

MACERICH CO  
Form 10-Q  
August 09, 2010

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2010

Commission File No. 1-12504

**THE MACERICH COMPANY**

(Exact name of registrant as specified in its charter)

**MARYLAND**

(State or other jurisdiction of  
incorporation or organization)

**95-4448705**

(I.R.S. Employer Identification Number)

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

(Address of principal executive office, including zip code)

**(310) 394-6000**

(Registrant's telephone number, including area code)

**N/A**

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

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 for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past ninety (90) days.

YES  NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding twelve (12) months (or for such shorter period that the registrant was required to submit and post such files).

YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES  NO

Number of shares outstanding as of August 6, 2010 of the registrant's common stock, par value \$0.01 per share: 130,103,762 shares

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

(Unaudited)

	June 30, 2010	December 31, 2009
<b>ASSETS:</b>		
Property, net	\$ 5,655,410	\$ 5,657,939
Cash and cash equivalents	596,718	93,255
Restricted cash	42,473	41,619
Marketable securities	26,459	26,970
Tenant and other receivables, net	84,344	101,220
Deferred charges and other assets, net	297,389	276,922
Loans to unconsolidated joint ventures	5,492	2,316
Due from affiliates	5,608	6,034
Investments in unconsolidated joint ventures	1,024,413	1,046,196
<b>Total assets</b>	<b>\$ 7,738,306</b>	<b>\$ 7,252,471</b>
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY:</b>		
<b>Mortgage notes payable:</b>		
Related parties	\$ 194,782	\$ 196,827
Others	3,076,321	3,039,209
<b>Total</b>	<b>3,271,103</b>	<b>3,236,036</b>
Bank and other notes payable	627,667	1,295,598
Accounts payable and accrued expenses	58,956	70,275
Other accrued liabilities	254,353	266,197
Investments in unconsolidated joint ventures	69,065	67,052
Co-venture obligation	164,440	168,049
Preferred dividends payable	207	207
<b>Total liabilities</b>	<b>4,445,791</b>	<b>5,103,414</b>
Redeemable noncontrolling interests	20,591	20,591
<b>Commitments and contingencies</b>		
<b>Equity:</b>		
<b>Stockholders' equity:</b>		
Common stock, \$0.01 par value, 250,000,000 shares authorized, 130,204,445 and 96,667,689 shares issued and outstanding at June 30, 2010 and December 31, 2009, respectively	1,302	967
Additional paid-in capital	3,439,758	2,227,931
Accumulated deficit	(465,143)	(345,930)
Accumulated other comprehensive loss	(12,209)	(25,397)
<b>Total stockholders' equity</b>	<b>2,963,708</b>	<b>1,857,571</b>
<b>Noncontrolling interests</b>	<b>308,216</b>	<b>270,895</b>

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Total equity	3,271,924	2,128,466
Total liabilities, redeemable noncontrolling interests and equity	\$ 7,738,306	\$ 7,252,471

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

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**THE MACERICH COMPANY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Dollars in thousands, except per share amounts)

(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
<b>Revenues:</b>				
Minimum rents	\$ 102,510	\$ 120,569	\$ 204,490	\$ 243,778
Percentage rents	3,108	2,669	6,095	5,470
Tenant recoveries	57,259	61,765	118,268	125,911
Management Companies	12,117	9,345	22,339	17,885
Other	6,887	7,827	12,804	14,854
<b>Total revenues</b>	<b>181,881</b>	<b>202,175</b>	<b>363,996</b>	<b>407,898</b>
<b>Expenses:</b>				
Shopping center and operating expenses	56,710	65,912	117,530	135,336
Management Companies' operating expenses	24,466	18,872	46,653	42,302
REIT general and administrative expenses	3,642	4,648	11,160	9,906
Depreciation and amortization	59,913	62,302	119,128	125,777
	144,731	151,734	294,471	313,321
<b>Interest expense:</b>				
Related parties	3,103	6,254	6,205	12,044
Other	49,135	65,660	101,444	129,812
	52,238	71,914	107,649	141,856
Loss (gain) on early extinguishment of debt	489	(7,127)	489	(29,601)
<b>Total expenses</b>	<b>197,458</b>	<b>216,521</b>	<b>402,609</b>	<b>425,576</b>
Equity in income of unconsolidated joint ventures	15,762	14,556	32,221	30,482
Co-venture expense	(1,993)	380	(3,377)	1,181
Income tax benefit	1,375	380	2,590	1,181
Gain on sale or write down of assets	582	1,390	582	2,163
<b>Income (loss) from continuing operations</b>	<b>149</b>	<b>1,980</b>	<b>(6,597)</b>	<b>16,148</b>

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Discontinued operations:				
Loss on sale or write down of assets	(72)	(26,995)	(71)	(27,012)
(Loss) income from discontinued operations	(22)	649	(138)	2,915
Total loss from discontinued operations	(94)	(26,346)	(209)	(24,097)
Net income (loss)	55	(24,366)	(6,806)	(7,949)
Less net income (loss) attributable to noncontrolling interests	495	(2,630)	(9)	(229)
Net loss attributable to the Company	\$ (440)	\$ (21,736)	\$ (6,797)	\$ (7,720)
Earnings per common share attributable to Company basic:				
(Loss) income from continuing operations	\$ (0.01)	\$ 0.01	\$ (0.08)	\$ 0.15
Discontinued operations		(0.30)		(0.27)
Net loss available to common stockholders	\$ (0.01)	\$ (0.29)	\$ (0.08)	\$ (0.12)
Earnings per common share attributable to Company diluted:				
(Loss) income from continuing operations	\$ (0.01)	\$ 0.01	\$ (0.08)	\$ 0.15
Discontinued operations		(0.30)		(0.27)
Net loss available to common stockholders	\$ (0.01)	\$ (0.29)	\$ (0.08)	\$ (0.12)
Weighted average number of common shares outstanding:				
Basic	123,446,000	77,270,000	110,271,000	77,082,000
Diluted	123,446,000	77,270,000	110,271,000	77,082,000

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