



The Howard Hughes Corporation[®] Reports Second Quarter 2021 Results

Robust financial results highlighted by strong improvement in Operating Asset NOI, continued growth of MPC EBT, and elevated condo sales at Ward Village[®]

HOUSTON, August 4, 2021 – The Howard Hughes Corporation[®] (NYSE: HHC) (the “Company,” “HHC” or “we”) announced today operating results for the second quarter ended June 30, 2021. The financial statements, exhibits and reconciliations of non-GAAP measures in the attached Appendix and the Supplemental Information at Exhibit 99.2 provide further detail of these results.

“The second quarter represented another period of strong financial performance at The Howard Hughes Corporation. All of our business segments have now either surpassed or are closely approaching pre-pandemic levels, which is a testament to our dedicated employees, irreplaceable assets and highly sought-after communities. As we turn our attention to the future, we are well positioned to capture this continued momentum as we capitalize on the post-pandemic shifts in residential and commercial real estate trends,” commented David R. O’Reilly, Chief Executive Officer of The Howard Hughes Corporation.

“Net operating income (NOI)⁽¹⁾ in our Operating Assets segment grew for the third consecutive quarter, representing a 44% increase from the lows of the third quarter of 2020. These results were highlighted by improvements within retail, hospitality and the Las Vegas Ballpark, all of which demonstrate the continued recovery in the assets most impacted by the pandemic.

“In our master planned community (MPC) segment, superpad sales and earnings from our Summit joint venture in Summerlin[®] drove earnings before taxes (EBT)⁽¹⁾ higher by 66% to \$70 million compared to the same period last year. Similarly, new home sales increased 23% over the same period as the demand for housing in our communities has remained strong.

“Demand at Ward Village[®] continues to surpass expectations with ninety-one units contracted in the first half of 2021 despite travel restrictions to Hawai’i. The pace of condo sales has remained vigorous with 86% of the units already pre-sold in our three towers currently under construction.

“At the Seaport, we experienced an increase in event bookings and elevated restaurant activity following the easing of most COVID-related restrictions. On The Rooftop at Pier 17[®], we began hosting a wide variety of events including our summer concert series, which was on hiatus last year as a result of the pandemic. Additionally, we opened five restaurants during the quarter, two of which were new concepts at Pier 17 by acclaimed chef Andrew Carmellini: Carne Mare and Mister Dips. Our growing set of culinary offerings continue to transform the Seaport into one of the premier dining destinations in all of Manhattan.”

Second Quarter 2021 Highlights

Total Company

- Strong performance displayed broadly across all business segments with net income increasing to \$4.8 million, or \$0.09 per diluted share, in the quarter, compared to a net loss of \$34.1 million, or \$(0.61) per diluted share, in the prior year period.
- Our strong financial performance included Operating Asset NOI of \$57.9 million, a \$17.0 million improvement; MPC EBT of \$69.8 million, a \$27.6 million increase; and contracted to sell forty-five condominiums, a 246.2% increase, all compared to the prior year period, which contributed towards meaningful growth in net asset value to the benefit of our stockholders.
- Maintained a fortress balance sheet with \$1.2 billion of liquidity and limited near term debt maturities as of quarter end.

Operating Assets

- Total Operating Assets NOI, including contribution from equity investments, totaled \$57.9 million in the quarter, a 19.6% increase compared to \$48.4 million in the prior quarter, and a 41.7% increase compared to \$40.8 million in the prior year period.
- Retail NOI increased 23.3% sequentially to \$14.8 million due to improving rent collections of 79.7% and strong leasing activity primarily in Downtown Summerlin[®] and Ward Village.
- Hospitality NOI increased substantially to \$2.7 million from the prior quarter, primarily due to an increase in the volume of leisure travelers during the early summer months, resulting in an overall occupancy increase of nearly nine percentage points to 45.3%.
- The Las Vegas Ballpark generated \$3.1 million of NOI during the quarter as the Las Vegas Aviators began the minor league baseball season. This compares to a \$1.1 million loss in the prior year period when the impacts of COVID-19 resulted in the cancellation of the entire minor league baseball season.
- Multi-family NOI increased 29.2% to \$7.4 million compared to the prior quarter due to faster than expected lease-up in our latest developments.
- Office NOI increased 1.7% sequentially to \$26.3 million as strong leasing activity more than offset tenant expirations experienced in the prior quarter, and we expect to capitalize on continued leasing momentum in the second half of 2021.

MPC

- MPC EBT totaled \$69.8 million in the quarter, a 10.2% increase compared to \$63.4 million in the prior quarter, and a 65.5% increase compared to \$42.2 million in the prior year period.
- Our strong quarterly results were driven primarily by the closing of three superpads and robust earnings from our Summit joint venture in Summerlin.
- The price per acre of residential land across all our communities increased 4.9% year-to-date to \$618 thousand per acre compared to \$589 thousand per acre in the prior year period.
- New home sales, a leading indicator of future land sales, continued to move higher, with 687 homes sold in our MPCs during the quarter, a 22.9% increase compared to the prior year period.

Strategic Developments

- We continued to experience strong condominium sales at Ward Village, evidenced by the forty-five condominium units we contracted to sell during the quarter, which increased 246.2% compared to the prior year period.
- Our three towers under construction—'A'ali'i, Kō'ula, and Victoria Place—are 86.4% presold as of quarter end.
- Victoria Place, which began construction in February 2021, accounted for twenty-eight of the units contracted during the quarter and was 93.4% presold as of quarter end.
- We closed on the final unit at Anaha[®], totaling \$12.9 million in net revenue, resulting in Anaha being completely sold out.
- We commenced construction on 1700 Pavilion and Tanager Echo in Summerlin. Total development costs are estimated to be \$120.4 million for 1700 Pavilion and \$81.6 million for Tanager Echo, with a 7% expected stabilized yield for both properties.
- We completed the sale of Monarch City for \$51.4 million, resulting in net proceeds of \$49.9 million, which increased the total proceeds from non-core asset sales to \$263.7 million since the fourth quarter of 2019.

Seaport

- The Seaport reported a \$4.4 million loss in NOI in the quarter, which remained flat compared to the prior quarter, and decreased 18.1% compared to a \$3.7 million loss in the prior-year period.
- Visitor volume has increased in conjunction with most of the COVID-related restrictions lifted in June, resulting in the relaunch of our summer concert series, with several shows scheduled through October, seven of which are already sold out.
- Restaurant activity has increased materially, with several restaurants at Pier 17 approaching or exceeding their stabilization targets based on sales per square foot, even with labor shortages hindering some locations from operating at full capacity.
- Seasonal events, community programming, and activations at the rooftop have increased foot traffic to the entire district and benefited our retail locations, restaurants, and sponsorship partners.
- We continued to advance our plans for the potential development at 250 Water Street after receiving the Landmarks Preservation Commission design approval, which presents a unique opportunity to transform the last available development site at the Seaport into a vibrant, mixed-use asset.

Conference Call & Webcast Information

The Howard Hughes Corporation will host its investor conference call on **Thursday, August 5, 2021, at 9:00 a.m. Central Standard Time** (10:00 a.m. Eastern Standard Time) to discuss second quarter 2021 results. To participate, please dial **1-877-883-0383** within the U.S., **1-877-885-0477** within Canada, or **1-412-902-6506** when dialing internationally. All participants should dial in at least five minutes prior to the scheduled start time, using **9284753** as the passcode. In addition to dial-in options, institutional and retail shareholders can participate by going to app.saytechnologies.com/howardhughes. Shareholders can email hello@saytechnologies.com for any support inquiries.

We are primarily focused on creating shareholder value by increasing our per share net asset value. Often, the nature of our business results in short-term volatility in our net income due to the timing of MPC land sales, recognition of condominium revenue and operating business pre-opening expenses, and, as such, we believe the following metrics summarized below are most useful in tracking our progress towards net asset value creation.

| \$ in thousands | Six Months Ended June 30, | | | | Three Months Ended June 30, | | | |
|--|---------------------------|-------------------|------------------|--------------|-----------------------------|-------------------|------------------|-------------|
| | 2021 | 2020 | Change | % Change | 2021 | 2020 | Change | % Change |
| Operating Assets NOI (1) | | | | | | | | |
| Office | \$ 52,115 | \$ 62,241 | \$ (10,126) | (16)% | \$ 26,283 | \$ 27,804 | \$ (1,521) | (5)% |
| Retail | 26,802 | 23,089 | 3,713 | 16 % | 14,799 | 8,599 | 6,200 | 72 % |
| Multi-family | 13,145 | 8,362 | 4,783 | 57 % | 7,410 | 3,815 | 3,595 | 94 % |
| Hospitality | 2,574 | 2,537 | 37 | 1 % | 2,721 | (1,844) | 4,565 | 248 % |
| Other | 5,791 | 674 | 5,117 | 759 % | 4,975 | 623 | 4,352 | 699 % |
| Company's share NOI (a) | 5,830 | 7,797 | (1,967) | (25)% | 1,690 | 1,836 | (146) | (8)% |
| Total Operating Assets NOI (b) | \$ 106,257 | \$ 104,700 | \$ 1,557 | 1 % | \$ 57,878 | \$ 40,833 | \$ 17,045 | 42 % |
| Projected stabilized NOI Operating Assets (\$ in millions) | \$ 395.2 | \$ 362.3 | \$ 32.9 | 9 % | | | | |
| MPC | | | | | | | | |
| Acres Sold - Residential | 148 | 148 | — | — % | 94 | 91 | 3 | 3 % |
| Acres Sold - Commercial | 26 | 16 | 10 | 61 % | 8 | — | 8 | 100% |
| Price Per Acre - Residential | \$ 618 | \$ 589 | \$ 29 | 5 % | \$ 603 | \$ 630 | \$ (27) | (4)% |
| Price Per Acre - Commercial | \$ 288 | \$ 131 | \$ 157 | 120 % | \$ 651 | \$ — | \$ 651 | 100% |
| MPC EBT (1) | \$ 133,186 | \$ 86,308 | \$ 46,878 | 54 % | \$ 69,831 | \$ 42,187 | \$ 27,644 | 66 % |
| Seaport NOI (1) | | | | | | | | |
| Landlord Operations - Historic District & Pier 17 | \$ (7,074) | \$ (3,472) | \$ (3,602) | (104)% | \$ (3,834) | \$ (1,611) | \$ (2,223) | (138)% |
| Multi-family | 136 | 214 | (78) | (36)% | 44 | 110 | (66) | (60)% |
| Hospitality | — | (12) | 12 | 100 % | — | (12) | 12 | 100 % |
| Managed Businesses - Historic District & Pier 17 | (916) | (3,336) | 2,420 | 73 % | (256) | (1,256) | 1,000 | 80 % |
| Events, Sponsorships & Catering Business | (665) | (724) | 59 | 8 % | (229) | (671) | 442 | 66 % |
| Company's share NOI (a) | (282) | (681) | 399 | 59 % | (147) | (305) | 158 | 52 % |
| Total Seaport NOI | \$ (8,801) | \$ (8,011) | \$ (790) | (10)% | \$ (4,422) | \$ (3,745) | \$ (677) | 18 % |
| Strategic Developments | | | | | | | | |
| Condominium units contracted to sell (c) | 91 | 252 | (161) | (64)% | 45 | 13 | 32 | 246 % |

(a) Includes Company's share of NOI from non-consolidated assets

(b) Excludes properties sold or in redevelopment

(c) Includes units at our buildings that are open or under construction as of June 30, 2021. Prior period activity excludes two purchaser defaults at Kō'ula in the second quarter of 2020. Additionally, as construction at Victoria Place began in February 2021, units under contract for the three and six months ended June 30, 2020, were adjusted to include units contracted at Victoria Place, which were previously excluded from this metric as construction had no yet commenced. This adjustment includes 11 units for the three months ended June 30, 2020, and 236 units for the six months ended June 30, 2020.

Financial Data

(1) See the accompanying appendix for a reconciliation of GAAP to non-GAAP financial measures and a statement indicating why management believes the non-GAAP financial measure provides useful information for investors.

About The Howard Hughes Corporation®

The Howard Hughes Corporation owns, manages and develops commercial, residential and mixed-use real estate throughout the U.S. Its award-winning assets include the country's preeminent portfolio of master planned communities, as well as operating properties and development opportunities including: the Seaport in New York; Downtown Columbia®, Maryland; The Woodlands®, The Woodlands Hills®, and Bridgeland® in the Greater Houston, Texas area; Summerlin®, Las Vegas; and Ward Village® in Honolulu, Hawai'i. The Howard Hughes Corporation's portfolio is strategically positioned to meet and accelerate development based on market demand, resulting in one of the strongest real estate platforms in the country. Dedicated to innovative place making, the Company is recognized for its ongoing commitment to design excellence and to the cultural life of its communities. The Howard Hughes Corporation is traded on the New York Stock Exchange as HHC. For additional information visit www.howardhughes.com.

The Howard Hughes Corporation has partnered with Say, the fintech startup reimagining shareholder communications, to allow investors to submit and upvote questions they would like to see addressed on the Company's second quarter earnings call. Say verifies all shareholder positions and provides permission to participate on the August 5, 2021 call, during which the Company's leadership will be answering top questions. Utilizing the Say platform, The Howard Hughes Corporation elevates its capabilities for responding to Company shareholders, making its investor relations Q&A more transparent and engaging.

Safe Harbor Statement

Certain statements contained in this press release may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements other than statements of historical facts, including, among others, statements regarding the company's future financial position, results or performance, are forward-looking statements. Those statements include statements regarding the intent, belief, or current expectations of the company, members of its management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "anticipate," "believe," "estimate," "expect," "forecast," "intend," "likely," "may," "plan," "project," "realize," "should," "transform," "will," "would," and other statements of similar expression. Forward-looking statements are not a guaranty of future performance and involve risks and uncertainties that actual results may differ materially from those contemplated by such forward-looking statements. Many of these factors are beyond the company's abilities to control or predict. Some of the risks, uncertainties and other important factors that may affect future results or cause actual results to differ materially from those expressed or implied by forward-looking statements include: (i) the impact of the COVID-19 pandemic on the Company's business, tenants and the economy in general, including the measures taken by governmental authorities to address it; (ii) general adverse economic and local real estate conditions; (iii) potential changes in the financial markets and interest rates; (iv) the inability of major tenants to continue paying their rent obligations due to bankruptcy, insolvency or a general downturn in their business; (v) financing risks, such as the inability to obtain equity, debt or other sources of financing or refinancing on favorable terms, if at all; (vi) ability to compete effectively, including the potential impact of heightened competition for tenants and potential decreases in occupancy at our properties; (vii) ability to successfully dispose of non-core assets on favorable terms, if at all; (viii) ability to successfully identify, acquire, develop and/or manage properties on favorable terms and in accordance with applicable zoning and permitting laws; (ix) changes in governmental laws and regulations; (x) increases in operating costs, including construction cost increases as the result of trade disputes and tariffs on goods imported in the United States; (xi) lack of control over certain of the company's properties due to the joint ownership of such property; (xii) impairment charges; (xiii) the effects of geopolitical instability and risks such as terrorist attacks and trade wars; (xiv) the effects of natural disasters, including floods, droughts, wind, tornadoes and hurricanes; (xv) the inherent risks related to disruption of information technology networks and related systems, including cyber security attacks; and (xvi) the ability to attract and retain key employees. The company refers you to the section entitled "Risk Factors" contained in the company's Annual Report on Form 10-K for the year ended December 31, 2020. Additional information concerning factors that could cause actual results to differ materially from those forward-looking statements is contained from time to time in the company's filings with the Securities and Exchange Commission. Copies of each filing may be obtained from the company or the Securities and Exchange Commission. The risks included here are not exhaustive and undue reliance should not be placed on any forward-looking statements, which are based on current expectations. All written and oral forward-looking statements attributable to the company, its management, or persons acting on their behalf are qualified in their entirety by these cautionary statements. Further, forward-looking statements speak only as of the date they are made, and the company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time unless otherwise required by law.

Financial Presentation

As discussed throughout this release, we use certain non-GAAP performance measures, in addition to the required GAAP presentations, as we believe these measures improve the understanding of our operational results and make comparisons of operating results among peer companies more meaningful. We continually evaluate the usefulness, relevance, limitations and calculation of our reported non-GAAP performance measures to determine how best to provide relevant information to the public, and thus such reported measures could change. A non-GAAP financial measure used throughout this release is net operating income (NOI). We provide a more detailed discussion about this non-GAAP measure in our reconciliation of non-GAAP measures provided in the appendix in this earnings release.

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THE HOWARD HUGHES CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

| <i>thousands except per share amounts</i> | Six Months Ended June 30, | | Three Months Ended June 30, | |
|--|------------------------------|--------------|--------------------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| REVENUES | | | | |
| Condominium rights and unit sales | \$ 50,028 | \$ 43 | \$ 12,861 | \$ — |
| Master Planned Communities land sales | 95,819 | 96,805 | 58,342 | 57,073 |
| Rental revenue | 174,375 | 171,450 | 88,476 | 78,706 |
| Other land, rental and property revenues | 64,632 | 46,344 | 41,389 | 11,447 |
| Builder price participation | 18,183 | 16,706 | 11,389 | 8,947 |
| Total revenues | 403,037 | 331,348 | 212,457 | 156,173 |
| EXPENSES | | | | |
| Condominium rights and unit cost of sales | 68,403 | 104,249 | 13,435 | 6,348 |
| Master Planned Communities cost of sales | 40,509 | 42,661 | 24,858 | 25,875 |
| Operating costs | 129,841 | 110,491 | 71,243 | 45,885 |
| Rental property real estate taxes | 27,707 | 28,777 | 13,716 | 15,199 |
| Provision for (recovery of) doubtful accounts | (2,098) | 3,567 | (1,520) | 1,866 |
| Demolition costs | 149 | — | 149 | — |
| Development-related marketing costs | 4,041 | 4,629 | 2,397 | 1,813 |
| General and administrative | 42,100 | 61,314 | 20,334 | 22,233 |
| Depreciation and amortization | 99,096 | 108,600 | 49,788 | 46,963 |
| Total expenses | 409,748 | 464,288 | 194,400 | 166,182 |
| OTHER | | | | |
| Provision for impairment | (13,068) | (48,738) | (13,068) | — |
| Gain (loss) on sale or disposal of real estate and other assets, net | 21,333 | 46,124 | 21,333 | 8,000 |
| Other income (loss), net | (10,971) | (2,077) | (663) | 1,607 |
| Total other | (2,706) | (4,691) | 7,602 | 9,607 |
| Operating income (loss) | (9,417) | (137,631) | 25,659 | (402) |
| Interest income | 72 | 1,550 | 31 | 404 |
| Interest expense | (65,649) | (66,845) | (31,439) | (32,397) |
| Gain (loss) on extinguishment of debt | (35,966) | — | (51) | — |
| Equity in earnings (losses) from real estate and other affiliates | 23,663 | 2,797 | 7,867 | (8,552) |
| Income (loss) before income taxes | (87,297) | (200,129) | 2,067 | (40,947) |
| Income tax expense (benefit) | (22,755) | (40,944) | (1,550) | (6,844) |
| Net income (loss) | (64,542) | (159,185) | 3,617 | (34,103) |
| Net (income) loss attributable to noncontrolling interests | 2,789 | (33) | 1,224 | 19 |
| Net income (loss) attributable to common stockholders | \$ (61,753) | \$ (159,218) | \$ 4,841 | \$ (34,084) |
| Basic income (loss) per share | \$ (1.11) | \$ (3.22) | \$ 0.09 | \$ (0.61) |
| Diluted income (loss) per share | \$ (1.11) | \$ (3.22) | \$ 0.09 | \$ (0.61) |

THE HOWARD HUGHES CORPORATION
CONSOLIDATED BALANCE SHEETS
UNAUDITED

| <i>thousands except par values and share amounts</i> | June 30, 2021 | December 31, 2020 |
|---|------------------|----------------------|
| ASSETS | | |
| Investment in real estate: | | |
| Master Planned Communities assets | \$ 1,743,502 | \$ 1,687,519 |
| Buildings and equipment | 4,170,506 | 4,115,493 |
| Less: accumulated depreciation | (721,275) | (634,064) |
| Land | 365,725 | 363,447 |
| Developments | 1,352,999 | 1,152,674 |
| Net property and equipment | 6,911,457 | 6,685,069 |
| Investment in real estate and other affiliates | 298,161 | 377,145 |
| Net investment in real estate | 7,209,618 | 7,062,214 |
| Net investment in lease receivable | 2,917 | 2,926 |
| Cash and cash equivalents | 1,063,261 | 1,014,686 |
| Restricted cash | 219,483 | 228,311 |
| Accounts receivable, net | 81,503 | 66,726 |
| Municipal Utility District receivables, net | 354,932 | 314,394 |
| Notes receivable, net | 3,235 | 622 |
| Deferred expenses, net | 111,491 | 112,097 |
| Operating lease right-of-use assets, net | 54,566 | 56,255 |
| Prepaid expenses and other assets, net | 208,063 | 282,101 |
| Total assets | \$ 9,309,069 | \$ 9,140,332 |
| LIABILITIES | | |
| Mortgages, notes and loans payable, net | \$ 4,449,333 | \$ 4,287,369 |
| Operating lease obligations | 68,102 | 68,929 |
| Deferred tax liabilities | 167,105 | 187,639 |
| Accounts payable and accrued expenses | 925,845 | 852,258 |
| Total liabilities | 5,610,385 | 5,396,195 |
| Redeemable noncontrolling interest | 26,781 | 29,114 |
| EQUITY | | |
| Preferred stock: \$.01 par value; 50,000,000 shares authorized, none issued | — | — |
| Common stock: \$.01 par value; 150,000,000 shares authorized, 56,196,818 issued and 55,126,260 outstanding as of June 30, 2021, 56,042,814 shares issued and 54,972,256 outstanding as of December 31, 2020 | 563 | 562 |
| Additional paid-in capital | 3,955,162 | 3,947,278 |
| Accumulated deficit | (134,309) | (72,556) |
| Accumulated other comprehensive loss | (27,754) | (38,590) |
| Treasury stock, at cost, 1,070,558 shares as of June 30, 2021, and 1,070,558 shares as of December 31, 2020 | (122,091) | (122,091) |
| Total stockholders' equity | 3,671,571 | 3,714,603 |
| Noncontrolling interests | 332 | 420 |
| Total equity | 3,671,903 | 3,715,023 |
| Total liabilities and equity | 9,309,069 | 9,140,332 |

Appendix – Reconciliation of Non-GAAP Measures

For the Three and Six Months Ended June 30, 2021 and 2020

Below are GAAP to non-GAAP reconciliations of certain financial measures, as required under Regulation G of the Securities Exchange Act of 1934. Non-GAAP information should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. The non-GAAP financial information presented may be determined or calculated differently by other companies and may not be comparable to similarly titled measures.

As a result of our four segments—Operating Assets, Master Planned Communities (MPC), Seaport and Strategic Developments—being managed separately, we use different operating measures to assess operating results and allocate resources among these four segments. The one common operating measure used to assess operating results for our business segments is earnings before tax (EBT). EBT, as it relates to each business segment, represents the revenues less expenses of each segment, including interest income, interest expense and equity in earnings of real estate and other affiliates. EBT excludes corporate expenses and other items that are not allocable to the segments. We present EBT because we use this measure, among others, internally to assess the core operating performance of our assets. However, segment EBT should not be considered as an alternative to GAAP net income.

| <i>thousands</i> | Six Months Ended June 30, | | | Three Months Ended June 30, | | |
|--|---------------------------|------------|-----------|-----------------------------|-----------|-----------|
| | 2021 | 2020 | \$ Change | 2021 | 2020 | \$ Change |
| Operating Assets Segment EBT | | | | | | |
| Total revenues (a) | \$ 209,861 | \$ 198,534 | \$ 11,327 | \$ 113,422 | \$ 84,277 | \$ 29,145 |
| Total operating expenses (b) | (100,425) | (94,462) | (5,963) | (53,191) | (42,222) | (10,969) |
| Segment operating income (loss) | 109,436 | 104,072 | 5,364 | 60,231 | 42,055 | 18,176 |
| Depreciation and amortization | (79,626) | (74,084) | (5,542) | (39,975) | (36,995) | (2,980) |
| Interest income (expense), net | (37,152) | (49,296) | 12,144 | (18,152) | (23,103) | 4,951 |
| Other income (loss), net | (10,254) | 167 | (10,421) | (156) | 226 | (382) |
| Equity in earnings (losses) from real estate and other affiliates | (21,823) | 4,869 | (26,692) | (10,419) | 475 | (10,894) |
| Gain (loss) on sale or disposal of real estate and other assets, net | — | 38,124 | (38,124) | — | — | — |
| Gain (loss) on extinguishment of debt | (882) | — | (882) | (46) | — | (46) |
| Provision for impairment | — | (48,738) | 48,738 | — | — | — |
| Operating Assets segment EBT | (40,301) | (24,886) | (15,415) | (8,517) | (17,342) | 8,825 |
| Master Planned Communities Segment EBT | | | | | | |
| Total revenues | 122,865 | 119,359 | 3,506 | 74,578 | 68,913 | 5,665 |
| Total operating expenses | (57,172) | (55,692) | (1,480) | (33,905) | (31,970) | (1,935) |
| Segment operating income (loss) | 65,693 | 63,667 | 2,026 | 40,673 | 36,943 | 3,730 |
| Depreciation and amortization | (170) | (182) | 12 | (98) | (91) | (7) |
| Interest income (expense), net | 21,372 | 16,857 | 4,515 | 10,615 | 8,303 | 2,312 |
| Equity in earnings (losses) from real estate and other affiliates | 46,291 | 5,966 | 40,325 | 18,641 | (2,968) | 21,609 |
| MPC segment EBT | 133,186 | 86,308 | 46,878 | 69,831 | 42,187 | 27,644 |
| Seaport Segment EBT | | | | | | |
| Total revenues | 18,351 | 11,966 | 6,385 | 10,898 | 2,272 | 8,626 |
| Total operating expenses | (28,502) | (22,775) | (5,727) | (15,996) | (8,464) | (7,532) |
| Segment operating income (loss) | (10,151) | (10,809) | 658 | (5,098) | (6,192) | 1,094 |
| Depreciation and amortization | (13,839) | (27,651) | 13,812 | (7,004) | (6,776) | (228) |
| Interest income (expense), net | 289 | (9,679) | 9,968 | 187 | (4,626) | 4,813 |
| Other income (loss), net | (954) | (3,777) | 2,823 | (618) | (409) | (209) |
| Equity in earnings (losses) from real estate and other affiliates | (688) | (8,676) | 7,988 | (336) | (6,633) | 6,297 |
| Seaport segment EBT | (25,343) | (60,592) | 35,249 | (12,869) | (24,636) | 11,767 |

| <i>thousands</i> | Six Months Ended June 30, | | | Three Months Ended June 30, | | |
|--|---------------------------|-------------|-----------|-----------------------------|-------------|-----------|
| | 2021 | 2020 | \$ Change | 2021 | 2020 | \$ Change |
| Strategic Developments Segment EBT | | | | | | |
| Total revenues | 51,766 | 1,384 | 50,382 | 13,466 | 624 | 12,842 |
| Total operating expenses | (78,263) | (116,816) | 38,553 | (18,640) | (12,517) | (6,123) |
| Segment operating income (loss) | (26,497) | (115,432) | 88,935 | (5,174) | (11,893) | 6,719 |
| Depreciation and amortization | (3,195) | (3,411) | 216 | (1,597) | (1,650) | 53 |
| Interest income (expense), net | 1,760 | 2,988 | (1,228) | 659 | 1,057 | (398) |
| Other income (loss), net | 14 | 1,293 | (1,279) | 14 | 1,668 | (1,654) |
| Equity in earnings (losses) from real estate and other affiliates | (117) | 638 | (755) | (19) | 574 | (593) |
| Gain (loss) on sale or disposal of real estate and other assets, net | 21,333 | 8,000 | 13,333 | 21,333 | 8,000 | 13,333 |
| Provision for impairment | (13,068) | — | (13,068) | (13,068) | — | (13,068) |
| Strategic Developments EBT | (19,770) | (105,924) | 86,154 | 2,148 | (2,244) | 4,392 |
| Consolidated Segment EBT | | | | | | |
| Total revenues | 402,843 | 331,243 | 71,600 | 212,364 | 156,086 | 56,278 |
| Total operating expenses | (264,362) | (289,745) | 25,383 | (121,732) | (95,173) | (26,559) |
| Segment operating income (loss) | 138,481 | 41,498 | 96,983 | 90,632 | 60,913 | 29,719 |
| Depreciation and amortization | (96,830) | (105,328) | 8,498 | (48,674) | (45,512) | (3,162) |
| Interest income (expense), net | (13,731) | (39,130) | 25,399 | (6,691) | (18,369) | 11,678 |
| Other income (loss), net | (11,194) | (2,317) | (8,877) | (760) | 1,485 | (2,245) |
| Equity in earnings (losses) from real estate and other affiliates | 23,663 | 2,797 | 20,866 | 7,867 | (8,552) | 16,419 |
| Gain (loss) on sale or disposal of real estate and other assets, net | 21,333 | 46,124 | (24,791) | 21,333 | 8,000 | 13,333 |
| Gain (loss) on extinguishment of debt | (882) | — | (882) | (46) | — | (46) |
| Provision for impairment | (13,068) | (48,738) | 35,670 | (13,068) | — | (13,068) |
| Consolidated segment EBT | 47,772 | (105,094) | 152,866 | 50,593 | (2,035) | 52,628 |
| Corporate income, expenses and other items | (112,314) | (54,091) | (58,223) | (46,976) | (32,068) | (14,908) |
| Net income (loss) | (64,542) | (159,185) | 94,643 | 3,617 | (34,103) | 37,720 |
| Net (income) loss attributable to noncontrolling interests | 2,789 | (33) | 2,822 | 1,224 | 19 | 1,205 |
| Net income (loss) attributable to common stockholders | \$ (61,753) | \$(159,218) | \$ 97,465 | \$ 4,841 | \$ (34,084) | \$ 38,925 |

- (a) Total revenues includes hospitality revenues of \$21.6 million for the six months ended June 30, 2021, \$19.8 million for the six months ended June 30, 2020, \$13.9 million for the three months ended June 30, 2021, and \$2.5 million for the three months ended June 30, 2020.
- (b) Total operating expenses includes hospitality operating costs of \$18.9 million for the six months ended June 30, 2021, \$17.2 million for the six months ended June 30, 2020, \$11.0 million for the three months ended June 30, 2021, and \$4.4 million for the three months ended June 30, 2020.

NOI

We believe that NOI is a useful supplemental measure of the performance of our Operating Assets and Seaport portfolio because it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating real estate properties and the impact on operations from trends in rental and occupancy rates and operating costs. We define NOI as operating revenues (rental income, tenant recoveries and other revenue) less operating expenses (real estate taxes, repairs and maintenance, marketing and other property expenses, including our share of NOI from equity investees). NOI excludes straight-line rents and amortization of tenant incentives, net; interest expense, net; ground rent amortization, demolition costs; other income (loss); amortization; depreciation; development-related marketing cost; gain on sale or disposal of real estate and other assets, net; provision for impairment and equity in earnings from real estate and other affiliates. All management fees have been eliminated for all internally-managed properties. We use NOI to evaluate our operating performance on a property-by-property basis because NOI allows us to evaluate the impact that property-specific factors such as lease structure, lease rates and tenant base have on our operating results, gross margins and investment returns. Variances between years in NOI typically result from changes in rental rates, occupancy, tenant mix and operating expenses. Although we believe that NOI provides useful information to investors about the performance of our Operating Assets and Seaport assets, due to the exclusions noted above, NOI should only be used as an additional measure of the financial performance of the assets of this segment of our business and not as an alternative to GAAP Net income (loss). For reference, and as an aid in understanding our computation of NOI, a reconciliation of segment EBT to NOI for Operating Assets and Seaport has been presented in the tables below.

| <i>thousands</i> | Six Months Ended June 30, | | Three Months Ended June 30, | |
|--|------------------------------|--------------------|--------------------------------|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Total Operating Assets segment EBT (a) | \$ (40,301) | \$ (24,886) | \$ (8,517) | \$ (17,342) |
| Add back: | | | | |
| Depreciation and amortization | 79,626 | 74,084 | 39,975 | 36,995 |
| Interest (income) expense, net | 37,152 | 49,296 | 18,152 | 23,103 |
| Equity in (earnings) losses from real estate and other affiliates | 21,823 | (4,869) | 10,419 | (475) |
| (Gain) loss on sale or disposal of real estate and other assets, net | — | (38,124) | — | — |
| (Gain) loss on extinguishment of debt | 882 | — | 46 | — |
| Provision for impairment | — | 48,738 | — | — |
| Impact of straight-line rent | (9,094) | (6,351) | (3,987) | (3,248) |
| Other | 10,239 | 54 | 100 | (119) |
| Total Operating Assets NOI - Consolidated | 100,327 | 97,942 | 56,188 | 38,914 |
| Redevelopments | | | | |
| 110 North Wacker (b) | — | 11 | — | 10 |
| Total Operating Asset Redevelopments NOI | — | 11 | — | 10 |
| Dispositions | | | | |
| 100 Fellowship Drive | — | (1,050) | — | 73 |
| Elk Grove | 100 | — | — | — |
| Total Operating Asset Dispositions NOI | 100 | (1,050) | — | 73 |
| Consolidated Operating Assets NOI excluding properties sold or in redevelopment | 100,427 | 96,903 | 56,188 | 38,997 |
| Company's Share NOI - Equity Investees (b) | 2,075 | 4,073 | 1,690 | 1,836 |
| Distributions from Summerlin Hospital Investment | 3,755 | 3,724 | — | — |
| Total Operating Assets NOI | \$ 106,257 | \$ 104,700 | \$ 57,878 | \$ 40,833 |

(a) Segment EBT excludes corporate expenses and other items that are not allocable to the segments.

(b) During the third quarter of 2020, 110 North Wacker was completed and placed in service, resulting in the deconsolidation of 110 North Wacker and subsequent treatment as an equity method investment. The Company's share of NOI related to 110 North Wacker is calculated using our stated ownership of 23% and does not include the impact of the partnership distribution waterfall.

| thousands | Six Months Ended June 30, | | Three Months Ended June 30, | |
|---|------------------------------|-------------------|--------------------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Total Seaport segment EBT (a) | \$ (25,343) | \$ (60,592) | \$ (12,869) | \$ (24,636) |
| Add back: | | | | |
| Depreciation and amortization | 13,839 | 27,651 | 7,004 | 6,776 |
| Interest (income) expense, net | (289) | 9,679 | (187) | 4,626 |
| Equity in (earnings) losses from real estate and other affiliates | 688 | 8,676 | 336 | 6,633 |
| Impact of straight-line rent | 867 | 1,333 | 463 | 1,208 |
| Other (income) loss, net (b) | 1,719 | 5,923 | 978 | 1,953 |
| Total Seaport NOI - Consolidated | (8,519) | (7,330) | (4,275) | (3,440) |
| Company's Share NOI - Equity Investees | (282) | (681) | (147) | (305) |
| Total Seaport NOI | \$ (8,801) | \$ (8,011) | \$ (4,422) | \$ (3,745) |

(a) Segment EBT excludes corporate expenses and other items that are not allocable to the segments.

(b) Includes miscellaneous development-related items as well as the loss related to the write-off of inventory due to the permanent closure of 10 Corso Como Retail and Café in the first quarter of 2020.