



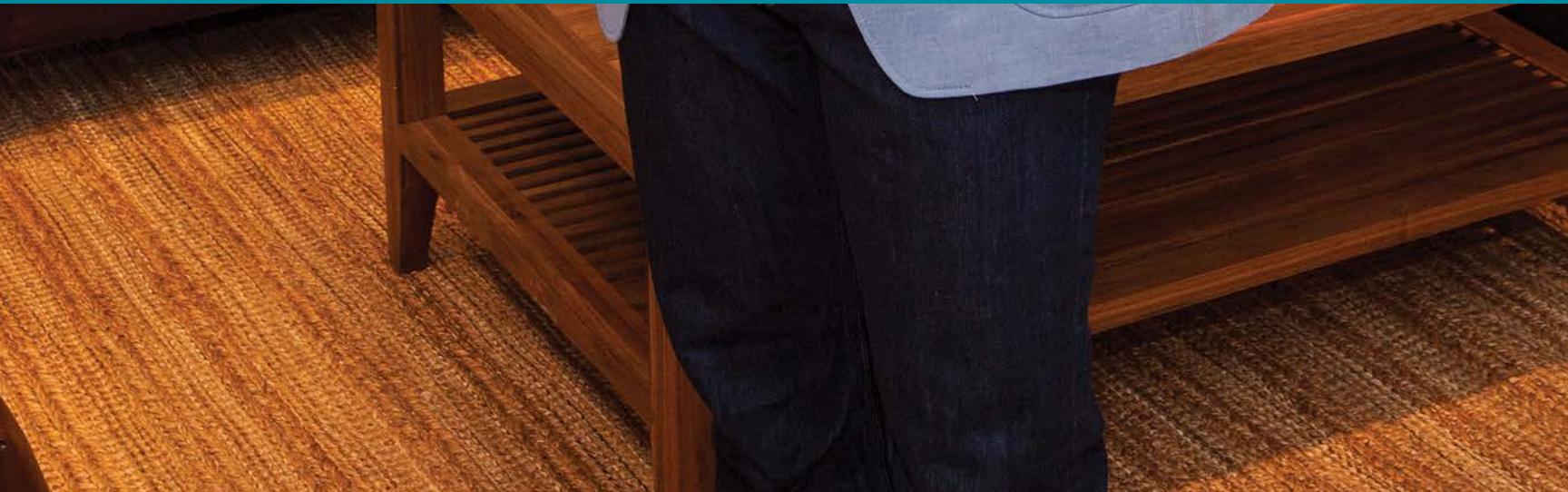
Adrian Mitchell
Chief Financial Officer, Crate & Barrel

Volume 48 | No. 5 | Second Quarter 2013



HAPPENINGS

INSIDE: Outlets Come Home | Broadway Plaza is Growing | Meet Randy Brant, EVP of Real Estate | Macy's Draws Crowds



Outlets Come Home: Fashion Outlets of Chicago Brings Top Outlet Experience to the Heart of the Market

Imagine an outlet property so good – and so attractive – you wanted it to be just next door. With the new Fashion Outlets of Chicago, set to open on August 1, that's exactly the case.

Macerich, in partnership with AWE Talisman is developing this newest idea in outlets, located minutes away from O'Hare International Airport, right in the thick of the Chicago market. Unlike almost any other outlet property in the country, Fashion Outlets of Chicago isn't set in a far-flung stretch of countryside: Instead it is the newest in smart in-fill, conveniently located in the center of the dense and dynamic Chicago market.

"Not only will this property feature the very best retail names anywhere, but shoppers will be able to reach this incredible collection of brands in a matter of minutes, not hours," said Randy Brant, Executive Vice President of Real Estate for Macerich. "This powerful combination of excellent retail, convenient access and high-level amenities is raising the bar for the outlet platform as a whole."

Retail "Who's Who"

Already the lineup reads like a retail "who's who" – with department store concepts Bloomingdale's The Outlet Store, Last Call by Neiman Marcus and Saks Fifth Avenue OFF 5th, plus 120 eye-catching brands including Barneys New York Outlet, Giorgio Armani, Gucci, Halston, Hugo Boss Outlet, Longchamp Outlet, Prada, Theory, Vince and many more. The property's opening retail roster reaches from outlet favorites to hard-to-find, luxury names that operate just a handful of stores across the country.

The two-story, fully enclosed property encompasses 526,000 square feet of retail space and will offer a first-level food court, high-end finishes, modern parking decks and two fine dining restaurants – Prasino, a new location of Chicago's sustainable and seasonal restaurant in Wicker Park, and Villagio, an exciting Italian concept from South Florida. Fashion Outlets of Chicago is the first fully enclosed, multi-level property with this level of amenities to be built in the Chicago area in more than two decades.

The property is located in the community of Rosemont, a corporate and commercial

hub that has worked to become a top meeting destination and entertainment center, making it a ripe setting for the shopping and dining attractions of the new Fashion Outlets of Chicago. In addition to many of the world's best known hotel names, from Westin to Sheraton to Intercontinental and more, Rosemont is home to The Rosemont Theatre, Allstate Arena and the Donald E. Stephens Convention Center.

Given the new project's high-impact setting and appealing collection of amenities, retailers were quick to commit to this groundbreaking project. Retailers' enthusiasm was fueled by ready access to millions of eager, aspirational shoppers who live in the Chicago area, as well as the opportunities to connect with the millions of travelers flying in and out of O'Hare each year.

Concierge Service for Travelers

To make shopping an easy add-on for travelers, Fashion Outlets of Chicago is partnering with TSA-certified BAGS Inc. to operate a special concierge service that allows travelers to print boarding passes and check shopping bags and luggage



directly to their flights at O'Hare. Regular shuttles to and from the airport's terminals, as well as to downtown hotels, position Fashion Outlets of Chicago as one of the region's newest tourist attractions.

"Based on the buzz I hear from outlet retailers, Fashion Outlets of Chicago will have a strong influence on the future of outlet development and retailing," said Linda Humphers, editor in chief of the industry trade journal Value Retail News. "Macerich and AWE Talisman have taken all the usual outlet components – tenancy, center design, amenities, marketing, operations and especially location – and they've added layer after layer of refinement. I can't remember when I've heard retailers express so much enthusiasm for an outlet center. They are amazed that luxury has been added without losing the outlet-value equation of price, selection and quality. This center will draw imitators, that's a given – and that's good news for everyone."

Fashion Outlets of Chicago extends the success Macerich is finding in the outlet category. At the top-performing Fashion Outlets of Niagara in New York state, pre-leasing is underway for the property's 172,000 square-foot expansion, with plans to open in 2014.

Chicago Times Two

In Chicago, the new Fashion Outlets of Chicago becomes the second marquee property for Macerich, complementing its downtown destination, The Shops at North Bridge. In the heart of the city's best known shopping district, this Michigan Avenue property is anchored by Nordstrom. The retail destination caters to visitors and the nearby office population with a strong set of specialty stores and dining options, including the country's second and largest Eataly, planned to open in 2013. "These two retail properties have real appeal for both business travelers and vacationers, which are important contributors to the region's economy," said Scott Nelson, Vice President of Development for Macerich.

Macerich's growing presence in Chicago reflects the company's pattern of building strength in attractive metropolitan areas. "When we connect with a region, it makes sense for us to create synergies. You see this in New York, where the success of Queens Center positioned Macerich to add a number of exciting New York City properties to our portfolio. And in Southern California and Arizona, we have real depth and leadership," said Brant. "Now we are doubling down in Chicago to maximize opportunities in this vibrant market."



Announced Retailers

- Aéropostale
- Aerosoles
- Aldo
- AllSaints
- American Eagle Outfitters
- Andrew Marc
- Asics
- Banana Republic Factory Store
- Barneys New York Outlet
- Bath & Body Works
- BCBGMAXAZRIA
- Bloomingdale's the Outlet Store
- Bose
- Brunello Cucinelli
- Calvin Klein
- Carter's
- Chicago Burger Company
- Chicken Now
- Chico's
- China Max
- Claire's
- Clarks Bostonian
- Coach
- Coach Men's
- Cole Haan
- Converse
- Crabtree & Evelyn
- Crocs
- Cubs Clubhouse
- Disney Store Outlet
- DKNY
- Famous Footwear Outlet
- Finish Line
- Forever 21
- Fossil
- Freshii
- G. H. Bass Outlet
- Gap Outlet
- Giorgio Armani
- Godiva Chocolatier
- Gucci
- Guess Factory Store
- Gymboree Outlet
- Häagen-Dazs
- Halston
- Helzberg Diamonds
- Herve Leger
- Hot Topic
- Hugo Boss Outlet
- Icing by Claire's
- J. Crew Factory
- Janie and Jack
- Jockey
- Johnston & Murphy
- Kay Jewelers Outlet
- Kenneth Cole
- Kipling
- L. K. Bennett London
- Last Call by Neiman Marcus
- LIDS
- Lindt Chocolate
- Little Tokyo
- Longchamp Outlet
- Lucky Brand
- Maoz Vegetarian
- Max Studio
- Men's Wearhouse Outlet
- Michael Kors
- Naartjie Kids
- Naturalizer
- New Era
- Nike Factory Store
- Original Penguin
- Oshkosh B'gosh
- Perfumania
- Perry Ellis
- Ports 1961
- Prada
- Prasino
- Prasino Go
- Puma
- Quiksilver
- Saks Fifth Avenue OFF 5th
- Sarar
- Saucony
- Sbarro
- Skechers
- Solstice Sunglass Boutique
- South Philly Steak and Fries
- Sperry Top-Sider
- Spritz Designer Fragrances
- Steve Madden
- Sunglass Hut
- Swarovski
- The Body Shop
- The Children's Place Outlet
- The Limited Outlet
- The Luggage Factory
- Theory
- Tommy Hilfiger
- Torrid
- Tory Burch Outlet
- True Religion Brand Jeans
- U.S. Polo Assn.
- Under Armour
- Van Heusen
- Vilebrequin
- Villagio
- Vince
- Vince Camuto
- Watch Me
- Watch Station
- Wetzel's Pretzels
- White House|Black Market
- Wilsons Leather Outlet
- Worth Collection
- Zumiez

Out of the Box with Crate and Barrel CFO, Adrian Mitchell

Just ahead of ICSC RECon in Las Vegas, Happenings talked with Crate and Barrel CFO Adrian Mitchell about what's new – and what's always been true – about this iconic home furnishings leader.

Q: Crate and Barrel had a very big birthday last year – 50 years of success is a wonderful milestone. How was this special for your company?

A: Our birthday was truly an opportunity to celebrate our past and future, and the associates and customers who remain at the heart of our brand. Our core values and strategy remain consistent – great design, great value, great service.

Additionally, as part of our 50th Anniversary celebration, we launched a new, multi-year philanthropic partnership with Rebuilding Together, an organization that helps create safe and healthy homes for individuals and families. Additionally, in a 12-month celebration of our 50th anniversary year, we asked 12 internationally-known designers to re-imagine our iconic Arzberg teapot for a limited-edition series.

Q: Please tell us what your newest store, in Vancouver, says about where Crate and Barrel is headed today.

A: Opening the Vancouver store is part of our global expansion strategy, which has been underway for several years now. We believe that there are existing and new customers all over the world who love Crate and Barrel, and want to shop our stores in their local markets.

We are very excited to introduce our most current in-store experience and store design to our Vancouver customers. Our in-store experience, supported by outstanding customer service and exclusive products, is a hallmark of the Crate and Barrel brand and remains at the core of Crate and Barrel's omni-channel strategy.

Q: There's lots of new leadership at Crate and Barrel. How is the transition from the iconic influence of your founders affecting the brand and your approach to the future?

A: Our founders Carole and Gordon Segal started out with a simple concept of offering great design at exceptional prices. Over the course of more than four decades, Gordon Segal and Barbara Turf, longtime Chief Merchant, President, and later CEO, perfected the concept and grew it into an iconic brand. The new leadership team, which is composed of both Crate and Barrel veterans and outsiders, shares an in-depth understanding of Crate and Barrel's unique history and culture. We are ensuring the continuity of vision for the company going forward. Of course, like our predecessors, we will always keep



the merchandising, visual presentation, and communication fresh and current. Change is a constant.

Q: We've been reading about your company's focus on mobile shopping and the new 3D tools. Please tell us about how you view technology and why it matters to your customers.

A: As an omni-channel retailer, we want to provide consistent shopping experiences in stores and across multiple technology platforms. It's all about providing inspiration and convenience for our customers. One great example is the Crate and Barrel Wedding & Gift Registry App that allows registrants to edit their registries on the go, find products by voice search or scan in-store items with their phones. Another innovation, available both in our stores and online, is our 3D Room Planner, allowing our customers to easily transform a photograph of their own room into a 3D image. They can then choose any Crate and Barrel product to decorate it and get an excellent, realistic visual impression of the result before finalizing a purchase.

Q: Clearly, Crate and Barrel is an accomplished omni-channel retailer. Could you please talk more about your bricks and mortar strategy?

A: Bricks and mortar are our heritage. Walking into a Crate and Barrel store is a unique experience and we will continue to explore ways to bring that experience to new markets and customers, both domestic and international. Of course our



online channels are growing rapidly, but we believe in a bright future for our kind of store experience.

Q: Crate and Barrel remains selective when it comes to retail settings and markets. Compared to Target, where you used to work, for example, will Crate and Barrel ever be as broadly located/ubiquitous?

A: It's always difficult to predict the future. But it is probably safe to assume that Crate and Barrel's store presence in the U.S. market will never be as broad and ubiquitous as Target's. We believe however that we have the potential to be present in more international markets than most players in the home furnishings industry.

Q: How do CB2 and The Land of Nod work within the Crate and Barrel family of brands?

A: Our team at The Land of Nod is incredibly creative and delivers terrific children's home furnishings, accessories and wonderful toys. For customers searching for more modern home furnishings, CB2 is the place to shop.

Q: Your scope at Crate and Barrel seems like a unique set of responsibilities – CFO as well as Head of International Operations, Global Supply Chain, Real Estate, Architecture and Construction. Please talk about how these varied disciplines work together and how you see your role within the company.

A: What my specific areas of responsibility have in common is that they act like the supporting cast to merchandising, stores and online. My team's role is to create the backdrop and the back-of-the-house excellence to deliver the best customer experience possible. And we strive to do that in the fastest and most efficient ways across the globe, hence a strong analytical and financial component is essential.

Q: Please tell us more about your own background and experience in retail companies.

A: I have been fortunate to have incredible opportunities and great mentors over the years. Believe it or not, I started my career as a chemical engineer working on offshore oil rigs and chemical plants along the Mississippi. What I learned about myself early on is that I really love solving complex problems with others - and that is a translatable skill across a variety of industries. This became quite apparent during my years in consulting at McKinsey & Company. Over time, I gravitated toward retail as a consultant. To me, retail is the most dynamic industry. The problems are so multi-dimensional. You have diverse customers and associates, new technologies, new store concepts, new product and product categories, and formidable competitors. I worked in retail for years as a consultant before transitioning to Target Corporation. At Target, I spent most of my time working in the Stores organization and for Target.com.

Both roles were very operational and hands-on, so I got an even more in-depth understanding of how retail works. In 2010, I joined Crate and Barrel, which continues to be, by far, my best professional experience to-date. Great team, great people, great company!

Q: Crate and Barrel has always engaged shoppers with a sense of discovery from its earliest days. How do you continually satisfy this passion for exploration among your customers?

A: It's simple - new, creative products that are unique to Crate and Barrel, presented in a visually unique, engaging, colorful, warm environment. We call it theatre. It's core to what we do and it is the foundation of our culture and work processes. We believe that it is the winning formula in our retail segment.

Q: What was the last great thing you brought home from Crate and Barrel?

A: I could go on for hours about all the great things my wife and I buy at Crate and Barrel!

A few weeks ago, we had some friends over to our house and in planning, we found we needed some new wine glasses. I purchased several of the Stemless Wine Glasses for \$2.95 each. What I loved about it was that the glasses look very elegant and are of fantastic quality - yet less than 3 bucks each! That's what Crate and Barrel is all about.

Broadway Plaza to Get Bigger, Even Better



Just a year after the highly successful opening of its new Neiman Marcus, Broadway Plaza is getting ready to grow again.

The well-positioned, open-air property in Northern California is planning to add 300,000 square feet of new retail space. This thoughtful expansion will preserve Broadway Plaza's sizeable charm while adding more opportunities for retailers to bring their best concepts to this top-performing East Bay jewel.

The full plans also include demolishing and rebuilding 200,000 square feet of existing shop space, taking down some 50+ year-old buildings to make room for brand new structures better suited to the needs of today's retailers. In all, 500,000 square feet of retail space will be constructed for a net addition of 300,000 square feet. As well, Broadway Plaza plans to replace the old, two-story parking garage between Nordstrom and Macy's with an all-new, modern, four-level structure that incorporates one underground level.

As part of these important updates, Macy's will consolidate its two-store presence at Broadway Plaza by expanding its larger store on the south side of the project.

"Broadway Plaza has for years had a 'happy problem' – far more demand from top retailers than space to accommodate them," said

Garrett Newland, Vice President of Development for Macerich. "Our carefully considered plans are designed to enable more outstanding retailers to become part of this well-loved property, while ensuring that the scale, charm and unique downtown setting remain unchanged."

The expansion plans also will bring new amenities to Broadway Plaza – from new pedestrian pathways and added gathering places to more outdoor dining areas – all intended to enhance the shopping center's walkable and intimate atmosphere. Macerich's plans also call for more connectivity to existing and planned trail and bicycle routes, new transit-friendly points of access and improvements to the open areas of San Ramon Creek. Broadway Plaza's signature fountain across from the recently expanded Nordstrom will continue as a popular local landmark at the heart of the property.

"Our plans absolutely reflect what the community wants to see at Broadway Plaza," said Tracy Dietlein, the property's Senior Marketing Manager. "Our close relationships with local shoppers and downtown leaders mean we are always in touch with the preferences of our Walnut Creek community. With more outdoor amenities, more retail and updated parking, this plan delivers the same Broadway Plaza experience, only better."

Entitlements are currently underway with the City of Walnut Creek and Macerich hopes to begin construction in 2014.

A Look at What's New

Some of the most recent openings across our portfolio

ARROWHEAD TOWNE CENTER

- Shoe Palace
- Oro Gold

CHANDLER FASHION CENTER

- Clark's

CROSS COUNTY

- Garage
- Footlocker
- Lids

DANBURY FAIR MALL

- Chipotle Mexican Grill

DEPTFORD MALL

- Red Robin
- Crumbs Bake Shop

FLATIRON CROSSING

- 2nd and Charles
- White House | Black Market

FREEHOLD RACEWAY MALL

- Dunkin' Donuts/Baskin Robbins
- Qdoba
- Red Mango

KIERLAND COMMONS

- Ageless Men's Health

KINGS PLAZA

- Icing
- Pandora

LA ENCANTADA

- Soma Intimates
- Lush

LAKEWOOD CENTER

- Gengis Khan
- Buffalo Wild Wings Grill & Bar

NORTHPARK MALL

- Christopher & Banks
- The Children's Place

PANORAMA MALL

- Mode Teen

RIMROCK

- The Children's Place

SANTAN VILLAGE

- crazy 8

SCOTTSDALE FASHION SQUARE

- Johnny Was
- Shoe Palace
- Kiehl's

SOUTH PLAINS MALL

- Reflexology
- Shoe Dept. Encore
- A'Gaci

Shaping the Next Generation of Outlets: Macerich's Randy Brant

Think magnificent artworks, elegant sit-down restaurants, up-to-the-moment parking decks, a location right next to other entertainment and travel venues – and a strong set of destination stores.

This combination of attractions could describe a best-of-the-best regional mall. Instead, it's the latest generation of outlet properties. Helping to shape something new and innovative like Macerich's Fashion Outlets of Chicago is just what Macerich's Randy Brant likes to do.

In his role as EVP of Real Estate, Brant has helped rethink and reintroduce the landmark Santa Monica Place; transition The Oaks from ho-hum suburban mall to a destination suited to its upscale Thousand Oaks setting; guide the

remodel and repositioning of The Village at Corte Madera and more. His career includes work for some top retail real estate companies: The Hahn Company, Forest Cities Enterprises, Inc., and Simon Property Group Inc., where he helped develop The Forum Shops at Caesar's Palace. All of this, plus his longstanding work with the nation's department stores, gives Brant a kind of ESP for the next big thing in shopping.

With a practiced eye, Brant describes the trend: "It's the hole in the donut. The newest outlet projects are no longer on the outskirts – the best ones will be locating in the center of it all," says Brant. "We're talking about a location in the middle of the market with full price options all around it. It's the very best kind of in-fill."

Macerich's latest project is Fashion Outlets of Chicago, located in Rosemont, Ill., minutes away from O'Hare International Airport and being created in partnership with AWE Talisman. The 526,000 square-foot, two-level outlet mall is a quick detour for shoppers used to getting to the region's dominant airport.

But, so close? Competitive concerns that once prompted many retailers to feel that outlets needed to be as far as possible from regional malls have shifted, says Brant, who adds, "Outlets have become a major business and growth opportunity for retailers." Experience also has shown that outlets bring retailers different, aspirational customers, instead of the brand loyalist who shops for full-price merchandise in regional malls or high-street settings. For the most part, it's two different channels and two different sets of customers.

Location, as always, changes the dynamic, says Brant: "Being in the heart of the Chicago area gives us the opportunity to take the merchandise mix to a new level." Not to mention nearly every bell and whistle, from good restaurants and



attractive design to great parking and access to nearby attractions – qualities nearly indistinguishable from the regional mall experience except for the price points.

It's a far cry from the first generation of outlet stores – true factory warehouses – that led to the second generation of manufacturers' and retail brand stores gathered in plain vanilla, out-of-the-way locations and which now dominate the outlet category. Now, outlets with a strong in-fill location, more amenities and a larger roster of must-have stores will transform expectations once again.

Other concepts with a real fit for outlet opportunities are brands like Under Armor, whose strong appeal gets only limited visibility in traditional sporting goods retail settings, or brands that have few, though high-profile full-price stores, such as Nike. "In an outlet setting, these sorts of brand can showcase their entire assortment, and that's a draw for shoppers," said Brant.

The innovation equation behind outlets is easy to see, according to Brant, who outlines the factors driving the latest generation of retail properties, exemplified by Macerich's new Chicago project. "There are two reasons outlets are so significant today. First, consumers came out of the recent economic downturn with a different attitude toward value. They are just more price-conscious. And, second, outlets are a growth opportunity for retailers. There are perhaps only two or three ground-up opportunities I know of for a full-price regional shopping center, including ours in Goodyear, Arizona. Retailers clearly are looking for a growth vehicle. We are a real estate developer with great relationships with retailers and we also want to grow. This new generation of outlets makes all the sense in the world."

SUPERSTITION SPRINGS CENTER

- crazy 8

TOWNE MALL

- Justice

TWENTY NINTH STREET

- Five Guys Burgers and Fries
- Charming Charlie

VICTOR VALLEY

- Macy's

VINTAGE FAIRE MALL

- AT&T Authorized Retailer
- Crocs
- Teavana

WILTON MALL

- Divine Wines



New Macy's Draws Crowds at The Mall of Victor Valley

Macy's brought its magic – and celebrated commitment to local communities – to its high-profile grand opening this March at Macerich's The Mall of Victor Valley.

The brand-new Macy's store and more than 92 local nonprofits participated in the store's signature Charity Shopping Day event where ticket sales benefit each nonprofit. The successful event was a special preview of the official March 20th grand opening of the first Macy's in Southern California's growing High Desert region.

"The welcome for Macy's has been incredible," said Eddie Hernandez, Marketing Manager, The Mall of Victor Valley. "The run-up to the store's grand opening was an exciting time for everyone, and the opening crowds have underscored how much demand there is in this community for the great fashion and merchandise Macy's is famous for."

The new Macy's – a 100,000 square-foot, single-story, full-line department store featuring popular celebrity lines and much more – is the latest addition to the dynamic Mall of Victor Valley, the only regional mall located between San Bernardino and Las Vegas. The property enjoys excellent visibility and access

with its strong location at I-15 and Bear Valley Road.

The Victorville Macy's is one of just eight planned expansions and openings for the department store in 2013. Overall, Macy's operates more than 800 stores in 45 states, the District of Columbia, Puerto Rico and Guam.

The new department store joins four existing anchors at the 544,000 square-foot mall – Cinemark 16 Theatre, J.C. Penney and Sears. The property's appealing in-line retailer mix includes stores such as Victoria's Secret, Aldo, Bath & Body Works, Children's Place, Crazy 8 and Tilly's, among many other top names. The Mall of Victor Valley last year completed the redesign of all four entrances, with updated exterior colors and new landscaping.

"Macy's decision to come to The Mall of Victor Valley underscores the attractive, long-term demographics of the High Desert region and clearly communicates Macy's belief in this market," said Jim Varsamis, Vice President, Real Estate for Macerich. "We have worked to make sure The Mall of Victor Valley stays fresh, interesting and in-step with its community. Along with the doubling in size of J.C. Penney in 2012, the new Macy's demonstrates the ongoing draw of this outstanding, very visible property."

Macerich Announces Second Major Office Tenant for Tysons Tower: Deloitte

Tysons Tower now 60% pre-leased with addition of Deloitte's Northern Virginia Headquarters

Deloitte, one of the world's leading professional services firms, has signed a 13-year agreement and will relocate their McLean offices to the new Tysons Tower at Tysons Corner Center in McLean, Virginia. Deloitte will relocate in October 2014, occupying floors seven through nine of Tysons Tower.

"With the addition of Deloitte, Tysons Tower is now 60% pre-leased more than one year from opening, which is a significant milestone as we continue to move this exciting project forward on time and on budget," said Randy Brant, Executive Vice President of Real Estate for Macerich.

Deloitte joins previously announced Intelsat, the world's leading provider of satellite services, opening its U.S. Administrative Headquarters in July 2014. Tysons Tower is part of a dramatic 1.4 million square foot expansion currently underway at Tysons Corner Center, which also includes a 17-floor, 300-room Hyatt Regency hotel, a residential tower, and additional retail space in one of the nation's most popular shopping districts.

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