The Macerich Company Announces a 16.5% Increase in FFO Per Share

February 15, 2000

SANTA MONICA, Calif., Feb 15 /PRNewswire/ -- The Macerich Company (NYSE: MAC) today announced results of operations for the quarter and for the year ended December 31, 1999 which included the following:

-- FFO per share-diluted increased by 16.5% during the quarter to $.76

compared to $.65 for the fourth quarter of 1998 on a comparable basis.

-- Same Center net operating income, excluding redevelopment centers,

increased by 6.3% compared to the fourth quarter of 1998 and 6.7% for the twelve months ended December 31, 1999 compared to the same period in 1998.

-- Tenant Sales per square foot, for tenants in occupancy for a full year, increased to $336 in 1999, a 5.3% increase over 1998.

-- During the fourth quarter, Macerich sold Huntington Center for $48 million. The proceeds were used to paydown debt and redeem $26 million in Operating Partnership Units ("OP units").

-- In 1999, Macerich formed a joint venture, known as Pacific Premier Retail Trust ("PPRT"), with the Ontario Teachers' Pension Plan Board. In February, PPRT acquired the Safeco Portfolio with total assets of $530 million, primarily in the Pacific Northwest. In October 1999, Macerich contributed Lakewood Mall, Los Cerritos Center and Stonewood Mall to PPRT. The joint venture now has total assets of approximately $1.1 billion.

-- In 1999, Macerich signed 967,000 square feet of leases on space under 10,000 square feet at average first year rents of $29.76 per square foot. First year rent on new leases was approximately 13% higher than expiring rent on comparable space and approximately 19% higher than the average base rent per square foot in the portfolio.

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

The liquidity derived from the sale of Huntington Center, refinancing activities in the fourth quarter and the expansion of our joint venture with the Ontario Teachers' Pension Plan Board allowed us to strengthen our balance sheet. In addition to paying off some short-term debt, we also reduced the outstanding balance on our line of credit and redeemed 1.3 million OP units. Our balance sheet is well positioned for the upcoming year."

Financial Results

For the quarter ended December 31, 1999, FFO-diluted increased to $45.9 million from $43 million, and on a per share basis, FFO - diluted increased 16.5% to $.76 from $.65 in the fourth quarter of 1998 on a comparable basis. For the year ended December 31, 1999, FFO per share-diluted was $2.70, a 12.2% increase over $2.41 in 1998 on a comparable basis.

Net income available to common stockholders for the quarter was $83.9 million or $2.45 per share-diluted compared to $13.8 million or $.42 per share for the three months ended December 31, 1998. For the year ended December 31, 1999, net income available to common stockholders was $110.9 million or $3.24 per share-diluted compared to $32.5 million or $1.06 per share for 1998.

Highlights

-- During the quarter, there were 298,000 square feet of leases signed

for mall and freestanding shop space. The average rent on new leases was $28.89 per square foot. On a comparable space basis, the new leases were signed at rents approximately 13% higher than expiring rents.

-- In October, the Company acquired 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 contributed Lakewood Mall, Stonewood Mall and Los Cerritos Center to PPRT, 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 continues and 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 91% of the non-anchor space committed. In addition, Macy's has started a $25 million renovation of their store.

-- Ground breaking took place on the expansion of Lakewood Mall. The first Macy's store to be built in Southern California is now under construction and the project will also include the relocation of Mervyn's department store and development of an additional 60,000 square feet of shop space.

-- In December, the Company increased its dividend to $0.51 per share per quarter. Macerich has increased its dividend each year since going public in March, 1994.

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 an 80% ownership interest in The Macerich Partnership, L.P. Macerich owns interests in 47 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 December 31		for the twelve months ended December 31	
	(UNAUDITED)			
	1999	1998	1999	1998

Minimum Rents	51,094	52,657	204,568	179,710
Percentage Rents (b)	4,511	6,148	15,106	12,856
Tenant Recoveries	26,341	25,965	99,126	86,740
Other Income	2,730	1,430	8,644	4,555
Total Revenues	84,676	86,200	327,444	283,861
Shopping Center Expenses	27,789	27,856	100,327	89,991
Depreciation and amortization	14,949	14,222	61,383	53,141
General, administrative and other expenses (c)	1,405	1,253	5,488	4,373
Interest expense	28,180	25,333	113,348	91,433
Gain on sale of assets	95,819	0	95,981	9
Pro rata income of unconsolidated entities (d)	9,251	6,048	25,945	14,480
Income before minority interest & extraordinary items	117,423	23,584	168,824	59,412
Income allocated to minority interests	28,540	5,154	38,335	12,902
Extraordinary loss on early extinguishment of debt	460	22	1,478	2,435
Dividends earned by preferred stockholders	4,557	4,648	18,138	11,547
Net income -- available to common stockholders	83,866	13,760	110,873	32,528
Average # of shares outstanding -- basic	34,069	32,775	34,007	30,805
Average shares outstanding,-basic, assuming full conversion of OP Units (e)	45,664	45,107	46,130	43,016
Average shares outstanding -- diluted for FFO (f) (e)	60,409	60,024	60,893	49,686
Net income per share -- basic	$2.46	$0.42	$3.26	$1.06
Net income per share -- diluted	$2.45	$0.42	$3.24	$1.06
Dividend declared per share	$0.510	$0.485	$1.965	$1.865
Funds from operations "FFO" (a) (e) -- basic	$37,466	$34,960	$131,725	$108,303
Funds from operations "FFO" (a) (f) (e) -- diluted	$45,868	$43,027	$164,302	$120,518
FFO per share -- basic (a) (e)	$0.820	$0.775	$2.856	$2.518
FFO per share -- diluted(a) (f) (e)	$0.759	$0.717	$2.698	$2.426
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)		($0.065)		$0.000
Proforma FFO per share -- diluted (g)	$0.759	$0.652	$2.698	$2.406
% change in proforma FFO -- diluted (g)	16.49%		12.16%	

(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 entitiesare 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 modified the timing on recognition of revenue forpercentage rent received from tenants. Although the accounting change hadno material impact on the annual percentage rent recognized, theaccounting change had the effect of deferring, including a pro rata share of joint ventures, $3,241 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 reducedincome before extraordinary items by $543 or$.02 per share - dilutedfor 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 unitshas been assumed for purposes of calculating the FFO per share and the weighted average number of shares outstanding.

(f) The Company issued $161,400 of convertible debentures in June and July, 1997. The debentures are convertibleinto common shares at a conversion price of$31.125 per share.Conversion is not reflected for calculation of 1998FFO per share (although it was dilutive for FFO per share in the fourth quarter of 1998) or net income per share as the conversion would be antidilutive.On February 25, 1998 the Company sold $100,000 of convertible preferred stock and onJune 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 incomeper share as it would beantidilutive to that calculation.The weighted average preferred shares outstanding are assumed converted for purposes ofFFO per share as they are dilutive to that calculation.Also included in diluted net income per share and FFO per share is theeffect of stock optionsand 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 January1, 1998 and that the accounting change discussed in footnote (b), EITF 98-9 was reversed effective January 1, 1998.

Summarized Balance Sheet Information	Dec 31 1999	Dec 31 1998
	(UNAUDITED)	
Cash and cash equivalents	$40,455	$25,143
Investment in real estate, net	1,932,126	1,966,845
Investment in unconsolidated entities	342,935	230,022
Total Assets	2,404,779	2,322,056
Mortgage and notes payable	1,399,727	1,345,718

Convertible debentures	161,400	161,400

Additional financial data as of December 31, 1999

Occupancy of centers (h)	92.80%
Year to date increase in comparable tenant sales (h) (i)	3.60%

(h) excludes redevelopment properties - Pacific View Mall, Crossroads Mall - Boulder, Huntington Center and Parklane Mall
(i) includes mall and freestanding stores

RECONCILIATION OF NET INCOME TO FFO	for the three months ended December 31 (UNAUDITED)		for the twelve months ended December 31 (UNAUDITED)	
	1999	1998	1999	1998
Net income -- available to common stockholders	83,866	13,760	110,873	32,528
Adjustments to reconcile net income to FFO -- basic				
Minority interest	28,540	5,154	38,335	12,902
Loss on early extinguishment of debt	460	22	1,478	2,435
(Gain) loss on sale of wholly owned assets	(95,819)	0	(95,981)	(9)
(Gain) loss on sale or write-down of assets from unconsolidated entities (pro rata)	591	(21)	193	143
Depreciation and amortization on wholly owned centers	14,949	14,222	61,383	53,141
Depreciation and amortization on joint ventures and from the management companies (pro rata)	5,623	2,898	19,715	10,879
Less: depreciation on personal property and amortization of loan costs and interest rate caps	(744)	(1,075)	(4,271)	(3,716)
Total FFO -- basic	37,466	34,960	131,725	108,303
Weighted average shares outstanding -- basic (e)	45,664	45,107	46,130	43,016
Additional adjustment to arrive at FFO -- diluted Interest expense and amortization of loan costs on the debentures (f)	3,162	3,162	12,616	n/a
Preferred stock dividends earned	4,557	4,648	18,138	11,547
Effect of restricted stock grants and stock options	683	257	1,823	668
FFO -- diluted	45,868	43,027	164,302	120,518
Weighted average shares outstanding -- diluted (e) (f)	60,409	60,024	60,893	49,686

SOURCE The Macerich Company

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