



Stor-Age Property REIT Limited
(Incorporated in the Republic of South Africa)
(Registration number 2015/168454/06)
(Share Code: SSS ISIN ZAE000208963)
(“Stor-Age” or “the Company”)

ABRIDGED PROSPECTUS - OPENING OF OFFER TO INVITED INVESTORS TO SUBSCRIBE FOR AND PURCHASE SHARES AND LISTING OF STOR-AGE ON THE JSE

The board of directors of Stor-Age (“the Board”) are pleased to announce the issue of a prospectus (“the Full Prospectus”) prepared and issued in terms of the Johannesburg Securities Exchange (“the JSE”) Listings Requirements and the Companies Act, 2008 (“the Act”) relating to:

- an offer to raise approximately R710 million through the subscription of approximately 71 million shares (“the Subscription Offer”), comprising:
 - o a private placement to a selected group of invited institutional and high net worth investors (“Private Placement”); and
 - o a retail offer to invited investors, including current and past tenants, staff members and service providers (“Qualifying Investors”) (“the Retail Offer”);
- an offer for the sale of approximately 11.72 million shares at a price to be determined by demand and for which an indicative issue price of R10 per share has been used in the Full Prospectus (“the Sale Offer”); and
- the subsequent listing of all of the issued shares of the Company in the “Speciality REITs” sector on the main board of the JSE (“the Listing”).

Following initial indications of demand from potential investors, the Board has determined that applications for shares at a price at or from R10 per share will be considered for purposes of the bookbuild.

This abridged prospectus is not an invitation to the general public to subscribe for shares in Stor-Age. It is issued in compliance with the JSE Listings Requirements and the Act for the purposes of providing information to the public regarding Stor-Age and to provide information to investors with regards the Subscription Offer and the Sale Offer (collectively “the Offer”).

Institutional investors will be contacted by, and will receive application forms to participate in the Offer from, the Bookrunners.

This announcement contains the salient information in respect of Stor-Age, which is more fully described in the Full Prospectus which will be made available to invited investors from today and a copy of which was registered with the Companies and Intellectual Property Commission (“CIPC”) on 23 October 2015 in terms of the Act. For a full appreciation and understanding of Stor-Age, the Offer and the Listing, the Full Prospectus should be read in its entirety.

1. Introduction

The JSE has granted Stor-Age a listing in terms of section 13 of the JSE Listings Requirements, of approximately 119.7 million shares in the Speciality REITs sector of the JSE, in terms of the FTSE classification, under the abbreviated name: "Stor-Age", JSE share code: SSS and ISIN: ZAE000208963. It is anticipated that the Listing will be effective as from the commencement of trade of the JSE on or about Monday, 16 November 2015, subject to the Company raising R509.7 million ("the Minimum Subscription"), and achieving a spread of public shareholders acceptable to the JSE at the time of Listing, being public shareholders holding not less than 20% of the issued share capital of the Company.

2. History and nature of the business

Stor-Age was incorporated as a public company on 25 May 2015.

Stor-Age is a fully integrated and internally managed Real Estate Investment Trust ("REIT"). The business was started in 2005 by its founders to own, acquire, develop and manage prime self storage assets throughout South Africa's major metropolitan cities.

Stor-Age is the leading and largest self storage property fund and brand in South Africa. It is a highly specialised property fund focused on the fast growing self storage sector, a niche sub-sector of the broader commercial property market. Since 2005, Stor-Age has assembled a portfolio of 32 properties and continues to evaluate a range of new growth initiatives and opportunities.

Stor-Age's objective is to deliver an attractive income stream from a portfolio of high quality self storage properties with potential for income and capital growth through increasing rentals and occupancy levels, expanding the gross lettable area ("GLA") at existing self storage properties and acquiring additional self storage properties when the opportunities present themselves.

3. Investment and growth strategy

Stor-Age seeks to acquire, develop and manage high quality self storage properties where it will achieve strong market penetration, benefit from economies of scale and produce favourable operating margins.

Growth is focused in the four main cities of Johannesburg, Pretoria, Cape Town and Durban. Development and acquisition opportunities in other regions outside of the four primary cities are assessed based on merit at the time such an opportunity arises.

Stor-Age has a clearly defined strategy to grow the portfolio and enhance performance and investor returns by:

- extracting organic growth through active revenue management, developing additional GLA at existing self storage properties and optimising the unit mix at individual self storage properties;
- leveraging the existing self storage tenant management software platform to extract value and drive cost efficiencies;
- pursuing acquisitions in a fragmented industry and consolidating its position as the leading and largest self storage brand in the South African self storage market;
- actively managing and growing licencing, asset management and operator fee income from the development and ongoing management of its self storage property pipeline; and
- managing financial risk through prudent capital management policies consistent with the characteristics of the portfolio.

4. Prospects

The Board is confident that it will deliver attractive growth in distributions over the short to medium term, with growth in distributions for the year ending 31 March 2017 expected to be 10.8% per share above the annualised distributions for the year ending 31 March 2016, details of which are set out in the Full Prospectus and in paragraph 5 below.

The growth in distributions is expected to be driven by year-on-year rental rate increases across its current portfolio, fees from the development of new self storage properties and growth in overall occupancy as the portfolio approaches the target stabilised occupancy levels.

5. Summarised forecast information

An extract of the summarised forecast financial information is set out below. The figures set out below are extracted from detailed forecasts for the period ending 31 March 2016 and the year ending 31 March 2017 and have been reported on by the independent reporting accountant, KPMG Inc. The detailed forecasts, the independent reporting accountants' report on the detailed forecast and the assumptions on which the detailed forecasts are based, are set out in the Full Prospectus.

The summarised forecast financial information of Stor-Age is prepared based on the following assumptions:

- the Listing is implemented and effective on 16 November 2015;
- an amount of R710 million is raised in terms of the Subscription Offer through the issue of 71 million shares;
- the proceeds of the Subscription Offer are used to settle costs associated with the Listing and to settle the Company's existing debt. New borrowings amounting to R328 million have been assumed to be incurred from 16 November 2015 in order for Stor-Age to achieve a target loan to value ratio of 25% of the Company's property portfolio.

The forecast financial information of Stor-Age includes the forecast statement of comprehensive income for the 4.5 months ending 31 March 2016 and the 12 months ending 31 March 2017.

The summarised forecasts, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the Board.

The summarised forecasts have been prepared in compliance with International Financial Reporting Standards and in accordance with Stor-Age's accounting policies.

	Forecast for the 4.5 months ending 31 March 2016	Forecast for the year ending 31 March 2017
Basic earnings per ordinary share (cents)	26.32	77.80
Headline earnings per ordinary share (cents)	26.32	77.80
Distribution per share (cents)	28.72	84.88
Weighted average number of shares in issue ('000)	119 752	119 752
Shares in issue entitled to dividends ('000)	109 752	109 752
Annualised yield	7.7%	8.5%

6. Purpose of the Offer and Listing:

The main purpose of the Offer and the Listing is to:

- provide investors with an opportunity to participate in the income streams and future capital growth of Stor-Age;

- reduce interest bearing borrowings of the Stor-Age group;
- provide Stor-Age with a platform to raise additional equity funding; and
- enhance the public profile and general public awareness of Stor-Age.

7. Details of the Offer

The Offer set out in the Full Prospectus has an indicative price of R10 per share, and is constituted by the issue of approximately 71 million shares through the Subscription Offer and the sale of 11.72 million shares through the Sale Offer.

The indicative issue price of R10 per share represents a marginal premium of 2.7% to net asset value per share R9.73, as at 31 March 2015, as set out in the pro forma statement of financial position disclosed in the Full Prospectus.

The clearing price will be determined by demand through the bookbuild, and will be released on SENS and in the Press in accordance with the timetable in paragraph 8 below. As mentioned above, the Board has determined that applications for shares at a price at or from R10 per share will be considered for purposes of the bookbuild.

The shares to be issued pursuant to the Subscription Offer, or sold pursuant to the Sale Offer, will rank *pari passu* with each other in all respects, including in respect of voting rights and dividends. There are no convertibility or redemption provisions relating to any of the shares offered or issued.

In order to comply with section 33(2) of the Financial Markets Act, the shares will be issued in dematerialised form. However, the Act does allow for Stor-Age shareholders to hold shares in certificated form and therefore after shares have been issued pursuant to the Listing, a shareholder, if they so wish, may contact his CSDP or broker and request that the shares be rematerialised into certificated form. The Offer will not be underwritten.

In the event of an over-subscription, the Board shall, in its sole discretion, elect to issue such additional number of Shares as they determine appropriate. The Board will determine an appropriate allocation mechanism, such that the shares will be allocated on an equitable basis, as far as reasonably possible taking into account the spread requirements of the JSE, the liquidity of the shares and considering the potential shareholder base that the Board wishes to achieve and whether or not the Board considers it appropriate to grant preferential allocation to any selected qualifying investor or group of selected institutional investors.

Depending upon the level of demand, investors may receive no shares or fewer than the number of shares applied for. Any dealing in shares prior to delivery of the shares is entirely at the selected investor's own risk.

Shareholders are advised that applications in terms of the Private Placement must be for a minimum of 100 000 shares and an aggregate subscription value of R1 million and in terms of the Retail Offer must be for a minimum of 500 shares and an aggregate subscription value of R5 000, based on the assumption that shares will be issued at the indicative issue price.

The Offer is open to:

- a selected group of invited institutional and high net worth investors; and
- Qualifying Investors.

The following parties may not participate in the Offer:

- any person who may not lawfully participate in the Offer; and
- any person acting on behalf of a minor or deceased estate.

8. Salient dates and times

2015

Opening date of the Private Placement (09:00)	Monday, 26 October
Closing date of the Private Placement (12:00)	Friday, 30 October
Clearing price of the Private Placement released on SENS on or about	Monday, 2 November
Opening date of the Retail Offer (09:00)	Monday, 2 November
Clearing price of the Private Placement published in the Press on or about	Tuesday, 3 November
Closing date of the Retail Offer (12:00)	Friday, 6 November
Results of the Private Placement and Retail Offer released on SENS on or about	Monday, 9 November
Results of the Private Placement and Retail Offer published in the Press	Tuesday, 10 November
Allocation of shares communicated to successful applicants	Tuesday, 10 November
Proposed date of Listing on the JSE from the commencement of trade on or about (09:00)	Monday, 16 November

Notes:

1. *All references to dates and times are to local dates and times in South Africa. These dates and times are subject to amendment. Any such amendment will be released on SENS.*
2. *Investors must advise their CSDP or Broker of their acceptance of the shares in the manner and cut-off time stipulated by their CSDP or Broker.*
3. *CSDPs effect payment on a delivery-versus-payment basis.*

9. Application of proceeds

The proceeds of the Listing will be used by Stor-Age to settle interest-bearing debt, strengthen the balance sheet for ongoing investment activities and settle preliminary and issue expenses.

10. Conditions to the Listing

The Listing is subject to:

- the Company raising the Minimum Subscription; and
- the Company achieving a spread of public shareholders acceptable to the JSE at the time of listing on the Main Board of the JSE, being public shareholders holding not less than 20% of the issued share capital of the Company to ensure reasonable liquidity.

If the above conditions precedent are not met, the Offer and any acceptance thereof shall not be of any force or effect and no person shall have any claim whatsoever against Stor-Age or any other person as a result of the failure of any condition.

11. Directors

Name	Gavin Mark Lucas
Business address	218 Main Road, Claremont, Cape Town, 7735
Qualification	CA(SA)
Position	Chief executive officer
Name	Stephen Charles Lucas
Business address	218 Main Road, Claremont, Cape Town, 7735
Qualification	CA(SA), CFA
Position	Financial director
Name	Steven James Horton
Business address	218 Main Road, Claremont, Cape Town, 7735
Qualification	CA(SA)
Position	Executive director
Name	Paul Andreas Theodosiou
Business address	Suite A11, Westlake Square, Westlake, Cape Town, 1945
Qualification	CA(SA), MBA (UCT)
Position	Independent non-executive chairman
Name	Graham Andrew Blackshaw
Business address	6 th floor, The Terraces, 25 Protea Road, Claremont, 7708
Qualification	BA LLB
Position	Non-executive director
Name	Gareth Bindley Henry Fox
Business address	5 th Floor, The Edge, 3 Howick Close, Tyger Waterfront, Bellville, Cape Town, 7530
Qualification	CA(SA)
Position	Independent non-executive director
Name	Matthews Sello Moloko
Business address	28 Fricker Road, Illovo, 2196
Qualification	BSc Hons, PGCE (Leicester), AMP (Wharton)
Position	Independent non-executive director

Save for Paul Theodosiou and Stephen Lucas who are British citizens, all of the Directors are South African nationals.

12. Availability of the full prospectus

Copies of the Full Prospectus may be obtained between 08:30 and 17:00 on business days from Monday, 26 October 2015 to Friday, 6 November 2015 from the Company and Questco

Proprietary Limited (“Questco”) at the following addresses and on the company’s website at www.stor-age.co.za.

Stor-Age Property REIT Limited

1 Southdale Road
Edgemead
Cape Town
7441

Questco Proprietary Limited

Anthony Ledeboer

The Pivot
Entrance D, 2nd Floor
No 1 Montecasino Blvd
Fourways
2055

Email:

stor-age@questco.co.za

Cape Town

26 October 2015

Corporate Advisor, Bookrunner and Sponsor



Independent Reporting Accountants and Auditors



Attorneys

