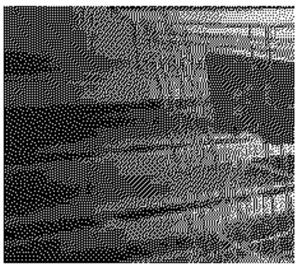
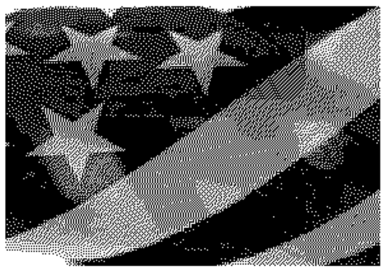
Presentation

Macquarie CountryWide and Regency Centers

FRIDAY 6 MAY 2005





regency centers

Macquarie Property
The "Smooth Operator" tour
1 – 6 May 2005

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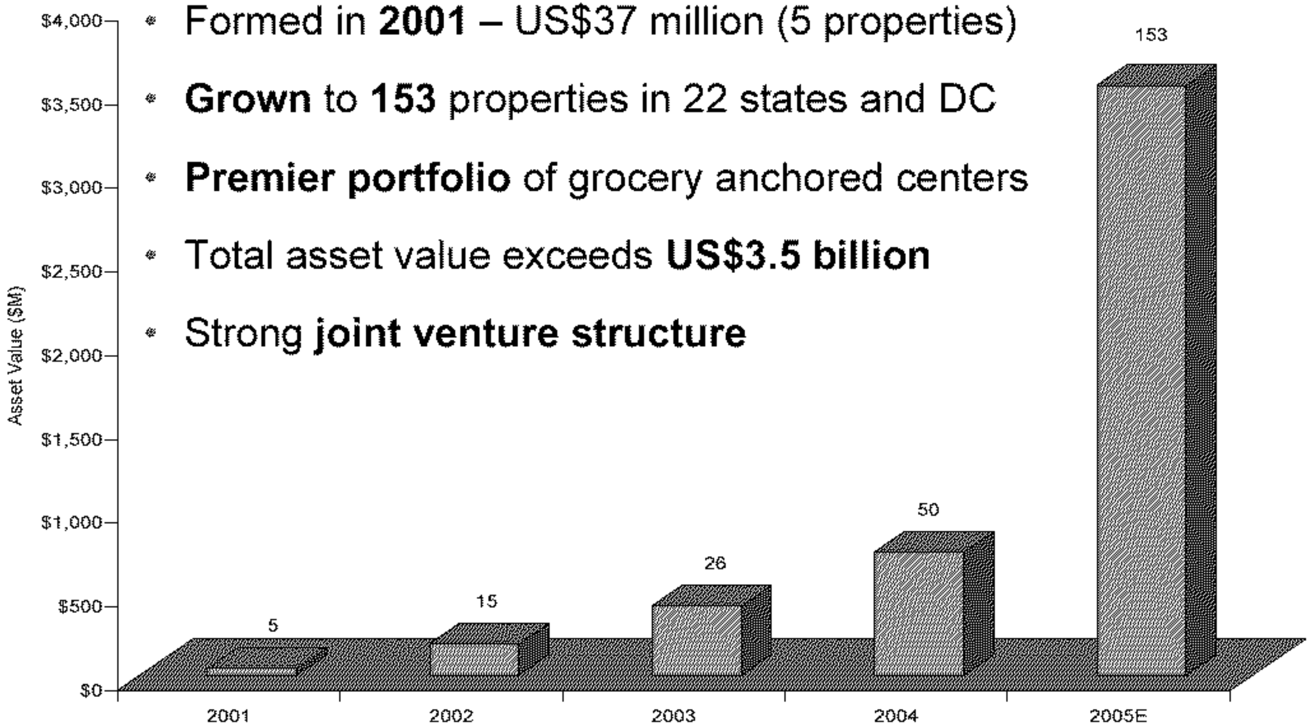
Agenda

1. Portfolio History

Joint venture – premier portfolio
Strong history of accretive acquisitions

- Formed in **2001** – US$37 million (5 properties)
- **Grown** to **153** properties in 22 states and DC
- **Premier portfolio** of grocery anchored centers
- Total asset value exceeds **US$3.5 billion**
- Strong **joint venture structure**



JV portfolio ranks among industry leaders

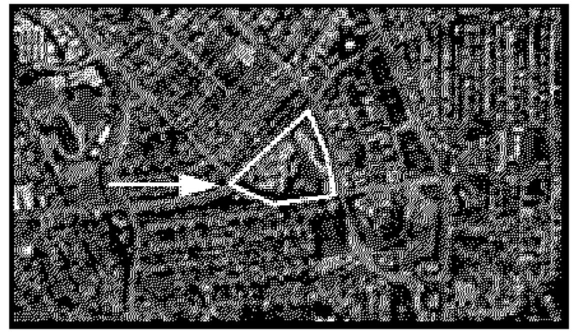
	Number[1] of Centers	Retail GLA[2] (000s)	Property Value[3] ($000s)
Kimco Realty	619	65,282	$6,860
Developers Diversified Realty	373	51,122	$6,733
Weingarten Realty	288	36,251	$4,804
Regency Centers[4]	291	27,410	$4,312
New Plan Excel	378	52,878	$3,886
MCW-REG JV Portfolio	**153**	**18,294**	**$3,602**
Federal Realty	82	16,890	$3,450
Pan Pacific	133	19,295	$3,072
Heritage Property	164	28,004	$2,756
Equity One	181	19,666	$2,253

1. Green Street Advisors as of 4Q04; includes JV properties and excludes non-retail, single-tenant, and mall properties
2. Green Street Advisors as of 4Q04; includes JV GLA at pro rata share
3. Market Value of Owned Properties as of 4Q04 per Lehman Brothers Equity Research; MCW-REG JV per latest Independent Appraisals
4. Regency Centers data as of 4Q04 and therefore not pro forma for First Washington acquisition

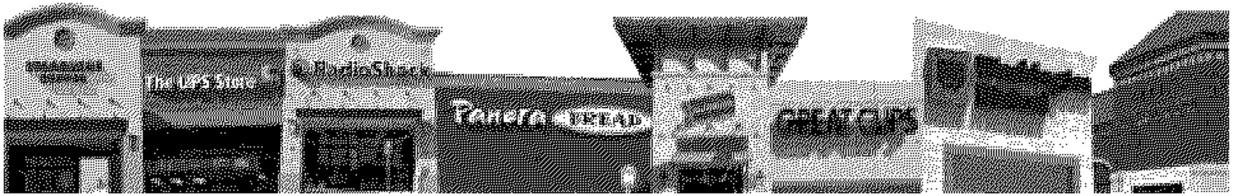
2. Strategy and Results

Investment strategy – JV and Regency
High quality national portfolio drives sustainable NOI growth

Dominant Grocers



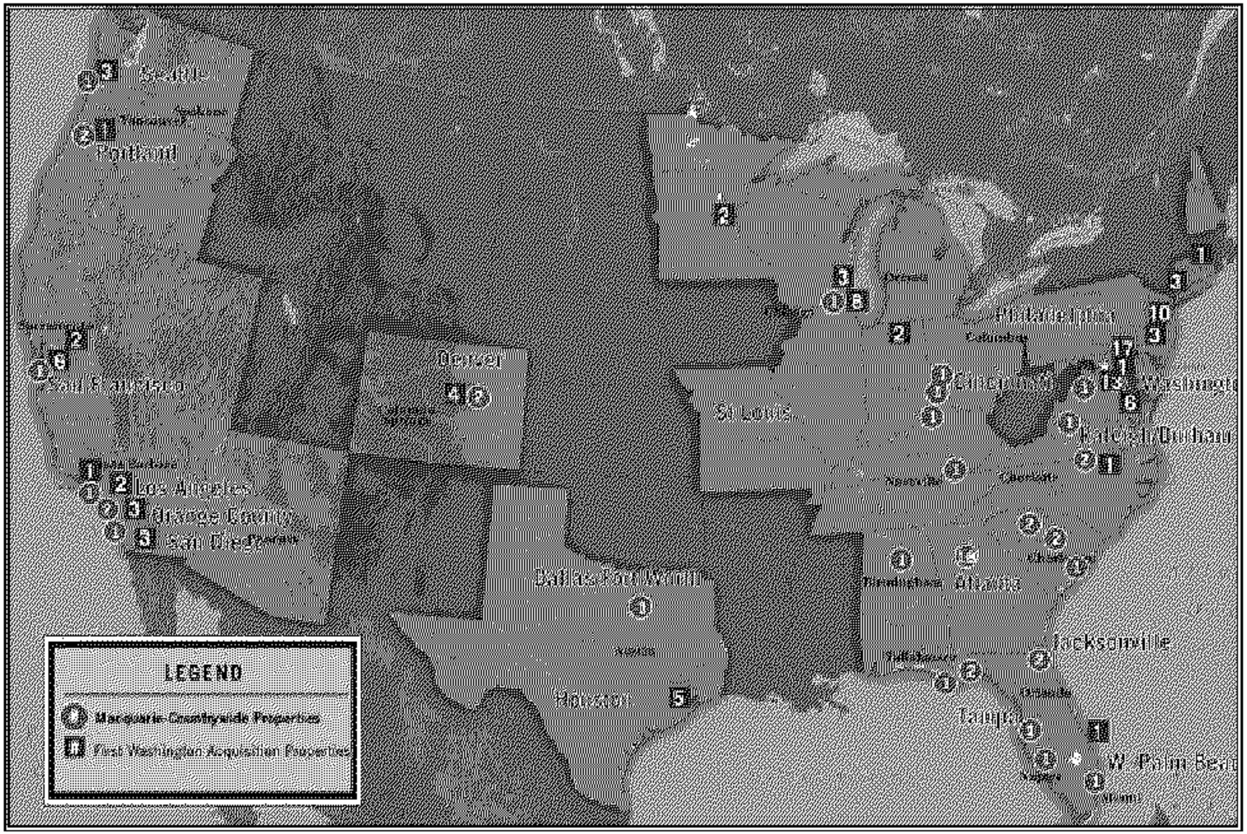
Strong Markets with Attractive Demographics



Operating System and Market Leading Side-Shop Retailers

Exposure to strong retail markets

48% of properties are located in the key markets of California, Washington, DC / Baltimore, and Atlanta

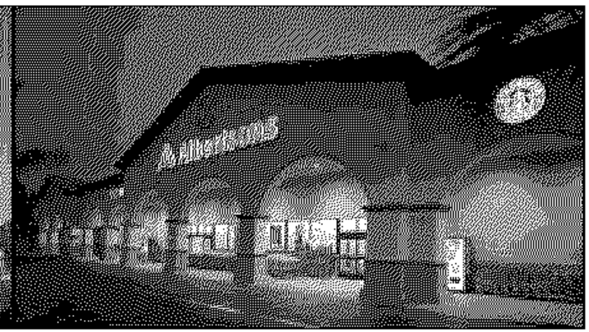


As of 15 April 2005

California – economic powerhouse

- 7th largest economy in the world[1]
- 22% of US employment growth[2]
- 6 of the top 10 retail markets in the US[3]
- Over 35 million population with high net migration
- Comparatively low Wal-Mart penetration (physical barriers and political opposition)

Campus Marketplace, CA

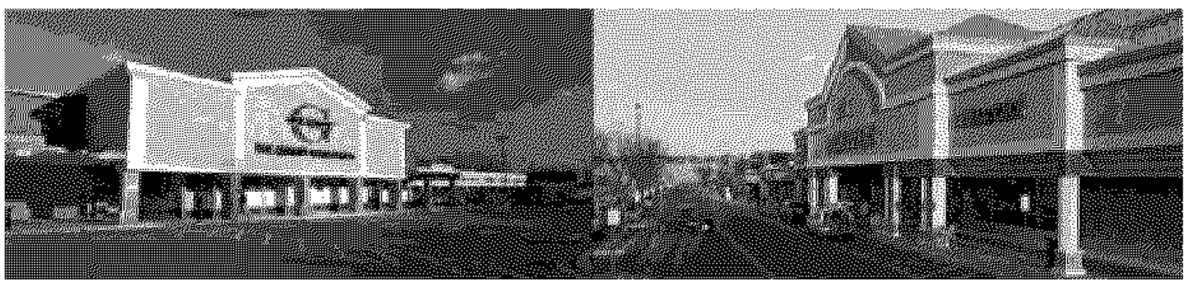


Garden VIllage, CA

1. World Bank; Bureau of Economic Analysis
2. State of California, Employment Development Department, Labor Market Information Division, 2004
3. Marcus & Millichap National Retail Index 2004 (ranks 40 retail markets in US based on a series of 12 month forward-looking supply and demand indicators)

DC / Baltimore area – recession resistant

- Rated #2 retail market in US[1]
- Forecast population growth at double US average
- Washington, DC MSA:
  - Average median household income 1.5x higher than US average
  - 2nd lowest unemployment rate among major MSAs
- Stable employment base due to significant government employment and adjacent services



Kings Park Shopping Center, VA   Centre Ridge Marketplace, VA

1. Marcus & Millichap National Retail Index 2004 (ranks 40 retail markets in US based on a series of 12 month forward-looking supply and demand indicators)

Atlanta – diverse economic base

- 9th largest US metro area[1]
- Top 10 in 2004 employment growth
- Strong population growth 2.4 x US average
- Consistently ranked in top metro areas for business expansion

Thomas Crossroads, GA

Trowbridge Crossing, GA

1. Source: Atlanta Chamber of Commerce

Grocer overview

Kroger

- The largest supermarket chain in US – 2004 sales of US$56 billion
- Operates 17 grocery banners (King Soopers, Ralphs) convenience stores, multi-department stores (Fred Meyer) and jewelry stores
- Holds #1 or #2 position in 40 of their 52 major markets
- 2004 increased share in 23 of 52 markets – 6 of the 27 markets where lost share were in CA, impacted by labor dispute
- Note to Analysts: most attractive margins in 1-2 years, top list of grocers due to stronger market share and better pricing

Publix

- Fortune 500 company with over 800 stores in five states
- One of fastest growing employee-owned companies in the US
- One of the ten largest volume supermarket chains in the country
- 2004 sales of US$18.6 billion; 2004 same store growth of 5.7%

Grocer overview (continued)

Safeway

- 1,802 stores, mostly Western states, Mid-Atlantic, Texas and Colorado – 2004 sales of US$35.8 billion
- Primary operating banners: Vons, Genuardi's, Randall's, Tom Thumb, Dominick's
- Remodeling stores to "Lifestyle" prototype (wooden floors, dramatic lighting, focus on produce) - competing on upscale shopping experience, not price
- Note to Analysts: Fundamentals improving from new remodels. Vendors much more positive about Safeway's strategy

Albertson's

- One of the largest food and retail drug chains in the world with 1,808 food stores, 695 drug stores in 37 states – 2004 sales of US$40 billion
- Primary grocery banners: Albertsons, Acme, Jewel
- Focus on format differentiation
  - Extreme, Inc. (price-sensitive, limited assortment)
  - Bristol Farms (upscale, gourmet specialty foods)
- Note to Analysts: price cuts hurting margins, earnings disappointing

Grocer overview (continued)

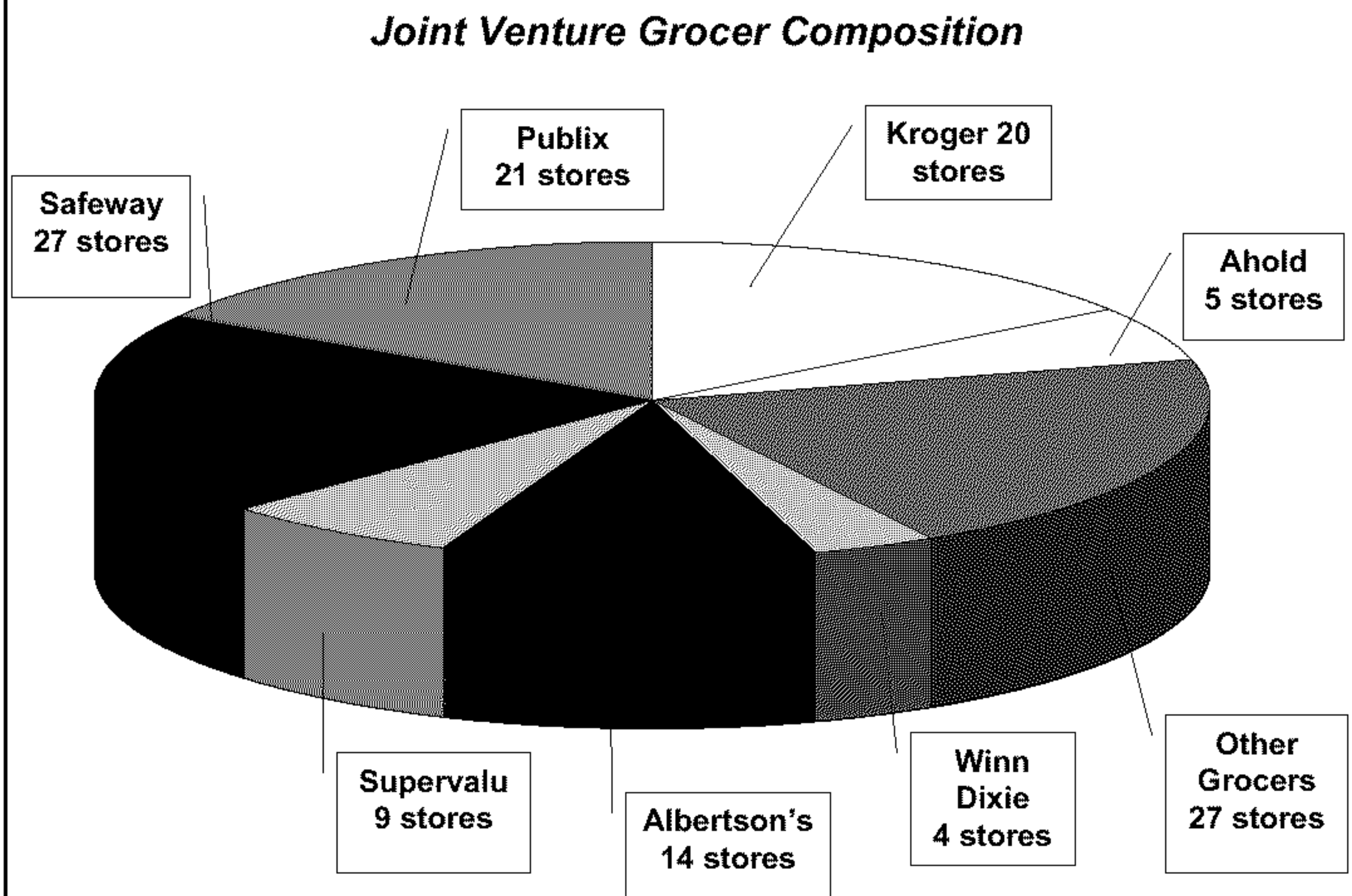
Winn-Dixie

- 920 stores in 12 states and the Bahaman Islands
- 2004 revenues of US$3 billion, net loss from operations
- Filed Chapter 11 bankruptcy/ reorganization February 2005
- Analysts: dismal earnings, very competitive environment, future very uncertain
- JV minimum income exposure to Winn-Dixie

Wal-Mart

- World's largest retailer, 2004 sales of US$285 billion
- Plans to open 240-250 US Supercenters in 2005
- Nation's largest grocer retailer, over 15% total market share
- Expansion resistance: size restriction ordinances, civic protesting, unionization efforts

Dominant grocers



Dominant grocers in strong markets compete successfully against Wal-Mart

Regency's Experience Shows Benefit of Dominant Grocer, Top Market, Above Average Household Income Strategy

- Chains with top shares maintain market share in larger metro markets
- Physical convenience, hassle free shopping, high quality perishables
- Chains' initiatives to reduce costs (i.e. new labor agreement in Southern California)

→ 57 grocery-anchored Regency centers located within 3 miles of Wal-Mart supercenter

- Average HH income: US$76,250
- Grocers average US$21 million in sales
- Average less than 2.5% reduction in sales since supercenter opening
- First year impact to sales between 0-15% reduction

Joint Venture Portfolio
Strong Markets, Attractive Demographics

Venture's Top Markets	% of NOI	3 Mi. Est. Household Income 2004 (US$)[1]	
		Property	Market
Washington D.C.	19.7%	$98,035	$90,312
San Francisco Bay Area[2]	8.0%	$89,863	$105,775
Atlanta	7.9%	$86,905	$76,078
Los Angeles - Orange County[3]	7.3%	$88,520	$74,949
Chicago	5.8%	$70,127	$77,008
Baltimore	4.6%	$68,323	$71,493
Philadelphia	4.5%	$78,686	$70,830
Houston	4.0%	$87,786	$70,032
San Diego	3.9%	$69,591	$72,196
Richmond	2.8%	$59,259	$70,513

1. Source: Claritas
2. Includes San Francisco, Oakland and Napa
3. Includes Ventura, Santa Barbara and Riverside

Premier Customer Initiative
Partner with "best in class" operators

Washington Mutual, Inc: 40 Stores*

The UPS Store: 105 Stores*

Subway: 108 Stores*

H&R Block: 73 Stores*

Starbucks Coffee: 76 Stores*

Quizno's Subs: 45 Stores*

Great Clips for hair: 86 Stores*

Dollar Tree: 35 Stores*

*Store counts are as of 31 Mar 05 plus First Washington properties

Regency's Experience

- Ability to offer multiple locations
- Over 77% of portfolio is leased to national and regional chains
- Higher renewal rates
  - 2004: 84% vs. 80% for non-PCI
- Comparable rent growth for better tenants:
  - 2004: 10.0% v. 10.1% for non-PCI
- Overall portfolio downtime reduced from 9 months to 6.3 months

Strategy has produced sustained NOI growth across the JV portfolio

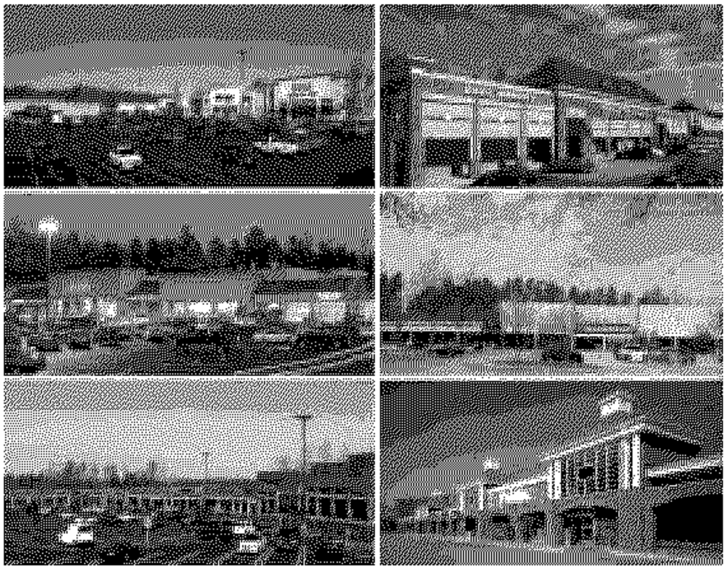
	YTD 2005	2004	2003	2002	2001
Occupancy	96.6%	98.2%	97.8%	97.4%	94.3%
Renewal Rate[1]	39%	80%	72%	84%	N/A
Rent Growth	8.7%	6.1%	7.0%	7.2%	9.4%
Same Property NOI Growth	2.3%	3.9%	4.1%	6.5%	2.3%

1. YTD 2005 data represents only 29,000 sq ft expiring out of existing 5.2 million sq ft portfolio

3. Branch Portfolio Acquisition Update

Joint Venture Portfolio Acquisition

Branch: (18-Atlanta Metro, 1-NC, 3-SC, 1-TN) – Oct 04



Portfolio Information

2003 Average 3-mile Population:	64,065[1]
Average HH Income:	US$86,400
Total GLA:	1,975,417 sq ft
Anchors:	Publix-9
	Kroger-4
	Winn Dixie-2
	Food Lion-1
Total Cost:	US$275 million
Cap Rate	7.4%

Strategic Rationale: To acquire 23 high quality assets with strong demographics, high occupancy levels and a strong tenant base in one of the strongest retail markets in the country. Four of these assets targeted for sale to third parties.

1. Source: Claritas

Successful dispositions forecast above book value – Branch portfolio

- **Holcomb 400 – Atlanta, GA**
  - Sold November, 2004
- **Publix Plaza – Atlanta, GA**
  - Sold April, 2005
- **Market Place – Knoxville, TN**
  - Under letter of intent, going to contract
- **Braelinn Village – Atlanta, GA**
  - Under contract, expect to close within 30 days

4. First Washington Transaction

Compelling opportunity

- Unique portfolio, high quality centers with protected infill locations and attractive demographics, that enhances venture's platform
  - *Powerful combined platform*: First Washington's 101 properties + REG's 288 properties = 389 centers constituting nearly 50 million square feet of GLA
  - Strengthened presence in key markets of Mid-Atlantic, Northern and Southern California & Midwest
- Excellent prospects for sustainable growth in NOI
  - Inherent and uniform quality of portfolio
  - Significant re-merchandizing opportunities with PCI tenants
  - Redevelopment opportunities
- Evergreen JV structure
- Immediate and long-term earnings accretion for both MCW and REG
- Settlement scheduled 1 June 2005

Attractive demographics

- Over half the portfolio located in top 10 MSAs, over 75% in top 20 MSAs and over 90% in top 50 MSAs
- Average of over 110,000 people live within a 3 mile radius of each center
- Average number of households within a 3 mile radius 42% higher than peer group[1]
- Average household income nearly 30% higher than national average

First Washington Portfolio Top MSAs (by GLA)	Number of Properties	% of GLA	3-Mile Demographics[2] Population	Average Household Income (US$)	Average HH Income vs. US Average
Washington, DC	25	21.1%	109,300	96,800	153%
Los Angeles[2]	9	10.7%	102,800	89,000	141%
Philadelphia	10	9.2%	109,400	77,100	122%
Chicago	8	9.0%	168,500	69,500	110%
San Francisco[3]	8	7.7%	116,400	84,900	134%
Houston	5	6.3%	133,900	90,400	143%
Baltimore	6	6.1%	107,400	66,600	105%
Total Portfolio	**101**		**112,500**	**81,900**	**129%**

1. Source: Merrill Lynch
2. Source: Claritas
3. Includes Los Angeles, San Diego, Santa Barbara, Oxnard, and Riverside
4. Includes San Francisco, Sacramento, and Napa

Strong historical performance

- Quality portfolio has sustained high occupancy levels with limited volatility
  - Historical occupancy rate of 95% or higher over the last ten years
- Strong rental growth
  - Rental growth averaged 10% over last two years
- Same store NOI growth over the last two years of 3.2%

Centerplace of Greeley, CO

Integration Update – Leasing and Property Management

- Strong 1Q05 results – on target to achieve plan
  - Maintained 96% occupancy
  - 10% rent growth
- Weekly calls with First Washington asset management team
- Regency reviewing and approving all leases over 3,000 square feet
- Hiring First Washington property management team in Chicago
- At closing, Regency will manage all properties outside Mid-Atlantic and Northeast
- First Washington will continue to manage remaining 54 properties

Integration Update – Accounting and Systems

- 25 new positions – 23 hired and working at Regency
- All data will be migrated into REG systems by mid-May – 90% complete today
  - All information to bill rent and track leasing is complete
  - Remaining work is historical data
- At closing, Regency will assume accounting and financial reporting for all properties

Amerige Heights, CA

5. Case Studies

Case Study: Saratoga Shopping Center

Saratoga Shopping Center - Springfield, Virginia (Washington D.C.)

- Giant-anchored - strong sales - $506 per square foot
- Attractive demographics (3 mile radius)[1]
  - US$107,000 average household income
  - 81,000 population

Outdated Appearance, Undersized Grocer

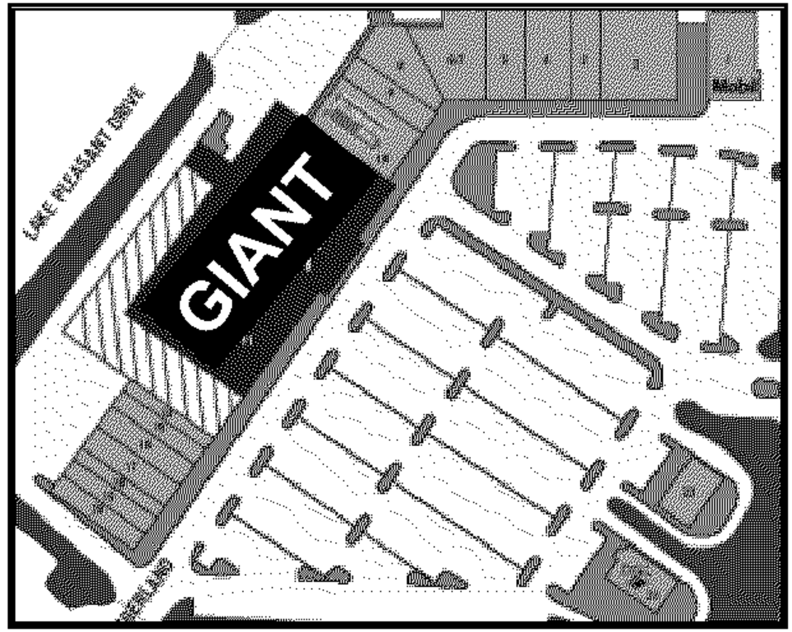
Saratoga Shopping Center, VA

1. Source: Claritas

Case Study: Saratoga

Opportunity:

- Giant expansion and remodel
- Entire center renovation



Case Study: Saratoga
Action Plan and Bottom Line

- Finalize Giant lease amendment
  - Market rent on expansion space
  - Giant to complete interior remodel and pay for own building and facade
- Negotiate Subway relocation

Newer center, larger grocer drives more traffic - higher rents, increased NOI

Case Study: Pleasant Hill

Pleasant Hill Shopping Center – San Francisco Bay Area

- Anchored by Target, Marshalls, Toys 'R' Us and Barnes & Noble
- Located at a major intersection, great visibility from the highway, traffic count of over 56,000 cars/day
- Strong demographics: average HH income of US$85,000, population density of 232,282 (5 mile radius)[1]

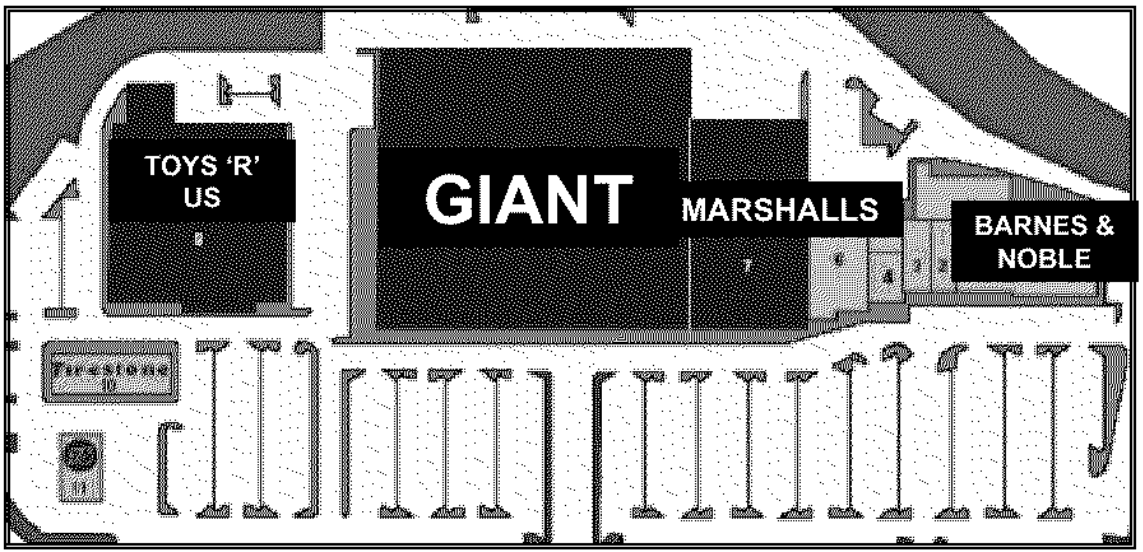
Major Opportunity: *expiring leases, below-market rents*

- All major leases expire in November 2009 with below-market rents and no options to renew
- Most small shop space up for renewal in 2006 & 2007 and are US$6.00-$10.00 / sq ft below market rents
- Multiple options to re-merchandise tenant mix and maximize cash flow

1. Source: Claritas

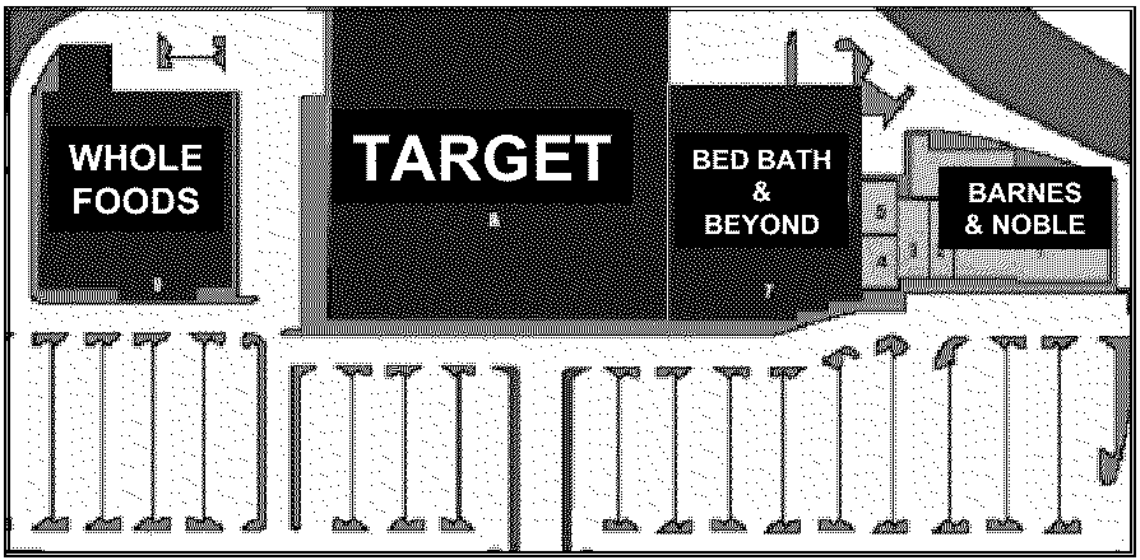
Case Study: Pleasant Hill
Current Status

- Target and Barnes & Noble integral to center
- Flexibility with Marshalls, Toys ‘R’ Us and pads
- Great grocer location
  - No Whole Foods in the market, Safeway’s store outdated



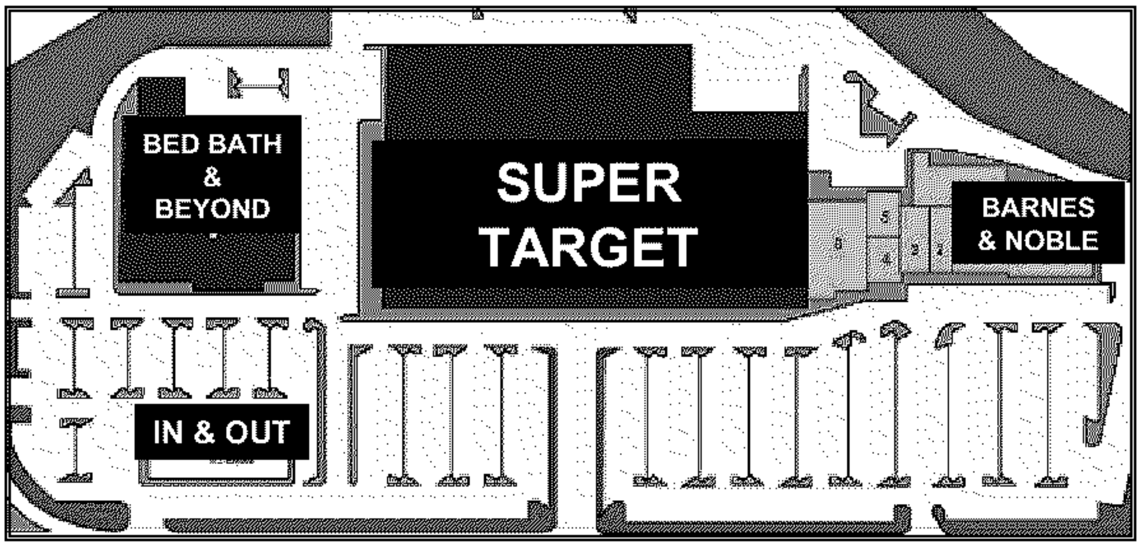
Case Study: Pleasant Hill
Scenario A:

- Replace Toys 'R' Us with a high-volume specialty grocer, upgrade Marshalls with a stronger traffic-driving retailer such as Bed Bath & Beyond
- Demolish Firestone and Union Gas pads to expand parking



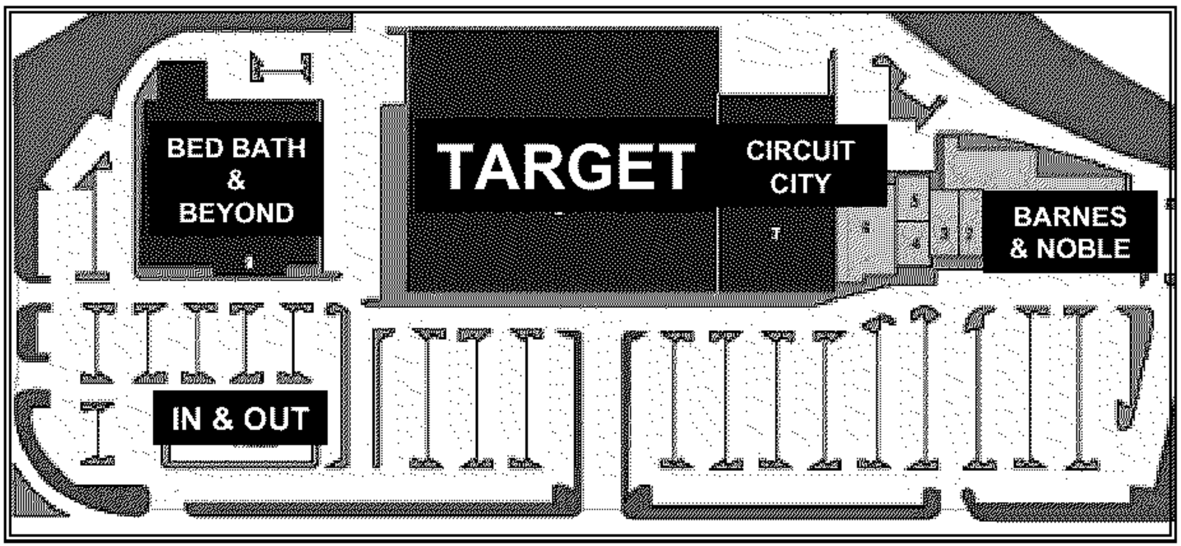
Case Study: Pleasant Hill
Scenario B:

- Target expands into Marshalls space with grocery concept
- Re-tenant Toys 'R' Us building with stronger traffic-driving retailer such as Bed Bath & Beyond or Circuit City
- Replace Firestone and Union Gas pads with high rent paying fast food concept



Case Study: Pleasant Hill
Scenario C:

- Re-tenant Toys 'R' Us building with stronger traffic-driving retailer such as Bed Bath & Beyond.
- Re-tenant Marshall's space with Circuit City
- Replace Firestone and Union Gas pads with high rent paying fast food concept

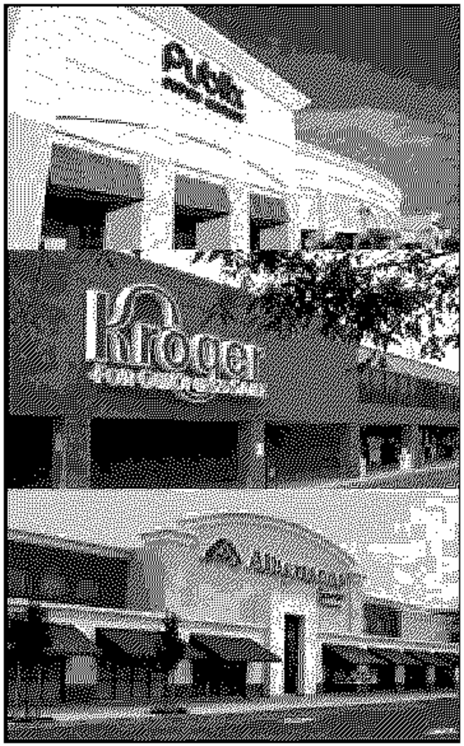


Case Study: Pleasant Hill
Action Plan and Bottom Line

- Renew Target early to secure as long-term anchor tenant and boost current cash flow
- Negotiate re-development rights with Target as part of early renewal
- Renew existing shop tenants at market rents with Landlord redevelopment rights
- Potential to renew Barnes & Noble early
- Commence marketing and redevelopment plan for 2009

We expect NOI to <u>more than</u> double over the next five years

MCW Post First Washington



Shoppes of Pebblebrook, FL;
Woodstock Crossing, GA;
El Cerrito, CA

- Increased portfolio quality
  - Premier portfolios – Aus, US and NZ
- Greater anchor tenant diversification
- Stronger property NOI growth potential
- Average FX income hedging rate increase from 61 cents to 71 cents (100% for 5 years, 75% years 6 and 7)
- Capital investment hedged
- Secured Joint Venture relationship with Regency
- Major focus on consolidation and driving organic value from portfolios