

Big Yellow Group PLC



Results for the Six Months and Second Quarter ended 30 September 2006

23 November 2006



Financial Highlights

	2 nd quarter ended 30.09.06		Six months ended 30.09.06	
Annualised Revenue	£50.0m	+5%	£50.0m	+17%
Revenue	£12.8m	+10%	£24.4m	+20%
Profit before tax			£58.8m	+39%
Adjusted profit before tax ¹			£7.0m	+17%
Adjusted diluted earnings per share ²			4.47p	-9%
Adjusted diluted NAV per share ^{3,4} (v March 2006)			347.3p	+17%
Interim dividend ⁴			3.5p	+75%
Occupied Space (sq ft)	1,792,000	+3%	1,792,000	+9%

1) See note 5 Interim report

2) See note 7 Interim report

3) See note 13 Interim report

4) Compared to 31 March 2006



Consolidated Income Statement

Year ended:		Six months ended:		
31.03.06		30.09.06	30.09.05	
£m		£m	£m	
41.9	Revenue	24.4	20.3	+20%
(15.5)	Cost of Sales	(9.0)	(7.7)	
(4.7)	Admin Costs	(2.6)	(2.2)	
21.6	Underlying Operating Profit	12.8	10.4	+23%
106.2	Revaluation Surplus	51.4	36.8	+40%
(9.3)	Net Interest Payable	(5.4)	(5.0)	+8%
118.5	Profit before Tax	58.8	42.2	+39%
(35.1)	Taxation	(17.7)	(11.8)	
83.4	Profit for the Period	41.1	30.4	
12.6	Adjusted Profit before Tax	7.0	6.0	+17%
8.94p	Adjusted EPS	4.47p	4.90p	-9%



Movement in Adjusted Profit Before Tax

	£m
Adjusted PBT - six months ended 30.09.05	6.0
Gross profit improvement	2.8
Interest expense (net)	(1.5)
Administration expense	(0.3)
	<hr/>
Adjusted PBT - six months ended 30.09.06	<u>7.0</u>



Movement in Adjusted Diluted NAV per Share

	£m	No of Shares	Diluted Pence Per Share
Adjusted NAV at 31 March 2006	322.3	108.5	297.0p
Revaluation surplus – Investment Properties	51.4		
Placing at 400p	35.8	9.1	
Adjusted Earnings	4.9		
Dividends Paid	(3.1)		
Other Items	(1.1)	0.5	
	410.2	118.1	347.3p

Note: Development properties held at cost

Cashflow and Net Debt Movement



	Six Months ended:		
	30.09.06	31.03.06	30.09.05
	£m	£m	£m
Opening Net Debt	142.1	111.6	102.5
Cash from Operations	16.9	13.9	11.6
Interest (Net)	(5.1)	(3.9)	(5.4)
Dividends Paid	(3.1)	(2.0)	(1.5)
Property Purchases	44.1	20.5	9.5
Development / Refurb Capex	15.2	20.2	8.8
Other Capex	1.9	1.9	0.4
Total Capital Expenditure	(61.2)	(42.6)	(18.7)
Property Sales	-	3.1	4.5
Issue of Share Capital	38.3	1.0	0.5
Closing Net Debt	156.3	142.1	111.6

Note: £19m surplus property in balance sheet held for sale



Gearing Levels

	30.09.06	31.03.06	30.09.05
Net Debt / Gross Property Assets	27%	30%	31%
Net Debt / Adjusted Net Assets	38%	44%	45%
Interest Cover based on NOI*	2.8	3.0	3.0

Conservative balance sheet and healthy income cover

* Based on store NOI and net interest expense excluding bank borrowing fair value adjustments for the previous 12 months



Trading Summary

Years since opening as at 1 April 2006	Sept 2006	Sept 2006	Sept 2006	Sept 2005	Sept 2005	Sept 2005
	≥2 years	<2 years	Total	≥2 years	<2 years	Total
Number of stores	30	11	41	30	5	35
As at 30 Sept 2006:						
Total capacity (sq ft)	1.80m	0.65m	2.45m	1.80m	0.31m	2.11m
Occupied space (sq ft)	1.54m	0.25m	1.79m	1.54m	0.11m	1.65m
Percentage occupied	86%	39%	73%	86%	35%	78%
	£m	£m	£m	£m	£m	£m
Annualised revenue	48.8	7.2	50.0	39.9	2.8	42.7
For the 6 month period:						
Average occupancy	86%	32%	71%	83%	25%	74%
Average annual rent psf	£23.77	£22.95	£23.54	£22.42	£19.19	£22.38
Self storage sales	18.4	2.4	20.8	16.7	0.8	17.5
Other storage related income	2.7	0.5	3.2	2.4	0.2	2.6
Development/tenant income	-	0.4	0.4	-	0.2	0.2
Total Revenue	21.1	3.3	24.4	19.1	1.2	20.3
Store EBITDA	13.4	1.4	14.8	11.8	0.4	12.2
EBITDA Margin	63%	41%	60%	61%	34%	60%
Central overhead	(1.3)	(0.3)	(1.6)	(1.2)	(0.2)	(1.4)
Store Net Operating Income	12.1	1.1	13.2	10.6	0.2	10.8
NOI Margin	58%	31%	54%	55%	16%	53%



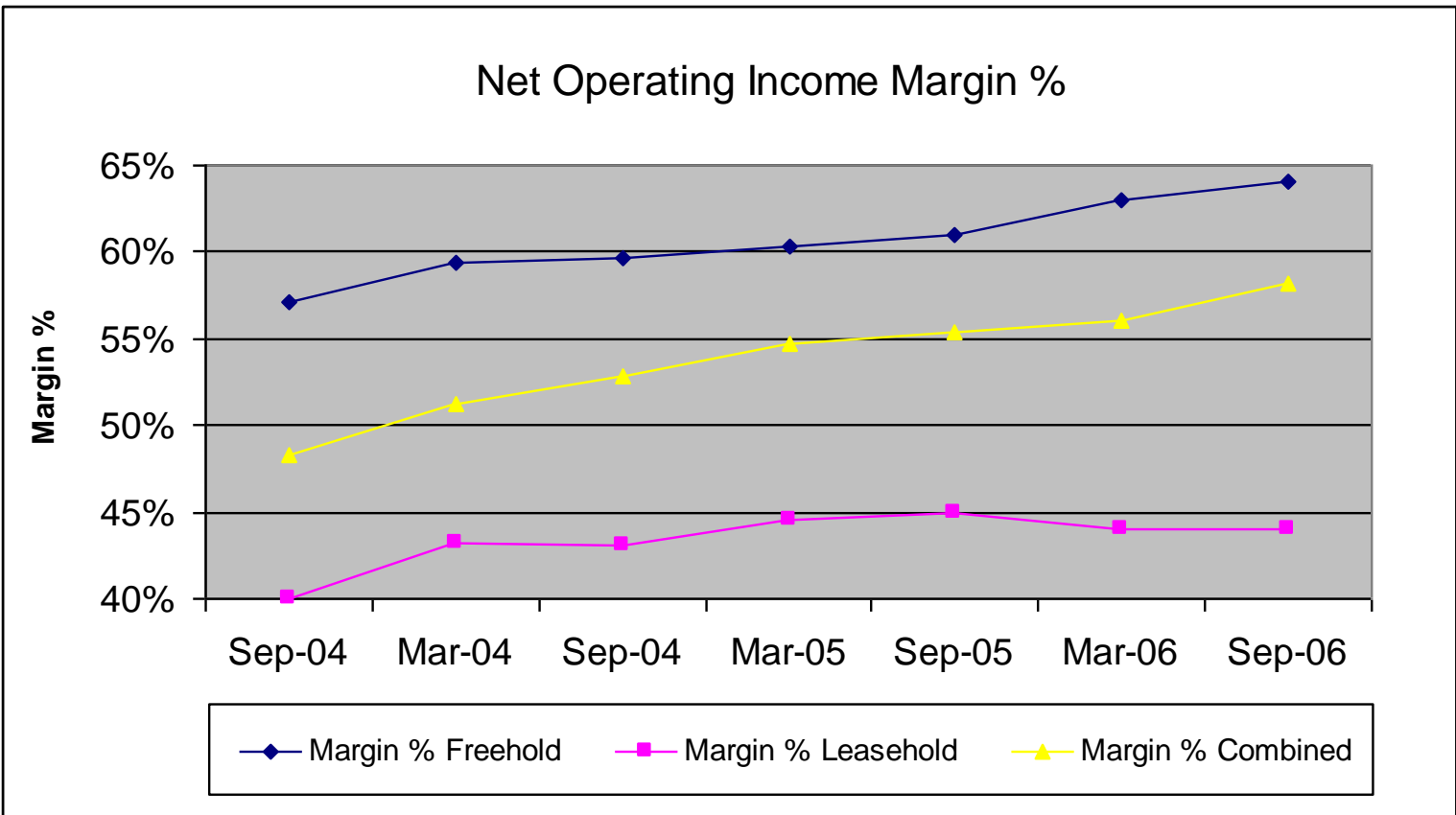
Capex Summary

	Sept 2006 ≥ 2 years	Sept 2006 < 2 years	Sept 2006 Total
No of Stores	30	11	41
	£'m	£'m	£'m
To 30 September 2006	145.1	69.0	214.1
To complete	-	4.0	4.0
Total Cost	145.1	73.0	218.1
Freehold	124.1	73.0	197.1
Leasehold (9 stores)	21	-	21
	145.1	73.0	218.1

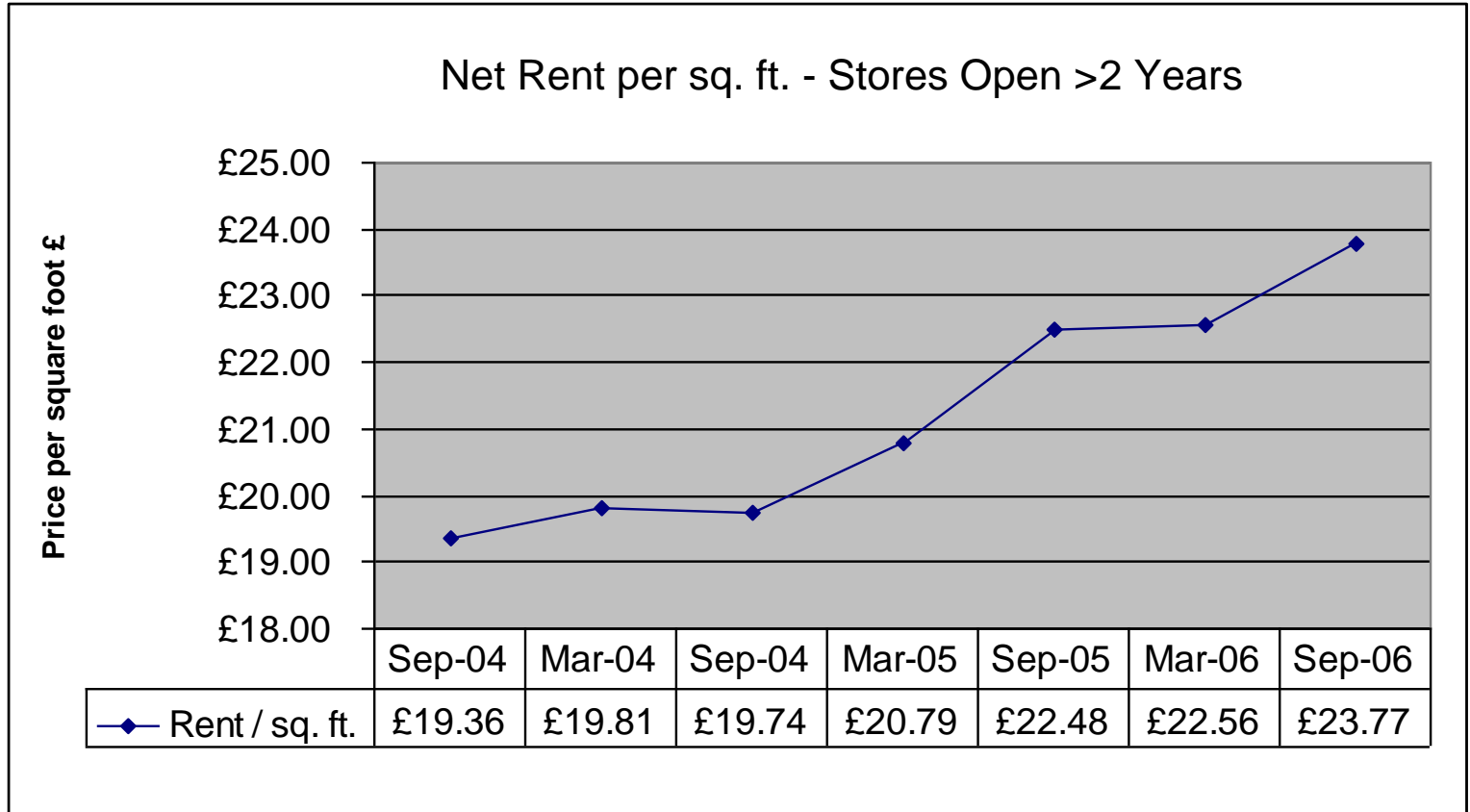


Store Trading Performance

- 41 stores (2005: 35) trading at period end. Total capacity 2.45 million sq ft (2005: 2.11 million sq ft)
- Occupancy up 143,000 sq ft (2005: 1,649,000 sq ft) to 1,792,000 sq ft, up 9%
- 30 stores open more than 2 years at beginning of period:
 - Average occupancy stable at 86% (Year ended 31 March 2006: 85%)
 - Same store revenue up 10% year on year; 7% yield improvement
 - Freehold EBITDA of 70% and leaseholds 50%, combined 63%
- Packing materials, insurance and other sales were £3.2 million (2005: £2.6 million) up 23%
- Net storage revenue of £23.87 per sq ft (2005: £22.38)



Storage Centres > 2 years Freeholds v Leaseholds NOI growth



Varies with London weighting and VAT restructuring September 2004

REITs

- Extensive due diligence and professional advice
- One material issue to be resolved
- Conversion considered beneficial
 - UK Tax exempt qualifying profits
 - Elimination of latent CGT
 - Improved dividend stream
 - New investor demand
- Conversion charge
 - Estimated £11.2 million is based on current property values
- Approximately 88% of our business would be tax exempt
- Dividend policy
 - 90% qualifying earnings post depreciation
 - Impact of shadow capital allowances on PID proportion



Investment Property Valuation

£m	Deemed Cost	Revaluation on deemed cost	Valuation
Freehold Centres			
As at 1 April 2006	152.0	197.4	349.4
Movement in Period	<u>27.8</u>	49.8	<u>77.6</u>
As at 30 Sept 2006	179.8	247.2	427.0
Leasehold Centres			
As at 1 April 2006	18.3	42.8	61.1
Movement in Period	<u>0.2</u>	1.6	<u>1.8</u>
As at 30 Sept 2006	18.5	44.4	62.9
All Centres			
As at 1 April 2006	170.3	240.2	410.5
Movement in Period	<u>27.9</u>	51.4	<u>79.3</u>
As at 30 Sept 2006	198.2	291.6	489.8

Approximately 90% by value of the total property assets are freehold



Property Valuation

Freehold

- 10 year DCF assuming notional sale at year ten
- Cap yield of year one NOI @ 5.77% (Mar 2006: 6.01%), rising to 7.34% (Mar 2006: 7.49%) in year after final stabilisation
- Weighted average occupancy 86% (Mar 2006: 86%) at maturity

Leasehold

- No sale of assets at year 10; DCF to lease expiry
- Average unexpired term, 19.3 years (March 2006: 19.8 years)



Revaluation Movement in the Year

			£m
(1) 37 storage centres at 31 March 2006	Value Increase	27.4	
	Capex in period	(1.1)	26.3
(2) 4 new storage centres – Tunbridge Wells, East Finchley, Bristol South, Kingston	Value	51.9	
	Cost	(26.8)	25.1
			51.4

7% increase in gross valuation of existing 37 storage centres was 3% yield contraction and 4% operating performance

Property Review

- Sites acquired for development
 - 4 in London at, Merton, Richmond, Bromley and Eltham (Nov 2006)
 - And, Sheffield, Poole, High Wycombe
- £189m development pipeline 20 sites (inc Edmonton Oct 06), 1.3 million net lettable space, 74% by sq ft is London
- 61% stores and sites within M25
- More than 85% freehold (including 1 long leasehold), 90% by value
- Planning – four consents on the 19 sites, balance in planning process

Kingston



Big Yellow Stores



Plus Eltham (South East London) acquired in November 2006

Big Yellow Stores





International Franchise

- UAE Development Agreement signed
 - Site acquired in Dubai
 - Spring 2008 opening of 300,000 sq ft net lettable store
- No equity risk, up front fee and share of revenue
- Trademark protection in EU and other selected territories
- Expansion plans
 - Update at full year

Funding Strategy

- Capex Funding
 - Equity – July 2006 placing
 - Debt
 - Free Cashflow – increasing dividends
- Bank Facilities
 - Current Facilities
 - RBS / Bank of Ireland / Barclays
 - Morgan Stanley repaid October 2006
 - Net Debt at 30 September £156m
 - Interest Cover
 - Currently
 - Covenant
 - LTV on drawdown only
- Future Funding

Conclusion

- Strong Development Pipeline
- Valuation
- REITs
- Current Trading
- Outlook

Appendix





History

- Early 1998 - market research commenced
- October 1998 - Formed Cubic Self Storage
- January 1999 - Acquisition of Big Yellow Self Storage Company
- September 1999 - Pramerica investment
- May 2000 - AIM listing
- May 2001 - Placing and Open Offer
- June 2002 - Full listing
- February 2005 – Placing of Pramerica stake
- July 2006 – 9.1m share placing at 400 pence

Self-Storage Market



- The Market
 - US market
 - 40,000 self-storage centres
 - 1.5 billion sq ft – 5 sq ft per person
 - Occupancy range of 82-89% since 1990
 - Population 300 million (approximately)
 - UK market
 - Circa 400 self-storage centres
 - 15 million sq ft – 0.3 sq ft per person
 - Latest member survey indicates current occupancy on whole market at 75%, with a mature store typically > 80%
 - Population 60 million (approximately)



Self-Storage Market

- Key influencers
 - Public awareness – low, new growing market
 - Population mobility and density
 - Physical planning and constraints, smaller homes
 - Focus on high density development on brownfield sites
 - Rising disposable incomes with GDP growth
 - Growth in housing demand, divorce, single parent families, single living
 - Small business formation requiring flexible, economic space



UK Market Potential

- Awareness of self-storage
 - Currently 20-25% approximately in London
 - Much lower in other major cities
- Significant advertising and promotion raising awareness
- Strong brands, roadside visibility also raising awareness
- New customers being created as market grows, e.g. lifestyle, de-cluttering
- 25% US penetration would imply the potential for 1500-1800 centres and approximately 1 sq ft per person
- Projected growth of 10%



Big Yellow Model

- Develop Premium Brand
 - attractive modern premises
 - prominent main road frontages
 - high quality fit out
 - broad client base - B2B and B2C
 - ancillary packing materials and insurance sales
- Customer Focus
 - customer service/loyalty
 - safe/secure
 - easy access 24 hours per day
- Financial Model
 - economies of scale
 - roll-out programme
 - asset backed

Market Share Analysis – March 2006



	N° of Stores	Average Size (sq ft)	Self Storage (sq ft)	Revenue (£m)
SSA Membership (144)	400	35,000	13.8m	£234m
Less 27% < 20,000 sq ft	107	17,500	1.9 m	£32m
Stores > 20,000 sq ft	290	41,500	11.9m	£202m
Big Yellow @ 31 March	37	60,000	2.2m	£42m
Big Yellow Market share	13%		19%	21%

All figures exclude non SSA members

Note: Extrapolated from Mintel / SSA Survey Data



Customer Average Length of Stay

As at 30 Sept 2006		Stores (N° of Months)				Portfolio
		< 1 Year	1-2 Years	2-5 Years	>5 Years	
N° of Stores		6	4	17	14	41
Domestic	Existing	3.4	6.4	11.9	15.4	12.8
	Vacated	1.8	3.2	5.0	6.0	5.5
	Total	2.7	4.3	6.6	7.6	7.1
Business	Existing	4.0	7.1	13.0	17.2	14.7
	Vacated	1.9	3.5	6.4	8.7	7.7
	Total	3.6	5.7	9.4	12.0	10.7
All	Existing	3.5	6.5	12.1	15.8	13.2
	Vacated	1.8	3.2	5.1	6.3	5.7
	Total	2.8	4.5	6.9	8.2	7.5



Disclaimer

This presentation contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking in nature and are subject to risks and uncertainties. Actual future results may differ materially from those expressed in or implied by these statements.

Many of these risks and uncertainties relate to factors that are beyond Big Yellow's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis.

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Tunbridge Wells



Finchley East



Bristol South

