



SECURITY CAPITAL

**Q2 2001 Results
Conference Call**

Forward Looking Statements

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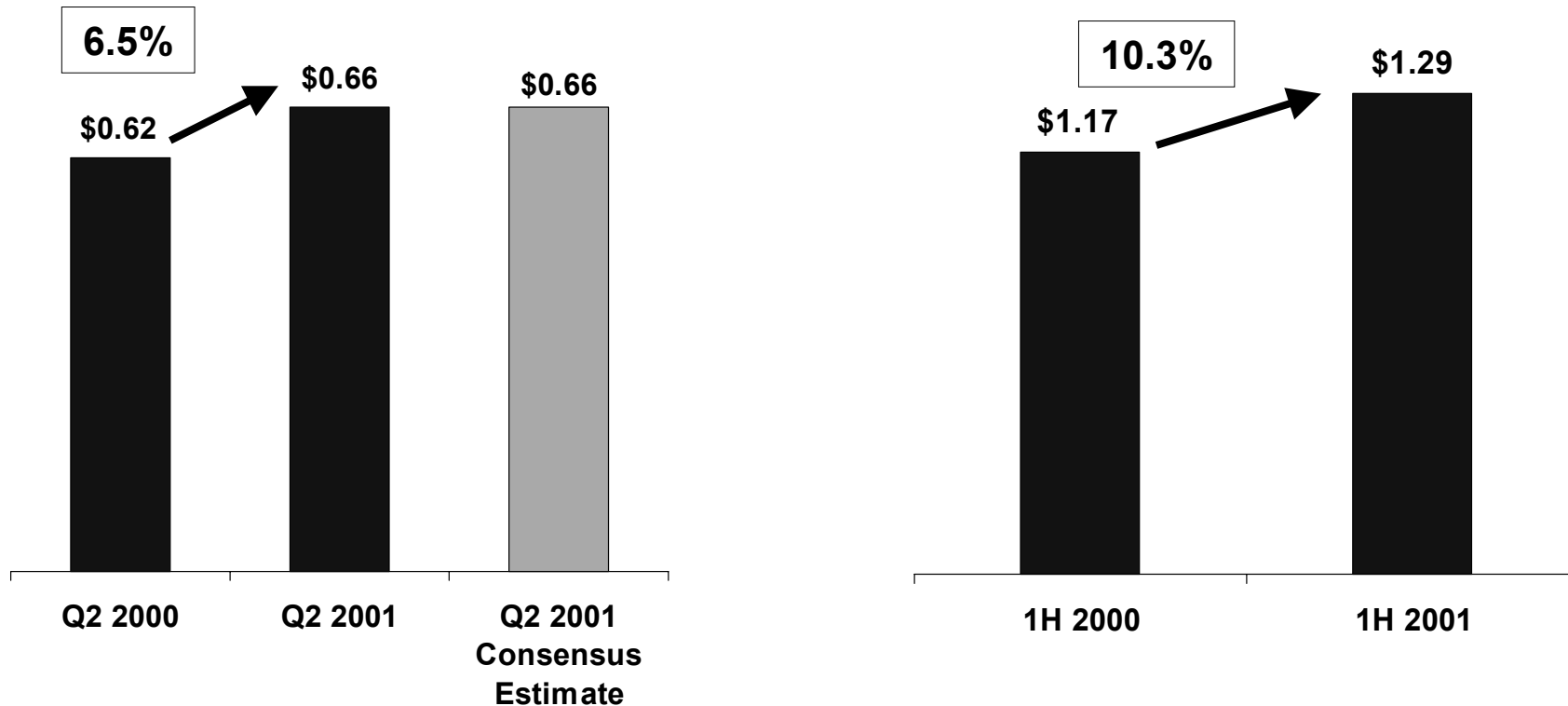
Analysts' Reports

Certain information in this presentation refers to financial analysts' reports. Security Capital does not endorse the views of any financial analysts and any reference to these reports in this presentation should not be viewed as indicating that Security Capital agrees with any of these reports as of the date of preparation of any report, the date of distribution of any report or any other date.

SCZ Q2 2001 FINANCIAL HIGHLIGHTS

Solid Operating Division Performance and Management Action to Simplify the Structure

EBDADT Per Share ⁽¹⁾



(1) Before special items.

SCZ Q2 2001 FINANCIAL HIGHLIGHTS

Significant Impacts to Earnings⁽¹⁾

(in millions, except per share data)

	<u>Basic EBDADT</u>	<u>Diluted Per Share</u>
Q2 2000 EBDADT	\$70.2	\$0.62
Changes from Q2 2000 to Q2 2001:		
Sale of Archstone stock, net of interest & tax savings	(6.8)	(0.06)
Sale of Homestead properties, net of interest & tax savings ⁽²⁾	(1.9)	(0.02)
Improvement in SC-European Realty EBDADT	7.0	0.06
After-tax impact of SC-U.S. Realty including impact of share issuances	25.4	0.01
Investee improvement	7.7	0.06
Impact of Share repurchases, net of interest	–	0.05
Increase in income taxes ⁽²⁾	(5.6)	(0.05)
Other	0.4	(0.01)
Q2 2001 EBDADT before special items	<u>\$96.4</u>	<u>\$0.66</u>

(1) EBDADT before special items.

(2) Reflects reduced EBDADT from the investment, net of the related interest and tax savings, and does not include the gain or loss on the sale of the investment.

(3) Increased taxes due to the prior utilization of HSD NOLs.

SCZ Q2 2001 FINANCIAL HIGHLIGHTS

Private Divisions

- InterPark
 - Q2 EBDADT, prior to the amortization of intangibles, was \$3.0 million
 - InterPark currently operates and manages a total of 357 facilities, which includes 45 properties owned either directly or through joint ventures
 - Garage facilities and surface lots in central business districts experienced increases in rental rates and operating improvements, which resulted in average YTD same-store NOI growth of 8.1%
 - InterPark currently has \$ 299.8 million of properties under contract or review

SCZ Q2 2001 FINANCIAL HIGHLIGHTS

Private Divisions

- BelmontCorp
 - As of July 31, Belmont had 6 operating properties, 3 of which have achieved stabilized occupancy levels and were 100% occupied.
 - Average annualized rents have increased 5.5% since initial property openings
 - During Q2 Belmont opened one new community (Chicago) and began construction on two additional communities in California, which are expected to open in the third quarter of 2002
 - Belmont has 4 properties under construction with a total expected investment of \$86.2 million (\$43.2 million invested to date)
 - 5 projects are in planning with a total expected investment of \$104.4 million, 1 of these is expected to begin construction by the end of 2001
 - Currently there are 7 additional properties under active review

SCZ Q2 2001 FINANCIAL HIGHLIGHTS

Private Divisions

- SC-European Realty
 - Produced total EBDADT of \$28.5 million, which includes after-tax gains on sales of properties of \$20.9 million
 - 32.9% of SC-European's assets were prestabilized or in development as of June 30, 2001
 - Access Storage Solutions has a total of 81 operating facilities
 - 8 new facilities are under development
 - EBDADT increased 61.6% over Q2 2000 reflecting new properties put in service
 - Interparking has 261 locations in 7 countries in continental Europe
 - 31.9% growth in revenues and 15.8% growth in EBDADT over Q2 2000
 - EuroOffice has 12 projects completed and held for sale
 - Represents 854,000 square feet and a total investment of \$265.1 million. The projects are 65.0% occupied
 - 4 of these projects are under contract to be sold for \$33.3 million, which includes after-tax gains of \$4.1 million
 - EuroOffice currently has 5 projects under construction which are 52% preleased. These projects have a total expected investment of \$184.9 million

SCZ Q2 2001 FINANCIAL HIGHLIGHTS

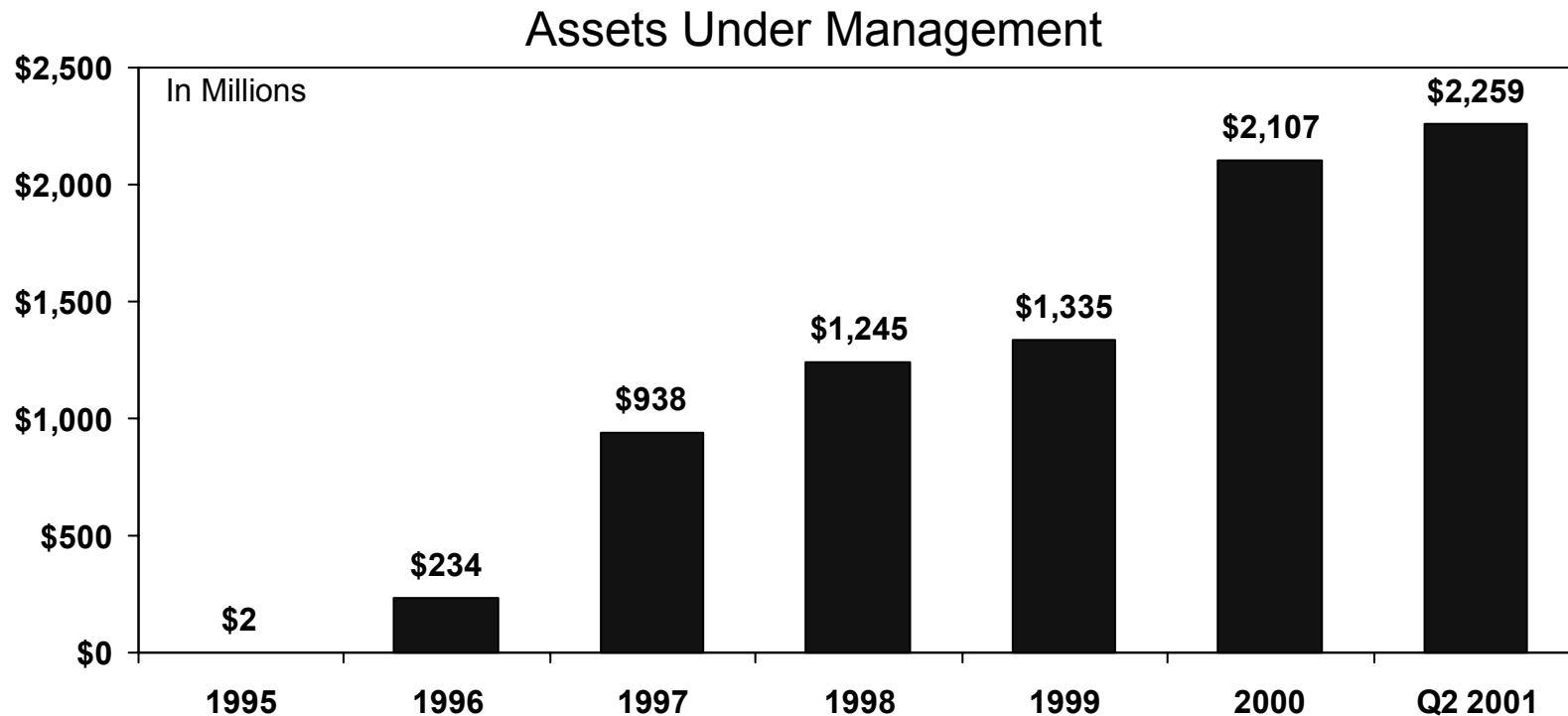
Private Divisions

- Homestead Village Incorporated
 - EBDADT for Q2 2001 was \$22.4 million which was \$0.5 million lower than the same period in 2000 due to the sale of 25 properties
 - Same-store RevPAR for the Quarter increased 0.1% as result of a 7.9% increase in the average weekly room rate and a decline in occupancy levels to 77.4%, reflecting the general economic conditions affecting the industry
 - The operating margin for the Quarter was 61.8% as compared to 61.0% in Q2 2000 for the 111 same-store properties

SCZ Q2 2001 FINANCIAL HIGHLIGHTS

Private Divisions

- Security Capital Research & Management
 - Assets under management at June 30, 2001 were \$2.26 billion, an increase of 20.1% from June 30, 2000
 - Produced EBDADT of \$3.0 million in Q2 2001 and in Q2 2000



SCZ Q2 2001 FINANCIAL HIGHLIGHTS

Public Companies

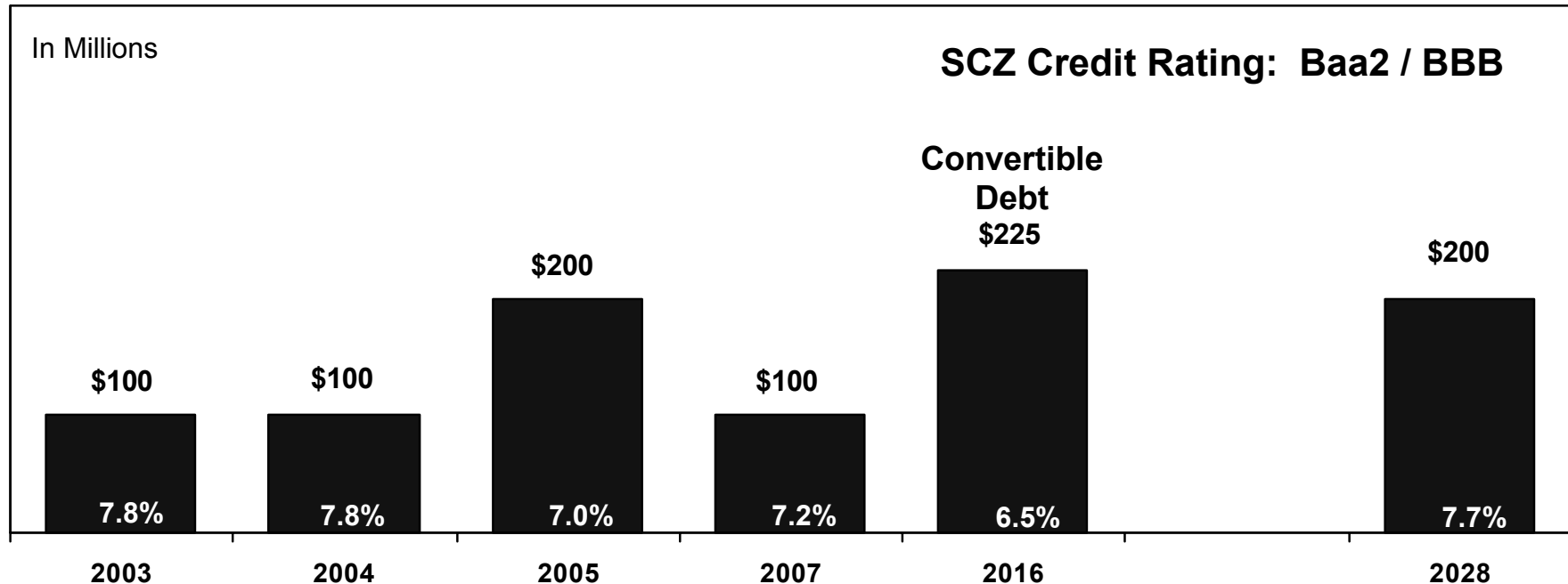
- Growth by Public Companies

	<u>Same-Store NOI Growth</u> <u>Q2 2001 / Q2 2000</u>	<u>EBDADT Growth</u> <u>Q2 2001 / Q2 2000</u>
CarrAmerica	3.7%	13.5%
ProLogis	3.8%	-1.8% ⁽¹⁾
Regency	4.4%	1.5%
Storage USA	7.0%	10.6%

(1) Includes a non-recurring charge related to an impairment adjustment for technology investments.
Excluding this charge EBDADT grew by 5.5%.

SCZ Q2 2001 FINANCIAL HIGHLIGHTS

Debt Maturity Schedule⁽¹⁾



- SCZ's \$450 million LOC, which expires in April 2003, had a \$59 million balance as of June 30, 2001

Fixed Charge Coverage Ratio

(Four quarters ended June 30, 2001)

Current

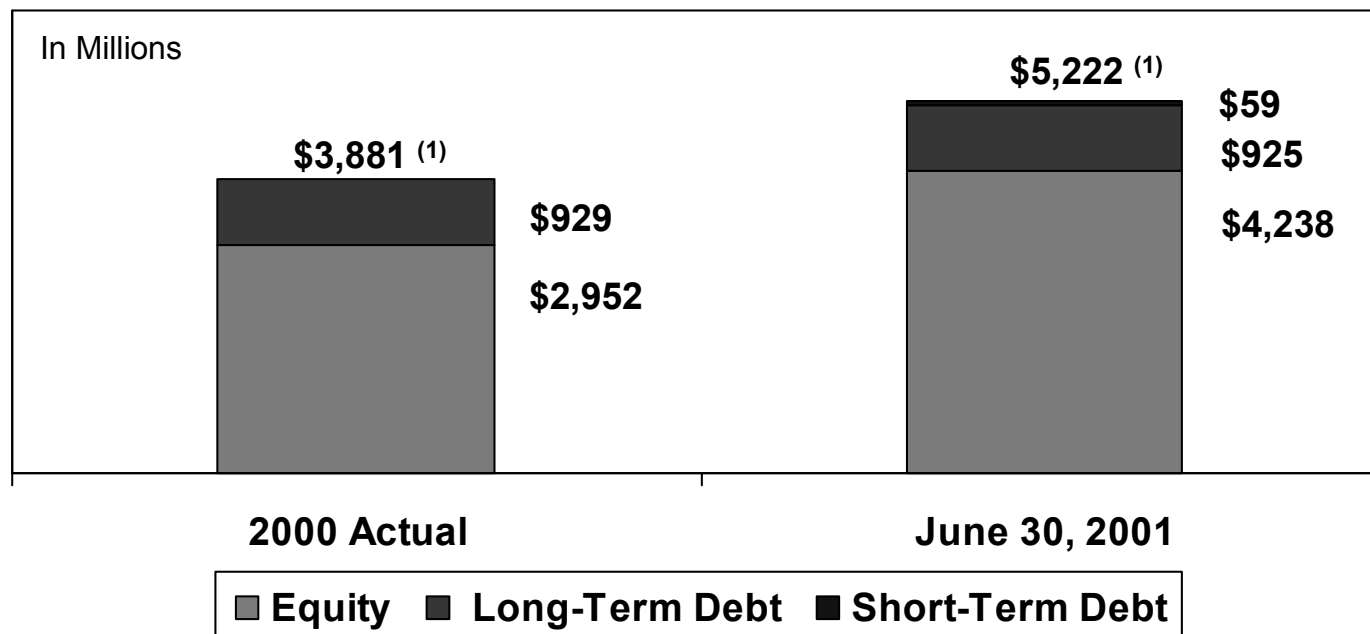
3.28x

(1) As of June 30, 2001.

SCZ Q2 2001 FINANCIAL HIGHLIGHTS

Strong Balance Sheet Creates Financial Flexibility

- Free cash flow for the four quarters ended June 30, 2001, was \$219.2 million, up from \$143.7 million for the four quarters ended June 30, 2000
- The ratio of cash flow to fixed charges for the four quarters ended June 30, 2001, was 3.28x compared to 3.14x as of March 31, 2001
- \$925 million of long-term debt with an average life of 11.6 years at an average fixed rate of 7.2% (leverage of 18.8%)



(1) After reduction for accounts payable and other liabilities.

SCZ Q2 2001 FINANCIAL HIGHLIGHTS

Q2 2001 Investment Return Analysis

	<u>Q2 2000</u>	<u>Q2 2001</u>
Weighted average investment yield ⁽¹⁾	11.9%	12.5%
Return on invested capital ⁽²⁾	11.3%	11.2%
Return on equity ⁽³⁾	13.0%	12.4%

- **Investment yield** — Overall operating improvements by investees
- **ROIC** – Proceeds from the ASN sale and HSD property sales have not been reinvested, offset in part by continued expense controls
- **ROE** — Reduction due to the deleveraging impact of the ASN sale and the sale of 25 HSD properties, the proceeds from which have not been fully reinvested

(1) Calculated as annualized Equity in EBDADT, including net fees from Security Capital Research & Management, divided by total investment cost.

(2) Calculated as annualized EBDADT before interest and depreciation, including income taxes, divided by total investment cost. Reflects fee income and expenses.

(3) Calculated as annualized EBDADT divided by GAAP equity.



SECURITY CAPITAL

Appendix

DUTCH AUCTION SELF-TENDER OFFER

- **Self-Tender Offer** (Completed April 17, 2001)
 - On March 19, 2001, Security Capital announced that it was initiating a self-tender offer for approximately 9.3 million shares of its Class B Common Stock. The offer price was between \$18.50 to \$21.50 per share. The offer expired on April 17, 2001, at Midnight.
 - On April 24, 2001, Security Capital announced final results of the tender offer. Security Capital accepted 9,302,326 million of its Class B Common Stock that had been properly tendered at or below the tender price of \$20.50 per share for a total cost of approximately \$191 million. Final results represent proration at approximately 78.5% of those shares tendered at or below the purchase price. All shares purchased in the tender offer received the same price.
 - Security Capital used cash on hand to pay for the shares tendered. After the transaction, Security Capital had no borrowings outstanding on its \$470 million line of credit.
 - After completion of the tender offer and other share repurchases, Security Capital has approximately \$4 million remaining on the company's current \$250 million share repurchase program.

CWS COMMUNITIES

- **Sale of CWS Communities** (Completed August 3, 2001)
 - On June 7, 2001, Security Capital announced that it had agreed to sell its entire ownership position in CWS Communities Trust to Chateau Communities, Inc. for \$289.7 million in cash. The transaction was completed on August 3, 2001. The final proceeds from the sale were \$291.6 million.
 - Security Capital held 94.1% of the outstanding common shares of CWS Communities, a developer, owner and operator of manufactured home communities. Security Capital carried its position in CWS Communities at \$256.7 million.
 - Net proceeds from the transaction, after taxes and transaction costs, were \$270.0 million.
 - The proceeds from the sale will be used to increase Security Capital's ownership in certain of its existing businesses as well as to fund additional share repurchases. Following the transaction, the company has no balance on its \$450 million line of credit.

SCZ STRUCTURE

SECURITY CAPITAL GROUP

Total Assets: \$5,222 MM ⁽¹⁾⁽²⁾

Debt: \$984 MM

Equity: \$4,238 MM

	<u>Market Sector</u>	<u>Ownership</u>
• Public Companies		
– CarrAmerica	Office Facilities	46%
– ProLogis	Distribution Facilities	29%
– Regency	Neighborhood Shopping Centers	60%
– Storage USA	Self-Storage Facilities	43%
• Private Divisions		
– Belmont	Assisted Living Communities	99%
– Homestead Village	Extended-Stay Hotels	99%
– InterPark	Parking Facilities	97%
– Security Capital Research & Management	Investment Management	100%
– SC-European Realty		35%

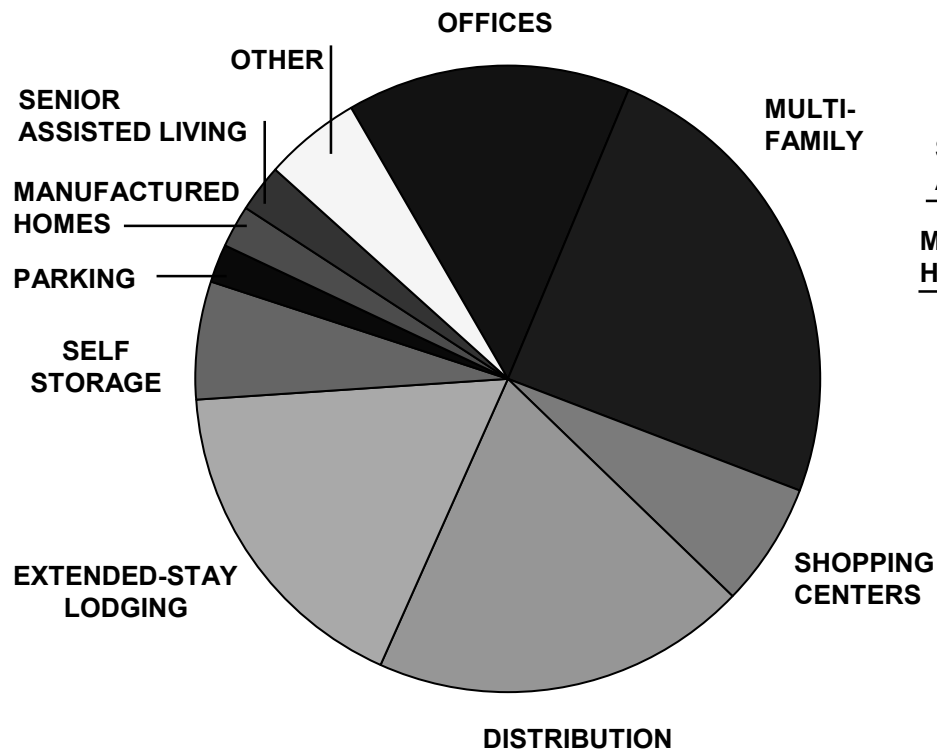
(1) As of June 30, 2001.

(2) After reduction for accounts payable and other liabilities.

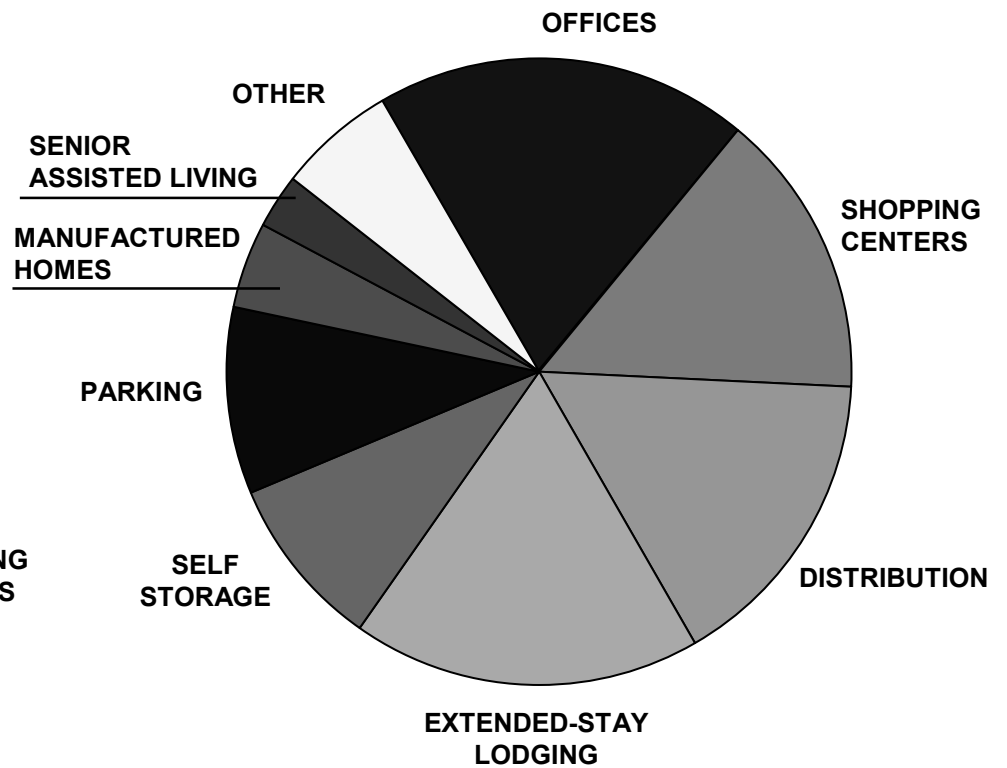
ASSET DISTRIBUTION

By Property Sector ⁽¹⁾

June 30, 2000



June 30, 2001



(1) At cost.

SUMMARY OF PUBLIC COMPANIES

CarrAmerica Realty Corporation

(NYSE: CRE)

CarrAmerica owns, develops and operates office properties in 12 markets throughout the United States. With a current total market capitalization of approximately \$3.6 billion, CarrAmerica and its affiliates own a controlling interest in a portfolio of 287 operating office properties and have eight projects under development in six key growth markets.

ProLogis Trust

(NYSE: PLD)

ProLogis is the leading global provider of integrated distribution facilities and services, with more than 1,700 distribution facilities owned, operating and under development throughout North America and Europe. With a current total market capitalization of approximately \$7.0 billion, ProLogis has built the first and only global network of distribution facilities that truly provides the global distribution solution and completely meets customer expansion and reconfiguration needs.

Regency Centers Corporation

(NYSE: REG)

Regency Centers Corporation is the leading national owner, operator and developer of grocery-anchored neighborhood retail centers in the United States. With a current total market capitalization of approximately \$3.2 billion, Regency currently owns and operates 266 properties in 22 states in key markets throughout the country, accounting for over 28 million square feet of prime retail space.

Storage USA, Inc.

(NYSE: SUS)

Storage USA is a national company that acquires, develops, constructs, franchises, owns and operates self-storage facilities throughout the United States. With a current market capitalization of approximately \$2.0 billion, Storage USA currently owns, manages and franchises 550 facilities containing 37.2 million square feet in 32 states and the District of Columbia.

SUMMARY OF PRIVATE DIVISIONS

BelmontCorp

BelmontCorp is focused on becoming an industry leader as a developer, owner and operator of senior assisted living residential communities in the United States. The company is concentrating development activity in large urban markets with very limited supply relative to demand for assisted living. The company currently has communities open or under construction in Houston, Texas; Nashville and Memphis, Tennessee; Louisville, Kentucky; Chicago, Illinois; San Diego, Los Angeles and San Jose, California.

Homestead Village

Homestead is a leading owner and operator of moderately priced, extended stay lodging hotels with 111 locations in key business destinations across the United States. The company targets large corporate customers with multi-location extended stay needs. Homestead provides a quality lodging experience for business travelers staying four nights or more with services and facilities adjacent to major business centers, with close proximity to retail and entertainment areas for guest convenience.

InterPark

InterPark is a leading manager and owner of parking facilities in 24/7 cities throughout the United States. With a growing network of operations in key, targeted markets, the company is well positioned to become the premier operator, developer and manager of parking facilities. InterPark manages more than 350 locations and 100,000 parking spaces. The company currently operates in major markets nationally, including Chicago, Tampa, Washington, D.C., Atlanta and Denver.

SUMMARY OF PRIVATE DIVISIONS

Security Capital Research & Management Incorporated

Security Capital Research & Management Incorporated is a registered investment adviser with over \$2 billion in assets under management. Investing in public real estate securities since 1995—it is the leading real estate investment management company in performance for the past three years—consistently outperforming relevant industry benchmarks in both up and down markets—Security Capital Research & Management utilizes a rigorous investment process directed by an experienced team of 29 professionals. Security Capital Research & Management currently runs two real estate mutual funds, one private REIT and manages third party assets for a multitude of institutional accounts.

Security Capital European Realty

SC-European Realty, with \$1.5 billion of committed equity capital, has three strategic operating businesses: Interparking, Access Storage Solutions, and EuroOffice, which are engaged in owning and/or operating public car-park facilities, self-storage facilities and offices for multinational companies, respectively. Each business plans to be pan-European and has significant opportunities for branding, market expansion, and increased service revenues.

- **Access Storage Solutions**

Access is the largest developer and owner of self-storage facilities in Europe with 81 facilities in three countries.

- **EuroOffice**

EuroOffice is a major developer and operator of office facilities for multinational companies in four key European markets.

- **Interparking Group**

Interparking is continental Europe's largest owner and operator of off-street parking facilities operating in seven countries.