

Public Storage Canadian Properties News Release

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Public Storage Canadian Properties Announces Second Quarter 2006 Operating Results and Distributions

TORONTO, Ontario – Public Storage Canadian Properties (TSX:PUB) today announced operating results for the second quarter ended June 30, 2006 and distributions to be paid on September 29, 2006.

David Singelyn, President of Canadian Mini-Warehouses Limited (“CMP”), the general partner of Public Storage Canadian Properties (the “Partnership”) stated that “the transactions completed in the last three months have set the stage for future growth of the Partnership. The Partnership raised \$47 million in June through a rights offering. Growth is also being realized through the June acquisition of a 216,000 square foot facility in St. Laurent, Quebec and the July opening of our newest facility in Vancouver, British Columbia. In addition, the Partnership continued its growth from its existing store operations.”

Operating Results

Net income of the Partnership was \$2,023,000 or \$0.36 per partnership unit for the three months ended June 30, 2006 compared to \$1,889,000 or \$0.39 per partnership unit for the same period in 2005. The decrease in net income per unit was due primarily to an increase of 741,758 units in the calculation of the number of weighted average units outstanding in connection with the rights offering on June 2, 2006. Upcoming quarters will reflect an increase of 2,410,715 units in the calculation of the number of weighted average units outstanding.

Net income of the Partnership was \$3,551,000 or \$0.68 per partnership unit for the six months ended June 30, 2006 compared to \$3,541,000 or \$0.73 per partnership unit for the same period in 2005.

Property Operations

The Partnership derives substantially all of its income from the ownership of twenty-one self-storage facilities. Thirteen facilities are located in Ontario, five are located in British Columbia, one is located in Alberta and two are located in Québec.

In order to evaluate the performance of the Partnership’s portfolio, management analyzes the operating performance of a stabilized group of self-storage facilities (herein referred to as “Same Store” facilities). “Same Store” facilities are facilities that have been owned and operated at a mature, stabilized occupancy level since January 1, 2004. As at June 30, 2006, the “Same Store” facilities consist of sixteen facilities that have been owned and operated by the Partnership since its inception and contain approximately 1,235,000 net rentable square feet and 11,181 units.

The following table summarizes the pre-amortization operating results of the Partnership’s “Same Store” facilities.

	Three months ended June 30,			Six months ended June 30,		
	2006	2005	Change	2006	2005	Change
Rental income	\$ 4,338,000	\$ 4,123,000	5.2%	\$ 8,396,000	\$ 7,991,000	5.1%
Less: cost of operations.....	1,276,000	1,115,000	14.4%	2,607,000	2,489,000	4.7%
Less: management fees	261,000	247,000	5.7%	504,000	479,000	5.2%
Net operating income ⁽¹⁾	<u>\$ 2,801,000</u>	<u>\$ 2,761,000</u>	1.4%	<u>\$ 5,285,000</u>	<u>\$ 5,023,000</u>	5.2%
Gross margin ⁽²⁾	64.6%	67.0%		62.9%	62.9%	
Weighted average for period:						
Occupancy	88.2%	88.9%		87.6%	87.9%	
Realized annual rent per square foot ⁽³⁾	\$15.93	\$15.02	6.1%	\$15.52	\$14.73	5.4%

- (1) Net operating income (“NOI”) is equal to rental income less cost of operations and management fees paid to an affiliate before amortization. This non-GAAP financial measure does not have any standardized meanings prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers.
- (2) Gross margin is computed by dividing property net operating income by rental income.
- (3) Realized rent per square foot represents the actual revenue earned per occupied square foot. Management believes this is a more relevant measure than posted or scheduled rates as posted rates can be discounted through promotions.

Funds from Operations (“FFO”) and Earnings before Interest, Taxes, Depreciation and Amortization (“EBITDA”)

FFO and EBITDA are supplementary performance measures for real estate companies used by investors and analysts. These non-generally accepted accounting principles (“GAAP”) financial measures do not have any standardized meanings prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. Many investors and analysts consider FFO and EBITDA to be measures of the performance of real estate companies. FFO is equal to net income computed in accordance with GAAP before depreciation, amortization and gains or losses on sale of real estate assets. EBITDA is equal to earnings before interest income, interest expense, taxes, depreciation and amortization. FFO and EBITDA do not take into consideration scheduled principal payments on debt, capital improvements, distributions or other obligations of the Partnership. Accordingly, FFO and EBITDA are not substitutes for the Partnership’s cash flow or net income as a measure of the Partnership’s liquidity or operating performance or ability to pay distributions.

The following table calculates FFO and EBITDA for the three and six months ended June 30, 2006 and 2005:

	Three months ended June 30,			Six months ended June 30,		
	2006	2005	Change	2006	2005	Change
Net income	\$ 2,023,000	\$ 1,889,000		\$ 3,551,000	\$ 3,541,000	
Amortization	732,000	584,000		1,381,000	1,079,000	
Less: gain on sale of land.....	(137,000)	-		(137,000)	-	
FFO	<u>\$ 2,618,000</u>	<u>\$ 2,473,000</u>	5.9%	<u>\$ 4,795,000</u>	<u>\$ 4,620,000</u>	3.8%
Weighted average number of partnership units	5,563,188	4,821,430		5,194,358	4,821,430	
FFO per partnership unit.....	\$0.47	\$0.51	(7.8%)	\$0.92	\$0.96	(4.2%)
Net income	\$ 2,023,000	\$ 1,889,000		\$ 3,551,000	\$ 3,541,000	
Amortization	732,000	584,000		1,381,000	1,079,000	
Interest expense	208,000	121,000		420,000	131,000	
Less: interest income.....	(17,000)	(2,000)		(23,000)	(9,000)	
EBITDA	<u>\$ 2,946,000</u>	<u>\$ 2,592,000</u>	13.7%	<u>\$ 5,329,000</u>	<u>\$ 4,742,000</u>	12.4%
Weighted average number of partnership units	5,563,188	4,821,430		5,194,358	4,182,430	
EBITDA per partnership unit	\$0.53	\$0.54	(1.9%)	\$1.03	\$0.98	5.1%

Distributions

The board of directors of the general partner today declared a distribution of \$0.45 per partnership unit payable on September 29, 2006 to unitholders of record at the close of business on September 15, 2006.

Credit Facility Renewal

The Partnership amended and extended its credit agreement with the Bank of Montreal. The new \$35 million revolving credit facility matures in July 2009. The credit facility will be used for general corporate purposes and to provide short term financing for property acquisitions and developments.

Partnership Information

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

PUBLIC STORAGE CANADIAN PROPERTIES
SELECTED FINANCIAL DATA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Revenue:				
Rental income	\$ 4,772,000	\$ 4,207,000	\$ 9,094,000	\$ 8,082,000
Interest income	17,000	2,000	23,000	9,000
Gain on sale of land	137,000	-	137,000	-
	<u>4,926,000</u>	<u>4,209,000</u>	<u>9,254,000</u>	<u>8,091,000</u>
Costs and expenses:				
Cost of operations	1,577,000	1,239,000	3,125,000	2,612,000
Management fees paid to an affiliate	287,000	251,000	546,000	484,000
Amortization	732,000	584,000	1,381,000	1,079,000
Administrative	99,000	125,000	231,000	244,000
Interest expense	208,000	121,000	420,000	131,000
	<u>2,903,000</u>	<u>2,320,000</u>	<u>5,703,000</u>	<u>4,550,000</u>
Net income	<u>\$ 2,023,000</u>	<u>\$ 1,889,000</u>	<u>\$ 3,551,000</u>	<u>\$ 3,541,000</u>
Net income per partnership unit	\$ 0.36	\$ 0.39	\$ 0.68	\$ 0.73
Distributions per partnership unit	\$ 0.45	\$ 0.45	\$ 0.90	\$ 0.90
Weighted average number of partnership units outstanding	5,563,188	4,821,430	5,194,358	4,821,430
	As at	As at		
	June 30, 2006	December 31, 2005		
Balance sheet data:				
Cash and cash equivalents	\$ 5,231,000	\$ 491,000		
Borrowings from credit facility	-	28,500,000		
Mortgage note payable	5,676,000	-		
Total assets	79,206,000	56,051,000		
Partners' equity	70,762,000	25,542,000		
Partnership units outstanding at end of period	7,332,145	4,821,430		