



Lok'n Store Group

*Sale and manage-back of Ashford store*

RNS Number : 2073B

Lok'n Store Group PLC

02 April 2013

Lok'nStore Group plc

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

**Sale and manage-back of Ashford store**

The Board of Lok'nStore Group, the AIM listed self-storage company, is pleased to announce the sale of its store in Ashford, Kent, to Alpha Real Capital for £2.9 million in cash. The store was independently valued at £2.92 million at 31 July 2012 and made an EBITDA contribution of £221,724 in the last financial year.

Lok'nStore will continue to manage the store as a branded Lok'nStore operation on behalf of the investor, and will receive a monthly management fee, as well as an additional fee should the store outperform its targets or if the store is ultimately sold.

The proceeds of the sale will initially be used to reduce the Company's net debt but will be redrawn in due course as the capital is recycled into earnings enhancing projects, such as the new store in Aldershot due to open in spring 2014.

Andrew Jacobs, CEO of Lok'nStore Group said:

"The sale and manage back contract of our Ashford store increases the number of Lok'nStore managed stores to four for three different clients."

"We achieved a sale price equivalent to 99.3% of our latest valuation and the structure of the deal allows us to raise capital and grow our operating footprint without stretching our balance sheet or diluting our equity capital.

"Investors are attracted by the stability and asset backed nature of the self-storage business model."

Alpha Real Capital Group said:

"Self-storage produces a strong, operating cash flow with solid asset backing. This is an ideal asset for our investors seeking cash flow with growth linked to the real economy. Lok'nStore is an experienced operator in this field with a well-known brand that will benefit our investors."

-Ends-



For further information: Tel: 01252 521010  
Lok'nStore  
Andrew Jacobs, CEO  
Ray Davies, Finance Director

FTI Consulting Tel: 020 7831 3113  
Billy Clegg/ Oliver Winters/ Latika Shah

Panmure Gordon & Co Tel: 020 7886 2500  
Corporate Finance:  
Dominic Morley/Fred Walsh  
Corporate Broking:  
Charles Leigh-Pemberton

#### Notes for Editors

##### Lok'nStore

Lok'nStore recently announced a pre close trading update which reported strong occupancy growth performance of 6.1% for the six months to 31 January 2013. In particular, Lok'nStore benefited from the harmonisation of VAT across the UK self-storage sector, for which its major competitors had to register for VAT, while Lok'nStore was already VAT compliant. In the period since the harmonisation of VAT, the number of move-ins was up 12.4% year on year.

Lok'nStore is due to open a new joint venture store in Aldershot due 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.

Following the opening of 2 new stores over the coming year and the above deal, Lok'nStore's self-storage business will be operating from 12 freehold sites, 9 leasehold sites and 4 managed stores.

##### Alpha Real Capital

Alpha Real Capital group is an investor in self-storage and other operating property businesses with approximately £1.4 billion of real estate and other asset-backed investments. Further information is available at [www.alpharealcapital.com](http://www.alpharealcapital.com)

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