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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

FOR QUARTER ENDED MARCH 31, 2003

COMMISSION FILE NO. 1-12504

THE MACERICH COMPANY

(Exact name of registrant as specified in its charter)

MARYLAND (State or other jurisdiction of incorporation or organization)	**95-4448705** (I.R.S. Employer Identification Number)
401 Wilshire Boulevard, Suite 700, Santa Monica, CA (Address of principal executive office)	**90401** (Zip code)

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

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

Common stock, par value $.01 per share: 52,492,382 shares
Number of shares outstanding of the registrant's common stock, as of May 6, 2003.

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

Form 10-Q

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

	March 31, 2003	December 31, 2002
ASSETS		
Property, net	$ 3,127,902	$ 2,842,177
Cash and cash equivalents	105,754	53,559
Tenant receivables, including accrued overage rents of $888 in 2003 and $4,846 in 2002	50,124	47,741
Deferred charges and other assets, net	60,327	71,547
Loans to unconsolidated joint ventures	36,304	28,533
Due from affiliates	—	1,318
Investments in unconsolidated joint ventures and the management companies	553,437	617,205
Total assets	3,933,848	3,662,080
LIABILITIES, PREFERRED STOCK AND COMMON STOCKHOLDERS' EQUITY:		
Mortgage notes payable:		
Related parties	$ 97,419	$ 80,214
Others	1,870,875	1,662,894
Total	1,968,294	1,743,108
Bank notes payable	586,800	548,800
Accounts payable and accrued expenses	36,154	30,555
Due to affiliates	10,039	—
Other accrued liabilities	79,045	67,791
Preferred stock dividend payable	5,195	5,195
Total liabilities	2,685,527	2,395,449
Minority interest	211,392	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 March 31, 2003 and December 31, 2002	98,934	98,934
Series B cumulative convertible redeemable preferred stock, $.01 par value, 5,487,471 shares authorized, issued and outstanding at March 31, 2003 and December 31, 2002	148,402	148,402
	247,336	247,336
Common stockholders' equity:		
Common stock, $.01 par value, 145,000,000 shares authorized, 51,843,652 and 51,490,929 shares issued and outstanding at March 31, 2003 and December 31, 2002, respectively	518	514
Additional paid-in capital	847,421	835,900

Accumulated deficit	(35,022)	(23,870)
Accumulated other comprehensive loss	(4,293)	(4,811)
Unamortized restricted stock	(19,031)	(9,935)
Total common stockholders' equity	789,593	797,798
Total liabilities, preferred stock and common stockholders' equity	$ 3,933,848	$ 3,662,080

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

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

	Three Months Ended March 31,	
	2003	2002
REVENUES:		
Minimum rents	$ 72,137	$ 48,565
Percentage rents	1,710	1,297
Tenant recoveries	37,018	24,639
Other	4,092	2,449
Total revenues	114,957	76,950
EXPENSES:		
Shopping center and operating expenses	39,362	25,698
REIT general and administrative expenses	2,336	1,533
	41,698	27,231
Interest expense:		
Related parties	1,415	1,445
Others	32,593	23,679
Total interest expense	34,008	25,124
Depreciation and amortization	23,914	16,509
Equity in income of unconsolidated joint ventures and the management companies	14,466	6,306
Gain (loss) on sale of assets	128	(152)
Income of the Operating Partnership from continuing operations before minority interest	29,931	14,240
Discontinued operations:		
(Loss) gain on sale of asset	(166)	13,408
Income from discontinued operations	—	288
Income before minority interest	29,765	27,936
Less: Minority interest	5,145	5,573
Net income	24,620	22,363
Less: Preferred dividends	5,195	5,013
Net income available to common stockholders	$ 19,425	$ 17,350
Earnings per common share—basic:		
Income from continuing operations	$ 0.38	$ 0.20
Discontinued operations	0.00	0.30
Net income per share available to common stockholders	$ 0.38	$ 0.50
Weighted average number of common shares outstanding—basic	51,773,000	34,734,000
Earnings per common share—diluted:		
Income from continuing operations	$ 0.37	$ 0.20
Discontinued operations	0.00	0.30
Net income per share-available to common stockholders	$ 0.37	$ 0.50

Weighted average number of common shares outstanding—diluted	65,923,000	45,887,000

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For the three months ended March 31,	
	2003	2002
Cash flows from operating activities:		
Net income-available to common stockholders	$ 19,425	$ 17,350
Preferred dividends	5,195	5,013
Net income	24,620	22,363
Adjustments to reconcile net income to net cash provided by operating activities:		
(Gain) loss on sale of assets	(128)	152
Discontinued operations gain (loss) on sale of assets	166	(13,408)
Depreciation and amortization	23,914	16,624
Amortization of net (premium) discount on trust deed note payable	(558)	8
Minority interest	5,145	5,573
Changes in assets and liabilities:		
Tenant receivables, net	(1,911)	7,166
Other assets	10,634	1,962
Accounts payable and accrued expenses	2,199	(828)
Due to affiliates	11,280	1,273
Other liabilities	4,326	(1,292)
Total adjustments	55,067	17,230
Net cash provided by operating activities	79,687	39,593
Cash flows from investing activities:		
Acquisitions of property and property improvements	(1,097)	(753)
Development, redevelopment and expansion of centers	(31,339)	(5,661)
Renovations of centers	(1,140)	(396)
Tenant allowances	(686)	(2,098)
Deferred leasing charges	(2,559)	(2,407)
Equity in income of unconsolidated joint ventures and the management companies	(14,466)	(6,306)
Distributions from joint ventures	14,855	9,508
Contributions from joint ventures	(1,736)	—
Acquisitions of joint ventures	(68,320)	—
Loans to unconsolidated joint ventures	(7,771)	—
Proceeds from sale of assets	18,260	23,716
Net cash (used in) provided by investing activities	(95,999)	15,603
Cash flows from financing activities:		
Proceeds from mortgages and notes payable	164,222	—
Payments on mortgages and notes payable	(60,953)	(37,449)
Deferred financing costs	(232)	(638)
Net proceeds from equity offerings	—	52,214
Dividends and distributions	(29,335)	(22,214)
Dividends to preferred stockholders	(5,195)	(5,013)
Net cash provided by (used in) financing activities	68,507	(13,100)
Net increase in cash	52,195	42,096
Cash and cash equivalents, beginning of period	53,559	26,470
Cash and cash equivalents, end of period	$ 105,754	$ 68,566

Supplemental cash flow information:				
Cash payment for interest, net of amounts capitalized	$	34,600	$	23,323
Non-cash transactions:				
Acquisition of property by assumption of joint venture debt	$	180,000		—
Reclassifications from investments in joint ventures to property	$	65,115		—

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. 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:

As a result of the adoption of Statement of Financial Accounting Standard ("SFAS") 133 on January 1, 2001, the Company recorded a transition adjustment of $7,148 to accumulated other comprehensive income related to treasury rate lock transactions settled in prior years. The entire transition adjustment was reflected in the quarter ended March 31, 2001. The Company reclassified $328 and $332 for the three months ending March 31, 2003 and 2002, respectively, and expects to reclassify $1,328 from accumulated other comprehensive income to earnings for the year ended December 31, 2003. Additionally, the Company recorded other comprehensive income of $190 related to the mark to market of an interest rate swap agreement for the three months ended March 31, 2003.

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. The Company has determined that the impact of SFAS 141 on acquisitions that occurred during 2002 was to recognize for the three months ending March 31, 2003 an additional $1,076 of minimum rents, including $425 from the joint ventures at pro rata. A deferred credit of $15,371 is recorded in "Other Accrued Liabilities" of the Company. An additional $5,997 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 $3,369 and $1,593 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 $460 for the period January 1, 2002 to March 19, 2002. The Company sold Paradise Village Gateway, which was acquired on July 2, 2002, on January 2, 2003 and have recorded a loss on sale of $166 in "discontinued operations" for the three months ending March 31, 2003.

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. The Company expects to reclassify a loss of $3,605, which was incurred in the third and fourth quarters of 2002, from extraordinary items to continuing operations pursuant to the Company's adoption of SFAS 145 on January 1, 2003.

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 period ending March 31, 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. The disclosure provisions of SFAS No. 148 are included in the accompanying Notes to Consolidated Financial Statements. 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 three months ending March 31, 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 three months ending March 31, 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. The Company is in the process of evaluating the effects of FIN 46 which may require the Company to consolidate Macerich Management Company ("MMC") effective January 1, 2004. The Company does not believe there will be any significant impact as a result of consolidating MMC, since MMC is currently accounted for under the equity method in the Company's consolidated financial statements.

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 three months ending March 31, 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 Three Months Ended March 31,					
	2003			2002		
	Net Income	Shares	Per Share	Net Income	Shares	Per Share
	(In thousands, except per share data)					
Net income	$ 24,620			$ 22,363		
Less: Preferred stock dividends	5,195			5,013		
Basic EPS:						
Net income available to common stockholders	$ 19,425	51,773	$ 0.38	$ 17,350	34,734	$ 0.50
Diluted EPS:						
Conversion of OP units	5,145	13,713		5,573	11,153	
Employee stock options	—	437			n/a—antidilutive for EPS	
Restricted stock		n/a—antidilutive for EPS			n/a—antidilutive for EPS	
Convertible preferred stock		n/a—antidilutive for EPS			n/a—antidilutive for EPS	
Convertible debentures		n/a—antidilutive for EPS			n/a—antidilutive for EPS	
Net income available to common stockholders	$ 24,570	65,923	$ 0.37	$ 22,923	45,887	$ 0.50

The minority interest for the three months ending March 31, 2003 of $5,145 has been allocated to income from continuing operations of $5,180 and ($35) to discontinued operations. The minority interest for the three months ending March 31, 2002 of $5,573 has been allocated to income from continuing operations of $2,244 and $3,329 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 owns a majority of the ownership interests in, The Macerich Partnership, L.P., a Delaware limited partnership (the "Operating Partnership"). As of March 31, 2003, The Operating Partnership owns or has an ownership interest in 56 regional shopping centers, 20 community shopping centers and two development projects aggregating approximately 58 million square feet of gross leasable area ("GLA"). These 78 regional and community shopping centers are referred to hereinafter as the "Centers", unless the context otherwise requires. The Company is a self-administered and self-managed real estate investment trust ("REIT") and conducts all of its operations through the Operating Partnership and the Company's management companies, Macerich Property Management Company, LLC, ("MPMC, LLC") a single-member Delaware limited liability company and Macerich Management Company, a California corporation. Additionally, 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 ceased operations and is 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 March 31, 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 March 31, 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%
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%
East Mesa Land	50%
Shops at Gainey Village	50%
Hilton Village	50%
Lee West	50%
Paradise Village Investment Co.	50%
Promenade	50%
Propcor Associates	25%
Propcor II—Boulevard Shops	50%
RLR/WV1	50%
Scottsdale/101 Associates	46%

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 ceased operations, is 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 Macerich Management Companies and joint ventures using 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 and Camelback Colonnade, 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 their 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.

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. The results of FlatIron Crossing prior to January 31, 2003 were accounted for using the equity method of accounting.

The results of Westcor are included for the period subsequent to its date of acquisition on July 26, 2002.

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

	March 31, 2003	December 31, 2002
Assets:		
Properties, net	$ 3,256,001	$ 3,577,093
Other assets	102,872	95,085
Total assets	$ 3,358,873	$ 3,672,178
Liabilities and partners' capital:		
Mortgage notes payable	$ 2,030,407	$ 2,216,797
Other liabilities	118,201	118,331
The Company's capital	553,437	617,205
Outside partners' capital	656,828	719,845
Total liabilitites and partners' capital	$ 3,358,873	$ 3,672,178

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

	Three Months Ended March 31, 2003					
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Westcor Joint Ventures	Other Joint Ventures	Macerich Management Companies	Total
Revenues:						
Minimum rents	$ 22,553	$ 26,450	$ 27,688	$ 4,875	—	$ 81,566
Percentage rents	1,365	1,054	242	196	—	2,857
Tenant recoveries	11,127	9,631	10,713	1,873	—	33,344
Management fee	—	—	—	—	$ 2,720	2,720
Other	691	467	288	189	377	2,012
Total revenues	35,736	37,602	38,931	7,133	3,097	122,499
Expenses:						
Management Company expense	—	—	—	—	2,094	2,094
Shopping center and operating expenses	14,180	10,750	12,426	2,037	—	39,393
Interest expense	7,355	11,886	7,923	1,972	—	29,136
Depreciation and amortization	6,641	6,057	9,166	845	642	23,351
Total operating expenses	28,176	28,693	29,515	4,854	2,736	93,974

Gain on sale or write-down of assets	101	—	793	—	—	894
Net income	$ 7,661	$ 8,909	$ 10,209	$ 2,279	$ 361	$ 29,419
Company's pro rata share of net income	$ 3,831	$ 4,532	$ 4,990	$ 769	$ 344	$ 14,466

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

	Three Months Ended March 31, 2002				
	SDG Macerich Properties, L.P.	Pacific Premier Retail Trust	Other Joint Ventures	Macerich Management Companies	Total
Revenues:					
Minimum rents	$ 22,717	$ 25,274	$ 5,707	—	$ 53,698
Percentage rents	1,215	914	224	—	2,353
Tenant recoveries	10,330	9,379	1,906	—	21,615
Management fee	—	—	—	$ 2,172	2,172
Other	296	434	4,246	—	4,976
Total revenues	34,558	36,001	12,083	2,172	84,814
Expenses:					
Management Company expense	—	—	—	1,983	1,983
Shopping center and operating expenses	12,861	10,531	8,437	—	31,829
Interest expense	7,547	12,104	3,762	(90)	23,323
Depreciation and amortization	6,402	5,836	6,349	305	18,892
Total operating expenses	26,810	28,471	18,548	2,198	76,027
Loss on sale or write-down of assets (1)	—	—	(14,061)	—	(14,061)
Net income (loss)	$ 7,748	$ 7,530	($ 20,526)	($ 26)	($ 5,274)
Company's pro rata share of net income (loss)	$ 3,874	$ 3,831	($ 1,374)	($ 25)	$ 6,306

(1) In 2002, $13.4 million of the loss in Other Joint Ventures relates to MerchantWired, LLC.

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 $151,959 and $153,147 as of March 31, 2003 and December 31, 2002, respectively. NML is considered a related party because they are a joint venture partner with the Company in Macerich Northwestern Associates. Interest expense incurred on these borrowings amounted to $2,530 and $2,603 for the three months ended March 31, 2003 and 2002, respectively.

4. Property:

Property is summarized as follows:

	March 31, 2003	December 31, 2002
Land	$ 545,540	$ 531,099
Building improvements	2,773,154	2,489,041
Tenant improvements	75,736	75,103
Equipment and furnishings	22,088	22,895
Construction in progress	140,709	133,536
	3,557,227	3,251,674
Less, accumulated depreciation	(429,325)	(409,497)

	$ 3,127,902	$ 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 $68.3 million in cash plus the assumption of the joint venture partner's share of debt of $90 million. Additionally, the Company has recorded a gain of $0.1 million on the sale of peripheral land.

A gain on sale of assets of $13,256 for the three months ending March 31, 2002 is primarily a result of the Company selling Boulder Plaza on March 19, 2002.

5. Mortgage Notes Payable:

Mortgage notes payable at March 31, 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 March 31, 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)	$ 16,802	—	$ 16,926	—	5.39%	115(a)	2007
Capitola Mall	—	$ 46,353	—	$ 46,674	7.13%	380(a)	2011
Carmel Plaza	27,986	—	28,069	—	8.18%	202(a)	2009
Chandler Fashion Center(c)	182,977	—	183,594	—	5.48%	1,043(a)	2012
Chesterfield Towne Center	61,572	—	61,817	—	9.07%	548(d)	2024
Citadel	68,834	—	69,222	—	7.20%	554(a)	2008
Corte Madera, Village at	69,689	—	69,884	—	7.75%	516(a)	2009
Crossroads Mall—Boulder(e)	—	33,404	—	33,540	7.08%	244(a)	2010
Flagstaff Mall(f)	14,813	—	14,974	—	5.39%	121(a)	2006
FlatIron Crossing(g)	145,000	—	—	—	2.23%	interest only	2004
FlatIron Crossing—Mezzanine(h)	35,000	—	—	—	4.61%	interest only	2004
Fresno Fashion Fair	67,797	—	68,001	—	6.52%	437(a)	2008
Greeley Mall	13,000	—	13,281	—	8.50%	187(a)	2003
Green Tree Mall/Crossroads—OK/Salisbury(i)	117,714	—	117,714	—	7.23%	interest only	2004
La Encantada(j)	5,365	—	2,715	—	3.28%	interest only	2005
Northwest Arkansas Mall	58,325	—	58,644	—	7.33%	434(a)	2009
Pacific View(k)	87,503	—	87,739	—	7.16%	602(a)	2011
Panorama Mall(l)	32,250	—	—	—	3.21%	interest only	2005
Paradise Valley Mall(m)	81,826	—	82,256	—	5.39%	506(a)	2007
Paradise Valley Mall(n)	25,205	—	25,393	—	5.89%	183(a)	2009
Paradise Village Gateway(o)	—	—	19,524	—	5.39%	137(a)	(o)
Prescott Gateway(p)	40,651	—	40,651	—	3.47%	interest only	2004
Queens Center	96,880	—	97,186	—	6.88%	633(a)	2009
Queens Center(q)	17,662	17,662	—	—	3.84%	interest only	2013
Rimrock Mall	45,422	—	45,535	—	7.45%	320(a)	2011
Santa Monica Place	83,345	—	83,556	—	7.70%	606(a)	2010
South Plains Mall	62,636	—	62,823	—	8.22%	454(a)	2009
South Towne Center	64,000	—	64,000	—	6.61%	interest only	2008
The Oaks(r)	108,000	—	108,000	—	2.51%	interest only	2004
Valley View Center	51,000	—	51,000	—	7.89%	interest only	2006
Village Plaza(s)	5,790	—	5,857	—	5.39%	47(a)	2006
Village Square I & II(t)	5,061	—	5,116	—	5.39%	41(a)	2006
Vintage Faire Mall	68,413	—	68,586	—	7.89%	508(a)	2010
Westbar(u)	4,395	—	4,454	—	4.22%	35(a)	2005
Westbar(v)	7,736	—	7,852	—	4.22%	66(a)	2004
Westside Pavilion	98,226	—	98,525	—	6.67%	628(a)	2008
Grand Total—Consolidated Centers	$ 1,870,875	$ 97,419	$ 1,662,894	$ 80,214			

	Carrying Amount of Notes						
	2003		2002				
Property Pledged as Collateral	Other	Related Party	Other	Related Party	Interest Rate	Payment Terms	Maturity Date
Joint Venture Centers (at pro rata share):							
Arizona Lifestyle Galleries (50%)(w)(x)	$ 903	—	$ 925	—	3.81%	10(a)	2004
Arrowhead Towne Center (33.33%)(w)(y)	28,825	—	28,931	—	6.38%	187(a)	2011
Boulevard Shops (50%)(w)(z)	4,920	—	4,824	—	3.50%	interest only	2004
Broadway Plaza (50%)(w)	—	$ 34,372	—	$ 34,576	6.68%	257(a)	2008
Camelback Colonnade (75%)(w)(aa)	26,495	—	26,818	—	4.81%	211(a)	2006
Chandler Festival (50%)(w)(ab)	16,222	—	16,101	—	3.10%	interest only	2004
Chandler Gateway (50%)(w)(ac)	7,404	—	7,376	—	3.10%	interest only	2004
Desert Sky Mall (50%)(w)(ad)	13,903	—	13,969	—	5.42%	129(a)	2005
East Mesa Land (50%)(w)(ae)	2,134	—	2,139	—	2.28%	10(a)	2004

East Mesa Land (50%)(w)(ae)	638	—	640	—	5.39%	3(a)	2006
FlatIron Crossing (50%)(w)(g)	—	—	72,500	—	2.30%	interest only	2004
FlatIron Crossing—Mezzanine (50%)(w)(h)	—	—	17,500	—	4.68%	interest only	2004
Hilton Village (50%)(w)(af)	4,675	—	4,719	—	5.39%	35(a)	2007
Pacific Premier Retail Trust (51%)(w):							
Cascade Mall	11,810	—	11,983	—	6.50%	122(a)	2014
Kitsap Mall/Kitsap Place	30,785	—	30,831	—	8.06%	230(a)	2010
Lakewood Mall (ag)	64,770	—	64,770	—	7.20%	interest only	2005
Lakewood Mall (ah)	8,224	—	8,224	—	3.75%	interest only	2003
Los Cerritos Center	58,316	—	58,537	—	7.13%	421(a)	2006
North Point Plaza	1,648	—	1,669	—	6.50%	16(a)	2015
Redmond Town Center—Retail	30,733	—	30,910	—	6.50%	224(a)	2011
Redmond Town Center—Office	—	42,440	—	42,837	6.77%	370(a)	2009
Stonewood Mall	39,562	—	39,653	—	7.41%	275(a)	2010
Washington Square	56,854	—	57,161	—	6.70%	421(a)	2009
Washington Square Too	5,777	—	5,843	—	6.50%	53(a)	2016
Promenade (50%)(w)(ai)	2,591	—	2,617	—	5.39%	20(a)	2006
PVIC Ground Leases (50%)(w)(aj)	3,960	—	3,991	—	5.39%	28(a)	2006
PVOP II (50%)(w)(ak)	1,571	—	1,583	—	5.85%	12(a)	2009
Scottsdale Fashion Square—Series I (50%)(w)(al)	83,695	—	84,024	—	5.39%	interest only	2007
Scottsdale Fashion Square—Series II (50%)(w)(am)	37,123	—	37,346	—	5.39%	interest only	2007
SDG Macerich Properties L.P. (50%)(w)(an)	183,683	—	183,922	—	6.54%	1,120(a)	2006
SDG Macerich Properties L.P. (50%)(w)(an)	92,250	—	92,250	—	1.85%	interest only	2003
SDG Macerich Properties L.P. (50%)(w)(an)	40,700	—	40,700	—	1.72%	interest only	2006
Shops at Gainey Village (50%)(w)(ao)	11,310	—	11,342	—	3.29%	interest only	2004
Superstition Springs (33.33%)(w)(ap)	16,361	—	16,401	—	2.28%	interest only	2004
Superstition Springs (33.33%)(w)(ap)	4,887	—	4,908	—	5.39%	interest only	2006
Village Center (50%)(w)(aq)	3,930	—	3,971	—	5.39%	31(a)	2006
Village Crossroads (50%)(w)(ar)	2,534	—	2,559	—	4.81%	19(a)	2005
Village Fair North (50%)(w)(as)	6,159	—	6,193	—	5.89%	41(a)	2008
West Acres Center (19%)(w)	7,169	—	7,222	—	6.52%	57(a)	2009
West Acres Center (19%)(w)	1,843	—	1,853	—	9.17%	18(a)	2009
Grand Total—Joint Venture Centers	$ 914,364	$ 76,812	$ 1,006,905	$ 77,413			
Grand Total—All Centers	$ 2,785,239	$ 174,231	$ 2,669,799	$ 157,627			
Less unamortized debt premiums	22,036	—	35,847	—			
Grand Total—excluding unamortized debt premiums	$ 2,763,203	$ 174,231	$ 2,633,952	$ 157,627			

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

(b) At March 31, 2003 and December 31, 2002, the unamortized premium was $1,344 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 $140 and $159 for the three months ended March 31, 2003 and 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 March 31, 2003 and December 31, 2002, the unamortized discount was $256 and $264, respectively.

(f) At March 31, 2003 and December 31, 2002, the unamortized premium was $807 and $878, respectively.

(g) The property has a permanent interest only loan bearing interest at LIBOR plus 0.92%. At March 31, 2003 and December 31, 2002, the total interest rate was 2.23% and 2.30%, respectively. This variable rate debt is covered by an interest rate cap agreement which effectively prevents the interest rate from exceeding 8%. In April 2003, the Company negotiated a new $200,000 ten year loan at a fixed interest rate of 5.23%. The current $145,000 floating loan will be paid off upon closing of the transaction which is anticipated to be in October, 2003.

(h) This loan is interest only bearing interest at LIBOR plus 3.30%. At March 31, 2003 and December 31, 2002, the total interest rate was 4.61% and 4.68%, respectively. This variable rate debt is covered by an interest rate cap agreement which effectively prevents the interest rate from exceeding 8%. The loan is collateralized by the Company's interest in the FlatIron Crossing Shopping Center. The current $35,000 floating rate loan will be paid off upon closing of the new $200,000 loan described in Note (g) above.

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

(j) This represents a construction loan which shall not exceed $51,000 bearing interest at LIBOR plus 2.0%. At March 31, 2003 and December 31, 2002, the total interest rate was 3.28% and 3.40%, respectively.

(k) 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.

(l) 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 March 31, 2003 was 3.21%.

(m) At March 31, 2003 and December 31, 2002, the unamortized premium was $2,953 and $3,150, respectively.

(n) At March 31, 2003 and December 31, 2002, the unamortized premium was $1,784 and $1,857, respectively.

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

(p) This represents a construction loan which shall not exceed $46,300 bearing interest at LIBOR plus 2.25%. At March 31, 2003 and December 31, 2002, the total interest rate was 3.47% and 3.50%, respectively.

(q) 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 of the expansion and redevelopment project.

(r) 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 March 31, 2003 and December 31, 2002, the total weighted average interest rate was 2.51% and 2.58%, respectively.

(s) At March 31, 2003 and December 31, 2002, the unamortized premium was $554 and $592, respectively.

(t) At March 31, 2003 and December 31, 2002, the unamortized premium was $264 and $287, respectively.

(u) At March 31, 2003 and December 31, 2002, the unamortized premium was $264 and $302, respectively.

(v) At March 31, 2003 and December 31, 2002, the unamortized premium was $192 and $245, respectively.

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

(x) At March 31, 2003 and December 31, 2002, the unamortized premium was $23 and $35, respectively

(y) At March 31, 2003 and December 31, 2002, the unamortized premium was $940 and $968, respectively.

(z) This represents a construction loan which shall not exceed $13,300 bearing interest at LIBOR plus 2.25%. At March 31, 2003 and December 31, 2002, the weighted average interest rate was 3.5% and 3.57%, respectively.

(aa) At March 31, 2003 and December 31, 2002, the unamortized premium was $1,735 and $1,893, respectively.

(ab) This represents a construction loan which shall not exceed $35,000 bearing interest at LIBOR plus 1.60%. At March 31, 2003 and December 31, 2002, the total interest rate was 3.10% and 3.04%, respectively.

(ac) This represents a construction loan which shall not exceed $17,000 bearing interest at LIBOR plus 2.0%. At March 31, 2003 and December 31, 2002, the total interest rate was 3.10% and 3.55%, respectively.

(ad) 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%.

(ae) 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.

(af) At March 31, 2003 and December 31, 2002, the unamortized premium was $444 and $474, respectively.

(ag) 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 March 31, 2003 and December 31, 2002.

(ah) 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. The Company is currently negotiating a two-year loan extension with the lender. At March 31, 2003 and December 31, 2002, the total interest rate was 3.75%.

(ai) At March 31, 2003 and December 31, 2002, the unamortized premium was $244 and $262, respectively.

(aj) At March 31, 2003 and December 31, 2002, the unamortized premium was $185 and $200, respectively.

(ak) At March 31, 2003 and December 31, 2002, the unamortized premium was $112 and $117, respectively.

(al) At March 31, 2003 and December 31, 2002, the unamortized premium was $5,695 and $6,024, respectively.

(am) At March 31, 2003 and December 31, 2002, the unamortized premium was $3,870 and $4,093, respectively.

(an) 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 March 31, 2003 and December 31, 2002, the unamortized balance of the debt premium was $10,266 and $10,744, respectively. This debt is due in May 2006 and requires monthly payments of $1,852. $184,500 of this debt is due in May 2003 and requires monthly interest payments at a variable weighted average rate (based on LIBOR) of 1.85% and 1.92% at March 31, 2003 and December 31, 2002, respectively. This variable rate debt is covered by interest rate cap agreements, which effectively prevents the interest rate from exceeding 11.53%. Management of this joint venture expects to close on the refinancing of the $184,500 of debt in May 2003.

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 1.72% and 1.79% at March 31, 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%.

(ao) This represents a construction loan which shall not exceed $23,300 bearing interest at LIBOR plus 2.0%. At March 31, 2003 and December 31, 2002, the total interest rate was 3.29% and 3.44%, respectively.

(ap) 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.

(aq) At March 31, 2003 and December 31, 2002, the unamortized premium was $210 and $227, respectively.

(ar) At March 31, 2003 and December 31, 2002, the unamortized premium was $160 and $176, respectively.

(as) At March 31, 2003 and December 31, 2002, the unamortized premium was $256 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 $356 and $134, during the three months ended March 31, 2003 and 2002), was $2,879 and $1,697 for the three months ending March 31, 2003 and 2002, respectively.

The fair value of mortgage notes payable, (including the pro rata share of joint ventures of $1,040,146 and $1,083,313 at March 31, 2003 and December 31, 2002 respectively), is estimated to be approximately $3,122,909 and $2,826,539, at March 31, 2003 and December 31, 2002, respectively, based on current interest rates for comparable loans.

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 March 31, 2003 and December 31, 2002, $382,000 and $344,000 of borrowings were outstanding under this credit facility at an average interest rate of 4.32% 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 March 31, 2003 and December 31, 2002, $204,800 of the term loan was outstanding at an interest rate of 4.34% and 4.78%, respectively.

Additionally, as of March 31, 2003, the Company has obtained $4,627 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.

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 the Macerich Management Companies to manage the operations of certain properties and unconsolidated joint ventures. For the three months ending March 31, 2003 and 2002, management fees of $1,912 and $1,873 respectively, were paid to the Macerich Management Companies by the joint ventures. For the three months ending March 31, 2003, management fees of $1,285 for the unconsolidated entities were paid to 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 $1,415 for the three months ended March 31, 2003; and $1,445 for the three months ended March 31, 2002, respectively. Included in accounts payable and accrued expenses is interest payable to NML of $256 and $261 at March 31, 2003 and 2002, respectively.

As of March 31, 2003 and December 31, 2002, the Company has loans to unconsolidated joint ventures of $36,304 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.

Certain executive officers have outstanding loans from the Company totaling $3,000. These loans are full recourse to the executives and were issued under the terms of the employee stock incentive plan, bear interest at 7%, are due in 2007 and 2009 and are collateralized by Company common stock owned by the executives. These loans receivable are included in other assets at March 31, 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 and $2,000 at Greeley Mall.

9. Commitments and Contingencies:

The Company has certain properties subject to noncancellable operating ground leases. The leases expire at various times through 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 $309 and $323 for the three months ended March 31, 2003 and 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 $85,772 and $59,561 for the period ended March 31, 2003 and for the year ended 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 $959 in 2001 and has committed, subject to certain conditions, to fund up to an additional $330 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 $40 and $19 have already been incurred by the joint venture for remediation, professional and legal fees for the three months ending March 31, 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 has been 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 for this acquisition included a reserve of $3,300 to cover future removal of this asbestos, as necessary. The

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Company incurred $0 and $45 in remediation costs for the three months ending March 31, 2003 and 2002, respectively. An additional $2,362 remains reserved at March 31, 2003.

Dry cleaning chemicals have been detected in soil and groundwater in the vicinity of a former dry cleaning establishment at Bristol Center. The Santa Ana Regional Water Quality Control Board ("RWQCB") has been notified of the release. The Company has retained an environmental consultant who assessed and characterized the extent of the chemicals that are present in soil and groundwater and has developed a remedial action plan, which was approved by the RWQCB. The Company has subsequently completed the remediation activities of the site in accordance with the approved workplan and has submitted a closure report requesting no futher action. A reserve was established in 2002 for $680 of which $263 was paid during the three months ended March 31, 2003. An additional $205 remains reserved at March 31, 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 can be converted on a one for one basis into common stock and will pay a quarterly dividend equal to the greater of $0.46 per share, or the dividend then payable on a share of common stock.

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

The holders of Series A Preferred Stock and Series B Preferred Stock have redemption rights if a change in control of the Company occurs, as defined under the respective Articles Supplementary for each series. Under such circumstances, the holders of the Series A Preferred Stock and Series B 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 therefor.

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 $17,468 for the three months ended March 31, 2002. Net income available to common stockholders on a diluted per share basis would be $0.47 for the three months ended March 31, 2002. Total consolidated revenues of the Company would have been $104,594 for the three months ended March 31, 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 March 31, 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 April 24, 2003, the Company obtained a construction loan for Scottsdale 101. The loan shall not exceed $54,000 bearing interest of LIBOR plus 2.25%. The loan will be funded as construction costs are incurred.

On May 1, 2003, a dividend/distribution of $0.57 per share was declared for common stockholders and OP unit holders of record on May 20, 2003. In addition, the Company declared a dividend of $0.57 on the Company's Series A Preferred Stock and a dividend of $0.57 on the Company's Series B Preferred Stock. All dividends/distributions will be payable on June 10, 2003.

The Company has reached agreement with its bank group to issue $250,000 in unsecured notes maturing in May 2007. The proceeds will be used to pay down, and create more availability under, the Company's line of credit. The financing closed on May 13, 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 March 31, 2003 and also compares the activities for the three months ended March 31, 2003 to the activities for the three months ended March 31, 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

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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. 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. 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 on an accrual basis in accordance with Statement of 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

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	$ 9,839	1/1/2004

Chandler Festival		16,222	4/27/2004
Chandler Gateway		7,404	9/20/2004
Scottsdale 101		54,000	5/1/2006
Shops at Gainey Village		5,655	4/26/2004
Total	$	93,120	

Additionally, as of March 31, 2003, the Company has obtained $4.6 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.

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.

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 "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.

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.

A portion of the Westcor portfolio are 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 acquisition of The Oaks and the Westcor portfolio during 2002. 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 two development properties, the Acquisition Center and the Westcor portfolio are referred to herein as the "Same Centers," unless the context otherwise requires.

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 three months ended March 31, 2003 was $0.5 million compared to ($0.2) million for the three months ended March 31, 2002. Additionally, the Company recognized through equity in income of unconsolidated joint ventures, $0.6 million as its pro rata share of straight-lined rents from joint ventures for the three months ended March 31, 2003 compared to $0.2 million for the three months ended March 31, 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 $1.3 million relating to the acquisitions of The Oaks and Westcor portfolio during 2002. 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: Through the Company's acquisition of Westcor, its 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 Three Months Ended March 31, 2003 and 2002

Revenues

Minimum and percentage rents increased by 47.9% to $73.8 million in 2003 from $49.9 million in 2002. Approximately $19.0 million relates to the Westcor portfolio, $3.5 million relates to the Acquisition Center, $1.1 million relates to the Company acquiring 50% of its joint venture partner's interest in Panorama Mall and $0.7 million of the increase is attributed to the Same Centers primarily due to releasing space at higher rents. This is offset by a $0.2 million decrease relating to the Redevelopment Centers.

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. The Company has determined that the impact of SFAS 141 on acquisitions that occurred during 2002 was to recognize an additional $0.7 million of consolidated revenue which is included in minimum rents for the three months ended March 31, 2003.

Tenant recoveries increased to $37.0 million in 2003 from $24.6 million in 2002. Approximately $8.3 million relates to the Westcor portfolio, $1.6 million relates to the Acquisition Center, $1.6 million relates to the Same Centers, $0.4 million relates to the Redevelopment Centers and $0.5 million relates to Panorama Mall.

Expenses

Shopping center and operating expenses increased to $39.4 million in 2003 compared to $25.7 million in 2002. The increase is a result of $9.5 million related to the Westcor portfolio, the Acquisition Center accounted for $1.6 million of the increase in expenses, $1.1 million relates to increased property taxes, recoverable expenses and bad debt expense at the Redevelopment Centers, $0.6 million of increased property taxes, insurance and other recoverable and non-recoverable expenses at the Same Centers and $0.4 million relates to Panorama Mall.

REIT General and Administrative Expenses

REIT general and administrative expenses increased to $2.3 million in 2003 from $1.5 million in 2002, primarily due to increases in professional services, travel expenses and stock-based compensation expense.

Interest Expense

Interest expense increased to $34.0 million in 2003 from $25.1 million in 2002. Approximately $7.9 million of the increase is related to the debt from the Westcor portfolio, $0.7 million from the Acquisition Center, $0.2 million relates to a new $32.3 million loan placed on Panorama Mall in January 2003 and increased borrowings under the Company's new line of credit, increased interest expense by approximately $2.2 million compared to 2002. In addition, the interest expense relating to the debentures paid off in December 2002 reduced interest expense by $2.3 million in 2003 compared to 2002. Capitalized interest was $2.9 million in 2003, up from $1.7 million in 2002.

Depreciation and Amortization

Depreciation and amortization increased to $23.9 million in 2003 from $16.5 million in 2002. Approximately $0.6 million relates to additional capital costs at the Same Centers, $1.1 million relates to the Acquisition Center, $0.3 relates to Panorama Mall and $5.3 million relates to the Westcor portfolio.

Income from Unconsolidated Joint Ventures and Macerich Management Companies

The income from unconsolidated joint ventures and the Macerich Management Companies was $14.5 million for 2003, compared to income of $6.3 million in 2002. Pacific Premier Retail Trust's income increased by $0.7 million primarily due to increases in minimum and percentage rents. Additionally, $5.0 million was attributed to the acquisition of the Westcor portfolio which included $0.4 million of revenue relating to SFAS 141. Additionally in 2002, a loss of $2.3 million was included in unconsolidated joint ventures relating to the Company's investment in MerchantWired, LLC.

Discontinued Operations

A loss of $0.2 million in 2003 relates to the Company's sale of its 67% interest in Paradise Village Gateway on January 2, 2003, compared to a gain of $13.4 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 Acquisition Center, the Westcor portfolio, 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 $19.4 million in 2003 from $17.4 million in 2002. In 2002, the sale of Boulder Plaza resulting in a gain of $13.4 million significantly increased net income available to common stockholders for the three months ending March 31, 2002.

Operating Activities

Cash flow from operations was $79.7 million in 2003 compared to $39.6 million in 2002. The increase is primarily due to the Westcor portfolio, the Acquisition Center and increased net operating income at the Centers as mentioned above.

Investing Activities

Cash used in investing activities was $96.0 million in 2003 compared to cash provided by investing activities of $15.6 million in 2002. The change resulted primarily from the Company's purchase of its joint venture partner's 50% interest in FlatIron Crossing, increased distributions from joint ventures and increase in equity in income of unconsolidated joint ventures due to the Westcor portfolio, and a $25.6 million increase in development, redevelopment and expansion of centers primarily due to the Queens Center expansion. This is offset by $18.3 million of proceeds received from the sale of Paradise Village Gateway on January 2, 2003.

Financing Activities

Cash flow provided by financing activities was $68.5 million in 2003 compared to cash flow used in financing activities of $13.1 million in 2002. The change resulted primarily from the construction loan at Queens Center, the refinancing of Panorama Mall and increased borrowings from the Company's line of credit. This is offset by $52.2 million of net proceeds from equity offerings in the first quarter of 2002.

Funds From Operations

Primarily as a result of the acquisitions of the Westcor portfolio, the purchase of the Acquisition Center and the other factors mentioned above, Funds from Operations—Diluted increased 53.9% to $63.3 million in 2003 from $41.1 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 three months ending March 31,

	2003	2002
	(Dollars in Millions)	
Acquisitions of property and equipment	$ 4.2	$ 2.5
Development, redevelopment and expansion of Centers	35.3	7.3
Renovations of Centers	1.3	0.5
Tenant allowances	1.5	2.5
Deferred leasing charges	3.1	2.7
Total	$ 45.4	$ 15.5

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 March 31, 2003 was $3.5 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 60% at March 31, 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.

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 March 31, 2003, $382 million was outstanding at an average interest rate of 4.32%.

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 $959 in 2001 and has committed, subject to certain conditions, to fund up to an additional $330 in 2003 and $330 in 2004 to this joint venture.

At March 31, 2003, the Company had cash and cash equivalents available of $105.8 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 recently issued Securities and Exchange Commission's Regulation G 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 three months ended March 31, 2003 resulted in an increase of $0.5 million and the inclusion of SFAS No 141 increased FFO by $1.1 million, including the pro rata share of joint ventures of $0.4 million. During the three months ended March 31, 2002, there were no peripheral land sales and no impact of SFAS 141. The following reconciles net income available to common stockholders to FFO:

	Three Months Ended March 31,	
	2003	2002
	Amount	Amount
	(amounts in thousands)	
Net income available to common stockholders	$ 19,425	$ 17,350
Adjustments to reconcile net income to FFO—basic:		
Minority interest	5,145	5,573
(Gain) loss on sale or write-down of wholly-owned assets	166	(13,256)
(Gain) loss on sale or write-down of assets from unconsolidated entities (pro rata)	(51)	1,418
Depreciation and amortization on wholly owned centers	23,914	16,624
Depreciation and amortization on joint ventures and from the management companies (pro rata)	11,657	7,375
Less: depreciation on personal property and amortization of loan costs and interest rate caps	(2,166)	(1,411)
FFO—basic(1)	58,090	33,673
Additional adjustments to arrive at FFO—diluted:		
Impact of convertible preferred stock	5,195	5,013
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	—	2,446
FFO—diluted(2)	$ 63,285	$ 41,132

(1) Calculated based upon basic net income as adjusted to reach basic FFO. As of March 31, 2003 and 2002,13.7 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 three months ended March 31, 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. 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 $1.1 million for the three months ended March 31, 2003; and $0.0 million for the three months ended March 31, 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. These are offset by decreases due to the Company structuring its new leases using rent increased 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

As a result of the adoption of Statement of Financial Accounting Standard ("SFAS") 133 on January 1, 2001, the Company recorded a transition adjustment of approximately $7.1 million to accumulated other comprehensive income related to treasury rate lock transactions settled in prior years. The entire transition adjustment was reflected in the quarter ended March 31, 2001. The Company reclassified approximately $0.3 million for the three months ended March 31, 2003 and 2002 and expects to reclassify approximately $1.3 million from accumulated other comprehensive income to earnings for the year ended December 31, 2003. Additionally, the Company recorded other comprehensive income of $0.2 million related to the mark to market of an interest rate swap agreement.

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. The Company has determined that the impact of SFAS 141 on acquisitions that occurred during 2002 was to recognize an additional $1.1 million of minimum rents, including $0.4 million from the joint ventures at pro rata for the three months ending March 31, 2003. A deferred credit of $15.4 million is recorded in "Other Accrued Liabilities of the Company." An additional $6.0 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 $3.4 million and $1.6 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 have recorded a loss on sale of $0.2 million for the three months ending March 31, 2003.

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. The Company expects to reclassify a loss of approximately $3.6 million which was incurred in the third and fourth quarters of

2002, from extraordinary items to continuing operations pursuant to the Company's adoption of SFAS 145 on January 1, 2003.

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. The adoption of SFAS No. 146 did not have any impact on the Company's consolidated financial statements for the period ending March 31, 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. The disclosure provisions of SFAS No. 148 are included in the accompanying Notes to Consolidated Financial Statements. 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 three months ending March 31, 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 three months ending March 31, 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. The Company is in the process of evaluating the effects of FIN 46 which may require the Company to consolidate Macerich Management Company ("MMC") effective January 1, 2004. The Company does not believe there will be any significant impact as a result of consolidating MMC, since MMC is currently accounted for under the equity method in the Company's consolidated financial statements.

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 March 31, 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,							
	2003	2004	2005	2006	2007	Thereafter	Total	FV
				(dollars in thousands)				
Consolidated Centers:								
Long term debt:								
Fixed rate	$ 28,661	$ 146,768	$ 26,914	$ 96,425	$ 111,956	$ 1,191,305	$ 1,602,029	$ 1,716,498
Average interest rate	6.96%	6.94%	6.95%	6.94%	7.06%	7.06%	6.96%	—
Variable rate	—	328,651	624,414	—	—	—	953,065	953,065
Average interest rate	—	4.24%	3.21%	—	—	—	3.74%	—
Total debt-Consolidated Centers	$ 28,661	$ 475,419	$ 651,328	$ 96,425	$ 111,956	$ 1,191,305	$ 2,555,094	$ 2,669,563
Joint Venture Centers:								
(at Company's pro rata share:)								
Fixed rate	$ 10,338	$ 15,306	$ 95,269	$ 277,842	$ 125,504	$ 261,869	$ 786,128	$ 835,098
Average interest rate	6.47%	6.49%	6.43%	6.43%	6.87%	6.87%	6.47%	—
Variable rate	100,658	49,191	187	55,012	—	—	205,048	205,048
Average interest rate	2.21%	1.72%	1.72%	1.72%	—	—	2.21%	—
Total debt—Joint Ventures	$ 110,996	$ 64,497	$ 95,456	$ 332,854	$ 125,504	$ 261,869	$ 991,176	$ 1,040,146
Total debt—All Centers	$ 139,657	$ 539,916	$ 746,784	$ 429,279	$ 237,460	$ 1,453,174	$ 3,546,270	$ 3,709,709

In 2003, $92.3 million of the floating rate debt maturing will be refinanced in May 2003 and $8.2 million will be extended for two years.

In addition, the Company has assessed the market risk for its variable rate debt as of March 31, 2003 and believes that a 1% increase in interest rates would decrease future earnings and cash flows by approximately $11.6 million per year based on $1.2 billion outstanding at March 31, 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

Within the 90-day period before the filing of this report, 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-14 of the Securities Exchange Act of 1934). The certifying officers concluded, based on their evaluation, that the Company's disclosure controls and procedures are effective. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect the Company's internal controls subsequent to the date when the internal controls were evaluated.

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*

3.1 Amended and Restated By-Laws (including amendment adopted on April 30, 2003).

99.1 Section 906 Certification of Arthur Coppola, Chief Executive Officer.

99.2 Section 906 Certification of Thomas O'Hern, Chief Financial Officer.

b. *Current Reports on Form 8-K*

None

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.

Date: May 14, 2003

THE MACERICH COMPANY

By: /s/ THOMAS E. O'HERN

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

SECTION 302 CERTIFICATION

I, Arthur Coppola, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Macerich Company;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5.

The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

/s/ Arthur Coppola
[Signature]

President and Chief Executive Officer
[Title]

SECTION 302 CERTIFICATION

I, Thomas E. O'Hern, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Macerich Company;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

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

Executive Vice President and Chief Financial Officer
[Title]

EXHIBIT INDEX

(a) Exhibits

Number	Description
3.1	Amended and Restated By-Laws (including amendment adopted on April 30, 2003).
99.1	Section 906 Certification of Arthur Coppola, Chief Executive Officer.
99.2	Section 906 Certification of Thomas O'Hern, Chief Financial Officer.

QuickLinks

Exhibit 3.1

THE MACERICH COMPANY
BY-LAW AMENDMENT

(April 30, 2003)

Section 2.02 of the Company's By-laws was amended on April 30, 2003 by the Board of Directors to read in full as follows:

Number of Directors.

The Corporation shall have eight directors. The fact that less than eight directors are in office at any time (whether by death, resignation or otherwise) shall not prevent action by the Board of Directors in accordance with Section 2.09 (for purposes of determining a quorum, the entire Board of Directors shall be deemed to consist of eight). This By-law may be amended from time to time in accordance with Section 8.07, but no subsequent amendment reducing the number of directors shall affect the tenure of office for any director in office at the time of such amendment.

THE MACERICH COMPANY
BY-LAWS
(Amended and Restated April 30, 2003)

ARTICLE I.
STOCKHOLDERS

SECTION 1.01. *Annual Meeting.* The corporation shall hold an annual meeting of its stockholders to elect directors and transact any other business within its powers, either at 10:00 a.m. on the first Tuesday of May in each year if not a legal holiday, or at such other time on such other day falling on or before the 30th day thereafter as shall be set by the Board of Directors. Except as the Charter or statute provides otherwise, any business may be considered at an annual meeting without the purpose of the meeting having been specified in the notice. Failure to hold an annual meeting does not invalidate the Corporation's existence or affect any otherwise valid corporate acts.

SECTION 1.02. *Special Meeting.* (a) The President, the Chairman of the Board or the Board of Directors may call a special meeting of the stockholders. A special meeting of the stockholders shall also be called by the Secretary of the Corporation upon the written request of stockholders entitled to cast not less than a majority of all votes entitled to be cast at such meeting. Such request shall state the purpose of the meeting and the matters proposed to be acted on at such meeting.

(b) In order that the Corporation may determine the stockholders entitled to request a special meeting, the Board of Directors may fix a record date to determine the stockholders entitled to make such a request (the "Request Record Date"). The Request Record Date shall not precede the close of business on the date upon which the resolution fixing the Request Record Date is adopted by the Board of Directors and shall not be more than 10 days after the date upon which the resolution fixing the Request Record Date is adopted by the Board of Directors. Any stockholder of record seeking to have stockholders request a special meeting shall, by sending written notice to the Secretary of the Corporation by certified or registered mail, return receipt requested, request the Board of Directors to fix a Request Record Date. Unless the Board of Directors shall, within 10 days after the date on which a valid request to fix a Request Record Date is received, adopt a resolution fixing the Request Record Date and make a public announcement of such Request Record Date, the Request Record Date shall be the close of business on the 10th day after the first date on which a valid written request to set a Request Record Date is received by the Secretary. To be valid, such written request shall set forth the purpose or purposes for which the special meeting is requested, shall be signed by one or more stockholders of record (or their duly authorized proxies or other representatives), shall bear the date of signature of each such stockholder (or proxy or other representative) and shall set forth all information relating to such stockholder that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 14a-11 thereunder.

(c) In order for a stockholder or stockholders to request a special meeting, a written request or requests for a special meeting signed by the holders of record as of the Request Record Date of at least a majority of the issued and outstanding shares of stock that would be entitled to vote at such a meeting must be delivered to the Corporation. To be valid, each written request by a stockholder for a special meeting shall set forth the specific purpose or purposes for which the special meeting is requested (which purpose or purposes shall be limited to the purpose or purposes set forth in the written request to set a Request Record Date received by the Corporation pursuant to paragraph (b) of this Section 1.02), shall be signed by one or more persons who as of the Request Record Date are stockholders of record (or their duly authorized proxies or other representatives), shall bear the date of signature of each such stockholder (or proxy or other representative), and shall set forth the name and address, as they appear in the Corporation's books, of each stockholder signing such request and the class and number of shares of stock of the Corporation which are owned of record and beneficially by

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each such stockholder, shall be sent to the Secretary by certified or registered mail, return receipt requested, and shall be received by the Secretary within 60 days after the Request Record Date.

(d) The Secretary of the Corporation shall inform the stockholder or stockholders requesting a special meeting (each, a "Requesting Stockholder") of the reasonably estimated cost of holding the special meeting, including the costs of preparing and mailing proxy materials for the Corporation's own solicitation. The Corporation shall not be required to call a special meeting upon stockholder request unless, in addition to the documents required by paragraph (c) of this Section 1.02, the Secretary receives payment of such reasonably estimated cost of holding the special meeting from the Requesting Stockholders. If each of the resolutions introduced by any Requesting Stockholder at such meeting is adopted, and each of the individuals nominated by or on behalf of any Requesting Stockholder for election as a director at such meeting is elected, then the Corporation shall refund to the Requesting Stockholders the amount of such reasonably estimated cost.

(e) Except as provided in the following sentence, any special meeting shall be held at such place, hour and day as may be designated by whichever of the President, Chairman or the Secretary shall have called such meeting. In the case of any special meeting called by the President, Chairman or by the Secretary upon the request of stockholders (a "Request Special Meeting"), such meeting shall be held at such place, hour and day as may be designated by the Board of Directors; provided, however, that the date of any Request Special Meeting shall be not more than 60 days after the Meeting Record Date (as defined in Section 1.08); and provided further that in the event that the directors then in office fail to designate an hour and date for a Request Special Meeting within 10 days after the date that valid written requests for such meeting by the holders of record as of the Request Record Date of at least a majority of the issued and outstanding shares of stock that would be entitled to vote at such meeting are delivered to the Corporation (the "Delivery Date"), then such meeting shall be held at 2:00 p.m. local time on the 90th day after the Delivery Date or, if such 90th day is not a Business Day (as defined below), on the first preceding Business Day; and provided further that in the event that the directors then in office fail to designate a place for a Request Special Meeting within 10 days after the Delivery Date, then such meeting shall be held at the principal executive offices of the Corporation. In fixing a date for any special meeting, the Chairman, the Secretary or the Board of Directors may consider such factors as he or it deems relevant within the good faith exercise of his or its business judgment, including, without limitation, the nature of the action proposed to be taken, the facts and circumstances surrounding any request of such meeting, and any plan of the Board of Directors to call an annual meeting or a special meeting for the conduct of related business.

(f) The Corporation may engage regionally or nationally recognized independent inspectors of elections to act as an agent of the Corporation for the purpose of promptly performing a ministerial review of the validity of any purported written request or requests for a special meeting received by the Secretary. For the purpose of permitting the inspectors to perform such review, no purported request shall be deemed to have been delivered to the Corporation until the earlier of (i) 5 Business Days following receipt by the Secretary of such purported request and (ii) such date as the independent inspectors certify to the Corporation that the valid requests received by the Secretary represent at least a majority of the issued and outstanding shares of stock that would be entitled to vote at such meeting. Nothing contained in this paragraph (f) shall in any way be construed to suggest or imply that the Board of Directors or any stockholder shall not be entitled to contest the validity of any request, whether during or after such 5 Business Day period, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

(g) For purposes of this By-Law, "Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of California are authorized or obligated by law or executive order to close.

SECTION 1.03. *Place of Meetings.* Meetings of stockholders shall be held at such place in the United States as is set from time to time by the Board of Directors.

SECTION 1.04. *Notice of Meetings; Waiver of Notice.* Not less than ten or more than 90 days before each stockholders' meeting, the Secretary shall give written notice of the meeting to each stockholder entitled to vote at the meeting and each other stockholder entitled to notice of the meeting. The notice shall state the time and place of the meeting and, if the meeting is a special meeting or notice of the purpose is required by statute, the purpose of the meeting. Notice is given to a stockholder when it is personally delivered to him, left at his residence or usual place of business, or mailed to him at his address as it appears on the records of the Corporation. Notwithstanding the foregoing provisions, each person who is entitled to notice waives notice if he before or after the meeting signs a waiver of the notice which is filed with the records of stockholders' meetings, or in present at the meeting in person or by proxy.

SECTION 1.05. *Quorum; Voting.* Unless statute or the Charter provides otherwise, at a meeting of stockholders the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting constitutes a quorum, and a majority of all the votes cast at a meeting at which a quorum is present is sufficient to approve any matter which properly comes before the meeting, except that a plurality of all the votes cast at a meeting at which a quorum is present is sufficient to elect a director.

SECTION 1.06. *Adjournments.* Whether or not a quorum is present, a meeting of stockholders convened on the date for which it was called may be adjourned from time to time without further notice by a majority vote of the stockholders present in person or by proxy to a date not more then 120 days after the original record date. Any business which might have been transacted at the meeting as originally notified may be deferred and transacted at any such adjourned meeting at which a quorum shall be prevent.

SECTION 1.07. *General Right to Vote; Proxies.* Unless the Charter provides for a greater or lesser number of votes per share or limits or denies voting rights, each outstanding share of stock, regardless of class, is entitled to one vote on each matter submitted to a vote at a meeting of stockholders. In all elections for directors, each share of stock may be voted for as many individuals as there are directors to be elected and for whose election the share is entitled to be voted. A stockholder may vote the stock he owns of record either in person or by written proxy signed by the stockholder or by his duly authorized attorney in fact. Unless a proxy provides otherwise, it is not valid more than 11 months after its date.

SECTION 1.08. *Fixing of Record Date; List of Stockholders.* The Board of Directors may fix, in advance, a record date not less than 10 nor more than 90 days before the date then fixed for the holding of any meeting of the stockholders. The record date shall not be prior to the close of business on the day the record date is fixed. All persons who were holders of record of shares at such time, and no others, shall be entitled to vote at such meeting and any adjournment thereof. In the case of any Request Special Meeting, (i) the record date for such meeting ("Meeting Record Date") shall not be later than the close of business on the 30th day after the Delivery Date and (ii) if the Board of Directors fails to fix the Meeting Record Date within 30 days after the Delivery Date, then the close of business on such 30th day shall be the Meeting Record Date. At each meeting of stockholders, a full, true and complete list of all stockholders entitled to vote at such meeting, showing the number and class of shares held by each and certified by the transfer agent for such class or by the Secretary, shall be furnished by the Secretary.

SECTION 1.09. *Conduct of Business and Voting.* At all meetings of stockholders, unless the voting in conducted by inspectors, the proxies and ballots shall be received, and all questions touching the qualification of voters and the validity of proxies, the acceptance or rejection of votes and procedures for the conduct of business not otherwise specified by these By-Laws, the Charter or law,

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shall be decided or determined by the chairman of the meeting. If demanded by stockholders, present in person or by proxy, entitled to cast 10% in number of votes entitled to be cast, or if ordered by the chairman, the vote upon any election or question shall be taken by ballot and, upon like demand or order, the voting shall be conducted by two inspectors, in which event the proxies and ballots shall be received, and all questions touching the qualification of voters and the validity of proxies and the acceptance or rejection of votes shall be decided, by such inspectors. Unless so demanded or ordered, no vote need be by ballot and voting need not be conducted by inspectors. The stockholders at any meeting may choose an inspector or inspectors to act at such meeting, and in default of such election the chairman of the meeting may appoint an inspector or inspectors. No candidate for election as a director at a meeting shall serve as an inspector thereat.

SECTION 1.10. *Informal Action by Stockholders.* Any action required or permitted to be taken at a meeting of stockholders may be taken without a meeting if there is filed with the records of stockholders meetings an unanimous written consent which sets forth the action and is signed by each stockholder entitled to vote on the matter and a written waiver of any right to dissent signed by each stockholder entitled to notice of the meeting but not entitled to vote at it.

SECTION 1.11. *Notice of Stockholder Business and Nominations.*

(a) *Annual Meetings of Stockholders.*

(1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (A) pursuant to the Corporation's notice of meeting, (B) by or at the direction of the Board of Directors, or (C) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this By-Law, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of paragraph (a)(1) of this By-Law, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 60th day nor earlier than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of a postponement or adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (A) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act and Rule 14a-11 thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of

shares of stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (a)(2) of this By-Law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least 70 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(b) *Special Meetings of Stockholders.* Only such business shall be conducted at a special meeting of stockholders as shall have been specifically designated in the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (A) by or at the direction of the Board of Directors or (B) by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this By-Law, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (a)(2) of this By-Law shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not earlier than the close of business on the 90th day prior to such special meeting and not later than the close of business on the later of the 60th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of a postponement or adjournment of a special meeting commence a new time period for the giving of a stockholder's notice as described above.

(c) *General.*

(1) Only such persons who are nominated in accordance with the procedures set forth in this By-Law shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this By-Law (and Section 1.02 with regard to stockholder requests). Except as otherwise specifically required by law, the chairman of the meeting shall have the exclusive power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in this By-Law and, if any proposed nomination or business is not in compliance with this By-Law, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this By-Law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this By-Law, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-Law. Nothing in this By-Law shall be deemed to affect any rights

of (i) stockholders to request inclusion of proposals in, or the Corporation to omit proposals from, the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act

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or (ii) the holders of any series of preferred stock to elect directors in accordance with the terms of such stock as set forth in the charter of the Corporation.

ARTICLE II.
BOARD OF DIRECTORS

SECTION 2.01. *Function of Directors.* The business and affairs of the Corporation shall be managed under the direction of its Board of Directors. All powers of the Corporation may be exercised by or under authority of the Board of Directors, except as conferred on or reserved to the stockholders by statute or by the Charter or By-Laws.

SECTION 2.02. *Number of Directors.* The Corporation shall have eight directors. The fact that less than eight directors are in office at any time (whether by death, resignation or otherwise) shall not prevent action by the Board of Directors in accordance with Section 2.09 (for purposes of determining a quorum, the entire Board of Directors shall be deemed to consist of eight). This By-Law may be amended from time to time in accordance with Section 8.07, but no subsequent amendment reducing the number of directors shall affect the tenure of office of any director in office at the time of such amendment.

SECTION 2.03. *Election and Tenure of Directors.* The directors shall be divided into classes, as nearly equal in number as possible, with the term of office of the first class to expire at the 1995 annual meeting of stockholders, the term of office of the second class to expire at the 1996 annual meeting of stockholders, and the term of office of the third class to expire at the 1997 annual meeting of stockholders. At each annual meeting of stockholders beginning in 1995, successors to the class of directors whose term expires at that annual meeting shall be elected for a three year term.

SECTION 2.04. *Removal of Director.* Any director or the entire Board of Directors may be removed only for cause and then only by the affirmative vote of at least $66^{2}/_{3}$% of the voting power of all the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

SECTION 2.05. *Vacancy on Board.* The stockholders any elect a successor to fill a vacancy on the Board of Directors which results from the removal of a director. A director elected by the stockholders to fill a vacancy which results from the removal of a director serves for the balance of the term of the removed director. A majority of the remaining directors, whether or not sufficient to constitute a quorum, may fill a vacancy on the Board of Directors which results from any cause except an increase in the number of directors. A director elected by the Board of Directors to fill a vacancy serves until the next annual meeting of stockholders and until his successor in elected and qualifies.

SECTION 2.06. *Regular Meetings.* After each meeting of stockholders at which directors shall have been elected, the Board of Directors shall meet as soon as practicable for the purpose of organization and the transaction of other business. In the event that no other time and place are specified by resolution of the Board, the President or the Chairman, with notice in accordance with Section 2.08, the Board of Directors shall meet immediately following the close of, and at the place of, such stockholders, meeting. Any other regular meeting of the Board of Directors shall be held on such date and at any place as may be designated from time to time by the Board of Directors.

SECTION 2.07. *Special Meetings.* Special meetings of the Board of Directors may be called at any time by the Chairman of the Board or the President or by a majority of the Board of Directors by vote at a meeting, or in writing with or without a meeting. A special meeting of the Board of Directors shall be held on such date and at any place as may be designated from time to time by the Board of Directors. In the absence of designation such meeting shall be held at such place as may be designated in the call.

SECTION 2.08. *Notice of Meeting.* Except as provided in Section 2.06, the Secretary shall give notice to each director of each regular and special meeting of the Board of Directors. The notice shall state the time and place of the meeting. Notice is given to a director when it is delivered personally to him, left at his residence or usual place of business, or sent by telegraph, facsimile transmission or telephone, at least 24 hours before the time of the meeting or, in the alternative by mail to his address as it shall appear on the records of the Corporation, at least 72 hours before the time of the meeting. Unless the By-Laws or a resolution of the Board of Directors provides otherwise, the notice need not state the business to be transacted at or the purposes of any regular or special meeting of the Board of Directors. No notice of any meeting of the Board of Directors need be given to any director who attends except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting in not lawfully called or convened, or to any director who, in writing executed and filed with the records of the meeting either before or after the holding thereof, waives such notice. Any meeting of the Board of Directors, regular or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

SECTION 2.09. *Action by Directors.* Unless statute or the Charter or By-Laws requires a greater proportion, the action of a majority of the directors present at a meeting at which a quorum is present is action of the Board of Directors. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business. In the absence of a quorum, the directors present by majority vote and without notice other than by announcement may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting, if an unanimous written consent which sets forth the action is signed by each member of the Board and filed with the minutes of proceedings of the Board.

SECTION 2.10. *Meeting by Conference Telephone.* Members of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means constitutes presence in person at a meeting.

SECTION 2.11. *Compensation.* By resolution of the Board of Directors a fixed sum and expenses, if any, for attendance at each regular or special meeting of the Board of Directors or of committees thereof, and other compensation for their services as such or on committees of the Board of Directors, may be paid to directors. Directors who are full-time employees of the Corporation need not be paid for attendance at meetings of the board or committees thereof for which fees are paid to other directors. A director who serves the Corporation in any other capacity also may receive compensation for such other services, pursuant to a resolution of the directors.

ARTICLE III.
COMMITTEES

SECTION 3.01. *Committees.* The Board of Directors may appoint from among its members an Executive Committee, an Audit Committee, a Compensation Committee, a Nominating Committee and other committees composed of two or more directors and delegate to these committees any of the powers of the Board of Directors, except the power to declare dividends or other distributions on stock, elect directors, issue stock other than as provided in the next sentence, recommend to the stockholders any action which requires stockholder approval, amend the By-Laws, or approve any merger or share exchange which does not require stockholder approval. The entire Audit Committee and the entire Compensation Committee shall be directors who are independent of management. If the Board of Directors has given general authorization for the issuance of stock, a committee of the Board,

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in accordance with a general formula or method specified by the Board by resolution or by adoption of a stock option or other plan, any fix the term of stock subject to classification or reclassification and the terms on which any stock may be issued, including all terms and conditions required or permitted to be established or authorized by the Board of Directors.

SECTION 3.02. *Committee Procedure.* Each committee may fix rules of procedure for its business. A majority of the members of a committee shall constitute a quorum for the transaction of business and the act of a majority of those present at a meeting at which a quorum is present shall be the act of the committee. The members of a committee present at any meeting, whether or not they constitute a quorum, may appoint a director to act in the place of an absent member. Any action required or permitted to be taken at a meeting of a committee may be taken without a meeting, if an unanimous written consent which sets forth the action is signed by each member of the committee and filed with the minutes of the committee. The members of a committee may conduct any meeting thereof by conference telephone in accordance with the provisions of Section 2.10.

SECTION 3.03. *Emergency.* In the event of a state of disaster of sufficient severity to prevent the conduct and management of the affairs and business of the Corporation by its directors and officers as contemplate by the Charter and the By-Laws, any two or more available members of the then incumbent Executive Committee shall constitute a quorum of that Committee for the full conduct and management of the affairs and business of the Corporation in accordance with the provisions of Section 3.01. In the event of the unavailability, at such time, of a minimum of two members of the then incumbent Executive Committee, the available directors shall elect an Executive Committee consisting of any two members of the Board of Directors, whether or not they be officers of the Corporation, which two members shall constitute the Executive Committee for the full conduct and management of the affairs of the Corporation in accordance with the foregoing provisions of this Section. This Section shall be subject to implementation by resolution of the Board of Directors passed from time to time for that purpose, and any provisions of the By-Laws (other than this Section) and any resolutions which are contrary to the provisions of this Section or to the provisions of any such implementary resolutions shall be suspended until it shall be determined by any interim Executive Committee acting under this Section that it shall be to the advantage of the Corporation to resume the conduct and management of its affairs and business under all the other provisions of the By-Laws.

ARTICLE IV.
OFFICERS

SECTION 4.01. *Executive and Other Officers.* The Corporation shall have a President, a Secretary, and a Treasurer. It may also have a Chairman of the Board. The Board of Directors shall designate who shall serve as chief executive officer, who shall have general supervision of the business and affairs of the Corporation, and may designate a chief operating officer, who shall have supervision of the operations of the Corporation. In the absence of any designation the Chairman of the Board, if there be one, shall serve as chief executive officer and the President shall serve as chief operating officer. In the absence of the Chairman of the Board, or if there be none, the President shall be the chief executive officer. The same person may hold both offices. The Corporation may also have one or more Vice-Presidents, assistant officers, and subordinate officers as may be established by the Board of Directors. A person may hold more than one office in the Corporation except that no person may serve concurrently as both President and Vice-President of the Corporation. The Chairman of the Board shall be a director; the other officers may be directors.

SECTION 4.02. *Chairman of the Board.* The Chairman of the Board, if one be elected, shall preside at all meetings of the Board of Directors and of the stockholders at which he shall be present. Unless otherwise specified by the Board of Directors, he shall be the chief executive officer of the Corporation and perform the duties customarily performed by chief executive officers, and may

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perform any duties of the President. In general, he shall perform all such duties as are from time to time assigned to him by the Board of Directors.

SECTION 4.03. *President.* Unless otherwise provided by resolution of the Board of Directors, the President, in the absence of the Chairman of the Board, shall preside at all meetings of the Board of Directors and of the stockholders at which he shall be present. Unless otherwise specified by the Board of Directors, the President shall be the chief operating officer of the Corporation and perform the duties customarily performed by chief operating officers. He may sign and execute, in the name of the Corporation, all authorized deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall have been expressly delegated to some other officer or agent of the corporation. In general, he shall perform such other duties usually performed by a president of a corporation and other duties as are from time to time assigned to him by the Board of Directors or the chief executive officer or the Corporation.

SECTION 4.04. *Vice-Presidents.* The Vice-President or Vice-Presidents, at the request of the chief executive officer or the President, or in the President's absence or during his inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the

President. If there be more than one Vice-President, the Board of Directors may determine which one or more of the Vice-Presidents shall perform any of such duties or exercise any of such functions, or if such determination is not made by the Board of Directors, the chief executive officer, or the President may make such determination; otherwise any of the Vice-Presidents may perform any of such duties or exercise any of such functions. The Vice-President or Vice-Presidents shall have such other powers and perform such other duties, and have such additional descriptive designations in their titles (if any), as are from time to time assigned to them by the Board of Directors, the chief executive officer, or the President.

SECTION 4.05. *Secretary.* The Secretary shall keep the minutes of the meetings of the stockholders, of the Board of Directors and of any committees, in books provided for the purpose; he shall see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law; he shall be custodian of the records of the Corporation; he may witness any document on behalf of the Corporation, the execution of which is duly authorized, see that the corporate seal is affixed where such document in required or desired to be under its seal, and, when so affixed, may attest the same; and, in general, he shall perform all duties incident to the office of a secretary of a corporation, and such other duties as are from time to time assigned to him by the Board of Directors, the chief executive officer, or the President.

SECTION 4.06. *Treasurer.* The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit, or cause to be deposited, in the name of the Corporation, all moneys or other valuable affects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors; he shall render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Corporation; and, in general, he shall perform all the duties incident to the office of a treasurer of a corporation, and such other duties as are from time to time assigned to him by the Board of Directors, the chief executive officer, or the President.

SECTION 4.07. *Assistant and Subordinate Officers.* The assistant and subordinate officers of the Corporation are all officers below the office of Vice-President, Secretary, or Treasurer. The assistant or subordinate officers shall have such duties as are from time to time assigned to them by the Board of Directors, the chief executive officer, or the President.

SECTION 4.08. *Election, Tenure and Removal of Officers.* The Board of Directors shall elect the officers. The Board of Directors may from time to time authorize any committee or officer to appoint assistant and subordinate officers. Election or appointment of an officer, employee or agent shall not of itself create contract rights. All officers shall be appointed to hold their offices, respectively, during the

pleasure of the Board. The Board of Directors (or, as to any assistant or subordinate officer, any committee or officer authorized by the Board) may name an officer at any time. The removal of an officer does not prejudice any of his contract rights. The Board of Directors (or, as to any assistant or subordinate officer, any committee or officer authorized by the Board) may fill a vacancy which occurs in any office for the unexpired portion of the term.

SECTION 4.09. *Compensation.* The Board of Directors shall have power to fix the salaries and other compensation and remuneration, of whatever kind, of all officers of the Corporation. No officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Corporation. The Board of Directors may authorize any committee or officer, upon whom the power of appointing assistant and subordinate officers may have been conferred, to fix the salaries, compensation and remuneration of such assistant and subordinate officers.

ARTICLE V.
DIVISIONAL TITLES

SECTION 5.01. *Conferring Divisional Titles.* The Board of Directors may from time to time confer upon any employee of a division of the Corporation the title of President, Vice President. Treasurer or Controller of such division or any other title or titles deemed appropriate, or may authorize the Chairman of the Board or the President to do so. Any such titles so conferred may be discontinued and withdrawn at any time by the Board of Directors, or by the Chairman of the Board or the President if so authorized by the Board of Directors. Any employee of a division designated by such a divisional title shall have the powers and duties with respect to such division as shall be prescribed by the Board of Directors, the Chairman of the Board or the President.

SECTION 5.02. *Effect of Divisional Titles.* The conferring of divisional titles shall not create an office of the Corporation under Article IV unless specifically designated as such by the Board of Directors; but any person who is an officer of the Corporation may also have a divisional title.

ARTICLE VI.
STOCK

SECTION 6.01. *Certificates for Stock.* Each stockholder is entitled to certificates which represent and certify the shares of stock he holds in the Corporation. Each stock certificate shall include on its face the name of the Corporation, the name of the stockholder or other person to whom it is issued, and the class of stock and number of shares it represents. It shall be in such form, not inconsistent with law or with the Charter, as shall be approved by the Board of Directors or any officer or officers designated for such purpose by resolution of the Board of Directors. Each stock certificate shall be signed by the Chairman of the Board, the President, or a Vice-President, and countersigned by the Secretary, an Assistant Secretary, the Treasurer, or an Assistant Treasurer. Each certificate may be sealed with the actual corporate seal or a facsimile of it or in any other form and the signatures may be either manual or facsimile signatures. A certificate is valid and may be issued whether or not an officer who signed it is still an officer when it is issued.

SECTION 6.02. *Transfers.* The Board of Directors shall have power and authority to make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates of stock; and may appoint transfer agents and registrars thereof. The duties of transfer agent and registrar may be combined.

SECTION 6.03. *Record Dates and Closing of Transfer Books.* The Board of Directors may set a record date or direct that the stock transfer books be closed for a stated period for the purpose of making any proper determination with respect to stockholders, including which stockholders are entitled to notice of a meeting, vote at a meeting, receive a dividend, or be allotted other rights. The record date may not be prior to the close of business on the day the record date is fixed nor, subject to Section 1.06, more than 90 days before the date on which the action requiring the determination will be taken; the transfer books way not be closed for a period longer than 20 days; and, in the case of a meeting of stockholders, the record date or the closing of the transfer books shall be at least ten days before the date of the meeting.

SECTION 6.04. *Stock Ledger.* The Corporation shall maintain a stock ledger which contains the name and address of each stockholder and the number of shares of stock of each class which the stockholder holds. The stock ledger may be in written form or in any other form, which can be converted within a reasonable time into written form for visual inspection. The original or a duplicate of the stock ledger shall be kept at the offices of a transfer agent for the particular class of stock, or, if none, at the principal office in the State of Maryland or the principal executive offices of the Corporation.

SECTION 6.05. *Certification of Beneficial Owners.* The Board of Directors may adopt by resolution a procedure by which a stockholder of the Corporation may certify in writing to the Corporation that any shares of stock registered in the name of the stockholder are held for the account of a specified person other than the stockholder. The resolution shall set forth the class of stockholders who may certify; the purpose for which the certification may be made; the form of certification and the information to be contained in it; if the certification is with respect to a record date or closing of the stock transfer books, the time after the record date or closing of the stock transfer books within which the certification must be received by the Corporation; and any other provisions with respect to the procedure which the Board considers necessary or desirable. On receipt of a certification which complies with the procedure adopted by the Board in accordance with this Section, the person specified in the certification is, for the purpose set forth in the certification, the holder of record of the specified stock in place of the stockholder who makes the certification.

SECTION 6.06. *Lost Stock Certificates.* The Board of Directors of the Corporation may determine the conditions for issuing a new stock certificate in place of one which is alleged to have been lost, stolen, or destroyed, or the Board of Directors may delegate such power to any officer or officers of the Corporation. In their discretion, the Board of Directors or such officer or officers may refuse to issue such new certificate save upon the order of some court having jurisdiction in the premises.

ARTICLE VII.
FINANCE

SECTION 7.01. *Checks, Drafts, Etc.* All checks, drafts and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the Corporation, shall, unless otherwise provided by resolution of the Board of Directors, be signed by the President, a Vice-President or an Assistant Vice-President and countersigned by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary.

SECTION 7.02. *Annual Statement of Affairs.* The President or chief accounting officer shall prepare annually a full and correct statement of the affairs of the Corporation, to include a balance sheet and a financial statement of operations for the preceding fiscal year. The statement of affairs shall be submitted at the annual meeting of the stockholders and, within 20 days after the meeting, placed on file at the Corporation's principal office.

SECTION 7.03. *Fiscal Year.* The fiscal year of the Corporation shall be the twelve calendar months period ending December 31 in each year, unless otherwise provided by the Board of Directors.

SECTION 7.04. *Dividends.* If declared by the Board of Directors at any meeting thereof, the Corporation may pay dividends on its shares in cash, property, or in shares of the capital stock of the Corporation, unless such dividend is contrary to law or to a restriction contained in the Charter.

SECTION 7.05. *Contracts.* To the extent permitted by applicable law, and except as otherwise prescribed by the Charter or these By-Laws with respect to certificates for shares, the Board of Directors may authorize any officer, employee, or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances.

ARTICLE VIII.
SUMMARY PROVISIONS

SECTION 8.01. *Books and Records.* The Corporation shall keep correct and complete books and records of its accounts and transactions and minutes of the proceedings of its stockholders and Board of Directors and of any executive or other committee when exercising any of the powers of the Board of Directors. The books and records of a Corporation may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. Minutes shall be recorded in written form but may be maintained in the form of a reproduction. The original or a certified copy of the By-Laws shall be kept at the principal office of the Corporation.

SECTION 8.02. *Corporate Seal.* The Board of Directors shall provide a suitable seal, bearing the name of the Corporation, which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof. If the Corporation is required to place its corporate seal to a document, it is sufficient to meet the requirement of any law, rule, or regulation relating to a corporate seal to place the word "Seal" adjacent to the signature of the person authorized to sign the document on behalf of the Corporation.

SECTION 8.03. *Bonds.* The Board of Directors may require any officer, agent or employee of the Corporation to give a bond to the Corporation, conditioned upon the faithful discharge of his duties, with one or more sureties and in such amount as may be satisfactory to the Board of Directors.

SECTION 8.04. *Voting Upon Shares in Other Corporations.* Stock of other corporations or associations, registered in the name of the Corporation, may be voted by the President, a Vice-President, or a proxy appointed by either of them. The Board of Directors, however, may by resolution appoint some other person to vote such shares, in which case such person shall be entitled to vote such shares upon the production of a certified copy of such resolution.

SECTION 8.05. *Mail.* Any notice or other document which is required by these By-Laws to be mailed shall be deposited in the United States mails, postage prepaid.

SECTION 8.06. *Execution of Documents.* A person who holds more than one office in the Corporation may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged, or verified by more than one officer.

SECTION 8.07. *Amendments.* In accordance with the Charter, these By-Laws may be repealed, altered, amended or rescinded exclusively by the Board of Directors in accordance with the provisions of these By-Laws.

SECTION 8.08. *Control Share Acquisition Act.* Notwithstanding any other provision of the Charter or these By-Laws, Title 3, Subtitle 7 of the Corporations and Associations Article of the Annotated Code of Maryland (or any successor statute) shall not apply to any acquisition by any person of shares of stock of the Corporation. This section may be repealed, in whole or in part, at any time, whether before or after an acquisition of control shares and, upon such repeal, may, to the extent provided by any successor By-Law, apply to any prior or subsequent control share acquisition.

ARTICLE IX.
INDEMNIFICATION

SECTION 9.01. *Procedure.* Any indemnification, or payment, of expenses in advance of the final disposition of any proceeding, shall be made promptly, and in any event within 60 days, upon the written request of the director or officer entitled to seek indemnification (the "Indemnified Party"). The right to indemnification and advances hereunder shall be enforceable by the Indemnified Party in any court of competent jurisdiction, if (i) the Corporation denies such request, in whole or in part, or (ii) no disposition thereof is made within 60 days. The Indemnified Party's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such action shall also be reimbursed by the Corporation. It shall be a defense to any action for advance for expenses that (a) a determination has been made that the facts then known to those making the determination would preclude indemnification or (b) the Corporation has not received either (i) an undertaking as required by law to repay such advances in the event it shall ultimately be determined that the standard of conduct has not been met or (ii) a written affirmation by the Indemnified Party of such Indemnified Party's good faith belief that the standard of conduct necessary for indemnification by the Corporation has been met.

SECTION 9.02. *Exclusivity, Etc.* The indemnification and advance of expenses provided by the Charter and then By-Laws shall not be deemed exclusive of any other rights to which a person seeking indemnification or advance of expenses may be entitled under any law (common or statutory), or any agreement, vote of stockholders or disinterested directors or other provision that is consistent with law, both as to action in his official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Corporation, shall continue in respect of all events occurring while a person was a director or officer after such person has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. All rights to indemnification and advance of expenses under the Charter of the Corporation and hereunder shall be deemed to be a contract between the Corporation and each director or officer of the Corporation who serves or served in such capacity at any time while this By-Law is in effect. Nothing herein shall prevent the amendment of this By-Law, provided that no such amendment shall diminish the rights of any person hereunder with respect to events occurring or claims made before its adoption or as to claims made after its adoption in respect of events occurring before its adoption. Any repeal or modification of this By-Law shall not in any way diminish any rights to indemnification or advance of expenses of such director or officer or the obligations of the Corporation arising hereunder with respect to events occurring, or claims made, while this By-Law or any provision hereof is in force.

SECTION 9.03. *Severability; Definitions.* The invalidity or unenforceability of any provision of this Article IX shall not affect the enforceability or validity of any other provision hereof. The phrase "this By-Law" in this Article IX means this Article IX in its entirety.

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Exhibit 99.1

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

The undersigned, Arthur M. Coppola, the Chief Executive Officer, of The Macerich Company (the "Company"), pursuant to 18 U.S.C. §1350, hereby certifies that:

(i) the Quarterly Report on Form 10-Q for the quarter ended March 31, 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.

Dated: May 14, 2003

/s/ ARTHUR M. COPPOLA

Arthur M. Coppola

A signed original of this written statement required by Section 906 has been provided to The Macerich Company and will be retained by The Macerich Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Exhibit 99.2

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

The undersigned, Thomas E. O'Hern, the Chief Financial Officer, of The Macerich Company (the "Company"), pursuant to 18 U.S.C. §1350, hereby certifies that:

(i) the Quarterly Report on Form 10-Q for the quarter ended March 31, 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.

Dated: May 14, 2003

/s/ THOMAS E. O'HERN

Thomas E. O'Hern

A signed original of this written statement required by Section 906 has been provided to The Macerich Company and will be retained by The Macerich Company and furnished to the Securities and Exchange Commission or its staff upon request.

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