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MY FAVORITE IDEAS

WHITNEY TILSON, T2 PARTNERS

An Economic Overview, Stocks vs. Bonds, and An Update on Three Stocks

Whitney Tilson
Value Investing Congress
October 1, 2012

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

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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U.S. Economic Overview

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The U.S. Has Had 12 Consecutive Quarters of (Tepid) Economic Growth

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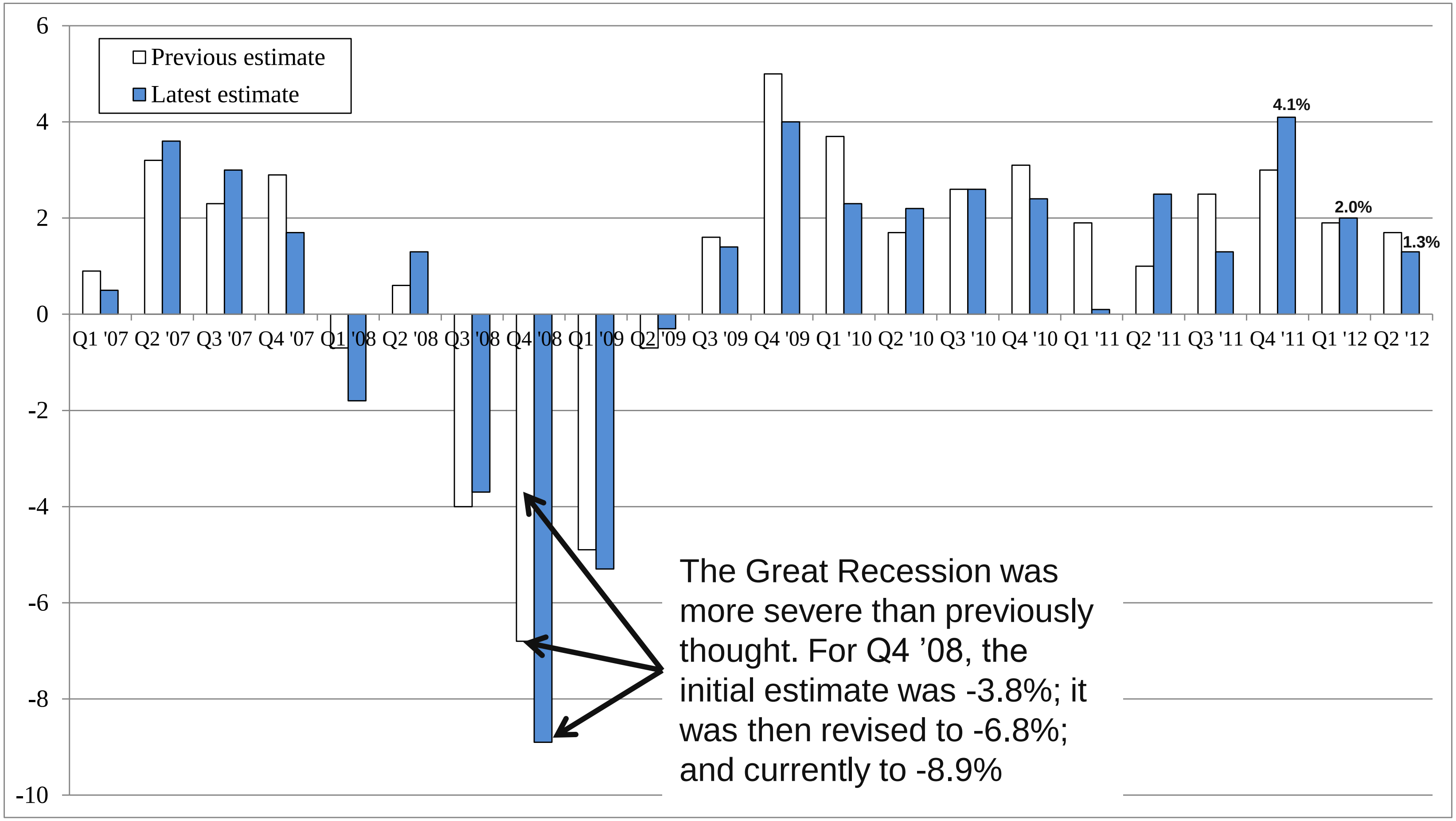

Source: Bureau of Economic Analysis, through 9/27/12 report.

Consumer Confidence Has Rebounded in Recent Months, But Remains Weak

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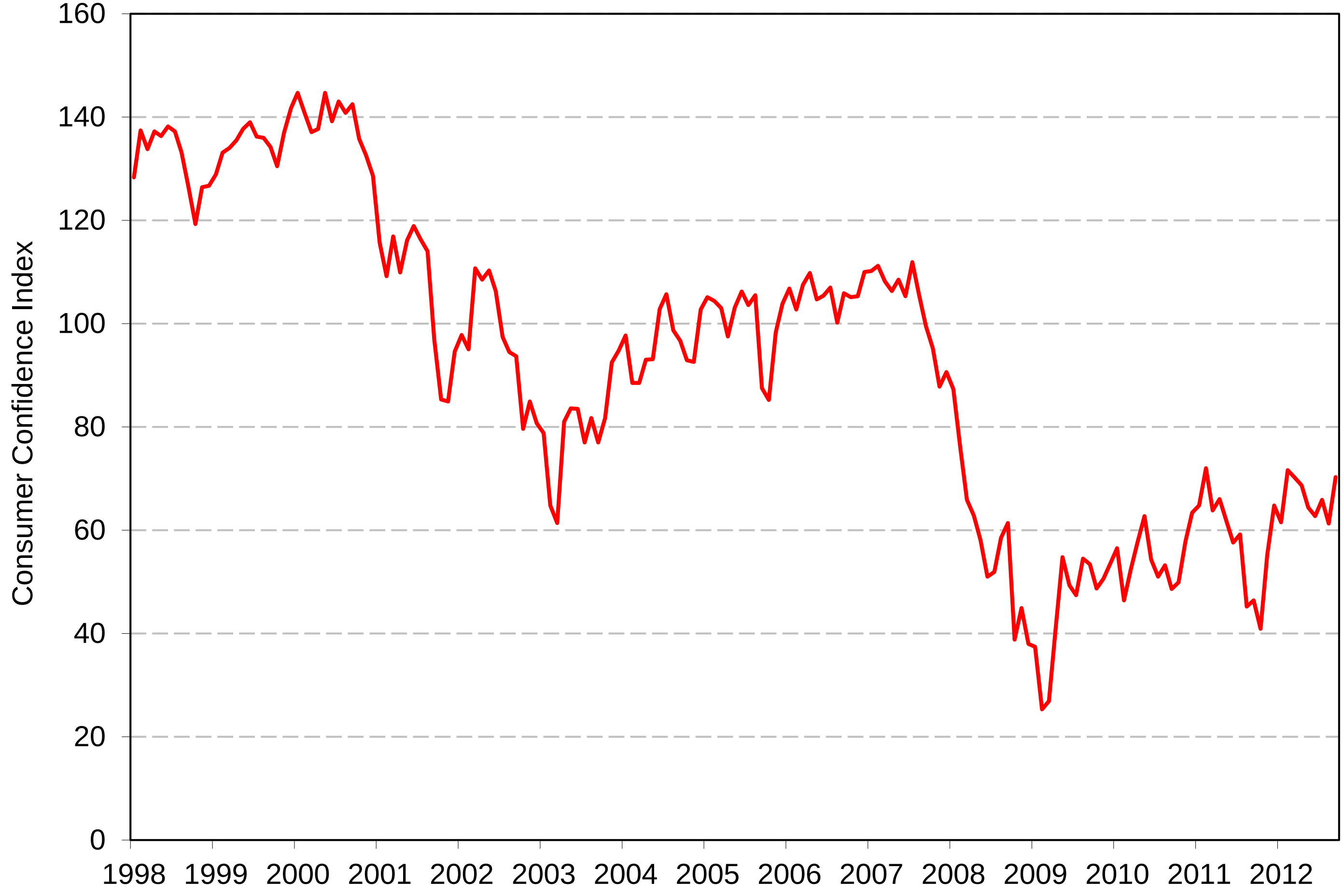

Source: Conference Board.

Job Creation Has Been Weak, Though It Has Been Positive for 30 Consecutive Months

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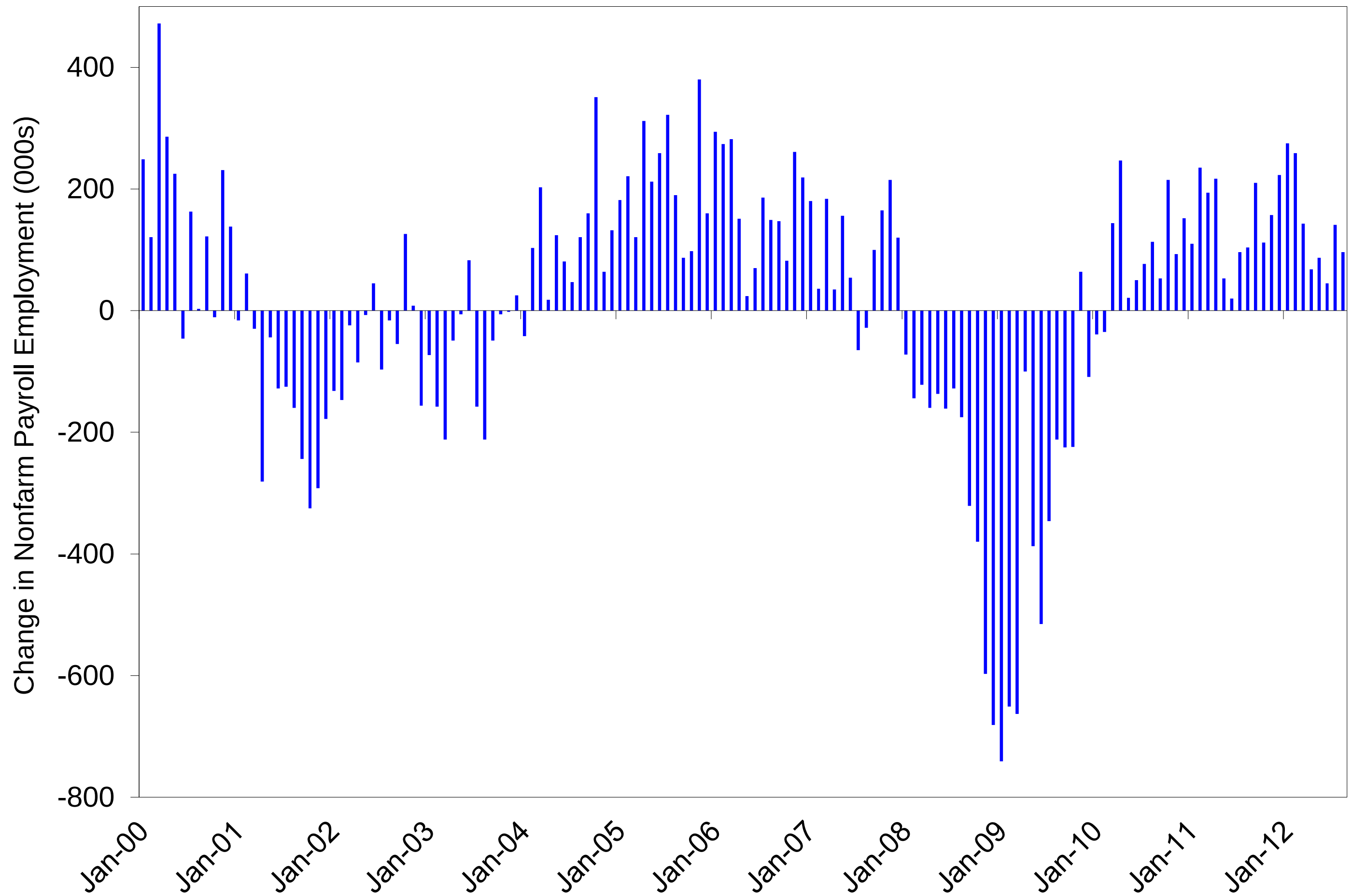

Source: Bureau of Labor Statistics, nonfarm payrolls, seasonally adjusted.

The Unemployment Rate Is Falling, Though It Remains High at 8.1%

And the situation remains grim for the long-term unemployed (those jobless for more than half a year), who account for 40% of the unemployed

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Source: Bureau of Labor Statistics, nonfarm payrolls, seasonally adjusted.

Job Losses Have Been More Severe Than Any Downturn Since the Great Depression – And the Recovery Has Been Weak

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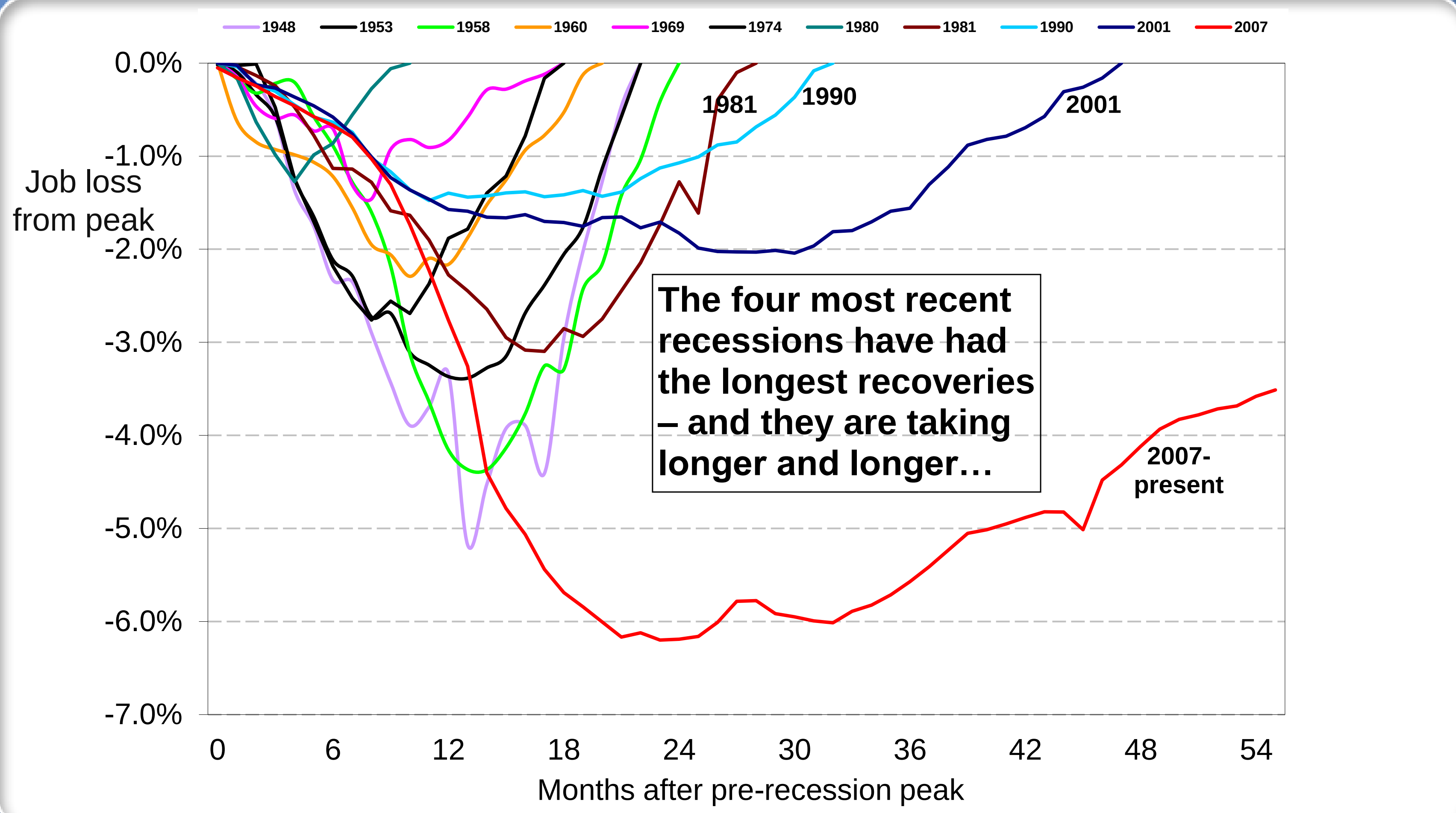
3.5% of All Jobs Are Still Missing



Source: Bureau of Labor Statistics, nonfarm payrolls, seasonally adjusted.

The U.S. Has Run Deficits Over Much of the Past 40 Years, With the Widest Deficits Since WW II in the Aftermath of The Great Recession

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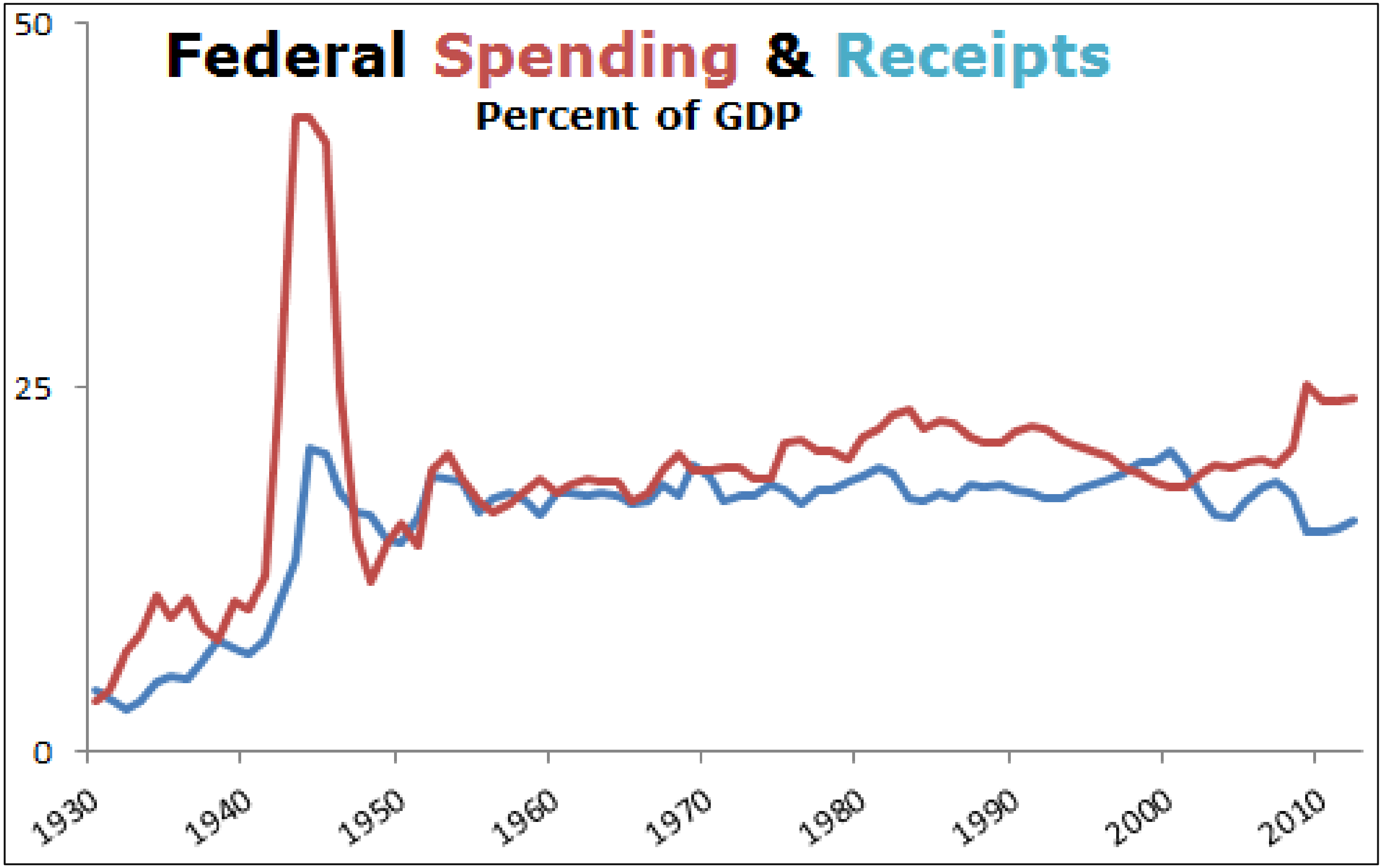

Source: OMB data, FactCheck.org, www.factcheck.org/2012/06/obamas-spending-inferno-or-not.

Household Income Has Stagnated While National Debt Per Household Has Soared

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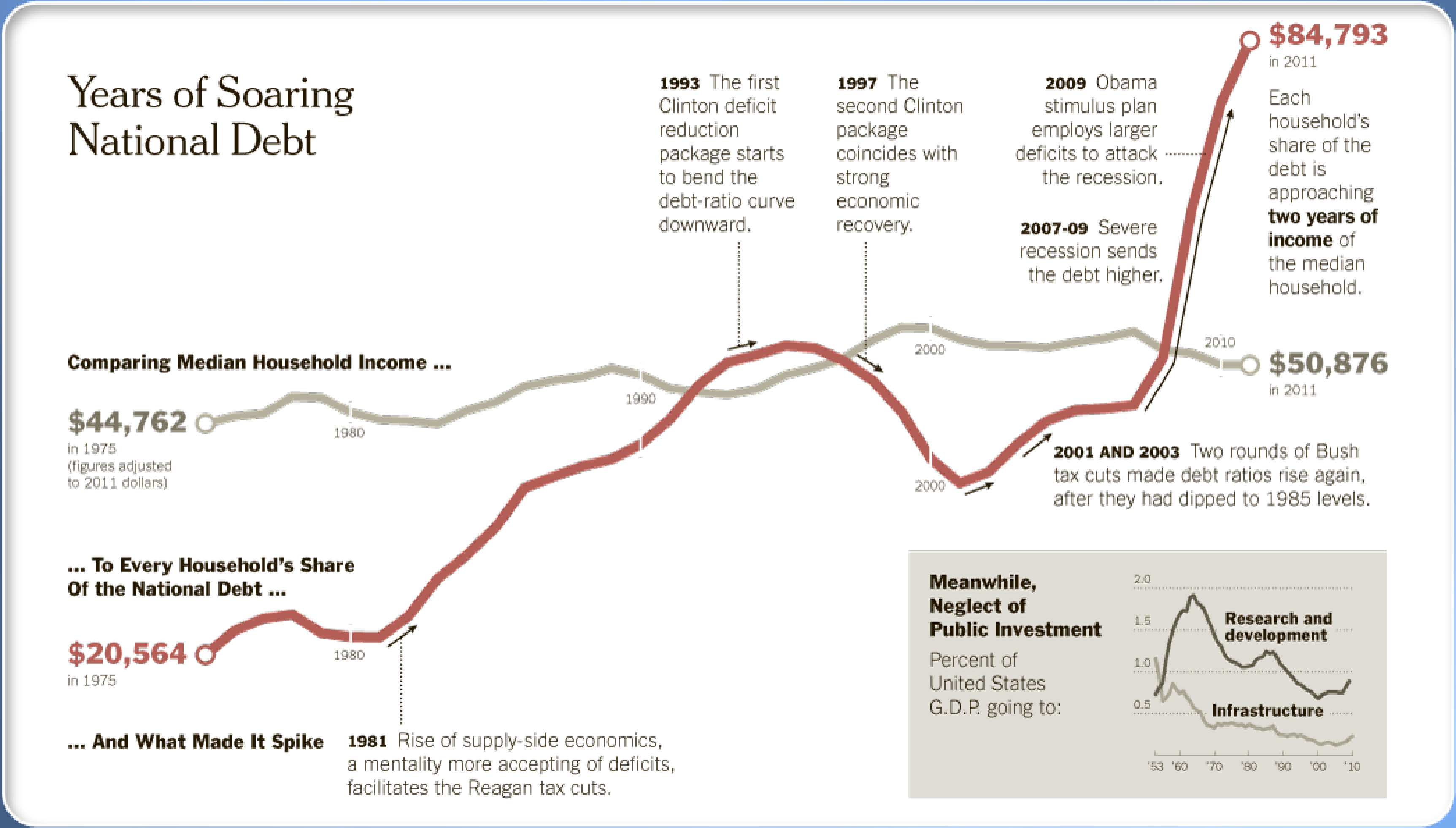

Source: NY Times, "The Dangerous Notion That Debt Doesn't Matter," Steven Rattner, 1/20/12.

Relative to the Last Two Recoveries, Private Non-Residential Investment Has Been Strong, But This Has Been Offset By a Weak Housing Market and Shrinking Government Spending and Jobs

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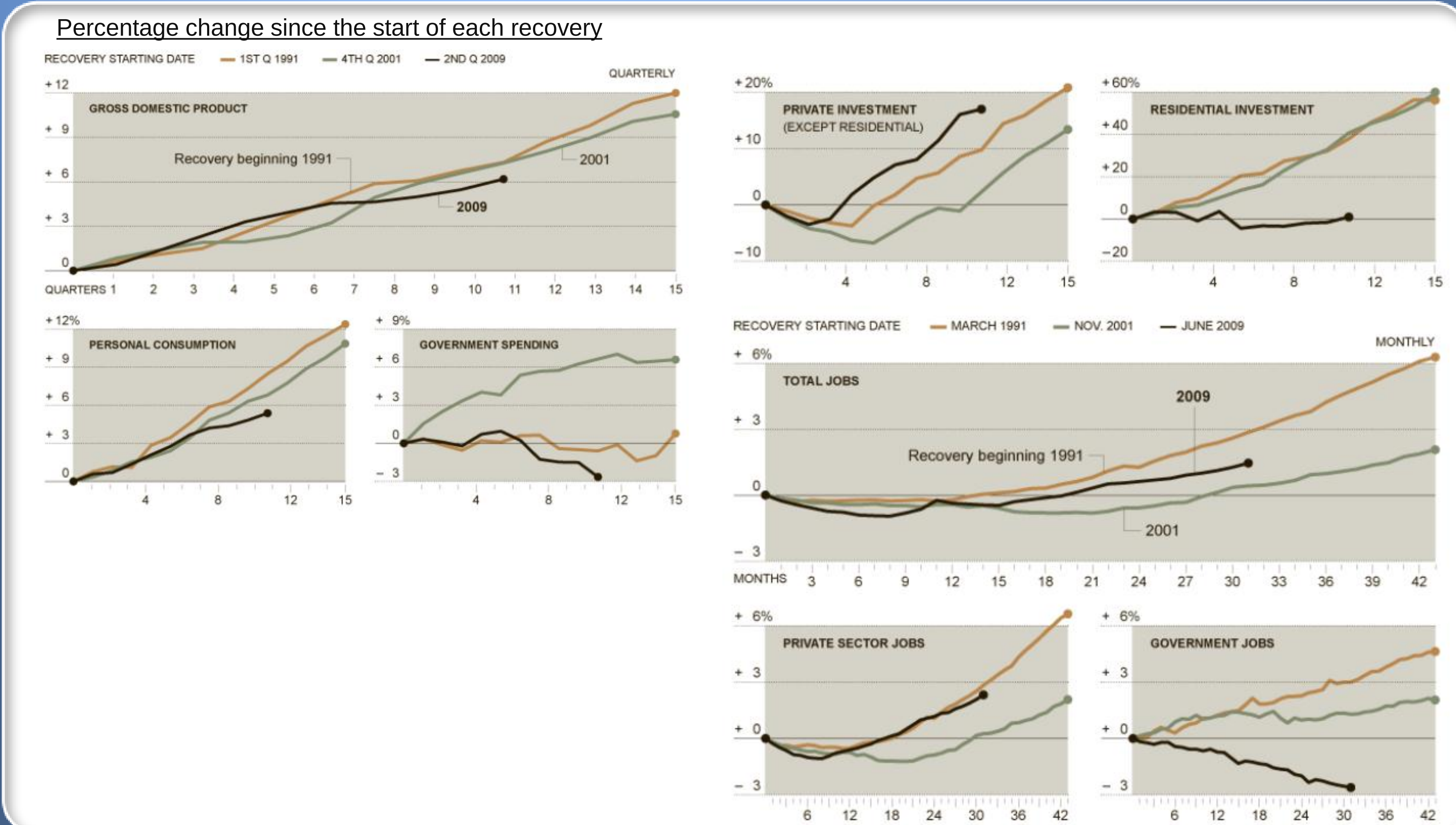

Source: New York Times, 2/10/12.

Summary

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I am cautiously optimistic that a tepid economic recovery will continue in the U.S., but with the S&P 500 up more than 16% YTD, the markets have already had a good year so I don't see much upside unless the economy really takes off, which I think is unlikely.

And there are a number of factors that could derail the recovery:

1. A turn for the worse in Europe
2. The U.S. housing market turns down
3. The slowdown in China becomes a hard landing
4. A sovereign debt crisis in Japan

Fund Flows and the Relative Attractiveness of High-Grade Debt vs. High-Grade Stocks

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Which Would You Rather Own Over the Next 10 Years?

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1) A 10-Year U.S. Treasury, currently yielding 1.65%

- The U.S. was downgraded by S&P last year
- Total political dysfunction in Washington
- Huge looming liabilities
- The monetary printing presses are running at high speed to fund our deficits and stimulate our way out of the current economic downturn, leading to the likelihood of at least moderate inflation over time

Or:

2) The following four stocks, all of which are rated AAA (the only ones left with this rating), higher than the U.S. government:

- Exxon Mobil: dividend yield 2.5%, P/E multiple (2012 est.): 12.0x
- ADP: 2.7% yield; P/E: 20.7x
- Microsoft: 3.0% yield; P/E: 10.4x
- Johnson & Johnson: 3.5% yield; P/E: 13.6x

➢ Average yield: 2.9%; average P/E: 14.2x (equal to earnings yield of 7.1%)

Investors With a Long (10+) Year Time Horizon Are Nuts to Prefer U.S. Treasuries Over Dividend-Paying Blue-Chip Stocks Purchased at Moderate Multiples

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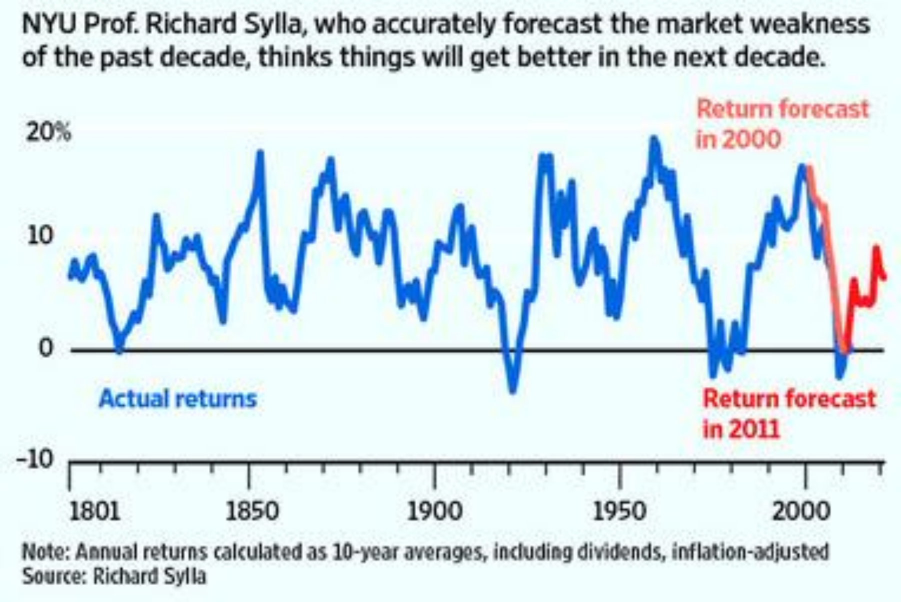
It is virtually certain that a well-diversified portfolio of dividend-paying blue-chip stocks purchased at moderate multiples will *far* outperform 10-Year Treasuries over the next decade

- Especially when inflation is taken into consideration
  - Inflation impairs the value of bonds, but not companies with pricing power due to strong competitive moats
- Especially when the market has been close to flat for more than a decade
- Total returns over the next decade for stocks should be in the 5-7% range (likely higher for solid companies with rich dividends trading at moderate multiples), as this chart shows:



Equity Funds Have Steadily Lose Capital Since the Market Peak in 2007

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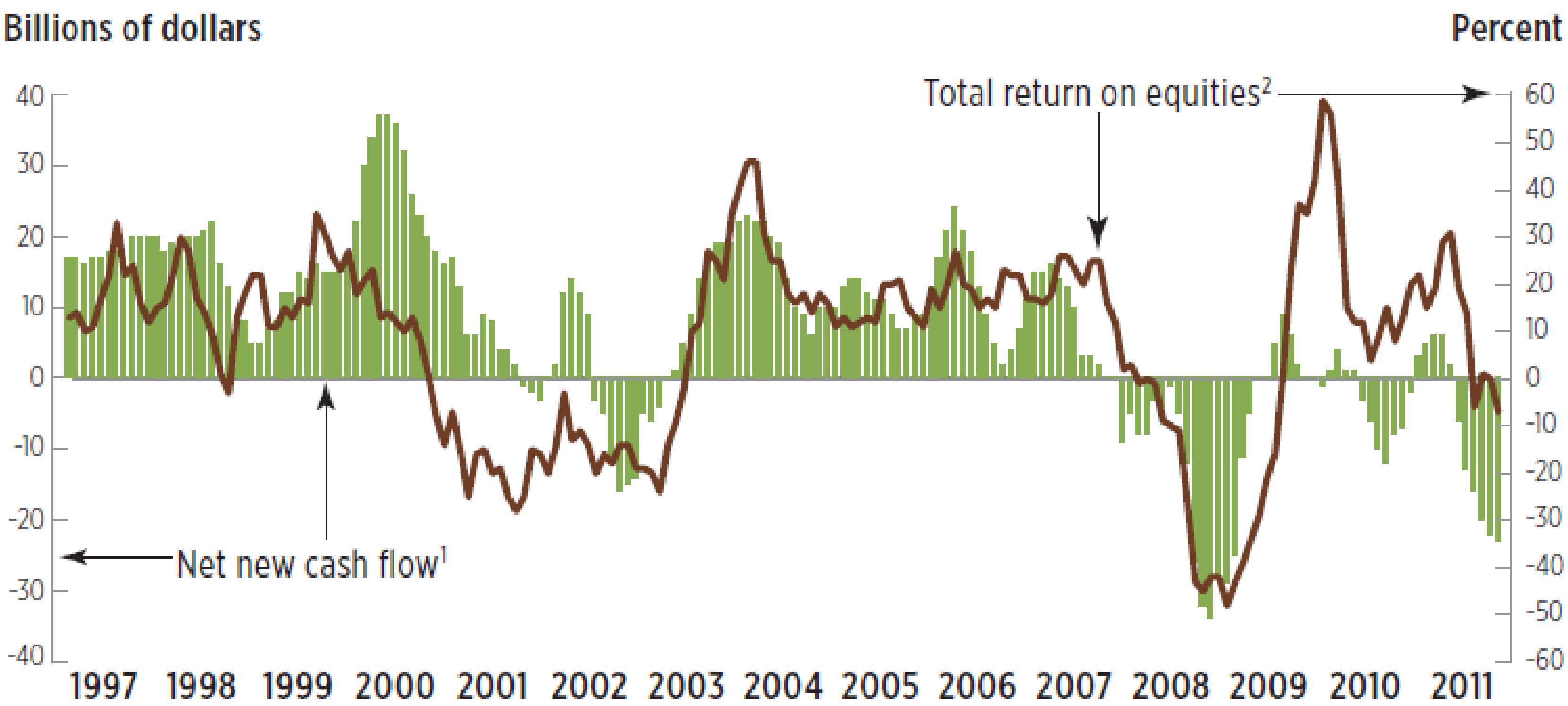
Net New Cash Flow to Equity Funds Related to Global Stock Price Performance



1) Net new cash flow to equity funds is plotted as a six-month moving average.
2) The total return on equities is measured as the year-over-year change in the MSCI All Country World Daily Total Return Index.

Source: Investment Company Institute 2012 Investment Company Fact Book.

Even the Strong Market Returns in 2012 Haven't Reversed the Withdrawals from U.S. Equity Funds

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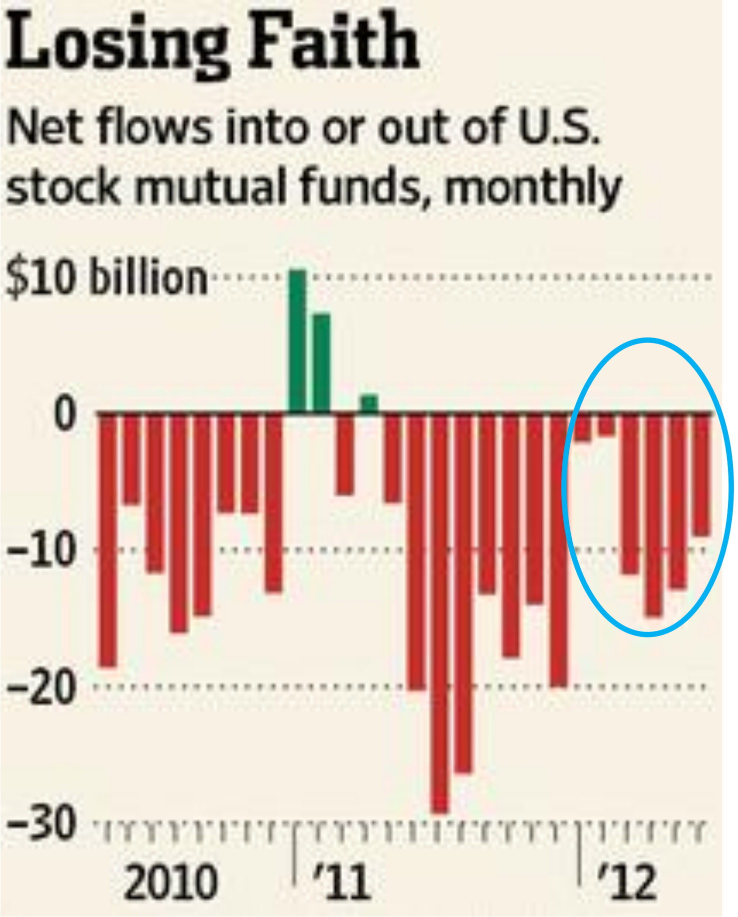

Source: Investment Company Institute in the WSJ, 8/2/12.

Bond Funds Have Steadily Gained Capital

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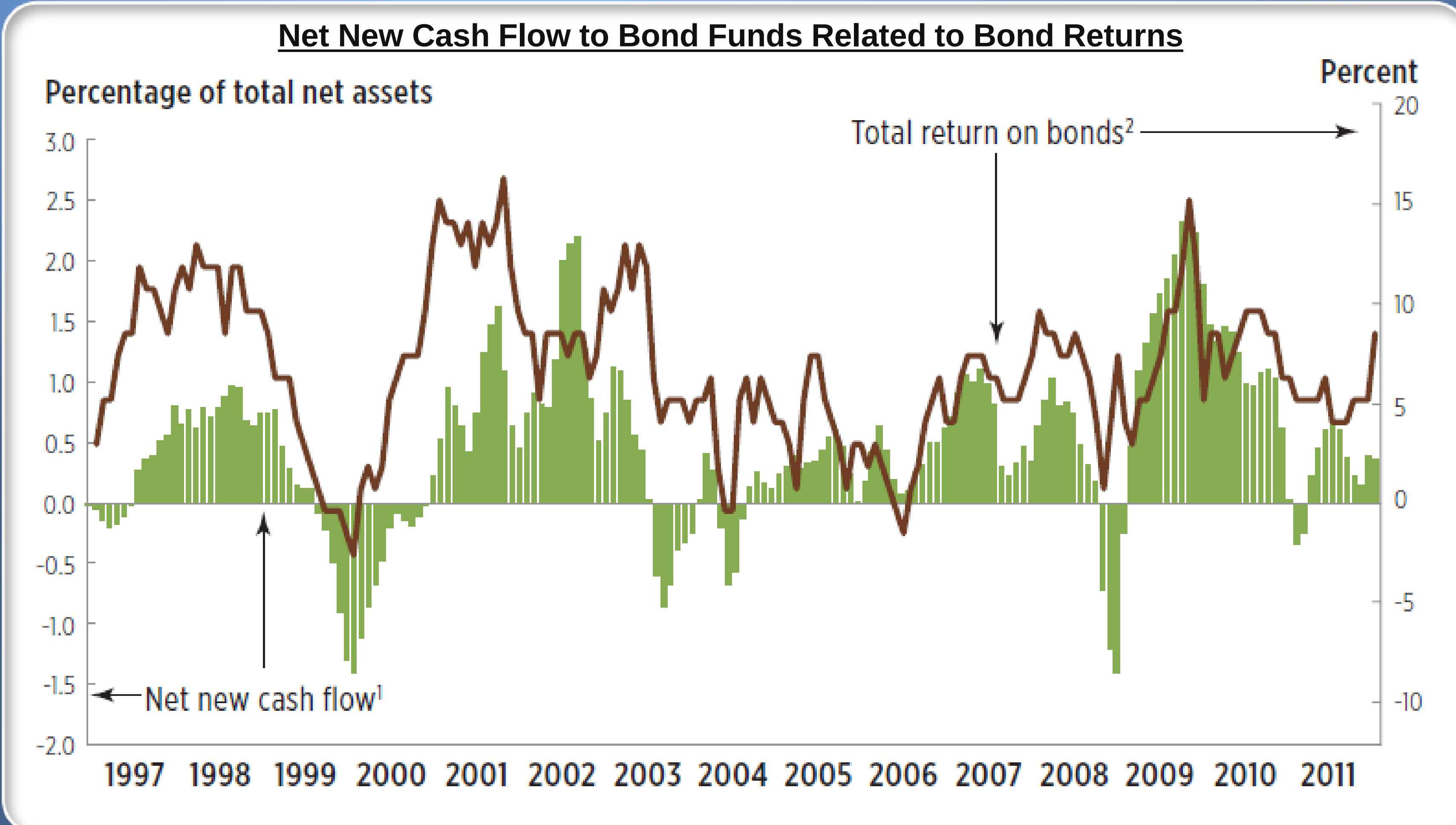

Source: Investment Company Institute 2012 Investment Company Fact Book.

An Update on Netflix

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Netflix Over the Past Three Years

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Experience Both Short and Long Netflix

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- We published an 18-page report, “Why We’re Short Netflix,” in December 2010 (when the stock was at $181.65)
- Two months later, we published a 13-page report, “Why We Covered Our Netflix Short” (when the stock was at $222.29)
- In November 2011, we published a 9-page report, “Why We’re Long Netflix and Short Green Mountain Coffee Roasters” (with the stocks at $87.75 and $43.71, respectively)
- All three reports are available on the web

The Basics

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- Stock price: $54.44
- Diluted shares outstanding: 58.9 million
- Market cap: $3.2 billion
- Net cash: $413 million
- Enterprise value: $2.8 billion
- Revenues (TTM): 3.5 billion
  - YOY growth: 30.1%
  - Sequential growth: 2.2%
- EV/revenues: 0.80
- Free cash flow (TTM): $61 million
  - YOY growth: -69.2%
  - Sequential growth: 420% (from $2.1 million in Q1 to $11.2 million in Q2)
- Paid subscribers: 28.3 million (25.2 million domestic)
  - YOY growth: 17.1%
  - Sequential growth: 4.3%
- EV/paid subscriber: $99
- Short interest: 28.7%

Investment Thesis

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- Market leader (more than 10x the size of its nearest competitor) in a rapidly growing global business (estimated 30-40% annual growth in steaming video)
- Lots of talk about competition, but very little is currently detectable
- Difficult to value the company because it has chosen to forego current profitability to drive growth by investing in: a) more, better streaming content and b) international expansion
- Enormous optionality on the upside and very cheap on an EV/revenues (0.80) and EV/paid subscriber ($99/sub) basis
  - In April, Disney and News Corp. bought the 10% of Hulu owned by Providence Equity Partners for $200 million in cash, valuing the business at $2 billion – and each of Hulu's two million paid subscribers at **$1,000**
- Downside protection due to Netflix's attractiveness as an acquisition candidate
  - Netflix would be a bite-size acquisition for any number of companies
  - I can think of nearly a dozen companies that would want to own Netflix's 28+ million paid subscribers for $100/sub
  - If someone put Netflix into play, the mother of all bidding wars would erupt

Comparing Netflix to Another Well-Known Consumer-Oriented Technology Company a Decade Ago

T2 Partners LLC

- Similar sales, number of customers, growth, and market cap
- But Netflix has much higher margins, profits, and free cash flow

Income Statement	Netflix (2011)	Co. A (2001)	Comment
Paid subs/customer accounts (millions)	**24**	**25**	Virtually the same number of customers
YOY growth	**33%**	**25%**	Netflix growing slightly faster
Revenues	**$3,205**	**$3,122**	Virtually the same revenues
YOY revenue growth	48%	13%	Netflix growing revenues much faster
Fulfillment costs	$250	$374	Netflix quite a bit lower fulfillment cost
Other cost of revenues:	$1,790	$2,324	
Gross profit	$1,165	$424	
Gross profit margin	**36%**	**14%**	Netflix much higher gross profit margin
Operating expenses:			
Marketing	$403	$138	Netflix much higher marketing spending
Technology and development	$259	$241	
General and administrative	$118	$90	
Other	$9	$368	
Total operating expenses	$789	$837	
Operating income (loss)	**$376**	**-$412**	Netflix solidly profitable vs. significant losses
Operating margin	12%	-13%	
Net income (loss)	$226	-$567	
Net income (loss) per share (diluted):	$4.16	-$1.56	
Diluted shares outstanding:	54	364	
Year-end share price	$69.29	$12.25	
Year-end market cap	**$3,767**	**$4,462**	Netflix slightly lower market cap
Cash Flow Statement			
Net cash provided by operating activities	$318	-120	
Cap ex (incl. DVD content library)	-$135	-50	
Free cash flow	**$183**	**-$170**	Netflix has healthy free cash flow

Comparing Netflix to Another Well-Known Consumer-Oriented Technology Company a Decade Ago (2)

T2 Partners LLC

- Netflix has a much stronger balance sheet

Balance Sheet	Netflix (2011)	Co. A (2001)	Comment
Assets			
Current assets:			
Cash & equivalents & ST invs	$798	$997	Both companies have strong cash positions
Current content library, net	$920		
Inventories		$144	
Other current assets	$113	$68	
Total current assets	$1,831	$1,208	
Non-current content library, net	$1,047		
Property and equipment, net	$136	$272	Netflix is less capital intensive
Other non-current assets	$55	$158	
Total assets	**$3,069**	**$1,638**	Netflix much higher due to its content library
Liabilities and Stockholders' Equity			
Current liabilities:			
Content liabilities	$935		
Accounts payable	$87	$445	
Accrued expenses	$54	$305	
Deferred revenue	$149	$88	
Current portion of LT debt & other		$84	
Total current liabilities	$1,225	$921	
Non-current content liabilities	$740		
LT debt (incl. due to related party)	**$400**	**$2,156**	Netflix has much lower debt levels
Other non-current liabilities	$62		
Total liabilities	$2,426	$3,077	
Stockholders' equity:			
Common stock	$0	$4	
Additional paid-in capital	$219	$1,463	
Accum. other comp. inc. (loss) & other	$1	-$46	
Retained earnings	$423	-$2,861	
Total stockholders' equity	**$643**	**-$1,440**	Netflix has been profitable over time
Total liabilities and stockholders' equity	$3,069	$1,637	
Net cash	**$398**	**-$1,243**	Netflix has a healthy net cash position
Current ratio	1.49	1.31	

Company A is Amazon and Its Stock Has Been a 20-Bagger Since the End of 2001

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Similarities Between Netflix and Amazon

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- Both use technology and the internet to deliver an old product in a new way
- Visionary, entrepreneurial CEOs
- A great, convenient service at a very low price
  - Netflix offers a compelling value proposition: it costs 26 cents/day and the average streaming viewer watches 1¼ hours/day = 21 cents/hour of entertainment (pay-per-view is ~10x more expensive)
- Customers can leave at any time without penalty, so both companies must continuously improve to deliver a better customer experience
- Extremely large, global growth opportunities
- Willing to sacrifice short-term profits for long-term growth
- Perceived to have no moat – but actually have substantial competitive advantages
- Both have large, deep-pocketed competitors – that are bureaucratic and slow-moving
- Stocks (Netflix today and Amazon in 2001) are widely hated and shorted

Why Netflix Is a Better Business Than Amazon

- A "lighter" business model that can scale much more quickly and at lower cost
  - Netflix delivers its product electronically, so it has virtually no fulfillment costs, doesn't have to build warehouses, etc.
- Higher margins, profits, and free cash flow
- Both companies have large international opportunities, but I'd argue that Netflix's are greater
  - Netflix is just starting to expand overseas; last quarter, international was 7% of sales vs. 43% at Amazon
- Both companies have scale advantages, but I'd argue that Netflix's are greater
  - More paid subscribers allows Netflix to pay for more, higher-quality content, which in turn attracts more subscribers, etc.

Netflix Summary

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- I don't think it's likely that Netflix is going to be a 20-bagger (like Amazon) in the next decade
- But if there's a 10% chance of a 10-bagger, the expected value of this one scenario justifies the entire price today
- I like investments in which I think my downside is limited and there are numerous multi-bagger upside scenarios
- But there is a wide range of expected outcomes, including ones with a substantial, permanent loss of capital, so this should be sized conservatively (3-4% of my portfolio)

An Update on Berkshire Hathaway

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The Berkshire Hathaway Empire Today

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Stakes in Public Companies Worth $1+ Billion

Company	Shares	Price	Value ($B)
Coca-Cola	400.0	$37.93	$15.2
Wells Fargo	411.0	$34.53	$14.2
IBM	66.6	$207.45	$13.8
American Express	151.6	$56.86	$8.6
Procter & Gamble	59.6	$69.36	$4.1
Wal-Mart	46.7	$73.80	$3.4
Munich RE	20.1	$140.10	$2.8
Kraft	58.8	$41.35	$2.4
U.S. Bancorp	66.0	$34.30	$2.3
ConocoPhillips	28.9	$57.18	$1.7
Tesco	291.6	$5.15	$1.5
DirecTV	28.4	$52.44	$1.5
Moody's	28.4	$44.17	$1.3
POSCO	3.9	$30,496	$1.2
Davita	9.3	$103.61	$1.0

Note: Shares as of 8/12 13-F; Stock prices as of 9/28/12.

The Basics

T2 Partners LLC

- Stock price (9/28/12): $132,700
  - $88.20 for B shares (equivalent to $132,300/A share)
- Shares outstanding: 1.65 million
- Market cap: $219 billion
- Total assets (Q2 ‘12): $411 billion
- Total equity (Q2 ‘12): $177 billion
- Book value per share (Q2 ‘12): $107,377
- P/B: 1.24x
- Float (Q2 ‘12): $71.1 billion

Quarterly Earnings of Key Business Units

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Earnings before taxes*	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12	YOY change
Insurance Group:																			
GEICO	186	298	246	186	148	111	200	190	299	329	289	200	337	159	114	-34	124	155	
General Re	42	102	54	144	-16	276	186	31	-39	222	201	68	-326	132	148	190	81	138	
Berkshire Reinsurance Group	29	79	-166	1,280	177	-318	141	250	52	117	-237	244	-1,343	-354	1,375	-392	-191	613	
Berkshire H. Primary Group	25	81	-8	112	4	29	7	44	33	48	52	135	56	54	58	74	71	51	
Investment Income	1,089	1,204	1,074	1,529	1,354	1,482	1,412	1,211	1,283	1,494	1,218	1,150	1,261	1,404	1,038	1,022	1,052	1,393	
Total Insurance Oper. Inc.	**1,371**	**1,764**	**1,200**	**3,251**	**1,667**	**1,580**	**1,946**	**1,726**	**1,628**	**2,210**	**1,523**	**1,797**	**-15**	**1,395**	**2,733**	**860**	**1,137**	**2,350**	**68%**
Non-Insurance Businesses:																			
Burlington Northern Santa Fe									476	974	1,127	1,034	965	1,070	1,236	1,470	1,115	1,280	20%
Finance and Financial products	241	254	163	113	112	115	119	307	111	155	148	275	156	177	147	294	163	189	7%
Marmon	28	261	247	197	162	170	194	160	190	219	212	192	222	273	257	240	269	307	12%
McLane Company	73	68	68	67	143	66	64	71	80	109	89	91	82	105	124	59	102	73	-30%
MidAmerican/Utilities/Energy	516	329	526	1,592	303	402	441	382	395	338	416	390	451	320	489	399	483	324	1%
Other Businesses	744	956	798	516	206	201	350	271	583	860	844	805	675	976	964	1,060	1,069	1,330	36%
Total Non-Insur. Oper. Inc.	**1,602**	**1,868**	**1,802**	**2,485**	**926**	**954**	**1,168**	**1,191**	**1,835**	**2,655**	**2,836**	**2,787**	**2,551**	**2,921**	**3,217**	**3,522**	**3,201**	**3,503**	**20%**
Total Operating Income	**2,973**	**3,632**	**3,002**	**5,736**	**2,593**	**2,534**	**3,114**	**2,917**	**3,463**	**4,865**	**4,359**	**4,584**	**2,536**	**4,316**	**5,950**	**4,382**	**4,338**	**5,853**	**36%**

* In 2010, Berkshire changed this table from “Earnings before income taxes, noncontrolling interests and equity method earnings” to “Earnings before income taxes”, but a breakdown of Q1-Q3 numbers in 2008-2010 isn’t available, so we use the old numbers for Q1-Q3 of each year, but to get the Q4 numbers in 2008-2010, we subtract from the full-year numbers, which causes slight anomalies in Q4 08, Q4 09 and Q4 10.

Estimating Berkshire's Value: 2001 – Q2 2012

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Year End	Investments Per Share	Pre-tax EPS Excluding All Income From Investments[1]	Intrinsic Value Per Share[2]	Subsequent Year Stock Price Range
2001	$47,460	-$1,289	$64,000[3]	$59,600-$78,500
2002	$52,507	$1,479	$70,255	$60,600-$84,700
2003	$62,273	$2,912	$97,217	$81,000-$95,700
2004	$66,967	$3,003	$103,003	$78,800-$92,000
2005	$74,129	$3,600	$117,329	$85,700-$114,200
2006	$80,636	$5,300	$144,236	$107,200-$151,650
2007	$90,343	$5,600	$157,543	$84,000-$147,000
2008	$75,912	$5,727	$121,728	$70,050-$108,100
2009	$91,091	$3,571	$119,659	$97,205-$128,730
2010	$94,730	$7,200	$152,330	$98,952-$131,463
2011	$98,366	$8,000	$162,366	?
Q2 '12	$106,700[3]	$8,600[4]	$175,500	?

1. Unlike Buffett, I include a conservative estimate of normalized earnings from Berkshire's insurance businesses: half of the $2 billion of annual profit over the past nine years.
2. Historically I believe Buffett used a 12 multiple, but given compressed multiples at the end of 2008, I used an 8 rather than a 12 multiple – and to be conservative have continued to use this multiple even as the markets have rebounded.
3. Estimate.
4. Q2 run-rate earnings are approximately $8,000/share plus we add $600/share of insurance earnings.

Berkshire Is 24% Below Intrinsic Value of $175,500, Close to a Multi-Decade Low

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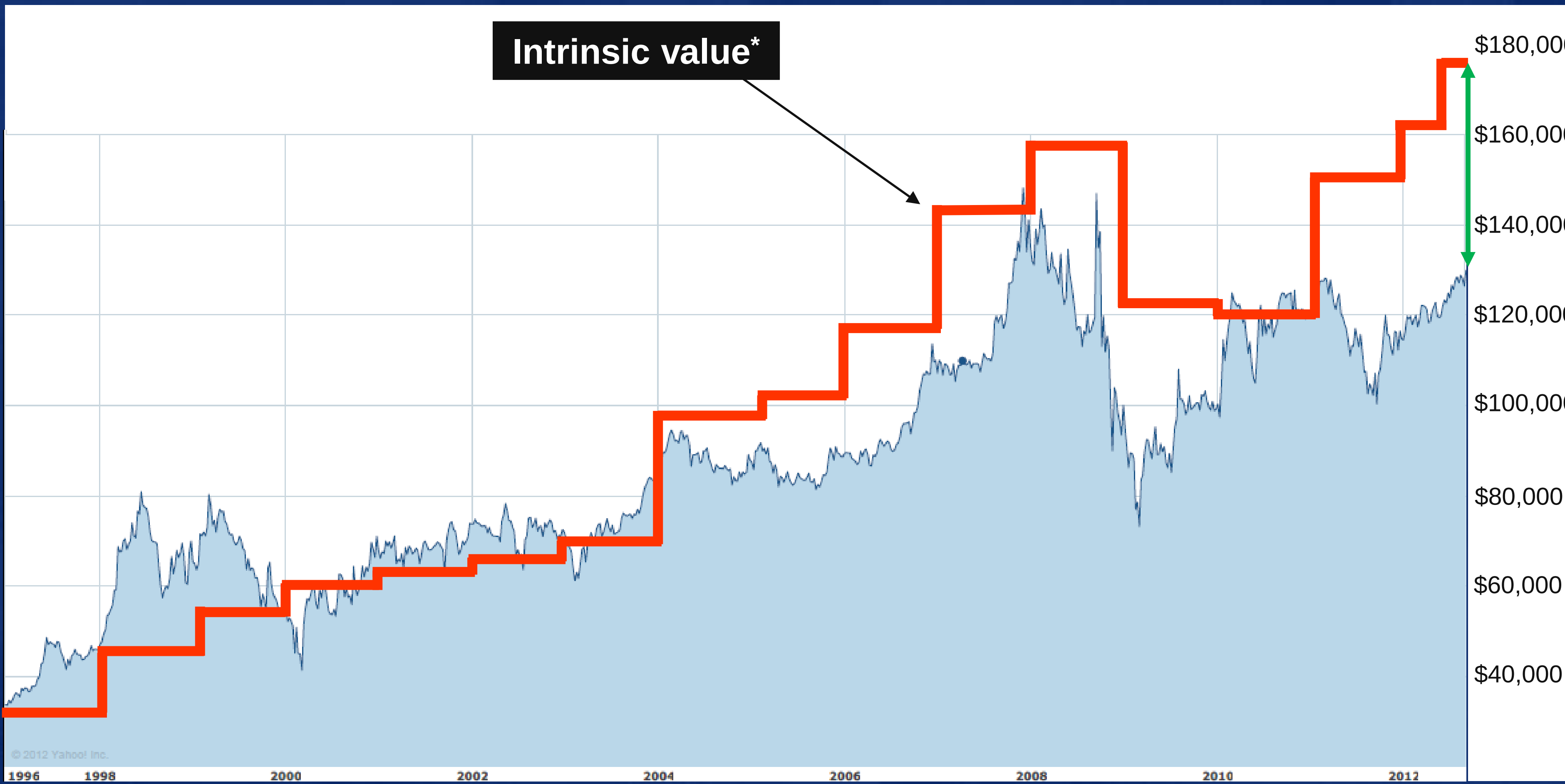

* Investments per share plus 12x pre-tax earnings per share (excluding all income from investments) through 2007, then an 8x multiple thereafter.

Aren't I Concerned About the Uncertainty of Berkshire After Buffett?

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Answer: Not really, for two primary reasons:

1. Buffett isn't going anywhere anytime soon. I think it's at least 80% likely that Buffett will be running Berkshire for five more years, and 50% likely he'll be doing so for 10 more years
   - Buffett turned 82 on Aug. 30th, is in excellent health, and loves his job
   - There are no signs that he is slowing down mentally – in fact, he appears to be getting better with age
   - A life expectancy calculator (http://calculator.livingto100.com) shows that Buffett is likely to live to age 93 (11 more years) – and I'd bet on the over
   - The recent prostate cancer diagnosis does not change his life expectancy
2. The stock is very cheap based on my estimate of intrinsic value, which does not include *any* Buffett premium
   - I simply take investments/share and add the value of the operating businesses, based on a conservative multiple of their normalized earnings
   - The value of the cash and bonds won't change, and Coke, American Express, Burlington Northern, GEICO, etc. will continue to generate robust earnings even after Buffett is no longer running Berkshire

An Analogy with Apple & Steve Jobs

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- The most comparable example of a business that, like Berkshire, is closely associated with its legendary founder and CEO is Apple
  - As Steve Jobs's health began to fail, he assumed fewer day-to-day responsibilities, passing them to top lieutenants
  - Jobs resigned as CEO on Aug. 24, 2011 and died exactly six weeks later
  - Apple's stock on the first trading days after his retirement and death were announced declined less than 1%, as this chart shows:

Conclusion

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- Cheap stock: 76-cent dollar, giving no value to recent investments and immense optionality
- Extremely safe: huge cash and other assets provide intrinsic value downside protection, while the new share repurchase program provides downside protection on the stock
- Strong earnings should eventually act as a catalyst

An Update on Howard Hughes – Visits to Four Properties

T2 Partners LLC

The Howard Hughes Corp.: A Snapshot

T2 Partners LLC

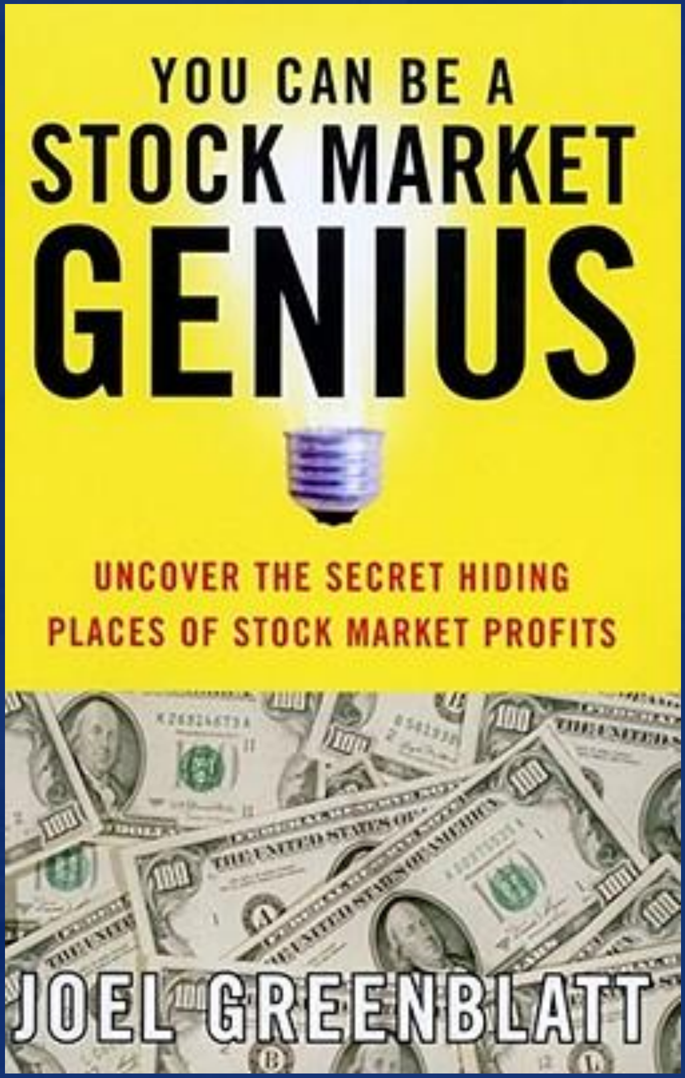
- Howard Hughes owns, manages and develops 34 commercial, residential and mixed-use real estate properties in 18 states
- HHC was spun out of General Growth Properties when it emerged from bankruptcy on November 9, 2010 through the distribution of HHC stock to holders of GGP stock

A Classic Spinoff Situation

T2 Partners LLC

HHC spinoff characteristics

- Spun out of a reorg situation
- Underfollowed by the investment community (research coverage by only one firm)
- Few natural owners for a real estate company that pays no dividend
- 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
- Many value-creating opportunities can be tapped



The Basics

T2 Partners LLC

- Stock price (9/28/12): $71.05
- Basic shares outstanding: 37.9 million
- Market cap: $2.7 billion
- Enterprise value: $3.1 billion
- Options and warrants: 11.7 million
- Cash proceeds if all options and warrants are exercised:
- $573 million
- Adjusted market cap: $3.5 billion
- Adjusted enterprise Value: $3.35 billion
- Adjusted book value per share (6/30/12): $56.96
- P/B: 1.25

World Class Management and Board, With Interests Aligned With Shareholders

- Management and board have a wealth of experience and a superb track record in managing, developing and investing in real estate
- Insiders own close to 50% of stock including warrants
- Bill Ackman of Pershing Square is Chairman
- Personal financial commitment: CEO David Weinreb purchased $15 million of warrants; President Grant Herlitz purchased $2 million 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: Pershing Square (9.4%) and Brookfield (6.4%)

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

Site Visits

T2 Partners LLC

- In July and August, I visited four sites with properties that account for two-thirds of HHC’s book value:
  1. Summerlin (Las Vegas)
  2. The Woodlands (Houston)
  3. Ward Centers (Honolulu)
  4. South Street Seaport (NYC)

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	Remaining Saleable Residential Lots	Sell-Out Date	Carrying Value ($M)
Summerlin	Las Vegas, NV	100.0	22,500	100,000	5,880	891	6,771	38,684	2039	897
Bridgeland	Houston, TX	100.0	11,400	4,750	3,797	1,226	5,023	18,900	2036	393
Maryland	Howard County	100.0	16,450	104,700	2	200	202	28	2020	67
The Woodlands*	Houston, TX	100.0	28,400	101,000	1,164	961	2,125	3,669	2022	246
Total			78,750	310,450	10,843	3,278	14,121	61,281		1,602

* In June 2011, Howard Hughes bought the 47.5% of Woodlands that it didn't own for $117.5 million, thereby valuing the entire MPC at $246 million.

MPC: Summerlin

T2 Partners LLC

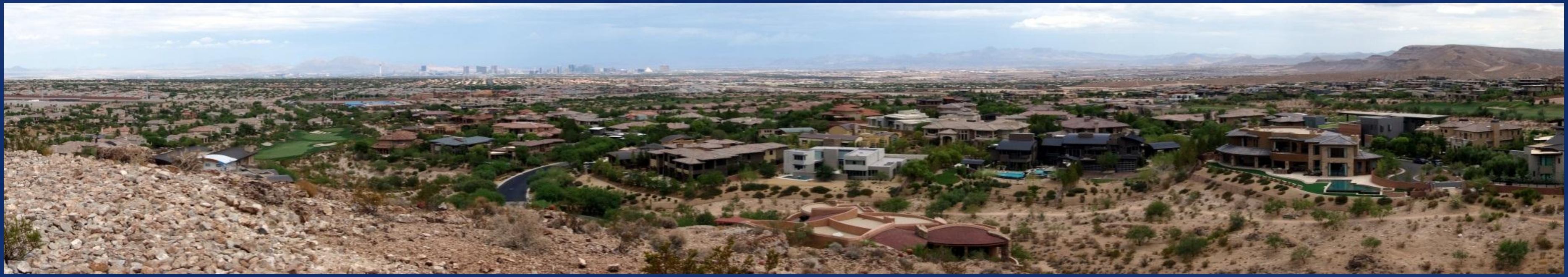
Master Planned Communities

Located in Las Vegas, Summerlin is a 22,500-acre MPC, by far the largest development site in the city. Currently there are ~40,000 homes occupied by ~100,000 residents. As of 12/31/11, Summerlin had ~5,880 residential acres and 891 commercial acres remaining to be sold.

MPC: Summerlin

T2 Partners LLC

Master Planned Communities



MPCs Valuation: Summerlin

T2 Partners LLC

Master Planned Communities

- Summerlin carrying value (12/31/11) = $897M
  - 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 = $897M to $1,500M

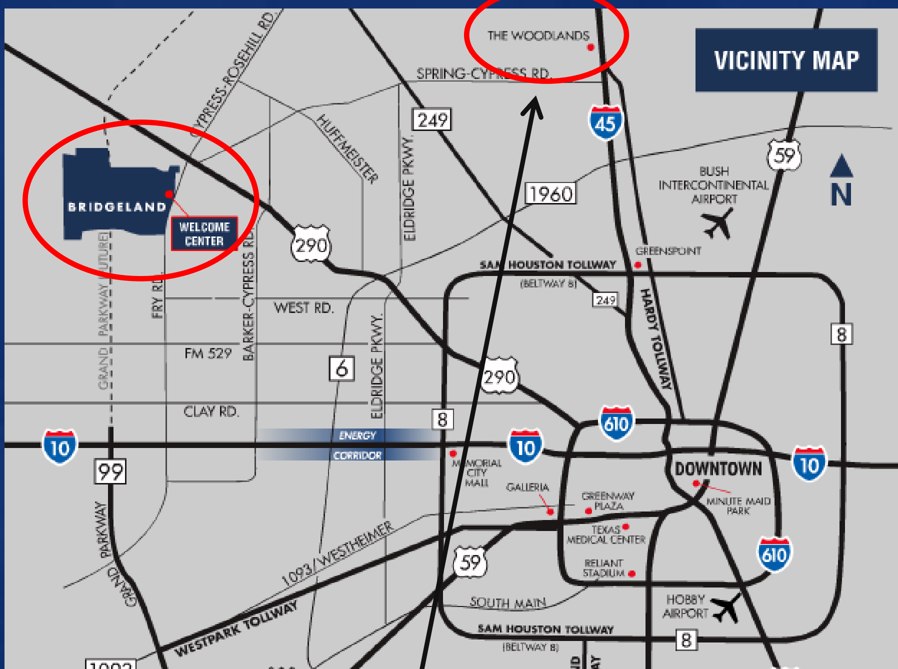
* Based on management estimate of the total value of MPCs of $3.3B as of 12/31/07 (GGP Q3'08 operating supplement)

MPC: The Woodlands

T2 Partners LLC

Master Planned Communities

Located north of Houston, The Woodlands is a well-developed 28,400-acre MPC. Currently there are more than 20,000 homes occupied by ~101,000 residents. As of Dec. 31, 2011, The Woodlands had 3,669 residential lots and 961 commercial acres remaining to be sold.



Exxon is building a new 385-acre corporate campus just south of The Woodlands

MPC: The Woodlands

Master Planned Communities

Operating Asset Portfolio

T2 Partners LLC

Opportunity to redevelop or reposition these assets over time

Operating assets

Property	Location	Existing GLA (sq ft)	Size (Acres)	2011 NOI ($M)	Net book value ($M)	Description
Ward Centers	Honolulu, HI	1,004,781	60	21.5	348.8	Entertainment retail complex and future mixed use development
Park West	Peoria, AZ	249,168	48	0.6	79.6	Entertainment retail complex and future mixed use development
Landmark Mall	Alexandria, VA	440,325	22	0.7	23.8	Retail complex and future major mixed use development
20/25 Waterw ay Ave.	The Woodlands, TX	49,972	1	1.3	12.2	Tw o retail properties in The Woodlands Tow n Center
Riverw alk Marketplace	New Orleans, LA	193,874	11	0.4	12.0	Shopping Center
Rio West Mall	Gallup, NM	333,077	50	1.3	11.0	Shopping Center
Waterw ay Garage Retail	The Woodlands, TX	21,260	--	0.0	9.4	Attached to The Waterw ay Sq. Garage in Woodlands Tow n Ctr
South Street Seaport	New York, NY	301,086	11	5.7	5.9	Retail space and future mixed use development
Cottonw ood Square	Salt Lake City, UT	77,079	21	0.4	5.1	Community Center
Total		**2,670,622**	**224**	**31.9**	**507.8**	

- Like the MPCs, the operating assets are difficult to value but our analysis indicates that the carrying value significantly understates the true value of these assets

Assets	Economic Ownership	Property Type	Sq. ft./Keys	% Leased	Net book value ($M)
4 Waterw ay Sq.	100%	Office	218,551	98.8%	59.0
The Woodlands Resort & Conf. Ctr.	100%	Hotel	440 keys		47.8
Columbia Office Properties	100%	Office	300,000	89.3%	29.5
110 N. Wacker (Chicago)	100%	Office	226,000	100.0%	23.6
Millennium Waterw ay Apartments	84%	Apartments	393 keys	95.0%	22.0
The Club at Carlton Woods	100%	Country Club	36 holes		14.6
9303 New Trails	100%	Office	97,705	100.0%	14.5
Forest View /Timbermill Apartments	50%	Apartments	472 keys	94.5%	11.7
1400 Woodloch Forest	100%	Office	95,667	98.1%	11.6
Head Acquisition (Hexalon)	1%	Retail			5.4
Summerlin Hospital Medical Center	7%	Hospital			4.1
2201 Lake Woodlands Dr.	100%	Office	24,024	100.0%	4.0
Stew art Title of Montgomery Co.	50%	Title Company			3.6
The Woodlands Parking Garages	100%	Garage	2,988 spaces		3.3
Woodlands Sarofim #1 Ltd.	20%	Industrial	132,050	93.0%	2.5
Arizona 2 Office Lease	100%	Note			n.a.
Golf Courses at Summerlin & TPC LV	Participation	Golf			2.3
Total					**259.5**

Operating Asset: Ward Centers

T2 Partners LLC

Operating assets

- 60 acres located near Waikiki, Hawaii that consists of a shopping district and a 16-screen movie theater
- Currently has over 1 million square feet of leasable space and generated $21.5 million of NOI in 2011
- In 2009, the Hawaii Community Development Authority approved a plan for a residential and commercial development encompassing up to 9.3 million sq. ft., including up to 7.6 million for residential

Operating Asset: Ward Centers

T2 Partners LLC

Operating assets

The view from Ward Centers toward Waikiki

The view of the Ward Centers property

Operating Asset: Ward Centers

T2 Partners LLC

Operating assets

A model of what Ward Centers might look like someday

Comparables to Consider When Thinking About Ward's Potential Value

Operating assets

- In June 2007, land adjacent to Ward Centers sold for $18 million per acre (Ward Centers is 60 acres)
- The nearby Ala Moana Center is one of the most profitable malls in America with sales per square foot of greater than $1,100
- Performing a DCF to estimate the present value of the property, we arrive at a range of $800-1,600M versus the current carrying value of $349M

South Street Seaport

T2 Partners LLC

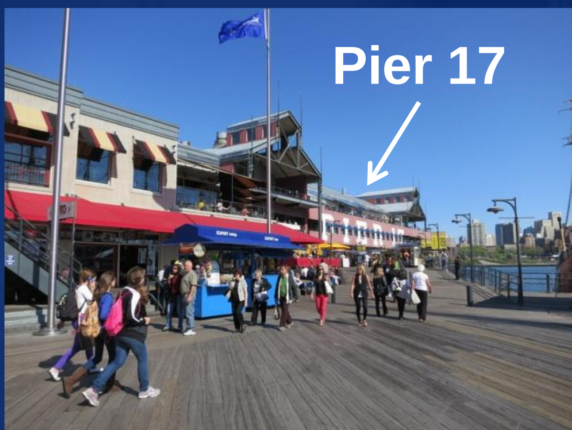
Operating assets

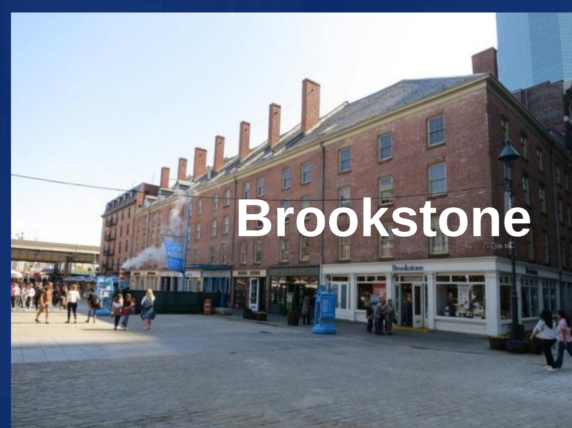
- Three historic buildings and a pavilion shopping mall, located on the East River in lower Manhattan
- One of the top five most visited sites in New York City (and 26th in the world)
- An 11-acre site, portions of which are master leased by Howard Hughes from the City of New York on a long term basis. Howard Hughes manages 301,086 square feet of gross leaseable area, which generated $5.65 million of NOI in 2011 and is carried on HHC's books at $5.9 million
- A major redevelopment is underway that is expected to include hotels, restaurants, residential towers, and retail and entertainment space
- Performing a DCF to estimate present value of a potential future development, we arrive at $150-300M versus the current carrying value of $6M

South Street Seaport: Snapshots

T2 Partners LLC

Operating assets





Howard Hughes Has Reached a Deal With the NYC Economic Development Corporation to Redevelop Pier 17

T2 Partners LLC

Operating assets

The new design is spectacular:

- A concert hall (part enclosed, part open air) on the roof with a bar/restaurant and areas to relax
- The largest available contiguous retail space in Lower Manhattan
- Glass walls that can be lowered to enclose the ground level during inclement weather
- Design creates significantly more leasable area than in the existing building
- Rents will be significantly higher than the current $68/sq. ft.

The Views From the Roof Are Spectacular

T2 Partners LLC

Operating assets

South Street Seaport Will Likely Benefit from Significant Development Occurring Nearby

T2 Partners LLC

Operating assets

The Freedom Tower and Ground Zero are a short walk away

A new Gehry-designed apartment building just opened nearby

There Are Additional Buildings on the Site That Might be Renovated/Redeveloped Over Time

T2 Partners LLC

Operating assets

Strategic Development Asset Portfolio

T2 Partners LLC

Strategic Developments

Property	Location	Size (Acres)	Gross carrying value ($M)	Description
The Shops at Summerlin Centre	Las Vegas, NV	106	35.8	Construction began for a retail and office complex in 2008 but was halted; site plans are being evaluated
AllenTowne	Allen, TX	238	25.4	Evaluating potential future plans for this land
Ala Moana Condo Project	Honolulu, HI	-	22.9	Air rights to develop a residential condominium tower
West Windsor	Princeton, NJ	658	20.7	Zoning and feasibility study of the site being conducted
Cottonwood Mall	Holladay, UT	54	19.6	Development commenced in 2008 for major mixed-use redevelopment; site plans being evaluated
Circle T Ranch and Power Ctr	Dallas/Ft. Worth,	279	18.0	Vacant land; 50% joint ownership with a local developer
Kendall Town Center	Kendall, FL	75	17.5	Site located 18 miles Southwest of downtown Miami; site plans being evaluated
Bridges at Mint Hill	Charlotte, NC	162	12.6	Vacant land zoned for ~1M sq feet of mixed use development
Village at Redlands	Redlands, CA	5	6.8	Single level shopping center; site pland being evaluated
Elk Grove Promenade	Elk Grove, CA	100	5.5	Planned for a 1.1M sq ft retail complex in 2007; site plans currently being evaluated
Century Plaza	Birmingham, AL	63	4.5	Site plans being evaluated
Columbia Parcel D	Columbia, MD	4	3.0	JV to build a Class A apartment building with ground floor retail space
Redlands Promenade	Redlands, CA	10	2.8	Site is entitled to a 125K sq ft retail development
Alameda Plaza	Pocatello, ID	22	2.3	Primarily vacant retail space; site plans being evaluated
Lakemoor (Volo) Land	Lakemoor, IL	40	0.3	Vacant land parcel; no immediate plans
3 Waterway Square	Houston, TX	0.8	0.2	New 9-story office building in The Woodlands Town Center
Nouvelle at Natick	Natick, MA	-	0.1	Luxury condo community with 215 residences, of which 159 units have been sold
Maui Ranch Land	Maui, HI	10	-	Land currently zoned for native vegetation
Fashion Show Air Rights	Las Vegas, NV	-	-	80% ownership of the air rights above the Fashion Show Mall; no developments expected before 2017
Total		**1,827**	**198.0**	

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

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

The best approach is to use multiple valuation methodologies and come up with a range of probable values

Putting It All Together

T2 Partners LLC

Valuation ($M)		
Assets	**Low**	**High**
Master Planned Communities	1,350	2,300
Operating Assets	1,450	2,650
Strategic Developments	500	1,200
Total	**3,300**	**6,150**
Cash*	628	628
Debt	606	606
NAV	3,322	6,172
Per share	**$67**	**$125**

- We arrive at a range of values of $67 to $125 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

- Development announcements
- Asset/land sales
- Hidden assets uncovered
- Housing market begins to recover, especially in Las Vegas
- More 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

- Undervalued, high-quality real estate assets in premier locations
- 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

Appendix A:
Additional Berkshire Hathaway Slides

T2 Partners LLC

Berkshire Hathaway: A High-Quality, Growing 76-Cent Dollar

History

- Berkshire Hathaway today does not resemble the company that Buffett bought into during the 1960s
- Berkshire was a leading New England-based textile company, with investment appeal as a classic Ben Graham-style “net-net”
- Buffett took control of Berkshire on May 10, 1965
- At that time, Berkshire had a market value of about $18 million and shareholder's equity of about $22 million

Earnings of Non-Insurance Businesses Have Soared Thanks to Burlington Northern and the Economic Rebound

T2 Partners LLC

Earnings before taxes*	2004	2005	2006	2007	2008	2009	2010	2011
Insurance Group:								
GEICO	970	1,221	1,314	1,113	916	649	1,117	576
General Re	3	-334	523	555	342	477	452	144
Berkshire Reinsurance Group	417	-1,069	1,658	1,427	1,222	250	176	-714
Berkshire H. Primary Group	161	235	340	279	210	84	268	242
Investment Income	2,824	3,480	4,316	4,758	4,896	5,459	5,145	4,725
Total Insurance Oper. Inc.	**4,375**	**3,533**	**8,151**	**8,132**	**7,586**	**6,919**	**7,158**	**4,973**
Non-Insurance Businesses:								
Burlington Northern Santa Fe							3,611	4,741
Finance and Financial products	584	822	1,157	1,006	771	653	689	774
Marmon					733	686	813	992
McLane Company	228	217	229	232	276	344	369	370
MidAmerican/Utilities/Energy	237	523	1,476	1,774	2,963	1,528	1,539	1,659
Other Businesses	2,253	2,406	3,297	3,279	2,809	884	3,092	3,675
Total Non-Insur. Oper. Inc.	**3,302**	**3,968**	**6,159**	**6,291**	**7,552**	**4,095**	**10,113**	**12,211**
Total Operating Income	**7,677**	**7,501**	**14,310**	**14,423**	**15,138**	**11,014**	**17,271**	**17,184**

* In 2010, Berkshire changed this table from “Earnings before income taxes, noncontrolling interests and equity method earnings” to “Earnings before income taxes”. Thus, 2008-2011 reflect the new numbers, and all prior years reflect the old ones.

Berkshire Is Becoming Less of an Investment Company and More of an Operating Business

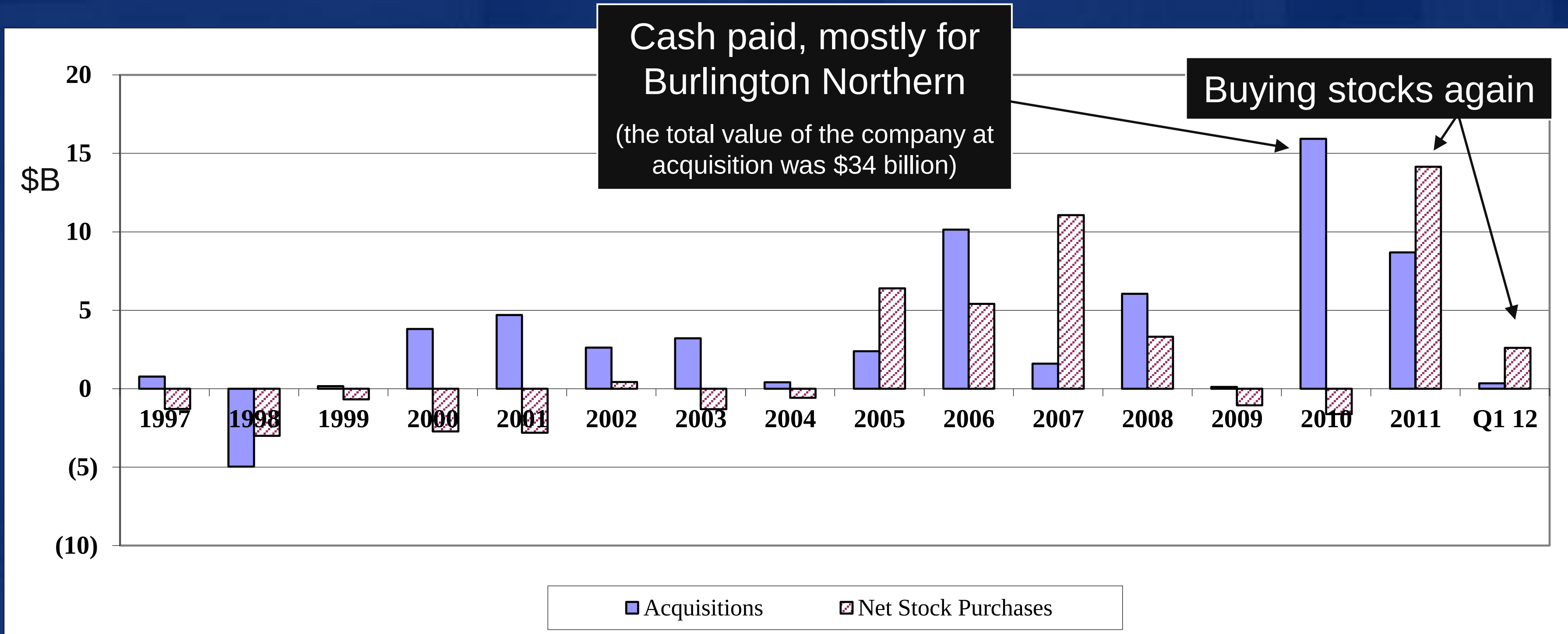
T2 Partners LLC

Yearend	*Per-Share Investments*	*Period*	*Compounded Annual Increase in Per-Share Investments*
1970	$ 66		
1980	754	1970-1980	27.5%
1990	7,798	1980-1990	26.3%
2000	50,229	1990-2000	20.5%
2010	94,730	2000-2010	6.6%

Year	*Per-Share Pre-Tax Earnings*	*Period*	*Compounded Annual Increase in Per-Share Pre-Tax Earnings*
1970	$ 2.87		
1980	19.01	1970-1980	20.8%
1990	102.58	1980-1990	18.4%
2000	918.66	1990-2000	24.5%
2010	5,926.04	2000-2010	20.5%

Source: 2010 annual letter.

After a Two-Year Hiatus, Berkshire Is Buying Stocks Again



- Buffett is doing a good job investing – but the cash is coming in so fast!
  - A high-class problem
- Markets have a way of presenting big opportunities on short notice
  - Chaos in 2008, junk bonds in 2002
  - Buffett has reduced average maturity of bond portfolio so he can act quickly

Buffett Invested Large Amounts of Capital During the Downturn in 2008

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Investment/Commitment	Amount (Bn)	Comment
Mars/Wrigley	$6.5	
Auction rate securities	$6.5	Q2 event; sold much in Q3
Goldman Sachs	$5.0	Plus $5B to exercise warrants
Constellation Energy stock and preferred	$5.7	Sold for a $1.1B gain incl. breakup fee
Marmon	$4.5	The remaining 34.6% not owned by BRK will be purchased from 2011-14
General stock purchases	$3.3	Full year; net of sales
Dow/Rohm & Haas	$3.0	
General Electric	$3.0	Plus $3B to exercise warrants
Fed. Home Loan Disc. Notes	$2.4	Q2 event; sold much in Q3
Tungaloy	$1.0	Iscar acquisition
Swiss Re unit	$0.8	Plus sharing agreement
ING reinsurance unit	$0.4	
Other businesses purchased	$3.9	
TOTAL	**$46.0**	Plus $8B to exercise GS & GE warrants

Note: Does not include capital committed to Berkshire's new bond insurance business, Berkshire Assurance

Valuing Berkshire

T2 Partners LLC

"Over the years we've…attempt[ed] to increase our marketable investments in wonderful businesses, while simultaneously trying to buy similar businesses in their entirety." – 1995 Annual Letter

"In our last two annual reports, we furnished you a table that Charlie and I believe is central to estimating Berkshire's intrinsic value. In the updated version of that table, which follows, we trace our two key components of value. The first column lists our per-share ownership of investments (including cash and equivalents) and the second column shows our per-share earnings from Berkshire's operating businesses before taxes and purchase-accounting adjustments, but after all interest and corporate expenses. The second column excludes all dividends, interest and capital gains that we realized from the investments presented in the first column." – 1997 Annual Letter

Year	Investments Per Share	Pre-tax Earnings Per Share Excluding All Income from Investments
1967	$ 41	$ 1.09
1977	372	12.44
1987	3,910	108.14
1997	38,043	717.82

"In effect, the columns show what Berkshire would look like were it split into two parts, with one entity holding our investments and the other operating all of our businesses and bearing all corporate costs." – 1997 Annual Letter

Buffett's Comments on Berkshire's Valuation Lead to an Implied Multiplier of Approximately 12

T2 Partners LLC

Year	Investments Per Share	Pre-tax EPS Excluding All Income From Investments	Year-End Stock Price	Intrinsic Value	Implied Multiplier
1996	$28,500	$421	$34,100	$34,100	13
1997	$38,043	$718	$46,000	$46,000	11
1998	$47,647	$474	$70,000	$54,000	13
1999	$47,339	-$458	$56,100	$60,000	

- 1996 Annual Letter: "Today's price/value relationship is both much different from what it was a year ago and, as Charlie and I see it, more appropriate."
- 1997 Annual Letter: "Berkshire's intrinsic value grew at nearly the same pace as book value" (book +34.1%)
- 1998 Annual Letter: "Though Berkshire's intrinsic value grew very substantially in 1998, the gain fell well short of the 48.3% recorded for book value." (Assume a 15-20% increase in intrinsic value.)
- 1999 Annual Letter: "A repurchase of, say, 2% of a company's shares at a 25% discount from per-share intrinsic value...We will not repurchase shares unless we believe Berkshire stock is selling well below intrinsic value, conservatively calculated...Recently, when the A shares fell below $45,000, we considered making repurchases."

12-Month Investment Return

- Current intrinsic value: $175,500/share
- Plus 8% growth of intrinsic value of the business
- Plus cash build over next 12 months: $7,000/share
- Equals intrinsic value in one year of $196,500
- 48% above today's price

Catalysts

- Continued earnings growth of operating businesses
- New equity investments
- Additional cash build
- Meaningful share repurchases (if the stock fell to under 1.1x book)
- Eventually, Berkshire could win back a AAA rating (not likely in the near term)
- Potential for more meaningful acquisitions and investments
  - If there’s a double-dip recession, this becomes more likely
  - Buffett disclosed at the 2012 annual meeting that Berkshire came very close to consummating a $22 billion acquisition

Berkshire's New Share Repurchase Program

T2 Partners LLC

- On September 26th, 2011, Berkshire announced the first formal share repurchase program in Berkshire's history, and only the second time Buffett has ever offered to buy back stock
- It's unusual in three ways:
  1. There's no time limit
  2. There's no dollar cap
  3. Buffett set a price: "…no higher than a 10% premium over the then-current book value of the shares. In the opinion of our Board and management, the underlying businesses of Berkshire are worth considerably more than this amount…"
- Book value per share at the end of Q2 '12 was $107,377 ($71.58/B share)
- Thus, a 10% premium means that Buffett is willing to buy back stock up to $118,114 ($78.74/B share), 11% below today's price

The Share Repurchase Program Has Significantly Improved the Risk-Reward Equation, So We Bought More Stock

T2 Partners LLC

- It confirms that Buffett shares our belief that Berkshire stock is deeply undervalued
  - He wouldn't be buying it back at a 10% premium to book value if he thought its intrinsic value was, say, 20% or even 30% above book
  - Our estimate is $175,500/share, 32% above today's levels
- Buffett put a floor on the stock: he was clear in numerous interviews after the program was announced that he is eager to buy back *a lot* of stock – and he has plenty of dry powder to do so:
  - Berkshire has $36.8 billion of cash (excluding railroads, utilities, energy, finance and financial products), plus another $30.5 billion in bonds (nearly all of which are short-term, cash equivalents), which totals $67.3 billion
  - On top of this, the company generated more than $12.3 billion in free cash flow in 2011 – in other words, more than $1 billion/month is pouring into Omaha
  - The press release notes that "repurchases will not be made if they would reduce Berkshire's consolidated cash equivalent holdings below $20 billion," so that leaves $47 billion to deploy (and growing by more than $1 billion/month), equal to 21% of the company's current market cap
    - It's unlikely, however, that Buffett would repurchase anything close to this amount, as some of the cash and bonds are held at various insurance subsidiaries, plus Buffett likely wants to keep plenty of dry powder to make acquisitions and investments like the recent $5 billion one into Bank of America
  - In summary, Buffett could easily buy back $10-20 billion of stock *and* still have plenty of dry powder for other investments

Berkshire Stock Outperformed the S&P 500 by 83 Percentage Points in the Year After the Only Other Time Buffett Offered to Buy Back Stock

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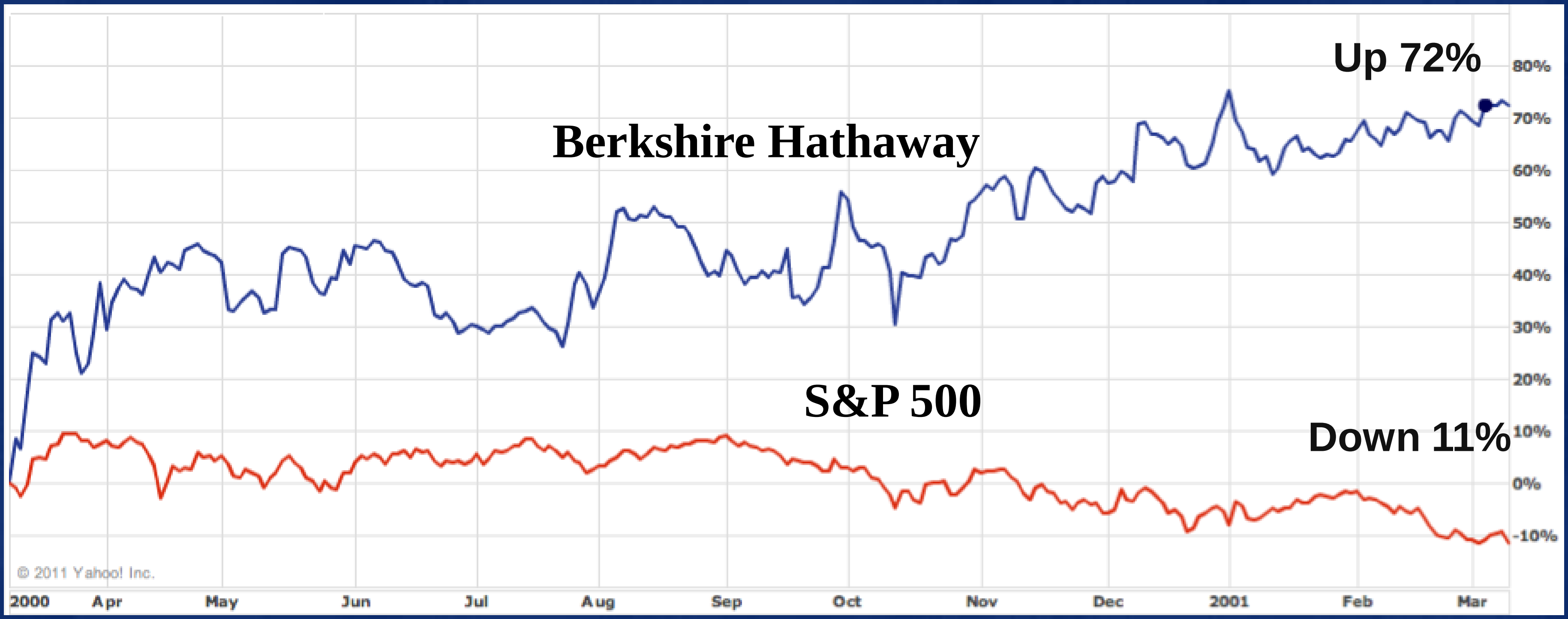
March 11, 2000 – March 11, 2001



Risk: Who Will Replace Buffett?

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- When Buffett is no longer running Berkshire, his job will be split into two parts: one CEO, who has not been named, and a small number of CIOs (Chief Investment Officers)
  - A CEO successor (and two backups) have been identified, but not publicly named
  - Two CIOs have been named already, Todd Combs and Ted Weschler, both of whom are excellent investors
- Nevertheless, Buffett is irreplaceable and it will be a significant loss when he no longer runs Berkshire for a number of reasons:
  - There is no investor with Buffett's experience, wisdom and track record, so his successors' decisions regarding the purchases of both stocks and entire business might not be as good
  - Most of the 75+ managers of Berkshire's operating subsidiaries are wealthy and don't need to work, but nevertheless work extremely hard and almost never leave thanks to Buffett's "halo" and superb managerial skills. Will this remain the case under his successors?
  - Buffett's reputation is unrivaled so he is offered deals (such as the recent $5 billion investment in BofA) on terms that are not offered to any other investor – and might not be offered to his successors
  - Being offered investment opportunities on terms/prices not available to anyone else also applies to buying companies outright. There's a high degree of prestige in selling one's business to Buffett (above and beyond the advantages of selling to Berkshire). For example, the owners of Iscar could surely have gotten a higher price had they taken the business public or sold it to an LBO firm
  - Buffett's Rolodex is unrivaled, so he gets calls (and can make calls that get returned) that his successors might not

Why Doesn't Buffett Identify His Successor Now?

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We think it's wise that Buffett hasn't named his successor for two reasons:

1. It would place enormous pressure and expectations on this person, which is unnecessary and counterproductive;
2. It might be demotivating for the candidates who were not chosen; and
3. Who knows what will happen between now and the time that a successor takes over (which could be more than a decade)?
   - Maybe the current designee falls ill, leaves Berkshire, performs poorly, or makes a terrible mistake (as Sokol did)?
   - Or what if another candidate (perhaps one of the two backup successors today) performs incredibly well, or Berkshire acquires a business with a fantastic CEO, and Buffett and the board decide that another candidate is better?
   - In either case, Buffett and the board will be able to switch their choice without the second-guessing and media circus that would occur if the successor had been named

The Real Buffett Risk

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- Buffett is often asked (as are we): "What would happen to the company (and stock) if you got hit by a bus (i.e., die suddenly)?
  - If it happened tomorrow, our best guess is that the stock would fall 10-15% (which would give Berkshire the opportunity to buy back a lot of stock if it was trading below 110% of book value)
  - But this isn't likely. Not to be morbid, but most people don't die suddenly from something like an accident or heart attack, but rather die slowly: their bodies (and sometimes minds) break down gradually
  - A far greater risk to Berkshire shareholders is that Buffett begins to lose it mentally and starts making bad investment decisions, but doesn't recognize it (or refuses to acknowledge it because he loves his work so much) and the board won't "take away the keys", perhaps rationalizing that a diminished Buffett is still better than anyone else
  - Buffett is aware of this risk and has instructed Berkshire's board members, both publicly and privately, that their most important job is to "take away the keys" if they see him losing it
  - We trust that both Buffett and the board will act rationally, but also view it as our job to independently observe and evaluate Buffett to make sure we're comfortable that he's still at the top of his game. Today, we think he's never been better.

Other Risks

- A double-dip recession impacts Berkshire's earnings materially
- No catalyst occurs, so the stock sits there and doesn't go up
  - Intrinsic value will likely continue to grow nicely
- Berkshire's stock portfolio declines
- Losses in the shorter-duration derivatives such as credit-default swaps are larger than expected and/or mark-to-market losses mount among the equity index puts
- A major super-cat event occurs that costs Berkshire many billions
- Berkshire is downgraded

Appendix B:
Additional Howard Hughes Slides

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MPC: Bridgeland

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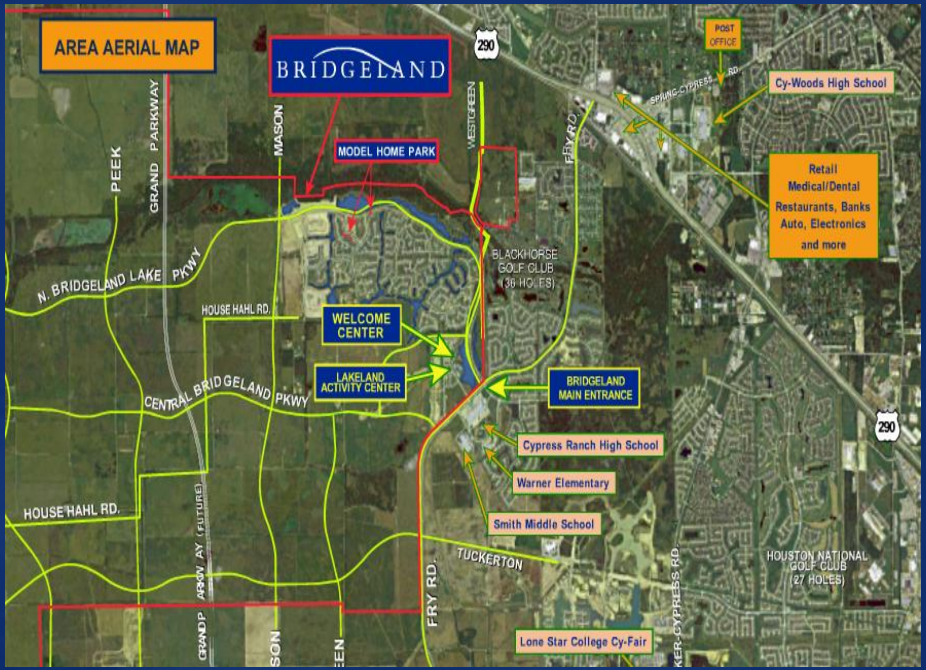
Master Planned Communities

Located near Houston, Bridgeland is an 11,400-acre MPC consisting of planned and developed areas. Currently there are ~1,000 homes occupied by ~5,000 residents. As of Dec. 31, 2011, Bridgeland had 18,900 residential lots and 1,200 commercial acres remaining to be sold.



MPC: Bridgeland

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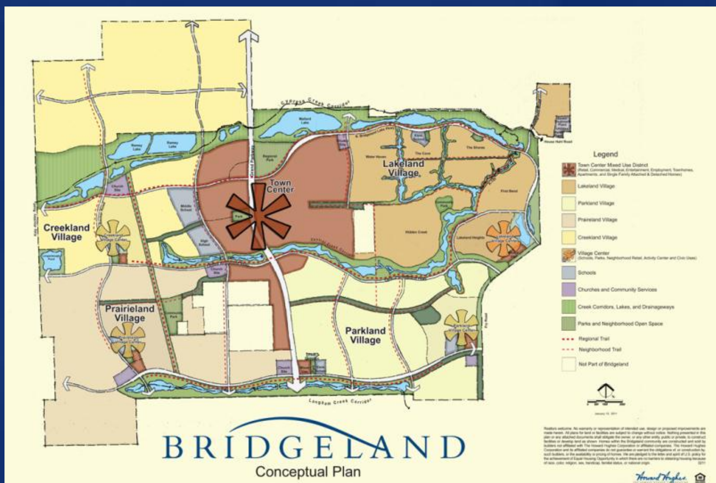
Master Planned Communities



Landmark Mall

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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 $24M

Strategic Development Assets

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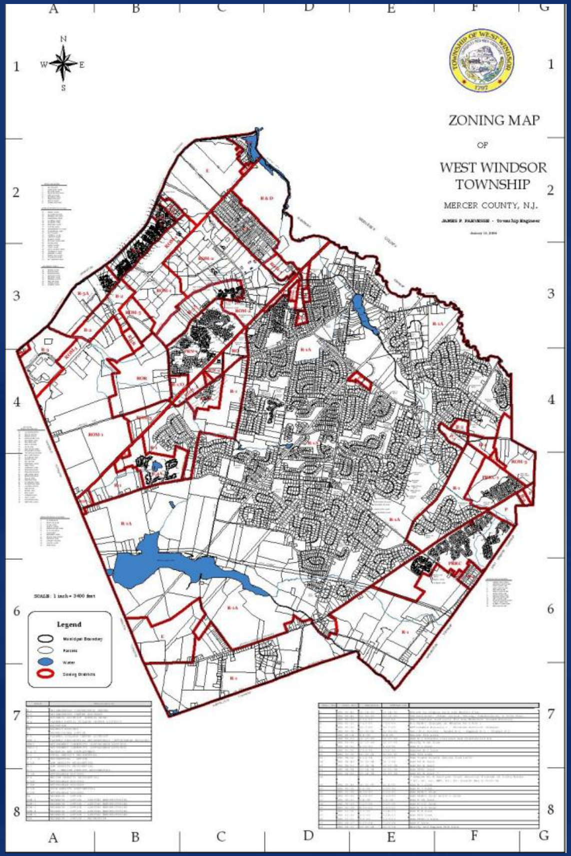
Strategic Developments

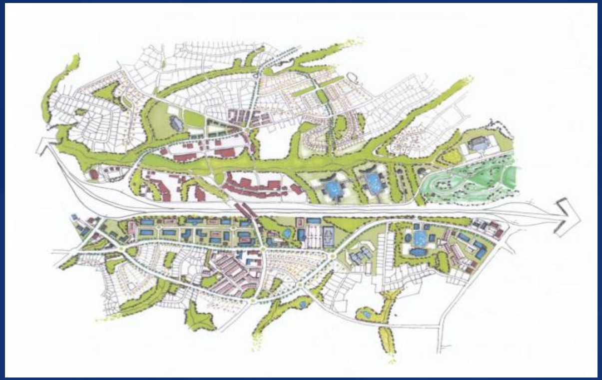
- The strategic development assets consist of near, medium and long-term real estate development projects. They mostly require significant future development to extract maximum value. Management is in the process of creating strategic plans for each of these assets

West Windsor, NJ



Ala Moana Tower Condo Project, HI

Bridges at Mint Hill, NC



…Fashion Show Air Rights

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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!