

# Public Storage Canadian Properties News Release

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For Release: Immediately  
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## Public Storage Canadian Properties Announces 2004 Operating Results and Distributions

**TORONTO, Ontario** – Public Storage Canadian Properties (TSX:PUB) today announced operating results for the fourth quarter ended December 31, 2004 and distributions to be paid on March 31, 2005.

### Operating Results

Net income was \$1,737,000 or \$0.36 per partnership unit for the three months ended December 31, 2004 compared to \$1,618,000 or \$0.34 per partnership unit for the same period in 2003. The increase in net income for the fourth quarter of 2004 was due primarily to an increase in net operating income derived from property operations compared to the same period in 2003.

Net income was \$6,098,000 or \$1.41 per partnership unit for the year ended December 31, 2004 compared to \$7,334,000 or \$1.52 per partnership unit for the same period in 2003. The decrease in net income is due primarily to a decrease in net operating income derived from property operations compared to the same period last year.

### Property Operations

The Partnership derives substantially all of its income from the ownership of sixteen self-storage facilities. Thirteen facilities are located in the province of Ontario and three facilities are located in the province of British Columbia. The following table summarizes the pre-depreciation operating results of the Partnership's facilities.

	Three months ended December 31,			Year ended December 31,		
	2004	2003	Change	2004	2003	Change
Rental income.....	\$ 3,926,000	\$ 3,745,000	4.8%	\$ 15,242,000	\$ 15,275,000	-0.2%
Less: cost of operations .....	1,261,000	1,284,000	-1.8%	5,136,000	4,783,000	7.4%
Less: management fees paid to affiliate.....	237,000	227,000	4.4%	916,000	919,000	-0.3%
Net operating income.....	\$ 2,428,000	\$ 2,234,000	8.7%	\$ 9,190,000	\$ 9,573,000	-4.0%
Gross margin <sup>(1)</sup> .....	61.8%	59.7%		60.3%	62.7%	
Weighted average for period:						
Occupancy .....	89.8%	82.6%		88.7%	87.2%	
Realized annual rent per square foot <sup>(2)</sup> .....	\$14.17	\$14.69	-3.5%	\$13.91	\$14.18	-1.9%

(1) Gross margin is computed by dividing property net operating income by rental income.

(2) Realized rent per square foot represents the actual revenue earned per occupied square foot. Management believes this is a more relevant measure than posted or scheduled rates as posted rates can be discounted through promotions.

**Funds from Operations (“FFO”) and Earnings before Interest, Taxes, Depreciation and Amortization (“EBITDA”)**

FFO and EBITDA are supplementary performance measures for real estate companies used by investors and analysts. These non-generally accepted accounting principles (“GAAP”) financial measures do not have any standardized meanings prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. Many investors and analysts consider FFO and EBITDA to be measures of the performance of real estate companies. FFO is equal to net income (computed in accordance with GAAP) plus depreciation and amortization. EBITDA is equal to earnings before interest income, interest expense, taxes, depreciation and amortization. FFO and EBITDA do not take into consideration scheduled principal payments on debt, capital improvements, distributions or other obligations of the Partnership. Accordingly, FFO and EBITDA are not substitutes for the Partnership’s cash flow or net income as a measure of the Partnership’s liquidity or operating performance or ability to pay distributions.

The following table calculates FFO and EBITDA for the three months and year ended December 31, 2004 and 2003:

	Three months ended December 31,			Year ended December 31,		
	2004	2003	Change	2004	2003	Change
Net income.....	\$ 1,737,000	\$ 1,618,000		\$ 6,798,000	\$ 7,334,000	
Write-off capitalized software	-	69,000		-	69,000	
Depreciation and amortization.....	603,000	481,000		2,023,000	1,878,000	
FFO.....	<u>\$ 2,340,000</u>	<u>\$ 2,168,000</u>	7.9%	<u>\$ 8,821,000</u>	<u>\$ 9,281,000</u>	-5.0%
Weighted average number of partnership units .....	4,821,430	4,821,430		4,821,430	4,821,430	
FFO per partnership unit .....	\$0.49	\$0.45	8.9%	\$1.83	\$1.92	-4.7%
Net income.....	\$ 1,737,000	\$ 1,618,000		\$ 6,798,000	\$ 7,334,000	
Write-off capitalized software	-	69,000		-	69,000	
Depreciation and amortization.....	603,000	481,000		2,023,000	1,878,000	
Less: interest and other income ...	(4,000)	(9,000)		(28,000)	(38,000)	
EBITDA.....	<u>\$ 2,336,000</u>	<u>\$ 2,159,000</u>	8.2%	<u>\$ 8,793,000</u>	<u>\$ 9,243,000</u>	-4.9%
Weighted average number of partnership units .....	4,821,430	4,821,430		4,821,430	4,821,430	
EBITDA per partnership unit .....	\$0.48	\$0.45	6.7%	\$1.82	\$1.92	-5.2%

**Distributions**

The board of directors of the general partner today declared a distribution of \$0.45 per partnership unit payable on March 31, 2005 to unitholders of record at the close of business on March 15, 2005.

**Property Acquisitions and Developments**

In December 2003, the Partnership acquired a 2.1 acre property for approximately \$1,715,000 in Surrey, British Columbia for development into a mini-warehouse facility. The total cost to develop this facility (including cost of land) is expected to be approximately \$6,437,000. As at December 31, 2004, \$4,552,000 had been invested in this facility. The facility is expected to open in the second quarter of 2005.

In July 2004, The Partnership acquired a 1.3 acre property for approximately \$2,840,000 in Vancouver, British Columbia for development into a mini-warehouse facility. The total cost to develop this facility (including cost of land) is expected to be approximately \$9,757,000. As at December 31, 2004, \$3,182,000 had been invested in this facility. The facility is expected to open in the first quarter of 2006.

These are the first development properties acquired by the Partnership since 1987 and will be funded by the Partnership’s cash reserves and credit facility.

## Partnership Information

Public Storage Canadian Properties is a publicly held limited partnership that has invested in mini-warehouse storage facilities. More information about the Partnership is available on the Internet. The Partnership's web site is [www.publicstoragecanada.com](http://www.publicstoragecanada.com).

### PUBLIC STORAGE CANADIAN PROPERTIES SELECTED FINANCIAL DATA

	Three Months Ended December 31,		Year ended December 31,	
	2004	2003	2004	2003
<b>Revenue:</b>				
Rental income.....	\$ 3,926,000	\$ 3,745,000	\$ 15,242,000	\$ 15,275,000
Interest income.....	4,000	9,000	28,000	38,000
	<u>3,930,000</u>	<u>3,754,000</u>	<u>15,270,000</u>	<u>15,313,000</u>
<b>Costs and expenses:</b>				
Cost of operations.....	1,261,000	1,284,000	5,136,000	4,783,000
Management fees paid to affiliate.....	237,000	227,000	916,000	919,000
Depreciation and amortization.....	603,000	481,000	2,023,000	1,878,000
Administrative.....	92,000	72,000	397,000	330,000
Write-off capitalized software.....	-	69,000	-	69,000
	<u>2,193,000</u>	<u>2,136,000</u>	<u>8,472,000</u>	<u>7,979,000</u>
Net income.....	<u>\$ 1,737,000</u>	<u>\$ 1,618,000</u>	<u>\$ 6,798,000</u>	<u>\$ 7,334,000</u>
Net income per partnership unit.....	\$ 0.36	\$ 0.34	\$ 1.41	\$ 1.52
Distributions per partnership unit.....	\$ 0.45	\$ 0.45	\$ 1.80	\$ 1.80
Weighted average number of partnership units outstanding.....	4,821,430	4,821,430	4,821,430	4,821,430
<b>Balance sheet data:</b>				
	As of December 31, 2004	As of December 31, 2003		
Cash and cash equivalents.....	\$ 275,000	\$ 1,056,000		
Amounts due under borrowings from credit facility.....	8,200,000	-		
Total assets.....	36,228,000	30,102,000		
Partners' equity.....	26,812,000	28,693,000		
Partnership units outstanding at end of period.....	4,821,430	4,821,430		