

News Release

Public Storage
701 Western Avenue
Glendale, CA 91201-2349
www.publicstorage.com

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Contact: Clemente Teng
(818) 244-8080

Public Storage Announces Tax Treatment of 2008 Dividends

GLENDALE, California – Public Storage (NYSE:PSA) announced today the tax treatment of the Company's 2008 dividends. For the tax year ended December 31, 2008, distributions for the PSA common stock, Equity Stock, Series A, and all the various series of preferred stock were classified as follows:

| | 2008 | | | |
|------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | <u>1st Quarter</u> | <u>2nd Quarter</u> | <u>3rd Quarter</u> | <u>4th Quarter</u> |
| Ordinary Income | 99.9668% | 99.6512% | 99.8319% | 100.0000% |
| Long-Term Capital Gain | 0.0332% | 0.3488% | 0.1681% | 0.0000% |
| Total | <u>100.0000%</u> | <u>100.0000%</u> | <u>100.0000%</u> | <u>100.0000%</u> |

The ordinary income dividends do not constitute "qualified dividend income."

Alternative Minimum Tax

Alternative minimum tax adjustments are to be apportioned between a real estate investment trust ("REIT") and its shareholders under Internal Revenue Code Section 59(d). Although regulations have not yet been issued under that provision, based on regulations issued pursuant to a similar provision of prior law and the legislative history of the current provision, it appears that such alternative minimum tax adjustments are to be apportioned to a REIT's shareholders to the extent that the REIT distributes its regular taxable income. It is the Company's policy to distribute all of its regular taxable income and accordingly, all of the Company's alternative minimum tax adjustments are being apportioned to the Company's shareholders.

The Company has determined that 0.59% of each distribution to its shareholders for the tax year ended December 31, 2008 consists of alternative minimum tax adjustments (i.e., for each \$1 of dividend reportable by a shareholder, \$0.0059 represents a positive alternative minimum tax adjustment). To determine your share of the Company's positive alternative minimum tax adjustments, multiply the aggregate dollar amount of your reportable 2008 dividends from the Company (the sum of the amounts shown in Boxes 1a and 2a of the Company's 2008 Form 1099-DIV) by 0.0059.

If you are an individual, please refer to Internal Revenue Service Form 6251, Alternative Minimum Tax--Individuals. Your share of alternative minimum tax adjustments should be input as a positive amount in Part I, Line 18 (depreciation on assets placed in service after 1986). If you are a corporation, please refer to Internal Revenue Service Form 4626, Alternative Minimum Tax--Corporations.

If you have questions, please consult your tax advisor for further guidance.

Company Information

Public Storage, a member of the S&P 500 and the Forbes Global 2000, is a fully integrated, self-administered and self-managed real estate investment trust that primarily acquires, develops, owns and operates self-storage facilities. The Company's headquarters are located in Glendale, California. At September 30, 2008, the Company had

interests in 2,017 self-storage facilities located in 38 states with approximately 127 million net rentable square feet in the United States and 179 storage facilities in seven Western European nations with approximately nine million net rentable square feet.

Additional information about Public Storage is available on the Internet. The Company's web site is www.publicstorage.com.

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