



**Third Quarter 2011  
Supplemental Information**

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# CUBESMART

September 30, 2011

## Equity Research Coverage

<b>BANK OF AMERICA MERRILL LYNCH</b> JANA GALAN 646.855.3081	<b>BMO CAPITAL MARKETS</b> PAUL ADORNATO 212.885.4170	<b>CITIGROUP</b> MICHAEL BILERMAN 212.816.1383	<b>RAYMOND JAMES &amp; ASSOCIATES</b> PAUL PURYEAR 727.567.2253
<b>GREEN STREET ADVISORS</b> MICHAEL KNOTT 949.640.8780	<b>KEYBANC CAPITAL MARKETS</b> JORDAN SADLER 917.368.2280	<b>MACQUARIE RESEARCH EQUITIES</b> KI BIN KIM 212.231.6386	<b>WELLS FARGO SECURITIES, LLC</b> TODD STENDER 212.214.8067
<b>ROBERT W. BAIRD &amp; CO.</b> PAULA POSKON 703.821.5782	<b>STIFEL NICOLAUS &amp; COMPANY, INC.</b> ROD PETRIK 443.224.1306	<b>UBS INVESTMENT RESEARCH</b> ROSS NUSSBAUM 212.713.2484	

Any opinions, estimates, forecasts or predictions regarding CubeSmart's performance made by these analysts are theirs alone and do not represent opinions, estimates, forecasts or predictions of CubeSmart or its management. CubeSmart does not by its reference above or distribution imply its endorsement of or concurrence with such opinions, estimates, forecasts or predictions.

## Company Information

<b>Corporate Headquarters</b> 460 E. Swedesford Road, Suite 3000 Wayne, PA 19087 610.293.5700	<b>Trading Symbol</b> Common Shares: CUBE  <b>Stock Exchange Listing</b> New York Stock Exchange	<b>Investor Relations</b> Timothy M. Martin 460 E. Swedesford Road, Suite 3000 Wayne, PA 19087 610.293.5700	<b>Information Requests</b> To request an Investor Relations package or annual report, please visit our website at <a href="http://www.cubesmart.com">www.cubesmart.com</a>
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## Investor Information

	3rd Quarter 2011	2nd Quarter 2011	1st Quarter 2011	4th Quarter 2010	3rd Quarter 2010
Share price, high	\$ 11.15	\$ 11.39	\$ 10.57	\$ 9.56	\$ 8.86
Share price, low	\$ 8.53	\$ 9.93	\$ 9.20	\$ 8.19	\$ 6.88
Share price, period end	\$ 8.53	\$ 10.52	\$ 10.52	\$ 9.53	\$ 8.35
Dividends declared per share	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.025
Dividend yield, period end	3.28%	2.66%	2.66%	2.94%	1.20%
Closing Common Shares outstanding (excluding unvested restricted shares, in thousands)	99,002	98,854	98,831	98,597	95,435
Closing Operating Partnership Units outstanding	4,729	4,729	4,737	4,737	4,737
Total closing Common Shares and Units	103,731	103,583	103,568	103,334	100,172



## Forward Looking Statements

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This presentation, together with other statements and information publicly disseminated by CubeSmart ("we," "us," "our" or the "Company"), contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements are based on estimates, assumptions and expectations that may not be realized and are inherently subject to risks and uncertainties, many of which we cannot predict with accuracy and some of which we might not even anticipate. Although we believe the estimates, assumptions and expectations reflected in these forward-looking statements are reasonable, our actual performance may differ materially from the results expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to: changes in national and local economic, business, real estate and other market conditions which, among other things, reduce demand for self-storage facilities or increase costs of owning and operating self-storage facilities; competition from other self-storage facilities and storage alternatives, which could result in lower occupancy and decreased rents; the execution of our business plan; financing risks, including the risk of over-leverage and the corresponding risk of default on our mortgage and other debt and potential inability to refinance existing indebtedness; increases in interest rates and operating costs; counterparty non-performance related to the use of derivative financial instruments; our ability to maintain our status as a real estate investment trust ("REIT") for federal income tax purposes; acquisition and development risks, including unanticipated costs associated with the integration and operation of acquisitions; risks of investing through joint ventures, including risks that our joint venture partners may not fulfill their obligations or may pursue actions that are inconsistent with our objectives; changes in real estate and zoning laws or regulations; risks related to natural disasters; potential environmental and other liabilities; and other risks identified in Item 1A of our Annual Report on Form 10-K and, from time to time, in other reports we file with the Securities and Exchange Commission (the "SEC") or in other documents that we publicly disseminate.

Given these uncertainties, we caution readers not to place undue reliance on forward-looking statements. We undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise except as may be required by securities laws.

## Funds from Operations (FFO)

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FFO is a widely used performance measure for real estate companies and is provided here as a supplemental measure of operating performance. The Company calculates FFO in accordance with the best practices described in the April 2002 National Policy Bulletin of the National Association of Real Estate Investment Trusts (the "White Paper"). The White Paper defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

Management uses FFO as a key performance indicator in evaluating the operations of the Company's facilities. Given the nature of its business as a real estate owner and operator, the Company considers FFO a key measure of its operating performance that is not specifically defined by accounting principles generally accepted in the United States. The Company believes that FFO is useful to management and investors as a starting point in measuring its operational performance because it excludes various items included in net income that do not relate to or are not indicative of its operating performance such as gains (or losses) from sales of property and depreciation, which can make periodic and peer analyses of operating performance more difficult. FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of the Company's financial performance, is not an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure of the Company's liquidity, and is not indicative of funds available to fund the Company's cash needs, including its ability to make distributions.

We define net operating income, which we refer to as "NOI," as total continuing revenues less continuing property operating expenses. NOI also can be calculated by adding back to net income: interest expense, loan procurement amortization expense, loan procurement amortization expense - early repayment of debt, acquisition related costs, equity in losses of real estate entities, noncontrolling interest, depreciation and general and administrative, and deducting from net income: gains on sale of self-storage facilities, interest income and other. NOI is not a measure of performance calculated in accordance with GAAP.

Management uses NOI as a measure of operating performance at each of our facilities, and for all of our facilities in the aggregate. NOI should not be considered as a substitute for operating income, net income, cash flows provided by operating, investing and financing activities, or other income statement or cash flow statement data prepared in accordance with GAAP.

**CUBESMART DELIVERS 38% FFO PER SHARE GROWTH,  
4.0% SAME-STORE REVENUE GROWTH AND 7.9% NOI GROWTH---  
RAISES FULL-YEAR EARNINGS GUIDANCE**

WAYNE, PA -- (MARKET WIRE) – November 3, 2011 -- CubeSmart (NYSE: CUBE) announced its operating results for the three and nine months ended September 30, 2011.

“This past quarter has been transformational for our Company as we introduced our new brand, achieved an investment grade credit rating on our balance sheet and continued the dramatic improvement in the quality of our portfolio through our acquisition and disposition activities,” said CubeSmart Chief Executive Officer Dean Jernigan. “Not to be overshadowed however, our third quarter operating results demonstrate the strength of both storage fundamentals generally and our portfolio specifically. Our top line grew from a combination of occupancy gains and increased rental rates to both new and existing customers.”

**Key Highlights**

- Funds from Operations (“FFO”)
  - FFO of \$0.18 per share for the three months ended September 30, 2011, representing 38% growth compared to \$0.13 per share reported for the three months ended September 30, 2010.
- Same-store Revenue (332 same-store facilities)
  - 3<sup>rd</sup> quarter - Same-store total revenue increased 4.0% from the third quarter of 2010.
  - Nine months ended - Same-store total revenue increased 3.7% in 2011 over 2010.
- Same-store Property Operating Expenses
  - 3<sup>rd</sup> quarter - Same-store property operating expenses decreased 2.1% compared to the third quarter of 2010.
  - Nine months ended - Same-store property operating expenses increased 0.6% from 2010 to 2011.
- Same-store Net Operating Income (“NOI”)
  - 3<sup>rd</sup> quarter - Same-store NOI increased 7.9% from the third quarter of 2010.
  - Nine months ended - Same-store NOI increased 5.8% from the first nine months of 2010.
- Same-store Physical Occupancy
  - At September 30, 2011, ending physical occupancy increased 310 basis points to 80.8% compared to 77.7% at September 30, 2010.
  - 3<sup>rd</sup> quarter - Average physical occupancy was 80.8% for the third quarter of 2011 on the same-store facilities, an increase of 260 basis points compared to 78.2% for the third quarter of 2010.
  - Nine months ended - Average physical occupancy was 78.7% for the nine months ended September 30, 2011 on the same-store facilities compared to 76.8% for the nine months ended September 30, 2010.
  - Ending sequential quarterly occupancy increased 100 basis points (80.8% as of September 30, 2011 compared to 79.8% as of June 30, 2011) compared to a decrease of 10 basis points in the same period last year (77.7% as of September 30, 2010 compared to 77.8% as of June 30, 2010).

- Acquisition Activity
  - 3<sup>rd</sup> quarter - The Company acquired four storage facilities for an aggregate investment of \$20.6 million.
  - Nine months ended – The Company acquired nine storage facilities for an aggregate investment of \$80.4 million.
- Disposition Activity
  - 3<sup>rd</sup> quarter - The Company sold 18 assets located in Ohio and Indiana for \$43.5 million.
- Joint Venture Activity
  - 3<sup>rd</sup> quarter - The Company acquired a 50% interest in a partnership which owns nine facilities located in New York, New Jersey, Pennsylvania, Virginia and Florida. The total capitalization of the venture is approximately \$90.0 million and the Company's investment in the partnership is \$15.4 million.
- Third Party Management
  - 3<sup>rd</sup> quarter - the Company was awarded new management contacts related to 19 self-storage facilities during the quarter.
  - Nine months ended – the Company was awarded new management contacts related to 28 self-storage facilities year to date.
  - At September 30, 2011, the Company managed 103 properties totaling 6.5 million square feet for third parties.
- Investment Grade Rating
  - In July, Moody's Investors Services assigned the Company's operating partnership, CubeSmart L.P., a Baa3 issuer rating with a stable outlook.

## **Funds from Operations**

FFO for the third quarter of 2011 was \$18.8 million, compared to \$13.1 million for the third quarter of 2010. FFO per share was \$0.18 per share for the third quarter of 2011, compared to \$0.13 per share for the same quarter of last year.

## **Storage Deluxe Acquisition**

On October 24, 2011, the Company entered into a contract to acquire 22 Class A self-storage facilities containing approximately 1.6 million square feet from Storage Deluxe for total consideration of \$560 million, including the assumption of \$88 million of existing secured indebtedness. Following the closing of the transaction, the Company will be the largest owner, by number of assets, of self-storage facilities in New York City, with a total of 21 owned facilities.

CubeSmart's President and Chief Investment Officer Christopher Marr said, "This transaction accelerates the transition that management began in 2008, further improving the overall quality of our portfolio, including its demographics, margins and rent per square foot. Going forward, more than 60% of our portfolio net operating income will be derived from our core markets, a 43% improvement from January 2008. The New York, Miami, Washington DC, Chicago and Dallas metro areas will be our top 5 markets upon completion of this acquisition."

On November 3, 2011, the Company closed on the purchase of the 16 unencumbered assets for an aggregate purchase price of \$357.3 million. The Company expects to close on the remaining 6 encumbered assets during the first quarter of 2012 for a purchase price of \$202.7 million.

In connection with entering into the contract to acquire the Storage Deluxe portfolio, the Company completed a public offering of common shares and a public offering of Series A Preferred Shares.

On October 28, 2011, the Company completed its public offering of 23,000,000 common shares at a public offering price of \$9.20, which reflects the full exercise by the underwriters of their option to purchase 3,000,000 shares to cover over-allotments. The Company received approximately \$202.4 million in net proceeds from the offering after deducting the underwriting discount and other estimated offering expenses.

On November 2, 2011, the Company completed its public offering of 2,800,000 shares of its newly issued 7.75% Series A Cumulative Redeemable Preferred Shares at a price of \$25.00 per share for net proceeds of approximately \$67.5 million, after deducting the underwriting discount and other estimated offering expenses. The Company granted the underwriters of the offering a 30-day option to purchase up to an additional 420,000 shares.

CubeSmart President and Chief Investment Officer Christopher Marr continued, “Following the announcement of the transaction on October 24<sup>th</sup>, we have raised \$270 million of permanent capital with our common and preferred share offerings. We are focused on raising the balance of the permanent financing by the end of the year and expect that to be comprised primarily of unsecured bank term loans.”

### **Same-Store Results**

The Company’s same-store pool at September 30, 2011 represented 332 facilities containing approximately 21.9 million rentable square feet and included approximately 93.9% of the aggregate rentable square feet of the Company’s 353 owned facilities. These same-store facilities represent approximately 91.3% of property net operating income for the quarter ended September 30, 2011.

The same-store physical occupancy at period end for the third quarter of 2011 was 80.8% compared to 77.7% for the same quarter of last year. Same-store net rental income for the third quarter of 2011 increased 2.6%, same-store total revenues increased 4.0% and same-store operating expenses decreased 2.1% over the same quarter in 2010. Same-store net operating income increased 7.9% compared to the same quarter of 2010.

For the nine months ended September 30, 2011, same-store total revenues, operating expenses and net operating income increased 3.7%, 0.6%, and 5.8%, respectively, as compared to the results for the nine months ended September 30, 2010. Average physical occupancy of the same-store pool for 2011 was 78.7% as compared to 76.8% during 2010.

### **Balance Sheet**

At September 30, 2011, the Company had three \$100 million unsecured term loans outstanding, maturing in 2013, 2016 and 2018, and the Company had no amounts drawn on its \$250 million revolving credit facility.

During the nine months ended September 30, 2011, the Company repaid \$2.7 million of secured loans that had maturity dates in 2011 and \$30.7 million of secured loans that had maturity dates in 2014.

## **Investment Grade Rating**

On July 13, 2011, the Company announced that its operating partnership, CubeSmart L.P., was assigned a Baa3 issuer rating by Moody's Investors Service with a stable outlook.

Additional information regarding CubeSmart's rating assignment can be found in the Moody's press release dated July 13, 2011 available on Moody's website at [www.moody.com](http://www.moody.com). None of the information on Moody's website, including the press release, is incorporated by reference into or is otherwise a part of this press release. The rating is subject to revision or withdrawal at any time by the rating agency and is not a recommendation to buy, sell or hold securities.

## **Operating Results**

The Company reported net income attributable to the Company of \$6.8 million or \$0.07 per common share in the third quarter of 2011, compared to a net loss attributable to the Company of \$1.5 million or \$0.02 per common share in the third quarter of 2010. Total revenues increased \$6.7 million and total property operating expenses increased \$1.8 million in the third quarter of 2011, compared to the same period in 2010. Increases in total revenues are attributable to increased occupancy levels in the same-store portfolio, revenues generated from property acquisitions and increased revenues generated from our third-party management business. Increases in total property operating expenses are attributable to \$2.2 million of increased expenses associated with newly acquired properties.

Interest expense decreased approximately \$1.2 million in the third quarter of 2011, compared to the third quarter of 2010, primarily related to approximately \$120 million of net mortgage loan repayments during the period from July 1, 2010 through September 30, 2011.

The Company's third quarter results include \$0.4 million of income from discontinued operations and \$3.5 million of net gain on disposition of discontinued operations related to the disposition of 18 facilities during August 2011.

The Company's 353 owned facilities, containing 23.3 million rentable square feet, had a physical occupancy at September 30, 2011 of 80.4% and an average physical occupancy for the quarter ended September 30, 2011 of 80.4%.

## **Quarterly Dividend**

On August 3, 2011, the Company declared a dividend of \$0.07 per share. The dividend was paid on October 22, 2011, to shareholders of record on October 7, 2011.

## **2011 Financial Outlook**

"Our third quarter performance was at the high end of our expectations entering the quarter across all of our key operating metrics. Our year-to-date performance has again led to upward revisions in our internal growth assumptions and our FFO per share expectations," said Timothy Martin, CubeSmart Chief Financial Officer. "Our fourth quarter and full year guidance contemplates the impact of today's closing of the first \$357.3 million tranche of our Storage Deluxe acquisition, as well as the impact of our recently closed sales of both common and



preferred shares. Our guidance excludes the fourth quarter impact of acquisition related closing costs as well as period costs associated with financing and refinancing activity.”

The Company is adjusting its previously issued estimates as well as the underlying same-store assumptions and now expects that its fully-diluted FFO per share for 2011 will be between \$0.62 and \$0.63 (versus previous estimate of \$0.60 to \$0.63 per share), and that its fully-diluted net income per share for the period will be between \$0.06 and \$0.07. The Company’s estimate is based on the following key assumptions:

- For 2011, the same-store pool consists of 332 assets totaling 21.9 million square feet
- Same-store revenue growth increased to a current assumption of 3.6% to 3.8% over 2010 (previously 3.5% to 3.8%)
- Same-store expense growth decreased to a current assumption of 0.75% to 1.25% over 2010 (previously 1.0% to 2.0%)
- Same-store net operating income growth increased to a current assumption of 5.25% to 5.75% over 2010 (previously 4.5% to 5.5%)
- General and administrative expenses of approximately \$25.0 million to \$26.0 million (previously \$25.5 million to \$26.5 million)
- Guidance does not include the fourth quarter impact of acquisition related costs or period costs associated with financing or refinancing activities

2011 Full Year Guidance	Range or Value		
Earnings per diluted share allocated to common shareholders	\$ 0.06	to	\$ 0.07
Plus: real estate depreciation and amortization	0.59		0.59
Less: net gain on disposition of discontinued operations	(0.03)		(0.03)
FFO per diluted share	\$ 0.62	to	\$ 0.63

The Company estimates that its fully-diluted FFO per share for the quarter ending December 31, 2011 will be between \$0.15 and \$0.16, and that its fully-diluted net loss per share for the period will be between \$0.01 and \$0.02.

4th Quarter 2011 Guidance	Range or Value		
Loss per diluted share allocated to common shareholders	\$ (0.02)	to	\$ (0.01)
Plus: real estate depreciation and amortization	0.17		0.17
FFO per diluted share	\$ 0.15	to	\$ 0.16

## Conference Call

Management will host a conference call at 11:00 a.m. ET on Friday, November 4, 2011, to discuss financial results for the three and nine months ended September 30, 2011.

A live webcast of the conference call will be available online from the investor relations page of the Company’s corporate website at [www.cubsmart.com](http://www.cubsmart.com). The dial-in numbers are 1-877-317-6789 for domestic callers and +1-412-317-6789 for international callers. After the live webcast, the call will remain available on CubeSmart’s website for thirty days. In addition, a telephonic replay of the call will be available until December 4, 2011. The replay dial-in number is 877-344-7529 for domestic callers and +1-412-317-0088 for international callers. The reservation number for both is 10005470.

Supplemental operating and financial data as of September 30, 2011 is available on our corporate website under Investor Relations - Financial Information - Financial Reports.

## **About CubeSmart**

CubeSmart is a self-administered and self-managed real estate investment trust. The Company's self-storage facilities are designed to offer affordable, easily accessible and secure storage space for residential and commercial customers. According to the Self-Storage Almanac, CubeSmart is one of the top four owners and operators of self-storage facilities in the United States.

## **Non-GAAP Performance Measurements**

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We define net operating income, which we refer to as "NOI," as total continuing revenues less continuing property operating expenses. NOI also can be calculated by adding back to net income (loss): interest expense on loans, loan procurement amortization expense, loan procurement amortization expense – early repayment of debt, acquisition related costs, equity in losses of real estate entities, amounts attributable to noncontrolling interests, other expense, depreciation and amortization expense, general and administrative expense, and deducting from net income: income from discontinued operations, gains on disposition of discontinued operations, other income, and interest income. NOI is not a measure of performance calculated in accordance with GAAP.

Management uses NOI as a measure of operating performance at each of our facilities, and for all of our facilities in the aggregate. NOI should not be considered as a substitute for operating income, net income, cash flows provided by operating, investing and financing activities, or other income statement or cash flow statement data prepared in accordance with GAAP.

## Forward-Looking Statements

This presentation, together with other statements and information publicly disseminated by CubeSmart (“we,” “us,” “our” or the “Company”), contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Although we believe the expectations reflected in these forward-looking statements are based on reasonable assumptions, future events and actual results, performance, transactions or achievements, financial and otherwise, may differ materially from the results, performance, transactions or achievements expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to:

- national and local economic, business, real estate and other market conditions;
- the competitive environment in which we operate, including our ability to raise rental rates;
- the execution of our business plan;
- the availability of external sources of capital;
- financing risks, including the risk of over-leverage and the corresponding risk of default on our mortgage and other debt and potential inability to refinance existing indebtedness;
- increases in interest rates and operating costs;
- counterparty non-performance related to the use of derivative financial instruments;
- our ability to maintain our status as a real estate investment trust (“REIT”) for federal income tax purposes;
- acquisition and development risks;
- increases in taxes, fees, and assessments from state and local jurisdictions;
- changes in real estate and zoning laws or regulations;
- risks related to natural disasters;
- potential environmental and other liabilities;
- other factors affecting the real estate industry generally or the self-storage industry in particular; and
- other risks identified in our Annual Report on Form 10-K and, from time to time, in other reports we file with the Securities and Exchange Commission (the “SEC”) or in other documents that we publicly disseminate.

We undertake no obligation to publicly update or revise these forward-looking statements, whether as a result of new information, future events or otherwise except as may be required in securities laws.

Contact:  
CubeSmart  
Timothy M. Martin  
Chief Financial Officer  
(610) 293-5700

**CUBESMART  
FINANCIAL HIGHLIGHTS**

(unaudited, in thousands, except per share data)

This section includes non-GAAP financial measures, which are accompanied by what we consider the most directly comparable financial measures calculated and presented in accordance with GAAP.

	Three Months Ended				
	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
<b>Selected Financial Information:</b>					
<b>Total portfolio:</b>					
Revenue	\$ 60,445	\$ 57,661	\$ 55,855	\$ 54,896	\$ 53,757
EBITDA	\$ 30,029	\$ 26,483	\$ 25,041	\$ 25,887	\$ 24,049
Net income (loss) attributable to the Company	\$ 6,828	\$ 902	\$ (117)	\$ 2,083	\$ (1,480)
Funds from operations (FFO)	\$ 18,842	\$ 16,027	\$ 14,669	\$ 15,598	\$ 13,122
FFO per share - fully diluted	\$ 0.18	\$ 0.15	\$ 0.14	\$ 0.15	\$ 0.13
Earnings (loss) per share - basic	\$ 0.07	\$ 0.01	\$ -	\$ 0.02	\$ (0.02)
Earnings (loss) per share - diluted	\$ 0.07	\$ 0.01	\$ -	\$ 0.02	\$ (0.02)
Dividends per common share and unit	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.025
Total assets	\$ 1,503,118	\$ 1,509,462	\$ 1,475,707	\$ 1,478,819	\$ 1,497,194
Total gross assets (total assets plus accumulated depreciation)	\$ 1,810,793	\$ 1,828,232	\$ 1,783,276	\$ 1,793,349	\$ 1,823,508
<b>Same-store:</b>					
Revenue	\$ 53,905	\$ 52,412	\$ 51,499	\$ 51,479	\$ 51,841
Expense	\$ 19,806	\$ 20,022	\$ 20,751	\$ 19,048	\$ 20,224
NOI	\$ 34,099	\$ 32,390	\$ 30,748	\$ 32,431	\$ 31,617
Gross margin	63.3%	61.8%	59.7%	63.0%	61.0%
Period average occupancy	80.8%	78.6%	76.8%	77.0%	78.2%
Total rentable square feet	21,877	21,877	21,877	21,877	21,877
REVPAF (1)	\$ 8.96	\$ 8.73	\$ 8.68	\$ 8.68	\$ 8.73
In place annual rent per occupied square foot (2)	\$ 12.03	\$ 11.98	\$ 12.06	\$ 12.10	\$ 12.08
Realized annual rent per occupied square foot (3)	\$ 11.09	\$ 11.11	\$ 11.31	\$ 11.28	\$ 11.17
Scheduled annual rent per square foot (4)	\$ 12.27	\$ 12.09	\$ 12.04	\$ 12.12	\$ 12.00
<b>Ratios:</b>					
Interest coverage ratio (5)	3.14	2.81	2.57	2.53	2.15
FFO payout ratio	38.9%	46.7%	50.0%	46.7%	19.2%
<b>Capitalization:</b>					
Total Debt	\$ 646,018	\$ 656,645	\$ 623,041	\$ 615,457	\$ 656,174
Price per share at quarter end	\$ 8.53	\$ 10.52	\$ 10.52	\$ 9.53	\$ 8.35
Market Equity Value at quarter end	\$ 883,913	\$ 1,089,641	\$ 1,088,883	\$ 964,798	\$ 822,392
Total Market Capitalization	\$ 1,529,931	\$ 1,746,286	\$ 1,711,924	\$ 1,580,255	\$ 1,478,566
Total Debt/Total Gross Assets	35.7%	35.9%	34.9%	34.3%	36.0%
Total Debt/Total Market Capitalization	42.2%	37.6%	36.4%	38.9%	44.4%
<b>Shares and Units:</b>					
Closing Common Shares outstanding (excluding unvested restricted shares)	99,002	98,854	98,831	98,597	95,435
Closing Operating Partnership Units outstanding	4,729	4,729	4,737	4,737	4,737
Closing total Common Shares and Operating Partnership Units outstanding	103,731	103,583	103,568	103,334	100,172
Average Common Shares outstanding (excluding unvested restricted shares)	98,895	98,844	98,769	96,501	93,724
Average Operating Partnership Units outstanding	4,729	4,734	4,737	4,737	4,766
Average total Common Shares and Operating Partnership Units outstanding	103,624	103,578	103,506	101,238	98,490
Average total weighted-average shares and units outstanding (including dilutive effect of options)	105,013	105,071	105,008	102,535	99,620

- (1) Realized annual rent per available foot or "REVPAF" is computed by dividing rental income (which excludes late charges and administrative fees) by the total available net rentable square feet for the period.  
(2) In place annual rent per occupied square foot represents annualized contractual rents per occupied square foot without reductions for promotional discounts and excludes late charges and administrative fees.  
(3) Realized annual rent per occupied square foot is computed by dividing rental income by the weighted average occupied square feet for the period.  
(4) Scheduled annual rent per square foot represents annualized contractual rents per available square foot for the period.  
(5) Net operating income divided by interest expense.

**CUBESMART**  
**BALANCE SHEETS**  
*(unaudited, in thousands, except share data)*

	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
<b>ASSETS</b>					
Storage facilities	\$ 1,740,880	\$ 1,781,331	\$ 1,737,681	\$ 1,743,021	\$ 1,745,625
Less: Accumulated depreciation	<u>(307,675)</u>	<u>(318,770)</u>	<u>(307,569)</u>	<u>(314,530)</u>	<u>(326,314)</u>
Storage facilities, net	1,433,205	1,462,561	1,430,112	1,428,491	1,419,311
Cash and cash equivalents	12,491	1,845	4,089	5,891	23,203
Restricted cash	11,228	9,747	9,612	10,250	15,528
Loan procurement costs, net of amortization	11,574	12,672	14,034	15,611	17,351
Investment in real estate entities	15,438	-	-	-	-
Assets held for sale	-	-	-	-	1,867
Other assets, net	19,182	22,637	17,860	18,576	19,934
Total assets	<u>\$ 1,503,118</u>	<u>\$ 1,509,462</u>	<u>\$ 1,475,707</u>	<u>\$ 1,478,819</u>	<u>\$ 1,497,194</u>
<b>LIABILITIES AND EQUITY</b>					
Revolving credit facility	\$ -	\$ 9,000	\$ 40,500	\$ 43,000	\$ -
Unsecured term loans	300,000	300,000	200,000	200,000	200,000
Mortgage loans and notes payable	346,018	347,645	382,541	372,457	456,174
Accounts payable, accrued expenses and other liabilities	50,028	37,105	32,104	36,172	40,646
Distributions payable	7,293	7,260	7,292	7,275	2,515
Deferred revenue	9,326	9,532	9,272	8,873	8,893
Security deposits	476	490	497	489	512
Other liabilities held for sale	-	-	-	-	22
Total liabilities	<u>713,141</u>	<u>711,032</u>	<u>672,206</u>	<u>668,266</u>	<u>708,762</u>
Noncontrolling interests in the Operating Partnership	<u>42,521</u>	<u>49,789</u>	<u>49,835</u>	<u>45,145</u>	<u>43,871</u>
Commitments and contingencies					
Equity					
Common shares \$.01 par value, 200,000,000 shares authorized	990	989	988	986	954
Additional paid in capital	1,030,847	1,028,640	1,027,594	1,026,952	998,894
Accumulated other comprehensive loss	(9,484)	(113)	(888)	(1,121)	(924)
Accumulated deficit	<u>(314,380)</u>	<u>(321,053)</u>	<u>(314,693)</u>	<u>(302,601)</u>	<u>(296,225)</u>
Total CubeSmart shareholders' equity	<u>707,973</u>	<u>708,463</u>	<u>713,001</u>	<u>724,216</u>	<u>702,699</u>
Noncontrolling interest in subsidiaries	<u>39,483</u>	<u>40,178</u>	<u>40,665</u>	<u>41,192</u>	<u>41,862</u>
Total equity	<u>747,456</u>	<u>748,641</u>	<u>753,666</u>	<u>765,408</u>	<u>744,561</u>
Total liabilities and equity	<u>\$ 1,503,118</u>	<u>\$ 1,509,462</u>	<u>\$ 1,475,707</u>	<u>\$ 1,478,819</u>	<u>\$ 1,497,194</u>

**CUBESMART**  
**STATEMENTS OF OPERATIONS**  
*(unaudited, in thousands, except per share data)*

	Three Months Ended				
	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
<b>REVENUES</b>					
Rental income	\$ 53,705	\$ 51,371	\$ 50,354	\$ 48,970	\$ 48,057
Other property related income	5,862	5,442	4,592	4,779	4,652
Property management fee income	878	848	909	1,147	1,048
Total revenues	<u>60,445</u>	<u>57,661</u>	<u>55,855</u>	<u>54,896</u>	<u>53,757</u>
<b>OPERATING EXPENSES</b>					
Property operating expenses	24,940	24,337	24,783	22,911	23,111
Depreciation and amortization	16,042	15,596	15,223	15,570	14,789
General and administrative	5,476	6,841	6,031	6,098	6,597
Total operating expenses	<u>46,458</u>	<u>46,774</u>	<u>46,037</u>	<u>44,579</u>	<u>44,497</u>
<b>OPERATING INCOME</b>	<u>13,987</u>	<u>10,887</u>	<u>9,818</u>	<u>10,317</u>	<u>9,260</u>
<b>OTHER INCOME (EXPENSE)</b>					
Interest:					
Interest expense on loans	(8,464)	(8,020)	(8,113)	(8,470)	(9,648)
Loan procurement amortization expense	(1,093)	(1,396)	(1,636)	(1,745)	(1,559)
Loan procurement amortization expense - early repayment of debt	-	(2,085)	-	-	-
Interest income	7	5	9	5	19
Acquisition related costs	(374)	(146)	(109)	(294)	(165)
Equity in losses of real estate entities	(24)	-	-	-	-
Other	1	(198)	(3)	(94)	(67)
Total other expense	<u>(9,947)</u>	<u>(11,840)</u>	<u>(9,852)</u>	<u>(10,598)</u>	<u>(11,420)</u>
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<u>4,040</u>	<u>(953)</u>	<u>(34)</u>	<u>(281)</u>	<u>(2,160)</u>
<b>DISCONTINUED OPERATIONS</b>					
Income from discontinued operations	361	2,541	510	1,132	1,045
Net gain on disposition of discontinued operations	3,527	-	-	1,826	-
Total discontinued operations	<u>3,888</u>	<u>2,541</u>	<u>510</u>	<u>2,958</u>	<u>1,045</u>
<b>NET INCOME (LOSS)</b>	<u>7,928</u>	<u>1,588</u>	<u>476</u>	<u>2,677</u>	<u>(1,115)</u>
<b>NET LOSS (INCOME) ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>					
Noncontrolling interests in the Operating Partnership	(329)	(44)	5	(106)	76
Noncontrolling interest in subsidiaries	(771)	(642)	(598)	(488)	(441)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO THE COMPANY</b>	<u>\$ 6,828</u>	<u>\$ 902</u>	<u>\$ (117)</u>	<u>\$ 2,083</u>	<u>\$ (1,480)</u>
Basic and diluted earnings (loss) per share from continuing operations attributable to common shareholders	\$ 0.03	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.03)
Basic and diluted earnings per share from discontinued operations attributable to common shareholders	0.04	0.03	0.01	0.03	0.01
Basic and diluted earnings (loss) per share attributable to common shareholders	<u>\$ 0.07</u>	<u>\$ 0.01</u>	<u>\$ -</u>	<u>\$ 0.02</u>	<u>\$ (0.02)</u>
Weighted-average basic shares outstanding	98,895	98,844	98,769	96,501	93,724
Weighted-average diluted shares outstanding	100,284	98,844	98,769	96,501	93,724
<b>AMOUNTS ATTRIBUTABLE TO THE COMPANY'S COMMON SHAREHOLDERS:</b>					
Income (loss) from continuing operations	\$ 3,119	\$ (1,522)	\$ (604)	\$ (739)	\$ (2,476)
Total discontinued operations	3,709	2,424	487	2,822	996
Net income (loss)	<u>\$ 6,828</u>	<u>\$ 902</u>	<u>\$ (117)</u>	<u>\$ 2,083</u>	<u>\$ (1,480)</u>

**CUBESMART**  
**SAME-STORE PORTFOLIO NET OPERATING INCOME**  
*(unaudited, in thousands)*

	Three months ended			Nine months ended		
	September 30		Percent Change	September 30,		Percent Change
	2011	2010		2011	2010	
<b>REVENUES</b>						
Net rental income	\$ 49,003	\$ 47,740	2.6%	\$ 144,222	\$ 140,490	2.7%
Other property related income	4,902	4,101	19.5%	13,594	11,679	16.4%
Total revenues	<u>53,905</u>	<u>51,841</u>	4.0%	<u>157,816</u>	<u>152,169</u>	3.7%
<b>OPERATING EXPENSES</b>						
Property taxes	6,233	6,223	0.2%	19,147	19,478	-1.7%
Personnel expense	5,661	5,726	-1.1%	17,096	16,589	3.1%
Advertising	1,383	1,571	-12.0%	4,508	4,719	-4.5%
Repair and maintenance	685	730	-6.2%	2,049	1,937	5.8%
Utilities	2,237	2,457	-9.0%	6,432	6,742	-4.6%
Property insurance	691	705	-2.0%	2,073	2,114	-1.9%
Other expenses	2,916	2,812	3.7%	9,274	8,666	7.0%
Total operating expenses	<u>19,806</u>	<u>20,224</u>	-2.1%	<u>60,579</u>	<u>60,245</u>	0.6%
Net operating income (1)	<u>\$ 34,099</u>	<u>\$ 31,617</u>	7.9%	<u>\$ 97,237</u>	<u>\$ 91,924</u>	5.8%
Gross margin	63.3%	61.0%		61.6%	60.4%	
Period Average Occupancy (2)	80.8%	78.2%		78.7%	76.8%	
Period End Occupancy (3)	80.8%	77.7%		80.8%	77.7%	
Total rentable square feet	21,877	21,877		21,877	21,877	
Realized annual rent per occupied square foot (4)	\$ 11.09	\$ 11.17	-0.7%	\$ 11.17	\$ 11.16	0.1%
Scheduled annual rent per square foot (5)	\$ 12.27	\$ 12.00	2.2%	\$ 12.13	\$ 11.88	2.1%
<b>Reconciliation of Same-Store Net Operating Income to Operating Income</b>						
Same-store net operating income (1)	\$ 34,099	\$ 31,617		\$ 97,237	\$ 91,924	
Non same-store net operating income (1)	3,245	38		7,721	(1)	
Indirect property overhead (6)	(1,839)	(1,009)		(5,055)	(4,241)	
Depreciation and amortization	(16,042)	(14,789)		(46,862)	(45,919)	
General and administrative expense	<u>(5,476)</u>	<u>(6,597)</u>		<u>(18,350)</u>	<u>(19,308)</u>	
Operating Income	<u>\$ 13,987</u>	<u>\$ 9,260</u>		<u>\$ 34,691</u>	<u>\$ 22,455</u>	

- (1) Net operating income (NOI) is a non-GAAP (generally accepted accounting principles) financial measure that excludes from operating income the impact of depreciation and general & administrative expense.
- (2) Represents the weighted average occupancy for the period.
- (3) Represents occupancy at September 30 of the respective year.
- (4) Realized annual rent per occupied square foot is computed by dividing rental income by the weighted average occupied square feet for the period.
- (5) Scheduled annual rent per square foot represents annualized contractual rents per available square foot for the period.
- (6) Includes property management fee income earned in conjunction with managed properties.



**CUBESMART**  
**SAME-STORE PORTFOLIO NET OPERATING INCOME - TRAILING FIVE QUARTERS**  
*(unaudited, in thousands)*

	Three months ended				
	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
<b>REVENUES</b>					
Net rental income	\$ 49,003	\$ 47,735	\$ 47,483	\$ 47,499	\$ 47,740
Other property related income	4,902	4,677	4,016	3,980	4,101
Total revenues	<u>53,905</u>	<u>52,412</u>	<u>51,499</u>	<u>51,479</u>	<u>51,841</u>
<b>OPERATING EXPENSES</b>					
Property taxes	6,233	6,478	6,436	6,189	6,223
Personnel expense	5,661	5,751	5,684	5,523	5,726
Advertising	1,383	1,554	1,572	1,046	1,571
Repair and maintenance	685	738	626	744	730
Utilities	2,237	1,923	2,271	1,933	2,457
Property insurance	691	707	674	685	705
Other expenses	2,916	2,871	3,488	2,928	2,812
Total operating expenses	<u>19,806</u>	<u>20,022</u>	<u>20,751</u>	<u>19,048</u>	<u>20,224</u>
Net operating income (1)	<u>\$ 34,099</u>	<u>\$ 32,390</u>	<u>\$ 30,748</u>	<u>\$ 32,431</u>	<u>\$ 31,617</u>
Gross margin	63.3%	61.8%	59.7%	63.0%	61.0%
Period Average Occupancy (2)	80.8%	78.6%	76.8%	77.0%	78.2%
Period End Occupancy (3)	80.8%	79.8%	77.0%	76.7%	77.7%
Total rentable square feet	21,877	21,877	21,877	21,877	21,877
Realized annual rent per occupied square foot (4)	\$ 11.09	\$ 11.11	\$ 11.31	\$ 11.28	\$ 11.17
Scheduled annual rent per square foot (5)	\$ 12.27	\$ 12.09	\$ 12.04	\$ 12.12	\$ 12.00
<b>Reconciliation of Same-Store Net Operating Income to Operating Income</b>					
Same-store net operating income (1)	\$ 34,099	\$ 32,390	\$ 30,748	\$ 32,431	\$ 31,617
Non same-store net operating income (1)	3,245	2,529	1,894	1,452	38
Indirect property overhead (6)	(1,839)	(1,595)	(1,570)	(1,898)	(1,009)
Depreciation and amortization	(16,042)	(15,596)	(15,223)	(15,570)	(14,789)
General and administrative expense	(5,476)	(6,841)	(6,031)	(6,098)	(6,597)
Operating Income	<u>\$ 13,987</u>	<u>\$ 10,887</u>	<u>\$ 9,818</u>	<u>\$ 10,317</u>	<u>\$ 9,260</u>

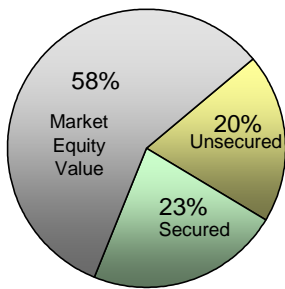
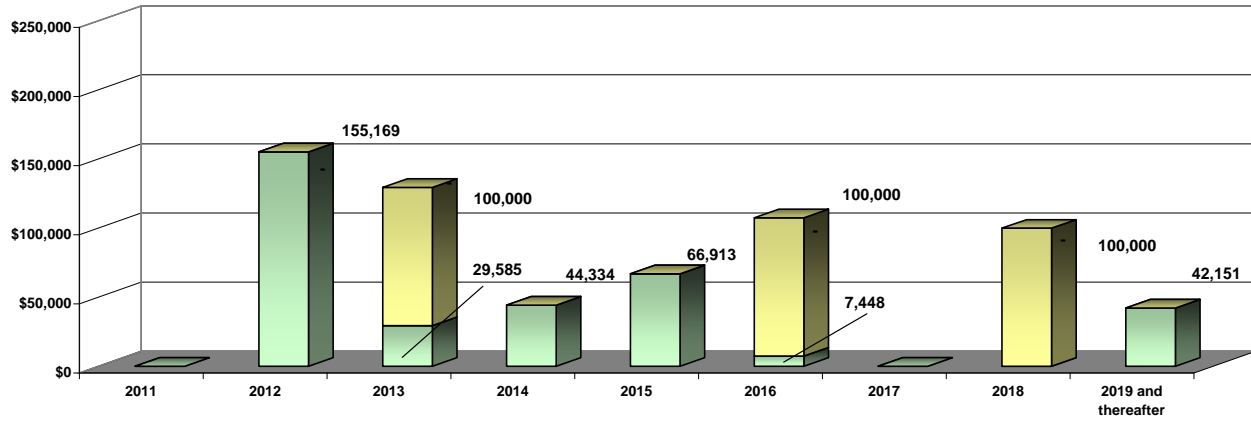
- (1) Net operating income (NOI) is a non-GAAP (generally accepted accounting principles) financial measure that excludes from operating income the impact of depreciation and general & administrative expense.
- (2) Square feet occupancy represents the weighted average occupancy for the period.
- (3) Represents occupancy at end of respective period.
- (4) Realized annual rent per occupied square foot is computed by dividing rental income by the weighted average occupied square feet for the period.
- (5) Scheduled annual rent per square foot represents annualized contractual rents per available square foot for the period.
- (6) Includes property management fee income earned in conjunction with managed properties.

**CUBESMART**  
**FUNDS FROM OPERATIONS**  
*(in thousands, except per share data)*

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
<b>Net income (loss)</b>	\$ 7,928	\$ (1,115)	\$ 9,992	\$ (8,696)
Add (deduct):				
Real estate depreciation and amortization	15,639	15,239	46,426	47,159
Gains on sale of real estate	(3,527)	-	(3,527)	-
Noncontrolling interests in subsidiaries' share of FFO	(1,198)	(1,003)	(3,353)	(2,958)
<b>FFO</b>	<u>\$ 18,842</u>	<u>\$ 13,121</u>	<u>\$ 49,538</u>	<u>\$ 35,505</u>
Earnings (loss) per share attributable to common shareholders - basic and diluted	\$ 0.07	\$ (0.02)	\$ 0.08	\$ (0.10)
FFO per share and unit - fully diluted	\$ 0.18	\$ 0.13	\$ 0.47	\$ 0.36
Weighted-average basic shares outstanding	98,895	93,724	98,836	93,154
Weighted-average diluted shares outstanding	100,284	93,724	100,264	93,154
Weighted-average diluted shares and units outstanding	105,013	99,620	104,997	99,005
Dividend per common share and unit	\$ 0.07	\$ 0.025	\$ 0.21	\$ 0.08
Payout ratio of FFO (Dividend per share divided by FFO per share)	39%	19%	45%	21%

**CUBESMART**  
**DEBT OVERVIEW (as of September 30, 2011)**  
*(unaudited, dollars in thousands)*

**Debt Maturity Schedule**

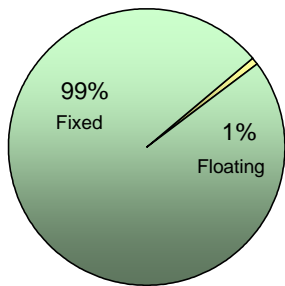


**Market Capitalization**

Unsecured	\$ 300,000	3.90%	4.5
Secured	346,018	5.74%	2.8
<b>Total Debt</b>	<b>\$ 646,018</b>	<b>4.89%</b>	<b>3.6</b>
Market Equity Value	883,913		
<b>Total Market Capitalization</b>	<b>\$ 1,529,931</b>		

Amount	Rate <sup>(1)</sup>	Weighted Average Maturity (in years)
\$ 300,000	3.90%	4.5
346,018	5.74%	2.8
<b>\$ 646,018</b>	<b>4.89%</b>	<b>3.6</b>
883,913		
<b>\$ 1,529,931</b>		

(1) Weighted average interest rate

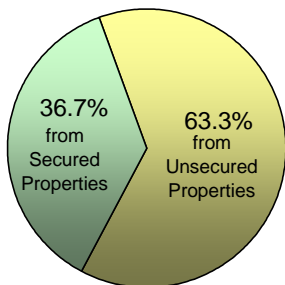


**Floating and Fixed**

Floating Rate Debt	\$ 5,404	5.11%	2.3
Fixed Rate Debt	640,614	4.89%	3.6
<b>Total Debt</b>	<b>\$ 646,018</b>	<b>4.89%</b>	<b>3.6</b>

Amount	Rate <sup>(1)</sup>	Weighted Average Maturity (in years)
\$ 5,404	5.11%	2.3
640,614	4.89%	3.6
<b>\$ 646,018</b>	<b>4.89%</b>	<b>3.6</b>

(1) Weighted average interest rate



**Portfolio Net Operating Income**

NOI from Unsecured Properties <sup>(1)</sup>	63.3%
NOI from Secured Properties <sup>(1)</sup>	36.7%
<b>Total</b>	<b>100.0%</b>

(1) Represents respective NOI contribution from properties as of quarter end

**CUBESMART**  
**DEBT ANALYSIS**  
*(dollars in thousands)*  
As of September 30, 2011

<b>FIXED RATE MORTGAGES</b>	Balance		Rate	Maturity Date	
YSI 6	\$ 75,169	FIXED	5.13%	Aug-12	
YASKY	80,000	FIXED	4.96%	Sep-12	
YSI 14	1,717	FIXED	6.22%	Jan-13	
YSI 7	3,050	FIXED	5.50%	Jun-13	
YSI 8	1,743	FIXED	5.50%	Jun-13	
YSI 9	1,917	FIXED	5.50%	Jun-13	
YSI 17	4,021	FIXED	5.72%	Jul-13	
YSI 27	485	FIXED	6.13%	Nov-13	
YSI 30	7,117	FIXED	6.13%	Nov-13	
YSI 11	2,368	FIXED	6.29%	Dec-13	
YSI 5	3,124	FIXED	6.22%	Jan-14	
YSI 28	1,521	FIXED	6.02%	Feb-14	
YSI 37	2,183	FIXED	7.25%	Aug-14	
YSI 44	1,077	FIXED	7.00%	Sep-14	
YSI 41	3,801	FIXED	6.60%	Sep-14	
YSI 45	5,377	FIXED	6.75%	Oct-14	
YSI 48	24,975	FIXED	7.25%	Nov-14	
YSI 50	2,276	FIXED	6.75%	Dec-14	
YSI 10	4,032	FIXED	5.47%	Jan-15	
YSI 15	1,843	FIXED	5.60%	Jan-15	
YSI 20	61,038	FIXED	5.97%	Nov-15	
YSI 51	7,448	FIXED	6.36%	Oct-16	
YSI 31	13,477	FIXED	6.75%	Jun-19	(a)
YSI 35	4,487	FIXED	6.90%	Jul-19	(a)
YSI 32	5,978	FIXED	6.75%	Jul-19	(a)
YSI 33	11,212	FIXED	6.42%	Jul-19	
YSI 39	3,884	FIXED	6.50%	Sep-19	(a)
YSI 47	3,113	FIXED	6.63%	Jan-20	(a)
<b>Total Mortgages</b>	<b>\$ 338,433</b>		<b>5.76%</b>		
<b>FIXED RATE DEBT PREMIUMS</b>					
Fixed Rate Debt Premiums	418				
<b>SECURED LOANS, VARIABLE RATE</b>					
USIFB	7,167	LIBOR + 2.75%	5.11%	(d)	Dec-13
<b>Total Secured Debt</b>	<b>\$ 346,018</b>		<b>5.74%</b>		
<b>UNSECURED FACILITY DEBT</b>					
Line-of-Credit	-	LIBOR + 3.25%	3.49%	(b)	Dec-13
Unsecured Term Loan	100,000	LIBOR + 3.25%	3.49%	(b) (c)	Dec-13
Unsecured Term Loan	100,000	LIBOR + 1.90%	3.70%	(b) (e)	Jun-16
Unsecured Term Loan	100,000	LIBOR + 2.05%	4.52%	(b) (f)	Jun-18
<b>Total Unsecured Facility Debt</b>	<b>\$ 300,000</b>		<b>3.90%</b>		
<b>TOTAL PORTFOLIO DEBT</b>	<b>\$ 646,018</b>		<b>4.89%</b>		

- (a) These borrowings have a fixed interest rate for the first 5 years of their term, which then resets and remains constant over the final 5 years of the loan term.
- (b) These borrowings are calculated based on 30 day LIBOR.
- (c) These borrowings are subject to an interest rate cap on \$100 million of borrowings that effectively limits the 30 day LIBOR borrowing rate to no more than 2.00% through January, 2012.
- (d) Rate as of September 30, 2011, includes the impact of a \$1.8 million interest rate swap to fix 3 month LIBOR at 2.36% through December 31, 2013.
- (e) Rate as of September 30, 2011 includes the impact of interest rate swaps on \$100 million of borrowings at a blended rate of 1.0825%, maturing in June 2016.
- (f) Rate as of September 30, 2011 includes the impact of interest rate swaps on \$100 million of borrowings at a blended rate of 2.4676%, maturing in June 2018.

**CUBESMART**  
**PROPERTIES BY STATE, Total Portfolio**

As of September 30, 2011

<u>State</u>	<u>Number of Facilities</u>	<u>Number of Units</u>	<u>Total Rentable Square Feet</u>	<u>% of Total Rentable Square Feet</u>	<u>September 30, 2011 Occupancy</u>
Florida	53	37,372	3,947,497	17.0%	78.3%
Texas	45	21,949	2,772,528	11.9%	83.1%
California	44	27,386	3,203,746	13.8%	75.0%
Illinois	27	13,840	1,607,708	6.9%	85.2%
Tennessee	24	12,798	1,684,629	7.2%	81.6%
Arizona	24	11,957	1,285,201	5.5%	80.9%
Ohio	23	11,854	1,420,533	6.1%	82.6%
Connecticut	17	7,090	847,161	3.6%	82.9%
New Jersey	16	10,360	1,039,610	4.5%	76.6%
Georgia	12	7,628	956,955	4.1%	77.3%
New York	10	8,777	648,853	2.8%	80.9%
New Mexico	9	3,382	387,590	1.7%	83.9%
Colorado	8	4,068	492,998	2.1%	86.7%
North Carolina	6	3,856	462,898	2.0%	81.6%
Maryland	6	5,107	597,172	2.6%	82.9%
Virginia	5	3,424	363,744	1.6%	82.6%
Michigan	4	1,885	270,869	1.2%	78.1%
Utah	4	2,233	239,723	1.0%	80.8%
Massachusetts	4	2,382	206,519	0.9%	78.0%
Louisiana	3	1,412	195,017	0.8%	79.9%
Pennsylvania	2	1,612	173,619	0.8%	89.6%
Nevada	2	886	97,182	0.4%	81.8%
Indiana	1	710	73,014	0.3%	85.9%
Alabama	1	795	128,971	0.6%	75.6%
Washington DC	1	752	63,085	0.2%	91.0%
Mississippi	1	512	61,251	0.2%	75.7%
Wisconsin	1	485	58,500	0.2%	84.8%
<b>Total/Weighted Average</b>	<b>353</b>	<b>204,512</b>	<b>23,286,573</b>	<b>100.0%</b>	<b>80.4%</b>

**CUBESMART**  
**PROPERTIES BY STATE, Same-Store Portfolio**

As of September 30, 2011

<u>State</u>	<u>Number of Facilities</u>	<u>Number of Units</u>	<u>Total Rentable Square Feet</u>	<u>% of Total Rentable Square Feet</u>	<u>September 30, 2011 Occupancy</u>	<u>September 30, 2010 Occupancy</u>
Florida	51	35,790	3,794,580	17.3%	78.6%	76.8%
California	44	27,386	3,203,746	14.6%	75.0%	69.3%
Texas	43	20,850	2,643,013	12.1%	83.3%	83.6%
Illinois	27	13,840	1,607,708	7.4%	85.2%	81.7%
Tennessee	24	12,798	1,684,629	7.7%	81.6%	79.7%
Ohio	23	11,854	1,420,533	6.5%	82.6%	76.8%
Arizona	23	11,123	1,200,848	5.5%	81.6%	80.0%
Connecticut	17	7,090	847,161	3.9%	82.9%	77.9%
New Jersey	13	8,989	876,410	4.0%	81.1%	75.3%
Georgia	9	6,025	759,635	3.5%	80.1%	76.0%
New Mexico	9	3,382	387,590	1.8%	83.9%	83.8%
Colorado	8	4,068	492,998	2.3%	86.7%	85.7%
North Carolina	6	3,856	462,898	2.1%	81.6%	75.0%
Maryland	5	4,158	518,252	2.4%	84.1%	82.4%
New York	5	2,899	312,108	1.4%	80.3%	77.3%
Michigan	4	1,885	270,869	1.2%	78.1%	73.7%
Utah	4	2,233	239,723	1.1%	80.8%	80.5%
Massachusetts	3	1,790	173,233	0.8%	79.4%	72.2%
Louisiana	3	1,412	195,017	0.9%	79.9%	83.1%
Pennsylvania	2	1,612	173,619	0.8%	89.6%	86.2%
Virginia	2	1,160	130,732	0.6%	75.9%	69.5%
Nevada	2	886	97,182	0.4%	81.8%	86.0%
Indiana	1	710	73,014	0.3%	85.9%	72.0%
Alabama	1	795	128,971	0.6%	75.6%	71.8%
Washington DC	1	752	63,085	0.3%	91.0%	93.4%
Mississippi	1	512	61,251	0.3%	75.7%	89.9%
Wisconsin	1	485	58,500	0.2%	84.8%	78.8%
<b>Total/Weighted Average</b>	<b>332</b>	<b>188,340</b>	<b>21,877,305</b>	<b>100.0%</b>	<b>80.8%</b>	<b>77.7%</b>

**CubeSmart**

Storage Deluxe Acquisition: Operational & Financial Profile

- **Superior asset quality, very strong demographics, extremely attractive market fundamentals, and meaningful lease-up potential have resulted in an above-average growth profile.**

Storage Deluxe Portfolio <sup>1</sup> - Historical Revenue Growth - 2010 to 2011 <sup>2</sup>			Performance Drivers
Period Average Occupancy	↑	470 basis points	Continued lease-up and a favorable market environment characterized by growing demand and limited supply.
Scheduled Rent Per Available Square Foot <sup>3</sup>	↑	5.4%	Occupancy gains and strong demographics supported ability to increase street rates.
Realized Rent Per Occupied Square Foot <sup>4</sup>	↑	6.0%	As portfolio matures, aggressive discounting has tapered off and rate increases have been pushed to existing tenants.
Other Income	↑	13.2%	Other income as % of rental income has averaged 16%-17%. Fee income driven by gains in occupancy & length of stay combined with commercial leases, insurance, and billboard and cell tower income.
Total Historical Revenue Growth	↑	<b>12.9%</b>	

- **CubeSmart expects to continue the revenue growth momentum into 2012 while achieving operational synergies.**

Storage Deluxe Portfolio <sup>1</sup> - Expected Revenue Growth - 2011 to 2012 <sup>5</sup> - And Other Operating Assumptions			Comments
Total Expected Revenue Growth <sup>5</sup>	↑	<b>6%-8%</b>	Continuation of portfolio's operational momentum, supported by continued portfolio lease-up and market strength.
Other Income as a % of Rental Income		14%-16%	Includes fee income, insurance commissions, commercial leases, and billboard and cell tower income.
NOI Margin		71%-74%	High market rents and operational efficiencies allow for portfolio-leading margins. Consistent with existing CUBE margins on NYC and DC assets.

- (1) Excludes Bronx development property.
- (2) Trailing three months ended August 31, 2011 compared to the trailing three months ended August 31, 2010.
- (3) Scheduled annual rent per square foot represents annualized contractual rents per available square foot for the period.
- (4) Realized annual rent per occupied square foot is computed by dividing rental income by the average occupied square feet for the period.
- (5) CubeSmart's 2012 revenue expectations for the Storage Deluxe portfolio compared to annualized revenue for the three months ended August 31, 2011.

Storage Deluxe Acquisition: Property Photos



111 Cedar Street, New Rochelle, NY



945 Atlantic Ave, Brooklyn, NY

**CubeSmart**

**Storage Deluxe Acquisition: Funding Summary**

(unaudited, in millions)

► **Transaction to be financed with a blend of permanent equity capital, assumed debt, and newly issued unsecured debt.**

<b>Permanent Capital Sources</b>			
	Sources	(Uses)	Details
Storage Deluxe Portfolio		(\$560.0) <sup>1</sup>	Includes Tranche A and Tranche B
Common Equity <sup>2</sup>	\$202.4		23 million common shares issued at \$9.20 per share
Preferred Equity <sup>3</sup>	\$67.5		2,800,000 7.75% Series A Cumulative Redeemable Preferred (\$25 per Share Liquidation Preference)
Assumed Debt	\$88.2		8-year weighted average remaining maturity with a 5.4% weighted average coupon
Unsecured Debt <sup>4</sup>	\$201.9		5-yr \$200MM bank term loan and associated interest rate swaps with an effective fixed rate of 3.5% to 4.0%. Balance drawn on line of credit.
<b>Total</b>	<b>\$560.0</b>	<b>(\$560.0)</b>	

<b>Tranche Detail and Anticipated Funding Timeline</b>			
	Sources	(Uses)	Details
<b>Fourth Quarter 2011</b>			
Tranche A		(\$357.3)	16 unencumbered assets
Common Equity <sup>2</sup>	\$202.4		23 million common shares issued at \$9.20 per share
Preferred Equity <sup>3</sup>	\$67.5		2,800,000 7.75% Series A Cumulative Redeemable Preferred (\$25 per Share Liquidation Preference)
Unsecured Debt <sup>4</sup>	\$87.4		
<b>Total</b>	<b>\$357.3</b>	<b>(\$357.3)</b>	
<b>First Quarter 2012</b>			
Tranche B		(\$202.7)	6 encumbered assets
Assumed Debt	\$88.2		8-year weighted average remaining maturity with a 5.4% weighted average coupon
Unsecured Debt <sup>4</sup>	\$114.5		
<b>Total</b>	<b>\$202.7</b>	<b>(\$202.7)</b>	

(1) Total use funded in two closings. Tranche A of \$357.3 million in November 2011 and Tranche B of \$202.7 million expected in Q1 of 2012.

(2) Net proceeds after deducting the underwriting discount and other estimated offering expenses. Reflects the full exercise of the Underwriters' option to purchase 3,000,000 common shares.

(3) Net proceeds. Excludes Underwriters' option to purchase 420,000 additional shares.

(4) Anticipated. Company expects to be in market with transaction in Q4 2011.

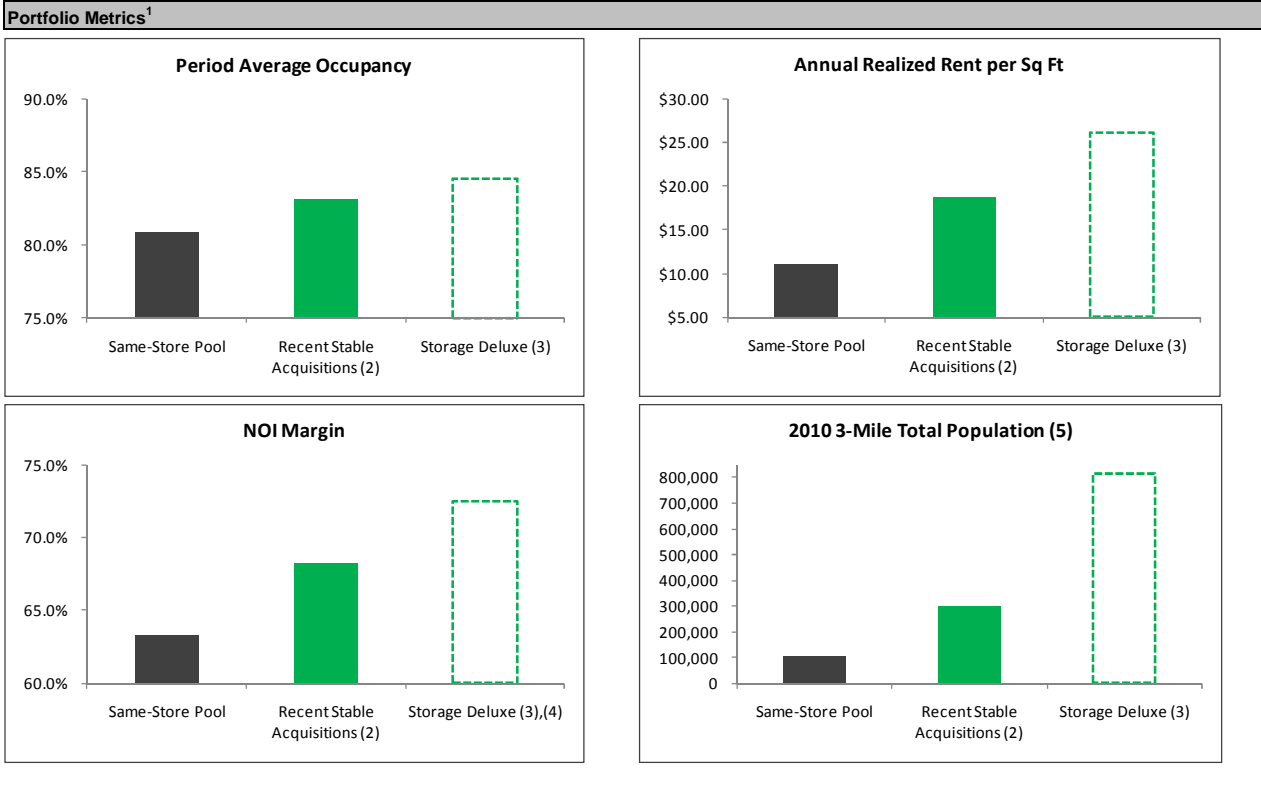
**Moody's Issuer Comment: "CubeSmart's \$560 million acquisition of self storage assets from Storage Deluxe is net positive; no impact on Baa3 issuer rating"**



**CubeSmart**

Storage Deluxe Acquisition: Portfolio Impact

► The Storage Deluxe properties, in combination with other recent acquisitions, accelerate the enhancement of CubeSmart's portfolio.



(1) CubeSmart property metrics based on 3Q 2011 annualized data, or in the case of certain 3Q acquisitions, the first month or two of operational data annualized. Metrics for Storage Deluxe properties are based on annualized data for the three months  
 (2) 2010 and 2011 acquisitions purchased on the basis of in-place performance. Excludes pending transactions.  
 (3) Excludes Bronx development property.  
 (4) CubeSmart's estimate of margin following incorporation into CUBE's operating platform.  
 (5) Weighted by revenue.

Storage Deluxe Acquisition: Property Photos



2990 Cropsy Ave, Brooklyn, NY



2049 Pitkin, Brooklyn, NY