NATIONAL STORAGE REIT

ASX SPOTLIGHT CONFERENCE

3 MARCH 2016

IMPORTANT NOTE & DISCLAIMER

This presentation has been prepared by National Storage REIT ("**NSR**") comprising National Storage Holdings Limited (ACN 166 572 845) and National Financial Services Limited (ACN 600 787 246 and AFSL 475 228) as responsible entity for the National Storage Property Trust (ARSN 101 227 712). You acknowledge and agree that you will rely on your own independent assessment of any information, statements or representations contained in this presentation and such reliance will be entirely at your own risk.

Summary information

This presentation contains summary information about the current activities of NSR and the entities within the NSR stapled group as at the date of this presentation. The information in this presentation is of a general nature and does not purport to be complete.

Statements made in this presentation are made only as of the date of this presentation and remain subject to change without notice.

This presentation should be read in conjunction with NSR's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

Disclaimer

No member of NSR or any of its related bodies corporate and each of their respective directors, employees, officers, associates, agents, auditors and advisers offer any representation, guarantee or warranty, express or implied, as to the accuracy, completeness, currency or reliability (including as to auditing or independent verification) of any statement, estimate, opinion or other information contained in this presentation.

To the maximum extent permitted by law, the members of NSR and each of their related and controlled entities and each of their respective directors, officers, employees and agents disclaim all liability and responsibility (including without limitation any liability arising from fault or negligence) for any direct or indirect loss or damage which may be suffered through the use, or reliance on, anything contained in, or omitted from, this presentation.

Not an offer of securities

This presentation is for information purposes only and should not be considered as a solicitation, offer or invitation for subscription, purchase or sale of NSR securities in any jurisdiction.

Not financial advice

Nothing in this presentation constitutes investment, legal, tax or other advice. This presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Each recipient of this presentation should consult with, and rely solely upon, the advice of their own legal, tax, business and/or financial advisors in connection with any decision made in relation to the information contained in this presentation.

Financial data

All references to dollars and cents are in reference to Australian dollars unless otherwise stated and all financial data is presented as at the date of this presentation unless otherwise stated.

Forward-looking statements

This presentation may contain certain "forward-looking statements", including statements regarding future earnings and distributions. All statements other than statements of historical facts included in this presentation are forward-looking statements. These forward-looking statements are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of NSR, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. You are cautioned not to place undue reliance on forward-looking statements, opinions and estimates provided in this presentation as there can be no assurance, and no representation is made, that actual outcomes will not differ materially from these forward-looking statements. Further, no representation is given that the assumptions upon which a forward-looking statement or other forecast may be based is reasonable. Forward-looking statements, opinions and estimates provided in this presentation necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise, many of which are outside the control of NSR. Similarly, statements about market and industry trends, which are based on interpretations of current market conditions, should be treated with caution. Such statements may cause the actual results or performance of NSR to be materially different from any future results or performance expressed or implied by such forward-looking statements. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements are based on information available to NSR as at the date of this presentation. Except as required by law or regulation (including the ASX Listing Rules), NSR undertakes no obligation to provide any additional, updated or supplementary information whether as a result of new information, future events or results, or otherwise.

This presentation should not be relied upon as a recommendation or forecast by NSR.

Past performance

The past performance, including past security price performance, of NSR cannot be relied upon as an indicator of, and provides no guidance as to future NSR performance including future security price performance and is given for illustrative purposes only.

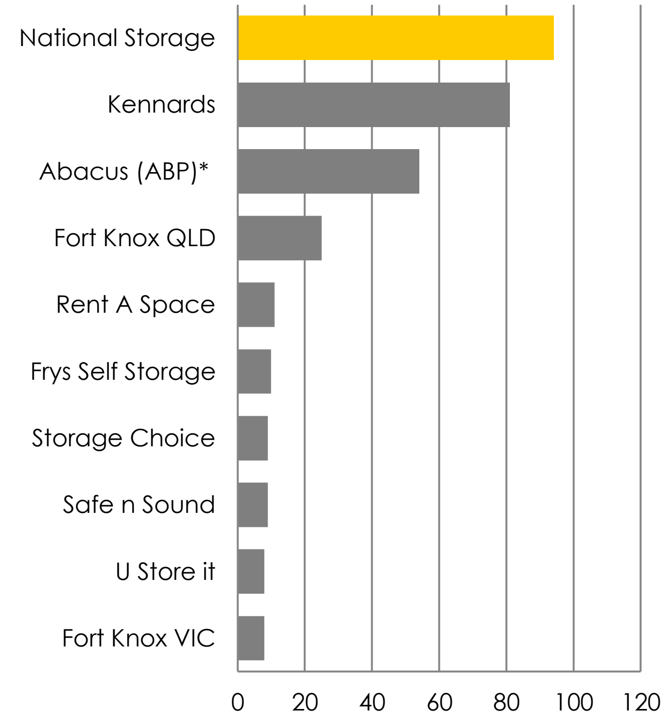
Accounting standards

NSR's statutory results are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This presentation also includes certain non-IFRS measures in presenting NSR's results. Any additional financial information in this presentation which is not included in NSR's Half-year Financial Report was not subject to independent audit or review.

AUSTRALIAN SELF-STORAGE INDUSTRY

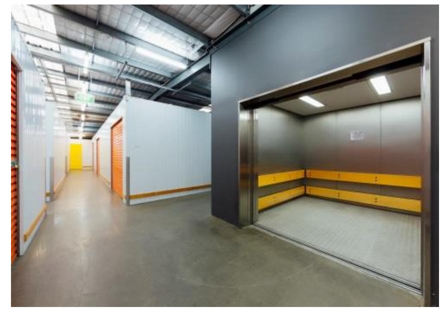
- Originally US market, began in Australia in 1970's
- Alternate use for land awaiting development
- Approx A$12 billion market in Australia and NZ
- Highly fragmented industry
- Top three brands only have c25% of market
- Demand drivers include change of life events, building/renovating/moving, urban densification, ageing population and online retailing
- Selection drivers include location, convenience, customer service and quality of offer
- Low levels of brand awareness and brand differentiation across the industry
- Supply is constrained by availability of suitable locations, land values and higher/better use

Australasia Self Storage Industry
Ten Largest Owner/Operators



*ABP centres are branded Storage King

TYPICAL SELF STORAGE CENTRE

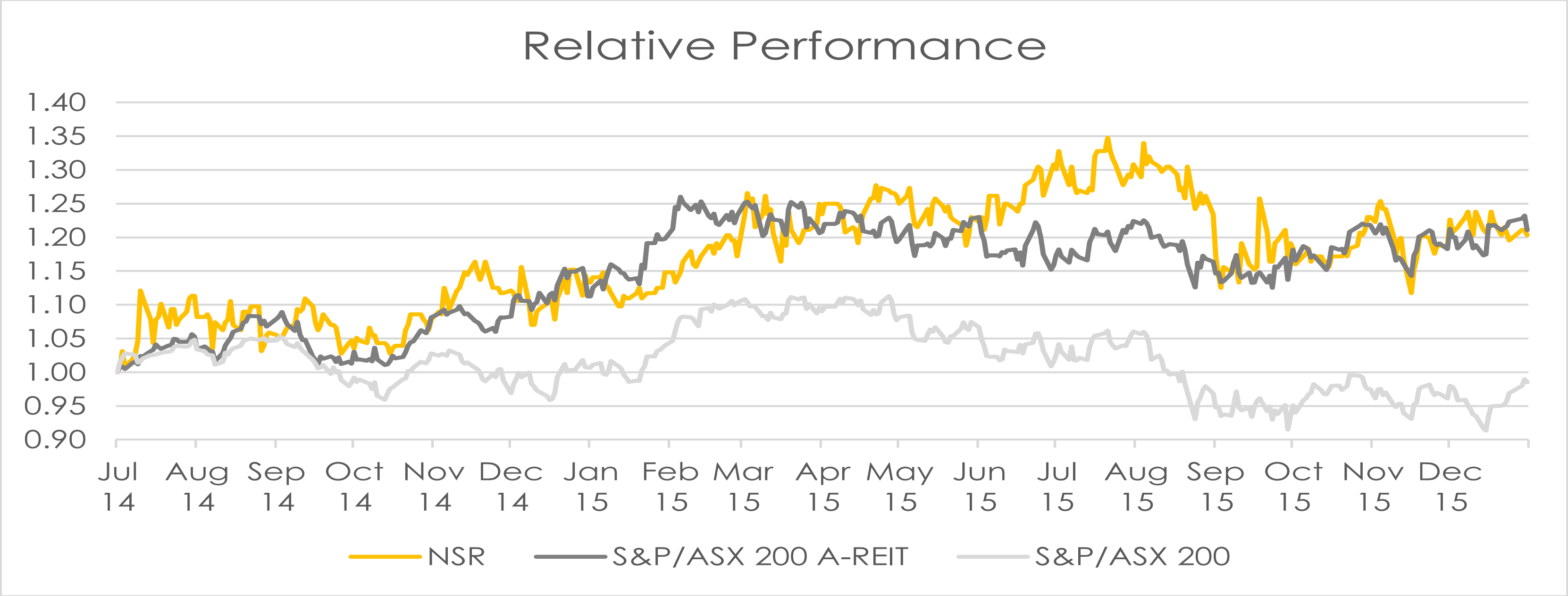


NSR OVERVIEW

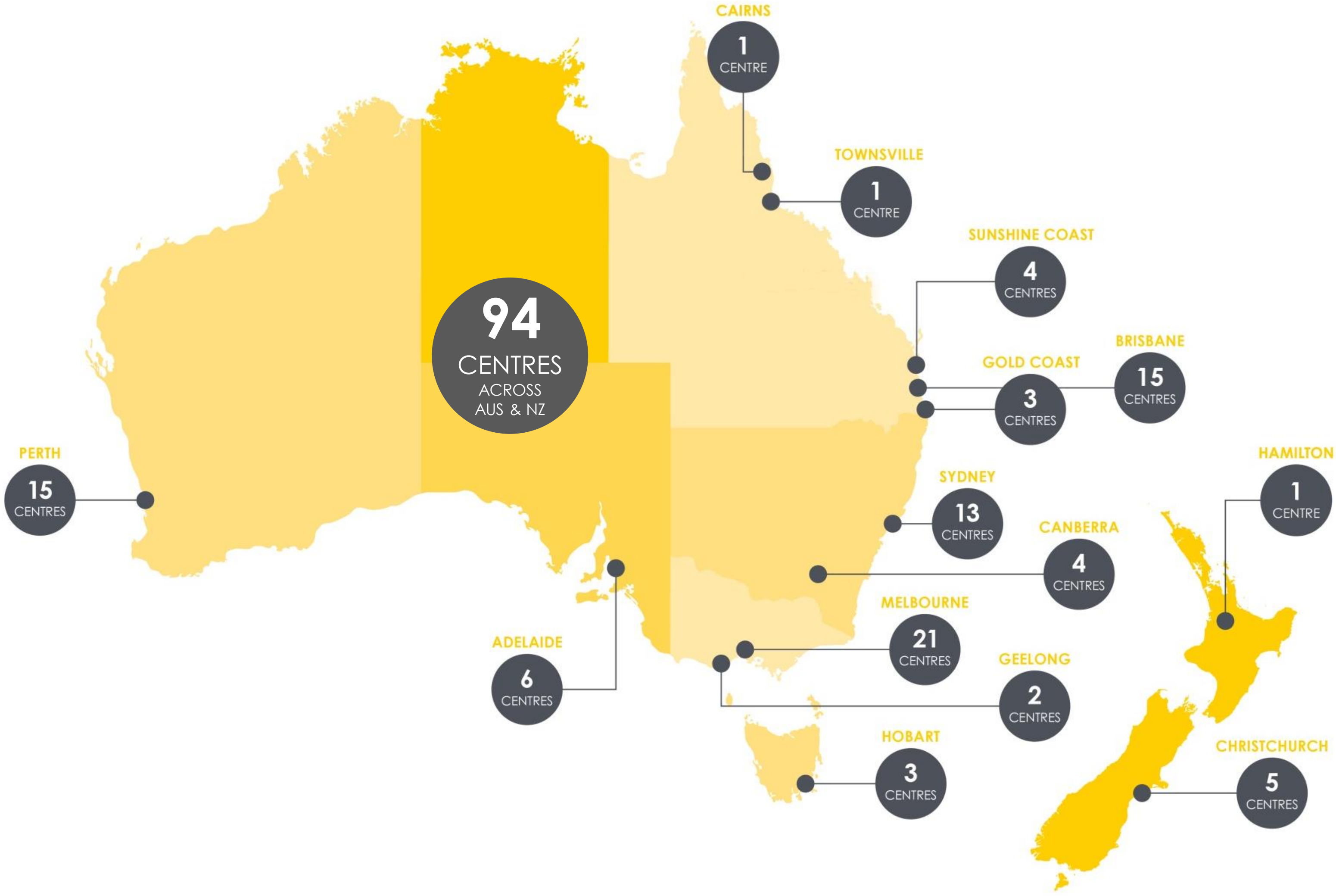
- Australia's first and only listed, fully integrated and internally managed self-storage REIT (S&P/ASX 200)
- IPO December 2013
- Assets under management grown from A$480m to A$886m
- 94 centres under ownership, operation or management across Australia and New Zealand, in a highly fragmented industry
- Approximately 1,800 centre across Australia and New Zealand
- Diverse tenant base with over 35,000 customers
- National Storage Management Platform
  - dynamic pricing model
  - experienced operations team drive balance between occupancy and rate per square metre with strong focus on overall growth in revenue
  - marketing
  - contact centre
  - property maintenance
- Developing multiple revenue streams to maximise returns

NSR PERFORMANCE

- Number 1 Performing Australian REIT for TSR to 30 June 2015 delivering 39% TSR
- Admitted to the S&P ASX 200 index in June 2015
- Delivered on objectives with significant growth in EPS, underlying earnings, assets under management and NTA
- 20% increase in security price over the eighteen months to 31 December 2015
- Outperformed the ASX:200 index by 20%



NATIONAL STORAGE FOOTPRINT



STRATEGY

NATIONAL STORAGE

DEVELOP MULTIPLE REVENUE STREAMS TO MAXIMISE RETURNS

ASSET MANAGEMENT

--

Balance rate and occupancy to achieve dual objectives of organic growth while maximising revenue from portfolio

--

Leverage management platform and economies of scale to extract value

--

Drive cost efficiencies across the portfolio

--

ACQUISITIONS

--

Focus on high quality accretive acquisitions in a fragmented industry

--

Strong potential acquisition pipeline in Australia and New Zealand

--

PORTFOLIO, CENTRE AND DEVELOPMENT MANAGEMENT

--

Provision of design and development services

--

Focus on development in markets where acquisitions are more challenging

--

Australian Prime Storage Fund and Perth Development Portfolio arrangements

--

Management of third party centres

PRODUCT AND INNOVATION

--

Exploring opportunities for revenue generation across:

- New sales channels including mini warehousing and logistics solutions
- Digital strategies
- Expanding ancillary product range

ACQUISITIONS: INDUSTRY GROWTH STRATEGY

ANNOUNCED ACQUISITIONS

- 94 centres currently under ownership, operation or management across Australia and New Zealand, an increase of 32 from December 2013
- 12 acquisitions for in excess of $57 million transacted in 1H FY16

STRATEGIC RATIONALE

- Highly fragmented industry
- Scalable fully-integrated operating platform – driving revenue and cost synergies
- Strong acquisition and integration track-record
- Investment guidelines dictate superior locations, proximity to usage drivers and ability to add value

STRATEGY OUTLOOK

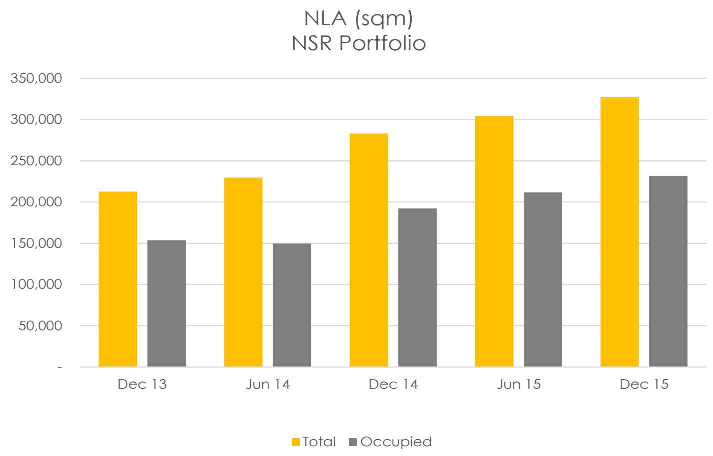
- Evidence of tightening cap rates demonstrated in NSR portfolio yield – weighted average primary cap rates at 9.7% on IPO, tightening to 8.4% 1H FY16
- Tightening cap rates now being reflected in wider industry expectations
- Strong potential acquisition pipeline within Australia and New Zealand

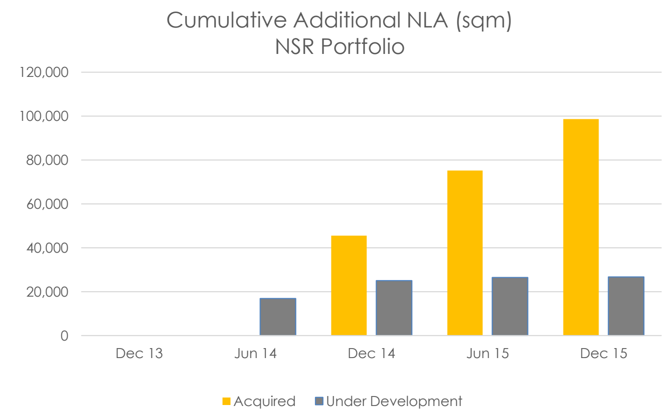
VALUE CREATION SPOTLIGHT – DEE WHY

Acquired business in March 2015 for $5.2m + **Acquired Lot 2 in June 2015 for $2.2m** + **Acquired Lot 6 in December 2015 for $3.2m** = **Revalued at $11.85m $1.25m uplift post consolidation**

ACQUISITIONS – JULY 2014 FORWARD

Centre	Purchase Price
Townsville	$17.0m
Mulgrave	$7.0m
Moorabbin	$8.2m
Wangarra	$10.9m
Port Adelaide	$5.2m
Hume, Phillip, Mitchell & Queenbeyan	$46.5m
Forrestdale	$11.0m
O'Connor	$8.0m
Richmond, Hawthorn, Glen Iris & South Melbourne	$48.8m
Dandenong South	$15.2m
Dee Why	$10.4m
Belfast, Opawa, Ferrymead, Hornby & Redwood	$21.7m (NZ$23.0m)
Pymble, Camperdown & Seven Hills	$11.1m
Frankton	$6.9m (NZ$7.4m)
Earlville	$9.9m
Croydon South	$4.7m
27 Acquisitions	**$242.2m**





Excluding NZ

NEW ZEALAND

- Successful entry into New Zealand market in August 2015
- Acquisition of five centres in Christchurch and one in Hamilton
- 23,000 sqm net lettable area
- 53,000 sqm gross land area
- New Zealand operational structure in place with direct link back to Australian management platform
- Extract value from acquired centres via optimising rate per square metre and driving occupancy
- Opportunity for future expansion/development in Christchurch and Hamilton
- Continue to pursue acquisition opportunities in major population centres, eg Auckland and Wellington

HIGHLIGHTS

1H FY 2016

- A-IFRS profit after tax of $20.6 million
- Underlying earnings* of $14.3 million (4.3 cents per security)

FY 2016 GUIDANCE

- FY16 underlying earnings guidance remains unchanged at 8.7 – 8.8 cents per security ($29.0m – $29.5m) representing underlying EPS growth of 6.0% – 7.5% on FY15 (assuming no material changes in market conditions)
- Distribution payout ratio is forecast to remain between 90% - 100% of underlying earnings

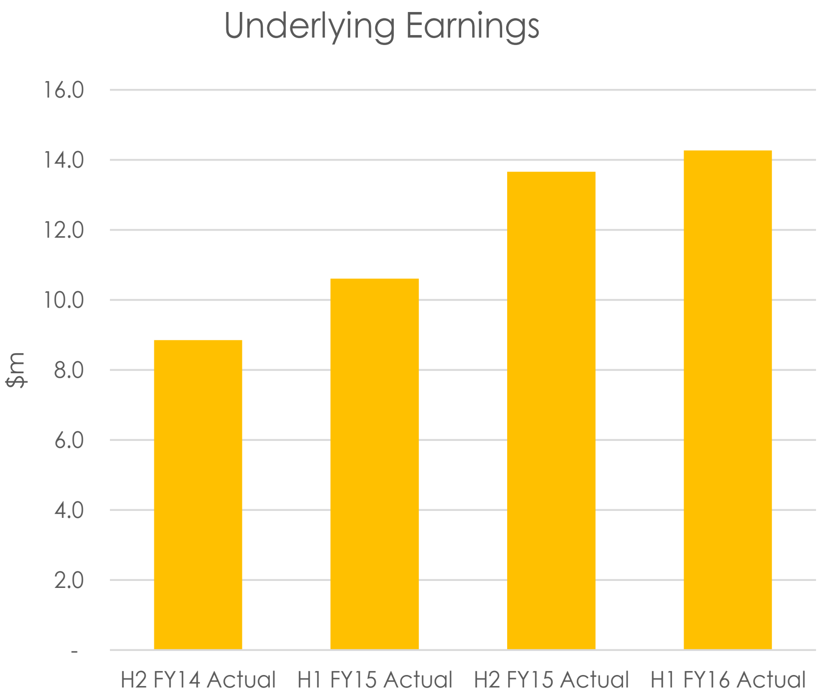
ACHIEVEMENTS - 1H FY 2016

- Underlying earnings up 35% on 1H FY15
- EPS up 13.2% to 4.3 cents per security on 1H FY15
- Established (IPO) portfolio EBITDA grew by 4.3% H1 FY16 v H1 FY15
- Successful integration of New Zealand into management platform
- 5% increase in rate per sqm across the total portfolio (excluding developing centres)
- 20% increase in total assets under management to $886 million
- Portfolio valuation $569 million, weighted average primary cap rate 8.4%.

* 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)

SUMMARY AND OUTLOOK

- 1H FY16 underlying earnings of $14.3 million (4.3 cents per security)
- FY16 underlying earnings guidance $29.0 - $29.5m - assuming no material changes in market conditions
- FY16 underlying EPS guidance of 8.7 – 8.8 cents per security (6.0% – 7.5% growth on FY15) - assuming no material changes in market conditions
- Benefits from acquisitions continue to flow through to earnings
- Active acquisition pipeline



Results and Guidance Summary	
1H FY16 underlying earnings	**$14.3 million (4.3 cents per security)**
FY16 underlying earnings guidance	**$29.0 - $29.5m (19 – 22% growth on FY15)**
FY16 underlying EPS guidance	**8.7 – 8.8 cents (6.0% – 7.5% growth on FY15)**

THANK YOU

INVEST@NATIONALSTORAGE.COM.AU
WWW.NATIONALSTORAGE.COM.AU
1800 683 290

APPENDIX

PORTFOLIO METRICS

METRICS	IPO			31 December 2014			31 December 2015		
	NSR	MGT	TOTAL	NSR	MGT	TOTAL	NSR	MGT	TOTAL
Freehold centres	28	24	52	39	27	66	50	29	79
Leasehold centres	10	-	10	10	-	10	15	-	15
Total centres	38	24	62	49	27	76	65	29	94
Freehold NLA (sqm)	163,000	117,000	281,000	234,000	129,000	363,000	277,000	141,000	418,000
Leasehold NLA (sqm)	49,000	-	49,000	49,000	-	49,000	73,000	-	73,000
Total NLA (sqm)	212,000	117,000	330,000	283,000	129,000	412,000	350,000	141,000	491,000
Average NLA	5,600	4,900	5,300	5,800	4,700	5,400	5,400	4,900	5,200
Storage units	25,000	12,000	37,000	32,000	13,000	45,000	40,000	14,000	54,000
REVPAM (Excludes developing centres)	$174	N/A	N/A	$182	N/A	N/A	$212	N/A	N/A
Assets under management	$270m	$210m	$480m	$409m	$224m	$633m	$618m	$268m	$886m
Weighted average Primary cap rate	9.70%	N/A	N/A	9.50%	N/A	N/A	8.40%	N/A	N/A

NSR – owned portfolio
MGT – managed centres including Southern Cross
REVPAM – revenue per available square metre