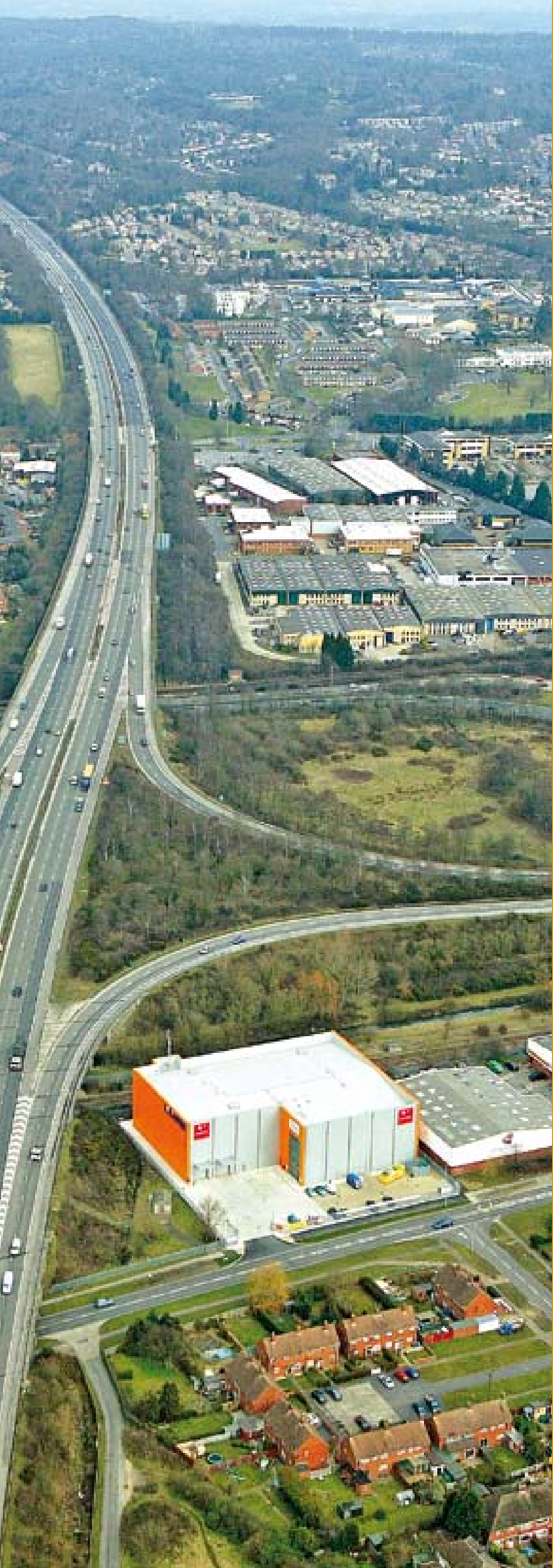

Lok'nStore Group Plc

Interim Report

for the six months to 31 January 2007

LOK'nSTORE

Business & Household Self Storage

Lok'nStore is taking full advantage of this exciting market. We are particularly encouraged by the progress of our new stores at Farnborough and Crayford, which has created a compelling model for future growth.

£5.30M
turnover up 23.8%

over 1M sq ft
lettable area

£2.18M
store EBITDA up 43.7%

£40M
banking facilities

Highlights

Lok'nStore Group Plc, a leading company in the fast-growing self-storage market with over 1 million sq ft of lettable space, announces record interim results for the six months ended 31 January 2007.

- Turnover up 23.8% to £5.30 million (£4.28 million: six months to 31.1.06)
- Store EBITDA up 43.7% to £2.18 million (£1.52 million: six months to 31.01.06)
- Store EBITDA margin up to 41.3% from 35.6% (six months to 31.01.06)
- Group EBITDA* up 73.8% to £1.44 million (£0.83 million: six months to 31.01.06)
- Operating profit* up 108.5% to £899,357 (£431,367: six months to 31.01.06)
- Profit before tax* up 504% to £447,061 (Profit £73,916: six months to 31.01.06)
- New banking facility of £40 million
- Commencement of dividend at full year

* including a profit and loss charge for the application of FRS 20 (share-based payments)

Andrew Jacobs, Chief Executive, commented:
These record results show Lok'nStore is taking full advantage of this exciting market. We are particularly encouraged by the progress of our new units at Farnborough and Crayford, which have created a compelling model for future growth, and since the period end we have broken through the 1 million square feet mark with the acquisition of the new Harlow store.

We are investing in new stores and enlarging the average size of our existing units to improve margins. To underline our confidence in the business the Board expects to pay a maiden dividend in respect of the full year.

Chairman's Statement

Overview

I am delighted to report on this record first half for the Group, during which turnover, cash flow and profits all increased significantly.

A 23.8% increase in turnover resulted in geared profit growth at all levels. Our key performance measure for each store is earnings before interest, tax, depreciation and amortisation (Store EBITDA) which rose by 43.7%. This resulted in a five-fold increase in Group profit before tax.

We are encouraged by the operating success at our new stores in Farnborough and Crayford, and we plan to accelerate our growth rate of larger new build stores. To help fund growth a new £40 million bank facility has been put in place which will provide all the external funding required. This facility replaces the previous £20 million facility. Interest payable on the loan is on similar terms as previously, at between 1.25% and 1.35% over LIBOR.

Your Board is committed to finding high quality self-storage sites similar to the new stores at Farnborough and Crayford, while at the same time enhancing the value of the existing portfolio. In regard to the latter we announced after the period end the sale of our Kingston site for £10 million, a price at the upper end of our expectations. This price is significantly in excess of what could be achieved for self-storage use, and the proceeds will be reinvested in a number of new stores.

The sale of the Kingston store is in line with our core strategy of actively managing our existing portfolio in order to maximise the growth of asset values for our shareholders. This includes increasing the size of our stores, buying in freeholds and occasionally selling stores if appropriate. This is in addition to our continuing efforts to drive storage revenues up by strengthening our branding, filling space and increasing pricing.

Our priorities continue to be:

- improving the operating performance of existing stores
- maximising the value of existing stores
- increasing the number of stores

Improving the operating performance of existing stores

Turnover Growth

Turnover for the six months to 31 January 2007 increased by 23.8% to £5.3 million with stores in all age brackets contributing to this growth (£4.28 million: six months to 31.01.2006). Stores over 250 weeks grew by 13% demonstrating continued robust performance from the established portfolio. The recent efforts to strengthen the brand are bearing fruit and this will continue with projects such as the development at our Fareham store in the current period.

The Group achieved an operating profit of £899,357, up 108.5% compared to £431,367 for the corresponding 2006 period.

Average prices for self-storage increased to £16.70 at January 31 2007 from £16.40 per sq ft in July 2006 .

The Group made a pre-tax profit for the period of £447,061 up 504% from the £73,916 profit for the corresponding period in 2006. Basic earnings per share was 1.92 pence per share (0.30 pence per share: six months to 31.01.2006).

The cash flow of the operating business has continued to grow. Store EBITDA was up 43.7% to £2.18 million for the period (£1.52 million: six months to 31.01.2006), with overall store margins expanding from 35.6% to 41.3%.

Packing materials, insurance and other sales kept pace with the increase in storage income at 7.8% of turnover, (7.4%: 31.01.2006) an increase of 32.8% over the corresponding 2006 period.

The total area let increased by 15.9% to 604,712 sq ft (521,739 sq ft: 31.01.2006) and the amount of fitted space occupied increased by 18.4% to 527,504 (445,228 sq ft: 31.01.2006).

Maximising the value of existing stores

During the period we commenced two exciting projects to increase the value of existing stores.

A new lease has been signed at the Company's Fareham store which will double the size of the store to around 60,000 sq ft. The store fronts the busy M27 motorway, and will carry the distinctive orange livery and neon lighting which is proving an effective generator of business at our other stores. The expansion of the store adds significantly to the potential profit margins as no further operating costs are required.

During the period the Company also purchased a new freehold site for the existing store in Portsmouth which currently occupies a leasehold premises. This new freehold increases the space available to the Portsmouth business to 64,000 sq ft, an increase of 63%. It is adjacent to the busy M275 motorway access to Portsmouth city centre and will also carry Lok'nStore's strengthened branding.

We continue to explore options such as these to create extra value at both our freehold and leasehold operations.

Following the Company's comprehensive external valuation at 31 July 2006, the freehold and leasehold properties have not been revalued during this six month period. The Board has determined in the future to value all properties annually.

Chairman's Statement

Increasing the number of stores

We have 21 stores of which 11 are freehold accounting for 60% of total space, and 10 are leasehold.

After the period end we announced the acquisition of a new 69,000 sq ft store in Harlow. This store will be purpose built with opening targeted for spring 2008, and is prominently located opposite a busy retail park. This takes Lok'nStore through the 1 million square feet mark which is a notable milestone in the development of the Company.

Our objective is to increase the number of Lok'nStore centres within the current geographical coverage of South-East England and we are continuously reviewing opportunities to buy, to build, and to lease new stores. We have recently appointed Rapleys, the roadside specialist surveyors to assist the property acquisition team.

Financial strength and balance sheet efficiency

Capital expenditure during the period totalled £3.6 million, of which £2.2 million is accounted for by the acquisition of the new Portsmouth site and this is reflected in the increase in tangible assets from £24,405,504 to £28,501,660.

At 31 January 2007, the Group had cash balances of £1.35 million (31 January 2006: £0.63 million) and £16.7 million of borrowings representing gearing of 128% on net debt of £15.4 million (31 July 2006: 122%). Gearing is 29% when calculated taking account of the uplift in market values of properties arising from the July 2006 valuations.

Non Executive Directors

I am delighted to announce that Edward Luker and Charles Peal have joined the Board as Non-Executive Directors.

Edward Luker (57) is a well known figure in the UK property industry, having worked for CB Richard Ellis for 33 years, where Edward has been a Director and Partner for 20 years. In 1997-8 Edward was Chairman of the Investment Property Forum, the industry body, and has acted for a number of pension funds in the creation of property investment funds. Edward is a Fellow of the Royal Institute of Chartered Surveyors and is currently the discretionary portfolio manager of one of the UK's largest public sector pension funds investing in property.

Charles Peal (52) started his career in 1977 at 3i Group, the leading UK quoted venture capital company. He was the Chief Executive of Legal and General Ventures from 1988 to 2000 and was a director of various quoted private equity investment trusts and management buyouts. He is currently a director of Warnborough Asset Management, an independent fund management business, and other private equity investments.

Edward and Charles bring a raft of valuable experience in property and finance to our Board. With Lok'nStore's strong operational model this will be a powerful combination. Edward's depth of property experience and contacts will greatly contribute to our site acquisition programme and portfolio management. Charles' financial skills will complement this, and further help us to get full value from Lok'nStore's proven ability to grow assets and cash-flow.

Our people

At 31 January 2007, we had 107 employees and I would like to thank them all for their contribution during the period.

Outlook

These results show Lok'nStore is taking full advantage of the exciting UK self-storage market. We are encouraged by the progress of our new units at Farnborough and Crayford which has created a compelling model for future growth, and since the period end we have broken through the 1 million square feet mark with the acquisition of the new Harlow store.

The doubling in size of the Fareham store and the move of the Portsmouth store to a new freehold location demonstrate that plenty of extra value can be created from the established portfolio, beyond the geared effect of the turnover growth on profitability.

We are investing in new stores and enlarging the average size of our existing units to improve margins. To underline our confidence in the business the Board expects to pay a maiden dividend in respect of the full year.

Simon Thomas
Chairman

23 April 2007

Consolidated Profit and Loss Account

For the six months ended 31 January 2007

	Notes	**Six months 31 January 2007 £**	Unaudited Six months 31 January 2006 £ as restated	Audited Year 31 July 2006 £ as restated
Turnover				
Continuing operations	2	**5,298,485**	4,281,574	8,946,083
Operating expenses		**(4,399,128)**	(3,850,207)	(8,260,052)
Operating profit		**899,357**	431,367	686,031
Loss on disposal of fixed assets		**–**	(980)	–
Interest receivable		**29,976**	14,859	36,936
Interest payable		**(482,272)**	(371,330)	(763,986)
Profit/(loss) on ordinary activities before taxation		**447,061**	73,916	(41,019)
Taxation	3	**36,913**	–	(36,913)
Profit/(loss) on ordinary activities after taxation		**483,974**	73,916	(77,932)
Earnings/(loss) per share				
Basic	5	**1.92p**	0.30p	(0.30)p
Fully diluted	5	**1.79p**	0.29p	(0.30)p

Statement of Total Recognised Gains and Losses

For the six months ended 31 January 2007

	Notes	**Six months 31 January 2007 £**	Unaudited Six months 31 January 2006 £ as restated	Audited Year 31 July 2006 £ as restated
Profit/(loss) for financial period		**483,974**	73,916	(77,932)
Prior period adjustments	1c	**(148,331)**		
Total recognised gains and losses		**335,643**		

Consolidated Balance Sheet

31 January 2007

	Notes	2007 31 January £	Unaudited 31 January 2006 £ as restated	Audited 31 July 2006 £ as restated
Fixed assets				
Intangible assets		**322,686**	346,941	334,813
Tangible assets	6	**28,501,660**	24,405,504	25,430,037
		28,824,346	24,752,445	25,764,850
Current assets				
Stocks		**78,776**	102,221	77,668
Debtors	7	**1,773,785**	1,535,076	2,022,769
Cash at bank and in hand		**1,353,284**	631,004	921,928
		3,205,845	2,268,301	3,022,365
Creditors: Amounts falling due within one year	8	**(3,274,557)**	(2,876,955)	(3,877,489)
Net current liabilities		**(68,712)**	(608,654)	(855,124)
Total assets less current liabilities		**28,755,634**	24,143,791	24,909,726
Creditors: Amounts falling due after more than one year	9	**(16,724,392)**	(13,279,244)	(14,066,802)
Provision for liabilities and charges	3	**–**	–	(36,913)
		12,031,242	10,864,547	10,806,011
Capital and reserves				
Called up share capital	4	**267,177**	250,711	250,911
Share premium	13	**657,924**	59,376	66,776
Capital redemption reserve	13	**34,205**	34,205	34,205
Merger reserve	13	**6,295,295**	6,295,295	6,295,295
Other distributable reserve	13	**5,903,002**	5,903,002	5,903,002
Profit and loss account	10	**(962,519)**	(1,294,645)	(1,446,493)
Share-based payment reserve	11	**345,744**	126,189	211,901
ESOP shares		**(509,586)**	(509,586)	(509,586)
Shareholders' funds		**12,031,242**	10,864,547	10,806,011

Consolidated Cash Flow Statement

For the six months ended 31 January 2007

	Notes	Unaudited **Six months 31 January 2007 £**	Unaudited Six months 31 January 2006 £	Audited Year 31 July 2006 £
Cash flow from operating activities	14a	**1,151,015**	118,270	1,603,118
Returns on investments and servicing of finance		**(379,614)**	(290,284)	(771,211)
Taxation		**–**	–	(50,500)
Capital expenditure and financial investment		**(3,597,709)**	(4,758,364)	(6,273,461)
Cash outflow before financing		**(2,826,308)**	(4,930,378)	(5,492,054)
Financing		**3,257,664**	5,136,644	5,989,244
Increase in cash in the period		**431,356**	206,266	497,190

Reconciliation of Net Cash Flow to Movement in Net Funds/(Debt)

		31 January 2007 £	31 January 2006 £	31 July 2006 £
Increase in cash in the period		**431,356**	206,266	497,190
Change in net debt resulting from cash flows		**(2,650,250)**	(5,129,244)	(5,974,244)
Movement in net debt in period		**(2,218,894)**	(4,922,978)	(5,477,054)
Net debt brought forward		**(13,202,316)**	(7,725,262)	(7,725,262)
Net debt carried forward	14b	**(15,421,210)**	(12,648,240)	(13,202,316)

Notes to the Interim results

1 Accounting policies

(a) Basis of preparation

The interim results for the half year ended 31 January 2007 have been prepared on the basis of the accounting policies as set out in the statutory financial statements for the year ended 31 July 2006 as modified by the application of Financial Reporting Standard 20 ('FRS 20') – Share-based payments. This is the same basis as will be applied at the year-end. The interim results, which were approved by the Directors on 20 April 2007 are unaudited but have been reviewed in accordance with Auditing Practices Board bulletin "Review of Interim Financial Information" by the auditors. The interim results do not constitute statutory financial statements within the meaning of section 240 of the Companies Act 1985. The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5).

Comparative figures for the year ended 31 July 2006 are an abridged version of the Group's full accounts, which carry an unqualified audit report, do not contain a statement under section 237(2) or (3) of the Companies Act and have been delivered to the Registrar of Companies.

(b) Share-based payments

The cost of providing share-based payments to employees is charged to the profit and loss account over the vesting period of the related share options. The cost is based on the fair value of the options determined using the Monte Carlo pricing model, which is appropriate given the vesting and other conditions attaching to the options. The value of the charge may be adjusted to reflect expected and actual levels of vesting.

Advantage has been taken of the exemption available in FRS 20 – Share-based payments to exclude share options granted before November 2002.

(c) Prior period adjustment

The 'first-time' adoption of FRS 20 in these interim financial statements has necessitated a prior period adjustment to be made, creating a 'Share-based payments reserve' at the beginning of the period as detailed in note 11. There is also a corresponding effect on the deferred tax liability as at the beginning of the period. This adjustment related to all share options granted under the Company's EMI scheme and under unapproved arrangements after November 2002.

2 Turnover and segmental information

Revenue represents amounts derived from the provision of self-storage accommodation and related services which fall within the Group's ordinary activities after deduction of trade discounts and value added tax. The Group's net assets, revenue and profit before tax are attributable to one activity, the provision of self-storage accommodation and related services. These all arise in the United Kingdom.

Total revenue for the period was £5.3 million (31.01.2006: £4.28 million). Revenue from self-storage accommodation was £4.86 million in the period (31.01.2006: £3.94 million), £0.41 million came from other storage related income such as sales of packaging materials and insurance (31.01.2006: £0.32 million) and £0.028 million came from non-storage related income (31.01.2006: £0.022 million).

Notes to the Interim results

3 Taxation

	Unaudited six months 31 Jan 2007 £	Unaudited six months 31 Jan 2006 £ as restated	Audited Year 31 July 2006 £ as restated
Current tax charge for the period	**–**	–	–
Deferred Tax as restated			
Origination and reversal of timing differences	**36,913**	–	(36,913)
Total deferred tax credit (charge) for the period	**36,913**	–	(36,913)
Total tax credit/(charge) on profit on ordinary activities	**36,913**	–	(36,913)

The Group has revenue tax losses of approximately £5.8 million available to carry forward against future taxable profits of the same trade. Of this amount, £4.6 million has been provided against fixed asset timing differences. No value is ascribed to these losses, due to the uncertainty as to the utilisation of the losses in the foreseeable future.

The 2006 year tax charge related to a movement in deferred tax arising on accelerated capital allowances in excess of depreciation after taking account of all revenue losses. This charge has reversed in this period due to the effect of the tax deduction arising on the exercise of the 'Founder options' referred to in note 13. This effect is specific to this period and arises since the tax deduction on the share option exercises has not been matched with a corresponding accounting charge. This is because the Group is taking advantage of the exemption available under FRS 20 to not account for the cost of share options granted prior to November 2002 through the profit and loss account.

Future tax charges may be affected by the degree to which deferred tax assets are recognised in the future.

It is not the intention of the directors to make any significant disposals of operational self-storage centres in the foreseeable future. If however, the properties were sold at their market values as operating self-storage centres, or in the case of the Kingston and Reading stores with their residential development value, an estimate of the tax payable on the gain arising at 31 January 2007 would be approximately £10.6 million. This tax payable figure does not take into account any claims to rollover relief that the Company might make. At present, it is not envisaged that any tax will become payable in the foreseeable future.

The Group intends to make a rollover relief claim in respect of the capital gain arising on the sale of the Kingston store.

4 Share capital

	Unaudited 31 Jan 2007 £	Unaudited 31 Jan 2006 £	Audited 31 July 2006 £
Authorised: 35,000,000 ordinary shares of 1p each	**350,000**	350,000	350,000
Allotted, issued and fully paid: 26,717,700 ordinary shares of 1p each	**267,177**	250,711	250,911

Authority to make market purchases of its shares

Following approval by shareholders of a special resolution at the AGM on 7 December 2006, the Company has authority to make market purchases of up to 5,845,299 shares. The authority expires at the conclusion of the next AGM, but is expected to be renewed at the next AGM.

5 Earnings/(loss) per ordinary share

The calculation of earnings per ordinary share is based on the following profit/(loss) and on the following weighted average number of shares in issue.

	Unaudited 31 Jan 2007 £	Unaudited 31 Jan 2006 £ as restated	Audited 31 July 2006 £ as restated
Profit/(loss) for the financial period	**483,974**	73,916	(77,932)
	No of shares	No of shares	No of shares
Weighted average number of shares			
For basic earnings per share	**25,250,423**	24,443,644	24,453,288
Dilutive effect of share options	**1,733,817**	1,471,665	1,526,446
	26,984,240	25,915,309	25,979,734
Earnings/(loss) per share			
Basic	**1.92p**	0.30p	(0.30)p
Diluted	**1.79p**	0.29p	(0.30)p

Notes to the Interim results

6 Tangible fixed assets

Group	Freehold properties £	Short leasehold improvements £	Furniture, fixtures & fittings £	Motor vehicles £	Total £
Cost					
1 August 2006	18,527,701	1,595,577	9,557,776	60,406	29,741,460
Additions	2,415,735	139,432	1,042,542	–	3,597,709
31 January 2007	**20,943,436**	**1,735,009**	**10,600,318**	**60,406**	**33,339,169**
Depreciation					
1 August 2006	540,078	633,055	3,098,618	39,672	4,311,423
Charged in year	73,388	71,214	379,023	2,461	526,086
31 January 2007	613,466	704,269	3,477,641	42,133	4,837,509
Net book value					
31 July 2006	17,987,623	962,552	6,459,158	20,734	25,430,037
31 January 2007	**20,329,970**	**1,030,740**	**7,122,677**	**18,273**	**28,501,660**

The additions to freehold properties include the acquisition of the freehold site at Rudmore Square, Portsmouth totalling £2.2 million. The additions to fixtures and fittings includes fit-outs at Farnborough, Horsham, Crayford, Eastbourne and Milton Keynes stores.

Market valuation of freehold and leasehold land and buildings

Following the Company's comprehensive external valuation at 31 July 2006, the freehold and leasehold properties have not been valued during this six month period, although it is the intention to do so at the next year-end at 31 July 2007.

The valuation report at 31 July 2006 indicated a total for properties valued of £66.6 million (NBV £25.2 million). These valuations have not been included in the Balance Sheet. The valuations also do not account for any further investment or divestment in existing centres since July 2006.

7 Debtors

	Unaudited **31 Jan 2007 £**	Unaudited 31 Jan 2006 £	Audited 31 July 2006 £
Due within one year:			
Trade debtors	**802,077**	687,447	807,347
Other debtors	**308,145**	183,505	83,190
Prepayments and accrued income	**663,563**	664,124	1,132,232
	1,773,785	1,535,076	2,022,769

8 Creditors

	Unaudited 31 Jan 2007 £	31 Jan 2006 £	Audited 31 July 2006 £
Trade creditors	**582,662**	521,805	1,039,688
Taxation and social security costs	**101,066**	80,831	281,622
Corporation tax	**–**	45,700	–
Other creditors	**959,166**	758,019	911,432
Accruals and deferred income	**1,631,663**	1,470,600	1,644,747
	3,274,557	2,876,955	3,877,489

9 Creditors: amounts falling due after more than one year

	Unaudited 31 Jan 2007 £	31 Jan 2006 £	Audited 31 July 2006 £
Bank loans repayable in more than 2 years but not more than 5 years			
Gross	**16,774,494**	13,279,244	14,124,244
Deferred financing costs	**(50,102)**	–	(57,442)
Bank loans repayable in more than 2 years but not more than 5 years	**16,724,392**	13,279,244	14,066,802

10 Profit and loss account

	Unaudited 31 January 2007 £	31 January 2006 £	Audited 31 July 2006 £
Opening balance as originally stated	**(1,298,162)**	(1,321,980)	(1,321,980)
Prior period adjustment:			
Share-based payments	**(211,901)**	(46,581)	(46,581)
Deferred tax	**63,570**	–	–
Opening balance as restated	**(1,446,493)**	(1,368,561)	(1,368,561)
Profit/(loss) for the period	**483,974**	73,916	(77,932)
Closing balance	**(962,519)**	(1,294,645)	(1,446,493)

Notes to the Interim results

11 Share-based payment reserve

	Unaudited 31 January 2007 £	Unaudited 31 January 2006 £	Audited 31 July 2006 £
Opening balance as originally stated	–	–	–
Prior period adjustment	211,901	46,581	46,581
Charge for period	133,843	79,608	165,320
Closing balance	345,744	126,819	211,901

12 Share-based payment plans

The Group operates an Enterprise Management Initiative ('EMI') approved and an unapproved share option scheme, the rules of which are similar in all material respects. Awards granted under the Approved Share Option Plan do not fall under the scope of FRS 20. The grant of options to executive directors and senior management is recommended by the Remuneration Committee on the basis of their contribution to the Group's success. The options vest after three years.

The exercise price of the options is equal to the closing mid-market price of the shares on the trading day previous to the date of the grant. The exercise of options awarded has been subject to the meeting of performance criteria geared primarily to sales growth with the key non-market performance condition being the achievement of £10 million annual turnover. Exercise of an option is subject to continued employment. The life of each option granted is seven years. There are no cash settlement alternatives.

The expected volatility is based on a historical review of share price movements over a period of time, prior to the date of grant, commensurate with the expected term of each award. The expected term is assumed to be six years which is part way between vesting (3 years after grant) and lapse (10 years after grant). The risk free rate of return is the UK gilt rate at date of grant commensurate with the expected term (i.e. six years).

The total charge for the period relating to employer share-based payment schemes was £133,843. (Prior period adjusted 31.01.2006: £79,608), all of which relates to equity-settled share-based payment transactions. The 'first-time' adoption of FRS 20 to these interim financial statements has necessitated a prior period adjustment to be made, and in total a 'Share-based payments reserve' at 31 January 2007 of £345,744 results. This adjustment related to all share options granted under the Company's EMI scheme and under unapproved arrangements since November 2002 on 1,589,500 shares.

13 Other reserves

	Share premium £	Merger reserve £	Other distributable reserve £	Capital redemption reserve £
1 August 2006	66,776	6,295,295	5,903,002	34,205
Exercise of share options	591,148	–	–	–
31 January 2007	**657,924**	**6,295,295**	**5,903,002**	**34,205**

On 3 November 2006, Simon Thomas, Andrew Jacobs and Colin Jacobs exercised their founder options ('Founder Options'). These Founder Options were granted under arrangements pertaining to the Company's original move onto the OFEX market in 1997 and were due to expire in April 2007. Their resultant holding in the Company's ordinary shares of 1 pence each (the 'Ordinary Shares') following disposal of the Ordinary Shares issued pursuant to the exercise of the Founder Options is as follows:

Director	No of founder options exercised	Exercise price per share	Exercise date	Ordinary shares disposed	Disposal price per share	Date of disposal	Resultant holding	Resultant % holding
Simon Thomas	496,489	37p	3.11.06	496,489	181p	3.11.06	2,187,500	8.2%
Andrew Jacobs	992,978	37p	3.11.06	992,978	181p	3.11.06	5,314,000	19.9%
Colin Jacobs	130,000	37p	3.11.06	130,000	181p	3.11.06	nil	0%

No Founder Options remain following this exercise. The directors continue to retain share options granted subsequent to 1997.

The resultant beneficial holdings of the directors following the above transactions remain unchanged. In aggregate the Directors referred to above hold 8,041,925 ordinary shares in the Company (including their indirect holdings of Lok'nStore shares through two pension schemes (540,425 shares)) representing 30.11% of the Company's share capital as enlarged by the issue of Ordinary Shares to satisfy the exercise of the Founder Options.

Following this transaction and at 31 January 2007 the Company has 26,717,744 Ordinary Shares in issue.

Notes to the Interim results

14 Cash flows

	Unaudited Six months 31 January 2007 £	Unaudited Six months 31 January 2006 £ as restated	Audited Year 31 July 2006 £ as restated
(a) Reconciliation of operating profit to net cash flow from operating activities			
Operating profit	**899,357**	431,367	686,031
Depreciation	**526,086**	384,638	875,203
Loss on disposal of fixed assets	**–**	–	980
Amortisation	**12,127**	12,127	24,255
Share-based employee remuneration	**133,843**	79,608	165,320
(Increase)/decrease in stocks	**(1,108)**	(13,573)	10,980
Decrease/(increase) in debtors	**256,325**	149,717	(330,187)
(Decrease)/increase in creditors	**(675,615)**	(925,614)	170,536
Net cash flow from operating activities	**1,151,015**	118,270	1,603,118

	At 31 July 2006 £	Cash flow £	Other non-cash changes £	At 31 January 2007 £
(b) Analysis of net debt				
Cash at bank and in hand	921,928	431,356	–	**1,353,284**
Debt due after one year	(14,124,244)	(2,650,250)	–	**(16,774,494)**
Total	(13,202,316)	(2,218,894)	–	**(15,421,210)**

15 Post balance sheet events

a) Sale of Kingston Store

On 23 March 2007, contracts were exchanged on the sale of Lok'nStore's Kingston store for £10 million: £6 million is payable on completion in June and the remaining £4 million plus accrued interest is payable on 28 December 2007.

The property was bought for £976,000 in 1996, and stands in the books at £1,331,149. The site was valued in July 2005 by Cushman Wakefield Healey and Baker as an operational self-storage site at £2.75 million and as a residential development site at £9.15 million in July 2006. As referred to in note 3, the Group intends to make a rollover relief claim in respect of the capital gain arising on the sale of the Kingston site.

b) Acquisition of new store in Harlow

On 30 March 2007, Lok'nStore, acquired the freehold of a new build site on Edinburgh Way, in Harlow. The site has all the necessary planning consents and will cost approximately £5 million once fully constructed and fitted out. It is expected to open in spring 2008.

This takes the Company's total lettable square footage to 1,023,000, breaking the 1 million square feet barrier for the first time. 62% of this space is held freehold and 38% leasehold.

The store will carry Lok'nStore's distinctive orange branding and provide 69,000 square feet of self-storage space. The store is prominently located opposite a busy retail park.

The decision to acquire more new build sites follows the success of Lok'nStore's first new build store at Farnborough overlooking the M3, which is trading well and provides a model for Lok'nStore's future development.

Independent Review Report to Lok'n Store Group Plc

Introduction

We have been instructed by the Company to review the financial information set out on pages 6 to 17 and we have read the other information in the interim statement, and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report, including the conclusion, has been prepared for and only for the Company, for the purpose of their interim statement and for no other purpose. We do not, therefore, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Directors' responsibilities

The Interim Statement, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Statement in accordance with the Alternative Investment Market Rules which require that the accounting policies and presentation applied to the interim figures must be consistent with those that will be adopted in the Company's annual accounts.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board as if that Bulletin applied. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 January 2007.

BAKER TILLY UK AUDIT LLP
Chartered Accountants
2 Bloomsbury Street
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23 April 2007

Notes

Notes

Designed and produced by **Emperor Design Consultants Ltd**
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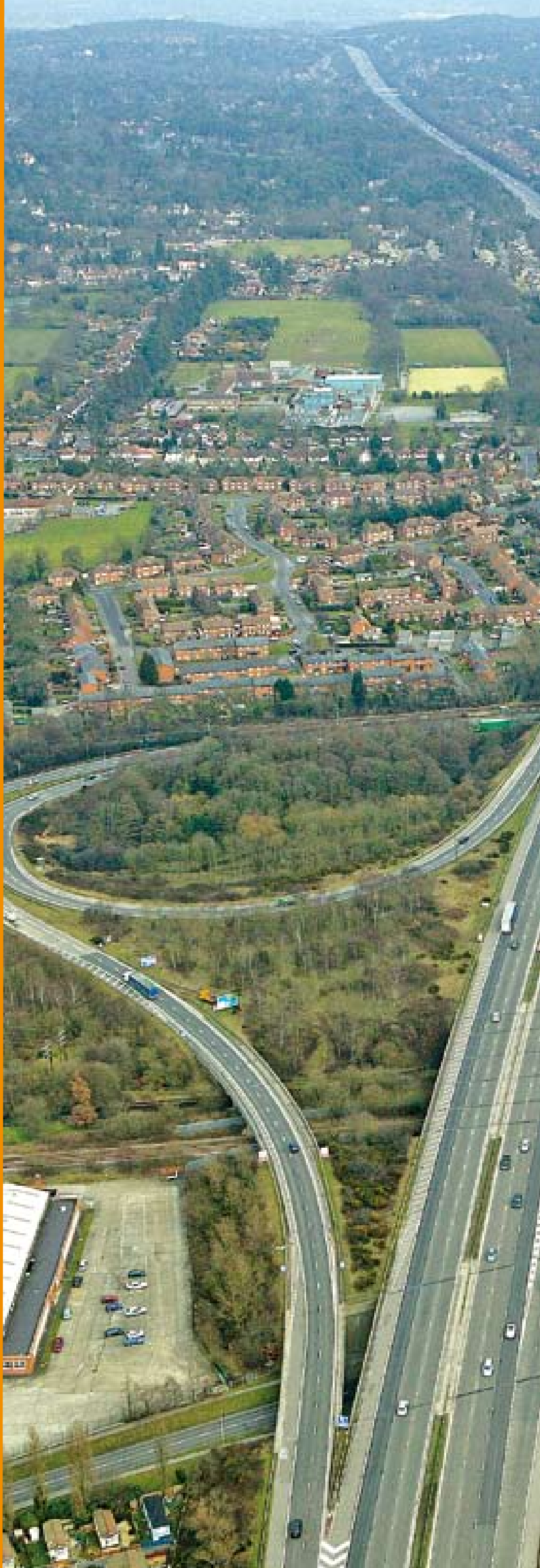

LOK'nSTORE
Business & Household Self Storage