



Macerich Announces Second Quarter Results

August 12, 2002

SANTA MONICA, Calif., Aug 12, 2002 /PRNewsire-FirstCall via Comtex/ -- The Macerich Company (NYSE: MAC) today announced results of operations for the quarter and six months ended June 30, 2002 which included funds from operations ("FFO") per share - diluted increasing to \$.67 from \$.66 for the second quarter of 2001 and FFO per share - diluted for the six months ended June 30, 2002 increasing to \$1.37 compared to \$1.31 for the comparable period in 2001.

Net income to common stockholders for the six months ended June 30, 2002 was \$16.1 million or \$.45 per share compared to \$13.2 million or \$.39 per share for the six months ended June 30, 2001. Net loss to common stockholders for the three months ended June 30, 2002 was \$1.277 million, or (\$.04) per share compared to net income of \$6.8 million or \$.20 per share for the three months ended June 30, 2001. These results include the second quarter write-off of the Company's investment in MerchantWired.

During the quarter fundamentals improved:

- Macerich signed 225,000 square feet of specialty store leases at average initial rents of \$35.74 per square foot. First year rents on mall and freestanding store leases signed during the quarter were 31% higher than expiring rents on a comparable space basis.
- Portfolio occupancy increased to 92.9% up from 92.4% at June 30, 2001.
- Total tenant sales for the quarter ended June 30, 2002 were up 2.9% compared to the second quarter of 2001.

Commenting on results and recent events, Arthur Coppola, President and Chief Executive Officer of Macerich stated, "The quarter was highlighted by our acquisition of The Oaks, in Thousand Oaks, California and our agreement to acquire Westcor. Adding The Oaks and Westcor significantly upgrades our portfolio in terms of sales productivity, market dominance and from a human capital viewpoint the integration of the talented Westcor development and operating team further strengthens our stellar Macerich organization. The Westcor portfolio, plus The Oaks, will significantly expand our platform for growth in the Western United States."

Acquisition Activity

The Oaks-

On June 12, 2002, the Company announced the acquisition of The Oaks, a 1.1 million square foot super regional mall in Thousand Oaks. The mall has annual tenant shop sales of \$437 per square foot and is anchored by Macy's, Macy's Men and Home Store, JC Penney, Robinsons-May and Robinsons-May Men's and Home Store. The purchase price was \$152.5 million and was funded by a \$108 million mortgage bearing interest at LIBOR plus 1.15%, plus cash and borrowings under the Company's line of credit.

Westcor-

On July 26, 2002, the Company completed the acquisition of Westcor Realty Limited Partnership and its affiliated entities ("Westcor"). The purchase price was \$1.475 billion including the assumption of \$733 million of debt and the issuance of approximately \$72 million of convertible preferred operating partnership units at a price of \$36.55. The balance of the purchase price was paid in cash which was provided primarily from a \$380 million interim loan with a term of up to 18 months bearing interest at an average rate of LIBOR plus 3.25% and a \$250 million term loan with a maturity of up to five years with an interest rate ranging from LIBOR plus 2.75% to LIBOR plus 3.00% depending on the Company's overall leverage.

The assets acquired include some of the leading retail assets in the country, including Scottsdale Fashion Square and Chandler Fashion Center in the Phoenix area and Flatiron Crossing in Colorado's Denver-Boulder area. The gross leasable area in the Westcor portfolio totals 15.6 million square feet. In addition, the Westcor portfolio includes two retail properties in Arizona that recently broke ground, as well as option rights for over 1,000 acres of valuable, well-situated undeveloped land.

Redevelopment Activity

At Queens Center the redevelopment and expansion continued with the ground breaking in June. The project will increase the size of the center from 620,000 square feet to approximately 1 million square feet. Completion is estimated in phases through late 2004.

At Lakewood Center Target commenced the demolition of the former Montgomery Wards location. Target plans to build a two-level Target store with a fall 2003 opening.

Bon Marche began construction of a new department store at Redmond Town Center.

At Southern Hills Mall, construction commenced for the addition of a new 60,000 square foot Scheel's Sporting goods Store scheduled to open in March 2003.

Financing Activity

Concurrent with the closing of Westcor, the Company replaced its \$200 million line of credit with a new \$425 million revolving line of credit. This increased line of credit has a three-year term plus a one-year extension. The interest rate fluctuates from LIBOR plus 1.75% to LIBOR plus 3.00% depending on the Company's overall leverage level. At closing the interest rate was 4.82%.

The Company is writing off its remaining investment in Merchant Wired of \$8.9 million which is reflected in the net loss from unconsolidated entities on the Company's statement of operations.

2002 Earnings Estimates

The Company previously provided year 2002 FFO per share guidance in the range of \$3.11 to \$3.18. The Company is currently revising guidance upward to a range of \$3.14 to \$3.25.

Accounting for Stock Options

Effective January 1, 2002, the Company will be expensing the fair value of stock options granted under the Company's employee and director stock incentive plans. The Company will record the expense over the option vesting period, using the fair value at the date of the grant. The Company currently expects the impact to be approximately \$.01 per share for 2002.

The Macerich Company is a fully integrated self-managed and self-administered real estate investment trust, which focuses on the acquisition, leasing, management and redevelopment of regional malls and community centers throughout the United States. The Company is the sole general partner and owns a 78% ownership interest in The Macerich Partnership, L.P. Macerich now owns interests in 56 regional malls and 21 community centers totaling approximately 58 million square feet. Additional information about The Macerich Company can be obtained from the Company's web site at www.macerich.com.

Investor Conference Call

The Company will provide an online Web simulcast and rebroadcast of its quarterly earnings conference call. The call will be available on The Macerich Company's website at www.macerich.com, through Vcall at www.vcall.com, and CCBN at www.ccbn.com. The call begins today, August 12, 2002 at 10:30 AM Pacific Time. To listen to the call, please go to any of these web sites at least 15 minutes prior to the call in order to register and download audio software if needed. An online replay will be available for 90 days after the call.

Note:

This release contains statements that constitute forward-looking statements. Stockholders are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company to vary materially from those anticipated, expected or projected. Such factors include, among others, general industry, economic and business conditions, which will, among other things, affect demand for retail space or retail goods, availability and creditworthiness of current and prospective tenants, tenant bankruptcies, lease rates and terms, availability and cost of financing and operating expenses; adverse changes in the real estate markets including, among other things, competition from other companies, retail formats and technology, risks of real estate development and redevelopment, acquisitions and dispositions; governmental actions and initiatives; environmental and safety requirements; and terrorist activities which could adversely affect all of the above factors. The reader is directed to the Company's various filings with the Securities and Exchange Commission, for a discussion of such risks and uncertainties.

THE MACERICH COMPANY FINANCIAL HIGHLIGHTS (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Results before SFAS 144		Impact of SFAS 144	
Results of Operations:	For the Three Months Ended June 30		For the Three Months Ended June 30	
	Unaudited			
	2002	2001	2002	2001
Minimum Rents	49,597	49,553	(10)	(548)
Percentage Rents	991	1,140	--	(35)
Tenant Recoveries	26,313	27,364	--	(90)
Other Income	2,217	2,634	--	(5)
Total Revenues	79,118	80,691	(10)	(678)
Shopping center and operating expenses (c)	27,660	27,825	(6)	(149)
Depreciation and amortization	17,126	16,387		(87)
General, administrative and other expenses	2,012	1,832		
Interest expense	25,036	27,497		
Gain (loss) on sale or writedown of assets	(3,041)	132	508	
Pro rata income (loss) of unconsolidated entities (c)	(900)	6,625		
Income before minority interest & extraordinary				

items	3,343	13,907	504	(442)
Extraordinary loss on early extinguishment of debt	--	1	--	--
Income (loss) of the Operating Partnership from continuing operations	3,343	13,906	504	(442)
Discontinued Operations:				
Gain (loss) on sale of asset	--	--	(508)	--
Income from discontinuing operations	--	--	4	442
Income before minority interest	3,343	13,906	--	--
Income (loss) allocated to minority interests	(393)	2,249	--	--
Net income before preferred dividends	3,736	11,657	--	--
Dividends earned by preferred stockholders	5,013	4,831	--	--
Net income loss > to common stockholders	(1,277)	6,826	--	--
Average # of shares outstanding - basic	36,241	33,771		
Average shares outstanding, - basic, assuming full conversion of OP Units (d)	47,393	44,924		
Average shares outstanding - diluted for FFO (d)(e)	60,529	58,886		
Per share income - diluted before extraordinary item	(0.04)	0.20		
Net income per share - basic	(0.04)	0.20		
Net income per share - diluted	(0.04)	0.20		
Dividend declared per share	0.55	0.53		
Funds from operations "FFO" (b)(d) - basic	33,172	30,918		
Funds from operations "FFO" (a)(b)(d) - diluted	40,547	38,704		
FFO per share - basic (b)(d)	0.70	0.69		
FFO per share - diluted (a)(b)(d)	0.67	0.66		
% change in FFO - diluted	1.92%			

Results after SFAS 144

Results of Operations:

For the Three Months
Ended June 30
Unaudited
2002 2001

Minimum Rents	49,587	49,005
Percentage Rents	991	1,105

Tenant Recoveries	26,313	27,274
Other Income	2,217	2,629
	--	--
Total Revenues	79,108	80,013
Shopping center and operating expenses (c)	27,654	27,676
Depreciation and amortization	17,126	16,300
General, administrative and other expenses	2,012	1,832
Interest expense	25,036	27,497
Gain (loss) on sale or writedown of assets	(2,533)	132
Pro rata income (loss) of unconsolidated entities (c)	(900)	6,625
Income before minority interest & extraordinary items	3,847	13,465
Extraordinary loss on early extinguishment of debt	--	1
Income (loss) of the Operating Partnership from continuing operations	3,847	13,464
Discontinued Operations:	--	
Gain (loss) on sale of asset	(508)	--
Income from discontinuing operations	4	442
Income before minority interest	3,343	13,906
Income (loss) allocated to minority interests	(393)	2,249
Net income before preferred dividends	3,736	11,657
Dividends earned by preferred stockholders	5,013	4,831
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Net income per share - diluted	(0.04)	0.20
Dividend declared per share	0.55	0.53
Funds from operations "FFO" (b)(d) - basic	33,172	30,918
Funds from operations "FFO" (a)(b)(d) - diluted	40,547	38,704
FFO per share - basic (b) (d)	0.70	0.69
FFO per share- diluted (a)(b)(d)	0.67	0.66
% change in FFO - diluted	1.92%	

THE MACERICH COMPANY
FINANCIAL HIGHLIGHTS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Results before SFAS 144 Impact of SFAS 144

Results of Operations:	For the Six Months Ended June 30		For the Six Months Ended June 30	
	Unaudited			
	2002	2001	2002	2001
Minimum Rents	98,138	98,219	(415)	(927)
Percentage Rents	2,288	2,988	--	(40)
Tenant Recoveries	51,439	52,166	(59)	(173)
Other Income	4,663	5,081	4	(12)
Total Revenues	156,528	158,454	(470)	(1,152)
Shopping center and operating expenses (c)	53,416	51,977	(63)	(250)

Depreciation and amortization	33,750	32,491	(115)	(174)
General, administrative and other expenses	3,544	3,515	--	--
Interest expense	50,159	55,493	--	--
Gain loss > on sale or writedown of assets	10,215	(188)	(13,916)	--
Pro rata income of unconsolidated entities (c)	5,406	12,681	--	--
Income before minority interest & extraordinary items	31,280	27,471	(14,208)	(728)
Extraordinary loss on early extinguishment of debt	--	187	--	--
Income of the Operating Partnership from continuing operations	31,280	27,284	(14,208)	(728)
Discontinued Operations:				
Gain on sale of asset	--	--	13,916	--
Income from discontinuing operations	--	--	292	728
Income before minority interest	31,280	27,284	--	--
Income allocated to minority interests	5,180	4,377	--	--
Net income before preferred dividends	26,100	22,907	--	--
Dividends earned by preferred stockholders	10,026	9,662	--	--
Net income loss > to common stockholders	16,074	13,245	--	--
Average # of shares outstanding - basic	35,498	33,706		
Average shares outstanding, - basic, assuming full conversion of OP				
Units (d)	46,651	44,860		
Average shares outstanding - diluted for FFO (d)(e)	59,787	58,823		
Per share income				
- diluted before extraordinary item	0.45	0.39		
Net income per share				
- basic	0.45	0.39		
Net income per share				
- diluted	0.45	0.39		
Dividend declared per share	1.10	1.06		
Funds from operations				
"FFO" (b)(d) - basic	66,847	61,291		
Funds from operations				
"FFO" (a)(b)(d)				
- diluted	81,680	76,812		
FFO per share				
- basic(b) (d)	1.43	1.37		
FFO per share				
- diluted(a)(b)(d)	1.37	1.31		
% change in FFO - diluted	4.62%			

Results after SFAS 144

Results of Operations:

	For the Six Months Ended June 30 Unaudited	
	2002	2001
Minimum Rents	97,723	97,292
Percentage Rents	2,288	2,948
Tenant Recoveries	51,380	51,993
Other Income	4,667	5,069
Total Revenues	156,058	157,302
Shopping center and operating expenses (c)	53,353	51,727
Depreciation and amortization	33,635	32,317
General, administrative and other expenses	3,544	3,515
Interest expense	50,159	55,493
Gain loss > on sale or writedown of assets	(3,701)	(188)
Pro rata income of unconsolidated entities (c)	5,406	12,681
Income before minority interest & extraordinary items	17,072	26,743
Extraordinary loss on early extinguishment of debt	--	187
Income of the Operating Partnership from continuing operations	17,072	26,556
Discontinued Operations:	--	--
Gain on sale of asset	13,916	--
Income from discontinuing operations	292	728
Income before minority interest	31,280	27,284
Income allocated to minority interests	5,180	4,377
Net income before preferred dividends	26,100	22,907
Dividends earned by preferred stockholders	10,026	9,662
Net income loss > to common stockholders	16,074	13,245
Average # of shares outstanding - basic	35,498	33,706
Average shares outstanding, - basic, assuming full conversion of OP Units (d)	46,651	44,860
Average shares outstanding - diluted for FFO (d)(e)	59,787	58,823
Per share income - diluted before extraordinary item	0.45	0.39
Net income per share - basic	0.45	0.39
Net income per share - diluted	0.45	0.39
Dividend declared per share	1.10	1.06
Funds from operations "FFO" (b)(d) - basic	66,847	61,291
Funds from operations "FFO" (a)(b)(d) - diluted	81,680	76,812
FFO per share - basic (b) (d)	1.43	1.37
FFO per share - diluted (a)(b)(d)	1.37	1.31
% change in FFO - diluted	4.62%	

(a) The Company issued \$161,400 of convertible debentures in June and July, 1997. The debentures are convertible into common shares at a conversion price of \$31.125 per share. On February 25, 1998 the Company sold \$100,000 of convertible preferred stock and on June 17, 1998 another \$150,000 of convertible preferred stock was issued. The convertible preferred shares can be converted on a 1 for 1 basis for common stock. These preferred shares are not assumed converted for purposes of net income per share as it would be antidilutive to that calculation. The weighted average preferred shares outstanding are assumed converted for purposes of FFO per diluted share as they are dilutive to that calculation.

- (b) Funds from Operations ("FFO") is defined as: "net income (computed in accordance with GAAP) excluding gains or losses from debt restructuring and sales of property, plus depreciation and amortization (excluding depreciation on personal property and amortization of loan and financial instrument cost) and after adjustments for unconsolidated entities. Adjustments for unconsolidated entities are calculated on the same basis." In accordance with the National Association of Real Estate Investment Trusts' (NAREIT) white paper on Funds from Operations, dated October, 1999, excluded from FFO are the earnings impact of cumulative effects of accounting changes and results of discontinued operations, both as defined by GAAP.
- (c) This includes, using the equity method of accounting, the Company's prorata share of the equity in income or loss of its unconsolidated joint ventures and for Macerich Management Company for all periods presented and for The Macerich Property Management Company through March 28, 2001. Effective March 28, 2001, the Macerich Property Management Company was converted from an unconsolidated preferred stock subsidiary into a taxable reit subsidiary ("TRS") and as of that date the results of the Macerich Property Management Company are now included in the consolidated results of The Macerich Company.
- (d) The Company has operating partnership units ("OP units"). Each OP unit can be converted into a share of Company stock. Conversion of the OP units has been assumed for purposes of calculating the FFO per share and the weighted average number of shares outstanding.

Summarized Balance Sheet Information	June 30 2002	Dec 31 2001
	(UNAUDITED)	
Cash and cash equivalents	\$59,605	\$26,470
Investment in real estate, net (h)	\$2,024,896	\$1,887,329
Investments in unconsolidated entities (i)	\$260,985	\$278,526
Total Assets	\$2,442,001	\$2,294,502
Mortgage and notes payable	\$1,515,767	\$1,398,512
Convertible debentures	\$125,148	\$125,148
Additional financial data as of:	June 30 2002	June 30 2001
Occupancy of centers (f)	92.90%	92.40%
Comparable quarter change in same center sales (f) (g)	2.90%	-1.00%
Additional financial data for the six months ended:		
Acquisitions of property and equipment		
- including joint ventures prorata	\$160,216	\$6,810
Redevelopment and expansions of centers		
- including joint ventures prorata	\$13,516	\$19,216
Renovations of centers		
- including joint ventures at prorata	\$1,526	\$3,960
Tenant allowances		
- including joint ventures at prorata	\$5,818	\$8,266
Deferred leasing costs		
- including joint ventures at prorata	\$7,063	\$6,043

(f) excludes redevelopment properties - Crossroads Mall - Boulder, and Parklane Mall.

(g) includes mall and freestanding stores.

- (h) includes construction in process on wholly owned assets of \$79,551 at June 30, 2002 and \$71,161 at December 31, 2001.
- (i) the Company's prorata share of construction in process on unconsolidated entities of \$7,242 at June 30, 2002 and \$3,110 at December 31, 2001.

THE MACERICH COMPANY
FINANCIAL HIGHLIGHTS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

PRORATA SHARE OF JOINT VENTURES (Unaudited)	For the Three Months Ended June 30, Unaudited (All amounts in thousands)		For the Six Months Ended June 30, Unaudited (All amounts in thousands)	
	2002	2001	2002	2001
Revenues:				
Minimum rents	\$26,955	\$25,774	\$53,372	\$51,380
Percentage rents	617	675	1,760	1,979
Tenant recoveries	10,794	10,613	21,456	21,208
Management fee (c)	2,181	2,326	4,315	5,224
Other	572	1,029	1,331	1,820
Total revenues	41,119	40,417	82,234	81,611
Expenses:				
Shopping center expenses	13,347	13,427	26,707	26,164
Interest expense	10,616	11,680	21,388	23,901
Management company expense (c)	1,966	1,922	3,849	5,668
Depreciation and amortization	7,090	6,800	14,465	13,320
Total operating expenses	33,019	33,829	66,409	69,053
Gain (loss) on sale or writedown of assets	(9,000)	37	(10,419)	123
Extraordinary gain loss > on early extinguishment of debt	--	--	--	--
Net income loss >	(\$900)	\$6,625	\$5,406	\$12,681

RECONCILIATION OF NET INCOME TO FFO	For the Three Months Ended June 30, (All amounts in thousands) (UNAUDITED)		For the Six Months Ended June 30, (All amounts in thousands) (UNAUDITED)	
	2002	2001	2002	2001
Net income loss > - available to common stockholders	(\$1,277)	\$6,826	\$16,074	\$13,245
Adjustments to reconcile net income to FFO - basic				
Minority interest	(393)	2,249	5,180	4,377
Loss on early extinguishment of debt	--	1	--	187
(Gain) loss on sale of wholly owned				

assets	3,041	(132)	(10,215)	188
(Gain) loss on sale or write-down of assets from unconsolidated entities (pro rata)	9,000	(37)	10,419	(123)
Depreciation and amortization on wholly owned centers	17,126	16,387	33,750	32,491
Depreciation and amortization on joint ventures and from the management companies (pro rata)	7,090	6,800	14,465	13,320
Less: depreciation on personal property and amortization of loan costs and interest rate caps	(1,415)	(1,176)	(2,826)	(2,394)
Total FFO - basic	33,172	30,918	66,847	61,291
Weighted average shares outstanding - basic (d)	47,393	44,924	46,651	44,860
Additional adjustment to arrive at FFO - diluted				
Interest expense and amortization of loan costs on the debentures (e)	2,362	2,955	4,807	5,859
Preferred stock dividends earned	5,013	4,831	10,026	9,662
Effect of employee/ director stock incentive plans FFO - diluted	40,547	38,704	81,680	76,812
Weighted average shares outstanding - diluted (d)(e)	60,529	58,886	59,787	58,823

SOURCE:

The Macerich Company

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