

MACERICH CO  
Form 11-K  
June 28, 2002

**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 11-K**

**ANNUAL REPORT  
PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED, EFFECTIVE OCTOBER 7, 1996].

For the fiscal year ended December 31, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED].

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-12504

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below: The Macerich Property Management Company Profit Sharing Plan
- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

The Macerich Company  
401 Wilshire Boulevard, Suite 700  
Santa Monica, California 90401

**REQUIRED INFORMATION**

The Macerich Property Management Company Profit Sharing Plan (the "Plan") is subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). Therefore, in lieu of the requirements of Items 1-3 of Form 11-K, the financial statements and schedules of the Plan for the fiscal year ended December 31, 2001, which have been prepared in accordance with the financial reporting requirements of ERISA, are filed herewith and incorporated herein by this reference.

The written consent of Holthouse Carlin & Van Trigt LLP with respect to the annual financial statements of the Plan is filed as Exhibit 23 to this Annual Report.

**SIGNATURES**

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf on this 26th day of June 2002, by the undersigned hereunto duly authorized.

**THE MACERICH PROPERTY MANAGEMENT  
COMPANY PROFIT SHARING PLAN**

By: /s/ Richard A. Bayer

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Richard A. Bayer, Trustee

By: /s/ Arthur M. Coppola

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Arthur M. Coppola, Trustee

By: /s/ Thomas E. O'Hern

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Thomas E. O'Hern, Trustee

**THE MACERICH  
PROPERTY MANAGEMENT COMPANY  
PROFIT SHARING PLAN AND TRUST**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2001**

**WITH**

**INDEPENDENT AUDITORS' REPORT  
AND SUPPLEMENTARY INFORMATION**

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Independent Auditors' Report

To the Administrative Committee of  
 The Macerich Property Management Company Profit Sharing Plan and Trust:

We have audited the accompanying statements of net assets available for plan benefits of The Macerich Property Management Company Profit Sharing Plan and Trust as of December 31, 2001 and 2000, and the related statement of changes in net assets available for plan benefits for the year ended December 31, 2001. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of The Macerich Property Management Company Profit Sharing Plan and Trust as of December 31, 2001 and 2000, and the changes in the net assets available for plan benefits for the year ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule, as listed in the accompanying index, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Holthouse Carlin & Van Trigt LLP

Westlake Village, California  
 June 18, 2002

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**THE MACERICH PROPERTY MANAGEMENT COMPANY**  
**PROFIT SHARING PLAN AND TRUST**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS**  
**DECEMBER 31, 2001 AND 2000**

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	ASSETS	
	December 31	
	2001	2000
	-----	-----
INVESTMENTS, at fair value		
Alger Capital Appreciation Fund	\$ 364,840	\$ 205,560
Fidelity Puritan Fund	47	123
Fidelity Growth and Income Fund	3,791,942	3,905,734



	1,626,411
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:	
Benefits paid to participants	967,211
	-----
NET INCREASE IN PLAN NET ASSETS	659,200
NET ASSETS AVAILABLE FOR PLAN BENEFITS:	
BEGINNING OF YEAR	11,836,235
	-----
END OF YEAR	\$ 12,495,435
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The accompanying notes are an integral part of this statement.

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**THE MACERICH PROPERTY MANAGEMENT COMPANY  
PROFIT SHARING PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1: DESCRIPTION OF PLAN**

The following description of The Macerich Property Management Company Profit Sharing Plan and Trust (the "Plan") provides only general information. Participants and other interested parties should refer to the Plan agreement for a more complete description of the Plan's provisions.

**General**

The Plan is a defined contribution pension plan covering substantially all employees of The Macerich Property Management Company LLC and participating affiliates (the "Company", the "Employer" and the "Plan Administrator"). The Plan is subject to regulations set forth by the Department of Labor under the Employee Retirement Income Security Act of 1974 ("ERISA").

**Administration**

The Company has designated an Administrative Committee (the "Committee" and the "Trustees"), consisting of Richard Bayer, General Counsel, Arthur Coppola and Thomas O'Hern, officers of the Company. Among other duties, it is the responsibility of the Committee to select and monitor performance of investments and maintain certain administrative records. The committee approved ReliaStar Life Insurance Company (the "Custodian") to receive plan contributions from the Company and invest and safeguard the Plan's assets held for investment purposes as directed by the committee.

**Employee Participation and Eligibility**

All employees of the Company may become eligible to participate in the Plan, provided the employee is twenty-one years of age, has completed one year of employment during which at least 1,000 hours of service were provided, and is not covered by a collective bargaining agreement which has made retirement benefits available. The plan was amended on December 1, 2000 to change the plan entry periods. Effective January 1, 2001, an eligible employee may enter the Plan on January 1, April 1, July 1 or October 1, which follows satisfaction of the eligibility requirements.

The Plan permits employees of newly acquired properties credit for years of service earned prior to Macerich's ownership. If this credit for prior service allows the acquisition employee to meet Plan eligibility requirements, they are granted the option of entering the Plan on the first day of the month following their date of hire.

**Contributions**

Participants are permitted to defer up to 15% of their salary, as defined in the Plan. The Company may make discretionary contributions to the Plan from the net profits of the current year and accumulated earnings from prior years, in one or more installments. In no event shall the contribution by the Company exceed fifteen percent (15%) of the participants' compensation for any Plan year. For the year ended December 31, 2001 the Company contributed three percent (3%) of the participants' compensation totaling \$1,059,178.

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**THE MACERICH PROPERTY MANAGEMENT COMPANY  
PROFIT SHARING PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

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**NOTE 1: DESCRIPTION OF PLAN (CONTINUED)**

**Vesting Provisions**

The Plan was amended on December 1, 2000 to change the vesting provisions. Company contributions to the Plan became 100% vested as of January 1, 2001.

**Forfeitures**

Participants who terminated employment prior to January 1, 2001, and not fully vested under the terms of the Plan up to that date, forfeit all non-vested benefits, as defined in the Plan. Forfeitures are generally added to the profit sharing contributions made by the Company for the following plan year, and are allocated proportionately to all eligible participants based on pay. For the year ended December 31, 2001, forfeitures of \$85,294 were allocated to eligible participants' accounts.

**Participant Accounts**

Each participant's account is credited with the participant's contribution and allocations of the Company's contribution, Plan earnings and forfeitures, and charged with any withdrawals or distributions requested by the participant, investment losses and allocation of administrative expenses, if applicable. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account

**Benefit Payments**

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account or installment payments as permitted and defined under the Plan. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

The Plan also permits distributions for Hardships, as defined in the Plan.

**Tax Status**

The Plan obtained its latest determination letter on June 10, 2002, in which the Internal Revenue Service stated that the Plan, as amended, is in compliance with the applicable requirements of the Internal Revenue Code.

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**THE MACERICH PROPERTY MANAGEMENT COMPANY  
PROFIT SHARING PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

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**NOTE 1: DESCRIPTION OF PLAN (CONTINUED)**

**Plan Expenses**

All administrative expenses of the Plan are paid by the Company, or, at the election of the Company, from the Plan trust fund. For the year ended December 31, 2001, there were no administrative expenses paid from the Plan trust fund. The investment options have certain management fees, which reduce the overall return on assets. The net depreciation on investments is reflected net of the management fees.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements have been prepared using the accrual basis of accounting.

**Investment Valuation and Income Recognition**

In compliance with the requirements of ERISA, cash and equity funds are reported at fair value, and guaranteed insurance contracts are at contract value. The investments and changes therein of the trust funds have been reported to the Plan by the custodian using fair value. Contract value represents contributions made under the contract plus interest at the contract rate, less funds used to pay benefits.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Concentration of Risk**

The Plan has exposure to risk to the extent that its investments are subject to market fluctuations that may materially affect the value of the investment balances.

**Benefits Payable to Former Participants**

The American Institute of Certified Public Accountants (AICPA) has issued guidelines regarding amounts due to former plan participants but not paid by year-end. The AICPA requires these amounts to be classified as net assets available for benefits, and not as liabilities of the Plan. Included in net assets available for Plan benefits at December 31, 2001, are amounts which may become payable to participants who are not active participants of the Plan.

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**THE MACERICH PROPERTY MANAGEMENT COMPANY  
PROFIT SHARING PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)**

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**NOTE 3: INVESTMENTS**

Participants may choose to direct the investments of their accounts from the following:

**Reliastar Fixed Interest Fund**

This Fund, a guaranteed interest contract, provides investors with stable, long-term investment growth with minimal risk. All money deposited into a certificate earns a guaranteed rate of return, credited daily until maturity. For 2001, interest rates ranged from 5.0% to 5.2%. The Fund invests in corporate and government bonds as well as mortgage backed securities. To maintain liquidity the Fund holds a portion of assets in cash and cash equivalents.

**Reliastar Balanced Value Fund**

This Fund invests in both fixed income securities and common stocks with an overall objective to provide a combination of growth of capital and investment income. The Fund may invest up to 25% of total assets in lower grade high-yield securities or junk bonds. To provide liquidity, the Fund also holds a portion of its assets in various types of U.S. Government securities and money market instruments.

**Alger Capital Appreciation Fund**

This Fund seeks long-term capital appreciation. The Fund normally invests at least 85% of assets in equity securities issued by companies of any size. Convertible securities acquired by the fund must be rated A or better. The Fund generally maintains up to 15% of assets in money-market instruments and repurchase agreements.

**Goldman Sachs Capital Growth Fund**

This Fund seeks to provide long-term growth of capital by investing at least 90% of its assets in a diversified portfolio of equity securities of well-known companies with strong brand franchises. While the Fund primarily invests in publicly traded U.S. securities it may invest up to 10% of its total assets in foreign securities.

**Fidelity Growth & Income Fund**

This Fund seeks long-term capital growth, current income and growth of income, consistent with reasonable investment risk. The Fund invests in securities of companies which offer growth of earnings potential while paying current dividends. This may include any combination of common stock, convertible securities, preferred stock and fixed income securities.

**Putnam Global Growth Fund**

This Fund seeks to limit the risks of currency fluctuations and political events by spreading its investments among countries around the world including the United States. Putnam's growth portfolio analysts seeks to identify companies with a strong growth potential for having above average growth over time.



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**Salomon Brothers Capital Fund**

This Fund seeks capital appreciation through investments primarily in common stock, or securities convertible into common stock, which are believed to have above average price appreciation potential and which may also involve above average risk. The Fund invests in the stocks of well known companies, relatively small and newer companies as well as in new issues and may be subject to wide fluctuations in market value.

**Macerich Company Common Stock Fund**

This Fund seeks capital appreciation and dividend income through investment in common stock of The Macerich Company, the Plan Sponsor, and thus a related party and party-in-interest. The Fund allows Plan members the ability to participate in the ownership of their employer's common stock. Participants are directed not to allocate more than 25% of deferrals to the purchase of this investment.

The following presents investments that represent 5 percent or more of the Plan's net assets as of December 31, 2001.

Fidelity Growth and Income Fund	\$ 3,791,942
Putnam Global Growth Fund	\$ 1,667,353
Reliastar Balanced Value Fund	\$ 1,737,953
Reliastar Fixed Interest Funds	\$ 2,268,537
Salomon Brothers Capital Fund	\$ 705,738

**NOTE 4: PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

**NOTE 5 SUBSEQUENT EVENTS**

Effective January 28, 2002, the Plan's investments, at the direction of the Plan committee, were moved from Reliastar Life Insurance Company and placed with MFS Heritage Trust Company. In connection with the move to MFS Heritage Trust Company, except for The Macerich Company Common Stock, all investments offered through Reliastar Insurance Company were no longer offered and replaced with the following: Washington Mutual Investors Fund, Massachusetts Investors Growth Fund, Dreyfus Premier Large Company Fund, Franklin Growth Fund, Brinson Tactical Allocation Fund, MFS Total Return Fund, Mutual Qualified Fund, MFS New Discovery Fund, EuroPacific Growth Fund, Templeton Foreign Fund, MFS Government Securities Fund, and MFS Fixed Fund.

In connection with the termination of the Reliastar Fixed Interest Fund, Reliastar charged a market value adjustment, which the Company paid.

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**THE MACERICH PROPERTY MANAGEMENT COMPANY  
PROFIT SHARING PLAN AND TRUST  
EIN 95-4203908 PLAN NO. 001**

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**SUPPLEMENTARY INFORMATION**

**SCHEDULES PROVIDED PURSUANT TO  
THE DEPARTMENT OF LABOR RULES AND REGULATIONS**

Note: Certain schedules required under the Employee Retirement Income Security Act of 1974 have been omitted as they are not applicable.

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**THE MACERICH PROPERTY MANAGEMENT COMPANY  
PROFIT SHARING PLAN AND TRUST  
EIN 95-4203908 PLAN NO. 001  
SCHEDULE OF ASSETS (HELD AT YEAR END)  
DECEMBER 31, 2001**

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Identity of Issuer	Description of Investment	Market Value
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Alger	Alger Capital Appreciation Fund	\$ 364,840
Fidelity	Fidelity Puritan Fund	47
Fidelity	Fidelity Growth and Income Fund	3,791,942
Goldman Sachs	Goldman Sachs Capital Growth Fund	606,360
Macerich*	Macerich Common Stock Fund	293,486
Putnam	Putnam Global Growth Fund	1,667,353
Reliastar*	Reliastar Balanced Value Fund	1,737,953
Reliastar*	Reliastar Fixed Interest Fund	2,268,537
Salomon Brothers	Salomon Brothers Capital Fund	705,738
		-----
		\$ 11,436,256

\*Indicates a party-in-interest

The accompanying notes are an integral part of this supplemental schedule.

**CONSENT OF INDEPENDENT ACCOUNTANTS**

The Macerich Company  
401 Wilshire Boulevard, Suite 700  
Santa Monica, California 90401

We consent to the incorporation by reference in the registration statements of The Macerich Company on Form S-3 (File No. 333-88718), Form S-3 (File No. 333-21157), Form S-3 (File No. 333-38721), Form S-3 (File No. 333-80129) and Forms S-8 of our report dated June 18, 2002, on our audits of the financial statements and supplemental schedule of The Macerich Property Management Company Profit Sharing Plan as of December 31, 2001 and for the year then ended, which report is included in the Annual Report on Form 11-K.

Holthouse Carlin & Van Trigt LLP  
Westlake Village, California  
June 25, 2002