees for the IBM Retirement Plan. (3)

10(j) Form of Incidental Registration Rights Agreement between the Company, Equitable, Frank Russell and Wells Fargo.(3)

10(k) Form of Letter Agreements restricting sale of certain shares of Common Stock.(3)

10(l)* Letter Agreement dated October 14, 1993, between the Company and Bernard Freibaum.(6)

10(m)* Form of Option Agreement between the Company and certain Executive Officers.(13)

10(n)* General Growth Properties, Inc. 1998 Incentive Stock Plan.(25)

23 Consent of PricewaterhouseCoopers LLP - Independent Accountants.

27 Financial Data Schedule.

(*) 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 5, 1996, incorporated herein by reference.

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

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

(4) Previously filed as an exhibit to the Company's Current Report on Form 8-K dated July 16, 1996, incorporated herein by reference.

(5) 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.

(6) 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.

(7) Previously filed as an exhibit to the Company's Current Report on Form 8-K dated February 25, 1994, incorporated herein by reference.

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

(9) Previously filed as an exhibit to the Company's Registration Statement on Form S-3 (No. 33-23035), incorporated herein by reference.

(10) Previously filed as an exhibit to the Company's Current Report on Form 8-K dated June 19, 1997, incorporated herein by reference.

(11) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, incorporated herein by reference.

(12) 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.

(13) 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.

(14) 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.

(15) 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.

(16) Previously filed as an exhibit to the Company's current report on Form 8K dated June 17, 1998, incorporated herein by reference.

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

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

(19) 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.

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

(21) Previously filed as an exhibit to the Company's current report on Form 8K dated August 5, 1998, incorporated herein by reference.

(22) Previously filed as an exhibit to the Company's current report on Form 8-K dated September 30, 1998, incorporated herein by reference.

(23) Previously filed as an exhibit to the Company's current report on Form 8-K dated October 5, 1998, incorporated herein by reference.

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

(25) Previously filed as an exhibit to the Company's current Registration Statement on Form S-8 (No.333-74461), incorporated herein by reference.

EXHIBIT 4(1)

COMMON STOCK COMMON STOCK

PAR VALUE $.10 PAR VALUE $.10

```
THIS CERTIFICATE IS TRANSFERABLE                           CUSIP 370021 10
7
IN THE CITIES OF MINNEAPOLIS, MN         See Reverse for Certain
Definitions
      AND NEW YORK, N.Y.
```

GENERAL GROWTH PROPERTIES, INC.
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT

IS THE OWNER OF

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF

General Growth Properties, Inc. transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of this certificate property enclosed. This certificate is not valid unless countersigned by the Transfer Agent and registered by the Registrar.
Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

```
DATED:

COUTERSIGNED AND REGISTERED:
NORWEST BANK MINNESOTA, N.A.
------------------------------------
TRANSFER AGENT                           CHAIRMAN AND CHIEF EXECUTIVE
OFFICER
AND REGISTRAR,

BY

------------------------------------
AUTHORIZED SIGNATURE                                  SECRETARY
```

This certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Rights Agreement between General Growth Properties, Inc. and Norwest Bank Minnesota, N.A., as Rights Agent, dated as of November 18, 1998 (the "Rights Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of General Growth Properties, Inc. Under certain circumstances, as set forth in the Rights Agreement, such Rights will be evidenced by separate certificates and will no longer be evidenced by this certificate. General Growth Properties, Inc. will mail to the holder of this certificate a copy of the Rights Agreement without charge after receipt of a written request therefor. Under certain circumstances, Rights that are or were acquired or beneficially owned by Acquiring Persons (as defined in the Rights Agreement) may become null and void.

GENERAL GROWTH PROPERTIES, INC.

The shares of Equity Stock represented by this certificate are subject to restrictions on transfer for the purpose of the Corporation's maintenance of its status as a real estate investment trust under the Internal Revenue Code of 1986, as amended (the "Code"). No Person may (1) Beneficially Own or Constructively Own shares of Equity Stock in excess of 7.5% (or such other percentage as may be determined by the Board of Directors of the Corporation) of the value of the outstanding Equity Stock of the Corporation unless such Person is an Existing Holder (in which case the Existing Holder Limit shall be applicable); or (2) Beneficially Own Equity Stock which would result in the Corporation being "closely held" under Section 856(h) of the Code. Any Person who attempts to Beneficially Own or Constructively Own shares of Equity Stock in excess of the above limitations must immediately notify the Corporation in writing. If the restrictions above are violated, the shares of Equity Stock represented hereby will be transferred automatically and by operation of law to a Trust and shall be designated Shares-in-Trust. All capitalized terms in this legend have the meanings defined in the Corporation's Amended and Restated Certificate of Incorporation, as the same may be further amended from time to time, a copy of which, including the restrictions on transfer, will be sent without charge to each stockholder who so requests.

The Corporation will furnish to any shareholder upon request and without charge a statement of the designations, preferences, limitations and relative rights of the shares of each class or series authorized to be issued, so far as they have been determined, and the authority of the Board of Directors to determine the relative rights and preferences of subsequent classes or series. Such requests may be made to the Secretary of the Corporation.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

```
          TEN COM - as tenants in common    UNIF TRAN MIN ACT-       Custodian
                                                              -------
          -------
                                                              (Cust)
          (Minor)

          TEN ENT - as tenants by the entireties              under Uniform Transfer
                                                              to Minors

          JT TEN -  as joint tenants with right                 Act
                    of survivorship and not as
          -----------------
                    tenants in common                                  (State)
```

Additional abbreviations may also be used though not in the above list

For value received, hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING ZIP CODE OF ASSIGNEE

shares of common stock represented by the within Certificate and do hereby irrevocably constitute and appoint

Attorney

to transfer the said stock on the books of the with-in named Company with full power of substitution the premises.

Dated Signature

Signature

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular, without alteration or enlargement, or any change whatever.

SIGNATURE GUARANTEED:

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statements of General Growth Properties, Inc. on Forms S-3 (File Nos. 333-11067, 333-15907, 333-17021, 333-23035, 333-37247, 333-37383, 333-41603, 333-58045, and 333-68505) and the Registration Statements on Forms S-8 (File Nos. 33-79372, 333-07241, 333-11237, 333-28449, and 333-74461) of our reports dated February 8, 1999, on our audits of the consolidated financial statements of General Growth Properties, Inc. as of December 31, 1998 and 1997, and for the years ended December 31, 1998, 1997 and 1996 and the financial statement schedule as of December 31, 1998, which reports are included in this Annual Report on Form 10-K.

PricewaterhouseCoopers LLP

Chicago, Illinois
March 19, 1999

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE REGISTRANT'S FINANCIAL STATEMENTS INCLUDED IN ITS REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS INCLUDED IN SUCH REPORT.
CIK: 0000895648
NAME: GENERAL GROWTH PROPERTIES, INC.
MULTIPLIER: 1,000

PERIOD TYPE	12 MOS
FISCAL YEAR END	DEC 31 1998
PERIOD END	DEC 31 1998
CASH	19,630
SECURITIES	0
RECEIVABLES	74,585
ALLOWANCES	0
INVENTORY	0
CURRENT ASSETS	0
PP&E	4,063,097
DEPRECIATION	301,789
TOTAL ASSETS	4,027,474
CURRENT LIABILITIES	0
BONDS	2,648,776
PREFERRED MANDATORY	337,500
PREFERRED	0
COMMON	3,900
OTHER SE	885,138
TOTAL LIABILITY AND EQUITY	4,027,474
SALES	426,576
TOTAL REVENUES	426,576
CGS	0
TOTAL COSTS	224,560
OTHER EXPENSES	0
LOSS PROVISION	2,451
INTEREST EXPENSE	109,840
INCOME PRETAX	100,988
INCOME TAX	0
INCOME CONTINUING	100,988
DISCONTINUED	0
EXTRAORDINARY	4,749
CHANGES	0
NET INCOME	66,445
EPS PRIMARY	1.46
EPS DILUTED	1.46

End of Filing