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 MARCH 31, 1998 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) 394-6911

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 May 7, 1998.

Common stock, par value $.01 per share: 30,584,469

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

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THE MACERICH COMPANY (The Company)
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	March 31, 1998	December 31, 1997
ASSETS:		
Property, net	$ 1,407,686	$ 1,407,179
Cash and cash equivalents	18,726	25,154
Tenant receivables, net, including accrued overage rents of $2,892 in 1998 and $4,330 in 1997	23,826	23,696
Due from affiliates	--	3,105
Deferred charges and other assets, net	38,567	37,899
Investment in joint ventures and the Management Companies	249,224	7,969
Total assets	$ 1,738,029	$ 1,505,002
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Mortgage notes payable:		
Related parties	$ 135,126	$ 135,313
Others	770,356	771,246
Total	905,482	906,559
Bank notes payable	133,000	55,000
Convertible debentures	161,400	161,400
Accounts payable	2,298	5,185
Accrued interest expense	8,489	4,878
Accrued real estate taxes and ground rent expense	7,886	7,272
Due to affiliates	326	15,109
Deferred acquisition liability	5,000	5,000
Other accrued liabilities	29,647	27,841
Total liabilities	1,253,528	1,188,244
Minority interest in Operating Partnership	131,542	100,463
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Series A convertible preferred stock, 10,000,000 shares authorized, 3,627,100 and 0 shares issued and outstanding at March 31, 1998 and December 31, 1997, respectively	100,000	--
Common stock, $.01 par value, 100,000,000 shares authorized, 28,808,000 and 26,004,800 shares issued and outstanding at March 31, 1998 and December 31, 1997, respectively	288	260
Additional paid in capital	257,769	219,121
Accumulated earnings	--	--
Unamortized restricted stock	(5,098)	(3,086)
Total stockholders' equity	352,959	216,295
Total liabilities and stockholders' equity	$ 1,738,029	$ 1,505,002

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)

	January 1 to March 31, 1998	January 1 to March 31, 1997
REVENUES:		
Minimum rents	$ 39,416	$ 32,053
Percentage rents	3,170	2,206
Tenant recoveries	17,641	14,917
Other	948	1,126
Total Revenues	61,175	50,302
OPERATING COSTS:		
Shopping center expenses	18,722	15,761
General and administrative expense	1,024	750
Interest expense:		
Related parties	2,527	2,490
Others	18,049	12,276
Depreciation and amortization	11,712	9,474
Total Expenses	52,034	40,751
Equity in income of unconsolidated joint ventures and the management companies	1,428	368
Income before extraordinary item and minority interest	10,569	9,919
Less extraordinary loss on early extinguishment of debt	90	--
Less minority interest in net income of the Operating Partnership	3,008	3,168
Net income	7,471	6,751
Less preferred dividends	649	--
Net income - available to common stockholders	$ 6,822	$ 6,751
Earnings per common share - basic:		
Income before extraordinary item	$ 0.25	$ 0.26
Extraordinary item	0.00	0.00
Net income - available to common stockholders	$ 0.25	$ 0.26
Weighted average number of common shares outstanding - basic	27,153,000	25,799,000
Weighted average number of common shares outstanding - basic, assuming full conversion of operating units outstanding	39,241,000	37,904,000
Earnings per common share - diluted:		
Income before extraordinary item	$ 0.25	$ 0.26
Extraordinary item	0.00	0.00
Net income - available to common stockholders	$ 0.25	$ 0.26
Weighted average number of common shares outstanding - diluted for EPS	39,907,000	38,325,000

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

THE MACERICH COMPANY (The Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	January 1 to March 31, 1998	1997
Cash flows from operating activities:		
Net income - available to common stockholders	$ 6,822	$ 6,751
Adjustments to reconcile net income to net cash provided by operating activities:		
Extraordinary loss on early extinguishment of debt	90	--
Depreciation and amortization	11,712	9,474
Amortization of discount on trust deed note payable	8	8
Minority interest in the net income of the Operating Partnership	3,008	3,168
Changes in assets and liabilities:		
Tenant receivables, net	(130)	4,328
Other assets	2,114	515
Accounts payable and accrued expenses	1,338	(2,900)
Other liabilities	1,806	3,468
Total adjustments	19,946	18,061
Net cash provided by operating activities	26,768	24,812
Cash flows from investing activities:		
Acquisitions of property and improvements	(1,719)	(56,750)
Renovations and expansions of centers	(7,812)	(551)
Additions to tenant improvements	(917)	(440)
Deferred charges	(4,643)	(1,872)
Equity in income of unconsolidated joint ventures and the management companies	(1,428)	(368)
Distributions from joint ventures	369	340
Contributions to joint ventures	(240,196)	--
Loan repayments to affiliates, net	(11,678)	(1,081)
Net cash used in investing activities	(268,024)	(60,722)
Cash flows from financing activities:		
Proceeds from mortgages and notes payable	133,000	47,000
Payments on mortgages and notes payable	(56,085)	(843)
Net proceeds from equity offerings	174,563	--
Dividends and distributions to partners	(16,650)	(16,262)
Net cash provided by financing activities	234,828	29,895
Net decrease in cash	(6,428)	(6,015)
Cash and cash equivalents, beginning of period	25,154	15,643
Cash and cash equivalents, end of period	$ 18,726	$ 9,628
Supplemental cash flow information:		
Cash payment for interest, net of amounts capitalized	$ 16,957	$ 14,405
Non-cash transactions:		
Acquisition of property by assumption of debt	$ 0	$ 46,202

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 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 generally accepted accounting principles 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, 1997. 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, 1997 has been derived from the audited financial statements, but does not include all disclosure required by GAAP.

Certain reclassifications have been made in the 1997 financial statements to conform to the 1998 financial statement presentation.

In March, 1998, the FASB, through its Emerging Issues Task Force ("EITF"), concluded based on EITF 97-11 that all internal costs to source, analyze and close acquisitions should be expensed as incurred. The Company has historically capitalized these costs. The Company has adopted the FASB's interpretation effective March 19, 1998, and expects the impact to be an approximate $.06 per share reduction of net income per share in 1998.

Earnings Per Share ("EPS")

The computation of basic earnings per share is based on net income and the weighted average number of common shares outstanding for the periods ending March 31, 1998 and 1997. The diluted earnings per share give effect to the outstanding restricted stock and common stock options calculated using the treasury stock method. The convertible debentures and convertible preferred stock would be antidilutive to the calculation of diluted EPS and therefore are not included. The OP units not held by the Company have been included in the diluted EPS calculation. The following table reconciles the basic and diluted earnings per share calculations:

	For the quarters ended March 31,					
	1998			1997		
	Net Income	Shares	Per Share	Net Income	Shares	Per Share
	(In thousands, except per share data)					
Net income	$7,471			$6,751		
Less: Preferred stock dividends	649			-		
Basic EPS:						
Net income - available to common stockholders	6,822	27,153	$0.25	6,751	25,799	$0.26
Diluted EPS:						
Effect of dilutive securities:						
Conversion of OP units	3,008	12,088	0.25	3,168	12,105	0.26
Employee stock options and restricted stock	177	666	0.27	41	421	0.10
Convertible preferred stock	n/a - antidilutive for EPS			-	-	-
Convertible debentures	n/a - antidilutive			-	-	-
Net income - available to common stockholders	$10,007	39,907	$0.25	$9,960	38,325	$0.26

(Dollars in thousands)

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 thirty-eight regional shopping centers and four community shopping centers, including a portfolio of twelve regional malls that was acquired on February 27, 1998. 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 is a real estate investment trust under the Internal Revenue Code of 1986, as amended, owns approximately 69% of The Operating Partnership as of March 31, 1998. 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's interest in each joint venture as of March 31, 1998 is as follows:

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

The Operating Partnership also owns the non-voting preferred stock of the 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 Company accounts for the Management Companies and joint ventures using the equity method of accounting.

On February 27, 1998, the Company, through a 50/50 joint venture, SDG Macerich Properties, L.P., acquired a portfolio of twelve regional malls. The total purchase price was $974,500 including the assumption of $485,000 in debt. The Company funded its 50% of the remaining purchase price by issuing 3,627,131 shares of convertible preferred stock for proceeds totaling $100,000 in a private placement. The Company also issued 2,879,134 shares of common stock ($79,600 of total proceeds) from the Company's shelf registration. The balance of the purchase price was funded from the Company's line of credit. Each of the joint venture partners will assume leasing and management responsibilities for six of the regional malls. The results of this joint venture are included for the period subsequent to the acquisition.

In December 1997, North Valley Plaza, which was 50% owned by the Company, was sold.

(Dollars in thousands)

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

	March 31, 1998	December 31, 1997
Assets:		
Properties, net	$1,129,187	$153,856
Other assets	29,541	10,013
Total assets	$1,158,728	$163,869
Liabilities and partners' capital:		
Mortgage notes payable	$566,001	$84,342
Other liabilities	36,369	6,563
The Company's capital	249,224	7,969
Outside partners' capital	307,134	64,995
Total liabilities and partners' capital	$1,158,728	$163,869

(Dollars in thousands)

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

COMBINED AND CONDENSED STATEMENTS OF OPERATIONS OF JOINT VENTURES AND THE MANAGEMENT COMPANIES

	From January 1, to March 31, 1998	From January 1, to March 31, 1997
Revenues:		
Shopping center revenues	$19,436	$7,041
Management company revenue	1,324	827
Total revenues	20,760	7,868
Expenses:		
Shopping center expenses	6,141	2,604
Interest	4,234	1,562
Management company expense	1,668	1,022
Depreciation and amortization	2,953	1,120
Total operating costs	14,996	6,308
Gain (loss) on sale or write-down of assets	(389)	7
Net income	$5,375	$1,567

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 related parties of $43,500 at March 31, 1998 and December 31, 1997. Interest expense incurred on these borrowings amounted to $734 for the three months ended March 31, 1998 and $733 for the three months ended March 31, 1997.

(Dollars in thousands)

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

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

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

	From January 1, to March 31, 1998	From January 1, to March 31, 1997
Revenues:		
Shopping center revenues	$7,764	$2,624
Management company revenue	1,257	785
Total revenues	9,021	3,409
Expenses:		
Shopping center expenses	2,446	1,011
Interest	1,823	508
Management company expense	1,585	971
Depreciation and amortization	1,370	552
Total operating costs	7,224	3,042
Gain (loss) on sale or write-down of assets	(369)	1
Net income	$1,428	$368

4. Property:

Property is comprised of the following at:

	March 31, 1998	December 31, 1997
Land	$313,052	$313,050
Building Improvements	1,236,617	1,235,459
Tenant Improvements	39,231	38,097
Equipment & Furnishings	7,962	7,576
Construction in Progress	21,016	13,247
	1,617,878	1,607,429
Less, accumulated depreciation	(210,192)	(200,250)
	$1,407,686	$1,407,179

(Dollars in thousands)

5. Deferred Charges and Other Assets:

Deferred charges and other assets, including deferred leasing and financing costs are:

	March 31, 1998	December 31, 1997
Leasing	$28,213	$28,101
Financing	16,731	14,396
	44,944	42,497
Less, accumulated amortization	(17,792)	(18,127)
	27,152	24,370
Other assets	11,415	13,529
	$38,567	$37,899

THE MACERICH COMPANY (The Company)
NOTES TO CONDENSED AND CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)

6. Mortgage Notes Payable:

Mortgage notes payable at March 31, 1998 and December 31, 1997 consist of the following:

Property Pledged As Collateral	Carrying Amount of Notes 1998 Other	1998 Related Party	1997 Other	1997 Related Party	Interest Rate	Payment Terms	Maturity Date
Capitola Mall	--	$37,583	--	$37,675	9.25%	316(d)	2001
Chesterfield Towne Center	$65,552	--	$65,708	--	9.10%	548(e)	2024
Chesterfield Towne Center	3,337	--	3,359	--	8.54%	28(d)	1999
Citadel	75,419	--	75,600	--	7.20%	544(d)	2008
Crossroads Mall (a)	--	35,543	--	35,638	7.08%	244(d)	2010
Fresno Fashion Fair	38,000	--	38,000	--	8.40%	interest only	2001
Greeley Mall	17,631	--	17,815	--	8.50%	187(d)	2003
Green Tree Mall/Crossroads - OK/ Centre at Salisbury (b)	117,714	--	117,714	--	7.23%	interest only	2004
Holiday Village Mall	--	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
Parklane Mall	--	20,000	--	20,000	6.75%	interest only	2001
Queens Center	65,100	--	65,100	--	(f)	interest only	1999
Rimrock Mall	31,391	--	31,517	--	7.70%	244(d)	2003
South Towne Center	65,000	--	65,000	--	6.62% (g)	interest only	2008
Valley View Center	51,000	--	51,000	--	7.89% (h)	interest only	2006
Villa Marina Marketplace	58,000	--	58,000	--	7.23%	interest only	2006
Vintage Faire Mall (i)	55,212	--	55,433	--	7.65%	427(d)	2003
Total	$770,356	$135,126	$771,246	$135,313			

Weighted average interest rate at March 31, 1998	7.43%
Weighted average interest rate at December 31, 1997	7.42%

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 March 31, 1998 and December 31, 1997, the unamortized discount was $421 and $430, 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 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 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 March 31, 1998 and at December 31, 1997.

(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 of 35% of the amount by which the property's gross receipts (as defined in the loan agreement) exceed a base amount specified therein. Contingent interest expense recognized by the Company was $0 for the period ended March 31, 1998 and $74 for the three months ended March 31, 1997.

(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) At December 31, 1997, this loan had an interest rate of LIBOR plus 1% which totaled 6.9%. In February 1998, this loan was converted into a fixed rate loan bearing interest at 6.622% maturing in 2008.

(h) As of March 31, 1997, this loan had an interest rate of LIBOR plus 1.50%; however, on April 16, 1997, the Company converted this loan into a fixed rate 10 year loan bearing interest at 7.89% and maturing in October 2006.

(i) Included in cash and cash equivalents is $3,031 and $3,030 at March 31, 1998 and December 31, 1997, 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 for the three months ending March 31, 1998 and 1997 was $661 and $94, respectively.

The market value of notes payable at March 31, 1998 and December 31, 1997 is estimated to be approximately $1,087,000 and $1,013,000, respectively, based on current interest rates for comparable loans.

7. Bank Notes Payable:

At December 31, 1997, the Company had $55,000 outstanding under its $60,000 unsecured credit facility, which bore interest at LIBOR plus 1.325%. On February 26, 1998, the Company increased this credit facility to $150,000 with a maturity of February 2000, currently bearing interest at LIBOR plus 1.35%. As of March 31, 1998, $133,000 was outstanding on this line of credit.

8. Convertible Debentures:

On June 27, 1997, the Company issued and sold $150,000 of convertible subordinated debentures (the "Debentures") due 2002. An additional $11,400 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 engaged The Management Companies to manage the operations of its properties and certain unconsolidated joint ventures. For the periods ending March 31, 1998 and 1997, management fees of $628 and $507, respectively, were paid to the Management Companies by the Company.

Certain mortgage notes were held by outside partners of the individual Macerich Group partnerships. Interest expense in connection with these notes was $2,527 and $2,490 for the three months ended March 31, 1998 and 1997, respectively. Included in accrued interest expense is interest payable to these partners of $517 and $516 at March 31, 1998 and December 31, 1997, respectively.

10. Commitments and Contingencies:

Certain partnerships have entered into 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 percent of base rent income, as defined. Ground rent expenses were $218 for the three months ended March 31, 1998 and $171 for the three months ended March 31, 1997. 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, which was sold on December 18, 1997. The California Department of Toxic Substance Control (DTSC) advised the Company in 1995 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). The 1,2DCE which was detected in the water well at 1.2 ppb, 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 owned the property 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 shopping center's former dry cleaner. $39 and $4 has already been incurred by the Company for remediation, and professional and legal fees for the periods ending March 31, 1998 and 1997, respectively. An additional $522 and $561 is accrued as a liability by the Company as of March 31, 1998 and December 31, 1997, respectively. The Company has initiated cost recovery actions and intends to continue to look to responsible parties for recovery.

Toluene, a petroleum constituent, was detected in one of three groundwater dewatering system holding tanks at Queens Center. Although the source of toluene has not been fully defined, the Company

10. Commitments and Contingencies, Continued:

suspects the source to be either an adjacent automotive service station and/or a previous automotive service station, which operated 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 MCL for toluene in drinking water is 1000 ppb. Although the Company believes that no remediation will be required, it set up a $150 reserve in 1996 to cover professional fees and testing costs, which was reduced by costs incurred of $0 for the period ending March 31, 1998 and $3 for the period ending March 31, 1997. The Company intends to look to the responsible parties and insurers if remediation is required.

The Company acquired Fresno Fashion Fair in December 1996. Asbestos has been detected in structural fireproofing throughout much of the Mall. Testing data conducted by professional environmental consulting firms indicates that the fireproofing is largely inaccessible to building occupants and is well adhered to the structural members. Additionally, airborne concentrations of asbestos were well within OSHA's permissible exposure limit (PEL) of .1 fcc. The accounting for this acquisition includes a reserve of $3.3 million to cover future removal of this asbestos, as necessary. The Company incurred $0 and $0 for the periods ending March 31, 1998 and 1997, respectively.

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 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 to cover professional and legal fees. The Company intends to look to responsible parties and insurers for cost recovery.

11. Pro Forma Information:

On February 27, 1998, the Company through a 50/50 joint venture, SDG Macerich Properties, L.P., acquired a portfolio of twelve regional malls. On a pro forma basis, reflecting this acquisition as if it had occurred on January 1, 1998 and 1997, the Company would have reflected net income - available to common stockholders of $7,072 and $7,269 for the periods ending March 31, 1998 and 1997, respectively. Net income - available to common shareholders on a basic and diluted per share basis would be $0.25 and $0.25, for the periods ended March 31, 1998 and 1997, respectively.

12. Preferred Stock:

The Company issued 3,627,131 shares of convertible 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 dividend equal to the greater of $0.46 per share per quarter or the dividend than payable on a share of common stock.

13. Subsequent Event:

On May 5, 1998, a dividend\distribution of $0.46 per share was declared for common shareholders and OP unit holders of record on May 21, 1998. The dividend\distribution is payable on June 4, 1998. Also, a dividend of $0.179 per share of series A convertible preferred stock was declared and is payable on June 4, 1998.

On April 24, 1998, the Company issued 808,989 of common shares and on April 28, 1998, an additional 967,255 of common shares were issued. The total proceeds of these transactions were approximately $46,600, leaving approximately $371,300 available on the shelf registration which was for an initial total of $500,000 of common stock or common stock warrants. The proceeds from these transactions were used to pay down the Company's line of credit.

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 March 31, 1998, and also compares the activities for the three months ended March 31, 1998 to the activities for the three months ended March 31, 1997.

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 reflects the Company's acquisitions in 1997 and 1998:

	Date Acquired	Location
"1997 Acquisition Centers":		
South Towne Center.....................	March 27, 1997	Sandy, Utah
Stonewood Mall.........................	August 6, 1997	Downey, California
Manhattan Village Shopping Center......	August 19, 1997	Manhattan Beach, California
The Citadel............................	December 19, 1997	Colorado Springs, Colorado
Great Falls Marketplace................	December 31, 1997	Great Falls, Montana
"1998 Acquisition Centers":		
ERE/Yarmouth Portfolio.................	February 27, 1998	Eight states

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

Manhattan Village Shopping Center and the ERE/Yarmouth portfolio ("Joint Venture Acquisitions") were acquired by unconsolidated joint ventures of the Company which 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 1998 and 1997. Many factors, such as 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 1998, and in future years, there will be similar acquisitions and corresponding increases in revenues, equity in income of unconsolidated joint ventures and the management companies, net income and funds from operations that occurred as a result of the addition of the 1998 and 1997 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 Ward filed bankruptcy. The Company has 11 Montgomery Ward stores in its portfolio. Montgomery Ward has not yet disclosed whether they will cease operating any of their stores in the Company's centers. 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 re-let space upon the expiration or termination of leases.

Results of Operations - Three Months Ended March 31, 1998 and 1997

Revenues

Minimum and percentage rents together increased by $8.3 million to $42.6 million for the three months ended March 31, 1998 compared to $34.3 million in the three months ended March 31, 1997. The 1997 Acquisition Centers contributed $7.3 million of the increase with approximately $1.0 million generated from the Same Centers.

Tenant recoveries for the first quarter of 1998 increased by $2.7 million compared to the first quarter of 1997. This was primarily due to the addition of the 1997 Acquisition Centers.

Other revenue decreased by $.2 million primarily due to nonrecurring fee income received in the first quarter of 1997.

Expenses

Shopping center expenses increased by $3.0 million for the three months ended March 31, 1998 compared to the same period in 1997. Approximately $2.6 million of the increase was due to the addition of the 1997 Acquisition Centers. The Same Centers had a net increase of $0.4 million, primarily from an increase in maintenance, repair, security and utility expenses.

General and administrative expenses increased to $1.0 million in 1998 compared to $0.8 million in the same period in 1997, primarily due to increased executive and director compensation expense.

Interest expense increased to $20.6 million at March 31, 1998 compared to $14.8 million at March 31, 1997. This increase of $5.8 million is partially attributable to the acquisition activity in 1997 and 1998, which was partially funded with secured debt and borrowings under the Company's line of credit. In addition, in June and July of 1997, the Company issued $161.4 million of convertible debentures which resulted in $2.9 million of the variance.

Depreciation and amortization increased to $11.7 million at March 31, 1998 compared to $9.5 million at March 31, 1997. This increase of $2.2 million relates primarily to the 1997 Acquisition Centers.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Income From Unconsolidated Joint Ventures and The Management Companies

The income from unconsolidated joint ventures and the Management Companies increased to $1.4 million compared to $.4 million for the period ended March 31, 1997. This increase was primarily due to the Joint Venture Acquisitions.

Net Income

Net income for the period increased to $6.8 million compared to $6.7 million for the three months ended March 31, 1997. 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 $26.8 million in the first quarter of 1998 from $24.8 million during the first quarter of 1997. This increase is primarily due to increased net operating income from the properties.

Cash Flows From Investing Activities

Net cash flow used in investing activities increased to $268.0 million in the first quarter of 1998 from $60.7 million in the first quarter of 1997 due primarily to more cash being used for acquisitions in the first quarter of 1998 compared to 1997.

Cash Flows From Financing Activities

Cash flow from financing activities increased to $234.8 million in the first quarter of 1998 from $29.9 million for the first quarter of 1997 as a result of net proceeds received from issuing stock and debt in 1998.

Liquidity and Capital Resources

The Company intends to meet its short term liquidity needs 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.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The Company's total outstanding loan indebtedness at March 31, 1998 was $1,471.3 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 Operating Partnership, including its pro rata share of joint venture debt, plus aggregate market value of outstanding shares of common and preferred stock, assuming full conversion of OP Units into stock) rate of 52.5% at March 31, 1998. The Company's debt consists primarily of fixed rate, conventional mortgages payable secured by individual properties. 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 statement, effective December 8, 1997, to sell securities. The shelf registration was for a total of $500 million of common stock or common stock warrants. On February 18, 1998, the Company issued 1,826,484 shares and on February 12, 1998, an additional 1,052,650 shares were issued. On April 24, 1998, the Company issued 808,989 shares and an additional 967,255 shares were issued on April 28, 1998. The total proceeds of these transactions were approximately $128.7 million, leaving approximately $371.3 million available on the shelf registration.

The Company has an unsecured line of credit which has been recently expanded up to $150 million. There was $55 million outstanding at December 31, 1997 and $133 million outstanding on March 31, 1998.

At March 31, 1998 and December 31, 1997, the Company had cash and cash equivalents of $18.7 million and $25.2 million, respectively.

Year 2000 Compliance

The Company has been advised by its independent software vendor that it has completed its evaluation, testing and modification of the property management and accounting software used by the Company and the necessary changes have been completed to achieve year 2000 compliance. The Company does not believe it will have any significant accounting or property management impact as a result of the year 2000.

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 (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 will be calculated on the same basis. 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 - available to common stockholders to FFO:

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

	1998		1997	
	Shares	Amount	Shares	Amount
		(amounts in thousands)		
Net income - available to common stockholders		$ 6,822		$ 6,751
Adjustments to reconcile net income to FFO				
Minority interest		3,008		3,168
Depreciation and amortization on wholly owned properties		11,712		9,474
Pro rata share of unconsolidated entities' depreciation and amortization		1,370		553
Extraordinary loss on early extinguishment of debt		90		-
Pro rata share of (gain) loss on sale or write-down from unconsolidated entities		369		(1)
Amortization of loan costs, including interest rate caps		(787)		(365)
Depreciation of personal property		(172)		(109)
FFO - basic (1)	39,241	22,412	37,904	19,471
To arrive at FFO - diluted:				
Impact of convertible preferred stock	1,411	649	-	-
Impact of stock options and restricted stock using the Treasury method	666	256	421	60
Impact of convertible debentures	(N/A - anti-dilutive)		-	-
FFO - diluted (2)	41,318	$23,317	38,325	$19,531

1) Calculated based upon basic net income as adjusted to reach basic FFO. Weighted average number of shares includes the weighted average shares of common stock outstanding for 1998 and 1997 assuming the conversion of OP units.

2) The computation of FFO - diluted and diluted average number of shares outstanding includes the effect of common stock options outstanding and restricted stock using the treasury method. Convertible debentures are antidilutive and are not included. On February 25, 1998, the Company sold $100 million of convertible preferred stock. The preferred stock can be converted on a 1 for 1 basis for common stock. These preferred shares are not assumed converted for purposes of net income per share as it would be antidilutive to that calculation. The preferred shares are assumed converted for purposes of FFO per share as they are dilutive to that calculation.

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 $874 for the three months ended March 31, 1998 and $753 for the three months ended March 31, 1997.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

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.

New Accounting Pronouncements

In March, 1998, the FASB, through its Emerging Issues Task Force ("EITF"), concluded based on EITF 97-11 that all internal costs to source, analyze and close acquisitions should be expensed as incurred. The Company has historically capitalized these costs. The Company has adopted the FASB's interpretation effective March 19, 1998, and expects the impact to be an approximate $.06 per share reduction of net income - diluted and FFO - diluted per share in 1998.

THE MACERICH COMPANY (The Company)

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

None

(b) Reports on Form 8-K

A report on Form 8-K dated April 7, 1998, event date February 25, 1998, was filed with the Securities and Exchange Commission for the purpose of disclosing the issuance of $100 million of the Company's Series A Cumulative Convertible Redeemable Preferred Stock.

A report on Form 8-K/A dated April 22, 1998, event date February 27, 1998, was filed with the Securities and Exchange Commission for the purpose of disclosing the acquisition of twelve regional malls by SDG Macerich Properties, L.P. from the Equitable Assurance Society of the United States.

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: May 15, 1998

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEETS AND CONSOLIDATED STATEMENTS OF OPERATIONS FOUND ON PAGES 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.

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