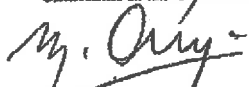


Shurgard Real Estate ApS
Central Business Registration No. 25499204

Annual report 2014

The Annual General Meeting adopted the annual report on 21 April 2015

Dirigent
Chairman of the General Meeting


Name: Marc Oursin

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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 2014.

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.

Groot-Bijgaarden (Belgium), 21 April 2015

Executive Board


Marc Oursin

Company details

Company

Havnegade 39,
DK-1058 Copenhagen K
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Registered in Kastrup

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Executive Board

Marc Oursin

Company auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Postboks 250
Osvald Helmuths Vej 4
DK-2000 Frederiksberg

Independent auditor's reports

To the shareholders of Shurgard Real Estate ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Shurgard Real Estate ApS for the financial year 1 January – 31 December 2014, which comprise [income statement, balance sheet and notes, including a summary of significant accounting policies]. The financial statements are 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 and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating 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 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 2014 and of the results of its operations for the financial year 1 January – 31 December 2014 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other 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, 21 April 2015

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 loss of DKK 207 thousand. Management considers the loss expected and satisfactory.

Accordingly, the equity amounts to DKK 187.076 thousand.

On May 21, 2014 the company merged with retroactive effect to January 1, 2014 with Shurgard Hørsholm Aps. The 2013 figures are restated for comparison purposes as a result of the legal merger.

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.

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.

On May 21, 2014 the company merged with retroactive effect to January 1, 2015 with Shurgard Hørsholm ApS. The company figures have been restated in the income and the balance sheet.

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 2014

	Note	2014 DKK	2013 DKK'000
Revenue		6.388.750	6.227
Other external expenses		(946.163)	(834)
Depreciation and impairment losses	4	(6.584.334)	(6.544)
Operating loss		(1.141.747)	(1.151)
Financial income	1	939.382	432
Financial expenses	2	(16.531)	(20)
Profit (loss) before tax		(218.896)	(739)
Tax on profit/(loss) for the year	3	12.396	147
Net profit/(loss) for the year		(206.500)	592
Proposed distribution of profit (loss)			
Retained earnings		(206.500)	592
		(206.500)	592

Balance sheet at 31 December 2014

	Note	2014 DKK	2013 DKK'000
Land and buildings	4	165.035.482	170.210
Other fixtures and fittings, tools and equipment	4	8.527	24
Property, plant and equipment		165.044.009	170.234
Fixed assets		165.044.009	170.234
Receivables from group enterprises		22.621.751	16.208
Deferred tax asset	5	308.227	1.422
Prepayments		509.783	548
Receivables		23.439.761	18.178
Cash		160	4
Current assets		23.439.921	18.182
Assets		188.483.930	188.416

Balance sheet at 31 December 2014

	Note	2014 DKK	2013 DKK'000
	—	—	—
Share capital	6	1.100.100	1.815
Retained earnings		185.975.958	185.468
Equity	7	187.076.058	187.283
Payables to group enterprises		38.554	46
Trade payables		185.449	539
Other payables		1.183.869	548
Short-term liabilities other than provisions		1.407.872	1.133
Liabilities other than provisions		1.407.872	1.133
Equity and liabilities		188.483.930	188.416
Assets charged		8	
Recourse guarantee commitments and contingent liabilities		9	
Ownership		10	
Consolidation		11	

Notes

	2014 DKK	2013 DKK'000
1. Financial income		
Financial income from group enterprises	939.380	430
Other financial income	2	2
	<u>939.382</u>	<u>432</u>
2. Financial expenses		
Financial expenses to group enterprises	0	0
Other financial expenses	16.531	20
	<u>16.531</u>	<u>20</u>
3. Tax on loss for the year		
Current tax	0	0
Change in deferred tax	1.113.702	2.325
Tax refunds received/(paid), enterprises on joint basis	(1.126.098)	(2.472)
	<u>(12.396)</u>	<u>(147)</u>

Notes

	Land and buildings DKK	Other fixtures, etc DKK
4. Property, plant and equipment		
Cost at 1 January 2014	230.830.518	1.111.062
Additions	1.395.792	0
Disposals	0	(1.313)
Cost at 31 December 2014	232.226.310	1.109.749
Depreciation and impairment losses at 1 January 2013	(60.620.932)	(1.086.784)
Depreciation for the year	(6.569.896)	(14.438)
Reversals relating to disposals	0	0
Depreciation and impairment losses at 31 December 2014	(67.190.828)	(1.101.222)
Carrying amount at 31 December 2014	165.035.482	8.527
	2014 DKK	2013 DKK'000
5. Deferred tax assets		
Tax asset at 1 January	1.421.929	3.053
Change in the year	(1.113.702)	(1.631)
Tax asset at 31 December	308.227	1.422

Notes

	2014 DKK
6. Share capital	
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	100.000
Addition relating merger of Shurgard Horsholm ApS	100
Share capital at 31 December 2014	1.100.100

	2014 DKK	2013 DKK'000
7. Equity		
Equity at 1 January	187.282.558	187.535
Capital contribution (Parent company)	0	340
Profit/(Loss) for the year	(206.500)	(592)
Equity at 31 December	187.076.058	187.283

Notes

8. Assets charged

The Company is party as guarantor to (i) a credit agreement governed by English law and entered into on 9 November 2011 between among others Shurgard Luxembourg Sàrl as borrower, certain subsidiaries of Shurgard Luxembourg Sàrl as guarantors and Wells Fargo Bank International as agent and original lender as amended and restated on 17 July 2014 and on 23 December 2014; and (ii) a note purchase and guarantee agreement governed by English law and entered into on 24 July 2014 between Shurgard Luxembourg Sàrl as borrower, certain subsidiaries of Shurgard Luxembourg Sàrl as guarantors and the Purchasers as defined therein.

9. Recourse guarantee commitments and contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Shurgard Denmark ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

10. 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), Havnegade 39, DK-1058 Copenhagen K

11. Consolidation

Shurgard Denmark ApS and subsidiaries are included in the consolidated financial statements of the European parent company Shurgard Holding Luxembourg S.A.R.L., Rue Gabriel Lippmann 6C, L-5365 Munsbach.

The group consolidated financial statements are at level at Shurgard Self Storage Europe Ltd, 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St. Peter Port, Guernsey GY1 1EW.