

A young child with light brown hair, wearing a red long-sleeved shirt and patterned shorts, sits on the shoulders of a man. The man is wearing a green jacket and blue jeans, and is carrying a yellow stuffed rabbit on his back. They are walking through a crowded street with many other people in the background, some of whom are wearing bright colors like orange and red. The scene is brightly lit, suggesting a sunny day.

The Macerich Company Annual Report

### A Retail Evolution

The Macerich Company transforms the shopping experience for customers all across the United States. By working closely with our financial partners, retailers, consumers and local communities, we have advanced the development of the town center through a consistent strategy of focused acquisitions and renovations. In this 1999 annual report, we discuss the application of this strategy and the results we have achieved. We also present a timeline history of the town center and the evolution of two key Macerich properties, highlighting changes in the way our culture gathers to shop, and how Macerich transforms properties to serve this ever-present need.

### The Macerich Company

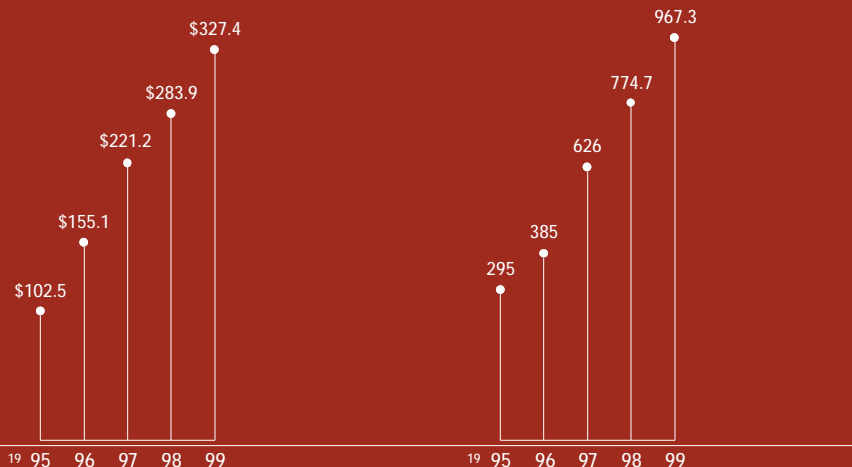
Macerich owns interests in 47 regional malls and five community shopping centers in 20 states across the U.S. With a total of approximately 42 million square feet of leasable area, Macerich is the fourth largest mall owner in the nation and the largest owner of malls in the Western U.S., which includes the economically vibrant Pacific Rim states of California, Oregon and Washington.

As a real estate investment trust (REIT), the Company has concentrated its investments in high quality shopping malls that dominate their market areas, adding value to them through renovation and redevelopment. Macerich is a pioneer in establishing the mall as the "town center." Macerich acquires malls that are located in the commercial core and are central to the life of their communities. Consumers made an estimated 250 million visits to Macerich's malls in 1999.

The Company's malls are among the most desirable in the U.S. for merchants as well as consumers. Average occupancy of 92% in 1999 ranked Macerich among the top mall owners in the nation. New lease signings averaging \$29.76 per square foot in 1999 were the highest in the Company's history.

The Company achieved a record high in Funds From Operation in 1999, the fifth year in a row of double-digit growth. The dividend to stockholders was increased again in 1999, as it has every year since 1994, when Macerich became a public company. The Company's portfolio of properties, which was built through acquisition and redevelopment, has quadrupled since 1994.

Macerich stock is traded on the New York Stock Exchange under the symbol "MAC."



**TOTAL REVENUES**  
(in millions)

The 35% compounded annual growth rate in total revenues reflects the Company's substantial portfolio growth since its 1994 IPO.

**LEASE SIGNINGS**  
(square feet in thousands)

For mall and freestanding space (10,000 square feet and under), leasing activity has gained momentum and was robust in 1999.

Macerich had another strong year in terms of acquisitions, occupancy, new lease signings and growth in total Funds From Operations (FFO). Our internal growth, which helped fuel our 1999 results, will benefit from our recent acquisitions, as we capitalize on the intrinsic value of these assets. For additional financial and other information about Macerich, we have included in this Annual Report for your review our Form 10-K for the year ended December 31, 1999.

	1999	1998	1997	1996	1995
<i>(All amounts in thousands, except per share and property data)</i>					
<b>Operating Data:</b>					
Total revenues	\$ 327,444	\$ 283,861	\$ 221,214	\$ 155,059	\$ 102,469
Shopping center expenses	\$ 100,327	\$ 89,991	\$ 70,901	\$ 50,792	\$ 31,580
REIT general and administrative expenses	\$ 5,488	\$ 4,373	\$ 2,759	\$ 2,378	\$ 2,011
Earnings before interest, income taxes, depreciation, amortization, minority interest, equity in income (loss) of unconsolidated entities, extraordinary items, gain (loss) on sale of assets and preferred dividends (EBITDA)	\$ 221,629	\$ 189,497	\$ 147,554	\$ 101,889	\$ 68,878
Net income	\$ 129,011	\$ 44,075	\$ 22,046	\$ 18,911	\$ 11,303
Net income per share – diluted	\$ 2.99	\$ 1.06	\$ 0.85	\$ 0.89	\$ 0.73
<b>Other Data:</b>					
FFO – diluted (1)	\$ 164,302	\$ 120,518	\$ 83,427	\$ 62,428	\$ 44,938
Cash distributions declared per common share	\$ 1.965	\$ 1.865	\$ 1.78	\$ 1.70	\$ 1.66
FFO per share – diluted (1)	\$ 2.698	\$ 2.426	\$ 2.172	\$ 1.874	\$ 1.669
Portfolio occupancy at year end	92.8%	93.2%	91.8%	91.6%	92.0%
Average tenant sales per square foot – mall & freestanding stores	\$ 336	\$ 319	\$ 317	\$ 290	\$ 284
<b>Balance Sheet Data:</b>					
Investment in real estate (before accumulated depreciation)	\$ 2,174,535	\$ 2,213,125	\$ 1,607,429	\$ 1,273,085	\$ 833,998
Total assets	\$ 2,404,293	\$ 2,322,056	\$ 1,505,002	\$ 1,187,753	\$ 763,398
Total mortgage, notes and debentures payable	\$ 1,561,127	\$ 1,507,118	\$ 1,122,959	\$ 789,239	\$ 485,193
Minority interest (2)	\$ 157,599	\$ 165,524	\$ 100,463	\$ 112,242	\$ 95,740
Stockholders' equity	\$ 620,286	\$ 577,413	\$ 216,295	\$ 237,749	\$ 158,345

(1) "FFO" represents net income (loss) (computed in accordance with generally accepted accounting principles (GAAP)), excluding gains (or losses) from debt restructuring and sales or write-down of assets, plus depreciation and amortization (excluding depreciation on personal property and amortization of loan and financial instrument costs), and after adjustments for unconsolidated entities. Adjustments for unconsolidated entities are calculated on the same basis. FFO 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.

(2) "Minority Interest" reflects the ownership interest in The Macerich Partnership, L.P. not owned by the REIT (Macerich).

**Forward-Looking Statements.** This Annual Report contains or incorporates statements that constitute forward-looking statements. Those statements appear in a number of places in this Annual Report and include statements regarding, among other matters, the Company's growth and acquisition opportunities, the Company's acquisition strategy, regulatory matters pertaining to compliance with governmental regulations and other factors affecting the Company's financial condition or results of operations. Words such as "expects," "anticipates," "intends," "projects," "predicts," "plans," "believes," "seeks," "estimates," and "should" and variations of these words and similar expressions are used in many cases to identify these forward-looking statements. Stockholders are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors that may cause actual results, performance or achievements of the Company or industry to vary materially from the Company's future results, performance or achievements, or those of the industry, expressed or implied in such forward-looking statements. Such factors include, among others, general industry, economic and business conditions, which will, among other things, affect demand for retail space or retail goods, availability and creditworthiness of current and prospective tenants, lease rents, availability and cost of financing and operating expenses; adverse changes in the real estate markets including, among other things, competition with other companies, retail formats and technology, risks of real estate development and acquisitions; governmental actions and initiatives; and environmental and safety requirements. The Company will not update any forward-looking information to reflect actual results or changes in the factors affecting the forward-looking information.



**FFO PER SHARE DILUTED**

There has been consistent FFO per share growth with an annual compounded growth rate of 12.7%.

**1999 was a superb year for Macerich.**

In these days when investors place such a high capitalization on many companies that have no earnings and few tangible assets, Macerich represents a very different kind of value, the sort that is built on the ownership of dominant, high-quality properties and a consistent record of year-after-year growth in Funds From Operations (FFO) and dividends.

**Double-Digit Earnings Growth, Again**

Last year, our FFO, the most relevant measure of earnings for a Real Estate Investment Trust (REIT), increased by 36.3% to \$164.3 million. FFO per share on a comparable basis increased by 12.2% to \$2.70. Macerich has averaged double-digit growth in FFO per share every year since we became a public corporation in 1994.

Our stockholders and partners have benefited directly from this earnings growth. The Board of Directors increased the quarterly cash dividend on November 10, 1999 from \$.485 per share to \$.51, a 5.2% increase. Macerich paid \$1.965 per share in dividends in 1999, versus \$1.865 per share in 1998. As with our FFO, we have increased our dividends every year since we became a public company.

Dividends have grown at a compounded annual rate of 4.3% during this period, our FFO per share at about a 12% compounded annual rate.

At the same time, the quality of our dividend has consistently improved. In 1996 we paid out 91% of our FFO in dividends. The following year it was 82%. In 1998 it was 77% and in 1999 we distributed 73% of our FFO as dividends. Macerich as a REIT is obligated by tax law to pay a certain minimum percentage of its income as dividends. Because FFO growth has been more than double the rate of dividend growth, we expect to reach a point in a few years when the rate of growth of our dividend will accelerate.

**Investment in Future Growth**

In addition to paying dividends we have been investing our retained capital in attractive core assets, high quality malls that dominate their regional market areas. Macerich is different from many real estate investors. We prefer to buy existing properties that are located in the vibrant economic centers of their communities, have well-established cash flows, and are among the most prestigious and dominant market centers. These properties serve their communities as town centers for social and retail activity. We generally earn an attractive rate of return on our

*The retail center through the ages*

Retail marketplaces have long been community centers for business and social exchange. Macerich has played an integral part in the transformation of these gathering places into the modern retail centers of today. This timeline charts high points in the history of the community marketplace.

15  
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**MIDDLE AGES**

Bazaars flourish in Persia, Egypt and Asia. Visitors flock together for business as well as entertainment.

17  
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**LATE 1700'S**

The European arcade begins to gain popularity, particularly in Paris where the Galeries de Bois of the Palais Royal is built in 1786.

capital while we make these properties even more valuable by upgrading and redeveloping them as needed to further improve their cash flow and long-term value.

We invested in many major redevelopments as a private company prior to 1994 and are well recognized for our innovative, experienced and profitable approach to the redevelopment and re-merchandising of regional malls. We completed a \$90 million redevelopment in March of this year, Pacific View Mall in Ventura, California. We added a Robinsons-May, a Sears and a new 124,500 square-foot store for J.C. Penney. Macy's, an existing tenant, has started a \$20 million renovation of its Pacific View store as a part of the redevelopment.

In November we announced the acquisition of Santa Monica Place for \$131 million. This urban property in the heart of the Santa Monica, California retail district is anchored by Macy's and Robinsons-May and includes such major retailers as Ann Taylor, Williams Sonoma, Gap and Warner Bros. Studio Store. Combined with our Westside Pavilion in West Los Angeles and our Villa Marina Marketplace in Marina Del Rey, we now have a group of town center malls that dominates one of the most lively

retail markets in the nation, an area that serves more than one million people with an average household income of \$84,000. This cluster gives us enormous synergies in marketing, leasing and operations as well as exceptional income growth opportunities.

**Ontario Teachers' Pension Plan Board Joint Venture** Our relationship with the Ontario Teachers' Pension Plan Board, one of Canada's largest pension funds, with more than CDN \$60 billion in assets, began in June 1998 when they invested in \$150 million of our convertible preferred stock. In 1999 we expanded our relationship with Ontario Teachers' and formed a joint venture. Perhaps our most significant transactions in 1999 were those done in conjunction with the Ontario Teachers' Pension Plan Board. In February and July of 1999, this joint venture, 51%-owned by Macerich and known as Pacific Premier Retail Trust (PPRT), closed on a \$538 million acquisition of properties from the Safeco Corporation. This purchase brought three dominant regional malls and one award-winning mixed-use project in the Pacific Northwest under our ownership and management.

The acquisition of the Safeco portfolio was accomplished in a tight

capital market for the real estate industry. The deal was consummated in part because of Macerich's successful history of managing quality mall properties and because of the financial strength and reputation of our partner. With this acquisition, Macerich now controls dominant town center malls in most of the major cities along the U.S. Pacific Rim. Our strong presence in affluent, economically vibrant communities in the San Francisco Bay Area, Los Angeles, Seattle and Portland gives us not only market dominance and valuable assets but also a substantial earnings growth potential for years to come.

We acquired Los Cerritos Center in June 1999 for \$188 million. This acquisition strengthened our operating efficiencies in the Los Angeles region, achieving a market dominance in the tri-cities area of Lakewood, Cerritos and Downey. We have created an incredibly valuable franchise that serves 1.8 million people within a five-mile trade area. Furthering the PPRT joint venture, in October The Macerich Partnership, L.P., contributed three properties—Lakewood Mall, Stonewood Mall and Los Cerritos Center, all in Southern California—valued at \$535 million to PPRT. The net proceeds to Macerich of \$104 million

18  
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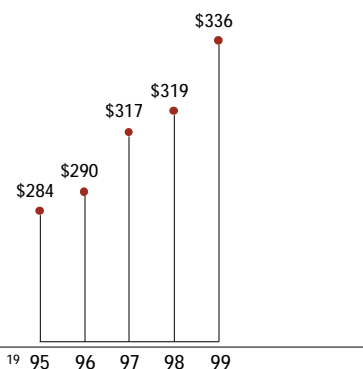
1865

Milan builds the renowned Galleria Vittorio Emanuele II to celebrate the unification of Italy as well as to give the city a new trading center.

19  
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1900

By the turn of the century, many urban shopping areas draw increasing numbers of women, allowing them greater social awareness and business opportunities.



**AVERAGE TENANT SALES PER SQUARE FOOT**

*The sales productivity of our portfolio continues to improve, advancing well above the \$300-per-square-foot benchmark.*



**DIVIDEND PAID PER SHARE**

*The Company has increased its dividend each year since becoming a public company.*

from this transaction were used for debt reduction, the acquisition of Santa Monica Place and for general corporate purposes.

Our joint venture with Ontario Teachers' now has assets valued in excess of \$1.1 billion.

Through these transactions we created substantial operating strength, while at the same time we generated liquidity, which bolstered our balance sheet.

**Favorable Operating Performance**

We currently own and manage approximately 42 million square feet of gross leasable retail space. We are the largest owner of regional malls in the Western United States and the fourth largest nationally. For the past 27 years our portfolio of malls has been one of the most productive in the country. Historically, we have achieved one of the highest occupancy levels of all the regional mall companies. In 1999, our occupancy rate was over 92%. Tenant sales were \$336 per square foot, which compares with \$319 per square foot for 1998, and, to show a longer trend, \$262 in 1994.

Approximately 10% of our leases come up for renewal each year. Our new lease signings have been at rates considerably higher than expiring

rates, \$29.76 in 1999, about a 13% positive spread over expiring rents on a comparable space basis. New rents achieved in 1999 are about 16% higher than the average base rent of \$25.60 per square foot.

We continue to focus on improving the productivity of our centers, in terms of total tenant sales, tenant sales per square foot, lease rates and occupancy. We continue to finance our acquisitions at favorable interest rates, completing most of our refinancings in 1999 for maturities generally between seven to ten years at fixed rates less than 7.5%. Although interest rates are now rising, a very small part of our debt matures in 2000.

The strength and high credit rating of our tenants, the excellent location of our properties and the economic vitality of their market areas, and the long-term nature of our leases make us especially resilient to volatility in short-term economic cycles.

In November we announced the sale of our Huntington Center in Huntington Beach, California. We purchased this property as part of a larger package of properties in December 1996. In 1999 we faced the choice of investing significant redevelopment funds in this non-core asset or selling the property. We decided to sell it, realizing \$48 million in sale proceeds. We were

1920

1922

Country Club Plaza is built in Kansas City, Missouri. For the first time, one landlord controls an entire shopping district.

1960

1965

The Macerich Company is founded and grows to become one of the nation's largest owner/operators of regional malls.

able to redeploy part of that capital and redeem 1.3 million operating partnership units in a transaction accretive to year 2000 earnings.

#### Focus on Internal Development

Although we acquired nearly \$600 million of property in 1999, the second highest amount in our history, this pace was still below our record of nearly \$1 billion of acquisitions in 1998. We have doubled the size of our portfolio in the last two years and more than quadrupled its size since going public in March 1994. These have been carefully conceived acquisitions. Many of the properties that we acquired have been on our target list for more than a decade.

We expect this pace of property acquisitions to slow considerably in 2000 as we now concentrate on exceptional opportunities for internal development. We have a number of projects underway, including a multi-million-dollar renovation at the Westside Pavilion and the \$30 million expansion of Lakewood Mall, which includes the addition of the first new Macy's store built in Southern California.

We are also in the process of developing plans for a potential \$200 million redevelopment of Queens

Center in Queens, New York. The Queens Center is anchored by Macy's and J.C. Penney and serves a market population of more than two million people living within a five-mile radius. We believe that one-half of our present portfolio of properties represents opportunities for redevelopment and renovation, and that redevelopment of these properties will help fuel our internal growth over the next four to five years.

We constantly seek ways to improve the tenant mix of each property and enhance the consumers' shopping experience. Through redevelopment and renovation we are able to attract successful merchants who, in turn, increase traffic and sales at the malls, making the centers increasingly dominant and central to community life in their market areas. Correspondingly, we achieve higher occupancy rates, higher lease rates, and higher revenues.

#### Purchase of Common Stock Equivalents

During the year we redeemed \$26 million of operating partnership units from unit holders. We chose to acquire these 1.3 million units for cash in lieu of exchanging them for common stock. These transactions had the accretive effect of reducing our total outstanding shares and equivalents by approximately 2%.

**Macerich Value** At Macerich we are creating value the old-fashioned way—by producing larger per share FFO each year. Although this kind of value has been under-appreciated too often, we feel that is going to change. We have great confidence in the fundamentals of our business and the value of our Company. We look forward to the opportunity to continue to report favorable results to you.

Very truly yours,



Mace Siegel  
Chairman of the Board




Arthur M. Coppola  
President, Chief Executive Officer  
and Director



March 24, 2000

19  
70

1976

While suburban shopping malls flourish, the development of major downtown retail/entertainment centers in Boston and Chicago proves that the retail center concept is viable in urban areas as well.

19  
90

1994

Macerich becomes a Real Estate Investment Trust (REIT). The Company continues to build a reputation as a savvy and successful market leader that transforms retail centers with intrinsic value into properties of greater worth.

Macerich understands the value of partnerships. The Company was formed as a public REIT in 1994 by the contribution of real estate owned by individual partnerships. Our roots actually go back to 1965 when Macerich was a privately held group of partnerships.

No company can thrive and grow without strong relationships, and we are not an exception. Foremost among our partnership relations is that with the Ontario Teachers' Pension Plan Board, which includes the joint venture holding more than \$1 billion of property and the ownership by Ontario Teachers' of \$150 million of Macerich convertible preferred stock. Ontario Teachers' is one of the largest pension funds in Canada and a major investor in real estate.

We also have a long history of partnering with well established U.S. financial institutions such as Northwestern Mutual Life. Northwestern serves not only as a partner, but also as a unit holder and a lender.

# Macerich & Partners

We are able to attract joint venture partners like Ontario Teachers' in part because of our low risk business model and successful operating history, but also because we have been a good partner to companies and partnerships for many years. Ontario Teachers' participation as a powerful partner enabled us to close in 1999 on the Safeco Company portfolio, some of the most valuable regional shopping centers in the U.S. The selection by one of the largest pension funds in Canada of Macerich as its partner for investing in U.S. retail real estate is a strong affirmation of the Company's achievements and potential.

Our ability to make favorable acquisitions of properties has been enhanced by our good relationships with institutions such as Safeco, whom we have known for many years, but also by our excellent relationships with our competitors. For example, we were able to acquire Santa Monica Place in part because of our long-standing relationship with the former owner, The Rouse Company, which owned no other malls in California. Our strong group of malls in Southern California made consolidation of ownership into our portfolio a good economic decision for both companies.

In 1998, in a move made possible by our mutual respect for one another's operational expertise, we joined with The Simon Property Group, the nation's largest owner of malls, to acquire a portfolio of properties owned by IBM.

*Building a strong portfolio of community-based properties*

**Lakewood Center:** *Since its birth from former bean fields, Lakewood Center has served as the primary retail source for the Lakewood community, in addition to remaining Macerich's largest and longest held asset.*

19  
49

1949

With a purchase of 3,500 acres from the Montana Land Company, Louis Boyar, Mark Taper and Ben Weingart create the Lakewood Park Corporation and their dream of a "new downtown" for the planned community of Lakewood.

19  
52

FEBRUARY 18, 1952

Grand Opening crowds flock to May Company's newly opened doors. Other stores soon follow, including Sav-On Drugs, Leeds Shoes, See's Candies and F.W. Woolworth Center.

*Key relationships with institutional mall owners, REITs and other property owners have enabled Macerich to add strategic properties to our portfolio and increase our aggregate property portfolio fourfold since our IPO.*



1975

1975

Lakewood Center is acquired by Macerich. During the same year, Montgomery Ward joins the list of major department stores serving the Lakewood community.

1977

MAY, 1977

Macerich begins a \$10 million remodeling project, adding 64,000 square feet, enclosing the 1,400-foot-long mall from Penney's to Montgomery Ward, and adding 62 new stores.

*The Macerich Company's dominant property management position enables us to attract top retailers and negotiate favorable leases. In addition to traditional brick and mortar based retailers, catalogue and internet based retailers are gravitating to our centers.*



1978

• JUNE 22, 1978

Once the renovations are finished, Lakewood Center celebrates with a Grand Re-opening. Sales comparisons for the year following completion of the enclosure show a dramatic 46% increase.

1982

• SEPTEMBER, 1982

Mervyn's and 41 new stores (51,500 square feet of shops) are added, bringing the total number of shops, restaurants and services to 236. Lakewood Center is now considered one of the top three regional centers in Southern California.

Nowhere is the power of relationships more important than with key national and local retailers, for it is their stores that are at the heart of the Macerich town centers.

Our \$90 million Pacific View redevelopment is a good example of this power. We acquired the former Buenaventura Plaza, in Ventura, California, as part of a portfolio of properties. The mall's anchor tenants were Macy's and J.C. Penney, but just three miles down the road was another mall anchored by Robinsons-May and Sears. The two malls competed with one another, yet each was only one-half of its potential size and many merchants did not want to be in both malls.

We worked very diligently with Sears and May Company to recruit them for our mall, which was renamed Pacific View. We tore the one-level mall down in sections, rebuilt it as a much enlarged two-level mall and gave each of the anchor tenants more appropriate space than they had previously.

# Macerich & Retailers

Pacific View is now the town center for Ventura and is expected to account for approximately 2,000 jobs in the community and \$250 million in annual sales. The community is expected to be enriched by an additional \$1.5 million of annual sales tax revenues, as well as substantially larger property tax revenues.

An important part of our success with this redevelopment was our ability to convince Sears and Robinsons-May to relocate to Pacific View. The owners of the competitive mall did not own any other malls. By contrast, Macerich leases to 30 Sears stores and 15 May Company stores in our malls across the country. These retailers know that Macerich is both a stable company and an effective property manager. Our long, profitable relationships with these retailers contributed materially to the success of the redevelopment plan.

Similar enduring relationships with retailers ranging from Nordstroms and Sak's Fifth Avenue to Gap and The Limited help make our malls the town centers that we intend them to be. In recent years high quality single-channel retailers have recognized that they must have personal contact with consumers. Such desirable catalog marketers as Williams Sonoma, Eddie Bauer, Pottery Barn and J. Crew have sought out our town center malls so that their retail stores will be located in the economic core of their targeted communities.

1996

1996

Macerich completes a \$4.5 million interior renovation. In November, Lakewood Center is again voted No. 1 Area Mall by the Long Beach Press-Telegram.

2000

2000

At Lakewood Center, the first new Macy's store built in Southern California is under construction, along with an additional 60,000 square feet of new shops and a relocated new Mervyn's department store.

Good relationships with consumers are fundamental to our success. Consumers enjoy visiting Macerich malls, and not just for the quality merchants and community activities. They like them because they are clean, well lit, beautifully landscaped and safe. Toward that goal, Macerich recently initiated the "Fresh Eyes" program. Each of our properties is regularly inspected by visiting management from another Macerich mall, who inspects their "host" mall top to bottom and then provides detailed recommendations for improvements in appearance, operations, safety and programming.

# Macerich & Consumers

Our employees go to extraordinary lengths to create these inviting environments. Our detailed and deliberate attention to the consumer's comfort, safety and shopping experience is one way that we forge strong relationships with the people who visit our malls. Another is our investment in technology. In 2000, we are building Internet sites for each of our 47 malls to expand our town centers from their physical locations into the homes of their trade areas. Shoppers will be able to purchase gift certificates, find out what jobs are available and get information about sales and available merchandise at stores in our malls, in effect "visiting" the malls without leaving their home or office.

Our mall Internet sites will also provide all kinds of community information, from the previous night's school soccer scores to the telephone number of the closest Department of Motor Vehicles office. The unique Macerich mall websites will use Internet technology to link consumers more closely with the town centers, making these centers always available and accessible to their communities.

*Adding value through renovation and redevelopment*

**Pacific View:** *Over the past 35 years, Pacific View (formerly known as Buenaventura Plaza) has consistently remained Ventura County's primary retail center, growing in size and sophistication along with the surrounding community. The mall is also Macerich's most recent redevelopment project.*

19  
62

1962–1964

Gordon MacDonald & Associates begins development of Buenaventura Plaza. On November 4, 1964, the Buenaventura Plaza Grand Opening attracts large crowds and high-volume retail business.

19  
83

1983–1984

The Plaza is expanded by The MacDonald Group and enclosed with a teflon roof, preserving natural light.

An ever-increasing range of stores and services make our centers a destination for consumers. Soon, new mall websites will bring each of our 47 Macerich malls directly to our customers.



19  
87

• 1987

Seizing the opportunity to serve the Ventura County market, a major pension fund buys the Buenaventura Plaza. Macerich manages the mall and has a minority interest in the project.

19  
89

• 1989–1991

A second expansion phase begins. New, more attractive entrances and other improvements are added.

*Our malls offer surrounding communities a place for education, children's and adult programs, and fund-raising events. Last year alone, our 52 properties helped to collect over \$8 million to benefit charitable organizations.*



19  
96

• **DECEMBER, 1996**

Macerich acquires the institutional owners' interest in the Buenaventura Plaza. The acquisition strategy includes creating value through renovation and redevelopment for this vital location.

We acquire properties that can serve as the centers of their communities. Being a town center is a matter both of location and operational focus. Long before we acquire a property, we meet with the mayor or city manager, government agencies and civic leaders of the community to identify ways in which we can improve the operation of the property and thereby address the needs of the community. Good governmental relationships are a cornerstone of our corporate mission.

A key part of this community focus is realized through the decentralization of our management. Our mall managers, marketing officers and leasing executives live and work in their malls' geographic areas and become valuable contributors to their communities. They serve on town councils, chambers of commerce and advisory boards; they spearhead charitable events. We challenge them to make sure that their town centers serve the needs of their people.

# Macerich & the Community

Our malls become the town centers of their communities. Last Halloween, many of our centers held events for special needs children, providing a safe, private trick-or-treat party for kids who could not otherwise join the fun in their neighborhoods. Race for the Cure, a fundraiser for breast cancer research, raised over \$300,000 at Northwest Arkansas Mall, exceeding their registration goal by nearly 100 percent. Most of our malls have community rooms that are used every day by organizations ranging from senior citizens to children's clubs.

In 1999, we initiated a community outreach program called "Project Smile," which consisted of conducting a survey with community leaders of the social service needs within all the Macerich mall communities. We then challenged our on-site teams to develop programs at each of the malls to raise funds, services and awareness to meet the needs of their communities. One mall, for example, created a "wardrobe for success" program, collecting more than 2,000 business suits for an organization that helps men and women return to the work place. "Project Smile" will be a continuing program for Macerich for yearstocome. In 1999, our 52 properties were responsible for collecting more than \$8 million to benefit charitable organizations in their communities.

1998

OCTOBER, 1998

Groundbreaking begins to transform the two anchor, one-level mall into a two-level super regional fashion center. Plans include a new name, an upscale look and a greatly expanded tenant mix anchored by the region's four dominant department stores.

2000

MARCH, 2000

The newly renovated center officially opens as "Pacific View".



Since 1997, Macerich has expanded its national presence by acquiring 23 properties located in 14 states.

**Antioch, California**  
*County East Mall*

**Billings, Montana**  
*Rimrock Mall*

**Boulder, Colorado**  
*Crossroads Boulder*

**Boulder, Colorado**  
*Boulder Plaza*

**Burlington, Washington**  
*Cascade Mall*

**Capitola, California**  
*Capitola Mall*

**Carmel, California**  
*Carmel Plaza*

**Cedar Rapids, Iowa**  
*Lindale Mall*

**Cerritos, California**  
*Los Cerritos Center*

**Clarksville, Indiana**  
*Green Tree Mall*

**Colorado Springs, Colorado**  
*The Citadel*

**Corte Madera, California**  
*The Village at Corte Madera*

**Dallas, Texas**  
*Valley View Center*

**Davenport, Iowa**  
*NorthPark Mall*

**Des Moines, Iowa**  
*Southridge Mall*

**Downey, California**  
*Stonewood Center*

**Evansville, Indiana**  
*Eastland Mall*

**Fargo, North Dakota**  
*West Acres Mall*

**Fayetteville, Arkansas**  
*Northwest Arkansas Mall*

**Fresno, California**  
*Fresno Fashion Fair*

**Grand Junction, Colorado**  
*Mesa Mall*

**Great Falls, Montana**  
*Holiday Village Mall*

**Great Falls, Montana**  
*Great Falls Marketplace*



**Greeley, Colorado**  
*Greeley Mall*

**Harrisonburg, Virginia**  
*Valley Mall*

**Lakewood, California**  
*Lakewood Center*

**Leesburg, Florida**  
*Lake Square Mall*

**Los Angeles, California**  
*Westside Pavilion*

**Lubbock, Texas**  
*South Plains Mall*

**Manhattan Beach, California**  
*Manhattan Village*

**Marina del Rey, California**  
*Villa Marina Marketplace*

**Media, Pennsylvania**  
*Granite Run Mall*

**Modesto, California**  
*Vintage Faire Mall*

**Moline, Illinois**  
*South Park Mall*

**Oklahoma City, Oklahoma**  
*Crossroads Mall*

**Panorama City, California**  
*Panorama Mall*

**Portland, Oregon**  
*Washington Square Mall*

**Queens, New York**  
*Queens Center*

**Rapid City, South Dakota**  
*Rushmore Mall*

**Redmond, Washington**  
*Redmond Town Center*

**Reno, Nevada**  
*Park Lane Mall*

**Richmond, Virginia**  
*Chesterfield Towne Center*

**Salisbury, Maryland**  
*The Centre at Salisbury*

**San Rafael, California**  
*The Mall at Northgate*

**Sandy, Utah**  
*South Towne Center*

**Santa Ana, California**  
*Bristol Center*

**Santa Monica, California**  
*Santa Monica Place*

**Silverdale, Washington**  
*Kitsap Mall*

**Sioux City, Iowa**  
*Southern Hills Mall*

**Sioux Falls, South Dakota**  
*Empire Mall*

**Ventura, California**  
*Pacific View*

**Walnut Creek, California**  
*Broadway Plaza*

## Directors and Executive Officers

*Mace Siegel*

Chairman of the Board

*Arthur M. Coppola*

President, Chief Executive Officer  
and Director

*Dana Anderson*

Vice Chairman of the Board

*Edward C. Coppola*

Executive Vice President  
and Director

*James S. Cownie*

Director  
Private Investor

*Theodore S. Hochstim*

Director  
Real Estate Consultant

*Fred S. Hubbell*

Director  
Chairman of the Executive  
Committees of the Americas  
and Asia/Pacific  
ING Group

*Stanley A. Moore*

Director  
Chief Executive Officer  
Overton, Moore & Associates, Inc.

*Dr. William P. Sexton*

Director  
Vice President  
University Relations  
University of Notre Dame

*Richard A. Bayer*

Executive Vice President  
General Counsel and Secretary

*David J. Contis*

Executive Vice President and  
Chief Operating Officer

*Thomas E. O'Hern*

Executive Vice President  
Chief Financial Officer and  
Treasurer

*Larry E. Sidwell*

Executive Vice President,  
Development

## Senior Officers

*Scott Burchard*

Business Initiatives

*Michael J. Busenhart*

Acquisitions

*Lori A. Gatto*

Asset Management

*John M. Genovese*

Development

*James H. Kinney*

Legal

*Gene M. Kruger*

Human Resources

*Thomas J. Pendergrast*

Acquisitions

*Dane F. Smith*

Leasing

*Stephen L. Spector*

Legal

*Thomas C. Unis*

Lease Management

*Susan M. Valentine*

Marketing

*Charles P. Waldron*

Management

*Christopher J. Zecchini*

Accounting

## Principal Outside Counsel

O'Melveny & Myers, LLP  
Los Angeles, California

## Independent Auditor

PricewaterhouseCoopers LLP  
Los Angeles, California

## Annual Meeting

May 16, 2000  
The Fairmont Miramar Hotel  
101 Wilshire Boulevard  
Santa Monica, California 90401

## Corporate Headquarters

401 Wilshire Boulevard  
Suite 700  
Santa Monica, California 90401  
(310) 394-6000

## 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 (NYSE) under the symbol "MAC". The common stock began trading on March 10, 1994 at a price of \$19 per share. In 1999 the Company's shares traded at a high of \$27<sup>1</sup>/<sub>16</sub> and a low of \$17<sup>13</sup>/<sub>16</sub>.

As of February 29, 2000 there were approximately 457 stockholders of record. The following table shows high and low closing prices per share of common stock for each quarter in 1997, 1998 and 1999, and dividends/distributions per share of common stock declared and paid by quarter.

Quarters Ended	Market Quotation Per Share		Dividends/ Distributions Declared and Paid
	High	Low	
March 31, 1997	\$29 <sup>5</sup> / <sub>8</sub>	\$25 <sup>3</sup> / <sub>8</sub>	\$0.44
June 30, 1997	28 <sup>7</sup> / <sub>8</sub>	24 <sup>7</sup> / <sub>8</sub>	0.44
September 30, 1997	29 <sup>1</sup> / <sub>16</sub>	27 <sup>1</sup> / <sub>8</sub>	0.44
December 31, 1997	29 <sup>9</sup> / <sub>16</sub>	24 <sup>3</sup> / <sub>4</sub>	0.46
March 31, 1998	\$30 <sup>3</sup> / <sub>8</sub>	\$27	\$0.46
June 30, 1998	29 <sup>3</sup> / <sub>4</sub>	26 <sup>1</sup> / <sub>16</sub>	0.46
September 30, 1998	29 <sup>3</sup> / <sub>8</sub>	22 <sup>1</sup> / <sub>4</sub>	0.46
December 31, 1998	28 <sup>7</sup> / <sub>16</sub>	24	0.485
March 31, 1999	\$26 <sup>11</sup> / <sub>16</sub>	\$22 <sup>7</sup> / <sub>16</sub>	\$0.485
June 30, 1999	27 <sup>1</sup> / <sub>16</sub>	22 <sup>1</sup> / <sub>8</sub>	0.485
September 30, 1999	26 <sup>10</sup> / <sub>16</sub>	21 <sup>8</sup> / <sub>16</sub>	0.485
December 31, 1999	22 <sup>10</sup> / <sub>16</sub>	17 <sup>13</sup> / <sub>16</sub>	0.51

## Transfer Agent

First Chicago Trust Company  
of New York  
525 Washington Boulevard  
Jersey City, New Jersey 07303

## 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 First Chicago Trust Company of New York at 800-567-0169.

## Macerich Website

For an electronic version of this annual report, please visit [www.macerich.com](http://www.macerich.com)



[www.macerich.com](http://www.macerich.com)



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