

Public Storage Canadian Properties News Release

Public Storage Canadian Properties
Suite 6600
100 King Street West
1 First Canadian Place
Toronto, Ontario M5X 1B8

For Release: Immediately
Date: August 6, 2008
Contact: Vincent Chan
Phone: (866) PS-CANADA
(866) 772-2623

Public Storage Canadian Properties Announces Second Quarter 2008 Operating Results and Distributions

TORONTO, Ontario – Public Storage Canadian Properties (TSX:PUB) today announced operating results for the second quarter ended June 30, 2008 and distributions to be paid on September 30, 2008.

David Singelyn, President of Canadian Mini-Warehouse Properties Company (“CMP”), the General Partner of Public Storage Canadian Properties (the “Partnership”) stated that “the Partnership continues to grow its business both internally and externally with growth in “Same Store” net operating income of 6.5% for the second quarter, the grand opening of a new self-storage facility in Laval, Québec and the acquisition of a property in Dorval, Québec for development into a new self-storage facility”

Operating Results

Net income of the Partnership was \$1,997,000 or \$0.22 per partnership unit (“Unit”) (based on 9,040,181 Units) for the three months ended June 30, 2008 compared to \$2,966,000 or \$0.41 per Unit (based on 7,232,145 Units) for the same period in 2007. Net income of the Partnership was \$3,577,000 or \$0.40 per Unit (based on 9,040,181 Units) for the six months ended June 30, 2008 compared to \$4,598,000 or \$0.64 per Unit (based on 7,232,145 Units) for the same period in 2007. The decreases in net income and net income per Unit were due to the recognition of an income tax benefit of \$1,060,000 in the prior year arising from amendments to the *Income Tax Act* (Canada), an increase in the number of outstanding Units as a result of the completion of a rights offering by the Partnership in October 2007, and the dilutive impact of newly developed self-storage facilities.

Property Operations

The Partnership owns, and derives substantially all of its income from, 25 self-storage facilities, of which fifteen are located in Ontario, five are located in British Columbia, four are located in Québec and one is located in Alberta. In addition, the Partnership owns parcels of land in Oakville, Ontario, Richmond Hill, Ontario, and Dorval, Québec, for development into new self-storage facilities.

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). “Same Store” facilities are facilities that have been owned and operated at a mature, stabilized occupancy level since January 1 of the earliest period presented. Management considers a facility to be stable after it has been opened for at least three years. Effective October 1, 2007 the Partnership removed one facility from the pool of “Same Store” facilities. A facility in Brampton, Ontario has been identified for redevelopment and no longer provides meaningful comparative data for the periods presented. As at June 30, 2008, the “Same Store” facilities consisted of fifteen facilities that have been owned and operated by the Partnership since its inception and contain approximately 1,172,000 net rentable square feet and 10,667 storage units.

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,		
	2008	2007	Change	2008	2007	Change
Rental Income	\$ 4,388,000	\$ 4,176,000	5.1%	\$ 8,541,000	\$ 8,177,000	4.5%
Less: cost of operations	1,240,000	1,215,000	2.1%	2,559,000	2,470,000	3.6%
Less: management fees	263,000	251,000	4.8%	512,000	491,000	4.3%
Net operating income ⁽¹⁾	<u>\$ 2,885,000</u>	<u>\$ 2,710,000</u>	6.5%	<u>\$ 5,470,000</u>	<u>\$ 5,216,000</u>	4.9%
Gross margin ⁽²⁾	65.7%	64.9%		64.0%	63.8%	
Weighted average for period:						
Occupancy	88.0%	88.5%		87.4%	86.9%	
Realized annual rent per square foot ⁽³⁾	\$17.04	\$16.11	5.08%	\$16.69	\$16.06	3.9%

(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-generally accepted accounting principles ("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.

Opening of New Facility in Laval, Québec

As previously announced on June 30, 2008, the Partnership opened a newly constructed self-storage facility located at 3015 Boulevard Tessier in Laval, Québec just east of Autoroute 15 at Boulevard Carrefour. The facility consists of a four-storey climate-controlled building with approximately 84,000 net rentable square feet and 800 self-storage units. The total cost to develop this facility (including the land purchase price) was approximately \$9.0 million.

The facility will be managed by CMP, the manager of the Partnership's other properties, pursuant to a management agreement for a management fee equal to 6% of gross operating revenue of the property.

Acquisition of Property in Dorval, Québec

As previously announced on July 7, 2008 the Partnership acquired a property located at 2801-2827 Montee St-Remi in Dorval encompassing 2.07 acres of vacant land for a purchase price of approximately \$1,900,000. The total cost to develop this property (including the purchase price) into a self-storage facility is expected to be approximately \$10,800,000. This property is located on the west side of Montreal, Québec just south of Highway 40 at the Southeast corner of Sources Blvd and Hymus Blvd.

The acquisition of this facility was funded from the Partnership's credit facility and will be managed by CMP, the manager of the Partnership's other properties, pursuant to a management agreement for a management fee equal to 6% of gross operating revenue of the property.

This is the fifth facility acquired and/or developed by the Partnership in the Greater Montreal Area in the last 3 years.

Estimates of costs to develop this property have been prepared without information on exact unit mix and architectural drawings and the actual costs may exceed the current estimates. Management's plans and expectations respecting the acquisition and development of this property are subject to various assumptions, including assumptions respecting the availability and cost of construction materials and labour, there being limited costs, difficulties or delays related to obtaining construction and operating permits. Management's plans and expectations are also subject to various known and unknown risks, uncertainties and other facts, including the risk that management's assumptions may prove to be inaccurate, timing, budgeting and other risks, including construction delays or cost overruns that may increase project costs, and risk factors included in the Partnership's public filings with Canadian securities regulatory authorities including the section titled "Risk Factors" in the Partnership's Annual Information Form dated March 28, 2008.

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-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 before depreciation, amortization and gains or losses on sale of real estate assets. 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, 2008 and 2007:

	Three months ended June 30,			Six months ended June 30,		
	2008	2007	Change	2008	2007	Change
<u>Calculation of FFO:</u>						
Net income.....	\$ 1,997,000	\$ 2,966,000		\$ 3,577,000	\$ 4,598,000	
Amortization of real estate	1,066,000	917,000		2,115,000	1,829,000	
Amortization of intangibles	49,000	349,000		99,000	665,000	
Less: income tax benefit.....	(46,000)	(1,060,000)		(117,000)	(1,060,000)	
FFO.....	<u>\$ 3,066,000</u>	<u>\$ 3,172,000</u>	(3.3%)	<u>\$ 5,674,000</u>	<u>\$ 6,032,000</u>	(5.9%)
Weighted average number of units ...	9,040,181	7,232,145		9,040,181	7,232,145	
FFO per Unit	\$0.34	\$0.44	(22.7%)	\$0.63	\$0.83	(24.1%)
<u>Calculation of EBITDA:</u>						
Net income.....	\$ 1,997,000	\$ 2,966,000		\$ 3,577,000	\$ 4,598,000	
Amortization of real estate	1,066,000	917,000		2,115,000	1,829,000	
Amortization of intangibles	49,000	349,000		99,000	665,000	
Interest and commitment fees	141,000	121,000		284,000	247,000	
Less: income tax benefit.....	(46,000)	(1,060,000)		(117,000)	(1,060,000)	
Less: interest income	(41,000)	(18,000)		(75,000)	(45,000)	
EBITDA	<u>\$ 3,166,000</u>	<u>\$ 3,275,000</u>	(3.3%)	<u>\$ 5,883,000</u>	<u>\$ 6,234,000</u>	(5.6%)
Weighted average number of units ...	9,040,181	7,232,145		9,040,181	7,232,145	
EBITDA per Unit	\$0.35	\$0.45	(22.2%)	\$0.65	\$0.86	(24.4%)

Distributions

The board of directors of the general partner today declared a distribution of \$0.45 per Unit payable on September 30, 2008 to unitholders of record at the close of business on September 15, 2008.

Partnership Information

Public Storage Canadian Properties is a publicly held limited partnership that invests in self-storage facilities. More information about the Partnership is available on the Internet. The Partnership’s web site is www.publicstoragecanada.com.

**PUBLIC STORAGE CANADIAN PROPERTIES
SELECTED FINANCIAL DATA**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Revenue:				
Rental income	\$ 6,155,000	\$ 5,691,000	\$ 11,905,000	\$ 11,005,000
Interest and other income	41,000	18,000	75,000	45,000
	<u>6,196,000</u>	<u>5,709,000</u>	<u>11,980,000</u>	<u>11,050,000</u>
Costs and expenses:				
Cost of operations	2,435,000	1,871,000	4,971,000	3,774,000
Management fees paid to an affiliate	369,000	342,000	714,000	661,000
Amortization of real estate facilities	1,066,000	917,000	2,115,000	1,829,000
Amortization of intangible assets	49,000	349,000	99,000	665,000
Interest and commitment fees	141,000	121,000	284,000	247,000
Administrative	185,000	203,000	337,000	336,000
	<u>4,245,000</u>	<u>3,803,000</u>	<u>8,520,000</u>	<u>7,512,000</u>
Income before income taxes	<u>1,951,000</u>	<u>1,906,000</u>	<u>3,460,000</u>	<u>3,538,000</u>
Future income tax benefit	<u>46,000</u>	<u>1,060,000</u>	<u>117,000</u>	<u>1,060,000</u>
Net income	<u>\$ 1,997,000</u>	<u>\$ 2,966,000</u>	<u>\$ 3,577,000</u>	<u>\$ 4,598,000</u>
Net income per partnership unit	\$ 0.22	\$ 0.41	\$ 0.40	\$ 0.64
Distributions per partnership unit	\$ 0.45	\$ 0.45	\$ 0.90	\$ 0.90
Weighted average number of partnership units outstanding	9,040,181	7,232,145	9,040,181	7,232,145
Balance sheet data:				
	As at	As at		
	June 30, 2008	December 31, 2007		
Cash and cash equivalents	\$ 174,000	\$ 269,000		
Debt	17,085,000	5,073,000		
Total assets	115,130,000	106,729,000		
Partners' equity	94,492,000	99,051,000		
Partnership units outstanding at end of period	9,040,181	9,040,181		