BIG YELLOW GROUP PLC

19 May 2008

Big Yellow Group PLC

("Big Yellow", "the Group" or "the Company")

AUDITED RESULTS FOR THE YEAR AND FOURTH QUARTER ENDED 31 MARCH 2008

Big Yellow Group PLC, the UK's leading self storage brand, is pleased to announce results for the year and for the fourth quarter ended 31 March 2008.

	Year ended 31 Mar 2008	Year ended 31 Mar 2007	%
Revenue	**£56.9m**	£51.2m	11
EBITDA before non-recurring items and revaluation movements[(1)]	**£29.6m**	£25.4m	17
Profit before tax	**£101.8m**	£152.8m	(33)
Adjusted profit before tax[(1)]	**£13.3m**	£14.2m	(6)
Basic earnings per share	**89.20p**	192.97p	(54)
Adjusted earnings per share[(2)]	**11.20p**	10.01p	12
Dividend – final ord	**5.5p**	5.5p	-
– total	**9.5p**	9.0p	6
Adjusted NAV per share[(3)]	**520.2p**	437.8p	19
Cash flow from operations	**£30.8m**	£30.2m	2
Occupied space at year end [(4)]	**1,817k sq ft**	1,780k sq ft	2

[1] *See note 10* [2] *See note 12* [3] *See notes 12 and 14* [4] *See Portfolio summary*

- Revenue increase of 11% in the year, with same store revenue growth of 5.5%
- EBITDA before non-recurring items and revaluation movements up 17% to £29.6 million
- Adjusted profit before tax down 6% due to higher interest cost in the year
- Full year dividend increased by 6% to 9.5p
- Adjusted net assets per share up significantly to 520.2p
- Occupied space of 1,817k sq ft at 31 March 2008 (December 2007: 1,800k sq ft; March 2007: 1,780k sq ft)
- 48 stores open at 31 March 2008 providing 3.0 million sq ft of self storage space
- Six stores opened during the year, including Fulham, our flagship store
- Ten freehold sites acquired during the year, four in London, plus sites in Birmingham, Sheffield, Edinburgh, Camberley, Reading and Guildford. Freeholds of Cheltenham and Chelmsford stores acquired in the year
- Pipeline of 22 sites and one extension site to provide an additional 1.5m sq ft at an estimated total cost of £242 million, 52% by capacity in London
- Nine planning consents obtained since 1 April 2007
- Establishment of £150 million partnership with Pramerica to develop Big Yellow stores in the Midlands, North of England and Scotland

Nicholas Vetch, Chairman of Big Yellow commenting on the outlook said:

"Trading conditions are likely to remain difficult for some time, however we have spent much time planning for a more testing environment. The Group has a strong brand, an unmatchable portfolio of stores owned largely freehold together with significant available financing, over £350 million of property assets uncharged, and a first class partner in our Pramerica joint venture.

These moments always provide opportunity for those well positioned. Land availability and planning barriers have always acted as a significant barrier but in addition we believe that the current environment will considerably reduce the competitive threat for sites, which we fully intend to exploit."

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Notes to Editors

Big Yellow Group PLC is one of the leading and most dynamic self-storage groups in the UK. It was founded in 1998 by Nicholas Vetch, Philip Burks and James Gibson and listed on AIM in May 2000, moving to the Official List of the London Stock Exchange in 2002.

Big Yellow has expanded rapidly and now operates from 47 stores in London and the South, and one in Leeds (trading in Big Yellow Limited Partnership), with a further 23 stores in development and of the 70, 60 are held freehold and three long leasehold. All the stores have the distinct yellow branding, in accessible main road locations, with the majority being within the M25 or in strong urban conurbations. When fully built out the portfolio will provide approximately 4.5 million sq ft of flexible storage space.

The Group has pioneered the development of the latest generation of self-storage facilities, which utilise state of the art technology and are located in high profile, main road locations. Its focus on the location and visibility of its buildings, coupled with excellent customer service, has created the most recognised brand name in the UK self-storage industry.

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AUDITED RESULTS FOR THE YEAR AND FOURTH QUARTER ENDED 31 MARCH 2008

Chairman's Statement

Big Yellow Group PLC, the UK's leading self storage brand, ("Big Yellow", "the Group" or "the Company"), is pleased to announce results for the year ended 31 March 2008.

Trading conditions are difficult, but in the circumstances, we believe that the Group's results are satisfactory.

In spite of the difficult conditions, we were pleased to have continued our strategy of site acquisitions and store openings, and have acquired the freeholds of our stores in Cheltenham and Chelmsford.

In order to further develop our expansion into the North and Midlands, in November 2007 we were pleased to announce that we formed a £150 million partnership with Pramerica Real Estate Investors.

At the end of March 2008 we opened our flagship store in Fulham. This innovative store includes the first wine self storage in the UK, with 480 climate controlled cellars, with the same benefits as self storage, including accessibility, flexibility and convenience.

Financial Results

Revenue for the year was £56.9 million (2007: £51.2 million), an increase of 11%. Revenue for the fourth quarter was £13.9 million up by 9% from the same quarter last year (after adjusting for £1.2 million surrender premium received in March 2007). The quarterly revenue has decreased by 3% from £14.4 million for the third quarter ended 31 December 2007. 1% of this fall is due to 1 less day in the quarter and the remainder due to increased promotions.

Earnings before non-recurring items and revaluation movements increased by 17% in the year to £29.6 million.

Profit before tax for the year was £101.8 million down from £152.8 million last year. After adjusting for the gain on the revaluation of investment properties and other matters (see note 10), the Group made an adjusted profit before tax in the period of £13.3 million, down 6% from £14.2 million in 2007. The decline was primarily due to a higher interest cost in the current financial year as a result of the increased development pipeline of £103 million.

We do not currently capitalise interest against our development pipeline, however from 2009 International Accounting Standards requires us to do this. We are therefore planning to adopt a policy of capitalising interest against our development pipeline from 1 April 2008.

The basic earnings per share for the year was 89.20 pence (2007: 192.97 pence) and the fully diluted earnings per share was 88.53 pence (2007: 190.31 pence). This reduction is due to the lower revaluation gains reported in the period and the prior year release of deferred taxation following the Group's conversion to a REIT (see note 9). Adjusted earnings per share based on adjusted profit after tax was 11.20 pence (2007: 10.01 pence) (see note 12).

Cash generated from operations rose to £30.8 million in the year (2007: £30.2 million), an increase of 2%.

Net bank debt of £282.3 million at 31 March 2008 (2007: £187.9 million) represents approximately 33% (2007: 27%) of the Group's investment property and development property assets totalling £854.3 million (2007: £686.5 million) and 48% (2007: 38%) of the adjusted net assets of £582.8 million (2007: £491.2 million).

Dividend

The Board has proposed a final dividend of 5.5 pence per share, which brings the total declared dividend in respect of the results of the financial year to 9.5 pence per share (2007: 9.0 pence per share). For further information on the dividend, see the Financial Review.

Big Yellow Limited Partnership

In November 2007 we formed a £150 million partnership with Pramerica Real Estate Investors Limited to develop stores in the Midlands, the North and Scotland. Big Yellow has made a £25 million commitment, of which £5.7 million has been contributed to date. Pramerica will contribute £50 million of equity and the balance of the initial capital required will be funded by way of a committed £75 million development loan facility provided by Royal Bank of Scotland.

The Group sold five of its development sites, Edinburgh, Liverpool, Nottingham and two in Sheffield and its existing store in Leeds to the Partnership for a cash payment of £20.3 million. Big Yellow has also entered into conditional contracts to sell two more of its development sites in Manchester and Birmingham to the Partnership.

Big Yellow has an option to buy the assets in the Partnership at 31 March 2013. The Group is entitled to various acquisition, planning and construction fees and a carried interest geared to the success of the venture.

The effect of the venture is to increase our development capability in the Midlands, the North of England and Scotland whilst releasing financial resource for further expansion in London and the South. Additionally the fees earned will reduce the initial dilutive effect of our development programme.

We are pleased to have re-established our relationship with Pramerica, who were early backers of Big Yellow in 1999.

The total number of stores open and the capacity where discussed in this report include those wholly owned stores and those operated within Big Yellow Limited Partnership. The analysis of revenue and performance of stores as shown in the Portfolio summary is for the 47 wholly owned stores, and excludes the one trading store in the Partnership.

Valuation and Net Asset Value

The value of the investment property portfolio at 31 March 2008 was £750.9 million, up £160.8 million from £590.1 million at 31 March 2007. Of the £160.8 million movement £79.2 million is capital expenditure in the year and £93.7 million is the revaluation increase in the year, and the balance is the transfer of Leeds to Big Yellow Limited Partnership for £12.1 million.

The revaluation movement in the year comprises £56.7 million in respect of the six new stores opened in the year and £37.0 million in respect of the 42 stores open and valued at 31 March 2007.

In analysing the revaluation movement of the 42 stores above, we have excluded the store being redeveloped at Sheen and the two leasehold stores where we acquired the freehold in the year. This portfolio of 39 same stores shows a 6.5% increase in the value over the year, the majority of which occurred in the first six months. Of this 6.5% increase virtually all the growth was from improved cash flow performance. Since September 2007, 25 of these 39 stores decreased in value, partially due to an increase in exit cap rates and also due to changes of assumptions on operating cash flow performance.

The net yield of the portfolio of 47 wholly owned stores based on the net operating income at store level in the first year after the projected stabilisation of each store is 7.64% pre administration expenses and 7.02% post administration expenses (March 2007: 7.40% pre admin and 6.80% post admin).

The initial yield on the open store portfolio has reduced from 5.24% to 4.21% in the year following the opening of six new London stores, which are initially loss making, and this has caused much of the increase in the reversionary yield above.

Whilst there has been a significant outward yield movement for UK real estate assets, the yields have not increased as significantly for these types of self storage assets, due to a number of key factors:

- 4.5% average annual net storage rent increases over the last six years
- the assets have historically been conservatively valued
- this is an increasingly institutional asset class
- strong demand for institutional grade freehold self storage assets from both financial and trade buyers

The increase in value of the investment portfolio results in an adjusted fully diluted net asset value of 520.2p, an increase of 19% over the prior year. See note 14 for detailed valuation assumptions and adjustment to purchasers' cost assumptions.

92% by value of the Group's 47 wholly owned open stores are freehold (including one long leasehold). The freehold proportion will increase as we open stores in the development pipeline, all of which are freehold. We strongly believe that these assets will materially outperform our short leasehold assets due to the wasting nature of the latter. This is illustrated by the fact that the freeholds within the same store portfolio showed a valuation uplift in the year of 7.8%, compared to an uplift of 1.2% in respect of the seven short leasehold stores. Where opportunities present themselves in this market, we will purchase the freehold of our leasehold stores, as we did at Cheltenham and Chelmsford in the year.

Stores

At the year end, occupied space represented 1,817,000 sq ft, up 2% from 1,780,000 sq ft at the same time last year. This represents a 62% occupancy rate across all 47 stores open at the period end.

A table summarising the performance of these 47 directly owned stores over the year can be found in the portfolio summary.

The portfolio of 32 stores that were open for more than two years at the beginning of the period was 79% occupied at the end of the year, with an average occupancy during the year of 82%. In addition these 32 stores achieved EBITDA margins of 65% (2007: 64%) and, after an allocation of central overhead, net operating income margins of 59% (2007: 58%). The 25 freehold stores within this 32 achieved EBITDA margins of 71% in the year.

Same store revenue for these 32 stores increased 5.5% year on year, 4.4% as a result of increases in average storage rents; stable average occupancy and the balance from improved insurance sales. In addition from May 2008, we have put through an annual storage rent increase of approximately 6% across the whole store portfolio.

Property

We acquired ten freehold sites in the year, four in London and six outside London at Birmingham, Camberley, Edinburgh, Reading, and second sites in Guildford and Sheffield.

We now have 22 stores in the pipeline and one extension site at our existing Richmond store, which when fully developed will represent an additional 1.5 million sq ft and when open will provide the Group with a total of 70 stores and 4.5 million sq ft. The total development programme is £242 million, of which 1.1 million sq ft (£187 million total cost; of which £85 million has been spent to date) is wholly owned. 60% of our total stores and sites by area are located within the M25 and 63 are freehold or long leasehold. In the year we have opened six stores – all in London, whilst we closed our store at Sheen for redevelopment.

We have obtained planning consents on nine stores since 1 April 2007. In addition on a further five sites applications have been submitted and three more are close to being submitted.

We have decided to dispose of our sites at Blackheath and Bow South. We were unsuccessful in obtaining planning consent at Blackheath following a lengthy appeal process. The Bow South site was acquired as a relocation for our Bow store, which formed part of the Olympic Zone and was subject to a compulsory purchase order. That order has been lifted and therefore the Bow South site is surplus to requirements In addition we have been able to create an additional 20,000 sq ft of storage capacity at the existing Bow store.

At 31 March 2008, there was surplus land held in the balance sheet of £29.4 million (2007: £29.7 million), £16.3 million of which we are currently marketing for sale.

Our People

As we have consistently reported over the last seven years, the Big Yellow team has remained largely stable, both at Head Office and within the stores. Never complacent on this issue however, we are constantly investing in our people, which we believe is reflected in the very high customer satisfaction responses that we receive. 98% of our customers would recommend using Big Yellow to a friend.

I take this opportunity on behalf of the Board to thank David White for his significant contribution to the Group over the past eight years. David has been the senior non-executive over his time with the Group and will be retiring at the AGM in July of this year. His long experience and measured approach will be missed by me and my colleagues.

I am pleased to report that we will shortly be welcoming two new Non-Executive Directors to the Board. Tim Clark will be joining in August and Mark Richardson in July as Senior Non-Executive and Chairman of the Audit Committee respectively. Tim Clark has recently retired from a long career at Slaughter and May, the last seven of which was as senior partner. Mark Richardson is a senior audit partner, working in the real estate practice at Deloitte & Touche LLP, from which he will be shortly be retiring.

I am confident that both these appointments will make a significant contribution to the Board and I look forward to working alongside them.

I would like to take the opportunity of thanking all the people who work at Big Yellow for their continued efforts, loyalty and hard work which, at the risk of repetition, really does make the difference between success and failure in our business.

Outlook

Trading conditions are likely to remain difficult for some time, however we have spent much time planning for a more testing environment. The Group has a strong brand, an unmatchable portfolio of stores owned largely freehold together with significant available financing, over £350 million of property assets uncharged, and a first class partner in our Pramerica joint venture.

These moments always provide opportunity for those well positioned. Land availability and planning barriers have always acted as a significant barrier but in addition we believe that the current environment will considerably reduce the competitive threat for sites, which we fully intend to exploit.

Nicholas Vetch
Chairman
16 May 2008

Business Review

Introduction

This has been a challenging year for the Group, particularly in the second half of the year. Nevertheless, our performance has been resilient and we have continued to grow net asset value per share. Big Yellow has achieved substantial total returns to shareholders in the last five years with revenue, operating profit and net asset value increasing every year. These arise from a combination of factors including:

- a prime portfolio of freehold self storage properties
- successful acquisition and development of new stores
- the strength of operational management
- revenue growth
- improving cash flow and margins
- flexible and conservative financing

Business Objectives

In recent years, Big Yellow has established itself as the leading self storage brand in the UK (MORI National Survey, August 2007), a key objective set at flotation. The Group's strategy is to continue to invest in quality assets at the premium end of the self storage market and to build on our brand leadership nationally. We intend to measure our progress by commissioning quantitative research each year. We opened our first store outside our core area, in Leeds in 2005 and now have sites under development in Manchester, Liverpool, Nottingham, Birmingham, Edinburgh and two in Sheffield.

The main elements of our strategy remain:

- the roll-out of new freehold stores in major urban conurbations throughout the UK
- retaining a focus on London and the South East in the core group
- conservative financing using flexible bank borrowings secured against a prime freehold portfolio, and more recently the Partnership with Pramerica
- locating stores in visible, convenient and accessible locations
- an unwavering focus on customer service
- excellent operational and financial management generating strong cash-flow growth
- innovative and creative marketing
- an entrepreneurial and passionate culture, with accessible senior management encouraging innovation and dialogue throughout the business
- recruiting and retaining quality people into the business

Financing Objectives

Big Yellow's financing policy is to fund its current needs through a mix of debt and equity in building out the existing portfolio and achieving our strategic growth objectives, which we believe improves returns for shareholders.

We aim to ensure that there are sufficient medium term facilities in place to finance our committed development programme, secured against the freehold portfolio with debt serviced by our strong operational cash flows.

The core business is financed by a mixture of debt and equity which improves returns to shareholders. The level of bank debt in the business is closely monitored against the Board's policy guidelines, which currently require that the ratio of net debt to gross property assets is no greater than 50% and interest cover not less than 2 times based on net operating income, comfortably ahead of its banking covenants. However, it is acknowledged that there may be limited periods where income cover temporarily falls slightly below 2 as a result of known factors, for example a number of new store openings, as new freehold stores make a loss for the first three to six months before breaking even at the net operating income level.

Risk Management

The management of risk is a fundamental part of how we have controlled the development of Big Yellow since its formation in September 1998.

Self Storage Market Risk

The economy grew satisfactorily in the first half of 2007, with consumer spending remaining strong. The credit crunch, which started in August 2007 has clearly impacted the availability of mortgages to home owners which in turn has caused a significant reduction in housing market activity. This came on top of the additional costs from increasing interest rates over the previous year, and more latterly rising energy, food and transport prices. The combination of these factors has impacted confidence and decision making, which has slowed demand. We believe however that the structural need for self storage remains. We have increased storage rents to customers by 6.1% from May 2008. Over the last six years average net storage rental growth has been 4.5%.

Approximately 50% of our customers are in some way linked to the housing market, for example with customers renting storage space between house moves or whilst moving within the rental sector. We estimate that 15% of customers rent storage space as a spare room for lifestyle purposes and approximately 20% of customers use the product because some event has occurred in their lives generating the need for storage; they may be moving abroad for a job, have inherited furniture, are getting married or divorced, are students who need storage during the holidays, or homeowners developing into their lofts or basements. The balance of 15% of our customers are businesses ranging from start ups and market traders to retailers and larger multinationals storing stock, documents, equipment, or promotional materials all requiring a convenient flexible solution to their storage either to get started or to free up more expensive space.

Self storage is an immature market with further opportunity for significant growth. Awareness of self storage and how it can be used by domestic and business customers is relatively low throughout the UK, although higher in London. The rate of growth in branded self storage on main roads in good locations continues to be limited by the difficulty of acquiring sites at affordable prices and obtaining planning consent.

Big Yellow only invests in prime locations, developing high quality self storage centres in the large urban conurbations where the drivers in the self storage market and the barriers to competition are at their strongest.

We have a large current storage customer base of over 30,000 spread across the portfolio of open stores and many thousands more have used Big Yellow over the years. In any month customers move in and out at the margin resulting in changes in occupancy. This is a seasonal business and typically one sees growth over the spring and the summer months, with the seasonally weaker periods being the winter months. The performance in terms of occupancy, revenue and EBITDA of our stores can be seen from the Portfolio Summary.

Property Risk

We are continuing our expansion in key cities in the Midlands, the North of England and Scotland, with a target of opening a total of 25 stores in the next five years. We also retain our focus on growing the core business in London and the South of England, through the acquisition of key strategic sites. We continue to face significant competition for sites for these quality main road locations from other uses such as residential, hotel, car showroom and offices. We believe the current difficulties in the banking and capital markets clearly make access to capital required to fund growth more difficult and will slow down the growth in self storage store openings in the market generally. We believe that we are in a relatively strong position because of our strong balance sheet underpinned by our freehold property assets, with available banking facilities and an ability to access more if required.

The planning process remains difficult with planning consents taking approximately twelve months to achieve on average. In this competitive environment, we do take planning risk as it is necessary for us to acquire sites unconditionally, with planning and other property due diligence carried out under tight timescales. A slowing property market will provide opportunities to buy certain sites on a conditional basis, as we have with two of our recent acquisitions.

Big Yellow's management has significant experience in the property industry generated over many years and in particular in acquiring property on main roads in high profile locations and obtaining planning consents.

In the year under review we were successful in acquiring 10 sites, four in London and sites in Camberley, Reading, Birmingham, Edinburgh and second sites in Guildford and Sheffield. We now have a portfolio of 70 stores and sites (and one extension site) of which 48 are currently open and a further 10 have planning consents. We have surplus land of £29.4 million. Included in this is our second site at Bow, which was acquired at a time when our existing store was subject to a compulsory purchase order for the Olympic Zone. This order has fallen away, so we have made the decision to dispose of the site. Additionally, we have decided to sell our site in Blackheath, where we were unsuccessful in achieving planning permission.

We manage the construction of our properties very tightly. The building of each site is handled through a design and build contract, with the fit out project managed in-house using an established professional team of external advisors and sub-contractors who have worked with us for many years to our Big Yellow specification.

Stores

During the year we opened six stores, all in London (at Sutton, Ealing, Barking Central, Balham, Merton and our flagship 139,000 sq ft store at Fulham). We also closed our store in Sheen for comprehensive redevelopment into a new 60,000 sq ft store due to reopen in November 2008. These store openings bring the number now trading in the Group and the Partnership to 48. The available net lettable space increased by 458,000 sq ft over the year to 3.0 million sq ft with the opening of these six stores.

The maturity profile across the 47 wholly owned stores open at the end of the year is set out in the Portfolio Summary and shows a blended occupancy for the portfolio of 62% (1.8 million sq ft occupied), with the 32 stores more than two years old at an average occupancy of 82%, consistent with the prior year. The closing occupancy at 31 March 2008 was 79% against 82% in the prior year, reflecting the more difficult trading conditions experienced in the second half of the year.

There are a further 22 freehold sites (including five sites within Big Yellow Limited Partnership) and an extension site at Richmond. These sites are at various stages of planning and construction which, when fully developed, will increase the total capacity of the portfolio to 4.5 million sq ft.

10 of the 22 sites in the development pipeline are located in Greater London, which we believe will continue to improve the quality of our store portfolio. We have continued with our stated intention to acquire sites in key Northern cities, the Midlands and Scotland and set up Big Yellow Limited Partnership in the year with Pramerica Real Estate Investors to fund this expansion. We now have seven sites in the north, which will trade in the Partnership when open, in Birmingham, Edinburgh, Liverpool, Manchester, Nottingham and two in Sheffield. In addition, our 72,000 sq ft store in Leeds was acquired by the Partnership in November 2007.

We continue to work on obtaining planning consents for all future stores. We expect to open six stores in the current financial year, three within the core group, and three within the Partnership.

During the year we moved in over 40,000 customers taking 2.4 million sq ft compared to 42,000 customers taking 2.5 million sq ft last year. This resulted in the stores increasing occupancy by 37,000 sq ft (150,000 sq ft last year), after adjusting for the sale of Leeds and the closure of Sheen. Of the 48 stores open at the year end 43 are now trading profitably with the other five being the most recent to open.

The Big Yellow store model is now well established. The "typical" store contains 60,000 sq ft and takes some 2.5 to 3.5 years to achieve 85% occupancy. The average room size is some 60 sq ft and the average net rental achieved last year across the 47 wholly owned stores was £25.38 per sq ft per annum (the average rent in London is higher at £27.93 per sq ft per annum). The store is initially run by three staff – adding a part timer once the store occupancy justifies the need for the extra administrative and sales workload. Given that the operating costs of these assets are relatively fixed, larger stores in bigger urban conurbations, particularly London, drive higher revenues and higher operating margins.

The drive to improve store operating standards and consistency across the portfolio remains a key focus for the Group. Excellent customer service is at the heart of our business objectives, as a satisfied customer is our best marketing tool. From our surveys 98% of customers would recommend Big Yellow to a friend. We measure customer service standards through a programme of mystery shoppers and ex-customer surveys. We have in place a team of Area Managers who have on average been with Big Yellow for six years. They develop and support the stores to drive the growth of the business. Adrian Lee, Operations Director, is the Board member responsible for dealing with all customer issues.

The store bonus structure rewards occupancy growth, sales growth and cost control through setting quarterly targets based on occupancy and store profitability, including the contribution from ancillary sales of insurance and packing materials. Information on bonus build up is circulated monthly and stores are involved in preparing their own targets and budgets each quarter, leading to improved visibility, a better understanding of sales lines and control of operating costs.

The Group manages the construction and fit-out of its stores in-house, as we believe it provides both better control and quality, and we have an excellent record of building stores on time and within budget. The total construction spend in the year was £47 million. We currently have seven new stores on site, six of which will open in the financial year 2008/9.

We opened our Fulham store in March after our most complicated construction project to date, involving a six month demolition, and an 18 month construction period. The new store incorporates retaining a Victorian façade and a significant element of glazing, a double basement and five floors above ground. We have also developed Big Yellow Wine Cellars, the first wine self storage in the UK, with 480 private climate controlled cellars with the same benefits as self storage, including accessibility, flexibility and convenience. The cellars were formally launched on 13 May 2008, at a wine tasting launched by Oz Clarke, the celebrity wine personality.

We believe that as a customer facing real estate business it is paramount to maintain the quality of our estate and customer offering. We therefore continue to invest in a rolling programme of store makeovers, preventative maintenance, store cleaning and the repair and replacement of essential equipment, such as lifts and gates.

Sales and Marketing

During the year we completed a strategic review of our Marketing programme and we rolled out our new Brand proposition "Get some space in your life." This involved a complete re-design of our marketing materials, and was launched in April 2007 with an award winning TV, press and online advertising campaign. Our TV advertisement has won multiple awards including 'New Advertiser' and 'Best 30 second TV ad' at the British Television Advertising Awards. We have now integrated the new designs into all our marketing materials, including an updated signage package for new stores.

We are at the forefront of online innovation in the self storage industry, and during the year we launched the UK's first self storage online reservation and real-time pricing system. As a result of this, online enquiries now account for the majority of our sales prospects, and an increasing number of our customers are completing their reservations online. We are constantly looking to improve our e-commerce proposition and we will continue to lead the industry in this area.

We carry out annual awareness surveys and our Brand continues to grow strongly. Highlights from this year's survey include:

- We have achieved Brand awareness of 60% - 70% in our target groups in London & the South East, an increase of 30% over the previous year
- Our Brand awareness is now three times the level of our nearest competitor
- 80% of our customer base continues to fall within the top three ACORN customer categories
- Big Yellow leads the industry in terms of Brand preference, with more potential customers expecting to use Big Yellow than any other Brand

Source: Ipsos Mori, August 2007

A thorough understanding of self storage (ie a full awareness of the service provided and its benefits) remains relatively low at approximately 30%, and educating the public about our top quality service and facilities continues to be at the centre of our Marketing programme.

We continually monitor local market conditions and review our promotions regularly. Our strategy is to offer targeted promotions to ensure we are offering the best value available to our customers, whilst ensuring that we achieve our rental yield objectives. During the year our competitors have increased discounting significantly in order to attract new customers. Big Yellow continues to operate at the quality end of the market and, in spite of the competitive environment, we have controlled our discount level from scheduled rents to an average of 9.1% for the year.

Local marketing, selling standards and customer service at store level are also critical to building the brand and achieving customer loyalty and recommendations. We invest significantly in training and have a reward structure and performance monitoring systems which focus specifically on achieving sales and customer service objectives.

During the year the Group spent approximately £2.6 million (4.6% of our turnover) on marketing, in line with the previous year. It is our intention to continue to invest 4.25% to 4.5% of our turnover to increase awareness of Big Yellow in existing and new markets, particularly as we expand into new cities across the country.

Security

The safety and security of our customers and stores remains a key priority. To achieve this we invest in state of the art access control systems, individual room alarms, digital CCTV systems, intruder and fire alarm systems and the remote monitoring of all our stores out of our trading hours.

We have implemented customer security procedures in line with advice from the Metropolitan Police and continue to work with the regulatory authorities on issues of security, reviewing our operational procedures regularly. The importance of security and the need for vigilance is communicated to all store staff and reinforced through training and we have continued to run courses to enhance the awareness and effectiveness of our procedures in relation to security, entitled “You and your customer”.

People

At Big Yellow we aim to provide a lively, fun and enjoyable work environment, without losing our commitment to the best customer service and standards of performance.

As the business has grown it has been necessary to formalise the means by which ideas and policy changes are communicated and discussed with employees. We hold regular consultation meetings with employees, both formally and informally, and our directors and senior management spend significant time in the stores and are accessible to employees at all levels. An annual Employee Attitude Survey provides the management with key feedback and guidance as to where to focus its resources in each year.

We encourage a partnership culture within the business and believe in staff participating in corporate performance through share incentives. Many employees have benefited, or continue to benefit, from share options granted in previous years and from an HMRC approved Sharesave Scheme. This provides an opportunity to invest in the future success of Big Yellow at a discount to the prevailing share price at the date of each invitation.

In addition, a stakeholder pension scheme managed by Friends Provident provides pension provision within the Group and has been taken up by 70% of employees eligible to join.

We had 248 full, part time and casual employees in the business at the year end (2007: 226 employees), and recruiting and retaining the right calibre people remains critical to the continued success of Big Yellow. We promote the individual development of staff through training and regular performance appraisals and delivered over 700 days training to employees in the last year, equating to an average of approximately 3 days training per employee. In the stores over 60% of the managerial posts have been filled by internal promotions. We have a policy on flexible working to meet individual needs where possible, without compromising corporate objectives.

Financial Review

Financial Results

Annualised revenue, the measure of store related revenue being billed (net of all discounts) at the end of the year, increased to £53.5 million, up from £49.6 million last year (excluding Leeds and Sheen), an increase of 8%. Revenue for the year was £56.9 million, up 11% from £51.2 million for 2007. Included in revenue in the prior year is a lease surrender premium received of £1.2 million, which was a one-off non-recurring item. The year on year revenue growth excluding this premium is 14%.

Other sales (included within the above), comprising the selling of packaging materials, insurance and storage related charges represented 17% of storage income for the year (2007: 16%) and generated revenue of £7.9 million for the year, up 22% from £6.5 million in 2007 (excluding Leeds and Sheen).

The EBITDA margin improved from 64% to 65% for the 32 stores open for more than two years, due to the growth in revenues with the increase in same store operating costs controlled at 2%.

The Group made a profit before tax in the year of £101.8 million, down from £152.8 million in the prior year. The main difference is due to the revaluation of the open store portfolio being £93.7 million against £138.3 million last year.

After adjusting for the gain on the revaluation of investment properties and other matters shown in the table below the Group made an adjusted profit before tax in the year of £13.3 million, down 6% from £14.2 million in 2007. This was principally caused by a higher interest cost in the year.

Profit before Tax Analysis	**2008 £m**	**2007 £m**
Profit before tax	101.8	152.8
Gain on revaluation of investment properties	(93.7)	(138.3)
Movement in fair value on interest rate derivatives	3.4	(0.7)
Losses on non-current assets	0.5	1.1
Tenant surrender premium	-	(1.2)
Non-recurring indirect tax costs	0.3	-
REIT conversion costs	0.2	0.5
Establishment of Big Yellow LP	0.6	-
Share of non-recurring costs in associate	0.2	-
Adjusted profit before tax	13.3	14.2

The basic earnings per share for the year was 89.20p (2007: 192.97p) and the fully diluted earnings per share was 88.53p (2007: 190.31p). The fall is due to the lower revaluation gains as described above and also because the prior year figure was inflated by the release of deferred taxation following the Group’s conversion to a REIT. Adjusted earnings per share based on adjusted profit after tax was 11.20p (2007: 10.01p) (see note 12).

Administration Expenses including the cost of construction management were higher at £6.7 million compared to £5.6 million in 2007. There were additional costs in 2008 relating to the establishment of Big Yellow Limited Partnership of £0.5 million (including irrecoverable VAT), coupled with additional head office staff and inflationary increases. We also incurred additional central marketing costs in the year of £0.4 million.

Interest Expense on Bank Borrowings for the year increased to £15.8 million up from £11.1 million in 2007 reflecting the increase in net borrowing over the period, coupled with the rise in interest rates. The average cost of borrowing during the year was 6.3% against 5.7% in the prior year. £1.2 million of the increase in the interest payments is due to the rise in interest rates and £3.5 million due to the increased average borrowings.

Finance costs have increased in the income statement from £12.8 million to £20.8 million because of the increase in interest as above, but also due to the £3.4 million negative fair value adjustment on the interest rate swaps at the year end.

The interest cost to the Group is increased by the £103 million development pipeline that the Group currently has, the interest against this cost has not been capitalised. If interest had been capitalised, the Group's adjusted profit, would have been approximately £5 million higher for the year. From 1 April 2008, in accordance with changes to International Accounting Standards, we will capitalise interest against our development pipeline.

During the second half of the year, we have been paying our floating rate debt over 1 month LIBOR, rather than 3 month LIBOR which has been at elevated levels due to the illiquidity in the inter bank lending market.

The average cost of borrowing including margin at 31 March 2008 is set out below:

	Amount of debt 2008 £ million	**Weighted average interest cost 31 March 2008**	**Weighted average interest cost 31 March 2007**
Fixed rate debt (including callable swaps)	140	6.1%	6.0%
Variable rate debt (including £50 million collar)	144	6.4%	6.4%
Total debt	284	6.2%	6.3%

REIT Conversion

The Group converted to a Real Estate Investment Trust ("REIT") on 15 January 2007. Since then we have benefited from a zero tax rate on our qualifying self storage earnings. We only pay tax on the profits attributable to our residual business, comprising primarily of the sale of packing materials and insurance, and fees earned from Big Yellow Limited Partnership and the franchise operation.

The cost of conversion was £12.0 million which was paid in July 2007. The charge is subject to final agreement with HMRC.

REIT status gives the Group exemption from UK corporation tax on profits and gains from its qualifying portfolio of UK stores. Future revaluation gains on these developments and our existing open stores will be exempt from corporation tax on capital gains, provided certain criteria are met.

The Group has a rigorous internal system in place for monitoring compliance with criteria set out in the REIT regulations. On a monthly basis, a report to the Board on compliance with these criteria is carried out. To date, the Group has complied with all REIT regulations, including forward looking tests.

Taxation

The current year tax credit for the Group of £0.8 million arises principally from a deferred tax asset arising in respect of the negative fair value adjustment from our derivatives which relates to the residual business (2007: credit of £60.4 million, arising principally from the release of deferred tax net of the conversion charge).

The Group's actual cash tax liability for the year is £0.1 million which relates to the conversion charge payable on the site acquired at New Cross by way of the purchase of a company. There is a tax loss of £0.3m arising in the residual business, mainly due to tax deductions in connection with share options exercised by employees. A deferred tax asset has been recognised on this loss.

Dividends

The Group's dividend policy is to pay a dividend based on 90% of our tax exempt recurring cash earnings, without further deduction for additional shadow capital allowances. At present our tax exempt business represents 88% of our business.

In the current year we are recommending a final dividend payment of 5.5p per share. Taken together with the interim dividend of 4p, this makes a full year declared dividend of 9.5p per share (2007: 9.0p), which represents a 6% increase. Of the proposed final dividend of 5.5p, 0.15p is the property income dividend ("PID") element.

As a REIT the Group's dividend will consist of two components; the PID from the REIT qualifying activities and a dividend distribution from our non-qualifying activities (non-PID). The aggregate of these two components will still be known as our total dividend. We are obliged to withhold tax from certain shareholders at a 20% rate from the PID element of the dividend. Our total dividend is therefore a gross dividend.

Subject to approval by shareholders at the Annual General Meeting to be held on 9 July 2008, the final dividend will be paid on 16 July 2008 to shareholders on the Register on 13 June 2008.

Big Yellow Limited Partnership

In November 2007 we established Big Yellow Limited Partnership with Pramerica Real Estate Investors Limited ("Pramerica").

Structure

The Group is committing £25 million to the venture, and Pramerica £50 million, resulting in a one third, two thirds equity split. The Board of the Partnership comprises two representatives of both Pramerica and Big Yellow.

The Group sold five of its development sites and its existing store in Leeds to the Partnership for a cash payment of £20.3 million, which resulted in a surplus of £0.5 million arising in the Group. The Group has also entered into conditional contracts to sell two more of its development sites at Manchester and Birmingham to the Partnership. The total cost of these seven development sites in the Partnership is £55 million, providing an additional 435,000 sq ft of storage when opened.

In the case of Birmingham it is intended that Big Yellow will develop the store which will be transferred to the Partnership prior to completion at cost plus a small surplus.

In the case of Manchester, Big Yellow has previously entered into a conditional agreement with Crosby Homes (North West) Limited ('Crosby'), for the development of a significant sized mixed use scheme to include the shell of an 80,000 sq ft self storage centre to be developed at the expense of Crosby. In the event that the conditions of that agreement are satisfied, then Big Yellow will fit out the store at its own cost and prior to its completion transfer the store to the Partnership at the then open market value.

To date the Group has reinvested £5.7 million into the Partnership. The balance of our £25 million committed equity will be contributed over the development life of the Partnership.

The Group earns certain property acquisition, planning, construction and operational fees from the Partnership. For the 4 month period to 31 March 2008, these fees amounted to £138,000.

Funding

A five year term development loan of £75 million has been secured from the Royal Bank of Scotland plc to further fund the Partnership. £15 million of this loan has now been syndicated to HSBC plc. The Partnership has decided to swap out all drawdown amounts through to 30 June 2013 as each drawdown takes place, so the loan will be 100% hedged. Interest is capitalised within the Partnership. The weighted average interest cost at 31 March 2008 was 6.65% including margin.

Results

In the consolidated accounts of Big Yellow Group PLC, the Partnership is treated as an associate. We have adopted equity accounting for the Partnership, so that our share of the Partnership's results are disclosed in operating profit and our net investment is shown in the balance sheet within "Investment in Associate". We have provided in note 13e the balance sheet and income statement of the Partnership. During the four month period from its commencement of trading to 31 March 2008, the Partnership made a loss of £748,000, of which Big Yellow's share was £249,000. After adjusting for non-recurring items, the Partnership made a recurring loss of £21,000, of which the Group's share is £7,000.

The Partnership is tax transparent, so the Limited Partners are taxed on any profits.

Big Yellow has an option to purchase the assets contained within the Partnership or the interest in the Partnership which it does not own exercisable from the 31 March 2013. On exit whether by way of exercise of the options or a sale to a third party, Big Yellow is entitled to certain promotes, which would result in Big Yellow sharing in the surplus created in the partnership.

Balance Sheet

The Group's 48 stores (including one store closed for redevelopment) at 31 March 2008, which are classified as investment properties, have been re-valued by Cushman & Wakefield (C&W) and this has resulted in a gross property asset value of £854.3 million, comprising £692.3 million (81%) for the 41 freehold (including one long leasehold) open stores, £58.6 million (7%) for the seven short leasehold open stores and £103.4 million (12%) for development properties. The properties held for development have not been externally valued and have been included in the balance sheet at historical cost less provision for impairment.

As in the prior year, we have instructed an alternative valuation on our assets using a purchaser's cost assumption of 2.75% (see note 14 for further details) to be used in the calculation of our adjusted diluted net asset value. This Red Book valuation on the basis of 2.75% purchaser's costs, results in a higher property valuation at 31 March 2008 of £784,550,000 (£33,640,000 higher than the value recorded in the financial statements or 28.4 pence per share).

The revised valuation translates into an adjusted net asset value per share of 520.2 pence (2007: 437.8 pence) after the dilutive effect of outstanding share options (see table below).

Analysis of Net Asset Value	**2008**	**2007**
Basic net asset value (£m)	580.1	488.0
Exercise of share options (£m)	2.7	3.3
Diluted net asset value (£m)	582.8	491.3
Adjustments:		
Deferred tax on fair value of interest rate swaps (£m)	-	(0.1)
Balance sheet adjusted net asset value (£m)	582.8	491.2
Basic net assets per share (pence)	505.8	428.3
Diluted net assets per share (pence)	491.8	416.0
Balance sheet adjusted net assets per share (pence)	491.8	415.8
Diluted shares used for calculation (million)	118.5	118.1
Balance sheet adjusted net asset value (as above) (£m)	582.8	491.2
Valuation methodology assumption (see note 14) (£m)	33.6	25.9
Adjusted net asset value (£m)	616.4	517.1
Adjusted net assets per share (pence)	520.2	437.8

Valuation

The value of the investment property portfolio at 31 March 2008 was £750.9 million, up £160.8 million from £590.1 million at 31 March 2007. Of the £160.8 million movement £79.2 million is capital expenditure in the year and £93.7 million is the revaluation increase in the year, and the balance is the transfer of Leeds to Big Yellow Limited Partnership for £12.1 million.

The revaluation movement in the year comprises £56.7 million in respect of the six new stores opened in the year and £37.0 million in respect of the 42 stores open and valued at 31 March 2007.

The anticipated initial yield on the portfolio in the following year, as represented by net operating income at store level, is 4.21%, rising to 7.02% in the year following stabilisation of each store. The stabilised reversionary yield has increased from 6.80% at 31 March 2007 to 7.02% at 31 March 2008, largely as a result of the opening of six new stores in the year which has depressed the initial yield and increased the reversionary yield.

In common with other real estate groups, we have calculated the total return to our equity shareholders based on the increase in fully diluted net assets per share plus dividends paid in the year. As can be seen from the table below Big Yellow achieve total returns to shareholders of 21.0% (91.9 pence per share).

	2008	2007	Movement
NAV per share	505.8p	428.3p	18%
Adjusted diluted NAV per share (see note 12)	520.2p	437.8p	19%
Dividend paid per share	9.5p	6.5p	46%
Total return per share	91.9p	147.3p	(38)%
Total return	21.0%	49.6%	

Financing and Treasury

The Group is strongly cash generative operationally and draws down from its longer term committed facilities as required to meet obligations.

A summary of the cash flow for the year is set out in the table below:

	Year ended 31 March	
	2008 £'000	2007 £'000
Cash flow from operations	30,752	30,198
Finance costs (net)	(16,364)	(13,472)
Free cash flow	14,388	16,726
Capital expenditure	(110,886)	(96,007)
Asset sales	30,827	2,165
Investment in associate	(5,703)	-
Ordinary dividends	(10,860)	(7,051)
REIT conversion charge paid	(11,997)	-
Issue of share capital	876	38,377
Purchase of own shares	(1,084)	-
Increase in borrowings	94,000	33,707
Net cash outflow	(439)	(12,083)
Opening cash and cash equivalents	2,110	14,193
Closing cash and cash equivalents	1,671	2,110

The free cash flow reduced during the year, reflecting the increased bank borrowing costs incurred by the Group.

Borrowings

We focus on improving our cash flows and we currently have healthy interest cover of two times with a relatively conservative debt structure secured principally against the freehold estate. The Group was in compliance with its bank covenants at 31 March 2008, and we forecast to be in compliance with our banking covenants in the foreseeable future.

At the end of the year, the Group had net bank borrowings of £282.3 million, an increase of £94.4 million over last year following £116.5 million of capital expenditure, £16.4 million of net interest paid (including finance lease costs), the REIT conversion charge payment of £12.0 million, dividend payments of £10.9 million, net cash outflows from changes in share capital of £0.2 million, offset by operating cash flow of £30.8 million, and land disposal proceeds of £30.8 million.

The Group has a syndicated bank facility with the Royal Bank of Scotland, Bank of Ireland, Barclays and Lloyds TSB of £325 million. This facility is secured on a portfolio of 33 freehold and leasehold assets. Net debt at the end of March was £282.3 million, leaving £42.7 million of available facilities to fund expansion with significant balance sheet space given the low level of gearing. The Group currently has over £350 million of unsecured assets, and has a net debt to gross property assets ratio of 33%. The Group has a net debt to total equity ratio of 48.7%.

Treasury continues to be closely monitored and its policy approved by the Board. We maintain a keen watch on medium and long term rates and the Group's policy in respect of interest rates is to maintain a balance between flexibility and hedging of interest rate risk.

At 31 March 2008, the Group had total bank borrowings of £284 million of which 67% was hedged in the medium term. £190 million is hedged at maturities expiring between 2010 and 2012. £80 million of this relates to swaps fixed at 5.24% with a maturity of September 2012 which are callable quarterly by the counter-party bank. The Group's syndicated debt facility expires in April 2010. We intend to discuss with our banks the extension of this facility during the current financial year.

The Group does not hedge account its interest rate derivatives. Therefore movements in the fair value are taken to the income statement, but as recommended by EPRA (European Public Real Estate Association), these are eliminated from adjusted profit before tax and adjusted earnings per share.

Cash deposits are only placed with approved financial institutions in accordance with the Group's policy.

Share Capital

The share capital of the Company totalled £11.6 million at 31 March 2008 (2007: £11.5 million), consisting of 115,514,119 ordinary shares of 10p each (2007: 114,559,534 shares).

Shares issued for the exercise of options during the period amounted to 954,585 at an average exercise price of 93p.

During the year the Group purchased 100,000 of its own shares for Treasury at an average price of 529.1 pence per share. 100,000 were also purchased in the year at an average price of 549.6 pence per share and were transferred into an Employee Benefit Trust ("EBT"). 615,000 shares were purchased in 2005 at an average price of 132p, and were subsequently transferred into the EBT. These shares are shown as a debit in reserves and are not included in calculating earnings and net asset value per share.

	2008 No.	2007 No.
Opening shares	114,559,534	102,752,607
Shares issued by way of placing	-	9,100,000
Shares issued for the exercise of options	954,585	2,706,927
Closing shares in issue	115,514,119	114,559,534
Shares held in EBT and Treasury	(815,000)	(615,000)
Closing shares for NAV purposes	114,699,119	113,944,534

201,144,905 shares were traded in the market during the year ended 31 March 2008 (2007: 144,998,398). The average mid market price of shares traded during the year was 496p with a high of 684p and a low of 355p.

At 31 March 2008 there were 2,091,705 shares subject to share option awards to employees of the Group at an average strike price of 106p. In addition there are 1,559,914 nil paid options, granted under the Group's LTIP scheme and 157,919 share options granted under the Group's SAYE scheme at an average strike price of 294p.

Portfolio Summary

Years since opening as at 1 April 2007	March 2008 ≥ 2 years	March 2008 < 2 years	**March 2008 Total**	March 2007 ≥ 2 years	March 2007 < 2 years	March 2007 Total
Number of stores [(1)]	32	15	**47**	32	9	41
As at 31 March 2008						
Total capacity (sq ft)	1,944,000	1,002,000	**2,946,000**	1,944,000	544,000	2,488,000
Occupied space (sq ft)	1,537,000	280,000	**1,817,000**	1,597,000	183,000	1,780,000
Percentage occupied	79%	28%	**62%**	82%	34%	71%
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Annualised revenue	44,561	8,896	**53,457**	43,991	5,610	49,601
For the year:						
Average occupancy	82%	25%	**62%**	82%	21%	68%
Average annual rent psf	£25.07	£26.07	**£25.38**	£24.02	£24.73	£24.30
Self storage sales	39,956	6,530	**46,486**	38,294	2,825	41,119
Other storage related income[(2)]	6,445	1,424	**7,869**	5,722	759	6,481
Ancillary store rental income	93	21	**114**	49	89	138
Store revenue	46,494	7,975	**54,469**	44,065	3,673	47,738
Direct store operating costs (excluding depreciation)	(14,088)	(3,967)	**(18,055)**	(13,813)	(2,670)	(16,483)
Leasehold rent[(3)]	(2,184)	(43)	**(2,227)**	(2,261)	(43)	(2,304)
Store EBITDA[(4)]	30,222	3,965	**34,187**	27,991	960	28,951
EBITDA Margin[(5)]	65%	50%	**63%**	64%	26%	61%
Central overhead[(6)]	(2,790)	(479)	**(3,269)**	(2,643)	(220)	(2,863)
Store Net Operating Income	27,432	3,486	**30,918**	25,348	740	26,088
NOI Margin	59%	44%	**57%**	58%	20%	55%
Cumulative capital expenditure	**£m**	**£m**	**£m**			
to 31 March 2008	159.3	123.9	**283.2**			
to complete	-	5.2	**5.2**			
Total cost	159.3	129.1	**288.4**			

(1) The results above for both years exclude the trading and occupancy of Leeds (sold to Big Yellow LP in November 2007) and Sheen (closed for refurbishment in July 2007). The revenue earned from these two stores is shown in Note 3 of the financial statements.
(2) Packing materials, insurance and other storage related fees.
(3) Rent for 7 short and one long leasehold property accounted for as investment properties and finance leases under IFRS with total self storage capacity of 496,000 sq ft, plus rent for Chelmsford and Cheltenham until the dates that their freeholds were acquired (29 August 2007 and 15 January 2008 respectively).
(4) Earnings before interest, tax, depreciation and amortisation.
(5) Of stores open more than 2 years, the leaseholds achieved a store EBITDA of £6.5 million and EBITDA margin of 49%. The freeholds achieved a store EBITDA of £23.7 million and EBITDA margin of 71%.
(6) Allocation of overhead based on 6% of store revenue.

Consolidated income statement
Year ended 31 March 2008

	Note	2008 £'000	2007 £'000
Revenue	3	56,870	51,248
Cost of sales		(20,792)	(18,536)
Gross profit		36,078	32,712
Administrative expenses		(6,736)	(5,645)
Operating profit before gains and losses on property assets	5	29,342	27,067
Gain on the revaluation of investment properties	13a	93,687	138,349
Loss on non-current assets	10	(463)	(1,078)
Operating profit		122,566	164,338
Share of loss of associate	13e	(249)	-
Investment income	7	289	1,250
Finance costs	8	(20,769)	(12,751)
Profit before taxation		101,837	152,837
Taxation	9	770	60,391
Profit for the year (attributable to equity shareholders)		102,607	213,228
Basic earnings per share	12	89.20p	192.97p
Diluted earnings per share	12	88.53p	190.31p

Adjusted earnings per share are shown in Note 12.

All items in the income statement relate to continuing operations.

Consolidated balance sheet
31 March 2008

	Note	2008 £'000	2007 £'000
Non-current assets			
Investment property	13a	750,910	590,060
Development property	13a	103,358	96,393
Interests in leasehold properties	13a	22,274	27,038
Plant, equipment and owner-occupied property	13b	3,256	3,170
Goodwill	13c	1,433	1,433
Investment in associate	13e	5,454	-
Deferred tax asset	19	1,535	650
		888,220	718,744
Current assets			
Inventories		331	437
Trade and other receivables	15	7,465	6,982
Cash and cash equivalents		1,671	2,110
Derivative financial instruments	17	-	512
Assets classified as held for sale	13d	16,336	18,227
		25,803	28,268
Total assets		914,023	747,012
Current liabilities			
Trade and other payables	16	(21,898)	(25,586)
Current tax liabilities – REIT conversion charge	9	(90)	(11,997)
– Corporation tax liability		-	(71)
Obligations under finance leases	20	(1,958)	(2,306)
Derivative financial instruments	17	(2,870)	-
		(26,816)	(39,960)
Non-current liabilities			
Bank borrowings	18	(282,897)	(189,225)
Obligations under finance leases	20	(20,316)	(24,732)
Other payables	16	(3,889)	(5,116)
		(307,102)	(219,073)
Total liabilities		(333,918)	(259,033)
Net assets		580,105	487,979
Equity			
Called up share capital	21	11,551	11,456
Share premium account	22	41,645	40,864
Reserves	22	526,909	435,659
Equity shareholders' funds		580,105	487,979

Consolidated statement of recognised income and expense
Year ended 31 March 2008

	2008 £'000	2007 £'000
Current and deferred tax recognised in equity	96	(1,230)
Net income/(expense) recognised directly in equity for the year	96	(1,230)
Profit for the year	102,607	213,228
Total recognised income and expense for the period attributable to equity shareholders	102,703	211,998

Consolidated cash flow statement
Year ended 31 March 2008

	2008 £'000	2007 £'000
Operating profit	122,566	164,338
Gain on the revaluation of investment properties	(93,687)	(138,349)
Loss on non-current assets	463	1,078
Depreciation	1,369	1,349
Employee share options	491	336
Decrease/(increase) in inventories	106	(99)
Increase in receivables	(433)	(978)
(Decrease)/increase in payables	(123)	2,523
Cash generated from operations	30,752	30,198
Interest paid	(16,604)	(14,073)
Interest received	240	601
REIT conversion charge	(11,997)	-
Cash flows from operating activities	2,391	16,726
Investing activities		
Sale of non-current assets	10,500	2,165
Purchase of non-current assets	(110,886)	(96,007)
Sale of assets to associate	20,327	-
Investment in associate	(5,703)	-
Cash flows from investing activities	(85,762)	(93,842)
Financing activities		
Issue of share capital	876	38,377
Purchase of own shares	(1,084)	-
Equity dividends paid	(10,860)	(7,051)
Increase in borrowings	94,000	33,707
Cash flows from financing activities	82,932	65,033
Net decrease in cash and cash equivalents	(439)	(12,083)
Opening cash and cash equivalents	2,110	14,193
Closing cash and cash equivalents	1,671	2,110

Reconciliation of net cash flow to movement in net debt
Year ended 31 March 2008

	2008 £'000	2007 £'000
Net decrease in cash and cash equivalents in the year	(439)	(12,083)
Cash inflow from increase in debt financing	(94,000)	(33,707)
Change in net debt resulting from cash flows	(94,439)	(45,790)
Movement in net debt in the year	(94,439)	(45,790)
Net debt at the start of the year	(187,890)	(142,100)
Net debt at the end of the year	(282,329)	(187,890)

Notes to the financial statements
Year ended 31 March 2008

1. GENERAL INFORMATION

Big Yellow Group PLC is a Company incorporated in Great Britain under the Companies Act 1985. The address of the registered office is 2 The Deans, Bridge Road, Bagshot, Surrey, GU19 5AT. The nature of the Group's operations and its principal activities are set out in note 4 and in the Business Review.

These financial statements are presented in pounds sterling because that is the currency of the economic environment in which the Group operates.

2. BASIS OF PREPARATION

The financial information set out above (which was approved by the Board on 16 May 2008) has been compiled in accordance with IFRS, but does not contain sufficient information to comply with IFRS. That financial information does not constitute the Company's statutory accounts for the year ended 31 March 2008 for the purpose of Section 240 of the Companies Act 1985 which comply with IFRS, but is extracted from those accounts. The Company's statutory accounts for the year ended 31 March 2008 will be filed with the Registrar of Companies following the Annual General Meeting. The independent auditors' report on those accounts was unqualified and did not contain any statement under Section 237(2) or (3) of the Companies Act 1985. The Company's statutory accounts for the year ended 31 March 2007 have been filed with the Registrar of Companies. The independent auditors' report on those accounts was unqualified and did not contain any statement under Section 237(2) or (3) of the Companies Act 1985.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use in the European Union and therefore comply with Article 4 of the EU IAS Regulation and with those parts of the Companies Act 1985 that are applicable to companies reporting under IFRS. The Group has applied all accounting standards and interpretations issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee relevant to its operations and effective for accounting periods beginning on 1 April 2007. IFRS 7 Financial Instruments: Disclosures has been adopted but affects only disclosures and therefore has no material impact on the financial statements of the Group.

The financial statements have been prepared using accounting policies which have been applied consistently throughout the year and the preceding year.

3. REVENUE

Analysis of the Group's operating revenue and costs can be found below and in the Portfolio Summary.

	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Open stores				
Self storage income	46,486		41,119	
Other storage related income	7,869		6,481	
Ancillary store rental income	114		138	
Income from stores transferred to associate or closed for redevelopment	690		1,316	
		55,159		49,054
Stores under development				
Non-storage income	1,473		922	
Surrender premiums received	-		1,172	
		1,473		2,094
Fee income				
Fees earned from Big Yellow Limited Partnership	138		-	
		138		-
Franchise income				
Franchise fee received	100		100	
		100		100
Revenue per income statement		56,870		51,248

The Group also received investment income of £289,000 in the year ended 31 March 2008 (2007: £1,250,000).

4. 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, with the exception of £100,000 of income which arose in the Kingdom of Bahrain (2007: £100,000 of income which arose in the Emirate of Dubai).

5. PROFIT FOR THE YEAR

a) Profit for the year has been arrived at after:

	2008 £'000	2007 £'000
Depreciation of plant and equipment	650	652
Finance lease depreciation	719	697
Increase in fair value of investment property	(93,687)	(138,349)
Cost of inventories recognised as an expense	921	897
Employee costs (see note 6)	7,562	6,460
Operating lease rentals	75	57
Auditors' remuneration for audit services (see below)	140	138

b) Analysis of auditors' remuneration:

	2008 £'000	2007 £'000
Fees payable to the Company's auditors for the audit of the Company's annual accounts	133	128
Other services – audit of the Company's subsidiaries' annual accounts	7	10
Total audit fees	140	138
Tax services – advisory	46	-
Other services – establishment of Big Yellow LP	169	-
– REIT conversion	-	50
– independent review of interim report	27	25
– other	3	3
Total non-audit fees	245	78

6. EMPLOYEE COSTS

The average monthly number of employees (including Executive Directors) was:

	2008 Number	2007 Number
Sales	176	157
Administration	42	34
	218	191

At 31 March 2008 the total number of Group employees was 226 (2007: 208)

	£'000	£'000
Their aggregate remuneration comprised:		
Wages and salaries	6,102	5,266
Social security costs	707	638
Other pension costs	262	220
Share-based payments	491	336
	7,562	6,460

7. INVESTMENT INCOME

	2008 £'000	2007 £'000
Interest receivable on bank deposits	289	596
Change in fair value of interest rate derivatives	-	654
	289	1,250

8. FINANCE COSTS

	2008 £'000	2007 £'000
Interest on bank borrowings	15,846	11,124
Interest on obligations under finance leases	1,508	1,607
Change in fair value of interest rate derivatives	3,382	-
Other interest payable	33	20
	20,769	12,751

9. TAXATION

UK current tax	2008 £'000	2007 £'000
Current tax:		
- Current year	302	2,739
- Adjustment in respect of prior year	(71)	-
- REIT conversion charge	90	11,997
Deferred tax (see note 19):		
- Current year	(1,322)	(75,127)
- Adjustment in respect of prior year	154	-
- Adjustment in respect of change in tax rate	77	-
	(770)	(60,391)

A reconciliation of the tax credit is shown below:

	2008 £'000	2007 £'000
Profit before tax	101,837	152,837
Tax charge at 30% thereon	30,551	45,851
Effects of:		
Adjustment in respect of prior year	83	-
REIT conversion charge	90	11,997
Revaluation of investment properties post-REIT	(28,106)	(18,596)
Revaluation of investment properties pre-REIT	-	(22,908)
Permanent differences	303	(306)
Profits from the tax exempt business	(3,615)	(1,002)
Losses utilised in the year	(153)	-
Adjustment in respect of change in tax rate	77	-
REIT conversion release of deferred tax	-	(75,427)
Total tax credit	(770)	(60,391)

Analysis of deferred tax credit	2008 £'000	2007 £'000
Accelerated capital allowances	-	(3,068)
On revaluations and disposals	-	(72,059)
On losses and interest rate derivatives	(1,091)	-
Deferred tax credit	(1,091)	(75,127)

In addition to the current year income statement tax charge of £0.3 million, there is a debit to reserves of £0.2 million in respect of the current tax deduction and the deferred tax arising on potential future deductions under Schedule 23, in respect of the exercise of employee share options.

On 15 January 2007, the Group converted to a REIT. As a result the Group no longer pays UK corporation tax on the profits and gains from qualifying rental business in the UK provided that it meets certain conditions. Non-qualifying profits and gains of the Group continue to be subject to corporation tax as normal. On entering the REIT regime a conversion charge equal to 2% of the aggregate market value of the properties associated with the qualifying rental business was paid. The Group monitors its compliance with the REIT conditions. There have been no breaches of the conditions to date.

10. ADJUSTED PROFIT BEFORE TAX

	2008 £'000	2007 £'000
Profit before tax	101,837	152,837
(Gain)/loss on revaluation of investment properties – wholly owned	(93,687)	(138,349)
– in associate	187	-
Change in fair value of interest rate derivatives – group	3,382	(654)
– in associate	55	-
Loss on non-current assets	463	1,078
Tenant surrender premium	-	(1,172)
Non-recurring indirect tax cost	303	-
REIT conversion costs	209	493
Set up costs for Big Yellow Partnership	566	-
Adjusted profit before tax	13,315	14,233
Net bank and other interest	15,590	10,548
Depreciation	650	652
EBITDA pre non-recurring items and valuation movements	29,555	25,433

Adjusted profit before tax which excludes gains on revaluation of investment properties, changes in fair value of interest rate derivatives, losses on non-current assets and non-recurring items of income and expenditure have been disclosed to give a clearer understanding of the Group's underlying trading performance.

The loss on non-current assets in 2008 is £463,000, comprised of a provision against non-current assets of £1.0 million offset by a £537,000 profit on disposal of other development assets. (2007: provision against non-current assets held for sale of £1.1 million and a £22,000 profit on disposal of other development sites).

11. DIVIDENDS

	2008 £'000	2007 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 March 2007 of 5.5p (2006: 3.0p) per share.	6,278	3,065
Interim dividend for the year ended 31 March 2008 of 4p (2007: 3.5p) per share.	4,582	3,986
	10,860	7,051
Proposed final dividend for the year ended 31 March 2008 of 5.5p (2007: 5.5p) per share.	6,308	6,267

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The ex-dividend date will be 11 June; the record date 13 June; with an intended payment date of 16 July.

12. EARNINGS AND NET ASSETS PER SHARE

Earnings per ordinary share

	Year ended 31 March 2008			**Year ended 31 March 2007**		
	Earnings £m	**Shares Million**	**Pence per share**	**Earnings £m**	**Shares Million**	**Pence per share**
Basic	102.61	115.03	89.20	213.23	110.50	192.97
Adjustments:						
Dilutive share options	-	0.87	(0.67)	-	1.54	(2.66)
Diluted	102.61	115.90	88.53	213.23	112.04	190.31
Adjustments:						
Gain on revaluation of investment properties	(93.69)	-	(80.84)	(138.35)	-	(123.48)
Change in fair value of interest rate swaps	3.38	-	2.92	(0.65)	-	(0.58)
Loss on non-current assets	0.46	-	0.40	1.08	-	0.96
Non-recurring indirect tax cost	0.30	-	0.26	-	-	-
Tenant surrender premium	-	-	-	(1.17)	-	(1.04)
Set-up costs of Big Yellow Partnership	0.57	-	0.49	-	-	-
Share of associate non-recurring costs	0.24	-	0.21	-	-	-
REIT conversion costs	0.21	-	0.18	0.49	-	0.44
REIT conversion charge	0.09	-	0.08	12.00	-	10.71
Deferred tax	-	-	-	(75.13)	-	(67.06)
Tax effect of non-recurring items*	(1.19)	-	(1.03)	(0.28)	-	(0.25)
Adjusted	12.98	115.90	11.20	11.22	112.04	10.01

* - this takes into account the tax effect of the change in fair value of derivatives, the losses on non-current assets, the non-recurring indirect tax cost and the set up costs of Big Yellow Limited Partnership.

The calculation of basic earnings is based on profit after tax for the year. The weighted average number of shares used to calculate diluted earnings per share has been adjusted for the conversion of share options.

Adjusted earnings per ordinary share before non-recurring items, gains on revaluation of investment properties and on change in fair value of interest rate swaps and associated deferred tax balances, have been disclosed to give a clearer understanding of the Group’s underlying trading performance.

12. EARNINGS AND NET ASSETS PER SHARE (CONTINUED)

Analysis of net asset value	**As at 31 March 2008 £'000**	**As at 31 March 2007 £'000**
Basic net asset value	580,105	487,979
Exercise of share options	2,692	3,345
Diluted net asset value	582,797	491,324
Adjustments:		
Tax on fair value of interest rate swaps	-	(154)
Balance sheet adjusted net asset value	582,797	491,170
Basic net assets per share (pence)	505.8	428.3
Diluted net assets per share (pence)	491.8	416.0
Balance sheet adjusted net assets per share (pence)	491.8	415.8
Balance sheet adjusted net asset value (as above) (£'000)	582,797	491,170
Valuation methodology assumption (see below) (£'000)	33,640	25,890
Adjusted net asset value (£'000)	616,437	517,060
Adjusted net assets per share (pence)	520.2	437.8
Shares in issue	115,514,119	114,559,534
Own shares held	(815,000)	(615,000)
Basic shares in issue used for calculation	114,699,119	113,944,534
Exercise of share options	3,808,591	4,167,888
Diluted shares used for calculation	118,507,710	118,112,422

Net assets per share are shareholders' funds divided by the number of shares at the period end. The shares currently held in the Group's employee benefits trust and treasury shares (own shares held) are excluded from both net assets and the number of shares.

Adjusted net assets per share include:

- the effect of those shares issuable under employee share option schemes;
- the effect of alternative valuation methodology assumptions (see note 14); and
- tax on the fair value adjustment on interest rate swaps.

13. NON-CURRENT ASSETS

a) Investment property, development property and interests in leasehold properties

	Investment property £'000	Development property £'000	Interests in leasehold properties £'000
At 31 March 2006	410,470	57,988	26,647
Additions	2,115	73,231	-
Adjustment to present value	-	-	1,088
Reclassifications	39,126	(39,126)	-
Transfer from assets held for sale	-	4,300	-
Revaluation	138,349	-	-
Depreciation	-	-	(697)
At 31 March 2007	590,060	96,393	27,038
Additions	6,952	87,350	-
Purchase of freeholds	8,128	-	(3,753)
Adjustment to present value	-	-	(292)
Reclassifications	64,183	(64,183)	-
Transfer to assets held for sale	-	(8,506)	-
Revaluation (see note 14)	93,687	-	-
Disposals	(12,100)	(7,696)	-
Depreciation	-	-	(719)
At 31 March 2008	750,910	103,358	22,274

The income from self storage accommodation earned by the Group from its investment property is disclosed in note 3. Direct operating expenses arising on the investment property in the year are disclosed in the Portfolio Summary.

13. NON-CURRENT ASSETS (CONTINUED)

b) Plant equipment and owner occupied property

	Freehold Property £'000	Leasehold improve-ments £'000	Plant and machinery £'000	Fixtures, fittings & office equipment £'000	Total £'000
Cost					
At 31 March 2006	1,770	17	451	3,396	5,634
Additions	26	-	112	648	786
At 31 March 2007	1,796	17	563	4,044	6,420
Additions	62	27	44	647	780
Disposal to associate	-	-	-	(78)	(78)
At 31 March 2008	1,858	44	607	4,613	7,122
Depreciation					
At 31 March 2006	(6)	(17)	(158)	(2,417)	(2,598)
Charge for the year	(44)	-	(57)	(551)	(652)
At 31 March 2007	(50)	(17)	(215)	(2,968)	(3,250)
Charge for the year	(40)	(15)	(61)	(534)	(650)
Disposal to associate	-	-	-	34	34
At 31 March 2008	(90)	(32)	(276)	(3,468)	(3,866)
Net book value					
At 31 March 2008	1,768	12	331	1,145	3,256
At 31 March 2007	1,746	-	348	1,076	3,170

c) Goodwill

Goodwill relates to the purchase of Big Yellow Self Storage Company Limited in 1999. The asset is tested bi-annually for impairment. The carrying value of £1,433,000 remains unchanged from the prior year as there is considered to be no impairment in the value of the asset.

d) Assets classified as held for sale

The Group has land at five sites with a total historic cost of £18.0 million, which is carried at £16.3 million, after a provision for impairment of £1.7 million against two sites. Land at these five sites is surplus to requirements and the Group is currently marketing these assets for sale; they are ready for sale and completion is expected within the next 12 months. The balance at 31 March 2007 was £19.3 million cost and £18.2 million carrying value.

13. NON-CURRENT ASSETS (CONTINUED)

e) Investment in associate

The Group has a 33.3% interest in Big Yellow Limited Partnership. This interest is accounted for as an associate, using the equity method of consolidation. The Partnership commenced trading on 1 December 2007.

	31 March 2008 £'000	31 March 2007 £'000
At the beginning of the year	-	-
Subscription for partnership capital and advances	5,703	-
Share of results (see below)	(249)	-
	5,454	-

The figures below show the trading results of Big Yellow Limited Partnership, and the Group's share of the results and the net assets.

Big Yellow Limited Partnership	**Year ended 31 March 2008 £'000**	**Year ended 31 March 2007 £'000**
Income statement (100%)		
Revenue	252	-
Cost of sales	(190)	-
Administrative expenses	(24)	-
Operating profit	38	-
Loss on the revaluation of investment properties	(562)	-
Interest payable	(59)	-
Fair value movement of interest rate derivatives	(165)	-
Loss before and after tax	(748)	-
Balance sheet (100%)		
Investment property	11,830	-
Development property (including land held for resale)	10,909	-
Other fixed assets	50	-
Current assets	3,531	-
Current liabilities	(1,317)	-
Non-current liabilities	(8,642)	-
Net assets (100%)	16,361	-
Group share of (33.3%)		
Operating profit	13	-
Interest payable	(20)	-
Loss on the revaluation of investment properties	(187)	-
Fair value movement of interest rate derivatives	(55)	-
Loss for the period	(249)	-
Associate net assets	5,454	-

13 NON-CURRENT ASSETS (CONTINUED)

e) Investment in associate (continued)

The Partnership has in place a loan of £75 million, secured from Royal Bank of Scotland plc. The loan has a five year term and expires in 2013. The loan drawn down to date has been swapped to 30 June 2013, and has a weighted average interest cost of 6.64%.

14. VALUATIONS

	Deemed cost	Valuation	Revaluation on deemed cost
	£'000	£'000	£'000
Freehold Stores *			
As at 31 March 2007	192,951	521,420	328,469
Movement in period	79,080	172,250	93,170
Sale to associate	(6,067)	(12,100)	(6,033)
Transfer on purchase of freeholds	3,584	10,700	7,116
As at 31 March 2008	269,548	692,270	422,722
Leasehold Stores			
As at 31 March 2007	18,563	68,640	50,077
Movement in period	183	700	517
Transfer on purchase of freeholds	(3,584)	(10,700)	(7,116)
As at 31 March 2008	15,162	58,640	43,478
All Stores			
As at 31 March 2007	211,514	590,060	378,546
Movement in period	79,263	172,950	93,687
Sale to associate	(6,067)	(12,100)	(6,033)
As at 31 March 2008	284,710	750,910	466,200

* Includes one long leasehold property

The freehold and leasehold investment properties have been valued as at 31 March 2008 by external valuers, Cushman & Wakefield LLP, ("C&W"). The valuation has been carried out in accordance with the RICS Valuation Standards, 6th Edition as amended published by The Royal Institution of Chartered Surveyors ("the Red Book"). The valuation of each of the trading properties has been prepared on the basis of Market Value as a fully equipped operational entity, having regard to trading potential.

The valuation has been provided for accounts purposes and as such, is a Regulated Purpose Valuation as defined in the Red Book. In compliance with the disclosure requirements of the Red Book, C&W have confirmed that:

- The members of the RICS who have been the signatories to the valuations provided to the Group for the same purposes as this valuation have done so since September 2004.
- C&W have continuously been carrying out this valuation for the same purposes as this valuation on behalf of the Group since September 2004.
- C&W do not provide other significant professional or agency services to the Group.

14. VALUATIONS (CONTINUED)

- In relation to the preceding financial year of C&W, the proportion of the total fees payable by the Group to the total fee income of the firm is less than 5%.

Valuation methodology

C&W have adopted different approaches for the valuation of the leasehold and freehold assets as follows:

Freehold

The valuation is based on a discounted cash flow of the net operating income over a ten year period and notional sale of the asset at the end of the tenth year.

Assumptions

A. Net operating income is based on projected revenue received less projected operating costs together with a central administration charge representing 6% of the estimated annual revenue. The initial net operating income is calculated by estimating the net operating income in the first 12 months following the valuation date.

B. The net operating income in future years is calculated assuming straight line absorption from day one actual occupancy to an estimated stabilised/mature occupancy level. In the valuation the assumed stabilised occupancy level for the 48 stores (both freeholds and leaseholds) averages 85.80% (2007: 86.06%). The projected revenues and costs have been adjusted for estimated cost inflation and revenue growth.

C. The capitalisation rates applied to existing and future net cash flow have been estimated by reference to underlying yields for industrial and retail warehouse property, bank base rates, ten year money rates, inflation and the available evidence of transactions in the sector. On average, for all 48 stores, the yield (net of purchaser's costs) arising from the first year of the projected cash flow is 4.21% (2007: 5.24%). This rises to 7.02% (2007: 6.80%) based on the projected cash flow for the first year following estimated stabilisation in respect of each property.

D. The future net cash flow projections (including revenue growth and cost inflation) have been discounted at a rate that reflects the risk associated with each asset. The weighted average annual discount rate adopted (for both freeholds and leaseholds) is 10.36% (2007: 10.19%).

E. Purchaser's costs of 5.75% (see below) have been assumed initially and sale plus purchaser's costs totalling 6.75% are assumed on the notional sales in the tenth year in relation to the freehold stores.

Leasehold

The same methodology has been used as for freeholds, except that no sale of the assets in the tenth year is assumed but the discounted cash flow is extended to the expiry of the lease. The average unexpired term of the group's seven short leaseholds is 17.7 years (March 2007: nine short leaseholds, 18.8 years).

Valuation assumption for purchaser's costs

The Group's investment property assets have been valued for the purposes of the financial statements after deducting notional purchaser's cost of 5.75% of gross value, as if they were sold directly as property assets. The valuation is an asset valuation which is entirely linked to the operating performance of the business. They would have to be sold with the benefit of operational contracts, employment contracts and customer contracts, which would be very difficult to achieve except in a corporate structure. We believe therefore that the valuation assumptions should be adjusted to reflect the reality.

14. VALUATIONS (CONTINUED)

This approach follows the logic of the valuation methodology in that the valuation is based on a capitalisation of the net operating income after allowing a deduction for operational cost and an allowance for central administration costs. Sale in a corporate structure would result in a reduction in the assumed Stamp Duty Land Tax but an increase in other transaction costs reflecting additional due diligence resulting in a reduced notional purchaser's cost of 2.75% of gross value. All the significant sized transactions that have been concluded in the UK in recent years were completed in a corporate structure. We therefore instructed C&W to carry out a Red Book valuation on the above basis, and this results in a higher property valuation at 31 March 2008 of £784,550,000 (£33,640,000 higher than the value recorded in the financial statements or 28.4 pence per share). We have included this revised valuation in the adjusted diluted net asset calculation (see note 12).

15. TRADE AND OTHER RECEIVABLES

	31 March 2008 £'000	31 March 2007 £'000
Trade receivables	1,604	1,449
Other receivables	483	267
Prepayments and accrued income	5,378	5,266
	7,465	6,982

Trade receivables are net of a bad debt provision of £4,000 (2007: £33,000).

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Trade receivables

The Group does not typically offer credit terms to its customers and hence the Group is not exposed to significant credit risk. All customers are required to pay in advance of the storage period. A late charge of 10% is applied to a customers' account if they are greater than 10 days overdue in their payment. The Group provides for receivables on a specific basis. There is a right of lien over the customers' goods, so if they have not paid within a certain time frame, we have the right to sell the items they store to recoup the debt owed by the customer. Trade receivables that are overdue are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

For individual storage customers, the Group does not perform credit checks, however this is mitigated by the fact that all customers are required to pay in advance, and also to pay a deposit ranging from between 1 week's to 4 weeks' storage income. Before accepting a new business customer who wishes to use a number of the Group's stores, the Group uses an external credit rating to assess the potential customer's credit quality and defines credit limits by customer. There are no customers who represent more than 5 per cent of the total balance of trade receivables.

Included in the Group's trade receivable balance are debtors with a carrying amount of £167,000 (2007: £132,000 which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group holds a right of lien over the customers' goods if these debts are not paid. The average age of these receivables is 29 days past due (2007: 34 days past due).

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

Ageing of past due but not impaired receivables

	2008 £'000	2007 £'000
0 - 30 days	112	73
30 - 60 days	26	30
60 +days	29	29
Total	167	132

Movement in the allowance for doubtful debts

	2008 £'000	2007 £'000
Balance at the beginning of the period	33	4
Impairment losses recognised	-	29
Amounts written off as uncollectible	(29)	-
Balance at the end of the period	4	33

The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Ageing of impaired trade receivables

	2008 £'000	2007 £'000
0 - 30 days	-	-
30 - 60 days	2	3
60 + days	2	30
Total	4	33

16. TRADE AND OTHER PAYABLES

	31 March 2008 £'000	31 March 2007 £'000
Current		
Trade payables	8,738	5,283
Other payables	2,241	2,584
Accruals and deferred income	9,614	15,162
Amounts owed to associate	77	-
VAT repayable under Capital Goods Scheme	1,228	2,557
	21,898	25,586
Non current		
VAT repayable under Capital Goods Scheme	3,889	5,116

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The Directors consider the carrying amount of trade and other payables and accruals and deferred income approximates fair value. See note 18 for details of VAT repayable under Capital Good Scheme.

17. FINANCIAL INSTRUMENTS

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 18, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 22. The Group's banking facilities require hedging of 40% of the funds drawn. The Group has complied with this during the year.

Exposure to credit, interest rate and currency risks arises in the normal course of the Group's business. Derivative financial instruments are used to manage exposure to fluctuations in interest rates, but are not employed for speculative purposes.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

A. Balance sheet management

The Group's Board reviews the capital structure on an ongoing basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The Group seeks to have a conservative gearing ratio (the proportion of net debt to equity). The Board considers at each review the appropriateness of the current ratio in light of the above. The Board is currently satisfied with the Group's gearing ratio.

17. FINANCIAL INSTRUMENTS (CONTINUED)

The gearing ratio at the year end is as follows:

	2008 £'000	2007 £'000
Debt	(284,000)	(190,000)
Cash and cash equivalents	1,671	2,110
Net Debt	282,329	187,890
Balance sheet equity	580,105	487,979
Net debt to equity ratio	48.7%	38.5%

Debt is defined as long- and short-term borrowings, as detailed in note 18. Equity includes all capital and reserves of the Group attributable to equity holders of the parent. The Group is not subject to externally imposed capital requirements.

B. Debt management

The Group borrows through a senior term loan, secured on its existing store portfolio. Borrowings are arranged to ensure an appropriate maturity profile and to maintain short term liquidity. Funding is arranged through a syndicate of blue chip banks and financial institutions, with whom the Group has a strong working relationship.

C. Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

The group has the following interest rate derivatives in place (rate shown excludes margin):

- £10 million vanilla swap fixed at 5.11%, expiring in January 2010.
- £50 million expiring in 2010. This is subject to a structured collar which links to the variable rate, providing LIBOR is between 3.95% and 5.68%. The rate payable is capped if LIBOR is outside that range.
- £80 million fixed at 5.24% until September 2012. These swaps are callable quarterly by the bank.
- £50 million vanilla swap fixed at 5.4% until December 2012.

The Group does not hedge account for its interest rate swaps and states them at fair value, with changes in fair value included in the income statement. The loss in the income statement for the year of these interest rate swaps was £3,382,000 (2007: profit of £654,000). The fair value of the above derivatives was a liability of £2,870,000 (2007: asset of £512,000).

D. Interest rate sensitivity analysis

In managing interest rate risks the group aims to reduce the impact of short-term fluctuations on the Group's earnings, without jeopardising its flexibility. Over the longer term, permanent changes in interest rates may have an impact on consolidated earnings.

At 31 March 2008, it is estimated that an increase of one percentage point in interest rates would have decreased the group's annual profit before tax by £947,000 (2007: £1.33 million) and a decrease of one percentage point in interest rates would have increased the group's annual profit before tax by £1,440,000 (2007: £1.7 million). There would have been no effect on amounts recognised directly in

17. FINANCIAL INSTRUMENTS (CONTINUED)

equity. The sensitivity has been calculated by applying the interest rate change to the variable rate borrowings, net of interest rate swaps, at the year end.

E. Cash management and liquidity

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 18 is a description of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Short term money market deposits are used to manage liquidity whilst maximising the rate of return on cash resources, giving due consideration to risk.

F. Foreign currency management

The group does not have any foreign currency exposure.

G. Credit risk

The credit risk management policies of the Group with respect to trade receivables are discussed in note 15. The Group has no significant concentration of credit risk, with exposure spread over 30,000 customers in our stores.

The credit risk on liquid funds and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies, in line with the Group's policy which is to borrow from major institutional banks when arranging finance.

H. Financial maturity analysis

In respect of interest-bearing financial liabilities, the following table provides a maturity analysis for individual elements.

2008 Maturity

	Total £'000	Less than one year £'000	One to two years £'000	Two to five years £'000	More than five years £'000
Debt					
Bank loan payable at variable rate	144,000	-	-	144,000	-
Debt fixed by interest rate derivatives	140,000	-	-	140,000	-
Total	284,000	-	-	284,000	-

17. FINANCIAL INSTRUMENTS (CONTINUED)

2007 Maturity

	Total £'000	Less than one year £'000	One to two years £'000	Two to five years £'000	More than five years £'000
Debt					
Bank loan payable at variable rate	170,000	-	170,000	-	-
Debt fixed by interest rate derivatives	20,000	-	20,000	-	-
Total	190,000	-	190,000	-	-

The interest rate collar referred to in note 17c was paying on the variable rate at 31 March 2008 and 31 March 2007.

The Group's sensitivity to interest rates has decreased during the current period mainly due to the reduction in variable rate debt instruments and the increase in interest rate swaps.

I. Fair values of financial instruments

The fair values of the Group's cash and short term deposits and those of other financial assets equate to their book values. Details of the Group's receivables at amortised cost are set out in note 16. The amounts are presented net of provisions for doubtful receivables and allowances for impairment are made where appropriate. Trade and other payables, including bank borrowings, are carried at amortised cost. Finance lease liabilities are included at the fair value of their minimum lease payments. Derivatives are carried at fair value.

J. Maturity analysis of financial liabilities

The contractual maturities are as follows:

2008	Trade and other payables £'000	Interest rate swaps £'000	Borrowings and interest £'000	Finance leases £'000	Total £'000
From five to twenty years	15	-	-	29,116	29,131
From two to five years	2,645	1,306	284,193	6,007	294,151
From one to two years	1,227	1,146	17,608	2,002	21,983
Due after more than one year	3,887	2,452	301,801	37,125	345,265
Due within one year	12,207	(93)	17,608	2,002	31,724
Total	16,094	2,359	319,409	39,127	376,989

17. FINANCIAL INSTRUMENTS (CONTINUED)

2007	Trade payables £'000	Interest rate swaps £'000	Borrowings and interest £'000	Finance leases £'000	Total £'000
From five to twenty years	156	-	-	35,796	35,952
From two to five years	3,732	-	-	7,101	10,833
From one to two years	1,228	-	191,115	2,367	194,710
Due after more than one year	5,116	-	191,115	45,264	241,495
Due within one year	10,424	-	11,970	2,357	24,751
Total	15,540	-	203,085	47,621	266,246

K. Reconciliation of maturity analyses

The maturity analysis in note 17J shows contractual non-discounted cash flows for all financial liabilities including interest payments. The table below reconciles the borrowings column in note 18 with the maturity analysis presented in note 17J.

2008	Borrowings £'000	Interest £'000	Unamortised borrowing costs £'000	Borrowings and interest £'000
From two to five years	282,897	193	1,103	284,193
From one to two years	-	17,608	-	17,608
Due after more than one year	282,897	17,801	1,103	301,801
Due within one year	-	17,608	-	17,608
Total	282,897	35,409	1,103	319,409

2007	Borrowings £'000	Interest £'000	Unamortised borrowing costs £'000	Borrowings and interest £'000
From two to five years	-	-	-	-
From one to two years	189,225	1,115	775	191,115
Due after more than one year	189,225	1,115	775	191,115
Due within one year	-	11,970	-	11,970
Total	189,225	13,085	775	203,085

18. BANK BORROWINGS

Secured borrowings at amortised cost	31 March 2008 £'000	31 March 2007 £'000
Bank borrowings	284,000	190,000
Unamortised loan arrangement costs	(1,103)	(775)
	282,897	189,225

The bank borrowings relates to a syndicated senior debt facility, which is secured on a first charge of 33 of the Group's properties and are subject to certain covenants. The loan carries interest rate at 0.8% above LIBOR.

The weighted average interest rate paid on the bank borrowings during the year was 6.3% (2007: 5.7%).

The Group has £41,000,000 in undrawn committed borrowing facilities at 31 March 2008 which expire between two and three years (2007: £35,000,000 expiring between one and two years).

Interest rate profile of financial liabilities

	Total £'000	Floating rate £'000	Fixed rate £'000	Weighted average interest rate	Period for which the rate is fixed	Weighted average period until maturity
At 31 March 2008						
Gross financial liabilities	284,000	144,000	140,000	6.2%	4.5 years	3.2 years
At 31 March 2007						
Gross financial liabilities	190,000	170,000	20,000	6.3%	4.1 years	2.0 years

The floating rate at 31 March 2008 was 0.8% above one month LIBOR. All monetary liabilities, including short term receivables and payables are denominated in sterling.

The Director's estimate the fair value of the Group's borrowings and VAT payable under capital goods scheme as follows:

	2008		2007	
	Carrying amount £'000	Estimated fair value £'000	Carrying amount £'000	Estimated fair value £'000
Bank borrowings	284,000	286,870	190,000	189,488
VAT payable under capital goods scheme	5,117	4,331	7,673	6,680

The fair values have been calculated by discounting expected cash flows at interest rates prevailing at the year end.

Narrative disclosures on the Group's policy for financial instruments are included within the Business Review and note 17.

19. DEFERRED TAX

The movement and major deferred tax items are set out below:

	Revaluation of investment properties	Accelerated capital allowances	Deduction for share options	Other	Total
	£'000	£'000	£'000	£'000	£'000
At 31 March 2006	72,059	3,674	(4,547)	(606)	70,580
Recognised in income	22,908	127	-	439	23,474
Release of deferred tax provision	(94,967)	(3,801)	-	167	(98,601)
Recognised in equity	-	-	3,897	-	3,897
At 31 March 2007	-	-	(650)	-	(650)
Recognised in income	-	-	-	(1,091)	(1,091)
Recognised in equity	-	-	206	-	206
At 31 March 2008	-	-	(444)	(1,091)	(1,535)

Other deferred tax relates to an asset in relation to the fair value of derivatives of £804,000 (2007: £nil) and losses carried forward within the residual business of £287,000 (2007: £nil).

Temporary differences arising in connection with interests in associate are insignificant.

20. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value minimum of lease payments	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Amounts payable under finance leases:				
Within one year	2,002	2,357	1,958	2,306
Within two to five years inclusive	8,009	9,468	6,753	8,025
Greater than five years	29,116	35,796	13,563	16,707
	39,127	47,621	22,274	27,038
Less: Future finance charges	(16,853)	(20,583)		
Present value of lease obligations	22,274	27,038		

All lease obligations are denominated in sterling.

The fair value of the Group's lease obligations approximates their carrying amount.

21. SHARE CAPITAL

	Authorised		Called up, allotted and fully paid	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Ordinary shares at 10 pence each	20,000	20,000	11,551	11,456

	No.
Movement in issued share capital	
Number of shares at 1 April 2006	102,752,607
Exercise of share options – Share option scheme	2,706,927
Issue of shares	9,100,000
Number of shares at 31 March 2007	114,559,534
Exercise of share options – Share option scheme	954,585
Number of shares at 31 March 2008	115,514,119

The Company has one class of ordinary shares which carry no right to fixed income.

21. SHARE CAPITAL (CONTINUED)

At 31 March 2008 options in issue to Directors and employees were as follows:

Date option granted	Option price per ordinary share	Date first exercisable	Date on which the exercise period expires	Number of ordinary shares
5 May 2000	100p	5 May 2003	4 May 2010	278,400
30 November 2000	137.5p	30 November 2003	29 November 2010	2,500
1 June 2001	125.5p	1 June 2004	31 May 2011	165,000
4 June 2001	131.5p	4 June 2004	4 June 2011	521,000
8 November 2001	98p	8 November 2004	7 November 2011	125,492
15 May 2002	102p	15 May 2005	14 May 2012	511,789
16 December 2002	81.5p	16 December 2005	15 December 2012	356,381
2 July 2003	82.5p	2 July 2006	1 July 2013	110,512
11 November 2003	96p	11 November 2006	10 November 2013	20,000
27 September 2004	nil p**	27 September 2007	26 September 2014	138,000
6 June 2005	nil p**	6 June 2008	5 June 2015	443,332
21 July 2005	156p*	21 July 2008	20 January 2009	16,326
21 December 2005	225p*	21 December 2008	20 June 2009	12,796
9 June 2006	nil p**	9 June 2009	8 June 2016	470,832
18 August 2006	347p*	18 August 2009	17 February 2010	6,191
12 March 2007	554p*	12 March 2010	11 September 2011	317
13 July 2007	nil p**	13 July 2010	13 July 2017	507,750
30 August 2007	409p*	30 August 2010	28 February 2011	7,066
6 March 2008	310p*	6 March 2011	5 September 2011	115,224
				3,808,908

* SAYE (see note 23)

** LTIP (see note 23)

OWN SHARES

	£'000
Balance at 1 April 2007	812
Purchase of shares	1,084
Balance at 31 March 2008	1,896

The own shares reserve represents the cost of shares in Big Yellow Group PLC purchased in the market and held by the Big Yellow Group PLC Employee Benefit Trust to satisfy options under the Group's share options schemes. 715,000 shares are held in the Employee Benefit Trust (2007: 615,000) and 100,000 are held in Treasury (2007: nil).

22. MOVEMENTS IN EQUITY

Group	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Own shares £'000	Total £'000
At 31 March 2006	10,275	3,668	1,653	229,535	(812)	244,319
Profit for the financial year	-	-	-	213,228	-	213,228
Taxation	-	-	-	(1,230)	-	(1,230)
Dividends	-	-	-	(7,051)	-	(7,051)
Issue of shares	1,181	37,196	-	-	-	38,377
Share options	-	-	-	336	-	336
At 31 March 2007	11,456	40,864	1,653	434,818	(812)	487,979
Profit for the financial year	-	-	-	102,607	-	102,607
Taxation	-	-	-	96	-	96
Dividends	-	-	-	(10,860)	-	(10,860)
Purchase of own shares	-	-	-	-	(1,084)	(1,084)
Issue of shares	95	781	-	-	-	876
Share options	-	-	-	491	-	491
At 31 March 2008	11,551	41,645	1,653	527,152	(1,896)	580,105

The capital redemption reserve arose on the buy back of the Company's shares in the years ended 31 March 2003 and 31 March 2004.

The own shares balance is amounts held by the Employee Benefit Trust and in Treasury (see note 21).

23. SHARE BASED PAYMENTS

The Company has three equity share-based payment arrangements, namely approved and unapproved share option schemes, an LTIP scheme, and an Employee Share Save Scheme ("SAYE"). The Group recognised a total expense in the year related to equity-settled share-based payment transactions since 7 November 2002 of £491,000 (2007: £336,000).

Equity-settled share option plans

The Group granted options to employees under Approved and Unapproved Inland Revenue Share option schemes between 16 November 1999 and 11 November 2003. The Group's schemes provided for a grant price equal to the average quoted market price of the Group shares on the date of grant. The vesting period is three to ten years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Group before the options vest.

Since 3 September 2004 the Group has operated an Employee Share Save Scheme ("SAYE") which allows any employee who has more than six months service to purchase shares at a 20% discount to the average quoted market price of the group shares at the date of grant. The associated savings contracts are 3 years at which point the employee can exercise their option to purchase the shares or take the amount saved, including interest, in cash. The scheme is administered by Yorkshire Building Society.

On 27 September 2004, 6 June 2005, 9 June 2006 and 13 July 2007 the Group awarded nil-paid options to senior management under the Group's Long Term Incentive Plan ("LTIP"). The awards are conditional on the achievement of challenging performance targets. The awards granted on 27 September 2004 vested in full.

Share option scheme "ESO"	2008 No. of Options	2008 Weighted average exercise price (in £)	2007 No. of Options	2007 Weighted average exercise price (in £)
Outstanding at beginning of year	2,880,867	1.02	5,592,936	1.00
Granted during the year	-	-	-	-
Forfeited during the year	-	-	(14,861)	0.87
Exercised during the year	(789,792)	0.88	(2,697,208)	0.98
Outstanding at the end of the year	2,091,075	1.06	2,880,867	1.02
Exercisable at the end of the year	2,091,075	1.06	2,880,867	1.02

Options outstanding at 31 March 2008 had a weighted average contractual life of 3.7 (2007: 4.7) years.

23. SHARE BASED PAYMENTS (CONTINUED)

LTIP scheme	2008 No. of Options	2007 No. of Options
Outstanding at beginning of year	1,052,164	591,054
Granted during the year	507,750	470,832
Forfeited during the year	-	-
Exercised during the year	-	(9,722)
Outstanding at the end of the year	1,559,914	1,052,164
Exercisable at the end of the year	138,000	-

Options outstanding at 31 March 2008 had a weighted average contractual life of 8.1 years (2007: 8.5 years).

Employee Share Save Scheme ("SAYE").	2008 No. of Options	2008 Weighted average exercise price (in £)	2007 No of Options	2007 Weighted average exercise price (in £)
Outstanding at beginning of year	234,858	1.65	206,237	1.24
Granted during the year	187,976	3.31	40,943	4.29
Forfeited during the year	(100,122)	4.16	(11,072)	1.31
Exercised during the year	(164,793)	1.13	(1,250)	1.07
Outstanding at the end of the year	157,919	2.94	234,858	1.65
Exercisable at the end of the year	-	-	-	-

Options outstanding at 31 March 2008 had a weighted average contractual life of 2.9 years (2007: 1.3 years).

The inputs into the Black-Scholes model are as follows:

	ESO	LTIP	SAYE
Expected volatility	24%	26%	28%
Expected life	3 years	3 years	3 years
Risk-free rate	4.7%	4.8%	4.9%
Expected dividends	3.2%	3.7%	3.7%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the year prior to grant.

24. CAPITAL COMMITMENTS

Amounts contracted but not provided in respect of the Group's properties as at 31 March 2008 were £20.7 million (2007: £17.2 million).

25. EVENTS AFTER THE BALANCE SHEET DATE

There are no reportable events after the balance sheet date.

26. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions with Big Yellow Limited Partnership

As described in note 13, the Group has a 33% interest in Big Yellow Limited Partnership, and entered into transactions with the Partnership during the year on normal commercial terms.

During the year, the Group sold property with a book value of £19.8 million to Big Yellow Limited Partnership, a related party of the Group, for a total profit of £0.5m. The Group earned fees from Big Yellow Limited Partnership of £138,000. At 31 March 2008, the Group owed £77,000 to Big Yellow Limited Partnership.

No other related party transactions took place during the years ended 31 March 2008 and 31 March 2007.

Five Year Summary

	IFRS				UK GAAP
	2008	**2007**	**2006**	**2005**	**2004**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Results					
Revenue	56,870	51,248	41,889	33,375	23,830
Operating profit before gains and losses on property assets	29,342	27,067	21,645	15,030	4,719
Profit before taxation	101,837	152,837	118,547	42,836	1,243
Adjusted profit before taxation	13,315	14,233	12,601	7,791	N/A
Declared total dividend per share	9.5p	9.0p	5.0p	2.0p	1.05p
Key statistics					
Number of stores open*	48	43	37	32	29
Square footage occupied*	1,850,000	1,835,000	1,672,000	1,470,000	1,268,000
Number of customers*	30,500	30,100	27,800	24,600	20,400
Average number of employees during the year	218	191	178	160	140

The amounts disclosed for 2004 are stated on the basis of UK GAAP because it is not practicable to restate amounts for the period prior to the date of transition to IFRS.

* - includes stores trading in Big Yellow Limited Partnership