SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark one)

X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1996.
OR
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from to
Commission File Number 1-12504

THE MACERICH COMPANY
(Exact Name of Registrant as Specified in Its Charter)

Maryland	95-4448705
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

233 Wilshire Boulevard, # 700 Santa Monica, California	90401
(Address of principal executive office)	(Zip Code)

Registrants telephone number, including area code: (310) 394-6911
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.01 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 12 months (or for such shorter periods that the registrant was required to file such report(s)) and (2) has been subject to such filing requirements of the past 90 days. Yes X No .

Indicate by a check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to the Form 10-K.

As of March 4, 1997, the aggregate market value of the 16,463,275 shares of Common Stock held by non-affiliates of the registrant was $458.9 million based upon the closing price ($27.785) on the New York Stock Exchange composite tape on such date. (For this computation, the registrant has excluded the market value of all shares of its Common Stock reported as beneficially owned by executive officers and directors of the registrant and certain other shareholders; such exclusion shall not be deemed to constitute an admission that any such person is an "affiliate" of the registrant.) As of March 4, 1997, there were 25,743,497 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the annual stockholders meeting to be held in 1997 are incorporated by reference into Part III.

THE MACERICH COMPANY
Annual Report on Form 10-K
For The Year Ended December 31, 1996

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PART I

Item I. Business

General

The Macerich Company (the "Company") is involved in the acquisition, ownership, redevelopment management and leasing of regional and community shopping centers located throughout the United States. The Company is the sole general partner of, and owns a majority of the ownership interests in, the Macerich Partnership, L.P., a Delaware limited partnership (the "Operating Partnership"). The Operating Partnership owns or has an ownership interest in 23 regional shopping centers and three community centers aggregating approximately 19.1 million square feet of gross leasable area. These 26 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 two management companies, Macerich Property Management Company, a California corporation, and Macerich Management Company, a California corporation (collectively, the "Management Companies").

The Company was organized as a Maryland corporation in September 1993 to continue and expand the shopping center operations of Mace Siegel, Arthur M. Coppola, Dana K. Anderson and Edward C. Coppola (the "Principals") and certain of their business associates.

All references to the Company in this 10-K include the Company, those entities owned or controlled by the Company and predecessors of the Company, unless the context indicates otherwise.

Recent Developments

Public Offering

During July, 1995, the Company filed a shelf registration statement for $250 million worth of securities to be issued at a later date, $112.0 million of which were issued in 1995. During October and November 1996 the Company sold 5,750,000 shares of common stock from the shelf (the "Equity Offering"). The net proceeds of $122 million were used by the Company primarily to repay debt, to acquire Rimrock Mall, Vintage Faire Mall, Buenaventura Mall, Fresno Fashion Fair and Huntington Center and for general corporate purposes. The contribution of the proceeds of the equity offering to the Operating Partnership, raised the Company's ownership interest in the Operating Partnership to 68%. On February 5, 1997 the Company filed a new shelf registration statement for $500 million worth of securities (including the remaining $16 million under the former shelf) to be issued at a later date. The new shelf has not yet been declared effective.

Acquisition Centers

Villa Marina Marketplace was acquired on January 25, 1996. Villa Marina Marketplace is a 447,684 square foot community center/entertainment complex located in Marina del Rey, California. The purchase price was $80 million, consisting of $57.6 million of cash and $22.4 million of assumed mortgage indebtedness.

Valley View Mall is a super regional mall in Dallas, Texas which the Company acquired on October 21, 1996. Valley View Mall contains 1,523,815 square feet and the purchase price was $85.5 million in cash plus the assumption of $2.0 million in other liabilities.

Rimrock Mall, located in Billings, Montana, and Vintage Faire Mall, located in Modesto, California were both purchased on November 27, 1996. The combined purchase price was $118.2 million, including the assumption of $88.4 million of existing mortgage indebtedness, the assumption of $3.0 million of other liabilities and with the balance being paid in cash. Vintage Faire Mall is a super regional mall with 1,051,458 square feet and Rimrock Mall is a regional mall consisting of 581,912 square feet.

Buenaventura Mall, Fresno Fashion Fair and Huntington Center were purchased on December 18, 1996 for a combined price of $128.9 million, including $38 million of assumed mortgage indebtedness, assumption of $3.8 million of other liabilities and the balance was paid in cash. Buenaventura Mall, located in Ventura, California, is an 801,152 square foot super regional mall, Fresno Fashion Fair, located in Fresno, California, is a super regional mall containing 881,334 square feet and Huntington Center, located in Huntington Beach, California, consists of 834,578 square feet.

The addition of the 1996 Acquisition Centers brings the Company's portfolio to 23 Regional Shopping Centers and three Community Shopping Centers, comprising more than 19.1 million square feet.

Financings

On April 1, 1996 the mortgage debt on Crossroads-OK, Greentree Mall, and Salisbury was refinanced. The total indebtedness on these centers was increased to $117 million, from $88 million, and the average interest rate was fixed at 7.2%. On September 30, 1996 the $65.1 million mortgage loan at Queens Center was refinanced. The interest rate was reduced from LIBOR plus 1.10% to LIBOR plus 0.45%. On December 23, 1996 the Villa Marina Marketplace mortgage debt of $22 million was paid off. Additionally, a $60 million mortgage was placed on Valley View Mall concurrent with its acquisition. The interest rate is LIBOR plus 1.50% and the loan matures in October, 1997, but can be converted into a fixed rate loan that matures in October, 2006. Concurrent with the acquisition of Buenaventura Mall, Fresno Fashion Fair and Huntington Center, a $57 million unsecured loan was obtained. The loan bears interest at LIBOR plus 1.625% and matures on December 31, 1997.

The Shopping Center Industry

General

There are several types of retail shopping centers, which are differentiated primarily based on size and marketing strategy. Retail shopping centers, generally contain in excess of 400,000 square feet of gross leasable area ("GLA"), and are typically anchored by two or more department or large retail stores ("Anchors"), are referred to as "Regional Shopping Centers" or "Malls". Regional Shopping Centers also typically contain numerous diversified retail stores ("Mall Stores"), most of which are national or regional retailers, typically located along corridors connecting the Anchors. Community Shopping Centers, also referred to as "strip centers," are retail shopping centers that are designed to attract local or neighborhood customers and are typically anchored by one or more supermarkets, discount department stores and/or drug stores. Community Shopping Centers typically contain 100,000 square feet to 400,000 square feet of GLA. In addition, freestanding retail stores are located along the perimeter of the shopping centers ("Freestanding Stores"). Anchors, Mall and Freestanding Stores and other tenants typically contribute funds for the maintenance of the common areas, property taxes, insurance, advertising and other expenditures related to the operation of the shopping center.

Regional Shopping Centers

A Regional Shopping Center draws from its trade area by offering a variety of fashion merchandise, hard goods and services and entertainment, generally in an enclosed, climate controlled environment with convenient parking. Regional Shopping Centers provide an array of retail shops and entertainment facilities and often serve as the town center and the preferred gathering place for community, charity, and promotional events.

The Company focuses on the acquisition and redevelopment of Regional Shopping Centers. Regional Shopping Centers have generally provided owners with relatively stable growth in income despite the cyclical nature of the retail business. This stability is due both to the diversity of tenants and to the typical dominance of Regional Shopping Centers in their trade areas. Regional Shopping Centers are difficult to develop because of the significant barriers to entry, including the limited availability of capital and suitable development sites, the presence of existing Regional Shopping Centers in most markets, a limited number of Anchors, and the associated development costs and risks. Consequently, the Company believes that few new Regional Shopping Centers will be built in the next five years. However, many of the market, financing and economic risks typically associated with the development of new Regional Shopping Centers can be mitigated by acquiring and redeveloping an existing Regional Shopping Center. Furthermore, the value of Regional Shopping Centers can be significantly enhanced through redevelopment, renovation and expansion.

Regional Shopping Centers have different strategies with regard to price, merchandise offered and tenant mix, and are generally tailored to meet the needs of their trade areas. Anchor tenants are located along common areas in a configuration designed to maximize consumer traffic for the benefit of the Mall Stores. Mall GLA, which generally refers to gross leasable area contiguous to the Anchors for tenants other than Anchors, is leased to a wide variety of smaller retailers. Mall stores typically account for the bulk of the revenues of a Regional Shopping Center.

Although a variety of retail formats compete for consumer purchases, the Company believes that Regional Shopping Centers will continue to be a preferred shopping destination. The combination of a climate controlled shopping environment and a diverse tenant mix has resulted in Regional Shopping Centers generating higher tenant sales than are generally achieved at smaller retail formats. Further, the Company believes that department stores located in Regional Shopping Centers will continue to provide a full range of current fashion merchandise at a limited number of locations in any one market, allowing them to command the largest geographical trade area of any retail format.

Community Shopping Centers

Community Shopping Centers are designed to attract local and neighborhood customers and are typically open air shopping centers, with one or more supermarkets, drugstores or discount department stores. National retailers such as Kids-R-Us at Bristol Shopping Center, Toys-R-Us at Marshall's Boulder Plaza, and The Gap, Victoria's Secret and Limited Express at Villa Marina, provide the Company's three Community Shopping Centers with the opportunity to draw from a much larger trade area than a typical supermarket or drugstore anchored Community Shopping Center.

Business of the Company

Management and Operating Philosophy

The Company believes that the shopping center business requires specialized skills across a broad array of disciplines for effective and profitable operations. For this reason, the Company has developed a fully integrated real estate organization with in-house acquisition, redevelopment, property management, leasing, finance, construction, marketing, legal and accounting expertise. In addition, the Company emphasizes a philosophy of decentralized property management, leasing and marketing performed by on-site professionals. The Company believes that this strategy results in the optimal operation, tenant mix and drawing power of each Center as well as the ability to quickly respond to changing competitive conditions of the Center's trade area.

Property Management and Leasing. The Company believes that on-site property managers can most effectively operate the Centers. Each Center's property manager is responsible for overseeing the operations, marketing, maintenance and security functions at the Center. Property managers focus special attention on controlling operating costs, a key element in the profitability of the Centers, and seek to develop strong relationships with and to be responsive to the needs of retailers.

The Company believes strongly in decentralized leasing and accordingly, most of its leasing managers are located on-site to better understand the market and the community in which a Center is located. Leasing managers are charged with more than the responsibility of leasing space; they continually assess and fine tune each Center's tenant mix, identify and replace underperforming tenants and seek to optimize existing tenant sizes and configurations.

Acquisitions. Since the IPO, the Company, has acquired interests in shopping centers nationwide. These acquisitions were identified and consummated by the Company's staff of acquisition professionals who are strategically located in Santa Monica, Dallas, Denver, and Atlanta. The Company believes that it is geographically well positioned to cultivate and maintain ongoing relationships with potential sellers and financial institutions and to act quickly when acquisition opportunities arise.

Concurrent with its IPO, the Company acquired Crossroads Mall in Oklahoma City, Oklahoma ("Crossroads-Oklahoma"). In addition, on July 21, 1994, the Company acquired Chesterfield Towne Center in Richmond, Virginia ("Chesterfield"). Together these properties are known as the "1994 Acquisition Centers". The Company made the following acquisitions during 1995: The Centre at Salisbury in Salisbury, Maryland ("Salisbury") on August 15, 1995, Capitola Mall in Capitola, California ("Capitola") on December 21, 1995, and Queens Center in New York, New York ("Queens Center") on December 28, 1995. Together these properties are known as the "1995 Acquisition Centers". The Company made the following acquisitions in 1996: Villa Marina Marketplace ("Villa Marina") on January 25, 1996; Valley View Mall on October 21, 1996; Vintage Faire Mall and Rimrock Mall on November 27, 1996; and Buenaventura Mall, Fresno Fashion Fair and Huntington Center on December 18, 1996. Together these properties are referred to as "1996 Acquisition Centers".

Redevelopment. One of the major components of the Company's growth strategy is its ability to redevelop acquired properties. For this reason, the Company has built a staff of redevelopment professionals who have primary responsibility for identifying redevelopment opportunities that will result in enhanced long-term financial returns and market position for the Centers. The redevelopment professionals oversee the design and construction of the projects in addition to obtaining required governmental and Anchor approvals.

Management and Operating Philosophy, Continued:

The Centers. The Centers consist of twenty-three Regional Shopping Centers and three Community Shopping Centers aggregating approximately 19.1 million square feet of GLA. Twelve of the Centers have been acquired concurrent with or since the IPO including two acquired by the Company in 1994, three acquired in 1995, and seven in 1996. All of the Company's Regional Shopping Centers are enclosed, with the exception of Broadway Plaza, an open air Regional Shopping Center located in Walnut Creek, California. Twenty of the twenty-three Regional Shopping Centers combine three or more Anchors with numerous diversified Mall Stores, most of which are national or regional retailers. In addition, there are Freestanding Stores at most of the Centers. Twenty-three of the 26 Centers contain more than 400,000 square feet of GLA. The 23 Regional Shopping Centers in the Company's portfolio average approximately 795,478 square feet of GLA and range in size from 1.8 million square feet of GLA at Lakewood Mall to 369,670 square feet of GLA at Panorama Mall. The Company's three Community Shopping Centers, Marshall's Boulder Plaza, Villa Marina Marketplace and Bristol Shopping Center have an average of 257,435 square feet of GLA. The 26 Centers presently include 86 Anchors totaling approximately 11.2 million square feet of GLA and approximately 2,452 Mall and Freestanding Stores totaling approximately 7.9 million square feet of GLA.

Total revenues increased from $86.0 million in 1994 to $102.5 million in 1995 and $155.1 million in 1996 primarily due to acquisitions. See "Managements Discussion and Analysis of Financial Condition and Results of Operations." Lakewood Mall generated 16.0% of total shopping center revenues in 1996, 22.0% in 1995 and 25.6% in 1994. Shopping center revenues at Crossroads Mall-Colorado accounted for 10.6% of total shopping center revenues in 1995 and 12.16% in 1994. During 1995 Chesterfield accounted for 12.6% of total Shopping Center revenues. Queens Center accounted for 13.8% of 1996 shopping center revenue. No other Center generated more than 10% of shopping center revenues during 1996, 1995 or 1994.

Cost of Occupancy

The Company's management believes that in order to maximize the Company's operating cash flow, the Centers' Mall Store tenants must be able to operate profitably. A major factor contributing to tenant profitability is cost of occupancy. The following table summarizes occupancy costs for Mall Store tenants in the Centers as a percentage of total Mall Store sales for the last three years:

	For the Year Ended December 31,		
	1994	1995(2)	1996 (3)
Mall store sales (in thousands)	$761,181	$766,849	$992,614
Minimum rents	8.3%	8.3%	8.3%
Percentage rents	0.4%	0.4%	0.4%
Expense recoveries (1)	2.5%	2.6%	2.9%
Mall tenant occupancy costs	11.2%	11.3%	11.6%

(1) Represents real estate tax and common area maintenance charges.
(2) Excludes 1995 Acquisition Centers.
(3) Excludes 1996 Acquisition Centers.

Competition

The 23 Regional Shopping Centers are located in developed areas in middle to upper income markets where there are relatively few other Regional Shopping Centers. In addition, 22 of the 23 Regional Shopping Centers contain more than 400,000 square feet of GLA. The Company intends to consider additional expansion and renovation projects to maintain and enhance the quality of the Centers and their competitive position in their trade areas.

Competition, Continued:

There are numerous owners and developers of real estate that compete with the Company in its trade areas. This results in competition for both acquisition of centers and for tenants to occupy space. The existence of competing shopping centers could have a material impact on the Company's ability to lease space and on the level of rent that can be achieved. There is also increasing competition from other forms of retail, such as factory outlet centers, power centers, discount shopping clubs, and home shopping networks that could adversely affect the Company's revenues.

Major Tenants

The Centers derived approximately 88.8% of their total rents for the year ended December 31, 1996 from Mall and Freestanding Stores. No single retailer accounted for more than 6.5% of annual base rents of the Company as of December 31, 1996.

The following retailers (including their subsidiaries) represent the 10 largest retailers in the Company's portfolio based upon minimum rents in place as of December 31, 1996:

Retailer	Number of Stores in the Centers	% of Total Minimum Rents as of December 31, 1996
The Limited	71	6.3%
Woolworth	96	4.8%
J.C. Penney	15	2.2%
Barnes & Noble	26	1.8%
The Musicland Group	29	1.7%
The Gap	14	1.5%
Melville	20	1.4%
Sears	13	1.1%
Payless Shoe Source	19	1.0%
Borders Group	16	0.9%

Mall and Freestanding Stores

Mall and Freestanding Store leases generally provide for tenants to pay rent comprised of a fixed base (or "minimum") rent and a percentage rent based on sales. In some cases, tenants pay only a fixed minimum rent, and in a few cases, tenants pay only percentage rents. Most leases for Mall and Freestanding Stores contain provisions that allow the Centers to recover their costs for maintenance of the common areas, property taxes, insurance, advertising and other expenditures related to the operations of the Center.

The Company uses tenant spaces 10,000 square feet and under for comparing rental rate activity. Tenant space under 10,000 square feet comprises 76.0% of all Mall and Freestanding Store space. The Company believes that to include space over 10,000 square feet would provide a less meaningful comparison, especially on a quarterly basis.

When an existing lease expires, the Company is often able to enter into a new lease with a higher base rent component. The average base rent for new Mall and Freestanding Store leases, 10,000 square feet or under, commencing during 1996 was $27.02 per square foot, or 13.1% higher than the average base rent for all Mall and Freestanding Stores (10,000 square feet or under) at December 31, 1996 of $23.90 per square foot.

Mall and Freestanding Stores, Continued:

The following table sets forth for the Centers the average base rent per square foot of Mall and Freestanding GLA, for tenants 10,000 square feet and under, as of December 31 for each of the past three years.

	Average Base Rent Per Square Foot (1)	Average Base Rent Per Sq. Ft. on Leases Commencing During the Year (2)	Average Base Rent Per Sq. Ft. on Leases Expiring During the Year (3)
December 31,			
1994	$20.34	$24.12	$20.66
1995	$21.19	$23.13	$22.12
1996	$23.90	$27.02	$24.54

(1) Average base rent per square foot is based on Mall and Freestanding Store GLA for spaces 10,000 square feet or under occupied as of December 31 for each of the Centers owned by the Company in 1994, 1995 (excluding the 1995 Acquisition Centers), and 1996 (excluding the 1996 Acquisition Centers). If the 1995 Acquisition Centers were included, the 1995 average would be $22.86, and if the 1996 Acquisition Centers were included, the 1996 average would be $23.58.

(2) The base rent on lease signings during the year represents the actual rent to be paid on a per square foot basis during the first twelve months. The 1995 average excludes the 1995 Acquisition Centers and the 1996 average excludes the 1996 Acquisition Centers.

(3) The average base rent on leases expiring during the year represents the final year minimum rent, on a cash basis, for tenant leases 10,000 square feet or under expiring during the year. The average base rent on leases expiring in 1995 excludes the 1995 Acquisition Centers and 1996 excludes the 1996 Acquisition Centers.

Bankruptcy and Closure of Retail Stores

The bankruptcy and/or closure of an Anchor, or its sale to a less desirable retailer, could adversely affect customer traffic in a Center and thereby reduce the income generated by that Center. Furthermore, the closing of an Anchor could, under certain circumstances, allow certain other Anchors or other tenants to terminate their leases or cease operating their stores at the Center or otherwise adversely affect occupancy at the Center. During the fourth quarter of 1995 and the first quarter of 1996 there were a significant number of retailer bankruptcies and closures. As a result, the Company experienced slightly lower same center occupancies in 1996 compared to 1995.

Retail stores at the Centers other than Anchors may also seek the protection of the bankruptcy laws, which could result in the termination of such tenants' leases and thus cause a reduction in the cash flow generated by the Centers. Although no single retailer accounts for greater than 6.5% of total rents, the bankruptcy and subsequent closure of stores could create a decrease in occupancy levels, reduced rental income or otherwise adversely affect the Centers.

Lease Expirations

The following table shows (as of December 31, 1996) scheduled lease expirations of Mall and Freestanding Stores 10,000 square feet or under for the next ten years for the Centers, assuming that none of the tenants exercise renewal options.

Year Ending December 31,	Number of Leases Expiring	Approximate GLA of Expiring Leases	% of Total Leased GLA Represented By Expiring Leases(1)	Ending Base Rent per Square Foot of Expiring Leases(1)
1997.........	336	647,760	14.1%	$20.98
1998.........	260	479,774	10.4%	$24.23
1999.........	255	474,550	10.3%	$26.40
2000.........	241	486,030	10.6%	$27.78
2001.........	211	436,606	9.5%	$29.09
2002.........	152	345,859	7.5%	$28.96
2003.........	166	411,288	8.9%	$26.84
2004.........	127	290,789	6.3%	$26.19
2005.........	124	306,673	6.7%	$27.74
2006.........	121	346,330	7.5%	$27.01

(1) For leases 10,000 square feet or under

Anchors

Anchors have traditionally been a major factor in the public's identification with Regional Shopping Centers. Anchors are generally department stores whose merchandise appeals to a broad range of shoppers. Although the Centers receive a smaller percentage of their operating income from Anchors than from Mall and Freestanding Stores, strong Anchors play an important part in maintaining customer traffic and making the Centers desirable locations for Mall and Freestanding Store tenants.

Anchors either own their stores, the land under them and in some cases adjacent parking areas, or enter into long-term leases with an owner at rates that are lower than the rents charged to tenants of Mall and Freestanding Stores.

Anchors accounted for approximately 11.2% of the Company's total rent for the year ended December 31, 1996. Each Anchor which owns its own store, and certain Anchors which lease their stores, enter into reciprocal easement agreements with the owner of the Center covering, among other things, operational matters, initial construction and future expansion.

Anchors, Continued:

The following table identifies each Anchor, each parent company that owns multiple anchors and the number of square feet owned or leased by each such Anchor or parent company in the Centers as of December 31, 1996, except as otherwise indicated.

Name	Number of Anchor Stores	GLA Owned By Anchor	GLA Leased By Anchor	Total GLA Occupied By Anchor
J.C. Penney (2)	16	531,611	1,439,622	1,971,233
Sears	12	602,943	793,734	1,396,677
Montgomery Ward	10	596,601	718,663	1,315,264
Federated Department Stores (1)				
Macy's	7	500,457	733,009	1,233,466
Macy's Men's & Juniors	2	-	235,443	235,443
Total	9	500,457	968,452	1,468,909
Dayton Hudson Corp.				
Mervyn's	7	232,537	336,724	569,261
Target	1	-	87,396	87,396
Dayton's	1	115,193	-	115,193
Total	9	347,730	424,120	71,850
May Department Stores Co.				
Foley's	3	602,485	-	602,485
Hechts	2	140,000	100,000	240,000
Robinsons-May	1	-	362,852	362,852
Total	6	742,485	462,852	1,205,337
Gottschalks	5	178,120	438,290	616,410
Dillard's	3	642,802	-	642,802
Herberger's	2	-	122,635	122,635
Burlington Coat Factory	1	-	133,650	133,650
Boscov's	1	-	140,000	140,000
Fashion Bar	1	-	40,000	40,000
Hennessy's	1	-	96,800	96,800
Home Depot	1	-	130,232	130,232
Joslins	1	-	93,270	93,270
Leggetts	1	-	109,933	109,933
Mercantile Stores, Inc. de Lendrecies	1	188,000	-	188,000
Nordstrom	1	-	185,241	185,241
Profitts	1	-	65,163	65,163
Vacant (1)	4	210,000	326,932	536,932
	86	4,540,749	6,689,589	11,230,338

Anchors, Continued

(1) The Broadway Stores merged with Federated Department Stores, Inc. ("Federated") during November 1995. As part of that merger, Federated closed the Broadway stores at Panorama and Huntington Center and the Weinstock's store at Parklane. Federated is negotiating to sell the Panorama location.

(2) On January 25, 1997, J.C. Penney ceased operating at County East Mall. The Company is currently negotiating with potential replacement tenants.

Environmental Matters

Under various federal, state and local laws, ordinances and regulations, an owner of real estate is liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The costs of investigation, removal or remediation of such substances may be substantial, and the presence of such substances, or the failure to properly remediate such substances, may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral. Persons who arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of a release of such substances at a disposal treatment facility, whether or not such facility is owned or operated by such person. Certain environmental laws impose liability for release of asbestos-containing materials ("ACMs") into the air and third parties may seek recovery from owners or operators of real properties for personal injury associated with ACMs. In connection with the ownership (direct or indirect), operation, management and development of real properties, the Company may be considered an owner or operator of such properties or as having arranged for the disposal or treatment of hazardous or toxic substances and therefore, potentially liable for removal or remediation costs, as well as certain other related costs, including governmental fines and injuries to persons and property.

Each of the Centers has been subjected to a Phase I audit (which involves review of publicly available information and general property inspections, but does not involve soil sampling or ground water analysis) completed by an environmental consultant.

Based on these audits, and on other information, the Company is aware of the following environmental issues that are reasonably possible to result in costs associated with future investigation or remediation, or in environmental liability:

Asbestos. The Company has conducted ACM surveys at various locations within the Centers, which have indicated that ACMs are present or suspected in certain areas, primarily vinyl floor tiles, mastics, roofing materials, drywall tape, joint compounds and acoustical ceiling tiles. The identified ACMs are generally non-friable, in good condition, and possess low probabilities for disturbance. At certain Centers where ACMs are present or suspected, however,some ACMs have been or may be classified as "friable," and ultimately may require removal under certain conditions. The Company has developed and implemented an operations and maintenance (O&M) plan to manage ACM in place.

Underground Storage Tanks. Underground storage tanks ("USTs") are or were present at certain of the Centers, often in connection with tenant operations at gasoline stations or automotive tire, battery and accessory service centers located at such Centers. USTs also may be or have been present at properties neighboring certain Centers. Certain of these tanks have either leaked or are suspected to have leaked. Where leakage has occurred, investigation, remediation, and monitoring costs may be incurred by the Company, if the responsible current or former tenant, or other responsible parties are unavailable to pay such costs.

Chlorinated Hydrocarbons. The presence of chlorinated hydrocarbons such as perchloroethylene (PCE) and its degradation byproducts has been detected at certain of the Centers, often in connection with tenant dry cleaning operations. Where PCE has been detected, the Company may incur investigation, remediation and monitoring costs if responsible tenants, or other responsible parties, are unavailable to pay such costs.

Environmental Matters, Continued:

PCE has been detected in soil and groundwater in the vicinity of a dry cleaning establishment at North Valley Plaza. The California Department of Toxic Substance Control (DTSC) has advised the Company that very low levels of Dichlorethylene (1,2,DCE) a degradation byproduct of PCE, have been detected in a water well located 1/4 mile west from the dry cleaners, and the dry cleaning facility may have contributed to the introduction of 1,2 DCE into the water well. According to DTSC, the maximum contaminant level (MCL) for 1,2DCE which is permitted in drinking water is 6 parts per billion (ppb); and that the 1,2DCE was detected in the water well at 1.2 ppb, which is below the MCL. The Company has retained an environmental consultant and has initiated extensive testing of the site, although the extent of the impacted soil and groundwater has not been fully defined. Redmediation is scheduled to begin in the first half of 1997. The joint venture that owns that property (of which the Company is a 50% general partner) has a $685,000 reserve, plus $155,000 has already been incurred, to cover professional fees, testing and remediation costs. The Company intends to look to the responsible parties and insurers if remediation is required.

Toluene, a petroleum constituent, has been detected in a groundwater dewatering system at the Queens Center. The source of the toluene is currently unknown, but it is possible that an adjacent service station has caused or contributed to the problem. It is also possible that the toluene remains from previous service station operations which occurred on site prior to the development of the site into its current use in the early 1970s. Toluene was detected at levels of 410 and 160 parts per billion (ppb) in samples taken from the tank in October, 1995 and February, 1996, respectively. Additional samples were taken in May and December of 1996, with results of .63 ppb and "non-detect" for the May sampling event and 16.2 ppb and 25.2 ppb for the December sampling event. The maximum contaminant level (MCL) for toluene in drinking water is 150 ppb. Although the Company believes that no remediation will be required, it has set up a $150,000 reserve to cover professional fees and testing costs. The Company intends to look to the responsible parties and insurers if remediation is required.

Dry cleaning chemicals, including PCE have been detected in soil and groundwater in the vicinity of a dry cleaning establishment at Villa Marina Marketplace. The previous owner of the property has reported the release to the local government authorities and has agreed to fully assess and remediate the site to the extent required by those authorities subject to a limited indemnity agreement. The previous owner has removed the dominant source of impacted soil and is continuing its efforts to assess the site under the direction of the local regulatory oversight agency. Although the Company believes that it will not be required to participate in assessment or remediation activities, it has set up a $150,000 reserve ($20,000 of which has already been incurred) to cover professional and legal fees.

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

Dry cleaning chemicals including perchloroethylene (PCE) were detected in soil and groundwater in the vicinity of a former dry cleaning establishment at Huntington Center. The release has been reported to the local government authorities. The Company estimates, based on the data currently available, that costs for assessment, remediation and legal services will not exceed $500,000. Consequently, at the time of the acquisition, the Company established a $500,000 reserve to cover professional and legal fees. The company intends to look to responsible parties and insurers for cost recovery.

Employees

The Company and the Management Companies employ approximately 910 persons, including six executive officers, personnel in the areas of acquisitions and business development (8), property management (127), leasing (32), redevelopment/construction (18), financial services (37) and legal affairs (8). In addition, in an effort to minimize operating costs, the Company generally maintains its own security staff (304) and maintenance staff (370). Approximately 6 of these employees are represented by a union. The Company believes that relations with its employees are good.

Item 2. Properties

Name of Center / Location (1)	Year of Original Construction/ Acquisition	Year of Most Recent Renovation/ Expansion	Total GLA (2)	Mall and Free Standing GLA	Percentage of Mall and Free Standing GLA Leased	Anchors	Sales Per Square Foot (8)
Broadway Plaza (9) Walnut Creek, California	1951/1985	1994	679,427	233,930	98.4%	Macy's (2 locations), Nordstrom	401
Capitola Mall (9) Capitola, California	1997/1995	1988	585,618	205,901	95.7%	Gottschalks, J.C. Penney, Mervyn's, Sears	278
Chesterfield Towne Center Richmond, Virginia	1975/1994	1988	817,697	396,504	90.2%	Hecht's, Leggett's, Proffitt's, Sears	289
County East Mall Antioch, California	1966/1986	1989	488,883	170,323	79.9%	J.C. Penney (3), Sears Gottschalks, Mervyn's,	221
Crossroads Mall (9) Boulder, Colorado	1963/1979	1986	808,969	365,532	91.3%	Foley's, J.C. Penney, Mervyn's, Sears Montgomery Ward	242
Crossroads Mall Oklahoma City, Oklahoma	1974/1994	1991	1,112,374	372,686	83.4%	Dillard's, Foley's, Montgomery Ward J. C. Penney	213
Greeley Mall Greeley, Colorado	1973/1986	1987	585,044	241,682	89.0%	J.C. Penney, Fashion Bar (4), Joslins, Sears Montgomery Ward	189
Green Tree Mall Clarksville, Indiana	1968/1975	1995	786,219	335,437	86.9%	Dillard's, J.C. Penney, Sears, Target	281
Holiday Village Center (9) Great Falls, Montana	1959/1979	1992	597,361	269,842	96.7%	Herberger's, J.C. Penney, Montgomery Ward Sears	265
Lakewood Mall Lakewood, California	1953/1975	1992	1,758,939	815,290	98.9%	Home Depot, Mervyns, J. C. Penney, Montgomery Ward, Robinson-May,	312
Northgate Mall San Rafael, California	1964/1986	1987	744,050	273,719	90.9%	Macy's, Mervyns, Sears	245
North Valley Plaza Chico, California	1968/1987	1994	413,843	187,409	67.2%	Montgomery Ward (6) Mervyn's	133
Panorama Panorama, California	1955/1979	1980	369,670	159,670	96.4%	(7)	330
Park Lane Mall (9) Reno, Nevada	1967/1978	1987	459,252	209,932	91.9%	Gottschalks, (5)	252
Queens Queens, New York	1973/1995	1991	625,126	156,983	97.5%	J.C. Penney , Macy's	657
Salisbury, Centre at Salisbury, Maryland	1990/1995	1990	883,672	278,691	87.8%	Boscov's, J.C. Penney, Montgomery Ward, Hechts, Sears	271
West Acres Fargo, North Dakota	1972/1986	1992	907,595	355,040	95.8%	Daytons, Sears, O.J. De Lendrecies, J.C. Penney	320
Bristol Shopping Center (9) Santa Ana, California	1966/1986	1992	165,682	165,682	94.2%		367
Marshalls' Boulder Plaza Boulder, Colorado	1969/1989	1991	158,939	158,939	100.0%		317
Sub-total / Average at December 31, 1996			12,948,360	5,353,192	91.8%		$294

Item 2. Properties, Continued

THE MACERICH COMPANY: LIST OF PROPERTIES

Name of Center / Location (1)	Year of Original Construction/ Acquisition	Year of Most Recent Expansion / Renovation	Total GLA (2)	Mall and Free Standing GLA	Percentage of Mall and Free Standing GLA Leased	Anchors	Sales Per Square Foot (8)
1996 Acquisition Centers							
Fresno Fashion Fair Fresno, California	1970/1996	1983	881,334	320,453	94.8%	Gottschalks, J.C. Penney, Macy's (2 locations)	289
Rimrock Billings, Montana	1978/1996	-	581,912	266,472	94.5%	Herbergers, Hennessy's, J.C. Penney, Montgomery Ward	213
Valley View Dallas, Texas	1973/1996	1996	1,523,815	465,918	84.7%	Dillard's, Foleys, J.C. Penney, Sears	212
Villa Marina Marketplace Marina Del Rey, California	1972/1996	1995	447,684	447,684	96.3%		398
Vintage Faire Modesto, California	1977/1996	-	1,051,458	351,539	86.7%	Gottschalks, J.C. Penney, Macy's, Sears, Macy's Men's & Home, Sears	279
Total / Average 1996 Acquisitions (excluding major redevelopment properties)			4,486,203	1,852,066	91.0%		279
Sub-Total / Average			17,434,563	7,205,258	91.6%		290
Major Redevelopment Properties							
Buenaventura Ventura, California	1965/1996	1993	801,152	345,816	(11)	J.C. Penney, Macy's, Montgomery Wards	267
Huntington Center(9) Huntington Beach, California	1965/1996	1997	832,578	286,881	(11)	Edwards Cinema (10), Mervyn's, Burlington Coat Factory, Montgomery Ward	303
Total Major Redevelopment Centers			832,578	286,881			283
Grand Total / Average			19,068,293	7,837,955			290

(1) The land underlying twenty of the Centers is owned entirely by the Company or, in the case of jointly-owned Centers, the property partnership in fee. All or part of the land underlying the remaining Centers is owned by third parties and leased to the Company or property partnership pursuant to long-term ground leases. Under the terms of a typical ground lease, the Company or property partnership pays rent for the use of the land and is generally responsible for all costs and expenses associated with the building and improvements. In some cases, the Company or property partnership has an option or right of first refusal to purchase the land. The termination dates of the ground leases range from 2013 to 2060.

All centers are wholly owned by the Company or its subsidiaries, except for Broadway Plaza (50%), North Valley Plaza (50%), Panorama Mall (50%), and West Acres (19%).

(2) Includes GLA attributable to Anchors (whether owned or leased) and Mall and Freestanding Stores as of December 31, 1996.

(3) J.C. Penney vacated its facility at County East Mall in 1997.

(4) The Company negotiated an early termination of the Fashion Bar lease. Fashion Bar closed on January 15, 1997. The Company is currently negotiating with a replacement tenant.

(5) Federated closed the Weinstock's store at Parklane Mall and the Company acquired Federated's leasehold interest. The Company is planning to demolish the Weinstocks building and redevelop this area as a location based entertainment complex.

(6) J.C. Penney vacated its facility at North Valley Plaza in 1993. The Company has relocated the existing 60,000 square foot Mervyn's at the Center into the larger J.C. Penney building. The Company is in negotiations for a replacement tenant for the Mervyn's building.

(7) Federated Department Stores, Inc. merged with Broadway Stores, Inc. in November, 1995. Federated owns the Broadway Store at Panorama. This Broadway Store ceased operations in January 1996. Federated is currently negotiating to sell this building to Wal-Mart.

(8) Sales are based on reports by retailers leasing Mall and Freestanding Stores for the year ending December 31, 1996 for tenants which have occupied such stores for a minimum of twelve months. Consistent with industry practices, sales per square foot are based on gross leased and occupied area, excluding theaters, and are not based on GLA.

(9) Portions of the land on which the Center is situated are subject to one or more ground leases.

(10) Edwards Cinema signed a lease in January 1997 to occupy the former Broadway location. Edwards is expected to open a 21 screen theater complex on that site in May 1998.

(11) Certain spaces have been intentionally held off the market and remain vacant due to major redevelopment strategy. As a result, the Company believes the percentage of mall and free-standing GLA leased at these major redevelopments is not meaningful data.

Mortgage Debt

The following table sets forth certain information regarding the mortgages encumbering the Centers, including those Centers in which the Company has less than a 100% interest. All mortgage debt is nonrecourse to the Company. The information set forth below is as of December 31, 1996.

Property Pledged As Collateral	Fixed or Floating	Annual Interest Rate	Principal Balance (000's)	Annual Debt Service (000's)	Maturity Date	Balance Due on Maturity (000's)	Earliest Date on which all Notes Can Be Prepaid
Capitola Mall	Fixed	9.25%	37,976	3,801	12/15/01	36,152	
Chesterfield Towne Center (1)	Fixed	8.75%	59,023	5,702	1/1/24	5,381	1/1/24 (2)
Chesterfield Towne Center	Fixed	9.38%	5,304	540	1/1/24	515	1/1/2
Chesterfield Towne Center	Fixed	8.88%	1,922	187	1/1/24	177	1/1/2
Chesterfield	Fixed	8.54%	3,444	337	11/1/99	3,484	Any Time
Crossroads Mall (3)	Fixed	7.08%	35,968	2,932	12/15/10	28,107	12/1
Fresno Fashion Fair	Fixed	8.40%	38,000	3,165	10/1/05	38,000	Any
Greeley Mall	Fixed	8.50%	18,514	2,245	9/15/03	12,519	Any
Green Tree Mall/ Crossroads- OK/ Salisbury	Fixed	7.22%	117,714	3,597	3/16/04	50,000	Any
Holiday Village Mall	Fixed	6.75%	17,000	1,147	4/1/01	17,000	1/10/
Lakewood Mall	Fixed	7.20%	127,000	9,144	8/10/05	127,000	Any
Northgate Mall	Fixed	6.75%	25,000	1,688	4/1/01	25,000	1/10/99
Queens Mall	Floating	(4)	65,100	(4)	3/31/99	51,000	Any Time
Parklane Mall	Fixed	6.75%	20,000	1,350	4/1/01	20,000	Any
Rimrock Mall	Fixed	7.70%	31,994	2,924	1/1/03	28,496	Any Time
Valley View Mall	Floating	(5)	60,000	(5)	(5)	60,000	Any Time
Vintage Faire Mall	Fixed	7.65%	56,280	5,122	1/1/03	50,089	Any Time
TOTAL - Wholly Owned Centers			720,239				
Joint Venture Centers:							
Broadway Plaza (50%) (6)	Fixed	6.84%	21,750	1,487	5/5/98	21,750	Any
West Acres Center(19%)(6)	Fixed	8.96%	7,301	648	7/15/99	6,613	
TOTAL - All Centers			$ 749,290				

Notes:

(1) The annual debt service payment represents the 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 gross receipts (as defined in the loan agreement) exceeds a base amount specified therein. Contingent interest recognized was $75,910 for the period from July 21, 1994 (the date of acquisition of Chesterfield) to December 31, 1994, $184,321 for the year ended December 31, 1995 and $398,619 for the year ended December 31, 1996.

(2) No prepayment except under certain circumstances in the event of the sale of the Center.

(3) This debt was issued at a discount. The unamortized discount at December 31, 1996 was $463,000. The above balance is net of the discount.

(4) The interest rate is LIBOR plus .45%. LIBOR was 5.55% at December 31, 1996. There is an interest rate cap on $10 million of this debt at a LIBOR strike rate of 5.88% through maturity. The remaining principal has an interest rate cap with a LIBOR strike rate of 7.07% from December 31, 1996 to December 30, 1997, and 7.7% thereafter.

(5) The Valley View loan bears interest at LIBOR plus 1.50%. The Company can elect to convert the loan to a fixed rate, ten year loan at any time up to October 21, 1997.

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

Mortgage Debt, Continued

The Company has also obtained a $50 million unsecured working capital line of credit with a financial institution which bears interest at approximately LIBOR plus 1.625% or the institution's prime rate. There was $12 million outstanding on this line as of December 31, 1996. In addition, the Company has a $57 million unsecured bank loan bearing interest at LIBOR plus 1.625% due December 31, 1997. This debt was incurred in connection with the Fresno Fashion Fair, Huntington Center and Buenaventura Mall acquisitions.

Item 3. Legal Proceedings.

The Company, the Operating Partnership, the Management Companies and the affiliated partnerships are not currently involved in any material litigation nor, to the Company's knowledge, is any material litigation currently threatened against such entities or the Centers, other than routine litigation arising in the ordinary course of business, most of which is expected to be covered by liability insurance. For information about certain environmental matters, see "Business of the Company - Environmental Matters."

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

None.

Part II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

The common stock of the Company is listed and traded on the New York Stock Exchange ("NYSE") under the symbol "MAC". The common stock began trading on March 10, 1994 at a price of $19 per share. In 1996 the Company's shares traded at a high of $26.125 and a low of $19.

As of February 20, 1997 there were approximately 218 shareholders of record. The following table shows high and low closing prices per share of common stock for each quarter in 1995 and 1996 and dividends/distributions per share of common stock declared and paid by quarter.

	Market Quotation Per Share		Dividends/Distributions
	High	Low	Declared and Paid
March 31, 1995	$21 1/2	$19 7/8	$0.40
June 30, 1995	20 3/4	19 3/8	0.42
September 30, 1995	21 7/8	19 1/2	0.42
December 31, 1995	21 1/4	19 1/4	0.42
March 31, 1996	$20 1/8	$19 1/4	$0.42
June 30, 1996	21 1/4	19	0.42
September 30, 1996	22 7/8	20	0.42
December 31, 1996	26 1/8	21 3/4	0.44

Item 6. Selected Financial Data.

The following sets forth selected financial data for the Company on a historical and pro forma consolidated basis, and for the Centers and the Management Companies (collectively, the "Predecessor"), on an historical combined basis. The following data should be read in conjunction with the financial statements (and the notes thereto) of the Company and the Predecessor and "Management's Discussion And Analysis of Financial Condition and Results of Operations" each included elsewhere in this Form 10-K.

The pro forma data for the Company for the year ended December 31, 1994 has been prepared as if the IPO and the transactions related to the reorganization of the Operating Partnership and formation of the Company (the "Formation") and the application of the net proceeds of the IPO had occurred as of January 1, 1994. The pro forma information is not necessarily indicative of what the Company's financial position or results of operations would have been assuming the completion of the Formation and IPO at the beginning of the period indicated, nor does it purport to project the Company's financial position or what results of operations would have been assuming the completion of the Formation and the IPO at the beginning of the period indicated, nor does it purport to project the Company's financial position or results of operations at any future date or for any future period.

The Selected Financial Data is presented on a combined basis. The limited partnership interests in the Operating Partnership (not owned by the REIT) are reflected in the pro forma data as minority interest. Centers in which the Company does not have a greater than 50% ownership interest (Panorama Mall, North Valley Plaza, Broadway Plaza and West Acres Shopping Center) are referred to as the "Joint Venture Centers", and along with the Management Companies, are reflected in the selected financial data under the equity method of accounting. Accordingly, the net income from the Joint Venture Centers and the Management Companies that is allocable to the Company and the Predecessor is included on the statement of operations as Income of uncombined joint ventures and management companies.

Item 6. Selected Financial Data, Continued

	The Company				Predecessor		
	1996	1995	Pro Forma for 1994	as Reported March 16 to Dec 31,1994	January 1 to Mar 15,1994	1993	1992
	(All amounts in thousands except per share data and number of Centers)						
Operating Data:							
Revenues:							
Minimum rents	$99,061	$69,253	$59,640	$48,663	$9,993	$49,219	$46,393
Percentage rents	6,142	4,814	4,906	3,681	851	3,550	3,868
Tenant recoveries	47,648	26,961	22,690	18,515	3,108	16,320	15,991
Management fee income (2)	-	-	-	-	528	2,658	3,130
Other	2,208	1,441	921	582	100	766	1,876
Total revenues	$155,059	102,469	88,157	71,441	14,580	72,513	71,258
Shopping center expenses	50,792	31,580	28,373	22,576	4,891	23,881	22,959
Management, leasing and development services (2)	-	-	-	-	557	2,084	2,598
REIT general and administrative expenses	2,378	2,011	1,954	1,545	-	-	-
Depreciation and amortization	32,591	25,749	23,195	18,827	3,642	16,385	14,090
Interest expense	42,353	25,531	19,231	16,091	6,146	27,783	29,818
Income (loss) before minority interest, unconsolidated joint ventures and extraordinary item	$26,945	$17,598	$15,404	$12,402	($656)	$2,380	$1,793
Minority interest (1)	(10,975)	(8,246)	(8,008)	(6,792)	-	-	-
Income (loss) of unconsolidated joint ventures and management companies (2)	3,256	3,250	3,054	3,016	(232)	(178)	306
Extraordinary loss on early extinguishment of debt	(315)	(1,299)	-	-	-	-	(1,000)
Net income (loss)	$18,911	$11,303	$10,450	$8,626	($888)	$2,202	$1,099
Earnings per share: (3)							
Income before extraordinary item	$0.92	$0.78	$0.72	$0.60			
Extraordinary item	(0.01)	(0.05)	-	-			
Net income per share	$0.91	$0.73	$0.72	$0.60			
Other Data:							
Funds from operations(4)	$62,424	$44,938	$39,343	$32,710	N/A	N/A	N/A
The Company's share of FFO (5)	$39,502	$25,982	$22,011	$18,300	N/A	N/A	N/A
EBITDA (6)	$101,889	$68,878	$57,592	$47,320	N/A	N/A	N/A
Cash flows from (used in):							
Operating activiti es	$80,431	$48,186	$30,011	$6,449	N/A	N/A	N/A
Investing activiti es	($296,675)	($88,413)	($137,637)	($1,659)	N/A	N/A	N/A
Financing activiti es	$216,317	$51,973	$99,584	($2,343)	N/A	N/A	N/A
Number of centers at year end	26	19	16	16	14	14	14
Weighted average number of shares outstanding (7)	32,934	26,930	25,645	25,714	N/A	N/A	N/A
Cash distributions declared per common share	$1.70	$1.66	N/A	$1.27	N/A	N/A	N/A

Item 6. Selected Financial Data, Continued

	The Company			Predecessor	
	December 31,				
	1996	1995	1994	1993	1992
	(All amounts in thousands)				
Balance Sheet Data:					
Investment in real estate (before accumulated depreciation)	$ 1,273,085	$ 833,998	$ 554,788	$ 375,972	$ 311,750
Total assets	$ 1,187,753	$ 763,398	$ 485,903	$ 314,591	$ 281,668
Total debt	$ 789,702	$ 509,313	$ 326,588	$ 402,885	$ 359,695
Minority interest (1)	$ 112,242	$ 95,740	$ 72,376	$ -	$ -
Partners' deficit	$ -	$ -	$ -	$ (88,294)	$ (78,027)
Stockholders' equity	$ 237,749	$ 158,345	$ 86,939	$ -	$ -

(1) "Minority Interest" reflects the ownership interest in the Operating Partnership not owned by the REIT.
(2) Unconsolidated joint ventures include all Centers that the Company does not wholly own and the Management Companies. The Management Companies on a pro forma basis and after March 15, 1994 have been reflected on the equity method.
(3) Net income per share assumes full redemption of OP Units .
(4) Funds from operations ("FFO") represents net income (loss) (computed in accordance with generally accepted accounting principles ("GAAP")), excluding gains (or losses) from debt restructuring and sales of property, plus depreciation and amortization (excluding depreciation on personal property and amortization of loan and financial instrument costs), and after adjustments for unconsolidated entities. Adjustments for unconsolidated entities are calculated on the same basis. Funds from operations does not represent cash flow from operations as defined by GAAP and is not necessarily indicative of cash available to fund all cash flow needs.
(5) The Company's share of FFO represents the Company's weighted average ownership of the Operating Partnership multiplied by total FFO.
(6) EBITDA represents earnings before interest, income taxes, depreciation, amortization, minority interest, income in unconsolidated entities and extraordinary items. This data is relevant to an understanding of the economics of the shopping center business as it indicates cash flow available from operations to service debt and satisfy certain fixed obligations. EBITDA should not be construed by the reader as an alternative to operating income as an indicator of the Company's operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) or as a measure of liquidity.
(7) Assumes that all OP units are converted to common stock.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the "Selected Financial Data" and the Company's Consolidated and Predecessor Combined Financial Statements and Notes thereto appearing elsewhere in this 10-K.

General Background and Performance Measurement

The Company receives income primarily from two sources:

(1) Through its ownership of wholly-owned Centers.
(2) Through its ownership interests in Joint Venture Centers which include Panorama Mall (50%), Broadway Plaza (50%), North Valley Plaza (50%), and West Acres Shopping Center (19%).

General Background and Performance Measurement, Continued

The Company believes that the most significant measures of its operating performance are Funds from Operations and EBITDA. Funds from Operations is defined as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring and sales of property, plus depreciation and amortization (excluding depreciation on personal property and amortization of loan and financial instrument costs), and after adjustments for unconsolidated entities. Adjustments for unconsolidated entities are calculated on the same basis. Funds from Operations does not represent cash flow from operations as defined by GAAP and is not necessarily indicative of cash available to fund all cash flow needs.

EBITDA represents earnings before interest, income taxes, depreciation, amortization, minority interest, income in unconsolidated entities and extraordinary items. This data is relevant to an understanding of the economics of the shopping center business as it indicates cash flow available from operations to service debt and satisfy certain fixed obligations. EBITDA should not be construed as an alternative to operating income as an indicator of the Company's operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) or as a measure of liquidity. While the performance of individual Centers and the Management Companies determines EBITDA, the Company's capital structure also influences Funds from Operations. The most important component in determining EBITDA and Funds from Operations is Center revenues. Center revenues consist primarily of minimum rents, percentage rents and tenant expense recoveries. Minimum rents will increase to the extent that new leases are signed at market rents that are higher than prior rents. Minimum rent will also fluctuate up or down with changes in the occupancy level. Additionally, to the extent that new leases are signed with more favorable expense recovery terms, expense recoveries will increase.

Percentage rents generally increase or decrease with changes in tenant sales. As leases roll over, however, a significant 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 financial statements of the Company for the years ended December 31, 1996 and 1995, and for the period from March 16, 1994 (commencement of operations) through December 31, 1994, and the combined financial statements of Macerich Predecessor Affiliates ("Predecessor") for the period from January 1, 1994 through March 15, 1994. The combined financial statements of the Predecessor combine the balance sheet data and results of operations of the partnerships that previously owned 14 of the properties and of the management and leasing operations of the Predecessor which were contributed to the Company. The Predecessor is considered the predecessor entity to the Company and the combined financial statements are presented for comparative purposes. The following discussion compares the activity for the year ended December 31, 1996 to results of operations for 1995. Also included is a comparison of the activities for the year ended December 31, 1995 to the results for the year ended December 31, 1994, which includes a summation of the Company's and the Predecessor's results of operations for 1994.

This information should be read in conjunction with the accompanying consolidated and combined financial statements and notes thereto.

On March 16, 1994 the Company acquired Crossroads Mall ("Crossroads-OK") located in Oklahoma City, Oklahoma and on July 21, 1994 the Company acquired Chesterfield Towne Center ("Chesterfield") in Richmond, Virginia. Crossroads-OK and Chesterfield are collectively referred to herein as the "1994 Acquisition Centers". In August, 1995, the Company acquired The Centre at Salisbury ("Salisbury") in Salisbury, Maryland, and in December, 1995 the Company acquired two malls, Capitola Mall ("Capitola"), in Capitola, California, and Queens Center ("Queens"), in Queens, New York. These properties are known as the "1995 Acquisition Centers." In January 1996, the Company acquired Villa Marina Marketplace ("Villa Marina"), Valley View Mall ("Valley View") in Dallas, Texas was acquired in October 1996 and Rimrock Mall ("Rimrock") in Billings, Montana and Vintage Faire Mall ("Vintage Faire") in Modesto, California were acquired in November 1996. In December 1996 the Company acquired Huntington Center ("Huntington") in Huntington Beach, California, Buenaventura Mall ("Buenaventura") in Ventura, California, and Fresno Fashion Fair ("Fresno") in Fresno, California. These properties are known as the "1996 Acquisition Centers." The financial statements include the results of the acquired properties from their acquisition dates. As a result, many of the variations in the results of operations, discussed below, occurred due to the addition of these properties to the Company's portfolio during 1996, 1995 and 1994. Many factors, such as availability and cost of capital, overall debt to market capitalization level, interest rates and availability of potential acquisition targets that meet the Company's criteria, impact the Company's ability to acquire additional properties. Accordingly, management is uncertain as to whether during 1997 and future years there will be similar acquisitions and corresponding increases in revenues, net income and Funds from Operations that occurred as a result of the 1996, 1995 and 1994 acquisitions.

General Background and Performance Measurement, Continued

The bankruptcy and/or closure of retail stores, particularly Anchors, may reduce customer traffic and cash flow generated by a Center. During 1995, Federated Department Stores, Inc. announced the closure of the Broadway Stores at Panorama and Huntington Center and Weinstock's at Parklane. The Company acquired Weinstock's leasehold interest in 1996 and is negotiating with a replacement. Federated is currently negotiating with another retailer to sell the former Panorama Broadway building. The Huntington Center Broadway store is being demolished and replaced with a 21 screen theater complex. All three stores remained closed through December 31, 1996. The long-term closure of these or other stores could adversely affect the Company's performance.

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

Assets and Liabilities

Total assets increased to $1,187,753,000 at December 31, 1996 compared to $763,398,000 at December 31, 1995 and $485,903,000 at December 31, 1994. During that same period, total liabilities increased from $326,588,000 in 1994 to $509,313,000 in 1995 to $767,266,000 in 1996. These changes were primarily as a result of the 1996 and 1995 common stock offerings, the purchase of the 1996 Acquisition Centers and 1995 Acquisition Centers and various refinancing and debt reduction transactions described below.

A. Equity Offering

The Company had an equity offering in November, 1996 in which 5,750,000 shares were sold, raising $122.2 million of net equity, after costs of the offering. The use of those proceeds and timing are summarized below:

November 6, 1996 to repay the acquisition debt on Valley View Mall	60,000,000
November 29, 1996 acquisition of Rimrock Mall and Vintage Faire Mall	16,700,000
November 11, 1996 payoff of line of credit	45,500,000
Total	122,200,000

B. Acquisitions

On January 25, 1996, Villa Marina, a 447,684 square foot entertainment/community center was acquired. The purchase price was $80 million and included the assumption of debt of $22.5 million.

On October 21, 1996 Valley View Mall, a 1.5 million square foot super regional mall in Dallas, Texas was acquired. The purchase price was $87.5 million. Concurrent with the acquisition the Company placed $60 million of debt on the property at an interest rate of LIBOR plus 1.50%. The Company has the option of converting this debt to fixed rate debt at any time prior to October 1, 1997.

On November 27, 1996, the Company purchased Rimrock and Vintage Faire. The total purchase price was $118.2 million which included assumption of $88.4 million of debt which bears interest at an average fixed rate of 7.7%.

On December 18, 1996, the Company acquired Huntington, Buenaventura and Fresno. The combined purchase price was $128.9 million and included assumption of mortgage debt of $38.0 million and $3.8 million of other liabilities.

C. Refinancings and Debt Reductions

On April 1, 1996 the mortgage debt on Crossroads-OK, Greentree Mall, and the Centre at Salisbury was refinanced. The total indebtedness was increased to $117 million, from $88 million, and the average interest rate was fixed at 7.2%.

C. Refinancings and Debt Reductions, Continued:

On September 30, 1996 the $65.1 million mortgage loan at Queens Center was refinanced. The interest rate was reduced from LIBOR plus 1.10% to LIBOR plus 0.45%.

On December 23, 1996 the Villa Marina Marketplace mortgage debt of $22 million was paid off.

There was a $60 million loan placed on Valley View Mall concurrent with its acquisition. The interest rate is LIBOR plus 1.50% and the loan matures in October 1997, but the Company can convert the loan into a fixed rate loan that matures in October 2006.

Concurrent with the acquisition of Buenaventura Mall, Fresno Fashion Fair and Huntington Center, a $57 million unsecured loan was obtained. The loan bears interest at LIBOR plus 1.625%.

Results of Operations

Comparison of Years Ended December 31, 1996 and 1995

Revenues

Minimum and percentage rents increased by 42% to $105.2 million from $74.1 million. Approximately $19.0 million of the increase resulted from the 1995 Acquisition Centers and $13.2 million resulted from the 1996 Acquisition Centers. These increases were partially offset by declining rents of $1.1 million at Parklane Mall which was adversely impacted by an anchor closure in 1996.

Tenant recoveries increased to $47.7 million in 1996 from $27 million in 1995. The 1996 and 1995 Acquisition Centers caused $19.3 million of this increase. Approximately $1.1 million of the increase was due to higher recoverable expenses in 1996 compared to 1995.

Other income increased to $2.2 million in 1996 from $1.4 million in 1995. Approximately $1.2 million of the increase related to the 1996 and 1995 Acquisition Centers. This increase was partially offset by lower interest income of $0.3 million in 1996 compared to 1995.

Expenses

Shopping center expenses increased to $50.8 million in 1996 compared to $31.6 million in 1995. Approximately $18.7 million of the increase resulted from the 1996 and 1995 Acquisition Centers. The other centers had a net increase of $0.5 million in shopping center expenses of which approximately $1.1 million was for increased property taxes, $0.5 million of increased bad debt expense, offset by a reduction in ground rent expense of $1.3 million which resulted from the October, 1995 acquisition of land at Crossroads Mall-Boulder which had previously been leased.

General and administrative expenses increased to $2.4 million in 1996 from $2.0 million in 1995 primarily due to increased professional fee expense.

Interest Expense

Interest expense increased to $42.4 million in 1996 from $25.5 million in 1995. Interest expense attributable to County East Mall decreased $1.2 million in 1996 due to the payoff of that debt on December 31, 1995, also, there was a decrease of $1.3 million at Crossroads Mall-Boulder due to a December 1995 refinancing at a substantially lower interest rate. These reductions partially offset the increase of $19.1 million from the 1995 and 1996 Acquisition Centers.

Depreciation and Amortization

Depreciation increased to $32.6 million from $25.7 million in 1995. An increase of approximately $7.6 million related to the 1995 and 1996 Acquisition Centers. This increase was offset by a decrease of approximately $1.4 million in amortization of financial instruments in 1996 which resulted from several financial instruments becoming fully amortized in 1995.

Minority Interest

The minority interest represents the 36.7% weighted average interest of the Operating Partnership that is not owned by the Company during 1996.

Gain (Loss) From Unconsolidated Joint Ventures and Management Companies

The gain from unconsolidated joint ventures and the management companies was $3.3 million for 1996, essentially the same as 1995.

Extraordinary Loss on Early Retirement of Debt

In connection with the sale of an interest rate cap, the Company wrote off unamortized financing costs of $0.3 million in 1996. In 1995 the Company wrote off $1.3 million of loan costs concurrent with the 1995 refinancing of Lakewood Mall.

Net Income

As a result of the foregoing, net income increased to $18.9 million in 1996 from $11.3 million in 1995.

Operating Activities

Cash flow from operations increased to $80.4 million compared to $48.2 million in 1995. The increase resulted from the factors discussed above, primarily the impact of the 1995 and 1996 Acquisition Centers.

Investing Activities

Cash flow used in investing activities was $296.6 million in 1996 compared to a reduction of $88.4 million in 1995. The change resulted primarily from the seven acquisitions completed in 1996 compared to three acquisitions in 1995.

Financing Activities

Cash flow from financing activities increased to $216.3 million in 1996 compared to $52.0 million in 1995. The increase resulted from more mortgage financing done in 1996, primarily to fund the 1996 acquisitions.

EBITDA and Funds From Operations

Due primarily to the factors mentioned above, EBITDA increased 48%, to $101.9 million in 1996 from $68.9 million in 1995 and Funds From Operations increased 39%, to $62.4 million, from $44.9 million in 1995.

Comparison of Years Ended December 31, 1995 and 1994

Revenues

Minimum and percentage rents increased by 17.2% from $63,188,000 in 1994 to $74,067,000 in 1995. The 1995 Acquisition Centers accounted for approximately $3,407,000 of this increase and 1994 Acquisition Centers accounted for $6,128,000 of the increase. The primary reason for the balance of the increase was contractual rent increases in existing leases, and replacement of expiring leases with renewal leases at higher minimum rents.

Tenant recoveries increased by $5,338,000 to $26,961,000 for the year ended December 31, 1995, compared to the same period of 1994. The 1995 Acquisition Centers accounted for $1,293,000 of this increase in recoveries and the 1994 Acquisition Centers accounted for $3,494,000. The balance of the increase resulted primarily from increased recoverable expenses at the other properties.

Management fee income was $528,000 for the period from January 1, 1994 through March 15, 1994. Prior to the IPO the Management Companies were consolidated with the Predecessor. Subsequent to the IPO, the Management Companies are accounted for on the equity method and included in income from unconsolidated joint ventures and management companies.

Other income increased from $682,000 in 1994 to $1,441,000 in 1995. This increase was due almost entirely to the temporary investment of the proceeds of a common stock offering into interest bearing investments until their ultimate use for debt repayment, acquisitions or other corporate purposes.

Expenses

Shopping center expenses increased by $4,113,000 to $31,580,000 for 1995. An increase of $2,989,000 was due to the 1994 Acquisition Centers and $1,211,000 was due to the 1995 Acquisition Centers. The increase due to the Acquisition Centers was partially offset by reduced expense of $327,000 due to the purchase in October 1995 of a parcel of land at Crossroads Mall-Boulder which had previously been ground leased. In addition, real estate taxes, excluding the 1994 and 1995 Acquisition Centers, increased by $277,000 due to reassessments. There were no management and leasing expenses in 1995 compared to $557,000 for 1994. This decrease is a result of the Management Companies being accounted for on the equity method after March 16, 1994. General and administrative expenses of the Company were $2,011,000 compared to $1,545,000 during 1994. This difference was primarily due to the Company being operational for only nine and one-half months in 1994.

Interest Expense

Interest expense increased by 14.8% from $22,237,000 for the twelve months ended December 31, 1994 to $25,531,000 for 1995. This was partially due to interest expense of $3,591,000 for the 1994 Acquisition Centers and $710,000 for the 1995 Acquisition Centers. There was a reduction in same center interest expense in 1995 primarily due to the net reduction of approximately $117,100,000 of debt in March, 1994 subsequent to the IPO. During 1995, there was a full year of benefit from those reductions.

Depreciation and Amortization

Depreciation increased by $3,280,000 to $25,749,000 for the twelve months ended December 31, 1996. The 1995 Acquisition Centers accounted for $717,000 of the difference and the Acquisition Centers that were purchased in 1994, but depreciated for a full year in 1995, accounted for $1,745,000. Also contributing to this increase was $515,000 related to additional depreciation of the 1994 acquisition cost of partnership interests.

Minority Interest In Operating Partnership

The minority interest in the Operating Partnership represents the 42% weighted average interest in the Operating Partnership that is not owned by the Company at December 31, 1995.

Gain (Loss) From Unconsolidated Joint Ventures and Management Companies

The gain from unconsolidated joint ventures and the management companies increased to $3,250,000 for 1995 compared to $2,784,000 for 1994. This increase was primarily due to net income at Broadway Plaza increasing by $1,341,000 largely resulting from the addition of 15,000 square feet of space which was completed during 1994 and reduction of the interest expense due to a debt reduction in March, 1994. The Company owns a 50% joint venture interest in Broadway Plaza.

Extraordinary Loss on Early Retirement of Debt

In connection with the 1995 refinancing of mortgage debt at Lakewood Mall, the Company wrote off unamortized financing costs of $1,299,000 associated with the retired debt of.

Net Income

As a result of the foregoing, net income increased by $3,565,000 in 1995 compared to 1994.

Operating Activities

Cash flow from operations was $44,936,000 in 1995, a 32.5% increase over 1994, primarily due to the factors mentioned above.

Investing Activities

Cash was utilized in investing activities totaling ($88,413,000) in 1995 compared to ($137,637,000) in 1994. In 1994, cash flow was reduced by investing activities, primarily the acquisition of property and partnership interests concurrent with the IPO and the acquisition of Chesterfield. Also contributing to the decrease was $27,799,000 of contributions to joint ventures which was primarily used to pay down debt at the joint ventures. During 1995, the decrease in cash flow due to investing activities related primarily to cash expended for the 1995 Acquisition Centers.

Financing Activities

Financing activities reflected net cash flow of $51,973,000 in 1995, compared to $99,584,000 in 1994. This was primarily the result of the IPO in 1994 compared to the equity offering and refinancings in 1995.

EBITDA and Funds From Operations

Due to factors described above, EBITDA increased 22% to $68,878,000 from $56,452,000 in 1994. Funds from Operations increased by 25.3% to $48,612,000 in 1995 from $38,790,000 in 1994.

Liquidity and Capital Resources

The Company intends to meet its short term liquidity requirements through cash generated from operations and working capital reserves. The Company anticipates that revenues will continue to provide necessary funds for its operating expenses and debt service requirements, and to pay dividends to stockholders in accordance with REIT requirements. The Company anticipates that cash generated from operations, together with cash on hand, will be adequate to fund capital expenditures which will not be reimbursed by tenants, other than non-recurring capital expenditures. Capital for major expenditures or redevelopments has been, and is expected to continue to be, obtained from equity or debt financings.

The Company believes that it will have access to the capital necessary to expand its business in accordance with its strategies for growth and maximizing Funds from Operations. The Company presently intends to obtain additional capital necessary to expand its business through a combination of additional equity offerings and debt financings.

Liquidity and Capital Resources, Continued

The Company's total outstanding loan indebtedness at December 31, 1996 was $818.0 million (including its pro rata share of joint venture debt). This equated to a debt to Total Market Capitalization (defined as total debt of the Operating Partnership, including its pro rata share of joint venture debt, plus aggregate market value of outstanding shares of common stock, assuming full conversion of OP Units into stock) rate of approximately 45.0% at year end. Such debt consists primarily of conventional mortgages payable secured by individual properties. See "Properties-Mortgage Debt" for a description of the Company's outstanding indebtedness. In connection with $65.1 million of the Company's floating rate indebtedness, the Company has entered into interest rate protection agreements that limit the Company's exposure to increases in interest rates. See "Properties-Mortgage Debt."

The Company has filed a shelf registration statement, which is not yet effective, to sell securities. The shelf registration is for a total of $500 million of common stock or common stock warrants.

The Company has a line of credit up to $50 million. There was $12 million outstanding at December 31, 1996 and $0 outstanding at December 31, 1995.

At December 31, 1996 the Company had cash and cash equivalents available of $15.6 million.

Funds From Operations

The Company believes that the most significant measure of its performance is Funds from Operations ("FFO"). FFO is defined by The National Association of Real Estate Investment Trusts ("NAREIT") to be: Net income, excluding gains (or losses) from debt restructuring and sales of property, plus depreciation and amortization and after adjustments for unconsolidated joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect FFO on the same basis. This is herein referred to as "FFO - Original Definition". In May 1995, NAREIT issued a revised interpretation of FFO. This revised definition of FFO ("FFO - New Definition") excludes the add back of non real estate depreciation and amortization. Extraordinary items and significant non-recurring events are also excluded from FFO-New Definition. FFO does not represent cash flow from operations, as defined by generally accepted accounting principles, and is not necessarily indicative of cash available to fund all cash flow needs. The following reconciles net income to the FFO - Original Definition to the FFO - New Definition.

(amounts in thousands)	1996	1995	1994 (Pro forma)
Net income	$18,911	$11,303	$10,450
Adjustments to reconcile net income to FFO - Original Definition:			
Minority interest	10,975	8,246	8,008
Depreciation and amortization on wholly owned properties	32,591	25,749	23,195
Pro rata share of unconsolidated entity depreciation and amortization	2,096	2,255	1,797
Extraordinary loss on early extinguishment of debt	315	1,299	-
Pro rata share of (gain) loss on sale of joint venture assets	(110)	(240)	(366)
Sub Total FFO - Original Definition	64,778	48,612	43,084
Adjustments to reconcile to FFO - New Definition:			
Amortization of loan costs, including interest rate caps and swaps	(2,090)	(3,250)	(3,489)
Depreciation of personal property	(260)	(424)	(252)
FFO - New Definition	$62,428	$44,938	$39,343
Company's share of FFO - new definition	$39,502	$25,982	$22,011
Weighted average number of shares outstanding, assuming full conversion of OP Units	32,934	26,930	25,645

Included in minimum rents were rents attributable to the accounting practice of "straight lining of rents." The amount of straight lining of rents that impacted minimum rents was $1,832 for 1996, $944 for 1995 and $1,306 for 1994 (pro forma).

Inflation

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

New Pronouncements Issued:

None.

Item 8. Financial Statements and Supplementary Data

Refer to the Index to Financial Statements and Financial Statement Schedules for the required information.

Item 9. Changes in and Disagreements with Accountants or Accounting and Financial Disclosure.

None.

Part III

Item 10. Directors and Executive Officers of the Company.

There is hereby incorporated by reference the information which appears under the captions "Election of Director," "Executive Officers" and "Section 16 Reporting" in the Company's definitive proxy statement for its 1996 Annual Meeting of Stockholders.

Item 11. Executive Compensation.

There is hereby incorporated by reference the information which appears under the caption "Executive Compensation" in the Company's definitive proxy statement for its 1996 Annual Meeting of Stockholders; provided, however, that neither the Report of the Compensation Committee on executive compensation nor the Stock Performance Graph set forth therein shall be incorporated by reference herein, in any of the Company's prior or future filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent the Company specifically incorporates such report or stock performance graph by reference therein and shall not be otherwise deemed filed under either of such Acts.

Item 12. Security Ownership of Certain Beneficial Owners and Management

There is hereby incorporated by reference the information which appears under the captions "Principal Stockholders," "Information Regarding Nominees and Directors" and "Executive Officers" in the Company's definitive proxy statement for its 1996 Annual Meeting of Stockholders.

Item 13. Certain Relationships and Related Transactions

There is hereby incorporated by reference the information which appears under the captions "Certain Transactions" in the Company's definitive proxy statement for its 1996 Annual Meeting of Stockholders.

PART IV

Item 14. Exhibits, Financial Statement Schedule and Reports on Form 8-K

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(b) 1. Reports on Form 8-K filed during the last quarter of 1996 are incorporated by reference to this item.

A. Form 8-K dated October 30, 1996 for the acquisition of Valley View Mall, including the financial statements of the business to be acquired and pro forma financial information.
B. Form 8-K dated December 11, 1996 for the acquisition of Vintage Faire Mall and Rimrock Mall.

(c) 1. Exhibits

The Exhibit Index attached hereto is incorporated by reference to this item.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of The Macerich Company

We have audited the consolidated and combined financial statements and financial statement schedule of The Macerich Company and Macerich Predecessor Affiliates as listed in Item 14(a) of this Form 10-K. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these statements and financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Macerich Company as of December 31, 1996 and 1995, and the consolidated and combined results of the Macerich Company's and Macerich Predecessor Affiliates' operations and their cash flows for the years ended December 31, 1996 and 1995 and for the period March 16, 1994 through December 31, 1994 and the period January 1, 1994 through March 15, 1994, respectively, in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

COOPERS & LYBRAND L.L.P.

Los Angeles, California
March 14, 1997

THE MACERICH COMPANY (THE "COMPANY")
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share data)

	December 31, 1996	December 31, 1995
ASSETS:		
Property, net	$1,108,668	$694,900
Cash and cash equivalents	15,643	15,570
Tenant receivables, including accrued overage rents of $3,805 in 1996 and $2,455 in 1995	23,192	15,214
Due from affiliates	3,105	-
Deferred charges and other assets, net	20,716	20,434
Investment in joint ventures and the Management Companies	16,429	17,280
Total assets	$1,187,753	$763,398
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Mortgage notes payable:		
Related parties	$135,944	$136,186
Others	584,295	349,007
Total	720,239	485,193
Bank notes payable	69,000	-
Accounts payable	4,197	2,265
Accrued interest expense	3,584	2,015
Accrued real estate taxes and ground rent expense	7,616	4,522
Due to affiliates	430	811
Deferred acquisition liability	5,000	5,000
Other accrued liabilities	27,696	9,507
Total liabilities	837,762	509,313
Minority interest in Operating Partnership	112,242	95,740
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Preferred stock, $.01 par value, 10,000,000 shares authorized - none issued	-	-
Common stock, $.01 par value, 100,000,000 shares authorized, 25,743,000 and 19,977,000 shares issued and outstanding at December 31, 1996 and 1995, respectively	257	200
Additional paid in capital	238,346	158,145
Accumulated earnings	-	-
Unamortized restricted stock	(854)	-
Total stockholders' equity	237,749	158,345
Total liabilities and stockholders' equity	1,187,753	763,398

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

THE MACERICH COMPANY (THE "COMPANY") and
MACERICH PREDECESSOR AFFILIATES ("PREDECESSOR")

CONSOLIDATED STATEMENTS OF OPERATIONS OF THE COMPANY AND
COMBINED STATEMENT OF OPERATIONS OF THE PREDECESSOR
(Dollars in thousands, except per share amounts)

	The Company			Predecessor
	For the year ended December 31, 1996	For the year ended December 31, 1995	March 16 to December 31, 1994	January 1 to March 15, 1994
REVENUES:				
Minimum rents	$99,061	$69,253	$48,663	$9,993
Percentage rents	6,142	4,814	3,681	851
Tenant recoveries	47,648	26,961	18,515	3,108
	152,851	101,028	70,859	13,952
Management fees:				
Affiliates	-	-	-	401
Other	-	-	-	127
	-	-	-	528
Other	2,208	1,441	582	100
Total revenues	155,059	102,469	71,441	14,580
EXPENSES:				
Shopping center expenses	50,792	31,580	22,576	4,891
Management and leasing services	-	-	-	557
General and administrative expense	2,378	2,011	1,545	-
	53,170	33,591	24,121	5,448
Interest expense:				
Related parties	10,172	8,226	6,417	2,235
Others	32,181	17,305	9,674	3,911
Depreciation and amortization	32,591	25,749	18,827	3,642
	74,944	51,280	34,918	9,788

Equity in income (loss) of unconsolidated joint ventures and the management companies	3,256	3,250	3,016	(232)
Income before minority interest and extraordinary item	30,201	20,848	15,418	(888)
Extraordinary loss from early extinguishment of debt	(315)	(1,299)	-	-
Income (loss) of the Operating Partnership	29,886	19,549	15,418	(888)
Less minority interest in net income of Operating Partnership	10,975	8,246	6,792	-
Net income (loss)	$18,911	$11,303	$8,626	($888)
Earnings per common share:				
Income before extraordinary item	$0.92	$0.78	$0.60	
Extraordinary item	(0.01)	(0.05)	-	
Net income	$0.91	$0.73	$0.60	
Weighted average number of shares of common stock outstanding	20,781,000	15,482,000	14,375,000	

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

THE MACERICH COMPANY (THE COMPANY) and
MACERICH PREDECESSOR AFFILIATES (PREDECESSOR)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND

COMBINED STATEMENT OF PARTNERS' DEFICIT OF THE PREDECESSOR

(In thousands, except share data)

	The Company						Predecessor
	Common Stock (# shares)	Common Stock Par Value	Additional Paid In Capital	Accumulated Earnings	Unamortized Restricted Stock	Total Stockholders' Equity	Partners' Deficit
Balance December 31, 1993							(88,294)
Contributions							1,675
Distributions							(6,847)
Net income							(888)
Balance March 16, 1994 (inception)							($94,354)
Common stock issued to the public	14,375,000	$144	$272,981			$273,125	
Issuance costs			(23,656)			(23,656)	
Distributions paid ($.87 per share)			(3,880)	($8,626)		(12,506)	
Net income from inception to 12/31/94	-	-	-	8,626		8,626	
Accounting adjustment necessary to reflect assets at Predecessor cost			(158,650)			(158,650)	
Balance December 31, 1994	14,375,000	144	86,795	-		245,589	
Common stock issued to public	5,600,000	56	107,408			107,464	
Issuance costs			(582)			(582)	
Distributions paid ($1.66 per share)			(14,913)	(11,303)		(26,216)	
Net income				11,303		11,303	
Adjustment to reflect minority interest on a pro rata basis according to year end ownership percentage of Operating Partnership			(20,615)			(20,615)	
Other, net	2,000		52			52	
Balance December 31, 1995	19,977,000	200	158,145	-		316,995	
Common stock issued to public	5,750,000	57	122,129	-		122,186	
Issuance costs	-	-	(152)	-		(152)	
Issuance of restricted stock	41,238	-	854	-	$0	854	
Unvested restricted stock	(41,238)	-	-	-	(854)	(854)	
Exercise of stock options	16,000	-	291	-		291	
Distributions paid ($1.70 per share			(17,565)	(18,911)		(36,476)	
Net income	-	-	-	18,911		18,911	
Adjustment to reflect minority interest on a pro rata basis according to year end ownership percentage of Operating Partnership	-	-	(25,356)	-		(25,356)	
Balance December 31, 1996	25,743,000	$257	$238,346	$0	($854)	$237,749	

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

THE MACERICH COMPANY (THE "COMPANY") and
MACERICH PREDECESSOR AFFILIATES (PREDECESSOR)
CONSOLIDATED STATEMENTS OF CASH FLOWS OF THE COMPANY AND
COMBINED STATEMENT OF CASH FLOWS OF THE PREDECESSOR
(Dollars in thousands)

	The Company		Predecessor	
	January 1 to December 31, 1996	January 1 to December 31, 1995	March 16 to December 31, 1994	January 1, to March 15, 1994
Cash flows from operating activities:				
Net income (loss)	$18,911	$11,303	$8,626	($888)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Extraordinary loss on early extinguishment of debt	315	1,299	-	-
Depreciation and amortization	32,591	25,749	18,827	3,642
Interest payments deferred, (deferred interest paid)	-	-	2,369	(2,591)
Amortization of discount on trust deed note payable	33	547	394	104
Minority interest in the income of the Operating Partnership	10,975	8,246	6,792	-
Changes in assets and liabilities:				
Tenant receivables, net	(7,977)	(2,973)	(4,262)	(758)
Other assets	1,181	(2,149)	(911)	217
Accounts payable and accrued expenses	6,596	1,378	(422)	1,163
Due to affiliates	(382)	345	(1,309)	2,324
Other liabilities	18,188	4,441	(93)	3,236
Total adjustments	61,520	36,883	21,385	7,337
Net cash provided by operating activities	80,431	48,186	30,011	6,449
Cash flows from investing activities:				
Acquisitions of property and improvements	(277,319)	(75,738)	(106,780)	(170)
Renovations and expansions of centers	(8,019)	(4,571)	(3,904)	(253)
Additions to tenant improvements	(920)	(1,554)	(1,704)	(215)
Equity in (income) loss of unconsolidated joint ventures and the management companies	(3,256)	(3,250)	(2,778)	232
Deferred charges	(9,111)	(6,698)	3,092	(1,113)
(Contributions to) and distributions from joint ventures	4,107	3,398	(27,799)	225
(Loans to) repayment from affiliates	(3,105)	-	2,236	(365)
Proceeds from sale of assets	948	-	-	-
Net cash used in investing activities	(296,675)	(88,413)	(137,637)	(1,659)
Cash flows from financing activities:				
Proceeds from notes and mortgages payable	235,673	148,000	111,773	227
Interest rate agreements	-	-	(6,225)	-
Payments on mortgage and notes payable	(84,775)	(157,800)	(235,501)	2,552
Net proceeds from equity offerings	122,034	106,879	249,325	-
Actual and deemed net distributions to partners	(56,615)	(45,106)	(20,171)	(5,172)
Investment of cash restricted for use	-	-	383	50
Net cash provided by (used in) financing activities	216,317	51,973	99,584	(2,343)
Net increase (decrease) in cash	73	11,746	(8,042)	2,447
Cash and cash equivalents, beginning of period	15,570	3,824	11,866	9,419
Cash and cash equivalents, end of period	$15,643	$15,570	$3,824	$11,866
Supplemental cash flow information:				
Cash payment for interest, net of amounts capitalized	$40,572	$24,429	$15,975	$ 8,403
Non cash transactions:				
Acquisition of property by assumption of debt	$152,228	$178,900	$67,547	-
Acquisition of property by issuance of OP units	$600	$18,448	$3,915	-

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

THE MACERICH COMPANY (THE "COMPANY") and
MACERICH PREDECESSOR AFFILIATES (PREDECESSOR)

1. Organization And Basis Of Presentation:

Macerich Predecessor Affiliates ("Predecessor"), represent entities owned by or affiliated with Macerich principals and their affiliates ("The Macerich Group") that were reorganized to combine The Macerich Group's interests in certain retail investment properties and property management, leasing and redevelopment businesses. The reorganization entailed a public offering of common stock in a newly formed Maryland corporation, The Macerich Company ("Company"), the proceeds of which were invested in the Macerich Partnership L.P. ("The Operating Partnership"). The Company commenced operations effective with the completion of the initial public offering (the "IPO") on March 16, 1994. The Operating Partnership holds ownership interests in the entities reflected herein as Predecessor for periods prior to March 16, 1994. These interests in the Predecessor were obtained in exchange for cash, an ownership interest in The Operating Partnership ("OP Units") and common stock of the Company. OP Units not held by the Company can be exchanged, subject to certain restrictions, on a one-for-one basis, into the Company's common stock.

The Company, which was organized to qualify as a real estate investment trust ("REIT") under the Internal Revenue Service Code of 1986, as amended, as of December 31, 1996, owns approximately 68% of The Operating Partnership and is the sole general partner. The 32% limited partnership interest of the Operating Partnership, not owned by the Company, is reflected in these financial statements as minority interest. The average total number of OP Units outstanding in The Operating Partnership (including the units owned by the Company) was 32,934,000 for the year ended December 31, 1996, 26,930,000 for the year ended December 31, 1995, and 25,645,000 for the period from March 16, 1994 to December 31, 1994.

The property management, leasing and redevelopment of the Company's portfolio is provided by the Macerich Management Company and Macerich Property Management Company, California corporations (together referred to hereafter as "the Management Companies"). The non-voting preferred stock of the Management Companies is owned by The Operating Partnership, which provides The Operating Partnership the right to receive 95% of the distributable cash flow from the Management Companies.

Basis Of Presentation:

The consolidated financial statements of the Company include the accounts of the Company and the Operating Partnership. The accompanying Predecessor financial statements are presented on a combined basis as the entities are predecessor businesses to the Company. The properties which The Operating Partnership does not own a greater than 50% interest in, and the Management Companies, have been accounted for under the equity method of accounting. These entities are reflected on the Company's consolidated financial statements as investment in joint ventures and the Management Companies. The Management Companies are combined with the financial statements of the Predecessor in the combined financial statements of the Predecessor.

The formation of the Company has been reflected as a reorganization of the predecessor business with the assets and liabilities reflected at the historical cost basis of the Predecessor, except for those properties for which monetary consideration was given to acquire interests previously held by outside joint venture partners, in which case the portion of the property so acquired has been adjusted to reflect the value of the consideration given.

All significant intercompany accounts and transactions have been eliminated in the consolidated and combined financial statements.

2. Summary of Significant Accounting Policies:

Cash And Cash Equivalents:

The Company considers all highly liquid investments with an original maturity of 90 days or less when purchased to be cash equivalents, for which cost approximates market. Included in cash is restricted cash of $3,775 at December 31, 1996 and $750 at December 31, 1995 which reflects cash restricted under terms of a loan agreement to be used for certain capital expenditures.

Revenues:

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." Rental income was increased by $1,832 in 1996, $944 in 1995, $1,212 for the period from March 16, 1994 to December 31, 1994, and $94 for the period from January 1, 1994 to March 15, 1994 due to the straight lining of rent adjustment. Percentage rents are recognized on an accrual basis. Recoveries from tenants for real estate taxes, insurance and other shopping center operating expenses are recognized as revenues in the period the applicable costs are incurred.

The Management Companies provide property management, leasing, corporate, development and acquisitions services to affiliated and non-affiliated shopping centers. In consideration for these services, the Management Companies receive monthly management fees generally ranging from 1.5% to 5% of the gross monthly rental revenue of the properties managed.

Management fees are recognized as revenue as they are earned in the combined financial statements of the Predecessor.

Property:

Costs related to the acquisition, development, construction and improvement of properties are capitalized. Interest costs are capitalized until construction is substantially complete.

Expenditures for maintenance and repairs are charged to operations as incurred. 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:

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

Deferred Charges:

Costs relating to financing of shopping center properties and obtaining tenant leases are deferred and amortized over the initial term of the agreement. The straight-line method is used to amortize all costs except financing, for which the effective interest method is used. The range of the terms of the agreements are as follows:

Deferred lease costs	2 - 15 years
Deferred financing costs	1 - 15 years

2. Summary of Significant Accounting Policies, Continued:

Deferred Acquisition Liability:

As part of the Company's total consideration to the seller of Capitola Mall, the Company will issue $5,000 of OP Units five years after the acquisition date. The number of OP Units will be determined based on the Company's common stock price at that time.

Income Taxes:

The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended. A REIT is generally not subject to income taxation on that portion of its income that qualifies as REIT taxable income as long as it distributes at least 95 percent of its taxable income to its stockholders and complies with other requirements. Accordingly, no provision has been made for income taxes in the consolidated financial statements.

On a tax basis, the distributions of $1.70 paid during 1996 represented $1.14 of ordinary income and $0.56 of return of capital and the distributions of $1.66 per share during 1995 represented $1.00 of ordinary income and $0.66 return of capital. During 1994 the distributions were $0.87 per share of which $0.70 was ordinary income and $0.17 was return of capital.

Each partner is taxed individually on their share of partnership income or loss, and accordingly, no provision for federal and state income tax is provided for the Operating Partnership or Predecessor in the combined financial statements.

Reclassifications:

Certain reclassifications have been made to the 1994 and 1995 financial statements to conform to the 1996 financial statement presentation.

Accounting Pronouncements:

During 1995 the Financial Accounting Standard Board ("FAS") issued Statement of Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived Assets" and FAS No. 123 "Accounting for Stock-Based Compensation." The Company adopted these pronouncement in 1996 but the requirements of these statements did not have a significant impact on the Company's consolidated financial statements. The effect of FAS 123 is discussed in Footnote 12 and the effect of FAS 121 is discussed below.

Impairment of Long-Lived Assets:

In March 1995, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." SFAS No 121 requires that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Certain long-lived assets and certain identifiable intangibles to be disposed must be reported at the lower of carrying amount or fair value less cost to sell. The Company adopted SFAS No.121 beginning in the first quarter of 1996 with no material impact to the Company's financial condition or results of operations.

2. Summary of Significant Accounting Policies, Continued:

Fair Value of Financial Instruments:

To meet the reporting requirement of FAS No. 107 "Disclosures about Fair Value of Financial Instruments", the Company calculates the fair value of financial instruments and includes this additional information in the notes to financial statements when the fair value is different than the carrying value of those financial instruments. When the fair value reasonably approximates the carrying value, no additional disclosure is made. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Interest rate cap agreements are purchased by the Company from third parties to hedge the risk of interest rate increases on some of the Company's variable rate debt. The cost of these cap agreements is amortized over the life of the cap agreement on a straight line basis. Payments received as a result of the cap agreements are recorded as a reduction of interest expense. The unamortized costs of the cap agreements are included in deferred charges. The fair market value of these caps will vary with fluctuations in interest rates. The Company is exposed to credit loss in the event of nonperformance by these counter parties to the financial instruments, however, management does not anticipate nonperformance by the counter party.

Earnings Per Share:

The computation of primary earnings per share is based on net income and the weighted average number of common shares outstanding for the years ended December 31, 1996 and 1995. The outstanding common stock options have less than a 3% dilutive effect on earnings per share and thus have not been included in the computation. The effect of the Company stock option plan was calculated using the Treasury stock method. The computation of fully diluted earnings per share is less than 3% dilutive and has not been presented.

Concentration of Risk:

Lakewood Mall generated 16.0% of total shopping center revenues in 1996, 22.0% in 1995 and 25.6% in 1994. Shopping center revenues at Crossroads Mall-Colorado accounted for 10.6% of total shopping center revenues in 1995 and 12.16% in 1994. During 1995 Chesterfield accounted for 12.6% of total Shopping Center revenues. Queens Center accounted for 13.8% of 1996 shopping center revenue. No other Center generated more than 10% of shopping center revenues during 1996, 1995 or 1994.

The Centers derived approximately 88.8% of their total rents for the year ended December 31, 1996 from Mall and Freestanding Stores. No single retailer accounted for more than 6.5% of annual base rents of the Company as of December 31, 1996. The Limited represented 6.3% of total minimum rents in place as of December 31, 1996 and Woolworth represented 4.8% as of that date. No other retailer represented more than 2.5% of total minimum rents as of December 31, 1996.

Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect 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.

THE MACERICH COMPANY (THE "COMPANY") and
MACERICH PREDECESSOR AFFILIATES (PREDECESSOR)

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)

3. Investments In Joint Ventures and the Management Companies:

The following are the Company's investments in various real estate joint ventures which own regional retail shopping centers. The Operating Partnership is a general partner in these joint ventures. The Operating Partnership's interest in each joint venture as of December 31, 1996 is as follows:

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

The Operating Partnership also owns the non-voting preferred stock of the Management Companies and is entitled to receive 95% of the distributable cash flow.

Combined and condensed balance sheets and statement of operations are presented below for all unconsolidated joint ventures and the Management Companies, followed by information regarding The Operating Partnership's/ Predecessor's beneficial interest in operations. Beneficial interest is calculated based on the terms of the joint venture agreements and reflects 95% of the Management Companies.

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

	December 31, 1996	December 31, 1995
Assets:		
Properties, net	$106,751	$104,879
Other assets	13,257	10,923
Total assets	$120,008	$115,802
Liabilities and partners' capital:		
Mortgage notes payable	$ 81,925	$ 82,515
Other liabilities	11,116	5,306
The Company's capital	16,429	17,280
Outside partners' capital	10,538	10,701
Total liabilities and partners' capital	$120,008	$115,802

THE MACERICH COMPANY (THE "COMPANY") and
MACERICH PREDECESSOR AFFILIATES (PREDECESSOR)

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)

3. Investments In Joint Ventures and the Management Companies, Continued:

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

	1996	1995	From March 16 to Dec 31, 1994	From January 1 to March 15, 1994
Revenues	$31,533	$32,270	$24,944	$5,099
Expenses:				
Management Company expense	4,293	3,987	3,958	-
Shopping center expenses	9,598	9,293	6,724	2,063
Interest	6,409	6,414	4,740	2,317
Depreciation and amortization	4,406	4,485	3,283	796
Total operating costs	24,706	24,179	18,705	5,176
Gain on sale of land	581	1,265	1,875	28
Net income (loss)	$7,408	$9,356	$8,114	($49)

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

The Management Companies are reflected above for the years ended December 31, 1996 and 1995 and for the period from March 16, 1994 to December 31, 1994. Prior to March 16, 1994 (the date of the IPO) the Management Companies were combined and included in the results of the Predecessor.

Included in mortgage notes payable are amounts due to related parties of $43,500 for the years ended December 31, 1996, 1995 and 1994. Interest expense incurred on these borrowings amounted to $2,976 for the years ended December 31, 1996 and 1995, $1,631 for the period from January 1 to March 15, 1994 and $2,081 for the period March 16 through December 31, 1994.

THE MACERICH COMPANY (THE "COMPANY") and
MACERICH PREDECESSOR AFFILIATES (PREDECESSOR)

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)

3. Investments In Joint Ventures and the Management Companies:

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

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

	For the year ended 1996	For the year ended 1995	From March 16 to Dec 31, 1994	From January 1 to March 15, 1994
Revenues	$14,980	$15,393	$12,315	$1,974
Expenses:				
Management Company expense	3,747	3,988	3,769	-
Shopping center expenses	3,856	4,042	2,917	901
Interest	2,135	2,098	1,541	946
Depreciation and amortization	2,096	2,255	1,433	364
Total operating costs	11,834	12,383	9,660	2,211
Gain on sale of land	110	240	361	5
Net income (loss)	$3,256	$3,250	$3,016	($232)

4. Property:

Property, at December 31, is summarized as follows:

	1996	1995
Land	$239,847	$155,490
Building Improvements	990,125	636,183
Tenant Improvements	34,149	34,730
Equipment & Furnishings	4,769	3,668
Construction in Progress	4,195	3,927
	1,273,085	833,998
Less, accumulated depreciation	(164,417)	(139,098)
	$1,108,668	$694,900

THE MACERICH COMPANY (THE "COMPANY") and
MACERICH PREDECESSOR AFFILIATES (PREDECESSOR)

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)

5. Deferred Charges And Other Assets:

Deferred charges and other assets are summarized as follows:

	December 31, 1996	December 31, 1995
Leasing	$25,629	$24,926
Financing	7,891	8,173
	33,520	33,099
Less, accumulated amortization	(15,434)	(16,476)
	18,086	16,623
Other assets	2,630	3,811
	$20,716	$20,434

THE MACERICH COMPANY (THE "COMPANY") and
MACERICH PREDECESSOR AFFILIATES (PREDECESSOR)

NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)

6. Mortgage Notes Payable:

Mortgage notes payable at December 31, 1996 and December 31, 1995 consists of the following:

Property Pledged As Collateral	Carrying Amount of Notes 1996 Other	1996 Related Party	1995 Other	1995 Related Party	Interest Rate	Payment Terms	Maturity Date
Capitola Mall	----	$37,976	----	$38,250	9.25%	316 (f)	2001
Chesterfield Towne Center	$59,023	----	$59,536	----	8.75%	475(i)	2024
Chesterfield Towne Center	5,304	----	5,346	----	9.38%	43(i)	2024
Chesterfield Towne Center	1,922	----	1,938	----	8.88%	16(i)	2024
Chesterfield Towne Center	3,444	----	----	----	8.54%	28(f)	1999
Crossroads Mall (b) (c)	----	$35,968	----	35,936	7.08%	244(f)	2010
Fresno Fashion Fair	38,000	----	----	----	8.40%	interest only	2005
Greeley Mall	18,514	----	19,000	----	8.50%	interest only	2003
Green Tree Mall/ Crossroads - OK/ Salisbury (g)	117,714	----	50,000	----	7.23%	interest only	2004
Holiday Village Mall	----	----	73	----	5.50%	7(f)	1996
Holiday Village Mall	----	17,000	----	17,000	6.75%	interest only	2001
Lakewood Mall (a)	127,000	----	127,000	----	7.20%	interest only	2005
Northgate Mall	----	25,000	----	25,000	6.75%	interest only	2001
Parklane Mall	----	20,000	----	20,000	6.75%	interest only	2001
Queens Center	65,100	----	----	----	(d)	interest only	1999
Queens Center	----	----	55,800	----	(e)	(e)	1999
Queens Center	----	----	10,200	----	(e)	(e)	1999
Rimrock Mall	31,994	----	----	----	7.70%	244(f)	2003
The Centre at Salisbury (k)	----	----	21,000	----	7.13%	interest only	2004
Valley View Mall	60,000	----	----	----	(l)	interest only	(l)
Vintage Faire Mall	56,280	----	----	----	7.65%	427(f)	2003
Sub-Total	584,295	135,944	349,893	136,186			
Less interest rate arrangements (h)	----	----	886	----			
Total	$584,295	$135,944	$349,007	$136,186			

Weighted average interest rate at December 31, 1995 7.52%

Weighted average interest rate at December 31, 1996 7.45%

6. Mortgage Notes Payable, Continued:

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

The Note requires the Company to deposit all cash flow from the property operations with a trustee to meet its obligations under the Notes. Cash in excess of the required amount, as defined, is released. Included in cash and cash equivalents is $750 of restricted cash deposited with the trustee at December 31, 1995 and $750 at December 31, 1996.

(b) This loan was refinanced on December 21, 1995. The loan amount remained the same. The interest rate was reduced to 7.08%.

(c) This note was issued at a discount. The discount is being amortized over the life of the loan using the effective interest method. At December 31, 1996 and 1995 the unamortized discount was $463 and $496, respectively.

(d) This loan bears interest at LIBOR plus 0.45%. There is an interest rate protection agreement in place on the first $10.2 million of this debt with a LIBOR ceiling of 5.88% through maturity with the remaining principal having an interest rate cap with a LIBOR ceiling at 7.07% through 1997 and 7.7% thereafter.

(e) The $55,800 loan bears interest at LIBOR plus .90%. This loan was paid off on September 30, 1996.

The $10,200 loan bears interest at LIBOR plus 2.22%. This loan was paid off on September 30, 1996.

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

(g) This loan is cross collateralized by Green Tree Mall and Crossroads Mall Oklahoma and as of April 14, 1996 also included Salisbury.

(h) Represents the unamortized cost of interest rate arrangements at County East Mall and Crossroads Mall. The estimated market value of these arrangements is $886 at December 31, 1995 and $0 at December 31, 1996.

(i) 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 $76 for the period from July 21, 1994 (the date of acquisition of Chesterfield Towne Center) to December 31, 1994, $184 for the year ended December 31, 1995 and $399 for 1996. As of January 1, 1997 all these loans were consolidated into a new loan of $66.2 million at an interest rate of 9.1%.

This amount bears interest at LIBOR plus 1.50% and matures on October 21, 1997, however, at any time prior to maturity, the Company can convert this into a fixed rate loan maturing in October 2006.

(j) Interest only is payable through March 1996. Thereafter monthly payments total $187 until maturity, at which time the balance is due in full.

(k) This loan was combined with the Greentree/Crossroads-OK loan on April 14, 1996.

(l) This loan bears interest at LIBOR plus 1.50% (7.00% at December 31, 1996). At any time prior to October 21, 1997 this loan can be converted to a fixed rate loan at a rate of 1.25% over the rate on a Treasury Note of a duration equal to the maturity of the loan.

6. Mortgage Notes Payable, Continued:

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

Total interest expense capitalized during 1996 was $461 and during 1995 was $546 and during 1994 was $116 .

The above debt matures as follows:

Years Ending December 31,	
1997	$3,317
1998	3,651
1999	72,227
2000	4,188
2001	102,697
2002 and beyond	534,159
	$720,239

The market value of notes payable at December 31, 1996 and 1995 is estimated to be approximately $733,000 and $466,000, respectively, based on current interest rates for comparable loans.

7. Notes Payable:

The Company has a $50,000 unsecured line of credit with a bank. The line of credit bears interest at LIBOR plus 1.625% and matures in June 1997. There was a $12,000 balance outstanding on the line of credit at December 31, 1996 and $0 at December 31, 1995. Also, at December 31, 1996 there is a $57,000 unsecured note bearing interest at LIBOR plus 1.625% which matures December 31, 1997.

8. Related-Party Transactions:

The Predecessor and the Company engaged the Management Companies to manage the operations of certain uncombined joint ventures and other uncombined affiliated shopping centers. Management fees earned from uncombined joint ventures and affiliates were $401 for the period from January 1, 1994 to March 15, 1994. Subsequent to March 15, 1994, the Management Companies are reflected under the equity method of accounting for investments. During the period from March 16, 1994 to December 31, 1994 management fees of $1,180 were paid by the Company to the Management Companies. During 1995 and 1996, management fees of $1,456 and $1,788 were paid to the Management Companies by the Company.

Certain mortgage notes are held by outside partners of the individual Macerich Group partnerships. Interest expense, in connection with these notes was $10,168, $8,226 and $8,652 for the years ended December 31, 1996, 1995 and 1994, respectively. Included in accounts payables and accrued expense is interest payable to these partners of $516, $537 and $398 at December 31, 1996, 1995, and 1994 respectively.

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. Future Rental Revenues:

Under existing noncancellable operating lease agreements, tenants are committed to pay the following minimum rentals to the Company:

Years Ending December 31,	
1997	$118,239
1998	109,506
1999	99,036
2000	86,477
2001	73,135
2002 and beyond	319,166
	$805,559

10. Commitments and Contingencies:

The Company has certain properties subject to noncancellable operating ground leases. The leases expire at various times through 2060, subject in some cases to options to extend the terms of the lease. Certain leases provide for contingent rent payments based on a percent of base rent income, as defined. Ground rent expenses were $704, (including contingent rent of $0) in 1996, $1,944 (including contingent rents of $1,168) in 1995 and $2,267 (including contingent rents of $733) in 1994.

Certain leases also require the lessee to pay real estate taxes, insurance and certain other operating costs applicable to the leased property.

Minimum future rental payments required under the leases are as follows:

Years Ending December 31,	
1997	$ 553
1998	553
1999	557
2000	557
2001	549
2002 and beyond	25,948
	$28,717

Perchloroethylene (PCE) has been detected in soil and groundwater in the vicinity of a dry cleaning establishment at North Valley Plaza. The California Department of Toxic Substance Control (DTSC) has advised the Company that very low levels of Dichlorethylene (1,2,DCE) a degradation byproduct of PCE, have been detected in a water well located 1/4 mile west from the dry cleaners, and that the dry cleaning facility may have contributed to the introduction of 1,2 DCE into the water well. According to DTSC, the maximum contaminant level (MCL) for 1,2DCE which is permitted in drinking water is 6 parts per billion (ppb); and the 1,2DCE was detected in the water well at 1.2 ppb, which is below the MCL. The Company has retained an environmental consultant and has initiated extensive testing of the site, although the extent of the impacted soil and groundwater has not been fully defined. Remediation is scheduled to begin in the first half of 1997. The joint venture that owns that property had a $685 reserve at December 31, 1996. In addition, $155 has already been incurred, to cover professional fees and testing costs. The Company intends to look to the responsible parties and insurers for cost recovery.

10. Commitments and Contingencies, Continued:

Toluene, a petroleum constituent, was detected in a groundwater dewatering system at the Queens Center. The source of the toluene is currently unknown, but it is possible that an adjacent Sunoco service station has caused or contributed to the problem. It is also possible that the toluene remains from previous service station operations which occurred on site prior to the development of the site into its current use in the early 1970s. Toluene was detected at levels of 410 and 160 parts per billion (ppb) in samples taken from the tank in October, 1995 and February, 1996, respectively. Additional samples were taken in May and December of 1996, with results of .63 ppb and "non-detect" for the May sampling event and 16.2 ppb and 25.2 ppb for the December sampling event. The maximum containment level (MCL) for toluene in drinking water is 150 ppb. Although the Company believes that no remediation will be required, it has set up a $150 reserve to cover professional fees and testing costs. The Company intends to look to the responsible parties and insurers if remediation is required.

Dry cleaning chemicals, including PCE were detected in soil and groundwater in the vicinity of a dry cleaning establishment at Villa Marina Marketplace. The previous owner of the property has reported the release to the local government authorities and has agreed to fully assess and remediate the site to the extent required by those authorities. Although the Company believes that it will not be required to participate in assessment or remediation activities, it has set up a $150 reserve ($20 of which has already been incurred) to cover professional and legal fees.

Dry cleaning chemicals including PCE were detected in soil and groundwater in the vicinity of a former dry cleaning establishment at Huntington Center. The release has been reported to the local government authorities. The Company estimates, based on the data currently available, that costs for assessment, remediation and legal services will not exceed $500. Consequently, a $500 reserve was established at the time of the acquisition to cover professional and legal fees. The Company intends to look to responsible parties and insurers for cost recovery.

The Company acquired Fresno Fashion Fair in December, 1996. Asbestos has been detected in structural fireproofing throughout much of the Mall. Recent testing data conducted by a professional environmental consulting firms indicates that the fireproofing is largely inaccessible to building occupants and is well adhered to the structural members. Additionally, airborne concentrations of asbestos are well within OSHA's permissible exposure limit (PEL) of .1 fcc. The Company intends to abate asbestos fireproofing as tenant spaces become vacant. The accounting for this acquisition includes a reserve of $3.3 million to cover future removal of this asbestos, as necessary.

11. Profit Sharing Plan:

The Management Companies and the Company have a retirement profit sharing plan that was established in 1984 covering substantially all of their eligible employees. The plan is qualified in accordance with section 401(a) of the Internal Revenue Code. Effective January 1, 1995 this plan was modified to include a 401(k) plan whereby employees can elect to defer compensation subject to Internal Revenue Service withholding rules. Contributions by the Management Companies are made at the discretion of the Board of Directors and are based upon a specified percentage of employee compensation. The Management Companies and the Company contributed $350, $348 and $325 to the plan in 1996, 1995 and 1994, respectively.

12. Stock Option Plan:

The Company has established stock option plans for the purpose of attracting and retaining executive officers, directors and key employees. The Company has issued options to employees to purchase 1,512,334 shares of the Company under the stock incentive plan. The term of these options is ten years from the grant date. These options generally vest 33 1/3% per year over three years and were issued and are exercisable at the market value of the common stock at the grant date.

12. Stock Option Plan, Continued

In addition, the Company has established a plan for non employee directors. A total of 27,500 options were outstanding at December 31, 1996, 22,500 were exercisable. The non employee directors options have a term of ten years from the grant date and vest six months after grant.

Also, under the employees stock incentive plan 41,238 shares of restricted stock have been issued to executives. These awards are granted based on certain performance criteria for the Company. The restricted stock vests over 5 years and the compensation expense related to these grants is reflected over the vesting period on a straight line basis. As of December 31, 1996 none of the restricted stock grants had vested. A total of 41,238 shares were issued during 1996 at a weighted average price of $20.70 per share and 0 shares were issued during 1995.

An additional 412,762 shares have been reserved for issuance under the stock incentive plan. The plan allow for granting options or restricted stock at market value.

	Employee Plan		Director Plan			
	Shares	Option Price Per Share	Shares	Option Price Per Share	# of Options Exercisable At Year End	Weighted Average Exercise Price On Exercisable Options
Shares outstanding at January 1, 1994	-	-	-	-		
Granted	1,148,000	$19.00-$19.63	17,500	$19.00-$21.38		
Exercised	-	-	-	-		
Forfeited	-	-	-	-	0	0
Shares outstanding at December 31, 1994	1,148,000	$19.00-$19.63	17,500	$19.00		
Granted	115,000	$20.25	5,000	$20.00		
Exercised	(2,000)	$19.00	-	-		
Forfeited	(6,500)	-	-	-	399,784	19.02
Shares outstanding at December 31, 1995	1,254,500	$19.00-$20.25	22,500	$19.00-$21.38		
Granted	281,000	$21.62	5,000	$26.12		
Exercised	(16,000)	$19.00	-	-		
Forfeited	(7,166)	-	-	-		
Shares outstanding at December 31, 1996	1,512,334	$19.00 - $21.62	27,500	$19.00 - $26.12	793,697	$19.09

The weighted average exercise price for options granted in 1994 is $19.02, for 1995 is $20.25 and for 1996 is $21.65.

The weighted average remaining contractual life for options outstanding at December 31, 1996 is 7.9 years and the weighed average remaining contractual life for options exercisable at December 31, 1996 is 7.6 years.

The Company records options granted using Accounting Principles Board (APB) opinion Number 25, Accounting for Stock Issued to Employees and Related Interpretations. Accordingly, no compensation expense is recognized on the date the options are granted. If the Company had recorded compensation expense using the methodology prescribed in Financial Accounting Standards Number 123, the Company's net income would have been reduced by approximately $56 or $0.00 per share for the year ended December 31, 1996 and $160 or $0.01 per share for the year ended December 31, 1995.

13. Deferred Compensation Plans:

The Company has established deferred compensation plans under which key executives of the Company may elect to defer receiving a portion of their cash compensation otherwise payable in one calendar year until a later year. The Company may, as determined by the Board of Directors in its sole discretion, credit a participant's account with an amount equal to a percentage of the participant's deferral. The Company contributed $125 during 1996 and $104 during 1995 to two of these plans.

In addition, certain executives have split dollar life insurance agreements with the Company whereby the Company generally pays annual premiums on a life insurance policy in an amount equal to the executives deferral under one of the Company's deferred compensation plans.

14. Acquisitions:

On March 16, 1994, concurrent with the IPO, the Company acquired Crossroads Mall-Oklahoma ("Crossroads-OK"). Crossroads-OK is a 1.1 million square foot super regional mall in Oklahoma City, Oklahoma. The purchase price was $51,500 and was paid in cash.

On July 21, 1994, the Company acquired Chesterfield Towne Center ("Chesterfield") in Richmond, Virginia. Chesterfield is a 608,500 square foot regional mall. The purchase price of $84,500 was paid with approximately $13,100 in cash, $3,900 in OP Units of the Operating Partnership and assumption of the existing mortgage of approximate $67,500.

On August 15, 1995 the Company acquired The Centre at Salisbury ("Salisbury"), an 884,000 square foot super regional mall. The total purchase price was $78 million, and was comprised of $55.6 million of cash, $21 million of debt and approximately $1.4 million in OP Units.

Capitola Mall ("Capitola") was acquired on December 21, 1995. Capitola is a 577,000 square foot regional mall. The purchase price was $57.5 million and was comprised of the issuance of OP Units valued at $12.1 million, the assumption of $38.3 million of mortgage indebtedness, and cash of $2.1 million. The remaining $5 million of consideration will be paid in OP Units in five years.

Queens Center ("Queens") was acquired on December 28, 1995. The total purchase price was $108 million which consisted of assumption of debt of $66 million and $42 million of cash.

Villa Marina was acquired on January 25, 1996. Villa Marina is a 447,684 square foot community center/entertainment complex located in Marina del Rey, California. The purchase price was $80 million, consisting of $57.6 million of cash and $22.4 million of assumption of mortgage indebtedness.

Valley View Mall is a super regional mall in Dallas, Texas which the Company acquired on October 21, 1996. Valley View Mall contains 1,523,000 square feet and the purchase price was $87.5 million.

Rimrock Mall, located in Billings, Montana, and Vintage Faire Mall, located in Modesto, California were purchased simultaneous on November 27, 1996. The combined purchase price was $118.2 million. Vintage Faire Mall is a super regional mall with 1,051,458 square feet and Rimrock Mall is a regional mall consisting of 581,912 square feet.

Buenaventura Mall, Fresno Fashion Fair and Huntington Center were purchased on December 18, 1996 for a combined price of $128.9 million. Buenaventura Mall, located in Ventura, California, is an 801,152 square foot regional mall, Fresno Fashion Fair, located in Fresno, California, is a super regional mall containing 881,334 square feet and Huntington Center, located in Huntington Beach, California, consists of 832,578 square feet.

15. Unaudited Pro Forma Financial Information:

The following unaudited pro forma financial information combines the consolidated results of operations of the Company for 1996 and 1995 as if the 1996 Acquisitions had occurred on January 1, 1995, after giving effect to certain adjustments, including depreciation, interest expense relating to debt incurred to finance the acquisitions and general and administrative expense to manage the properties. The pro forma information is based on assumptions management believes to be appropriate. The pro forma information is not necessarily indicative of what the actual results would have been had the initial public offering and acquisitions occurred at the beginning of the period indicated, nor does it purport to project the Company's financial position or results of operations at any future date or for any future period.

	Year ended December 31, 1996	1995
Revenues	$203,512	$168,785
Income of the Operating Partnership before extraordinary items	37,851	31,416
Income before extraordinary items	23,875	18,166
Net income	23,675	17,413
Per share income before extraordinary items	$1.15	$1.17
Net income per share	$1.14	$1.12
Weighted average number of common shares outstanding	20,781,000	15,482,000

16. Quarterly Financial Data (Unaudited):

The following is a summary of periodic results of operations for 1996 and 1995:

	Company							
	1996 Quarter Ended				1995 Quarter Ended			
	Dec 31	Sept 30	June 30	Mar 31	Dec 31	Sept 30	June 30	Mar 31
Revenues	$43,924	$37,749	$37,777	$35,293	$29,016	$26,291	$24,067	$23,095
Income before minority interest and extraordinary items	8,417	7,479	6,925	7,065	6,586	5,066	5,064	4,132
Income before extraordinary items	5,539	4,659	4,502	4,401	4,077	2,821	2,824	2,304
Net income	5,539	4,659	4,312	4,401	4,077	2,821	2,101	2,304
Income before extraordinary items per share	$0.24	$0.23	$0.22	$0.22	$0.22	$0.20	$0.20	$0.16
Net income per share	$0.24	$0.23	$0.21	$0.22	$0.22	$0.20	$0.15	$0.16

17. Subsequent Events

On February 7, 1997 a $0.44 per share dividend was declared, payable to stockholders of record as of February 20, 1997 and paid on March 6, 1997.

REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 1996
(in thousands)

Initial Cost to Company

	Land	Building and Improvements	Equipment and Furnishings	Cost Capitalized Subsequent to Acquisition
Shopping Centers				
Bristol Shopping Center	$ 0	$11,051	$0	$1,111
Buenaventura Mall	3,414	13,979	0	0
Capitola Mall	11,312	46,689	0	592
Chesterfield Towne Center	16,992	68,660	2	4,667
County East Mall	2,633	15,131	716	5,767
Crossroads Mall - Boulder	0	37,528	64	27,167
Crossroads Mall - Oklahoma	10,279	43,458	291	2,103
Fresno Fashion Fair	17,966	72,194	0	0
Greeley Mall	5,600	12,617	13	6,761
Green Tree Mall	4,947	14,893	332	22,067
Holiday Village Shopping Center	2,311	13,488	138	15,936
Huntington Center	4,679	19,056	0	0
Lakewood Mall	12,502	31,158	117	30,264
Marshalls' Boulder Plaza	2,650	7,950	0	782
Northgate Mall	7,144	29,805	841	17,595
Parklane Mall	1,377	11,775	173	12,432
Queens Center	21,460	86,631	8	758
Rimrock Mall	8,737	35,652	0	31
The Centre at Salisbury	15,290	63,474	31	368
Towne Center Plaza	1,525	4,276	0	31
Valley View Center	17,100	68,687	0	23
Villa Marina Marketplace	15,852	65,441	0	352
Vintage Faire Mall	14,902	60,532	0	0
The Macerich Partnership, L.P.	11,962	47,848	0	28,945
Total	$210,634	$881,973	$2,726	$177,752

REAL ESTATE AND ACCUMULATED DEPRECIATION

December 31, 1996

(in thousands)

Gross Amount at Which Carried at Close of Period

	Land	Building and Improvements	Furniture, Fixtures & Equipment	Construction in Progress	Total	Accumulated Depreciation	Net of Accumulated Depreciation
Shopping Centers							
Bristol Shopping Center	$ 0	$12,162	$ 0	$ 0	$12,162	$4,552	$7,610
Buenaventura Mall	3,414	13,979	0	0	17,393	14	17,379
Capitola Mall	11,309	47,239	45	0	58,593	1,265	57,328
Chesterfield Towne Center	16,992	72,486	811	32	90,321	5,650	84,671
County East Mall	2,633	20,823	791	0	24,247	7,565	16,682
Crossroads Mall - Boulder	23,302	41,249	101	107	64,759	21,036	43,723
Crossroads Mall - Oklahoma	10,279	45,517	316	19	56,131	4,133	51,998
Fresno Fashion Fair	17,966	72,194	0	0	90,160	74	90,086
Greeley Mall	5,600	19,325	66	0	24,991	8,119	16,872
Green Tree Mall	4,947	36,860	432	0	42,239	17,730	24,509
Holiday Village Shopping Center	2,311	29,387	175	0	31,873	17,122	14,751
Huntington Center	4,679	19,056	0	0	23,735	20	23,715
Lakewood Mall	12,503	59,353	612	1,573	74,041	27,671	46,370
Marshalls' Boulder Plaza	2,650	8,732	0	0	11,382	2,091	9,291
Northgate Mall	7,144	47,318	923	0	55,385	15,639	39,746
Parklane Mall	1,565	21,369	384	2,439	25,757	13,809	11,948
Queens Center	21,454	87,349	37	17	108,857	2,273	106,584
Rimrock Mall	8,737	35,676	7	0	44,420	88	44,332
The Centre at Salisbury	15,284	63,845	34	0	79,163	2,282	76,881
Towne Center Plaza	1,525	4,307	0	0	5,832	59	5,773
Valley View Center	17,100	68,687	15	8	85,810	347	85,463
Villa Marina Marketplace	15,852	65,773	20	0	81,645	1,572	80,073
Vintage Faire Mall	14,901	60,533	0	0	75,434	148	75,286
The Macerich Partnership, L.P.	17,700	71,055	0	0	88,755	11,158	77,597
Total	$239,847	$1,024,274	$4,769	$4,195	$1,273,085	$164,417	$1,108,668

The changes in total real estate assets for the three years ended December 31, 1996 are as follows:

	1994	1995	1996
Balance, beginning of year	375,972	554,788	833,998
Additions	178,816	279,210	439,087
Disposals and retirements	0	0	0
Balance, end of year	554,788	833,998	1,273,085

The changes in accumulated depreciation and amortization for the three years ended December 31, 1996 are as follows:

	1994	1995	1996
Balance, beginning of year	102,963	119,466	139,098
Additions	16,503	19,632	25,319
Disposals and retirement	0	0	0
Balance, end of year	119,466	139,098	164,417

Depreciation and amortization of the Macerich Company's investment in buildings and improvements reflected in the statements of income are calculated over the estimated useful lives of the assets as follows:

Buildings and Improvements	5 - 40 years

Tenant Improvements	life of related lease
Equipment and Furnishings	5 - 7 years

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE MACERICH COMPANY

By /s/ Arthur M. Coppola

Arthur M. Coppola
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/ Arthur M. Coppola Arthur M. Coppola	President and Chief Executive Officer and Director	March 25, 1997
/s/ Mace Siegel Mace Siegel	Chairman of the Board	March 25, 1997
/s/ Dana K. Anderson Dana K. Anderson	Vice Chairman of the Board and Chief Operating Officer	March 25, 1997
/s/ Edward C. Coppola Edward C. Coppola	Executive Vice President Director of Acquisitions and Director	March 25, 1997
/s/ James Cownie James Cownie	Director	March 25, 1997
/s/ Theodore Hochstim Theodore Hochstim	Director	March 25, 1997
/s/ Frederick Hubbell Frederick Hubbell	Director	March 25, 1997
/s/ Stanley Moore Stanley Moore	Director	March 25, 1997
/s/ William Sexton William Sexton	Director	March 25, 1997
/s/ Thomas E. O'Hern Thomas E. O'Hern	Senior Vice President and Chief Financial and Accounting Officer	March 25, 1997

EXHIBIT INDEX

Exhibit Number	Description	Sequentially Numbered Page
3.1*	Articles of Amendment and Restatement of the Company	
3.2**	Articles Supplementary of the Company	
3.3*	Bylaws of the Company	
4.1**	Form of Common Stock Certificate	
10.1***	Amended and Restated Limited Partnership Agreement for the Operating Partnership, dated as of March 16, 1994	
10.2***	Employment Agreement between the Company and Mace Siegel, dated as of March 16, 1994	
10.2.1***	List of omitted Employment Agreements	
10.3****	The Macerich Company 1994 Stock Incentive Plan	
10.4****	The Macerich Company 1994 Eligible Directors' Stock Option Plan	
10.5****	The Macerich Company Deferred Compensation Plan	
10.6****	The Macerich Company Annual Incentive Compensation Plan	
10.7****	The Macerich Company Deferred Compensation Plan for Mall Executives	
10.8***	The Macerich Company Eligible Directors' Deferred Compensation Plan/Phantom Stock Plan	
10.9***	The Macerich Company Executive Officer Salary Deferral Plan	
10.10*	NML Master Agreement, dated as of October 22, 1993, among the Operating Partnership, The Northwestern Mutual Life Insurance Company (as general partner), The Northwestern Mutual Life Insurance Company (as lender), each of the property partnerships and each of the Macerich Partnerships	
10.11*	Partnership Interest Agreement of Purchase and Sale, dated as of October 18, 1993, between Hexalon Real Estate, Inc. and the Operating Partnership	
10.12*	Third Amendment to Partnership Interest Agreement of Purchase and Sale, dated as of February 9, 1994, between Hexalon Real Estate, Inc. and the Operating Partnership	
10.13*	Purchase and Sale Agreement, dated as of June 30, 1993, between the Operating Partnership and Provident Life and Accident Insurance Company	
10.14*	Indenture of Lease, dated as of January 26, 1983, between PCA Crossroads, Ltd., as landlord, and Crossroads Shopping Center Company and Macerich Crossroads Associates, collectively, as tenant, as amended	

10.15*** Macerich Master Agreement, dated as of March 16, 1994, regarding the transfer of property partnership interests of The Macerich Group to the Operating Partnership
10.16*** Registration Rights Agreement, dated as of March 16, 1994, between the Company and The Northwestern Mutual Life Insurance Company
10.17*** Registration Rights Agreement, dated as of March 16, 1994, among the Company and Mace Siegel, Dana K. Anderson, Arthur M. Coppola and Edward C. Coppola
10.18*** Registration Rights Agreement, dated as of March 16, 1994, among the Company, Richard M. Cohen and MRII Associates
10.19*** Incidental Registration Rights Agreement, dated as of March 16, 1994
10.20*** Indemnification Agreement, dated as of March 16, 1994, between the Company and Mace Siegel
10.20.1*** List of omitted Indemnification Agreements
10.21*** Property Management Agreement, dated as of March 16, 1994, with respect to Macerich Bristol Associates
10.21.1*** List of omitted Property Management Agreements
10.22* Management and Operating Agreement, dated July 1, 1991, between Macerich Management Company and North Valley Plaza Associates
10.23* Management and Operating Agreement, dated January 17, 1985, between Macerich Management Company and Macerich Northwestern Associates, as amended
10.24* Management Agreement, dated September 1, 1985, between Macerich Management Company and Panorama City Associates
10.25*** Amended and Restated Partnership Agreement for Macerich Bristol Associates
10.25.1*** List of omitted Amended and Restated Partnership Agreements for certain Property Partnerships
10.26* Partnership Agreement for Macerich Northwestern Associates, dated as of January 17, 1985, between Macerich Walnut Creek Associates and The Northwestern Mutual Life Insurance Company
10.27*** First Amendment to Macerich Northwestern Associates Partnership Agreement between Operating Partnership and The Northwestern Mutual Life Insurance Company
10.28* North Valley Plaza Associates Joint Venture Agreement, dated as of April 14, 1988, between Chico Associates and The Northwestern Mutual Life Insurance Company
10.29*** First Amendment to North Valley Plaza Associates Joint Venture Agreement between Operating Partnership and The Northwestern Mutual Life Insurance Company

10.30* Panorama City Associates Partnership Agreement, dated as of February 2, 1979, between Macerich Panorama Associates and Connecticut General Mortgage and Realty Investments, as amended

10.31*** Second Amendment to Panorama City Associates Partnership Agreement between Operating Partnership and 745 Property Investments (formerly Connecticut General Mortgage and Realty Investments)

10.32* Amended and Restated Partnership Agreement, dated as of February 28, 1986, among William A. Schlossman, Donald L. Johnson, Charles R. Nolan, John L. McCormick, M.O. Foss, Jr., Mark B. Foss, and Macerich Fargo Associates

10.33* Parcel #1 Ground Lease (Bristol), dated as of November 1, 1971, between First Western Bank and Trust Company, as landlord, and Rinker Development Corp., as tenant

10.33.1*** List of omitted Ground Leases

10.34* Amendment to Lease Parcel #2 Ground Lease (Bristol), dated November 1, 1973, between First Western Bank and Trust Company, as landlord, and Century Properties Equity Partnership 72, as tenant

10.35* Amendment No. 1 to Ground Leases (Bristol), dated as of June 6, 1973, between First Western Bank and Trust Company, as landlord, and Montgomery Ross Fisher and Joanne M. Fisher, collectively, as lessee

10.36* Ground Lease (Broadway), dated June 30, 1993, between City of Walnut Creek, as lessor, and Macerich Northwestern Associates, as lessee

10.37* Agreement of Lease (Crossroads-Boulder), dated December 31, 1960, between H.R. Hindry, as lessor, and Gerri Von Frellick, as lessee, with amendments and supplements thereto

10.38* Lease (Menke #1) (Parklane), dated December 22, 1959, between Bessie L. Menke, as lessor, and A.J. Flagg, as lessee, as supplemented

10.39* Agreement Supplementing Lease (Menke #1), dated November 1, 1960, between Bessie L. Menke, as lessor, and A.J. Flagg, as lessee

10.40* Second Agreement Supplementing Lease (Menke #1), dated September 1, 1964, between Mark W. Menke, as executor of the estate of Bessie L. Menke, and Edith Menke Gamos and Mark W. Menke, individually (collectively as lessor), and Parklane Mall, as lessee

10.41* Lease (Menke #2), dated July 30, 1960, between Edith Menke Gamos and Mark W. Menke, collectively, as lessor, and Flaghill, Inc., as lessee

10.42* Amendment to Ground Lease (Menke #2), dated May 1, 1979, between Parklane Shopping Center Company, as ground lessee, and Mark W. Menke, Diana J. Jones, Edith Menke Gamos and Gary Gamos, collectively, as ground lessor

10.43* Lease (Menke #3), dated October 5, 1960, between Bessie L. Menke, as lessor, and Flaghill, Inc., as lessee

10.44* First Agreement Supplementing Lease (Menke #3), dated September 1, 1964, between Mark W. Menke, executor of the estate of Bessie L. Menke, deceased, Edith Menke Gamos and Mark W. Menke, as lessor, and Parklane Mall, as lessee

10.45* Lease (Menke #4), dated October 5, 1960, between Bessie L. Menke, as lessor, and Flaghill, Inc., as lessee, as supplemented

10.46* Amendment of Leases (Menke #1 through Menke #4) dated June 9, 1981, among Diana J. Jones, Curtis D. Jones, Gary Gamos, Steward
R. Wilson (as Trustee for Menke Trust), Edith Gamos and Mark W.
S. Menke, collectively, as lessor, and Parklane Shopping Center Company, as lessee

10.47* Agreement (amending Menke #1 through Menke #4), dated May 31, 1967, among Parklane Mall (as ground lessee), Mark W. Menke, Edith Menke Gamos and Mark W. Menke (as the Administrator of the Estate of Bessie L. Menke, deceased) (collectively, the ground lessors) and The Equitable Life Assurance Society of the United States

10.48* Agreement (amending Menke #1 through Menke #4), dated May 1, 1979, among Parklane Mall (as ground lessee), Mark W. Menke, Edith Menke Gamos and Gary Gamos, Diana J. Jones, Stewart R. Wilson, and Diana J. Jones as trustee under a Trust Agreement dated September 3, 1971 (collectively, the ground lessors), and The Equitable Life Assurance Society of the United States

10.49*** Amended and Restated Partnership Agreement of Macerich Fargo Associates, dated as of March 16, 1994

10.50* Purchase and Sale Agreement, dated as of January 24, 1994, by and between Crossroads Associates Limited Partnership, as seller, and the Operating Partnership, as purchaser

10.51***** Contribution Agreement, dated May 13, 1994, between Chesterfield Mall Associates, a Virginia general partnership, and the Operating Partnership, as amended and supplemented

10.52****** Contribution Agreement, dated May 13, 1995, between Salisbury-Springhill Limited Partnership, a Maryland limited partnership, and the Operating Partnership

10.53******* Contribution Agreement, dated as of July 28, 1995, between Capitola Mall Associates, a California limited partnership, and the Operating Partnership, as amended

10.54******** Purchase and Sale Agreement, dated as of November 28, 1995, between Queens Center Associates, L.P., a Delaware limited partnership, and Macerich Queens Limited Partnership, a California limited partnership, as amended

10.55********* Purchase and Sale Agreement, dated as of November 11, 1995, between Copley Investors Limited Partnership, a Delaware limited partnership, and Macerich Marina Limited Partnership, a California limited partnership

10.56# Purchase and Sale Agreement, dated as of September 26, 1996, between LaSalle Street Fund Incorporated of Delaware, a Delaware corporation, and Macerich Valley View Limited Partnership, a California limited partnership

10.57## Purchase and Sale Agreement, dated as of September 30, 1996, between Vintage Faire Associates, a California general partnership, and Macerich Vintage Faire Limited Partnership, a California limited partnership.

10.58### Purchase and Sale Agreement, dated as of September 30, 1996, between Billings Associates, a Montana limited partnership, and Macerich Rimrock Mall Limited Partnership, a California limited partnership.

10.59#### Purchase and Sale Agreement, dated as of November 22, 1996, between MCA Buenaventura Associates, L.P., a Delaware limited partnership, and MR Buenaventura Limited Partnership, a California limited partnership

10.60##### Purchase and Sale Agreement, dated as of November 22, 1996, between MCA Fresno Associates, L.P., a Delaware limited partnership, and MR Fresno Limited Partnership, a California limited partnership

10.61###### Purchase and Sale Agreement, dated as of November 22, 1996, between MCA Huntington Associates, L.P., a Delaware limited partnership, and MR Huntington Limited Partnership, a California limited partnership

11.1 Computation of per Share Earnings

21.1 List of Subsidiaries

23.1 Consent of Independent Accountants (Coopers & Lybrand L.L.P.)

* Previously filed as an exhibit to the Company's Registration Statement on Form S-11, as amended (No. 33-68964), and incorporated herein by reference.

** Previously filed as an exhibit to the Company's Current Report on Form 8-K, event date May 30, 1995, and incorporated herein by reference.

*** Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 1996, and incorporated herein by reference.

**** Previously filed as an exhibit to the Company's Quarterly Statement on Form 10-Q for the quarter ended June 30, 1994, and incorporated herein by reference.

***** Previously filed as an exhibit to the Company's Current Report on Form 8-K, event date July 21, 1994, and incorporated herein by reference.

****** Previously filed as an exhibit to the Company's Current Report on Form 8-K, event date May 13, 1995, and incorporated herein by reference.

******* Previously filed as an exhibit to the Company's Current Report on Form 8-K, event date July 28, 1995, and incorporated herein by reference.

******** Previously filed as an exhibit to the Company's Current Report on Form 8-K, event date December 28, 1995, and incorporated herein by reference.

********* Previously filed as an exhibit to the Company's Current Report on Form 8-K, event date January 29, 1996, and incorporated herein by reference.

Previously filed as an exhibit to the Company's Current Report on Form 8-K, event date October 21, 1996, and incorporated herein by reference.

Previously filed as an exhibit to the Company's Current Report on Form 8-K, event date February 3, 1997, and incorporated herein by reference.

Previously filed as an exhibit to the Company's Current Report on Form 8-K, event date February 3, 1997, and incorporated herein by reference.

Previously filed as an exhibit to the Company's Current Report on Form 8-K, event date February 27, 1997, and incorporated herein by reference.

Previously filed as an exhibit to the Company's Current Report on Form 8-K, event date February 27, 1997, and incorporated herein by reference.

Previously filed as an exhibit to the Company's Current Report on Form 8-K, event date February 27, 1997, and incorporated herein by reference.

Exhibit 11.1

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

	For the year ended December 31, 1996	December 31, 1995
Primary		
Net income as reported	$18,911	$11,303
Weighted average number of shares outstanding	20,781,000	15,481,000
Incremental shares resulting from stock options and restricted stock	150,000	20,000
Weighted average number of shares of common stock and equivalents	20,931,000	15,501,000
Primary earnings per share	$0.90	$0.73
Fully Diluted		
Net income as reported	$18,911	$11,303
Weighted average number of shares outstanding	20,781,000	15,481,000
Incremental shares resulting from stock options and restricted stock	244,000	58,000
Weighted average number of shares of common stock and equivalents	21,025,000	15,539,000
Fully diluted earnings per share	$0.90	$0.73

Exhibit 21.1

LIST OF SUBSIDIARIES

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

MACERICH FARGO ASSOCIATES, a California general partnership

MACERICH BRISTOL ASSOCIATES, a California general partnership

MACERICH BUENAVENTURA LIMITED PARTNERSHIP, a California limited partnership

MACERICH BUENAVENTURA GP CORP., a Delaware corporation

MACERICH NORTHWESTERN ASSOCIATES, a California general partnership

MACERICH FRESNO LIMITED PARTNERSHIP, a California limited partnership

MACERICH FRESNO GP CORP., a Delaware corporation

MACERICH GREELEY ASSOCIATES, a California general partnership

MACERICH HUNTINGTON LIMITED PARTNERSHIP, a California limited partnership

MACERICH HUNTINGTON GP CORP., a Delaware corporation

NORTHGATE MALL ASSOCIATES, a California general partnership

NORTH VALLEY PLAZA ASSOCIATES, a California general partnership

PANORAMA CITY ASSOCIATES, a California general partnership

LAKEWOOD MALL BUSINESS COMPANY, a Delaware business trust

LAKEWOOD MALL FINANCE COMPANY, a Delaware corporation

MACERICH PROPERTY MANAGEMENT COMPANY, a California corporation

MACERICH MANAGEMENT COMPANY, a California corporation

MACERICH MARINA LIMITED PARTNERSHIP, a California limited partnership

MACERICH MARINA GP CORP., a Delaware corporation

MACERICH OKLAHOMA LIMITED PARTNERSHIP, a California limited partnership

MACERICH OKLAHOMA GP CORP., a Delaware corporation

MACERICH QUEENS LIMITED PARTNERSHIP, a California limited partnership

MACERICH QUEENS GP CORP., a Delaware corporation

MACERICH QUEENS FUNDING CORP., a Delaware corporation

MACERICH RIMROCK LIMITED PARTNERSHIP, a California limited partnership

MACERICH RIMROCK GP CORP., a Delaware corporation

MACERICH SCG LIMITED PARTNERSHIP, a California limited partnership

MACERICH SCG GP CORP., a Delaware corporation

MACERICH SCG FUNDING LIMITED PARTNERSHIP, a California limited partnership

MACERICH SCG HOLDING LIMITED PARTNERSHIP, a California limited partnership

MACERICH SCG FUNDING GP CORP., a Delaware corporation

MACERICH SASSAFRAS GP CORP., a Delaware corporation

MACERICH SASSAFRAS LIMITED PARTNERSHIP, a California limited partnership

MACERICH SOUTH TOWNE LIMITED PARTNERSHIP, a California limited partnership

MACERICH SOUTH TOWNE GP CORP., a Delaware corporation

MACERICH ST MARKETPLACE LIMITED PARTNERSHIP, a California limited partnership

MACERICH ST MARKETPLACE GP CORP., a Delaware corporation

MACERICH VALLEY VIEW LIMITED PARTNERSHIP, a California limited partnership

MACERICH VALLEY VIEW GP CORP., a Delaware corporation

MACERICH VINTAGE FAIRE LIMITED PARTNERSHIP, a California limited partnership

MACERICH VINTAGE FAIRE GP CORP., a Delaware corporation

WEST ACRES DEVELOPMENT, a North Dakota general partnership

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of The Macerich Company in Form S-3 and Form S-8, of our report dated March 14, 1997, on our audits of the consolidated financial statements and financial statement schedule of The Macerich Company as of December 31, 1996 and 1995, and for the years ended December 31, 1996, 1995 and the period March 16,1994 through December 31, 1994 and the combined financial statements of Macerich Predecessor Affiliates for the period January 1, 1994 through March 15, 1994, and the year ended December 31, 1993, which report is included in the Annual Report on Form 10-K. We also consent to the reference to our Firm under the caption "Experts" in the registration statement on Form S-3.

COOPERS & LYBRAND L.L.P.
Los Angeles, California
March 25, 1997

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED BALANCE SHEETS AND CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOUND ON PAGES 31 AND 32 OF THE COMPANY'S FORM 10-K FOR THE YEAR, AND IS QUALIFIED IN ITS ENTIRETY BY REFERNCE TO SUCH FINANCIAL STATEMENTS.

12-MOS
DEC-31-1996
DEC-31-1996
15,643
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19,226
0
(315)
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.91