



Lok'n Store Group

Pre-close trading update

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

Pre-close trading update

"Strong occupancy growth supported by VAT changes"

The Board of Lok'nStore Group plc is pleased to announce that for the first half of the financial year to January 31 2013, trading was in line with expectations with revenue for the period up 2.2% on last year.

Our lead indicators are also good, with occupancy at 31 January up 6.1% year-on-year. This compares to last year when occupancy was down 0.3% in this traditionally weaker period. In the period since the harmonisation of VAT across the UK self-storage industry on October 1 2012, the number of move-ins was up 12.4% compared to the corresponding period in the previous year.

Andrew Jacobs CEO said:

"The harmonisation of VAT across the UK self-storage sector has benefited Lok'nStore with our major competitors having to register for VAT, while our own business was already VAT compliant. Activity levels across the portfolio have been robust, reflected by our strong occupancy growth of 6.1% year-on-year. We expect this to continue into the second half and into the next financial year. "Revenue and occupancy growth from our existing stores, combined with the opening of the new Maidenhead store later this year and the Aldershot store in 2014 will provide continued impetus for our sales growth."

-Ends-

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Notes to editors



Following the opening of 2 new stores over the coming year, Lok'nStore's self-storage business will be operating from 13 freehold sites, 9 leasehold sites and 3 managed stores.

Lok'nStore recently announced a new joint venture store in Aldershot due to open in early 2014, and a new managed store contract in Crawley which opened at the end of 2012. A joint venture with Lidl in Maidenhead will also open later in 2013.

Lok'nStore's ability to open new stores with a reduced capital outlay, combined with the headroom on its banking facility signed in October 2011 give it a strong competitive advantage at a time when many competitors are constrained by their financial position. Lok'nStore has fixed the interest rate on 70% of its debt at 3.525%.

VAT

In the Government's Annual Budget on 21 March 2012 the Chancellor announced proposals to correct certain anomalies in the VAT regime including in its application to self-storage. Previously some self-storage companies operated within the VAT regime while others were outside it. With effect from 1 October 2012 VAT was extended to include all self-storage operations.

Unlike many operators in the self-storage industry who had dis-applied VAT, Lok'nStore has always remained within the regime and 'opted to tax' VAT on its storage services.

**This information is provided by RNS
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