

10 June 2014

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ASX ANNOUNCEMENT

NATIONAL STORAGE REIT TO UNDERTAKE PORTFOLIO ACQUISITION IN PERTH

National Storage REIT (NSR) is pleased to announce it has entered into arrangements to undertake a portfolio transaction in Perth, Western Australia.

The transaction involves three assets which represent the first development management projects for NSR since listing. The portfolio comprises:

- an existing established and well-let self-storage centre at Wangara;
- a development project at Kardinya; and
- a development expansion of an existing NSR operated leasehold site at Cockburn.

Managing Director Andrew Catsoulis believes the portfolio acquisition will allow NSR to cement its position in the Perth market and provides for future portfolio management and recycling opportunities.

"The self-storage asset at Wangara features 579 units across approximately 5,300 square metres of net lettable area over two purpose-built buildings, with a second stage of expansion completed in 2013. The well-established centre is located in an area of anticipated growth and is currently managed by Storage King" he said.

"The development site at Kardinya, 7km east of Fremantle, covers approximately 5,700 square metres with planned construction for 417 units over approximately 4,400 square metres of net lettable area. NSR will receive project and development management fees as part of the transaction, together with incentives for the first year of the lease-up period which is expected to be three to five years" he said.

"The capacity of NSR's existing leasehold site at Shallcross Street, Yangebup (known as National Storage Cockburn) will be expanded by approximately 1,800 square metres of additional net lettable area, with the conversion of existing hardstand space into two levels of storage units. This will effectively double the capacity of the centre. This project will allow future consideration of a portfolio recycling opportunity as our nearby Dobra Road, Cockburn site comprising 6,000 square metres of land area may have a higher and better use" he said.

The purchase price for Wangara is \$10.9 million at a projected year one passing income yield of 9% (excluding transaction costs). Kardinya will be purchased for \$8 million and is forecast to generate a passing income yield of over 10% once occupancy stabilises. The development cost for Cockburn will be borne by the vendor with additional rent to be incurred by NSR, as our existing lease is expanded to cover the new building.

The transaction will be funded from NSR's debt facility. The transaction remains conditional and, should it proceed, settlement is expected in July 2014 with the construction at Kardinya and Cockburn to be completed in late 2014.

National Storage continues to actively pursue acquisition opportunities in line with its asset management strategy. The earnings guidance for CY14 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)

National Storage is one of the largest self-storage providers in Australia, with 65 centres providing tailored storage solutions to over 23,000 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).

For further information:

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ASSET PROFILE

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