

Big Yellow Group PLC

**Results for the Six Months and Second
Quarter ended 30 September 2007**

November 2007



Financial Review November 2007



Financial Highlights

	2 nd quarter ended 30.09.07		Six months ended 30.09.07	
Annualised Revenue	£57.8m	+5%	£57.8m	+16%
Revenue	£15.1m	+12%	£28.6m	+17%
Profit before tax			£46.3m	-21%
Adjusted profit before tax ¹			£7.2m	+3%
Basic earnings per share			40.10p	+5%
Adjusted earnings per share ²			5.89p	+32%
Adjusted NAV per share ³			471.9p	+36%
Interim dividend			4p	+14%
Occupied Space (sq ft)	1,918,000sq ft	-1%	1,918,000sq ft	+7%

1) See note 5 Interim report

2) See note 7 Interim report

3) See note 13 Interim report



Consolidated Income Statement

Year ended:		Six months ended:	
31.03.07		30.09.07	30.09.06
£'m		£'m	£'m
51.2	Revenue	28.6	24.4
(18.5)	Cost of Sales	(11.1)	(9.0)
(5.6)	Admin Costs	(3.0)	(2.6)
27.1	Underlying Operating Profit	14.5	12.8
138.3	Revaluation Surplus	39.8	51.4
(1.1)	Gain on sale of Assets	0.1	-
(11.5)	Net Interest Payable	(8.1)	(5.4)
152.8	Profit before Tax	46.3	58.8
60.4	Taxation	(0.3)	(17.7)
213.2	Profit for the Period	46.0	41.1
14.2	Adjusted Profit before Tax	7.2	7.0
10.01p	Adjusted EPS	5.89p	4.47p



Movement in Adjusted Profit Before Tax

	£m
Adjusted PBT - six months ended 30.09.06	7.0
Gross profit improvement	2.4
Interest expense (net)	(1.9)
Administration expense	(0.3)
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Adjusted PBT - six months ended 30.09.07	7.2
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Cashflow and Net Debt Movement

	Six Months ended:		Year ended:
	30.09.07	30.09.06	31.03.07
	£m	£m	£m
Opening Net Debt	(187.9)	(142.1)	(142.1)
Adjusted cash from Operations	16.4	14.2	30.2
Share option movements	(0.4)	2.7	-
Interest (Net)	(8.0)	(5.2)	(13.4)
REIT conversion charge	(12.0)	-	-
Dividends Paid	(6.3)	(3.1)	(7.1)
Property Purchases	23.7	32.5	63.7
Development / Refurb / Other	38.2	28.7	32.3
Total Capital Expenditure	(61.9)	(61.2)	(96.0)
Property Sales	10.5	-	2.2
Issue of Share Capital	0.6	38.3	38.4
Purchase of own shares	(1.1)	-	-
Closing Net Debt	(250.1)	(156.3)	(187.9)

Note: £8m surplus property in balance sheet held for sale



Gearing Levels

	30.09.07	31.03.07	30.09.06
Net Debt / Gross Property Assets	32%	27%	29%
Net Debt / Adjusted Net Assets	45%	36%	36%
Interest Cover based on NOI*	2.3	2.5	2.6

- Conservative balance sheet and healthy income cover
- Partnership with Pramerica is anticipated to improve interest cover

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



Cost of Debt

	Amount of debt	Weighted Average Interest Cost	Weighted average Interest cost
	September 2007	September 2007	March 2007
	£'m	%	%
Fixed Rate Debt	150	6.17	6.04
Floating Debt	101	6.77	6.38
Total Debt	251	6.41	6.34

- Two swaps entered into during the period, fixing a total of £80 million at 6.04% (including margin) - five year term, and are callable quarterly by the bank
- Since period end fixed a further £50 million at 6.2% (including margin) for a five year term



Portfolio Summary

Years since opening as at 1 April 2007

	Sept 2007 ≥2 years	Sept 2007 <2 years	Sept 2007 Total	Sept 2006 ≥2 years	Sept 2006 <2 years	Sept 2006 Total
Number of stores	32	11	43	32	9	41

As at 30 Sept 2007:

Total capacity (sq ft)	1,949,000	684,000	2,633,000	1,949,000	503,000	2,452,000
Occupied space (sq ft)	1,625,000	293,000	1,918,000	1,625,000	167,000	1,792,000
Percentage occupied	83%	43%	73%	83%	33%	73%
	£'000	£'000	£'000	£'000	£'000	£'000
Annualised revenue	48,372	9,416	57,788	45,100	4,923	50,023

For the 6 month period:

Average occupancy	84%	43%	73%	83%	33%	72%
Average annual rent psf	£24.68	£23.10	£24.54	£23.86	£17.74	£23.54
Self storage sales	20,203	3,384	23,587	19,298	1,481	20,779
Other storage related income	3,379	869	4,248	2,845	405	3,250
Ancillary store rental income	41	7	48	27	20	47
Total Revenue	23,623	4,260	27,883	22,170	1,906	24,076
Store EBITDA	14,785	1,985	16,770	13,966	422	14,388
EBITDA Margin	63%	47%	60%	63%	22%	60%
Central overhead	(1,418)	(248)	(1,666)	(1,330)	(254)	(1,584)
Store Net Operating Income	13,367	1,737	15,104	12,636	168	12,804
NOI Margin	57%	41%	54%	57%	9%	53%



Capex Summary

	Sept 2007 ≥ 2 years	Sept 2007 < 2 years	Sept 2007 Total
No of Stores	32	11	43
	£'m	£'m	£'m
To 30 September 2007	158.4	77.1	235.5
To complete	-	2.4	2.4
Total Cost	158.4	79.5	237.9
Freehold	141.3	79.5	220.8
Leasehold (8 stores)	17.1	-	17.1
	158.4	79.5	237.9



Store Trading Performance

- 43 stores (2006: 41) trading at period end. Total capacity 2.63 million sq ft (2006: 2.45 million sq ft)
- Occupancy increased by 126,000 sq ft (2006: 1,792,000 sq ft) to 1,918,000 sq ft, up 7%
- 32 stores open more than 2 years at beginning of period:
 - Average occupancy at 84% (30 September 2006: 83%)
 - Same store revenue up 7% year on year; 6% yield improvement
 - Freehold EBITDA of 69% and leaseholds 46%, combined 63%
- Packing materials, insurance and other sales were £4.2 million (2006: £3.2 million) up 31%
- Net storage revenue of £24.54 per sq ft (2006: £23.54)



REITs and Taxation

- Conversion confirmed effective 15 January 2007
- Conversion charge
 - Paid £12 million in full in July 2007
 - Subject to final agreement with HMRC
- Approximately 87% of our business currently tax exempt, vs 75% test
- Comfortably meets the 75% gross asset test at 30 September 2007
- Dividend policy
 - 90% qualifying earnings post depreciation
 - Impact of shadow capital allowances on PID proportion
 - No PID payable in interim dividend



Formation of partnership with Pramerica

- Established partnership with Pramerica to develop stores in the midlands, north of England and Scotland
- £25 million of equity from Big Yellow, £50 million of equity from Pramerica in partnership
- £75 million development loan secured from Royal Bank of Scotland
- Fees earned by Big Yellow from venture
 - Site acquisition fees
 - Planning success fees
 - Development fees
 - Management fees
- Big Yellow option to buy back Pramerica's interest in partnership or the assets from 31 March 2013
- The group has a right to a promote at the exit date of the partnership.
- Partnership will be earnings and NAV enhancing to Big Yellow in the short to medium term



Funding Strategy

- Capex Funding
 - Debt – given increased dividend payment
 - Partnership with Pramerica
- Bank Facilities
 - Current Facilities
 - RBS / Bank of Ireland / Barclays - £275 million
 - Committed facility extension from Lloyds TSB for a further £50 million
 - Net Debt at 30 September £250.1 million
 - Significant balance sheet capacity with uncharged property assets of £295 million
- Future Funding
 - Reviewing financing options for core debt now REIT status achieved



Property Review November 2007



Property Accounts Valuation

As at 30 September 2007

Freehold

- 10 year DCF assuming notional sale at year ten
- Cap yield of year one NOI @ 5.39% (March 2007: 5.24%), rising to 6.75% (March 2007: 6.80%) in year after final stabilisation
- Weighted average occupancy 86% (Sept 2006: 86%) at maturity
- Purchaser's costs – 5.75% assuming property sale

Leasehold

- No sale of assets at year 10; DCF to lease expiry
- Average unexpired term, 18 years (Sept 2006: 19.3 years)



Investment Property Valuation

£'000	Deemed Cost	Revaluation on deemed cost	Valuation
36 Freehold Centres			
As at 1 April 2007	192,951	328,469	521,420
Movement in Period	19,392	38,578	57,970
Transfer on purchase of freehold	<u>1,649</u>	<u>2,401</u>	<u>4,050</u>
As at 30 Sept 2007	213,992	369,448	581,790
8 Leasehold Centres			
As at 1 April 2007	18,563	50,077	68,640
Movement in Period	142	1,248	1,390
Transfer on purchase of freehold	<u>(1,649)</u>	<u>(2,401)</u>	<u>(4,050)</u>
As at 30 Sept 2007	17,056	48,924	65,980
All Centres			
As at 1 April 2007	211,514	378,546	590,060
Movement in Period	<u>19,534</u>	<u>39,826</u>	<u>59,360</u>
As at 30 Sept 2007	231,048	418,372	649,420

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



Revaluation Movement in the Period

		£m	
(1) 43 storage centres at 31 March 2007	Value Increase	40.5	
	Capex in period	(8.5)	32
(2) 1 new storage centre opened – Sutton	Value	18.8	
	Cost	(11.0)	7.8
		39.8	

6% increase in gross valuation of existing 43 storage centres was 0.5% capital growth and 5.5% operating performance



Movement in Adjusted Diluted NAV per Share

	£m	No of Shares	Diluted Pence Per Share
Adjusted NAV at 31 March 2007	517.1	118.1	437.8
Other items (including option exercises)	(1.5)	0.4	
	515.6	118.5	435.0
Revaluation Surplus – Investment Properties	39.8		33.6
Purchaser’s Costs adjustment (net movement)	2.9		2.4
Adjusted Earnings	7.2		6.1
Dividends Paid	(6.3)		(5.3)
Adjusted NAV at 31 March 2007	559.2	118.5	471.9

Note: Development properties held at cost



Property Review

- Sites acquired for development
 - 9 in the year to date (3 in London plus Reading, Birmingham, Camberley, Sheffield, Edinburgh and Guildford)
- 6 planning consents since April 2007
- Development pipeline of 29 sites, 1.87 million net lettable space, 61% by net lettable space is in London
- 57% stores and sites within the M25
- 92% freehold (including 3 long leaseholds), based on 30 September 2007 book values
- Freehold valuation growth in the period to 30 September 2007 on 32 stores greater than 2 year 7% versus 2% on leaseholds



Planning Status

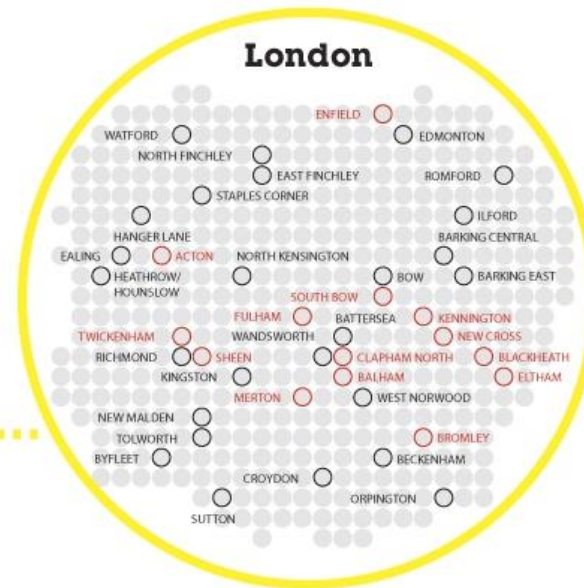
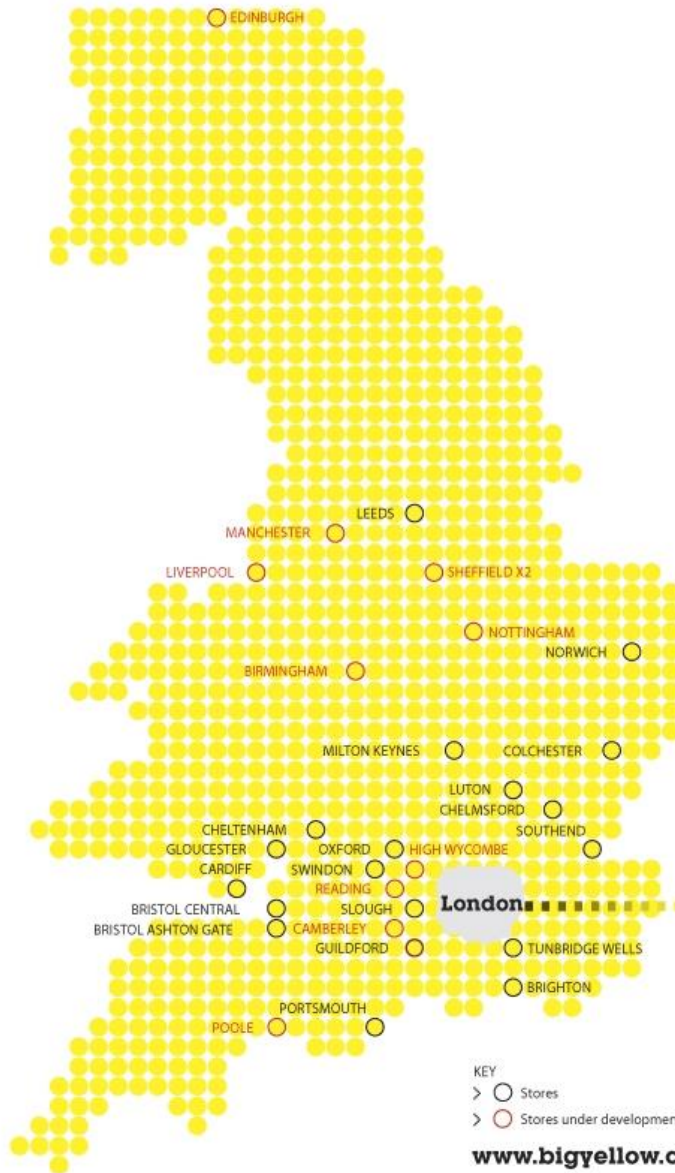
	No Stores	
Stage 1	5	Recently acquired / early design / feasibility review
Stage 2	10	Pre-application consultation with planners
Stage 3	1	Detailed application submitted after detailed and positive pre-application discussions
Stage 4	1	Appeal
Stage 5	12*	Consents received as at 27 November 2007
	<hr/> 29	

* Two stores in Ealing and Barking Central have opened since the period end



Big Yellow Stores November 2007

London - 41 stores and sites
 Outside London - 31 stores and sites



KEY
 > ○ Stores
 > ○ Stores under development

www.bigyellow.co.uk





Tolworth



Beckenham



Tunbridge Wells



Orpington



Leeds



Romford



Ilford



Hounslow



Bristol Central



East Finchley



North Kensington



Swindon



Byfleet



Colchester



Cardiff



Norwich



Gloucester



Bristol South



Kingston



Edmonton



Conclusion

- Strong Development Pipeline
- Valuation
- Partnership with Pramerica
- 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 - £40 million placing
- May 2001 - Placing and Open Offer - £23 million
- June 2002 - Full listing
- February 2005 – Placing of Pramerica 28% stake
- July 2006 – 9.1m share placing at 400 pence
- January 2007 – Conversion to a REIT
- November 2007 – Formation of partnership with Pramerica



Self Storage Market

The Market

- US market (2007 Self Storage Almanac)
 - 43,000 self-storage centres
 - 2 billion sq ft – 6.5 sq ft per person
 - Occupancy range of 82-89% since 1990
 - Population 300 million
 - 4 to 5% of US REIT Market
- UK market
 - 680 self-storage centres (excluding containers)
 - 25 million sq ft – 0.42 sq ft per person
 - Latest member survey indicates current occupancy on whole market at 70%, with a mature store typically 80-90%
 - Population 60 million



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 (2007 Ipsos Mori Market Research)
 - Currently 30-35% approximately in London with reasonable knowledge of product
 - Lower in other major cities
 - 58% brand awareness Big Yellow in London
- Significant advertising and promotion raising awareness
- Better located stores with 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 2000 centres and approximately 1.5 sq ft per person
- Projected growth of 10% - 15% per annum



Big Yellow Model

- 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 7 days a week, 24 hours per day
- Financial Model
 - economies of scale
 - roll-out programme
 - asset backed



Marketing

- Strategic review in 2006/7 with CHI & Partners
- Customer / Prospect quantitative / qualitative research
 - Big Yellow brand awareness up to 58% in London (2006: 44%)
 - Self storage awareness – still relatively low
 - Market leading brand – awareness over three times nearest competitor
 - 80% of our customers in top three ACORN categories
- Marketing Channels
 - Award winning TV campaign launched April 2007
 - TV – C4 and linked satellite channels
 - National press
 - Internet
 - 4.25% of revenue is above line £2.5 million in 2007/8
- Reservations and quote online – first fully integrated system
 - continue to lead innovation online

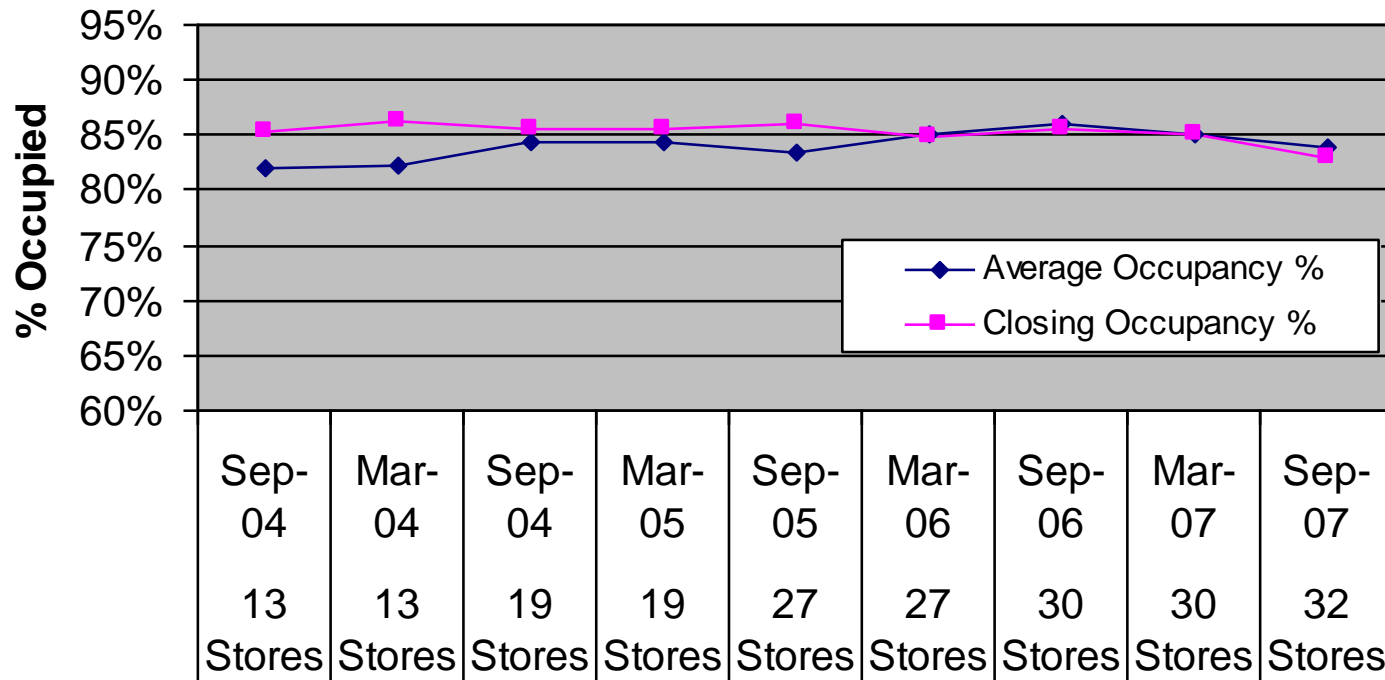


International Franchise

- Dubai site opens in Spring 2008 providing 280,000 sq ft lettable space
- Kingdom of Bahrain Development Agreement signed – May 2007
- No equity risk, up front fee and share of revenue
- Trademark protection in EU and other selected territories
- Experienced International Franchise Director joined from E.L.C. to grow this business



Average Occupancy % of Stores Open >2 Years



Customer Average Length of Stay

**As at 30
September
2007**

Stores (N° of Months)

		< 1 Year	1-2 Years	2-5 Years	>5 Years	Portfolio
N° of Stores		6	5	13	19	43
Domestic	Existing	3.7	6.0	12.2	15.7	13.4
	Vacated	2.0	3.2	5.1	6.0	5.7
	Total	2.9	4.2	6.7	7.6	7.2
Business	Existing	4.2	6.8	12.8	17.4	15.2
	Vacated	2.2	3.6	6.6	8.5	7.9
	Total	3.8	5.6	9.4	11.8	11.0
All	Existing	3.8	6.2	12.3	16.1	13.8
	Vacated	2.0	3.2	5.3	6.2	5.9
	Total	3.0	4.4	7.0	8.1	7.7



Disclaimer

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