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## Macerich Co. Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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[Operator Instructions] And we'll take our first question from Lou Taylor from Deutsche Bank. Please go ahead.

**Louis Taylor - Deutsche Bank**

Hi, good morning guys.

**Arthur M. Coppola - President, Chief Executive Officer**

Hey, Lou.

**Louis Taylor - Deutsche Bank**

Hi. Art can you explain a little bit on Mervyn's. And maybe Tom talk a little bit about the accounting. So, it sounds like in terms of the 17 West Cost strip centers that you'll overtime.

**Arthur M. Coppola - President, Chief Executive Officer**

That's my prognosis.

**Louis Taylor - Deutsche Bank**

Yes. I mean in terms of those that are at regional malls, I mean should we conclude that to be likely as well?

**Arthur M. Coppola - President, Chief Executive Officer**

Well, obviously when I can sell the ones in our mall.

**Louis Taylor - Deutsche Bank**

Yes, of course yes.

**Arthur M. Coppola - President, Chief Executive Officer**

There are, as I mentioned there is 17 in regional centers, 14 of which are owned by other public companies, general growth has... we have? now own Mervyn's stores and six general growth malls, three Simon malls, two CBL malls, two four city malls [ph]. From our viewpoint, we've bought them for investment purposes, so I have no idea what will happen with them.

**Louis Taylor - Deutsche Bank**

Okay. And then Tom how would the accounting work in terms of presumably, you would be able to sell these things with the development rights and that's going to be pretty valuable. And does this go to just reduce your basis or is it something that you're going to be able to recognize as... kind of gains over time?

**Thomas E. O'Hern - Executive Vice President Chief Financial Officer, Treasurer**

Every one of those assets will be allocated to some of our purchase price, and obviously we're buying wholesale and to the extent we sell these one-at-a-time, we'd be selling retail. So, I would expect there would be some gain that would be recognized from these transaction.

**Louis Taylor - Deutsche Bank**

Okay. And that would be gains in FFO or is that too early to say?

**Thomas E. O'Hern - Executive Vice President Chief Financial Officer, Treasurer**

It remains to be seen. I mean... some of these assets clearly will fall in the category of assets held for sale and they get different treatment than assets that are depreciated over time.

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