LifeStorage

First Quarter 2017

Financial Supplement

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Analyst Coverage

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Bank of America Merrill Lynch	Jeffrey Spector / Juan Sanabria
BMO Capital Markets	Paul Adornato / Thomas Polise
Cantor Fitzgerald	Gaurav Mehta
Citigroup	Michael Bilerman / Smedes Rose
D.A. Davidson & Co.	Barry Oxford
Evercore ISI	Steve Sawka / Gwen Clark
FBR & Co.	David Corak
Green Street Advisors	Ryan Burke
Jefferies Group LLC	George Hoglund
KeyBanc Capital Markets	Jordan Sadler / Todd Thomas
Raymond James	Jonathon Hughes
SunTrust Robinson Humphrey	Ki Bin Kim
UBS Investment Research	Nick Yulico / Trent Trujillo
Wells Fargo Securities LLC	Todd Stender / Philip DeFelice

Forward Looking Statements

When used within this news release, the words “intends,” “believes,” “expects,” “anticipates,” and similar expressions are intended to identify “forward looking statements” within the meaning of that term in Section 27A of the Securities Act of 1933, and in Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward looking statements. Such factors include, but are not limited to, the effect of competition from new self storage facilities, which could cause rents and occupancy rates to decline; the Company’s ability to evaluate, finance and integrate acquired businesses into the Company’s existing business and operations; the Company’s ability to enter new markets where it has little or no operational experience; the Company’s existing indebtedness may mature in an unfavorable credit environment, preventing refinancing or forcing refinancing of the indebtedness on terms that are not as favorable as the existing terms; interest rates may fluctuate, impacting costs associated with the Company’s outstanding floating rate debt; the Company’s ability to comply with debt covenants; the future ratings on the Company’s debt instruments; the regional concentration of the Company’s business may subject it to economic downturns in the states of Florida and Texas; the Company’s ability to effectively compete in the industries in which it does business; the Company’s reliance on its call center; the Company’s cash flow may be insufficient to meet required payments of principal, interest and dividends; and tax law changes which may change the taxability of future income.

FOR IMMEDIATE RELEASE
May 3, 2017

Life Storage, Inc. Reports First Quarter 2017 Results

Buffalo, NY, May 3, 2017 – Life Storage, Inc. (NYSE:LSI) a self storage real estate investment trust (REIT), reported operating results for the quarter ended March 31, 2017.

The Company had earnings in the first quarter of 2017 of $20.4 million or $0.44 per fully diluted common share. This compares to earnings of $28.3 million in the first quarter of 2016, or $0.73 per fully diluted common share.

Funds from operations for the quarter were $1.26 per fully diluted common share compared to $1.16 for the same period last year. Absent $2.4 million of acquisition related costs in the first quarter of 2016, adjusted FFO per fully diluted common share was $1.26 and $1.22 for the quarters ended March 31, 2017 and 2016, respectively.

Highlights for the 1st Quarter Included:

- Increased same store revenue by 3.2% and net operating income ("NOI")(1) by 3.2% as compared to the first quarter of 2016.
- Grew same store average occupancy for the quarter by 20 basis points to 90.6% compared to the same period in 2016. The Company ended the quarter at 90.9% occupied, tying its first quarter all-time high record.
- Added 15 stores to its third party management platform including five purchased on behalf of two of its joint ventures.
- As of April 30th, the Company has essentially completed its renaming/rebranding process, with all but seven of its 675 owned and/or managed properties now featuring new "Life Storage" signage, complete with LED lighting and providing much better visibility. Other changeover tasks, such as issuance of new store manager apparel, installation of point of sale signage, and implementation of new lease forms have also been completed. The overall cost of rebranding came in slightly under the previously projected $22 million. The new brand name is being received well by current and prospective customers alike; a recently released video series titled The Things We Keep Because, had over one million views within three weeks on social media.
- Achieved adjusted funds from operations ("FFO")(2) per fully diluted common share of $1.26.
- Paid a quarterly dividend of $0.95 per share of common stock. Subsequent to the end of the quarter, the Company increased its quarterly dividend from $0.95 to $1.00 per common share.

OPERATIONS:

Total revenues increased 29.5% over last year's first quarter while operating costs increased 32.4%, resulting in an NOI increase of 28.0%.

Revenues for the 435 stabilized stores wholly owned by the Company since December 31, 2015 increased 3.2% from those of the first quarter of 2016, the result of a 20 basis point increase in average occupancy, a 2.7% increase in rental rates and increases in tenant insurance administrative fees.

Same store operating expenses increased 3.2% for the first quarter of 2017 compared to the prior year period. Property taxes, employee benefit expenses and internet advertising costs contributed most significantly to the expense growth.

Consequently, same store NOI this period increased 3.2% over the first quarter of 2016.

General and administrative expenses increased by approximately $1.0 million over the same period in 2016, the result of costs associated with operating 113 additional stores in 2017 over the same period in 2016, and expenses incurred with the Company's change of name.

The Company enjoyed same store revenue growth in 24 of the 30 major markets in its same store pool, with only five having an average quarterly occupancy lower than 90%. Markets with the strongest positive impact included all major markets in Florida; Atlanta, GA; and St. Louis, MO.

Houston and Beaumont, TX, while retaining strong occupancy, showed slightly negative growth. The Company remains strongly committed to its presence in all four major Texas markets despite what is felt to be a temporarily over-built point in the cycle.

PROPERTIES:

During the quarter, the Company acquired one property in Chicago, IL. The facility, which is approximately 78,000 sq. ft., was acquired for $10.1 million upon issuance of a certificate of occupancy.

Also during the quarter, two of the Company's joint ventures acquired a total of five properties. Four of the properties are in California (Los Angeles and Sacramento) and one is in Long Island City, NY. The total cost of the properties was $135.5 million and the Company's contributions totaled $19.8 million.

While no new purchase agreements were executed during the quarter, the Company remains in contract on a certificate of occupancy store anticipated to close in late 2017. The property is located in Charlotte, NC and the purchase price is $12.4 million. In addition, one of the Company's joint ventures was under contract to acquire three properties for an aggregate purchase price of $59.2 million, of which the Company is committed to contribute a total of $11.8 million.

CAPITAL TRANSACTIONS:

Illustrated below are key financial ratios at March 31, 2017:

- Debt to Enterprise Value (at $82.12/share)	30.9%
- Debt to Book Cost of Storage Facilities	40.1%
- Debt to Recurring Annualized EBITDA	5.8x
- Debt Service Coverage	5.0x

At March 31, 2017, the Company had approximately $4.8 million of cash on hand, and $201 million available on its line of credit.

In January, the Company issued approximately 52,304 shares at a price of $80.62 through its Dividend Reinvestment Plan.

COMMON STOCK DIVIDEND:

Subsequent to quarter-end, the Company's Board of Directors approved a quarterly dividend of $1.00 per share or $4.00 annualized. This represents an increase of $0.05 per share per quarter (5.3%) over the prior quarters' dividend.

YEAR 2017 EARNINGS GUIDANCE:

The following assumptions covering operations have been utilized in formulating guidance for the second quarter and full year 2017:

	Same Store Projected Increases Over 2016	
	2Q 2017	FY 2017
Revenue	1.50 – 2.50%	2.00 – 3.00%
Operating Costs (excluding property taxes)	3.50 – 4.50%	2.00 – 3.00%
Property Taxes	5.00 – 6.00%	6.50 – 7.50%
Total Operating Expenses	4.00 – 5.00%	3.50 – 4.50%
Net Operating Income	0.50 – 1.50%	1.50 – 2.50%

Results of operations were essentially as anticipated during the first quarter, but occupancy momentum fell short of expectations, and the Company now expects a significantly greater use of leasing incentives. Accordingly, guidance for full year same store revenue and NOI growth has been reduced.

However, the Company has seen improvement in other facets of its business that it expects will be accretive to FFO growth in 2017, including:

- An increase in fees earned from 3rd party management contracts. The Company has negotiated 15 such contracts during the quarter, and has developed a significant queue of prospects.
- Contributions from newly formed - and to be formed - joint ventures, adding mature properties to the Company's portfolio in markets in which it currently operates.
- Strong lease-up and NOI improvement at the 12 certificate of occupancy developments it has acquired over the past three years, as well as the 11 yet to be stabilized stores that were a part of the LifeStorage acquisition.
- Plans to complete $30 – $35 million of expansions in 2017 with expected yields in excess of 8% at stabilization.

The Company has assumed no accretive acquisitions in 2017. Should any acquisitions occur, they are expected to be funded via draws on its line of credit which carries an interest rate of LIBOR plus 1.10%.

As of March 31, 2017, the Company operated 12 self storage facilities that it acquired between 2014 and 2017 upon issuance of certificate of occupancy or in the early stages of lease-up. Further, it is expected to acquire one more such certificate of occupancy facility in 2017 and is in negotiations to lease a second. Upon acquisition, these properties have

insufficient rental revenue to cover operating costs; accordingly, for the first 24 to 36 months of operation, ownership of these facilities is dilutive to earnings and FFO per share. The Company expects that during 2017, it will incur such dilution to the extent of $0.01 to $0.03 per share due to the aforementioned acquisitions.

As a result of the above assumptions, management expects adjusted funds from operations for the full year 2017 to be approximately $5.47 to $5.53 per share, and between $1.32 and $1.38 per share for the second quarter of 2017.

Reconciliation of Guidance	2Q 2017 Range or Value	FY 2017 Range or Value
Earnings per share attributable to common shareholders - diluted	$ 0.53 - $ 0.59	$ 2.80 - $ 2.86
Plus: real estate depreciation and amortization	0.79 - 0.79	2.67 - 2.67
FFO per share	$ 1.32 - $ 1.38	$ 5.47 - $ 5.53

FORWARD LOOKING STATEMENTS:

When used within this news release, the words “intends,” “believes,” “expects,” “anticipates,” and similar expressions are intended to identify “forward looking statements” within the meaning of that term in Section 27A of the Securities Act of 1933, and in Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward looking statements. Such factors include, but are not limited to, the effect of competition from new self storage facilities, which could cause rents and occupancy rates to decline; the Company’s ability to evaluate, finance and integrate acquired businesses into the Company’s existing business and operations; the Company’s ability to enter new markets where it has little or no operational experience; the Company’s existing indebtedness may mature in an unfavorable credit environment, preventing refinancing or forcing refinancing of the indebtedness on terms that are not as favorable as the existing terms; interest rates may fluctuate, impacting costs associated with the Company’s outstanding floating rate debt; the Company’s ability to comply with debt covenants; the future ratings on the Company’s debt instruments; the regional concentration of the Company’s business may subject it to economic downturns in the states of Florida and Texas; the Company’s ability to effectively compete in the industries in which it does business; the Company’s reliance on its call center; the Company’s cash flow may be insufficient to meet required payments of principal, interest and dividends; and tax law changes which may change the taxability of future income.

CONFERENCE CALL:

Life Storage will hold its First Quarter Earnings Release Conference Call at 9:00 a.m. Eastern Time on Thursday, May 4, 2017. To help avoid connection delays, participants are encouraged to pre-register using this link. Anyone unable to pre-register may access the conference call at 877.737.7051 (domestic) or 201.689.8878 (international). Management will accept questions from registered financial analysts after prepared remarks; all others are encouraged to listen to the call via webcast by accessing the investor relations tab at lifestorage.com/.

The webcast will be archived for 90 days; a telephone replay will also be available for 72 hours by calling 877.481.4010 and entering conference ID 10314.

ABOUT LIFE STORAGE, INC:

Life Storage, Inc. is a self-administered and self-managed equity REIT that is in the business of acquiring and managing self storage facilities. The Company operates more than 650 self storage facilities in 29 states. For more information, visit http://invest.lifestorage.com/.

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Life Storage, Inc.
Balance Sheet Data

(dollars in thousands)	March 31, 2017 (unaudited)	December 31, 2016
Assets		
Investment in storage facilities:		
Land	$ 787,535	$ 786,764
Building, equipment and construction in progress	3,479,833	3,456,544
	4,267,368	4,243,308
Less: accumulated depreciation	(553,758)	(535,704)
Investment in storage facilities, net	3,713,610	3,707,604
Cash and cash equivalents	4,819	23,685
Accounts receivable	5,750	5,469
Receivable from joint venture	1,296	1,223
Investment in joint venture	89,046	67,300
Prepaid expenses	10,422	6,649
Intangible asset - in-place customer leases (net of accumulated amortization of $63,560 in 2016 and $50,782 in 2016)	12,051	24,830
Trade name	16,500	16,500
Other assets	4,139	4,724
Total Assets	$ 3,857,633	$ 3,857,984
Liabilities		
Line of credit	$ 299,000	$ 253,000
Term notes, net	1,387,953	1,387,525
Accounts payable and accrued liabilities	45,787	75,132
Deferred revenue	9,748	9,700
Fair value of interest rate swap agreements	11,585	13,015
Mortgages payable	12,938	13,027
Total Liabilities	1,767,011	1,751,399
Noncontrolling redeemable Operating Partnership Units at redemption value	18,120	18,091
Equity		
Common stock	465	464
Additional paid-in capital	2,354,398	2,348,567
Accumulated deficit	(262,508)	(239,062)
Accumulated other comprehensive loss	(19,853)	(21,475)
Total Shareholders' Equity	2,072,502	2,088,494
Total Liabilities and Shareholders' Equity	$ 3,857,633	$ 3,857,984

Life Storage, Inc.
Consolidated Statements of Operations
(unaudited)

(dollars in thousands, except share data)	January 1, 2017 to March 31, 2017	January 1, 2016 to March 31, 2016
Revenues		
Rental income	$ 118,594	$ 91,541
Other operating income	7,908	6,148
Management fee income	1,818	1,435
Total operating revenues	128,320	99,124
Expenses		
Property operations and maintenance	29,796	22,861
Real estate taxes	14,435	10,547
General and administrative	11,436	10,464
Acquisition related costs	-	2,384
Depreciation and amortization	24,864	15,251
Amortization of in-place customer leases	12,778	1,174
Total operating expenses	93,309	62,681
Income from operations	35,011	36,443
Other income (expense)		
Interest expense **(A)**	(15,210)	(9,134)
Interest income	3	6
Equity in income of joint ventures	721	915
Net income	20,525	28,230
Noncontrolling interests in the Operating Partnership	(96)	(130)
Noncontrolling interests in consolidated subsidiaries	-	239
Net income attributable to common shareholders	$ 20,429	$ 28,339
Earnings per common share attributable to common shareholders - basic	$ 0.44	$ 0.74
Earnings per common share attributable to common shareholders - diluted	$ 0.44	$ 0.73
Common shares used in basic earnings per share calculation	46,304,568	38,410,817
Common shares used in diluted earnings per share calculation	46,418,891	38,663,138
Dividends declared per common share	$ 0.95	$ 0.85

(A) Interest expense for the period ending March 31 consists of the following

Interest expense	$ 14,690	$ 8,778
Amortization of debt issuance costs	520	356
Total interest expense	$ 15,210	$ 9,134

Life Storage, Inc.

Computation of Funds From Operations (FFO) [2]

(unaudited)

(dollars in thousands, except share data)	January 1, 2017 to March 31, 2017	January 1, 2016 to March 31, 2016
Net income attributable to common shareholders	$ 20,429	$ 28,339
Noncontrolling interests in the Operating Partnership	96	130
Depreciation of real estate and amortization of intangible assets exclusive of debt issuance costs	37,265	16,034
Depreciation and amortization from unconsolidated joint ventures	768	573
Funds from operations allocable to noncontrolling interest in Operating Partnership	(273)	(206)
Funds from operations available to common shareholders	58,285	44,870
FFO per share - diluted	$ 1.26	$ 1.16
Adjustments to FFO		
Acquisition costs expensed	-	2,384
Funds from operations resulting from non-recurring items allocable to noncontrolling interest in Operating Partnership	-	(11)
Adjusted funds from operations available to common shareholders	58,285	47,243
Adjusted FFO per share - diluted	$ 1.26	$ 1.22
Common shares - diluted	46,418,891	38,663,138

Life Storage, Inc.

Quarterly Same Store Data [3] * 435 mature stores owned since 12/31/15

(unaudited)

(dollars in thousands)	January 1, 2017 to March 31, 2017	January 1, 2016 to March 31, 2016	Change	Percentage Change
Revenues:				
Rental income	$ 88,429	$ 85,727	$ 2,702	3.2%
Tenant insurance	3,445	3,228	217	6.7%
Other operating income	1,369	1,428	(59)	-4.1%
Total operating revenues	93,243	90,383	2,860	3.2%
Expenses:				
Payroll and benefits	8,017	7,679	338	4.4%
Real estate taxes	10,271	9,738	533	5.5%
Utilities	2,853	2,851	2	0.1%
Repairs and maintenance	3,709	3,653	56	1.5%
Office and other operating expense	3,019	3,031	(12)	-0.4%
Insurance	1,086	1,141	(55)	-4.8%
Advertising & yellow pages	270	309	(39)	-12.6%
Internet marketing	1,913	1,781	132	7.4%
Total operating expenses	31,138	30,183	955	3.2%
Net operating income (1)	$ 62,105	$ 60,200	$ 1,905	3.2%
QTD Same store move ins	39,321	41,380	(2,059)	
QTD Same store move outs	37,059	38,286	(1,227)	

Other Comparable Quarterly Same Store Data *

(unaudited)

	January 1, 2017 to March 31, 2017	January 1, 2016 to March 31, 2016	Change	Percentage Change
Stores owned since 12/31/14 (417 stores)				
Revenues	$ 89,228	$ 86,623	$ 2,605	3.0%
Expenses	29,700	28,751	949	3.3%
Net operating income	$ 59,528	$ 57,872	$ 1,656	2.9%
Stores owned since 12/31/13 (389 stores)				
Revenues	$ 81,628	$ 79,381	$ 2,247	2.8%
Expenses	26,984	26,209	775	3.0%
Net operating income	$ 54,644	$ 53,172	$ 1,472	2.8%

* See exhibit A for supplemental quarterly same store data.

Other Data - unaudited	Same Store (3)		All Stores (4)	
	2017	2016	2017	2016
Weighted average quarterly occupancy	90.6%	90.4%	88.9%	89.9%
Occupancy at March 31	90.9%	90.9%	89.3%	90.0%
Rent per occupied square foot	$13.23	$12.88	$13.48	$12.77

Investment in Storage Facilities: (unaudited)

The following summarizes activity in storage facilities during the period ended March 31, 2017:

Beginning balance	$	4,243,308
Property acquisitions		10,089
Improvements and equipment additions:		
Expansions		4,757
Roofing, paving, and equipment:		
Stabilized stores		11,740
Recently acquired stores		2,848
Additions to consolidated subsidiary		81
Change in construction in progress (Total CIP $15.9 million)		1,391
Dispositions and Impairments		(6,846)
Storage facilities at cost at period end	$	4,267,368

Comparison of Selected G&A Costs (unaudited)	Quarter Ended March 31, 2017	Quarter Ended March 31, 2016
Management and administrative salaries and benefits	6,409	6,005
Training	258	269
Call center	688	520
Life Storage Solutions costs	166	182
Income taxes	300	615
Legal, accounting and professional	1,134	889
Name change	726	-
Other administrative expenses (5)	1,755	1,984
	$ 11,436	$ 10,464

Net rentable square feet	March 31, 2017
Wholly owned properties	39,576,925
Joint venture properties	5,645,786
Third party managed properties	2,143,139
	47,365,850

	March 31, 2017	March 31, 2016
Common shares outstanding	46,496,065	39,399,691
Operating Partnership Units outstanding	217,481	209,638

(1) Net operating income or "NOI" is a non-GAAP (generally accepted accounting principles) financial measure that we define as total continuing revenues less continuing property operating expenses. NOI also can be calculated by adding back to net income: interest expense, impairment and casualty losses, depreciation and amortization expense, acquisition related costs, general and administrative expense, and deducting from net income: income from discontinued operations, interest income, gain on sale of real estate, and equity in income of joint ventures. We believe that NOI is a meaningful measure to investors in evaluating our operating performance, because we utilize NOI in making decisions with respect to capital allocations, in determining current property values, and comparing period-to-period and market-to-market property operating results. Additionally, NOI is widely used in the real estate industry and the self storage industry to measure the performance and value of real estate assets without regard to various items included in net income that do not relate to or are not indicative of operating performance, such as depreciation and amortization, which can vary depending on accounting methods and book value of assets. NOI should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP, such as total revenues, operating income and net income.

(2) We believe that Funds from Operations ("FFO") provides relevant and meaningful information about our operating performance that is necessary, along with net earnings and cash flows, for an understanding of our operating results. FFO adds back historical cost depreciation, which assumes the value of real estate assets diminishes predictably in the future. In fact, real estate asset values increase or decrease with market conditions. Consequently, we believe FFO is a useful supplemental measure in evaluating our operating performance by disregarding (or adding back) historical cost depreciation.

Funds from operations is defined by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT") as net income available to common shareholders computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains or losses on sales of properties, plus impairment of real estate assets, 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 compared with our reported net income and cash flows in accordance with GAAP, as presented in our consolidated financial statements.

Our 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 (determined in accordance with GAAP) as an indication of our performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP) as a measure of our liquidity, or as an indicator of our ability to make cash distributions.

(3) Includes the stores owned and/or managed by the Company for the entire periods presented that are consolidated in our financial statements. Does not include unconsolidated joint ventures or other stores managed by the Company.

(4) Does not include unconsolidated joint venture stores or other stores managed by the Company.

(5) Other administrative expenses include office rent, travel expense, investor relations and miscellaneous other expenses.

Life Storage, Inc.

Trailing Five Quarter Information

Consolidated Balance Sheet

(dollars in thousands)	March 31, 2017 (unaudited)	December 31, 2016 (audited)	September 30, 2016 (unaudited)	June 30, 2016 (unaudited)	March 31, 2016 (unaudited)
Assets					
Investment in storage facilities:					
Land	$ 787,535	$ 786,764	$ 785,866	$ 626,454	$ 594,879
Building, equipment and construction in progress	3,479,833	3,456,544	3,416,823	2,295,840	2,238,107
	4,267,368	4,243,308	4,202,689	2,922,294	2,832,986
Less: accumulated depreciation	(553,758)	(535,704)	(513,716)	(486,521)	(479,859)
Investment in storage facilities, net	3,713,610	3,707,604	3,688,973	2,435,773	2,353,127
Cash and cash equivalents	4,819	23,685	16,146	901,897	6,373
Accounts receivable	5,750	5,469	5,973	4,670	4,203
Receivable from joint venture	1,296	1,223	747	1,045	659
Investment in joint venture	89,046	67,300	66,667	67,157	64,985
Prepaid expenses	10,422	6,649	7,772	6,446	7,236
Intangible asset - in-place customer leases	12,051	24,830	38,044	4,325	4,522
Trade name	16,500	16,500	16,500	-	-
Other assets	4,139	4,724	7,294	5,140	8,378
Total Assets	$ 3,857,633	$ 3,857,984	$ 3,848,116	$ 3,426,453	$ 2,449,483
Liabilities					
Line of credit	$ 299,000	$ 253,000	$ 240,000	$ -	$ 141,000
Term notes, net	1,387,953	1,387,525	1,387,119	1,187,770	746,831
Accounts payable and accrued liabilities	45,787	75,132	62,155	37,160	38,065
Deferred revenue	9,748	9,700	9,996	8,075	8,138
Fair value of interest rate swap agreements	11,585	13,015	19,248	22,010	26,846
Mortgages payable	12,938	13,027	10,134	10,205	1,959
Total Liabilities	1,767,011	1,751,399	1,728,652	1,265,220	962,839
Noncontrolling redeemable Operating Partnership Units at redemption value	18,120	18,091	17,996	20,191	24,213
Equity					
Common stock	465	464	464	464	394
Additional paid-in capital	2,354,398	2,348,567	2,343,581	2,339,074	1,664,549
Accumulated deficit	(262,508)	(239,062)	(214,703)	(167,901)	(176,429)
Accumulated other comprehensive loss	(19,853)	(21,475)	(27,932)	(30,863)	(26,511)
Total Shareholders' Equity	2,072,502	2,088,494	2,101,410	2,140,774	1,462,003
Noncontrolling interest in consolidated subsidiary	-	-	58	268	428
Total Equity	2,072,502	2,088,494	2,101,468	2,141,042	1,462,431
Total Liabilities and Equity	$ 3,857,633	$ 3,857,984	$ 3,848,116	$ 3,426,453	$ 2,449,483

Life Storage, Inc.
Trailing Five Quarter Information
Statement of Operations
(unaudited)

(dollars in thousands, except share data)	January 1, 2017 to March 31, 2017	October 1, 2016 to December 31, 2016	July 1, 2016 to September 30, 2016	April 1, 2016 to June 30, 2016	January 1, 2016 to March 31, 2016
Revenues					
Rental income	$ 118,594	$ 119,465	$ 118,319	$ 98,795	$ 91,541
Other operating income	7,908	7,611	7,893	6,741	6,148
Management fee income	1,818	1,602	1,589	1,469	1,435
Total operating revenues	128,320	128,678	127,801	107,005	99,124
Expenses					
Property operations and maintenance	29,796	28,992	28,382	23,153	22,861
Real estate taxes	14,435	13,206	13,102	11,021	10,547
General and administrative	11,436	11,617	10,909	10,114	10,464
Write-off of property deposits	-	1,783	-	-	-
Acquisition related costs	-	244	25,220	1,694	2,384
Depreciation and amortization	24,864	27,628	27,908	16,414	15,251
Amortization of in-place customer leases	12,778	13,371	13,497	1,837	1,174
Total operating expenses	93,309	96,841	119,018	64,233	62,681
Income from operations	35,011	31,837	8,783	42,772	36,443
Other income (expense)					
Interest expense	(15,210)	(15,151)	(14,647)	(8,244)	(9,134)
Interest expense - acquisition bridge loan commitment fee	-	-	-	(7,329)	-
Interest income	3	11	13	37	6
Gain on sale of real estate	-	-	-	15,270	-
Gain on land taking	-	623	-	-	-
Equity in income of joint ventures	721	870	882	998	915
Net income (loss)	20,525	18,190	(4,969)	43,504	28,230
Noncontrolling interests in the Operating Partnership	(96)	(81)	21	(208)	(130)
Noncontrolling interests in consolidated subsidiaries	-	58	210	160	239
Net income (loss) attributable to common shareholders	$ 20,429	$ 18,167	$ (4,738)	$ 43,456	$ 28,339
Earnings (loss) per common share attributable to common shareholders - basic	$ 0.44	$ 0.39	$ (0.10)	$ 1.04	$ 0.74
Earnings (loss) per common share attributable to common shareholders - diluted	$ 0.44	$ 0.39	$ (0.10)	$ 1.03	$ 0.73
Common shares used in basic earnings (loss) per share calculation	46,304,568	46,206,191	46,139,079	41,980,389	38,410,817
Common shares used in diluted earnings (loss) per share calculation	46,418,891	46,385,984	46,139,079	42,227,388	38,663,138
Dividends declared per common share	$ 0.95	$ 0.95	$ 0.95	$ 0.95	$ 0.85

Life Storage, Inc.

Trailing Five Quarter Information

Quarterly Same Store Data [3] * 435 mature stores owned since 12/31/15

(unaudited)

(dollars in thousands)	January 1, 2017 to March 31, 2017	October 1, 2016 to December 31, 2016	July 1, 2016 to September 30, 2016	April 1, 2016 to June 30, 2016	January 1, 2016 to March 31, 2016
Revenues:					
Rental income	$ 88,429	$ 89,247	$ 91,145	$ 88,686	$ 85,727
Tenant insurance	3,445	3,391	3,442	3,363	3,228
Other operating income	1,369	1,381	1,647	1,665	1,428
Total operating revenues	93,243	94,019	96,234	93,714	90,383
Expenses:					
Payroll and benefits	8,017	7,971	7,753	7,761	7,679
Real estate taxes	10,271	9,383	9,542	9,739	9,738
Utilities	2,853	2,736	3,505	2,724	2,851
Repairs and maintenance	3,709	4,133	3,373	3,178	3,653
Office and other operating expense	3,019	3,048	3,112	3,031	3,031
Insurance	1,086	1,065	1,065	1,065	1,141
Advertising & yellow pages	270	279	278	293	309
Internet marketing	1,913	1,697	1,488	1,719	1,781
Total operating expenses	31,138	30,312	30,116	29,510	30,183
Net operating income (1)	$ 62,105	$ 63,707	$ 66,118	$ 64,204	$ 60,200
Net operating income (1)					
Same-store net operating income	$ 62,105	$ 63,707	$ 66,118	$ 64,204	$ 60,200
Other stores and management fee income	21,984	22,773	20,199	8,627	5,516
Total net operating income	84,089	86,480	86,317	72,831	65,716
General and administrative expense	(11,436)	(11,617)	(10,909)	(10,114)	(10,464)
Write-off of property deposits	-	(1,783)	-	-	-
Acquisition related costs	-	(244)	(25,220)	(1,694)	(2,384)
Depreciation and amortization	(37,642)	(40,999)	(41,405)	(18,251)	(16,425)
Interest expense	(15,210)	(15,151)	(14,647)	(15,573)	(9,134)
Interest income	3	11	13	37	6
Gain (loss) on sale of storage facilities	-	-	-	15,270	-
Gain on land taking	-	623	-	-	-
Equity in income of joint ventures	721	870	882	998	915
Net income (loss)	$ 20,525	$ 18,190	$ (4,969)	$ 43,504	$ 28,230
Same store weighted average quarterly occupancy	90.6%	90.9%	92.3%	92.3%	90.4%
Same store period end occupancy	90.9%	90.4%	91.9%	92.7%	90.9%
Same store annualized rent per occupied square foot	$13.23	$13.33	$13.38	$13.06	$12.88

(1) Net operating income or "NOI" is a non-GAAP (generally accepted accounting principles) financial measure that we define as total continuing revenues less continuing property operating expenses. NOI also can be calculated by adding back to net income: interest expense, impairment and casualty losses, depreciation and amortization expense, acquisition related costs, general and administrative expense, and deducting from net income: income from discontinued operations, interest income, gain on sale of real estate, and equity in income of joint ventures. We believe that NOI is a meaningful measure to investors in evaluating our operating performance, because we utilize NOI in making decisions with respect to capital allocations, in determining current property values, and comparing period-to-period and market-to-market property operating results. Additionally, NOI is widely used in the real estate industry and the self storage industry to measure the performance and value of real estate assets without regard to various items included in net income that do not relate to or are not indicative of operating performance, such as depreciation and amortization, which can vary depending on accounting methods and book value of assets. NOI should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with GAAP, such as total revenues, operating income and net income.

Life Storage, Inc.
Trailing Five Quarter Information
Funds From Operations (FFO) [1]
(unaudited)

(dollars in thousands, except share data)	Janaury 1, 2017 to March 31, 2017	October 1, 2016 to December 31, 2016	July 1, 2016 to September 30, 2016	April 1, 2016 to June 30, 2016	January 1, 2016 to March 31, 2016
Net income (loss) attributable to common shareholders	$ 20,429	$ 18,167	$ (4,738)	$ 43,456	$ 28,339
Noncontrolling interests in the Operating Partnership	96	81	(21)	208	130
Depreciation of real estate and amortization of intangible assets exclusive of debt issuance costs	37,265	40,618	41,024	17,855	16,034
Depreciation and amortization from unconsolidated joint ventures	768	703	738	581	573
Gain on sale of real estate	-	-	-	(15,270)	-
Funds from operations allocable to noncontrolling interest in Operating Partnership	(273)	(264)	(164)	(223)	(206)
Funds from operations available to common shareholders	58,285	59,305	36,839	46,607	44,870
FFO per share - diluted	$ 1.26	$ 1.28	$ 0.79	$ 1.10	$ 1.16
Adjustments to FFO					
Acquisition costs expensed	-	244	25,220	1,694	2,384
Interest expense - acquisition bridge loan commitment fee	-	-	-	7,329	-
Gain on land taking	-	(623)	-	-	-
Write-off of property deposits	-	1,783	-	-	-
Funds from operations resulting from non-recurring items allocable to noncontrolling interest in Operating Partnership	-	(6)	(112)	(43)	(11)
Adjusted funds from operations available to common shareholders	58,285	60,703	61,947	55,587	47,243
Adjusted FFO per share - diluted	$ 1.26	$ 1.31	$ 1.34	$ 1.32	$ 1.22
Common shares - diluted	46,418,891	46,385,984	46,353,344	42,227,388	38,663,138

(1) We believe that Funds from Operations ("FFO") provides relevant and meaningful information about our operating performance that is necessary, along with net earnings and cash flows, for an understanding of our operating results. FFO adds back historical cost depreciation, which assumes the value of real estate assets diminishes predictably in the future. In fact, real estate asset values increase or decrease with market conditions. Consequently, we believe FFO is a useful supplemental measure in evaluating our operating performance by disregarding (or adding back) historical cost depreciation.

Funds from operations is defined by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT") as net income available to common shareholders computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains or losses on sales of properties, plus impairment of real estate assets, 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 compared with our reported net income and cash flows in accordance with GAAP, as presented in our consolidated financial statements.

Our 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 (determined in accordance with GAAP) as an indication of our performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP) as a measure of our liquidity, or as an indicator of our ability to make cash distributions.

Life Storage, Inc.
Debt Maturity Schedule
March 31, 2017
(unaudited)

(dollars in thousands)	Maturity Date	Basis of Rate	Current Interest Rate (**)	2017	2018	2019	2020	2021	Thereafter	Total
Line of credit	Dec-2019	Variable	2.08%	$ -	$ -	$ 299,000	$ -	$ -	$ -	$ 299,000
Term note	Jun-2020	Swapped to fixed	3.52%	-	-	-	125,000	-	-	125,000
Term note	Jun-2020	Swapped to fixed	2.76%	-	-	-	100,000	-	-	100,000
Term note	Jun-2020	Swapped to fixed	2.52%	-	-	-	100,000	-	-	100,000
Term note	Aug-2021	Fixed	5.54%	-	-	-	-	100,000	-	100,000
Term note	Apr-2024	Fixed	4.53%	-	-	-	-	-	175,000	175,000
Term note	Jul-2026	Fixed	3.50%	-	-	-	-	-	600,000	600,000
Term note	Jul-2028	Fixed	3.67%	-	-	-	-	-	200,000	200,000
Mortgage note	Jan-2021	Fixed	4.98%	38	53	56	58	2,748	-	2,953
Mortgage note	Apr-2023	Fixed	4.07%	66	92	96	99	104	3,728	4,185
Mortgage note	Nov-2023	Fixed	5.26%	46	67	71	74	78	3,649	3,985
Mortgage note	May-2026	Fixed	5.99%	114	160	170	181	192	998	1,815
				$ 264	$ 372	$ 299,393	$ 325,412	$ 103,122	$ 983,375	$ 1,711,938

(**) Rate as of March 31, 2017 based on existing debt rating. Interest rates shown do not include amortization of debt issuance costs, bond discount, and facility fees which are expected to be $4.1 million on an annual basis.

Life Storage, Inc.

Same Store Performance Summary by Market and Other Data

Three Months Ended March 31, 2017

(unaudited)

Market	Stores	Square Feet	Avg Qtrly Rent per Occupied Square Foot	Avg Qtrly Occupancy for the Three Months Ended March 31,		Revenue for the Three Months Ended March 31,			Expenses for the Three Months Ended March 31,			NOI for the Three Months Ended March 31,		
				2017	2016	2017	2016	% Change	2017	2016	% Change	2017	2016	% Change
Houston-The Woodlands-Sugar Land, TX	41	3,169	$ 13.36	90.1%	90.7%	$ 10,019	$ 10,075	-0.6%	$ 3,459	$ 3,451	0.2%	$ 6,560	$ 6,624	-1.0%
New York-Newark-Jersey City, NY-NJ-PA	24	1,385	22.12	90.5%	90.3%	7,178	6,988	2.7%	2,597	2,466	5.3%	4,581	4,522	1.3%
New England-Other	24	1,552	16.87	89.9%	90.0%	6,146	6,001	2.4%	2,026	1,968	2.9%	4,120	4,033	2.2%
Buffalo-Upstate, NY	23	1,503	12.54	87.9%	87.1%	4,364	4,252	2.6%	1,716	1,655	3.7%	2,648	2,597	2.0%
Atlanta-Sandy Springs-Roswell, GA	21	1,451	12.84	90.2%	90.9%	4,471	4,266	4.8%	1,199	1,213	-1.2%	3,272	3,053	7.2%
Dallas-Fort Worth-Arlington, TX	20	1,363	12.10	91.8%	92.9%	3,920	3,894	0.7%	1,387	1,346	3.0%	2,533	2,548	-0.6%
Austin-Round Rock, TX	17	1,360	12.38	88.5%	86.4%	3,907	3,809	2.6%	1,457	1,400	4.1%	2,450	2,409	1.7%
Miami-Fort Lauderdale-West Palm Beach, FL	16	1,132	18.36	91.6%	91.6%	5,002	4,819	3.8%	1,416	1,367	3.6%	3,586	3,452	3.9%
San Antonio-New Braunfels, TX	15	905	13.03	90.3%	90.9%	2,800	2,789	0.4%	1,324	1,039	27.4%	1,476	1,750	-15.7%
Tampa-St. Petersburg-Clearwater, FL	13	813	14.67	91.4%	93.8%	2,898	2,779	4.3%	818	790	3.5%	2,080	1,989	4.6%
St. Louis, MO	13	873	12.92	90.0%	89.4%	2,677	2,544	5.2%	950	960	-1.0%	1,727	1,584	9.0%
New Orleans-Lafayette, LA	13	820	12.17	90.0%	90.3%	2,370	2,313	2.5%	667	647	3.1%	1,703	1,666	2.2%
Virginia Beach-Norfolk-Newport News, VA	12	936	10.37	91.1%	90.4%	2,310	2,214	4.3%	759	737	3.0%	1,551	1,477	5.0%
Chicago-Naperville-Elgin, IL	11	864	14.02	90.9%	90.5%	2,878	2,766	4.0%	1,125	1,132	-0.6%	1,753	1,634	7.3%
Phoenix-Mesa-Scottsdale, AZ	10	667	11.11	88.9%	90.2%	1,786	1,721	3.8%	522	493	5.9%	1,264	1,228	2.9%
Boston-Cambridge-Newton, MA-NH	9	475	17.82	90.5%	89.4%	2,007	1,924	4.3%	715	706	1.3%	1,292	1,218	6.1%
Jacksonville, FL	9	609	12.06	91.5%	93.8%	1,785	1,656	7.8%	547	529	3.4%	1,238	1,127	9.8%
Cleveland-Elyria, OH	9	642	11.23	92.5%	87.7%	1,756	1,640	7.1%	610	607	0.5%	1,146	1,033	10.9%
Space Coast, FL	8	593	12.92	92.6%	89.8%	1,871	1,678	11.5%	491	460	6.7%	1,380	1,218	13.3%
Raleigh-Durham, NC	8	527	12.14	90.7%	93.5%	1,527	1,537	-0.7%	415	406	2.2%	1,112	1,131	-1.7%
Charlotte-Concord-Gastonia, NC	8	491	12.24	92.3%	92.2%	1,473	1,346	9.4%	399	405	-1.5%	1,074	941	14.1%
Cape Coral-Fort Myers, FL	8	443	12.37	92.8%	92.6%	1,356	1,300	4.3%	439	409	7.3%	917	891	2.9%
Pensacola-Ferry Pass-Brent, FL	8	602	8.67	92.8%	90.6%	1,318	1,200	9.8%	455	439	3.6%	863	761	13.4%
Beaumont-Port Arthur, TX	7	417	13.62	91.1%	94.0%	1,364	1,376	-0.9%	457	438	4.3%	907	938	-3.3%
Montgomery, AL	7	490	9.54	89.2%	88.5%	1,118	1,131	-1.1%	349	337	3.6%	769	794	-3.1%
Jackson, MS	6	402	10.96	92.6%	91.7%	1,068	1,076	-0.7%	295	301	-2.0%	773	775	-0.3%
Columbia, SC	6	348	11.16	91.9%	93.6%	956	969	-1.3%	359	374	-4.0%	597	595	0.3%
Orlando-Kissimmee-Sanford, FL	5	358	11.74	92.1%	89.5%	1,024	974	5.1%	298	297	0.3%	726	677	7.2%
Chattanooga, TN-GA	5	352	11.52	92.2%	91.7%	987	942	4.8%	326	329	-0.9%	661	613	7.8%
Youngstown-Warren-Boardman, OH-PA	5	341	8.79	92.3%	89.6%	737	691	6.7%	274	258	6.2%	463	433	6.9%
Other markets	54	3,651	11.57	90.3%	89.5%	10,170	9,713	4.7%	3,287	3,224	2.0%	6,883	6,489	6.1%
Same Store Portfolio Total	435	29,534	$ 13.23	90.6%	90.4%	$ 93,243	$ 90,383	3.2%	$ 31,138	$ 30,183	3.2%	$ 62,105	$ 60,200	3.2%
2016 Acquisitions excluding LifeStorage L.P.	32	2,579	15.47	86.9%	-	8,950	3,667	144.1%	3,370	1,406	N/A	5,580	2,261	N/A
2016 LifeStorage L.P. Acquisition - stable properties	72	5,648	13.96	85.9%	-	18,231	-	N/A	6,224	-	N/A	12,007	-	N/A
2016 LifeStorage L.P. Acquisition - non-stable properties	11	814	14.57	76.2%	-	2,379	-	N/A	1,004	-	N/A	1,375	-	N/A
Stores effected by natural disasters	3	161	9.91	84.2%	91.2%	360	393	-8.4%	158	153	3.3%	202	240	-15.8%
Stores in lease up (excluding LifeStorage non-stable properties)	12	841	13.00	68.2%	-	1,813	860	110.8%	1,018	670	51.9%	795	190	318.4%
Stores sold (8)	-	-	-	-	-	-	1,153	-100.0%	-	388	-100.0%	-	765	-100.0%
Management fees / Other / eliminations	-	-	-	-	-	3,344	2,668	25.3%	1,319	608	116.9%	2,025	2,060	-1.7%
Total Wholly-Owned Portfolio	565	39,577	$ 13.48	88.9%	89.8%	$ 128,320	$ 99,124	29.5%	$ 44,231	$ 33,408	32.4%	$ 84,089	$ 65,716	28.0%
Other Same Store Pools														
Properties owned since 12/31/15 (detail shown above)	435	29,534	13.23	90.6%	90.4%	93,243	90,383	3.2%	31,138	30,183	3.2%	62,105	60,200	3.2%
Properties owned since 12/31/14	417	28,306	13.21	90.6%	90.5%	89,228	86,623	3.0%	29,700	28,751	3.3%	59,528	57,872	2.9%
Properties owned since 12/31/13	389	26,214	13.03	90.6%	90.6%	81,628	79,381	2.8%	26,984	26,209	3.0%	54,644	53,172	2.8%

Dollars in thousands except for average quarterly rent per occupied square foot. Square feet in thousands.

List includes markets where the Company has five or more stores.

Life Storage, Inc.

Certificate of Occupancy/Lease Up Performance Summary

March 31, 2017

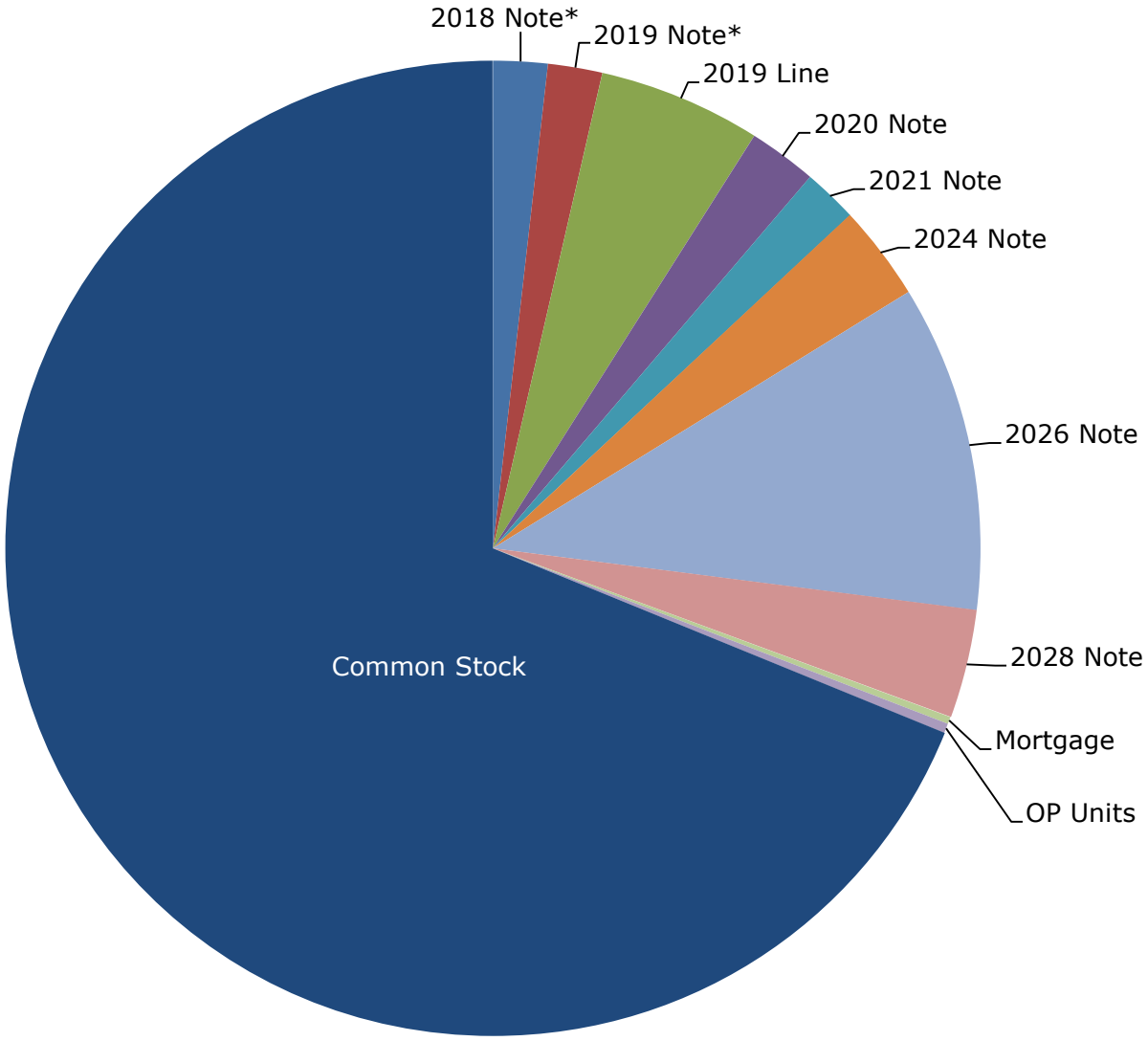
(unaudited)

Market	Acquired	# of Stores	Cost	Net Rentable Square Feet	Occupancy at March 31, 2017	Occupancy at March 31, 2016	Revenue for the Three Months Ended March 31, 2017	Revenue for the Three Months Ended March 31, 2016	Expenses for the Three Months Ended March 31, 2017	Expenses for the Three Months Ended March 31, 2016	NOI for the Three Months Ended March 31, 2017	NOI for the Three Months Ended March 31, 2016
Chicago, IL	May-2014	1	$ 5,500	52,013	91.8%	79.6%	$ 197	$ 155	$ 86	$ 95	$ 111	$ 60
Chattanooga, TN	Sep-2014	1	6,550	57,260	86.5%	94.5%	185	177	65	61	120	116
Chicago, IL	Nov-2014	1	5,750	106,200	91.1%	78.4%	234	160	143	107	91	53
Chicago, IL	Mar-2015	1	8,690	64,775	74.2%	48.1%	152	94	96	96	56	(2)
Phoenix, AZ	Jun-2015	1	7,904	64,118	82.1%	61.1%	210	132	76	73	134	59
Boston, MA	Jun-2015	1	10,291	63,475	82.9%	29.7%	187	55	132	108	55	(53)
Phoenix, AZ	Feb-2016	1	9,275	67,795	90.5%	49.9%	197	71	78	46	119	25
Miami, FL	Feb-2016	1	11,274	69,801	77.7%	12.5%	215	11	94	63	121	(52)
Los Angeles, CA	Mar-2016	1	18,600	79,465	65.4%	9.4%	176	5	106	21	70	(16)
Charleston, SC	Jul-2016	1	8,620	70,165	10.5%	0.0%	29	-	51	-	(22)	-
Chicago, IL	Nov-2016	1	8,884	68,235	23.5%	0.0%	29	-	50	-	(21)	-
Chicago, IL	Feb-2017	1	10,089	78,118	2.0%	0.0%	2	-	40	-	(38)	-
		12	$ 111,427	841,420			$ 1,813	$ 860	$ 1,017	$ 670	$ 796	$ 190

Certificate of Occupancy Properties Currently Under Construction

Market	Expected Completion Date	# of Stores	Expected Cost	Expected Net Rentable Square Feet
Austin, TX	Apr-2017	1	Lease	58,609
Charlotte, NC	Oct-2017	1	12,425	71,780
		2	$ 12,425	130,389

Capital Structure



**Hedged through date indicated; do not mature until 2020.*

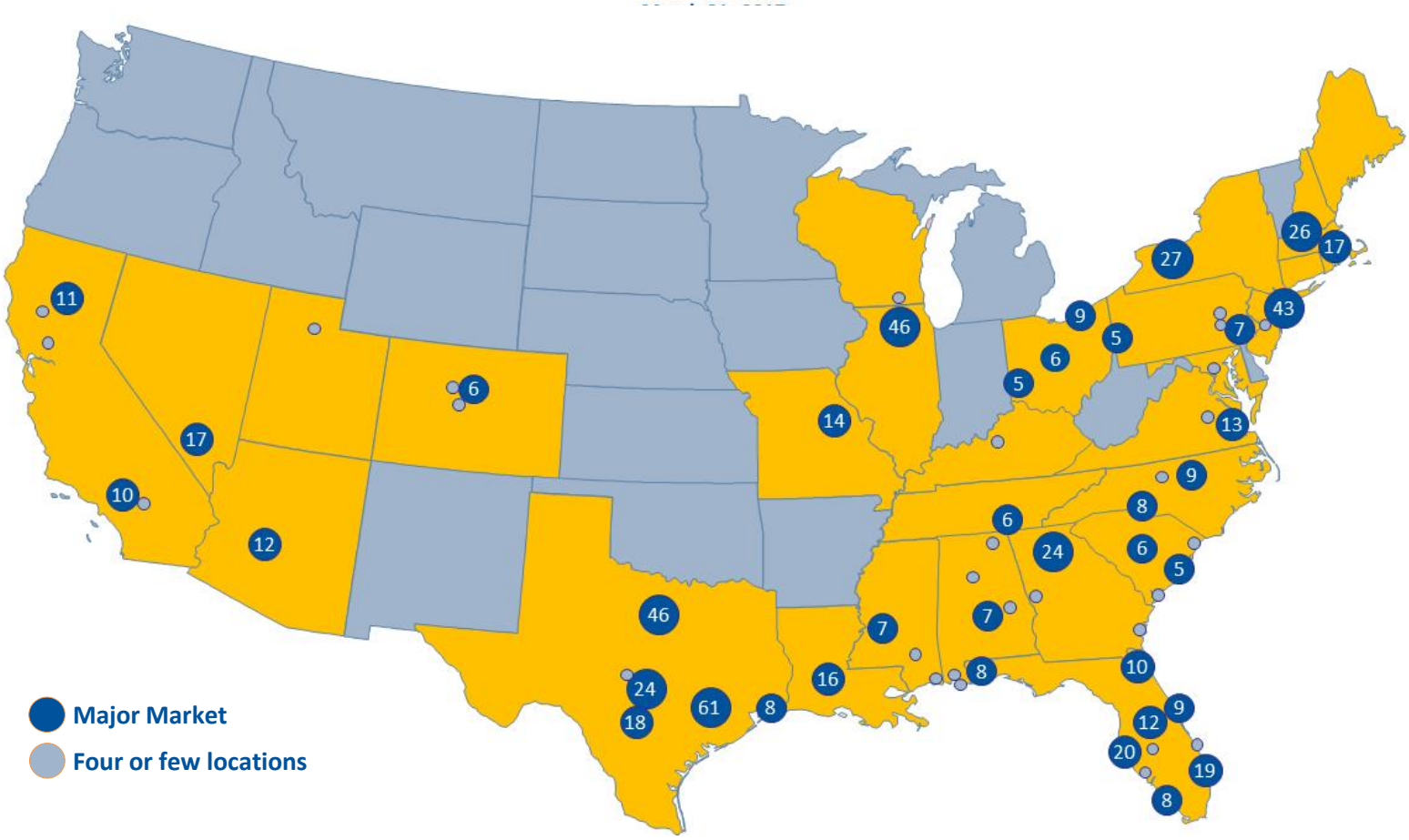
As of March 31, 2017

46.7 Million Shares & OP Units
Price = $82.12 per Share
Equity Market Cap = $3.8 Billion
Enterprise Value = $5.5 Billion
Debt to Enterprise Value = $30.9%
Cash on Hand = $4.8 Million
Credit Available = $201 Million
ATM Capacity = $59.3 Million

Investment Grade Ratings

Moody's: Baa2
S&P: BBB

Life Storage Locations as of March 31, 2017



Portfolio at a Glance

Life Storage	565
Joint Ventures	74
Life Storage Solutions	36
	675

Q1 Acquisitions

Life Storage Wholly Owned	1
Joint Ventures	5
Life Storage Solutions	10
	16