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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 wavy line at the end.

Claire Fidler
Company Secretary

NATIONAL STORAGE REIT (NSR)

National Storage Holdings Limited (ACN 166 572 845)

National Storage Financial Services Limited (ACN 600 787 246 AFSL 475 228) as responsible entity for National Storage Property Trust (ARSN 101 227 712)



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

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.

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Not an offer of securities

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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 including information that reflect any change in NSR's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based. To the maximum extent permitted by law, responsibility for the accuracy or completeness of any forward looking statements whether as a result of new information, future events or results or otherwise is disclaimed.

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

Past performance

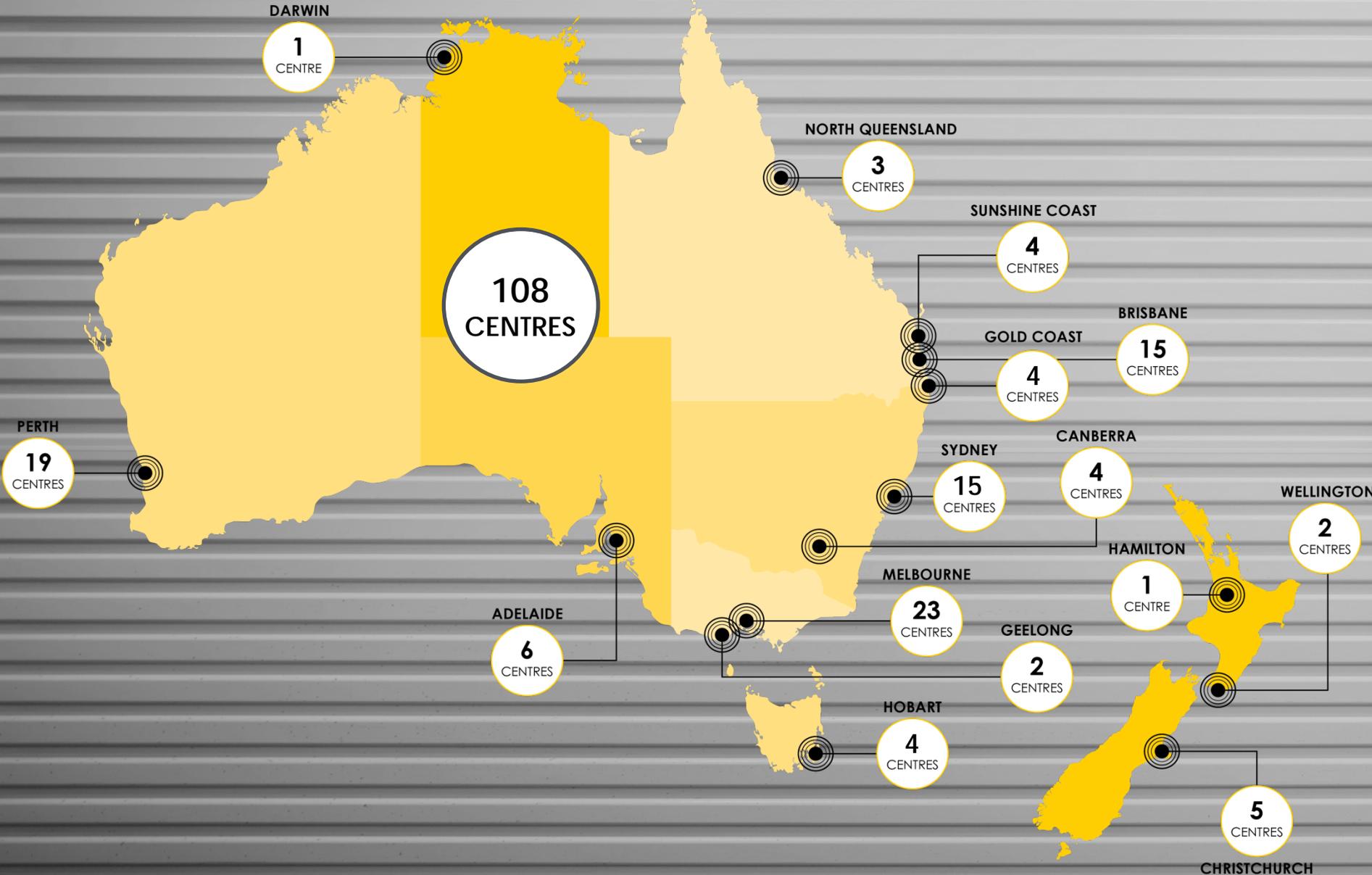
The past performance, including past security price performance, of NSR cannot be relied upon as an indicator of, and provides no guidance as to future NSR performance including future security price performance and is given for illustrative purposes only.

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.

Non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards ("AAS"). Accordingly, the non-IFRS financial information in this Presentation: (i) may not be comparable to similarly titled measures presented by other entities; (ii) should not be construed as an alternative to other financial measures determined in accordance with AAS; and (iii) is not a measure of performance, liquidity or value under the IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this Presentation.

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

A close-up photograph of a silver metal padlock with the "NATIONAL STORAGE" logo embossed on its front. The padlock is attached to a metal shackle.

**23 CENTRE
ACQUISITIONS**

**SOUTHERN CROSS
TRANSACTION**

\$959 MILLION

**9.2 – 9.4 CENTS
PER STAPLED SECURITY**



**PORTFOLIO
GROWTH**



**STRATEGIC
ACQUISITION**



**ASSETS UNDER
MANAGEMENT**



**FY17 EPS
GUIDANCE***

 IS IT LOCKED

OPERATIONAL UPDATE

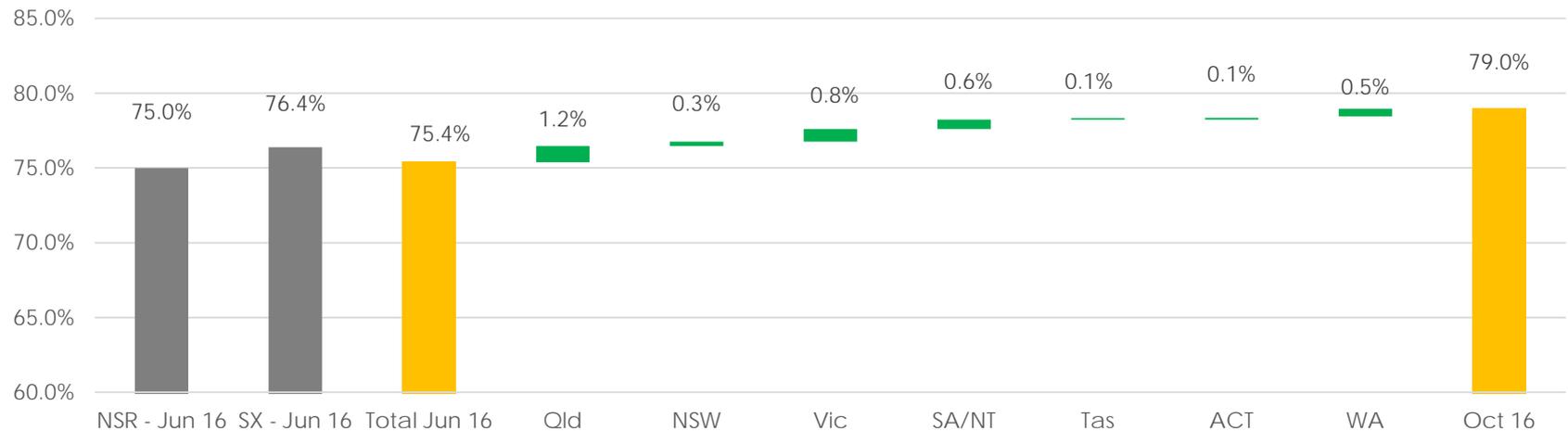
 **AFTER HOURS
EMERGENCY**
PLEASE CALL 1800 650 014
IF LIFE THREATENING CALL 000



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

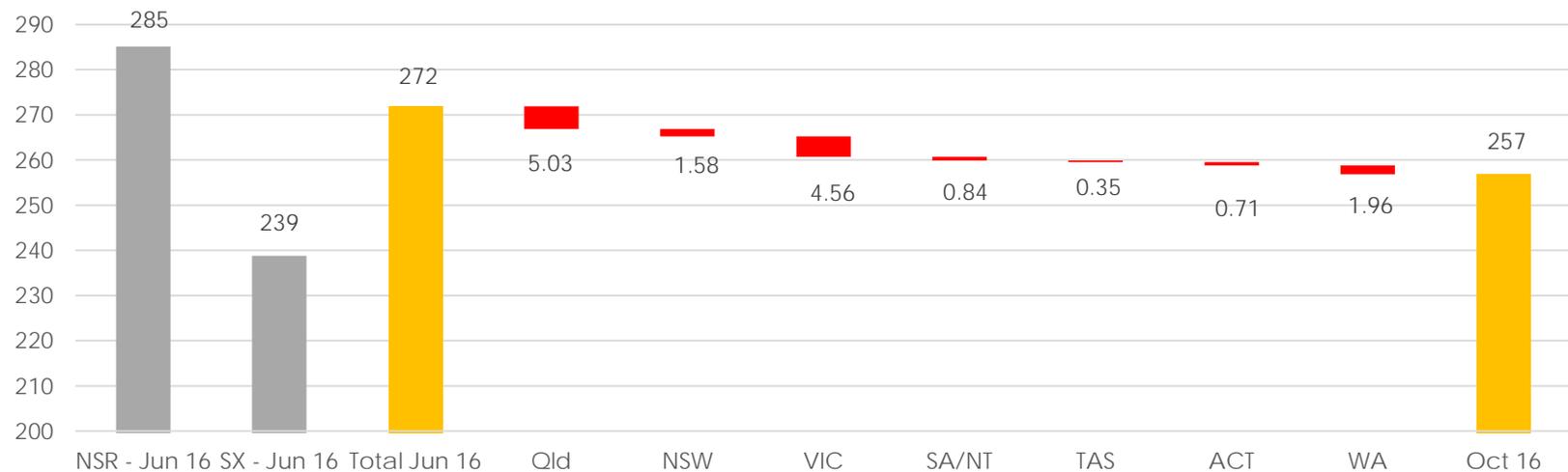


* All centres owned at 30 June 2016 including Southern Cross (excluding NZ and developing centres)

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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