

Lok'nStore Group

Lease Extensions

RNS Number : 4735Y
Lok'nStore Group PLC

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Lok'nStore Group plc ("Lok'nStore" or the "Company")

Lease Extensions

The Board of Lok'nStore, the AIM listed self-storage company, is pleased to announce the extension of the leases on one of its existing stores on improved terms.

The agreement, backdated to 25 March 2010 will extend the leases to 24 March 2026, results in an immediate cash inflow of £40,000 and will produce additional annual cash savings of £40,000 annually until 24 March 2015 for the Company. On 25 March 2015 and five yearly thereafter the agreements provides for upwards only rent reviews at the higher of market rent or the current market rent prior to the improved terms.

Lok'nStore has also agreed an option to extend the leases further to 24 March 2036 at market rent. The exercise notice must be served by Lok'nStore on the Landlord between 24 March 2024 and 24 March 2025.

The Company expects these arrangements to result in an increase in the average maturity of the independently valued leases by approximately 3 years to 16 years.

Andrew Jacobs, CEO said:

"Lok'nStore has a strong operating business which is cash generative and backed by substantial property assets. Given current economic conditions some landlords are keen to extend their lease terms and with Lok'nStore's strong covenant we have the opportunity to negotiate improved rental terms.

"The Board will continue to pursue further value creating asset management opportunities."

- Ends -

Enquiries

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