

Public Storage  
Form 424B5  
March 07, 2012  
**Table of Contents**

**CALCULATION OF REGISTRATION FEE**

| <b>Title of each class of securities offered</b>  | <b>Amount to<br/>be registered</b> | <b>Proposed maximum<br/>offering price<br/>per unit</b> | <b>Proposed maximum<br/>aggregate<br/>offering price</b> | <b>Amount of<br/>registration<br/>fee(1)</b> |
|---|------------------------------------|---|--|--|
| Depository Shares Each Representing 1/1,000 of a 5.750 %<br>Cumulative Preferred Share of Beneficial Interest, Series T | 19,550,000                         | \$25.00   | \$488,750,000.00   | \$56,010.75                                  |

- (1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended, and relates to the Registration Statement on Form S-3 (File No. 333-167458) filed by the Registrant on June 11, 2010.

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**Table of Contents**

**Filed under Rule 424(b)(5)  
File No. 333-167458**

**PROSPECTUS SUPPLEMENT**

**(To Prospectus dated June 11, 2010)**

**17,000,000 Shares**

**Public Storage**

**Depository Shares Each Representing 1/1,000 of a**

**5.750% Cumulative Preferred Share of Beneficial Interest, Series T**

**Liquidation Preference Equivalent to \$25.00 Per Depository Share**

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We are selling 17,000,000 depository shares ( **Depository Shares** ) each representing 1/1,000 of a 5.750% Cumulative Preferred Share of Beneficial Interest, Series T ( **Preferred Shares** ). The Preferred Shares represented by the Depository Shares will be deposited with Computershare Trust Company, N. A., as depositary. As a holder of Depository Shares, you will be entitled to all proportional rights, preferences and privileges of the Preferred Shares. We have granted the underwriters an option to purchase up to 2,550,000 additional Depository Shares to cover over-allotments. The following is a summary of the Preferred Shares:

We will pay cumulative distributions on the Preferred Shares, from the date of original issuance, at the rate of 5.750% of the liquidation preference per year (\$1.4375 per year per Depository Share).

We will pay distributions on the Preferred Shares quarterly, beginning on June 30, 2012 (with the payment on that date being based pro rata on the number of days from the original issuance of the Preferred Shares).

We are not allowed to redeem the Preferred Shares before March 13, 2017, except in order to preserve our status as a real estate investment trust.

On and after March 13, 2017, we may, at our option, redeem the Preferred Shares by paying you \$25.00 per Depository Share, plus any accrued and unpaid distributions.

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The Preferred Shares have no stated maturity and are not subject to any sinking fund or mandatory redemption and are not convertible into any other securities.

Investors in the Depositary Shares representing interests in the Preferred Shares generally have no voting rights, except if we fail to pay distributions for six or more quarters or as required by law.

We intend to apply to have the Depositary Shares listed on the New York Stock Exchange (the NYSE ) under the symbol PSAPrT. If this application is approved, trading of the Depositary Shares on the NYSE is expected to begin within 30 days following initial delivery of the Depositary Shares.

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**Investing in the Depositary Shares involves risks. See Risk Factors beginning on page S-3 of this prospectus supplement.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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|  | <u>Per Share</u> | <u>Total</u>      |
|--|------------------|-------------------|
| Public Offering Price                        | \$ 25.00         | \$ 425,000,000(1) |
| Underwriting Discount                        | \$ 0.7477(2)     | \$ 12,710,150(2)  |
| Proceeds to Public Storage (before expenses) | \$ 24.2523       | \$ 412,289,850    |

- (1) The underwriters also may purchase up to an additional 2,550,000 Depositary Shares within 30 days of the date of this prospectus supplement in order to cover over-allotments, if any.
- (2) The underwriting discount will be \$0.7875 per Depositary Share for retail orders and \$0.50 per Depositary Share for institutional orders. See Underwriting beginning on page S-15 of this prospectus supplement for a discussion regarding certain additional underwriting compensation and discounts.

The underwriters are offering the Depositary Shares subject to various conditions. The underwriters expect to deliver the Depositary Shares to purchasers on or about March 13, 2012.

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*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Morgan Stanley**

**UBS Investment Bank**

**Wells Fargo Securities**

March 6, 2012

## Table of Contents

You should rely only on the information contained in or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not, and the underwriters are not, making an offer of these securities in any state or jurisdiction where the offer is not permitted. You should not assume that the information contained herein or in any document incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement or the date of the document incorporated by reference herein.

## TABLE OF CONTENTS

### Prospectus Supplement

|   | <u>Page</u> |
|---|-------------|
| <u>Where You Can Find More Information</u>                        | S-ii        |
| <u>Prospectus Supplement Summary</u>                              | S-1         |
| <u>Risk Factors</u>   | S-3         |
| <u>Use of Proceeds</u>  | S-4         |
| <u>Description of Preferred Shares and Depositary Shares</u>      | S-5         |
| <u>Additional Material U.S. Federal Income Tax Considerations</u> | S-12        |
| <u>Underwriting</u>   | S-15        |
| <u>Legal Matters</u>  | S-17        |
| <u>Experts</u>  | S-17        |

### Prospectus

|  |    |
|--|----|
| <u>About This Prospectus</u>                           | 1  |
| <u>Where You Can Find More Information</u>             | 1  |
| <u>Forward-Looking Statements</u>                      | 2  |
| <u>The Company</u>                                     | 3  |
| <u>Use of Proceeds</u>                                 | 3  |
| <u>Ratio of Earnings to Fixed Charges</u>              | 3  |
| <u>Description of Common Shares</u>                    | 4  |
| <u>Description of Preferred Shares</u>                 | 7  |
| <u>Description of Equity Shares</u>                    | 12 |
| <u>Description of the Depositary Shares</u>            | 14 |
| <u>Description of Warrants</u>                         | 18 |
| <u>Description of Debt Securities</u>                  | 19 |
| <u>Description of Units</u>                            | 27 |
| <u>Book Entry Securities</u>                           | 27 |
| <u>Material U.S. Federal Income Tax Considerations</u> | 28 |
| <u>Legal Opinions</u>                                  | 51 |
| <u>Experts</u>   | 51 |

*This prospectus supplement and the accompanying prospectus, including documents incorporated by reference, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are inherently subject to risk and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, financial and*

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*otherwise, may differ materially from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in Risk Factors in this prospectus supplement and in our most recent annual report as well as in Management's Discussion and Analysis of Financial Condition and Results of Operations in our most recent annual and quarterly reports.*

S-i

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the reporting requirements of the Exchange Act and are required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may telephone the SEC at 1-800-SEC-0330 for further information on SEC public reference facilities. The SEC also maintains a website at <http://www.sec.gov> that contains the reports, proxy and information statements and other information that we and other registrants file electronically with the SEC. You also can inspect reports and other information we file at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, and the Pacific Exchange, 301 Pine Street, San Francisco, California 94104.

This prospectus supplement and the accompanying prospectus are a part of a registration statement on Form S-3 filed with the SEC to register offers and sales of the securities described in this prospectus supplement and the accompanying prospectus under the Securities Act. The registration statement contains additional information about us and the securities. You may obtain the registration statement and its exhibits from the SEC as indicated above or from us.

The SEC allows us to provide information about our business and other important information to you by incorporating by reference the information we file with the SEC, which means that we can disclose that information to you by referring in this prospectus supplement and the accompanying prospectus to the documents we file with the SEC. Under SEC regulations, any statement contained in a document incorporated by reference in this prospectus supplement and the accompanying prospectus is automatically updated and superseded by any information contained in this prospectus supplement and the accompanying prospectus, or in any subsequently filed document of the types described below.

We incorporate into this prospectus supplement by reference the following documents filed with the SEC by us, each of which should be considered an important part of this prospectus supplement:

| SEC Filing  | Period Covered or Date of Filing  |
|---|---|
| Annual Report on Form 10-K  | Year ended December 31, 2011 (filed February 27, 2012)                                  |
| Current Reports on Form 8-K   | Filed January 5, 2012, January 9, 2012 and March 5, 2012                                |
| The portions of our Definitive Proxy Statement on Schedule 14A that are incorporated by reference in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010   | Filed March 25, 2011  |
| All subsequent documents filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934 (other than those furnished pursuant to Item 2.02 or Item 7.01 of Form 8-K or other information furnished to the SEC) | After the date of this prospectus supplement and before the termination of the offering |

You may request a copy of each of our filings at no cost, by writing or telephoning us at the following address, telephone or facsimile number:

Investor Services Department

Public Storage

701 Western Avenue

## Edgar Filing: Public Storage - Form 424B5

Glendale, California 91201-2397

Telephone: (800) 421-2856

(818) 244-8080

Facsimile: (818) 241-0627

Exhibits to a document will not be provided unless they are specifically incorporated by reference in that document.

S-ii



**Table of Contents****PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement and may not contain all the information that you need to consider in making your investment decision. You should carefully read this entire prospectus supplement and the accompanying prospectus, as well as the information to which we refer you and the information incorporated by reference, before deciding whether to invest in the Depositary Shares. You should pay special attention to the Risk Factors section of this prospectus supplement to determine whether an investment in the Depositary Shares is appropriate for you.*

**The Company**

We are a fully integrated, self-administered and self-managed real estate investment trust ( REIT ) that acquires, develops, owns and operates self-storage facilities which offer self-storage spaces for lease for personal and business use. We are the largest global owner and operator of self-storage facilities with equity interests (through direct ownership, as well as joint venture and general and limited partnership interests), as of December 31, 2011, in 2,058 storage facilities located in 38 states in the United States and 189 storage facilities located in seven countries in Europe operated under the Shurgard brand. We also have a significant ownership in PS Business Parks, Inc., a REIT that, as of December 31, 2011, had an equity interest in 27.2 million net rentable square feet of commercial space, primarily flex, multi-tenant office and industrial space, located in eight states.

The following table reflects the geographic diversification of our storage facilities:

|                       | At December 31, 2011               |   |
|-----------------------|------------------------------------|---|
|                       | Number of<br>Storage<br>Facilities | Net Rentable<br>Square Feet<br>(in thousands) |
| <b>United States:</b> |                                    |   |
| California:           |                                    |   |
| Southern              | 236                                | 16,584  |
| Northern              | 172                                | 10,024  |
| Texas                 | 236                                | 15,493  |
| Florida               | 194                                | 12,746  |
| Illinois              | 126                                | 7,904   |
| Washington            | 91                                 | 6,028   |
| Georgia               | 93                                 | 6,039   |
| North Carolina        | 69                                 | 4,775   |
| Virginia              | 78                                 | 4,453   |
| New York              | 63                                 | 4,221   |
| Colorado              | 59                                 | 3,713   |
| New Jersey            | 54                                 | 3,417   |
| Maryland              | 57                                 | 3,404   |
| Minnesota             | 43                                 | 2,931   |
| Michigan              | 43                                 | 2,755   |
| Arizona               | 37                                 | 2,259   |
| South Carolina        | 40                                 | 2,155   |
| Missouri              | 37                                 | 2,136   |
| Oregon                | 39                                 | 2,006   |
| Tennessee             | 27                                 | 1,528   |

# Edgar Filing: Public Storage - Form 424B5

|                          |       |         |
|--------------------------|-------|---------|
| Indiana                  | 31    | 1,926   |
| Pennsylvania             | 28    | 1,867   |
| Ohio                     | 31    | 1,922   |
| Nevada                   | 29    | 1,947   |
| Kansas                   | 22    | 1,310   |
| Massachusetts            | 19    | 1,179   |
| Wisconsin                | 15    | 968     |
| Other states (12 states) | 89    | 4,980   |
|                          | <hr/> | <hr/>   |
| Total U.S.               | 2,058 | 130,670 |
|                          | <hr/> | <hr/>   |
| <b>Europe:</b>           |       |         |
| France                   | 56    | 2,949   |
| Netherlands              | 40    | 2,182   |
| Sweden                   | 30    | 1,629   |
| Belgium                  | 21    | 1,265   |
| United Kingdom           | 21    | 1,026   |
| Germany                  | 11    | 553     |
| Denmark                  | 10    | 562     |
|                          | <hr/> | <hr/>   |
| Total Europe             | 189   | 10,166  |
|                          | <hr/> | <hr/>   |
| Grand Total              | 2,247 | 140,836 |
|                          | <hr/> | <hr/>   |

S-1

## **Table of Contents**

### **Recent Developments**

#### *Issuance of Series S Preferred Shares*

In January 2012, we issued 18,400,000 depositary shares representing interests in our 5.90% Cumulative Preferred Shares, Series S, with an aggregate liquidation preference of \$460.0 million.

#### *Redemption of Series L and Series E Preferred Shares*

On February 9, 2012, we redeemed all of our outstanding 6.75% Cumulative Preferred Shares, Series L, for a total redemption amount of \$206.7 million plus accrued and unpaid dividends. On February 20, 2012, we redeemed all of our outstanding 6.75% Cumulative Preferred Shares, Series E, for a total redemption amount of approximately \$141.3 million plus accrued and unpaid dividends.

#### *Redemption of Series Y Preferred Shares*

On February 16, 2012, we announced the redemption of all of our outstanding 6.850% Cumulative Preferred Shares, Series Y. The redemption will occur on March 19, 2012. The aggregate redemption amount to be paid to all holders of the depositary shares, before payment of accrued dividends, is approximately \$8.8 million.

#### *Redemption of Series M Preferred Shares*

On March 5, 2012, we announced we are calling for redemption all of our outstanding 6.625% Cumulative Preferred Shares, Series M. The redemption will occur on April 11, 2012. The aggregate redemption amount to be paid to all holders of the depositary shares, before payment of accrued dividends, is approximately \$476.6 million.

### **Use Of Proceeds**

We estimate net proceeds from this offering of approximately \$411.5 million, after all anticipated issuance costs. We expect to use the net proceeds, together with cash on hand, to redeem our depositary shares representing interests in our 6.625% Cumulative Preferred Shares, Series M at \$25.00 per share, for a total redemption price of approximately \$476.6 million, plus the accrued and unpaid dividends.

Pending application of the net proceeds as described above, we expect to deposit the net proceeds of this offering in interest bearing accounts or invest them in certificates of deposit, United States government obligations or other short-term, high-quality debt instruments selected at our

discretion.

S-2

**Table of Contents**

**RISK FACTORS**

*Before investing in the Depositary Shares, you should carefully consider the risks described below and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, including (i) those described under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and (ii) documents we file with the Securities and Exchange Commission after the date of this prospectus supplement and which are deemed incorporated by reference in this prospectus supplement.*

**The Depositary Shares offered by this prospectus supplement are a new issue and do not have an established trading market, which may negatively affect their market value and your ability to transfer or sell your Depositary Shares.**

Because the Depositary Shares do not have a stated maturity date, investors seeking liquidity will be limited to selling their Depositary Shares in the secondary market. We will apply to list the Depositary Shares on the NYSE, but we cannot assure you that the Depositary Shares will be approved for listing. If approved, trading is not expected to begin until 30 days after the initial delivery of the Depositary Shares. In addition, an active trading market on the NYSE for the Depositary Shares may not develop or, even if it develops, may not last, in which case the trading price of the Depositary Shares could be adversely affected. We have been advised by the underwriters that they intend to make a market in the Depositary Shares, but they are not obligated to do so and may discontinue market-making at any time without notice.

S-3

**Table of Contents**

**USE OF PROCEEDS**

We estimate net proceeds from this offering of approximately \$411.5 million, after all anticipated issuance costs. We expect to use the net proceeds, together with cash on hand, to redeem our depositary shares representing interests in our 6.625% Cumulative Preferred Shares, Series M at \$25.00 per share, for a total redemption price of approximately \$476.6 million, plus the accrued and unpaid dividends.

Pending application of the net proceeds as described above, we expect to deposit the net proceeds of this offering in interest bearing accounts or invest them in certificates of deposit, United States government obligations or other short-term, high-quality debt instruments selected at our discretion.

S-4

**Table of Contents**

**DESCRIPTION OF PREFERRED SHARES AND DEPOSITARY SHARES**

**General**

Under our Articles of Amendment and Restatement of Declaration of Trust, the Board of Trustees is authorized without further shareholder action to provide for the issuance of up to 100,000,000 preferred shares of beneficial interest, par value \$0.01 per share, in one or more series, with such voting powers, full or limited, and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be set forth in resolutions providing for the issue of preferred shares adopted by the Board of Trustees. At March 1, 2012, we had outstanding 479,483 preferred shares.

The Board of Trustees has adopted resolutions classifying the 5.750% Cumulative Preferred Shares, Series T (the Preferred Shares). When issued, the Preferred Shares will have a liquidation value of \$25,000 per share, will be fully paid and nonassessable, will not be subject to any sinking fund or other obligation of the Company to repurchase or retire the Preferred Shares, and will have no preemptive rights.

Computershare Trust Company, N. A. will be the transfer agent and distribution disbursing agent for the Preferred Shares. Its offices are located at 250 Royall Street, Canton, Massachusetts 02105-1865.

Each depositary share represents 1/1,000 of a Preferred Share (the Depositary Shares). The Preferred Shares will be deposited with Computershare Trust Company, N. A., as Depositary (the Preferred Shares Depositary), under a Deposit Agreement among the Company, the Preferred Shares Depositary and the holders from time to time of the depositary receipts (the Depositary Receipts) issued by the Preferred Shares Depositary under the Deposit Agreement. The Depositary Receipts will evidence the Depositary Shares. Subject to the terms of the Deposit Agreement, each holder of a Depositary Receipt evidencing a Depositary Share will be entitled, proportionately, to all the rights and preferences of, and subject to all of the limitations of, the interest in the Preferred Shares represented by the Depositary Share (including distribution, voting, redemption and liquidation rights and preferences). See Description of the Depositary Shares in the accompanying prospectus and Depositary Shares below.

Immediately following our issuance of the Preferred Shares, we will deposit the Preferred Shares with the Preferred Shares Depositary, which will then issue and deliver the Depositary Receipts to us. We will, in turn, deliver the Depositary Receipts to the underwriters. Depositary Receipts will be issued evidencing only whole Depositary Shares.

We intend to apply to have the Depositary Shares listed on the NYSE. The Preferred Shares will not be listed and we do not expect that there will be any trading market for the Preferred Shares except as represented by the Depositary Shares.

**Ownership Restrictions**

For a discussion of ownership limitations that apply to the Preferred Shares and related Depositary Shares, see Ownership Limitations in the accompanying prospectus.

**Preferred Shares of Beneficial Interest**

The following is a brief description of the terms of the Preferred Shares which does not purport to be complete and is subject to and qualified in its entirety by reference to the articles supplementary classifying the Preferred Shares, the form of which will be incorporated by reference into the Registration Statement of which this prospectus supplement constitutes a part.

S-5



## **Table of Contents**

### ***Ranking***

With respect to the payment of distributions and amounts upon liquidation, the Preferred Shares will rank *pari passu* with our 6.500% Cumulative Preferred Shares, Series W, 6.450% Cumulative Preferred Shares, Series X, 6.250% Cumulative Preferred Shares, Series Z, 6.125% Cumulative Preferred Shares, Series A, 6.60% Cumulative Preferred Shares, Series C, 6.18% Cumulative Preferred Shares, Series D, 6.45% Cumulative Preferred Shares, Series F, 6.625% Cumulative Preferred Shares, Series M, 7.00% Cumulative Preferred Shares, Series N, 6.875% Cumulative Preferred Shares, Series O, 6.5% Cumulative Preferred Shares, Series P, 6.5% Cumulative Preferred Shares, Series Q, 6.35% Cumulative Preferred Shares, Series R, 5.90% Cumulative Preferred Shares, Series S (collectively, together with the Preferred Shares, the Senior Preferred Shares ) and any other preferred shares issued by us, whether now or hereafter issued, ranking *pari passu* with the Senior Preferred Shares, and will rank senior to the Common Shares and any other shares of beneficial interest of the Company ranking junior to the Preferred Shares.

### ***Distributions***

Holders of Preferred Shares, in preference to the holders of Common Shares, and of any other shares of beneficial interest issued by us ranking junior to the Preferred Shares as to payment of distributions, will be entitled to receive, when and as declared by the Board of Trustees out of assets of the Company legally available for payment, cash distributions payable quarterly at the rate of 5.750% of the liquidation preference per year (\$1,437.50 per year per share, equivalent to \$1.4375 per year per Depositary Share). Distributions on the Preferred Shares will be cumulative from the date of issue and will be payable quarterly on or before March 31, June 30, September 30 and December 31, commencing June 30, 2012, to holders of record as they appear on the shares register of the Company on such record dates, not less than 15 or more than 45 days preceding the payment dates thereof, as shall be fixed by the Board of Trustees. If the last day of a quarter falls on a non-business day, we may pay distributions for that quarter on the first business day following the end of the quarter. After full distributions on the Preferred Shares have been paid or declared and funds set aside for payment for all past distribution periods and for the then current quarter, the holders of Preferred Shares will not be entitled to any further distributions with respect to that quarter.

When distributions are not paid in full upon the Preferred Shares and any other preferred shares of the Company ranking on a parity as to distributions with the Preferred Shares (including the other series of Senior Preferred Shares), all distributions declared upon the Preferred Shares and any other preferred shares of the Company ranking on a parity as to distributions with the Preferred Shares shall be declared *pro rata* so that the amount of distributions declared per share on such Preferred Shares and such other shares shall in all cases bear to each other the same ratio that the accrued distributions per share on the Preferred Shares and such other preferred shares bear to each other. Except as set forth in the preceding sentence, unless full distributions on the Preferred Shares have been paid for all past distribution periods, no distributions (other than in Common Shares or other shares of beneficial interest issued by us ranking junior to the Preferred Shares as to distributions and upon liquidation) shall be declared or paid or set aside for payment, nor shall any other distribution be made on the Common Shares or on any other shares of beneficial interest issued by us ranking junior to or on a parity with the Preferred Shares as to distributions or upon liquidation.

Unless full distributions on the Preferred Shares have been paid for all past distribution periods, we and our subsidiaries may not redeem, repurchase or otherwise acquire for any consideration (nor may we or they pay or make available any moneys for a sinking fund for the redemption of) any Common Shares or any other shares of beneficial interest issued by us ranking junior to or on a parity with the Preferred Shares as to distributions or upon liquidation except by conversion into or exchange for shares of beneficial interest issued by us ranking junior to the Preferred Shares as to distributions and upon liquidation.

If for any taxable year, we elect to designate as capital gain dividends (as defined in the Code) any portion of the distributions paid or made available for the year to the holders of all classes and series of our shares of beneficial interest (to the extent treated as a dividend for U.S. federal income tax purposes), then the portion of



## **Table of Contents**

such distributions designated as capital gain dividends that will be allocable to the holders of Preferred Shares will be an amount equal to the total capital gain dividends multiplied by a fraction, the numerator of which will be the total dividends paid or made available to the holders of Preferred Shares for the year, and the denominator of which will be the total dividends paid or made available to holders of all classes and series of our outstanding shares of beneficial interest for that year.

Distributions that are treated as dividends for U.S. federal income tax purposes paid by regular C corporations to persons or entities that are taxed as individuals now are generally taxed at the rate applicable to long-term capital gains, which is a maximum of 15% (under current law, through 2012), subject to certain limitations. Because we are a REIT, however, our dividends, including dividends paid on the Preferred Shares, generally will continue to be taxed at regular ordinary income tax rates, except to the extent that the special rules relating to qualified dividend income or capital gains dividends paid by a REIT apply. See Additional Material U.S. Federal Income Tax Considerations.

### ***Conversion Rights***

The Preferred Shares will not be convertible into shares of any other class or series of beneficial interest of the Company.

### ***Liquidation Rights***

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of the Preferred Shares will be entitled to receive out of our assets available for distribution to shareholders, before any distribution of assets is made to holders of Common Shares or of any other shares of beneficial interest issued by us ranking as to such distribution junior to the Preferred Shares, liquidating distributions in the amount of \$25,000 per share (equivalent to \$25.00 per Depositary Share), plus all accrued and unpaid distributions (whether or not earned or declared) for the then current, and all prior, distribution periods. If upon any voluntary or involuntary liquidation, dissolution or winding up of the Company, the amounts payable with respect to the Preferred Shares and any other shares issued by us ranking as to any such distribution on a parity with the Preferred Shares (including other series of Senior Preferred Shares) are not paid in full, the holders of the Preferred Shares and of such other shares will share ratably in any such distribution of assets of the Company in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the Preferred Shares will not be entitled to any further participation in any distribution of assets by us.

For purposes of liquidation rights, a consolidation or merger of the Company with or into any other corporation or corporations or a sale of all or substantially all of the assets of the Company is not a liquidation, dissolution or winding up of the Company.

### ***Redemption***

Except in certain circumstances relating to our qualification as a REIT, we may not redeem the Preferred Shares prior to March 13, 2017. On and after March 13, 2017, at any time or from time to time, we may redeem the Preferred Shares in whole or in part at our option at a cash redemption price of \$25,000 per Preferred Share (equivalent to \$25.00 per Depositary Share), plus all accrued and unpaid distributions to the date of redemption.

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Notwithstanding the foregoing, if any distributions, including any accumulation, on the Preferred Shares are in arrears, we may not redeem any Preferred Shares unless we redeem simultaneously all outstanding Preferred

S-7

## **Table of Contents**

Shares, and we may not purchase or otherwise acquire, directly or indirectly, any Preferred Shares; provided, however, that this shall not prevent the purchase or acquisition of the Preferred Shares pursuant to a purchase or exchange offer if such offer is made on the same terms to all holders of the Preferred Shares.

A notice of redemption of the Preferred Shares (which may be contingent on the occurrence of a future event) will be mailed, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the holders of record of Preferred Shares at their addresses as they appear on our stock transfer records. The failure to give such notice or any defect in the notice or in its mailing will not affect the validity of the proceedings for the redemption of any Preferred Shares except as to the holder to whom notice was defective or not given. Each notice will state: (1) the redemption date; (2) the number of Preferred Shares to be redeemed; (3) the redemption price per Preferred Share; (4) the place or places where certificates for the Preferred Shares are to be surrendered for payment of the redemption price; and (5) that distributions on the Preferred Shares to be redeemed will cease to accrue on such redemption date.

If fewer than all the Preferred Shares held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of Preferred Shares to be redeemed from such holder. If fewer than all of the outstanding Preferred Shares are to be redeemed, the shares to be redeemed shall be selected by lot or pro rata or by any other equitable method we may choose. In order to facilitate the redemption of Preferred Shares, the Board of Trustees may fix a record date for the determination of Preferred Shares to be redeemed, such record date to be not less than 30 nor more than 60 days prior to the date fixed for such redemption.

Notice having been given as provided above, from and after the date specified therein as the date of redemption, unless we default in providing funds for the payment of the redemption price on such date, all distributions on the Preferred Shares called for redemption will cease. From and after the redemption date, unless we so default, all rights of the holders of the Preferred Shares as shareholders of the Company, except the right to receive the redemption price (but without interest), will cease. Upon surrender in accordance with such notice of the certificates representing any such shares (properly endorsed or assigned for transfer, if the Board of Trustees of the Company shall so require and the notice shall so state), the redemption price set forth above shall be paid out of the funds provided by the Company. If fewer than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

Subject to applicable law and the limitation on purchases when distributions on the Preferred Shares are in arrears, we may, at any time and from time to time, purchase any Preferred Shares in the open market, by tender or by private agreement.

## ***Voting Rights***

Except as indicated below, or except as expressly required by applicable law, holders of the Preferred Shares will not be entitled to vote.

If six quarterly distributions payable on the Preferred Shares or any other series of preferred shares are in default (whether or not declared or consecutive), the holders of the Preferred Shares (voting as a class with all other series of Senior Preferred Shares) will be entitled to elect two additional trustees until all distributions in default have been paid or declared and set apart for payment.

Such right to vote separately to elect trustees shall, when vested, be subject, always, to the same provisions for vesting of such right to elect trustees separately in the case of future distribution defaults. At any time when such right to elect trustees separately shall have so vested, we may, and upon the written request of the holders of record of not less than 10% of the total number of preferred shares of the Company then

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outstanding shall, call a special meeting of shareholders for the election of trustees. In the case of such a written request, such special meeting shall be held within 90 days after the delivery of such request and, in either case, at the place and upon the notice provided by law and in our Bylaws, provided that we shall not be required to call such a special meeting if such request is received less than 120 days before the date fixed for the next ensuing annual meeting of shareholders, and the holders of all classes of outstanding preferred shares are offered the opportunity to elect

S-8

## **Table of Contents**

such trustees (or fill any vacancy) at such annual meeting of shareholders. Trustees so elected shall serve until the next annual meeting of our shareholders or until their respective successors are elected and qualified. If, prior to the end of the term of any trustee so elected, a vacancy in the office of such trustee shall occur, during the continuance of a default in distributions on preferred shares of the Company, by reason of death, resignation, or disability, such vacancy shall be filled for the unexpired term of such former trustee by the appointment of a new trustee by the remaining trustee or trustees so elected.

The affirmative vote or consent of the holders of at least  $66\frac{2}{3}\%$  of the outstanding Preferred Shares and any other series of preferred shares ranking on a parity with the Preferred Shares as to distributions or upon liquidation (which includes the other series of Senior Preferred Shares), voting as a single class, will be required to authorize another class of shares senior to the Preferred Shares with respect to the payment of distributions or the distribution of assets on liquidation. The affirmative vote or consent of the holders of at least  $66\frac{2}{3}\%$  of the outstanding Preferred Shares will be required to amend or repeal any provision of, or add any provision to, the Declaration of Trust, including articles supplementary if such action would materially and adversely alter or change the rights, preferences or privileges of the Preferred Shares.

No consent or approval of the holders of the Preferred Shares will be required for the issuance from the Company's authorized but unissued preferred shares or other shares of any series of preferred shares ranking on a parity with or junior to the Preferred Shares as to payment of distributions and distribution of assets, including other Preferred Shares.

## **Depository Shares**

The following is a brief description of the terms of the Depository Shares which does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Deposit Agreement (including the form of Depositary Receipt contained therein), which is incorporated by reference in the Registration Statement of which this prospectus supplement constitutes a part.

## ***Distributions***

The Preferred Shares Depositary will distribute all cash distributions or other cash distributions received in respect of the Preferred Shares to the record holders of Depositary Receipts in proportion to the number of Depositary Shares owned by such holders on the relevant record date, which will be the same date as the record date fixed by us for the Preferred Shares. In the event that the calculation of such amount to be paid results in an amount which is a fraction of one cent, the amount the Preferred Shares Depositary shall distribute to such record holder shall be rounded to the next highest whole cent.

In the event of a distribution other than in cash, the Preferred Shares Depositary will distribute property received by it to the record holders of Depositary Receipts entitled thereto, in proportion, as nearly as may be practicable, to the number of Depositary Shares owned by such holders on the relevant record date, unless the Preferred Shares Depositary determines (after consultation with us) that it is not feasible to make such distribution, in which case the Preferred Shares Depositary may (with our approval) adopt any other method for such distribution as it deems equitable and appropriate, including the sale of such property (at such place or places and upon such terms as it may deem equitable and appropriate) and distribution of the net proceeds from such sale to such holders.

## ***Liquidation Preference***

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In the event of the liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, the holders of each Depositary Share will be entitled to 1/1000th of the liquidation preference accorded each Preferred Share.

S-9



## **Table of Contents**

### ***Redemption***

Whenever we redeem any Preferred Shares held by the Preferred Shares Depositary, the Preferred Shares Depositary will redeem as of the same redemption date the number of Depositary Shares representing the Preferred Shares so redeemed. The Preferred Shares Depositary will publish a notice of redemption of the Depositary Shares containing the same type of information and in the same manner as our notice of redemption and will mail the notice of redemption promptly upon receipt of such notice from us and not less than 30 nor more than 60 days prior to the date fixed for redemption of the Preferred Shares and the Depositary Shares to the record holders of the Depositary Receipts. In case less than all the outstanding Depositary Shares are to be redeemed, the Depositary Shares to be so redeemed shall be determined pro rata or by lot in a manner determined by the Board of Trustees.

### ***Voting***

Promptly upon receipt of notice of any meeting at which the holders of the Preferred Shares are entitled to vote, the Preferred Shares Depositary will mail the information contained in such notice of meeting to the record holders of the Depositary Receipts as of the record date for such meeting. Each such record holder of Depositary Receipts will be entitled to instruct the Preferred Shares Depositary as to the exercise of the voting rights pertaining to the number of Preferred Shares represented by such record holder's Depositary Shares. The Preferred Shares Depositary will endeavor, insofar as practicable, to vote such Preferred Shares represented by such Depositary Shares in accordance with such instructions, and we will agree to take all action which may be deemed necessary by the Preferred Shares Depositary in order to enable the Preferred Shares Depositary to do so. The Preferred Shares Depositary will abstain from voting any of the Preferred Shares to the extent that it does not receive specific instructions from the holders of Depositary Receipts.

### ***Withdrawal of Preferred Shares***

Upon surrender of Depositary Receipts at the principal office of the Preferred Shares Depositary, upon payment of any unpaid amount due the Preferred Shares Depositary, and subject to the terms of the Deposit Agreement, the owner of the Depositary Shares evidenced thereby is entitled to delivery of the number of whole Preferred Shares and all money and other property, if any, represented by such Depositary Shares. Partial Preferred Shares will not be issued. If the Depositary Receipts delivered by the holder evidence a number of Depositary Shares in excess of the number of Depositary Shares representing the number of whole Preferred Shares to be withdrawn, the Preferred Shares Depositary will deliver to such holder at the same time a new Depositary Receipt evidencing such excess number of Depositary Shares. Holders of Preferred Shares thus withdrawn will not thereafter be entitled to deposit such shares under the Deposit Agreement or to receive Depositary Receipts evidencing Depositary Shares therefor.

### ***Amendment and Termination of Deposit Agreement***

The form of Depositary Receipt evidencing the Depositary Shares and any provision of the Deposit Agreement may at any time and from time to time be amended by agreement between us and the Preferred Shares Depositary. However, any amendment which materially and adversely alters the rights of the holders (other than any change in fees) of Depositary Shares will not be effective unless such amendment has been approved by the holders of at least a majority of the Depositary Shares then outstanding. No such amendment may impair the right, subject to the terms of the Deposit Agreement, of any owner of any Depositary Shares to surrender the Depositary Receipt evidencing such Depositary Shares with instructions to the Preferred Shares Depositary to deliver to the holder the Preferred Shares and all money and other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law. The Deposit Agreement may be terminated by us or the Preferred Shares Depositary only if (i) all outstanding Depositary Shares have been redeemed or (ii) there has been a final distribution in

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respect of the Preferred Shares in connection with any dissolution of the Company and such distribution has been made to all the holders of Depositary Shares.

S-10

## **Table of Contents**

### ***Charges of Preferred Shares Depositary***

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will pay charges of the Preferred Shares Depositary in connection with the initial deposit of the Preferred Shares and the initial issuance of the Depositary Shares, and redemption of the Preferred Shares and all withdrawals of Preferred Shares by owners of Depositary Shares. Holders of Depositary Receipts will pay transfer, income and other taxes and governmental charges and certain other charges as are provided in the Deposit Agreement to be for their accounts. In certain circumstances, the Preferred Shares Depositary may refuse to transfer Depositary Shares, may withhold distributions and distributions and sell the Depositary Shares evidenced by such Depositary Receipt if such charges are not paid.

### ***Miscellaneous***

The Preferred Shares Depositary will forward to the holders of Depositary Receipts all reports and communications from us which are delivered to the Preferred Shares Depositary and which we are required to furnish to the holders of the Preferred Shares. In addition, the Preferred Shares Depositary will make available for inspection by holders of Depositary Receipts at the principal office of the Preferred Shares Depositary, and at such other places as it may from time to time deem advisable, any reports and communications received from the Company which are received by the Preferred Shares Depositary as the holder of Preferred Shares.

Neither the Preferred Shares Depositary nor any Depositary's Agent (as defined in the Deposit Agreement), nor the Registrar (as defined in the Deposit Agreement) nor the Company assumes any obligation or will be subject to any liability under the Deposit Agreement to holders of Depositary Receipts other than for its gross negligence, willful misconduct or bad faith. Neither the Preferred Shares Depositary, any Depositary's Agent, the Registrar nor the Company will be liable if it is prevented or delayed by law or any circumstance beyond its control in performing its obligations under the Deposit Agreement. The Company and the Preferred Shares Depositary are not obligated to prosecute or defend any legal proceeding in respect of any Depositary Shares, Depositary Receipts or Preferred Shares unless reasonably satisfactory indemnity is furnished. The Company and the Preferred Shares Depositary may rely on written advice of counsel or accountants, on information provided by holders of Depositary Receipts or other persons believed in good faith to be competent to give such information and on documents believed to be genuine and to have been signed or presented by the proper party or parties.

### ***Resignation and Removal of Preferred Shares Depositary***

The Preferred Shares Depositary may resign at any time by delivering to us notice of its election to do so, and we may at any time remove the Preferred Shares Depositary, any such resignation or removal to take effect upon the appointment of a successor Preferred Shares Depositary and its acceptance of such appointment. Such successor Preferred Shares Depositary must be appointed within 60 days after delivery of the notice for resignation or removal and must be a bank or trust company having its principal office in the United States of America and having a combined capital and surplus of at least \$150,000,000.

## **Table of Contents**

### **ADDITIONAL MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS**

For a discussion of the taxation of the Company and the tax considerations relevant to shareholders generally, see *Material U.S. Federal Income Tax Considerations* in the accompanying prospectus. The following is a summary of certain additional U.S. federal income tax considerations pertaining to the acquisition, ownership and disposition of the Depositary Shares and should be read in conjunction with the referenced sections in the accompanying prospectus. This discussion of additional considerations is general in nature and is not exhaustive of all possible U.S. federal income tax considerations, nor does the discussion address any state, local or foreign tax considerations. This discussion of additional considerations is based on current law and does not purport to deal with all aspects of U.S. federal income taxation that may be relevant to a prospective shareholder in light of its particular circumstances or to certain types of shareholders (including insurance companies, financial institutions, broker-dealers, tax exempt investors, foreign corporations and persons who are not citizens or residents of the United States) subject to special treatment under U.S. federal income tax law. We have not requested and will not request a ruling from the Internal Revenue Service (the *Service*) with respect to any of the U.S. federal income tax issues discussed below or in the accompanying prospectus. Prospective investors should consult, and must depend on, their own tax advisors regarding the U.S. federal, state, local, foreign and other tax consequences of holding and disposing of the Depositary Shares.

#### **Taxation of Holders of Depositary Shares**

*General.* Owners of the Depositary Shares will be treated for U.S. federal income tax purposes as if they were owners of the Preferred Shares represented by such Depositary Shares. Accordingly, such owners will take into account, for U.S. federal income tax purposes, income to which they would be entitled if they were holders of such Preferred Shares. See *Material U.S. Federal Income Tax Considerations* in the accompanying prospectus. Withdrawals of Preferred Shares for Depositary Shares are not taxable events for U.S. federal income tax purposes.

*Distributions; Withholding.* For a discussion of the taxation of the Company, the treatment of distributions with respect to shares of the Company, and the withholding rules, see *Material U.S. Federal Income Tax Considerations Taxation of Public Storage as a REIT*, *Taxation of U.S. Shareholders*, *U.S. Taxation of Non-U.S. Shareholders* and *Information Reporting and Backup Withholding Tax Applicable to Shareholders* in the accompanying prospectus. In determining the extent to which a distribution on the Depositary Shares constitutes a dividend for U.S. federal income tax purposes, the earnings and profits of the Company will be allocated first to distributions with respect to the Preferred Shares and all other series of Preferred Shares, and second to distributions with respect to Common Shares of the Company.

*Sale or Exchange of Depositary Shares.* Upon the sale, exchange or other disposition of Depositary Shares to a party other than the Company, a holder of Depositary Shares will realize capital gain or loss measured by the difference between the amount realized on the sale, exchange or other disposition of the Depositary Shares and such shareholder's adjusted tax basis in the Depositary Shares (provided the Depositary Shares are held as a capital asset). For a discussion of capital gain taxation see *Material U.S. Federal Income Tax Considerations Taxation of U.S. Shareholders* and *U.S. Taxation of Non-U.S. Shareholders* in the accompanying prospectus.

*Redemption of Depositary Shares.* Whenever the Company redeems any Preferred Shares held by the Preferred Shares Depositary, the Preferred Shares Depositary will redeem as of the same redemption date the number of Depositary Shares representing the Preferred Shares so redeemed. The treatment to a holder of Depositary Shares accorded to any redemption by the Company (as distinguished from a sale, exchange or other disposition) of Preferred Shares held by the Preferred Shares Depositary and corresponding redemption of Depositary Shares can only be determined on the basis of particular facts as to the holder of Depositary Shares at the time of redemption. In general, a holder of Depositary Shares will recognize capital gain or loss measured by the difference between the amount received upon the redemption and the holder of the Depositary Shares



## **Table of Contents**

adjusted tax basis in the Depositary Shares redeemed (provided the Depositary Shares are held as a capital asset) if such redemption (i) results in a complete termination of a holder's interest in all classes of stock of the Company under Section 302(b)(3) of the Code or (ii) is not essentially equivalent to a dividend with respect to the holder under Section 302(b)(1) of the Code. In applying these tests, there must be taken into account not only any Depositary Shares owned by the holder, but also such holder's ownership of Common Shares, equity shares, other series of preferred shares and any options (including shares purchase rights) to acquire any of the foregoing. The holder also must take into account any such securities (including options) which are considered to be owned by such holder by reason of the constructive ownership rules set forth in Sections 318 and 302(c) of the Code.

If a particular holder of Depositary Shares owns (actually or constructively) no Common Shares or equity shares of the Company or an insubstantial percentage of the outstanding Common Shares, equity share or preferred shares of the Company, based upon current law, it is probable that the redemption of Depositary Shares from such a holder would be considered not essentially equivalent to a dividend. However, whether a distribution is not essentially equivalent to a dividend depends on all of the facts and circumstances, and a holder of Depositary Shares intending to rely on any of these tests at the time of redemption should consult its tax advisor to determine their application to its particular situation.

If the redemption does not meet any of the tests under Section 302 of the Code, then the redemption proceeds received from the Depositary Shares will be treated as a distribution on the Depositary Shares as described under Material U.S. Federal Income Tax Considerations Taxation of U.S. Shareholders and U.S. Taxation of Non-U.S. Shareholders in the accompanying prospectus. If the redemption is taxed as a distribution, the holder's adjusted tax basis in the redeemed Depositary Shares will be transferred to any other shareholdings of the holder of Depositary Shares in the Company. If the holder of Depositary Shares owns no other shares of beneficial interest in the Company, under certain circumstances, such basis may be transferred to a related person, or it may be lost entirely.

However, notwithstanding the foregoing, the IRS has proposed Treasury Regulations that would require the basis reduction associated with a redemption that is taxed as a distribution to be applied on a share-by-share basis, which could result in taxable income with respect to some shares, even though the holder's aggregate basis for the shares would be sufficient to absorb the entire redemption distribution. In addition, these proposed Treasury Regulations would not permit the transfer of basis in the redeemed shares of the preferred stock to the remaining shares of our stock held (directly or indirectly) by the redeemed holder. Instead, the unrecovered basis in our preferred stock would be treated as a deferred loss to be recognized when certain conditions are satisfied. These proposed Treasury Regulations would be effective for transactions that occur after the date the regulations are published as final Treasury Regulations. There can, however, be no assurance as to whether, when, and in what particular form such proposed Treasury Regulations will ultimately be finalized.

## **Extension of Reduced Tax Rates**

On December 17, 2010, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (the Act) was enacted. Among other things, the Act extended until December 31, 2012 certain reduced tax rates that had been scheduled to expire after December 31, 2010, including the reduced 15% maximum rate of tax on capital gains, the reduced 35% maximum rate of tax on ordinary income, and the application of the capital gains tax rate to certain qualified dividends discussed in the accompanying prospectus.

## **Foreign Account Tax Compliance Act**

As discussed in Material U.S. Federal Income Tax Considerations Taxation of U.S. Shareholders New Legislation Relating To Foreign Accounts and Material U.S. Federal Income Tax Considerations U.S. Taxation of Non-U.S. Shareholders Withholding on Payments to Certain Foreign

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Entities in the accompanying prospectus, the Hiring Incentives to Restore Employment Act (the HIRE Act ), which was

S-13

**Table of Contents**

enacted in 2010, imposes a 30% withholding tax on certain types of payments made to foreign financial institutions and certain other non-U.S. entities unless certain due diligence, reporting, withholding, and certification obligations requirements are satisfied. The portion of the HIRE Act that provides for this withholding tax and related provisions is known as the Foreign Account Tax Compliance Act or FATCA.

On February 8, 2012, the Treasury Department issued proposed regulations relating to FATCA. As a general matter, FATCA imposes a 30% withholding tax on dividends on, and gross proceeds from the sale or other disposition of, our stock if paid to a foreign entity unless (i) if the foreign entity is a foreign financial institution, the foreign entity undertakes certain due diligence, reporting, withholding, and certification obligations, (ii) if the foreign entity is not a foreign financial institution, the foreign entity identifies certain of its U.S. investors, or (iii) the foreign entity is otherwise excepted under FATCA. Under the proposed regulations, withholding is required (i) with respect to dividends on our stock beginning on January 1, 2014, and (ii) with respect to gross proceeds from a sale or other disposition of our stock that occurs on or after January 1, 2015.

Notwithstanding the foregoing, the proposed regulations will not be effective until issued in final form. There can be no assurance either as to when final regulations relating to FATCA will be issued or as to the particular form that those final regulations might take. If withholding is required under FATCA on a payment related to our stock, investors that otherwise would not be subject to withholding (or that otherwise would be entitled to a reduced rate of withholding) on such payment generally will be required to seek a refund or credit from the IRS to obtain the benefit of such exemption or reduction (provided that such benefit is available). We will not pay any additional amounts in respect of amounts withheld under FATCA. Prospective investors should consult their tax advisors regarding the effect of FATCA in their particular circumstances.



**Table of Contents****UNDERWRITING**

Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, the underwriters named below have agreed to purchase, and we have agreed to sell to each underwriter, the number of Depositary Shares set forth opposite the underwriter's name.

| <b><u>Underwriters</u></b>                                    | <b><u>Number<br/>of Depositary<br/>Shares</u></b> |
|---|---|
| Merrill Lynch, Pierce, Fenner & Smith<br>Incorporated         | 3,718,750   |
| Morgan Stanley & Co. LLC                                      | 3,718,750   |
| UBS Securities LLC  | 3,718,750   |
| Wells Fargo Securities, LLC                                   | 3,718,750   |
| Credit Suisse Securities (USA) LLC                            | 127,500   |
| Deutsche Bank Securities Inc.                                 | 127,500   |
| J.P. Morgan Securities LLC                                    | 127,500   |
| Janney Montgomery Scott LLC                                   | 127,500   |
| Morgan Keegan & Company, Inc.                                 | 127,500   |
| Oppenheimer & Co. Inc.  | 127,500   |
| Pershing LLC  | 127,500   |
| Raymond James & Associates, Inc.                              | 127,500   |
| RBC Capital Markets, LLC                                      | 127,500   |
| Robert W. Baird & Co. Incorporated                            | 127,500   |
| Stifel, Nicolaus & Company, Incorporated                      | 127,500   |
| Advisors Asset Management                                     | 42,500  |
| BB&T Capital Markets, a division of Scott & Stringfellow, LLC | 42,500  |
| B.C. Ziegler and Company                                      | 42,500  |
| Boenning & Scattergood, Inc.                                  | 42,500  |
| C.L. King & Associates, Inc.                                  | 42,500  |
| City Securities Corporation                                   | 42,500  |
| D.A. Davidson & Co.   | 42,500  |
| Davenport & Company LLC                                       | 42,500  |
| HRC Investment Services, Inc.                                 | 42,500  |
| J.J.B. Hilliard, WL Lyons LLC                                 | 42,500  |
| Keefe, Bruyette & Woods, Inc.                                 | 42,500  |
| KeyBanc Capital Markets Inc.                                  | 42,500  |
| Mesirow Financial, Inc.                                       | 42,500  |
| Sterne, Agee & Leach, Inc.                                    | 42,500  |
| Synovus Securities, Inc.                                      | 42,500  |
| Wedbush Securities Inc.                                       | 42,500  |
| William Blair & Company, LLC                                  | 42,500  |
| <br>Total   | <br><b>17,000,000</b>                             |

The underwriting agreement provides that the obligations of the several underwriters to purchase the shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all of the Depositary Shares if they purchase any of the Depositary Shares.

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We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 2,550,000 additional Depositary Shares at the public offering price less the underwriting discount and plus accumulated dividends, if any. The underwriters may exercise the option solely for the purpose of covering over-allotments, if any, in connection with this offering. To the extent the option is exercised, the underwriters must purchase the full number of additional Depositary Shares.

S-15

## **Table of Contents**

We intend to apply to have our Depositary Shares listed on the NYSE. The underwriters have advised us that they intend to make a market in the Depositary Shares prior to the commencement of trading on the NYSE. The underwriters will have no obligation to make a market in the Depositary Shares, however, and may cease market making activities, if commenced, at any time.

Public Storage will pay an underwriting discount of \$0.7875 per Depositary Share for retail orders and an underwriting discount of \$0.50 per Depositary Share for certain institutional orders. The following table shows the total underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering based on an average weighted underwriting discount for retail and institutional sales.

|                      |               |
|----------------------|---------------|
| Per Depositary Share | \$ 0.7477     |
| Total                | \$ 12,710,150 |

Depositary Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any Depositary Shares sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price of up to \$0.50 per Depositary Share (\$0.30 per Depositary Share in the case of sales to certain institutions). Any such securities dealers may resell any Depositary Shares purchased from the underwriters to certain other brokers or dealers at a discount from the initial public offering price of up to \$0.45 per Depositary Share (other than sales to certain institutions). If all the Depositary Shares are not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms.

In connection with the offering the underwriters may purchase and sell Depositary Shares in the open market. These transactions may include short sales, syndicate covering transactions and stabilizing transactions. Short sales involve syndicate sales of Depositary Shares in excess of the number of Depositary Shares to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of the Depositary Shares in the open market after the distribution has been completed in order to cover syndicate short positions. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Depositary Shares in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of bids for or purchases of Depositary Shares in the open market while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC, UBS Securities LLC or Wells Fargo Securities, LLC repurchases Depositary Shares originally sold by that syndicate member in order to cover syndicate short positions or make stabilizing purchases.

Any of these activities may have the effect of preventing or retarding a decline on the market price of the Depositary Shares. They may also cause the price of the Depositary Shares to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions on the NYSE or in the over-the-counter market, or otherwise. If the underwriters commence any of these transactions, they may discontinue any of them at any time.

We expect to deliver the securities against payment in New York City on or about the expected settlement date specified on the cover page of this prospectus supplement, which will be the fifth business day following the date of this prospectus supplement and of the pricing of securities. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Depositary Shares on the date of the prospectus supplement or the next succeeding business day will be required, by virtue of the fact that the Depositary Shares initially will settle in T+5, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisor.



## **Table of Contents**

We estimate that our portion of the total expenses (excluding the underwriting discount) of this offering will be approximately \$800,000.

The underwriters have performed investment banking and advisory services for us from time to time for which they have received customary fees and expenses. The underwriters may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the underwriters or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The lenders under our credit facility include Merrill Lynch Bank USA, an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated; Morgan Stanley Bank, an affiliate of Morgan Stanley & Co. LLC; UBS Loan Finance LLC, an affiliate of UBS Securities LLC; and Wells Fargo Bank, National Association, an affiliate of Wells Fargo Securities, LLC. Wells Fargo Bank, National Association is agent of the facility and also a lender under the credit facility.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

## **LEGAL MATTERS**

Certain legal matters relating to the Preferred Shares and Depositary Shares will be passed upon for us by Hogan Lovells US LLP, and for the underwriters by Skadden, Arps, Slate, Meagher & Flom LLP, Los Angeles, California. Skadden, Arps, Slate, Meagher & Flom LLP has from time to time represented us and our affiliates on unrelated matters.

## **EXPERTS**

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements and schedule included in our Annual Report on Form 10-K for the year ended December 31, 2011, and the effectiveness of our internal control over financial reporting as of December 31, 2011, as set forth in their reports, which are incorporated by reference in this prospectus supplement and elsewhere in the registration statement. Our financial statements and schedule are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.



**Table of Contents**

Prospectus

# **Public Storage**

**By this prospectus, we may offer**

**Common Shares of Beneficial Interest**

**Preferred Shares of Beneficial Interest**

**Equity Shares of Beneficial Interest**

**Depository Shares**

**Warrants**

**Debt Securities**

**Units**

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a delayed or continuous basis.

We will provide the specific terms of any offered securities in supplements to this prospectus and other filings with the Securities and Exchange Commission. You should read this prospectus and the supplements carefully before you invest.

Our common shares of beneficial interest are listed and traded on the New York Stock Exchange and the Pacific Exchange under the symbol PSA.

Our principal executive offices are located at 701 Western Avenue, Glendale, California, 91201-2349, and our telephone number there is (818) 244-8080.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued under this prospectus or determined if this prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

June 11, 2010

## **Table of Contents**

You should rely only on the information contained in or incorporated by reference in this prospectus and any accompanying prospectus supplement. We have not authorized anyone to provide you with different information. We are not making an offer to sell these securities in any state where the offer is not permitted. The information contained in or incorporated by reference in this prospectus is accurate only as of the date on the front of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

### **TABLE OF CONTENTS**

|  |    |
|--|----|
| <u>ABOUT THIS PROSPECTUS</u>                           | 1  |
| <u>WHERE YOU CAN FIND MORE INFORMATION</u>             | 1  |
| <u>FORWARD-LOOKING STATEMENTS</u>                      | 2  |
| <u>THE COMPANY</u>                                     | 3  |
| <u>USE OF PROCEEDS</u>                                 | 3  |
| <u>RATIO OF EARNINGS TO FIXED CHARGES</u>              | 3  |
| <u>DESCRIPTION OF COMMON SHARES</u>                    | 4  |
| <u>Common Shares</u>                                   | 4  |
| <u>Ownership Limitations</u>                           | 4  |
| <u>DESCRIPTION OF PREFERRED SHARES</u>                 | 7  |
| <u>Outstanding Preferred Shares</u>                    | 7  |
| <u>Ownership Limitations</u>                           | 7  |
| <u>Future Series of Preferred Shares</u>               | 7  |
| <u>DESCRIPTION OF EQUITY SHARES</u>                    | 12 |
| <u>Outstanding Series of Equity Shares</u>             | 12 |
| <u>Ownership Limitations</u>                           | 12 |
| <u>Future Series of Equity Shares</u>                  | 12 |
| <u>DESCRIPTION OF THE DEPOSITARY SHARES</u>            | 14 |
| <u>Distributions</u>                                   | 15 |
| <u>Liquidation Rights</u>                              | 15 |
| <u>Redemption</u>                                      | 15 |
| <u>Conversion</u>                                      | 15 |
| <u>Voting</u>  | 15 |
| <u>Withdrawal of Preferred Shares or Equity Shares</u> | 16 |
| <u>Amendment and Termination of Deposit Agreement</u>  | 16 |
| <u>Charges of Depositary</u>                           | 16 |
| <u>Miscellaneous</u>                                   | 16 |
| <u>Resignation and Removal of Depositary</u>           | 17 |
| <u>U.S. Federal Income Tax Considerations</u>          | 17 |
| <u>DESCRIPTION OF WARRANTS</u>                         | 18 |
| <u>DESCRIPTION OF DEBT SECURITIES</u>                  | 19 |
| <u>General Terms of the Indenture</u>                  | 19 |
| <u>Senior Debt Securities</u>                          | 20 |
| <u>Subordinated Debt Securities</u>                    | 20 |
| <u>Conversion or Exchange Rights</u>                   | 20 |
| <u>Consolidation, Merger or Sale</u>                   | 21 |
| <u>Events of Default</u>                               | 21 |
| <u>Registered Global Securities</u>                    | 22 |
| <u>Discharge, Defeasance and Covenant Defeasance</u>   | 24 |



**Table of Contents**

|   |    |
|---|----|
| <u>Modification of the Indenture</u>  | 25 |
| <u>Concerning the Trustee</u>   | 26 |
| <u>No Individual Liability of Incorporators, Shareholders, Officers or Trustees</u> | 26 |
| <u>Governing Law</u>  | 26 |
| <u>DESCRIPTION OF UNITS</u>   | 27 |
| <u>BOOK ENTRY SECURITIES</u>  | 27 |
| <u>MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>                              | 28 |
| <u>LEGAL OPINIONS</u>   | 51 |
| <u>EXPERTS</u>  | 51 |

(ii)

## **Table of Contents**

### **ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a shelf registration process. Under this shelf process, we may sell from time to time an unlimited amount of our common shares of beneficial interest, preferred shares of beneficial interest, equity shares, depositary shares, warrants and debt securities, in any combination. This prospectus provides a general description of the securities that we may offer. Each time we offer any of the types of securities described in this prospectus, we will prepare and distribute a prospectus supplement that will contain a description of the specific terms of the securities being offered and of the offering. The prospectus supplement also may also supplement the information contained in this prospectus. You should read both this prospectus and the applicable prospectus supplement, together with the additional information described under the heading **Where You Can Find More Information**, before purchasing any securities.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus to the Company, we, us, our and similar references mean Public Storage and its subsidiaries.

### **WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the reporting requirements of the Securities Exchange Act of 1934, and are required to file annual, quarterly and special reports with the Securities and Exchange Commission (the SEC). You may read and copy any of these documents at the SEC public reference rooms at 100 F Street, N.E., Washington, D.C. 20549. You may telephone the SEC at 1-800-SEC-0330 for further information on SEC public reference facilities. The SEC also maintains a website at <http://www.sec.gov> that contains the reports, proxy and information statements and other information that we and other registrants file electronically with the SEC. You also can inspect reports and other information we file at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, and the Pacific Exchange, 301 Pine Street, San Francisco, California 94104.

This prospectus is a part of a registration statement on Form S-3 filed with the SEC to register offers and sales of the securities described in this prospectus under the Securities Act of 1933, as amended. The registration statement contains additional information about us and the securities. You may obtain the registration statement and its exhibits from the SEC as indicated above or from us.

The SEC allows us to provide information about our business and other important information to you by incorporating by reference the information we file with the SEC, which means that we can disclose that information to you by referring in this prospectus to the documents we file with the SEC. Under SEC regulations, any statement contained in a document incorporated by reference in this prospectus is automatically updated and superseded by any information contained in this prospectus, or in any subsequently filed document of the types described below.

We incorporate into this prospectus by reference the following documents filed with the SEC by us, each of which should be considered an important part of this prospectus:

| <b>SEC Filing</b>             | <b>Period Covered or Date of Filing</b>  |
|-------------------------------|--|
| Annual Report on Form 10-K    | Year ended December 31, 2009 (filed by Public Storage on March 1, 2010)              |
| Quarterly Report on Form 10-Q | Quarter ended March 31, 2010 (filed by Public Storage on May 10, 2010)               |
| Current Reports on Form 8-K   | Filed on March 1, 2010 (pursuant to Item 5.02 only), April 8, 2010 and May 11, 2010. |

**Table of Contents**

Official interest contained in our Current Report on Form 8-K, filed June 6, 2007, as supplemented by the description contained in this prospectus  
under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934 (other than those furnished pursuant to Item 2.02 or Item 7.01 of Form 8-K or other information)

You may request a copy of each of our filings at no cost, by writing or telephoning us at the following address, telephone or facsimile number:

Investor Services Department

Public Storage

701 Western Avenue

Glendale, California 91201-2397

Telephone: (800) 421-2856

(818) 244-8080

Facsimile: (818) 241-0627

Exhibits to a document will not be provided unless they are specifically incorporated by reference in that document.

**FORWARD-LOOKING STATEMENTS**

This prospectus includes or incorporates by reference forward-looking statements, including those identified by the words expects, believes, anticipates, should, estimates, may, will, seeks, intends, plans, pro forma, or the negative of these words and phrases or similar expressions to convey the uncertainty of future events or outcomes. Discussions of strategy, plans or intentions also include forward-looking statements. Forward-looking statements are subject to risks and uncertainties which may cause our actual results to differ significantly from those expressed or implied in the forward-looking statements. Factors that may impact future results and performance are described in our Annual Report on Form 10-K for the year ended December 31, 2009 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 as well as our future filings with the SEC.

These factors, as well as changes in the real estate markets and the general economy, could cause future events and actual results to differ materially from those set forth or contemplated in the forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus or in the incorporated documents might not occur and actual results could be substantially different than expected.

**Table of Contents**

**THE COMPANY**

We are a fully integrated, self-administered and self-managed real estate investment trust, or REIT, that primarily acquires, develops, owns and operates storage facilities. Our storage properties are located in 38 states and seven Western European nations. As of March 31, 2010, we had interests in 2,009 storage facilities with approximately 127 million net rentable square feet in the United States and 188 storage facilities with approximately 10 million net rentable square feet in Europe. We also own a 41% common equity interest in PS Business Parks, Inc. (NYSE:PSB) which owned and operated approximately 20.5 million rentable square feet of commercial space, primarily flex, multitenant office and industrial space, at June 2, 2010.

We elected to be taxed as a REIT beginning with our 1981 taxable year. So long as we continue to qualify as a REIT, we will not be taxed, with certain limited exceptions, on the net income that we distribute currently to our shareholders. We were incorporated in California in 1980 and reorganized as a Maryland real estate investment trust in June 2007. Our principal executive offices are located at 701 Western Avenue, Glendale, California 91201-2349. Our telephone number is (818) 244-8080.

**USE OF PROCEEDS**

Unless otherwise described in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities described in this prospectus to make investments in self-storage facilities, including development, interests in partnerships and other entities and mortgage loans, and for general corporate purposes, including repayment of debt and the redemption of outstanding securities. Pending application, we may invest the net proceeds in short-term, interest-bearing securities.

**RATIO OF EARNINGS TO FIXED CHARGES**

We compute our ratio of earnings to combined fixed charges and preferred distributions by dividing our earnings by the sum of our fixed charges and preferred shares and preferred unit distributions. We compute our ratio of earnings to fixed charges by dividing our earnings by our fixed charges. Earnings consist of net income before interest expense and noncontrolling interests that have fixed charges.

|  | Three Months<br>Ended March 31 (c) |        |        | Year Ended December 31 (c) |       |        |        |
|--|------------------------------------|--------|--------|----------------------------|-------|--------|--------|
|  | 2010                               | 2009   | 2009   | 2008                       | 2007  | 2006   | 2005   |
| Ratio of earnings to combined fixed charges and preferred distributions, including the impact of Codification Section 260-10-S99-2 (a) | 2.01x                              | (b)    | 4.16x  | 3.76x                      | 1.67x | 1.22x  | 2.26x  |
| Ratio of earnings to fixed charges   | 18.26x                             | 17.67x | 26.36x | 22.39x                     | 7.99x | 10.23x | 42.65x |

- (a) Financial Accounting Standards Board Accounting Standards Codification (the Codification) Section 260-10-S99-2, The Effect on the Calculation of Earnings per Share for the Redemption or the Induced Conversion of Preferred Stock provides, among other things, that any excess of (1) the fair value of the consideration transferred to the holders of preferred stock redeemed over (2) the carrying amount of the preferred stock should be subtracted from net earnings to determine net earnings available to common shareholders in the calculation of earnings per share. At the July 31, 2003 meeting of the EITF, the Securities and Exchange Commission Observer clarified that for purposes of applying EITF Topic D-42, the carrying amount of the preferred stock should be reduced by the issuance costs of the preferred stock, regardless of where in the stockholders' equity section those costs were initially classified on issuance. This ratio reflects the SEC Observer's clarification.
- (b) Not meaningful as combined fixed charges and preferred share distributions are negative.
- (c) Net earnings excludes discontinued operations.

## **Table of Contents**

### **DESCRIPTION OF COMMON SHARES**

#### **Common Shares**

We are authorized to issue up to 650,000,000 common shares of beneficial interest, par value \$0.10 per share. At June 1, 2010, we had outstanding 170,053,450 common shares (excluding common shares issuable upon conversion of convertible shares of beneficial interest and common shares subject to options).

The following description of our common shares sets forth certain general terms and provisions of our common shares to which any prospectus supplement may relate, including a prospectus supplement providing that common shares will be issuable upon conversion of other securities or upon the exercise of warrants. The statements below describing our common shares are in all respects subject to and qualified in their entirety by reference to the applicable provisions of our declaration of trust and bylaws, which have been filed as exhibits to the registration statement of which this prospectus forms a part.

Holders of our common shares will be entitled to receive distributions when, as and if declared by our board of trustees, out of funds legally available for distribution. If we fail to pay distributions on our outstanding preferred shares of beneficial interest, generally we may not pay distributions on or repurchase our common shares. If we were to liquidate, dissolve or wind up our affairs, holders of common shares will be entitled to share equally and ratably in any assets available for distribution to them, after payment or provision for payment of our debts and other liabilities and the preferential amounts owing with respect to any of our outstanding preferred shares. Holders of common shares have no preemptive rights, which means they have no right to acquire any additional common shares that we may issue at a later date. The common shares will be, when issued, fully paid and nonassessable.

The holders of our common shares are entitled to cast one vote for each share on all matters presented to our holders for a vote. Our declaration of trust permits cumulative voting for the election of trustees, subject to compliance with the notice requirements for the exercise of cumulative voting rights that are set forth in our bylaws. Cumulative voting means that each holder of our common shares is entitled to cast as many votes as there are trustees to be elected multiplied by the number of common shares registered in his or her name. A holder of our common shares may cumulate the votes for trustees by casting all of the votes for one candidate or by distributing the votes among as many candidates as he or she chooses.

The rights, preferences and privileges of holders of our common shares are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred shares or equity shares of beneficial interest which are outstanding or which we may designate and issue in the future. See [Description of Preferred Shares](#) and [Description of Equity Shares](#).

#### **Ownership Limitations**

To qualify as a REIT under the Internal Revenue Code of 1986, as amended (the [Code](#)), our shares must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of our outstanding shares (after taking into account options to acquire shares) may be owned, directly, indirectly or through attribution, by five or fewer individuals (as defined in the [Code](#) to include certain entities) during the last half of a taxable year.

To maintain our qualification as a REIT, our declaration of trust provides that:

no person, other than an excepted holder or a designated investment entity (each as defined in our declaration of trust and as described below), may own directly or indirectly, or be deemed to own by virtue of the attribution provisions of the [Code](#), more than 3%, in value or number, whichever is more restrictive, of the outstanding shares of any class or series of common shares;