

Public Storage Canadian Properties News Release

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

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Contact: Vincent Chan
Phone: (866) PS-CANADA
(866) 772-2623

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

TORONTO, Ontario – Public Storage Canadian Properties (TSX:PUB) today announced operating results for the fourth quarter ended December 31, 2008 and distributions to be paid on March 31, 2009.

David Singelyn, President of Canadian Mini-Warehouses Company (“CMP”), the general partner of Public Storage Canadian Properties (the “Partnership”) stated that “although the Partnership achieved “Same Store” net operating income growth of 1.9% during the year, the Partnership is not immune from the current economic downturn and reported a 2.9% decline in net operating income for the fourth quarter of 2008.”

Operating Results

Net income of the Partnership was \$1,552,000 or \$0.17 per partnership unit (“Unit”) (based on 9,040,181 Units) for the three months ended December 31, 2008 compared to \$2,209,000 or \$0.25 per Unit (based on 8,804,350 Units) for the same period in 2007. The decreases in net income and net income per unit were due primarily to a slowdown in rental activity, the dilutive impact in connection with the lease-up of newly developed self-storage facilities whereby operating costs exceed rental income, additional amortization expense of the new facilities placed in service, and higher administrative expenses and income tax expense in connection with the new SIFT legislation.

Net income of the Partnership was \$7,267,000 or \$0.80 per Unit (based on 9,040,181 Units) for the year ended December 31, 2008 compared to \$8,484,000 or \$1.11 per Unit (based on 7,628,427) for the same period in 2007. The decreases in net income and net income per unit were due, in part, to the recognition of an income tax benefit of \$1,198,000 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 rights offering by the Partnership in October 2007, and the dilutive impact in connection with the lease-up of newly developed self-storage facilities whereby operating costs exceed rental income.

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, Orleans, Ontario, Richmond Hill, Ontario, Dorval, Québec and LaSalle, 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). Management considers the operating performance of the “Same Store” facilities to be a more useful measure of the overall operating performance of the Partnership’s portfolio to analyze trends and provide meaningful comparisons. “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 stabilized after it has been opened for at least three years. As at December 31, 2008, the “Same Store” facilities consist 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 December 31,			Year ended December 31,		
	2008	2007	Change	2008	2007	Change
Rental income	\$ 4,133,000	\$ 4,224,000	(2.2%)	\$ 17,039,000	\$ 16,773,000	1.6%
Less: cost of operations.....	1,161,000	1,167,000	(0.5%)	4,887,000	4,844,000	0.9%
Less: management fees	248,000	253,000	(2.0%)	1,022,000	1,006,000	1.6%
Net operating income ⁽¹⁾	<u>\$ 2,724,000</u>	<u>\$ 2,804,000</u>	(2.9%)	<u>\$ 11,130,000</u>	<u>\$ 10,923,000</u>	1.9%
Gross margin ⁽²⁾	65.9%	66.4%		65.3%	65.1%	
Weighted average for period:						
Occupancy	84.9%	87.5%		87.0%	87.8%	
Realized annual rent per square foot ⁽³⁾	\$16.63	\$16.56	0.4%	\$16.74	\$16.31	2.6%

(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.

Effective January 1, 2009, the Partnership will reclassify two facilities that were acquired and/or opened in 2005 to "Same Store" facilities. The new pool of "Same Store" facilities will include 17 self-storage facilities and contain approximately 1,303,000 net rentable square feet or approximately 63.3% of the total portfolio. The Partnership will begin reporting the results of the new pool of "Same Store" facilities beginning with the first quarter ending March 31, 2009.

Update on Tax Matters

Some time ago, the *Income Tax Act* (Canada) was amended to eliminate tax advantages presently enjoyed by certain investors in publicly-traded specified investment flow-through trusts or partnerships, including the Partnership, effective no later than the Partnership's taxation year ending in 2011. Management and its legal and accounting advisors have been engaged in an ongoing effort to identify and implement a means to permit the Partnership to qualify for the real estate investment trust exemption from such tax changes. This effort has included discussions with the Canada Revenue Agency. However, the Partnership currently has no assurance that it will qualify for such exemption.

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 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 months and years ended December 31, 2008 and 2007:

	Three months ended December 31,			Years ended December 31,		
	2008	2007	Change	2008	2007	Change
<u>Calculation of FFO:</u>						
Net income.....	\$ 1,552,000	\$ 2,209,000		\$ 7,267,000	\$ 8,484,000	
Amortization of real estate	1,220,000	1,071,000		4,447,000	3,963,000	
Amortization of intangibles	-	49,000		116,000	1,080,000	
Less: future income taxes	68,000	(138,000)		(96,000)	(1,198,000)	
FFO.....	<u>\$ 2,840,000</u>	<u>\$ 3,191,000</u>	(11.0%)	<u>\$ 11,734,000</u>	<u>\$ 12,329,000</u>	(4.8%)
Weighted average number of units ...	9,040,181	8,804,350		9,040,181	7,628,427	
FFO per Unit	\$0.31	\$0.36	(13.9%)	\$1.30	\$1.62	(19.8%)
<u>Calculation of EBITDA:</u>						
Net income.....	\$ 1,552,000	\$ 2,209,000		\$ 7,267,000	\$ 8,484,000	
Amortization of real estate	1,220,000	1,071,000		4,447,000	3,963,000	
Amortization of intangibles	-	49,000		116,000	1,080,000	
Interest and commitment fees	148,000	185,000		583,000	841,000	
Less: future income taxes	68,000	(138,000)		(96,000)	(1,198,000)	
Less: interest and other income	79,000	(30,000)		(13,000)	(87,000)	
EBITDA	<u>\$ 3,067,000</u>	<u>\$ 3,346,000</u>	(8.3%)	<u>\$ 12,304,000</u>	<u>\$ 13,083,000</u>	(6.0%)
Weighted average number of units ...	9,040,181	8,804,350		9,040,181	7,628,427	
EBITDA per Unit	\$0.34	\$0.38	(10.5%)	\$1.36	\$1.72	(20.9%)

Distributions

The board of directors of the general partner today declared a distribution of \$0.225 per Unit payable on March 31, 2009 to unitholders of record at the close of business on March 13, 2009. In light of current economic and capital market conditions, the board of directors of the general partner determined that it would be prudent to reduce quarterly distributions in order to retire existing debt, conserve cash and provide the Partnership with additional financial flexibility.

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 December 31,		Years Ended December 31,	
	2008	2007	2008	2007
Revenue				
Rental income	\$ 6,042,000	\$ 5,804,000	\$ 24,267,000	\$ 22,764,000
Interest and other income (loss)	(79,000)	30,000	13,000	87,000
	<u>5,963,000</u>	<u>5,834,000</u>	<u>24,280,000</u>	<u>22,851,000</u>
Costs and expenses				
Cost of operations.....	2,397,000	2,039,000	9,758,000	7,815,000
Management fees paid to an affiliate	362,000	347,000	1,456,000	1,366,000
Amortization of real estate facilities	1,220,000	1,071,000	4,447,000	3,963,000
Amortization of intangible assets	-	49,000	116,000	1,080,000
Interest and commitment fees.....	148,000	185,000	583,000	841,000
Administrative	216,000	72,000	749,000	500,000
	<u>4,343,000</u>	<u>3,763,000</u>	<u>17,109,000</u>	<u>15,565,000</u>
Income before income taxes	1,620,000	2,071,000	7,171,000	7,286,000
Future income taxes.....	(68,000)	138,000	96,000	1,198,000
Net income.....	<u>\$ 1,552,000</u>	<u>\$ 2,209,000</u>	<u>\$ 7,267,000</u>	<u>\$ 8,484,000</u>
Net income per Unit	\$ 0.17	\$ 0.25	\$ 0.80	\$ 1.11
Declared distributions per Unit	\$ 0.45	\$ 0.45	\$ 1.80	\$ 1.80
Weighted average number of Units outstanding	9,040,181	8,804,350	9,040,181	7,628,427
Balance sheet data:				
	As at December 31, 2008	As at December 31, 2007		
Cash and cash equivalents	\$ 2,390,000	\$ 269,000		
Debt.....	24,371,000	5,073,000		
Total assets	119,504,000	106,729,000		
Partners' equity.....	90,046,000	99,051,000		
Units outstanding at end of period.....	9,040,181	9,040,181		