

# Public Storage Canadian Properties News Release

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For Release: Immediately  
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## Public Storage Canadian Properties Announces Second Quarter 2005 Operating Results and Distributions

**TORONTO, Ontario** – Public Storage Canadian Properties (TSX:PUB) today announced operating results for the second quarter ended June 30, 2005 and distributions to be paid on September 30, 2005.

### Operating Results

Net income was \$1,889,000 or \$0.39 per partnership unit for the three months ended June 30, 2005 compared to \$1,531,000 or \$0.32 per partnership unit for the same period in 2004.

Net income was \$3,541,000 or \$0.73 per partnership unit for the six months ended June 30, 2005 compared to \$3,218,000 or \$0.67 per partnership unit for the same period in 2004.

### Property Operations

In March 2005, the Partnership purchased an existing facility in Calgary, Alberta. In April 2005, the Partnership opened a facility in Cloverdale, British Columbia which has been under development since August 2004. These two facilities are the first additions to the Partnership's portfolio of properties since the Partnership and its predecessors were formed.

The Partnership derives substantially all of its income from the ownership of eighteen self-storage facilities. Thirteen facilities are located in the province of Ontario, four facilities are located in the province of British Columbia and one facility is located in the province of Alberta.

In order to evaluate the performance of the Partnership's portfolio, management analyzes the operating performance of a stabilized group of self-storage facilities (herein referred to as "Same Store" facilities). These original sixteen facilities have been owned and operated at a mature, stabilized occupancy level throughout the periods presented by the Partnership.

The following table summarizes the pre-amortization operating results of the Partnership's "Same Store" facilities.

	Three months ended June 30,			Six months ended June 30,		
	2005	2004	Change	2005	2004	Change
Rental income .....	\$ 4,123,000	\$ 3,708,000	11.2%	\$ 7,991,000	\$ 7,317,000	9.2%
Less: cost of operations.....	1,115,000	1,340,000	-16.8%	2,489,000	2,511,000	-0.9%
Less: management fees .....	247,000	222,000	11.3%	479,000	439,000	9.1%
Net operating income <sup>(1)</sup> .....	<u>\$ 2,761,000</u>	<u>\$ 2,146,000</u>	28.7%	<u>\$ 5,023,000</u>	<u>\$ 4,367,000</u>	15.0%
Gross margin <sup>(2)</sup> .....	67.0%	57.9%		62.9%	59.7%	
Weighted average for period:						
Occupancy .....	88.9%	89.6%		87.9%	86.0%	
Realized annual rent per square foot <sup>(3)</sup> .....	\$15.02	\$13.41	12.0%	\$14.73	\$13.77	7.0%

(1) Net operating income ("NOI") is equal to rental income less cost of operations and management fees paid to an affiliate before amortization. This non-GAAP financial measure does not have any standardized meanings prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers.

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

(3) 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 and six months ended June 30, 2005 and 2004:

	Three months ended June 30,			Six months ended June 30,		
	2005	2004	Change	2005	2004	Change
Net income .....	\$ 1,889,000	\$ 1,531,000		\$ 3,541,000	\$ 3,218,000	
Amortization .....	584,000	479,000		1,079,000	927,000	
FFO .....	<u>\$ 2,473,000</u>	<u>\$ 2,010,000</u>	23.0%	<u>\$ 4,620,000</u>	<u>\$ 4,145,000</u>	11.5%
Weighted average number of partnership units .....	4,821,430	4,821,430		4,821,430	4,821,430	
FFO per partnership unit.....	\$0.51	\$0.42	21.4%	\$0.96	\$0.86	11.6%
Net income .....	\$ 1,889,000	\$ 1,531,000		\$ 3,541,000	\$ 3,218,000	
Amortization .....	584,000	479,000		1,079,000	927,000	
Interest expense.....	121,000	-		131,000	-	
Less: interest income.....	(2,000)	(3,000)		(9,000)	(9,000)	
EBITDA .....	<u>\$ 2,592,000</u>	<u>\$ 2,007,000</u>	29.1%	<u>\$ 4,742,000</u>	<u>\$ 4,136,000</u>	14.7%
Weighted average number of partnership units .....	4,821,430	4,821,430		4,182,430	4,182,430	
EBITDA per partnership unit .....	\$0.54	\$0.42	28.6%	\$0.98	\$0.86	14.0%

## **Distributions**

The board of directors of the general partner today declared a distribution of \$0.45 per partnership unit payable on September 30, 2005 to unitholders of record at the close of business on September 15, 2005.

## **Credit Facility Increase**

The Partnership increased its existing \$28 million credit facility to \$36 million and extended the maturity date to June 30, 2006. The credit facility will be used for general corporate purposes and to provide short term financing for property acquisitions and developments.

## **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 June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
<b>Revenue:</b>				
Rental income .....	\$ 4,207,000	\$ 3,708,000	\$ 8,082,000	\$ 7,317,000
Interest income .....	2,000	3,000	9,000	9,000
	<u>4,209,000</u>	<u>3,711,000</u>	<u>8,091,000</u>	<u>7,326,000</u>
<b>Costs and expenses:</b>				
Cost of operations .....	1,239,000	1,340,000	2,612,000	2,511,000
Management fees paid to an affiliate .....	251,000	222,000	484,000	439,000
Amortization .....	584,000	479,000	1,079,000	927,000
Administrative .....	125,000	139,000	244,000	231,000
Interest expense .....	121,000	-	131,000	-
	<u>2,320,000</u>	<u>2,180,000</u>	<u>4,550,000</u>	<u>4,108,000</u>
Net income .....	<u>\$ 1,889,000</u>	<u>\$ 1,531,000</u>	<u>\$ 3,541,000</u>	<u>\$ 3,218,000</u>
Net income per partnership unit .....	\$ 0.39	\$ 0.32	\$ 0.73	\$ 0.67
Distributions per partnership unit .....	\$ 0.45	\$ 0.45	\$ 0.90	\$ 0.90
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 at June 30, 2005	As at December 31, 2004		
Cash and cash equivalents .....	\$ 312,000	\$ 275,000		
Borrowings from credit facility .....	20,400,000	8,200,000		
Total assets .....	47,464,000	36,228,000		
Partners' equity .....	26,014,000	26,812,000		
Partnership units outstanding at end of period .....	4,821,430	4,821,430		