

Shurgard Real Estate ApS
Central Business Registration No. 25499204

Annual report 2013

The Annual General Meeting adopted the annual report on 7 April 2014

Dirigent

Chairman of the General Meeting

Name: Marc Oursin

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Company details

Company

Shurgard Real Estate ApS

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Executive Board

Marc Oursin

Company auditors

Ernst & Young

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Gyngemose Parkvej 50

DK-2860 Søborg

Statement by Management on the annual report

We have today presented the annual report of Shurgard Real Estate ApS for the financial year 1 January to 31 December 2013.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position and results. Also, we believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kastrup, 7 April 2014

Direktion
Executive Board



Marc Oursin

Independent auditor's reports

To the shareholders of Shurgard Real Estate ApS

Report on financial statements

We have audited the financial statements of Shurgard Real Estate ApS for the financial year 1 January – 31 December 2013, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Further, management is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view.

The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2013 and of the results of its operations for the financial year 1 January – 31 December 2013 in accordance with the Danish Financial Statements Act.

Statement on the management's review

In accordance with the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management's review is consistent with the Financial Statements.

Copenhagen, 7 April 2014

Ernst & Young
Godkendt Revisionspartnerselskab



Henrik Reedtz
state authorised public accountant

Management commentary

Primary activities

The Company's activities comprise construction, projecting, acquisition and lease of real property as well as related products and businesses.

Development in activities and finances

The annual report shows a net profit of DKK 4.463 thousand. Management considers the loss expected and satisfactory.

Accordingly, the equity amounts to DKK 191.978 thousand.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report. The company has the intention to merge Shurgard Real Estate ApS & Shurgard Hørsholm ApS during 2014.

Accounting policies

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B.

The annual report has been presented applying the accounting policies consistently with last year.

Reporting currency

The financial statements are presented in Danish kroner.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates at the date of the transaction. Monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Accounting policies

Income statement

Revenue

Revenue is recognized in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognized net of VAT, duties and sales discounts.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Financial income and expenses

These items comprise interest income and interest expenses, realized and unrealized exchange gains and losses on transactions in foreign currencies, etc. as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit/loss for the year, and recognized directly on equity by the portion attributable to entries directly on equity.

The current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Company is jointly taxed with its Parent and all of the Parent's other Danish subsidiaries. The current income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Accounting policies

Balance sheet

Property, plant and equipment

Land and buildings are measured at cost and, for buildings, minus accumulated depreciation and impairment losses.

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when the asset is ready to be put into operation.

Interest expenses on loans for financing the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other financing costs are recognized in the income statement.

The basis of depreciation is cost minus estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	30 years
Other fixtures and fittings, tools and equipment	3-5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortized cost usually equaling nominal value less provisions for bad debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other financial liabilities

Other financial liabilities are measured at amortized cost which usually corresponds to nominal value.

Income statement for 2013

	<u>Note</u>	<u>2013 DKK</u>	<u>2012 DKK'000</u>
Revenue		2.821.409	2.877
Other external expenses		(439.822)	(455)
Depreciation and impairment losses	5	<u>(2.849.914)</u>	<u>(2.823)</u>
Operating loss		(468.327)	(401)
Financial income	2	6.437.238	5.664
Financial expenses	3	<u>(18.517)</u>	<u>(44)</u>
Profit (loss) before tax		5.950.394	5.219
Tax on profit/(loss) for the year	4	<u>(1.487.598)</u>	<u>(1.304)</u>
Net profit/(loss) for the year		<u>4.462.796</u>	<u>3.915</u>
Proposed distribution of profit (loss)			
Retained earnings		<u>4.462.796</u>	<u>3.915</u>
		<u>4.462.796</u>	<u>3.915</u>

Balance sheet at 31 December 2013

	<u>Note</u>	<u>2013 DKK</u>	<u>2012 DKK'000</u>
Land and buildings	5	61.694.574	63.926
Other fixtures and fittings, tools and equipment	5	<u>8.283</u>	<u>9</u>
Property, plant and equipment		<u>61.702.857</u>	<u>63.935</u>
Fixed assets		<u>61.702.857</u>	<u>63.935</u>
Receivables from group enterprises		128.878.488	120.941
Deferred tax asset	6	1.714.059	3.053
Prepayments		<u>325.559</u>	<u>336</u>
Receivables		<u>130.918.106</u>	<u>124.330</u>
Cash		<u>1.127</u>	<u>0</u>
Current assets		<u>130.919.233</u>	<u>124.330</u>
Assets		<u><u>192.622.090</u></u>	<u><u>188.265</u></u>

Balance sheet at 31 December 2013

	<u>Note</u>	<u>2013 DKK</u>	<u>2012 DKK'000</u>
Share capital	7	1.100.000	1.100
Retained earnings		<u>190.877.546</u>	<u>186.415</u>
Equity	8	<u>191.977.546</u>	<u>187.515</u>
Payables to group enterprises		42.428	0
Trade payables		321.652	335
Other payables		<u>280.464</u>	<u>415</u>
Short-term liabilities other than provisions		<u>644.544</u>	<u>750</u>
Liabilities other than provisions		<u>644.544</u>	<u>750</u>
Equity and liabilities		<u><u>192.622.090</u></u>	<u><u>188.265</u></u>
Assets charged, recourse guarantee commitments and contingent liabilities			9-10
Other notes			11-12

Notes

	<u>2013</u> <u>DKK</u>	<u>2012</u> <u>DKK'000</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
2. Financial income		
Financial income from group enterprises	6.436.200	5.664
Other financial income	<u>1.038</u>	<u>0</u>
	<u>6.437.238</u>	<u>5.664</u>
3. Financial expenses		
Financial expenses to group enterprises	0	0
Other financial expenses	<u>18.517</u>	<u>44</u>
	<u>18.517</u>	<u>44</u>
4. Tax on loss for the year		
Current tax	0	0
Change in deferred tax	1.338.846	2.454
Tax refunds received/(paid), enterprises on joint basis	<u>148.752</u>	<u>(1.150)</u>
	<u>1.487.598</u>	<u>1.304</u>

Notes

	<u>Land and buildings DKK</u>	<u>Other fixtures, etc DKK</u>
5. Property, plant and equipment		
Cost at 1 January 2013	90.341.064	570.655
Additions	609.859	8.284
Disposals	<u>0</u>	<u>0</u>
Cost at 31 December 2013	<u>90.950.923</u>	<u>578.939</u>
Depreciation and impairment losses at 1 January 2013	(26.415.336)	(561.755)
Depreciation for the year	(2.841.013)	(8.901)
Reversals relating to disposals	<u>0</u>	<u>0</u>
Depreciation and impairment losses at 31 December 2013	<u>(29.256.349)</u>	<u>(570.656)</u>
Carrying amount at 31 December 2013	<u>61.694.574</u>	<u>8.283</u>
	<u>2013 DKK</u>	<u>2012 DKK'000</u>
6. Deferred tax assets		
Tax asset at 1 January	3.052.905	5.508
Change in the year	<u>(1.338.846)</u>	<u>(2.455)</u>
Tax asset at 31 December	<u>1.714.059</u>	<u>3.053</u>

Notes

2013
DKK

7. Share capital

The share capital consists of 11,000 shares at DKK 100. The shares have not been divided into classes.

Changes in share capital since foundation:

Share capital at foundation on 12 July 2000	125.000
Capital increase 2000	375.000
Capital increase 2001	500.000
Capital increase 2004	<u>100.000</u>
Share capital at 31 December 2013	<u>1.100.000</u>

2013
DKK

2012
DKK'000

8. Equity

Equity at 1 January	187.514.750	183.600
Profit/(Loss) for the year	<u>4.462.796</u>	<u>3.915</u>
Equity at 31 December	<u>191.977.546</u>	<u>187.515</u>

Notes

9. Assets charged

A mortgage deed registered to the mortgagor of DKK 86,374 thousand has been entered in the Land Register. Pursuant to a credit agreement governed by English law and entered into on November 9, 2011 between among others Shurgard Luxembourg S.à r.l. as borrower, certain subsidiaries of Shurgard Luxembourg S.à r.l as guarantors, of which Shurgard Real Estate ApS and Wells Fargo Bank International as agent, security agent and original lender (the "Credit Facility agreement) Shurgard Real Estate ApS, in order to guarantee its obligations under the Credit Facility Agreement, has pledged for the benefit of Wells Fargo Bank International (i) all sum due to Shurgard Real Estate ApS by any other member of the group, on any account and any nature whatsoever, including all sums owing to it on account of loans, advances (whether in current account or not) and (ii) all present and future claims (including interest, default interest, commissions, expenses, costs, indemnities), whether owed jointly or severally, and whether subordinated or not, owed by any entity of the group to Shurgard Real Estate ApS under any present and future loan agreement (including, but not limited to, the Intercompany Loan Agreements), promissory note, bond, debt instrument and receivables.

	<u>2013</u> <u>DKK</u>	<u>2012</u> <u>DKK'000</u>
Carrying amount of mortgaged properties	<u>61.694.574</u>	<u>63.926</u>

10. Recourse guarantee commitments and contingent liabilities

None.

11. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

- Shurgard Denmark ApS (CVR-nr. 30 20 25 03), Bjørnbaksvej 4, 2770 Kastrup

12. Consolidation

Shurgard Real Estate ApS is included in the consolidated financial statements of the European parent company Shurgard Luxembourg S.A.R.L. 6C, parc d'Activites Surdall, L-5365 Munsbach The consolidated financial statements are available at the Shurgard European Head Office in Brussels , Belgium.