

Public Storage Canadian Properties News Release

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

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

David Singelyn, President of Canadian Mini-Warehouse Properties Company (“CMP”), the General Partner of Public Storage Canadian Properties (the “Partnership”) stated that “the Partnership continues to grow its business both internally and externally with growth in “Same Store” net operating income of 1.2% for the third quarter, and the acquisitions of properties located in Dorval, Québec, LaSalle, Québec and Orleans, Ontario for development into a new self-storage facilities”

Operating Results

Net income of the Partnership was \$2,138,000 or \$0.24 per partnership unit (“Unit”) (based on 9,040,181 Units) for the three months ended September 30, 2008 compared to \$1,677,000 or \$0.23 per Unit (based on 7,232,145 Units) for the same period in 2007.

Net income of the Partnership was \$5,715,000 or \$0.63 per Unit (based on 9,040,181 Units) for the nine months ended September 30, 2008 compared to \$6,275,000 or \$0.87 per Unit (based on 7,232,145 Units) for the same period in 2007. The decreases in net income and net income per Unit were due to the recognition of an income tax benefit of \$1,060,000 in the prior year arising from amendments to the *Income Tax Act* (Canada), an increase in the number of outstanding Units as a result of the completion of a rights offering by the Partnership in October 2007, and the dilutive impact of newly developed self-storage facilities.

Property Operations

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

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

The following table summarizes the pre-amortization operating results of the Partnership's "Same Store" facilities.

	Three months ended September 30,			Nine months ended September 30,		
	2008	2007	Change	2008	2007	Change
Rental Income	\$ 4,365,000	\$ 4,371,000	(0.1%)	\$ 12,906,000	\$ 12,548,000	2.9%
Less: cost of operations	1,167,000	1,209,000	(3.5%)	3,726,000	3,679,000	1.3%
Less: management fees	262,000	262,000	0.0%	774,000	753,000	2.8%
Net operating income ⁽¹⁾	<u>\$ 2,936,000</u>	<u>\$ 2,900,000</u>	1.2%	<u>\$ 8,406,000</u>	<u>\$ 8,116,000</u>	3.6%
Gross margin ⁽²⁾	67.3%	66.3%		65.1%	64.7%	
Weighted average for period:						
Occupancy	88.1%	89.9%		87.6%	87.9%	
Realized annual rent per square foot ⁽³⁾	\$16.94	\$16.53	2.5%	\$16.77	\$16.22	3.4%

(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-generally accepted accounting principles ("GAAP") financial measure does not have any standardized meanings prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers.

(2) Gross margin is computed by dividing property net operating income by rental income.

(3) Realized rent per square foot represents the actual revenue earned per occupied square foot. Management believes this is a more relevant measure than posted or scheduled rates as posted rates can be discounted through promotions.

Acquisition of Property in Dorval, Québec

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

Acquisition of Property in LaSalle, Québec

As previously announced on September 10, 2008 the Partnership acquired a property located at the corner of 6701 Boulevard Newman in LaSalle, Québec encompassing 2.56 acres of vacant land for a purchase price of approximately \$1,226,000. The total cost to develop this property (including the purchase price) into a self-storage facility is expected to be approximately \$9,500,000. This property is located in the south to south west region of Montreal, Québec.

These are the fifth and sixth facilities acquired and/or developed by the Partnership in the Greater Montreal Area in the last 3 years.

Acquisition of Property in Orleans, Ontario

As previously announced on October 3, 2008 the Partnership has acquired a property located at 3545 St. Joseph Boulevard in Orleans, Ontario encompassing 10.6 acres of vacant land for a purchase price of approximately \$889,000. The total cost to develop this property (including the purchase price) into a self-storage facility is expected to be approximately \$7,000,000. This property is located on the southern side of Highway 174 between Tenth Line Road and Trim Road.

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

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

Update on Tax Matters

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

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

FFO and EBITDA are supplementary performance measures for real estate companies used by investors and analysts. These non-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 nine months ended September 30, 2008 and 2007:

	Three months ended September 30,			Nine months ended September 30,		
	2008	2007	Change	2008	2007	Change
<u>Calculation of FFO:</u>						
Net income.....	\$ 2,138,000	\$ 1,677,000		\$ 5,715,000	\$ 6,275,000	
Amortization of real estate	1,112,000	1,063,000		3,227,000	2,892,000	
Amortization of intangibles	17,000	366,000		116,000	1,031,000	
Less: future income tax benefit	(47,000)	-		(164,000)	(1,060,000)	
FFO.....	<u>\$ 3,220,000</u>	<u>\$ 3,106,000</u>	3.7%	<u>\$ 8,894,000</u>	<u>\$ 9,138,000</u>	(2.7%)
Weighted average number of units ...	9,040,181	7,232,145		9,040,181	7,232,145	
FFO per Unit	\$0.36	\$0.43	(16.3%)	\$0.98	\$1.26	(22.2%)
<u>Calculation of EBITDA:</u>						
Net income.....	\$ 2,138,000	\$ 1,677,000		\$ 5,715,000	\$ 6,275,000	
Amortization of real estate	1,112,000	1,063,000		3,227,000	2,892,000	
Amortization of intangibles	17,000	366,000		116,000	1,031,000	
Interest and commitment fees	151,000	409,000		435,000	656,000	
Less: future income tax benefit	(47,000)	-		(164,000)	(1,060,000)	
Less: interest and other income	(17,000)	(12,000)		(92,000)	(57,000)	
EBITDA	<u>\$ 3,354,000</u>	<u>\$ 3,503,000</u>	(4.3%)	<u>\$ 9,237,000</u>	<u>\$ 9,737,000</u>	(5.1%)
Weighted average number of units ...	9,040,181	7,232,145		9,040,181	7,232,145	
EBITDA per Unit	\$0.37	\$0.48	(22.9%)	\$1.02	\$1.35	(24.4%)

Distributions

The board of directors of the general partner today declared a distribution of \$0.45 per Unit payable on December 31, 2008 to unitholders of record at the close of business on December 15, 2008.

Partnership Information

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

**PUBLIC STORAGE CANADIAN PROPERTIES
SELECTED FINANCIAL DATA**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Revenue:				
Rental income	\$ 6,320,000	\$ 5,955,000	\$ 18,225,000	\$ 16,960,000
Interest and other income	17,000	12,000	92,000	57,000
	6,337,000	5,967,000	18,317,000	17,017,000
Costs and expenses:				
Cost of operations.....	2,390,000	2,002,000	7,361,000	5,776,000
Management fees paid to an affiliate	380,000	358,000	1,094,000	1,019,000
Amortization of real estate facilities	1,112,000	1,063,000	3,227,000	2,892,000
Amortization of intangible assets.....	17,000	366,000	116,000	1,031,000
Interest and commitment fees.....	151,000	409,000	435,000	656,000
Administrative	196,000	92,000	533,000	428,000
	4,246,000	4,290,000	12,766,000	11,802,000
Income before income taxes.....	2,091,000	1,677,000	5,551,000	5,215,000
Future income tax benefit.....	47,000	-	164,000	1,060,000
Net income.....	\$ 2,138,000	\$ 1,677,000	\$ 5,715,000	\$ 6,275,000
Net income per partnership unit	\$ 0.24	\$ 0.23	\$ 0.63	\$ 0.87
Distributions per partnership unit.....	\$ 0.45	\$ 0.45	\$ 1.35	\$ 1.35
Weighted average number of partnership units outstanding	9,040,181	7,232,145	9,040,181	7,232,145
Balance sheet data:				
	As at September 30, 2008	As at December 31, 2007		
Cash and cash equivalents	\$ 318,000	\$ 269,000		
Debt.....	21,364,000	5,073,000		
Total assets	116,898,000	106,729,000		
Partners' equity.....	92,562,000	99,051,000		
Partnership units outstanding at end of period	9,040,181	9,040,181		