



The Howard Hughes Corporation® Provides Update Regarding Tax Appeal

October 28, 2015

DALLAS-- [The Howard Hughes Corporation](#)® (NYSE: HHC) announced today that the Fifth Circuit Court of Appeals denied the company's appeal of a 2014 Tax Court ruling that it improperly used the completed contract method for recognizing income taxes owed on certain land sales in its Summerlin master planned community. As a result of the Tax Court ruling, the company changed its method of recognizing taxes on these sales to the percentage of completion method. In addition, in 2014 the company paid \$145 million of tax and \$59 million of interest relating to underpayment of income taxes in prior years.

There are no further payments required of the company as a result of the ruling by the U.S. Fifth Circuit Court of Appeals. The company was also fully indemnified for those taxes and the related interest by GGP.

No additional taxes were imposed as a result of the Court's ruling; the only issue before the Court concerned the proper timing for recognizing income, not the amount of income required to be recognized.

About The Howard Hughes Corporation®

The Howard Hughes Corporation owns, manages and develops commercial, residential and mixed-use real estate throughout the U.S. Our properties include master planned communities, operating properties, development opportunities and other unique assets spanning 16 states from New York to Hawai'i. The Howard Hughes Corporation is traded on the New York Stock Exchange as HHC and is headquartered in Dallas, TX. For additional information about HHC, visit www.howardhughes.com.



The Howard Hughes Corporation

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Source: The Howard Hughes Corporation