The Macerich Company Announces a 12.4% Increase in FFO Per Share

November 11, 1999

SANTA MONICA, Calif., Nov. 11 /PRNewswire/ -- The Macerich Company (NYSE: MAC - news) today announced results of operations for the third quarter ended September 30, 1999 and other news which included the following:

- Funds from operations (''FFO'') - diluted increased 32% for the third quarter of 1999 compared to the third quarter of 1998 and 47% for the nine months ended September 30, 1999 compared to the same period in 1998.
- FFO -- diluted per share increased by 12.4% during the quarter to $.67 compared to $.60 for the third quarter of 1998 on a comparable basis.
- Same Center net operating income, excluding redevelopment centers, increased by 6.8% compared to the third quarter of 1998 and 4.8% for the nine months ended September 30, 1999 compared to the same period in 1998.
- Same Tenant Sales increased by 3.1% for the quarter and 3.4% for the nine months ended September 30, 1999 versus the comparable periods in 1998. The quarterly sales gains were fueled by a 6.2% increase in apparel sales.
- Macerich acquired Santa Monica Place, a 560,000 square foot regional mall located in Santa Monica, California.
- Macerich completed a joint venture transaction with the Ontario Teachers' Pension Plan Board. Total assets contributed to the joint venture were $535 million.

Commenting on the results for the quarter, Arthur Coppola, President and Chief Executive Officer of Macerich stated, ''The results for the third quarter reflect the ongoing trend of same center revenue gains compared to the same quarter in the prior year, comparable tenant sales increases and strong leasing activity. These positive trends have contributed to the significant increase in our internal growth, which has fueled much of our FFO growth per share. In addition, the joint venture we formed in February 1999 with the Ontario Teachers' Pension Plan Board to acquire the Winmar Portfolio also made a significant contribution to the FFO growth in the quarter.

The liquidity derived from the refinancing of Stonewood Mall and the joint venture with the Ontario Teachers' Pension Plan Board allowed us to substantially reduce short term debt and to reduce the outstanding balance on our line of credit. In addition, some of the proceeds were used to acquire Santa Monica Place which combined with the Macerich owned Westside Pavilion and Villa Marina Marketplace, makes Macerich the dominant retail landlord in the west Los Angeles market.''

Financial Results

For the quarter ended September 30, 1999, FFO increased 32.4% to $40.9 million from $30.9 million, and on a per share basis, FFO -- diluted increased 12.4% to $.67 from $.60 in the third quarter of 1998. For the nine months ended September 30, 1999, FFO-diluted per share was $1.94, a 12.3% increase over the same period in 1998.

Net income available to common stockholders for the quarter was $9.1 million or $.27 per share compared to $4.6 million or $.14 per share for the three months ended September 30, 1998. For the nine months ended September 30, 1999, net income available to common stockholders was $27 million or $.79 per share compared to $18.8 million or $.62 per share for the nine months ended September 30, 1998.

Highlights

- During the quarter, there were 270,000 square feet of leases signed for mall and freestanding shop space. The average rent on new leases was $28.55 per square foot. On a comparable space basis, the new leases were signed at rents approximately 14% higher than expiring rents.
- The Company announced the acquisition of Santa Monica Place in Santa Monica, California. Santa Monica Place is a 560,000 square foot regional mall anchored by Robinsons-May and Macy's. It is prominently situated in the heart of the Santa Monica retail district and combined with Westside Pavilion in West Los Angeles and Villa Marina Marketplace in Marina Del Rey, gives Macerich control of the three dominant regional centers in this densely populated trade area.
- The Company placed a $75 million secured loan on Stonewood Mall. The interest rate is at LIBOR plus 1.75% and the loan matures in February 2001. The proceeds were used to pay down short term debt and for general corporate purposes.
- The Company recently announced that Lakewood Mall, Stonewood Mall and Los Cerritos Center were contributed to a joint venture owned approximately 51% by Macerich and 49% by Ontario Teachers' Pension Plan Board. The total value of the transaction was approximately $535 million. The properties were contributed to the venture subject to existing debt of $322 million. The net proceeds to Macerich of $104 million were used for reduction of debt and general corporate purposes, which included the acquisition of Santa Monica Place.
- The $90 million redevelopment of Pacific View Mall in Ventura, California is on schedule for a March 2000 grand opening. This renovation includes the addition of Robinsons-May and Sears and a new 124,500 square foot JC Penney store. The leasing activity remains strong with approximately 75% of the non-anchor space already leased. In addition, Macy's has announced a $25 million renovation of their store.

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 78% ownership interest in The Macerich Partnership, L.P. Macerich owns interests in 48 regional malls and five community centers totaling over 41 million square feet. Additional information about The Macerich Company can be obtained from the Company's web site at www.macerich.com.

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, availability and cost of financing and operating expenses; adverse changes in the real estate markets including, among other things, competition with other companies, retail formats and technology, risks of real estate development and acquisition, 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 September 30,		for the nine months ended September 30,	
	(UNAUDITED)			
	1999	1998	1999	1998
Minimum Rents	51,569	47,424	153,474	127,052
Percentage Rents(b)	3,446	2,458	10,594	6,709
Tenant Recoveries	25,509	23,953	72,785	60,775
Other Income	2,720	1,244	5,915	3,125
Total Revenues	83,244	75,079	242,768	197,661
Shopping Center Expenses	25,316	24,135	72,537	62,135
Depreciation and amortization	15,895	15,312	46,434	38,919
General, administrative and other expenses (c)	1,240	942	4,083	3,119
Interest expense	29,813	24,888	85,168	66,100
Gain on sale of assets	162	0	162	9
Pro rata income of unconsolidated entities (d)	6,058	2,852	16,692	8,432
Income before minority interest & extraordinary items	17,200	12,654	51,400	35,829
Income allocated to minority interests	3,307	1,558	9,795	7,748
Extraordinary loss on early extinguishments of debt	28	2,324	1,016	2,414
Dividends earned by preferred stockholders	4,740	4,193	13,581	6,898
Net income - available to common stockholders	9,125	4,579	27,008	18,769
Average # of shares outstanding - basic	34,044	32,468	33,987	30,154
Average shares outstanding,-basic, assuming full conversion of OP Units (e)	46,318	44,761	46,286	42,310
Average shares outstanding - diluted for FFO (f) (e)	61,154	54,467	61,055	47,947
Net income per share-basic	$0.27	$0.14	$0.79	$0.62
Net income per				

share- diluted	$0.27	$0.14	$0.79	$0.62
Dividend declared per share	$0.485	$0.460	$1.455	$1.380
Funds from operations "FFO" (a)(e)- basic	$32,474	$26,554	$94,259	$73,344
Funds from operations "FFO" (a)(f)(e) - diluted	$40,921	$30,902	$118,434	$80,653
FFO per share - basic (a)(e)	$0.701	$0.593	$2.036	$1.733
FFO per share - diluted (a)(f)(e)	$0.669	$0.567	$1.940	$1.682
Proforma FFO per share - diluted assuming the accounting change, EITF 97-11, was effective 1-1-98, and that EITF 98-9, was reversed effective 1-1-98.				
proforma impact of EITF 97-11 (c)				($0.020)
proforma impact of EITF 98-9 (b)		$0.028		$0.065
Proforma FFO per share - diluted (g)	$0.669	$0.595	$1.940	$1.727
% change in proforma FFO - diluted (g)	12.40%		12.31%	

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- (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." Percentage change in FFO per share is based on a comparison to the same period in 1998.
- (b) Effective April 1, 1998, there was an accounting change (EITF 98-9) mandated by the Financial Accounting Standards Board which modifies the timing on recognition of revenue for percentage rent received from tenants. Although the accounting change had no material impact on the annual percentage rent recognized, the accounting change had the effect of deferring $3,400 of percentage rent (or $.065 per diluted share) from the second and third quarters of 1998 to the quarter ended December 31, 1998. During 1999, the FASB reversed EITF 98-9 and the accounting treatment, starting effective January 1, 1999 reverted to the former method of accounting for percentage rents.
- (c) Effective March 19, 1998 the Financial Accounting Standards Board adopted EITF # 97-11 entitled "Accounting for Internal Costs Relating to Real Estate Property Acquisitions". This accounting interpretation requires internal acquisition costs to be expensed, previously these costs had been capitalized. If this new accounting interpretation had been implemented effective January 1, 1998, it would have reduced income before extraordinary items by $543 or $.02 per share- diluted for the first quarter of 1998.
- (d) 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.
- (e) 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.
- (f) 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. Conversion is not reflected for calculation of 1998 FFO per share or net income per share as the conversion would be antidilutive. 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. 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.

- (g) This reflects the impact of the accounting changes discussed in footnotes (b) and (c) above on a proforma basis assuming that the accounting change noted in footnote (c) was effective as of January 1, 1998 and that the accounting change discussed in footnote (b) , EITF 98-9 was reversed effective January 1, 1998.

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Summarized Balance Sheet Information	Sept. 30, 1999	Dec. 31, 1998
	(UNAUDITED)	
Cash and cash equivalents	23,325	25,143
Investment in real estate, net	1,975,841	1,966,845
Total Assets	2,486,237	2,322,056
Mortgage and notes payable	1,556,302	1,345,718
Convertible debentures	161,400	161,400

Additional financial data as of September 30, 1999	
Occupancy of centers (h)	92.50%
Year to date increase in comparable tenant sales(h) (i)	3.40%
Debt as a percentage of total market capitalization (j)	64.0%

(h) excludes redevelopment properties- Pacific ViewMall, Crossroads Mall-Boulder, Huntington Center and Parklane Mall
(i) includes mall and freestanding stores
(j) includes joint ventures at pro rata and is based on the closing stock price on September 30, 1999 of$ 23.125

RECONCILIATION OF NET INCOME TO FFO	for the three months ended September 30,		for the nine months ended September 30,	
	(UNAUDITED)		(UNAUDITED)	
	1999	1998	1999	1998
Net income - available to common stockholders	9,125	4,579	27,008	18,769
Adjustments to reconcile net income to FFO- basic				
Minority interest	3,307	1,558	9,795	7,748
Loss on early extinguishment of debt	28	2,324	1,016	2,414
(Gain) loss on sale of wholly owned assets	(162)	0	(162)	(9)
(Gain) loss on sale or write-down of assets from unconsolidated entities (pro rata)	75	0	(399)	164
Depreciation and amortization on wholly owned centers	15,895	15,312	46,434	38,919

Depreciation and amortization on joint ventures and from the management companies (pro rata)	5,626	3,557	14,091	7,982
Less: depreciation on personal property and amortization of loan costs and interest rate caps	(1,420)	(776)	(3,524)	(2,643)
Total FFO - basic	32,474	26,554	94,259	73,344
Weighted average shares outstanding - basic (e)	46,318	44,761	46,286	42,310
Additional adjustment to arrive at FFO -diluted Interest expense and amortization of loan costs on the debentures (f)	3,177	n/a	9,453	n/a
Preferred stock dividends earned	4,740	4,193	13,581	6,898
Effect of restricted stock grants	530	155	1,141	411
FFO - diluted	40,921	30,902	118,434	80,653
Weighted average shares outstanding - diluted(e)(f)	61,154	54,467	61,055	47,947

SOURCE: The Macerich Company