



18 December 2014

ASX ANNOUNCEMENT

NATIONAL STORAGE REIT ACQUIRES MAJOR MELBOURNE PORTFOLIO

National Storage REIT (NSR) is pleased to announce it has entered into arrangements to undertake a major portfolio transaction in Melbourne, Victoria.

The portfolio comprises four high quality self-storage assets in inner Melbourne:

- Glen Iris – a freehold asset featuring 935 units over an approximate net lettable area of 4,950 sqm just off the Monash Freeway;
- South Melbourne – a freehold asset with approximately 700 units across a net lettable area of 4,370 sqm with easy access to City Link;
- Richmond – a leasehold asset which has recently undergone an upgrade, comprising 690 units with a net lettable area of approximately 5,200 sqm; and
- Hawthorn – a leasehold asset with a satellite centre at Glenferrie with a total net lettable area of approximately 4,100 sqm comprising 850 units. The Hawthorn centre also boasts a wine centre for events.

Managing Director Andrew Catsoulis said the portfolio acquisition will strengthen National Storage's presence in inner Melbourne.

"This transaction is an excellent opportunity for NSR to further our reach in inner Melbourne with centres that present and operate to a very high standard, with average group occupancy over 80%" he said.

"The leasehold centres will allow us to gain a foothold in areas experiencing urbanisation and good demand, where it would be difficult to secure freehold with a highest and best use as self-storage. The addition of these four centres will bring the number of centres owned or operated by NSR in Melbourne to 21" he said.

The portfolio will be purchased for \$48.8 million to be funded from NSR's debt facility. The portfolio is forecast to generate a year one passing income yield of 8.4%. The transaction remains conditional and should it proceed, settlement is expected in January 2015.

National Storage continues to actively pursue acquisition opportunities in line with its asset management strategy. The earnings guidance for FY15 remains unchanged.

ENDS

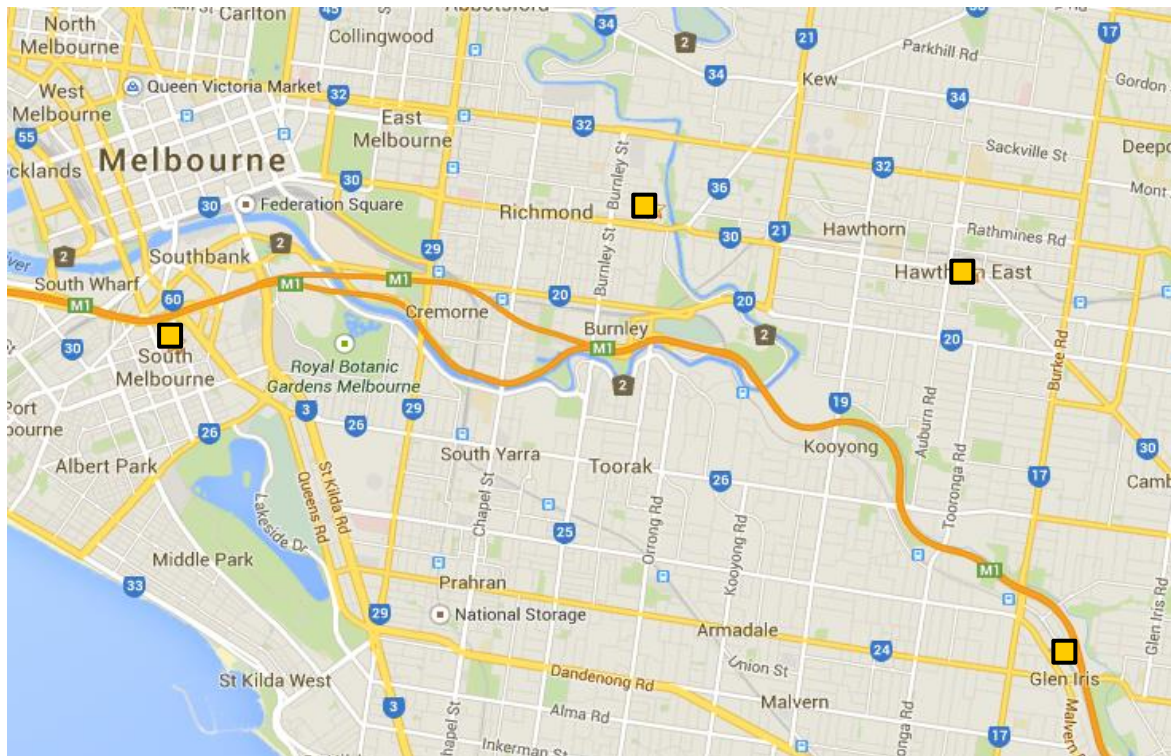
NATIONAL STORAGE REIT (NSR)

National Storage Holdings Limited (ACN 166 572 845)

The Trust Company (RE Services) Limited (ACN 003 278 831 AFSL 235 150) as responsible entity for National Storage Property Trust (ARSN 101 227 712)

ASSET PORTFOLIO

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Glen Iris



South Melbourne



Richmond



Hawthorn



National Storage is one of the largest self-storage providers in Australia, with 76 centres providing tailored storage solutions to over 27,000 residential and commercial customers. NSR is the first independent, internally managed and fully integrated owner and operator of self-storage centres to be listed on the Australian Securities Exchange (ASX).

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