THE MACERICH COMPANY (THE COMPANY)

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR QUARTER ENDED SEPTEMBER 30, 1999 COMMISSION FILE NO. 1-12504

THE MACERICH COMPANY

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MARYLAND	95-4448705
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

401 WILSHIRE BOULEVARD, SUITE 700, SANTA MONICA, CA 90401

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICE)(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (310) 394-6000

N/A

(FORMER NAME, FORMER ADDRESS AND FORMER FISCAL YEAR,
IF CHANGED SINCE LAST REPORT)

NUMBER OF SHARES OUTSTANDING OF THE REGISTRANT'S COMMON STOCK, AS OF NOVEMBER 8, 1999.

COMMON STOCK, PAR VALUE $.01 PER SHARE: 34,070,480 SHARES

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING TWELVE (12) MONTHS (OR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORT) AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST NINETY (90) DAYS.

YES X NO

FORM 10-Q

INDEX

		PAGE
PART I:	FINANCIAL INFORMATION	
ITEM 1.	FINANCIAL STATEMENTS	
	CONSOLIDATED BALANCE SHEETS OF THE COMPANY AS OF SEPTEMBER 30, 1999 AND DECEMBER 31, 1998	1
	CONSOLIDATED STATEMENTS OF OPERATIONS OF THE COMPANY FOR THE PERIODS FROM JANUARY 1 THROUGH SEPTEMBER 30, 1999 AND 1998	2
	CONSOLIDATED STATEMENTS OF OPERATIONS OF THE COMPANY FOR THE PERIODS FROM JULY 1 THROUGH SEPTEMBER 30, 1999 AND 1998.	3
	CONSOLIDATED STATEMENTS OF CASH FLOWS OF THE COMPANY FOR THE PERIODS FROM JANUARY 1 THROUGH SEPTEMBER 30, 1999 AND 1998	4
	NOTES TO CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS	5 TO 24
ITEM 2.	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	25 TO 38
ITEM 3.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	39 TO 40
PART II:	OTHER INFORMATION	41 TO 43

THE MACERICH COMPANY (THE COMPANY)

CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	September 30, 1999	December 31, 1998
ASSETS:		
Property, net	$ 1,975,841	$ 1,966,845
Cash and cash equivalents	23,325	25,143
Tenant receivables, net, including accrued overage rents of $5,794 in 1999 and $5,917 in 1998	34,294	37,373
Due from affiliates	79,440	-
Deferred charges and other assets, net	55,751	62,673
Investments in joint ventures and the Management Companies	317,586	230,022
Total assets	$ 2,486,237	$ 2,322,056
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Mortgage notes payable:		
Related parties	$ 134,073	$ 134,625
Others	1,144,978	1,074,093
Total	1,279,051	1,208,718
Bank and other notes payable	277,251	137,000
Convertible debentures	161,400	161,400
Accounts payable and accrued expenses	26,473	27,701
Due to affiliates	-	2,953
Other accrued liabilities	24,289	36,927
Preferred stock dividend payable	4,740	4,420
Total liabilities	1,773,204	1,579,119
Minority interest in Operating Partnership	157,509	165,524
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Series A cumulative convertible redeemable preferred stock, $.01 par value, 3,627,131 shares authorized, issued and outstanding at September 30, 1999 and December 31, 1998	36	36
Series B cumulative convertible redeemable preferred stock, $.01 par value, 5,487,471 shares authorized, issued and outstanding at September 30, 1999 and December 31, 1998	55	55
Common stock, $.01 par value, 100,000,000 shares authorized, 34,055,517 and 33,901,963 shares issued and outstanding at September 30, 1999 and December 31, 1998, respectively	340	338
Additional paid in capital	562,911	581,508
Accumulated earnings	-	-
Unamortized restricted stock	(7,818)	(4,524)
Total stockholders' equity	555,524	577,413
Total liabilities and stockholders' equity	$ 2,486,237	$ 2,322,056

The accompanying notes are an integral part of these financial statements.

THE MACERICH COMPANY (THE COMPANY)

CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Nine Months Ended September 30,	
	1999	1998
REVENUES:		
Minimum rents	$ 153,474	$ 127,052
Percentage rents	10,594	6,709
Tenant recoveries	72,785	60,775
Other	5,915	3,125
Total revenues	242,768	197,661
EXPENSES:		
Shopping center expenses	72,537	62,135
General and administrative expense	4,083	3,119
Interest expense:		
Related parties	7,559	7,555
Others	77,609	58,545
Depreciation and amortization	46,434	38,919
Total expenses	208,222	170,273
Equity in income of unconsolidated joint ventures and the Management Companies	16,692	8,432
Gain on sale of assets	162	9
Income before extraordinary item and minority interest	51,400	35,829
Extraordinary loss on early extinguishment of debt	(1,016)	(2,414)
Income of the Operating Partnership	50,384	33,415
Less minority interest in net income of the Operating Partnership	9,795	7,748
Net income	40,589	25,667
Less preferred dividends	13,581	6,898
Net income - available to common stockholders	$ 27,008	$ 18,769
Earnings per common share - basic:		
Income before extraordinary item	$ 0.82	$ 0.68
Extraordinary item	(0.03)	(0.06)
Net income per share - available to common stockholders	$ 0.79	$ 0.62
Weighted average number of common shares outstanding - basic	33,987,000	30,154,000
Weighted average number of common shares outstanding - basic, assuming full conversion of Operating Partnership units outstanding	46,286,000	42,310,000
Earnings per common share - diluted:		
Income before extraordinary item	$ 0.81	$ 0.68
Extraordinary item	(0.02)	(0.06)
Net income per share - available to common stockholders	$ 0.79	$ 0.62
Weighted average number of common shares outstanding - diluted for EPS	46,754,000	42,920,000

The accompanying notes are an integral part of these financial statements.

THE MACERICH COMPANY (THE COMPANY)

CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended September 30,	
	1999	1998
REVENUES:		
Minimum rents	$ 51,569	$ 47,424
Percentage rents	3,446	2,458
Tenant recoveries	25,509	23,953
Other	2,720	1,244
Total revenues	83,244	75,079
EXPENSES:		
Shopping center expenses	25,316	24,135
General and administrative expense	1,240	942
Interest expense:		
Related parties	2,506	2,472
Others	27,307	22,416
Depreciation and amortization	15,895	15,312
Total expenses	72,264	65,277
Equity in income of unconsolidated joint ventures and the Management Companies	6,058	2,852
Gain on sale of assets	162	-
Income before extraordinary item and minority interest	17,200	12,654
Extraordinary loss on early extinguishment of debt	(28)	(2,324)
Income of the Operating Partnership	17,172	10,330
Less minority interest in net income of the Operating Partnership	3,307	1,558
Net income	13,865	8,772
Less preferred dividends	4,740	4,193
Net income - available to common stockholders	$ 9,125	$ 4,579
Earnings per common share - basic:		
Income before extraordinary item	$ 0.27	$ 0.19
Extraordinary item	0.00	(0.05)
Net income per share - available to common stockholders	$ 0.27	$ 0.14
Weighted average number of common shares outstanding - basic	34,044,000	32,468,000
Weighted average number of common shares outstanding - basic, assuming full conversion of Operating Partnership units outstanding	46,318,000	44,761,000
Earnings per common share - diluted:		
Income before extraordinary item	$ 0.27	$ 0.19
Extraordinary item	0.00	(0.05)
Net income per share - available to common stockholders	$ 0.27	$ 0.14
Weighted average number of common shares outstanding - diluted for EPS	46,853,000	45,353,000

The accompanying notes are an integral part of these financial statements.

THE MACERICH COMPANY (THE COMPANY)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

	January 1 to September 30,	
	1999	1998
Cash flows from operating activities:		
Net income - available to common stockholders	$ 27,008	$ 18,769
Preferred dividends	13,581	6,898
Net income	40,589	25,667
Adjustments to reconcile net income to net cash provided by operating activities:		
Extraordinary loss on early extinguishment of debt	1,016	2,414
Gain on sale of assets	(162)	(9)
Depreciation and amortization	46,434	38,919
Amortization of net discount (premium) on trust deed note payable	182	(330)
Minority interest in net income of the Operating Partnership	9,795	7,748
Changes in assets and liabilities:		
Tenant receivables, net	3,079	(4,255)
Other assets	9,583	(25,831)
Accounts payable and accrued expenses	(1,228)	6,615
Preferred stock dividend payable	320	4,193
Other liabilities	(12,638)	27,695
Total adjustments	56,381	57,159
Net cash provided by operating activities	96,970	82,826
Cash flows from investing activities:		
Acquisitions of property and improvements	(4,918)	(381,726)
Renovations and expansions of centers	(40,231)	(25,153)
Tenant allowances	(3,604)	(3,696)
Deferred charges	(10,194)	(11,780)
Equity in income of unconsolidated joint ventures and the Management Companies	(16,692)	(8,432)
Distributions from joint ventures	17,271	27,123
Contributions to joint ventures	(88,142)	(240,196)
Loans to affiliates, net	(82,393)	(11,968)
Net cash used in investing activities	(228,903)	(655,828)
Cash flows from financing activities:		
Proceeds from mortgages and notes payable	335,931	397,679
Payments on mortgages and notes payable	(125,529)	(186,440)
Net proceeds from equity offerings	-	416,833
Dividends and distributions to partners	(66,706)	(56,424)
Dividends to preferred stockholders	(13,581)	(6,898)
Net cash provided by financing activities	130,115	564,750
Net decrease in cash	(1,818)	(8,252)
Cash and cash equivalents, beginning of period	25,143	25,154
Cash and cash equivalents, end of period	$ 23,325	$ 16,902
Supplemental cash flow information:		
Cash payment for interest, net of amounts capitalized	$ 81,132	$ 62,020
Non-cash transactions:		
Acquisition of property by assumption of debt	-	$ 70,116
Acquisition of property by issuance of OP units	-	$ 7,917

The accompanying notes are an integral part of these financial statements.

THE MACERICH COMPANY (THE COMPANY)

NOTES TO CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

1. INTERIM FINANCIAL STATEMENTS AND BASIS OF PRESENTATION:

The accompanying consolidated financial statements of The Macerich Company (the "Company") have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. They do not include all of the information and footnotes required by GAAP for complete financial statements and have not been audited by independent public accountants.

The unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 1998. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the financial statements for the interim periods have been made. The results for interim periods are not necessarily indicative of the results to be expected for a full year. The accompanying consolidated balance sheet as of December 31, 1998 has been derived from the audited financial statements, but does not include all disclosure required by GAAP.

Certain reclassifications have been made in the 1998 consolidated financial statements to conform to the 1999 financial statement presentation.

In March 1998, the Financial Accounting Standards Board ("FASB"), through its Emerging Issues Task Force ("EITF"), concluded based on EITF 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions," that all internal costs to source, analyze and close acquisitions should be expensed as incurred. The Company had historically capitalized these costs in accordance with GAAP. The Company adopted the FASB's interpretation effective March 19, 1998.

In June 1998, the FASB issued SFAS 133, "Accounting for Derivative Instruments and Hedging Activities," which was initially to become effective for the Company's consolidated financial statements for periods beginning January 1, 2000. The new standard requires companies to record derivatives on the balance sheet, measured at fair value. Changes in the fair value of those derivatives will be accounted for based on the use of the derivative and whether it qualifies for hedge accounting. The key criteria for use of hedge accounting is whether the hedging relationship is highly effective in achieving offsetting changes in fair value or cash flows. The Company has not yet determined when it will implement SFAS 133 nor has it completed the complex analysis required to determine the impact of SFAS 133 on its consolidated financial statements.

In June 1999, the FASB issued SFAS 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133," which delays the implementation of SFAS 133 for the Company's consolidated financial statements to January 1, 2001.

NOTES TO CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

Earnings Per Share ("EPS")

During 1998, the Company implemented SFAS No. 128, "Earnings per Share." The computation of basic earnings per share is based on net income and the weighted average number of common shares outstanding for the nine and three months ending September 30, 1999 and 1998. The computation of diluted earnings per share includes the effect of outstanding restricted stock and common stock options calculated using the treasury stock method. The convertible debentures and convertible preferred stock were not included in the calculation since the effect of their inclusion would be anti-dilutive. The Operating Partnership units ("OP units") not held by the Company have been included in the diluted EPS calculation since they are redeemable on a one-for-one basis for common stock. The following table reconciles the basic and diluted earnings per share calculation:

	For the Nine Months Ended September 30,					
	1999			1998		
	Net Income	Shares	Per Share	Net Income	Shares	Per Share
	(In thousands, except per share data)					
Net income	$40,589			$25,667		
Less: Preferred stock dividends	13,581			6,898		
Basic EPS:						
Net income - available to common stockholders	27,008	33,987	$0.79	18,769	30,154	$0.62
Diluted EPS:						
Effect of dilutive securities:						
Conversion of OP units	9,795	12,299		7,748	12,156	
Employee stock options and restricted stock	1,141	468		411	610	
Convertible preferred stock	n/a - antidilutive for EPS			n/a - antidilutive for EPS		
Convertible debentures	n/a - antidilutive for EPS			n/a - antidilutive for EPS		
Net income - available to common stockholders	$37,944	46,754	$0.79	$26,928	42,920	$0.62

	For the Three Months Ended September 30,					
	1999			1998		
	Net Income	Shares	Per Share	Net Income	Shares	Per Share
	(In thousands, except per share data)					
Net income	$13,865			$8,772		
Less: Preferred stock dividends	4,740			4,193		
Basic EPS:						
Net income - available to common stockholders	9,125	34,044	$0.27	4,579	32,468	$0.14
Diluted EPS:						
Effect of dilutive securities:						
Conversion of OP units	3,307	12,274		1,558	12,293	
Employee stock options and restricted stock	530	535		155	592	
Convertible preferred stock	n/a - antidilutive for EPS			n/a - antidilutive for EPS		
Convertible debentures	n/a - antidilutive for EPS			n/a - antidilutive for EPS		
Net income - available to common stockholders	$12,962	46,853	$0.27	$6,292	45,353	$0.14

NOTES TO CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

2. ORGANIZATION:

The Company is involved in the acquisition, ownership, redevelopment, management and leasing of regional and community shopping centers located throughout the United States. The Company is the sole general partner of, and owns a majority of the ownership interests in, The Macerich Partnership, L.P., a Delaware limited partnership (the "Operating Partnership"). The Operating Partnership owns or has an ownership interest in 48 regional shopping centers and five community shopping centers aggregating approximately 41 million square feet of gross leasable area. These 53 regional and community shopping centers are referred to hereinafter as the "Centers", unless the context otherwise requires. The Company is a self-administered and self-managed real estate investment trust ("REIT") and conducts all of its operations through the Operating Partnership and the Company's three management companies, Macerich Property Management Company, a California corporation, Macerich Manhattan Management Company, a California corporation, and Macerich Management Company, a California corporation (collectively, the "Management Companies").

The Company was organized to qualify as a REIT under the Internal Revenue Code of 1986, as amended. The 22% limited partnership interest of the Operating Partnership not owned by the Company is reflected in these financial statements as minority interest.

3. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES:

The following are the Company's investments in various real estate joint ventures which own regional retail and community shopping centers. The Operating Partnership's interest in each joint venture as of September 30, 1999 is as follows:

Joint Venture	The Operating Partnership's Ownership %
Macerich Northwestern Associates	50%
Manhattan Village, LLC	10%
Pacific Premier Retail Trust	51%
Panorama City Associates	50%
SDG Macerich Properties, L.P.	50%
West Acres Development	19%

The Operating Partnership also owns the non-voting preferred stock of Macerich Management Company and Macerich Property Management Company and is entitled to receive 95% of the distributable cash flow of these two entities. Macerich Manhattan Management Company is a 100% subsidiary of Macerich Management Company.

The following are the Management Companies' ownership interests in entities which own regional retail and community shopping centers as of September 30, 1999:

Entity	Management Companies' Ownership %
Macerich Cerritos, LLC	100%
PPR Albany Plaza, LLC	51%
PPR Eastland Plaza, LLC	51%

3. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES, CONTINUED:

The Company accounts for the Management Companies and joint ventures using the equity method of accounting.

On February 27, 1998, the Company, through SDG Macerich Properties, L.P., a 50/50 joint venture with an affiliate of Simon Property Group, Inc., acquired a portfolio of twelve regional malls. The properties in the portfolio comprise 10.7 million square feet and are located in eight states. The total purchase price was $974,500, which included $485,000 of assumed debt, at market value. The Company's share of the cash component of the purchase price was funded by issuing $100,000 of Series A cumulative convertible preferred stock ("Series A Preferred Stock"), $80,000 of common stock and borrowing the balance from the Company's line of credit. Each of the joint venture partners have assumed leasing and management responsibilities for six of the regional malls.

On February 18, 1999, the Company, through a 51/49 joint venture with Ontario Teachers' Pension Plan Board ("Ontario Teachers") closed on the first phase of a two phase acquisition of a portfolio of properties. The phase one closing included the acquisition of three regional malls, the retail component of a mixed-use development, five contiguous properties and two non-contiguous community shopping centers comprising approximately 3.6 million square feet for a total purchase price of approximately $427,000. The purchase price was funded with a $120,000 loan placed concurrently with the closing, $140,400 of debt from an affiliate of the seller, and $39,400 of assumed debt. The balance of the purchase price was paid in cash. The Company's share of the cash component was funded with the proceeds from two refinancings of Centers and borrowings under the Company's line of credit. On July 12, 1999, the Company closed on the second phase of the acquisition. The second phase consisted of the acquisition of the office component of the mixed-use development for a purchase price of approximately $111,000. The purchase price was funded with a $76,700 loan placed concurrently with the closing and the balance was paid in cash. The Company's share of the cash component was funded from borrowings under the Company's line of credit.

On June 2, 1999, Macerich Cerritos, LLC, a wholly-owned subsidiary of Macerich Management Company, acquired Los Cerritos Center in Cerritos, California. The total purchase price was $188,000, which was funded with $120,000 of debt placed concurrently with the closing and a $70,800 loan from the Company. The Company funded this loan from borrowings under a $60,000 bank loan agreement and the balance from the Company's line of credit.

The results of these joint ventures and the Management Companies are included for the period subsequent to their respective dates of acquisition.

On October 27, 1999, Albany Plaza, a 145,462 square foot community center, which was owned 51% by the Management Companies, was sold.

On November 12, 1999, Eastland Plaza, a 65,313 square foot community center, which was owned 51% by the Management Companies, was sold.

3. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES, CONTINUED:

Combined and condensed balance sheets and statements of operations are presented below for all unconsolidated joint ventures and the Management Companies, followed by information regarding the Operating Partnership's beneficial interest in the combined operations. Beneficial interest is calculated based on the Operating Partnership's ownership interests in the joint ventures and the Management Companies.

COMBINED AND CONDENSED BALANCE SHEETS OF JOINT VENTURES
AND THE MANAGEMENT COMPANIES

	September 30, 1999	December 31, 1998
Assets:		
Properties, net	$1,848,255	$1,141,984
Other assets	56,480	38,103
Total assets	$1,904,735	$1,180,087
Liabilities and partners' capital:		
Mortgage notes payable	$1,084,519	$618,384
Notes to affiliates	76,937	-
Other liabilities	49,141	42,048
The Company's capital	317,586	230,022
Outside partners' capital	376,552	289,633
Total liabilities and partners' capital	$1,904,735	$1,180,087

3. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES - CONTINUED:

COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES AND THE MANAGEMENT COMPANIES

	Nine Months Ended September 30, 1999				
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Other Joint Ventures	Mgmt Companies	Total
Revenues:					
Minimum rents	$63,903	$25,208	$18,954	$4,928	$112,993
Percentage rents	5,384	1,450	1,393	205	8,432
Tenant recoveries	31,079	8,574	8,326	2,169	50,148
Management fee	-	-	-	6,466	6,466
Other	1,702	144	987	339	3,172
Total revenues	102,068	35,376	29,660	14,107	181,211
Expenses:					
Shopping center expenses	37,948	10,236	9,809	2,017	60,010
Interest expense	22,843	11,802	5,689	4,426	44,760
Management company expense	-	-	-	8,334	8,334
Depreciation and amortization	16,225	5,828	3,253	2,002	27,308
Total operating expenses	77,016	27,866	18,751	16,779	140,412
Gain on sale of assets	5	-	983	220	1,208
Net income (loss)	$25,057	$7,510	$11,892	($2,452)	$42,007

COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES AND THE MANAGEMENT COMPANIES

	Nine Months Ended September 30, 1998				
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Other Joint Ventures	Mgmt Companies	Total
Revenues:					
Minimum rents	$48,716	-	$18,765	-	$67,481
Percentage rents	2,171	-	806	-	2,977
Tenant recoveries	21,089	-	7,759	-	28,848
Management fee	-	-	-	$4,516	4,516
Other	1,269	-	669	292	2,230
Total revenues	73,245	-	27,999	4,808	106,052
Expenses:					
Shopping center expenses	26,134	-	9,394	-	35,528
Interest expense	18,120	-	5,061	(294)	22,887
Management company expense	-	-	-	6,663	6,663
Depreciation and amortization	12,977	-	3,196	444	16,617
Total operating expenses	57,231	-	17,651	6,813	81,695
Gain (loss) on sale of assets	-	-	126	(197)	(71)
Net income (loss)	$16,014	-	$10,474	($2,202)	$24,286

THE MACERICH COMPANY (THE COMPANY)

NOTES TO CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

3. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES - CONTINUED:

COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES AND THE MANAGEMENT COMPANIES

	Three Months Ended September 30, 1999				
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Other Joint Ventures	Mgmt Companies	Total
Revenues:					
Minimum rents	$21,355	$11,627	$6,391	$3,529	$42,902
Percentage rents	1,830	519	442	193	2,984
Tenant recoveries	11,467	4,295	2,661	1,828	20,251
Management fee	-	-	-	2,368	2,368
Other	771	(23)	411	124	1,283
Total revenues	35,423	16,418	9,905	8,042	69,788
Expenses:					
Shopping center expenses	13,660	4,729	3,419	1,644	23,452
Interest expense	7,654	5,403	1,895	3,407	18,359
Management company expense	-	-	-	2,615	2,615
Depreciation and amortization	5,659	2,303	1,112	1,305	10,379
Total operating expenses	26,973	12,435	6,426	8,971	54,805
Loss on sale of assets	-	-	-	(80)	(80)
Net income (loss)	$8,450	$3,983	$3,479	($1,009)	$14,903

3. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES - CONTINUED:

COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES AND THE MANAGEMENT COMPANIES

	Three Months Ended September 30, 1998				
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Other Joint Ventures	Mgmt Companies	Total
Revenues:					
Minimum rents	$20,829	-	$6,294	-	$27,123
Percentage rents	664	-	247	-	911
Tenant recoveries	9,551	-	2,320	-	11,871
Management fee	-	-	-	$1,572	1,572
Other	448	-	233	118	799
Total revenues	31,492	-	9,094	1,690	42,276
Expenses:					
Shopping center expenses	11,571	-	2,968	-	14,539
Interest expense	7,797	-	1,898	(103)	9,592
Management company expense	-	-	-	2,549	2,549
Depreciation and amortization	6,111	-	1,139	132	7,382
Total operating expenses	25,479	-	6,005	2,578	34,062
Gain on sale of assets	-	-	-	-	-
Net income (loss)	$6,013	-	$3,089	($888)	$8,214

Significant accounting policies used by the unconsolidated joint ventures and the Management Companies are similar to those used by the Company.

Included in mortgage notes payable are amounts due to affiliates of Northwestern Mutual Life ("NML") of $152,558 and $74,612 for the periods ended September 30, 1999 and December 31, 1998, respectively. NML is considered a related party because it is a joint venture partner with the Company in Macerich Northwestern Associates. Interest expense incurred on these borrowings amounted to $4,710 and $2,540 for the nine months ended September 30, 1999 and 1998, respectively; and $2,245 and $1,057 for the three months ended September 30, 1999 and 1998, respectively.

THE MACERICH COMPANY (THE COMPANY)

NOTES TO CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

3. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES - CONTINUED:

PRO RATA SHARE OF COMBINED AND CONDENSED STATEMENTS OF OPERATIONS OF JOINT VENTURES AND THE MANAGEMENT COMPANIES

The following tables set forth the Operating Partnership's beneficial interest in the joint ventures and the Management Companies:

	Nine Months Ended September 30, 1999				
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Other Joint Ventures	Mgmt Companies	Total
Revenues:					
Minimun rents	$31,951	$12,856	$5,826	$4,682	$55,315
Percentage rents	2,692	739	422	195	4,048
Tenant recoveries	15,539	4,373	2,369	2,060	24,341
Management fee	-	-	-	6,143	6,143
Other	851	73	199	322	1,445
Total revenues	51,033	18,041	8,816	13,402	91,292
Expenses:					
Shopping center expenses	18,974	5,220	3,005	1,916	29,115
Interest expense	11,421	6,019	2,231	4,205	23,876
Management company expense	-	-	-	7,917	7,917
Depreciation and amortization	8,112	2,972	1,105	1,902	14,091
Total operating expenses	38,507	14,211	6,341	15,940	74,999
Gain on sale of assets	2	-	188	209	399
Net income (loss)	$12,528	$3,830	$2,663	($2,329)	$16,692

THE MACERICH COMPANY (THE COMPANY)

NOTES TO CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

3. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES - CONTINUED:

PRO RATA SHARE OF COMBINED AND CONDENSED STATEMENTS OF OPERATIONS OF JOINT VENTURES AND THE MANAGEMENT COMPANIES CONTINUED:

The following tables set forth the Operating Partnership's beneficial interest in the joint ventures and the Management Companies:

	Nine Months Ended September 30, 1998				
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Other Joint Ventures	Mgmt Companies	Total
Revenues:					
Minimun rents	$24,358	-	$5,746	-	$30,104
Percentage rents	1,085	-	256	-	1,341
Tenant recoveries	10,544	-	2,099	-	12,643
Management fee	-	-	-	$4,290	4,290
Other	635	-	141	278	1,054
Total revenues	36,622	-	8,242	4,568	49,432
Expenses:					
Shopping center expenses	13,067	-	2,927	-	15,994
Interest expense	9,060	-	1,749	(279)	10,530
Management company expense	-	-	-	6,330	6,330
Depreciation and amortization	6,488	-	1,072	422	7,982
Total operating expenses	28,615	-	5,748	6,473	40,836
Gain (loss) on sale of assets	-	-	23	(187)	(164)
Net income (loss)	$8,007	-	$2,517	($2,092)	$8,432

3. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES - CONTINUED:

PRO RATA SHARE OF COMBINED AND CONDENSED STATEMENTS OF OPERATIONS OF JOINT VENTURES AND THE MANAGEMENT COMPANIES CONTINUED:

The following tables set forth the Operating Partnership's beneficial interest in the joint ventures and the Management Companies:

	Three Months Ended September 30, 1999				
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Other Joint Ventures	Mgmt Companies	Total
Revenues:					
Minimum rents	$10,677	$5,930	$1,966	$3,353	$21,926
Percentage rents	915	264	122	184	1,485
Tenant recoveries	5,733	2,191	778	1,736	10,438
Management fee	-	-	-	2,250	2,250
Other	385	(12)	82	118	573
Total revenues	17,710	8,373	2,948	7,641	36,672
Expenses:					
Shopping center expenses	6,830	2,412	1,057	1,562	11,861
Interest expense	3,827	2,756	746	3,237	10,566
Management company expense	-	-	-	2,486	2,486
Depreciation and amortization	2,829	1,174	383	1,240	5,626
Total operating expenses	13,486	6,342	2,186	8,525	30,539
Loss on sale of assets	-	-	-	(75)	(75)
Net income (loss)	$4,224	$2,031	$762	($959)	$6,058

	Three Months Ended September 30, 1998				
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Other Joint Ventures	Mgmt Companies	Total
Revenues:					
Minimun rents	$10,415	-	$1,940	-	$12,355
Percentage rents	332	-	78	-	410
Tenant recoveries	4,775	-	636	-	5,411
Management fee	-	-	-	$1,494	1,494
Other	224	-	44	112	380
Total revenues	15,746	-	2,698	1,606	20,050
Expenses:					
Shopping center expenses	5,786	-	950	-	6,736
Interest expense	3,898	-	689	(98)	4,489
Management company expense	-	-	-	2,416	2,416
Depreciation and amortization	3,055	-	373	129	3,557
Total operating expenses	12,739	-	2,012	2,447	17,198
Gain (loss) on sale of assets	-	-	(1)	1	-
Net income (loss)	$3,007	-	$685	($840)	$2,852

4. PROPERTY:

Property is comprised of the following at:

	September 30, 1999	December 31, 1998
Land	$427,609	$422,592
Building improvements	1,685,936	1,684,188
Tenant improvements	51,864	47,808
Equipment & furnishings	12,093	9,097
Construction in progress	84,541	49,440
	2,262,043	2,213,125
Less, accumulated depreciation	(286,202)	(246,280)
	$1,975,841	$1,966,845

THE MACERICH COMPANY (THE COMPANY)

NOTES TO CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

5. MORTGAGE NOTES PAYABLE:

Mortgage notes payable at September 30, 1999 and December 31, 1998 consist of the following:

Property Pledged As Collateral	Carrying Amount of Notes 1999 Other	1999 Related Party	1998 Other	1998 Related Party	Interest Rate	Payment Terms	Maturity Date
Wholly Owned Centers:							
Capitola Mall	----	$37,079	----	$37,345	9.25%	316(d)	2001
Carmel Plaza (i)	$28,930	----	$25,000	----	8.18%	202(d)	2009
Chesterfield Towne Center	64,541	----	65,064	----	9.07%	548(e)	2024
Chesterfield Towne Center	3,192	----	3,266	----	8.54%	31(d)	1999
Citadel	73,685	----	74,575	----	7.20%	554(d)	2008
Corte Madera, Village at (j)	60,000	----	60,000	----	7.28%	interest only	1999
Crossroads Mall-Boulder (a)	----	34,994	----	35,280	7.08%	244(d)	2010
Fresno Fashion Fair	69,000	----	69,000	----	6.52%	interest only	2008
Greeley Mall	16,441	----	17,055	----	8.50%	187(d)	2003
Green Tree Mall/Crossroads - OK/ Salisbury (b)	117,714	----	117,714	----	7.23%	interest only	2004
Holiday Village	----	17,000	----	17,000	6.75%	interest only	2001
Lakewood Mall (c)	127,000	----	127,000	----	7.20%	interest only	2005
Northgate Mall	----	25,000	----	25,000	6.75%	interest only	2001
Northwest Arkansas Mall	62,337	----	63,000	----	7.33%	434(d)	2009
Parklane Mall	----	20,000	----	20,000	6.75%	interest only	2001
Queens Center (f)	100,000	----	65,100	----	6.88%	633(d)	2009
Rimrock Mall	30,588	----	31,002	----	7.70%	244(d)	2003
South Plains Mall (h)	64,760	----	28,795	----	8.22%	454(d)	2009
South Towne Center	64,000	----	64,000	----	6.61%	interest only	2008
Valley View Center	51,000	----	51,000	----	7.89%	interest only	2006
Villa Marina Marketplace	58,000	----	58,000	----	7.23%	interest only	2006
Vintage Faire Mall (g)	53,790	----	54,522	----	7.65%	427(d)	2003
Westside Pavilion	100,000	----	100,000	----	6.67%	interest only	2008
Total - Wholly Owned Centers	$1,144,978	$134,073	$1,074,093	$134,625			

5. MORTGAGE NOTES PAYABLE, CONTINUED:

Mortgage notes payable at September 30, 1999 and December 31, 1998 consist of the following:

Property Pledged As Collateral	Carrying Amount of Notes 1999 Other	1999 Related Party	1998 Other	1998 Related Party	Interest Rate	Payment Terms	Maturity Date
Joint Venture/Management Companies (at pro rata share):							
Broadway Plaza (50%) (k)	-	$36,849	-	$37,306	6.68%	257 (d)	2008
Macerich Cerritos LLC (95%) (k)	$113,785	-	-	-	7.13%	785 (d)	2006
Pacific Premier Retail Trust (51%) (k):							
Cascade Mall	13,976	-	-	-	6.50%	122 (d)	2014
Kitsap Mall	20,629	-	-	-	6.50% (l)	178 (d)	2000
North Point	1,906	-	-	-	6.50%	16 (d)	2015
Redmond Town Center - Retail	32,881	-	-	-	6.50%	224 (d)	2011
Redmond Town Center - Office (o)	-	40,218	-	-	6.77%	584 (d)	2010
Washington Square	60,718	-	-	-	6.70%	421 (d)	2009
Washington Square Too	6,585	-	-	-	6.50%	53 (d)	2016
SDG Macerich Properties L.P. (50%) (k)	159,579	-	$160,434	-	6.23% (m)	926 (d)	2006
SDG Macerich Properties L.P. (50%) (k)	92,500	-	92,500	-	6.15% (m)	interest only	2003
West Acres Center (19%) (k) (n)	7,600	-	7,202	-	6.52%	interest only	2019
Total - Joint Venture/Management Companies	510,159	77,067	260,136	37,306			
Total - All Centers	$1,655,137	$211,140	$1,334,229	$171,931			
Weighted average interest rate at September 30, 1999 - Wholly Owned Centers					7.36%		
Weighted average interest rate at December 31, 1998 - Wholly Owned Centers					7.24%		

(a) This note was issued at a discount. The discount is being amortized over the life of the loan using the effective interest method. At September 30, 1999 and December 31, 1998 the unamortized discount was $372 and $397, respectively.

(b) This loan is cross collateralized by Green Tree Mall, Crossroads Mall-Oklahoma and the Centre at Salisbury.

(c) On August 15, 1995, the Company issued $127,000 of collateralized fixed rate notes (the "Notes"). The Notes bear interest at an average fixed rate of 7.20% and mature in July 2005. The Notes require the Company to deposit all cash flow from the property operations with a trustee to meet its obligations under the Notes. Cash in excess of the required amount, as defined, is released. Included in cash and cash equivalents is $750 of restricted cash deposited with the trustee at September 30, 1999 and at December 31, 1998.

5. MORTGAGE NOTES PAYABLE, CONTINUED:

(d) This represents the monthly payment of principal and interest.

(e) This amount represents the monthly payment of principal and interest. In addition, contingent interest, as defined in the loan agreement, may be due to the extent that 35% of the amount by which the property's gross receipts (as defined in the loan agreement) exceeds a base amount specified therein. Contingent interest expense recognized by the Company was $192 and $52 for the nine and three months ended September 30, 1999, respectively; and $234 and $234 for the nine and three months ended September 30, 1998.

(f) At December 31, 1998, a $65,100 loan was outstanding which bore interest at LIBOR plus 0.45%. There was an interest rate protection agreement in place on the first $10,200 of this debt with a LIBOR ceiling of 5.88% through maturity with the remaining principal having an interest rate cap with a LIBOR ceiling of 7.07% through 1997 and 7.7% thereafter. The $65,100 loan was paid in full on February 4, 1999 and refinanced with a new loan of $100,000, with interest at 6.88%, maturing in 2009. The Company incurred a loss on early extinguishment of the old debt in 1999 of $163.

(g) Included in cash and cash equivalents is $1,258 and $3,048 at September 30, 1999 and December 31, 1998, respectively, of cash restricted under the terms of this loan agreement.

(h) The old note of $28,795 was assumed at acquisition. At the time of acquisition in June 1998, this debt was recorded at fair market value and the premium was amortized as interest expense over the life of the loan using the effective interest method. The monthly debt service payment was $348 per month and was calculated based on a 12.5% interest rate. At December 31, 1998, the unamortized premium was $6,165. On February 17, 1999, the loan was paid in full and was refinanced with a new loan of $65,000, with interest at 8.22%, maturing in 2009. The Company incurred a loss on early extinguishment of the old debt in 1999 of $810.

(i) On April 30, 1999, the old loan of $25,000 was paid in full and was refinanced with a new loan of $29,000, with a fixed interest rate of 8.18%, maturing May 1, 2009.

(j) The loan bears interest at LIBOR plus 2.0%. On October 8, 1999, the loan was paid in full and was refinanced with a new loan of $72,000 at a fixed rate of 7.75%, maturing November 1, 2009.

(k) Reflects the Company's pro rata share of debt.

(l) In connection with the acquisition of this Center, the joint venture assumed $39,425 of debt. At acquisition, this debt was recorded at fair market value of $41,475, which included an unamortized premium of $2,050. This premium is being amortized as interest expense over the life of the loan using the effective interest method. The joint venture's monthly debt service is $349 and is calculated based on an 8.60% interest rate. At September 30, 1999, the joint venture's unamortized premium was $1,501.

5. MORTGAGE NOTES PAYABLE, CONTINUED:

(m) In connection with the acquisition of these Centers, the joint venture assumed $485,000 of mortgage notes payable which are secured by the properties. At acquisition, this debt reflected a fair market value of $322,700, which included an unamortized premium of $22,700. This premium is being amortized as interest expense over the life of the loan using the effective interest method. At September 30, 1999 and December 31, 1998, the unamortized balance of the debt premium was $19,159 and $20,900, respectively. This debt is due in May 2006 and requires monthly payments of $926. $185,000 of this debt is due in May 2003 and requires monthly interest payments at a variable weighted average rate (based on LIBOR) of 5.77% and 6.03% at September 30, 1999 and December 31, 1998, respectively. This variable rate debt is covered by an interest rate cap agreement which effectively prevents the interest rate from exceeding 11.53%.

(n) On January 4, 1999, the joint venture replaced the old debt with a new loan of $40,000. The loan has an interest rate of 6.52% and matures February 2019. The debt is interest only until January 2001 at which time monthly payments of principal and interest will be due of $299.

(o) Concurrent with the acquisition, the joint venture placed $76,700 of debt and obtained a construction loan for an additional $16,000. Principal is drawn on the construction loan as costs are incurred. As of September 30, 1999, $2,302 of principal has been drawn under the construction loan.

The Company periodically enters into treasury lock agreements in order to hedge its exposure to interest rate fluctuations on anticipated financings. Under these agreements, the Company pays or receives an amount equal to the difference between the treasury lock rate and the market rate on the date of settlement, based on the notional amount of the hedge. The realized gain or loss on the contracts is recorded on the balance sheet in other assets and amortized as interest expense over the period of the hedged loans.

Certain mortgage loan agreements contain a prepayment penalty provision for the early extinguishment of the debt.

Total interest capitalized during the nine and three months ended September 30, 1999 was $4,533 and $1,793, respectively; and total interest capitalized during the nine and three months ended September 30, 1998 was $2,201 and $730, respectively.

The market value of mortgage notes payable for the wholly-owned Centers at September 30, 1999 and December 31, 1998 is estimated to be approximately $1,227,815 and $1,271,853, respectively, based on current interest rates for comparable loans.

6. BANK AND OTHER NOTES PAYABLE, CONTINUED:

The Company has a credit facility of $150,000 with a maturity of February 2000, which can be extended to February 2001, currently bearing interest at LIBOR plus 1.15%. The interest rate on such credit facility fluctuates between 0.95% and 1.15% over LIBOR. As of September 30, 1999 and December 31, 1998, $134,500 and $137,000 of borrowings were outstanding under this line of credit at interest rates of 6.59% and 6.79%, respectively. As of November 12, 1999, $52,400 was outstanding under this line of credit.

On May 28, 1999, the Company entered into an agreement with a bank for a term loan of $60,000. The interest rate on such loan is at LIBOR plus 3.0% and matures with extension on February 26, 2000. As of September 30, 1999, $60,000 was outstanding at a total interest rate of 8.0%. On October 28, 1999, the entire $60,000 loan was paid off.

Additionally, the Company issued $776 in letters of credit guaranteeing performance by the Company of certain obligations. The Company does not believe that these letters of credit will result in a liability to the Company.

During January 1999, the Company entered into a bank construction loan agreement to fund $89,200 of costs related to the redevelopment of Pacific View. The loan bears interest at LIBOR plus 2.25% and matures in February 2001. Principal is drawn as construction costs are incurred. As of September 30, 1999, $52,151 of principal has been drawn under the loan.

In addition, the Company has a note payable of $30,600 due in February 2000 payable to the seller of the acquired portfolio. The note bears interest at 6.5%.

7. CONVERTIBLE DEBENTURES:

During 1997, the Company issued and sold $161,400 of convertible subordinated debentures (the "Debentures") due 2002. The Debentures, which were sold at par, bear interest at 7.25% annually (payable semi-annually) and are convertible at any time, on or after 60 days, from the date of issue at a conversion price of $31.125 per share. The Debentures mature on December 15, 2002 and are callable by the Company after June 15, 2002 at par plus accrued interest.

8. RELATED-PARTY TRANSACTIONS:

The Company engaged the Management Companies to manage the operations of its properties and certain unconsolidated joint ventures. For the nine and three months ending September 30, 1999, management fees of $2,439 and $818 respectively, and for the nine and three months ended September 30, 1998, management fees of $1,968 and $718, respectively, were paid to the Management Companies by the Company.

Certain mortgage notes are held by one of the Company's joint venture partners. Interest expense in connection with these notes was $7,559 and $7,659 for the nine months ended September 30, 1999 and 1998, respectively; and $2,506 and $2,784 for the three months ending September 30, 1999 and 1998, respectively. Included in accounts payable and accrued expenses is interest payable to these partners of $486 and $512 at September 30, 1999 and December 31, 1998, respectively.

8. RELATED-PARTY TRANSACTIONS, CONTINUED:

Additionally, the Company has notes receivable due from the Management Companies of $76,937 related to acquisitions made by the Management Companies in 1999. These notes are interest only at a rate of 7.0% and mature in 2009. These notes receivable are included in due from affiliates at September 30, 1999.

In 1997, certain executive officers received loans from the Company totaling $5,500. These loans are full recourse to the executives. $5,000 of the loans were issued under the terms of the employee stock incentive plan, bear interest at 7%, are due in 2007 and are secured by the Company common stock owned by the executives. The remaining loan is non interest bearing and is forgiven ratably over a five year term. These loans receivable are included in other assets at September 30, 1999 and December 31, 1998.

Certain Company officers and affiliates have guaranteed mortgages of $21,750 at one of the Company's joint venture properties and $2,000 at Greeley Mall.

9. COMMITMENTS AND CONTINGENCIES:

The Company has certain properties subject to noncancellable operating ground leases. The leases expire at various times through 2070, subject in some cases to options to extend the terms of the lease. Certain leases provide for contingent rent payments based on a percentage of base rental income, as defined. Ground rent expenses were $684 and $760 for the nine months ended September 30, 1999 and 1998, respectively; and $228 and $115 for the three months ended September 30, 1999 and 1998, respectively. There were no contingent rents in either period.

Perchloroethylene (PCE) has been detected in soil and groundwater in the vicinity of a dry cleaning establishment at North Valley Plaza, formerly owned by a joint venture of which the Company was a 50% member. The property was sold on December 18, 1997. The California Department of Toxic Substances Control (DTSC) advised the Company in 1995 that very low levels of Dichloroethylene (1,2 DCE), a degradation byproduct of PCE, had been detected in a municipal water well located 1/4 mile west of the dry cleaners, and that the dry cleaning facility may have contributed to the introduction of 1,2 DCE into the water well. According to DTSC, the maximum contaminant level (MCL) for 1,2 DCE which is permitted in drinking water is 6 parts per billion (ppb). The 1,2 DCE was detected in the water well at a concentration of 1.2 ppb, which is below the MCL. The Company has retained an environmental consultant and has initiated extensive testing of the site. Remediation began in October 1997. The joint venture agreed (between itself and the buyer) that it would be responsible for continuing to pursue the investigation and remediation of impacted soil and groundwater resulting from releases of PCE from the former dry cleaner. $104 and $100 have already been incurred by the joint venture for remediation, and professional and legal fees for the periods ending September 30, 1999 and 1998, respectively. An additional $304 remains reserved by the joint venture as of September 30, 1999. The joint venture has been sharing costs on a 50/50 basis with a former owner of the property and intends to look to additional responsible parties for recovery.

9. COMMITMENTS AND CONTINGENCIES, CONTINUED:

Low levels of toluene, a petroleum constituent, were detected in one of three groundwater dewatering system holding tanks at Queens Center. Although the Company believes that no remediation will be required, the Company established a $150 reserve in 1996 to cover professional fees and testing costs. The Company incurred costs of $0 and $1 during the nine months ending September 30, 1999 and 1998, respectively. The Company intends to look to the responsible parties if remediation is required.

The Company acquired Fresno Fashion Fair in December 1996. Asbestos was detected in structural fireproofing throughout much of the Center. Testing data conducted by professional environmental consulting firms indicate that the fireproofing is largely inaccessible to building occupants and is well adhered to the structural members. Additionally, airborne concentrations of asbestos are well within OSHA's permissible exposure limit (PEL) of .1 fcc. The accounting for this acquisition includes a reserve of $3,300 to cover future removal of this asbestos, as necessary. The Company incurred $80 and $206 in remediation costs for the nine months ending September 30, 1999 and 1998, respectively. An additional $2,794 remains reserved at September 30, 1999.

10. PRO FORMA INFORMATION:

On February 18, 1999, through a 51/49 joint venture with Ontario Teachers, the Company closed on the first phase of a two phase acquisition of a portfolio of properties. The phase one closing included the acquisition of three regional malls, the retail component of a mixed-use development, five contiguous properties and two non-contiguous community shopping centers comprising approximately 3.6 million square feet for a total purchase price of approximately $427,000. The purchase price was funded with a $120,000 loan placed concurrently with the closing, $140,400 of debt from an affiliate of the seller, and $39,400 of assumed debt. The balance of the purchase price was paid in cash. The Company's share of the cash component was funded with the proceeds from two refinancings of Centers and borrowings under the Company's line of credit. On July 12, 1999, the Company closed on the second phase of the acquisition. The second phase consisted of the acquisition of the office component of the mixed-use development for a purchase price of approximately $111,000. The purchase price was funded with a $76,700 loan placed concurrently with the closing and the balance was paid in cash. The Company's share of the cash component was funded from borrowings under the Company's line of credit.

On June 2, 1999, Macerich Cerritos, LLC, a wholly-owned subsidiary of Macerich Management Company, acquired Los Cerritos Center in Cerritos, California. The total purchase price was $188,000, which was funded with $120,000 of debt placed concurrently with the closing and a $70,800 loan from the Company. The Company funded this loan from borrowings under a $60,000 bank loan agreement and the balance from the Company's line of credit.

10. PRO FORMA INFORMATION - CONTINUED:

On a pro forma basis, reflecting these acquisitions as if they had occurred on January 1, 1999 and 1998, the Company would have reflected net income - available to common stockholders of $26,002 and $17,376 for the nine months ended September 30, 1999 and 1998, respectively. Net income available to common stockholders on a diluted per share basis would be $0.77 and $0.57 for the nine months ended September 30, 1999 and 1998, respectively.

11. PREFERRED STOCK:

On February 25, 1998, the Company issued 3,627,131 shares of Series A Preferred Stock for proceeds totaling $100,000 in a private placement. The preferred stock can be converted on a one for one basis into common stock and will pay a quarterly dividend equal to the greater of $0.46 per share, or the dividend then payable on a share of common stock.

On June 17, 1998, the Company issued 5,487,471 shares of Series B cumulative convertible preferred stock ("Series B Preferred Stock") for proceeds totaling $150,000 in a private placement. The preferred stock can be converted on a one for one basis into common stock and will pay a quarterly dividend equal to the greater of $0.46 per share, or the dividend then payable on a share of common stock.

No dividends will be declared or paid on any class of common or other junior stock to the extent that dividends on Series A Preferred Stock and Series B Preferred Stock have not been declared and/or paid.

12. SUBSEQUENT EVENTS:

On November 10, 1999, a dividend\distribution of $0.51 per share was declared for common stockholders and OP unit holders of record on November 19, 1999. In addition, the Company declared a dividend of $0.51 on the Company's Series A Preferred Stock and a dividend of $0.51 on the Company's Series B Preferred Stock. All dividends/distributions will be payable on December 7, 1999.

On October 26, 1999, 99% of the membership interests of Macerich Stonewood, LLC and Macerich Cerritos, LLC and 100% of the membership interests of Lakewood Mall, LLC were contributed to Pacific Premier Retail Trust ("PPR"), a real estate investment trust, owned approximately 51% by the Company and 49% by Ontario Teachers. Macerich Lakewood, LLC, Macerich Stonewood, LLC and Macerich Cerritos, LLC own Lakewood Mall, Stonewood Mall and Los Cerritos Center, respectively. The total value of the transaction was approximately $535,000. The properties were contributed to PPR subject to existing debt of $322,000. The net proceeds to the Company were approximately $104,000 which were used for reduction of debt and for general corporate purposes.

On October 29, 1999, Macerich Santa Monica, LLC, a wholly-owned indirect subsidiary of the Company, acquired Santa Monica Place, a 560,000 square foot regional mall located in Santa Monica, California. The total purchase price was $130,800, which was funded with $80,000 of debt placed concurrently with the closing with the balance funded from proceeds from the PPR transaction described above.

ITEM II

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based primarily on the consolidated balance sheet of The Macerich Company as of September 30, 1999, and also compares the activities for the nine and three months ended September 30, 1999 to the activities for the nine and three months ended September 30, 1998.

This information should be read in conjunction with the accompanying consolidated financial statements and notes thereto. These financial statements include all adjustments, which are, in the opinion of management, necessary to reflect the fair statement of the results for the interim periods presented, and all such adjustments are of a normal recurring nature.

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains or incorporates statements that constitute forward-looking statements. Those statements appear in a number of places in this Form 10-Q and include statements regarding, among other matters, the Company's growth and acquisition opportunities, the Company's acquisition strategy, regulatory matters pertaining to compliance with governmental regulations and other factors affecting the Company's financial condition or results of operations. Words such as "expects," "anticipates," "intends," "projects," "predicts," "plans," "believes," "seeks," "estimates," and "should" and variations of these words and similar expressions, are used in many cases to identify these 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 or the industry to vary materially from the Company's future results, performance or achievements, or those of the industry, expressed or implied in such forward-looking statements. 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 rents, 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 acquisitions; governmental actions and initiatives; environmental and safety requirements; and Year 2000 compliance issues of the Company and third parties and related service interruptions or payment delays. The Company will not update any forward-looking information to reflect actual results or changes in the factors affecting the forward-looking information.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, CONTINUED:

The following table reflects the Company's acquisitions in 1998 and 1999 as of September 30, 1999:

	Date Acquired	Location
"1998 ACQUISITION CENTERS"		
SDG Macerich Properties, L.P. (*)	February 27, 1998	Twelve properties in eight states
South Plains Mall	June 19, 1998	Lubbock, Texas
Westside Pavilion	July 1, 1998	Los Angeles, California
Village at Corte Madera	June-July 1998	Corte Madera, California
Carmel Plaza	August 10, 1998	Carmel, California
Northwest Arkansas Mall	December 15, 1998	Fayetteville, Arkansas
"1999 ACQUISITION CENTERS"		
Pacific Premier Retail Trust (*)	February 18, 1999	Three regional malls, retail component of a mixed-use development and five contiguous properties in Washington and Oregon. The office component of the mixed-used development was acquired July 12, 1999.
PPR Albany Plaza LLC (**)	February 18, 1999	Two non-contiguous community shopping
PPR Eastland Plaza LLC (**)		Centers in Oregon and Ohio.
Los Cerritos Center (**)	June 2, 1999	Cerritos, California

(*) denotes the Company owns its interests in these Centers through a joint venture entity.

(**) denotes the Company owns its interests in these Centers through one of the Management Companies.

The financial statements include the results of these Centers for periods subsequent to their acquisition.

The properties acquired by SDG Macerich Properties, L.P., Pacific Premier Retail Trust and the Management Companies ("Joint Venture Acquisitions") are reflected using the equity method of accounting. The results of these acquisitions are reflected in the consolidated results of operations of the Company in equity in income of unconsolidated joint ventures and the Management Companies.

Many of the variations in the results of operations discussed below occurred due to the addition of these properties to the portfolio during 1999 and 1998. Many factors impact the Company's ability to acquire additional properties; including the availability and cost of capital, the overall debt to market capitalization level, interest rates and availability of potential acquisition targets that meet the Company's criteria. Accordingly, management is uncertain whether during the balance of 1999, and in future years, there will be similar acquisitions and corresponding increases in revenues, net income and funds from operations that occurred as a result of the 1999 and 1998 Acquisition Centers. Pacific View (formerly known as Buenaventura Mall), Crossroads Mall-Boulder, Huntington Center and Parklane Mall are currently under redevelopment and are referred to herein as the "Redevelopment Centers." All other Centers are referred to herein as the "Same Centers."

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, CONTINUED:

The bankruptcy and/or closure of an Anchor, or its sale to a less desirable retailer, could adversely affect customer traffic in a Center and thereby reduce the income generated by that Center. Furthermore, the closing of an Anchor could, under certain circumstances, allow certain other Anchors or other tenants to terminate their leases or cease operating their stores at the Center or otherwise adversely affect occupancy at the Center.

In addition, the Company's success in the highly competitive real estate shopping center business depends upon many other factors, including general economic conditions, the ability of tenants to make rent payments, increases or decreases in operating expenses, occupancy levels, changes in demographics, competition from other centers and forms of retailing and the ability to renew leases or relet space upon the expiration or termination of leases.

RESULTS OF OPERATIONS

COMPARISON OF NINE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998

REVENUES

Minimum and percentage rents increased by 22.6% to $164.1 million in 1999 from $133.8 million in 1998. Approximately $24.6 million of the increase resulted from the 1998 Acquisition Centers and $7.5 million of the increase was attributable to the Same Centers. In May 1998, the FASB, through the EITF, modified the timing of recognition of revenue for percentage rent received from tenants in EITF 98-9, "Accounting for Contingent Rent in Interim Financial Periods." The Company applied this accounting change as of April 1, 1998. The accounting change had the effect of deferring $2.3 million of percentage rent in the second and third quarters of 1998 attributable to the Same Centers into the fourth quarter of 1998. During the fourth quarter of 1998, the FASB reversed EITF 98-9. Accordingly, the Company has resumed accounting for percentage rent on the accrual basis effective January 1, 1999. These increases were partially offset by revenue decreases at the Redevelopment Centers of $1.8 million in 1999.

Tenant recoveries increased to $72.8 million in 1999 from $60.8 million in 1998. The 1998 Acquisition Centers generated $12.4 million of this increase and $0.9 million of the increase was from the Same Centers. These increases were partially offset by revenue decreases at the Redevelopment Centers of $1.3 million in 1999.

Other income increased to $5.9 million in 1999 from $3.1 million in 1998. Approximately $0.4 million of the increase related to the 1998 Acquisition Centers and $2.3 million of the increase was attributable to the Same Centers. Included in the Same Centers increase was $1.6 million attributable to interest income on a $70.8 million note from the Company to the Management Companies relating to the acquisition of Los Cerritos Center on June 2, 1999.

RESULTS OF OPERATIONS - CONTINUED:

COMPARISON OF NINE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998, CONTINUED:

EXPENSES

Shopping center expenses increased to $72.5 million in 1999 compared to $62.1 million in 1998. Approximately $10.9 million of the increase resulted from the 1998 Acquisition Centers. The other Centers had a net decrease of $0.5 million in shopping center expenses resulting primarily from decreased property taxes and recoverable expenses.

General and administrative expenses increased to $4.1 million in 1999 from $3.1 million in 1998 primarily because of the accounting change required by EITF 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions," which requires the expensing of internal acquisition costs. Previously in accordance with GAAP, certain internal acquisition costs were capitalized. The increase is also partially attributable to higher executive and director compensation expense.

INTEREST EXPENSE

Interest expense increased to $85.2 million in 1999 from $66.1 million in 1998. This increase of $19.1 million is primarily attributable to the acquisition activity in 1998 and 1999, which was partially funded with secured debt and borrowings under the Company's line of credit.

DEPRECIATION AND AMORTIZATION

Depreciation increased to $46.4 million from $38.9 million in 1998. This increase relates primarily to the 1998 Acquisition Centers.

INCOME FROM UNCONSOLIDATED JOINT VENTURES AND MANAGEMENT COMPANIES

The income from unconsolidated joint ventures and the Management Companies was $16.7 million for 1999, compared to income of $8.4 million in 1998. A total of $4.7 million of the change is attributable to the 1998 acquisitions by SDG Macerich Properties, L.P. and $3.8 million of the change is attributable to the 1999 acquisition by Pacific Premier Retail Trust. These increases are partially offset by a decrease of $0.2 million at the Management Companies.

EXTRAORDINARY LOSS FROM EARLY EXTINGUISHMENT OF DEBT

In 1999, the Company wrote off $1.0 million of unamortized financing costs, compared to $2.4 million written off in 1998.

NET INCOME AVAILABLE TO COMMON STOCKHOLDERS

As a result of the foregoing, net income available to common stockholders increased to $27.0 million in 1999 from $18.8 million in 1998.

RESULTS OF OPERATIONS - CONTINUED:

COMPARISON OF NINE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998, CONTINUED:

OPERATING ACTIVITIES

Cash flow from operations was $97.0 million in 1999 compared to $82.8 million in 1998. The increase is primarily because of increased net operating income from the 1998 and 1999 Acquisition Centers.

INVESTING ACTIVITIES

Cash flow used in investing activities was $228.9 million in 1999 compared to $655.8 million in 1998. The change resulted primarily from the cash contributions required by the Company for the joint venture acquisitions of $240.2 million in 1998 compared to $88.1 million in 1999.

FINANCING ACTIVITIES

Cash flow from financing activities was $130.1 million in 1999 compared to $564.8 million in 1998. The decrease resulted from no equity offerings in the nine months ended September 30, 1999 compared to 6,520,181 shares of common stock sold in the nine months ended September 30, 1998. Additionally, 9,114,602 shares of preferred stock were sold in the first and second quarters of 1998.

FUNDS FROM OPERATIONS

Primarily because of the factors mentioned above, Funds from Operations - Diluted increased 46.9% to $118.4 million from $80.6 million in 1998.

RESULTS OF OPERATIONS

COMPARISON OF THREE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998

REVENUES

Minimum and percentage rents increased by 10% to $55.0 million in 1999 from $49.9 million in 1998. Approximately $2.4 million of the increase resulted from the 1998 Acquisition Centers and $3.1 million of the increase was attributable to the Same Centers. In May 1998, the FASB, through the EITF, modified the timing of recognition of revenue for percentage rent received from tenants in EITF 98-9, "Accounting for Contingent Rent in Interim Financial Periods." The Company applied this accounting change as of April 1, 1998. The accounting change had the effect of deferring $1.0 million of percentage rent in the third quarter of 1998 attributable to the Same Centers into the fourth quarter of 1998. During the fourth quarter of 1998, the FASB reversed EITF 98-9. Accordingly, the Company has resumed accounting for percentage rent on the accrual basis effective January 1, 1999. These increases were partially offset by revenue decreases at the Redevelopment Centers of $0.4 million in 1999.

RESULTS OF OPERATIONS - CONTINUED:

COMPARISON OF THREE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998, CONTINUED:

Tenant recoveries increased to $25.5 million in 1999 from $23.9 million in 1998. The 1998 Acquisition Centers generated $0.2 million of this increase, $0.8 million of the increase was attributable to the Same Centers and $0.6 million related to the Redevelopment Centers.

Other income increased to $2.7 million in 1999 from $1.2 million in 1998. Approximately $1.4 million of the increase was attributable to the Same Centers and $0.1 million to the Redevelopment Centers. Included in the Same Centers increase was $1.2 million attributable to interest income on a $70.8 million note from the Company to the Management Companies relating to the acquisition of Los Cerritos Center on June 2, 1999.

EXPENSES

Shopping center expenses increased to $25.3 million in 1999 compared to $24.1 million in 1998. Approximately $0.9 million of the increase resulted from the 1998 Redevelopment Centers and $0.4 million of the increase was from the Acquisition Centers. The Same Centers had a net decrease of $0.1 million in shopping center expenses resulting primarily from decreased property taxes and recoverable expenses.

General and administrative expenses increased to $1.2 million in 1999 from $0.9 million in 1998 primarily due to higher executive and director compensation expense.

INTEREST EXPENSE

Interest expense increased to $29.8 million in 1999 from $24.9 million in 1998. This increase of $4.9 million is primarily attributable to the acquisition activity in 1998 and 1999, which was partially funded with secured debt and borrowings under the Company's line of credit.

DEPRECIATION AND AMORTIZATION

Depreciation increased to $15.9 million from $15.3 million in 1998. This increase relates primarily to the 1998 Acquisition Centers.

INCOME FROM UNCONSOLIDATED JOINT VENTURES AND MANAGEMENT COMPANIES

The income from unconsolidated joint ventures and the Management Companies was $6.1 million for 1999, compared to income of $2.9 million in 1998. A total of $1.2 million of the change is attributable to the 1998 acquisitions by SDG Macerich Properties, L.P. and $2.0 million of the change is attributable to the 1999 acquisition by Pacific Premier Retail Trust.

NET INCOME AVAILABLE TO COMMON STOCKHOLDERS

As a result of the foregoing, net income available to common stockholders increased to $9.1 million in 1999 from $4.6 million in 1998.

RESULTS OF OPERATIONS - CONTINUED:

COMPARISON OF THREE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998, CONTINUED:

FUNDS FROM OPERATIONS

Primarily because of the factors mentioned above, Funds from Operations - Diluted increased 32.4% to $40.9 million from $30.9 million in 1998.

LIQUIDITY AND CAPITAL RESOURCES

The Company intends to meet its short term liquidity requirements through cash generated from operations and working capital reserves. The Company anticipates that revenues will continue to provide necessary funds for its operating expenses and debt service requirements, and to pay dividends to stockholders in accordance with REIT requirements. The Company anticipates that cash generated from operations, together with cash on hand, will be adequate to fund capital expenditures which will not be reimbursed by tenants, other than non-recurring capital expenditures. Capital for major expenditures or major redevelopments has been, and is expected to continue to be, obtained from equity or debt financings which include borrowings under the Company's line of credit and construction loans. However, many factors impact the Company's ability to access capital, such as its overall debt to market capitalization level, interest rates, interest coverage ratios and prevailing market conditions. The Company currently is undertaking a $90 million redevelopment of Pacific View. The Company has a bank construction loan agreement to fund $89.2 million of these construction costs.

The Company believes that it will have access to the capital necessary to expand its business in accordance with its strategies for growth and maximizing Funds from Operations. The Company presently intends to obtain additional capital necessary to expand its business through a combination of additional public and private equity offerings, debt financings and/or joint ventures. During 1998 and 1999, the Company acquired two portfolios through joint ventures with another party. The Company believes such joint venture arrangements provide an attractive alternative to other forms of financing.

The Company's total outstanding loan indebtedness at September 30, 1999 was $2.3 billion (including its pro rata share of joint venture debt). This equated to a debt to Total Market Capitalization (defined as total debt of the Company, including its pro rata share of joint venture debt, plus aggregate market value of outstanding shares of common stock, assuming full conversion of OP Units and preferred stock into common stock) ratio of approximately 64% at September 30, 1999. The Company's debt consists primarily of fixed-rate conventional mortgages payable secured by individual properties.

The Company has filed a shelf registration statement, effective December 8, 1997, to sell securities. The shelf registration is for a total of $500 million of common stock, common stock warrants or common stock rights. During 1998, the Company sold a total of 7,920,181 shares of common stock under this shelf registration. The aggregate offering price of these transactions was approximately $212.9 million, leaving approximately $287.1 million available under the shelf registration statement.

LIQUIDITY AND CAPITAL RESOURCES, CONTINUED:

The Company has an unsecured line of credit for up to $150.0 million. There was $134.5 million of borrowings outstanding at September 30, 1999.

At September 30, 1999, the Company had cash and cash equivalents available of $23.3 million.

YEAR 2000 READINESS DISCLOSURE

THE INFORMATION PROVIDED BELOW CONTAINS YEAR 2000 STATEMENTS AND IS A YEAR 2000 READINESS DISCLOSURE PURSUANT TO PUB. L. NO. 105-271.

YEAR 2000 ISSUES

The Year 2000 issue is the result of many existing computer programs and embedded technology using two digits rather than four to define the applicable year. The Company's computer equipment and software and devices with embedded technology that are time-sensitive may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in system failure or erroneous data which would cause disruptions of operations.

The Company has initiated a Year 2000 compliance program consisting of the following phases: (1) identification of Year 2000 issues; (2) assessment of Year 2000 compliance of systems; (3) remediation or replacement of non-compliant systems; (4) testing of critical systems to verify compliance; and (5) contingency planning, as appropriate. This program includes a review of both information technology ("IT") and non-IT systems of the centers in which the Company has an ownership interest and manages, excluding Santa Monica Place which was acquired on October 29, 1999. The Company's Year 2000 team which consists of management as well as operational and IT staff members is supervising this program.

IT SYSTEMS

The Company has reviewed its core computer hardware systems and software programs to determine if such systems and programs will properly process dates in the Year 2000 and thereafter. Based on manufacturer or vendor information, the Company presently believes that all of its critical computer hardware systems and software programs are substantially Year 2000 compliant. One critical hardware system needed a Year 2000 upgrade which the Company installed at a cost of approximately $13,100. The Company recently concluded its own evaluation and testing and based upon such results the Company believes its critical hardware systems and software are substantially Year 2000 compliant.

The most important software program to the Company's operations is its property management and accounting software. The Company has been advised by its independent software vendor that it has completed its evaluation, testing and modification of this program and the necessary changes have been completed to achieve Year 2000 compliance. The Company completed its own evaluation and testing and based upon such testing, the Company believes that this software is substantially Year 2000 compliant.

YEAR 2000 READINESS DISCLOSURE - CONTINUED:

IT SYSTEMS, CONTINUED:

The Company completed its assessment of the Year 2000 compliance of its non-critical computer hardware systems and software programs by its target date of December 31, 1998. Based on manufacturer or vendor information, the Company presently believes that substantially all of its non-critical hardware systems and software programs are Year 2000 compliant.

NON-IT SYSTEMS

Part of the Company's Year 2000 program also includes a review of the various operating systems of each of its centers in which the Company has an ownership interest and manages. The main offices of the Company are also being reviewed for Year 2000 compliance issues. These operating systems typically include embedded technology which complicates the Company's Year 2000 efforts. Examples of these types of systems include energy management systems, telecommunication systems, elevators, security systems and copiers. The various operating systems have been assigned priorities based on the importance of the system to each property's operations and the potential impact of non-compliance.

All of the Company's properties have completed their initial assessment of each system and have substantially completed the process of verifying Year 2000 compliance through the manufacturers and/or vendors of the systems. Approximately 94% of the critical operating systems at the centers for which the Company has received information from manufacturers or vendors are substantially Year 2000 compliant as reported by such entities. Certain critical systems, 11 energy management systems, five telephone systems, two fire alarm systems, one security alarm system, one CCTV system, one HVAC system and one elevator intercom system, required Year 2000 upgrades at an aggregate cost of approximately $60,000. Most of the Y2K upgrades have been successfully installed or are in process. Other non-compliant critical systems are being upgraded by the manufacturer at no cost to the Company or were previously scheduled for replacement or upgrades prior to January 1, 2000. With respect to approximately 8% of its critical operating systems at the centers, the Company has not received the necessary information to assess the Year 2000 compliance of such systems or the necessary remediation steps. The Company continues to contact these manufacturers/vendors to obtain the information necessary to complete its Year 2000 compliance assessment. The Company is also beginning the process of assessing the risk to the center assuming the system is not compliant and developing contingency plans, as appropriate.

Each property prepared remediation and testing recommendations and time lines based on the importance of each system to the property's operations and information received from the manufacturer/vendor. The Company has been coordinating the testing phase with the manufacturers/vendors of the systems, as appropriate. Approximately 75% of the critical systems at the centers have tested successfully for Year 2000 compliance or are not date-sensitive. The Company continues to contact the vendors and manufacturers of the remaining critical systems for testing information and assistance and anticipates completion of the testing of substantially all critical operating systems by December 1, 1999. If such testing information and assistance is not provided, completion of this phase may be delayed. The Company expects the Year 2000 program to continue beyond January 1, 2000 with respect to non-critical operating systems and issues.

YEAR 2000 READINESS DISCLOSURE - CONTINUED:

MATERIAL THIRD PARTIES

The Company mailed surveys to its material vendors, utilities and tenants about their plans and progress in addressing the Year 2000 issue. Those entities surveyed include the utilities for each center (i.e., electric, gas, water, telephone and waste management companies), the largest tenants of the Company based on the amount of their 1998 rent payments and certain Anchor tenants. As of this date, the Company has received responses from approximately 95% of those entities surveyed. Generally, the responses received state that the entity is in the process of addressing the Year 2000 compliance issues and expects to achieve compliance prior to January 1, 2000. Approximately 45% of those entities have indicated their mission critical systems are Year 2000 compliant.

COSTS

Because the Company's assessment, remediation and testing efforts are ongoing, the Company is unable to estimate the total costs of achieving Year 2000 compliance for its IT and non-IT systems. Based on information received from manufacturers/vendors, the Company presently anticipates that the assessment and remediation costs will not be material. As of September 30, 1999, the Company has not expended significant amounts since its evaluation of Year 2000 issues has been primarily conducted by its own personnel. The Company does not separately record the internal costs incurred for its Year 2000 compliance program. Such costs are primarily the related payroll costs for its personnel who are part of the Year 2000 program. Independent electricians conducted Year 2000 compliance reviews of the electrical infrastructure at each center for an aggregate cost of approximately $13,000.

RISKS

As is true of most businesses, the Company is vulnerable to external forces that might generally effect industry and commerce, such as utility company Year 2000 compliance failures and related service interruptions. In addition, failure of information and operating systems of tenants and/or failure of their respective material vendors to provide products and services may delay or otherwise adversely impact the payment of rent to the Company or impair the ability of a tenant to operate. Although a formal contingency plan has not yet been developed for dealing with the most reasonably likely worst case scenario, the Company has focused on the power companies serving each center and each center has prepared security contingency plans to deal with potential power failures or interruptions. The Company will continue to evaluate other potential areas of risk and develop contingency plans, as appropriate.

Based on currently available information, the Company believes that the Year 2000 issue will not pose significant operational problems for the Company. However, if all Year 2000 issues are not properly identified, or assessment, remediation and testing are not effected in a timely manner, there can be no assurance that the Year 2000 issue will not adversely affect the Company's results of operations or its relationships with tenants or other third parties. Additionally, there can be no assurance that the Year 2000 issues of third parties will not have an adverse impact on the Company's results of operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, CONTINUED:

FUNDS FROM OPERATIONS

The Company believes that the most significant measure of its performance is Funds from Operations ("FFO"). FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT") to be: Net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring and sales or write-down of assets, plus depreciation and amortization (excluding depreciation on personal property and amortization of loan and financial instrument costs) and after adjustments for unconsolidated entities. Adjustments for unconsolidated entities are calculated on the same basis. FFO does not represent cash flow from operations, as defined by GAAP, and is not necessarily indicative of cash available to fund all cash flow needs. The following reconciles net income available to common stockholders to FFO:

	Nine months ended September 30, 1999		1998	
	Shares	Amount	Shares	Amount
	(amounts in thousands)			
Net income - available to common stockholders		$27,008		$18,769
Adjustments to reconcile net income to FFO - basic:				
Minority interest		9,795		7,748
Depreciation and amortization on wholly owned centers		46,434		38,919
Pro rata share of unconsolidated entities' depreciation and amortization		14,091		7,982
Gain on sale of assets		(162)		(9)
Extraordinary loss on early extinguishment of debt		1,016		2,414
Pro rata share of (gain) loss on sale of assets from unconsolidated entities		(399)		164
Amortization of financing costs		(2,717)		(2,109)
Depreciation of personal property		(807)		(534)
FFO - basic (1)	46,286	94,259	42,310	73,344
Additional adjustments to arrive at FFO - diluted:				
Impact of convertible preferred stock	9,115	13,581	5,027	6,898
Impact of stock options and restricted stock using the treasury method	468	1,141	610	411
Impact of convertible debentures	5,186	9,453	(n/a anti-dilutive)	
FFO - diluted (2)	61,055	$118,434	47,947	$80,653

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, CONTINUED:

	Three months ended September 30, 1999		1998	
	Shares	Amount	Shares	Amount
		(amounts in thousands)		
Net income - available to common stockholders		$9,125		$4,579
Adjustments to reconcile net income to FFO - basic:				
Minority interest		3,307		1,558
Depreciation and amortization on wholly owned centers		15,895		15,312
Pro rata share of unconsolidated entities' depreciation and amortization		5,626		3,557
Gain on sale of assets		(162)		-
Extraordinary loss on early extinguishment of debt		28		2,324
Pro rata share of (gain) loss on sale of assets from unconsolidated entities		75		-
Amortization of financing costs		(1,035)		(608)
Depreciation of personal property		(385)		(168)
FFO - basic (1)	46,318	32,474	44,761	26,554
Additional adjustments to arrive at FFO - diluted:				
Impact of convertible preferred stock	9,115	4,740	9,114	4,193
Impact of stock options and restricted stock using the treasury method	535	530	592	155
Impact of convertible debentures	5,186	3,177	(n/a anti-dilutive)	
FFO - diluted (2)	61,154	$40,921	54,467	$30,902

1) Calculated based upon basic net income as adjusted to reach basic FFO. Weighted average number of shares includes the weighted average number of shares of common stock outstanding for 1999 and 1998 assuming the conversion of all outstanding OP units.

2) The computation of FFO - diluted and diluted average number of shares outstanding includes the effect of outstanding common stock options and restricted stock using the treasury method. Convertible debentures are dilutive for the nine and three months ending September 30, 1999 and therefore assumed converted to equity to calculate FFO - diluted in 1999. The debentures are anti-dilutive for the nine and three months ending September 30, 1998 and therefore are not assumed converted to equity for the period ended September 30, 1998. On February 25, 1998, the Company sold $100 million of its Series A Preferred Stock. On June 17, 1998, the Company sold $150 million of its Series B Preferred Stock Each series of preferred stock can be converted on a one for one basis for common stock. These preferred shares are not assumed converted for purposes of net income per share as they would be anti-dilutive to that calculation. The preferred shares are assumed converted for purposes of FFO diluted per share as they are dilutive to that calculation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, CONTINUED:

Included in minimum rents were rents attributable to the accounting practice of straight-lining of rents. The amount of straight-lining of rents that impacted minimum rents was $1.9 million and $2.7 million for the nine months ended September 30, 1999 and 1998, respectively; and $0.7 million and $0.9 million for the three months ended September 30, 1999 and 1998, respectively.

INFLATION

In the last three years, inflation has not had a significant impact on the Company because of a relatively low inflation rate. Most of the leases at the Centers have rent adjustments periodically through the lease term. These rent increases are either in fixed increments or based on increases in the Consumer Price Index. In addition, many of the leases are for terms of less than ten years, which enables the Company to replace existing leases with new leases at higher base rents if the rents of the existing leases are below the then existing market rate. Additionally, most of the leases require the tenants to pay their pro rata share of operating expenses. This reduces the Company's exposure to increases in costs and operating expenses resulting from inflation.

SEASONALITY

The shopping center industry is seasonal in nature, particularly in the fourth quarter during the holiday season when retailer occupancy and retail sales are typically at their highest levels. In addition, shopping malls achieve a substantial portion of their specialty (temporary retailer) rents during the holiday season. As a result of the above, earnings are generally highest in the fourth quarter of each year.

NEW ACCOUNTING PRONOUNCEMENTS ISSUED

In March 1998, the FASB, through its EITF, concluded based on EITF 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions," that all internal costs to source, analyze and close acquisitions should be expensed as incurred. The Company had historically capitalized these costs in accordance with GAAP. The Company adopted the FASB's interpretation effective March 19, 1998.

In June 1998, the FASB issued SFAS 133, "Accounting for Derivative Instruments and Hedging Activities," which was initially to become effective for the Company's consolidated financial statements for periods beginning January 1, 2000. The new standard requires companies to record derivatives on the balance sheet, measured at fair value. Changes in the fair value of those derivatives will be accounted for based on the use of the derivative and whether it qualifies for hedge accounting. The key criteria for hedge accounting is whether the hedging relationship is highly effective in achieving offsetting changes in fair value or cash flows. The Company has not yet determined when it will implement SFAS 133 nor has it completed the complex analysis required to determine the impact of SFAS 133 on its consolidated financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, CONTINUED:

NEW ACCOUNTING PRONOUNCEMENTS ISSUED - CONTINUED:

In June 1999, the FASB issued SFAS 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133," which delays the implementation of SFAS 133 for the Company's consolidated financial statements to January 1, 2001.

ITEM III
QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's primary market risk exposure is interest rate risk. The Company has managed and will continue to manage interest rate risk by (1) maintaining a conservative ratio of fixed rate, long-term debt to total debt such that variable rate exposure is kept at an acceptable level, (2) reducing interest rate exposure on certain long-term variable rate debt through the use of interest rate caps with appropriately matching maturities, (3) using treasury rate locks where appropriate to fix rates on anticipated debt transactions, and (4) taking advantage of favorable market conditions for long-term debt and/or equity.

The following table sets forth information as of September 30, 1999 concerning the Company's long term debt obligations, including principal cash flows by scheduled maturity, weighted average interest rates and estimated fair value ("FV").

	For the Years Ended December 31, (dollars in thousands)							
	1999	2000	2001	2002	2003	Thereafter	Total	FV
Wholly Owned Centers:								
Long term debt:								
Fixed rate	$ 9,671	$ 38,628	$107,253	$ 10,255	$ 97,900	$ 985,944	$1,249,651	$1,198,251
Average interest rate	7.35%	7.34%	7.36%	7.33%	7.33%	7.28%	7.33%	--
Fixed rate - Debentures	--	--	--	161,400	--	--	161,400	156,861
Average interest rate	--	--	--	7.25%	--	--	7.25%	--
Variable rate	60,000	60,000	186,651	--	--	--	306,651	306,651
Average interest rate	7.28%	8.0%	6.58%	--	--	--	6.97%	--
Total debt - Wholly owned Centers	$69,671	$ 98,628	$293,904	$171,655	$ 97,900	$ 985,914	$1,717,702	$1,661,763
Joint Venture Centers:								
(at Company's pro rata share)								
Fixed rate	$ 4,672	$ 26,976	$ 7,160	$ 7,651	$ 8,179	$ 440,088	$ 494,726	$ 450,750
Average interest rate	6.60%	6.60%	6.61%	6.61%	6.61%	6.61%	6.61%	--
Variable rate	--	--	--	--	92,500	--	92,500	92,500
Average interest rate	--	--	--	--	6.15%	--	6.15%	--
Total debt - All Centers	$74,343	$125,604	$301,064	$179,306	$198,579	$1,426,032	$2,304,928	$2,205,013

The total variable rate debt of $60,000 maturing in 1999, was paid off in full by the Company on October 8, 1999 and replaced with a new loan of $72.0 million at a fixed rate of 7.75%, maturing in 2009. The $60.0 million of floating rate debt maturing in 2000 was paid off in full on October 28, 1999. Of the $186.7 million of variable rate debt maturing in 2001, $134.5 million represents the outstanding borrowings under the Company's credit facility. The credit facility matures in February 2000, with a one year option to extend the maturity date to February 2001. The table reflects the Company extending the maturity date to February 2001. The balance of $52.2 million represents outstanding borrowings under the Pacific View construction loan.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK, CONTINUED:

In addition, the Company has assessed the market risk for its variable rate debt and believes that a 1% increase in interest rates would decrease future earnings and cash flows by approximately $3.9 million per year based on $399.2 million outstanding at September 30, 1999.

The fair value of the Company's long term debt is estimated based on discounted cash flows at interest rates that management believes reflect the risks associated with long term debt of similar risk and duration.

PART II

OTHER INFORMATION

Item 1 Legal Proceedings

During the ordinary course of business, the Company, from time to time, is threatened with, or becomes a party to, legal actions and other proceedings. Management is of the opinion that the outcome of currently known actions and proceedings to which it is a party will not, singly or in the aggregate, have a material adverse effect on the Company.

Item 2 Changes in Securities and Use of Proceeds

On August 27, 1999, the Company issued 10,000 shares of common stock upon the redemption of 10,000 OP Units in a private placement to a limited partner of the Operating Partnership, an accredited investor, pursuant to Section 4 (2) of the Securities Act of 1933.

Item 3 Defaults Upon Senior Securities

None

Item 4 Submission of Matters to a Vote of Security Holders

None

Item 5 Other Information

None

Item 6 Exhibits and Reports on Form 8-K

(a) Exhibits

Number	Description
10.1	1999 Cash Bonus/Restricted Stock and Stock Unit Program under the Amended and Restated 1994 Incentive Plan (including the forms of Award Agreements).

(b) Reports on Form 8-K

A report on Form 8-K/A, Amendment No. 2, dated July 30, 1999, event date July 12, 1999, was filed with the Securities and Exchange Commission for the purpose of disclosing the acquisition of the office component of Redmond Town Center, a mixed-use development, by Pacific Premier Retail Trust.

THE MACERICH COMPANY (THE COMPANY)

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

The Macerich Company

By: /s/ Thomas E. O'Hern

Thomas E. O'Hern
Executive Vice President and
Chief Financial Officer

Date: November 12, 1999

THE MACERICH COMPANY (THE COMPANY)

Exhibit Index

Exhibit No.	Page

(a) Exhibits

Number	Description
10.1	1999 Cash Bonus/Restricted Stock and Stock Unit Program under the Amended and Restated 1994 Incentive Plan (including the forms of Award Agreements).

EXHIBIT 10.1

THE MACERICH COMPANY

1999 CASH BONUS/RESTRICTED STOCK AND STOCK UNIT

PROGRAM

UNDER THE AMENDED AND RESTATED 1994 INCENTIVE PLAN
(AS AMENDED AUGUST 10, 1999)

THE MACERICH COMPANY

1999 CASH BONUS/RESTRICTED STOCK AND STOCK UNIT AWARD PROGRAM
UNDER THE AMENDED AND RESTATED 1994 INCENTIVE PLAN,
AS AMENDED AUGUST 10, 1999

TABLE OF CONTENTS

	Page
ARTICLE I TITLE, PURPOSE AND AUTHORIZED SHARES	1
ARTICLE II DEFINITIONS	1
ARTICLE III PARTICIPATION	3
ARTICLE IV RESTRICTED STOCK, STOCK UNIT OR CASH ELECTIONS	3
ARTICLE V RESTRICTED STOCK AWARDS	5
ARTICLE VI STOCK UNIT AWARDS	5
ARTICLE VII ADMINISTRATION	6
ARTICLE VIII MISCELLANEOUS	7
EXHIBIT A-1 THE MACERICH COMPANY IRREVOCABLE ELECTION AGREEMENT (1998)	
EXHIBIT A-2 THE MACERICH COMPANY IRREVOCABLE ELECTION AGREEMENT (1999)	
EXHIBIT B RESTRICTED STOCK AWARD AGREEMENT	
EXHIBIT C STOCK UNIT AWARD AGREEMENT	

THE MACERICH COMPANY
1999 CASH BONUS/RESTRICTED STOCK AND STOCK UNIT AWARD PROGRAM
UNDER THE AMENDED AND RESTATED 1994 INCENTIVE PLAN

ARTICLE I
TITLE, PURPOSE AND AUTHORIZED SHARES

1.1 TITLE

This Program shall be known as The Macerich Company 1999 Cash Bonus/Restricted Stock and Stock Unit Award Program under the Amended and Restated 1994 Incentive Plan.

1.2 PURPOSE

The purpose of this Program is to promote the success of the Company and the interest of its stockholders by providing an additional means to attract, motivate, retain and reward key employees, including officers, by providing an opportunity to convert cash bonus opportunities into Restricted Stock and/or Stock Unit Awards, enhancing compensation deferral opportunities and offering additional incentives to increase stock ownership in the Company.

1.3 SHARES

The aggregate number of shares of Common Stock issuable under this Program shall be charged against and subject to the limits on the available shares under the Plan.

ARTICLE II
DEFINITIONS

Whenever the following terms are used in this Program they shall have the meaning specified below unless the context clearly indicates to the contrary. Capitalized terms not otherwise defined shall have the meaning assigned to such terms in the Plan.

2.1 BONUS PAYMENT DATE means the date designated by the Committee (upon or after its decisions as to awards) on which the Cash Bonus is or would otherwise be received by the Participant.

2.2 CASH BONUS means an incentive award granted by the Committee, whether or not under the terms of the Plan, that but for elections under this Program would be paid solely in cash.

2.3 CONVERSION AMOUNT means the dollar equivalent of the Cash Bonus elected by the Participant to be converted to a Restricted Stock and/or Stock Unit Award under this Program.

2.4 DIVIDEND EQUIVALENT RIGHT means the amount of cash dividends or other cash distributions paid by the Company on that number of shares of Common Stock equal to the number of Stock Units credited to a Participant's Stock Unit Account as of the applicable record date for the dividend or other distribution, which amount shall, at the discretion of the Committee, either be paid on the applicable dividend payment date directly to the Participant in cash or credited in the form of additional Stock Units to the Stock Unit Account of the Participant, as provided in the applicable Stock Unit Award Agreement.

2.5 EFFECTIVE DATE means November 30, 1998.

2.6 ELIGIBLE EMPLOYEE means any officer or key employee of the Company or a Subsidiary who earns an annual base salary of at least $100,000 and who otherwise qualifies as a member of a select group of management or highly compensated employees, as described in Sections 201, 301 and 401 of the Employee Retirement Income Security Act of 1974, as amended, who has been designated by the Committee as potentially eligible to receive a Restricted Stock and/or Stock Unit Award under this Program.

2.7 PARTICIPANT means any Eligible Employee who has delivered to the Company an election agreement electing to participate in the Program.

2.8 PLAN means The Macerich Company Amended and Restated 1994 Incentive Plan.

2.9 PROGRAM means this The Macerich Company 1999 Cash Bonus/Restricted Stock and Stock Unit Award Program under the Amended and Restated 1994 Incentive Plan, as from time to time amended.

2.10 RESTRICTED STOCK means shares of Common Stock awarded to a Participant pursuant to Article IV of the Plan.

2.11 RESTRICTED STOCK AWARD means an award of Restricted Stock granted by the Committee under the Plan based on the Conversion Amount.

2.12 RESTRICTED STOCK AWARD AGREEMENT means an agreement substantially in the form of Exhibit B (as from time to time revised by the Committee).

2.13 STOCK UNIT means a non-voting unit of measurement which is deemed solely for bookkeeping purposes to be equivalent to one outstanding share of Common Stock (subject to adjustment) awarded to a Participant pursuant to Article IV of the Plan.

2.14 STOCK UNIT AWARD means an award of Stock Units granted by the Committee under the Plan based on the Conversion Amount.

2.15 STOCK UNIT AWARD AGREEMENT means an agreement substantially in the form of Exhibit C (as from time to time revised by the Committee).

2.16 STOCK UNIT ACCOUNT means the bookkeeping account maintained by the Company on behalf of each Participant which is credited with Stock Units calculated in accordance with Section 4.4.

2.17 YEAR means the applicable calendar year.

ARTICLE III
PARTICIPATION

Each Eligible Employee designated by the Committee for any Year may elect in advance to receive all or part (in increments and on forms authorized by the Committee) of any Cash Bonus that may be granted in the future in the form of Restricted Stock and/or Stock Units to the extent provided in Article IV.

ARTICLE IV
RESTRICTED STOCK, STOCK UNIT OR CASH ELECTIONS

4.1 TIME AND TYPES OF ELECTIONS

On or before December 31, 1998 and September 30 of each subsequent Year, each Eligible Employee may make an irrevocable election to receive a percentage of Cash Bonus that may be granted to the Eligible Employee during the following Year in shares of Restricted Stock and/or Stock Units. This election shall become effective only if the Committee, in authorizing the Cash Bonus, expressly recognizes such alternative payment opportunity in Restricted Stock and/or Stock Units and grants the Restricted Stock and/or Stock Units at that time. The Committee will have the sole discretion to determine whether Restricted Stock or Stock Units will be issuable. A person who first becomes an Eligible Employee after the applicable deadline may, within 30 days of becoming and being designated as an Eligible Employee, make an irrevocable election to receive any Cash Bonuses granted for the applicable Year (or remaining portion thereof, as the case may be) in Restricted Stock and/or Stock Units.

4.2 ELECTION PROCEDURES

The elections shall be made in writing on forms provided by the Company and authorized by the Committee. These forms shall take the form of the Election Agreement attached hereto as Exhibit A-1 for elections made in December 1998 and Exhibit A-2 for elections made in September 1999, as from time to time amended by the Committee. Neither the distribution nor completion of election agreements shall convey any right to receive a bonus, in cash, Restricted Stock or Stock Units. Failure to timely elect Restricted Stock and/or Stock Units, however, will result in the payment in cash if any cash bonus is awarded.

4.3 DISTRIBUTION OF BENEFITS

(a) TIME AND MANNER OF DISTRIBUTION. A Participant shall be entitled to receive a number of unrestricted shares of Restricted Stock, or to receive a number of shares of Common Stock equal to the number of Stock Units allocated to his or her Stock Unit Account, in accordance with the vesting schedule set forth in the applicable Restricted Stock Award Agreement or Stock Unit Award Agreement. Alternatively, the Committee may permit a Participant to elect to receive a distribution of shares of Common Stock in an amount equal to the number of Stock Units, if any, allocated to his or her Stock Unit Account at such time and in such manner as set forth in the form of agreement approved by the Committee. If the Committee so provides, a Participant may elect any of the distribution commencement dates and methods of distribution (lump sum or annual installments) set forth in the form of agreement approved by the Committee.

(b) CHANGE IN TIME OR MANNER OF DISTRIBUTION OF STOCK UNITS.

(1) To the extent permitted by the Committee and set forth in any applicable Distribution Election Agreement, a Participant may change the manner of any distribution election from a lump sum to annual installments (or vice versa) made with respect to Stock Units credited under any Stock Unit Account by filing a written election with the Committee on a form provided by the Committee; PROVIDED, HOWEVER, that no such election shall be effective until 12 months after such election is filed with the Committee, and no such election shall be effective if it is made with respect to any Stock Unit Account after benefits with respect to such Stock Unit Account have commenced. An election made pursuant to this Section 4.3(b) shall not affect the date of the commencement of benefits.

(2) To the extent permitted by the Committee and set forth in any applicable Distribution Election Agreement, a Participant may elect to further defer the commencement of any distribution to be made with respect to Stock Units credited under any Stock Unit Account by filing a new written election with the Committee on a form approved by the Committee; PROVIDED, HOWEVER, that (A) no such election shall be effective until 12 months after such election is filed with the Committee, (B) no such new election shall be effective with respect to any Stock Unit Account after benefits with respect to such Stock Unit Account shall have commenced, and (C) no more than three new elections shall be valid as to any Stock Unit Account. An election made pursuant to this Section 4.3(b)(2) shall not affect the manner of distribution (I.E., lump sum versus installments), the terms of which shall be subject to Section 4.3(b)(1) above.

4.4 NUMBER OF SHARES/STOCK UNITS

The number of shares of Restricted Stock to be granted and/or the number of Stock Units to be credited under this Program shall equal a multiple of the Conversion Amount divided by the Fair Market Value of a share of Common Stock (without regard to any restriction) on the applicable Bonus Payment Date. The multiple shall not be changed as to any election after it is duly made under the terms of this Program without the consent of the Participant.

The multiple for bonuses paid in 1999 and until changed by the Committee shall be 1.5. For example, assume that prior to December 31, 1998 a Participant elects to receive 40% of any cash bonus in Restricted Stock or Stock Units and, on March 1, 1999, the Company grants him a $40,000 cash bonus. The market value of a share of Common Stock on the Bonus Payment Date is $20. The Participant will receive $24,000 in cash and, at the election of the Committee, 1,200 shares of Restricted Stock or 1,200 Stock Units.

4.5 NO FRACTIONAL SHARE INTERESTS

If an election would result in the issuance of a fractional share, the amount of Restricted Stock and/or Stock Units granted shall be rounded down to the next whole share and the cash alternative amount in lieu of the fractional interest shall be paid in cash.

ARTICLE V
RESTRICTED STOCK AWARDS

The grant of Restricted Stock Awards, including, but not limited to, the terms of grant, conditions and restrictions, the consideration (other than services) to be paid, dividend rights, vesting terms, provisions for redelivery to the Company, and adjustments in case of changes in the Common Stock, shall be governed by the terms of the Plan, the Program and of the Restricted Stock Award Agreement, substantially in the form of Exhibit B (as from time to time revised by the Committee), to be executed and delivered by the Company and the Participant. After an election is made, the form of the Restricted Stock Award Agreement (if applicable) may not be changed in any manner materially adverse to the Participant without his or her consent. All Restricted Stock Awards are subject to express prior authorization by the Committee of the terms of the Restricted Stock Award and the specific number of shares of Restricted Stock thereunder.

ARTICLE VI
STOCK UNIT AWARDS

The grant of Stock Unit Awards, including, but not limited to, the terms of grant, conditions and restrictions, the consideration (other than services) to be paid, the form and content of Dividend Equivalent rights, vesting terms, and adjustments in case of changes in the Common Stock, shall be governed by the terms of the Plan, the Program and of the Stock Unit Award Agreement, substantially in the form of Exhibit C (as from time to time revised by the Committee), to be executed and delivered by the Company and the Participant. After an election is made, the form of the Stock Unit Award Agreement (if applicable) may not be changed in any manner materially adverse to the Participant without his or her consent. All Stock Unit Awards are subject to express prior authorization by the Committee of the terms of the Stock Unit Award and the specific number of shares of Common Stock referenced in the Participant's Stock Unit Account thereunder.

ARTICLE VII
ADMINISTRATION

7.1 RIGHTS AND DUTIES.

This Program shall be administered by and all Restricted Stock and Stock Unit Awards to Eligible Employees shall be authorized by the Committee. The Committee shall have all powers necessary to accomplish those purposes, including, but not by way of limitation, the following:

(a) to determine the particular Eligible Employees who will receive Cash Bonuses, the extent to which and price at which a Cash Bonus may be settled in shares of Common Stock, Restricted Stock or Stock Units, and the other specific terms and conditions of Restricted Stock and Stock Unit Awards consistent with the express limits of this Program and the Plan;

(b) to approve from time to time the election agreement and other forms of Restricted Stock and Stock Unit Award Agreements (which need not be identical either as to type of award or among Participants or from year to year); and

(c) to resolve any questions concerning benefits payable to a Participant and make all other determinations and take such other action as contemplated by this Program or the Plan or as may be necessary or advisable for the administration or interpretation of this Program.

7.2 CLAIMS PROCEDURES.

To the extent the Committee permits deferral elections extending to the termination of employment or beyond, the following claims procedures shall apply:

(a) The Committee shall notify Participants and, where appropriate, the Beneficiary(ies) of their right to claim benefits under these claims procedures, shall make forms available for filing of such claims, and shall provide the name of the person or persons with whom such claims should be filed.

(b) The Committee shall act upon claims as required and communicate a decision to the claimant promptly and, in any event, not later than 90 days after the claim is received by the Committee, unless special circumstances require an extension of time for processing the claim. If an extension is required, notice of the extension shall be furnished to the claimant prior to the end of the initial 90-day period, which notice shall indicate the reasons for the extension and the expected decision date. The extension shall not exceed 90 days. The claim may be deemed by the claimant to have been denied for purposes of further review described below in the event a decision is not furnished to the claimant within the period described in the preceding three sentences. Every claim for benefits which is denied shall be denied by written notice setting forth in a manner calculated to be understood by the claimant (i) the specific reason or reasons for the denial, (ii) specific reference to any provisions of this Program on which denial is based, (iii) description of any additional material or information necessary for the claimant to perfect his claim with an explanation of why such material or information is

necessary, and (iv) an explanation of the procedure for further review of the denial of the claim under this Program.

(c) The claimant or his or her duly authorized representative shall have 60 days after receipt of denial of his or her claim to request a review of such denial, the right to review all pertinent documents and the right to submit issues and comments in writing. Upon receipt of a request for a review of the denial of a benefit claim, the Committee shall undertake a full and fair review of the denial.

(d) The Committee shall issue a decision not later than 60 days after receipt of a request for review from a claimant unless special circumstances, such as the need to hold a hearing, require a longer period of time, in which case a decision shall be rendered as soon as possible but not later than 120 days after receipt of the claimant's request for review. The decision on review shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant with specific reference to any provisions of this Program on which the decision is based.

ARTICLE VIII
MISCELLANEOUS

8.1 INCORPORATION BY REFERENCE

Except where in conflict with the express terms of this Program, the terms of the Plan govern the Program and are incorporated by reference, including, without limitation, the following: the administrative powers and authority of the Committee and the effect of its decisions; the unfunded status of benefits; provisions for non-transferability of rights; rights (or absence of rights) of eligible persons, participants, and beneficiaries; compliance with laws; tax withholding obligation of Participants; privileges of stock ownership; and governing law/construction/severability.

8.2 AMENDMENT, TERMINATION AND SUSPENSION

The Committee or the Board may, at any time, terminate or, from time to time, amend, modify or suspend this Program, in whole or in part. No Restricted Stock or Stock Unit Awards may be granted under this Program during any suspension of this Program or after termination of this Program. Termination or amendment of this Program shall have no effect on any then outstanding Restricted Stock or Stock Unit Awards.

8.3 TERM OF THIS PROGRAM

The term of this Program is indefinite, subject to the term of the Plan and Section 8.2. All authority of the Committee with respect to Restricted Stock and Stock Unit Awards hereunder, including its authority to amend a Restricted Stock or Stock Unit Award, shall continue during any suspension of this Program or the Plan, in respect of outstanding Restricted Stock and Stock Unit Awards on such Termination Date.

8.4 NON-EXCLUSIVITY OF PROGRAM

Nothing in this Program shall limit or be deemed to limit the authority of the Board or the Committee to grant awards or authorize any other compensation, with or without reference to the Common Stock, under the Plan or any other plan or authority.

8.5 RELATIONSHIP TO EMPLOYMENT AGREEMENTS

In the case of any Participant who has an employment agreement with the Company, the Conversion Amount reflected by a Restricted Stock or Stock Unit Award shall not be, but any remaining amount paid as a Cash Bonus shall be, considered a bonus paid in the applicable Year in which it is paid. The consequences of a termination of service, whether before or after a Change in Control, in respect of any rights or benefits related to the Conversion Amount shall be governed solely by the terms of the Restricted Stock or Stock Unit Award.

EXHIBIT A-1
DECEMBER 1998 ELECTION

THE MACERICH COMPANY
IRREVOCABLE ELECTION AGREEMENT
UNDER THE
1999 CASH BONUS/RESTRICTED STOCK PROGRAM

==

IF DURING 1999, THE COMPENSATION COMMITTEE GRANTS A CASH BONUS TO ME AND IF THE COMPENSATION COMMITTEE THEN EXPRESSLY AUTHORIZES ME TO RECEIVE ALL OR PART OF THE CASH BONUS IN THE FORM OF A RESTRICTED STOCK AWARD:

> I IRREVOCABLY ELECT TO RECEIVE ____% OF MY CASH BONUS IN THE FORM OF A RESTRICTED STOCK AWARD UNDER THE MACERICH COMPANY AMENDED AND RESTATED 1994 INCENTIVE PLAN FOR THE NUMBER OF SHARES CALCULATED ACCORDING TO SECTION 4.3 OF THE PROGRAM.

THIS ELECTION MUST BE FILED WITH THE COMMITTEE, C/O RICHARD A. BAYER, GENERAL COUNSEL, 401 WILSHIRE BOULEVARD, SUITE 700, SANTA MONICA, CALIFORNIA 90401, BY DECEMBER 31, 1998. IF IT IS NOT TIMELY FILED, YOU WILL HAVE NO OPPORTUNITY TO RECEIVE RESTRICTED STOCK IN LIEU OF ANY CASH BONUS AWARDS IN 1999.

==

ACKNOWLEDGMENT AND AGREEMENT

I ACKNOWLEDGE AND AGREE TO THE TERMS OF THIS ELECTION AGREEMENT, THE PROGRAM AND THE PLAN.

I UNDERSTAND THAT THIS ELECTION IS IRREVOCABLE ON MY PART AND IS SUBJECT TO THE TERMS OF THE PROGRAM, THE PLAN (INCLUDING THE INDIVIDUAL SHARE AWARD LIMITS UNDER THE PLAN), ANY LIMITS IMPOSED BY THE COMMITTEE ON THE CONVERSION AMOUNT AND THE RESTRICTED STOCK AWARD AGREEMENT.

- --

(Participant's Signature)   (Date)

- --

(Print Name)

EXHIBIT A-2
SEPTEMBER 1999 ELECTION

THE MACERICH COMPANY
IRREVOCABLE ELECTION AGREEMENT

1999 CASH BONUS/RESTRICTED STOCK AND STOCK UNIT AWARD PROGRAM UNDER
THE MACERICH COMPANY AMENDED AND RESTATED 1994 INCENTIVE PLAN

IF DURING THE YEAR 2000, THE COMPENSATION COMMITTEE GRANTS A CASH BONUS TO ME UNDER THE PROGRAM AND IF THE COMPENSATION COMMITTEE THEN EXPRESSLY AUTHORIZES ME TO RECEIVE ALL OR PART OF THE CASH BONUS IN THE FORM OF A RESTRICTED STOCK OR STOCK UNIT AWARD (A "STOCK-BASED AWARD"):

I IRREVOCABLY ELECT TO TAKE ____% OF MY CASH BONUS IN THE FORM OF A STOCK-BASED AWARD. I UNDERSTAND THE COMMITTEE HAS THE SOLE DISCRETION TO DETERMINE IF THE STOCK-BASED AWARD IS IN THE FORM OF RESTRICTED STOCK OR STOCK UNITS.

I UNDERSTAND THAT:

- THE CONVERSION RATE, OR "MULTIPLE", FOR PURPOSES OF OR IN RESPECT OF DETERMINING THE NUMBER OF SHARES UNDERLYING THE AWARD WILL BE 1.5

- THE VESTING SCHEDULE FOR THE STOCK-BASED AWARD WILL BE NOT LESS THAN AT A RATE OF 20% PER YEAR.

- THIS ELECTION IS IRREVOCABLE AND MUST BE FILED BY SEPTEMBER 30, 1999 WITH:

  RICHARD A. BAYER, GENERAL COUNSEL
  401 WILSHIRE BOULEVARD, SUITE 700
  SANTA MONICA, CALIFORNIA 90401

- IF THIS ELECTION IS NOT TIMELY FILED, I WILL NOT HAVE AN OPPORTUNITY TO PARTICIPATE IN THE PROGRAM FOR THE YEAR 2000.

- THIS ELECTION IS SUBJECT TO THE TERMS OF THE PROGRAM, THE PLAN (INCLUDING THE INDIVIDUAL SHARE AWARD LIMITS) AND THE APPLICABLE STOCK-BASED AWARD AGREEMENT.

- THIS ELECTION DOES NOT CONSTITUTE A GUARANTEE THAT I WILL RECEIVE ANY BONUS FROM THE COMPANY.

ACKNOWLEDGMENT AND AGREEMENT
I ACKNOWLEDGE AND AGREE TO THE FOREGOING TERMS OF THIS ELECTION AGREEMENT.

(PARTICIPANT'S SIGNATURE)

----------------------------------- -------------------------------
(PRINT NAME) (DATE)

EXHIBIT B

RESTRICTED STOCK AWARD AGREEMENT

EXHIBIT B
[RESTRICTED STOCK AWARD AGREEMENT]

THE MACERICH COMPANY

RESTRICTED STOCK AWARD AGREEMENT
AMENDED AND RESTATED 1994 INCENTIVE PLAN

PARTICIPANT NAME: ________________________
SOC. SEC. NO.: ________________________
NO. OF SHARES: ________________________

VESTING SCHEDULE: 20%* on each anniversary of the Award Date, beginning _____ __, 2001 and ending _________ __, 2005

AWARD DATE: ____________ __, 2000

THIS AGREEMENT is among THE MACERICH COMPANY, a Maryland corporation (the "Corporation"), THE MACERICH PARTNERSHIP L.P., a Delaware limited partnership (the "Operating Partnership"), and the employee named above, an employee [of the Operating Partnership] (the "Participant") and is delivered under The Macerich Company Amended and Restated 1994 Incentive Plan (the "Plan").

W I T N E S S E T H

WHEREAS, pursuant to the 1999 Cash Bonus/Restricted Stock and Stock Unit Program (the "Program") under the Plan, the Corporation has granted to the Participant with reference to services rendered and to be rendered to the Company, effective as of the Award Date, a restricted stock award (the "Restricted Stock Award" or "Award"), upon the terms and conditions set forth herein and in the Plan and the Program.

NOW THEREFORE, in consideration of services rendered by the Participant and the mutual promises made herein and the mutual benefits to be derived therefrom, the parties agree as follows:

1. DEFINED TERMS. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Plan.

2. GRANT. Subject to the terms of this Agreement, the Program and the Plan, the Corporation grants to the Participant a Restricted Stock Award with respect to an aggregate number of shares of Common Stock, par value $.01 per share (the "Restricted Stock") set forth above. The Corporation acknowledges, pursuant to Section 4.1 of the Plan, receipt of consideration for the shares on the terms set forth in this Agreement in the form of services

- --------------------------------
* The Committee has the authority to change the vesting schedule.

rendered to the Company by the Participant prior to the Award Date with a value at least equal to the Cash Bonus that would otherwise have been payable to the Participant but for the Participant's election to receive Restricted Stock under the Program, which amount is not less than the minimum lawful consideration under Maryland law.

3. VESTING. The Award shall vest, and restrictions (other than those set forth in Section 6.4 of the Plan) shall lapse, with respect to the portion of the total number of shares (subject to adjustment under Section 6.2 of the Plan) on each of the anniversaries of the Award Date until the Award is fully vested, as reflected in the Vesting Schedule above, subject to earlier termination or acceleration as provided herein or in the Plan.

4. CONTINUANCE OF EMPLOYMENT REQUIRED. Except as otherwise provided in Section 8 or pursuant to the Plan, the Vesting Schedule requires continued service through each applicable vesting date as a condition to the vesting of the applicable installment and rights and benefits under this Agreement. Partial service, even if substantial, during any vesting period will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or service as provided in Section 8 below or under the Plan.

5. DIVIDEND AND VOTING RIGHTS. After the Award Date, the Participant shall be entitled to cash dividends and voting rights with respect to the shares of Restricted Stock subject to the Award even though such shares are not vested, provided that such rights shall terminate immediately as to any shares of Restricted Stock that cease to be eligible for vesting.

6. RESTRICTIONS ON TRANSFER. Prior to the time they become vested, neither the shares of Restricted Stock comprising the Award, nor any other rights of the Participant under this Agreement or the Plan may be transferred, except as expressly provided in Sections 1.9 and 4.1 of the Plan. No other exceptions have been authorized by the Committee.

7. STOCK CERTIFICATES.

(a) BOOK ENTRY FORM; INFORMATION STATEMENT POWER OF ATTORNEY. The Corporation shall issue the shares of Restricted Stock subject to the Award in book entry form, registered in the name of the Participant with notations regarding applicable restrictions on transfer. Concurrent with the execution and delivery of this Agreement, the Corporation shall deliver to the Participant a written information statement with respect to such shares, and the Participant shall deliver to the Corporation an executed stock power, in blank, with respect to such shares. The Participant, by acceptance of the Award, shall be deemed to appoint the Corporation and each of its authorized representatives as the Participant's attorney(s)-in-fact to effect any transfer of unvested forfeited shares (or shares otherwise reacquired by the Corporation hereunder) to the Corporation as may be required pursuant to the Plan or this Agreement and to execute such documents as the Corporation or such representatives deem necessary or advisable in connection with any such transfer.

(b) CERTIFICATES TO BE HELD BY CORPORATION; LEGEND. Any certificates representing Restricted Stock that the Participant may be entitled to receive from the Corporation prior to vesting shall be redelivered to the Corporation to be held by the Corporation

until the restrictions on such shares shall have lapsed and the shares shall thereby have become vested or the shares represented thereby have been forfeited hereunder. Such certificates shall bear the following legend:

> "The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions contained in an Agreement entered into between the registered owner, The Macerich Partnership L.P. and The Macerich Company. A copy of such Agreement is on file in the office of the Secretary of The Macerich Company, 401 Wilshire Boulevard, Suite 700, Santa Monica, California 90401."

(c) DELIVERY OF CERTIFICATES UPON VESTING. Promptly after the lapse or other release of restrictions, a certificate or certificates evidencing the number of shares of Common Stock as to which the restrictions have lapsed or been released or such lesser number as may be permitted pursuant to Section 6.5 of the Plan shall be delivered to the Participant or other person entitled under the Plan to receive the shares. The Participant or such other person shall deliver to the Corporation any representations or other documents or assurances required pursuant to Section 6.4 of the Plan. The shares so delivered shall no longer be restricted shares hereunder.

8. EFFECT OF TERMINATION OF EMPLOYMENT.

(a) FORFEITURE AFTER CERTAIN EVENTS. Except as provided in Sections 8(c) and 9 hereof, the Participant's shares of Restricted Stock shall be forfeited to the extent such shares have not become vested upon the date the Participant is no longer employed by the Company for any reason, whether with or without cause, voluntarily or involuntarily. If an entity ceases to be a Subsidiary, such action shall be deemed to be a termination of employment of all employees of that entity, but the Committee, in its sole and absolute discretion, may make provision in such circumstances for accelerated vesting of some or all of the remaining restricted shares under any Awards held by such employees, effective immediately prior to such event.

(b) RETURN OF SHARES. Upon the occurrence of any forfeiture of shares of Restricted Stock hereunder, such unvested, forfeited shares shall, without payment of any consideration by the Corporation for such transfer, be automatically transferred to the Corporation, without any other action by the Participant, or the Participant's Beneficiary or Personal Representative, as the case may be. The Corporation may exercise its powers under Section 7(a) hereof and take any other action necessary or advisable to evidence such transfer. The Participant, or the Participant's Beneficiary or Personal Representative, as the case may be, and the Operating Partnership shall deliver any additional documents of transfer that the Corporation may request to confirm the transfer of such unvested, forfeited shares to the Corporation.

(c) TERMINATION WITHOUT CAUSE FOLLOWING CHANGE IN CONTROL EVENT. If the Participant's employment is terminated by the Company other than because of Participant's death or Disability or for Cause, or if the Participant after a Change in Control Event terminates his or her employment for Good Reason, then any portion of the Award that has not previously vested shall thereupon vest, subject to the provisions of Sections 6.4 and 6.5

of the Plan and Section 12 hereof; provided, however, that in no event shall restrictions on the shares lapse or the shares vest earlier than six months after the date hereof. As used in this Agreement, "Disability" shall mean (1) a "permanent and total disability" within the meaning of Section 22(e)(3) of the Code, (2) the absence of Participant from his or her duties with the Company on a full-time basis for a period of nine months as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Participant or the Participant's legal representative (such agreement as to acceptability not to be withheld unreasonably), or (3) such other disabilities, infirmities, afflictions or conditions as the Committee by rule may include. "Incapacity" as used in this Agreement shall be limited only to a condition that substantially prevents the Participant from performing his or her duties. "Cause" as used in this Agreement shall mean that the Company, acting in good faith based upon the information then known to the Company, determines that the Participant has: (1) failed to perform required job duties in a material respect without proper cause, (2) been convicted of a felony, or (3) committed an act of fraud, dishonesty or gross misconduct which is injurious to the Company. "Good Reason" as used in this Agreement shall mean (1) a materially adverse and significant change in the Participant's position, duties, responsibilities, or status with the Company, (2) a change in the Participant's office location to a point more than 50 miles from the Participant's office immediately prior to a Change in Control, (3) the taking of any action following a Change in Control by the Company to eliminate benefit plans without providing reasonable substitutes therefor, to materially reduce benefits thereunder or to substantially diminish the aggregate value of incentive awards or other fringe benefits, (4) any reduction in the Participant's base salary, or (5) any material breach by the Company of the written employment contract with Participant, if any.

9. EFFECT OF DISABILITY, DEATH OR RETIREMENT. If the Participant incurs a Disability or dies while employed by the Company, then any portion of his or her Award that has not previously vested shall thereupon vest, subject to the provisions of Sections 6.4 and 6.5 of the Plan. If the Participant retires from employment by the Company, the Committee may, on a case-by-case basis and in its sole discretion, provide for partial or complete vesting prior to retirement of that portion of his or her Award that has not previously vested.

10. ADJUSTMENTS UPON SPECIFIED EVENTS. Upon the occurrence of certain events relating to the Corporation's stock contemplated by Section 6.2 of the Plan, the Committee shall make adjustments if appropriate in the number and kind of securities that may become vested under an Award. If any adjustment shall be made under Section 6.2 of the Plan or a Change in Control Event shall occur and the shares of Restricted Stock are not fully vested upon such Event or prior thereto, the restrictions applicable to such shares of Restricted Stock shall continue in effect with respect to any consideration or other securities (the "RESTRICTED PROPERTY" and, for the purposes of this Agreement, "Restricted Stock" shall include "Restricted Property", unless the context otherwise requires) received in respect of such Restricted Stock. Such Restricted Property shall vest at such times and in such proportion as the shares of Restricted Stock to which the Restricted Property is attributable vest, or would have vested pursuant to the terms hereof if such shares of Restricted Stock had remained outstanding. Notwithstanding the foregoing, to the extent that the Restricted Property includes any cash, the commitment hereunder shall become an unsecured promise to pay an amount equal to such cash

(with earnings attributable thereto as if such amount had been invested, pursuant to policies established by the Committee, in interest bearing, FDIC-insured (subject to applicable insurance limits) deposits of a depository institution selected by the Committee) at such times and in such proportions as the Restricted Stock would have vested.

11. POSSIBLE EARLY TERMINATION OF AWARD. As permitted by Section 6.2(b) of the Plan, the Committee retains the right to terminate the Award to the extent not vested upon an event or transaction which the Corporation does not survive. This Section 11 is not intended to prevent vesting of the Award as a result of termination without Cause following a Change in Control Event as provided in Section 8(c) hereof.

12. LIMITATIONS ON ACCELERATION AND REDUCTION IN BENEFITS IN EVENT OF TAX LIMITATIONS.

(a) LIMITATION ON ACCELERATION. Notwithstanding anything contained herein or in the Plan or any other agreement to the contrary, in no event shall the vesting of any share of Restricted Stock be accelerated pursuant to Section 6.3 of the Plan or Section 8(c) hereof to the extent that the Company would be denied a federal income tax deduction for such vesting because of Section 280G of the Code and, in such circumstances, the restricted shares not subject to acceleration will continue to vest in accordance with and subject to the other provisions hereof.

(b) REDUCTION IN BENEFITS. If the Participant would be entitled to benefits, payments or coverage hereunder and under any other plan, program or agreement which would constitute "parachute payments," then notwithstanding any other provision hereof or of any other existing agreement to the contrary, the Participant may by written notice to the Secretary of the Corporation designate the order in which such "parachute payments" shall be reduced or modified so that the Company is not denied federal income tax deductions for any "parachute payments" because of Section 280G of the Code.

(c) DETERMINATION OF LIMITATIONS. The term "parachute payments" shall have the meaning set forth in and be determined in accordance with Section 280G of the Code and regulations issued thereunder. All determinations required by this Section 12, including without limitation the determination of whether any benefit, payment or coverage would constitute a parachute payment, the calculation of the value of any parachute payment and the determination of the extent to which any parachute payment would be nondeductible for federal income tax purposes because of Section 280G of the Code, shall be made by an independent accounting firm (other than the Corporation's outside auditing firm) having nationally recognized expertise in such matters selected by the Committee. Any such determination by such accounting firm shall be binding on the Corporation, its Subsidiaries and the Participant.

13. TAX WITHHOLDING. The entity within the Company last employing the Participant shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to the payment of dividends in respect of and with respect to the vesting of any Restricted Stock, but, in the alternative the Participant or other person in whom the Restricted Stock vests may irrevocably elect, in such manner and at such

time or times prior to any applicable tax date as may be permitted or required under Section 6.5 of the Plan and rules established by the Committee, to have the entity last employing the Participant withhold and reacquire shares of Restricted Stock at their Fair Market Value at the time of vesting to satisfy any withholding obligations of the Company with respect to such vesting. Any election to have shares so held back and reacquired shall be subject to such rules and procedures, which may include prior approval of the Committee, as the Committee may impose, and shall not be available if the Participant makes or has made an election pursuant to Section 83(b) of the Code with respect to such Award.

14. NOTICES. Any notice to be given under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal office located at 401 Wilshire Boulevard, Suite 700, Santa Monica, California 90401, to the attention of the Corporate Secretary and to the Participant at the address given beneath the Participant's signature hereto, or at such other address as either party may hereafter designate in writing to the other.

15. PLAN. The Award and all rights of the Participant with respect thereto are subject to, and the Participant agrees to be bound by, all of the terms and conditions of the provisions of the Plan and the Program, incorporated herein by reference, to the extent such provisions are applicable to Awards granted to Eligible Employees. The Participant acknowledges receipt of a copy of the Plan and the Program, which is made a part hereof by this reference, and agrees to be bound by the terms thereof. Unless otherwise expressly provided in other Sections of this Agreement, provisions of the Plan and the Program that confer discretionary authority on the Committee do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Committee so conferred by appropriate action of the Committee under the Plan or the Program after the date hereof.

16. NO SERVICE COMMITMENT BY COMPANY. Nothing contained in this Agreement, the Program or the Plan constitutes an employment or other commitment by the Company as to the Participant's service, confers upon the Participant any right to remain employed by or in service of the Company or any subsidiary, interferes in any way with the right of the Company or any subsidiary at any time to terminate such employment or service, or affects the right of the Company or any subsidiary to increase or decrease his or her other compensation.

17. LIMITATION ON PARTICIPANT'S RIGHTS. Participation in the Program confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written. By the Participant's execution of this Agreement, the Participant agrees to the terms and conditions hereof and of the Plan.

THE MACERICH COMPANY
(a Maryland corporation)

By ___________________________
Richard A. Bayer
General Counsel & Secretary

THE MACERICH PARTNERSHIP, L.P.
(a Delaware limited partnership)

By: The Macerich Company
(its general partner)

By ___________________________
Richard A. Bayer
General Counsel & Secretary

PARTICIPANT

(Signature)

(Print Name)

(Address)

(City, State, Zip Code)

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Restricted Stock Award Agreement by The Macerich Company and The Macerich Partnership L.P., I, __________________, the spouse of the Participant therein named, do hereby join with my spouse in executing the foregoing Restricted Stock Award Agreement and do hereby agree to be bound by all of the terms and provisions thereof and of the Plan.

Dated: _____________, _____.

Signature of Spouse

EXHIBIT C

STOCK UNIT AWARD AGREEMENT

EXHIBIT C
[STOCK UNIT AWARD AGREEMENT]

THE MACERICH COMPANY
STOCK UNIT AWARD AGREEMENT
AMENDED AND RESTATED 1994 INCENTIVE PLAN

PARTIAL PARTICIPANT NAME: ______________________
SOC. SEC. NO.: ______________________
NO. STOCK UNITS: ______________________

VESTING SCHEDULE: 20%* on each anniversary of the Award Date, beginning _______ __, 2001 and ending _________ __, 2005

AWARD DATE: ____________ __, 2000

THIS AGREEMENT is among THE MACERICH COMPANY, a Maryland corporation (the "Corporation"), THE MACERICH PARTNERSHIP L.P., a Delaware limited partnership (the "Operating Partnership"), and the employee named above, an employee [of the Operating Partnership] (the "Participant") and is delivered under The Macerich Company Amended and Restated 1994 Incentive Plan (the "Plan").

W I T N E S S E T H

WHEREAS, pursuant to the 1999 Cash Bonus/Restricted Stock and Stock Unit Program (the "Program") under the Plan, the Corporation has granted to the Participant with reference to services rendered and to be rendered to the Company, effective as of the Award Date, a stock unit award (the "Stock Unit Award" or "Award"), upon the terms and conditions set forth herein and in the Plan and the Program.

NOW THEREFORE, in consideration of services rendered by the Participant and the mutual promises made herein and the mutual benefits to be derived therefrom, the parties agree as follows:

1. DEFINED TERMS. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Plan.

2. GRANT. Subject to the terms of this Agreement, the Program and the Plan the Corporation grants to the Participant a Stock Unit Award with respect to an aggregate number of Stock Units (the "Stock Units") set forth above. The Corporation acknowledges receipt of consideration for the shares payable with respect to the Stock Units on the terms set forth in this Agreement in the form of services rendered to the Company by the Participant prior to the Award Date with a value at least equal to the Cash Bonus that would otherwise have been

- ----------------------------
*The Committee has the authority to change the vesting schedule.

payable to the Participant but for the Participant's election to receive Stock Units under the Program, which amount is not less than the minimum lawful consideration under Maryland law.

3. VESTING. The Award shall vest and become nonforfeitable (except as set forth in Section 6.4 of the Plan), with respect to the portion of the total number of Stock Units comprising the Award (subject to adjustment under Section 6.2 of the Plan) on each of the anniversaries of the Award Date until the Award is fully vested, as reflected in the Vesting Schedule above, subject to earlier termination or acceleration as provided herein or in the Plan.

4. CONTINUANCE OF EMPLOYMENT REQUIRED. Except as otherwise provided in Section 9 or pursuant to the Plan, the Vesting Schedule requires continued service through each applicable vesting date as a condition to the vesting of the applicable installment and rights and benefits under this Agreement. Partial service, even if substantial, during any vesting period will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or service as provided in Section 9 below or under the Plan.

5. DIVIDEND AND VOTING RIGHTS.

(a) LIMITATIONS ON RIGHTS ASSOCIATED WITH UNITS. The Participant shall have no rights as a stockholder of the Company, no dividend rights (except as expressly provided in Section 5(b) with respect to Dividend Equivalent Rights) and no voting rights, with respect to the Stock Units and any shares of Common Stock underlying or issuable in respect of such Stock Units until such shares of Common Stock are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the stock certificate.

(b) DIVIDEND EQUIVALENT RIGHTS DISTRIBUTIONS. As of any applicable dividend or distribution payment date, the Participant shall receive a cash payment in an amount equal to the amount of the Dividend Equivalent Rights multiplied by the number of Units in the Account as of the applicable dividend payment date.

6. RESTRICTIONS ON TRANSFER. Prior to the time they vest, neither the Stock Units comprising the Award nor any other rights of the Participant under this Agreement or the Plan may be transferred, except as expressly provided in Section 1.9 of the Plan. No other exceptions have been authorized by the Committee.

7. TIMING AND MANNER OF DISTRIBUTION WITH RESPECT TO STOCK UNITS. Any Stock Unit credited to a Participant's Stock Unit Account will be distributed in shares of Common Stock as it vests. The Participant or other person entitled under the Plan to receive the shares shall deliver to the Company any representations or other documents or assurances required pursuant to Section 6.4 of the Plan.

8. EFFECT OF TERMINATION OF EMPLOYMENT.

(a) FORFEITURE AFTER CERTAIN EVENTS. Except as provided in Sections 8(c) and 9 hereof, the Participant's Stock Units shall be extinguished to the extent such Stock Units have not become vested upon the date the Participant is no longer employed by the Company for any reason, whether with or without cause, voluntarily or involuntarily. If an entity

ceases to be a Subsidiary, such action shall be deemed to be a termination of employment of all employees of that entity, but the Committee, in its sole and absolute discretion, may make provision in such circumstances for accelerated vesting of some or all of the remaining Stock Units held by such employees, effective immediately prior to such event.

(b) TERMINATION OF STOCK UNITS. If any Stock Units are extinguished hereunder, such unvested, extinguished Stock Units, without payment of any consideration by the Company, shall automatically terminate and the related Stock Unit Account shall be cancelled, without any other action by the Participant, or the Participant's Beneficiary or Personal Representative, as the case may be.

(c) TERMINATION WITHOUT CAUSE FOLLOWING CHANGE IN CONTROL EVENT. If the Participant's employment is terminated by the Company other than because of the Participant's death or Disability or for Cause, or if the Participant after a Change in Control Event terminates his or her employment for Good Reason, then any portion of the Award that has not previously vested shall thereupon vest, subject to the provisions of Sections 6.4 and 6.5 of the Plan and Section 12 hereof; provided, however, that in no event shall restrictions on the Stock Units lapse or the Stock Units vest earlier than six months after the date hereof. As used in this Agreement, "Disability" shall mean (1) a "permanent and total disability" within the meaning of Section 22(e)(3) of the Code, (2) the absence of Participant from his or her duties with the Company on a full-time basis for a period of nine months as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Participant or the Participant's legal representative (such agreement as to acceptability not to be withheld unreasonably), or (3) such other disabilities, infirmities, afflictions or conditions as the Committee by rule may include. "Incapacity" as used in this Agreement shall be limited only to a condition that substantially prevents the Participant from performing his or her duties. "Cause" as used in this Agreement shall mean that the Company, acting in good faith based upon the information then known to the Company, determines that the Participant has: (1) failed to perform required job duties in a material respect without proper cause, (2) been convicted of a felony, or (3) committed an act of fraud, dishonesty or gross misconduct which is injurious to the Company. "Good Reason" as used in this Agreement shall mean (1) a materially adverse and significant change in the Participant's position, duties, responsibilities, or status with the Company, (2) a change in the Participant's office location to a point more than 50 miles from the Participant's office immediately prior to a Change in Control, (3) the taking of any action following a Change in Control by the Company to eliminate benefit plans without providing reasonable substitutes therefor, to materially reduce benefits thereunder or to substantially diminish the aggregate value of incentive awards or other fringe benefits, (4) any reduction in the Participant's base salary, or (5) any material breach by the Company of the written employment contract with Participant, if any.

9. EFFECT OF DISABILITY, DEATH OR RETIREMENT. If the Participant incurs a Disability or dies while employed by the Company, then any portion of his or her Award that has not previously vested shall thereupon vest, subject to the provisions of Sections 6.4 and 6.5 of the Plan. If the Participant retires from employment by the Company, the Committee may, on a case-by-case basis and in its sole discretion, provide for partial or complete vesting prior to retirement of that portion of his or her Award that has not previously vested.

10. ADJUSTMENTS UPON SPECIFIED EVENTS. Upon the occurrence of certain events relating to the Corporation's stock contemplated by Section 6.2 of the Plan, the Committee shall make adjustments as it deems appropriate in the number and kind of securities or other consideration that may become payable with respect to the Award. If any adjustment shall be made under Section 6.2 of the Plan or a Change in Control Event shall occur and the Stock Unit Award is not fully vested upon such Event or prior thereto, the Stock Unit Award may be payable in the securities or other consideration (the "Restricted Property") payable in respect of the Common Stock otherwise payable in respect of the Stock Unit Award. Such Restricted Property shall become payable at such times and in such proportion as the Stock Unit Award vests. Notwithstanding the foregoing, to the extent that the Restricted Property includes any cash, the commitment hereunder shall become an unsecured promise to pay an amount equal to such cash (with earnings attributable thereto as if such amount had been invested, pursuant to policies established by the Committee, in interest bearing, FDIC insured (subject to applicable insurance limits) deposits of a depository institution selected by the Committee) at such times and in such proportions as the Stock Unit Award vests. Notwithstanding the foregoing, the Stock Unit Award and Common Stock payable in respect of the Stock Unit Award shall continue to be subject to such proportionate and equitable adjustments (if any) under Section 6.2 of the Plan consistent with the effect of such event on stockholders generally, as the Committee determines to be necessary or appropriate, in the number, kind and/or character of shares of Common Stock or other securities, property and/or rights payable in respect of Stock Units and Stock Unit Accounts credited under the Plan. All rights of the Participant hereunder are subject to those adjustments.

11. POSSIBLE EARLY TERMINATION OF AWARD. As permitted by Section 6.2(b) of the Plan, the Committee retains the right to terminate the Award to the extent not vested upon an event or transaction which the Corporation does not survive. This Section 11 is not intended to prevent vesting of the Award as a result of termination without Cause following a Change in Control Event as provided in Section 8(c) hereof.

12. LIMITATIONS ON ACCELERATION AND REDUCTION IN BENEFITS IN EVENT OF TAX LIMITATIONS.

(a) LIMITATION ON ACCELERATION. Notwithstanding anything contained herein or in the Plan or any other agreement to the contrary, in no event shall the vesting of any Stock Unit be accelerated pursuant to Section 6.3 of the Plan or Section 8(c) hereof to the extent that the Company would be denied a federal income tax deduction for such vesting or the distribution of shares of Common Stock in respect of the Award because of Section 280G of the Code and, in such circumstances, the Stock Units not subject to acceleration will continue to vest in accordance with and subject to the other provisions hereof.

(b) REDUCTION IN BENEFITS. If the Participant would be entitled to benefits, payments or coverage hereunder and under any other plan, program or agreement which would constitute "parachute payments," then notwithstanding any other provision hereof or of any other existing agreement to the contrary, the Participant may by written notice to the Secretary of the Corporation designate the order in which such "parachute payments" shall be reduced or modified so that the Company is not denied federal income tax deductions for any "parachute payments" because of Section 280G of the Code.

(c) DETERMINATION OF LIMITATIONS. The term "parachute payments" shall have the meaning set forth in and be determined in accordance with Section 280G of the Code and regulations issued thereunder. All determinations required by this Section 12, including without limitation the determination of whether any benefit, payment or coverage would constitute a parachute payment, the calculation of the value of any parachute payment and the determination of the extent to which any parachute payment would be nondeductible for federal income tax purposes because of Section 280G of the Code, shall be made by an independent accounting firm (other than the Corporation's outside auditing firm) having nationally recognized expertise in such matters selected by the Committee. Any such determination by such accounting firm shall be binding on the Corporation, its Subsidiaries and the Participant.

13. TAX WITHHOLDING. Upon payment of Dividend Equivalent Rights and/or the distribution of shares of Common Stock in respect of a Participant's Stock Unit Account, the entity within the Company last employing the Participant shall have the right at its option to (i) require the Participant (or the Participant's Personal Representative or Beneficiary, as the case may be) to pay or provide for payment in cash of the amount of any taxes which the Company may be required to withhold with respect to such payment or distribution or (ii) deduct from any amount payable to the Participant the amount of any taxes which the Company may be required to withhold with respect to such payment or distribution. In any case where a tax is required to be withheld in connection with the delivery of shares of Common Stock under this Agreement, the Committee may permit the Participant to elect, pursuant to such rules and subject to such conditions as the Committee may establish, to have the Company reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of shares valued at their then Fair Market Value, to satisfy such withholding obligation.

14. NOTICES. Any notice to be given under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal office located at 401 Wilshire Boulevard, Suite 700, Santa Monica, California 90401, to the attention of the Corporate Secretary and to the Participant at the address given beneath the Participant's signature hereto, or at such other address as either party may hereafter designate in writing to the other.

15. PLAN. The Award and all rights of the Participant with respect thereto are subject to, and the Participant agrees to be bound by, all of the terms and conditions of the provisions of the Plan and the Program, incorporated herein by reference, to the extent such provisions are applicable to Awards granted to Eligible Employees. The Participant acknowledges receipt of a copy of the Plan and the Program, which is made a part hereof by this reference, and agrees to be bound by the terms thereof. Unless otherwise expressly provided in other Sections of this Agreement, provisions of the Plan and the Program that confer discretionary authority on the Committee do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Committee so conferred by appropriate action of the Committee under the Plan or the Program after the date hereof.

16. NO SERVICE COMMITMENT BY COMPANY. Nothing contained in this Agreement, the Program or the Plan constitutes an employment or other commitment by the Company as to the Participant's service, confers upon the Participant any right to remain employed by or in service of the Company or any subsidiary, interferes in any way with the right of the Company or any subsidiary at any time to terminate such employment or service, or

affects the right of the Company or any subsidiary to increase or decrease his or her other compensation.

17. LIMITATION ON PARTICIPANT'S RIGHTS. Participation in the Program confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor the Program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company (or applicable Subsidiary) with respect to amounts credited and benefits payable, if any, on Stock Unit Account(s), and rights no greater than the right to receive the Common Stock (or equivalent value) as a general unsecured creditor with respect to Stock Units, as and when payable thereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written. By the Participant's execution of this Agreement, the Participant agrees to the terms and conditions hereof and of the Plan.

THE MACERICH COMPANY
(a Maryland corporation)

By ___________________________
Richard A. Bayer
General Counsel & Secretary

THE MACERICH PARTNERSHIP, L.P.
(a Delaware limited partnership)

By: The Macerich Company
(its general partner)

By ___________________________
Richard A. Bayer
General Counsel & Secretary

PARTICIPANT

(Signature)

(Print Name)

(Address)

(City, State, Zip Code)

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Stock Unit Award Agreement by The Macerich Company and The Macerich Partnership L.P., I, __________________, the spouse of the Participant therein named, do hereby join with my spouse in executing the foregoing Stock Unit Award Agreement and do hereby agree to be bound by all of the terms and provisions thereof and of the Plan.

Dated: _____________, _____.

Signature of Spouse

THE CONSOLIDATED BALANCE SHEETS AND CONSOLIDATED STATEMENTS OF OPERATIONS FOUND ON PAGE 1 AND 2 OF THE COMPANY'S 10-Q FOR THE YEAR TO DATE AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

9-MOS
DEC-31-1999
JAN-31-1999
SEP-30-1999
23,325
0
113,734
0
0
0
2,262,043
(286,202)
2,486,237
55,502
1,717,702
0
91
340
0
2,486,237
0
242,768
0
106,200
23,376
0
85,168
0
0
0
0
1,016
0
27,008
0.79
0.79