

Public Storage  
Form 10-Q  
August 05, 2016

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 June 30, 2016

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	95-3551121
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

701 Western Avenue, Glendale, California	91201-2349
(Address of principal executive offices)	(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).

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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 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 August 3, 2016:

Common Shares of beneficial interest, \$.10 par value per share – 173,401,388 shares

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PUBLIC STORAGE

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## PUBLIC STORAGE

## BALANCE SHEETS

(Amounts in thousands, except share data)

(Unaudited)

	June 30, 2016	December 31, 2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 260,124	\$ 104,285
Real estate facilities, at cost:		
Land	3,686,289	3,564,810
Buildings	9,884,371	9,640,451
	13,570,660	13,205,261
Accumulated depreciation	(5,064,423)	(4,866,738)
	8,506,237	8,338,523
Construction in process	228,103	219,190
	8,734,340	8,557,713
Investments in unconsolidated real estate entities	696,069	809,308
Goodwill and other intangible assets, net	213,396	211,458
Other assets	93,208	95,468
Total assets	\$ 9,997,137	\$ 9,778,232
<b>LIABILITIES AND EQUITY</b>		
Senior unsecured notes	\$ 379,792	\$ 263,940
Mortgage notes	57,043	55,076
Preferred shares called for redemption (Note 7)	487,500	-
Accrued and other liabilities	305,769	261,578
Total liabilities	1,230,104	580,594
Commitments and contingencies (Note 11)		
Equity:		
Public Storage shareholders' equity:		

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Preferred Shares, \$0.01 par value, 100,000,000 shares authorized, 147,700 shares issued (in series) and outstanding, (162,200 at December 31, 2015), at liquidation preference	3,692,500	4,055,000
Common Shares, \$0.10 par value, 650,000,000 shares authorized, 173,098,015 shares issued and outstanding (172,921,241 shares at December 31, 2015)	17,310	17,293
Paid-in capital	5,598,846	5,601,506
Accumulated deficit	(491,912)	(434,610)
Accumulated other comprehensive loss	(78,991)	(68,548)
Total Public Storage shareholders' equity	8,737,753	9,170,641
Noncontrolling interests	29,280	26,997
Total equity	8,767,033	9,197,638
Total liabilities and equity	\$ 9,997,137	\$ 9,778,232

See accompanying notes.

## PUBLIC STORAGE

## STATEMENTS OF INCOME

(Amounts in thousands, except per share amounts)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenues:				
Self-storage facilities	\$ 594,387	\$ 551,028	\$ 1,168,973	\$ 1,081,665
Ancillary operations	39,801	37,587	77,001	71,829
	634,188	588,615	1,245,974	1,153,494
Expenses:				
Self-storage cost of operations	157,687	147,826	317,550	309,068
Ancillary cost of operations	14,317	13,271	27,740	24,041
Depreciation and amortization	107,013	106,473	212,141	213,619
General and administrative	18,321	20,988	41,368	45,148
	297,338	288,558	598,799	591,876
Operating income	336,850	300,057	647,175	561,618
Interest and other income	4,028	3,815	7,864	7,852
Interest expense	(1,378)	-	(2,089)	-
Equity in earnings of unconsolidated real estate entities	10,227	7,480	24,391	23,664
Foreign currency exchange gain (loss)	8,632	-	(2,322)	-
Gain on real estate investment sales	-	16,688	689	18,160
Net income	358,359	328,040	675,708	611,294
Allocation to noncontrolling interests	(1,700)	(1,635)	(3,176)	(3,108)