

Extra Space Storage 08



Letter from Ken Woolley

08 Annual Report



Dear Fellow Shareholders,

On April 1, 2009, I completed my tenure as chairman and chief executive officer of Extra Space Storage. Since building our first self-storage property in 1977, Extra Space Storage has grown into the second-largest self-storage company in the country and the world.

As you know, I have accepted an opportunity to serve a mission in Moscow, Russia for the Church of Jesus Christ of Latter-day Saints. Though I will not be involved in the day-to-day operations of the Company's business, I will continue to serve on the board of directors and will be in frequent contact with the management team.

The invitation to serve this mission came as a surprise, as this assignment is one for which I did not lobby or apply. My decision to accept the invitation to serve was made easier when I considered the strong team that we have assembled at Extra Space Storage.

I have the utmost confidence in our new CEO, Spencer F. Kirk, who has the full and enthusiastic support of our executive team and board of directors. Spencer joined the company in 1998 and has served as our president since 2007. He and I have worked side-by-side to bring Extra Space Storage to its leadership position in the self-storage industry. As the company's largest private shareholder, Spencer is clearly focused on building shareholder value, and you will find him to be a forward-thinking, innovative and transparent CEO who will serve our shareholders well.

As I look back on my time leading Extra Space Storage, I am especially proud of the strength and continuity of our management team and the commitment of our employees. Today, we remain well positioned to continue advancing our company, our performance and our market share. These are difficult financial times, but I believe our company will continue to succeed by focusing on the best people, the best properties and the best processes.

For more than three decades, it has been my privilege to serve this company and you, our shareholders. As I embark on the next chapter of my life, I would like to thank you for your support over the years. I look forward to remaining an active member of the Company's board of directors as Extra Space Storage continues to lead the self-storage marketplace into the future.

Sincerely,

Kenneth M. Woolley



Kenneth M. Woolley
*Founder, Former Chairman and CEO
Director
Extra Space Storage Inc.*



Dear Fellow Shareholders,

It has been my honor to work alongside Ken Woolley for almost two decades, including nearly 11 years at Extra Space Storage. I became the CEO of our company on April 1, 2009, and am enthusiastic about our future. The theme of our 2008 annual report is “Timing is Everything,” and it is especially fitting for me as I step into my new role. I believe my experience at Extra Space Storage will make this a seamless transition for our shareholders, partners and employees.

Timing is everything... it's a saying that held true for Extra Space Storage in 2008 and will be especially relevant in 2009.

Last year, good timing meant raising equity at the right moment. It meant bringing our call center in-house and implementing a customer management technology system that will build stronger relationships with our client base. It also meant meeting new demand for self storage in an economic downturn.

I'm proud of Extra Space Storage for delivering solid performance and seizing opportunities in these unprecedented financial times. Because of the long-term strategy of our management team, we bolstered our balance sheet when many companies did not.

In May 2008, before the credit markets froze, we raised \$244.4 million in gross proceeds through a successful follow-on secondary offering of common stock. In October 2008, we raised another \$44.1 million in gross proceeds through a direct placement of common stock. At year-end, we had \$64.0 million in cash, \$88.0 million in undrawn term and construction loans and \$73.0 million of availability on our line of credit, bringing our total unused capacity to \$225.0 million.

Since the end of 2008, we have drawn an additional \$50.0 million on our line of credit with General Electric and we have successfully closed one term loan for \$9.1 million and a \$50.0 million revolving credit line. We also paid off a \$74.4 million loan two months early. By paying off this particular loan, we've freed up another 20 properties on which we can place new debt. We were also able to swap a \$64.5 million variable rate term loan to a fixed rate of 4.2% for four and a half years. We now have the capacity to satisfy all of our loan maturities through July 2010 and have time to ride out the challenging credit environment.

2008: A time to deliver

Because of our conservative approach, we remain comfortable with our debt ratios. Our leverage, measured by the percentage of total debt to market capitalization, was 58.0% at year-end, compared to 56.6% at the end of 2007. Our fixed-charge coverage ratio was 2.4 times for the full year, compared to 2.3 times for 2007. More than 88% of our debt was fixed rate at the end of 2008.



Spencer F. Kirk
*Chairman and CEO
Extra Space Storage Inc.*



In addition to the cash on hand, undrawn lines of credit and loans, we also have the ability to tap our joint venture partners for equity if the right opportunities arise. Over the years we have built strong relationships with our joint-venture partners, including Prudential, TIAA-CREF and Heitman. In today's environment, self storage remains an attractive product type among private equity investors, given the size of the individual assets, consistent cash flow and increased institutional acceptance.

Backed by our strong balance sheet in 2008, we focused on delivering another year of growth and positive operating performance. With more than three decades of experience, we remain confident that our company has the right people, properties and processes in place. These fundamental strengths have allowed us to keep renting units at the highest possible rate, despite the downturn in the economy.

This is a good time to be in the self-storage industry. As a whole, publicly-held self-storage companies have increased same-store revenue by an average of over 4% per year over the past 12 years, thanks to consistent cash flows and a high base-level of demand. Historically, loans on self-storage properties have had one of the lowest default and loss rates of any commercial property type. With very little new supply coming on line, existing properties are well positioned for future growth.

The core of our business is solid, with demand related to life changes continuing to drive rental activity. While we may lose some customers who have utilized storage as a discretionary service, we will pick up others who are downsizing or undergoing a transition as a direct result of the challenging economy. In addition to continued residential customer demand, business demand remains stable, with many firms using storage to augment their existing retail or office space.

Today, Extra Space Storage continues to be at the forefront of the self-storage industry. Over the past 12 quarters, we have led the sector in average same-store performance. We have become the second-largest self-storage operator in the industry because of the quality of our properties, the efficiency of our operations and the experience of our team.

Last year we increased our same-store revenue by 2.3% and net operating income (NOI) by 3.4%, including tenant reinsurance revenue. Though not as high as in previous years, our same-store performance was impressive given tough comparables and a decelerating operating environment.

Houston was one of our best performing markets in the aftermath of Hurricane Ike, and other top performing markets for the year included Chicago, Dallas, Denver, Oakland and San Francisco. The strength of those markets was partially offset by weakness in Florida, Las Vegas, Philadelphia and Phoenix.

Our revenue management team continues to implement pricing strategies utilizing information gained from over a dozen different pricing tests on 75,000 customers. Our street rents, or incoming rents, are competitive in the market, and we continue to offer discounts to attract new customers. We have improved retention by pulling back on certain existing customer rate increases as needed on a property-by-property basis.

Our marketing strategies continue to evolve as more prospective customers utilize the Internet as their primary tool for choosing a self-storage provider. In late 2008, Extra Space Storage was one of four companies that won Google's "Website Workout" contest, which gave us access to online consultants to help us optimize paid and organic searches using Google's analytical tools. We believe the knowledge gained by this collaboration will help us further refine our Web marketing strategies and have a positive impact on conversion rates and rentals.



In 2008, we continued our ongoing commitment to improve our portfolio through strategic acquisitions and development while at the same time investing in our existing portfolio. We acquired 11 high quality properties for \$79.9 million, and completed the development of nine self-storage properties located in core markets such as California, Florida, Illinois and New Jersey for approximately \$77.1 million. We invested \$12.4 million to improve our existing properties, making them even more attractive to new customers and showing our commitment to the “Clean and Green” standard.

Funds from operations (FFO) for 2008 was \$1.18 per share including a \$0.10 per share one-time gain on early extinguishment of debt. Our annual FFO was reduced by \$0.02 in one-time dead-deal costs and by \$0.02 due to a loss on the sale of our investment in Auction Rate Securities. Our 2008 FFO also included approximately \$0.08 in dilution from equity offerings and \$0.06 in lease-up drag. Excluding these items, FFO for the year was \$1.26 per share. In total, we generated FFO available to common shareholders of \$96.6 million in 2008, compared to \$76.6 million in 2007, an increase of 26.1%.

Overall, our total revenue grew to \$273.3 million in 2008, up from \$238.9 million in 2007. We also increased net income to \$46.9 million in 2008, from \$36.1 million in 2007. Our performance allowed us to deliver an annualized common dividend of \$1.00 per share in 2008, an amount that we will assess on a quarterly basis in 2009. We continued to benefit from our tenant reinsurance program, which improves our overall operating margins while giving our tenants greater peace of mind. As of year-end, 93.6% of new tenants and 48.8% of all tenants insured the valuable items they stored with us through our reinsurance program.

In short, in 2008 we continued to rent units and our properties held their own. Our best-in-class operational systems helped us maximize revenue and occupancy. As with so many other companies, our stock price was down during the year, but even in a highly volatile market, we outperformed the NAREIT Equity Index.

2009: The time is right

The time is right to capture new demand in a shifting market. Much of our demand comes from life changes such as marriage, divorce, birth, death, graduation, job changes and even natural disasters. In addition, self storage is still used consistently by businesses of all sizes. What has changed, especially in the past few months, is that we are serving new types of customers: people facing foreclosure, families and businesses downsizing, baby boomers retiring, often to smaller places; and parents moving in with their adult children.

We are a nation of accumulators and keepers, and we believe that people will hold close to their belongings and continue to use self storage as a repository for their most valued personal and business items. Michigan and Ohio, two of our better performing markets last year, were among the hardest hit by mounting foreclosures—mostly on occupied homes. We stand ready to provide all of our customers with a valuable service, treating each one of them fairly and with respect in a time of what can be a stressful life change.

The time is right to further strengthen our balance sheet. We are being extremely proactive and have to date in 2009 secured nearly \$60 million in additional financing. We are currently actively speaking with 40 banks at this time. Most of these are new relationships for us, and we believe this will bring us increased financial flexibility in the future. We continue to take a conservative approach to acquisitions and development projects. Looking ahead, our first order of business is to take care of our debt.



The time is right to further improve our processes. Keeping a vigilant watch over our operations will enable us to maximize our property performance. We are focusing on keeping our expenses under control and leveraging our state-of-the-art technology and operational systems to make us more efficient. We will also be upgrading our revenue management system to make us even more knowledgeable in pricing our properties. A major milestone for us was bringing our new internal call center online in late 2008. At the same time, we implemented our customer relationship management technology system, which gives us a key advantage by tracking customers and prospects from first contact to move-in and beyond.

We are implementing a variety of strategies to expand our reach. We continue to move more advertising dollars to the Internet, which lets us cast a wider net at a lower cost and generates more reservations online. At the same time, we are putting an emphasis on our ability to service national accounts such as pharmaceutical or logistics companies. The call center is already showing better close rates than our previous third-party provider and we believe it will only improve with time. Through highly-trained local sales managers, we are also building relationships with local businesses that need self storage. We plan to expand our third-party management program, under which we operate properties for a management fee as well as retaining tenant reinsurance income. The third-party management program, called 3Plus, will give us even greater national scale, along with a potential future acquisitions pipeline.

Looking ahead

As we look ahead, economic conditions are hard to predict. Much depends on how quickly our country works its way out of the recession. We will continue to be competitive with rates and discounting to attract new customers, which will suppress same-store revenue growth to an extent.

Despite the economic challenges, I remain confident in the fundamentals of Extra Space Storage. Our focus areas for 2009 are to further strengthen our balance sheet and to optimize the operational performance of the properties. We continue to benefit from the strength and continuity of our management team, our ability to seize new opportunities, and our national portfolio of properties in the best markets for self storage.

I would like to thank you for the opportunity to serve you as CEO and to work with our outstanding group of motivated and dedicated employees. The management team and I look forward to leading the company as it meets the challenges and captures the opportunities ahead. For Extra Space Storage, the time is now.

Sincerely,

Spencer F. Kirk, Chairman and CEO

1. Kenneth M. Woolley

Founder, Former Chairman and CEO
Director
Extra Space Storage Inc.

2. Spencer F. Kirk

Chairman and CEO

3. Kent W. Christensen

Executive Vice President and CFO

4. Karl Haas

Executive Vice President and COO

5. Charles L. Allen

Executive Vice President and
Chief Legal Officer



We rely on our fundamental strengths – like a strong balance sheet, a proven operating platform and an experienced management team. Together, they are helping us meet the demands of a challenging economy.

Strengthening our balance sheet

We have always taken a conservative approach to managing our balance sheet. Last year we tapped the capital markets at just the right time, raising total gross proceeds of \$288.5 million through offerings of our common stock. At year end, we had sufficient current capacity to satisfy our debt maturities through July 2010 and to date in 2009 we have closed a \$9.1 million term loan and a \$50.0 million revolving line of credit. We are currently negotiating 17 term sheets totaling approximately \$154.0 million of potential loans.

Our strategy of approaching community and regional banks where our properties are located seems to be working. While fewer lenders are making larger loans, the self-storage product type, due to the smaller loan size, is perfectly suited for banks that are still in the commercial real estate lending market. These new banking relationships will give us increased future financial flexibility.

Despite a challenging lending environment, we remain comfortable with our capital position, especially given our stable cash flows, our well-staged loan maturities and our longstanding joint-venture relationships with institutional investors.

From the beginning, life changes have driven our business – many of them wholly separate from the ebb and flow of the economy. Couples get married and have babies; children graduate and move out; people buy a house, get a new apartment or change jobs – and they all need a place to store their things in these times of transition.

In the current economic environment, downsizing is driving new demand for storage. Across the country, one in 10 borrowers in America was either delinquent on their home loan or in foreclosure at the end of 2008 (Source: Mortgage Bankers Association). The nation is bracing for the next wave of mortgage defaults. From 2009 and 2012 it is estimated that eight million homes will go into foreclosure, according to a Credit Suisse report.

People facing this life change are entrusting us with their valued personal items. Additionally, many parents are moving in with their adult children to make ends meet. More than 3.6 million parents lived with their adult children in 2007, according to the U.S. Census Bureau, up 67% from 2000. We are ready to meet these new areas of demand in a changing economy, while we help people prepare for the next chapter in their lives.



“The time is right to take full advantage of our fundamental strengths to advance our position in the marketplace.”

**Kent Christensen,
EVP and CFO**



Businesses are also increasingly using self-storage to augment their space. Whether they are moving, rightsizing or growing, businesses are turning to Extra Space Storage to keep important documents, furniture and inventory safe and secure while they prepare to make their next move.

Capturing a booming opportunity

One of our fundamental strengths is our ability to take care of customers – especially as they retire, find new freedom by moving to smaller places, and sort through a lifetime of memories and belongings. We are well positioned to serve a larger share of this market as the baby boom generation retires in the decades ahead.

In 2008, the oldest of our country's 78 million baby boomers – those born between 1946 and 1964 – turned 62 years old (Source: U.S. Census Bureau). The 50+ Housing Council of the National Association of Home Builders says that approximately 6% of Americans between the ages of 55 and 64 move each year. And one in four baby boom generation households expects to move in the future, with 49% of those looking for a smaller home, according to a recent survey prepared for AARP. For our company, the generation that is redefining retirement may be one of our greatest opportunities.

Operating with a superior platform

One of the hallmarks of our success in self storage is our superior operating platform. Over the years we have refined our processes, enabling us to make data-driven decisions in how we operate, market and price our properties. Today, we believe we have the best systems in the industry and a track record of leading innovation.

A key example was our move to an in-house call center in late 2008. We are using a state-of-the-art digital phone system and customer service technology, which provides us with superior data with little on-site hardware. To enhance our overall technology platform, we have rolled out an enterprise-wide customer relationship management (CRM) system. This system enables us to track customers more efficiently, identify the location of the potential customers, reduce duplication of data and streamline our overall information flow.

We believe our best-in-class technology, revenue management and operational systems are helping us provide a better product and better customer experience than our competitors. In the current economy, our operational abilities are more important than ever.

Managing with experience

The expertise of our management team continues to serve us well, with focus, talent and an average of 16 years of storage experience at the senior vice president level and above. As a result, our company is well positioned for whatever changes are ahead. We continue to focus on controlling costs while maintaining a quality experience for our customers and employees.

You can see our management experience in everything we do – from good expense control to strong revenue management. We proved our ability to manage great change when we integrated Storage USA's 458 properties in 2005. We continued to excel as we grew our portfolio in subsequent years. Now we have the opportunity to manage change once again in the current economy, and we couldn't have a better team in place for the task ahead.



At Extra Space Storage, we keep a close watch for opportunities to grow our business. We are implementing strategies to leverage our national scale, connect with our customers and expand our reach.

Leveraging the Internet

With our national scale, we are leveraging the Internet to drive more people to our properties. According to our research, since 2006 the number of customers using the Yellow Pages as their primary resource for choosing a self-storage property has dropped by 40%, while the number of customers utilizing the Internet has increased by 80%.

The Internet lets us cast a wider net, since the average online customer drives 20% further than those who rent from other sources of advertising. We diverted about \$1 million in Yellow Page advertising to internet advertising in 2008, and we'll redirect another \$1 million next year to enhance the efficiency and effectiveness of our Web presence.

Our Internet strategy is paying off. Last year our Web site traffic was up 31% to 1.5 million total hits for the year. In 2008, approximately 34% of our customers used www.extraspace.com at some point in their buying process, up from 18% in 2006. Best of all, we turned more leads into paying customers, by increasing online reservations and/or holds 31% to nearly 25,000 in 2008.

Answering the call for new opportunities

Our call center is a vital touch point for our customers. In a major milestone for our company, we brought our new internal call center online in Salt Lake City during the fourth quarter of 2008. By combining call center experts with operational and training personnel, we created an outstanding team to enhance our capabilities. As of early 2009, all of our operating properties have been integrated into the call center.

Equipped with the best people and best-in-class technology, our new call center enhances the customer experience while giving us real-time, centralized data and greater operational control. Our CRM system tracks our customers and prospects every step of the way – from first contact through lease signing, move-in, and move-out to return customer. History shows us that many past customers return to rent self-storage again.

Through our CRM system we can identify the location of each call and populate all the pertinent customer information on the call agent's screen before the call starts. We also give the agent immediate access to information for all Extra Space facilities within a 25-mile radius of the called facility to help find the best fit for the customer. Our CRM system gives us a key advantage over the majority of our competitors. We expect it to help us close even more sales opportunities in 2009 and beyond.



“The time is right to pursue new operational opportunities and continue to enhance our platform for growth.”

**Spencer Kirk,
Chairman and CEO**



Expanding our footprint

Operating properties on behalf of third-party owners remains an important opportunity for us. Managed and franchise properties provide us with management fee income and increased tenant reinsurance revenues, while expanding our operating footprint and market knowledge.

Last year we brought 22 new properties to our third-party management platform, operating each under the “Clean and Green” Extra Space Storage brand. We ended the year with 67 managed and franchise locations – nearly a tenth of our overall portfolio.

In addition to the fees and reinsurance income, each management contract gives us a potential acquisition opportunity. In 2008, we purchased two properties from this pipeline and we have acquired interests in a total of 45 properties for \$247.5 million from this pipeline since 2005. In addition, we acquired an additional 40.0% interest in an existing joint venture with Prudential for \$44.1 million in 2008. Our third-party management strategy gives us an off-market source for future acquisitions with very little integration risk, since we know each property inside and out. We plan to expand our third-party business in 2009. We think it’s an excellent time to pursue this opportunity.

Growing our scale – on the right terms

We are taking a very conservative approach to acquisitions and developments in the current capital market environment. However, we may consider attractive buying opportunities in conjunction with institutional investors acting as the primary financing source. To date, we haven’t seen much distress in the self-storage acquisition market, which speaks to the stability of our sector and our product type.

Over the years, Extra Space Storage has earned an excellent reputation in the self-storage industry. No one knows this better than our longtime joint-venture partners, including Prudential Real Estate Investors, TIAA-CREF and Heitman, which have invested nearly \$1.5 billion in equity with Extra Space Storage. Our successful performance gives us opportunities to approach both existing and new joint-venture partners with a proven track record.

Beyond our scheduled 2009 development completions, we are proceeding cautiously. Our 2009 development pipeline is expected to be 14 properties for a total cost of approximately \$155 million, with minimal equity funding requirements. Self-storage development has a three- to five-year completion timeframe, and we are looking to the future, not just the next 12 months. As always, we are targeting the best self-storage markets with low supply to position ourselves for success.

Portfolio



08 Annual Report

We have always prided ourselves on timing the market to benefit our shareholders. This instinct has given us a national portfolio of properties in the best markets for self storage.

Growing our scale – selectively

Extra Space Storage is the second-largest operator of self storage in the country, with 694 high-quality, well located operating properties in 33 states and Washington, D.C. Last year we grew our lead in the marketplace with a clear focus on quality over quantity. We added 20 wholly-owned properties to our portfolio last year through careful acquisitions and selective developments and expansions.

In total, we made 11 wholly-owned acquisitions in 2008 for \$79.9 million – our smallest number in five years, in keeping with the state of the capital markets. We also acquired an additional 40% interest in a Prudential joint venture for approximately \$44.1 million. Our newly acquired properties are located in our core markets of California, Colorado, Florida, Indiana, Maryland and New York.

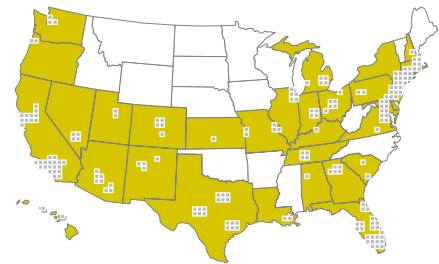
During the year, our development department completed nine projects for a total cost of \$77.1 million. We opened state-of-the-art, community-friendly storage facilities in high barrier-to-entry markets, including metropolitan areas surrounding Baltimore-Washington D.C., Chicago, Los Angeles, Miami, New York and San Francisco. Our strategy is designed to add value to our portfolio over time.

Enhancing our portfolio

With a national footprint in the strongest markets, we operate the best portfolio among our self-storage peers. More than 70% of our locations are in the top 20 metropolitan statistical areas – high-density markets with the greatest demand.

Last year we strengthened our portfolio by spending \$12.4 million on property improvements. Already, our portfolio is the newest among our publicly traded peers. We strive to have the cleanest and best-maintained properties, and investing strategically in our portfolio helps properties meet our exacting “Clean and Green” standard.

Safe, secure and state of the art, our properties are the strength behind our business. Consumers have come to depend on us for quality service at a reasonable price. Thanks to high levels of referrals, our reputation has built the Extra Space Storage brand on a national scale.



“With high-quality, well located properties coast to coast, we have assembled the best portfolio in the self-storage business.”

**Karl Haas,
EVP and COO**

Gaining from great locations

Having the top storage demographics in our industry gives us a tremendous advantage. The population density of the communities we serve is higher than any of our peers. On average, more than 114,000 people live within a three-mile radius of each of our properties. The median income of those households is over \$66,000, on par with, or exceeding the same metric for our peers.

For Extra Space Storage, great demographics support higher occupancy and higher rents. In fact, last year we once again achieved the highest rent per square foot of our peers, netting \$13.99 per occupied square foot at our same-store properties.

To be sure, self storage is a competitive business. But with great locations, markets and demographics, Extra Space Storage is positioned to earn more than its share of self-storage demand.

Financial Highlights

08 Annual Report



Selected Data - Dollars in thousands, except share and per share data

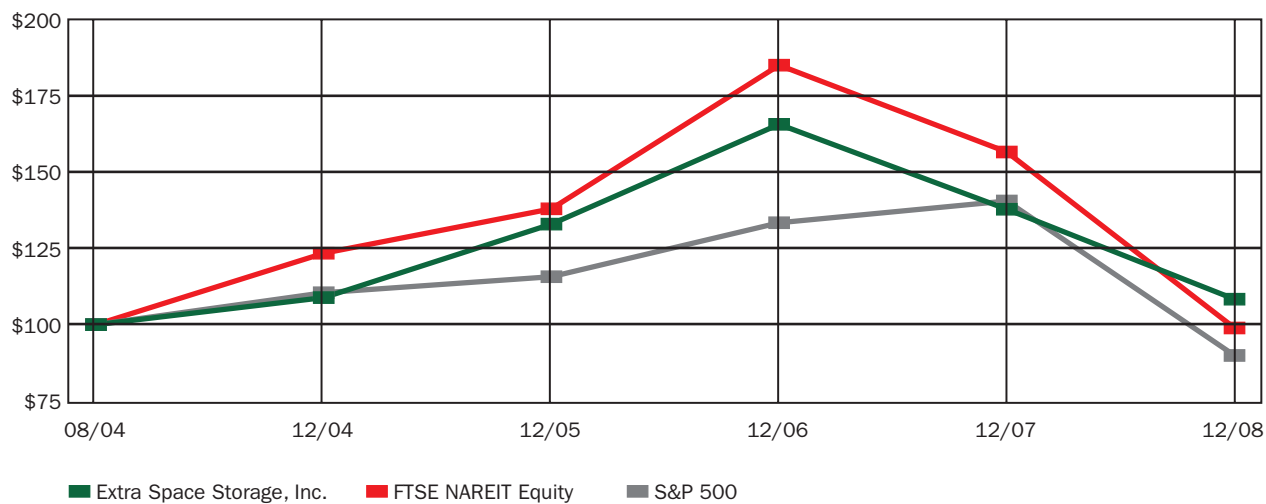
YEAR ENDED DECEMBER 31,	2008	2007	2006
OPERATING DATA:			
Total revenues	\$ 273,251	\$ 238,866	\$ 197,264
Property operating expenses	\$ 84,522	\$ 73,070	\$ 62,243
General and administrative expenses	\$ 40,427	\$ 36,722	\$ 35,600
Depreciation and amortization	\$ 49,566	\$ 39,801	\$ 37,172
Interest expense	\$ 64,611	\$ 61,015	\$ 50,953
Equity in earnings of real estate ventures	\$ 6,932	\$ 5,300	\$ 4,693
Net income	\$ 46,888	\$ 36,094	\$ 14,876
OTHER DATA:			
FFO(1) – diluted	\$ 96,594	\$ 76,620	\$ 56,336
Weighted average number of shares – diluted	81,913,784	70,503,668	59,291,749
Cash dividends paid per common share	\$ 1.00	\$ 0.93	\$ 0.91
Wholly-owned stabilized property occupancy at year-end	82.4%	83.9%	84.3%
BALANCE SHEET DATA:			
Total assets	\$ 2,291,008	\$ 2,054,075	\$ 1,669,825
Total debt	\$ 1,299,851	\$ 1,319,771	\$ 948,174
Minority interest represented by Preferred Operating Partnership units, net of \$100,000 note receivable	\$ 28,529	\$ 30,041	\$ —
Minority interest	\$ 32,770	\$ 34,941	\$ 35,158
Total stockholders' equity	\$ 872,463	\$ 619,921	\$ 643,555

(1) Funds from Operations (“FFO”) provides relevant and meaningful information about our operating performance that is necessary, along with net income and cash flows, for an understanding of our operating results. We believe FFO is a meaningful disclosure as a supplement to net earnings because net earnings assume that the values of real estate assets diminish predictably over time as reflected through depreciation and amortization expenses. We believe that the values of real estate assets fluctuate due to market conditions and FFO more accurately reflects the value of our real estate assets. FFO is defined by the National Association of Real Estate Investment Trusts, Inc. (“NAREIT”) as net income computed in accordance with U.S. generally accepted accounting principles (“GAAP”), excluding gains or losses on sales of operating properties, plus depreciation and amortization and after adjustments to record unconsolidated partnerships and joint ventures on the same basis. We believe that to further understand our performance, FFO should be considered along with the reported net income and cash flows in accordance with GAAP, as presented in the consolidated financial statements. The computation of FFO may not be comparable to FFO reported by other REITs or real estate companies that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently. FFO does not represent cash generated from operating activities determined in accordance with GAAP, and should not be considered as an alternative to net income as an indication of our performance, as an alternative to net cash flow from operating activities as a measure of our liquidity, or as an indicator of our ability to make cash distributions.

**Comparison Of 52 Month Cumulative Total Return***

Among Extra Space Storage Inc., The S&P 500 Index

And The FTSE NAREIT Equity Index



*\$100 invested on 8/17/04 in stock & 7/31/04 in index-including reinvestment of dividends.
Fiscal year ending December 31.

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Tel (801) 562-5556

Transfer Agent

American Stock
Transfer & Trust
New York City, New York

Independent Auditors

Ernst & Young LLP
Salt Lake City, Utah

Legal Counsel

Latham & Watkins LLP
San Diego, California

Stock Information

The Company's common stock trades on the New York Stock Exchange (NYSE) under the symbol EXR.

Annual Meeting of Stockholders

The Company's annual meeting of stockholders will be held May 20, 2009 at the Company's corporate headquarters in Salt Lake City, Utah.

Form 10-K Information

A copy of the Company's Form 10-K, filed with the Securities Exchange Commission, will be furnished, free of charge on written request to:
Investor Relations
2795 East Cottonwood Parkway,
Suite 400
Salt Lake City, Utah 84121

A fully downloadable version of the Company's annual report can also be found in the investor relations section of the Company's Web site at www.extraspace.com

Management Team

Spencer F. Kirk
Chairman of the Board
Chief Executive Officer

Charles L. Allen
Executive Vice President
Chief Legal Officer

Kent W. Christensen
Executive Vice President
Chief Financial Officer

Karl Haas
Executive Vice President
Chief Operating Officer

Bruce Boucher
Senior Vice President
Human Resources

Buck Brown
Senior Vice President
Marketing

Bill Hoban
Senior Vice President
Information Technology

James Overturf
Senior Vice President
Corporate Communications

Samrat Sondhi
Vice President
Revenue Management

Jim Stevens
Senior Vice President
Acquisitions

P. Scott Stubbs
Senior Vice President
Finance and Accounting

Richard S. Tanner
Senior Vice President
Development

Board of Directors

Spencer F. Kirk
Chairman of the Board and
Chief Executive Officer
Extra Space Storage Inc.

Anthony Fanticola
Retired Chairman and
Chief Executive Officer
A. Fanticola Companies, Inc.

Joseph D. Margolis
Co-founder and Partner
Arsenal Real Estate Funds

Roger B. Porter
IBM Professor of Business
and Government
Harvard University

K. Fred Skousen
Advancement Vice President
Brigham Young University,
Retired

Hugh W. Horne
President and
Chief Executive Officer
Storageworld, L.P. and
Storage Spot, Inc.

Kenneth M. Woolley
Founder and Former
Chairman of the Board and
Chief Executive Officer
Extra Space Storage Inc.



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