

MACERICH CO
Form 10-Q
November 06, 2007

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 September 30, 2007

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 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 NO

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

Large accelerated filer Accelerated filer Non-accelerated filer

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

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YES NO

Number of shares outstanding of the registrant's common stock, as of November 1, 2007 Common Stock, par value \$.01 per share: 72,518,069 shares

THE MACERICH COMPANY

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THE MACERICH COMPANY

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share amounts)

	September 30, 2007 (Unaudited)	December 31, 2006
ASSETS:		
Property, net	\$ 6,045,958	\$ 5,755,283
Cash and cash equivalents	42,850	269,435
Restricted cash	69,209	66,376
Marketable securities	29,368	30,019
Tenant receivables, net	127,868	117,855
Deferred charges and other assets, net	323,233	307,825
Loans to unconsolidated joint ventures	488	708
Due from affiliates	2,263	4,282
Investments in unconsolidated joint ventures	818,723	1,010,380
Total assets	\$ 7,459,960	\$ 7,562,163
LIABILITIES, PREFERRED STOCK AND COMMON STOCKHOLDERS EQUITY:		
Mortgage notes payable:		
Related parties	\$ 226,745	\$ 151,311
Others	3,073,368	3,179,787
Total	3,300,113	3,331,098
Bank and other notes payable	1,824,366	1,662,781
Accounts payable and accrued expenses	92,523	86,127
Other accrued liabilities	250,464	212,249
Preferred stock dividends payable	6,804	6,199
Total liabilities	5,474,270	5,298,454
Minority interest	330,573	387,183
Commitments and contingencies		
Class A participating convertible preferred units	213,786	213,786
Class A non-participating convertible preferred units	16,459	21,501
Series A cumulative convertible redeemable preferred stock, \$.01 par value, 3,627,131 shares authorized, issued and outstanding at September 30, 2007 and December 31, 2006, respectively	98,934	98,934
Common stockholders equity:		
Common stock, \$.01 par value, 145,000,000 shares authorized, 71,712,556 and 71,567,908 shares issued and outstanding at September 30, 2007 and December 31, 2006, respectively	716	716
Additional paid-in capital	1,630,093	1,717,498
Accumulated deficit	(298,095)	(178,249)
Accumulated other comprehensive (loss) income	(6,776)	2,340
Total common stockholders equity	1,325,938	1,542,305
Total liabilities, preferred stock and common stockholders equity	\$ 7,459,960	\$ 7,562,163

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

THE MACERICH COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenues:				
Minimum rents	\$ 130,371	\$ 115,877	\$ 380,256	\$ 354,555
Percentage rents	4,992	4,702	11,620	9,618
Tenant recoveries	70,623	64,250	206,416	187,219
Management Companies	9,242	8,023	27,595	22,650
Other	8,756	9,225	25,554	21,814
Total revenues	223,984	202,077	651,441	595,856
Expenses:				
Shopping center and operating expenses	73,831	67,478	211,224	193,321
Management Companies operating expenses	17,908	14,455	54,182	41,295
REIT general and administrative expenses	1,992	2,551	11,777	9,540
Depreciation and amortization	60,171	53,542	177,665	168,965
	153,902	138,026	454,848	413,121
Interest expense:				
Related parties	3,772	2,730	9,634	8,142
Other	56,210	64,623	180,165	196,141
	59,982	67,353	189,799	204,283
Total expenses	213,884	205,379	644,647	617,404
Minority interest in consolidated joint ventures	(721)	(870)	(2,237)	(1,872)
Equity in income of unconsolidated joint ventures	18,648	18,490	52,128	57,367
Income tax (provision) benefit	(429)	(535)	478	(219)
Gain on sale of assets	147	538	4,181	37
Loss on early extinguishment of debt		(29)	(877)	(1,811)
Income from continuing operations	27,745	14,292	60,467	31,954
Discontinued operations:				
(Loss) gain on sale of assets	(905)	46,214	(2,325)	72,167
Income from discontinued operations	237	1,562	60	9,241
Total (loss) income from discontinued operations	(668)	47,776	(2,265)	81,408
Income before minority interest and preferred dividends	27,077	62,068	58,202	113,362
Less: minority interest in Operating Partnership	3,070	8,901	5,935	15,131
Net income	24,007	53,167	52,267	98,231
Less: preferred dividends	6,727	6,199	18,971	18,139
Net income available to common stockholders	\$ 17,280	\$ 46,968	\$ 33,296	\$ 80,092
Earnings per common share basic:				
Income from continuing operations	\$ 0.25	\$ 0.10	\$ 0.49	\$ 0.16
Discontinued operations	(0.01)	0.56	(0.03)	0.97
Net income	\$ 0.24	\$ 0.66	\$ 0.46	\$ 1.13
Earnings per common share diluted:				
Income from continuing operations	\$ 0.25	\$ 0.10	\$ 0.49	\$ 0.16
Discontinued operations	(0.01)	0.56	(0.03)	0.97
Net income	\$ 0.24	\$ 0.66	\$ 0.46	\$ 1.13
Weighted average number of common shares outstanding:				
Basic				