

GENERAL GROWTH PROPERTIES INC  
Form 11-K  
June 26, 2008

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 11-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**For the fiscal year ended December 31, 2007**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**COMMISSION FILE NUMBER: 1-11656**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**GENERAL GROWTH 401(k) SAVINGS PLAN**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive offices:

**GENERAL GROWTH PROPERTIES, INC.**

110 NORTH WACKER DRIVE

CHICAGO, ILLINOIS 60606

(312) 960-5000

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**GENERAL GROWTH 401(k) SAVINGS PLAN**

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(a) Financial Statements

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23.1 Consent of Blackman Kallick, LLP

23.2 Consent of Deloitte & Touche LLP

**Note: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Trustees and Participants of  
General Growth 401(k) Savings Plan:

Chicago, Illinois

We have audited the accompanying statement of net assets available for benefits of General Growth 401(k) Savings Plan (the Plan ) as of December 31, 2007 and the related statement of changes in net assets available for benefits for the year ended December 31, 2007. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting.

Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2007, and the changes in net assets available for benefits for the year ended December 31, 2007 in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2007 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Blackman Kallick, LLP

Chicago, IL

June 26, 2008

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Trustees and Participants of  
General Growth 401(k) Savings Plan:  
Chicago, Illinois

We have audited the accompanying statement of net assets available for benefits of General Growth 401(k) Savings Plan (the Plan ) as of December 31, 2006. This financial statement is the responsibility of the Plan s management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting.

Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statement presents fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2006 in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP  
Chicago, IL  
June 27, 2007

**GENERAL GROWTH 401(k) SAVINGS PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
AS OF DECEMBER 31, 2007 AND 2006**

|   | <b>December 31,</b> |                    |
|---|---------------------|--------------------|
|   | <b>2007</b>         | <b>2006</b>        |
| <b>ASSETS:</b>  |                     |                    |
| Participant-directed investments:   |                     |                    |
| Registered investment companies   | \$ 227,736,563      | \$ 199,549,622     |
| Employer stock fund   | 60,466,217          | 79,609,252         |
| Vanguard Retirement Savings Trust   | 35,280,713          | 34,836,891         |
| Vanguard Brokerage Option   | 2,129,264           | 2,360,362          |
| Outstanding participant loans   | 5,054,847           | 4,560,615          |
| <br>Total investments   | <br>330,667,604     | <br>320,916,742    |
| <br>Receivables:  |                     |                    |
| Employer contributions  | 1,242,094           | 782,448            |
| Participant contributions   | 700,471             | 4,888              |
| Other receivables   | 3,695               | 30,983             |
| <br>Total receivables   | <br>1,946,260       | <br>818,319        |
| <br>Total assets  | <br>332,613,864     | <br>321,735,061    |
| <b>LIABILITIES:</b>   |                     |                    |
| Other liabilities   | 6,462               |                    |
| <br>NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE   | <br>332,607,402     | <br>321,735,061    |
| <br>Adjustments from fair value to contract value for fully benefit-responsive investment contracts | <br>(266,950)       | <br>335,223        |
| <br>NET ASSETS AVAILABLE FOR BENEFITS   | <br>\$ 332,340,452  | <br>\$ 322,070,284 |

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

**GENERAL GROWTH 401(k) SAVINGS PLAN  
STATEMENT OF CHANGES IN NET ASSETS  
AVAILABLE FOR BENEFITS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

|   |                   |
|---|-------------------|
| <b>ADDITIONS:</b>                             |                   |
| Interest and dividend income                  | \$ 18,496,795     |
| Contributions:                                |                   |
| Participants                                  | 19,585,145        |
| Employer                                      | 10,885,843        |
| Total contributions                           | 30,470,988        |
| Other additions                               | 4,081             |
| Total additions                               | 48,971,864        |
| <b>DEDUCTIONS:</b>                            |                   |
| Benefit payments                              | 24,415,886        |
| Net depreciation in fair value of investments | 14,165,211        |
| Administrative expenses                       | 120,599           |
| Total deductions                              | 38,701,696        |
| <b>NET INCREASE IN PLAN ASSETS</b>            | <b>10,270,168</b> |
| <b>NET ASSETS AVAILABLE FOR BENEFITS</b>      |                   |
| Beginning of year                             | 322,070,284       |
| End of year                                   | \$ 332,340,452    |

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

**GENERAL GROWTH 401(k) SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. Description of Plan and Significant Plan Provisions**

The following description of the General Growth 401(k) Savings Plan (the Plan) provides only general information. Participants should refer to the Plan, which may be obtained from the Plan Administrator (as defined below), for a more complete description of the Plan's provisions.

**General:** GGP Limited Partnership (the Company) is the Plan Sponsor and Plan Administrator. Vanguard Fiduciary Trust Company (VFTC) is the trustee of the Plan. The Plan is designed to encourage and assist eligible employees to adopt a regular program of savings to provide for their retirement. The Plan is a defined contribution plan covering all full-time and part-time (as defined) employees of the Company and its affiliates and subsidiaries. Employees are eligible to participate in the Plan on their first day of employment with the Company and/or once the employees attain the age of eighteen. Certain individuals at locations managed by the Company are either employees of companies not owned or controlled by the Company or are covered by other qualified plans and therefore are not eligible to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and the financial statements and schedules presented have been prepared in accordance with the financial reporting requirements of ERISA.

**Contributions:** Under the terms of the Plan, subject to certain limitations, each participant is allowed to make before-tax contributions in 1% increments up to 50% of gross earnings, as defined. The Internal Revenue Code (IRC) imposes, among other things, a dollar limitation on the amount of before-tax contributions for a calendar year. For 2007, a participant's before-tax contribution was generally limited to \$15,500. Also for 2007, participants age 50 and over were eligible to contribute a before-tax catch-up contribution of up to \$5,000. Beginning May 1, 2007, participants may designate all or part of their Plan contributions as Roth 401(k) contributions, which are after-tax contributions. The Company adds to a participant's account through a matching contribution up to 5% of the participant's annual earnings contributed to the Plan. The Company will match 100% of the first 4% of earnings contributed by each participant and 50% of the next 2% of earnings contributed by each participant.

**Participant accounts:** Separate accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contributions, rollover deposits and allocations of the Company's contributions and Plan earnings, and charged with an allocation of Plan losses and administrative expenses. Allocations are based on participant earnings or account balances as defined in the Plan. The benefit to which a participant is entitled is limited to the benefit that can be provided from the participant's vested account. Participants designate which investment option or combination of options in which their contributions and the Company's matching contributions are to be invested.

At December 31, 2007, the Plan offered the following investment options:

Twenty-two registered investment companies which offer investments in stocks, bonds and cash-equivalents;

Common stock of the Company's ultimate parent, General Growth Properties, Inc. (GGPI), a publicly-traded real estate investment trust (Employer Stock Fund);

Vanguard Retirement Savings Trust, a collective investment trust, which invests primarily in investment contracts issued by insurance companies, banks or other financial institutions; and

Vanguard Brokerage Option which offers direct investment in registered investment companies, stocks, bonds and cash-equivalents.

**Participant loans:** Participants may borrow against their account, subject to certain administrative rules. The minimum loan that will be made is \$1,000 and the total of any individual participant's loan or loans may

**GENERAL GROWTH 401(k) SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS**

never exceed the lesser of 50% of the participant's total vested account balance or \$50,000. The loans are secured by the balance in the participant's account and bear interest at the prime rate on the first business day of the month in which the loan is made plus one percent. The term of a loan may not exceed five years, unless the loan qualifies as a primary residence loan, in which case the term may not exceed 20 years. Principal and interest are due each pay period. Participant loans are due and payable within 90 days upon termination of employment.

**Vesting:** Participants are vested immediately in employee and employer contributions for contributions made on or after January 1, 1998.

**Termination:** Although it has not expressed any intent to do so, the Company reserves the right to partially or completely terminate the Plan, subject to the provisions of the Plan and ERISA. Upon a complete or partial termination of the Plan, all affected participant's benefits will be distributable to the participant or the participant's beneficiary.

**Payment of benefits:** Upon termination of service due to death, disability, retirement on or after attaining the Plan's normal retirement age of 60, or termination of employment, the balances in the participant's separate accounts may be paid in lump sum to the participant, or in the event of death, the participant's beneficiary. Prior to termination of service, a participant may withdraw contributions by claiming hardship, as defined by the Plan. GGPI stock will be distributed in cash or stock, as elected by the Participant. All other distributions will be made in cash.

Terminated participants' vested account balances less than \$5,000 and greater than \$1,000 will be transferred into an eligible retirement plan, unless the participant elects to receive the distribution directly or to have the distribution paid directly to an eligible retirement plan specified by the participant. For participant account balances \$1,000 or less, lump sum cash distributions will be made.

**NOTE 2. Summary of Significant Accounting Policies**

**Basis of accounting:** The financial statements were prepared using the accrual method of accounting.

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting periods. Actual results could differ from these estimates.

**Valuation of investments and participant loans:** The Plan's investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. Units of the Vanguard Retirement Savings Trust ( VRST ) are valued at fair value and then adjusted to contract value. Fair value is calculated as the net asset value of the underlying investments of the VRST. Contract value is calculated as the sum of the principal balance plus accrued interest. Contract value is considered the relevant measurement attribute because that is the amount participants in the fund would receive if they were to initiate permitted transactions under the terms of the Plan. Fair value of the investment contracts in the VRST is calculated by discounting the expected future cash flows for each investment contract. The discount rate used is based on current yield of similar instruments with comparable durations. GGPI common stock is valued at its year-end unit closing price (comprised of year-end market price plus uninvested cash position). Equity securities in the Vanguard Brokerage Option are valued at last quoted sales price as of the close of the trading at year-end; such



**GENERAL GROWTH 401(k) SAVINGS PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

securities not traded on the year-end date are valued at the last quoted bid prices. Fixed income securities in the Vanguard Brokerage Option are valued using the last quoted bid price. Participant loans are valued at outstanding balance which approximates fair value.

**Investment transactions:** Investment income is allocated and recorded daily to the participants' accounts. Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividends are recorded on the ex-dividend date. Capital gain distributions are included in dividend income.

**Administrative expenses:** All administrative expenses result in a deduction from participants' accounts.

**Payment of benefits:** Benefit payments to participants are recorded upon distribution. There were no amounts allocated to accounts of persons who had elected to withdraw from the Plan, but had not yet been paid, at December 31, 2007.

**NOTE 3. Investments**

The following presents investments that represent 5% or more of the Plan's net assets available for benefits:

| <b>Description of Investment</b>                            | <b>December 31,</b> |              |
|---|---------------------|--------------|
|   | <b>2007</b>         | <b>2006</b>  |
| Employer Stock Fund   | \$60,466,217        | \$79,609,252 |
| Vanguard Retirement Savings Trust (at contract value)       | 35,013,763          | 35,172,114   |
| American Funds EuroPacific Growth Fund, R-4                 | 30,659,640          | 23,931,945   |
| Vanguard 500 Index Fund, Investor Shares                    | 27,077,911          | 24,433,274   |
| Royce Total Return Fund, Service Class                      | 23,309,688          | 25,358,292   |
| Vanguard Target Retirement Fund 2025                        | 22,289,517          | 17,949,465   |
| Vanguard Intermediate-Term Bond Index Fund, Investor Shares | 18,641,478          | 14,288,988   |
| American Funds Growth Fund of America, Class R-4            | 17,438,452          | 14,877,729   |

During 2007, the Plan's investments (including net gains and losses on investments bought and sold, as well as held during the year) increased (decreased) in value as follows:

|   |                |
|---|----------------|
| Registered investment companies               | \$ 2,386,815   |
| Employer Stock Fund                           | (16,604,173)   |
| Vanguard Brokerage Option, net                | 52,147         |
| Net depreciation in fair value of investments | \$(14,165,211) |

**NOTE 4. Income Tax Status**

The Plan received its latest determination letter on February 10, 2006, applicable for Plan amendments effective on May 1, 2002; December 31, 2002; January 1, 2003 and January 1, 2004, in which the Internal Revenue Service (the IRS) stated the Plan, as then designed, was in compliance with the applicable requirements of the IRC.

**GENERAL GROWTH 401(k) SAVINGS PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5. Risks and Uncertainties**

The Plan provides for investment in various investment securities. The investments of the Plan are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in values of investments in the near term would materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

**NOTE 6. Exempt Party-In-Interest Transactions**

The Plan allows participants to invest in GGPI common stock.

The Plan invests in shares of registered investment companies managed by an affiliate of VFTC. Transactions in such investments qualify as party-in-interest transactions which are exempt from the prohibited transaction rules. Fees incurred by the Plan for investment management services were included as a reduction of the return earned on each fund. Administrative fees paid by participants, which reduced plan net assets, were \$120,599 in 2007.

**NOTE 7. Reconciliation of Financial Statements to the Form 5500**

The following is a reconciliation of net assets available for benefits:

|  | <b>December 31,<br/>2007</b> | <b>December 31,<br/>2006</b> |
|--|------------------------------|------------------------------|
| Net assets available for benefits per the financial statements                                 | \$ 332,340,452               | \$ 322,070,284               |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 266,950                      | (335,223)                    |
| Net assets available for benefits per the Form 5500  | \$ 332,607,402               | \$ 321,735,061               |

The following is a reconciliation of net increase in Plan assets:

|  | <b>Year Ended<br/>December 31,<br/>2007</b> |
|--|---|
| Net increase in Plan assets per the financial statements                                       | \$ 10,270,168                               |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 602,173                                     |
| Net income per the Form 5500   | \$ 10,872,341                               |

**NOTE 8. Recently Issued Accounting Pronouncements**

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements ( SFAS 157 ) which provides enhanced guidance for using fair value to measure assets and liabilities. SFAS 157 also requires expanded disclosure about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurements on earnings. The standard applies whenever other standards require (or permit) assets or liabilities to be measured at fair value. The

**GENERAL GROWTH 401(k) SAVINGS PLAN  
NOTES TO FINANCIAL STATEMENTS**

standard does not expand the use of fair value in any new circumstances. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The adoption of SFAS 157, when effective, is not expected to have a material impact on the Plan's financial statements.

**GENERAL GROWTH 401(k) SAVINGS PLAN  
SUPPLEMENTAL SCHEDULES  
FORM 5500, SCHEDULE H, PART IV, LINE 4i  
SCHEDULE OF ASSETS (HELD AT END OF YEAR) AS OF DECEMBER 31, 2007  
E.I.N. 41-1746121 Plan Number 002**

| Identity of Issue   | Description of Investment   | Fair Value            |
|---|---|-----------------------|
| Registered Investment Companies:                              |   |                       |
| * American Funds EuroPacific Growth Fund, R-4                 | Registered Investment Company                                       | \$ 30,659,640         |
| * American Funds Growth Fund of America, Class R-4            | Registered Investment Company                                       | 17,438,452            |
| * Artisan Mid Cap Fund, Investor Shares                       | Registered Investment Company                                       | 15,698,899            |
| * Cohen & Steers Realty Income Fund, I Class                  | Registered Investment Company                                       | 3,200,284             |
| * Davis New York Venture Fund, Class A                        | Registered Investment Company                                       | 12,246,715            |
| * Lord Abbett Mid Cap Value Fund, Class A                     | Registered Investment Company                                       | 8,524,302             |
| * Royce Total Return Fund, Service Class                      | Registered Investment Company                                       | 23,309,688            |
| * Vanguard 500 Index Fund, Investor Shares                    | Registered Investment Company                                       | 27,077,911            |
| * Vanguard Explorer Fund, Investor Shares                     | Registered Investment Company                                       | 7,480,992             |
| * Vanguard Extended Market Index Fund, Investor Shares        | Registered Investment Company                                       | 8,127,346             |
| * Vanguard Intermediate-Term Bond Index Fund, Investor Shares | Registered Investment Company                                       | 18,641,478            |
| * Vanguard Target Retirement 2005                             | Registered Investment Company                                       | 1,498,194             |
| * Vanguard Target Retirement 2010                             | Registered Investment Company                                       | 374,515               |
| * Vanguard Target Retirement 2015                             | Registered Investment Company                                       | 13,099,350            |
| * Vanguard Target Retirement 2020                             | Registered Investment Company                                       | 706,100               |
| * Vanguard Target Retirement 2025                             | Registered Investment Company                                       | 22,289,517            |
| * Vanguard Target Retirement 2030                             | Registered Investment Company                                       | 752,419               |
| * Vanguard Target Retirement 2035                             | Registered Investment Company                                       | 9,978,831             |
| * Vanguard Target Retirement 2040                             | Registered Investment Company                                       | 379,528               |
| * Vanguard Target Retirement 2045                             | Registered Investment Company                                       | 5,141,196             |
| * Vanguard Target Retirement 2050                             | Registered Investment Company                                       | 170,279               |
| * Vanguard Target Retirement Income Fund                      | Registered Investment Company                                       | 940,927               |
|   |   | 227,736,563           |
| * Employer Stock Fund   | General Growth Properties, Inc. Common Stock                        | 60,466,217            |
| * Vanguard Retirement Savings Trust                           | Collective Trust  | 35,280,713            |
| * Vanguard Brokerage Option                                   | Registered Investment Companies, Stocks, Bonds and Cash-Equivalents | 2,129,264             |
| * Outstanding Participant Loans                               | 4.0% - 10.5%  | 5,054,847             |
| <b>Total</b>  |   | <b>\$ 330,667,604</b> |

\* Sponsored by a  
party-in-interest

See report of independent registered public accounting firm regarding supplemental information.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

GENERAL GROWTH 401(k) SAVINGS  
PLAN

By: GGP Limited Partnership, as  
Administrator

By: General Growth Properties, Inc., its  
general partner

June 26, 2008

/s/ Robert A. Michaels

By: Robert A. Michaels  
President and Chief Operating Officer

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**EXHIBIT INDEX**

**EXHIBIT**

| <b>NO.</b> | <b>DESCRIPTION</b>               |
|------------|----------------------------------|
| 23.1       | Consent of Blackman Kallick, LLP |
| 23.2       | Consent of Deloitte & Touche LLP |

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