Stor-Age Property REIT Limited
Reg No. 2015/168454/06
Approved as a REIT by the JSE
Share Code: SSS ISIN: ZAE000208963
("Stor-Age" or "the company")

Provisional summarised consolidated annual financial results for the year ended 31 March 2019

INCLUDED IN THIS ANNOUNCEMENT IS A DECLARATION OF A CASH DIVIDEND

COMMENTARY

The board of directors ("the board") of Stor-Age is pleased to present the provisional summarised consolidated annual results of the company and its subsidiaries ("the group") for the year ended 31 March 2019.

HIGHLIGHTS

- Total dividend up 9.05% to 106.68 cents
- Total portfolio GLA up 107 900m2 to 423 700m2 - 83.5% occupied
- Rental income and net property income up 63.2% and 65.2%, respectively
- SA rental income and net property income up 7.5% and 7.3%, on a like-for-like basis, respectively
- SA closing rental rate up 9.3%
- UK net operating income up 6.3% on a like-for-like basis
- Investment property value up 56% to R6.0 billion
- Acquisition of the Managed Portfolio and three trading properties (one SA; two UK)
- Completion of Bryanston development - strong seven-month trading results to March 2019
- Secured additional three properties in SA for future development with c. 20 000m2 + GLA
- Raised over R1.0 billion in new equity
- Gearing at year end of 24.6% - fully hedged on a net debt basis
- Favourably restructured SA and UK debt facilities

INTRODUCTION

Stor-Age has delivered another successful year, driven by both strong organic growth in the SA and UK portfolios and the seamless integration of acquisitions. Since listing in November 2015, Stor-Age has continued to effectively execute its strategy. Our market capitalisation has increased to R5.4 billion (2015: R1.4 billion) and the value of our portfolio has grown to over R6.0 billion (2015: R1.3 billion). In March 2019 Stor-Age was included in a number of JSE indices including the All Share, All Property and SA REIT indices.

The final dividend for the year of 55.38 cents per share is up 9.0% on the prior year and, when added to the interim dividend of 51.30 cents per share, brings the total dividend to 106.68 cents per share, a 9.05% year-on-year increase.

The group's strong trading performance was achieved in the face of a severely constrained SA economy with low GDP growth, and the continued economic uncertainty in the UK as a result of its protracted withdrawal from the EU. This is testament to the resilient nature of our underlying product as well as our specialist sector focus and expertise, the latter a critical success factor.

Our strong balance sheet, reinforced by the debt restructuring and oversubscribed equity raises, continues to provide the flexibility to target select development and acquisition opportunities as they arise. In the year, in addition to completing the Bryanston development, we also successfully closed four acquisitions - the Managed Portfolio and three new trading properties - adding significant scale and value to the portfolio. An additional three properties were acquired in SA for future development. All three are in prime sought-after locations and together will offer an additional c. 20 000m2 + GLA once developed.

Self storage remains a needs-driven product and an asset class with highly defensive characteristics. The flexibility of the product makes Stor-Age's business case cyclically resilient. We have prioritised enhancing the operating platform with a focus on improving enquiry generation, particularly in the digital space, and the conversion of enquiries into move-ins, and have achieved scale and efficiencies on the platform across both regions.

SA - South Africa
m2 - square metres
UK - United Kingdom
sqf - square foot
Managed Portfolio - a portfolio of 12 properties previously managed and operated by Stor-Age
EU - European Union

CPC - Certificate of Practical Completion
GLA - gross lettable area
LTV - loan to value

GROUP SNAPSHOT

Stor-Age is the largest and most recognisable self storage property fund and brand in South Africa. The portfolio comprises 65 self storage properties across both SA (49) and the UK (16). The SA portfolio is valued at R4.0 billion and the UK portfolio - under the brand Storage King - at R2.0 billion. (In the UK a further 12 properties trade under the licence of the Storage King brand and generate licence and management fee revenue. In total this represents 28 properties trading under the Storage King brand, the sixth largest in the UK self storage market.)

OPERATIONAL REVIEW

- Total portfolio occupancy up 88 400m2 (SA 80 000m2; UK 8 400m2)
- Closing occupancy of 84.0% (SA); 80.3% (UK)
- Closing rental of R100.0/m2, up 9.3% (SA), and GBP21.63/sqf, up 0.8% (UK)(1)

Occupancy profile

	31 March 2019			31 March 2018		
	GLA m2	Occupied m2	% occupied	GLA m2	Occupied m2	% occupied
SA	357 600	300 600	84.0	258 800	220 600	85.3
UK	66 100	53 000	80.3	57 000	44 600	78.2
Total	423 700	353 600	83.5	315 800	265 200	84.0

SA
The SA portfolio closed at 357 600m2 GLA (2018: 258 800m2), up by 98 800m2 due to the acquisitions of All-Store (6 100m2) and the Managed Portfolio (86 700m2) during the year, as well as the opening of Bryanston (3 900m2) in September 2018 and expansion at existing stores (2 100m2). The negligible year-on-year decrease in closing occupancy, from 85.3% to 84.0%, reflects the impact of the Managed Portfolio acquisition and the inclusion of the newly completed Bryanston.

Bryanston, developed under the CPC structure, commenced trading in September 2018 and has delivered an exceptionally strong performance with occupancy gains of 2 900m2 in the seven months to March 2019. This represents a 48% occupancy level on the full GLA fit-out of 6 100m2. The lease up of space has exceeded our expectations and reflects the viability of our strategy to place a quality product in a premium location with an under-supplied market.

In October 2018 we completed the acquisition of the Managed Portfolio. The acquisition is in line with the board's stated intention at listing and eliminates the former related party relationships of executive management. Nine of the 12 properties are high quality 'big-box' type stores and nine have reached mature occupancy levels (80.0% or greater). Since acquisition, occupancy in the Managed Portfolio has grown by 4 400m2 and closed the year at 80.1% occupied on a full fit-out basis.

Local economic conditions remain challenging with low levels of business and consumer confidence. Several risks remain elevated, most notably concerns around electricity supply shortages and increased tariffs, municipal rates, as well as low GDP growth. International volatility, ongoing trade tensions and changing emerging market sentiment all weigh heavy on these domestic growth concerns.

UK
The UK portfolio closed at 66 100m2 GLA (2018: 57 000m2), up 9 100m2 year-on-year as a result mainly of the acquisitions of Viking Self Storage Bedford ("Viking") and The Storage Pod ("Pod") in March 2019. Closing occupancy increased from 78.2% to 80.3%, driven by an increase of 1 300m2 in like-for-like occupancy and the positive impact of acquisitions.

Operationally we have been able to execute our integration plan for the Storage King business in line with our strategy. Our proven experience in development and acquisitions, treasury management and capital allocation is yielding positive results. We believe the UK business is well placed to pursue its medium-term goal of 85.0% occupancy and to capitalise on further acquisition and development opportunities, in a disciplined manner.

The uncertainty as a result of Brexit will persist until the UK's trading relationship with the EU is more clearly defined. Against this backdrop, the Storage King portfolio and the industry in general have continued to demonstrate resilience and have performed in line with our expectations since the acquisition in November 2017.

(1) UK rental rate quoted on an annual basis

FINANCIAL RESULTS

The table below sets out the group's underlying operating performance by SA and the UK:

	31 March 2019			31 March 2018			% variance		
	SA R'000	UK R'000	Total R'000	SA R'000	UK R'000	Total R'000	SA	UK	Total
Property revenue	329 171	191 950	521 121	241 399	68 778	310 177	36.4	179.1	68.0
Rental income (2)	310 004	172 050	482 054	233 657	61 702	295 359	32.7	178.8	63.2
Ancillary income	9 167	19 900	29 067	6 742	7 076	13 818	36.0	181.2	110.4
Rental guarantee	10 000	-	10 000	-	-	-	100.0	-	100.0
Licence fees	-	-	-	1 000	-	1 000	(100.0)	-	(100.0)
Direct operating costs	(75 649)	(60 188)	(135 837)	(53 203)	(23 714)	(76 917)	(42.2)	(153.8)	(76.6)
Net property operating income	253 522	131 762	385 284	188 196	45 064	233 260	34.7	192.4	65.2

(2) Tenant debtors impairment has been offset against rental income

The acquisitions in SA and the UK, as above, have been included for the part-period from their respective acquisition dates. Revenue and earnings show significant increases year-on-year.

Total property revenue increased by 68.0% to R521.1 million (2018: R310.2 million). Rental income for the year was R482.1 million (2018: R295.4 million), a 63.2% increase. On a like-for-like basis (excluding the acquisitions in the 2018 and 2019 financial years) SA rental income increased by 7.5%, driven by a 0.5% increase in average occupancy levels and a 7.0% increase in the average rental rate. The latter was slightly constrained by the 1% increase in VAT from 14% to 15%, effective 1 April 2018. Although we were able to pass on the increase to existing tenants on the effective date, the nature of our dynamic pricing model meant we absorbed a portion of the VAT increase in rentals for new tenants moving in after 1 April 2018. While the growth is slightly lower than previous reporting periods, the like-for-like growth is a pleasing result in the overall context of the SA economic environment with residential and commercial customers under considerable financial strain.

Total occupancy in the SA portfolio grew by 80 000m2 year-on-year. Excluding the impact of acquisitions, occupancy growth in the SA portfolio was 4 500m2 comprising the seven-month lease up of Bryanston (2 900m2) and 1 600m2 relating to other properties in the portfolio. The closing rental was up 9.3% year-on-year. Occupancy in the Managed Portfolio grew by 4 400m2 from the acquisition in October 2018 to year end. Rental rate growth in the Managed Portfolio was 10.1% for the full year to March 2019.

The UK portfolio delivered a strong operational performance, broadly as expected. Total occupancy grew by 8 400m2 year-on-year, made up of growth in the like-for-like portfolio of 1 300m2 and from acquisitions of 7 100m2. The closing rental was up 0.8% year-on-year.

Ancillary income (net of related costs) of R29.1 million (2018: R13.8 million) reflects the positive contribution of acquisitions to date. Although ancillary income is a relatively small proportion of total revenue, each component makes a meaningful contribution to earnings with little capital investment. In a more challenging economic environment, the overall performance of this revenue stream plays an important role in generating overall earnings growth. Excluding once-off sundry items in both years (R0.4 million in 2019 and R0.6m in 2018), ancillary income increased by 12.5% on a like-for-like basis.

The rental guarantee amount of R10.0 million relates to the Managed Portfolio acquisition, details of which are set out in the Acquisitions and Developments section below.

Licence fee income of R1.0 million in the prior year relates to the opening of the Randburg property in the Managed Portfolio in July 2017.

Other revenue of R11.1 million (2018: R22.1 million) comprises property and asset management fees charged on the Managed Portfolio and development fees on properties being developed under the CPC structure. The decrease in these fees is a result of the acquisition of the Managed Portfolio.

The increase in direct operating costs to R135.8 million (2018: R76.9 million) reflects the impact of acquisitions. On a like-for-like basis, direct operating costs increased by 8.2% due to the impact of load shedding (diesel cost to operate generators), increased electricity tariffs and higher municipal rates charged on certain properties. Disciplined cost control remains a key priority.

The increase in administrative expenses from R36.9 million to R43.8 million relates mainly to the Storage King acquisition being included for a full year (2018: five months). This increase is also attributable to the underlying growth in the business, a greater investment in technology, centralisation and automation, the appointment of two additional non-executive directors, and the employment of additional staff.

Interest income of R48.9 million (2018: R23.6 million) comprises interest received on the share purchase scheme loans, cross currency interest rate swaps and call and money market accounts. The increase relates mainly to the cross currency interest rate swaps entered into pursuant to the Storage King transaction.

Interest expense of R81.8 million (2018: R33.1 million) comprises mainly interest on bank borrowings. The increase is due to the GBP-denominated debt arising from the Storage King acquisition and higher levels of SA debt related to acquisitions during the year. Further details of bank borrowings are set out in Capital Structure below.

CAPITAL STRUCTURE

Our financing policy is to fund our current needs through a mix of debt, equity and cash flow to enable the group to expand the portfolio and achieve our strategic growth objectives.

Details of the group's borrowing facilities at 31 March 2019 are set out below:

	31 March 2019		
	SA	UK	Total
	R'000	R'000	R'000
Total debt facilities	1 645 000	981 193	2 626 193
Undrawn facilities	430 501	155 062	585 563
Gross debt	1 214 499	826 131	2 040 630
Net debt	687 818	794 920	1 482 738
Investment properties	3 999 366	2 029 736	6 029 102
Subject to fixed rates			
- Amount	880 000	744 386	1 624 386
- % hedged on gross debt	72.5%	90.1%	79.6%
- % hedged on net debt	127.9%	93.6%	109.6%
Effective interest rate	9.15%	3.89%	6.67%
Gearing (LTV ratio) (3)	17.2%	39.2%	24.6%

(3) LTV ratio is defined as the ratio of debt as a percentage of gross investment property of R6.242 billion less finance lease obligations relating to leasehold investment property of R213 million.

At 31 March 2019 the group had SA loan facilities of R1.645 billion available. The respective maturities of the various facilities range from October 2019 to November 2021, with a weighted average maturity of 2.2 years. R1.125 billion of the facilities accrue interest at an average rate of 1.40% below prime and the remaining R520 million accrues interest at JIBAR plus 1.66%.

The UK loan facility increased from GBP24.5 million to GBP52.0 million (R981.1 million) with an expiry date of November 2024. The loan facility is priced at LIBOR plus 2.75% (previously LIBOR plus 3.0%) and is non-amortising (previously amortising).

The interest rate risk on the loan is hedged at approximately 90.0% of the gross debt, in line with underlying LIBOR fixed at 1.17%.

At 31 March 2019, Stor-Age's total gross borrowings amounted to R2.040 billion (2018: R758.6 million) with 79.6% (2018: 81.6%) subject to fixed rates, and total undrawn borrowing facilities of R585.6 million (2018: R642.4 million).

On a net debt basis, over 100.0% of borrowings were subject to fixed rates (2018: 99.9%). Net debt stood at R1.483 billion at year end (2018: R619.7 million) with a gearing ratio (LTV) of 24.6% (2018: 16.1%).

The effective interest rate at 31 March 2019 was 6.67% (2018: 6.54%).

The group raised over R1.0 billion in new equity through two accelerated bookbuilds (R400 million in October 2018 and R585 million in March 2019) and a vendor consideration placement of R52.0 million for the acquisition of All-Store. Stor-Age also conserved R75.5 million cash under the Dividend Reinvestment Programmes in July 2018 and December 2018.

Net asset value per share (net of non-controlling interest) was R11.70 (2018: R11.49) and net tangible asset value per share (net of non-controlling interest) was R11.34 (2018: R11.01).

CROSS CURRENCY INTEREST RATES SWAPS ("CCIRS") AND HEDGING OF GBP EARNINGS

The acquisition of Storage King in November 2017 was financed through a combination of SA equity capital and UK denominated debt. The group also makes use of CCIRS as part of its treasury management policy to create a synthetic matching of GBP funding in relation to GBP denominated assets at optimal levels.

At 31 March 2019 the group had entered into CCIRS with a notional value of GBP25.0 million (2018: GBP20.0 million). The notional value of the CCIRS represents an effective hedge of 38.3% (2018: 38.1%) of the net investment in Storage King. The group's GBP denominated debt of GBP43.8 million (2018: GBP24.5 million), together with the notional value of the CCIRS, equates to an effective hedge of 63.1% (2018: 57.8%) of GBP denominated assets.

Distributable earnings from the UK are repatriated to SA for distribution purposes. To manage the impact of currency volatility, the group adopted a rolling hedging policy using forward exchange contracts ("FECs") as follows:
- 12 month forecast - at least 80%
- 13-24 month forecast - at least 75%
- 25-36 month forecast - at least 50%

FECs entered into by the group as at the date of this announcement are summarised below:

Six month period ending	Hedging level (%)	Forward rate
Mar 2019	100%	R22.30
Sep 2019	100%	R22.68
Mar 2020	100%	R28.19
Sep 2020	75%	R20.76
Mar 2021	75%	R21.41
Sep 2021	50%	R21.80
Mar 2022	50%	R22.49

ACQUISITIONS AND DEVELOPMENTS

As previously announced:

All-Store

On 6 April 2018 Stor-Age concluded the acquisition of All-Store, located in Cape Town's northern suburbs, for a purchase consideration of R52.0 million.

Bryanston and Craighall developments

The Bryanston development was completed in September 2018 at a total cost of R80.9 million with trading commencing in the latter part of the month. On full fit-out Bryanston will comprise 6 100m2 GLA. The development was completed by Stor-Age Property Holdings Proprietary Limited ("SPH") under the CPC acquisition structure. Under the terms of the development a cost saving of R1.0 million accrued to Stor-Age.

The Craighall development is currently in process under the same CPC acquisition structure. The development cost is R95.1 million (i.e. the maximum amount payable by Stor-Age before any potential cost saving). On completion the property will have 6 650m2 GLA. The development is progressing according to schedule and is expected to complete by August 2019.

Managed Portfolio

On 9 October 2018 Stor-Age acquired the Managed Portfolio (RSI 2 and RSI 3) for an aggregate purchase consideration of R58.0 million. The 12 purpose-built self storage properties - located in Cape Town, Johannesburg, Durban, Port Elizabeth and Pretoria - were previously operated and managed by Stor-Age. The acquisition was structured with a rental guarantee of R44.5 million, paid upfront by the sellers (4) on the effective date of the acquisition, and held in an escrow account. Stor-Age is entitled to draw down on the escrow amount over a 36-month period, with the first period ending 31 March 2019, and thereafter for every six month period.

(4) Acucap Investments Proprietary Limited (being a wholly owned subsidiary of Growthpoint Properties Limited), SPH, and The Fairstore Trust.

UK acquisitions

In March 2019 the group acquired 100% of the issued share capital of Viking and Pod, details of which are set out below.

	Viking	Pod
Date of acquisition	6 March 2019	26 March 2019
Purchase consideration (including net working capital)	GBP12.3 million (R229.6 million)	GBP11.50 million (R215.3 million)
Location	Bedford, Bedfordshire (East of England)	Weybridge, Surrey (Southeast England)

GLA	48 000 sqf (4 500m2)	42 800 sqf (4 900m2)
Maximum lettable area (sqf)	54 000 sqf (5 000m2)	55 000 sqf (5 100m2)

Both acquisitions are mature, high-quality freehold self storage properties which trade into dense residential areas in locations which complement the existing Storage King portfolio. The properties will be re-branded under the Storage King brand and managed under the existing operating infrastructure.

INVESTMENT PROPERTIES

A reconciliation of the movement in investment properties (net of finance lease obligations) is set out below:

	2019 R million	2018 R million
Balance at beginning of year	4 034	2 050
Acquisitions		
Unit Self Storage	-	42
Storage King (including Crewe)	-	1 711
StorTown	-	145
All Store	52	-
Managed Portfolio (RSI 2 & 3)	1 120	-
Viking	230	-
Pod	215	-
New developments	81	-
Other (including expansion at existing stores, unit mix and GLA reconfigurations and other capitalised expenditure)	63	45
Disposal of investment property	-	(18)
CPC developments (Bryanston and Craighall)	146	40
Fair value adjustment	86	203
Movement in foreign exchange difference	215	(184)
Balance at end of year	6 242	4 034
Finance lease obligation relating to leasehold investment property	(213)	(181)
Net investment property at end of year	6 029	3 853

The group's policy is to have at least one-third of the properties externally valued by an independent valuer each year and the remaining properties valued internally by the board, using the same methodology applied by the external valuers. In line with this policy, 17 of the 49 properties in the SA portfolio were valued independently by Mills Fitchet Magnus Penny (members of the South African Institute of Valuers) at 31 March 2019.

For the UK portfolio, 14 of the 16 properties were valued independently by Cushman and Wakefield (Registered Valuers of The Royal Institution of Chartered Surveyors in the UK) at 31 March 2019. The remaining two properties, Viking and Pod, had been independently valued by Cushman and Wakefield at 30 November 2018. The board is satisfied that the internal valuation of these two properties at 31 March 2019 is consistent with the independent valuation performed at 30 November 2018.

EVENTS AFTER THE REPORTING DATE

The board is not aware of any events that have a material impact on the results or disclosures of the group and which have occurred subsequent to the end of the reporting period.

OUTLOOK

We remain focussed on our core objective of delivering real and sustainable growth to shareholders, driven by outperformance in our key focus areas, namely: occupancy and revenue growth; acquisitions and new developments; and enhancing our market-leading operating platform.

For the year ahead this will require strong emphasis on active, hands-on management and disciplined operational focus at an individual property level. By its nature, self storage is a micro-managed, micro-market business in which the monthly success at a property level can be impacted by only a small margin of move-ins or move-outs. To achieve growth within the prevailing macroeconomic environment in SA and the UK will require ongoing intense scrutiny of all operational aspects of the business.

We remain confident that our highly strategic approach and specialist sector focus and expertise, combined with the defensive and resilient nature of our portfolio, will allow Stor-Age to continue delivering sustainable distribution growth. In this light the board anticipates dividend growth of 7.0-9.0% for the year ending 31 March 2020.

This guidance is based on the assumptions that there is no further deterioration in the macroeconomic environment, demand for self storage remains at its current level, electricity supply remains stable and that we will be able to absorb the rising utility costs and municipal rates charges. This guidance has not been reviewed or reported on by the company's auditors.

Notice is hereby given of the declaration of the gross final dividend from income reserves (number 7) of 55.38 cents per share for the six months ended 31 March 2019 ("Cash Dividend").

Salient dates and times:	2019
The dividend will be paid to Stor-Age shareholders in accordance with the timetable set out below:	
Last date to trade cum dividend	Tuesday, 2 July
Shares trade ex dividend	Wednesday, 3 July
Record date	Friday, 5 July
Payment date	Monday, 8 July

Share certificates may not be dematerialised or rematerialised between Wednesday, 3 July 2019 and Friday, 5 July 2019. Payment of the dividend will be made to shareholders on Monday, 8 July 2019. The dividend will be transferred to the Central Securities Depository Participant ("CSDP")/broker accounts of dematerialised shareholders and will be posted, at the risk of the shareholder concerned, to certificated shareholders on or about that date.

TAX IMPLICATIONS

As the company has REIT status, shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act (No. 58 of 1962), as amended, ("Income Tax Act"). The dividend on the shares will be deemed to be a dividend, for South African tax purposes, in terms of section 25BB of the Income Tax Act.

South African tax residents:
The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exception, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT. The dividend is exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders provide the following forms to the CSDP or broker in respect of uncertificated shares, or to the company, in respect of certificated shares:

a) a declaration that the dividend is exempt from dividend tax; and
b) a written undertaking to inform the CSDP, broker or the company, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the company to arrange for the abovementioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

Non-resident shareholders:
Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. It should be noted that up to 31 December 2013 dividends received by non-residents from a REIT were not subject to dividend withholding tax. Since 1 January 2014, any dividend received by a non-resident from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the shareholder concerned. Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 44.304 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following form to their CSDP or broker in respect of uncertificated shares, or the company, in respect of certificated shares:

a) a declaration that the dividend is subject to a reduced rate as a result of the application of DTA; and
b) a written undertaking to inform their CSDP, broker or the company, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident shareholders are advised to contact their CSDP, broker or the company to arrange for the abovementioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

The company's tax reference number is: 9027205245

Non participating shares:
An agreement was concluded prior to listing in November 2015 between the company, Castle Rock Investments and the HJS Trust, in terms of which

Stor-Age acquired all the assets owned by Stor-Age Self Storage Proprietary Limited in terms of section 44 of the Income Tax Act ("the Agreement") in consideration for the allotment of 10 000 000 ordinary shares in the company ("Consideration Shares"), comprising 2.54% (2018:3.44%) of the issued share capital, and the distribution of those shares to Castle Rock Investments and HJS Trust as a dividend.

A mechanism was agreed whereby the Consideration Shares will not participate fully in the distribution of distributable profits earned by the company in the ordinary course of business ("Distributable Profits"), declared by the company as an interim or final dividend, for the period from the listing date of the company (i.e. 16 November 2015) until 31 March 2020, on a tiered basis as follows:

	% of the Consideration Shares entitled to participate in the distribution of the Distributable Profits
16 November 2015 to 31 March 2016	0%
1 April 2016 to 31 March 2017	0%
1 April 2017 to 31 March 2018	25%
1 April 2018 to 31 March 2019	50%
1 April 2019 to 31 March 2020	75%
1 April 2020 onwards	100%

The Consideration Shares will however participate fully in any distributions of profits earned from the disposal of any properties.

The amount which would have been declared as a dividend in respect of the Consideration Shares shall be declared and paid as a dividend, pro rata, to the holders of the remaining shares in Stor-Age. As security for this arrangement, the Consideration Shares, or the relevant portion thereof, as the case may be, will be held in certificated form in escrow for the period during which the distribution restrictions apply and in the event that these shares are disposed of, the shares will be transferred to another escrow arrangement and the acquirer thereof will be subject to the same restrictions regarding the distributions detailed above.

A reconciliation of the number of shares in issue and the number of shares entitled to receive the dividend, and the resultant dividend per share, is included in the table below:

Distributable Profits (note 1) (R000's)	214 867
Number of shares entitled to the dividend ('000)	387 987
Number of shares in issue as at the date of this announcement ('000)	392 987
Consideration Shares not entitled to the dividend ('000) (note 2)	5 000
Dividend per share (cents per share)	55.38

Notes:
1. Stor-Age did not undertake any disposals of any properties during the year ended 31 March 2019 and all of the distributable income of Stor-Age was earned in the ordinary course of business.
2. Excludes 5 000 000 Stor-Age shares, being all of the Consideration Shares that are excluded from participating in the Distributable Profits.
3. At the date of announcement, Stor-Age had 392 986 858 ordinary shares in issue.

On behalf of the board

PA Theodosiou	GM Lucas
Chairman	CEO

Cape Town
11 June 2019

BASIS OF PREPARATION

The provisional summarised consolidated annual financial results are prepared in accordance with the JSE Limited Listings Requirements for provisional reports and the requirements of the Companies Act of South Africa as applicable to summary financial statements. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied are in terms of IFRS and are consistent with the policies applied in the previous consolidated financial statements except for the adoption of revised and new standards that became effective during the year for which comparative information has not been restated. The implementation of these standards do not have a material impact on the group's results.

Any information included in this announcement that might be perceived as a forward looking statement has not been reviewed or reported on by the company's auditors in accordance with section 8.40(a) of the Listings Requirements.

The provisional summarised consolidated annual final results were prepared under the supervision of the Financial Director, Stephen Lucas CA(SA).

AUDIT OPINION

These provisional summarised consolidated annual financial results are extracted from the audited information, but are not in themselves audited. The consolidated annual financial statements for the year ended 31 March 2019 were audited by KPMG Inc., who expressed an unmodified opinion thereon. The audited consolidated annual financial statements for the year ended 31 March 2019 and the auditor's report thereon are available for inspection at the company's registered office.

The directors take full responsibility for the preparation of these provisional summarised consolidated annual financial statements and the financial information has been correctly extracted from the consolidated annual financial statements.

The auditor's report does not necessarily report on all of the information contained in these provisional summarised consolidated annual financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the company's registered office.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March 2019 R'000	31 March 2018 R'000
Assets		
Non-current assets	6 644 781	4 493 563
Investment properties	6 242 413	4 034 430
Property and equipment	8 793	4 969
Stor-Age share purchase scheme loans	184 739	166 961
Goodwill and intangible assets	140 842	144 036
Other receivables	9 929	-
Unlisted investment	4 600	-
Deferred taxation	18 829	19 098
Derivative financial assets	34 636	124 069
Current assets	384 085	90 156
Trade and other receivables	119 273	65 165
Inventories	5 239	3 168
Cash and cash equivalents	259 573	21 823
Total assets	7 028 866	4 583 719
Equity and liabilities		
Total equity	4 624 751	3 494 259
Stated capital	4 292 941	3 175 075
Non-distributable reserve	490 839	523 006
Accumulated loss	(206 533)	(108 855)
Foreign currency translation reserve	19 149	(120 732)
Share-based payment reserve	190	-
Total attributable equity to shareholders	4 596 586	3 468 494
Non-controlling interest	28 165	25 765
Non-current liabilities	1 706 902	801 598
Bank borrowings	1 493 450	624 985
Derivative financial liabilities	21 298	3 343
Finance lease obligation	192 154	173 270
Current liabilities	697 213	287 862
Bank borrowings	248 861	16 571
Trade and other payables	206 062	94 817
Provisions	6 266	16 331
Finance lease obligation	21 157	8 230
Dividends payable	214 867	151 913

Total equity and liabilities	7 028 866	4 583 719

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31 March 2019 R'000	31 March 2018 R'000
Property revenue	524 351	310 177
- Rental income	485 284	295 359
- Other income	39 067	14 818
Impairment losses recognised on tenant debtors	(3 230)	-
Direct property costs	(135 837)	(76 917)
Net property operating income	385 284	233 260
Other revenue	11 065	22 053
- Management fees	11 065	22 053
Administration expenses	(43 805)	(36 923)
Operating profit	352 544	218 390
Transaction and advisory fees	(357)	(6 552)
Gain on bargain purchase	-	377
Restructuring of bank borrowings (5)	(13 590)	-
Fair value adjustment to investment properties	85 675	203 001
Fair value adjustment to derivative financial instruments	(120 431)	178 570
- Realised	12 649	56 321
- Unrealised	(133 080)	122 249
Impairment loss on intangible asset	(4 000)	-
Depreciation and amortisation	(6 679)	(2 232)
Profit before interest and taxation	293 162	591 554
Interest income	48 917	23 601
Interest expense	(81 786)	(33 091)
Profit before taxation	260 293	582 064
Taxation expense	(2 398)	(3 839)
- Normal taxation	291	(3)
- Deferred taxation	(2 689)	(3 836)
Profit for the year	257 895	578 225
Other comprehensive income		
Items that may be reclassified to profit or loss		
Translation of foreign operations	143 183	(123 902)
Other comprehensive income for the year, net of taxation	143 183	(123 902)
Total comprehensive income for the year	401 078	454 323
Profit attributable to:	257 895	578 225
Shareholders of the company	257 566	576 726
Non-controlling interest	329	1 499
Total comprehensive income attributable to:	401 078	454 323
Shareholders of the company	397 452	455 994
Non-controlling interest	3 626	(1 671)
Earnings per share		
Basic earnings per share (cents)	80.01	250.26
Diluted earnings per share (cents)	79.99	250.26

See page 23 for definitions used in relation to the above.

(5) Relates to the expensing of the unamortised portion of the raising fee relating to the Royal Bank of Scotland loan facility which was settled during the year as part of the UK debt restructuring.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	Non-distributable reserve R'000	Accumulated loss R'000	Foreign currency translation reserve R'000	Share-based payment reserve R'000	Total R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 April 2017	1 766 561	141 058	(17 788)	-	-	1 889 831	-	1 889 831
Total comprehensive income for the year	-	-	576 726	(120 732)	-	455 994	(1 671)	454 323
Profit for the year	-	-	576 726	-	-	576 726	1 499	578 225
Other comprehensive income	-	-	-	(120 732)	-	(120 732)	(3 170)	(123 902)
Transactions with shareholders, recognised directly in equity								
Issue of shares	1 408 514	-	-	-	-	1 408 514	-	1 408 514
Proceeds	1 440 643	-	-	-	-	1 440 643	-	1 440 643
Share issue costs	(32 129)	-	-	-	-	(32 129)	-	(32 129)
Transfer to non-distributable reserve	-	381 948	(381 948)	-	-	-		-
Dividends	-	-	(285 845)	-	-	(285 845)	-	(285 845)
Total transactions with shareholders	1 408 514	381 948	(667 793)	-	-	1 122 669	-	1 122 669
Changes in ownership interests								
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	-	27 436	27 436
Balance at 31 March 2018	3 175 075	523 006	(108 855)	(120 732)	-	3 468 494	25 765	3 494 259
Total comprehensive income for the year	-	-	257 566	139 886	-	397 452	3 626	401 078
Profit for the year	-	-	257 566	-	-	257 566	329	257 895
Other comprehensive income	-	-	-	139 886	-	139 886	3 297	143 183
Transactions with shareholders, recognised directly in equity								
Issue of shares	1 117 866	-	-	-	-	1 117 866	-	1 117 866
Proceeds	1 126 512	-	-	-	-	1 126 512	-	1 126 512
Share issue costs	(8 646)	-	-	-	-	(8 646)	-	(8 646)
Transfer to non-distributable reserve	-	(32 167)	32 167	-	-	-	-	-
Equity settled share-based payment charge	-	-	-	-	190	190	-	190
Dividends	-	-	(387 468)	-	-	(387 468)	(1 174)	(388 642)
Total transactions with shareholders	1 117 866	(32 167)	(355 301)	-	190	730 588	(1 174)	729 414
Acquisition of non-controlling interest without a change in control	-	-	57	(5)	-	52	(52)	-
Balance at 31 March 2019	4 292 941	490 839	(206 533)	19 149	190	4 596 586	28 165	4 624 751

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31 March 2019 R'000	31 March 2018 R'000
Cash flows from operating activities		
Cash generated from operations	396 758	201 766
Interest received	44 982	19 365
Interest paid	(75 283)	(33 475)
Dividends paid	(325 696)	(209 222)
Taxation received	471	-
Net cash inflow/(outflow) from operating activities	41 232	(21 566)
Cash flows from investing activities		
Additions to investment properties	(348 045)	(204 369)
Proceeds on disposal of investment properties	-	5 369
Advance of Stor-Age share purchase scheme loans	(21 096)	(43 076)
Repayments of Stor-Age share purchase scheme loans	17 318	44 670
Acquisition of property and equipment	(6 352)	(2 828)
Acquisition of intangible assets	(764)	(1 799)

Acquisition of unlisted equity investment	(4 600)	-
Asset acquisition, net of cash acquired	(426 130)	-
Acquisition of subsidiaries, net of cash acquired and settlement of financial liabilities	-	(1 079 212)
Net cash outflow from investing activities	(789 669)	(1 281 245)
Cash flows from financing activities		
Advance of bank borrowings	735 526	247 774
Repayment of bank borrowings	(507 460)	(273 162)
Repayment of loans from previous shareholder of RSI 2 and RSI 3	(326 389)	-
Proceeds from the issue of shares	1 112 512	1 392 557
Share issue costs	(8 646)	(32 129)
Repayment of finance leases	(22 310)	(8 693)
Net cash inflow from financing activities	983 233	1 326 347
Net cash inflow for the year	234 796	23 536
Effects of movements in exchange rate changes on cash held	2 954	(9 744)
Cash and cash equivalents at beginning of year	21 823	8 031
Cash and cash equivalents at end of year	259 573	21 823

SEGMENTAL INFORMATION

Segmental information is based on the geographic location of each investment property. The group trades in five of the nine provinces in South Africa and in the United Kingdom through its subsidiary Betterstore Self Storage Holdings Limited. The group is managed on a consolidated basis and inter-segmental transactions have been eliminated. The segmental information is limited to:

- On the statement of profit or loss and other comprehensive income: Rental income, other income, fair value adjustment to investment properties and direct property costs.
- On the statement of financial position: Investment property, tenant debtors, inventories, goodwill and intangible assets, bank borrowings and finance leases.

The chief executive officer reviews the segmental information on a quarterly basis.

Statement of profit or loss and other comprehensive income extracts*

	Western Cape R'000	Gauteng R'000	Free State R'000	KwaZulu-Natal R'000	Eastern Cape R'000	Total South Africa R'000	Total United Kingdom R'000	Total as reported R'000
For the year ending 31 March 2019								
Property revenue	130 995	151 148	4 050	33 702	11 401	331 296	193 055	524 351
- Rental income	125 551	140 510	3 866	31 616	10 586	312 129	173 155	485 284
- Other income	5 444	10 638	184	2 086	815	19 167	19 900	39 067
Impairment losses recognised on tenant debtors	(760)	(888)	(88)	(314)	(75)	(2 125)	(1 105)	(3 230)
Direct property costs	(28 828)	(33 397)	(1 595)	(8 947)	(2 882)	(75 649)	(60 188)	(135 837)
Segment property operating income	101 407	116 863	2 367	24 441	8 444	253 522	131 762	385 284
Fair value adjustment to investment properties	53 586	26 257	2 802	4 886	1 064	88 595	(2 920)	85 675
For the year ending 31 March 2018								
Property revenue	113 477	105 082	3 594	12 264	6 982	241 399	68 778	310 177
- Rental income	110 548	100 720	3 436	12 154	6 799	233 657	61 702	295 359
- Other income	2 929	4 362	158	110	183	7 742	7 076	14 818
Direct property costs	(21 974)	(23 463)	(1 622)	(4 000)	(2 144)	(53 203)	(23 714)	(76 917)
Segment property operating income	91 503	81 619	1 972	8 264	4 838	188 196	45 064	233 260
Fair value adjustment to investment properties	106 771	48 237	1 097	15 639	884	172 628	30 373	203 001

* Head office costs and treasury function costs are not allocated to the operating segments.

Statement of financial position extracts

	Western Cape R'000	Gauteng R'000	Free State R'000	KwaZulu-Natal R'000	Eastern Cape R'000	Total South Africa R'000	Total United Kingdom R'000	Total as reported R'000
31 March 2019								
Investment properties	1 588 030	1 838 579	28 600	443 869	126 000	4 025 078	2 217 335	6 242 413
Tenant debtors	2 254	2 142	64	796	256	5 512	10 081	15 593
Inventories	1 918	2 027	78	308	127	4 458	781	5 239
Goodwill and intangible assets	-	-	-	-	-	-	58 894	58 894
Bank borrowings	-	-	-	-	-	-	826 131	826 131
Finance lease obligation	22 608	3 104	-	-	-	25 712	187 599	213 311
31 March 2018								
Investment properties	1 161 948	1 026 053	25 700	216 863	59 000	2 489 564	1 544 866	4 034 430
Tenant debtors	1 314	1 594	82	354	139	3 483	6 396	9 879
Inventories	1 109	1 209	74	169	85	2 646	522	3 168
Goodwill and intangible assets^	-	-	-	-	-	-	58 623	58 623
Bank borrowings^	-	-	-	-	-	-	405 987	405 987
Finance lease obligation^	3 181	2 699	-	-	-	5 880	175 620	181 500

	31 March 2019	31 March 2018
Number of shares in issue	392 986 858	301 864 102
Net asset value*		
Net asset value per share (cents)	1 176.82	1 157.56
Net asset value per share excluding non-controlling interest (cents)	1 169.65	1 149.03
Tangible net asset value per share (cents)	1 140.98	1 109.84
Net tangible asset value per share excluding non-controlling interest (cents)	1 133.82	1 101.31

	Unaudited 31 March 2019	Unaudited 31 March 2018
Key reporting ratios*		
Total property cost-to-income ratio	27%	25%
Based on the total direct property costs divided by property revenue.		
Administrative cost-to-income ratio	9%	11%
Based on the administration expenses divided by total revenue.		

^ The amounts are represented to conform with current year disclosure.
* The ratios are computed based on IFRS reported figures and have not been audited by the group's external auditors.

EARNINGS, HEADLINE EARNINGS AND DIVIDEND PER SHARE

	31 March 2019 R'000	31 March 2018 R'000
Basic earnings (profit attributable to shareholders of the parent)	257 566	576 726
Basic earnings	257 566	576 726

Adjusted for:		
Gain on bargain purchase	-	(377)
Impairment loss on intangible asset	4 000	-
Fair value adjustment to investment properties	(85 675)	(203 001)
Fair value adjustment to investment properties (NCI)+	70	778
Headline earnings	175 961	374 126
Adjusted for:		
Equity-settled share-based payment expense	190	-
Fair value adjustment to derivative financial instruments	133 080	(178 570)
Restructuring of bank borrowings	13 590	-
Depreciation and amortisation	6 679	2 232
Deferred tax	2 689	3 836
Foreign exchange gain available for distribution	10 149	-
Transaction and advisory fees	357	6 552
Antecedent dividend^	45 353	77 590
	212 087	(88 360)
Other adjustments		
Non-controlling interests in respect of the above adjustments	(357)	79
Distributable earnings	387 691	285 845
Dividend declared for the six months ending 30 September	172 824	133 932
Dividend declared for the six months ending 31 March	214 867	151 913
Total dividends for the year	387 691	285 845

+ Non-controlling interest.
^ In the determination of distributable earnings, the group elects to make an adjustment for the antecedent dividend arising as result of the issue of shares during the period for which the company did not have full access to the cash flow from such issue.

	31 March 2019	31 March 2018
Number of shares		
Total shares in issue ('000)	392 987	301 864
Weighted average shares in issue ('000)	326 937	237 950
Shares in issue entitled to dividends ('000)	387 987	298 524
Weighted average shares in issue entitled to dividends ('000)	321 937	230 450
Weighted potential dilutive impact of conditional shares	57	-
Diluted weighted average number of shares in issue entitled to dividends	321 994	230 450
Basic earnings per share		
Basic earnings per share (cents)	80.01	250.26
Diluted earnings per share (cents)	79.99	250.26
Headline earnings per share		
Basic headline earnings per share (cents)	54.66	162.35
Diluted headline earnings per share (cents)	54.65	162.35
Dividends per share (cents)	106.68	97.83
- Interim dividend (cents)	51.30	47.02
- Final dividend (cents)	55.38	50.81

The Board declared a final dividend of 55.38 cents (2018: 50.81 cents) per share for the six months ended 31 March 2019 on 13 March 2019 and finalised on 11 June 2019.

This represents growth of 9.0% over the comparative period, which is in line with the guidance provided in the results for the year ended 31 March 2018.

Earnings per share disclosed above is calculated in terms of IAS 33 Earnings per share and Circular 2/2015, issued by SAICA.

FINANCIAL INSTRUMENT FAIR VALUE MEASUREMENTS

The company's financial assets and liabilities are classified according to the following three-tiered fair value hierarchy:
- Level 1: Quoted prices (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category also includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below shows financial assets and liabilities carried at fair value, where the fair value approximates the carrying value, according to their fair value hierarchy level classification:

	Carrying value R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000
31 March 2019				
Assets				
Derivative assets	34 636	-	34 636	-
Other receivables	32 232	-	-	32 232
Unlisted investment	4 600	-	4 600	-
Liabilities				
Derivative liabilities	21 298	-	21 298	-
31 March 2018				
Assets				
Derivative assets	124 069	-	124 069	-
Liabilities				
Derivative liabilities	3 343	-	3 343	-

The following table reflects the valuation techniques used in measuring the Level 2 fair values:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Derivative assets and liabilities: Interest rate swaps	Fair valued monthly by Nedbank, Standard Bank and Lloyds Bank using mark-to-market mid market values. This involves, inter alia, discounting the future cash flows using the yield curves at the reporting date and the credit risk inherent in the contract.	Not applicable	Not applicable
Derivative assets and liabilities: Cross-currency interest rate swaps	Fair valued monthly by Investec and Nedbank using mark-to-market mid market values. This involves, inter alia, discounting the future cash flows using the basis swap curves of the respective currencies at the dates when the cash flows will take place.	Not applicable	Not applicable
Derivative assets and liabilities: Forward exchange contracts	Fair valued monthly by Investec using mark-to-market mid market values. This fair value isdetermined, inter alia, using quoted forward exchange rates at the reporting date and present value calculations.	Not applicable	Not applicable
Unlisted investment	Fair valued monthly by Cadiz Asset Management in relation to underlying performance of the fund using appropriate discount and default rates.	Not applicable	Not applicable

The following table reflects the valuation techniques used in measuring the Level 3 fair values:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Other receivables: Rental guarantee	Fair valued bi-annually by the directors based on the projected revenue of the underlying investment properties versus the expected rental revenue thresholds as agreed between the previous shareholders of Roeland Street Investments 2 and Roeland Street Investments 3 (collectively referred to as the Managed Portfolio).	Financial information used to calculate forecast revenue - e.g. stabilised occupancy levels, lease up projections, expected future growth in revenue.	Higher assumptions for stabilised occupancy, lease up rates and rental rates for the underlying investment properties would result in an increase in forecast revenue, and thus a decrease in valuation.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The shares of Stor-Age Property REIT are widely held.

Identity of the related parties with whom material transactions have occurred
- Subsidiaries
  - Roeland Street Investments Proprietary Limited
  - Roeland Street Investments 2 Proprietary Limited ("RSI 2")
  - Roeland Street Investments 3 Proprietary Limited ("RSI 3")
  - Wimbledonway Investments Proprietary Limited
  - N14 Self Storage Proprietary Limited
  - Storage RSA Investments Proprietary Limited and its subsidiaries
  - Units 1-4 Somerset West Business Park Proprietary Limited
  - Unit Self Storage Proprietary Limited
  - Stor-Age Properties KZN Proprietary Limited (Previously known as Dancor Properties Proprietary Limited)
  - Stor-Age International Proprietary Limited
- Directors as listed in this announcement
- Related through common shareholding/directorships or affiliation with related parties
  - Madison Square Holdings Close Corporation
  - Stor-Age Property Holdings Proprietary Limited
  - Fair store Trust

Material related party transactions and balances

	31 March 2019 R'000	31 March 2018 R'000
Related party balances		
Amounts - owing to related parties	55 500	-
Amounts - owing by related parties	60	9 325
Working capital - owing by related parties	-	1 024
Working capital - owing to related parties	-	2 492
Related party transactions		
Interest income on Stor-Age share purchase scheme loans	13 819	8 739
Interest income from related party	309	-
Interest expense to related party	1 223	-
Construction fees expensed to related party	45 656	30 163
Development fees income from related parties	369	4 953
Asset management income from related party	3 212	7 531
Property management income received from related party	3 449	4 913
Licence income received from related party	-	1 000
Office rental expense to related party	1 270	801
Office rental income from related party	100	-
Disposal of Bryanston land	-	18 550
Purchase of Bryanston self storage property (6)	80 946	-

Acquisition of RSI 2 and RSI 3 from related parties	36 250	-

(6) Relates to the development of Bryanston under the CPC structure. The development was completed in September 2018 and acquired by Stor-Age for a consideration of R80.9 million.

DEFINITIONS

Other income comprises licence fee income relating to the opening of new stores in the Managed Portfolio and ancillary income such as the sale of merchandise (e.g. packaging materials and padlocks), administration fees, late fees, rental guarantee income and other sundry income.
Direct property costs comprise mainly store-based staff salaries, rates, utilities, a full allocation of marketing spend and other property-related costs such as insurance, maintenance, IT and communications at a property level.
Management fees comprise property and asset management fees charged on the Managed Portfolio and development fees on properties being developed under the CPC structure.
Administration expenses relate mainly to support function costs for IT, finance, HR, property management, professional fees and directors' remuneration.
Impairment losses recognised on tenant debtors in 2018 rental income was reflected net of impairment losses on tenant debtors.

ADMINISTRATION

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