



NATIONAL STORAGE REIT (NSR) ASX ANNOUNCEMENT

25 February 2015

HALF YEAR RESULTS AT 31 DECEMBER 2014

National Storage REIT (NSR) today announced its financial results for the six month period to 31 December 2014 with an A-IFRS profit after tax of \$15.2 million.

KEY HIGHLIGHTS

- A-IFRS profit after tax of \$15.2 million
- Underlying earnings for CY14 of \$19.4 million (7.8 cps), exceeded PDS forecast of \$19.1 million
- Underlying earnings guidance for FY15 confirmed at \$24.2 million (8.5 cps)
- Restructured club debt facility increases capacity to \$200 million
- Total Assets under Management increased to \$633 million as at 31 December 2014 up from \$549 million as at 30 June 2014

FINANCIAL RESULTS

Managing Director Mr Andrew Catsoulis said "NSR has delivered a pleasing H1 FY15 result despite challenging macro-economic conditions."

Total revenue for the period increased by 34% to \$28.8 million through increases in storage rents and the revenue from the completion of the acquisition of eleven new storage centres.

Operating expenses for the period reduced by 12% to \$16.8 million due to lower financing costs and elimination of costs incurred during the IPO process. The overall cost savings were achieved after allowing for significant additional acquisition costs.

A-IFRS Net profit after tax of \$15.2, up 99% on the previous six months, was favourably impacted by the integration of recently acquired centres and the impact of fair value adjustments associated with the carrying value of investment properties.

DISTRIBUTION

NSR confirms the estimated interim distribution of 4.0 cents per security previously declared on 19 December 2014 and the payment date of 27 February 2015.

OPERATING RESULTS

Management's continued focus on balancing the competing metrics of rate per square metre with occupancy levels has yielded a solid net effective rate per square metre growth of 11% to \$276 as at December 2014 whilst achieving occupancy of 70% for the original IPO portfolio.

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)

The acquisition and industry consolidation strategy continues to be successfully implemented with in excess of \$80 million in acquisitions transacted in H1 FY15.

Mr Catsoulis said “Our experienced acquisition team has worked hard to produce an excellent result in H1 FY15 and to establish a strong potential acquisition pipeline which will allow us to continue to execute our acquisition strategy in H2 FY15.”

CAPITAL MANAGEMENT

During H1 FY15, NSR successfully executed a Security Placement and Security Purchase Plan which together raised approximately \$57.5 million in equity. NSR’s debt finance facility was also restructured to a club arrangement with NAB, Westpac and CBA with a capacity of \$200 million, of which \$111 million was drawn at 31 December 2014.

“The equity raising and refinancing have provided a number of benefits for NSR, including strengthening the balance sheet, savings in interest costs and improved terms. Importantly, they enhanced NSR’s capacity to continue to transact and execute our acquisition pipeline” Mr Catsoulis said.

As at 31 December 2014, \$110 million of debt was hedged at an average cost of 3.94% through a tiered facility with tenor to December 2019 with a weighted average tenor of 3.1 years.

OUTLOOK

NSR affirms its underlying earnings guidance of \$24.2 million FY15.

NSR remains focused on active asset and portfolio management and executing its industry consolidation strategy.

ENDS

National Storage is one of the largest self-storage providers in Australia, with 82 centres providing tailored storage solutions to over 30,000 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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