



Finish Line

Glenn Lyon,
Chairman and Chief Executive Officer of Finish Line

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MACERICH

HAPPENINGS

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We think creatively,
plan concretely and
always act strategically
– all of which results in
our high-performing
portfolio that just gets
better and better.

– Art Coppola,
Chairman & CEO

At Macerich, we build our portfolio on the familiar notion that location is key, and is enhanced by our commitment to operational excellence and relentless pursuit of strategic improvements that make our properties tremendous places for retailers to do business.

This fall, for instance, we announced our intention to purchase two well-situated New York properties – Kings Plaza in Brooklyn and Green

Refreshing Change: Targeted Improvements Enhance Key Properties

Targeted investments are yielding big results across the Macerich portfolio.

From a stylish identity update for Paseo Nuevo in Santa Barbara to a focused mixed-use repositioning for Southridge in Des Moines, the common thread among nine very different properties is that smart improvements are elevating each and every one.

“No two properties are the same and it’s critical to understand the local market before a project starts,” said Randy Brant, Executive Vice President, Real Estate for Macerich. “Our focus is on increasing popularity with shoppers and productivity for our retailers, which results in smart, targeted investments that drive performance of our properties.”

Setting the Stage for Department Store Growth

Recently, The Mall at Victor Valley opened its doors for an expanded jcpenny and will welcome a new Macy’s in spring 2013. As the dominant shopping center for the attractive High Desert region of Southern California, this property is completing a targeted renovation to upgrade all four exterior entrances and add high-profile exterior signage. The new entrances include new vestibules for shopper comfort for the variety of high-desert weather conditions, plus appealing tile accents, added glass and updated lighting as well as enhanced landscaping.

“We’re rolling out the red carpet for our expanded jcpenny – and new Macy’s – two incredible brands our community is thrilled to welcome,” said Liz Hewson, Manager, Property Management,

The Mall at Victor Valley. “Today, very few properties ever get a double dose of department store energy and we want to maximize everyone’s success.”

In some cases, a highly productive department store wants to do even more. This was the opportunity for Nordstrom at The Village at Corte Madera, an upscale, fashion-focused open-air property in Marin County. Nordstrom is now fully redeveloping to add square footage for more brands and merchandise, as well as the signature restaurant. The store remains open throughout the expansion process, which is set for completion in 2014.

“We facilitated the entire entitlement process with the Town of Corte Madera to help Nordstrom realize its vision for what it wanted this store to be,” said Skip Kuhn, Vice President of Development for Macerich. “At the same time, we were able to dramatically enhance the presence of the overall center with new exterior signage, visible to hundreds of thousands of cars every day on the 101 – an invaluable benefit for all of our retailers.”

Signs of the Times

High-visibility new signage was one aspect of the important updates just completed at Paseo Nuevo, an open-air retail destination in the heart of Santa Barbara’s historical district. For this beautifully situated property, reconnecting with the city’s Spanish Mission architecture helped drive a winning combination of visual elements including new signage, locally designed outdoor furnishings and statement chandeliers, painted ceilings on charming archways and more. The reconstructed Center Court now includes a new amphitheater, signature fountain and eye-catching new sculpture.

Acres Mall on Long Island – that will add significantly to our opportunities in the high-density New York City region. At the same time, selling non-core assets and making the most of the advantageous financial climate has helped us do more of what we do best: operate attractive fortress properties in great U.S. markets.

Our high-quality portfolio equates to strong results.

For Macerich it was another strong quarter with continued improvement of our fundamentals with occupancy gains, strong sales growth and solid releasing spreads. In fact, annual sales per square foot increased 9.4% to \$511 year over year.

Relative to our developments underway, our high-profile mixed-use expansion at Tysons Corner center achieved another exciting milestone

earlier this month when we announced a new Hyatt Regency. In Chicago progress continues on the much-anticipated Fashion Outlets of Chicago, and at The Shops at North Bridge, we were pleased to announce the country's second and largest Eataly, sure to be a major draw for food-focused locals and visitors.

In Southern California, we continue to optimize our significant presence, most

recently we welcomed an expanded jcpenny at the Mall at Victor Valley, which also will add a brand new Macy's this spring. We think creatively, plan concretely and always act strategically – all of which results in our high-performing portfolio that just gets better and better.

Best regards,


Art Coppola



New vertical transportation, Palm Court
Scottsdale Fashion Square - Scottsdale, AZ

At Scottsdale Fashion Square, Arizona's luxury powerhouse, responding to the needs of well-heeled moms who shop with big strollers and carry lots of packages was at the top of the center's "to-do" list. Here, adding an oversized, state-of-the-art glass elevator is part of a full Palm Court renovation that also includes new escalators – all good to go for the start of the 2012 holiday season.

"As much as we always pay attention to the needs of our shoppers, we also constantly focus on our retailers' needs," said Steve Helm, Assistant Vice President, Property Management, Scottsdale Fashion Square. "Adding the elevator required the removal of the Palm Court's long-standing fountain which had the benefit of greatly improving the visibility and access to a highly sought after retailer, Sur La Table."

Paving the Way for New Retailers

Work at two Macerich centers focused on re-shaping site plans to welcome important new anchors. At Cascade Mall in Burlington, Wash. – just 45 minutes south of the Canadian border – construction began this November on a new, 25,000 square-foot T.J.Maxx, set to open in summer 2013. In an unusual move for this popular retailer of affordable, brand-name and designer fashions for the whole family, this new location will actually be part of the mall itself, with both interior and exterior entrances.

"We redemised some underperforming food court space to make way for T.J.Maxx, which will be a terrific draw for local shoppers as well as the 20 percent of our guests who travel from Canada, often specifically to go shopping," said Taylor Long, Senior Manager, Property Management, Cascade Mall.

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Nordstrom under construction
Village at Corte Madera - Corte Madera, CA



Jcpenney grand opening
The Mall at Victor Valley - Victorville, CA

Continued From Pg. 3

At Capitola Mall, what's new is a major shift in the center's appeal thanks to a new Target, which opened in July 2012, as the retailer's first location in this community. "Target changes up the shopping patterns for Capitola customers and gives added reasons for people to make daily trips to the mall," said Merrie Ann Millar, Senior Manager, Property Management, Capitola Mall. "This type of use for an enclosed retail property is becoming more popular and creates a 'one-stop shopping' experience."

Entertaining New Options

At Lakewood Center, an asset in suburban Los Angeles that's been part of the Macerich portfolio for more than 35 years, thinking creatively about space is attracting some exciting new retailers and added energy. First, a new Round1 bowling center about to start construction is taking the place of a less productive, second-level food court. The mall also is adding a new children's play area and

new fast-casual food destination to its Target wing. Additionally, a new Ulta next to the property's high-performing Costco will enhance Lakewood's already wide-ranging retail mix.

Mixing it up is also behind the strategic changes now happening at Southridge in Des Moines, which will emerge as a unique, indoor-outdoor mixed-use destination. This long-established mall will better serve its community with more neighborhood retail, big box retail and other non-traditional uses, including a new career academy of the Des Moines Area Community College, opening in fall 2013, as well as a major new fashion anchor.

"Macerich continually assesses the capital priorities of each property in the portfolio," said Eric Salo, Executive Vice President, Macerich. "By also understanding shopper preferences in each community and staying connected to what our retailers need in order to be successful Macerich makes sure the capital we ultimately reinvest into the properties creates long-term value for the real estate."



A More Perfect UNION



The notion that retailers are better together than they are apart has been the guiding force behind shopping centers for more than 50 years.

At Biltmore Fashion Park, Macerich's iconic open-air destination in the heart of one of Phoenix's most established neighborhoods, a new take on this is

UNION – an inspired collection of local, independent retailers gathered under one roof.

With 18 different concepts coming together in a single, 7,200 square-foot building, UNION – opening 100 percent leased this November – is a shopping experience within a shopping experience. In a design that marries industrial chic to softer elements of warm, reclaimed woods, custom-designed chandeliers and lots of natural light, UNION is set to be a singular draw for Biltmore Fashion Park.

"Phoenix has a wealth of smart retail entrepreneurs with strong local followings," said Mary Boyd-Williams, Senior Manager, Leasing for Macerich. "Our goal in creating UNION was to bring this extraordinary boutique energy together in one place as a complement to the fashion and dining Biltmore Fashion Park already delivers."

Located on the east end of the shopping center between Stingray Sushi and Seasons 52, UNION will offer shoppers a mix of small, distinctive boutiques ranging

Meet Eric Salo, Executive Vice President for Macerich



The strength of Macerich's coast-to-coast portfolio extends beyond the quality of the real estate: it's also found in the quality of the relationships developed with retailers, partners, local communities, and shoppers alike.

"We work closely with key stakeholders to establish each of our properties as a centerpiece in its community." Balancing the competing interests can be challenging,

but finding that balance is a Macerich strength. "We may not always agree, but we always find a way to move forward." said Eric Salo, Executive Vice President for Macerich.

With the company's focus on continually creating value that's reflective of each local market, Salo explains that Macerich's close connections with retailers and local shoppers can prompt everything from the addition of a single retailer, to a comprehensive re-merchandising program to a major renovation or expansion of a property.

"We're extremely disciplined about major capital investments and they are

predominantly driven by retailers' needs to reach a particular market," said Salo. "Beyond that, we invest in dozens of high-impact, low cost capital projects every year across the portfolio to ensure we are providing the best possible environment for our retailers' success and a convenient, enjoyable, safe, well-maintained shopping center for each community."

Salo underscores that every investment Macerich makes is driven by the overarching goal to bring more people through the doors, which gives retailers the opportunity to do what they do best: convert shoppers into buyers.

"Regional shopping centers are the best venue for brand activation that exists," said Salo. "So, if there's an emerging brand or a successful overseas retailer ready to enter the U.S. market – or even a powerful dot-com – eventually a bricks-and-mortar strategy becomes a critical component of growth. The best retailers in the world understand this. That's why our well-situated, market-dominant properties are an invaluable part of building awareness and brand loyalty with their consumers."

A leader at Macerich for more than 25 years, Salo has always valued the daily variety that's part of his role. "On any given day, I can be involved with every operating discipline in our company, who are the best and brightest in our industry," Salo said. "Because our properties are tuned to their individual markets, no two centers are alike and no set of opportunities are exactly the same. It's this mix of great people and great possibilities that makes me optimistic about the future of shopping centers and of Macerich."

in size from 200-500 square feet, as well as the new casual eatery, Trattoria del Piero.

Central to the UNION experience is a 750 square-foot outdoor patio that will be activated with live music, chef demonstrations, tastings – even a twice-monthly farmers market – all designed to engage the local community and drive traffic for the property all year long.

"UNION will be that modern touch that a traditional center like Biltmore Fashion Park needs to compete in a very special way," said Anne Park, Owner of Cornelia Park. "UNION will be blessed to have the strength of wonderful, established retailers to help them as they build their new customer base."

Retail concepts at home in UNION include everything from women's activewear and vintage-inspired clothing to jewelry, linens, distinctive gifts, handmade papers, signature olive oils and even a custom furniture maker and Arizona's only micro-haberdashery. A florist, bicycle shop, eyewear collection and bake shop round out the eclectic, local mix.

Of UNION's 18 separate concepts, two are start-up businesses. All the rest are new iterations of exceptionally successful, already established independent stores across Phoenix.

Helping the Macerich team bring UNION to life is consultant Lew Gallo, a well-regarded local retail entrepreneur with deep ties to the independent

retail community in Phoenix. Gallo, in partnership with Boyd-Williams and a multi-disciplinary group from Macerich, helped shape the UNION experience to ensure that the local spirit would prevail.

"Authentic and local were the filters we used for every major decision about UNION – from choosing the local architect and design partners to sourcing the very best local retail concepts," said Boyd-Williams. "Even the name came from a hands-on, after-hours brainstorming we held in the raw space with some of the region's most creative retail visionaries."

If the initial leasing success is any indication, a more perfect UNION is hard to imagine.



Getting More Shoppers to the Finish Line

An Interview with Finish Line's Chairman & CEO Glenn Lyon

Who says slow and steady wins the race? This year Finish Line – a leading retailer of premium athletic shoes, apparel and accessories with more than 640 mall-based stores – propelled its brand forward thanks to a major new partnership with Macy's, among other innovative strategies.

Happenings had a wide-ranging talk with Finish Line Chairman and CEO Glenn Lyon about the department store, digital natives and the differences between runners and just about everyone else.

Q: Finish Line will now be the exclusive athletic shoe provider for Macy's – please tell us about this.

A: This is an exciting partnership on both sides. Starting next spring, we will begin the rollout of 450 Finish Line shop-in-shops inside Macy's department stores, and we will manage inventory and procure product for an additional 225 doors, as well as online at Macys.com. The primary Macy's customer is female and that is a different market for us. Right now, only about 20 percent of our

business is in women's sizes – and this offers an excellent way for us to reach this important demographic.

We bring to Macy's our strong vendor partnerships and deep assortments of the most iconic athletic shoe brands. Both Macy's and Finish Line are leaders in omni-channel retailing, which is one of the key reasons this partnership makes so much sense.

Q: You talk a lot about aligning all customer touch points as an omni-channel retailer. What does this mean for Finish Line?

A: Our core customers are males, 18-29. This is a generation of digital natives who live on the Internet, they

A Look at What's New

Some of the most recent openings across our portfolio

ARROWHEAD TOWNE CENTER

Chipotle Mexican Grill • Soma • Shoe Palace

THE SHOPS AT ATLAS PARK

Moe's Sneaker Spot

BILTMORE FASHION PARK

Soma Intimates • Union

CHANDLER FASHION CENTER

Cotton On • lululemon • Michael Kors • H&M

CENTER AT SALISBURY

Men's Warehouse

THE VILLAGE AT CORTE MADERA

Splendid

CROSS COUNTY SHOPPING CENTER

Vans • Sarku Japan Teriyaki & Sushi Express • BGR The Burger Joint • Six • Perfumania • Things Remembered

DANBURY FAIR

Vera Bradley • Lucky Brand Jeans

DEPTFORD MALL

Red Robin Gourmet Burgers

EASTLAND MALL

Zumiez • Francesca's Collections

FASHION OUTLETS NIAGARA FALLS

Tim Horton's • Puma

FREEHOLD RACEWAY MALL

Cinnabon • Auntie Anne's • Carvel

FRESNO FASHION FAIR

Angl

KIERLAND COMMONS

Ann Taylor

LAKEWOOD CENTER

Book OFF

LOS CERRITOS CENTER

Angl

THE SHOPS AT NORTH BRIDGE

Bose • Jimmy John's • Eataly

THE OAKS

LOFT • The Art of Shaving



live on their smartphones and they are always connected. Finish Line has a clear strategy for omni-channel that we have been developing, which aligns the experience for our customers wherever they happen to be: in-store, on the web, mobile, or connected through social media. We can be the most relevant omni-channel retailer by providing our customers a high-quality experience with Finish Line regardless of the channel.

Q: Adding new Finish Line stores also is a strong part of your growth strategy – you’ve announced plans to add 25-30 stores in the current fiscal year.

A: That’s right. Great stores in great malls have huge growth opportunity for us. The mall has evolved as a social experience,

as well as a place to buy products. Our customers use their smartphones and other devices to gather information that they then use in the stores. Even in our new store prototype, we’re not reinventing the ambiance. Reinvention comes in the utilization of technology.

Q: In addition to new Finish Line stores, you also continue to grow your specialty running store brand, The Running Company.

A: The Running Company venture is a great complement to our core Finish Line brand. The vast majority of Finish Line customers are driven to performance products for fashion reasons, while customers in the running segment are driven to products for performance

reasons. So this is really a different customer. This strategy is actually quite similar to what we are doing with Macy’s – broadening and deepening our relationships with new sets of customers.

Q: So we have to ask – how many pairs of sneakers do you have in your own closet?

A: I do have a closet full of sneakers, including some great retros from Nike and Adidas. But my sons’ closets are a lot more interesting than mine – can you imagine two boys growing up with a father in the sneaker business? After 30 years in women’s apparel, let’s just say I became a pretty cool dad.

QUEENS CENTER

Chipotle Mexican Grill • Solstice • Teavana

REDMOND TOWN CENTER

Pinkabella Cupcakes

RIMROCK MALL

WhiteHouse|Black Market

SANTA MONICA PLACE

Emporio Armani

SANTAN VILLAGE

Chipotle Mexican Grill • Brighton Collectibles

SCOTTSDALE FASHION SQUARE

Peek, Aren’t You Curious

SOUTH PLAINS MALL

Encore Shoes • Premier Cinemas

SOUTHRIDGE

Rue21

STONEWOOD CENTER

Shoe Palace

TYSONS CORNER CENTER

C Wonder • Tesla • Sparx • Sperry • La Madeleine

VALLEY MALL

Dick’s Sporting Goods • Tilted Kilt

VINTAGE FAIRE MALL

Angl



Photo courtesy of Virginia Rollison

Eataly, the largest artisanal Italian food and wine emporium in the world, will open its second – and largest – U.S. location at The Shops at North Bridge. The 60,000 square-foot location with a prime address on Wabash Avenue and Ohio Street, will soon become the ultimate culinary destination in Chicago, offering visitors the opportunity to shop, taste and savor at seven full-service eateries, as well as a café, wine shop, bakery and patisserie, and a culinary educational center. The Eataly concept is a collaboration among Joe Bastianich, Mario Batali, Lidia Bastianich and Oscar Farinetti, who founded Eataly in Turin, Italy, in 2007. Targeted opening is 2013.

Macerich Forms Strategic Renewable Energy Partnership with Panasonic



The forecast for Macerich's comprehensive sustainability efforts: sunny and clear.

This fall Macerich launched a new partnership with Panasonic on a solar power initiative at 12 shopping centers in Arizona, California, Connecticut and New York. These solar installations are expected to yield 10.2MW to 12MW of clean energy – enough power for approximately 10,000 homes.

“Installing clean energy technology at our properties aligns with our commitment to be a good neighbor in the communities where we operate,” said Jeffrey Bedell, Vice President of Sustainability for Macerich. “Our partnership with Panasonic on this large-scale solar

program is environmentally responsible, and importantly, it's also good business.”

The solar power initiative is part of Macerich's fully-integrated sustainability program established in 2008, which focuses on water conservation, green cleaning requirements, waste management and energy efficiency. Macerich strives to conduct its business in a socially responsible manner that balances considerations of environmental and social issues while also creating long-term value.

The first phase of this new program will come online in 2013.

Macerich's partner, Panasonic Eco Solutions North America, is a division of Panasonic Corporation of North America and a leader in the design, implementation and financing of

renewable energy and energy efficiency projects.

Sunny Side Up

At each of the 12 Macerich shopping centers, pursuing solar energy benefits won't detract from the physical appeal of the properties. For the most part, elements of the installations will be located on property roofs – out of sight while working hard to produce clean energy.

“Macerich is an ideal client for Panasonic's end-to-end solar solutions,” said Jim Doyle, President, Panasonic Eco Solutions North America. “The company's demonstrated commitment to long-term sustainability, combined with its national portfolio of sizeable commercial properties, provides the right environment for these solar projects to succeed.”



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