MACERICH®

2016 ANNUAL REPORT | FORM 10-K

Through our Eyes

We see things not just as they are, but as they can be.

Dear Fellow Stockholders:

At Macerich, we clearly have a different view of the world today than many others, a uniquely positive vision for our future.

To be sure, these are turbulent times for our industry. As I write this letter, our share price is off some 30% from its recent high of $94.51 on August 1, 2016. We are not alone. Negative headlines persist around legacy retail as Macy's and a number of specialty stores adjust their store fleet sizes to accommodate today's demand from consumers for an omni-channel experience. While painful in the short term, I believe this process will strengthen premier retail locations throughout the country, many of which are owned by Macerich. However, the negative storylines that carry doomsday predictions for the demise of brick-and-mortar retail – pitted against social-media-savvy digital commerce companies – are back in full force.

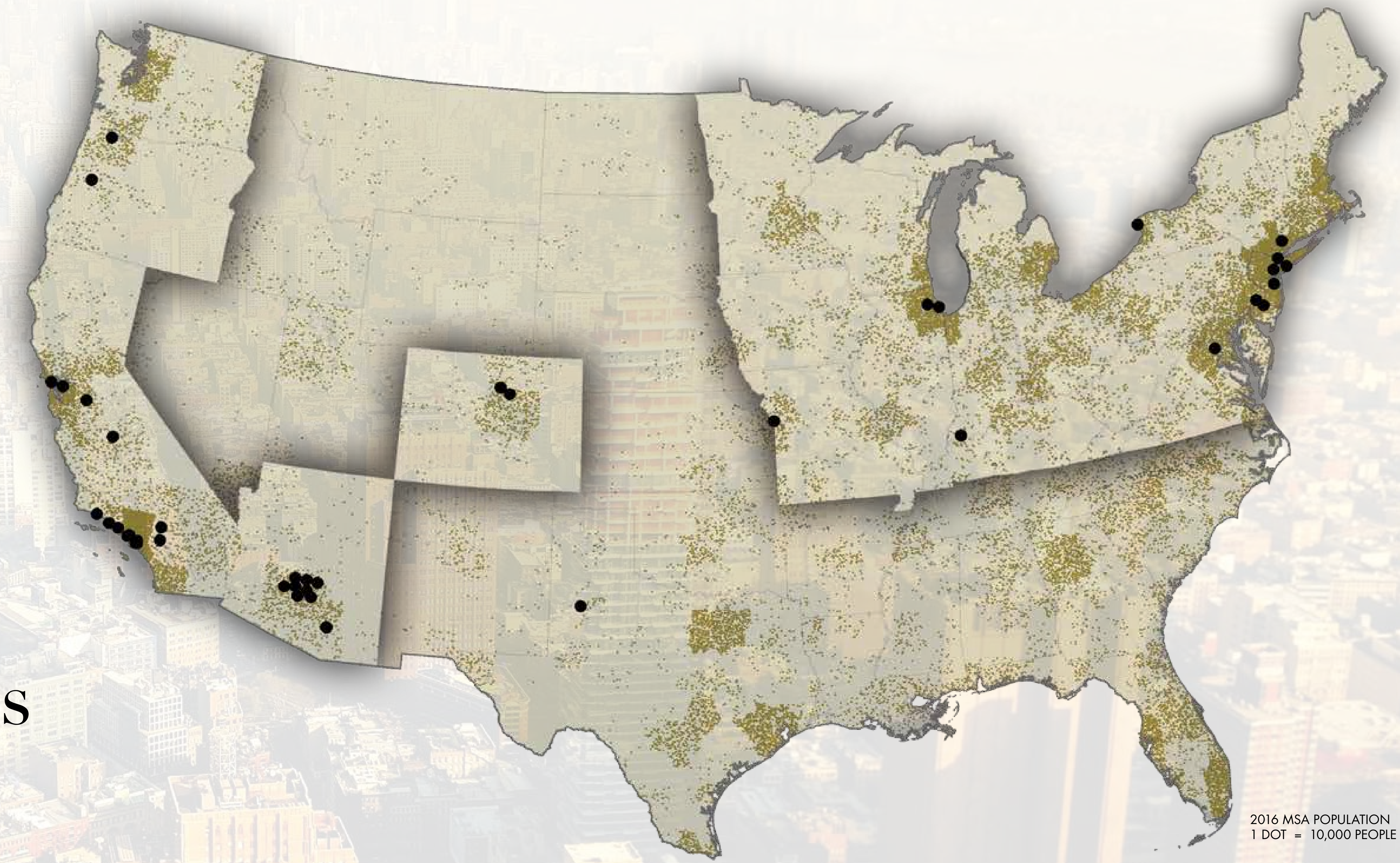
Against this backdrop, it might be hard to imagine that I am actually pleased to have the opportunity to share our vision of the present retail landscape as well as the future, but indeed I am.

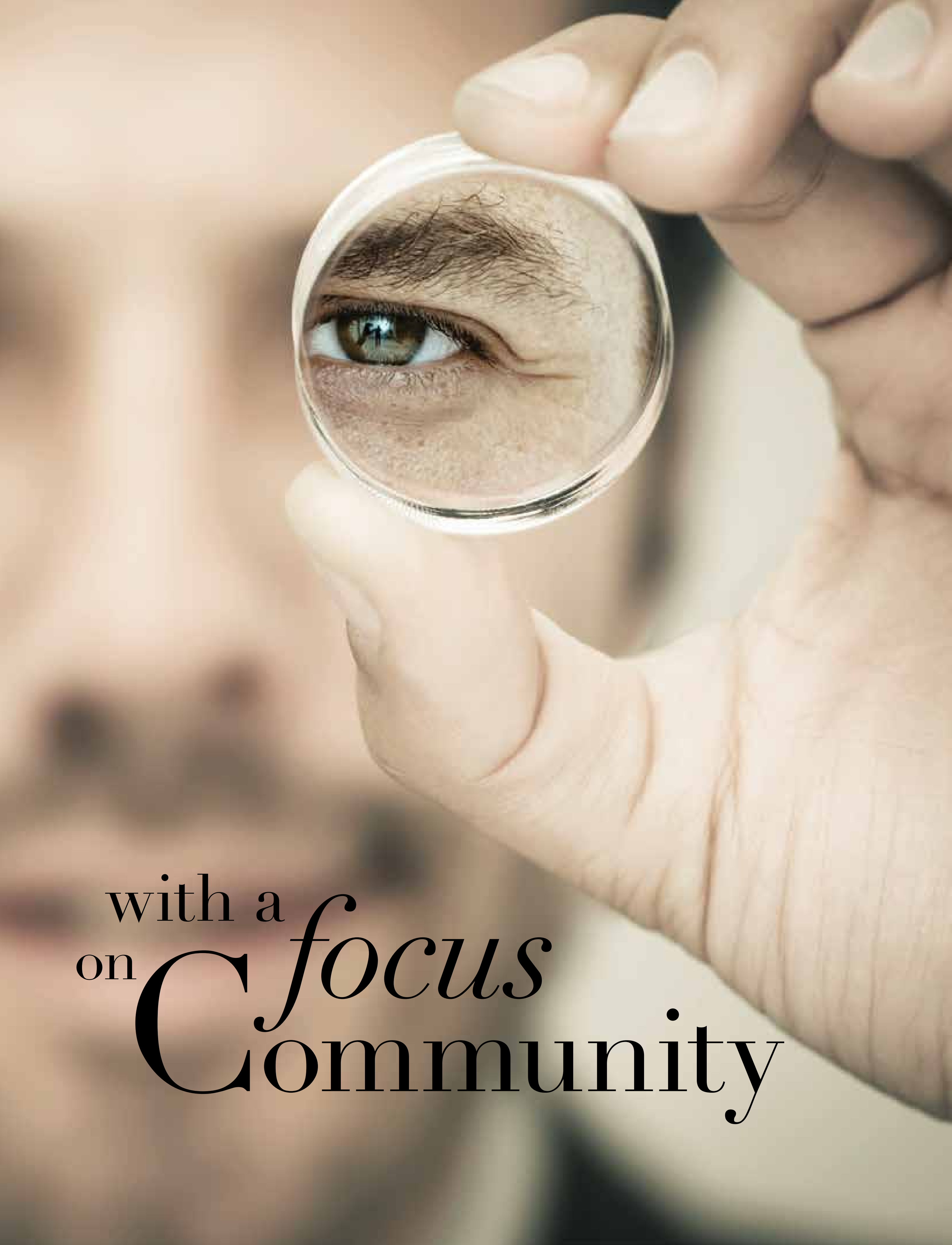
We are ready for the future because Macerich is a team that sees things not just as they are, but as they can be. Our rich history of transforming retail assets into even more productive settings for retailers and brands in every economic cycle – buoyed by our proven ability to understand the social, commercial and aesthetic dynamics that drive high-performing destinations – positions Macerich to continue succeeding now and during the long term.

It is easy to get caught up in the headlines predicting the "death of the regional mall." But, at the same time, is anyone predicting that the desire for human beings to gather and play and interact in physical locations is going to dissipate? Is anyone predicting that the town centers, squares, plazas and high streets of great cities in the United States are becoming any less important? Of course not. In our digitally-connected world, the appetite to mingle and interact in person is greater than ever.

Our vibrant properties, located in some of the most important gateway cities in the U.S., are places where people come together to share experiences and spend time. They are not a "product type" that has suddenly become functionally obsolete. These are the very cores and centerpieces of some of the most desirable communities in the entire country.

Fortress properties in *densely* populated gateway Markets





with a *focus* on Community

Apple is not only one of the largest companies in the world, but it is also one of the most innovative retail concepts anywhere. We enjoy a partnership with Apple at almost one-half of our centers, and we expect that number to grow in the coming years.

I was recently impressed by a quote attributed to Angela Ahrendts, SVP of Retail at Apple. She was quoted as saying, "…we (Apple) need to open incredible places that almost behave like a town square, like a gathering place."

Apple certainly is one of those retailers that could have easily relied solely on digital channels to sell their products. However Apple realized early on that only in physical retail locations could they elevate their brand, and educate and create a bond with their customers and the community.

That's exactly what Apple does so well – and that's precisely what we do as a company.

Importantly, our "town squares" are located in densely-populated areas, where affluent consumers with significant disposable incomes live, work and play. According to Green Street Advisors, Macerich is the most "urban" of the mall owners they measure, as calculated by population densities within a 10-mile trade area. We have more than 1.1 million people residing within a 10-mile trade area of our town squares, double the per-property average for the group of eight mall companies they cover. We have positioned ourselves literally within that coveted "last mile" of the country's great urban centers.

FINANCIAL HIGHLIGHTS

(ALL AMOUNTS IN THOUSANDS, EXCEPT SHARE DATA AND PER SQUARE FOOT AMOUNTS)

OPERATING DATA

	2016	2015	2014	2013	2012
Total Revenues	$1,041,271	$1,288,149	$1,105,247	$1,029,475	$797,517
Shopping center and operating expenses	$307,623	$379,815	$353,505	$329,795	$251,923
Management companies' operating expenses	$98,323	$92,340	$88,424	$93,461	$85,610
REIT general and administrative expenses	$28,217	$29,870	$29,412	$27,772	$20,412
Gain (loss) on remeasurement, sale or write down of assets, net	$415,348	$400,337	$1,496,576	($26,852)	$228,690
Net income attributable to the Company	$516,995	$487,562	$1,499,042	$420,090	$337,426
Net income per share attributable to common stockholders - diluted	$3.52	$3.08	$10.45	$3.00	$2.51

OTHER DATA

	2016	2015	2014	2013	2012
Regional shopping centers portfolio occupancy	95.4%	96.1%	95.8%	94.6%	93.8%
Regional shopping centers portfolio sales per square foot	$630	$635	$587	$562	$517
Distributions declared per common share	$2.75	$2.63	$2.51	$2.36	$2.23

BALANCE SHEET DATA

	2016	2015	2014	2013	2012
Investment in real estate (before accumulated depreciation)	$9,209,211	$10,689,656	$12,777,882	$9,181,338	$9,012,706
Total assets	$9,958,148	$11,235,584	$13,094,948	$9,038,972	$9,280,997
Total mortgage and notes payable	$4,965,900	$5,260,750	$6,265,570	$4,546,449	$5,231,158
Equity	$4,427,168	$5,071,239	$6,039,849	$3,718,717	$3,416,251
Common shares outstanding	143,985,036	154,404,986	158,201,996	140,733,683	137,507,010

I would now like to turn to various topics where our views differ from others.

Let's start first with our share price and the overall perceptions about the future of the mall sector and Macerich. At today's share price, we believe the disconnect between the market's view and the prospects for our shares to be as great as I can remember. The only period when this disconnect was greater occurred in spring 2009 when the entire business world was askew. To address this current disconnect, we will continue to educate the broader markets and share the insights we have gleaned over 40 years of experience in this industry.

More importantly, we will act appropriately on this disconnect to repurchase our shares at what we see as a bargain price for our stockholders using the proceeds from the sale of non-core assets at a fair price.

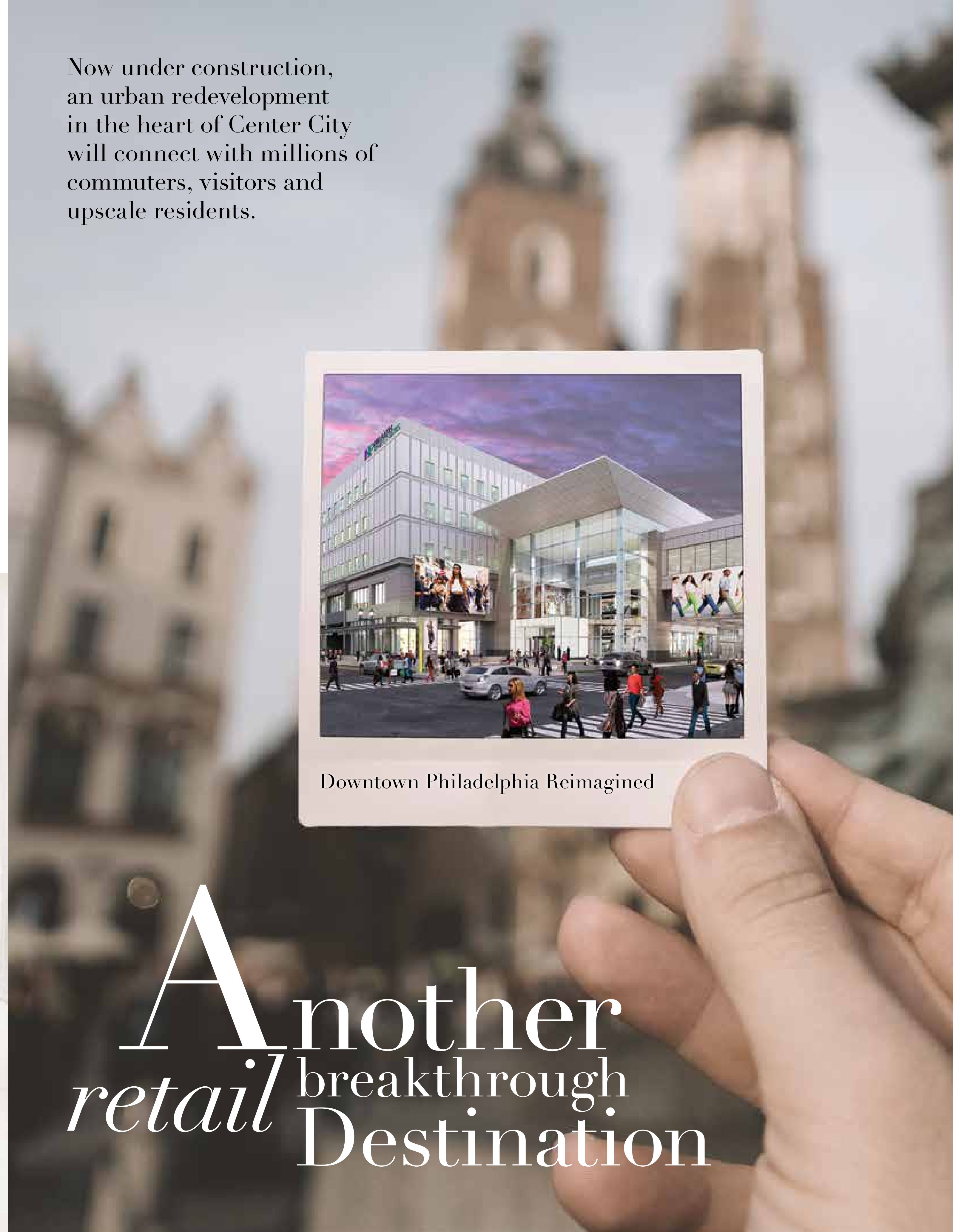
Now I'd like to discuss the state of the regional shopping center industry in the U.S. In 1992, when many mall companies began accessing the public markets, it was generally accepted wisdom that there were roughly 1,200 to 1,500 "malls" in the U.S. At those levels, the U.S. had more regional retail per capita, and therefore more department stores, than any other developed country in the world.

Today, sensationalists grab headlines by predicting the "death of the mall." Our view is that we are not witnessing the "death," but rather the rightsizing of the mall industry to bring our supply to more of the global norm. Some predict this will result in 600 to 750 malls that will survive and thrive, and that these will be the malls "that matter."

We accept this new paradigm and see it as being very healthy for our portfolio. For Macerich, our retail properties are located in dense, urban gateway cities where the retail GLA per capita is already in line with market metrics and there is no need for contraction of supply. Add to that the fact that we focus on high-barrier-to-entry, bi-coastal markets and the laws of supply and demand for our assets remain very much in our favor.

Without question, it is important to discuss the department store industry. The Macy's announcement six months ago that it would close 100 stores unsettled the market. JCPenney's recent announcement that it would close 130 stores further validated the anxieties of the fearful.

Now under construction, an urban redevelopment in the heart of Center City will connect with millions of commuters, visitors and upscale residents.



Downtown Philadelphia Reimagined

Another retail breakthrough Destination

Perception vs. Reality

We embrace the opportunity to reinvent and reimagine our properties where an anchor decides to close.

Once again, we see things differently. I view the pruning of any business through the exiting of less-profitable product lines and the reinvestment of management's time and capital into better growth opportunities as simply good business. In fact, Macerich has become much stronger as the result of pruning 20 centers from our portfolio during the past seven years and reinvesting the sales proceeds into growing our best assets. We applaud Macy's and JCPenney for finally following this path.

Frankly, if one subscribes to the belief that the regional mall inventory in the U.S. will shrink by 50% from 1992 through 2022, it should surprise no one if the department stores that anchor these centers were to likewise significantly reduce and rightsize their fleets. We would expect future rationalization to occur.

While we believe pruning is good for our industry and our department store partners, we also embrace the opportunity to reinvent and reimagine our properties where an anchor decides to close within our portfolio.

In fact, our initial work with Sears is an excellent example of this approach. We gained control of nine of our best Sears locations and have rights to redevelop those boxes. While we have added Primark and downsized Sears by roughly 50% at two of these locations – including the highly-successful Primark openings in 2016 at Danbury Fair Mall and Freehold Raceway Mall – we anticipate the most valuable recycling of the balance will take place when we recapture the full 100% use of these boxes and the remaining seven Sears boxes. We also gained control and are redeveloping the former Sears location at Kings Plaza, which will become the new home for Primark and Zara as well as other anchor retailers.

A smart transformation at Kings Plaza.

making room *for* Retail winners

Another dimension of the evolving retail landscape is reflected in specialty store closures. Given the rightsizing of the overall retail environment, it is not at all surprising to see specialty stores reduce the size of their fleets and, for some, to simply close. There has clearly been a trend in our centers for the amount of space allocated to specialty apparel and footwear retail to diminish and be replaced by other categories and offerings. These new uses include larger-format apparel retailers, more food offerings, more lifestyle retail, more health and beauty, more entertainment, and more retail-tainment uses.

The way we see our role: We are curators of space in our centers and as professional owners we are always engaged in the Darwinian nature of the retail business to benefit our company, our thriving retail partners, and our shoppers.

Recent store closings and bankruptcies of specialty stores have clearly produced headwinds affecting our business. Yet our occupancy levels and leasing spreads remain healthy, indicating demand for our better-quality portfolio. Our experience shows that these bankruptcies cause a short-term disruption, but over time are replaced with financially-stronger tenants, offering more contemporary concepts and higher sales productivity.

Retailers in regional malls are continuing to change and evolve, producing winners and losers. The opportunities within centers also are evolving, as retailers seek to maximize their full-price, off-price and online strategies. We continue to see retailers such as Zara, lululemon, Victoria's Secret, Tesla, Sephora and Apple place increasing importance on "flagship" locations, which build brand identity and enhance the brick-and-mortar retail experience. Many of these concepts did not have any significant presence in our malls as recently as 10 years ago.

taking online Inline

The digital world is a tremendous breeding ground for new retail stores in our well-located centers.

Etailers are also seeking out platforms within regional malls that offer the higher foot-traffic opportunities to acquire new customers and present their brands. Within our portfolio, we see names such as Blue Nile, Warby Parker, Peloton and b8ta aggressively rolling out brick-and-mortar locations as part of a well-conceived omni-channel strategy where the real world is the centerpiece. We anticipate this pool of tenants to grow during the coming years.

Today, and increasingly in the future, we see the digital world of retail as a tremendous breeding ground for new retail stores in our well-located centers. Even Amazon is now opening exciting book stores in our properties.

Just as catalogs were a source of new retailers for us 30 years ago (including Victoria's Secret), the Internet has and will continue to launch great retail concepts that seek out physical space in our centers.

This convergence of retail platforms now brings us to the now age-old debate about clicks versus bricks. While it is true that e-commerce has grown dramatically in recent years compared to off-line retail sales, it's worth noting that much of that digital commerce is being generated by legacy off-line retailers that are evolving into omni-channel; they are increasing their digital commerce to complement their stores. In other words, it's not "clicks versus bricks" – consumers and retailers want a variety of options. Consequently, many retailers are growing their "buy online and pick up in store" and "buy online and ship from store" businesses.

It remains true that consumers still fulfill 90% of their purchases at real retail locations. They strongly prefer the immediate gratification and social experience of in-store shopping versus virtual consumption. It is also clear the retail store remains the preferred location for online returns, offering retailers another selling opportunity when the customer enters the retail store.

Amazon
b8ta
Blue Nile
Chan Luu
Combatant Gentlemen
J.McLaughlin
Ministry Of Supply
Nespresso
Peloton
Sundance
Warby Parker

Essential Locations in *high-barrier-to-entry* Markets

Our new 350,000-square-foot Green Acres Commons maximizes the appeal of our well-placed regional mall for the upscale Long Island suburbs and urban Queens.

Another popular industry headline that has contributed to weakness in our share price undoubtedly has to do with the perception that mall traffic is on a downward cycle. The thinking goes this will lead to declining retail sales per foot, which will negatively impact releasing spreads. This faulty argument then flows into a prediction of slowing or declining Same Store Net Operating Income. First, it is simply not true that traffic in our malls has declined significantly. When a retailer blames their poor performance on "poor mall traffic," it is often poor traffic in their own store that is the culprit. Usually this is driven by the fact that the retailer in question has lost touch with their customer and no longer offers merchandise that drives traffic to their store.

The simple fact is that the sales per foot (which must be related to traffic) in our malls has increased by more than 50% in the past six years from $400 to $630 per foot. We accomplished this by replacing our lower-producing tenants with the best and hottest retail concepts that are available.

This strategic activity produces strong releasing spreads of 15% on average, and we intend to continue to cultivate the best and most connected brands and introduce them to our "must-have" retail properties, ideally located in that all-important last mile of proximity to our shoppers.

An added misconception that has been percolating during the past couple months is that private market valuations for the best malls in America have significantly softened. There is absolutely no empirical or anecdotal evidence that this is true. And this makes perfect sense: More than 80% of the top 250 malls in the U.S. are in the hands of the top mall public companies with the balance owned by well-capitalized private entities. These trophy properties are impossible to replicate, and their locations in generally high-barrier-to-entry markets make them hard to penetrate. Given that these centers are essential locations for retailers, it should come as no surprise that there are not a vast number of transactions to refute the current bear thesis because largely these centers are not for sale.

If you dive further into the top 250 malls in the U.S. (those ranked A++ through A- by Green Street Advisors), you will find that Macerich owns 35 of these dominant centers. These A malls generate approximately 86% of our NOI and represent more than 90% of our estimated enterprise value.

The laws of supply and demand for fortress regional malls have clear impact: No new malls are getting built, owners are unwilling to sell, and global capital in the tens of billions of dollars is eager to co-invest in one of these great centers. There is, and will continue to be, a favorable balance between demand for fortress malls and supply of investment opportunities. This reality has sustained and will sustain, and possibly grow private market valuations, in our opinion.

Perfectly positioned **Green Acres Commons.**

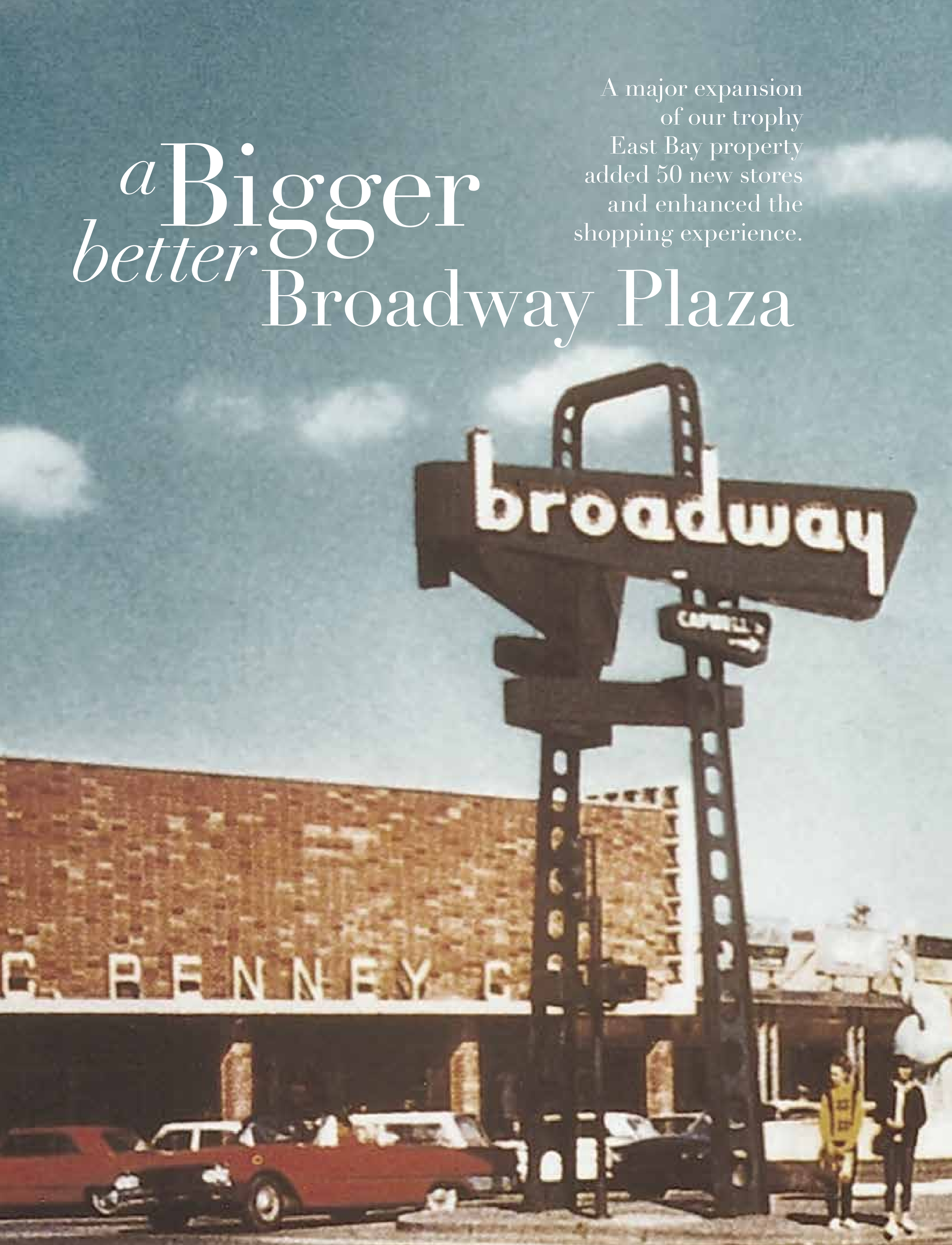
Ultimately, we believe the "death of the mall" is nothing more than a sensational headline. It's certainly true that we and our retailers are currently feeling headwinds. But this will pass and we will see the ongoing introduction of uses that will enhance our "town squares" and continue to create dynamic gathering places for our communities and our shoppers. More than ever, these well-placed and inviting properties provide critical connection points for people and earn their place as economic engines and social hubs of their communities.

At the center of it all Tysons Corner Center.

creating critical Connection points *for* People

a Bigger *better* Broadway Plaza

A major expansion of our trophy East Bay property added 50 new stores and enhanced the shopping experience.



We do see things differently. This past September, we opened the expanded Broadway Plaza in San Francisco's upscale East Bay – a major redevelopment of an already-exceptional center that many owners would have left as-is. Instead, we more than doubled mall shop space at this iconic center, adding 50 new stores, new parking decks and a new slate of shopper amenities.

This fall we also took steps to realize our view of the densely populated, promising market where urban Queens meets upmarket Long Island suburbs. We opened the nearly fully leased, 350,000 square-foot Green Acres Commons, an open-air retail complement to our 1.8 million square-foot Green Acres Mall.

Realizing what can be at Broadway Plaza.

they see we See

Macerich recognizes possibilities and brings proven expertise and insights to creating high-performing retail destinations.

Our singular vision also extends to our pipeline of hand-picked outlet opportunities. Leveraging the strong success of the groundbreaking Fashion Outlets Chicago – built on a patch of industrial land minutes away from O'Hare International Airport – this unusual model of unique, close-in and amenity-rich outlets is driving our company's development in the heart of Philadelphia, and Fashion Outlets San Francisco on the site of the former Candlestick Park.

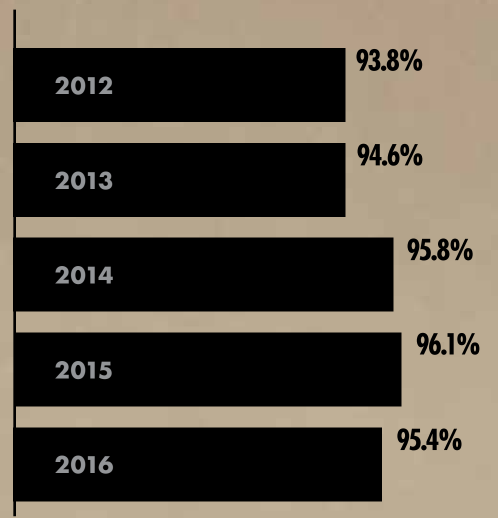
In closing, we certainly feel the pain along with you as stockholders regarding the downdrafts in our share price over the past six months. However, as I have detailed in this letter, our fundamental view of our business and our vision for its future are stronger and more positive than even six months ago.

I would like to thank our Board of Directors for their support and guidance over the past year, as well as our talented and dedicated employees, and I look forward to connecting with all of you over the coming months.

Sincerely,

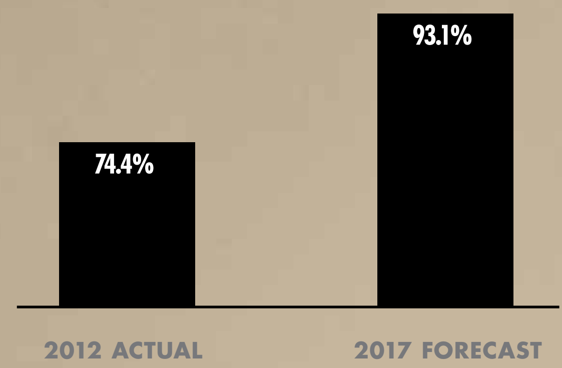
Arthur M. Coppola
Chairman and Chief Executive Officer

OCCUPANCY AT YEAR-END

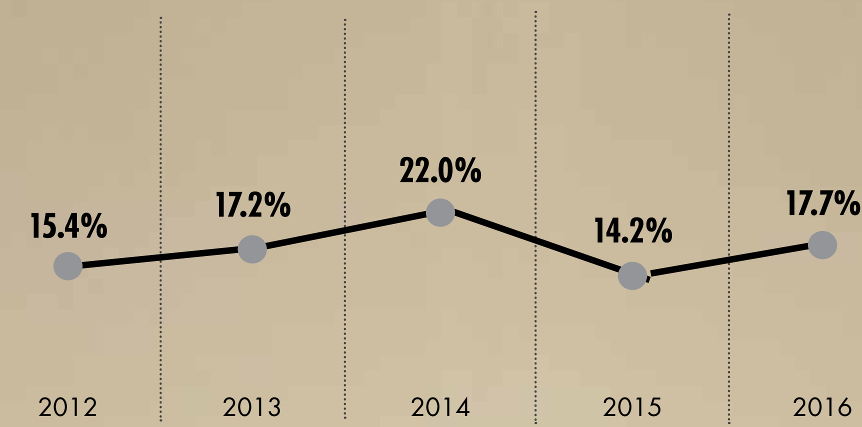


PERCENT OF PORTFOLIO NET OPERATING INCOME

FROM TOP 40 REGIONAL SHOPPING CENTERS

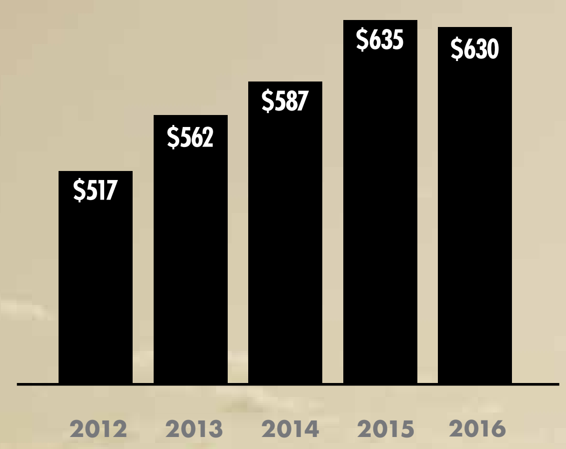


RELEASING SPREADS %



DIVIDENDS

SALES PER SQUARE FOOT



SALES PER SQUARE FOOT BY PROPERTY RANKING

(UNAUDITED)

PROPERTIES	SALES PSF 12/31/16 (a)	TOTAL OCCUPANCY% 12/31/16 (b)	% OF PORTFOLIO FORECAST 2017 PRO RATA NOI (c)
GROUP 1: TOP 10			
Corte Madera, Village at	$1,456	90.1%	
Queens Center	$1,364	98.5%	
Washington Square	$972	99.5%	
Los Cerritos Center	$896	94.9%	
North Bridge, The Shops at	$884	99.3%	
Tysons Corner Center	$876	98.4%	
Biltmore Fashion Park	$829	98.4%	
Santa Monica Place	$808	86.5%	
Fashion Outlets Chicago	$772	97.7%	
Broadway Plaza (d)	n/a	n/a	
TOTAL TOP 10:	**$959**	**96.8%**	**31.8%**
GROUP 2: TOP 11-20			
Arrowhead Towne Center	$751	94.7%	
La Encantada (Tucson)	$747	94.6%	
Scottsdale Fashion Square	$727	96.4%	
Fresno Fashion Fair	$710	95.6%	
Vintage Faire Mall	$704	95.4%	
Kings Plaza Shopping Center	$697	95.2%	
Kierland Commons	$670	97.6%	
Chandler Fashion Center	$657	95.2%	
Danbury Fair Mall	$648	95.9%	
Twenty Ninth Street	$638	98.1%	
TOTAL TOP 11-20:	**$695**	**96.0%**	**25.1%**
GROUP 3: TOP 21-30			
Country Club Plaza	n/a	n/a	
Green Acres Mall	$625	93.5%	
Freehold Raceway Mall	$613	97.8%	
Stonewood Center	$576	94.0%	
Deptford Mall	$558	95.3%	
Flatiron Crossing	$550	95.1%	
Victor Valley, Mall of	$539	97.8%	
SanTan Village Regional Center	$522	97.5%	
Oaks, The	$514	95.6%	
Inland Center	$489	98.1%	
TOTAL TOP 21-30:	**$565**	**95.2%**	**22.6%**
GROUP 4: TOP 31-40			
Lakewood Center	$482	98.3%	
West Acres	$479	98.9%	
La Cumbre Plaza	$469	85.2%	
Valley River Center	$467	99.0%	
Pacific View	$448	94.5%	
South Plains Mall	$425	90.1%	
Superstition Springs Center	$377	92.9%	
Eastland Mall	$367	96.3%	
Fashion Outlets Niagara Falls USA	$339	92.9%	
Desert Sky Mall	$336	97.5%	
TOTAL TOP 31-40:	**$417**	**95.3%**	**13.6%**
TOTAL TOP 40:	**$652**	**95.8%**	**93.1%**
GROUP 5: 41-45			
NorthPark Mall			
SouthPark Mall			
Towne Mall			
Valley Mall			
Wilton Mall			
TOTAL 41-45:	**$293**	**90.7%**	
CENTERS UNDER REDEVELOPMENT			
Downtown Philadelphia (d) (e)			
Paradise Valley Mall (d)			
Westside Pavilion (d)			
48 REGIONAL SHOPPING CENTERS (f)	**$630**	**95.4%**	**98.3%**
COMMUNITY/POWER CENTERS AND VARIOUS RETAIL ASSETS			**1.7%**
TOTAL ALL PROPERTIES			**100%**

a) Sales are based on reports by retailers leasing mall and freestanding stores for the trailing 12 months for tenants which have occupied such stores for a minimum of 12 months. Sales per square foot ("PSF") are based on tenants 10,000 square feet and under.

b) Occupancy is the percentage of mall and freestanding GLA leased as of December 31, 2016. Occupancy excludes Centers under development and redevelopment.

c) The percent of portfolio 2017 Forecast Pro Rata Net Operating Income ("NOI") is based on guidance provided on February 6, 2017. NOI excludes: straight-line rent and above/below market adjustments to minimum rents. It does not reflect REIT expenses and net Management Company expenses.

See our Company's forward-looking statements disclosure under "Important Factors Related to Forward-Looking Statements" in our Form 10-K included herein for factors that may affect the information provided in this column.

d) These assets are under redevelopment including demolition and reconfiguration of the Centers and tenant spaces, accordingly the Sales PSF and Occupancy during the periods of redevelopment are not included.

e) On July 30, 2014, the Company formed a joint venture to redevelop and rebrand The Gallery in Philadelphia, Pennsylvania.

f) Cascade Mall and Northgate Mall were sold on January 18, 2017 and are excluded from the table above.

DIRECTORS

Arthur M. Coppola
Chairman and Chief Executive Officer

Edward C. Coppola
President and Director

John H. Alschuler
Director

Steven R. Hash
Director

Fred S. Hubbell
Director

Diana M. Laing
Director

Mason G. Ross
Director

Steven L. Soboroff
Director

Andrea M. Stephen
Director

John M. Sullivan
Director

EXECUTIVE OFFICERS

Arthur M. Coppola
Chairman and Chief Executive Officer

Edward C. Coppola
President and Director

Thomas J. Leanse
Senior Executive Vice President,
Chief Legal Officer and Secretary

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

Robert D. Perlmutter
Senior Executive Vice President,
and Chief Operating Officer

CORPORATE INFORMATION

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For an electronic version of this annual report, our SEC filings and documents relating to corporate governance, please visit www.macerich.com

CORPORATE HEADQUARTERS

401 Wilshire Boulevard, Suite 700
Santa Monica, California 90401
310.394.6000

DIVIDEND REINVESTMENT PLAN

Stockholders may automatically reinvest their dividends in additional common stock of the Company through the Direct Investment Program, which also provides for purchase by voluntary cash contributions. For additional information, please contact Computershare at 877.373.6374.

STOCK EXCHANGE LISTING

New York Stock Exchange
Symbol: MAC

The common stock of the Company is listed and traded on the New York Stock Exchange under the symbol "MAC." The common stock began trading on March 10, 1994 at a price of $19 per share. In 2016, the Company's shares traded at a high of $94.51 and a low of $66.00.

As of February 21, 2017, there were 540 stockholders of record. The following table shows high and low sales prices per share of common stock during each quarter in 2015 and 2016 and dividends per share of common stock declared and paid by quarter:

	Market Quotation per Share		Dividends Declared/ Paid
	High	Low	
QUARTER ENDED			
March 31, 2015	$95.93	$81.61	$0.65
June 30, 2015	$86.31	$74.51	$0.65
September 30, 2015	$81.52	$71.98	$0.65
December 31, 2015	$86.29	$74.55	$2.68 (a)
March 31, 2016	$82.88	$72.99	$2.68 (b)
June 30, 2016	$85.39	$71.82	$0.68
September 30, 2016	$94.51	$78.76	$0.68
December 31, 2016	$80.54	$66.00	$0.71

(a) Includes a special dividend of $2.00 per common share paid on December 8, 2015.
(b) Includes a special dividend of $2.00 per common share declared on November 2, 2015 and paid January 6, 2016.

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