

## Notes to the Financial Statements (continued)

Year ended 31 March 2013

### 10. ADJUSTED PROFIT BEFORE TAX AND ADJUSTED EBITDA

	2013 £000	2012 £000
Profit/(loss) before tax	31,876	(35,551)
(Gain)/loss on revaluation of investment properties – wholly owned	(9,535)	51,381
– in associate	(821)	480
Change in fair value of interest rate derivatives – Group	223	7,965
– in associate	(211)	(135)
VAT implementation costs	179	–
Refinancing costs	4,300	–
Share of refinancing costs in associate	499	–
Gains on surplus land	(1,039)	(497)
Adjusted profit before tax	25,471	23,643
Net bank and other interest	11,190	10,049
Depreciation	583	550
Adjusted EBITDA	37,244	34,242

Adjusted profit before tax which excludes gains and losses on the revaluation of investment properties, changes in fair value of interest rate derivatives, net gains and losses on surplus land, and non-recurring items of income and expenditure have been disclosed to give a clearer understanding of the Group's underlying trading performance. The adjusted profit before tax of £25,471,000 (2012: £23,643,000) equates to EPRA earnings, as there is no tax charge in the year.

### 11. DIVIDENDS

	2013 £000	2012 £000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 March 2012 of 5.5p (2011: 5p) per share.	7,057	6,460
Interim dividend for the year ended 31 March 2013 of 5p (2012: 4.5p) per share.	6,486	5,763
	13,543	12,223
Proposed final dividend for the year ended 31 March 2013 of 6p (2012: 5.5p) per share.	8,384	7,057

Subject to approval by shareholders at the Annual General Meeting to be held on 19 July 2013, the final dividend will be paid on 24 July 2013. The ex-div date is 12 June 2013 and the record date is 14 June 2013.

The Property Income Dividend ("PID") payable for the year is 8 pence per share.

### 12. EARNINGS/(LOSS) AND NET ASSETS PER SHARE

Earnings/(loss) per ordinary share

	Year ended 31 March 2013			Year ended 31 March 2012		
	Earnings £m	Shares million	Pence per share	Earnings £m	Shares million	Pence per share
<b>Basic</b>	31.9	130.9	24.4	(35.6)	128.4	(27.7)
Dilutive share options	–	1.3	(0.3)	–	1.3	0.3
<b>Diluted</b>	31.9	132.2	24.1	(35.6)	129.7	(27.4)
<i>Adjustments:</i>						
(Gain)/loss on revaluation of investment properties	(9.5)	–	(7.2)	51.4	–	39.6
Change in fair value of interest rate derivatives	0.2	–	0.2	8.0	–	6.1
Gains on surplus land	(1.0)	–	(0.8)	(0.5)	–	(0.4)
VAT implementation costs	0.2	–	0.1	–	–	–
Refinancing costs	4.3	–	3.3	–	–	–
Share of associate's non-recurring (gains)/losses	(0.6)	–	(0.4)	0.3	–	0.3
<b>EPRA – diluted</b>	25.5	132.2	19.3	23.6	129.7	18.2
<b>EPRA – basic</b>	25.5	130.9	19.5	23.6	128.4	18.4

The calculation of basic earnings/(loss) is based on profit/(loss) after tax for the year. The weighted average number of shares used to calculate diluted earnings/(loss) per share has been adjusted for the conversion of share options.

## 12. EARNINGS/(LOSS) AND NET ASSETS PER SHARE (continued)

EPRA earnings and earnings per ordinary share before non-recurring items, movements on revaluation of investment properties, gains on surplus land, the change in fair value of interest rate derivatives, and share of associate non-recurring gains and losses have been disclosed to give a clearer understanding of the Group's underlying trading performance.

The European Public Real Estate Association ("EPRA") has issued recommended bases for the calculation of net assets per share information and this is shown in the table below:

	31 March 2013 £000	31 March 2012 £000
Basic net asset value	<b>552,628</b>	494,500
Exercise of share options	<b>555</b>	746
EPRA NNNAV	<b>553,183</b>	495,246
Adjustments:		
Fair value of derivatives	<b>5,494</b>	15,748
Fair value of derivatives – share of associate	<b>232</b>	443
EPRA NAV	<b>558,909</b>	511,437
Basic net assets per share (pence)	<b>395.5</b>	386.1
EPRA NNNAV per share (pence)	<b>390.0</b>	378.9
EPRA NAV per share (pence)	<b>394.1</b>	391.3
EPRA NAV (as above) (£000)	<b>558,909</b>	511,437
Valuation methodology assumption (see note 14) (£000)	<b>35,621</b>	35,514
Capital goods scheme adjustment (£000) (see below)	–	12,056
Adjusted net asset value (£000)	<b>594,530</b>	559,007
Adjusted net assets per share (pence)	<b>419.2</b>	427.7
	<b>No. of shares</b>	No. of shares
Shares in issue	<b>142,639,647</b>	131,393,041
Own shares held in treasury	<b>(1,418,750)</b>	(1,418,750)
Own shares held in EBT	<b>(1,500,000)</b>	(1,885,117)
Basic shares in issue used for calculation	<b>139,720,897</b>	128,089,174
Exercise of share options	<b>2,110,396</b>	2,623,172
Diluted shares used for calculation	<b>141,831,293</b>	130,712,346

Net assets per share are shareholders' funds divided by the number of shares at the year end. The shares currently held in the Group's Employee Benefit Trust and in treasury are excluded from both net assets and the number of shares. Adjusted net assets per share include the effect of those shares issuable under employee share option schemes and the effect of alternative valuation methodology assumptions (see note 14).

The adjusted net assets per share presented for the year ended 31 March 2012 has been restated to show the discounted Capital Goods Scheme receivable and the reduction in the creditor payable as recorded at 31 March 2013, which was lower than that disclosed in the accounts for the year ended 31 March 2012, to ensure comparability with the current period disclosure. This has reduced the adjusted net assets per share at 31 March 2012 from 429.2 pence to 427.7 pence.

## Notes to the Financial Statements (continued)

Year ended 31 March 2013

### 12. EARNINGS/(LOSS) AND NET ASSETS PER SHARE (continued)

Big Yellow issued 7.5% of its share capital in January 2013, raising £35.8 million (net of expenses). A proforma adjusted net assets per share has been produced below as if the placing had taken place on 31 March 2012. Applying the effects of the placing to basic net assets per share for the year ended 31 March 2012, the basic net asset value increases to £530,293,000, and basic shares in issue increases to 138,089,174, giving a basic net asset per share of 384.0p.

Adjustment for placing	No. of shares
Diluted shares at 31 March 2012	130,712,346
Shares issued in placing	10,000,000
Revised shares	140,712,346

	£000
Adjusted net assets at 31 March 2012	559,007
Placing proceeds (net)	35,793
Adjusted net assets at 31 March 2012 proforma post placing	594,800
Adjusted net assets per share at 31 March 2012 proforma post placing	422.7p

### 13. NON-CURRENT ASSETS

#### α) Investment property, development property and interests in leasehold property

	Investment property £000	Investment property under construction £000	Interests in leasehold property £000	Total £000
<b>At 31 March 2011</b>	745,840	46,310	21,244	813,394
Additions	2,723	16,803	–	19,526
Reclassification	27,371	(27,371)	–	–
Adjustment to present value	–	–	2,003	2,003
Revaluation (see note 14)	(49,544)	(1,837)	–	(51,381)
Depreciation	–	–	(853)	(853)
<b>At 31 March 2012</b>	726,390	33,905	22,394	782,689
Additions	3,376	305	–	3,681
Capital Goods Scheme adjustment*	(10,629)	–	–	(10,629)
Reclassification	16,260	(16,260)	–	–
Adjustment to present value	–	–	342	342
Revaluation (see note 14)	10,208	(673)	–	9,535
Depreciation	–	–	(933)	(933)
<b>At 31 March 2013</b>	<b>745,605</b>	<b>17,277</b>	<b>21,803</b>	<b>784,685</b>

\* The Capital Goods Scheme adjustment includes the discounted debtor receivable of £10,346,000, and a reduction in the creditor payable of £283,000.

The income from self storage accommodation earned by the Group from its investment property is disclosed in note 3. Direct operating expenses, which are all applied to generating rental income, arising on the investment property in the year are disclosed in the Portfolio Summary on page 30.

Included within additions is £0.2 million of capitalised interest (2012: £1.0 million), calculated at the Group's average borrowing cost of 4.0%.

55 of the Group's investment properties are pledged as security for loans, with a total value of £736,870,000.