GSE SYSTEMS INC
Form 4/A
December 14, 2015

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Hagengruber Roger L

(Last) (First) (Middle)

C/O GSE SYSTEMS, INC., 1332 LONDONTOWN BLVD

(Street)

SYKESVILLE, MD 21784

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
GSE SYSTEMS INC [GVP]

3. Date of Earliest Transaction (Month/Day/Year)
11/20/2015

4. If Amendment, Date Original Filed(Month/Day/Year)
11/24/2015

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	11/20/2015		P (1)		10,000	A	$ 1.6399	20,000	D	
Common Stock	11/20/2015		P (1)		300	A	$ 1.63	20,300	D	
Common Stock	11/20/2015		P (1)		9,700	A	$ 1.6299	30,000	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
				Code	V	(A)	(D)						

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hagengruber Roger L C/O GSE SYSTEMS, INC. 1332 LONDONTOWN BLVD SYKESVILLE, MD 21784	X			

Signatures

/s/ Roger Hagengruber	12/14/2015
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The reporting person is amending the Form 4 originally filed to report this purchase of common stock, for the purpose of reflecting a different transaction code applicable to the purchase.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. l awareness of our brand. COMPLEMENTARY ANCILLARY OPERATIONS: Through a taxable REIT subsidiary, we sell retail items associated with the storage business, rent trucks at our self-storage facilities, and reinsure policies issued to our tenants against lost or damaged goods stored by tenants in our storage facilities. We believe these activities supplement and strengthen our existing self-storage business by further meeting the needs of storage customers. GROWTH AND INVESTMENT STRATEGIES -------------------------------- As described more specifically in "THE IMPACT OF CURRENT ECONOMIC FACTORS" above, our growth strategies have been revised in the short-run to respond to current market conditions. Over the long run, our growth strategies

have consisted of: (i) improving the operating performance of our existing self-storage properties, (ii) acquiring properties that are owned or operated by others in the U.S., (iii) developing existing U.S. real estate facilities, (iv) participating in the growth of commercial facilities owned primarily by PSB, and (v) capitalizing on the potential growth in the European market. In addition to certain revisions to these strategies described below, our strategy has been revised in the short-run to take advantage of dislocation in current capital markets. IMPROVE THE OPERATING PERFORMANCE OF EXISTING PROPERTIES: As previously noted, demand for our self-storage facilities has been negatively impacted by the current recession in the short run, and revenue and net operating income are under pressure. Over the long run we seek to increase the net cash flow generated by our existing self-storage properties by a) regularly evaluating our call volume, reservation activity, and move-in/move-out rates for each of our properties relative to our marketing activities, b) evaluating market supply and demand factors and, based upon these analyses, adjusting our marketing activities and rental rates, c) attempting to maximize revenues through evaluating the appropriate balance between occupancy, rental rates, and promotional discounting and d) controlling expense levels. We believe that our property management personnel and systems, combined with our national telephone reservation system and media advertising programs will continue to enhance our ability to meet these goals. See "Management's Discussion and Analysis" below for further information regarding our expectation in the short-run with respect to our operating results. ACQUIRE PROPERTIES OWNED OR OPERATED BY OTHERS IN THE U.S.: We believe that recent dislocations in the financial markets may provide more opportunities for the acquisition of facilities from distressed sellers who cannot refinance their existing debt as it comes due, and who face reduced cash flows as a result of the current difficult operating environment and reduced self-storage demand. We believe our presence in and knowledge of substantially all of the major markets in the U.S. enhances our ability to identify attractive acquisition opportunities and capitalize on the overall fragmentation in the self-storage industry. Data on the rental rates and occupancy levels of our existing facilities, which are often located in proximity to potential acquisition candidates, provide us an advantage in evaluating the potential of acquisition opportunities. 6 DEVELOPMENT OF REAL ESTATE FACILITIES: Notwithstanding the long-term opportunity in the development of new facilities and the expansion of our existing facilities, we have substantially reduced our development pipeline at December 31, 2008 in light of current capital market conditions and in evaluating demand for new self-storage space, to five projects to expand or repackage our existing facilities in the U.S., for an aggregate cost of approximately $27.1 million, which will add an aggregate of approximately 189,000 net rentable square feet. In the short-term we do not expect any significant new investment in such development activities. Shurgard Europe has similarly reduced its development activities (see "Capitalize on the Potential for Growth in Europe" below). We have a substantial number of facilities in the U.S. that were developed and constructed 20 or more years ago based upon local competitive and demographic conditions in place at that time. Population densities and other such conditions may have changed since then, providing opportunities to expand and further invest into our existing self-storage locations, either by improving the quality of the existing units by adding amenities such as climate control, or by expanding these facilities at a per square foot cost that is typically less than the cost incurred in developing a new location. Historically, we have also allocated a material portion of our investment to the development of new self-storage locations. PARTICIPATE IN THE GROWTH OF COMMERCIAL FACILITIES PRIMARILY THROUGH OUR OWNERSHIP IN PS BUSINESS PARKS, INC.: At December 31, 2008, we had a 46% common equity interest in PSB and its operating partnership which consisted of 5,418,273 shares of common stock and 7,305,355 limited partnership units in the Operating Partnership. The limited partnership units are convertible at our option, subject to certain conditions, on a one-for-one basis into PSB common stock. At December 31, 2008, PSB owned and operated approximately 19.6 million net rentable square feet of commercial space located in the U.S. located in eight states. During 2008, the recession in the U.S. impacted PSB resulting in a decrease in new rental rates over expiring rents, as well as declining occupancy levels in the last six months of 2008. It is uncertain what impact the current recession will have on PSB's ability to maintain current occupancy levels and rental rents. PSB may continue to experience downward pressure on its occupancy levels and rental rates. CAPITALIZE ON THE POTENTIAL FOR GROWTH IN EUROPE: On March 31, 2008, we entered into a transaction with an institutional investor (the transaction referred to as the "Europe Transaction") whereby the investor acquired a 51% interest in our European operations ("Shurgard Europe"). Shurgard Europe held substantially all of our operations in Europe. Since March 31, 2008, we own the remaining 49% interest and are the managing member of Shurgard European Holdings LLC, a new joint venture formed to own Shurgard Europe's operations. Although many European consumers are not yet aware of the self-storage concept, they tend to live in more densely populated areas in smaller living spaces (as compared to the U.S.) that, we believe, should make self-storage an attractive option as product knowledge and availability grows. Most Europeans are familiar with the concept of storage only as an ancillary service provided by moving companies, and more consumer familiarity could result in a significant increase in demand in the long-term. In the longer term, as a result of the low density of self-storage in Europe relative to population as compared to the U.S., we believe that there is significant growth potential in Europe, even if the density of self-storage in Europe does not ultimately approach the levels in the U.S. However, ultimately capitalizing on this opportunity will require a significant amount of capital to develop new self-storage facilities in what could be a process extending through a few decades in time frame, similar to the trajectory of the U.S. self-storage industry since its inception in the mid 1960's. Shurgard Europe, and its ability and wherewithal to take advantage of these opportunities, has been impacted by the same economic trends that have negatively impacted our domestic self-storage operations and capital markets. In addition to the operating uncertainties that we face, Shurgard Europe faces refinancing risk, as approximately (euro)250 million of debt owed by joint ventures matures in the first half of 2009 and approximately $552.4 million in a loan payable to us becomes due in March 2010. Accordingly, Shurgard Europe has taken many of the same steps that we have domestically, by curtailing its development activities. At such time that public market capital or bank debt becomes available to Shurgard Europe to refinance its existing debt, development and growth may recommence. 7 TAKE ADVANTAGE OF DISLOCATION IN CAPITAL MARKETS: At December 31, 2008, we have cash balances on hand of approximately $680.7 million. Due to the aforementioned turbulent credit and equity markets, we believe that there may be opportunities for the acquisition of our own outstanding debt and equity securities. During November and December 2008, we repurchased $103.2 million (liquidation value) of our preferred securities, for an aggregate of $66.9 million, and 367,000 shares of our Equity Shares, Series A for approximately $7.7 million. On February 12, 2009, in accordance with an "any and all" tender offer, we acquired $110.2 million (face amount) of our Senior Unsecured Debt. Any future such transactions will depend upon our evaluation of the return of such investments relative to our other investment alternatives. There can be no assurance that any future such transactions will occur. FINANCING OF THE COMPANY'S GROWTH STRATEGIES -- IMPACT OF CURRENT CAPITAL MARKETS: As described above in "The Impact of Current Economic Factors", one of our traditional sources of external capital, the issuance of preferred securities, has not been available to us for issuance since late 2007. While we expect this source to be available to us in the long-run, there can be no assurance as to when such source of capital will become available to us again. OVERVIEW OF FINANCING STRATEGY: Over the past three years we have funded substantially all the cash portion of our acquisition and development activities with permanent capital (predominantly retained cash flow and the net proceeds from the issuance of preferred securities). We have elected to use preferred securities as a form of leverage despite the fact that the dividend rates of our preferred securities exceed the prevailing market interest rates on conventional debt, because of certain benefits described in "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources." Our present intention is to continue to finance substantially all our growth with permanent capital. Presently as a result of the disruption in the capital markets, we believe our ability to raise additional capital, either through the issuance of preferred or common securities, has been significantly impaired. Accordingly, until such time that the capital markets become favorable, our strategy is to finance our activities with internally generated cash flows, cash on-hand ($680.7 million at December 31, 2008) , and borrowings on our revolving line of credit. BORROWING: We have in the past used our $300 million revolving line of credit described below under "Borrowings" as temporary "bridge" financing, and repaid those amounts with permanent capital. Our debt outstanding currently represents debt that was assumed either in connection with property acquisitions or in connection with the Shurgard Merger. When we have assumed such debt in the past, we have generally prepaid such amounts except in cases where the nature of the loan terms did not allow such prepayment, or where a prepayment penalty made it economically disadvantageous to prepay. While it is not our present intention to issue additional debt as a long-term financing strategy, we have broad powers to borrow in furtherance of our objectives without a vote of our shareholders. These powers are subject to a limitation on unsecured borrowings in our Bylaws described in "Limitations on Borrowings" below. ISSUANCE OF SECURITIES IN EXCHANGE FOR PROPERTY: We have issued both our common and preferred securities in exchange for real estate and other investments in the last three years, most notably the issuance of 38,913,187 common shares in connection with the Shurgard Merger in 2006. Future issuances will be dependent upon our financing needs and capital market conditions at the time, including the market prices of our equity securities. JOINT

VENTURE FINANCING: We have historically formed and may form additional joint ventures to facilitate the funding of future developments or acquisitions. DISPOSITION OF PROPERTIES: We historically have disposed of self-storage facilities only because of condemnation proceedings, which compel us to sell. We do not presently intend to sell any significant number of self-storage facilities in the future, though there can be no assurance that we will not. 8 INVESTMENTS IN REAL ESTATE AND REAL ESTATE ENTITIES --- INVESTMENT POLICIES AND PRACTICES WITH RESPECT TO OUR INVESTMENTS: Following are our investment practices and policies which, though we do not anticipate any significant alteration, can be changed by our Board of Trustees without a shareholder vote: o Our investments primarily consist of direct ownership of self-storage properties (the nature of our self-storage properties is described in Item 2, "Properties"), as well as partial interests in entities that own self-storage properties. o Our partial ownership interests primarily reflect general and limited partnership interests in entities that own self-storage facilities that are managed by us under the "Public Storage" brand name in the U.S., as well as storage facilities managed in Europe under the "Shurgard Storage Centers" brand name which are owned by Shurgard Europe. o Additional acquired interests in real estate (other than the acquisition of properties from third parties) will include common equity interests in entities in which we already have an interest. o To a lesser extent, we have interests in existing commercial properties (described in Item 2, "Properties"), containing commercial and industrial rental space, primarily through our investment in PSB. FACILITIES OWNED BY CONSOLIDATED ENTITIES -------------------------------------- In addition to our direct ownership of 1,523 self-storage facilities in the U.S. and one self-storage facility in London, England at December 31, 2008 with an aggregate of approximately 98 million net rentable square feet, we have controlling indirect interests in entities that own 470 self-storage facilities in the U.S. with approximately 28 million net rentable square feet. In addition to our self-storage space, we own approximately 1.5 million net rentable square feet of commercial space located adjacent to certain of our self-storage facilities. Because of our controlling interest in each of these entities, we consolidate the assets, liabilities, and results of operations of these entities in our financial statements. FACILITIES OWNED BY UNCONSOLIDATED ENTITIES -- At December 31, 2008, we had ownership interests in a) PSB, which owned approximately 19.6 million net rentable square feet of commercial space at December 31, 2008, b) Shurgard Europe, which had ownership interests in 180 facilities, and c) certain limited partnerships owning an aggregate of 19 self-storage facilities. Collectively these entities are referred to as the "Unconsolidated Entities." PSB, which files financial statements with the SEC, and Shurgard Europe, have debt and other obligations that are not included in our consolidated financial statements. The limited partnerships owning the 19 self-storage facilities have no significant amounts of debt or other obligations. See Note 5 to our December 31, 2008 consolidated financial statements for further disclosure regarding the assets, liabilities and operating results of the Unconsolidated Entities. LIMITATIONS ON DEBT ------------------ Without the consent of holders of the various series of Senior Preferred Shares, we may not take any action that would result in a ratio of "Debt" to "Assets" (the "Debt Ratio") in excess of 50%. As of December 31, 2008, the Debt Ratio was approximately 5.2%. "Debt" means the liabilities (other than "accrued and other liabilities" and "minority interest") that should, in accordance with U.S. generally accepted accounting principles, be reflected on our consolidated balance sheet at the time of determination. "Assets" means our total assets before a reduction for accumulated depreciation and amortization that should, in accordance with generally accepted accounting principles, be reflected on the consolidated balance sheet at the time of determination. 9 Our bank and senior unsecured debt agreements contain various customary financial covenants, including limitations on the level of indebtedness and the prohibition of the payment of dividends upon the occurrence of defined events of default. EMPLOYEES --------- We have approximately 5,200 employees in the U.S. at December 31, 2008 who render services on behalf of the Company, primarily personnel engaged in property operations. None of our employees in the U.S. are covered by a collective bargaining agreement. We believe that our relations with our employees are generally amicable. INSURANCE --------- We have historically carried customary property, earthquake, general liability and workers compensation coverage through internationally recognized insurance carriers, subject to customary levels of deductibles. The aggregate limits on these policies of $75 million for property coverage and $102 million for general liability are higher than estimates of maximum probable loss that could occur from individual catastrophic events determined in recent engineering and actuarial studies; however, in case of multiple catastrophic events, these limits could be exhausted. Our tenant insurance program reinsures a program that provides insurance to certificate holders against claims for property losses due to specific named perils (earthquakes and floods are not covered by these policies) to goods stored by tenants at our self-storage facilities for individual limits up to a maximum of $5,000. We have third-party insurance coverage for claims paid exceeding $1,000,000 resulting from any one individual event, to a limit of $25,000,000. At December 31, 2008, there were approximately 548,000 certificate holders participating in this program in the U.S. representing aggregate coverage of approximately $1.2 billion. We rely on a third-party insurance company to provide the insurance and are subject to licensing requirements and regulations in several states. No assurance can be given that this activity can continue to be conducted in any given jurisdiction. ITEM 1A. RISK FACTORS ------------ In addition to the other information in our Annual Report on Form 10-K, you should consider the risks described below that we believe may be material to investors in evaluating the Company. This section contains forward-looking statements, and in considering these statements, you should refer to the qualifications and limitations on our forward-looking statements that are described in FORWARD LOOKING STATEMENTS at the beginning of Item 1. ------------------------- SINCE OUR BUSINESS CONSISTS PRIMARILY OF ACQUIRING AND OPERATING REAL ESTATE, WE ARE SUBJECT TO THE RISKS RELATED TO THE OWNERSHIP AND OPERATION OF REAL ESTATE THAT CAN ADVERSELY IMPACT OUR BUSINESS AND FINANCIAL CONDITION. The value of our investments may be reduced by general risks of real estate ownership. Since we derive substantially all of our income from real estate operations, we are subject to the general risks of acquiring and owning real estate-related assets, including: o lack of demand for rental spaces or units in a locale; o changes in general economic or local conditions; o natural disasters, such as earthquakes and floods; o potential terrorist attacks; o changes in supply of or demand for similar or competing facilities in an area; 10 o the impact of environmental protection laws; o changes in interest rates and availability of permanent mortgage funds which may render the sale of a nonstrategic property difficult or unattractive including the impact of the current turmoil in the credit markets; o increases in insurance premiums, property tax assessments and other operating and maintenance expenses; o transactional costs and liabilities, including transfer taxes; o adverse changes in tax, real estate and zoning laws and regulations; and o tenant and employment-related claims. In addition, we self-insure certain of our property loss, liability, and workers compensation risks for which other real estate companies may use third-party insurers. This results in a higher risk of losses that are not covered by third-party insurance contracts, as described in Note 13 under "Insurance and Loss Exposure" to our consolidated financial statements at December 31, 2008. There is significant competition among self-storage facilities and from other storage alternatives. Most of our properties are self-storage facilities, which generated most of our revenue for the year ended December 31, 2008. Local market conditions will play a significant part in how competition will affect us. Competition in the market areas in which many of our properties are located from other self-storage facilities and other storage alternatives is significant and has affected the occupancy levels, rental rates and operating expenses of some of our properties. Any increase in availability of funds for investment in real estate may accelerate competition. Further development of self-storage facilities may intensify competition among operators of self-storage facilities in the market areas in which we operate. We may incur significant environmental costs and liabilities. As an owner and operator of real properties, under various federal, state and local environmental laws, we are required to clean up spills or other releases of hazardous or toxic substances on or from our properties. Certain environmental laws impose liability whether or not the owner knew of, or was responsible for, the presence of the hazardous or toxic substances. In some cases, liability may not be limited to the value of the property. The presence of these substances, or the failure to properly remediate any resulting contamination, whether from environmental or microbial issues, also may adversely affect the owner's or operator's ability to sell, lease or operate its property or to borrow using its property as collateral. We have conducted preliminary environmental assessments of most of our properties (and intend to conduct these assessments in connection with property acquisitions) to evaluate the environmental condition of, and potential environmental liabilities associated with, our properties. These assessments generally consist of an investigation of environmental conditions at the property (not including soil or groundwater sampling or analysis), as well as a review of available information regarding the site and publicly available data regarding conditions at other sites in the vicinity. In connection with these property assessments, our operations and recent property acquisitions, we have become aware that prior operations or activities at some facilities or from nearby locations have or may have resulted in contamination to the soil or groundwater at these facilities. In this regard, some of our facilities are or may be the subject of federal or state environmental investigations or remedial actions. We have obtained, with respect to recent acquisitions, and intend to obtain with respect to pending or future acquisitions, appropriate purchase price adjustments or indemnifications that we believe are sufficient to cover any related potential liability. Although we cannot provide any assurance, based on the preliminary environmental assessments, we believe we have funds available to cover any liability from environmental contamination or potential contamination and we are not aware of any environmental contamination of our facilities material to our overall business, financial condition or results of operations. 11 There has been an increasing number of claims and litigation against owners and managers of rental properties relating to moisture infiltration, which can result in mold or other property damage. When we receive a complaint concerning moisture infiltration, condensation or mold problems and/or become aware that an air quality concern exists, we implement corrective measures in accordance with guidelines and protocols we have developed with the assistance of outside experts. We seek to work proactively with our tenants to resolve moisture infiltration and mold-related issues, subject to our contractual limitations on liability for such claims. However, we can give no assurance that material legal claims relating to moisture infiltration and the presence of, or exposure to, mold will not arise in the future. Delays in development and fill-up of our properties would reduce our profitability. From January 1, 2004, through December 31, 2008, we opened 22 newly developed self-storage facilities in the U.S. at a cost of $186 million. In addition, our development "pipeline" at December 31, 2008 consists of five projects with total estimated costs of $27 million. Shurgard Europe has developed and opened 52 facilities since January 1, 2004 at a cost of approximately $417 million, and has nine development projects under construction with total estimated costs of $82 million. Construction delays due to weather, unforeseen site conditions, personnel problems, and other factors, as well as cost overruns, would adversely affect our profitability. Delays in the rent-up of newly developed storage space as a result of competition or other factors, including the slowdown in the general economy which has negatively impacted storage demand, would also adversely impact our profitability. Property taxes can increase and cause a decline in yields on investments. Each of our properties is subject to real property taxes. These real property taxes may increase in the future as property tax rates change and as our properties are assessed or reassessed by tax authorities. Such increases could adversely impact our profitability. We must comply with the Americans with Disabilities Act and fire and safety regulations, which can require significant expenditures. All our properties must comply with the Americans with Disabilities Act and with related regulations (the "ADA"). The ADA has separate compliance requirements for "public accommodations" and "commercial facilities," but generally requires that buildings be made accessible to persons with disabilities. Various state laws impose similar requirements. A failure to comply with the ADA or similar state laws could result in government imposed fines on us and could award damages to individuals affected by the failure. In addition, we must operate our properties in compliance with numerous local fire and safety regulations, building codes, and other land use regulations. Compliance with these requirements can require us to spend substantial amounts of money, which would reduce cash otherwise available for distribution to shareholders. Failure to comply with these requirements could also affect the marketability of our real estate facilities. We incur liability from tenant and employment-related claims. From time to time we must resolve tenant claims and employment-related claims by corporate level and field personnel. THE GLOBAL ECONOMIC CRISIS COULD ADVERSELY AFFECT OUR BUSINESS, FINANCIAL CONDITION, GROWTH AND ACCESS TO CAPITAL. By the end of 2008, the national economy was in a recession and the global financial crisis had broadened and intensified. Declining economic conditions in the markets where we operate facilities, including higher unemployment rates, restrictions on the availability of credit, volatile energy costs, increased governmental needs for revenue, and other events or factors that adversely affect disposable incomes, have and are likely to continue to adversely affect our business. As a further result of the current global financial crisis, our ability to issue preferred shares or borrow at reasonable rates has been and may continue to be adversely affected by illiquid credit markets. The issuance of perpetual preferred securities has been a significant source of capital to grow our business. In the current market, we are not able to issue perpetual preferred securities at yields we believe are attractive. While we currently believe that we have sufficient working capital and capacity under our credit facilities and our retained cash flow from operations to continue to operate our business as usual, long-term continued turbulence in the credit markets and in the national 12 economy may adversely affect our access to capital and adversely impact earnings growth that might otherwise result from the acquisition and development of real estate facilities. WE GROW OUR BUSINESS PRIMARILY THROUGH ACQUISITIONS OF EXISTING PROPERTIES AND ARE SUBJECT TO RISKS RELATED TO ACQUISITIONS THAT MAY ADVERSELY AFFECT OUR GROWTH AND FINANCIAL RESULTS. We grow our business in large part through the acquisition of existing properties, including acquisitions of businesses owned by other storage operators. In addition to the general risks related to real estate described above which may also adversely impact operations at acquired properties, we are also subject to the following risks in connection with property acquisitions and the integration of acquired properties into our operations. Any failure by us to manage acquisitions and other significant transactions successfully could negatively impact our financial results. Our growth strategy includes acquiring other self-storage facilities. We also evaluate from time to time other significant transactions. If these facilities are not properly integrated into our system, our financial results may suffer. Any failure to successfully integrate acquired operations with our existing business could negatively impact our financial results. To fully realize any anticipated benefits from an acquisition, we must successfully complete the combination of the businesses of Public Storage and acquired properties in a manner that permits cost savings to be realized. It is possible that the integration process could result in a decline in occupancy and/or rental rates, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures, practices, policies and compensation arrangements that adversely affect our ability to maintain relationships with tenants and employees or to achieve anticipated benefits, particularly with large acquisitions. Some acquired properties are subject to property tax reappraisals which may increase our property tax expense. Some of the facilities we acquired in the Shurgard Merger have been, and will continue to be, subject to property tax reappraisal that could increase property tax expense and adversely affect our profitability. Up to 17% of the domestic properties we acquired in the merger are located in jurisdictions that may provide for property tax reappraisal upon a change of ownership and so may face further reassessment. AS A RESULT OF OUR OWNERSHIP OF 49% OF THE INTERNATIONAL OPERATIONS OF SHURGARD EUROPE WITH A BOOK VALUE OF $264.1 MILLION AT DECEMBER 31, 2008, AND OUR LOAN TO SHURGARD EUROPE AGGREGATING $552.4 MILLION AT DECEMBER 31, 2008, WE ARE EXPOSED TO ADDITIONAL RISKS RELATED TO INTERNATIONAL BUSINESSES THAT MAY ADVERSELY IMPACT OUR BUSINESS AND FINANCIAL RESULTS. We have limited experience in European operations, which may adversely impact our ability to operate profitably in Europe. In addition, European operations have specific inherent risks, including without limitation the following: o currency risks, including currency fluctuations, which can impact the fair value of our $264.1 million book value equity investment in Shurgard Europe, as well as the net proceeds to be received upon repayment of our loan to Shurgard Europe; o unexpected changes in legislative and regulatory requirements; o potentially adverse tax burdens; o burdens of complying with different permitting standards, environmental and labor laws and a wide variety of foreign laws; o obstacles to the repatriation of earnings and cash; o regional, national and local political uncertainty; o economic slowdown and/or downturn in foreign markets; 13 o difficulties in staffing and managing international operations; o reduced protection for intellectual property in some countries; and o inability to effectively control less than wholly-owned partnerships and joint ventures. Based upon current market conditions and recent operating result trends of Shurgard Europe, the following specific risks apply with respect to our investment in, and loan to, Shurgard Europe: o We have an obligation to loan up to an additional (euro)305 million to Shurgard Europe. Shurgard Europe exercised their option to extend our commitment to provide up to (euro)305 million of additional loans to Shurgard Europe through March 2010, either to fund the acquisition of Shurgard Europe's JV partner's interest in the joint ventures and/or repay Shurgard Europe's pro-rata share of the joint venture debt. While the acquisition of the joint venture partners' interests are subject to our approval, and Shurgard Europe's pro rata share of the aggregate joint venture debt is approximately (euro)50 million, this commitment may require us to loan additional funds to Shurgard Europe in amounts or under terms that we may not have otherwise agreed to. o Joint Ventures that Shurgard Europe has a 20% interest in have significant refinancing requirements. Shurgard Europe's two joint ventures collectively had approximately (euro)250 million ($355 million) of outstanding debt payable to third parties at December 31, 2008, which is non-recourse to Shurgard Europe. One of the joint venture loans totaling (euro)120 million ($170 million) is due May 2009 and the other joint venture loan totaling (euro)130 million ($185 million) is due in June 2009. Shurgard Europe is currently negotiating terms with the respective lenders to extend the maturities out one to three years. We expect Shurgard Europe to finalize these extensions within the next 90 days, although there can be no assurance that such extensions will actually be completed. If Shurgard Europe were unable to extend the maturity dates of the loans, it is our expectation that the loans would be repaid with each partner contributing their pro rata share towards repayment. Shurgard Europe's pro rata share, in the aggregate, would be approximately (euro)50 million ($70 million) which Shurgard Europe could borrow from us pursuant to our loan commitment described above. Further, it is also possible that Shurgard Europe's joint venture partner will be unable to contribute its pro rata share to repay the loans and may trigger, through its rights under the related partnership documents, the liquidation of the partnership, which could result in Shurgard Europe's acquisition of its joint venture partner's interest or the sale of the properties to third properties, with potential loss or reduction to our investment if the liquidation proceeds were not sufficient. If Shurgard Europe were to acquire its joint venture partner's on such a circumstance, it could borrow on the aforementioned (euro)305 million loan commitment we have provided to fund the purchase of the joint venture partner's interest and repayment of the loans. o Shurgard Europe's ability to refinance its $552.4 million loan from us, which is due in March 2010, is limited based upon current market conditions. We have loaned Shurgard Europe (euro)391.9 million ($552.4 million at December 31, 2008), and this loan is due in March 2010. Given the current capital markets, it is likely that Shurgard Europe would be unable to refinance the entire loan. If Shurgard Europe is unable to obtain financing to raise funds to repay our loan, we may have to negotiate an equity or debt contribution by our joint venture partner to Shurgard Europe, extend the loan, or otherwise take steps under our lender rights. Any of these steps could negatively impact our investment and the liquidity of Shurgard Europe. o Shurgard Europe's operating trends are negative. Shurgard Europe's same-store revenue is down 2.3% in the quarter ended December 31, 2008 as compared to the same period in 2007 on a constant exchange rate basis, as compared to same-store revenue growth in the U.S. of 1.6%. The outlook for 2009 for Shurgard Europe is for continued reductions in same-store 14 revenues, which will adversely impact Shurgard Europe's operating results and its interest coverage ratio and other similar metrics upon which potential lenders typically base their lending decisions. WE ARE SUBJECT TO RISKS RELATED TO OUR OWNERSHIP OF ASSETS IN JOINT VENTURE STRUCTURES. In connection with our 2006 acquisition of Shurgard and the acquisition of a 51% interest in Shurgard Europe by an institutional investor on March 31, 2008, we hold interests in several joint ventures. Joint ventures may present additional risks, including without limitation, the following: o Risks related to the financial strength, common business goals and strategies and cooperation of the venture partner. o The inability to take some actions with respect to the joint venture activities that we may believe are favorable, if our joint venture partner does not agree. o The risk that we could lose our REIT status based upon actions of the joint ventures if we are unable to effectively control these indirect investments. o The risk that we may not control the legal entity that has title to the real estate. o The risk that our investments in these entities may not be easily sold or readily accepted as collateral by our lenders, or that lenders may view joint ventured assets as less favorable as collateral. o The risk that the joint ventures could take actions that we could not prevent, which could result in negative rating agency impacts to our preferred shares and debt. o The risk that we may be constrained from certain activities of our own that we would otherwise deem favorable, due to noncompete clauses in our joint venture arrangements. o The risk that we will be unable to resolve disputes with our joint venture partners. We are currently engaged in legal proceedings including litigation with certain joint venture partners. THE HUGHES FAMILY COULD CONTROL US AND TAKE ACTIONS ADVERSE TO OTHER SHAREHOLDERS. At December 31, 2008, B. Wayne Hughes, Chairman of the Board of Trustees and his family (the "Hughes Family") owned approximately 21.0% of our aggregate outstanding common shares. Our declaration of trust permits the Hughes Family to own up to 47.66% of our outstanding common shares. Consequently, the Hughes Family may or could control matters submitted to a vote of our shareholders, including electing trustees, amending our organizational documents, dissolving and approving other extraordinary transactions, such as a takeover attempt, even though such actions may not be favorable to other shareholders. CERTAIN PROVISIONS OF MARYLAND LAW AND IN OUR DECLARATION OF TRUST AND BYLAWS MAY PREVENT CHANGES IN CONTROL OR OTHERWISE DISCOURAGE TAKEOVER ATTEMPTS BENEFICIAL TO SHAREHOLDERS. Maryland law limits certain business combinations and changes of control of the Company unless the Board affirmatively elects not to be covered by the statutory provisions. Currently, the Board has opted out of the statutory limitations of both statutes. However, the Board may in the future elect to be covered under the business combination provisions and the control share acquisitions provisions of Maryland law. The business combination provisions of Maryland law (in the event our Board opts to make them applicable to us), the control share acquisition provisions of Maryland law (if the applicable provision in our bylaws is rescinded), limitations on removal of trustees in our declaration of trust, restrictions on the acquisition of our shares of beneficial interest, the power to issue additional common shares, preferred shares or equity shares and the advance notice provisions of our bylaws could have the effect of delaying, deterring or preventing a transaction or a change in control that might involve a premium price for holders of the common shares or might otherwise be in their best interest. Certain provisions of Maryland law 15 permit our board of trustees, without shareholder approval and regardless of what is provided in our declaration of trust or bylaws, to implement takeover defenses that we may not yet have and to take, or refrain from taking, certain other actions without those decisions being subject to any heightened standard of conduct or standard of review as such decisions may be subject in certain other jurisdictions. To preserve our status as a REIT under the Code, our declaration of trust contains limitations on the number and value of shares of beneficial interest that any person may own. These ownership limitations generally limit the ability of a person, other than the Hughes Family (as defined in our declaration of trust) and other than "designated investment entities" (as defined in our declaration of trust), to own more than 3% of our outstanding common shares or 9.9% of the outstanding shares of any class or series of preferred or equity shares, in each case, in value or number of shares, whichever is more restrictive, unless an exemption is granted by our board of trustees. These limitations could discourage, delay or prevent a transaction involving a change in control of our company not approved by our board of trustees. IF WE FAILED TO QUALIFY AS A REIT FOR INCOME TAX PURPOSES, WE WOULD BE TAXED AS A CORPORATION, WHICH WOULD SUBSTANTIALLY REDUCE FUNDS AVAILABLE FOR PAYMENT OF DIVIDENDS. Investors are subject to the risk that we may not qualify as a REIT for income tax purposes. REITs are subject to a range of complex organizational and operational requirements. As a REIT, we must distribute with respect to each year at least 90% of our REIT taxable income to our shareholders (which may take into account certain dividends paid in the subsequent year). Other restrictions apply to our income and assets. Our REIT status is also dependent upon the ongoing qualification of our affiliate, PSB, as a REIT, as a result of our substantial ownership interest in that company. For any taxable year that we fail to qualify as a REIT and are unable to avail ourselves of relief provisions set forth in the Code, we would be subject to federal income tax at the regular corporate rates on all of our taxable income, whether or not we make any distributions to our shareholders. Those taxes would reduce the amount of cash available for distribution to our shareholders or for reinvestment and would adversely affect our earnings. As a result, our failure to qualify as a REIT during any taxable year could have a material adverse effect upon us and our shareholders. Furthermore, unless certain relief provisions apply, we would not be eligible to elect REIT status again until the fifth taxable year that begins after the first year for which we fail to qualify. We have also assumed, based on public filings that Shurgard qualified as a REIT. However, if Shurgard failed to qualify as a REIT, we generally would have succeeded to or incurred significant tax liabilities (including the significant tax liability that would have resulted from the deemed sale of assets by Shurgard to us pursuant to the Shurgard Merger). WE MAY PAY SOME TAXES, REDUCING CASH AVAILABLE FOR SHAREHOLDERS. Even if we qualify as a REIT for federal income tax purposes, we are required to pay some federal, foreign, state and local taxes on our income and property. Since January 1, 2001, certain corporate subsidiaries of the Company (including certain subsidiaries acquired in connection with the Shurgard Merger) have elected to be treated as "taxable REIT subsidiaries" of the Company for federal income tax purposes. A taxable REIT subsidiary is taxable as a regular corporation and is limited in its ability to deduct interest payments made to us in excess of a certain amount. In addition, if we receive or accrue certain amounts and the underlying economic arrangements among our taxable REIT subsidiaries and us are not comparable to similar arrangements among unrelated parties, we will be subject to a 100% penalty tax on those payments in excess of amounts deemed reasonable between unrelated parties. To the extent that the Company or any taxable REIT subsidiary is required to pay federal, foreign, state or local taxes, we will have less cash available for distribution to shareholders. WE HAVE BECOME INCREASINGLY DEPENDENT UPON AUTOMATED PROCESSES, TELECOMMUNICATIONS, AND THE INTERNET AND ARE FACED WITH SYSTEM SECURITY RISKS. We have become increasingly centralized and dependent upon automated information technology processes. As a result, we could be severely impacted by a catastrophic occurrence, such as a natural disaster or a terrorist attack. In 16 addition, a portion of our business operations are conducted over the Internet, increasing the risk of viruses that could cause system failures and disruptions of operations. Experienced computer programmers may be able to penetrate our network security and misappropriate our confidential information, create system disruptions or cause shutdowns. Nearly half of our move-ins comes from sales channels dependent upon telecommunications (telephone or Internet). WE HAVE NO INTEREST IN CANADIAN SELF-STORAGE FACILITIES OWNED BY THE HUGHES FAMILY. The Hughes Family has ownership interests in, and operates, 49 self-storage facilities in Canada under the name "Public Storage." We currently do not own any interests in these facilities nor do we own any facilities in Canada. We have a right of first refusal to acquire the stock or assets of the corporation engaged in the operation of the self-storage facilities in Canada if the Hughes Family or the corporation agrees to sell them. However, we have no ownership interest in the operations of this corporation, have no right to acquire their stock or assets unless the Hughes family decides to sell, and receive no benefit from the profits and increases in value of the Canadian self-storage facilities. Through our subsidiaries, we continue to reinsure risks relating to loss of goods stored by tenants in the self-storage facilities in Canada. We acquired the tenant insurance business on December 31, 2001 through our acquisition of PS Insurance Company, or PSICH. For the years ended December 31, 2008 and 2007, PSICH received $768,000 and $906,000, respectively, in reinsurance premiums attributable to the Canadian Facilities. Since PSICH's right to provide tenant reinsurance to the Canadian Facilities may be qualified, there is no assurance that these premiums will continue. OUR TENANT INSURANCE BUSINESS IS SUBJECT TO GOVERNMENTAL REGULATION WHICH COULD REDUCE OUR PROFITABILITY OR LIMIT OUR GROWTH. We hold Limited Lines Self Storage Insurance Agent licenses from a number of individual state Departments of Insurance and are subject to state governmental regulation and supervision. This state governmental supervision could reduce our profitability or limit our growth by increasing the costs of regulatory compliance, limiting or restricting the products or services we provide or the methods by which we provide products and services, or subjecting our businesses to the possibility of regulatory actions or proceedings. Our continued ability to maintain these Limited Lines Self Storage Insurance Agent licenses in the jurisdictions in which we are licensed depends on our compliance with the rules and regulations promulgated from time to time by the regulatory authorities in each of these jurisdictions. Furthermore, state insurance departments conduct periodic examinations, audits and investigations of the affairs of insurance agents. In all jurisdictions, the applicable laws and regulations are subject to amendment or interpretation by regulatory authorities. Generally, such authorities are vested with relatively broad discretion to grant, renew and revoke licenses and approvals and to implement regulations. Accordingly, we may be precluded or temporarily suspended from carrying on some or all of our activities or otherwise fined or penalized in a given jurisdiction. No assurances can be given that our businesses can continue to be conducted in any given jurisdiction as it has been conducted in the past. For each of the years ended December 31, 2008 and 2007, revenues from our tenant reinsurance business represented approximately 3% of our revenues. FAILURE TO COMPLY WITH APPLICABLE LAWS COULD HARM OUR BUSINESS AND FINANCIAL RESULTS. We are subject to a wide range of federal, state and local laws and regulations including those imposed by the SEC, the Sarbanes-Oxley Act of 2002 and New York Stock Exchange, as well as applicable labor laws. Although we have policies and procedures designed to comply with applicable laws and regulations, failure to comply with the various laws and regulations may result in civil and criminal liability, fines and penalties, increased costs of compliance and restatement of our financial statements. 17 TERRORIST ATTACKS AND THE POSSIBILITY OF WIDER ARMED CONFLICT MAY HAVE AN ADVERSE IMPACT ON OUR BUSINESS AND OPERATING RESULTS AND COULD DECREASE THE VALUE OF OUR ASSETS. Terrorist attacks and other acts of violence or war could have a material adverse impact on our business and operating results. There can be no assurance that there will not be further terrorist attacks against the U.S., the European Community, or their businesses or interests. Attacks or armed conflicts that directly impact one or more of our properties could significantly affect our ability to operate those properties and thereby impair our operating results. Further, we may not have insurance coverage for losses caused by a terrorist attack. Such insurance may not be available, or if it is available and we decide to obtain such terrorist coverage, the cost for the insurance may be significant in relationship to the risk overall. In addition, the adverse effects that such violent acts and threats of future attacks could have on the U.S. economy could similarly have a material adverse effect on our business and results of operations. Finally, further terrorist acts could cause the U.S. to enter into a wider armed conflict, which could further impact our business and operating results. DEVELOPMENTS IN CALIFORNIA MAY HAVE AN ADVERSE IMPACT ON OUR BUSINESS AND FINANCIAL RESULTS. We are headquartered in, and approximately one-fifth of our properties in the U.S. are located in California. The state of California and many local jurisdictions are facing severe budgetary problems. Action that may be taken in response to these problems, such as increases in property taxes on commercial properties, changes to sales taxes or other governmental efforts to raise revenues could adversely impact our business and results of operations. In addition, we could be adversely impacted by efforts to reenact legislation mandating medical insurance for employees of California businesses and members of their families. ITEM 1B. UNRESOLVED STAFF COMMENTS ------------------------ Not applicable. 18 ITEM 2. PROPERTIES ---------- At December 31, 2008, we had direct and indirect ownership interests in 2,012 and 181 storage facilities located in 38 states within the U.S. and seven Western European nations, respectively: At December 31, 2008 -- Number of Storage Net Rentable Square Facilities (a) Feet (in thousands) ----------------- ------------------ United States: California: Southern.............. 204 14,202 Northern.............. 170 9,927 Texas...................... 236 15,493 Florida.................... 191 12,511 Illinois................... 123 7,800 Washington.................. 91 6,028 Georgia..................... 92 5,964 North Carolina............. 69 4,775 Virginia................... 78 4,453 New York................... 62 3,997 Colorado................... 60 3,810 New Jersey.................. 56 3,524 Maryland................... 56 3,290 Minnesota.................. 44 2,990 Michigan................... 43 2,755

Arizona.................... 37 2,259 South Carolina............. 40 2,155 Missouri................... 38 2,144 Oregon..................... 39 2,006 Indiana.................... 31 1,926 Pennsylvania............... 28 1,867 Ohio....................... 30 1,860 Nevada..................... 24 1,561 Tennessee.................. 27 1,528 Kansas..................... 22 1,310 Massachusetts.............. 19 1,179 Wisconsin.................. 16 1,030 Other states (12 states).... 86 4,731 ----- ------- Total - U.S........... 2,012 127,075 ----- ------- Europe: France..................... 55 2,901 Netherlands................ 37 1,977 Sweden...................... 27 1,437 Belgium.................... 21 1,254 United Kingdom............. 20 970 Germany.................... 11 552 Denmark.................... 10 502 ----- ------- Total - Europe......... 181 9,593 ----- ------- Grand Total........... 2,193 136,668 ===== ======= (a) See Schedule III:Real Estate and Accumulated Depreciation in the Company's 2008 financials, for a complete list of properties consolidated by the Company. Our facilities are generally operated to maximize cash flow through the regular review and adjustment of rents charged to our tenants. For the year ended December 31, 2008, the weighted average occupancy level and the average 19 realized rent per occupied square foot for our self-storage facilities were approximately 89% and $12.98, respectively in the U.S. and 80% and $28.05, respectively in Europe. At December 31, 2008, 90 of our facilities were encumbered by an aggregate of $236 million in mortgage notes payable. We have no specific policy as to the maximum size of any one particular self-storage facility. However, none of our facilities involves, or is expected to involve, 1% or more of our total assets, gross revenues or net income. DESCRIPTION OF SELF-STORAGE FACILITIES: Self-storage facilities, which comprise the majority of our investments, are designed to offer accessible storage space for personal and business use at a relatively low cost. A user rents a fully enclosed space, which is for the user's exclusive use and to which only the user has access on an unrestricted basis during business hours. On-site operation is the responsibility of property managers who are supervised by district managers. Some self-storage facilities also include rentable uncovered parking areas for vehicle storage. Storage facility spaces are rented on a month-to-month basis. Rental rates vary according to the location of the property, the size of the storage space and length of stay. All of our self-storage facilities in the U.S. are operated under the "Public Storage" brand name, while our facilities in Europe are operated under the "Shurgard Storage Centers" brand name. Users of space in self-storage facilities include individuals from virtually all demographic groups, as well as businesses. Individuals usually obtain this space for storage of furniture, household appliances, personal belongings, motor vehicles, boats, campers, motorcycles and other household goods. Businesses normally employ this space for storage of excess inventory, business records, seasonal goods, equipment and fixtures. Our self-storage facilities generally consist of three to seven buildings containing an aggregate of between 350 to 750 storage spaces, most of which have between 25 and 400 square feet and an interior height of approximately eight to 12 feet. We experience minor seasonal fluctuations in the occupancy levels of self-storage facilities with occupancies generally higher in the summer months than in the winter months. We believe that these fluctuations result in part from increased moving activity during the summer months. Our self-storage facilities are geographically diversified and are located primarily in or near major metropolitan markets in 38 states in the U.S. and seven Western European nations. Generally our self-storage facilities are located in heavily populated areas and close to concentrations of apartment complexes, single family residences and commercial developments. However, there may be circumstances in which it may be appropriate to own a property in a less populated area, for example, in an area that is highly visible from a major thoroughfare and close to, although not in, a heavily populated area. Moreover, in certain population centers, land costs and zoning restrictions may create a demand for space in nearby less populated areas. Competition from other self-storage facilities as well as other forms of storage in the market areas in which many of our properties are located is significant and has affected the occupancy levels, rental rates, and operating expenses of many of our properties. Since our investments are primarily self-storage facilities, our ability to preserve our investments and achieve our objectives is dependent in large part upon success in this field. Historically, upon stabilization after an initial fill-up period, our U.S. self-storage facility interests have generally shown a high degree of consistency in generating cash flows. We believe that our self-storage facilities, upon stabilization, have attractive characteristics consisting of high profit margins, a broad tenant base and low levels of capital expenditures to maintain their condition and appearance. COMMERCIAL PROPERTIES: In addition to our interests in 2,193 self-storage facilities, we have an interest in PSB, which, as of December 31, 2008, owns and operates approximately 19.6 million net rentable square feet in eight states. At 20 December 31, 2008, our investment in PSB represents 2.7% of our total assets based upon book value of $265.7 million. The market value of our investment in PSB at December 31, 2008 of approximately $568.2 million represents 5.7% of the book value of our total assets at December 31, 2008 of approximately $9.9 billion. We also directly own 1,469,000 net rentable square feet of commercial space, primarily located at our existing self-storage locations, comprised of small retail locations. The commercial properties owned by PSB consist of flex space, office space and industrial space. Flex space is defined as buildings that are configured with a combination of part warehouse space and part office space and can be designed to fit a wide variety of uses. The warehouse component of the flex space has a variety of uses including light manufacturing and assembly, storage and warehousing, showroom, laboratory, distribution and research and development activities. The office component of flex space is complementary to the warehouse component by enabling businesses to accommodate management and production staff in the same facility. PSB also owns low-rise suburban office space, generally either in business parks that combine office and flex space or in desirable submarkets where the economics of the market demand an office build-out. PSB also owns industrial space that has characteristics similar to the warehouse component of the flex space. ENVIRONMENTAL MATTERS: Our policy is to accrue environmental assessments and estimated remediation cost when it is probable that such efforts will be required and the related costs can be reasonably estimated. Our current practice is to conduct environmental investigations in connection with property acquisitions. Although there can be no assurance, we are not aware of any environmental contamination of any of our facilities, which individually or in the aggregate would be material to our overall business, financial condition, or results of operations. ITEM 3. LEGAL PROCEEDINGS ---------------- Brinkley v. Public Storage, Inc. (filed April 2005) (Superior Court of -- California - Los Angeles County) ------------------------------- The plaintiff sued the Company on behalf of a purported class of California non-exempt employees based on various California wage and hour laws and seeking monetary damages and injunctive relief. In May 2006, a motion for class certification was filed seeking to certify five subclasses. Plaintiff sought certification for alleged meal period violations, rest period violations, failure to pay for travel time, failure to pay for mileage reimbursement, and for wage statement violations. In October 2006, the Court declined to certify three out of the five subclasses. The Court did, however, certify subclasses based on alleged meal period and wage statement violations. Subsequently, the Company filed a motion for summary judgment seeking to dismiss the matter in its entirety. On June 22, 2007, the Court granted the Company's summary judgment motion as to the causes of action relating to the subclasses certified and dismissed those claims. The only surviving claims are those relating to the named plaintiff. The plaintiff has filed an appeal to the Court's June 22, 2007 summary judgment ruling. On October 28, 2008, the Court of Appeals sustained the trial court's ruling. The plaintiff filed a petition for review with the California Supreme Court, which was granted but further action in this matter was deferred pending consideration and disposition of a related issue in Brinker Restaurant Corp. v. Superior Court which is currently pending before the California Supreme Court. European Joint Venture Arbitration Proceeding -- Shurgard Europe holds a 20% interest in each of two joint ventures in Europe, First Shurgard and Second Shurgard, that collectively own 72 self-storage properties in Europe. On August 24, 2006, the Company, through its affiliate, Shurgard Europe, served an exit notice on the European joint venture partners informing them of its intention to purchase their interests in First Shurgard and Second Shurgard pursuant to an early exit procedure that the Company believes is provided for in the respective joint venture agreements. The exit notice offered to pay the joint venture partners an amount for their interests in accordance with the provisions of the joint venture agreements. The joint venture partners contested whether the Company has the right to purchase its interests under the early exit procedures of the joint venture agreements. On January 17, 2007, Shurgard Europe filed an arbitration request with the International Chamber of Commerce to compel arbitration of the matter. The arbitration proceedings occurred from June 30, 2008 through July 3, 2008. 21 The arbitration panel recently issued a ruling concluding that Shurgard Europe did not have the right to start the exit procedures under the early exit provision of joint venture agreements. However, the panel held that Shurgard Europe did not act unreasonably in raising a genuine issue and ruled that each party is to bear its own costs. The arbitration panel's decision does not affect Shurgard Europe's ability to exit the joint ventures in accordance with the ordinary (as compared to the "early") exit provisions of the joint venture agreements if market and other conditions make a termination of one or both of the joint ventures advisable. The ordinary exit procedure is currently exercisable for First Shurgard and will be exercisable in May 2009 for Second Shurgard. Other Items ----------- We are a party to various claims, complaints, and other legal actions that have arisen in the normal course of business from time to time that are not described above. We believe that it is unlikely that the outcome of these other pending legal proceedings including employment and tenant claims, in the aggregate, will have a material adverse impact upon our operations or financial position. ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS -- We did not submit any matter to a vote of security holders in the fourth quarter of the fiscal year ended December 31, 2008. 22 PART II ------- ITEM 5. Market for Registrant's Common Equity, Related Shareholder Matters and --- Issuer Purchases of Equity Securities ------------------------------------ a. Market Price of the Registrant's Common Equity: Our Common Shares (NYSE: PSA), including those of Public Storage, Inc. prior to our reorganization in June 2007, have been listed on the New York Stock Exchange since October 19, 1984. Our Depositary Shares each representing 1/1,000 of an Equity Share, Series A (NYSE:PSAA) (see section c. below), including those of Public Storage, Inc. prior to our reorganization in June 2007 have been listed on the New York Stock Exchange since February 14, 2000. The following table sets forth the high and low sales prices of our Common Shares on the New York Stock Exchange composite tapes for the applicable periods. Range ---------------------------- Year Quarter High Low ---- ------- -------- ------- 2007 1st $117.16 $92.43 2nd 99.36 74.28 3rd 82.11 68.09 4th 85.58 70.29 2008 1st 94.98 65.66 2nd 98.01 78.85 3rd 102.48 75.00 4th 105.87 52.52 The following table sets forth the high and low sales prices of our Depositary Shares Each Representing 1/1,000 of an Equity Share, Series A on the New York Stock Exchange composite tapes for the applicable periods. Range ---------------------------- Year Quarter High Low ---- ------- -------- ------- 2007 1st $27.27 $26.25 2nd 26.88 25.65 3rd 26.15 25.00 4th 26.29 24.32 2008 1st 26.00 24.14 2nd 26.33 25.05 3rd 26.50 24.50 4th 26.05 18.12 As of February 15, 2009, there were approximately 19,462 holders of record of Common Shares and approximately 9,402 holders of Depositary Shares Each Representing 1/1,000 of an Equity Share, Series A. b. Dividends We have paid quarterly distributions to our shareholders since 1981, our first full year of operations. Overall distributions on Common Shares for 2008 amounted to $472.8 million or $2.80 per share. Included in these amounts are $101.0 million or $0.60 per Common Share with respect to a special cash dividend paid in December 2008. 23 Holders of Common Shares are entitled to receive distributions when and if declared by our Board of Trustees out of any funds legally available for that purpose. In order to maintain our REIT status for federal income tax purposes, we are generally required to pay dividends at least equal to 90% of our real estate investment trust taxable income for the taxable year (for this purpose, certain dividends paid in the subsequent year may be taken into account). We intend to pay distributions sufficient to permit us to maintain our REIT status. For Federal income tax purposes, distributions to shareholders are treated as ordinary income, capital gains, return of capital or a combination thereof. For 2008, the dividends paid on common shares ($2.80 per share), on all the various classes of preferred shares, and on our Equity Shares, Series A were classified as follows: 1st Quarter 2nd Quarter 3rd Quarter 4th Quarter ----------- ----------- ----------- ----------- Ordinary Income.......... 99.9668% 99.6512% 99.8319% 100.0000% Long-term Capital Gain... 0.0332% 0.3488% 0.1681% 0.0000% ----------- ----------- ----------- ----------- Total.................... 100.0000% 100.0000% 100.0000% 100.0000% =========== =========== =========== =========== For 2007, the dividends paid on common shares ($2.00 per share), on all the various classes of preferred shares, and on our Equity Shares, Series A were classified as follows: 1st Quarter 2nd Quarter 3rd Quarter 4th Quarter ----------- ----------- ----------- ----------- Ordinary Income.......... 99.8756% 98.8310% 100.0000% 97.3267% Long-term Capital Gain... 0.1244% 1.1690% 0.0000% 2.6733% ----------- ----------- ----------- ----------- Total.................... 100.0000% 100.0000% 100.0000% 100.0000% =========== =========== =========== =========== c. Equity Shares The Company is authorized to issue 100,000,000 Equity Shares. Our declaration of trust provides that the Equity Shares may be issued from time to time in one or more series and gives the Board of Trustees broad authority to fix the dividend and distribution rights, conversion and voting rights, redemption provisions and liquidation rights of each series of Equity Shares. At December 31, 2008, we had 8,377,193 Depositary Shares outstanding, each representing 1/1,000 of an Equity Share, Series A. The Equity Shares, Series A rank on a parity with our common shares and junior to the Senior Preferred Shares with respect to distributions and liquidation and has a liquidation amount which cannot exceed $24.50 per share. Distributions with respect to each depositary share shall be the lesser of: a) five times the per share dividend on the Common Shares or b) $2.45 per annum. Except in order to preserve the Company's Federal income tax status as a REIT, we may not redeem the depositary shares before March 31, 2010. On or after March 31, 2010, we may, at our option, redeem the depositary shares at $24.50 per depositary share. If the Company fails to preserve its Federal income tax status as a REIT, each depositary share will be convertible into 0.956 of our common shares. The depositary shares are otherwise not convertible into common shares. Holders of depositary shares vote as a single class with our holders of common shares on shareholder matters, but the depositary shares have the equivalent of one-tenth of a vote per depositary share. We have no obligation to pay distributions on the depositary shares if no distributions are paid to common shareholders. In November 1999, we sold $100,000,000 (4,289,544 shares) of Equity Shares, Series AAA ("Equity Shares AAA") to a newly formed joint venture. The Equity Shares AAA ranks on a parity with common shares and junior to the Senior Preferred Shares with respect to general preference rights, and has a liquidation amount equal to 120% of the amount distributed to each common share. Annual distributions per share are equal to the lesser of (i) five times the amount paid per common share or (ii) $2.1564. We have no obligation to pay distributions if no distributions are paid to common shareholders. 24 d. Common Share Repurchases Our Board of Trustees has authorized the repurchase from time to time of up to 35,000,000 of our common shares on the open market or in privately negotiated transactions. On May 8, 2008, the Board of Trustees authorized an increase in the total repurchase authorization from 25,000,000 common shares to 35,000,000 common shares. During 2006 and 2007, we did not repurchase any shares. During 2008, we repurchased 1,520,196 shares for approximately $111.9 million. From the inception of the repurchase program through March 2, 2009, we have repurchased a total of 23,721,916 common shares at an aggregate cost of approximately $679.1 million. Our common share repurchase program does not have an expiration date and there are 11,278,084 common shares that may yet be repurchased under our repurchase program as of December 31, 2008. During the year ended December 31, 2008, we did not repurchase any of our common shares outside our publicly announced repurchase program, except shares withheld for payment of tax withholding in connection with our various stock option plans. Future levels of common repurchases will be dependent upon our available capital, investment alternatives, and the trading price of our common shares. e. Preferred and Equity Share Repurchases During November and December 2008, in privately negotiated transactions we repurchased various series of our Cumulative Preferred Shares with an aggregate liquidation amount of $103.2 million, for an aggregate of $66.9 million in cash (which was inclusive of accrued dividends), in addition to 367,000 shares of our Equity Shares, Series A for an aggregate of $7.7 million in cash (inclusive of accrued dividends). The following table presents monthly information related to our privately negotiated repurchases of our Cumulative Preferred Shares and Equity Shares, Series A during the year ended December 31, 2008: Total Number of Shares Average Price Period Covered Purchased Paid per Share ---------------------------------- --------- -------------- October 1, 2008 - October 31, 2008 - - November 1, 2008 - November 30, 2008 Preferred Shares - Series Y 449,100 $16.04 Preferred Shares - Series K 1,409,756 $16.87 Preferred Shares - Series L 933,400 $15.67 Preferred Shares - Series M 934,647 $15.38 Equity Shares - Series A 367,000 $21.00 --------- ------ Monthly Total 4,093,903 $16.54 --------- ------ December 1, 2008 - December 31, 2008 Preferred Shares - Series Y 400,000 $17.23 --------- ------ Total 4,493,903 $16.60 ========= ====== 25 ITEM 6. SELECTED FINANCIAL DATA ----------------------- For the year ended December 31, --- 2008 (1) 2007 (1) 2006 (1) 2005 2004 ---------- ---------- ---------- ---------- ---------- (Amounts in thousands, except per share data) Revenues: Rental income and ancillary operations........ $1,709,452 $1,803,082 $1,347,267 $1,041,528 $950,600 Interest and other income.................... 36,155 11,417 31,799 16,447 5,391 ---------- ---------- ---------- ---------- ---------- 1,745,607 1,814,499 1,379,066 1,057,975 955,991 ---------- ---------- ---------- ---------- ---------- Expenses: Cost of operations (excluding depreciation).. 580,577 657,743 496,257 376,526 360,256 Depreciation and amortization................ 414,188 622,400 437,555 195,824 182,663 General and administrative................... 62,809 59,749 84,661 21,115 18,813 Interest expense............................. 43,944 63,671 33,062 8,216 760 ---------- ---------- ---------- ---------- ---------- 1,101,518 1,403,563 1,051,535 601,681 562,492 ---------- ---------- ---------- ---------- ---------- Income from continuing operations before equity in earnings of real estate entities, gain on disposition of an interest in Shurgard Europe, gain (loss) on disposition of real estate investments and casualty gain or loss, foreign currency exchange (loss) gain and minority interest in income........................... 644,089 410,936 327,531 456,294 393,499 Equity in earnings of real estate entities...... 20,391 12,738 11,895 24,883 22,564 Gain on disposition of an interest in Shurgard Europe....................................... 344,685 - - - - Gain (loss) on disposition of real estate investments and casualty gain or loss, net.... (8,665) 5,212 2,177 1,182 67 Foreign currency exchange (loss) gain........... (25,362) 58,444 4,262 - - Minority interest in income..................... (38,696) (29,543) (31,883) (32,651) (49,913) ---------- ---------- ---------- ---------- ---------- Income from continuing operations.............. 936,442 457,787 313,982 449,708 366,217 Discontinued operations and cumulative effect of change in accounting principle............... (1,266) (252) 44 6,685 (4) ---------- ---------- ---------- ---------- ---------- Net income..................................... $935,176 $457,535 $314,026 $456,393 $366,213 ========== ========== ========== ========== ========== -- Per Common Share: Distributions.................................. $2.80 $2.00 $2.00 $1.90 $1.80 Net income - Basic............................. $4.21 $1.18 $0.33 $1.98 $1.39 Net income - Diluted........................... $4.19 $1.17 $0.33 $1.97 $1.38 Weighted average common shares - Basic.......... 168,250 169,342 142,760 128,159 127,836 Weighted average common shares -

Diluted........ 168,883 170,147 143,715 128,819 128,681
-- Balance Sheet Data: Total assets................................... $9,936,045 $10,643,102 $11,198,473 $5,552,486 $5,204,790 Total debt..................................... $643,811 $1,069,928 $1,848,542 $149,647 $145,614 Minority interest.............................. $364,417 $506,688 $506,030 $253,970 $428,903 Shareholders' equity........................... $8,715,464 $8,763,129 $8,208,045 $4,817,009 $4,429,967
-- Other Data: Net cash provided by operating activities....... $1,059,225 $1,027,605 $753,140 $673,150 $593,743 Net cash provided by (used in) investing activities................................... $340,018 $(261,876) $(473,630) $(452,425) $(156,066) Net cash used in financing activities........... $(966,360) $(1,061,457) $(228,095) $(102,969) $(276,255) (1) The significant increase in our revenues, cost of operations, depreciation and amortization, and interest expense in 2006 and 2007, and the significant increase in total assets, total debt and shareholder' equity in 2006, is due to our acquisition of Shurgard Storage Centers in August 2006. The significant decrease in our revenues, cost of operations, depreciation and amortization, and interest expense in 2008, and the significant decrease in total assets, total debt and shareholder' equity in 2008, is due to our disposition of an interest in Shurgard Europe on March 31, 2008. See Note 3 to our December 31, 2008 consolidated financial statements for further information. 26 ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS
--- OF OPERATIONS ------------- The following discussion and analysis should be read in conjunction with our consolidated financial statements and notes thereto. FORWARD LOOKING STATEMENTS: This Annual Report on Form 10-K contains forward-looking statements within the meaning of the federal securities laws. All statements in this document, other than statements of historical fact, are forward-looking statements which may be identified by the use of the words "expects," "believes," "anticipates," "plans," "would," "should," "may," "estimates" and similar expressions. These forward-looking statements involve known and unknown risks and uncertainties, which may cause Public Storage's actual results and performance to be materially different from those expressed or implied in the forward-looking statements. As a result, you should not rely on any forward-looking statements in this report, or which management may make orally or in writing from time to time, as predictions of future events nor guarantees of future performance. We caution you not to place undue reliance on forward-looking statements, which speak only as the date of this report or as of the dates indicated in the statements. All of our forward-looking statements, including those in this report, are qualified in their entirely by this statement. We expressly disclaim any obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, new estimates, or other factors, events or circumstances after the date of this document, except where expressly required by law. Accordingly, you should use caution in relying on past forward-looking statements to anticipate future results. Factors and risks that may impact our future results and performance include, but are not limited to, those described in Item 1A, "Risk Factors" and in our other filings with the Securities and Exchange Commission. ("SEC"). CRITICAL ACCOUNTING POLICIES Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our consolidated financial statements, which have been prepared in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP"). The preparation of our financial statements and related disclosures in conformity with GAAP and our discussion and analysis of our financial condition and results of operations requires management to make judgments, assumptions and estimates that affect the amounts reported in our consolidated financial statements and accompanying notes. The notes to our December 31, 2008 consolidated financial statements, primarily Note 2, summarize the significant accounting policies and methods used in the preparation of our consolidated financial statements and related disclosures. Management believes the following are critical accounting policies the application of which has a material impact on the Company's financial presentation. That is, they are both important to the portrayal of our financial condition and results, and they require management to make judgments and estimates about matters that are inherently uncertain. QUALIFICATION AS A REIT - INCOME TAX EXPENSE: We believe that we have been organized and operated, and we intend to continue to operate, as a qualifying REIT under the Code and applicable state laws. We also believe that Shurgard qualified as a REIT. A REIT generally does not pay corporate level federal income taxes on its REIT taxable income that is distributed to its shareholders, and accordingly, we do not pay federal income tax on the share of our REIT taxable income that is distributed to our shareholders. We therefore do not estimate or accrue any federal income tax expense for income earned and distributed related to REIT

operations. This estimate could be incorrect, because due to the complex nature of the REIT qualification requirements, the ongoing importance of factual determinations and the possibility of future changes in our circumstances, we cannot be assured that we actually have satisfied or will satisfy the requirements for taxation as a REIT for any particular taxable year. For any taxable year that we fail or have failed to qualify as a REIT and for which applicable relief provisions did not apply, we would be taxed at the regular corporate rates on all of our taxable income, whether or not we made or make any distributions to our shareholders. Any resulting requirement to pay corporate income tax, including any applicable penalties or interest, could have a material adverse impact on our financial condition or results of operations. Unless entitled to relief under specific statutory provisions, we also would be disqualified from taxation as a REIT for 27 the four taxable years following the year for which qualification was lost. There can be no assurance that we would be entitled to any statutory relief. In addition, if Shurgard failed to qualify as a REIT, we generally would have succeeded to or incurred significant tax liabilities. IMPAIRMENT OF LONG-LIVED ASSETS: Substantially all of our assets consist of long-lived assets, including real estate and other intangible assets. The evaluation of our long-lived assets for impairment includes determining whether indicators of impairment exist, which is a subjective process. When any indicators of impairment are found, the evaluation of such long-lived assets then entails projections of future operating cash flows, which also involves significant judgment. Future events, or facts and circumstances that currently exist, that we have not yet identified, could cause us to conclude in the future that our long-lived assets are impaired. Any resulting impairment loss could have a material adverse impact on our financial condition and results of operations. ESTIMATED USEFUL LIVES OF LONG-LIVED ASSETS: Substantially all of our assets consist of depreciable or amortizable, long-lived assets. We record depreciation and amortization expense with respect to these assets based upon their estimated useful lives. Any change in the estimated useful lives of those assets, caused by functional or economic obsolescence or other factors, could have a material adverse impact on our financial condition or results of operations. ACCRUALS FOR CONTINGENCIES: We are exposed to business and legal liability risks with respect to events that have occurred, but in accordance with GAAP, we have not accrued for such potential liabilities because the loss is either not probable or not estimable or because we are not aware of the event. Future events and the results of pending litigation could result in such potential losses becoming probable and estimable, which could have a material adverse impact on our financial condition or results of operations. Some of these potential losses, of which we are aware, are described in Note 13 to our December 31, 2008 consolidated financial statements. ACCRUALS FOR OPERATING EXPENSES: We accrue for property tax expense and certain other operating expenses based upon estimates and historical trends and current and anticipated local and state government rules and regulations. If these estimates and assumptions are incorrect, our expenses could be misstated. VALUATION OF ASSETS AND LIABILITIES ACQUIRED IN BUSINESS COMBINATIONS: We have estimated the fair value of real estate, intangible assets, debt, and the other assets and other liabilities acquired in business combinations, most notably the Shurgard Merger. We have acquired these assets, in certain cases, with non-cash assets, most notably the 38.9 million shares that we issued to the Shurgard shareholders. These estimates are based upon many assumptions, including interest rates, market values of land and buildings in the U.S. and Europe, estimated future cash flows from the then tenant base in place, and the recoverability of certain assets. We believe that the assumptions used were reasonable, however, these assumptions were subject to a significant degree of judgment, and others could come to materially different conclusions as to the estimated values, if different assumptions were used. If the values were determined using different assumptions than those used, our depreciation and amortization expense, interest expense, gain on disposition of an interest in Shurgard Europe, real estate, debt, and intangible assets could have been materially different. OVERVIEW OF MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS Our principal business activities include the acquisition, development, ownership and operation of self-storage facilities which offer storage spaces for lease, generally on a month-to-month basis, for personal and business use. We are the largest owner and operator of self-storage facilities in the U.S., and we have an interest in what we believe is the largest owner and operator of self-storage facilities in Europe. We currently operate within three reportable segments: (i) self-storage, (ii) Shurgard Europe and (iii) ancillary. The self-storage segment comprises the direct and indirect ownership, development, and operation of traditional storage facilities in the U.S. Our Shurgard Europe segment comprises our equity interest in the self-storage and associated activities in seven countries in Western Europe. Our ancillary segment represents all of our other activities, which are reported as a group, including (i) containerized storage, (ii) commercial property operations, directly and through our 46% ownership interest in PS Business Parks, Inc. ("PSB"), a publicly traded REIT whose common stock trades on the New York Stock Exchange under the symbol "PSB" (as of December 31, 2008, PSB owned and operated 19.6 million net rentable square feet of commercial space), (iii) the reinsurance of policies against losses to goods stored by tenants in our self-storage facilities, (iv) retail operations conducted at our self-storage facilities including merchandise sales and truck rentals, and (v) management of self-storage facilities owned by third-party owners and domestic facilities owned by the Unconsolidated Entities. See also Note 11 to our 28 December 31, 2008 consolidated financial statements for further information regarding our segments. We significantly increased the scope and scale of our operations on August 22, 2006, when we merged with Shurgard Storage Centers, Inc. ("Shurgard" and the merger referred to as the "Shurgard Merger"), a REIT which had an interest in 487 self-storage facilities located in the U.S. and an interest in Shurgard Europe's 160 facilities. On March 31, 2008, we entered into a transaction with an institutional investor (the transaction referred to as the "Europe Transaction") whereby the investor acquired a 51% equity interest in our European operations ("Shurgard Europe"). Shurgard Europe held substantially all of our operations in Europe. Since March 31, 2008, we own the remaining 49% interest and are the managing member of Shurgard European Holdings LLC, a new joint venture formed to own Shurgard Europe's operations. Our self-storage facilities in the U.S. comprise approximately 90% of our operating revenue, and represent the primary driver of growth in our net income and cash flows from operations. In addition, much of our ancillary revenues are derived at our self-storage facility locations, either from our existing self-storage customer base or from the customer traffic within our self-storage facilities. Accordingly, a large portion of management time and focus is placed upon maximizing revenues and effectively managing expenses in our self-storage facilities. The self-storage industry is not immune to the recessionary pressures in the general economic environment. Demand for self-storage space in both the U.S. and Europe has softened and, as a result, we are experiencing downward pressure on occupancy levels, rental rates, and revenue growth in each of our operating segments. An important determinant of our long-term growth is the expansion of our asset base and deployment of capital. Acquisitions of self-storage facilities have been minimal over the past year as we continue to monitor seller expectations and wait for better opportunities that may come about as certain local developers, who raised capital through the issuance of debt, endeavor to refinance such debt in the near-term, but face the current tight credit markets as well as pressure on operating cash flow due to the current difficult operating environment. While historically we have developed real estate facilities, we have substantially reduced our development activities due to the existing recession and our belief that our capital can be more effectively put to use in other ways. We currently have $680.7 million in cash on hand at December 31, 2008, and continue to monitor the appropriate and most effective way to deploy this capital, primarily either through the acquisition of facilities or through the opportunistic acquisition of our own debt and equity securities. We acquired, for $66.9 million, certain of our preferred securities in November and December 2008 at a substantial discount to liquidation value, and we acquired $110.2 million of our outstanding senior unsecured notes during February 2009. RESULTS OF OPERATIONS -- OPERATING RESULTS FOR 2008 AS COMPARED TO 2007: Net income for the year ended December 31, 2008 was $935.2 million compared to $457.5 million for the same period in 2007, representing an improvement of $477.7 million. This improvement is primarily due to a gain of $344.7 million recognized on the disposition of a 51% interest in Shurgard Europe on March 31, 2008, improvements in net operating income with respect to our domestic self-storage facilities and a reduction in amortization of intangible assets, offset by a foreign currency exchange loss of $25.4 million for the year ended December 31, 2008 as compared to a foreign exchange gain of $58.4 million in 2007. Comparisons of our revenues and expenses for the year ended December 31, 2008 to the year ended December 31, 2007 are significantly impacted by the acquisition by an institutional investor of a 51% interest in Shurgard Europe on 29 March 31, 2008, which resulted in the deconsolidation of Shurgard Europe. Shurgard Europe's revenues and expenses after March 31, 2008 are excluded from our statement of operations and, instead, our 49% equity share of Shurgard Europe's operating results are included in the line item "equity in earnings of real estate entities" and we also record interest and other income with respect to (i) the interest received on our intercompany loan from Shurgard Europe and (ii) license fee income. For the years ended December 31, 2008 and 2007, we allocated $205.9 million and $236.8 million of our net income, respectively, to our preferred shareholders. The year-over-year decrease is due primarily to an allocation of income from our preferred shareholders to our common shareholders of $33.9 million, representing the excess of original net proceeds from issuance over the amount paid in the fourth quarter of 2008 pursuant to preferred share repurchases. For the year ended December 31, 2008, net income allocable to our common shareholders (after

allocating net income to our preferred and equity shareholders) was $708.1 million or $4.19 per common share on a diluted basis compared to $199.4 million or $1.17 per common share for the same period in 2007, representing an improvement of $508.7 million or $3.02 per common share. These increases are due primarily to the aforementioned reduction in the allocation of net income to our preferred shareholders in connection with the repurchase of securities, along with the impact of the factors described above with respect to the increase in our net income. Weighted average diluted common shares were 168,883,000 and 170,147,000, respectively, for the years ended December 31, 2008 and 2007. The decline is due primarily to common share repurchases in the first quarter of 2008. OPERATING RESULTS FOR 2007 AS COMPARED TO 2006: Net income for the year ended December 31, 2007 was $457.5 million compared to $314.0 million for the same period in 2006, representing an increase of $143.5 million. This increase is primarily due to improved operations from our real estate facilities combined with an increased foreign currency exchange gain and a reduction in general and administrative expense. These items were partially offset by increases in depreciation and amortization expense and interest expense. Comparisons of our revenues, expenses, and weighted average shares outstanding are significantly impacted by the Shurgard Merger, which closed on August 22, 2006. The results with respect to the assets and liabilities acquired in the Shurgard Merger are included in our operating results from August 23, 2006 through December 31, 2006 during the year ended December 31, 2006, as compared to the entire year ended December 31, 2007. Net operating income, before depreciation, for our self-storage operations totaled $1,082.2 million for the year ended December 31, 2007 as compared to $810.8 million for the same period in 2006, representing an increase of $271.4 million. The increase is primarily due to the addition of 647 facilities that we acquired in the Shurgard Merger. Net operating income of the former Shurgard properties was approximately $347.8 million for the year ended December 31, 2007, as compared to $110.1 million for the same period in 2006, which reflects the operations of these facilities from August 23, 2006 through December 31, 2006. Net income allocable to our common shareholders (after allocating net income to our preferred and equity shareholders) was $199.4 million or $1.17 per common share on a diluted basis for the year ended December 31, 2007 compared to $46.9 million or $0.33 per common share on a diluted basis for the same period in 2006, representing an increase of $152.5 million or $0.84 per common share on a diluted basis. The increase in net income allocable to common shareholders and earnings per common share on a diluted basis are due primarily to the impact of the factors described above with respect to net income, as well as a decrease in income allocated to preferred shareholders, as described below. For the years ended December 31, 2007 and 2006, we allocated $236.8 million and $214.2 million of our net income, respectively, to our preferred shareholders based on distributions paid. The year-over-year increase is due to the issuance of additional preferred securities, partially offset by the redemption of preferred securities that had higher dividend rates than the newly preferred securities issued. In 2006, we also recorded allocations of income to 30 our preferred shareholders with respect to the application of EITF Topic D-42 totaling $31.5 million (or $0.22 per common share on a diluted basis) in connection with the redemption of preferred securities. Weighted average diluted shares increased to 170,147,000 for the year ended December 31, 2007 from 143,715,000 for the year ended December 31, 2006. The increase in weighted average diluted shares is due primarily to the impact of the issuance of 38.9 million shares in connection with the Shurgard Merger. REAL ESTATE OPERATIONS
-- SELF-STORAGE OPERATIONS: Our self-storage operations are by far the largest component of our operating activities, representing approximately 91% of our total revenues generated for the year ended December 31, 2008, respectively. Rental income with respect to our self-storage operations declined by 4.9% in the year ended December 31, 2008, when compared to the same period in 2007 due primarily to the deconsolidation of Shurgard Europe effective April 1, 2008, offset partially by growth in our remaining facilities. Rental income with respect to our self-storage operations grew by 34.1% in 2007, as compared to 2006. The year-over-year growth in rental income is primarily due to the acquisition of additional facilities in connection with the Shurgard Merger combined with the addition of new facilities to our portfolio in 2006 and 2007 and their subsequent fill-up. To enhance year-over-year comparisons, the following table summarizes, and the ensuing discussion describes the operating results of three groups of facilities that management analyzes with respect to the Company's performance for our self-storage segment, which includes: (i) the Same Store group, representing our domestic facilities that we have owned and have been stabilized prior to January 1, 2006, as well as certain of the U.S. facilities we acquired in the Shurgard Merger on August 22, 2006 which were stabilized since January 1, 2006, for our Shurgard Europe segment and (ii) all other facilities included in our financial statements other than those owned by Shurgard Europe, which are primarily those facilities that have not been operated at a stabilized

basis since January 1, 2006 because they are either newly developed or acquired since 2006 or because expansion activities were not stabilized since January 1, 2006, and for the facilities operated by Shurgard Europe which were acquired in connection with the Shurgard Merger on August 22, 2006, and deconsolidated effective March 31, 2008. 31 SELF - STORAGE OPERATIONS SUMMARY: Year Ended December 31, Year Ended December 31, --------------------------------- --------------------------------- ----------------------------------- Percentage Percentage 2008 2007 Change 2007 2006 Change ---------- ---------- -------- ---------- ---------- ---------- (Dollar amounts in thousands) Rental income: Public Storage Same Store Facilities........ $1,006,093 $ 983,342 2.3% $ 983,342 $ 960,294 2.4% Shurgard Same Store Facilities............. 333,213 322,973 3.2% 322,973 109,543 194.8% ---------- ---------- -------- ---------- ---------- ---------- Total Same Store Facilities............. 1,339,306 1,306,315 2.5% 1,306,315 1,069,837 22.1% Other Facilities........................... 187,271 163,632 14.4% 163,632 111,152 47.2% ---------- ---------- -------- ---------- ---------- ---------- Total Self-Storage Segment.............. 1,526,577 1,469,947 3.9% 1,469,947 1,180,989 24.5% Shurgard Europe Segment Facilities (a)...... 54,722 192,507 (71.6)% 192,507 58,708 227.9% ---------- ---------- -------- ---------- ---------- ---------- Total rental income...................... 1,581,299 1,662,454 (4.9)% 1,662,454 1,239,697 34.1% ---------- ---------- -------- ---------- ---------- ---------- Cost of operations before depreciation and amortization expense: Public Storage Same Store Facilities........ 324,316 318,137 1.9% 318,137 316,847 0.4% Shurgard Same Store Facilities............. 106,253 108,091 (1.7)% 108,091 39,733 172.0% ---------- ---------- -------- ---------- ---------- ---------- Total Same Store Facilities............. 430,569 426,228 1.0% 426,228 356,580 19.5% Other Facilities........................... 64,853 62,310 4.1% 62,310 42,396 47.0% ---------- ---------- -------- ---------- ---------- ---------- Total Self-Storage Segment.............. 495,422 488,538 1.4% 488,538 398,976 22.4% Shurgard Europe Segment Facilities.......... 24,654 91,689 (73.1)% 91,689 29,934 206.3% ---------- ---------- -------- ---------- ---------- ---------- Total cost of operations................ 520,076 580,227 (10.4)% 580,227 428,910 35.3% ---------- ---------- -------- ---------- ---------- ---------- Net operating income before depreciation and amortization expense (b): Public Storage Same Store Facilities........ 681,777 665,205 2.5% 665,205 643,447 3.4% Shurgard Same Store Facilities............. 226,960 214,882 5.6% 214,882 69,810 207.8% ---------- ---------- -------- ---------- ---------- ---------- Total Same Store Facilities............. 908,737 880,087 3.3% 880,087 713,257 23.4% Other Facilities (b)....................... 122,418 101,322 20.8% 101,322 68,756 47.4% ---------- ---------- -------- ---------- ---------- ---------- Total Self-Storage Segment.............. 1,031,155 981,409 5.1% 981,409 782,013 25.5% Shurgard Europe Segment Facilities (b)...... 30,068 100,818 (70.2)% 100,818 28,774 250.4% ---------- ---------- -------- ---------- ---------- ---------- Total net operating income before depreciation and amortization expense (b) 1,061,223 1,082,227 (1.9)% 1,082,227 810,787 33.5% ---------- ---------- -------- ---------- ---------- ---------- Depreciation and amortization expense: Total depreciation and amortization expense. (410,624) (619,104) (33.7)% (619,104) (434,366) 42.5% ---------- ---------- -------- ---------- ---------- ---------- Net operating income: Total net operating income................. $ 650,599 $ 463,123 40.5% $ 463,123 $ 376,421 23.0% ========== ========== ======== ========== ========== ========== Data for Same Store and Other Facilities: Weighted average square foot occupancy during the period................................ 88.9% 88.4% 0.6% 88.4% 88.6% (0.2)% Number of self-storage facilities (at end of period).................................... 1,994 1,985 0.5% 1,985 1,982 0.2% Net rentable square feet (in thousands, at end of period):................................ 126,028 124,866 0.9% 124,866 124,041 0.7% (a) Represents the results with respect to Shurgard Europe's properties for the periods consolidated in our financial statements. We acquired these facilities on August 22, 2006 in connection with the Shurgard Merger. As described in Note 3 to our December 31, 2008 consolidated financial statements, effective March 31, 2008, we deconsolidated Shurgard Europe. See also "Equity in Earnings of Real Estate Entities - Investment in Shurgard Europe" for further analysis of the historical same store property operations of Shurgard Europe. (b) Total net operating income before depreciation and amortization or "NOI" is a non-GAAP (generally accepted accounting principles) financial measure that excludes the impact of depreciation and amortization expense. See Note 11 to our December 31, 2008 consolidated financial statements, "Segment Information," which includes a reconciliation of NOI for our self-storage and Shurgard Europe segments to our consolidated net income. Although depreciation and amortization are operating expenses, we believe that NOI is a meaningful measure of operating performance, because we utilize NOI in making decisions with respect to capital allocations, in determining current property values, segment performance, and comparing period-to-period and market-to-market property operating results. NOI is not a substitute for net operating income after depreciation and amortization in evaluating our operating results. 32 Same Store Facilities We have 1,789 Same Store Facilities that contain approximately 109.4 million net rentable square feet, representing approximately 87% of the aggregate net rentable square feet of our consolidated domestic self-storage portfolio at December 31, 2008. The significance of this pool of facilities is that they have all operated on a stabilized basis for at least the past three years. This gives management a meaningful year-over-year comparison of operating data. Revenues and operating expenses with respect to this group are set forth in the table below: SAME STORE FACILITIES Year Ended December 31, Year Ended December 31, -------------------------------- ------------------------------------ Percentage Percentage 2008 2007 Change 2007 2006 (a) Change ---------- ---------- --------- ----------- ---------- --------- (Dollar amounts in thousands, except weighted average amounts) Rental income.................................... $1,283,015 $1,252,752 2.4% $ 1,252,752 $1,215,835 3.0% Late charges and administrative fees collected..... 56,291 53,563 5.1% 53,563 52,753 1.5% ---------- ---------- ---- ----------- ---------- ----- Total rental income............................ 1,339,306 1,306,315 2.5% 1,306,315 1,268,588 3.0% ---------- ---------- ---- ----------- ---------- ----- Cost of operations before depreciation and amortization: Direct property payroll....................... 88,468 87,516 1.1% 87,516 101,221 (13.5)% Property taxes............................... 125,696 122,157 2.9% 122,157 118,765 2.9% Repairs and maintenance...................... 39,949 39,980 (0.1)% 39,980 39,129 2.2% Media advertising............................ 18,386 19,075 (3.6)% 19,075 14,458 31.9% Other advertising and promotion............... 17,168 17,714 (3.1)% 17,714 20,456 (13.4)% Utilities.................................... 33,270 31,949 4.1% 31,949 31,242 2.3% Property insurance........................... 10,611 12,572 (15.6)% 12,572 12,180 3.2% Telephone reservation center................. 11,744 11,798 (0.5)% 11,798 11,098 6.3% Other cost of management..................... 85,277 83,467 2.2% 83,467 86,178 (3.1)% ---------- ---------- ---- ----------- ---------- ----- Total cost of operations....................... 430,569 426,228 1.0% 426,228 434,727 (2.0)% ---------- ---------- ---- ----------- ---------- ----- Net operating income before depreciation and amortization expense (b)....................... 908,737 880,087 3.3% 880,087 833,861 5.5% Depreciation and amortization expense............. (318,696) (407,962) (21.9)% (407,962) (363,734) 12.2% ---------- ---------- ---- ----------- ---------- ----- Net operating income............................ $ 590,041 $ 472,125 25.0% $ 472,125 $ 470,127 0.4% ========== ========== ==== ========== =========== ===== Gross margin (before depreciation and amortization expense)... 67.9% 67.4% 0.7% 67.4% 65.7 2.6% Weighted average for the fiscal year: Square foot occupancy (c)...................... 89.5% 89.5% - 89.5% 89.1% 0.4% Realized annual rent per occupied square foot (d) (f)... $ 13.10 $ 12.79 2.4% $ 12.79 $ 12.47 2.6% REVPAF (e) (f)................................ $ 11.72 $ 11.45 2.4% $ 11.45 $ 11.11 3.1% Weighted average at December 31: Square foot occupancy.......................... 87.1% 87.9% (0.9)% 87.9% 88.1% (0.2)% In place annual rent per occupied square foot (g) $ 14.03 $ 13.93 0.7% $ 13.93 $ 13.55 2.8% Total net rentable square feet (in thousands)...... 109,436 109,436 - 109,436 109,436 - Number of facilities............................. 1,789 1,789 - 1,789 1,789 - (a) For comparative purposes, the 2006 operating data includes historical amounts for the entire year for the stabilized properties we acquired in the Shurgard Merger on August 22, 2006. Included in our consolidated financial statements are only the historical operating results of these facilities after August 22, 2006. (b) Total net operating income before depreciation and amortization expense or "NOI" is a non-GAAP (generally accepted accounting principles) financial measure that excludes the impact of depreciation and amortization expense. For our Same Store facilities, NOI represents a portion of our total self-storage segment's NOI and is reconciled to the self-storage segment total in the table "self-storage operations summary" above. A reconciliation of our total self-storage segment's NOI to consolidated net income is included in Note 11 to our December 31, 2008 consolidated financial statements, "Segment Information." Although depreciation and amortization are operating expenses, we believe that NOI is a meaningful measure of operating performance, because we utilize NOI in making decisions with respect to capital allocations, in determining current property values, segment performance, and comparing period-to-period and market-to-market property operating results. NOI is not a substitute for net operating income after depreciation and amortization expense in evaluating our operating results. 33 (c) Square foot occupancies represent weighted average occupancy levels over the entire period. (d) Realized annual rent per occupied square foot is computed by dividing rental income, which excludes late charges and administrative fees, by the weighted average occupied square footage for the period. Realized annual rent per occupied square foot takes into consideration promotional discounts and other items that reduce rental income from the contractual amounts due. (e) Annualized rental income per available square foot ("REVPAF") represents annualized rental income, which excludes late charges and administrative fees, divided by total available net rentable square feet. (f) Late charges and administrative fees are excluded from the computation of realized annual rent per occupied square foot and REVPAF because exclusion of these amounts provides a better measure of our ongoing level of revenue, by excluding the volatility of late charges, which are dependent principally upon the level of tenant delinquency, and administrative fees, which are dependent principally upon the absolute level of move-ins for a period. (g) In place annual rent per occupied square foot represents annualized contractual rents per occupied square foot without reductions for promotional discounts, and excludes late charges and administrative fees. We believe that demand for our self-storage space has been negatively impacted by general economic conditions, the slow down in housing sales and moving activity, as well as increased competition. It is unclear to us how much we have been negatively impacted by these factors, and how much these factors may impact us going forward. In order to most effectively address the softness in demand, we have continued to closely monitor and change our media advertising on a localized basis, increased the level of promotional discounts and have been conservative with rental rates during 2008. We expect to be similarly conservative in rental rates and media advertising in the expectation of similar trends in the near term. Rental income increased approximately 2.5% in 2008 as compared to 2007, and 3.0% in 2007 as compared to 2006. These increases were primarily attributable to higher average realized annual rental rates per occupied square foot, which were 2.4% higher in 2008 as compared to 2007, and 2.6% higher in 2007 as compared to 2006. Occupancy levels remained consistent during the three years ended December 31, 2008. However, in the three months ended December 31, 2008, revenue growth tightened to 1.6% relative to the same period in 2007. At December 31, 2008, our occupancy is 0.9% lower than at December 31, 2007, while in-place rental rate per occupied square foot was 0.7% higher at December 31, 2008 than at December 31, 2007. We believe that these trends are due to the aforementioned reduction in demand for self-storage space, and it is uncertain whether the trends may worsen or when they may improve. Cost of operations (excluding depreciation and amortization) increased by 1.0% in 2008 as compared to 2007, and decreased by 2.0% in 2007 as compared to 2006. Growth increased minimally in 2008 as higher property tax and utilities expenses were partially offset by lower property insurance expense as compared to 2007. In 2007, we benefited from scale efficiencies from the Shurgard Merger as compared to 2006. Direct property payroll expense increased by 1.1% in 2008 as compared to 2007. The increase reflects lower incentive pay and stagnant growth in average wage rates, offset by higher hours incurred due to adjustments in staffing levels. In 2007, payroll expense declined 13.5% over 2006. Prior to the Shurgard Merger, Shurgard paid its property managers higher compensation than what we paid our property managers. Starting January 1, 2007, the former Shurgard employees who remained had their compensation adjusted to the existing Public Storage compensation levels. Also in 2007, many of the inefficiencies such as overtime and increased staffing levels used to manage increased turnover that we experienced in 2006, as we were integrating the Shurgard facilities into our portfolio, were eliminated. For 2009, we expect moderate growth trends in payroll. Property tax expense increased by 2.9% in 2008 as compared to 2007, and in 2007 as compared to 2006. These increases are due to increases in assessments of property values that have been greater than we experienced in prior years. We expect property tax expense growth of approximately 4% in 2009. Repairs and maintenance expenditures were flat from 2007 to 2008, as compared to a 2.2% increase from 2006 to 2007. Repairs and maintenance expenditures are dependent upon several factors, such as weather, the timing of 34 periodic needs throughout our portfolio, inflation, and random events and accordingly are difficult to project from year to year. However, we expect repairs and maintenance expenditures to grow moderately in 2009. Media advertising for the Same Store Facilities decreased 3.6% in 2008 as compared to 2007, and from $2.6 million in the fourth quarter of 2007 to $0.9 million in the fourth quarter of 2008. In 2007, media advertising increased 31.9% over 2006. The significant increase in media advertising in 2007 as compared to 2006 reflects increased media spending in 2006 immediately following the Shurgard Merger in order to improve the occupancy levels of the facilities we acquired in the merger. Other advertising and promotion is comprised principally of yellow page and internet advertising, which decreased 3.1% during 2008 as compared to 2007, and 13.4% during 2007 as compared to 2006. Due to current market conditions we expect that we will continue to be aggressive with media advertising in the near term, with increases in media advertising in the first quarter of 2009 as compared to the first quarter of 2008. Our future spending on yellow page, media, and internet advertising expenditures will be driven in part by demand for our self-storage spaces, our current occupancy levels, and the relative efficacy of each type of advertising. Media advertising in particular can be volatile and increase or decrease significantly in the short-term. Utility expenses increased 4.1% in 2008 as compared to 2007, and 2.3% in 2007 as compared to 2006. We believe this negative impact is due to the rapid increase in energy prices during the first nine months of 2008, particularly in our Texas and New York markets. The recent downward trends in other energy prices and to the extent that such downward trends are reflected in our utility costs, we experienced some moderation in utility price increases in the fourth quarter of 2008 relative to the same period in 2007. It is difficult to estimate future utility cost levels because utility costs are dependent upon changes in demand driven by weather and temperature, as well as fuel prices, both of which are volatile and not predictable. Insurance expense decreased 15.6% in 2008 as compared to 2007, and increased 3.2% in 2007 as compared to 2006. The decline in 2008 from 2007 reflects significant decreases in property insurance resulting primarily from the softer insurance markets as lack of hurricane activity and additional competition from insurance providers has benefited us. We expect insurance expense to be down slightly in 2009 as compared to 2008. Telephone reservation center costs remained flat in 2008 as compared to 2007 after increasing 6.3% from 2006 to 2007. We expect future increases in our telephone reservation center to be based primarily upon general inflation. 35 The following table summarizes selected quarterly financial data with respect to the Same Store Facilities: For the Quarter Ended -- March 31 June 30 September 30 December 31 Entire Year ---------- --------- ----------- ---------- ----------- (Amounts in thousands, except for per square foot amount) Total rental income: 2008 $ 326,781 $ 335,412 $ 344,033 $ 333,080 $1,339,306 2007 $ 317,169 $ 325,144 $ 336,117 $ 327,885 $1,306,315 2006 $ 306,954 $ 317,425 $ 326,277 $ 317,932 $1,268,588 Total cost of operations (excluding depreciation and amortization expense): 2008 $ 115,347 $ 112,182 $ 105,814 $ 97,226 $ 430,569 2007 $ 110,523 $ 110,480 $ 106,668 $ 98,557 $ 426,228 2006 $ 110,557 $ 110,154 $ 108,319 $ 105,697 $ 434,727 Property tax expense: 2008 $ 33,705 $ 32,526 $ 33,465 $ 26,000 $ 125,696 2007 $ 32,318 $ 31,110 $ 32,340 $ 26,389 $ 122,157 2006 $ 30,645 $ 29,535 $ 30,800 $ 27,785 $ 118,765 Media advertising expense: 2008 $ 6,366 $ 9,148 $ 1,998 $ 874 $ 18,386 2007 $ 4,820 $ 7,589 $ 4,044 $ 2,622 $ 19,075 2006 $ 4,345 $ 2,988 $ 1,349 $ 5,776 $ 14,458 Other advertising and promotion expense: 2008 $ 4,130 $ 4,733 $ 4,348 $ 3,957 $ 17,168 2007 $ 4,633 $ 5,027 $ 4,180 $ 3,874 $ 17,714 2006 $ 4,334 $ 5,587 $ 5,339 $ 5,196 $ 20,456 REVPAF: 2008 $ 11.45 $ 11.75 $ 12.04 $ 11.66 $ 11.72 2007 $ 11.12 $ 11.40 $ 11.77 $ 11.50 $ 11.45 2006 $ 10.76 $ 11.12 $ 11.42 $ 11.14 $ 11.11 Weighted average realized annual rent per occupied square foot: 2008 $ 12.89 $ 12.92 $ 13.30 $ 13.28 $ 13.10 2007 $ 12.52 $ 12.54 $ 13.06 $ 13.03 $ 12.79 2006 $ 12.20 $ 12.36 $ 12.74 $ 12.60 $ 12.47 Weighted average occupancy levels for the period: 2008 88.8% 91.0% 90.5% 87.8% 89.5% 2007 88.8% 90.9% 90.1% 88.3% 89.5% 2006 88.2% 90.0% 89.6% 88.4% 89.1% 36 ANALYSIS OF REGIONAL TRENDS -------------------------- The following table sets forth regional trends in our Same Store Facilities: Year Ended December 31, Year Ended December 31, ------------------------------------ ------------------------------------ 2008 2007 Change 2007 2006 Change ----------- ----------- ------------ ----------- ----------- ----------- (Amounts in thousands, except for weighted average data) SAME STORE FACILITIES OPERATING TRENDS BY REGION Rental income: Southern California (170 facilities)................ $ 206,081 $ 199,184 3.5% $ 199,184 $ 193,008 3.2% Northern California (161 facilities)................ 148,515 141,717 4.8% 141,717 135,670 4.5% Texas (214 facilities).......... 128,699 123,839 3.9% 123,839 118,707 4.3% Florida (171 facilities)........ 127,132 129,723 (2.0)% 129,723 132,265 (1.9)% Illinois (118 facilities)....... 89,798 86,290 4.1% 86,290 82,379 4.7% Georgia (82 facilities)......... 48,225 48,032 0.4% 48,032 47,101 2.0% All other states (873 facilities) 590,856 577,530 2.3% 577,530 559,458 3.2% ----------- ----------- --- ----------- ----------- ----- Total rental income................ 1,339,306 1,306,315 2.5% 1,306,315 1,268,588 3.0% Cost of operations before depreciation and amortization expense: Southern California............. 43,117 43,518 (0.9)% 43,518 45,174 (3.7)% Northern California............. 37,292 37,939 (1.7)% 37,939 38,138 (0.5)% Texas........................... 50,025 49,282 1.5% 49,282 52,482 (6.1)% Florida......................... 43,775 43,131 1.5% 43,131 43,305 (0.4)% Illinois........................ 37,936 38,137 (0.5)% 38,137 37,263 2.3% Georgia......................... 16,082 15,713 2.3% 15,713 16,002 (1.8)% All other states................ 202,342 198,508 1.9% 198,508 202,363 (1.9)% ----------- ----------- --- ----------- ----------- ----- Total cost of operations........... 430,569 426,228 1.0% 426,228 434,727 (2.0)% Net operating income before depreciation and amortization expense: Southern California............. 162,964 155,666 4.7% 155,666 147,834 5.3% Northern California............. 111,223 103,778 7.2% 103,778 97,532 6.4% Texas........................... 78,674 74,557 5.5% 74,557 66,225 12.6% Florida......................... 83,357 86,592 (3.7)% 86,592 88,960 (2.7)% Illinois........................ 51,862 48,153 7.7% 48,153 45,116 6.7% Georgia......................... 32,143 32,319 (0.5)% 32,319 31,099 3.9% All other states................ 388,514 379,022 2.5% 379,022 357,095 6.1% Total net operating income before depreciation and amortization ----------- ----------- --- ----------- ----------- ----- expense......................... $ 908,737 $ 880,087 3.3% $ 880,087 $ 833,861 5.5% Weighted average occupancy: Southern California............. 90.3% 90.2% 0.1% 90.2% 90.2% 0.0% Northern California............. 89.8% 89.1% 0.8% 89.1% 88.3% 0.9% Texas........................... 90.5% 90.6% (0.1)% 90.6% 89.1% 1.7% Florida......................... 89.1% 89.1% 0.0% 89.1% 91.7% (2.8)% Illinois........................ 88.8% 88.3% 0.6% 88.3% 87.7% 0.7% Georgia......................... 88.7% 90.0% (1.4)% 90.0% 90.9% (1.0)% All other states................ 89.3% 89.4% (0.1)% 89.4% 88.5% 1.0% ----------- ----------- --- ----------- ----------- ----- Total weighted average occupancy.... 89.5% 89.5%

0.0% 89.5% 89.1% 0.4% 37 SAME STORE FACILITIES OPERATING TRENDS BY REGION (CONTINUED) Year Ended December 31, Year Ended December 31, -------------------------------------- ------------------------------------- 2008 2007 Change 2007 2006 (a) Change ----------- ----------- ------ ----------- ----------- ------ (Amounts in thousands, except for weighted average data) Realized annual rent per occupied square foot: Southern California............. $ 19.83 $ 19.20 3.3% $ 19.20 $ 18.52 3.7% Northern California............. 17.16 16.50 4.0% 16.50 16.03 2.9% Texas........................... 9.91 9.51 4.2% 9.51 9.26 2.7% Florida......................... 12.88 13.20 (2.4)% 13.20 13.11 0.7% Illinois........................ 13.19 12.73 3.6% 12.73 12.23 4.1% Georgia......................... 10.07 9.89 1.8% 9.89 9.61 2.9% All other states................ 12.11 11.83 2.4% 11.83 11.61 1.9% ---------- ---------- ---- ---------- ---------- ---- Total realized rent per square foot. $ 13.10 $ 12.79 2.4% $ 12.79 $ 12.47 2.6% ========== ========== ==== ========== ========== ===== REVPAF: Southern California............. $ 17.91 $ 17.32 3.4% $ 17.32 $ 16.70 3.7% Northern California............. 15.40 14.70 4.8% 14.70 14.15 3.9% Texas........................... 8.96 8.62 3.9% 8.62 8.25 4.5% Florida......................... 11.48 11.76 (2.4)% 11.76 12.02 (2.2)% Illinois........................ 11.71 11.24 4.2% 11.24 10.72 4.9% Georgia......................... 8.93 8.90 0.3% 8.90 8.74 1.8% All other states................ 10.81 10.58 2.2% 10.58 10.27 3.0% ---------- --------- ---- ---------- --------- ---- Total REVPAF....................... $ 11.72 $ 11.45 2.4% $ 11.45 $ 11.11 3.1% ========== ========== ==== ========== ========== ===== We believe that our geographic diversification and scale provide some insulation from localized economic effects and add to the stability of our cash flows. However, it is difficult to predict localized trends in short-term self-storage demand and operating results. Accordingly, the discussion below primarily focuses on the long-term characteristics of our markets rather than the short-term impacts of current economic trends, notwithstanding, we believe that each market has been negatively impacted to some degree by general economic trends. The Southern California Market consists principally of the greater Los Angeles area and San Diego, and has historically been a source of strong growth due to its diverse economy and continued population growth. In addition, barriers to entry in the form of difficult permitting requirements tend to reduce the potential for increased competition in the infill locations where we focus our operations. The Northern California market consists principally of San Francisco and related peripheral submarkets/cities. While this area has a vibrant economy and relatively strong population growth, it has been subject to periodic turbulence in general economic conditions, particularly associated with the technology sector. The Texas market principally includes Dallas, Houston, Austin and San Antonio. This market has historically been subject to volatility due to minimal regulatory restraint upon building, which results in cycles of overbuilding and absorption. The Florida market principally includes Miami, Orlando, Tampa, and West Palm Beach. Florida has suffered negative growth trends in 2007 and 2008, and has been one of our weakest markets. We believe that the absence of hurricanes, which created unusual demand following the hurricanes and the rebuilding period, has adversely impacted growth in Florida. In addition, the Florida economy has underperformed the U.S. economy for the past two years. We believe that Florida will continue to experience negative operating trends at least in the near-term. 38 OTHER FACILITIES ---------------- In addition to the Same Store facilities, at December 31, 2008, we had an additional 205 facilities. These facilities include recently acquired facilities, recently developed facilities and facilities that were recently expanded by adding additional storage units. In general, these facilities are not stabilized with respect to occupancies or rental rates. As a result of the fill-up process and timing of when the facilities were put into place, year-over-year changes can be significant. The following table summarizes operating data with respect to these facilities: OTHER FACILITIES Year Ended December 31, Year Ended December 31, ---------------------------------- ------------------------------------ 2008 2007 Change 2007 2006 Change ----------- ---------- ---------- ----------- ---------- --------- (Dollar amounts in thousands, except square foot amounts) Rental income: Newly acquired or developed facilities placed into service: During 2008............................... $ 2,628 $ - $ 2,628 $ - $ - $ - During 2007............................... 6,586 2,334 4,252 2,334 - 2,334 During 2004, 2005, and 2006 (a)............ 87,520 78,342 9,178 78,342 34,639 43,703 Expansion facilities......................... 90,537 82,956 7,581 82,956 76,513 6,443 ----------- ---------- ---------- ----------- ---------- --------- Total rental income.......................... 187,271 163,632 23,639 163,632 111,152 52,480 ----------- ---------- ---------- ----------- ---------- --------- Cost of operations before depreciation and amortization expense: Newly acquired or developed facilities placed into service: During 2008............................... $ 1,041 $ - $ 1,041 $ - $ - $ - During 2007............................... 2,962 1,351 1,611 1,351 - 1,351 During 2004, 2005, and 2006 (a)............ 30,880 31,358 (478) 31,358 15,326 16,032 Expansion facilities......................... 29,970 29,601 369 29,601 27,070 2,531 ----------- ---------- ---------- ----------- ---------- --------- Total cost of operations..................... 64,853 62,310 2,543 62,310 42,396 19,914 ----------- ---------- ----------

----------- ---------- --------- Net operating income before depreciation and amortization expense: Newly acquired or developed facilities placed into service: During 2008............................... $ 1,587 $ - $ 1,587 $ - $ - $ - During 2007............................... 3,624 983 2,641 983 - 983 During 2004, 2005, and 2006 (a)............ 56,640 46,984 9,656 46,984 19,313 27,671 Expansion facilities.......................... 60,567 53,355 7,212 53,355 49,443 3,912 ----------- ---------- ---------- ----------- ---------- --------- Total net operating income before depreciation and amortization expense (b) .... 122,418 101,322 21,096 101,322 68,756 32,566 Depreciation and amortization expense............ (68,742) (87,596) 18,854 (87,596) (47,103) (40,493) ----------- ---------- ---------- ----------- ---------- --------- Net operating income.......................... $ 53,676 $ 13,726 $ 39,950 $ 13,726 $ 21,653 $ (7,927) =========== ========== ========== =========== ========== ========= Weighted average square foot occupancy during the period: Newly acquired or developed facilities placed into service: During 2008............................... 76.1% - - - - - During 2007............................... 72.0% 57.0% 26.3% 57.0% - - During 2004, 2005, and 2006 (a)............ 87.1% 81.1% 7.4% 81.1% 73.0% 11.1% Expansion facilities.......................... 83.6% 81.1% 3.1% 81.1% 78.6% 3.2% ----------- ---------- ---------- ----------- ---------- --------- 84.6% 80.5% 5.1% 80.5% 75.8% 6.2% =========== ========== ========== =========== ========== ========= 39 OTHER FACILITIES Year Ended December 31, Year Ended December 31, ---------------------------------- ------------------------------------ 2008 2007 Change 2007 2006 Change ----------- ---------- ---------- ----------- ---------- --------- Weighted average realized annual rent per occupied square foot for the period (c): Newly acquired or developed facilities placed into service: During 2008............................... $ 11.80 $ - - $ - $ - - During 2007............................... 12.81 14.57 (12.1)% 14.57 - - During 2004, 2005, and 2006 (a)............ 12.34 11.79 4.7% 11.79 12.41 (5.0)% Expansion facilities.......................... 12.14 11.95 1.6% 11.95 13.21 (9.5)% ----------- ---------- ---------- ----------- ---------- --------- $ 12.25 $ 11.91 2.9% $ 11.91 $ 12.83 (7.2)% =========== ========== ========== =========== ========== ========= At December 31: Number of Facilities: Newly acquired or developed facilities placed into service: During 2008........................... 9 - 9 - - - During 2007........................... 10 10 - 10 - 10 During 2004, 2005, and 2006 (a)....... 95 95 - 95 101 (6) Expansion facilities....................... 91 91 - 91 92 (1) ----------- ---------- ---------- ----------- ---------- --------- 205 196 9 196 193 3 =========== ========== ========== =========== ========== ========= Net rentable square feet (in thousands): Newly acquired or developed facilities placed into service: During 2008.......................... 658 - 658 - - - During 2007.......................... 679 679 - 679 - 679 During 2004, 2005, and 2006 (a)....... 7,256 7,215 41 7,215 7,530 (315) Expansion facilities....................... 7,999 7,536 463 7,536 7,075 461 ----------- ---------- ---------- ----------- ---------- --------- 16,592 15,430 1,162 15,430 14,605 825 =========== ========== ========== =========== ========== ========= (a) Includes 66 unstabilized facilities which we acquired in the Shurgard Merger (not including those owned by Shurgard Europe), along with 29 facilities that were otherwise acquired or developed. (b) Total net operating income before depreciation and amortization or "NOI" is a non-GAAP (generally accepted accounting principles) financial measure that excludes the impact of depreciation and amortization expense, for our self-storage facilities represents a portion of our total self-storage segment's net operating income before depreciation and amortization expense, and is denoted in the table "self-storage operations summary" above. A reconciliation of our total self-storage segment's net operating income before depreciation and amortization expense to consolidated net income is included in Note 11 to our December 31, 2008 consolidated financial statements, "Segment Information." Although depreciation and amortization expense are operating expenses, we believe that NOI is a meaningful measure of operating performance, because we utilize NOI in making decisions with respect to capital allocations, in determining current property values, segment performance, and comparing period-to-period and market-to-market property operating results. NOI is not a substitute for net operating income after depreciation and amortization in evaluating our operating results. (c) Realized rent per occupied square foot for the facilities put in place in 2006 and 2007 varies significantly between the periods in 2007 and 2008 due to the timing of when the specific facilities were put in place. Rental income, cost of operations, depreciation, net operating income, weighted average square foot occupancies and realized rents per square foot in the table above represent the operating results following the date each particular facility began to be included in our consolidated operating results, and in the case of acquired facilities, do not include any operating results prior to our acquisition of these facilities. In 2008, we completed two newly developed facilities with 104,000 net rentable square feet at a total cost of $13.4 million, and expansions to existing real estate facilities (504,000 net rentable square feet) for an 40 aggregate cost of $46.6 million. At December 31, 2008, our development pipeline consists of five projects to expand our existing real estate facilities located in the U.S. by 189,000 net rentable square feet at an aggregate cost of $27.1 million. These projects are subject to various contingencies, but we expect completion of these projects over the next year. In 2008, we acquired four facilities, in single property transactions, and we acquired the remaining interests that we did not own in three facilities previously owned by the Unconsolidated Entities. The aggregate cost of these facilities was approximately $56.0 million, comprised of $43.6 million in cash, $10.3 million in assumed debt and existing investments with a book value of $2.1 million. These facilities contain in aggregate approximately 554,000 net rentable square feet, and are located in California, Nevada, and Georgia. In 2007, we acquired seven facilities, in single property transactions, for an aggregate cost of $72,787,000. These facilities contain in aggregate approximately 511,000 net rentable square feet, with one facility located in Hawaii and the remainder in California. In addition, we completed development of three facilities with aggregate square footage of approximately 168,000 and cost of $16,051,000. We believe our presence in and knowledge of substantially all of the major markets in the U.S. enhances our ability to identify attractive acquisition opportunities and capitalize on the overall fragmentation in the storage industry. Our acquisitions consist of facilities that have been operating for a number of years as well as newly constructed facilities that were in the process of filling up to stabilized occupancy levels. In either case, we have been able to leverage off of our operating strategies and improve the occupancy levels of the facilities, or with respect to the newly developed facilities we have been able to accelerate the fill-up pace. We expect that our non-stabilized facilities will continue to provide earnings growth during 2009 as these facilities continue to reach stabilization. However, our non-stabilized facilities are subject to the same occupancy and rate pressures that our same-store facilities are facing as a result of the recession, and accordingly the pace at which these facilities reach stabilization, and the ultimate level of cash flows to be reached upon stabilization, may be negatively impacted. Our level of newly developed facilities, and starts to newly developed facilities, has declined significantly in the last few years due to increases in construction cost, increases in competition with retail, condominium, and apartment operators for quality construction sites in urban locations, and more difficult zoning and permitting requirements, which has reduced the number of attractive sites available for development and reduced our development of facilities. In addition, we have further reduced our development pipeline in late 2008 due to reduced self-storage demand and our belief that our capital can be put to use in a more advantageous manner. It is unclear when these conditions will improve. 41 ANCILLARY OPERATIONS: Ancillary operations include (i) the reinsurance of policies against losses to goods stored by tenants in our self-storage facilities, (ii) retail operations, comprised of merchandise sales and truck rental operations, and (iii) other ancillary operations, such as commercial property operations, containerized storage, and management of facilities for third parties and facilities owned by the Unconsolidated Enitites. The following table sets forth our ancillary operations: Year Ended December 31, Year Ended December 31, ---------------------------------- ------------------------------------ 2008 2007 Change 2007 2006 Change ----------- ---------- -------- ----------- ---------- -------- (Amounts in thousands) Revenues: Tenant reinsurance premiums (a)..... $ 57,280 $ 50,861 $ 6,419 $ 50,861 $ 34,789 $ 16,072 Merchandise sales (a).............. 28,244 29,344 (1,100) 29,344 24,470 4,874 Truck rentals (a).................. 7,342 12,057 (4,715) 12,057 13,689 (1,632) Other ancillary operations (a)...... 30,374 30,876 (502) 30,876 29,555 1,321 Shurgard Europe merchandise and tenant insurance (b)............. 4,913 17,490 (12,577) 17,490 5,067 12,423 ----------- ---------- -------- ----------- ---------- -------- Total revenues.................. 128,153 140,628 (12,475) 140,628 107,570 33,058 ----------- ---------- -------- ----------- ---------- -------- Cost of operations: Tenant reinsurance (a)............. 6,734 15,879 (9,145) 15,879 13,799 2,080 Merchandise sales (a).............. 21,863 24,925 (3,062) 24,925 22,002 2,923 Truck rentals (a).................. 13,179 14,682 (1,503) 14,682 12,622 2,060 Other ancillary operations (a)...... 17,316 16,844 472 16,844 16,727 117 Shurgard Europe merchandise and tenant insurance (b)............. 1,409 5,186 (3,777) 5,186 2,197 2,989 ----------- ---------- -------- ----------- ---------- -------- Total cost of operations......... 60,501 77,516 (17,015) 77,516 67,347 10,169 ----------- ---------- -------- ----------- ---------- -------- Depreciation - Other ancillary operations (a): 3,564 3,296 268 3,296 3,189 107 Net income (loss): Tenant reinsurance premiums (a)..... 50,546 34,982 15,564 34,982 20,990 13,992 Merchandise sales (a).............. 6,381 4,419 1,962 4,419 2,468 1,951 Truck rentals (a).................. (5,837) (2,625) (3,212) (2,625) 1,067 (3,692) Other ancillary operations (a)...... 9,494 10,736 (1,242) 10,736 9,639 1,097 Shurgard Europe merchandise and tenant insurance (b)............. 3,504 12,304 (8,800) 12,304 2,870 9,434 ----------- ---------- -------- ----------- ---------- -------- Total net income................ $ 64,088 $ 59,816 $ 4,272 $ 59,816 $ 37,034 $ 22,782 =========== ========== ======== =========== ========== ======== (a) Revenues and expenses for these items are a component of our Ancillary segment, as described in Note 11 to our December 31, 2008 consolidated financial statements. (b) Shurgard Europe's merchandise and tenant insurance operations are a component of the Shurgard Europe segment, as described in Note 11 to our December 31, 2008 consolidated financial statements.

Tenant reinsurance operations: We reinsure policies offered through a non-affiliated insurance company against losses to goods stored by tenants, primarily in our domestic self-storage facilities. The revenues that we record are based upon premiums, which are originally paid by the customer, which are then paid to us by the broker in accordance with our reinsurance arrangements. Cost of operations primarily includes claims paid that are not covered by our outside third-party insurers, as well as claims adjusting expenses. The increase in tenant reinsurance revenues over the past year was attributable to higher rates combined with an increase in the percentage of our existing tenants retaining such policies. Approximately 53% and 48% of our tenants had such policies at December 31, 2008 and 2007, respectively. The significant increase in tenant reinsurance operations in 2007 as compared to 2006 is due primarily to the increase in properties associated with the Shurgard Merger. The future level of tenant reinsurance revenues is largely dependent upon the number of new tenants electing to purchase policies, the level of premiums charged for such insurance, and the number of tenants that continue participating in the insurance program. Future cost of operations will be dependent primarily upon the level of losses incurred, including the level of catastrophic events, such as hurricanes, that occur and affect our properties. 42 During the year ended December 31, 2008, we reduced our cost of operations by $5.8 million due to a change in accounting estimate with respect to circumstances prior to 2008. Merchandise sales and truck rental operations: We sell locks, boxes, and packing supplies, rent on-site trucks, and act as an agent for a national truck rental company to provide their rental trucks to our customers. These activities are conducted at the self-storage facilities that we operate, and exist primarily to support and strengthen our existing self-storage business by providing our tenants with goods and services that they need in connection with moving and storing their goods. The primary factor impacting the level of operations of these activities is the level of customer traffic at our self-storage facilities, including the level of move-ins. The volume of retail operations has declined primarily due to reduced trucking revenues, reflective of the general slow-down in the truck rental business. Other ancillary businesses: We operate additional ancillary businesses which are largely independent of the revenue stream from our core self-storage operations. These business include (i) our containerized storage business, which rents storage containers to customers for storage in central warehouses, (ii) commercial facilities, primarily small storefronts and office space located on or near our existing self-storage facilities that are rented to third parties, and (iii) the management of self-storage facilities utilizing our existing management infrastructure, to third party owners as well as to the Unconsolidated Entities. These businesses have remained largely unchanged in scope during the three years ended December 31, 2008, and we do not expect any significant increases in revenues or profitability from these ancillary businesses. EQUITY IN EARNINGS OF REAL ESTATE ENTITIES: In addition to our ownership of equity interests in PSB and Shurgard Europe, we had general and limited partnership interests in five limited partnerships at December 31, 2008 Due to our limited ownership interest and limited control of these entities, we do not consolidate the accounts of these entities for financial reporting purposes, and account for such investments using the equity method. Equity in earnings of real estate entities for the three years ended December 31, 2008, consists of our pro-rata share of the Unconsolidated Entities based upon our ownership interest for the period. The following table sets forth the significant components of equity in earnings of real estate entities. Amounts with respect to PSB, Shurgard Europe, and Other Investments, are included in our Ancillary, Shurgard Europe, and Self-Storage segments, respectively, as described in Note 11 to our December 31, 2008 consolidated financial statements. HISTORICAL SUMMARY: Year Ended December 31, Year Ended December 31, ------------------ ---------------------------------- -------------------------------- 2008 2007 Change 2007 2006 Change --------- --------- --------- --------- --------- --------- (Amounts in thousands) Property operations: PSB $ 89,067 $ 82,279 $ 6,788 $ 82,279 $ 73,850 $ 8,429 Shurgard Europe....................... 38,785 - 38,785 - - - Other Investments..................... 4,626 4,878 (252) 4,878 3,256 1,622 --------- --------- --------- --------- --------- --------- 132,478 87,157 45,321 87,157 77,106 10,051 --------- --------- --------- --------- --------- --------- Depreciation: PSB.................................. (45,422) (43,316) (2,106) (43,316) (37,919) (5,397) Shurgard Europe .... (27,578) - (27,578) - - - Other Investments..................... (1,918) (1,991) 73 (1,991) (971) (1,020) --------- --------- --------- --------- --------- --------- (74,918) (45,307) (29,611) (45,307) (38,890) (6,417) --------- --------- --------- --------- --------- --------- Other: (1) PSB .... (29,320) (28,461) (859) (28,461) (26,167) (2,294) Shurgard Europe....................... (7,073) - (7,073) - - - Other Investments .... (776) (651) (125) (651) (154) (497) --------- --------- --------- --------- --------- --------- (37,169) (29,112) (8,057) (29,112) (26,321) (2,791) --------- --------- --------- --------- --------- --------- Total equity in earnings of real estate entities: PSB.................................. 14,325 10,502 3,823 10,502 9,764 738 Shurgard Europe .... 4,134 - 4,134 - - - Other Investments .... 1,932 2,236 (304) 2,236 2,131 105 --------- --------- --------- --------- --------- --------- $

20,391 $ 12,738 $ 7,653 $ 12,738 $ 11,895 $ 843 ========= ========= ========= ========= ========= ========= (1) "Other" reflects our share of general and administrative expense, interest expense, interest income, our pro-rata share of gains on sale of real estate assets, and other non-property; non-depreciation related operating results of these entities. 43 Investment in PSB ---------------- Throughout each of the years ended December 31, 2008, 2007 and 2006, we owned 5,418,273 common shares and 7,305,355 operating partnership units (units which are convertible into common shares on a one-for-one basis) in PS Business Parks, Inc., a public REIT (NYSE: PSB). Our percentage ownership of PSB increased in 2008 as PSB repurchased a portion of its common stock. At December 31, 2008, PSB owned and operated 19.6 million net rentable square feet of commercial space located in eight states. PSB also manages commercial space owned by the Company and affiliated entities at December 31, 2008 pursuant to property management agreements. Our future equity income from PSB will be dependent entirely upon PSB's operating results. Our investment in PSB provides us with some diversification into another asset type. We have no plans of disposing of our investment in PSB. PSB's filings and selected financial information can be accessed through the Securities and Exchange Commission, and on its website, www.psbusinessparks.com. Investment in Shurgard Europe ---------------------------- As described in Note 3 to our December 31, 2008 consolidated financial statements, due to the disposition of a 51% interest in Shurgard Europe, our pro-rata share of the operating results of Shurgard Europe after March 31, 2008 is included in "equity in earnings of real estate entities." Included in Note 5 to our December 31, 2008 consolidated financial statements is selected financial data for Shurgard Europe for the three years ended December 31, 2008. At December 31, 2008, Shurgard Europe's operations comprise 180 facilities with an aggregate of 9,534,000 net rentable square feet. The portfolio consists of 108 wholly owned facilities and 72 facilities owned by the two joint venture partnerships, in which Shurgard Europe has a 20% equity interest. For the period following the deconsolidation of Shurgard Europe on March 31, 2008, our equity in earnings of Shurgard Europe, for the year ended December 31, 2008 totaling $4,134,000 is comprised of (i) a loss of $13,640,000, representing our 49% equity share of Shurgard Europe's $27,836,000 net loss since March 31, 2008, (ii) income of $17,161,000 and $613,000, respectively, representing our pro-rata share of the interest income and trademark license fees received from Shurgard Europe during the year ended December 31, 2008 (our pro-rata share of such amounts received are presented as equity in earnings of real estate entities rather than interest and other income). Our future equity income will be dependent upon the future operating results of Shurgard Europe. In the year ended December 31, 2008, we also recognized $17,859,000 in interest income on our note receivable from Shurgard Europe and $637,000 in trademark license income, for periods following the deconsolidation of Shurgard Europe on March 31, 2008 through December 31, 2008, representing 51% of the aggregate amounts paid to us by Shurgard Europe. See Note 5 to our December 31, 2008 consolidated financial statements, "Investment in Shurgard Europe" for further analysis of the presentation of our equity earnings and interest and other income from Shurgard Europe. In evaluating the operations of Shurgard Europe, management reviews the operating results of 96 facilities, all of which are wholly owned by Shurgard Europe, which have been operated on a stabilized basis by Shurgard Europe since January 1, 2006. The operating data presented in the table below reflect the historical data through August 22, 2006, the period for which the 96 facilities were operated by Shurgard, combined with the historical data from August 23, 2006 through March 31, 2008, the period operated under Public Storage, and from April 1, 2008 through December 31, 2008, the period operated by Shurgard Europe. In addition, the operating data presented in the table below with respect to these facilities is reflected utilizing the average exchange rates for the year ended December 31, 2008 for the same periods in 2007 and 2006, rather than the respective exchange rates in effect for each period. We present this data on such a "constant exchange rate" basis because we believe it allows comparability of the various periods, and isolates the impact of exchange rates from the underlying trends in revenues and cost of operations. As a result, the data presented below does not reflect the actual results included in our operations, or the operations of Shurgard Europe, for the years ended December 31, 2008, 2007 and 2006. 44 SELECTED OPERATING DATA FOR THE 96 FACILITIES OPERATED BY SHURGARD EUROPE ON A STABILIZED BASIS SINCE JANUARY 1, 2006 ("EUROPE SAME STORE FACILITIES"): Year Ended December 31, Year Ended December 31, ----------------------------------- ----------------------------------- Percentage Percentage 2008 2007 Change 2007 2006 Change ----------- ----------- -------- ---------- ---------- --------- (Dollar amounts in thousands, except weighted average data, utilizing constant exchange rates) (a) Revenues: Rental income................................ $ 133,924 $ 131,876 1.6% $ 131,876 $ 120,642 9.3% Late charges and administrative fees collected 2,278 1,335 70.6% 1,335 1,180 13.1% ----------- ----------- ---- ---------- ---------- ----- Total revenues (b)........................... 136,202 133,211 2.2% 133,211 121,822 9.3% Cost of operations (excluding depreciation and amortization expense): Property taxes .... 6,085 5,851 4.0% 5,851 5,449 7.4% Direct property payroll...................... 15,474 15,739 (1.7)% 15,739 17,420 (9.6)% Advertising and promotion.................... 4,109 4,327 (5.0)% 4,327 6,219 (30.4)% Utilities................................... 3,194 3,126 2.2% 3,126 3,403 (8.1)% Repairs and maintenance...................... 3,659 3,510 4.2% 3,510 3,755 (6.5)% Property insurance........................... 845 1,274 (33.7)% 1,274 1,624 (21.6)% Other costs of management.................... 18,584 19,807 (6.2)% 19,807 17,970 10.2% ----------- ----------- ---- ---------- ---------- ----- Total cost of operations (b)................... 51,950 53,634 (3.1)% 53,634 55,840 (4.0)% ----------- ----------- ---- ---------- ---------- ----- Net operating income (excluding depreciation and amortization expense) (c)..................... $ 84,252 $ 79,577 5.9% $ 79,577 $ 65,982 20.6% =========== =========== ==== ========== ========== ===== Gross margin (before depreciation and amortization expense).. 61.9% 59.7% 3.7% 59.7% 54.2% 10.1% Weighted average for the period: Square foot occupancy (d)...................... 86.5% 89.8% (3.7)% 89.8% 85.2% 5.4% Realized annual rent per occupied square foot (e) $29.29 $27.78 5.4% $27.78 $26.79 3.7% REVPAF (f) (g)................................ $25.34 $24.95 1.6% $24.95 $22.82 9.3% Weighted average at December 31: Square foot occupancy.......................... 84.3% 89.0% (5.3)% 89.0% 89.1% (0.1)% In place annual rent per occupied square foot (h) $27.41 $26.72 2.6% $26.72 $24.95 7.1% Total net rentable square feet (in thousands)..... 5,286 5,286 - 5,286 5,286 - (a) The majority of Shurgard Europe's operations are denominated in Euros. For comparative purposes, amounts for 2006, 2007 and 2008 are translated at constant exchange rates representing the average exchange rates for the year ended December 31, 2008. The average exchange rate for the Euro was approximately 1.4698 during the year ended December 31, 2008. The amounts that are included in our December 31, 2008 consolidated financial statements are based upon the actual exchange rate for each period. (b) Revenues and cost of operations do not include ancillary revenues and expenses generated at the facilities with respect to tenant reinsurance and retail sales. "Other costs of management" included in cost of operations principally represents all the indirect costs incurred in the operations of the facilities. Indirect costs principally include supervisory costs and corporate overhead cost incurred to support the operating activities of the facilities. (c) Net operating income (excluding depreciation and amortization expense) or "NOI" is a non-GAAP (generally accepted accounting principles) financial measure that excludes the impact of depreciation and amortization expense. Although depreciation and amortization are operating expenses, we believe that NOI is a meaningful measure of operating performance, because we utilize NOI in making decisions with respect to capital allocations, in determining current property values, segment performance, and comparing period-to-period and market-to-market property operating results. NOI is not a substitute for net operating income after depreciation and amortization expense in evaluating our operating results. (d) Square foot occupancies represent weighted average occupancy levels over the entire period. (e) Realized annual rent per occupied square foot is computed by annualizing the result of dividing rental income by the weighted average occupied square footage for the period. Realized annual rent per occupied square foot takes into consideration promotional discounts and other items that reduce rental income from the contractual amounts due. (f) Annualized rental income per available square foot ("REVPAF") represents annualized rental income divided by total available net rentable square feet. 45 (g) Late charges and administrative fees are excluded from the computation of realized annual rent per occupied square foot and REVPAF because exclusion of these amounts provides a better measure of our ongoing level of revenue, by excluding the volatility of late charges, which are dependent principally upon the level of tenant delinquency, and administrative fees, which are dependent principally upon the absolute level of move-ins for a period. (h) In place annual rent per occupied square foot represents annualized contractual rents per occupied square foot without reductions for promotional discounts, and excludes late charges and administrative fees. We have recently seen softness in Shurgard Europe's operations, as it appears to be impacted by the same trends in self-storage demand that our domestic facilities are facing, but to a larger degree. While same-store NOI growth was positive for the year ended December 31, 2008, occupancies as well as rates charged to new customers are below that of 2007, and NOI and revenue growth were negative in the fourth quarter of 2008. We expect continued declines in operating results in 2009. During the last six months of 2008, Shurgard Europe terminated plans for future development and will wind down its development program as existing sites are completed in 2009. Other Investments ---------------- The "Other Investments" at December 31, 2008 are comprised primarily of our equity in earnings from entities that own 19 self-storage facilities. Amounts included in the tables above also include our equity in earnings with respect to three facilities owned by the Unconsolidated Entities, until we acquired the remaining interest we did not own in these entities during 2008, and commenced consolidating these facilities. Our future earnings with respect to the other 19 facilities will be dependent upon the operating results of the facilities that these entities own. See Note 5 to our December 31, 2008 consolidated financial statements for the operating results of these 19 facilities under the "Other Investments." OTHER INCOME AND EXPENSE ITEMS -- INTEREST AND OTHER INCOME: Interest and other income was $36,155,000 in 2008, $11,417,000 in 2007, and $31,799,000 in 2006. The increase in 2008 as compared to 2007 is principally as a result of (i) higher average cash balances invested in interest bearing accounts and (ii) interest income with respect to notes receivable from Shurgard Europe (described below). On March 31, 2008, we completed a transaction whereby an institutional investor acquired a 51% interest in Shurgard Europe (see Note 3 to our December 31, 2008 consolidated financial statements). In connection with this transaction, we received net proceeds totaling $609.1 million which significantly increased our average cash on-hand and resulting interest income throughout 2008, as compared to 2007. We have $680.7 million in cash on hand at December 31, 2008 invested primarily in money-market funds, which earn nominal rates of interest in the current interest rate environment. Future interest income will depend upon the level of interest rates and the timing of when the cash on hand is ultimately invested. In addition, as part of the transaction, we also have a loan receivable from Shurgard Europe totaling $552.4 million as of December 31, 2008 that bears interest at the rate of 7.5% per annum. Interest income with respect to this loan receivable was approximately $35.0 million in 2008, however, for financial reporting purposes, 51% of this amount ($17.2 million) is included in interest and other income and the remainder was recorded as additional equity in earnings for the year ended December 31, 2008. The level of interest income recorded in connection with the loan receivable from Shurgard Europe will be dependent upon the balances due from Shurgard Europe as well as the exchange rate of the Euro versus the U.S. Dollar. Interest and other income has decreased in 2007 as compared to 2006 principally as a result of lower cash balances invested in interest bearing accounts, offset by slightly higher interest rates. DEPRECIATION AND AMORTIZATION: Depreciation and amortization expense was $414,188,000, $622,400,000 and $437,555,000 for the years ended December 31, 2008, 2007 and 2006, respectively. The decrease in depreciation and amortization expense in 2008 as compared to the same period in 2007 is due principally to a decline of $196,686,000 from $247,844,000 in 2007 to $51,158,000 in 2008 in tenant intangible amortization, 46 principally tenant intangibles acquired in the Shurgard Merger in 2006, that are being amortized relative to the expected future benefit of the tenants in place to each period. We expect minimal amortization expense of our existing intangibles in 2009, and future intangible amortization will be dependent upon our future level of acquisition of facilities with existing tenants in place. Effective March 31, 2008, depreciation and amortization ceased on the facilities owned by Shurgard Europe, which was deconsolidated effective March 31, 2008. Included in our depreciation and amortization on Shurgard Europe's facilities were $21,871,000 for the three months ended March 31, 2008. The increase in depreciation and amortization expense in 2007 as compared to 2006 is also due primarily to the amortization of intangibles acquired primarily in the Shurgard Merger totaling $247,844,000 in 2007 and $175,944,000 in 2006, as well as depreciation of the buildings acquired in the Shurgard Merger, totaling approximately $142,800,000 in 2007 and $61,703,000 in 2006. GENERAL AND ADMINISTRATIVE EXPENSE: General and administrative expense was $62,809,000, $59,749,000, and $84,661,000 for the years ended December 31, 2008, 2007 and 2006 respectively. General and administrative expense principally consists of state income taxes, investor relations expenses, and corporate and executive salaries. In addition, general and administrative expenses includes expenses that vary depending on our activity levels in certain areas, such as overhead associated with the acquisition and development of real estate facilities, certain expenses related to capital raising and merger and acquisition activities, litigation expenditures, employee severance, stock-based compensation, and incentive compensation. General and administrative expense includes the following items that vary depending upon our activities: a) costs and expenses totaling $5,300,000 and $44,010,000, respectively, during 2007 and 2006, incurred in connection with the integration of Shurgard and Public Storage, no such costs were incurred during 2008 b) $27,900,000 in additional incentive compensation in 2008 related to the disposition of an interest in Shurgard Europe, c) $9,600,000 in costs associated with our proposed offering of shares in Shurgard Europe during 2007, d) $2,000,000 in costs associated with reorganizing as a Maryland REIT during 2007, and e) contract termination fees of $2,213,000 in 2006. Certain of these amounts were incurred by Shurgard Europe and included in our consolidated financial statements. General and administrative expense prior to March 31, 2008 includes the ongoing levels of general and administrative expense incurred by Shurgard Europe. Following March 31, 2008 we record no further general and administrative expense incurred by Shurgard Europe's operations. Restricted stock and stock option expense amounted to approximately $12,591,000, $8,511,000, and $6,309,000 for the years ended December 31, 2008, 2007 and 2006, respectively.

INTEREST EXPENSE: Interest expense was $43,944,000, $63,671,000, and $33,062,000 for the years ended December 31, 2008, 2007 and 2006, respectively. The decrease in interest expense in 2008 as compared to 2007 is due to the deconsolidation of Shurgard Europe. The increases in interest expense in 2007 as compared to 2006 are primarily due to $24,855,000 and $58,656,000 for 2006 and 2007, respectively, in interest incurred on the notes payable and other obligations we assumed in the Shurgard Merger. See also Note 6 to our December 31, 2008 consolidated financial statements for a schedule of our notes payable balances, principal repayment requirements, and average interest rates. Capitalized interest expense totaled $1,998,000, $4,746,000, and $2,716,000 for the years ended December 31, 2008, 2007 and 2006, respectively, in connection with our development activities. Included in our consolidated financial statements is interest expense incurred by Shurgard Europe of $6,597,000, $22,242,000 and $13,109,000 for the years ended December 31, 2008, 2007 and 2006, respectively, relative to third-party debt (excluding the debt payable to Public Storage). Interest expense incurred by Shurgard Europe after March 31, 2008 is no longer reflected in our financial statements. 47 On February 12, 2009, in connection with a tender offering, we acquired approximately $110 million face amount of our senior unsecured notes for cash. This acquisition will reduce annualized interest expense by approximately $6.6 million. GAIN ON DISPOSITION OF AN INTEREST IN SHURGARD EUROPE: On March 31, 2008, an institutional investor acquired a 51% interest in Shurgard European Holdings LLC, a newly formed Delaware limited liability company and the holding company for Shurgard Europe ("Shurgard Holdings"). In connection with this transaction, we recorded a gain on disposition of $344,685,000 for the year ended December 31, 2008. Public Storage owns the remaining 49% interest and is the managing member of Shurgard Holdings. See Note 3 to our December 31, 2008 consolidated financial statements for further information regarding this transaction. GAIN (LOSS) ON DISPOSITION OF REAL ESTATE INVESTMENTS: During 2008, 2007, and 2006 we recorded gains on sale of assets, principally partial condemnations and other disposals of real estate facilities, totaling $1,283,000, $1,354,000, and $2,177,000 respectively. During 2008, we recorded a loss on disposition of an equity investment in the Real Estate Entities totaling $9,423,000. Future gains or losses will be dependent upon such partial condemnations, and are expected to be minimal. In 2007, we sold an approximately 0.6% common equity interest in Shurgard Europe to various officers of the Company (the "PS Officers"), other than our chief executive officer. The aggregate sales price was $4,909,000 and was based upon the pro rata net asset value computed using, among other sources, information provided by an independent third party appraisal firm of the net asset value of Shurgard Europe as of March 31, 2007. In connection with the sale, we recorded a gain of $1,194,000 during 2007, representing the excess of the sales proceeds over the book value of the interests sold. CASUALTY GAIN OR LOSS: During 2008, we recorded casualty losses of $525,000 due to damage caused by hurricanes comprised of $250,000 in impairment charges to our facilities and $275,000 in other expenses. During 2007, we recorded a casualty gain totaling $2,665,000, representing the realization of contingent proceeds relating to hurricanes which occurred in 2005. FOREIGN EXCHANGE GAIN (LOSS): At December 31, 2008, we had a loan receivable from Shurgard Europe of approximately (euro)391.9 million ($552.4 million). We expect Shurgard Europe to repay the loan in the near term. These amounts are denominated in Euros but have not been hedged. The amount of U.S. Dollars that will be received on repayment will depend upon the exchange rates at the time. Based upon the change in estimated U.S. Dollars to be received caused by fluctuation in currency rates during the year ended December 31, 2008, we recorded foreign currency translation losses of $25,362,000, as compared to foreign currency translation gains of $58,444,000, and $4,262,000, for the years ended December 31, 2007 and 2006, respectively. The U.S. Dollar exchange rate relative to the Euro was approximately 1.409, 1.472, 1.319 at December 31 2008, 2007 and 2006, respectively. Future foreign exchange gains or losses will be dependent primarily upon the movement of the Euro relative to the U.S. Dollar, the amount owed from Shurgard Europe and our continued expectation with respect to repaying the loan. Based upon a closing exchange rate of the U.S. Dollar relative to the Euro of 1.281 on February 26, 2009, we would record an additional foreign exchange rate loss totaling $50,163,000 thus far in the quarter ending March 31, 2009. MINORITY INTEREST IN INCOME: Minority interest in income represents the income allocable to equity interests in the Consolidated Entities, which are not owned by the Company. The following table summarizes minority interest in income for each of the three years ended December 31, 2008: 48 Year Ended December 31 Year Ended December 31, --------------------------------- ---------------------------------- 2008 2007 Change 2007 2006 Change --------- --------- --------- --------- --------- --------- (Amounts in thousands) Preferred partnership interests............. $ 21,612 $ 21,612 $ - $ 21,612 $ 19,055 $ 2,557 European Joint Ventures (a)................. (2,142) (9,389) 7,247 (9,389) (3,631) (5,758) Other minority interests (b)................ 19,226 17,320 1,906 17,320

16,459 861 --------- --------- --------- --------- --------- --------- Total minority interests in income....... $ 38,696 $ 29,543 $ 9,153 $ 29,543 $ 31,883 $ (2,340) ========= ========= ========= ========= ========= ========= (a) These amounts reflect income allocated to minority interests from entities we acquired in the Shurgard Merger. These interests include the 80% partner's interests in the European joint ventures, First Shurgard and Second Shurgard. Included in minority interest in income is $3,184,000, $11,513,000 and $3,013,000 in depreciation expense for the years ended December 31, 2008, 2007 and 2006, respectively. (b) The other minority interests include depreciation expense of $1,636,000, $2,545,000, and $1,471,000 for the years ended December 31, 2008, 2007 and 2006, respectively. Future minority interest after March 31, 2008 will no longer include minority interest for the European Joint Ventures, because Shurgard Europe was deconsolidated effective March 31, 2008. The level of income allocated to the Other Minority Interests in the future is dependent upon the operating results of the storage facilities that these entities own, as well as any minority interests that the Company acquires in the future. These facilities are largely stabilized facilities, and accordingly growth should be relatively consistent with same-store growth. LIQUIDITY AND CAPITAL RESOURCES -- We have $680.7 million of cash on hand at December 31, 2008, and believe that these funds, together with our internally generated net cash provided by operating activities and cash on hand will continue to be sufficient to enable us to meet our operating expenses, capital improvements, debt service requirements and distributions requirements to our shareholders for the foreseeable future. Operating as a REIT, our ability to retain cash flow for reinvestment is restricted. In order for us to maintain our REIT status, a substantial portion of our operating cash flow must be used to make distributions to our shareholders (see "REQUIREMENT TO PAY DISTRIBUTIONS" below). However, despite the significant distribution requirements, we have been able to retain a significant amount of our operating cash flow. The following table summarizes our ability to fund distributions to the minority interests, capital improvements to maintain our facilities, and distributions to our shareholders through the use of cash provided by operating activities. The remaining cash flow generated is available to make both scheduled and optional principal payments on debt and for reinvestment. 49 For the Year Ended December 31, --- 2008 2007 2006 ----------- ----------- ----------- (Amount in thousands) Net cash provided by operating activities (a)........................ $ 1,059,225 $ 1,027,605 $ 753,140 Distribution requirements paid to preferred partnership interests..... (21,612) (21,612) (19,055) ----------- ----------- ----------- Cash from operations allocable to our shareholders................... 1,037,613 1,005,993 734,085 Capital improvements to maintain our facilities...................... (76,311) (69,102) (79,326) ----------- ----------- ----------- Remaining operating cash flow available for distributions to our shareholders.. 961,302 936,891 654,759 Distributions paid: Preferred share dividends... (239,721) (236,757) (214,218) Equity Shares, Series A dividends................................ (21,199) (21,424) (21,424) Common shareholders ($2.00 per share for each of 2007 and 2006, $2.20 per share regular dividend and $0.60 special dividend in 2008) (472,756) (340,002) (298,219) ----------- ----------- ----------- Cash from operations available for principal payments on debt and reinvestment (b)... $ 227,626 $ 338,708 $ 120,898 =========== =========== =========== (a) Represents net cash provided by operating activities for each respective year as presented in our December 31, 2008 Consolidated Statements of Cash Flows. (b) Cash from operations available for principal payments on debt and reinvestment is not a substitute for cash flows from operations in evaluating our liquidity, ability to repay our debt, or to meet our distribution requirements. Cash from operations available for principal payments on debt and reinvestment decreased from $338.7 million in 2007 to $227.6 million in 2008 due primarily to a special distribution paid in 2008 totaling $101.0 million related to our disposition of a 51% interest in Shurgard Europe. Other sources of liquidity and capital resources include unrestricted cash on hand at December 31, 2008 totaling $680.7 million, a $300 million revolving line of credit and a loan receivable from Shurgard Europe totaling $552.4 million that matures on March 31, 2010. The line of credit expires in March 2012 and there were no outstanding borrowings on the line of credit at March 2, 2009. Significant requirements on our liquidity and capital resources include: (i) capital improvements to maintain our facilities, (ii) distribution requirements to our shareholders to maintain our REIT status, (iii) debt service, (iv) acquisition and development commitments and (v) commitments to provide funding to Shurgard Europe for certain investing and financing activities. CAPITAL IMPROVEMENT REQUIREMENTS: During 2009, we have budgeted approximately $79 million for capital improvements for our facilities. Capital improvements include major repairs or replacements to the facilities, which keep the facilities in good operating condition and maintain their visual appeal. Capital improvements do not include costs relating to the development or expansion of facilities. During the year ended December 31, 2008, we incurred capital improvements of approximately $76.3 million. REQUIREMENT TO PAY DISTRIBUTIONS: We have operated, and intend to continue to operate, in such a manner as to qualify as a REIT under the Code, but no assurance can be given that we will at all times so qualify. To the extent that the Company continues to qualify as a REIT, we will not be taxed, with certain limited exceptions, on the REIT taxable income that is distributed to our shareholders, provided that at least 90% of our taxable income is so distributed to our shareholders. We believe we have satisfied the REIT distribution requirement since 1981. Aggregate dividends paid during 2008 totaled $239.7 million to the holders of our Cumulative Preferred Shares, $472.8 million to the holders of our common shares and $21.2 million to the holders of our Equity Shares, Series A. Although 50 we have not finalized the calculation of our 2008 taxable income, we believe that the aggregate dividends paid in 2008 to our shareholders enable us to continue to meet our REIT distribution requirements. During 2008, we paid distributions totaling $21.6 million with respect to our Preferred Partnership Units, and expect our 2009 distribution requirement based upon preferred partnership units outstanding at December 31, 2008, to be approximately $21.6 million. In addition, we estimate the 2009 distribution requirements with respect to our preferred shares outstanding at December 31, 2008, to be approximately $234.2 million, assuming no additional preferred share issuances or redemptions during 2009. For 2009, distributions with respect to the common shares will be determined based upon our REIT distribution requirements after taking into consideration distributions to the preferred shareholders. We anticipate that, at a minimum, quarterly distributions per common share for 2009 will be $0.55 per common share. For the first quarter of 2009, a quarterly distribution of $0.55 per common share has been declared by our Board of Trustees. With respect to the depositary shares representing the Equity Shares, Series A, we have no obligation to pay distributions if no distributions are paid to the common shareholders. To the extent that we do pay common distributions in any year, the holders of the depositary shares receive annual distributions equal to the lesser of (i) five times the per share dividend on the common shares or (ii) $2.45. The depositary shares are non-cumulative, and have no preference over our Common Shares either as to dividends or in liquidation. DEBT SERVICE REQUIREMENTS: At December 31, 2008, we have total outstanding debt of approximately $643.8 million. See Note 6 to our December 31, 2008 consolidated financial statements for approximate principal maturities of such borrowings. It is our current intention to fully amortize our outstanding debt as opposed to refinance debt maturities with additional debt. Alternatively, we may prepay debt and finance such prepayments with retained operating cash flow or proceeds from the issuance of preferred securities. Our portfolio of real estate facilities remains substantially unencumbered. At December 31, 2008, we have secured debt outstanding of $236.4 million, which encumbers 90 self-storage facilities with an aggregate net book value of approximately $579.5 million. On February 12, 2009, we acquired $110.2 million face amount of our existing senior unsecured notes pursuant to a tender offer for an aggregate of $113.1 million, plus accrued interest, reducing ongoing annualized interest payments by approximately $8.3 million. Approximately $96.7 million of the face amount was scheduled to be repaid in 2011, and $13.5 million was scheduled to be repaid in 2013. ACQUISITION AND DEVELOPMENT OF FACILITIES: During 2009, we will continue to seek to acquire additional self-storage facilities from third parties; however, it is difficult to estimate the amount of third party acquisitions we will undertake. At December 31, 2008, we have a development "pipeline" of five projects in the U.S. consisting of expanding or repackaging our existing self-storage facilities. The development and fill-up of these storage facilities is subject to contingencies. We estimate that the amount remaining to be spent to complete development to be approximately $6.8 million and will be incurred over the next year. EUROPEAN ACTIVITIES: Pursuant to our disposition of a 51% interest in Shurgard Europe on March 31, 2008 (see Note 3 to our December 31, 2008 consolidated financial statements), the loan owed by Shurgard Europe to Public Storage was modified, principally to fix the interest rate to 7.5% per annum and extend the maturity date, which is now March 31, 2010 as Shurgard Europe extended the maturity date from the original date of March 31, 2009 as per the terms of the loan. The note totaled approximately $552.4 million at December 31, 2008. In addition, if Shurgard Europe acquires its partner's interests in First Shurgard and Second Shurgard, joint ventures in which Shurgard Europe has a 20% interest, and is unable to obtain third-party financing, we have agreed to provide additional loans to Shurgard Europe, under the same terms as the existing loans, for up to (euro)305 million ($429.9 million as of December 31, 51 2008) for the acquisition. Shurgard Europe has no obligation to acquire these interests, and the acquisition of these interests is contingent on a number of items, including whether we assent to the acquisition. In February 2009, Shurgard Europe exercised their option to extend the (euro)305 million commitment through March 31, 2010. As a result of this extension, we will receive a fee of approximately (euro)3.5 million from Shurgard Europe in March 2009. Shurgard

Europe has a 20% interest in two joint ventures and one other partner owns 80% interest in each. The two joint ventures collectively had approximately (euro)250 million ($355 million at December 31, 2008) of outstanding debt payable to third parties at December 31, 2008, which is non-recourse to Shurgard Europe. One of the loans totaling (euro)120 million ($170 million) is due May 2009 and the other loan totaling (euro)130 million ($185 million) is due in June 2009. Shurgard Europe is currently negotiating terms with the respective lenders to extend the maturities out one to three years. We expect Shurgard Europe to finalize these extensions within the next 90 days, although there can be no assurance that such extensions will actually be completed. If Shurgard Europe was unable to extend the maturity dates of the loans, it is our expectation that the loans would be repaid with each partner contributing their pro rata share towards repayment. Shurgard Europe's pro rata share, in the aggregate, would be approximately (euro)50 million ($70 million) which Shurgard Europe could borrow from us pursuant to our loan commitment described above. Further, it is also possible that Shurgard Europe's joint venture partner will be unable to contribute its pro rata share to repay the loans and may want to sell their interest. Shurgard Europe could borrow on the loan commitment we have provided to consummate such a transaction and repay the loans. We also committed to fund up to $88.2 million of additional equity contributions to Shurgard Europe to fund certain investing activities. During September 2008, we made an equity contribution of approximately $21.8 million to Shurgard Europe, reducing our remaining commitment to $66.4 million at December 31, 2008. We expect that Shurgard Europe will repay the existing loan due to us (and any additional borrowings pursuant to our commitment) no later than March 31, 2010 or sooner if capital markets become accessible to Shurgard Europe on appropriate terms. Given the difficulty in the credit markets, it is possible that Shurgard Europe may not able to repay the loans prior to March 31, 2010. Our business operations are not dependent on the repayment of such loans. ACCESS TO CAPITAL: Over the past several months, accessing capital through the equity or credit markets has become very difficult, in part due to the lack of liquidity, particularly with respect to real estate companies. As a result, our ability to raise additional capital by issuing common or preferred securities is not currently a viable option. Our financial profile is characterized by a low level of debt-to-total-capitalization and a conservative dividend payout ratio with respect to the common shares. We expect to fund our long-term growth strategies and debt obligations with (i) cash on hand at December 31, 2008, (ii) internally generated retained cash flows and (iii) depending upon current market conditions, proceeds from issuing equity securities. In general, our strategy is to continue to finance our growth with permanent capital, either common or preferred equity to the extent that market conditions are favorable, notwithstanding current market conditions are not favorable. Over the past three years, we have funded substantially all of our acquisitions with permanent capital (both common and preferred securities). We have elected to use preferred securities as a form of leverage despite the fact that the dividend rates of our preferred securities exceed the prevailing market interest rates on conventional debt. We have chosen this method of financing for the following reasons: (i) under the REIT structure, a significant amount of operating cash flow needs to be distributed to our shareholders, making it difficult to repay debt with operating cash flow alone, (ii) our perpetual preferred shares have no sinking fund requirement or maturity date and do not require redemption, all of which eliminate any future refinancing risks, (iii) after the end of a non-call period, we have the option to redeem the preferred shares at any time, which enable us to refinance higher coupon preferred shares with new preferred shares at lower rates if appropriate, (iv) preferred shares do not contain covenants, thus allowing us to maintain significant financial flexibility, and (v) dividends on the preferred shares can be applied to satisfy our REIT distribution requirements. 52 Our credit ratings on each of our series of preferred shares are "Baa1" by Moody's and "BBB" by Standard & Poor's. ISSUANCE AND REDEMPTION OF PREFERRED SECURITIES: One of our financing objectives over the past several years has been to reduce our average cost of capital with respect to our preferred securities. Accordingly, we have redeemed higher rate preferred securities outstanding and have financed the redemption with cash on-hand or from the proceeds from the issuance of lower rate preferred securities. We believe that our size and financial flexibility enables us to access capital when appropriate and when market conditions are favorable. Since the beginning of 2005 through December 31, 2008, we have raised approximately $2.6 billion of preferred securities and used approximately $1.2 billion of these net proceeds in order to redeem higher-coupon preferred securities. Over the past several months, accessing capital through the credit markets has become very difficult, in part due to the lack of liquidity. At December 31, 2008, our 7.500% Series V Cumulative Preferred Shares ($172.5 million), our 6.500% Series W Cumulative Preferred Shares ($132.5 million) and our 6.450% Series X Cumulative Preferred Shares ($120.0 million) were redeemable at our option; however, we have not called these shares for redemption. In addition, in January 2009 our 6.850% Series Y Cumulative Preferred Shares ($18.8 million), March 2009 our 6.250% Series Z Cumulative Preferred Shares ($112.5 million) and our 6.125% Series A Cumulative Preferred Shares ($115.0 million), in June 2009 our 7.125% Series B Cumulative Preferred Shares ($108.8 million), and in September 2009 our 6.600% Series C Cumulative Preferred Shares ($115.0 million) become available for redemption at our option. Although we may acquire these shares on the open market, it is not advantageous to redeem these shares at face pursuant to our redemption option at this time because, based upon current market conditions, we cannot issue additional preferred securities at a lower coupon rate than the securities that would be called. The timing of redemption of any of these series of preferred shares will depend upon many factors including when, or if, market conditions improve such that we can issue new preferred shares at a lower cost of capital than the shares that would be redeemed. In the past we have typically raised additional capital in advance of the redemption dates to ensure that we have available funds to redeem these securities. Provided market conditions improve in the future, we may raise capital in advance to fund redemptions. REPURCHASES OF THE COMPANY'S EQUITY AND PREFERRED SECURITIES Dislocations in capital markets have provided opportunities for the repurchase of our preferred and debt securities. During 2008, we repurchased certain of our Cumulative Preferred Shares in privately negotiated transactions with a liquidation value of $103.2 million for approximately $66.9 million, including accrued dividends, reducing our ongoing dividend requirement by approximately $7.1 million per year. Also during 2008, we repurchased 367,000 shares of our Equity Shares, Series A in privately negotiated transactions for approximately $7.7 million, reducing our ongoing dividend requirement by approximately $0.9 million per year. These acquisitions were funded by us with cash on hand. We continue to monitor the existing trading ranges of our existing outstanding Cumulative Preferred Shares and Equity Shares, Series A for potential repurchase opportunities. Our Board of Trustees has authorized the repurchase from time to time of up to 35,000,000 of our common shares on the open market or in privately negotiated transactions. On May 8, 2008, the Board of Trustees authorized an increase in the total repurchase authorization from 25,000,000 common shares to 35,000,000 common shares. During 2006 and 2007, we did not repurchase any shares. During 2008, we repurchased 1,520,196 shares for approximately $111.9 million. From the inception of the repurchase program through March 2, 2009, we have repurchased a total of 23,721,916 common shares at an aggregate cost of approximately $679.1 million. Future levels of common repurchases will be dependent upon our available capital, investment alternatives, and the trading price of our common shares. On February 12, 2009, we completed a fixed price cash tender offer to acquire any and all of our Unsecured Notes Payable. A total of $96.7 million face amount of our 7.75% Notes due 2011 and $13.5 million face amount of our 53 5.875% Notes due 2013, for an aggregate of $113.1 million in cash plus accrued interest were acquired. On February 27, 2009, we reached an agreement in principle to acquire all of our affiliate's 6.40% Series NN preferred partnership units ($200 million carrying amount) for approximately $130 million, plus accrued and unpaid distributions from December 31, 2008 through the closing date. This transaction is expected to result in an increase in income allocated to common shareholders of approximately $70 million for the quarter ended March 31, 2009 based upon the excess of the carrying amount over the amount paid. The purchase is subject to negotiation and completion of a binding agreement, and there can be no assurance that the transaction will be completed or the timing thereof, or that the terms of any transaction completed will not vary materially from those currently agreed. Also on February 27, 2009, we reached an agreement in principle to acquire all of our affiliate's 6.25% Series Z preferred partnership units ($25 million carrying amount) for $25 million. This should result in no increase in income allocated to the common shareholders as they are being acquired at par. As described in Note 7 to our December 31, 2008 consolidated financial statements, the holders of the Series Z preferred partnership units have a one-time option exercisable on October 12, 2009 to require us to redeem their units for $25,000,000 in cash, plus any unpaid distributions. The purchase is subject to negotiation and completion of a binding agreement, and there can be no assurance that the transaction will be completed or the timing thereof, or that the terms of any transaction completed will not vary materially from those currently agreed. 54 CONTRACTUAL OBLIGATIONS Our significant contractual obligations at December 31, 2008 and their impact on our cash flows and liquidity are summarized below for the years ending December 31 (amounts in thousands): Total 2009 2010 2011 2012 2013 Thereafter ---------- --------- ---------- --------- --------- ---------- ---------- Long-term debt (1) .... $ 771,954 $ 48,415 $ 49,872 $ 251,061 $ 75,501 $ 272,277 $ 74,828 Operating leases (2)........... 113,708 10,466 7,296 6,271 5,854 5,583 78,238 Construction commitments (3)... 6,750 6,211 539 - - - - ---------- --------- ---------- --------- --------- ---------- ---------- Total......................... $ 892,412 $ 65,092 $ 57,707 $ 257,332 $ 81,355 $ 277,860 $ 153,066 ========== ========= ========== ========= ========= ========== ========== (1) Amounts include interest payments on our notes payable based on their contractual terms. See Note 6 to our December 31, 2008 consolidated financial statements for additional information on our notes payable. Approximately $96.7 million of the amounts otherwise due in 2011, and $13.5 million of the amounts otherwise due in 2013, included in the table above were repaid in connection with a tender offer on February 12, 2009. (2) We lease trucks, land, equipment and office space under various operating leases. Certain leases are cancelable with substantial penalties. (3) Includes obligations for facilities currently under construction at December 31, 2008 as described above under "Acquisition and Development of Facilities." We have not included any additional funding requirements that we may be required make to Shurgard Europe as a contractual obligation in the table above, since it is uncertain whether or not we will be required to fund any additional amounts and because such funding is subject to our assent. OFF-BALANCE SHEET ARRANGEMENTS: At December 31, 2008 we had no material off-balance sheet arrangements as defined under Regulation S-K 303(a)(4) and the instructions thereto. ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK --- To limit our exposure to market risk, we principally finance our operations and growth with permanent equity capital consisting either of common shares and preferred shares. At December 31, 2008, our debt as a percentage of total shareholders' equity (based on book values) was 7.4%. Our preferred shares are not redeemable at the option of the holders. At December 31, 2008, our Series V, Series W and Series X shares are currently redeemable by us. Except under certain conditions relating to the Company's qualification as a REIT, the preferred shares are not redeemable by the Company pursuant to its redemption option prior to the dates set forth in Note 8 to our December 31, 2008 consolidated financial statements. Our market risk sensitive instruments include notes payable, which totaled $643,811,000 at December 31, 2008. We have foreign currency exposures related to our investment in Shurgard Europe, which has a book value of $264.1 million at December 31, 2008. We also have a loan receivable from Shurgard Europe, which is denominated in Euros, totaling (euro)391.9 million ($552.4 million) at December 31, 2008. We also have an obligation, in certain circumstances, to loan up to an additional (euro)305 million to Shurgard Europe. The table below summarizes annual debt maturities and weighted-average interest rates on our outstanding debt at the end of each year and fair values required to evaluate our expected cash-flows under debt agreements and our sensitivity to interest rate changes at December 31, 2008 (dollar amounts in thousands). 55 2009 2010 2011 2012 2013 Thereafter Total Fair Value --------- -------- ---------- ---------- ---------- ---------- ---------- ---------- Fixed rate debt (1).... $ 12,730 $ 14,870 $ 227,819 $ 55,575 $ 264,976 $ 67,841 $ 643,811 $ 650,536 Average interest rate.. 5.69% 5.69% 5.69% 5.71% 5.62% 5.49% - - --- Variable rate debt (2). $ - $ - $ - $ - $ - $ - $ - $ - Average interest rate.. --- (1) Approximately $96.7 million of the amounts otherwise due in 2011, and $13.5 million of the amounts otherwise due in 2013, were repaid in connection with a tender offer on February 12, 2009. (2) Amounts include borrowings under our line of credit, which expires in 2012. As of December 31, 2008, we have no borrowings under our line of credit. 56 ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA --- The financial statements of the Company at December 31, 2008 and December 31, 2007 and for each of the three years in the period ended December 31, 2008 and the report of Ernst & Young LLP, Independent Registered Public Accounting Firm, thereon and the related financial statement schedule, are included elsewhere herein. Reference is made to the Index to Financial Statements and Schedules in Item 15. ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND --- FINANCIAL DISCLOSURE -------------------- Not applicable. ITEM 9A. CONTROLS AND PROCEDURES ---------------------- CONCLUSION REGARDING THE EFFECTIVENESS OF DISCLOSURE CONTROLS AND PROCEDURES The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports the Company files and submits under the Securities Exchange Act of 1934, as amended, ("Exchange Act") is recorded, processed, summarized and reported within the time periods specified in accordance with SEC guidelines and that such information is communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure based on the definition of "disclosure controls and procedures" in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures in reaching that level of reasonable assurance. Also, the Company has investments in certain unconsolidated entities. As the Company does not control or manage these entities, its disclosure controls and procedures with respect to such entities are substantially more limited than those it maintains with respect to its consolidated subsidiaries. As of December 31, 2008, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and the Company's Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of December 31, 2008, at a reasonable assurance level. MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework issued by the Committee on Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in Internal Control-Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2008. The effectiveness of internal control over financial reporting as of December 31, 2008, has been audited by Ernst & Young LLP, independent registered public accounting firm. Ernst & Young LLP's report on the Company's internal control over financial reporting appears below. 57 CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth quarter of 2008 to which this report relates that have materially affected, or are reasonable likely to materially affect, our internal control over financial reporting. ITEM 9B. OTHER INFORMATION ----------------- Not Applicable. 58 REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM To the Board of Trustees and Shareholders of Public Storage We have audited Public Storage's internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Public Storage's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Annual Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit. We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and trustees of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. In our opinion, Public

Storage maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on the COSO criteria. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Public Storage as of December 31, 2008 and 2007, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2008 and our report dated February 27, 2009 expressed an unqualified opinion thereon. /s/ Ernst & Young LLP Los Angeles, California February 27, 2009 59 PART III -------- ITEM 10. TRUSTEES, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE --- The information required by this item with respect to trustees is hereby incorporated by reference to the material appearing in the Company's definitive proxy statement to be filed in connection with the annual shareholders' meeting scheduled to be held on May 7, 2009 (the "Proxy Statement") under the caption "Election of Trustees." The information required by this item with respect to the nominating process, the audit committee and the audit committee financial expert is hereby incorporated by reference to the material appearing in the Proxy Statement under the caption "Corporate Governance." The information required by this item with respect to Section 16(a) compliance is hereby incorporated by reference to the material appearing in the Proxy Statement under the caption "Section 16(a) Beneficial Ownership Reporting Compliance." The information required by this item with respect to a code of ethics is hereby incorporated by reference to the material appearing in the Proxy Statement under the caption "Corporate Governance." Any amendments to or waivers of the code of ethics granted to the Company's executive officers or the controller will be published promptly on our website or by other appropriate means in accordance with SEC rules and regulations. The following is a biographical summary of the current executive officers of the Company: Ronald L. Havner, Jr., age 51, has been the Vice-Chairman, Chief Executive Officer and a member of the Board of Public Storage since November 2002 and President since July 1, 2005. Mr. Havner joined Public Storage in 1986 and held a variety of senior management positions until his appointment as Vice-Chairman and Chief Executive Officer in 2002. Mr. Havner has been Chairman of Public Storage's affiliate, PS Business Parks, Inc. (PSB), since March 1998 and was Chief Executive Officer of PSB from March 1998 until August 2003. He is also a member of the Board of Governors and the Executive Committee of the National Association of Real Estate Investment Trusts, Inc. (NAREIT). He is also a director of Business Machine Security, Inc., General Finance Corporation and a member of the NYU REIT Center Board of Advisors. John Reyes, age 48, a certified public accountant, joined Public Storage in 1990 and was Controller of Public Storage from 1992 until December 1996 when he became Chief Financial Officer. He became a Vice President of Public Storage in November 1995 and a Senior Vice President of Public Storage in December 1996. From 1983 to 1990, Mr. Reyes was employed by Ernst & Young. Brian J. Fields, age 46, became Senior Vice President and Chief Legal Officer of Public Storage on April 1, 2008. From 1997 until joining Public Storage, Mr. Fields was employed by WellPoint, Inc., the largest health insurance company in the United States. At WellPoint, Mr. Fields held a variety of legal management positions, serving most recently as Vice President, Deputy General Counsel. Mark C. Good, age 52, became Senior Vice President and Chief Operating Officer of Public Storage on September 8, 2008. Before joining Public Storage, Mr. Good was with Sears Holdings Corporation since 1997, where he was Executive Vice President and General Manager of Sears Home Services, the nation's largest home appliance repair and home improvement services organization with annual revenues of approximately $3 billion. Mr. Good also served as a director of Sears Canada, Inc. David F. Doll, age 50, became Senior Vice President and President, Real Estate Group, in February 2005, with responsibility for the real estate activities of Public Storage, including property acquisitions, developments, repackagings, and capital improvements. Before joining Public Storage, Mr. Doll was Senior Executive Vice President of Development for Westfield Corporation, a major international owner and operator of shopping malls, where he was employed since 1995. 60 Candace N. Krol, age 47, became Senior Vice President of Human Resources in September 2005. From 1985 until joining Public Storage, Ms. Krol was employed by Parsons Corporation, a global engineering and construction firm, where she served in various management positions, most recently as Vice President of Human Resources for the Infrastructure and Technology global business unit. ITEM 11. EXECUTIVE COMPENSATION ---------------------- The information required by this item is hereby incorporated by reference to the material appearing in the Proxy Statement under the captions "Corporate Governance," "Executive Compensation," "Compensation Committee Interlocks and Insider Participation," and "Report of the Compensation Committee." ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT --- AND RELATED SHAREHOLDER MATTERS

------------------------------ The information required by this item is hereby incorporated by reference to the material appearing in the Proxy Statement under the captions "Stock Ownership of Certain Beneficial Owners and Management." The following table sets forth information as of December 31, 2008 on the Company's equity compensation plans: Number of securities to be Weighted issued upon average Number of exercise of exercise price securities outstanding of outstanding remaining available options, options, for future issuance warrants and warrants and under equity rights rights compensation plans ---------------- -------------- ------------------- Equity compensation plans approved by security holders (a).......... 2,984,134 (b) $57.91 3,605,688 Equity compensation plans not approved by security holders (c). 43,410 $23.50 595,002 a) The Company's stock option and stock incentive plans are described more fully in Note 10 to the December 31, 2008 consolidated financial statements. All plans other than the 2000 and 2001 Non-Executive/Non-Director Plans, were approved by the Company's shareholders. b) Includes 630,212 restricted share units that, if and when vested, will be settled in common shares of the Company on a one for one basis. c) The outstanding options granted under plans not approved by the Company's shareholders were granted under the Company's 2000 and 2001 Non-Executive/Non-Director Plan, which does not allow participation by the Company's executive officers and trustees. The principal terms of these plans are as follows: (1) 2,500,000 common shares were authorized for grant, (2) this plan is administered by the Equity Awards Committee, except that grants in excess of 100,000 shares to any one person requires approval by the Executive Equity Awards Committee, (3) options are granted at fair market value on the date of grant, (4) options have a ten year term and (5) options vest over three years in equal installments, or as indicated by the applicable grant agreement. ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND TRUSTEE INDEPENDENCE --- The information required by this item is hereby incorporated by reference to the material appearing in the Proxy Statement under the captions "Corporate Governance" and "Certain Relationships and Related Transactions and Legal Proceedings." 61 ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES ------------------------------------ The information required by this item with respect to fees and services provided by the Company's independent auditors is hereby incorporated by reference to the material appearing in the Proxy Statement under the caption "Ratification of Auditors--Fees Billed to the Company by Ernst & Young LLP for 2008 and 2007". 62 PART IV ------- ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES --- a. 1. Financial Statements The financial statements listed in the accompanying Index to Financial Statements and Schedules hereof are filed as part of this report. 2. Financial Statement Schedules The financial statements schedules listed in the accompanying Index to Financial Statements and Schedules are filed as part of this report. 3. Exhibits See Index to Exhibits contained herein. b. Exhibits: See Index to Exhibits contained herein. c. Financial Statement Schedules Not applicable. 63 PUBLIC STORAGE INDEX TO EXHIBITS (1) (Items 15(a)(3) and 15(c)) 3.1 Articles of Amendment and Restatement of Declaration of Trust of Public Storage, a Maryland real estate investment trust. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.2 Bylaws of Public Storage, a Maryland real estate investment trust. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.3 Articles Supplementary for Public Storage Equity Shares, Series A. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.4 Articles Supplementary for Public Storage Equity Shares, Series AAA. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.5 Articles Supplementary for Public Storage 7.500% Cumulative Preferred Shares, Series V. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.6 Articles Supplementary for Public Storage 6.500% Cumulative Preferred Shares, Series W. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.7 Articles Supplementary for Public Storage 6.450% Cumulative Preferred Shares , Series X. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.8 Articles Supplementary for Public Storage 6.850% Cumulative Preferred Shares, Series Y. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.9 Articles Supplementary for Public Storage 6.250% Cumulative Preferred Shares, Series Z. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.10 Articles Supplementary for Public Storage 6.125% Cumulative Preferred Shares, Series A. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.11 Articles Supplementary for Public Storage 7.125% Cumulative Preferred Shares, Series B. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.12 Articles Supplementary for Public Storage 6.600% Cumulative Preferred Shares, Series C. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.13 Articles Supplementary for Public Storage 6.180% Cumulative Preferred Shares, Series D. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.14 Articles Supplementary for Public Storage 6.750% Cumulative Preferred Shares, Series E. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.15 Articles Supplementary for Public Storage 6.450% Cumulative Preferred Shares, Series F. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 64 3.16 Articles Supplementary for Public Storage 7.000% Cumulative Preferred Shares, Series G. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.17 Articles Supplementary for Public Storage 6.950% Cumulative Preferred Shares, Series H. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.18 Articles Supplementary for Public Storage 7.250% Cumulative Preferred Shares, Series I. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.19 Articles Supplementary for Public Storage 7.250% Cumulative Preferred Shares, Series K. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.20 Articles Supplementary for Public Storage 6.750% Cumulative Preferred Shares, Series L. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.21 Articles Supplementary for Public Storage 6.625% Cumulative Preferred Shares, Series M. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 3.22 Articles Supplementary for Public Storage 7.000% Cumulative Preferred Shares, Series N. Filed with the Registrant's Current Report on Form 8-K dated June 28, 2007 and incorporated by reference herein. 4.1 Master Deposit Agreement, dated as of May 31, 2007. Filed with the Registrant's Current Report on Form 8-K dated June 6, 2007 and incorporated by reference herein. 10.1 Amended Management Agreement between Registrant and Public Storage Commercial Properties Group, Inc. dated as of February 21, 1995. Filed with Public Storage Inc.'s ("PSI") Annual Report on Form 10-K for the year ended December 31, 1994 (SEC File No. 001-0839) and incorporated herein by reference. 10.2 Second Amended and Restated Management Agreement by and among Registrant and the entities listed therein dated as of November 16, 1995. Filed with PS Partners, Ltd.'s Annual Report on Form 10-K for the year ended December 31, 1996 (SEC File No. 001-11186) and incorporated herein by reference. 10.3 Limited Partnership Agreement of PSAF Development Partners, L.P. Filed with PSI's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1997 (SEC File No. 001-0839) and incorporated herein by reference. 10.4 Agreement of Limited Partnership of PS Business Parks, L.P. Filed with PS Business Parks, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998 (SEC File No. 001-10709) and incorporated herein by reference. 10.5 Amended and Restated Agreement of Limited Partnership of Storage Trust Properties, L.P. (March 12, 1999). Filed with PSI's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1999 (SEC File No. 001-0839) and incorporated herein by reference. 10.6 Limited Partnership Agreement of PSAC Development Partners, L.P. Filed with PSI's Current Report on Form 8-K dated November 15, 1999 (SEC File No. 001-0839) and incorporated herein by reference. 10.7 Agreement of Limited Liability Company of PSAC Storage Investors, L.L.C. Filed with PSI's Current Report on Form 8-K dated November 15, 1999 (SEC File No. 001-0839) and incorporated herein by reference. 10.8 Amended and Restated Agreement of Limited Partnership of PSA Institutional Partners, L.P. Filed with PSI's Annual Report on Form 10-K for the year ended December 31, 1999 (SEC File No. 001-0839) and incorporated herein by reference. 65 10.9 Amendment to Amended and Restated Agreement of Limited Partnership of PSA Institutional Partners, L.P. Filed with PSI's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2000 (SEC File No. 001-0839) and incorporated herein by reference. 10.10 Second Amendment to Amended and Restated Agreement of Limited Partnership of PSA Institutional Partners, L.P. Filed with PSI's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004 (SEC File No. 001-0839) and incorporated herein by reference. 10.11 Third Amendment to Amended and Restated Agreement of Limited Partnership of PSA Institutional Partners, L.P. Filed with PSI's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004 (SEC File No. 001-0839) and incorporated herein by reference. 10.12 Limited Partnership Agreement of PSAF Acquisition Partners, L.P. Filed with PSI's Annual Report on Form 10-K for the year ended December 31, 2003 (SEC File No. 001-0839) and incorporated herein by reference. 10.13 Credit Agreement by and among Registrant, Wells Fargo Bank, National Association and Wachovia Bank, National Association as co-lead arrangers, and the other financial institutions party thereto, dated March 27, 2007. Filed with PSI's Current Report on Form 8-K on April 2, 2007 (SEC File No. 001-0839) and incorporated herein by reference. 10.14 Senior Credit Agreement dated May 26, 2003, as amended by Amendment Agreements dated July 11, 2003 and December 2, 2003, by and among First Shurgard Sprl, First Shurgard Finance Sarl, First Shurgard Deutschland GmbH, Societe Generale and others. Incorporated by reference to Exhibit 10.1 filed with the Current Report on Form 8-K dated February 21, 2005 filed by Shurgard Storage Centers, Inc. ("Shurgard") (SEC File No. 001-11455). 10.15 Amendment and Waiver Agreement dated February 21, 2005 to the Senior Credit Agreement dated May 26, 2003, as amended as of December 2, 2003, by and among First Shurgard Sprl, First Shurgard Finance Sarl, First Shurgard Deutschland GmbH, Societe Generale and others. Incorporated by reference to Exhibit 10.2 filed with the Current Report on Form 8-K dated February 21, 2005 filed by Shurgard (SEC File No. 001-11455). 10.16 Credit Facility Agreement dated July 12, 2004, between Second Shurgard SPRL, Second Shurgard Finance SARL, the Royal Bank of Scotland as Mandated Lead Arranger, the Royal Bank of Scotland PLC as Facility Agent. Incorporated by reference to Exhibit 10.43 filed with the Report on Form 10-Q for the quarter ended June 30, 2004 filed by Shurgard (SEC File No. 001-11455). 10.17* Employment Agreement between Registrant and B. Wayne Hughes dated as of November 16, 1995. Filed with PSI's Annual Report on Form 10-K for the year ended December 31, 1995 (SEC File No. 001-0839) and incorporated herein by reference. 10.18* Shurgard Storage Centers, Inc. 1995 Long Term Incentive Compensation Plan. Incorporated by reference to Appendix B of Definitive Proxy Statement dated June 8, 1995 filed by Shurgard (SEC File No. 001-11455). 10.19* Shurgard Storage Centers, Inc. 2000 Long-Term Incentive Plan. Incorporated by reference to Exhibit 10.27 Annual Report on Form 10-K for the year ended December 31, 2000 filed by Shurgard (SEC File No. 001-11455). 10.20* Shurgard Storage Centers, Inc. 2004 Long Term Incentive Compensation Plan. Incorporated by reference to Appendix A of Definitive Proxy Statement dated June 7, 2004 filed by Shurgard (SEC File No. 001-11455). 10.21* Public Storage, Inc. 1996 Stock Option and Incentive Plan. Filed with PSI's Annual Report on Form 10-K for the year ended December 31, 2000 (SEC File No. 001-0839) and incorporated herein by reference. 66 10.22* Public Storage, Inc. 2000 Non-Executive/Non-Director Stock Option and Incentive Plan. Filed with PSI's Registration Statement on Form S-8 (SEC File No. 333-52400) and incorporated herein by reference. 10.23* Public Storage, Inc. 2001 Non-Executive/Non-Director Stock Option and Incentive Plan. Filed with PSI's Registration Statement on Form S-8 (SEC File No. 333-59218) and incorporated herein by reference. 10.24* Public Storage, Inc. 2001 Stock Option and Incentive Plan ("2001 Plan"). Filed with PSI's Registration Statement on Form S-8 (SEC File No. 333-59218) and incorporated herein by reference. 10.25* Form of 2001 Plan Non-qualified Stock Option Agreement. Filed with PSI's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004 (SEC File No. 001-0839) and incorporated herein by reference. 10.26* Form of 2001 Plan Restricted Share Unit Agreement. Filed with PSI's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004 (SEC File No. 001-0839) and incorporated herein by reference. 10.27* Form of 2001 Plan Non-Qualified Outside Director Stock Option Agreement. Filed with PSI's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004 (SEC File No. 001-0839) and incorporated herein by reference. 10.28* Public Storage, Inc. Performance Based Compensation Plan for Covered Employees. Filed with PSI's Current Report on Form 8-K dated May 11, 2005 (SEC File No. 001-0839) and incorporated herein by reference. 10.29* Public Storage 2007 Equity and Performance-Based Incentive Compensation Plan. Filed as Exhibit 4.1 to Registrant's Registration Statement on Form S-8 (SEC File No. 333-144907) and incorporated herein by reference. 10.30* Form of 2007 Plan Restricted Stock Unit Agreement. Filed with Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 and incorporated herein by reference. 10.31* Form of 2007 Plan Stock Option Agreement. Filed with Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 and incorporated herein by reference. 10.32* Agreement dated April 16, 2008 between Registrant and executive. Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K dated April 22, 2008 and incorporated herein by reference. 10.33* Form of Indemnity Agreement. Filed with Registrant's Amendment No. 1 to Registration Statement on Form S-4 (SEC File No. 333-141448) and incorporated herein by reference. 10.34* Offer letter/Employment Agreement dated as of July 28, 2008 between Registrant and Mark Good. Filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K dated September 9, 2008 and incorporated herein by reference. 12 Statement Re: Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends. Filed herewith. 31.1 Rule 13a - 14(a) Certification. Filed herewith. 31.2 Rule 13a - 14(a) Certification. Filed herewith. 32 Section 1350 Certifications. Filed herewith. -------- (1) SEC File No. 001-33519 unless otherwise indicated. * Denotes management compensatory plan agreement or arrangement. 67 SIGNATURES ---------- Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. PUBLIC STORAGE Date: March 2, 2009 By: /s/ Ronald L. Havner, Jr. ------------------------ Ronald L. Havner, Jr., Vice-Chairman of the Board, Chief Executive Officer and President Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated. Signature Title Date ------------------------------ -- /s/ Ronald L. Havner, Jr. Vice-Chairman of the Board, Chief March 2, 2009 ------------------------------ Executive Officer, President and Trustee Ronald L. Havner, Jr. (principal executive officer) /s/ John Reyes Senior Vice President and March 2, 2009 ------------------------------ Chief Financial Officer John Reyes (principal financial officer and principal accounting officer) /s/ B. Wayne Hughes Chairman of the Board March 2, 2009 ------------------------------ B. Wayne Hughes /s/ Dann V. Angeloff Trustee March 2, 2009 ------------------------------ Dann V. Angeloff /s/ William C. Baker Trustee March 2, 2009 ------------------------------ William C. Baker /s/ John T. Evans Trustee March 2, 2009 ------------------------------ John T. Evans /s/ Tamara Hughes Gustavson Trustee March 2, 2009 ------------------------------ Tamara Hughes Gustavson /s/ Uri P. Harkham Trustee March 2, 2009 ------------------------------ Uri P. Harkham /s/ B. Wayne Hughes, Jr. Trustee March 2, 2009 ------------------------------ B. Wayne Hughes, Jr. /s/ Harvey Lenkin Trustee March 2, 2009 ------------------------------ Harvey Lenkin /s/ Gary E. Pruitt Trustee March 2, 2009 ------------------------------ Gary E. Pruitt /s/ Daniel C. Staton Trustee March 2, 2009 ------------------------------ Daniel C. Staton PUBLIC STORAGE INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES (Item 15 (a)) Page References All other schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements or notes thereto. REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM The Board of Trustees and Shareholders Public Storage We have audited the accompanying consolidated balance sheets of Public Storage as of December 31, 2008 and 2007, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2008. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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. We believe that our audits provide a reasonable basis for our opinion. In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Public Storage at December 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Public Storage's internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2009 expressed an unqualified opinion thereon. /s/ ERNST & YOUNG LLP Los Angeles, California February 27, 2009 F-1 PUBLIC STORAGE CONSOLIDATED BALANCE SHEETS December 31, 2008 and 2007 (Amounts in thousands, except share data) December 31, December 31, 2008 2007 ----------------- ----------------- ASSETS Cash and cash equivalents.. $ 680,701 $ 245,444 Real estate facilities, at cost:

Land... 2,716,254 3,021,309 Buildings.. 7,490,768 8,637,498 ----------------- ----------------- 10,207,022 11,658,807 Accumulated depreciation... (2,405,473) (2,128,225) ----------------- ----------------- 7,801,549 9,530,582 Construction in process.. 20,340 51,972 ----------------- ----------------- 7,821,889 9,582,554 Investment in real estate entities... 544,598 306,743 Goodwill, net.. 174,634 174,634 Intangible assets, net... 52,005 173,745 Loan receivable from Shurgard Europe....................................... 552,361 - Other assets.. 109,857 159,982 ----------------- ----------------- Total assets.. $ 9,936,045 $ 10,643,102 ================= ================= LIABILITIES AND SHAREHOLDERS' EQUITY Notes payable.. $ 643,811 $ 1,069,928 Accrued and other liabilities.. 212,353 303,357 ----------------- ----------------- Total liabilities.. 856,164 1,373,285 Minority interest.. 364,417 506,688 Commitments and contingencies (Note 13) Shareholders' equity: Cumulative Preferred Shares of beneficial interest, $0.01 par value, 100,000,000 shares authorized, 887,122 shares issued (in series) and outstanding, (1,739,500 at December 31, 2007) at liquidation preference. 3,424,327 3,527,500 Common Shares of beneficial interest, $0.10 par value, 650,000,000 shares authorized, 168,279,732 shares issued and outstanding (169,422,475 at December 31, 2007)... 16,829 16,943 Equity Shares of beneficial interest, Series A, $0.01 par value, 100,000,000 shares authorized, 8,377.193 shares issued and outstanding (8,744.193 at December 31, 2007)... - - Paid-in capital.. 5,590,093 5,653,975 Cumulative net income.. 4,896,003 3,960,827 Cumulative distributions paid... (5,179,857) (4,446,181) Accumulated other comprehensive income (loss)............................ (31,931) 50,065 ----------------- ----------------- Total shareholders' equity... 8,715,464 8,763,129 ----------------- ----------------- Total liabilities and shareholders' equity.................... $ 9,936,045 $ 10,643,102 ================= ================= See accompanying notes. F-2 PUBLIC STORAGE CONSOLIDATED STATEMENTS OF INCOME For each of the three years in the period ended December 31, 2008 (Amounts in thousands, except per share amounts) 2008 2007 2006 ------------- ------------- ------------- Revenues: Self-storage rental income.................................. $ 1,581,299 $ 1,662,454 $ 1,239,697 Ancillary operating revenue................................ 128,153 140,628 107,570 Interest and other income................................... 36,155 11,417 31,799 ------------- ------------- ------------- 1,745,607 1,814,499 1,379,066 ------------- ------------- ------------- Expenses: Cost of operations (excluding depreciation and amortization): Self-storage facilities................................. 520,076 580,227 428,910 Ancillary operations.................................... 60,501 77,516 67,347 Depreciation and amortization............................... 414,188 622,400 437,555 General and administrative.................................. 62,809 59,749 84,661 Interest expense.. 43,944 63,671 33,062 ------------- ------------- ------------- 1,101,518 1,403,563 1,051,535 ------------- ------------- ------------- Income from continuing operations before equity in earnings of real estate entities, gain on disposition of an interest in Shurgard Europe, gain (loss) on disposition of other real estate investments and real estate facilities, casualty (loss) gain, foreign currency exchange (loss) gain and minority interest in income.. 644,089 410,936 327,531 Equity in earnings of real estate entities..................... 20,391 12,738 11,895 Gain on disposition of an interest in Shurgard Europe (Note 3).. 344,685 - - Gain (loss) on disposition of other real estate investments and real estate facilities..................................... (8,140) 2,547 2,177 Casualty (loss) gain.. (525) 2,665 - Foreign currency exchange (loss) gain.......................... (25,362) 58,444 4,262 Minority interest in income.................................. (38,696) (29,543) (31,883) ------------- ------------- ------------- Income from continuing operations.............................. 936,442 457,787 313,982 Cumulative effect of a change in accounting principle........... - - 578 Discontinued operations....................................... (1,266) (252) (534) ------------- ------------- ------------- Net income.. $ 935,176 $ 457,535 $ 314,026 ============= ============= ============== Net income allocated to (from): ----------------------------- Preferred shareholders based on distributions paid .... $ 239,721 $ 236,757 $ 214,218 Preferred shareholders based on redemptions (Note 8)......... (33,851) - 31,493 Equity Shares, Series A.................................... 21,199 21,424 21,424 Common shareholders... 708,107 199,354 46,891 ------------- ------------- ------------- $ 935,176 $ 457,535 $ 314,026 ============= ============= ============== Net income per common share - basic

Continuing operations...................................... $ 4.22 $ 1.18 $ 0.33 Discontinued operations.................................... (0.01) - - ------------- ------------- ------------- $ 4.21 $ 1.18 $ 0.33 ============= ============= ============== Net income per common share - diluted Continuing operations...................................... $ 4.20 $ 1.17 $ 0.33 Discontinued operations.................................... (0.01) - - ------------- ------------- ------------- $ 4.19 $ 1.17 $ 0.33 ============= ============= ============== Net income per depositary share of Equity Shares, Series A (basic and diluted) .... $ 2.45 $ 2.45 $ 2.45 ============= ============= ============== Basic weighted average common shares outstanding............... 168,250 169,342 142,760 ============= ============= ============== Diluted weighted average common shares outstanding............. 168,883 170,147 143,715 ============= ============= ============== Weighted average shares of Equity Shares, Series A (basic and diluted) .... 8,652 8,744 8,744 ============= ============= ============== See accompanying notes. F-3 PUBLIC STORAGE CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY For each of the three years in the period ended December 31, 2008 (Amounts in thousands, except share and per share amounts) Cumulative Preferred Common Paid-in Cumulative Shares Shares Capital Net Income ------------- ---------- ------------- ------------ Balances at December 31, 2005.................................... $ 2,498,400 $ 12,809 $ 2,430,671 $ 3,189,266 Issuance of Cumulative Preferred Shares (52,500 shares) .... 1,312,500 - (39,932) - Redemption of Cumulative Preferred Shares (38,236 shares)....... (955,900) - - - Issuance of common shares (41,054,904 shares) (Note 8) .... - 4,106 3,267,564 - Stock option and restricted share unit expense (Note 10)........ - - 3,204 - Net income.. - - - 314,026 Distributions to shareholders: Cumulative Preferred Shares................................. - - - - Equity Shares, Series A ($2.45 per share).................... - - - - Common Shares ($2.00 per share).............................. - - - - Other comprehensive income (loss): Currency translation adjustments (Note 2)... - - - - ------------- ---------- ------------- ------------ Balances at December 31, 2006.................................... 2,855,000 16,915 5,661,507 3,503,292 Issuance of Cumulative Preferred Shares (26,900 shares) .... 672,500 - (20,608) - Issuance of common shares (278,008 shares) (Note 8) .... - 28 8,429 - Stock option and restricted share unit expense (Note 10)........ - - 4,647 - Net income.. - - - 457,535 Distributions to shareholders: Cumulative Preferred Shares................................. - - - - Equity Shares, Series A ($2.45 per share).................... - - - - Common Shares ($2.00 per share).............................. - - - - Other comprehensive income (loss): Currency translation adjustments (Note 2)... - - - - ------------- ---------- ------------- ------------ Balances at December 31, 2007.................................... 3,527,500 16,943 5,653,975 3,960,827 Repurchase of Cumulative Preferred Shares (852,378 shares) (Note 8).. (103,173) - 36,294 - Repurchase of Equity Shares, Series A (367,000 shares) (Note 8). - - (7,707) - Issuance of common shares (377,453 shares) (Note 8) .... - 38 10,852 - Repurchase of common shares (1,520,196 shares) (Note 8)......... - (152) (111,751) - Stock option and restricted share unit expense (Note 10)........ - - 8,430 - Net income.. - - - 935,176 Distributions to shareholders: Cumulative Preferred Shares................................. - - - - Equity Shares, Series A ($2.45 per share).................... - - - - Common Shares ($2.80 per share).............................. - - - - Other comprehensive income (loss): Currency translation adjustments (Note 2)... - - - - ------------- ---------- ------------- ------------ Balances at December 31, 2008.................................... $ 3,424,327 $ 16,829 $ 5,590,093 $ 4,896,003 ============= ========== ============= ============ Accumulated Other Total Cumulative Comprehensive Shareholders' Distributions Income (Loss) Equity -------------- -------------- ------------- Balances at December 31, 2005.................................... $ (3,314,137) $ - $ 4,817,009 Issuance of Cumulative Preferred Shares (52,500 shares) .... - - 1,272,568 Redemption of Cumulative Preferred Shares (38,236 shares)....... - - (955,900) Issuance of common shares (41,054,904 shares) (Note 8) .... - - 3,271,670 Stock option and restricted share unit expense (Note 10)........ - - 3,204 Net income.. - - 314,026 Distributions to shareholders: Cumulative Preferred Shares................................. (214,218) - (214,218) Equity Shares, Series A ($2.45 per share).................... (21,424) - (21,424) Common Shares ($2.00 per share).............................. (298,219) - (298,219) Other comprehensive income (loss): Currency translation adjustments (Note 2)... - 19,329 19,329 -------------- -------------- ------------- Balances at December 31, 2006.................................... (3,847,998) 19,329 8,208,045 Issuance of Cumulative Preferred Shares (26,900 shares) .... - - 651,892 Issuance of common shares (278,008 shares) (Note 8) .... - - 8,457 Stock option and restricted share unit expense (Note 10)........ - - 4,647 Net income.. - - 457,535 Distributions to shareholders: Cumulative Preferred Shares................................. (236,757) - (236,757) Equity Shares, Series A ($2.45 per share)....................

(21,424) - (21,424) Common Shares ($2.00 per share).............................. (340,002) - (340,002) Other comprehensive income (loss): Currency translation adjustments (Note 2).. - 30,736 30,736 -------------- -------------- ------------- Balances at December 31, 2007.................................... (4,446,181) 50,065 8,763,129 Repurchase of Cumulative Preferred Shares (852,378 shares) (Note 8).. - - (66,879) Repurchase of Equity Shares, Series A (367,000 shares) (Note 8). - - (7,707) Issuance of common shares (377,453 shares) (Note 8) .... - - 10,890 Repurchase of common shares (1,520,196 shares) (Note 8)......... - - (111,903) Stock option and restricted share unit expense (Note 10)........ - - 8,430 Net income.. - - 935,176 Distributions to shareholders: Cumulative Preferred Shares................................. (239,721) - (239,721) Equity Shares, Series A ($2.45 per share).................... (21,199) - (21,199) Common Shares ($2.80 per share).............................. (472,756) - (472,756) Other comprehensive income (loss): Currency translation adjustments (Note 2).. - (81,996) (81,996) -------------- -------------- ------------- Balances at December 31, 2008.................................... $ (5,179,857) $ (31,931) $ 8,715,464 ============== ============== ============= See accompanying notes. F-4 PUBLIC STORAGE CONSOLIDATED STATEMENTS OF CASH FLOWS For each of the three years in the period ended December 31, 2008 (Amounts in thousands) 2008 2007 2006 ------------ ------------ ------------ Cash flows from operating activities: Net income.. $ 935,176 $ 457,535 $ 314,026 Adjustments to reconcile net income to net cash provided by operating activities: Gain on disposition of an interest in Shurgard Europe (Note 3)............ (344,685) - - Loss (gain) on disposition of other real estate investments including amounts in discontinued operations (Note 4)............................ 8,140 (6,883) (4,547) Depreciation and amortization including amounts in discontinued operations... 414,201 622,894 438,218 Distributions received from real estate entities in excess of equity in earnings.. 23,064 10,868 5,804 Foreign currency exchange loss (gain)................................. 25,362 (58,444) (4,262) Minority interest in income in excess of distributions paid to other minority interests.. 20,980 9,496 15,583 Adjustments for stock-based compensation, amortization of note premium, and other... (22,983) (7,861) (11,682) ------------ ------------ ------------ Total adjustments.. 124,079 570,070 439,114 ------------ ------------ ------------ Net cash provided by operating activities........................... 1,059,255 1,027,605 753,140 ------------ ------------ ------------ Cash flows from investing activities: Capital improvements to real estate facilities .... (76,311) (69,102) (79,326) Construction in process... (74,611) (122,320) (110,868) Acquisition of real estate facilities.................................. (31,608) (72,787) (98,954) Acquisition of interest in unconsolidated entities..................... (11,961) - - Acquisition of minority interests...................................... - - (62,300) Proceeds from the disposition of interest in Shurgard Europe (Note 3)... 609,059 - - Deconsolidation of Shurgard Europe (Note 3)............................ (34,588) - - Investment in Shurgard Europe... (54,702) - - Merger with Shurgard Storage Centers, Inc.............................. - - (137,261) Proceeds from sales of other real estate investments................... 2,227 8,708 14,545 Sale of real estate investments to affiliates (Note 7).................. - 4,909 - Other investing activities.. 12,513 (11,284) 534 ------------ ------------ ------------ Net cash provided by (used in) investing activities................. 340,018 (261,876) (473,630) ------------ ------------ ------------ Cash flows from financing activities: Principal payments on notes payable.................................... (62,877) (508,942) (696,557) Issuance of mortgage note payable..................................... 12,750 - - Net (repayments) borrowings on bank credit facilities.................. - (345,000) 345,000 Proceeds from borrowing on debt of Existing European Joint Ventures..... 14,654 54,081 28,891 Contributions received from European minority interests................ - - 15,800 Net proceeds from the issuance of common shares........................ 10,890 8,457 85,369 Net proceeds from the issuance of cumulative preferred shares........... - 651,892 1,272,568 Repurchases of common shares.. (111,903) - - Redemption of cumulative preferred shares.............................. (66,879) (302,150) (826,250) Repurchases of Equity Shares, Series A................................. (7,707) - - Issuance of preferred partnership interests............................ - - 100,000 Distributions paid to shareholders..................................... (733,676) (598,183) (533,861) Distributions paid to holders of preferred partnership interests (Note 7)... (21,612) (21,612) (19,055) ------------ ------------ ------------ Net cash used in financing activities............................... (966,360) (1,061,457) (228,095) ------------ ------------ ------------ Net increase (decrease) in cash and cash equivalents....................... 432,913 (295,728) 51,415 Net effect of foreign exchange translation on cash......................... 2,344 5,488 2,274 Cash and cash equivalents at the beginning of the year..................... 245,444 535,684 481,995 ------------- ------------- ------------- Cash and cash equivalents at the end of the year........................... $ 680,701 $ 245,444 $ 535,684 ============= ============= ============= See accompanying notes. F-5 PUBLIC STORAGE CONSOLIDATED STATEMENTS OF CASH FLOWS For each of the three years in the period ended December 31, 2008 (Amounts in thousands) (Continued) 2008 2007 2006 ------------- ------------- ------------- Supplemental schedule of non cash investing and financing activities: Foreign currency translation adjustment: Real estate facilities, net of accumulated depreciation........... $ (90,921) $ (127,456) $ (34,696) Construction in process... (957) (4,623) (1,373) Investment in real estate entities............................... 63,495 - - Intangible assets, net.. (4,528) (6,226) (6,381) Loan receivable from Shurgard Europe............................. 66,461 - - Other assets.. (3,742) (6,219) (717) Notes payable... 28,912 38,116 17,970 Accrued and other liabilities................................... 5,879 13,827 4,237 Minority interest - other partnership interests.................. 7,249 9,740 3,905 Accumulated other comprehensive (loss) income.................... (69,504) 88,329 19,329 Deconsolidation of real estate entities (2008: Shurgard Europe, Note 3) Real estate facilities, net of accumulated depreciation........... 1,693,524 41,409 - Construction in process... 10,886 - - Investment in real estate entities............................... (588,801) (23,079) - Loan receivable from Shurgard Europe............................. (618,822) - - Intangible assets, net.. 78,135 1,816 - Other assets.. 68,486 344 - Notes payable... (424,995) (19,329) - Accrued and other liabilities................................... (104,100) (544) - Minority interest - other partnership interests.................. (148,901) (682) - Real estate acquired in exchange for assumption of note payable and extinguishment of investment.................................. (12,388) - (4,590) Note payable assumed in connection with the acquisition of real estate. 10,250 - 4,590 Investment extinguished in exchange for real estate................... 2,138 - - Investment in real estate entities disposed in exchange for other asset 5,300 - - Other asset received in connection with disposal of real estate investment (5,300) - - Merger with Shurgard Storage Centers, Inc.: Real estate facilities.. - - (4,887,507) Construction in process... - - (91,000) Intangible assets... - - (584,165) Other assets.. - - (95,899) Accrued and other liabilities................................... - - 190,419 Minority interest - other partnership interests.................. - - 144,196 Notes payable and bank credit facility............................ - - 2,000,549 Common shares... - - 3,891 Paid in capital... - - 3,182,255 Consolidation of entities pursuant to Emerging Issues Task Force Topic 04-5 or in connection with the acquisition of an interest in the Unconsolidated Entities: Minority interest - other partnership interests.................. - - 3,963 Real estate facilities.. - (14,604) (22,459) Investments in real estate entities............................... - - 20,846 Intangible assets... - (1,048) - Other assets.. - - (167) Accrued and other liabilities................................... - - 841 Notes payable... - 6,681 - See accompanying notes. F-6 PUBLIC STORAGE CONSOLIDATED STATEMENTS OF CASH FLOWS For each of the three years in the period ended December 31, 2008 (Amounts in thousands) (Continued) 2008 2007 2006 ------------- ------------- ------------- Supplemental schedule of non cash investing and financing activities: Partnership units converted into common shares (Note 7): Minority interest.. - - (155) Common shares... - - 1 Paid in capital... - - 154 See accompanying notes. F-7 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 1. Description of the Business -------------------------- Public Storage, Inc., formerly a California corporation, was organized in 1980. Effective June 1, 2007, following approval by our shareholders, we reorganized Public Storage, Inc. into Public Storage, a Maryland real estate investment trust (referred to herein as "the Company", "the Trust", "we", "us", or "our"). Our principal business activities include the acquisition, development, ownership and operation of self-storage facilities which offer storage spaces for lease, generally on a month-to-month basis, for personal and business use. Our self-storage facilities are located primarily in the United States ("U.S."). We also have interests in self-storage facilities located in seven Western European countries. At December 31, 2008, we had direct and indirect equity interests in 2,012 self-storage facilities located in 38 states operating under the "Public Storage" name, and 181 self-storage facilities located in Europe which operate under the "Shurgard Storage Centers" name. We also have direct and indirect equity interests in approximately 21 million net rentable square feet of commercial space located in 11 states in the U.S. primarily operated by PS Business Parks, Inc. ("PSB") under the "PS Business Parks" name. Any reference to the number of properties, square footage, number of tenant reinsurance policies outstanding and the aggregate coverage of such reinsurance policies are unaudited and outside the scope of our independent registered public accounting firm's audit of our financial statements in accordance with the standards of the Public Company Accounting Oversight Board. 2. Summary of Significant Accounting Policies -- Basis of Presentation --------------------- The consolidated financial statements are presented on an accrual basis in accordance with U.S. generally accepted accounting principles ("GAAP") and include the accounts of the Company and our consolidated subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Certain amounts previously reported have been reclassified to conform to the December 31, 2008 presentation. In previous presentations, certain cash balances held by our captive insurance entities which are restricted as to their use were included in restricted cash in our consolidated balance sheets. These restricted balances are reclassified as "other assets." The results of operations with respect to assets and liabilities acquired on August 22, 2006 in connection with the merger with Shurgard Storage Centers, Inc. ("Shurgard" and the merger referred to as the "Shurgard Merger") are included in our accompanying consolidated financial statements for periods after the acquisition. Consolidation Policy -------------------- Entities in which we have an interest are first evaluated to determine whether, in accordance with the provisions of the Financial Accounting Standards Board's Interpretation No. 46R, "Consolidation of Variable F-8 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 Interest Entities," they represent Variable Interest Entities ("VIE's"). VIE's in which we are the primary beneficiary are consolidated. Entities that are not VIE's that we control are consolidated. When we are the general partner, we are considered to control the partnership unless the limited partners possess substantial "kick-out" or "participative" rights as defined in Emerging Issues Task Force Statement 04-5 - "Determining whether a general partner or the general partners as a group, controls a limited partnership or similar entity when the limited partners have certain rights" ("EITF 04-5"). All significant intercompany balances and transactions have been eliminated. The accounts of the entities we control, along with the accounts of the VIE's for which we are the primary beneficiary, are included in our consolidated financial statements. We account for our investment in entities that we do not consolidate using the equity method of accounting or, if we do not have the ability to exercise significant influence over an investee, the cost method of accounting. Changes in consolidation status are reflected effective the date the change of control or determination of primary beneficiary status occurred, and previously reported periods are not restated. The entities that we consolidate during the periods, to which the reference applies, are referred to hereinafter as the "Consolidated Entities." The entities that we have an interest in but do not consolidate during the periods, to which the reference applies, are referred to hereinafter as the "Unconsolidated Entities." Collectively, at December 31, 2008, the Company and the Consolidated Entities own a total of 2,002 real estate facilities, consisting of 1,993 self-storage facilities in the U.S., one self-storage facility in London, England and eight commercial facilities in the U.S. At December 31, 2008, the Unconsolidated Entities are comprised of PSB, Shurgard Europe, as well as various limited and joint venture partnerships (referred to as the "Other Investments"). At December 31, 2008, PSB owns approximately 19.6 million rentable square feet of commercial space, Shurgard Europe has interests in 180 self-storage facilities in Europe with 9.5 million net rentable square feet, and the Other Investments own in aggregate 19 self-storage facilities in the U.S. Use of Estimates --------------- The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Income Taxes ------------ For all taxable years subsequent to 1980, the Company has qualified and intends to continue to qualify as a real estate investment trust ("REIT"), as defined in Section 856 of the Internal Revenue Code. As a REIT, we do not incur federal or significant state tax on that portion of our taxable income which is distributed to our shareholders, provided that we meet certain tests. We believe we have met these tests during 2008, 2007, and 2006 and, accordingly, no provision for federal income taxes has been made in the accompanying consolidated financial statements on income produced and distributed on real estate rental operations. Our taxable REIT subsidiaries are subject to regular corporate tax on their taxable income, and such corporate taxes are presented in ancillary cost of operations in our accompanying consolidated statements of income. We also are subject to certain state income taxes, which are presented in general and administrative expense in our accompanying consolidated statements of income. We adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109" ("FIN 48"), on January 1, 2007. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statement in accordance with FASB

Statement 109, "Accounting for Income Taxes", and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosures and transition. Based on our evaluation, we have concluded that there are no significant uncertain tax positions requiring recognition in our financial F-9 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 statements. Our evaluation was performed for the tax years ended December 31, 2005, 2006, 2007 and 2008, the tax years which remain subject to examination by major tax jurisdictions as of December 31, 2008. Financial Instruments --------------------- We have estimated the fair value of our financial instruments using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop estimates of market value. Accordingly, estimated fair values are not necessarily indicative of the amounts that could be realized in current market exchanges. For purposes of financial statement presentation, we consider all highly liquid financial instruments such as short-term treasury securities, money market funds with daily liquidity and a rating in excess of AAA by Standard and Poor's, or investment grade short-term commercial paper with remaining maturities of three months or less at the date of acquisition to be cash equivalents. Any such cash and cash equivalents which are restricted from general corporate use (restricted cash) due to insurance or other regulations, or based upon contractual requirements, are included in other assets. Due to the short period to maturity of our cash and cash equivalents, accounts receivable and other financial instruments included in other assets, and accrued and other liabilities, we believe the carrying values as presented on the consolidated balance sheets are reasonable estimates of fair value. Financial assets that are exposed to credit risk consist primarily of cash and cash equivalents, notes receivable from affiliate, as well as accounts receivable and restricted cash which are included in other assets on our accompanying consolidated balance sheets. Cash and cash equivalents and restricted cash, consisting of short-term investments, including commercial paper, are only invested in investment instruments with an investment grade rating. Accounts receivable are not a significant portion of total assets and are comprised of a large number of individually insignificant customer balances. We have a loan receivable from Shurgard Europe totaling $552,361,000 at December 31, 2008. Although there can be no assurance, we believe that Shurgard Europe has sufficient liquidity and collateral, and we have sufficient creditor rights, such that credit risk is minimal. In addition, we believe the interest rate on the loan approximates the market rate for loans with similar credit characteristics and tenor. Accordingly, we believe the carrying value of the loan approximates fair based on these characteristics and other market data, which represent significant unobservable inputs, which are "Level 3" inputs as the term is utilized in SFAS No. 157, "Fair Value Measurement" (or SFAS No. 157). At December 31, 2008, due primarily to our investment in and loan receivable from Shurgard Europe, our operations and our financial position are affected by fluctuations in the exchange rates between the Euro, and to a lesser extent, other European currencies, against the U.S. Dollar. Real Estate Facilities ---------------------- Real estate facilities are recorded at cost. Costs associated with the acquisition, development, construction, renovation and improvement of properties are capitalized. Interest, property taxes and other costs associated with development incurred during the construction period are capitalized as building cost. Costs associated with the sale of real estate facilities or interests in real estate investments are expensed as incurred. The purchase cost of existing self-storage facilities that we acquire are allocated based upon relative fair value of the land, building and tenant intangible components of the real estate facility. Expenditures for repairs and maintenance are expensed when incurred. Depreciation expense is computed using the straight-line method over the estimated useful lives of the buildings and improvements, which generally range from 5 to 25 years. F-10 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 Other Assets ------------ Other assets primarily consists of prepaid expenses, investments in held-to-maturity debt securities, accounts receivable, interest receivable, restricted cash, merchandise inventory held for sale, as well as trucks and other equipment associated with our ancillary operations. Other assets included a total of $56,714,000 related to Shurgard Europe at December 31, 2007, which we deconsolidated effective March 31, 2008 as described in Note 3. Accrued and Other Liabilities ---------------------------- Accrued and other liabilities consist primarily of real property tax accruals, tenant prepayments of rents, accrued interest payable, and trade payables. They also include losses and loss adjustment liabilities for our own exposures, as well as estimated losses related to our tenant insurance activities, which are not covered by third-party insurance carriers, aggregating $26,724,000 at December 31, 2008 ($26,643,000 at December 31, 2007). In addition, at December 31, 2007, accrued and other liabilities included $100,366,000 related to Shurgard Europe, which we deconsolidated effective March 31, 2008 as described in Note 3.

Goodwill -------- Goodwill represents the excess of acquisition cost over the fair value of net tangible and identifiable intangible assets acquired in business combinations. Each business combination from which our goodwill arose was for the acquisition of single businesses and accordingly, the allocation of our goodwill to our business segments is based directly on such acquisitions. Our goodwill has an indeterminate life. Our goodwill balance of $174,634,000 is reported net of accumulated amortization of $85,085,000 as of December 31, 2008 and 2007 in our accompanying consolidated balance sheets. We evaluate impairment of goodwill annually by comparing the aggregate book value (including goodwill) of each reporting unit to their respective estimated fair value. No impairment of our goodwill was identified in our annual evaluation at December 31, 2008. Intangible Assets ----------------- We acquire finite-lived intangible assets representing primarily the tenants in place (a "Tenant Intangible") at the date of the acquisition of each respective facility, and Tenant Intangibles are amortized relative to the benefit of the tenants in place to each period. At December 31, 2008, our Tenant Intangibles have a net book value of $33,181,000 ($154,921,000 at December 31, 2007), which is net of accumulated amortization of $336,005,000 ($423,788,000 at December 31, 2007). During 2008, our Tenant Intangibles were increased by approximately $4,528,000 due to the impact of changes in foreign currency exchange rates, $1,259,000 in connection with the acquisition of the remaining interest we did not own in certain of the Other Investments (Note 4), and $1,766,000 in connection with the acquisition of self-storage facilities (Note 4). On March 31, 2008, our Tenant Intangibles decreased approximately $78,135,000 due to the deconsolidation of Shurgard Europe, as described more fully in Note 3. Amortization expense of $51,158,000, $247,844,000 and $175,944,000 was recorded for our Tenant Intangibles for the years ended December 31, 2008, 2007 and 2006, respectively. The estimated future amortization expense for our finite-lived intangible assets is as follows: 2009 $ 4,928,000 2010 2,742,000 2011 2,430,000 2012 2,350,000 2013 2,232,000 2014 and beyond 18,499,000 ---------------- $ 33,181,000 ================ F-11 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 We also have an intangible representing the value of the "Shurgard" trade name, which is used by Shurgard Europe pursuant to a licensing agreement described more fully in Note 3, with a book value of $18,824,000 at December 31, 2008 and 2007. The Shurgard trade name has an indefinite life and, accordingly, we do not amortize this asset but instead analyze it on an annual basis for impairment. No impairments were noted from our evaluations in any periods presented in these accompanying consolidated financial statements. Evaluation of Asset Impairment ----------------------------- We evaluate our real-estate and Tenant Intangibles for impairment on a quarterly basis. We first evaluate these assets for indicators of impairment, and if any indicators of impairment are noted, we determine whether the carrying value of such assets is in excess of the future estimated undiscounted cash flows attributable to these assets. If there is excess carrying value over such future undiscounted cash flows, an impairment charge is booked for the excess of carrying value over the assets' estimated fair value. Any long-lived assets which we expect to sell or otherwise dispose of prior to their estimated useful life are stated at the lower of their estimated net realizable value (less cost to sell) or their carrying value. No impairment was identified from our evaluations in any periods presented in the accompanying consolidated financial statements. Revenue and Expense Recognition ------------------------------ Rental income, which is generally earned pursuant to month-to-month leases for storage space, as well as late charges and administrative fees, are recognized as earned. Promotional discounts are recognized as a reduction to rental income over the promotional period, which is generally during the first month of occupancy. Ancillary revenues and interest and other income is recognized when earned. Equity in earnings of real estate entities is recognized based on our ownership interest in the earnings of each of the Unconsolidated Entities. We accrue for property tax expense based upon actual amounts billed for the related time periods and, in some circumstances due to taxing authority assessment timing and disputes of assessed amounts, estimates and historical trends. If these estimates are incorrect, the timing and amount of expense recognition could be affected. Cost of operations, general and administrative expense, interest expense, as well as television, yellow page, and other advertising expenditures are expensed as incurred. Casualty losses or gains are recognized in the period the casualty occurs, based upon the differential between the book value of assets destroyed and estimated insurance proceeds, if any, that we expect to receive in accordance with our insurance contracts. Foreign Currency Exchange Translation ------------------------------------ The local currency is the functional currency for the foreign operations for which we have an interest. Assets and liabilities included on our consolidated balance sheet, including our equity investment in Shurgard Europe, are translated at end-of-period exchange rates, while revenues, expenses, and equity in earnings of the related real estate entities, are translated at the average exchange rates in effect during the period. The Euro, which represents the functional currency used by a majority of the foreign operations for which we have an interest, was translated at an end-of-period exchange rate of approximately 1.409 U.S. Dollars per Euro at December 31, 2008 (1.472 at December 31, 2007), and average exchange rates of 1.470 and 1.370 for the years ended December 31, 2008 and 2007, respectively. Equity is translated at historical rates and the resulting cumulative translation adjustments, to the extent not included in net income, are included as a component of accumulated other comprehensive income (loss) until the translation adjustments are realized. See "Other Comprehensive Income" below for further information regarding our foreign currency translation gains and losses. F-12 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 Fair Value Accounting --------------------- In 2006, the FASB issued SFAS No. 157. SFAS No. 157 expands required fair value disclosures, whenever other accounting standards require or permit fair value measurements, including the information used to measure fair value, and the effect of fair value measurements on earnings. SFAS No. 157 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, and establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The Company adopted SFAS No. 157 on January 1, 2008, which had no effect on our financial position, operating results or cash flows. Loan Receivable from Shurgard Europe ----------------------------------- As of December 31, 2008, we had a loan receivable from Shurgard Europe totaling $552,361,000 ($561,182,000 at December 31, 2007, which was eliminated in consolidation). Effective March 31, 2008, as a result of the disposition of an interest in Shurgard Europe (see Note 3), Shurgard Europe is no longer consolidated, accordingly, the loan is no longer eliminated in consolidation. In connection with the disposition, the terms of the loan were modified and the balance was increased by approximately (euro)10,529,000 ($16,626,000) on March 31, 2008 due to the conversion of a portion of our equity investment into intercompany debt. The loan bears interest at a fixed rate of 7.5% per annum, and has an initial term of one year expiring March 31, 2009, and an additional one year extension at Shurgard Europe's option. In addition, if Shurgard Europe acquires its partner's interests in First Shurgard and Second Shurgard (collectively, the "Existing European Joint Ventures"), joint ventures in which Shurgard Europe has a 20% interest, and is unable to obtain third-party financing, we have agreed to provide additional loans to Shurgard Europe, under the same terms as the existing loans, for up to (euro)305 million ($429.9 million as of December 31, 2008) for the acquisition. Shurgard Europe has no obligation to acquire these interests, and the acquisition of these interests is contingent on a number of items, including whether we assent to the acquisition. In February 2009, Shurgard Europe exercised their option to extend the existing loan and the (euro)305 million commitment through March 31, 2010. The loan receivable from Shurgard Europe is denominated in Euros and is converted to U.S. Dollars on our balance sheet. During each applicable period, because we have expected repayment within two years of each respective balance sheet date, we have been recognizing foreign exchange rate gains or losses as a result of changes in exchange rates between the Euro and the U.S. Dollar during each period in 2008 and 2007. For the period from April 1, 2008 through December 31, 2008, we recorded interest income of approximately $17,859,000 related to the loan. The $17,859,000 in interest income reflects the gross amount charged to Shurgard Europe totaling $35,020,000 less our portion totaling $17,161,000 which is reflected as equity in earnings of real estate entities rather than interest and other income. Other Comprehensive Income -------------------------- We reflect other comprehensive income (loss) for our pro-rata share of currency translation adjustments related to the foreign operations for which we have an interest that is not already recognized in our net income. Such other comprehensive income (loss) is reflected as a direct adjustment to "Accumulated Other Comprehensive Income" in the equity section of our consolidated balance sheet, and is added to our net income in determining total comprehensive income for the period. F-13 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 The following table reflects the components of our other comprehensive (loss) income, and our total comprehensive income, for each respective period: For the Year Ended December 31, -- 2008 2007 2006 ------------- ------------ ------------ (Amounts in thousands) Net income............................... $ 935,176 $ 457,535 $ 314,026 Other comprehensive income (loss): Aggregate foreign currency translation adjustments for the period.......... (69,504) 89,180 23,591 Less: foreign currency translation adjustments recognized during the period and reflected in "Gain on disposition of an interest in Shurgard Europe" (Note 3)........... (37,854) - - Less: foreign currency translation adjustments reflected in net income as "Foreign currency loss (gain)"... 25,362 (58,444) (4,262) ------------- ------------- ------------- Other comprehensive (loss) income for the period............................. (81,996) 30,736 19,329 ------------- ------------- ------------- Total comprehensive income............... $ 853,180 $ 488,271 $ 333,355 ============= ============= ============= Discontinued Operations ---------------------- We segregate all of our disposed facilities that have operations that can be distinguished from the rest of the Company (generally, complete self-storage, commercial or containerized storage facilities) and will be eliminated from the ongoing operations of the Company, due to a sale or facility closure. Net Income per Common Share -------------------------- In computing net income allocated to our common shareholders, we first allocate net income to our preferred shareholders to arrive at net income allocable to our common shareholders. Net income allocated to preferred shareholders includes dividends declared (or accumulated), in addition to any excess of the cash required to redeem any preferred securities in the period over the net proceeds from the original issuance of the securities (or, if securities are redeemed for less than the original issuance proceeds, income allocated to preferred shareholders is reduced.) The remaining net income is allocated among our regular common shares and our Equity Shares, Series A based upon the dividends declared (or accumulated) for each security in the period, combined with each security's rights to earnings (or losses) that were not distributed to shareholders. Basic net income per share is computed using the weighted average common shares outstanding. Diluted net income per share is computed using the weighted average common shares outstanding, adjusted for the impact, if dilutive, of stock options and restricted share units outstanding (Note 10). There were no securities outstanding which would have had an anti-dilutive effect upon earnings per common share in each of the three years ended December 31, 2008. F-14 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 The following table reflects the components of our earnings per share for each respective period: For the Year Ended December 31, --- 2008 2007 2006 ------------- ------------- -------------- Earnings Per Share: Net income.. $ 935,176 $ 457,535 $ 314,026 Less net income allocated to preferred shareholders: Based on distributions paid................................. (239,721) (236,757) (214,218) Allocation of income from (to) preferred shareholders based on redemptions of preferred shares (application of EITF Topic D-42) 33,851 - (31,493) ------------- ------------- -------------- Total net income allocated to preferred shareholders............. (205,870) (236,757) (245,711) ------------- ------------- -------------- Total net income allocable to common shareholders............... $ 729,306 $ 220,778 $ 68,315 ============= ============= ============== Allocation of net income to common shareholders by class: Net income allocable to shareholders of the Equity Shares, Series A... $ 21,199 $ 21,424 $ 21,424 Net income allocable to common shareholders............... 708,107 199,354 46,891 ------------- ------------- -------------- $ 729,306 $ 220,778 $ 68,315 ============= ============= ============== Weighted average common shares and equivalents outstanding: Basic weighted average common shares outstanding............. 168,250 169,342 142,760 Net effect of dilutive stock options - based on treasury stock method using average market price........................... 633 805 955 ------------- ------------- -------------- Diluted weighted average common shares outstanding........... 168,883 170,147 143,715 ============= ============= ============== Basic earnings per common and common equivalent share (a)........ $ 4.21 $ 1.18 $ 0.33 ============= ============= ============== Diluted earnings per common and common equivalent share (a)...... $ 4.19 $ 1.17 $ 0.33 ============= ============= ============== (a) See "Net Income per Common Share" above and the underlying discussion on Emerging Issues Task Force Topic D-42. 3. Disposition of an Interest in Shurgard Europe -- On March 31, 2008, an institutional investor acquired a 51% interest in Shurgard European Holdings LLC, a newly formed Delaware limited liability company and the holding company for Shurgard Europe ("Shurgard Holdings"). Public Storage owns the remaining 49% interest and is the managing member of Shurgard Holdings. In exchange for the 51% interest in Shurgard Holdings, the investor paid Shurgard Holdings an aggregate of $613,201,000, comprised of approximately (euro)383,200,000 ($605,627,000) received on March 31, 2008 and, on June 20, 2008, an additional (euro)4,797,000 ($7,574,000) was received, representing the operating results (as defined) generated by Shurgard Europe during the three months ended March 31, 2008. In connection with the disposition, the loan receivable from Shurgard Europe to Public Storage was modified (see Note 2 under "Loan Receivable from Shurgard Europe"). Based upon the provisions of Statement of Financial Accounting Standards No. 66 ("FAS 66"), we have determined that this transaction constitutes the partial disposition of an interest in Shurgard Europe that is eligible for full profit recognition. We have evaluated the governing documents, capitalization, and other risk-sharing and voting characteristics of Shurgard Holdings and determined that it does not represent a variable interest entity in accordance with the provisions of FASB Interpretation No. 46R, "Consolidation of Variable Interest Entities - An Interpretation of ARB No. 51" ("FIN 46R"). F-15 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 The provisions of Emerging Issues Task Force 04-5, "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or

Similar Entity When the Limited Partners Have Certain Rights," indicate there is a presumption that the managing member of a limited liability company controls the company, unless the other member has substantive "participating" or "kick-out" rights as those terms are defined in the accounting standard. Even though we are the managing member, based upon the terms of the governing documents of Shurgard Holdings, the institutional investor shares with us the decision-making authority with respect to a) the significant operating, capital, and investing decisions of Shurgard Europe, including the establishment of annual budgets, and b) the level of compensation of, and replacement and selection of Shurgard Europe's senior operating officers. As a result, we have concluded that the institutional investor has substantive participating rights and, accordingly, we do not control Shurgard Europe. Therefore, we have deconsolidated the operations of Shurgard Europe effective March 31, 2008. As a result of the deconsolidation of Shurgard Europe, our investment in real estate entities increased by $588,801,000, representing our net investment in Shurgard Europe at March 31, 2008 immediately before the transaction. The following adjustments were made to our consolidated balance sheet to reflect the deconsolidation of our investment in Shurgard Europe as of March 31, 2008 (amounts in thousands): Total ------------- Real estate facilities, net................ $(1,693,524) Construction in progress................... (10,886) Intangible assets.......................... (78,135) Cash....................................... (34,588) Loan receivable from Shurgard Europe........ 618,822 Other assets............................... (68,486) Notes payable.............................. 424,995 Accrued and other liabilities.............. 104,100 Minority interest - other partnership interests.................................. 148,901 ------------- $(588,801) ============= Our net proceeds from the transaction aggregated $609,059,000, comprised of $613,201,000 paid by the institutional investor less $4,142,000 in legal, accounting, and other expenses incurred in connection with the transaction. As a result of the disposition, we recognized a gain of $306,831,000, representing the difference between the net proceeds received and the portion of our investment sold. In addition, as a result of our disposition of this interest, a portion of the cumulative currency exchange gains we had previously recognized in Other Comprehensive Income with respect to Shurgard Europe was realized. Accordingly, we recognized a cumulative currency exchange gain of $37,854,000, representing 51% (the portion of Shurgard Europe that was sold) of the cumulative currency exchange gain previously included in Other Comprehensive Income. The gain upon disposition of $306,831,000 and associated realized currency exchange gain totaling $37,854,000 are both included in the gain on disposition of an interest in Shurgard Europe of $344,685,000 in our consolidated statement of income for year ended December 31, 2008. The results of operations of Shurgard Europe have been included in our consolidated statements of income for the three months ended March 31, 2008 and years ended December 31, 2007 and 2006 (since the Shurgard Merger date of August 22, 2006). Commencing April 1, 2008, our pro rata share of operations of Shurgard Europe are reflected on our consolidated income statement under equity in earnings of real estate entities. See Note 5, "Investment in Shurgard Europe" for further analysis of our earnings from Shurgard Europe for the year ended December 31, 2008. F-16 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 4. Real Estate Facilities --------------------- Activity in real estate facilities during 2008, 2007 and 2006 is as follows: 2008 2007 2006 -------------- ------------- --------------- (Amounts in thousands) Operating facilities, at cost: Beginning balance..................................... $ 11,658,807 $ 11,261,865 $ 5,930,484 Capital improvements.................................. 76,311 69,102 79,326 Acquisition of real estate facilities from third parties 40,092 71,258 103,544 Newly developed facilities opened for operations........ 93,416 156,751 161,131 Consolidation of real estate entities .... - 14,604 22,459 Deconsolidation of real estate entities................ - (42,473) - Acquisition of interests in the other investments (Note 5) 12,840 - - Acquired in Shurgard Merger........................... - - 4,887,507 Disposition of an interest in Shurgard Europe (Note 3).. (1,766,122) - - Disposition of real estate facilities.................. (1,522) (4,202) (7,405) Acquisition of minority interests (Note 10)............ - - 50,123 Impact of foreign exchange rate changes................ 93,200 131,902 34,696 --------------- ------------- --------------- Ending balance.. 10,207,022 11,658,807 11,261,865 --------------- ------------- --------------- Accumulated depreciation: Beginning balance..................................... (2,128,225) (1,754,362) (1,500,128) Depreciation expense.................................. (347,895) (371,665) (255,615) Disposition of an interest in Shurgard Europe (Note 3).. 72,598 - - Deconsolidation of real estate entities................ - 1,064 - Disposition of real estate facilities.................. 328 1,184 1,381 Impact of foreign exchange rate changes................ (2,279) (4,446) - --------------- ------------- --------------- Ending balance.. (2,405,473) (2,128,225) (1,754,362) --------------- ------------- --------------- Construction in process: Beginning balance..................................... 51,972 83,900 57,114 Current development (includes $1,998, $4,746, and $2,716 in capitalized interest for 2008, 2007, and 2006, respectively)...................................... 74,611 122,320 110,868 Newly developed facilities opened for operation......... (93,416) (156,751) (161,131) Acquired in Shurgard Merger............................ - - 91,000 Disposition of an interest in Shurgard Europe (Note 3).. (10,886) - - Write off of development costs......................... (2,898) (2,120) (10,354) Disposition of real estate facilities.................. - - (4,970) Impact of foreign exchange rate changes............... 957 4,623 1,373 -------------- ------------- --------------- Ending balance....................................... 20,340 51,972 83,900 -------------- ------------- --------------- Total real estate facilities............................ $ 7,821,889 $ 9,582,554 $ 9,591,403 =============== ============== ================ During 2008, we completed two newly developed facilities at a total cost of $13,431,000, as well as various expansion projects at a total cost of $39,972,000 and one expansion project in London, England at a total cost of $6,550,000. During 2008, we acquired four self-storage facilities in the U.S. from third parties for an aggregate cost of $41,858,000, consisting of $31,608,000 in cash and assumed mortgage debt totaling $10,250,000. The aggregate cost was allocated $40,092,000 to real estate facilities and $1,766,000 to intangibles, based upon the estimated relative fair values of the land, buildings and intangibles. We also acquired in 2008 the remaining interests that we did not own in three facilities previously owned by the Unconsolidated Entities for an aggregate cost of $14,099,000, consisting of $11,961,000 in cash and $2,138,000 of existing investments. The aggregate cost was allocated $12,840,000 to real estate facilities and $1,259,000 to intangibles, based upon the estimated relative fair value of the land, buildings and intangibles. F-17 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 Also in the three months ended March 31, 2008, prior to its deconsolidation, Shurgard Europe completed three development projects in Europe at a total cost of $33,463,000. During 2007, we completed three development and various expansion projects in the U.S. at a total cost of $66,676,000. Also in 2007, we completed nine development projects in Europe which in aggregate at a total cost of $90,075,000. During 2007, we acquired seven self-storage facilities in the U.S. from third parties for an aggregate cost of $72,787,000, in cash; $71,258,000 was allocated to real estate facilities and $1,529,000 was allocated to intangibles, based upon the estimated relative fair values of the land, buildings and intangibles. Construction in process at December 31, 2008 includes the development costs relating to expansions to existing self-storage facilities. Approximately $6.8 million (unaudited) in remaining costs are expected to complete these projects. During 2008, 2007, and 2006, we received net proceeds from partial or complete facility disposal transactions (primarily condemnation proceedings) totaling $2,227,000, $8,708,000, and $14,545,000, respectively. Aggregate gains on disposition were $1,283,000, $5,690,000, and $3,551,000 in 2008, 2007, and 2006, respectively, of which nil, $4,336,000, and $1,374,000 in such gains were included in discontinued operations. In addition, $250,000, representing the book value of assets destroyed, was included in the income statement line-item "caualty loss". At December 31, 2008, the adjusted basis of real estate facilities for federal tax purposes was approximately $7.5 billion (unaudited). 5. Investments in Real Estate Entities ---------------------------------- During 2008, 2007, and 2006, we recognized earnings from our investments in real estate entities of $20,391,000, $12,738,000, and $11,895,000, respectively, and received cash distributions from such investments, totaling $43,455,000, $23,606,000, and $17,699,000, respectively. During 2008, we disposed of one of the Other Investments in exchange for an other asset valued at $5,300,000, and recorded a loss of disposition of real estate investments for a total of $9,423,000. During 2008, in addition to the impact of earnings recognized and cash distributions received, our investments in real estate entities increased by $260,919,000, net, due to (i) the deconsolidation of Shurgard Europe which increased our investment by $286,573,000 and (ii) additional investments in Shurgard Europe totaling $54,702,000, offset by decreases due to (iii) foreign currency translation adjustments totaling $63,495,000, (iv) $2,138,000 due to the acquisition of the remaining interests that we did not own in certain of the Other Investments and (v) a $14,723,000 reduction due to disposal of an investment in 2008. The following table sets forth our investments in the real estate entities at December 31, 2008 and 2007, and our equity in earnings of real estate entities for each of the three years ended December 31, 2008 (amounts in thousands): Investments in Real Estate Equity in Earnings of Real Estate Entities Entities at December 31, for the Year Ended December 31, --------------------------- -- 2008 2007 2008 2007 2006 ------------- ------------ ------------ ------------ -------------- PSB $ 265,650 $ 273,717 $ 14,325 $ 10,502 $ 9,764 Shurgard Europe............... 264,145 - 4,134 - - Other Investments............. 14,803 33,026 1,932 2,236 2,131 ------------- ------------ ------------ ------------ -------------- Total..................... $ 544,598 $ 306,743 $ 20,391 $ 12,738 $ 11,895 ============== =========== =========== ============ ============== F-18 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 Investment in PSB ----------------- PSB is a REIT traded on the New York Stock Exchange, which controls an operating partnership (collectively, the REIT and the operating partnership are referred to as "PSB"). At December 31, 2008, PSB owned and operated approximately 19.6 million net rentable square feet of commercial space and manages certain of our commercial space. We have a 46% common equity interest in PSB as of December 31, 2008 comprised of our ownership of 5,418,273 shares of PSB's common stock and 7,305,355 limited partnership units in the operating partnership. The limited partnership units are convertible at our option, subject to certain conditions, on a one-for-one basis into PSB common stock. Based upon the closing price at December 31, 2008 ($44.66 per share of PSB common stock), the shares and units had a market value of approximately $568.2 million as compared to a book value of $265.7 million. The following table sets forth selected financial information of PSB; the amounts represent 100% of PSB's balances and not our pro-rata share. 2008 2007 2006 --------------- -------------- ---------------- (Amounts in thousands) For the year ended December 31, ------------------------------ Total revenue...................................... $ 284,231 $ 271,499 $ 242,839 Costs of operations and other operating expenses..... (96,541) (92,277) (81,717) Depreciation and amortization....................... (99,848) (98,521) (86,216) Discontinued operations, minority interest, and other items... (17,798) (12,035) (10,326) --------------- -------------- ---------------- Net income....................................... $ 70,044 $ 68,666 $ 64,580 =============== =============== ================= 2008 2007 -------------- -------------- (Amounts in thousands) At December 31, -------------- Total assets (primarily real estate)................ $ 1,469,323 $ 1,516,583 Debt and other liabilities.......................... 105,736 111,783 Equity and minority interests....................... 1,363,587 1,404,800 Investment in Shurgard Europe ---------------------------- At December 31, 2008 we had a 49% equity investment in Shurgard Europe. As a result of our disposition of an interest in Shurgard Europe, we deconsolidated Shurgard Europe effective March 31, 2008 (see Note 3). For the period of April 1, 2008 through December 31, 2008, we recorded an aggregate of $4,134,000 in equity in earnings of real estate entities with respect to our investment in Shurgard Europe. During the year ended December 31, 2008, our investment in Shurgard Europe was decreased by approximately $63,495,000 due to the impact of changes in foreign currency exchange rates, primarily between the Euro and the U.S. Dollar. The following table sets forth selected financial information of Shurgard Europe. These amounts are based upon 100% of Shurgard Europe's balances, rather than our pro rata share and are based upon Public Storage's historical acquired book basis. F-19 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 Amounts for all periods are presented, notwithstanding that Shurgard Europe was deconsolidated effective March 31, 2008. Accordingly, all amounts (net of intercompany eliminations) prior to April 1, 2008 are included in our consolidated financial statements. For the Year Ended December 31, ------------------------------- 2008 2007 ------------- ------------ (Amounts in thousands) Self-storage and ancillary revenues................. $ 238,842 $ 209,997 Interest and other income........................... 1,192 704 Self-storage and ancillary cost of operations........ (102,658) (96,875) Trademark license fee payable to Public Storage...... (1,894) - Depreciation and amortization....................... (93,915) (123,546) General and administrative.......................... (16,098) (20,291) Interest expense on third party debt .... (23,937) (22,242) Interest expense on loan payable to Public Storage... (45,528) (38,733) Income (expenses) from foreign currency exchange..... (4,214) 286 Discontinued operations............................. (131) (1,081) Minority interest, including $12,752 and $11,513 in depreciation and amortization expense for the years ended December 31, 2008 and 2007, respectively.................................... 10,217 9,389 ------------- ------------ Net loss.. $ (38,124) $ (82,392) ============= ============ At December 31, At December 31, 2008 2007 -------------- -------------- (Amounts in thousands) Total assets (primarily storage facilities).......... $ 1,521,172 $ 1,774,037 Total debt to third parties......................... 362,352 384,045 Total debt to Public Storage........................ 552,361 561,182 Other liabilities.................................. 82,247 95,444 Equity... 524,212 733,366 Our equity in earnings of Shurgard Europe for the year ended December 31, 2008, totaling $4,134,000 is comprised of (i) a loss of $13,640,000, representing our share of Shurgard Europe's $27,836,000 net loss since March 31, 2008 and (ii) income of $17,161,000 and $613,000, respectively, representing our share of the interest income and trademark license fees received from Shurgard Europe since March 31, 2008 (such amounts are presented as equity in earnings of real estate entities rather than interest and other income). Other Investments ---------------- At December 31, 2008, other investments include an aggregate common equity ownership of approximately 24% in entities that collectively own 19 self-storage facilities. F-20 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 The following table sets forth certain condensed financial information (representing 100% of these entities' balances and not our pro-rata share) with respect to the 19 facilities that we have an interest in at December 31, 2008: 2008 2007 2006 ----------

----------- ----------- (Amounts in thousands) For the year ended December 31, Total revenue....................... $ 17,154 $ 16,421 $ 15,986 Cost of operations and other expenses (6,159) (6,173) (6,120) Depreciation and amortization........ (2,023) (1,890) (1,755) ---------- ----------- ----------- Net income...................... $ 8,972 $ 8,358 $ 8,111 ========== =========== =========== 2008 2007 ------------ ------------ (Amounts in thousands) At December 31, Total assets (primarily self-storage facilities)..................... $ 40,168 $ 38,250 Total accrued and other liabilities. 888 299 Total Partners' equity............. 39,280 37,951 6. Notes Payable and Line of Credit The carrying amounts of our notes payable at December 31, 2008 and 2007 consist of the following (dollar amounts in thousands): December 31, 2008 December 31, 2007 ---------------------------- ------------------------- Carrying Fair Carrying Fair amount value (a) amount value (a) ------------- ------------- ------------ ------------ Unsecured Notes Payable: 5.875% effective and stated note rate, interest only and payable semi-annually, matures in March 2013.......................... $ 200,000 $ 197,995 $ 200,000 $ 199,435 5.73% effective rate, 7.75% stated note rate, interest only and payable semi-annually, matures in February 2011 (carrying amount includes $7,433 of unamortized premium at December 31, 2008) .... 207,433 208,903 210,905 216,700 Secured Notes Payable: 5.47% average effective rate fixed rate mortgage notes payable, secured by 90 real estate facilities with a net book value of $579,517 at December 31, 2008 and stated note rates between 4.95% and 8.75%, maturing at varying dates between January 2009 and August 2015 (carrying amount includes $5,634 of unamortized premium at December 31, 2008) .... 236,378 243,638 236,897 244,721 Joint Venture debt... - - 38,081 38,081 Shurgard Europe debt.. - - 384,045 384,045 ------------- ------------- ------------ ------------ Total notes payable...................................... $ 643,811 $ 650,536 $ 1,069,928 $1,082,982 ============= ============= =========== ============ (a) Fair values are determined based upon discounting the future cash flows under each respective note at an interest rate that approximates those of loans with similar credit characteristics, term to maturity, and other market data which represent significant unobservable inputs, which are "Level 3" inputs as the term is utilized in SFAS No. 157. F-21 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 When assumed in connection with property or other acquisitions, notes payable are recorded at their respective estimated fair values upon acquisition, based upon discounting the future interest and principal payments using estimated market rates for debt instruments with similar terms and ratings. Any initial premium or discount, representing the difference between the stated note rate and estimated fair value on the respective date of assumption, is amortized over the remaining term of the notes using the effective interest method. During the year ended December 31, 2008, we assumed mortgage debt totaling $10,250,000 in connection with the acquisition of a real estate facility. This mortgage debt had a stated note balance of $9,776,000, and we recorded a premium, representing the differential between the fair value of the mortgage note and the stated note balance of $474,000. In addition, one of the Consolidated Entities obtained a fixed rate loan for $12,750,000 during the year ended December 31, 2008. The Joint Venture debt represented the equity interest held by a third-party investor in a partnership which acquired exisiting real estate facilities from us, and because of our contractual right to acquire the interest and our intent and ability to do so, the equity interest was accounted for as in-substance debt financing. We exercised our contractual right to acquire this interest on July 21, 2008 and thereby extinguished this debt. Shurgard Europe's debt at December 31, 2007 was comprised primarily of debt held by joint ventures in which it had a 20% equity interest. On March 31, 2008, we deconsolidated Shurgard Europe and, as a result, the related notes payable are no longer included in our consolidated balance sheet. At December 31, 2008, we have a five-year revolving credit agreement (the "Credit Agreement") which expires on March 27, 2012, with an aggregate limit with respect to borrowings and letters of credit of $300 million. Amounts drawn on the Credit Agreement bear an annual interest rate ranging from the London Interbank Offered Rate ("LIBOR") plus 0.35% to LIBOR plus 1.00% depending on our credit ratings (LIBOR plus 0.35% at December 31, 2008). In addition, we are required to pay a quarterly facility fee ranging from 0.10% per annum to 0.25% per annum depending on our credit ratings (0.10% per annum at December 31, 2008). We had no outstanding borrowings on our Credit Agreement at December 31, 2007, December 31, 2008 or at March 2, 2009. At December 31, 2008, we had undrawn standby letters of credit, which reduce our borrowing capability with respect to our line of credit by the amount of the letters of credit, totaling $17,736,000 ($20,408,000 at December 31, 2007). Our notes payable and our Credit Agreement each have various customary restrictive covenants, all of which have been met at December 31, 2008. At December 31, 2008, approximate principal maturities of our notes payable are as follows (amounts in thousands): Unsecured Mortgage Notes Notes Payable Payable Total --------------- --------------- ----------- 2009........................ $ 3,600 $ 9,130 $ 12,730

2010........................ 3,833 11,037 14,870 2011........................ 200,000 27,819 227,819 2012........................ - 55,575 55,575 2013........................ 200,000 64,976 264,976 Thereafter.................. - 67,841 67,841 --------------- --------------- ------------ $ 407,433 $ 236,378 $ 643,811 =============== =============== ============ Weighted average effective rate 5.8% 5.5% 5.7% =============== =============== ============ See Note 15, "Subsequent Events," for further information regarding our cash tender offer for our Unsecured Notes Payable. F-22 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 We incurred interest expense (including interest capitalized as real estate) with respect to our notes payable, capital leases, debt to joint venture partner and line of credit aggregating $45,942,000, $68,417,000 and $35,778,000 for the years ended December 31, 2008, 2007 and 2006, respectively. These amounts were comprised of $50,977,000, $73,278,000 and $38,887,000 in cash paid for the years ended December 31, 2008, 2007 and 2006, respectively, less $5,035,000, $4,861,000 and $3,109,000 in amortization of premium, respectively. 7. Minority Interest ----------------- In consolidation, we classify ownership interests in the net assets of each of the Consolidated Entities, other than our own, as minority interest in the consolidated financial statements. Minority interest in income consists of the minority interests' share of the operating results of the Consolidated Entities. The following table sets forth our minority interests at December 31, 2008 and 2007, as well as the income allocated to minority interests for the three years ended December 31, 2008: Minority interest at Minority interest in income for the year ended --------------------------- -- December 31, December 31, December 31, December 31, December 31, Description of Minority Interest 2008 2007 2008 2007 2006 --------------------------------- ------------ ------------ --------------- -------------- -------------- (Amounts in thousands) Preferred partnership interests.. $ 325,000 $ 325,000 $ 21,612 $ 21,612 $ 19,055 Shurgard Europe's Joint Ventures. - 140,385 (2,142) (9,389) (3,631) PS Officers' European Investment. - 3,520 (111) (196) - Other Minority Interests .... 39,417 37,783 19,337 17,516 16,459 ------------ ------------ -------------- -------------- -------------- Total Minority Interests......... $ 364,417 $ 506,688 $ 38,696 $ 29,543 $ 31,883 ============ ============ ============== ============== ============== Distributions paid to minority interests for the years ended December 31, 2008, 2007 and 2006 were $39,328,000, $41,659,000 and $35,355,000, respectively. In addition to the impact of income recognized and distributions paid, minority interests increased $7,249,000, $9,740,000 and $3,905,000 as a result of the impact of foreign currency translation in the years ended December 31, 2008, 2007 and 2006, respectively. Preferred Partnership Interests ------------------------------ At December 31, 2008 and 2007, our preferred partnership units outstanding were comprised of 8,000,000 units of our 6.400% Series NN ($200,000,000 carrying amount, redeemable March 17, 2010), 1,000,000 units of our 6.250% Series Z ($25,000,000 carrying amount, redeemable October 12, 2009), and 4,000,000 units of our 7.250% Series J ($100,000,000 carrying amount, redeemable May 9, 2011). Subject to certain conditions, the Series NN preferred units are convertible into our 6.40% Series NN Cumulative Preferred Shares of beneficial interest, the Series Z preferred units are convertible into our 6.25% Series Z Cumulative Preferred Shares of beneficial interest and the Series J preferred units are convertible into our 7.25% Series J Cumulative Preferred Shares of beneficial interest. The holders of the Series Z preferred partnership units have a one-time option exercisable on October 12, 2009 to require us to redeem their units for $25,000,000 in cash, plus any unpaid distribution. F-23 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 Shurgard Europe's Joint Ventures -------------------------------- Shurgard Europe has a 20% equity interest in two joint venture entities which developed self-storage facilities in Europe, and which we determined to be VIE's, with Shurgard Europe as the primary beneficiary. The remaining 80% equity interest in these entities is owned by an unaffiliated investor. On March 31, 2008, Shurgard Europe was deconsolidated (see Note 3), reducing these minority interests by $145,492,000 at March 31, 2008. See Note 5 under "Investment in Shurgard Europe" for further historical information regarding Shurgard Europe, including historical income allocated to these minority interests. PS Officers' Europe Investment ----------------------------- In 2007, we sold an approximately 0.6% common equity interest in Shurgard Europe to various officers of the Company (the "PS Officers"), other than our chief executive officer. The aggregate sales price was $4,909,000 and was based upon the pro rata net asset value computed using, among other sources, information provided by an independent third party appraisal firm of the net asset value of Shurgard Europe as of March 31, 2007. In connection with the sale, we recorded a gain of $1,194,000 during 2007, representing the excess of the sales proceeds over the book value of the interests sold. For periods commencing from the sale of the interest through March 31, 2008, the PS Officers' pro rata share of the earnings of Shurgard Europe are reflected in minority interest in income. As described in Note 3, on March 31, 2008, we deconsolidated Shurgard Europe and, as a result, minority interest was reduced by $3,409,000 with respect to the PS Officers' investment. See Note 5 under "Investment in Shurgard Europe" for further historical information regarding Shurgard Europe. Other Minority Interests ----------------------- At December 31, 2008, the Other Minority Interests consist of interests that we do not own in 33 entities (generally partnerships) that own in aggregate 177 self-storage facilities. We estimate the fair value of the Other Minority Interests of $240 million at December 31, 2008, based upon our estimate of the fair value of the underlying net assets (principally real estate assets), applying the related liquidation provisions of the related partnership agreements. 8. Shareholders' Equity ------------------- Cumulative Preferred Shares -------------------------- At December 31, 2008 and 2007, we had the following series of Cumulative Preferred Shares of beneficial interest outstanding: F-24 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 At December 31, 2008 At December 31, 2007 ------------------------ -------------------------- Earliest Redemption Dividend Shares Liquidation Shares Liquidation Series Date Rate Outstanding Preference Outstanding Preference ---------------- ------------- ---------- ----------- ------------ ----------- ------------- (Dollar amounts in thousands) Series V 9/30/07 7.500% 6,900 $ 172,500 6,900 $ 172,500 Series W 10/6/08 6.500% 5,300 132,500 5,300 132,500 Series X 11/13/08 6.450% 4,800 120,000 4,800 120,000 Series Y 1/2/09 6.850% 750,900 18,772 1,600,000 40,000 Series Z 3/5/09 6.250% 4,500 112,500 4,500 112,500 Series A 3/31/09 6.125% 4,600 115,000 4,600 115,000 Series B 6/30/09 7.125% 4,350 108,750 4,350 108,750 Series C 9/13/09 6.600% 4,600 115,000 4,600 115,000 Series D 2/28/10 6.180% 5,400 135,000 5,400 135,000 Series E 4/27/10 6.750% 5,650 141,250 5,650 141,250 Series F 8/23/10 6.450% 10,000 250,000 10,000 250,000 Series G 12/12/10 7.000% 4,000 100,000 4,000 100,000 Series H 1/19/11 6.950% 4,200 105,000 4,200 105,000 Series I 5/3/11 7.250% 20,700 517,500 20,700 517,500 Series K 8/8/11 7.250% 16,990 424,756 18,400 460,000 Series L 10/20/11 6.750% 8,267 206,665 9,200 230,000 Series M 1/9/12 6.625% 19,065 476,634 20,000 500,000 Series N 7/2/12 7.000% 6,900 172,500 6,900 172,500 ----------- ------------- ------------ ------------ Total Cumulative Preferred Shares 887,122 $ 3,424,327 1,739,500 $ 3,527,500 =========== ============= ============ ============= The holders of our Cumulative Preferred Shares have general preference rights with respect to liquidation and quarterly distributions. Holders of the preferred shares, except under certain conditions and as noted below, will not be entitled to vote on most matters. In the event of a cumulative arrearage equal to six quarterly dividends or failure to maintain a Debt Ratio (as defined) of 50% or less, holders of all outstanding series of preferred shares (voting as a single class without regard to series) will have the right to elect two additional members to serve on our Board of Trustees until events of default have been cured. At December 31, 2008, there were no dividends in arrears. Except under certain conditions relating to the Company's qualification as a REIT, the Cumulative Preferred Shares are not redeemable prior the dates indicated on the table above. On or after the respective dates, each of the series of Cumulative Preferred Shares will be redeemable, at the option of the Company, in whole or in part, at $25.00 per share (or depositary shares as the case may be), plus accrued and unpaid dividends. Holders of the Cumulative Preferred Shares do not have the right to require the Company to redeem such shares. Upon issuance of our Cumulative Preferred Shares of beneficial interest, we classify the liquidation value as preferred equity on our consolidated balance sheet with any issuance costs recorded as a reduction to paid-in capital. During November and December 2008, we repurchased certain of our Cumulative Preferred Shares in privately negotiated transactions as follows: Series Y - 849,100 Preferred Shares at a total cost of $14,091,000, Series K - 1,409,756 depositary shares, each representing 1/1,000 of a share of our Cumulative Preferred Shares at a total cost of F-25 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 $23,786,000, Series L - 933,400 depositary shares, each representing 1/1,000 of a share of our Cumulative Preferred Shares at a total cost of $14,626,000 and Series M - 934,647 depositary shares, each representing 1/1,000 of a share of our Cumulative Preferred Shares at a total cost of $14,375,000. The carrying value of the shares repurchased totaled $100.8 million ($103.2 million liquidation preference less $2.4 million of original issuance costs) exceeded the aggregate repurchase cost of $66.9 million by approximately $33.9 million. For purposes of determining net income per share, income allocated to our preferred shareholders was reduced by the $33.9 million. During 2007, we issued two series of Cumulative Preferred Shares: Series M - issued January 9, 2007, net proceeds totaling $484,767,000 and Series N - issued July 2, 2007, net proceeds totaling $167,125,000. During 2006, we issued four series of Cumulative Preferred Shares: Series H - issued January 19, 2006, net proceeds totaling $101,492,000, Series I - issued May 3, 2006, net proceeds totaling $501,601,000, Series K - issued August 8, 2006, net proceeds totaling $445,852,000 and Series L - issued October 20, 2006, net proceeds totaling $223,623,000. During 2006, we redeemed our Series R and Series S Cumulative Preferred Shares at par value plus accrued dividends. In December 2006, we called for redemption our Series T and Series U Cumulative Preferred Shares, at par. The aggregated redemption value of $302,150,000 of these two series was classified as a liability at December 31, 2006 and repaid in January 2007. EQUITY SHARES, SERIES A At December 31, 2008, we had 8,377,193 of depositary shares outstanding, (8,744,193 at December 31, 2007), each representing 1/1,000 of an Equity Share, Series A. During November 2008, we repurchased a total of 367,000 of our Equity Shares, Series A for an aggregate of approximately $7.7 million. The Equity Shares, Series A rank on parity with our common shares and junior to the Cumulative Preferred Shares with respect to general preference rights and have a liquidation amount which cannot exceed $24.50 per share. Distributions with respect to each depositary share shall be the lesser of: (i) five times the per share dividend on our common shares or (ii) $2.45 per annum. We have no obligation to pay distributions on the depositary shares if no distributions are paid to common shareholders. Except in order to preserve the Company's Federal income tax status as a REIT, we may not redeem the depositary shares representing the Equity Shares, Series A before March 31, 2010. On or after March 31, 2010, we may, at our option, redeem the depositary shares at $24.50 per depositary share. If the Company fails to preserve its Federal income tax status as a REIT, each of the depositary shares will be convertible at the option of the shareholder into .956 common shares. The depositary shares are otherwise not convertible into common shares. Holders of depositary shares vote as a single class with holders of our common shares on shareholder matters, but the depositary shares have the equivalent of one-tenth of a vote per depositary share. F-26 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 COMMON SHARES Common Shares ------------ During 2008, 2007 and 2006, activity with respect to our common shares was as follows: 2008 2007 2006 ------------------------- ------------------------ ------------------------- Shares Amount Shares Amount Shares Amount ------------ ----------- ---------- ---------- ---------- ----------- (Dollar amounts in thousands) Employee stock-based compensation (Note 10)....... 377,453 $ 10,890 278,008 $ 8,457 2,135,761 $ 85,369 Merger with Shurgard: Issuance of common shares.... - - - - 38,913,187 3,116,850 Conversion of stock options.. - - - - - 69,296 Conversion of partnership units.. - - - - 5,956 155 Repurchases of common shares..... (1,520,196) (111,903) - - - - ------------ ----------- ---------- ---------- ---------- ----------- (1,142,743) $ (101,013) 278,008 $ 8,457 41,054,904 $ 3,271,670 ============ =========== ========== ========== ========== ============ Our Board of Trustees previously authorized the repurchase from time to time of up to 25,000,000 of our common shares on the open market or in privately negotiated transactions. On May 8, 2008, such authorization was increased to 35,000,000 common shares. During the year ended December 31, 2008, we repurchased a total of 1,520,196 of our common shares for an aggregate of approximately $111.9 million. Through December 31, 2008, we have repurchased a total of 23,721,916 of our common shares pursuant to this authorization. At December 31, 2008 and 2007, we had 3,027,544 and 2,298,242 of common shares reserved in connection with our share-based incentive plans, respectively, (see Note 10) and 231,978 shares reserved for the conversion of Convertible Partnership Units, respectively. Dividends --------- The unaudited characterization of dividends for Federal income tax purposes is made based upon earnings and profits of the Company, as defined by the Internal Revenue Code. Common share dividends totaled $472.8 million ($2.80 per share), $340.0 million ($2.00 per share), and $298.2 million ($2.00 per share), for the years ended December 31, 2008, 2007, and 2006, respectively. Equity Shares, Series A dividends totaled $21.2 million ($2.45 per share), $21.4 million ($2.45 per share), and $21.4 million ($2.45 per share), for the years ended December 31, 2008, 2007, and 2006, respectively. Preferred share dividends pay fixed rates from 6.125% to 7.500% with a total liquidation amount of $3,424,327,000 at December 31, 2008 ($3,527,500,000 at December 31, 2007) and dividends aggregating $239.7 million, $236.8 million and $214.2 million for the years ended December 31, 2008, 2007 and 2006, respectively. For the tax year ended December 31, 2008, distributions for the common shares, Equity Shares, Series A, and all the various series of preferred shares were classified as follows: 2008 (unaudited) -- 1st Quarter 2nd Quarter 3rd Quarter 4th Quarter ------------- ----------- ------------ ----------- Ordinary Income 99.97% 99.65% 99.83% 100.00% Long-Term Capital Gain 0.03% 0.35% 0.17% 0.00% Total 100.00% 100.00% 100.00% 100.00% The ordinary income dividends distributed for the tax year ended December 31, 2008 do not constitute qualified dividend income. F-27 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 9. Related Party Transactions ------------------------- Mr. Hughes, the Company's Chairman of the Board of Trustees and his family (collectively the "Hughes Family") have ownership interests in, and operate approximately 49 self-storage facilities in Canada using the "Public Storage" brand name ("PS Canada") pursuant to a royalty-free trademark license agreement with the Company. We currently do not own any interests in these facilities nor do we own any facilities in Canada. The

Hughes Family owns approximately 21% of our common shares outstanding at December 31, 2008. We have a right of first refusal to acquire the stock or assets of the corporation that manages the 49 self-storage facilities in Canada, if the Hughes Family or the corporation agrees to sell them. However, we have no interest in the operations of this corporation, we have no right to acquire this stock or assets unless the Hughes Family decides to sell and we receive no benefit from the profits and increases in value of the Canadian self-storage facilities. We reinsure risks relating to loss of goods stored by tenants in the self-storage facilities in Canada. During the years ended December 31, 2008, 2007 and 2006, we received $768,000, $906,000 and $989,000, respectively, in reinsurance premiums attributable to the Canadian facilities. Since our right to provide tenant reinsurance to the Canadian facilities may be qualified, there is no assurance that these premiums will continue. The Company and Mr. Hughes are co-general partners in certain consolidated partnerships and affiliated partnerships of the Company that are not consolidated. The Hughes Family owns 47.9% of the voting stock and the Company holds 46% of the voting and 100% of the nonvoting stock (representing substantially all the economic interest) of a private REIT. The private REIT owns limited partnership interests in five affiliated partnerships. The Hughes Family also owns limited partnership interests in certain of these partnerships and holds securities in PSB. PS Canada holds approximately a 2.4% interest in Stor-RE, a consolidated entity that provides liability and casualty insurance for PS Canada, the Company and certain affiliates of the Company, for occurrences prior to April 1, 2004 as described below. The Company and the Hughes Family receive distributions from these entities in accordance with the terms of the partnership agreements or other organizational documents. From time to time, the Company and the Hughes Family have acquired limited partnership units from limited partners of the Company's consolidated partnerships. In connection with the acquisition in 1998 and 1999 of a total of 638 limited partnership units by Tamara Hughes Gustavson and H-G Family Corp., a company owned by Hughes Family members, the Company was granted an option to acquire the limited partnership units acquired at cost, plus expenses. During the fourth quarter of 2008, the Company exercised its option to acquire the units for a total purchase price of approximately $239,000. The transaction was approved by the independent members of the Board of Trustees after considering that the value of the units had appreciated significantly since 1998 and 1999 and that the exercise price for the Company was substantially below the prices paid to acquire similar limited partner units in third party transactions. The acquisition was effective January 1, 2009. 10. Share-Based Compensation ------------------------ Stock Options ------------- We have various stock option plans (collectively referred to as the "PS Plans"). Under the PS Plans, non-qualified options have been granted to certain trustees, officers and key employees to purchase common shares at an exercise price equal to the fair value of the common shares at the date of grant. Fair value, as denoted below, is based upon the closing market price of our common shares on the relevant date. Stock options vest generally over a five-year period and expire ten years after issuance. The PS Plans also provide for the grant of restricted share units to officers, key employees and service providers on terms determined by an authorized committee of our Board. F-28 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 We recognize compensation expense for stock option grants based upon their fair value on the date of grant amortized over the applicable vesting period, net of estimates for future forfeitures. The fair value of the stock options is determined utilizing the Black-Scholes option pricing model. This pricing model utilizes several assumptions, including the estimated life of the stock options, the average risk-free rate, the expected dividend yield, and expected volatility, all of which are disclosed in the table below. Outstanding stock options are included on a one-for-one basis in our diluted weighted average shares, less a reduction for the treasury stock method, to the extent dilutive with respect to each grant, applied to a) the average cumulative measured but unrecognized compensation expense during the period and b) the strike price proceeds expected from the employee upon exercise. The stock options outstanding at December 31, 2008 have an aggregate intrinsic value of approximately $25,692,000, and remaining average contractual lives of approximately seven years. The aggregate intrinsic value of exercisable stock options at December 31, 2008 amounted to approximately $23,028,000. Intrinsic value includes only those stock options whose exercise price is less than the fair value. Additional information with respect to stock options during 2008, 2007 and 2006 is as follows: F-29 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 2008 2007 2006 ------------------------ ------------------------ ------------------------ Weighted Weighted Weighted Average Average Average Number Exercise Number Exercise Number Exercise of Price of Price of Price Options Per Share Options Per Share Options Per Share ----------- ----------- ------------ ----------- ------------ ---------- Options outstanding January 1 1,689,474 $60.72 1,602,934 $52.08 1,423,146 $41.46 Granted 1,025,000 83.71 323,333 91.64 2,208,328 49.67 Exercised (292,309) 36.97 (200,793) 40.58 (2,026,540) 41.99 Cancelled (24,833) 62.21 (36,000)

53.67 (2,000) 52.98 ----------- ----------- ------------ ----------- ------------ ---------- Options outstanding December 31 2,397,332 $73.42 1,689,474 $60.72 1,602,934 $52.08 =========== =========== ============ =========== ============ ========== Options exercisable at December 31 889,905 $55.49 911,709 $45.60 856,993 $38.96 =========== =========== ============ =========== ============ ========== 2008 2007 2006 --------------------- -------------------- ----------------- Aggregate options outstanding at period end: With exercise price less than $45..... 270,925 491,320 606,275 With exercise price from $45 to $65... 388,319 447,916 514,024 With exercise price higher than $65... 1,738,088 750,238 482,635 Range of exercise prices............. $22.94 to $97.47 $22.94 to $97.47 $22.94 to $96.61 Stock option expense for the year (in 000's)................................. $3,038 $1,347 $1,173 Aggregate intrinsic value of options exercised during the year (in 000's)..... $14,183 $11,326 $10,791 Assumptions used in valuing options with the Black-Scholes method: Expected life of options in years, based upon historical experience........................ 5 5 5 Risk-free interest rate........... 2.8% 4.6% 4.6% Expected volatility, based upon historical volatility............. 0.225 0.228 0.227 Expected dividend yield........... 7.0% 7.0% 7.0% Average estimated value of options granted during the year................. $7.21 $9.46 $9.72 RESTRICTED SHARE UNITS Outstanding restricted share units vest ratably over a five or eight-year period from the date of grant. The employee receives additional compensation equal to the per-share dividends received by common shareholders with respect to restricted share units outstanding. Such compensation is accounted for as dividends paid. Any dividends paid on units which are subsequently forfeited are expensed. Upon vesting, the employee receives common shares equal to the number of vested restricted share units in exchange for the units. The total value of each restricted share unit grant, based upon the market price of our common shares at the date of grant, is amortized over the related service periods, net of estimates for future forfeitures, as compensation expense. The related employer portion of payroll taxes is expensed as incurred. Cash paid to holders upon vesting in lieu of the issuance of common shares, all of which are for the unitholder to meet their statutory tax payment requirement, is charged against paid in capital. F-30 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 Outstanding restricted share units are included on a one-for-one basis in our diluted weighted average shares, less a reduction for the treasury stock method applied to the average cumulative measured but unrecognized compensation expense during the period. The fair value of restricted share units outstanding at December 31, 2008 was approximately $51,102,000 and had a grant-date aggregate fair market value of approximately $53,132,000. This $53,132,000, net of expected forfeitures, is expected to be recognized as compensation expense over approximately the next four years. The following table sets forth relevant information with respect to restricted shares (dollar amounts in thousands): 2008 2007 2006 ------------------------- ------------------------- ------------------------- Number Grant Date Number Grant Date Number Grant Date Of Restricted Aggregate Of Restricted Aggregate Of Restricted Aggregate Share Units Fair Value Share Units Fair Value Share Units Fair Value ------------ ---------- ------------ ---------- ------------ ----------- Restricted Share Units outstanding January 1 608,768 $48,578 616,470 $43,421 299,830 $14,922 Granted 234,975 19,070 187,925 18,860 419,170 33,861 Vested (129,399) (8,576) (112,684) (6,871) (71,160) (3,438) Forfeited (84,132) (5,940) (82,943) (6,832) (31,370) (1,924) ------------ ---------- ------------ ---------- ------------ ----------- Restricted Share Units outstanding December 31 630,212 $53,132 608,768 $48,578 616,470 $43,421 ============= ========== ============ ========== ============ =========== For vestings occurring during the year: Vesting date fair value of vested shares............................... $10,307 $10,192 $5,918 Cash paid in lieu of common shares issued............................... $3,591 $3,317 $3,105 Common shares issued upon vesting..... 85,144 77,215 47,159 Restricted Share Unit expense for the year.. $9,553 $7,164 $5,136 11. Segment Information ------------------ Description of Each Reportable Segment ------------------------------------- Our reportable segments reflect significant operating activities that are evaluated separately by management, comprised of the following segments which are organized based upon their operating characteristics. Our self-storage segment comprises the direct ownership, development, and operation of traditional self-storage facilities in the U.S., and the ownership of equity interests in entities that own self-storage facilities in the U.S., and our interest in the operations of a facility in London, England. Our Shurgard Europe segment comprises our interest in the self-storage and associated activities owned by Shurgard Europe. See also Note 3 for a discussion of the disposition of an interest in, and deconsolidation of, Shurgard Europe effective March 31, 2008. Our ancillary segment includes (i) the reinsurance of policies against losses to goods stored by tenants in our self-storage facilities, (ii) retail operations, comprised of merchandise sales and truck rental operations, and (iii) other ancillary operations, such as commercial property operations, containerized storage, and management of facilities for third parties and facilities owned by the Unconsolidated Entities. F-31

PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 Measurement of Segment Income (Loss) and Segment Assets - Self-Storage -- and Ancillary ------------- The self-storage and ancillary segments are evaluated by management based upon the net segment income of each segment. Net segment income represents net income in conformity with GAAP and our significant accounting policies as denoted in Note 2, before interest and other income, interest expense, and corporate general and administrative expense. Interest and other income, interest expense, corporate general and administrative expense, minority interest in income and gains and losses on sales of real estate assets are not allocated to these segments because management does not utilize them to evaluate the results of operations of each segment. In addition, there is no presentation of segment assets for these other segments because total assets are not considered in the evaluation of these segments. Measurement of Segment Income (Loss) and Segment Assets - Shurgard -- Europe ------ Shurgard Europe's operations are primarily independent of our other segments, with a separate management team that makes the financing, capital allocation, and other significant decisions. As a result, this segment is evaluated by management as a stand-alone business unit. The Shurgard Europe segment presentation includes all of the revenues, expenses, and operations of this business unit to the extent consolidated in our financial statements, and for periods following the deconsolidation of Shurgard Europe, the presentation below includes our equity share of Shurgard Europe's operations, the interest and other income received from Shurgard Europe, as well as specific general and administrative expense, disposition gains, and foreign currency exchange gains and losses that management considers in evaluating our investment in Shurgard Europe. At December 31, 2007, assets of Shurgard Europe include real estate with a book value of approximately $1.6 billion, intangible assets with a book value of approximately $87 million, and other assets with a book value of approximately $57 million. At December 31, 2007, liabilities of Shurgard Europe include loans payable to us of $561 million, third party debt of $384 million, and accrued and other liabilities of $95 million. At December 31, 2008, our consolidated balance sheet includes an investment in Shurgard Europe with a book value of $264.1 million and a loan receivable from Shurgard Europe totaling (euro)391.9 million ($552.4 million). Presentation of Segment Information ---------------------------------- The following table reconciles the performance of each segment, in terms of segment income, to our consolidated net income (amounts in thousands): F-32 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 For the year ended December 31, 2008 Other Items Not Shurgard Allocated to Total Self-Storage Europe Ancillary Segments Consolidated -------------- ------------ ------------- --------------- -------------- (Amounts in thousands) Revenues: Self-storage rental income.................... $ 1,526,577 $ 54,722 $ - $ - $ 1,581,299 Ancillary operating revenue.................. - 4,913 123,240 - 128,153 Interest and other income.................... - 18,496 - 17,659 36,155 -------------- ------------ ------------- --------------- -------------- 1,526,577 78,131 123,240 17,659 1,745,607 -------------- ------------ ------------- --------------- -------------- Expenses: Cost of operations (excluding depreciation and amortization below): Self-storage facilities................... 495,422 24,654 - - 520,076 Ancillary operations...................... - 1,409 59,092 - 60,501 Depreciation and amortization................. 387,438 23,186 3,564 - 414,188 General and administrative.................... - 30,044 - 32,765 62,809 Interest expense.............................. - 6,597 - 37,347 43,944 -------------- ------------ ------------- --------------- -------------- 882,860 85,890 62,656 70,112 1,101,518 -------------- ------------ ------------- --------------- -------------- Income (loss) from continuing operations before equity in earnings of real estate entities, gain on disposition of an interest in Shurgard Europe, loss on disposition of other real estate investments, casualty loss, foreign currency exchange loss and minority interest in (income) loss........... 643,717 (7,759) 60,584 (52,453) 644,089 Equity in earnings of real estate entities....... 1,932 4,134 14,325 - 20,391 Gain on disposition of an interest in Shurgard Europe...................................... - 344,685 - - 344,685 Loss on disposition of other real estate investments.................................. - - - (8,140) (8,140) Casualty loss.................................. - - - (525) (525) Foreign currency exchange loss.................. - (25,362) - - (25,362) Minority interest in (income) loss.............. (19,226) 2,142 - (21,612) (38,696) -------------- ------------ ------------- --------------- -------------- Income (loss) from continuing operations......... 626,423 317,840 74,909 (82,730) 936,442 Discontinued operations......................... - - - (1,266) (1,266) -------------- ------------ ------------- --------------- -------------- Net income (loss).............................. $ 626,423 $ 317,840 $ 74,909 $ (83,996) $ 935,176 ============== ============ ============= =============== ============== F-33 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 For the year ended December 31, 2007 Other Items Not Shurgard Allocated to Total Self-Storage Europe Ancillary Segments

Consolidated ------------- ------------ ------------ -------------- ------------- (Amounts in thousands) Revenues: Self-storage rental income................... $ 1,469,947 $ 192,507 $ - $ - $ 1,662,454 Ancillary operating revenue.................. - 17,490 123,138 - 140,628 Interest and other income.................... - 704 - 10,713 11,417 ------------- ------------ ------------ -------------- ------------- 1,469,947 210,701 123,138 10,713 1,814,499 ------------- ------------ ------------ -------------- ------------- Expenses: Cost of operations (excluding depreciation and amortization below): Self-storage facilities................... 488,538 91,689 - - 580,227 Ancillary operations...................... - 5,186 72,330 - 77,516 Depreciation and amortization................. 495,558 123,546 3,296 - 622,400 General and administrative..................... - 20,291 - 39,458 59,749 Interest expense.............................. - 22,242 - 41,429 63,671 ------------- ------------ ------------ -------------- ------------- 984,096 262,954 75,626 80,887 1,403,563 ------------- ------------ ------------ -------------- ------------- Income (loss) from continuing operations before equity in earnings of real estate entities, gain on disposition of other real estate investments, casualty gain, foreign currency exchange gain and minority interest in (income) loss........... 485,851 (52,253) 47,512 (70,174) 410,936 Equity in earnings of real estate entities....... 2,236 - 10,502 - 12,738 Gain on disposition of other real estate investments................................. - - - 2,547 2,547 Casualty gain.................................. 2,665 - - - 2,665 Foreign currency exchange gain.................. - 58,444 - - 58,444 Minority interest in (income) loss.............. (17,320) 9,389 - (21,612) (29,543) ------------- ------------ ------------ -------------- ------------- Income (loss) from continuing operations......... 473,432 15,580 58,014 (89,239) 457,787 Discontinued operations......................... - (1,081) - 829 (252) ------------- ------------ ------------ -------------- ------------- Net income (loss)............................... $ 473,432 $ 14,499 $ 58,014 $ (88,410) $ 457,535 ============= ============ ============ ============== ============= F-34 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 For the year ended December 31, 2006 Other Items Not Shurgard Allocated to Total Self-Storage Europe Ancillary Segments Consolidated ------------- ------------ ------------ -------------- ------------- (Amounts in thousands) Revenues: Self-storage rental income................... $ 1,180,989 $ 58,708 $ - $ - $ 1,239,697 Ancillary operating revenue.................. - 5,067 102,503 - 107,570 Interest and other income.................... - 308 - 31,491 31,799 ------------- ------------ ------------ -------------- ------------- 1,180,989 64,083 102,503 31,491 1,379,066 ------------- ------------ ------------ -------------- ------------- Expenses: Cost of operations (excluding depreciation and amortization below): Self-storage facilities.................... 398,976 29,934 - - 428,910 Ancillary operations...................... - 2,197 65,150 - 67,347 Depreciation and amortization................. 375,940 58,426 3,189 - 437,555 General and administrative..................... - 10,241 - 74,420 84,661 Interest expense.............................. - 13,109 - 19,953 33,062 ------------- ------------ ------------ -------------- ------------- 774,916 113,907 68,339 94,373 1,051,535 ------------- ------------ ------------ -------------- ------------- Income (loss) from continuing operations before equity in earnings of real estate entities, gain on disposition of other real estate investments, foreign currency exchange gain and minority interest in (income) loss........ 406,073 (49,824) 34,164 (62,882) 327,531 Equity in earnings of real estate entities....... 2,131 - - 9,764 11,895 Gain on disposition of other real estate investments.................................. - - - 2,177 2,177 Foreign currency exchange gain.................. - 4,262 - - 4,262 Minority interest in (income) loss.............. (16,459) 3,631 - (19,055) (31,883) ------------- ------------ ------------ -------------- ------------- Income (loss) from continuing operations......... 391,745 (41,931) 34,164 (69,996) 313,982 Cumulative effect of a change in accounting principle.................................... - - - 578 578 Discontinued operations......................... - (313) - (221) (534) ------------- ------------ ------------ -------------- ------------- Net income (loss)............................... $ 391,745 $ (42,244) $ 34,164 $ (69,639) $ 314,026 ============= ============ ============ ============== ============= F-35 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 12. Recent Accounting Pronouncements and Guidance --- Business Combinations --------------------- In December 2007, the Financial Accounting Standards Board (the "FASB") issued SFAS No. 141(R) and requires the acquiring entity in a business combination to measure the assets acquired, liabilities assumed (including contingencies) and any noncontrolling interests at their fair values on the acquisition date. The statement also requires that acquisition-related transaction costs be expensed as incurred and acquired research and development value be capitalized. In addition, acquisition-related restructuring costs are to be capitalized only if they meet certain criteria. SFAS No. 141(R) is effective for fiscal years beginning after December 15, 2008. The application of SFAS No.141(R) would have an impact on our results of operations and financial position beginning January 1, 2009 to the extent that we enter into any business combinations in the future. Noncontrolling Interests in Consolidated Financial Statements --- In

December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No. 51" (or SFAS No. 160). SFAS No. 160 requires the classification of noncontrolling interests (formerly, minority interests) as a component of equity. In addition, net income will include the total income of all consolidated subsidiaries with the attribution of earnings and other comprehensive income between controlling and noncontrolling interests reported as a separate disclosure on the face of the consolidated income statement. The calculation of earnings per share will continue to be based on income amounts attributable to the parent. SFAS No. 160 also addresses accounting and reporting for a change in control of a subsidiary. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008, and is required to be adopted prospectively, except for the presentation and disclosure requirements, which are required to be adopted retrospectively. We are currently evaluating the impact of the application of SFAS No. 160 on our results of operations and financial position, and expect that this will increase our equity, and decrease minority interests, $364,417,000 at December 31, 2008, with similar adjustments to be reflected for 2007. 13. Commitments and Contingencies ---------------------------- Brinkley v. Public Storage, Inc. (filed April 2005) (Superior Court of -- California - Los Angeles County) ------------------------------- The plaintiff sued the Company on behalf of a purported class of California non-exempt employees based on various California wage and hour laws and seeking monetary damages and injunctive relief. In May 2006, a motion for class certification was filed seeking to certify five subclasses. Plaintiff sought certification for alleged meal period violations, rest period violations, failure to pay for travel time, failure to pay for mileage reimbursement, and for wage statement violations. In October 2006, the Court declined to certify three out of the five subclasses. The Court did, however, certify subclasses based on alleged meal period and wage statement violations. Subsequently, the Company filed a motion for summary judgment seeking to dismiss the matter in its entirety. On June 22, 2007, the Court granted the Company's summary judgment motion as to the causes of action relating to the subclasses certified and dismissed those claims. The only surviving claims are those relating to the named plaintiff. The plaintiff has filed an appeal to the Court's June 22, 2007 summary judgment ruling. On October 28, 2008, the Court of Appeals sustained the trial court's ruling. The plaintiff filed a petition for review with the California Supreme Court, which was granted but further action in this matter was deferred pending consideration and disposition of a related issue in Brinker Restaurant Corp. v. Superior Court which is currently pending before the California Supreme Court. European Joint Venture Arbitration Proceeding --- Shurgard Europe holds a 20% interest in each of two joint ventures in Europe, First Shurgard and Second Shurgard, that collectively own 72 self-storage properties in Europe. On August 24, 2006, the Company, through its affiliate, Shurgard Europe, served an exit notice on the European joint venture partners informing them of its intention to purchase their interests in First Shurgard and Second Shurgard pursuant to an early exit procedure that the Company believes is provided for in the respective joint F-36 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 venture agreements. The exit notice offered to pay the joint venture partners an amount for their interests in accordance with the provisions of the joint venture agreements. The joint venture partners contested whether the Company has the right to purchase its interests under the early exit procedures of the joint venture agreements. On January 17, 2007, Shurgard Europe filed an arbitration request with the International Chamber of Commerce to compel arbitration of the matter. The arbitration proceedings occurred from June 30, 2008 through July 3, 2008. The arbitration panel recently issued a ruling concluding that Shurgard Europe did not have the right to start the exit procedures under the early exit provision of joint venture agreements. However, the panel held that Shurgard Europe did not act unreasonably in raising a genuine issue and ruled that each party is to bear its own costs. The arbitration panel's decision does not affect Shurgard Europe's ability to exit the joint ventures in accordance with the ordinary (as compared to the "early") exit provisions of the joint venture agreements if market and other conditions make a termination of one or both of the joint ventures advisable. The ordinary exit procedure is currently exercisable for First Shurgard and will be exercisable in May 2009 for Second Shurgard. Other Items ---------- We are a party to various claims, complaints, and other legal actions that have arisen in the normal course of business from time to time that are not described above. We believe that it is unlikely that the outcome of these other pending legal proceedings including employment and tenant claims, in the aggregate, will have a material adverse impact upon our operations or financial position. Insurance and Loss Exposure -------------------------- We have historically carried customary property, earthquake, general liability and workers compensation coverage through internationally recognized insurance carriers, subject to customary levels of deductibles. The aggregate limits on these policies of $75 million for property coverage and $102 million for general liability are higher than estimates of maximum probable loss that could occur from individual catastrophic events determined in recent engineering and actuarial studies; however, in case of multiple catastrophic events, these limits could be exhausted. Our tenant insurance program reinsures a program that provides insurance to certificate holders against claims for property losses due to specific named perils (earthquakes and floods are not covered by these policies) to goods stored by tenants at our self-storage facilities for individual limits up to a maximum of $5,000. We have third-party insurance coverage for claims paid exceeding $1,000,000 resulting from any one individual event, to a limit of $25,000,000. At December 31, 2008, there were approximately 548,000 certificate holders participating in this program in the U.S. representing aggregate coverage of approximately $1.2 billion. We rely on a third-party insurance company to provide the insurance and are subject to licensing requirements and regulations in several states. No assurance can be given that this activity can continue to be conducted in any given jurisdiction. Operating Lease Obligations -------------------------- We lease trucks, land, equipment and office space. At December 31, 2008, the future minimum rental payments required under our operating leases for the years ending December 31, are as follows (amounts in thousands): 2009..................................... $ 10,466 2010..................................... 7,296 2011..................................... 6,271 2012..................................... 5,854 2013..................................... 5,583 Thereafter............................... 78,238 ----------- $ 113,708 =========== Expenses under operating leases were approximately $11.4 million, $14.7 million and $9.8 million for each of the three years ended December 31, 2008, respectively. Certain of our land leases include escalation clauses, and we recognize related lease expenses on a straight-line basis. F-37 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 14. Supplementary Quarterly Financial Data (unaudited) -- Three Months Ended --- March 31, June 30, September 30, December 31, 2008 2008 2008 2008 ----------- ----------- ------------ ------------- (Amounts in thousands, except per share data) Revenues (a)..................... $ 462,764 $ 424,138 $ 436,890 $ 421,815 =========== =========== ============= ============== Cost of operations (excluding depreciation expense) (a)........ $ 205,786 $ 189,237 $ 149,647 $ 142,660 =========== =========== ============= ============== Depreciation expense............ $ 122,486 $ 95,383 $ 92,031 $ 104,288 =========== =========== ============= ============== Gain on disposition of an interest in Shurgard Europe (b).............. $ 344,685 $ - $ - $ - =========== =========== ============= ============== Income from continuing operations (b) $ 515,278 $ 133,914 $ 138,246 $ 149,004 =========== =========== ============= ============== Net income (b).................. $ 515,162 $ 133,813 $ 137,331 $ 148,870 =========== =========== ============= ============== Per Common Share (Note 2): Net income - Basic........... $ 2.67 $ 0.41 $ 0.43 $ 0.71 =========== =========== ============= ============== Net income - Diluted......... $ 2.66 $ 0.40 $ 0.42 $ 0.71 =========== =========== ============= ============== Three Months Ended --- March 31, June 30, September 30, December 31, 2007 2007 2007 2007 ----------- ----------- ------------ ------------- (Amounts in thousands, except per share data) Revenues (a)..................... $ 433,558 $ 448,189 $ 468,220 $ 464,532 =========== =========== ============= ============== Cost of operations (excluding depreciation expense) (a)........ $ 201,325 $ 207,661 $ 192,193 $ 179,984 =========== =========== ============= ============== Depreciation expense............. $ 176,366 $ 167,510 $ 147,741 $ 130,783 =========== =========== ============= ============== Income from continuing operations $ 61,004 $ 77,838 $ 153,999 $ 164,946 =========== =========== ============= ============== Net income....................... $ 59,778 $ 77,104 $ 152,766 $ 167,887 =========== =========== ============= ============== Per Common Share (Note 2): Net income (loss) - Basic.... $ (0.03) $ 0.09 $ 0.51 $ 0.60 =========== =========== ============= ============== Net income (loss) - Diluted.. $ (0.03) $ 0.08 $ 0.51 $ 0.60 =========== =========== ============= ============== (a) Revenues and cost of operations as presented in this table differ from the revenue and cost of operations as presented in our quarterly reports due to the impact of discontinued operations accounting as described in Note 2. (b) Gain on disposition of an interest in Shurgard Europe, income from continuing operations, net income, and net income per common share differ from the amounts previously presented in our March 31, 2008 financial statements. We recorded a $2,820,000 increase to gain on disposition of an interest in Shurgard Europe in the quarter ended December 31, 2008, which was for the quarter ended March 31, 2008. 15. Subsequent Events (unaudited) ---------------------------- On February 12, 2009, we completed a fixed price cash tender offer to acquire any and all of our Unsecured Notes Payable. A total of $96.7 million face amount of our 7.75% Notes due

2011 and $13.5 million face amount of our 5.875% Notes due 2013, for an aggregate of $113.1 million in cash plus accrued interest were acquired. F-38 PUBLIC STORAGE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS December 31, 2008 On February 27, 2009, we reached an agreement in principle to acquire all of our affiliate's 6.40% Series NN preferred partnership units ($200 million carrying amount) for approximately $130 million, plus accrued and unpaid distributions from December 31, 2008 through the closing date. This transaction is expected to result in an increase in income allocated to common shareholders of approximately $70 million for the quarter ended March 31, 2009 based upon excess of the carrying amount over the amount paid. The purchase is subject to negotiation and completion of a binding agreement, and there can be no assurance that the transaction will be completed or the timing thereof, or that the terms of any transaction completed will not vary materially from those currently agreed. Also on February 27, 2009, we reached an agreement in principle to acquire all of our affiliate's 6.25% Series Z preferred partnership units ($25 million carrying amount) for $25 million. This should result in no increase in income allocated to the common shareholders as they are being acquired at par. As described in Note 7, the holders of the Series Z preferred partnership units have a one-time option exercisable on October 12, 2009 to require us to redeem their units for $25,000,000 in cash, plus any unpaid distributions. The purchase is subject to negotiation and completion of a binding agreement, and there can be no assurance that the transaction will be completed or the timing thereof, or that the terms of any transaction completed will not vary materially from those currently agreed. F-39 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- Self-storage Facilities - United States 1/1/81 Newport News / Jefferson Avenue - 108 1,071 751 - 1/1/81 Virginia Beach / Diamond Springs - 186 1,094 887 - 8/1/81 San Jose / Snell - 312 1,815 428 - 10/1/81 Tampa / Lazy Lane - 282 1,899 782 - 6/1/82 San Jose / Tully - 645 1,579 10,977 - 6/1/82 San Carlos / Storage - 780 1,387 751 - 6/1/82 Mountain View - 1,180 1,182 2,437 - 6/1/82 Cupertino / Storage - 572 1,270 547 - 10/1/82 Sorrento Valley - 1,002 1,343 (774) - 10/1/82 Northwood - 1,034 1,522 594 - 12/1/82 Port/Halsey - 357 1,150 (316) 326 12/1/82 Sacto/Folsom - 396 329 729 323 1/1/83 Platte - 409 953 533 428 1/1/83 Semoran - 442 1,882 8,284 720 1/1/83 Raleigh/Yonkers - - 1,117 642 425 3/1/83 Blackwood - 213 1,559 424 595 4/1/83 Vailsgate - 103 990 924 505 5/1/83 Delta Drive - 67 481 400 241 6/1/83 Ventura - 658 1,734 359 583 9/1/83 Southington - 124 1,233 293 546 9/1/83 Southhampton - 331 1,738 798 806 9/1/83 Webster/Keystone - 449 1,688 781 813 9/1/83 Dover - 107 1,462 776 627 9/1/83 Newcastle - 227 2,163 576 817 9/1/83 Newark - 208 2,031 500 746 9/1/83 Langhorne - 263 3,549 675 1,445 9/1/83 Hobart - 215 1,491 821 838 9/1/83 Ft. Wayne/W. Coliseum - 160 1,395 560 535 9/1/83 Ft. Wayne/Bluffton - 88 675 328 285 10/1/83 Orlando J. Y. Parkway - 383 1,512 493 622 11/1/83 Aurora - 505 758 536 341 11/1/83 Campbell - 1,379 1,849 (280) 474 11/1/83 Col Springs/Ed - 471 1,640 268 554 11/1/83 Col Springs/Mv - 320 1,036 476 441 11/1/83 Thorton - 418 1,400 305 536 11/1/83 Oklahoma City - 454 1,030 1,110 620 11/1/83 Tucson - 343 778 896 420 11/1/83 Webster/Nasa - 1,570 2,457 1,938 1,372 Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- Self-storage Facilities - United States 1/1/81 Newport News / Jefferson Avenue 108 1,822 1,930 1,698 1/1/81 Virginia Beach / Diamond Springs 186 1,981 2,167 1,840 8/1/81 San Jose / Snell 312 2,243 2,555 2,243 10/1/81 Tampa / Lazy Lane 282 2,681 2,963 2,493 6/1/82 San Jose / Tully 2,971 10,230 13,201 4,586 6/1/82 San Carlos / Storage 780 2,138 2,918 2,018 6/1/82 Mountain View 1,046 3,753 4,799 1,659 6/1/82 Cupertino / Storage 572 1,817 2,389 1,708 10/1/82 Sorrento Valley 651 920 1,571 833 10/1/82 Northwood 1,034 2,116 3,150 1,837 12/1/82 Port/Halsey 357 1,160 1,517 876 12/1/82 Sacto/Folsom 396 1,381 1,777 1,111 1/1/83 Platte 409 1,914 2,323 1,600 1/1/83 Semoran 442 10,886 11,328 4,345 1/1/83 Raleigh/Yonkers - 2,184 2,184 1,619 3/1/83 Blackwood 212 2,579 2,791 2,059 4/1/83 Vailsgate 103 2,419 2,522 1,938 5/1/83 Delta Drive 67 1,122 1,189 870 6/1/83 Ventura 658 2,676 3,334 2,160 9/1/83 Southington 123 2,073 2,196 1,648 9/1/83 Southhampton 331 3,342 3,673 2,635 9/1/83 Webster/Keystone 448 3,283 3,731 2,638 9/1/83 Dover 107 2,865 2,972 2,176 9/1/83 Newcastle 227 3,556 3,783 2,838 9/1/83 Newark 208 3,277 3,485 2,606 9/1/83 Langhorne 263 5,669 5,932 4,551 9/1/83 Hobart 215 3,150 3,365 2,511 9/1/83 Ft. Wayne/W. Coliseum 160 2,490 2,650 2,026 9/1/83 Ft. Wayne/Bluffton 88 1,288 1,376 1,043 10/1/83 Orlando J. Y. Parkway 383 2,627 3,010 2,153 11/1/83 Aurora 505 1,635 2,140 1,260 11/1/83 Campbell 1,379 2,043 3,422 1,579 11/1/83 Col Springs/Ed 470 2,463 2,933 1,981 11/1/83 Col Springs/Mv 320 1,953 2,273 1,483 11/1/83 Thorton 418 2,241 2,659

1,766 11/1/83 Oklahoma City 454 2,760 3,214 2,159 11/1/83 Tucson 343 2,094 2,437 1,517 11/1/83 Webster/Nasa 1,570 5,767 7,337 4,460 F-40 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --- 12/1/83 Charlotte - 165 1,274 581 442 12/1/83 Greensboro/Market - 214 1,653 971 794 12/1/83 Greensboro/Electra - 112 869 420 382 12/1/83 Columbia - 171 1,318 536 492 12/1/83 Richmond - 176 1,360 672 468 12/1/83 Augusta - 97 747 535 324 12/1/83 Tacoma - 553 1,173 531 487 1/1/84 Fremont/Albrae - 636 1,659 549 532 1/1/84 Belton - 175 858 1,234 378 1/1/84 Gladstone - 275 1,799 753 640 1/1/84 Hickman/112 - 257 1,848 (452) 618 1/1/84 Holmes - 289 1,333 536 455 1/1/84 Independence - 221 1,848 787 609 1/1/84 Merriam - 255 1,469 676 480 1/1/84 Olathe - 107 992 489 361 1/1/84 Shawnee - 205 1,420 1,013 502 1/1/84 Topeka - 75 1,049 563 356 3/1/84 Marrietta/Cobb - 73 542 540 259 3/1/84 Manassas - 320 1,556 518 553 3/1/84 Pico Rivera - 743 807 389 321 4/1/84 Providence - 92 1,087 531 423 4/1/84 Milwaukie/Oregon - 289 584 441 311 5/1/84 Raleigh/Departure - 302 2,484 1,089 788 5/1/84 Virginia Beach - 509 2,121 1,221 776 5/1/84 Philadelphia/Grant - 1,041 3,262 961 971 5/1/84 Garland - 356 844 497 360 6/1/84 Lorton - 435 2,040 895 682 6/1/84 Baltimore - 382 1,793 1,196 634 6/1/84 Laurel - 501 2,349 1,166 824 6/1/84 Delran - 279 1,472 492 573 6/1/84 Orange Blossom - 226 924 299 398 6/1/84 Cincinnati - 402 1,573 991 672 6/1/84 Florence - 185 740 647 376 7/1/84 Trevose/Old Lincoln - 421 1,749 650 582 8/1/84 Medley - 584 1,016 1,030 464 8/1/84 Oklahoma City - 340 1,310 773 652 8/1/84 Newport News - 356 2,395 915 1,013 8/1/84 Kaplan/Walnut Hill - 971 2,359 1,169 1,041 Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation --- 12/1/83 Charlotte 165 2,297 2,462 1,893 12/1/83 Greensboro/Market 214 3,418 3,632 2,842 12/1/83 Greensboro/Electra 112 1,671 1,783 1,402 12/1/83 Columbia 171 2,346 2,517 1,957 12/1/83 Richmond 176 2,500 2,676 2,144 12/1/83 Augusta 97 1,606 1,703 1,269 12/1/83 Tacoma 553 2,191 2,744 1,843 1/1/84 Fremont/Albrae 636 2,740 3,376 2,302 1/1/84 Belton 175 2,470 2,645 1,829 1/1/84 Gladstone 274 3,193 3,467 2,644 1/1/84 Hickman/112 158 2,113 2,271 1,529 1/1/84 Holmes 289 2,324 2,613 1,917 1/1/84 Independence 221 3,244 3,465 2,591 1/1/84 Merriam 255 2,625 2,880 2,112 1/1/84 Olathe 107 1,842 1,949 1,480 1/1/84 Shawnee 205 2,935 3,140 2,188 1/1/84 Topeka 75 1,968 2,043 1,491 3/1/84 Marrietta/Cobb 73 1,341 1,414 1,026 3/1/84 Manassas 320 2,627 2,947 2,161 3/1/84 Pico Rivera 743 1,517 2,260 1,261 4/1/84 Providence 92 2,041 2,133 1,683 4/1/84 Milwaukie/Oregon 289 1,336 1,625 1,031 5/1/84 Raleigh/Departure 302 4,361 4,663 3,501 5/1/84 Virginia Beach 499 4,128 4,627 3,275 5/1/84 Philadelphia/Grant 1,040 5,195 6,235 4,230 5/1/84 Garland 356 1,701 2,057 1,282 6/1/84 Lorton 435 3,617 4,052 2,971 6/1/84 Baltimore 382 3,623 4,005 2,849 6/1/84 Laurel 500 4,340 4,840 3,405 6/1/84 Delran 279 2,537 2,816 1,989 6/1/84 Orange Blossom 226 1,621 1,847 1,292 6/1/84 Cincinnati 402 3,236 3,638 2,530 6/1/84 Florence 185 1,763 1,948 1,338 7/1/84 Trevose/Old Lincoln 421 2,981 3,402 2,372 8/1/84 Medley 520 2,574 3,094 1,680 8/1/84 Oklahoma City 339 2,736 3,075 2,096 8/1/84 Newport News 356 4,323 4,679 3,404 8/1/84 Kaplan/Walnut Hill 971 4,569 5,540 3,577 F-41 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --- 8/1/84 Kaplan/Irving - 677 1,592 4,764 639 9/1/84 Cockrell Hill - 380 913 1,294 675 11/1/84 Omaha - 109 806 559 399 11/1/84 Hialeah - 886 1,784 468 672 12/1/84 Austin/Lamar - 643 947 766 443 12/1/84 Pompano - 399 1,386 944 698 12/1/84 Fort Worth - 122 928 103 303 12/1/84 Montgomeryville - 215 2,085 585 776 1/1/85 Cranston - 175 722 418 267 1/1/85 Bossier City - 184 1,542 770 656 2/1/85 Simi Valley - 737 1,389 403 520 2/1/85 Hurst - 231 1,220 377 480 3/1/85 Chattanooga - 202 1,573 1,069 683 3/1/85 Portland - 285 941 453 438 3/1/85 Fern Park - 144 1,107 339 432 3/1/85 Fairfield - 338 1,187 632 527 3/1/85 Houston / Westheimer - 850 1,179 930 - 4/1/85 Austin/ S. First - 778 1,282 454 711 4/1/85 Cincinnati/ E. Kemper - 232 1,573 384 853 4/1/85 Cincinnati/ Colerain - 253 1,717 744 932 4/1/85 Florence/ Tanner Lane - 218 1,477 575 835 4/1/85 Laguna Hills - 1,224 3,303 513 1,213 5/1/85 Tacoma/ Phillips Rd. - 396 1,204 374 669 5/1/85 Milwaukie/ Mcloughlin - 458 742 470 620 5/1/85 Manchester/ S. Willow - 371 2,129 92 854 5/1/85 Longwood - 355 1,645 478 669 5/1/85 Columbus/Busch Blvd. - 202 1,559 755 592 5/1/85 Columbus/Kinnear Rd. - 241 1,865 740 771 5/1/85 Worthington - 221 1,824 677 709 5/1/85 Arlington - 201 1,497 690 618 6/1/85 N. Hollywood/ Raymer - 967 848 270 515 6/1/85 Grove City/ Marlane Drive - 150 1,157 567 471

6/1/85 Reynoldsburg - 204 1,568 851 598 7/1/85 San Diego/ Kearny Mesa Rd - 783 1,750 488 962 7/1/85 Scottsdale/ 70th St - 632 1,368 484 742 7/1/85 Concord/ Hwy 29 - 150 750 610 587 7/1/85 Columbus/Morse Rd. - 195 1,510 559 670 7/1/85 Columbus/Kenney Rd. - 199 1,531 735 598 7/1/85 Westerville - 199 1,517 932 620 7/1/85 Springfield - 90 699 557 332 Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation --- 8/1/84 Kaplan/Irving 673 6,999 7,672 3,568 9/1/84 Cockrell Hill 380 2,882 3,262 2,248 11/1/84 Omaha 109 1,764 1,873 1,374 11/1/84 Hialeah 886 2,924 3,810 2,305 12/1/84 Austin/Lamar 642 2,157 2,799 1,646 12/1/84 Pompano 399 3,028 3,427 2,264 12/1/84 Fort Worth 122 1,334 1,456 1,031 12/1/84 Montgomeryville 215 3,446 3,661 2,678 1/1/85 Cranston 175 1,407 1,582 1,116 1/1/85 Bossier City 184 2,968 3,152 2,312 2/1/85 Simi Valley 736 2,313 3,049 1,799 2/1/85 Hurst 231 2,077 2,308 1,548 3/1/85 Chattanooga 202 3,325 3,527 2,437 3/1/85 Portland 285 1,832 2,117 1,381 3/1/85 Fern Park 144 1,878 2,022 1,434 3/1/85 Fairfield 338 2,346 2,684 1,767 3/1/85 Houston / Westheimer 849 2,110 2,959 1,917 4/1/85 Austin/ S. First 778 2,447 3,225 1,799 4/1/85 Cincinnati/ E. Kemper 232 2,810 3,042 2,074 4/1/85 Cincinnati/ Colerain 253 3,393 3,646 2,398 4/1/85 Florence/ Tanner Lane 218 2,887 3,105 2,082 4/1/85 Laguna Hills 1,223 5,030 6,253 3,935 5/1/85 Tacoma/ Phillips Rd. 396 2,247 2,643 1,644 5/1/85 Milwaukie/ Mcloughlin 458 1,832 2,290 1,339 5/1/85 Manchester/ S. Willow 371 3,075 3,446 2,218 5/1/85 Longwood 355 2,792 3,147 2,136 5/1/85 Columbus/Busch Blvd. 202 2,906 3,108 2,178 5/1/85 Columbus/Kinnear Rd. 241 3,376 3,617 2,594 5/1/85 Worthington 220 3,211 3,431 2,463 5/1/85 Arlington 201 2,805 3,006 2,153 6/1/85 N. Hollywood/ Raymer 967 1,633 2,600 1,633 6/1/85 Grove City/ Marlane Drive 150 2,195 2,345 1,706 6/1/85 Reynoldsburg 204 3,017 3,221 2,318 7/1/85 San Diego/ Kearny Mesa Rd 783 3,200 3,983 2,318 7/1/85 Scottsdale/ 70th St 632 2,594 3,226 1,875 7/1/85 Concord/ Hwy 29 150 1,947 2,097 1,389 7/1/85 Columbus/Morse Rd. 195 2,739 2,934 2,083 7/1/85 Columbus/Kenney Rd. 199 2,864 3,063 2,191 7/1/85 Westerville 305 2,963 3,268 2,211 7/1/85 Springfield 90 1,588 1,678 1,155 F-42 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 7/1/85 Dayton/Needmore Road - 144 1,108 560 460 7/1/85 Dayton/Executive Blvd. - 160 1,207 626 569 7/1/85 Lilburn - 331 969 334 424 9/1/85 Madison/ Copps Ave. - 450 1,150 501 665 9/1/85 Columbus/ Sinclair - 307 893 496 519 9/1/85 Philadelphia/ Tacony St - 118 1,782 407 856 10/1/85 N. Hollywood/ Whitsett - 1,524 2,576 451 1,302 10/1/85 Portland/ SE 82nd St - 354 496 425 380 10/1/85 Columbus/ Ambleside - 124 1,526 253 644 10/1/85 Indianapolis/ Pike Place - 229 1,531 593 856 10/1/85 Indianapolis/ Beach Grove - 198 1,342 520 709 10/1/85 Hartford/ Roberts - 219 1,481 5,937 966 10/1/85 Wichita/ S. Rock Rd. - 501 1,478 468 657 10/1/85 Wichita/ E. Harry - 313 1,050 235 468 10/1/85 Wichita/ S. Woodlawn - 263 905 353 437 10/1/85 Wichita/ E. Kellogg - 185 658 88 261 10/1/85 Wichita/ S. Tyler - 294 1,004 184 530 10/1/85 Wichita/ W. Maple - 234 805 99 313 10/1/85 Wichita/ Carey Lane - 192 674 106 296 10/1/85 Wichita/ E. Macarthur - 220 775 (18) 323 10/1/85 Joplin/ S. Range Line - 264 904 259 465 10/1/85 San Antonio/ Wetmore Rd. - 306 1,079 635 638 10/1/85 San Antonio/ Callaghan - 288 1,016 542 543 10/1/85 San Antonio/ Zarzamora - 364 1,281 753 674 10/1/85 San Antonio/ Hackberry - 388 1,367 2,755 1,001 10/1/85 San Antonio/ Fredericksburg - 287 1,009 855 597 10/1/85 Dallas/ S. Westmoreland - 474 1,670 271 734 10/1/85 Dallas/ Alvin St. - 359 1,266 398 559 10/1/85 Fort Worth/ W. Beach St. - 356 1,252 314 531 10/1/85 Fort Worth/ E. Seminary - 382 1,346 336 552 10/1/85 Fort Worth/ Cockrell St. - 323 1,136 241 515 11/1/85 Everett/ Evergreen - 706 2,294 635 1,076 11/1/85 Seattle/ Empire Way - 1,652 5,348 873 2,198 12/1/85 Milpitas - 1,623 1,577 439 913 12/1/85 Pleasanton/ Santa Rita - 1,226 2,078 523 1,160 12/1/85 Amherst/ Niagra Falls - 132 701 389 400 12/1/85 West Sams Blvd. - 164 1,159 (221) 383 12/1/85 MacArthur Rd. - 204 1,628 268 638 12/1/85 Brockton/ Main - 153 2,020 (58) 678 Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 7/1/85 Dayton/Needmore Road 144 2,128 2,272 1,637 7/1/85 Dayton/Executive Blvd. 159 2,403 2,562 1,793 7/1/85 Lilburn 330 1,728 2,058 1,301 9/1/85 Madison/ Copps Ave. 450 2,316 2,766 1,658 9/1/85 Columbus/ Sinclair 307 1,908 2,215 1,350 9/1/85 Philadelphia/ Tacony St 118 3,045 3,163 2,199 10/1/85 N. Hollywood/ Whitsett 1,524 4,329 5,853 3,182 10/1/85 Portland/ SE 82nd St 354 1,301 1,655 939 10/1/85 Columbus/ Ambleside 124 2,423 2,547 1,787 10/1/85 Indianapolis/ Pike Place 229 2,980 3,209 2,349 10/1/85 Indianapolis/ Beach Grove 198 2,571 2,769 1,818

10/1/85 Hartford/ Roberts 409 8,194 8,603 2,666 10/1/85 Wichita/ S. Rock Rd. 642 2,462 3,104 1,765 10/1/85 Wichita/ E. Harry 285 1,781 2,066 1,293 10/1/85 Wichita/ S. Woodlawn 263 1,695 1,958 1,171 10/1/85 Wichita/ E. Kellogg 185 1,007 1,192 701 10/1/85 Wichita/ S. Tyler 294 1,718 2,012 1,259 10/1/85 Wichita/ W. Maple 234 1,217 1,451 835 10/1/85 Wichita/ Carey Lane 192 1,076 1,268 781 10/1/85 Wichita/ E. Macarthur 220 1,080 1,300 784 10/1/85 Joplin/ S. Range Line 264 1,628 1,892 1,206 10/1/85 San Antonio/ Wetmore Rd. 306 2,352 2,658 1,785 10/1/85 San Antonio/ Callaghan 288 2,101 2,389 1,584 10/1/85 San Antonio/ Zarzamora 364 2,708 3,072 2,042 10/1/85 San Antonio/ Hackberry 388 5,123 5,511 2,708 10/1/85 San Antonio/ Fredericksburg 287 2,461 2,748 1,843 10/1/85 Dallas/ S. Westmoreland 474 2,675 3,149 2,064 10/1/85 Dallas/ Alvin St. 359 2,223 2,582 1,640 10/1/85 Fort Worth/ W. Beach St. 356 2,097 2,453 1,607 10/1/85 Fort Worth/ E. Seminary 382 2,234 2,616 1,696 10/1/85 Fort Worth/ Cockrell St. 323 1,892 2,215 1,461 11/1/85 Everett/ Evergreen 705 4,006 4,711 3,167 11/1/85 Seattle/ Empire Way 1,701 8,370 10,071 6,307 12/1/85 Milpitas 1,622 2,930 4,552 2,098 12/1/85 Pleasanton/ Santa Rita 1,225 3,762 4,987 2,730 12/1/85 Amherst/ Niagra Falls 132 1,490 1,622 1,115 12/1/85 West Sams Blvd. 164 1,321 1,485 1,024 12/1/85 MacArthur Rd. 204 2,534 2,738 1,952 12/1/85 Brockton/ Main 153 2,640 2,793 2,002 F-43 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 12/1/85 Eatontown/ Hwy 35 - 308 4,067 1,124 1,648 12/1/85 Denver/ Leetsdale - 603 847 317 408 1/1/86 Mapleshade/ Rudderow - 362 1,811 522 825 1/1/86 Bordentown/ Groveville - 196 981 197 471 1/1/86 Sun Valley/ Sheldon - 544 1,836 439 793 1/1/86 Las Vegas/ Highland - 432 848 342 420 2/1/86 Costa Mesa/ Pomona - 1,405 1,520 584 693 2/1/86 Brea/ Imperial Hwy - 1,069 2,165 474 954 2/1/86 Skokie/ McCormick - 638 1,912 534 779 2/1/86 Colorado Springs/ Sinton - 535 1,115 684 631 2/1/86 Oklahoma City/ Penn - 146 829 246 406 2/1/86 Oklahoma City/ 39th - 238 812 468 477 3/1/86 Jacksonville/ Wiley - 140 510 340 331 3/1/86 St. Louis/ Forder - 517 1,133 409 534 3/3/86 Tampa / 56th - 450 1,360 692 - 4/1/86 Reno/ Telegraph - 649 1,051 904 682 4/1/86 St. Louis/Kirkham - 199 1,001 438 401 4/1/86 St. Louis/Reavis - 192 958 277 384 4/1/86 Fort Worth/East Loop - 196 804 348 369 5/1/86 Westlake Village - 1,205 995 5,384 429 5/1/86 Sacramento/Franklin Blvd. - 872 978 3,706 389 6/1/86 Richland Hills - 543 857 533 404 6/1/86 West Valley/So. 3600 - 208 1,552 682 413 7/1/86 Colorado Springs/ Hollow Tree - 574 726 472 426 7/1/86 West LA/Purdue Ave. - 2,415 3,585 380 1,212 7/1/86 Capital Heights/Central Ave. - 649 3,851 500 1,277 7/1/86 Pontiac/Dixie Hwy. - 259 2,091 293 756 8/1/86 Laurel/Ft. Meade Rd. - 475 1,475 533 630 8/1/86 Hammond / Calumet - 97 751 854 366 9/1/86 Kansas City/S. 44th. - 509 1,906 1,046 737 9/1/86 Lakewood / Wadsworth - 6th - 1,070 3,155 879 1,027 10/1/86 Peralta/Fremont - 851 1,074 327 456 10/1/86 Birmingham/Highland - 89 786 332 398 10/1/86 Birmingham/Riverchase - 262 1,338 573 645 10/1/86 Birmingham/Eastwood - 166 1,184 550 612 10/1/86 Birmingham/Forestdale - 152 948 352 519 10/1/86 Birmingham/Centerpoint - 265 1,305 511 525 10/1/86 Birmingham/Roebuck Plaza - 101 399 402 425 10/1/86 Birmingham/Greensprings - 347 1,173 415 281 Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 12/1/85 Eatontown/ Hwy 35 308 6,839 7,147 5,026 12/1/85 Denver/ Leetsdale 603 1,572 2,175 1,201 1/1/86 Mapleshade/ Rudderow 362 3,158 3,520 2,400 1/1/86 Bordentown/ Groveville 196 1,649 1,845 1,264 1/1/86 Sun Valley/ Sheldon 544 3,068 3,612 2,354 1/1/86 Las Vegas/ Highland 432 1,610 2,042 1,229 2/1/86 Costa Mesa/ Pomona 1,404 2,798 4,202 2,108 2/1/86 Brea/ Imperial Hwy 1,069 3,593 4,662 2,752 2/1/86 Skokie/ McCormick 638 3,225 3,863 2,404 2/1/86 Colorado Springs/ Sinton 535 2,430 2,965 1,834 2/1/86 Oklahoma City/ Penn 146 1,481 1,627 1,092 2/1/86 Oklahoma City/ 39th 238 1,757 1,995 1,288 3/1/86 Jacksonville/ Wiley 140 1,181 1,321 883 3/1/86 St. Louis/ Forder 516 2,077 2,593 1,564 3/3/86 Tampa / 56th 450 2,052 2,502 1,736 4/1/86 Reno/ Telegraph 648 2,638 3,286 1,898 4/1/86 St. Louis/Kirkham 199 1,840 2,039 1,362 4/1/86 St. Louis/Reavis 192 1,619 1,811 1,256 4/1/86 Fort Worth/East Loop 196 1,521 1,717 1,138 5/1/86 Westlake Village 1,256 6,757 8,013 1,877 5/1/86 Sacramento/Franklin Blvd. 1,139 4,806 5,945 3,165 6/1/86 Richland Hills 543 1,794 2,337 1,355 6/1/86 West Valley/So. 3600 208 2,647 2,855 1,951 7/1/86 Colorado Springs/ Hollow Tree 574 1,624 2,198 1,173 7/1/86 West LA/Purdue Ave. 2,415 5,177 7,592 3,965 7/1/86 Capital Heights/Central Ave. 649 5,628 6,277 4,380 7/1/86 Pontiac/Dixie Hwy. 259 3,140 3,399 2,414 8/1/86 Laurel/Ft. Meade Rd. 475 2,638 3,113 1,976 8/1/86 Hammond / Calumet 97 1,971 2,068 1,439 9/1/86 Kansas City/S. 44th. 508 3,690 4,198 2,592 9/1/86 Lakewood / Wadsworth - 6th 1,070 5,061 6,131 4,031 10/1/86 Peralta/Fremont

851 1,857 2,708 1,427 10/1/86 Birmingham/Highland 149 1,456 1,605 1,088 10/1/86 Birmingham/Riverchase 278 2,540 2,818 1,939 10/1/86 Birmingham/Eastwood 232 2,280 2,512 1,708 10/1/86 Birmingham/Forestdale 190 1,781 1,971 1,353 10/1/86 Birmingham/Centerpoint 273 2,333 2,606 1,746 10/1/86 Birmingham/Roebuck Plaza 340 987 1,327 720 10/1/86 Birmingham/Greensprings 16 2,200 2,216 1,677 F-44 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 10/1/86 Birmingham/Hoover-Lorna - 372 1,128 470 431 10/1/86 Midfield/Bessemer - 170 355 484 112 10/1/86 Huntsville/Leeman Ferry Rd. - 158 992 459 558 10/1/86 Huntsville/Drake - 253 1,172 367 538 10/1/86 Anniston/Whiteside - 59 566 248 329 10/1/86 Houston/Glenvista - 595 1,043 1,050 494 10/1/86 Houston/I-45 - 704 1,146 1,421 604 10/1/86 Houston/Rogerdale - 1,631 2,792 1,085 1,232 10/1/86 Houston/Gessner - 1,032 1,693 1,305 746 10/1/86 Houston/Richmond-Fairdale - 1,502 2,506 1,623 1,160 10/1/86 Houston/Gulfton - 1,732 3,036 1,434 1,398 10/1/86 Houston/Westpark - 503 854 502 435 10/1/86 Jonesboro - 157 718 342 370 10/1/86 Houston / South Loop West - 1,299 3,491 1,679 1,366 10/1/86 Houston / Plainfield Road - 904 2,319 1,448 920 10/1/86 Houston / North Freeway - - 2,706 611 609 10/1/86 Houston / Old Katy Road - 1,365 3,431 947 1,274 10/1/86 Houston / Long Point - 451 1,187 810 563 10/1/86 Austin / Research Blvd. - 1,390 1,710 786 672 11/1/86 Arleta / Osborne Street - 987 663 354 290 12/1/86 Lynnwood / 196th Street - 1,063 1,602 7,491 571 12/1/86 N. Auburn / Auburn Way N. - 606 1,144 483 533 12/1/86 Gresham / Burnside & 202nd - 351 1,056 602 482 12/1/86 Denver / Sheridan Boulevard - 1,033 2,792 1,377 1,007 12/1/86 Marietta / Cobb Parkway - 536 2,764 1,200 1,016 12/1/86 Hillsboro / T.V. Highway - 461 574 313 414 12/1/86 San Antonio / West Sunset Road - 1,206 1,594 845 649 12/31/86 Monrovia / Myrtle Avenue - 1,149 2,446 246 - 12/31/86 Chatsworth / Topanga - 1,447 1,243 3,805 - 12/31/86 Houston / Larkwood - 247 602 565 - 12/31/86 Northridge - 3,624 1,922 7,206 - 12/31/86 Santa Clara / Duane - 1,950 1,004 456 - 12/31/86 Oyster Point - 1,569 1,490 550 - 12/31/86 Walnut - 767 613 5,529 - 3/1/87 Annandale / Ravensworth - 679 1,621 397 596 4/1/87 City Of Industry / Amar - 748 2,052 704 702 5/1/87 Oklahoma City / W. Hefner - 459 941 515 417 7/1/87 Oakbrook Terrace - 912 2,688 1,779 399 8/1/87 San Antonio/Austin Hwy. - 400 850 92 164 Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation --- 10/1/86 Birmingham/Hoover-Lorna 266 2,135 2,401 1,612 10/1/86 Midfield/Bessemer 95 1,026 1,121 745 10/1/86 Huntsville/Leeman Ferry Rd. 198 1,969 2,167 1,465 10/1/86 Huntsville/Drake 248 2,082 2,330 1,566 10/1/86 Anniston/Whiteside 107 1,095 1,202 837 10/1/86 Houston/Glenvista 594 2,588 3,182 1,820 10/1/86 Houston/I-45 703 3,172 3,875 2,270 10/1/86 Houston/Rogerdale 1,630 5,110 6,740 3,717 10/1/86 Houston/Gessner 1,032 3,744 4,776 2,844 10/1/86 Houston/Richmond-Fairdale 1,501 5,290 6,791 3,962 10/1/86 Houston/Gulfton 1,731 5,869 7,600 4,428 10/1/86 Houston/Westpark 502 1,792 2,294 1,253 10/1/86 Jonesboro 156 1,431 1,587 1,075 10/1/86 Houston / South Loop West 1,298 6,537 7,835 5,077 10/1/86 Houston / Plainfield Road 903 4,688 5,591 3,499 10/1/86 Houston / North Freeway - 3,926 3,926 2,390 10/1/86 Houston / Old Katy Road 1,163 5,854 7,017 3,701 10/1/86 Houston / Long Point 451 2,560 3,011 1,992 10/1/86 Austin / Research Blvd. 1,390 3,168 4,558 2,431 11/1/86 Arleta / Osborne Street 986 1,308 2,294 1,007 12/1/86 Lynnwood / 196th Street 1,405 9,322 10,727 3,912 12/1/86 N. Auburn / Auburn Way N. 605 2,161 2,766 1,743 12/1/86 Gresham / Burnside & 202nd 351 2,140 2,491 1,610 12/1/86 Denver / Sheridan Boulevard 1,033 5,176 6,209 3,995 12/1/86 Marietta / Cobb Parkway 535 4,981 5,516 3,863 12/1/86 Hillsboro / T.V. Highway 461 1,301 1,762 1,081 12/1/86 San Antonio / West Sunset Road 1,206 3,088 4,294 2,306 12/31/86 Monrovia / Myrtle Avenue 1,148 2,693 3,841 2,219 12/31/86 Chatsworth / Topanga 1,448 5,047 6,495 2,032 12/31/86 Houston / Larkwood 246 1,168 1,414 836 12/31/86 Northridge 3,641 9,111 12,752 2,890 12/31/86 Santa Clara / Duane 1,949 1,461 3,410 1,206 12/31/86 Oyster Point 1,569 2,040 3,609 1,683 12/31/86 Walnut 768 6,141 6,909 2,170 3/1/87 Annandale / Ravensworth 679 2,614 3,293 2,030 4/1/87 City Of Industry / Amar 748 3,458 4,206 1,922 5/1/87 Oklahoma City / W. Hefner 459 1,873 2,332 1,415 7/1/87 Oakbrook Terrace 1,580 4,198 5,778 3,443 8/1/87 San Antonio/Austin Hwy. 399 1,107 1,506 1,015 F-45 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests

-- 10/1/87 Plantation/S. State Rd. - 924 1,801 (119) 298 10/1/87 Rockville/Fredrick Rd. - 1,695 3,305 8,992 519 2/1/88 Anaheim/Lakeview - 995 1,505 90 256 6/7/88 Mesquite / Sorrento Drive - 928 1,011 6,776 - 7/1/88 Fort Wayne - 101 1,524 242 663 1/1/92 Costa Mesa - 533 980 816 - 3/1/92 Dallas / Walnut St. - 537 1,008 454 - 5/1/92 Camp Creek - 576 1,075 514 - 9/1/92 Orlando/W. Colonial - 368 713 288 - 9/1/92 Jacksonville/Arlington - 554 1,065 341 - 10/1/92 Stockton/Mariners - 381 730 256 - 11/18/92 Virginia Beach/General Booth Blvd - 599 1,119 593 - 1/1/93 Redwood City/Storage - 907 1,684 277 - 1/1/93 City Of Industry - 1,611 2,991 923 - 1/1/93 San Jose/Felipe - 1,124 2,088 1,081 - 1/1/93 Baldwin Park/Garvey Ave - 840 1,561 209 - 3/19/93 Westminister / W. 80th - 840 1,586 457 - 4/26/93 Costa Mesa / Newport 815 2,141 3,989 5,561 - 5/13/93 Austin /N. Lamar - 919 1,695 8,630 - 5/28/93 Jacksonville/Phillips Hwy. - 406 771 292 - 5/28/93 Tampa/Nebraska Avenue - 550 1,043 482 - 6/9/93 Calabasas / Ventura Blvd. - 1,762 3,269 346 - 6/9/93 Carmichael / Fair Oaks - 573 1,052 335 - 6/9/93 Santa Clara / Duane - 454 834 216 - 6/10/93 Citrus Heights / Sylvan Road - 438 822 254 - 6/25/93 Trenton / Allen Road - 623 1,166 314 - 6/30/93 Los Angeles/W.Jefferson Blvd - 1,085 2,017 248 - 7/16/93 Austin / So. Congress Ave - 777 1,445 406 - 8/1/93 Gaithersburg / E. Diamond - 602 1,139 234 - 8/11/93 Atlanta / Northside - 1,150 2,149 499 - 8/11/93 Smyrna/ Rosswill Rd - 446 842 273 - 8/13/93 So. Brunswick/Highway - 1,076 2,033 558 - 10/1/93 Denver / Federal Blvd - 875 1,633 339 - 10/1/93 Citrus Heights - 527 987 259 - 10/1/93 Lakewood / 6th Ave - 798 1,489 116 - 10/27/93 Houston / S Shaver St - 481 896 264 - 11/3/93 Upland/S. Euclid Ave. - 431 807 580 - 11/16/93 Norcross / Jimmy Carter - 627 1,167 272 - 11/16/93 Seattle / 13th - 1,085 2,015 758 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 10/1/87 Plantation/S. State Rd. 923 1,981 2,904 1,915 10/1/87 Rockville/Fredrick Rd. 1,702 12,809 14,511 4,139 2/1/88 Anaheim/Lakeview 995 1,851 2,846 1,763 6/7/88 Mesquite / Sorrento Drive 1,044 7,671 8,715 2,559 7/1/88 Fort Wayne 101 2,429 2,530 1,629 1/1/92 Costa Mesa 535 1,794 2,329 1,601 3/1/92 Dallas / Walnut St. 537 1,462 1,999 1,372 5/1/92 Camp Creek 575 1,590 2,165 1,123 9/1/92 Orlando/W. Colonial 367 1,002 1,369 740 9/1/92 Jacksonville/Arlington 554 1,406 1,960 990 10/1/92 Stockton/Mariners 380 987 1,367 707 11/18/92 Virginia Beach/General Booth Blvd 599 1,712 2,311 1,161 1/1/93 Redwood City/Storage 906 1,962 2,868 1,324 1/1/93 City Of Industry 1,610 3,915 5,525 2,751 1/1/93 San Jose/Felipe 1,124 3,169 4,293 1,917 1/1/93 Baldwin Park/Garvey Ave 771 1,839 2,610 1,296 3/19/93 Westminister / W. 80th 840 2,043 2,883 1,364 4/26/93 Costa Mesa / Newport 3,732 7,959 11,691 3,758 5/13/93 Austin /N. Lamar 1,421 9,823 11,244 3,765 5/28/93 Jacksonville/Phillips Hwy. 406 1,063 1,469 717 5/28/93 Tampa/Nebraska Avenue 550 1,525 2,075 937 6/9/93 Calabasas / Ventura Blvd. 1,761 3,616 5,377 2,347 6/9/93 Carmichael / Fair Oaks 572 1,388 1,960 938 6/9/93 Santa Clara / Duane 453 1,051 1,504 668 6/10/93 Citrus Heights / Sylvan Road 437 1,077 1,514 741 6/25/93 Trenton / Allen Road 623 1,480 2,103 986 6/30/93 Los Angeles/W.Jefferson Blvd 1,085 2,265 3,350 1,500 7/16/93 Austin / So. Congress Ave 777 1,851 2,628 1,290 8/1/93 Gaithersburg / E. Diamond 602 1,373 1,975 891 8/11/93 Atlanta / Northside 1,150 2,648 3,798 1,750 8/11/93 Smyrna/ Rosswill Rd 446 1,115 1,561 780 8/13/93 So. Brunswick/Highway 1,076 2,591 3,667 1,654 10/1/93 Denver / Federal Blvd 875 1,972 2,847 1,284 10/1/93 Citrus Heights 527 1,246 1,773 792 10/1/93 Lakewood / 6th Ave 685 1,718 2,403 1,088 10/27/93 Houston / S Shaver St 481 1,160 1,641 776 11/3/93 Upland/S. Euclid Ave. 508 1,310 1,818 835 11/16/93 Norcross / Jimmy Carter 626 1,440 2,066 935 11/16/93 Seattle / 13th 1,085 2,773 3,858 1,873 F-46 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 12/9/93 Salt Lake City - 765 1,422 61 - 12/16/93 West Valley City - 683 1,276 371 - 12/21/93 Pinellas Park / 34th St. W - 607 1,134 309 - 12/28/93 New Orleans / S. Carrollton Ave - 1,575 2,941 603 - 12/29/93 Orange / Main - 1,238 2,317 1,761 - 12/29/93 Sunnyvale / Wedell - 554 1,037 824 - 12/29/93 El Cajon / Magnolia - 421 791 675 - 12/29/93 Orlando / S. Semoran Blvd. - 462 872 769 - 12/29/93 Tampa / W. Hillsborough Ave - 352 665 574 - 12/29/93 Irving / West Loop 12 - 341 643 284 - 12/29/93 Fullerton / W. Commonwealth - 904 1,687 1,296 - 12/29/93 N. Lauderdale / Mcnab Rd - 628 1,182 794 - 12/29/93 Los Alimitos / Cerritos - 695 1,299 721 - 12/29/93 Frederick / Prospect Blvd. - 573 1,082 658 - 12/29/93 Indianapolis / E. Washington - 403 775 884 - 12/29/93 Gardena / Western Ave. - 552 1,035 691 - 12/29/93 Palm Bay / Bobcock Street - 409 775 614 - 1/10/94 Hialeah / W. 20Th Ave. - 1,855 3,497 58 - 1/12/94 Sunnyvale / N. Fair Oaks Ave - 689 1,285 402 - 1/12/94 Honolulu / Iwaena - - 3,382 1,087 - 1/12/94 Miami / Golden

Glades - 579 1,081 651 - 1/21/94 Herndon / Centreville Road - 1,584 2,981 609 - 2/8/94 Las Vegas/S. Martin Luther King Blvd - 1,383 2,592 1,321 - 2/28/94 Arlingtn/Old Jeffersn Davishwy - 735 1,399 663 - 3/8/94 Beaverton / Sw Barnes Road - 942 1,810 285 - 3/21/94 Austin / Arboretum - 473 897 2,904 - 3/25/94 Tinton Falls / Shrewsbury Ave - 1,074 2,033 340 - 3/25/94 East Brunswick / Milltown Road - 1,282 2,411 472 - 3/25/94 Mercerville / Quakerbridge Road - 1,109 2,111 350 - 3/31/94 Hypoluxo - 735 1,404 2,301 - 4/26/94 No. Highlands / Roseville Road - 980 1,835 525 - 5/12/94 Fort Pierce/Okeechobee Road - 438 842 189 - 5/24/94 Hempstead/Peninsula Blvd. - 2,053 3,832 566 - 5/24/94 La/Huntington - 483 905 321 - 6/9/94 Chattanooga / Brainerd Road - 613 1,170 326 - 6/9/94 Chattanooga / Ringgold Road - 761 1,433 711 - 6/18/94 Las Vegas / S. Valley View Blvd - 837 1,571 375 - 6/23/94 Las Vegas / Tropicana - 750 1,408 439 - 6/23/94 Henderson / Green Valley Pkwy - 1,047 1,960 357 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation --- 12/9/93 Salt Lake City 633 1,615 2,248 690 12/16/93 West Valley City 682 1,648 2,330 1,041 12/21/93 Pinellas Park / 34th St. W 607 1,443 2,050 962 12/28/93 New Orleans / S. Carrollton Ave 1,574 3,545 5,119 2,507 12/29/93 Orange / Main 1,593 3,723 5,316 2,277 12/29/93 Sunnyvale / Wedell 725 1,690 2,415 1,065 12/29/93 El Cajon / Magnolia 541 1,346 1,887 841 12/29/93 Orlando / S. Semoran Blvd. 601 1,502 2,103 959 12/29/93 Tampa / W. Hillsborough Ave 436 1,155 1,591 717 12/29/93 Irving / West Loop 12 354 914 1,268 586 12/29/93 Fullerton / W. Commonwealth 1,159 2,728 3,887 1,704 12/29/93 N. Lauderdale / Mcnab Rd 798 1,806 2,604 1,122 12/29/93 Los Alimitos / Cerritos 874 1,841 2,715 1,132 12/29/93 Frederick / Prospect Blvd. 692 1,621 2,313 1,042 12/29/93 Indianapolis / E. Washington 505 1,557 2,062 885 12/29/93 Gardena / Western Ave. 694 1,584 2,278 956 12/29/93 Palm Bay / Bobcock Street 525 1,273 1,798 847 1/10/94 Hialeah / W. 20Th Ave. 1,589 3,821 5,410 2,484 1/12/94 Sunnyvale / N. Fair Oaks Ave 657 1,719 2,376 1,035 1/12/94 Honolulu / Iwaena - 4,469 4,469 2,686 1/12/94 Miami / Golden Glades 557 1,754 2,311 1,122 1/21/94 Herndon / Centreville Road 1,358 3,816 5,174 2,320 2/8/94 Las Vegas/S. Martin Luther King Blvd 1,435 3,861 5,296 2,337 2/28/94 Arlingtn/Old Jeffersn Davishwy 630 2,167 2,797 1,499 3/8/94 Beaverton / Sw Barnes Road 807 2,230 3,037 1,465 3/21/94 Austin / Arboretum 1,553 2,721 4,274 1,341 3/25/94 Tinton Falls / Shrewsbury Ave 920 2,527 3,447 1,617 3/25/94 East Brunswick / Milltown Road 1,099 3,066 4,165 2,010 3/25/94 Mercerville / Quakerbridge Road 950 2,620 3,570 1,704 3/31/94 Hypoluxo 630 3,810 4,440 2,983 4/26/94 No. Highlands / Roseville Road 840 2,500 3,340 1,636 5/12/94 Fort Pierce/Okeechobee Road 375 1,094 1,469 884 5/24/94 Hempstead/Peninsula Blvd. 1,762 4,689 6,451 2,826 5/24/94 La/Huntington 414 1,295 1,709 813 6/9/94 Chattanooga / Brainerd Road 525 1,584 2,109 1,020 6/9/94 Chattanooga / Ringgold Road 652 2,253 2,905 1,420 6/18/94 Las Vegas / S. Valley View Blvd 718 2,065 2,783 1,283 6/23/94 Las Vegas / Tropicana 643 1,954 2,597 1,215 6/23/94 Henderson / Green Valley Pkwy 897 2,467 3,364 1,531 F-47 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --- 6/24/94 Las Vegas / N. Lamb Blvd. - 869 1,629 155 - 6/30/94 Birmingham / W. Oxmoor Road - 532 1,004 563 - 7/20/94 Milpitas / Dempsey Road - 1,260 2,358 276 - 8/17/94 Beaverton / S.W. Denny Road - 663 1,245 178 - 8/17/94 Irwindale / Central Ave. - 674 1,263 165 - 8/17/94 Suitland / St. Barnabas Rd - 1,530 2,913 600 - 8/17/94 North Brunswick / How Lane - 1,238 2,323 186 - 8/17/94 Lombard / 64th - 847 1,583 383 - 8/17/94 Alsip / 27th - 406 765 176 - 9/15/94 Huntsville / Old Monrovia Road - 613 1,157 309 - 9/27/94 West Haven / Bull Hill Lane - 455 873 5,463 - 9/30/94 San Francisco / Marin St. - 1,227 2,339 1,347 - 9/30/94 Baltimore / Hillen Street - 580 1,095 518 - 9/30/94 San Francisco /10th & Howard - 1,423 2,668 358 - 9/30/94 Montebello / E. Whittier - 383 732 249 - 9/30/94 Arlington / Collins - 228 435 416 - 9/30/94 Miami / S.W. 119th Ave - 656 1,221 143 - 9/30/94 Blackwood / Erial Road - 774 1,437 177 - 9/30/94 Concord / Monument - 1,092 2,027 464 - 9/30/94 Rochester / Lee Road - 469 871 355 - 9/30/94 Houston / Bellaire - 623 1,157 455 - 9/30/94 Austin / Lamar Blvd - 781 1,452 189 - 9/30/94 Milwaukee / Lovers Lane Rd - 469 871 291 - 9/30/94 Monterey / Del Rey Oaks - 1,093 1,897 132 - 9/30/94 St. Petersburg / 66Th St. - 427 793 362 - 9/30/94 Dayton Bch / N. Nova Road - 396 735 241 - 9/30/94 Maple Shade / Route 38 - 994 1,846 302 - 9/30/94 Marlton / Route 73 N. - 938 1,742 176 - 9/30/94 Naperville / E. Ogden Ave - 683 1,268 328 - 9/30/94 Long Beach / South Street - 1,778 3,307 493 - 9/30/94 Aloha / S.W. Shaw - 805 1,495 182 - 9/30/94 Alexandria / S. Pickett - 1,550 2,879 357 - 9/30/94 Houston / Highway 6 North - 1,120 2,083 378 - 9/30/94 San Antonio/Nacogdoches Rd - 571 1,060 313 - 9/30/94 San Ramon/San Ramon Valley - 1,530 2,840 742 - 9/30/94 San

Rafael / Merrydale Rd - 1,705 3,165 238 - 9/30/94 San Antonio / Austin Hwy - 592 1,098 308 - 9/30/94 Sharonville / E. Kemper - 574 1,070 438 - 10/13/94 Davie / State Road 84 - 744 1,467 956 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation --- 6/24/94 Las Vegas / N. Lamb Blvd. 669 1,984 2,653 1,005 6/30/94 Birmingham / W. Oxmoor Road 456 1,643 2,099 1,176 7/20/94 Milpitas / Dempsey Road 1,080 2,814 3,894 1,742 8/17/94 Beaverton / S.W. Denny Road 568 1,518 2,086 928 8/17/94 Irwindale / Central Ave. 578 1,524 2,102 927 8/17/94 Suitland / St. Barnabas Rd 1,311 3,732 5,043 2,273 8/17/94 North Brunswick / How Lane 1,061 2,686 3,747 1,616 8/17/94 Lombard / 64th 726 2,087 2,813 1,269 8/17/94 Alsip / 27th 348 999 1,347 634 9/15/94 Huntsville / Old Monrovia Road 525 1,554 2,079 987 9/27/94 West Haven / Bull Hill Lane 1,963 4,828 6,791 2,076 9/30/94 San Francisco / Marin St. 1,370 3,543 4,913 2,116 9/30/94 Baltimore / Hillen Street 497 1,696 2,193 1,058 9/30/94 San Francisco /10th & Howard 1,221 3,228 4,449 1,984 9/30/94 Montebello / E. Whittier 329 1,035 1,364 660 9/30/94 Arlington / Collins 195 884 1,079 579 9/30/94 Miami / S.W. 119th Ave 562 1,458 2,020 863 9/30/94 Blackwood / Erial Road 663 1,725 2,388 1,042 9/30/94 Concord / Monument 935 2,648 3,583 1,688 9/30/94 Rochester / Lee Road 402 1,293 1,695 890 9/30/94 Houston / Bellaire 534 1,701 2,235 1,031 9/30/94 Austin / Lamar Blvd 668 1,754 2,422 1,077 9/30/94 Milwaukee / Lovers Lane Rd 402 1,229 1,631 793 9/30/94 Monterey / Del Rey Oaks 903 2,219 3,122 1,391 9/30/94 St. Petersburg / 66Th St. 366 1,216 1,582 733 9/30/94 Dayton Bch / N. Nova Road 339 1,033 1,372 664 9/30/94 Maple Shade / Route 38 852 2,290 3,142 1,419 9/30/94 Marlton / Route 73 N. 805 2,051 2,856 1,453 9/30/94 Naperville / E. Ogden Ave 585 1,694 2,279 997 9/30/94 Long Beach / South Street 1,523 4,055 5,578 2,498 9/30/94 Aloha / S.W. Shaw 690 1,792 2,482 1,075 9/30/94 Alexandria / S. Pickett 1,329 3,457 4,786 2,112 9/30/94 Houston / Highway 6 North 960 2,621 3,581 1,576 9/30/94 San Antonio/Nacogdoches Rd 489 1,455 1,944 923 9/30/94 San Ramon/San Ramon Valley 1,311 3,801 5,112 2,293 9/30/94 San Rafael / Merrydale Rd 1,461 3,647 5,108 2,201 9/30/94 San Antonio / Austin Hwy 507 1,491 1,998 918 9/30/94 Sharonville / E. Kemper 492 1,590 2,082 1,015 10/13/94 Davie / State Road 84 637 2,530 3,167 1,515 F-48 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --- 10/13/94 Carrollton / Marsh Lane - 770 1,437 1,511 - 10/31/94 Sherman Oaks / Van Nuys Blvd - 1,278 2,461 1,037 - 12/19/94 Salt Lake City/West North Temple - 490 917 (43) - 12/28/94 Milpitas / Watson - 1,575 2,925 390 - 12/28/94 Las Vegas / Jones Blvd - 1,208 2,243 243 - 12/28/94 Venice / Guthrie - 578 1,073 193 - 12/30/94 Apple Valley / Foliage Ave - 910 1,695 322 - 1/4/95 Chula Vista / Main Street - 735 1,802 296 - 1/5/95 Pantego / West Park - 315 735 218 - 1/12/95 Roswell / Alpharetta - 423 993 437 - 1/23/95 North Bergen / Tonne - 1,564 3,772 584 - 1/23/95 San Leandro / Hesperian - 734 1,726 182 - 1/24/95 Nashville / Elm Hill - 338 791 487 - 2/3/95 Reno / S. Mccarron Blvd - 1,080 2,537 239 - 2/15/95 Schiller Park - 1,688 3,939 558 - 2/15/95 Lansing - 1,514 3,534 607 - 2/15/95 Pleasanton - 1,257 2,932 149 - 2/15/95 LA/Sepulveda - 1,453 3,390 187 - 2/28/95 Decatur / Flat Shoal - 970 2,288 771 - 2/28/95 Smyrna / S. Cobb - 663 1,559 543 - 2/28/95 Downey / Bellflower - 916 2,158 291 - 2/28/95 Vallejo / Lincoln - 445 1,052 343 - 2/28/95 Lynnwood / 180th St - 516 1,205 283 - 2/28/95 Kent / Pacific Hwy - 728 1,711 195 - 2/28/95 Kirkland - 1,254 2,932 537 - 2/28/95 Federal Way/Pacific - 785 1,832 345 - 2/28/95 Tampa / S. Dale - 791 1,852 323 - 2/28/95 Burlingame/Adrian Rd - 2,280 5,349 530 - 2/28/95 Miami / Cloverleaf - 606 1,426 380 - 2/28/95 Pinole / San Pablo - 639 1,502 420 - 2/28/95 South Gate / Firesto - 1,442 3,449 482 - 2/28/95 San Jose / Mabury - 892 2,088 251 - 2/28/95 La Puente / Valley Blvd - 591 1,390 272 - 2/28/95 San Jose / Capitol E - 1,215 2,852 213 - 2/28/95 Milwaukie / 40th Street - 576 1,388 150 - 2/28/95 Portland / N. Lombard - 812 1,900 254 - 2/28/95 Miami / Biscayne - 1,313 3,076 570 - 2/28/95 Chicago / Clark Street - 442 1,031 450 - 2/28/95 Palatine / Dundee - 698 1,643 621 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation --- 10/13/94 Carrollton / Marsh Lane 1,021 2,697 3,718 1,545 10/31/94 Sherman Oaks / Van Nuys Blvd 1,423 3,353 4,776 2,018 12/19/94 Salt Lake City/West North Temple 385 979 1,364 419 12/28/94 Milpitas / Watson 1,350 3,540 4,890 2,115 12/28/94 Las Vegas / Jones Blvd 1,035 2,659 3,694 1,572 12/28/94 Venice / Guthrie 495 1,349 1,844 805 12/30/94 Apple Valley / Foliage Ave 780 2,147 2,927 1,312 1/4/95 Chula Vista / Main Street 735 2,098 2,833 1,278 1/5/95 Pantego / West Park 315 953 1,268 582 1/12/95 Roswell / Alpharetta 423 1,430 1,853 986 1/23/95 North Bergen / Tonne 1,550 4,370

5,920 2,546 1/23/95 San Leandro / Hesperian 733 1,909 2,642 1,114 1/24/95 Nashville / Elm Hill 337 1,279 1,616 897 2/3/95 Reno / S. Mccarron Blvd 1,080 2,776 3,856 1,638 2/15/95 Schiller Park 1,688 4,497 6,185 2,437 2/15/95 Lansing 1,514 4,141 5,655 2,165 2/15/95 Pleasanton 1,256 3,082 4,338 1,618 2/15/95 LA/Sepulveda 1,452 3,578 5,030 1,852 2/28/95 Decatur / Flat Shoal 970 3,059 4,029 1,964 2/28/95 Smyrna / S. Cobb 662 2,103 2,765 1,263 2/28/95 Downey / Bellflower 916 2,449 3,365 1,437 2/28/95 Vallejo / Lincoln 445 1,395 1,840 871 2/28/95 Lynnwood / 180th St 516 1,488 2,004 951 2/28/95 Kent / Pacific Hwy 728 1,906 2,634 1,132 2/28/95 Kirkland 1,253 3,470 4,723 2,067 2/28/95 Federal Way/Pacific 785 2,177 2,962 1,331 2/28/95 Tampa / S. Dale 791 2,175 2,966 1,364 2/28/95 Burlingame/Adrian Rd 2,280 5,879 8,159 3,451 2/28/95 Miami / Cloverleaf 606 1,806 2,412 1,146 2/28/95 Pinole / San Pablo 639 1,922 2,561 1,165 2/28/95 South Gate / Firesto 1,442 3,931 5,373 2,436 2/28/95 San Jose / Mabury 892 2,339 3,231 1,361 2/28/95 La Puente / Valley Blvd 591 1,662 2,253 1,048 2/28/95 San Jose / Capitol E 1,214 3,066 4,280 1,770 2/28/95 Milwaukie / 40th Street 579 1,535 2,114 921 2/28/95 Portland / N. Lombard 812 2,154 2,966 1,300 2/28/95 Miami / Biscayne 1,313 3,646 4,959 2,018 2/28/95 Chicago / Clark Street 442 1,481 1,923 957 2/28/95 Palatine / Dundee 698 2,264 2,962 1,500 F-49 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 2/28/95 Williamsville/Transit - 284 670 346 - 2/28/95 Amherst / Sheridan - 484 1,151 272 - 3/2/95 Everett / Highway 99 - 859 2,022 296 - 3/2/95 Burien / 1St Ave South - 763 1,783 555 - 3/2/95 Kent / South 238th Street - 763 1,783 341 - 3/31/95 Cheverly / Central Ave - 911 2,164 470 - 5/1/95 Sandy / S. State Street - 1,043 2,442 (107) - 5/3/95 Largo / Ulmerton Roa - 263 654 197 - 5/8/95 Fairfield/Western Street - 439 1,030 147 - 5/8/95 Dallas / W. Mockingbird - 1,440 3,371 332 - 5/8/95 East Point / Lakewood - 884 2,071 482 - 5/25/95 Falls Church / Gallows Rd - 350 835 9,338 - 6/12/95 Baltimore / Old Waterloo - 769 1,850 240 - 6/12/95 Pleasant Hill / Hookston - 766 1,848 203 - 6/12/95 Mountain View/Old Middlefield - 2,095 4,913 203 - 6/30/95 San Jose / Blossom Hill - 1,467 3,444 321 - 6/30/95 Fairfield / Kings Highway - 1,811 4,273 503 - 6/30/95 Pacoima / Paxton Street 116 840 1,976 254 - 6/30/95 Portland / Prescott - 647 1,509 260 - 6/30/95 St. Petersburg - 352 827 322 - 6/30/95 Dallas / Audelia Road - 1,166 2,725 1,404 - 6/30/95 Miami Gardens - 823 1,929 375 - 6/30/95 Grand Prairie / 19th - 566 1,329 241 - 6/30/95 Joliet / Jefferson Street - 501 1,181 219 - 6/30/95 Bridgeton / Pennridge - 283 661 247 - 6/30/95 Portland / S.E.92nd - 638 1,497 244 - 6/30/95 Houston / S.W. Freeway - 537 1,254 7,031 - 6/30/95 Milwaukee / Brown - 358 849 312 - 6/30/95 Orlando / W. Oak Ridge - 698 1,642 426 - 6/30/95 Lauderhill / State Road - 644 1,508 356 - 6/30/95 Orange Park /Blanding Blvd - 394 918 379 - 6/30/95 St. Petersburg /Joe'S Creek - 704 1,642 301 - 6/30/95 St. Louis / Page Service Drive - 531 1,241 226 - 6/30/95 Independence /E. 42nd - 438 1,023 283 - 6/30/95 Cherry Hill / Dobbs Lane - 716 1,676 271 - 6/30/95 Edgewater Park / Route 130 - 683 1,593 195 - 6/30/95 Beaverton / S.W. 110 - 572 1,342 259 - 6/30/95 Markham / W. 159Th Place - 230 539 295 - 6/30/95 Houston / N.W. Freeway - 447 1,066 249 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation -- 2/28/95 Williamsville/Transit 283 1,017 1,300 670 2/28/95 Amherst / Sheridan 483 1,424 1,907 873 3/2/95 Everett / Highway 99 858 2,319 3,177 1,412 3/2/95 Burien / 1St Ave South 763 2,338 3,101 1,449 3/2/95 Kent / South 238th Street 763 2,124 2,887 1,281 3/31/95 Cheverly / Central Ave 910 2,635 3,545 1,550 5/1/95 Sandy / S. State Street 923 2,455 3,378 1,036 5/3/95 Largo / Ulmerton Roa 262 852 1,114 538 5/8/95 Fairfield/Western Street 439 1,177 1,616 671 5/8/95 Dallas / W. Mockingbird 1,439 3,704 5,143 2,085 5/8/95 East Point / Lakewood 884 2,553 3,437 1,550 5/25/95 Falls Church / Gallows Rd 3,560 6,963 10,523 1,415 6/12/95 Baltimore / Old Waterloo 769 2,090 2,859 1,234 6/12/95 Pleasant Hill / Hookston 742 2,075 2,817 1,214 6/12/95 Mountain View/Old Middlefield 2,094 5,117 7,211 2,890 6/30/95 San Jose / Blossom Hill 1,467 3,765 5,232 2,136 6/30/95 Fairfield / Kings Highway 1,810 4,777 6,587 2,680 6/30/95 Pacoima / Paxton Street 840 2,230 3,070 1,304 6/30/95 Portland / Prescott 647 1,769 2,416 1,047 6/30/95 St. Petersburg 352 1,149 1,501 731 6/30/95 Dallas / Audelia Road 1,165 4,130 5,295 2,440 6/30/95 Miami Gardens 823 2,304 3,127 1,329 6/30/95 Grand Prairie / 19th 566 1,570 2,136 894 6/30/95 Joliet / Jefferson Street 501 1,400 1,901 859 6/30/95 Bridgeton / Pennridge 283 908 1,191 571 6/30/95 Portland / S.E.92nd 638 1,741 2,379 1,044 6/30/95 Houston / S.W. Freeway 1,140 7,682 8,822 2,523 6/30/95 Milwaukee / Brown 357 1,162 1,519 731 6/30/95 Orlando / W. Oak Ridge 697 2,069 2,766 1,212 6/30/95 Lauderhill / State Road 644 1,864 2,508 1,113 6/30/95 Orange Park

/Blanding Blvd 393 1,298 1,691 768 6/30/95 St. Petersburg /Joe'S Creek 703 1,944 2,647 1,132 6/30/95 St. Louis / Page Service Drive 531 1,467 1,998 880 6/30/95 Independence /E. 42nd 438 1,306 1,744 761 6/30/95 Cherry Hill / Dobbs Lane 715 1,948 2,663 1,152 6/30/95 Edgewater Park / Route 130 683 1,788 2,471 1,022 6/30/95 Beaverton / S.W. 110 572 1,601 2,173 946 6/30/95 Markham / W. 159Th Place 229 835 1,064 497 6/30/95 Houston / N.W. Freeway 447 1,315 1,762 761 F-50 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 6/30/95 Portland / Gantenbein - 537 1,262 275 - 6/30/95 Upper Chichester/Market St. - 569 1,329 192 - 6/30/95 Fort Worth / Hwy 80 - 379 891 297 - 6/30/95 Greenfield/ S. 108th - 728 1,707 501 - 6/30/95 Altamonte Springs - 566 1,326 312 - 6/30/95 Seattle / Delridge Way - 760 1,779 302 - 6/30/95 Elmhurst / Lake Frontage Rd - 748 1,758 280 - 6/30/95 Los Angeles / Beverly Blvd - 787 1,886 892 - 6/30/95 Lawrenceville / Brunswick - 841 1,961 199 - 6/30/95 Richmond / Carlson - 865 2,025 352 - 6/30/95 Liverpool / Oswego Road - 545 1,279 417 - 6/30/95 Rochester / East Ave - 578 1,375 569 - 6/30/95 Pasadena / E. Beltway - 757 1,767 285 - 7/13/95 Tarzana / Burbank Blvd - 2,895 6,823 692 - 7/31/95 Orlando / Lakehurst - 450 1,063 213 - 7/31/95 Livermore / Portola - 921 2,157 289 - 7/31/95 San Jose / Tully - 912 2,137 534 - 7/31/95 Mission Bay - 1,617 3,785 677 - 7/31/95 Las Vegas / Decatur - 1,147 2,697 510 - 7/31/95 Pleasanton / Stanley - 1,624 3,811 444 - 7/31/95 Castro Valley / Grove - 757 1,772 139 - 7/31/95 Honolulu / Kaneohe - 1,215 2,846 2,302 - 7/31/95 Chicago / Wabash Ave - 645 1,535 3,701 - 7/31/95 Springfield / Parker - 765 1,834 293 - 7/31/95 Huntington Bch/Gotham - 765 1,808 245 - 7/31/95 Tucker / Lawrenceville - 630 1,480 253 - 7/31/95 Marietta / Canton Road - 600 1,423 393 - 7/31/95 Wheeling / Hintz - 450 1,054 219 - 8/1/95 Gresham / Division - 607 1,428 134 - 8/1/95 Tucker / Lawrenceville - 600 1,405 401 - 8/1/95 Decatur / Covington - 720 1,694 330 - 8/11/95 Studio City/Ventura - 1,285 3,015 396 - 8/12/95 Smyrna / Hargrove Road - 1,020 3,038 561 - 9/1/95 Hayward / Mission Blvd - 1,020 2,383 331 - 9/1/95 Park City / Belvider - 600 1,405 155 - 9/1/95 New Castle/Dupont Parkway - 990 2,369 251 - 9/1/95 Las Vegas / Rainbow - 1,050 2,459 148 - 9/1/95 Mountain View / Reng - 945 2,216 173 - 9/1/95 Venice / Cadillac - 930 2,182 440 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation -- 6/30/95 Portland / Gantenbein 537 1,537 2,074 935 6/30/95 Upper Chichester/Market St. 569 1,521 2,090 887 6/30/95 Fort Worth / Hwy 80 378 1,189 1,567 675 6/30/95 Greenfield/ S. 108th 727 2,209 2,936 1,330 6/30/95 Altamonte Springs 566 1,638 2,204 953 6/30/95 Seattle / Delridge Way 760 2,081 2,841 1,242 6/30/95 Elmhurst / Lake Frontage Rd 748 2,038 2,786 1,197 6/30/95 Los Angeles / Beverly Blvd 787 2,778 3,565 1,624 6/30/95 Lawrenceville / Brunswick 840 2,161 3,001 1,248 6/30/95 Richmond / Carlson 864 2,378 3,242 1,443 6/30/95 Liverpool / Oswego Road 545 1,696 2,241 1,031 6/30/95 Rochester / East Ave 578 1,944 2,522 1,221 6/30/95 Pasadena / E. Beltway 757 2,052 2,809 1,137 7/13/95 Tarzana / Burbank Blvd 2,894 7,516 10,410 4,300 7/31/95 Orlando / Lakehurst 450 1,276 1,726 749 7/31/95 Livermore / Portola 921 2,446 3,367 1,403 7/31/95 San Jose / Tully 912 2,671 3,583 1,614 7/31/95 Mission Bay 1,616 4,463 6,079 2,642 7/31/95 Las Vegas / Decatur 1,147 3,207 4,354 1,877 7/31/95 Pleasanton / Stanley 1,624 4,255 5,879 2,394 7/31/95 Castro Valley / Grove 756 1,912 2,668 1,078 7/31/95 Honolulu / Kaneohe 2,133 4,230 6,363 2,245 7/31/95 Chicago / Wabash Ave 645 5,236 5,881 1,780 7/31/95 Springfield / Parker 765 2,127 2,892 1,234 7/31/95 Huntington Bch/Gotham 765 2,053 2,818 1,202 7/31/95 Tucker / Lawrenceville 630 1,733 2,363 1,033 7/31/95 Marietta / Canton Road 600 1,816 2,416 1,090 7/31/95 Wheeling / Hintz 450 1,273 1,723 747 8/1/95 Gresham / Division 607 1,562 2,169 892 8/1/95 Tucker / Lawrenceville 600 1,806 2,406 1,114 8/1/95 Decatur / Covington 720 2,024 2,744 1,195 8/11/95 Studio City/Ventura 1,285 3,411 4,696 1,969 8/12/95 Smyrna / Hargrove Road 1,020 3,599 4,619 2,037 9/1/95 Hayward / Mission Blvd 1,020 2,714 3,734 1,552 9/1/95 Park City / Belvider 600 1,560 2,160 895 9/1/95 New Castle/Dupont Parkway 990 2,620 3,610 1,496 9/1/95 Las Vegas / Rainbow 1,050 2,607 3,657 1,457 9/1/95 Mountain View / Reng 945 2,389 3,334 1,363 9/1/95 Venice / Cadillac 930 2,622 3,552 1,515 F-51 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 9/1/95 Simi Valley /Los Angeles - 1,590 3,724 366 - 9/1/95 Spring Valley/Foreman - 1,095 2,572 439 - 9/6/95 Darien / Frontage Road - 975 2,321 266 - 9/30/95 Whittier - 215 384 227 781 9/30/95 Van Nuys/Balboa - 295 657 128 1,148

9/30/95 Huntington Beach - 176 321 165 738 9/30/95 Monterey Park - 124 346 233 782 9/30/95 Downey - 191 317 165 825 9/30/95 Del Amo - 474 742 473 922 9/30/95 Carson - 375 735 418 428 9/30/95 Van Nuys/Balboa Blvd - 1,920 4,504 601 - 10/31/95 San Lorenzo /Hesperian - 1,590 3,716 442 - 10/31/95 Chicago / W. 47th Street - 300 708 335 - 10/31/95 Los Angeles / Eastern - 455 1,070 222 - 11/15/95 Costa Mesa - 522 1,218 167 - 11/15/95 Plano / E. 14th - 705 1,646 213 - 11/15/95 Citrus Heights/Sunrise - 520 1,213 270 - 11/15/95 Modesto/Briggsmore Ave - 470 1,097 179 - 11/15/95 So San Francisco/Spruce - 1,905 4,444 585 - 11/15/95 Pacheco/Buchanan Circle - 1,681 3,951 702 - 11/16/95 Palm Beach Gardens - 657 1,540 230 - 11/16/95 Delray Beach - 600 1,407 237 - 1/1/96 Bensenville/York Rd - 667 1,602 296 895 1/1/96 Louisville/Preston - 211 1,060 178 594 1/1/96 San Jose/Aborn Road - 615 1,342 116 759 1/1/96 Englewood/Federal - 481 1,395 156 777 1/1/96 W. Hollywood/Santa Monica - 3,415 4,577 524 2,552 1/1/96 Orland Hills/W. 159th - 917 2,392 417 1,342 1/1/96 Merrionette Park - 818 2,020 200 1,122 1/1/96 Denver/S Quebec - 1,849 1,941 480 1,086 1/1/96 Tigard/S.W. Pacific - 633 1,206 218 705 1/1/96 Coram/Middle Count - 507 1,421 203 792 1/1/96 Houston/FM 1960 - 635 1,294 367 783 1/1/96 Kent/Military Trail - 409 1,670 329 956 1/1/96 Turnersville/Black - 165 1,360 214 758 1/1/96 Sewell/Rts. 553 - 323 1,138 165 658 1/1/96 Maple Shade/Fellowship - 331 1,421 180 803 1/1/96 Hyattsville/Kenilworth - 509 1,757 217 1,000 1/1/96 Waterbury/Captain - 434 2,089 357 1,162 Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 9/1/95 Simi Valley /Los Angeles 1,589 4,091 5,680 2,330 9/1/95 Spring Valley/Foreman 1,095 3,011 4,106 1,718 9/6/95 Darien / Frontage Road 975 2,587 3,562 1,448 9/30/95 Whittier 215 1,392 1,607 868 9/30/95 Van Nuys/Balboa 295 1,933 2,228 1,183 9/30/95 Huntington Beach 176 1,224 1,400 754 9/30/95 Monterey Park 124 1,361 1,485 784 9/30/95 Downey 191 1,307 1,498 802 9/30/95 Del Amo 474 2,137 2,611 1,318 9/30/95 Carson 375 1,581 1,956 891 9/30/95 Van Nuys/Balboa Blvd 1,919 5,106 7,025 2,698 10/31/95 San Lorenzo /Hesperian 1,589 4,159 5,748 2,163 10/31/95 Chicago / W. 47th Street 300 1,043 1,343 612 10/31/95 Los Angeles / Eastern 454 1,293 1,747 694 11/15/95 Costa Mesa 522 1,385 1,907 754 11/15/95 Plano / E. 14th 705 1,859 2,564 970 11/15/95 Citrus Heights/Sunrise 520 1,483 2,003 806 11/15/95 Modesto/Briggsmore Ave 470 1,276 1,746 707 11/15/95 So San Francisco/Spruce 1,904 5,030 6,934 2,743 11/15/95 Pacheco/Buchanan Circle 1,680 4,654 6,334 2,517 11/16/95 Palm Beach Gardens 657 1,770 2,427 996 11/16/95 Delray Beach 600 1,644 2,244 944 1/1/96 Bensenville/York Rd 667 2,793 3,460 1,370 1/1/96 Louisville/Preston 211 1,832 2,043 827 1/1/96 San Jose/Aborn Road 615 2,217 2,832 1,046 1/1/96 Englewood/Federal 481 2,328 2,809 1,142 1/1/96 W. Hollywood/Santa Monica 3,414 7,654 11,068 3,551 1/1/96 Orland Hills/W. 159th 917 4,151 5,068 2,030 1/1/96 Merrionette Park 818 3,342 4,160 1,576 1/1/96 Denver/S Quebec 1,848 3,508 5,356 1,645 1/1/96 Tigard/S.W. Pacific 633 2,129 2,762 1,005 1/1/96 Coram/Middle Count 507 2,416 2,923 1,109 1/1/96 Houston/FM 1960 635 2,444 3,079 1,151 1/1/96 Kent/Military Trail 409 2,955 3,364 1,375 1/1/96 Turnersville/Black 165 2,332 2,497 1,080 1/1/96 Sewell/Rts. 553 323 1,961 2,284 914 1/1/96 Maple Shade/Fellowship 331 2,404 2,735 1,093 1/1/96 Hyattsville/Kenilworth 508 2,975 3,483 1,365 1/1/96 Waterbury/Captain 434 3,608 4,042 1,464 F-52 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 1/1/96 Bedford Hts/Miles - 835 1,577 424 929 1/1/96 Livonia/Newburgh - 635 1,407 195 783 1/1/96 Sunland/Sunland Blvd. - 631 1,965 167 1,090 1/1/96 Des Moines - 448 1,350 171 768 1/1/96 Oxonhill/Indianhead - 772 2,017 455 1,141 1/1/96 Sacramento/N. 16th - 582 2,610 263 1,466 1/1/96 Houston/Westheimer - 1,508 2,274 449 1,304 1/1/96 San Pablo/San Pablo - 565 1,232 212 713 1/1/96 Bowie/Woodcliff - 718 2,336 276 1,292 1/1/96 Milwaukee/S. 84th - 444 1,868 354 1,091 1/1/96 Clinton/Malcolm Road - 593 2,123 294 1,187 1/3/96 San Gabriel - 1,005 2,345 424 - 1/5/96 San Francisco, Second St. - 2,880 6,814 219 - 1/12/96 San Antonio, TX - 912 2,170 117 - 2/29/96 Naples, FL/Old US 41 - 849 2,016 288 - 2/29/96 Lake Worth, FL/S. Military Tr. - 1,782 4,723 170 - 2/29/96 Brandon, FL/W Brandon Blvd. - 1,928 4,523 1,020 - 2/29/96 Coral Springs FL/W Sample Rd. - 3,480 8,148 219 - 2/29/96 Delray Beach FL/S Military Tr. - 941 2,222 250 - 2/29/96 Jupiter FL/Military Trail - 2,280 5,347 381 - 2/29/96 Lakeworth FL/Lake Worth Rd - 737 1,742 213 - 2/29/96 New Port Richey/State Rd 54 - 857 2,025 304 - 2/29/96 Sanford FL/S Orlando Dr - 734 1,749 2,139 - 3/8/96 Atlanta/Roswell - 898 3,649 191 - 3/31/96 Oakland - 1,065 2,764 488 - 3/31/96 Saratoga - 2,339 6,081 246 - 3/31/96 Randallstown - 1,359 3,527 462 - 3/31/96 Plano - 650 1,682 191 - 3/31/96 Houston - 543

1,402 198 - 3/31/96 Irvine - 1,920 4,975 1,363 - 3/31/96 Milwaukee - 542 1,402 185 - 3/31/96 Carrollton - 578 1,495 168 - 3/31/96 Torrance - 1,415 3,675 201 - 3/31/96 Jacksonville - 713 1,845 252 - 3/31/96 Dallas - 315 810 1,837 - 3/31/96 Houston - 669 1,724 837 - 3/31/96 Baltimore - 842 2,180 334 - 3/31/96 New Haven - 740 1,907 (14) - 4/1/96 Chicago/Pulaski - 764 1,869 377 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation --- 1/1/96 Bedford Hts/Miles 835 2,930 3,765 1,383 1/1/96 Livonia/Newburgh 635 2,385 3,020 1,082 1/1/96 Sunland/Sunland Blvd. 631 3,222 3,853 1,436 1/1/96 Des Moines 447 2,290 2,737 1,056 1/1/96 Oxonhill/Indianhead 772 3,613 4,385 1,677 1/1/96 Sacramento/N. 16th 581 4,340 4,921 1,643 1/1/96 Houston/Westheimer 1,507 4,028 5,535 1,862 1/1/96 San Pablo/San Pablo 565 2,157 2,722 972 1/1/96 Bowie/Woodcliff 718 3,904 4,622 1,733 1/1/96 Milwaukee/S. 84th 444 3,313 3,757 1,510 1/1/96 Clinton/Malcolm Road 592 3,605 4,197 1,596 1/3/96 San Gabriel 1,005 2,769 3,774 1,560 1/5/96 San Francisco, Second St. 2,879 7,034 9,913 3,795 1/12/96 San Antonio, TX 912 2,287 3,199 1,232 2/29/96 Naples, FL/Old US 41 849 2,304 3,153 1,296 2/29/96 Lake Worth, FL/S. Military Tr. 1,781 4,894 6,675 2,613 2/29/96 Brandon, FL/W Brandon Blvd. 1,928 5,543 7,471 3,354 2/29/96 Coral Springs FL/W Sample Rd. 3,479 8,368 11,847 4,474 2/29/96 Delray Beach FL/S Military Tr. 940 2,473 3,413 1,355 2/29/96 Jupiter FL/Military Trail 2,279 5,729 8,008 3,108 2/29/96 Lakeworth FL/Lake Worth Rd 736 1,956 2,692 1,091 2/29/96 New Port Richey/State Rd 54 856 2,330 3,186 1,313 2/29/96 Sanford FL/S Orlando Dr 974 3,648 4,622 1,977 3/8/96 Atlanta/Roswell 898 3,840 4,738 2,020 3/31/96 Oakland 1,065 3,252 4,317 1,811 3/31/96 Saratoga 2,339 6,327 8,666 3,342 3/31/96 Randallstown 1,359 3,989 5,348 2,181 3/31/96 Plano 649 1,874 2,523 999 3/31/96 Houston 543 1,600 2,143 867 3/31/96 Irvine 1,920 6,338 8,258 3,354 3/31/96 Milwaukee 542 1,587 2,129 878 3/31/96 Carrollton 578 1,663 2,241 891 3/31/96 Torrance 1,415 3,876 5,291 2,078 3/31/96 Jacksonville 712 2,098 2,810 1,177 3/31/96 Dallas 315 2,647 2,962 1,055 3/31/96 Houston 669 2,561 3,230 1,455 3/31/96 Baltimore 842 2,514 3,356 1,384 3/31/96 New Haven 667 1,966 2,633 1,061 4/1/96 Chicago/Pulaski 763 2,247 3,010 1,125 F-53 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 4/1/96 Las Vegas/Desert Inn - 1,115 2,729 216 - 4/1/96 Torrance/Crenshaw - 916 2,243 159 - 4/1/96 Weymouth - 485 1,187 374 - 4/1/96 St. Louis/Barrett Station Road - 630 1,542 288 - 4/1/96 Rockville/Randolph - 1,153 2,823 294 - 4/1/96 Simi Valley/East Street - 970 2,374 123 - 4/1/96 Houston/Westheimer - 1,390 3,402 6,310 - 4/3/96 Naples - 1,187 2,809 510 - 6/26/96 Boca Raton - 3,180 7,468 882 - 6/28/96 Venice - 669 1,575 207 - 6/30/96 Las Vegas - 921 2,155 390 - 6/30/96 Bedford Park - 606 1,419 312 - 6/30/96 Los Angeles - 692 1,616 175 - 6/30/96 Silver Spring - 1,513 3,535 372 - 6/30/96 Newark - 1,051 2,458 154 - 6/30/96 Brooklyn - 783 1,830 2,624 - 7/2/96 Glen Burnie/Furnace Br Rd - 1,755 4,150 773 - 7/22/96 Lakewood/W Hampton - 717 2,092 106 - 8/13/96 Norcross/Holcomb Bridge Rd - 955 3,117 186 - 9/5/96 Spring Valley/S Pascack rd - 1,260 2,966 1,033 - 9/16/96 Dallas/Royal Lane - 1,008 2,426 319 - 9/16/96 Colorado Springs/Tomah Drive - 731 1,759 213 - 9/16/96 Lewisville/S. Stemmons - 603 1,451 186 - 9/16/96 Las Vegas/Boulder Hwy. - 947 2,279 509 - 9/16/96 Sarasota/S. Tamiami Trail - 584 1,407 1,478 - 9/16/96 Willow Grove/Maryland Road - 673 1,620 171 - 9/16/96 Houston/W. Montgomery Rd. - 524 1,261 335 - 9/16/96 Denver/W. Hampden - 1,084 2,609 269 - 9/16/96 Littleton/Southpark Way - 922 2,221 474 - 9/16/96 Petaluma/Baywood Drive - 861 2,074 177 - 9/16/96 Canoga Park/Sherman Way - 1,543 3,716 642 - 9/16/96 Jacksonville/South Lane Ave. - 554 1,334 312 - 9/16/96 Newport News/Warwick Blvd. - 575 1,385 224 - 9/16/96 Greenbrook/Route 22 - 1,227 2,954 694 - 9/16/96 Monsey/Route 59 - 1,068 2,572 258 - 9/16/96 Santa Rosa/Santa Rosa Ave. - 575 1,385 157 - 9/16/96 Fort Worth/Brentwood - 823 2,016 290 - 9/16/96 Glendale/San Fernando Road - 2,500 6,124 288 - 9/16/96 Houston/Harwin - 549 1,344 332 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation --- 4/1/96 Las Vegas/Desert Inn 1,115 2,945 4,060 1,514 4/1/96 Torrance/Crenshaw 916 2,402 3,318 1,215 4/1/96 Weymouth 485 1,561 2,046 764 4/1/96 St. Louis/Barrett Station Road 630 1,830 2,460 853 4/1/96 Rockville/Randolph 1,153 3,117 4,270 1,586 4/1/96 Simi Valley/East Street 969 2,498 3,467 1,230 4/1/96 Houston/Westheimer 1,389 9,713 11,102 4,247 4/3/96 Naples 1,186 3,320 4,506 1,790 6/26/96 Boca Raton 3,179 8,351 11,530 4,736 6/28/96 Venice 669 1,782 2,451 979 6/30/96 Las Vegas 921 2,545 3,466 1,460 6/30/96 Bedford Park 606 1,731 2,337 973 6/30/96 Los Angeles

691 1,792 2,483 961 6/30/96 Silver Spring 1,513 3,907 5,420 2,095 6/30/96 Newark 1,051 2,612 3,663 1,378 6/30/96 Brooklyn 783 4,454 5,237 1,859 7/2/96 Glen Burnie/Furnace Br Rd 1,754 4,924 6,678 2,437 7/22/96 Lakewood/W Hampton 716 2,199 2,915 1,125 8/13/96 Norcross/Holcomb Bridge Rd 954 3,304 4,258 1,722 9/5/96 Spring Valley/S Pascack rd 1,260 3,999 5,259 2,149 9/16/96 Dallas/Royal Lane 1,007 2,746 3,753 1,432 9/16/96 Colorado Springs/Tomah Drive 730 1,973 2,703 1,003 9/16/96 Lewisville/S. Stemmons 602 1,638 2,240 865 9/16/96 Las Vegas/Boulder Hwy. 946 2,789 3,735 1,562 9/16/96 Sarasota/S. Tamiami Trail 584 2,885 3,469 1,108 9/16/96 Willow Grove/Maryland Road 672 1,792 2,464 934 9/16/96 Houston/W. Montgomery Rd. 523 1,597 2,120 848 9/16/96 Denver/W. Hampden 1,083 2,879 3,962 1,504 9/16/96 Littleton/Southpark Way 922 2,695 3,617 1,469 9/16/96 Petaluma/Baywood Drive 861 2,251 3,112 1,190 9/16/96 Canoga Park/Sherman Way 1,543 4,358 5,901 2,418 9/16/96 Jacksonville/South Lane Ave. 554 1,646 2,200 916 9/16/96 Newport News/Warwick Blvd. 575 1,609 2,184 870 9/16/96 Greenbrook/Route 22 1,226 3,649 4,875 1,849 9/16/96 Monsey/Route 59 1,068 2,830 3,898 1,455 9/16/96 Santa Rosa/Santa Rosa Ave. 575 1,542 2,117 805 9/16/96 Fort Worth/Brentwood 823 2,306 3,129 1,173 9/16/96 Glendale/San Fernando Road 2,499 6,413 8,912 3,251 9/16/96 Houston/Harwin 549 1,676 2,225 857 F-54 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 9/16/96 Irvine/Cowan Street - 1,890 4,631 448 - 9/16/96 Fairfield/Dixie Highway - 427 1,046 175 - 9/16/96 Mesa/Country Club Drive - 701 1,718 652 - 9/16/96 San Francisco/Geary Blvd. - 2,957 7,244 596 - 9/16/96 Houston/Gulf Freeway - 701 1,718 5,106 - 9/16/96 Las Vegas/S. Decatur Blvd. - 1,037 2,539 304 - 9/16/96 Tempe/McKellips Road - 823 1,972 420 - 9/16/96 Richland Hills/Airport Fwy. - 473 1,158 253 - 10/11/96 Hampton/Pembroke Road - 1,080 2,346 (94) - 10/11/96 Norfolk/Widgeon Road - 1,110 2,405 (224) - 10/11/96 Richmond/Bloom Lane - 1,188 2,512 (81) - 10/11/96 Virginia Beach/Southern Blvd - 282 610 300 - 10/11/96 Chesapeake/Military Hwy - - 2,886 473 - 10/11/96 Richmond/Midlothian Park - 762 1,588 586 - 10/11/96 Roanoke/Peters Creek Road - 819 1,776 391 - 10/11/96 Orlando/E Oakridge Rd - 927 2,020 575 - 10/11/96 Orlando/South Hwy 17-92 - 1,170 2,549 368 - 10/25/96 Austin/Renelli - 1,710 3,990 425 - 10/25/96 Austin/Santiago - 900 2,100 309 - 10/25/96 Dallas/East N.W. Highway - 698 1,628 854 - 10/25/96 Dallas/Denton Drive - 900 2,100 324 - 10/25/96 Houston/Hempstead - 518 1,207 470 - 10/25/96 Pasadena/So. Shaver - 420 980 485 - 10/31/96 Houston/Joel Wheaton Rd - 465 1,085 268 - 10/31/96 Mt Holly/541 Bypass - 360 840 411 - 11/13/96 Town East/Mesquite - 330 770 293 - 11/14/96 Bossier City LA - 633 1,488 4 - 12/5/96 Lake Forest/Bake Parkway - 971 2,173 5,004 - 12/16/96 Cherry Hill/Old Cuthbert - 645 1,505 907 - 12/16/96 Oklahoma City/SW 74th - 375 875 189 - 12/16/96 Oklahoma City/S Santa Fe - 360 840 209 - 12/16/96 Oklahoma City/S. May - 360 840 203 - 12/16/96 Arlington/S. Watson Rd. - 930 2,170 803 - 12/16/96 Richardson/E. Arapaho - 1,290 3,010 556 - 12/23/96 Eagle Rock/Colorado - 330 813 440 - 12/23/96 Upper Darby/Lansdowne - 899 2,272 318 - 12/23/96 Plymouth Meeting /Chemical - 1,109 2,802 283 - 12/23/96 Philadelphia/Byberry - 1,019 2,575 463 - 12/23/96 Ft. Lauderdale/State Road - 1,199 3,030 328 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 9/16/96 Irvine/Cowan Street 1,890 5,079 6,969 2,615 9/16/96 Fairfield/Dixie Highway 427 1,221 1,648 649 9/16/96 Mesa/Country Club Drive 701 2,370 3,071 1,275 9/16/96 San Francisco/Geary Blvd. 2,956 7,841 10,797 4,004 9/16/96 Houston/Gulf Freeway 701 6,824 7,525 2,283 9/16/96 Las Vegas/S. Decatur Blvd. 1,036 2,844 3,880 1,481 9/16/96 Tempe/McKellips Road 823 2,392 3,215 1,280 9/16/96 Richland Hills/Airport Fwy. 472 1,412 1,884 775 10/11/96 Hampton/Pembroke Road 914 2,418 3,332 1,053 10/11/96 Norfolk/Widgeon Road 908 2,383 3,291 1,032 10/11/96 Richmond/Bloom Lane 994 2,625 3,619 1,175 10/11/96 Virginia Beach/Southern Blvd 282 910 1,192 562 10/11/96 Chesapeake/Military Hwy - 3,359 3,359 1,402 10/11/96 Richmond/Midlothian Park 762 2,174 2,936 1,323 10/11/96 Roanoke/Peters Creek Road 819 2,167 2,986 1,180 10/11/96 Orlando/E Oakridge Rd 927 2,595 3,522 1,333 10/11/96 Orlando/South Hwy 17-92 1,170 2,917 4,087 1,508 10/25/96 Austin/Renelli 1,709 4,416 6,125 2,281 10/25/96 Austin/Santiago 900 2,409 3,309 1,258 10/25/96 Dallas/East N.W. Highway 697 2,483 3,180 1,045 10/25/96 Dallas/Denton Drive 900 2,424 3,324 1,229 10/25/96 Houston/Hempstead 517 1,678 2,195 1,012 10/25/96 Pasadena/So. Shaver 420 1,465 1,885 893 10/31/96 Houston/Joel Wheaton Rd 465 1,353 1,818 736 10/31/96 Mt Holly/541 Bypass 360 1,251 1,611 721 11/13/96 Town East/Mesquite 330 1,063 1,393 579 11/14/96 Bossier City LA 557 1,568 2,125 673 12/5/96 Lake Forest/Bake Parkway 972 7,176 8,148 1,487 12/16/96 Cherry Hill/Old Cuthbert

645 2,412 3,057 1,425 12/16/96 Oklahoma City/SW 74th 375 1,064 1,439 549 12/16/96 Oklahoma City/S Santa Fe 360 1,049 1,409 577 12/16/96 Oklahoma City/S. May 360 1,043 1,403 558 12/16/96 Arlington/S. Watson Rd. 930 2,973 3,903 1,641 12/16/96 Richardson/E. Arapaho 1,290 3,566 4,856 1,892 12/23/96 Eagle Rock/Colorado 444 1,139 1,583 487 12/23/96 Upper Darby/Lansdowne 899 2,590 3,489 1,392 12/23/96 Plymouth Meeting /Chemical 1,109 3,085 4,194 1,217 12/23/96 Philadelphia/Byberry 1,019 3,038 4,057 1,516 12/23/96 Ft. Lauderdale/State Road 1,199 3,358 4,557 1,771 F-55 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 12/23/96 Englewood/Costilla - 1,739 4,393 287 - 12/23/96 Lilburn/Beaver Ruin Road - 600 1,515 239 - 12/23/96 Carmichael/Fair Oaks - 809 2,045 320 - 12/23/96 Portland/Division Street - 989 2,499 216 - 12/23/96 Napa/Industrial - 660 1,666 182 - 12/23/96 Wheatridge/W. 44th Avenue - 1,439 3,636 207 - 12/23/96 Las Vegas/Charleston - 1,049 2,651 269 - 12/23/96 Las Vegas/South Arvill - 929 2,348 253 - 12/23/96 Los Angeles/Santa Monica - 3,328 8,407 655 - 12/23/96 Warren/Schoenherr Rd. - 749 1,894 334 - 12/23/96 Portland/N.E. 71st Avenue - 869 2,196 314 - 12/23/96 Broadview/S. 25th Avenue - 1,289 3,257 459 - 12/23/96 Winter Springs/W. St. Rte 434 - 689 1,742 236 - 12/23/96 Tampa/15th Street - 420 1,060 361 - 12/23/96 Pompano Beach/S. Dixie Hwy. - 930 2,292 427 - 12/23/96 Overland Park/Mastin - 990 2,440 3,287 - 12/23/96 Auburn/R Street - 690 1,700 255 - 12/23/96 Federal Heights/W. 48th Ave. - 720 1,774 313 - 12/23/96 Decatur/Covington - 930 2,292 301 - 12/23/96 Forest Park/Jonesboro Rd. - 540 1,331 313 - 12/23/96 Mangonia Park/Australian Ave. - 840 2,070 195 - 12/23/96 Whittier/Colima - 540 1,331 160 - 12/23/96 Kent/Pacific Hwy South - 930 2,292 223 - 12/23/96 Topeka/8th Street - 150 370 424 - 12/23/96 Denver East Evans - 1,740 4,288 318 - 12/23/96 Pittsburgh/California Ave. - 630 1,552 127 - 12/23/96 Ft. Lauderdale/Powerline - - 2,286 408 - 12/23/96 Philadelphia/Oxford - 900 2,218 321 - 12/23/96 Dallas/Lemmon Ave. - 1,710 4,214 295 - 12/23/96 Alsip/115th Street - 750 1,848 4,659 - 12/23/96 Green Acres/Jog Road - 600 1,479 179 - 12/23/96 Pompano Beach/Sample Road - 1,320 3,253 207 - 12/23/96 Wyndmoor/Ivy Hill - 2,160 5,323 423 - 12/23/96 W. Palm Beach/Belvedere - 960 2,366 276 - 12/23/96 Renton 174th St. - 960 2,366 451 - 12/23/96 Sacramento/Northgate - 1,021 2,647 196 - 12/23/96 Phoenix/19th Avenue - 991 2,569 512 - 12/23/96 Bedford Park/Cicero - 1,321 3,426 762 - 12/23/96 Lake Worth/Lk Worth - 1,111 2,880 294 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 12/23/96 Englewood/Costilla 1,738 4,681 6,419 2,336 12/23/96 Lilburn/Beaver Ruin Road 599 1,755 2,354 926 12/23/96 Carmichael/Fair Oaks 809 2,365 3,174 1,236 12/23/96 Portland/Division Street 989 2,715 3,704 1,397 12/23/96 Napa/Industrial 659 1,849 2,508 972 12/23/96 Wheatridge/W. 44th Avenue 1,438 3,844 5,282 1,986 12/23/96 Las Vegas/Charleston 1,049 2,920 3,969 1,487 12/23/96 Las Vegas/South Arvill 929 2,601 3,530 1,347 12/23/96 Los Angeles/Santa Monica 3,326 9,064 12,390 4,525 12/23/96 Warren/Schoenherr Rd. 749 2,228 2,977 1,124 12/23/96 Portland/N.E. 71st Avenue 869 2,510 3,379 1,349 12/23/96 Broadview/S. 25th Avenue 1,289 3,716 5,005 1,944 12/23/96 Winter Springs/W. St. Rte 434 689 1,978 2,667 1,027 12/23/96 Tampa/15th Street 420 1,421 1,841 848 12/23/96 Pompano Beach/S. Dixie Hwy. 930 2,719 3,649 1,523 12/23/96 Overland Park/Mastin 1,306 5,411 6,717 2,189 12/23/96 Auburn/R Street 690 1,955 2,645 1,052 12/23/96 Federal Heights/W. 48th Ave. 720 2,087 2,807 1,074 12/23/96 Decatur/Covington 930 2,593 3,523 1,382 12/23/96 Forest Park/Jonesboro Rd. 540 1,644 2,184 873 12/23/96 Mangonia Park/Australian Ave. 840 2,265 3,105 1,205 12/23/96 Whittier/Colima 540 1,491 2,031 767 12/23/96 Kent/Pacific Hwy South 930 2,515 3,445 1,315 12/23/96 Topeka/8th Street 150 794 944 445 12/23/96 Denver East Evans 1,739 4,607 6,346 2,340 12/23/96 Pittsburgh/California Ave. 630 1,679 2,309 876 12/23/96 Ft. Lauderdale/Powerline - 2,694 2,694 1,151 12/23/96 Philadelphia/Oxford 900 2,539 3,439 1,305 12/23/96 Dallas/Lemmon Ave. 1,709 4,510 6,219 2,246 12/23/96 Alsip/115th Street 750 6,507 7,257 2,055 12/23/96 Green Acres/Jog Road 600 1,658 2,258 861 12/23/96 Pompano Beach/Sample Road 1,320 3,460 4,780 1,773 12/23/96 Wyndmoor/Ivy Hill 2,159 5,747 7,906 2,891 12/23/96 W. Palm Beach/Belvedere 960 2,642 3,602 1,387 12/23/96 Renton 174th St. 960 2,817 3,777 1,465 12/23/96 Sacramento/Northgate 1,021 2,843 3,864 1,460 12/23/96 Phoenix/19th Avenue 991 3,081 4,072 1,525 12/23/96 Bedford Park/Cicero 1,321 4,188 5,509 2,065 12/23/96 Lake Worth/Lk Worth 1,111 3,174 4,285 1,675 F-56 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements

to Acquisition interests

12/23/96 Arlington/Algonquin - 991 2,569 916 - 12/23/96 Seattle/15th Avenue - 781 2,024 294 - 12/23/96 Southington/Spring - 811 2,102 458 - 12/23/96 Clifton/Broad Street - - 5,070 257 - 12/23/96 Hillside/Glenwood - - 4,614 441 - 12/23/96 Nashville/Dickerson Pike - 990 2,440 269 - 12/23/96 Madison/Gallatin Road - 780 1,922 477 - 12/30/96 Concorde/Treat - 1,396 3,258 340 - 12/30/96 Virginia Beach - 535 1,248 229 - 12/30/96 San Mateo - 2,408 5,619 274 - 1/22/97 Austin, 1033 E. 41 Street - 257 3,633 149 - 4/12/97 Annandale / Backlick - 955 2,229 396 - 4/12/97 Ft. Worth / West Freeway - 667 1,556 345 - 4/12/97 Campbell / S. Curtner - 2,550 5,950 840 - 4/12/97 Aurora / S. Idalia - 1,002 2,338 666 - 4/12/97 Santa Cruz / Capitola - 1,037 2,420 366 - 4/12/97 Indianapolis / Lafayette Road - 682 1,590 670 - 4/12/97 Indianapolis / Route 31 - 619 1,444 556 - 4/12/97 Farmingdale / Broad Hollow Rd. - 1,568 3,658 1,065 - 4/12/97 Tyson's Corner / Springhill Rd. - 3,861 9,010 1,428 - 4/12/97 Fountain Valley / Newhope - 1,137 2,653 439 - 4/12/97 Dallas / Winsted - 1,375 3,209 567 - 4/12/97 Columbia / Broad River Rd. - 121 282 174 - 4/12/97 Livermore / S. Front Road - 876 2,044 227 - 4/12/97 Garland / Plano - 889 2,073 291 - 4/12/97 San Jose / Story Road - 1,352 3,156 778 - 4/12/97 Aurora / Abilene - 1,406 3,280 577 - 4/12/97 Antioch / Sunset Drive - 1,035 2,416 307 - 4/12/97 Rancho Cordova / Sunrise - 1,048 2,445 439 - 4/12/97 Berlin / Wilbur Cross - 756 1,764 455 - 4/12/97 Whittier / Whittier Blvd. - 648 1,513 211 - 4/12/97 Peabody / Newbury Street - 1,159 2,704 682 - 4/12/97 Denver / Blake - 602 1,405 244 - 4/12/97 Evansville / Green River Road - 470 1,096 245 - 4/12/97 Burien / First Ave. So. - 792 1,847 319 - 4/12/97 Rancho Cordova / Mather Field - 494 1,153 419 - 4/12/97 Sugar Land / Eldridge - 705 1,644 331 - 4/12/97 Columbus / Eastland Drive - 602 1,405 355 - 4/12/97 Slickerville / Black Horse Pike - 539 1,258 281 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation
--- 12/23/96 Arlington/Algonquin 991 3,485 4,476 1,976 12/23/96 Seattle/15th Avenue 780 2,319 3,099 1,222 12/23/96 Southington/Spring 810 2,561 3,371 1,278 12/23/96 Clifton/Broad Street - 5,327 5,327 4,557 12/23/96 Hillside/Glenwood - 5,055 5,055 3,224 12/23/96 Nashville/Dickerson Pike 990 2,709 3,699 1,404 12/23/96 Madison/Gallatin Road 780 2,399 3,179 1,247 12/30/96 Concorde/Treat 1,396 3,598 4,994 1,847 12/30/96 Virginia Beach 535 1,477 2,012 773 12/30/96 San Mateo 2,408 5,893 8,301 2,949 1/22/97 Austin, 1033 E. 41 Street 257 3,782 4,039 1,838 4/12/97 Annandale / Backlick 955 2,625 3,580 1,329 4/12/97 Ft. Worth / West Freeway 667 1,901 2,568 934 4/12/97 Campbell / S. Curtner 2,549 6,791 9,340 3,266 4/12/97 Aurora / S. Idalia 1,001 3,005 4,006 1,568 4/12/97 Santa Cruz / Capitola 1,037 2,786 3,823 1,363 4/12/97 Indianapolis / Lafayette Road 681 2,261 2,942 1,102 4/12/97 Indianapolis / Route 31 618 2,001 2,619 1,012 4/12/97 Farmingdale / Broad Hollow Rd. 1,567 4,724 6,291 2,253 4/12/97 Tyson's Corner / Springhill Rd. 3,781 10,518 14,299 5,221 4/12/97 Fountain Valley / Newhope 1,137 3,092 4,229 1,489 4/12/97 Dallas / Winsted 1,375 3,776 5,151 1,854 4/12/97 Columbia / Broad River Rd. 121 456 577 278 4/12/97 Livermore / S. Front Road 876 2,271 3,147 1,107 4/12/97 Garland / Plano 888 2,365 3,253 1,168 4/12/97 San Jose / Story Road 1,352 3,934 5,286 1,863 4/12/97 Aurora / Abilene 1,405 3,858 5,263 1,920 4/12/97 Antioch / Sunset Drive 1,035 2,723 3,758 1,322 4/12/97 Rancho Cordova / Sunrise 1,048 2,884 3,932 1,494 4/12/97 Berlin / Wilbur Cross 756 2,219 2,975 1,091 4/12/97 Whittier / Whittier Blvd. 648 1,724 2,372 853 4/12/97 Peabody / Newbury Street 1,158 3,387 4,545 1,768 4/12/97 Denver / Blake 602 1,649 2,251 837 4/12/97 Evansville / Green River Road 470 1,341 1,811 678 4/12/97 Burien / First Ave. So. 791 2,167 2,958 1,083 4/12/97 Rancho Cordova / Mather Field 494 1,572 2,066 794 4/12/97 Sugar Land / Eldridge 704 1,976 2,680 977 4/12/97 Columbus / Eastland Drive 602 1,760 2,362 939 4/12/97 Slickerville / Black Horse Pike 539 1,539 2,078 802 F-57 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests
--- 4/12/97 Seattle / Aurora - 1,145 2,671 406 - 4/12/97 Gaithersburg / Christopher Ave. - 972 2,268 442 - 4/12/97 Manchester / Tolland Turnpike - 807 1,883 384 - 6/25/97 L.A./Venice Blvd. - 523 1,221 1,868 - 6/25/97 Kirkland-Totem - 2,131 4,972 268 - 6/25/97 Idianapolis - 471 1,098 424 - 6/25/97 Dallas - 699 1,631 149 - 6/25/97 Atlanta - 1,183 2,761 179 - 6/25/97 Bensalem - 1,159 2,705 155 - 6/25/97 Evansville - 429 1,000 136 - 6/25/97 Austin - 813 1,897 154 - 6/25/97 Harbor City - 1,244 2,904 296 - 6/25/97 Birmingham - 539 1,258 181 - 6/25/97 Sacramento - 489 1,396 (38) - 6/25/97 Carrollton - 441 1,029 66 - 6/25/97 La Habra - 822 1,918 186 - 6/25/97 Lombard - 1,527 3,564 1,788 - 6/25/97

Fairfield - 740 1,727 145 - 6/25/97 Seattle - 1,498 3,494 9,779 - 6/25/97 Bellevue - 1,653 3,858 264 - 6/25/97 Citrus Heights - 642 1,244 641 - 6/25/97 San Jose - 1,273 2,971 38 - 6/25/97 Stanton - 948 2,212 87 - 6/25/97 Garland - 486 1,135 135 - 6/25/97 Westford - 857 1,999 448 - 6/25/97 Dallas - 1,627 3,797 853 - 6/25/97 Wheat Ridge - 1,054 2,459 444 - 6/25/97 Berlin - 825 1,925 4,612 - 6/25/97 Gretna - 1,069 2,494 766 - 6/25/97 Spring - 461 1,077 310 - 6/25/97 Sacramento - 592 1,380 1,118 - 6/25/97 Houston/South Dairyashford - 856 1,997 470 - 6/25/97 Naperville - 1,108 2,585 523 - 6/25/97 Carrollton - 1,158 2,702 716 - 6/25/97 Waipahu - 1,620 3,780 871 - 6/25/97 Davis - 628 1,465 240 - 6/25/97 Decatur - 951 2,220 456 - 6/25/97 Jacksonville - 653 1,525 374 - 6/25/97 Chicoppe - 663 1,546 483 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation
-- 4/12/97 Seattle / Aurora 1,144 3,078 4,222 1,506 4/12/97 Gaithersburg / Christopher Ave. 972 2,710 3,682 1,355 4/12/97 Manchester / Tolland Turnpike 807 2,267 3,074 1,096 6/25/97 L.A./Venice Blvd. 1,044 2,568 3,612 1,035 6/25/97 Kirkland-Totem 2,098 5,273 7,371 2,621 6/25/97 Idianapolis 471 1,522 1,993 727 6/25/97 Dallas 699 1,780 2,479 864 6/25/97 Atlanta 1,183 2,940 4,123 1,467 6/25/97 Bensalem 1,159 2,860 4,019 1,405 6/25/97 Evansville 400 1,165 1,565 568 6/25/97 Austin 813 2,051 2,864 996 6/25/97 Harbor City 1,244 3,200 4,444 1,664 6/25/97 Birmingham 539 1,439 1,978 728 6/25/97 Sacramento 489 1,358 1,847 659 6/25/97 Carrollton 441 1,095 1,536 534 6/25/97 La Habra 822 2,104 2,926 1,039 6/25/97 Lombard 2,046 4,833 6,879 2,262 6/25/97 Fairfield 740 1,872 2,612 914 6/25/97 Seattle 1,447 13,324 14,771 2,989 6/25/97 Bellevue 1,653 4,122 5,775 2,016 6/25/97 Citrus Heights 642 1,885 2,527 1,014 6/25/97 San Jose 1,273 3,009 4,282 1,447 6/25/97 Stanton 947 2,300 3,247 1,126 6/25/97 Garland 486 1,270 1,756 622 6/25/97 Westford 857 2,447 3,304 1,226 6/25/97 Dallas 1,627 4,650 6,277 2,287 6/25/97 Wheat Ridge 1,053 2,904 3,957 1,422 6/25/97 Berlin 504 6,858 7,362 1,623 6/25/97 Gretna 1,069 3,260 4,329 1,688 6/25/97 Spring 461 1,387 1,848 677 6/25/97 Sacramento 720 2,370 3,090 1,110 6/25/97 Houston/South Dairyashford 855 2,468 3,323 1,203 6/25/97 Naperville 1,108 3,108 4,216 1,522 6/25/97 Carrollton 1,157 3,419 4,576 1,672 6/25/97 Waipahu 1,619 4,652 6,271 2,275 6/25/97 Davis 628 1,705 2,333 833 6/25/97 Decatur 951 2,676 3,627 1,337 6/25/97 Jacksonville 653 1,899 2,552 940 6/25/97 Chicoppe 662 2,030 2,692 1,033 F-58 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests
--- 6/25/97 Alexandria - 1,533 3,576 606 - 6/25/97 Houston/Veterans Memorial Dr. - 458 1,070 276 - 6/25/97 Los Angeles/Olympic - 4,392 10,247 1,371 - 6/25/97 Littleton - 1,340 3,126 660 - 6/25/97 Metairie - 1,229 2,868 297 - 6/25/97 Louisville - 717 1,672 416 - 6/25/97 East Hazel Crest - 753 1,757 2,295 - 6/25/97 Edmonds - 1,187 2,770 475 - 6/25/97 Foster City - 1,064 2,483 383 - 6/25/97 Chicago - 1,160 2,708 590 - 6/25/97 Philadelphia - 924 2,155 444 - 6/25/97 Dallas/Vilbig Rd. - 508 1,184 348 - 6/25/97 Staten Island - 1,676 3,910 724 - 6/25/97 Pelham Manor - 1,209 2,820 888 - 6/25/97 Irving - 469 1,093 248 - 6/25/97 Elk Grove - 642 1,497 477 - 6/25/97 LAX - 1,312 3,062 577 - 6/25/97 Denver - 1,316 3,071 823 - 6/25/97 Plano - 1,369 3,193 594 - 6/25/97 Lynnwood - 839 1,959 419 - 6/25/97 Lilburn - 507 1,182 446 - 6/25/97 Parma - 881 2,055 756 - 6/25/97 Davie - 1,086 2,533 699 - 6/25/97 Allen Park - 953 2,223 575 - 6/25/97 Aurora - 808 1,886 480 - 6/25/97 San Diego/16th Street - 932 2,175 735 - 6/25/97 Sterling Heights - 766 1,787 610 - 6/25/97 East L.A./Boyle Heights - 957 2,232 559 - 6/25/97 Springfield/Alban Station - 1,317 3,074 859 - 6/25/97 Littleton - 868 2,026 525 - 6/25/97 Sacramento/57th Street - 869 2,029 562 - 6/25/97 Miami - 1,762 4,111 1,066 - 8/13/97 Santa Monica / Wilshire Blvd. - 2,040 4,760 441 - 10/1/97 Marietta /Austell Rd - 398 1,326 373 681 10/1/97 Denver / Leetsdale - 1,407 1,682 380 952 10/1/97 Baltimore / York Road - 1,538 1,952 809 1,125 10/1/97 Bolingbrook - 737 1,776 388 927 10/1/97 Kent / Central - 483 1,321 227 687 10/1/97 Geneva / Roosevelt - 355 1,302 262 665 Gross Carrying Amount At December 31, 2008 Date
--- Accumulated Acquired Description Land Buildings Total Depreciation
-- 6/25/97 Alexandria 1,532 4,183 5,715 2,023 6/25/97 Houston/Veterans Memorial Dr. 458 1,346 1,804 654 6/25/97 Los Angeles/Olympic 4,390 11,620 16,010 5,515 6/25/97 Littleton 1,339 3,787 5,126 1,900 6/25/97 Metairie 1,229 3,165 4,394 1,652 6/25/97 Louisville 716 2,089 2,805 1,012 6/25/97 East Hazel Crest 1,213 3,592 4,805 2,019 6/25/97 Edmonds 1,187 3,245 4,432 1,569 6/25/97 Foster City 1,064 2,866 3,930 1,373 6/25/97 Chicago 1,160 3,298 4,458 1,652 6/25/97 Philadelphia 923 2,600 3,523 1,287 6/25/97 Dallas/Vilbig Rd. 507 1,533 2,040 740 6/25/97 Staten Island 1,675 4,635

6,310 2,201 6/25/97 Pelham Manor 1,208 3,709 4,917 1,932 6/25/97 Irving 468 1,342 1,810 661 6/25/97 Elk Grove 642 1,974 2,616 919 6/25/97 LAX 1,312 3,639 4,951 1,815 6/25/97 Denver 1,316 3,894 5,210 1,920 6/25/97 Plano 1,368 3,788 5,156 1,828 6/25/97 Lynnwood 839 2,378 3,217 1,176 6/25/97 Lilburn 506 1,629 2,135 823 6/25/97 Parma 880 2,812 3,692 1,392 6/25/97 Davie 1,085 3,233 4,318 1,635 6/25/97 Allen Park 953 2,798 3,751 1,384 6/25/97 Aurora 808 2,366 3,174 1,163 6/25/97 San Diego/16th Street 932 2,910 3,842 1,458 6/25/97 Sterling Heights 766 2,397 3,163 1,198 6/25/97 East L.A./Boyle Heights 956 2,792 3,748 1,351 6/25/97 Springfield/Alban Station 1,317 3,933 5,250 1,903 6/25/97 Littleton 868 2,551 3,419 1,256 6/25/97 Sacramento/57th Street 869 2,591 3,460 1,265 6/25/97 Miami 1,761 5,178 6,939 2,534 8/13/97 Santa Monica / Wilshire Blvd. 2,039 5,202 7,241 2,538 10/1/97 Marietta /Austell Rd 440 2,338 2,778 1,080 10/1/97 Denver / Leetsdale 1,554 2,867 4,421 1,364 10/1/97 Baltimore / York Road 1,699 3,725 5,424 1,818 10/1/97 Bolingbrook 814 3,014 3,828 1,378 10/1/97 Kent / Central 533 2,185 2,718 1,002 10/1/97 Geneva / Roosevelt 392 2,192 2,584 1,027 F-59 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --- 10/1/97 Denver / Sheridan - 429 1,105 347 587 10/1/97 Mountlake Terrace - 1,017 1,783 292 950 10/1/97 Carol Stream/ St.Charles - 185 1,187 287 591 10/1/97 Marietta / Cobb Park - 420 1,131 361 619 10/1/97 Venice / Rose - 5,468 5,478 1,048 3,117 10/1/97 Ventura / Ventura Blvd - 911 2,227 490 1,146 10/1/97 Studio City/ Ventura - 2,421 1,610 228 995 10/1/97 Madison Heights - 428 1,686 3,196 1,014 10/1/97 Lax / Imperial - 1,662 2,079 237 1,159 10/1/97 Justice / Industrial - 233 1,181 190 589 10/1/97 Burbank / San Fernando - 1,825 2,210 333 1,223 10/1/97 Pinole / Appian Way - 728 1,827 254 935 10/1/97 Denver / Tamarac Park - 2,545 1,692 562 1,127 10/1/97 Gresham / Powell - 322 1,298 292 646 10/1/97 Warren / Mound Road - 268 1,025 230 528 10/1/97 Woodside/Brooklyn - 5,016 3,950 1,542 3,195 10/1/97 Enfield / Elm Street - 399 1,900 394 945 10/1/97 Roselle / Lake Street - 312 1,411 243 710 10/1/97 Milwaukee / Appleton - 324 1,385 314 706 10/1/97 Emeryville / Bay St - 1,602 1,830 274 1,091 10/1/97 Monterey / Del Rey - 257 1,048 263 563 10/1/97 San Leandro / Washington - 660 1,142 203 653 10/1/97 Boca Raton / N.W. 20 - 1,140 2,256 584 1,198 10/1/97 Washington Dc/So Capital - 1,437 4,489 586 2,274 10/1/97 Lynn / Lynnway - 463 3,059 545 1,513 10/1/97 Pompano Beach - 1,077 1,527 943 869 10/1/97 Lake Oswego/ N.State - 465 1,956 301 972 10/1/97 Daly City / Mission - 389 2,921 264 1,389 10/1/97 Odenton / Route 175 - 456 2,104 470 1,053 10/1/97 Novato / Landing - 2,416 3,496 346 1,706 10/1/97 St. Louis / Lindberg - 584 1,508 372 711 10/1/97 Oakland/International - 358 1,568 274 700 10/1/97 Stockton / March Lane - 663 1,398 299 657 10/1/97 Des Plaines / Golf Rd - 1,363 3,093 286 1,118 10/1/97 Morton Grove / Wauke - 2,658 3,232 6,381 822 10/1/97 Los Angeles / Jefferson - 1,090 1,580 295 820 10/1/97 Los Angeles / Martin - 869 1,152 152 717 10/1/97 San Leandro / E. 14th - 627 1,289 174 608 10/1/97 Tucson / Tanque Verde - 345 1,709 330 709 Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation --- 10/1/97 Denver / Sheridan 474 1,994 2,468 953 10/1/97 Mountlake Terrace 1,123 2,919 4,042 1,300 10/1/97 Carol Stream/ St.Charles 205 2,045 2,250 939 10/1/97 Marietta / Cobb Park 464 2,067 2,531 944 10/1/97 Venice / Rose 6,041 9,070 15,111 3,872 10/1/97 Ventura / Ventura Blvd 1,006 3,768 4,774 1,718 10/1/97 Studio City/ Ventura 2,675 2,579 5,254 1,164 10/1/97 Madison Heights 473 5,851 6,324 1,343 10/1/97 Lax / Imperial 1,836 3,301 5,137 1,548 10/1/97 Justice / Industrial 258 1,935 2,193 897 10/1/97 Burbank / San Fernando 2,016 3,575 5,591 1,639 10/1/97 Pinole / Appian Way 804 2,940 3,744 1,353 10/1/97 Denver / Tamarac Park 2,811 3,115 5,926 1,505 10/1/97 Gresham / Powell 356 2,202 2,558 955 10/1/97 Warren / Mound Road 296 1,755 2,051 771 10/1/97 Woodside/Brooklyn 5,541 8,162 13,703 3,133 10/1/97 Enfield / Elm Street 441 3,197 3,638 1,367 10/1/97 Roselle / Lake Street 344 2,332 2,676 1,056 10/1/97 Milwaukee / Appleton 357 2,372 2,729 1,058 10/1/97 Emeryville / Bay St 1,770 3,027 4,797 1,395 10/1/97 Monterey / Del Rey 284 1,847 2,131 766 10/1/97 San Leandro / Washington 729 1,929 2,658 854 10/1/97 Boca Raton / N.W. 20 1,259 3,919 5,178 1,588 10/1/97 Washington Dc/So Capital 1,588 7,198 8,786 2,797 10/1/97 Lynn / Lynnway 511 5,069 5,580 2,165 10/1/97 Pompano Beach 1,190 3,226 4,416 1,192 10/1/97 Lake Oswego/ N.State 514 3,180 3,694 1,286 10/1/97 Daly City / Mission 429 4,534 4,963 1,911 10/1/97 Odenton / Route 175 504 3,579 4,083 1,435 10/1/97 Novato / Landing 2,904 5,060 7,964 2,394 10/1/97 St. Louis / Lindberg 728 2,447 3,175 1,221 10/1/97 Oakland/International 475 2,425 2,900 1,116 10/1/97 Stockton / March Lane 811 2,206 3,017 1,024 10/1/97 Des Plaines / Golf Rd 1,630 4,230 5,860 2,010 10/1/97 Morton Grove / Wauke 3,110 9,983 13,093 3,230

10/1/97 Los Angeles / Jefferson 1,322 2,463 3,785 1,096 10/1/97 Los Angeles / Martin 1,066 1,824 2,890 796 10/1/97 San Leandro / E. 14th 774 1,924 2,698 862 10/1/97 Tucson / Tanque Verde 469 2,624 3,093 1,238 F-60 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --- 10/1/97 Randolph / Warren St - 2,330 1,914 584 1,332 10/1/97 Forrestville / Penn. - 1,056 2,347 369 1,114 10/1/97 Bridgeport - 4,877 2,739 855 1,651 10/1/97 North Hollywood/Vine - 906 2,379 246 1,211 10/1/97 Santa Cruz / Portola - 535 1,526 192 761 10/1/97 Hyde Park / River St - 626 1,748 519 665 10/1/97 Dublin / San Ramon Rd - 942 1,999 249 803 10/1/97 Vallejo / Humboldt - 473 1,651 210 757 10/1/97 Fremont/Warm Springs - 848 2,885 318 1,105 10/1/97 Seattle / Stone Way - 829 2,180 426 1,080 10/1/97 W. Olympia - 149 1,096 388 452 10/1/97 Mercer/Parkside Ave - 359 1,763 310 962 10/1/97 Bridge Water / Main - 445 2,054 387 811 10/1/97 Norwalk / Hoyt Street - 2,369 3,049 638 1,391 11/2/97 Lansing - 758 1,768 (11) - 11/7/97 Phoenix - 1,197 2,793 279 - 11/13/97 Tinley Park - 1,422 3,319 142 - 3/17/98 Houston/De Soto Dr. - 659 1,537 243 - 3/17/98 Houston / East Freeway - 593 1,384 542 - 3/17/98 Austin/Ben White - 692 1,614 169 - 3/17/98 Arlington/E.Pioneer - 922 2,152 311 - 3/17/98 Las Vegas/Tropicana - 1,285 2,998 201 - 3/17/98 Branford / Summit Place - 728 1,698 328 - 3/17/98 Las Vegas / Charleston - 791 1,845 152 - 3/17/98 So. San Francisco - 1,550 3,617 246 - 3/17/98 Pasadena / Arroyo Prkwy - 3,005 7,012 695 - 3/17/98 Tempe / E. Broadway - 633 1,476 372 - 3/17/98 Phoenix / N. 43rd Ave - 443 1,033 2,276 - 3/17/98 Phoenix/No. 43rd - 380 886 (1,266) - 3/17/98 Phoenix / Black Canyon - 380 886 978 - 3/17/98 Phoenix/Black Canyon - 136 317 (453) - 3/17/98 Nesconset / Southern - 1,423 3,321 397 - 4/1/98 St. Louis / Hwy. 141 - 659 1,628 4,594 - 4/1/98 Island Park / Austin - 2,313 3,015 (333) - 4/1/98 Akron / Brittain Rd. - 275 2,248 (4) - 4/1/98 Patchogue/W.Sunrise - 936 2,184 292 - 4/1/98 Havertown/West Chester - 1,254 2,926 154 - 4/1/98 Schiller Park/River - 568 1,390 159 - 4/1/98 Chicago / Cuyler - 1,400 2,695 248 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation --- 10/1/97 Randolph / Warren St 2,718 3,442 6,160 1,395 10/1/97 Forrestville / Penn. 1,312 3,574 4,886 1,695 10/1/97 Bridgeport 5,612 4,510 10,122 2,076 10/1/97 North Hollywood/Vine 1,166 3,576 4,742 1,576 10/1/97 Santa Cruz / Portola 689 2,325 3,014 1,043 10/1/97 Hyde Park / River St 759 2,799 3,558 1,256 10/1/97 Dublin / San Ramon Rd 1,118 2,875 3,993 1,302 10/1/97 Vallejo / Humboldt 620 2,471 3,091 1,116 10/1/97 Fremont/Warm Springs 1,072 4,084 5,156 1,833 10/1/97 Seattle / Stone Way 1,078 3,437 4,515 1,469 10/1/97 W. Olympia 209 1,876 2,085 792 10/1/97 Mercer/Parkside Ave 503 2,891 3,394 1,238 10/1/97 Bridge Water / Main 576 3,121 3,697 1,346 10/1/97 Norwalk / Hoyt Street 2,793 4,654 7,447 2,136 11/2/97 Lansing 730 1,785 2,515 870 11/7/97 Phoenix 1,197 3,072 4,269 1,483 11/13/97 Tinley Park 1,422 3,461 4,883 1,578 3/17/98 Houston/De Soto Dr. 659 1,780 2,439 840 3/17/98 Houston / East Freeway 593 1,926 2,519 870 3/17/98 Austin/Ben White 682 1,793 2,475 807 3/17/98 Arlington/E.Pioneer 922 2,463 3,385 1,200 3/17/98 Las Vegas/Tropicana 1,284 3,200 4,484 1,484 3/17/98 Branford / Summit Place 727 2,027 2,754 930 3/17/98 Las Vegas / Charleston 791 1,997 2,788 928 3/17/98 So. San Francisco 1,549 3,864 5,413 1,748 3/17/98 Pasadena / Arroyo Prkwy 3,004 7,708 10,712 3,425 3/17/98 Tempe / E. Broadway 632 1,849 2,481 920 3/17/98 Phoenix / N. 43rd Ave 822 2,930 3,752 1,438 3/17/98 Phoenix/No. 43rd - - - - 3/17/98 Phoenix / Black Canyon 515 1,729 2,244 903 3/17/98 Phoenix/Black Canyon - - - - 3/17/98 Nesconset / Southern 1,423 3,718 5,141 1,646 4/1/98 St. Louis / Hwy. 141 1,344 5,537 6,881 2,157 4/1/98 Island Park / Austin 1,373 3,622 4,995 1,614 4/1/98 Akron / Brittain Rd. 669 1,850 2,519 729 4/1/98 Patchogue/W.Sunrise 936 2,476 3,412 1,158 4/1/98 Havertown/West Chester 1,249 3,085 4,334 1,438 4/1/98 Schiller Park/River 568 1,549 2,117 744 4/1/98 Chicago / Cuyler 1,400 2,943 4,343 1,441 F-61 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --- 4/1/98 Chicago Heights/West - 468 1,804 214 - 4/1/98 Arlington Hts/University - 670 3,004 174 - 4/1/98 Cicero / Ogden - 1,678 2,266 350 - 4/1/98 Chicago/W. Howard St. - 974 2,875 396 - 4/1/98 Chicago/N. Western Ave - 1,453 3,205 319 - 4/1/98 Chicago/Northwest Hwy - 925 2,412 119 - 4/1/98 Chicago/N. Wells St. - 1,446 2,828 221 - 4/1/98 Chicago / Pulaski Rd. - 1,276 2,858 194 - 4/1/98 Artesia / Artesia - 625 1,419 205 - 4/1/98 Arcadia / Lower Azusa - 821 1,369 285 - 4/1/98 Manassas / Centreville - 405 2,137 396 - 4/1/98 La Downtwn/10 Fwy - 1,608 3,358 282 -

4/1/98 Bellevue / Northup - 1,232 3,306 625 - 4/1/98 Hollywood/Cole & Wilshire - 1,590 1,785 164 - 4/1/98 Atlanta/John Wesley - 1,233 1,665 319 - 4/1/98 Montebello/S. Maple - 1,274 2,299 156 - 4/1/98 Lake City/Forest Park - 248 1,445 157 - 4/1/98 Baltimore / W. Patap - 403 2,650 195 - 4/1/98 Fraser/Groesbeck Hwy - 368 1,796 154 - 4/1/98 Vallejo / Mini Drive - 560 1,803 119 - 4/1/98 San Diego/54th & Euclid - 952 2,550 401 - 4/1/98 Miami / 5th Street - 2,327 3,234 315 - 4/1/98 Silver Spring/Hill - 922 2,080 218 - 4/1/98 Chicago/E. 95th St. - 397 2,357 208 - 4/1/98 Chicago / S. Harlem - 791 1,424 137 - 4/1/98 St. Charles /Highway - 623 1,501 219 - 4/1/98 Chicago/Burr Ridge Rd. - 421 2,165 346 - 4/1/98 Yonkers / Route 9a - 1,722 3,823 437 - 4/1/98 Silverlake/Glendale - 2,314 5,481 312 - 4/1/98 Chicago/Harlem Ave - 1,430 3,038 320 - 4/1/98 Bethesda / Butler Rd - 1,146 2,509 93 - 4/1/98 Dundalk / Wise Ave - 447 2,005 196 - 4/1/98 St. Louis / Hwy. 141 - 659 1,628 94 - 4/1/98 Island Park / Austin - 2,313 3,015 337 - 4/1/98 Dallas / Kingsly - 1,095 1,712 224 - 5/1/98 Berkeley / 2nd St. - 1,914 4,466 6,988 - 5/8/98 Cleveland / W. 117th - 930 2,277 388 - 5/8/98 La /Venice Blvd - 1,470 3,599 156 - 5/8/98 Aurora / Farnsworth - 960 2,350 134 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation
-- 4/1/98 Chicago Heights/West 468 2,018 2,486 993 4/1/98 Arlington Hts/University 670 3,178 3,848 1,488 4/1/98 Cicero / Ogden 1,677 2,617 4,294 1,364 4/1/98 Chicago/W. Howard St. 973 3,272 4,245 1,599 4/1/98 Chicago/N. Western Ave 1,453 3,524 4,977 1,686 4/1/98 Chicago/Northwest Hwy 925 2,531 3,456 1,183 4/1/98 Chicago/N. Wells St. 1,446 3,049 4,495 1,414 4/1/98 Chicago / Pulaski Rd. 1,276 3,052 4,328 1,420 4/1/98 Artesia / Artesia 625 1,624 2,249 828 4/1/98 Arcadia / Lower Azusa 821 1,654 2,475 939 4/1/98 Manassas / Centreville 405 2,533 2,938 1,401 4/1/98 La Downtwn/10 Fwy 1,607 3,641 5,248 1,977 4/1/98 Bellevue / Northup 1,231 3,932 5,163 2,132 4/1/98 Hollywood/Cole & Wilshire 1,590 1,949 3,539 1,033 4/1/98 Atlanta/John Wesley 1,233 1,984 3,217 1,116 4/1/98 Montebello/S. Maple 1,273 2,456 3,729 1,316 4/1/98 Lake City/Forest Park 248 1,602 1,850 861 4/1/98 Baltimore / W. Patap 402 2,846 3,248 1,515 4/1/98 Fraser/Groesbeck Hwy 368 1,950 2,318 1,008 4/1/98 Vallejo / Mini Drive 560 1,922 2,482 1,016 4/1/98 San Diego/54th & Euclid 952 2,951 3,903 1,632 4/1/98 Miami / 5th Street 2,327 3,549 5,876 1,975 4/1/98 Silver Spring/Hill 921 2,299 3,220 1,302 4/1/98 Chicago/E. 95th St. 397 2,565 2,962 1,469 4/1/98 Chicago / S. Harlem 791 1,561 2,352 891 4/1/98 St. Charles /Highway 623 1,720 2,343 995 4/1/98 Chicago/Burr Ridge Rd. 421 2,511 2,932 1,378 4/1/98 Yonkers / Route 9a 1,721 4,261 5,982 2,350 4/1/98 Silverlake/Glendale 2,313 5,794 8,107 3,226 4/1/98 Chicago/Harlem Ave 1,430 3,358 4,788 1,827 4/1/98 Bethesda / Butler Rd 1,146 2,602 3,748 1,409 4/1/98 Dundalk / Wise Ave 447 2,201 2,648 1,199 4/1/98 St. Louis / Hwy. 141 659 1,722 2,381 1,011 4/1/98 Island Park / Austin 2,313 3,352 5,665 1,947 4/1/98 Dallas / Kingsly 1,095 1,936 3,031 1,010 5/1/98 Berkeley / 2nd St. 1,837 11,531 13,368 3,028 5/8/98 Cleveland / W. 117th 930 2,665 3,595 1,237 5/8/98 La /Venice Blvd 1,470 3,755 5,225 1,667 5/8/98 Aurora / Farnsworth 960 2,484 3,444 1,104 F-62 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests
-- 5/8/98 Santa Rosa / Hopper - 1,020 2,497 203 - 5/8/98 Golden Valley / Winn - 630 1,542 208 - 5/8/98 St. Louis / Benham - 810 1,983 254 - 5/8/98 Chicago / S. Chicago - 840 2,057 222 - 10/1/98 El Segundo / Sepulveda - 6,586 5,795 349 - 10/1/98 Atlanta / Memorial Dr. - 414 2,239 349 - 10/1/98 Chicago / W. 79th St - 861 2,789 346 - 10/1/98 Chicago / N. Broadway - 1,918 3,824 522 - 10/1/98 Dallas / Greenville - 1,933 2,892 199 - 10/1/98 Tacoma / Orchard - 358 1,987 209 - 10/1/98 St. Louis / Gravois - 312 2,327 399 - 10/1/98 White Bear Lake - 578 2,079 241 - 10/1/98 Santa Cruz / Soquel - 832 2,385 162 - 10/1/98 Coon Rapids / Hwy 10 - 330 1,646 172 - 10/1/98 Oxnard / Hueneme Rd - 923 3,925 251 - 10/1/98 Vancouver/ Millplain - 343 2,000 137 - 10/1/98 Tigard / Mc Ewan - 597 1,652 99 - 10/1/98 Griffith / Cline - 299 2,118 152 - 10/1/98 Miami / Sunset Drive - 1,656 2,321 1,734 - 10/1/98 Farmington / 9 Mile - 580 2,526 361 - 10/1/98 Los Gatos / University - 2,234 3,890 283 - 10/1/98 N. Hollywood - 1,484 3,143 129 - 10/1/98 Petaluma / Transport - 460 1,840 4,958 - 10/1/98 Chicago / 111th - 341 2,898 2,306 - 10/1/98 Upper Darby / Market - 808 5,011 299 - 10/1/98 San Jose / Santa - 966 3,870 150 - 10/1/98 San Diego / Morena - 3,173 5,469 279 - 10/1/98 Brooklyn /Rockaway Ave - 6,272 9,691 576 - 10/1/98 Revere / Charger St - 1,997 3,727 629 - 10/1/98 Las Vegas / E. Charles - 602 2,545 314 - 10/1/98 Laurel / Baltimore Ave - 1,899 4,498 228 - 10/1/98 East La/Figueroa & 4th - 1,213 2,689 158 - 10/1/98 Oldsmar / Tampa Road - 760 2,154 2,861 - 10/1/98 Ft. Lauderdale /S.W. - 1,046 2,928 319 - 10/1/98 Miami / Nw 73rd St - 1,050 3,064 190 - 12/9/98 Miami / Nw 115th Ave - 1,095 2,349 4,949 - 1/1/99 New Orleans/St.Charles

- 1,463 2,634 (291) - 1/6/99 Brandon / E. Brandon Blvd - 1,560 3,695 152 - 3/12/99 St. Louis / N. Lindbergh Blvd. - 1,688 3,939 409 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 5/8/98 Santa Rosa / Hopper 1,020 2,700 3,720 1,205 5/8/98 Golden Valley / Winn 630 1,750 2,380 811 5/8/98 St. Louis / Benham 810 2,237 3,047 1,021 5/8/98 Chicago / S. Chicago 840 2,279 3,119 1,016 10/1/98 El Segundo / Sepulveda 6,584 6,146 12,730 2,731 10/1/98 Atlanta / Memorial Dr. 414 2,588 3,002 1,210 10/1/98 Chicago / W. 79th St 861 3,135 3,996 1,488 10/1/98 Chicago / N. Broadway 1,917 4,347 6,264 1,939 10/1/98 Dallas / Greenville 1,933 3,091 5,024 1,360 10/1/98 Tacoma / Orchard 358 2,196 2,554 989 10/1/98 St. Louis / Gravois 312 2,726 3,038 1,221 10/1/98 White Bear Lake 578 2,320 2,898 1,078 10/1/98 Santa Cruz / Soquel 832 2,547 3,379 1,135 10/1/98 Coon Rapids / Hwy 10 330 1,818 2,148 817 10/1/98 Oxnard / Hueneme Rd 923 4,176 5,099 1,871 10/1/98 Vancouver/ Millplain 342 2,138 2,480 944 10/1/98 Tigard / Mc Ewan 597 1,751 2,348 784 10/1/98 Griffith / Cline 299 2,270 2,569 989 10/1/98 Miami / Sunset Drive 2,266 3,445 5,711 1,457 10/1/98 Farmington / 9 Mile 580 2,887 3,467 1,256 10/1/98 Los Gatos / University 2,234 4,173 6,407 1,813 10/1/98 N. Hollywood 1,483 3,273 4,756 1,426 10/1/98 Petaluma / Transport 857 6,401 7,258 2,139 10/1/98 Chicago / 111th 431 5,114 5,545 1,901 10/1/98 Upper Darby / Market 807 5,311 6,118 2,351 10/1/98 San Jose / Santa 966 4,020 4,986 1,756 10/1/98 San Diego / Morena 3,172 5,749 8,921 2,509 10/1/98 Brooklyn /Rockaway Ave 6,270 10,269 16,539 4,646 10/1/98 Revere / Charger St 1,996 4,357 6,353 1,986 10/1/98 Las Vegas / E. Charles 602 2,859 3,461 1,354 10/1/98 Laurel / Baltimore Ave 1,898 4,727 6,625 2,096 10/1/98 East La/Figueroa & 4th 1,213 2,847 4,060 1,233 10/1/98 Oldsmar / Tampa Road 1,049 4,726 5,775 1,814 10/1/98 Ft. Lauderdale /S.W. 1,045 3,248 4,293 1,465 10/1/98 Miami / Nw 73rd St 1,049 3,255 4,304 1,473 12/9/98 Miami / Nw 115th Ave 1,185 7,208 8,393 1,617 1/1/99 New Orleans/St.Charles 1,039 2,767 3,806 1,276 1/6/99 Brandon / E. Brandon Blvd 1,559 3,848 5,407 1,451 3/12/99 St. Louis / N. Lindbergh Blvd. 1,687 4,349 6,036 1,963 F-63 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --- 3/12/99 St. Louis /Vandeventer Midtown - 699 1,631 435 - 3/12/99 St. Ann / Maryland Heights - 1,035 2,414 405 - 3/12/99 Florissant / N. Hwy 67 - 971 2,265 295 - 3/12/99 Ferguson Area-W.Florissant - 1,194 2,732 564 - 3/12/99 Florissant / New Halls Ferry Rd - 1,144 2,670 629 - 3/12/99 St. Louis / Airport - 785 1,833 298 - 3/12/99 St. Louis/ S.Third St - 1,096 2,557 176 - 3/12/99 Kansas City / E. 47th St. - 610 1,424 198 - 3/12/99 Kansas City /E. 67th Terrace - 1,136 2,643 376 - 3/12/99 Kansas City / James A. Reed Rd - 749 1,748 149 - 3/12/99 Independence / 291 - 871 2,032 183 - 3/12/99 Raytown / Woodson Rd - 915 2,134 159 - 3/12/99 Kansas City / 34th Main Street - 114 2,599 762 - 3/12/99 Columbia / River Dr - 671 1,566 336 - 3/12/99 Columbia / Buckner Rd - 714 1,665 408 - 3/12/99 Columbia / Decker Park Rd - 605 1,412 128 - 3/12/99 Columbia / Rosewood Dr - 777 1,814 123 - 3/12/99 W. Columbia / Orchard Dr. - 272 634 228 - 3/12/99 W. Columbia / Airport Blvd - 493 1,151 260 - 3/12/99 Greenville / Whitehorse Rd - 882 2,058 261 - 3/12/99 Greenville / Woods Lake Rd - 364 849 197 - 3/12/99 Mauldin / N. Main Street - 571 1,333 275 - 3/12/99 Simpsonville / Grand View Dr - 582 1,358 155 - 3/12/99 Taylors / Wade Hampton Blvd - 650 1,517 215 - 3/12/99 Charleston/Ashley Phosphate - 839 1,950 357 - 3/12/99 N. Charleston / Dorchester Rd - 380 886 172 - 3/12/99 N. Charleston / Dorchester - 487 1,137 251 - 3/12/99 Charleston / Sam Rittenberg Blvd - 555 1,296 155 - 3/12/99 Hilton Head / Office Park Rd - 1,279 2,985 227 - 3/12/99 Columbia / Plumbers Rd - 368 858 268 - 3/12/99 Greenville / Pineknoll Rd - 927 2,163 249 - 3/12/99 Hilton Head / Yacht Cove Dr - 1,182 2,753 20 - 3/12/99 Spartanburg / Chesnee Hwy - 533 1,244 545 - 3/12/99 Charleston / Ashley River Rd - 1,114 2,581 269 - 3/12/99 Columbia / Broad River - 1,463 3,413 437 - 3/12/99 Charlotte / East Wt Harris Blvd - 736 1,718 256 - 3/12/99 Charlotte / North Tryon St. - 708 1,653 641 - 3/12/99 Charlotte / South Blvd - 641 1,496 259 - 3/12/99 Kannapolis / Oregon St - 463 1,081 250 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 3/12/99 St. Louis /Vandeventer Midtown 699 2,066 2,765 882 3/12/99 St. Ann / Maryland Heights 1,034 2,820 3,854 1,243 3/12/99 Florissant / N. Hwy 67 970 2,561 3,531 1,162 3/12/99 Ferguson Area-W.Florissant 1,177 3,313 4,490 1,554 3/12/99 Florissant / New Halls Ferry Rd 1,144 3,299 4,443 1,531 3/12/99 St. Louis / Airport 785 2,131 2,916 975 3/12/99 St. Louis/ S.Third St 1,096 2,733 3,829 1,132 3/12/99 Kansas City / E. 47th St. 610 1,622 2,232 733 3/12/99 Kansas City

/E. 67th Terrace 1,134 3,021 4,155 1,234 3/12/99 Kansas City / James A. Reed Rd 749 1,897 2,646 800 3/12/99 Independence / 291 871 2,215 3,086 956 3/12/99 Raytown / Woodson Rd 914 2,294 3,208 965 3/12/99 Kansas City / 34th Main Street 114 3,361 3,475 1,551 3/12/99 Columbia / River Dr 671 1,902 2,573 863 3/12/99 Columbia / Buckner Rd 713 2,074 2,787 1,001 3/12/99 Columbia / Decker Park Rd 605 1,540 2,145 680 3/12/99 Columbia / Rosewood Dr 777 1,937 2,714 825 3/12/99 W. Columbia / Orchard Dr. 272 862 1,134 430 3/12/99 W. Columbia / Airport Blvd 493 1,411 1,904 623 3/12/99 Greenville / Whitehorse Rd 882 2,319 3,201 968 3/12/99 Greenville / Woods Lake Rd 364 1,046 1,410 468 3/12/99 Mauldin / N. Main Street 571 1,608 2,179 703 3/12/99 Simpsonville / Grand View Dr 573 1,522 2,095 670 3/12/99 Taylors / Wade Hampton Blvd 650 1,732 2,382 732 3/12/99 Charleston/Ashley Phosphate 823 2,323 3,146 1,010 3/12/99 N. Charleston / Dorchester Rd 379 1,059 1,438 483 3/12/99 N. Charleston / Dorchester 487 1,388 1,875 627 3/12/99 Charleston / Sam Rittenberg Blvd 555 1,451 2,006 635 3/12/99 Hilton Head / Office Park Rd 1,279 3,212 4,491 1,350 3/12/99 Columbia / Plumbers Rd 368 1,126 1,494 502 3/12/99 Greenville / Pineknoll Rd 927 2,412 3,339 1,069 3/12/99 Hilton Head / Yacht Cove Dr 826 3,129 3,955 1,333 3/12/99 Spartanburg / Chesnee Hwy 480 1,842 2,322 913 3/12/99 Charleston / Ashley River Rd 1,108 2,856 3,964 1,230 3/12/99 Columbia / Broad River 1,462 3,851 5,313 1,670 3/12/99 Charlotte / East Wt Harris Blvd 736 1,974 2,710 817 3/12/99 Charlotte / North Tryon St. 708 2,294 3,002 1,093 3/12/99 Charlotte / South Blvd 641 1,755 2,396 775 3/12/99 Kannapolis / Oregon St 463 1,331 1,794 570 F-64 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 3/12/99 Durham / E. Club Blvd - 947 2,209 232 - 3/12/99 Durham / N. Duke St. - 769 1,794 196 - 3/12/99 Raleigh / Maitland Dr - 679 1,585 342 - 3/12/99 Greensboro / O'henry Blvd - 577 1,345 468 - 3/12/99 Gastonia / S. York Rd - 467 1,089 260 - 3/12/99 Durham / Kangaroo Dr. - 1,102 2,572 557 - 3/12/99 Pensacola / Brent Lane - 402 938 (59) - 3/12/99 Pensacola / Creighton Road - 454 1,060 247 - 3/12/99 Jacksonville / Park Avenue - 905 2,113 236 - 3/12/99 Jacksonville / Phillips Hwy - 665 1,545 320 - 3/12/99 Clearwater / Highland Ave - 724 1,690 305 - 3/12/99 Tarpon Springs / Us Highway 19 - 892 2,081 327 - 3/12/99 Orlando /S. Orange Blossom Trail - 1,229 2,867 286 - 3/12/99 Casselberry Ii - 1,160 2,708 269 - 3/12/99 Miami / Nw 14th Street - 1,739 4,058 234 - 3/12/99 Tarpon Springs / Highway 19 - 1,179 2,751 432 - 3/12/99 Ft. Myers / Tamiami Trail South - 834 1,945 (225) - 3/12/99 Jacksonville / Ft. Caroline Rd. - 1,037 2,420 286 - 3/12/99 Orlando / South Semoran - 565 1,319 94 - 3/12/99 Jacksonville / Southside Blvd. - 1,278 2,982 367 - 3/12/99 Miami / Nw 7th Ave - 783 1,827 204 - 3/12/99 Vero Beach / Us Hwy 1 - 678 1,583 170 - 3/12/99 Ponte Vedra / Palm Valley Rd. - 745 2,749 785 - 3/12/99 Miami Lakes / Nw 153rd St. - 425 992 183 - 3/12/99 Deerfield Beach / Sw 10th St. - 1,844 4,302 117 - 3/12/99 Apopka / S. Orange Blossom - 307 717 273 - 3/12/99 Davie / University - 313 4,379 645 - 3/12/99 Arlington / Division - 998 2,328 163 - 3/12/99 Duncanville/S.Cedar Ridge - 1,477 3,447 302 - 3/12/99 Carrollton / Trinity Mills West - 530 1,237 114 - 3/12/99 Houston / Wallisville Rd. - 744 1,736 215 - 3/12/99 Houston / Fondren South - 647 1,510 198 - 3/12/99 Houston / Addicks Satsuma - 409 954 172 - 3/12/99 Addison / Inwood Road - 1,204 2,808 141 - 3/12/99 Garland / Jackson Drive - 755 1,761 166 - 3/12/99 Garland / Buckingham Road - 492 1,149 184 - 3/12/99 Houston / South Main - 1,461 3,409 254 - 3/12/99 Plano / Parker Road-Avenue K - 1,517 3,539 272 - 3/12/99 Houston / Bingle Road - 576 1,345 364 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation -- 3/12/99 Durham / E. Club Blvd 946 2,442 3,388 1,046 3/12/99 Durham / N. Duke St. 769 1,990 2,759 859 3/12/99 Raleigh / Maitland Dr 679 1,927 2,606 834 3/12/99 Greensboro / O'henry Blvd 576 1,814 2,390 840 3/12/99 Gastonia / S. York Rd 466 1,350 1,816 607 3/12/99 Durham / Kangaroo Dr. 1,102 3,129 4,231 1,423 3/12/99 Pensacola / Brent Lane 228 1,053 1,281 483 3/12/99 Pensacola / Creighton Road 454 1,307 1,761 608 3/12/99 Jacksonville / Park Avenue 905 2,349 3,254 1,000 3/12/99 Jacksonville / Phillips Hwy 663 1,867 2,530 859 3/12/99 Clearwater / Highland Ave 724 1,995 2,719 907 3/12/99 Tarpon Springs / Us Highway 19 892 2,408 3,300 1,047 3/12/99 Orlando /S. Orange Blossom Trail 1,228 3,154 4,382 1,365 3/12/99 Casselberry Ii 1,160 2,977 4,137 1,263 3/12/99 Miami / Nw 14th Street 1,739 4,292 6,031 1,809 3/12/99 Tarpon Springs / Highway 19 1,179 3,183 4,362 1,447 3/12/99 Ft. Myers / Tamiami Trail South 834 1,720 2,554 775 3/12/99 Jacksonville / Ft. Caroline Rd. 1,037 2,706 3,743 1,179 3/12/99 Orlando / South Semoran 565 1,413 1,978 603 3/12/99 Jacksonville / Southside Blvd. 1,278 3,349 4,627 1,502 3/12/99 Miami / Nw

7th Ave 783 2,031 2,814 900 3/12/99 Vero Beach / Us Hwy 1 678 1,753 2,431 786 3/12/99 Ponte Vedra / Palm Valley Rd. 745 3,534 4,279 1,541 3/12/99 Miami Lakes / Nw 153rd St. 425 1,175 1,600 490 3/12/99 Deerfield Beach / Sw 10th St. 1,843 4,420 6,263 1,814 3/12/99 Apopka / S. Orange Blossom 307 990 1,297 463 3/12/99 Davie / University 313 5,024 5,337 2,015 3/12/99 Arlington / Division 997 2,492 3,489 1,003 3/12/99 Duncanville/S.Cedar Ridge 1,477 3,749 5,226 1,616 3/12/99 Carrollton / Trinity Mills West 530 1,351 1,881 584 3/12/99 Houston / Wallisville Rd. 744 1,951 2,695 805 3/12/99 Houston / Fondren South 647 1,708 2,355 731 3/12/99 Houston / Addicks Satsuma 409 1,126 1,535 510 3/12/99 Addison / Inwood Road 1,203 2,950 4,153 1,184 3/12/99 Garland / Jackson Drive 754 1,928 2,682 784 3/12/99 Garland / Buckingham Road 492 1,333 1,825 577 3/12/99 Houston / South Main 1,460 3,664 5,124 1,529 3/12/99 Plano / Parker Road-Avenue K 1,516 3,812 5,328 1,583 3/12/99 Houston / Bingle Road 576 1,709 2,285 693 F-65 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests
-- 3/12/99 Houston / Mangum Road - 737 1,719 377 - 3/12/99 Houston / Hayes Road - 916 2,138 141 - 3/12/99 Katy / Dominion Drive - 995 2,321 78 - 3/12/99 Houston / Fm 1960 West - 513 1,198 287 - 3/12/99 Webster / Fm 528 Road - 756 1,764 138 - 3/12/99 Houston / Loch Katrine Lane - 580 1,352 202 - 3/12/99 Houston / Milwee St. - 779 1,815 284 - 3/12/99 Lewisville / Highway 121 - 688 1,605 204 - 3/12/99 Richardson / Central Expressway - 465 1,085 203 - 3/12/99 Houston / Hwy 6 South - 569 1,328 133 - 3/12/99 Houston / Westheimer West - 1,075 2,508 81 - 3/12/99 Ft. Worth / Granbury Road - 763 1,781 189 - 3/12/99 Houston / New Castle - 2,346 5,473 1,352 - 3/12/99 Dallas / Inwood Road - 1,478 3,448 152 - 3/12/99 Fort Worth / Loop 820 North - 729 1,702 380 - 3/12/99 Arlington / Cooper St - 779 1,818 165 - 3/12/99 Webster / Highway 3 - 677 1,580 138 - 3/12/99 Augusta / Peach Orchard Rd - 860 2,007 366 - 3/12/99 Martinez / Old Petersburg Rd - 407 950 249 - 3/12/99 Jonesboro / Tara Blvd - 785 1,827 344 - 3/12/99 Atlanta / Briarcliff Rd - 2,171 5,066 317 - 3/12/99 Decatur / N Decatur Rd - 933 2,177 309 - 3/12/99 Douglasville / Westmoreland - 453 1,056 268 - 3/12/99 Doraville / Mcelroy Rd - 827 1,931 292 - 3/12/99 Roswell / Alpharetta - 1,772 4,135 283 - 3/12/99 Douglasville / Duralee Lane - 533 1,244 210 - 3/12/99 Douglasville / Highway 5 - 804 1,875 569 - 3/12/99 Forest Park / Jonesboro - 659 1,537 236 - 3/12/99 Marietta / Whitlock - 1,016 2,370 227 - 3/12/99 Marietta / Cobb - 727 1,696 500 - 3/12/99 Norcross / Jones Mill Rd - 1,142 2,670 214 - 3/12/99 Norcross / Dawson Blvd - 1,232 2,874 519 - 3/12/99 Forest Park / Old Dixie Hwy - 895 2,070 500 - 3/12/99 Decatur / Covington - 1,764 4,116 242 - 3/12/99 Alpharetta / Maxwell Rd - 1,075 2,509 191 - 3/12/99 Alpharetta / N. Main St - 1,240 2,893 188 - 3/12/99 Atlanta / Bolton Rd - 866 2,019 222 - 3/12/99 Riverdale / Georgia Hwy 85 - 1,075 2,508 225 - 3/12/99 Kennesaw / Rutledge Road - 803 1,874 437 - Gross Carrying Amount At December 31, 2008 Date
--- Accumulated Acquired Description Land Buildings Total Depreciation
--- 3/12/99 Houston / Mangum Road 737 2,096 2,833 926 3/12/99 Houston / Hayes Road 916 2,279 3,195 982 3/12/99 Katy / Dominion Drive 994 2,400 3,394 976 3/12/99 Houston / Fm 1960 West 513 1,485 1,998 643 3/12/99 Webster / Fm 528 Road 756 1,902 2,658 788 3/12/99 Houston / Loch Katrine Lane 579 1,555 2,134 660 3/12/99 Houston / Milwee St. 778 2,100 2,878 908 3/12/99 Lewisville / Highway 121 688 1,809 2,497 770 3/12/99 Richardson / Central Expressway 465 1,288 1,753 539 3/12/99 Houston / Hwy 6 South 569 1,461 2,030 605 3/12/99 Houston / Westheimer West 1,074 2,590 3,664 1,048 3/12/99 Ft. Worth / Granbury Road 763 1,970 2,733 778 3/12/99 Houston / New Castle 2,345 6,826 9,171 2,647 3/12/99 Dallas / Inwood Road 1,477 3,601 5,078 1,483 3/12/99 Fort Worth / Loop 820 North 729 2,082 2,811 866 3/12/99 Arlington / Cooper St 779 1,983 2,762 823 3/12/99 Webster / Highway 3 677 1,718 2,395 696 3/12/99 Augusta / Peach Orchard Rd 860 2,373 3,233 1,099 3/12/99 Martinez / Old Petersburg Rd 407 1,199 1,606 562 3/12/99 Jonesboro / Tara Blvd 783 2,173 2,956 1,009 3/12/99 Atlanta / Briarcliff Rd 2,170 5,384 7,554 2,271 3/12/99 Decatur / N Decatur Rd 933 2,486 3,419 1,102 3/12/99 Douglasville / Westmoreland 452 1,325 1,777 636 3/12/99 Doraville / Mcelroy Rd 827 2,223 3,050 1,025 3/12/99 Roswell / Alpharetta 1,772 4,418 6,190 1,841 3/12/99 Douglasville / Duralee Lane 533 1,454 1,987 653 3/12/99 Douglasville / Highway 5 803 2,445 3,248 1,226 3/12/99 Forest Park / Jonesboro 658 1,774 2,432 810 3/12/99 Marietta / Whitlock 1,015 2,598 3,613 1,131 3/12/99 Marietta / Cobb 727 2,196 2,923 1,066 3/12/99 Norcross / Jones Mill Rd 1,142 2,884 4,026 1,247 3/12/99 Norcross / Dawson Blvd 1,231 3,394 4,625 1,513 3/12/99 Forest Park / Old Dixie Hwy 889 2,576 3,465 1,219 3/12/99 Decatur / Covington 1,763 4,359 6,122 1,816 3/12/99 Alpharetta / Maxwell Rd 1,075 2,700 3,775 1,123 3/12/99 Alpharetta / N.

Main St 1,240 3,081 4,321 1,258 3/12/99 Atlanta / Bolton Rd 865 2,242 3,107 979 3/12/99 Riverdale / Georgia Hwy 85 1,074 2,734 3,808 1,159 3/12/99 Kennesaw / Rutledge Road 803 2,311 3,114 1,071 F-66 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 3/12/99 Lawrenceville / Buford Dr. - 256 597 117 - 3/12/99 Hanover Park / W. Lake Street - 1,320 3,081 230 - 3/12/99 Chicago / W. Jarvis Ave - 313 731 101 - 3/12/99 Chicago / N. Broadway St - 535 1,249 319 - 3/12/99 Carol Stream / Phillips Court - 829 1,780 144 - 3/12/99 Winfield / Roosevelt Road - 1,109 2,587 323 - 3/12/99 Schaumburg / S. Roselle Road - 659 1,537 148 - 3/12/99 Tinley Park / Brennan Hwy - 771 1,799 235 - 3/12/99 Schaumburg / Palmer Drive - 1,333 3,111 482 - 3/12/99 Mobile / Hillcrest Road - 554 1,293 185 - 3/12/99 Mobile / Azalea Road - 517 1,206 316 - 3/12/99 Mobile / Moffat Road - 537 1,254 331 - 3/12/99 Mobile / Grelot Road - 804 1,877 237 - 3/12/99 Mobile / Government Blvd - 407 950 300 - 3/12/99 New Orleans / Tchoupitoulas - 1,092 2,548 552 - 3/12/99 Louisville / Breckenridge Lane - 581 1,356 145 - 3/12/99 Louisville - 554 1,292 188 - 3/12/99 Louisville / Poplar Level - 463 1,080 219 - 3/12/99 Chesapeake / Western Branch - 1,274 2,973 274 - 3/12/99 Centreville / Lee Hwy - 1,650 3,851 4,469 - 3/12/99 Sterling / S. Sterling Blvd - 1,282 2,992 205 - 3/12/99 Manassas / Sudley Road - 776 1,810 234 - 3/12/99 Longmont / Wedgewood Ave - 717 1,673 151 - 3/12/99 Fort Collins / So.College Ave - 745 1,739 289 - 3/12/99 Colo Sprngs / Parkmoor Village - 620 1,446 519 - 3/12/99 Colo Sprngs / Van Teylingen - 1,216 2,837 210 - 3/12/99 Denver / So. Clinton St. - 462 1,609 183 - 3/12/99 Denver / Washington St. - 795 1,846 488 - 3/12/99 Colo Sprngs / Centennial Blvd - 1,352 3,155 105 - 3/12/99 Colo Sprngs / Astrozon Court - 810 1,889 308 - 3/12/99 Arvada / 64th Ave - 671 1,566 114 - 3/12/99 Golden / Simms Street - 918 2,143 504 - 3/12/99 Lawrence / Haskell Ave - 636 1,484 222 - 3/12/99 Overland Park / Hemlock St - 1,168 2,725 209 - 3/12/99 Lenexa / Long St. - 720 1,644 110 - 3/12/99 Shawnee / Hedge Lane Terrace - 570 1,331 162 - 3/12/99 Mission / Foxridge Dr - 1,657 3,864 222 - 3/12/99 Milwaukee / W. Dean Road - 1,362 3,163 597 - 3/12/99 Columbus / Morse Road - 1,415 3,302 1,100 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 3/12/99 Lawrenceville / Buford Dr. 256 714 970 322 3/12/99 Hanover Park / W. Lake Street 1,320 3,311 4,631 1,395 3/12/99 Chicago / W. Jarvis Ave 313 832 1,145 370 3/12/99 Chicago / N. Broadway St 535 1,568 2,103 764 3/12/99 Carol Stream / Phillips Court 782 1,971 2,753 809 3/12/99 Winfield / Roosevelt Road 1,108 2,911 4,019 1,223 3/12/99 Schaumburg / S. Roselle Road 659 1,685 2,344 712 3/12/99 Tinley Park / Brennan Hwy 771 2,034 2,805 901 3/12/99 Schaumburg / Palmer Drive 1,333 3,593 4,926 1,522 3/12/99 Mobile / Hillcrest Road 554 1,478 2,032 671 3/12/99 Mobile / Azalea Road 517 1,522 2,039 700 3/12/99 Mobile / Moffat Road 537 1,585 2,122 688 3/12/99 Mobile / Grelot Road 804 2,114 2,918 924 3/12/99 Mobile / Government Blvd 407 1,250 1,657 556 3/12/99 New Orleans / Tchoupitoulas 1,092 3,100 4,192 1,349 3/12/99 Louisville / Breckenridge Lane 581 1,501 2,082 633 3/12/99 Louisville 553 1,481 2,034 653 3/12/99 Louisville / Poplar Level 463 1,299 1,762 587 3/12/99 Chesapeake / Western Branch 1,274 3,247 4,521 1,390 3/12/99 Centreville / Lee Hwy 1,635 8,335 9,970 2,358 3/12/99 Sterling / S. Sterling Blvd 1,270 3,209 4,479 1,377 3/12/99 Manassas / Sudley Road 776 2,044 2,820 933 3/12/99 Longmont / Wedgewood Ave 717 1,824 2,541 758 3/12/99 Fort Collins / So.College Ave 745 2,028 2,773 854 3/12/99 Colo Sprngs / Parkmoor Village 620 1,965 2,585 797 3/12/99 Colo Sprngs / Van Teylingen 1,215 3,048 4,263 1,307 3/12/99 Denver / So. Clinton St. 462 1,792 2,254 731 3/12/99 Denver / Washington St. 792 2,337 3,129 1,028 3/12/99 Colo Sprngs / Centennial Blvd 1,352 3,260 4,612 1,341 3/12/99 Colo Sprngs / Astrozon Court 809 2,198 3,007 959 3/12/99 Arvada / 64th Ave 671 1,680 2,351 719 3/12/99 Golden / Simms Street 918 2,647 3,565 1,184 3/12/99 Lawrence / Haskell Ave 636 1,706 2,342 748 3/12/99 Overland Park / Hemlock St 1,168 2,934 4,102 1,221 3/12/99 Lenexa / Long St. 709 1,765 2,474 710 3/12/99 Shawnee / Hedge Lane Terrace 570 1,493 2,063 669 3/12/99 Mission / Foxridge Dr 1,656 4,087 5,743 1,722 3/12/99 Milwaukee / W. Dean Road 1,357 3,765 5,122 1,779 3/12/99 Columbus / Morse Road 1,415 4,402 5,817 2,046 F-67 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 3/12/99 Milford / Branch Hill - 527 1,229 2,528 - 3/12/99 Fairfield / Dixie - 519 1,211 248 - 3/12/99 Cincinnati /

Western Hills - 758 1,769 239 - 3/12/99 Austin / N. Mopac Expressway - 865 2,791 114 - 3/12/99 Atlanta / Dunwoody Place - 1,410 3,296 370 - 3/12/99 Kennedale/Bowman Sprgs - 425 991 138 - 3/12/99 Colo Sprngs/N.Powers - 1,124 2,622 427 - 3/12/99 St. Louis/S. Third St - 206 480 29 - 3/12/99 Orlando / L.B. Mcleod Road - 521 1,217 230 - 3/12/99 Jacksonville / Roosevelt Blvd. - 851 1,986 396 - 3/12/99 Miami-Kendall / Sw 84th Street - 935 2,180 249 - 3/12/99 North Miami Beach / 69th St - 1,594 3,720 502 - 3/12/99 Miami Beach / Dade Blvd - 962 2,245 337 - 3/12/99 Chicago / N. Natchez Ave - 1,684 3,930 405 - 3/12/99 Chicago / W. Cermak Road - 1,294 3,019 1,045 - 3/12/99 Kansas City / State Ave - 645 1,505 322 - 3/12/99 Lenexa / Santa Fe Trail Road - 713 1,663 190 - 3/12/99 Waukesha / Foster Court - 765 1,785 172 - 3/12/99 River Grove / N. 5th Ave. - 1,094 2,552 41 - 3/12/99 St. Charles / E. Main St. - 951 2,220 (269) - 3/12/99 Chicago / West 47th St. - 705 1,645 109 - 3/12/99 Carol Stream / S. Main Place - 1,320 3,079 360 - 3/12/99 Carpentersville /N. Western Ave - 911 2,120 156 - 3/12/99 Elgin / E. Chicago St. - 570 2,163 122 - 3/12/99 Elgin / Big Timber Road - 1,347 3,253 369 - 3/12/99 Chicago / S. Pulaski Road - - 2,576 348 - 3/12/99 Aurora / Business 30 - 900 2,097 258 - 3/12/99 Streamwood / Old Church Road - 855 1,991 91 - 3/12/99 Mt. Prospect / Central Road - 802 1,847 555 - 3/12/99 Geneva / Gary Ave - 1,072 2,501 237 - 3/12/99 Naperville / Lasalle Ave - 1,501 3,502 132 - 3/31/99 Forest Park - 270 3,378 4,431 - 4/1/99 Fresno - 44 206 (218) 804 5/1/99 Stockton - 151 402 (19) 2,017 6/30/99 Winter Park/N. Semor - 342 638 421 728 6/30/99 N. Richland Hills - 455 769 336 832 6/30/99 Rolling Meadows/Lois - 441 849 427 898 6/30/99 Gresham/Burnside - 354 544 229 627 6/30/99 Jacksonville/University - 211 741 272 700 Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 3/12/99 Milford / Branch Hill 527 3,757 4,284 1,279 3/12/99 Fairfield / Dixie 519 1,459 1,978 592 3/12/99 Cincinnati / Western Hills 758 2,008 2,766 916 3/12/99 Austin / N. Mopac Expressway 865 2,905 3,770 1,123 3/12/99 Atlanta / Dunwoody Place 1,390 3,686 5,076 1,547 3/12/99 Kennedale/Bowman Sprgs 425 1,129 1,554 474 3/12/99 Colo Sprngs/N.Powers 1,123 3,050 4,173 1,308 3/12/99 St. Louis/S. Third St 206 509 715 206 3/12/99 Orlando / L.B. Mcleod Road 521 1,447 1,968 610 3/12/99 Jacksonville / Roosevelt Blvd. 851 2,382 3,233 1,117 3/12/99 Miami-Kendall / Sw 84th Street 934 2,430 3,364 1,062 3/12/99 North Miami Beach / 69th St 1,594 4,222 5,816 1,769 3/12/99 Miami Beach / Dade Blvd 962 2,582 3,544 1,205 3/12/99 Chicago / N. Natchez Ave 1,684 4,335 6,019 1,824 3/12/99 Chicago / W. Cermak Road 1,293 4,065 5,358 1,852 3/12/99 Kansas City / State Ave 645 1,827 2,472 831 3/12/99 Lenexa / Santa Fe Trail Road 712 1,854 2,566 833 3/12/99 Waukesha / Foster Court 765 1,957 2,722 860 3/12/99 River Grove / N. 5th Ave. 1,034 2,653 3,687 1,342 3/12/99 St. Charles / E. Main St. 801 2,101 2,902 1,114 3/12/99 Chicago / West 47th St. 705 1,754 2,459 736 3/12/99 Carol Stream / S. Main Place 1,319 3,440 4,759 1,488 3/12/99 Carpentersville /N. Western Ave 909 2,278 3,187 986 3/12/99 Elgin / E. Chicago St. 570 2,285 2,855 934 3/12/99 Elgin / Big Timber Road 1,347 3,622 4,969 1,574 3/12/99 Chicago / S. Pulaski Road - 2,924 2,924 992 3/12/99 Aurora / Business 30 899 2,356 3,255 1,011 3/12/99 Streamwood / Old Church Road 853 2,084 2,937 865 3/12/99 Mt. Prospect / Central Road 795 2,409 3,204 1,085 3/12/99 Geneva / Gary Ave 1,072 2,738 3,810 1,115 3/12/99 Naperville / Lasalle Ave 1,500 3,635 5,135 1,509 3/31/99 Forest Park 270 7,809 8,079 3,215 4/1/99 Fresno 193 643 836 294 5/1/99 Stockton 590 1,961 2,551 760 6/30/99 Winter Park/N. Semor 427 1,702 2,129 569 6/30/99 N. Richland Hills 568 1,824 2,392 721 6/30/99 Rolling Meadows/Lois 551 2,064 2,615 790 6/30/99 Gresham/Burnside 441 1,313 1,754 468 6/30/99 Jacksonville/University 263 1,661 1,924 651 F-68 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 6/30/99 Irving/W. Airport - 419 960 249 857 6/30/99 Houston/Highway 6 So. - 751 1,006 1,059 1,057 6/30/99 Concord/Arnold - 827 1,553 599 1,874 6/30/99 Rockville/Gude Drive - 602 768 6,300 880 6/30/99 Bradenton/Cortez Road - 476 885 453 906 6/30/99 San Antonio/Nw Loop - 511 786 339 855 6/30/99 Anaheim / La Palma - 1,378 851 325 1,221 6/30/99 Spring Valley/Sweetwater - 271 380 5,060 416 6/30/99 Ft. Myers/Tamiami - 948 962 398 1,208 6/30/99 Littleton/Centennial - 421 804 361 812 6/30/99 Newark/Cedar Blvd - 729 971 490 1,067 6/30/99 Falls Church/Columbia - 901 975 332 1,141 6/30/99 Fairfax / Lee Highway - 586 1,078 403 1,106 6/30/99 Wheat Ridge / W. 44th - 480 789 297 831 6/30/99 Huntington Bch/Gotham - 952 890 369 1,130 6/30/99 Fort Worth/McCart - 372 942 247 703 6/30/99 San Diego/Clairemont - 1,601 2,035 505 2,034 6/30/99 Houston/Millridge N. - 1,160 1,983 482 2,433 6/30/99 Woodbridge/Jefferson - 840 1,689 361 1,446 6/30/99 Mountainside - 1,260 1,237 2,652 1,523 6/30/99

Woodbridge / Davis - 1,796 1,623 704 1,996 6/30/99 Huntington Beach - 1,026 1,437 226 1,450 6/30/99 Edison / Old Post Rd - 498 1,267 383 1,175 6/30/99 Northridge/Parthenia - 1,848 1,486 310 1,839 6/30/99 Brick Township/Brick - 590 1,431 335 1,364 6/30/99 Stone Mountain/Rock - 1,233 288 385 852 6/30/99 Hyattsville - 768 2,186 330 1,919 6/30/99 Union City / Alvarado - 992 1,776 271 1,690 6/30/99 Oak Park / Greenfield - 621 1,735 291 1,490 6/30/99 Tujunga/Foothill Blvd - 1,746 2,383 286 2,370 7/1/99 Pantego/W. Pioneer Pkwy - 432 1,228 108 - 7/1/99 Nashville/Lafayette St - 486 1,135 316 - 7/1/99 Nashville/Metroplex Dr - 380 886 286 - 7/1/99 Madison / Myatt Dr - 441 1,028 124 - 7/1/99 Hixson / Highway 153 - 488 1,138 361 - 7/1/99 Hixson / Gadd Rd - 207 484 503 - 7/1/99 Red Bank / Harding Rd - 452 1,056 335 - 7/1/99 Nashville/Welshwood Dr - 934 2,179 347 - 7/1/99 Madison/Williams Ave - 1,318 3,076 871 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 6/30/99 Irving/W. Airport 524 1,961 2,485 710 6/30/99 Houston/Highway 6 So. 936 2,937 3,873 1,171 6/30/99 Concord/Arnold 1,031 3,822 4,853 1,527 6/30/99 Rockville/Gude Drive 751 7,799 8,550 1,295 6/30/99 Bradenton/Cortez Road 588 2,132 2,720 889 6/30/99 San Antonio/Nw Loop 638 1,853 2,491 645 6/30/99 Anaheim / La Palma 1,720 2,055 3,775 707 6/30/99 Spring Valley/Sweetwater 356 5,771 6,127 1,153 6/30/99 Ft. Myers/Tamiami 1,184 2,332 3,516 897 6/30/99 Littleton/Centennial 526 1,872 2,398 781 6/30/99 Newark/Cedar Blvd 910 2,347 3,257 953 6/30/99 Falls Church/Columbia 1,126 2,223 3,349 902 6/30/99 Fairfax / Lee Highway 732 2,441 3,173 1,000 6/30/99 Wheat Ridge / W. 44th 599 1,798 2,397 755 6/30/99 Huntington Bch/Gotham 1,189 2,152 3,341 871 6/30/99 Fort Worth/McCart 464 1,800 2,264 512 6/30/99 San Diego/Clairemont 1,999 4,176 6,175 1,622 6/30/99 Houston/Millridge N. 1,449 4,609 6,058 1,732 6/30/99 Woodbridge/Jefferson 1,048 3,288 4,336 992 6/30/99 Mountainside 1,594 5,078 6,672 1,255 6/30/99 Woodbridge / Davis 2,243 3,876 6,119 1,601 6/30/99 Huntington Beach 1,282 2,857 4,139 1,076 6/30/99 Edison / Old Post Rd 621 2,702 3,323 1,077 6/30/99 Northridge/Parthenia 2,307 3,176 5,483 1,146 6/30/99 Brick Township/Brick 736 2,984 3,720 1,082 6/30/99 Stone Mountain/Rock 1,540 1,218 2,758 427 6/30/99 Hyattsville 959 4,244 5,203 1,610 6/30/99 Union City / Alvarado 1,239 3,490 4,729 1,282 6/30/99 Oak Park / Greenfield 774 3,363 4,137 1,283 6/30/99 Tujunga/Foothill Blvd 2,180 4,605 6,785 1,637 7/1/99 Pantego/W. Pioneer Pkwy 432 1,336 1,768 394 7/1/99 Nashville/Lafayette St 486 1,451 1,937 662 7/1/99 Nashville/Metroplex Dr 379 1,173 1,552 533 7/1/99 Madison / Myatt Dr 441 1,152 1,593 511 7/1/99 Hixson / Highway 153 487 1,500 1,987 695 7/1/99 Hixson / Gadd Rd 207 987 1,194 537 7/1/99 Red Bank / Harding Rd 452 1,391 1,843 663 7/1/99 Nashville/Welshwood Dr 934 2,526 3,460 1,094 7/1/99 Madison/Williams Ave 1,318 3,947 5,265 1,827 F-69 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --- 7/1/99 Nashville/Mcnally Dr - 884 2,062 619 - 7/1/99 Hermitage/Central Ct - 646 1,508 200 - 7/1/99 Antioch/Cane Ridge Rd - 353 823 256 - 9/1/99 Charlotte / Ashley Road - 664 1,551 178 - 9/1/99 Raleigh / Capital Blvd - 927 2,166 322 - 9/1/99 Charlotte / South Blvd. - 734 1,715 123 - 9/1/99 Greensboro/W.Market St. - 603 1,409 75 - 10/8/99 Belmont / O'neill Ave - 869 4,659 182 - 10/11/99 Matthews - 937 3,165 294 1,665 11/15/99 Poplar, Memphis - 1,631 3,093 324 2,201 12/17/99 Dallas / Swiss Ave - 1,862 4,344 333 - 12/30/99 Oak Park/Greenfield Rd - 1,184 3,685 (19) - 12/30/99 Santa Anna - 2,657 3,293 474 3,083 1/21/00 Hanover Park - 262 3,104 80 - 1/25/00 Memphis / N.Germantwn Pkwy - 884 3,024 217 1,237 1/31/00 Rowland Heights/Walnut - 681 1,589 115 - 2/8/00 Lewisville / Justin Rd - 529 2,919 2,688 1,585 2/28/00 Plano / Avenue K - 2,064 10,407 1,832 - 4/1/00 Hyattsville/Edmonson - 1,036 2,657 93 - 4/29/00 St.Louis/Ellisville Twn Centre - 765 4,377 374 1,621 5/2/00 Mill Valley - 1,412 3,294 (327) - 5/2/00 Culver City - 2,439 5,689 6,400 - 5/26/00 Phoenix/N. 35th Ave - 868 2,967 80 - 6/5/00 Mount Sinai / Route 25a - 950 3,338 301 1,923 6/15/00 Pinellas Park - 526 2,247 291 1,100 6/30/00 San Antonio/Broadway St - 1,131 4,558 1,283 - 7/13/00 Lincolnwood - 1,598 3,727 352 - 7/17/00 La Palco/New Orleans - 1,023 3,204 245 1,709 7/29/00 Tracy/1615& 1650 W.11th S - 1,745 4,530 325 - 8/1/00 Pineville - 2,197 3,417 388 2,262 8/23/00 Morris Plains - 1,501 4,300 681 3,596 8/31/00 Florissant/New Halls Fry - 800 4,225 97 - 8/31/00 Orange, CA - 661 1,542 6,129 - 9/1/00 Bayshore, NY - 1,277 2,980 1,774 - 9/1/00 Los Angeles, CA - 590 1,376 615 - 9/13/00 Merrillville - 343 2,474 215 1,449 9/15/00 Gardena / W. El Segundo - 1,532 3,424 158 - 9/15/00 Chicago / Ashland Avenue - 850 4,880 879 - 9/15/00 Oakland / Macarthur - 678 2,751 307 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation

--- 7/1/99 Nashville/Mcnally Dr 884 2,681 3,565 1,302 7/1/99 Hermitage/Central Ct 646 1,708 2,354 770 7/1/99 Antioch/Cane Ridge Rd 352 1,080 1,432 510 9/1/99 Charlotte / Ashley Road 651 1,742 2,393 732 9/1/99 Raleigh / Capital Blvd 908 2,507 3,415 1,047 9/1/99 Charlotte / South Blvd. 719 1,853 2,572 762 9/1/99 Greensboro/W.Market St. 590 1,497 2,087 641 10/8/99 Belmont / O'neill Ave 877 4,833 5,710 1,966 10/11/99 Matthews 1,499 4,562 6,061 1,388 11/15/99 Poplar, Memphis 2,377 4,872 7,249 1,423 12/17/99 Dallas / Swiss Ave 1,877 4,662 6,539 1,851 12/30/99 Oak Park/Greenfield Rd 1,195 3,655 4,850 1,394 12/30/99 Santa Anna 3,704 5,803 9,507 1,612 1/21/00 Hanover Park 256 3,190 3,446 1,123 1/25/00 Memphis / N.Germantwn Pkwy 1,301 4,061 5,362 1,276 1/31/00 Rowland Heights/Walnut 687 1,698 2,385 676 2/8/00 Lewisville / Justin Rd 1,679 6,042 7,721 1,541 2/28/00 Plano / Avenue K 1,220 13,083 14,303 6,928 4/1/00 Hyattsville/Edmonson 1,036 2,750 3,786 1,028 4/29/00 St.Louis/Ellisville Twn Centre 1,311 5,826 7,137 1,787 5/2/00 Mill Valley 1,283 3,096 4,379 1,186 5/2/00 Culver City 2,221 12,307 14,528 3,918 5/26/00 Phoenix/N. 35th Ave 867 3,048 3,915 663 6/5/00 Mount Sinai / Route 25a 1,599 4,913 6,512 1,422 6/15/00 Pinellas Park 887 3,277 4,164 883 6/30/00 San Antonio/Broadway St 1,130 5,842 6,972 1,947 7/13/00 Lincolnwood 1,612 4,065 5,677 1,683 7/17/00 La Palco/New Orleans 1,609 4,572 6,181 1,193 7/29/00 Tracy/1615& 1650 W.11th S 1,761 4,839 6,600 1,796 8/1/00 Pineville 2,964 5,300 8,264 1,515 8/23/00 Morris Plains 2,719 7,359 10,078 1,875 8/31/00 Florissant/New Halls Fry 807 4,315 5,122 1,592 8/31/00 Orange, CA 667 7,665 8,332 1,545 9/1/00 Bayshore, NY 1,533 4,498 6,031 1,603 9/1/00 Los Angeles, CA 707 1,874 2,581 779 9/13/00 Merrillville 832 3,649 4,481 1,012 9/15/00 Gardena / W. El Segundo 1,531 3,583 5,114 1,158 9/15/00 Chicago / Ashland Avenue 849 5,760 6,609 2,023 9/15/00 Oakland / Macarthur 678 3,058 3,736 998 F-70 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests

-- 9/15/00 Alexandria / Pickett Ii - 2,743 6,198 452 - 9/15/00 Royal Oak / Coolidge Highway - 1,062 2,576 183 - 9/15/00 Hawthorne / Crenshaw Blvd. - 1,079 2,913 185 - 9/15/00 Rockaway / U.S. Route 46 - 2,424 4,945 329 - 9/15/00 Evanston / Greenbay - 846 4,436 240 - 9/15/00 Los Angeles / Coliseum - 3,109 4,013 196 - 9/15/00 Bethpage / Hempstead Turnpike - 2,899 5,457 1,113 - 9/15/00 Northport / Fort Salonga Road - 2,999 5,698 609 - 9/15/00 Brooklyn / St. Johns Place - 3,492 6,026 1,111 - 9/15/00 Lake Ronkonkoma / Portion Rd. - 937 4,199 241 - 9/15/00 Tampa/Gunn Hwy - 1,843 4,300 134 - 9/18/00 Tampa/N. Del Mabry - 2,204 2,447 10,087 - 9/30/00 Marietta/Kennestone& Hwy5 - 622 3,388 1,445 - 9/30/00 Lilburn/Indian Trail - 1,695 5,170 1,671 - 11/15/00 Largo/Missouri - 1,092 4,270 293 2,215 11/21/00 St. Louis/Wilson - 1,608 3,913 1,938 - 12/21/00 Houston/7715 Katy Frwy - 2,274 5,307 (1,672) - 12/21/00 Houston/10801 Katy Frwy - 1,664 3,884 9 - 12/21/00 Houston/Main St - 1,681 3,924 192 - 12/21/00 Houston/W. Loop/S. Frwy - 2,036 4,749 131 - 12/29/00 Chicago - 1,946 6,002 64 - 12/30/00 Raleigh/Glenwood - 1,545 3,628 143 - 12/30/00 Frazier - 800 3,324 43 - 1/5/01 Troy/E. Big Beaver Rd - 2,195 4,221 284 1,846 1/11/01 Ft Lauderdale - 954 3,972 433 2,183 1/16/01 No Hollywood/Sherman Way - 2,173 5,442 3,622 - 1/18/01 Tuscon/E. Speedway - 735 2,895 203 1,066 1/25/01 Lombard/Finley - 851 3,806 437 2,112 3/15/01 Los Angeles/West Pico - 8,579 8,630 2,591 - 4/1/01 Lakewood/Cedar Dr. - 1,329 9,356 4,069 - 4/7/01 Farmingdale/Rte 110 - 2,364 5,807 1,888 - 4/17/01 Philadelphia/Aramingo - 968 4,539 43 - 4/18/01 Largo/Walsingham Road - 1,000 3,545 (210) - 6/17/01 Port Washington/Seaview &W.Sh - 2,381 4,608 1,819 - 6/18/01 Silver Springs/Prosperity - 1,065 5,391 2,030 - 6/19/01 Tampa/W. Waters Ave & Wilsky - 953 3,785 59 - 6/26/01 Middletown - 1,535 4,258 470 2,258 7/29/01 Miami/Sw 85th Ave - 2,755 4,951 3,657 - 8/28/01 Hoover/John Hawkins Pkwy - 1,050 2,453 86 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation

--- 9/15/00 Alexandria / Pickett Ii 2,742 6,651 9,393 2,133 9/15/00 Royal Oak / Coolidge Highway 1,062 2,759 3,821 905 9/15/00 Hawthorne / Crenshaw Blvd. 1,078 3,099 4,177 1,011 9/15/00 Rockaway / U.S. Route 46 2,423 5,275 7,698 1,702 9/15/00 Evanston / Greenbay 846 4,676 5,522 1,489 9/15/00 Los Angeles / Coliseum 3,108 4,210 7,318 1,325 9/15/00 Bethpage / Hempstead Turnpike 2,898 6,571 9,469 2,047 9/15/00 Northport / Fort Salonga Road 2,998 6,308 9,306 2,052 9/15/00 Brooklyn / St. Johns Place 3,491 7,138 10,629 2,047 9/15/00 Lake Ronkonkoma / Portion Rd. 937 4,440 5,377 1,385 9/15/00 Tampa/Gunn Hwy 1,842 4,435 6,277 1,540 9/18/00 Tampa/N. Del Mabry 2,238 12,500 14,738 5,097 9/30/00 Marietta/Kennestone& Hwy5 628 4,827 5,455 1,602 9/30/00 Lilburn/Indian Trail 1,711 6,825

8,536 2,189 11/15/00 Largo/Missouri 1,838 6,032 7,870 1,702 11/21/00 St. Louis/Wilson 1,627 5,832 7,459 1,872 12/21/00 Houston/7715 Katy Frwy 1,500 4,409 5,909 1,053 12/21/00 Houston/10801 Katy Frwy 1,618 3,939 5,557 1,219 12/21/00 Houston/Main St 1,683 4,114 5,797 1,254 12/21/00 Houston/W. Loop/S. Frwy 2,037 4,879 6,916 1,508 12/29/00 Chicago 1,949 6,063 8,012 1,966 12/30/00 Raleigh/Glenwood 1,559 3,757 5,316 1,322 12/30/00 Frazier 800 3,367 4,167 997 1/5/01 Troy/E. Big Beaver Rd 2,820 5,726 8,546 1,553 1/11/01 Ft Lauderdale 1,745 5,797 7,542 1,563 1/16/01 No Hollywood/Sherman Way 2,200 9,037 11,237 2,185 1/18/01 Tuscon/E. Speedway 1,095 3,804 4,899 1,094 1/25/01 Lombard/Finley 1,564 5,642 7,206 1,550 3/15/01 Los Angeles/West Pico 8,607 11,193 19,800 3,487 4/1/01 Lakewood/Cedar Dr. 1,331 13,423 14,754 3,932 4/7/01 Farmingdale/Rte 110 1,778 8,281 10,059 2,126 4/17/01 Philadelphia/Aramingo 968 4,582 5,550 1,426 4/18/01 Largo/Walsingham Road 799 3,536 4,335 1,112 6/17/01 Port Washington/Seaview &W.Sh 2,359 6,449 8,808 1,703 6/18/01 Silver Springs/Prosperity 1,065 7,421 8,486 1,968 6/19/01 Tampa/W. Waters Ave & Wilsky 954 3,843 4,797 1,178 6/26/01 Middletown 2,295 6,226 8,521 1,566 7/29/01 Miami/Sw 85th Ave 2,730 8,633 11,363 2,214 8/28/01 Hoover/John Hawkins Pkwy 1,050 2,539 3,589 773 F-71 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --- 9/30/01 Syosset - 2,461 5,312 278 1,855 12/27/01 Los Angeles/W.Jefferson - 8,285 9,429 4,784 - 12/27/01 Howell/Hgwy 9 - 941 4,070 274 1,260 12/29/01 Catonsville/Kent - 1,378 5,289 2,646 - 12/29/01 Old Bridge/Rte 9 - 1,244 4,960 (1) - 12/29/01 Sacremento/Roseville - 876 5,344 1,971 - 12/31/01 Santa Ana/E.Mcfadden - 7,587 8,612 1,047 - 1/1/02 Concord - 650 1,332 87 - 1/1/02 Tustin - 962 1,465 115 - 1/1/02 Pasadena/Sierra Madre - 706 872 69 - 1/1/02 Azusa - 933 1,659 7,562 - 1/1/02 Redlands - 423 1,202 183 - 1/1/02 Airport I - 346 861 112 - 1/1/02 Miami / Marlin Road - 562 1,345 165 - 1/1/02 Riverside - 95 1,106 14 - 1/1/02 Oakland / San Leandro - 330 1,116 96 - 1/1/02 Richmond / Jacuzzi - 419 1,224 37 - 1/1/02 Santa Clara / Laurel - 1,178 1,789 85 - 1/1/02 Pembroke Park - 475 1,259 106 - 1/1/02 Ft. Lauderdale / Sun - 452 1,254 110 - 1/1/02 San Carlos / Shorewa - 737 1,360 (25) - 1/1/02 Ft. Lauderdale / Sun - 532 1,444 105 - 1/1/02 Sacramento / Howe - 361 1,181 31 - 1/1/02 Sacramento / Capitol - 186 1,284 315 - 1/1/02 Miami / Airport - 517 915 117 - 1/1/02 Marietta / Cobb Park - 419 1,571 305 - 1/1/02 Sacramento / Florin - 624 1,710 507 - 1/1/02 Belmont / Dairy Lane - 915 1,252 128 - 1/1/02 So. San Francisco - 1,018 2,464 216 - 1/1/02 Palmdale / P Street - 218 1,287 90 - 1/1/02 Tucker / Montreal Rd - 760 1,485 123 - 1/1/02 Pasadena / S Fair Oaks - 1,313 1,905 93 - 1/1/02 Carmichael/Fair Oaks - 584 1,431 33 - 1/1/02 Carson / Carson St - 507 877 108 - 1/1/02 San Jose / Felipe Ave - 517 1,482 77 - 1/1/02 Miami / 27th Ave - 272 1,572 128 - 1/1/02 San Jose / Capitol - 400 1,183 19 - 1/1/02 Tucker / Mountain - 519 1,385 78 - 1/3/02 St Charles/Veterans Memorial Pkwy - 687 1,602 170 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation -- 9/30/01 Syosset 3,089 6,817 9,906 1,730 12/27/01 Los Angeles/W.Jefferson 8,331 14,167 22,498 3,166 12/27/01 Howell/Hgwy 9 1,365 5,180 6,545 1,352 12/29/01 Catonsville/Kent 1,377 7,936 9,313 2,062 12/29/01 Old Bridge/Rte 9 1,249 4,954 6,203 1,416 12/29/01 Sacremento/Roseville 526 7,665 8,191 2,085 12/31/01 Santa Ana/E.Mcfadden 7,599 9,647 17,246 2,798 1/1/02 Concord 649 1,420 2,069 440 1/1/02 Tustin 962 1,580 2,542 471 1/1/02 Pasadena/Sierra Madre 706 941 1,647 290 1/1/02 Azusa 932 9,222 10,154 1,464 1/1/02 Redlands 422 1,386 1,808 466 1/1/02 Airport I 346 973 1,319 309 1/1/02 Miami / Marlin Road 562 1,510 2,072 446 1/1/02 Riverside 94 1,121 1,215 350 1/1/02 Oakland / San Leandro 330 1,212 1,542 394 1/1/02 Richmond / Jacuzzi 419 1,261 1,680 383 1/1/02 Santa Clara / Laurel 1,178 1,874 3,052 715 1/1/02 Pembroke Park 475 1,365 1,840 426 1/1/02 Ft. Lauderdale / Sun 452 1,364 1,816 421 1/1/02 San Carlos / Shorewa 737 1,335 2,072 405 1/1/02 Ft. Lauderdale / Sun 533 1,548 2,081 493 1/1/02 Sacramento / Howe 361 1,212 1,573 354 1/1/02 Sacramento / Capitol 186 1,599 1,785 467 1/1/02 Miami / Airport 517 1,032 1,549 346 1/1/02 Marietta / Cobb Park 419 1,876 2,295 666 1/1/02 Sacramento / Florin 623 2,218 2,841 730 1/1/02 Belmont / Dairy Lane 914 1,381 2,295 475 1/1/02 So. San Francisco 1,018 2,680 3,698 938 1/1/02 Palmdale / P Street 218 1,377 1,595 449 1/1/02 Tucker / Montreal Rd 758 1,610 2,368 549 1/1/02 Pasadena / S Fair Oaks 1,312 1,999 3,311 677 1/1/02 Carmichael/Fair Oaks 584 1,464 2,048 467 1/1/02 Carson / Carson St 506 986 1,492 357 1/1/02 San Jose / Felipe Ave 516 1,560 2,076 558 1/1/02 Miami / 27th Ave 271 1,701 1,972 600 1/1/02 San Jose / Capitol 401 1,201 1,602 395 1/1/02 Tucker / Mountain 520 1,462 1,982 510 1/3/02 St Charles/Veterans Memorial Pkwy 687 1,772 2,459 596 F-72 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION

Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 1/7/02 Bothell/ N. Bothell Way - 1,063 4,995 160 - 1/15/02 Houston / N.Loop - 2,045 6,178 2,043 - 1/16/02 Orlando / S. Kirkman - 889 3,180 61 - 1/16/02 Austin / Us Hwy 183 - 608 3,856 41 - 1/16/02 Rochelle Park / 168 - 744 4,430 82 - 1/16/02 Honolulu / Waialae - 10,631 10,783 220 - 1/16/02 Sunny Isles Bch - 931 2,845 227 - 1/16/02 San Ramon / San Ramo - 1,522 3,510 61 - 1/16/02 Austin / W. 6th St - 2,399 4,493 348 - 1/16/02 Schaumburg / W. Wise - 1,158 2,598 69 - 1/16/02 Laguna Hills / Moulton - 2,319 5,200 208 - 1/16/02 Annapolis / West St - 955 3,669 56 - 1/16/02 Birmingham / Commons - 1,125 3,938 179 - 1/16/02 Crestwood / Watson Rd - 1,232 3,093 (27) - 1/16/02 Northglenn /Huron St - 688 2,075 80 - 1/16/02 Skokie / Skokie Blvd - 716 5,285 100 - 1/16/02 Garden City / Stewart - 1,489 4,039 225 - 1/16/02 Millersville / Veterans - 1,036 4,229 49 - 1/16/02 W. Babylon / Sunrise - 1,609 3,959 66 - 1/16/02 Memphis / Summer Ave - 1,103 2,772 85 - 1/16/02 Santa Clara/Lafayette - 1,393 4,626 17 - 1/16/02 Naperville / Washington - 2,712 2,225 510 - 1/16/02 Phoenix/W Union Hills - 1,071 2,934 59 - 1/16/02 Woodlawn / Whitehead - 2,682 3,355 74 - 1/16/02 Issaquah / Pickering - 1,138 3,704 26 - 1/16/02 West La /W Olympic - 6,532 5,975 129 - 1/16/02 Pasadena / E. Colorado - 1,125 5,160 129 - 1/16/02 Memphis / Covington - 620 3,076 81 - 1/16/02 Hiawassee / N.Hiawassee - 1,622 1,892 95 - 1/16/02 Longwood / State Rd - 2,123 3,083 170 - 1/16/02 Casselberry / State - 1,628 3,308 72 - 1/16/02 Honolulu/Kahala - 3,722 8,525 112 - 1/16/02 Waukegan / Greenbay - 933 3,826 51 - 1/16/02 Southfield / Telegraph - 2,869 5,507 149 - 1/16/02 San Mateo / S. Delaware - 1,921 4,602 105 - 1/16/02 Scottsdale/N.Hayden - 2,111 3,564 51 - 1/16/02 Gilbert/W Park Ave - 497 3,534 13 - 1/16/02 W.Palm Beach/Okeechobee - 2,149 4,650 (356) - 1/16/02 Indianapolis / W.86th - 812 2,421 158 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 1/7/02 Bothell/ N. Bothell Way 1,062 5,156 6,218 1,450 1/15/02 Houston / N.Loop 2,044 8,222 10,266 1,997 1/16/02 Orlando / S. Kirkman 889 3,241 4,130 1,054 1/16/02 Austin / Us Hwy 183 608 3,897 4,505 1,235 1/16/02 Rochelle Park / 168 744 4,512 5,256 1,374 1/16/02 Honolulu / Waialae 10,628 11,006 21,634 3,414 1/16/02 Sunny Isles Bch 931 3,072 4,003 966 1/16/02 San Ramon / San Ramo 1,521 3,572 5,093 1,099 1/16/02 Austin / W. 6th St 2,399 4,841 7,240 1,668 1/16/02 Schaumburg / W. Wise 1,157 2,668 3,825 839 1/16/02 Laguna Hills / Moulton 2,318 5,409 7,727 1,743 1/16/02 Annapolis / West St 955 3,725 4,680 1,165 1/16/02 Birmingham / Commons 1,125 4,117 5,242 1,302 1/16/02 Crestwood / Watson Rd 1,176 3,122 4,298 953 1/16/02 Northglenn /Huron St 688 2,155 2,843 671 1/16/02 Skokie / Skokie Blvd 716 5,385 6,101 1,631 1/16/02 Garden City / Stewart 1,489 4,264 5,753 1,339 1/16/02 Millersville / Veterans 1,035 4,279 5,314 1,353 1/16/02 W. Babylon / Sunrise 1,608 4,026 5,634 1,237 1/16/02 Memphis / Summer Ave 1,102 2,858 3,960 867 1/16/02 Santa Clara/Lafayette 1,393 4,643 6,036 1,361 1/16/02 Naperville / Washington 2,711 2,736 5,447 826 1/16/02 Phoenix/W Union Hills 1,065 2,999 4,064 929 1/16/02 Woodlawn / Whitehead 2,681 3,430 6,111 1,088 1/16/02 Issaquah / Pickering 1,137 3,731 4,868 1,145 1/16/02 West La /W Olympic 6,530 6,106 12,636 1,831 1/16/02 Pasadena / E. Colorado 1,124 5,290 6,414 1,566 1/16/02 Memphis / Covington 620 3,157 3,777 949 1/16/02 Hiawassee / N.Hiawassee 1,621 1,988 3,609 652 1/16/02 Longwood / State Rd 2,123 3,253 5,376 1,127 1/16/02 Casselberry / State 1,628 3,380 5,008 1,023 1/16/02 Honolulu/Kahala 3,721 8,638 12,359 2,557 1/16/02 Waukegan / Greenbay 933 3,877 4,810 1,168 1/16/02 Southfield / Telegraph 2,868 5,657 8,525 1,713 1/16/02 San Mateo / S. Delaware 1,921 4,707 6,628 1,376 1/16/02 Scottsdale/N.Hayden 2,116 3,610 5,726 1,082 1/16/02 Gilbert/W Park Ave 497 3,547 4,044 1,058 1/16/02 W.Palm Beach/Okeechobee 2,148 4,295 6,443 1,253 1/16/02 Indianapolis / W.86th 812 2,579 3,391 753 F-73 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 1/16/02 Indianapolis / Madison - 716 2,655 557 - 1/16/02 Indianapolis / Rockville - 704 2,704 922 - 1/16/02 Santa Cruz / River - 2,148 6,584 120 - 1/16/02 Novato / Rush Landing - 1,858 2,574 52 - 1/16/02 Martinez / Arnold Dr - 847 5,422 31 - 1/16/02 Charlotte/Cambridge - 836 3,908 38 - 1/16/02 Rancho Cucamonga - 579 3,222 3,620 - 1/16/02 Renton / Kent - 768 4,078 56 - 1/16/02 Hawthorne / Goffle Rd - 2,414 4,918 71 - 2/2/02 Nashua / Southwood Dr - 2,493 4,326 193 - 2/15/02 Houston/Fm 1960 East - 859 2,004 102 - 3/7/02 Baltimore / Russell Street - 1,763 5,821 203 - 3/11/02 Weymouth / Main St - 1,440 4,433 173 - 3/28/02 Clinton / Branch Ave & Schultz - 1,257 4,108 537 3,253 4/17/02 La

Mirada/Alondra - 1,749 5,044 364 2,443 5/1/02 N.Richlnd Hls/Rufe Snow Dr - 632 6,337 2,359 - 5/2/02 Parkville/E.Joppa - 898 4,306 135 - 6/17/02 Waltham / Lexington St - 3,183 5,733 307 - 6/30/02 Nashville / Charlotte - 876 2,004 121 - 7/2/02 Mt Juliet / Lebonan Rd - 516 1,203 151 - 7/14/02 Yorktown / George Washington - 707 1,684 78 - 7/22/02 Brea/E. Lambert & Clifwood Pk - 2,114 3,555 171 - 8/1/02 Bricktown/Route 70 - 1,292 3,690 181 - 8/1/02 Danvers / Newbury St. - 1,311 4,140 606 - 8/15/02 Montclair / Holt Blvd. - 889 2,074 244 - 8/21/02 Rockville Centre/Merrick Rd - 3,693 6,990 370 - 9/13/02 Lacey / Martin Way - 1,379 3,217 72 - 9/13/02 Lakewood / Bridgeport - 1,286 3,000 116 - 9/13/02 Kent / Pacific Highway - 1,839 4,291 192 - 11/4/02 Scotch Plains /Route 22 - 2,124 5,072 55 - 12/23/02 Snta Clarita/Viaprincssa - 2,508 3,008 3,579 - 2/13/03 Pasadena / Ritchie Hwy - 2,253 4,218 8 - 2/13/03 Malden / Eastern Ave - 3,212 2,739 86 - 2/24/03 Miami / SW 137th Ave - 1,600 4,684 (269) - 3/3/03 Chantilly / Dulles South Court - 2,190 4,314 132 - 3/6/03 Medford / Mystic Ave - 3,886 4,982 23 - 5/27/03 Castro Valley / Grove Way - 2,247 5,881 983 - 8/2/03 Sacramento / E.Stockton Blvd - 554 4,175 62 - 8/13/03 Timonium / W. Padonia Road - 1,932 3,681 44 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation -- 1/16/02 Indianapolis / Madison 716 3,212 3,928 804 1/16/02 Indianapolis / Rockville 704 3,626 4,330 821 1/16/02 Santa Cruz / River 2,147 6,705 8,852 1,929 1/16/02 Novato / Rush Landing 1,858 2,626 4,484 783 1/16/02 Martinez / Arnold Dr 847 5,453 6,300 1,545 1/16/02 Charlotte/Cambridge 836 3,946 4,782 1,183 1/16/02 Rancho Cucamonga 1,130 6,291 7,421 1,381 1/16/02 Renton / Kent 768 4,134 4,902 1,246 1/16/02 Hawthorne / Goffle Rd 2,413 4,990 7,403 1,447 2/2/02 Nashua / Southwood Dr 2,492 4,520 7,012 1,259 2/15/02 Houston/Fm 1960 East 858 2,107 2,965 611 3/7/02 Baltimore / Russell Street 1,763 6,024 7,787 1,667 3/11/02 Weymouth / Main St 1,439 4,607 6,046 1,278 3/28/02 Clinton / Branch Ave & Schultz 2,357 6,798 9,155 1,562 4/17/02 La Mirada/Alondra 2,574 7,026 9,600 1,669 5/1/02 N.Richlnd Hls/Rufe Snow Dr 631 8,697 9,328 2,186 5/2/02 Parkville/E.Joppa 898 4,441 5,339 1,197 6/17/02 Waltham / Lexington St 3,202 6,021 9,223 1,587 6/30/02 Nashville / Charlotte 875 2,126 3,001 613 7/2/02 Mt Juliet / Lebonan Rd 516 1,354 1,870 400 7/14/02 Yorktown / George Washington 707 1,762 2,469 516 7/22/02 Brea/E. Lambert & Clifwood Pk 2,113 3,727 5,840 980 8/1/02 Bricktown/Route 70 1,292 3,871 5,163 1,011 8/1/02 Danvers / Newbury St. 1,326 4,731 6,057 1,190 8/15/02 Montclair / Holt Blvd. 889 2,318 3,207 752 8/21/02 Rockville Centre/Merrick Rd 3,691 7,362 11,053 1,905 9/13/02 Lacey / Martin Way 1,378 3,290 4,668 701 9/13/02 Lakewood / Bridgeport 1,285 3,117 4,402 688 9/13/02 Kent / Pacific Highway 1,839 4,483 6,322 989 11/4/02 Scotch Plains /Route 22 2,126 5,125 7,251 1,333 12/23/02 Snta Clarita/Viaprincssa 2,507 6,588 9,095 1,459 2/13/03 Pasadena / Ritchie Hwy 2,252 4,227 6,479 1,012 2/13/03 Malden / Eastern Ave 3,211 2,826 6,037 673 2/24/03 Miami / SW 137th Ave 1,600 4,415 6,015 1,057 3/3/03 Chantilly / Dulles South Court 2,190 4,446 6,636 1,021 3/6/03 Medford / Mystic Ave 3,884 5,007 8,891 1,156 5/27/03 Castro Valley / Grove Way 2,307 6,804 9,111 1,556 8/2/03 Sacramento / E.Stockton Blvd 554 4,237 4,791 977 8/13/03 Timonium / W. Padonia Road 1,931 3,726 5,657 834 F-74 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 8/21/03 Van Nuys / Sepulveda - 1,698 3,886 2,404 - 9/9/03 Westwood / East St - 3,267 5,013 315 - 10/21/03 San Diego / Miramar Road - 2,244 6,653 662 - 11/3/03 El Sobrante/San Pablo - 1,255 4,990 1,311 - 11/6/03 Pearl City / Kamehameha Hwy - 4,428 4,839 533 - 12/23/03 Boston / Southampton Street - 5,334 7,511 799 - 1/9/04 Farmingville / Horseblock Road - 1,919 4,420 (110) - 2/27/04 Salem / Goodhue St. - 1,544 6,160 68 - 3/18/04 Seven Corners / Arlington Blvd. - 6,087 7,553 (262) - 6/30/04 Marlton / Route 73 - 1,103 5,195 14 - 7/1/04 Long Island City/Northern Blvd. - 4,876 7,610 (162) - 7/9/04 West Valley Cty/Redwood - 876 2,067 426 - 7/12/04 Hicksville/E. Old Country Rd. - 1,693 3,910 147 - 7/15/04 Harwood/Ronald - 1,619 3,778 204 - 9/24/04 E. Hanover/State Rt - 3,895 4,943 232 - 10/14/04 Apple Valley/148th St 593 591 1,375 155 - 10/14/04 Blaine / Hwy 65 NE 966 789 1,833 830 - 10/14/04 Brooklyn Park / Lakeland Ave 1,379 1,411 3,278 240 - 10/14/04 Brooklyn Park / Xylon Ave 1,144 1,120 2,601 370 - 10/14/04 St Paul(Eagan)/Sibley Mem'l Hwy 597 615 1,431 89 - 10/14/04 Maple Grove / Zachary Lane 1,261 1,337 3,105 67 - 10/14/04 Minneapolis / Hiawatha Ave 1,428 1,480 3,437 187 - 10/14/04 New Hope / 36th Ave 1,285 1,332 3,094 167 - 10/14/04 Rosemount / Chippendale Ave 830 864 2,008 94 - 10/14/04 St Cloud/Franklin 547 575 1,338 43 - 10/14/04 Savage / W 128th St 1,450 1,522 3,535 125 - 10/14/04 Spring Lake Park/Hwy 65 NE 1,526 1,534 3,562 361 - 10/14/04 St Paul / Terrace Court 1,083 1,122 2,606 144 - 10/14/04 St Paul / Eaton St 1,120 1,161 2,698 146 -

10/14/04 St Paul-Hartzell / Wabash Ave - 1,207 2,816 228 - 10/14/04 West St Paul / Marie Ave 1,563 1,447 3,361 780 - 10/14/04 Stillwater / Memorial Ave 1,591 1,669 3,876 144 - 10/14/04 St Paul(VadnaisHts/Birch Lake Rd 931 928 2,157 243 - 10/14/04 Woodbury / Hudson Road 1,784 1,863 4,327 187 - 10/14/04 Brown Deer / N Green Bay Rd 1,022 1,059 2,461 134 - 10/14/04 Germantown / Spaten Court 579 607 1,411 52 - 10/14/04 Milwaukee/ N 77th St 1,204 1,241 2,882 180 - 10/14/04 Milwaukee/ S 13th St 1,417 1,484 3,446 135 - 10/14/04 Oak Creek / S 27th St 726 751 1,746 99 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation --- 8/21/03 Van Nuys / Sepulveda 1,698 6,290 7,988 1,084 9/9/03 Westwood / East St 3,287 5,308 8,595 1,183 10/21/03 San Diego / Miramar Road 2,243 7,316 9,559 1,572 11/3/03 El Sobrante/San Pablo 1,257 6,299 7,556 1,383 11/6/03 Pearl City / Kamehameha Hwy 4,429 5,371 9,800 1,134 12/23/03 Boston / Southampton Street 5,344 8,300 13,644 1,694 1/9/04 Farmingville / Horseblock Road 1,918 4,311 6,229 883 2/27/04 Salem / Goodhue St. 1,543 6,229 7,772 1,224 3/18/04 Seven Corners / Arlington Blvd. 6,085 7,293 13,378 1,407 6/30/04 Marlton / Route 73 1,103 5,209 6,312 747 7/1/04 Long Island City/Northern Blvd. 4,875 7,449 12,324 1,382 7/9/04 West Valley Cty/Redwood 883 2,486 3,369 545 7/12/04 Hicksville/E. Old Country Rd. 1,692 4,058 5,750 732 7/15/04 Harwood/Ronald 1,619 3,982 5,601 781 9/24/04 E. Hanover/State Rt 3,894 5,176 9,070 894 10/14/04 Apple Valley/148th St 592 1,529 2,121 283 10/14/04 Blaine / Hwy 65 NE 713 2,739 3,452 438 10/14/04 Brooklyn Park / Lakeland Ave 1,413 3,516 4,929 641 10/14/04 Brooklyn Park / Xylon Ave 1,121 2,970 4,091 613 10/14/04 St Paul(Eagan)/Sibley Mem'l Hwy 616 1,519 2,135 263 10/14/04 Maple Grove / Zachary Lane 1,338 3,171 4,509 550 10/14/04 Minneapolis / Hiawatha Ave 1,481 3,623 5,104 660 10/14/04 New Hope / 36th Ave 1,333 3,260 4,593 567 10/14/04 Rosemount / Chippendale Ave 865 2,101 2,966 375 10/14/04 St Cloud/Franklin 576 1,380 1,956 245 10/14/04 Savage / W 128th St 1,523 3,659 5,182 655 10/14/04 Spring Lake Park/Hwy 65 NE 1,535 3,922 5,457 727 10/14/04 St Paul / Terrace Court 1,123 2,749 3,872 506 10/14/04 St Paul / Eaton St 1,162 2,843 4,005 521 10/14/04 St Paul-Hartzell / Wabash Ave 1,206 3,045 4,251 582 10/14/04 West St Paul / Marie Ave 1,448 4,140 5,588 742 10/14/04 Stillwater / Memorial Ave 1,670 4,019 5,689 702 10/14/04 St Paul(VadnaisHts/Birch Lake Rd 929 2,399 3,328 438 10/14/04 Woodbury / Hudson Road 1,864 4,513 6,377 780 10/14/04 Brown Deer / N Green Bay Rd 1,060 2,594 3,654 475 10/14/04 Germantown / Spaten Court 607 1,463 2,070 261 10/14/04 Milwaukee/ N 77th St 1,242 3,061 4,303 553 10/14/04 Milwaukee/ S 13th St 1,485 3,580 5,065 635 10/14/04 Oak Creek / S 27th St 752 1,844 2,596 336 F-75 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --

10/14/04 Waukesha / Arcadian Ave 1,622 1,665 3,868 265 - 10/14/04 West Allis / W Lincoln Ave 1,335 1,390 3,227 156 - 10/14/04 Garland / O'Banion Rd - 606 1,414 136 - 10/14/04 Grand Prairie/ Hwy360 - 942 2,198 136 - 10/14/04 Duncanville/N Duncnvill - 1,524 3,556 360 - 10/14/04 Lancaster/ W Pleasant - 993 2,317 97 - 10/14/04 Mesquite / Oates Dr - 937 2,186 128 - 10/14/04 Dallas / E NW Hwy - 942 2,198 120 - 11/24/04 Pompano Beach/E. Sample 4,495 1,608 3,754 160 - 11/24/04 Davie / SW 41st St. 5,797 2,467 5,758 178 - 11/24/04 North Bay Village/Kennedy 5,994 3,275 7,644 197 - 11/24/04 Miami / Biscayne Blvd 5,935 3,538 8,258 129 - 11/24/04 Miami Gardens/NW 57th St 5,929 2,706 6,316 84 - 11/24/04 Tamarac/ N University Dr 6,160 2,580 6,022 111 - 11/24/04 Miami / SW 31st Ave 12,941 11,574 27,009 221 - 11/24/04 Hialeah / W 20th Ave - 2,224 5,192 397 - 11/24/04 Miami / SW 42nd St - 2,955 6,897 515 - 11/24/04 Miami / SW 40th St - 2,933 6,844 523 - 11/25/04 Carlsbad/CorteDelAbeto - 2,861 6,676 3,157 - 1/19/05 Cheektowaga / William St - 965 2,262 40 - 1/19/05 Amherst / Millersport Hwy - 1,431 3,350 53 - 1/19/05 Lancaster / Walden Ave - 528 1,244 26 - 1/19/05 Tonawanda/HospitalityCentreWay - 1,205 2,823 30 - 1/19/05 Wheatfield / Niagara Falls Blv - 1,130 2,649 35 - 1/20/05 Oak Lawn / Southwest Hwy - 1,850 4,330 119 - 2/25/05 Owings Mills / Reisterstown Rd - 887 3,865 14 - 4/26/05 Hoboken / 8th St - 3,963 9,290 359 - 5/3/05 Bayville / 939 Route 9 - 1,928 4,519 61 - 5/3/05 Bricktown / Burnt Tavern Rd - 3,522 8,239 46 - 5/3/05 JacksonTwnshp/N.County Line Rd - 1,555 3,647 53 - 5/16/05 Methuen / Pleasant Valley St - 2,263 4,540 162 - 5/19/05 Libertyville / Kelley Crt - 2,042 4,783 69 - 5/19/05 Joliet / Essington - 1,434 3,367 88 - 6/15/05 Atlanta/Howell Mill Rd NW - 1,864 4,363 54 - 6/15/05 Smyrna / Herodian Way SE - 1,294 3,032 49 - 7/7/05 Lithonia / Minola Dr - 1,273 2,985 70 - 7/14/05 Kennesaw / Bells Ferry Rd NW - 1,264 2,976 792 - 7/28/05 Atlanta / Monroe Dr NE - 2,914 6,829 895 - 8/11/05 Suwanee / Old Peachtree Rd NE - 1,914 4,497 146 - Gross Carrying Amount At December 31, 2008 Date

-- Accumulated Acquired Description Land Buildings Total Depreciation -- 10/14/04 Waukesha / Arcadian Ave 1,667 4,131 5,798 771 10/14/04 West Allis / W Lincoln Ave 1,391 3,382 4,773 602 10/14/04 Garland / O'Banion Rd 608 1,548 2,156 312 10/14/04 Grand Prairie/ Hwy360 944 2,332 3,276 452 10/14/04 Duncanville/N Duncnvill 1,525 3,915 5,440 826 10/14/04 Lancaster/ W Pleasant 995 2,412 3,407 474 10/14/04 Mesquite / Oates Dr 938 2,313 3,251 454 10/14/04 Dallas / E NW Hwy 944 2,316 3,260 457 11/24/04 Pompano Beach/E. Sample 1,621 3,901 5,522 688 11/24/04 Davie / SW 41st St. 2,466 5,937 8,403 1,061 11/24/04 North Bay Village/Kennedy 3,274 7,842 11,116 1,350 11/24/04 Miami / Biscayne Blvd 3,537 8,388 11,925 1,455 11/24/04 Miami Gardens/NW 57th St 2,706 6,400 9,106 1,108 11/24/04 Tamarac/ N University Dr 2,579 6,134 8,713 1,063 11/24/04 Miami / SW 31st Ave 11,570 27,234 38,804 4,582 11/24/04 Hialeah / W 20th Ave 2,224 5,589 7,813 1,223 11/24/04 Miami / SW 42nd St 2,957 7,410 10,367 1,612 11/24/04 Miami / SW 40th St 2,932 7,368 10,300 1,605 11/25/04 Carlsbad/CorteDelAbeto 2,860 9,834 12,694 1,456 1/19/05 Cheektowaga / William St 964 2,303 3,267 508 1/19/05 Amherst / Millersport Hwy 1,431 3,403 4,834 735 1/19/05 Lancaster / Walden Ave 528 1,270 1,798 281 1/19/05 Tonawanda/HospitalityCentreWay 1,205 2,853 4,058 620 1/19/05 Wheatfield / Niagara Falls Blv 1,130 2,684 3,814 585 1/20/05 Oak Lawn / Southwest Hwy 1,850 4,449 6,299 990 2/25/05 Owings Mills / Reisterstown Rd 887 3,879 4,766 609 4/26/05 Hoboken / 8th St 3,962 9,650 13,612 1,948 5/3/05 Bayville / 939 Route 9 1,927 4,581 6,508 942 5/3/05 Bricktown / Burnt Tavern Rd 3,521 8,286 11,807 1,685 5/3/05 JacksonTwnshp/N.County Line Rd 1,554 3,701 5,255 764 5/16/05 Methuen / Pleasant Valley St 2,263 4,702 6,965 690 5/19/05 Libertyville / Kelley Crt 2,041 4,853 6,894 993 5/19/05 Joliet / Essington 1,434 3,455 4,889 716 6/15/05 Atlanta/Howell Mill Rd NW 1,863 4,418 6,281 891 6/15/05 Smyrna / Herodian Way SE 1,293 3,082 4,375 624 7/7/05 Lithonia / Minola Dr 1,272 3,056 4,328 619 7/14/05 Kennesaw / Bells Ferry Rd NW 1,264 3,768 5,032 694 7/28/05 Atlanta / Monroe Dr NE 2,913 7,725 10,638 1,439 8/11/05 Suwanee / Old Peachtree Rd NE 1,913 4,644 6,557 921 F-76 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 9/8/05 Brandon / Providence Rd - 2,592 6,067 93 - 9/15/05 Woodstock / Hwy 92 - 1,251 2,935 60 - 9/22/05 Charlotte / W. Arrowood Rd - 1,426 3,335 (197) - 10/5/05 Jacksonville Beach / Beach Bl - 2,552 5,981 145 - 10/5/05 Bronx / Brush Ave - 4,517 10,581 91 - 10/11/05 Austin / E. Ben White Blvd - 213 3,461 16 - 10/13/05 Deerfield Beach/S. Powerline R - 3,365 7,874 137 - 10/14/05 Cooper City / Sheridan St - 3,035 7,092 95 - 10/20/05 Staten Island / Veterans Rd W. - 3,599 8,430 157 - 10/20/05 Pittsburg / LoveridgeCenter - 3,602 8,448 94 - 10/21/05 Norristown / W.Main St - 1,465 4,818 273 - 11/2/05 Miller Place / Route 25A - 2,757 6,459 99 - 11/18/05 Miami / Biscayne Blvd (Omni) - 7,434 17,268 117 - 12/1/05 Manchester / Taylor St - 1,305 3,029 161 - 12/7/05 Buffalo Grove/E. Aptakisic Rd - 1,986 4,635 94 - 12/13/05 Lorton / Pohick Rd & I95 - 1,167 4,582 343 - 12/16/05 Pico Rivera / Washington Blvd - 4,719 11,012 76 - 12/27/05 Queens Village / Jamaica Ave - 3,409 5,494 35 - 1/1/06 Costa Mesa / Placentia-A - 275 754 21 - 1/1/06 Van Nuys / Sepulveda-A - 497 886 60 - 1/1/06 Pico Rivera / Beverly - 303 865 10 - 1/1/06 San Dimas - 222 1,505 71 - 1/1/06 Long Beach / Cherry Ave - 801 1,723 2,754 - 1/1/06 E.LA / Valley Blvd - 670 1,845 57 - 1/1/06 Glendale / Eagle Rock Blvd - 1,240 1,831 29 - 1/1/06 N. Pasadena / Lincoln Ave - 357 535 28 - 1/1/06 Crossroads Pkwy/ 605 & 60 Fwys - 146 773 24 - 1/1/06 Fremont / Enterprise - 122 727 145 - 1/1/06 Milpitas/Montague I &Watson Ct - 212 607 112 - 1/1/06 Wilmington - 890 1,345 50 - 1/1/06 Sun Valley / Glenoaks - 359 616 17 - 1/1/06 Corona - 169 722 12 - 1/1/06 Norco - 106 410 39 - 1/1/06 N. Hollywood / Vanowen - 343 567 19 - 1/5/06 Norfolk/Widgeon Rd. (Liberty) - 1,328 3,125 32 - 1/11/06 Goleta/Hollister&Stork 4,284 2,873 6,788 110 - 2/15/06 RockvilleCtr/Sunrs(StrQtr2/15 - 1,813 4,264 1,398 - 3/16/06 Deerfield/S. Pfingsten Rd. - 1,953 4,569 123 - 3/28/06 Pembroke Pines/S. Douglas Rd. - 3,008 7,018 100 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 9/8/05 Brandon / Providence Rd 2,591 6,161 8,752 1,174 9/15/05 Woodstock / Hwy 92 1,250 2,996 4,246 575 9/22/05 Charlotte / W. Arrowood Rd 1,153 3,411 4,564 630 10/5/05 Jacksonville Beach / Beach Bl 2,552 6,126 8,678 1,143 10/5/05 Bronx / Brush Ave 4,516 10,673 15,189 1,984 10/11/05 Austin / E. Ben White Blvd 213 3,477 3,690 404 10/13/05 Deerfield Beach/S. Powerline R 3,364 8,012 11,376 1,488 10/14/05 Cooper City / Sheridan St 3,034 7,188 10,222 1,322 10/20/05 Staten Island / Veterans Rd W. 3,598 8,588 12,186 1,580 10/20/05 Pittsburg / LoveridgeCenter 3,601 8,543

12,144 1,567 10/21/05 Norristown / W.Main St 1,465 5,091 6,556 658 11/2/05 Miller Place / Route 25A 2,757 6,558 9,315 1,989 11/18/05 Miami / Biscayne Blvd (Omni) 7,432 17,387 24,819 3,122 12/1/05 Manchester / Taylor St 1,305 3,190 4,495 594 12/7/05 Buffalo Grove/E. Aptakisic Rd 1,986 4,729 6,715 848 12/13/05 Lorton / Pohick Rd & I95 1,184 4,908 6,092 619 12/16/05 Pico Rivera / Washington Blvd 4,718 11,089 15,807 1,969 12/27/05 Queens Village / Jamaica Ave 3,409 5,529 8,938 720 1/1/06 Costa Mesa / Placentia-A 275 775 1,050 97 1/1/06 Van Nuys / Sepulveda-A 497 946 1,443 135 1/1/06 Pico Rivera / Beverly 303 875 1,178 88 1/1/06 San Dimas 222 1,576 1,798 253 1/1/06 Long Beach / Cherry Ave 801 4,477 5,278 137 1/1/06 E.LA / Valley Blvd 685 1,887 2,572 351 1/1/06 Glendale / Eagle Rock Blvd 1,240 1,860 3,100 459 1/1/06 N. Pasadena / Lincoln Ave 357 563 920 91 1/1/06 Crossroads Pkwy/ 605 & 60 Fwys 146 797 943 132 1/1/06 Fremont / Enterprise 122 872 994 106 1/1/06 Milpitas/Montague I &Watson Ct 212 719 931 73 1/1/06 Wilmington 890 1,395 2,285 193 1/1/06 Sun Valley / Glenoaks 359 633 992 89 1/1/06 Corona 169 734 903 56 1/1/06 Norco 106 449 555 15 1/1/06 N. Hollywood / Vanowen 343 586 929 77 1/5/06 Norfolk/Widgeon Rd. (Liberty) 1,328 3,157 4,485 537 1/11/06 Goleta/Hollister&Stork 2,873 6,898 9,771 1,172 2/15/06 RockvilleCtr/Sunrs(StrQtr2/15 1,813 5,662 7,475 910 3/16/06 Deerfield/S. Pfingsten Rd. 1,953 4,692 6,645 784 3/28/06 Pembroke Pines/S. Douglas Rd. 3,008 7,118 10,126 1,165 F-77 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --- 3/30/06 Miami/SW 24th Ave. - 4,272 9,969 114 - 3/31/06 San Diego/MiraMesa&PacHts - 2,492 7,127 18 - 5/1/06 Wilmington/Kirkwood Hwy - 1,572 3,672 92 - 5/1/06 Jupiter/5100 Military Trail - 4,397 10,266 65 - 5/1/06 Neptune/Neptune Blvd. - 3,240 7,564 108 - 5/15/06 Suwanee/Peachtree Pkwy - 2,483 5,799 46 - 5/26/06 Honolulu/Kapiolani&Kamake - 9,329 20,400 (68) - 6/6/06 Tampa/30th St - 2,283 5,337 101 - 6/22/06 Centennial/S. Parker Rd. - 1,786 4,173 44 - 7/1/06 Brooklyn/Knapp St - 6,701 5,088 (146) - 8/22/06 Scottsdale North - 5,037 14,000 189 - 8/22/06 Dobson Ranch - 1,896 5,065 105 - 8/22/06 Scottsdale Air Park - 1,560 7,060 24 - 8/22/06 Shea - 2,271 6,402 42 - 8/22/06 Collonade Mall - - 3,569 49 - 8/22/06 Union Hills - 2,618 5,357 44 - 8/22/06 Speedway - 1,921 6,105 136 - 8/22/06 Mill Avenue - 621 2,447 74 - 8/22/06 Cooper Road - 2,378 3,970 65 - 8/22/06 Desert Sky - 1,603 4,667 54 - 8/22/06 Tanque Verde Road - 1,636 3,714 26 - 8/22/06 Oro Valley - 1,729 6,158 41 - 8/22/06 Sunnyvale - 5,647 16,555 49 - 8/22/06 El Cerito - 2,002 8,710 62 - 8/22/06 Westwood - 7,826 13,848 117 - 8/22/06 El Cajon - 7,490 13,341 1,125 - 8/22/06 Santa Ana - 12,432 10,961 651 - 8/22/06 Culver City / 405 & Jefferson - 3,689 14,555 128 - 8/22/06 Solana Beach - - 11,163 197 - 8/22/06 Huntington Beach - 3,914 11,064 74 - 8/22/06 Ontario - 2,904 5,762 189 - 8/22/06 Orange - 2,421 9,184 69 - 8/22/06 Daly City - 4,034 13,280 826 - 8/22/06 Castro Valley - 3,682 5,986 178 - 8/22/06 Newark - 3,550 6,512 34 - 8/22/06 Sacramento - 1,864 4,399 19 - 8/22/06 San Leandro - 2,979 4,776 60 - 8/22/06 San Lorenzo - 1,842 4,387 68 - 8/22/06 Tracy - 959 3,791 30 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation --- 3/30/06 Miami/SW 24th Ave. 4,272 10,083 14,355 1,636 3/31/06 San Diego/MiraMesa&PacHts 2,492 7,145 9,637 780 5/1/06 Wilmington/Kirkwood Hwy 1,572 3,764 5,336 585 5/1/06 Jupiter/5100 Military Trail 4,397 10,331 14,728 1,620 5/1/06 Neptune/Neptune Blvd. 3,240 7,672 10,912 1,201 5/15/06 Suwanee/Peachtree Pkwy 2,483 5,845 8,328 915 5/26/06 Honolulu/Kapiolani&Kamake 9,329 20,332 29,661 2,073 6/6/06 Tampa/30th St 2,283 5,438 7,721 843 6/22/06 Centennial/S. Parker Rd. 1,786 4,217 6,003 649 7/1/06 Brooklyn/Knapp St 6,701 4,942 11,643 497 8/22/06 Scottsdale North 5,037 14,189 19,226 1,420 8/22/06 Dobson Ranch 1,896 5,170 7,066 513 8/22/06 Scottsdale Air Park 1,560 7,084 8,644 701 8/22/06 Shea 2,271 6,444 8,715 640 8/22/06 Collonade Mall - 3,618 3,618 359 8/22/06 Union Hills 2,618 5,401 8,019 536 8/22/06 Speedway 1,921 6,241 8,162 623 8/22/06 Mill Avenue 621 2,521 3,142 259 8/22/06 Cooper Road 2,378 4,035 6,413 407 8/22/06 Desert Sky 1,603 4,721 6,324 472 8/22/06 Tanque Verde Road 1,636 3,740 5,376 372 8/22/06 Oro Valley 1,729 6,199 7,928 616 8/22/06 Sunnyvale 5,647 16,604 22,251 1,639 8/22/06 El Cerito 2,002 8,772 10,774 871 8/22/06 Westwood 7,826 13,965 21,791 1,387 8/22/06 El Cajon 7,490 14,466 21,956 1,501 8/22/06 Santa Ana 12,432 11,612 24,044 1,180 8/22/06 Culver City / 405 & Jefferson 3,689 14,683 18,372 1,454 8/22/06 Solana Beach - 11,360 11,360 1,140 8/22/06 Huntington Beach 3,914 11,138 15,052 1,105 8/22/06 Ontario 2,904 5,951 8,855 618 8/22/06 Orange 2,421 9,253 11,674 916 8/22/06 Daly City 4,034 14,106 18,140 1,416 8/22/06 Castro Valley 3,682 6,164 9,846 605 8/22/06 Newark 3,550 6,546 10,096 649 8/22/06 Sacramento 1,864 4,418 6,282 439 8/22/06 San Leandro 2,979 4,836 7,815 479 8/22/06 San Lorenzo 1,842 4,455

6,297 446 8/22/06 Tracy 959 3,821 4,780 382 F-78 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests
-- 8/22/06 Aliso Viejo - 6,640 11,486 53 - 8/22/06 Alicia Parkway - 5,669 12,680 364 - 8/22/06 Capitol Expressway - - 3,970 19 - 8/22/06 Vista Park-Land Lease - - - 77 - 8/22/06 Oakley - 2,419 5,452 100 - 8/22/06 Livermore - 2,972 6,816 41 - 8/22/06 Sand City (Monterey) - 2,563 8,291 28 - 8/22/06 Tracy II - 1,762 4,487 74 - 8/22/06 SF-Evans - 3,966 7,487 298 - 8/22/06 Natomas - 1,302 5,063 35 - 8/22/06 Presidio - - - 311 - 8/22/06 Golden / 6th & Simms - 853 2,817 82 - 8/22/06 Littleton / Hampden - South - 1,040 2,261 25 - 8/22/06 Margate - 3,482 5,742 126 - 8/22/06 Delray Beach - 3,546 7,076 69 - 8/22/06 Lauderhill - 2,807 6,668 96 - 8/22/06 Roswell - 908 3,308 142 - 8/22/06 Morgan Falls - 3,229 7,844 52 - 8/22/06 Norcross - 724 2,197 107 - 8/22/06 Stone Mountain - 500 2,055 93 - 8/22/06 Tucker - 731 2,664 42 - 8/22/06 Forest Park - 502 1,731 91 - 8/22/06 Clairmont Road - 804 2,345 65 - 8/22/06 Gwinnett Place - 1,728 3,982 38 - 8/22/06 Perimeter Center - 3,414 8,283 38 - 8/22/06 Peachtree Industrial Blvd. - 2,443 6,682 41 - 8/22/06 Satellite Blvd - 1,940 3,907 63 - 8/22/06 Hillside - 1,949 3,611 97 - 8/22/06 Orland Park - 2,977 5,443 131 - 8/22/06 Bolingbrook / Brook Ct - 1,342 2,133 35 - 8/22/06 Wheaton - 1,531 5,584 55 - 8/22/06 Lincolnwood / Touhy - 700 3,307 42 - 8/22/06 Niles - 826 1,473 55 - 8/22/06 Berwyn - 728 5,310 104 - 8/22/06 Chicago Hts / N Western - 1,367 3,359 89 - 8/22/06 River West - 296 2,443 71 - 8/22/06 Fullerton (IL) - 1,369 6,500 228 - 8/22/06 Glenview West - 1,283 2,621 79 - 8/22/06 Glendale / Keystone Ave. - 1,733 3,958 89 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation --- 8/22/06 Aliso Viejo 6,640 11,539 18,179 1,143 8/22/06 Alicia Parkway 5,669 13,044 18,713 1,351 8/22/06 Capitol Expressway - 3,989 3,989 395 8/22/06 Vista Park-Land Lease - 77 77 13 8/22/06 Oakley 2,419 5,552 7,971 567 8/22/06 Livermore 2,972 6,857 9,829 682 8/22/06 Sand City (Monterey) 2,563 8,319 10,882 823 8/22/06 Tracy II 1,762 4,561 6,323 459 8/22/06 SF-Evans 3,966 7,785 11,751 814 8/22/06 Natomas 1,302 5,098 6,400 507 8/22/06 Presidio - 311 311 39 8/22/06 Golden / 6th & Simms 853 2,899 3,752 291 8/22/06 Littleton / Hampden - South 1,040 2,286 3,326 229 8/22/06 Margate 3,482 5,868 9,350 597 8/22/06 Delray Beach 3,546 7,145 10,691 710 8/22/06 Lauderhill 2,807 6,764 9,571 684 8/22/06 Roswell 908 3,450 4,358 358 8/22/06 Morgan Falls 3,229 7,896 11,125 782 8/22/06 Norcross 724 2,304 3,028 236 8/22/06 Stone Mountain 500 2,148 2,648 214 8/22/06 Tucker 731 2,706 3,437 274 8/22/06 Forest Park 502 1,822 2,324 190 8/22/06 Clairmont Road 804 2,410 3,214 246 8/22/06 Gwinnett Place 1,728 4,020 5,748 402 8/22/06 Perimeter Center 3,414 8,321 11,735 824 8/22/06 Peachtree Industrial Blvd. 2,443 6,723 9,166 667 8/22/06 Satellite Blvd 1,940 3,970 5,910 401 8/22/06 Hillside 1,949 3,708 5,657 384 8/22/06 Orland Park 2,977 5,574 8,551 571 8/22/06 Bolingbrook / Brook Ct 1,342 2,168 3,510 220 8/22/06 Wheaton 1,531 5,639 7,170 562 8/22/06 Lincolnwood / Touhy 700 3,349 4,049 336 8/22/06 Niles 826 1,528 2,354 157 8/22/06 Berwyn 728 5,414 6,142 550 8/22/06 Chicago Hts / N Western 1,367 3,448 4,815 348 8/22/06 River West 296 2,514 2,810 258 8/22/06 Fullerton (IL) 1,369 6,728 8,097 699 8/22/06 Glenview West 1,283 2,700 3,983 278 8/22/06 Glendale / Keystone Ave. 1,733 4,047 5,780 404 F-79 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests
-- 8/22/06 College Park / W. 86th St. - 1,381 2,669 51 - 8/22/06 Carmel / N. Range Line Rd. - 2,580 5,025 103 - 8/22/06 Geogetown / Georgetown Rd. - 1,263 4,224 30 - 8/22/06 Fishers / Allisonville Rd. - 2,106 3,629 148 - 8/22/06 Castleton / Corporate Dr. - 914 2,465 107 - 8/22/06 Geist / Fitness Lane - 2,133 3,718 70 - 8/22/06 Indianapolis / E. 6nd St. - 444 2,141 35 - 8/22/06 Suitland - 2,337 5,799 129 - 8/22/06 Gaithersburg - 4,239 8,516 139 - 8/22/06 Germantown - 2,057 4,510 79 - 8/22/06 Briggs Chaney - 2,073 2,802 (10) - 8/22/06 Oxon Hill - 1,557 3,971 54 - 8/22/06 Frederick / Thomas Johnson Dr - 1,811 2,695 149 - 8/22/06 Clinton - 2,728 5,363 78 - 8/22/06 Reisterstown - 833 2,035 77 - 8/22/06 Plymouth - 2,018 4,415 68 - 8/22/06 23014 Madison Heights - 2,354 4,391 155 - 8/22/06 Ann Arbor - 1,921 4,068 46 - 8/22/06 Canton - 710 4,287 103 - 8/22/06 23021 Fraser - 2,026 5,393 86 - 8/22/06 Livonia - 1,849 3,860 34 - 8/22/06 23023 Sterling Heights - 2,996 5,358 116 - 8/22/06 23024 Warren - 3,345 7,004 25 - 8/22/06 23025 Rochester - 1,876 3,032 82 - 8/22/06 Taylor - 1,635 4,808 98 - 8/22/06 Jackson - 442 1,756 103 - 8/22/06

23032 Troy(Satellite of 08100) - 1,237 2,093 43 - 8/22/06 23034 Rochester Hills - 1,780 4,559 35 - 8/22/06 23037 Auburn Hills - 1,888 3,017 101 - 8/22/06 23039 Flint South - 543 3,068 70 - 8/22/06 23040 Troy - Maple - 2,570 5,775 23 - 8/22/06 Matawan - 4,282 7,813 322 - 8/22/06 Marlboro - 2,214 5,868 98 - 8/22/06 Voorhees - 2,705 5,486 32 - 8/22/06 Dover/Rockaway - 3,395 5,327 49 - 8/22/06 Marlton - 1,635 2,273 53 - 8/22/06 West Paterson - 701 5,689 96 - 8/22/06 Yonkers - 4,473 9,925 922 - 8/22/06 Van Dam Street - 3,527 6,935 2,469 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 8/22/06 College Park / W. 86th St. 1,381 2,720 4,101 277 8/22/06 Carmel / N. Range Line Rd. 2,580 5,128 7,708 509 8/22/06 Geogetown / Georgetown Rd. 1,263 4,254 5,517 422 8/22/06 Fishers / Allisonville Rd. 2,106 3,777 5,883 382 8/22/06 Castleton / Corporate Dr. 914 2,572 3,486 261 8/22/06 Geist / Fitness Lane 2,133 3,788 5,921 376 8/22/06 Indianapolis / E. 6nd St. 444 2,176 2,620 220 8/22/06 Suitland 2,337 5,928 8,265 594 8/22/06 Gaithersburg 4,239 8,655 12,894 862 8/22/06 Germantown 2,057 4,589 6,646 460 8/22/06 Briggs Chaney 2,024 2,841 4,865 285 8/22/06 Oxon Hill 1,557 4,025 5,582 405 8/22/06 Frederick / Thomas Johnson Dr 1,811 2,844 4,655 292 8/22/06 Clinton 2,728 5,441 8,169 547 8/22/06 Reisterstown 833 2,112 2,945 215 8/22/06 Plymouth 2,018 4,483 6,501 453 8/22/06 23014 Madison Heights 2,354 4,546 6,900 474 8/22/06 Ann Arbor 1,921 4,114 6,035 409 8/22/06 Canton 710 4,390 5,100 438 8/22/06 23021 Fraser 2,026 5,479 7,505 550 8/22/06 Livonia 1,849 3,894 5,743 387 8/22/06 23023 Sterling Heights 2,996 5,474 8,470 543 8/22/06 23024 Warren 3,345 7,029 10,374 695 8/22/06 23025 Rochester 1,876 3,114 4,990 311 8/22/06 Taylor 1,635 4,906 6,541 488 8/22/06 Jackson 442 1,859 2,301 188 8/22/06 23032 Troy(Satellite of 08100) 1,237 2,136 3,373 214 8/22/06 23034 Rochester Hills 1,780 4,594 6,374 458 8/22/06 23037 Auburn Hills 1,888 3,118 5,006 307 8/22/06 23039 Flint South 543 3,138 3,681 314 8/22/06 23040 Troy - Maple 2,570 5,798 8,368 574 8/22/06 Matawan 4,282 8,135 12,417 787 8/22/06 Marlboro 2,214 5,966 8,180 598 8/22/06 Voorhees 2,705 5,518 8,223 547 8/22/06 Dover/Rockaway 3,395 5,376 8,771 531 8/22/06 Marlton 1,635 2,326 3,961 239 8/22/06 West Paterson 701 5,785 6,486 575 8/22/06 Yonkers 4,473 10,847 15,320 1,063 8/22/06 Van Dam Street 3,527 9,404 12,931 967 F-80 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 8/22/06 Northern Blvd - 5,373 9,970 2,392 - 8/22/06 Gold Street - 6,747 16,544 2,458 - 8/22/06 Utica Avenue - 7,746 13,063 997 - 8/22/06 Melville - 4,659 6,572 123 - 8/22/06 Westgate - 697 1,211 91 - 8/22/06 Capital Boulevard - 757 1,681 88 - 8/22/06 Cary - 1,145 5,104 140 - 8/22/06 Garner - 529 1,211 69 - 8/22/06 Morrisville - 703 1,880 100 - 8/22/06 Atlantic Avenue - 1,693 6,293 37 - 8/22/06 Friendly Avenue - 1,169 3,043 81 - 8/22/06 Glenwood Avenue - 1,689 4,948 73 - 8/22/06 Poole Road - 1,271 2,919 36 - 8/22/06 South Raleigh - 800 2,219 40 - 8/22/06 Wendover - 2,891 7,656 105 - 8/22/06 Beaverton / Hwy 217 & Allen Bl - 2,130 3,908 57 - 8/22/06 Gresham / Hogan Rd - 1,957 4,438 145 - 8/22/06 Hillsboro / TV Hwy & 30th St - 3,095 8,504 30 - 8/22/06 Westchester - - 5,735 110 - 8/22/06 Airport - 4,597 8,728 185 - 8/22/06 Oxford Valley - 2,430 5,365 72 - 8/22/06 Valley Forge - - - 65 - 8/22/06 Jenkintown - - - 21 - 8/22/06 Burke - 2,522 4,019 24 - 8/22/06 Midlothian Turnpike - 1,978 3,244 78 - 8/22/06 South Military Highway - 1,611 2,903 32 - 8/22/06 Newport News North - 2,073 4,067 47 - 8/22/06 Virginia Beach Blvd. - 2,743 4,786 90 - 8/22/06 Bayside - 1,570 2,708 31 - 8/22/06 Chesapeake - 1,507 4,296 35 - 8/22/06 Leesburg - 1,935 2,485 31 - 8/22/06 Dale City - 1,885 3,335 101 - 8/22/06 Gainesville - 1,377 2,046 51 - 8/22/06 Charlottesville - 1,481 2,397 62 - 8/22/06 Laskin Road - 1,448 2,634 44 - 8/22/06 Holland Road - 1,565 2,227 88 - 8/22/06 Princess Anne Road - 1,479 2,766 32 - 8/22/06 Cedar Road - 1,138 2,083 47 - 8/22/06 Crater Road - 1,497 2,266 87 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 8/22/06 Northern Blvd 5,373 12,362 17,735 1,286 8/22/06 Gold Street 6,747 19,002 25,749 1,969 8/22/06 Utica Avenue 7,746 14,060 21,806 1,373 8/22/06 Melville 4,659 6,695 11,354 673 8/22/06 Westgate 697 1,302 1,999 139 8/22/06 Capital Boulevard 757 1,769 2,526 179 8/22/06 Cary 1,145 5,244 6,389 527 8/22/06 Garner 529 1,280 1,809 132 8/22/06 Morrisville 703 1,980 2,683 203 8/22/06 Atlantic Avenue 1,693 6,330 8,023 629 8/22/06 Friendly Avenue 1,169 3,124 4,293 315 8/22/06 Glenwood Avenue 1,689 5,021 6,710 505 8/22/06 Poole Road 1,271 2,955 4,226 296 8/22/06 South Raleigh 800 2,259 3,059 229 8/22/06 Wendover 2,891 7,761 10,652 771 8/22/06 Beaverton / Hwy 217 & Allen Bl 2,130 3,965 6,095 399 8/22/06 Gresham / Hogan Rd 1,957 4,583 6,540 452 8/22/06 Hillsboro /

TV Hwy & 30th St 3,095 8,534 11,629 845 8/22/06 Westchester - 5,845 5,845 582 8/22/06 Airport 4,597 8,913 13,510 887 8/22/06 Oxford Valley 2,430 5,437 7,867 542 8/22/06 Valley Forge - 65 65 11 8/22/06 Jenkintown - 21 21 5 8/22/06 Burke 2,522 4,043 6,565 402 8/22/06 Midlothian Turnpike 1,978 3,322 5,300 332 8/22/06 South Military Highway 1,611 2,935 4,546 295 8/22/06 Newport News North 2,073 4,114 6,187 413 8/22/06 Virginia Beach Blvd. 2,743 4,876 7,619 489 8/22/06 Bayside 1,570 2,739 4,309 275 8/22/06 Chesapeake 1,507 4,331 5,838 432 8/22/06 Leesburg 1,935 2,516 4,451 253 8/22/06 Dale City 1,885 3,436 5,321 351 8/22/06 Gainesville 1,377 2,097 3,474 213 8/22/06 Charlottesville 1,481 2,459 3,940 251 8/22/06 Laskin Road 1,448 2,678 4,126 272 8/22/06 Holland Road 1,565 2,315 3,880 237 8/22/06 Princess Anne Road 1,479 2,798 4,277 280 8/22/06 Cedar Road 1,138 2,130 3,268 217 8/22/06 Crater Road 1,497 2,353 3,850 243 F-81 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests
-- 8/22/06 Temple - 993 2,231 69 - 8/22/06 Jefferson Davis Hwy - 954 2,156 32 - 8/22/06 McLean - - 8,815 80 - 8/22/06 Burke Centre - 4,756 8,705 27 - 8/22/06 Fordson - 3,063 5,235 39 - 8/22/06 Fullerton - 4,199 8,867 136 - 8/22/06 Telegraph - 2,183 4,467 62 - 8/22/06 Mt Vernon - 4,876 11,544 39 - 8/22/06 Bellingham - 2,160 4,340 61 - 8/22/06 Everett Central - 2,137 4,342 44 - 8/22/06 Tacoma / Highland Hills - 2,647 5,533 148 - 8/22/06 Edmonds - 5,883 10,514 31 - 8/22/06 Kirkland 124th - 2,827 5,031 184 - 8/22/06 Woodinville - 2,603 5,723 59 - 8/22/06 Burien / Des Moines - 3,063 5,952 142 - 8/22/06 SeaTac - 2,439 4,623 413 - 8/22/06 Southcenter-Satellite of 08251 - 2,054 3,665 143 - 8/22/06 Puyallup / Canyon Rd - 1,123 1,940 24 - 8/22/06 Puyallup / South Hill - 1,567 2,610 125 - 8/22/06 Queen Anne/Magnolia - 3,191 11,723 107 - 8/22/06 Kennydale - 3,424 7,799 116 - 8/22/06 Bellefield - 3,019 5,541 48 - 8/22/06 Factoria Square - 3,431 8,891 74 - 8/22/06 Auburn / 16th Ave - 2,491 4,716 120 - 8/22/06 East Bremerton - 1,945 5,203 88 - 8/22/06 Port Orchard - 1,144 2,885 54 - 8/22/06 West Seattle - 3,573 8,711 44 - 8/22/06 Vancouver / Salmon Creek - 2,667 5,597 90 - 8/22/06 West Bremerton - 1,778 3,067 17 - 8/22/06 Kent / 132nd - 1,806 3,880 30 - 8/22/06 Lacey / Martin Way & Marvin Rd - 1,211 2,162 25 - 8/22/06 Lynwood / Hwy 9 & 189th St SW - 2,172 3,518 77 - 8/22/06 W Olympia / Black Lake Blvd II - 1,295 2,300 34 - 8/22/06 Parkland / A St - 1,855 3,819 99 - 8/22/06 Lake Union - 7,586 11,024 2,403 - 8/22/06 Bellevue / 122nd - 9,552 21,891 573 - 8/22/06 Gig Harbor/Olympic & Soundview - 1,762 3,196 68 - 8/22/06 Seattle /Ballinger Way & 205th - - 7,098 33 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation --- 8/22/06 Temple 993 2,300 3,293 238 8/22/06 Jefferson Davis Hwy 954 2,188 3,142 222 8/22/06 McLean - 8,895 8,895 3,669 8/22/06 Burke Centre 4,756 8,732 13,488 864 8/22/06 Fordson 3,063 5,274 8,337 525 8/22/06 Fullerton 4,199 9,003 13,202 894 8/22/06 Telegraph 2,183 4,529 6,712 454 8/22/06 Mt Vernon 4,876 11,583 16,459 1,143 8/22/06 Bellingham 2,160 4,401 6,561 442 8/22/06 Everett Central 2,137 4,386 6,523 437 8/22/06 Tacoma / Highland Hills 2,647 5,681 8,328 569 8/22/06 Edmonds 5,883 10,545 16,428 1,043 8/22/06 Kirkland 124th 2,827 5,215 8,042 528 8/22/06 Woodinville 2,603 5,782 8,385 578 8/22/06 Burien / Des Moines 3,063 6,094 9,157 605 8/22/06 SeaTac 2,439 5,036 7,475 532 8/22/06 Southcenter-Satellite of 08251 2,054 3,808 5,862 382 8/22/06 Puyallup / Canyon Rd 1,123 1,964 3,087 195 8/22/06 Puyallup / South Hill 1,567 2,735 4,302 275 8/22/06 Queen Anne/Magnolia 3,191 11,830 15,021 1,175 8/22/06 Kennydale 3,424 7,915 11,339 785 8/22/06 Bellefield 3,019 5,589 8,608 555 8/22/06 Factoria Square 3,431 8,965 12,396 892 8/22/06 Auburn / 16th Ave 2,491 4,836 7,327 479 8/22/06 East Bremerton 1,945 5,291 7,236 526 8/22/06 Port Orchard 1,144 2,939 4,083 295 8/22/06 West Seattle 3,573 8,755 12,328 867 8/22/06 Vancouver / Salmon Creek 2,667 5,687 8,354 567 8/22/06 West Bremerton 1,778 3,084 4,862 306 8/22/06 Kent / 132nd 1,806 3,910 5,716 389 8/22/06 Lacey / Martin Way & Marvin Rd 1,211 2,187 3,398 219 8/22/06 Lynwood / Hwy 9 & 189th St SW 2,172 3,595 5,767 361 8/22/06 W Olympia / Black Lake Blvd II 1,295 2,334 3,629 234 8/22/06 Parkland / A St 1,855 3,918 5,773 392 8/22/06 Lake Union 7,586 13,427 21,013 1,192 8/22/06 Bellevue / 122nd 9,552 22,464 32,016 2,194 8/22/06 Gig Harbor/Olympic & Soundview 1,762 3,264 5,026 327 8/22/06 Seattle /Ballinger Way & 205th - 7,131 7,131 705 F-82 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests
-- 8/22/06

Scottsdale South - 2,377 3,524 173 - 8/22/06 Phoenix - 2,516 5,638 143 - 8/22/06 Chandler - 2,910 5,460 53 - 8/22/06 Phoenix East - 1,524 5,151 119 - 8/22/06 Mesa - 1,604 4,434 154 - 8/22/06 Union City - 1,905 3,091 4,974 - 8/22/06 La Habra - 5,439 10,239 104 - 8/22/06 Palo Alto - 4,259 6,362 90 - 8/22/06 Kearney - Balboa - 4,565 11,584 202 - 8/22/06 South San Francisco - 1,593 4,995 190 - 8/22/06 Mountain View - 1,505 3,839 33 - 8/22/06 Denver / Tamarac II - 666 1,109 71 - 8/22/06 Littleton / Windermere I - 2,214 4,186 159 - 8/22/06 Thornton / Quivas - 547 1,439 82 - 8/22/06 Northglenn / Irma Dr. - 1,579 3,716 1,990 - 8/22/06 Oakland Park - 8,821 20,512 1,184 - 8/22/06 Seminole - 1,821 3,817 86 - 8/22/06 Military Trail - 6,514 10,965 293 - 8/22/06 Blue Heron - 8,121 11,641 262 - 8/22/06 Alsip / 127th St - 1,891 3,414 75 - 8/22/06 Dolton - 1,784 4,508 41 - 8/22/06 Lombard / 330 W North Ave - 1,506 2,596 231 - 8/22/06 Rolling Meadows / Rohlwing - 1,839 3,620 95 - 8/22/06 Schaumburg / Hillcrest Blvd - 1,732 4,026 49 - 8/22/06 Bridgeview - 1,396 3,651 119 - 8/22/06 Willowbrook - 1,730 3,355 93 - 8/22/06 Lisle - 1,967 3,525 83 - 8/22/06 Laurel - 1,323 2,577 70 - 8/22/06 Crofton - 1,373 3,377 72 - 8/22/06 Lansing - 114 1,126 77 - 8/22/06 Southfield - 4,181 6,338 69 - 8/22/06 23006 Troy - Oakland Mall - 2,281 4,953 50 - 8/22/06 Walled Lake - 2,788 4,784 70 - 8/22/06 Salem / Lancaster - 2,036 4,827 72 - 8/22/06 Tigard / King City - 1,959 7,189 70 - 8/22/06 Portland / SE 82nd Ave - 1,519 4,390 43 - 8/22/06 Beaverton/HWY 217 & Denny Rd E - 3,294 7,186 87 - 8/22/06 Beaverton / Cornell Rd - 1,869 3,814 20 - 8/22/06 Fairfax - 6,895 10,006 104 - 8/22/06 Falls Church - 2,488 15,341 47 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation --- 8/22/06 Scottsdale South 2,377 3,697 6,074 369 8/22/06 Phoenix 2,516 5,781 8,297 578 8/22/06 Chandler 2,910 5,513 8,423 546 8/22/06 Phoenix East 1,524 5,270 6,794 528 8/22/06 Mesa 1,604 4,588 6,192 461 8/22/06 Union City 1,905 8,065 9,970 658 8/22/06 La Habra 5,439 10,343 15,782 1,025 8/22/06 Palo Alto 4,259 6,452 10,711 642 8/22/06 Kearney - Balboa 4,565 11,786 16,351 1,187 8/22/06 South San Francisco 1,593 5,185 6,778 536 8/22/06 Mountain View 1,505 3,872 5,377 385 8/22/06 Denver / Tamarac II 666 1,180 1,846 125 8/22/06 Littleton / Windermere I 2,214 4,345 6,559 456 8/22/06 Thornton / Quivas 547 1,521 2,068 154 8/22/06 Northglenn / Irma Dr. 1,579 5,706 7,285 510 8/22/06 Oakland Park 8,821 21,696 30,517 2,217 8/22/06 Seminole 1,821 3,903 5,724 398 8/22/06 Military Trail 6,514 11,258 17,772 1,127 8/22/06 Blue Heron 8,121 11,903 20,024 1,187 8/22/06 Alsip / 127th St 1,891 3,489 5,380 355 8/22/06 Dolton 1,784 4,549 6,333 452 8/22/06 Lombard / 330 W North Ave 1,506 2,827 4,333 294 8/22/06 Rolling Meadows / Rohlwing 1,839 3,715 5,554 379 8/22/06 Schaumburg / Hillcrest Blvd 1,732 4,075 5,807 408 8/22/06 Bridgeview 1,396 3,770 5,166 391 8/22/06 Willowbrook 1,730 3,448 5,178 348 8/22/06 Lisle 1,967 3,608 5,575 362 8/22/06 Laurel 1,323 2,647 3,970 264 8/22/06 Crofton 1,373 3,449 4,822 345 8/22/06 Lansing 114 1,203 1,317 126 8/22/06 Southfield 4,181 6,407 10,588 632 8/22/06 23006 Troy - Oakland Mall 2,281 5,003 7,284 499 8/22/06 Walled Lake 2,788 4,854 7,642 480 8/22/06 Salem / Lancaster 2,036 4,899 6,935 490 8/22/06 Tigard / King City 1,959 7,259 9,218 715 8/22/06 Portland / SE 82nd Ave 1,519 4,433 5,952 442 8/22/06 Beaverton/HWY 217 & Denny Rd E 3,294 7,273 10,567 722 8/22/06 Beaverton / Cornell Rd 1,869 3,834 5,703 381 8/22/06 Fairfax 6,895 10,110 17,005 1,004 8/22/06 Falls Church 2,488 15,388 17,876 1,523 F-83 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --- 8/22/06 Manassas West - 912 2,826 83 - 8/22/06 Herndon - 2,625 3,105 71 - 8/22/06 Newport News South - 2,190 5,264 18 - 8/22/06 North Richmond - 1,606 2,411 148 - 8/22/06 Kempsville - 1,165 1,951 74 - 8/22/06 Manassas East - 1,297 2,843 49 - 8/22/06 Vancouver / Vancouver Mall - 1,751 3,251 68 - 8/22/06 White Center(aka West Seattle) - 2,091 4,530 87 - 8/22/06 Factoria - 2,770 5,429 437 - 8/22/06 Federal Way/Pac Hwy& 320th St - 4,027 8,554 2,271 - 8/22/06 Renton - 2,752 6,378 128 - 8/22/06 Issaquah - 3,739 5,624 28 - 8/22/06 East Lynnwood - 2,250 4,790 85 - 8/22/06 Tacoma / 96th St & 32nd Ave - 1,604 2,394 88 - 8/22/06 Smokey Point - 607 1,723 70 - 8/22/06 Shoreline / 145th - 2,926 4,910 3,556 - 8/22/06 23038 Mt. Clemens 1,789 1,247 3,590 61 - 8/22/06 Ramsey - 552 2,155 67 - 8/22/06 Apple Valley / 155th St - 1,203 3,136 34 - 8/22/06 Brooklyn Park / 73rd Ave - 1,953 3,902 223 - 8/22/06 Burnsville Parkway W - 1,561 4,359 60 - 8/22/06 Chanhassen - 3,292 6,220 97 - 8/22/06 Coon Rapids / Robinson Dr - 1,991 4,975 233 - 8/22/06 Eden Prairie East - 3,516 5,682 249 - 8/22/06 Eden Prairie West - 3,713 7,177 76 - 8/22/06 Edina - 4,422 8,190 30 - 8/22/06 Hopkins - 1,460 2,510 36 - 8/22/06 Little Canada - 3,490 7,062 177 - 8/22/06 Maple Grove / Lakeland Dr - 1,513 3,272 785 - 8/22/06 Minnetonka - 1,318 2,087 48 - 8/22/06 Plymouth 169 - 684 1,323

299 - 8/22/06 Plymouth 494 - 2,000 4,260 1,557 - 8/22/06 Plymouth West - 1,973 6,638 65 - 8/22/06 Richfield - 1,641 5,688 482 - 8/22/06 Shorewood - 2,805 7,244 109 - 8/22/06 Woodbury / Wooddale Dr - 2,220 5,307 129 - 8/22/06 Central Parkway - 2,545 4,637 53 - 8/22/06 Kirkman East - 2,479 3,717 155 - 8/22/06 Pinole - 1,703 3,047 38 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation -- 8/22/06 Manassas West 912 2,909 3,821 290 8/22/06 Herndon 2,625 3,176 5,801 324 8/22/06 Newport News South 2,190 5,282 7,472 523 8/22/06 North Richmond 1,606 2,559 4,165 277 8/22/06 Kempsville 1,165 2,025 3,190 205 8/22/06 Manassas East 1,297 2,892 4,189 293 8/22/06 Vancouver / Vancouver Mall 1,751 3,319 5,070 335 8/22/06 White Center(aka West Seattle) 2,091 4,617 6,708 461 8/22/06 Factoria 2,770 5,866 8,636 602 8/22/06 Federal Way/Pac Hwy& 320th St 4,031 10,821 14,852 1,005 8/22/06 Renton 2,752 6,506 9,258 646 8/22/06 Issaquah 3,739 5,652 9,391 560 8/22/06 East Lynnwood 2,250 4,875 7,125 485 8/22/06 Tacoma / 96th St & 32nd Ave 1,604 2,482 4,086 250 8/22/06 Smokey Point 607 1,793 2,400 182 8/22/06 Shoreline / 145th 2,926 8,466 11,392 823 8/22/06 23038 Mt. Clemens 1,247 3,651 4,898 361 8/22/06 Ramsey 552 2,222 2,774 223 8/22/06 Apple Valley / 155th St 1,203 3,170 4,373 316 8/22/06 Brooklyn Park / 73rd Ave 1,953 4,125 6,078 440 8/22/06 Burnsville Parkway W 1,561 4,419 5,980 442 8/22/06 Chanhassen 3,292 6,317 9,609 629 8/22/06 Coon Rapids / Robinson Dr 1,991 5,208 7,199 545 8/22/06 Eden Prairie East 3,516 5,931 9,447 606 8/22/06 Eden Prairie West 3,713 7,253 10,966 720 8/22/06 Edina 4,422 8,220 12,642 814 8/22/06 Hopkins 1,460 2,546 4,006 254 8/22/06 Little Canada 3,490 7,239 10,729 716 8/22/06 Maple Grove / Lakeland Dr 1,513 4,057 5,570 404 8/22/06 Minnetonka 1,318 2,135 3,453 218 8/22/06 Plymouth 169 684 1,622 2,306 169 8/22/06 Plymouth 494 2,356 5,461 7,817 522 8/22/06 Plymouth West 1,973 6,703 8,676 666 8/22/06 Richfield 1,641 6,170 7,811 588 8/22/06 Shorewood 2,805 7,353 10,158 734 8/22/06 Woodbury / Wooddale Dr 2,220 5,436 7,656 542 8/22/06 Central Parkway 2,545 4,690 7,235 471 8/22/06 Kirkman East 2,479 3,872 6,351 406 8/22/06 Pinole 1,703 3,085 4,788 307 F-84 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 8/22/06 Martinez - 3,277 7,126 95 - 8/22/06 Portland / 16th & Sandy Blvd - 1,053 3,802 93 - 8/22/06 Houghton - 2,694 4,132 37 - 8/22/06 Antioch - 1,853 6,475 24 - 8/22/06 Walnut Creek - - - 124 - 8/22/06 Holcomb Bridge - 1,906 4,303 34 - 8/22/06 Palatine / Rand Rd - 1,215 1,895 31 - 8/22/06 WashingtonSquare/Wash.Point Dr - 523 1,073 47 - 8/22/06 Indianapolis-Dwntwn/N.Illinois - 182 2,795 103 - 8/22/06 Canton South - 769 3,316 82 - 8/22/06 Bricktown - 2,881 5,834 53 - 8/22/06 Commack - 2,688 6,376 75 - 8/22/06 Nesconset / Nesconset Hwy - 1,374 3,151 43 - 8/22/06 Great Neck - 1,229 3,299 41 - 8/22/06 Hempstead / S. Franklin St. - 509 3,042 100 - 8/22/06 Bethpage / Stuart Ave - 2,387 7,104 86 - 8/22/06 44079 Helotes - 1,833 3,557 27 - 8/22/06 Medical Center San Antonio - 1,571 4,217 60 - 8/22/06 44081 Oak Hills - - 7,449 67 - 8/22/06 44082 Olympia - 2,382 4,182 25 - 8/22/06 Las Colinas - 676 3,338 46 - 8/22/06 Old Towne - 2,756 13,080 68 - 8/22/06 Juanita - 2,318 7,554 32 - 8/22/06 Ansley Park - 3,132 11,926 93 - 8/22/06 Brookhaven - 2,740 8,333 43 - 8/22/06 Decatur - 2,556 10,146 34 - 8/22/06 Oregon City - 1,582 3,539 52 - 8/22/06 Portland/Barbur Bl &Multonomah - 2,328 9,134 93 - 8/22/06 Salem / Liberty Road - 1,994 5,304 130 - 8/22/06 Edgemont - 3,585 7,704 29 - 8/22/06 44001 Bedford - 2,042 4,176 98 - 8/22/06 44024 Kingwood - 1,625 2,926 68 - 8/22/06 44029 Hillcroft - - 3,994 40 - 8/22/06 44030 T.C. Jester - 2,047 4,819 141 - 8/22/06 Windcrest - 764 2,601 223 - 8/22/06 44036 Mission Bend - 1,381 3,141 67 - 8/22/06 Parker Road & Independence - 2,593 5,464 36 - 8/22/06 Park Cities East - 4,205 6,259 28 - 8/22/06 MaCarthur Crossing - 2,635 5,698 80 - Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation -- 8/22/06 Martinez 3,277 7,221 10,498 714 8/22/06 Portland / 16th & Sandy Blvd 1,053 3,895 4,948 394 8/22/06 Houghton 2,694 4,169 6,863 416 8/22/06 Antioch 1,853 6,499 8,352 643 8/22/06 Walnut Creek - 124 124 16 8/22/06 Holcomb Bridge 1,906 4,337 6,243 433 8/22/06 Palatine / Rand Rd 1,215 1,926 3,141 195 8/22/06 WashingtonSquare/Wash.Point Dr 523 1,120 1,643 117 8/22/06 Indianapolis-Dwntwn/N.Illinois 182 2,898 3,080 290 8/22/06 Canton South 769 3,398 4,167 347 8/22/06 Bricktown 2,881 5,887 8,768 584 8/22/06 Commack 2,688 6,451 9,139 641 8/22/06 Nesconset / Nesconset Hwy 1,374 3,194 4,568 318 8/22/06 Great Neck 1,229 3,340 4,569 332 8/22/06 Hempstead / S. Franklin

St. 509 3,142 3,651 312 8/22/06 Bethpage / Stuart Ave 2,387 7,190 9,577 712 8/22/06 44079 Helotes 1,833 3,584 5,417 414 8/22/06 Medical Center San Antonio 1,571 4,277 5,848 424 8/22/06 44081 Oak Hills - 7,516 7,516 748 8/22/06 44082 Olympia 2,382 4,207 6,589 417 8/22/06 Las Colinas 676 3,384 4,060 340 8/22/06 Old Towne 2,756 13,148 15,904 1,301 8/22/06 Juanita 2,318 7,586 9,904 751 8/22/06 Ansley Park 3,132 12,019 15,151 1,194 8/22/06 Brookhaven 2,740 8,376 11,116 830 8/22/06 Decatur 2,556 10,180 12,736 1,008 8/22/06 Oregon City 1,582 3,591 5,173 359 8/22/06 Portland/Barbur Bl &Multonomah 2,328 9,227 11,555 914 8/22/06 Salem / Liberty Road 1,994 5,434 7,428 553 8/22/06 Edgemont 3,585 7,733 11,318 765 8/22/06 44001 Bedford 2,042 4,274 6,316 430 8/22/06 44024 Kingwood 1,625 2,994 4,619 302 8/22/06 44029 Hillcroft - 4,034 4,034 400 8/22/06 44030 T.C. Jester 2,047 4,960 7,007 499 8/22/06 Windcrest 764 2,824 3,588 295 8/22/06 44036 Mission Bend 1,381 3,208 4,589 323 8/22/06 Parker Road & Independence 2,593 5,500 8,093 548 8/22/06 Park Cities East 4,205 6,287 10,492 623 8/22/06 MaCarthur Crossing 2,635 5,778 8,413 574 F-85 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests
-- 8/22/06 Arlington/S.Cooper &Green Oaks - 2,305 4,308 23 - 8/22/06 Woodforest - 1,534 3,545 977 - 8/22/06 Preston Road - 1,931 3,246 35 - 8/22/06 44043 East Lamar - 1,581 2,878 50 - 8/22/06 Lewisville/Interstate 35 &Main - 2,696 4,311 202 - 8/22/06 44046 Round Rock - 1,256 2,153 78 - 8/22/06 44047 Slaughter Lane - 1,881 3,326 101 - 8/22/06 Valley Ranch - 1,927 5,390 66 - 8/22/06 44050 Nacogdoches - 1,422 2,655 50 - 8/22/06 Thousand Oaks - 1,815 3,814 55 - 8/22/06 44054 Highway 78 - 1,344 2,288 34 - 8/22/06 44057 The Quarry - 1,841 8,765 65 - 8/22/06 44062 Cinco Ranch - 939 2,085 21 - 8/22/06 North Carrollton - 2,408 4,204 80 - 8/22/06 44073 First Colony - 1,181 2,930 32 - 8/22/06 44074 North Park - 1,444 3,253 34 - 8/22/06 44075 South Main - TX - 521 723 125 - 8/22/06 44077 Westchase - 903 3,748 46 - 8/22/06 44086 Lakeline - 1,289 3,762 42 - 8/22/06 44087 Highway 26 - 1,353 3,147 65 - 8/22/06 44088 Shavano Park - 972 4,973 26 - 8/22/06 44089 Oltorf - 880 3,693 54 - 8/22/06 44090 Irving - 686 1,367 295 - 8/22/06 44091 Hill Country Village - 988 3,524 254 - 8/22/06 44092 San Antonio NE - 253 664 155 - 8/22/06 East Pioneer II - 786 1,784 107 - 8/22/06 44095 Westheimer - 594 2,316 249 - 8/22/06 San Antonio/Jones-Maltsberger - 1,102 2,637 53 - 8/22/06 44097 Beltline - 1,291 2,336 145 - 8/22/06 44098 MacArthur - 1,590 2,265 129 - 8/22/06 Hurst / S. Pipeline Rd - 661 1,317 186 - 8/22/06 Balcones Hts/Fredericksburg Rd - 2,372 4,718 71 - 8/22/06 44101 Blanco Road - 1,742 4,813 54 - 8/22/06 Leon Valley/Bandera Road - 501 1,044 2,466 - 8/22/06 44103 Imperial Valley - 1,166 2,756 51 - 8/22/06 44104 Sugarland - 1,714 3,407 40 - 8/22/06 44105 Woodlands - 1,353 3,131 59 - 8/22/06 44106 Federal Road - 1,021 3,086 93 - 8/22/06 44107 West University - 1,940 8,121 106 - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation
-- 8/22/06 Arlington/S.Cooper &Green Oaks 2,305 4,331 6,636 430 8/22/06 Woodforest 1,534 4,522 6,056 447 8/22/06 Preston Road 1,931 3,281 5,212 328 8/22/06 44043 East Lamar 1,581 2,928 4,509 296 8/22/06 Lewisville/Interstate 35 &Main 2,696 4,513 7,209 452 8/22/06 44046 Round Rock 1,256 2,231 3,487 224 8/22/06 44047 Slaughter Lane 1,881 3,427 5,308 340 8/22/06 Valley Ranch 1,927 5,456 7,383 540 8/22/06 44050 Nacogdoches 1,422 2,705 4,127 275 8/22/06 Thousand Oaks 1,815 3,869 5,684 388 8/22/06 44054 Highway 78 1,344 2,322 3,666 234 8/22/06 44057 The Quarry 1,841 8,830 10,671 878 8/22/06 44062 Cinco Ranch 939 2,106 3,045 210 8/22/06 North Carrollton 2,408 4,284 6,692 434 8/22/06 44073 First Colony 1,181 2,962 4,143 296 8/22/06 44074 North Park 1,444 3,287 4,731 327 8/22/06 44075 South Main - TX 521 848 1,369 92 8/22/06 44077 Westchase 903 3,794 4,697 379 8/22/06 44086 Lakeline 1,289 3,804 5,093 380 8/22/06 44087 Highway 26 1,353 3,212 4,565 321 8/22/06 44088 Shavano Park 972 4,999 5,971 496 8/22/06 44089 Oltorf 880 3,747 4,627 375 8/22/06 44090 Irving 686 1,662 2,348 179 8/22/06 44091 Hill Country Village 988 3,778 4,766 380 8/22/06 44092 San Antonio NE 253 819 1,072 93 8/22/06 East Pioneer II 786 1,891 2,677 191 8/22/06 44095 Westheimer 594 2,565 3,159 271 8/22/06 San Antonio/Jones-Maltsberger 1,102 2,690 3,792 271 8/22/06 44097 Beltline 1,291 2,481 3,772 254 8/22/06 44098 MacArthur 1,590 2,394 3,984 240 8/22/06 Hurst / S. Pipeline Rd 661 1,503 2,164 153 8/22/06 Balcones Hts/Fredericksburg Rd 2,372 4,789 7,161 478 8/22/06 44101 Blanco Road 1,742 4,867 6,609 487 8/22/06 Leon Valley/Bandera Road 501 3,510 4,011 285 8/22/06 44103 Imperial Valley 1,166 2,807 3,973 283 8/22/06 44104 Sugarland 1,714 3,447 5,161 345 8/22/06 44105 Woodlands 1,353 3,190 4,543 321 8/22/06 44106 Federal Road 1,021 3,179 4,200 318 8/22/06 44107 West

University 1,940 8,227 10,167 811 F-86 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests
--- 8/22/06 Medical Center/Braeswood II - 1,121 4,678 56 - 8/22/06 Richardson/Audelia &Buckingham - 1,034 2,703 26 - 8/22/06 North Austin - 2,143 3,674 188 - 8/22/06 Warner - 1,603 3,998 144 - 8/22/06 44034 Universal City - 777 3,194 69 - 8/22/06 Seattle / Lake City Way S - 3,406 7,789 177 - 8/22/06 Arrowhead - 2,372 5,818 72 - 8/22/06 Ahwatukee - 3,017 5,975 45 - 8/22/06 Blossom Valley - 2,721 8,418 59 - 8/22/06 Jones Bridge - 3,065 6,015 67 - 8/22/06 Lawrenceville - 2,076 5,188 28 - 8/22/06 Fox Valley - 1,880 3,622 78 - 8/22/06 Eagle Creek / Shore Terrace - 880 2,878 114 - 8/22/06 North Greenwood/E.CountyLineRd - - 3,954 38 - 8/22/06 Annapolis - - 7,439 41 - 8/22/06 Creedmoor - 3,579 7,366 106 - 8/22/06 Painters Crossing - 1,582 4,527 40 - 8/22/06 Greenville Ave & Meadow - 2,066 6,969 58 - 8/22/06 Potomac Mills - 2,806 7,347 48 - 8/22/06 Sterling (Cascades) - 3,435 7,713 45 - 8/22/06 Redmond / Plateau - 2,872 7,603 21 - 8/22/06 Val Vista - 3,686 6,223 488 - 8/22/06 Van Ness - 11,120 13,555 169 - 8/22/06 Sandy Plains - 2,452 4,669 38 - 8/22/06 Country Club Hills - 2,783 5,438 40 - 8/22/06 Schaumburg / Irving Park Rd - 2,695 4,781 72 - 8/22/06 23033 Clinton Township - 1,917 4,143 21 - 8/22/06 44060 Champions - 1,061 3,207 37 - 8/22/06 44061 Southlake - 2,794 4,760 37 - 8/22/06 City Place - 2,045 5,776 43 - 8/22/06 44066 Bee Cave Road - 3,546 10,341 47 - 8/22/06 44068 Oak Farms - 2,307 8,481 66 - 8/22/06 44069 Henderson Street - 542 5,001 48 - 8/22/06 Merrifield - 5,061 10,949 96 - 8/22/06 Mill Creek - 2,917 7,252 28 - 8/22/06 Pier 57 - 2,042 8,719 188 - 8/22/06 Redmond / 90th - 3,717 7,011 27 - 8/22/06 Seattle / Capital Hill - 12th - 3,811 11,104 294 - 8/22/06 Costa Mesa 2,735 3,622 6,030 93 - Gross Carrying Amount At December 31, 2008 Date
-- Accumulated Acquired Description Land Buildings Total Depreciation
--- 8/22/06 Medical Center/Braeswood II 1,121 4,734 5,855 473 8/22/06 Richardson/Audelia &Buckingham 1,034 2,729 3,763 273 8/22/06 North Austin 2,143 3,862 6,005 383 8/22/06 Warner 1,603 4,142 5,745 416 8/22/06 44034 Universal City 777 3,263 4,040 328 8/22/06 Seattle / Lake City Way S 3,406 7,966 11,372 798 8/22/06 Arrowhead 2,372 5,890 8,262 589 8/22/06 Ahwatukee 3,017 6,020 9,037 596 8/22/06 Blossom Valley 2,721 8,477 11,198 839 8/22/06 Jones Bridge 3,065 6,082 9,147 603 8/22/06 Lawrenceville 2,076 5,216 7,292 519 8/22/06 Fox Valley 1,880 3,700 5,580 369 8/22/06 Eagle Creek / Shore Terrace 880 2,992 3,872 302 8/22/06 North Greenwood/E.CountyLineRd - 3,992 3,992 399 8/22/06 Annapolis - 7,480 7,480 742 8/22/06 Creedmoor 3,579 7,472 11,051 742 8/22/06 Painters Crossing 1,582 4,567 6,149 453 8/22/06 Greenville Ave & Meadow 2,066 7,027 9,093 699 8/22/06 Potomac Mills 2,806 7,395 10,201 734 8/22/06 Sterling (Cascades) 3,435 7,758 11,193 768 8/22/06 Redmond / Plateau 2,872 7,624 10,496 755 8/22/06 Val Vista 3,686 6,711 10,397 749 8/22/06 Van Ness 11,120 13,724 24,844 1,372 8/22/06 Sandy Plains 2,452 4,707 7,159 469 8/22/06 Country Club Hills 2,783 5,478 8,261 545 8/22/06 Schaumburg / Irving Park Rd 2,695 4,853 7,548 484 8/22/06 23033 Clinton Township 1,917 4,164 6,081 413 8/22/06 44060 Champions 1,061 3,244 4,305 323 8/22/06 44061 Southlake 2,794 4,797 7,591 476 8/22/06 City Place 2,045 5,819 7,864 579 8/22/06 44066 Bee Cave Road 3,546 10,388 13,934 1,027 8/22/06 44068 Oak Farms 2,307 8,547 10,854 851 8/22/06 44069 Henderson Street 542 5,049 5,591 504 8/22/06 Merrifield 5,061 11,045 16,106 1,092 8/22/06 Mill Creek 2,917 7,280 10,197 722 8/22/06 Pier 57 2,137 8,812 10,949 878 8/22/06 Redmond / 90th 3,717 7,038 10,755 697 8/22/06 Seattle / Capital Hill - 12th 3,811 11,398 15,209 1,106 8/22/06 Costa Mesa 3,622 6,123 9,745 587 F-87 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008
--------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests
--- 8/22/06 West Park 7,001 11,715 12,915 317 - 8/22/06 Cabot Road-Resco LLC 4,074 5,168 9,253 94 - 8/22/06 San Juan Creek-Resco LLC 4,558 4,755 10,749 114 - 8/22/06 Rancho San Diego-RESCO LLC 3,651 4,226 7,652 84 - 8/22/06 Palms - RESCO LLC 4,575 2,491 11,404 134 - 8/22/06 West Covina 3,661 3,595 7,360 113 - 8/22/06 Woodland Hills 4,638 4,376 11,898 147 - 8/22/06 Long Beach - 3,130 11,211 128 - 8/22/06 Northridge - 4,674 11,164 137 - 8/22/06 Rancho Mirage - 2,614 4,744 85 - 8/22/06 Palm Desert - 1,910 5,462 98 - 8/22/06 Davie - 4,842 9,388 72 - 8/22/06 Portland / I-205 & Division - 2,026 4,299 78 - 8/22/06 Milwaukie/Hwy224&Internatn'lWy - 2,867 5,926 22 - 8/22/06 44031 River Oaks - 2,625 8,930 71 - 8/22/06 Tacoma / South Sprague Ave - 2,189 4,776 116 - 8/22/06 Vancouver /

Hazel Dell - 2,299 4,313 46 - 8/22/06 Canyon Park - 3,628 7,327 214 - 8/22/06 South Boulevard 4,118 3,090 6,041 96 1,463 8/22/06 Weddington 2,931 2,172 4,263 143 1,030 8/22/06 Gastonia - 644 2,808 48 507 8/22/06 Amity Ct 1,828 610 1,378 38 313 8/22/06 Pavilion 1,490 1,490 3,114 908 732 8/22/06 Randleman 1,953 1,639 2,707 128 712 8/22/06 Matthews - 1,733 6,457 263 1,220 8/22/06 Eastland 1,713 949 2,159 203 488 8/22/06 Albermarle 3,112 1,557 4,636 139 945 8/22/06 COTT 1,158 429 1,732 87 320 8/22/06 Ashley River - 1,907 4,065 262 947 8/22/06 Clayton - 1,071 2,869 870 608 8/22/06 Dave Lyle - 604 2,111 1,001 407 8/22/06 English Rd - 437 1,215 33 254 8/22/06 Sunset - 659 1,461 79 334 8/22/06 Cone Blvd - 1,253 2,462 67 595 8/22/06 Wake Forest - 1,098 2,553 50 573 8/22/06 Silas Creek - 1,304 2,738 83 642 8/22/06 Winston 2,190 1,625 3,368 135 794 8/22/06 Hickory 2,318 1,091 4,271 111 795 8/22/06 Wilkinson 2,007 1,366 3,235 106 720 Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 8/22/06 West Park 11,715 13,232 24,947 1,231 8/22/06 Cabot Road-Resco LLC 5,168 9,347 14,515 918 8/22/06 San Juan Creek-Resco LLC 4,755 10,863 15,618 1,071 8/22/06 Rancho San Diego-RESCO LLC 4,226 7,736 11,962 761 8/22/06 Palms - RESCO LLC 2,491 11,538 14,029 1,138 8/22/06 West Covina 3,595 7,473 11,068 738 8/22/06 Woodland Hills 4,376 12,045 16,421 1,187 8/22/06 Long Beach 3,130 11,339 14,469 1,115 8/22/06 Northridge 4,674 11,301 15,975 1,111 8/22/06 Rancho Mirage 2,614 4,829 7,443 474 8/22/06 Palm Desert 1,910 5,560 7,470 549 8/22/06 Davie 4,842 9,460 14,302 942 8/22/06 Portland / I-205 & Division 2,026 4,377 6,403 439 8/22/06 Milwaukie/Hwy224&Internatn'lWy 2,867 5,948 8,815 588 8/22/06 44031 River Oaks 2,625 9,001 11,626 896 8/22/06 Tacoma / South Sprague Ave 2,189 4,892 7,081 486 8/22/06 Vancouver / Hazel Dell 2,299 4,359 6,658 435 8/22/06 Canyon Park 3,628 7,541 11,169 734 8/22/06 South Boulevard 3,766 6,924 10,690 690 8/22/06 Weddington 2,647 4,961 7,608 490 8/22/06 Gastonia 785 3,222 4,007 322 8/22/06 Amity Ct 743 1,596 2,339 162 8/22/06 Pavilion 1,818 4,426 6,244 369 8/22/06 Randleman 1,998 3,188 5,186 322 8/22/06 Matthews 2,112 7,561 9,673 761 8/22/06 Eastland 1,156 2,643 3,799 267 8/22/06 Albermarle 1,898 5,379 7,277 532 8/22/06 COTT 522 2,046 2,568 212 8/22/06 Ashley River 2,324 4,857 7,181 506 8/22/06 Clayton 1,307 4,111 5,418 369 8/22/06 Dave Lyle 737 3,386 4,123 287 8/22/06 English Rd 532 1,407 1,939 144 8/22/06 Sunset 803 1,730 2,533 183 8/22/06 Cone Blvd 1,526 2,851 4,377 288 8/22/06 Wake Forest 1,338 2,936 4,274 299 8/22/06 Silas Creek 1,590 3,177 4,767 318 8/22/06 Winston 1,980 3,942 5,922 396 8/22/06 Hickory 1,329 4,939 6,268 493 8/22/06 Wilkinson 1,664 3,763 5,427 381 F-88 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 --------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 8/22/06 Lexington NC 1,199 874 1,806 136 426 8/22/06 Florence 2,811 952 5,557 159 932 8/22/06 Sumter 1,117 560 2,002 75 384 8/22/06 Garners Ferry 2,341 1,418 2,516 169 638 8/22/06 Greenville 1,797 1,816 4,732 205 1,014 8/22/06 Spartanburg 473 799 1,550 86 377 8/22/06 Rockingham 776 376 1,352 135 258 8/22/06 Monroe 2,129 1,578 2,996 206 735 8/22/06 Salisbury - Ground Lease 3,195 40 5,488 67 724 8/22/06 N. Tryon 1,976 1,271 2,330 132 582 8/22/06 Pineville 4,178 2,609 6,829 345 1,461 8/22/06 Park Rd 4,319 2,667 7,243 187 1,527 8/22/06 Ballantyne - 1,758 3,720 721 869 8/22/06 Stallings 2,381 1,348 2,882 142 671 8/22/06 Concord 1,961 1,147 2,308 148 552 8/22/06 Woodruff 1,550 1,154 1,616 50 463 8/22/06 Shriners 1,721 758 2,347 68 472 8/22/06 Charleston - 604 3,313 129 564 8/22/06 Rock Hill - 993 2,222 1,039 506 8/22/06 Arrowood 2,603 2,014 4,214 103 989 8/22/06 Country Club - 935 3,439 92 652 8/22/06 Rosewood (Morningstar) - 352 2,141 58 356 8/22/06 James Island (Folly Road) - 2,061 3,708 80 934 8/22/06 Battleground - 1,995 3,757 42 925 8/22/06 Greenwood Village / DTC Blvd 4,310 684 2,925 90 - 8/22/06 Highlands Ranch/ Colorado Blvd 3,417 793 2,000 140 - 8/22/06 Seneca Commons - 2,672 5,354 330 1,283 8/22/06 Capital Blvd South - 3,002 6,273 83 1,474 8/22/06 Southhaven 1,764 1,286 3,578 139 271 8/22/06 Wolfchase 1,406 987 2,816 188 212 8/22/06 Winchester - 676 1,500 316 121 8/22/06 Sycamore View - 705 1,936 269 147 8/22/06 South Main - 70 186 58 (51) 8/22/06 Southfield at Telegraph - 1,757 8,341 31 - 8/22/06 Westland - 1,572 3,687 25 - 8/22/06 Dearborn - 1,030 4,847 61 - 8/22/06 Roseville - 1,319 5,210 34 - 8/22/06 Farmington Hills - 982 2,878 67 - 8/22/06 Hunt Club - 2,527 5,483 59 729 Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 8/22/06 Lexington NC 1,065 2,177 3,242 216 8/22/06 Florence 1,160 6,440 7,600 657 8/22/06 Sumter 683 2,338 3,021 239 8/22/06 Garners Ferry 1,728 3,013 4,741 322 8/22/06 Greenville 2,213 5,554 7,767 573 8/22/06 Spartanburg 974 1,838 2,812

187 8/22/06 Rockingham 458 1,663 2,121 178 8/22/06 Monroe 1,924 3,591 5,515 369 8/22/06 Salisbury - Ground Lease 49 6,270 6,319 622 8/22/06 N. Tryon 1,549 2,766 4,315 281 8/22/06 Pineville 3,179 8,065 11,244 840 8/22/06 Park Rd 3,250 8,374 11,624 828 8/22/06 Ballantyne 2,144 4,924 7,068 467 8/22/06 Stallings 1,643 3,400 5,043 342 8/22/06 Concord 1,398 2,757 4,155 288 8/22/06 Woodruff 1,407 1,876 3,283 194 8/22/06 Shriners 924 2,721 3,645 279 8/22/06 Charleston 736 3,874 4,610 396 8/22/06 Rock Hill 1,211 3,549 4,760 304 8/22/06 Arrowood 2,454 4,866 7,320 491 8/22/06 Country Club 1,139 3,979 5,118 401 8/22/06 Rosewood (Morningstar) 429 2,478 2,907 251 8/22/06 James Island (Folly Road) 2,512 4,271 6,783 426 8/22/06 Battleground 2,431 4,288 6,719 428 8/22/06 Greenwood Village / DTC Blvd 684 3,015 3,699 291 8/22/06 Highlands Ranch/ Colorado Blvd 793 2,140 2,933 207 8/22/06 Seneca Commons 3,257 6,382 9,639 612 8/22/06 Capital Blvd South 3,659 7,173 10,832 713 8/22/06 Southhaven 1,357 3,917 5,274 373 8/22/06 Wolfchase 1,042 3,161 4,203 291 8/22/06 Winchester 713 1,900 2,613 177 8/22/06 Sycamore View 744 2,313 3,057 215 8/22/06 South Main 57 206 263 6 8/22/06 Southfield at Telegraph 1,757 8,372 10,129 828 8/22/06 Westland 1,572 3,712 5,284 370 8/22/06 Dearborn 1,030 4,908 5,938 492 8/22/06 Roseville 1,319 5,244 6,563 522 8/22/06 Farmington Hills 982 2,945 3,927 299 8/22/06 Hunt Club 2,823 5,975 8,798 598 F-89 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests -- 8/22/06 Speedway IN /N. High School Rd - 2,091 3,566 80 - 8/22/06 Alafaya @ University Blvd. - 2,817 4,549 50 689 8/22/06 McCoy @ 528 - 2,656 5,206 60 - 8/22/06 S. Orange Blossom Trail @ 417 - 2,810 6,849 154 870 8/22/06 Alafaya-Mitchell Hammock Road - 2,363 5,092 41 679 8/22/06 Maitland / 17/92 @ Lake Ave - 5,146 10,670 111 1,445 8/22/06 S. Semoran @ Hoffner Road - 2,633 6,601 125 829 8/22/06 Red Bug @ Dodd Road 2,484 2,552 5,959 42 769 8/22/06 Altmonte Sprgs/SR434 2,116 1,703 5,125 38 604 8/22/06 Brandon 2,870 2,810 4,584 38 691 8/22/06 Granada @ U.S. 1 2,787 2,682 4,751 68 689 8/22/06 Daytona/Beville @ Nova Road 2,776 2,616 6,085 152 786 8/22/06 Eau Gallie 2,493 1,962 4,677 28 599 8/22/06 Hyde Park 2,780 2,719 7,145 52 883 8/22/06 Carrollwood 1,418 2,050 6,221 41 731 8/22/06 Conroy @ I-4 1,815 2,091 3,517 33 523 8/22/06 West Waters - 2,190 5,186 53 666 8/22/06 Oldsmar 2,175 2,276 5,253 86 682 8/22/06 Mills North of Colonial 4,426 1,995 5,914 110 701 8/22/06 Alafaya @ Colonial 2,722 2,836 4,680 147 701 8/22/06 Fairbanks @ I-4 - 2,846 6,612 98 855 8/22/06 Maguire @ Colonial - 479 7,521 253 839 10/20/06 Burbank - 3,793 9,103 (83) - 10/24/06 Stonegate 4,962 651 4,278 (670) - 2/9/07 Portland/Barbur Bl &Luradel ST - 830 3,273 23 - 3/27/07 Ewa Beach / Ft Weaver Road - 7,454 14,825 40 - 6/1/07 South Bay - 1,017 4,685 27 - 8/14/07 Murrieta / Whitewood Road - 5,764 6,197 33 - 8/22/07 Palm Springs/S. Gene Autry Trl - 3,785 7,859 330 - 9/7/07 Mahopac / Rte 6 - 1,330 8,407 37 - 9/11/07 East Point / N Desert Dr - 1,186 9,239 47 - 9/11/07 Canton / Ridge Rd - 389 4,197 38 - 9/13/07 Murrieta / Antelope Rd - 1,630 2,991 59 - 10/14/07 New Orleans / I10 & Bullard - 1,286 5,591 (1,690) - 4/22/08 Miramar Place - 7,225 7,875 26 - 5/28/08 Bee Cave at the Galleria - 621 4,893 - - 5/28/08 Carlsbad Village 10,181 4,277 10,074 73 - 7/21/08 Austell / Oak Ridge Rd. - 581 2,446 - - 7/21/08 Marietta / Piedmont Rd. - 1,748 3,172 - - Gross Carrying Amount At December 31, 2008 Date -- Accumulated Acquired Description Land Buildings Total Depreciation -- 8/22/06 Speedway IN /N. High School Rd 2,091 3,646 5,737 368 8/22/06 Alafaya @ University Blvd. 3,147 4,958 8,105 495 8/22/06 McCoy @ 528 2,656 5,266 7,922 525 8/22/06 S. Orange Blossom Trail @ 417 3,140 7,543 10,683 754 8/22/06 Alafaya-Mitchell Hammock Road 2,640 5,535 8,175 550 8/22/06 Maitland / 17/92 @ Lake Ave 5,749 11,623 17,372 1,153 8/22/06 S. Semoran @ Hoffner Road 2,941 7,247 10,188 720 8/22/06 Red Bug @ Dodd Road 2,851 6,471 9,322 644 8/22/06 Altmonte Sprgs/SR434 1,902 5,568 7,470 554 8/22/06 Brandon 3,140 4,983 8,123 496 8/22/06 Granada @ U.S. 1 2,996 5,194 8,190 522 8/22/06 Daytona/Beville @ Nova Road 2,922 6,717 9,639 667 8/22/06 Eau Gallie 2,192 5,074 7,266 503 8/22/06 Hyde Park 3,038 7,761 10,799 773 8/22/06 Carrollwood 2,290 6,753 9,043 670 8/22/06 Conroy @ I-4 2,336 3,828 6,164 382 8/22/06 West Waters 2,447 5,648 8,095 559 8/22/06 Oldsmar 2,542 5,755 8,297 571 8/22/06 Mills North of Colonial 2,229 6,491 8,720 642 8/22/06 Alafaya @ Colonial 3,169 5,195 8,364 530 8/22/06 Fairbanks @ I-4 3,179 7,232 10,411 722 8/22/06 Maguire @ Colonial 815 8,277 9,092 817 10/20/06 Burbank 3,793 9,020 12,813 731 10/24/06 Stonegate 651 3,608 4,259 291 2/9/07 Portland/Barbur Bl &Luradel ST 830 3,296 4,126 231 3/27/07 Ewa Beach / Ft Weaver Road 7,454 14,865 22,319 1,049 6/1/07 South Bay 1,017 4,712 5,729 288 8/14/07 Murrieta / Whitewood Road 5,764 6,230 11,994 314 8/22/07 Palm Springs/S. Gene Autry Trl 3,785 8,189 11,974 473 9/7/07 Mahopac / Rte 6 1,330 8,444 9,774 421 9/11/07 East Point / N Desert Dr

1,186 9,286 10,472 467 9/11/07 Canton / Ridge Rd 389 4,235 4,624 205 9/13/07 Murrieta / Antelope Rd 1,630 3,050 4,680 150 10/14/07 New Orleans / I10 & Bullard 1,292 3,895 5,187 772 4/22/08 Miramar Place 7,225 7,901 15,126 160 5/28/08 Bee Cave at the Galleria 621 4,893 5,514 99 5/28/08 Carlsbad Village 4,277 10,147 14,424 205 7/21/08 Austell / Oak Ridge Rd. 581 2,446 3,027 25 7/21/08 Marietta / Piedmont Rd. 1,748 3,172 4,920 32 F-90 PUBLIC STORAGE SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION Adjustments Initial Cost Resulting from 2008 -------------------------------- Costs the Acquisition Date Encum- Buildings & Subsequent of Minority Acquired Description brances Land Improvements to Acquisition interests --- 9/3/08 N. Las Vegas/Cheyenne - 1,144 4,017 57 - 9/4/08 Las Vegas/Boulder HWY II - 1,151 4,234 43 - 11/7/08 Wash DC / Bladensburg Rd NE - 1,726 6,191 - - 12/23/08 East Palo Alto - 2,655 2,235 - - SELF-STORAGE FACILITY - EUROPE 8/22/06 West London - 5,730 14,278 59 - OTHER PROPERTIES 2/16/96 Glendale/Western Avenue - 1,622 3,771 16,681 - 12/13/99 Burlingame - 4,043 9,434 344 - 4/28/00 San Diego/Sorrento - 1,282 3,016 465 - 6/29/98 Pompano Bch/Center Port Circle - 795 2,312 771 - 12/30/99 Tamarac Parkway - 1,902 4,467 1,376 - 12/29/00 Gardena - 1,737 5,456 289 - 4/2/02 Long Beach - 887 6,251 347 - 8/22/06 St. Peters (land) - 1,138 - - - 8/22/06 Monocacy (land) - 1,386 - - - 8/22/06 Dolfield (land) - 643 - - - 8/22/06 Village of Bee Caves (land) - 544 - - - 8/22/06 Fontana - 99 - - - 8/22/06 Lakewood 512 Business Park - 4,437 6,685 1,255 - 8/22/06 Olive Innerbelt Business Park - 787 3,023 - - 3/7/07 Shur Corp / 700 Fairview Ave N - 4,016 20,995 - - Construction in Progress - - - 20,340 - -- $ 236,378 $ 2,658,749 $ 6,239,461 $ 959,427 $ 369,725 == Gross Carrying Amount At December 31, 2008 Date --- Accumulated Acquired Description Land Buildings Total Depreciation -- 9/3/08 N. Las Vegas/Cheyenne 1,144 4,074 5,218 41 9/4/08 Las Vegas/Boulder HWY II 1,151 4,277 5,428 43 11/7/08 Wash DC / Bladensburg Rd NE 1,726 6,191 7,917 21 12/23/08 East Palo Alto 2,655 2,235 4,890 - SELF-STORAGE FACILITY - EUROPE 8/22/06 West London 4,232 15,835 20,067 5,488 OTHER PROPERTIES 2/16/96 Glendale/Western Avenue 1,616 20,458 22,074 18,287 12/13/99 Burlingame 4,042 9,779 13,821 3,729 4/28/00 San Diego/Sorrento 1,023 3,740 4,763 1,466 6/29/98 Pompano Bch/Center Port Circle 795 3,083 3,878 1,617 12/30/99 Tamarac Parkway 1,889 5,856 7,745 1,252 12/29/00 Gardena 1,737 5,745 7,482 1,570 4/2/02 Long Beach 886 6,599 7,485 1,135 8/22/06 St. Peters (land) 1,138 - 1,138 - 8/22/06 Monocacy (land) 1,386 - 1,386 - 8/22/06 Dolfield (land) 643 - 643 - 8/22/06 Village of Bee Caves (land) 544 - 544 - 8/22/06 Fontana 99 - 99 - 8/22/06 Lakewood 512 Business Park 4,437 7,940 12,377 865 8/22/06 Olive Innerbelt Business Park 787 3,023 3,810 285 3/7/07 Shur Corp / 700 Fairview Ave N 4,016 20,995 25,011 2,006 Construction in Progress - 20,340 20,340 - -- $ 2,716,254 $ 7,511,108 $ 10,227,362 $ 2,405,473 == Note: Buildings are depreciated over a useful life of 25 years. F-91