MACERICH®

Macerich Announces FFO Growth of 11% for the Quarter Ended September 30, 2001

November 13, 2001

SANTA MONICA, Calif., Nov 13, 2001 /PRNewswire via COMTEX/ -- The Macerich Company (NYSE: MAC) today announced results of operations for the quarter ended September 30, 2001 which included the following:

- -- Funds from operations ("FFO") per share - diluted increased to $.72 from $.65 for the quarter ended September 30, 2000.
- -- Same center net operating income, excluding lease termination revenue, was up 5.7% compared to the quarter ended September 30, 2000.
- -- During the quarter, Macerich signed new leases at average initial rents of $37.21 per square foot, substantially in excess of average portfolio minimum rents of $27.87. First year rents on mall and freestanding store leases signed during the quarter were 25% higher than expiring rents.
- -- Portfolio occupancy remains high at 92.4% at September 30, 2001 compared to 92.4% at June 30, 2001 and 92.6% at September 30, 2000.
- -- The quarterly dividend, payable December 7, 2001, was increased to $.55 per share.
- -- Total tenant sales decreased 1.8% for the quarter ended September 30, 2001 compared to the quarter ended September 30, 2000.

Commenting on results for the quarter, Arthur Coppola, President and Chief Executive Officer of Macerich stated, "The quarterly results reflect a double digit growth in FFO per share, a strong increase in same center net operating income and good leasing activity, all of which illustrate the resiliency of our portfolio. The majority of our leases are long term, to national tenants. The strong occupancy level is a byproduct of our quality tenants and portfolio. In this softening economic climate, we are pleased with our results for the quarter and our long-term view of our prospects for growth in our portfolio remains positive."

Operating Results for the Quarter Ended September 30, 2001

Total revenues were $82.9 million for the quarter, compared to $76.9 million for the quarter ended September 30, 2000 and $241.3 million for the nine months ended September 30, 2001 compared to $228.5 million for the same period in 2000. The pro rata income of unconsolidated entities increased to $8.2 million for the quarter compared to $7.4 for the quarter ended September 30, 2000 and $20.9 million for the nine months ended September 30, 2001 compared to $20.5 million for the nine months ended September 30, 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 $321,000 in the quarter compared to $517,000 during the quarter ended September 30, 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. CPI increases included in minimum rents were approximately $445,000 greater than in the quarter ended September 30, 2000. Lease termination revenue, including joint ventures at pro rata, was $1.7 million for the quarter compared to $744,000 during the quarter ended September 30, 2000 and $3.9 million for the nine months ended September 30, 2001 compared to $3.3 million during the comparable period in 2000.

Excluding lease termination revenue, same center earnings, before interest, taxes, depreciation and amortization, including joint ventures at pro rata, ("EBITDA") grew at a 5.7% pace in the quarter ended September 30, 2001 compared to the same period in 2000.

For the quarter ended September 30, 2001, FFO-diluted was $42.5 million compared to $38.8 million for the third quarter of 2000. For the nine months ended September 30, 2001, FFO-diluted was $119.3 million compared to $114.9 million for the first nine months of 2000. Net income available to common stockholders for the quarter was $9.3 million compared to $7.2 million for the third quarter of 2000 and net income per share diluted was $.27 compared to $.21 in the third quarter of 2000. Net income available to common stockholders for the nine months ended September 30, 2001 was $22.5 million or $.67 per share compared to $21.1 million or $.62 per share for the nine months ended September 30, 2000.

Quarterly Results

- -- During the quarter, leases were signed for approximately 235,000 square feet of mall and freestanding space. The average rent on new leases was $37.21 per square foot, 25% greater than expiring rents.
- -- Total same center tenant sales for the quarter decreased 1.8% compared to the third quarter of 2000 and increased .3% for the nine months ended September 30, 2001, compared to the same period in 2000. The

quarterly decrease was driven by a total same center tenant sales decline for the month of September of 7.1%.

- On November 9, 2001, the Company declared an increased quarterly dividend of $.55 per share on its common and preferred stock, payable on December 7, 2001 to stockholders of record on November 19, 2001. This represents a 4% increase over the prior quarterly dividend. The Company has increased its dividend each year since becoming a public company in 1994.

- Robinson-May executed a lease for a 30,000 square foot expansion of their store at Stonewood Mall and completed a comprehensive renovation of their store at Lakewood Center.

- Nordstrom completed a major renovation of their store at Los Cerritos Center.

- Swedish apparel retailer Hennes & Mauritz (H&M) leased 19,427 square feet at Queens Center with a planned opening in late 2001.

- At Vintage Faire Mall in Modesto, California a $10 million renovation was completed. Year to date sales are up 9% at this property with sales per square foot now over $370.

- At Redmond Town Center, in Redmond, Washington, city approval was obtained for the addition of an 110,000 square foot Bon Marche department store.

Refinancing Activity

In October 2001 a $46 million, 10 year, fixed rate loan bearing interest at 7.45% was placed on Rimrock Mall in Billings, Montana. This loan replaced a $28 million, 7.7% interest rate loan.

During the quarter, the Company's line of credit facility was increased to $200 million and two additional banks were added. There is currently $134 million outstanding on the credit facility.

Financial Outlook

The following statements are based on our current expectations and are subject to the forward -looking statement caveat that appears below.

Management is not modifying previous earnings guidance for year 2001. Management realizes that given the current volatile economic climate that the fourth quarter of 2001 earnings could be impacted by declining retail sales and occupancy levels. Although management is not predicting it, if retail sales drop 10% for each of its tenants in the fourth quarter of 2001 the Company's percentage rent would drop approximately $1.6 million. If a significant drop in retail sales or occupancy should occur, FFO per share for the year could reach the lower end of the range of previous FFO guidance of $2.96 to 3.02.

Management estimates that FFO-diluted per share will range from $3.11 to $3.18 during 2002. This range is based on many assumptions, including the assumption that 2002 same center EBITDA will grow at a 3.0% to 3.5% rate compared to 2001 results. Inherent in the same center growth rate assumption is that straight line rent revenue will continue to decline based on the Company's shift to structuring new leases using CPI rent increases rather than fixed rent increases.

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 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 third quarter 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 through Street Events at www.streetevents.com . The call begins today, November 13, at 10:30 Pacific Daylight 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, 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, 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 of Operations:	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	(UNAUDITED)			
	2001	2000	2001	2000
Minimum Rents	49,991	47,839	148,209	142,920
Percentage Rents(a)	2,392	2,154	5,380	5,156
Tenant Recoveries	27,701	24,891	79,867	74,329
Other Income	2,803	2,053	7,885	6,091
Total Revenues	82,887	76,937	241,341	228,496
Shopping center and operating expenses(c)	28,629	25,122	80,606	73,231
Depreciation and amortization	16,601	15,064	49,092	44,632
General, administrative and other expenses	963	851	4,478	4,032
Interest expense	27,550	26,962	83,042	82,061
Gain (loss) on sale of assets	(107)	(1,189)	(295)	(1,297)
Pro rata income of unconsolidated entities(c)	8,209	7,353	20,891	20,461
Income before minority interest & extraordinary items	17,246	15,102	44,719	43,704
Extraordinary loss on early extinguishments of debt	--	984	187	984
Cumulative effect of change in accounting principle(a)	--	--	--	(963)
Income of the Operating Partnership	17,246	14,118	44,532	41,757
Income allocated to minority interests	2,965	2,301	7,342	6,722
Dividends earned by preferred stockholders	5,013	4,648	14,675	13,945
Net income - available to common stockholders	9,268	7,169	22,515	21,090
Average # of shares outstanding - basic	33,879	34,162	33,761	34,134
Average shares outstanding,- basic, assuming full conversion of OP Units(d)	45,032	45,107	44,915	45,084
Average shares outstanding - diluted for FFO(d)(e)	58,994	59,915	58,877	59,822
Per share income before cumulative effect of change in accounting principle and extraordinary item-diluted	0.27	0.23	0.67	0.66
Net income per share - basic	0.27	0.21	0.67	0.62

Net income per share - diluted	0.27	0.21	0.67	0.62
Dividend declared per share	0.53	0.51	1.59	1.53
Funds from operations "FFO"(b)(d) - basic	34,478	30,630	95,769	90,088
Funds from operations "FFO" (b)(d)(e) - diluted	42,462	38,830	119,273	114,879
FFO per share - basic(b)(d)	0.77	0.68	2.13	2.00
FFO per share - diluted(b)(d)(e)	0.72	0.65	2.03	1.92
% change in FFO - diluted	11.06%		5.49%	

(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 written off as a cumulative change in accounting principle.

(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.

(e) 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 share as they are dilutive to that calculation. Also included in diluted net income per share and FFO per share for 2000 is the effect of stock options and restricted stock, calculated using the treasury method.

Summarized Balance Sheet Information	Sept. 30 2001	Dec 31 2000
	(UNAUDITED)	
Cash and cash equivalents	27,882	36,273
Investment in real estate, net(h)	1,934,233	1,933,584
Investments in unconsolidated entities(I)	276,087	273,140
Total Assets	2,332,021	2,337,242
Mortgage and notes payable	1,438,087	1,400,087
Convertible debentures	150,848	150,848

Additional financial data as of:	September 30 2001	September 30 2000
Occupancy of centers(f)	92.40%	92.60%
Comparable quarter change in same center sales(f)(g)	-1.80%	3.50%

(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 $60,300 at September 30, 2001 and $44,700 at December 31, 2000.
(I) includes the Company's prorata share of construction in process on unconsolidated entities of $19,900 at September 30, 2001 and $4,860 at December 31, 2000.

PRORATA SHARE OF JOINT VENTURES	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	(All amounts in thousands)			
	2001	2000	2001	2000
Revenues:				
Minimum rents	26,630	25,103	78,011	74,674
Percentage rents	1,016	881	2,995	2,851
Tenant recoveries	11,274	10,409	32,481	29,914
Management fee	2,104	2,528	7,328	8,693
Other	915	1,098	2,736	2,255
Total revenues	41,939	40,019	123,551	118,387
Expenses:				
Shopping center expenses	13,782	12,423	39,946	35,740
Interest expense	11,529	12,260	35,430	33,875
Management company expense	1,584	2,609	7,248	10,101
Depreciation and amortization	6,920	6,550	20,244	18,186
Total operating expenses	33,815	33,842	102,868	97,902
Gain (loss) on sale of assets	85	1,176	208	763
Cumulative effect of change in accounting principle				(787)
Net income	8,209	7,353	20,891	20,461

RECONCILIATION OF NET INCOME TO FFO	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	(All amounts in thousands)			
	(UNAUDITED)		(UNAUDITED)	
	2001	2000	2001	2000

Net income - available to common stockholders	9,268	7,169	22,515	21,090
Adjustments to reconcile net income to FFO - basic				
Minority interest	2,965	2,301	7,342	6,722
Loss on early extinguishments of debt	--	984	187	984
(Gain) loss on sale of wholly owned assets	107	1,189	295	1,297
(Gain) loss on sale or write-down of assets from unconsolidated entities (pro rata)	(85)	(1,176)	(208)	(763)
Depreciation and amortization on wholly owned centers	16,601	15,064	49,092	44,632
Depreciation and amortization on joint ventures and from the management companies (pro rata)	6,920	6,550	20,244	18,186
Cumulative effect of change in accounting - wholly owned assets				963
Cumulative effect of change in accounting - prorata joint ventures				787
Less: depreciation on personal property and amortization of loan costs and interest rate caps	(1,298)	(1,451)	(3,698)	(3,810)
Total FFO - basic	34,478	30,630	95,769	90,088
Weighted average shares outstanding - basic(d)	45,032	45,107	44,915	45,084
Additional adjustment to arrive at FFO - diluted				
Interest expense and amortization of loan costs on the debentures(e)	2,971	3,162	8,829	9,454
Preferred stock dividends earned	5,013	4,648	14,675	13,945
Effect of employee/director stock incentive plan	390	1,392		
FFO - diluted	42,462	38,830	119,273	114,879
Weighted average shares outstanding - diluted(d)(e)	58,994	59,915	58,877	59,822

SOURCE The Macerich Company

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