



The Macerich Company Launches New Luxury Property Initiative Targeting Upscale Retailers; New Initiative Represents 15% of Macerich Portfolio Gross Leasable Area

October 27, 2004

SANTA MONICA, Calif.--(BUSINESS WIRE)--Oct. 27, 2004--The Macerich Company (NYSE:MAC) today launched Lumenati, a new luxury property initiative comprising 15 percent of The Macerich Company's gross leasable area in its 62 U.S. shopping centers.

The Macerich Company is one of the largest owners/operators of regional malls in the United States, with particular strength in the West.

In a departure from retail real estate investment trust (REIT) industry norms, Lumenati is a distinct sub-brand designed to house The Macerich Company's collection of eight luxury properties in Arizona and California and deliver an ultimate level of service to coveted, top-tier retailers.

"By creating a luxury sub-brand within Macerich, we're able to capitalize on one of the fastest-growing and most profitable market trends, while continuing to grow our core business," said David Contis, chief operating officer for The Macerich Company.

"Because luxury retailers offer a higher level of personal service, Lumenati will do the same. In fact, we see Lumenati as 'private banking' for the world's most exclusive retailers -- something no other retail REIT has offered before," said Contis.

The luxury segment continues to be a bright spot within the retail industry. For example, even as retail sales slowed in August and September for midprice department stores, discounters and specialty-apparel retailers, upscale department stores such as Neiman Marcus Group Inc. and Bergdorf Goodman reported strong gains.

This information dovetails with consumer trends reported in Time Magazine, which noted that spending on luxury goods in the United States rose by 27 percent for the first five months of 2004.

"The luxury segment continues to expand. In our just-completed proprietary research, luxury retailers told us they have fairly aggressive expansion plans over the next 36 months -- with the West poised for most growth," said Tracey Gotsis, senior vice president of marketing for The Macerich Company.

"We want to partner with retailers to help them realize this significant opportunity for growth, which dovetails with our own business plans to bring a new luxury focus to Western markets," said Gotsis.

Findings on retailer strategies come from one of two separate research studies, one with upscale retailers and one with luxury consumers, commissioned by Lumenati ahead of the critical holiday shopping period. The results offer valuable insights about retailers' overall growth plans and consumer attitudes about shopping preferences and spending habits.

"Ongoing, proprietary market research is a key element of our Lumenati strategy as we continue to refine our understanding of this distinct niche market," said David Contis. "As part of the enhanced level of Lumenati client service, we'll share these valuable research findings with our luxury retail partners."

The eight Lumenati centers in The Macerich Company's portfolio are: Biltmore Fashion Park, La Encantada and Scottsdale Fashion Square in Arizona; and Broadway Plaza, Carmel Plaza, The Oaks, Santa Monica Place and The Village at Corte Madera in California.

The Macerich Company is a fully integrated self-managed and self-administered real estate investment trust, which focuses on the acquisition, leasing, management, development and redevelopment of regional malls throughout the United States. The Company is the sole general partner and owns an 81% ownership interest in The Macerich Partnership, L.P. Macerich now owns interests in properties totaling approximately 61 million square feet consisting primarily of interests in 62 regional malls. Additional information about The Macerich Company can be obtained from the Company's Web site at www.macerich.com.

CONTACT:

The Macerich Company
Tracey Gotsis, 602-953-6458
or
KS Communications
Kerry Shelanski, 303-864-1368
or
Bowler Consulting
Molly Bowler, 303-780-9665

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