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, 2003 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, California 90401
(Address of principal executive office, including zip code)

Registrant's telephone number, including area code **(310) 394-6000**

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

Number of shares outstanding of the registrant's common stock, as of November 4, 2003
Common Stock, par value $.01 per share: **57,726,101 shares**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve (12) months (or such shorter period that the Registrant was required to file such report) and (2) has been subject to such filing requirements for the past ninety (90) days.

YES ☒ NO o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2).

YES ☒ NO o

THE MACERICH COMPANY (The Company)

Form 10-Q

INDEX

Part I: Financial Information

Item 1. Financial Statements

Consolidated balance sheets of the Company as of September 30, 2003 and December 31, 2002

Consolidated statements of operations of the Company for the periods from January 1 through September 30, 2003 and 2002

Consolidated statements of operations of the Company for the periods from July 1 through September 30, 2003 and 2002

Consolidated statement of common stockholders' equity of the Company as of September 30, 2003

Consolidated statements of cash flows of the Company for the periods from January 1 through September 30, 2003 and 2002

Notes to consolidated financial statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Item 4. Controls and Procedures

Part II: Other Information

Item 1. Legal Proceedings

Item 2. Changes in Securities and Use of Proceeds

Item 3. Defaults Upon Senior Securities

Item 4. Submission of Matters to a Vote of Security Holders

Item 5. Other Information

Item 6. Exhibits and Reports on Form 8-K

Signatures

THE MACERICH COMPANY (The Company)

CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share data)

	September 30, 2003	December 31, 2002
ASSETS		
Property, net	$ 3,222,753	$ 2,842,177
Cash and cash equivalents	77,652	53,559
Tenant receivables, including accrued overage rents of $225 in 2003 and $4,846 in 2002	52,969	47,741
Deferred charges and other assets, net	76,913	71,547
Loans to unconsolidated joint ventures	32,592	28,533
Due from affiliates	3,300	1,318
Investments in unconsolidated joint ventures and the management companies	564,654	617,205
Total assets	$ 4,030,833	$ 3,662,080
LIABILITIES, PREFERRED STOCK AND COMMON STOCKHOLDERS' EQUITY:		
Mortgage notes payable:		
Related parties	$ 115,377	$ 80,214
Others	1,847,493	1,662,894
Total	1,962,870	1,743,108
Bank notes payable	658,800	548,800
Accounts payable and accrued expenses	48,054	30,555
Other accrued liabilities	93,074	67,791
Preferred stock dividend payable	2,067	5,195
Total liabilities	2,764,865	2,395,449
Minority interest	222,634	221,497
Commitments and contingencies (Note 9)		
Series A cumulative convertible redeemable preferred stock, $.01 par value, 3,627,131 shares authorized, issued and outstanding at September 30, 2003 and December 31, 2002	98,934	98,934
Series B cumulative convertible redeemable preferred stock, $.01 par value, 0 and 5,487,471 shares authorized, issued and outstanding at September 30, 2003 and December 31, 2002, respectively	—	148,402
	98,934	247,336
Common stockholders' equity:		
Common stock, $.01 par value, 145,000,000 shares authorized, 57,726,101 and 51,490,929 shares issued and outstanding at September 30, 2003 and December 31, 2002, respectively	574	514
Additional paid-in capital	989,033	835,900
Accumulated deficit	(26,919)	(23,870)
Accumulated other comprehensive loss	(3,042)	(4,811)
Unamortized restricted stock	(15,246)	(9,935)
Total common stockholders' equity	944,400	797,798
Total liabilities, preferred stock and common stockholders' equity	$ 4,030,833	$ 3,662,080

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

THE MACERICH COMPANY (The Company)

CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except share and per share amounts)

	Nine Months Ended September 30, 2003	2002
REVENUES:		
Minimum rents	$ 214,419	$ 156,501
Percentage rents	5,041	4,228
Tenant recoveries	116,243	84,852
Other	12,175	8,127
Total revenues	347,878	253,708
EXPENSES:		
Shopping center and operating expenses	122,215	86,815
REIT general and administrative expenses	8,832	5,430
	131,047	92,245
Interest expense:		
Related parties	4,261	4,360
Others	94,586	81,801
Total interest expense	98,847	86,161
Depreciation and amortization	73,517	54,420
Equity in income of unconsolidated joint ventures and the management companies	42,859	20,955
Loss on early extinguishment of debt	(126)	(870)
Gain (loss) on sale or write down of assets	11,983	(3,714)
Income of the Operating Partnership from continuing operations before minority interest	99,183	37,253
Discontinued operations:		
Gain on sale of assets	22,584	13,923
Income from discontinued operations	1,332	1,158
Total discontinued operations	23,916	15,081
Income before minority interest	123,099	52,334
Less: Minority interest	22,913	9,364
Net income	100,186	42,970
Less: Preferred dividends	12,458	15,222
Net income available to common stockholders	$ 87,728	$ 27,748
Earnings per common share - basic:		
Income from continuing operations	$ 1.32	$ 0.46
Discontinued operations	0.36	0.32
Net income per share available to common stockholders	$ 1.68	$ 0.78
Weighted average number of common shares outstanding - basic	52,305,000	35,739,000
Earnings per common share - diluted:		
Income from continuing operations	$ 1.32	$ 0.46
Discontinued operations	0.32	0.31
Net income per share available to common stockholders	$ 1.64	$ 0.77
Weighted average number of common shares outstanding - diluted	75,124,000	47,989,000

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

THE MACERICH COMPANY (The Company)

CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except share and per share amounts)

	Three Months Ended September 30, 2003	2002
REVENUES:		
Minimum rents	$ 71,080	$ 60,439
Percentage rents	2,071	1,961
Tenant recoveries	39,889	33,692
Other	4,323	3,470
Total revenues	117,363	99,562
EXPENSES:		
Shopping center and operating expenses	41,613	34,238
REIT general and administrative expenses	2,811	1,886
	44,424	36,124
Interest expense:		
Related parties	1,430	1,461
Others	30,428	34,540

Total interest expense	31,858	36,001
Depreciation and amortization	25,315	21,089
Equity in income of unconsolidated joint ventures and the management companies	13,252	15,550
Loss on early extinguishment of debt	(126)	(870)
Gain (loss) on sale of assets	270	(13)
Income of the Operating Partnership from continuing operations before minority interest	29,162	21,015
Discontinued operations:		
Gain on sale of asset	22,745	7
Income from discontinued operations	106	33
Total discontinued operations	22,851	40
Income before minority interest	52,013	21,055
Less: Minority interest	10,214	4,184
Net income	41,799	16,871
Less: Preferred dividends	2,067	5,195
Net income available to common stockholders	$ 39,732	$ 11,676
Earnings per common share - basic:		
Income from continuing operations	$ 0.40	$ 0.32
Discontinued operations	0.34	0.00
Net income per share available to common stockholders	$ 0.74	$ 0.32
Weighted average number of common shares outstanding - basic	53,396,000	36,260,000
Earnings per common share - diluted:		
Income from continuing operations	$ 0.39	$ 0.32
Discontinued operations	0.30	0.00
Net income per share available to common stockholders	$ 0.69	$ 0.32
Weighted average number of common shares outstanding - diluted	75,307,000	49,716,000

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

THE MACERICH COMPANY

CONSOLIDATED STATEMENT OF COMMON STOCKHOLDERS' EQUITY
(Dollars in thousands, except share data)

	Common Stock (# of shares)	Common Stock Par Value	Additional Paid In Capital	Accumulated Earnings	Accumulated Other Comprehensive Loss	Unamortized Restricted Stock	Total Common Stockholders' Equity
Balance, December 31, 2002	51,490,929	$ 514	$ 835,900	$ (23,870)	$ (4,811)	$ (9,935)	$ 797,798
Comprehensive income:							
Net income				100,186			100,186
Reclassification of deferred losses					994		994
Interest rate swap agreement					775		775
Total comprehensive income				100,186	1,769		101,955
Issuance costs			(239)				(239)
Issuance of restricted stock	333,285	3	10,558				10,561
Unvested restricted stock	(333,285)	(3)				(10,558)	(10,561)
Restricted stock vested in 2003	214,641	2				5,247	5,249
Exercise of stock options	343,531	3	6,492				6,495
Distributions paid ($1.71 per share)				(90,777)			(90,777)
Preferred dividends				(12,458)			(12,458)
Conversion of OP units to common stock	190,000		1,862				1,862
Conversion of Series B Preferred Stock to common stock	5,487,000	55	148,347				148,402
Adjustment to reflect minority interest on a pro rata basis according to year end ownership percentage of Operating Partnership			(13,887)				(13,887)
Balance, September 30, 2003	57,726,101	$ 574	$ 989,033	$ (26,919)	$ (3,042)	$ (15,246)	$ 944,400

THE MACERICH COMPANY (The Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For the nine months ended September 30, 2003	2002
Cash flows from operating activities:		
Net income-available to common stockholders	$ 87,728	$ 27,748
Preferred dividends	12,458	15,222
Net income	100,186	42,970
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on early extinguishment of debt	126	870
(Gain) loss on sale or write down of assets	(11,983)	3,714
Discontinued operations gain on sale of assets	(22,584)	(13,923)
Depreciation and amortization	73,853	55,229
Amortization of net (premium) discount on trust deed note payable	(1,677)	25
Minority interest	22,913	18,278
Changes in assets and liabilities, net of acquisitions / dispositions:		
Tenant receivables, net	(5,228)	2,969
Other assets	(5,637)	(2,306)
Accounts payable and accrued expenses	17,499	11,338
Due from affiliates	(1,982)	2,405
Other liabilities	25,283	9,695
Preferred stock dividend payable	(3,128)	182
Total adjustments	87,455	88,476
Net cash provided by operating activities	187,641	131,446
Cash flows from investing activities:		
Acquisitions of property and property improvements	(187,510)	(464,285)
Development, redevelopment and expansion of centers	(108,939)	(23,859)
Renovations of centers	(10,644)	(2,063)
Tenant allowances	(2,859)	(7,850)
Deferred leasing charges	(11,575)	(10,837)
Equity in income of unconsolidated joint ventures and the management companies	(42,859)	(20,955)
Distributions from joint ventures	55,389	54,946
Contributions to joint ventures	(34,102)	(6,285)
Acquisitions of joint ventures	(68,320)	(359,435)
Loans to unconsolidated joint ventures	(4,055)	(19,696)
Proceeds from sale of assets	112,803	23,817
Net cash used in investing activities	(302,671)	(836,502)
Cash flows from financing activities:		
Proceeds from mortgages and notes payable	407,414	975,628
Payments on mortgages and notes payable	(178,281)	(185,733)
Deferred financing costs	(2,620)	(14,325)
Net proceeds from equity offerings	—	51,941
Dividends and distributions	(74,932)	(70,538)
Dividends to preferred stockholders	(12,458)	(15,222)
Net cash provided by financing activities	139,123	741,751
Net increase in cash	24,093	36,695
Cash and cash equivalents, beginning of period	53,559	26,470
Cash and cash equivalents, end of period	$ 77,652	$ 63,165
Supplemental cash flow information:		
Cash payment for interest, net of amounts capitalized	$ 101,467	$ 81,092
Non-cash transactions:		
Acquisition of property by assumption of debt	—	$ 361,983
Acquisition of property by issuance of operating partnership units	—	$ 90,597
Acquisition of property by assumption of joint venture debt	$ 180,000	—
Reclassification from investments in joint ventures to property	$ 65,115	—
Reclassification from property to investments in joint ventures	$ 113,603	—
Reclassification from debt to investments in joint ventures	$ 69,557	—

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

THE MACERICH COMPANY (The Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(Unaudited)

1. Interim Financial Statements and Basis of Presentation:

The accompanying consolidated financial statements of The Macerich Company (the "Company") have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X.

They do not include all of the information and footnotes required by GAAP for complete financial statements and have not been audited by independent public accountants.

The unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2002, as amended by Current Report on Form 8-K (event date July 14, 2003). 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, 2002 has been derived from the audited financial statements, but does not include all disclosures required by GAAP.

Certain reclassifications have been made in the 2002 consolidated financial statements to conform to the 2003 financial statement presentation.

Accounting Pronouncements:

On July 1, 2001, the Company adopted SFAS No. 141, "Business Combinations" ("SFAS 141"). SFAS 141 requires that the purchase method of accounting be used for all business combinations for which the date of acquisition is after June 30, 2001. SFAS 141 also establishes specific criteria for the recognition of intangible assets such as acquired in-place leases. Acquired in-place leases are recorded at the difference between market value of rents and the actual rents of the acquired property as either an asset or liability. The amortization of the asset or liability decreases or increases the Company's minimum rent. The Company has determined that the impact of SFAS 141 on acquisitions that occurred during 2002 and 2003 was to recognize for the nine and three months ending September 30, 2003 an additional $3,547 and $1,160 of minimum rents, including $980 and $248 from the joint ventures at pro rata, respectively. A deferred credit of $19,595 is recorded in "Other Accrued Liabilities" of the Company as of September 30, 2003. An additional $3,724 of deferred credits is recorded in the financial statements of the Company's unconsolidated joint ventures. Accordingly, these deferred credits will be amortized into rental revenues at approximately $4,645 and $1,037 per year respectively, for each of the next five years.

In October 2001, the Financial Accounting Standards Board ("FASB") issued SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). SFAS 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This statement supersedes SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" ("SFAS 121"). SFAS 144 establishes a single accounting model, based on the framework established in SFAS 121, for long-lived assets to be disposed of by sale. The Company adopted SFAS 144 on January 1, 2002. The Company sold Boulder Plaza on March 19, 2002 and in accordance with SFAS 144, the results of Boulder Plaza for the periods from January 1, 2002 to March 19, 2002 have been reclassified into "discontinued operations" on the consolidated statements of operations. Total revenues associated with Boulder Plaza were $495 for the period January 1, 2002 to March 19, 2002. The Company sold Paradise Village Gateway, which was acquired on July 26, 2002, on January 2, 2003 and has recorded a loss on sale of $166 in "discontinued operations" for the three months ending March 31, 2003. Additionally, the Company sold Bristol Center on August 4, 2003, and the results for the period January 1, 2002 to September 30, 2002 and for the period January 1, 2003 to August 4, 2003 have been reclassified to discontinued operations. The sale of Bristol Center resulted in a gain on sale of asset of $22,291. Total revenues associated with Bristol Center were $2,917 and $2,513 for the periods January 1, 2002 to September 30, 2002 and January 1, 2003 to August 4, 2003, respectively.

In May 2002, the FASB issued SFAS No. 145, "Rescission of SFAS Nos. 4, 44, and 64, Amendment of SFAS 13, and Technical Corrections" ("SFAS 145"), which is effective for fiscal years beginning after May 15, 2002. SFAS 145 rescinds SFAS 4, SFAS 44 and SFAS 64 and amends SFAS 13 to modify the accounting for sales-leaseback transactions. SFAS 4 required the classification of gains and losses resulting from extinguishment of debt to be classified as extraordinary items. In accordance with SFAS 145, the Company has classified losses from early extinguishment of debt from extraordinary items to continuing operations. Accordingly, the Company reclassified a loss of $3,605, which was incurred in the third and fourth quarters of 2002, from extraordinary items to continuing operations.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of commitment to an exit or disposal plan. Examples of costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity. SFAS No. 146 is effective prospectively for exit or disposal activities initiated after December 31, 2002. The adoption of SFAS No. 146 did not have any impact on the Company's consolidated financial statements for the nine months ending September 30, 2003.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure, and amendment of FASB Statement No. 123"("SFAS No. 148"). SFAS No. 148 amended SFAS No 123, "Accounting for Stock-Based Compensation", to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for employee stock-based compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No 123 to require prominent disclosure in annual and interim financial statements about the method of accounting for stock-based compensation and its effect on reported results. Prior to the issuance of SFAS No. 148, the Company adopted the provisions of SFAS No. 123 and will prospectively expense all stock options issued subsequent to January 1, 2002. The Company did not issue any stock options to employees for the nine months ending September 30, 2003 and 2002 and accordingly, no compensation expense has been recorded in either period.

In November 2002, the FASB issued FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," which elaborates on required disclosures by a guarantor in its financial statements about obligations under certain guarantees that it has issued and clarifies the need for a guarantor to recognize, at the inception of certain guarantees, a liability for the fair value of the obligation undertaken in issuing the guarantee. The Company has reviewed the provisions of this Interpretation relating to initial recognition and measurement of guarantor liabilities, which are effective for qualifying guarantees entered into or modified after December 31, 2002. The Company has not modified or entered into any new qualifying guarantees during the nine months ending September 30, 2003.

In January 2003, the FASB issued FIN 46, “Consolidation of Variable Interest Entities – an interpretation of ARB No. 51.” FIN 46 addresses consolidation by business enterprises of variable interest entities, which have one or both of the following characteristics: 1) the equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support from other parties, which is provided through other interests that will absorb some or all of the expected losses of the entity, and 2) the equity investors lack an essential characteristic of a controlling financial interest. FIN 46 was effective immediately for all variable interest entities acquired after January 31, 2003 and for the first fiscal year or interim period beginning after June 15, 2003 for variable interest entities in which an enterprise holds a variable interest that was acquired before February 1, 2003. In October 2003, the FASB deferred the effective date of FIN 46 for variable interests acquired before February 1, 2003 to the first reporting period ending after December 15, 2003. Effective July 1, 2003, the Company has consolidated Macerich Management Company (“MMC”). Prior to July 1, 2003, MMC was accounted for under the equity method in the Company’s consolidated financial statements.

In May 2003, the FASB issued SFAS 149, “Amendment of Statement 133 on Derivative Instruments and Hedging Activities.” SFAS 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS 133, “Accounting for Derivative Instruments and Hedging Activities.” SFAS 149 is effective for contracts entered into or modified after September 30, 2003. The Company does not expect the adoption of this pronouncement to have a material impact on its financial position or results of operations.

In May 2003, the FASB issued SFAS 150, “Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity.” SFAS 150 specifies that instruments within its scope embody obligations of the issuer and that, therefore, the issuer must classify them as liabilities. Financial instruments within the scope of the pronouncement include mandatorily redeemable financial instruments, obligations to repurchase the issuer’s equity shares by transferring assets, and certain obligations to issue a variable number of shares. SFAS 150 was effective immediately for all financial instruments entered into or modified after May 31, 2003. For all other instruments, SFAS 150 originally was effective July 1, 2003 for the Company. In October 2003, the FASB voted to defer certain provisions of SFAS 150 indefinitely. For those provisions of SFAS 150 adopted by the Company, there was no material impact to its financial position or results of operations. For those provisions of SFAS 150 deferred by the FASB, the Company does not expect there will be a material impact on its financial position or results of operations upon adoption.

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 nine months ending September 30, 2003 and 2002. The computation of diluted earnings per share does not include the effect of outstanding restricted stock issued under the employee and director stock incentive plans as they are antidilutive using the treasury method. The Operating Partnership units (“OP units”) not held by the Company have been included in the diluted EPS calculation since they are redeemable on a one-for-one basis for shares of common stock. The following table reconciles the basic and diluted earnings per share calculation:

	For the nine months ended September 30,					
	2003			2002		
	Net Income	Shares	Per Share	Net Income	Shares	Per Share
	(In thousands, except per share data)			(In thousands, except per share data)		
Net income	$ 100,186			$ 42,970		
Less: Preferred stock dividends	12,458			15,222		
Basic EPS:						
Net income available to common stockholders	$ 87,728	52,305	$ 1.68	$ 27,748	35,739	$ 0.78
Diluted EPS:						
Conversion of OP units	22,913	13,690		9,364	11,786	
Employee stock options	—	476		—	464	
Restricted stock	n/a - antidilutive for EPS			n/a - antidilutive for EPS		
Convertible preferred stock	12,458	8,653		n/a - antidilutive for EPS		
Convertible debentures	n/a - antidilutive for EPS			n/a - antidilutive for EPS		
Net income available to common stockholders	$ 123,099	75,124	$ 1.64	$ 37,112	47,989	$ 0.77

	For the three months ended September 30,					
	2003			2002		
	Net Income	Shares	Per Share	Net Income	Shares	Per Share
	(In thousands, except per share data)			(In thousands, except per share data)		
Net income	$ 41,799			$ 16,871		
Less: Preferred stock dividends	2,067			5,195		
Basic EPS:						
Net income available to common stockholders	$ 39,732	53,396	$ 0.74	$ 11,676	36,260	$ 0.32
Diluted EPS:						
Conversion of OP units	10,214	13,646		4,184	12,992	
Employee stock options	—	522		—	464	
Restricted stock	n/a - antidilutive for EPS			n/a - antidilutive for EPS		

Convertible preferred stock	2,067	7,743		n/a - antidilutive for EPS		
Convertible debentures	n/a - antidilutive for EPS			n/a - antidilutive for EPS		
Net income available to common stockholders	$ 52,013	75,307	$ 0.69	$ 15,860	49,716	$ 0.32

The minority interest for the nine and three months ending September 30, 2003 of $22,913 and $10,214, respectively, has been allocated to income from continuing operations of $17,953 and $5,541, respectively and $4,960 and $4,673, respectively to discontinued operations. The minority interest for the nine and three months ending September 30, 2002 of $9,364 and $4,184, respectively has been allocated to income from continuing operations of $5,630 and $4,184, respectively and $3,734 and $0 respectively, to discontinued operations.

2 Organization:

The Company is involved in the acquisition, ownership, development, redevelopment, management and leasing of regional and community shopping centers located throughout the United States. The Company is the sole general partner of, and owned or had a majority of the ownership interests in, The Macerich Partnership, L.P., a Delaware limited partnership (the “Operating Partnership”). As of September 30, 2003, The Operating Partnership owns or has an ownership interest in 57 regional shopping centers, 18 community shopping centers and two development projects aggregating approximately 58 million square feet of gross leasable area (“GLA”). These 77 regional and community shopping centers and development projects are referred to hereinafter as the “Centers”, unless the context otherwise requires. The Company is a self-administered and self-managed real estate investment trust (“REIT”) and conducts all of its operations through the Operating Partnership and the Company’s management companies, Macerich Property Management Company, LLC, (“MPMC, LLC”) a single-member Delaware limited liability company, Macerich Management Company, a California corporation, Westcor Partners, LLC, a single member Arizona limited liability company, Macerich Westcor Management, LLC, a single member Delaware limited liability company and Westcor Partners of Colorado, LLC, a Colorado limited liability company (collectively, the “Westcor Management Companies”). The term “Macerich Management Companies” includes Macerich Management Company and Macerich Manhattan Management Company, a California corporation which has been dissolved and was a wholly-owned subsidiary of Macerich Management Company.

The Company was organized to qualify as a REIT under the Internal Revenue Code of 1986, as amended. As of September 30, 2003, the 18% limited partnership interest of the Operating Partnership not owned by the Company is reflected in these financial statements as minority interest.

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

The following are the Company’s investments in various joint ventures. The Operating Partnership’s interest in each joint venture as of September 30, 2003 is as follows:

Joint Venture	The Operating Partnership’s Ownership %
Macerich Northwestern Associates	50%
Pacific Premier Retail Trust	51%
SDG Macerich Properties, L.P.	50%
Corte Madera Village, LLC	50.1%
West Acres Development	19%
Westcor Portfolio:	
Regional Malls:	
Arrowhead Towne Center	33.3%
Desert Sky Mall	50%
Scottsdale Fashion Square	50%
Superstition Springs Center	33.3%
Other Properties / Affiliated Companies:	
Arrowhead Festival	5%
Camelback Colonnade	75%
Chandler Festival	50%
Chandler Gateway	50%
Chandler Village Center	50%
East Mesa Land	50%
Hilton Village	50%
Jaren Associates 4	25%
Lee West	50%
Lee West II	50%
Paradise Village Investment Co.	50%
Promenade	50%
Propcor Associates	25%
Propcor II – Boulevard Shops	50%
RLR / WV1	50%
Scottsdale / 101 Associates	46%
Westcor / Gilbert	50%
Westcor / Goodyear	50%

The Operating Partnership also owns all of the non-voting preferred stock of Macerich Management Company, which is generally entitled to dividends equal to 95% of the net cash flow of the Company. Macerich Manhattan Management Company, which has been dissolved, was a wholly owned subsidiary of Macerich Management Company. MPMC, LLC is a single-member Delaware limited liability company and is 100% owned by the Operating Partnership.

The Company accounts for the joint ventures using the equity method of accounting. Effective July 1, 2003, the Company began consolidating the accounts for the Macerich Management Companies. Prior to July 1, 2003, the Company accounted for the Macerich Management Companies under the equity method of accounting. The Company consolidates the accounts for MPMC, LLC.

Although the Company has a majority ownership interest in Pacific Premier Retail Trust, Camelback Colonnade and Corte Madera Village, LLC, the Company shares management control with its joint venture partner and accounts for these joint ventures using the equity method of accounting.

On September 30, 2000, Manhattan Village, a 551,847 square foot regional shopping center, 10% of which was owned by the Operating Partnership, was sold. The joint venture sold the property for $89,000, including a note receivable from the buyer for $79,000 at a fixed interest rate of 8.75% payable monthly, until its maturity date of September 30, 2001. On December 28, 2001, the note receivable was paid down by $5,000 and the maturity date was extended to September 30, 2002 at a new fixed interest rate of 9.5%. On July 2, 2002, the note receivable of $74,000 was paid in full.

MerchantWired LLC was formed by six major mall companies, including the 9.6% interest owned by the Operating Partnership, to provide a private, high-speed IP network to malls across the United States. The members of MerchantWired LLC agreed to sell all their collective membership interests in MerchantWired LLC under the terms of a definitive agreement with Transaction Network Services, Inc. (“TNSI”). The transaction was expected to close in the second quarter of 2002, but TNSI unexpectedly informed the members of MerchantWired LLC that it would not complete the transaction. As a result, MerchantWired LLC shut down its operations and transitioned its customers to alternate service providers. The Company does not anticipate making further cash contributions to MerchantWired LLC and wrote-off its remaining investment of $8,947 in the three months ended June 30, 2002, which is reflected in the equity in income of unconsolidated joint ventures.

On July 26, 2002, the Operating Partnership acquired Westcor Realty Limited Partnership and its affiliated companies (“Westcor”), which included the joint ventures noted in the above schedule. Westcor is the dominant owner, operator and developer of regional malls and specialty retail assets in the greater Phoenix area. The total purchase price was approximately $1,475,000 including the assumption of $733,000 in existing debt and the issuance of

approximately $72,000 of convertible preferred operating partnership units at a price of $36.55 per unit. Additionally, $18,910 of partnership units of Westcor Realty Limited Partnership were issued to limited partners of Westcor which, subject to certain conditions, can be converted on a one for one basis into operating partnership units of the Operating Partnership. The balance of the purchase price was paid in cash which was provided primarily from a $380,000 interim loan, which was subsequently paid in full in 2002, and a $250,000 term loan with a maturity of up to three years with two one-year extension options and with an interest rate ranging from LIBOR plus 2.75% to LIBOR plus 3.00% depending on the Company’s overall leverage level. The results of Westcor are included for the period subsequent to its date of acquisition on July 26, 2002.

On November 8, 2002, the Company purchased its joint venture partner’s interest in Panorama City Associates for $23,700. Accordingly, the Company now owns 100% of Panorama City Associates which owns Panorama Mall in Panorama, California. The results of Panorama Mall prior to November 8, 2002 were accounted for using the equity method of accounting.

On January 31, 2003, the Company purchased its joint venture partner’s 50% interest in FlatIron Crossing. Accordingly, the Company now owns 100% of FlatIron Crossing. The purchase price consisted of approximately $68,300 in cash plus the assumption of the joint venture partners share of debt of $90,000. The results of FlatIron Crossing prior to January 31, 2003 were accounted for using the equity method of accounting.

On May 15, 2003, the Company sold 49.9% of its partnership interest in the Village at Corte Madera for $65,868, plus the assumption of a proportionate amount of the partnership debt in the amount of $34,709. The Company is retaining a 50.1% partnership interest and will continue leasing and managing the asset. Effective May 16, 2003, the Company is accounting for this property under the equity method of accounting.

On June 6, 2003, the Shops at Gainey Village, a 138,000 square foot Phoenix area specialty center, was sold for $55,724. The Company, which owned 50% of this property, received total proceeds of $15,816 and recorded a gain on sale of $2,788.

Combined and condensed balance sheets and statements of operations are presented below for all unconsolidated joint ventures and the Macerich Management Companies.

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

	September 30, 2003	December 31, 2002
Assets:		
Properties, net	$ 3,294,588	$ 3,577,093
Other assets	151,856	95,085
Total assets	$ 3,446,444	$ 3,672,178

Liabilities and partners' capital:		
Mortgage notes payable	$ 2,090,731	$ 2,216,797
Other liabilities	111,129	118,331
Company's capital (1)	573,664	617,205
Outside partners' capital	670,920	719,845
Total liabilitites and partners' capital	$ 3,446,444	$ 3,672,178

(1) *The Company's investment in joint ventures is $9,010 less than the underlying equity as reflected in the joint ventures financial statements. This difference results from a step-up in basis at the joint venture level. The Company is amortizing this difference into income on a straight line basis over 39 years.*

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

	Nine Months Ended September 30, 2003					
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Westcor Joint Ventures	Other Joint Ventures	Macerich Management Companies	Total
Revenues:						
Minimum rents	$ 67,988	$ 79,399	$ 75,476	$ 18,385	—	$ 241,248
Percentage rents	2,711	2,931	617	1,101	—	7,360
Tenant recoveries	34,088	31,159	30,765	6,986	—	102,998
Management fee	—	—	—	—	$ 5,526	5,526
Other	2,220	1,844	2,008	713	370	7,155
Total revenues	107,007	115,333	108,866	27,185	5,896	364,287
Expenses:						
Management Company expense	—	—	—	—	2,966	2,966
Shopping center and operating expenses	41,591	33,932	35,572	7,579	—	118,674
Interest expense	21,099	35,666	22,494	7,952	—	87,211
Depreciation and amortization	20,396	18,416	25,272	3,575	1,300	68,959
Total operating expenses	83,086	88,014	83,338	19,106	4,266	277,810
(Loss) gain on sale or write-down of assets	(463)	73	4,056	—	—	3,666
Net income	$ 23,458	$ 27,392	$ 29,584	$ 8,079	$ 1,630	$ 90,143
Company's pro rata share of net income	$ 11,729	$ 13,970	$ 12,732	$ 2,879	$ 1,549	$ 42,859

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

	Nine Months Ended September 30, 2002					
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Westcor Joint Ventures	Other Joint Ventures	Macerich Management Companies	Total
Revenues:						
Minimum rents	$ 69,530	$ 77,367	$ 21,805	$ 17,595	—	$ 186,297
Percentage rents	2,253	2,506	82	995	—	5,836
Tenant recoveries	32,098	29,465	8,654	6,200	—	76,417
Management fee	—	—	—	—	$ 7,132	7,132
Other	1,375	1,342	222	6,488	—	9,427
Total revenues	105,256	110,680	30,763	31,278	7,132	285,109
Expenses:						
Management Company expense	—	—	—	—	5,637	5,637
Shopping center and operating expenses	39,713	32,916	9,863	13,596	—	96,088
Interest expense	22,589	36,314	7,869	7,808	—	74,580
Depreciation and amortization	19,367	17,871	8,582	8,353	1,112	55,285
Total operating expenses	81,669	87,101	26,314	29,757	6,749	231,590
Gain (loss) on sale or write-down of assets (1)	12	4,606	124	(107,389)	113	(102,534)
Net income (loss)	$ 23,599	$ 28,185	$ 4,573	$ (105,868)	$ 496	$ (49,015)

Company's pro rata share of net income (loss)	$ 11,800	$ 14,342	$ 2,395	$ (8,054)	$ 472	$ 20,955

(1) In 2002, $106.2 million of the loss in Other Joint Ventures relates to MerchantWired, LLC.

COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES

	Three Months Ended September 30, 2003				
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Westcor Joint Ventures	Other Joint Ventures	Total
Revenues:					
Minimum rents	$ 22,344	$ 26,635	$ 23,633	$ 7,321	$ 79,933
Percentage rents	762	1,125	222	533	2,642
Tenant recoveries	11,226	10,535	10,517	2,847	35,125
Other	785	812	456	327	2,380
Total revenues	35,117	39,107	34,828	11,028	120,080
Expenses:					
Shopping center and operating expenses	13,773	11,715	11,500	3,036	40,024
Interest expense	7,037	11,942	7,171	3,314	29,464
Depreciation and amortization	7,087	6,167	8,234	1,636	23,124
Total operating expenses	27,897	29,824	26,905	7,986	92,612
Gain on sale or write-down of assets	—	—	586	—	586
Net income	$ 7,220	$ 9,283	$ 8,509	$ 3,042	$ 28,054
Company's pro rata share of net income	$ 3,610	$ 4,734	$ 3,840	$ 1,068	$ 13,252

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

	Three Months Ended September 30, 2002					
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Westcor Joint Ventures	Other Joint Ventures	Macerich Management Companies	Total
Revenues:						
Minimum rents	$ 23,543	$ 26,461	$ 21,805	$ 6,022	—	$ 77,831
Percentage rents	619	1,035	82	450	—	2,186
Tenant recoveries	11,202	10,844	8,654	2,196	—	32,896
Management fee	—	—	—	—	$ 2,711	2,711
Other	762	498	222	247	—	1,729
Total revenues	36,126	38,838	30,763	8,915	2,711	117,353
Expenses:						
Management Company expense	—	—	—	—	1,703	1,703
Shopping center and operating expenses	13,399	11,797	9,863	2,629	—	37,688
Interest expense	7,537	12,108	7,869	2,023	—	29,537
Depreciation and amortization	6,602	5,991	8,582	997	378	22,550
Total operating expenses	27,538	29,896	26,314	5,649	2,081	91,478
Gain (loss) on sale or write-down of assets	—	4,606	124	(521)	146	4,355
Net income	$ 8,588	$ 13,548	$ 4,573	$ 2,745	$ 776	$ 30,230
Company's pro rata share of net income	$ 4,294	$ 6,899	$ 2,395	$ 1,223	$ 739	$ 15,550

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

Included in mortgage notes payable are amounts due to affiliates of Northwestern Mutual Life ("NML") of $149,637 and $153,147 as of September 30, 2003 and December 31, 2002, respectively. NML is considered a related party because it is a joint venture partner with the Company in Macerich Northwestern Associates. Interest expense incurred on these borrowings amounted to $7,621 and $7,842 for the nine months ended September 30, 2003 and 2002, respectively; and $2,562 and $2,625 for the three months ended September 30, 2003 and 2002, respectively.

4. Property:

Property is summarized as follows:

	September 30, 2003	December 31, 2002
Land	$ 549,973	$ 531,099
Building improvements	2,736,168	2,489,041
Tenant improvements	76,695	75,103
Equipment and furnishings	46,603	22,895
Construction in progress	259,953	133,536
	3,669,392	3,251,674
Less, accumulated depreciation	(446,639)	(409,497)
	$ 3,222,753	$ 2,842,177

On January 2, 2003, the Company sold its 67% interest in Paradise Village Gateway for approximately $29,400 and recorded a loss on sale of $0.2 million. On January 31, 2003, the Company purchased its joint venture partner's 50% interest in FlatIron Crossing. Accordingly, the Company now owns 100% of FlatIron Crossing. The purchase price consisted of approximately $68,320 in cash plus the assumption of the joint venture partner's share of debt of $90,000. On May 15, 2003, the Company sold 49.9% of its partnership interest in the Village at Corte Madera for $65,868 and the assumption of a proportionate share of debt in the amount of $34,709. This sale resulted in the Company recording a gain on sale of $8,794. On August 4, 2003, the Company sold Bristol Center for approximately $30,000 and recorded a gain on sale of $22,291. On September 15, 2003, the Company acquired Northridge Mall in Salinas, California. The total purchase price was $128,500 and was funded by the sale proceeds from Bristol Center and borrowings under the Company's line of credit. Additionally, the Company has recorded a gain of $0.9 million on the sale of peripheral land for the nine months ending September 30, 2003.

A loss on sale of assets of $3,714 for the nine months ending September 30, 2002 is primarily a result of the write down of assets from the Company's various technology investments. The gain on sale of assets of $13,923 in 2002 from discontinued operations is primarily a result of the Company selling Boulder Plaza on March 19, 2002.

5. Mortgage Notes Payable:

Mortgage notes payable at September 30, 2003 and December 31, 2002 consist of the following:

Debt premiums represent the excess of the fair value of debt over the principal value of debt assumed in various acquisitions subsequent to March, 1994 (with interest rates ranging from 3.81% to 6.26%). The debt premiums are being amortized into interest expense over the term of the related debt on a straight-lined basis, which approximates the effective interest method. The balances shown below include the unamortized premiums as of September 30, 2003 and December 31, 2002.

	Carrying Amount of Notes						
	2003		2002				
Property Pledged as Collateral	Other	Related Party	Other	Related Party	Interest Rate	Payment Terms	Maturity Date
Consolidated Centers:							
Borgata (b)	$ 16,563	—	$ 16,926	—	5.39%	115(a)	2007
Capitola Mall	—	$ 45,731	—	$ 46,674	7.13%	380(a)	2011
Carmel Plaza	27,838	—	28,069	—	8.18%	202(a)	2009
Chandler Fashion Center (c)	181,719	—	183,594	—	5.48%	1,043(a)	2012
Chesterfield Towne Center	61,066	—	61,817	—	9.07%	548(d)	2024
Citadel	68,036	—	69,222	—	7.20%	554(a)	2008
Corte Madera, Village at	—	—	69,884	—	7.75%	516(a)	2009
Crossroads Mall - Boulder (e)	—	33,151	—	33,540	7.08%	244(a)	2010
Flagstaff Mall(f)	14,486	—	14,974	—	5.39%	121(a)	2006
FlatIron Crossing (g)	145,000	—	—	—	2.04%	interest only	2004
FlatIron Crossing - Mezzanine (h)	35,000	—	—	—	4.42%	interest only	2004
Fresno Fashion Fair	67,429	—	68,001	—	6.52%	437(a)	2008
Greeley Mall (i)	30,000	—	13,281	—	6.18%	197(a)	2013
Green Tree Mall/Crossroads - OK/Salisbury (j)	117,714	—	117,714	—	7.23%	interest only	2004
La Encantada (k)	17,788	—	2,715	—	3.12%	interest only	2005
Northwest Arkansas Mall	57,671	—	58,644	—	7.33%	434(a)	2009
Pacific View (l)	93,989	—	87,739	—	7.16%	602(a)	2011
Panorama Mall (m)	32,250	—	—	—	3.22%	interest only	2005
Paradise Valley Mall(n)	80,956	—	82,256	—	5.39%	506(a)	2007
Paradise Valley Mall(o)	24,822	—	25,393	—	5.89%	183(a)	2009
Paradise Village Gateway (p)	—	—	19,524	—	5.39%	137(a)	(p)
Prescott Gateway (q)	40,753	—	40,651	—	3.38%	interest only	2004

Queens Center	96,323	—	97,186	—	6.88%	633(a)	2009
Queens Center (r)	36,495	36,495	—	—	3.62%	interest only	2013
Rimrock Mall	45,189	—	45,535	—	7.45%	320(a)	2011
Santa Monica Place	82,983	—	83,556	—	7.70%	606(a)	2010
South Plains Mall	62,304	—	62,823	—	8.22%	454(a)	2009
South Towne Center	64,000	—	64,000	—	6.61%	interest only	2008
The Oaks (s)	108,000	—	108,000	—	2.24%	interest only	2004
Valley View Center	51,000	—	51,000	—	7.89%	interest only	2006
Village Plaza(t)	5,653	—	5,857	—	5.39%	47(a)	2006
Village Square I & II (u)	4,949	—	5,116	—	5.39%	41(a)	2006
Vintage Faire Mall	68,056	—	68,586	—	7.89%	508(a)	2010
Westbar (v)	4,278	—	4,454	—	4.22%	35(a)	2005
Westbar(w)	7,500	—	7,852	—	4.22%	66(a)	2004
Westside Pavilion	97,683	—	98,525	—	6.67%	628(a)	2008
Grand Total - Consolidated Centers	$ 1,847,493	$ 115,377	$ 1,662,894	$ 80,214			

Property Pledged as Collateral	Carrying Amount of Notes 2003 Other	2003 Related Party	2002 Other	2002 Related Party	Interest Rate	Payment Terms	Maturity Date
Joint Venture Centers (at pro rata share):							
Arizona Lifestyle Galleries (50%)(x)(y)	$ 859	—	$ 925	—	3.81%	10(a)	2004
Arrowhead Towne Center (33.33%) (x)(z)	28,610	—	28,931	—	6.38%	187(a)	2011
Boulevard Shops (50%) (x)(aa)	5,200	—	4,824	—	3.34%	interest only	2004
Broadway Plaza (50%) (x)	—	$ 33,980	—	$ 34,576	6.68%	257(a)	2008
Camelback Colonnade (75%)(x)(ab)	25,839	—	26,818	—	4.81%	211(a)	2006
Chandler Festival (50%) (x)(ac)	16,000	—	16,101	—	4.37%	80(a)	2008
Chandler Gateway (50%) (x)(ad)	10,000	—	7,376	—	5.19%	55(a)	2008
Corte Madera, Village at (50.1%)(x)	34,713	—	—	—	7.75%	259(a)	2009
Desert Sky Mall (50%) (x)(ae)	13,767	—	13,969	—	5.42%	85(a)	2005
East Mesa Land (50%) (x)(af)	2,124	—	2,139	—	2.28%	10(a)	2004
East Mesa Land (50%) (x)(af)	634	—	640	—	5.39%	3(a)	2006
FlatIron Crossing (50%) (x)(g)	—	—	72,500	—	2.30%	interest only	2004
FlatIron Crossing - Mezzanine (50%) (x)(h)	—	—	17,500	—	4.68%	interest only	2004
Hilton Village (50%)(x)(ag)	4,588	—	4,719	—	5.39%	35(a)	2007
Pacific Premier Retail Trust (51%) (x):							
Cascade Mall	11,461	—	11,983	—	6.50%	122(a)	2014
Kitsap Mall/Kitsap Place	30,646	—	30,831	—	8.06%	230(a)	2010
Lakewood Mall (ah)	64,770	—	64,770	—	7.20%	interest only	2005
Lakewood Mall (ai)	8,746	—	8,224	—	2.93%	interest only	2005
Los Cerritos Center	57,861	—	58,537	—	7.13%	421(a)	2006
North Point Plaza	1,607	—	1,669	—	6.50%	16(a)	2015
Redmond Town Center - Retail	30,392	—	30,910	—	6.50%	224(a)	2011
Redmond Town Center - Office	—	41,656	—	42,837	6.77%	370(a)	2009
Stonewood Mall	39,409	—	39,653	—	7.41%	275(a)	2010
Washington Square	56,224	—	57,161	—	6.70%	421(a)	2009
Washington Square Too	5,648	—	5,843	—	6.50%	53(a)	2016
Promenade (50%)(x)(aj)	2,539	—	2,617	—	5.39%	20(a)	2006
PVIC Ground Leases (50%)(x)(ak)	3,896	—	3,991	—	5.39%	28(a)	2006
PVOP II (50%)(x)(al)	1,546	—	1,583	—	5.85%	12(a)	2009
Scottsdale Fashion Square - Series I (50%)(x)(am)	83,038	—	84,024	—	5.39%	interest only	2007
Scottsdale Fashion Square - Series II (50%)(x)(an)	36,676	—	37,346	—	5.39%	interest only	2007
Scottsdale/101 Associates (46%)(x) (ao)	9,070	—	—	—	3.42%	interest only	2006
SDG Macerich Properties L.P. (50%) (x) (ap)	182,826	—	183,922	—	6.54%	1,120(a)	2006
SDG Macerich Properties L.P. (50%) (x) (ap)	93,250	—	92,250	—	1.53%	interest only	2006
SDG Macerich Properties L.P. (50%) (x) (ap)	40,700	—	40,700	—	1.49%	interest only	2006
Shops at Gainey Village (50%)(x) (aq)	—	—	11,342	—	3.29%	interest only	(aq)
Superstition Springs (33.33%) (x)(ar)	16,282	—	16,401	—	2.28%	75(a)	2004
Superstition Springs (33.33%) (x)(ar)	4,863	—	4,908	—	5.39%	23(a)	2006
Village Center (50%)(x)(as)	3,845	—	3,971	—	5.39%	31(a)	2006

Village Crossroads (50%)(x)(at)	2,481	—	2,559	—	4.81%	19(a)	2005
Village Fair North (50%)(x)(au)	6,090	—	6,193	—	5.89%	41(a)	2008
West Acres Center (19%) (x)	7,061	—	7,222	—	6.52%	57(a)	2009
West Acres Center (19%) (x)	1,821	—	1,853	—	9.17%	18(a)	2009
Grand Total - Joint Venture Centers	$ 945,082	$ 75,636	$ 1,006,905	$ 77,413			
Grand Total - All Centers	$ 2,792,575	$ 191,013	$ 2,669,799	$ 157,627			
Less unamortized debt premiums	19,175	—	35,847	—			
Grand Total - excluding unamortized debt premiums	$ 2,773,400	$ 191,013	$ 2,633,952	$ 157,627			

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

(b) At September 30, 2003 and December 31, 2002, the unamortized premium was $1,197 and $1,417, respectively.

(c) On October 21, 2002, the Company refinanced the debt on Chandler Fashion Center. The prior loan was paid in full and a new note was issued for $184,000 bearing interest at a fixed rate of 5.48% and maturing November 1, 2012.

(d) 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 $507 and $302 for the nine and three months ended September 30, 2003, respectively and $460 and $136 for the nine and three months ended September 30, 2002, respectively.

(e) 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, 2003 and December 31, 2002, the unamortized discount was $240 and $264, respectively.

(f) At September 30, 2003 and December 31, 2002, the unamortized premium was $665 and $878, respectively.

(g) The property had a permanent interest only loan bearing interest at LIBOR plus 0.92%. At September 30, 2003 and December 31, 2002, the total interest rate was 2.04% and 2.30%, respectively. This variable rate debt was covered by an interest rate cap agreement which effectively prevented the interest rate from exceeding 8 %. A new $200,000 ten year loan at a fixed interest rate of 5.23% was entered into on November 4, 2003. The $145,000 floating loan was paid off upon the closing of this transaction.

(h) This loan was interest only bearing interest at LIBOR plus 3.30%. At September 30, 2003 and December 31, 2002, the total interest rate was 4.42% and 4.68%, respectively. This variable rate debt was covered by an interest rate cap agreement which effectively prevented the interest rate from exceeding 8%. The loan was collateralized by the Company's interest in the FlatIron Crossing Shopping Center. The $35,000 floating rate loan was paid off upon closing of the new $200,000 loan described in Note (g) above.

(i) On August 7, 2003, the Company paid off the old loan and placed a new $30,000 ten-year fixed rate loan at an interest rate of 6.18%. The Company recognized a $126 loss on early extinguishment of the old debt.

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

(k) This represents a construction loan which shall not exceed $51,000 bearing interest at LIBOR plus 2.0%. At September 30, 2003 and December 31, 2002, the total interest rate was 3.12% and 3.40%, respectively.

(l) This loan was issued on July 10, 2001 for $89,000, and may be increased up to $96,000 subject to certain conditions. In April 2003, the additional $7,000 was funded at a fixed rate of 7.0% until maturity.

(m) In January, 2003, the Company placed a $32,250 floating rate note on the property bearing interest at LIBOR plus 1.65% and maturing December 31, 2005. The total interest rate at September 30, 2003 was 3.22%.

(n) At September 30, 2003 and December 31, 2002, the unamortized premium was $2,560 and $3,150, respectively.

(o) At September 30, 2003 and December 31, 2002, the unamortized premium was $1,637 and $1,857, respectively.

(p) On January 2, 2003, the Company sold its 67% interest in Paradise Village Gateway.

(q) This represents a construction loan which shall not exceed $46,300 bearing interest at LIBOR plus 2.25%. At September 30, 2003 and December 31, 2002, the total interest rate was 3.38% and 3.50%, respectively.

(r) This represents a $225,000 construction loan bearing interest at LIBOR plus 2.50%. The loan converts to a permanent fixed rate loan at 7%, subject to certain conditions including completion and stabilization of the expansion and redevelopment project. As of September 30, 2003, the total interest rate was 3.62%. NML is the lender for 50% of the construction loan. The funds advanced by NML is considered related party debt as they are a joint venture partner with the Company in Macerich Northwestern Associates.

(s) Concurrent with the acquisition of the mall, the Company placed a $108,000 loan bearing interest at LIBOR plus 1.15% and maturing July 1, 2004 with three consecutive one year options. $92,000 of the loan is at LIBOR plus 0.7% and $16,000 is at LIBOR plus 3.75%. This variable rate debt is covered by an interest rate cap agreement over two years which effectively prevents the LIBOR interest rate from exceeding 7.10%. At September 30, 2003 and December 31, 2002, the total weighted average interest rate was 2.24% and 2.58%, respectively.

(t) At September 30, 2003 and December 31, 2002, the unamortized premium was $475 and $592, respectively.

(u) At September 30, 2003 and December 31, 2002, the unamortized premium was $217 and $287, respectively.

(v) At September 30, 2003 and December 31, 2002, the unamortized premium was $189 and $302, respectively.

(w) At September 30, 2003 and December 31, 2002, the unamortized premium was $86 and $245, respectively.

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

(y) At September 30, 2003 and December 31, 2002, the unamortized premium was $0 and $35, respectively.

(z) At September 30, 2003 and December 31, 2002, the unamortized premium was $885 and $968, respectively.

(aa) This represents a construction loan which shall not exceed $13,300 bearing interest at LIBOR plus 2.25%. At September 30, 2003 and December 31, 2002, the weighted average interest rate was 3.34% and 3.57%, respectively.

(ab) At September 30, 2003 and December 31, 2002, the unamortized premium was $1,420 and $1,893, respectively.

(ac) This represented a construction loan which was not to exceed $35,000 and bore interest at LIBOR plus 1.60%. At December 31, 2002, the total interest rate was 3.04%. On September 23, 2003, the joint venture obtained a new $32,000 permanent fixed rate loan at 4.37% maturing in October 2008.

(ad) This represented a construction loan which was not to exceed $17,000 and bore interest at LIBOR plus 2.0%. At December 31, 2002, the total interest rate was 3.55%. On September 25, 2003, the joint venture obtained a new $20,000 permanent fixed rate loan at 5.19% maturing in October 2008.

(ae) This note originally matured on October 1, 2002. The Company has extended this note to January 1, 2005 at a fixed interest rate of 5.42%.

(af) This note was assumed at acquisition. The loan consists of 14 tranches, with a range of maturities from 36 months (with two 18-month extension options) to 60 months. The variable rate debt ranges from LIBOR plus 60 basis points to LIBOR plus 250 basis points, and fixed rate debt ranges from 5.01% to 6.18%. An interest rate swap was entered into to convert $1,482 of floating rate debt with a weighted average interest rate of 3.97% to a fixed rate of 5.39%. The interest rate swap has been designated as a hedge in accordance with SFAS 133. Additionally, interest rate caps were entered into on a portion of the debt and reverse interest rate caps were simultaneously sold to offset the effect of the interest rate cap agreements. These interest rate caps do not qualify for hedge accounting in accordance with SFAS 133.

(ag) At September 30, 2003 and December 31, 2002, the unamortized premium was $385 and $474, respectively.

(ah) In connection with the acquisition of this property, the joint venture assumed $127,000 of collateralized fixed rate notes (the "Notes"). The Notes bear interest at an average fixed rate of 7.20% and mature in August 2005. The Notes require the joint venture 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, 2003 and December 31, 2002.

(ai) On July 28, 2000, the joint venture placed a $16,125 floating rate note on the property bearing interest at LIBOR plus 2.25% and maturing July 2003.On August 24, 2003, the Company negotiated a two-year loan extension with the lender and the loan was increased to $17,150. At September 30, 2003 and December 31, 2002, the total interest rate was 2.93% and 3.57%, respectively.

(aj) At September 30, 2003 and December 31, 2002, the unamortized premium was $208 and $262, respectively.

(ak) At September 30, 2003 and December 31, 2002, the unamortized premium was $154 and $200, respectively.

(al) At September 30, 2003 and December 31, 2002, the unamortized premium was $103 and $117, respectively.

(am) At September 30, 2003 and December 31, 2002, the unamortized premium was $5,038 and $6,024, respectively.

(an) At September 30, 2003 and December 31, 2002, the unamortized premium was $3,423 and $4,093, respectively.

(ao) This represents a construction loan which shall not exceed $54,000 bearing interest at LIBOR plus 2.25%. At September 30, 2003, the total interest rate was 3.42%.

(ap) In connection with the acquisition of these Centers, the joint venture assumed $485,000 of mortgage notes payable which are collateralized by the properties. At acquisition, the $300,000 fixed rate portion of this debt reflected a fair value of $322,700, which included an unamortized premium of $22,700. This premium is being amortized as interest expense over the life of the loan using the effective interest method. At September 30, 2003 and December 31, 2002, the unamortized balance of the debt premium was $8,552 and $10,744, respectively. This debt is due in May 2006 and requires monthly payments of $1,852. $184,500 of this debt was refinanced in May 2003 with a new note for $186,500 that requires monthly interest payments at a variable rate (based on LIBOR) of 1.53% at September 30, 2003. This variable rate debt is covered by interest rate cap agreements, which effectively prevents the interest rate from exceeding 10.63%.

On April 12, 2000, the joint venture issued $138,500 of additional mortgage notes, which are collateralized by the properties and are due in May 2006. $57,100 of this debt requires fixed monthly interest payments of $387 at a weighted average rate of 8.13% while the floating rate notes of $81,400 require monthly interest payments at a variable weighted average rate (based on LIBOR) of 1.49% and 1.79% at September 30, 2003 and December 31, 2002, respectively. This variable rate debt is covered by an interest rate cap agreement which effectively prevents the interest rate from exceeding 11.83%.

(aq) This represented a construction loan which was not to exceed $23,300 bearing interest at LIBOR plus 2.0%. At December 31, 2002, the total interest rate was 3.44%. On June 6, 2003, the property was sold.

(ar) This note was assumed at acquisition. The loan consists of 14 tranches, with a range of maturities from 36 months (with two 18-month extension options) to 60 months. The variable rate debt ranges from LIBOR plus 60 basis points to LIBOR plus 250 basis points, and fixed rate debt ranges from 5.01% to 6.18%. An interest rate swap was entered into to convert $11,363 of floating rate debt with a weighted average interest rate of 3.97% to a fixed rate of 5.39%. The interest rate swap has been designated as a hedge in accordance with SFAS 133. Additionally, interest rate caps were entered into on a portion of the debt and reverse interest rate caps were simultaneously sold to offset the effect of the interest rate cap agreements. These interest rate caps do not qualify for hedge accounting in accordance with SFAS 133.

(as) At September 30, 2003 and December 31, 2002, the unamortized premium was $175 and $227, respectively.

(at) At September 30, 2003 and December 31, 2002, the unamortized premium was $127 and $176, respectively.

(au) At September 30, 2003 and December 31, 2002, the unamortized premium was $231 and $268, respectively.

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

Total interest expense capitalized (including the pro rata share of joint ventures of $1,432 and $576) during the nine and three months ended September 30, 2003 was $10,127 and $4,359, respectively. Total interest expense capitalized (including the pro rata share of joint ventures of $510 and $273) during the nine and three months ended September 30, 2002, was $5,261 and $1,791, respectively.

The fair value of mortgage notes payable, (including the pro rata share of joint ventures of $1,076,570 and $1,133,131 at September 30, 2003 and December 31, 2002 respectively), is estimated to be approximately $3,156,433 and $2,966,403, at September 30, 2003 and December 31, 2002, respectively, based on current interest rates for comparable loans.

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6. Bank and Other Notes Payable:

The Company had a credit facility of $200,000 with a maturity of July 26, 2002, with a right to extend the facility to May 26, 2003 subject to certain conditions. On July 26, 2002, the Company replaced the $200,000 credit facility with a new $425,000 revolving line of credit. This increased revolving line of credit has a three-year term plus a one-year extension. The interest rate fluctuates from LIBOR plus 1.75% to LIBOR plus 3.00% depending on the Company's overall leverage level. As of September 30, 2003 and December 31, 2002, $212,000 and $344,000 of borrowings were outstanding under this credit facility at an average interest rate of 3.88% and 4.72%, respectively. The Company, through its acquisition of Westcor, has an interest rate swap with a $50,000 notional amount. The swap matures December 1, 2003, and was designated as a cash flow hedge. This swap will serve to reduce exposure to interest rate risk effectively converting the LIBOR rate on $50,000 of the Company's variable interest rate borrowings to a rate of 3.215%. The swap is reported at fair value, with changes in fair value recorded as a component of other comprehensive income. Net receipts or payments under the agreement will be recorded as an adjustment to interest expense.

Concurrent with the acquisition of Westcor (See Note 3), the Company placed a $380,000 interim loan with a term of up to six months plus two six-month extension options bearing interest at an average rate of LIBOR plus 3.25% and a $250,000 term loan with a maturity of up to three years with two one-year extension options and an interest rate ranging from LIBOR plus 2.75% to LIBOR plus 3.00% depending on the Company's overall leverage level. On November 27, 2002, the entire interim loan was paid off. At September 30, 2003 and December 31, 2002, $196,800 and $204,800 of the term loan was outstanding at an interest rate of 4.20% and 4.78%, respectively.

On May 13, 2003, the Company issued $250,000 in unsecured notes maturing in May 2007 with a one-year extension option bearing interest at LIBOR plus 2.50%. The proceeds were used to pay down and create more availability under the Company's line of credit. At September 30, 2003, $250,000 was outstanding at an interest rate of 4.0%. In October 2003, the Company entered into an interest rate swap agreement which will effectively fix the interest rate at 4.45% from November 2003 to October 13, 2005.

The Company reclassified $994 for the nine months ending September 30, 2003 and 2002 related to treasury rate lock transactions settled in prior years from accumulated other comprehensive income to earnings and expects to reclassify $1,328 for the year ended December 31, 2003. Additionally, the Company recorded other comprehensive income of $775 related to the mark to market of an interest rate swap agreement for the nine months ended September 30, 2003.

Additionally, as of September 30, 2003, the Company has contingent obligations of $31,597 in letters of credit guaranteeing performance by the Company of certain obligations relating to the Centers. The Company does not believe that these letters of credit will result in a liability to the Company.

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7. Convertible Debentures:

During 1997, the Company issued and sold $161,400 of its convertible subordinated debentures (the “Debentures”). The Debentures, which were sold at par, with an interest rate of 7.25% annually (payable semi-annually) and were convertible into common stock at any time, on or after 60 days, from the date of issue at a conversion price of $31.125 per share. In November and December 2000, the Company purchased and retired $10,552 of the Debentures. In December 2001, the Company purchased and retired an additional $25,700 of the Debentures. The Debentures matured on December 15, 2002 and were repaid in full on December 13, 2002 with the Company’s revolving credit facility.

8. Related-Party Transactions:

The Company engaged Macerich Management Company and certain of the Westcor Management Companies to manage the operations of certain properties and unconsolidated joint ventures. For the nine and three months ending September 30, 2003, management fees of $6,039 and $2,089 respectively, were paid to Macerich Management Company by the joint ventures. For the nine and three months ending September 30, 2003, management fees of $3,405 and $420, respectively, for the unconsolidated entities, were paid to certain of the Westcor Management Companies by the joint ventures. For the nine and three months ending September 30, 2002, management fees of $5,749 and $1,982, respectively, were paid to Macerich Management Company by the joint ventures. For the period July 27, 2002 to September 30, 2002, management fees of $531 for the unconsolidated entities were paid to certain of the Westcor Management Companies by the Company.

Certain mortgage notes are held by one of the Company’s joint venture partners, NML. Interest expense in connection with these notes was $4,261 and $1,430 for the nine and three months ended September 30, 2003; and $4,360 and $1,461 for the nine and three months ended September 30, 2002, respectively. Included in accounts payable and accrued expenses is interest payable to NML of $231 and $257 at September 30, 2003 and December 31, 2002, respectively.

As of September 30, 2003 and December 31, 2002, the Company has loans to unconsolidated joint ventures of $32,592 and $28,533, respectively. These loans represent initial funds advanced to development stage projects prior to construction loan fundings. Correspondingly, loans payable from unconsolidated joint ventures in this same amount have been accrued as an obligation of various joint ventures.

A certain executive officer has an outstanding loan from the Company totaling $1,000 as of September 30, 2003. This loan is full recourse to the executive and was issued under the terms of the employee stock incentive plan, bearing interest at 7% and due in 2009 and is collateralized by Company common stock owned by the executive. This loan receivable is included in other assets at September 30, 2003 and December 31, 2002.

Certain Company officers and affiliates have guaranteed mortgages of $21,750 at one of the Company’s joint venture properties.

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9. Commitments and Contingencies:

The Company has certain properties subject to noncancellable operating ground leases. The leases expire at various times through 2098, subject in some cases to options to extend the terms of the lease. Certain leases provide for contingent rent payments based on a percentage of base rental income, as defined. Ground rent expenses, net of amounts capitalized, were $969 and $217 for the nine and three months ended September 30, 2003, respectively; and were $942 and $310 for the nine and three months ended September 30, 2002, respectively. No contingent rent was incurred in either period.

The Company is currently redeveloping Queens Center. Total costs are expected to be between $250,000 and $275,000, of which the Company has already incurred $141,246 and $59,561 as of September 30, 2003 and December 31, 2002, respectively.

The Company has a 3.3% interest in Constellation Real Technologies, LLC, a joint venture investing in real estate technology initiatives and opportunities. The Company funded $43 in 2003 and $959 in 2001 and has committed, subject to certain conditions, to fund up to an additional $287 in 2003 and $330 in 2004 to this joint venture.

Perchloroethylene (“PCE”) has been detected in soil and groundwater in the vicinity of a dry cleaning establishment at North Valley Plaza, formerly owned by a joint venture of which the Company was a 50% member. The property was sold on December 18, 1997. The California Department of Toxic Substances Control (“DTSC”) advised the Company in 1995 that very low levels of Dichloroethylene (“1,2 DCE”), a degradation byproduct of PCE, had been detected in a municipal water well located 1/4 mile west of the dry cleaners, and that the dry cleaning facility may have contributed to the introduction of 1,2 DCE into the water well. According to DTSC, the maximum contaminant level (“MCL”) for 1,2 DCE which is permitted in drinking water is 6 parts per billion (“ppb”). The 1,2 DCE was detected in the water well at a concentration of 1.2 ppb, which is below the MCL. The Company has retained an environmental consultant and has initiated extensive testing of the site. The joint venture agreed (between itself and the buyer) that it would be responsible for continuing to pursue the investigation and remediation of impacted soil and groundwater resulting from releases of PCE from the former dry cleaner. Approximately $71 and $188 have already been incurred by the joint venture for remediation, professional and legal fees for the nine months ending September 30, 2003 and 2002, respectively. The joint venture has been sharing costs with former owners of the property.

The Company acquired Fresno Fashion Fair in December 1996. Asbestos was detected in structural fireproofing throughout much of the Center. Testing data conducted by professional environmental consulting firms 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 at acquisition included a reserve of $3,300 to cover future removal of this asbestos, as necessary. The Center was recently renovated and a substantial amount of the asbestos was removed. The Company incurred $1,226 and $169 in remediation costs for the nine months ending September 30, 2003 and 2002, respectively. An additional $1,136 remains reserved at September 30, 2003.

10. Cumulative Convertible Redeemable Preferred Stock:

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

On June 16, 1998, the Company issued 5,487,471 shares of Series B cumulative convertible redeemable preferred stock ("Series B Preferred Stock") for proceeds totaling $150,000 in a private placement. The preferred stock was convertible on a one for one basis into common stock and paid a quarterly dividend equal to the greater of $0.46 per share, or the dividend then payable on a share of common stock. On September 9, 2003, all of the shares of Series B Preferred Stock were converted to common stock.

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

The holders of Series A Preferred Stock have redemption rights if a change in control of the Company occurs, as defined under the Articles Supplementary. Under such circumstances, the holders of the Series A Preferred Stock are entitled to require the Company to redeem their shares, to the extent the Company has funds legally available therefor, at a price equal to 105% of their respective liquidation preference plus accrued and unpaid dividends. The Series A Preferred Stockholder also has the right to require the Company to repurchase its shares if the Company fails to be taxed as a REIT for federal tax purposes at a price equal to 115% of its liquidation preference plus accrued and unpaid dividends, to the extent funds are legally available therefore.

11. Common Stock Offerings:

On February 28, 2002, the Company issued 1,968,957 common shares with total net proceeds of $51,941. The proceeds from the sale of the common shares were used principally to finance a portion of the Queens Center expansion and redevelopment project and for general corporate purposes.

On November 27, 2002, the Company issued 15,200,000 common shares with total net proceeds of $420,300. The proceeds of the offering were used to pay off a $380,000 interim loan incurred concurrent with the Westcor acquisition and a portion of other acquisition debt.

12. Westcor Acquisition:

On July 26, 2002, the Operating Partnership acquired Westcor Realty Limited Partnership and its affiliated companies ("Westcor"). Westcor is the dominant owner, operator and developer of regional malls and specialty retail assets in the greater Phoenix area. The total purchase price was approximately $1,475,000 including the assumption of $733,000 in existing debt and the issuance of approximately $72,000 of convertible preferred operating partnership units at a price of $36.55 per unit. Additionally, $18,910 of partnership units of Westcor Realty Limited Partnership were issued to limited partners of Westcor which, subject to certain conditions, can be converted on a one for one basis into operating partnership units of the Operating Partnership. The balance of the purchase price was paid in cash which was provided primarily from a $380,000 interim loan, which was subsequently paid in full in 2002, and a $250,000 term loan with a maturity of up to three years with two one-year extension options and an interest rate ranging from LIBOR plus 2.75% to LIBOR plus 3.00% depending on the Company's overall leverage level.

On an unaudited pro forma basis, reflecting the acquisition of Westcor as if it had occurred on January 1, 2002, the Company would have reflected net income available to common stockholders of $28,104 for the nine months ended September 30, 2002. Net income available to common stockholders on a diluted per share basis would be $0.76 for the nine months ended September 30, 2002. Total consolidated revenues of the Company would have been $320,118 for the nine months ended September 30, 2002.

The condensed balance sheet of Westcor presented below is as of the date of acquisition:

Property, net	$	769,362
Investments in unconsolidated joint ventures		363,600
Other assets		37,155
Total assets	$	1,170,117
Mortgage notes payable	$	373,453
Other liabilities		33,924
Total liabilities		407,377
Total partners' capital		762,740
Total liabilities and partners' capital	$	1,170,117

The purchase price allocation adjustments included in the Company's balance sheet as of September 30, 2003 are based on information available at this time. Subsequent adjustments to the allocation may be made based on additional information.

13. Subsequent Events:

On October 30, 2003, a dividend/distribution of $0.61 per share was declared for common stockholders and OP unit holders of record on November 15, 2003. In addition, the Company declared a dividend of $0.61 on the Company's Series A Preferred Stock. All dividends/distributions will be payable on December 9, 2003.

Item 2

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

General Background and Performance Measurement

The Company uses Funds from Operations ("FFO") in addition to net income to report its operating and financial results and considers FFO a supplemental measure for the real estate industry and a supplement to GAAP measures. The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as net income (loss) (computed in accordance with Generally Accepted Accounting Principles ("GAAP")), excluding gains (or losses) from extraordinary items and sales of depreciated operating properties, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO on the same basis. FFO is useful to investors in comparing operating and financial results between periods. This is especially true since FFO excludes real estate depreciation and amortization, as the Company believes real estate values fluctuate based on market conditions rather than depreciating in value ratably on a straight-line basis over time. FFO does not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income as defined by GAAP and is not indicative of cash available to fund all cash flow needs. FFO, as presented, may not be comparable to similarly titled measures reported by other real estate investment trusts. For the reconciliation of FFO to net income available to common stockholders, see "Funds from Operations."

Percentage rents generally increase or decrease with changes in tenant sales. As leases roll over, however, a portion of historical percentage rent is often converted to minimum rent. It is therefore common for percentage rents to decrease as minimum rents increase. Accordingly, in discussing financial performance, the Company combines minimum and percentage rents in order to better measure revenue growth.

The following discussion is based primarily on the consolidated balance sheet of the Company as of September 30, 2003 and also compares the activities for the nine and three months ended September 30, 2003 to the activities for the nine and three months ended September 30, 2002. 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 representation of the results for the interim periods presented and all such adjustments are of a normal recurring nature.

Forward-Looking Statements

This quarterly report on Form 10-Q contains or incorporates statements that constitute forward-looking statements. Those statements appear in a number of places in this Form 10-Q and include statements regarding, among other matters, the Company's growth, acquisition, redevelopment and development opportunities, the Company's acquisition and other strategies, regulatory matters pertaining to compliance with governmental regulations and other factors affecting the Company's financial condition or results of operations. Words such as "expects," "anticipates," "intends," "projects," "predicts," "plans," "believes," "seeks," "estimates," and "should" and variations of these words and similar expressions, are used in many cases to identify these forward-looking statements. Stockholders are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company or industry to vary materially from the Company's future results, performance or achievements, or those of the industry, expressed or implied in such forward-looking statements. Such factors include the matters described herein and the following factors among others: general industry, economic and business conditions, which will, among other things, affect demand for retail space or retail goods, availability and creditworthiness of current and prospective tenants, tenant bankruptcies, lease rates and terms, availability and cost of financing, interest rate fluctuations and operating expenses; adverse changes in the real estate markets including, among other things, competition from other companies, retail formats and technologies, risks of real estate redevelopment, development, acquisitions and dispositions; governmental actions and initiatives (including legislative and regulatory changes); environmental and safety requirements; and terrorist activities that could adversely affect all of the above factors. The Company will not update any forward-looking information to reflect actual results or changes in the factors affecting the forward-looking information.

Statement on Critical Accounting Policies

The Securities and Exchange Commission ("SEC") defines "critical accounting policies" as those that require application of management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the financial statements and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Some of these estimates and assumptions include judgments on revenue recognition, estimates for common area maintenance and real estate tax accruals, provisions for uncollectable accounts and estimates for environmental matters. The Company's significant accounting policies are described in more detail in Note 2 of the audited consolidated financial statements included in the Company's Annual Report on Form 10K for the year ended December 31, 2002, as amended by Current Report on Form 8-K (event date July 14, 2003). However, the following policies could be deemed to be critical within the SEC definition.

Revenue Recognition:

Minimum rental revenues are recognized on a straight-line basis over the terms of the related lease. The difference between the amount of rent due in a year and the amount recorded as rental income is referred to as the "straight-lining of rent adjustment." Currently, 22% of the mall and freestanding leases contain provisions for CPI rent increases, periodically throughout the term of the lease, which generally do not require straight-lining treatment. The Company believes that using CPI increases, rather than fixed contractual rent increases, results in revenue recognition that more closely matches the cash revenue from each lease and will provide more consistent rent growth throughout the term of the leases. Percentage rents are recognized in accordance with Staff Accounting Bulletin 101. Recoveries from tenants for real estate taxes, insurance and other shopping center operating expenses are recognized as revenues in the period the applicable expenses are incurred.

Property:

Costs related to the development, redevelopment, construction and improvement of properties are capitalized and depreciated as outlined below. Interest incurred or imputed on development, redevelopment and construction projects are capitalized until construction is substantially complete.

Maintenance and repairs expenses are charged to operations as incurred. Costs for major replacements and betterments, which includes HVAC equipment, roofs, parking lots, etc. are capitalized and depreciated over their estimated useful lives. Realized gains and losses are recognized upon disposal or retirement of the related assets and are reflected in earnings.

Property is recorded at cost and is depreciated using a straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	5-40 years
Tenant improvements	initial term of related lease
Equipment and furnishings	5-7 years

Property, Continued:

The Company accounts for all acquisitions entered into subsequent to June 30, 2001 in accordance with SFAS 141. The Company will determine a fair value for assets and liabilities acquired, which generally consist of land, buildings, acquired in-place leases and debt. Acquired in-place leases are valued based on the present value of the difference between prevailing market rates and the in-place rates over the remaining lease term. The fair value of debt is determined based upon the present value of the difference between prevailing market rates for similar debt and the face value of the debt over the remaining term of the debt.

When the Company acquires real estate properties, the Company allocates the components of these acquisitions using relative fair values computed using its estimates and assumptions. These estimates and assumptions impact the amount of costs allocated between land and different categories of land improvements as well as the amount of costs assigned to individual properties in multiple property acquisitions. These allocations also impact depreciation expense and gains or losses recorded on future sales of properties.

The Company assesses whether there has been an impairment in the value of its long-lived assets by considering factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other economic factors. Such factors include the tenants' ability to perform their duties and pay rent under the terms of the leases. The Company may recognize an impairment loss if the income stream is not sufficient to cover its investment. Such a loss would be determined as the difference between the carrying value and the fair value of a center.

Deferred Charges:

Costs relating to obtaining tenant leases are deferred and amortized over the initial term of the agreement using the straight-line method. Cost relating to financing of shopping center properties are deferred and amortized over the life of the related loan using the straight-line method, which approximates the effective interest method. The range of the terms of agreements are as follows:

Deferred lease costs	1 – 20 years
Deferred financing costs	1 – 15 years

Off-Balance Sheet Arrangements:

Debt guarantees:

The Company has an ownership interest in a number of joint ventures as detailed in Note 3 to the Company's Consolidated Financial Statements included herein. The Company accounts for those investments using the equity method of accounting and those investments are reflected on the Consolidated Balance Sheets of the Company as "Investments in Unconsolidated Joint Ventures and the Management Companies." A pro rata share of the mortgage debt on these properties is shown in Note 5 to the Company's Consolidated Financial Statements included herein. In addition, the following joint ventures also have debt

that could become recourse debt to the Company or its subsidiaries, in excess of its pro rata share, should the partnership be unable to discharge the obligations of the related debt:

Asset/Property		Maximum amount of debt principal that could be recourse to the Company	Maturity Date
Boulevard Shops	$	10,400	1/1/2004
Scottsdale 101		19,717	5/1/2006
Total	$	30,117	

Additionally, as of September 30, 2003, the Company has certain obligations of $31.6 million in letters of credit guaranteeing performance by the Company of certain obligations relating to the Centers. The Company does not believe that these letters of credit will result in a liability to the Company.

Recent Transactions

The following table reflects the Company's acquisitions in 2002 and 2003.

Property/Entity	Date Acquired	Location
The Oaks	June 10, 2002	Thousand Oaks, California
Westcor Realty Limited Partnership	July 26, 2002	Nine regional and super-regional malls in Phoenix and Colorado and 18 urban villages or community centers. The aggregate gross leasable area was approximately 14.1 million square feet. Additionally, the portfolio included two retail properties under development, as well as rights to over 1,000 acres of undeveloped land.
Northridge Mall	September 15, 2003	Salinas, California

On March 19, 2002, the Company sold Boulder Plaza, a 159,238 square foot community center in Boulder, Colorado for $24.7 million. The proceeds from the sale were used for general corporate purposes.

On June 10, 2002, the Company acquired The Oaks, a 1.1 million square foot super-regional mall in Thousand Oaks, California. The total purchase price was $152.5 million and was funded with $108.0 million of debt, bearing interest at LIBOR plus 1.15%, placed concurrently with the acquisition. The balance of the purchase price was funded by cash and borrowings under the Company's line of credit. The Oaks is referred to herein as the "2002 Acquisition Center."

On July 26, 2002, the Operating Partnership acquired Westcor Realty Limited Partnership and its affiliated companies ("Westcor"). The total purchase price was approximately $1.475 billion including the assumption of $733 million in existing debt and the issuance of approximately $72 million of convertible preferred operating partnership units at a price of $36.55 per unit. Additionally, $18.9 million of partnership units of Westcor Realty Limited Partnership were issued to limited partners of Westcor which, subject to certain conditions, can be converted on a one for one basis into operating partnership units of the Operating Partnership. The balance of the purchase price was paid in cash which was provided primarily from a $380 million Interim Credit Facility, which was subsequently paid in full in 2002, and a $250 million Term Loan with a maturity of up to three years with two one-year extension options and with an interest rate ranging from LIBOR plus 2.75% to LIBOR plus 3.00% depending on the Company's overall leverage level.

On November 8, 2002, the Company purchased its joint venture partner's interest in Panorama City Associates, which owns Panorama Mall in Panorama, California. The purchase price was approximately $23.7 million.

On December 24, 2002, the former Montgomery Ward site at Pacific View Mall in Ventura, California was sold for approximately $15.4 million. The proceeds from the sale were used to repay a portion of the Term Loan.

On January 2, 2003, the Company sold its 67% interest in Paradise Village Gateway, a 296,153 square foot Phoenix area urban village, for approximately $29.4 million. The proceeds from the sale were used to repay a portion of the Term Loan. The sale resulted in a loss on sale of asset of $0.2 million.

On January 31, 2003, the Company purchased its joint venture partner's 50% interest in FlatIron Crossing. The purchase price consisted of approximately $68.3 million in cash plus the assumption of the joint venture partner's share of debt of $90.0 million.

On May 15, 2003, the Company sold 49.9% of its partnership interest in the Village at Corte Madera for a total purchase price of approximately $65.9 million, plus the assumption of a proportionate amount of the partnership debt in the amount of approximately $34.7 million. The Company is retaining a 50.1% partnership interest and will continue leasing and managing the asset. The sale resulted in a gain on sale of asset of $8.8 million.

On June 6, 2003, the Shops at Gainey Village, a 138,000 square foot Phoenix area specialty center, was sold for $55.7 million. The Company, which owned 50% of this property, received total proceeds of $15.8 million and recorded a gain on sale of asset of $2.8 million.

On August 4, 2003, the Company sold Bristol Center, a 161,000 square foot community center in Santa Ana, California. The sales price was approximately $30.0 million and recorded a gain on sale of asset of $22.3 million in discontinued operations.

On September 15, 2003, the Company acquired Northridge Mall, a 973,000 square foot super-regional mall in Salinas, California. The total purchase price was $128.5 million and was funded by sales proceeds from Bristol Center and borrowings under the Company's line of credit. Northridge Mall is referred to herein as the "2003 Acquisition Center."

A portion of the Westcor portfolio is joint ventures and the properties 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 2002 Acquisition Center, the Westcor portfolio acquisition during 2002 and the 2003 Acquisition Center. Many factors impact the Company's ability to acquire additional properties, including the availability and cost of capital, the Company's overall debt to market capitalization level, interest rates and the availability of potential acquisition targets that meet the Company's criteria. Crossroads Mall-Boulder, Parklane Mall and Queens Center are currently under redevelopment and are referred to herein as the "Redevelopment Centers." All other Centers, excluding the Redevelopment Centers, the 2002 Acquisition Center, the Westcor portfolio (which includes the two development properties) and the 2003 Acquisition Center, are referred to herein as the "Same Centers," unless the context otherwise requires. The 2002 Acquisition Center is included in the "Same Centers" for the three months ending September 30, 2003.

Revenues include rents attributable to the accounting practice of straight-lining of rents which requires rent to be recognized each year in an amount equal to the average rent over the term of the lease, including fixed rent increases over that period. The amount of straight-lined rents, included in consolidated revenues, recognized for the nine and three months ended September 30, 2003 was $1.8 million and $0.5 million, respectively, compared to $0.1 million and $0.4 million for the nine and three months ended September 30, 2002. Additionally, the Company recognized through equity in income of unconsolidated joint ventures, $1.5 million and $0.4 million as its pro rata share of straight-lined rents from joint ventures for the nine and three months ended September 30, 2003, respectively, compared to $1.4 million and $1.0 million for the nine and three months ended September 30, 2002. As a result of the Company structuring the majority of its new leases using annual Consumer Price Index ("CPI") increases, which generally do not require straight-lining treatment, straight-line rent would have decreased, but are offset by increases of $3.9 million and $1.2 million relating to the 2002 Acquisition Center, the acquisition of the Westcor portfolio during 2002 and the 2003 Acquisition Center for the nine and three months ended September 30, 2003, respectively. Currently, 22% of the mall and freestanding leases contain provisions for CPI rent increases periodically throughout the term of the lease. The Company believes that using CPI increases, rather than fixed contractual rent increases, results in revenue recognition that more closely matches the cash revenue from each lease and will provide more consistent rent growth throughout the term of the leases.

Risk Factors

The Company's historical growth in revenues, net income and Funds From Operations have been closely tied to the acquisition and redevelopment of shopping centers. Many factors, including the availability and cost of capital, the Company's total amount of debt outstanding, interest rates and the availability of attractive acquisition targets, among others, will affect the Company's ability to acquire and redevelop additional properties in the future. The Company may not be successful in pursuing acquisition opportunities and newly acquired properties may not perform as well as expected in terms of achieving the anticipated financial and operating results. Increased competition for acquisitions may impact adversely the Company's ability to acquire additional properties on favorable terms. Expenses arising from the Company's efforts to complete acquisitions, redevelop properties or increase its market penetration may have an adverse effect on its business, financial condition and results of operations. In addition, the following describes some of the other significant factors that may impact the Company's future results of operations.

General Factors Affecting the Centers; Competition: Real property investments are subject to varying degrees of risk that may affect the ability of the Centers to generate sufficient revenues to meet operating and other expenses, including debt service, lease payments, capital expenditures and tenant improvements, and to make distributions to the Company and the Company's stockholders. Income from shopping center properties may be adversely affected by a number of factors, including: the national economic climate; the regional and local economy (which may be adversely impacted by plant closings, industry slowdowns, union activities, adverse weather conditions, natural disasters, terrorist activities, and other factors); local real estate conditions

(such as an oversupply of, or a reduction in demand for, retail space or retail goods and the availability and creditworthiness of current and prospective tenants); perceptions by retailers or shoppers of the safety, convenience and attractiveness of the shopping center; and increased costs of maintenance, insurance and operations (including real estate taxes). A significant percentage of the Centers are located in California and the Westcor centers are concentrated in Arizona. To the extent that economic or other factors affect California or Arizona (or their respective regions generally) more severely than other areas of the country, the negative impact on the Company's economic performance could be significant. There are numerous shopping facilities that compete with the Centers in attracting tenants to lease space, and an increasing number of new retail formats and technologies other than retail shopping centers that compete with the Centers for retail sales. Increased competition could adversely affect the Company's revenues. Income from shopping center properties and shopping center values are also affected by such factors as applicable laws and regulations, including tax, environmental, safety and zoning laws, interest rate levels and the availability and cost of financing.

Dependence on Tenants: The Company's revenues and funds available for distribution would be adversely affected if a significant number of the Company's lessees were unable (due to poor operating results, bankruptcy, terrorist activities or other reasons) to meet their obligations, if the Company were unable to lease a significant amount of space in the Centers on economically favorable terms, or if for any reason, the Company were unable to collect a significant amount of rental payments. A decision by a department store or another significant tenant to cease operations at a Center could also have an adverse effect on the Company. In addition, mergers, acquisitions, consolidations, dispositions or bankruptcies in the retail industry could result in the loss of tenants at one or more Centers. Furthermore, if the store sales of retailers operating in the Centers were to decline sufficiently, tenants might be unable to pay their minimum rents or expense recovery charges. In the event of a default by a lessee, the Center may also experience delays and costs in enforcing its rights as lessor.

Real Estate Development Risks: The Company's business strategy has expanded to include the selective development and construction of retail properties. Any development, redevelopment and construction activities that the Company undertakes will be subject to the risks of real estate development, including lack of financing, construction delays, environmental requirements, budget overruns, sunk costs and lease-up. Furthermore, occupancy rates and rents at a newly completed property may not be sufficient to make the property profitable. Real estate development activities are also subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land-use, building, occupancy and other required governmental permits and authorizations. If any of the above events occur, the ability to pay distributions and service the Company's indebtedness could be adversely affected.

Comparison of Nine Months Ended September 30, 2003 and 2002

Revenues

Minimum and percentage rents increased by 36.6% to $219.5 million in 2003 from $160.7 million in 2002. Approximately $51.7 million relates to the Westcor portfolio, $6.9 million relates to the 2002 Acquisition Center, $3.5 million relates to the Company acquiring 50% of its joint venture partner's interest in Panorama Mall and $0.4 million relates to the 2003 Acquisition Center. This is offset by a $0.6 million decrease relating to the Same Centers due to the fact lease termination payments received in 2002 were $1.6 million higher compared to 2003 and straight-line rents were $0.4 million higher in 2002 compared to 2003. This decrease in Same Centers revenues is offset by Same Center revenue increases due to releasing space at higher rents in 2003. Additionally, the Redevelopment Centers offset the increase in minimum and percentage rents by a $0.5 million decrease in revenues in 2003 compared to 2002 and a $2.6 million offset related to the Company's sale of 49.9% of its partnership interest in the Village at Corte Madera.

On July 1, 2001, the Company adopted SFAS No. 141, "Business Combinations" ("SFAS 141"). SFAS 141 requires that the purchase method of accounting be used for all business combinations for which the date of acquisition is after June 30, 2001. SFAS 141 also establishes specific criteria for the recognition of intangible assets such as acquired in-place leases. Acquired in-place leases are recorded at the difference between market value of rents and the actual rents of the acquired property as either an asset or liability. The amortization of the asset or liability decreases or increases the Company's minimum rent. The Company has determined that the impact of SFAS 141 on acquisitions that occurred during 2002 and 2003 was to recognize an additional $2.6 million of consolidated revenue which is included in minimum rents for the nine months ended September 30, 2003.

Tenant recoveries increased to $116.2 million in 2003 from $84.9 million in 2002. Approximately $25.5 million relates to the Westcor portfolio, $3.5 million relates to the 2002 Acquisition Center, $3.8 million relates to the Same Centers, $1.6 million relates to Panorama Mall and $0.2 million relates to the 2003 Acquisition Center. This is offset by a $1.8 million decrease relating to the Redevelopment Centers and a $1.3 million decrease relating to the sale of 49.9% partnership interest in the Village at Corte Madera.

Expenses

Shopping center and operating expenses increased to $122.2 million in 2003 compared to $86.8 million in 2002. The increase is a result of $29.1 million related to the Westcor portfolio, the 2002 Acquisition Center accounted for $2.9 million of the increase in expenses, $1.3 million relates to Panorama Mall, $1.9 million relates to increased property taxes, recoverable expenses and bad debt expense at the Redevelopment Centers and $0.6 million represents increased property taxes, insurance and other recoverable and non-recoverable expenses at the Same Centers. This is offset by a $1.2 million decrease relating to the sale of 49.9% partnership interest in the Village at Corte Madera.

REIT General and Administrative Expenses

REIT general and administrative expenses increased to $8.8 million in 2003 from $5.4 million in 2002, primarily due to increases in professional services, travel expenses and stock-based compensation expense.

Interest Expense

Interest expense increased to $98.8 million in 2003 from $86.2 million in 2002. Approximately $15.0 million of the increase is related to the debt from the Westcor portfolio, $1.0 million from the 2002 Acquisition Center, $0.8 million relates to the new $32.3 million loan placed on Panorama Mall in January 2003, $5.9 million represents increased interest expense compared to 2002 as a result of increased borrowings under the Company's new line of credit and $4.0 million is related to the $250.0 million of unsecured notes issued on May 13, 2003. In addition, the interest expense relating to the debentures paid off in December 2002 reduced interest expense by $6.7 million in 2003 compared to 2002 and the sale of 49.9% of the Company's partnership interest in Corte Madera resulted in a decrease of $2.1 million compared to 2002. Capitalized interest was $8.7 million in 2003, up from $4.8 million in 2002 primarily due to the redevelopment and expansion of Queens Center.

Depreciation and Amortization

Depreciation and amortization increased to $73.5 million in 2003 from $54.4 million in 2002. Approximately $2.1 million relates to additional capital costs at the Same Centers, $2.0 million relates to the 2002 Acquisition Center, $0.8 million relates to Panorama Mall and $14.6 million relates to the Westcor portfolio. This is offset by a $1.2 million decrease relating to the sale of 49.9% of the partnership interest in the Village at Corte Madera.

Income from Unconsolidated Joint Ventures and Macerich Management Companies

The income from unconsolidated joint ventures and the Macerich Management Companies was $42.9 million for 2003, compared to income of $20.9 million in 2002. $10.3 million was attributed to the acquisition of certain joint ventures in the Westcor portfolio, which included $1.0 million of revenue relating to SFAS 141, and $0.3 million relating to the Village at Corte Madera 49.9% partnership interest sale in 2003. Additionally in 2002, a loss of $11.3 million was included in unconsolidated joint ventures relating to the Company's investment in MerchantWired, LLC which included a $10.2 million write down of assets.

Gain on Sale of Assets

A gain of $12.0 million in 2003 represents $8.8 million from the Company's sale of 49.9% of its partnership interest in the Village at Corte Madera on May 15, 2003 and $2.8 million relates to the Company's sale of Gainey Village on June 6, 2003. This is compared to a loss of $3.7 million in 2002 representing the write down of assets from the Company's various technology investments.

Discontinued Operations

A gain of $22.6 million in 2003 relates to the sale of Bristol Mall on August 4, 2003, $0.9 million relates to gains on peripheral land sales and $0.2 million relates to a loss on the Company's sale of its 67% interest in Paradise Village Gateway on January 2, 2003. This is compared to a gain of $13.9 million in 2002 as a result of the Company selling Boulder Plaza on March 19, 2002.

Net Income Available to Common Stockholders

Primarily as a result of the purchase of the 2002 and 2003 Acquisition Centers, the Westcor portfolio, the Bristol, Corte Madera and Gainey Village sales, the issuance of $420.3 million of equity in November 2002 which was used to pay off debt, and the foregoing results, net income available to common stockholders increased to $87.7 million in 2003 from $27.7 million in 2002. In 2002, the sale of Boulder Plaza resulting in a gain of $13.9 million significantly increased net income available to common stockholders for the nine months ending September 30, 2002.

Operating Activities

Cash flow from operations was $187.6 million in 2003 compared to $131.4 million in 2002. The increase is primarily due to the Westcor portfolio, the 2002 Acquisition Center and increased net operating income at the Centers as mentioned above.

Investing Activities

Cash used in investing activities was $302.7 million in 2003 compared to cash used in investing activities of $836.5 million in 2002. The change resulted primarily from the acquisitions of the Westcor portfolio and 2002 Acquisition Center, the Company's purchase of its joint venture partner's 50% interest in FlatIron Crossing, the Company's sale of 49.9% of its partnership interest in Village at Corte Madera, an increase in equity of income of unconsolidated joint ventures due to the Westcor portfolio, the loss of $10.2 million in 2002 from the Company's investment in Merchant Wired, LLC and a $85.1 million increase in development, redevelopment and expansion of centers primarily due to the Queens Center expansion. This is offset by $112.8 million of proceeds received from the sale of Paradise Village Gateway, the Shops at Gainey Village, Bristol Center and 49.9% interest in the Village at Corte Madera and increased distributions from joint ventures primarily as a result of the Westcor portfolio.

Financing Activities

Cash flow provided by financing activities was $139.1 million in 2003 compared to cash flow provided by financing activities of $741.7 million in 2002. The change resulted primarily from the acquisitions of the Westcor portfolio and 2002 Acquisition Center, the construction loan at Queens Center of $73.0 million, the new loan of $32.2 million at Panorama Mall and the $250.0 million of unsecured notes issued on May 13, 2003. This is offset by $52.0 million of net proceeds from equity offerings in the first quarter of 2002 and a $108.0 million loan placed with the 2002 Acquisition Center.

Funds From Operations

Primarily as a result of the acquisitions of the Westcor portfolio, the purchase of the 2002 Acquisition Center and the other factors mentioned above, Funds from Operations – Diluted increased 41% to $190.8 million in 2003 from $135.2 million in 2002. For the reconciliation of FFO to net income available to common stockholders, see "Funds from Operations."

Comparison of Three Months Ended September 30, 2003 and 2002

Revenues

Minimum and percentage rents increased by 17.1% to $73.1 million in 2003 from $62.4 million in 2002. Approximately $11.3 million relates to the Westcor portfolio, $1.2 million relates to the Company acquiring 50% of its joint venture partner's interest in Panorama Mall, $0.4 million relates to the 2003 Acquisition Center and $0.3 million relates to the Same Centers. This is offset by a $0.4 million decrease relating to the Redevelopment Centers and $2.1 million related to the Company's sale of 49.9% of its partnership interest in the Village at Corte Madera.

On July 1, 2001, the Company adopted SFAS No. 141, "Business Combinations" ("SFAS 141"). SFAS 141 requires that the purchase method of accounting be used for all business combinations for which the date of acquisition is after June 30, 2001. SFAS 141 also establishes specific criteria for the recognition of intangible assets such as acquired in-place leases. Acquired in-place leases are recorded at the difference between market value of rents and the actual rents of the acquired property as either an asset or liability. The amortization of the asset or liability decreases or increases the Company's minimum rent. The Company has determined that the impact of SFAS 141 on acquisitions that occurred during 2002 and 2003 was to recognize an additional $0.9 million of consolidated revenue which is included in minimum rents for the three months ended September 30, 2003.

Tenant recoveries increased to $40.0 million in 2003 from $33.7 million in 2002. Approximately $8.2 million relates to the Westcor portfolio, $0.5 million relates to Panorama Mall and $0.2 million relates to the 2003 Acquisition Center. This is offset by a $0.6 million decrease relating to the Redevelopment Centers, $0.1 million decrease relating to the Same Centers and a $1.1 million decrease relating to the sale of 49.9% partnership interest in the Village at Corte Madera.

Expenses

Shopping center and operating expenses increased to $41.6 million in 2003 compared to $34.2 million in 2002. The increase is a result of $8.7 million related to the Westcor portfolio, $0.3 million relates to increased property taxes, recoverable expenses and bad debt expense at the Redevelopment Centers, $0.1 million represents increased non-recoverable expenses at the Same Centers and $0.5 million relates to Panorama Mall. This is offset by $0.9 million decrease relating to the sale of 49.9% partnership interest in the Village at Corte Madera.

REIT General and Administrative Expenses

REIT general and administrative expenses increased to $2.8 million in 2003 from $1.9 million in 2002, primarily due to increases in professional services and stock-based compensation expense.

Interest Expense

Interest expense decreased to $31.8 million in 2003 from $36.0 million in 2002. The interest expense relating to the debentures paid off in December 2002 reduced interest expense by $2.3 million in 2003 compared to 2002 and the sale of 49.9% of the Company's partnership interest in Corte Madera resulted in a decrease of $1.4 million compared to 2002. The issuance of $420.3 million of equity in November 2002 which was used to pay off debt attributed to the decrease in interest expense in 2003 compared to 2002. Capitalized interest was $3.8 million in 2003, up from $1.5 million in 2002.

Depreciation and Amortization

Depreciation and amortization increased to $25.3 million in 2003 from $21.1 million in 2002. Approximately $1.0 million relates to additional capital costs at the Same Centers, $0.1 million relates to Panorama Mall and $3.0 million relates to the Westcor portfolio. This is offset by a $0.8 million decrease relating to the sale of 49.9% of the partnership interest in the Village at Corte Madera.

Income from Unconsolidated Joint Ventures and Macerich Management Companies

The income from unconsolidated joint ventures and the Macerich Management Companies was $13.3 million for 2003, compared to income of $15.5 million in 2002. There were increases in 2003 of which $1.4 million was attributed to the acquisition of certain joint ventures in the Westcor portfolio which included $0.2 million of revenue relating to SFAS 141 and $1.2 million relating to the Village at Corte Madera 49.9% partnership interest sale in 2003. Additionally in 2002, a gain of $2.3 million was included in unconsolidated joint ventures relating to the Company's sale of peripheral land at Redmond Towne Center which offset the 2003 increases.

Discontinued Operations

A gain of $22.7 million in 2003 relates to the sale of Bristol Mall on August 4, 2003.

Net Income Available to Common Stockholders

Primarily as a result of the Westcor portfolio, the Bristol sale, the issuance of $420.3 million of equity in November 2002 which was used to pay off debt, and the foregoing results, net income available to common stockholders increased to $39.7 million in 2003 from $11.7 million in 2002.

Funds From Operations

Primarily as a result of the acquisition of the Westcor portfolio and the other factors mentioned above, Funds from Operations – Diluted increased 19% to $63.8 million in 2003 from $53.6 million in 2002. For the reconciliation of FFO to net income available to common stockholders, see "Funds from Operations."

Liquidity and Capital Resources

The Company intends to meet its short term liquidity requirements through cash generated from operations, working capital reserves, property secured borrowings and borrowing under the new revolving line of credit. 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. The following table summarizes capital expenditures incurred at the Centers, including the pro rata share of joint ventures, for the nine months ending September 30,

	2003	2002
	(Dollars in Millions)	
Acquisitions of property and equipment	$ 152.4	$ 923.2
Development, redevelopment and expansion of Centers	121.4	27.0
Renovations of Centers	12.0	4.2
Tenant allowances	5.7	9.9
Deferred leasing charges	14.1	12.2
Total	$ 305.6	$ 976.5

Management expects similar levels to be incurred in future years for tenant allowances and deferred leasing charges and to incur between $200 million to $300 million in 2003 for development, redevelopment, expansions and renovations, excluding Queens Center expansion and the developments of La Encantada and Scottsdale 101 which will be separately financed as described below. Capital for major expenditures or major developments and redevelopments has been, and is expected to continue to be, obtained from equity or debt financings which include borrowings under the Company's line of credit and construction loans. However, many factors impact the Company's ability to access capital, such as its overall debt level, interest rates, interest coverage ratios and prevailing market conditions.

On February 28, 2002, the Company issued 1,968,957 common shares with total net proceeds of $52.3 million. The proceeds from the sale of the common shares were used principally to finance a portion of the Queens Center expansion and redevelopment project and for general corporate purposes. The Queens

Center expansion and redevelopment is anticipated to cost between $250 million and $275 million. The Company has a $225 million construction loan which converts to a permanent loan at completion and stabilization, which is collateralized by the Queens Center property, to finance the remaining projects costs. Construction began in the second quarter of 2002 with completion estimated to be, in phases, through late 2004 and stabilization expected in 2005.

The Company has obtained construction loans for $51.0 million and $54.0 million for the developments of La Encantada and Scottsdale 101, respectively. The loans will be funded as construction costs are incurred.

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 for these purposes through a combination of debt or equity financings, joint ventures and the sale of non-core assets. The Company believes joint venture arrangements have in the past and may in the future provide an attractive alternative to other forms of financing, whether for acquisitions or other business opportunities.

The Company's total outstanding loan indebtedness at September 30, 2003 was $3.6 billion (including its pro rata share of joint venture debt of $1.0 billion). This equated to a debt to Total Market Capitalization (defined as total debt of the Company, including its pro rata share of joint venture debt, plus aggregate market value of outstanding shares of common stock, assuming full conversion of OP Units and preferred stock into common stock) ratio of approximately 56.3% at September 30, 2003. The majority of the Company's debt consists of fixed-rate conventional mortgages payable collateralized by individual properties.

The Company has filed a shelf registration statement, effective June 6, 2002, to sell securities. The shelf registration is for a total of $1.0 billion of common stock, common stock warrants or common stock rights. The Company sold a total of 15.2 million shares of common stock under this shelf registration on November 27, 2002. The aggregate offering price of this transaction was approximately $440.2 million, leaving approximately $559.8 million available under the shelf registration statement. In addition, the Company filed another shelf registration statement, effective October 27, 2003, to sell up to $300.0 million of preferred stock.

The Company had a credit facility of $200.0 million with a maturity of July 26, 2002 with a right to extend the facility subject to certain conditions. On July 26, 2002, concurrent with the closing of Westcor, the Company replaced this $200.0 million credit facility with a new $425.0 million revolving line of credit. This increased revolving line of credit has a three-year term plus a one-year extension. The interest rate fluctuates from LIBOR plus 1.75% to LIBOR plus 3.00% depending on the Company's overall leverage level. As of September 30, 2003, $212.0 million was outstanding at an average interest rate of 3.88%.

On May 13, 2003, the Company issued $250.0 million in unsecured notes maturing in May 2007 with a one-year extension option bearing interest at LIBOR plus 2.50%. The proceeds were used to pay down and create more availability under the Company's line of credit. At September 30, 2003, the entire $250.0 million of notes were outstanding at an interest rate of 4.0%.

The Company had $125.1 million of convertible subordinated debentures (the "Debentures"), which matured December 15, 2002. On December 13, 2002, the Debentures were repaid in full, using the Company's revolving credit facility.

The Company has a 3.3% interest in Constellation Real Technologies, LLC, a joint venture investing in real estate technology initiatives and opportunities. The Company funded $43,000 in 2003 and $959,000 in 2001 and has committed, subject to certain conditions, to fund up to an additional $287,000 in 2003 and $330,000 in 2004 to this joint venture.

At September 30, 2003, the Company had cash and cash equivalents available of $77.6 million.

Funds From Operations:

The Company uses FFO in addition to net income to report its operating and financial results and considers FFO a supplemental measure for the real estate industry and a supplement to GAAP measures. NAREIT defines FFO as net income (loss) (computed in accordance with GAAP, excluding gains (or losses) from extraordinary items and sales of depreciated operating properties, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect FFO on the same basis. FFO is useful to investors in comparing operating and financial results between periods. This is especially true since FFO excludes real estate depreciation and amortization, as the Company believes real estate values fluctuate based on market conditions rather than depreciating in value ratably on a straight-line basis over time. FFO does not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income as defined by GAAP and is not indicative of cash available to fund all cash flow needs. FFO, as presented, may not be comparable to similarly titled measures reported by other real estate investment trusts.

In compliance with the Securities and Exchange Commission's Regulation G and Amended Item 10 of Regulation S-K relating to non-GAAP financial measures, the Company has revised its FFO definition as of January 1, 2003 and for all prior periods presented, to include gain or loss on sales of peripheral land and the effect of SFAS No. 141. The Company's revised definition is in accordance with the definition provided by NAREIT. The gain on sales of land included in FFO for the nine and three months ended September 30, 2003 resulted in an increase to FFO of $1.2 million and $0.7 million, respectively, and the inclusion of SFAS No 141 increased FFO by $3.5 million and $1.2 million, respectively, including the pro rata share of joint ventures of $1.0 million and $0.2 million, respectively. During the nine and three months ended September 30, 2002, there were $2.3 million of peripheral land sales and no impact of SFAS 141. The Company adopted SFAS No. 141 effective October 1, 2002. The following reconciles net income available to common stockholders to FFO:

	Nine Months Ended September 30,	
	2003	2002
(All amounts are in thousands)	**Amount**	**Amount**

Net income available to common stockholders	$ 87,728	$ 27,748
Adjustments to reconcile net income to FFO - basic:		
Minority interest	22,913	9,364
Gain on sale or write-down of wholly-owned assets	(33,708)	(10,209)
Loss on sale or write-down of assets from unconsolidated entities (pro rata)	232	10,242
Depreciation and amortization on wholly owned centers	73,853	55,229
Depreciation and amortization on joint ventures and from the management companies (pro rata)	34,180	25,541
Less: depreciation on personal property and amortization of loan costs and interest rate caps	(6,847)	(5,136)
FFO - basic (1)	178,351	112,779
Additional adjustments to arrive at FFO - diluted:		
Impact of convertible preferred stock	12,458	15,222
Impact of stock options using the treasury method	—	(n/a antidilutive)
Impact of restricted stock using the treasury method	(n/a antidilutive)	(n/a antidilutive)
Impact of convertible debentures	—	7,251
FFO - diluted (2)	$ 190,809	$ 135,252

	Three Months Ended September 30,	
	2003	2002
	Amount	Amount
Net income available to common stockholders	$ 39,732	$ 11,676
Adjustments to reconcile net income to FFO - basic:		
Minority interest	10,214	4,184
(Gain) loss on sale or write-down of wholly-owned assets	(22,310)	6
Loss on sale or write-down of assets from unconsolidated entities (pro rata)	—	(178)
Depreciation and amortization on wholly owned centers	25,364	21,479
Depreciation and amortization on joint ventures and from the management companies (pro rata)	11,240	11,076
Less: depreciation on personal property and amortization of loan costs and interest rate caps	(2,544)	(2,309)
FFO - basic (1)	61,696	45,934
Additional adjustments to arrive at FFO - diluted:		
Impact of convertible preferred stock	2,067	5,195
Impact of stock options using the treasury method	—	(n/a antidilutive)
Impact of restricted stock using the treasury method	(n/a antidilutive)	(n/a antidilutive)
Impact of convertible debentures	—	2,443
FFO - diluted (2)	$ 63,763	$ 53,572

(1) *Calculated based upon basic net income as adjusted to reach basic FFO. As of September 30, 2003 and 2002, 13.5 million and 11.2 million of OP Units and Westcor partnership units were outstanding, respectively.*

(2) *The computation of FFO – diluted includes the effect of outstanding common stock options and restricted stock using the treasury method. The convertible debentures were dilutive for the nine and three months ended September 30, 2002, and were included in the FFO calculation. The convertible debentures were paid off in full on December 13, 2002. On February 25, 1998, the Company sold $100 million of its Series A Preferred Stock. On June 16, 1998, the Company sold $150 million of its Series B Preferred Stock. On September 9, 2003, 5.5 million shares of Series B Preferred Stock were converted into common shares. The preferred stock can be converted on a one-for-one basis for common stock. The preferred shares are assumed converted for purposes of FFO-diluted 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, including the Company's pro rata share from joint ventures, that impacted minimum rents was $3.3 million and $0.9 million for the nine and three months ended September 30, 2003, respectively; and $1.5 million and $1.4 million for the nine and three months ended September 30, 2002, respectively. The increase in straight-lining of rents in 2003 compared to 2002 is related to the acquisition of The Oaks and the Westcor portfolio in 2002 and Northridge Mall in 2003. These are offset by decreases due to the Company structuring its new leases using rent increases tied to the change in CPI rather than using contractually fixed rent increases.

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 CPI. In addition, about 7%-12% of the leases expire each year, 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, the majority of the leases require the tenants to pay their pro rata share of operating expenses.

Seasonality

The shopping center industry is seasonal in nature, particularly in the fourth quarter during the holiday season when retailer occupancy and retail sales are typically at their highest levels. In addition, shopping malls achieve a substantial portion of their specialty (temporary retailer) rents during the holiday season and the majority of percentage rent is recognized in the fourth quarter. As a result of the above, and the implementation of Staff Accounting Bulletin 101, earnings are generally higher in the fourth quarter of each year.

New Pronouncements Issued

On July 1, 2001, the Company adopted SFAS No. 141, “Business Combinations” (“SFAS 141”). SFAS 141 requires that the purchase method of accounting be used for all business combinations for which the date of acquisition is after June 30, 2001. SFAS 141 also establishes specific criteria for the recognition of intangible assets such as acquired in-place leases. Acquired in-place leases are recorded at the difference between market value of rents and the actual rents of the acquired property as either an asset or liability. The amortization of the asset or liability decreases or increases the Company’s minimum rent. The Company has determined that the impact of SFAS 141 on acquisitions that occurred during 2002 and 2003 was to recognize an additional $3.5 million and $1.2 million of minimum rents, including $1.0 million and $0.2 million from the joint ventures at pro rata for the nine and three months ending September 30, 2003, respectively. A deferred credit of $19.6 million is recorded in “Other Accrued Liabilities of the Company” as of September 2003. An additional $3.7 million of deferred credits is recorded in the financial statements of the Company’s unconsolidated joint ventures. Accordingly, these deferred credits will be amortized into rental revenues at approximately $4.6 million and $1.0 million per year, respectively for each of the next five years.

In October 2001, the Financial Accounting Standards Board (“FASB”) issued SFAS 144, “Accounting for the Impairment or Disposal of Long-Lived Assets” (“SFAS 144”). SFAS 144 addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This statement supersedes SFAS 121, “Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of” (“SFAS 121”). SFAS 144 establishes a single accounting model, based on the framework established in SFAS 121, for long-lived assets to be disposed of by sale. The Company adopted SFAS 144 on January 1, 2002. The Company sold Boulder Plaza on March 19, 2002 and in accordance with SFAS 144 the results of Boulder Plaza for the periods from January 1, 2002 to March 19, 2002 have been reclassified into “discontinued operations” on the consolidated statements of operations. Total revenues associated with Boulder Plaza was approximately $0.5 for the period January 1, 2002 to March 19, 2002. The Company sold Paradise Village Gateway, which was acquired on July 26, 2002, on January 2, 2003 and has recorded a loss on sale of $0.2 million for the three months ending March 31, 2003. Additionally, the Company sold Bristol Center on August 4, 2003, and the results for the period January 1, 2002 to September 30, 2002 and for the period January 1, 2003 to August 4, 2003 have been reclassified to discontinued operations. The sale of Bristol Center resulted in a gain on sale of asset of $22.3 million. Total revenues associated with Bristol Center were $2.9 million and $2.5 million for the periods January 1, 2002 to September 30, 2002 and January 1, 2003 to August 4, 2003, respectively.

In May 2002, the FASB issued SFAS No. 145, “Rescission of SFAS Nos. 4, 44, and 64, Amendment of SFAS 13, and Technical Corrections” (“SFAS 145”), which is effective for fiscal years beginning after May 15, 2002. SFAS 145 rescinds SFAS 4, SFAS 44 and SFAS 64 and amends SFAS 13 to modify the accounting for sales-leaseback transactions. SFAS 4 required the classification of gains and losses resulting from extinguishments of debt to be classified as extraordinary items. In accordance with SFAS 145, the Company has reclassified losses from early extinguishment of debt from extraordinary items to continuing operations. Accordingly, the Company reclassified a loss of approximately $3.6 million which was incurred in the third and fourth quarters of 2002, from extraordinary items to continuing operations.

In July 2002, the FASB issued SFAS No. 146, “Accounting for Costs Associated with Exit or Disposal Activities”. SFAS No. 146 requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. Examples of costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity. SFAS No. 146 is effective prospectively for exit or disposal activities initiated after December 31, 2002, with earlier adoption encouraged. The adoption of SFAS No. 146 did not have any material impact on the Company’s consolidated financial statements for the nine months ending September 30, 2003.

In December 2002, the FASB issued SFAS No. 148, “Accounting for Stock-Based Compensation—Transition and Disclosure, and amendment of FASB Statement No. 123”(“SFAS No. 148”). SFAS No. 148 amended SFAS No 123, “Accounting for Stock-Based Compensation”, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for employee stock-based compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No 123 to require prominent disclosure in annual and interim financial statements about the method of accounting for stock-based compensation and its effect on reported results. Prior to the issuance of SFAS No. 148, the Company adopted the provisions of SFAS No. 123 and will prospectively expense all stock options issued subsequent to January 1, 2002. The Company did not issue any stock options to employees for the nine and three months ending September 30, 2003 and 2002 and accordingly, no compensation expense has been recorded in either period.

In November 2002, the FASB issued FASB Interpretation No. 45, “Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others,” which elaborates on required disclosures by a guarantor in its financial statements about obligations under certain guarantees that it has issued and clarifies the need for a guarantor to recognize, at the inception of certain guarantees, a liability for the fair value of the obligation undertaken in issuing the guarantee. The Company has reviewed the provisions of this Interpretation relating to initial recognition and measurement of guarantor liabilities, which are effective for qualifying guarantees entered into or modified after December 31, 2002. The Company has not modified or entered into any qualifying guarantees during the nine months ending September 30, 2003.

In January 2003, the FASB issued FIN 46, “Consolidation of Variable Interest Entities - an interpretation of ARB No. 51.” FIN 46 addresses consolidation by business enterprises of variable interest entities, which have one or both of the following characteristics: 1) the equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support from other parties, which is provided through other interests that will absorb some or all of the expected losses of the entity, and 2) the equity investors lack an essential characteristic of a controlling financial interest. FIN 46 was effective immediately for all variable interest entities acquired after January 31, 2003 and for the first fiscal year or interim period beginning after

June 15, 2003 for variable interest entities in which an enterprise holds a variable interest that was acquired before February 1, 2003. In October 2003, the FASB deferred the effective date of FIN 46 for variable interests acquired before February 1, 2003 to the first reporting period ending after December 15, 2003. Effective July 1, 2003, the Company has consolidated Macerich Management Company ("MMC"). Prior to July 1, 2003, MMC was accounted for under the equity method in the Company's consolidated financial statements.

In May 2003, the FASB issued SFAS 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS 149 is effective for contracts entered into or modified after September 30, 2003. The Company does not expect the adoption of this pronouncement to have a material impact on its financial position or results of operations.

In May 2003, the FASB issued SFAS 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." SFAS 150 specifies that instruments within its scope embody obligations of the issuer and that, therefore, the issuer must classify them as liabilities. Financial instruments within the scope of the pronouncement include mandatorily redeemable financial instruments, obligations to repurchase the issuer's equity shares by transferring assets, and certain obligations to issue a variable number of shares. SFAS 150 was effective immediately for all financial instruments entered into or modified after May 31, 2003. For all other instruments, SFAS 150 originally was effective July 1, 2003 for the Company. In October 2003, the FASB voted to defer certain provisions of SFAS 150 indefinitely. For those provisions of SFAS 150 adopted by the Company, there was no material impact to its financial position or results of operations. For those provisions of SFAS 150 deferred by the FASB, the Company does not expect there will be a material impact on its financial position or results of operations upon adoption.

Item 3

Quantitative and Qualitative Disclosures About Market Risk

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

The following table sets forth information as of September 30, 2003 concerning the Company's long term debt obligations, including principal cash flows by scheduled maturity, weighted average interest rates and estimated fair value ("FV").

	For the Years Ended December 31,							
(dollars in thousands)	2003	2004	2005	2006	2007	Thereafter	Total	FV
Consolidated Centers:								
Long term debt:								
Fixed rate	$ 5,263	$ 146,401	$ 26,514	$ 95,974	$ 111,468	$ 1,125,468	$ 1,511,088	$ 1,628,081
Average interest rate	6.90%	6.88%	6.87%	6.88%	7.00%	7.08%	6.90%	—
Variable rate	—	328,752	458,840	—	250,000	72,990	1,110,582	1,110,582
Average interest rate	—	3.93%	3.90%	—	4.00%	3.62%	3.51%	—
Total debt-Consolidated Centers	$ 5,263	$ 475,153	$ 485,354	$ 95,974	$ 361,468	$ 1,198,458	$ 2,621,670	$ 2,738,663
Joint Venture Centers:								
(at Company's pro rata share:)								
Fixed rate	$ 3,677	$ 16,131	$ 96,159	$ 277,564	$ 126,511	$ 319,808	$ 839,850	$ 895,702
Average interest rate	6.47%	6.49%	6.43%	6.43%	6.79%	7.02%	6.42%	—
Variable rate	67	14,536	8,934	157,331	—	—	180,868	180,868
Average interest rate	2.28%	2.51%	2.93%	1.64%	—	—	1.82%	—
Total debt - Joint Ventures	$ 3,744	$ 30,667	$ 105,093	$ 434,895	$ 126,511	$ 319,808	$ 1,020,718	$ 1,076,570
Total debt - All Centers	$ 9,007	$ 505,820	$ 590,447	$ 530,869	$ 487,979	$ 1,518,266	$ 3,642,388	$ 3,815,233

In October 2003, the Company entered into an interest rate swap agreement in connection with the Company's $250.0 million unsecured term loan which will effectively fix the interest rate at 4.45% from November 2003 to October 13, 2005.

In 2004, $180.0 million of the floating rate debt scheduled to mature was refinanced in November 2003.

In addition, the Company has assessed the market risk for its variable rate debt as of September 30, 2003 and believes that a 1% increase in interest rates would decrease future earnings and cash flows by approximately $13.0 million per year based on $1.3 billion outstanding at September 30, 2003.

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

Item 4

Controls and Procedures

The chief executive officer and chief financial officer of the Company (collectively, the "certifying officers") have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) as of the end of the quarterly period covered by this report. The certifying officers concluded, based on their evaluation, that the Company's disclosure controls and procedures were effective as of the end of the quarterly period covered by this report. There has been no change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

Other Information

Item 1 Legal Proceedings

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

Item 2 Changes in Securities and Use of Proceeds

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

4.1 Undertaking

10.1 Form of Restricted Stock Award Agreement under 2003 Equity Incentive Plan.

10.2 Form of Stock Unit Award Agreement under 2003 Equity Incentive Plan.

10.3 Form of Employee Stock Option Agreement under 2003 Equity Incentive Plan.

10.4 Form of Non-Qualified Stock Option Grant under 2003 Equity Incentive Plan.

10.5 Amendment 2003-1 to The Macerich Company Employee Stock Purchase Plan.

10.6 Amendment to The Macerich Company Eligible Directors' Deferred Compensation/Phantom Stock Plan.

31.1 Section 302 Certification of Arthur Coppola, Chief Executive Officer

31.2 Section 302 Certification of Thomas O'Hern, Chief Financial Officer

32.1 Section 906 Certification of Arthur Coppola, Chief Executive Officer and Thomas O'Hern, Chief Financial Officer

b. Current Reports on Form 8-K

Current Report on Form 8-K event date August 7, 2003 (reporting announcement of results of operations for the Company for the quarter ended June 30, 2003) (Furnished).

Signatures

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

The Macerich Company

By: /s/ Thomas E. O'Hern

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

Date: November 13, 2003

Exhibit Index

Exhibit No.

(a) Exhibits

Number	Description
4.1	Undertaking
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10.4	Form Non-Qualified Stock Option Grant under 2003 Equity Incentive Plan.
10.5	Amendment 2003-1 to The Macerich Company Employee Stock Purchase Plan.
10.6	Amendment to The Macerich Company Eligible Diretors’ Deferred Compensation/Phantom Stock Plan.
31.1	Section 302 Certification of Arthur Coppola, Chief Executive Officer
31.2	Section 302 Certification of Thomas O’Hern, Chief Financial Officer
32.1	Section 906 Certification of Arthur Coppola, Chief Executive Officer and Thomas O’Hern, Chief Financial Officer

Exhibit 4.1

Undertaking

In accordance with Item 601(b)(4)(iii)(A) of Regulation S-K, the Company has not filed as an exhibit any instrument defining the rights of holders of long-term debt where the total amount of securities authorized thereunder does not exceed 10 percent of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish a copy of any such agreement to the Securities and Exchange Commission upon request.

Exhibit 10.1

FORM OF RESTRICTED STOCK AWARD AGREEMENT

THE MACERICH COMPANY

RESTRICTED STOCK AWARD AGREEMENT
2003 EQUITY INCENTIVE PLAN

Participant Name:
Soc. Sec. No.:
No. of Shares: (1)

Vesting Schedule: [33 1/3% of the shares on each anniversary of the Award Date, beginning [first anniversary] and ending [third anniversary].]

Award Date: , 20

THIS AGREEMENT is among **THE MACERICH COMPANY**, a Maryland corporation (the "Corporation"), **THE MACERICH PARTNERSHIP, L.P**., a Delaware limited partnership (the "Operating Partnership"), and the Participant named above (the "Participant") and is delivered under The Macerich Company 2003 Equity Incentive Plan which includes any applicable programs under the Plan (the "Plan").

W I T N E S S E T H

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

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

1. **Defined Terms**. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Plan.

2. **Grant**. Subject to the terms of this Agreement and the Plan, the Corporation grants to the Participant a Restricted Stock Award with respect to an aggregate number of shares of Common Stock, par value $.01 per share (the "Restricted Stock") set forth above. The consideration for the shares issuable with respect to the Award on the terms set forth

(1) Subject to adjustment under Section 6.2 of the Plan and the terms of this Agreement.

in this Agreement includes services and other consideration in an amount not less than the minimum lawful consideration under Maryland law.

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

4. **Continuance of Employment Required**. The Participant agrees to provide services to the Company in consideration for the conditional rights to the unvested shares of Restricted Stock subject to the Award granted hereunder. Except as otherwise provided in Sections 8(c) or 9 or pursuant to the Plan, the Vesting Schedule requires continued service through each applicable vesting date as a condition to the vesting of the applicable installment and rights and benefits under this Agreement. Partial service, even if substantial, during any vesting period will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or service as provided in Section 8 below or under the Plan.

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

6. **Restrictions on Transfer**. Prior to the time they become vested, neither the shares of Restricted Stock comprising the Award, nor any other rights of the Participant under this Agreement or the Plan may be transferred, except as expressly provided in Sections 1.8 and 4.1 of the Plan. No other exceptions have been authorized by the Committee.

7. **Stock Certificates**.

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

(b) **Certificates to be Held by Corporation; Legend**. Any certificates representing Restricted Stock that the Participant may be entitled to receive from the Corporation prior to vesting shall be redelivered to the Corporation to be held by the Corporation

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

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

(c) **Delivery of Certificates Upon Vesting**. Promptly after the lapse or other release of restrictions, a certificate or certificates evidencing the number of shares of Common Stock as to which the restrictions have lapsed or been released or such lesser number as may be permitted pursuant to Section 6.5 of the Plan shall be delivered to the Participant or other person entitled under the Plan to receive the shares. The Participant or such other person shall deliver to the Corporation any representations or other documents or assurances required pursuant to Section 6.4 of the Plan. The shares so delivered shall no longer be restricted shares hereunder. Pursuant to Section 1.7 of the Plan, fractional share interests shall be disregarded, but may be accumulated. The Committee, however, may determine that cash, securities or other property will be paid or transferred in lieu of fractional share interests.

8. **Effect of Termination of Employment**.

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

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

(c) **Qualified Termination Upon or Following Change in Control Event**. If the Participant upon or not later than 12 months following a Change in Control Event

has a Qualified Termination (as defined in Section 7.1(gg) of the Plan) or terminates his or her employment for Good Reason, then any portion of the Award that has not previously vested shall thereupon vest, subject to the provisions of Sections 6.2(a), 6.2(e), 6.4 and 6.5 of the Plan and Sections 11 and 12 of this Agreement; provided, however, that in no event shall restrictions on the shares lapse or the shares vest earlier than six months after the date hereof. As used in this Agreement, the term "Good Reason" means a termination of employment by the Participant for any one or more of the following reasons, to the extent not remedied by the Company within a reasonable period of time after receipt by the Company of written notice from the Participant specifying in reasonable detail such occurrence, without the Participant's written consent thereto: (1) an adverse and significant change in the Participant's position, duties, responsibilities or status with the Company; (2) a change in the Participant's principal office location to a location farther away from the Participant's home which is more than 30 miles from the Participant's principal office; (3) the taking of any action by the Company to eliminate benefit plans without providing substitutes therefor, to materially reduce benefits thereunder or to substantially diminish the aggregate value of the incentive awards or other fringe benefits; provided that if neither a surviving entity nor its parent following a Change in Control Event is a publicly-held company, the failure to provide stock-based benefits shall not be deemed Good Reason if benefits of comparable value using recognized valuation methodology are substituted therefor; and provided further that a reduction or elimination in the aggregate of not more than 10% in aggregate benefits in connection with across the board reductions or modifications affecting persons similarly situated of comparable rank in the Company or a combined organization shall not constitute Good Reason; (4) any reduction in the Participant's Base Salary; or (5) any material breach by the Company of any written employment or management continuity agreement with the Participant. For purposes of the definition of "Good Reason," the term "Base Salary" means the annual base rate of compensation payable as salary to the Participant by the Company as of the Participant's date of termination, before deductions or voluntary deferrals authorized by the Participant or required by law to be withheld from the Participant by the Company, and salary excludes all other extra pay such as overtime, pensions, severance payments, bonuses, stock incentives, living or other allowances, and other benefits and perquisites.

9. **Effect of Total Disability, Death or Retirement**. If the Participant incurs a Total Disability or dies while employed by the Company, then any portion of his or her Award that has not previously vested shall thereupon vest, subject to the provisions of Sections 6.4 and 6.5 of the Plan. If the Participant's employment with the Company terminates as a result of his or her Retirement, the Committee may, on a case-by-case basis and in its sole discretion, provide for partial or complete vesting prior to Retirement of that portion of his or her Award that has not previously vested.

10. **Adjustments Upon Specified Events**. Upon the occurrence of certain events relating to the Corporation's stock contemplated by Section 6.2 of the Plan, the Committee shall make adjustments as it deems appropriate in the number and kind of securities or other consideration that may become vested under an Award. If any adjustment shall be made under Section 6.2 of the Plan or a Change in Control Event shall occur and the shares of Restricted Stock are not fully vested upon such Event or prior thereto, the restrictions applicable to such shares of Restricted Stock shall continue in effect with respect to any consideration or

other securities (the "Restricted Property" and, for the purposes of this Agreement, "Restricted Stock" shall include "Restricted Property," unless the context otherwise requires) received in respect of such Restricted Stock. Such Restricted Property shall vest at such times and in such proportion as the shares of Restricted Stock to which the Restricted Property is attributable vest, or would have vested pursuant to the terms hereof if such shares of Restricted Stock had remained outstanding. Notwithstanding the foregoing, to the extent that the Restricted Property includes any cash, the commitment hereunder shall become an unsecured promise to pay an amount equal to such cash (with earnings attributable thereto as if such amount had been invested, pursuant to policies established by the Committee, in interest bearing, FDIC-insured (subject to applicable insurance limits) deposits of a depository institution selected by the Committee) at such times and in such proportions as the Restricted Stock would have vested.

11. **Possible Early Termination of Award**. As permitted by Section 6.2(b) of the Plan, and without limiting the authority of the Committee under other provisions of Section 6.2 of the Plan or Section 8 of this Agreement, the Committee retains the right to terminate the Award, to the extent it has not vested, upon a dissolution of the Corporation or a reorganization event or transaction in which the Corporation does not survive (or does not survive as a public company in respect of its outstanding common stock). This Section 11 is not intended to prevent future vesting of the Award if it (or a substituted award) remains outstanding following a Change in Control Event.

12. **Limitations on Acceleration and Reduction in Benefits in Event of Tax Limitations**.

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

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

(c) **Determination of Limitations**. The term "parachute payments" shall have the meaning set forth in and be determined in accordance with Section 280G of the Code and regulations issued thereunder. All determinations required by this Section 12, including without limitation the determination of whether any benefit, payment or coverage would constitute a parachute payment, the calculation of the value of any parachute payment and the determination of the extent to which any parachute payment would be nondeductible for federal

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income tax purposes because of Section 280G of the Code, shall be made by an independent accounting firm (other than the Corporation's outside auditing firm) having nationally recognized expertise in such matters selected by the Committee. Any such determination by such accounting firm shall be binding on the Corporation, its Subsidiaries and the Participant.

13. **Tax Withholding**. The entity within the Company last employing the Participant shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to the payment of dividends or the vesting of any Restricted Stock, but, in the alternative the Participant or other person in whom the Restricted Stock vests may irrevocably elect, in such manner and at such time or times prior to any applicable tax date as may be permitted or required under Section 6.5 of the Plan and rules established by the Committee, to have the entity last employing the Participant withhold and reacquire shares of Restricted Stock at their Fair Market Value at the time of vesting to satisfy any withholding obligations of the Company with respect to such vesting. Any election to have shares so held back and reacquired shall be subject to such rules and procedures, which may include prior approval of the Committee, as the Committee may impose, and shall not be available if the Participant makes or has made an election pursuant to Section 83(b) of the Code with respect to such Award.

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

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

16. **No Service Commitment by Company**. Nothing contained in this Agreement or the Plan constitutes an employment or service commitment by the Company, affects the Participant's status as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by the Company, interferes in any way with the right of the Company at any time to terminate such employment, or affects the right of the Company to increase or decrease the Participant's other compensation or benefits. Nothing in this Section, however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto. Employment for any period of time (including a substantial period of time) after the Award Date will not entitle the Participant to

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any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment as provided in Section 3 or 8 above if the express conditions to vesting set forth in such Sections have not been satisfied.

17. **Limitation on Participant's Rights**. This Award confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust.

[18. **Other Agreements**. If any provision of this Agreement is inconsistent with any provision of the Management Continuity Agreement dated as of March 15, 2002 between the Corporation and Participant and as it may be amended from time-to-time (the "MCA"), the provisions of the MCA shall control**.] [This provision is to be included only in agreements with Participants subject to the MCA.]**

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

THE MACERICH COMPANY
(a Maryland corporation)

By: ______________________________
Richard A. Bayer
Executive Vice President, General Counsel & Secretary

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

By: The Macerich Company
(its general partner)

By: ______________________________
Richard A. Bayer
Executive Vice President, General Counsel & Secretary

PARTICIPANT

____
(Signature)

____
(Print Name)

____
(Address)

____
(City, State, Zip Code)

CONSENT OF SPOUSE

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

Dated: , .

____
Signature of Spouse

IRREVOCABLE POWER OF ATTORNEY
(Coupled with an interest)

KNOW ALL MEN BY THESE PRESENTS, that I hereby constitute and appoint Thomas E. O'Hern and Richard A. Bayer and their respective successors in office as Chief Financial Officer and Secretary of The Macerich Company (the "Company"), my true and lawful attorneys-in-fact and agents, each acting alone, with full powers of substitution and resubstitution, for me and in my name, place and stead, in any and all capacities, to sign any documents and to take any other action to effect the transfer and delivery of up to shares (the "Shares") of Common Stock of the Company issued in my name back to the Company in the event of any occurrence that requires the return to the Company of any or all of the Shares under the terms of the Company's 2003 Equity Incentive Plan (the "Plan") and the related Restricted Stock Award Agreement to me thereunder dated as of (the

"Award"), each as amended from time to time. I further hereby grant unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying, confirming and approving all of the acts which said attorneys-in-fact and agents, each acting alone, or their respective substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

By this document I intend to create a power of attorney coupled with an interest in the Shares to be held by the Company pending satisfaction of conditions to vesting under the terms of the Award and the Plan for an indefinite period of time not less than 10 years. This power of attorney is a durable power of attorney and shall not be affected by my subsequent incapacity or disability or death. I understand that the Award and any continued benefits thereunder is subject to the condition that I grant and the Company or its agents hold an effective power of attorney to the effect set forth herein.

This power of attorney is irrevocable by me at any time prior to the vesting of all of the Shares in accordance with the terms of the Award and the release of all restrictions on the Shares thereunder.

Date   Name:

Place

ASSIGNMENT SEPARATE FROM CERTIFICATE

For Value Received, hereby sells[s], assign[s] and transfer[s] unto The Macerich Company (the "Corporation") Shares of the Common Stock of the Corporation standing in his/her name on the books of the Corporation and do hereby irrevocably constitute and appoint Richard A. Bayer, attorney-in-fact, with full power of substitution to transfer said shares on the books of the Corporation.

Dated: , 20

Name:

THE MACERICH COMPANY

RESTRICTED STOCK AWARD
INFORMATION STATEMENT

General Information

This information statement has been provided to (the "Participant") in connection with a Restricted Stock Award granted to the Participant by The Macerich Company, a Maryland corporation (the "Corporation"), pursuant to a Restricted Stock Award Agreement dated as of among the Participant, the Corporation and The Macerich Partnership, L.P. (the "Award Agreement") under the Corporation's 2003 Equity Incentive Plan (the "Plan"). Capitalized terms used herein as not otherwise defined herein shall have the meanings assigned to them in the Agreement and the Plan.

Restricted Stock issued to the Participant pursuant to the Award Agreement will be represented in book entry form. This information statement is provided to the Participant pursuant to §2-210 of the Maryland General Corporation Law.

Award Summary

Participant Name:	
Issuer Name:	The Macerich Company
Class of Security:	Common Stock, par value $.01 per share
Number of Securities:	shares

No Security

THIS STATEMENT IS MERELY A RECORD OF THE RIGHTS OF THE ADDRESSEE AS OF THE TIME OF ITS ISSUANCE. DELIVERY OF THIS STATEMENT, OF ITSELF, DOES NOT CONFER ANY RIGHTS UPON THE RECIPIENT. THE STATEMENT IS NEITHER A NEGOTIABLE INSTRUMENT NOR A SECURITY.

Availability of Further Information Concerning the Capital Stock of the Corporation

The Corporation is authorized to issue three classes of capital stock which are designated as Common Stock, Preferred Stock and Excess Stock. The Corporation will furnish to any stockholder on request and without charge a full statement of the designations and any preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of the stock of each class which the Corporation is authorized to issue, and the differences in the relative rights and preferences between the shares of each series to the extent they have been set,

and the authority of the Board of Directors to set the relative rights and preferences of subsequent series. Such request may be made to the Secretary of the Corporation or to its transfer agent.

Restrictions on Transfer

The transferability of Restricted Stock is subject to the terms and conditions contained in the Award Agreement and the Plan. A copy of the Award Agreement is on file in the office of the Secretary of the Corporation.

The securities represented by this certificate are also subject to restrictions on ownership and transfer for the purpose of the Corporation's maintenance of its status as a real estate investment trust under the Internal Revenue Code of 1986, as amended (the "Code"). Except as otherwise provided pursuant to the charter of the Corporation, no Person may (1) Beneficially Own shares of Equity Stock in excess of 5.0% (or such greater percentage as may be provided in the charter of the Corporation) of the number or value of the outstanding Equity Stock of the Corporation (unless such Person is an Excluded Participant), or (2) Beneficially Own Equity Stock that would result in the Corporation being "closely held" under Section 856(h) of the Code (determined without regard to Code Section 856(h)(2) and by deleting the words "the last half of" in the first sentence of Code Section 542(a)(2) in applying Code Section 856(h)), or (3) Beneficially Own Equity Stock that would result in Common Stock and Preferred Stock being beneficially owned by fewer than 100 Persons (determined without reference to any rules of attribution). Any Person who attempts to Beneficially Own shares of Equity Stock in excess of the above limitations must immediately notify the Corporation. All capitalized terms in this paragraph have the meanings defined in the Corporation's charter, as the same may be further amended from time to time, a copy of which, including the restrictions on ownership or transfer, will be sent without charge to each stockholder who so requests. Transfers or other events in violation of the restrictions described above shall be null and void *ab initio*, and the purported transferee or purported owner shall acquire or retain no rights to, or economic interest in, any Equity Stock held in violation of these restrictions. The Corporation may redeem such shares upon the terms and conditions specified by the Board of Directors in its sole discretion if the Board of Directors determines that a Transfer or other event would violate the restrictions described above. In addition, if the restrictions on ownership or transfer are violated, the shares of Equity Stock represented hereby shall be automatically exchanged for shares of Excess Stock which will be held in trust for the benefit of a Beneficiary. Excess Stock may not be transferred at a profit. The Corporation has an option to acquire Excess Stock under certain circumstances. The foregoing restrictions may also delay, defer or prevent a change of control of the Corporation or other transaction which could be in the best interests of stockholders.

The Corporation will furnish information about all of the restrictions on transferability of these securities to the stockholder, on request and without charge.

Exhibit 10.2

FORM OF STOCK UNIT AWARD AGREEMENT

THE MACERICH COMPANY

STOCK UNIT AWARD AGREEMENT
2003 EQUITY INCENTIVE PLAN

Participant Name:
Soc. Sec. No.:
No. Stock Units: **(1)**

Vesting Schedule: [33 1/3% of the Stock Units (as defined below) on each anniversary of the Award Date, beginning [first anniversary] and ending [third anniversary].]

Award Date: , 20

THIS AGREEMENT is among **THE MACERICH COMPANY**, a Maryland corporation (the "Corporation"), **THE MACERICH PARTNERSHIP L.P.**, a Delaware limited partnership (the "Operating Partnership"), and the employee named above (the "Participant"), and is delivered under The Macerich Company 2003 Equity Incentive Plan, which includes any applicable programs under the Plan (the "Plan").

W I T N E S S E T H

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

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

1. **Defined Terms**. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Plan.

2. **Grant**. Subject to the terms of this Agreement and the Plan, the Corporation grants to the Participant a Stock Unit Award with respect to an aggregate number of Stock Units (the "Stock Units") set forth above. The consideration for the shares issuable with respect to the Stock Units on the terms set forth in this Agreement includes services and the rights hereunder in an amount not less than the minimum lawful consideration under Maryland law.

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(1) Subject to adjustment under Section 6.2 of the Plan and the terms of this Agreement.

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

4. **Continuance of Employment Required**. Except as otherwise provided in Sections 8(c) or 9 or pursuant to the Plan, the Vesting Schedule requires continued service through each applicable vesting date as a condition to the vesting of the applicable installment and rights and benefits under this Agreement. Partial service, even if substantial, during any vesting period will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or service as herein provided in Section 8 below or under the Plan.

5. **Dividend and Voting Rights**.

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

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

6. **Restrictions on Transfer.** Prior to the time they vest, neither the Stock Units comprising the Award nor any other rights of the Participant under this Agreement or the Plan may be transferred, except as expressly provided in Section 1.8 and 4.1 of the Plan. No other exceptions have been authorized by the Committee.

7. **Timing and Manner of Distribution with Respect to Stock Units**. Any Stock Unit credited to a Participant's Stock Unit Account will be distributed in shares of Common Stock as it vests. The Participant or other person entitled under the Plan to receive the shares shall deliver to the Company any representations or other documents or assurances required pursuant to Section 6.4 of the Plan. Pursuant to Section 1.7 of the Plan, fractional

share interests shall be disregarded, but may be accumulated. The Committee, however, may determine that cash, securities or other property will be paid or transferred in lieu of fractional share interests.

8. **Effect of Termination of Employment**.

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

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

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

(c) **Qualified Termination Upon or Following Change in Control Event**. If the Participant upon or not later than 12 months following a Change in Control Event has a Qualified Termination (as defined in Section 7.1(gg) of the Plan) or terminates his or her employment for Good Reason, then any portion of the Award that has not previously vested shall thereupon vest, subject to the provisions of Sections 6.2(a), 6.2(e), 6.4 and 6.5 of the Plan and Sections 11 and 12 of this Agreement; provided, however, that in no event shall restrictions on the Stock Units lapse or the Stock Units vest earlier than six months after the date hereof. As used in this Agreement, the term "Good Reason" means a termination of employment by the Participant for any one or more of the following reasons, to the extent not remedied by the Company within a reasonable period of time after receipt by the Company of written notice from the Participant specifying in reasonable detail such occurrence, without the Participant's written consent thereto: (1) an adverse and significant change in the Participant's position, duties, responsibilities or status with the Company; (2) a change in the Participant's principal office location to a location farther away from the Participant's home which is more than 30 miles from the Participant's principal office; (3) the taking of any action by the Company to eliminate benefit plans without providing substitutes therefor, to materially reduce benefits thereunder or to substantially diminish the aggregate value of the incentive awards or other fringe benefits; provided that if neither a surviving entity nor its parent following a Change in Control Event is a publicly-held company, the failure to provide stock-based benefits shall not be deemed Good Reason if benefits of comparable value using recognized valuation methodology are substituted therefor; and provided further that a reduction or elimination in the aggregate of not more than 10% in aggregate benefits in connection with across the board reductions or modifications affecting persons similarly situated of comparable rank in the Company or a combined organization shall not constitute Good Reason; (4) any reduction in the Participant's Base Salary; or (5) any material breach by the Company of any written employment or management continuity agreement with the Participant. For purposes of the definition of "Good Reason," the term "Base Salary" means the annual base rate of compensation payable as salary to the Participant by the Company as of the Participant's date of termination, before deductions or voluntary deferrals authorized by the Participant or required by law to be withheld from the Participant by the Company, and salary excludes all other extra pay such as overtime, pensions, severance payments, bonuses, stock incentives, living or other allowances, and other benefits and perquisites.

9. **Effect of Total Disability, Death or Retirement**. If the Participant incurs a Total Disability or dies while employed by the Company, then any portion of his or her Award that has not previously vested shall thereupon vest, subject to the provisions of Sections 6.4 and 6.5 of the Plan. If the Participant's employment with the Company terminates as a result

of his or her Retirement, the Committee may, on a case-by-case basis and in its sole discretion, provide for partial or complete vesting prior to Retirement of that portion of his or her Award that has not previously vested.

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

11. **Possible Early Termination of Award**. As permitted by Section 6.2(b) of the Plan, and without limiting the authority of the Committee under other provisions of Section 6.2 of the Plan or Section 8 of this Agreement, the Committee retains the right to terminate the Award, to the extent it has not vested, upon a dissolution of the Corporation or a reorganization event or transaction which the Corporation does not survive (or does not survive as a public company in respect of its outstanding common stock). This Section 11 is not intended to prevent future vesting of the Award if it (or a substituted award) remains outstanding following a Change in Control Event.

12. **Limitations on Acceleration and Reduction in Benefits in Event of Tax Limitations**.

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

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

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

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

14. **Notices**. Any notice to be given under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal office located at 401 Wilshire Boulevard, Suite 700, Santa Monica, California 90401, to the attention of the Corporate

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Secretary and to the Participant at the address given beneath the Participant's signature hereto, or at such other address as either party may hereafter designate in writing to the other.

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

16. **No Service Commitment by Company**. Nothing contained in this Agreement or the Plan constitutes an employment or service commitment by the Company, affects the Participant's status as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by the Company, interferes in any way with the right of the Company at any time to terminate such employment, or affects the right of the Company to increase or decrease the Participant's other compensation or benefits. Nothing in this Section, however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto. Employment for any period of time (including a substantial period of time) after the Award Date will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment as provided in Section 3 or 8 above if the express conditions to vesting set forth in such Sections have not been satisfied.

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

[18. **Other Agreements**. If any provision of this Agreement is inconsistent with any provision of the Management Continuity Agreement dated as of March 15, 2002 between the Corporation and Participant and as it may be amended from time-to-time (the "MCA"), the provisions of the MCA shall control.] **[This provision is to be included only in agreements with Participants subject to the MCA.]**

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

THE MACERICH COMPANY
(a Maryland corporation)

By ____
Richard A. Bayer
Executive Vice President, General Counsel & Secretary

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

By: The Macerich Company
(its general partner)

By ______________________________________
Richard A. Bayer
Executive Vice President, General Counsel & Secretary

PARTICIPANT

____
(Signature)

____
(Print Name)

____
(Address)

____
(City, State, Zip Code)

CONSENT OF SPOUSE

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

Dated: , .

____
Signature of Spouse

FORM OF EMPLOYEE STOCK OPTION AGREEMENT

THE MACERICH COMPANY
EMPLOYEE STOCK OPTION AGREEMENT
2003 EQUITY INCENTIVE PLAN

Optionee:
Award Date:
Exercise Price per Share(1):
Number of Shares(1):
Expiration Date(2):
NQSO or ISO(1):
Vesting Schedule(1),(2): [33 1/3% of the shares on each anniversary of the Award Date, beginning [first anniversary] and ending [third anniversary]

THIS AGREEMENT is among **THE MACERICH COMPANY**, a Maryland corporation (the "Corporation"), **THE MACERICH PARTNERSHIP, L.P.**, a Delaware limited partnership (the "Operating Partnership"), and is granted pursuant to and subject to The Macerich Company 2003 Equity Incentive Plan (the "Plan"). Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned by the Plan.

If the Corporation has designated the Option as an ISO above, the Corporation intends that the Option will be treated as an Incentive Stock Option within the meaning of Section 422 of the Code (an "ISO") to the maximum extent permissible under all of the ISO rules and restrictions. Any shares acquired upon exercise of the Option without compliance with all applicable ISO rules will be treated as acquired upon exercise of a Nonqualified Stock Option (a "NQSO"). If the Corporation has designated the Option as a NQSO above, the Company intends that the Option will be treated in its entirety as a NQSO and not as an ISO.

WHEREAS, pursuant to the Plan, the Corporation has granted to the Optionee with reference to services rendered and to be rendered to the Company, effective as of the Award Date, an Option upon the terms and conditions set forth herein and in the Plan.

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

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(1) Subject to adjustment under Section 6.2 of the Plan.

(2) Subject to early termination if the Optionee's employment terminates or in certain other circumstances. See Sections 4 through 9 of this Agreement and Sections 1.6, 2.6, 6.2, 6.3 and 6.4 of the Plan for exceptions and additional details regarding possible adjustments, acceleration of vesting and/or early termination of the Option.

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1. **Exercisability of Option**. The Option shall vest and become exercisable during its term in percentage installments of the aggregate number of shares of Common Stock of the Corporation in accordance with the Vesting Schedule as set forth above and with and subject to the applicable provisions of the Plan and this Agreement. The Option may be exercised only to the extent the Option is exercisable and vested, and, subject to Section 1.8 of the Plan, during the Optionee's lifetime, only by the Optionee. In no event may the Optionee exercise the Option after the Expiration Date as provided above.

(a) **Cumulative Exercisability**. To the extent the Optionee does not at the time of a particular exercise purchase all the shares that the Optionee may then exercise, the Optionee has the right cumulatively thereafter to purchase any of such shares not so purchased until the Option terminates or expires.

(b) **No Fractional Shares; Minimum Exercise**. Fractional share interests shall be disregarded, but may be cumulated. No fewer than 100 shares may be purchased at any one time, unless the number purchased is the total number at the time exercisable under the Option.

2. **Exercise of Option**. To the extent vested and exercisable, the Option may be exercised by the delivery to the Corporation of a written exercise notice stating the number of shares to be purchased pursuant to the Option accompanied by payment of the aggregate Exercise Price of the shares to be purchased and the payment or provision for any applicable employment or other taxes or withholding for taxes thereon. Subject to Section 6.4 of the Plan, the Option shall be deemed to be exercised upon receipt and approval by the Corporation of such written exercise notice accompanied by the aggregate Exercise Price and any other payments so required, as permitted pursuant to Section 3.

3. **Method of Payment of Option**. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

(a) in cash or by electronic funds transfer, or by check payable to the order of the Corporation, in the full amount of the purchase price of the shares and the amount (if any) required to satisfy any applicable withholding taxes; or

(b) by delivering a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Corporation the amount of sales proceeds necessary to pay the aggregate Exercise Price, subject to compliance with applicable law and cashless exercise procedures approved by the Corporation; or

(c) by delivery of shares of Common Stock that have been held by the Optionee for at least six months, in accordance with Section 2.2(b) of the Plan, subject to compliance with applicable law.

Other payment methods may be permitted only if expressly authorized by the Committee with respect to the Option or all options under and consistent with the terms of the Plan.

4. **Continuance of Employment Required**. The vesting schedule requires continued service through each applicable vesting date as a condition to the vesting of the applicable installment and rights and benefits under this Agreement. Partial service, even if substantial, during any vesting period will not entitle the Optionee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or service as provided in Section 5 or 8 below or under the Plan.

5. **Effect of Termination of Employment on Exercise Period**. If the Optionee's employment by either the Corporation or any subsidiary terminates, the Option and all other rights and benefits under this Agreement terminate, except that the Optionee may, at any time within the applicable period below after the Severance Date, exercise the Option to the extent the Option was exercisable on the Severance Date and has not otherwise expired or terminated:

(a) If the Optionee's employment terminates for any reason other than Total Disability or death, Retirement or for Cause, the Optionee shall have three months after the Severance Date to exercise the Option to the extent the Option was exercisable on the Severance Date.

(b) If the Optionee's employment terminates as a result of Total Disability or death, the Optionee (or the Optionee's Personal Representative or Beneficiary, as the case may be) shall have 12 months after the Severance Date to exercise the Option to the extent the Option was exercisable on the Severance Date.

(c) If the Optionee's employment terminates as a result of Retirement, the Optionee (or the Optionee's Personal Representative or Beneficiary, as the case may be) shall have 12 months after the Severance Date to exercise the Option to the extent the Option was exercisable on the Severance Date (provided that, with respect to an ISO, after three months the Option will no longer be exercisable as an ISO) to the extent the Option was exercisable on the Severance Date.

Notwithstanding the foregoing exercise periods after the Severance Date, to the extent the Option was otherwise an ISO, the Option will qualify as an ISO only if it is exercised within the applicable exercise periods for ISOs and meets all other requirements of the Code for ISOs; and, in the case of a Total Disability that is not a permanent and total disability within the meaning of Section 22(e)(3) of the Code, only if the Option is exercised within three months of the Severance Date. If the Option is not exercised within the applicable exercise periods or does not meet such other requirements, the Option will be rendered a NQSO. If the Optionee's employment terminates for Cause, the Option shall terminate as of the Severance Date.

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6. **Qualified Termination Upon or Following Change in Control Event.**

If the Optionee upon or not later than 12 months following a Change in Control Event has a Qualified Termination (as defined in Section 7.1(gg) of the Plan) or terminates his or her employment for Good Reason, then any portion of the Option that has not previously vested shall thereupon vest, subject to the provisions of Sections 6.2(a), 6.2(e), 6.4 and 6.5 of the Plan and Sections 8 and 12 of this Agreement; provided, however, that in no event shall the Option become exercisable earlier than six months after the Award Date. As used in this Agreement, the term "Good Reason" means a termination of employment by the Optionee for any one or more of the following reasons, to the extent not remedied by the Company within a reasonable period of time after receipt by the Company of written notice from the Optionee specifying in reasonable detail such occurrence, without the Optionee's written consent thereto: (1) an adverse and significant change in the Optionee's position, duties, responsibilities or status with the Company; (2) a change in the Optionee's principal office location to a location farther away from the Optionee's home which is more than 30 miles from the Optionee's principal office; (3) the taking of any action by the Company to eliminate benefit plans without providing substitutes therefor, to materially reduce benefits thereunder or to substantially diminish the aggregate value of the incentive awards or other fringe benefits; provided that if neither a surviving entity nor its parent following a Change in Control Event is a publicly-held company, the failure to provide stock-based benefits shall not be deemed Good Reason if benefits of comparable value using recognized valuation methodology are substituted therefor; and provided further that a reduction or elimination in the aggregate of not more than 10% in aggregate benefits in connection with across the board reductions or modifications affecting persons similarly situated of comparable rank in the Company or a combined organization shall not constitute Good Reason; (4) any reduction in the Optionee's Base Salary; or (5) any material breach by the Company of any written employment or management continuity agreement with the Optionee. For purposes of the definition of "Good Reason," the term "Base Salary" means the annual base rate of compensation payable as salary to the Optionee by the Company as of the Optionee's date of termination, before deductions or voluntary deferrals authorized by the Optionee or required by law to be withheld from the Optionee by the Company, and salary excludes all other extra pay such as overtime, pensions, severance payments, bonuses, stock incentives, living or other allowances, and other benefits and perquisites.

7. **Adjustments Upon Specified Events**. As provided in Section 6.2 of the Plan, upon the occurrence of certain events relating to or affecting the Corporation's stock contemplated by Section 6.2 of the Plan, the Committee shall, in such manner, to such extent (if any) and at such times as it deems appropriate and equitable in the circumstances, make adjustments in the number, amount and type of shares (or other securities or property) subject to the Option, the Exercise Price and the securities deliverable upon exercise of the Option (or any combination thereof) or provide for a cash payment or the assumption, substitution or exchange of the Option or the shares or other securities subject to the Option, based upon the distribution or consideration payable to stockholders generally. All rights of the Optionee hereunder are subject to such adjustments and other provisions of the Plan.

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8. **Possible Early Termination of Award**. As permitted by Section 6.2(b) of the Plan, and without limiting the authority of the Committee under other provisions of Section 6.2 of the Plan or Section 6 of this Agreement, the Committee retains the right to terminate the Option, to the extent it has not vested, upon a dissolution of the Corporation or a reorganization event or transaction in which the Corporation does not survive (or does not survive as a public company in respect of its outstanding common stock). This Section 8 is not intended to prevent future vesting (including provision for future vesting) if the Option (or a substituted award) remains outstanding following a Change in Control Event.

9. **Change in Subsidiary's Status; Leaves of Absence**. If the Optionee is employed only by an entity that ceases to be a subsidiary, this event is deemed for purposes of this Agreement to be a termination of the Optionee's employment by the Company other than a termination for Cause, Total Disability, Retirement or death of the Optionee. Absence from work caused by military service, authorized sick leave or other leave approved in writing by the Company or the Committee shall not be considered a termination of employment by the Company for purposes of Section 5 only if reemployment upon the expiration of such leave is required by contract or law, or such leave is for a period of not more than 90 days.

10. **Additional Provisions Applicable to ISOs**.

(a) **ISO Value Limit**. If the aggregate fair market value of the shares with respect to which ISOs (whether granted under the Option or otherwise) first become exercisable by the Participant in any calendar year exceeds $100,000, as measured on the applicable award dates, the limitations of Section 2.3 of the Plan shall apply and to such extent the Option will be rendered a NQSO.

(b) **Notice of Sale**. The Participant agrees to notify the Corporation of any sale or other disposition of any shares if such sale or disposition of any shares occurs within two years after the Award Date or within one year after the date of exercise of any Option intended as an ISO.

(c) **Transferability**. In accordance with Section 1.8 of the Plan and the Code, an ISO is not transferable by the Optionee other than by will or the laws of descent and distribution, and is exercisable during the Optionee's lifetime only by the Optionee.

(d) **Tax Withholding**. If any portion of the Option is rendered a NQSO in accordance with the terms hereof or applicable law, the Participant shall pay or make provision for the payment of any applicable withholding and employment taxes upon exercise of the Option.

11. **Limitation on Exercise of Option**. The Optionee will not be entitled to receive Common Stock upon exercise of the Option to the extent that it will cause the Optionee to Beneficially or Constructively Own Equity Shares in excess of the Ownership Limit. If the Optionee exercises any portion of this Option which upon

delivery of the Common Stock would cause the Optionee to Beneficially or Constructively Own Equity Shares in excess of the Ownership Limit, the Corporation has the right to deliver to the Optionee, in lieu of Common Stock, a check or cash in the amount equal to the Fair Market Value of the Common Stock otherwise deliverable on the date of exercise (minus any amounts withheld pursuant to Section 6.5 of the Plan).

12. **Limitations on Acceleration and Reduction in Benefits in Event of Tax Limitations**.

(a) **Limitation on Acceleration**. Notwithstanding anything contained herein or in the Plan or any other agreement to the contrary, in no event shall the vesting of the Option be accelerated pursuant to Section 6.3 of the Plan or Section 6 hereof to the extent that the Corporation would be denied a federal income tax deduction for such vesting because of Section 280G of the Code and, in such circumstances, the Option will continue to vest in accordance with and subject to the other provisions hereof.

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

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

13. **Optionee not a Stockholder**. Neither the Optionee nor any other person entitled to exercise the Option shall have any of the rights or privileges of a stockholder of the Corporation as to any shares of Common Stock until the issuance and delivery to him or her of a certificate evidencing the shares registered in his or her name. No adjustment will be made for dividends or other rights as a stockholder as to which the record date is prior to such date of delivery.

14. **No Guarantee of Continued Service**. Nothing contained in this Agreement or the Plan constitutes an employment or service commitment by the Company, affects the Optionee's status as an employee at will who is subject to termination without cause, confers upon the Optionee any right to remain employed by the Company, interferes in any way with the right of the Company at any time to terminate such employment, or affects the right of the Company to increase or decrease the Optionee's other compensation or benefits. Nothing in this Section 14, however, is intended to adversely affect any independent contractual right of the Optionee without his or her consent thereto. Employment for any period of time (including a substantial period of time) after the Award Date will not entitle the Optionee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment if the express conditions to vesting pursuant to Section 1 or 6 have not been satisfied.

15. **Non-Transferability of Option**. The Option and any other rights of the Optionee under this Agreement or the Plan are nontransferable except as provided in Section 1.8 of the Plan.

16. **Notices**. Any notice to be given under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal office located at 401 Wilshire Boulevard, Suite 700, Santa Monica, California 90401, to the attention of the Corporate Secretary and to the Optionee at the

address given beneath the Optionee's signature hereto, or at such other address as either party may hereafter designate in writing to the other.

17. **Effect of Award Agreement**. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Corporation, except to the extent the Committee determines otherwise.

18. **Entire Agreement; Governing Law**. The Plan is incorporated herein by reference. [Subject to Section 20 below,] The Plan and this Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and the Optionee. The constructive interpretation, performance and enforcement of this Agreement and the Option shall be governed by the internal substantive laws, but not the choice of law rules, of the State of Maryland.

19. **Plan**. The Option and all rights of the Optionee with respect thereto are subject to, and the Optionee agrees to be bound by, all of the terms and conditions of the provisions of the Plan, incorporated herein by reference, to the extent such provisions are applicable to Awards granted to Eligible Persons. The Optionee acknowledges receipt of a copy of the Plan, which is made a part hereof by this reference, and agrees to be bound by the terms thereof. Unless otherwise expressly provided in other Sections of this Agreement, provisions of the Plan that confer discretionary authority on the Committee do not (and shall not be deemed to) create any rights in the Optionee unless

such rights are expressly set forth herein or are otherwise in the sole discretion of the Committee specifically so conferred by appropriate action of the Committee under the Plan after the date hereof.

20. **[Other Agreements**. If any provision of this Agreement is inconsistent with any provision of the Management Continuity Agreement dated as of [March 15, 2002] between the Corporation and Participant and as it may be amended from time-to-time (the "MCA"), the provisions of the MCA shall control**.] [This provision and the introductory clause of the second sentence of Section 18 is to be included only in agreements with Optionees subject to the MCA.]**

THE MACERICH COMPANY,
a Maryland corporation

By: ____________________
Its: ____________________

AGREED AND ACKNOWLEDGED:

____
(Optionee's Signature)

____
(City, State, Zip Code)

____
(Address)

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Employee Stock Option Agreement by the Corporation, I, the spouse of the employee named above, join with my spouse in executing this Agreement and agree to be bound by all of the terms and provisions of this Agreement and of the Plan.

Date: ____________________

____
Signature of Spouse

THE MACERICH COMPANY

NON-QUALIFIED STOCK OPTION GRANT
(Annual Grant)*

THIS GRANT dated as of December 31, 20 , by The Macerich Company, a Maryland corporation (the "**Corporation**"), to (the "**Director**").

W I T N E S S E T H

WHEREAS, the Corporation has adopted The Macerich Company 2003 Equity Incentive Plan (the "**Plan**").

NOW, THEREFORE, in consideration of the services rendered and to be rendered by the Director, the Corporation hereby grants an option (the "**Option**") to the Director pursuant to and subject to the Plan and upon the terms and conditions evidenced hereby, which Option is not intended as and shall not be deemed to be an incentive stock option within the meaning of Section 422 of the Code.

1. Option Grant. This Agreement evidences the grant to the Director, as of December 31, 20 , (the "**Option Date**"), of an Option to purchase an aggregate of **5,000** shares of Common Stock, par value $0.01 per share, subject to the terms and conditions of and to adjustments provided in or pursuant to the Plan.

2. Exercise Price. The Option entitles the Director to purchase all of any part of the Option shares, to the extent then exercisable, at a price per share of **$** , which represents the Fair Market Value of the shares on the Option Date.

3. Option Exercisability and Term.

(a) Except as earlier permitted by or pursuant to the Plan or by the Compensation Committee, the Option shall not become exercisable and no shares may be purchased by exercise of the Option until the expiration of six months after the Option Date. The exercisability of the Option requires continued service through the date the Option becomes exercisable as a condition to the vesting of the rights and benefits under this Agreement. Partial service, even if substantial, prior to the date the Option becomes exercisable will not entitle the Director to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of service as provided in Section 8.5 of the Plan, except as otherwise expressly provided in the Plan.

***Note: If this is an initial grant under Section 8.2(a) of the Plan, make the following changes to this form consistent with Section 8.2(a): change the December 31 option date to the date of grant, make the corresponding change to the termination date, change the number of shares of Common Stock to 2,500.**

(b) The Option shall terminate on the earlier of **December 31, 201** , or the earlier termination date under the terms of the Plan, including but not limited to Section 8.5, 8.6 or 6.2.

4. Service. The Director agrees to serve as a director in accordance with the provisions of the Corporation's Articles of Incorporation, bylaws and applicable law.

5. General Terms. The Option and this Grant are subject to, and the Corporation and the Director agree to be bound by, the provisions of the Plan that apply to the Option (including but not limited to Sections 1.8, 6.2, 6.4 and Article 8 of the Plan), and such provisions are incorporated herein by this reference. If there is any conflict or inconsistency between the terms and conditions of this Agreement and of the Plan, the terms and conditions of the Plan shall govern. The Director acknowledges receiving a copy of the Plan and reading its applicable provisions. Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Plan.

IN WITNESS WHEREOF, the Corporation has executed this Agreement as of the date first above written.

THE MACERICH COMPANY
a Maryland corporation

By: ______________________________

Richard A. Bayer
Executive Vice President, General Counsel & Secretary

Exhibit 10.5

AMENDMENT 2003-1
TO
THE MACERICH COMPANY
EMPLOYEE STOCK PURCHASE PLAN

WHEREAS, The Macerich Company (the "Company") maintains The Macerich Company Employee Stock Purchase Plan (the "ESPP");

WHEREAS, Section 19(d) of the ESPP provides that the Board of Directors of the Company may amend the Plan.

NOW, THEREFORE, the ESPP is hereby amended, effective on October 29, 2003 as follows:

1. The last sentence of Section 7(a) is hereby amended to read as follows:

"A Participant's Account shall be reduced by any amounts used to pay the Exercise Price of shares acquired, by any other amounts distributed pursuant to Sections 7(e) or 11 or by any amounts used to satisfy withholding obligations pursuant to Section 25."

2. Section 9 is hereby amended in its entirety to read as follows:

"Unless a Participant withdraws pursuant to Section 7(e) or the Participant's Plan participation is terminated as provided in Section 11, his or her Option for the purchase of shares shall be exercised automatically on the Exercise Date for that Offering Period, without any further action on the Participant's part, and the maximum number of shares (which may include fractional shares) of Common Stock subject to such Option (subject to the limits of Section 8(c)) shall be purchased at the Exercise Price with the balance of such Participant's Account."

3. The second sentence of Section 16 is hereby amended to read as follows:

"Each Participant's statement shall set forth, as of such Exercise Date, that Participant's Account balance immediately prior to the exercise of his or her Option, the Exercise Price and the number of shares purchased."

4. The second sentence of the first paragraph of Section 25 is hereby amended to read as follows:

"In such event, the maximum number of shares subject to such Option (subject to the other limits set forth in this Plan) shall be purchased at the Exercise Price with the balance of the Participant's Account (after reduction for the tax withholding amount)."

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5. Section 24 is hereby amended by adding a new subsection (e) to read as follows:

"(e) *Electronic and Telephonic Media*. Notwithstanding any provisions contained herein to the contrary requiring the submission of forms and elections in the form of a writing signed by the Participant in order to be effective, the Committee (or its delegate) may require or permit Participant (or Beneficiary, as the context may require) elections and/or consents under this Plan to be made by means of such electronic or telephonic media as the Committee may prescribe. A Participant's participation election, request to withdraw from participation or other form of election permitted by electronic or telephonic media under this Plan by the Committee (or its delegate) shall be deemed to constitute the submission of a writing signed by the Participant for purposes of this Plan only if timely processed. Reasonable efforts will be used to process electronic or telephonic media consents and elections made under this Plan. Notwithstanding the preceding sentence or anything else in this Plan to the contrary, neither the Company, the Committee (or its delegate), nor any other person guarantees that any consent or election will be so processed. However, the Committee (or its delegate) may accept consents and elections that are not timely processed and retroactively implement such consents or elections in the event that and to the extent that the failure of timely processing was due to system error or other event not reasonably within the control of the Participant, as the Committee (or its delegate) determines in its sole discretion. The Committee (or its delegate) may adopt new or alternative rules for electronic or telephonic media consents and elections as it deems appropriate in its sole and complete discretion (including, without limitation, eliminating any electronic or telephonic media system and re-implementing a requirement of written forms in all cases). In order to be effective, each consent and/or election must be made in accordance with such other rules as the Committee may prescribe. The provisions of this Section 24(e) shall not affect the requirement that Beneficiary designations be in writing in accordance with Section 13."

IN WITNESS WHEREOF, The Macerich Company has caused this Amendment to be executed on , 2003.

THE MACERICH COMPANY

By: ______________________________

Exhibit 10.6

AMENDMENT NUMBER 1
TO
THE MACERICH COMPANY
ELIGIBLE DIRECTORS'
DEFERRED COMPENSATION/PHANTOM STOCK PLAN
(As Amended and Restated Effective as of June 30, 2000)

WHEREAS, The Macerich Company (the "Company") has established The Macerich Company Eligible Directors' Deferred Compensation/Phantom Stock Plan (the "Plan") to attract, motivate and retain experienced and knowledgeable directors of the Company by permitting them to defer compensation and affording them the opportunity to link that compensation to an equity interest in the Company; and

WHEREAS, it is desirable to amend the Plan to allow a new director to elect to participate upon first becoming an eligible director of the Company.

NOW THEREFORE, the Plan is hereby amended as set forth below, effective as of January 1, 2003.

ARTICLE II

DEFINITIONS

1. Section 2.3 is amended in its entirety to read as follows:

"**2.3** **Award Date** with reference to elections under Section 4.2 shall mean the January 1 that next follows the date of an Eligible Director's election made pursuant to Section 4.2. Award Date with reference to elections under Section 4.1(a) shall mean August 3, 1994, with reference to elections under Section 4.1(b) shall mean February 1, 1995, and with reference to elections under Section 4.1(c) shall mean the date next following the date that the Eligible Director files his or her election under Section 4.1(c)."

ARTICLE IV

DEFERRAL ELECTIONS

2. Section 4.1 is amended by adding a new subsection (c) to read as follows:

"**(c)** **Initial Election for New Directors.** On or before the 30th day after first becoming an Eligible Director, a new Eligible Director may make an irrevocable election to defer all or a portion (in 10% increments) of his or her Compensation and/or Special Meeting Fees payable for services to be rendered by the Eligible Director after the date such election is filed with the Committee and during the remainder of the calendar year during which the Eligible Director first becomes an Eligible Director and/or during the next one or two calendar years in (a) cash, in accordance with Section 5.1, or (b) Stock Units, in accordance with Section 5.2. Such election shall be in writing on a form provided by the Company and approved by the Committee and must be filed no later than the 30th day following the date that the Eligible Director first becomes an Eligible Director."

ARTICLE V

DEFERRAL ACCOUNTS

3. Section 5.2(a) is amended by changing the second sentence thereof to read as follows:

"The present value shall be computed assuming the Compensation deferred would have been paid on the first day of the calendar year to which it relates (or, in the case of Compensation deferred under an election under Section 4.1(c) for the remainder of the calendar year in which the Eligible Director first becomes an Eligible Director, on the Award Date) at the prevailing rate of Compensation at the time of the election made in accordance with Article IV, discounted to present value using the Discount Rate."

IN WITNESS WHEREOF, the Company has caused its duly authorized officers to execute this amendment this ______ day of ______, 2003.

THE MACERICH COMPANY

By ______________________________

By ______________________________

THE MACERICH COMPANY (The Company)

SECTION 302 CERTIFICATION

I, Arthur M. Coppola, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended September 30, 2003 of The Macerich Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to

the registrant’s auditors and the audit committee of the registrant’s board of directors:

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 13, 2003

/s/ Arthur M. Coppola
[Signature]

President and Chief Executive Officer
[Title]

Exhibit 31.2

THE MACERICH COMPANY (The Company)

SECTION 302 CERTIFICATION

I, Thomas E. O’Hern, certify that:

1. I have reviewed this report on Form 10-Q for the quarter ended September 30, 2003 of The Macerich Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

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5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors:

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 13, 2003

/s/ Thomas E. O’Hern
[Signature]

Executive Vice President and
Chief Financial Officer
[Title]

Exhibit 32.1

THE MACERICH COMPANY (The Company)

WRITTEN STATEMENT
PURSUANT TO
18 U.S.C. SECTION 1350

The undersigned, Arthur M. Coppola and Thomas E. O'Hern, the Chief Executive Officer and Chief Financial Officer, respectively, of The Macerich Company (the "Company"), pursuant to 18 U.S.C. §1350, hereby certify that:

(i) the Quarterly Report on Form 10-Q for the quarter ended September 30, 2003 of the Company (the "Report") fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 13, 2003

/s/ Arthur Coppola
[Signature]

President and Chief Executive Officer
[Title]

/s/ Thomas E. O'Hern
[Signature]

Executive Vice President and Chief
Financial Officer
[Title]