Macerich Announces Results for the Quarter Ended March 31, 2002

May 13, 2002

SANTA MONICA, Calif., May 13, 2002 /PRNewswire-FirstCall via COMTEX/ -- The Macerich Company (NYSE: MAC) today announced results of operations for the quarter ended March 31, 2002, which included the following:

- Net income per share-diluted increased to $.50 compared to $.19 for the quarter ended March 31, 2001. The large increase was driven by a gain on sale of assets of $.29 per share-diluted for the quarter ended March 31, 2002.
- During the quarter, Macerich signed new leases at average initial rents of $37.92 per square foot, substantially in excess of average portfolio minimum rents of $29.14. First year rents on mall and freestanding comparable store leases signed during the quarter were 26% higher than expiring rents.
- Portfolio occupancy remained high at 92.0% as of March 31, 2002 and decreased slightly compared to 92.4% at March 31, 2001.
- The quarterly dividend of $.55 per share was declared and is payable on June 10, 2002 to shareholders of record on May 20, 2002.
- Tenant sales per square foot for the twelve months ended March 31, 2002 were $350, unchanged from December 31, 2001.
- Funds from operations ("FFO") per share -- diluted increased 7.45% to $.70 for the quarter ended March 31, 2002 compared to $.65 for the comparable period in 2001.

Operating Results for the Quarter Ended March 31, 2002

In October 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." The Company adopted SFAS 144 on January 1, 2002. SFAS 144 requires that assets sold after January 1, 2002 are to be reported as "discontinued operations" on the income statement for the year of the sale and retroactively for all prior years presented. The Company sold Boulder Plaza on March 19, 2002 and in accordance with SFAS 144 the results of Boulder Plaza for the periods of January 1 through March 19, 2002 and the period from January 1, 2001 to March 31, 2001 have been reclassified from operations into discontinued operations on the income statement. This accounting pronouncement will not have an impact on Funds from Operations.

Total revenues were $77.0 million for the quarter, compared to $77.3 million for the quarter ended March 31, 2001. The pro rata income of unconsolidated entities increased to $6.3 million for the quarter compared to $6.1 million for the quarter ended March 31, 2001.

Same center earnings, before interest, taxes, depreciation and amortization, including joint ventures at pro rata, ("EBITDA") grew at a 2.45% rate for the quarter ended March 31, 2002 compared to the same period in 2001.

Gain on sale of assets was $13.3 million during the quarter ended March 31, 2002 compared to a $.3 million loss on sale of assets during the comparable quarter in 2001. The gain in 2002 resulted primarily from the sale of Boulder Plaza, a 159,000 square foot community center located in Colorado. Boulder Plaza was sold in March 2002 for $24.8 million. The sale resulted in a $13.4 million gain on sale of the asset.

For the quarter ended March 31, 2002, FFO-diluted was $41.1 million compared to $38.1 million for the first quarter of 2001. Net income available to common stockholders for the quarter was $17.4 million compared to $6.4 million for the first quarter of 2001 and net income per share-diluted was $.50 compared to $.19 for the quarter ended March 31, 2001.

Highlights

- During the quarter, leases were signed for approximately 265,000 square feet of mall and freestanding space. The average rent on new leases was $37.92 per square foot, 26% higher than expiring rents on a comparable space basis.
- Macy's opened an 110,000 square foot store at Capitola Mall in California.
- The Queens Center redevelopment and expansion continued with pre-leasing reaching the 50% level. The project will increase the size of the mall from 620,000 square feet to approximately 1 million square feet, including the addition of 250,000 square feet of mall shops. Construction is expected to start in mid-2002 with completion estimated, in phases, through late 2004.
- The Company issued 1,968,957 shares of common stock raising net proceeds of $52.2 million.
- Total same center tenant sales for the quarter decreased .5% and comparable tenant sales decreased 2.9% compared to

the first quarter of 2001.

- During the quarter, the Company sold Boulder Plaza, a community center, for $24.8 million, recognizing a $13.4 million gain on asset sale.

2002 Earnings Estimates

The Company remains comfortable with its previously provided 2002 FFO per share-diluted guidance in the $3.11 to $3.18 range.

The Macerich Company is a fully integrated self-managed and self-administered real estate investment trust, which focuses on the acquisition, leasing, management and redevelopment of regional malls and community centers throughout the United States. The Company is the sole general partner and owns an 80% ownership interest in The Macerich Partnership, L.P. Macerich owns interests in 46 regional malls and three community centers totaling approximately 41 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 first 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, May 13, at 10:30 Pacific Standard 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 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 of Operations (unaudited):

	Results before SFAS 144 (e) For the Three Months Ended March 31		Impact of SFAS 144 (e) For the Three Months Ended March 31		Results after SFAS 144 (e) For the Three Months Ended March 31	
	2002	2001	2002	2001	2002	2001
Minimum Rents	48,970	48,665	(405)	(379)	48,565	48,286
Percentage Rents	1,297	1,848	--	(5)	1,297	1,843
Tenant Recoveries	24,698	24,803	(59)	(82)	24,639	24,721
Other Income	2,445	2,447	4	(8)	2,449	2,439
Total Revenues	77,410	77,763	(460)	(474)	76,950	77,289
Shopping center and operating expenses (c)	25,755	24,151	(57)	(101)	25,698	24,050
Depreciation and amortization	16,624	16,104	(115)	(87)	16,509	16,017
General, administrative and other expenses	1,533	1,682	--	--	1,533	1,682
Interest expense	25,124	27,996	--	--	25,124	27,996
Gain on sale of assets	13,256	(321)	(13,408)	--	(152)	(321)
Pro rata income of unconsolidated entities (c)	6,306	6,055	--	--	6,306	6,055
Income before minority interest & extraordinary						

items	27,936	13,564	(13,696)	(286)	14,240	13,278
Extraordinary loss on early extinguishment of debt	--	186	--	--	--	186
Income of the Operating Partnership from continuing operations	27,936	13,378	(13,696)	(286)	14,240	13,092
Discontinued Operations:						
Gain on sale of asset	--	--	13,408	--	13,408	--
Income from discontinuing operations	--	--	288	286	288	286
Income before minority interest	27,936	13,378	--	--	27,936	13,378
Income allocated to minority interests	5,573	2,128	--	--	5,573	2,128
Dividends earned by preferred stockholders	5,013	4,831	--	--	5,013	4,831
Net income - available to common stockholders	17,350	6,419	--	--	17,350	6,419
Average # of shares outstanding - basic	34,734	33,640			34,734	33,640
Average shares outstanding - basic, assuming full conversion of OP Units (d)	45,887	44,796			45,887	44,796
Average shares outstanding - diluted for FFO (d) (e)	59,023	58,758			59,023	58,758
Per share income - diluted before extraordinary item	0.50	0.20			0.50	0.20
Net income per share - basic	0.50	0.19			0.50	0.19
Net income per share - diluted	0.50	0.19			0.50	0.19
Dividend declared per share	0.55	0.53			0.55	0.53
Funds from operations "FFO" (b) (d) - basic	33,673	30,374			33,673	30,374
Funds from operations "FFO" (a) (b) (d) - diluted	41,132	38,109			41,132	38,109
FFO per share - basic (b) (d)	0.73	0.68			0.73	0.68
FFO per share - diluted (a) (b) (d)	0.70	0.65			0.70	0.65
% change in FFO - diluted	7.45%				7.45%	

(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. 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 diluted share as they are dilutive to that calculation.

(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, 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 it's 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) In October 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Accounting Standards ("SFAS") #144, "Accounting for the impairment or Disposal of Long-Lived Assets." The Company adopted SFAS 144 on January 1, 2002. SFAS 144 requires that assets sold after January 1, 2002 be considered as "discontinued operations" on the income statement for the year of sale, and retroactively to all years presented as if the sale took place at the beginning of the earliest year presented. The Company sold Boulder Plaza on March 19, 2002 and in accordance with SFAS 144 the results of Boulder Plaza for the periods from January 1, 2002 to March 19, 2002 and from January 1, 2001 to March 31, 2001 have been reclassified into "discontinued operations" on the income statement.

Summarized Balance Sheet Information	March 31 2002 (UNAUDITED)	Dec 31 2001
Cash and cash equivalents	68,566	26,470
Investment in real estate, net (h)	1,872,441	1,887,329
Investments in unconsolidated entities (I)	275,324	278,526
Total Assets	2,309,136	2,294,502
Mortgage and notes payable	1,361,071	1,398,512
Convertible debentures	125,148	125,148

Additional financial data as of:	March 31 2002	Dec 31 2001
Occupancy of centers (f)	92.00%	92.40%
Comparable quarter change in same center sales (f) (g)	-0.50%	-0.90%

(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 $76,670 at March 31, 2002 and $71,161 at December 31, 2001.
(i) the Company's prorata share of construction in process on unconsolidated entities of $ 5,103 at March 31, 2002 and $3,110 at December 31, 2001.

PRORATA SHARE OF JOINT VENTURES

(Unaudited)

	For the 3 Months Ended March 31, (All amounts in 000's)	
	2002	2001
Revenues:		
Minimum rents	26,417	25,606
Percentage rents	1,143	1,304
Tenant recoveries	10,662	10,595
Management fee (c)	2,134	2,898
Other	759	791
Total revenues	41,115	41,194
Expenses:		
Shopping center and operating expenses	13,360	12,737
Interest expense	10,772	12,221
Management company expense (c)	1,884	3,745
Depreciation and amortization	7,375	6,521
Total operating expenses	33,391	35,224
Gain (loss) on sale or write-down of assets	(1,418)	85
Extraordinary gain loss> on early extinguishment of debt	--	--
Net income	6,306	6,055

RECONCILIATION OF NET INCOME TO FFO

	For the 3 Months Ended March 31, (All amounts in 000's) (UNAUDITED)	
	2002	2001
Net income - available to common stockholders	17,350	6,419
Adjustments to reconcile net income to FFO - basic		
Minority interest	5,573	2,128
Loss on early extinguishment of debt	--	186
(Gain) loss on sale of wholly owned assets	(13,256)	321
(Gain) loss on sale or write-down of assets from unconsolidated entities (pro rata)	1,418	(85)
Depreciation and amortization on wholly owned centers	16,624	16,104
Depreciation and amortization on joint ventures and from the management companies (pro rata)	7,375	6,521
Less: depreciation on personal property and amortization of loan costs and interest rate caps	(1,411)	(1,220)
Total FFO - basic	33,673	30,374
Weighted average shares outstanding - basic (d)	45,887	44,796
Additional adjustment to arrive		

at FFO - diluted		
Interest expense and amortization of loan costs on the debentures (e)	2,446	2,904
Preferred stock dividends earned	5,013	4,831
Effect of employee/director stock incentive plans	antidilutive	antidilutive
FFO - diluted	41,132	38,109
Weighted average shares outstanding - diluted (d) (e)	59,023	58,758

SOURCE The Macerich Company

CONTACT:
Arthur Coppola, President and Chief Executive Officer,
or Thomas E. O'Hern, Executive Vice President and Chief Financial Officer,
both of The Macerich Company, +1-310-394-6000

URL:
http://www.macerich.com
http://www.prnewswire.com