

PUBLIC STORAGE CANADIAN PROPERTIES

**(A Limited Partnership Governed By
The Limited Partnerships Act Of Ontario)**

ANNUAL REPORT TO UNITHOLDERS

DECEMBER 31, 2003

PUBLIC STORAGE CANADIAN PROPERTIES

(A Limited Partnership Governed By The Limited Partnerships Act Of Ontario)

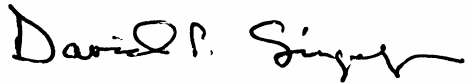
Notice of Annual Meeting of Unitholders

Notice is hereby given that the annual meeting of the holders of Limited Partnership Units (“Unitholders”) of Public Storage Canadian Properties (the “Partnership”) will be held at 1:00 p.m. in Boardroom CC6 at the offices of Osler, Hoskin & Harcourt LLP, 1 First Canadian Place, 63rd Floor, Toronto, Ontario on May 12, 2004, to:

- a. receive the report of Canadian Mini-Warehouse Properties Limited, the general partner of the Partnership, the financial statements of the Partnership and the auditor’s report thereon for the year ended December 31, 2003;
- b. review the affairs of the Partnership; and
- c. transact such other business as may properly come before the meeting or any adjournment thereof.

Dated this 25th day of February 2004.

By Order of the Board of Directors of the General Partner,
Canadian Mini-Warehouse Properties Limited



David P. Singelyn
President

PUBLIC STORAGE CANADIAN PROPERTIES

(A Limited Partnership Governed By The Limited Partnerships Act Of Ontario)

Properties

The Partnership owns sixteen properties, thirteen in Ontario and three in British Columbia. The following table sets forth information as of December 31, 2003, about the Partnership's properties:

Location	Date Opened	Land Areas (Acres)	Net Rentable Square Feet	Number of Rental Spaces ^{(a) (b)}
Ontario				
Brampton	Aug. 1979	4.1	63,000	519
Etobicoke	Nov. 1979	1.9	29,000	284
Etobicoke / Queen Elizabeth	Sept. 1986	2.5	66,000	678
Hamilton	Sept. 1979	5.0	95,000	803
Mississauga	Sept. 1979	3.7	58,000	508
Mississauga / Eglinton	Dec. 1986	4.3	82,000	737
Mississauga / Queensway East	Feb. 1981	6.3	105,000	834
North York/ Arrow	Oct. 1980	6.0	117,000	1,004
North York/ Hobson	April 1982	2.6	63,000	610
Rexdale	Jan. 1980	4.9	140,000	1,513
Markham/ Dynamic	Sept. 1980	4.7	80,000	650
Scarborough / Birchmount	Jan. 1987	3.4	73,000	700
Scarborough/ Finch	Dec. 1980	4.2	58,000	453
British Columbia				
Coquitlam/ United	April 1981	4.7	65,000	726
Surrey/ Scott	Nov. 1980	3.2	60,000	531
Surrey/ King George	April 1982	4.1	80,000	646

(a) Number of spaces may change. Internal partitions are sometimes added or deleted to satisfy space size demand.

(b) Includes outdoor spaces for vehicle storage: Markham/Dynamic Drive, 40; Scarborough/Finch, 37; Coquitlam/United, 150; North York/Arrow Road, 83; Hamilton, 14; Rexdale, 105; Etobicoke, 23; Brampton, 2.

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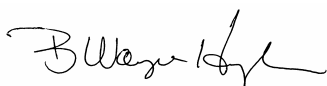
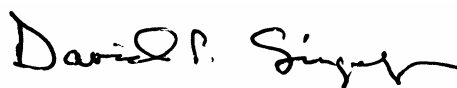
Consolidated Balance Sheets

	December 31, 2003	December 31, 2002
<u>Assets</u>		
Cash and cash equivalents	\$ 1,056,000	\$ 2,646,000
Real estate facilities:		
Buildings, equipment and land improvements	36,293,000	35,688,000
Land	12,986,000	12,986,000
	<u>49,279,000</u>	<u>48,674,000</u>
Less: accumulated depreciation	(22,394,000)	(20,894,000)
	<u>26,885,000</u>	<u>27,780,000</u>
Land held for development	1,825,000	-
Rent and other receivables	245,000	124,000
Other assets	91,000	227,000
	<u>\$ 30,102,000</u>	<u>\$ 30,777,000</u>

Liabilities and Partners' Equity

Accounts payable	\$ 984,000	\$ 345,000
Advanced payments from renters	425,000	394,000
Partners' equity, 4,993,731 Units authorized; 4,821,430 Units issued and outstanding	<u>28,693,000</u>	<u>30,038,000</u>
	<u>\$ 30,102,000</u>	<u>\$ 30,777,000</u>

Approved by the Board of Directors of the General Partner, Canadian Mini-Warehouse Properties Limited.

B. Wayne Hughes, Jr.
DirectorDavid P. Singelyn
Director

See accompanying notes.

PUBLIC STORAGE CANADIAN PROPERTIES

(A Limited Partnership Governed By The Limited Partnerships Act Of Ontario)

Consolidated Statements of Operations

For the years ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Revenue:		
Rental income	\$ 15,275,000	\$ 15,751,000
Interest income	38,000	39,000
	<u>15,313,000</u>	<u>15,790,000</u>
Costs and expenses:		
Cost of operations	4,783,000	4,352,000
Management fees paid to affiliate	919,000	946,000
Depreciation and amortization	1,878,000	1,833,000
Administrative	330,000	249,000
Write-off of capitalized software	69,000	-
	<u>7,979,000</u>	<u>7,380,000</u>
Net income	<u>\$ 7,334,000</u>	<u>\$ 8,410,000</u>
Net income per partnership unit	<u>\$ 1.52</u>	<u>\$ 1.74</u>
Weighted average partnership units outstanding	<u>4,821,430</u>	<u>4,821,430</u>

See accompanying notes.

PUBLIC STORAGE CANADIAN PROPERTIES

(A Limited Partnership Governed By The Limited Partnerships Act Of Ontario)

Consolidated Statements of Partners' Equity

For the years ended December 31, 2003 and 2002

Balance at December 31, 2001	\$ 31,028,000
Net income	8,410,000
Distributions to partners	<u>(9,400,000)</u>
Balance at December 31, 2002	30,038,000
Net income	7,334,000
Distributions to partners	<u>(8,679,000)</u>
Balance at December 31, 2003	<u>\$ 28,693,000</u>

See accompanying notes.

PUBLIC STORAGE CANADIAN PROPERTIES(A Limited Partnership Governed By The Limited Partnerships Act Of Ontario)

Consolidated Statements of Cash Flows

For the years ended December 31, 2003 and 2002

	2003	2002
Cash flows provided by operating activities:		
Net income	\$ 7,334,000	\$ 8,410,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Write-off of capitalized software	69,000	-
Depreciation and amortization	1,878,000	1,833,000
Decrease (increase) in rent and other receivable	(121,000)	161,000
Decrease in other assets	136,000	24,000
Increase (decrease) in accounts payable	639,000	(95,000)
Increase in deferred revenue	31,000	63,000
Total adjustments	<u>2,632,000</u>	<u>1,986,000</u>
Net cash provided by operating activities	<u>9,966,000</u>	<u>10,396,000</u>
Cash flows from investing activities:		
Land held for development	(1,825,000)	-
Purchase of new software	(144,000)	-
Improvements to real estate facilities	(908,000)	(632,000)
Net cash used in investing activities	<u>(2,877,000)</u>	<u>(632,000)</u>
Cash flows from financing activities:		
Distributions to partners	(8,679,000)	(9,400,000)
Net cash used in financing activities	<u>(8,679,000)</u>	<u>(9,400,000)</u>
Net increase (decrease) in cash and cash equivalents	(1,590,000)	364,000
Cash and cash equivalents, beginning of year	<u>2,646,000</u>	<u>2,282,000</u>
Cash and cash equivalents, end of year	<u>\$ 1,056,000</u>	<u>\$ 2,646,000</u>
Supplemental schedule of non cash activities:		
Write-off of capitalized software:		
Buildings, equipment and land improvements	\$ 447,000	\$ -
Accumulated depreciation	(378,000)	-

See accompanying notes.

Notes to Consolidated Financial Statements

December 31, 2003

1. Description of Partnership

Public Storage Canadian Properties (the "Partnership") is a publicly held limited partnership which was established and which exists under the laws of the Province of Ontario. The Partnership was formed in 1998 to facilitate the December 31, 1998 combination of the businesses of PSCP L.P. (previously known as Public Storage Canadian Properties) ("Old PSCP") and Public Storage Canadian Properties IV Limited Partnership ("PSCP IV"). For accounting purposes, the business combination transaction was considered a purchase of PSCP IV.

The general partner of the Partnership is Canadian Mini-Warehouse Properties Limited ("CMP"). As at December 31, 2003, CMP directly owned 724,733 partnership units ("Units") in the Partnership. All of the shares of CMP are beneficially owned by B. Wayne Hughes and certain members of his family (the "Hughes Family"). The Hughes Family beneficially owned 2,454,328 Units (including the Units owned by CMP) or approximately 50.9% of the outstanding Units as at December 31, 2003.

2. Summary of Significant Accounting Policies and Partnership Matters

Depreciation

Buildings and equipment are depreciated on the straight-line basis over estimated useful lives of 25 and 5 years, respectively.

Property Taxes

Property taxes are included in the cost of operations. As a result of changes to the assessed values of the Partnership's properties and the method in which property taxes are calculated, the Partnership regularly appeals its property tax expenditures. Refunds of previous year property taxes are recognized as a reduction

in property tax expense in the period in which the refund becomes determinable.

Income Taxes

Taxes based on income are the responsibility of the individual partners and, accordingly, the Partnership's financial statements do not reflect a provision for such taxes.

Net Income per Partnership Unit

Net income per Unit is determined by dividing net income by the weighted average number of Units outstanding during the periods.

Cash and Cash Equivalents

For financial statement purposes, the Partnership considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

3. Credit Facility

In November 2001, the Partnership obtained a \$10 million revolving line of credit from a commercial bank. The credit facility expires November 2004. At the Partnership's option, the rate of interest charged is equal to either (i) the prime rate or (ii) a rate equal to the Bankers' Acceptance Rate plus 0.875%. In addition, the Partnership is required to pay a stand-by fee on the unused portion of the facility. The stand-by fee ranges from 0.125% to 0.250% based on usage of the facility. As at December 31, 2003, no funds had been drawn down under this facility.

Under covenants of the credit facility, the Partnership is required to (i) maintain a ratio of current assets to current liabilities of not less than 1.00 to 1.00, (ii) maintain a senior funded debt ratio of not greater than 2.50 to 1.00 and (iii) maintain a minimum net worth (as defined).

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As at December 31, 2003, the Partnership was not in compliance with the current ratio provision. A waiver has been obtained from the bank with respect to this default.

4. Partners' Equity

Each Unit represents an equity interest in the Partnership and entitles the Unitholder to the rights and benefits specified in the Partnership's Partnership Agreement, including, but not limited to, the right to receive a pro rata share of distributions to Unitholders by way of income or return of capital contribution. The transferability of the Units is restricted in that transfers are not permitted to persons who are not Qualifying Persons.

A "Qualifying Person" is any person that (i) is not a "non-resident" of Canada for the purposes of the Income Tax Act (Canada) (the "Tax Act"), (ii) is not a person, an interest in which would be a "tax shelter investment" as defined in the Tax Act, and (iii) if a partnership, is a "Canadian partnership" under the Tax Act.

The partnership agreement of PSCP requires that Distributable Cash, as defined therein, be distributed quarterly. Distributions to Unitholders totaled \$8,679,000 (\$1.80 per Unit) and \$9,400,000 (\$1.95 per Unit) for the years ended December 31, 2003 and 2002, respectively.

5. Income Taxes

Taxes based on the income of the Partnership are the responsibility of the individual partners and,

accordingly, each holder of Partnership Units on December 31 of each year is responsible for reporting its pro-rata share of the Partnership's taxable income on their tax return. The pro-rata share of income to be recognized is based on the Partnership's taxable income and not on its reported "book" income nor is it based on the amount of distributions received. Partnership taxable income and "book" income differ due to difference in the reporting of various items. The major difference is the amount of cost allowance recognized for tax purposes versus the amount of depreciation recognized for "book" purposes. The majority of this difference resulted from a "step-up" in the basis of real estate assets for "book" purposes in connection with various amalgamations to which the Partnership has been a party. For tax purposes, as the transactions were treated as "tax-free" exchanges, these assets have not been "stepped-up".

6. Related Party Transactions

Pursuant to the terms of a management agreement between CMP and the Partnership, CMP manages the day-to-day operations of mini-warehouse facilities of the Partnership for a fee equal to 6% of gross rental revenues (as defined in the Partnership's Partnership Agreement).

The Partnership advanced \$75,000 to an affiliate during the year ended December 31, 2003. This advance was included in receivables as at December 31, 2003 and was repaid subsequent to year end.

PUBLIC STORAGE CANADIAN PROPERTIES

(A Limited Partnership Governed By The Limited Partnerships Act Of Ontario)

AUDITORS' REPORT

The Board of Directors of the General Partner and Unitholders of
Public Storage Canadian Properties (a limited partnership)

We have audited the consolidated balance sheets of Public Storage Canadian Properties (a limited partnership) at December 31, 2003 and 2002 and the consolidated statements of operations, partners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2003 and 2002 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Ernst + Young LLP

Toronto, Canada
February 18, 2004

Chartered Accountants

Management's Responsibility for Financial Reporting

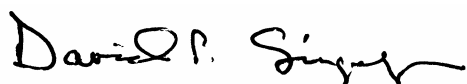
The accompanying financial statements of Public Storage Canadian Properties (the "Partnership") and all of the information in this annual report are the responsibility of management and have been approved by the Board of Directors of Canadian Mini-Warehouse Properties Limited ("CMP"), the general partner of the Partnership.

The financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. When alternative methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise as they include certain amounts based on estimates and judgments. Management has prepared the financial information presented elsewhere in this annual report and has ensured that it is consistent with that in the financial statements.

The Partnership maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Partnership's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors of CMP is responsible for ensuring that its staff fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

Financial statements have been audited by Ernst & Young LLP, the external auditors, in accordance with auditing standards generally accepted in Canada on behalf of the Unitholders of the Partnership.



David P. Singelyn
President
Canadian Mini-Warehouse Properties Limited



Vincent R. Chan
Vice President and Controller
Canadian Mini-Warehouse Properties Limited

February 18, 2004

PUBLIC STORAGE CANADIAN PROPERTIES

(A Limited Partnership Governed By The Limited Partnerships Act Of Ontario)

Management's Discussion and Analysis of Financial Conditions and Results of Operations

Dated February 18, 2004

General

Public Storage Canadian Properties, a publicly held limited partnership (the "Partnership") was formed in 1998 to facilitate the December 31, 1998 combination of PSCP L.P. (previously known as Public Storage Canadian Properties) ("Old PSCP") and Public Storage Canadian Properties IV Limited Partnership ("PSCP IV"). Canadian Mini-Warehouse Properties Limited ("CMP"), an Ontario corporation, is the general partner of the Partnership.

Commencing in the first quarter of 2003, CMP began to implement changes to enhance management's focus on the Partnership's business in Canada. In particular, CMP has sought to replace administrative services provided by Public Storage, Inc., a real estate investment trust operating under the "Public Storage" name in the United States, with equivalent service provided by individuals devoted entirely to the Canadian mini-warehouse business and specifically the mini-warehouse facilities operating in Canada under the "Public Storage" name, of which 16 operating facilities and one development property are owned by the Partnership and the remainder are owned by affiliates of the general partner. These changes are expected to improve governance by enhancing the arm's length nature of the relationship between the "Public Storage" mini-warehouse operations conducted in Canada and the United States, respectively.

Selected Annual Information

	2003	2002	2001
Revenues:			
Rental income	\$ 15,275,000	\$ 15,751,000	\$ 15,836,000
Interest income	38,000	39,000	159,000
	<u>15,313,000</u>	<u>15,790,000</u>	<u>15,995,000</u>
Cost and expenses:			
Cost of operations	4,783,000	4,352,000	4,585,000
Management fees	919,000	946,000	950,000
Depreciation and amortization	1,878,000	1,833,000	1,734,000
Administrative	330,000	249,000	212,000
Write-off of capitalized software	69,000	-	-
Interest expense	-	-	49,000
	<u>7,979,000</u>	<u>7,380,000</u>	<u>7,530,000</u>
Net income	<u>\$ 7,334,000</u>	<u>\$ 8,410,000</u>	<u>\$ 8,465,000</u>
Per Partnership Unit:			
Net income	\$ 1.52	\$ 1.74	\$ 1.76
Distributions	1.80	1.95	1.75
Weighted average Partnership Units outstanding	4,821,430	4,821,430	4,821,430

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	2003	2002	2001
Balance sheet data:			
Cash and cash equivalents	\$ 1,056,000	\$ 2,646,000	\$ 2,282,000
Total assets	30,102,000	30,777,000	31,799,000
Total debt	-	-	-
Partners' equity	28,693,000	30,038,000	31,028,000
Other data:			
Net cash provided by operating activities	9,966,000	10,396,000	9,967,000
Net cash used by investing activities	(2,877,000)	(632,000)	(694,000)
Net cash used in financing activities	(8,679,000)	(9,400,000)	(9,638,000)
Funds from operations ("FFO") ⁽¹⁾	9,281,000	10,243,000	10,199,000
FFO per Unit ⁽¹⁾	1.92	2.12	2.12
Earnings before interest, taxes, depreciation and amortization ("EBITDA") ⁽²⁾	9,243,000	10,204,000	10,089,000
EBITDA per Unit ⁽²⁾	1.92	2.12	2.09

- (1) FFO is equal to net income computed in accordance with generally accepted accounting principles ("GAAP") plus depreciation and amortization. FFO is a supplementary performance measure for real estate companies used by many investors and analysts. FFO does not take into consideration scheduled principal payments on debt, capital improvements, distributions and other obligations of the Partnership. Accordingly, FFO is not a substitute for the Partnership's cash flow or net income as a measure of the Company's liquidity or operating performance or ability to pay distributions. 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) EBITDA is equal to earnings before interest income, interest expense, taxes, depreciation and amortization. EBITDA is a supplementary performance measure for real estate companies used by many investors and analysts. EBITDA does not take into consideration scheduled principal payments on debt, capital improvements, distributions and other obligations of the Partnership. Accordingly, EBITDA is not a substitute 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. 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.

Operating results

Net income was \$7,334,000 or \$1.52 per Unit for the year ended December 31, 2003 compared to \$8,410,000 or \$1.74 per Unit for the same period in 2002. The decrease in net income is due primarily to a decrease in net operating income derived from property operations and an increase in administrative expenses compared to the same period last year, as described in greater detail below.

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Property Operations

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

	Year ended December 31, 2003	Year ended December 31, 2002	Change
Rental income	\$15,275,000	\$15,751,000	-3.0%
Cost of operations	(4,783,000)	(4,352,000)	9.9%
Management fees	(919,000)	(946,000)	-2.9%
Net property operating income	<u>\$9,573,000</u>	<u>\$10,453,000</u>	-8.4%
Average occupancy level	87.2%	88.4%	
Realized annual rent per occupied square foot ⁽¹⁾	\$14.18	\$14.32	-1.0%

- (1) Realized rent per square foot represents the actual revenue earned per occupied square foot. Management believes this is a more relevant measure than the posted or scheduled rates as posted rates can be discounted through the use of promotions. Revenues also include administrative and late fees.

Rental income for the year ended December 31, 2003 was lower than the prior year as a result of lower occupancy levels. The Partnership has experienced increased competition from new facilities, especially in the Toronto market where 13 of the Partnership's 16 facilities are located. Over the past several years, competitors in the Toronto market have built a significant number of new self-storage facilities, many of which offer amenities such as individual unit security and climate control that are not present at the Partnership's older facilities. This competition has had an adverse impact on both occupancy and rental rates, primarily in the second half of 2003. Occupancy levels of the Partnership's 13 properties located in Toronto were 80.2% and 87.4% at December 31, 2003 and December 31, 2002, respectively. This lower occupancy level will result in negative pressure on revenue and net income in 2004. The Partnership has begun offering promotional discounts to new tenants to increase its occupancy levels. Although discounts have a short-term negative impact on rental income, they are an integral part of the strategy to increase occupancy levels and rental income in future periods.

Cost of operations for the year ended December 31, 2003 increased approximately 10% from the prior year. This increase is primarily attributable to training costs in connection with the rollout of new property management software, higher insurance premiums and additional repair and maintenance costs to improve the image of the Partnership's facilities. These increased cost levels are expected to continue in 2004.

Administrative costs for the year ended December 31, 2003 increased \$81,000 from the prior year. The increase relates primarily to higher professional services costs for accounting and legal, higher personnel costs for accounting services and costs related to the commitment fees for the line of credit.

The Partnership also incurred a one-time charge of \$69,000 for the write-off of software during the year ended December 31, 2003. The Partnership has installed its own property management software and discontinued using software developed by Public Storage, Inc. in the United States. The Partnership is in discussions with Public Storage, Inc. as to a refund of some of the developing costs incurred in using the Public Storage software. The Partnership is unable to determine if any refund will be received. If a refund is received, it will be recorded as other income when received.

PUBLIC STORAGE CANADIAN PROPERTIES

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Quarterly Results

<u>Quarter Ended</u>	<u>Revenues</u>	<u>Net Income</u>	<u>Net Income Per Unit</u>
March 31, 2002	\$ 3,803,000	\$ 1,924,000	\$ 0.40
June 30, 2002	3,888,000	2,024,000	0.42
September 30, 2002	4,106,000	2,249,000	0.47
December 31, 2002	3,993,000	2,213,000	0.46
March 31, 2003	\$ 3,872,000	\$ 1,940,000	\$ 0.40
June 30, 2003	3,788,000	1,805,000	0.37
September 30, 2003	3,899,000	1,971,000	0.41
December 31, 2003	3,754,000	1,618,000	0.34

Seasonality

The mini-warehouse industry is subject to seasonal fluctuations in occupancy levels with the spring and summer months generating increased rental activity compared to lower rental activity in the colder winter months. The Partnership experiences the effects of these fluctuations as spring and summer occupancies are typically significantly higher than those in the fall and winter.

Liquidity and Capital Resources

The Partnership ended the year ended December 31, 2003 with \$1,056,000 in cash and cash equivalents. The Partnership generates and has adequate sources of cash to finance its operations, both on a short-term basis and long-term basis. Net cash provided by operating activities for the year ended December 31, 2003 was \$9,966,000 and has been sufficient to meet all current obligations of the Partnership during the period, including distributions and rising capital expenditures. Capital expenditures include new roofs, parking areas and painting to properly maintain the Partnership's assets and to remain competitive in the markets where the properties are located. The Partnership expects to invest approximately \$1.1 million in capital expenditures in 2004, excluding capital expenditures related to new property acquisitions and development. In addition, the Partnership expects to invest another \$1.2 million in security system enhancements. This will provide each of the facilities with individually alarmed units and property-wide video surveillance. Management of CMP believes these expenditures are necessary to remain competitive with newer facilities owned by competitors.

In November 2001, the Partnership obtained a \$10 million revolving line of credit from a commercial bank. The credit facility expires November 2004. At the Partnership's option, the rate of interest charged is equal to either (i) the prime rate or (ii) a rate equal to the Bankers' Acceptance Rate plus 0.875%. In addition, the Partnership is required to pay a stand-by fee on the unused portion of the facility. The stand-by fee ranges from 0.125% to 0.250% based on usage of the facility. The facility is for acquisitions, development and general corporate purposes. At December 31, 2003, no funds have been drawn down under this facility. Stand-by fees are included in administrative expenses and were \$25,000 and \$12,500 for the years ended December 31, 2003 and 2002, respectively.

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Under covenants of the credit facility, the Partnership is required to (i) maintain a ratio of current assets to current liabilities of not less than 1.00 to 1.00, (ii) maintain a senior funded debt ratio of not greater than 2.50 to 1.00 and (iii) maintain a minimum net worth (as defined). As at December 31, 2003, the Partnership was not in compliance with the current ratio provision. A waiver has been obtained from the bank with respect to this default.

Distributions

The Partnership pays quarterly distributions on the last business day of each fiscal quarter. During 2003, the Partnership distributed \$1.80 per Partnership Unit. The Partnership expects to continue to make quarterly distributions. The general partner analyzes the distribution level on a quarterly basis. Among the items considered when determining distribution levels are historical property operations, current cash reserves, and obligations of the Partnership, including debt and expected capital expenditures and other factors.

Property acquisitions and development

In December 2003, the Partnership acquired a 2.1 acre property located in the Cloverfield area of Surrey, British Columbia for development into a mini-warehouse property. At December 31, 2003, the Partnership had expended \$1,825,000 for the land and related costs. The total cost of the facility is expected to be approximately \$5.6 million which will be funded from cash reserves and the Partnership's line of credit. The facility is expected to open in January of 2005. 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.

This is the first development property acquired by the Partnership since 1987.

Financing of the purchase is not expected to reduce regular distributions payable to unitholders compared to distribution levels of the prior year.

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. 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.

PUBLIC STORAGE CANADIAN PROPERTIES

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The following table calculates FFO and EBITDA for the years ended December 31, 2003 and 2002:

	Year ended December 31,		
	2003	2002	Change
Calculation of FFO :			
Net income.....	\$ 7,334,000	\$ 8,410,000	
Write-off of capitalized software	69,000	-	
Depreciation and amortization.....	1,878,000	1,833,000	
FFO.....	<u>\$ 9,281,000</u>	<u>\$10,243,000</u>	-9.4%
Weighted average number of Partnership Units			
.....	4,821,430	4,821,430	
FFO per Partnership Unit	\$1.92	\$2.12	
Calculation of EBITDA:			
Net income.....	\$ 7,334,000	\$ 8,410,000	
Write-off of capitalized software	69,000	-	
Depreciation and amortization.....	1,878,000	1,833,000	
Less: interest income.....	(38,000)	(39,000)	
EBITDA.....	<u>\$ 9,243,000</u>	<u>\$10,204,000</u>	-9.4%
Weighted average number of Partnership Units			
.....	4,821,430	4,821,430	
EBITDA per Partnership Unit.....	\$1.92	\$2.12	

Transactions with Related Parties***Management Agreement with CMP***

Pursuant to the terms of a management agreement between CMP and the Partnership, CMP manages the Partnership's mini-warehouse properties for a management fee of 6% of gross revenues from the operation of said properties.

For as long as CMP remains the general partner, the Partnership is entitled to use the name and service mark "Public Storage" and related marks, slogans, caricatures, designs and other trade or service items in connection with the Partnership's properties. If at any time CMP ceases to be the general partner, the Partnership would no longer have the right to use the name and service mark "Public Storage" and related marks, slogans, caricatures, designs and other trade or service items.

Outstanding Partnership Unit Data

As of April 5, 2004, the capital of the Partnership is divided into 4,993,731 Units of which 4,821,430 have been issued and are outstanding.

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Tax Treatment and Notices

Taxes based on the income of the Partnership are the responsibility of the individual partners and, accordingly, each Unitholder on December 31 of each year is responsible for reporting their pro-rata share of the Partnership's taxable income on their tax return. This pro-rata share of income to be recognized is based on the Partnership's taxable income and not on its reported "book" income nor is it based on the amount of distributions received.

Partnership taxable income and "book" income differ due to difference in the reporting of various items. The major difference is the amount of cost allowance recognized for tax purposes versus the amount of depreciation recognized for "book" purposes. The majority of this difference resulted from a "step-up" in the basis of real estate assets for "book" purposes in connection with various amalgamations to which the Partnership has been a party. For tax purposes, as the transactions were treated as "tax-free" exchanges, these assets have not been "stepped-up".

Taxable income per Partnership Unit for taxable years 2003 and 2002 was \$1.66 and \$1.93 per Partnership Unit.

The Partnership, through its transfer agent, or the Unitholder's brokerage firm will provide each partner who held Partnership Units on December 31, 2003 with a Form T-5013 by March 31, 2004. The form indicates the amount of income the partner is responsible for reporting on their tax return. Unitholders who have not received a Form T-5013 should contact their broker or PSCP's transfer agent for assistance.

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Corporate Data

Canadian Mini-Warehouse Properties Limited

Directors

William Ardell
Consultant

Robert E. Bellamy
Managing Director
Verulam Capital Corp.

B. Wayne Hughes, Jr.
President
Sweet Blessings, LLC

Richard H. McCoy
Consultant

David P. Singelyn
President
Canadian Mini-Warehouse Properties Limited

Marvin Yontef
Partner
Stikeman Elliott LLP

Officers

David P. Singelyn
President

Vincent R. Chan
Vice President – Controller

Marcus Lowe
Vice President – Operations

James C. Smith
Vice President – Real Estate

Ray Huning
Vice President – Director of Taxes

Andrew J. MacDougall
Secretary

Investor Information

Canadian Office

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

Corporate Office

Investor Communications Department
23805 Stuart Ranch Road, Suite 220
Malibu, California 90265
USA
(866) PS-CANADA or
(866) 772-2623

Professional Services

Auditors

Ernst & Young, LLP
Toronto, Ontario

Transfer Agent and Registrar

CIBC Mellon Trust Co.
Toronto, Ontario
(800) 387-0825

Additional Information

Copies of the Partnership's financial statements, tax reporting information, press releases and other information can be obtained from either the Partnership's web site (www.publicstoragecanada.com) or from SEDAR's web site (www.sedar.com). Additionally, the above mentioned information can be obtained from the Partnership, provided the Partnership may require the payment of a reasonable charge where such person is not a Unitholder of the Partnership, by contacting the Partnership's Investor Communications Department.

**Public Storage Canadian Properties
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