



**Third Quarter 2012  
Supplemental Information**

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# CUBESMART

September 30, 2012

## Equity Research Coverage

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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> Daniel Ruble 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 2012	2nd Quarter 2012	1st Quarter 2012	4th Quarter 2011	3rd Quarter 2011
<b>Common Shares and Units:</b>					
Share price, high	\$ 13.48	\$ 12.81	\$ 12.14	\$ 10.66	\$ 11.15
Share price, low	\$ 11.69	\$ 10.90	\$ 10.30	\$ 8.04	\$ 8.53
Share price, period end	\$ 12.87	\$ 11.67	\$ 11.90	\$ 10.64	\$ 8.53
Dividends declared per share	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.07
Dividend yield, period end	2.49%	2.74%	2.69%	3.01%	3.28%
Closing Common Shares outstanding (excluding unvested restricted shares, in thousands)	127,430	122,685	122,391	122,059	99,002
Closing Operating Partnership units outstanding	4,409	4,409	4,674	4,674	4,729
Total closing Common Shares and Units	131,839	127,094	127,065	126,733	103,731
<b>Preferred Shares (Series A):</b>					
Share price, high	\$ 27.18	\$ 26.39	\$ 25.80	\$ 25.01	\$ -
Share price, low	\$ 26.20	\$ 25.28	\$ 24.77	\$ 24.31	\$ -
Share price, period end	\$ 26.99	\$ 26.31	\$ 25.39	\$ 24.61	\$ -
Dividends declared per share	\$ 0.4844	\$ 0.4844	\$ 0.4844	\$ 0.3929	\$ -
Dividend yield, period end	7.18%	7.36%	7.63%	7.87%	0.00%
Closing Preferred Shares outstanding	3,100	3,100	3,100	3,100	-



## 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.

## Non-GAAP Financial Measures

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Funds from operations (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, as amended, defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property, impairments of depreciable assets, 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, gains on remeasurement of investment in real estate ventures, impairments of depreciable assets, 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.

FFO, as adjusted represents FFO as defined above, excluding the effects of acquisition related costs, gains or losses from early extinguishment of debt, and other one-time items, which we believe are not indicative of the Company's operating results.

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, loss from early extinguishment of debt, acquisition related costs, equity in losses of real estate entities, noncontrolling interest, depreciation and general and administrative expenses, and deducting from net income: gains on sale of self-storage facilities, interest income, gain on remeasurement of investment in real estate ventures, 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 Reports Third Quarter 2012 Results; Same-Store Occupancy Averages 84.9%; Same-Store Revenue Grows 4.1%**

WAYNE, PA -- (MARKET WIRE) – November 8, 2012 -- CubeSmart (NYSE: CUBE) announced its operating results for the three and nine months ended September 30, 2012.

“Our internal and external growth engines are firing on all cylinders,” commented Chief Executive Officer Dean Jernigan. “Our same-store portfolio continues to establish all-time high seasonal occupancy levels, and we have further enhanced our wholly-owned portfolio through \$438 million of acquisitions year-to-date and notable strategic exits from non-core markets.”

### **Key Highlights for the Quarter**

- Reported funds from operations (“FFO”) per share, as adjusted, of \$0.19.
- Increased same-store (321 facilities) net operating income (“NOI”) 4.5% year over year, driven by 4.1% revenue growth and a 3.4% increase in property operating expenses.
- Gained 370 basis points year over year in average same-store occupancy, up from 81.2% during the third quarter of 2011 to 84.9% during the third quarter of 2012.
- Closed on 14 acquisitions totaling \$85.9 million, in addition to closing on the remaining asset in the second pool of the Storage Deluxe transaction for \$68.2 million.
- Closed on dispositions totaling \$12.5 million, including six assets in New Mexico and one asset in the California Inland Empire.
- Purchased the remaining 50% equity interest in the consolidated HART joint venture.
- Acquired partner’s remaining 50% equity interest in the unconsolidated HSRE Venture.
- In total, acquired assets and joint venture interests totaling \$266.5 million during the quarter, which combined with \$20.5 million under contract, brings the total value of acquisitions year to date to \$437.6 million.

### **Funds from Operations**

FFO, as adjusted for acquisition related costs, was \$24.4 million for the third quarter of 2012, compared with \$19.2 million for the third quarter of 2011. FFO per share, as adjusted, was \$0.19 for the third quarter of 2012, compared with \$0.18 for the same quarter last year.

“Consistent with our stated expectations, same-store revenue growth has accelerated as the year has progressed,” noted Chris Marr, President, Chief Operating Officer, and Chief Investment Officer. “This performance has been driven by sizeable year-over-year occupancy gains, which continued into the fourth quarter as we ended October up nearly 450 basis points over last year. Meanwhile, the third quarter was a busy one from a portfolio enhancement perspective, as we completed the Storage Deluxe transaction with the closing of the final asset, acquired our partners’ interests in two joint ventures representing 31 properties, closed on or entered into agreements to acquire 18 additional assets in our core markets, and finalized or put under contract the strategic disposition of 18 facilities in non-core markets. With this activity, we have exceeded our investment targets for the year.”

## **Investment Activity**

Heading into the third quarter, the Company had already closed on the purchase of 21 assets associated with the previously announced Storage Deluxe transaction, which involved the acquisition of 22 Class A self-storage facilities located primarily in the greater New York City area for a total investment of \$560 million. The Company closed on the final Storage Deluxe asset during the quarter for \$68.2 million, including the assumption of \$29.3 million of secured debt.

In other transactions during the quarter, the Company acquired 14 assets for \$85.9 million. These properties are located in Colorado, Connecticut, Georgia, New Jersey, Texas, and Virginia.

The Company has four properties under contract for acquisition at a combined price of \$20.5 million. Year to date, excluding assets associated with the previously announced Storage Deluxe and joint venture transactions, the Company has either closed on or placed under contract the acquisition of 21 assets for \$123.3 million.

On the disposition front during the quarter, the Company sold seven assets for total proceeds of \$12.5 million. The facilities are located in the California Inland Empire and New Mexico. Subsequent to quarter end, the Company closed on the disposition of eight assets in Ohio, two assets in Florida, and one asset in Tennessee for total proceeds of \$24.3 million. The Ohio disposition represents an exit from tertiary markets in the state, resulting in an Ohio portfolio that is concentrated in the Cleveland and Columbus markets. Year to date, the Company has closed on the disposition of 26 assets for \$59.9 million.

## **Joint Ventures**

In August 2012, the Company acquired its partner's 50% interest in the HART joint venture for \$61.1 million. HART was a consolidated joint venture that consisted of 22 unencumbered properties located throughout the United States. The partnership was originally formed in August 2009 with the Company's contribution of 22 assets. The Company's purchase of its partner's remaining interest is reflected in the equity section of the Company's consolidated balance sheets as the assets are now wholly-owned. The 22 assets have historically been included in, and will remain in, the Company's same-store pool.

Also, in September 2012, the Company purchased its partner's 50% ownership interest in the HSRE Venture ("HSREV"), which included nine facilities in New York, New Jersey, Pennsylvania, Virginia, and Florida. The Company acquired its initial 50% interest in HSREV in September 2011 and purchased the remaining 50% equity interest for \$21.7 million. In conjunction with the purchase, the company paid off approximately \$59.3 million of mortgage loans related to the properties, resulting in a total capital outlay of \$81.0 million. Whereas HSREV was previously accounted for under the equity method, the nine properties are now wholly owned and consolidated in the Company's financial reports.

## **Third-Party Management**

Fee income from third-party management increased 25% during the third quarter of 2012, as compared with the third quarter of 2011. During the quarter, the Company was awarded 39 new management contracts for properties located predominantly in the Southeast. At September 30,

2012, following the Company's acquisition of 11 facilities from the third-party management platform and the removal of two others due to sale, the Company managed for third parties 132 properties totaling 7.7 million square feet.

### **Same-Store Results**

The Company's same-store pool at September 30, 2012 represented 321 facilities containing approximately 21.1 million rentable square feet and included approximately 81.9% of the aggregate rentable square feet of the Company's 387 owned facilities. These same-store facilities represent approximately 76.6% of property net operating income for the quarter ended September 30, 2012.

The same-store physical occupancy at period end for the third quarter of 2012 was 84.6%, compared with 81.1% for the same quarter of last year. Same-store net rental income for the third quarter of 2012 increased 3.0%, same-store total revenues increased 4.1%, and same-store operating expenses increased 3.4% from the same quarter in 2011. Same-store net operating income increased 4.5% compared with the same period in 2011.

### **Operating Results**

Total revenues increased \$15.6 million and total property operating expenses increased \$5.1 million in the third quarter of 2012, as compared with the same period in 2011. 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 third-party management. Increases in total property operating expenses are attributable to the impact of newly acquired properties and an increase in same-store expenses, which were largely driven by increased advertising costs.

Interest expense increased from \$8.5 million in the third quarter of 2011 to \$11.1 million in the current period due to a higher amount of outstanding debt primarily resulting from debt assumed and drawn in conjunction with the Storage Deluxe and other acquisitions, offset by lower interest rates on the Credit Facility in the 2012 period as compared with the 2011 period.

The Company's third quarter results include a \$0.01 million loss from discontinued operations, which includes three properties that were considered held for sale as of September 30, 2012, and \$0.2 million of gains on disposition of discontinued operations. These relate to the sale of seven properties during the quarter.

The Company reported net income attributable to the Company's common shareholders of \$0.1 million, or \$0.00 per common share, in the third quarter of 2012, compared with net income attributable to the Company's common shareholders of \$6.8 million, or \$0.07 per common share, in the third quarter of 2011.

The Company's 387 owned facilities, containing 25.8 million rentable square feet, had a physical occupancy at September 30, 2012 of 84.5%.

### **"At-The-Market" Equity Program**

During the quarter, the Company sold 4.7 million common shares of beneficial interest through its "at-the-market" equity program at an average sales price of \$12.81 per share, resulting in net

proceeds of \$59.1 million. At September 30, 2012, the Company had 7.1 million shares available for sale under the existing Sales Agreement.

### Quarterly Dividend

On August 1, 2012, the Company declared a dividend of \$0.08 per common share. The dividend was paid on October 15, 2012 to common shareholders of record on October 1, 2012.

Also on August 1, 2012, the Company declared a dividend of \$0.484375 for the 7.75% Series A Cumulative Redeemable Preferred Shares. The dividend was paid on October 15, 2012 to holders of record on October 1, 2012.

### 2012 Financial Outlook

“We continue to exceed our performance targets and are pleased to be increasing full-year guidance for FFO per share as well as same-store operating metrics,” stated Tim Martin, Chief Financial Officer. “Through our disciplined investment process, we have been able to grow and enhance our portfolio while streamlining our ownership structure by purchasing our partners’ interests in two joint ventures. We have financed our growth in a manner that is consistent with our balance sheet objectives and investment grade profile.”

The Company is adjusting its previously issued estimates as well as underlying assumptions, and now expects that its fully diluted FFO per share for 2012 will be between \$0.72 and \$0.73 (previously between \$0.70 and \$0.73), and that its fully diluted net loss per share for the period will be between \$0.01 and \$0.02. The Company’s estimate is based on the following key assumptions:

- For 2012, a same-store pool consisting of 321 assets totaling 21.1 million square feet.
- Same-store net operating income (“NOI”) growth of 5.25% to 5.75% over 2011 (previously 4.0% to 5.0%), driven by revenue growth of 3.6% to 3.9% (previously 3.0% to 3.75%) and expense growth of 0.5% to 1.0% (previously 1.0% to 2.0%).
- General and administrative expenses of approximately \$26.25 million to \$26.75 million (previously \$26.0 million to \$27.0 million).
- Combined performance of the \$560 million Storage Deluxe acquisition and the \$110 million of other 2011 acquisitions that equates to a 2012 yield of 5.7% (previously 6.0%).
- Completion of other year-to-date acquisition activity (\$123.3 million closed or under contract); disposition activity (\$59.9 million); as well as our purchase in the third quarter of our partners’ interests in our HSREV and HART joint ventures.

Guidance excludes any financial impact associated with Hurricane Sandy. Additionally, due to uncertainty related to the timing and terms of transactions, the impact of future investment activity is excluded from guidance.

2012 Full Year Guidance	Range or Value		
Loss per diluted share allocated to common shareholders	\$ (0.02)	to	\$ (0.01)
Plus: real estate depreciation and amortization	0.80		0.80
Less: gains on dispositions of discontinued operations	(0.06)		(0.06)
FFO per diluted share	\$ 0.72	to	\$ 0.73

The Company estimates that its fully-diluted FFO per share for the quarter ending December 31,



2012 will be between \$0.19 and \$0.20, and that its fully-diluted net earnings per share for the period will be between \$0.00 and \$0.01.

4th Quarter 2012 Guidance	Range or Value	
Earnings per diluted share allocated to common shareholders	\$ 0.00	to \$ 0.01
Plus: real estate depreciation and amortization	<u>0.19</u>	<u>0.19</u>
FFO per diluted share	<u>\$ 0.19</u>	<u>to \$ 0.20</u>

## Conference Call

Management will host a conference call at 11:00 a.m. ET on Friday, November 9, 2012, to discuss financial results for the three months ended September 30, 2012.

A live webcast of the conference call will be available online from the investor relations page of the Company's corporate website at [www.CubeSmart.com](http://www.CubeSmart.com). The dial-in numbers are 1-877-317-6789 for domestic callers, +1-412-317-6789 for international callers and 1-866-605-3852 for callers in Canada. After the live webcast, the call will remain available on CubeSmart's website for 30 days. In addition, a telephonic replay of the call will be available through December 9, 2012. The replay dial-in number is 1-877-344-7529 for domestic callers and +1-412-317-0088 for international callers. The conference number for both is 10019646.

Supplemental operating and financial data as of September 30, 2012 is available on the Company's 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

Funds from operations ("FFO") is a widely used performance measure for real estate companies and is provided here as a supplemental measure of operating performance. The April 2002 National Policy Bulletin of the National Association of Real Estate Investment Trusts (the "White Paper"), as amended, defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property and real estate related impairment charges, plus real estate 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, gains

on remeasurement of investment in real estate ventures, impairments of depreciable assets, 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.

FFO, as adjusted represents FFO as defined above, excluding the effects of acquisition related costs, gains or losses from early extinguishment of debt, and other one-time items, which we believe are not indicative of the Company's operating results.

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, gain on remeasurement of investment in real estate ventures, 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  
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 Investor Relations  
 (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, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
<b>Selected Financial Information:</b>					
<b>Total portfolio:</b>					
Revenue from continuing operations	\$ 74,134	\$ 68,570	\$ 65,363	\$ 62,104	\$ 58,489
EBITDA from continuing operations	\$ 38,079	\$ 34,985	\$ 32,394	\$ 31,266	\$ 28,930
Net income (loss) attributable to the Company	\$ 1,636	\$ 2,543	\$ (3,843)	\$ (8,011)	\$ 6,828
Funds from operations (FFO)	\$ 22,827	\$ 22,290	\$ 19,989	\$ 11,226	\$ 18,842
FFO, as adjusted	\$ 24,354	\$ 22,603	\$ 20,540	\$ 20,502	\$ 19,216
FFO per share - fully diluted	\$ 0.18	\$ 0.17	\$ 0.16	\$ 0.09	\$ 0.18
FFO, as adjusted per share - fully diluted	\$ 0.19	\$ 0.18	\$ 0.16	\$ 0.17	\$ 0.18
Earnings (loss) per share - basic	\$ 0.00	\$ 0.01	\$ (0.04)	\$ (0.08)	\$ 0.07
Earnings (loss) per share - diluted	\$ 0.00	\$ 0.01	\$ (0.04)	\$ (0.08)	\$ 0.07
Dividends per common share and unit	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.08	\$ 0.07
Dividends per preferred share, series A	\$ 0.4844	\$ 0.4844	\$ 0.4844	\$ 0.3929	\$ -
FFO payout ratio (1)	42.1%	44.4%	50.0%	47.1%	38.9%
Total assets	\$ 2,167,713	\$ 2,088,978	\$ 1,937,913	\$ 1,875,979	\$ 1,503,118
Total gross assets (total assets plus accumulated depreciation)	\$ 2,508,078	\$ 2,431,852	\$ 2,272,840	\$ 2,194,728	\$ 1,810,793
In place annual rent per occupied square foot (2) (6)	\$ 13.56	\$ 13.41	\$ 13.43	\$ 12.67	\$ 12.60
Realized annual rent per occupied square foot (3) (6)	\$ 12.45	\$ 12.38	\$ 12.54	\$ 11.73	\$ 11.61
Scheduled annual rent per square foot (4) (6)	\$ 13.45	\$ 13.18	\$ 13.46	\$ 12.93	\$ 12.87
<b>Same-store:</b>					
Revenue	\$ 56,448	\$ 54,179	\$ 53,092	\$ 53,548	\$ 54,242
Expense	\$ 20,285	\$ 19,745	\$ 19,718	\$ 18,830	\$ 19,623
NOI	\$ 36,163	\$ 34,434	\$ 33,374	\$ 34,718	\$ 34,619
Gross margin	64.1%	63.6%	62.9%	64.8%	63.8%
Period average occupancy	84.9%	81.6%	78.7%	79.6%	81.2%
Period ending occupancy	84.6%	83.8%	79.0%	79.0%	81.1%
Total rentable square feet	21,122	21,122	21,122	21,122	21,122
REVPAF (5)	\$ 9.62	\$ 9.29	\$ 9.21	\$ 9.27	\$ 9.34
In place annual rent per occupied square foot (2)	\$ 12.32	\$ 12.31	\$ 12.53	\$ 12.58	\$ 12.49
Realized annual rent per occupied square foot (3)	\$ 11.33	\$ 11.38	\$ 11.70	\$ 11.65	\$ 11.51
Scheduled annual rent per square foot (4)	\$ 12.11	\$ 12.03	\$ 12.56	\$ 12.84	\$ 12.76
<b>Capitalization:</b>					
Total Debt	\$ 1,074,349	\$ 994,756	\$ 837,802	\$ 758,441	\$ 646,018
Price per common share at quarter end	\$ 12.87	\$ 11.67	\$ 11.90	\$ 10.64	\$ 8.53
Price per preferred share at quarter end	\$ 26.99	\$ 26.31	\$ 25.39	\$ 24.61	\$ -
Market Equity Value at quarter end	\$ 1,780,437	\$ 1,564,748	\$ 1,590,783	\$ 1,424,730	\$ 884,825
Total Market Capitalization	\$ 2,854,786	\$ 2,559,504	\$ 2,428,585	\$ 2,183,171	\$ 1,530,843
Total Debt/Total Gross Assets	42.8%	40.9%	36.9%	34.6%	35.7%
Total Debt/Total Market Capitalization	37.6%	38.9%	34.5%	34.7%	42.2%
<b>Shares and Units:</b>					
Closing Common Shares outstanding (excluding unvested restricted shares)	127,430	122,685	122,391	122,059	99,002
Closing Operating Partnership Units outstanding	4,409	4,409	4,674	4,674	4,729
Closing total Common Shares and Operating Partnership Units outstanding	131,839	127,094	127,065	126,733	103,731
Average Common Shares outstanding (excluding unvested restricted shares)	124,169	122,599	122,266	115,260	98,895
Average Operating Partnership Units outstanding	4,409	4,486	4,674	4,722	4,729
Average total Common Shares and Operating Partnership Units outstanding	128,578	127,085	126,940	119,982	103,624
Total weighted-average shares and units outstanding (including dilutive effect of options)	130,384	128,760	128,470	121,210	105,013
Closing Preferred Shares outstanding	3,100	3,100	3,100	3,100	-

(1) Payout ratio represents common distributions per share during the period divided by FFO per share, as adjusted.

(2) In place annual rent per occupied square foot represents annualized contractual rents per occupied square foot without reductions for promotional discounts and excluding 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 asking rents per available square foot for the period.

(5) 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.

(6) Excludes assets that were not owned for the entirety of the respective quarter.

**CUBESMART**  
**BALANCE SHEETS**  
*(unaudited, in thousands)*

	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
<b>ASSETS</b>					
Storage facilities	\$ 2,432,415	\$ 2,226,295	\$ 2,190,998	\$ 2,107,469	\$ 1,740,880
Less: Accumulated depreciation	(340,365)	(342,874)	(334,927)	(318,749)	(307,675)
Storage facilities, net	2,092,050	1,883,421	1,856,071	1,788,720	1,433,205
Cash and cash equivalents	2,707	137,796	7,465	9,069	12,491
Restricted cash	7,579	6,618	11,486	11,291	11,228
Loan procurement costs, net of amortization	8,943	9,190	7,643	8,073	11,574
Investment in real estate ventures, at equity	-	14,087	14,564	15,181	15,438
Assets held for sale	6,452	4,738	-	-	-
Other assets, net	49,982	33,128	40,684	43,645	19,182
Total assets	<u>\$ 2,167,713</u>	<u>\$ 2,088,978</u>	<u>\$ 1,937,913</u>	<u>\$ 1,875,979</u>	<u>\$ 1,503,118</u>
<b>LIABILITIES AND EQUITY</b>					
Unsecured senior notes	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -
Revolving credit facility	65,500	-	50,000	-	-
Unsecured term loans	500,000	500,000	400,000	400,000	300,000
Mortgage loans and notes payable	258,849	244,756	387,802	358,441	346,018
Accounts payable, accrued expenses and other liabilities	63,033	55,453	46,263	51,025	50,028
Distributions payable	12,110	11,712	11,710	11,401	7,293
Deferred revenue	10,950	10,607	10,630	9,568	9,326
Security deposits	487	501	506	490	476
Total liabilities	<u>1,160,929</u>	<u>1,073,029</u>	<u>906,911</u>	<u>830,925</u>	<u>713,141</u>
Noncontrolling interests in the Operating Partnership	56,740	51,450	55,622	49,732	42,521
Commitments and contingencies					
<b>Equity</b>					
7.75% Series A Preferred shares	31	31	31	31	-
Common shares	1,274	1,227	1,224	1,221	990
Additional paid in capital	1,357,888	1,315,424	1,310,755	1,309,505	1,030,847
Accumulated other comprehensive loss	(21,203)	(18,710)	(12,052)	(12,831)	(9,484)
Accumulated deficit	(388,061)	(372,082)	(363,576)	(342,013)	(314,380)
Total CubeSmart shareholders' equity	<u>949,929</u>	<u>925,890</u>	<u>936,382</u>	<u>955,913</u>	<u>707,973</u>
Noncontrolling interest in subsidiaries	115	38,609	38,998	39,409	39,483
Total equity	<u>950,044</u>	<u>964,499</u>	<u>975,380</u>	<u>995,322</u>	<u>747,456</u>
Total liabilities and equity	<u>\$ 2,167,713</u>	<u>\$ 2,088,978</u>	<u>\$ 1,937,913</u>	<u>\$ 1,875,979</u>	<u>\$ 1,503,118</u>

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

	Three Months Ended				
	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
<b>REVENUES</b>					
Rental income	\$ 65,363	\$ 60,559	\$ 58,434	\$ 55,296	\$ 51,932
Other property related income	7,677	6,908	5,909	5,675	5,679
Property management fee income	1,094	1,103	1,020	1,133	878
Total revenues	<u>74,134</u>	<u>68,570</u>	<u>65,363</u>	<u>62,104</u>	<u>58,489</u>
<b>OPERATING EXPENSES</b>					
Property operating expenses	29,195	27,307	26,525	24,495	24,083
Depreciation and amortization	29,774	27,317	25,354	20,999	15,620
General and administrative	6,860	6,278	6,444	6,343	5,476
Total operating expenses	<u>65,829</u>	<u>60,902</u>	<u>58,323</u>	<u>51,837</u>	<u>45,179</u>
<b>OPERATING INCOME</b>	<u>8,305</u>	<u>7,668</u>	<u>7,040</u>	<u>10,267</u>	<u>13,310</u>
<b>OTHER INCOME (EXPENSE)</b>					
Interest:					
Interest expense on loans	(11,092)	(9,280)	(9,321)	(8,602)	(8,464)
Loan procurement amortization expense	(699)	(1,114)	(771)	(903)	(1,093)
Loan procurement amortization expense - early repayment of debt	-	-	-	(6,082)	-
Acquisition related costs	(1,527)	(313)	(551)	(3,194)	(374)
Equity in losses of real estate entities	(284)	(210)	(251)	(257)	(24)
Gain from remeasurement of investment in real estate venture	7,023	-	-	-	-
Other	166	(107)	(71)	96	8
Total other expense	<u>(6,413)</u>	<u>(11,024)</u>	<u>(10,965)</u>	<u>(18,942)</u>	<u>(9,947)</u>
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<u>1,892</u>	<u>(3,356)</u>	<u>(3,925)</u>	<u>(8,675)</u>	<u>3,363</u>
<b>DISCONTINUED OPERATIONS</b>					
(Loss) income from discontinued operations	(38)	505	667	754	1,038
Gain on dispositions of discontinued operations	197	6,206	-	376	3,527
Total discontinued operations	<u>159</u>	<u>6,711</u>	<u>667</u>	<u>1,130</u>	<u>4,565</u>
<b>NET INCOME (LOSS)</b>	<u>2,051</u>	<u>3,355</u>	<u>(3,258)</u>	<u>(7,545)</u>	<u>7,928</u>
<b>NET (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>					
Noncontrolling interests in the Operating Partnership	(5)	(38)	149	333	(329)
Noncontrolling interest in subsidiaries	(410)	(774)	(734)	(799)	(771)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO THE COMPANY</b>	<u>1,636</u>	<u>2,543</u>	<u>(3,843)</u>	<u>(8,011)</u>	<u>6,828</u>
Distribution to preferred shareholders	<u>(1,502)</u>	<u>(1,502)</u>	<u>(1,502)</u>	<u>(1,218)</u>	<u>-</u>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO THE COMPANY'S COMMON SHAREHOLDERS</b>	<u>\$ 134</u>	<u>\$ 1,041</u>	<u>\$ (5,345)</u>	<u>\$ (9,229)</u>	<u>\$ 6,828</u>
Basic earnings (loss) per share from continuing operations attributable to common shareholders	\$ 0.00	\$ (0.04)	\$ (0.05)	\$ (0.09)	\$ 0.03
Basic earnings per share from discontinued operations attributable to common shareholders	0.00	0.05	0.01	0.01	0.04
Basic earnings (loss) per share attributable to common shareholders	<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ (0.04)</u>	<u>\$ (0.08)</u>	<u>\$ 0.07</u>
Diluted earnings (loss) per share from continuing operations attributable to common shareholders	\$ 0.00	\$ (0.04)	\$ (0.05)	\$ (0.09)	\$ 0.02
Diluted earnings per share from discontinued operations attributable to common shareholders	0.00	0.05	0.01	0.01	0.05
Diluted earnings (loss) per share attributable to common shareholders	<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ (0.04)</u>	<u>\$ (0.08)</u>	<u>\$ 0.07</u>
Weighted-average basic shares outstanding	124,169	122,599	122,266	115,260	98,895
Weighted-average diluted shares outstanding	125,976	122,599	122,266	115,260	100,284
<b>AMOUNTS ATTRIBUTABLE TO THE COMPANY'S COMMON SHAREHOLDERS:</b>					
(Loss) income from continuing operations	\$ (20)	\$ (5,435)	\$ (5,985)	\$ (10,307)	\$ 2,473
Total discontinued operations	154	6,476	640	1,078	4,355
Net income (loss)	<u>\$ 134</u>	<u>\$ 1,041</u>	<u>\$ (5,345)</u>	<u>\$ (9,229)</u>	<u>\$ 6,828</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
	2012	2011		2012	2011	
<b>REVENUES</b>						
Net rental income	\$ 50,806	\$ 49,318	3.0%	\$ 148,472	\$ 144,931	2.4%
Other property related income	5,642	4,924	14.6%	15,248	13,586	12.2%
Total revenues	<u>56,448</u>	<u>54,242</u>	4.1%	<u>163,720</u>	<u>158,517</u>	3.3%
<b>OPERATING EXPENSES</b>						
Property taxes	6,287	6,223	1.0%	18,965	19,116	-0.8%
Personnel expense	5,993	5,578	7.4%	17,849	16,848	5.9%
Advertising	1,782	1,339	33.1%	4,858	4,351	11.7%
Repair and maintenance	760	685	10.9%	2,139	2,070	3.3%
Utilities	2,223	2,252	-1.3%	5,995	6,512	-7.9%
Property insurance	693	669	3.6%	2,018	1,990	1.4%
Other expenses	2,547	2,877	-11.5%	7,924	9,181	-13.7%
Total operating expenses	<u>20,285</u>	<u>19,623</u>	3.4%	<u>59,748</u>	<u>60,068</u>	-0.5%
Net operating income (1)	<u>\$ 36,163</u>	<u>\$ 34,619</u>	4.5%	<u>\$ 103,972</u>	<u>\$ 98,449</u>	5.6%
Gross margin	64.1%	63.8%		63.5%	62.1%	
Period average occupancy (2)	84.9%	81.2%		81.7%	79.0%	
Period end occupancy (3)	84.6%	81.1%		84.6%	81.1%	
Total rentable square feet	21,122	21,122		21,122	21,122	
Realized annual rent per occupied square foot (4)	\$ 11.33	\$ 11.51	-1.6%	\$ 11.47	\$ 11.58	-0.9%
Scheduled annual rent per square foot (5)	\$ 12.11	\$ 12.76	-5.1%	\$ 12.23	\$ 12.62	-3.1%
<b>Reconciliation of Same-Store Net Operating Income to Operating Income</b>						
Same-store net operating income (1)	\$ 36,163	\$ 34,619		\$ 103,972	\$ 98,449	
Non same-store net operating income (1)	11,054	1,626		26,590	3,273	
Indirect property overhead (6)	(2,278)	(1,839)		(5,524)	(5,055)	
Depreciation and amortization	(29,774)	(15,620)		(82,446)	(45,573)	
General and administrative expense	(6,860)	(5,476)		(19,582)	(18,350)	
Operating Income	<u>\$ 8,305</u>	<u>\$ 13,310</u>		<u>\$ 23,010</u>	<u>\$ 32,744</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 asking rents per available square foot for the period.
- (6) Includes property management 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, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
<b>REVENUES</b>					
Net rental income	\$ 50,806	\$ 49,045	\$ 48,621	\$ 48,974	\$ 49,318
Other property related income	5,642	5,134	4,471	4,574	4,924
Total revenues	<u>56,448</u>	<u>54,179</u>	<u>53,092</u>	<u>53,548</u>	<u>54,242</u>
<b>OPERATING EXPENSES</b>					
Property taxes	6,287	6,246	6,432	6,163	6,223
Personnel expense	5,993	5,830	6,026	5,765	5,578
Advertising	1,782	1,731	1,345	1,064	1,339
Repair and maintenance	760	719	660	719	685
Utilities	2,223	1,823	1,949	1,911	2,252
Property insurance	693	647	678	650	669
Other expenses	2,547	2,749	2,628	2,558	2,877
Total operating expenses	<u>20,285</u>	<u>19,745</u>	<u>19,718</u>	<u>18,830</u>	<u>19,623</u>
Net operating income (1)	<u>\$ 36,163</u>	<u>\$ 34,434</u>	<u>\$ 33,374</u>	<u>\$ 34,718</u>	<u>\$ 34,619</u>
Gross margin	64.1%	63.6%	62.9%	64.8%	63.8%
Period average occupancy (2)	84.9%	81.6%	78.7%	79.6%	81.2%
Period end occupancy (3)	84.6%	83.8%	79.0%	79.0%	81.1%
Total rentable square feet	21,122	21,122	21,122	21,122	21,122
Realized annual rent per occupied square foot (4)	\$ 11.33	\$ 11.38	\$ 11.70	\$ 11.65	\$ 11.51
Scheduled annual rent per square foot (5)	\$ 12.11	\$ 12.03	\$ 12.56	\$ 12.84	\$ 12.76
<b>Reconciliation of Same-Store Net Operating Income to Operating Income</b>					
Same-store net operating income (1)	\$ 36,163	\$ 34,434	\$ 33,374	\$ 34,718	\$ 34,619
Non same-store net operating income (1)	11,054	8,277	7,259	4,743	1,626
Indirect property overhead (6)	(2,278)	(1,448)	(1,795)	(1,852)	(1,839)
Depreciation and amortization	(29,774)	(27,317)	(25,354)	(20,999)	(15,620)
General and administrative expense	(6,860)	(6,278)	(6,444)	(6,343)	(5,476)
Operating Income	<u>\$ 8,305</u>	<u>\$ 7,668</u>	<u>\$ 7,040</u>	<u>\$ 10,267</u>	<u>\$ 13,310</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 the respective period end.
- (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 asking rents per available square foot for the period.
- (6) Includes property management income earned in conjunction with managed properties.



**CUBESMART**  
**CONSOLIDATING STATEMENTS OF NET OPERATING INCOME**

*(unaudited, in thousands)*

For the three months ended September 30, 2012 and 2011

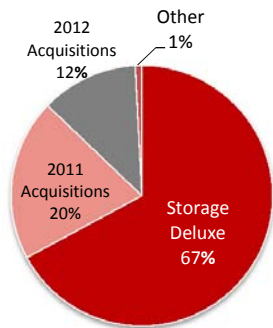
	Same-Store Property Portfolio				Non Same-Store Properties		Other/ Eliminations		Total Portfolio		
	2012	2011	Increase/ (Decrease)	% Change	2012	2011	2012	2011	2012	2011	Increase/ (Decrease)
<b>REVENUES:</b>											
Rental income	\$ 50,806	\$ 49,318	\$ 1,488	3.0%	\$ 14,557	\$ 2,614	\$ -	\$ -	\$ 65,363	\$ 51,932	\$ 13,431
Other property related income	5,642	4,924	718	14.6%	1,645	323	390	432	7,677	5,679	1,998
Property management fee income	-	-	-	-	-	-	1,094	878	1,094	878	216
Total revenues	56,448	54,242	2,206	4.1%	16,202	2,937	1,484	1,310	74,134	58,489	15,645
<b>OPERATING EXPENSES:</b>											
Property operating expenses	20,285	19,623	662	3.4%	5,148	1,311	3,762	3,149	29,195	24,083	5,112
NET OPERATING INCOME	36,163	34,619	1,544	4.5%	11,054	1,626	(2,278)	(1,839)	44,939	34,406	10,533
Property count (1)	321	321			63				384		
Total square footage	21,122	21,122									
Period Average Occupancy	84.9%	81.2%									
Period End Occupancy	84.6%	81.1%									
Realized annual rent per occupied square foot	\$ 11.33	\$ 11.51									

(1) Property count excludes three properties that were considered held-for-sale at September 30, 2012.

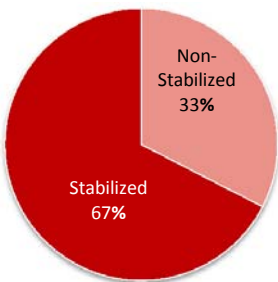
**Storage Deluxe & Other 2011 Acquisitions<sup>1</sup>**



**Non-Same-Store Asset Composition, by 3Q12 NOI**



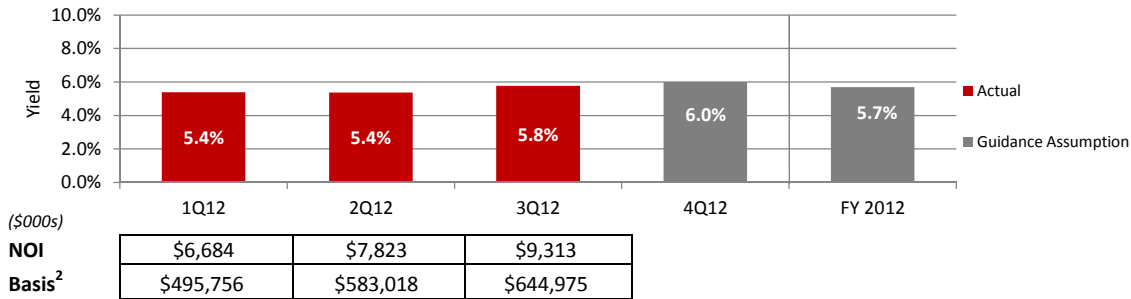
**Stabilization of 2011 Acquisitions<sup>1</sup>, by Basis<sup>2</sup>**



**Operating Metrics, Third Quarter 2012**

	Same-Store	Non Same-Store	Total Portfolio
Period End Occupancy <sup>3</sup>	84.6%	84.2%	84.5%
Realized Ann'l Rent / Occ Sq Ft <sup>4</sup>	\$ 11.33	\$ 21.15	\$ 12.45

**Yield on Investment: 2011 Acquisitions and Storage Deluxe<sup>1,2,5</sup>**



(1) Includes 2011 acquisitions and acquired Storage Deluxe assets. Excludes 2012 acquisitions and other non same-store assets.  
 (2) To provide a more useful measure of performance, investment basis for assets acquired during 2012 is prorated based on the portion of the period the properties were owned.  
 (3) Represents occupancy at September 30, 2012.  
 (4) Realized annual rent per occupied square foot is computed by dividing rental income by the weighted average occupied square feet for the period. Excludes assets that were not owned for the entirety of the respective quarter.  
 (5) Yield on investment is calculated by dividing net operating income for the period by the initial investment cost. Yield is a blend of stabilized and non-stabilized NOI streams as it includes all 2011 acquisitions and the Storage Deluxe portfolio.

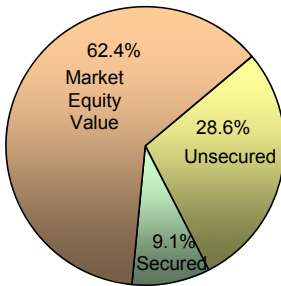
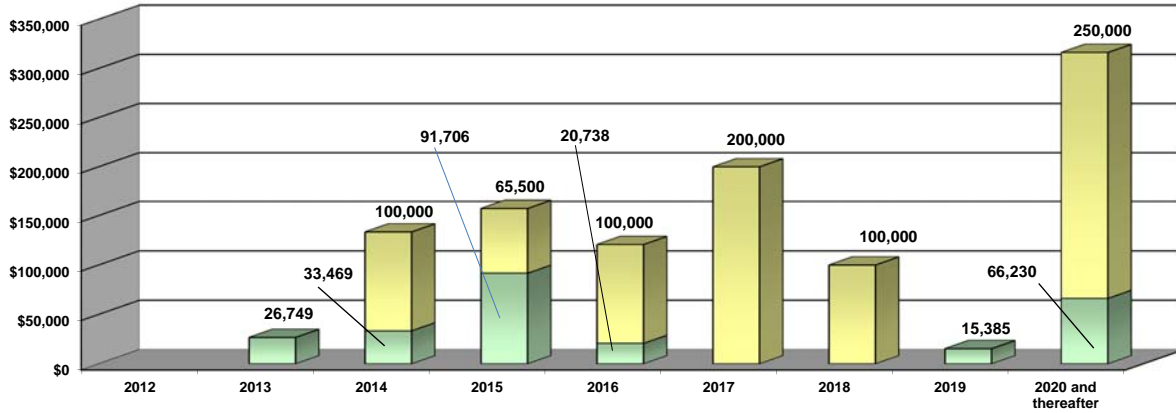
**CUBESMART**  
**FUNDS FROM OPERATIONS**  
*(in thousands, except per share data)*

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
<b>Net income (loss) attributable to common shareholders</b>	\$ 134	\$ 6,828	\$ (4,170)	\$ 7,613
Add (deduct):				
Real estate depreciation and amortization:				
Real property - continuing operations	29,424	15,043	81,369	45,108
Real property - discontinued operations	162	563	948	1,289
Company's share of unconsolidated real estate ventures	513	28	1,540	28
Noncontrolling interest's share of consolidated real estate ventures	(191)	(422)	(1,049)	(1,323)
Gains on sale of real estate	(197)	(3,527)	(6,403)	(3,527)
Gain on remeasurement of investment in real estate venture	(7,023)	-	(7,023)	-
Noncontrolling interests in the Operating Partnership	5	329	(106)	368
<b>FFO</b>	<b>\$ 22,827</b>	<b>\$ 18,842</b>	<b>\$ 65,106</b>	<b>\$ 49,556</b>
Add (deduct):				
Loan procurement amortization expense - early repayment of debt	-	-	-	2,085
Discontinued operations - settlement proceeds	-	-	-	(1,895)
Acquisition related costs	1,527	374	2,390	629
<b>FFO, as adjusted</b>	<b>\$ 24,354</b>	<b>\$ 19,216</b>	<b>\$ 67,496</b>	<b>\$ 50,375</b>
Earnings (loss) per share attributable to common shareholders - basic and diluted	\$ 0.00	\$ 0.07	\$ (0.03)	\$ 0.08
FFO per share and unit - fully diluted	\$ 0.18	\$ 0.18	\$ 0.50	\$ 0.47
FFO, as adjusted per share and unit - fully diluted	\$ 0.19	\$ 0.18	\$ 0.52	\$ 0.48
Weighted-average basic shares outstanding	124,169	98,895	123,016	98,836
Weighted-average diluted shares outstanding	125,976	100,284	123,016	100,264
Weighted-average diluted shares and units outstanding	130,384	105,013	129,222	104,997
Dividend per common share and unit	\$ 0.08	\$ 0.07	\$ 0.24	\$ 0.21
Payout ratio of FFO, as adjusted	42%	39%	46%	44%

**CUBESMART**

**DEBT OVERVIEW (as of September 30, 2012)**  
(unaudited, dollars in thousands)

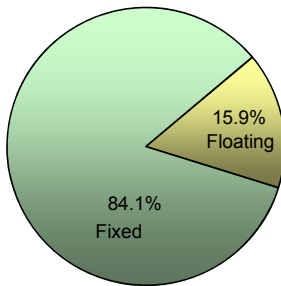
**Debt Maturity Schedule**



**Market Capitalization**

	Amount	Rate <sup>(1)</sup>	Weighted Average Maturity (in years)
Unsecured	\$ 815,500	3.63%	5.8
Secured	258,849	5.83%	4.3
<b>Total Debt</b>	<b>\$ 1,074,349</b>	<b>4.16%</b>	<b>5.4</b>
Market Equity Value	1,780,437		
<b>Total Market Capitalization</b>	<b>\$ 2,854,786</b>		

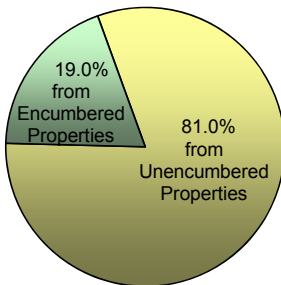
(1) Weighted average interest rate



**Floating and Fixed**

	Amount	Rate <sup>(1)</sup>	Weighted Average Maturity (in years)
Floating Rate Debt	\$ 171,067	2.02%	2.6
Fixed Rate Debt	903,282	4.56%	6.0
<b>Total Debt</b>	<b>\$ 1,074,349</b>	<b>4.16%</b>	<b>5.4</b>

(1) Weighted average interest rate



**Portfolio Net Operating Income**

NOI from Unencumbered Properties <sup>(1)</sup>	81.0%
NOI from Encumbered Properties <sup>(1)</sup>	19.0%
<b>Total</b>	<b>100.0%</b>

(1) Represents respective NOI contribution from properties during the quarter

**CUBESMART  
SECURED DEBT ANALYSIS**

(dollars in thousands)  
As of September 30, 2012

<b>FIXED RATE MORTGAGES</b>	<u>Balance</u>		<u>Rate</u>	<u>Maturity Date</u>
YSI 14	\$ 1,659	FIXED	6.22%	Jan-13
YSI 7	2,980	FIXED	5.50%	Jun-13
YSI 8	1,703	FIXED	5.50%	Jun-13
YSI 9	1,873	FIXED	5.50%	Jun-13
YSI 17	3,883	FIXED	5.72%	Jul-13
YSI 27	466	FIXED	6.13%	Nov-13
YSI 30	6,838	FIXED	6.13%	Nov-13
YSI 11	2,295	FIXED	6.29%	Jan-14
YSI 5	3,027	FIXED	6.22%	Jan-14
YSI 28	1,473	FIXED	6.02%	Mar-14
YSI 44	1,047	FIXED	7.00%	Sep-14
YSI 45	5,283	FIXED	6.75%	Oct-14
YSI 48	18,132	FIXED	7.25%	Nov-14
YSI 50	2,212	FIXED	6.75%	Dec-14
YSI 10	3,950	FIXED	5.47%	Jan-15
YSI 15	1,796	FIXED	5.60%	Jan-15
YSI 52	4,762	FIXED	5.44%	Jan-15
YSI 58	9,046	FIXED	5.90%	Jan-15
YSI 29	13,110	FIXED	5.17%	Aug-15
YSI 20	59,042	FIXED	5.97%	Nov-15
YSI 59	9,648	FIXED	5.87%	Mar-16
YSI 60	3,739	FIXED	6.25%	Aug-16
YSI 51	7,351	FIXED	6.36%	Oct-16
YSI 35	4,397	FIXED	6.90%	Jul-19 (a)
YSI 33	10,988	FIXED	6.42%	Jul-19
YSI 26	9,140	FIXED	5.45%	Nov-20
YSI 57	3,209	FIXED	5.45%	Nov-20
YSI 55	24,590	FIXED	5.30%	Jun-21
YSI 24	29,291	FIXED	5.30%	Jun-21
Total Mortgages	<u>\$ 246,930</u>		<u>5.90%</u>	
<b>FIXED RATE DEBT PREMIUMS</b>				
Fixed Rate Debt Premiums	4,572			
<b>SECURED LOANS, VARIABLE RATE</b>				
USIFB	7,347	LIBOR + 2.75%	3.49% (b)	Dec-13
Total Secured Debt	<u>\$ 258,849</u>		<u>5.83%</u>	

(a) This borrowing has a fixed interest rate for the first 5 years of the loan term, which then resets and remains constant over the final 5 years of the loan term.

(b) Rate includes the impact of a \$1.8 million interest rate swap to fix 3 month LIBOR at 2.36% through March 31, 2013.

**CUBESMART**  
**UNSECURED DEBT ANALYSIS**

*(dollars in thousands)*  
As of September 30, 2012

	<u>9/30/2012</u> <u>Balance</u>		<u>Rate</u>		<u>Maturity</u> <u>Date</u>	<u>Total</u> <u>Available</u>	<u>Remaining</u> <u>Available</u>
<b><u>LINE OF CREDIT</u></b>							
Unsecured Revolving Credit Facility	\$ 65,500	LIBOR + 1.80%	2.02%	(a)	Dec-15	(e) \$ 300,000	\$ 234,500
<b><u>UNSECURED BANK TERM LOANS</u></b>							
Unsecured Term Loan	100,000	LIBOR + 1.75%	1.97%	(a)	Dec-14		
Unsecured Term Loan	100,000	FIXED	3.65%	(a) (b)	Jun-16		
Unsecured Term Loan	200,000	FIXED	3.09%	(a) (c)	Mar-17		
Unsecured Term Loan	100,000	FIXED	4.47%	(a) (d)	Jun-18		
Total Unsecured Bank Term Loans	<u>\$ 500,000</u>						
<b><u>UNSECURED PUBLIC DEBT</u></b>							
Unsecured Senior Notes	250,000	FIXED	4.82%		Jul-22		
Total Unsecured Debt	<u>\$ 815,500</u>		<u>3.63%</u>				

- (a) Rate on these borrowings calculated based on 30 day LIBOR.  
(b) Rate includes the impact of interest rate swaps to fix LIBOR on \$100 million of borrowings at a blended rate of 1.803%, maturing in June 2016.  
(c) Rate includes the impact of interest rate swaps to fix LIBOR on \$100 million of borrowings at a blended rate of 1.336%, maturing in March 2017.  
(d) Rate includes the impact of interest rate swaps to fix LIBOR on \$100 million of borrowings at a blended rate of 2.468%, maturing in June 2018.  
(e) The Company, at its option, can extend the maturity by one year.

**UNSECURED SENIOR NOTES COVENANTS**

	<u>Required</u>	<u>Actual</u>
Fixed Charge Coverage Ratio	≥ 1.50x	2.9x
Leverage Ratio	≤ 60%	43.7%
Secured Debt Limitation	≤ 40%	10.3%
Unencumbered Asset Ratio	≥ 150%	239.2%

**CUBESMART**  
**OPERATING PERFORMANCE - BY REGION**  
 Three Months Ended September 30, 2012

Region	Market	SAME-STORE						TOTAL PORTFOLIO		
		# of Facilities	Total Rentable Square Feet	Ending Occupancy		Revenue Growth <sup>1</sup>		# of Facilities	Total Rentable Square Feet	Ending Occupancy
				September 30, 2012	September 30, 2011	Change	% Change			
<b>Northeast<sup>2</sup></b>										
	New York/Northern NJ	19	1,258,125	84.0%	80.9%	3.2%	5.5%	41	2,881,214	84.7%
	Baltimore / DC	9	776,439	87.0%	83.5%	3.5%	3.1%	16	1,355,694	87.3%
	Connecticut	17	847,402	84.0%	82.9%	1.1%	6.0%	20	1,041,581	83.9%
	Philadelphia / Southern NJ	5	354,449	84.5%	83.0%	1.5%	5.4%	11	783,780	83.8%
	Other	6	336,059	84.7%	79.3%	5.4%	10.0%	9	528,454	79.7%
Northeast	Region Sub-Total	56	3,572,474	84.8%	82.0%	2.8%	5.5%	97	6,590,723	84.6%
<b>Southeast<sup>3</sup></b>										
	Florida Markets - Other	36	2,601,969	84.8%	79.4%	5.4%	3.8%	39	2,829,665	84.3%
	Tennessee	22	1,510,760	84.5%	82.9%	1.6%	0.8%	24	1,665,675	84.1%
	Miami / Ft. Lauderdale	13	1,027,757	84.3%	79.5%	4.8%	5.2%	16	1,239,533	84.9%
	Atlanta	9	756,830	84.9%	80.2%	4.7%	6.0%	16	1,182,200	84.0%
	Other	6	462,962	83.2%	81.6%	1.6%	6.6%	6	462,962	83.2%
Southeast	Region Sub-Total	86	6,360,278	84.5%	80.5%	4.0%	3.9%	101	7,380,035	84.2%
<b>Midwest<sup>4</sup></b>										
	Texas Markets - Major	33	2,146,809	86.1%	82.2%	3.9%	4.4%	41	2,609,063	85.3%
	Chicago	27	1,607,418	87.3%	85.2%	2.1%	2.4%	27	1,607,418	87.3%
	Indiana / Ohio	24	1,493,177	85.0%	82.7%	2.3%	5.7%	24	1,493,177	85.0%
	Other	12	629,254	75.9%	86.2%	-10.3%	-7.7%	12	629,254	75.9%
Midwest	Region Sub-Total	96	5,876,658	85.0%	83.6%	1.5%	2.9%	104	6,338,912	84.8%
<b>West<sup>5</sup></b>										
	Inland Empire	20	1,462,949	81.1%	72.3%	8.7%	5.6%	20	1,462,949	81.1%
	Arizona / Las Vegas	25	1,296,980	84.6%	81.6%	3.0%	1.7%	26	1,379,815	84.4%
	Southern California	12	975,703	84.1%	76.7%	7.4%	8.7%	12	975,703	84.1%
	Colorado / Utah	12	732,709	88.8%	84.8%	4.0%	3.8%	13	807,229	89.0%
	Other	14	844,111	85.3%	81.2%	4.1%	0.9%	14	844,111	85.3%
West	Region Sub-Total	83	5,312,452	84.2%	78.5%	5.7%	4.2%	85	5,469,807	84.3%
<b>Total</b>		<b>321</b>	<b>21,121,862</b>	<b>84.6%</b>	<b>81.1%</b>	<b>3.5%</b>	<b>4.1%</b>	<b>387</b>	<b>25,779,477</b>	<b>84.5%</b>

- (1) Year over year  
 (2) 54.2% of total Northeast Region Square Footage is classified as Same Store  
 (3) 86.2% of total Southeast Region Square Footage is classified as Same Store  
 (4) 92.7% of total Midwest Region Square Footage is classified as Same Store  
 (5) 97.1% of total West Region Square Footage is classified as Same Store

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

As of September 30, 2012

<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, 2012 Occupancy</u>
Florida	55	38,438	4,069,198	15.8%	84.5%
Texas	52	25,312	3,179,817	12.3%	83.4%
California	43	26,197	3,100,702	12.0%	82.8%
New York	30	34,240	2,127,374	8.3%	85.5%
Illinois	27	13,830	1,607,418	6.2%	87.3%
Tennessee	24	12,758	1,665,675	6.5%	84.1%
Arizona	24	11,902	1,282,369	5.0%	84.3%
Ohio	23	11,865	1,420,163	5.5%	84.8%
New Jersey	20	12,805	1,325,565	5.1%	80.8%
Connecticut	20	9,082	1,041,581	4.0%	83.9%
Georgia	16	9,643	1,182,200	4.6%	84.0%
Virginia	9	6,717	690,902	2.7%	87.4%
Colorado	9	4,753	567,606	2.2%	88.8%
North Carolina	6	5,114	596,912	2.3%	85.8%
Maryland	6	3,866	462,962	1.8%	83.2%
Pennsylvania	6	4,281	456,175	1.8%	84.1%
Massachusetts	4	2,210	239,623	0.9%	89.5%
Utah	4	2,380	206,469	0.8%	86.5%
New Mexico	3	1,620	182,061	0.7%	87.8%
Washington DC	2	1,799	145,745	0.6%	91.8%
Nevada	2	885	97,446	0.4%	86.7%
Indiana	1	712	73,014	0.3%	88.0%
Wisconsin	1	485	58,500	0.2%	87.6%
<b>Total/Weighted Average</b>	<b>387</b>	<b>240,894</b>	<b>25,779,477</b>	<b>100.0%</b>	<b>84.5%</b>



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

As of September 30, 2012

<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, 2012 Occupancy</u>	<u>September 30, 2011 Occupancy</u>
Florida	49	34,318	3,629,726	17.2%	84.6%	79.4%
Texas	44	21,350	2,717,563	12.9%	83.7%	83.1%
California	43	26,197	3,100,702	14.7%	82.8%	75.6%
Illinois	27	13,830	1,607,418	7.6%	87.3%	85.2%
Ohio	23	11,865	1,420,163	6.7%	84.8%	82.6%
Arizona	23	11,114	1,199,534	5.7%	84.5%	81.6%
Tennessee	22	11,789	1,510,760	7.2%	84.5%	82.9%
Connecticut	17	7,105	847,402	4.0%	84.0%	82.9%
New Jersey	14	9,367	928,860	4.4%	82.2%	79.9%
Georgia	9	5,999	756,830	3.6%	84.9%	80.1%
New York	9	7,277	561,970	2.7%	86.1%	80.5%
Colorado	8	4,078	493,086	2.3%	88.4%	86.7%
North Carolina	6	3,866	462,962	2.2%	83.2%	81.6%
Maryland	5	4,160	518,252	2.4%	86.7%	84.1%
Virginia	4	2,518	272,967	1.3%	86.0%	81.5%
Utah	4	2,210	239,623	1.1%	89.5%	80.8%
Massachusetts	4	2,380	206,469	1.0%	86.5%	78.0%
New Mexico	3	1,620	182,061	0.8%	87.8%	82.3%
Pennsylvania	2	1,610	173,469	0.8%	86.0%	89.6%
Nevada	2	885	97,446	0.5%	86.7%	81.8%
Indiana	1	712	73,014	0.3%	88.0%	85.9%
Washington DC	1	754	63,085	0.3%	92.0%	91.0%
Wisconsin	1	485	58,500	0.3%	87.6%	84.8%
<b>Total/Weighted Average</b>	<b>321</b>	<b>185,489</b>	<b>21,121,862</b>	<b>100.0%</b>	<b>84.6%</b>	<b>81.1%</b>