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Public Storage
Form 10-Q
May 10, 2010

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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2010

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from

to .

Commission File Number: 001-33519

PUBLIC STORAGE

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

95-3551121
(I.R.S. Employer Identification Number)

701 Western Avenue, Glendale, California
(Address of principal executive offices)

91201-2349
(Zip Code)

Registrant's telephone number, including area code: (818) 244-8080.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting

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company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of the registrant’s outstanding common shares of beneficial interest, as of May 5, 2010:

Common Shares of beneficial interest, \$.10 par value per share – 169,833,053 shares

PUBLIC STORAGE

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PUBLIC STORAGE
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share data)

	March 31, 2010 (Unaudited)	December 31, 2009
ASSETS		
Cash and cash equivalents	\$719,982	\$763,789
Marketable securities	95,191	-
Real estate facilities, at cost:		
Land	2,717,117	2,717,368
Buildings	7,578,733	7,575,587
	10,295,850	10,292,955
Accumulated depreciation	(2,816,692)	(2,734,449)
	7,479,158	7,558,506
Construction in process	8,381	3,527
	7,487,539	7,562,033
Investment in real estate entities	601,104	612,316
Goodwill, net	174,634	174,634
Intangible assets, net	37,364	38,270
Loan receivable from Shurgard Europe	527,243	561,703
Other assets	101,414	92,900
Total assets	\$9,744,471	\$9,805,645
LIABILITIES AND EQUITY		
Notes payable	\$516,132	\$518,889
Equity Shares, Series A called for redemption (Note 7)	205,366	-
Accrued and other liabilities	201,416	212,253
Total liabilities	922,914	731,142
Redeemable noncontrolling interests in subsidiaries (Note 6)	13,106	13,122
Commitments and contingencies (Note 11)		

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Equity:

Public Storage shareholders' equity:

Cumulative Preferred Shares of beneficial interest, \$0.01 par value, 100,000,000 shares authorized, 886,140 shares issued (in series) and outstanding, (886,140 at December 31, 2009) at liquidation preference	3,399,777	3,399,777
Common Shares of beneficial interest, \$0.10 par value, 650,000,000 shares authorized, 168,657,595 shares issued and outstanding (168,405,539 at December 31, 2009)	16,867	16,842
Equity Shares of beneficial interest, Series A, \$0.01 par value, 100,000,000 shares authorized, none outstanding (8,377.193 shares issued and outstanding at December 31, 2009) (Note 7)	-	-
Paid-in capital	5,487,156	5,680,549
Accumulated deficit	(202,998)	(153,759)
Accumulated other comprehensive loss	(24,779)	(15,002)
Total Public Storage shareholders' equity	8,676,023	8,928,407
Equity of permanent noncontrolling interests in subsidiaries (Note 6)	132,428	132,974
Total equity	8,808,451	9,061,381
Total liabilities and equity	\$9,744,471	\$9,805,645

See accompanying notes.

PUBLIC STORAGE
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	March 31,	
	2010	2009
Revenues:		
Self-storage facilities	\$364,682	\$370,772
Ancillary operations	25,158	25,835
Interest and other income	8,216	7,633
	398,056	404,240
Expenses:		
Cost of operations:		