THE MACERICH COMPANY (The Company) and
MACERICH PREDECESSOR AFFILIATES (Predecessor)

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, 1997 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)

233 Wilshire Boulevard, Suite 700, Santa Monica, CA 90401

(Address of principal executive office) (Zip code)

Registrant's telephone number, including area code (310) 394-5333

N/A

(Former name, former address and former fiscal year, if changed since last report)

Number of shares outstanding of each of the registrant's classes of common stock, as of November 7, 1997.

Common stock, par value $.01 per share: 25,962,155

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 ______

The Macerich Company
Form 10Q

INDEX

CONDENSED CONSOLIDATED BALANCE SHEETS OF THE COMPANY
(Dollars in thousands, except per share amounts)
(Unaudited)

	September 30, 1997	December 31, 1996
ASSETS:		
Property, net	$1,286,044	$1,108,668
Cash and cash equivalents	12,820	15,643
Tenant receivables, including accrued overage rents of $3,693 in 1997 and $3,805 in 1996	22,527	23,192
Due from affiliates	3,379	3,105
Deferred charges and other assets, net	28,307	20,716
Investment in joint ventures and the Management Companies	13,205	16,429
Total assets	$1,366,282	$1,187,753
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Mortgage notes payable:		
Related parties	$135,480	$135,944
Others	681,341	584,295
Total	816,821	720,239
Bank notes payable	11,000	69,000
Convertible debentures	161,115	-
Accounts payable	1,044	4,197
Accrued interest expense	6,844	3,584
Accrued real estate taxes and ground rent expense	9,814	7,616
Due to affiliates	-	430
Deferred acquisition liability	5,000	5,000
Other accrued liabilities	31,541	27,696
Total liabilities	1,043,179	837,762
Minority interest in Operating Partnership	102,996	112,242
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Preferred stock, $.01 par value, 10,000,000 shares authorized - none issued	-	-
Common stock, $.01 par value, 100,000,000 shares authorized, 25,960,000 and 25,743,000 shares issued and outstanding at September 30, 1997 and December 31, 1996, respectively	257	257
Additional paid in capital	223,416	238,346
Accumulated earnings	-	-
Unamortized restricted stock	(3,566)	(854)
Total stockholders' equity	220,107	237,749
Total liabilities and stockholders' equity	$1,366,282	$1,187,753

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

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS OF THE COMPANY
(Unaudited)
(Dollars in thousands, except per share amounts)

	Nine months ended September 30 1997	1996
REVENUES:		
Minimum rents	$101,228	$70,890
Percentage rents	6,434	4,570
Tenant recoveries	49,558	34,033
Other	2,465	1,642
Total Revenues	159,685	111,135
OPERATING COSTS:		
Shopping center expenses	51,830	36,076
General and administrative expense	2,099	1,862
Interest expense	47,402	30,490
Depreciation and amortization	29,815	23,799
Total Expenses	131,146	92,227
Equity in income (loss) of unconsolidated joint ventures and the management companies	(7,608)	2,876
Gain on sale of asset	1,620	-
Extraordinary loss on early extinguishment of debt	(563)	(315)
Income of the Operating Partnership	21,988	21,469
Minority interest in net income of Operating Partnership	(7,195)	(8,096)
Net income	$14,793	$13,373
Earnings per common share:		
Income before extraordinary items	$0.59	$0.68
Extraordinary item	(0.02)	(0.01)
Net income	$0.57	$0.67
Dividend/distribution per common share outstanding	$1.32	$1.26
Weighted average number of common shares outstanding	25,886,000	19,993,000

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

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS OF THE COMPANY
(Unaudited)
(Dollars in thousands, except per share amounts)

	Three Months Ended September 30, 1997	1996
REVENUES:		
Minimum rents	$35,674	$24,249
Percentage rents	2,278	1,482
Tenant recoveries	18,645	11,451
Other	435	567
Total Revenues	57,032	37,749
OPERATING COSTS:		
Shopping center expenses	19,896	12,279
General and administrative expense	910	466
Interest expense	16,239	10,131
Depreciation and amortization	10,134	8,148
Total Expenses	47,179	31,024
Equity in income (loss) of unconsolidated joint ventures and the management companies	(8,681)	754
Gain on sale of asset	1,620	-
Extraordinary loss on early extinguishment of debt	(51)	-
Income of the Operating Partnership	2,741	7,479
Minority interest in income of Operating Partnership	(871)	(2,820)
Net income	$1,870	$4,659
Earnings per share:		
Income before extraordinary items	$0.07	$0.23
Extraordinary items	0.00	0.00
Net income per share	$0.07	$0.23
Dividend/distribution per common share outstanding	$0.44	$0.42
Weighted average number of common shares outstanding	25,956,000	19,993,000

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

THE MACERICH COMPANY (The Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS OF THE COMPANY
(In Thousands)

	For nine months ended September 30 1997	1996
Cash flows from operating activities:		
Net income	$14,793	$13,373
Adjustments to reconcile net income to net cash provided by operating activities:		
Extraordinary loss on early extinguishment of debt	563	315
Gain on sale of assets	(1,620)	-
Depreciation and amortization	29,815	23,799
Amortization of discount on trust deed note payable	25	33
Minority interest in the income of the Operating Partnership	7,195	8,096
Changes in assets and liabilities:		
Tenant receivables, net	663	(3,562)
Other assets	(2,226)	447
Accounts payable and accrued expenses	2,305	2,009
Due to affiliates	(704)	(1,174)
Other liabilities	3,846	252
Total adjustments	39,862	30,215
Net cash provided by operating activities	54,655	43,588
Cash flows from investing activities:		
Acquisitions of property and improvements	(147,585)	(67,211)
Renovations and expansions of centers	(10,072)	(5,349)
Additions to tenant improvements	(2,093)	(624)
Deferred charges	(9,879)	(4,688)
Equity in (income) loss of unconsolidated joint ventures and the management companies	7,608	(2,876)
Distributions from (contributions to) joint ventures	(4,384)	2,058
Loans to affiliates	-	(3,200)
Proceeds from sale of assets	4,332	948
Net cash used in investing activites	(162,073)	(80,942)
Cash flows from financing activities:		
Proceeds from notes, mortgages and debentures payable	316,115	131,544
Payments on mortgages and notes payable	(162,645)	(67,101)
Dividends and distributions	(48,875)	(40,028)
Net cash provided by financing activities	104,595	24,415
Net decrease in cash	(2,823)	(12,939)
Cash and cash equivalents, beginning of period	15,643	15,570
Cash and cash equivalents, end of period	$12,820	$2,631
Supplemental cash flow information:		
Cash payment for interest (net of amounts capitalized)	$41,069	$30,166
Non-cash transactions:		
Acquisition of Property by assumption of debt	$46,202	$25,849
Acquisition of Property by issuance of OP units	$0	$600

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

1. Interim Financial Statements and Basis of Presentation:

The accompanying consolidated financial statements of The Macerich Company ("financial statements") 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. Accordingly, 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 financial statements should be read in conjunction with the audited financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996. 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.

Certain reclassifications have been made in the 1996 financial statements to conform to the 1997 financial statement presentation.

The computation of primary earnings per share is based on net income and the weighted average number of shares outstanding for the periods presented. Outstanding common stock options, using the treasury method, have less than a 3% dilutive effect on earnings per share and thus have not been included in the computation.

2. Organization:

The Macerich Company (the "Company") was incorporated under the General Corporation Law of Maryland on September 9, 1993 and commenced operations effective with the completion of its initial public offering ("IPO") on March 16, 1994. The Company was formed to continue the business of the Macerich Group, which since 1972 has focused on the acquisition, ownership, redevelopment, management and leasing of regional shopping centers located throughout the United States. In 1994, the Company became the sole general partner of The Macerich Partnership L.P., (the "Operating Partnership"). The Operating Partnership owns or has an ownership interest in 26 regional shopping centers and three community shopping centers, including three that were acquired in 1997. Collectively these properties and interests are referred to as the "Centers". The Company conducts all of its operations through the Operating Partnership and other wholly owned subsidiaries, and the Company's three Management Companies, Macerich Property Management Company, Macerich Management Company and Macerich Manhattan Management Company, collectively referred to as "the Management Companies".

The Company, a real estate investment trust under the Internal Revenue Code of 1986, as amended, owns approximately 68% of The Operating Partnership and is the sole General Partner. The limited partnership interest 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 shopping centers. The Operating Partnership is a general partner in these joint ventures. The Operating Partnership's interest in each joint venture is as follows:

The Operating Partnership's Joint Venture	Ownership %
Macerich Northwestern Associates	50%
North Valley Plaza Associates	50%
Panorama City Associates	50%
West Acres Development	19%
Manhattan Village	10%

The non-voting preferred stock of the Management Companies is owned by the Operating Partnership, which provides the Operating Partnership the right to receive 95% of the distributable cash flow from the Management Companies. The Company accounts for the Management Companies and the joint ventures using the equity method of accounting.

On August 19, 1997 Macerich acquired a 10% interest in the joint venture that acquired Manhattan Village Mall in Manhattan Beach, California. The results of that joint venture are included for the period subsequent to the acquisition.

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.

3. Investments in Unconsolidated Joint Ventures and the Management Companies - Continued

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

	September 30, 1997	December 31, 1996
Assets:		
Properties, net	$153,456	$106,751
Other assets	13,212	13,257
Total assets	$166,668	$120,008
Liabilities and partners' capital:		
Mortgage notes payable	$84,486	$81,925
Other liabilities	9,298	11,116
The Company's capital	13,205	16,429
Outside Partners' capital	59,679	10,538
Total liabilities and partners' capital	$166,668	$120,008

THE MACERICH COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - Continued
(Dollars in thousands)

COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES AND THE MANAGEMENT COMPANIES

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	1997	1996	1997	1996
Revenues	$9,764	$8,782	$25,434	$24,132
Expenses:				
Shopping center expenses	3,116	3,195	8,169	6,886
Interest	1,549	1,609	4,684	4,822
Management company expense	1,493	871	3,397	2,675
Depreciation and amortization	1,256	1,202	3,501	3,244
Total operating costs	7,414	6,877	19,751	17,627
Gain (loss) on sale or write down of assets	(20,923)	-	(20,576)	282
Net income (loss)	($18,573)	$1,905	($14,893)	$6,787

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

Included in mortgage notes payable are amounts due to related parties of $43,500 at September 30, 1997 and December 31, 1996. Interest expense incurred on these borrowings amounted to $750 and $748 for the three months ended September 30, 1997 and 1996, respectively, and $2,233 and $2,236 for the nine months ended September 30, 1997 and 1996, respectively.

(Dollars in thousands)

3. Investments in Unconsolidated Joint Ventures and the Management Companies - Continued

Included in gain or loss on sale or write down of assets is $20,923 of loss on the write down of carrying cost to net realizable value on North Valley Plaza in accordance with Financial Accounting Standards # 121. The Company's share of that write down is $9,138.

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

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

	Three Months Ended Sept 30		Nine Months Ended Sept 30	
	1997	1996	1997	1996
Revenues	$4,047	$3,877	$10,933	$11,369
Expenses:				
Shopping center expenses	1,103	1,087	3,039	2,871
Interest	492	539	1,512	1,611
Management company expense	1,418	905	3,227	2,541
Depreciation and amortization	577	592	1,691	1,524
Total operating costs	3,590	3,123	9,469	8,547
Gain (loss) on sale or write down of assets	(9,138)	-	(9,072)	54
Net income (loss)	($8,681)	$754	($7,608)	$2,876

4. Property:

Property is comprised of the following:

	Sept 30, 1997	December 31, 1996
Land	$290,272	$239,847
Building and improvements	1,133,411	990,125
Tenant Improvements	36,242	34,149
Equipment and Furnishings	6,054	4,769
Construction in Progress	10,346	4,195
	1,476,325	1,273,085
Less, accumulated depreciation	(190,281)	(164,417)
	$1,286,044	$1,108,668

(Dollars in thousands)

5. Deferred Charges And Other Assets:

Deferred charges and other assets include leasing, financing and other assets are:

	Sept 30, 1997	December 31, 1996
Leasing	$27,073	$25,629
Financing	13,034	7,891
	40,107	33,520
Less, accumulated amortization	(16,658)	(15,434)
	23,449	18,086
Other assets	4,858	2,630
Total	$28,307	$20,716

(Dollars in thousands)

6. Notes and Mortgages Payable:

Notes and mortgages payable at September 30, 1997 and December 31, 1996 consists of the following:

	Carrying Amount of Notes						
	1997		1996				
Property Pledged As Collateral	Other	Related Party	Other	Related Party	Interest Rate	Payment Terms	Maturity Date
Capitola Mall	----	$37,755	----	$37,976	9.25%	316 (d)	2001
Chesterfield Towne Center	$65,860	----	----	----	9.10%	548(e)	2024
Chesterfield Towne Center	----	----	$59,023	----	8.75%	475(e)	2024
Chesterfield Towne Center	----	----	5,304	----	9.38%	43(e)	2024
Chesterfield Towne Center	----	----	1,922	----	8.88%	16(e)	2024
Chesterfield Towne Center	3,381	----	3,444	----	8.54%	28(d)	1999
Crossroads Mall (a)	----	35,725	----	35,968	7.08%	244(d)	2010
Fresno Fashion Fair	38,000	----	38,000	----	8.4	interest only	2005
Greeley Mall	17,996	----	18,514	----	8.50%	187(d)	2003
Green Tree Mall/Crossroads - OK/ Salisbury (b)	117,714	----	117,714	----	7.2	interest only	2004
Holiday Village	----	17,000	----	17,000	6.7	interest only	2001
Lakewood Mall (c)	127,000	----	127,000	----	7.2	interest only	2005
Northgate Mall	----	25,000	----	25,000	6.7	interest only	2001
Parklane Mall	----	20,000	----	20,000	6.7	interest only	2001
Queens Center	65,100	----	65,100	----	(f)	interest only	1999
Rimrock Mall	31,638	----	31,994	----	7.70%	244(d)	2003
South Towne Center	50,000	----	----	----	(g)	interest only	1999
Valley View Mall	51,000	----	60,000	----	(h)	interest only	2006
Villa Marina Marketplace	58,000	----	58,000	----	7.2	interest only	2006
Vintage Faire Mall (i)	55,652	----	56,280	----	7.65%	427(d)	2003
Total	$681,341	$135,480	$584,295	$135,944			

Weighted average interest rate at September 30, 1997	7.55%
Weighted average interest rate at December 31, 1996	7.45%

Notes:

(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, 1997 and December 31, 1996 the unamortized discount was $438 and $463, respectively.

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

(c) On August 15, 1995 the Company issued $127,000 of collateralized floating rate notes (the "Notes"). The Notes bear interest at an average fixed rate of 7.20% and mature in July 2005.

6. Mortgage Notes Payable, Continued:

The Note requires 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, 1997 and at December 31, 1996.

(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 $0 for the period ended September 30, 1997 and $245 for the nine months ended September 30, 1996. As of January 1, 1997 all these loans were consolidated into a new loan of $66,200 at an interest rate of 9.1%.

(f) This loan bears interest at LIBOR plus 0.45%. There is 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 at 7.07% through 1997 and 7.7% thereafter.

(g) This loan bears interest at LIBOR plus 1.0% and the loan can be converted into a 10 year fixed rate loan any time prior to 1999.

(h) As of December 31, 1996 this loan bore interest at LIBOR plus 1.50%; however, on April 16, 1997 the Company converted this into a fixed rate loan bearing interest at 7.89% and maturing in October 2006.

(i) Included in cash and cash equivalents is $3,045 and $3,025 at September 30, 1997 and December 31, 1996, respectively, of cash restricted under the terms of this loan agreement.

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

Total interest expense capitalized during the nine months ended September 30, 1997 and 1996 was $1,916 and $235, respectively.

The market value of mortgage notes payable at September 30, 1997 and December 31, 1996 is estimated to be approximately $843,000 and $733,000, respectively, based on current interest rates for comparable loans.

7. Bank Notes Payable:

The Company has a $50,000 unsecured line of credit with a bank. The line of credit bears interest at LIBOR plus 1.50% and matures in June 1998. There was a $11,000 balance outstanding on the line of credit at September 30, 1997 and $12,000 at December 31, 1996. Also, at December 31, 1996 there was a $57,000 unsecured note which was paid off in 1997.

8. Convertible Debentures:

On June 27, 1997, the Company issued and sold $150,000 of convertible subordinated debentures (the "Debentures") due 2002. An additional $11,115 of debentures were sold in July, 1997. 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.

9. Related-Party Transactions:

The Company engages The Management Companies to manage the operations of the unconsolidated joint ventures and other affiliated shopping centers. The Management Companies are reflected under the equity method of accounting for investments.

Certain mortgage notes were held by outside partners of the individual Macerich Group partnerships. Interest expense in connection with these notes was $2,538 and $2,688 for the three months ended September 30, 1997 and 1996, respectively, and $7,531 and $8,105 for the nine months ended September 30, 1997 and for 1996, respectively. Included in accrued interest expense is interest payable to these partners of $491 and $516 at September 30, 1997 and December 31, 1996, respectively.

10. Commitments and contingencies:

Certain partnerships have entered into noncancellable operating ground leases. The leases expire at various times through 2060, subject in some cases to options to extend the terms of the lease. Certain leases provide for contingent rent payments based on a percent of base rent income, as defined. Ground rent expenses were $573 for the nine months ended September 30, 1997, and $580 for the nine months ended September 30, 1996. Ground rent expenses were $231 and $192 for three months ended September 30, 1997 and 1996, respectively.

Perchloroethylene (PCE) has been detected in soil and groundwater in the vicinity of a dry cleaning establishment at North Valley Plaza. The California Department of Toxic Substance Control (DTSC) has advised the Company that very low levels of Dichlorethylene (1,2,DCE) a degradation byproduct of PCE, have been detected in a water well located 1/4 mile west from 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 1,2DCE which is permitted in drinking water is 6 parts per billion (ppb); and the 1,2DCE was detected in the water well at 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 that owns that property had accrued a $620 reserve at September 30, 1997. In addition, $220 has already been incurred, to cover professional fees, testing costs and remediation.

10. Commitments and contingencies - Continued:

Toluene, a petroleum constituent, was detected in one of three groundwater dewatering system holding tanks at the Queens Center. Although the source of the toluene has not been fully defined, the Company suspects the source to be a) an adjacent service station and/or b) a previous automotive service station operation, which occurred on-site prior to development of the mall. Toluene was detected at levels of 410 and 160 parts per billion (ppb) in samples taken from the tank in October, 1995 and February 1996, respectively. Additional samples were taken in May and December of 1996, with results of .63 ppb and "non-detect" for the May sampling event and 16.2 ppb and 25.2 ppb for the December sampling event. The maximum containment level (MCL) for toluene in drinking water is 150 ppb. Although the Company believes that no remediation will be required, it has set up a $150 reserve, of which $11 has already been incurred, to cover professional fees and testing costs. The Company intends to look to the responsible parties and insurers if remediation is required.

Dry cleaning chemicals, including PCE were detected in soil and groundwater in the vicinity of a dry cleaning establishment at Villa Marina Marketplace. The previous owner of the property has reported the release to the local government authorities and has agreed, subject to a limited indemnity agreement, to fully assess and remediate the site to the extent required by those authorities. The previous owner removed the dominant source of impacted soil in 1996. The local regulators have confirmed in writing that no further action is required with respect to the soil and have requested additional assessment of the groundwater. The previous owner has conducted such assessment and has submitted its data to the local regulators. Although the Company believes that it will not be required to participate in assessment or remediation activities, it has set up a $150 reserve ($9 of which has already been incurred) to cover professional and legal fees.

Dry cleaning chemicals including PCE were detected in soil and groundwater in the vicinity of a former dry cleaning establishment at Huntington Center. The release has been reported to the local government authorities. The Company has retained an environmental consultant and is initiating additional site assessment activities to attempt to determine the extent to which groundwater has been impacted. The Company estimates, based on the data currently available, that costs for assessment, remediation and legal services will not exceed $500. Consequently, a $500 reserve was established at the time of the acquisition ($9 of which has already been incurred) to cover professional and legal fees. The Company intends to look to responsible parties and insurers for cost recovery.

The Company acquired Fresno Fashion Fair in December 1996. Asbestos has been detected in structural fireproofing throughout much of the Mall. Recent testing data conducted by a professional environmental consulting firm indicates 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 Company intends to abate asbestos fireproofing as tenant spaces become vacant. A reserve of $3,300 was set up at acquisition ($94 of which has already been incurred) to cover future removal of this asbestos, as necessary.

11. Acquisition:

South Towne Center was acquired in March, 1997 for approximately $98,000, which included assumption of debt of $46,200 and $51,800 in cash. On a pro forma basis, reflecting this acquisition as if it had occurred on January 1, 1997, the Company would have reported, for the nine months ended September 30, 1997, total revenues of $161,723, net income of $14,238, and net income per share of $0.55. On a pro forma basis, if the acquisition had occurred on January 1, 1996, the Company would have reported, for the nine months ended September 30, 1996, total revenues of $118,364, net income of $12,442 and net income per share of $0.62. This pro forma information is based on assumptions management believes to be appropriate. The pro forma information is not necessarily indicative of what the actual results would have been had the acquisition occurred at the beginning of the period indicated, nor does it purport to project the Company's financial position or results of operations at any future date or for any future period.

Stonewood Mall was acquired in August, 1997 for approximately $92,000. The Company paid cash for the acquisition and concurrently borrowed $58,000 from its credit facility collateralized by Villa Marina Marketplace. On a pro forma basis, reflecting this acquisition as if it had occurred on January 1, 1997, the Company would have reported, for the nine months ended September 30, 1997, total revenues of $166,046, net income of $15,115, and net income per share of $0.58. On a pro forma basis, if the acquisition had occurred on January 1, 1996, the Company would have reported, for the nine months ended September 30, 1996, total revenues of $120,182, net income of $13,792 and net income per share of $0.69. This pro forma information is based on assumptions management believes to be appropriate. The pro forma information is not necessarily indicative of what the actual results would have been had the acquisition occurred at the beginning of the period indicated, nor does it purport to project the Company's financial position or results of operations at any future date or for any future period.

12. Subsequent Event:

On November 6, 1997 a dividend of $0.46 per share was declared for shareholder and OP unit holders of record on November 21, 1997. The dividend is payable on December 9, 1997.

THE MACERICH COMPANY (The Company)

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 ("the Company") as of September 30, 1997, and also compares the activities for the nine months and three months ended September 30, 1997, to the activities for the nine months and three months ended September 30, 1996.

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.

This Quarterly Report on Form 10-Q contains or incorporates statements that constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Those statements appear in a number of places in this Quarterly Report on Form 10-Q and include statements regarding, among other matters, the Company's growth 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. Stockholders are cautioned that any such forward looking statements are not guarantees of future performance and involve risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from the future results, performance or achievements, expressed or implied in such forward looking statements.

The following table reflects the Company's acquisitions in 1995, 1996 and 1997:

	Date Acquired	Location
"1995 Acquisition Centers":		
The Centre at Salisbury	August 15, 1995	Salisbury, Maryland
Capitola Mall	December 21, 1995	Capitola, California
Queens Center	December 28, 1995	Queens, New York
"1996 Acquisition Centers":		
Villa Marina Marketplace	January 25, 1996	Marina Del Rey, California
Valley View Mall	October 21, 1996	Dallas, Texas
Rimrock Mall	November 27, 1996	Billings, Montana
Vintage Faire Mall	November 27, 1996	Modesto, California
Buenaventura Mall	December 18, 1996	Ventura, California
Fresno Fashion Fair	December 18, 1996	Fresno, California
Huntington Center	December 18, 1996	Huntington Beach, California
"1997 Acquisition Centers":		
South Towne Center	March 27, 1997	Sandy, Utah
Stonewood Mall	August 6, 1997	Downey, California

Management's Discussion and Analysis of Financial Condition and Results of Operations - Continued

As a result of the acquisitions, many of the variations in the results of operations, discussed below, occurred due to the addition of these properties to the portfolio during 1997 and 1996. Many factors, such the availability and cost of capital, overall debt to market capitalization level, interest rates and availability of potential acquisition targets that meet the Company's criteria, impact the Company's ability to acquire additional properties. Accordingly, management is uncertain as to whether during the balance of 1997, 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 1997 and 1996 Acquisition Centers. All other centers are referred to herein as the "Same Centers".

The bankruptcy and/or closure of retail stores, particularly Anchors, may reduce customer traffic and cash flow generated by a Center. During 1997 Montgomery Wards filed bankruptcy. The Company has nine Montgomery Wards stores in its portfolio. Montgomery Wards has not as of yet disclosed whether they will cease to operate any of their stores in the Company's centers. During 1995, Federated Department Stores, Inc. announced the closure of the Broadway Stores at Panorama and Huntington Center, and Weinstocks at Parklane. Although the Panorama store has been sold to Wal-Mart, and the Company is replacing the other two stores with multi-screen theater complexes. The long-term closure of these or other stores could adversely affect the Company's performance.

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 - Nine months Ended September 30, 1997 and 1996

Revenues

Minimum and percentage rents together increased $32.2 million to $107.7 million for the nine months ended September 30, 1997 compared to $75.5 million in the nine months ended September 30, 1996. The Acquisition Centers contributed virtually all of this increase.

Tenant recoveries for the nine months ended September 30, 1997 increased by $15.5 million. This was due to the addition of the 1997 and 1996 Acquisition Centers ($15.4 million) and increases in recoveries at the Same Centers of $0.1 million which resulted from higher recoverable expenses.

Expenses

Operating expenses, including shopping center, management, leasing and ground rent expense, increased by $15.8 million for the nine months ended September 30, 1997 compared to the same period in 1996. This increase was due to the addition of the 1997 and 1996 Acquisition Centers ($16.2 million) partially offset by decreases in the Same Centers recoverable expenses of $0.4 million. Depreciation and amortization increased by $6.0 million. This increase was primarily due to the 1996 Acquisition Centers. Interest expense increased by $16.9 million primarily due to the increased interest expense on debt used to acquire to the 1997 and 1996 Acquisition Centers.

Income (Loss) From Unconsolidated Joint Ventures and The Management Companies

The income (loss) from unconsolidated joint ventures and management companies decreased to $(7.6) million compared to $2.9 million for the period ended September 30, 1996. This decrease was primarily due to the write down of carrying costs to net realizable value on North Valley Plaza. The Company's share of the write down is $9,138.

Loss on Early Extinguishment of Debt

The Company paid off $160.2 million of debt during the second and third quarters of 1997 resulting in unamortized loan costs of $0.563 million being written off as an extraordinary item for the nine months ending September 30, 1997 compared to $0.315 million for the same period in 1996.

Net Income

Net income for the period increased to $14.8 million compared to $13.4 million for the nine months ended September 30, 1996. This increase was due to the factors discussed above.

Cash Flows From Operating Activities

As a result of the factors discussed above, cash flow from operations increased to $54.6 million for the nine months ended September 30, 1997 from $43.6 million for the same period in 1996.

Cash Flows From Investing Activities

Net cash flow used in investing activities increased to $(162.1) million from $(80.9) million due primarily to more cash being used for acquisitions in 1997 compared to 1996.

Results of Operations - Three months Ended September 30, 1997 and 1996

Revenues

Minimum and percentage rents together increased $12.2 million. Of this increase approximately $13.1 million related to the 1997 and 1996 Acquisition Centers. This was somewhat offset by a decrease of $0.9 million from the Same Centers.

Tenant recoveries increased to $18.6 million in 1997, from $11.5 million in 1996. The Acquisition Centers were responsible for $4.2 million of this increase and the balance of the increase was primarily from the Same Centers.

Expenses

Operating expenses, including shopping center and ground rent expenses, increased by $7.6 million to $19.9 million in 1997, most of the change related to the Acquisition Centers ($6.5 million). The balance of the change was primarily due to higher Same Center recoverable expenses of $1.1 million. Depreciation and amortization for the quarter increased to $10.1 million from $8.1 million for the same period in 1996. Approximately $2.2 million of this increase was attributable to the Acquisition Centers. Interest expense increased from $10.1 million in 1996 to $16.2 million in 1997. Most of the increase related to debt assumed on, or debt incurred to acquire, the Acquisition Centers.

Income (Loss) From Unconsolidated Joint Ventures and The Management Companies

The income (loss) from unconsolidated joint ventures and the Management Companies decreased from $754 in 1996 to $(8.7) million in 1997. This decrease was primarily due to the write down of carrying costs of net realizable value on North Valley Plaza. The Company's share of the write down is $9,138.

Net Income

Net income for the period decreased to $1.9 million from $4.7 million for the three months ended September 30, 1996. This decrease was due to the factors discussed above.

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 redevelopments has been, and is expected to continue to be, obtained from equity or debt financings.

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 equity offerings and debt financings.

The Company's total outstanding loan indebtedness at September 30, 1997 was $1,017.9 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 Operating Partnership, 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 into stock) rate of 47% at September 30, 1997. Such debt consists primarily of conventional mortgages payable secured by individual properties, plus $161.1 million of convertible debentures maturing in December, 2002. At September 30, 1997 the Company had a total of $126.1 million of floating rate indebtedness. In connection with $65.1 million of the Company's floating rate indebtedness, the Company has entered into interest rate protection agreements that limit the Company's exposure to increases in interest rates.

The Company has filed a shelf registration, which is not yet effective, to sell $500 million of common stock and common stock warrants.

The Company's line of credit is $50 million. The outstanding borrowings on the line of credit at September 30, 1997 were $11.0 million.

At September 30, 1997 the Company had cash and cash equivalents available of $12.8 million.

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, excluding gains (or losses) from debt restructuring and sales of property, plus depreciation and amortization excluding depreciation of personal property, amortization of financing cost and amortization of financial instruments, and after adjustments for unconsolidated joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect FFO on the same basis. Also, extraordinary items and significant non-recurring events are excluded from the FFO calculation. FFO does not represent cash flow from operations, as defined by generally accepted accounting principles, and is not necessarily indicative of cash available to fund all cash flow needs. The following reconciles net income to FFO:

	Nine months ended Sept 30,		Three months ended Sept 30,	
	1997	1996	1997	1996
	(amounts in thousands)			
Net income	$14,793	$13,373	$1,870	$4,659
Adjustments to reconcile net income to FFO:				
Loss on early extinguishment of debt	563	315	51	-
Gain on sale of assets	(1,620)	-	(1,620)	-
Minority interest	7,195	8,096	871	2,820
Depreciation and amortization on wholly owned properties	29,815	23,799	10,134	8,148
Less amortization of loan costs and financial instruments and depreciation of personal property	(1,765)	(1,896)	(708)	(579)
Interest on convertible debentures	3,048	-	2,928	-
Pro rata share of joint venture depreciation and amortization of real estate	1,690	1,524	578	592
Gain on sale or write-down of assets from joint ventures (pro rata)	9,072	(54)	9,138	-
Total FFO	$62,791	$45,157	$23,242	$15,640
Weighted average number of shares outstanding, assuming full conversion of debentures and OP Units	39,769	32,111	43,185	32,111

The 1997 weighted average number of shares outstanding includes the conversion of convertible debentures of $161,115,000, bearing interest at 7.25% at a conversion price of $31.125, of which $150,000,000 were issued on June 27, 1997 and an additional $11,115,000 were sold in July, 1997.

Included in minimum rents for the nine months ended September 30, 1997 were $2.6 million of rents attributable to the accounting practice of "straight lining of rents." This compares to $1.3 million for the same period in 1996.

Inflation

In the last three years, inflation has not had a significant impact on the Company because of a relatively low inflation rate. Substantially all 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.

New Accounting Pronouncements, Issued But Not Yet Effective

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share" (EPS). SFAS No. 128 supercedes and simplifies the existing computational guidelines under Accounting Principles Board Opinion No. 15. The new pronouncement is effective for periods ended after December 15, 1997. Among other changes, SFAS No. 128 eliminates the presentation of primary EPS and replaces it with basic EPS for which common stock equivalents are not considered in the computation. SFAS No. 128 also revises the computation of diluted EPS. The Company does not expect SFAS No. 128 to have a material impact on its EPS, financial condition or results of operations.

In June 1997, the FASB issued SFAS No. 130 Reporting Comprehensive Income. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in a full set of general purpose financial statements. Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. The Company does not expect this pronouncement to materially impact the Company's results of operations.

In June 1997, the FASB issued SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information. SFAS No. 131 establishes standards for disclosure about operating segments in annual financial statements and selected information in interim financial reports. It also establishes standards for related disclosures about products and services, geographic areas and major customers. This statement supersedes SFAS No. 14, Financial Reporting for Segments of a Business Enterprise. The new standard becomes effective for the Company for the year ending December 31, 1998, and requires that comparative information from earlier years be restated to conform to the requirements of this standard. The Company does not expect this pronouncement to materially change the Company's current reporting and disclosures.

PART II

Other Information

Item 1 Legal Proceedings

None

Item 2 Changes in Securities

None

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

11.1 Earnings per share

(b) Reports on Form 8-K

A report on Form 8-K/A dated October 15, 1997, event date August 6, 1997, was filed with the Securities and Exchange Commission for the purpose of filing the information required by Item 7 regarding the acquisition of Stonewood Mall.

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
Senior Vice President and
Chief Financial Officer

Date: November 17 , 1997

Exhibit 11.1

THE MACERICH COMPANY
Computation of Earnings Per Share
(Amounts in thousands, except per share data)

	For the quarter ended September 30, 1997	1996	For the nine months ended September 30, 1997	1996
Primary				
Net income as reported	$1,870	$4,659	$14,793	$13,373
Weighted average number of shares outstanding	25,956	19,993	25,886	19,993
*Incremental shares resulting from stock options and restricted stock				
Weighted average number of shares of common stock and equivalents	25,956	19,993	25,886	19,993
Primary earnings per share	$0.07	$0.23	$0.57	$0.67
Fully Diluted				
Net income as reported	$1,870	$4,659	$14,793	$13,373
Weighted average number of shares outstanding	25,956	19,993	25,886	19,993
*Incremental shares resulting from stock options and restricted stock				
Weighted average number of shares of common stock and equivalents	25,956	19,993	25,886	19,993
Fully diluted earnings per share	$0.07	$0.23	$0.57	$0.67

* Outstanding common stock options, using the Treasury method, have less than a 3% dilutive effect on earnings per share and thus have not been included in this computation.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSDENSED CONSOLIDATED BALANCE SHEETS AND CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOUND ON PAGES 3 AND 4 OF THE COMPANY'S FORM 10-Q FOR THE YEAR-TO-DATE, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

9-MOS
Dec-31-1997
SEP-30-1997
12,820
0
25,906
0
0
41,512
1,476,325
190,821
1,366,282
157,239
988,936
0
0
220,107
0
1,366,282
0
159,685
0
90,295
7,195
0
47,402
0
0
0
0
0
0
14,793
0
0