SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR QUARTER ENDED JUNE 30, 1998 COMMISSION FILE NO. 1-12504

THE MACERICH COMPANY

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MARYLAND	95-4448705
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

401 WILSHIRE BOULEVARD, SUITE 700, SANTA MONICA, CA 90401

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICE)(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (310) 394-6911

N/A

(FORMER NAME, FORMER ADDRESS AND FORMER FISCAL YEAR,
IF CHANGED SINCE LAST REPORT)

NUMBER OF SHARES OUTSTANDING OF EACH OF THE REGISTRANT'S CLASSES OF COMMON STOCK, AS OF AUGUST 14, 1998.

COMMON STOCK, PAR VALUE $.01 PER SHARE: 32,468,963 SHARES

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING TWELVE (12) MONTHS (OR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORT) AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST NINETY (90) DAYS.

YES X NO

FORM 10-Q

INDEX

THE MACERICH COMPANY (THE COMPANY)

CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

	JUNE 30, 1998	DECEMBER 31, 1997
ASSETS:		
Property, net	$1,522,107	$1,407,179
Cash and cash equivalents	96,366	25,154
Tenant receivables, net, including accrued overage rents of $1,983 in 1998 and $4,330 in 1997	23,967	23,696
Due from affiliates	--	3,105
Deferred charges and other assets, net	35,039	37,899
Investment in joint ventures and the Management Companies	279,903	7,969
Total assets	$1,957,382	$1,505,002
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Mortgage notes payable:		
Related parties	$ 134,968	$ 135,313
Others	799,423	771,246
Total	934,391	906,559
Bank notes payable	93,000	55,000
Convertible debentures	161,400	161,400
Accounts payable	2,215	5,185
Accrued interest expense	5,156	4,878
Accrued real estate taxes and ground rent expense	6,657	7,272
Due to affiliates	1,329	15,109
Deferred acquisition liability	5,000	5,000
Preferred stock dividend payable	2,057	--
Other accrued liabilities	28,238	27,841
Total liabilities	1,239,443	1,188,244
Minority interest in Operating Partnership	161,680	100,463
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Series A cumulative convertible redeemable preferred stock, $.01 par value, 3,627,100 and 0 shares issued and outstanding at June 30, 1998 and December 31, 1997, respectively	100,000	--
Series B cumulative convertible redeemable preferred stock, $.01 par value, 5,487,471 and 0 shares issued and outstanding at June 30, 1998 and December 31, 1997, respectively	150,000	--
Common stock, $.01 par value, 100,000,000 shares authorized, 32,461,300 and 26,004,800 shares issued and outstanding at June 30, 1998 and December 31, 1997, respectively	325	260
Additional paid in capital	311,140	219,121
Accumulated earnings	--	--
Unamortized restricted stock	(5,206)	(3,086)
Total stockholders' equity	556,259	216,295
Total liabilities and stockholders' equity	$1,957,382	$1,505,002

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

THE MACERICH COMPANY (THE COMPANY)

CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	JANUARY 1 to JUNE 30, 1998	JANUARY 1 to JUNE 30, 1997
REVENUES:		
Minimum rents	$79,629	$65,554
Percentage rents	4,250	4,157
Tenant recoveries	36,822	30,913
Other	1,881	2,029
Total Revenues	122,582	102,653
OPERATING COSTS:		
Shopping center expenses	38,001	31,934
General and administrative expense	2,177	1,189
Interest expense:		
Related parties	5,083	5,110
Others	36,129	26,053
Depreciation and amortization	23,607	19,681
Total Expenses	104,997	83,967
Equity in income of unconsolidated joint ventures and the management companies	5,582	1,073
Gain on sale of assets	9	--
Income before extraordinary item and minority interest	23,176	19,759
Less extraordinary loss on early extinguishment of debt	90	512
Less minority interest in net income of the Operating Partnership	6,190	6,323
Net income	16,896	12,924
Less preferred dividends	2,706	--
Net income -- available to common stockholders	$14,190	$12,924
Earnings per common share -- basic:		
Income before extraordinary item	$0.49	$0.52
Extraordinary item	0.00	(0.02)
Net income -- available to common stockholders	$0.49	$0.50
Weighted average number of common shares outstanding -- basic	28,975,000	25,921,000
Weighted average number of common shares outstanding -- basic, assuming full conversion of operating units outstanding	41,063,000	38,008,000
Earnings per common share -- diluted:		
Income before extraordinary item	$0.49	$0.51
Extraordinary item	0.00	(0.01)
Net income -- available to common stockholders	$0.49	$0.50
Weighted average number of common shares outstanding -- diluted for EPS	41,682,000	38,429,000

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

THE MACERICH COMPANY (THE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED JUNE 30, 1998	THREE MONTHS ENDED JUNE 30, 1997
REVENUES:		
Minimum rents	$ 40,213	$ 33,500
Percentage rents	1,080	1,950
Tenant recoveries	19,181	15,995
Other	933	905
Total Revenues	61,407	52,350
OPERATING COSTS:		
Shopping center expenses	19,279	16,173
General and administrative expense	1,153	440
Interest expense:		
Related parties	2,556	2,620
Others	18,080	13,777
Depreciation and amortization	11,894	10,207
Total Expenses	52,962	43,217
Equity in income of unconsolidated joint ventures and the management companies	4,152	706
Gain on sale of assets	9	--
Income before extraordinary item and minority interest	12,606	9,839
Less extraordinary loss on early extinguishment of debt	--	512
Less minority interest in net income of the Operating Partnership	3,182	3,155
Net income	9,424	6,172
Less preferred dividends	2,057	--
Net income -- available to common stockholders	$ 7,367	$ 6,172
Earnings per common share -- basic:		
Income before extraordinary item	$0.24	$0.26
Extraordinary item	0.00	(0.02)
Net income -- available to common stockholders	$0.24	$0.24
Weighted average number of common shares outstanding -- basic	30,765,000	25,953,000
Weighted average number of common shares outstanding -- basic, assuming full conversion of operating units outstanding	42,853,000	38,059,000
Earnings per common share -- diluted:		
Income before extraordinary item	$0.24	$0.25
Extraordinary item	0.00	(0.01)
Net income -- available to common stockholders	$0.24	$0.24
Weighted average number of common shares outstanding -- diluted for EPS	43,425,000	38,480,000

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

THE MACERICH COMPANY (THE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

	JANUARY 1 TO JUNE 30, 1998	1997
Cash flows from operating activities:		
Net income -- available to common stockholders	$ 14,190	$ 12,924
Preferred dividends	2,706	--
Net income	16,896	12,924
Adjustments to reconcile net income to net cash provided by operating activities:		
Extraordinary loss on early extinguishment of debt	90	512
Gain on sale of assets	(9)	--
Depreciation and amortization	23,607	19,681
Amortization of net discount (premium) on trust deed note payable	(34)	17
Minority interest in the net income of the Operating Partnership	6,190	6,323
Changes in assets and liabilities:		
Tenant receivables, net	(271)	5,281
Other assets	5,611	231
Accounts payable and accrued expenses	(3,307)	(5,765)
Preferred stock dividend payable	2,057	--
Other liabilities	397	(1,326)
Total adjustments	34,331	24,954
Net cash provided by operating activities	51,227	37,878
Cash flows from investing activities:		
Acquisitions of property and improvements	(88,840)	(55,458)
Renovations and expansions of centers	(14,103)	(5,366)
Additions to tenant improvements	(1,947)	(1,467)
Deferred charges	(6,359)	(7,338)
Equity in income of unconsolidated joint ventures and the management companies	(5,582)	(1,073)
Distributions from joint ventures	2,586	2,156
Contributions to joint ventures	(268,938)	--
Loan repayments to affiliates, net	(10,675)	(696)
Net cash used in investing activities	(393,858)	(69,242)
Cash flows from financing activities:		
Proceeds from mortgages and notes payable	249,000	206,000
Payments on mortgages and notes payable	(213,251)	(149,607)
Net proceeds from equity offerings	417,022	--
Dividends and distributions to partners	(36,222)	(32,289)
Dividends to preferred shareholders	(2,706)	--
Net cash provided by financing activities	413,843	24,104
Net increase (decrease) in cash	71,212	(7,260)
Cash and cash equivalents, beginning of period	25,154	15,643
Cash and cash equivalents, end of period	$ 96,366	$ 8,383
Supplemental cash flow information:		
Cash payment for interest, net of amounts capitalized	$ 40,969	$ 31,077
Non cash transactions:		
Acquisition of property by assumption of debt	$ 30,116	$ 46,202

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

1. INTERIM FINANCIAL STATEMENTS AND BASIS OF PRESENTATION:

The accompanying consolidated financial statements of The Macerich Company have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements and have not been audited by independent public accountants.

The unaudited interim financial statements should be read in conjunction with the audited financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 1997. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the financial statements for the interim periods have been made. The results for interim periods are not necessarily indicative of the results to be expected for a full year. The accompanying consolidated balance sheet as of December 31, 1997 has been derived from the audited financial statements, but does not include all disclosure required by GAAP.

Certain reclassifications have been made in the 1997 financial statements to conform to the 1998 financial statement presentation.

In March, 1998, the FASB, through its Emerging Issues Task Force ("EITF"), concluded based on EITF 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions", that all internal costs to source, analyze and close acquisitions should be expensed as incurred. The Company has historically capitalized these costs, in accordance with GAAP. The Company has adopted the FASB's interpretation effective March 19, 1998, and expects the impact to be an approximate $0.06 per share reduction of net income per share in 1998.

In May, 1998, the FASB, through the EITF, modified the timing on recognition of revenue for percentage rent received from tenants in EITF 98-9, "Accounting for Contingent Rent in Interim Financial Periods". The Company applied this accounting change as of April 1, 1998. Although the Company believes this accounting change will have no material impact on the annual percentage rent recognized, the accounting change had the effect of deferring $1,792 of percentage rent that would have been recognized for the three months ended June 30, 1998 using the previous GAAP accounting method for percentage rent recognition. As a result of this accounting change, the Company expects a portion of percentage rent that previously would be recognized in the second and third quarters to be recognized in the fourth quarter.

EARNINGS PER SHARE ("EPS")

The computation of basic earnings per share is based on net income and the weighted average number of common shares outstanding for the three and six months ending June 30, 1998 and 1997. The diluted earnings per share give effect to the outstanding restricted stock and common stock options calculated using the treasury stock method. The convertible debentures and convertible preferred stock would be anti-dilutive to the calculation of diluted EPS and therefore are not included. The OP units not held by the Company have been included in the diluted EPS calculation since they are convertible on a one-for-one basis. The following table reconciles the basic and diluted earnings per share calculations:

FOR THE THREE MONTHS ENDED JUNE 30, (IN THOUSANDS, EXCEPT PER SHARE DATA)

	1998			1997		
	NET INCOME	SHARES	PER SHARE	NET INCOME	SHARES	PER SHARE
Net income	$9,424			$6,172		
Less: Preferred stock dividends	2,057			--		
Basic EPS:						
Net income -- available to common stockholders	7,367	30,765	$0.24	6,172	25,953	$0.24
Diluted EPS:						
Effect of dilutive securities:						
Conversion of OP units	3,182	12,088		3,155	12,107	
Employee stock options and restricted stock	--	572		41	421	
Convertible preferred stock		n/a -- antidilutive for EPS		--	--	--
Convertible debentures		n/a -- antidilutive			n/a -- antidilutive	
Net income -- available to common stockholders	$10,549	43,425	$0.24	$9,368	38,481	$0.24

FOR THE SIX MONTHS ENDED JUNE 30, (IN THOUSANDS, EXCEPT PER SHARE DATA)

	1998			1997		
	NET INCOME	SHARES	PER SHARE	NET INCOME	SHARES	PER SHARE
Net income	$16,896			$12,924		
Less: Preferred stock dividends	2,706			--		
Basic EPS:						
Net income -- available to common stockholders	14,190	28,975	$0.49	12,924	25,921	$0.50
Diluted EPS:						
Effect of dilutive securities:						
Conversion of OP units	6,190	12,088		6,323	12,087	
Employee stock options and restricted stock	177	619		82	421	
Convertible preferred stock		n/a -- antidilutive for EPS		--	--	--
Convertible debentures		n/a -- antidilutive			n/a -- antidilutive	
Net income -- available to common stockholders	$20,557	41,682	$0.49	$19,329	38,429	$0.50

(DOLLARS IN THOUSANDS)

2. ORGANIZATION:

The Macerich Company (the "Company") was incorporated under the General Corporation Law of Maryland on September 9, 1993 and commenced operations effective with the completion of its initial public offering ("IPO") on March 16, 1994. The Company was formed to continue the business of the Macerich Group, which since 1972 has focused on the acquisition, ownership, redevelopment, management and leasing of regional shopping centers located throughout the United States. In 1994, the Company became the sole general partner of The Macerich Partnership L.P., (the "Operating Partnership"). The Operating Partnership owns or has an ownership interest in forty-one regional shopping centers and five community shopping centers, including a portfolio of twelve regional malls that was acquired on February 27, 1998. Collectively these properties and interests are referred to as the "Centers". The Company conducts all of its operations through the Operating Partnership and other wholly owned subsidiaries, and the Company's three Management Companies, Macerich Property Management Company, Macerich Management Company, and Macerich Manhattan Management Company, collectively referred to as "the Management Companies".

The Company is a real estate investment trust under the Internal Revenue Code of 1986, as amended and owned approximately 77% of The Operating Partnership as of June 30, 1998. The limited partnership interest not owned by the Company is reflected in these financial statements as Minority Interest.

3. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES:

The following are the Company's investments in various real estate joint ventures which own retail shopping centers. The Operating Partnership's interest in each joint venture as of June 30, 1998 is as follows:

JOINT VENTURE	THE OPERATING PARTNERSHIP'S OWNERSHIP %
Macerich Northwestern Associates	50%
Panorama City Associates	50%
SDG Macerich Properties, L.P.	50%
Village at Corte Madera	40%
West Acres Development	19%
Manhattan Village, LLC	10%

The Operating Partnership also owns the non-voting preferred stock of the Macerich Management Company and Macerich Property Management Company and is entitled to receive 95% of the distributable cash flow of these two entities. Macerich Manhattan Management Company is a 100% subsidiary of Macerich Management Company. The Company accounts for the Management Companies and joint ventures using the equity method of accounting.

(DOLLARS IN THOUSANDS)

3. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES -- CONTINUED:

On February 27, 1998, the Company, through a 50/50 joint venture, SDG Macerich Properties, L.P., acquired a portfolio of twelve regional malls. The total purchase price was $974,500 including the assumption of $485,000 in debt. The Company funded its 50% of the remaining purchase price by issuing 3,627,131 shares of Series A convertible preferred stock for gross proceeds totaling $100,000 in a private placement. The Company also issued 2,879,134 shares of common stock ($79,600 of total proceeds) under the Company's shelf registration statement. The balance of the purchase price was funded from the Company's line of credit. Each of the joint venture partners have assumed leasing and management responsibilities for six of the regional malls.

On June 16, 1998, 40% of the Village at Corte Madera's partnership interest was acquired by the Company. On July 24, 1998, the remaining 60% of the partnership interests were acquired. The total purchase price was approximately $120,000 which included the assumption of $40,000 of debt. For periods after July 24, 1998, this investment will be accounted for as a consolidated subsidiary.

The results of these joint ventures are included for the period subsequent to their respective dates of acquisition.

In December 1997, North Valley Plaza, which was 50% owned by the Company, was sold.

Combined and condensed balance sheets and statements of operations are presented below for all unconsolidated joint ventures, and the Management Companies, followed by information regarding the Operating Partnership's beneficial interest in the combined operations. Beneficial interest is calculated based on the Operating Partnership's ownership interests in the joint ventures and the Management Companies.

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

	JUNE 30, 1998	DECEMBER 31, 1997
Assets:		
Properties, net	$1,195,318	$153,856
Other assets	34,141	10,013
Total assets	$1,229,459	$163,869
Liabilities and partners' capital:		
Mortgage notes payable	$604,498	$84,342
Other liabilities	40,428	6,563
The Company's capital	279,903	7,969
Outside partners' capital	304,630	64,995
Total liabilities and partners' capital	$1,229,459	$163,869

(DOLLARS IN THOUSANDS)

3. INVESTMENTS IN UNSOLICITED JOINT VENTURES AND MANAGEMENT COMPANIES -- CONTINUED

COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES AND THE MANAGEMENT COMPANIES

	THREE MONTHS ENDED JUNE 30, 1998			
	SDG MACERICH PROPERTIES, L.P.	OTHER JOINT VENTURES	MGMT COMPANIES	TOTAL
Revenues	$31,810	$ 9,411	$ 1,795	$43,016
Expenses:				
Shopping center expenses	11,706	3,142	--	14,848
Interest	7,576	1,597	(112)	9,061
Management company expense	--	--	2,446	2,446
Depreciation and amortization	5,109	1,009	164	6,282
Total operating expenses	24,391	5,748	2,498	32,637
Gain on sale or write-down of assets	--	127	191	318
Net income (loss)	$ 7,419	$ 3,790	$ (512)	$10,697

	THREE MONTHS ENDED JUNE 30, 1997			
	SDG MACERICH PROPERTIES, L.P.	OTHER JOINT VENTURES	MGMT COMPANIES	TOTAL
Revenues	--	$ 6,781	$ 1,021	$ 7,802
Expenses:				
Shopping center expenses	--	2,449	--	2,449
Interest	--	1,600	(27)	1,573
Management company expense	--	--	882	882
Depreciation and amortization	--	1,029	96	1,125
Total operating expenses	--	5,078	951	6,029
Gain on sale or write-down of assets	--	340	--	340
Net income	--	$ 2,043	$ 70	$ 2,113

(DOLLARS IN THOUSANDS)

3. INVESTMENTS IN UNSOLICITED JOINT VENTURES AND MANAGEMENT COMPANIES -- CONTINUED:

COMBINED STATEMENTS OF OPERATIONS OF JOINT VENTURES AND THE MANAGEMENT COMPANIES

	SIX MONTHS ENDED JUNE 30, 1998			
	SDG MACERICH PROPERTIES, L.P.	OTHER JOINT VENTURES	MGMT COMPANIES	TOTAL
Revenues	$41,753	$18,905	$ 3,118	$ 63,776
Expenses:				
Shopping center expenses	14,563	6,426	--	20,989
Interest	10,323	3,163	(191)	13,295
Management company expense	--	--	4,114	4,114
Depreciation and amortization	6,866	2,057	312	9,235
Total operating expenses	31,752	11,646	4,235	47,633
Gain (loss) on sale or write-down of assets	--	126	(197)	(71)
Net income (loss)	$10,001	$ 7,385	$(1,314)	$16,072

	SIX MONTHS ENDED JUNE 30, 1997			
	SDG MACERICH PROPERTIES, L.P.	OTHER JOINT VENTURES	MGMT COMPANIES	TOTAL
Revenues	--	$13,822	$1,848	$15,670
Expenses:				
Shopping center expenses	--	5,053	--	5,053
Interest	--	3,182	(47)	3,135
Management company expense	--	--	1,904	1,904
Depreciation and amortization	--	2,065	180	2,245
Total operating expenses	--	10,300	2,037	12,337
Gain on sale or write-down of assets	--	347	--	347
Net income (loss)	--	$ 3,869	$ (189)	$ 3,680

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

Included in mortgage notes payable are amounts due to related parties of $43,500 at June 30, 1998 and December 31, 1997. Interest expense incurred on these borrowings amounted to $749 and $750 for the three months ended June 30, 1998 and 1997, respectively, and $1,483 and $1,483 for the six months ended June 30, 1998 and 1997, respectively.

(DOLLARS IN THOUSANDS)

3. INVESTMENTS IN UNSOLICITED JOINT VENTURES AND MANAGEMENT COMPANIES -- CONTINUED:

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

The following tables set forth the Operating Partnership's beneficial interest in the joint ventures:

	THREE MONTHS ENDED JUNE 30, 1998			
	SDG MACERICH PROPERTIES, L.P.	OTHER JOINT VENTURES	MGMT COMPANIES	TOTAL
Revenues	$15,904	$ 2,752	$ 1,705	$ 20,361
Expenses:				
Shopping center expenses	5,853	959	--	6,812
Interest	3,788	535	(103)	4,220
Management company expense	--	--	2,325	2,325
Depreciation and amortization	2,555	347	155	3,057
Total operating expenses	12,196	1,841	2,377	16,414
Gain on sale or write-down of assets	--	24	181	205
Net income (loss)	$ 3,708	$ 935	$ (491)	$ 4,152

	THREE MONTHS ENDED JUNE 30, 1997			
	SDG MACERICH PROPERTIES, L.P.	OTHER JOINT VENTURES	MGMT COMPANIES	TOTAL
Revenues	--	$ 2,506	$ 972	$ 3,478
Expenses:				
Shopping center expenses	--	926	--	926
Interest	--	537	(25)	512
Management company expense	--	--	838	838
Depreciation and amortization	--	469	91	560
Total operating expenses	--	1,932	904	2,836
Gain (loss) on sale or write-down of assets	--	67	(3)	64
Net income	--	$ 641	$ 65	$ 706

(DOLLARS IN THOUSANDS)

3. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES -- CONTINUED:

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

	SIX MONTHS ENDED JUNE 30, 1998			
	SDG MACERICH PROPERTIES, L.P.	OTHER JOINT VENTURES	MGMT COMPANIES	TOTAL
Revenues	$20,876	$5,544	$2,962	$29,382
Expenses:				
Shopping center expenses	7,281	1,977	--	9,258
Interest	5,162	1,060	(181)	6,041
Management company expense	--	--	3,910	3,910
Depreciation and amortization	3,433	699	295	4,427
Total operating expenses	15,876	3,736	4,024	23,636
Gain (loss) on sale or write-down of assets	--	24	(188)	(164)
Net income (loss)	$5,000	$1,832	($1,250)	$ 5,582

	SIX MONTHS ENDED JUNE 30, 1997			
	SDG MACERICH PROPERTIES, L.P.	OTHER JOINT VENTURES	MGMT COMPANIES	TOTAL
Revenues	--	$5,130	$1,756	$6,886
Expenses:				
Shopping center expenses	--	1,937	--	1,937
Interest	--	1,064	(44)	1,020
Management company expense	--	--	1,809	1,809
Depreciation and amortization	--	941	172	1,113
Total operating expenses	--	3,942	1,937	5,879
Gain on sale or write-down of assets	--	66	--	66
Net income (loss)	--	$1,254	($181)	$1,073

(DOLLARS IN THOUSANDS)

4. PROPERTY:

Property is comprised of the following at:

	1998	1997
Land	$ 336,152	$ 313,050
Building Improvements	1,330,120	1,235,459
Tenant Improvements	40,786	38,097
Equipment & Furnishings	8,072	7,576
Construction in Progress	27,306	13,247
	1,742,436	1,607,429
Less, accumulated depreciation	(220,329)	(200,250)
	$1,522,107	$1,407,179

5. DEFERRED CHARGES AND OTHER ASSETS:

Deferred charges and other assets, including deferred leasing and financing costs are:

	JUNE 30, 1998	DECEMBER 31, 1997
Leasing	$ 28,770	$ 28,101
Financing	17,136	14,396
	45,906	42,497
Less, accumulated amortization	(18,787)	(18,127)
	27,119	24,370
Other assets	7,920	13,529
	$ 35,039	$ 37,899

(DOLLARS IN THOUSANDS)

6. MORTGAGE NOTES PAYABLE:

Mortgage notes payable at June 30, 1998 and December 31, 1997 consist of the following:

PROPERTY PLEDGED AS COLLATERAL	CARRYING AMOUNT OF NOTES 1998 OTHER	1998 RELATED PARTY	1997 OTHER	1997 RELATED PARTY	INTEREST RATE	PAYMENT TERMS	MATURITY DATE
Capitola Mall	--	$ 37,509	--	$ 37,675	9.25%	316(d)	2001
Chesterfield Towne Center	$ 65,393	--	$ 65,708	--	9.10%	548(e)	2024
Chesterfield Towne Center	3,314	--	3,359	--	8.54%	28(d)	1999
Citadel	75,142	--	75,600	--	7.20%	544(d)	2008
Crossroads Mall(a)	--	35,459	--	35,638	7.08%	244(d)	2010
Fresno Fashion Fair(j)	38,000	--	38,000	--	8.40%	interest only	2001
Greeley Mall	17,443	--	17,815	--	8.50%	187(d)	2003
Green Tree Mall/Crossroads -- OK Centre at Salisbury(b)	117,714	--	117,714	--	7.23%	interest only	2004
Holiday Village Mall	--	17,000	--	17,000	6.75%	interest only	2001
Lakewood Mall(c)	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	--	65,100	--	(f)	interest only	1999
Rimrock Mall	31,264	--	31,517	--	7.70%	244(d)	2003
South Plains Mall	30,066	--	--	--	6.3% (i)	348(d)	2008
South Towne Center	65,000	--	65,000	--	6.62% (g)	interest only	2008
Valley View Center	51,000	--	51,000	--	7.89%	interest only	2006
Villa Marina Marketplace	58,000	--	58,000	--	7.23%	interest only	2006
Vintage Faire Mall(h)	54,987	--	55,433	--	7.65%	427(d)	2003
Total	$799,423	$134,968	$771,246	$135,313			

Weighted average interest rate at June 30, 1998	7.19%
Weighted average interest rate at December 31, 1997	7.42%

Notes:

(a) This note was issued at a discount. The discount is being amortized over the life of the loan using the effective interest method. At June 30, 1998 and December 31, 1997, the unamortized discount was $413 and $430, respectively.

(b) This loan is cross collateralized by Green Tree Mall, Crossroads Mall, Oklahoma and The Centre at Salisbury.

(c) 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.

6. MORTGAGE NOTES PAYABLE, CONTINUED:

The Notes require 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 June 30, 1998 and at December 31, 1997.

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

(e) 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 of 35% of the amount by which the property's gross receipts (as defined in the loan agreement) exceed a base amount specified therein. Contingent interest expense recognized by the Company was $0 for the six months ended June 30, 1998 and 1997, respectively.

(f) This loan bears interest at LIBOR plus 0.45%. There is an interest rate protection agreement in place on the first $10,200 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 7.7%.

(g) At June 30, 1998, this loan had an interest rate of LIBOR plus 1.25% which totaled 6.906%. In July 1998, this loan was reduced by $1,000 and converted into a fixed rate loan bearing interest at 6.61% maturing in 2008.

(h) Included in cash and cash equivalents is $3,031 and $3,030 at June 30, 1998 and December 31, 1997, respectively, of cash restricted under the terms of this loan agreement.

(i) This note was assumed at acquisition. At the time of acquisition in June 1998, this debt was recorded at fair market value and the premium is being amortized over the life of the loan using the effective interest method. The monthly debt service payment is $348 per month and is calculated based on a 12.5% interest rate. At June 30, 1998, the unamortized premium was $6,783.

(j) This loan was refinanced with a new loan of $69,000 on August 7, 1998. The Company incurred a loss on early extinguishment of the old debt of $2,300. The new loan is a fixed rate 10 year loan bearing interest at 6.52% and maturing in August, 2008.

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

Total interest expense capitalized for the three months ending June 30, 1998 and 1997 was $810 and $205, respectively; and $1,471 and $299 for the six months ended June 30, 1998 and 1997, respectively.

The market value of notes payable at June 30, 1998 and December 31, 1997 is estimated to be approximately $1,077,300 and $1,013,000, respectively, based on current interest rates for comparable loans.

7. BANK NOTES PAYABLE:

At December 31, 1997, the Company had $55,000 outstanding under its $60,000 unsecured credit facility, which bore interest at LIBOR plus 1.325%. On February 26, 1998, the Company increased this credit facility to $150,000 with a maturity of February 2000, currently bearing interest at LIBOR plus 1.10%. As of June 30, 1998, $93,000 was outstanding on this line of credit.

8. CONVERTIBLE DEBENTURES:

During 1997, the Company issued and sold $161,400 of convertible subordinated debentures (the "Debentures") due 2002. The Debentures, which were sold at par, bear interest at 7.25% annually (payable semi-annually) and are convertible at any time, on or after 60 days, from the date of issue at a conversion price of $31.125 per share. The Debentures mature on December 15, 2002 and are callable by the Company after June 15, 2002 at par plus accrued interest.

9. RELATED-PARTY TRANSACTIONS:

The Company engaged The Management Companies to manage the operations of its properties and certain unconsolidated joint ventures. For the three months ending June 30, 1998 and 1997, management fees of $622 and $512, respectively; and for the six months ending June 30, 1998 and 1997 of $1,250 and $1,019, respectively, were paid to the Management Companies by the Company.

Certain mortgage notes were held by outside partners of the individual Macerich Group partnerships. Interest expense in connection with these notes was $2,348 and $2,503 for the three months ended June 30, 1998 and 1997, respectively; and $4,875 and $4,993 for the six months ended June 30, 1998 and 1997, respectively. Included in accrued interest expense is interest payable to these partners of $492 and $517 at June 30, 1998 and December 31, 1997, respectively.

10. COMMITMENTS AND CONTINGENCIES:

Certain partnerships have entered into noncancellable operating ground leases. The leases expire at various times through 2070, 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 $427 and $171 for the three months ended June 30, 1998 and 1997, respectively; and $644 and $342 for the six months ended June 30, 1998 and 1997, respectively. There were no contingent rents in either period.

10. COMMITMENTS AND CONTINGENCIES, CONTINUED:

Perchloroethylene (PCE) has been detected in soil and groundwater in the vicinity of a dry cleaning establishment at North Valley Plaza, which was sold on December 18, 1997. The California Department of Toxic Substance Control (DTSC) advised the Company in 1995 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). The 1,2DCE which was detected in the water well at 1.2 ppb, is below the MCL. The Company has retained an environmental consultant and has initiated extensive testing of the site. Remediation began in October 1997. The joint venture that owned the property agreed (between itself and the buyer) that it would be responsible for continuing to pursue the investigation and remediation of impacted soil and groundwater resulting from releases of PCE from the shopping center's former dry cleaner. $65 and $11 has already been incurred by the Company for remediation, and professional and legal fees for the period ending June 30, 1998 and 1997, respectively. An additional $496 and $561 is accrued as a liability by the Company as of June 30, 1998 and December 31, 1997, respectively. The Company has initiated cost recovery actions and intends to continue to look to responsible parties for recovery.

Low levels of toluene, a petroleum constituent, was detected in one of three groundwater dewatering system holding tanks at Queens Center. No government agency has requested any action to address this matter. Although the Company believes that no remediation will be required, the Company established a $150 reserve in 1996 to cover professional fees and testing costs, which was reduced by costs incurred of $1 and $5 for the six months ending June 30, 1998 and 1997, respectively. The Company intends to look to the responsible parties and insurers if remediation is required.

The Company acquired Fresno Fashion Fair in December 1996. Asbestos has been detected in structural fireproofing throughout much of the Mall. Testing data conducted by professional environmental consulting firms indicates that the fireproofing is largely inaccessible to building occupants and is well adhered to the structural members. Additionally, airborne concentrations of asbestos were well within OSHA's permissible exposure limit (PEL) of .1 fcc. The accounting for this acquisition includes a reserve of $3.3 million to cover future removal of this asbestos, as necessary. The Company incurred $134 and $12 for the six months ending June 30, 1998 and 1997, respectively.

11. PRO FORMA INFORMATION:

On February 27, 1998, the Company, through a 50/50 joint venture, SDG Macerich Properties, L.P., acquired a portfolio of twelve regional malls. Additionally, on June 19, 1998, the Company acquired South Plains Mall in Lubbock, Texas for approximately $115,700. The purchase price consisted of $29,400 of debt, at market value, and $86,300 of cash.

On a pro forma basis, reflecting these acquisitions as if they had occurred on January 1, 1998 and 1997, the Company would have reflected net income -- available to common stockholders of $15,960 and $14,553 for the six months ended June 30, 1998 and 1997, respectively. Net income -- available to common shareholders on a basic and diluted per share basis would be $0.49 and $0.50, for the six months ended June 30, 1998 respectively; and $0.56 and $0.46, for the six months ended June 30, 1997, respectively.

12. PREFERRED STOCK:

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

On June 17, 1998, the Company issued 5,487,471 shares of Series B cumulative convertible preferred stock for proceeds totaling $150,000 in a direct private placement. The preferred stock can be converted on a one for one basis into common stock and will pay a dividend equal to the greater of $0.46 per share per quarter or the quarterly dividend then payable on a share of common stock.

13. SUBSEQUENT EVENTS:

On August 5, 1998, a dividend\distribution of $0.46 per share was declared for common stockholders and OP unit holders of record on August 14, 1998. In addition, the Company declared a dividend of $0.46 on the Company's Series A cumulative convertible preferred stock and a dividend of $0.071 on the Company's Series B cumulative convertible preferred stock. The Company issued 5,487,470 shares of Series B cumulative convertible preferred stock on June 17, 1998, and the dividend declared represents a dividend for the period from June 17, 1998 through June 30, 1998. All dividends/distributions will be payable on September 4, 1998.

On July 1, 1998, the Company acquired the Westside Pavilion in Los Angeles, California for $170,500. The purchase price was funded from the Company's line of credit and a new ten year $100,000 mortgage placed on the property at closing at an effective fixed interest rate of 6.65%.

The Company acquired the remaining 60% of the Village at Corte Madera in Corte Madera, California, on July 24, 1998 and also acquired Carmel Plaza in Carmel, California on August 10, 1998. The combined purchase price was $165,500 consisting of the assumption of $40,000 of debt and the issuance of $8,000 of OP units and $117,500 in cash.

ITEM II

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based primarily on the consolidated balance sheet of The Macerich Company (the "Company") as of June 30, 1998, and also compares the activities for the three and six months ended June 30, 1998 to the activities for the three and six months ended June 30, 1997.

This information should be read in conjunction with the accompanying consolidated financial statements and notes thereto. These financial statements include all adjustments which are, in the opinion of management, necessary to reflect the fair statement of the results for the interim periods presented, and all such adjustments are of a normal recurring nature.

This Quarterly Report on Form 10-Q contains or incorporates statements that constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Those statements appear in a number of places in this Quarterly Report on Form 10-Q and include statements regarding, among other matters, the Company's growth 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. Stockholders are cautioned that any such forward looking statements are not guarantees of future performance and involve risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from the future results, performance or achievements, expressed or implied in such forward looking statements.

The following reflects the Company's acquisitions in 1997 and 1998:

	DATE ACQUIRED	LOCATION
"1997 ACQUISITION CENTERS":		
South Towne Center	March 27, 1997	Sandy, Utah
Stonewood Mall	August 6, 1997	Downey, California
Manhattan Village Shopping Center	August 19, 1997	Manhattan Beach, California
The Citadel	December 19, 1997	Colorado Springs, Colorado
Great Falls Marketplace	December 31, 1997	Great Falls, Montana
"1998 ACQUISITION CENTERS":		
ERE/Yarmouth Portfolio	February 27, 1998	Eight States
Village at Corte Madera	June 16, 1998	Corte Madera, California
South Plains Mall	June 19, 1998	Lubbock, Texas

The financial statements include the results of these centers for periods subsequent to their acquisition.

Manhattan Village Shopping Center, the ERE/Yarmouth portfolio and the Village at Corte Madera ("Joint Venture Acquisitions") were acquired by unconsolidated joint ventures of the Company which are reflected using the equity method of accounting. The results of these acquisitions are reflected in the consolidated results of operations of the Company in equity in income of unconsolidated joint ventures and the Management Companies.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Many of the variations in the results of operations, discussed below, occurred due to the addition of these properties to the portfolio during 1998 and 1997. Many factors, such as the 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 the balance of 1998, and in future years, there will be similar acquisitions and corresponding increases in revenues, equity in income of unconsolidated joint ventures and the Management Companies, net income and funds from operations that occurred as a result of the addition of the 1998 and 1997 Acquisition Centers. All other centers are referred to herein as the "Same Centers".

The bankruptcy and/or closure of retail stores, particularly anchors, may reduce customer traffic and cash flow generated by a center. During 1997, Montgomery Ward filed bankruptcy. The Company has 11 Montgomery Ward stores in its portfolio. Montgomery Ward has not yet disclosed whether they will cease operating any of their stores in the Company's centers. 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, occupancy levels, changes in demographics, competition from other centers and forms of retailing and the ability to renew leases or re-let space upon the expiration or termination of leases.

RESULTS OF OPERATIONS - SIX MONTHS ENDED JUNE 30, 1998 AND 1997

REVENUES

Minimum and percentage rents together increased by $14.2 million to $83.9 million for the six months ended June 30, 1998 compared to $69.7 million in the six months ended June 30, 1997. The 1997 Acquisition Centers contributed $12.7 million of the increase with approximately $1.5 million generated from the Same Centers. The impact of EITF 98-9, "Accounting for Contingent Rents in Interim Financial Periods," which was implemented on April 1, 1998, reduced percentage rents by $1.8 million for the six months ending June 30, 1998.

Tenant recoveries for the six months ended June 30, 1998 increased by $5.9 million compared to the same period in 1997. This was primarily due to the addition of the 1997 Acquisition Centers. In addition, Same Centers recoveries increased by $1.1 million due to increased recoverable expenses during the quarter.

EXPENSES

Shopping center expenses increased by $6.1 million for the six months ended June 30, 1998 compared to the same period in 1997. Approximately $4.8 million of the increase was due to the addition of the 1997 Acquisition Centers. The Same Centers had a net increase of $1.3 million, primarily from an increase in maintenance, repair, security and utility expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

General and administrative expenses increased to $2.2 million for the six months ended June 30, 1998 compared to $1.2 million in the same period in 1997, primarily due to the accounting change required by EITF 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions", which requires the expensing of internal acquisition costs. Previously, in accordance with GAAP, certain internal acquisition costs were capitalized. The increase is also attributable to increased executive and director compensation expense.

Interest expense increased to $41.2 million at June 30, 1998 compared to $31.2 million at June 30, 1997. This increase of $10.0 million is partially attributable to the acquisition activity in 1997 and 1998, which was partially funded with secured debt and borrowings under the Company's line of credit. In addition, in June and July of 1997, the Company issued $161.4 million of convertible debentures which resulted in $5.7 million of the variance.

Depreciation and amortization increased to $23.6 million at June 30, 1998 compared to $19.7 million at June 30, 1997. This increase of $3.9 million relates primarily to the 1997 Acquisition Centers.

INCOME FROM UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES

The income from unconsolidated joint ventures and the Management Companies increased to $5.6 million compared to $1.1 million for the period ended June 30, 1997. This increase was primarily due to the Joint Venture Acquisitions.

NET INCOME

Net income for the six months ended June 30, 1998 increased to $14.2 million compared to $12.9 million for the six months ended June 30, 1997. This increase was due to the factors discussed above.

CASH FLOWS FROM OPERATING ACTIVITIES

As a result of the factors discussed above, cash flow from operations increased to $51.2 million for the six months ended June 30, 1998 from $37.9 million during the same period in 1997. This increase is primarily due to increased net operating income from the 1997 Acquisition Centers.

CASH FLOWS FROM INVESTING ACTIVITIES

Net cash flow used in investing activities increased to $393.9 million for the six months ended June 30, 1998 from $69.2 million for the same period in 1997. This increase is primarily due to more cash being used for acquisitions in the six months ended June 30, 1998 compared to the same period in 1997.

CASH FLOWS FROM FINANCING ACTIVITIES

Cash flow from financing activities increased to $413.8 million for the six months ended June 30, 1998 from $24.1 million for the same period in 1997 as a result of net proceeds received from issuing stock and debt in 1998.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

RESULTS OF OPERATIONS - THREE MONTHS ENDED JUNE 30, 1998 AND 1997

REVENUES

Minimum and percentage rents together increased by $5.8 million to $41.3 million for the three months ended June 30, 1998 compared to $35.5 million in the three months ended June 30, 1997. The 1997 Acquisition Centers contributed $5.4 million of the increase with approximately $0.5 million generated from the Same Centers. The impact of EITF 98-9, which was implemented April 1, 1998, reduced percentage rents by $1.8 million for the three months ended June 30, 1998.

Tenant recoveries for the second quarter of 1998 increased by $3.2 million compared to the second quarter of 1997. The addition of the 1997 Acquisition Centers represented 2.2 million of this increase with the remaining increase of $1.0 million attributable to the Same Centers.

EXPENSES

Shopping center expenses increased by $3.1 million for the three months ended June 30, 1998 compared to the same period in 1997. Approximately $2.3 million of the increase was due to the addition of the 1997 Acquisition Centers. The Same Centers had a net increase of $0.8 million, primarily from an increase in maintenance, repair, security and utility expenses.

General and administrative expenses increased to $1.1 million for the three months ended June 30, 1998 compared to $0.4 million in the same period in 1997, primarily due to the accounting change required by EITF 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions", which requires the expensing of internal acquisition costs that had been previously capitalized. The increase is also attributable to increased executive and director compensation expense.

Interest expense increased to $20.6 million for the three months ended June 30, 1998 compared to the $16.4 million for the three months ended June 30, 1997. This increase of $4.2 million is partially attributable to the acquisition activity in 1997 and 1998, which was partially funded with secured debt and borrowings under the Company's line of credit. In addition, in June and July of 1997, the Company issued $161.4 million of convertible debentures which resulted in $2.8 million of the variance.

Depreciation and amortization increased to $11.9 million for the three months ended June 30, 1998 compared to $10.2 million for the same period in 1997. This increase of $1.7 million relates primarily to the 1997 Acquisition Centers.

INCOME FROM UNCONSOLIDATED JOINT VENTURES AND THE MANAGEMENT COMPANIES

The income from unconsolidated joint ventures and the Management Companies increased to $4.2 million for the three months ended June 30, 1998 compared to $0.7 million for the same period in 1997. This increase was primarily due to the Joint Venture Acquisitions.

NET INCOME

Net income for the three months ended June 30, 1998 increased to $7.4 million compared to $6.2 million for the three months ended June 30, 1997. This increase was due to the factors discussed above.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

LIQUIDITY AND CAPITAL RESOURCES

The Company intends to meet its short term liquidity needs 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.

The Company's total outstanding loan indebtedness at June 30, 1998 was $1,487.2 billion (including its pro rata share of joint venture debt). This equated to a debt to Total Market Capitalization (defined as total debt of the Company, including its pro rata share of joint venture debt, plus aggregate market value of outstanding shares of common stock, assuming full conversion of all outstanding OP Units and preferred stock into common stock) rate of 48.6% at June 30, 1998. The Company's debt consists primarily of fixed rate, conventional mortgages payable secured by individual properties. 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.

The Company has filed a shelf registration statement, effective December 8, 1997, to sell securities. The shelf registration was for a total of $500 million of common stock, common stock warrants or common stock rights. On February 18, 1998, the Company issued 1,052,650 shares and on February 23, 1998, an additional 1,826,484 shares were issued. On April 24, 1998, the Company issued 808,989 shares and an additional 967,256 and 1,864,802 shares were issued on April 29, 1998 and May 29, 1998, respectively. The total gross proceeds of these transactions were approximately $178.8 million, leaving approximately $321.2 million available under the shelf registration statement.

The Company has an unsecured line of credit up to $150 million. There was $55 million outstanding at December 31, 1997 and $93 million outstanding on June 30, 1998.

At June 30, 1998 and December 31, 1997, the Company had cash and cash equivalents of $96.4 million and $25.2 million, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

YEAR 2000 COMPLIANCE

The Company has been advised by its independent software vendor that it has completed its evaluation, testing and modification of the property management and accounting software used by the Company and the necessary changes have been completed to achieve year 2000 compliance. The Company is conducting its own evaluation and testing regarding this software and does not believe there will be any significant accounting or property management impact as a result of the year 2000. In addition, the Company is in the process of evaluating and/or testing computer and other operational systems located at its properties for any potential year 2000 compliance issues.

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 (computed in accordance with 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 will be calculated on the same basis. 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 - --available to common stockholders to FFO:

	SIX MONTHS ENDED JUNE 30,			
	1998		1997	
	SHARES	AMOUNT	SHARES	AMOUNT
	(AMOUNTS IN THOUSANDS)			
Net income -- available to common stockholders		$ 14,190		$ 12,924
Adjustments to reconcile net income to FFO:				
Minority interest		6,190		6,323
Depreciation and amortization on wholly owned properties		23,607		19,681
Pro rata share of unconsolidated entities' depreciation and amortization		4,427		1,113
Gain on sale of assets		(9)		--
Extraordinary loss on early extinguishment of debt		90		512
Pro rata share of (gain) loss on sale or write-down from unconsolidated entities		164		(66)
Amortization of loan costs, including interest rate caps		(1,502)		(833)
Depreciation of personal property		(366)		(223)
FFO -- basic (1)	41,063	46,791	38,008	39,431
To arrive at FFO -- diluted:				
Impact of convertible preferred stock	2,949	2,706	--	--
Impact of stock options and restricted stock using the treasury method	619	256	421	120
Impact of convertible debentures		(n/a	anti-dilutive)	
FFO -- diluted (2)	44,631	$ 49,753	38,429	$ 39,551

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

	THREE MONTHS ENDED JUNE 30,			
	1998		1997	
	SHARES	AMOUNT	SHARES	AMOUNT
	(AMOUNTS IN THOUSANDS)			
Net income -- available to common stockholders		$ 7,367		$ 6,172
Adjustments to reconcile net income to FFO:				
Minority interest		3,182		3,155
Depreciation and amortization on wholly owned properties		11,894		10,207
Pro rata share of unconsolidated entities' depreciation and amortization		3,057		560
Gain on sale of assets		(9)		--
Extraordinary loss on early extinguishment of debt		--		512
Pro rata share of (gain) loss on sale or write-down from unconsolidated entities		(205)		(64)
Amortization of loan costs, including interest rate caps		(716)		(468)
Depreciation of personal property		(192)		(114)
FFO -- basic (1)	42,853	24,378	38,059	19,960
To arrive at FFO -- diluted:				
Impact of convertible preferred stock	4,471	2,057	--	--
Impact of stock options and restricted stock using the treasury method	572	--	421	60
Impact of convertible debentures		(n/a	anti-dilutive)	
FFO -- diluted (2)	47,896	$ 26,435	38,480	$ 20,020

1) Calculated based upon basic net income as adjusted to reach basic FFO. Weighted average number of shares includes the weighted average shares of common stock outstanding for 1998 and 1997 assuming the conversion of all outstanding OP units.

2) The computation of FFO -- diluted and diluted average number of shares outstanding includes the effect of outstanding common stock options and restricted stock using the treasury method. Convertible debentures are anti-dilutive and are not included. On February 25, 1998, the Company sold $100 million of cumulative convertible preferred stock. On June 17, 1998, the Company sold an additional $150 million of cumulative convertible preferred stock. The preferred stock can be converted on a 1 for 1 basis for common stock. These preferred shares are not assumed converted for purposes of net income per share as they would be anti-dilutive to that calculation. The preferred shares are assumed converted for purposes of FFO per share as they are dilutive to that calculation.

Included in minimum rents were rents attributable to the accounting practice of straight-lining of rents. The amount of straight-lining of rents that impacted minimum rents was $1.8 million and $1.7 million for the six months ended June 30, 1998 and 1997, respectively; and $.9 million and $1.0 million for the three months ended June 30, 1998 and 1997, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

INFLATION

In the last three years, inflation has not had a significant impact on the Company because of a relatively low inflation rate. Most of the leases at the Centers have rent adjustments periodically through the lease term. These rent increases are either in fixed increments or based on increases in the 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 ACCOUNTING PRONOUNCEMENTS

In March, 1998, the FASB, through its Emerging Issues Task Force ("EITF"), concluded based on EITF 97-11, "Accounting for Internal Costs Relating to Real Estate Property Acquisitions," that all internal costs to source, analyze and close acquisitions should be expensed as incurred. The Company has historically capitalized these costs, in accordance with GAAP. The Company has adopted the FASB's interpretation effective March 19, 1998, and expects the impact to be an approximate $.06 per share reduction of net income and FFO -- diluted per share in 1998.

In May, 1998, the FASB, through the EITF, modified the timing on recognition of revenue for percentage rent received from tenants in EITF 98-9, "Accounting for Contingent Rents in Interim Financial Periods." The Company applied this accounting change as of April 1, 1998. Although the Company believes this accounting change will have no material impact on the annual percentage rent recognized, the accounting change had the effect of deferring $1.8 million of percentage rent that would have been recognized using the previous GAAP accounting method for percentage rent recognition. As a result of this accounting change, the Company expects a portion of percentage rent that previously would be recognized in the second and third quarters to be recognized in the fourth quarter.

THE MACERICH COMPANY (THE COMPANY)

PART II

OTHER INFORMATION

Item 1 Legal Proceedings

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

Item 2 Changes in Securities and Use of Proceeds

On June 17, 1998, the Company sold 5,487,471 shares of its Series B Cumulative Convertible Redeemable Preferred Stock, par value $.01 per share (the "Series B Preferred Stock"), at a price of $27.335 per share, for total gross proceeds of approximately $150 million, in a private placement to The Ontario Teachers' Pension Plan Board ("Ontario Teachers"), an accredited investor, pursuant to Section 4(2) of the Securities Act. In lieu of a placement fee, the total purchase price was reduced by approximately $1.5 million, for net proceeds to the Company of $148.5 million. The Series B Preferred Stock can be converted into shares of Common Stock on a one-for-one basis subject to certain limitations. The proceeds from the sale of the Series B Preferred Stock were used to acquire South Plains Mall and Westside Pavilion and for general corporate purposes. Additional information regarding the Series B Preferred Stock, including the Articles of Amendment and Restatement and Registration Rights Agreement with respect to the Series B Preferred Stock, was filed with the Commission on Form 8-K dated July 14, 1998 (event date June 17, 1998).

On July 24, 1998, as partial consideration for the acquisition of the Village at Corte Madera ("Corte Madera"), The Macerich Partnership, L.P. (the "Operating Partnership") issued $8 million of OP Units in a private placement pursuant to Section 4(2) of the Securities Act to Harry S. Newman and LeRoy H. Brettin (the "Investors") as sellers of Corte Madera. The OP Units are redeemable by the Operating Partnership for cash, or at the option of the Company, for Common Stock. The Company and the Operating Partnership entered into a Redemption, Registration Rights and Lock-Up Agreement (the "Registration Rights Agreement") with the Investors with respect to such OP Units and Common Stock. The Registration Rights Agreement, among other things, provides certain piggyback registration rights to the Investors. A copy of the Registration Rights Agreement is attached hereto as Exhibit 4.1. Additional information regarding the purchase of Corte Madera was filed with the Commission on Form 8-K dated August 7, 1998, event date July 24, 1998.

Item 3 Defaults Upon Senior Securities

None

Item 4 Submission of Matters to a Vote of Security Holders

The following matters were voted upon at the Annual Meeting of Stockholders held on May 29, 1998:

A. The following three persons were elected as Directors of the Company to serve until the annual meeting of stockholders in 2001 and until their respective successors are duly elected and qualified:

	Number of Shares		
	For	Against	Authority Withheld
Edward C. Coppola	22,020,047	-	886,209
Fred S. Hubbell	22,019,547	-	886,709
Dr. William P. Sexton	22,019,572	-	886,684

B. The ratification of selection of Coopers & Lybrand LLP as independent public accountants for the fiscal year ended December 31, 1998.

Votes

For	22,852,444
Against	3,807
Abstain	50,005

Item 5 Other Information

None

Item 6 Exhibits and Reports on Form 8-K

(a) Exhibits

Number	Description
4.1	Redemption, Registration Rights and Lock-up Agreement dated as of July 24, 1998 among The Macerich Company, The Macerich Partnership, L.P., Harry S. Newman, Jr. and LeRoy H. Brettin.

(b) Reports on Form 8-K

A report on Form 8-K dated April 6, 1998, event date February 25, 1998, was filed with the Securities and Exchange Commission for the purpose of disclosing the issuance of 3,627,131 shares of the Company's Series A Cumulative Convertible Redeemable Preferred Stock.

A report on Form 8-K/A dated April 22, 1998, event date February 27, 1998, was filed with the Securities and Exchange Commission for the purpose of disclosing the acquisition of twelve regional malls by SDG Macerich Properties, L.P. from the Equitable Assurance Society of the United States.

A report on Form 8-K dated April 23, 1998, event date April 21, 1998, was filed with the Securities and Exchange Commission for the purpose of disclosing the Underwriting Agreement and certain other documents regarding the sale of 808,989 shares of Common Stock.

A report on Form 8-K dated April 28, 1998, event date April 23, 1998, was filed with the Securities and Exchange Commission for the purpose of disclosing the Underwriting Agreement and certain other documents regarding the sale of 967,255 shares of Common Stock to Merrill Lynch, Pierce, Fenner & Smith, Incorporated.

(b) Reports on Form 8-K continued:

A report on Form 8-K dated May 29, 1998, event date May 27, 1998, was filed with the Securities and Exchange Commission for the purpose of disclosing the Underwriting Agreement and certain other documents regarding the sale of 1,864,802 shares of Common Stock.

A report on Form 8-K dated July 2, 1998, event date June 19, 1998, was filed with the Securities and Exchange Commission for the purpose of disclosing the acquisition of South Plains Mall.

A report on Form 8-K dated July 10, 1998, event date July 1, 1998, was filed with the Securities and Exchange Commission for the purpose of disclosing the acquisition of Westside Pavilion.

A report on Form 8-K dated July 14, 1998, event date June 17, 1998, was filed with the Securities and Exchange Commission for the purpose of disclosing the issuance of 5,487,471 shares of the Company's Series B Cumulative Convertible Redeemable Preferred Stock.

A report on Form 8-K dated August 7, 1998, event date July 24, 1998, was filed with the Securities and Exchange Commission for the purpose of disclosing the acquisition of the Village at Corte Madera.

THE MACERICH COMPANY (THE COMPANY)

Signatures

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

The Macerich Company

By: /s/ Thomas E. O'Hern

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

Date: August 14, 1998

THE MACERICH COMPANY (THE COMPANY)

Exhibit Index

Exhibit No.
Page

(a) Exhibits

Number	Description
4.1	Redemption, Registration Rights and Lock-up Agreement dated as of July 24, 1998 among The Macerich Company, The Macerich Partnership, L.P., Harry S. Newman, Jr. and LeRoy H. Brettin.

REDEMPTION, REGISTRATION RIGHTS AND LOCK-UP AGREEMENT

This REDEMPTION, REGISTRATION RIGHTS AND LOCK-UP AGREEMENT is made as of the 24th day of July, 1998 (this "AGREEMENT"), among THE MACERICH COMPANY, a Maryland corporation (the "COMPANY"), The Macerich Partnership, L.P., a Delaware limited partnership (the "PARTNERSHIP"), and the investors set forth on the signature pages hereto (each an "INVESTOR" and collectively the "INVESTORS").

W I T N E S S E T H:

WHEREAS, on the Closing Date (as defined below), each of the Investors will hold units ("OP Units") representing a limited partnership interest in the Partnership, which may be redeemed for shares of Common Stock, $.01 par value per share, of the Company (the "COMMON STOCK") on the terms and conditions set forth in the Agreement of Limited Partnership (the "PARTNERSHIP AGREEMENT") of the Partnership;

WHEREAS, the Company has agreed to provide Investors with certain redemption and registration rights as set forth herein;

WHEREAS, the Investors have agreed to the Lock-Up provision set forth herein; and

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to and on the terms and conditions herein set forth, the parties hereto agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

1.1 "BUSINESS DAY" means any day on which the New York Stock Exchange is open for trading.

1.2 "CLOSING DATE" means the date hereof.

1.3 "ELIGIBLE SECURITIES" means all or any portion of any shares of Common Stock acquired by Investors upon redemption of OP Units held by Investors on the Closing Date, PROVIDED, HOWEVER, that if upon any redemption of OP Units the Company issues to any Investor Common Stock where its issuance was registered under the Securities Act ("Unrestricted Common Stock"), such shares of Unrestricted Common Stock shall not be deemed Eligible

Securities for purposes of this Agreement and the Investor will have no registration rights, and the Company will be relieved of all of its obligations hereunder, with respect to those shares of Unrestricted Common Stock.

As to any proposed offer or sale of Eligible Securities, such securities shall cease to be Eligible Securities with respect to such proposed offer or sale when (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement or (ii) such securities are permitted to be distributed pursuant to Rule 144(k) (or any successor provision to such Rule) under the Securities Act or (iii) such securities shall have been otherwise transferred pursuant to an applicable exemption under the Securities Act, new certificates for such securities not bearing a legend restricting further transfer shall have been delivered by the Company and such securities shall be freely transferable to the public without registration under the Securities Act.

1.4 "PERMITTED TRANSFEREES" with respect to each Investor shall mean any Affiliates (as defined in the Partnership Agreement) of such Investor.

1.5 "PERSON" means an individual, a partnership (general or limited), corporation, joint venture, business trust, cooperative, association or other form of business organization, whether or not regarded as a legal entity under applicable law, a trust (inter vivos or testamentary), an estate of a deceased, insane or incompetent person, a quasi-governmental entity, a government or any agency, authority, political subdivision or other instrumentality thereof, or any other entity.

1.6 "REGISTRATION EXPENSES" means all expenses incident to the Company's performance of or compliance with the registration requirements set forth in this Agreement including, without limitation, the following: (i) the fees, disbursements and expenses of the Company's counsel(s) (United States and foreign), accountants and experts in connection with the registration of Eligible Securities to be disposed of under the Securities Act; (ii) all expenses in connection with the preparation, printing and filing of the registration statement, any preliminary prospectus or final prospectus, any other offering document and amendments and supplements thereto and the mailing and delivering of copies thereof to the underwriters and dealers; (iii) the cost of printing or producing any agreement(s) among underwriters, underwriting agreement(s) and blue sky or legal investment memoranda, any selling agreements and any other documents in connection with the offering, sale or delivery of Eligible Securities to be disposed of; (iv) all expenses in connection with the qualification of Eligible Securities to be disposed of for offering and sale under state securities laws, including the fees and disbursements of counsel for the underwriters in connection with such qualification and in connection with any blue sky and legal investment surveys; (v) the filing fees incident to securing any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of Eligible Securities to be disposed of; and (vi) fees and expenses incurred in connection with the listing of Eligible Securities on each securities exchange on which securities of the same class are then listed; PROVIDED, however, that Registration Expenses with respect to any registration pursuant to this Agreement shall not include underwriting discounts or commissions attributable to Eligible Securities, transfer taxes applicable to Eligible Securities or fees, disbursements and expenses of Investor's counsel, accountants and experts.

1.7 "SEC" means the Securities and Exchange Commission.

1.8 "SECURITIES ACT" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the relevant time.

ARTICLE II

EFFECTIVENESS OF REGISTRATION RIGHTS

2.1 EFFECTIVENESS OF REGISTRATION RIGHTS. This Agreement shall become effective immediately, provided, however, that the exercise by any Investor of any registration rights granted pursuant to Article 3 hereof prior to the first anniversary of the Closing Date shall be subject to such Investor first having received written consent from the Company.

ARTICLE III

REDEMPTION, REGISTRATION RIGHTS AND LOCK-UP AGREEMENT

3.1 REDEMPTION RIGHTS. The Investor, upon admission as a limited partner of the Partnership, will be granted rights to redeem OP Units on the terms and conditions set forth in the Partnership Agreement, provided that notwithstanding anything set forth in the Partnership Agreement, the Investor may not: (i) exercise such rights with respect to all or any portion of the OP Units prior to that date which is six months prior to the Closing, (ii) deliver more than two separate redemption notices per calendar year, and (iii) redeem less than 5,000 OP Units (or, if the Investor holds less than 5,000 OP Units, all of the OP Units held by the Investor) in a single redemption.

3.2 NOTICE AND REGISTRATION. If the Company proposes to register any shares of Common Stock or other securities issued by it having terms substantially similar to Eligible Securities ("Other Securities") for public sale under the Securities Act (whether proposed to be offered for sale by the Company or by any other Person) on a form and in a manner which would permit registration of Eligible Securities for sale to the public under the Securities Act, it will give prompt written notice to each Investor of its intention to do so, and upon the written request of any of the Investors delivered to the Company within fifteen (15) Business Days after the giving of any such notice (which request shall specify the number of Eligible Securities intended to be disposed of by such Investor and the intended method of disposition thereof) the Company will use all reasonable efforts to effect, in connection with the registration of the Other Securities, the registration under the Securities Act of all Eligible Securities which the Company has been so requested to register by the Investor or Investors, to the extent required to permit the disposition (in accordance with the intended method or methods thereof as aforesaid) of Eligible Securities so to be registered provided that:

(a) if, at any time after giving such written notice of its intention to register any Other Securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register the Other Securities, the Company may, at its election, give written notice of such determination to the Investor or Investors seeking registration hereunder (hereafter referred to as the "SELLING INVESTORS") and thereupon the Company shall be relieved of its obligation to register such Eligible Securities in connection with the registration of such Other Securities (but not from its obligation to pay Registration Expenses to the extent incurred in connection therewith as provided in Section 3.2);

(b) The Company will not be required to effect any registration pursuant to this Article 3 if the Company shall have been advised in writing (with a copy to Investor) by a nationally recognized independent investment banking firm selected by the Company to act as lead underwriter in connection with the public offering of securities by the Company, that in such firm's opinion, a registration of the Eligible Securities which the Company has been requested to register by Investor at that time would materially and adversely affect the Company's own scheduled offering; and

(c) The Company shall not be required to effect any registration of Eligible Securities under this Article 3 incidental to the registration of any of its securities in connection with mergers, acquisitions, exchange offers, subscription offers, dividend reinvestment plans or stock options or other employee benefit plans.

3.3 REGISTRATION EXPENSES. The Company (as between the Company and the Selling Investors) shall be responsible for the payment of all Registration Expenses in connection with any registration pursuant to this Article 3.

3.4 LOCK-UP AGREEMENT. The Investor agrees, that, prior to that date which is one year following the Closing Date, it will not directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, transfer, pledge, cause a registration of, or otherwise dispose of or make a distribution of any of the shares of Common Stock acquired by the redemption of all or any portion of its OP Units, without the prior written consent of the Company.

ARTICLE IV

REGISTRATION PROCEDURES

4.1 REGISTRATION AND QUALIFICATION. If and whenever the Company is required to use all reasonable efforts to effect the registration of any Eligible Securities under the Securities Act as provided in Article 3, the Company will as promptly as is practicable:

(a) prepare, file and use all reasonable efforts to cause to become effective a registration statement under the Securities Act regarding the Eligible Securities to be offered;

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Eligible Securities until the earlier of such time as all of such Eligible Securities have been disposed of in accordance with the intended methods of disposition by the Selling Investors set forth in such registration statement or the expiration of twelve (12) months after such registration statement becomes effective;

(c) furnish to each Selling Investor and to any underwriter of such Eligible Securities such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus), in conformity with the requirements of the Securities Act, such documents incorporated by reference in such registration statement or prospectus, and such other documents as such Selling Investor or such underwriter may reasonably request;

(d) use all reasonable efforts to register or qualify all Eligible Securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as the Selling Investors or any underwriter of such Eligible Securities shall reasonably request, and do any and all other acts and things which may be reasonably requested by the Selling Investors or any underwriter to consummate the disposition in such jurisdictions of the Eligible Securities covered by such registration statement, except the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it is not so qualified, or to subject itself to taxation in any jurisdiction where it is not then subject to taxation, or to consent to general service of process in any jurisdiction where it is not then subject to service of process;

(e) use all reasonable efforts to list the Eligible Securities on each national securities exchange on which the Common Stock is then listed, if the listing of such securities is then permitted under the rules of such exchange; and

(f) immediately notify the Selling Investors at any time when a prospectus relating to a registration pursuant to Article 3 hereof is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and at the request of any Selling Investor prepare and furnish to such Investor as many copies of a supplement to or an amendment of such prospectus as the Selling Investor may request so that, as thereafter delivered to the purchasers of such Eligible Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The Company may require the Investors to furnish the Company such information regarding the Investors and the distribution of such securities as the Company may from time to time reasonably request in writing and as shall be required by law or by the SEC in connection with any registration. The Company may also impose such restrictions and limitations on the distribution of such Eligible Securities as the Company reasonably believes are necessary or advisable to comply with applicable law or to effect an orderly distribution, including those restrictions set forth in Section 4.3 hereof.

4.2 UNDERWRITING. (a) In the event that any registration pursuant to Article 3 hereof shall involve, in whole or in part, an underwritten offering, the Company may require Eligible Securities requested to be registered pursuant to Article 3 to be included in such underwriting on the same terms and conditions as shall be applicable to the Other Securities being sold through underwriters under such registration.

(b) If requested by the underwriters for any underwritten offering of Eligible Securities pursuant to a registration requested hereunder, the Company will enter into and perform its obligations under an underwriting agreement with such underwriters for such offering, such agreement to contain such representations and warranties by the Company and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions, including, without limitation, indemnities and contribution to the effect and to the extent provided in Article 6 hereof. Each Selling Investor shall be a party to any such underwriting agreement and the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of each such Selling Investor. Such agreement shall also contain such representations and warranties by each such Selling Investor and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions, including, without limitation, indemnities and contribution to the effect and to the extent provided in Article 6.

4.3 BLACKOUT PERIODS. At any time when a registration statement effected pursuant to Article 3 relating to Eligible Securities is effective, upon written notice from the Company to an Investor that the Company has determined in good faith, with the advice of counsel, that such Investor's sale of Eligible Securities pursuant to the registration statement would require disclosure of non-public material information the disclosure of which would have a material adverse effect on the Company or would otherwise adversely effect a material financing, acquisition, disposition, merger or other comparable transaction (a "Blackout"), such Investor shall suspend sales of Eligible Securities pursuant to such registration statement until the earlier of:

(a) the date upon which such material information is disclosed to the public or ceases to be material, or

(b) such time as the Company notifies such Investor that sales pursuant to such registration statement may be resumed.

4.4 QUALIFICATION FOR RULE 144 SALES. The Company will take all actions reasonably necessary to comply with the filing requirements described in Rule 144(c)(1) so as to enable the Investors to sell Eligible Securities without registration under the Securities Act and, upon the written request of any Investor, the Company will deliver to such Investor a written statement as to whether it has complied with such filing requirements.

ARTICLE V

PREPARATION; REASONABLE INVESTIGATION

5.1 PREPARATION; REASONABLE INVESTIGATION. In connection with the preparation and filing of each registration statement registering Eligible Securities under the Securities Act, the Company will give each Selling Investor and the underwriters, if any, and their respective counsel and accountants, drafts of such registration statement for their review and comment prior to filing and such reasonable and customary access to its books and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of the Selling Investors and such underwriters or their respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

ARTICLE VI

INDEMNIFICATION AND CONTRIBUTION

6.1 INDEMNIFICATION AND CONTRIBUTION. (a) In the event of any registration of Eligible Securities hereunder, the Company will enter into customary indemnification arrangements to indemnify and hold harmless each Selling Investor, and each Person who participates as an underwriter in the offering or sale of such securities, and each Person, if any, who controls such underwriter within the meaning of the Securities Act against any losses, claims, damages, liabilities and expenses, joint or several, to which such Person may be subject under the Securities Act or otherwise insofar as such losses, claims, damages, liabilities or expenses (or actions or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, or any document incorporated by reference therein, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will promptly reimburse each such Person for any legal or any other expenses reasonably incurred by such Person in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding; PROVIDED that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus or final prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Selling Investor expressly for use in the registration statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Selling Investor or any such

Person and shall survive the transfer of such securities by such Selling Investor. The Company also shall agree to provide provision for contribution as shall be reasonably requested by the Selling Investors or any underwriters in circumstances where such indemnity is held unenforceable.

(b) Each Selling Investor, by virtue of exercising its registration rights hereunder, agrees and undertakes to enter into customary indemnification arrangements to indemnify and hold harmless (in the same manner and to the same extent as set forth in clause (a) of this Article 6) the Company, each director of the Company, each officer of the Company who shall sign such registration statement, each Person who participates as an underwriter in the offering or sale of such securities and each Person, if any, who controls the Company or any such underwriter within the meaning of the Securities Act, with respect to any statement in or omission from such registration statement, any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, but only to the extent that such statement or omission was made in reliance upon and in conformity with written information furnished by such Investor to the Company expressly for use in the registration statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling Person and shall survive the transfer of the registered securities by the Investor and the expiration of this Agreement. Each Investor also shall agree to provide provision for contribution as shall be reasonably requested by the Company or any underwriters in circumstances where such indemnity is held unenforceable.

(c) Indemnification and contribution similar to that specified in the preceding subdivisions of this Article 6 (with appropriate modifications) shall be given by the Company and each Selling Investor with respect to any required registration or other qualification of Eligible Securities under any federal or state law or regulation of governmental authority other than the Securities Act.

ARTICLE VII

TRANSFER OF REGISTRATION RIGHTS

7.1 TRANSFER OF REGISTRATION RIGHTS. The Investors may NOT transfer the registration rights granted hereunder to any other Person.

ARTICLE VIII

MISCELLANEOUS

8.1 CAPTIONS. The captions or headings in this Agreement are for convenience and reference only, and in no way define, describe, extend or limit the scope or intent of this Agreement.

8.2 SEVERABILITY. If any clause, provision or section of this Agreement shall be invalid or unenforceable, the invalidity or unenforceability of such clause, provision or section shall not affect the enforceability or validity of any of the remaining clauses, provisions or sections hereof to the extent permitted by applicable law.

8.3 GOVERNING LAW. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California, without reference to its rules as to conflicts or choice of laws.

8.4 MODIFICATION AND AMENDMENT. This Agreement may not be changed, modified, discharged or amended, except by an instrument signed by all of the parties hereto.

8.5 COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

8.6 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement and understanding among the parties and supersedes any prior understandings and/or written or oral agreements among them respecting the subject matter herein.

8.7 NOTICES. All notices, requests, demands, consents and other communications required or permitted to be given pursuant to this Agreement shall be in writing and delivered by hand, by overnight courier delivery service or by certified mail, return receipt requested, postage prepaid. Notices to Investors shall be made to the address listed on the stock transfer records of the Company.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed as of the day and year first above written.

THE MACERICH COMPANY

By: ---------------------------------

Name: Richard A. Bayer

Title: Secretary and General Counsel

THE MACERICH PARTNERSHIP, L.P.

By: The Macerich Company,
its General Partner

By: ----------------------------

Name: Richard A. Bayer

Title: Secretary and General Counsel

THE "INVESTORS"

Harry S. Newman, Jr.

LeRoy H. Brettin

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEETS AND CONSOLIDATED STATEMENTS OF OPERATIONS FOUND ON PAGES 1 AND 2 OF THE COMPANY'S 10 Q FOR THE YEAR TO DATE AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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JUN-30-1998
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