



NATIONAL STORAGE REIT (NSR) ASX ANNOUNCEMENT

8 FEBRUARY 2016

NSR 1H FY16 RESULTS

National Storage REIT (NSR) today announced its financial results for the six months to 31 December 2015 with an A-IFRS profit after tax of \$20.6 million.

KEY HIGHLIGHTS

- A-IFRS profit after tax of \$20.6 million
- Underlying earnings¹ for 1H FY16 of \$14.3 million (4.3 cps) in line with guidance
- 1H FY16 distribution of 4.3 cents per security
- Total Assets Under Management increased to \$886 million up from \$740 million at 30 June 2015
- Transacted 12 acquisitions totaling \$57.5 million adding to existing high quality portfolio
- Successful entry into New Zealand market
- Affirm FY16 underlying earnings guidance of \$29.0 - \$29.5 million (8.7 – 8.8 cents per security)

FINANCIAL RESULTS

Managing Director Mr Andrew Catsoulis said “NSR has delivered a strong 1H FY16 result in line with guidance, reflecting proactive asset management in a challenging market and the successful execution of our growth strategy to acquire high quality assets consistent with our existing portfolio”.

Total revenue for the period increased by 30% to \$37.3 million (2014: \$28.8 million) demonstrating the successful execution of NSR's strategy to maximise returns to investors. Key contributors to the solid half year performance included the acquisition of 12 high quality storage assets across Australia and New Zealand totaling \$57.5 million, organic portfolio growth and active portfolio management.

A-IFRS profit after tax of \$20.6 million, up 35% on the previous period (2014: \$15.2 million), was favourably impacted by the integration of previously acquired centres and the impact of fair value adjustments associated with the carrying value of investment properties.

NSR confirms the estimated interim distribution of 4.3 cents per security previously declared on 21 December 2015 and confirms the payment date of 26 February 2016.

OPERATING RESULTS

“NSR continues to focus on balancing rate per square metre growth and occupancy growth across the portfolio to optimise revenue and profitability. We continue to demonstrate that despite

1. *A-IFRS profit after tax less tax benefit (\$0.4 million), Fair value adjustments (\$3.3 million) and Finance lease diminution, presented as fair value adjustments (\$2.6 million)

trading conditions, which were varied over the period and in discrete markets, we have been able to achieve growth across the portfolio" said Mr Catsoulis.

The rate per square metre achieved across the established portfolio (excluding NZ, developing centres and post IPO acquisitions) increased to \$283 per sqm at 31 December 2015 (2014: \$274 per sqm). The overall rate per square metre achieved for the group (excluding NZ and developing centres but including all post IPO acquisitions) was \$289 per sqm.

Total portfolio occupancy (excluding NZ and developing centres) grew from 72% to 73% over the period. Occupancy in the established portfolio grew despite being offset by falls in Western Australia. Excluding the Perth market, proactive management has delivered an occupancy increase of 2.3% over the preceding twelve months.

Mr Catsoulis said "We have successfully delivered 12 high quality acquisitions over the period totaling \$57.5 million, including our successful entry into the New Zealand market. This represents another milestone for National Storage and we are focused on continuing our growth in this market. The potential acquisition pipeline in Australia remains strong and we will look to execute on high quality, accretive acquisition opportunities."

OUTLOOK

NSR affirms FY16 underlying earnings guidance of \$29.0 – 29.5m (8.7 – 8.8 cps) delivering EPS growth of 6.0% – 7.5% on FY15, assuming no material changes in market conditions.

"NSR is well positioned to continue to deliver growth into the second half of FY16. Our strategies to make accretive high quality acquisitions, optimise centre performance, drive portfolio management and further develop our strong brand are all designed to strengthen NSR and deliver value for our investors" said Mr Catsoulis.

ENDS

National Storage is one of the largest self-storage providers in Australia and New Zealand, with 94 centres providing tailored storage solutions to over 35,000 residential and commercial customers across Australia and New Zealand. 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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