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THE 7TH ANNUAL NEW YORK

VALUE INVESTING CONGRESS

October 17 & 18, 2011 • New York, NY
Marriott Marquis, Times Square

SPEAKERS INCLUDE:

- **Bill Ackman,** *Pershing Square*
- **Leon G. Cooperman,** *Omega Advisors, Inc.*
- **Joel Greenblatt,** *Gotham Capital*
- **Whitney Tilson,** *T2 Partners*

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An Update on St. Joe and Our Analysis of The Howard Hughes Corporation

Value Investing Congress
May 3, 2011

Accredited Fund, LP
Tilson Offshore Fund, Ltd.
T2 Qualified Fund, LP
Tilson Focus Fund
Tilson Dividend Fund

T2 Partners LLC

T2 Partners Management L.P.
Manages Hedge Funds and Mutual Funds and is a Registered Investment Advisor

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T2 Partners LLC

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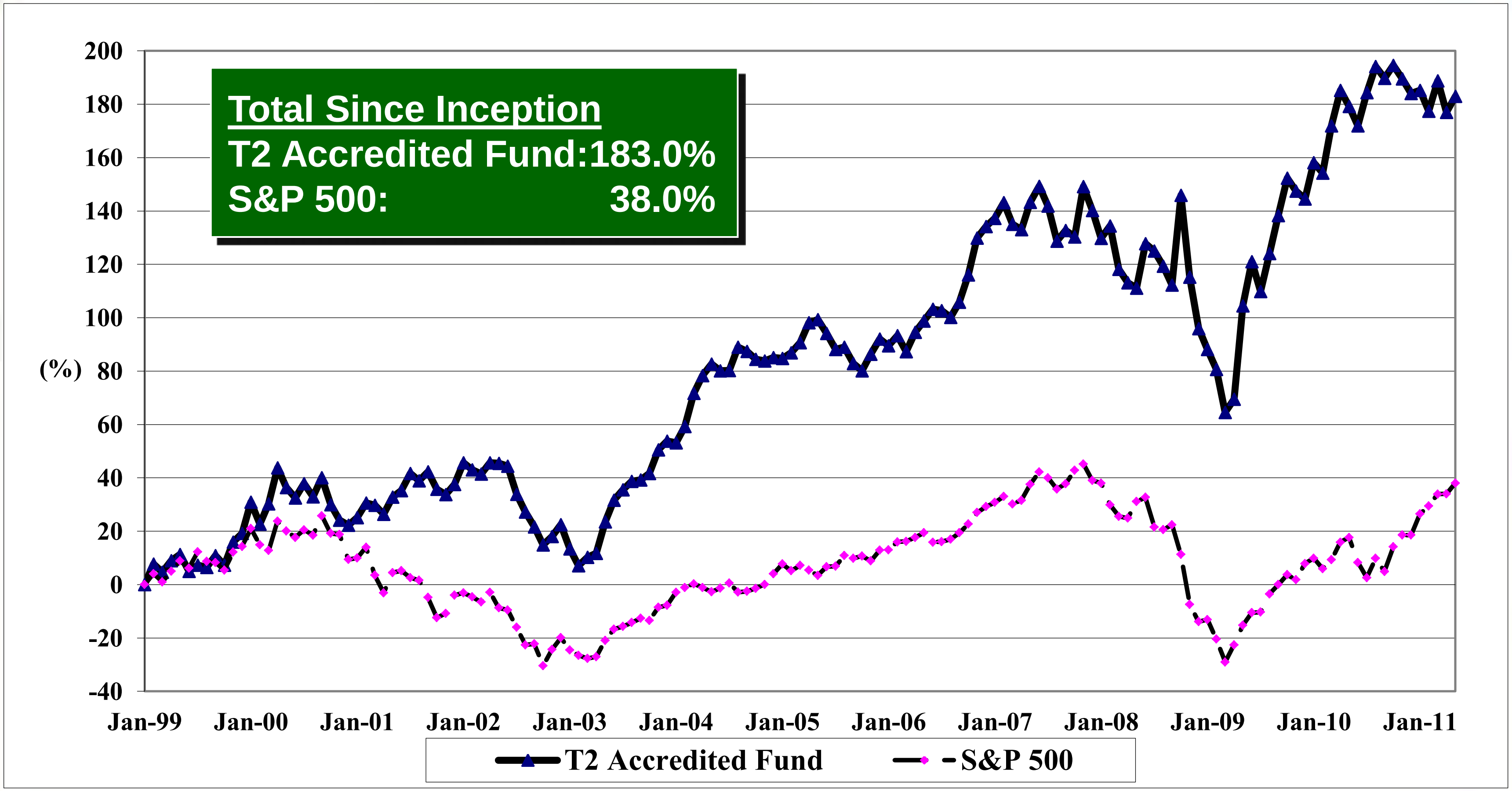
T2 Accredited Fund
Performance Since Inception

T2 Partners LLC

Total Net Return

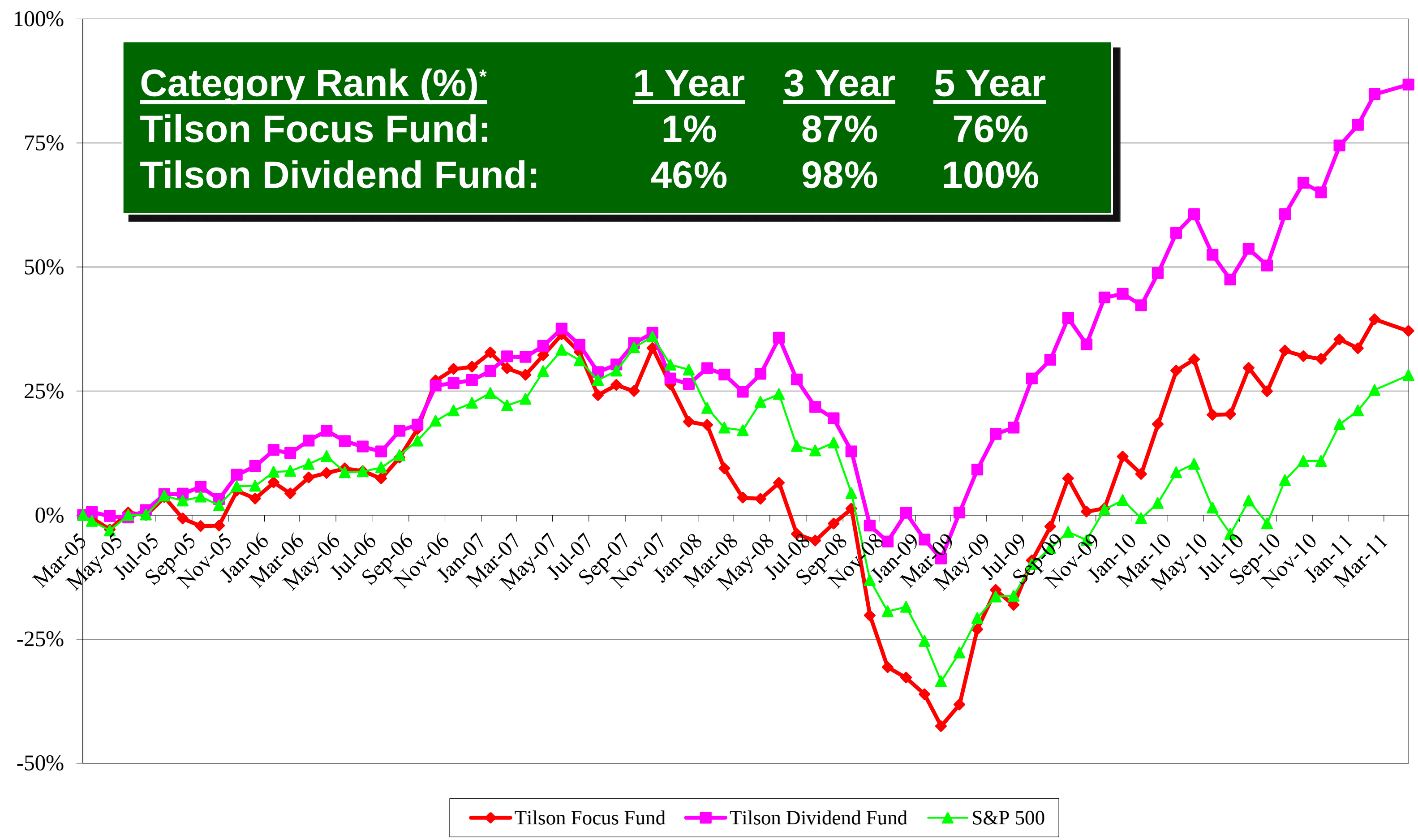


Note: 1/1/99 through 4/29/11.

The Tilson Focus Fund & Tilson Dividend Fund Have Done Well Over Time, and the Latter is #1 in Its Category Over the Last Five Years

T2 Partners LLC

Category Rank (%)*	1 Year	3 Year	5 Year
Tilson Focus Fund:	1%	87%	76%
Tilson Dividend Fund:	46%	98%	100%



* Source of category rankings: Bloomberg (through 3/31/11). Performance is from inception of both funds on 3/16/05 through 4/26/11. Performance information quoted above represents past performance and does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less that their original cost. Current performance may be higher or lower than the performance information quoted above. Any questions you may have including month-end performance can be answered by calling 1-888-4TILSON or visiting our website www.tilsonmutualfunds.com.

AB InBev, the Long Idea We Presented at Last Year's Value Investing Congress

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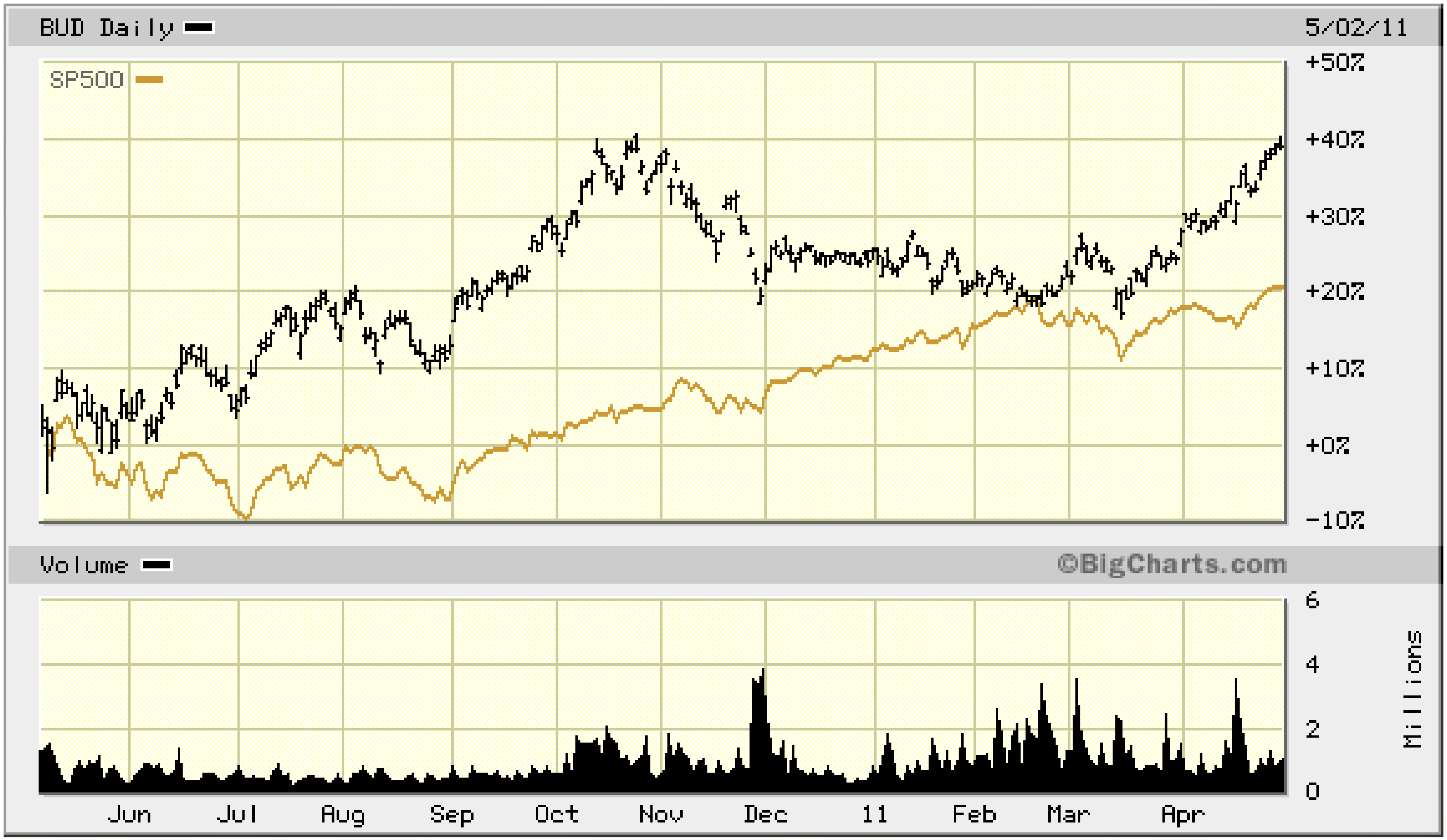

Source: BigCharts.com.

ITB (Homebuilders), the Short Idea We Presented at Last Year's Value Investing Congress

T2 Partners LLC

Source: BigCharts.com.

An Update on St. Joe
(Our Largest Short Position)

T2 Partners LLC

Background

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- At the last Value Investing Congress in NYC on October 13, 2010, David Einhorn of Greenlight Capital gave a 139-slide presentation entitled, "Field of Schemes: If You Build It, They Won‟t Come", in which he explained why he is short St. Joe. A key pillar of his investment thesis is that many of St. Joe‟s developments, like WindMark, are ghost towns – and are likely to remain so.
- In response, Bruce Berkowitz of Fairholme Capital, who is now the Chairman of St. Joe (and his firm owns ~30% of the company), released in early February 2011 a 63-slide presentation entitled, "WindMark: Some truths about JOE brought to light by Fairholme Capital Management, LLC." It is filled lovely photographs that give the impression of a vibrant community with lots of construction, retail shops, restaurants, etc.

<u>So who‟s right? What is the on-the-ground reality of WindMark???</u>

Note: A copy of the Greenlight presentation (with audio) is posted at: www.marketfolly.com/2010/10/why-david-einhorn-is-short-st-joe-joe.html.
A copy of the Fairholme presentation is posted at: http://finance.fortune.cnn.com/2011/02/07/berkowitz-throws-the-gauntlet-in-the-battle-over-st-joe.

St. Joe Stock History

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St. Joe Over the Past Decade

St. Joe Since Last October

Background on WindMark

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- "WindMark Beach is a beachfront resort community situated on approximately 2,020 acres in Gulf County near the town of Port St. Joe. Plans for WindMark Beach include approximately 1,516 residential units and 76,000 square feet of commercial space. The community features a waterfront Village Center that includes a restaurant, a community pool and clubhouse facility, an amphitheater and approximately 42,000 square feet of commercial space."
- Residential units closed since inception: 150 (less than 10%)
- Residential units under contract as of 12/31/10: 0

Source: St. Joe 10-K 2010. Graphic from Greenlight presentation, 10/10.

Current Status of WindMark Phase I

T2 Partners LLC

- St. Joe was able to sell nearly all of the lots in WindMark Phase I before the bubble burst, but there was very little actual building so there are only 10-12 homes currently, with many foreclosures and widespread abandonment

Source: Graphic from Greenlight presentation, 10/10.

Current Status of WindMark Phase II

T2 Partners LLC

- St. Joe was only able to sell 42 lots in Phase II and only a handful of homes have been built
- St. Joe owns the unsold lots but hasn't been able to sell them: only 4 lots have been sold in Phase II since the beginning of 2010, 3 by banks
- Note the road that runs between Phase II lots and the beach (i.e., there are *no beachfront lots*)

Source: Graphic from Greenlight presentation, 10/10.

The Cover Page of the Fairholme Presentation

T2 Partners LLC

windmark

Some truths about Joe

BROUGHT TO LIGHT BY FAIRHOLME CAPITAL MANAGEMENT, LLC

Note that the presentation was released in February 2011, but the photographs were taken five months earlier in October 2010

IMAGES SUBSEQUENT TO PAGE 4 WERE PHOTOGRAPHED OCTOBER 23-31, 2010

IMAGES RELEASED BY DAVID EINHORN ARE UNDATED AND UNCREDITED, AND USED HEREIN UNDER FAIR USE LAWS.

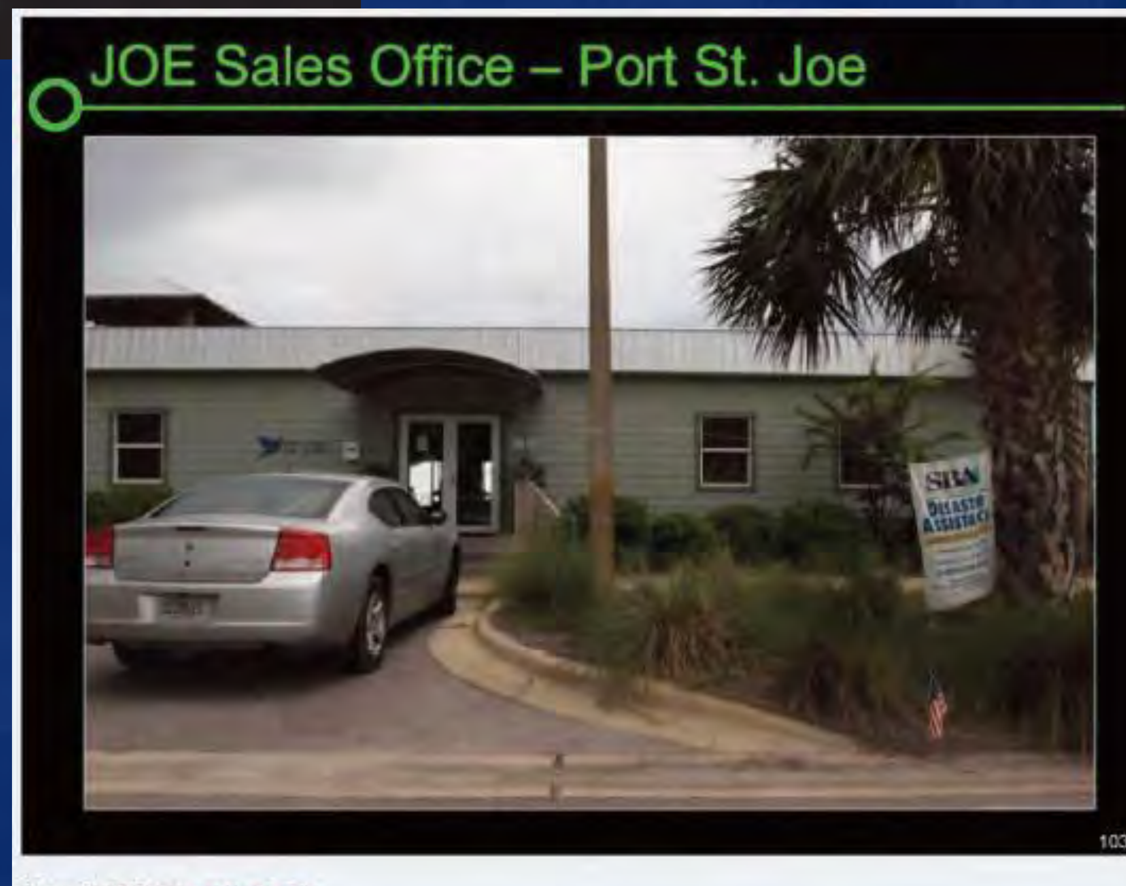
Note: A copy of this presentation is posted at: http://finance.fortune.cnn.com/2011/02/07/berkowitz-throws-the-gauntlet-in-the-battle-over-st-joe.

St. Joe's Sales Office

T2 Partners LLC

From Fairholme's presentation:

A certain short's recent presentation on the St Joe Company asserts that a trailer used over three years ago as a temporary office is the current St Joe sales office...



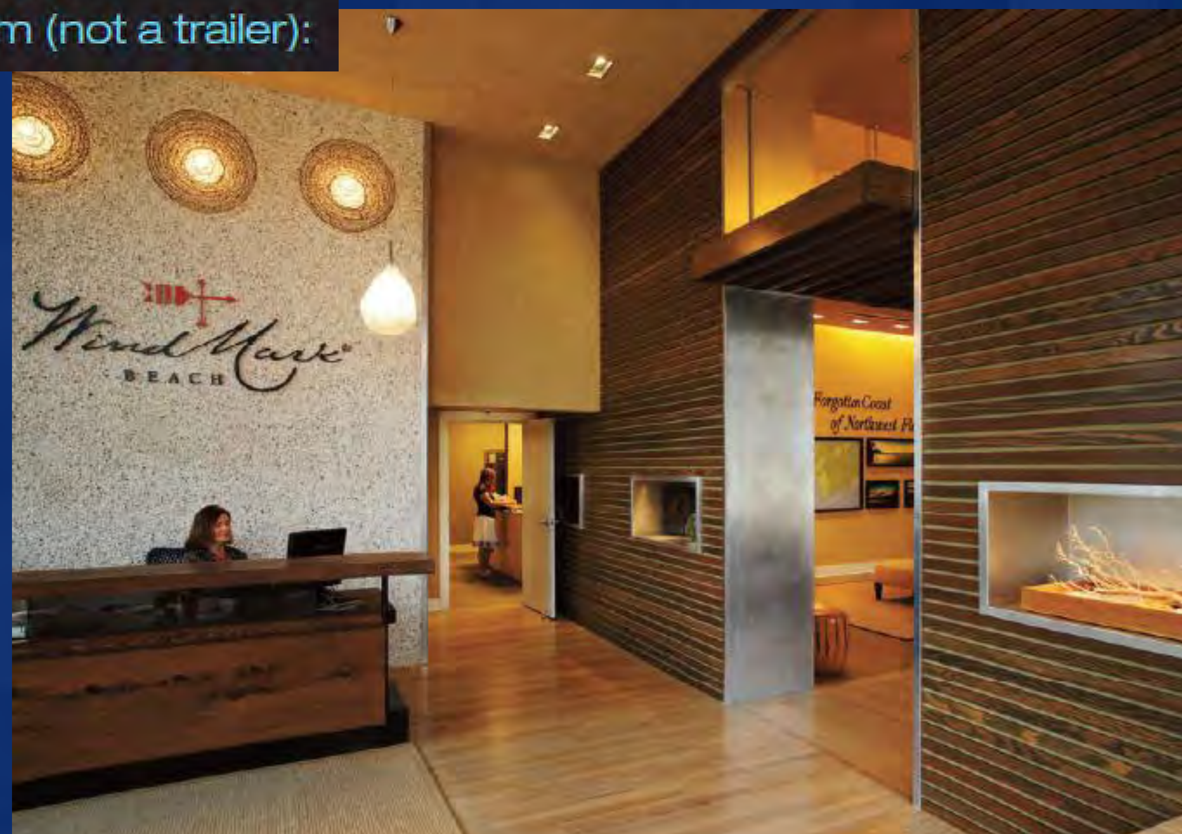
St. Joe's Sales Office (2)

T2 Partners LLC

From Fairholme's presentation:

The actual office for the last few years
is over 4 miles away at Windmark Beach.

It's a 5500 square foot
office complex and showroom (not a trailer):



St. Joe's Sales Office (3)

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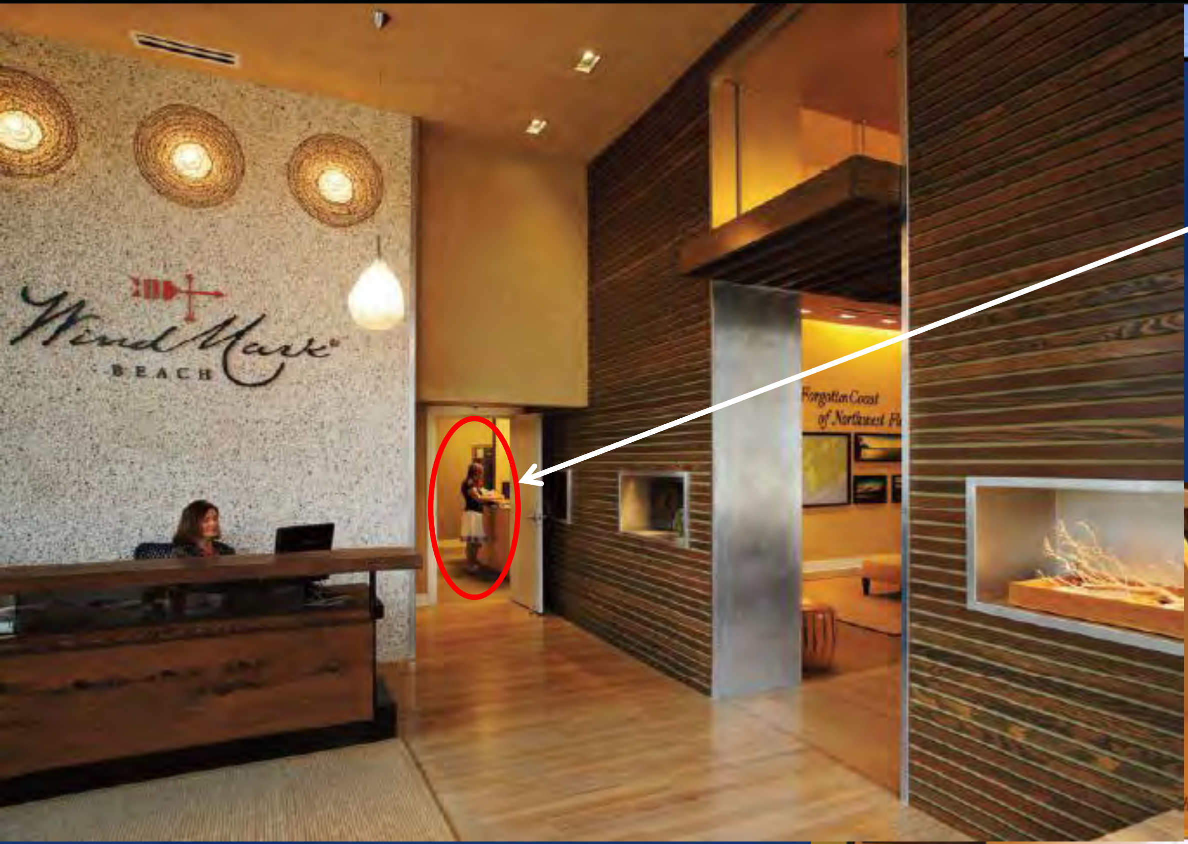
The Same Person Appears in Two Photographs

T2 Partners LLC



This is the same person, appearing as an office staff person in one photo, and a prospective buyer in another

These Are Not Buyers, But Rather St. Joe Employees Who Are Property Managers and Run the Design Review Board

St. Joe Sales Office – Summary

T2 Partners LLC

- Greenlight never claimed that the St. Joe sales office pictured in its presentation was the WindMark sales office – the title of the slide was: “JOE Sales Office – Port St. Joe”
- St. Joe has apparently consolidated multiple sales offices, including the one in the trailer in the Greenlight presentation, into the one sales office pictured at WindMark
- The photographs of the sales office used in the Fairholme presentation are carefully staged with no actual customers, using a special lens to make the office appear larger than it is
- St. Joe is having almost no success selling Phase II lots. Indeed, a full sales staff using the 5,500 square foot beautiful marketing center shown on previous pages sold only a handful of Phase II lots in the last few years
- If you contact them, the sales staff is happy to show you the resale listings in WindMark; nearly 40% of them are being offered by banks who received lots in foreclosure and are offered at a fraction of 2006 prices

Fairholme's Response to Greenlight's Photos

T2 Partners LLC

From Fairholme's presentation:

If the images on the next page were all there is to Windmark, we'd be shorting St Joe, too…

Source: David Einhorn, via Market Folly

Fairholme's 52 Photos

T2 Partners LLC

This is the last sentence in Fairholme's presentation (page 11 of 63):

However, there's more to the Windmark story,
as the following images taken over
a few days in late October 2010 attest...

Fairholme’s Presentation Shows Two Retail Shops, Neither With Any Customers, And One Has Closed

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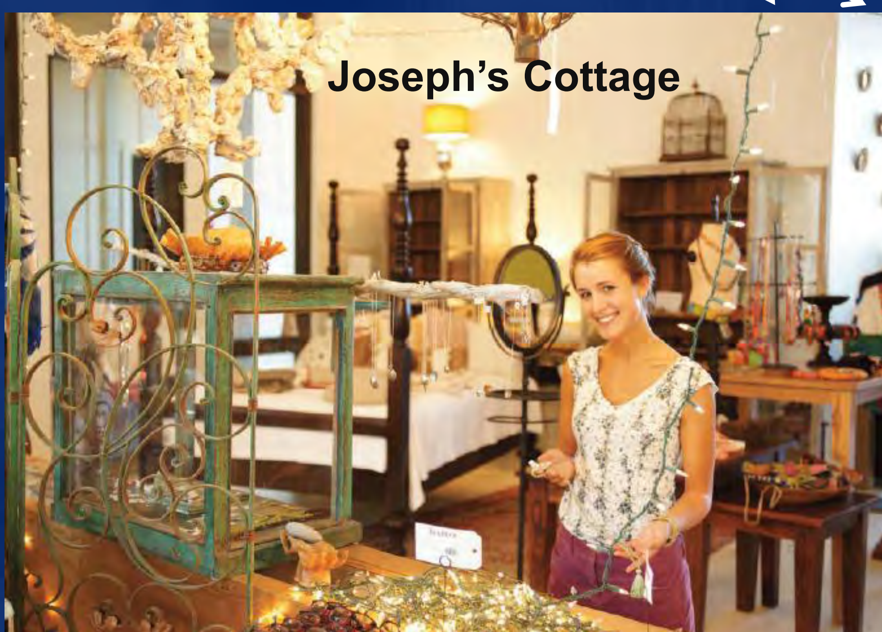
Fuss Boutique is the only shop that remains in WindMark. It is run by Lauren Spring, who says it is losing money. Her husband, Bo, runs the only construction company that appears to be operating at WindMark.

The other shop shown in Fairholme‟s presentation, Joseph‟s Cottage, was only open for a few months and was losing money so it closed permanently and moved back to Port St. Joe in November.



Fairholme's Presentation Has Four Pictures of the Great Southern School of Fish Restaurant – the Only Problem Is That Business Was Abysmal, So It Permanently Closed on 12/1/10

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Five Fairholme Slides Feature Units That Were Constructed as Condos But Converted to Rentals Because There Were No Buyers

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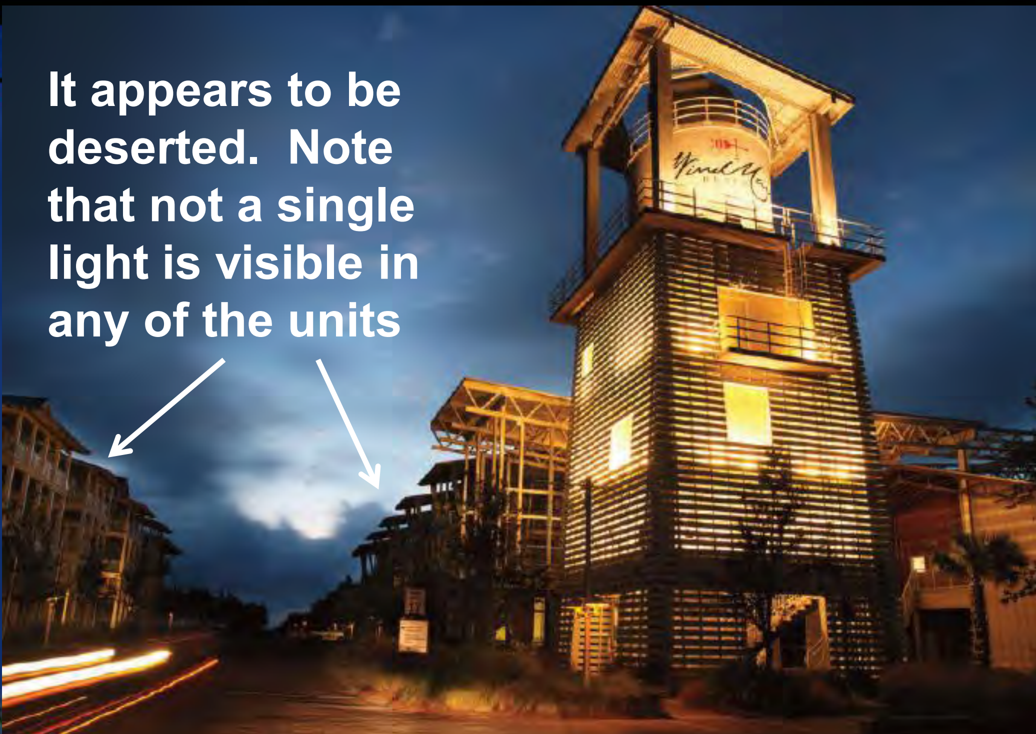
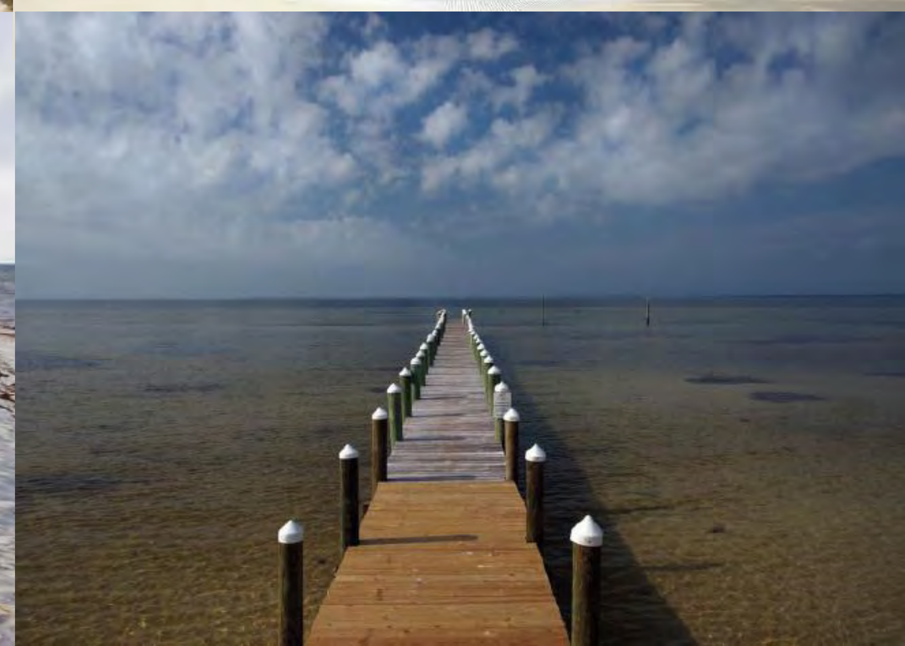


Fairholme's 52 Photos: Where Are the People???

T2 Partners LLC



Fairholme's 52 Photos: Where Are the People??? (2)

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Probably Due to the Lack of Construction in Phase II, Fairholme's Presentation Shows Construction on a Phase I Lot

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The Story Behind This Lot Is Illustrative, However

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- In 2002, St. Joe sold the Phase I beach front lot for $575,000
- From 2002-2005 the lot was flipped twice until it sold for $1 million
- But in 2006 the music stopped
- In 2008 the lot was foreclosed and a year ago the current owner, Lawrence Wagner, bought the lot for $200,000 from a bank – an 80% discount to the previous (peak) sale – a price that made sense for the current owner to build in 2011
- But St. Joe has no WindMark beach front lots left to sell because no WindMark Phase II lots are even on the beach

The Story Behind the Faucher Home That Appears in the Fairholme Presentation

T2 Partners LLC

- Meet the Fauchers: John and Lynne Faucher had the misfortune of buying a Phase II lot from St. Joe for $280,000 on 8/14/06
- It‟s not clear why the Fauchers are finally beginning to build on it – perhaps a clause in their contract with St. Joe compels them to
- A better lot (larger and closer to the water) sold for $104,500 on 9/29/10

The WindMark Reality: It Would Be Perfect for Someone in the Witness Protection Program

T2 Partners LLC

- In summary, WindMark (like many of St. Joe‟s developments) is a ghost town. The only restaurant has closed, as have all but one retail shop. Virtually no construction is going on, sales of lots are few and far between, and there is huge shadow inventory.

What is WindMark Worth?

T2 Partners LLC

- St. Joe is carrying WindMark‟s residential real estate at $160.9 million, but Greenlight valued it at only $17.8 million

St. Joe 10-K 2010:

THE ST. JOE COMPANY

SCHEDULE III (CONSOLIDATED) — REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2010
(in thousands)

	Initial Cost to Company				Carried at Close of Period			
Description	Encumbrances	Land	Buildings & Improvements	Costs Capitalized Subsequent to Acquisition	Land & Land Improvements	Buildings and Improvements	Total	Accumulated Depreciation
Gulf County, Florida	—	—	—	—	—	—	—	—
Land with infrastructure	—	1,585	—	3,935	5,520	—	5,520	—
Buildings	—	2,548	7,115	36,161	2,826	42,998	45,824	4,309
Residential	—	26,678	526	133,738	160,942	—	160,942	731
Timberlands	—	5,238	—	14,835	20,073	—	20,073	158

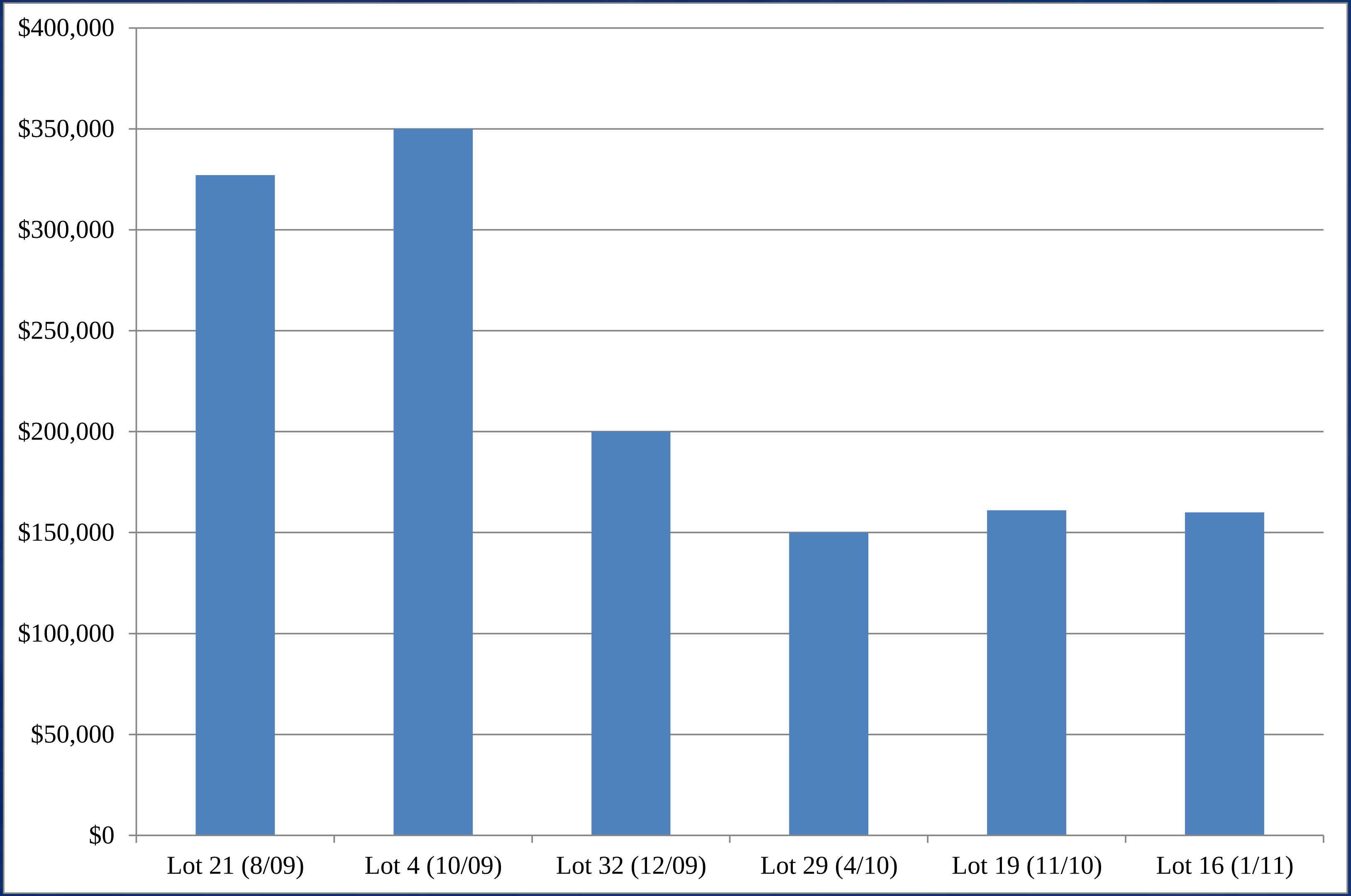
S-1

Page 112 of Greenlight presentation:

	Units	Sale Price	Total Value
WindMark Phase II:			
Beachfront Lots	17	$350,000	$5,950,000
Non-beachfront Lots	55	$125,000	$6,875,000
Condominium Units	N/A	N/A	$5,000,000
Total			**$17,825,000**

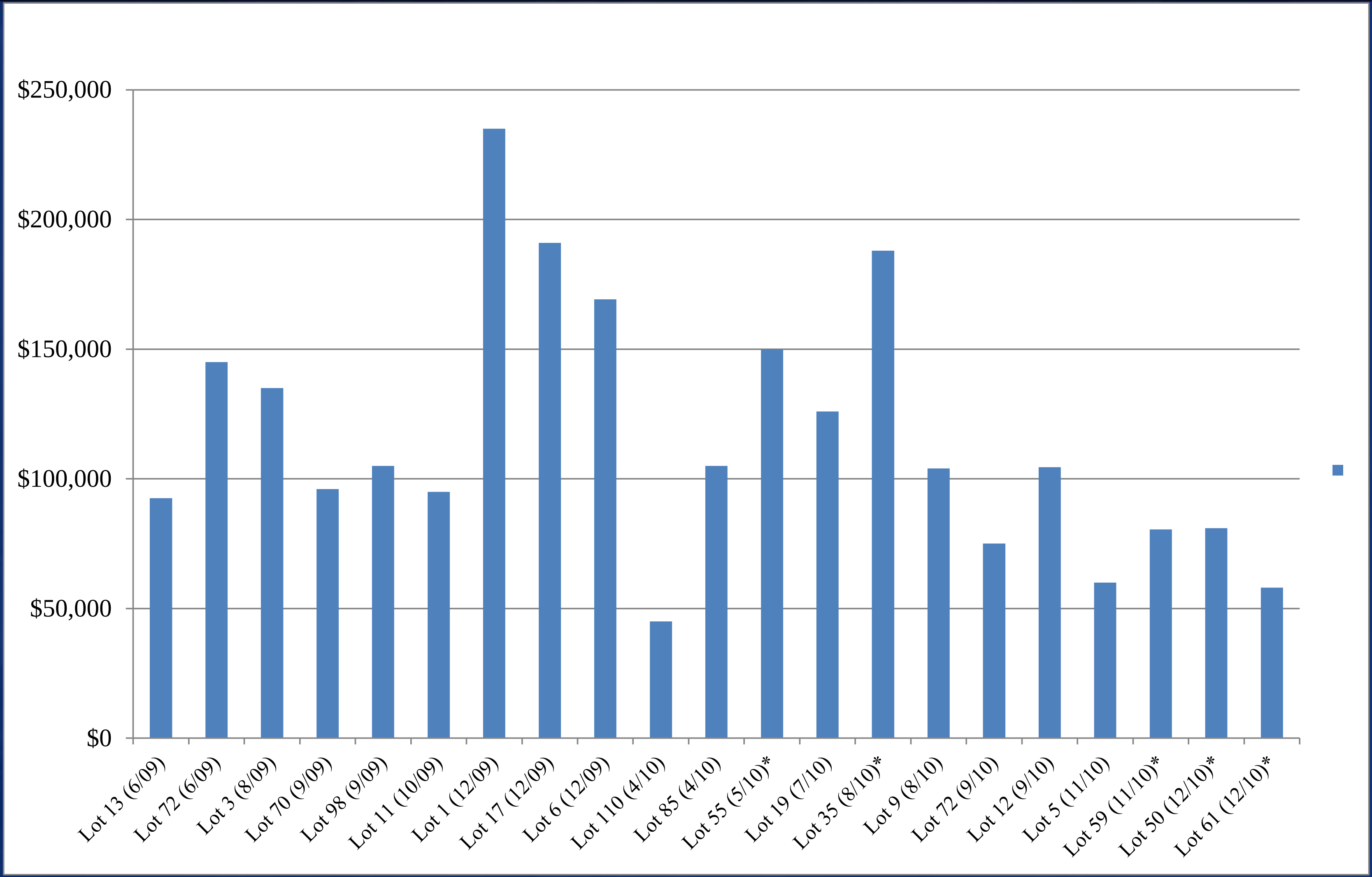
Greenlight Valued WindMark's Beachfront Lots at $350,000, But the Last Three Sales Have Been in the $150,000 Range

T2 Partners LLC



Source: www.qpublic.net.

Greenlight Valued WindMark's Non-Beachfront Lots at $125,000, But the Last Four Sales Have Averaged $70,000



* Interior, but with private beach access.

Source: www.qpublic.net.

What is WindMark Worth?

T2 Partners LLC

Page 112 of Greenlight presentation:

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Condominium Units	N/A	N/A	$5,000,000
Total			**$17,825,000**

Using current valuations of $200,000 for beachfront lots and $70,000 for non-beachfront lots (and maintaining the $5 million estimate for the condo units, which is likely much too high), WindMark is worth $12.25 million, 31% less than Greenlight estimated and 92% less than the $160.9 million that St. Joe is carrying it on its balance sheet.

How Did St. Joe Avoid Taking Impairments on WindMark and Other Similar Properties?

- The key accounting concept is the "recoverability test," which compares the carrying value of the asset to the *undiscounted* net cash flows directly attributable to the asset over the life of the asset
- If the undiscounted net cash flows are less than the carrying amount of the asset, then asset has been impaired and must be marked down to fair value
  - Fair value is market value, but if there is no active market value, then fair value is equal to the present value of the expected future net cash flows, and the charge is recorded as a current expense

New Language in St. Joe’s 2010 10-K

T2 Partners LLC

- Old language in St. Joe‟s 2009 10-K:
  - The accounting estimate related to inventory valuation is susceptible to change due to the use of assumptions about future sales proceeds and related real estate expenditures. Management‟s assumptions about future housing and homesite sales prices, sales volume and sales velocity require significant judgment because the real estate market is cyclical and highly sensitive to changes in economic conditions. In addition, actual results could differ from management‟s estimates due to changes in anticipate development, construction and overhead costs.
- New language in St. Joe‟s 2010 K-1 (emphasis added):
  - The accounting estimate related to real estate impairment evaluation is susceptible to change due to the use of assumptions about future sales proceeds and future expenditures. For projects under development, an estimate of future cash flows on an *undiscounted* basis is performed using estimated future expenditures necessary to maintain the existing project and using *management’s best estimates* about future sales prices and holding periods. The projection of undiscounted cash flows requires that *management develop various assumptions* including:

New Language in St. Joe's 2010 10-K (2)

T2 Partners LLC

- New language in St. Joe‟s 2010 K-1 (continued):
  - the projected pace of sales of homesites based on estimated market conditions and the Company‟s development plans;
  - projected price appreciation over time, which *can generally range from 0% to 7% annually*;
  - the amount and trajectory of price appreciation over the estimated selling period;
  - the length of the estimated development and selling periods, which *can range from 5 years to 17 years* depending on the size of the development and the number of phases to be developed;
  - the amount of remaining development costs and holding costs to be incurred over the selling period;
  - in situations where development plans are subject to change, the amount of entitled land subject to bulk land sales or alternative use and the estimated selling prices of such property;
  - for commercial development property, future pricing which is based on sales of comparable property in similar markets; and
  - assumptions regarding the intent and ability to hold individual investments in real estate over projected periods and related assumptions regarding available liquidity to fund continued development.

  …The results of impairment analyses for development and operating properties are particularly dependent on the estimated holding and selling period for each asset group, which can be *up to 35 years* for certain properties with long range development plans.

New Language in St. Joe's 2010 10-K (3)

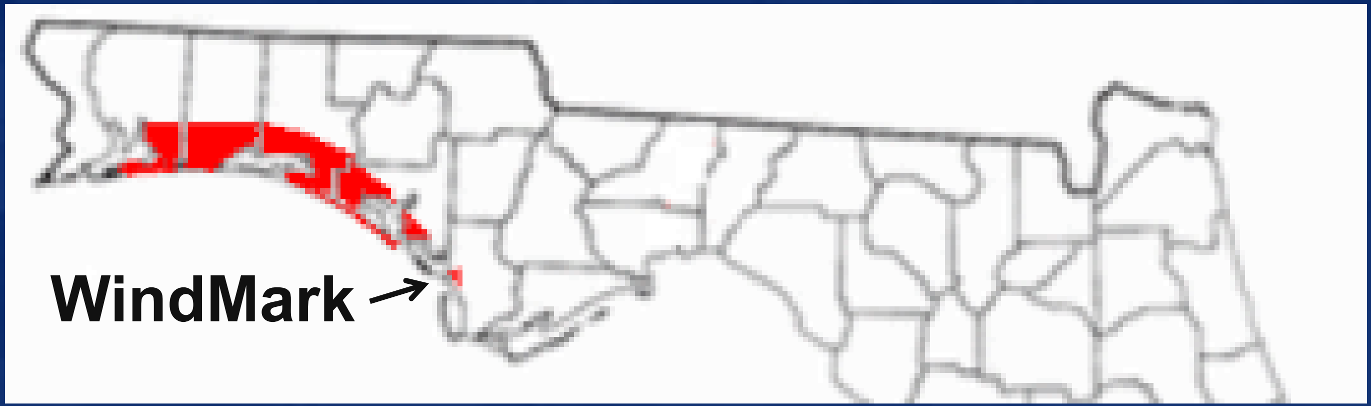
T2 Partners LLC

- More new language in St. Joe"s 2010 K-1 (emphasis added):
  - In the event that projected future undiscounted cash flows are not adequate to recover the carrying value of a property, impairment is indicated and we would be required under generally accepted accounting principles to write down the asset to its fair value. Fair value of a property may be derived either from discounting projected cash flows at an appropriate discount rate, through appraisals of the underlying property, or a combination thereof.
  - Generally accepted accounting principles only allow an impairment to be recorded when the undiscounted cash flows for these properties are less than the carrying value. *We do not calculate projected cash flows on a discounted basis, or obtain appraisals, to determine the fair values of such properties unless an impairment is indicated. The fair value of a property at a point in time may be less than its carrying value due to current market conditions.*
  - In the event that our estimates of undiscounted cash flows are decreased in future periods due to changes in assumptions arising from economic or other factors, we could be required to recognize impairment losses. In addition, if our intentions to hold our real estate investments were to change, we could be required to recognize impairment losses.

WindMark's Future Prospects

T2 Partners LLC

- Might WindMark someday recover and become a thriving high-end development, allowing St. Joe to sell its residential and commercial properties at high enough prices to justify WindMark�even's $160.9 million carrying cost?
- We think odds of this are close to zero
- If WindMark were located in well-developed central and southern Florida, it might have a chance, but instead it‛s located in a area often called the “Redneck Riviera”, which according to UrbanDictionary.com is a “strip of surf and sand that stretches some 95-miles along Florida's Highway #98.” Here‛s an example of how it is used in a sentence: “All of the girls from the local high school went to the Redneck Riviera to get drunk and cruise the strip.” (UrbanDictionary.com). Here‛s a photo from Wikipedia:



How Did St. Joe Avoid Taking Impairments on WindMark and Other Similar Properties?

T2 Partners LLC

- Answer: Applying the "recoverability test," St. Joe‟s management made "estimates about future sales prices, sales volumes, sales velocity and holding periods" to arrive at *undiscounted* net cash flows that exceeded the current $160.9 million carrying value of WindMark
- St. Joe‟s 10-K has clues regarding management‟s assumptions, including up to 7% annual price appreciation and a development and selling period of up to 17 years for development properties and up to 35 years for operating properties
- In light of the current state of WindMark and any reasonable expectation of its future prospects, we think it is highly likely that management‟s assumptions are preposterous and an abuse of the recoverability test
- If every company were able to make such assumptions, no company would ever have to take an impairment!

Buffett on Land Companies

At a lecture to University of Florida MBA students on October 15, 1998 (www.tilsonfunds.com/BuffettUofFloridaspeech.pdf), Buffett said:

> People sometimes get very confused about... they‟ll look at some huge land company – I‟ll take one that‟s... that won‟t, evoke any emotional reactions on the part of anybody – like Texas Pacific Land Trust, which has been around over a hundred years.
>
> [They‟ve] got a couple of million acres in Texas, and they‟ll sell 1% of their land every year, and they‟ll take that as implying everything and come up with some huge value compared to the market value. But that‟s nonsense if you really own the property. You can‟t move 50% of the properties or 20% of the properties. It‟s way worse than an illiquid stock.
>
> So you get these – I think you get some very silly valuations placed on a lot of real estate companies by people who don‟t really understand what it‟s like to own one and try to move large quantities of property.”

Note the part near the beginning: "... that won't evoke any emotional reactions" – he didn't want to use St. Joe because he was speaking in Gainesville, FL!

Our Analysis of
The Howard Hughes Corporation

T2 Partners LLC

The Howard Hughes Corp.: A Snapshot

T2 Partners LLC

- HHC owns, manages and develops commercial, residential and mixed-use real estate across the U.S.
- HHC properties include master planned communities, operating properties, and development opportunities in 18 states
- HHC was spun out of GGP on November 9, 2010 through the distribution of HHC stock to holders of GGP stock
- REIT structure is not ideal for owning development assets, master planned communities („MPCs'), and assets whose current cash flows do not reflect future potential
- **We believe that HHC has undervalued, high-quality real estate assets in premier locations**

The Basics

T2 Partners LLC

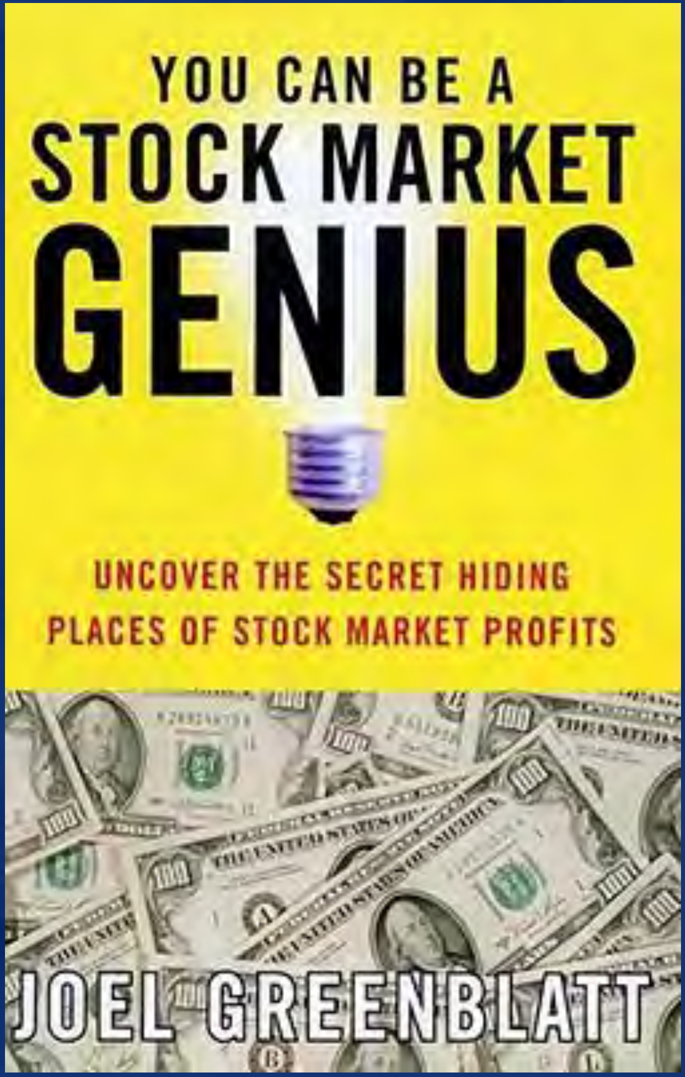
- Stock price (05/02/11): $65.21
- Shares outstanding: 37.9 million
- Warrants: 10.7 million
- Market cap: $2.47 billion
- Enterprise Value: $2.51 billion
- Book value per share (12/31/10): $57.50
- P/B: 1.13

A Classic Spinoff Situation

T2 Partners LLC

HHC spinoff characteristics

- Spun out of a reorg situation
- No research coverage (but for how long?)
- Underfollowed by the investment community
- Certain GGP investors are not able to own HHC
- HHC"s assets are now the 100% focus of HHC"s management, rather than overlooked assets within GGP
- Insiders are highly incentivized
- We believe many value-creating opportunities can be tapped



World Class Management and Board, With Interests Aligned With Shareholders

T2 Partners LLC

- Insiders own ~50% stock including warrants
- Personal financial commitment: New CEO David Weinreb purchased $15M of warrants; President Grant Herlitz purchased $2M of warrants
- In addition to the GGP distribution, the plan sponsors (Brookfield, Fairholme, Pershing Square, and Blackstone) purchased 5.25 million additional shares for $250 million
- Major HHC shareholders: General Trust Company (17.3%), Brookfield* (15%), Pershing Square* (13.8%), Paulson & Co. (5.8%)
- Management and board have a wealth of experience and a superb track record in managing, developing and investing in real estate
- Each asset will be examined to extract maximum value

HHC's Portfolio of Assets

T2 Partners LLC

Howard Hughes Corp.

Master Planned Communities (MPCs)

- Summerlin
- Bridgeland
- Maryland
- The Woodlands

Operating assets (retail and office)

- Ward Centers
- South Street Seaport
- Landmark Mall
- Park West
- Rio West Mall
- Riverwalk Marketplace
- Cottonwood Square
- 110 N Wacker
- Columbia Office Properties
- Hexalon
- Summerlin Hospital Medical Center
- Arizona 2 Lease
- Golf Courses at Summerlin and TPC Las Vegas

Strategic Developments

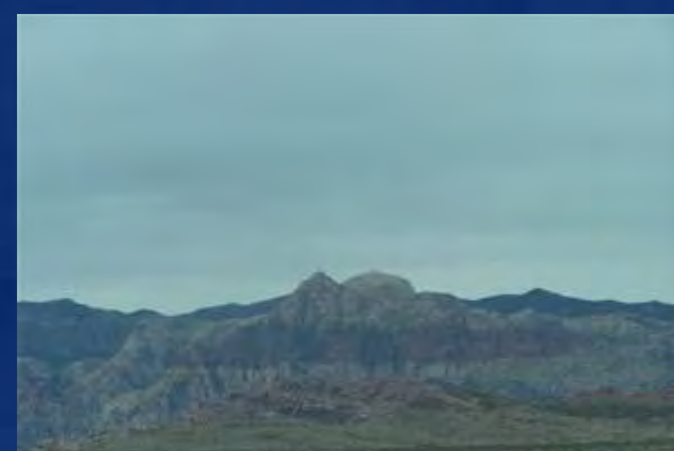
- Bridges at Mint Hill
- Circle T Ranch and Power Center
- Elk Grove Promenade
- Summerlin Center Shops
- Kendall Town Center
- Alameda Plaza
- Ala Moana Air Rights
- AllenTowne
- Cottonwood Mall
- West Windsor
- Fashion Show Air Rights
- Century Plaza Mall
- Village at Redlands
- Redlands Promenade
- Lakomoor (Volo) Land
- Maui Ranch Land
- Nouvelle at Natick Condo

MPC: Summerlin

T2 Partners LLC

Located in Las Vegas, Summerlin is a 22,500-acre MPC consisting of planned and developed areas. Currently there are ~40,000 homes occupied by ~100,000 residents. As of 12/31/10, Summerlin had ~5,995 residential acres and 906 commercial acres remaining to be sold.

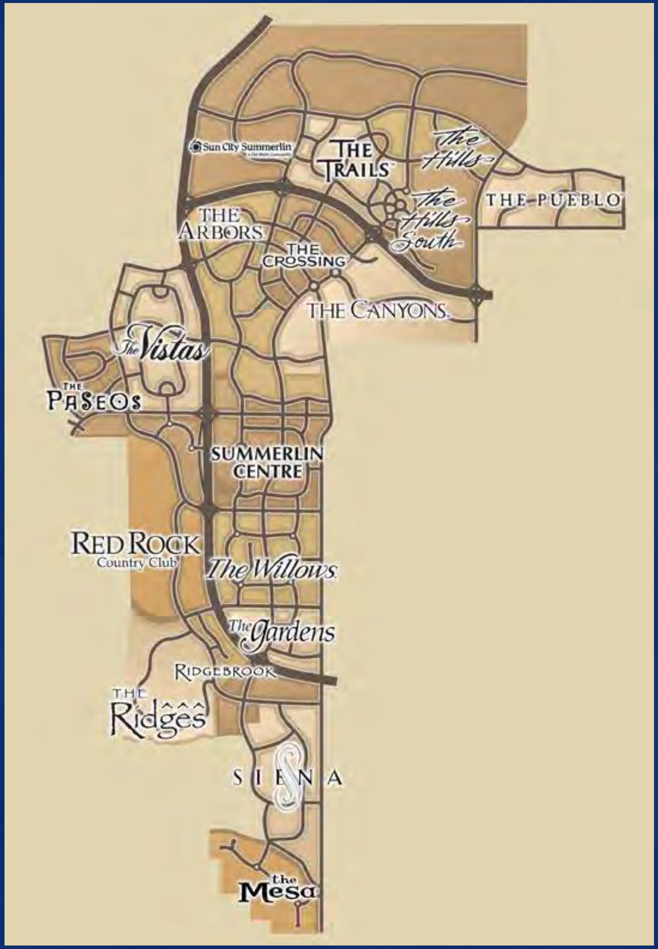
Master Planned Communities



MPC: Summerlin

T2 Partners LLC

Master Planned Communities

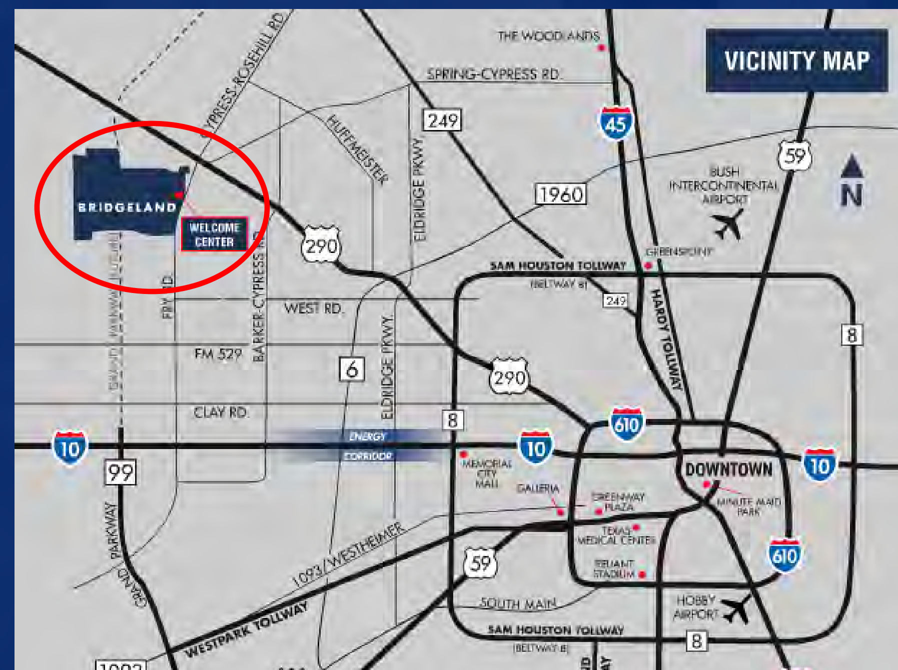


MPC: Bridgeland

T2 Partners LLC

Master Planned Communities

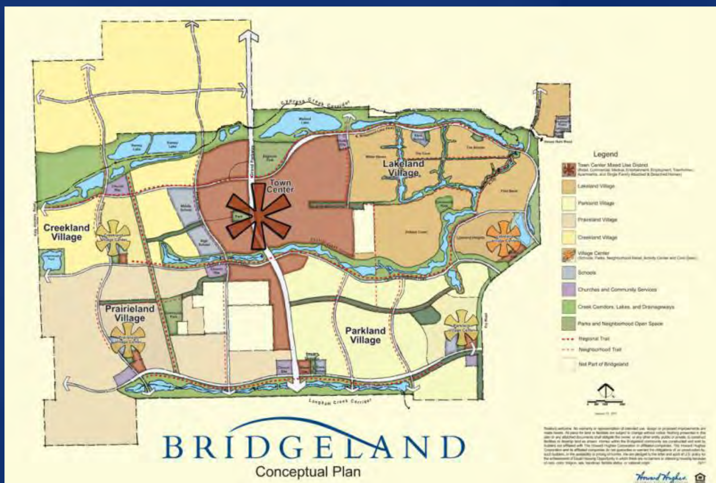
Located near Houston, TX , Bridgeland is an 11,400-acre MPC consisting of planned and developed areas. Currently there are ~1,000 homes occupied by ~4,000 residents. As of Dec. 31, 2010, Bridgeland had ~3,900 residential acres and 1,200 commercial acres remaining to be sold.



MPC: Bridgeland

T2 Partners LLC

Master Planned Communities



Operating Asset: South Street Seaport

T2 Partners LLC

Operating assets

Operating Asset: South Street Seaport

Operating assets

- Three historic buildings and a pavilion shopping mall, located on the river in lower Manhattan.
- The redevelopment plan is expected to include hotels, condos, retail space and restaurants.
- One of the top five most visited sites in New York City
- South Street Seaport *"…represents substantial redevelopment opportunity…"* - 2010 HHC CEO Letter

Operating Asset: Ward Centers

T2 Partners LLC

Operating assets

Approximately 60 acres located near Waikiki, Hawaii. The site currently consists of a mall and entertainment complex. In 2009, the Hawaii Community Development Authority approved a plan for a residential and commercial development encompassing up to 9.3 million sq. ft. for the area.

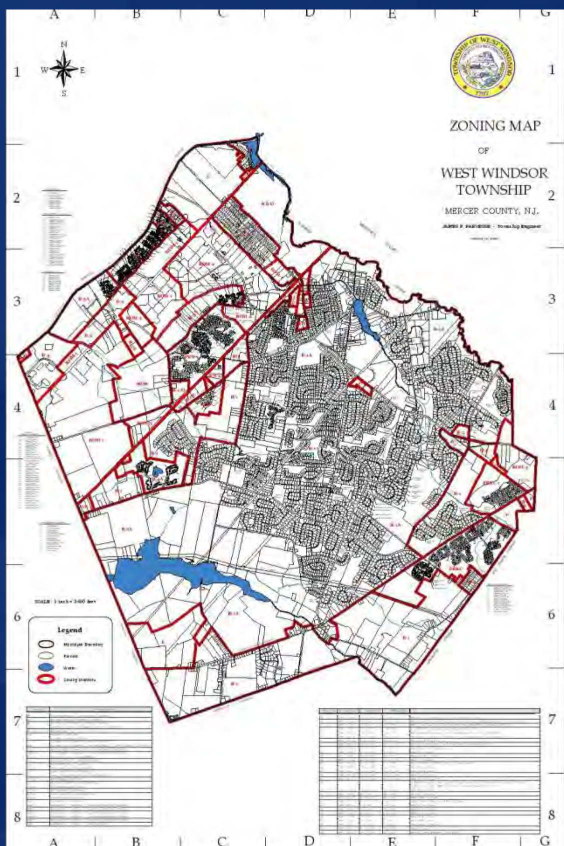
Strategic Development Assets

T2 Partners LLC

Strategic Developments

The strategic development assets consist of near, medium and long-term real estate development projects. They mostly require significant future development to extract maximum value. Management is in the process of creating strategic plans for each of these assets.

West Windsor, NJ



Ala Moana Tower Condo Project, HI

Bridges at Mint Hill, NC

Valuing HHC

"The real estate assets owned by HHC are notoriously difficult to value" – 2010 HHC Chairman Letter

Valuation issues

- Long-term horizon
- Uncertainty around housing/real estate market
- Difficult to use traditional valuation metrics
- Wide spectrum of possible future outcomes

Best approach is to consider multiple valuation methodologies to come up with a range of probable values

Master Planned Communities Overview

T2 Partners LLC

Master Planned Communities

Strategy is to improve and sell the remaining land over time

					Remaining Saleable Acres					
Community	Location	Ownership (%)	Total gross acres	Resident population	Residential	Commercial	Total	% of total	Sell-Out Date	Carrying Value ($M)
Summerlin	Las Vegas, NV	100.0	22,500	100,000	5,995	906	6,901	49%	2039	888
Bridgeland	Houston, TX	100.0	11,400	3,750	3,863	1,226	5,089	36%	2036	395
Maryland	Howard County	100.0	16,450	104,300	9	200	209	1%	2020	67
The Woodlands	Houston, TX	52.5	28,400	97,000	1,013	973	1,986	14%	2022	13
Total			78,750	305,050	10,880	3,305	14,185			1,364

What is a probable range of value for the MPCs?

MPCs Valuation: Summerlin

T2 Partners LLC

Master Planned Communities

- Summerlin carrying value (12/31/10) = $887M
  - Based on management‟s estimate of future cash flows over the next 28 years using a 20% discount rate
- 2007 management estimates = ~$1.6B*
- Howard Hughes Heirs settlement valuation = $460M
  - In September 2010, GGP agreed to pay the Hughes heirs $230M, accounting for 50% of the remaining unsold land
- DCF approach = $900M to $1,500M
  - Valuation sensitive to discount rate, margin, price, timing and volume assumptions

Summerlin value range = $887M to $1,500M

Total MPCs value range = $1,200M to $2,250M

* Based on management estimate of the total value of MPCs of $3.3B as of 12/31/07 (GGP Q3‟08 operating supplement)

Operating Asset Portfolio

T2 Partners LLC

Operating assets

Opportunity to redevelop or reposition these assets over time

Property	Location	Existing GLA (sq ft)	Size (Acres)	2010 NOI ($M)	Gross carrying value ($M)	Per share ($)	Description
Ward Centers	Honolulu, HI	1,000,817	60	23.0	366.6	7.99	Entertainment retail complex and future mixed use development
South Street Seaport	New York, NY	298,759	11	5.1	5.3	0.12	Retail space and future mixed use development
Landmark Mall	Alexandria, VA	440,325	22	1.5	23.5	0.51	Retail complex and future major mixed use development
Park West	Peoria, AZ	249,168	48	0.4	90.2	1.97	Entertainment retail complex and future mixed use development
Rio West Mall	Gallup, NM	333,077	50	1.9	27.4	0.60	Shopping Center
Riverwalk Marketplace	New Orleans, LA	194,452	11	1.0	11.7	0.26	Shopping Center
Cottonwood Square	Salt Lake City, UT	77,079	21	0.5	6.2	0.14	Community Center
110 N. Wacker	Chicago, IL	N/A	N/A	6.6	34.3	0.75	Office building; GGP headquarters
Columbia Offices	Columbia, MD	N/A	N/A	2.8	35.6	0.77	Five office buildings
Other							
Total		**2,593,677**	**223**	**42.7**	**600.8**	**13.1**	

- Like the MPCs, the operating assets are difficult to value but our analysis indicates that the carrying value significantly understates the future value of these assets
- Take Ward Center for example…

Ward Center Development Offers a Value Creating Opportunity…

T2 Partners LLC

Operating assets

- In addition to the current retail and entertainment complex, there is an approved plan for significant mixed-use oceanfront development in Honolulu
  - Residential towers, retail and entertainment, commercial developments, industrial uses, parks and public facilities
- Performing a DCF to arrive at an estimated present value of the property, we arrive at a range of $800-1,600M

Comparables to Consider When Thinking About Ward's Potential Value

T2 Partners LLC

Operating assets

- In June 2007, land adjacent to Ward Center sold for $18 million per acre
- The nearby Ala Moana Center is one of the most profitable malls in America with sales per square foot of greater than $1,000

And South Street Seaport…

T2 Partners LLC

Operating assets

- HHC"s redevelopment of this famous Manhattan site is expected to include hotels, residential towers, retail and entertainment space
- Performing a DCF to arrive at a present value of a potential future development, we arrive at $150-300M versus the current carrying value of $5M

And Landmark Mall…

T2 Partners LLC

Operating assets

- Landmark Mall is a retail complex in Alexandria, Virginia, nine miles from Washington DC
- It is now zoned for a large scale, mixed-use development of up to 5.5 million sq ft
- Performing a DCF to arrive at a present value of the potential future development, we arrive at $200-400M versus the current carrying value of $23M

Strategic Development Asset Portfolio

T2 Partners LLC

Strategic Developments

Property	Location	Size (Acres)	Gross carrying value ($M)	Description
Bridges at Mint Hill	Charlotte, NC	162	12.4	Vacant land zoned for ~1M sq feet of mixed use development
Circle T Ranch and Power Cente	Dallas/Ft. Worth,	279	9.0	Vacant land; 50% joint ownership with a local developer
Elk Grove Promenade	Elk Grove, CA	100	10.7	Planned for a 1.1M sq ft retail complex in 2007; site plans currently being evaluated
The Shops at Summerlin Centre	Las Vegas, NV	106	35.6	Construction began for a retail and office complex in 2008 but was halted; site plans are being evaluated
Ala Moana Condo Project	Honolulu, HI	-	22.8	Air rights to develop a residential condominium tower
AllenTowne	Allen, TX	238	25.4	Evaluating potential future plans for this land
Cottonwood Mall	Holladay, UT	54	20.3	Development commenced in 2008 for major mixed-use redevelopment; site plans being evaluated
Kendall Town Center	Kendall, FL	91	18.6	Site located 18 miles Southwest of downtown Miami; site plans being evaluated
West Windsor	Princeton, NJ	658	20.6	Zoning and feasibility study of the site being conducted
Fashion Show Air Rights	Las Vegas, NV	-	-	80% ownership of the air rights above the Fashion Show Mall; no developments expected before 2017
Alameda Plaza	Pocatello, ID	22	2.8	Primarily vacant retail space; site plans being evaluated
Century Plaza	Birmingham, AL	63	4.5	Site plans being evaluated
Village at Redlands	Redlands, CA	5	7.1	Single level shopping center; site pland being evaluated
Redlands Promenade	Redlands, CA	10	2.8	Site is entitled to a 125K sq ft retail development
Lakemoor (Volo) Land	Lakemoor, IL	40	0.3	Vacant land parcel; no immediate plans
Maui Ranch Land	Maui, HI	10	-	Land currently zoned for native vegetation
Nouvelle at Natick	Natick, MA	-	13.4	Luxury condo community with 215 residences, of which 159 units have been sold
Total		**1,838**	**206.3**	

- Similar to the operating assets, but difficult to value
- We believe that the carrying value clearly understates the value of these assets
- A prime example…

…Fashion Show Air Rights

T2 Partners LLC

Strategic Developments

- 48 acres, located on the most desirable part of the Las Vegas strip, in walking distance of the key attractions
- In 2007, North Vegas Strip land sold for $34M/acre
- Wynn, Trump International, The Palazzo, The Venetian – all have easy access to Fashion Show
- We can say with confidence that this asset is worth much more than its carrying value of $0!

Putting It All Together

T2 Partners LLC

Valuation ($M)		
Assets	Low	High
Master Planned Communities	1,200	2,250
Operating Assets	1,450	2,650
Strategic Developments	500	1,200
Total	3,150	6,100
Cash*	685	685
Debt	319	319
NAV	3,516	6,466
Per share	$ 77	$ 141

- We arrive at a range of values of $77 to $141 per share
- Attractive risk/reward
- Multiple free options
- Downside protection
- Inflation hedge
- Non-recourse leverage
- Opportunity to increase returns by applying appropriate leverage

* Cash and share count assume sponsor warrants exercised

Note: Other liabilities and assets, including $323M tax indemnity receivable from GGP, are not included in NAV calculation

Catalysts

T2 Partners LLC

- Development announcements
- Asset/land sales
- Hidden assets uncovered
- Housing market begins to recover, especially in Las Vegas and/or Houston
- Analyst coverage

Risks

T2 Partners LLC

- Housing market worsens for an extended period of time
- Unable to access financing to fund developments
- Time
- Execution

Conclusion

T2 Partners LLC

- Opportunity to purchase a minimally levered, diverse mix of high-quality assets near the bottom of the market
- Safe: Strong balance sheet and attractive assets provide downside protection
- Attractive risk/reward with multiple free options
- World class management team and board, with interests aligned with shareholders