

# Big Yellow Group PLC

The image shows the exterior of a Big Yellow Self Storage facility. The building features a prominent yellow section with a sign that reads "THE BIG YELLOW SELF STORAGE COMPANY". Below this, a white section has a "Reception" sign above a set of glass doors. To the right, a brick wall forms part of a parking area with several concrete pillars. The ground is paved with light-colored bricks and has yellow lines marking parking spaces. The sky is blue with scattered white clouds.

**Results for the six months ended 30  
September 2014**  
19 November 2014

# Proven Model

## Attractive Market Dynamics

- UK self storage penetration remains relatively low
- Very limited new supply in key urban conurbations coming onto the market
- Resilient through the downturn
- Sector growth is positive, with increasing domestic demand

## Our Competitive Advantage

- Industry's most recognised brand with largest market share by revenue
- Prominent stores on arterial or main roads, with extensive frontage & high visibility
- Largest share of web traffic from mobile and desktop platforms
- Excellent customer service, customer feedback programme with store level customer satisfaction surveys
- Largest UK footprint by MLA capacity
- Primarily freehold estate, concentrated in London and South East and other large metropolitan cities
- Larger average store capacity – economies of scale, higher operating margins
- Secure financing structure with strong balance sheet

## Evergreen Income Streams

- 47,000 customers (40,000 in wholly owned stores)
- Average length of stay for existing customers of 21 months
- 27% of customers in portfolio > 2 year length of stay
- Low bad debt expense (0.15% of revenue in the period)

## Strong Growth Opportunities

- Driving REVPAF with a focus on occupancy growth
- Yield management as occupancy increases
- Domestic demand increasing
- Growth in national accounts and business customer base
- Investing in new capacity through acquiring development sites and existing stores

## Conversion Into Quality Earnings

- Freehold assets for high operating margins and operational advantage
- Low technology & obsolescence product, maintenance capex fully expensed
- Annual compound adjusted eps growth of 16% over the last ten financial years
- Annual compound cash flow growth of 15% over the last ten financial years



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# Key Metrics

|  | <b>2014</b>          | 2013          |     |
|--|----------------------|---------------|-----|
| Occupancy – Like-For-Like Wholly Owned Stores        | <b>75.2%</b>         | 70.5%         | 7%  |
| Occupancy Growth – All Stores                        | <b>288,000 sq ft</b> | 232,000 sq ft | 24% |
| Occupancy Growth – Wholly Owned Stores               | <b>214,000 sq ft</b> | 188,000 sq ft | 14% |
| Average Net Achieved Rent Per Sq Ft                  | <b>£26.38</b>        | £25.25        | 4%  |
| Revenue  | <b>£39.9 million</b> | £35.9 million | 11% |
| Like For Like Revenue Per Available Foot (REVPAF)    | <b>£22.61</b>        | £20.39        | 11% |
| Adjusted Profit Before Tax                           | <b>£18.4 million</b> | £14.2 million | 29% |
| Adjusted EPRA Earnings Per Share                     | <b>13.0 pence</b>    | 10.1 pence    | 29% |
| Cash Flows From Operating Activities (Post Interest) | <b>£17.8 million</b> | £14.0 million | 27% |
| Interim Dividend                                     | <b>10.4 pence</b>    | 8 pence       | 30% |
| Adjusted Net Assets Per Share                        | <b>461.9 pence</b>   | 436.3 pence   | 6%  |



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# Highlights

- Adjusted profit before tax up 29% to £18.4 million
- 30% increase in interim dividend to 10.4 pence per share
- Refinancing completed with new five year bank facility and seven year facility from M&G
- Prominent 70,000 sq ft MLA Gypsy Corner store on A40 in West London opened on 1 April 2014
- Acquisition of 35,000 sq ft freehold store in Oxford
- Acquisition of an existing freehold building in Cambridge for conversion to a 55,000 sq ft self storage centre
- Seasonal loss of occupancy in seven weeks since period end 26,000 sq ft (2013: loss of 32,000 sq ft)



# New Prime Site in Cambridge

- Recent acquisition with total capex of £9.3 million
  - Key target location for Big Yellow with high real estate barriers to entry, taken 14 years for the Company to acquire a site in the city
  - New store of 55,000 sq ft to be completed in late 2015 and stabilised net operating income yield on cost of 11%
  - EPS accretive from 2016
  - Very high quality addition to the Big Yellow portfolio in a location with material growth in population, housing and employment
  - Catchment benefits from a world class University, thriving Science, TMT and Pharmaceutical industries
- Big Yellow continues to consider further prime additions to the portfolio in London and other large metropolitan cities



# FINANCIAL REVIEW



# Portfolio Summary

- Wholly owned store occupancy growth of 214,000 sq ft in the period to 74.5%
- Closing net rent £26.25 psf, up 4% from 30 September 2013
- Average net rent for the period £26.38, up 4% from 30 September 2013
- Store revenue up 12% and like-for-like REVPAF up 11% on the period
- Store operating expenses are up by £0.7 million. This is largely due to Gypsy Corner and Oxford 2, and an increased investment in marketing
- Store EBITDA margin up to 67.0% (2013: 65.2%)



# Portfolio Summary

|  | Sept<br>2014 | Sept<br>2014 | <b>Sept<br/>2014</b> | Sept<br>2013 | Sept<br>2013 | Sept<br>2013 |
|--|--------------|--------------|----------------------|--------------|--------------|--------------|
| <b>Wholly Owned Stores</b>                               | Established  | Lease-Up     | <b>Total</b>         | Established  | Lease-Up     | Total        |
| <b>Number Of Stores</b>                                  | 32           | 24           | <b>56</b>            | 32           | 22           | 54           |
| <b>At 30 September:</b>                                  |              |              |                      |              |              |              |
| Total Capacity (Sq Ft)                                   | 1,930,000    | 1,596,000    | <b>3,526,000</b>     | 1,930,000    | 1,491,000    | 3,421,000    |
| Occupied Space (Sq Ft)                                   | 1,541,000    | 1,085,000    | <b>2,626,000</b>     | 1,488,000    | 923,000      | 2,411,000    |
| Percentage Occupied                                      | 79.8%        | 68.0%        | <b>74.5%</b>         | 77.1%        | 61.9%        | 70.5%        |
| Closing Net Rent Per Sq Ft                               | £26.45       | £25.94       | <b>£26.25</b>        | £25.43       | £25.25       | £25.36       |
| <b>For the 6 month period:</b>                           |              |              |                      |              |              |              |
| REVPAF   | £24.09       | £19.98       | <b>£22.24</b>        | £22.47       | £17.70       | £20.39       |
| Average Annual Net Rent psf                              | £26.50       | £26.20       | <b>£26.38</b>        | £25.32       | £25.14       | £25.25       |
|  | <b>£000</b>  | <b>£000</b>  | <b>£000</b>          | <b>£000</b>  | <b>£000</b>  | <b>£000</b>  |
| Total Store Revenue                                      | 23,307       | 15,816       | <b>39,123</b>        | 21,843       | 13,237       | 35,080       |
| Direct Store Operating Costs<br>(Excluding Depreciation) | (6,558)      | (5,344)      | <b>(11,902)</b>      | (6,442)      | (4,782)      | (11,224)     |
| Short and Long Leasehold Rent                            | (989)        | (22)         | <b>(1,011)</b>       | (974)        | (22)         | (996)        |
| Store EBITDA   | 15,760       | 10,450       | <b>26,210</b>        | 14,427       | 8,433        | 22,860       |
| Store EBITDA Margin                                      | 67.6%        | 66.1%        | <b>67.0%</b>         | 66.0%        | 63.7%        | 65.2%        |



# Consolidated Income Statement

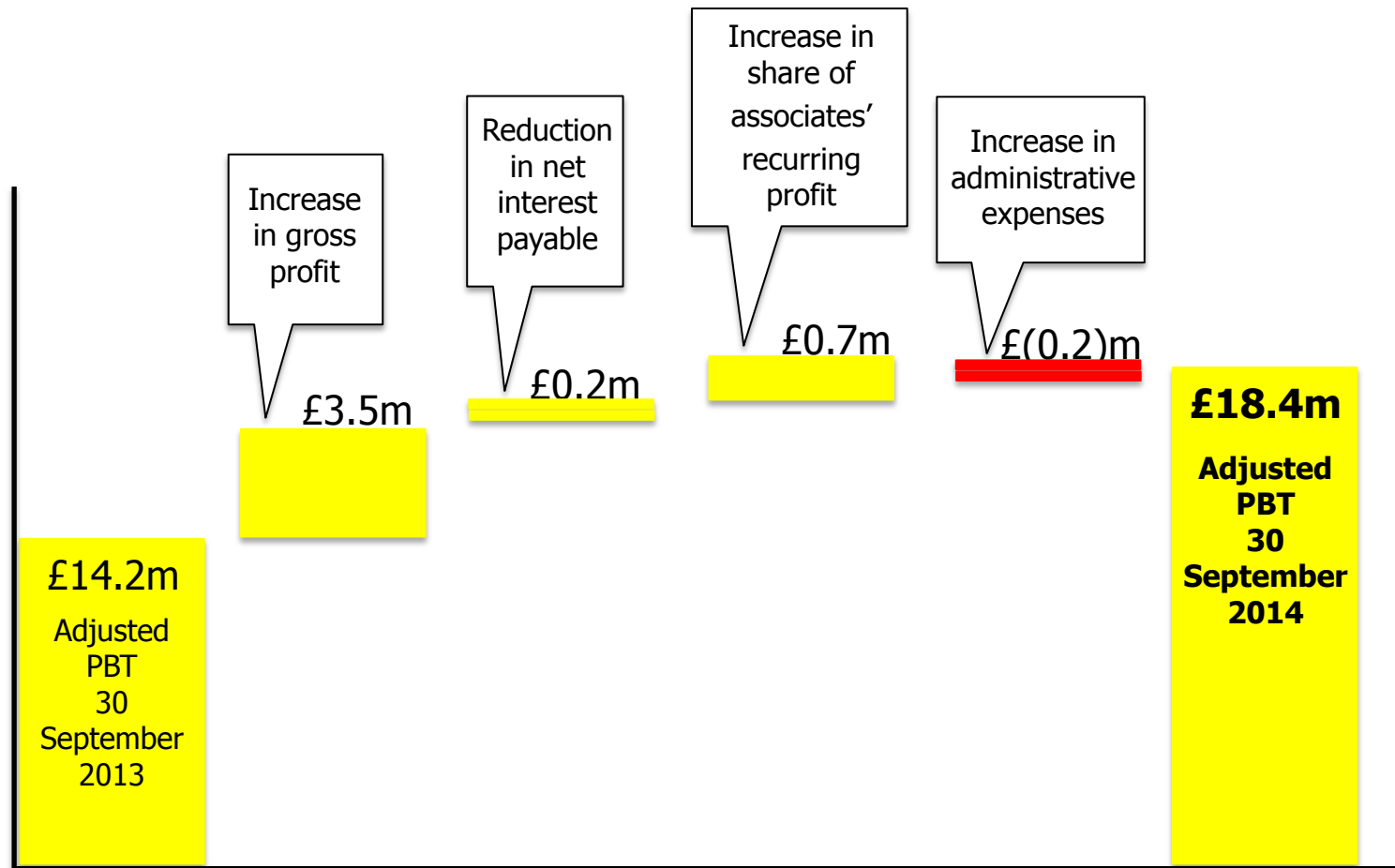
|                                    | <b>Six Months Ended:</b> |                 |
|------------------------------------|--------------------------|-----------------|
|                                    | <b>30.09.14</b>          | <b>30.09.13</b> |
|                                    | £m                       | £m              |
| Revenue                            | 39.9                     | 35.9            |
| Cost Of Sales                      | (12.8)                   | (12.2)          |
| Admin Expenses                     | (4.2)                    | (4.1)           |
| Underlying Operating Profit        | 22.9                     | 19.6            |
| Revaluation Gain                   | 15.3                     | 17.8            |
| Gains On Surplus Land              | 1.3                      | -               |
| Net Finance Costs                  | (5.3)                    | (5.5)           |
| Fair Value Movement On Derivatives | (0.2)                    | 1.8             |
| Share Of Associates' Profits       | 1.3                      | 0.8             |
| Profit                             | 35.3                     | 34.5            |
| Taxation                           | -                        | -               |
| Profit For The Period              | 35.3                     | 34.5            |
| Adjusted Profit Before Tax         | 18.4                     | 14.2            |
| Adjusted EPS                       | 13.0p                    | 10.1p           |

- Established store revenue up 7%  
Lease-up store revenue up 19%
- Cost Of Sales increase due to Gypsy Corner and Oxford 2 and increased investment in marketing
- Share Of Associates' profits now includes Armadillo as well as BYLP



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# Adjusted PBT Bridge



# Cash Flow and Net Debt Movement

|                             | <b>Six Months ended:</b> |                 |
|-----------------------------|--------------------------|-----------------|
|                             | <b>30.09.14</b>          | <b>30.09.13</b> |
|                             | <b>£m</b>                | <b>£m</b>       |
| Opening Net Debt            | (226.1)                  | (230.5)         |
| Cash From Operations        | 22.9                     | 19.3            |
| Interest (Net)              | (5.1)                    | (5.3)           |
| Free Cash Flow              | <b>17.8</b>              | 14.0            |
| Non-Recurring Finance Costs | (3.9)                    | -               |
| Dividends Paid              | (11.8)                   | (8.4)           |
| Total Capital Expenditure   | (6.8)                    | (3.7)           |
| Surplus Land Sales          | 2.8                      | -               |
| Investment In Associates    | (1.9)                    | -               |
| Issue Of Share Capital      | 0.7                      | -               |
| Closing Net Debt            | (229.2)                  | (228.6)         |

- 27% growth in free cash flow
- Capex comprises acquisition of Oxford 2, construction work at Enfield and investment in existing stores. Guildford Central to be built in 2015/16
- Non-recurring finance costs includes arrangement fees on bank and M&G loans and cancellation of interest rate swap



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# Refinancing

- Five year £145 million facility with Lloyds and HSBC agreed in August 2014
- Reduction in facility margin of 75 bps
- £70 million, seven year facility signed with M&G Investments Limited. Facility to be drawn by June 2015
- M&G facility is 50% hedged by a forward start swap
- These loans along with the Group's existing £95 million loan from Aviva provide £310 million of total debt facilities



# Capital Structure

|  | <b>30.09.14</b> | <b>30.09.13</b> |
|--|-----------------|-----------------|
| Net Debt / Gross Property Assets       | 28%             | 29%             |
| Net Debt / Adjusted Net Assets         | 35%             | 37%             |
| Pre-Interest Operating Cash Flow Cover | 4.5x            | 3.6x            |

- Following refinancing in August 2014, the Group's average cost of debt fell to 3.7%
- When the M&G facility is drawn in June 2015, the average cost of the Group's debt will rise to 4.2% based on current levels of LIBOR
- The weighted average unexpired term of the Group's facilities is 7.6 years
- On an annualised basis at September 2014, cash flow cover was over 5x following savings in interest and growth in operating income



# Movement in Adjusted EPRA NAV

|   | <b>£m</b> | <b>EPRA<br/>Adjusted<br/>NAV<br/>Per Share</b> |
|---|-----------|--|
| 1 April 2014  | 634.4     | 446.5  |
| Adjusted Profit                                       | 18.4      | 12.8   |
| Equity Dividends Paid                                 | (11.8)    | (8.2)  |
| Revaluation Movements (Including Share Of Associates) | 15.8      | 11.1   |
| Movement In Purchaser's Cost Adjustment               | 0.9       | 0.6  |
| Cancellation of Interest Rate Derivatives             | (1.4)     | (1.0)  |
| Other Movements (e.g. Share Schemes)                  | 2.8       | 0.1  |
| 30 September 2014                                     | 659.1     | 461.9  |



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# Portfolio Summary – Joint Venture Stores

|                                | BYLP              |                   | Armadillo         |                   |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                | September<br>2014 | September<br>2013 | September<br>2014 | September<br>2013 |
| <b>Number Of Stores</b>        | <b>12</b>         | 12                | <b>10</b>         | 10                |
| <b>As at 30 September:</b>     |                   |                   |                   |                   |
| Total Capacity (Sq Ft)         | <b>749,000</b>    | 749,000           | <b>401,000</b>    | 401,000           |
| Occupied Space (Sq Ft)         | <b>518,000</b>    | 453,000           | <b>257,000</b>    | 240,000           |
| Percentage Occupied            | <b>69.2%</b>      | 60.5%             | <b>64.1%</b>      | 59.9%             |
| Closing Net Rent Per Sq Ft     | <b>£18.15</b>     | £17.31            | <b>£14.38</b>     | £13.68            |
| <b>For the 6 month period:</b> |                   |                   |                   |                   |
| REVPAF                         | <b>£14.82</b>     | £12.63            | <b>£11.18</b>     | £9.98             |
| Average Annual Net Rent psf    | <b>£18.40</b>     | £17.45            | <b>£14.44</b>     | £13.82            |
|                                | <b>£000</b>       | <b>£000</b>       | <b>£000</b>       | <b>£000</b>       |
| Total Store Revenue            | <b>5,566</b>      | 4,746             | <b>2,249</b>      | 2,016             |
| Direct Store Operating Costs   | <b>(2,135)</b>    | (2,031)           | <b>(1,037)</b>    | (1,014)           |
| Store EBITDA                   | <b>3,431</b>      | 2,715             | <b>1,212</b>      | 1,002             |
| Store EBITDA Margin            | <b>61.6%</b>      | 57.2%             | <b>53.9%</b>      | 49.7%             |



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# Big Yellow Limited Partnership

| <b>Big Yellow 33.3% Interest</b>                     | <b>£000</b>   |
|--|---------------|
| Investment At 1 April 2014                           | 17,861        |
| Share Of Operating Profit                            | 986           |
| Net Interest Payable                                 | (390)         |
| Fair Value Of Derivatives                            | (7)           |
| Gain On Revaluation                                  | 247           |
| Share Of Partnership Net Assets At 30 September 2014 | <u>18,697</u> |

Total Big Yellow equity invested - £16.4 million



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# Armadillo

| <b>Big Yellow 20% Interest</b>                       | <b>£000</b>  |
|--|--------------|
| Investment At 1 April 2014                           | -            |
| Net Equity Investment                                | 1,920        |
| Share Of Operating Profit                            | 266          |
| Net Interest Payable                                 | (71)         |
| Fair Value Of Derivatives                            | (11)         |
| Gain On Revaluation                                  | 294          |
| Share Of Partnership Net Assets At 30 September 2014 | <u>2,398</u> |

Total Big Yellow equity invested - £1.9 million



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# OPERATIONS REVIEW



# Overview

- Continuing focus on occupancy and revenue growth from a secure capital structure
- Customer Service is the key to achieving this – significant investment in digital customer satisfaction programme
- Leveraging our market leading brand to drive growth through digital channels
- Gypsy Corner opened, Oxford 2 consolidated into the business
- Cambridge and Enfield to open in 2015



# Improved Move-in Activity

| <b>Move-ins In Wholly Owned Stores</b> | <b>Move-ins 2014</b> | Move-ins 2013 | Increase | Net Move-ins |
|--|----------------------|---------------|----------|--------------|
| April                                  | <b>4,110</b>         | 3,968         | 4%       | 129          |
| May                                    | <b>5,237</b>         | 4,579         | 14%      | 1,112        |
| June                                   | <b>6,522</b>         | 6,205         | 5%       | 2,520        |
| July                                   | <b>5,951</b>         | 5,344         | 11%      | 882          |
| August                                 | <b>6,345</b>         | 5,560         | 14%      | 730          |
| September                              | <b>5,598</b>         | 5,225         | 7%       | (1,679)      |
| <b>Total</b>                           | <b>33,763</b>        | 30,881        | 9%       | 3,694        |
| October                                | <b>5,119</b>         | 4,376         | 17%      | (816)        |



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# Rental Growth Analysis – Wholly Owned Stores

| <b>Average occupancy in the period</b> | <b>Net rent per sq ft growth over the period</b> |
|--|--|
| 0 to 60%                               | (0.5)%   |
| 60 to 70%                              | (0.8)%   |
| 70 to 80%                              | 0.7%   |
| Above 80%                              | 3.5%   |

- Higher occupancy drives better rental growth as less churn, fewer opening offers and higher proportion of customers moving in at asking rates



# Conclusion

- Strong revenue performance drives earnings and dividend growth
- Operational focus on driving occupancy, revenue and cash flow growth
- Group capital structure provides strong foundation for future growth
- Gypsy Corner and Oxford new stores
- Enfield and Cambridge to open in 2015
- Looking to selectively add development sites and existing stores to the portfolio
- Big Yellow Limited Partnership



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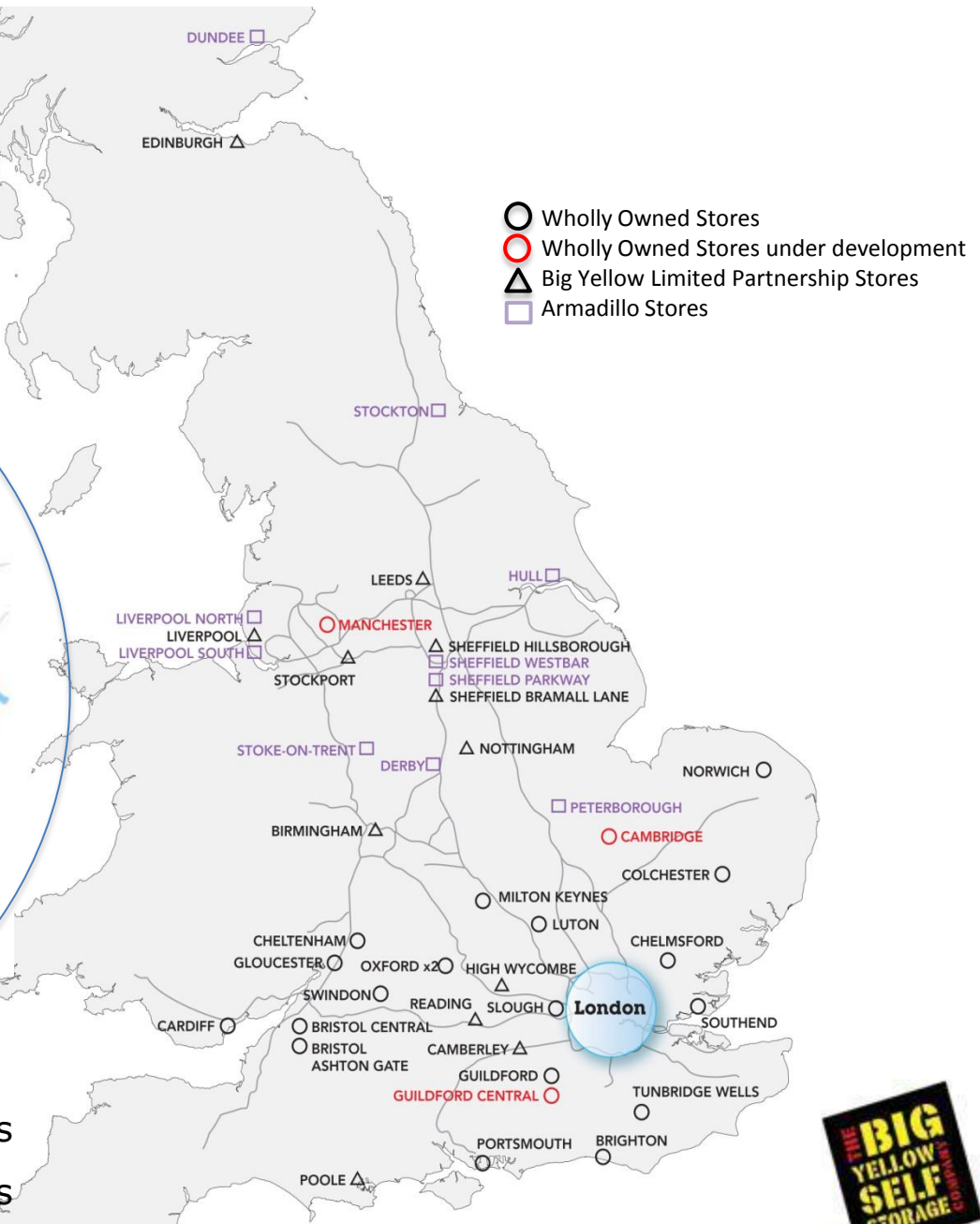
# APPENDIX

Store Portfolio  
Marketing Review  
Operations  
Additional Financial Information

# Big Yellow Stores November 2014



London 38 stores and sites  
 Outside London 44 stores and sites



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# Per Store Analysis

| <b>Period Ended 30 September 2014</b> | <b>Established Stores</b> | <b>Lease-up Stores</b> | <b>BYLP Stores</b> | <b>Armadillo Stores</b> |
|---------------------------------------|---------------------------|------------------------|--------------------|-------------------------|
| Number Of Stores                      | 32                        | 24                     | 12                 | 10                      |
| Average Store Capacity                | 60,312                    | 66,500                 | 62,417             | 40,100                  |
| Closing Sq Ft Occupied Per Store      | 48,156                    | 45,208                 | 43,167             | 25,700                  |
| % Occupancy                           | 79.8%                     | 68.0%                  | 69.2%              | 64.1%                   |
| Annualised Average Revenue Per Store  | £1,453,000                | £1,314,000             | £925,000           | £449,000                |
| Annualised Average EBITDA Per Store   | £982,000                  | £868,000               | £570,000           | £242,000                |
| EBITDA Margin                         | 67.6%                     | 66.1%                  | 61.6%              | 53.9%                   |

- Our Big Yellow stores are larger than the UK average of approximately 42,000 sq ft
- Within the established stores the freehold margin is 72% and the leasehold margin is 53%
- 19 of the 24 lease-up stores are in London. All of the lease-up stores are freehold



# Property Summary

## VALUATION METRICS

|  | Established Store Portfolio |                 |                 | Total          |
|--|-----------------------------|-----------------|-----------------|----------------|
|  | Leasehold Stores            | Freehold Stores | Lease-Up Stores |                |
| Number of Stores                           | 7                           | 25              | 24              | 56             |
| Valuation at 30 September 2014             | £50.3 million               | £373.6 million  | £385.2 million  | £809.1 million |
| Value Per Sq Ft                            | £117                        | £249            | £241            | £229           |
| Occupancy At 30 September 2014             | 81.0%                       | 79.5%           | 68.0%           | 74.5%          |
| Stabilised Occupancy Assumed In Valuations | 81.9%                       | 81.1%           | 80.4%           | 80.9%          |
| Net Initial Yield Pre-Admin Expenses       | 11.8%                       | 6.8%            | 6.0%            | 6.7%           |
| Stabilised Yield Assuming No Rental Growth | 11.9%                       | 7.1%            | 7.6%            | 7.7%           |



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# Property Summary

## DEVELOPMENT PIPELINE

| <b>Store</b>             | <b>Location</b>   | <b>Status</b>  | <b>Anticipated Capacity</b> |
|--------------------------|---|--|-----------------------------|
| Enfield,<br>North London | Prominent site on the A10, Great Cambridge Road             | Construction underway, store due to open April 2015    | 60,000 sq ft                |
| Guildford<br>Central     | Prime location in centre of Guildford on Woodbridge Meadows | Consent granted  | 56,000 sq ft                |
| Manchester<br>Central    | Prime location on Water Street in Manchester                | Planning under negotiation                             | 50-70,000 sq ft             |
| Cambridge                | Adjacent to the Cambridge Retail Park, Newmarket Road       | Existing B8 consent, detailed signage consent required | 55,000 sq ft                |

- The cost to complete the two sites with planning consent is £8.1 million at 30 September 2014
- Development cost of Cambridge anticipated to be £3.6 million





**Oxford 2, July 2014**  
MLA - 35,000 sq ft



**Gypsy Corner, April 2014**  
MLA - 70,000 sq ft



**Chiswick, April 2012**  
MLA - 75,000 sq ft



**New Cross, February 2012**  
MLA - 62,000 sq ft



**Stockport, September 2011**  
MLA - 65,000 sq ft



**Eltham, April 2011**  
MLA - 70,000 sq ft



**Camberley, January 2011**  
MLA - 68,000 sq ft



**High Wycombe, June 2010**  
MLA - 60,000 sq ft





**Reading, December 2009**  
MLA - 62,000 sq ft



**Sheffield Bramall Lane, September 2009**  
MLA - 60,000 sq ft



**Poole, August 2009**  
MLA - 55,000 sq ft



**Nottingham, August 2009**  
MLA - 67,000 sq ft



**Edinburgh, July 2009**  
MLA - 63,000 sq ft



**Twickenham, May 2009**  
MLA - 73,000 sq ft



**Liverpool, March 2009**  
MLA - 60,000 sq ft



**Bromley, March 2009**  
MLA - 71,000 sq ft



**Birmingham, February 2009**  
MLA - 60,000 sq ft



**Sheen, December 2008**  
MLA - 64,000 sq ft



**Sheffield Hillsborough, October 2008**  
MLA - 60,000 sq ft



**Kennington, May 2008**  
MLA - 66,000 sq ft



**Merton, March 2008**  
MLA - 70,000 sq ft



**Fulham, March 2008**  
MLA - 139,000 sq ft



**Balham, March 2008**  
MLA - 61,000 sq ft



**Barking, November 2007**  
MLA - 64,000 sq ft



**Ealing Southall, November 2007**  
MLA - 57,000 sq ft



**Sutton, July 2007**  
MLA - 70,000 sq ft



**Gloucester, December 2006**  
MLA - 50,000 sq ft



**Edmonton, October 2006**  
MLA - 75,000 sq ft



**Kingston, August 2006**  
MLA - 62,000 sq ft



**Bristol Ashton Gate, July 2006**  
MLA - 61,000 sq ft



**Finchley East, May 2006**  
MLA - 54,000 sq ft



**Tunbridge Wells, April 2006**  
MLA - 57,000 sq ft



**Bristol Central, March 2006**  
MLA - 64,000 sq ft



**North Kensington, December 2005**  
MLA - 51,000 sq ft



**Leeds, July 2005**  
MLA - 76,000 sq ft



**Beckenham, May 2005**  
MLA - 71,000 sq ft



**Tolworth, November 2004**  
MLA - 56,000 sq ft



**Watford, August 2004**  
MLA - 64,000 sq ft



**Swindon, April 2004**  
MLA - 53,000 sq ft



**Orpington, December 2003**  
MLA - 64,000 sq ft



**Byfleet, November 2003**  
MLA - 48,000 sq ft



**Chelmsford, April 2003**  
MLA - 54,000 sq ft



**Finchley North, March 2003**  
MLA - 62,000 sq ft



**West Norwood, January 2003**  
MLA - 57,000 sq ft



**Colchester, December 2002**  
MLA - 54,000 sq ft



**Bow, November 2002**  
MLA - 132,000 sq ft



**Brighton, October 2002**  
MLA - 59,000 sq ft



**Guildford, June 2002**  
MLA - 55,000 sq ft



**New Malden, May 2002**  
MLA - 81,000 sq ft



**Hounslow, December 2001**  
MLA - 54,000 sq ft



**Battersea, December 2001**  
MLA - 34,000 sq ft



**Ilford, November 2001**  
MLA - 58,000 sq ft



**Cardiff, October 2001**  
MLA - 74,000 sq ft



**Portsmouth, October 2001**  
MLA - 61,000 sq ft



**Norwich, September 2001**  
MLA - 47,000 sq ft



**Dagenham, July 2001**  
MLA - 51,000 sq ft



**Wandsworth, April 2001**  
MLA - 47,000 sq ft



**Luton, March 2001**  
MLA - 41,000 sq ft



**Southend, March 2001**  
MLA - 57,000 sq ft



**Staples Corner, March 2001**  
MLA - 112,000 sq ft



**Romford, November 2000**  
MLA - 70,000 sq ft



**Milton Keynes, September 2000**  
MLA - 61,000 sq ft



**Cheltenham, April 2000**  
MLA - 50,000 sq ft



**Slough, February 2000**  
MLA - 67,000 sq ft



**Hanger Lane, October 1999**  
MLA - 66,000 sq ft



**Oxford, August 1999**  
MLA - 33,000 sq ft



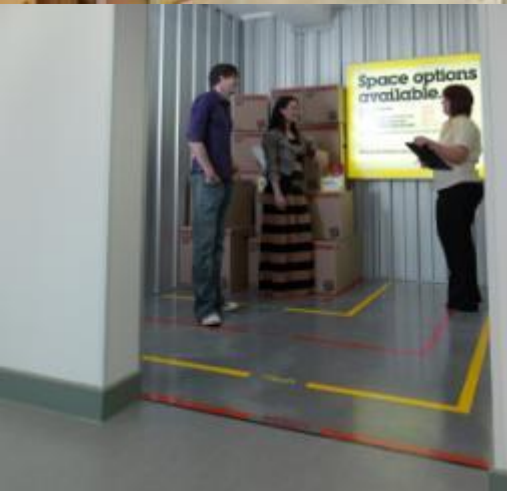
**Croydon, July 1999**  
MLA - 80,000 sq ft



**Richmond, May 1999**  
MLA - 35,000 sq ft

# 24 hour CCTV

and individually alarmed rooms



# The Brand Leader



- Highly branded, prominent stores on main roads, promoting the brand every minute of every day
- 1999 - 2003 Radio advertising
- 2003 - 2008 TV advertising
- 2008 onwards Digital strategy:
  - Flexible, targeted, always on
- High brand referral from word of mouth driven by excellent customer service



# Research of Brand and Market Awareness

- YouGov commissioned survey run annually for the last 8 years
- Monitors our brand awareness
- Statistically robust based on omnibus survey across all adult demographic groups
  - 1,523 sample size London
  - 2,360 sample size for the rest of the UK

Britain's  
favourite  
self storage  
company

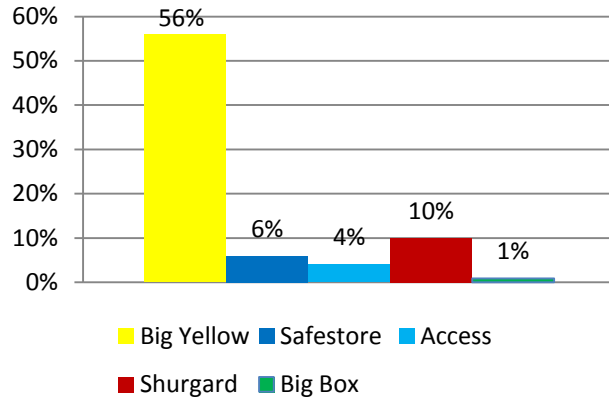


Get some space in your life.™

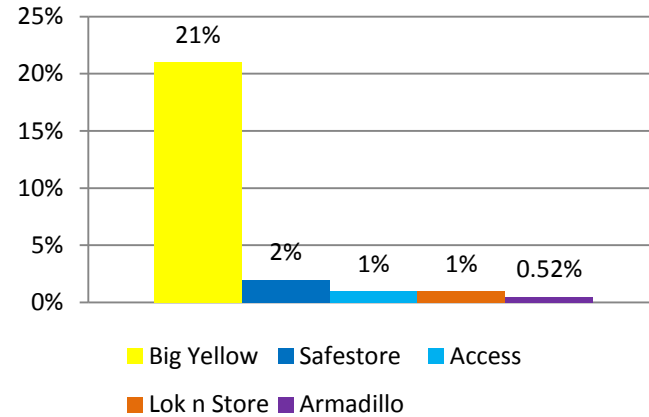
# Unprompted Awareness

“What are the names of any self storage companies you can think of?”

## London

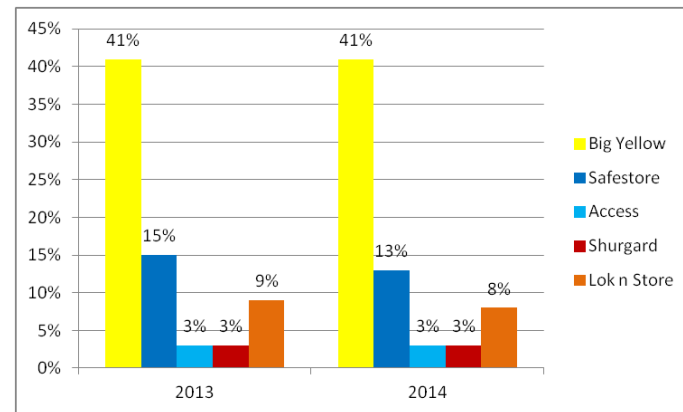
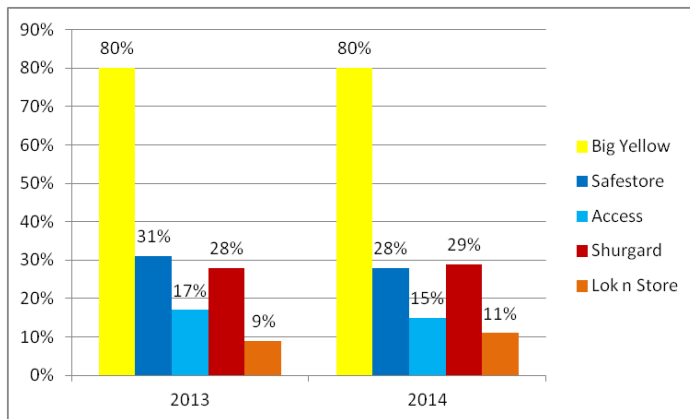


## Rest of the UK excluding NI



# Prompted Awareness

“Which, if any, of the following self storage companies have you heard of ?”



Source: YouGov Survey April 2014



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# High Brand Awareness = High Online Market Share

- A significant proportion of web visits come from people searching for our brand
  - Lower cost of acquisition
  - More likely to convert
- High brand recognition leads to more clicks and web visits when people search for generic terms e.g. "self storage"
- Highest market share of web visits at 33-39% against 37 largest UK operators (Source: Experian Hitwise UK last 6 months)
- 86% of our prospects came from bigyellow.co.uk in the last 6 months



# The Growth Opportunity

- Only 12% of those surveyed have used self storage before or are currently using storage
- Low historic use with 75% of Big Yellow's customers using self storage for the first time
- Increasing customer repeat use and referrals
- Self storage awareness will continue to grow with advertising and new first time customers
- Limited new store openings expected in the short to medium term amongst our main competitors



# Staying Ahead Of The Game

- Prospect Acquisition

- £3.5 million investment in marketing this year
- Search (paid & organic), display, social
- Business development & partnerships
- PR and press office

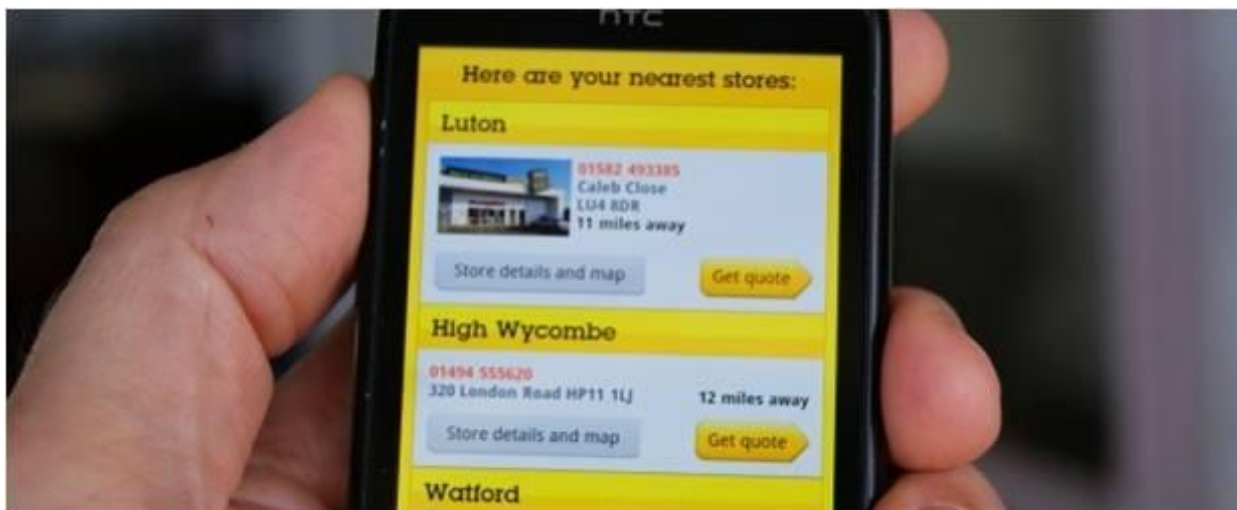
- Prospect Conversion

- Continually improving the website journey and usability
- Mobile site development
- Improving our offering to businesses
- Continued focus on customer experience and feedback / referral
- Continued focus on training and operational standards
- Continued investment in Bagshot Customer Support Centre



# The Big Yellow Mobile Site

- 48% of our web traffic in October 2014 came from mobile devices (including tablets and smartphones)
- Up from 37% last October
- Store locator, online prices, reservation and check-in online
- Ongoing mobile developments



# Ongoing Consumer PR

### Estate agents save us from our dirty secrets

## Put away the knick-knacks and you'll sell for full whack



### Home truths of agents

ONE in eight estate agents say they've had to flush a toilet or hide an "inappropriate object" at property viewings. A study by Big Yellow Self Storage of 268 agents found many opened windows and approved air

Remove the lounge door and park a new motor in the drive: Estate agents reveal 20 cheap tricks that can add thousands to the value of your home

Remove the lounge door and park a new motor in the drive: Estate agents reveal 20 cheap tricks that can add thousands to the value of your home

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## De-cluttering a house adds £2,500 to value

CHUCKING out the clutter could add £2,500 to the value of your home, a new survey says.

And filling your property with the aroma of freshly baked bread or just-brewed coffee can add around £849 to the sale price.

De-cluttering the house by removing bulky items to maximise space can push the value up by as much as 11 per cent, the survey by Big Yellow Self Storage found. In fact, most estate agents say a minimalist approach to decor leads to homes selling for more – and 38 per cent insist it increases the price every time. De-personalising a home by removing ornaments and photos is also likely to add value.

Property expert Kate Faulkner said: "Freeing up space and de-personalising a home helps create a blank canvas and buyers can better imagine their own lives in it."

"A ch smaller to offer"

"The research shows living up space is the most popular 'trick' that will help home owners get the most out of their sale price."

How to sell your home for more money



Remove the lounge door and park a new motor in the drive: Estate agents reveal 20 cheap tricks that can add thousands to the value of your home

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BUYING or selling property may seem as much art as science when it comes to getting the best price but knowing the tricks the experts use to raise the value of a property may help you boost your own selling price – or vice versa to cut the price of a purchase.

Taking down family photos, removing the lounge door and parking an expensive car outside the property could add around £2,500 to the price, according to a survey of estate agents from Big Yellow Self Storage.

Tried-and-tested tactics of baking bread or brewing coffee also work, adding an astonishingly high £849 to the sale price of a £250,000 property. But even just clearing your kitchen of small appliances adds £973; creating an open-plan living area (£972) and removing ornaments (£948) also boost the price. Using mirrors to create the impression of space also adds £946.

Pet smells and their paraphernalia are a turn-off for most buyers, beaten only by discolouration due to smoking. These are just some ways you can boost a sale price, but also prevent it from falling.

De-personalising and de-cluttering increases property price

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### BBC NEWCASTLE

### BBC RADIO MERSEYSIDE

### BBC RADIO NOTTINGHAM

### BBC RADIO MANCHESTER

### BBC RADIO SOLENT

### THE HUFFINGTON POST

### The Real Reasons Your Home Isn't Selling

### Asian Sound Radio 1377 & 943 AM

### Labelled best buy mortgage deals

### FOR SALE

### FOR SALE

• Our regular PR stories allow us to talk about self storage and its benefits

– De-clutter to help sell your home: How using self storage to create more space in your home can add value when selling

– Estate Agents: How estate agents can go the extra mile to tidy up their clients' home. Targeted to estate agent and consumer media.

• Radio interviews with professional spokespeople, advice and online press coverage



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# Customer Support Centre

- Over 80,000 calls answered in the 6 months to 30 September 2014, up 9% on the same period last year
- The Customer Support Centre scored an average of 98.1% from external mystery shops conducted over the 6 month period
- Over 10,000 reservations were taken by the Customer Support Centre in the 6 months to 30 September 2014, up 15% on the same period last year
- Almost 475,000 sq ft of space moved in during the period was reserved by the Customer Support Centre, up 15% on the same period last year





# National Accounts



- Businesses can store at multiple locations through one point of contact
- Storage provided in locations without a local Big Yellow store through third party partnerships, which enables customers to have Big Yellow as their sole self storage provider
- 40% of our National Accounts have been acquired in the last 12 months
- Sq ft occupied by National Accounts grew by 16% in the period
- Revenue from National Accounts increased by almost 40% on the same period last year



# Armadillo

- Portfolio put up for sale in 2013 – Big Yellow managed since 2009
- Forms part of our operating platform and valuable fee income
- Acquired in April 2014 with an Australian consortium
- Price paid by JV £19.75m, with bank debt of £11m from Lloyds Bank
- Group initially invested £3.6m (38%), JV partners increased their share to 80% in July 2014
- Five year management contract, £400k per annum



# Self Storage Market

## Key Influencers

- Growing public awareness
- Change in economic activity and GDP growth
- Population mobility and density
- Physical planning and constraints, smaller homes
- Focus on high density development on brownfield sites
- Housing demand, divorce, single parent families, single living
- Business formation/expansion requiring flexible, convenient space

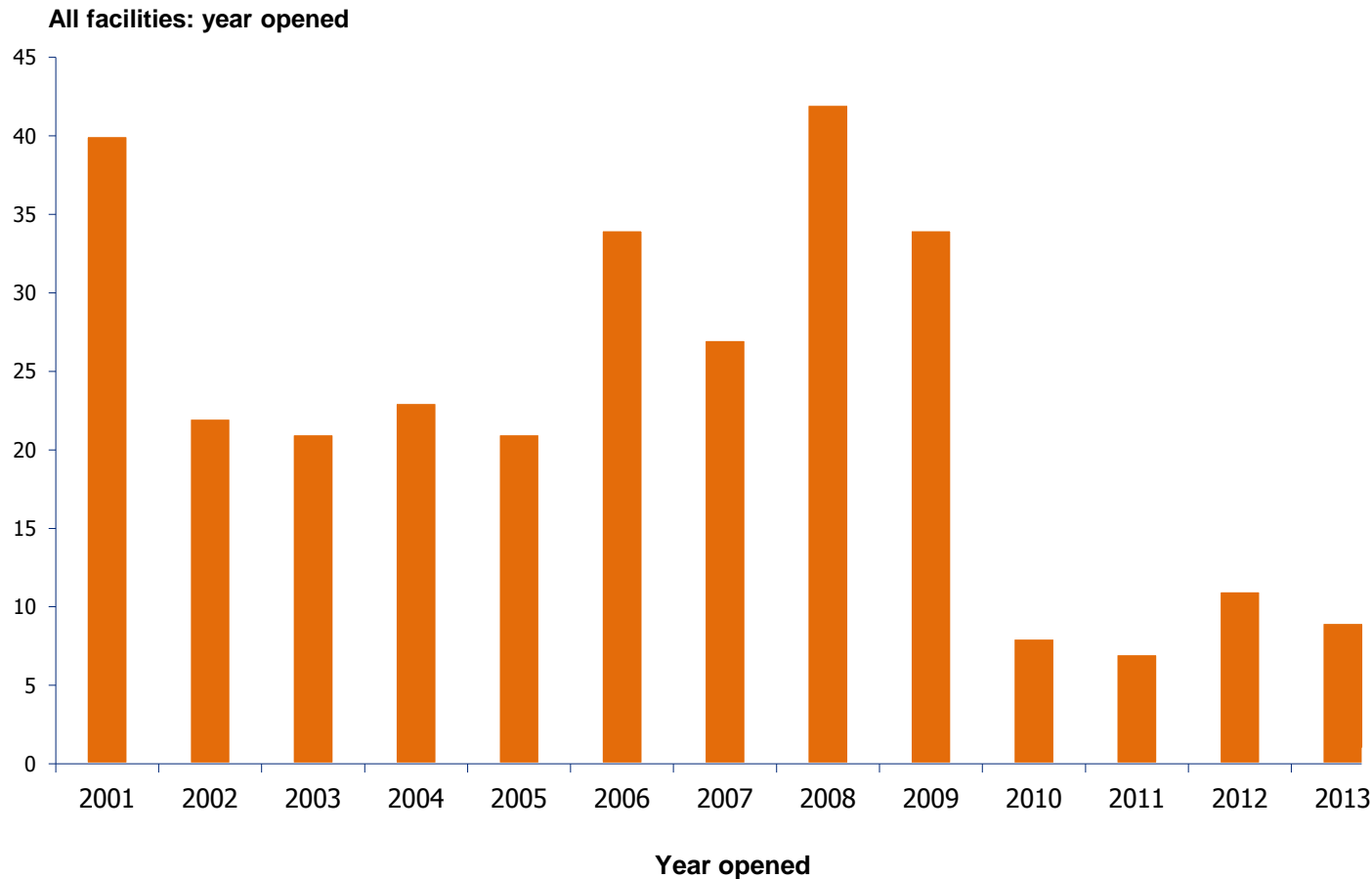


# Self Storage Market

- US Market (2014 Self Storage Almanac)
  - Population 317 million
  - 49,500 self storage centres
  - 2.5 billion sq ft – 7.9 sq ft per person
- Australian Market (2014 Self Storage Almanac)
  - Population 23.1 million
  - 1,200 self storage centres
  - 32.9 million sq ft – 1.4 sq ft per person
- UK Market (2014 SSA Survey / Drivers Jonas Deloitte)
  - Population 64.1 million
  - 975 self storage centres (including 141 container operators)
  - 34.4 million sq ft – 0.5 sq ft per person
- European Market (2014 Fedessa Report)
  - Population 486.3 million
  - 2,391 self storage centres (including UK)
  - 83.0 million sq ft – 0.15 sq ft per person



# Facilities In The SSA 2014 Survey By Year Opened

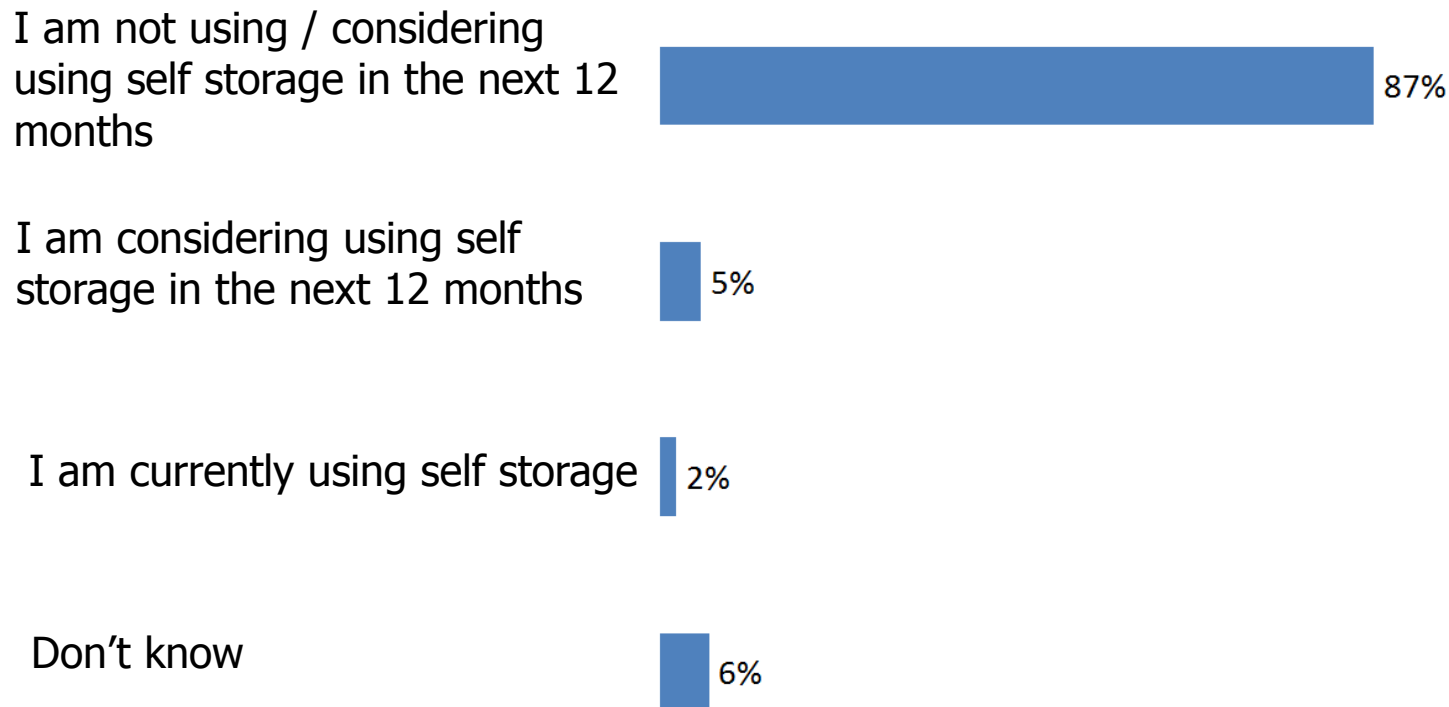


Source: YouGov Survey of 2,138 adults reported in Deloitte/SSA UK 2014 Annual Survey



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# Thinking about the next 12 months, which, if any of the following, best applies to you?



Source: YouGov Survey of 2,138 adults reported in Deloitte/SSA UK 2014 Annual Survey

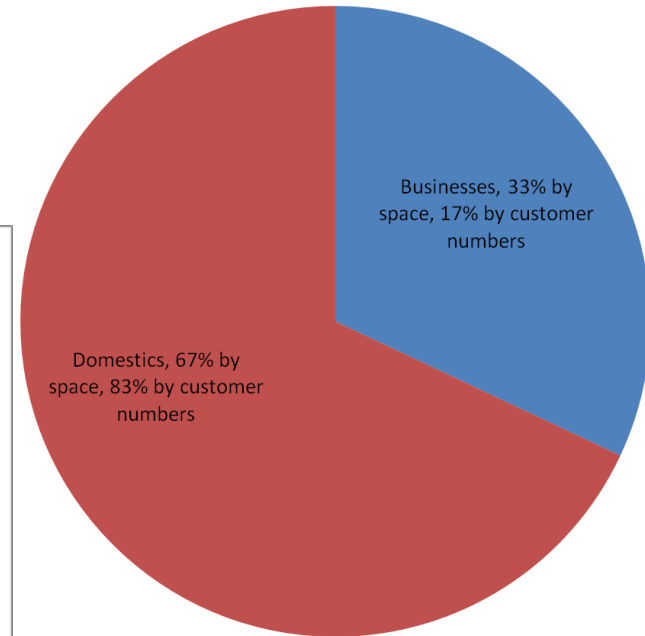
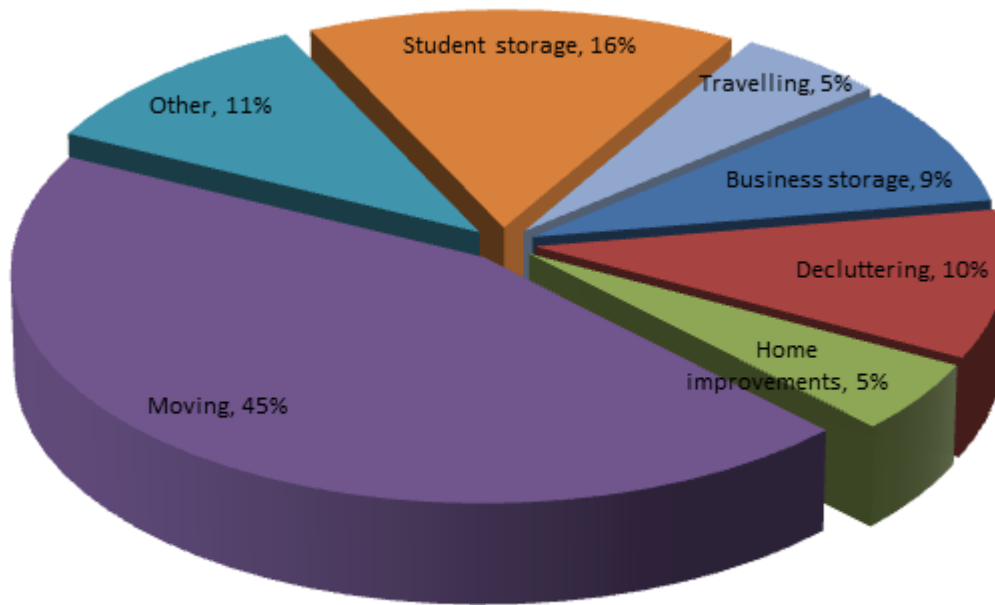


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# Reasons For Using Self Storage

Overall Occupied Space at 30 September 2014

Demand Profile of Move-ins - April to September 2014



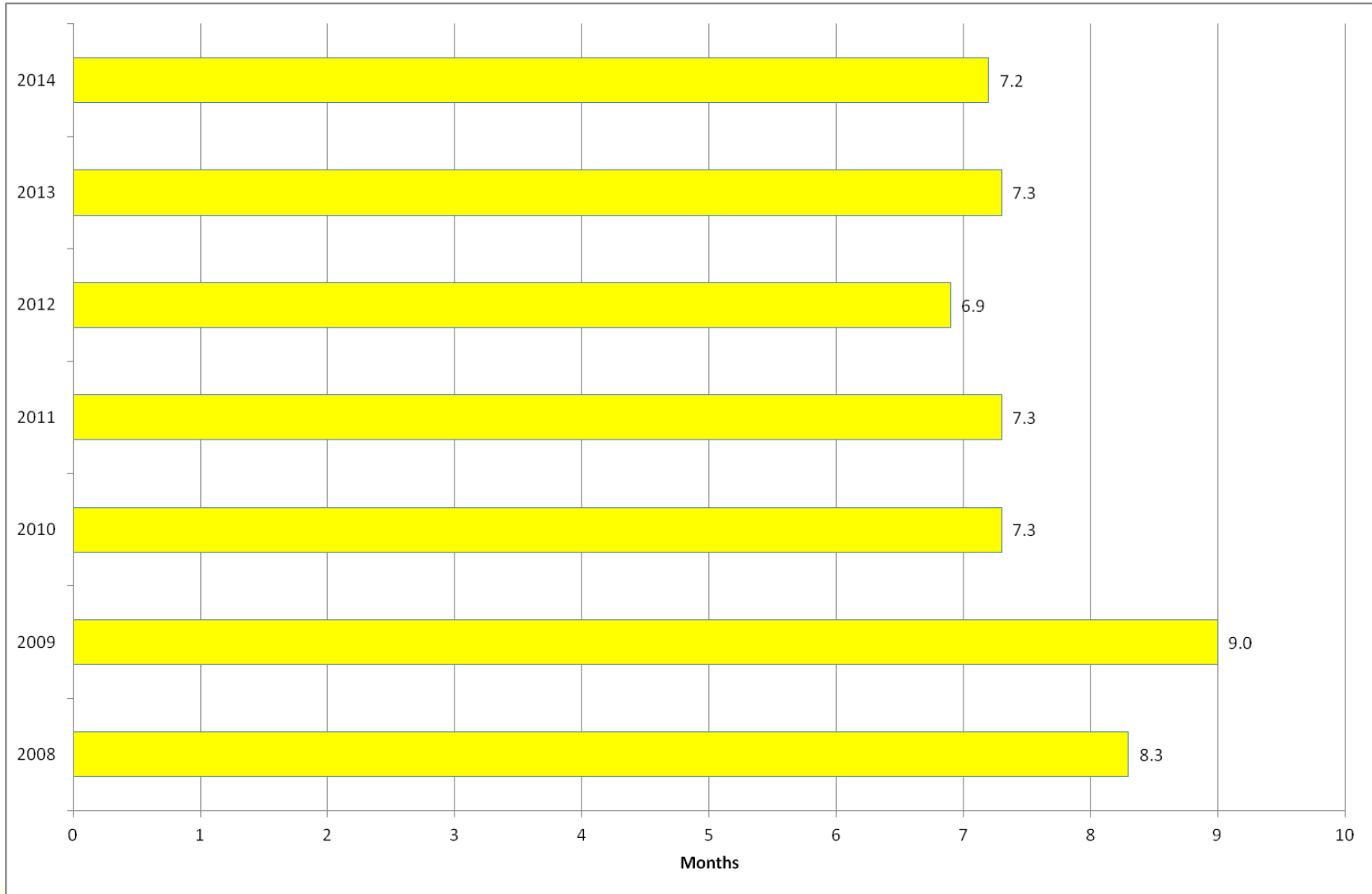
April to September 2013

|                   |     |
|-------------------|-----|
| Moving            | 46% |
| Student storage   | 17% |
| Other             | 10% |
| Decluttering      | 10% |
| Business storage  | 8%  |
| Travelling        | 5%  |
| Home improvements | 4%  |



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# Length of Stay of Customers Vacating in Calendar Year To September



# Customer Average Length of Stay

As at  
30/09/2014

|                     |          | Stores (N° of Months) |           |           | Portfolio   | 30/09/13  |
|---------------------|----------|-----------------------|-----------|-----------|-------------|-----------|
|                     |          | 0-2 Years             | 2-5 Years | >5 Years  |             |           |
| <b>N° of Stores</b> |          | <b>1</b>              | <b>7</b>  | <b>60</b> | <b>68</b>   | <b>66</b> |
| <b>Business</b>     | Existing | 2.6                   | 14.1      | 29.8      | <b>27.4</b> | 27.5      |
|                     | Vacated  | 1.3                   | 6.1       | 10.9      | <b>10.8</b> | 11.1      |
|                     | Total    | 2.3                   | 8.8       | 13.0      | <b>12.8</b> | 13.3      |
| <b>Domestic</b>     | Existing | 2.5                   | 9.4       | 21.2      | <b>19.9</b> | 18.9      |
|                     | Vacated  | 1.6                   | 4.0       | 6.8       | <b>6.7</b>  | 6.9       |
|                     | Total    | 2.1                   | 4.9       | 7.7       | <b>7.6</b>  | 7.9       |
| <b>Student</b>      | Existing | 2.8                   | 4.1       | 6.5       | <b>6.2</b>  | 4.4       |
|                     | Vacated  | 2.0                   | 2.6       | 2.8       | <b>2.8</b>  | 2.8       |
|                     | Total    | 2.1                   | 2.7       | 2.9       | <b>2.9</b>  | 2.9       |
| <b>All</b>          | Existing | 2.5                   | 10.1      | 22.6      | <b>20.9</b> | 19.7      |
|                     | Vacated  | 1.5                   | 4.1       | 7.2       | <b>6.9</b>  | 7.1       |
|                     | Total    | 2.1                   | 5.2       | 8.3       | <b>7.9</b>  | 8.2       |



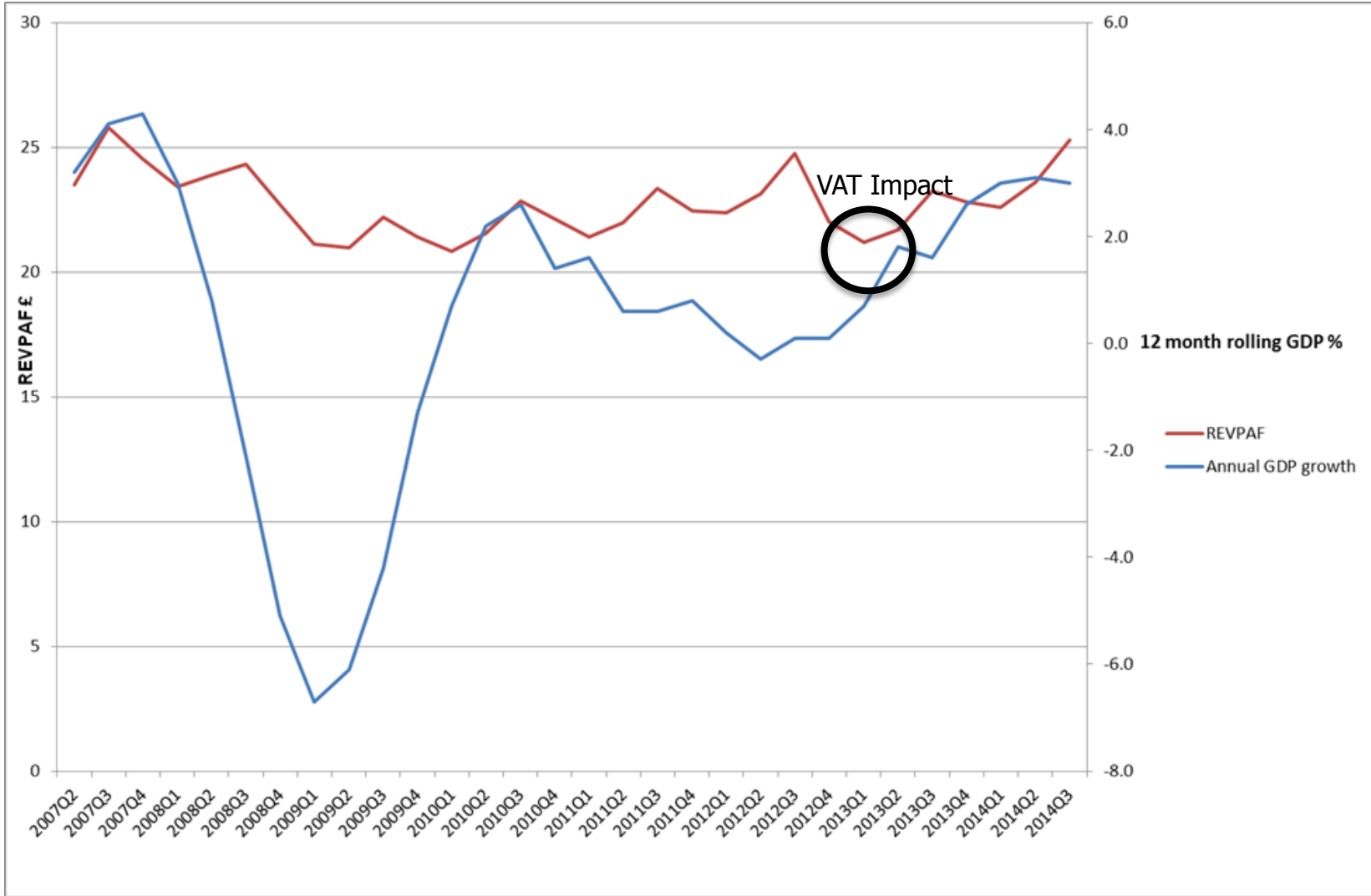
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# Pricing Strategy

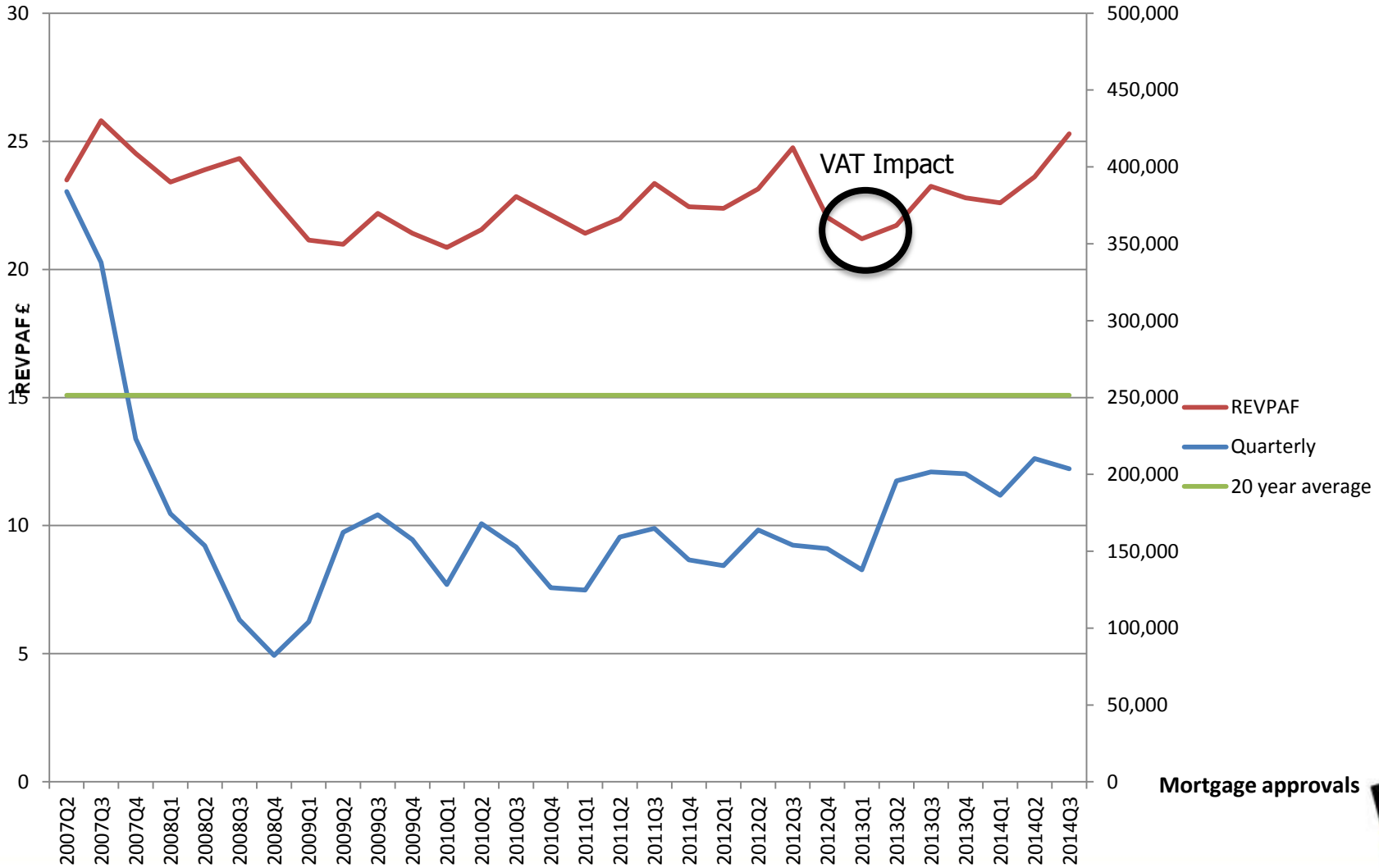
- Industry fully transparent with pricing online
- Rolling existing customer price increases after 6 months and annually thereafter
- Standard offer across all stores of 50% off for up to 8 weeks
- Dynamic Pricing – positive and negative
- Focus on REVPAF continues



# Established Store REVPAF vs 12 Month Rolling GDP



# Established Store REVPAF vs Mortgage Approvals



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# Corporate 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's 28% stake
- July 2006 – £36 million raised through placing of 9.1m shares
- January 2007 – Conversion to a REIT
- November 2007 – Formation of partnership with Pramerica
- May 2009 – £31.5 million (net) raised through placing of 11.5m shares
- April 2012 – £100 million 15 year loan completed with Aviva
- January 2013 – £35.8 million (net) raised through placing of 10m shares
- August 2014 - £70 million 7 year loan with M&G, and £145 million refinancing with Lloyds & HSBC



# 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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