



The Macerich Company Announces 11% Increase In First Quarter FFO Per Share

May 12, 1998

Santa Monica, CA -- May 12, 1998 -- The Macerich Company (NYSE Symbol: MAC) today announced an 11% increase in funds from operations (FFO) per share to \$0.564 for the first quarter of 1998 compared to \$0.510 for the first quarter of 1997, both on a diluted basis. Total FFO on a diluted basis increased to \$23.3 million from \$19.5 million in the first quarter of 1997.

Total revenues for the first quarter of 1998 increased to \$61.2 million from \$50.3 million in the first quarter of 1997, representing a 21.6% increase. Net income for the first quarter of 1998 increased to \$6.8 million from \$6.7 million for the first quarter of 1997. Net income per share -- diluted was \$0.25 per share compared to \$0.26 per share for the first quarter of 1997.

The same center tenant sales increased 4.1% for the quarter, and the occupancy level at March 31, 1998 was 91.0%. During the quarter, approximately 167,000 square feet of mall and free-standing store leases were signed at initial rents of \$26.13 per square foot, approximately 14% higher than the expiring rents.

Commenting on the results and significant events for the first quarter Arthur Coppola, President and Chief Executive Officer stated "This was the 9th consecutive quarter of double digit growth in FFO per share - diluted compared to the comparable quarter in the prior year. In addition, the fundamentals are very strong with same center sales up significantly over the first quarter of 1997. In addition, the most significant event of the quarter was the acquisition of \$975 million of regional malls through our 50/50 joint venture with the Simon DeBartolo Group, Inc. These properties were effectively assimilated into our operations and we look forward to the growth that can be captured from this portfolio in the years to come."

The Macerich Company has acquired interests in 22 regional centers in the last 24 months for a total purchase price of approximately \$1.7 billion. The Company currently owns interests in 38 regional malls and 4 community centers, totaling 33.1 million square feet of gross leasable area.

Also during the first quarter, there was an interpretation by the Emerging Issues Task Force of The Financial Accounting Standards Board (FASB), modifying the accounting practice relating to accounting for internal acquisition costs. In accordance with the FASB's interpretation, effective March 19, 1998, the Company will expense internal costs of identifying and acquiring properties. Previously, the Company had capitalized these costs. The Company expects the impact in 1998 to be a reduction in FFO per share of approximately \$0.06.

[[Click Here for Quarterly Statement Tables](#)]

The Macerich Company is a fully integrated, self-managed and self-administered real estate investment trust which focuses on the acquisition and redevelopment of regional malls throughout the United States. The Company is the sole general partner and owns a 72 percent ownership interest in The Macerich Partnership, L.P. Additional information about The Macerich Company can be obtained on the company's web site at <http://www.macerich.com/>