MACERICH®

## The Macerich Company Announces Second Quarter Results

August 10, 2000

SANTA MONICA, Calif., Aug. 10 /PRNewswire/ -- The Macerich Company (NYSE: MAC - news) today announced results of operations for the quarter ended June 30, 2000 which included the following:

- Funds from operations ("FFO") per share - diluted increased 7.5% to $.64 from $.59 for the second quarter of 1999 on a comparable basis.
- Tenant sales per square foot increased to $344 for the twelve months ended June 30, 2000 compared to $331 for the twelve months ended June 30, 1999.
- During the quarter, Macerich signed new leases at average initial rents of $33.53 per square foot. First year rents on mall and freestanding store leases signed during the quarter were 19% higher than expiring rents on a comparable space basis.
- Portfolio occupancy remained high at 92.3%. Portfolio occupancy at June 30, 1999 was 92.7%.

Effective January 1, 2000, the Company adopted Staff Accounting Bulletin Number 101 ("SAB 101") which addresses certain revenue recognition practices, including accounting for percentage rent. SAB 101 requires deferral of the recognition of percentage rent until the tenant's sales threshold has been exceeded. While annual revenue from percentage rent will not be materially impacted by this change, the majority of percentage rent will now be recognized in the third and fourth quarters of each year, rather than spread throughout the year. For the quarter ended June 30, 2000, FFO per share - diluted increased to $.64 compared to $.59 in the second quarter of 1999, adjusted on a proforma basis to reflect SAB 101. Year-to-date FFO per share - diluted increased to $1.272 compared to $1.185 for the six months ended June 30, 1999 on a comparable basis.

Commenting on results for the quarter, Arthur Coppola, President and Chief Executive Officer of Macerich stated, "The solid results for the quarter reflect the on going trend of vibrant leasing activity, including very positive re-leasing spreads on new lease signings and strong specialty tenant leasing. This activity contributed to much of our FFO growth per share. These gains were partially offset by higher interest rates on floating rate debt."

For the quarter ended June 30, 2000, FFO - diluted was $38.2 million compared to $38.9 million during the second quarter of 1999. For the six months ended June 30, 2000, FFO-diluted was $76.0 million compared to $77.5 million for the first six months of 1999.

Net income available to common stockholders for the quarter was $7.6 million compared to $9.0 million for the second quarter of 1999 and net income per share - diluted was $.22 compared to $.26 in the second quarter of 1999.

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Highlights
-- During the quarter, approximately 263,000 square feet of leases were
   signed for mall and freestanding space.  The average rent on new leases
   was $33.53 per square foot, 26% greater than average portfolio minimum
   rents of $26.62.  On a comparable space basis, new leases were signed
   at rents approximately 19% higher than expiring rents.
-- Total same center sales for the quarter increased 3.6% and comparable
   tenant sales also increased by 3.6% over the second quarter of 1999.
-- The $90 million redevelopment of Pacific View Mall in Ventura,
   California continued with the majority of this phased redevelopment,
   (which included the demolition of a one level mall and the building of
   a two level, four anchor mall) now complete.  The renovation included
   the addition of a Robinson-May and Sears and a new 124,500 square foot
   J.C. Penney store.  The mall store lineup includes; Abercrombie and
   Fitch, Ann Taylor Loft, Gap/Body Gap, Baby Gap/Gap Kids, Bath and Body
   Works and Chicos.  The mall occupancy level is currently at 82%, and
   based on current lease negotiations, 90+% occupancy is expected by the
   first quarter of 2001.  In addition, Macy's has committed to a
   $20 million renovation of their store.
-- The first new Macy's store ever built in Southern California is under
   construction at Lakewood mall with an expected completion in November
   2000.  The $30 million redevelopment will include the relocation of
   Mervyn's to a new store that is scheduled to be completed in the fourth
   quarter of 2000 and the development of an additional 60,000 square feet
   of shop space which is expected to be completed in May, 2001.
-- At Chesterfield Towne Center a new 145,000 square foot J.C. Penney
   store is under construction with a planned grand opening in November
   2000.  J.C. Penney will be the mall's fifth anchor.
-- In May, MerchantWired (www.merchantwired.com) was announced.
   MerchantWired is a full service, retail infrastructure company that
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- -- connects the physical and virtual worlds in the retail industry. MerchantWired is a consortium of major mall companies including Macerich, The Rouse Company, Simon Property Group, Taubman Centers, Inc., Urban Shopping Centers, Inc. and Westfield America, Inc.
- -- A $61 million loan was placed on Kitsap Mall. The loan is a 10 year fixed rate loan, bearing interest at 8.06%. Proceeds in excess of the former $38 million loan are expected to be used for redevelopment.
- -- The Company has committed to a refinancing of Santa Monica Place. The current loan of $85 million, bearing interest at LIBOR plus 1.75%, will be refinanced with a $85 million, 10 year, fixed rate loan bearing interest at 7.70%.
- -- On August 9, 2000, the Company declared a dividend of $.51 per share on its common and preferred stock, payable on September 6, 2000 to stockholders of record on August 18, 2000.

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 42 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 second 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 StreetFusion at www.streetfusion.com. The call begins today, August 10, at 1:30 Pacific Daylight 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, lease rates, 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 acquisitions, 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 June 30 | | For the Six Months Ended June 30 | |
|---|---|---|---|---|
| | (UNAUDITED) | | | |
| | 2000 | 1999 | 2000 | 1999 |
| Minimum Rents | 47,905 | 51,313 | 95,080 | 101,905 |
| Percentage Rents(a) | 1,471 | 3,206 | 3,002 | 7,148 |
| Tenant Recoveries | 24,869 | 24,178 | 49,438 | 47,276 |
| Other Income | 2,010 | 1,978 | 4,037 | 3,195 |
| Total Revenues | 76,255 | 80,675 | 151,557 | 159,524 |
| Shopping Center Expenses | 24,208 | 23,955 | 48,108 | 47,221 |
| Depreciation and amortization | 15,040 | 15,285 | 29,568 | 30,539 |
| General, administrative and other expenses | 1,712 | 1,439 | 3,181 | 2,843 |
| Interest expense | 26,947 | 28,602 | 55,099 | 55,355 |
| Gain loss > on sale of assets | (106) | 0 | (108) | 0 |
| Pro rata income of unconsolidated entities(c) | 6,386 | 5,286 | 13,109 | 10,634 |
| Income before minority interest & extraordinary items | 14,628 | 16,680 | 28,602 | 34,200 |
| Extraordinary loss on early extinguishment of debt | 0 | 15 | 0 | 988 |
| Cumulative effect of change in accounting principle(a) | 0 | 0 | (963) | 0 |
| Income of the Operating | | | | |

| | | | | |
|---|---|---|---|---|
| Partnership | 14,628 | 16,665 | 27,639 | 33,212 |
| Income allocated to minority interests | 2,383 | 3,258 | 4,421 | 6,488 |
| Dividends earned by preferred stockholders | 4,648 | 4,421 | 9,297 | 8,841 |
| Net income - available to common stockholders | 7,597 | 8,986 | 13,921 | 17,883 |
| Average # of shares outstanding - basic | 34,148 | 33,980 | 34,120 | 33,971 |
| Average shares outstanding - basic, assuming full conversion of OP Units(d) | 45,093 | 46,291 | 45,073 | 46,286 |
| Average shares outstanding - diluted for FFO(d)(e) | 59,900 | 61,143 | 59,775 | 61,022 |
| Per share Income before cumulative effect of change in accounting principle and extraordinary item - diluted | $0.22 | $0.26 | $0.43 | $0.55 |
| Net income per share - basic | $0.22 | $0.26 | $0.41 | $0.53 |
| Net income per share - diluted | $0.22 | $0.26 | $0.41 | $0.53 |
| Dividend declared per share | $0.510 | $0.485 | $1.020 | $0.970 |
| Funds from operations "FFO" (b)(d) - basic | $29,890 | $30,963 | $59,458 | $61,782 |
| Funds from operations "FFO" (b)(d)(e) - diluted | $38,228 | $38,913 | $76,050 | $77,510 |
| FFO per share - basic(b)(d) | $0.663 | $0.669 | $1.319 | $1.335 |
| FFO per share - diluted(b)(d)(e) | $0.638 | $0.636 | $1.272 | $1.270 |
| Proforma FFO per share - diluted assuming the accounting change, for % rent was effective January 1, 1999: proforma impact of SAB 101(a) | n/a | ($0.043) | n/a | ($0.085) |
| Proforma FFO per share - diluted | $0.638 | $0.593 | $1.272 | $1.185 |
| % change in proforma FFO - diluted | 7.54% | | 7.35% | |

(a) Effective January 1, 2000, in accordance with Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements," the Company changed its method of accounting for percentage rents. The new accounting method has the impact of deferring percentage rent from the first, second and third quarters into the fourth quarter. The cumulative effect of this change in accounting treatment at the adoption date of January 1, 2000 was $963 for the wholly owned assets and $786 for joint ventures on a prorata basis, which in accordance with GAAP, was written off as a cumulative change in accounting principle. For comparative purposes, the results for the three and six months ended June 30, 1999 were restated on a proforma basis to reflect this accounting change. The proforma impact on the second quarter of 1999 was -$.043 per diluted share and -$.085 per diluted share for the six months ended June 30, 1999.

(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 and results of discontinued operations, both as defined by GAAP.

(c) 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.

(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) 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. 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.

| Summarized Balance Sheet Information | June 30 2000 | Dec 31 1999 |
|---|---|---|
| | (UNAUDITED) | |
| Cash and cash equivalents | 34,954 | 40,455 |
| Investment in real estate, net | 1,921,806 | 1,931,415 |
| Total Assets | 2,310,156 | 2,404,293 |
| Mortgage and notes payable | 1,351,960 | 1,399,727 |
| Convertible debentures | 161,400 | 161,400 |

| Additional financial data as of: | June 30 2000 | June 30 1999 |
|---|---|---|
| Occupancy of centers(f) | 92.30% | 92.70% |
| Comparable quarter increase in same center sales(f)(g) | 3.60% | 2.20% |

(f) excludes redevelopment properties - Pacific ViewMall, Crossroads Mall - Boulder, and Parklane Mall
(g) includes mall and freestanding stores

THE MACERICH COMPANY
FINANCIAL HIGHLIGHTS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

| RECONCILIATION OF NET INCOME TO FFO | For the Three Months Ended June 30 (UNAUDITED) | | For the Six Months Ended June 30, (UNAUDITED) | |
|---|---|---|---|---|
| | 2000 | 1999 | 2000 | 1999 |
| Net income - available to common stockholders | 7,597 | 8,986 | 13,921 | 17,883 |
| Adjustments to reconcile net income to FFO - basic | | | | |
| Minority interest | 2,383 | 3,258 | 4,421 | 6,488 |
| Loss on early extinguishments | | | | |

| | | | | |
|---|---|---|---|---|
| of debt | 0 | 15 | 0 | 988 |
| (Gain) loss on sale of wholly owned assets | 106 | 0 | 108 | 0 |
| (Gain) loss on sale or write-down of assets from unconsolidated entities (pro rata) | (11) | (462) | 413 | (474) |
| Depreciation and amortization on wholly owned centers | 15,040 | 15,285 | 29,568 | 30,539 |
| Depreciation and amortization on joint ventures and from the management companies (pro rata) | 5,941 | 4,932 | 11,636 | 8,465 |
| Cumulative effect of change in accounting -wholly owned assets | 0 | 0 | 963 | 0 |
| Cumulative effect of change in accounting -prorata joint ventures | 0 | 0 | 787 | 0 |
| Less: depreciation on personal property and amortization of loan costs and interest rate caps | (1,166) | (1,051) | (2,359) | (2,107) |
| Total FFO - basic | 29,890 | 30,963 | 59,458 | 61,782 |
| Weighted average shares outstanding - basic(d) | 45,093 | 46,291 | 45,073 | 46,286 |
| Additional adjustment to arrive at FFO - diluted | | | | |
| Interest expense and amortization of loan costs on the debentures(e) | 3,145 | 3,161 | 6,292 | 6,276 |
| Preferred stock dividends earned | 4,648 | 4,421 | 9,297 | 8,841 |
| Effect of employee/director stock incentive plan | 545 | 368 | 1,003 | 611 |
| FFO - diluted | 38,228 | 38,913 | 76,050 | 77,510 |
| Weighted average shares outstanding - diluted(d)(e) | 59,900 | 61,143 | 59,775 | 61,022 |