



Interim Results Presentation

10 July 2007

safestore self storage



**The largest self storage retailer
in the UK and Paris**

Interim Highlights



- **Strong financial performance**
 - Revenues up 14.9% to £34.6m
 - EBITDA up 25.4% to £19.0m
 - Adjusted NAV per share up 54.8% to 157.4p
 - Maiden interim dividend of 1.5p per share
- **Strong operational performance**
 - Closing occupancy up 6.3% to 2.8m sq ft
 - Average rate per sq ft up 8% to £20.95
- **Property portfolio valued at £498m, up 28.4% since 30 April 2006**
- **Recently opened our 100th store. Pipeline of 16 expansion stores, 12 with planning permission**
- **Giving full consideration to REIT conversion**



Financial Review

Richard Hodsdon, Chief Financial Officer

Summary IFRS Profit and Loss Account



Year ended 31 October 2006		Six months ended 30 April 2007	Six months ended 30 April 2006	%
£m		£m	£m	
64.3	Revenue	34.6	30.1	+14.9
(30.8)	Operating expenses (excluding exceptionals)	(15.6)	(15.0)	
33.5	EBITDA before exceptional items and investment gain	19.0	15.1	+25.4
(6.2)	Exceptional items	(2.3)	(3.6)	
(0.9)	Depreciation and goodwill impairment	(0.1)	(0.8)	
26.3	Operating profit before investment gain	16.6	10.7	+55.1
63.6	Investment gain	17.3	0.9	
90.0	Operating profit	33.9	11.6	
(29.0)	Net financing costs	(9.7)	(10.7)	
61.0	Profit/(loss) before tax	24.2	0.9	
(15.9)	Income tax	(1.0)	(0.5)	
45.1	Profit/(loss) for the period	23.2	0.4	
26.31p	Basic EPS	13.18p	0.24p	
3.89p	Adjusted EPS*	3.72p	1.81p	

* Adjusted EPS is after adding back investment gain, exceptionals, goodwill impairment and tax thereon

Summary IFRS Balance Sheet



Year ended 31 October 2006		Six months ended 30 April 2007	Six months ended 30 April 2006
£m		£m	£m
	Assets		
	Non-current assets		
519.3	Investment properties	554.1	440.3
7.9	Development properties	21.0	12.6
11.1	Other non-current assets	9.5	8.5
538.3	Non-current assets	584.6	461.4
0.7	Non current assets held for resale	-	0.7
28.4	Current assets	51.0	30.9
	Liabilities		
(50.6)	Current liabilities	(56.0)	(62.2)
	Non-current liabilities		
(234.6)	Bank and institutional borrowings	(234.1)	(211.6)
(101.6)	Deferred tax liabilities	(102.5)	(82.9)
(41.9)	Obligations under finance leases	(48.3)	(44.0)
(2.2)	Other non-current liabilities	(1.7)	(2.4)
(380.3)	Non-current liabilities	(386.6)	(340.9)
136.5	Net assets	193.0	89.9
138.4p	Adjusted NAV per share*	157.4p	101.7p

* Adjusted NAV is after adding back the deferred tax on revaluation

Summary - Net Debt Statement



Year ended 31 October 2006		Six months ended 30 April 2007	Six months ended 30 April 2006
£m		£m	£m
(237.0)	Total bank borrowings (gross of FRS 4 adjustment)	(237.0)	(218.7)
9.5	Cash	22.0	8.9
(227.5)	Net debt	(215.0)	(209.8)
77%	Proportion of net debt covered by interest hedge	82%	

- Cost of senior debt is LIBOR + 125 bps
- Interest hedge represents a swap effectively fixing LIBOR on £177m of borrowings at 5.24% running until June 2011
- At 30 April 2007 the swap was valued at £3.3m and was carried on the balance sheet within current assets

Summary IFRS Cash Flow Statement



Year ended 31 October 2006		Six months ended 30 April 2007	Six months ended 30 April 2006
£m		£m	£m
26.3	Operating profit (before investment gain)	16.6	10.7
6.8	Working capital and non-cash movements	1.2	8.9
33.1	Operating cash flow	17.8	19.6
(14.4)	Capex on existing portfolio	(4.7)	(4.2)
(12.8)	Capex on expansion stores	(14.8)	(7.4)
(4.1)	Acquisition of subsidiary	-	(1.6)
11.6	Asset disposal proceeds	-	5.1
(19.7)	Total capex	(19.5)	(8.1)
(29.2)	Net finance interest payments	(7.0)	(4.5)
(8.8)	UKGAAP rental payments	(4.7)	(4.2)
22.4	New cash raised/(borrowings repaid)	26.3	(5.1)
(2.2)	Net increase/(decrease) in cash	12.9	(2.3)

Property Portfolio Valuation – Cushman & Wakefield



Location	Tenure	Stores	Maximum Lettable Area ('000 sq ft)*	Valuation**	Uplift***
UK	Freehold & Long Leasehold	48	2,260	£372m	£78m
	Short Leasehold	32	1,248	£76m	£21m
France	Freehold & Long Leasehold	4	178	£21m	£4m
	Short Leasehold	15	644	£29m	£7m
Total		99	4,330	£498m	£110m

- Key drivers behind valuation uplift
 - £59m from operational improvements
 - £35m from yield compression
 - £16m from development stores
- Freeholds represent 52% of store portfolio by number of stores but 79% of valuation
- Half year valuations based on a discounted rate per sq ft due to seasonality of trading. Operational uplift expected to be delivered in H2 consistent with prior years.

* For valuation purposes MLA includes offices

** Valuation as at 30 April 2007

*** Since 30 April 2006

Property Valuation Assumptions



- Freehold/Long Leaseholds (UK and France)
 - 10 year DCF assuming notional sale at the end of year 10
 - Exit cap rate at 30 April 2007 of 7.03% against 7.52% (31 Oct 2006) and 7.64% (30 April 2006)
- UK Short Leaseholds
 - No sale of assets: DCF to lease expiry (although lease renewal provides potential valuation upside)
 - Average unexpired lease term 14.5 years
- French Short Leaseholds
 - Value on 10 year DCF reflecting strong renewal rights under French leaseholds
 - Current valuations based on a significantly higher yield than in the UK
- Valuation average stabilised occupancy of just under 79% against an operational objective of 87%

REITs



- Safestore has the benefit of significant tax losses and capital allowances, particularly in France, minimising potential future tax payments
- However, Safestore is giving full consideration to converting to REIT status for our UK business, based on:
 - Ensuring continued ability to deliver growth
 - Optimal utilisation of tax losses
 - Timing to maximise benefits to shareholders



Operational Review

Steve Williams, Chief Executive Officer

Customer Led Retail Focus Delivering Results



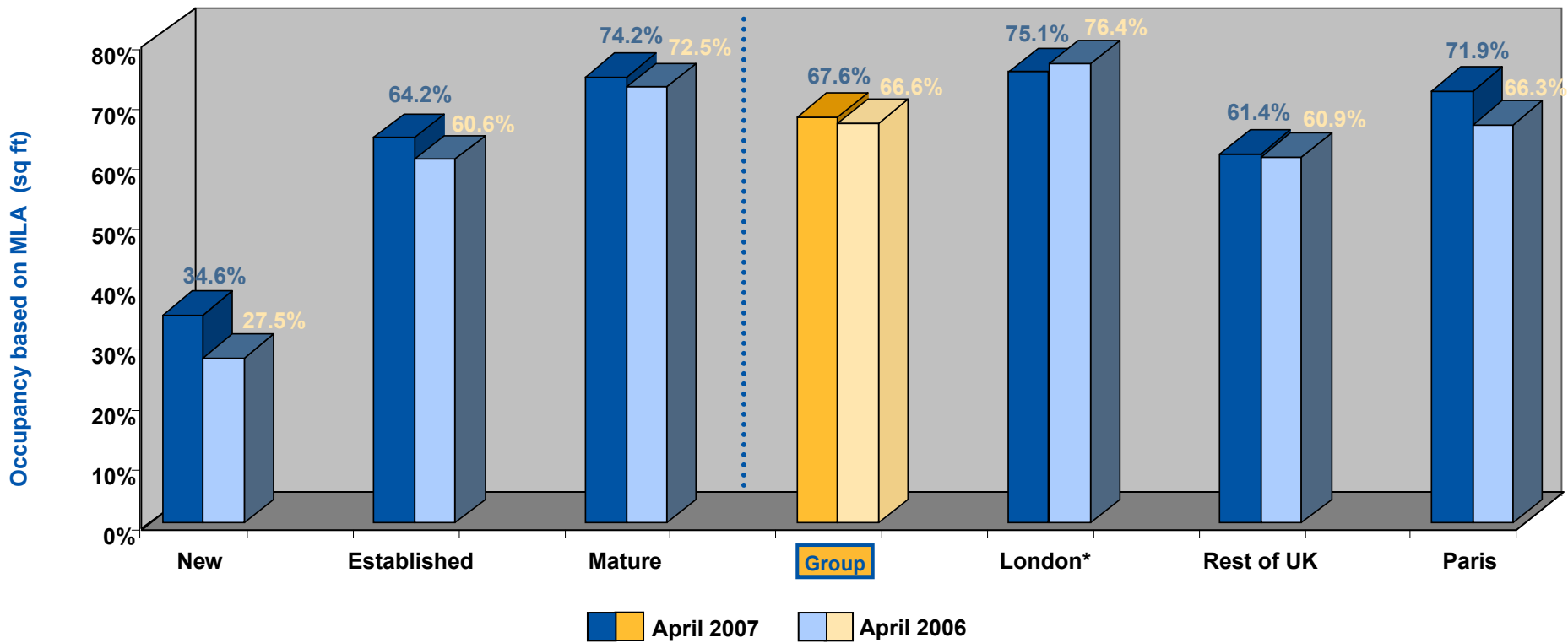
- Significant increases in all Key Performance Indicators
 - Revenues increased by 14.9%
 - Closing occupancy increased by 6.3%
 - Average Rates per sq ft increased by 8.0%
 - Ancillary revenue increased by 26%
 - EBITDA Margin increased by 4.6 percentage points to 54.9%
 - EBITDA increased by 25.4%

Marketing and Brand Power: Don't Just Store It, Safestore It



- Significant investment in marketing and building the brand
 - £2.9million marketing spend in the current financial year
 - All stores now re-branded and re-badged
 - Web is now the main marketing tool
- Retail initiatives providing brand recognition
 - Customer service is the main product differentiation
 - Security, convenience and value are what is important
 - “Lowest Price Guarantee” and promotional offers
- Enquiries have increased by 37% in H1'07 compared to H1'06
 - Web up 101%
 - Signage up 35%
 - Customer referrals up 32%
 - Directories down 19%
 - Net unit movement up 96.4%

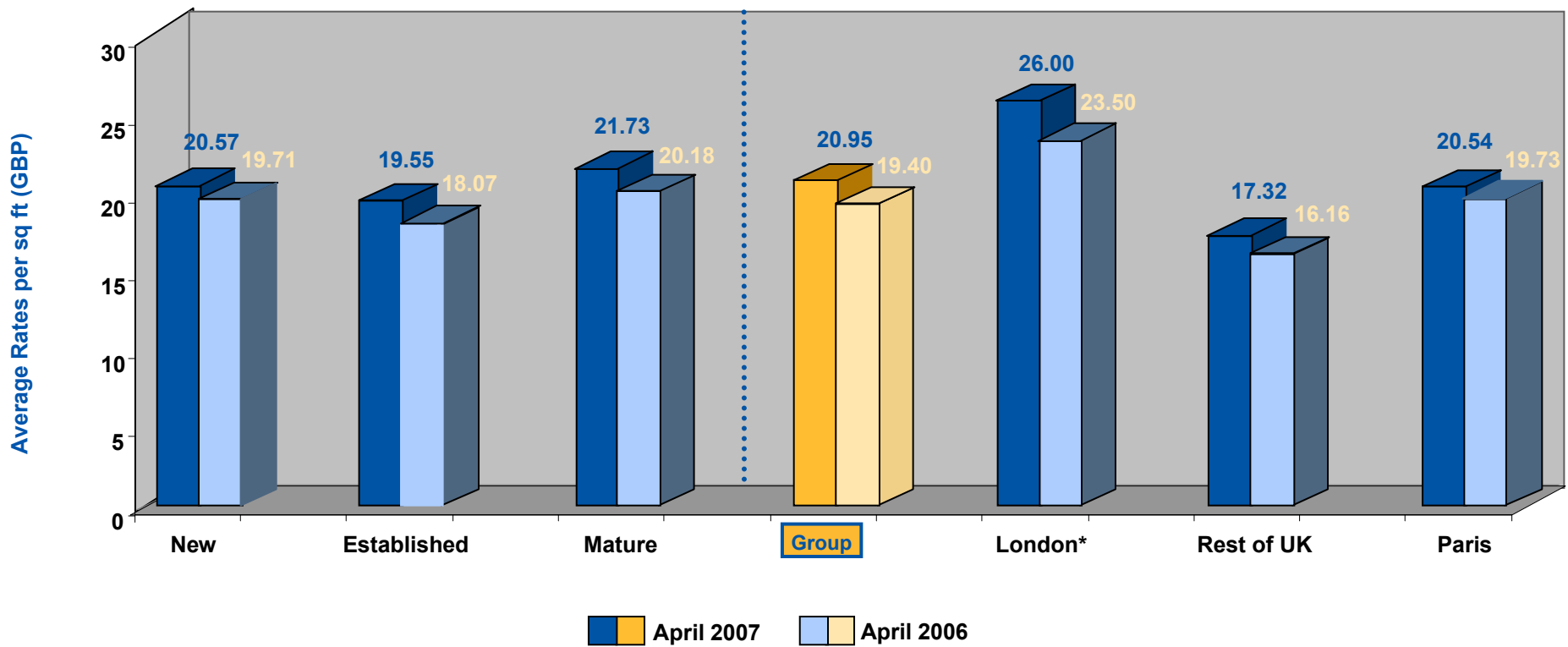
Driving Occupancy



*Added 186,000 sq ft mainly in London during the period. On like-for-like basis occupancy increased by 1%

Note
 Mature: pre-1998
 Established: >2 full financial years but post-1998
 New: <2 full financial years

Driving Growth in Rates



Inner London Stores: 8

2007 £ 33.18

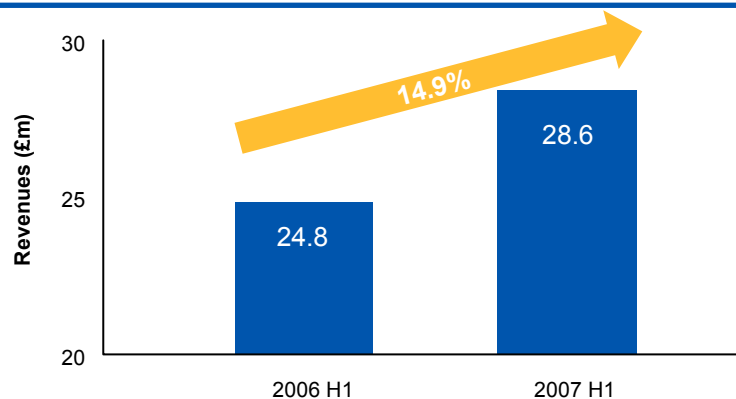
2006 £ 29.84

Note
 Mature: pre-1998
 Established: >2 full financial years but post-1998
 New: <2 full financial years

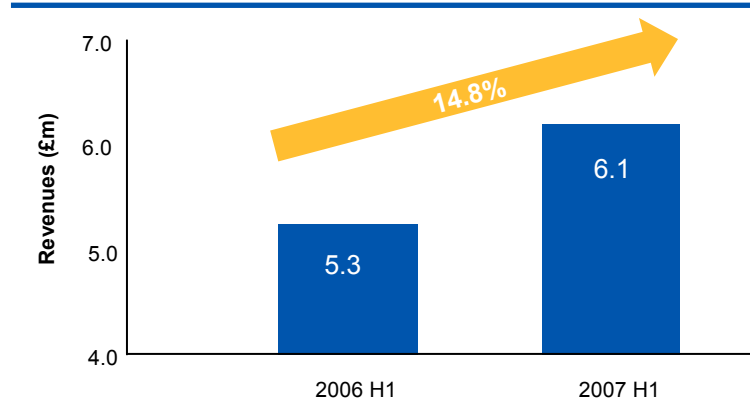
Sales Mix and Contribution Analysis



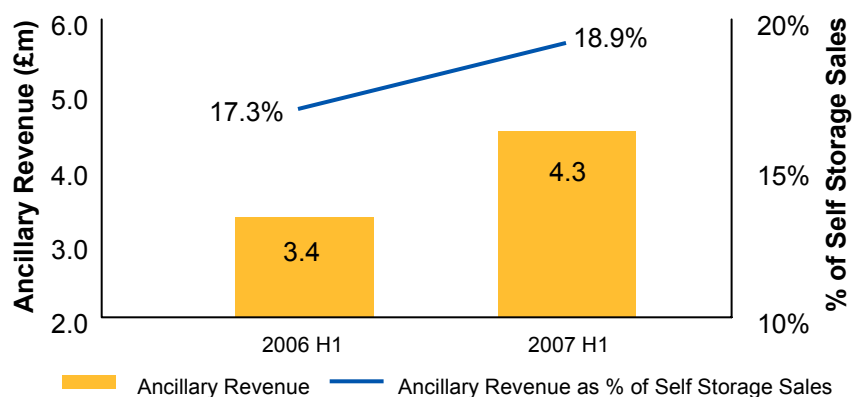
Total Revenue Growth – UK



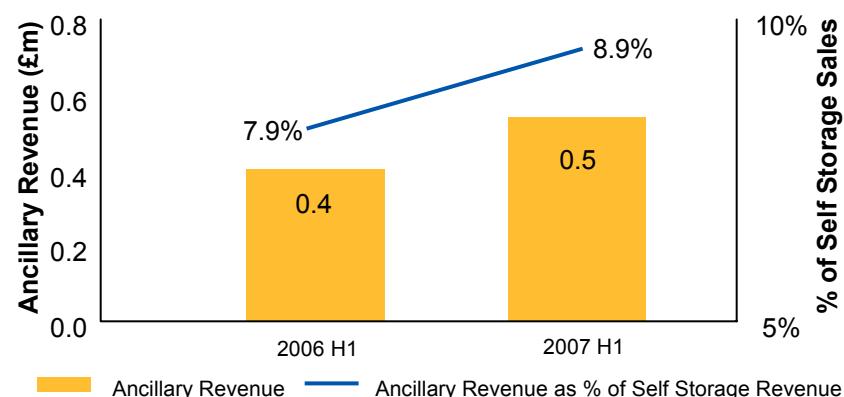
Total Revenue Growth – France



Ancillary Revenue Growth – UK



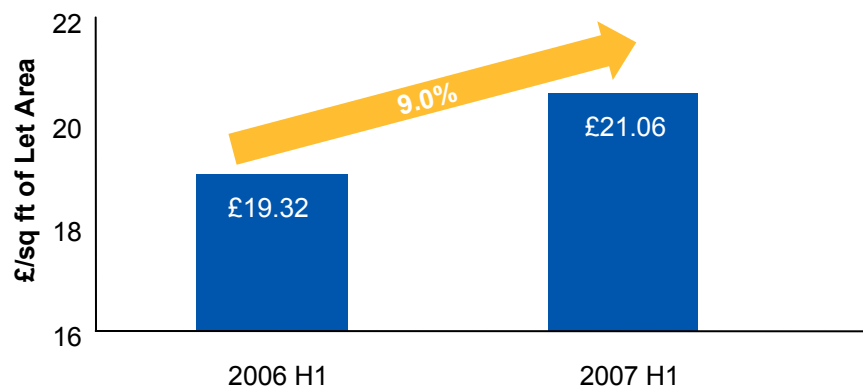
Ancillary Revenue Growth – France



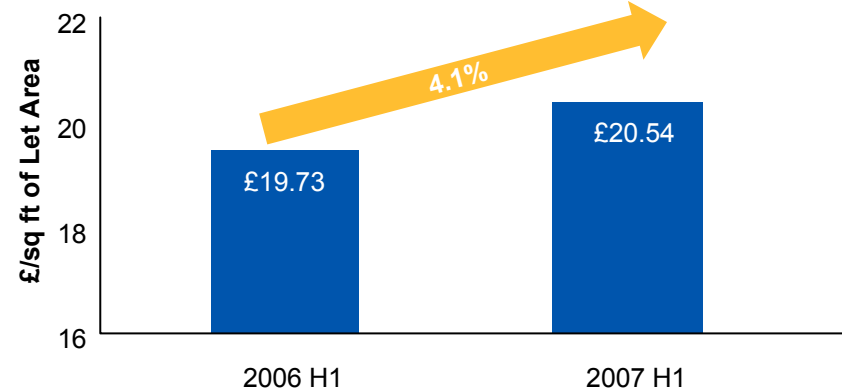
Strong Performance Indicators



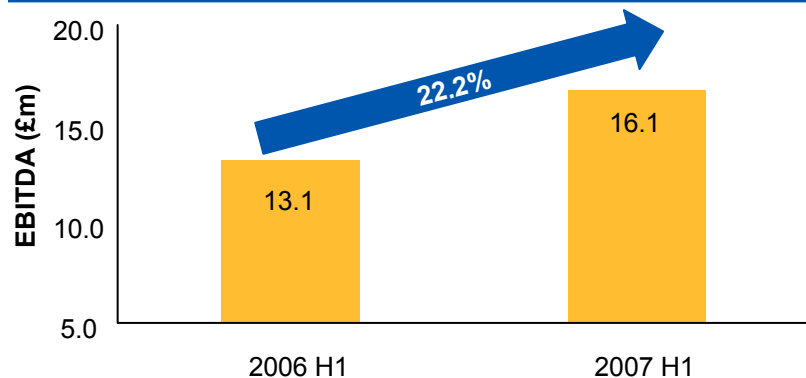
Price Improvements – UK Stores



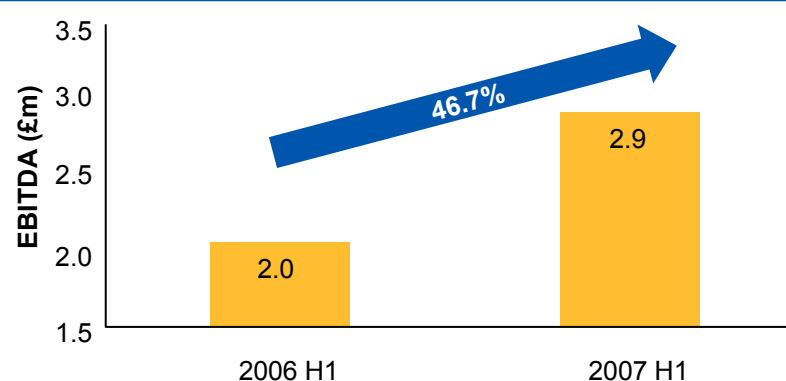
Price Improvements – French Stores



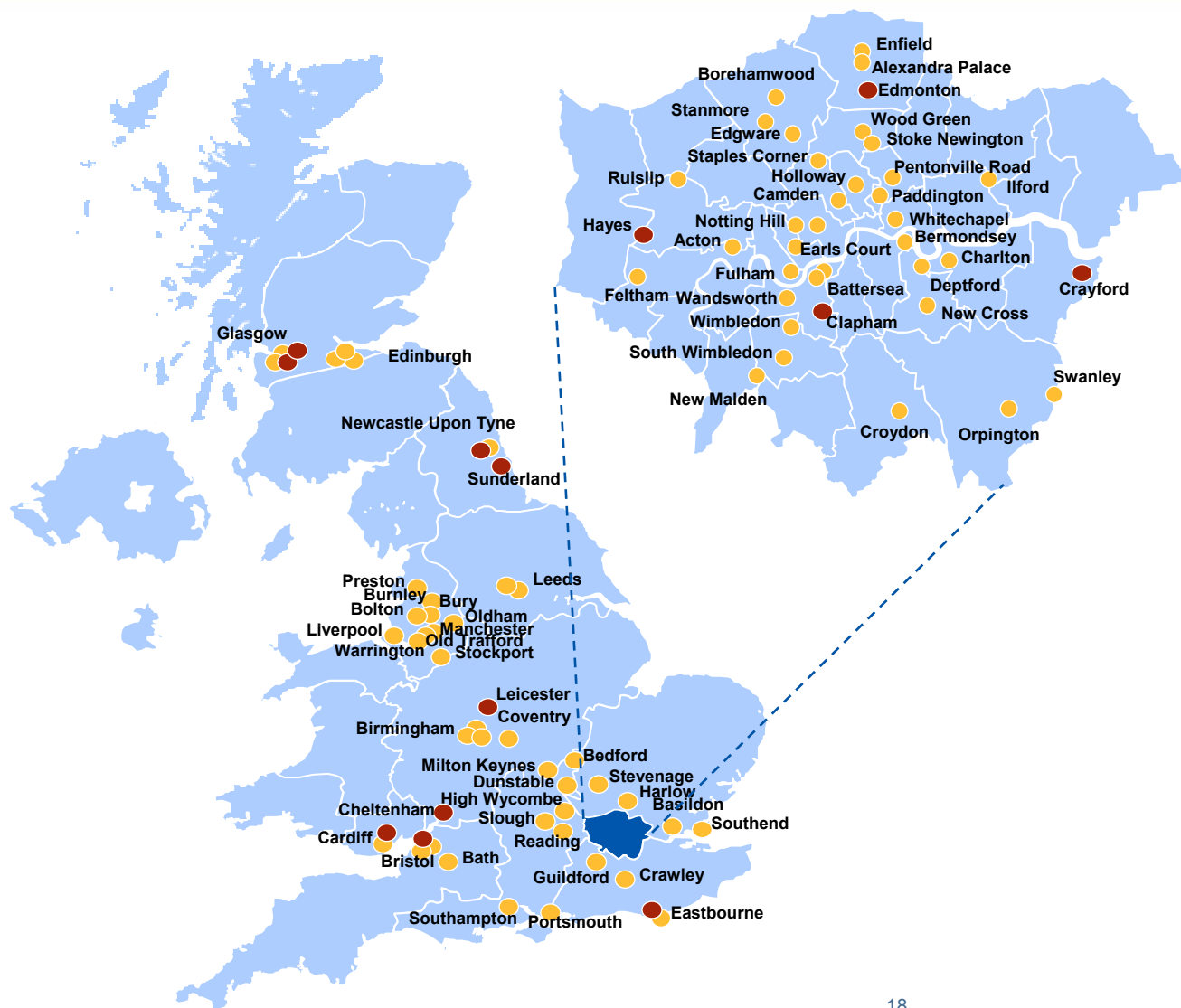
IFRS EBITDA Growth – UK



IFRS EBITDA Growth – France



Substantial Opportunity for Further Growth



Overview

- 100 stores, 16 expansion sites
- UK national coverage
- Market leader in Paris

- Current stores
- Expansion stores



Expansion Stores



	Tenure	Full Planning	Full Planning	Pipeline MLA Sq. ft	Opened MLA Sq ft	Estimated Opening
		Then	Now			
Completed/Exchanged Development Stores at the time of the IPO						
Slough	LH	✓	✓		49,750	
Glasgow (Dobbies Loan)	FH	✓	✓	77,000		2007
Newcastle	FH	✓	✓	53,000		2007
Hayes	LH	✓	✓	38,000		2007
Eastbourne	FH	✓	✓	45,000		2007
Cheltenham	LH	✓	✓	42,000		2008
Guildford	LH	✓	✓		37,400	
Glasgow (Rutherglen)	FH	✓	✓	54,000		2008
Crayford	LH	✓	✓	42,000		2008
Cardiff	FH	-	-	70,000		2008
Bristol	FH	-	✓	54,000		2008
Paris (Kremlin)	FH	-	✓	34,000		2008
Total sq ft at IPO				509,000	87,150	
Completed/Exchanged Development Stores added since the IPO						
Paris (Rocroy)	FH	N/A	✓	35,000		2008
Sunderland	LH	N/A	-	49,000		2008
Clapham	FH	N/A	✓	52,000		2008
Paris (Montrouge)	FH	N/A	-	27,000		2008
Edmonton	FH	N/A	✓	44,000		2008
Leicester	LL	N/A	-	54,000		2008
Total sq ft since IPO				261,000	-	
Total Current Sq Ft				770,000	87,150	

LL – Long Leasehold: over 50 years

LH – Short Leasehold: less than 50 years

FH: Freehold

Summary

- 18 exchanged expansion stores will add c. 0.9m sq ft of MLA by end of 2008
 - 14 with planning
 - 12 freehold / long leasehold
 - 6 short leasehold
 - 2 opened
- Associated Capex of £72m, of which £21m had been spent as at 30 April 2007
- Expanded UK & French acquisition teams

Property Valuation Upside



- Mix of freehold and leasehold provides flexibility in competing for new sites
- Leaseholds offer attractive ROI and significant property valuation opportunities
- While self storage yields should continue to compress Safestore also has good defensive qualities



Summary

Outlook



- Positive start to H2 trading
- Healthy increases in occupancy and rates
- Excellent expansion pipeline with good visibility on new site openings
- Well positioned to capture growth in rapidly expanding market
- Board remains confident of the outcome for the full year



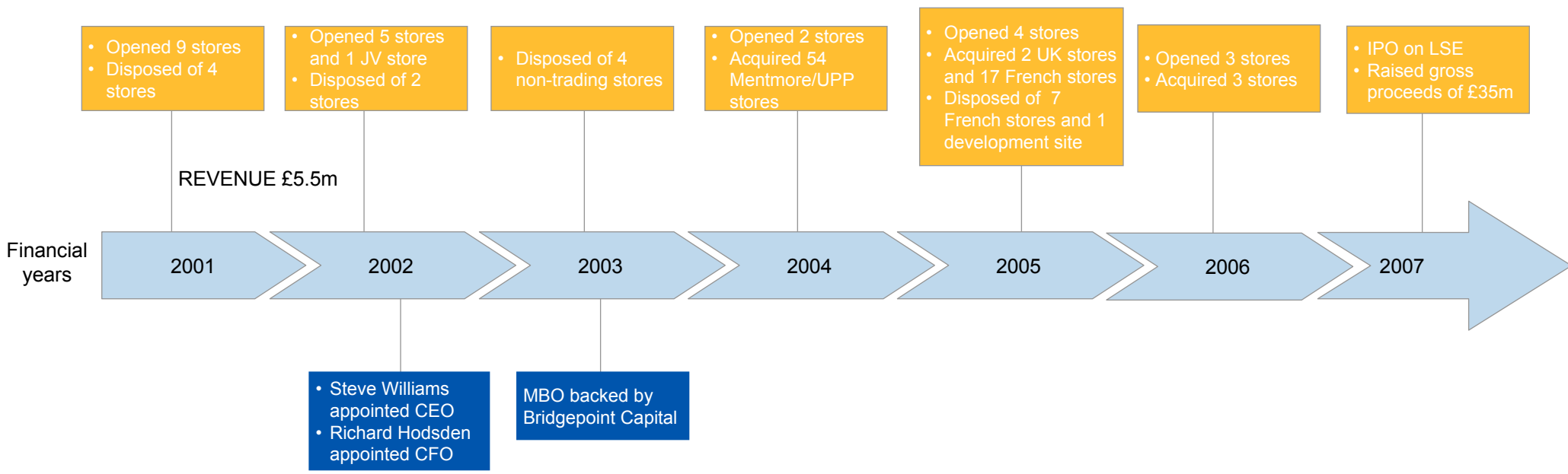
Appendix

Portfolio Summary under UK GAAP



	April 2007				April 2006			
	Developed	Established	Mature	Total	Developed	Established	Mature	Total
Number of Stores	9	55	35	99	6	55	35	96
	Sq ft '000	Sq ft '000	Sq ft '000	Sq ft '000	Sq ft '000	Sq ft '000	Sq ft '000	Sq ft '000
MLA (self storage only)	452	2,054	1,630	4,137	266	2,054	1,630	3,951
Occupancy (self storage only)	157	1,429	1,211	2,796	73	1,355	1,204	2,633
Occupancy (%age)	34.6%	69.6%	74.3%	67.6%	27.5%	66.0%	73.9%	66.6%
For the 6 months to:	30 April 2007				30 April 2006			
	Developing	Established	Mature	Total	Developing	Established	Mature	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Average rate per sq ft	20.57	19.77	22.26	20.95	19.71	18.22	20.61	19.40
Self storage income	1,388	13,630	12,775	27,793	617	11,836	12,096	24,550
Ancillary income	305	2,528	1,675	4,508	136	1,935	1,576	3,646
Other income	11	932	1,493	2,436	1	965	1,021	1,987
Total income	1,704	17,090	15,943	34,737	753	14,736	14,693	30,183
Store EBITDA	(57)	7,797	9,480	17,219	(296)	5,984	8,767	14,455
Store EBITDA margin (%age)	-3%	46%	59%	50%	-39%	41%	60%	48%
Central overhead allocation	(141)	(1,413)	(1,318)	(2,872)	(77)	(1,503)	(1,498)	(3,078)
Store net operating income	(198)	6,384	8,161	14,347	(373)	4,481	7,269	11,377
NOI margin (%age)	-12%	37%	51%	41%	-50%	30%	49%	38%

Experienced Management Team with Proven Track Record



• Milestones

- Steve Williams CEO and Richard Hodsden CFO (2002)
- MBO with Bridgepoint (2003)
- IPO on LSE (2007)

• Turnaround

- Disposal of underperforming stores
- Strict cost control and training regimes introduced
- Retail best practices implemented

• Acquisitions

- Mentmore/UPP (2004)
- Access France (2005)
- Storage World (2005)
- Selfstore.It (2006)

No. Stores

54

10

2

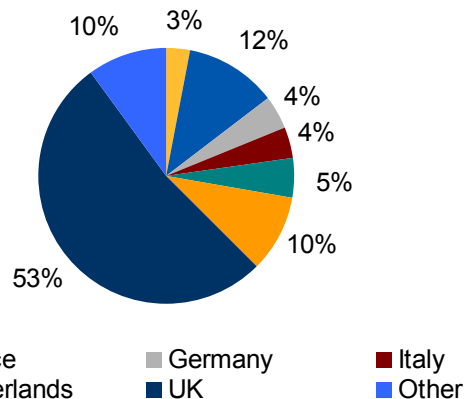
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- 10 new stores opened since 2004

UK Self Storage Market: Still Immature



European Market Share by Country (Fedessa)

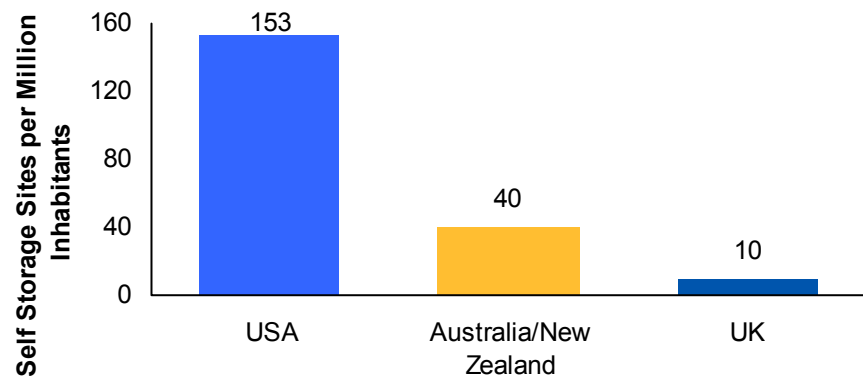


Source: Fedessa current web site (As at Dec 2006).
 Note: Based on Fedessa members' stores only.

Favourable Change in Demographic Factors

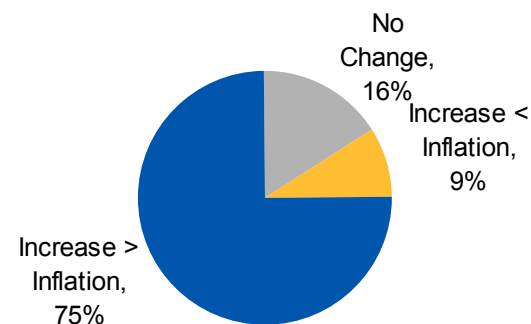
- UK self storage market has increased in size from 81 stores in 1996 to 600 stores in 2005, a CAGR of 25%
- According to SSA, UK self storage market is forecast to expand by a CAGR of 10 -15%
- France also has attractive growth prospects
- Proven growth through fluctuations in the housing market

Low Penetration per Capita in UK Self Storage Space



Source: US SSA, SSA Mintel, Australian SSA.

Positive Pricing Trends



Source: SSA Mintel.
 Note: Survey of Changes in UK Self Storage Customer Rates, 2005-2006.

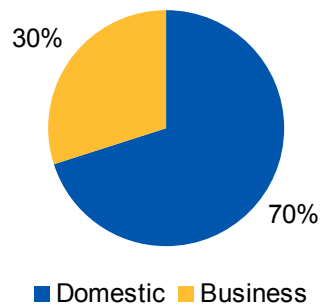
The Customers



Customer Information

- Domestic customers
 - Generally require smaller, higher yielding units
 - Price-inelastic demand
 - Less frequent visits
 - Event-driven customers and lifestyle customers
- Business customers are a mixture of national account customers, and SMEs
 - “Satellite” storage warehouses for business customers
 - Inventory, seasonal stock, display materials
 - Larger unit sizes, longer tenure
- Average length of stay historically for Safestore customers is 40 weeks (73 weeks for current customers)

UK Self Storage Market Customer Mix



Source: SSA Mintel, by number of customers (6 June 2006).

Domestic Customers: Why Self Storage?

House move
Short of space
De-cluttering
Renovation
Moving abroad

Business Customers: Why Self Storage?

Flexibility
Archiving
Stock
Trade supplies
Exhibition
Furniture
Moving
Disaster recovery planning

Operational Management



	Developing Stores (0 to 2 full financial years)	Established Stores (2 to 8 years)	Mature Stores (opened pre-1998)
Occupancy Growth	✓ ✓ ✓	✓ ✓	✓
Store Reconfiguration	✓	✓ ✓	✓
Rental Yield	✓	✓ ✓	✓ ✓ ✓
Operational Management	<ul style="list-style-type: none"> • Maximise occupancy growth • Occupancy growth is essential to achieve break-even 	<ul style="list-style-type: none"> • Manage according to specific growth and yield targets • Following occupancy increase, rental yield maximisation becomes focus <ul style="list-style-type: none"> – Progressive development of stores – Store reconfigurations – Quarterly review of rental charges – Price management techniques 	<ul style="list-style-type: none"> • Manage to maximise rental yields and maintain high mature occupancy levels <ul style="list-style-type: none"> – Price management techniques – Store extensions or store satellite opportunities

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