ROUSE COMPANY

FORM 10-K
(Annual Report)

Filed 03/31/94 for the Period Ending 12/31/93

Address	10275 LITTLE PATUXENT PKWY COLUMBIA, MD 21044-3456
Telephone	4109926000
CIK	0000085388
SIC Code	6512 - Operators of Nonresidential Buildings
Industry	Real Estate Operations
Sector	Services
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

**[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)**

For the Fiscal Year Ended December 31, 1993

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

Commission File No 0-1743

THE ROUSE COMPANY

(Exact name of registrant as specified in its charter)

Maryland	52-0735512
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

10275 Little Patuxent Parkway Columbia, Maryland	21044-3456
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (410) 992-6000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
NONE	NONE

Securities registered pursuant to Section 12(g) of the Act:

Common Stock (par value 1c per share)
(Title of Class)

Series A Convertible Preferred Stock (par value 1c per share)
(Title of Class)

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 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of his Form 10-K or any amendment to this Form 10-K. __

As of March 11, 1994, there were outstanding 47,562,449 shares of the registrant's common stock, par value 1c, which is the only class of common or voting stock of the registrant. As of that date, the aggregate market value of the shares of common stock held by non-affiliates of the registrant (based on the closing price as reported in The Wall Street Journal, Eastern Edition) was approximately $832,853,088.

Documents Incorporated by Reference

The specified portions of the Annual Report to Shareholders for the fiscal year ended December 31, 1993 are incorporated by reference into Parts I, II and IV.

Definitive Proxy Statement to be filed pursuant to Regulation 14A on or before April 5, 1994 is incorporated by reference into Part III.

PART I

Item 1. Business.

Item 1(a). General Development of Business.

The Rouse Company (the "Company") was incorporated as a business corporation under the laws of the State of Maryland in 1956. Its principal offices are located at The Rouse Company Building, Columbia, Maryland 21044. Its telephone number is (410) 992-6000. The Company, through its subsidiaries and affiliates, is engaged in (i) the ownership, management, acquisition and development of income-producing and other real estate in the United States, including retail centers, office buildings, mixed-use projects, community retail centers and three hotels, and the management of one retail center in Canada, and (ii) the development and sale of land to builders and other developers, primarily around Columbia, Maryland, for residential, commercial and industrial uses.

Item 1(b). Financial Information About Industry Segments.

Information required by Item 1(b) is incorporated herein by reference to note 11 of the notes to consolidated financial statements included in the 1993 Annual Report to Shareholders.

As noted in Item 1(a), the Company is a real estate company engaged in most aspects of the real estate industry, including the management, acquisition and development of income-producing and other properties, both retail and commercial, community development and management, and land sales. These business segments are further described below.

Item 1. Business, continued.

Item 1(c). Narrative Description of Business.

Operating Properties:

As set forth in Item 2, at December 31, 1993, the 70 regional retail centers owned, in whole or in part, or operated by subsidiaries or affiliates of the Company, aggregated 22,213,000 square feet of leasable space, including 982,000 square feet leased to department stores and 669,000 square feet of office space. The activities involved in operating and managing retail centers include: negotiating lease terms with present and prospective tenants, identifying and attracting desirable new tenants, conducting local market and consumer research, developing and implementing short- and long- term merchandising and leasing programs, assisting tenants in the presentation of their merchandise and the layout of their stores and storefronts, and maintaining the buildings and common areas.

In conjunction with other partners or investors, the Company has a program of acquiring completed retail centers, with the Company having management responsibility and earning incentive fees including, in some instances, equity interests in the centers. The Company also has a program of providing management services for centers developed and owned by others under management agreements that also provide for incentive fees and, in some instances, equity interests in the centers. As of December 31, 1993, the Company managed 21 such centers, which are included in the figures in the preceding paragraph and aggregated 7,032,000 square feet of leasable space.

In addition to Columbia Mall, which is included in the figures in the second preceding paragraph, The Howard Research And Development Corporation ("HRD") and its subsidiaries own and/or manage 17 office and industrial buildings and retail centers with 3,080,000 square feet of leasable office space, 8 village centers with 824,000 square feet of leasable retail space and other properties and additional commercial space, including the 289-room Columbia Inn in Columbia, Maryland.

Other subsidiaries of the Company own, in whole or in part, and operate 11 office buildings with a total of 2,673,000 square feet of leasable space and the 148-room Cross Keys Inn located at The Village of Cross Keys in Baltimore, Maryland. The Company also has a 5% interest in Rouse-Teachers Properties, Inc., which owns 81 office/industrial buildings with 5,727,000 square feet of space and 454 acres of land. A wholly owned

Item 1(c). Narrative Description of Business, continued:

affiliate of the Company is responsible for the operation, management and development of all buildings and land owned by Rouse-Teachers Properties, Inc.

Development:

The Company renovates and expands existing retail centers and develops suburban and downtown retail centers and mixed-use projects, primarily for ownership. In addition, the Company is capable of serving as the master developer for certain mixed-use projects, with the Company generally owning at least the retail component of such projects. The activities involved in the development, renovation and expansion of retail centers and mixed-use projects include: initial market and consumer research, evaluating and acquiring land sites, obtaining necessary public approvals, engaging architectural and engineering firms to design the project, estimating development costs, developing and testing pro forma operating statements, selecting a general contractor, arranging construction and permanent financing, identifying and obtaining department stores and other tenants, negotiating lease terms, negotiating partnership and joint venture agreements and promoting new, renovated or expanded retail centers and mixed-use projects.

The Company also develops retail centers for others, with the Company earning incentive fees and, in some instances, equity interests in the centers.

The Company and certain subsidiaries or affiliates are in the construction or development stage of announced projects, primarily expansions of existing centers, that will add 283,000 square feet of leasable space.

Land Sales:

HRD is the developing entity of Columbia, Maryland, which is located in the Baltimore-Washington corridor. HRD owns approximately 2,097 saleable acres of land in and around Columbia, and, through its subsidiaries and affiliates, develops and sells this land to builders and other developers for residential, commercial and industrial uses. The Company, through its subsidiaries and affiliates, also is presently involved in community development and related land sales elsewhere in Maryland and is developing and selling a parcel of land in California.

Item 1. Business, continued.

Item 1(c). Narrative Description of Business, continued:

In all aspects of the Company's business pertaining to the ownership, management, acquisition or development of income-producing and other real estate, the Company operates in highly competitive markets. With respect to the leasing and operation or management of developed properties, each project faces market competition from existing and future developments in its geographical market area. The Company competes with developers and other buyers with respect to the acquisition of development sites or centers and for financing opportunities in the money markets. The Company also faces competition in and around Columbia, Maryland with respect to the development and sale of land for residential, commercial and industrial uses.

Neither the Company's business, taken as a whole, nor any of its industry segments, is seasonal in nature.

Federal, state and local statutes and regulations relating to the protection of the environment have previously had no material effect on the Company's business. Future development opportunities of the Company may involve additional capital and other expenditures in order to comply with such statutes and regulations. It is impossible at this time to predict with any certainty the magnitude of any such expenditures or the long-range effect, if any, on the Company's operations. Compliance with such laws has had no material adverse effect on the earnings or competitive position of the Company in the past; the Company anticipates that they will have no material adverse effect on its future earnings or its competitive position in the industry.

None of the Company's industry segments depends upon a single customer or a few customers, the loss of which would have a materially adverse effect on the segment. No customer accounts for 10 percent or more of the consolidated revenues of the Company.

The Company and its subsidiaries had 5,085 full- and part- time employees at December 31, 1993.

Item 2. Properties.

The Company leases its headquarters building (approximately 127,000 square feet) in Columbia, Maryland for an initial term of 30 years which expires in 2003 with options for two 15-year renewal periods. The lease on the headquarters building is accounted for as a capital lease.

Information respecting the Company's operating properties is incorporated herein by reference to the "Projects of The Rouse Company" table on pages 56 through 60 of the Annual Report to Shareholders for 1993 that is an Exhibit to this Form 10-K. The ownership of virtually all properties is subject to mortgage financing. The table of projects includes retail centers managed by the Company for a fee as identified in notes (c) and (d) to the table. Excluding such managed centers, certain of the remaining properties are subject to leases which provide an option to purchase (or repurchase) the property and/or to renew the leases for one or more renewal periods. The years of expiration indicated below assume all options to extend the terms of the leases are exercised. The properties subject to such leases in whole or in part are as follows:

Property	Nature of interest	Year of expiration of lease
Arizona Center	Leasehold	Various dates from 2017 to 2050
Augusta Mall	Leasehold by joint venture	2068
Bayside Marketplace	Leasehold by joint venture	2062
Columbia Mall, Inc. - American City Building	Leasehold and fee	2000
Columbia Mall, Inc. - Columbia Cinema	Leasehold and fee	2003
Columbia Mall, Inc. - Exhibit Building	Leasehold and fee	2012
Columbia Mall, Inc. - Oakland Building	Leasehold	2064
Echelon Mall	Leasehold	2008
Faneuil Hall Marketplace	Leasehold	2074
First National Bank Plaza	Leasehold	2013

Item 2. Properties, continued.

Property	Nature of interest	Year of expiration of lease
Franklin Park	Leasehold and fee by joint venture	2024
The Gallery at Market East	Leasehold	2082
Governor's Square	Leasehold by joint venture	2054
Greengate Mall	Leasehold	2070
Harborplace	Leasehold	2054
Harundale Mall	Leasehold and fee owned jointly with others	2059
Highland Mall	Leasehold and fee by joint venture	2070
The Jacksonville Landing	Leasehold	2057
Mall St. Matthews	Leasehold	2053
Midtown Square	Leasehold	2055
Pioneer Place	Leasehold	2076
Plymouth Meeting	Leasehold and fee	2063
Riverwalk	Leasehold by joint venture	2076
St. Louis Union Station	Leasehold	2060
South Street Seaport	Leasehold	2031
Tampa Bay Center	Leasehold and fee	2047
Westlake Center	Leasehold by joint venture	2043
Woodbridge Center	Leasehold	2020

Item 3. Legal Proceedings.

On November 6, 1990, Robert P. Guastella Equities, Inc. ("Plaintiff"),a former tenant at the Riverwalk Shopping Center in New Orleans, Louisiana ("Riverwalk"), which is owned and operated by New Orleans Riverwalk Associates, an affiliate of the Company ("NORA"), filed suit in the Civil District Court of Orleans Parish, Louisiana against NORA, the Company, two Company affiliates - Rouse-New Orleans, Inc. and New Orleans Riverwalk Limited Partnership - and Connecticut General Life Insurance Company, which is a general partner of NORA (collectively, "Defendants"). Plaintiff alleges that Defendants breached Plaintiff's lease agreement with NORA for the operation of a restaurant at Riverwalk by (i) failing to prevent the leased premises from flooding, (ii) refusing to permit entertainment on the leased premises, (iii) interfering with the operation of air conditioning equipment on the leased premises and (iv) failing to provide adequate security. Plaintiff claims that as a result of these breaches it suffered losses and could not pay the rentals due under the lease agreement, as a result of which the lease and its tenancy were terminated by NORA. Plaintiff sought damages of approximately $600,000 for these alleged breaches. In addition, on September 3, 1992, Plaintiff claimed $33,000,000 for alleged lost future profits which it claimed it would have earned had its lease not been terminated. All Defendants filed answers denying the claims of Plaintiff and asserting other defenses. NORA also asserted a counterclaim against Plaintiff and its guarantors, Robert Guastella and Charles Kovacs, for past due rentals and other charges in the approximate amount of $300,000 plus interest and attorneys' fees as provided for in the lease agreement. The case was tried before a jury and, on October 28, 1993, the jury returned a verdict against Defendants upon which judgment was entered by the trial court on January 7, 1994, in the total net amount of approximately $9,128,000 (which included a net award for lost future profits of approximately $8,640,000) plus interest and attorneys' fees. Defendants believe that the verdict and judgment as entered to date are contrary to the facts and applicable law. Following entry of judgment, Defendants filed with the trial court Motions for Judgment Notwithstanding the Verdict, Remittitur and/or New Trial. These motions seek, in the alternative, (i) the dismissal of all claims of Plaintiff against Defendants, (ii) a significant reduction of the award to Plaintiff, including elimination of the entire award for lost future profits or (iii) a new trial. The hearing on the post-trial motions was held on February 28, 1994, and the matter is under consideration by the trial court. To the extent that these post-trial motions are not successful, Defendants intend to vigorously pursue their rights of appeal.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Directors and Executive Officers.

The executive officers of the Company as of March 31, 1994 are:

Executive Officer	Age	Present office and position with the Company	Date of election or appointment to present office	Business or professional experience during the past five years
Bruce D. Alexander	50	Senior Vice-President and Director of New Business	11/16/78 8/17/93	Senior Vice-President and Director of New Business of the Company; formerly Senior Vice-President and Director of the Commercial Development Division of the Company
Anthony W. Deering	49	President and Chief Operating Officer	2/25/93	President and Chief Operating Officer of the Company; formerly Executive Vice President - Finance and Administration and Chief Financial Officer of the Company, and Senior Vice-President and Chief Financial Officer of the Company
Mathias J. DeVito	63	Chairman of the Board and Chief Executive Officer	5/24/84 5/23/79	Chairman of the Board and Chief Executive Officer of the Company; formerly Chairman of the Board, President and Chief Executive Officer of the Company, and Chairman of the Board and Chief Executive Officer of the Company
Jeffrey H. Donahue	47	Senior Vice-President, Chief Financial Officer and Director of the Finance Division	9/23/93 9/23/93 8/17/93	Senior Vice-President and Chief Financial Officer of the Company and Director of the Finance Division; formerly Vice-President and Treasurer of the Company

Executive Officer	Age	Present office and position with the Company	Date of election or appointment to present office	Business or professional experience during the past five years
Duke S. Kassolis	42	Senior Vice-President and Director of Office and Mixed-Use Operations	9/23/93 8/17/93	Senior Vice-President and Director of Office and Mixed-Use Operations of the Company; formerly Vice-President and Director of Office and Commercial Properties of the Company
Paul I. Latta, Jr.	50	Senior Vice-President and Director of Retail Operations	9/23/93 8/17/93	Senior Vice-President and Director of Retail Operations, of the Company; formerly Vice-President and Associate Division Director, Operating Properties Division of the Company
Richard G. McCauley	53	Senior Vice-President, General Counsel and Secretary	1/22/75 12/1/71 4/24/75	Senior Vice-President, General Counsel and Secretary of the Company
Douglas A. McGregor	51	Executive Vice-President for Development and Operations	11/5/90 8/17/93	Executive Vice-President for Development and Operations of the Company; formerly Executive Vice-President - Development and Director of the Office and Community Development Division
Robert Minutoli	43	Senior Vice-President and Director of Acquisitions	9/23/93 8/17/93	Senior Vice-President and Director of Acquisitions of the Company; formerly Vice-President for Development of the Company
Robert D. Riedy	48	Senior Vice-President and Director of Retail Leasing	9/23/93 8/17/93	Senior Vice-President and Director of Retail Leasing of the Company; formerly Vice-President for Development of the Company

Executive Officer	Age	Present office and position with the Company	Date of election or appointment to present office	Business or professional experience during the past five years
Alton J. Scavo	47	Senior Vice-President, Director of the Community Development Division and General Manager of Columbia	9/23/93 8/17/93	Senior Vice-President, Director of the Community Development Division of the Company and General Manager of Columbia; formerly Vice-President and Associate Director of the Community Development Division of the Company
Jerome D. Smalley	44	Senior Vice-President and Director of the Commercial and Office Development Division	9/23/93 8/17/93	Senior Vice-President and Director of the Commercial and Office Development Division of the Company; formerly Vice-President for Development
Larry M. Wolf	58	Senior Vice-President and Director of Merchandising	11/16/78 8/17/93	Senior Vice-President and Director of Merchandising of the Company; formerly Senior Vice-President and Director of Retail Leasing of the Company
George L. Yungmann	51	Senior Vice-President, Controller and Director of the Controller's Division	9/23/93 7/26/72 8/17/93	Senior Vice-President and Controller of the Company and Director of the Controller's Division; formerly Vice-President and Controller

The term of office of each officer is until election of a successor or otherwise at the pleasure of the Board of Directors.

There is no arrangement or understanding between any of the above-listed officers and any other person pursuant to which any such officer was elected as an officer.

None of the above-listed officers has any family relationship with any director or other executive officer.

Part II

Item 5. Market for the Registrant's Common Stock and Related Stockholder Matters.

Information required by Item 5 is incorporated herein by reference to page 51 of the 1993 Annual Report to Shareholders.

Item 6. Selected Financial Data.

Information required by Item 6 is incorporated herein by reference to page 51 of the 1993 Annual Report to Shareholders.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Information required by Item 7 is incorporated herein by reference to pages 45 through 50 of the 1993 Annual Report to Shareholders.

Item 8. Financial Statements and Supplementary Data.

Financial Statements required by Item 8 are set forth in the Index to Financial Statements and Schedules on page IV-2.

Supplementary data required by Item 8 are incorporated herein by reference to page 51 of the 1993 Annual Report to Shareholders.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Part III

The information required by Items 10, 11, 12 and 13 (except that information regarding executive officers called for by Item 10 that is contained in Part
I) is incorporated herein by reference from the definitive proxy statement that the Company intends to file pursuant to Regulation 14A on or before April 5, 1994.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a) 1 and 2. Financial Statements and Schedules:

Reference is made to the Index to Financial Statements and Schedules on page IV-2.

3. Exhibits: Reference is made to the Exhibit Index.

(b) Reports on Form 8-K:

None.

THE ROUSE COMPANY AND SUBSIDIARIES

Index to Financial Statements and Schedules

All other schedules have been omitted as not applicable, or not required, or because the required information is included in the consolidated financial statements or notes thereto.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
The Rouse Company:

We have audited the consolidated cost basis financial statements and the related financial statement schedules of The Rouse Company and subsidiaries as listed in the accompanying index. We have also audited the supplemental consolidated current value basis financial statements listed in the index. These consolidated financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 consolidated cost basis financial statements referred to above present fairly, in all material respects, the financial position of The Rouse Company and subsidiaries at December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1993, in conformity with generally accepted accounting principles. Also in our opinion, the related financial statement schedules, when considered in relation to the basic consolidated cost basis financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in notes 2 and 12 to the consolidated financial statements, the Company changed its method of accounting for income taxes in 1991 to adopt the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes."

As more fully described in note 1 to the consolidated financial statements, the supplemental consolidated current value basis financial statements referred to above have been prepared by management to present relevant financial information about The Rouse Company and its subsidiaries which is not provided by the cost basis financial statements and are not intended to be a presentation in conformity with generally accepted accounting principles. In addition, as more fully described in note 1, the supplemental consolidated current value basis financial statements do not purport to present the net realizable, liquidation or market value of the Company as a whole. Furthermore, amounts ultimately realized by the Company from the disposal of properties may vary from the current values presented.

In our opinion, the supplemental consolidated current value basis financial statements referred to above present fairly, in all material respects, the information set forth therein on the basis of accounting described in note 1 to the consolidated financial statements.

KPMG PEAT MARWICK

Baltimore, Maryland
February 23, 1994

Schedule II

THE ROUSE COMPANY AND SUBSIDIARIES

Amounts Receivable from Related Parties and Underwriters, Promoters and Employees Other than Related Parties

Years ended December 31, 1993, 1992, and 1991

Name of debtor	Balance at beginning of year	Additions	Deductions: Amounts collected	Deductions: Amounts written off	Balance at end of year: Current	Balance at end of year: Not current
			(in thousands)			
Year ended December 31, 1993:						
Officers:						
Anthony W. Deering, President and Chief Operating Officer	$ 200	$ 628	$ -	$ 50	$ 176	$ 602
Jeffrey H. Donahue, Senior Vice President and Chief Financial Officer	-	93	-	-	-	93
Duke S. Kassolis, Senior Vice President and Director, Office and Mixed-Use Operations	36	138	-	8	12	154
Paul I. Latta, Jr., Senior Vice President and Director, Retail Operations	-	93	-	-	-	93
Douglas A. McGregor, Executive Vice President, Development and Operations	200	-	-	50	50	100
John G. McLauglin, Vice President and Group Director	39	20	-	9	13	37
Robert Minutoli, Senior Vice President and Director, Acquisition/Management	119	196	-	34	40	241
Robert D. Riedy, Senior Vice President and Director, Retail Leasing	18	133	-	5	13	133

(continued)

Schedule II (continued) THE ROUSE COMPANY AND SUBSIDIARIES

Amounts Receivable from Related Parties and Underwriters, Promoters and Employees Other than Related Parties

Years ended December 31, 1993, 1992, and 1991

Name of debtor	Balance at beginning of year	Additions	Deductions: Amounts collected	Deductions: Amounts written off	Balance at end of year: Current	Balance at end of year: Not current
			(in thousands)			
Year ended December 31, 1993:						
Officers:						
Alton J. Scavo, Senior Vice President and Director, Community Development and General Manager of Columbia	-	122	-	-	-	122
Jerome D. Smalley, Senior Vice President and Director, Commercial and Office Development	117	48	-	35	39	91
George L. Yungmann, Senior Vice President and Controller	-	119	-	-	-	119
Officer loans less than $100,000	97	51	-	20	32	96
	$ 826	$1,641	$ -	$ 211	$ 375	$1,881

Note:
Reference is made to Note 15 to the Consolidated Financial Statements for additional information concerning these balances.

Schedule II (continued) THE ROUSE COMPANY AND SUBSIDIARIES

Amounts Receivable from Related Parties and Underwriters, Promoters and Employees Other than Related Parties

Years ended December 31, 1993, 1992, and 1991

Name of debtor	Balance at beginning of year	Additions	Deductions: Amounts collected	Deductions: Amounts written off	Balance at end of year: Current	Balance at end of year: Not current
			(in thousands)			
Year ended December 31, 1992:						
Officers:						
Mathias J. DeVito, Chairman of the Board and Chief Executive Officer	$ 170	$ -	$ -	$ 170	$ -	$ -
Bruce D. Alexander, Senior Vice President, Development	68	-	-	68	-	-
R. Bruce Armiger, Vice President and Director, Construction and Engineering	22	-	-	22	-	-
Laurin B. Askew, Jr., Vice President and Director, Design	12	-	-	12	-	-
R. Harwood Beville, Executive Vice President, Operations	80	-	-	80	-	-
David C. Creighton, Vice President and Group Director	11	-	-	11	-	-
Anthony W. Deering, President and Chief Operating Officer	318	-	-	118	50	150
Jeffrey H. Donahue, Vice President and Treasurer	24	-	-	24	-	-

(continued)

Schedule II (continued) **THE ROUSE COMPANY AND SUBSIDIARIES**

Amounts Receivable from Related Parties and Underwriters, Promoters and Employees Other than Related Parties

Years ended December 31, 1993, 1992, and 1991

(in thousands)

Name of debtor	Balance at beginning of year	Additions	Deductions: Amounts collected	Deductions: Amounts written off	Balance at end of year: Current	Balance at end of year: Not current
Year ended December 31, 1992:						
Officers:						
Richard R. Goldberg, Vice President, Associate General Counsel and Division Counsel	12	-	-	12	-	-
Duke S. Kassolis, Vice President and Director, Office and Commercial Properties	29	18	-	11	8	28
W. Wallace Lanahan, III, Vice President and Senior Leasing Manager	13	-	-	13	-	-
James D. Lano, Vice President, Associate General Counsel and Division Counsel	12	-	-	12	-	-
Paul I. Latta, Jr., Vice President, Eastern Region and Associate Division Director	23	-	-	23	-	-
John S. Mastin, Vice President and Assistant Director, Retail Leasing	23	-	-	23	-	-
Richard G. McCauley, Senior Vice President, General Counsel and Secretary	68	-	-	68	-	-
Douglas A. McGregor, Executive Vice President, Development	318	-	-	118	50	150
	======	======	======	======	======	======

(continued)

Schedule II (continued) THE ROUSE COMPANY AND SUBSIDIARIES

Amounts Receivable from Related Parties and Underwriters, Promoters and Employees Other than Related Parties

Years ended December 31, 1993, 1992, and 1991

Name of debtor	Balance at beginning of year	Additions	Deductions: Amounts collected	Deductions: Amounts written off	Balance at end of year: Current	Balance at end of year: Not current
			(in thousands)			
Year ended December 31, 1992:						
Officers:						
John G. McLaughlin, Vice President and Group Director	25	19	-	5	9	30
Robert Minutoli, Vice President, Development	132	27	-	40	34	85
Perry C. Page, Vice President	26	-	-	26	-	-
Robert D. Riedy, Vice President	23	-	-	5	5	13
Alton J. Scavo, Vice President and Associate Director	11	-	-	11	-	-
Jerome D. Smalley, Vice President, Development	132	25	-	40	33	84
John W. Steele, III, Vice President, Associate General Counsel and Division Counsel	12	-	-	12	-	-
John J. Szymanski, Vice President and Director, Taxes and Tax Legislation	12	-	-	12	-	-
R. Edwards Taylor, Vice President and Assistant Director, Retail Leasing	23	-	-	23	-	-

(continued)

Schedule II (continued) THE ROUSE COMPANY AND SUBSIDIARIES

Amounts Receivable from Related Parties and Underwriters, Promoters and Employees Other than Related Parties

Years ended December 31, 1993, 1992, and 1991

Name of debtor	Balance at beginning of year	Additions	Deductions: Amounts collected	Deductions: Amounts written off	Balance at end of year: Current	Balance at end of year: Not current
			(in thousands)			
Year ended December 31, 1992:						
Officers:						
Ronald C. Wickwire, Vice President, Western Region and Associate Division Director	12	-	-	12	-	-
Larry M. Wolf, Senior Vice President and Director, Retail Leasing	68	-	-	68	-	-
Officer loans less than $100,000	101	45	-	49	22	75
	$1,780	$ 134	$ -	$1,088	$ 211	$ 615

Note:

Reference is made to Note 15 to the Consolidated Financial Statements for additional information concerning these balances.

Schedule II (continued) THE ROUSE COMPANY AND SUBSIDIARIES

Amounts Receivable from Related Parties and Underwriters, Promoters and Employees Other than Related Parties

Years ended December 31, 1993, 1992, and 1991

Name of debtor	Balance at beginning of year	Additions	Deductions: Amounts collected	Deductions: Amounts written off	Balance at end of year: Current	Balance at end of year: Not current
			(in thousands)			
Year ended December 31, 1991:						
Officers:						
Mathias J. DeVito, Chairman of the Board, President and Chief Executive Officer	$ 440	$ -	$ -	$ 270	$ 170	$ -
Bruce D. Alexander, Senior Vice President, Development	186	-	-	118	68	-
R. Bruce Armiger, Vice President and Director, Construction and Engineering	45	-	-	23	22	-
Laurin B. Askew, Jr., Vice President and Director, Design	23	-	-	11	12	-
R. Harwood Beville, Executive Vice President, Operations	223	-	-	143	80	-
David C. Creighton, Vice President and Group Director	35	-	-	24	11	-
Anthony W. Deering, Executive Vice President, Finance and Administration and Chief Financial Officer	436	-	-	118	118	200
Jeffrey H. Donahue, Vice President and Treasurer	47	-	-	23	24	-
Frederick O. Evans, Jr., Former Vice President, Western Region and Associate Division Director	23	-	12	11	-	-

(continued)

Schedule II (continued) THE ROUSE COMPANY AND SUBSIDIARIES

Amounts Receivable from Related Parties and Underwriters, Promoters and Employees Other than Related Parties

Years ended December 31, 1993, 1992, and 1991

Name of debtor	Balance at beginning of year	Additions	Deductions: Amounts collected	Deductions: Amounts written off	Balance at end of year: Current	Balance at end of year: Not current
			(in thousands)			
Year ended December 31, 1991:						
Officers:						
Richard R. Goldberg, Vice President, Associate General Counsel and Division Counsel	23	-	-	11	12	-
W. Wallace Lanahan, III, Vice President and Senior Leasing Manager	36	-	-	23	13	-
James D. Lano, Vice President, Associate General Counsel and Division Counsel	23	-	-	11	12	-
Paul I. Latta, Jr., Vice President Eastern Region and Associate Division Director	46	-	-	23	23	-
John S. Mastin, Vice President and Assistant Director, Retail Leasing	59	-	-	36	23	-
Richard G. McCauley, Senior Vice President, General Counsel and Secretary	186	-	-	118	68	-
Douglas A. McGregor, Executive Vice President, Development	436	-	-	118	118	200
Robert Minutoli, Vice President, Development	134	32	-	34	40	92
Perry C. Page, Vice President	52	-	-	26	26	-
Robert D. Riedy, Vice President	-	23	-	-	5	18

(continued)

Schedule II (continued) THE ROUSE COMPANY AND SUBSIDIARIES

Amounts Receivable from Related Parties and Underwriters, Promoters and Employees Other than Related Parties

Years ended December 31, 1993, 1992, and 1991

Name of debtor	Balance at beginning of year	Additions	Deductions: Amounts collected	Deductions: Amounts written off	Balance at end of year: Current	Balance at end of year: Not current
			(in thousands)			
Year ended December 31, 1991:						
Officers:						
Alton J. Scavo, Vice President and Associate Director	35	-	-	24	11	-
Jerome D. Smalley, Vice President Development	134	32	-	34	40	92
John W. Steele, III, Vice President, Associate General Counsel and Division Counsel	23	-	-	11	12	-
John J. Szymanski, Vice President and Director, Taxes and Tax Legislation	23	-	-	11	12	-
R. Edwards Taylor, Vice President and Assistant Director, Retail Leasing	58	-	-	35	23	-
Ronald C. Wickwire, Vice President Western Region and Associate Division Director	23	-	-	11	12	-
Larry M. Wolf, Senior Vice President and Director, Retail Leasing	186	-	-	118	68	-
George L. Yungmann, Vice President and Controller	19	-	-	19	-	-
	======	======	======	======	======	======

(continued)

Schedule II (continued) THE ROUSE COMPANY AND SUBSIDIARIES

Amounts Receivable from Related Parties and Underwriters, Promoters and Employees Other than Related Parties

Years ended December 31, 1993, 1992, and 1991

Name of debtor	Balance at beginning of year	Additions	Deductions: Amounts collected	Deductions: Amounts written off	Balance at end of year: Current	Balance at end of year: Not current
			(in thousands)			
Year ended December 31, 1991:						
Officers:						
Officer loans less than $100,000	100	111	-	56	65	90
	$3,054	$ 198	$ 12	$1,460	$1,088	$ 692

Note:

Reference is made to Note 15 to the Consolidated Financial Statements for additional information concerning these balances.

Schedule VIII
THE ROUSE COMPANY AND SUBSIDIARIES

Valuation and Qualifying Accounts

Years ended December 31, 1993, 1992 and 1991

Descriptions	Balance at beginning of year	Additions: Charged to costs and expenses	Additions: Charged to other accounts	Deductions	Balance at end of year
			(in thousands)		
Year ended December 31, 1993:					
Allowance for doubtful receivables	$23,129	$ 4,741	$ -	$ 3,834 /(1)/	$24,036
Pre-construction reserve	$11,127	$ 2,900	$ -	$ 1,205 /(2)/	$12,822
Year ended December 31, 1992:					
Allowance for doubtful receivables	$18,514	$ 6,297	$ -	$ 1,682 /(1)/	$23,129
Pre-construction reserve	$ 7,844	$ 3,050	$ 350 /(4)/	$ 117 /(2)/	$11,127
Year ended December 31, 1991:					
Allowance for doubtful receivables	$21,363	$ 7,345	$ -	$10,194 /(1)/	$18,514
Pre-construction reserve	$12,551	$ 3,983	$ -	$ 8,690 /(3)/	$ 7,844

Notes:

(1) Balances written off as uncollectible.

(2) Costs of unsuccessful projects written off.

(3) Costs of unsuccessful projects written off of $6,679 and transfers to property held for development and sale of $2,011.

(4) Reclassification of pre-construction reserve related to a project in which the Company has an equity investment.

Schedule IX

THE ROUSE COMPANY AND SUBSIDIARIES
Short-Term Borrowings

Years ended December 31, 1993, 1992 and 1991

Category of aggregate short-term borrowings	Balance at end of year (in thousands)	Weighted average interest rate	Maximum amount outstanding during the year (in thousands)	Average amount outstanding during the year (note 2)	Weighted average interest rate during the year (note 2)
Year ended December 31, 1993					
Unsecured bank loans (note 1)	$ --	0.00%	$77,655	$ 5,915	4.25%
Year ended December 31, 1992:					
Unsecured bank loans	$75,071	5.08%	$80,000	$71,409	4.25%
Year ended December 31, 1991:					
Unsecured bank loans	$38,144	5.39%	$68,344	$55,089	6.36%

Notes:

(1) The unsecured bank loans consist of two revolving lines of credit which provide for maximum borrowings of $20,000,000 and $60,000,000, respectively. Under the terms of the loan agreement relating to the $20,000,000 line of credit, advances supported by compensating balances bear interest at 2% for 1993 and 1% for 1992 and 1991 and the remaining outstanding balance bears interest at a variable rate based on specific market indices. This credit facility expired in January 1994.

Under the terms of the loan agreement relating to the $60,000,000 facility, advances bear interest at a variable rate based on specific market indices. This credit facility expired during 1993.

(2) The average amount outstanding and the weighted average interest rate during the year were computed based on the average daily outstanding balances.

(3) Reference is made to note 10 to the consolidated financial statements for information relating to lines of credit available at December 31, 1993.

Schedule X

THE ROUSE COMPANY AND SUBSIDIARIES

Supplementary Income Statement Information Years ended December 31, 1993, 1992 and 1991

	Charged to costs and expenses (in thousands)		
Item	1993	1992	1991
Maintenance and repairs	$50,223	$48,030	$44,217
Depreciation of property and equipment	55,508	51,834	49,520
Amortization of deferred costs of projects:			
Leasehold acquisition costs	467	544	632
Long-term debt expenses	2,801	3,571	3,173
Pre-operating expenses	1,957	2,465	2,864
Deferred leasing costs	6,582	6,680	6,502
Management contract acquisition costs	2,885	3,069	3,044
Taxes, other than payroll and income taxes:			
Franchise and other	1,111	881	957
Property	46,649	43,000	41,327
Advertising costs	6,998	7,125	7,601

There were no royalties paid during any of the three years presented.

Schedule XI

THE ROUSE COMPANY AND SUBSIDIARIES

Real Estate and Accumulated Depreciation (note 1)

December 31, 1993

Description	Encumbrances (note 4)	Initial cost to Company: Land	Initial cost to Company: Buildings and Improvements	Cost capitalized subsequent to acquisition: Improvements	Cost capitalized subsequent to acquisition: Carrying costs (note 2)	Gross amount at which carried at December 31, 1993: Land	Gross amount at which carried at December 31, 1993: Buildings and Improvements (note 3)	Gross amount at which carried at December 31, 1993: Total
	(in thousands)							
Operating Properties:								
South Street Seaport Retail Center New York, New York	$ 89,500	$ -	$ -	$ 142,010	$ -	$ -	$ 142,010	$ 142,010
Other operating properties and related investments, each less than 5% of total	1,793,933	155,580	-	2,523,713	-	155,580	2,523,713	2,679,293
Total operating properties	1,883,433	155,580	-	2,665,723	-	155,580	2,665,723	2,821,303

Description	Accumulated depreciation and amortization	Date of completion of construction	Date acquired	Life on which depreciation in latest income statement is computed
Operating Properties:				
South Street Seaport Retail Center New York, New York	$ 17,794	7/83	N/A	Note 8
Other operating properties and related investments, each less than 5% of total	411,276	Various	Various	Note 8
Total operating properties	429,070			

THE ROUSE COMPANY AND SUBSIDIARIES
Real Estate and Accumulated Depreciation (note 1)

December 31, 1993

Description	Encumbrances (note 4)	Initial cost to Company: Land	Initial cost to Company: Buildings and Improvements	Cost capitalized subsequent to acquisition: Improvements	Cost capitalized subsequent to acquisition: Carrying costs (note 2)	Gross amount at which carried at December 31, 1993: Land	Gross amount at which carried at December 31, 1993: Buildings and Improvements (note 3)	Gross amount at which carried at December 31, 1993: Total
				(in thousands)				
Properties in Development:								
Construction and development in progress individually less than 5% of total	40,358	12,521	-	38,893	-	12,521	38,893	51,414
Pre-construction costs	-	-	-	18,473	-	-	18,473	18,473
Pre-construction reserve	-	-	-	(12,822)	-	-	(12,822)	(12,822)
Total Properties in Development	40,358	12,521	-	44,544	-	12,521	44,544	57,065
Properties held for development and sale	-	131,827	-	-	-	131,827	-	131,827
Total	$1,923,791	$299,928	$ -	$2,710,267	$ -	$299,928	$2,710,267	$3,010,195

Description	Accumulated depreciation and amortization	Date of completion of construction	Date acquired	Life on which depreciation in latest income statement is computed
Properties in Development:				
Construction and development in progress individually less than 5% of total	-	N/A	N/A	N/A
Pre-construction costs	-	N/A	N/A	N/A
Pre-construction reserve	-	N/A	N/A	N/A
Total Properties in Development	-			
Properties held for development and sale	-	N/A	Various	N/A
Total	$429,070			

THE ROUSE COMPANY AND SUBSIDIARIES
Real Estate and Accumulated Depreciation (note 1)

December 31, 1993

Notes:

(1) Reference is made to notes 2, 3, 4, 5, 6, 10, 13 and 16 to the consolidated financial statements. Land was generally acquired one to three years before completion of construction.

(2) The determination of these amounts is not practicable and, accordingly, they are included in improvements.

(3) Buildings and improvements include deferred costs of $122,762,000 at December 31, 1993.

(4) Encumbrances on office buildings are included in operating property encumbrances.

(5) The changes in total cost of properties for the years ended December 31, 1993, 1992 and 1991 are as follows (in thousands):

	1993	1992	1991
Balance at beginning of year	$2,827,379	$2,718,536	$2,616,476
Additions, at cost	88,973	107,305	127,552
Cost of properties acquired	106,048	36,761	34,411
Additions to properties held for development and sale	21,388	19,793	18,724
Cost of land sales	(16,270)	(12,953)	(9,283)
Retirements, sales and other dispositions	(21,307)	(40,382)	(69,280)
Additions to pre-construction reserve	(2,900)	(3,050)	(3,983)
Net increase in receivables under finance leases	8,061	44	1,440
Investments in unconsolidated real estate ventures, net	4,255	1,325	2,479
Provision for loss on investment in an operating property	(5,432)	-	-
Balance at end of year	$3,010,195	$2,827,379	$2,718,536

(continued)

THE ROUSE COMPANY AND SUBSIDIARIES
Real Estate and Accumulated Depreciation (note 1)

December 31, 1993

Notes, continued:

(6) The changes in accumulated depreciation and amortization for the years ended December 31, 1992, 1991 and 1990 are as follows (in thousands):

	1993	1992	1991
Balance at beginning of year	$375,903	$331,312	$287,365
Depreciation and amortization charged to operations	70,200	68,163	65,283
Retirements, sales and other, net	(17,033)	(23,572)	(21,336)
Balance at end of year	$429,070	$375,903	$331,312

(7) The aggregate cost of properties for Federal income tax purposes is approximately $2,764,666,000 at December 31, 1993.

(8) Reference is made to note 2(c) to the consolidated financial statements for information related to depreciation.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Principal Executive Officers:

/s/Mathias J. DeVito

Mathias J. DeVito — *March 31, 1994*
Chairman of the Board and Chief Executive Officer

/s/Anthony W. Deering

Anthony W. Deering — *March 31, 1994*
President and Chief Operating Officer

Principal Financial Officer:

/s/Jeffrey H. Donahue

Jeffrey H. Donahue — *March 31, 1994*
Senior Vice President and Chief Financial Officer

Principal Accounting Officer:

/s/George L. Yungmann

George L. Yungmann — *March 31, 1994*
Senior Vice-President and Controller

Board of Directors:

David H. Benson, Jeremiah E. Casey, Anthony W. Deering, Rohit M. Desai, Mathias J. DeVito, Juanita T. James, Hanne M. Merriman, Thomas J. McHugh, Roger W. Schipke and Alexander B. Trowbridge.

By: /s/Mathias J. DeVito

Mathias J. DeVito — *March 31, 1994*
For Himself and as Attorney-in-fact

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
The Rouse Company:

We consent to the incorporation by reference in the Registration Statements of The Rouse Company on Form S-8 (Registration No. 2-83612) and Form S-3 (Registration Nos. 2-78898, 2-95596, 33-52458, 33-56646 and 33-57584) of our report dated February 23, 1994, relating to the consolidated financial statements and related schedules of The Rouse Company and subsidiaries as of December 31, 1993 and 1992 and for each of the years in the three-year period ended December 31, 1993, which report appears in the Annual Report on Form 10-K of The Rouse Company for the year ended December 31, 1993.

KPMG PEAT MARWICK

Baltimore, Maryland
March 31, 1994

CONSENT OF INDEPENDENT REAL ESTATE CONSULTANTS

The Board of Directors
The Rouse Company:

We consent to the incorporation by reference in the Registration Statements of The Rouse Company (the "Company") on Form S-8 (Registration No. 2-83612) and Form S-3 (Registration Nos. 2-78898, 2-95596, 33-52458, 33- 56646 and 33-57584) of our report dated February 23, 1994 on our concurrence with the Company's estimates of the total current value of its equity and other interests in certain real property owned and/or managed by the Company and its subsidiaries as of December 31, 1993 and 1992, which report appears in the 1993 Annual Report to Shareholders which is incorporated by reference in the Annual Report on Form 10-K of the Company for the year ended December 31, 1993.

LANDAUER ASSOCIATES, INC.

Deborah A. Jackson
Senior Vice President
Director of Retail Valuation

New York, New York
March 31, 1994

Exhibit Index

Exhibit No.	
3	Articles of Incorporation and Bylaws
10	Material Contracts
11	Statement re computation of per share earnings
13	Annual report to security holders
22	Subsidiaries of the Registrant
24	Power of Attorney
28	Additional Exhibits:
	Form 11-K Annual Report of The Rouse Company Savings Plan for the year ended December 31, 1993

Exhibit 3. Articles of Incorporation and Bylaws.

The Amendments to the Articles of Incorporation of The Rouse Company adopted May 26, 1988 and the Amended and Restated Articles of Incorporation of The Rouse Company, dated May 27, 1988, are incorporated by reference from the Exhibits to the Company's Form 10-K Annual Report for the fiscal year ended December 31, 1988.

The Articles of Amendment to the Amended and Restated Articles of Incorporation of The Rouse Company, which Articles of Amendment were effective January 10, 1991, are incorporated by reference from the Exhibits to the Company's Form 10-K Annual Report for the fiscal year ended December 31, 1990.

The Articles Supplementary to the Charter of The Rouse Company, dated February 17, 1993, are incorporated by reference from the Exhibits to the Company's Form 10-K Annual Report for the fiscal year ended December 31, 1992.

All documents referred to above may be found in Commission file number 0-1743.

The following documents are attached:

A. Amendments to the Bylaws of The Rouse Company adopted March 4, 1994; and

B. Bylaws of The Rouse Company as amended March 4, 1994.

THE ROUSE COMPANY

Amendments to Bylaws adopted March 4, 1994

1. ARTICLE I, SECTION 1 is amended to read as follows:

"The Annual Meeting of Stockholders of the Corporation shall be held in each year on such date during the month of May as may be fixed as by the Board of Directors."

2. ARTICLE XII is amended by deleting the last sentence, such that ARTICLE XII, as amended, reads as follows:

"Except as otherwise provided by law or by the charter, these By-Laws may be altered, amended, or added to by the Board of Directors at any regular meeting of the Board of Directors, or at any special meeting thereof called for the purpose, provided, in each instance, ten days written notice of the proposed alteration, amendment,or addition is given."

As amended March 4, 1994

BYLAWS

OF

THE ROUSE COMPANY

ARTICLE I

Stockholders

SECTION 1. The Annual Meeting of Stockholders of the Corporation shall be held in each year on such date during the month of May as may be fixed by the Board of Directors.

SECTION 2. At any time in the interval between annual meetings, special meetings of stockholders may be called by the Chief Executive Officer or by a majority of the Board of Directors, upon ten days' written or printed notice, stating the place, day and hour of such meeting and the business proposed to be transacted thereat. Such notice shall be given in the manner provided in Section 1 of Article X. No business shall be transacted at any special meeting except that named in the notice.

SECTION 3. Upon the request in writing, delivered to the Chief Executive Officer or Secretary, by the holders of not less than twenty-five per cent of all shares outstanding and entitled to vote, it shall be the duty of such Chief Executive Officer or Secretary to call forthwith a special meeting of the Stockholders.

SECTION 4. At any special meeting of the stockholders called in the manner provided for by this Article, any director or directors may by a vote of a majority of all shares of stock outstanding and entitled to vote be removed from office, and another or others appointed in his or their places to serve for the remainder of his or their terms.

SECTION 5. At all meetings of stockholders any stockholder shall be entitled to vote by proxy. Such proxy shall be in writing and dated but need not be sealed, witnessed or acknowledged.

SECTION 6. If at any annual or special meeting of stockholders a quorum shall fail to attend, a majority in interest attending in person or by proxy may adjourn the meeting from time to time, not exceeding sixty days in all, and thereupon any business may be transacted which might have been transacted at the meeting originally called had the same been held at the time so called.

SECTION 7. At all meetings of stockholders, the proxies shall be filed with and be verified by the Secretary of the Corporation, of if the meeting shall so decide, by the Secretary of the meeting.

SECTION 8. All meetings of the stockholders may be held within or without the State of Maryland at any office of the Corporation, or at such other lawful place as may be designated in the notice of the meeting.

SECTION 9. ORDER OF BUSINESS. At all meetings of stockholders, any stockholder present and entitled to vote in person or by proxy shall be entitled to require, by written request to the Chairman of the meeting, that the order of business shall be as follows:

(1) Organization.

(2) Proof of notice of meeting or of waivers thereof. (The certificate of the Secretary of the Corporation, or the affidavit of any other person who mailed the notice, or caused the same to be mailed, being proof of service by mail.)

(3) Submission by Secretary, or by Inspectors, of list of stockholders entitled to vote, present in person or by proxy.

(4) If an annual meeting, or a meeting called for that purpose, reading of minutes of preceding meetings, and action thereon.

(5) Reports.

(6) If an annual meeting, or a meeting called for that purpose, the nomination and election of directors.

(7) Unfinished business.

(8) New business.

(9) Adjournment.

ARTICLE II

Directors

SECTION 1. The Board of Directors shall have the control and management of the affairs, business and properties of the Corporation. They shall have and exercise in the name of the

Corporation and on behalf of the Corporation, all the rights and privileges legally exercisable by the Corporation, except as otherwise provided by law, by the charter or by these by-laws. A director need not be a stockholder.

SECTION 2. The number of directors of the Corporation shall be 18; provided, however, that such number may be increased or decreased from time to time by vote of a majority of the entire Board of Directors to a number not exceeding 25 and not less than 3. Directors of the Corporation shall hold office until the next annual meeting of stockholders of the Corporation, or until their successors are elected and qualify.

SECTION 3. If the office of a director becomes vacant, or if the number of directors is increased, such vacancy may be filled by the Board by a vote of a majority of directors then in office although such majority is less than a quorum. The stockholders may, however, at any time during the terms of such director, elect some other person to fill said vacancy and thereupon the election by the Board shall be superseded and such election by the stockholders shall be deemed a filling of the vacancy and not a removal and may be made at any meeting called for that purpose.

If the entire Board of Directors becomes vacant, any stockholder may call a special meeting in the same manner that the Chief Executive Officer may call such meeting, and directors of the unexpired term may be elected at such special meeting, in the manner provided for their election at annual meetings.

SECTION 4. The Board shall meet for the election of officers and any other business as soon as practicable after the adjournment of the annual meeting of the stockholders.

SECTION 5. Special meetings of the Board may be called by the Chief Executive Officer or by a majority of the directors. At least twenty-four hours notice shall be given of all special meetings; with the consent of the majority of the directors, a shorter notice may be given.

SECTION 6. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but such number may be decreased and/or increased at any time or from time to time by vote of a majority of the entire Board to any number not less than two directors or not less than one-third of the directors, whichever is greater.

SECTION 7. Regular or special meetings of the Board may be held within or without the State of Maryland, as the Board may from time to time determine. The time and place of meeting may be fixed by the party making the call.

SECTION 8. The Board of Directors may adopt such rules and regulations for the conduct of their meetings and the management of the affairs of the Corporation, as they may deem proper and not inconsistent with the laws of the State of Maryland or these By-Laws or the certificate of incorporation.

SECTION 9. Any action required or permitted to be taken at any meeting of the Board of Directors or of any Committee thereof, may be taken without a meeting, if a written consent to such action is signed by all members of the Board, or of such Committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or Committee.

SECTION 10. The directors, as such, may receive a stated salary for their services, and/or a fixe a sum and expenses of attendance may be allowed for attendance at each regular or special meeting of the Board of Directors; such stated salary and/or attendance fee shall be determined by resolution of the Board unless the stockholders have adopted a resolution relating thereto, provided that nothing herein contained shall be construed to preclude a director from serving in any other capacity and receiving compensation therefor.

ARTICLE III

Executive Committee

SECTION 1. The Board of Directors is authorized to appoint from its members an Executive Committee consisting of not less than three directors. The Executive Committee so designated

shall possess and exercise in the intervals between meetings of the Board of Directors, any or all of the powers of the Board of Directors in the management of the business and affairs of the Corporation, except the power to declare dividends, to issue stocks, or to recommend to stockholders any action requiring stockholders' approval. The Board of Directors may from time to time remove members and elect from among its members additional members of this Committee to serve for such periods of time as it shall designate. A majority of the Committee as it may from time to time be constituted, shall constitute a quorum. It shall fix its own rules and shall meet at the call of the Chairman of the Board or any two members of the Committee.

SECTION 2. Other Committees. The Board of Directors shall have power to appoint such other committees or subcommittees, with such membership and with such duties and powers, to the extent permitted by law, as the Board may prescribe. The Board may from time to time suspend, alter and continue the powers of any such committees.

ARTICLE IV

Officers

SECTION 1. The officers of the Corporation shall consist of a Chairman of the Board, Chief Executive Officer, President, a Secretary, a Treasurer and whenever deemed advisable by the Board, one or more Vice-Presidents, Assistant Secretaries, Assistant Treasurers and such other officers as shall be elected from time to time by the Board of Directors. All such officers shall be chosen by the Board of Directors, shall have such duties and responsibilities as the Board of Directors may direct and shall hold office only during the pleasure of the Board of Directors or until their successors are chosen and qualified. The Chairman of the Board shall be chosen from among the directors. Any two or more offices except those of President and Vice-President may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity when such instrument is required to be executed, acknowledged or verified by any two or more officers. The Board of Directors may from time to time appoint such other agents and employees, with such powers and duties as they may deem proper.

SECTION 2. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors and shall perform such other duties as the Board of Directors may direct from time to time. The office of the Chairman of the Board may but need not be held by the President.

SECTION 3. Chief Executive Officer. The Chief Executive Officer shall have general responsibility for the management and direction of the Corporation's business, preside at all meetings of stockholders of the Corporation and perform such other duties as the Board of Directors may direct from time to time. The Chief Executive Officer shall be either the Chairman of the Board or the President.

SECTION 4. President. The President shall, in the absence of the Chairman of the Board, preside at meetings of the Board of Directors, and shall perform such other duties as the Chief Executive Officer or Board of Directors may direct from time to time. The office of President may but need not be held by the Chairman of the Board.

SECTION 5. Vice-Presidents. The Vice-Presidents shall perform such duties as the Chief Executive Officer or Board of Directors may direct.

SECTION 6. Treasurer. The Treasurer shall be the chief financial officer of the Corporation, and shall have general supervision over its finances. He shall perform such other duties as may be assigned to him by the Board of Directors.

He shall furnish bond, which may be a blanket bond, with such surety and in such penalty for the faithful performance of his duties as the Board of Directors may from time to time require, the cost of such bond to be defrayed by the Corporation.

SECTION 7. Secretary. The Secretary shall keep the minutes of the meetings of the stockholders and of the Board of Directors, and shall attend to the giving and serving of all notices of the Corporation required by law or these Bylaws. Be shall perform such other duties as may be assigned to him by the Board of Directors.

SECTION 8. The Assistant Treasurers and Secretaries shall perform such duties as may from time to time be assigned to them by the Board of Directors or the President.

SECTION 9. The Board of Directors may from time to time in the absence of any one of said officers, or, at any other time, designate any other person or persons, on behalf of the Corporation, to sign any contracts, deeds, notes, or other instruments in the place or stead of any of said officers, and may designate any person to fill any one of said offices, temporarily or for any particular purpose; and any instruments so signed in accordance with a resolution of the Board shall be the valid act of this Corporation as fully as if executed by any regular officer.

ARTICLE V

Resignation

Any director or officer may resign his office at any time; such resignation shall be made in writing and shall take effect from the time of its receipt by the Corporation, unless some time be fixed in the resignation, and then from that time The acceptance of a resignation shall not be required to make it effective.

ARTICLE VI

Commercial Paper, Etc.

All bills, notes, checks, drafts and commercial paper of all kinds to be executed by the Corporation as maker, acceptor, endorser, or otherwise, and all assignments and transfers of stock, contracts or written obligations of the Corporation, and all negotiable instruments shall be made in the name of the Corporation and shall be signed by such person or persons as the Board of Directors may from time to time designate.

ARTICLE VII

Fiscal Year

The fiscal year of the Corporation shall cover such period of twelve months as the Board of Directors may determine.

ARTICLE VIII

Seal

The seal of the Corporation shall be a disc inscribed with the name of the Corporation, the year, and the State in which it is incorporated.

ARTICLE IX

Issue, Transfer and Redemption of Stock

SECTION 1. All certificates of stock shall be signed by the Chief Executive Officer or the President or any Vice-President, and by the Treasurer or Assistant Treasurer or Secretary or Assistant Secretary, and sealed with the seal of the Corporation. The signatures may be either manual or facsimile, and the seal may be either facsimile or any other form of seal. In case any officer who has signed any certificate ceases to be an officer of the Corporation before the certificate is issued, the certificate may nevertheless be issued by the Corporation with the same effect as if the officer had not ceased to be such officer as of the date of its issue.

SECTION 2. No transfers of stock shall be recognized or binding upon the Corporation until recorded on the books of the Corporation upon surrender and cancellation of certificates for a like number of shares.

SECTION 3. The Board of Directors shall have power and authority to determine the form of stock certificates (except insofar as prescribed by law), and to make all such rules and regulations, as they may deem expedient concerning the issue, transfer and registration of said certificates, and to appoint one or more transfer agents and/or registrars to countersign and register the same.

SECTION 4. The Board of Directors may fix a time not exceeding 20 days preceding the date of any meeting of stockholders, any dividend payment date or any date for the allotment of rights, during which the books of the Corporation shall be closed against transfers of stock, or the Board of Directors may fix a date not exceeding 90 days preceding the date of any meeting of Stockholders, any dividend payment date or any date for the allotment of rights, as a record date for the determination of the stockholders entitled to notice of, and to vote at, such meeting, or entitled to receive such dividends or rights, as the case may be, and only stockholders of record on such date shall be entitled to notice of, and to vote at, such meeting or to receive such dividends or rights, as the case may be.

SECTION 5. In case any certificate of stock is lost, mutilated, or destroyed, the Board of Directors may issue a new certificate in place thereof, upon indemnity to the Corporation against loss and upon such other terms and conditions as the Board of Directors may deem advisable.

ARTICLE X

Notice

SECTION 1. Whenever by law or these By-Laws, notice is required to be given to any stockholder, such notice may be given to each stockholder by leaving the same with his or at his residence or usual place of business, or by mailing it, postage prepaid, and addressed to him at his address as it appears on the books of the Corporation; such leaving or mailing of notice shall be deemed the time of giving such notice.

SECTION 2. Whenever by law or these By-Laws notice is required to be given to any Director or officer, such notice may be given in any one of the following ways: by personal notice to such director or officer, by telephone communication with such director or officer personally, by wire, addressed to such director or officer at his then address or at his address as it appears on the books of the Corporation, or by depositing the same in writing in the post office or in a letter box in a postpaid, sealed wrapper addressed to such director or officer at his then address or at his address as it appears on the books of the Corporation; and the time when such notice shall be mailed or consigned to a telegraph company for delivery shall be deemed to be the time of the giving of such notice.

SECTION 3. Notice to any stockholder or director of the time, place and/or purpose of any meeting of stockholders or directors required by these By- Laws may be dispensed with if such Stockholder shall either attend in person or by proxy, or if such director shall attend in person, or if such absent stockholder or director, shall, in writing filed with the records of the meeting either before or after the holding thereof, waive such notice.

ARTICLE XI

Voting of Stock in Other Corporations

Any stock in other corporations, which may from time to time be held by the Corporation, may be represented and voted at any meeting of stockholders of such other corporations by the Chief Executive Officer, the President or a Vice- President or by proxy or proxies appointed by the Chief Executive Officer, the President or a Vice-President; or otherwise pursuant to authorization given by a resolution of the Board of Directors adopted by a vote of a majority of the directors.

ARTICLE XII

Amendments

Except as otherwise provided by law or by the charter, these By-Laws may be altered, amended, or added to by the Board of Directors at any regular meeting of the Board of Directors, or at any special meeting thereof called for the purpose, provided, in each instance, ten days written notice of the proposed alteration, amendment, or addition is given.

ARTICLE XIII

Indemnification

The Corporation shall provide indemnification as follows:

(a) Persons who are or were directors or officers of the Corporation shall be indemnified by the Corporation to the fullest extent permitted by the general laws of the State of Maryland, as now or hereafter in force, including the advance of expenses under the procedures provided by such laws, in respect to matters arising out of service in their capacities as direc-tors or officers of the Corporation or arising out of service at the request of the Corporation in any capacity (including, but not limited to, as directors, officers, partners, trustees, agents or employees) of any other organization (including, but not limited to a direct or indirect subsidiary or affiliate of the Corporation, another foreign or domestic corporation, part-nership, joint venture, trust, other enterprise or employee benefit plan).

(b) In the sole discretion of the Corporation, persons who are or were employees or agents of the Corporation may be indemnified by the Corporation to any extent permitted by the general laws of the State of Maryland, as now or hereafter in force, including the advance of expenses, in respect to matters arising out of service in their capacities as employees or agents of the Corporation or arising out of service at the request of the Corporation in any capacity (including, but not limited to, as directors, officers, partners, trustees, agents or employees) of any other organization (including, but not limited to, a direct or indirect subsidiary or affiliate of the Corporation, another foreign or domestic corporation, partnership, joint venture, trust, other enterprise or employee benefit plan).

(c) With respect to persons who are or were directors or officers of the Corporation, to the extent that any deter-mination is required under applicable law as to whether such person is entitled to indemnification under paragraph (a) above, including the advance of expenses, such determination shall be made by independent legal counsel retained by the Corporation and appointed by either the Board of Directors or the Chief Executive Officer. Any determination by such independent legal counsel to deny indemnification, including the advance of expenses, shall be subject at the request of the person who is denied indemnifica-tion, including the advance of expenses, to de novo review to the fullest extent obtainable in any court that is appropriate under the general of laws of the State of Maryland or other applicable statutory or decisional law, as now or hereafter in force.

(d) With respect to persons who are or were employees or agents of the Corporation, any determination by the Corpora-tion under paragraph (b) above shall be made by:

(i) the Board of Directors or any committee designated by the Board of Directors;

(ii) the Chief Executive Officer; or

(iii) at the request of the Board of Directors, any committee designated by the Board of Directors or the Chief Executive Officer, by independent legal counsel retained by the Corporation and appointed by the Board of Directors, any committee designated by the Board of Directors or the Chief Executive Officer.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or who, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation in any capacity (including, but not limited to, as a director, officer, partner, trustee, employee or agent) of any other organization (including, but not limited to, a direct or indirect subsidiary or affiliate of the Corporation, another foreign or domestic corporation, partnership, joint venture, trust, other enterprise or employee benefit plan) against any liability asserted against or incurred by such person in any such capacity or arising out of such person's position, whether or not the Corporation would have the power to indemnify such person under the general laws of the State of Maryland or other applicable statutory or decisional law, as now or hereafter in force. The Corporation may provide similar protection, including a trust fund, letter of credit or surety bond, not inconsistent with the general laws of the State of Maryland or other applicable statutory or decisional law, as now or hereafter in force.

No amendment of the Bylaws of the Corporation or repeal of any of its provisions shall limit or eliminate the benefits provided to directors, officers, employees or agents of the Corporation under this Article XIII with respect to any act or omission that occurred prior to such amendment or repeal.

Exhibit 10. Material Contracts.

The Company's 1985 Stock Option Plan and 1985 Stock Bonus Plan are incorporated by reference from the Company's definitive proxy statement filed pursuant to Regulation 14A on April 27, 1985.

The Rouse Company Deferred Compensation Plan for Outside Directors, dated as of January 1, 1986, is incorporated by reference from the Exhibits to the Company's Form 10-K Annual Report for the fiscal year ended December 31, 1985.

The Company's 1990 Stock Option Plan and 1990 Stock Bonus Plan are incorporated by reference from the Company's definitive proxy statement filed pursuant to Regulation 14A on April 12, 1990.

The letter agreement, dated September 24, 1992, between the Company and Mathias J. DeVito, Chairman of the Board and Chief Executive of the Company, is incorporated by reference from the Exhibits to the Company's Form S-3 Registration Statement (No. 33-56646).

The Amended and Restated Supplemental Retirement Benefit Plan of The Rouse Company, dated January 1, 1985; Amendment Number 1 to the Amended and Restated Supplemental Retirement Benefit Plan of The Rouse Company, dated September 24, 1992; and The Rouse Company Division Incentive Programs are incorporated by reference from the Exhibits to the Company's Form 10-K Annual Report for the fiscal year ended December 31, 1992.

All documents referred to above may be found in Commission file number 0- 1743.

Exhibit 11. Statement re Computation of Per Share Earnings

THE ROUSE COMPANY AND SUBSIDIARIES

Computation of Fully Diluted Earnings (Loss) Per Share

(Unaudited, in thousands except per share amounts)

	Years ended December 31,		
	1993	1992	1991
Earnings (loss) before extraordinary loss and cumulative effect of change in accounting principle	$(1,291)	$(15,849)	$ 2,424
Add after tax interest expense applicable to convertible subordinated debentures	6,236	8,811	8,811
Earnings (loss) before extraordinary loss and cumulative effect of change in accounting principle, as adjusted	4,945	(7,038)	11,235
Extraordinary loss	(8,051)	(348)	(90)
Cumulative effect at January 1, 1991 of change in accounting for income taxes	-	-	13,463
Net earnings (loss), as adjusted	$(3,106)	$ (7,386)	$24,608
Shares:			
Weighted average number of common shares outstanding	47,411	47,994	48,157
Assuming conversion of convertible Preferred stock	8,251	-	-
Assuming conversion of convertible subordinated debentures	5,917	8,351	8,351
Assuming exercise of options and warrants reduced by the number of shares which could have been purchased with the proceeds from the exercise of such options	224	73	147
Weighted average number of shares outstanding as adjusted	61,803	56,418	56,655
Earnings (loss) per common share assuming full dilution:			
Income (loss) before extraordinary loss and cumulative effect of change in accounting principle	$ .08	$ (.12)	$ .20
Extraordinary loss	(.13)	(.01)	-
Cumulative effect of change in accounting principle	-	-	.23
Net earnings (loss)	$ (.05)	$ (.13)	$ .43

This calculation is submitted in accordance with Regulation S-K item 601 (b) (11) although it is contrary to paragraph 40 of APB Opinion No. 15 because it produces an anti-dilutive result.

Exhibit 13. Annual report to security holders

The annual report to shareholders has not been completed as of this filing and will be filed with the Securities and Exchange Commission in its entirety on or before April 5, 1994.

The financial section of the annual report, which is incorporated by reference, is final and is enclosed as Exhibit 13. This financial section includes all the information incorporated by reference in Parts I, II and IV of this Form 10-K Annual Report for the fiscal year ended December 31, 1993.

REPORT OF INDEPENDENT REAL ESTATE CONSULTANTS

Landauer Associates, Inc.
335 Madison Avenue
New York, New York 10017
212-687-2323
Telex: 710-581-2012

[LOGO OF LANDAUER APPEARS HERE]

KPMG Peat Marwick and
The Board of Directors and Shareholders
The Rouse Company:

We have reviewed estimates of the market value of equity and other interests in certain real property owned and/or managed by The Rouse Company (the Company) and its subsidiaries as of December 31, 1993 and 1992. The properties reviewed at December 31, 1993 include all the projects identified as "In Operation" on the "Projects of The Rouse Company" table on pages 56 through 60 of the Annual Report for 1993, properties held for development and sale, and certain parcels of land in development. The properties reviewed at December 31, 1992 were the same, except for the properties which were opened or disposed of during 1993.

The total values of its equity and other interests estimated by the Company were $2,227,151,000 and $1,884,179,000 at December 31, 1993 and 1992, respectively.

Based upon our review, we concur with the Company's estimates of the total value of the property interests appraised. In our opinion, the aggregate value estimated by the Company varies less than 10% from the aggregate value we would estimate in a full and complete appraisal of the same interests. A variation of less than 10% between appraisers implies substantial agreement as to the most probable market value of such property interests.

The data used in our review were supplied to us in summary form by the Company. We have relied upon the Company's interpretation and summaries of leases, operating agreements, mortgages and partnership, joint venture and management agreements. We have had complete and unrestricted access to all underlying documents and have confirmed certain information by reference to such documents. We have found no discrepancies in the data and, to the best of our knowledge, believe all such data to be accurate and complete. The basic assumptions used by the Company and the individual value estimates prepared by the Company were, in our opinion, fair and reasonable. No assumption has been made with respect to a bulk sale of the entire holdings or groups of property interests. We have also physically inspected, within the past three years, substantially all of the properties which were reviewed.

We certify that neither Landauer Associates, Inc. nor the undersigned have any present or prospective interest in the Company's properties, and we have no personal interest or bias with respect to the parties involved. To the best of our knowledge and belief, the facts upon which the analysis and conclusions were based are materially true and correct. No one, other than the undersigned assisted by members of our staff, performed the analyses and reached the conclusions resulting in the opinion expressed in this letter. Our fee for this assignment was not contingent on any action or event resulting from the analysis, opinions, or conclusions in, or the use of, this review. Our review has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

Sincerely,
Landauer Associates, Inc.

/s/ James C. Kafes

James C. Kafes, MAI, CRE
Managing Director

/s/ Deborah A. Jackson

Deborah A. Jackson
Senior Vice President
Director of Retail Valuation

February 23, 1994

The Rouse Company and Subsidiaries
CONSOLIDATED COST BASIS AND
CURRENT VALUE BASIS BALANCE SHEETS

December 31, 1993 and 1992 (in thousands)

	1993		1992	
	Current Value Basis (note 1)	Cost Basis	Current Value Basis (note 1)	Cost Basis
Assets				
Property (notes 4, 5, 6, 10 and 16):				
Operating properties:				
Property and deferred costs of projects	$4,070,962	$2,821,303	$3,677,287	$2,607,794
Less accumulated depreciation and amortization		429,070		375,903
	4,070,962	2,392,233	3,677,287	2,231,891
Properties in development	59,836	57,065	87,371	83,631
Properties held for development and sale	154,911	131,827	168,830	135,954
Total property	4,285,709	2,581,125	3,933,488	2,451,476
Prepaid expenses, deferred charges and other assets	117,042	107,972	110,163	100,637
Accounts and notes receivable (note 7)	77,926	77,926	76,174	76,174
Investments in marketable securities	34,403	34,403	18,209	18,209
Cash and cash equivalents	73,556	73,556	79,785	79,785
Total	$4,588,636	$2,874,982	$4,217,819	$2,726,281

The accompanying notes are an integral part of these statements.

	1993		1992	
	Current Value Basis (note 1)	Cost Basis	Current Value Basis (note 1)	Cost Basis
Liabilities				
Debt (note 10):				
Property debt not carrying a Parent Company guarantee of repayment	$1,886,257	$1,886,257	$1,792,457	$1,792,457
Parent Company debt and debt carrying a Parent Company guarantee of repayment:				
Property debt	273,540	273,540	353,579	353,579
Convertible subordinated debentures	122,850	130,000	230,000	230,000
Other debt	131,668	120,700	57,706	57,706
	528,058	524,240	641,285	641,285
Total debt	2,414,315	2,410,497	2,433,742	2,433,742
Obligations under capital leases (note 16)	63,099	63,099	65,241	65,241
Accounts payable, accrued expenses and other liabilities	209,256	209,256	182,499	182,499
Commitments and contingencies (notes 16 and 17)				
Deferred income taxes (note 12)	376,360	78,979	347,441	79,647
Shareholders' equity (notes 14, 15 and 18)				
Series A Convertible Preferred stock of 1c par value per share; 50,000,000 shares authorized; issued 4,025,000 shares in 1993 with a liquidation preference of $201,250	40	40	--	--
Common stock of 1c par value per share; 250,000,000 shares authorized; issued 47,562,226 shares in 1993 and 47,292,433 shares in 1992	476	476	473	473
Additional paid-in capital	281,533	281,533	83,450	83,450
Accumulated deficit	(168,898)	(168,898)	(118,771)	(118,771)
Revaluation equity	1,412,455	--	1,223,744	--
Total shareholders' equity (deficit)	1,525,606	113,151	1,188,896	(34,848)
Total	$4,588,636	$2,874,982	$4,217,819	$2,726,281

The Rouse Company and Subsidiaries
CONSOLIDATED COST BASIS STATEMENTS OF OPERATIONS

Years ended December 31, 1993, 1992 and 1991
(in thousands, except per share data)

	1993	1992	1991
Revenues	$646,805	$597,105	$573,498
Operating expenses, exclusive of provision for bad debts, depreciation and amortization	352,217	331,365	320,610
Interest expense (note 10)	210,806	206,809	198,295
Provision for bad debts	4,741	6,297	7,345
Depreciation and amortization (note 4)	70,200	68,163	65,735
Gain (loss) on dispositions of assets and other provisions, net (note 13)	(5,769)	(5,254)	23,732
Earnings (loss) before income taxes, extraordinary loss and cumulative effect of change in accounting principle	3,072	(20,783)	5,245
Income tax benefit (provision) (note 12):			
Current--state	(760)	(352)	(428)
Deferred--primarily Federal	(3,603)	5,286	(2,393)
	(4,363)	4,934	(2,821)
Earnings (loss) before extraordinary loss and cumulative effect of change in accounting principle	(1,291)	(15,849)	2,424
Extraordinary loss from extinguishment of debt, net of related income tax benefit (note 10)	(8,051)	(348)	(90)
Cumulative effect at January 1, 1991 of change in accounting for income taxes (note 12)	--	--	13,463
Net earnings (loss)	$ (9,342)	$(16,197)	$ 15,797
Earnings (loss) per share of common stock after provision for dividends on Preferred stock (notes 14 and 18):			
Earnings (loss) before extraordinary loss and cumulative effect of change in accounting principle	$ (.27)	$ (.33)	$ .05
Extraordinary loss	(.17)	(.01)	--
Cumulative effect of change in accounting principle	--	--	.28
Total	$ (.44)	$ (.34)	$ .33

The accompanying notes are an integral part of these statements.

The Rouse Company and Subsidiaries
CONSOLIDATED COST BASIS STATEMENTS OF SHAREHOLDERS' EQUITY

Years ended December 31, 1993, 1992 and 1991 (in thousands)

	Series A Convertible Preferred stock	Common stock	Additional paid-in capital	Accumulated deficit
Balance at December 31, 1990	$--	$481	$ 85,521	$ (60,663)
Net earnings	--	--	--	15,797
Dividends on common stock -- $.60 per share	--	--	--	(28,893)
Proceeds from exercise of stock options, net	--	1	395	--
Amortization of restricted common stock	--	--	3,203	--
Cumulative effect at January 1, 1991 of change in accounting for income taxes (note 12)	--	--	1,486	--
Balance at December 31, 1991	--	482	90,605	(73,759)
Net loss	--	--	--	(16,197)
Dividends on common stock -- $.60 per share	--	--	--	(28,815)
Proceeds from exercise of stock options, net	--	1	578	--
Amortization of restricted common stock	--	--	2,782	--
Repurchase of common stock (note 15)	--	(10)	(11,990)	--
Issuance of warrants to purchase common stock (note 15)	--	--	1,475	--
Balance at December 31, 1992	--	473	83,450	(118,771)
Net loss	--	--	--	(9,342)
Dividends on common stock -- $.62 per share	--	--	--	(29,404)
Proceeds from exercise of stock options, net	--	3	446	--
Amortization of restricted common stock	--	--	2,068	--
Proceeds from issuance of Preferred stock (note 14)	40	--	195,569	--
Dividends on Preferred stock -- $2.83 per share	--	--	--	(11,381)
Balance at December 31, 1993	$40	$476	$281,533	$(168,898)

The accompanying notes are an integral part of these statements.

The Rouse Company and Subsidiaries
CONSOLIDATED COST BASIS STATEMENTS OF CASH FLOWS

Years ended December 31, 1993, 1992 and 1991 (in thousands)

	1993	1992	1991
Cash flows from operating activities			
Rents and other revenues received	$ 600,594	$ 556,510	$ 541,968
Proceeds from land sales	33,830	29,670	30,398
Interest received	9,712	10,220	9,313
Land development expenditures	(20,407)	(19,988)	(18,730)
Operating expenditures:			
Operating properties	(309,130)	(298,672)	(283,461)
Land sales, development and corporate	(9,034)	(9,776)	(16,057)
Interest paid:			
Operating properties	(184,278)	(179,140)	(178,501)
Land sales, development and corporate	(20,138)	(22,194)	(17,704)
Net cash provided by operating activities	101,149	66,630	67,226
Cash flows from investing activities			
Expenditures for properties in development and improvements to existing properties funded by debt	(87,243)	(83,377)	(92,888)
Expenditures for property acquisitions	(34,967)	(38,806)	(1,187)
Expenditures for improvements to existing properties funded by cash provided by operating activities:			
Tenant leasing and remerchandising	(7,374)	(10,468)	(10,776)
Building and equipment	(5,967)	(13,508)	(9,497)
Proceeds from sales of operating properties	--	--	11,661
Purchases of marketable securities	(88,594)	(21,421)	(14,410)
Proceeds from redemptions or sales of marketable securities	72,400	28,217	28,663
Other	(2,701)	(5,473)	(7,776)
Net cash used in investing activities	(154,446)	(144,836)	(96,210)
Cash flows from financing activities			
Proceeds from issuance of property debt	358,995	206,298	135,060
Repayments of property debt:			
Scheduled principal payments	(20,735)	(17,907)	(20,101)
Other payments	(405,772)	(73,494)	(62,343)
Proceeds from issuance of other debt	120,329	16,033	10,000
Repayments of other debt	(160,657)	(3,912)	(16,626)
Proceeds from issuance of Preferred stock	195,609	--	--
Proceeds from exercise of stock options	449	579	396
Dividends paid	(41,150)	(28,683)	(29,115)
Net cash provided by financing activities	47,068	98,914	17,271
Net increase (decrease) in cash and cash equivalents	$ (6,229)	$ 20,708	$ (11,713)

The accompanying notes are an integral part of these statements.

	1993	1992	1991
Reconciliation of Net Earnings (Loss) to Net Cash Provided by Operating Activities			
Net earnings (loss)	$ (9,342)	$(16,197)	$ 15,797
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Depreciation and amortization	70,200	68,163	65,735
(Gain) loss of dispositions of assets and other provisions, net	5,769	5,254	(23,732)
Extraordinary loss from extinguishment of debt	8,051	348	90
Cumulative effect of change in accounting principle	--	--	(13,463)
Additions to pre-construction reserve	2,900	3,050	3,983
Provision for bad debts	4,741	6,297	7,345
Decrease (increase) in:			
Other assets	(770)	(6,414)	4,346
Accounts and notes receivable	(3,010)	(7,273)	1,339
Increase in accounts payable, accrued expenses and other liabilities	21,437	14,105	5,233
Deferred income taxes (benefit)	3,603	(5,286)	2,393
Other	(2,430)	4,583	(1,840)
Net cash provided by operating activities	$101,149	$ 66,630	$ 67,226

	1993	1992	1991
Schedule of Non-Cash Investing and Financing Activities			
Mortgage and other debt assumed in connection with acquisitions of interests in properties	$ 71,995	$ --	$ 14,527
Termination of capital lease obligation on disposition of an interest in a property	--	17,000	--
Debt issued in connection with purchase of common stock of the Company	--	12,000	--
Reduction in a capital lease obligation due to a modification of terms	--	4,139	--
Value of non-cash consideration given in connection with acquisitions of interests in properties	13,416	--	16,100
Mortgage debt assumed by others in connection with the sale of an interest in a property	--	--	1,362
Capital lease obligations incurred	1,541	2,509	2,731

CONSOLIDATED CURRENT VALUE BASIS STATEMENTS OF CHANGES IN REVALUATION EQUITY

Years ended December 31, 1993, 1992 and 1991 (in thousands)

	1993	1992	1991
Revaluation equity at beginning of year	$1,223,744	$1,256,742	$1,444,749
Revaluation equity attributable to interests in operating properties sold or disposed	--	(4,929)	(24,353)
	1,223,744	1,251,813	1,420,396
Change in value of interests in operating properties in operation during entire year	226,258	(57,990)	(177,070)
Value of interests in operating properties opened or acquired	7,075	20,494	--
Change in value of land in development and properties held for development and sale, including effects of sales and transfers to operating properties	(10,761)	(2,330)	(8,579)
Change in value of interests in operating properties, land in development and properties held for development and sale	222,572	(39,826)	(185,649)
Change in value of other property	(456)	(348)	(633)
Change in value attributable to debt, exclusive of operating property debt	(3,818)	--	--
Change in present value of potential income taxes, net of cost basis deferred income taxes	(29,587)	12,105	22,628
	188,711	(28,069)	(163,654)
Revaluation equity at end of year	$1,412,455	$1,223,744	$1,256,742

The accompanying notes are an integral part of these statements.

(1) Current value basis financial statements

(a) Current value reporting

The Company's interests in operating properties, properties held for development and sale and certain other assets have appreciated in value and, accordingly, their current values exceed their cost basis net book values determined in conformity with generally accepted accounting principles. These values are reported in the current value basis financial statements. Management believes that the current value basis financial statements more realistically reflect the underlying financial strength of the Company.

The current values of the interests in operating properties, including interests in unconsolidated real estate ventures, represent management's estimates of the value of these assets primarily as investments. These values will generally be realized through future cash flows generated by the operation of these properties over their economic lives. The current values of properties held for development and sale represent management's estimates of the value of these assets under long-term development and sales programs.

The current value basis financial statements are not intended to present the current liquidation values of individual assets or groups of assets or the liquidation value of the Company or its net assets taken as a whole.

Shareholders' equity on a current value basis was $1,525,606,000 or $26.75 per share of common stock at December 31, 1993 and $1,188,896,000 or $25.50 per share of common stock at December 31, 1992. The per share calculation at December 31, 1993 assumes the conversion of the Preferred stock. The per share calculation at December 31, 1992 assumes the conversion of the convertible subordinated debentures. At December 31, 1993, the debentures were not assumed to be converted because the market value of the debentures was included in the current value basis financial statements. This change did not have a material effect on the per share calculation at December 31, 1993.

(b) Bases of valuation

Interests in operating properties--The current value of the Company's interests in operating properties is the Company's share (based on its underlying ownership interest) of each property's equity value (i.e., the present value of its forecasted net cash flow and residual value, if applicable, after deducting payments on the debt specifically related to the property) plus the outstanding balance of related debt. The current value of the Company's interests in unconsolidated real estate ventures is the present value of the Company's share of forecasted net cash flow, including incentive management fees, and residual value of the respective real estate ventures.

The forecasts of net cash flow are based on an evaluation of the history and future of each property and are supported by market studies, analyses of tenant lease terms and projected sales performance and estimates of revenues and oper- ating expenses over projection periods of generally eleven years.

The present values of forecasted net cash flows are determined using internal rates of return which vary by project and between years as investor yield requirements change. The resulting values recognize the considerable differences between properties in terms of quality, age, outlook and risk as well as the prevailing yield requirements of investors for income-producing properties.

Properties in development--Properties in development are carried at the same amounts as in the cost basis financial statements except that certain parcels of land are carried at their estimated current values. Management believes that properties in development have values in excess of stated costs, but has taken the conservative position of not recognizing any value increment until these properties are completed and operating.

Properties held for development and sale--The current value of properties held for development and sale is based on the present value of forecasted net cash flows under development and sales programs. These programs set forth the proposed timing and cost of all improvements necessary to bring the properties to saleable condition, the pace and price of sales and the costs to administer the programs and sell the properties.

Debt--Debt and obligations under capital leases specifically relating to interests in operating properties are carried at the same amount as in the cost basis balance sheets since the value of the Company's equity interest in each property is based on net cash flow after payments on the debt or leases. The current values of publicly-traded debt not specifically related to interests in properties are determined using quoted market prices. The current values of other debt and obligations under capital leases are carried at the same amount as in the cost basis balance sheets since the difference between the stated and estimated market interest rates for such obligations is not material. At December 31, 1992, the current values of publicly-traded debt not specifically related to interests in properties were carried at the same amount as in the cost basis balance sheet since the market value of such debt was not materially different from the recorded amount.

Deferred income taxes--Because the current value basis financial statements presume that values will be realized over the long-term through operating cash flows and not through liquidation, the deferred income tax obligation on a current value basis represents an estimate of the present value of income tax payments which may be made based on projections of taxable income through 2047. The projections of taxable income reflect all allowable deductions permitted under the Internal Revenue Code. The discount rates used to compute the present value of income tax payments are based on the internal rates of return used to compute the current values of assets, adjusted to reflect the Company's assessment of the greater uncertainty with respect to the ultimate timing and amounts of income tax payments.

Other assets and liabilities--Substantially all other assets and liabilities are carried in the current value basis balance sheets at the lower of cost or net realizable value--the same stated value as in the cost basis balance sheets.

The application of the foregoing methods for estimating current value, including the potential income tax payments, represents the best judgment of management based upon its evaluation of the current and future economy and investor rates of return at the time such estimates were made. Judgments regarding these factors are not subject to precise quantification or verification and may change from time to time as economic and market factors, and management's evaluation of them, change.

The current value basis financial statements have been and will continue to be an integral part of the Company's annual report to shareholders but, consistent with previous practice, current value information will not be presented as part of the Company's quarterly reports to shareholders. The extensive market research, financial analysis and testing of results required to produce reliable current value information make it impractical to report this information on an interim basis.

(c) Revaluation equity

The aggregate difference between the current value basis and cost basis of the Company's assets and liabilities is reported as revaluation equity in the shareholders' equity section of the consolidated current value basis balance sheets. The components of revaluation equity at December 31, 1993 and 1992 are as follows (in thousands):

	1993	1992
Value of interests in operating properties:		
Retail centers	$ 1,908,831	$ 1,608,792
Office, mixed-use and other	175,556	148,859
Value of properties held for development and sale	132,387	111,762
Value of land in development	10,377	14,766
Total equity value	2,227,151	1,884,179
Debt related to equity interests	2,111,279	2,073,964
Total asset value	4,338,430	3,958,143
Depreciated cost of interests in operating properties and costs of properties held for development and sale, land in development and certain other assets	(2,633,846)	(2,476,131)
Present value of potential income taxes related to revaluation equity, net of cost basis deferred income taxes	(297,381)	(267,794)
Other, net	5,252	9,526
Total revaluation equity	$ 1,412,455	$ 1,223,744

(2) Summary of significant accounting policies

(a) Description of business

The Company is engaged in the acquisition, development and management of a diversified portfolio of income-producing properties located across the United States and in land development and sales, primarily in Columbia, Maryland. The income-producing properties consist of retail centers, office buildings and mixed-use and other properties. The retail centers are primarily regional and urban shopping centers. Office properties are primarily suburban buildings or components of mixed-use properties which also include retail and other uses.

(b) Principles of consolidation

The consolidated financial statements include the accounts of The Rouse Company, all subsidiaries and partnerships in which it has a majority interest and control and the Company's proportionate share of the assets, liabilities, revenues and expenses of unincorporated real estate ventures in which it has joint interest and control with other venturers. Investments in ventures which represent less than a 20% interest are accounted for using the equity or cost methods as appropriate in the circumstances. Significant intercompany balances and transactions are eliminated in consolidation.

(c) Property

The Company capitalizes construction and development costs of projects and costs of developing land and other property for sale. Certain other costs associated with the financing, leasing and opening of projects are capitalized as deferred costs of projects and are amortized over the periods benefited by the expenditures.

The pre-construction stage of project development includes efforts and related costs to secure land control and zoning and complete other initial tasks which are essential to the development of a project. These costs are transferred to construction and development in progress when the pre-construction tasks are completed. The Company provides for the costs of potentially unsuccessful pre- construction efforts by charges to operations.

Depreciation is computed by the straight-line method. The annual rate of depreciation for most of the Company's retail centers is based on a 55 year composite life and a salvage value of approximately 10%, producing an effective annual rate of depreciation for new properties of 1.8% of depreciable cost. The other retail centers, all office buildings and other properties are generally depreciated using composite lives ranging primarily from 40 years to 50 years, producing effective annual rates of depreciation for such properties ranging from 2.5% to 2.0%.

Maintenance and repair costs are expensed against operations as incurred, while significant improvements, replacements and major renovations are capitalized.

(d) Sales of property

Gains from sales of operating properties and revenues from land sales are recognized using the full accrual method provided that various criteria relating to the terms of the transactions and any subsequent involvement by the Company with the properties sold are met. Gains or revenues relating to transactions which do not meet the established criteria are deferred and recognized when the criteria are met or using the installment or cost recovery methods, as appropriate in the circumstances. For land sale transactions under terms of which the Company is required to perform additional services and incur significant costs after title has passed, revenues and costs of sales are recognized proportionately on a percentage of completion basis.

Cost of land sales is generally determined as a specified percentage of land sales recognized for each land development project. The cost percentages used are based on estimates of development costs and sales revenues to completion of each project and are revised periodically for changes in estimates or in development plans. The specific identification method is used to determine cost of sales of certain parcels of land.

(e) Accounting for leases

Leases which transfer substantially all the risks and benefits of ownership to tenants are considered finance leases and the present values of the minimum lease payments thereunder, less the estimated residual values of the leased properties, are accounted for as receivables. Leases which transfer substantially all the risks and benefits of ownership to the Company are considered capital leases and the present values of the minimum lease payments are accounted for as property and debt. Direct costs of negotiating and consummating the leasing of tenant spaces are deferred and expensed over the terms of the related leases.

In general, minimum rent revenues are recognized when due from tenants; however, the straight-line basis, which averages annual minimum rents over the terms of leases, is used to recognize estimated collectible minimum rent revenues under leases which provide for varying rents over their terms.

(f) Income taxes

Effective January 1, 1991, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," which requires, among other things, a change from the deferred method to the asset and liability method of accounting for deferred income taxes. The cumulative effect of this change as of January 1, 1991 is reported in the 1991 consolidated cost basis statements of operations and shareholders' equity.

Under the asset and liability method, deferred income taxes are recognized for temporary differences between the financial reporting bases of assets and liabilities and their respective tax bases and for operating loss and tax credit carryforwards based on enacted tax rates expected to be in effect when such amounts are realized or settled. However, deferred tax assets are recognized only to the extent that it is more likely than not that they will be realized based on consideration of available evidence, including tax planning strategies and other factors. The effects of changes in tax laws or rates on deferred tax assets and liabilities are recognized in the period that includes the enactment date.

(g) Investments in marketable securities and cash and cash equivalents

Investments with maturities at dates of purchase in excess of three months are classified as marketable securities. Short-term investments with maturities at dates of purchase of three months or less are classified as cash equivalents, except that any such investments purchased with the proceeds of loans which may be expended only for specified purposes are classified as investments in marketable securities. At December 31, 1993 and 1992, investments in marketable securities, carried at cost which approximates market value, consist primarily of U.S. government and agency obligations and include $4,422,000 and $12,378,000, respectively, which are restricted for use in the development of certain properties.

(3) Real estate ventures

The Company has joint interest and control with other venturers in various operating properties which are accounted for using the proportionate share method. These projects are managed by the Company. The consolidated financial statements include the Company's proportionate share of its historical cost of these projects and depreciation based on the Company's depreciation policies which differ, in certain cases, from those of the joint ventures.

The condensed, combined balance sheets of these ventures and the Company's proportionate share of their assets, liabilities and equity at December 31, 1993 and 1992 and the condensed, combined statements of earnings of these ventures and the Company's proportionate share of their revenues and expenses for 1993, 1992 and 1991 are summarized as follows (in thousands):

	Combined		Proportionate Share	
	1993	1992	1993	1992
Total assets, primarily property	$426,826	$552,114	$194,253	$274,486
Liabilities, primarily long-term debt	$368,198	$484,406	$171,142	$242,355
Venturers' equity	58,628	67,708	23,111	32,131
Total liabilities and venturers' equity	$426,826	$552,114	$194,253	$274,486

	Combined			Proportionate Share		
	1993	1992	1991	1993	1992	1991
Revenues	$144,564	$163,414	$162,633	$66,432	$76,233	$78,891
Operating and interest expenses	87,290	112,858	108,627	40,689	53,098	53,117
Depreciation and amortization	12,396	13,983	13,241	3,833	4,925	3,821
Net earnings	$44,878	$36,573	$40,765	$21,910	$18,210	$21,953

The Company holds minority interests in certain real estate ventures which are accounted for using the equity or cost methods, as appropriate. These projects are managed by the Company and the agreements relating to them generally provide for preference returns to the Company when operating results or sale or refinancing proceeds exceed specified levels. The condensed, combined balance sheets of these ventures at December 31, 1993 and 1992 and their condensed combined statements of earnings for 1993, 1992 and 1991 are summarized as follows (in thousands):

	1993	1992
Total assets, primarily property	$1,307,611	$1,303,730
Liabilities, primarily long-term debt	$ 468,352	$ 440,615
Venturers' equity	839,259	863,115
Total liabilities and venturers' equity	$1,307,611	$1,303,730

	1993	1992	1991
Revenues	$197,333	$193,111	$193,756
Operating and interest expenses	142,740	141,184	139,358
Depreciation and amortization	36,768	34,897	34,688
Net earnings	$ 17,825	$ 17,030	$ 19,710

(4) Operating Properties

Property and deferred costs of projects at December 31, 1993 and 1992 are summarized as follows (in thousands):

	1993	1992
Buildings and improvements	$2,346,074	$2,164,504
Land	155,580	133,566
Deferred costs	122,762	123,084
Investments in unconsolidated real estate ventures	80,512	76,257
Furniture and equipment	34,335	36,404
Receivables under finance leases	82,040	73,979
Total	$2,821,303	$2,607,794

Depreciation expense for 1993, 1992 and 1991 was $55,508,000, $51,834,000 and $49,520,000, respectively. Amortization expense for 1993, 1992 and 1991 was $14,692,000, $16,329,000 and $16,215,000, respectively.

(5) Properties in development

Properties in development include construction and development in progress and pre-construction costs, net. The construction and development in progress accounts include land and land improvements of $12,521,000 at December 31, 1993 and $22,501,000 at December 31, 1992.

Changes in pre-construction costs, net, for 1993 and 1992 are summarized as follows (in thousands):

	1993	1992
Balance at beginning of year, before pre-construction reserve	$17,741	$22,578
Costs incurred	12,024	7,293
Costs transferred to construction and development in progress	(6,603)	(12,013)
Costs transferred to operating properties	(3,484)	--
Costs of unsuccessful projects written off	(1,205)	(117)
	18,473	17,741
Less pre-construction reserve	12,822	11,127
Balance at end of year, net	$ 5,651	$ 6,614

(6) Properties held for development and sale

Properties held for development and sale include land and, in 1992, an industrial building acquired in connection with a land purchase. The building was transferred to operating properties during 1993.

Properties held for development and sale at December 31, 1993 and 1992 are summarized as follows (in thousands):

	1993	1992
Finished land	$ 11,410	$ 15,283
Land under development	70,027	92,394
Other land	50,390	18,223
Building	--	10,054
Total	$131,827	$135,954

(7) Accounts and notes receivable

Accounts and notes receivable at December 31, 1993 and 1992 are summarized as follows (in thousands):

	1993	1992
Accounts receivable, primarily accrued rents and income under tenant leases	$ 80,126	$ 79,583
Notes receivable, including secured notes of $11,285 in 1993 and $9,111 in 1992	21,836	19,720
	101,962	99,303
Less allowance for doubtful receivables	24,036	23,129
Total	$ 77,926	$ 76,174

Accounts and notes receivable due after one year were $59,226,000 and $51,438,000 at December 31, 1993 and 1992, respectively.

(8) Pension plans

The Company has a defined benefit pension plan (the "funded plan") covering substantially all employees. The Company's policy is to fund current service costs and amortization of unfunded accrued liabilities subject to the limits of the Internal Revenue Code. In addition, the Company has a non-qualified unfunded retirement plan (the "unfunded plan") covering employees whose defined benefits exceed the limits of the funded plan. Benefits under both pension plans are based on the participants' years of service and compensation over the terms of their employment.

The net pension cost for the Company's pension plans includes the following components (in thousands):

	1993	1992	1991
Service cost	$ 2,191	$ 2,058	$ 2,389
Interest cost on projected benefit obligations	2,991	2,977	2,739
Actual return on funded plan assets	(1,790)	(1,551)	(4,427)
Other, net	897	(123)	3,394
Net pension cost	$ 4,289	$ 3,361	$ 4,095

The funded status of the Company's pension plans at December 31, 1993 and 1992 is summarized as follows (in thousands):

	1993	1992
Accumulated benefit obligations:		
Vested	$ 33,905	$ 31,631
Nonvested	4,073	3,560
Total	$ 37,978	$ 35,191
Projected benefit obligations	$ 41,980	$ 38,395
Funded plan assets at fair value	(24,310)	(22,212)
Excess of projected benefit obligations over funded plan assets	17,670	16,183
Unamortized prior service cost	(5,821)	(6,545)
Unrecognized net loss	(6,643)	(3,731)
Unrecognized net obligation at January 1, 1987, net of amortization	(1,877)	(2,079)
Additional minimum liability	10,339	9,151
Accrued pension cost included in accrued expenses	$ 13,668	$ 12,979

The projected benefit obligations for both plans were determined using discount rates of 7.5%, 8.25% and 8.375% in 1993, 1992 and 1991, respectively. The rates of compensation increases assumed were 4.5% for 1993 and 1992 and 5% for 1991. The expected long-term rate of return on plan assets of the funded plan was 11% in 1993, 1992 and 1991. The assets of the funded plan consist primarily of marketable securities and pooled separate accounts managed by an insurance company.

(9) Other Postretirement and Postemployment Benefits

The Company has a retiree benefits plan that provides postretirement medical and life insurance benefits to full-time employees who meet minimum age and service requirements. The Company pays the full cost of participants' life insurance coverage and makes contributions based on years of service to the cost of participants' medical insurance coverage, subject to a maximum annual contribution (except for employees who retired before 1991).

Prior to 1993, the Company accounted for postretirement benefit costs on the cash basis, and the cost of these benefits was not material in 1992 and 1991. Effective January 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," which requires that postretirement benefit costs be recognized on the accrual basis as employees render the services required to be eligible for benefits. This change in accounting did not have a material effect on the financial position or results of operations of the Company, after considering recoveries of employee benefit costs under tenant leases.

The postretirement benefit cost for 1993 includes the following components (in thousands):

Service cost	$ 603
Interest cost on accumulated postretirement benefit obligation	785
Amortization of transition obligation at January 1, 1993	484
Net postretirement benefit cost	$1,872

The status of the Company's postretirement benefit plan at December 31, 1993, is summarized as follows (in thousands):

Accumulated postretirement benefit obligation:	
Retirees	$ 3,130
Other fully eligible participants	2,016
Other active participants	6,428
	11,574
Unrecognized net loss	(1,142)
Unrecognized transition obligation	(9,204)
Accrued postretirement benefit cost included in accrued expenses	$ 1,228

The weighted average discount rate used to determine the accumulated postretirement benefit obligation was 7.5% at December 31, 1993. The transition obligation at January 1, 1993 is being amortized to postretirement benefit cost over 20 years.

Effective January 1, 1993, the Company also adopted Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits." This change in accounting did not have a material effect on the financial position or results of operations of the Company, after considering recoveries of employee benefit costs under tenant leases.

(10) Debt

In recognition of the various characteristics of real estate financing, debt is classified as follows:

(a) "Property debt not carrying a Parent Company guarantee of repayment" which is subsidiary company debt having no express written obligation which would require the Company to repay the principal amount of such debt during the full term of the loan (nonrecourse loans); and

(b) "Parent Company debt and debt carrying a Parent Company guarantee of repayment" which is debt of the Company and subsidiary company debt with an express written obligation of the Company to repay the principal amount of such debt during the full term of the loan (Company and recourse loans).

With respect to property debt not carrying a Parent Company guarantee of repayment, the Company has in the past and may in the future, under some circumstances, support those subsidiary companies whose annual obligations, including debt service, exceed operating revenues. At December 31, 1993 and 1992, property debt not carrying a Parent Company guarantee of repayment includes $643,191,000 and $695,482,000, respectively, of mortgages and bonds relating to operating properties of subsidiary companies which are subject to agreements with lenders requiring the Company to provide support for operating and debt service costs, where necessary, for defined periods or until specified conditions relating to the operating results of the properties are met.

Debt at December 31, 1993 and 1992 is summarized as follows (in thousands):

	1993	1992
Mortgages and bonds	$1,923,791	$1,869,196
Convertible subordinated debentures	130,000	230,000
Other loans	356,706	334,546
Total	$2,410,497	$2,433,742

Mortgages and bonds are secured by deeds of trust or mortgages on real estate projects and general assignments of rents. This debt matures in installments through 2034 and, at December 31, 1993, bears interest at effective rates, including lender participations, ranging from 4.38% to 13.00%. At December 31, 1993, approximately $766,429,000 of this debt is subject to payment of additional interest based on the operating results of the related properties in excess of stated levels. In addition, certain of such debt provides for payments to lenders of shares of the related properties' residual values, if any, upon sale or refinancing.

The convertible subordinated debentures outstanding at December 31, 1993, are unsecured, bear interest at 5.75% and mature in 2002. The debentures are convertible into one share of common stock for each $28.63 of par value. A $100,000,000 issue of unsecured debentures, which carried interest of 5.875% and was convertible into one share of common stock for each $26.25 of par value, was redeemed in 1993.

Other loans include $120,000,000 of 8.5% unsecured notes, issued in 1993 and due in 2003, various property acquisition and land loans, credit line advances and certain other borrowings. These loans include aggregate unsecured borrowings of $268,178,000 and $231,737,000 at December 31, 1993 and 1992, respectively, and at December 31, 1993, bear interest at rates ranging from 4.5% to 12.75%.

The annual maturities of debt as of December 31, 1993 are summarized as follows (in thousands):

	Company and Recourse Loans	Nonrecourse Loans	Total
1994	$ 27,649	$ 28,839	$ 56,488
1995	35,338	94,625	129,963
1996	42,174	39,448	81,622
1997	18,519	113,983	132,502
1998	14,913	63,214	78,127
Subsequent to 1998	385,647	1,546,148	1,931,795
Total	$524,240	$1,886,257	$2,410,497

The Company uses interest rate exchange agreements, including interest rate caps and swaps, to manage interest rate risk associated with variable rate debt. These agreements generally involve the exchange of fixed and floating rate interest payment obligations without the exchange of the underlying principal amounts. Parties to these agreements are subject to market risk for changes in interest rates and risk of credit loss in the event of nonperformance by the counterparty. Notional principal amounts are used to express the volume of these transactions, but the amounts potentially subject to credit risk and the cash requirements are substantially less.

At December 31, 1993, the Company had entered into interest rate cap agreements which expire in December 1995 and April 1997. These agreements limit the average interest rate on $56,250,000 of mortgages to 7.7% through April 1995 and to 9.14% from May 1995 through April 1997 and limit the interest rate on advances of up to $51,000,000 under a line of credit to 10% through December 1995.

Total interest costs were $219,705,000 in 1993, $221,907,000 in 1992 and $219,538,000 in 1991 of which $8,899,000, $15,098,000 and $21,243,000 were capitalized, respectively.

During 1993, 1992, and 1991, the Company extinguished approximately $228,867,000, $41,958,000 and $4,200,000, respectively, of its debt prior to scheduled maturity, which resulted in extraordinary losses of $8,051,000, $348,000 and $90,000, respectively, net of related deferred income tax benefits of $4,271,000, $182,000 and $47,000, respectively. Proceeds from the Company's refinancings of the related properties, and in 1993, from the issuances of the 8.5% unsecured notes and Preferred stock were used to retire the debt extinguished and to fund the prepayment penalties.

At December 31, 1993, the Company had available unused lines of credit totalling $135,000,000. The agreements relating to certain of the lines of credit, the 8.5% unsecured notes and certain other loans impose limitations on the Company. The most restrictive of these limit the Company's ability to incur certain types of additional debt if the Company does not maintain specified debt service coverage ratios. The agreements also impose restrictions on sale, lease and certain other transactions, subject to various exclusions and limitations.

In accordance with the Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments," the estimated fair value of debt is determined based on quoted market prices for publicly-traded debt and on the discounted estimated future cash payments to be made for other debt. The discount rates used approximate current market rates for loans or groups of loans with similar maturities and credit quality. The estimated future payments include scheduled principal and interest payments, cash flows under interest rate exchange agreements, where applicable, and lenders' participations in operating results and residual values of the related properties, where applicable. The carrying amount and estimated fair value of the Company's debt at December 31, 1993 and December 31, 1992 are summarized as follows (in thousands):

	1993		1992	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Fixed rate debt..........	$2,089,384	$ 2,142,022	$1,996,339	$ 2,040,512
Variable rate debt.......	321,113	321,113	437,403	437,403
	$2,410,497	$ 2,463,135	$2,433,742	$ 2,477,915

Fair value estimates are made at a specific point in time, are subjective in nature and involve uncertainties and matters of significant judgment. Settlement of the Company's debt obligations at fair value may not be possible and may not be a prudent management decision. The potential loss on extinguishment at December 31, 1993, does not take into consideration expenses that would be incurred to settle the debt obligations at fair value or the related potential income tax benefits.

(11) Operating results and assets by line of business

Operating results before gain (loss) on dispositions of assets and other provisions, net, income taxes, extraordinary loss and cumulative effect of change in accounting principle are summarized by line of business as follows (in thousands):

	1993	1992	1991
Operating properties:			
Revenues	$607,630	$565,117	$547,209
Operating expenses, exclusive of provision for bad debts, depreciation and amortization	322,793	304,687	295,618
Interest expense	189,805	184,943	181,317
Provision for bad debts	4,741	6,297	7,241
Depreciation and amortization	70,200	68,163	65,735
	20,091	1,027	(2,702)
Land sales:			
Revenues	35,313	29,137	24,111
Operating costs and expenses	19,387	16,330	12,744
Interest expense	4,093	2,959	2,728
Provision for bad debts	--	--	104
	11,833	9,848	8,535
Development:			
Revenues	--	--	375
Operating costs and expenses	3,853	4,421	5,681
Interest expense	495	495	495
	(4,348)	(4,916)	(5,801)
Corporate:			
Interest income	3,862	2,851	1,803
Interest expense	16,413	18,412	13,755
Other expenses	6,184	5,927	6,567
	(18,735)	(21,488)	(18,519)
Operating income (loss)	$ 8,841	$(15,529)	$(18,487)

The assets by line of business at December 31, 1993, 1992 and 1991 are as follows (in thousands):

	1993	1992	1991
Operating properties	$2,556,237	$2,396,900	$2,311,035
Land sales	140,673	140,227	162,490
Development	63,656	96,570	70,087
Corporate	114,416	92,584	93,840
Total	$2,874,982	$2,726,281	$2,637,452

(12) Income taxes

As discussed in note 2, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," as of January 1, 1991. The cumulative effect at January 1, 1991 of this change in accounting for income taxes was to reduce the net deferred tax obligation by $14,949,000, increase net income for 1991 by $13,463,000, or $.28 per share, and increase additional paid- in capital by $1,486,000 for income tax benefits relating to certain employees' stock compensation plans. The effect of this change on earnings before extraordinary loss and net earnings for 1991, excluding the cumulative effect of adoption, was not material.

Income tax expense (benefit) is reconciled to the amount computed by applying the Federal corporate tax rate as follows (in thousands):

	1993	1992	1991
Tax (benefit) at statutory rate on earnings (loss) before income taxes, extraordinary loss and cumulative effect of change in accounting principle	$1,075	$(7,066)	$1,783
State income taxes, net of Federal income tax benefit	1,398	1,374	1,038
Effect of increase in Federal tax rate	1,890	--	--
Costs incurred in connection with a private placement of common stock of the Company	--	758	--
Income tax expense (benefit)	$4,363	$(4,934)	$2,821
Effective rate	142.0%	23.7%	53.8%

The net deferred tax obligations at December 31, 1993 and 1992 consist of total deferred tax assets of approximately $191,071,000 and $168,478,000, respectively, and total deferred tax liabilities of approximately $270,050,000 and $248,125,000, respectively. The tax effects of temporary differences between the financial reporting and income tax bases of assets and liabilities that are included in the net deferred tax obligations at December 31, 1993 and 1992 relate to the following (in thousands):

	1993	1992
Property, primarily differences in depreciation and amortization and treatment of interest and certain other costs	$ 245,642	$ 225,016
Accounts and notes receivable, primarily differences in timing of recognition of rent revenues and doubtful receivables	4,243	3,546
Accrued expenses, primarily differences in timing of recognition of interest, compensation and pension expenses	(460)	(918)
Effect of operating loss and tax credit carryforwards	(170,446)	(147,997)
Total	$ 78,979	$ 79,647

The net operating losses carried forward from December 31, 1993 for Federal income tax purposes aggregate approximately $474,000,000. The loss carryforward will begin to expire in 1998.

As indicated above, the deferred tax liabilities relate primarily to differences in depreciation and amortization of property and treatment of interest and certain other property related costs for financial reporting and income tax purposes and the deferred tax assets relate primarily to the tax effects of operating loss carryforwards. The ultimate realization of these assets is dependent upon the generation of sufficient future taxable income to use the operating loss carryforwards before they expire. Based on the scheduled reversal of the deferred tax liabilities and projections of future taxable income over the operating loss carryforward period, management believes it is more likely than not that the Company will realize the benefits of the operating loss carryforwards at December 31, 1993.

(13) Gain (loss) on dispositions of assets and other provisions, net

Gain (loss) on dispositions of assets and other provisions, net, is summarized as follows (in thousands):

	1993	1992	1991
Provision for loss on investment in an operating property	$(5,432)	$ --	$ --
Sale of interest in an operating property	--	--	23,078
Costs incurred in connection with a private placement of common stock of the Company	--	(2,231)	--
Provision for loss on certain investments	--	(4,156)	--
Other, net	(337)	1,133	654
Total	$(5,769)	$(5,254)	$23,732

The provision for loss on investment in an operating property in 1993 was recognized based on management's determination that the Company would not continue to support the project (which is financed by nonrecourse loans) under the existing arrangements with lenders, public authorities and others involved and that it was unlikely that the Company would recover all of its investment in the project based on forecasts of future cash flows.

The costs incurred in connection with a private placement of common stock of the Company in 1992 relate to the purchase by the Company and seven institutional investors of 9,500,000 shares of common stock previously owned by Trizec Investments Corporation as discussed in note 15.

The provision for loss on certain investments in 1992 was recognized based on management's determination that declines in the market or fair values of an investment in an equity security and certain other investments were other than temporary.

(14) Series A Convertible Preferred stock

The shares of Series A Convertible Preferred stock have a liquidation preference of $50 per share and earn dividends at an annual rate of 6.5% of the liquidation preference. At the option of the holders, each share of Preferred stock is convertible into shares of the Company's common stock at a conversion rate of approximately 2.35 shares of common stock for each share of Preferred stock, subject to adjustment in certain circumstances. In addition, beginning March 1, 1996, the shares of Preferred stock are redeemable for shares of common stock at the option of the Company, subject to certain conditions.

(15) Common stock

At December 31, 1993, shares of authorized and unissued common stock are reserved as follows: (a) 2,153,482 shares for issuance under the Company's stock option and stock bonus plans; (b) 4,540,692 shares for conversion of the convertible subordinated debentures; and (c) 9,470,588 shares for the conversion of the Preferred stock; and (d) 500,000 shares for exercise of the warrants issued to Trizec Investments Corporation discussed below.

The Company's stock option plans provide for the grant of options and stock appreciation rights to officers and employees. A summary of changes in the outstanding stock options under the stock option plans is as follows:

	1993	1992	1991
Balance at beginning of year	1,438,542	1,288,152	1,414,948
Options granted	350,000	285,000	--
Options exercised:			
$ 5.33 per share	--	(91,410)	(58,746)
$ 11.17 per share	(41,340)	(7,800)	(900)
$ 11.83 per share	(2,400)	(600)	(600)
$ 15.33 per share	(9,500)	(6,000)	(14,750)
Options cancelled	(26,000)	(28,800)	(51,800)
Balance at end of year	1,709,302	1,438,542	1,288,152

The options outstanding at December 31, 1993 are exercisable as follows:
115,500 shares at $27.00; 653,000 shares at $23.75; 22,500 shares at $21.33; 350,000 shares at $19.75; 177,602 shares at $15.33; 285,000 shares at $14.75; 100,000 shares at $13.50; and 5,700 shares at $11.83.

Under the Company's stock bonus plans, shares of common stock may be awarded to certain officers and employees. Shares awarded under the plans may be subject to forfeiture restrictions which lapse at defined annual rates. In connection with the stock bonus plan awards, the Company may make loans to the recipients for the payment of related income taxes, which loans may be forgiven subject to the recipients' continued employment. The Company recognizes any forgiven loan installments, amortization of the fair value of the stock awarded and certain related costs as compensation costs over the terms of the awards. Such costs amounted to $2,415,000 in 1993, $2,078,000 in 1992 and $3,580,000 in 1991.

In September 1992, seven investors acquired 8,500,000 shares of the Company's common stock in a private placement from Trizec Investments Corporation (Trizec). In addition, the Company acquired 1,000,000 shares of its common stock from Trizec for a note payable of $12,000,000, which was due and paid in 1993. Stock warrants allowing Trizec to purchase 500,000 shares of common stock at a price of $18 per share until September 1997 were issued by the Company to facilitate the transaction. The Company's share of the costs incurred in this transaction, including the value of the warrants issued, is included in gain
(loss) on dispositions of assets and other provisions, net.

(16) Leases

The Company, as lessee, has entered into operating leases expiring at various dates through 2082. Rents under such leases aggregated $17,483,000 in 1993, $16,397,000 in 1992 and $16,967,000 in 1991, including contingent rents, based on the performance of the related properties, of $10,006,000, $8,106,000 and $8,458,000, respectively. In addition, real estate taxes, insurance and maintenance expenses are obligations of the Company. The minimum rent payments due under operating leases in effect at December 31, 1993 are summarized as follows (in thousands):

1994	$ 7,389
1995	7,070
1996	7,041
1997	7,031
1998	7,023
Subsequent to 1998	268,503
Total	$304,057

Obligations under capital leases relate to the Company's headquarters building and certain operating properties and equipment. The property and other asset accounts include costs of $73,054,000 and $73,709,000 and accumulated depreciation of $20,010,000 and $18,265,000 at December 31, 1993 and 1992, respectively, related to these leases. Minimum rent payments under the capital leases are $10,985,000 in 1994, $10,248,000 in 1995, $8,728,000 in 1996, $8,325,000 in 1997, $7,540,000 in 1998 and $208,951,000 for subsequent years through 2039. In addition, real estate taxes, insurance and maintenance expenses are obligations of the Company. The minimum rent payments due aggregate $254,777,000 at December 31, 1993; the amount outstanding is the present value of these aggregate payments discounted at rates ranging from 5.6% to 13%.

Space in the Company's operating properties is leased to approximately 6,600 tenants. In addition to minimum rents, the majority of the retail center leases provide for percentage rents when the tenants' sales volumes exceed stated amounts, and the majority of the retail center and office leases provide for other rents which reimburse the Company for certain of its operating expenses. Rents from tenants are summarized as follows (in thousands):

	1993	1992	1991
Minimum rents	$289,422	$267,381	$258,581
Percentage rents	19,133	19,830	21,608
Other rents	219,168	203,223	191,082
Total	$527,723	$490,434	$471,271

The minimum rents to be received from tenants under operating leases in effect at December 31, 1993 are summarized as follows (in thousands):

1994	278,515
1995	261,255
1996	238,021
1997	211,567
1998	179,283
Subsequent to 1998	807,134
Total	$1,975,775

Certain of the Company's tenant leases are accounted for as finance leases since the terms of the leases transfer substantially all of the risks and benefits of ownership to the tenants. Rents under such leases aggregated $6,601,000 in 1993, $7,912,000 in 1992 and $7,885,000 in 1991. The minimum rent payments to be received from tenants under finance leases in each of the next five years are approximately $7,900,000.

The net investment in finance leases at December 31, 1993 and 1992 is summarized as follows (in thousands):

	1993	1992
Total minimum rent payments to be received over lease terms	$ 184,120	$ 218,586
Estimated residual values of leased properties	3,123	123
Unearned income	(105,203)	(144,730)
Net investment	$ 82,040	$ 73,979

(17) Other commitments and contingencies

Commitments for the construction and development of properties in the ordinary course of business and other commitments not set forth elsewhere amount to approximately $15,000,000 at December 31, 1993.

At December 31, 1993, subsidiaries of the Company have contingent liabilities of approximately $42,332,000 with respect to future minimum rents under long- term lease obligations of certain joint ventures and approximately $4,300,000 with respect to bank letters of credit issued to secure their obligations under certain agreements. In addition, the Company had contingent liabilities with respect to debt of certain joint ventures aggregating approximately $36,369,000.

On November 6, 1990, Robert P. Guastella Equities, Inc. ("Plaintiff"), a former tenant at the Riverwalk Shopping Center in New Orleans, Louisiana ("Riverwalk"), which is owned and operated by New Orleans Riverwalk Associates, an affiliate of the Company ("NORA"), filed suit in the Civil District Court of Orleans Parish, Louisiana against NORA, the Company, two Company affiliates, and a partner of NORA (collectively, "Defendants"). Plaintiff alleges that Defendants breached Plaintiff's lease agreement with NORA for the operation of a restaurant at Riverwalk and that as a result of these breaches it suffered losses and could not pay the rentals due under the lease agreement, as a result of which the lease and its tenancy were terminated by NORA. Plaintiff sought damages of approximately $600,000 for these alleged breaches. In addition, on September 3, 1992, Plaintiff claimed $33,000,000 for alleged lost future profits which it claimed it would have earned had its lease not been terminated. The Defendants filed answers denying the claims of Plaintiff and asserting other defenses. NORA also asserted a counterclaim against Plaintiff and its individual guarantors for past due rentals and other charges in the approximate amount of $300,000 plus interest and attorneys' fees as provided for in the lease agreement. The case was tried before a jury and, on October 28, 1993, the jury returned a verdict against Defendants upon which judgment was entered by the trial court on January 7, 1994, in the total net amount of approximately $9,128,000 (including a net award for lost future profits of approximately $8,640,000) plus interest and attorneys' fees. Defendants believe that the verdict and judgment as entered to date are contrary to the facts and applicable law. Following entry of judgment, Defendants filed with the trial court motions seeking in the alternative, (i) the dismissal of all claims of Plaintiff against Defendants, (ii) a significant reduction of the award to Plaintiff, including elimination of the entire award for lost future profits or (iii) a new trial. To the extent that these post- trial motions are not successful, Defendants intend to vigorously pursue their rights of appeal.

The Company and certain of its subsidiaries are defendants in various other litigation matters arising in the ordinary course of business, some of which involve claims for damages that are substantial in amount. Some of these litigation matters are covered by insurance. In the opinion of management, adequate provision has been made for losses with respect to all litigation matters, where appropriate, and the ultimate resolution of all such litigation matters is not likely to have a material effect on the consolidated financial position of the Company. Due to the Company's modest and fluctuating net earnings (loss) it is not possible to predict whether the resolution of these matters is likely to have a material effect on the Company's consolidated net earnings (loss) and it is, therefore, possible that the resolution of these matters could have such a material effect in any future quarter or annual fiscal period.

(18) Earnings (loss) per share of common stock

Earnings (loss) per share of common stock is computed by dividing net earnings
(loss), after deducting dividends on Preferred stock, by the weighted average number of shares of common stock outstanding during the year. The numbers of shares used in the computations were 47,411,000 for 1993, 47,994,000 for 1992 and 48,157,000 for 1991. Common stock equivalents have not been used in computing earnings (loss) per common share because their effects are not material or are anti-dilutive.

MANAGEMENTS'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

The Company's primary business is the acquisition, development and management of income-producing real estate projects. The Company operates a diversified portfolio of real estate properties located across the United States. In addition, the Company develops and sells land, primarily in Columbia, Maryland.

Management believes that the Company's financial position is sound and that its liquidity and capital resources are adequate. As shown in the supplemental current value basis financial statements, current value shareholders' equity, which is an important indication of the Company's financial strength, was $1.53 billion at December 31, 1993, up from $1.19 billion at December 31, 1992. In addition, as discussed in greater detail below, the Company completed public offerings of debt and Preferred stock early in 1993 and paid off, refinanced or extended the due dates of approximately $550 million of property and other debt that was scheduled to mature during the 1993-1997 period. These transactions were completed on favorable terms and significantly strengthened the Company's short and intermediate term liquidity position.

The economic recession and generally difficult conditions in the real estate and retail industries have affected the Company's operating results during the last four years. The effects of the recession began to moderate somewhat in the second half of 1992, and the gradual, general improvement in the overall economy (which resulted in improvements in consumer confidence, tenant sales and leasing conditions) and continued low interest rates during 1993 were significant factors in the improvement in the Company's operating results for the year. If the gradual improvements in the overall economy and consumer confidence continue during 1994, the Company's operating results should continue to improve. In the difficult economic and market conditions of the last several years, the Company has limited its development efforts to expansions of existing retail centers, projects in Columbia and special situations that did not involve significant capital risk. Conditions for development of new regional shopping centers became more favorable in 1993, particularly with respect to department store interest and availability of financing. The Company is pursuing a variety of opportunities and hopes to commence new regional shopping center development during 1994.

Operating Results

This discussion and analysis of operating results covers each of the Company's four business segments as management believes that a segment analysis provides the most effective means of understanding the Company's business. Note 11 to the consolidated financial statements and the elements of revenues and expenses set forth in the Five Year Summary of Earnings Before Depreciation and Deferred Taxes from Operations and Net Earnings (Loss) on page 52 should be referred to when reading this discussion.

Operating Properties: The Company reports the results of its operating properties in two categories: retail centers ("retail" properties) and office, mixed-use and other properties ("office/mixed-use" properties).

The Company's tenant leases provide the foundation for the performance of its retail and office/mixed-use properties. In addition to minimum rents, the majority of retail and office tenant leases provide for other rents which reimburse the Company for most of its operating expenses. Substantially all of the Company's retail leases also provide for additional rent based on tenant sales (percentage rent) in excess of stated levels. As leases expire, space is released, minimum rents are generally adjusted to market rates, expense reimbursement provisions are updated and new percentage rent levels are established for retail leases.

Most of the Company's operating properties are financed with long term, fixed rate, nonrecourse debt and, therefore, are not directly affected by changes in interest rates. Although the interest rates on this debt do not fluctuate, certain loans provide for additional payments to the Company's lenders based on operating results and, in some instances, a share of a property's residual value upon sale or refinancing. Certain lenders' rights to participation in residual value expire upon maturity of the related loans.

Revenues from retail properties increased $35,118,000 in 1993 and $12,279,000 in 1992. A substantial portion of the increase in 1993 was attributable to changes in the composition of the Company's portfolio of retail properties during the year, including acquisitions of interests in retail centers in the first and second quarters and the openings of expansions in the first and third quarters, and to a full year of operations for properties opened or acquired during 1992. The increase in revenues also reflects higher average occupancy levels, increased rents from temporary and seasonal tenants, re-leasing of space at higher effective rents and improved recoveries of operating expenses from tenants at certain properties. The increase in revenues in 1992 was due primarily to increases in rents from temporary and seasonal tenants and improved recoveries of operating expenses from tenants at certain retail properties. Changes in the Company's portfolio of retail properties during 1992 and 1991 partially offset these increases. These changes included acquisitions of interests in retail centers in the fourth quarter of 1991 and the second quarter of 1992, the opening of the Company's seventh village center in Columbia in the second quarter of 1992 and dispositions of interests in retail centers in the fourth quarter of 1991 and the first quarter of 1992. Average occupancy for retail properties increased slightly in 1993 and 1992, and tenant sales increased 2.1% and 2.9%, respectively, when compared to the preceding years.

Total operating and interest expenses for retail properties increased by $19,959,000 in 1993 and $8,157,000 in 1992, including increased depreciation and amortization of $1,508,000 and $2,591,000, respectively. The increase in 1993 was attributable primarily to the changes in the Company's portfolio of retail properties described above, partially offset by reductions in interest expense due to debt reductions, lower interest rates on floating rate debt and refinancings at certain properties. The increase in 1992 was due primarily to higher common area and other expenses at certain retail centers and depreciation and amortization of costs of recently opened or acquired properties and costs of capital improvement programs (primarily renovations and remerchandisings of existing properties). These increases were partially offset by a slight net decrease in expenses due to the changes in the Company's portfolio of retail properties described above and a modification in the terms of a master lease relating to a retail center.

Revenues from office/mixed-use properties increased $7,395,000 in 1993 and $5,629,000 in 1992. Total operating and interest expenses for office/mixed-use properties increased $3,490,000 in 1993, including increased depreciation and amortization of $529,000, and $6,022,000 in 1992, net of reduced depreciation and amortization of $163,000. The increases in both years were due principally to the operations of recently opened properties, including two industrial buildings in Columbia in 1993 and an office building in Columbia in 1992, and increased occupancies at existing properties. The increase in expenses in 1993 was mitigated by a reduction in interest expense due to debt reductions, lower interest rates on floating rate debt and the expiration of certain interest rate exchange agreements. The increase in expenses in 1992 was partially offset by a decrease in bad debts of $981,000 and a modification in the terms of a mortgage on an office property.

Land Sales: The Company's land sales operations relate primarily to the city of Columbia. Generally, revenues and operating income from land sales are affected by such factors as the availability to purchasers of construction and permanent mortgage financing at acceptable interest rates, consumer and business confidence, availability of saleable land for particular uses and management's decisions to sell, develop or retain land.

Land sales revenues were $35,313,000 in 1993, $29,137,000 in 1992 and $24,111,000 in 1991. The increases in revenues in 1993 and 1992 were attributable primarily to sales of land for multi-family residential uses, and to a lesser extent, commercial land for retail and other uses.

Land sales costs and expenses were $23,480,000 in 1993, $19,289,000 in 1992 and $15,576,000 in 1991. The increases in costs and expenses in 1993 and 1992 were attributable primarily to the costs associated with higher land sales and, in 1993, higher interest expense due to lower levels of land development activity on projects other than Columbia.

Development: Net development expenses were $4,348,000 in 1993, $4,916,000 in 1992 and $5,801,000 in 1991. These costs consist primarily of additions to the pre-construction reserve and new business costs, net of development fees earned from managing construction projects for third parties.

The pre-construction reserve is maintained to provide for costs of possible projects, including retail center renovation and expansion opportunities, which may not go forward to completion. Additions to the pre-construction reserve were $2,900,000 in 1993, $3,050,000 in 1992 and $3,983,000 in 1991. New business costs relate primarily to the initial evaluation of acquisition and development opportunities. New business costs were $953,000 in 1993, $1,371,000 in 1992 and $1,698,000 in 1991. The decreases in additions to the pre- construction reserve and new business costs in 1993 and 1992 were consistent with the Company's strategy during these years to evaluate and undertake new projects on a limited risk basis. These costs are expected to increase in 1994 and subsequent years as the Company pursues new development and acquisition opportunities more aggressively.

Corporate: Corporate results consist of interest income earned on temporary investments (including investments of unused proceeds from refinancings of certain properties), corporate interest expense (primarily on the convertible subordinated debentures, unused proceeds from refinancings of certain properties and, in 1993, a portion of the unsecured 8.5% notes), net of capitalized interest on corporate funds temporarily invested in projects under development, and general and administrative costs.

Corporate interest income was $3,862,000 in 1993, $2,851,000 in 1992 and $1,803,000 in 1991. The increases in 1993 and 1992 were attributable to higher average investment balances as a result of proceeds from the offerings of the 8.5% unsecured notes and Preferred stock in 1993 and refinancings of certain retail properties in 1992. The effect of the higher investment balances was partially offset by lower interest rates on short term, high quality investments (primarily U.S. government and agency obligations in both years).

Corporate interest costs were $18,571,000 in 1993, $20,396,000 in 1992 and $17,009,000 in 1991. Of such amounts, $2,158,000, $1,984,000 and $3,254,000 were capitalized in 1993, 1992 and 1991, respectively, on funds invested in development projects. The decrease in interest costs in 1993 was due to a decrease in the average corporate debt outstanding during the year. A portion of the proceeds of the Preferred stock offering was used to redeem a $100,000,000 issue of convertible subordinated debentures in May 1993. This decrease was partially offset by issuance of the 8.5% unsecured notes; however, a portion of the proceeds of the unsecured notes and the proceeds from refinancings of certain retail properties completed prior to 1993 were used to refinance certain land and operating property debt and to finance improvements to a number of operating properties during 1993. The interest costs on loan proceeds used for other segments are included in the operating results of those segments. The increase in interest costs in 1992 was attributable to unused proceeds of refinancings of certain projects. The lower levels of interest capitalized in 1993 and 1992, when compared to 1991, reflect lower levels of corporate funds invested in development projects consistent with the Company's strategy in these years to undertake new projects on a limited risk basis.

Gain (Loss) on Dispositions of Assets and Other Provisions, Net: The loss on dispositions of assets and other provisions, net, for 1993 consists primarily of a provision for loss on investment in an operating property recorded in the fourth quarter. This loss was recognized based on management's determination that the Company would not continue to support the project (which is financed by nonrecourse loans) under the existing arrangements with lenders, public authorities and others involved and that it was unlikely that the Company would recover all of its investment in the project based on forecasts of future cash flows.

The loss on dispositions of assets and other provisions, net, for 1992 consists primarily of costs incurred in connection with a private placement with the Company and seven institutional investors of 9.5 million shares of common stock of the Company previously owned by Trizec Investments Corporation ($2,231,000) and provisions for losses on an investment in a marketable equity security and certain other investments based on management's determination that declines in their market or fair values were other than temporary ($4,156,000).

The gain on dispositions of assets and other provisions, net, for 1991 consists primarily of a gain of $23,078,000 on sale of a partial interest in an operating property during the fourth quarter.

Net Earnings (Loss): The Company had net losses of $9,342,000 in 1993 and $16,197,000 in 1992 and net earnings of $15,797,000 in 1991. The Company's operating income (after depreciation and amortization) was $8,841,000 in 1993 and its operating losses were $15,529,000 in 1992 and $18,487,000 in 1991. The improvements in operating income in 1993 and 1992 were due primarily to the factors described above. Net earnings (loss) for each year was affected by unusual and/or nonrecurring items. The most significant of these are the items included in gain (loss) on dispositions of assets and other provisions, net, described above, extraordinary losses from extinguishment of debt, including a net loss of $8,051,000 in 1993, and the cumulative effect of a change in accounting for income taxes of $13,463,000 in 1991.

Earnings Before Depreciation and Deferred Taxes: The Company uses a supplemental performance measure along with net earnings (loss) to report its operating results. This measure, referred to as Earnings Before Depreciation and Deferred Taxes (EBDT), is not an operating measure defined by generally accepted accounting principles. However, the Company believes that EBDT provides relevant information about its operations and is necessary, along with net earnings (loss), for an understanding of its operating results. Depreciation and amortization are excluded from EBDT because, based on the Company's current value basis reporting, its operating properties are worth substantially more than their undepreciated historical cost. Deferred income taxes are excluded from EBDT because the payment of Federal income taxes, on a current basis, has not had, and is not anticipated in the near term to have, a substantive impact on the operating results of the Company. Current Federal income taxes will reduce EBDT if and when Federal income tax payments are required. The Company has paid and will continue to pay state income taxes which reduce EBDT. Gain (loss) on dispositions of assets and other provisions, net, extraordinary losses, net of related income tax benefits, and the cumulative effect of a change in accounting for income taxes represent unusual and/or nonrecurring items and are therefore excluded from EBDT. EBDT is reconciled to net earnings (loss) in the Five Year Summary of Earnings Before Depreciation and Deferred Taxes from Operations and Net Earnings (Loss) on page 53.

EBDT was $78,281,000 in 1993, $52,282,000 in 1992 and $46,820,000 in 1991. The significant changes in various revenue and expense elements comprising EBDT by segment are described above. The increase in EBDT in 1993 was due to improved results from each of the Company's business segments, particularly retail properties. The increase in EBDT in 1992 was due primarily to increases in EBDT from retail properties and land sales, partially offset by an increase in corporate expenses.

EBDT from retail properties was $87,248,000 in 1993, $70,966,000 in 1992 and $64,097,000 in 1991. EBDT from retail properties increased at rates of 22.9% and 10.7%, in 1993 and 1992, respectively. The growth rate for 1993 reflects the gradual improvement in the economy since the second half of 1992, higher average occupancy levels, re-leasing of space at higher effective rents, improved recoveries of operating expenses and debt reductions and refinancings at certain properties. The growth rate for 1992 was somewhat lower than the historical growth rate for retail properties, reflecting the lingering effects of the economic recession.

Office/mixed-use properties had EBDT of $2,283,000 in 1993 and incurred losses before depreciation and deferred taxes of $2,127,000 in 1992 and $1,591,000 in 1991. The growth in EBDT in 1993 was attributable primarily to improved occupancy at several Columbia office properties and urban mixed-use projects and lower interest expense due to debt reductions, lower interest rates on floating rate debt and the expiration of certain interest rate exchange agreements. The increase in the loss incurred in 1992 was attributable primarily to increased losses at certain urban mixed-use properties and higher vacancies in Columbia office properties due to tenant failures and the downsizing of certain major tenants, partially offset by a modification in the terms of a mortgage on an office building.

Financial Condition, Liquidity and Capital Resources

Management believes that the current values of the Company's assets and liabilities are the most realistic indicators of the Company's financial strength and future profitability. Current values of the Company's interests in operating properties, including interests in unconsolidated real estate ventures and properties held for development and sale, represent the present values of forecasted net operating cash flows from these properties--the Company's most significant assets. Since 1976, revaluation equity, the aggregate increment of current value over cost basis net book value of the Company's assets and liabilities, has increased at a compound annual rate of 15.5%. The majority of the Company's revaluation equity relates to prime regional shopping centers. After declines in each of the past three years, revaluation equity increased $189 million or 15.4% to $1.41 billion at December 31, 1993. The increase is primarily due to higher levels of rents and occupancy used in the forecasts of cash flows from retail properties. These increases are consistent with the Company's operating results for 1993 and reflect the effects of the gradual improvements in consumer confidence and in the economy during the past year. In addition, refinancings and other changes in financial arrangements at certain projects increased forecasted cash flows from operating properties. Prime regional retail centers continue to be a favored real estate investment and required investor yields in 1993 remained relatively unchanged from 1992.

Cost basis shareholders' equity increased to $113,151,000 at December 31, 1993 from a deficit of $34,848,000 at December 31, 1992. The increase was due primarily to issuance of the Preferred stock, partially offset by the payment of regular quarterly dividends on the common and Preferred stocks and the net loss for the year. The existence of an accumulated deficit ($168,898,000 at December 31, 1993) has not had an effect, legally or otherwise, on the Company's ability to pay dividends, to obtain additional financing or to conduct its business in the ordinary course.

The Company had cash and cash equivalents and investments in marketable securities totalling $107,959,000 and $97,994,000 at December 31, 1993 and 1992, respectively, including $4,422,000 and $12,378,000, respectively, restricted for use in the development of certain properties.

Net cash provided by operating activities was $101,149,000, $66,630,000 and $67,226,000 in 1993, 1992 and 1991, respectively. The changes in cash provided by operating activities were due primarily to the factors described in the discussion and analysis of operating results. In addition, the level of net cash provided by operating activities is affected by the timing of receipt of revenues (including land sales proceeds) and the payment of operating and interest expenses and land development costs.

In 1993 and 1992, over 75% of the Company's debt was represented by mortgages and bonds collateralized by operating properties. Scheduled principal payments on property debt were $20,735,000, $17,907,000 and $20,101,000 in 1993, 1992 and 1991, respectively, including $20,109,000, $17,596,000 and $17,046,000 related to operating properties debt. The annual maturities of debt for the next five years include balloon payments of $9,600,000 in 1994, $81,396,000 in 1995, $34,601,000 in 1996, $86,042,000 in 1997 and $38,274,000 in 1998. The Company is confident that it will be able to make these payments or arrange to refinance or extend these maturities prior to their scheduled repayment dates. During 1993, the Company completed numerous financing and refinancing transactions. These included public offerings of unsecured debt and Preferred stock of $120,000,000 and $201,250,000, respectively, repayment of a line of credit of $60,000,000 used to finance various property improvements, redemption of an issue of convertible subordinated debentures of $100,000,000 and refinancing of debt related to various retail and office/mixed-use properties. In addition, the Company obtained commitments to refinance or extend the maturity dates of other project related debt. As a result of these transactions and the scheduled principal payments, the Company reduced the total amount of debt maturing during the 1993-1997 period by approximately $549,846,000, including $301,440,000 scheduled to mature in 1993 and $93,460,000 scheduled to mature in 1994. The Company is continually evaluating sources of capital, and management believes there are reasonable and satisfactory sources available for all requirements without necessitating property sales.

Cash expenditures for properties in development and improvements to existing properties funded by debt were $87,243,000, $83,377,000 and $92,888,000 in 1993, 1992 and 1991, respectively. A substantial portion of the costs of properties in development is financed with construction or similar loans. Typically, long term fixed rate debt financing is arranged concurrently with the construction financing prior to the commencement of construction. Management anticipates that acceptable methods of financing development projects with fixed rate, nonrecourse debt will continue to be available. Improvements to existing properties funded by debt consist primarily of costs of renovation and remerchandising programs and other capital improvement costs. The Company's share of these costs has been financed primarily from proceeds of refinancings of the related properties or other properties, credit line borrowings and a portion of the proceeds of the 8.5% unsecured notes issued in January 1993. The interest costs on these financings are included in the operating results of the operating properties segment.

Cash expenditures for acquisitions of interests in properties were $34,967,000 in 1993, $38,806,000 in 1992 and $1,187,000 in 1991. A substantial portion of these costs has been financed using nonrecourse debt. The acquisitions in 1993 and 1992 consist primarily of purchases of partners' interests in retail properties.

Cash expenditures for improvements to existing properties funded by cash provided by operating activities were $13,341,000, $23,976,000 and $20,273,000 in 1993, 1992 and 1991, respectively. These expenditures are generally discretionary in nature and increase the appeal of the operating properties, thereby enhancing the merchants' sales prospects.

The Company has available sources of capital in addition to those discussed above. The Company's equity interests in its operating properties and properties held for development and sale (principally Columbia land) and land in development represent a source of funds either through sales or refinancings. The aggregate equity value of these interests as of December 31, 1993 was approximately $2,227,000,000. The Company also has lines of credit available totalling $135,000,000 which can be used to fund property acquisition costs, finance other corporate needs, repay existing indebtedness or provide corporate liquidity, subject to approval by the lenders. The agreements relating to certain of the lines of credit, the 8.5% unsecured notes and certain other loans impose limitations on the Company. The most restrictive of these limit the Company's ability to incur certain types of additional debt if the Company does not maintain specified debt service coverage ratios. The agreements also impose restrictions on sale, lease and certain other transactions, subject to various exclusions and limitations.

Impact of Inflation

The major portion of the Company's operating properties, its retail centers, is substantially protected from declines in the purchasing power of the dollar. Retail leases generally provide for minimum rents plus percentage rents based on sales over a minimum base. Generally, increases in tenant sales (whether due to increased unit sales or increased prices from demand or general inflation) will result in increased rental revenue to the Company. A substantial portion of the tenant leases (office and retail) also provide for other rents which reimburse the Company for certain of its operating expenses; consequently, increases in these costs do not have a significant impact on the Company's operations. The Company has a significant amount of debt which, in a period of inflation, will result in a holding gain since debt will be paid off with dollars having less purchasing power.

Five Year Comparison of Selected Financial Data

Year ended December 31 (in thousands, except per share data)	1993	1992	1991	1990	1989
Operating results:					
Revenues from continuing operations	$ 646,805	$ 597,105	$ 573,498	$ 529,570	$ 498,100
Earnings (loss) from continuing operations	(1,291)	(15,849)	2,424	(1,165)	10,361
Earnings (loss) from continuing operations per share of common stock	(.27)	(.33)	.05	(.07)	.16
Earnings before depreciation and deferred taxes from operations	78,281	52,282	46,820	50,290	57,084
Total assets-cost basis	2,874,982	2,726,281	2,637,452	2,614,877	2,299,615
Total assets-current value basis	4,588,636	4,217,819	4,174,093	4,362,153	4,129,645
Debt, capital leases and Redeemable Preferred stock	2,473,596	2,498,983	2,374,527	2,344,095	1,995,769
Shareholders' equity (deficit):					
Historical cost basis	113,151	(34,848)	17,328	25,339	52,951
Current value basis	1,525,606	1,188,896	1,274,070	1,470,088	1,730,075
Shareholders' equity (deficit) per share of common stock:					
Historical cost basis	(1.50)	(.74)	.36	.53	1.10
Current value basis	26.75	25.50	26.60	30.10	34.80
Dividends per share of common stock	.62	.60	.60	.60	.56
Dividends per share of convertible Preferred Stock	2.83	--	--	--	--
Weighted average common shares outstanding	47,411	47,994	48,157	48,019	47,910
Market price per share of common stock at year end	17.75	18.00	18.25	14.50	26.00
Market price per share of convertible Preferred stock at year end	53.75	--	--	--	--

Intermin Financial Information (Unaudited)

Interim consolidated results of operations are summarized as follows (in thousands, except per share data):

	Quarter ended							
	December 31, 1993	September 30, 1993	June 30, 1993	March 31, 1993	December 31, 1992	September 30, 1992	June 30, 1992	March 31, 1992
Revenues	$ 173,842	$ 165,880	$ 154,341	$ 152,742	$ 164,992	$ 150,981	$ 140,688	$ 140,444
Operating income (loss)	7,053	2,118	975	(1,305)	1,583	(3,512)	(8,666)	(4,934)
Earnings (loss) before extraordinary loss	740	(924)	436	(1,543)	(1,044)	(6,214)	(6,061)	(2,530)
Net earnings (loss)	(515)	(4,414)	(1,912)	(2,501)	(1,255)	(6,284)	(6,128)	(2,530)
Earnings (loss) per common share:								
Earnings (loss) before extraordinary loss	$ (.05)	$ (.09)	$ (.06)	$ (.07)	$ (.02)	$ (.13)	$ (.13)	$ (.05)
Extraordinary loss	(.03)	(.07)	(.05)	(.02)	(.01)	--	--	--
Total	$ (.08)	$ (.16)	$ (.11)	$ (.09)	$ (.03)	$ (.13)	$ (.13)	$ (.05)

Note - Net loss for the quarter ended December 31, 1993 includes a provision for loss on investment in an operating property of $3,531,000 ($.07 per share).

Price of Common Stock and Dividends

The Company's common stock is traded over the counter. The bid prices and dividends per share were as follows:

	Quarter ended							
	December 31, 1993	September 30, 1993	June 30, 1993	March 31, 1993	December 31, 1992	September 30, 1992	June 30, 1992	March 31, 1992
High bid price	21	20 1/2	18 3/4	19	18	15 1/4	15 1/4	18 1/2
Low bid price	17 3/4	15	16	15 3/4	13 1/4	11 1/4	12 3/4	14 1/4
Dividends	.17	.15	.15	.15	.15	.15	.15	.15

Number of Holders of Common Stock

The number of holders of record of the Company's common stock as of March 1, 1994 was 2,755.

FIVE YEAR SUMMARY OF EARNINGS BEFORE DEPRECIATION AND DEFERRED TAXES FROM OPERATIONS AND NET EARNINGS (LOSS)

	Year ended December 31,				
	1993	1992	1991	1990	1989
	(in thousands)				
Revenues:					
Operating properties:					
Retail centers:					
Minimum and percentage rents	$227,140	$210,909	$208,560	$196,612	$184,651
Other rents and other revenues..................	236,458	217,571	207,641	189,491	176,249
Office, mixed-use and other:					
Minimum and percentage rents	81,415	76,302	71,629	56,176	42,943
Other rents and other revenues..................	62,617	60,335	59,379	60,406	50,510
	607,630	565,117	547,209	502,685	454,353
Land sales....................	35,313	29,137	24,111	22,991	35,359
Development fees..............	--	--	375	--	644
Corporate interest income.....	3,862	2,851	1,803	3,894	7,744
	646,805	597,105	573,498	529,570	498,100
Operating expenses, exclusive of depreciation and amortization:					
Operating properties:					
Retail centers...............	251,386	241,395	233,730	218,168	205,451
Office, mixed-use and other..	76,148	69,589	69,129	60,944	48,980
	327,534	310,984	302,859	279,112	254,431
Land sales....................	19,387	16,330	12,848	13,629	18,503
Development...................	3,853	4,421	5,681	6,775	4,445
Corporate.....................	6,184	5,927	6,567	6,667	8,164
	356,958	337,662	327,955	306,183	285,543
Interest expense:					
Operating properties:					
Retail centers...............	124,204	115,744	117,843	105,441	99,041
Office, mixed-use and other..	65,601	69,199	63,474	51,581	40,241
	189,805	184,943	181,317	157,022	139,282
Land sales....................	4,093	2,959	2,728	2,917	4,674
Development...................	495	495	495	495	--
Corporate.....................	16,413	18,412	13,755	10,088	8,501
	210,806	206,809	198,295	170,522	152,457
Preferred stock dividends (Note).......................	--	--	--	2,273	2,593
State income taxes--current...	760	352	428	302	423
	568,524	544,823	526,678	479,280	441,016
Earnings before depreciation and deferred taxes from operations..................	$ 78,281	$ 52,282	$ 46,820	$ 50,290	$ 57,084

	Year ended December 31,				
	1993	1992	1991	1990	1989
	(in thousands)				
Earnings before depreciation and deferred taxes from operations by segment:					
Operating properties:					
Retail centers	$ 87,248	$ 70,966	$ 64,097	$ 61,999	$ 56,006
Office, mixed-use and other	2,283	(2,127)	(1,591)	4,051	4,199
	89,531	68,839	62,506	66,050	60,205
Land sales	11,833	9,847	8,634	6,644	12,194
Development	(4,348)	(4,916)	(5,801)	(7,270)	(3,801)
Corporate (Note)	(18,735)	(21,488)	(18,519)	(15,134)	(11,514)
Earnings before depreciation and deferred taxes from operations	$ 78,281	$ 52,282	$ 46,820	$ 50,290	$ 57,084
Reconciliation to net earnings (loss):					
Earnings before depreciation and deferred taxes from operations	$ 78,281	$ 52,282	$ 46,820	$ 50,290	$ 57,084
Depreciation and amortization	(70,200)	(68,163)	(65,735)	(55,360)	(47,646)
Deferred income taxes applicable to operations	(3,603)	5,286	(2,393)	(1,120)	(7,047)
Preferred stock dividends (Note)	--	--	--	2,273	2,593
Gain (loss) on dispositions of assets and other provisions, net	(5,769)	(5,254)	23,732	2,752	5,377
Extraordinary loss, net of related income tax benefit	(8,051)	(348)	(90)	(651)	(628)
Cumulative effect of change in accounting principle	--	--	13,463	--	--
Net earnings (loss)	$ (9,342)	$(16,197)	$ 15,797	$ (1,816)	$ 9,733

Note--Preferred stock dividends paid in 1989 and 1990 are included as additional corporate expenses because the stock was subject to mandatory redemption requirements for cash. The Redeemable Preferred stock was repurchased in 1990. The convertible Preferred stock issued in 1993 is redeemable only for shares of common stock and, accordingly, related dividends are not deducted from EBDT.

[OMITTED PAGE 34]

PROJECTS OF THE ROUSE COMPANY

Retail Centers in Operation	Date of Opening or Acquisition	Department Stores	Retail Square Footage Total Center	Mall Only
Almeda Mall, Houston, TX(a)	10/68	Foley's; JCPenney	794,000	294,000
The Shops at Arizona Center, Phoenix, AZ(a)	11/90	--	151,000	151,000
Augusta Mall, Augusta, GA(b)	8/78	Rich's; R. H. Macy; JCPenney; Sears	902,000	313,000
Bayside Marketplace, Miami, FL(b)	4/87	--	223,000	223,000
Beachwood Place, Cleveland, OH(b)	8/78	Saks Fifth Avenue; Dillard's	453,000	228,000
Burlington Center, Burlington, NJ(d)	8/82	Strawbridge & Clothier; Sears	567,000	246,000
Carillon, Houston, TX(b)	8/80	--	182,000	182,000
Chapel Square, New Haven, CT(a)	4/83	--	151,000	151,000
Cherry Hill, Cherry Hill, NJ(a)	10/61	Strawbridge & Clothier, R.H. Macy; JCPenney	1,285,000	544,000
The Citadel, Colorado Springs, CO(d)	8/80	Mervyn's; JCPenny; May D&F	935,000	460,000
College Square, Cedar Falls, IA(d)	8/80	Petersen; Younkers; Wal-Mart	560,000	313,000
The Mall in Columbia, Columbia, MD(a)	8/71	Woodward & Lothrop; Hecht's; Sears	876,000	421,000
Columbus Square, Columbus, GA(d)	9/88	Sears, JCPenney; Kirvens	631,000	254,000
Eastfield Mall, Springfield, MA(a)	4/68	Sears; Steiger's; JCPenney	656,000	217,000
Echelon Mall, Voorhees, NJ(a)	9/70	Strawbridge & Clothier; JCPenney; Boscov's	1,053,000	485,000
Exton Square, Exton, PA(a)	3/73	Strawbridge & Clothier	434,000	253,000
Faneuil Hall Marketplace, Boston, MA(a)	8/76	--	215,000	215,000
Fashion Island, Newport Beach, CA(c)	8/90	The Broadway; I. Magnin; Robinson's--May; Neiman Marcus	1,209,000	588,000
Franklin Park, Toledo, OH(b)	7/71	Hudson's; JCPenney; Jacobson's; Lion	1,082,000	313,000
The Gallery at Harborplace, Baltimore, MD(a)	9/87	--	139,000	139,000
The Gallery at Market East, Philadelphia, PA(a)(b)	8/77	Strawbridge & Clothier; JCPenney	1,316,000	359,000
Governor's Square, Tallahassee, FL(b)	8/79	Burdine's; Sears; JCPenney; Dillard's	1,031,000	340,000
The Grand Avenue, Milwaukee, WI(a)	8/82	Marshall Field; The Boston Store	842,000	242,000
Greengate Mall, Greensburg, PA(a)	8/65	Joseph Horne; JCPenney; Montgomery Ward	612,000	233,000
Harborplace, Baltimore, MD(a)	7/80	--	136,000	136,000
Harundale Mall, Glen Burnie, MD(b)	10/58	Value City	325,000	248,000
Highland Mall, Austin, TX(b)	8/71	Dillard's; JCPenney; Foley's	1,082,000	364,000
Hulen Mall, Ft. Worth, TX(a)	8/77	Foley's; Montgomery Ward	566,000	200,000
The Jacksonville Landing, Jacksonville, FL(a)	6/87	--	128,000	128,000

Mall St. Matthews, St. Matthews, KY(a)	3/62	JCPenney; Bacon's	675,000	255,000
Marshall Town Center, Marshalltown, IA(d)	8/80	JCPenney; Younkers; Menard's	340,000	153,000
Midtown Square, Charlotte, NC(a)	10/59	Burlington Coat Factory	235,000	190,000
Military Circle, Norfolk, VA(d)	1/86	JCPenney; Leggetts; Thalhimers	940,000	426,000
Mondawmin(a)/Metro Plaza(b), Baltimore, MD	1/78; 12/82	--	496,000	496,000
Muscatine Mall, Muscatine, IA(d)	8/80	JCPenney; Petersen; Wal-Mart	347,000	186,000

Retail Centers in Operation	Date of Opening or Acquisition	Department Stores	Retail Square Footage Total Center	Mall Only
The Shops at National Place, Washington, D.C (a)	5/84	--	125,000	125,000
North Grand, Ames, IA(d)	8/80	JCPenney; Sears; Younkers	350,000	157,000
North Star, San Antonio, TX(b)	9/60	Dillard's; Foley's; Saks Fifth Avenue; Marshall Field; Mervyn's	1,288,000	487,000
Northwest Arkansas Mall, Fayetteville, AR(d)	8/80	JCPenney; Sears; Dillard's	569,000	257,000
Northwest Mall, Houston, TX(a)	10/68	Foley's; JCPenney	800,000	292,000
Oakwood Center, Gretna, LA(a)	10/82	Sears; Dillard's; Mervyn's	721,000	282,000
Outlet Square, Atlanta, GA(a)	7/83	Burlington Coat Factory; Marshalls	326,000	183,000
Owings Mills, Baltimore County, MD(a)	7/86	R.H. Macy; Hecht's; Saks Fifth Avenue	809,000	325,000
Paramus Park, Paramus, NJ(b)	3/74	Abraham & Straus; Sears	737,000	277,000
Perimeter Mall, Atlanta, GA(b)	8/71	Rich's; JCPenney; R.H. Macy	1,222,000	442,000
Pioneer Place, Portland, OR(a)	3/90	Saks Fifth Avenue	220,000	160,000
Plymouth Meeting, Montgomery County, PA(a)	2/66	Strawbridge & Clothier; Hess	784,000	442,000
Randhurst, Mt. Prospect, IL(d)	7/81	Carson, Pirie, Scott; JCPenney; Montgomery Ward; Kohls	1,263,000	530,000
Ridgedale Center, Minnetonka, MN(d)	1/89	Carson, Pirie, Scott; Dayton's; JCPenney; Sears	1,039,000	334,000
Riverwalk, New Orleans, LA(a)	8/86	--	179,000	179,000
St. Louis Union Station, St. Louis, MO(a)	8/85	--	170,000	170,000
Salem Centre, Salem, OR(d)	6/90	Meier & Frank; JCPenney; Mervyn's; Nordstrom	657,000	219,000
Salem Mall, Dayton, OH(a)	10/66	Lazarus; Sears; JCPenney	817,000	312,000
Santa Monica Place, Santa Monica, CA(b)	10/80	The Broadway; Robinson's--May	564,000	281,000
Sherway Gardens, Toronto, ONT(c)	12/78	Eaton's; Brettons; The Bay	968,000	520,000
South DeKalb, Decatur, GA(a)	7/78	Rich's; JCPenney	691,000	329,000
Southland, Taylor, MI(d)	1/89	Hudson's; Mervyn's; JCPenney	903,000	320,000
South Street Seaport, New York, NY(a)	7/83	--	252,000	252,000
Staten Island Mall, Staten Island, NY(d)	11/80	Sears; R.H. Macy; JCPenney	1,224,000	615,000
Mall St. Vincent, Shreveport, LA(c)	8/80	Sears; Dillard's	556,000	200,000
Talbotttown, Easton, MD(a)	3/57	JCPenney	90,000	71,000
Tampa Bay Center, Tampa, FL(b)	8/76	Burdine's; Sears; Montgomery Ward	883,000	325,000
Town and Country Center, Miami, FL(c)	2/88	Sears; Marshalls; Mervyn's	645,000	543,000
Underground Atlanta, Atlanta, GA(c)	6/89	--	219,000	219,000
Village of Cross Keys, Baltimore, MD(a)	9/65	--	68,000	68,000

Westlake Center, Seattle, WA(b)	10/88	Nordstrom; Bon Marche	723,000	118,000
Westland Mall, West Burlington, IA(d)	8/80	JCPenney; Younkers	344,000	175,000
White Marsh, Baltimore County, MD(a)	8/81	R.H. Macy; JCPenney; Hecht's; Sears; Woodward & Lothrop	1,181,000	362,000
Willowbrook, Wayne NJ(b)	9/69	R.H. Macy; Steinbach's; Stern's; Sears	1,491,000	485,000
Woodbridge Center, Woodbridge, NJ(a)	3/71	Abraham & Strauss; JCPenney; Stern's; Steinbach's; Fortunoff	1,530,000	560,000
		Total Retail Centers in Operation	45,977,000	20,562,000

Retail Centers Under Construction or in Development	Department Stores	Retail Square Footage Total Center	Mall Only
Oakwood Center Expansion, Gretna, LA	Maison Blanche	223,000	63,000
Hulen Mall Expansion, Ft. Worth, TX	Dillard's	360,000	130,000
Mall St. Matthews Expansion, St. Matthews, KY	Dillard's	320,000	90,000
	Total Retail Centers Under Construction or in Development	903,000	283,000

Office Projects in Operation	Location	Square Feet
300 East Lombard(c)	Baltimore, MD	233,000
Quadrangle at Cross Keys(a)	Baltimore, MD	106,000
Village Square at Cross Keys(a)	Baltimore, MD	79,000
Legg Mason Tower(a)	Baltimore, MD	265,000
Schilling Center(a)	Hunt Valley, MD	55,000
Alexander & Alexander Building(b)	Owings Mills, MD	143,000
Alexander & Alexander Building II(b)	Owings Mills, MD	198,000
Blue Cross & Blue Shield Buiding I(b)	Owings Mills, MD	270,000
Blue Cross & Blue Shield Building II(b)	Owings Mills, MD	117,000
One Arizona Center(a)	Phoenix, AZ	322,000
Two Arizona Center(a)	Phoenix, AZ	444,000
Chapel Square(a)	New Haven, CT	136,000
First National Bank Plaza(a)	Mt. Prospect, IL	66,000
Faneuil Hall Marketplace(a)	Boston, MA	147,000
Pioneer Place(a)	Portland, OR	284,000
Military Circle(d)	Norfolk, VA	135,000
Westlake Center(b)	Seattle, WA	342,000
	Total Office Projects in Operation	3,342,000

Hotel Projects in Operation	Location	Rooms
Cross Keys Inn(a)	Baltimore, MD	148
Military Circle(d)	Norfolk, VA	208
Stouffer Harborplace Hotel	Baltimore, MD	622

Columbia Properties in Operation	Type of Project	Square Feet
The Mall in Columbia*(a)	Retail	873,000
Gateway Plaza(a)	Retail	24,000
Dobbin Center(b)	Community Retail	219,000
Dorsey's Search Village Center(a)	Community Retail	86,000
Harper's Choice Village Center(a)	Community Retail	81,000
Hickory Ridge Village Center(a)	Community Retail	97,000
King's Contrivance Village Center(a)	Community Retail	107,000
Long Reach Village Center(a)	Community Retail	77,000
Oakland Mills Village Center(a)	Community Retail	62,000
Wilde Lake Village Center(a)	Community Retail	95,000
10 Corporate Center(a)	Office	89,000
20 Corporate Center(a)	Office	105,000
American City Building(a)	Office	111,000
Dorsey's Search Office Building(a)	Office	20,000
Exhibit Building(a)	Office	20,000
PaineWebber Building(a)	Office	134,000
Parkside(a)	Office	112,000
Park View(a)	Office	137,000
Ridgely Building(a)	Office	39,000
The Ryland Group Headquarters(a)	Office	167,000
Sterrett Building(a)	Office	38,000
Columbia Center Building(a)	Office	44,000
Oakland Building(a)	R&D/Industrial	145,000
Gateway Commerce Center 1, 2 & 20	Industrial	1,895,000
Columbia Inn(a)	Hotel	289 rooms
	Total Columbia Properties in Operation	4,777,000

*Also listed in previous table of Retail Centers in Operation

(a) Projects are wholly-owned subsidiaries of the Company.
(b) Projects are owned by joint ventures or partnerships and, except for Carillon, are managed by subsidiaries of the Company for a fee. The Company's ownership interest, through its subsidiaries, is at least 50% (except Carillon in which the Company has a 20% interest and North Star and Willowbrook in which the Company has 37 1/2% interests).
(c) Projects are managed by subsidiaries of the Company for a fee plus a share of cash flow.
(d) Projects are owned by partnerships or wholly-owned (Staten Island Mall, Randhurst Center, Military Circle and Burlington Center) by

subsidiaries of the Company and are managed by subsidiaries of the Company for a fee plus a share of cash flow and a share of proceeds from sales or refinancings. The Company's ownership interest in the partnerships is determined based upon the results of operations.

Office Projects Owned by Rouse-Teachers Properties, Inc.	Location	Square Feet
Baltimore Freeport Centre	Baltimore, MD	58,000
Triangle Business Center	Baltimore, MD	75,000
Owen Brown I & II	Columbia, MD	122,000
RiversPark I & II	Columbia, MD	306,000
Center Pointe	Hunt Valley, MD	130,000
201 International Circle	Hunt Valley, MD	79,000
Loveton Center 9	Hunt Valley, MD	53,000
11011 McCormick Road	Hunt Valley, MD	57,000
Schilling Plaza North	Hunt Valley, MD	96,000
Schilling Plaza South	Hunt Valley, MD	108,000
Westinghouse Building	Hunt Valley, MD	225,000
Inglewood Office Centres 1, 2	Prince George's County, MD	222,000
Inglewood Tech Centers I, II, III, IV & V	Prince George's County, MD	316,000
Silver Spring Metro Plaza	Silver Spring, MD	692,000
Ambassador Center	Woodlawn, MD	83,000
15-17 Governor's Court	Woodlawn, MD	29,000
21 Governor's Court	Woodlawn, MD	56,000
Parkview Center	Woodlawn, MD	58,000
Harbourside	Tampa, FL	147,000
One & Two Prestige Place	Tampa, FL	144,000
McCormick Centre I, II & III	Tampa, FL	202,000
Gateway Centers I & II	Raleigh, NC	116,000
One Springfield Center	Raleigh, NC	37,000
Senate Plaza	Camp Hill, PA	231,000
	Total Office Projects Owned by Rouse-Teachers Properties, Inc.	3,642,000

Industrial Projects Owned by Rouse-Teachers Properties, Inc.	Location	Square Feet
Pulaski Industrial Park	Essex, MD	215,000
Hunt Valley Business Community	Hunt Valley, MD	1,298,000
Rutherford Business Center	Woodlawn, MD	572,000

Total Industrial Projects Owned by Rouse-Teachers Properties, Inc.	2,085,000

Exhibit 22. Subsidiaries of the Registrant

The Registrant had no parent at December 31, 1993.

As of December 31, 1993, the Registrant owned 100% of the voting securities of the following domestic and foreign subsidiaries included in the consolidated financial statements:

Subsidiary	State of Incorporation
Domestic subsidiaries:	
American City Corporation, The	Maryland
Baltimore Center, Inc.	Maryland
Charlottetown, Inc.	Maryland
Charlottetown North, Inc.	Maryland
Clover Square of Pennsylvania, Inc.	Maryland
Community Research and Development, Inc.	Maryland
Exton Square, Inc.	Pennsylvania
Four Owings Mills Corporate Center, Inc.	Maryland
Gallery Maintenance, Inc. (Note 1)	Maryland
Gallery II Trustee, Inc.	Maryland
Harbor Overlook Investments, Inc.	Maryland
Harborplace, Inc.	Maryland
Harborplace Management Corporation	Maryland
Harundale Mall, Inc.	Maryland
Hermes Incorporated	Maryland
Howard Research And Development Corporation, The (Note 2)	Maryland
Huntington Properties, Inc.	Maryland
It's Showtime of Maryland, Inc.	Maryland
Kalimba Marketplace, Inc.	Maryland
Louisville Shopping Center, Inc.	Kentucky
Mondawmin Corporation	Maryland
O. M. Guaranty, Inc.	Maryland
O. M. Land Development, Inc.	Maryland
O. M. Mall Corporation	Maryland
O. M. Management Company, Inc.	Maryland
One Owings Mills Corporate Center, Inc.	Maryland
Plymouth Meeting Mall, Inc.	Pennsylvania
PT Funding, Inc.	Maryland
Rouse-Brandywood, Inc.	Maryland
Rouse-Columbus, Inc.	Maryland
Rouse-Commerce, Inc.	Maryland
Rouse Company at Owings Mills, The	Maryland
Rouse Company Financial Services, Inc., The	Maryland
Rouse Company of Alabama, Inc., The	Alabama
Rouse Company of Arkansas, Inc., The	Maryland
Rouse Company of California, Inc., The (Note 3)	Maryland
Rouse Company of Colorado, Inc., The (Note 4)	Maryland
Rouse Company of Connecticut, Inc., The (Note 5)	Connecticut
Rouse Company of Florida, Inc., The (Note 6)	Florida

Rouse Company of Georgia, Inc., The (Note 7)	Georgia
Rouse Company of Illinois, Inc., The	Maryland
Rouse Company of Iowa, Inc., The (Note 8)	Maryland
Rouse Company of Kentucky, Inc., The	Maryland
Rouse Company of Louisiana, The (Note 9)	Maryland
Rouse Company of Massachusetts, Inc., The (Note 10)	Maryland
Rouse Company of Michigan, Inc., The (Note 11)	Maryland
Rouse Company of Minnesota, Inc., The (Note 12)	Maryland
Rouse Company of New Hampshire, Inc., The	Maryland
Rouse Company of New Jersey, Inc., The (Note 13)	New Jersey
Rouse Company of New York, Inc., The (Note 14)	New York
Rouse Company of North Carolina, Inc., The (Note 15)	Maryland
Rouse Company of Ohio, Inc., The (Note 16)	Ohio
Rouse Company of Oklahoma, Inc., The	Maryland
Rouse Company of Oregon, Inc., The (Note 17)	Maryland
Rouse Company of Pennsylvania, Inc., The (Note 18)	Pennsylvania
Rouse Company of South Carolina, Inc., The (Note 19)	Maryland
Rouse Company of Tennessee, Inc., The	Maryland
Rouse Company of Texas, Inc., The (Note 20)	Texas
Rouse Company of the District of Columbia, The	Maryland
Rouse Company of Virginia, Inc., The (Note 21)	Maryland
Rouse Company of Washington, Inc., The (Note 22)	Maryland
Rouse Company of Wisconsin, Inc., The	Maryland
Rouse-Consulting, Inc.	Maryland
Rouse Credit Corporation	Maryland
Rouse Development Company of California, Inc., The	Maryland
Rouse Event Marketing, Inc.	Maryland
Rouse-Fairwood Development Corporation	Maryland
Rouse Fashion Island Management Company, Inc.	Maryland
Rouse Gallery II Management, Inc.	Maryland
Rouse Holding Company, The	Maryland
Rouse Holding Company of Arizona, Inc., The (Note 23)	Maryland
Rouse-Inglewood, Inc.	Maryland
Rouse Investing Company (Note 24)	Maryland
Rouse Management, Inc.	Maryland
Rouse Management Services Corporation	Maryland
Rouse Management Services Corporation of Arkansas, Inc.	Maryland
Rouse Management Services Corporation of Louisiana, Inc.	Maryland
Rouse Metro Plaza, Inc.	Maryland
Rouse-Metro Shopping Center, Inc.	Maryland
Rouse-Milwaukee, Inc.	Maryland
Rouse-Milwaukee Garage Maintenance, Inc.	Maryland
Rouse Missouri Holding Company (Note 25)	Maryland
Rouse-Oakwood Shopping Center, Inc.	Maryland

Rouse-Oakwood Two, Inc.	Maryland
Rouse Office Management, Inc.	Maryland
Rouse Office Management of Pennsylvania, Inc.	Maryland
Rouse Philadelphia, Inc.	Maryland
Rouse Philadelphia Three, Inc.	Maryland
Rouse-Randhurst Shopping Center, Inc.	Maryland
Rouse-Santa Monica, Inc.	Delaware
Rouse Service Company, The	Maryland
Rouse SI Shopping Center, Inc.	Maryland
Rouse Tristate Venture, Inc.	Texas
Rouse Venture Capital, Inc.	Maryland
Rouse-Wates, Incorporated (Note 26)	Delaware
RREF Holding, Inc. (Note 27)	Texas
Salem Mall, Incorporated	Maryland
Saratoga Equipment Corporation, The	Maryland
Six Owings Mills Corporate Center, Inc.	Maryland
SMPL Management, Inc.	Maryland
Three Owings Mills Corporate Center, Inc.	Maryland
TRC Central, Inc.	Maryland
TRCD, Inc. (Note 28)	Delaware
TRC Holding Company of Washington, D.C.(Note 29)	Maryland
TRC Property Management, Inc.	Maryland
Two Owings Mills Corporate Center, Inc.	Maryland
Village of Cross Keys, Incorporated, The (Note 30)	Maryland
White Marsh Equities Corporation	Maryland
White Marsh Mall, Inc.	Maryland

Foreign subsidiaries:

Rouse Service (Canada) Limited	Canada
Sherway Mall Hotel Limited	Canada

Notes:

1. Gallery Maintenance, Inc. owns all of the outstanding capital stock of Rouse Gallery Management, Inc.

2. The Howard Research And Development Corporation owns all of the outstanding capital stock of the following Maryland corporations:

Columbia Development Corporation, The Columbia Gateway, Inc.
Columbia Management, Inc.
Dorsey's Search Village Center, Inc. ExecuCentre, Inc., The
Fifty Columbia Corporate Center, Inc. Forty Columbia Corporate Center, Inc. Gateway Retail Center, Inc.
GEAPE II, Inc.

4.

Hickory Ridge Village Center, Inc. HRD Parking, Inc.
King's Contrivance Village Center, Inc. Lakefront North Parking, Inc.
Oakland Ridge Commercial, Inc.
Oakland Ridge Industrial Development Corporation Pointer's Run Buildings Group, Inc. Rouse-River Hill Village Center, Inc.

The Columbia Development Corporation owns all of the outstanding capital stock of each of the following Maryland corporations:

Columbia Mall, Inc.
Dobbin Road Commercial, Inc.
Guilford Industrial Center, Inc. Rouse Hotel Management, Inc.

Columbia Mall, Inc. owns all of the outstanding capital stock of Seventy Columbia Corporate Center, Inc., a Maryland corporation.

GEAPE II, Inc. owns all of the outstanding capital stock of GEAPE III, Inc., a Maryland corporation.

3. The Rouse Company of California, Inc. owns all of the outstanding capital stock of each of the following Maryland corporations:

Rouse-Canyon Springs, Inc., a Maryland corporation Rouse-Irvine, Inc., a Maryland corporation Rouse-Oakland, Inc., a Maryland corporation

4. The Rouse Company of Colorado, Inc. owns all of the outstanding capital stock of each of the following Maryland corporations:

Rouse Management Services Corporation of Colorado, Inc. Rouse-Tabor Center, Inc.

5. The Rouse Company of Connecticut, Inc. owns all of the outstanding capital stock of each of the following Maryland corporations:

Rouse Chapel Square, Inc.
Rouse Chapel Square Finance, Inc. Rouse New Haven Parking Management, Inc. Rouse New Haven Shopping Center, Inc.

6. The Rouse Company of Florida, Inc. owns all of the outstanding capital stock of each of the following corporations:

Bayside Entertainment Company, a Maryland corporation

5.

Governor's Square, Inc., a Florida corporation Howard Retail Investment Corporation, a Maryland corporation
New River Center, Inc., a Florida corporation Rouse-Bayside, Inc., a Maryland corporation Rouse-Jacksonville, Inc., a Maryland corporation
Rouse Kendall Management Corporation, a Maryland corporation
Rouse-Marina, Inc., a Maryland corporation Rouse-Miami, Inc., a Maryland corporation Rouse Office Management of Florida, Inc., a Maryland corporation
Rouse-Orlando, Inc., a Maryland corporation Rouse Retail Management - Bayside, Inc., a Maryland corporation
Rouse-Tampa, Inc., a Florida corporation

7. The Rouse Company of Georgia, Inc. owns all of the outstanding capital stock of each of the following Maryland corporations:

Augusta Mall, Inc.

Outlet Square of Atlanta, Inc.
Perimeter Center, Inc.
Perimeter Mall, Inc.
Perimeter Mall Management Corporation Rouse-Atlanta, Inc.
Rouse Columbus Square, Inc.
Rouse Columbus Square Management Corporation Rouse South DeKalb, Inc.
South DeKalb Mall Management Corporation

8. The Rouse Company of Iowa, Inc. owns all of the outstanding capital stock of each of the following Maryland corpora-tions:

Rouse Management Services Corporation of Iowa, Inc. Rouse Management Services Corporation Two of Iowa, Inc.

9. The Rouse Company of Louisiana owns all of the outstanding capital stock of each of the following Maryland corpora-tions:

Riverwalk Operating Company, Inc. Rouse-New Orleans, Inc.

10. The Rouse Company of Massachusetts, Inc. owns all of the outstanding capital stock of each of the following Maryland corporations:

Eastfield Mall, Incorporated
Faneuil Hall Marketplace, Inc.
Marketplace Grasshopper, Inc.

11. The Rouse Company of Michigan, Inc. owns all of the outstanding capital stock of each of the following Maryland corporations:

Rouse Southland, Inc.
Rouse Southland Management Corporation Southland Security, Inc.
Southland Shopping Center, Inc.

12. The Rouse Company of Minnesota, Inc. owns all of the outstanding capital stock of each of the following Maryland corporations:

Ridgedale Shopping Center, Inc.
Rouse-Maple Grove, Inc.
Rouse Ridgedale, Inc.
Rouse Ridgedale Management Corporation

13. The Rouse Company of New Jersey, Inc. owns all of the out- standing capital stock of each of the following Maryland corporations:

Cherry Hill Center, Inc.
Clover Square of New Jersey, Inc. Echelon Mall, Inc.
Echelon Urban Center, Inc.
Paramus Mall Management Company, Inc. Paramus Park, Inc.
Rouse-Atlantic Gateway, Inc.
Rouse-Burlington, Inc.
Rouse-Echelon, Inc.
The Willowbrook Corporation
Willowbrook Management Corporation Woodbridge Center, Inc.

14. The Rouse Company of New York, Inc. owns all of the outstanding capital stock of each of the following Maryland corporations:

DM Shopping Center, Inc.
Rouse-Seaport Retail Venture, Inc. Rouse SI Shopping Management, Inc. Seaport Marketplace, Inc.
Seaport Marketplace Theatre, Inc. Seaport Theatre Management Corporation

15. The Rouse Company of North Carolina, Inc. owns all of Rouse Office Management of North Carolina, Inc.

16. The Rouse Company of Ohio, Inc. owns all of the outstanding capital stock of each of the following corporations:

Beachwood Place, Inc., a Maryland corporation Franklin Park Mall, Inc., a Maryland corporation

7.

Franklin Park Mall Management Corporation, a Maryland corporation
Plaza Holding Corporation, an Ohio corporation

17. The Rouse Company of Oregon, Inc. owns all of the outstanding capital stock of each of the following Maryland corporations:

Rouse Office Management of Oregon, Inc. Rouse-Portland, Inc.
Rouse Salem Centre, Inc.
Rouse Salem Centre Management Corporation

18. The Rouse Company of Pennsylvania, Inc. owns all of the outstanding capital stock of Whiteland I, Inc. and Whiteland II, Inc.

19. The Rouse Company of South Carolina, Inc. owns all of the outstanding capital stock of Rouse-Spartanburg, Inc.

20. The Rouse Company of Texas, Inc. owns all of the outstanding capital stock of each of the following corporations:

Almeda Mall, Inc., a Maryland corporation AM Management Corporation, a Texas corporation AU Management Corporation, a Texas corporation Austin Mall, Inc., a Maryland corporation DK Management Corporation, a Texas corporation DK Shopping Center, Inc., a Texas corporation Greengate Mall, Inc., a Pennsylvania corporation NC Shopping Center, Inc., a Maryland corporation North Star Mall, Inc., a Texas corporation Northwest Mall, Inc., a Maryland corporation NS Management Corporation, a Texas corporation NW Management Corporation, a Texas corporation Paramus Equities, Inc., a Texas corporation Rouse-Air Cargo, Inc., a Maryland corporation Rouse-Almeda, Inc., a Maryland corporation Rouse-Carillon Management Company, Inc., a Maryland corporation
Rouse-Carillon Shopping Center, Inc., a Maryland corporation
Rouse Central Park Shopping Center, Inc., a Maryland corporation
Rouse Fort Worth, Inc., a Maryland corporation Rouse Holding Company of Texas, Inc., a Texas corporation
Rouse Management Services Corporation of Texas, Inc., a Maryland corporation
Rouse-Northwest, Inc., a Maryland corporation SDK Mall, Inc., a Texas corporation South DeKalb Mall, Inc., a Texas corporation

21. The Rouse Company of Virginia, Inc. owns all of the out- standing capital stock of each of the following Maryland corporations:

Rouse Airport Retail, Inc.
Rouse-Military Circle, Inc.
Rouse-Richmond, Inc.

Rouse-Military Circle, Inc. owns all of the outstanding capital stock of Rouse Hotel Management of Virginia, Inc., a Maryland corporation

22. The Rouse Company of Washington, Inc. owns all of the outstanding capital stock of Rouse-Seattle, Inc., a Maryland corporation.

23. The Rouse Holding Company of Arizona, Inc. owns all of the outstanding capital stock of each of the following Maryland corporations:

Rouse-Arizona Center, Inc.
Rouse Office Management of Arizona, Inc. Rouse-Phoenix Development Corporation Rouse-Phoenix Parking, Inc.
Rouse-Phoenix Parking Two, Inc.
Rouse-Phoenix Two Corporate Center, Inc.

24. Rouse Investing Company owns all of the outstanding capital stock of each of the following corporations:

Deerfield Homes, Inc., a Florida corporation 306 Corporation, a Texas corporation Wilmington Homes, Inc., a North Carolina corporation

Wilmington Homes, Inc. owns all of the outstanding capital stock of Echo Farms Golf and Country Club, Inc., a North Carolina corporation.

25. Rouse Missouri Holding Company owns all of the outstanding capital stock of each of the following Maryland corporations:

The Rouse Company of Missouri, Inc. Rouse Missouri Management Corporation St. Louis Union Station Beergarten, Inc.

The Rouse Company of Missouri, Inc. owns all of the outstanding capital stock of The Rouse Company of St. Louis, Inc., a Maryland Corporation.

26. Rouse-Wates, Incorporated (Rouse-Wates) and its consolidated subsidiaries are accounted for as a discontinued operation in the consolidated financial statements. Rouse-Wates owns all of the outstanding capital stock of each of the

9.

following corporations:

Norbury Construction Company, a Delaware corporation Owen Brown B Development Company, a Maryland corporation

27. RREF Holding, Inc. owns all of the outstanding capital stock of RII Holding, Inc., a Texas corporation.

28. TRCD, Inc. owns all of the outstanding capital stock of the following Delaware corporations:

Austin Mall Corporation
Echelon Holding Company, Inc.
The Franklin Park Corporation
Mall St. Matthews Corporation
North Star Mall Corporation
One Franklin Park Corporation
One Gallery Corporation
One Willow Corporation
Rouse Funding Corporation
Rouse Funding Two, Inc.
TRCDE, Inc.
TRCDE Two, Inc.
Two Franklin Park Corporation
Two Gallery Corporation
Two Willow Corporation
Willowbrook Mall, Inc.

The Franklin Park Corporation owns 50% of the outstanding capital stock of Franklin Park Finance, Inc., a Delaware corporation. Rodamco U.S.A., Inc. owns the remaining 50%.

One Gallery Corporation and Two Gallery Corporation each own 50% of the outstanding shares of Philadelphia Gallery II, a Pennsylvania business trust.

Willowbrook Mall, Inc. owns 37.5% of the outstanding capital stock of Willowbroook Finance Corporation, a Delaware corporation. Rodamco U.S.A., Inc. owns the remaining 62.5%.

29. TRC Holding Company of Washington, D.C. owns all of the outstanding capital stock of Rouse-National Press Management, Inc.

30. The Village of Cross Keys, Incorporated owns all of the

outstanding capital stock of The Roost, Inc., a Maryland corporation.

Exhibit 24. Power of Attorney.

The Power of Attorney, dated March 8, 1988, is incorporated by reference from the Exhibits to the Company's Form 10-K Annual Report for the fiscal year ended December 31, 1987, which may be found in Commission file number 0-1743.

The Powers of Attorney, dated December 3, 1992 and March 16, 1993, respectively, are incorporated by reference from the Exhibits to the Company's Form 10-K Annual Report for the fiscal year ended December 31, 1992.

Exhibit 28. Additional Exhibits.

Form 11-K Annual Report to The Rouse Company Savings Plan for the year ended December 31, 1993.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

[X] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the fiscal year ended December 31, 1993 or

[ ] TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from to

Commission File Number 0-1743

A. Full title of the plan and address of the plan:

The Rouse Company Savings Plan c/o Personnel Division
The Rouse Company Building 10275 Little Patuxent Parkway Columbia, Maryland 21044

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive offices:

The Rouse Company
The Rouse Company Building 10275 Little Patuxent Parkway Columbia, Maryland 21044

REQUIRED INFORMATION

Since The Rouse Company Savings Plan (the "Plan") is subject to the Employee Retirement Income Security Act of 1974, the Plan financial statements for the fiscal year ending December 31, 1993 will be filed on or before July 1, 1994.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Plan) have duly caused this annual report to be signed by the undersigned hereunto duly authorized.

THE ROUSE COMPANY SAVINGS PLAN

Date: March 31, 1994 — *By /s/ William D. Boden*
William D. Boden, Administrator

and

Date: March 31, 1994 — *By /s/ George L. Yungmann*
George L. Yungmann, Trustee
