



Macerich Announces Year-End Results

February 14, 2001

SANTA MONICA, Calif., Feb. 14 /PRNewswire/ -- The Macerich Company (NYSE: MAC) today announced results of operations for the year and quarter ended December 31, 2000 which included the following:

- Funds from operations ("FFO") per share - diluted increased to \$.91 from \$.87 for the fourth quarter of 1999 on a comparable basis. For the year, FFO per share - diluted increased to \$2.82 from \$2.70 in 1999.
- Total tenant sales increased by 2.4% for the quarter and 3.3% for the year compared to comparable periods ended December 31, 1999. Annual tenant sales per square foot increased to \$349.
- During the year, Macerich signed new leases at average initial rents of \$32.95 per square foot, substantially in excess of average portfolio minimum rents of \$27.09. First year rents on mall and freestanding store leases signed during the year were 20% higher than expiring rents on a comparable space basis.
- Portfolio occupancy increased to 93.3% compared to 92.8% at December 31, 1999.
- The Company entered into a 10-year energy management contract with Enron Energy Services. Enron will manage the supply of electricity and natural gas and provide energy management services to the majority of the Company's malls.
- During the fourth quarter, the Company implemented a 3.4 million share stock repurchase program. Under that program, during the fourth quarter, the Company repurchased 564,000 shares of its common stock.

Effective January 1, 2000, the Company adopted Staff Accounting Bulletin Number 101 ("SAB 101") which addresses certain revenue recognition practices, including accounting for percentage rent. SAB 101 requires deferral of the recognition of percentage rent until the tenant's sales threshold has been exceeded. While annual revenue from percentage rent was not materially impacted by this change, the majority of percentage rent will now be recognized in the third and fourth quarters of each year, rather than spread throughout the year. For the quarter ended December 31, 2000, FFO per share-diluted increased to \$.91 compared to \$.87 in the fourth quarter of 1999, adjusted on a pro-forma basis to reflect SAB 101. Year-to-date FFO per share-diluted increased to \$2.82 compared to \$2.70 for 1999 after reflecting SAB 101 on a pro-forma basis. This represented a 4.5% increase. Excluding the impact of higher interest rates during 2000, the FFO per share-diluted growth rate would have been 8.5%. The Company's compounded annual growth in FFO per share-diluted, since becoming a public company in 1994, has been 10.7%.

Commenting on results for the quarter, Arthur Coppola, President and Chief Executive Officer of Macerich stated, "The quarter was highlighted by very strong leasing activity and high occupancy levels. During the quarter, releasing spreads, on a comparable space basis, were up 26%. We also entered into a long-term energy management contract, which will help manage the volatile energy costs associated with deregulated markets, such as California. Furthermore, during the quarter we began to execute our previously announced 3.4 million share stock repurchase program. In this market, we view the repurchase of our stock as a very attractive opportunity that we can pursue to deliver stockholder value. Our long-term view of our prospects for growth in our portfolio remains positive."

Operating Results for the Quarter and Year Ended December 31, 2000

Total revenues were \$91.6 million for the quarter, compared to \$84.7 million for the quarter ended December 31, 1999 and \$320 million for 2000 compared to \$327.4 million for 1999. The decrease in 2000 compared to 1999 was primarily due to selling a 49% interest in Lakewood Mall and Stonewood Mall in October 1999. The results from the remaining 51% interest is now reported in pro rata income of unconsolidated entities, which increased to \$9.9 million for the quarter compared to \$9.3 million for the quarter ended December 31, 1999. The pro rata income of unconsolidated entities increased to \$30.3 million for 2000 compared to \$25.9 million for 1999. Included in revenues are rents attributable to the accounting practice of straight lining of rents. The amount of straight lined rents, including joint ventures at pro rata, decreased to \$805,000 in the quarter compared to \$1.4 million during the quarter ended December 31, 1999. For the year, straight lined rents decreased to \$3.1 million compared to \$5.0 million in 1999. This decrease resulted primarily from the Company structuring the majority of its new leases using annual CPI increases, which generally do not require straight lining treatment. This approach of using CPI increases results in revenue recognition that more closely matches the cash flow from the lease and provides more consistent rent growth throughout the life of the lease. Same center minimum rents, including the prorata share of joint ventures, increased by 3.3% during the quarter ended December 31, 2000 compared to the same period in 1999.

For the quarter ended December 31, 2000, FFO-diluted was \$53.7 million compared to \$45.9 million during the fourth quarter of 1999. For 2000, FFO-diluted was \$167.2 million compared to \$164.3 million for 1999. During the fourth quarter of 2000, the Company had a loss on sale of assets of \$1.5 million, and during the fourth quarter of 1999, the Company had a gain on sale of assets of \$95.8 million. Net income available to common stockholders for the quarter was \$16.9 million compared to \$83.9 million for the fourth quarter of 1999 and net income per share diluted was \$.50 compared to \$2.00 in the fourth quarter of 1999. Net income per share - diluted was \$1.11 in 2000, compared to \$2.99 in 1999.

Highlights

- In the quarter, approximately 429,000 square feet of leases were signed for mall and freestanding space. The average rent on new leases executed in the fourth quarter was \$34.20 per square foot, 26% greater than average portfolio minimum rents. On a comparable space basis, new leases were signed during the quarter at rents approximately 26% higher than expiring rents.
- Total same center sales increased 2.4% for the quarter compared to the fourth quarter of 1999 and 3.3% for the year 2000 compared to 1999.

- The \$90 million redevelopment of Pacific View Mall in Ventura, California, which included the demolition of a one level mall and the building of a two level, four anchor mall, now has 90% of the mall space leased, with additional space committed. The mall stores have been averaging sales of \$378 per square foot, exceeding management's expectation of initial tenant performance.
- At Lakewood Mall, the first new Macy's store ever built in Southern California had its grand opening on November 4, 2000. In addition, the \$35 million redevelopment included the relocation of Mervyn's to a new store that opened in August and the development of an additional 60,000 square feet of shop space plus a food court, which is expected to be completed in May 2001.
- On November 9, 2000, the Company declared an increased quarterly dividend of \$.53 per share on its common and preferred stock, payable on December 7, 2000 to stockholders of record on November 17, 2000. This was a 4% increase over the prior quarterly dividend. The Company has increased its dividend each year since becoming a public company in 1994.

Refinancing Activity

A \$75 million floating rate loan on Stonewood Mall was refinanced in November. The old loan carried a floating rate of LIBOR plus 1.75%. The new loan is \$77.8 million, with a 10-year term and a fixed interest rate of 7.41%. During the quarter, the Company retired \$11 million of its convertible bonds, which bear interest at 7.25%.

The Macerich Company is a fully integrated self-managed and self-administered real estate investment trust, which acquires, leases, manages and redevelops regional malls and community centers throughout the United States. The Company is the sole general partner and owns a 79% ownership interest in The Macerich Partnership, L.P. Macerich owns interests in 46 regional malls and five community centers totaling over 41.5 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, through Street Events at www.streetevents.com and StreetFusion at www.streetfusion.com. The call begins today, February 14, 2001 at 1:30 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, operating expenses and interest rate fluctuations; adverse changes in the real estate markets including, among other things, competition from other companies, retail formats and technology, risks of real estate development, acquisitions and dispositions; governmental actions and initiatives; and environmental and safety requirements. The reader is directed to the Company's various filings with the Securities and Exchange Commission, for a discussion of such risks and uncertainties.

(See attached tables)

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

Results of Operations:	For the three months ended December 31		For the year ended December 31	
	(UNAUDITED)			
	2000	1999	2000	1999
Minimum Rents	52,315	51,094	195,236	204,568
Percentage Rents(a)	7,402	4,511	12,558	15,106
Tenant Recoveries	29,796	26,341	104,125	99,126
Other Income	2,082	2,730	8,173	8,644
Total Revenues	91,595	84,676	320,092	327,444

Shopping Center Expenses	28,443	27,789	101,674	100,327
Depreciation and amortization	17,015	14,949	61,647	61,383
General, administrative and other expenses	1,477	1,405	5,509	5,488
Interest expense	26,386	28,179	108,447	113,348
Gain on sale of assets	(1,476)	95,819	(2,773)	95,981
Pro rata income of unconsolidated entities (c)	9,862	9,252	30,322	25,945
Income before minority interest & extraordinary items	26,660	117,425	70,364	168,824
Extraordinary gain on early retirement of debt	679	(460)	(304)	(1,478)
Cumulative effect of change in accounting principle (a)	0	0	(963)	0
Income of the Operating Partnership	27,339	116,965	69,097	167,346
Income allocated to minority interests	5,446	28,540	12,168	38,335
Dividends earned by preferred stockholders	5,013	4,557	18,958	18,138
Net income - available to common stockholders	16,880	83,868	37,971	110,873
Average # of shares outstanding - basic	33,977	34,069	34,095	34,007
Average shares outstanding, -basic, assuming full conversion of OP Units (d)	44,945	45,664	45,050	46,130
Average shares outstanding - diluted for FFO (d) (e)	59,118	60,409	59,319	60,893
Per share Income before cumulative effect of change in accounting principle and extraordinary item-basic	\$0.48	\$2.47	\$1.14	\$3.30
Net income per share-basic	\$0.50	\$2.46	\$1.11	\$3.26
Net income per share- diluted	\$0.50	\$2.00	\$1.11	\$2.99
Dividend declared per share	\$0.530	\$0.510	\$2.060	\$1.965
Funds from operations "FFO" (b) (d)- basic	\$45,656	\$37,468	\$135,744	\$131,725
Funds from operations "FFO" (b) (d) (e) - diluted	\$53,757	\$45,870	\$167,244	\$164,302
FFO per share- basic(b) (d)	\$1.016	\$0.821	\$3.013	\$2.856
FFO per share- diluted (b) (d) (e)	\$0.909	\$0.759	\$2.819	\$2.698
Proforma FFO per share- diluted assuming the accounting change for % rent was effective January 1, 1999: proforma impact of SAB 101 (a)	n/a	\$0.114	n/a	\$0.000
Proforma FFO per share- diluted	\$0.91	\$0.87	\$2.82	\$2.70
% change in proforma FFO - diluted	4.12%		4.49%	

(a) Effective January 1, 2000, in accordance with Staff Accounting

Bulletin No. 101, "Revenue Recognition in Financial Statements," the Company changed its method of accounting for percentage rents. The new accounting method has the impact of deferring percentage rent from the first, second and third quarters into the fourth quarter. The cumulative effect of this change in accounting treatment at the adoption date of January 1, 2000 was \$963 for the wholly owned assets and \$787 for joint ventures on a prorata basis, which in accordance with GAAP, was accounted for as a cumulative change in accounting principle. For comparative purposes, the results for the three months and year ended December 31, 1999 were restated on a proforma basis to reflect this accounting change. The proforma impact on the 4th quarter of 1999 was \$.114 per diluted share and \$.00 per diluted share for the year ended December 31, 1999.

(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 the Company's prorata share of the equity in income or

loss of its unconsolidated joint ventures and the Management companies, all of which are accounted for using the equity method of accounting.

(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.

(e) The Company issued \$161.4 million 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 million of convertible preferred stock and on June 17, 1998 another \$150 million 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 share as they are dilutive to that calculation.

Summarized Balance Sheet Information	Dec 31	Dec 31
	2000	1999
	(UNAUDITED)	
Cash and cash equivalents	36,273	40,455
Investment in real estate, net	1,933,584	1,931,415
Total Assets	2,337,242	2,404,293
Mortgage and notes payable	1,400,087	1,399,727
Convertible debentures	150,848	161,400

	Dec 31	Dec 31
Additional financial data as of:	2000	1999
Occupancy of centers (f)	93.30%	92.80%
Comparable quarter increase in same center sales (f) (g)	2.40%	3.60%

(f) excludes redevelopment properties- Pacific View Mall, Crossroads

Mall- Boulder, and Parklane Mall

(g) includes mall and freestanding stores

RECONCILIATION OF NET INCOME TO FFO

	For the three months ended December 31 (UNAUDITED)		For the year ended December 31 (UNAUDITED)	
	2000	1999	2000	1999
Net income - available to common stockholders	16,880	83,868	37,971	110,873
Adjustments to reconcile net income to FFO- basic				
Minority interest	5,446	28,540	12,168	38,335
(Gain) loss on early extinguishment of debt	(679)	460	304	1,478
(Gain) loss on sale of wholly owned assets	1,476	(95,819)	2,773	(95,981)
(Gain) loss on sale or write-down of assets from unconsolidated entities (pro rata)	528	591	(235)	193
Depreciation and amortization on wholly owned centers	17,015	14,949	61,647	61,383
Depreciation and amortization on joint ventures and from the management companies (pro rata)	6,285	5,623	24,472	19,715
Cumulative effect of change in accounting -wholly owned assets	0	0	963	0
Cumulative effect of change in accounting -prorata joint ventures	0	0	787	0
Less: depreciation on personal property and amortization of loan costs and interest rate caps	(1,295)	(744)	(5,106)	(4,271)
Total FFO - basic	45,656	37,468	135,744	131,725
Weighted average shares outstanding - basic (d)	44,945	45,664	45,050	46,130
Additional adjustment to arrive at FFO -diluted				
Interest expense and amortization of loan costs on the debentures (e)	3,088	3,162	12,542	12,616
Preferred stock dividends earned	5,013	4,557	18,958	18,138

Effect of					
employee/director					
stock incentive plan	antidilutive	683	antidilutive	1,823	
FFO - diluted	53,757	45,870	167,244	164,302	

Weighted average

shares outstanding				
- diluted (d)(e)	59,118	60,409	59,319	60,893

SOURCE The Macerich Company

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