

**First Shurgard Denmark Invest ApS**  
**Central Business Registration No. 26689007**

**Annual report 2013**

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

**Dirigent**

Chairman of the General Meeting

Name: Marc Oursin

## Contents

	<b>Page</b>
Company details	1
Statement by Management on the annual report	2
Independent auditors' report	3
Management commentary	4
Accounting policies	5
Income statement for 2013	8
Balance sheet at 31 December 2013	9
Notes	11

## **Company details**

### **Company**

First Shurgard Denmark Invest ApS

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### **Executive Board**

Marc Oursin

### **Company auditors**

Ernst & Young

Godkendt Revisionspartnerselskab

Gyngemose Parkvej 50

DK-2860 Søborg

## Statement by Management on the annual report

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

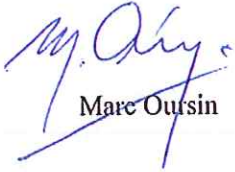
The annual report is presented in accordance with the Danish Financial Statements Act.

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, den 7 April 2014

**Direktion**  
*Executive Board*



Marc Oursin

## Independent auditor's reports

*To the shareholders of First Shurgard Denmark Invest ApS*

### *Report on financial statements*

*We have audited the financial statements of First Shurgard Denmark Invest 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 loss of DKK 8.802 thousand. Management considers the loss expected and satisfactory, taking into consideration that the Company is still in a start-up phase.

Accordingly, the equity amounts to DKK 44.688 thousand.

The Parent has declared that it will provide the Company with the necessary financial support in order for the Company to be in a position to satisfy every financial obligation at least until 31 December 2014.

### **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.

### **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		8.095.186	8.236
Other external expenses		(2.145.063)	(2.565)
Depreciation and impairment losses	6	<u>(7.774.621)</u>	<u>(7.716)</u>
<b>Operating loss</b>		<b>(1.824.498)</b>	<b>(2.045)</b>
Financial income	2	17.688	25
Financial expenses	3	<u>(9.847.284)</u>	<u>(5.565)</u>
<b>Loss before tax</b>		<b>(11.654.094)</b>	<b>(7.585)</b>
Tax on profit/(loss) for the year	4	<u>2.852.053</u>	<u>1.612</u>
<b>Net profit (loss) for the year</b>		<b><u>(8.802.041)</u></b>	<b><u>(5.973)</u></b>
<b>Proposed distribution of profit ( loss)</b>			
Retained earnings		<u>(8.802.041)</u>	<u>(5.973)</u>
		<b><u>(8.802.041)</u></b>	<b><u>(5.973)</u></b>

## Balance sheet at 31 December 2013

	<u>Note</u>	<u>2013 DKK</u>	<u>2012 DKK'000</u>
Land and buildings	5	234.052.873	239.788
Other fixtures and fittings, tools and equipment	5	31.411	51
<b>Property, plant and equipment</b>		<u><b>234.084.284</b></u>	<u><b>239.839</b></u>
<b>Fixed assets</b>		<u><b>234.084.284</b></u>	<u><b>239.839</b></u>
Deferred tax assets	6	1.237.964	1.538
Other receivables		79.034	287
Prepayments		259.358	211
Receivables from group enterprises		38.554	1.215
<b>Receivables</b>		<u><b>1.614.910</b></u>	<u><b>3.251</b></u>
<b>Cash</b>		<u><b>2.882</b></u>	<u><b>10</b></u>
<b>Current assets</b>		<u><b>1.617.792</b></u>	<u><b>3.261</b></u>
<b>Assets</b>		<u><u><b>235.702.076</b></u></u>	<u><u><b>243.100</b></u></u>

**Balance sheet at 31 December 2013**

	<u>Note</u>	<u>2013 DKK</u>	<u>2012 DKK'000</u>
Share capital	7	255.000	255
Retained earnings		<u>44.432.968</u>	<u>53.235</u>
<b>Equity</b>	<b>8</b>	<b><u>44.687.968</u></b>	<b><u>53.490</u></b>
Payables to group enterprises		189.010.065	188.323
Trade payables		269.517	388
Other payables		<u>1.734.526</u>	<u>899</u>
<b>Short-term liabilities other than provisions</b>		<b><u>191.014.108</u></b>	<b><u>189.610</u></b>
<b>Liabilities other than provisions</b>		<b><u>191.014.108</u></b>	<b><u>189.610</u></b>
<b>Equity and liabilities</b>		<b><u><u>235.702.076</u></u></b>	<b><u><u>243.100</u></u></b>
Lease commitments and assets charged	9-10		
Other notes	11-12		

## Notes

	<u>2013</u> <u>DKK</u>	<u>2012</u> <u>DKK'000</u>
<b>1. Staff costs</b>		
Average number of employees	<u>0</u>	<u>0</u>
<b>2. Financial income</b>		
Other financial income	<u>17.688</u>	<u>25</u>
	<u>17.688</u>	<u>25</u>
<b>3. Financial expenses</b>		
Financial expenses to group enterprises	9.845.832	5.560
Other financial expenses	<u>1.452</u>	<u>5</u>
	<u>9.847.284</u>	<u>5.565</u>
<b>4. Tax on loss for the year</b>		
Current tax	0	0
Change in deferred tax	261.212	(397)
Tax refunds received / (paid), enterprises on joint basis	<u>(3.113.265)</u>	<u>(1.215)</u>
	<u>(2.852.053)</u>	<u>(1.612)</u>

## Notes

	<u>Land and buildings DKK</u>	<u>Other fixtures, etc DKK</u>
<b>5. Property, plant and equipment</b>		
Cost at 1 January 2013	292.765.663	975.369
Additions	2.013.166	6.969
Disposals	<u>0</u>	<u>0</u>
<b>Cost at 31 December 2013</b>	<b><u>294.778.829</u></b>	<b><u>982.338</u></b>
Depreciation and impairment losses at 1 January 2012	(52.977.391)	(924.871)
Depreciation for the year	(7.748.565)	(26.056)
Reversals relating to disposals	<u>0</u>	<u>0</u>
<b>Depreciation and impairment losses at 31 December 2013</b>	<b><u>(60.725.956)</u></b>	<b><u>(950.927)</u></b>
<b>Carrying amount at 31 December 2013</b>	<b><u>234.052.873</u></b>	<b><u>31.411</u></b>
	<u>2013 DKK</u>	<u>2012 DKK'000</u>
<b>6. Deferred tax assets</b>		
Tax asset at 1 January	1.537.733	1.141
Change in the year	<u>(299.769)</u>	<u>397</u>
<b>Tax asset at 31 December</b>	<b><u>1.237.964</u></b>	<b><u>1.538</u></b>

## Notes

**2013**  
**DKK**

### 7. Share capital

The share capital consists of 1,280 shares at DKK 100. The shares have not been divided into classes.

Changes in share capital since foundation:

Share capital at foundation on 5 July 2002	125.000
Capital increase 2003	1.000
Capital increase 2004	2.000
Capital increase 2012	<u>127.000</u>
<b>Share capital at 31 December 2013</b>	<b><u>255.000</u></b>

### 8. Equity

	<b>2013</b> <b>DKK</b>	<b>2012</b> <b>DKK'000</b>
Equity at 1 January	53.490.009	59.463
Profit /(loss) for the year	<u>(8.802.041)</u>	<u>(5.973)</u>
<b>Equity at 31 December</b>	<b><u>44.687.968</u></b>	<b><u>53.490</u></b>

### 9. Lease commitments

Lease commitments under operating leases. Total future lease payments:

Within 1 year	82.866	185
Between 1 to 5 years	0	0
After 5 years	<u>0</u>	<u>0</u>
	<b><u>82.866</u></b>	<b><u>185</u></b>

## Notes

### 10. Assets charged

Bank debt with the Group's bankers is secured by way of a deposited mortgage deed registered to to the mortgagor of DKK 269,064 thousand nominal.

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 First Shurgard Denmark Invest APS and Wells Fargo Bank International as agent, security agent and original lender (the "Credit Facility agreement) First Shurgard Denmark Invest 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 First Shurgard Denmark Invest 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 First Shurgard Denmark Invest 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>234.052.873</u>	<u>239.788</u>
Carrying amount of share capital	<u>255.000</u>	<u>255</u>

### 11. Recourse guarantee commitments and contingent liabilities

None.

### 12. 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, Denmark

### 13. Consolidation

First Shurgard Denmark Invest 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.