

March 2, 2016



# **National Storage Affiliates Trust Reports 2015 Annual Results; Core FFO per Share Increase of 22.7%; Same Store NOI Increases 11.5%; Provides 2016 Guidance**

GREENWOOD VILLAGE, Colo.-- National Storage Affiliates Trust ("NSA" or the "Company") (NYSE: NSA), today reported the Company's fourth quarter and full year 2015 results.

## **Fourth Quarter 2015 Highlights**

- Core funds from operations ("Core FFO") was \$11.6 million, or \$0.24 per share for the fourth quarter of 2015, an increase of 14.3% per share compared to Core FFO of \$4.2 million, or \$0.21 per share, for the fourth quarter of 2014.
- Net operating income ("NOI") was \$25.6 million for the fourth quarter of 2015, an increase of 46.2% compared to NOI of \$17.5 million for the fourth quarter of 2014.
- Same store NOI was \$9.8 million for the fourth quarter of 2015, an increase of 10.7% compared to same store NOI of \$8.9 million for the fourth quarter of 2014.
- Same store total revenue was \$15.0 million for the fourth quarter of 2015, an increase of 6.5% compared to same store total revenue of \$14.0 million for the fourth quarter of 2014.
- Acquired 16 self storage properties during the fourth quarter of 2015 for approximately \$70.4 million.

## **Full Year 2015 Highlights**

- Core FFO was \$35.8 million, or \$0.92 per share, for the full year 2015, an increase of 22.7% per share compared to Core FFO of \$10.4 million, or \$0.75 per share, for the full year 2014.
- NOI was \$88.5 million for the full year 2015, an increase of 80.4% compared to NOI of \$49.1 million for the full year 2014.
- Same store NOI was \$38.3 million for the full year 2015, an increase of 11.5% compared to same store NOI of \$34.4 million for the full year 2014.
- Same store total revenue was \$58.7 million for the full year 2015, an increase of 7.8% compared to same store total revenue of \$54.5 million for the full year 2014.
- Acquired 58 properties for the full year 2015 for approximately \$313.0 million.

Arlen Nordhagen, Chief Executive Officer, commented, "2015 proved to be an excellent year for NSA. We are extremely pleased with our full year results which reflect significant year-over-year growth across the board in Core FFO, NOI, same store NOI and same store revenue. From an operational standpoint, full year total revenue increased approximately 74% to \$134 million and our full year total portfolio average rent per occupied square foot increased approximately 8% to \$10.62. Our fourth quarter performance was also strong as Core FFO per share increased 14.3%, same store NOI increased 10.7% and same store total revenue increased 6.5%. During the quarter we acquired 16 additional self storage properties for approximately \$70 million.

Mr. Nordhagen, continued, "We recently announced the addition of our new, seventh Participating Regional Operator ("PRO"), Hide-Away Storage Services, Inc. We look forward to Hide-Away joining us, as they bring almost 40 years of industry experience and expertise to our PRO team and Best Practices committee. Since the completion of our IPO related transactions in the second quarter of 2015, NSA's value strategy has been hitting on all cylinders. For the last three quarters, same store NOI growth has averaged 12% above the prior year through the continued implementation of our best practices programs. And taking full advantage of our differentiated growth strategy, we have announced a total of almost \$380 million of new acquisitions since July 1, 2015, including significant contributions from all three of our external growth drivers - our captive pipeline acquisitions, our third party acquisitions and now our new PRO integration. We believe this combination is unique in our industry and positions us to deliver very attractive shareholder returns over the long-term."

## Financial Results

	<b>Three Months Ended December 2015</b>
(\$ in thousands, except per share and unit data)	
<b>Net income (loss)</b>	<b>\$ 5,365</b>
<b>Funds From Operations ("FFO")</b>	<b>11,045</b>
Add back acquisition costs, organizational and offering expenses, and loss on early extinguishment of debt	573
<b>Core FFO</b>	<b>\$11,618</b>
<b>FFO per share and unit</b>	<b>\$ 0.23</b>
<b>Core FFO per share and unit</b>	<b>\$ 0.24</b>

### *Fourth Quarter 2015*

FFO was \$11.0 million, or \$0.23 per share, for the fourth quarter of 2015, compared to FFO of \$2.9 million, or \$0.15 per share, for the fourth quarter of 2014, an increase of 53% per share. Core FFO was \$11.6 million, or \$0.24 per share for the fourth quarter of 2015, an increase of 14.3% per share compared to Core FFO of \$4.2 million, or \$0.21 per share, for the fourth quarter of 2014. The increases in FFO and Core FFO were primarily the result of integrating multiple self storage property acquisitions, same store NOI growth and reductions in interest expense and acquisition costs.

Net income was \$5.4 million for the fourth quarter of 2015, compared to a net loss of \$2.4 million for the fourth quarter of 2014. This increase was also primarily the result of integrating new property acquisitions and same store NOI growth, combined with reductions in interest expense and acquisition costs, partially offset by an increase in depreciation and amortization.

#### *Full Year 2015*

FFO was \$30.1 million, or \$0.77 per share, for the full year 2015, compared to a FFO net loss of \$1.5 million, or \$0.11 per share, for the full year of 2014. Core FFO was \$35.8 million, or \$0.92 per share, for the full year 2015, an increase of 22.7% per share compared to Core FFO of \$10.4 million, or \$0.75 per share, for the full year of 2014. The increases in FFO and Core FFO were primarily driven by the integration of multiple self storage property acquisitions, a strong increase in same store NOI and reductions in interest expense and organizational and offering expenses, partially offset by an increase in general and administrative expenses.

Net income was \$4.8 million for the full year 2015, compared to a net loss of \$16.4 million for the full year of 2014. The increase was primarily the result of new property acquisitions, strong growth in same store NOI, and reductions in acquisition costs, interest expense and organizational and offering expenses, partially offset by increases in depreciation and amortization and general and administrative expenses.

Non-GAAP financial measures, including FFO, Core FFO and NOI, are defined and reconciled to their most directly comparable GAAP measure in the Schedules to this press release and in the supplemental financial information.

### **Total Portfolio Operating Results**

(\$ in thousands, except per square foot data)

	<b>Three Months Ended December 31,</b>		
	<b>2015</b>	<b>2014</b>	<b>Growt</b>
Total revenue	\$38,300	\$26,731	43.3%
Property operating expenses	12,744	9,248	37.8%
<b>Net Operating Income (NOI)</b>	<b><u>\$25,556</u></b>	<b><u>\$17,483</u></b>	<b><u>46.2%</u></b>
<b>Average Occupancy</b>	<b><u>88.8%</u></b>	<b><u>85.6%</u></b>	<b><u>3.2%</u></b>
<b>Average annualized rental revenue per occupied square foot</b>	<b><u>\$ 10.65</u></b>	<b><u>\$ 10.19</u></b>	<b><u>4.5%</u></b>

#### *Fourth Quarter 2015*

Total revenues were \$38.3 million for the fourth quarter of 2015, an increase of 43.3% compared to total revenues of \$26.7 million for the fourth quarter of 2014. Revenue increases were predominately driven by incremental rental revenue from the integration of multiple acquisitions during 2015, combined with a 320 basis point increase in average total portfolio occupancy for the fourth quarter of 2015 compared to the fourth quarter of 2014, and a 4.5% increase in average annualized rental revenue per occupied square foot for the

fourth quarter of 2015 compared to the fourth quarter of 2014.

Total portfolio NOI was \$25.6 million for the fourth quarter of 2015, an increase of 46.2% compared to NOI of \$17.5 million for the fourth quarter of 2014.

#### *Full Year 2015*

Total revenues were \$133.9 million for the full year 2015, an increase of approximately 74.0% compared to total revenues of \$77.0 million for the full year of 2014. Total revenue increases were primarily attributable to the acquisition of 58 self storage properties in 2015, incremental rental revenue from 83 property acquisitions in 2014, an increase in average total portfolio occupancy, the acquisition of properties with increased market rates, and for in-place tenants, achievement of regular rental increases.

Total portfolio NOI was \$88.5 million for the full year 2015, an increase of 80.4% compared to NOI of \$49.1 million for the full year of 2014.

#### **Same Store Operating Results**

(\$ in thousands, except per square foot data)	Three Months Ended December 31,			Year Ended December	
	2015	2014	Growth	2015	2014
Total revenue	\$14,953	\$14,041	6.5%	\$58,741	\$54,466
Property operating expenses	5,109	5,146	(0.7)%	20,439	20,100
<b>Net Operating Income (NOI)</b>	<b>\$ 9,844</b>	<b>\$ 8,895</b>	<b>10.7%</b>	<b>\$38,302</b>	<b>\$34,366</b>
<b>NOI Margin</b>	<b>65.8%</b>	<b>63.4%</b>	<b>2.4%</b>	<b>65.2%</b>	<b>63.4%</b>
<b>Average Occupancy</b>	<b>88.9%</b>	<b>86.4%</b>	<b>2.5%</b>	<b>88.1%</b>	<b>85.6%</b>
<b>Average annualized rental revenue per occupied square foot</b>	<b>\$ 10.07</b>	<b>\$ 9.72</b>	<b>3.6%</b>	<b>\$ 9.96</b>	<b>\$ 9.53</b>
<b>Properties included in same store</b>	<b>135</b>	<b>135</b>	<b>—</b>	<b>135</b>	<b>13</b>

#### *Fourth Quarter 2015*

Same store total revenues were \$15.0 million for the fourth quarter of 2015, an increase of 6.5% compared to \$14.0 million for the fourth quarter of 2014. Revenue increases were driven by a 250 basis point increase in average occupancy for the fourth quarter of 2015 compared to the fourth quarter of 2014, combined with a 3.6% increase in average annualized rental revenue per occupied square foot compared to the prior year.

Same store NOI was \$9.8 million for the fourth quarter of 2015, an increase of 10.7% compared to same store NOI of \$8.9 million for the fourth quarter of 2014. Revenue and NOI gains were driven by average occupancy gains and average annualized rental revenue per occupied square foot increases, and a decrease in expenses of 0.7% for the fourth quarter of 2015 compared to the fourth quarter of 2014.

#### *Full Year 2015*

Same store total revenues were \$58.7 million for the full year 2015, an increase of 7.8% compared to \$54.5 million for the full year of 2014. Revenue increases were driven by a year-over-year average occupancy increase, combined with a 4.8% increase in average annualized rental revenue per occupied square foot compared to the prior year.

Same store NOI was \$38.3 million for the full year 2015, an increase of 11.5% compared to same store NOI of \$34.4 million for the full year of 2014. Revenue and NOI gains were driven by average occupancy gains and average annualized rental revenue per occupied square foot increases, offset partially by a 1.7% increase in expenses for the full year 2015 compared to the full year of 2014.

### **Investment Activity**

During the fourth quarter of 2015, NSA invested approximately \$70.4 million in the acquisition of 16 self storage properties, encompassing approximately 1 million rentable square feet configured in approximately 7,700 storage units.

For the full year 2015, the Company invested approximately \$313.0 million in the acquisition of 58 properties, encompassing approximately 3.7 million rentable square feet configured in approximately 28,500 storage units.

Subsequent to December 31, 2015, NSA acquired 16 self storage properties for a total investment of approximately \$85 million, encompassing approximately 1.0 million rentable square feet configured in approximately 7,300 storage units.

### **Debt and Credit Facility Activity**

At December 31, 2015, NSA had approximately \$571 million of total debt outstanding including approximately \$388 million outstanding debt under its credit facility.

### **Dividends**

On November 12, 2015, NSA's Board of Trustees approved an increase in the Company's quarterly common dividend from \$0.19 per share to \$0.20 per share, or from \$0.76 to \$0.80 per share annualized. The increase was effective with the quarterly dividend paid on December 30, 2015 to shareholders of record on December 15, 2015. The dividend, based on the December 31, 2015 closing price, represents an annual yield of 4.67%.

### **2016 Guidance Range**

The following table outlines the Company's estimates for the year ended December 31, 2016:

	<b>Full Year 2016</b>
Same store operations (222 stores)	
Total revenues	6% - 7%
Property operating expenses	3% - 4%
NOI	7% - 9%

General and administrative expenses (as a percent of revenue)

General and administrative expenses (excluding equity-based compensation)	9.0% - 9.5%
Equity-based compensation	1.0% - 1.5%
Subordinated performance unit distributions, in millions	\$20.0 - \$22.0
Acquisitions, in millions	\$350.0 - \$450.0
Core FFO per share	\$1.02 - \$1.08

## Supplemental Financial Information

The full text of this earnings release and supplemental financial information, including certain financial information referenced in this release are available on NSA's website at <http://ir.nationalstorageaffiliates.com/quarterly-reporting> and as exhibit 99.1 to the Company's Form 8-K furnished to the SEC on March 2, 2016.

## Non-GAAP Financial Measures & Glossary

This press release contains certain non-GAAP financial measures. These 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). These measures are also frequently used by securities analysts, investors and other interested parties. The presentation of FFO, Core FFO and NOI in this press release are not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. In addition, NSA's method of calculating these measures may be different from methods used by other companies, and, accordingly, may not be comparable to similar measures as calculated by other companies that do not use the same methodology as NSA. These measures, and other words and phrases used herein, are defined in the Glossary in the supplemental financial information and, where appropriate, reconciliations of these measures and other non-GAAP financial measures to their most directly comparable GAAP measures are included in the Schedules to this press release and in the supplemental financial information.

## Quarterly Teleconference and Webcast

The Company will host a conference call at 1:00pm Eastern Time on Thursday, March 3, 2016 to discuss its financial results. At the conclusion of the call, management will accept questions from certified financial analysts. All other participants are encouraged to listen to a webcast of the call by accessing the link found on the Company's website at [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com).

Conference Call and Webcast:

Date/Time: Thursday, March 3, 2016, 1:00pm ET

Webcast available at: [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com)

Domestic (Toll Free US & Canada): 877.407.9711

International: 412.902.1014

Replay:

Domestic (Toll Free US & Canada): 877.660.6853

International: 201.612.7415

Conference ID: 13613621

A replay of the call will be available for one week through Thursday, March 10, 2016. A replay of the webcast will be available for 30 days on NSA's website at [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com).

### **Upcoming Industry Conferences**

NSA management is scheduled to attend the Self Storage Association's 2016 Spring Conference & Trade Show in Dallas, Texas on March 30 - April 1, 2016 and the Arizona Self Storage Association's Owners Summit in Chandler, Arizona on April 11 - 13, 2016.

### **About National Storage Affiliates Trust**

National Storage Affiliates Trust is a Maryland real estate investment trust focused on the ownership, operation and acquisition of self storage properties located within the top 100 metropolitan statistical areas throughout the United States. The Company currently owns and operates 292 self storage properties located in 17 states with approximately 17 million rentable square feet. NSA is the sixth largest owner and operator of self storage properties among public and private companies in the U.S. For more information, please visit the Company's website at [www.nationalstorageaffiliates.com](http://www.nationalstorageaffiliates.com). NSA is included in the Russell 2000 Index of Companies.

### ***NOTE REGARDING FORWARD-LOOKING STATEMENTS***

Certain statements contained in this press release constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are intended to be covered by the safe harbor provided by the same. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond the Company's control. These forward-looking statements include information about possible or assumed future results of the Company's business, financial condition, liquidity, results of operations, plans and objectives. Changes in any circumstances may cause the Company's actual results to differ significantly from those expressed in any forward-looking statement. When used in this release, the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions are intended to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking: market trends in the Company's industry, interest rates, the debt and lending markets or the general economy; the Company's business and investment strategy; and the acquisition of properties, including the timing of acquisitions. For a further list and description of such risks and uncertainties, see the Company's Prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) under the Securities Act of 1933 on April 24, 2015 and the reports filed by the Company with the Securities and Exchange Commission. The forward-looking statements, and other risks, uncertainties and factors are based on the Company's beliefs, assumptions and expectations of its future performance, taking into account all information currently available to the Company. Forward-looking statements are not predictions of future events.

The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

**National Storage Affiliates Trust**  
**Consolidated Statements of Operations**  
(in thousands, except per share amounts)  
(unaudited)

	<b>Three Months Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>REVENUE</b>				
Rental revenue	\$37,219	\$25,914	\$129,869	\$74,837
Other property-related revenue	1,081	817	4,050	2,133
Total revenue	<u>38,300</u>	<u>26,731</u>	<u>133,919</u>	<u>76,970</u>
<b>OPERATING EXPENSES</b>				
Property operating expenses	12,744	9,248	45,412	27,913
General and administrative expenses	4,409	2,740	16,265	8,189
Depreciation and amortization	10,459	8,474	40,651	23,785
Total operating expenses	<u>27,612</u>	<u>20,462</u>	<u>102,328</u>	<u>59,887</u>
Income from operations	10,688	6,269	31,591	17,083
<b>OTHER INCOME (EXPENSE)</b>				
Interest expense	(4,727)	(7,405)	(20,779)	(23,033)
Loss on early extinguishment of debt	—	—	(914)	(1,020)
Acquisition costs	(573)	(1,195)	(4,765)	(9,558)
Organizational and offering expenses	—	(104)	(58)	(1,320)
Non-operating (expense) income	(23)	64	(279)	64
Gain on sale of self storage properties	—	—	—	1,427
Other income (expense)	<u>(5,323)</u>	<u>(8,640)</u>	<u>(26,795)</u>	<u>(33,440)</u>
<b>Net income (loss)</b>	5,365	(2,371)	4,796	(16,357)
Net (income) loss attributable to noncontrolling interests	<u>(761)</u>	<u>2,371</u>	<u>7,644</u>	<u>16,357</u>
<b>Net income (loss) attributable to National Storage Affiliates Trust</b>	<u>\$ 4,604</u>	<u>\$ —</u>	<u>\$ 12,440</u>	<u>\$ —</u>
<b>Earnings (loss) per share - basic</b>	<u>\$ 0.20</u>	<u>\$ —</u>	<u>\$ 0.80</u>	<u>\$ —</u>
<b>Earnings (loss) per share - diluted</b>	<u>\$ 0.08</u>	<u>\$ —</u>	<u>\$ 0.17</u>	<u>\$ —</u>
<b>Weighted average shares outstanding - basic</b>	<u>23,000</u>	<u>1</u>	<u>15,463</u>	<u>1</u>
<b>Weighted average shares outstanding - diluted</b>	<u>65,280</u>	<u>1</u>	<u>45,409</u>	<u>1</u>



**National Storage Affiliates Trust**  
**Consolidated Balance Sheets**  
(dollars in thousands, except per share amounts)  
(unaudited)

	<b>De</b>
	<b>201</b>
<b>ASSETS</b>	
Real estate	
Self storage properties	\$1,147
Less accumulated depreciation	(68)
Self storage properties, net	1,079
Cash and cash equivalents	6
Restricted cash	2
Debt issuance costs, net	4
Other assets, net	8
Total assets	\$1,101
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Debt financing	\$ 570
Accounts payable and accrued liabilities	9
Distributions payable	
Deferred revenue	5
Total liabilities	585
Equity	
Common shares of beneficial interest, par value \$0.01 per share. 250,000,000 and 1,000 shares authorized, 23,015,751 and 1,000 shares issued and outstanding at December 31, 2015 and 2014, respectively	
Additional paid-in capital	236
Retained earnings	
Accumulated other comprehensive loss	
Total shareholders' equity	236
Noncontrolling interests	279
Total equity	516
Total liabilities and equity	\$1,101

**Funds From Operations and Core Funds From Operations**  
(in thousands, except per share and unit amounts) (unaudited)

<b>Three Months</b>		<b>Year En</b>
<b>Ended</b>		<b>Decemb</b>
<b>December 31,</b>	<b>December 31,</b>	<b>2015</b>
<b>2015</b>	<b>2014</b>	<b>2015</b>

<b>Net income (loss)</b>	<b>\$ 5,365</b>	<b>\$(2,371)</b>	<b>\$ 4,796</b>	<b>\$(</b>
Add (subtract):				
Real estate depreciation and amortization	10,360	8,294	40,303	
Gain on sale of self storage properties	—	—	—	
FFO attributable to subordinated performance unitholders (1)	(4,680)	(3,056)	(14,997)	—
<b>FFO attributable to common shareholders, OP unitholders, and LTIP unitholders</b>	<b>11,045</b>	<b>2,867</b>	<b>30,102</b>	
Add:				
Acquisition costs	573	1,195	4,765	
Organizational and offering expenses	—	104	58	
Loss on early extinguishment of debt	—	—	914	—
<b>Core FFO attributable to common shareholders, OP unitholders, and LTIP unitholders</b>	<b>\$11,618</b>	<b>\$ 4,166</b>	<b>\$35,839</b>	<b>\$</b>

**Weighted average shares and units outstanding - FFO and Core FFO<sup>(2)</sup>**

Weighted average shares outstanding - basic	23,000	1	15,463	
Weighted average restricted common shares outstanding	17	—	9	
Weighted average OP units outstanding <sup>(3)</sup>	21,472	18,274	20,507	
Weighted average DownREIT OP unit equivalents outstanding	1,835	1,269	1,518	
Weighted average LTIP units outstanding <sup>(4)</sup>	2,361	—	1,548	—
<b>Total weighted average shares and units outstanding - FFO and Core FFO</b>	<b>48,685</b>	<b>19,544</b>	<b>39,045</b>	

<b>FFO per share and unit</b>	<b>\$ 0.23</b>	<b>\$ 0.15</b>	<b>\$ 0.77</b>	<b>\$</b>
<b>Core FFO per share and unit</b>	<b>\$ 0.24</b>	<b>\$ 0.21</b>	<b>\$ 0.92</b>	<b>\$</b>

(1) Amounts represent distributions declared for subordinated performance unitholders and DownREIT subordinated performance unitholders for the periods presented.

(2) NSA combines OP units and DownREIT OP units with common shares because, after the applicable lock-out periods, OP units in the Company's operating partnership are redeemable for cash or, at NSA's option, exchangeable for common shares on a one-for-one basis and DownREIT OP units are also redeemable for cash or, at NSA's option, exchangeable for OP units in our operating partnership on a one-for-one basis, subject to certain adjustments in each case. Subordinated performance units, DownREIT subordinated performance units, and LTIP units may also, under certain circumstances, be convertible into or exchangeable for common shares (or other units that are convertible into or exchangeable for common shares). Subordinated performance units and DownREIT subordinated performance units have been excluded from the calculations of FFO and Core FFO per share and unit as their effect is anti-dilutive.

- (3) Amount for the year ended December 31, 2014 includes 2,060,711 OP units outstanding for the entire period which were issued in connection with the contribution of 65 self storage properties on April 1, 2014 by SecurCare Portfolio Holdings, LLC and SecurCare Value Properties, Ltd. (collectively, "NSA Predecessor"), entities whose principal owner is the Company's chief executive officer. For financial reporting purposes, NSA Predecessor contributions are reported as a reorganization of entities under common control whereby the contributed self storage properties are included in the Company's results of operations for the entirety of the year ended December 31, 2014 and have been recorded in the Company's financial statements at NSA Predecessor's depreciated historical cost basis.
- (4) LTIP units have been excluded from the calculations of weighted average shares and units outstanding prior to April 28, 2015 because such units did not participate in distributions prior to the Company's initial public offering.

### Other Non-GAAP Financial Measurements

(dollars in thousands) (unaudited)

#### Net Operating Income

	Three Months Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
<b>Net income (loss)</b>	<b>\$ 5,365</b>	<b>\$ (2,371)</b>	<b>\$ 4,796</b>	<b>\$(16,357)</b>
Add:				
General and administrative expenses	4,409	2,740	16,265	8,189
Depreciation and amortization	10,459	8,474	40,651	23,785
Interest expense	4,727	7,405	20,779	23,033
Loss on early extinguishment of debt	—	—	914	1,020
Acquisition costs	573	1,195	4,765	9,558
Organizational and offering expenses	—	104	58	1,320
Gain on sale of self storage properties	—	—	—	(1,427)
Non-operating expense (income)	23	(64)	279	(64)
<b>Net Operating Income</b>	<b>\$ 25,556</b>	<b>\$ 17,483</b>	<b>\$88,507</b>	<b>\$ 49,057</b>

#### EBITDA and Adjusted EBITDA

	Three Months Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
<b>Net income (loss)</b>	<b>\$ 5,365</b>	<b>\$ (2,371)</b>	<b>\$ 4,796</b>	<b>\$(16,357)</b>
Add:				
Depreciation and amortization	10,459	8,474	40,651	23,785
Interest expense	4,727	7,405	20,779	23,033

Loss on early extinguishment of debt	—	—	914	1,020
<b>EBITDA</b>	<b>20,551</b>	<b>13,508</b>	<b>67,140</b>	<b>31,481</b>
Add:				
Acquisition costs	573	1,195	4,765	9,558
Organizational and offering expenses	—	104	58	1,320
Gain on sale of self storage properties	—	—	—	(1,427)
Equity-based compensation expense <sup>(1)</sup>	652	468	3,027	1,468
<b>Adjusted EBITDA</b>	<b>\$ 21,776</b>	<b>\$ 15,275</b>	<b>\$74,990</b>	<b>\$ 42,400</b>

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

View source version on businesswire.com:

<http://www.businesswire.com/news/home/20160302006435/en/>

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Source: National Storage Affiliates Trust