



ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

10 November 2016

ASX ANNOUNCEMENT

NATIONAL STORAGE REIT (NSR) 2016 ANNUAL GENERAL MEETING ADDRESSES

Please find following the addresses by the Company's Chairman Mr Laurence Brindle and Managing Director Mr Andrew Catsoulis, to be presented at today's Annual General Meeting commencing at 10am Brisbane time.

A handwritten signature in blue ink, appearing to read "C. Fidler", with a stylized flourish at the end.

Claire Fidler
Company Secretary



10 November 2016

CHAIRMAN'S ADDRESS

FY16 has been a transformative year for National Storage.

We have continued our proactive and disciplined approach to executing our acquisition strategy with 23 centres (excluding Southern Cross) acquired and successfully integrated into our operating platform during the year. Our continued focus on proactive asset management has delivered strong growth across the business. National Storage is now the largest self-storage owner-operator in Australasia, with 108 centres across Australia and New Zealand.

In June 2016 we secured the ownership of the strategically important Southern Cross portfolio, comprising 26 centres, already operated by National Storage and in which NSR held a 10% interest. This was a significant transaction achieved at a time of considerable market volatility. As part of this transaction we welcomed support from new and existing investors via an over-subscribed institutional placement and an accelerated non-renounceable entitlement offer which was well supported by our existing investors. The successful completion of this transaction strengthens our position as a market leader and now sees our total assets increase to approximately \$1 billion.

We have reinforced our prudential approach to capital management with a significant debt refinancing which delivered longer duration funding and improvement covenants. Our strong balance sheet provides capacity and flexibility to pursue our active acquisition pipeline and deliver our growth strategy.

As National Storage moves from strength to strength, we must ensure we continue to operate efficiently and effectively. The Senior Executive team continues to deliver strategic projects and operational efficiencies to ensure we drive performance and ensure we are in a position to act on opportunities as they arise.

The Board is confident National Storage is well placed to continue the success of the past year. We are focused on growth across the business and our executive teams are focused on developing multiple revenue streams to deliver reliable and growing returns for our securityholders.

We are grateful to you, our securityholders, for your continuing support and we look forward to working with you over the period ahead.

Laurence Brindle

Chairman



NATIONAL STORAGE REIT

MANAGING DIRECTOR'S REVIEW

AGM

NOVEMBER 2016

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

Past performance

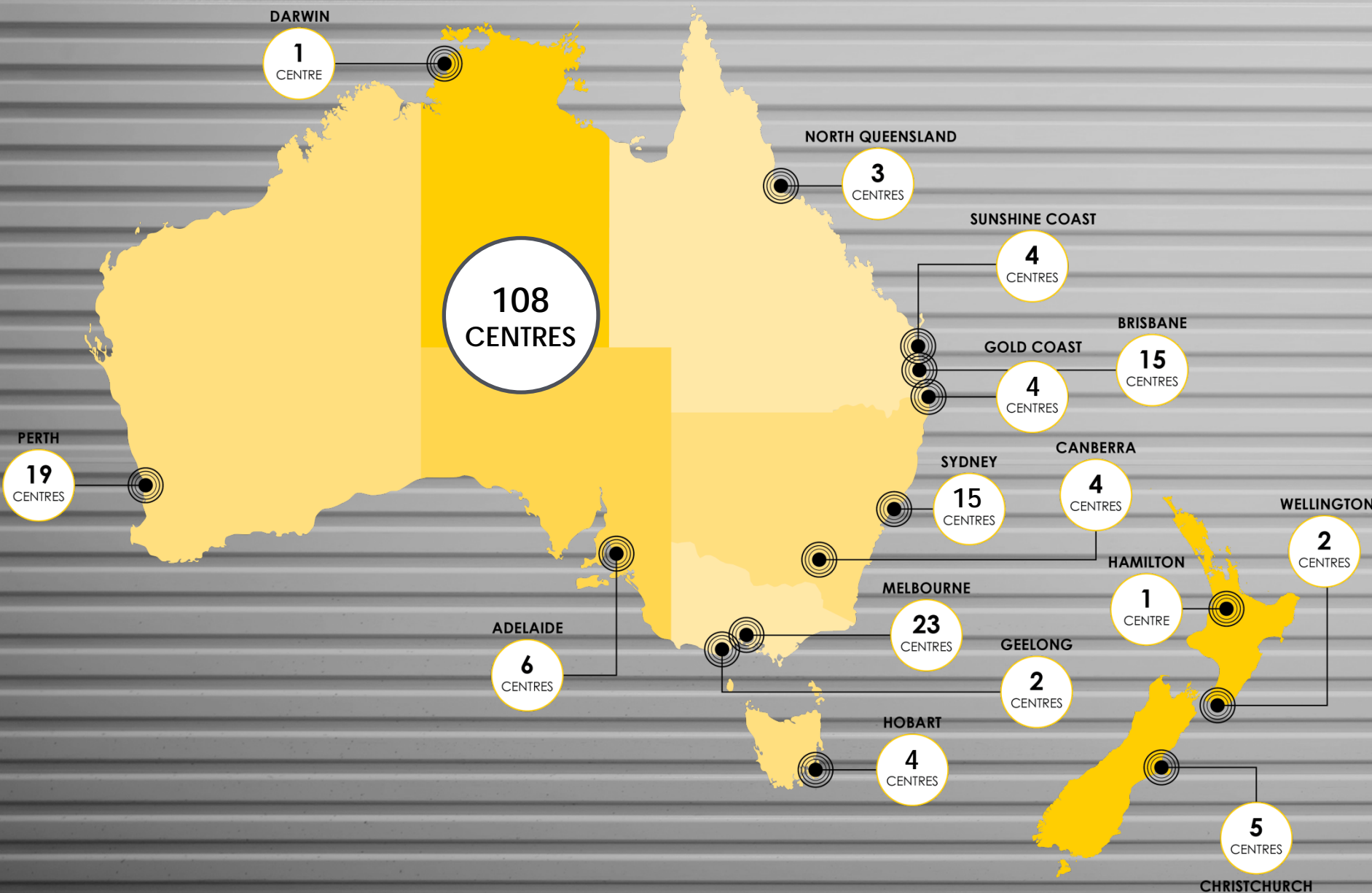
The past performance, including past security price performance, of NSR cannot be relied upon as an indicator of, and provides no guidance as to future NSR performance including future security price performance and is given for illustrative purposes only.

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 2016 Financial Statements was not subject to independent audit or review. Investors should be aware that certain financial data included in this Presentation is "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" published by ASIC and may also be "non-GAAP financial information" within the meaning given under Regulation G of the U.S. Securities Exchange Act of 1934, as amended.

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NATIONAL STORAGE FOOTPRINT





THE YEAR IN REVIEW



FY16 FINANCIAL HIGHLIGHTS



A-IFRS PROFIT \$44.0 million

\$29.2 MILLION
8.7 CENTS
PER STAPLED SECURITY



**UNDERLYING
EARNINGS***

5.9 YEARS



DEBT TENOR

\$260 MILLION



CAPITAL RAISED

38%



34%
GEARING**

*A-IFRS profit after tax adjusted for tax benefit (-\$0.25 million), Fair value adjustments (-\$10.02 million) and Net loss from fair value adjustments of Leasehold investment properties (-\$4.55 million)

** Gearing post capital raise and acquisitions to 31 August 2016



**23 CENTRE
ACQUISITIONS**



**PORTFOLIO
GROWTH**

**SOUTHERN CROSS
TRANSACTION**



**STRATEGIC
ACQUISITION**

\$959 MILLION




**ASSETS UNDER
MANAGEMENT**

**9.2 – 9.4 CENTS
PER STAPLED SECURITY**







**FY17 EPS
GUIDANCE***

 IS IT LOCKED

OPERATIONAL UPDATE

 **AFTER HOURS
EMERGENCY**
PLEASE CALL 1800 650 014
IF LIFE THREATENING CALL 000

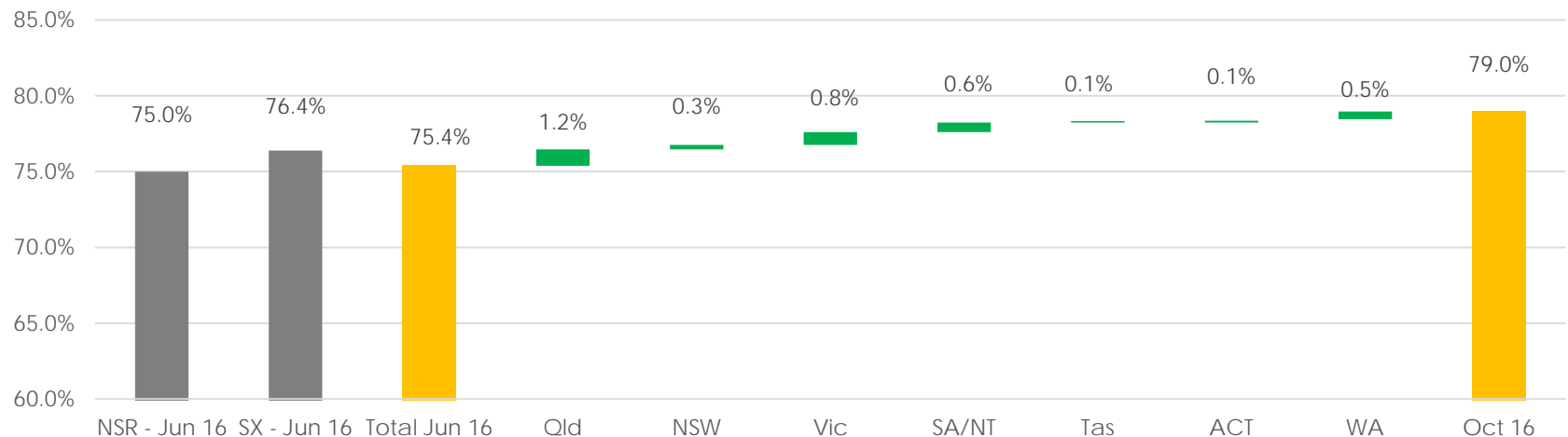







OCCUPANCY UPDATE

- **June 16 Combined Portfolio*** increased 3.6% to 79.0% to 31 October 2016
- Occupancy growth achieved across all markets including Perth
- Maintaining a balanced approach between rate per sqm and occupancy growth
- Improving overall portfolio metrics
- Approximately 50% of centres now trading at 80% occupancy or above (up from 33%)

Same Centre Occupancy Movement*
30 June 2016 - 31 October 2016

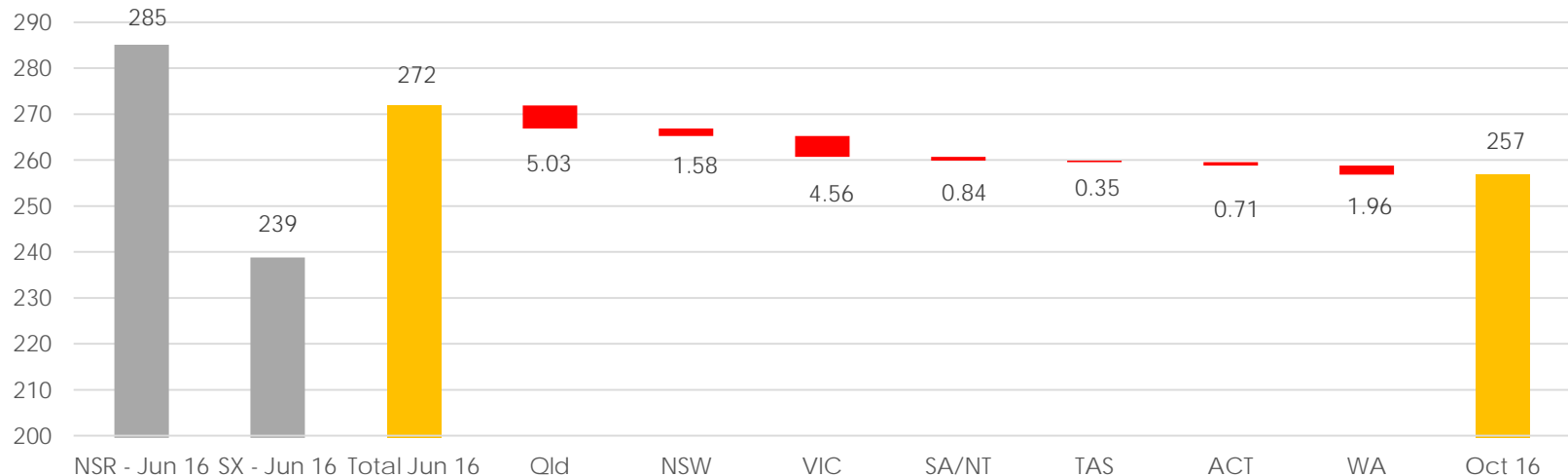


* All centres owned at 30 June 2016 including Southern Cross (excluding NZ and developing centres)

RATE UPDATE

- **June 16 Combined Portfolio***
- Short term impact on rate to drive occupancy growth
 - Revenue Management System delivering competitive rates across all centres
 - Upfront move-in offers being scaled back as occupancy improves
 - Short term impact expected to diminish in coming months
- REVPAM stable at \$202/sqm with upside expected as discounting reduces

Same Centre Rate \$/sqm* Movement
30 June 2016 - 31 October 2016



* All centres owned at 30 June 2016 including Southern Cross (excluding NZ and developing centres)

GROWTH DRIVERS

- Integration of revenue management system (RMS)
 - Balancing demand and supply
 - Delivering competitive rates
 - Effective yield management
 - Managing ongoing rental increases
- Larger average centre size providing capacity for future growth
- Uplift in staff engagement – health and wellness programs, refined team structure and sales focus to achieve operating targets
- Growing brand awareness – marketing and sponsorship activities, new digital platforms and media channels driving enquiries



OUTLOOK

FY16 UNDERLYING EARNINGS \$29.2 MILLION (8.7 cps)

FY17 UNDERLYING EARNINGS GUIDANCE \$45.5 – \$46.5 MILLION*

FY17 UNDERLYING EPS GUIDANCE 9.2 – 9.4 CENTS PER STAPLED SECURITY*

ACTIVE ACQUISITION PIPELINE

THANK YOU

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