Macerich Announces First Quarter Results

May 14, 2001

SANTA MONICA, Calif., May 14 /PRNewswire/ --The Macerich Company (NYSE: MAC) today announced results of operations for the quarter ended March 31, 2001 which included the following:

- Funds from operations ("FFO") per share - diluted increased to $.65 from $.63 for the first quarter of 2000.
- Total same center tenant sales increased by 3.4% for the quarter compared to the comparable period ended March 31, 2000.
- During the quarter, Macerich signed 468,000 square feet of new leases at average initial rents of $29.80 per square foot. First year rents on mall and freestanding store leases signed during the quarter were 21% higher than expiring rents on a comparable space basis.
- Portfolio occupancy increased to 92.5% compared to 92.3% at March 31, 2000.

Commenting on results for the quarter, Arthur Coppola, President and Chief Executive Officer of Macerich stated, "The quarter was highlighted by good leasing activity and stable occupancy levels. During the quarter, releasing spreads, on a comparable space basis, were up 21%. Our same center net operating income grew by 3.3% and we continued to improve our balance sheet with some attractive long-term, fixed rate, financing transactions. Our long-term view of our prospects for continued growth in our portfolio remains positive."

Operating Results for the Quarter Ended March 31, 2001

Total revenues were $77.8 million for the quarter, compared to $75.3 million for the quarter ended March 31, 2000. The pro rata income of unconsolidated entities was $6.1 million for the quarter ended March 31, 2001 compared to $6.7 million for the same period in 2000. 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 $494,000 in the quarter compared to $782,000 during the quarter ended March 31, 2000. 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 net operating income, including the prorata share of joint ventures, increased by 3.3% during the quarter ended March 31, 2001 compared to the same period in 2000. Also, lease termination revenue recorded in minimum rent, including joint ventures at their pro-rata share, decreased to $425,000 in the quarter compared to $1.1 million in the quarter ended March 31, 2000.

For the quarter ended March 31, 2001, FFO-diluted was $38.1 million compared to $37.8 million during the first quarter of 2000. Net income available to common stockholders for the quarter was $6.4 million compared to $6.3 million for the first quarter of 2000 and net income per share diluted was $.19 compared to $.19 for the first quarter of 2000.

Highlights

- In the quarter, approximately 468,000 square feet of leases were signed for mall and freestanding space. The average rent on new leases executed in the first quarter was $29.80 per square foot. On a comparable space basis, new leases were signed during the quarter at initial rents approximately 21% higher than expiring rents.
- Total same center sales increased 3.4% for the quarter compared to the first quarter of 2000 and on a comparable tenant basis, sales increased 1.7% compared to the first quarter of 2000.
- At Lakewood Mall, the $35 million expansion of the mall was completed. The expansion included the first new Macys store ever built in Southern California. 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. The expansion space is currently 92% leased.
- On May 11, 2001, the Company declared a quarterly dividend of $.53 per share on its common and preferred stock, payable on June 8, 2001 to stockholders of record on May 18, 2001. Annualized, based on the recent share price, this represents a dividend yield in excess of 9%. The Company has increased its dividend each year since becoming a public company in 1994.

Refinancing Activity

During the first quarter, the Company refinanced its $150 million line of credit. The new line of credit matures in May 2002 with a one-year extension option subject to certain terms and conditions. The interest rate ranges from LIBOR plus 1.35% to 1.80%, depending on leverage level.

Also during the quarter, the Company committed to refinance the loan on Capitola Mall. The former $36.5 million loan, bearing interest at 9.25% was refinanced with a $48.5 million, 10 year fixed rate loan with interest at 7.13%, which closed on May 2nd. The Company has no remaining year 2001 loan maturities.

The Company has also committed to a $96 million, 10 year, 7.16% fixed rate permanent loan on Pacific View Mall. This loan will repay the current construction loan of $89.3 million, which bears interest at LIBOR plus 1.75%.

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 42 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, May 14, 2001 at 10:00 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, 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.

THE MACERICH COMPANY
FINANCIAL HIGHLIGHTS

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Results of Operations:	For the three months ended March 31 (UNAUDITED) 2001	2000
Minimum Rents	48,665	47,175
Percentage Rents	1,848	1,532
Tenant Recoveries	24,803	24,569
Other Income	2,447	2,027
Total Revenues	77,763	75,303
Shopping Center Expenses	24,151	23,900
Depreciation and amortization	16,104	14,528
General, administrative and other expenses	1,682	1,469
Interest expense	27,996	28,151
Gain (loss) on sale of assets	(321)	(2)
Pro rata income of unconsolidated entities (b)	6,055	6,723
Income before minority interest, extraordinary items and cumulative effect of change in accounting principle	13,564	13,976
Extraordinary loss on early extinguishment of debt	(186)	0
Cumulative effect of change in accounting principle (e)	0	(963)
Income of the Operating Partnership	13,378	13,013
Income allocated to minority interests	2,128	2,039
Dividends earned by preferred stockholders	4,831	4,648
Net income - available to common stockholders	6,419	6,326
Average shares outstanding - basic	33,640	34,091
Average shares outstanding, - basic, assuming		

full conversion of OP Units (c)	44,796	45,052
Average shares outstanding - diluted for FFO (d)(c)	58,758	59,651
Income before extraordinary items and cumulative effect of change in accounting principle - diluted	$0.19	$0.21
Net income per share - basic	$0.19	$0.19
Net income per share - diluted	$0.19	$0.19
Dividend declared per share	$0.530	$0.510
Funds from operations "FFO" (a)(c) - basic	$30,374	$29,570
Funds from operations "FFO" (a) (c) (d) - diluted	$38,109	$37,822
FFO per share - basic (a)(c)	$0.68	$0.66
FFO per share - diluted (a)(c)(d)	$0.65	$0.63

(a) 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.

Percentage change in FFO/share is based on the comparison to the same period in 2000.

(b) 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.

(c) 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.

(d) The Company issued $161.4 million of convertible debentures in June

and July, 1997. The debentures are convertibleinto common shares at a conversion price of $31.125 per share.In November and December of 2000, the Company purchased and retired $10.6 million of the debentures. In the first quarter of 2001 and 2000, the debentures are not dilutive to net income per share, but the debentures weredilutive to FFO per share and are reflected as converted for the calculation of FFO per share - diluted.

The Company has 9,115 shares ofconvertible preferred stock outstanding. 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. Also included in diluted net income per share and FFO per share is the effect of stock options and restricted stock, calculated using the treasury method for 2000 only.

(e)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 principle at the adoption date of January 1, 2000, was $963 for the wholly-owned assets and $787 for joint ventures on a pro rata basis, which in accordance with GAAP, was accounted for as a cumulative effect of a change in accounting principle.

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(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Summarized Balance Sheet Information	March 31, 2001 (UNAUDITED)	December 31, 2000
Cash and cash equivalents	21,762	36,273
Investment in real estate, net	1,933,533	1,933,584
Total Assets	2,314,114	2,337,242
Mortgage and notes payable	1,408,542	1,400,087
Convertible debentures	150,848	150,848

Additional financial data as of :	March 31, 2001	March 31, 2000
Occupancy of centers (f)	92.50%	92.30%
Year to date increase in same center sales (f)(g)	3.40%	3.60%

(f) excludes redevelopment properties - Crossroads - Boulder, Parklane

Mall, and Pacific View Mall.

(g) includes mall and freestanding stores

RECONCILIATION OF NET INCOME TO FFO

	For the three months ended MARCH 31, (UNAUDITED) 2001	2000
Net income - available to common stockholders	6,419	6,326

Adjustments to reconcile net income to FFO

- basic

Minority interest	2,128	2,039
Loss on early extinguishment of debt	186	--
(Gain) loss on sale of wholly owned assets	321	2
(Gain) loss on sale of assets from unconsolidated entities (pro rata)	(85)	424
Depreciation and amortization on wholly owned centers	16,104	14,528
Depreciation and amortization on joint		

ventures and from the management companies (pro rata)	6,521	5,695
Cumulative effect of the change in accounting principle - wholly owned assets	--	963
Cumulative effect of the change in accounting principle - prorata joint ventures	--	787
Less: depreciation on personal property and amortization of loan costs and interest rate caps	(1,220)	(1,194)
Total FFO - basic	30,374	29,570
Weighted average shares outstanding - basic (c)	44,796	45,052
Additional adjustment to arrive at FFO - diluted		
Interest expense and amortization of loan costs on the debentures (d)	2,904	3,146
Preferred stock dividends earned	4,831	4,648
Effect of restricted stock grants	--	458
FFO - diluted	38,109	37,822
Weighted average shares outstanding - diluted (c)(d)	58,758	59,651

SOURCE The Macerich Company

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