

# Safestore the things you love

Safestore Holdings plc

Full Year Results to October 31, 2012

30 January 2013

safestore  
0800 44

**safestore**<sup>TM</sup>

0800

# Headlines

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Peter Gowers

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## Strategic progress and financial resilience in a year of change

- Revenue, RevPAF and store EBITDA growth
- Encouraging early results from the More Space strategy
- Impact of VAT is significant but to date within our initial estimates
- New store opening programme completed
  
- Group EBITDA slightly down to £50.3m as we invested behind the strategy
- EPRA cash tax EPS down 3.9% to 10.56 pence per share
- Final dividend increased by 7.0% to 3.80 pence per share
  
- Recommending conversion to REIT status from April 2013



## Conversion to REIT status

- Safestore has strong REIT characteristics
  - Property income business
  - Cash generative
  - Dividend paying
  - Steady growth potential from occupancy and rental increases
- REIT status has benefits to shareholders
  - Removes 'double tax' for shareholders
  - Reduces Corporation Tax and Capital Gains Tax liabilities in future
  - Improves free cash flow, earnings and comparability
- Timing is right
  - Organic growth strategy
  - Capital allowances coming to an end
  - REIT conversion charge abolished for new financial year

# Finance

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Richard Hodsden

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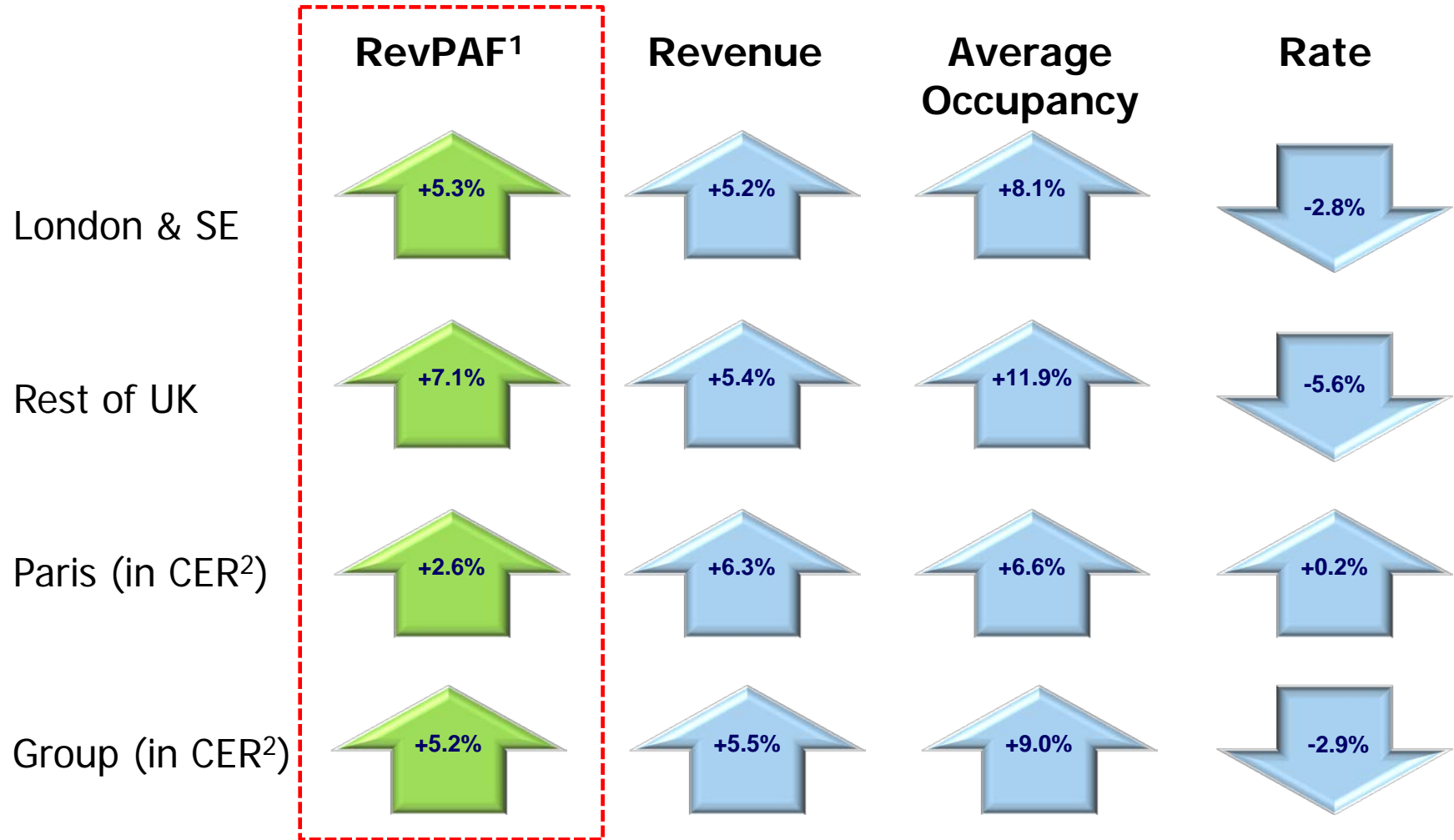
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# Our RevPAF focus has driven good trading progress

## Occupancy, rate, revenue performance change in constant currency

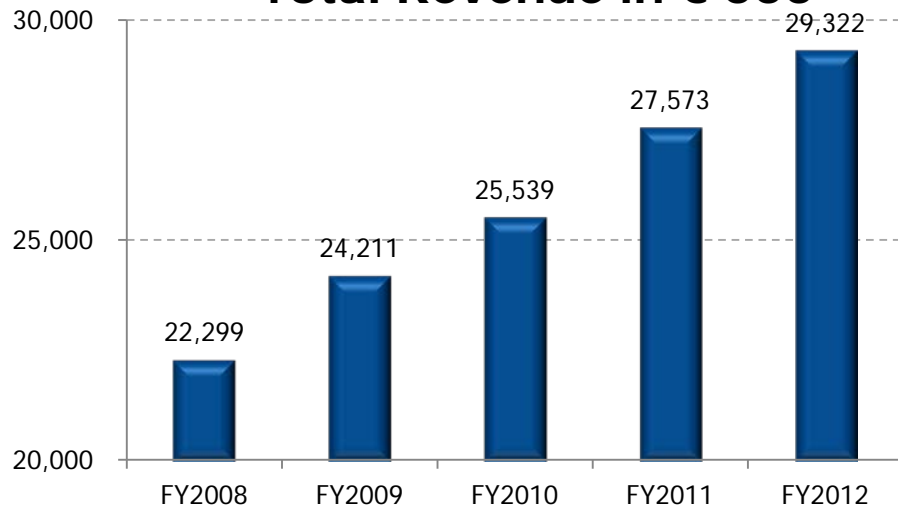


<sup>1</sup> RevPAF calculation excludes the five stores opened since 30 April 2011 <sup>2</sup> CER is Constant Exchange Rates

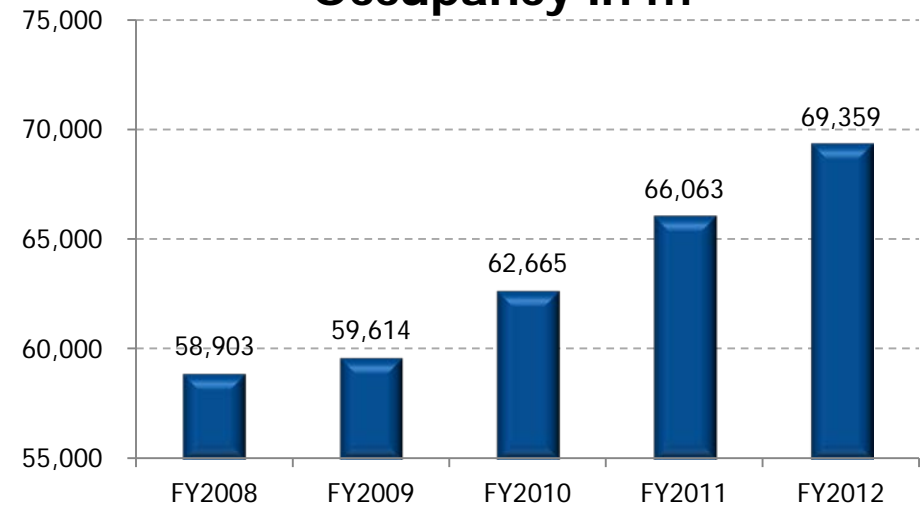


# France continued to perform well in constant currency terms

## Total Revenue in €'000

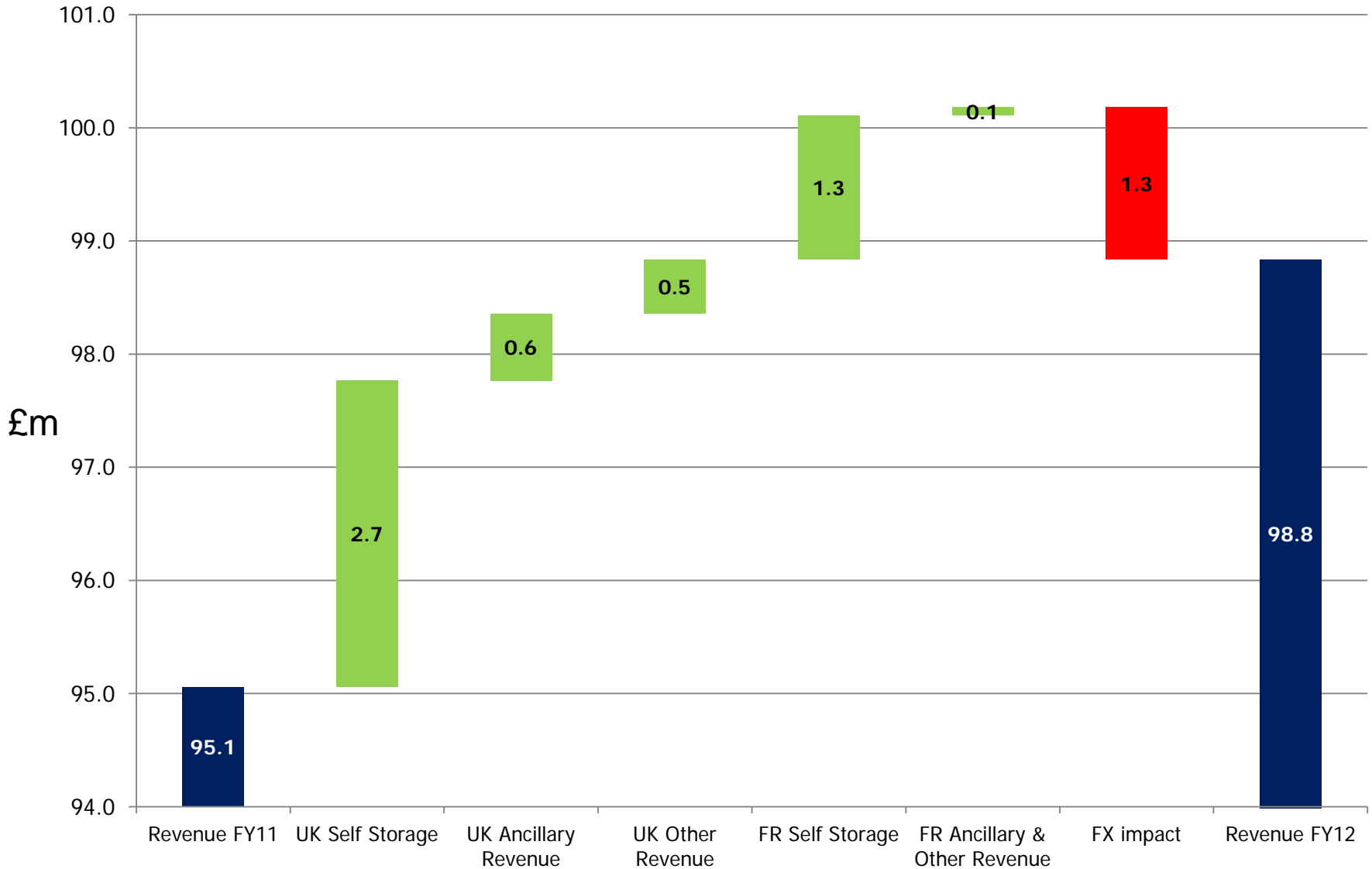


## Occupancy in m<sup>2</sup>



- Revenue up 6.3% on last year in CER
- Occupancy growth of 3,296m<sup>2</sup> or +5.0%
- Occupancy rate of 72% including new suburban stores
- Trading in new stores in line with managements expectations

# Constant currency revenue growth was moderated by weakening Euro exchange rates







## Underlying Cost of Sales were controlled

<b>Cost of Sales ("CoS")</b>	<b>FY12</b>	<b>FY11</b>	
	<b>£'000</b>	<b>£'000</b>	
Per Statutory Accounts	34,665	31,222	11.0%
Compensation for store closure last year		609	
<b>Adjusted CoS</b>	<b>34,665</b>	<b>31,831</b>	
<b>Adjusted CoS FY 2011</b>		<b>31,831</b>	
Strategic expenditure		363	
New store costs		1,170	
Other net cost increases		1,301	4.1%
<b>Cost of Sales FY 2012</b>		<b>34,665</b>	

- Strategic expenditure (mainly call centre costs) has increased by c £0.4m
- Costs associated with new stores not in the prior year income statement are almost £1.2m
- Underlying increases in like for like COS have been held at 4.1% year on year despite significant increases in utilities and property taxes

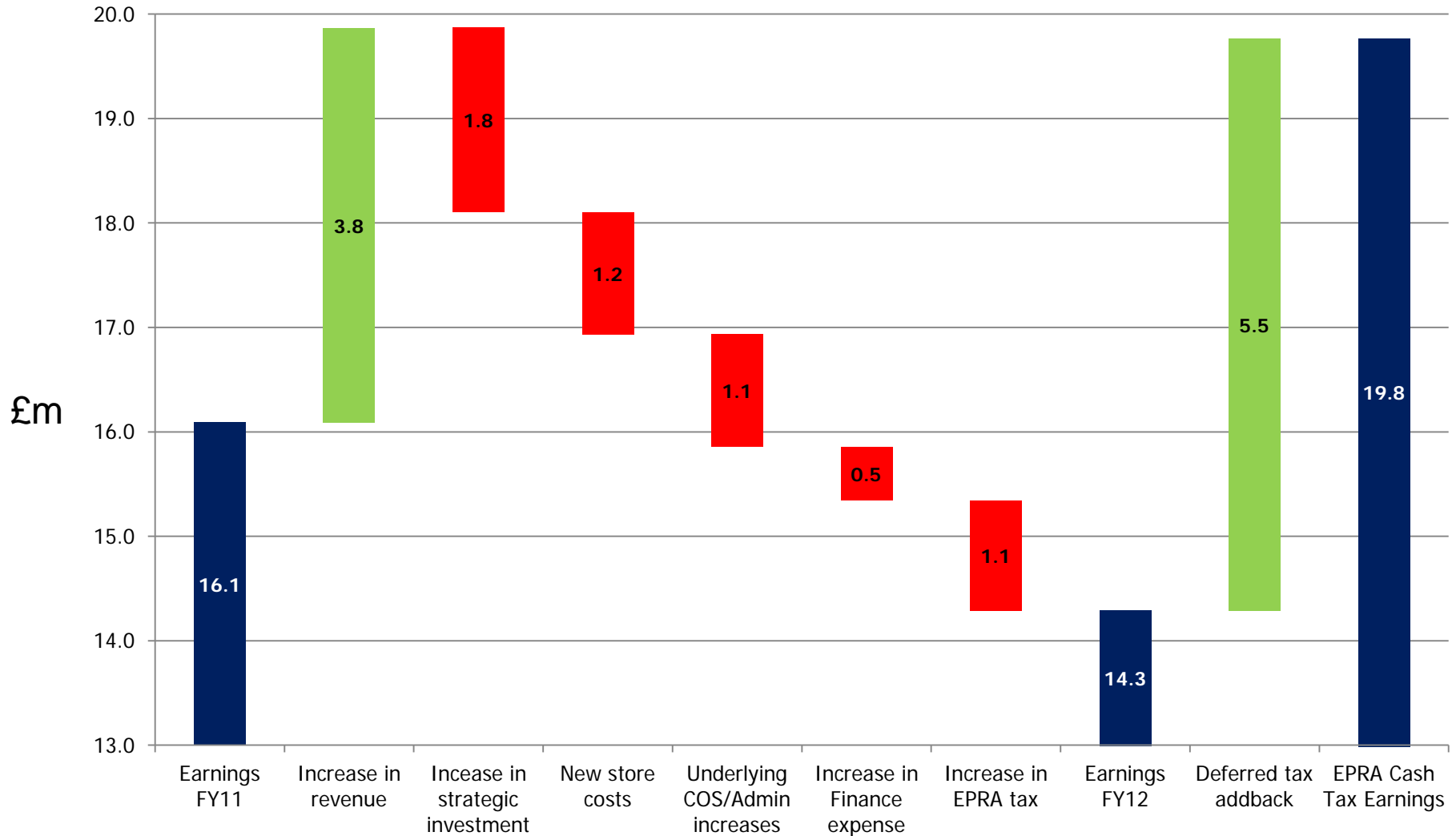


## Underlying administrative expenses were held just above inflation

<b>Administrative Costs</b>	<b>FY12</b>	<b>FY11</b>	
	<b>£'000</b>	<b>£'000</b>	
Per statutory Accounts	9,818	15,476	
Exceptionals, depreciation, contingent rent, movement in derivatives and asset impairments	4,056	(2,151)	
<b>Underlying Admin Costs</b>	<b>13,874</b>	<b>13,325</b>	<i>4.1%</i>
<b>Underlying Admin FY11 (from table above)</b>		<b>13,325</b>	
Strategic expenditure (incremental over last year)		1,403	
VAT release this year		(528)	
FX benefit including swaps		(744)	
Other net cost movements		418	<i>3.1%</i>
<b>Underlying Admin FY12</b>		<b>13,874</b>	

- Underlying Admin Costs have increased by 4.1% net of exceptional movements
- This increase is mainly driven by strategic investments in the year being netted off by a VAT provision release and a positive FX benefit which includes the impact of the currency swaps in the period

# EPRA Earnings were down largely as a result of strategic investment and the final new store opening costs





# Overall financial performance was resilient in a year of change

EPRA Adjusted Income Statement	Year ended 31 October 2012 (£m)	Year ended 31 October 2011 (£m)	Movement
<b>Revenue</b>	<b>98.8</b>	<b>95.1</b>	<b>+4.0%</b>
Operating expenses (excluding exceptionals)	(48.5)	(44.6)	-9.1%
<b>EBITDA before exceptional items and investment gain</b>	<b>50.3</b>	<b>50.5</b>	<b>-0.4%</b>
Depreciation & Contingent Rent	(1.2)	(0.8)	
<b>Operating profit before investment loss</b>	<b>49.1</b>	<b>49.7</b>	<b>-1.2%</b>
Investment loss	(4.3)	(5.5)	
<b>Operating profit</b>	<b>44.8</b>	<b>44.2</b>	<b>+0.6%</b>
Net financing costs (underlying)	(24.5)	(23.2)	-5.1%
<b>Profit before tax</b>	<b>20.2</b>	<b>21.0</b>	<b>-4.5%</b>
Income tax	(5.9)	(4.9)	-16.5%
<b>Profit for the year ("EPRA Earnings")</b>	<b>14.3</b>	<b>16.1</b>	<b>-10.9%</b>
<b>EPRA adjusted EPS</b>	<b>7.65p</b>	<b>8.58p</b>	<b>-10.9%</b>
<b>EPRA adjusted EPS (cash tax)</b>	<b>10.56p</b>	<b>10.99p</b>	<b>-3.9%</b>
<b>Total DPS</b>	<b>5.65p</b>	<b>5.30p</b>	<b>+6.6%</b>



## Operating cash flow remains strong

	Year ended 31 October 2012 (£m)	Year ended 31 October 2011 (£m)
Operating profit (including exceptional items but before investment loss)	54.4	48.4
Working capital, non-cash movements and exchange gains	(2.7)	(1.5)
<b>Operating cash flow</b>	<b>51.7</b>	<b>46.9</b>
<b>Non-discretionary cash flow</b>		
Maintenance capex (including branding & signage)	(6.3)	(5.1)
Net interest payments	(14.9)	(15.7)
UK GAAP rental payments	(10.8)	(11.0)
Tax payments	(0.8)	-
<b>Total non-discretionary cash flow</b>	<b>(32.8)</b>	<b>(31.8)</b>
<b>Discretionary cash flow</b>		
Expansion capex	(13.9)	(20.1)
Acquisition of freehold interest of leasehold store	-	(11.5)
Dividends paid	(10.1)	(9.4)
Net of New cash raised/Borrowings drawn/Refinancing Costs	(2.1)	25.0
<b>Total discretionary cash flow</b>	<b>(26.1)</b>	<b>(16.0)</b>
<b>Net decrease in cash</b>	<b>(7.2)</b>	<b>(0.9)</b>

# Property portfolio impacted by foreign exchange translation and VAT adjustment



	UK	France	Total	France (in Euro)
	£m	£m	£m	€m
<b>Value as at 1 November 2011</b>	<b>546.6</b>	<b>167.8</b>	<b>714.4</b>	<b>191.1</b>
New stores opened in year	14.1	10.5	24.6	12.9
FX movement		(14.0)	(14.0)	
Like for like stores revaluation	(39.2)	-	(39.2)	-
<b>Value as at 31 October 2012</b>	<b>521.5</b>	<b>164.3</b>	<b>685.8</b>	<b>204.1</b>

- Overall valuations have decreased by £28.6 million since October 11 and £4.6 million since April 12
- The majority of the valuation decrease is directly attributable to the impact of the implementation of VAT on self storage in the UK and adverse FX movements



## Full refinancing secured with extended maturities

New Facilities	Total Facility	Term	Drawn as at 31 October 2012
UK Term Facility (in £)	£230m	Aug 16	£230m
UK Revolver (in £)	£40m	Aug 16	£Nil
Bank debt (in €)	€70m	Aug 16	€53m
US Private Placement (7 year)	£43m	May 19	£43m
US Private Placement (12 year)	£30m	May 24	£30m
Total Facilities (in £ equivalent)	£400m		£344m

- Current blended interest rate of around 5.40%
- The UK Revolving facility was reduced from £40m to £30m with effect from January 2013



## Final dividend increased by 7%

	2008	2009	2010	2011	2012
Dividend	4.65p	4.65p	4.95p	5.30p	5.65p
EPRA adjusted EPS	8.32p	8.52p	8.19p	8.58p	7.65p
EPRA Adjusted EPS (cash tax)	10.07p	9.53p	10.72p	10.99p	10.56p
Dividend Cover (cash tax)	2.2x	2.0x	2.2x	2.1x	1.87x

- Progressive dividend policy remains in force - growing dividend broadly in line with earnings over the economic cycle while maintaining appropriate dividend cover





## Tax – Guidance on calculating tax going forward

	UK £'000	France £'000	Group £'000
UK tax removed as a REIT			
EPRA adjusted Profit before Tax	13,240	7,011	20,251
Cash Tax	-	(450)	(450)
EPRA Earnings (on a cash tax basis)	13,240	6,561	19,801
Deferred Tax	(3,575)	(1,893)	(5,468)
EPRA adjusted Earnings	9,666	4,667	14,333

- There is no cash tax in the UK in the current year but there is around £3.6 million of UK deferred tax which would be removed as a REIT.
- In France the EPRA tax charge will be 33.3% of the profit before tax split between cash and deferred tax
- In France companies are to be taxed on 50% of their assessable profits above €1m even if there are carry forward tax losses.
- FY2013 cash tax for France is expected to be around £750,000



## REIT status will remove considerable future UK tax liabilities

- UK property income (c.84% of UK revenue) will become exempt from corporation tax
- UK ancillary income remains taxable
- French property and ancillary income remains taxable
  
- EPRA tax charge for FY 2013 expected to fall from circa £5.5m to circa £2.5m
- As a REIT, the FY 2012 EPRA adjusted EPS would have been 9.55p compared to the reported 7.65p, an increase of 24.8%
  
- Requirement to pay 90% of all property income as dividend (PID)
- PID estimated at £4.8m on last full year results
- Current dividend of £10.5m already significantly exceeds PID



## Guidance on non-trading items

### Capex

- Maintenance capex expected to continue at £6m to £7m for the next two years and then revert to £4m to £5m ongoing
- Expansion capex expected to be restricted to new store fit outs only

### Interest

- Debt levels are not expected to move materially next year
- The blended interest rate is expected to be circa 5.4%

### EPRA Tax

- There should be no UK tax next year with the conversion to a REIT
- French cash tax is expected to increase to £750,000 next year
- French deferred tax expected to be around £1.75 million

# Strategy Update

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Peter Gowers

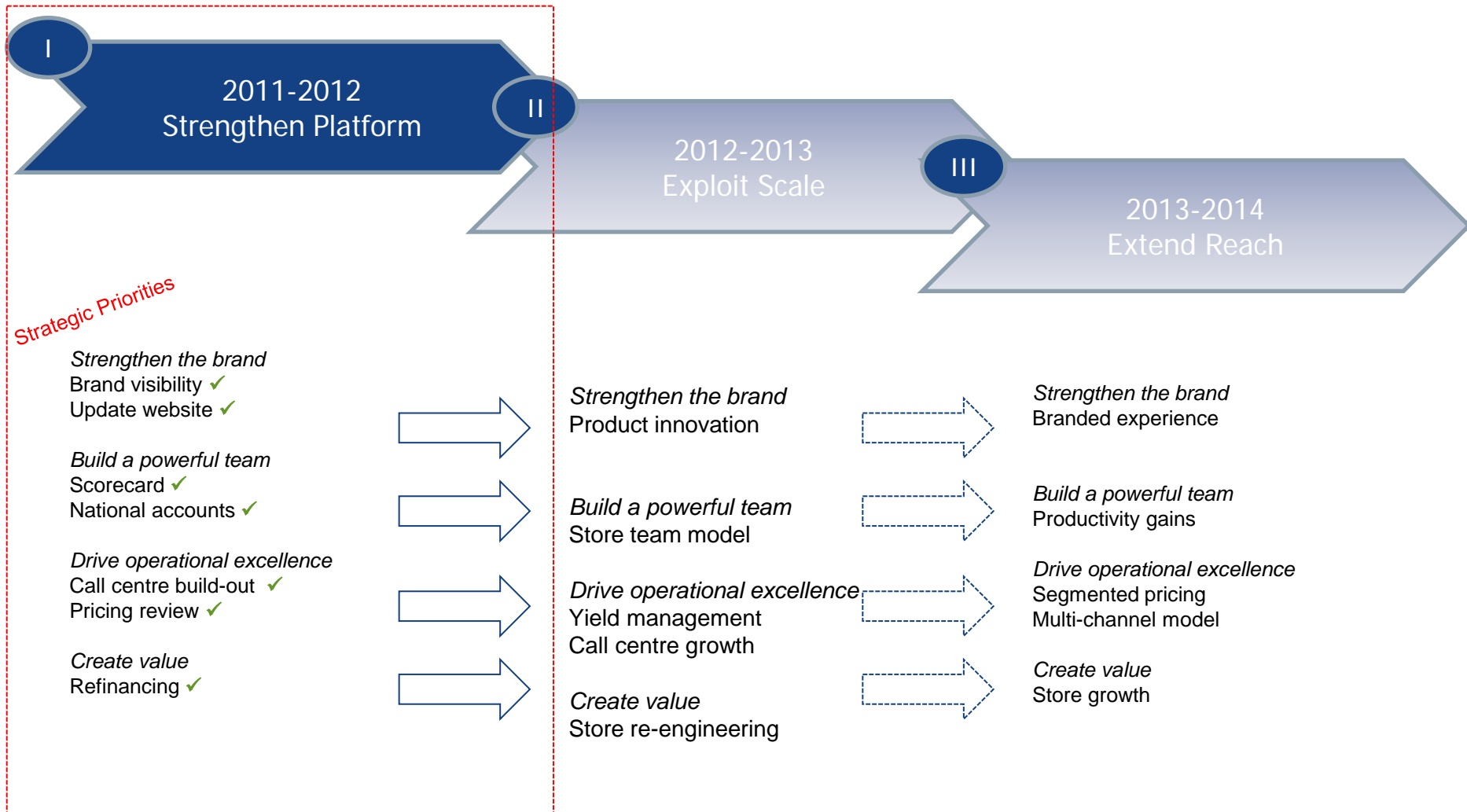
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# We have completed the first year of the 'More Space' strategy





- Focus on organic growth, through sales, marketing and pricing
- Aim to reach 75% occupancy at growing levels of RevPAF
- Use free cashflow to drive progressive dividend and debt reduction
- Conversion to a REIT following the completion of store roll-out programme



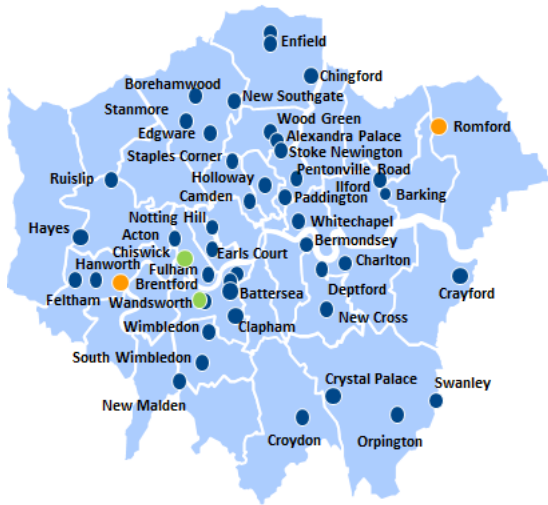
# More Space reflects the evolving self-storage market

	Used to be...	Trending to...
<b>Demand</b>	<p>Growth from new supply</p> <p><i>Personal Customers</i> Led by housing market Larger spaces, short-term stays</p>	<p>Growth from rising awareness</p> <p><i>Personal Customers</i> Fuelled by lifestyle need, rental market Smaller spaces, long-term stays</p> <p><i>Business Customers</i> E-tailers and Logistics</p>
<b>Drivers of Choice</b>	<p>Visibility of store</p>	<p>National sales Online presence</p>
<b>Pricing</b>	<p>Simple, single price with weeks-free discount offers, occupancy focus</p>	<p>Sophisticated, yield management, occupancy and RevPAF focus</p>
<b>Growth drivers</b>	<p>NAV growth from development gain on capital-led green field expansion</p>	<p>NAV growth from earnings driven by organic growth and consolidation</p>
<b>Supply</b>	<p>Fuelled by early stage of market and easy access to capital</p>	<p>Restricted by availability of sites and capital</p>



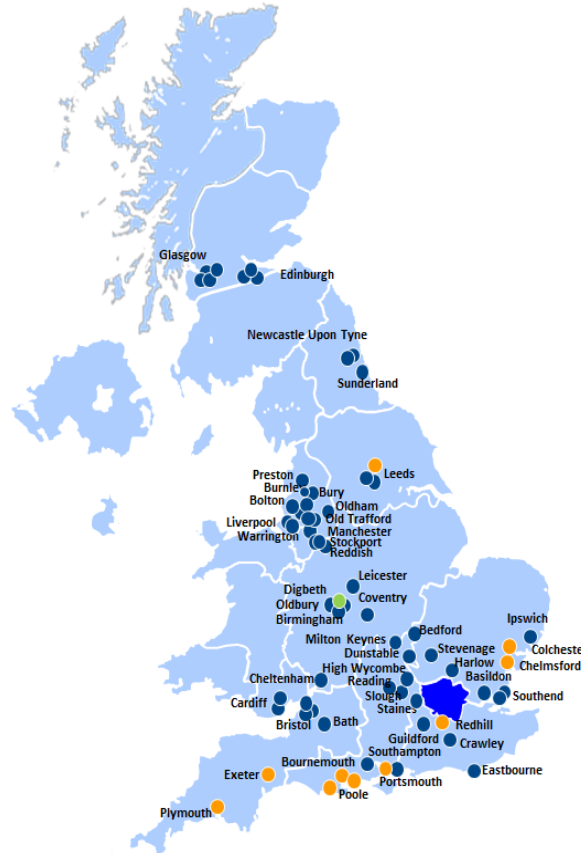
# More Space is underpinned by our market leadership position

High density...



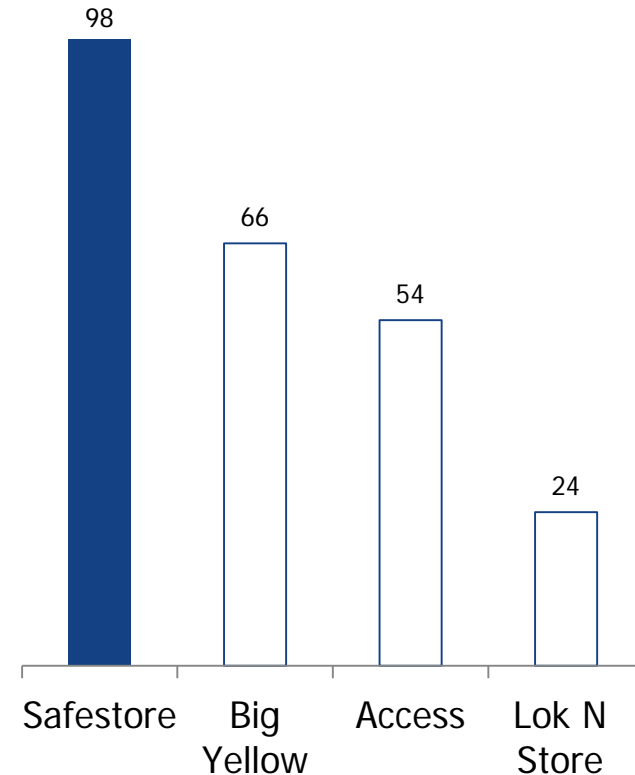
Optimises internet search costs and sales conversion

National UK network...



Opens up large business accounts

With scale to win .....



Source: Company websites



Spreads burden of fixed costs







## Work on our strategic priorities is strengthening performance

- **Strengthen the brand**
  - market leader already - improving brand visibility and awareness
- **Build the team**
  - experienced in self-storage – enhancing sales and marketing capabilities
- **Drive operational excellence**
  - good operators – driving mature stores growth through sales and pricing
- **Create Value**
  - strong portfolio – increasing asset management focus to drive value

# Brand – television trial and new website driving brand visibility



YouTube

Safestore - I Will Return - Safestore The Things You Love

1,102,068 views

London TV and >1 million web views

good start - almost trebling of low London awareness

helps name recognition on web searches





# Brand – awareness and new website helped drive enquiries up 14%

**safestore** Personal storage Business storage How much space do you need? 0800 444 800

**Safestore**  
the UK's number 1  
0800 444 800

Get a quick price

1. What type of storage do you need?  
Please select
2. How much space do you need?  
Please select [See size](#)
3. How long do you need it for?  
Enter time Weeks
4. Find your nearest store  
Your postcode / location  
[Get a quote](#)

Find a store  
Your postcode / location  
See all London stores  
See all locations

Over 100 stores nationwide

**TESCO CLUBCARD** We accept Tesco Clubcard Tokens [See more](#)

**Safestore price promise** We guarantee we'll always match our competitors' prices [Find out more](#)

Self storage with Safestore

As the UK's largest provider of self storage with over 100 centres in London and nationwide, you can rest assured that there is a Safestore near you.

Each store has available a variety of units for your every need, ready to be moved into today for as long as you require. This ensures that you have the right storage space and only pay for the self storage unit you need. [Read more...](#)



enquiries up 14% on prior year  
80% of all enquiries now originate via web  
now focusing on improving quality





- Business customers in total now account for more than half our occupied space
- Strategic investment into building national accounts team in 2012
- National accounts occupancy up 43% on prior year to >200,000 sq ft
- National network matters - 76% of national accounts occupancy is outside London





## Team – targeted investment in call centre helped drive sales



### UK Call Centre

Supports toll-free calls

Rapid response out of hours

Handled c.30,000 enquiries

Sold almost 400,000 sq.ft during the year



## Operations – building on last year's record occupancy

- Entered year with record occupancy
- H1 continued occupancy focus, H2 was more rate-led
- Maintained occupancy growth in run-up to VAT imposition
- Revenues and Store EBITDA up
- Opportunity remains to grow occupancy



## Value – asset management beginning to drive savings and value

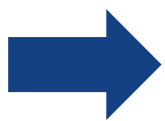
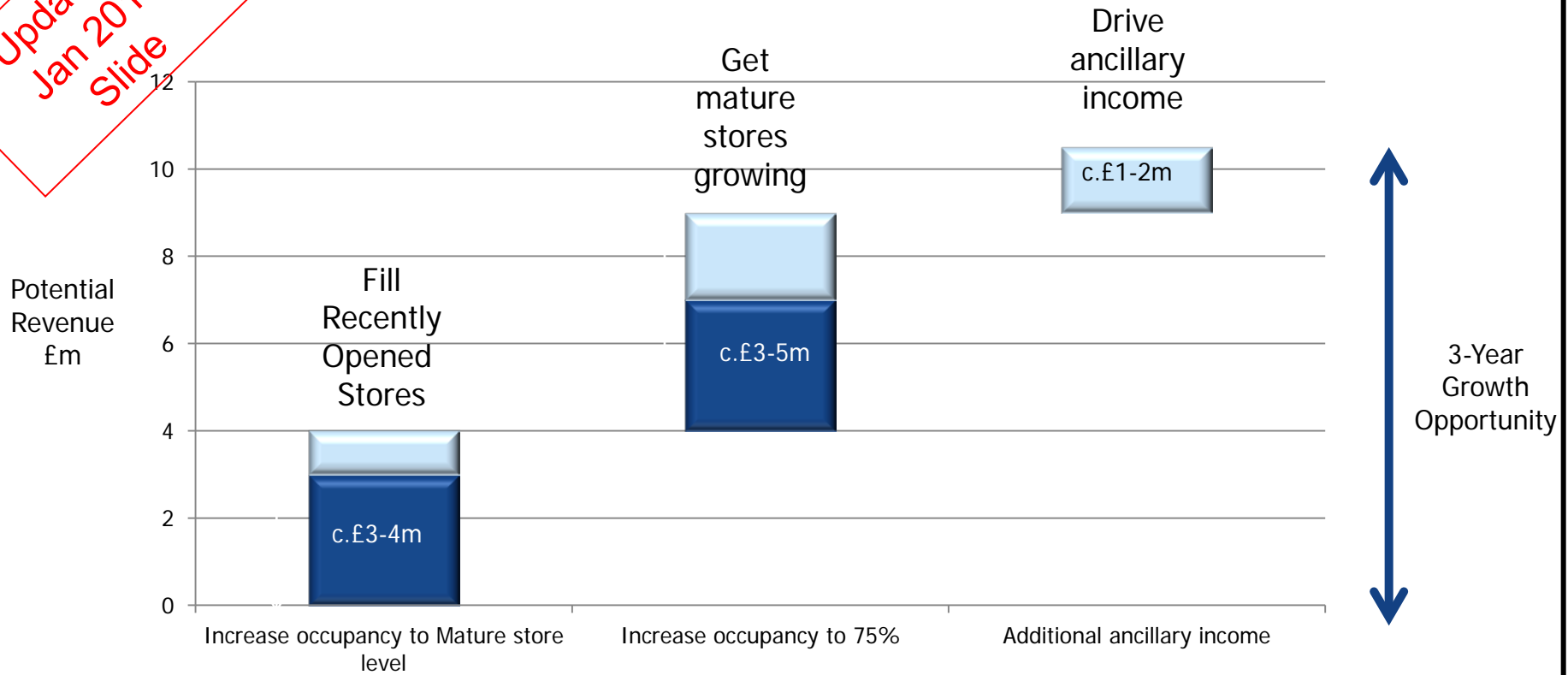
- Lease improvements
  - Sunderland
  - New Malden
  - Hanworth
  - Croydon
- Letting of under-utilised space
- Extending planning adds value to asset base
  - Notting Hill permanent consent enhances value from January 2012



# Early days in our plan – operational progress is on-track

Update to Jan 2012 Slide

### Illustrative incremental revenue potential from operational gearing



Non-mature stores<sup>1</sup> occupancy was 52% last year now at 59%

Mature stores<sup>2</sup> occupancy was 69% last year now at 67%

Ancillary income up 4.4%



<sup>1</sup> Same stores basis <sup>2</sup> Mature stores are the 84 stores which have been open for more than five financial years





## VAT impact to date remains in line with our initial estimates

- Full 20% VAT now charged on all UK self-storage rentals
- Safestore strategy
  - Pass on VAT where possible and only discount selectively
- Changes observed to date
  - We estimate c.51,000 square feet vacated as a direct result of VAT
  - Overall UK rate for the full year was down 4.0% on prior year
  - Vacates now returned to more normal level but rate remains down
- First few months impact remains in line with initial estimates
  - Lower occupancy than prior year
  - Lower rate
  - Partially offset by annual reclaim of c.£3m in VAT on leases and other costs



## Outlook for 2012-2013

- Trading conditions expected to remain challenging
  - Underlying self-storage demand is solid
  - VAT impact remains within initial estimates but will continue to impact us
  - Solid demand in Paris with personal growth ahead of business
  - Expecting slightly lower sales than the prior year
- Cost efficiency programme already underway to mitigate revenue pressure
- Expect similar overall performance to prior year



## Summary – strong business with attractive prospects

- Strong industry fundamentals
  - Growing awareness and demand
  - Modest supply growth
- Safestore the market leader in the UK and Paris with scale to win
- Clear strategy in place – now focusing on execution to drive organic growth
- Long term funding secured
- Immediate benefits from REIT conversion



safestore



Reception





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search safestore online

# Appendices

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# Portfolio summary under IFRS

	Full Year ended 31 October 2012					Full Year ended 31 October 2011				
	Developing (Sq ft '000)	Established (Sq ft '000)	Mature (Sq ft '000)	Large (Sq ft '000)	Total (Sq ft '000)	Developing (Sq ft '000)	Established (Sq ft '000)	Mature (Sq ft '000)	Large (Sq ft '000)	Total (Sq ft '000)
Number of Stores	11	20	84	8	<b>123</b>	12	18	81	8	<b>119</b>
MLA (self storage only)	510	925	3,069	642	<b>5,146</b>	581	814	2,970	641	<b>5,006</b>
Occupancy (self storage only)	248	499	2,065	473	<b>3,285</b>	270	469	2,040	431	<b>3,209</b>
Occupancy (%age)	49%	54%	67%	74%	<b>64%</b>	46%	58%	69%	67%	<b>64%</b>
<b>For twelve months to Oct.</b>										
Average rate (per sq ft)	19.47	22.01	27.53	17.97	<b>24.91</b>	21.12	23.67	28.68	19.65	<b>26.11</b>
Total RevPAF	9.91	14.25	23.36	14.70	<b>19.41</b>	8.41	14.22	23.35	14.42	<b>18.99</b>
	£'000	£'000	£'000	£'000	<b>£'000</b>	£'000	£'000	£'000	£'000	<b>£'000</b>
Self storage income	3,740	10,641	57,671	7,834	<b>79,886</b>	3,921	9,491	56,981	7,815	<b>78,208</b>
Ancillary income	777	2,197	9,667	1,160	<b>13,801</b>	927	1,865	9,295	1,149	<b>13,236</b>
Other income	41	387	4,278	443	<b>5,149</b>	39	227	3,075	274	<b>3,615</b>
<b>Total Income</b>	<b>4,558</b>	<b>13,225</b>	<b>71,616</b>	<b>9,437</b>	<b>98,836</b>	<b>4,887</b>	<b>11,583</b>	<b>69,351</b>	<b>9,238</b>	<b>95,059</b>
<b>Store EBITDA (IFRS)</b>	<b>1,588</b>	<b>7,113</b>	<b>46,140</b>	<b>6,312</b>	<b>61,153</b>	<b>1,685</b>	<b>6,218</b>	<b>45,700</b>	<b>6,238</b>	<b>59,841</b>
<i>Store EBITDA margin (%age)</i>	35%	54%	64%	67%	<b>62%</b>	34%	54%	66%	68%	<b>63%</b>
Central overhead allocation	501	1,453	7,865	1,037	<b>10,856</b>	480	1,137	6,806	907	<b>9,329</b>
<b>Store Net Operating Income</b>	<b>1,087</b>	<b>5,660</b>	<b>38,275</b>	<b>5,275</b>	<b>50,297</b>	<b>1,206</b>	<b>5,081</b>	<b>38,894</b>	<b>5,331</b>	<b>50,512</b>
<i>NOI margin (%age)</i>	24%	43%	53%	56%	<b>51%</b>	25%	44%	56%	58%	<b>53%</b>
Rent Charge	107	1,429	9,001	215	<b>10,752</b>	218	1,944	8,946	218	<b>11,326</b>
<b>UK GAAP EBITDA</b>	<b>980</b>	<b>4,231</b>	<b>29,274</b>	<b>5,060</b>	<b>39,545</b>	<b>988</b>	<b>3,137</b>	<b>29,948</b>	<b>5,113</b>	<b>39,186</b>

# Portfolio summary split between freehold & leasehold

Version 4



	October – 2012						October - 2011					
	UK		France		Group		UK		France		Group	
	Freehold	Leasehold	Freehold	Leasehold	Freehold	Leasehold	Freehold	Leasehold	Freehold	Leasehold	Freehold	Leasehold
Number of Stores	65	33	12	13	77	46	62	34	10	13	72	47
Self storage income	37,382	20,428	9,145	12,931	46,527	33,359	34,196	21,444	8,461	13,696	42,657	35,141
Ancillary income	7,805	3,749	1,010	1,237	8,815	4,986	6,913	3,935	975	1,337	7,889	5,272
Other income	3,879	900	90	280	3,969	1,180	3,141	763	55	143	3,196	906
<b>Total Income</b>	<b>49,066</b>	<b>25,077</b>	<b>10,245</b>	<b>14,448</b>	<b>59,311</b>	<b>39,525</b>	<b>44,250</b>	<b>26,143</b>	<b>9,491</b>	<b>15,176</b>	<b>53,741</b>	<b>41,319</b>
Store EBITDA (IFRS)	29,248	14,972	6,929	10,004	36,177	24,976	26,520	15,795	6,712	10,816	33,232	26,611
Central overhead allocation	5,698	2,912	932	1,314	6,630	4,226	4,264	2,519	980	1,566	5,244	4,085
Net Operating Income	23,550	12,060	5,997	8,690	29,547	20,750	22,256	13,275	5,732	9,250	27,988	22,525
<i>NOI margin (%age)</i>	48%	48%	59%	60%	50%	52%	50%	51%	60%	61%	52%	55%
Rent Charge		6,228		4,524		10,752		6,992		4,334		11,326
UK GAAP EBITDA	23,550	5,832	5,997	4,166	29,547	9,998	22,256	6,283	5,732	4,916	27,988	11,199
UK GAAP EBITDA <i>margin (%age)</i>	48%	21%	59%	29%	50%	24%	50%	24%	60%	32%	52%	27%





# New banking facilities

Net Debt Position	Year ended 31 October 2012 (£m)	Year ended 31 October 2011 (£m)
Available facilities at the reporting date*	398.0	385.1
Total bank borrowings (gross of FRS 4 Adjustment)	344	341.3
Cash	(6.9)	(14.7)
Net debt	337.1	326.6

\* €70m facility translated at €1.2424:£1 (31 October 2011 €40m at 1.1391:£1)

## New Covenants

Interest Cover Ratio		Loan to Value	
Consolidated level		Sterling Loan to Value	
Quarterly to Apr 2013	Not less than 1.80:1	Quarterly to 31 Jan 2014	Not more than 0.625:1
Quarterly to Apr 2014	Not less than 2.00:1	Thereafter	Not more than 0.60:1
Quarterly to Apr 2015	Not less than 2.20:1		
Quarterly to Jan 2016	Not less than 2.40:1	Euro Loan to Value	
Thereafter	Not less than 2.75:1	At any time	Not more than 0.60:1

Completed £400m refinancing in May 2012 with bank facilities to June 2016 of £270m and €70m, and \$115m US private placement maturing in May 2019(\$67m) and 2024 (\$48m).

# The group has hedged approximately two-thirds of its French profit exposure and partially mitigated the negative currency impact



<b>Actual</b>	<b>€ cover €'000</b>	<b>Swapped Rate €</b>	<b>Actual Rate €</b>	<b>Gain/(loss) £'000</b>
H1 FY12	5,500	1.1545	1.1937	156
H2 FY12	5,500	1.1545	1.2543	379
<b>Total</b>	<b>11,000</b>			<b>535</b>
<b>Future</b>	<b>€ cover €'000</b>	<b>Swapped Rate €</b>		
H1 FY13	6,000	1.1392		
H2 FY13	4,500	1.2393		
H1 FY14	5,250	1.2364		
H2 FY14	5,250	1.2350		
H1 FY15	6,000	1.2346		
H2 FY15	6,000	1.2341		

- Hedging is in place to April 2015 through average rate forward contracts
- Approximately two-thirds of expected French profits have been hedged
- Currency hedging paid £0.5m to Safestore in FY12 partially mitigating FX losses



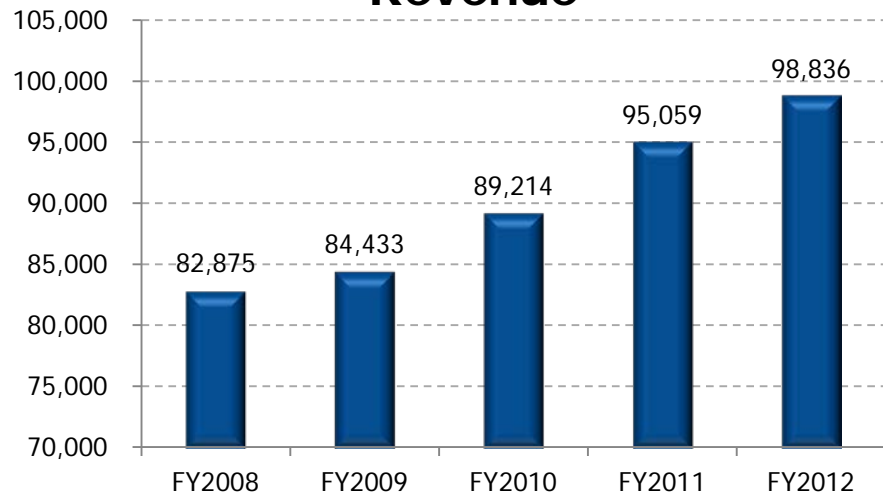
## Exceptional items (Operation and Financial)

<b>Exceptional Items included in Administrative Costs</b>	<b>£'000</b>
Insurance Proceeds (net of fees)	5,260
REIT costs	(46)
Restructuring Costs	(165)
VAT related costs	(175)
<b>Total Exceptional Items in Administrative Costs</b>	<b>4,875</b>
<b>Exceptional Items included in Finance Costs</b>	<b>£'000</b>
Total Fees relating to refinancing the bank debt (not the USPP)	(8,274)
FRS4 costs write off on extinguished loan	(1,694)
<b>Total Exceptional items in Finance Expenses</b>	<b>(9,968)</b>

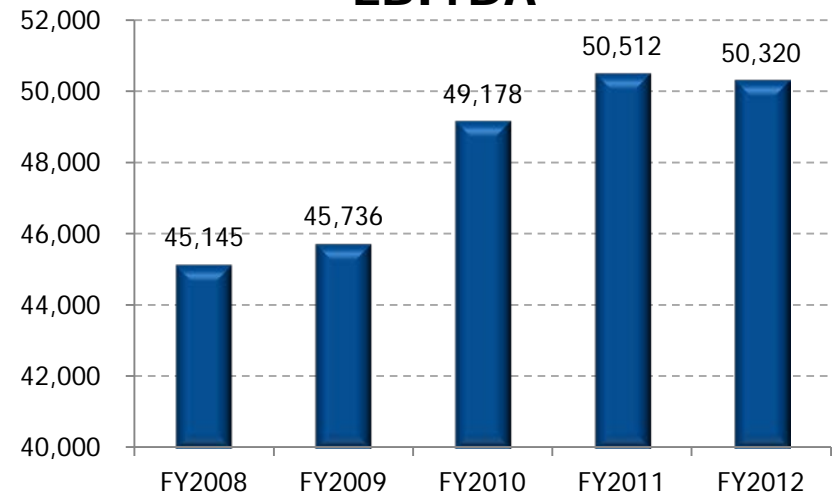
- Exceptional items in Finance Costs all relate to the refinancing in May 2012.
- Under IAS39 we have had to write off the costs carried forward on the previous facilities and the costs associated with raising the new bank facilities.
- FRS4 costs in the future will be c.£0.1m on the USPP only



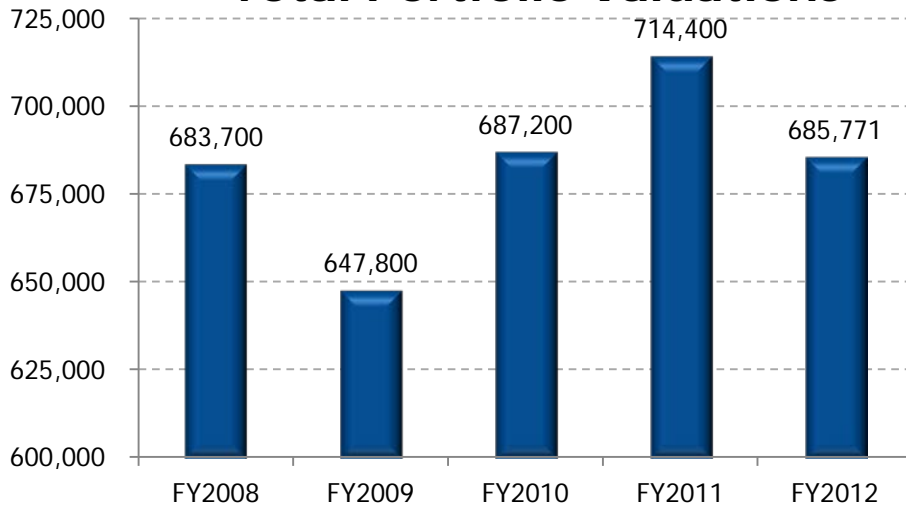
## Revenue



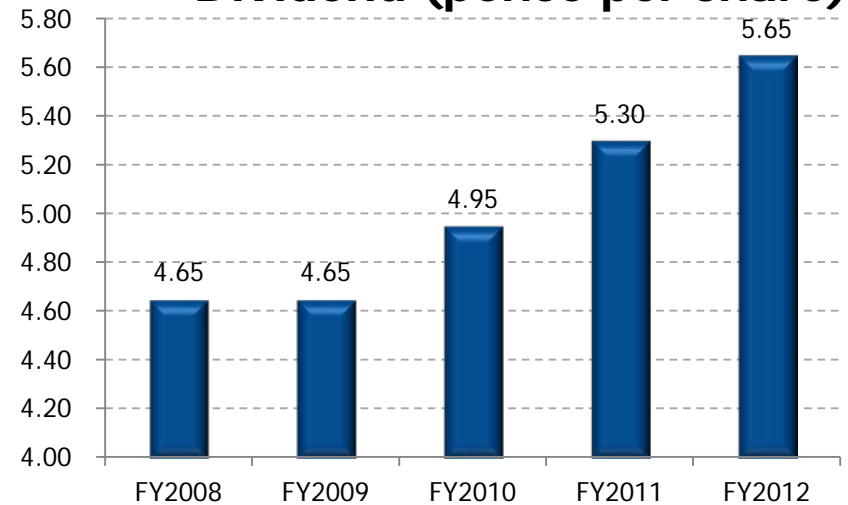
## EBITDA



## Total Portfolio Valuations



## Dividend (pence per share)



# Strategic investments having positive impact on revenue but not yet fully feeding through to improved EBITDA performance



Summary IFRS income statement	Year ended 31 October 2012 (£m)	Year ended 31 October 2011 (£m)	Movement
Revenue	98.8	95.1	+4.0%
Operating expenses (excluding exceptionals)	(48.5)	(44.6)	
<b>EBITDA before exceptional items and investment gain</b>	<b>50.3</b>	<b>50.5</b>	<b>-0.4%</b>
Depreciation & Contingent Rent	(1.2)	(0.8)	
Operational derivative movements	0.3	-	
Exceptional item, Gain on asset sales, CEO change and Impairment of French Assets	4.9	(1.3)	
<b>Operating profit before investment loss</b>	<b>54.3</b>	<b>48.4</b>	<b>+12.4%</b>
Investment loss	(37.5)	(18.4)	
<b>Operating (loss)/profit</b>	<b>16.8</b>	<b>29.9</b>	<b>-43.8%</b>
Net financing costs (underlying)	(24.5)	(23.2)	
Derivative movements, exceptional/One-off financing & hedging	(11.8)	1.8	
<b>(Loss)/profit before tax</b>	<b>(19.5)</b>	<b>8.5</b>	
Income tax	11.7	4.5	
<b>(Loss)/profit for the year ("Earnings")</b>	<b>(7.8)</b>	<b>13.0</b>	
<b>Adjusted EPRA EPS*</b>	<b>7.65p</b>	<b>8.58p</b>	<b>-10.9%</b>
<b>Adjusted EPRA EPS (cash tax only)</b>	<b>10.56p</b>	<b>10.99p</b>	<b>-3.9%</b>
<b>DPS</b>	<b>5.65p</b>	<b>5.30p</b>	<b>+6.6%</b>



## Property valuation metrics reflect economic conditions

Key variables	October 2012	April 2012	October 2011
Average Self Storage Rate per Sq Ft	£24.91	£25.09	£26.11
Exit Cap Rate	7.85%	7.84%	7.83%
Weighted average stabilised occupancy	78.28%	78.80%	78.72%
Stabilised Occupancy in Sq Ft	4.03m	4.03m	4.02m
Average number of months to stabilised occupancy	39	36	32

- The average self storage rental rate is down 4.6% on last year reflecting the impact of VAT in the UK and adverse FX movements
- Exit cap rate broadly unchanged
- Weighted average stabilised occupancy is broadly unchanged
- Average time to stabilisation increased by 7 months since October 2011



# Summary IFRS balance sheet

	As at 31 October 2012 (£m)	As at 31 October 2011 (£m)
<b>Assets</b>		
Non-current assets		
Investment properties	685	714
Development properties	5	15
Other non-current assets	69	72
<b>Non-current assets</b>	<b>759</b>	<b>801</b>
<b>Current assets</b>	<b>34</b>	<b>32</b>
<b>Liabilities</b>		
<b>Current liabilities</b>	<b>(44)</b>	<b>(55)</b>
<b>Non-current liabilities</b>		
Bank borrowings	(343)	(327)
Deferred tax liabilities	(101)	(117)
Obligations under finance leases	(49)	(52)
Other non-current liabilities	(13)	(7)
<b>Non-current liabilities</b>	<b>(506)</b>	<b>(503)</b>
<b>Net assets</b>	<b>243</b>	<b>275</b>
Adjusted EPRA NAV per share*	188.6p	211.3p

\* Adjusted NAV is after adding back the deferred tax on revaluation and excluding fair value adjustments for debt and related derivatives



# Four stores opened in FY 11-12 delivering over 186,000 sq ft of MLA

Pipeline store / site	Full planning	MLA sq ft	Opened / estimated opening
Stores opened in FY2012			
New Southgate	✓	48,000	Opened Nov 11
Gonesse (Paris)	✓	46,000	Opened Dec 11
Staines	✓	43,100	Opened Feb 2012
Vélizy (Paris )	✓	49,500	Opened Jul 2012
Total sq ft added in FY		<b>186,600</b>	
Development stores acquired / under contract			
Chiswick	✓	43,500	
Wandsworth *	✓	23,300	
Birmingham *	✓	15,100	
Total sq ft in pipeline		<b>81,900</b>	

- Pipeline of three expansion stores totalling 81,900 sq ft of MLA. Of these:
  - Two are freehold, one (Birmingham) is long leasehold
  - Four stores, Gonesse & Vélizy in Paris, New Southgate London and Staines Surrey opened in FY 11-12
  - Of the remaining three pipeline sites all have been acquired and have planning permission. Two are relocations of existing stores

- Number of trading stores at 31 October 12 was 98 in the UK and 25 in Paris. Pipeline sites will increase the store portfolio by 1 store to 124

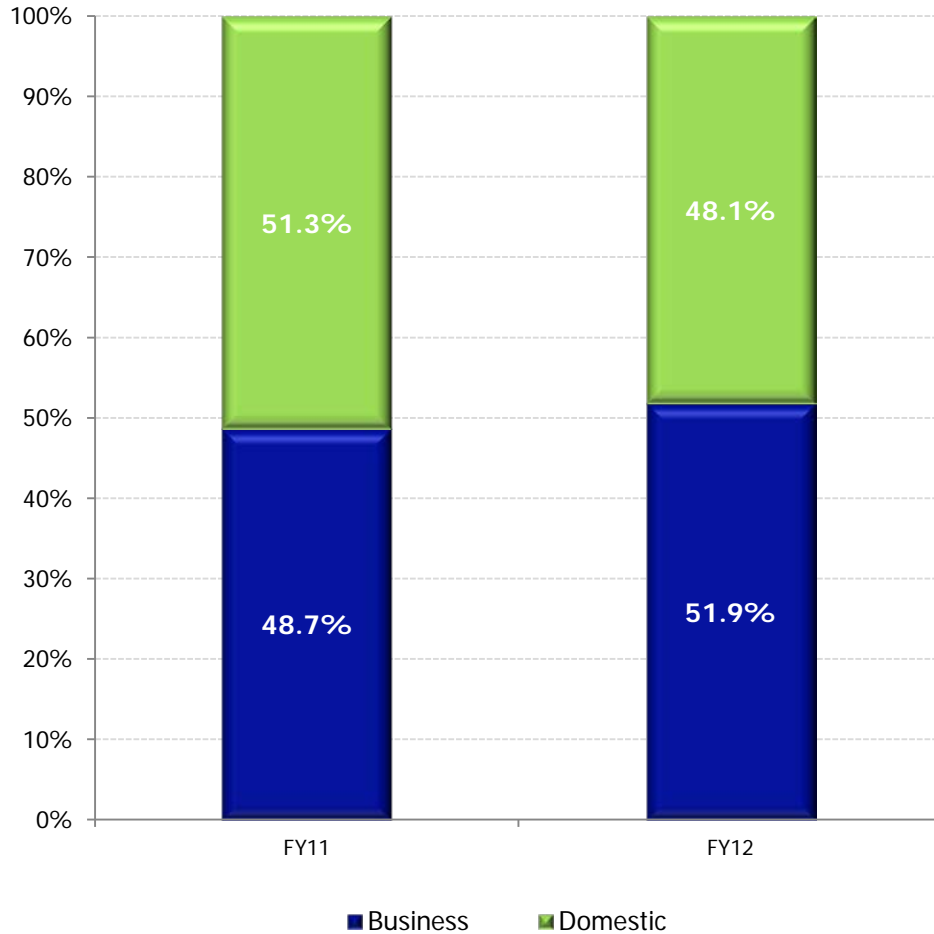
- Associated Capex for UK of £20.8m (inc VAT) of which £7.44m (inc VAT) has been spent as at 31 October 2012

\* Replacement stores - the sq ft noted is the approximate net additional space added

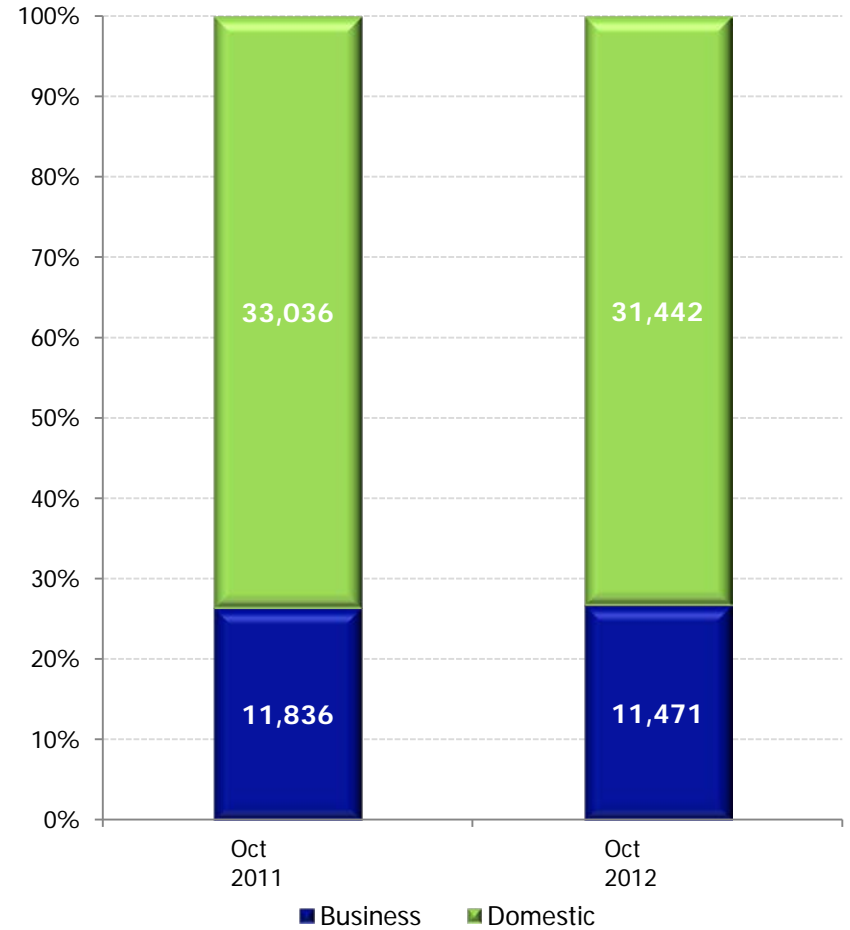




## Occupancy



## Number



Excluding La Défense  
 Domestic includes students  
 Unless otherwise stated comparisons are to H1 2011



# Customer average length of stay - Group

Age of Store		< 1 year		1-2 Years		2-5 Years		> 5 Years		Portfolio at October 2012		Portfolio at Oct 2011	
Nº of Stores		4		4		19		94		121		117	
		(wks)	(mths)	(wks)	(mths)	(wks)	(mths)	(wks)	(mths)	(wks)	(mths)	(wks)	(mths)
Business	Existing	20	4.6	49	11.4	69	15.8	137	31.7	123	28.5	121	27.8
	Vacated	11	2.5	17	4.0	27	6.2	49	11.2	47	10.9	46	10.7
	Total	18	4.0	32	7.5	39	8.9	57	13.2	56	12.9	55	12.8
Personal	Existing	17	4.0	35	8.0	53	12.1	107	24.8	93	21.4	87	20.0
	Vacated	10	2.2	17	3.8	21	4.8	33	7.6	32	7.3	31	7.3
	Total	14	3.3	23	5.2	26	6.0	38	8.7	37	8.5	37	8.4
All	Existing	18	4.1	37	8.5	58	13.5	117	27.0	101	23.4	96	22.2
	Vacated	10	2.3	17	3.8	22	5.2	36	8.4	35	8.1	35	8.0
	Total	15	3.4	24	5.5	29	6.7	42	9.8	41	9.4	41	9.4



# Customer average length of stay in the UK

Age of Store		< 1 year		1-2 Years		2-5 Years		> 5 Years		Portfolio at October 2012		Portfolio at Oct 2011	
Nº of Stores		2		2		16		76		96		94	
		(wks)	(mths)	(wks)	(mths)	(wks)	(mths)	(wks)	(mths)	(wks)	(mths)	(wks)	(mths)
Business	Existing	23	5.4	62	14.2	71	16.3	133	30.7	121	27.9	119	27.4
	Vacated	12	2.8	21	4.8	26	6.1	46	10.6	45	10.3	44	10.1
	Total	20	4.5	39	9.0	38	8.8	53	12.3	52	12.1	52	11.9
Personal	Existing	18	4.3	39	8.9	55	12.6	96	22.2	87	20.0	79	18.3
	Vacated	10	2.3	18	4.0	22	5.0	30	6.9	29	6.7	29	6.7
	Total	14	3.2	23	5.4	26	6.1	34	7.8	33	7.7	33	7.6
All	Existing	20	4.5	44	10.1	54	12.5	108	25.0	97	22.3	90	20.9
	Vacated	10	2.4	18	4.1	20	4.7	34	7.8	33	7.5	32	7.5
	Total	15	3.4	26	5.9	26	6.1	39	8.9	38	8.7	37	8.6

Excluding: Queens Dock BC & Battersea BC

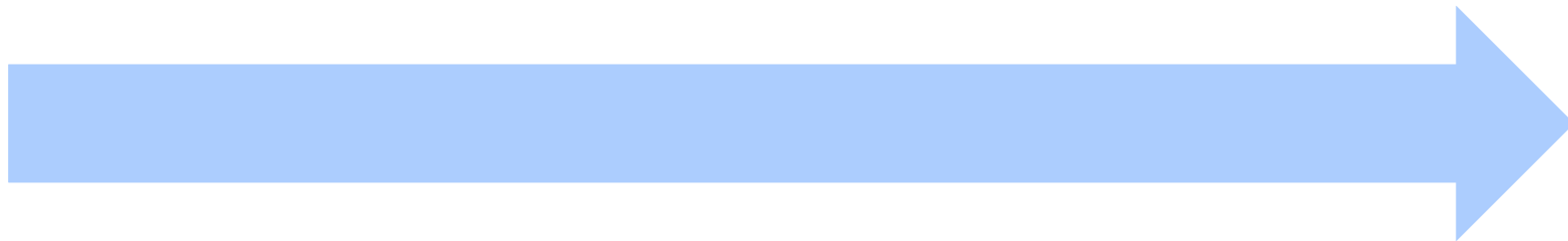




# Customer average length of stay in France

Age of Store		< 1 year		1-2 Years		2-5 Years		> 5 Years		Portfolio at October 2012		Portfolio at Oct 2011	
N° of Stores		2		2		3		18		25		23	
		(wks)	(mths)	(wks)	(mths)	(wks)	(mths)	(wks)	(mths)	(wks)	(mths)	(wks)	(mths)
Business	Existing	18	4.1	36	8.2	58	13.5	143	32.9	124	28.6	120	27.7
	Vacated	10	2.3	13	3.0	30	6.9	53	12.2	52	11.9	51	11.9
	Total	16	3.6	24	5.6	41	9.5	65	14.9	63	14.5	63	14.5
Personal	Existing	17	3.9	30	6.8	59	13.5	132	30.5	109	25.2	108	24.9
	Vacated	9	2.1	15	3.5	26	6.0	48	11.0	46	10.6	45	10.5
	Total	15	3.4	21	4.9	35	8.1	57	13.3	55	12.6	55	12.6
All	Existing	17	3.9	31	7.1	59	13.5	135	31.1	113	26.0	111	25.6
	Vacated	9	2.1	15	3.4	26	6.1	49	11.3	47	11.0	47	10.8
	Total	15	3.4	22	5.0	36	8.3	59	13.7	57	13.1	57	13.0

Excluding: La Défense



**Jan 30, 2013**  
Announcement  
of intent to  
convert

**March 20, 2013**  
EGM  
Approval

Articles amended

Formal approval  
sought from HMRC

**April 1, 2013**  
REIT status  
in force

All UK rental profits exempt  
from corporation tax

UK deferred taxes will cease  
to be shown in income  
statement

Tax charge will consist of  
French tax and UK tax on  
ancillaries