



SECURITY CAPITAL

**Q1 2001 Results
Conference Call**

Forward Looking Statements

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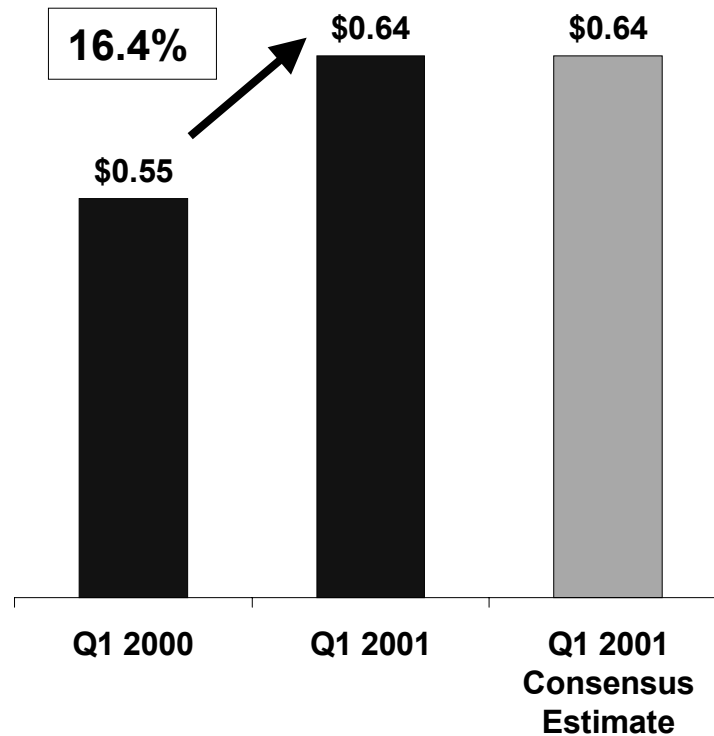
Analysts' Reports

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 Q1 2001 FINANCIAL HIGHLIGHTS

Continued Strength of Operating Divisions' Performance and Management Action to Simplify SCZ's Structure

EBDADT Per Share (1)



(1) Before special items.

SCZ Q1 2001 FINANCIAL HIGHLIGHTS

Significant Impacts to Earnings⁽¹⁾

(in millions, except per share data)

	<u>Basic EBDADT</u>	<u>Diluted Per Share</u>
Q1 2000 EBDADT	\$63.5	\$0.55
Homestead Improvement as a Result of Operating Improvement and Increased Ownership	11.6	.07
Increased Ownership and Performance of SC-U.S. Realty Investees	39.5	.25 ⁽²⁾
Reduction from the Sale of ASN Stock	(16.2)	(.10) ⁽³⁾
Other Investee Performance Improvements	2.8	.02
Interest Income and Other	3.6	.02
Operating Expenses	0.2	.00
Taxes	(9.4)	(.06)
Interest Expense	(2.2)	(.01)
Net Share Issuance and Other	0.2	(.10) ⁽⁴⁾
Q1 2001 EBDADT	<u>\$93.6</u>	<u>\$0.64</u>

(1) EBDADT before special items. EBDADT after special items was \$252.4 million or \$1.63 per share.

(2) Before the impact of increased interest expense, taxes and share issuance. The increase primarily reflects the direct ownership of SC-U.S. Realty's investees, plus per share EBDADT growth of CRE, REG and SUS.

(3) Before the impact of interest expense reductions and share repurchases with the proceeds of the ASN sale.

(4) Primarily reflects the impact of shares issued in the SC-U.S. Realty combination, net of shares repurchased.

SCZ Q1 2001 FINANCIAL HIGHLIGHTS

Private Divisions

- Homestead Village Incorporated
 - EBDADT for Q1 2000 was \$26.6 Million which was \$11.6 Million Higher than the Same Period in 2000
 - Sale of 24 Properties for \$79.6 million in Q1 (2000 NOI of \$14.3 Million From Properties Sold)

(All Information Below is for the 111 Remaining Properties)

 - Occupancy Levels for the Quarter were 75.3% and Average Weekly Room Rate Increased 12.4% Resulting in RevPAR Growth of 16.3% Over Q1 2000
 - Same Store NOI Growth of 21% During the Quarter
- BelmontCorp
 - As of April 30, Belmont had 6 Operating Properties, 3 Under Construction and 6 in Planning
 - The 3 Stabilized Properties are 98.5% Occupied. Occupancy Levels for all Properties are 7.2% Ahead of Plan
 - Average Annualized Rents have Increased 8.5% Since Initial Property Openings
 - Projected Unleveraged Stabilized Property Yields of 13.4%

SCZ Q1 2001 FINANCIAL HIGHLIGHTS

Private Divisions

- CWS Communities
 - Reported EBDADT of \$4.6 Million in Q1 2001
 - Occupancy Levels for the Quarter were 92.4%, up from 91.1% in Q1 2000
 - Annualized Annual Rent Growth of 4% in Q1 2001
 - Same Store NOI Growth of 6.0% During the Quarter
- InterPark
 - Currently Owns Directly and Through Joint Ventures a Total of 46 Properties
 - Garage Facilities Located in Central Business Districts and Surface Lots Experienced Increases in Rental Rates and Operating Improvements, Which were Put in Place After Acquisition, Which Resulted in Same-Store NOI Growth of 11.1% and 5.7%, Respectively
 - Off-Airport Facilities and Service Businesses are Still in the Process of Being Stabilized

SCZ Q1 2001 FINANCIAL HIGHLIGHTS

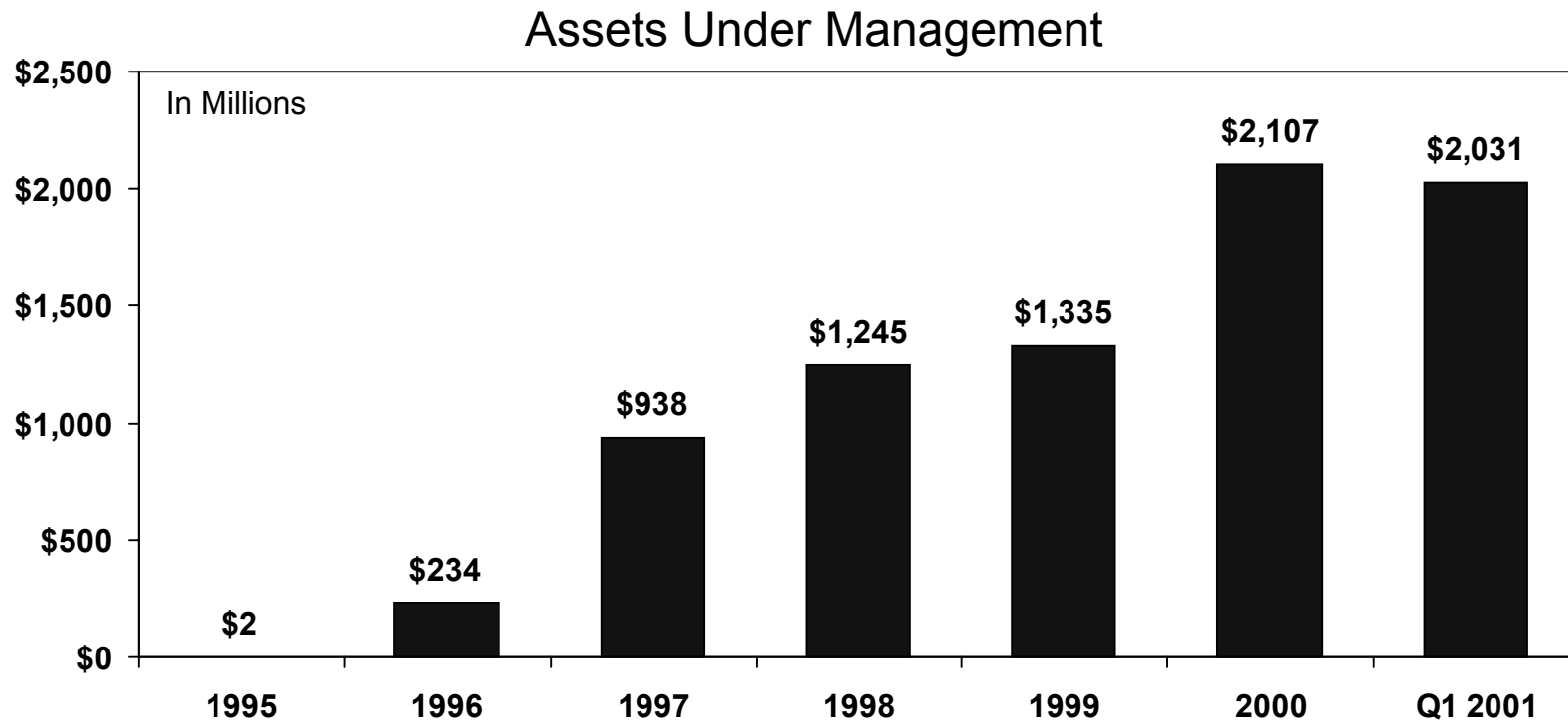
Private Divisions

- SC-European Realty
 - Produced EBDADT of \$10.6 Million, Which Included Gains of \$685K from the Sale of Properties
 - 28.0% of SC-European's Assets were Prestabilized or in Development at the End of Q1 2001
 - Access Storage Solutions has a Total of 80 Operating Facilities
 - 12 New Facilities are Under Development
 - 179% Growth in Revenues and 115% Growth in EBDADT Over Q1 2000
 - Interparking has 263 Locations in 7 Countries in Continental Europe
 - 26.8% Growth in Revenues and 36.9% Growth in EBDADT Over Q1 2000
 - EuroOffice has 9 Projects Completed and Held for Sale
 - Represents 928,993 Square Feet and a Total Investment of \$249.5 Million. The Projects are 88.7% Occupied
 - 2 of These Projects are Under Contract for \$101.0 Million, Which Includes Gains of \$8.6 Million
 - 1 Property Owned by a Business the Company is Exiting was Sold in April for \$114.4 Million, Which Includes Gains of \$9.2 Million

SCZ Q1 2001 FINANCIAL HIGHLIGHTS

Private Divisions

- Security Capital Research & Management
 - Produced EBDADT of \$3.0 Million, Which Includes a Non-Recurring Expense of \$500K. Before this Non-Recurring Item, EBDADT Increased 24.2% Over Q1 2000



SCZ Q1 2001 FINANCIAL HIGHLIGHTS

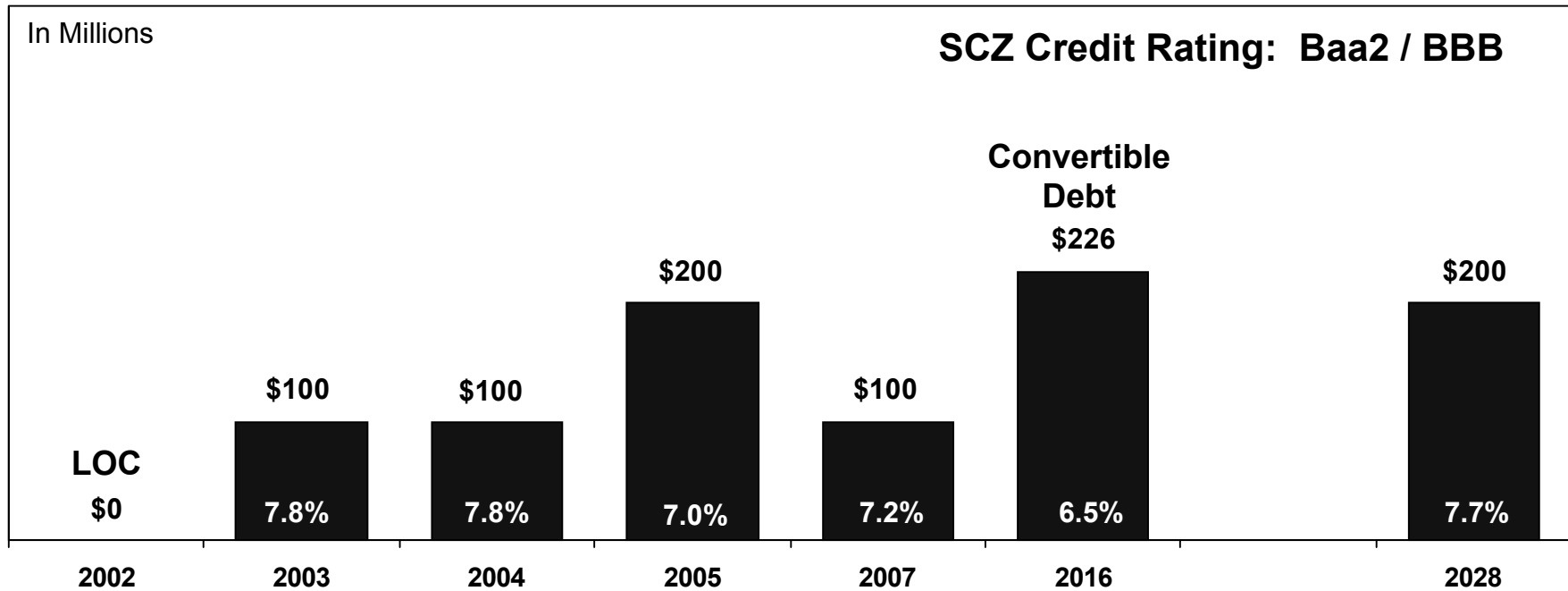
Public Companies

- Continued Earnings Growth by Public Companies

	<u>EBDADT Growth Q1 2001 / Q1 2000</u>
CarrAmerica	6.9%
ProLogis	9.6%
Regency	6.6%
Storage USA	5.1%

SCZ Q1 2001 FINANCIAL HIGHLIGHTS

Debt Maturity Schedule⁽¹⁾



Fixed Charge Coverage Ratio

(Four quarters ended March 31, 2001)

Current

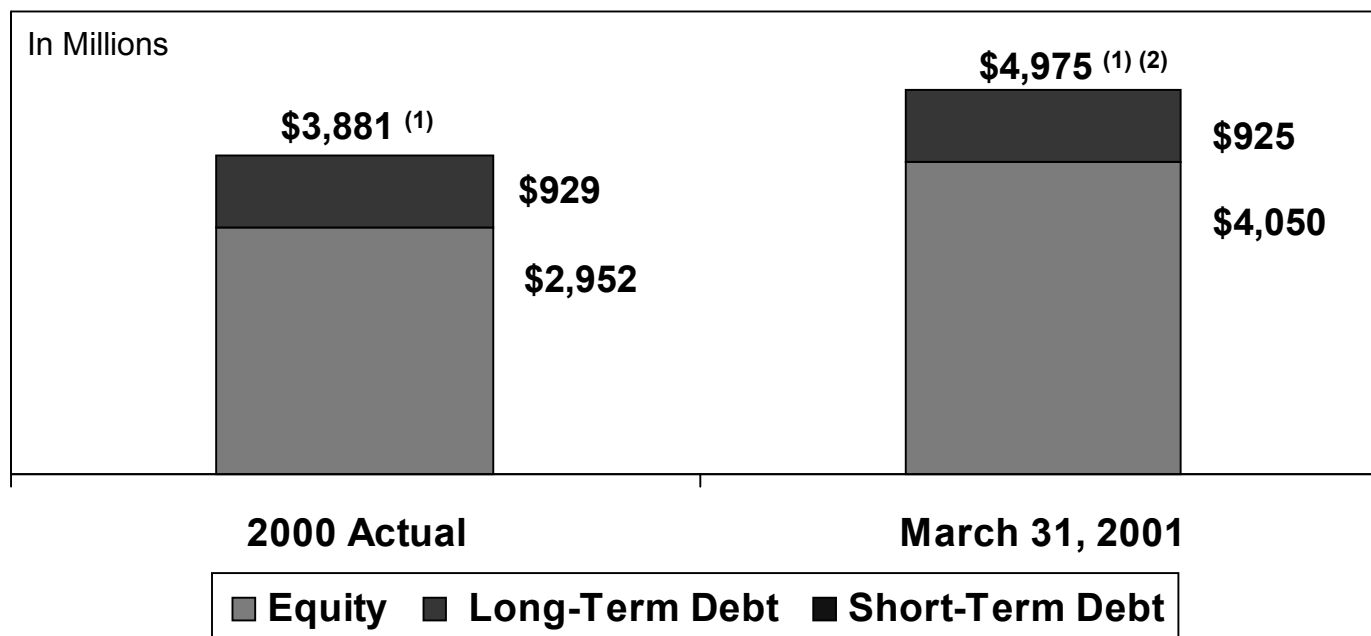
3.14x

(1) As of March 31, 2001.

SCZ Q1 2001 FINANCIAL HIGHLIGHTS

Strong Balance Sheet Creates Financial Flexibility

- Free Cash Flow for the Four Quarters Ended March 31, 2001 was \$214.0 Million, up from \$87.2 Million for the Four Quarters Ended March 31, 2000
- The Ratio of Cash Flow to Fixed Charges for the Four Quarters Ended March 31, 2001, was 3.14x Compared to 2.98x as of December 31, 2000
- \$925 Million of Long-Term Debt Average Life of 11.8 Years at an Average Fixed Rate of 7.2% (Leverage of 18.8%)



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

(2) Adjusted to reflect the impact of the Tender Offer which was completed on April 17, 2001.

SCZ Q1 2001 FINANCIAL HIGHLIGHTS

Q1 2001 Investment Return Analysis

	<u>Q1 2000</u>	<u>Q1 2001</u>
Weighted Average Investment Yield ⁽¹⁾	11.8%	12.7%
Return on Invested Capital ⁽²⁾	10.5%	11.2%
Return on Equity ⁽³⁾	12.0%	11.3%

- Investment Yield -- Overall operating improvements by investees
- ROIC -- Expense controls improve overall margins
- ROE -- Reduction due to the deleveraging impact of the ASN sale

(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

COMBINATION OF SCZ AND SC-U.S. REALTY

- Combination with **SC-U.S. Realty** (Completed January 16, 2001 - As a consequence, Security Capital recorded 15 days of equity in EBDADT for the investee companies in January 2001). Impacts are:
 - 45.4 million SCZ shares issued to SC-U.S. Realty shareholders
 - \$433.9 million of debt incurred to repay SC-U.S. Realty Liabilities
 - Security Capital will have additional interest expense related to \$142 million borrowed to fund cash elections by SC-U.S. Realty shareholders and transaction costs (Before the impact of the Archstone transaction - see next page)
 - Elimination of approximately \$8 million of annual expenses related to SC-U.S. Realty
 - Elimination of Equity in EBDADT contribution from SC-U.S. Realty
 - Direct beneficiary of Equity in EBDADT contributions from CarrAmerica, Regency Centers, Storage USA, CWS Communities and InterPark as of January 16, 2001
 - Elimination of Security Capital's net management fee from SC-U.S. Realty - \$19.1 million in 2000 (formerly revenue to Security Capital Research & Management)
 - Normalized tax rate in the range of 10% - 12% of pre-tax EBDADT

SALE OF ARCHSTONE SHARES

- Sale of Archstone Shares (Completed February 28, 2001)
 - In 2000, Security Capital recorded equity in EBDADT from Archstone of \$101.1 million and received cash dividends of \$68.7 million.
 - On February 28, 2001 Security Capital sold 31,720,467 of its shares in Archstone resulting in net proceeds of approximately \$643 million (after transaction costs and taxes).
 - A portion of the net proceeds were used to retire the \$500 million remaining balance on the transaction loan Security Capital incurred in its business combination with SC-U.S. Realty. This loan had an interest rate of LIBOR + 130 bps. The average interest rate on the loan for the period it was outstanding was 7.14%.
 - The sale transaction will be dilutive to Security Capital's operating results until all the net proceeds are redeployed at equivalent returns or better.
 - The impact on Security Capital's operating cash flow should be immaterial due to the corresponding retirement of debt.

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.
 - Security Capital has approximately 139 million Class B Common Stock equivalents issued and outstanding following payment for the tendered shares.
 - After completion of the tender offer, Security Capital has approximately \$44 million remaining on the company's current \$250 million share repurchase program.

SCZ STRATEGY

100% / High Percentage Ownership of
a Few Select Real Estate Operating Divisions

SECURITY CAPITAL GROUP

Total Assets: \$5,165 MM⁽¹⁾

Debt: \$925 MM

Equity: \$4,240 MM

Equity Market Capitalization: \$3.5 B

- Ultimately #1 or #2 Brandable Leadership Operating Platform in Specific Niches
- Post Development - Transition Assets to Managed Entities
- Produce Substantial Third-Party Customer Service Income
- High Sustainable ROE Businesses Which Produce S&P Competitive Returns

(1) As of March 31, 2001.

SCZ STRUCTURE

SECURITY CAPITAL GROUP

Total Assets: \$5,165 MM⁽¹⁾

Debt: \$925 MM

Equity: \$4,240 MM

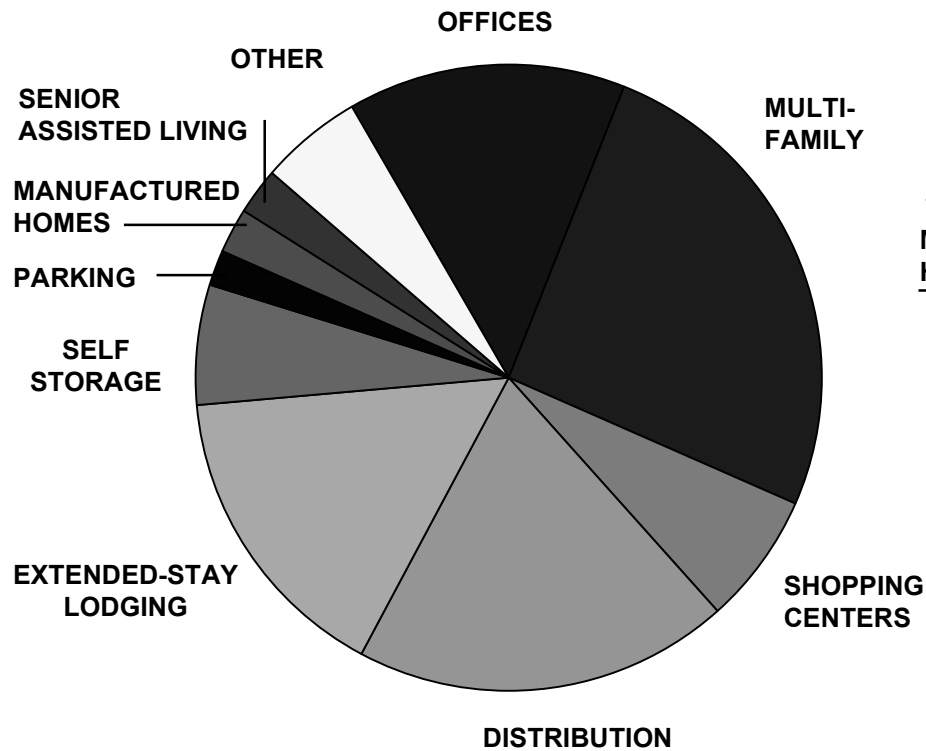
	<u>Market Sector</u>	<u>Ownership</u>
• Public Companies		
– CarrAmerica	Office Facilities	46%
– ProLogis	Distribution Facilities	29%
– Regency	Neighborhood Shopping Centers	60%
– Storage USA	Self-Storage Facilities	43%
• Private Divisions		
– Belmont	Assisted Living Communities	99%
– CWS Communities	Manufactured Housing	94%
– Homestead Village	Extended-Stay Hotels	99%
– InterPark	Parking Facilities	97%
– Security Capital Research & Management	Investment Management	100%
– SC-European Realty		35%

(1) As of March 31, 2001.

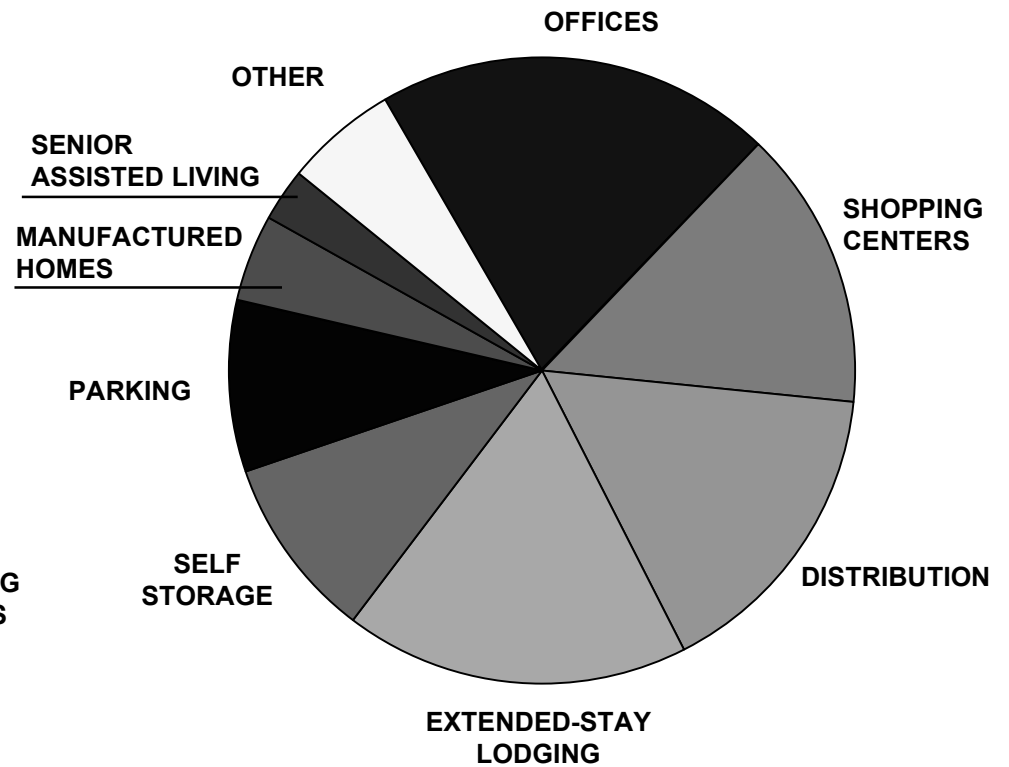
ASSET DISTRIBUTION

By Property Sector ⁽¹⁾

March 31, 2000



March 31, 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 \$3.7 billion, CarrAmerica and its affiliates own a controlling interest in a portfolio of 283 operating office properties and have 10 office buildings under development in seven 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 and operating throughout North America and Europe. With a current total market capitalization of approximately \$7.1 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 \$3.1 billion, Regency currently owns and operates 260 properties in 22 states in key markets throughout the country, accounting for over 27 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 543 facilities containing 36.6 million square feet in 31 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.

CWS Communities Trust

CWS Communities was created in 1997 to become the leading developer, owner and operator of manufactured housing communities by providing superior operating and industry solutions in high-growth markets in the United States. Currently, CWS Communities has 17,394 operating homesites that are owned, managed, or under development in 49 communities across eleven states and Canada.

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 Incorporated

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 20 investment 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 SC-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 over 60 properties in three countries.

- **EuroOffice**

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

- **Interparking Group**

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