Big Yellow Group PLC

Results for the Six Months ended 30 September 2008

November 2008

Financial Review
November 2008

Financial Highlights

	Six months ended 30 September 2008	Six months ended 30 September 2007	
Revenue	**£30.1m**	£28.6m	**+5%**
EBITDA pre non-recurring items and revaluations	**£15.5m**	£14.5m	**+7%**
(Loss) / profit before tax	**£(54.3)m**	£46.8m	**(216)%**
Adjusted profit before tax	**£6.9m**	£7.8m	**(12)%**
Basic (loss) / earnings per share	**(47.46)p**	40.57p	**(217)%**
Adjusted earnings per share	**5.76p**	6.35p	**(9)%**
Interim Dividend	**nil**	4p	
Adjusted NAV per share	**465.9p**	472.4p	**(1)%**
Cashflow from operations	**£16.5m**	£16.0m	**+3%**
Occupied Space (sq ft)	**1,807,000 sq ft**	1,888,000 sq ft	**(4)%**

Funding Strategy

- Suspension of discretionary interim ordinary dividend
- Build out of existing London pipeline funded by:
  - Operating Cashflow
  - Land Sales
  - Debt Capacity
- Future funding
- Bank Facilities
  - Current Facilities
    - HSH - £325 million September 2013 expiry
    - Net Debt at 30 September £295.7 million

Consolidated Income Statement

Year ended: 31.03.08 £'m		Six months ended: 30.09.08 £'m	30.09.07 £'m
56.9	Revenue	30.1	28.6
(20.8)	Cost of Sales	(11.2)	(11.1)
(6.8)	Admin Costs	(3.1)	(3.0)
29.3	Underlying Operating Profit	15.8	14.5
92.8	Revaluation (Deficit) Surplus	(53.4)	39.8
(0.2)	Share of Associate	(0.6)	-
(0.5)	(Loss) / gain on sale of Assets	(7.2)	0.1
(18.8)	Net Interest Payable	(8.9)	(7.6)
102.6	(Loss) / Profit before Tax	(54.3)	46.8
0.8	Taxation	(0.5)	(0.3)
103.4	Profit / (Loss) for the Period	(54.8)	46.5
15.0	Adjusted Profit before Tax	6.9	7.8
12.66p	Adjusted EPS	5.76p	6.35p

Movement in Adjusted Profit Before Tax

	£m
Adjusted PBT - six months ended 30.09.07	7.8
Gross profit improvement	1.0
Increase in admin expenses	(0.1)
Bank interest expense (net)	(2.2)
Movement in capitalised interest	0.4
Adjusted PBT - six months ended 30.09.08	6.9

Big Yellow Limited Partnership

Big Yellow 33% Interest	**£000**
Investment at 1 April 2008	5,454
Subscription for capital and advances	4,805
Share of operating profit	26
Interest payable and fair value of derivatives	(46)
Loss on revaluation	(602)
Share of Partnership net assets at 30 September 2008	9,637

Portfolio

At 17 November 2008	Big Yellow (wholly owned)	Big Yellow Limited Partnership	Total
No of stores trading	48	2	50
No of stores under development	10	11	21
Total number of stores and sites	58	13	71
Open store capacity (sq ft)	3,017,000	132,000	3,149,000
Development site capacity (sq ft)	703,000	670,000	1,373,000
Total planned capacity (sq ft)	3,720,000	802,000	4,522,000

Cashflow and Net Debt Movement

	Six Months ended:		Year ended:
	30.09.08	30.09.07	31.03.08
	£m	£m	£m
Opening Net Debt	(282.3)	(187.9)	(187.9)
Cash from Operations	16.5	16.0	30.8
Interest (Net)	(14.2)	(8.0)	(16.4)
REIT conversion charge	-	(12.0)	(12.0)
Dividends Paid	(6.3)	(6.3)	(10.9)
Property Purchases	-	23.7	65.4
Development / Refurb / Other	19.7	38.2	45.5
Total Capital Expenditure	(19.7)	(61.9)	(110.9)
Surplus Land Sales	-	10.5	10.5
Sale to Partnership	15.1	-	20.3
Investment in Partnership	(4.8)	-	(5.7)
Issue of Share Capital	-	0.6	0.9
Purchase of own Shares	-	(1.1)	(1.1)
Closing Net Debt	(295.7)	(250.1)	(282.3)

Refinancing

- New £325 million facility - HSH Nordbank
- 5 year term expiry September 2013
- Revolving facility of up to £100 million
- Tranche A £50 million – 7 recently opened lease up stores
- Tranche B £275 million – 40 open stores
- Margin
  - Tranche A 150 bps
  - Tranche B 112.5 bps – 150 bps subject to income cover, currently 112.5 bps
- Transfer from Tranche A to Tranche B

Interest Cover and Gearing Levels

	30.09.08	31.03.08	30.09.07
Net Debt / Gross Property Assets	36%	33%	32%
Net Debt / Adjusted Net Assets	53%	48%	45%
Interest Cover based on NOI	2.0*	2.0	2.3

* Based on new bank covenant and net interest expense excluding bank borrowing fair value adjustments

Cost of Debt

	Debt Sep 2008	Weighted Average Interest Cost at Sep 2008	Weighted Average Interest Cost at March 2008
	£'m	%	%
Fixed Rate Debt*	140	6.4	6.1
Floating Debt	157	6.7	6.4
Total Debt	297	6.6	6.2

* Fixed rate debt includes two callable swaps

- Existing swaps novated as part of refinancing with HSH
- Since period end fixed a further £70 million at 3.93% (plus margin) for a five year term
- Following monthly LIBOR reduction post period end and the swap referred to above the weighted average interest cost has fallen to 5.7%

Operating Review November 2008

Portfolio Summary

Wholly owned stores	Sept 2008 Same Store	Sept 2008 Lease Up	**Sept 2008 Total**	Sept 2007 Same Store	Sept 2007 Lease Up	Sept 2007 Total
Number of stores	32	16	**48**	32	10	**42**
As at 30 Sept 2008:						
Total capacity (sq ft)	1,944,000	1,073,000	**3,017,000**	1,949,000	589,000	**2,538,000**
Occupied space (sq ft)	1,471,000	336,000	**1,807,000**	1,625,000	263,000	**1,888,000**
Percentage occupied	76%	31%	**60%**	83%	45%	**74%**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
For the 6 month period:						
Average occupancy	78%	28%	**60%**	84%	45%	**74%**
Average annual rent psf	£26.53	£27.83	**£26.84**	£24.68	£23.87	**£24.90**
Self storage income	20,115	4,181	**24,296**	20,203	2,953	**23,156**
Other storage related income	3,184	923	**4,107**	3,379	749	**4,128**
Ancillary store rental income	36	19	**55**	41	7	**48**
Total storage revenue	23,335	5,123	**28,458**	23,623	3,709	**27,332**
Store EBITDA	15,198	1,761	**16,959**	14,785	1,677	**16,462**
EBITDA Margin	65%	34%	**60%**	63%	45%	**60%**
Central overhead allocation	(1,400)	(307)	**(1,707)**	(1,418)	(223)	**(1,641)**
Store Net Operating Income	13,798	1,454	**15,252**	13,367	1,454	**14,821**
NOI Margin	59%	28%	**54%**	57%	39%	**54%**

Store Trading Performance

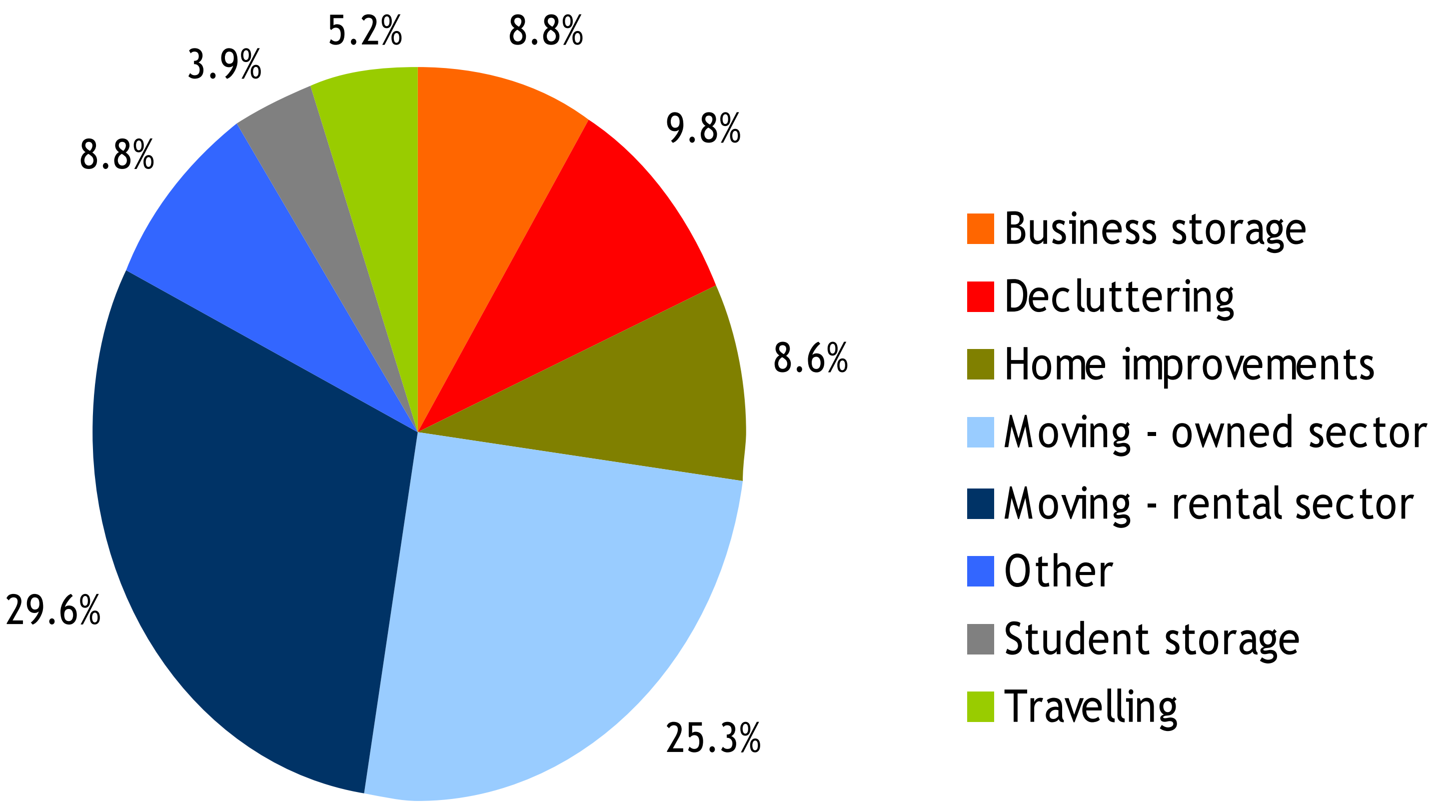
- 48 wholly owned stores (2007: 42) trading at period end. Total capacity 3.02 million sq ft (2007: 2.54 million sq ft)
- Occupancy decreased by 81,000 sq ft (2007: 1,888,000 sq ft) to 1,807,000 sq ft, down 4%
- 32 same stores operated on a mature basis:
  - Average occupancy 78% (30 September 2007: 83%)
  - Revenue down 1% year on year, EBITDA up 3% to £15.2 million
  - Freehold EBITDA of 71% and leaseholds 47%, combined 65%
- Packing materials, insurance and other sales were level at £4.1 million (2007: £4.1 million)
- Net storage revenue of £26.84 per sq ft (2007: £24.90) + 7.5%

Autumn and Winter Trading History

Sq Ft Gain / (Loss)	2005/6	2006/7	2007/8
Quarter to 31 Dec	(7,000)	(44,000)	(86,000)
Quarter to 31 March	30,000	87,000	17,000

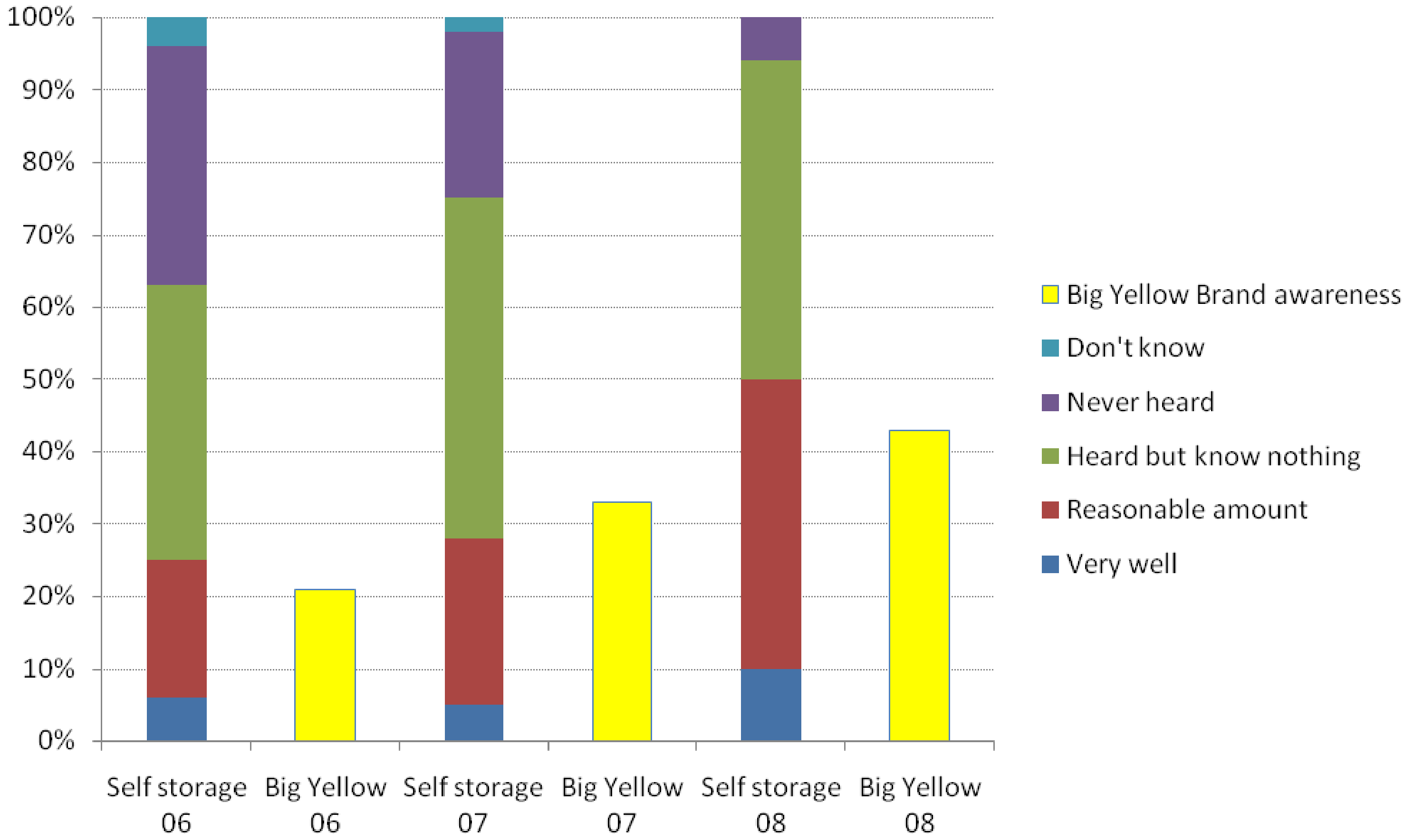
- 7 weeks since 30 September occupancy down by 20,500 sq ft (2007: down by 64,000 sq ft; 2006: down by 18,000 sq ft)

Big Yellow Self Storage Users



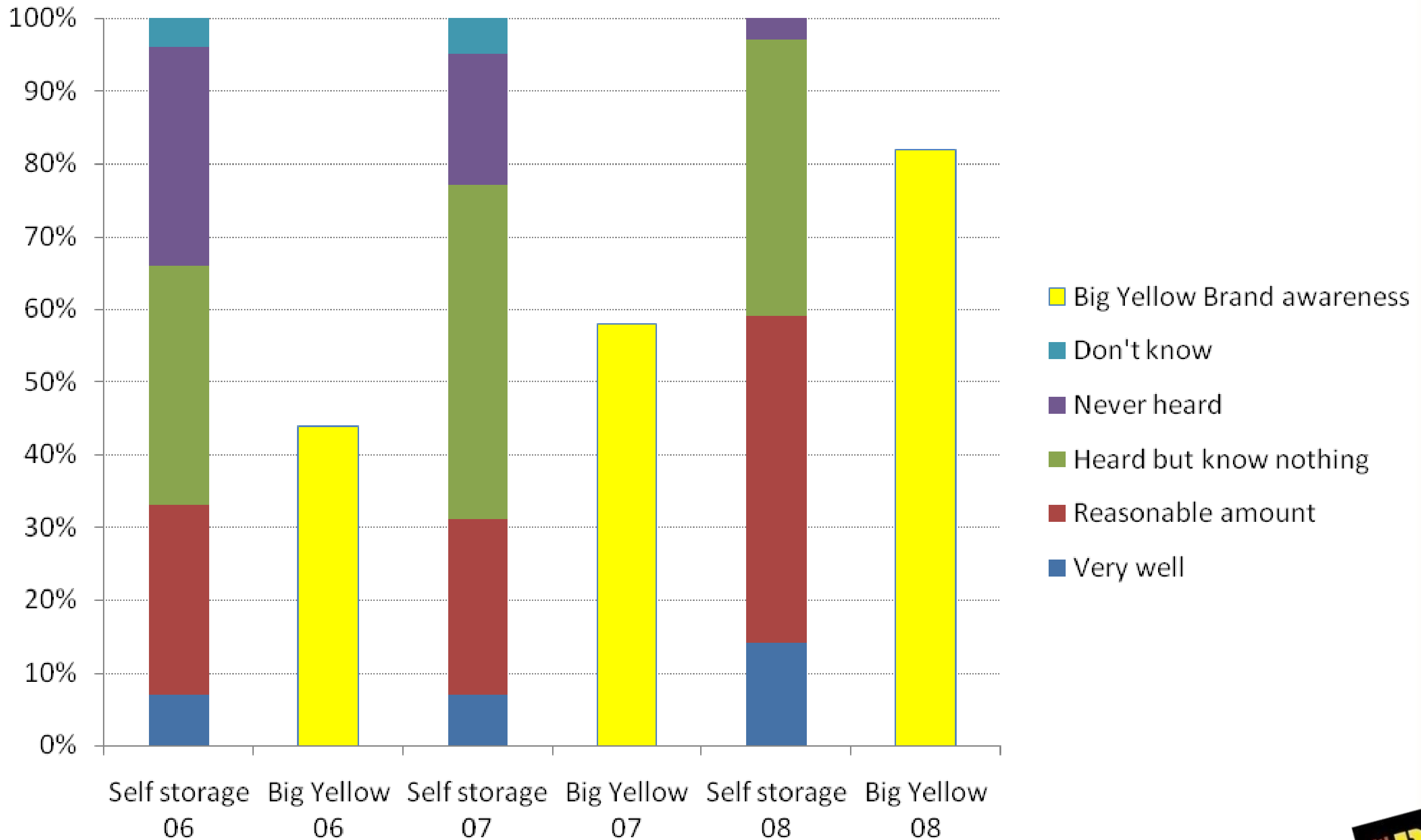
Customers moving into Big Yellow stores in August and September 2008
Increasing average length of stay (page 42)

Self Storage Awareness - UK



Source: You Gov Survey September 2008

Self Storage Awareness - London



Source: You Gov Survey September 2008

Property Review
November 2008

Property Accounts Valuation

As at 30 September 2008

Freehold (92% by value)

- 10 year DCF assuming notional sale at year ten
- Stabilisation yield of 7.58% (March 2008: 7.02%), 8.25% pre overhead allocation (March 2008: 7.64%)
- Weighted average occupancy 85% (March 2008: 86%) at maturity
- 32 months on average assumed to maturity and on same store portfolio 25.5 months (March 2008 14.9 months)
- Purchaser's costs – 5.75% assuming property sale

Leasehold (8% by value)

- No sale of assets at year 10; DCF to lease expiry
- Average unexpired term, 17.3 years (March 2008: 17.7 years)

Investment Property Valuation

£'000	Deemed Cost	Revaluation on Deemed Cost	Valuation
Freehold Centres			
As at 1 April 2008	270,458	421,812	692,270
Movement in Period	20,013	(48,773)	(28,760)
As at 30 September 2008	290,471	373,039	663,510
Leasehold Centres			
As at 1 April 2008	15,162	43,478	58,640
Movement in Period	173	(4,623)	(4,450)
As at 30 September 2008	15,335	38,855	54,190
All Centres			
As at 1 April 2008	285,620	465,290	750,910
Movement in Period	20,186	(53,396)	(33,210)
As at 30 September 2008	305,806	411,894	717,700

Revaluation Movement in the Period

			£m
(1) 47 storage centres at 31 March 2008	Gross Reduction	(53.7)	
	Capex in Period	(5.8)	(59.5)
(2) 1 new storage centre opened – Kennington	Value	20.5	
	Cost	(14.4)	6.1
			(53.4)

7.9% decrease in gross valuation of existing 47 storage centres was 8% capital reduction offset by 0.1% operating performance improvement

Movement in Adjusted Diluted NAV per Share

	£m	No of Shares	Diluted Pence Per Share
Adjusted NAV at 31 March 2008	617.2	118.5	520.8
Other Items (including option exercises)	(1.1)	0.4	
	616.1	118.9	518.2
Revaluation Deficit – Investment Properties	(53.4)		(44.9)
Loss on Non Current Assets	(7.2)		(6.0)
Purchaser's Adjustment (net movement)	(2.0)		(1.8)
Adjusted Earnings	6.9		5.8
Dividends Paid	(6.3)		(5.4)
Adjusted NAV at 30 September 2008	554.1	118.9	465.9

Note: Development properties held at lower of cost + NRV

Property Review

- Sites acquired for development
  - 1 in the year to date (Stockport, within Big Yellow Limited Partnership)
- 7 planning consents since April 2008, 3 in Group, 4 within Partnership
- Development pipeline of 21 sites, 1.5 million net lettable space, 47% by net lettable space is in London
- 58% stores and sites within the M25 by net lettable space
- 92% freehold (including 3 long leaseholds), based on 30 September 2008 book values

Planning Status

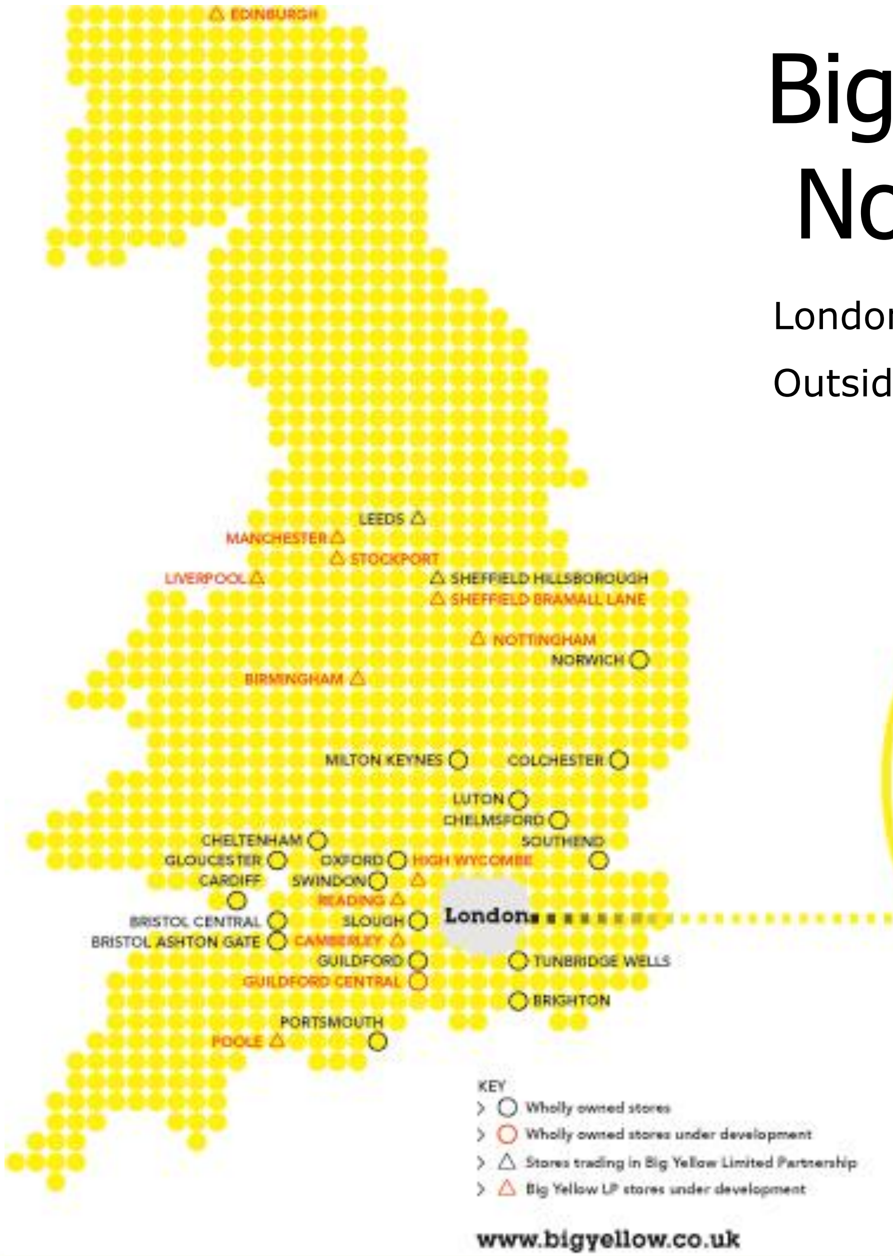
	Group Sites	P'ship Sites	
Stage 1	-	-	Recently acquired / early design / feasibility review
Stage 2	2	2	Pre-application consultation with planners
Stage 3	-	1	Detailed application submitted after detailed and positive pre-application discussions
Stage 4	1	-	Appeal
Stage 5	7	8	Consents received as at 17 November 2008
	10	**11**	

Cost to Complete

Wholly Owned Development Sites – cost to date 9 in London and 1 in central Guildford	£67.9m
Estimated Cost to Complete the 10 stores (£18.6m committed)	£79.4m
Total Estimated Cost	£147.3m
Estimated Net sq ft provided	703,000
Cost per sq ft	£210.00
Valuation September 2008:	
Comparable London 10 same stores	£316 psf
Comparable London 10 lease up stores	£280 psf
Land for Sale	£27.7m
Of which:	
Land Sold or Contracted	£8.1m
Land Under Offer	£8.6m

Big Yellow Stores November 2008

London	- 39 stores and sites
Outside London	- 32 stores and sites



Kennington, 66,000 sq ft

Sheffield Hillsborough, 60,000 sq ft

Conclusion

- Development Pipeline
- Valuation
- Refinancing
- Current Trading
- Dividend
- Outlook

Appendix


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

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
- September 2008 – £325 million refinancing completed with HSH Nordbank

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
- Pressure on housing, divorce, single parent families, single living
- Small business formation requiring flexible, economic space

UK Market Potential

- Awareness of self-storage (2008 You Gov Market Research)
  - Currently 59% approximately in London with reasonable knowledge of product
  - Lower in other major cities
  - 82% brand awareness of 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 2,000 centres and approximately 1.5 sq ft per person

- Recent growth of 10% - 15% per annum; expected to be significantly lower in 2008 and 2009

THE BIG YELLOW SELF STORAGE COMPANY

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

- Roll out of Brand Strategy complete
- Strong growth in Brand Awareness
  - Up to 82% in London (2007: 58%), UK at 43% (2007: 32%)
  - Over 3 x nearest competitor
- Self Storage Awareness
  - 50% understand the product across the UK (2007: 28%)
  - 59% understand the product in London (2007: 31%)
- Marketing Channels
  - Continuation of award winning TV campaign
  - C4 and linked satellite channels
  - Online
    - Increasing investment in online marketing
    - Continue to lead innovation
  - National press
  - Forecast marketing spend of £2.6m 2008/9

Source: YouGov, September 2008
Brand awareness figures are prompted
Understanding of self storage is defined as having 'at least a reasonable knowledge'

THE BIG YELLOW SELF STORAGE COMPANY

Big Yellow Limited Partnership

- £150m partnership with Pramerica to develop stores in the midlands, north of England and Scotland
  - £25 million Big Yellow
  - £50 million Pramerica
  - £75 million development loan RBS/HSBC/HSH
- Fees earned by Big Yellow from venture site acquisition fees, planning success fees, development fees and management fees
- Initial sites sold for £20.3 million. Further sites sold for £15.0 million. Group has reinvested £10.5 million of its £25 million commitment
- Geographic scope extended to new sites outside M25
- 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

Purchaser's Cost Assumption

- We believe 2.75% is more representative of the cost to be paid by a prospective purchaser for these assets
- Business asset valuation
- Precedent – self storage transactions
- Why?
  - Operational assets
  - Novation of maintenance and supplier contracts
  - Management and staff required to transfer (TUPE)
  - Transfer of large number of customers under licence

Customer Average Length of Stay

As at 30 Sep 2008		Stores (Nº of Months)					
		< 1 Year	**1-2 Years**	**2-5 Years**	**>5 Years**	**Portfolio**	**30/09/07**
Stores		**6**	**3**	**13**	**27**	**49**	**43**
Dom	Existing	3.0	6.7	11.2	18.3	**15.8**	13.4
	Vacated	1.8	3.3	4.7	6.3	**6.1**	5.7
	Total	2.6	4.4	6.1	8.0	**7.6**	7.2
Bus	Existing	3.5	8.1	13.9	20.4	**18.3**	15.2
	Vacated	2.3	3.9	6.4	9.1	**8.8**	7.9
	Total	3.3	6.1	9.6	12.7	**12.1**	11.0
All	Existing	3.1	6.9	11.7	18.8	**16.4**	13.8
	Vacated	1.8	3.4	4.8	6.6	**6.3**	5.9
	Total	2.6	4.6	6.5	8.5	**8.1**	7.7

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