Macerich Announces 12.8% Increase in Fourth Quarter FFO Per Share

February 13, 2003

SANTA MONICA, Calif., Feb 13, 2003 /PRNewswire-FirstCall via COMTEX/ -- The Macerich Company (NYSE: MAC) today announced results of operations for the quarter and the year ended December 31, 2002 which included funds from operations ("FFO") per share-diluted increasing 12.8% to $1.07 for the quarter ended December 31, 2002 from $.95 for the comparable period in 2001 and FFO per share-diluted for the year ended December 31, 2002 increasing to $3.26 compared to $2.97 for 2001.

Net income available to common stockholders for the year ended December 31, 2002 was $61 million or $1.62 per share-diluted compared to $58.0 million or $1.72 per share-diluted for 2001. Net income to common stockholders for the three months ended December 31, 2002 was $33.2 million, or $.75 per share-diluted compared to net income of $35.5 million or $.94 per share- diluted for the three months ended December 31, 2001. Net income per share in 2001 was positively impacted by net gain on sales and writedown of assets of $.42 and $.55 per share respectively for the quarter and year ended December 31, 2001 compared to net gain on sales and writedown of assets in 2002 of $.18 per share for the quarter ended December 31, 2002 and $.44 per share for the year ended December 31, 2002. During the fourth quarter the Company adopted SFAS No. 141 - Business Combinations, which resulted in an increase in net income per share of $.03 relating to the acquisition of assets, all of which is reflected in the fourth quarter.

Highlights included:

- Total 2002 shareholder return, assuming reinvestment of dividends was 24.5%.
- Total diluted FFO in 2002 increased 18.3% over 2001 to $207.1 million. FFO per share-diluted for the quarter increased 12.8% to $1.07 and for the year FFO per share-diluted increased by 9.7% to $3.26. The impact of adopting SFAS #141 has been excluded from FFO.
- The Company acquired over $1.6 billion of real estate assets during 2002.
- During the fourth quarter, Macerich signed 276,000 square feet of specialty store leases at average initial rents of $40.54 per square foot. First year rents on mall and freestanding store leases signed during the quarter were 17% higher than expiring rents on a comparable space basis.
- Portfolio year-end occupancy increased to 93.9% up from 92.4% at December 31, 2001.
- Total same center tenant sales for the quarter ended December 31, 2002 were up .9% compared to the fourth quarter of 2001. The mall portfolio sales per square foot increased to $355 up from $350 in 2001.
- In November, the quarterly dividend was increased to $.57 per share. Macerich has increased its dividend each year since becoming a public company in 1994.
- The Company completed a $440 million equity issuance, sized up from $300 million due to strong investor demand. Funds from Operations ("FFO") is a widely used measure of the operating performance of real estate companies and is provided here as a supplemental measure to Generally Accepted Accounting Principles (GAAP) net income and earnings per share. A reconciliation of net income to FFO is provided in the financial statement section of this press release

Commenting on results and recent events, Arthur Coppola, President and Chief Executive Officer of Macerich stated, "The quarter was highlighted by continued strong fundamentals including occupancy levels and leasing spreads increasing over 2001 levels. Our portfolio performed extremely well, as is evidenced by the improved operating metrics and the double-digit increase in FFO per share, even in these challenging economic times.

We had a very successful equity offering in the fourth quarter, which was a ringing endorsement of our recent acquisition of Westcor and the direction of the Company. It was not only a successful year for us, but also for our shareholders who saw a total 2002 shareholder return on Macerich in excess of 24%."

Redevelopment and Development Activity

At Queens Center, the redevelopment and expansion continued. The project will increase the size of the center from 620,000 square feet to approximately 1 million square feet. Completion is planned in phases starting in 2004 with stabilization expected in 2005. Leasing activity has been strong with 69% of the expansion space already leased.

At Lakewood Center, Target commenced building a two-level Target store in the location formerly occupied by Montgomery Wards. Opening is scheduled for fall 2003.

Bon Marche continues construction of a new department store at Redmond Town Center, slated to open in August 2003.

Construction continues at Scottsdale 101, a 600,000 square foot power center in North Phoenix and also at La Encantada, a 258,000 square foot specialty center in Tucson, Arizona.

During October 2002 Macy's opened a new 236,000 square foot store becoming the fifth department store at the dominant super regional mall, Scottsdale Fashion Square.

Dispositions

The Company continues to dispose of non-core assets and recycle capital. In December 2002 the former Montgomery Wards site at Pacific View mall was sold and a gain on sale of approximately $12 million was recognized. In January, 2003 Paradise Village Gateway, a 296,000 square foot Phoenix area urban village anchored by Albertson's grocery store was sold for approximately $29.4 million.

Financing Activity

On December 13, 2002 the remaining $125 million of the Company's 7.25% convertible debentures were repaid in full.

In November 2002, the company filed to issue 10.2 million shares of common stock. Due to strong investor demand the offering was upsized to 13.2 million shares and with the exercise of the underwriters over-allotment the Company ultimately issued 15.2 million shares. The proceeds of the offering were used to pay off a $380 million acquisition loan incurred concurrent with the Westcor acquisition and other acquisition related debt.

2003 Earnings Estimates

The Company remains comfortable with its previously released year 2003 FFO per share guidance in the range of $3.42 to $3.50.

The Macerich Company is a fully integrated self-managed and self-administered real estate investment trust, which focuses on the acquisition, leasing, management, redevelopment and development of regional malls and community centers throughout the United States. The Company is the sole general partner and owns an 82% ownership interest in The Macerich Partnership, L.P. Macerich now owns interests in 56 regional malls, 20 community centers and two development properties totaling approximately 58 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 , and CCBN at www.ccbn.com . The call begins today, February 13, 2003 at 10:30 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 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 and redevelopment, 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 before SFAS 144		Impact of SFAS 144		Results after SFAS 144	
Results of Operations:	For the Three Months Ended December 31 Unaudited		For the Three Months Ended December 31		For the Three Months Ended December 31 Unaudited	
	2002	2001	2002	2001	2002	2001
Minimum Rents	73,233	53,271		(410)	73,233	52,861
Percentage Rents	6,943	7,014			6,943	7,014
Tenant Recoveries	36,109	29,297		(134)	36,109	29,163
Other Income	3,898	3,651		(6)	3,898	3,645
Total Revenues(e)	120,183	93,233	--	(550)	120,183	92,683
Shopping center and operating expenses(c)	39,651	30,221		(154)	39,651	30,067
Depreciation and amortization	23,608	16,892		(120)	23,608	16,772
General, administrative and other expenses	3,710	2,301			3,710	2,301

Interest expense	36,520	26,604			36,520	26,604
Gain (loss) on sale or writedown of assets	12,044	24,787	(12,150)		(106)	24,787
Pro rata income (loss) of unconsolidated entities (c)	22,094	12,040			22,094	12,040
Income before minority interest & extraordinary items	50,832	54,042	(12,150)	(276)	38,682	53,766
Extraordinary loss on early extinguishment of debt	2,734	1,847	--	--	2,734	1,847
Income (loss) of the Operating Partnership from continuing operations before change in accounting principle (e)	48,098	52,195	(12,150)	(276)	35,948	51,919
Rental accretion from adopting SFAS # 141(e)	1,139	--			1,139	--
Discontinued Operations:						
Gain (loss) on sale of asset	--	--	12,150	--	12,150	--
Income from discontinuing operations	--	--	--	276	--	276
Income before minority interest	49,237	52,195	--	--	49,237	52,195
Income (loss) allocated to minority interests	10,825	11,659			10,825	11,659
Net income before preferred dividends	38,412	40,536	--	--	38,412	40,536
Dividends earned by preferred stockholders	5,195	5,013	--	--	5,195	5,013
Net income to common stockholders	33,217	35,523	--	--	33,217	35,523
Average # of shares outstanding - basic	42,077	33,935			42,077	33,935
Average shares outstanding, -basic, assuming full conversion of OP Units (d)	55,793	45,088			55,793	45,088
Average shares outstanding - diluted for EPS (d)(e)	68,642	58,958			68,642	58,958
Average shares						

outstanding - diluted for FFO (d)(e)	68,642	58,958			68,642	58,958
Per share income - diluted before extraordinary item	0.79	0.97			0.79	0.97
Net income per share - basic	0.79	1.05			0.79	1.05
Net income per share - diluted	0.75	0.94			0.75	0.94
Dividend declared per share	0.57	0.55			0.57	0.55
Funds from operations "FFO" (b)(d) - basic	66,048	47,839			66,048	47,839
Funds from operations "FFO" (a)(b)(d) - diluted	73,303	55,796			73,303	55,796
FFO per share - basic (b)(d)	1.18	1.06			1.18	1.06
FFO per share - diluted (a)(b)(d)	1.07	0.95			1.07	0.95
% change in FFO - diluted	12.84%				12.84%	

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	Results before SFAS 144		Impact of SFAS 144		Results after SFAS 144	
Results of Operations:	For the Year Ended December 31		For the Year Ended December 31 Unaudited		For the Year Ended December 31 Unaudited	
	2002	2001	2002	2001	2002	2001
Minimum Rents	233,478	201,481	(415)	(1,616)	233,063	199,865
Percentage Rents	11,193	12,394		(39)	11,193	12,355
Tenant Recoveries	121,547	109,163	(59)	(428)	121,488	108,735
Other Income	12,062	11,535	(21)	(25)	12,041	11,510
Total Revenues(e)	378,280	334,573	(495)	(2,108)	377,785	332,465
Shopping center and operating expenses (c)	129,504	110,827	(64)	(572)	129,440	110,255
Depreciation and amortization	78,837	65,983	(115)	(381)	78,722	65,602
General, administrative and other expenses	8,270	6,780			8,270	6,780
Interest expense	122,934	109,646			122,934	109,646
Gain loss > on sale or writedown of assets	22,253	24,491	(26,073)		(3,820)	24,491
Pro rata income of unconsolidated entities(c)	43,049	32,930			43,049	32,930

Income before minority interest & extraordinary items and change in accounting principle (e)	104,037	98,758	(26,389)	(1,155)	77,648	97,603
Rental revenue accretion resulting from adopting SFAS #141.(e)	1,139	--			1,139	--
Extraordinary loss on early extinguishment of debt	3,605	2,034			3,605	2,034
Income of the Operating Partnership from continuing operations	101,571	96,724	(26,389)	(1,155)	75,182	95,569
Discontinued Operations:						
Gain on sale of asset	--	--	26,073	--	26,073	--
Income from discontinuing operations	--	--	316	1,155	316	1,155
Income before minority interest	101,571	96,724	--	--	101,571	96,724
Income allocated to minority interests	20,189	19,001	--	--	20,189	19,001
Net income before preferred dividends	81,382	77,723	--	--	81,382	77,723
Dividends earned by preferred stockholders	20,417	19,688	--	--	20,417	19,688
Net income to common stockholders	60,965	58,035	--	--	60,965	58,035
Average # of shares outstanding - basic	37,348	33,809			37,348	33,809
Average shares outstanding, - basic, assuming full conversion of OP Units (d)	49,611	44,963			49,611	44,963
Average shares outstanding - diluted for EPS(d)(e)	50,066	44,963			50,066	44,963
Average shares outstanding - diluted for FFO(d)(e)	63,015	58,902			63,015	58,902
Per share income - diluted before extraordinary item	1.69	1.76			1.69	1.76
Net income per						

share - basic	1.63	1.72	1.63	1.72
Net income per share - diluted	1.62	1.72	1.62	1.72
Dividend declared per share	2.22	2.14	2.22	2.14
Funds from operations "FFO" (b)(d) - basic	177,350	143,607	177,350	143,607
Funds from operations "FFO" (a)(b)(d) - diluted	207,077	175,068	207,077	175,068
FFO per share - basic(b)(d)	3.51	3.19	3.51	3.19
FFO per share - diluted(a)(b)(d)	3.26	2.97	3.26	2.97
% change in FFO - diluted	9.68%		9.68%	

(a) 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. The debentures were paid off in December 2002. 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 for 2002 or 2001 as it would be antidilutive to that calculation. The preferred shares are assumed converted for the quarters ended December 31, 2002 and 2001 as they are dilutive to net income per share for those periods. The weighted average preferred shares outstanding are assumed converted for purposes of FFO per diluted share as they are dilutive to that calculation for all periods presented.

(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 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 29, 2001, Macerich Property Management Company merged into a wholly-owned subsidiary of The Macerich Partnership L.P. and as of that date the results 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. The FFO per share reflected is the sum of the results for the four calendar quarters. Due to an equity issuance in November, 2002 the calculation of the annual FFO per share using the weighted average number of shares outstanding during the year does not equal the sum of actual FFO per share reported by quarter. The sum of the quarterly results is reflected above.

(e) Effective October 1, 2002 the Company adopted SFAS 141, Business Combinations, which requires companies that have acquired assets subsequent to June 2001 to reflect the discounted net present value of market rents in excess of rents in place at the date of acquisition as a deferred credit to be amortized into income over the average remaining life of the acquired leases. The impact on EPS was approximately $.03 per share. The Company has excluded the impact of this accounting change from FFO. The impact of FAS 141 is reflected above as a separate line item and is not included in revenues.

Summarized Balance Sheet Information	Dec 31 2002	Dec 31 2001
	(UNAUDITED)	
Cash and cash equivalents	$53,559	$26,470
Investment in real estate, net (h)	$2,842,177	$1,887,329
Investments in unconsolidated entities (i)	$617,205	$278,526
Total Assets	$3,660,762	$2,294,502
Mortgage and notes payable	$2,291,906	$1,398,512
Convertible debentures	$0	$125,148

Additional financial data as of:	Dec 31 2002	Dec 31 2001
Occupancy of centers (f)	93.90%	92.40%
Comparable quarter change in same center sales(f)(g)	0.90%	-1.80%
Additional financial data for the year ended December 31		
Acquisitions of property and equipment - including joint ventures prorata	$1,661,227	$20,748
Development, redevelopment and expansions of centers - including joint ventures prorata	$65,184	$43,057
Renovations of centers - including joint ventures at prorata	$6,860	$14,588
Tenant allowances - including joint ventures at prorata	$16,010	$16,369
Deferred leasing costs - including joint ventures at prorata	$16,512	$13,904

(f) excludes redevelopment properties - Crossroads Mall - Boulder, and Parklane Mall. The 2002 acquisitions, Westcor and the Oaks, are excluded at 12-31-01.

(g) includes mall and freestanding stores.

(h) includes construction in process on wholly owned assets of $111,517 at December 31, 2002 and $71,161 at December 31, 2001.

(i) the Company's prorata share of construction in process on unconsolidated entities of $16,147 at December 31, 2002 and $3,110 at December 31, 2001.

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PRORATA SHARE OF

JOINT VENTURES	For the Three Months Ended December 31 Unaudited (All amounts in thousands)		For the Year Ended December 31 Unaudited (All amounts in thousands)	
	2002	2001	2002	2001
Revenues:				
Minimum rents	$44,798	$28,599	$136,292	$106,610
Percentage rents	4,351	3,828	7,138	6,823
Tenant recoveries	17,627	11,141	55,130	43,622
Management fee(c)	2,758	2,410	9,646	9,738
Other	1,598	1,598	3,735	4,334
Total revenues	71,132	47,576	211,941	171,127
Expenses:				
Shopping center and operating expenses	20,113	15,265	64,581	55,211
Interest expense	14,330	10,458	50,116	45,888
Management company expense(c)	3,247	1,836	9,411	9,084
Depreciation and amortization	11,988	7,833	37,530	28,077
Total operating expenses	49,678	35,392	161,638	138,260
Rental accretion from adopting SFAS #141(e)	767	--	767	--
Gain (loss) on sale or writedown of assets	(127)	(16)	(8,021)	191
Cumulative effect of change in accounting principle	--	(128)	--	(128)
Net income	22,094	12,040	43,049	32,930

RECONCILIATION OF NET INCOME TO FFO	For the Three Months Ended December 31 (All amounts in thousands) (UNAUDITED)		For the Year Ended December 31 (All amounts in thousands) (UNAUDITED)	
	2002	2001	2002	2001
Net income - available to common stockholders	$33,217	$35,523	$60,965	$58,035
Adjustments to reconcile net income to FFO - basic				
Minority interest	10,825	11,659	20,189	19,001
Loss on early extinguishments of debt	2,734	1,847	3,605	2,034
(Gain) loss on sale of wholly owned assets	(12,044)	(24,787)	(22,253)	(24,491)
(Gain) loss on sale or write-down of assets from unconsolidated entities (prorata)	127	16	8,021	(191)
Cumulative effect of change in accounting principle - unconsolidated				

entities, prorata	--	128	--	128
Exclude impact of SFAS #141(e)	(1,906)		(1,906)	
Depreciation and amortization on wholly owned centers	23,608	16,892	78,837	65,983
Depreciation and amortization on joint ventures and from the management companies (prorata)	11,815	7,833	37,355	28,077
Less: depreciation on personal property and amortization of loan costs and interest rate caps	(2,328)	(1,272)	(7,463)	(4,969)
Total FFO - basic	66,048	47,839	177,350	143,607
Weighted average shares outstanding - basic(d)	55,793	45,088	49,611	44,963
Additional adjustment to arrive at FFO - diluted				
Interest expense and amortization of loan costs on the debentures(e)	2,060	2,944	9,310	11,773
Preferred stock dividends earned	5,195	5,013	20,417	19,688
Effect of employee/direct or stock incentive plans FFO - diluted	73,303	55,796	207,077	175,068
Weighted average shares outstanding - diluted(d)(e)	68,642	58,958	63,015	58,902

SOURCE:
The Macerich Company

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