



PROFORMANCE

COMPANY UPDATE

JANUARY 2017

Information in this presentation is as of September 30, 2016, except as otherwise noted.



NATIONAL STORAGE
— AFFILIATES —



FORWARD-LOOKING STATEMENT

We make forward-looking statements in this presentation that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words “believe,” “expect,” “anticipate,” “estimate,” “plan,” “continue,” “intend,” “should,” “may” or similar expressions, we intend to identify forward-looking statements. The forward-looking statements contained in this presentation reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause our actual results to differ significantly from those expressed in any forward-looking statement.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Forward-looking statements are not predictions of future events. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. Some of these factors are described in the quarterly report on form 10-Q filed with the SEC on November 4, 2016 and the annual report on form 10-K filed with the SEC on March 10, 2016 under the headings “business,” “risk factors,” “properties,” and “management’s discussion and analysis of financial condition and results of operations,” as applicable. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation and the information contained herein are for informational purposes only and may not be relied upon for any purpose, including in connection with the purchase or sale of any of our securities. Such information does not constitute an offer to sell or a solicitation of an offer to buy any security described herein.



INVESTMENT HIGHLIGHTS: “NYSE: NSA”

1

Institutional Quality, Geographically Diverse Portfolio is Located in High Growth Markets in the Top 100 MSAs

2

Differentiated Structure Provides Strong Internal and External Growth Incentives with Downside Protection

3

Senior Management Team has Deep Industry Experience

4

Performance Has Met or Exceeded All Objectives Outlined since NSA's IPO

5

Flexible Capital Structure Supports Strong Future Growth



NATIONAL STORAGE AFFILIATES OVERVIEW

- National Storage Affiliates Trust (“NSA”) is a publicly traded NYSE self-storage REIT; ticker symbol “NSA”
- NSA is the 6th largest operator of self-storage properties in the US⁽¹⁾⁽²⁾
- Institutional quality, geographically diversified portfolio located in high growth markets in the top 100 MSAs
- Positioned to deliver strong external and organic growth



⁽¹⁾ Per 2016 Self-Storage Almanac based on number of properties.

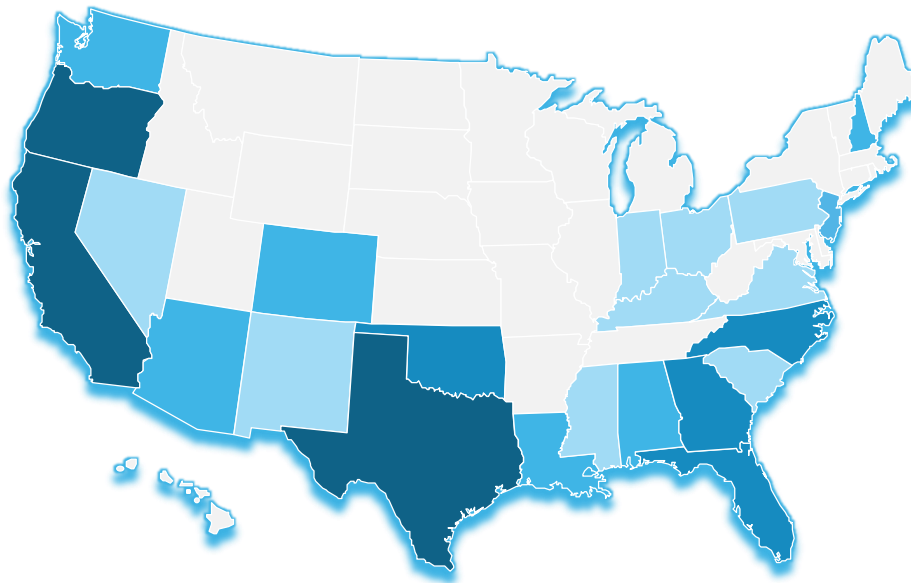
⁽²⁾ As of December 31, 2016, NSA held ownership interests in and operated 448 properties.

NSA'S GUIDING VISION UNITES TOP OPERATORS

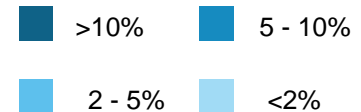


NSA's unique strategy has successfully attracted seven of the most prominent operators with the common goal to drive significant organic and external growth

**6th Largest
U.S. Operator**
448 Properties⁽¹⁾



% of Properties



⁽¹⁾ As of December 31, 2016, NSA held ownership interests in and operated 448 properties.

⁽²⁾ The iStorage brand is owned by NSA, but it is not a Participating Regional Operator.



GROWTH HISTORY OF NSA

Deeply Rooted Operating History

PRO FORMATION AND INSTITUTIONALIZATION

1970 – 2011

- **1973** – Move It predecessor founded
- **1977** – Northwest and Hide-Away founded
- **1988** – SecurCare founded
- **1989** – Storage Solutions founded
- **1999** – Guardian founded
- **2007** – Optivest founded
- **2007** – Raised initial institutional capital through SecurCare predecessor

NSA FORMATION AND GROWTH

2012 - 2016

- **2012** – Agreement in principle reached by three founding PROs: SecurCare, Northwest and Optivest
- **2013** – NSA formed
- **2014** – 4th PRO: Guardian
- **2014** – 5th PRO: Move It
- **2015** – 6th PRO: Storage Solutions
- **2015** – Successful IPO
- **2016** – 7th PRO: Hide-Away
- **2016** – JV formation / iStorage acquisition



SENIOR MANAGEMENT TEAM HAS DEEP INDUSTRY EXPERIENCE

- Widely respected owner / operators of self-storage
- Averages over 30 years of industry experience
- Proven track record of growth
- Strong network of industry relationships
- Meaningful insider ownership aligns interests with shareholders

NSA Executive Team



ARLEN NORDHAGEN
Chairman & CEO



TAMARA FISCHER
CFO



STEVEN TREADWELL
*SVP, Operations
President – iStorage JV*

PRO Executive Leadership



KEVIN HOWARD
*Northwest
PRO*



DAVID CRAMER
*SecurCare
PRO*



WARREN ALLAN
*Optivest
PRO*



JOHN MINAR
*Guardian
PRO*



TRACY TAYLOR
*Move It
PRO*



BILL BOHANNAN
*Storage Solutions
PRO*



STEVE WILSON
*Hide-Away
PRO*



STRUCTURE PROMOTES INTERNAL AND EXTERNAL GROWTH

NSA Strategy

Sophisticated Platform Tools Drive Organic Growth

Operational “Best Practices”

Revenue Management / Analytics

Economies of Scale and Lower Cost of Capital

Internet Marketing

Structure Creates External Growth Opportunities

Acquisition of Captive Pipeline Properties

Relationship Driven Third Party Acquisitions

Recruitment of New PROs

Strategic Joint Ventures



NSA'S PLATFORM LEVELS THE PLAYING FIELD

**Delivered YTD Same Store Total Revenue Growth of 8.2%
and Same Store NOI Growth of 10.5% through Q3 2016**

NSA CORPORATE HEADQUARTERS PROVIDES PLATFORM TOOLS

EXECUTIVE LEADERSHIP

- Recruitment of PROs
- Acquisition review and approval

LEGAL & FINANCE SUPPORT

- Asset contributions and structuring
- Equity and debt capital markets

CORPORATE ACCOUNTING

- Internal controls, policies and procedures
- Budgeting and forecasting

CORPORATE MARKETING

- Revenue management infrastructure
- Internet platform
- Call center

TECHNOLOGY & INNOVATION

- Management information systems
- Streamlined operational processes

REGIONAL & LOCAL OPERATIONS IMPLEMENT BEST PRACTICES

Acquisition Underwriting
& Sourcing

Property Management

Property Level
Accounting

Local Branding &
Marketing



STRATEGY DRIVES SIGNIFICANT EXTERNAL GROWTH OPPORTUNITIES

1 Acquire Internal Pipeline Properties (Participating Regional Operator (“PRO”) managed assets)

- NSA’s captive pipeline has approximately 90 additional assets located in 11 states totaling approximately \$690 million in estimated asset value⁽¹⁾
- PROs are obligated to offer to contribute stabilized assets which they control upon debt maturity
- PROs are committed to facilitate the contribution of assets they manage, but do not control

2 Source Relationship Driven Local Acquisitions

- PRO acquisition teams with long-standing local relationships and significant investment in NSA source single assets and portfolios from third parties
- Proven ability to close deals: over \$545 million of third party acquisitions closed in 2016
- Focus on institutional quality assets with strong operational performance that are synergistic to existing operations and geographies

3 Recruit New PROs

- Evaluating several operators with the goal of adding one to three per year over the next three to five years
- Focus on operators with established platforms in Top 100 MSAs, typically with \$100+ million portfolios and 20+ properties, reputation for operational excellence and demonstrated capabilities to grow their portfolios

4 Strategic Joint Ventures

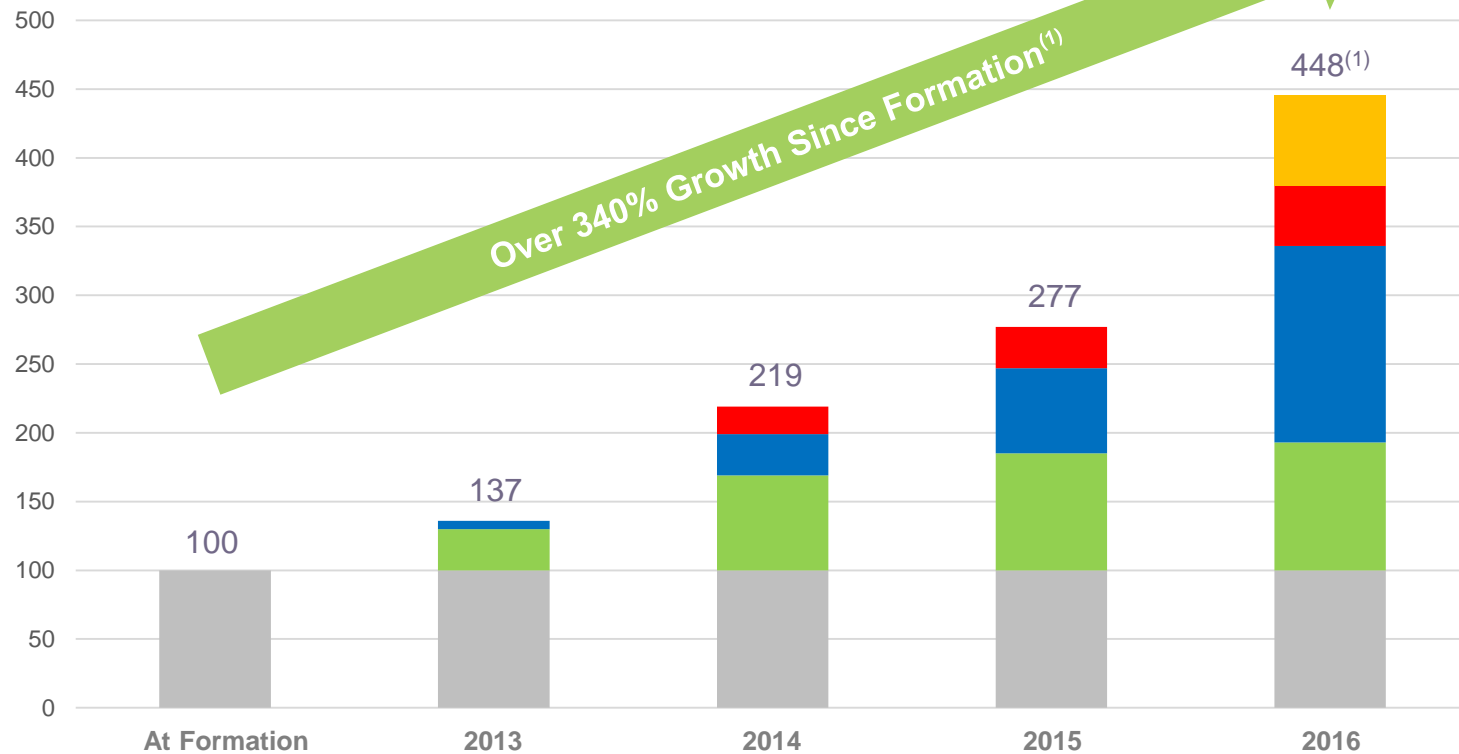
- Opportunistically partner with institutional funds to acquire attractive portfolios through a promoted return structure
- NSA will provide property and asset management services for joint ventures through its internal operating platform, generating additional third party fee income

⁽¹⁾ There can be no assurance as to whether NSA will acquire any properties or the actual timing of any acquisitions. NSA has varying degrees of control and influence on these acquisitions. This estimated acquisition pipeline may not be completely realized given the PROs do not own controlling interests in many of the properties and contributions are driven by debt, stabilization and other outside factors.



NSA'S TRACK RECORD OF EXTERNAL GROWTH

Number of Properties



- 1 Captive Pipeline
- 2 3rd Party Acquisitions
- 3 New PROs
- 4 Strategic Joint Ventures

⁽¹⁾ As of December 31, 2016, NSA held ownership interests in and operated 448 properties. In 2016, NSA closed over \$1.3 Billion of acquisition transactions.

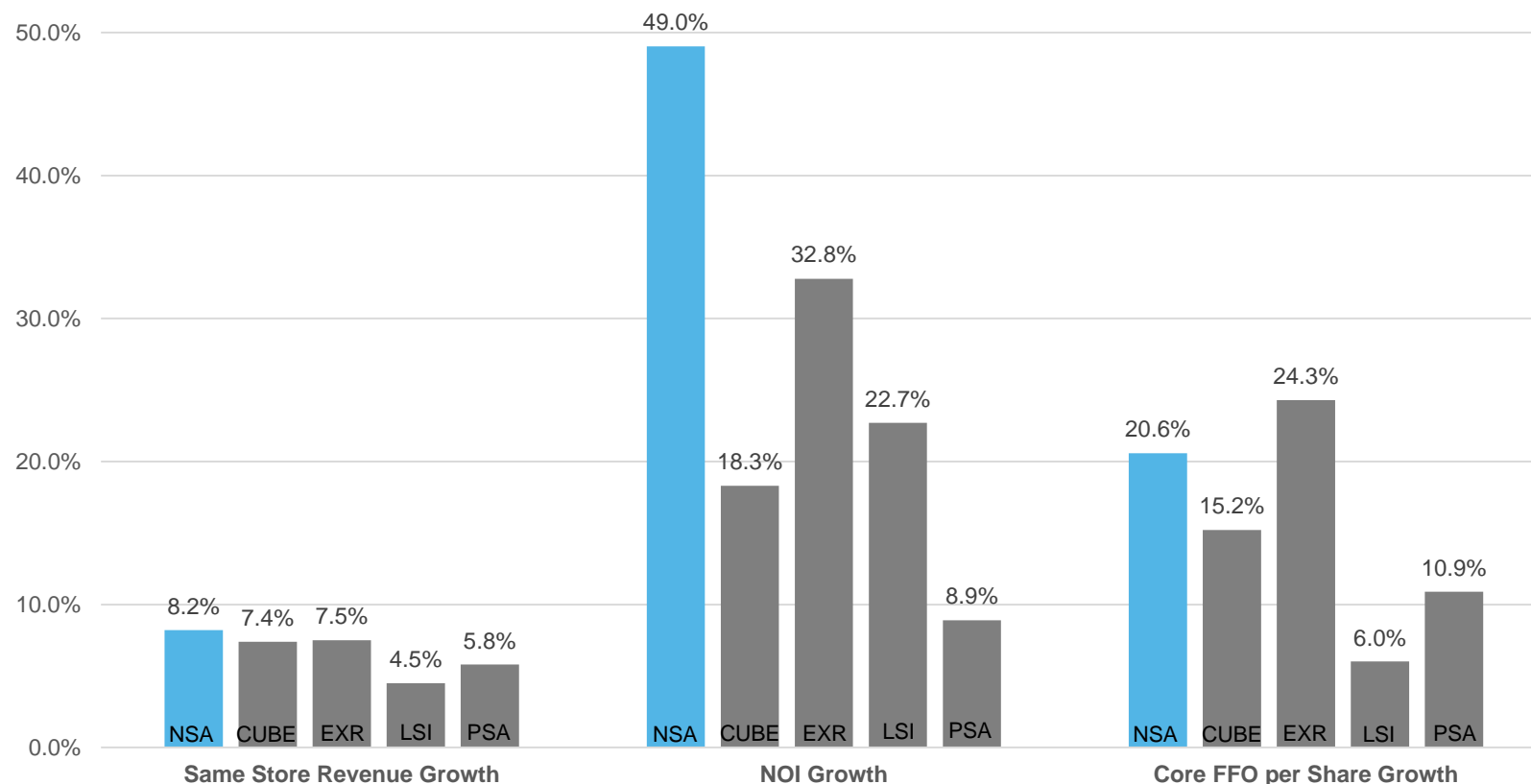
STRUCTURE ATTRACTS DISCIPLINED, GROWTH-ORIENTED OPERATORS



Why successful regional operators are motivated to join NSA instead of opting for an institutional joint venture or a portfolio sale

Criteria	NSA	JV	Sale / Exit
Liquidity / Monetization	✓	●	●
Ability to Maintain Property Management	✓	●	
Participate in Upside	✓	●	
Enhance NOI Through Best Practices	✓		
Opportunity and Incentives to Grow Portfolio	✓		

PEER COMPARISON DATA: NINE MONTHS ENDED SEPTEMBER 30, 2016



Note: Non-GAAP measures are presented because NSA's management believes these measures help investors understand NSA's business, performance and ability to earn and distribute cash to its shareholders by providing perspectives not immediately apparent from net income (loss). NSA's definitions and calculations of these non-GAAP financial and operating measures and other terms may differ from the definitions and methodologies used by other real estate companies and, accordingly, may not be comparable. For such definitions, see "Non-GAAP Financial Measures" in NSA's Quarterly Report on Form 10-Q for the period ended September 30, 2016 filed with the SEC. These non-GAAP financial and operating measures should not be considered an alternative to GAAP net income (loss) or any other GAAP measurement of performance and should not be considered an alternative measure of liquidity. Reconciliations of these non-GAAP financial measures to their most directly comparable GAAP measures are included in the Appendix to this presentation.

Source: 2016 Q3 public reporting.



Strong Operational Growth Continues

Core FFO
(\$ per share)



NOI
(\$ millions)



Same Store NOI
(\$ millions)



Note: Non-GAAP measures are presented because NSA's management believes these measures help investors understand NSA's business, performance and ability to earn and distribute cash to its shareholders by providing perspectives not immediately apparent from net income (loss). NSA's definitions and calculations of these non-GAAP financial and operating measures and other terms may differ from the definitions and methodologies used by other real estate companies and, accordingly, may not be comparable. For such definitions, see "Non-GAAP Financial Measures" in NSA's Quarterly Report on Form 10-Q for the period ended September 30, 2016 filed with the SEC. These non-GAAP financial and operating measures should not be considered an alternative to GAAP net income (loss) or any other GAAP measurement of performance and should not be considered an alternative measure of liquidity. Reconciliations of these non-GAAP financial measures for the three months ended September 30, 2016 and 2015 to their most directly comparable GAAP measures are included in the Appendix to this presentation. Reconciliations of these non-GAAP financial measures for the three months ended June 30, 2016 and 2015 and March 31, 2016 and 2015 are available in NSA's Quarterly Reports on Form 10-Q for the periods ended June 30, 2016 and March 31, 2016 filed with the SEC.

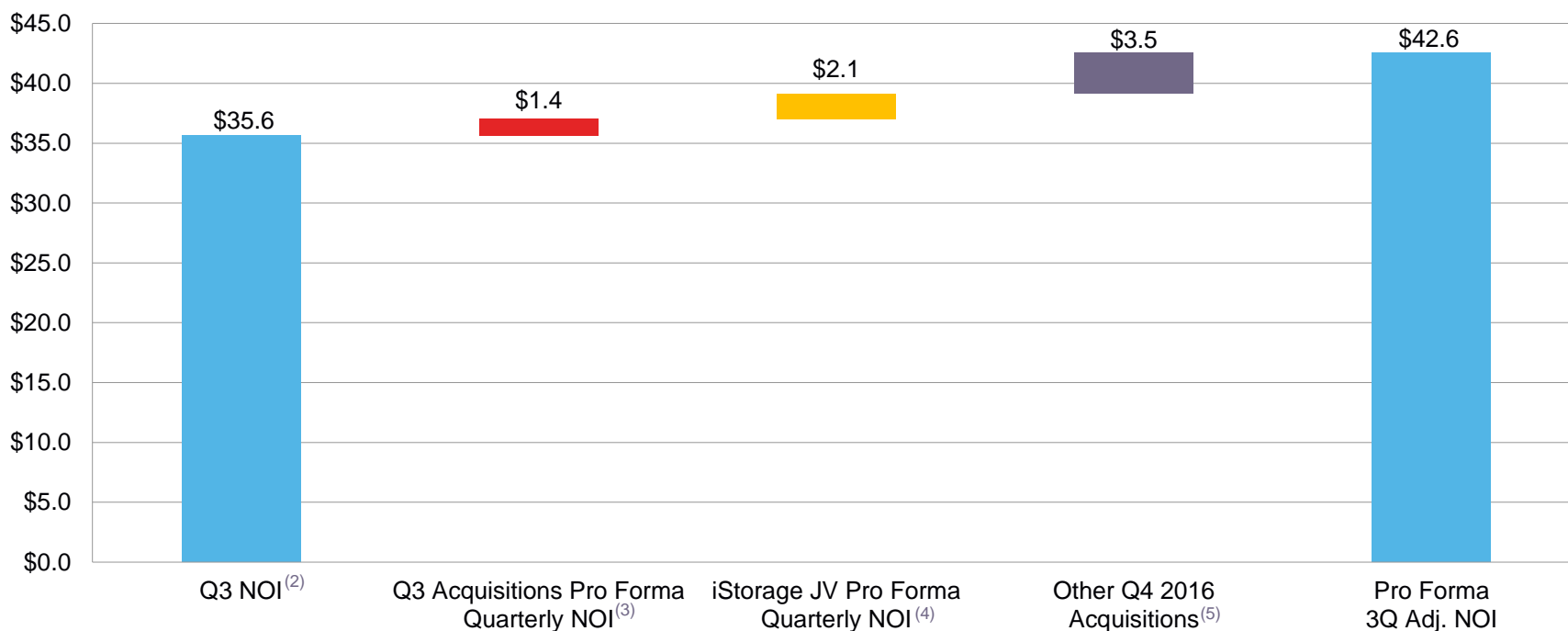
ILLUSTRATION OF POTENTIAL EMBEDDED NOI GROWTH FROM ACQUISITIONS⁽¹⁾



Recent acquisitions in Q3 and Q4 2016 increase Q3 estimated annualized adjusted run-rate NOI to \$170.4MM

Estimated Run-Rate Quarterly NOI⁽¹⁾

(\$ in millions)



(1) The information in this slide is an illustrative example only and is based on various assumptions and estimates and is not based on our operation of the properties. Assumptions and estimates may prove to be inaccurate and actual results may differ materially. A reconciliation of NOI, a non-GAAP financial measure, to its most directly comparable GAAP measure is included in the Appendix to this presentation.

(2) As disclosed in the Company's quarterly report on Form 10-Q for the period ended September 30, 2016.

(3) Adjustment to reflect the incremental impact of a full quarter of ownership for acquisitions which closed during Q3 2016, but were not owned for the entire quarter, based on a 6.4% weighted average underwritten capitalization rate (as defined in the Company's current report on Form 8-K filed with the SEC on December 12, 2016).

(4) Based on pro forma quarterly NOI for the \$630MM iStorage JV acquisition, based on a weighted average underwritten capitalization rate of approximately 5.3% and 25% NSA JV interest. Excludes incremental management fees to NSA from various management services provided to the JV.

(5) Based on pro forma quarterly NOI from \$226MM of additional Q4 2016 acquisitions closed by NSA at a 6.0% weighted average underwritten capitalization rate (as defined in the Company's current report on Form 8-K filed with the SEC on December 12, 2016).



FLEXIBLE CAPITAL STRUCTURE

CONSERVATIVE BALANCE SHEET

- 29.0% Debt/Total Capitalization⁽¹⁾
- 5.7x Net Debt/Adjusted EBITDA⁽²⁾
- 4.9x Interest Coverage Ratio⁽³⁾

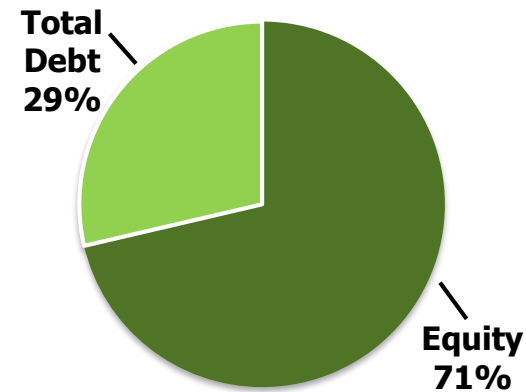
CAPITAL FOR GROWTH

- \$350MM Unsecured Revolving Line of Credit
- OP Units & SP Units

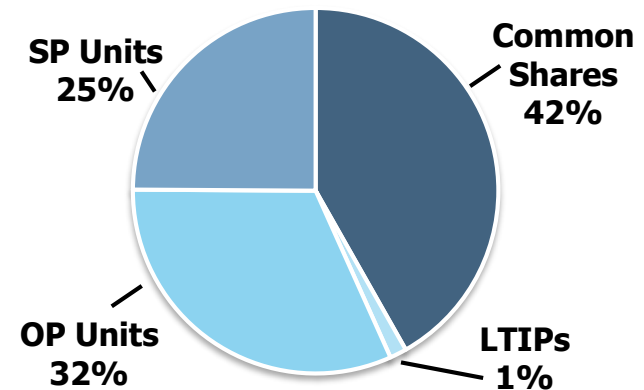
ATTRACTIVE DIVIDEND

- 4.35% Yield⁽⁴⁾

Total Capitalization: \$2.5 BN⁽¹⁾



Significant Investment by Management & PROs⁽¹⁾



(1) Total Capitalization means our Debt plus the product of our \$20.94 closing share price on September 30, 2016 and our fully diluted outstanding equity as of September 30, 2016 (with SP Units deemed converted on a hypothetical basis into an estimated 1.39 OP units based on historical financial information for the trailing twelve months ended September 30, 2016).

(2) Net debt means our outstanding debt financing less cash and cash equivalents as of September 30, 2016. Adjusted EBITDA is based on annualized current quarter for Q3 2016.

(3) Interest coverage is computed by dividing Q3 2016 adjusted EBITDA by Q3 2016 interest expense. Does not include loss on early extinguishment of debt.

(4) Yield is calculated based on current quarterly annualized dividend of \$0.96 divided by market closing price of common shares on December 31, 2016 of \$22.07.



STAGGERED DEBT MATURITY SCHEDULE

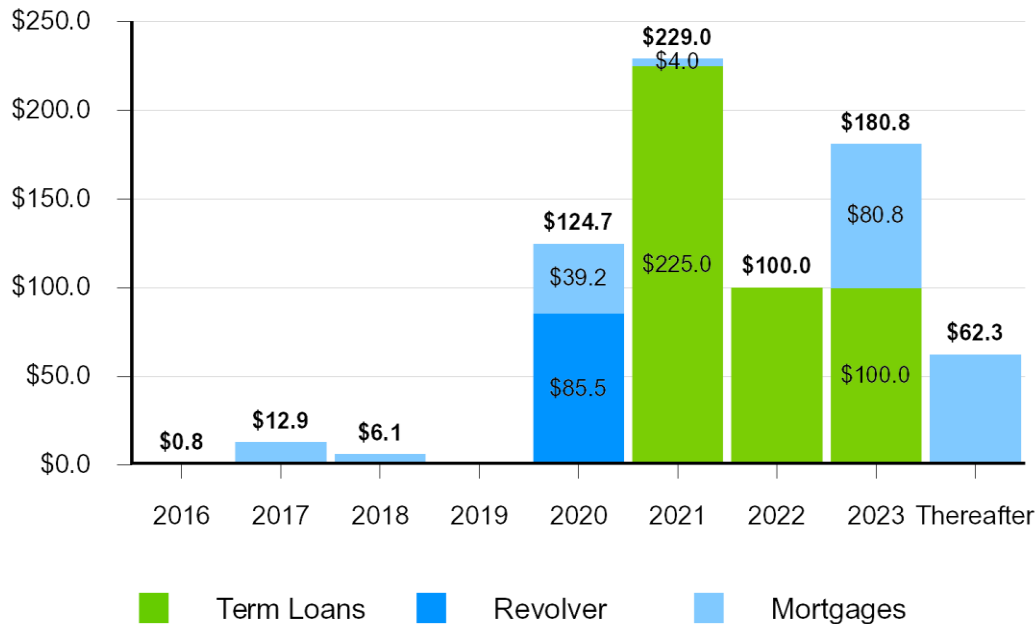
WEIGHTED AVERAGE MATURITY (IN YEARS)

— 5.80

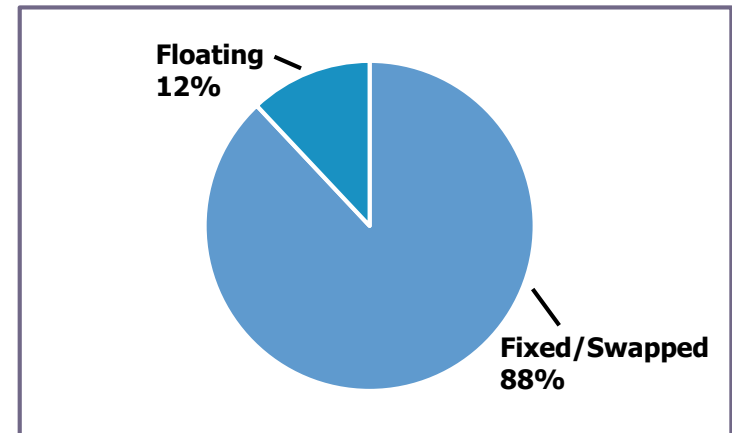
EFFECTIVE INTEREST RATE⁽¹⁾

— 3.10%

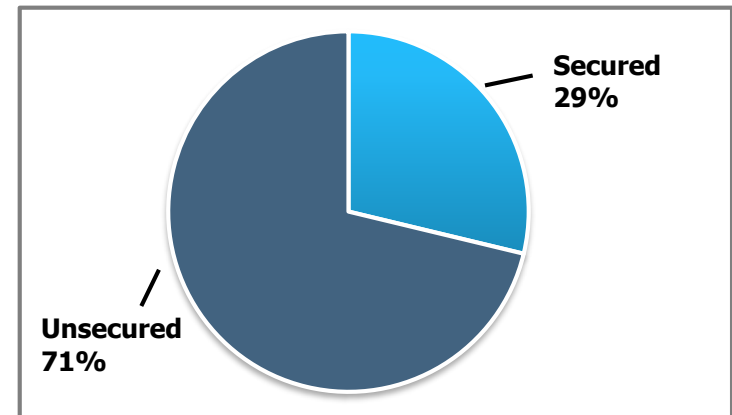
Debt Maturity Schedule
(\$ in millions)



Minimal Interest Rate Risk: Principal



Balanced Debt Security Profile



(1) Effective interest rate incorporates the state rate plus the impact of interest rate cash flow hedges and discount and premium amortization, if applicable. For the revolving line of credit, the effective interest rate excludes fees which range from 0.15% to 0.25% for unused borrowings.



INVESTMENT HIGHLIGHTS: “NYSE: NSA”

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CONTACT US



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NATIONAL STORAGE
— AFFILIATES —

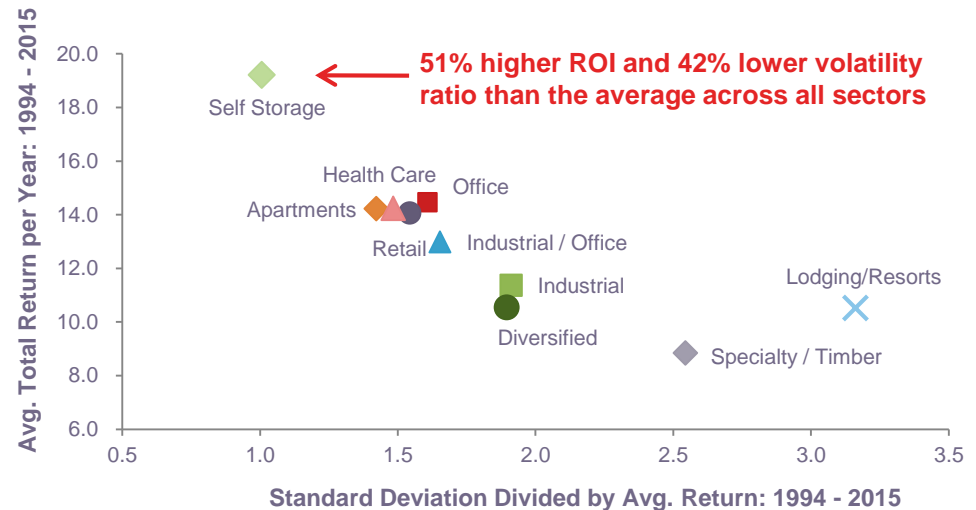
Appendix

SELF STORAGE HAS CONSISTENTLY OUTPERFORMED



Self Storage Has Outperformed over Last 22 Years on Total Return with Less Volatility

- Since 1994, total returns for self storage have outperformed all other equity REIT sectors while experiencing the least volatility
- The industry is expected to continue to generate substantial NOI growth
- Savings expected through improved scale, new technology and centralized infrastructure



Five Forces Driving Self Storage

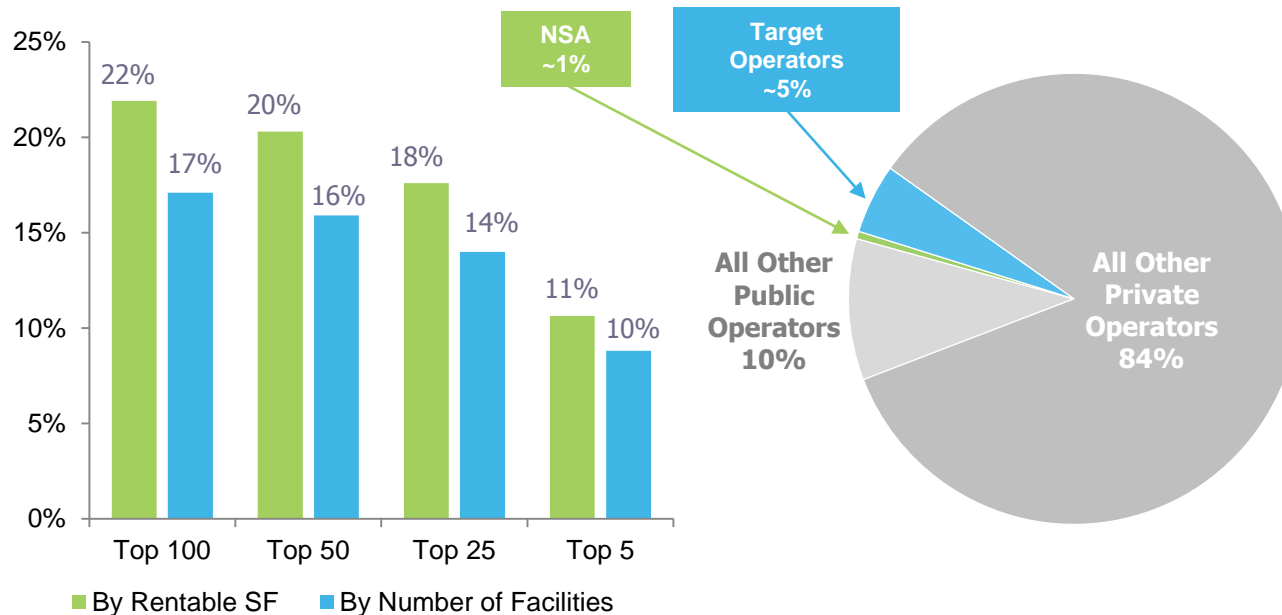
	Impact
Competitive Rivalry	Low – geographically limited
Customer Bargaining Power	Limited – not price driven
Threat of Substitute Products	Very few cost effective options
Supplier Bargaining Power	Limited - but increasing
Threat of New Entrants	Limited – increasing entry barriers

Note: Data sourced from NAREIT 2015 published data. Volatility ratio defined as the standard deviation of return divided by return.



MEANINGFUL OPPORTUNITY TO CONSOLIDATE

- Highly fragmented sector
 - More than 50,000 self-storage properties with over 30,000 operators
 - Over \$24 billion in annual revenue with over \$200 billion in private market value
- NSA primarily targets top private operators with 20 or more institutional quality properties in the top 100 MSAs
 - Target operators own and / or manage over 2,500 self-storage properties⁽¹⁾



Top 40 Operators

- 1 Public Storage
- 2 Extra Space Storage
- 3 U-Haul International
- 4 CubeSmart
- 5 Sovran Self Storage
- 6 National Storage Affiliates
- 7 Simply Self Storage
- 8 W.P. Carey
- 9 StorageMart
- 10 The William Warren Group
- 11 Metro Storage
- 12 iStorage | NSA - JV acquired on 10-4-16
- 13 US Storage Centers
- 14 TnT Self Storage Management
- 15 Absolute Storage Management
- 16 The Jenkins Organization
- 17 All Storage
- 18 Move It Management
- 19 Compass Self Storage
- 20 Safeguard Self Storage
- 21 A-AAAKey Mini Storage
- 22 Devon Self Storage
- 23 Platinum Storage Group
- 24 Security Public Storage
- 25 Central Self Storage
- 26 A-1 Self Storage
- 27 Metro Mini Storage
- 28 Storage Pros Management
- 29 Self Storage Management
- 30 Storage Asset Management
- 31 Universal Storage Group
- 32 Strat Property Management
- 33 Brookwood Properties
- 34 Personal Mini Storage
- 35 Morningstar Properties
- 36 Advantage Storage
- 37 Storage Etc.
- 38 Argus Professional Storage Management
- 39 Professional Self Storage Management
- 40 West Coast Self-Storage

Source: Public company filings as of December 31, 2014, Self Storage Association and 2016 Self-Storage Almanac.

Note: Rankings are based on net rentable square footage under management.

(1) Represents the number of facilities owned and/or managed by top operators, excluding NSA and other publicly traded entities.



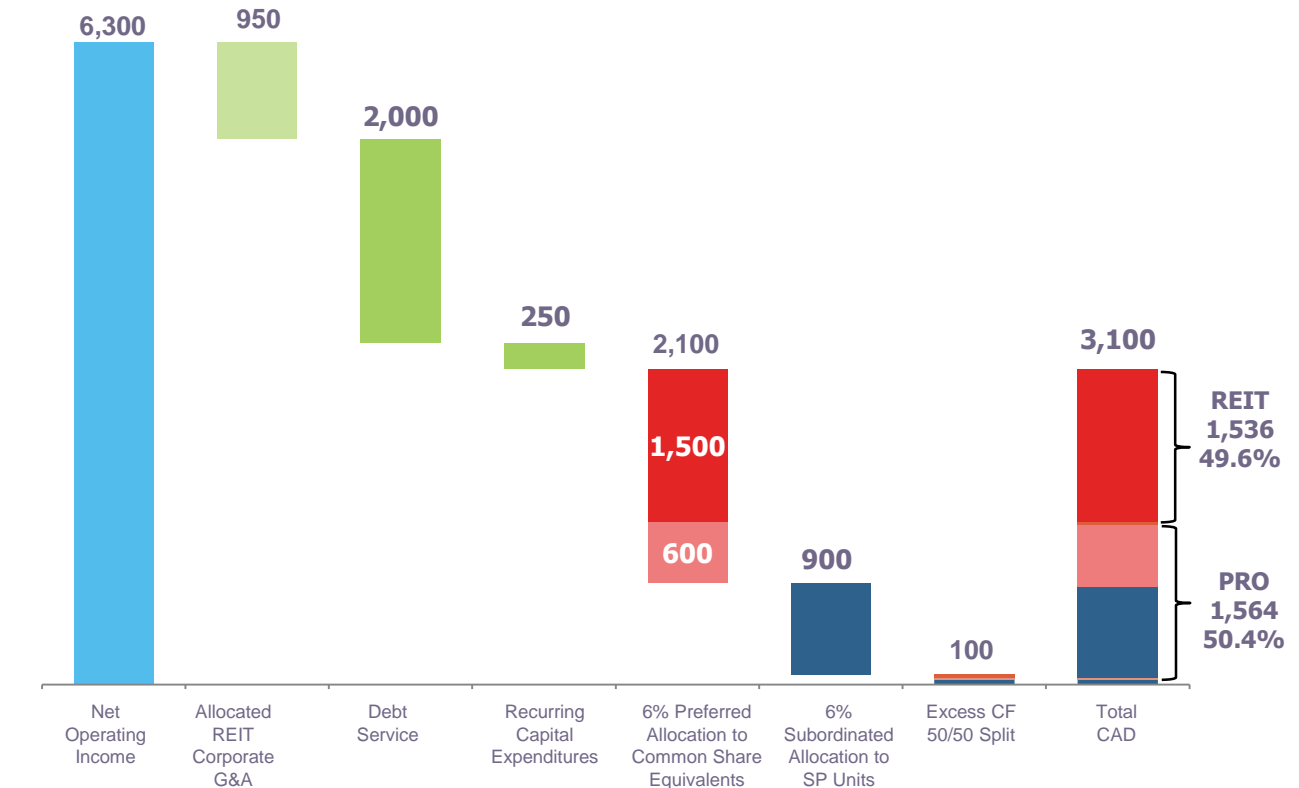
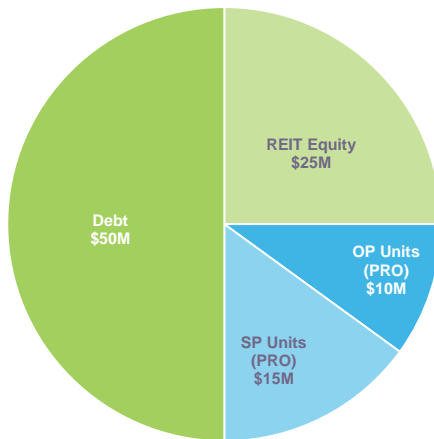
STRUCTURE INCENTIVIZES PROS TO PERFORM

KEY ASSUMPTIONS

- \$100MM Purchase Price
- 6.3% Cap Rate
- 50% Funded with Debt
- 50% of Equity from PRO

Illustrative Operating Cash Flow Allocation for Single Acquisition (\$'000s)

Illustrative Capitalization



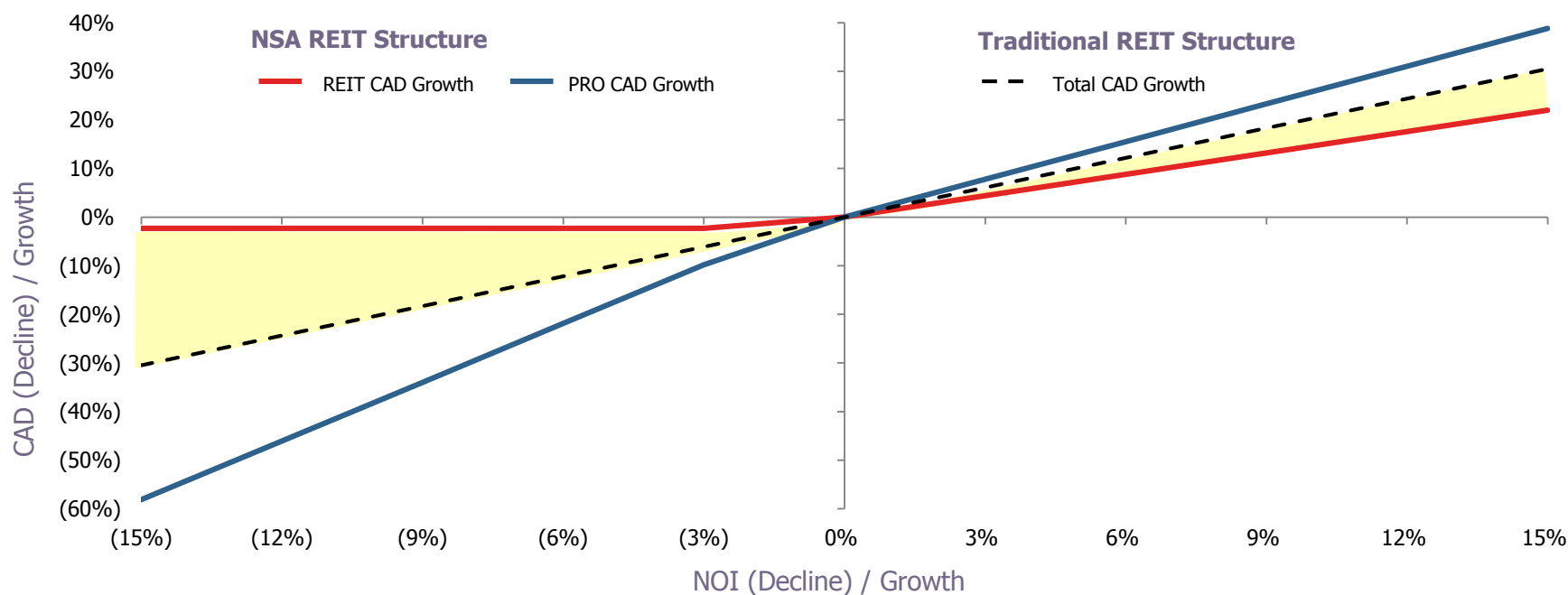
Note: Proportion of SP units and OP units in each acquisition will vary. In general, the number of OP units issued will be capped at a level intended to provide a minimal level of operating cash flow ("CF") allocation on unreturned capital attributable to the OP units. Debt Service is reflective of interest expense and scheduled principal amortization. Post-contribution capital structure is reflective of cost and does not reflect market value. This hypothetical capital structure and cash flow allocation is for illustrative purposes only and reflects the terms of the partnership agreement: SP unit holders receive a 6% allocation of operating CF on their unreturned capital contributions after a 6% allocation on unreturned capital attributable to OP unit holders, and then share in the allocation of any excess cash flow 50/50 with OP unit holders. The REIT is allocated \$36K of the operating CF allocated to OP units related to the 50/50 split of excess operating CF. The allocation of operating CF between the SP units and OP units is for purposes of determining distributions on SP units and does not represent the operating CF that will be distributed on OP units (or paid as dividends on our common shares). Any distribution of operating CF allocated to OP units will be made at the discretion of NSA (and paid as dividends on our common shares at the discretion of our board of trustees).

STRUCTURE OFFERS CASH FLOW STABILITY AND DOWNSIDE PROTECTION



Shareholders benefit from less volatile cash flow and downside protection

Illustrative Impact on Operating Cash Flow Allocation for Single Acquisition⁽¹⁾



Note: PRO CAD Growth is comprised of cash available to PROs through their ownership interests in both OP and SP units. REIT CAD Growth is comprised of cash available to all other equity stakeholders.

⁽¹⁾ This illustrative sensitivity graph reflects the capital structure of a single acquisition and operating CF allocation assumptions reflected on page 25. This hypothetical capital structure and cash flow allocation is for illustrative purposes only and reflects the terms of the partnership agreement: SP unit holders receive a 6% allocation of operating CF on their unreturned capital contributions after a 6% allocation on unreturned capital attributable to OP unit holders, and then share in the allocation of any excess cash flow 50/50 with OP unit holders. This allocation of operating CF between the SP units and OP units is for purposes of determining distributions on SP units and does not represent the operating CF that will be distributed on OP units (or paid as dividends on our common shares). Any distribution of operating CF allocated to OP units will be made at the discretion of NSA (and paid as dividends on our common shares at the discretion of our board of trustees).

EARNINGS (LOSS) PER SHARE – DILUTED TO FUNDS FROM OPERATIONS (“FFO”) AND CORE FFO PER SHARE AND UNIT RECONCILIATION



(dollars in thousands)	Nine Months Ended September 30,			
	2016		2015	
Earnings (loss) per share - diluted	\$	0.25	\$	0.06
Impact of the difference in weighted average number of shares ⁽¹⁾		0.09		-
Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method ⁽²⁾		-		(0.08)
Add real estate depreciation and amortization		0.68		0.84
FFO attributable to subordinated performance unitholders		(0.29)		(0.29)
FFO per share and unit	\$	0.73	\$	0.53
Add acquisition costs, organizational and offering expenses, and loss on early extinguishment of debt		0.09		0.15
Core FFO per share and unit	\$	0.82	\$	0.68

Source: Q3 2016 Company financials.

- (1) Adjustment accounts for the difference between the weighted average number of shares used to calculate diluted earnings per share and the weighted average number of shares used to calculate FFO and Core FFO per share and unit. Diluted earnings per share is calculated using the two-class method for the Company's restricted common shares, the treasury stock method for certain unvested LTIP units, and includes the assumption of a hypothetical conversion of subordinated performance units and DownREIT subordinated performance units into OP units, even though such units may only be convertible into OP units (i) after a lock-out period and (ii) upon certain events or conditions. For additional information around the conversion of subordinated performance units and DownREIT subordinated performance units into OP units, see Note 8 in Item 1 to the Company's most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission. The computation of weighted average shares and units for FFO and Core FFO per share and unit includes all restricted common shares and LTIP units that participate in distributions and excludes all subordinated performance units and DownREIT subordinated performance units because their effect has been accounted for through the allocation of FFO to the related unitholders based on distributions declared.
- (2) Represents the effect of adjusting the numerator to consolidated net income (loss) prior to GAAP allocations for noncontrolling interests and the application of the two-class method and treasury stock method, as described in footnote (1).



NET INCOME (LOSS) TO NET OPERATING INCOME RECONCILIATION

(dollars in thousands)	Nine Months Ended September 30,	
	2016	2015
Net income (loss)	\$ 18,791	\$ (569)
General and administrative expenses	14,431	11,856
Depreciation and amortization	38,299	30,192
Interest expense	17,050	16,052
Loss on early extinguishment of debt	136	914
Acquisition costs	4,733	4,192
Organizational and offering expenses	-	58
Non-operating expense	378	256
Net Operating Income	\$ 93,818	\$ 62,951

Source: Q3 2016 Company financials.



NET INCOME (LOSS) TO EBITDA & ADJUSTED EBITDA RECONCILIATION

(dollars in thousands)	Nine Months Ended September 30,	
	2016	2015
Net income (loss)	\$ 18,791	\$ (569)
Depreciation and amortization	38,299	30,192
Interest expense	17,050	16,052
Loss on early extinguishment of debt	136	914
EBITDA	\$ 74,276	\$ 46,589
Acquisition costs	4,733	4,192
Organizational and offering expenses	-	58
Equity-based compensation expense ⁽¹⁾	1,913	2,375
Adjusted EBITDA	\$ 80,922	\$ 53,214

Source: Q3 2016 Company financials.

(1) Equity-based compensation expense is a non-cash item that is included in general and administrative expenses in the Company's consolidated statements of operations.

EARNINGS (LOSS) PER SHARE – DILUTED TO FUNDS FROM OPERATIONS (“FFO”) AND CORE FFO PER SHARE AND UNIT RECONCILIATION



(dollars in thousands)	Three Months Ended September 30,			
	2016		2015	
Earnings (loss) per share - diluted	\$	-	\$	0.03
Impact of the difference in weighted average number of shares ⁽¹⁾		-		0.01
Impact of GAAP accounting for noncontrolling interests, two-class method and treasury stock method ⁽²⁾		0.13		-
Add real estate depreciation and amortization		0.22		0.22
FFO attributable to subordinated performance unitholders		(0.09)		(0.08)
FFO per share and unit	\$	0.26	\$	0.18
Add acquisition costs, organizational and offering expenses, and loss on early extinguishment of debt		0.03		0.06
Core FFO per share and unit	\$	0.29	\$	0.24

Source: Q3 2016 Company financials.

- (1) Adjustment accounts for the difference between the weighted average number of shares used to calculate diluted earnings per share and the weighted average number of shares used to calculate FFO and Core FFO per share and unit. Diluted earnings per share is calculated using the two-class method for the Company's restricted common shares, the treasury stock method for certain unvested LTIP units, and includes the assumption of a hypothetical conversion of subordinated performance units and DownREIT subordinated performance units into OP units, even though such units may only be convertible into OP units (i) after a lock-out period and (ii) upon certain events or conditions. For additional information around the conversion of subordinated performance units and DownREIT subordinated performance units into OP units, see Note 8 in Item 1 to the Company's most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission. The computation of weighted average shares and units for FFO and Core FFO per share and unit includes all restricted common shares and LTIP units that participate in distributions and excludes all subordinated performance units and DownREIT subordinated performance units because their effect has been accounted for through the allocation of FFO to the related unitholders based on distributions declared.
- (2) Represents the effect of adjusting the numerator to consolidated net income (loss) prior to GAAP allocations for noncontrolling interests and the application of the two-class method and treasury stock method, as described in footnote (1).



NET INCOME (LOSS) TO NET OPERATING INCOME RECONCILIATION

(dollars in thousands)	Three Months Ended September 30,	
	2016	2015
Net income (loss)	\$ 7,944	\$ 2,109
General and administrative expenses	5,259	4,056
Depreciation and amortization	14,319	10,341
Interest expense	6,265	4,246
Acquisition costs	1,737	2,874
Non-operating expense	95	52
Net Operating Income	\$ 35,619	\$ 23,678

Source: Q3 2016 Company financials.



NET INCOME (LOSS) TO EBITDA & ADJUSTED EBITDA RECONCILIATION

(dollars in thousands)	Three Months Ended September 30,	
	2016	2015
Net income (loss)	\$ 7,944	\$ 2,109
Depreciation and amortization	14,319	10,341
Interest expense	6,265	4,246
EBITDA	\$ 28,528	\$ 16,696
Acquisition costs	1,737	2,874
Equity-based compensation expense ⁽¹⁾	685	654
Adjusted EBITDA	\$ 30,950	\$ 20,224

Source: Q3 2016 Company financials.

(1) Equity-based compensation expense is a non-cash item that is included in general and administrative expenses in the Company's consolidated statements of operations.



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