



23 December 2009

Result of Extraordinary General Meeting and Update

APN National Storage Property Trust | ARSN 101 227 712
Investor Number |

Dear Investor

As advised in the Notice of Meeting dated 30 November 2009, an extraordinary general meeting of unitholders in the APN National Storage Property Trust (NSPT) was held in Melbourne on 22 December 2009. The meeting was held to vote on the following three resolutions:

Resolution 1 – **Approved**

*“THAT APN Funds Management Limited as responsible entity of the APN National Storage Property Trust (**Trust**) be authorised to enter into a joint borrowing arrangement with National Storage (Operations) Pty Ltd in relation to the Trust as contemplated in the explanatory memorandum to this notice of meeting.”*

Resolution 2 – **Approved**

*“THAT APN Funds Management Limited as responsible entity of the APN National Storage Property Trust (**Trust**) be authorised to extend the date by which it must provide unitholders in the Trust with a strategy for exit from the Trust to 30 June 2012.”*

Resolution 3 – **Rejected**

*“THAT APN Funds Management Limited, the responsible entity of the APN National Storage Property Trust (**Trust**), immediately accept the offer for the purchase of 3 properties within the APN National Storage Property Trust by executing (or arranging the execution of) the contract for the sale of 469 Old Cleveland Road, Coorparoo; 18 Jutland Street, Oxley; and 3419 Pacific Highway, Springwood in Queensland to Clarence Property Corporation Limited as responsible entity for the Westlawn Property Trust, the consideration for which is \$21.7 million to be satisfied by a withdrawal of the 7,497,600 units held in the APN National Storage Property Trust by Clarence Property Corporation Limited as responsible entity of the Westlawn Property Trust, the withdrawal price to be calculated in accordance with the Trust's Constitution and in accordance with the instrument issued by ASIC on 26 June 2009, with the balance of the purchase price payable in cash and otherwise on the terms of the offer made to APN in the contract sent to them on 23 October 2009.”*

Resolutions 1 and 2 were ordinary resolutions requiring 50% of unitholders voting to vote in favour for the resolutions to be passed.

Please turn over

Resolution 3 as an extraordinary resolution would have required 50% of *all* unitholders entitled to vote, voting in favour. As an extraordinary resolution, Resolution 3 would only have been passed if at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution were voted in favour (whether in person or by proxy).

Results of the resolution

Ordinary Resolutions	Votes For	% of votes cast	Votes Against	% of votes cast	Votes Abstaining	% of votes cast	Result
Resolution 1	47,429,785.36	95.35%	1,406,427.00	2.83%	906,839.00	1.82%	Passed
Resolution 2	47,444,356.36	95.38%	1,401,856.00	2.82%	896,839.00	1.80%	Passed

Extraordinary Resolution	Votes For	% of all votes	Votes Against	% of all votes	Votes Abstaining	% of all votes	Result
Resolution 3	924,761.00	0.99%	47,825,737.36	51.39%	992,553.00	1.07%	Defeated

It is expected that the Trust will benefit as follows as a result of passing Resolution 1 and Resolution 2

Resolution 1

- The Trust will benefit from approximately \$33 million of additional security (at a relatively cheap price).
- The new senior debt facility will be classified as a corporate loan (as opposed to a freehold property loan where under the current credit environment it has been almost impossible to secure new commercial property loan facilities).
- The proposed new NAB Facility is expected to allow the Trust to recommence distributions to Unitholders.
- The arrangement facilitates a possible joint liquidity event with National Storage (Operations) Pty Ltd (NSO) in two to three years which may include the merging of the real estate and businesses operating out of the Trust's properties. In the past there has been greater interest from potential purchasers in the "going concern" property rather than just the real estate. Although the tenant/landlord relationship between NSO and the Trust remains intact, there will be increasing alignment in the future sale of the properties.
- The NAB Facility is not expected to impose the onerous debt reduction terms of the Trust's current financing facilities, thus providing the Trust with greater control over when and for how much the Trust sells its properties.

Resolution 2

- It will provide time to permit a greater recovery of the commercial property market which should improve the sale price of the properties in the Trust.
- It will enable a new debt facility to be put in place providing a more stable environment in which to dispose of the properties.
- It will provide time for less mature NSO businesses to become more profitable which will ultimately improve the sale price of those properties.

Where to next?

APN will continue to progress the proposed refinancing of the Trust's senior debt with the full support of unitholders. The proposed refinancing is still subject to approval by the potential new senior debt provider, the raising of approximately \$45 - \$60 million in new capital and finalisation of a joint borrowing agreement with NSO.

Successful completion of the capital raisings would see the Trust fully refinanced and recapitalised. Post the completion of the proposed transaction, the Trust will have a Loan to Valuation Ratio (LVR) of 40% to 45% which will put it in a relatively sound balance sheet position – particularly in the current climate where banks are seeking to reduce LVRs to below 50%.

The Trust will continue to receive rent from NSO and NSO will receive the profits generated from the businesses operating from those properties as per the existing arrangements.

Completion of the recapitalisation (subject to a number of conditions) is also expected to permit the recommencement of distributions to Unitholders at around 5 to 6 cents per unit per annum from the September 2010 quarter

Pleasingly for unitholders, the Trust now has a much clearer strategy for a future liquidity event which we believe will maximise unitholder value. This strategy, which will be undertaken in conjunction with NSO, will be enunciated by June 2012 in accordance with the resolution passed yesterday.

We take this opportunity to thank investors for their continued support and look forward to 2010 and a return to distributions.

Yours sincerely

APN FUNDS MANAGEMENT LIMITED

A handwritten signature in black ink, appearing to read 'Howard Brenchley', with a long horizontal flourish extending to the right.

Howard Brenchley
Chief Investment Officer and Executive Director