

October 29, 2014

## **Sovran Self Storage Reports Third Quarter Results, Adjusted FFO per Share Increases 15.8%, Acquires Eight Properties for \$87 Million**

BUFFALO, N.Y.--(BUSINESS WIRE)-- Sovran Self Storage, Inc. (NYSE:SSS), a [self storage](#) real estate investment trust (REIT), reported operating results for the quarter ended September 30, 2014.



Uncle Bob's Self Storage recently opened this converted facility at 1625 S. Ashland Ave., Chicago, IL 60608 (Photo: Business Wire)

Net income available to common shareholders for the third quarter of 2014 was \$25.6 million or \$0.77 per fully diluted common share. Included in the 2014 net income is a \$1.8 million gain related to the sale of a Texas storage facility. For the same period in 2013, net income

available to common shareholders was \$19.7 million or \$0.62 per fully diluted common share.

Funds from operations (FFO) for the quarter were \$1.12 per fully diluted common share compared to \$0.98 for the same period last year. In the third quarter of 2014, the Company incurred net acquisition costs of \$1.2 million in connection with its property purchases and had a straight line rent adjustment of \$0.5 million relating to the lease expense of the former Westy properties. In the third quarter of 2013, the Company incurred \$0.8 million of acquisition costs but

no straight-line rent adjustment. Absent these charges, adjusted FFO per share was \$1.17 and \$1.01 for the third quarter of 2014 and 2013, respectively.

Improved occupancies and rising rental rates resulted in strong FFO growth.

## **OPERATIONS:**

Total revenues increased 21.0% over last year's third quarter, while operating costs increased 16.4%, resulting in an NOI <sup>(3)</sup> increase of 23.1%. Overall occupancy averaged 90.9% for the period, and rental rates averaged \$12.19 per sq. ft.

Revenues for the 385 stores wholly owned by the Company since January 1, 2013 increased 7.0% from those of the third quarter of 2013, the result of a 140 basis point increase in average occupancy, a 4.4% increase in rental rates and strong growth in insurance commissions.

Same store operating expenses increased 2.4% for the third quarter of 2014 compared to the prior year period, primarily the result of increased repair and maintenance costs caused by the Pacific storms that affected Arizona early in the quarter.

Consequently, same store net operating income increased 9.2% this period over the third quarter of 2013.

"We are pleased with another quarter of solid earnings," said Andrew Gregoire, CFO. "Our Revenue Management System has been driving exceptional top line growth. The system made pricing adjustments during the third quarter in anticipation of the off-peak season, and we are well positioned for strong year-end performance."

General and administrative expenses increased by approximately \$1.1 million over the same period in 2013, primarily due to increases in costs associated with operating more stores during the quarter than at this time last year.

During the third quarter of 2014, the Company experienced same store revenue and NOI growth in every state in which it operates. The stores with the strongest revenue impact include those in [Texas](#), [Florida](#), [Illinois](#), and [Georgia](#).

## **PROPERTIES:**

The Company acquired five self storage facilities for a total cost of approximately \$46 million in the third quarter.

The properties total approximately 345,000 square feet and are all located in markets where the Company already has a presence: San Antonio, TX; St. Petersburg, FL; Chesapeake, VA; Chattanooga, TN and Northern NJ.

Subsequent to quarter end, the Company acquired three facilities totaling 292,000 sq. ft. for approximately \$41 million. One of the facilities is in New Orleans, LA; one is near Orlando, FL, and the other is in Austin, TX.

In August, the Company also sold one of its Houston, TX stores for net proceeds of \$4.9 million resulting in a gain of \$1.8 million.

### **CAPITAL TRANSACTIONS:**

Illustrated below are key financial ratios at September 30, 2014:

- Debt to Enterprise Value (at \$74.36/share) 23.0%
- Debt to Book Cost of Storage Facilities 35.6%
- Debt to EBITDA Ratio 4.0x
- Debt Service Coverage 5.2x

At September 30, 2014, the Company had approximately \$7 million of cash on hand, and \$174 million available on its line of credit (without considering the additional \$75 million available under the expansion feature).

The Company issued 424,403 shares of its common stock via its previously announced ATM program during the quarter at an average price of \$78.46 per share, resulting in net proceeds of \$32.9 million after issuance costs. The Company used the proceeds to fund the purchase of the aforementioned properties and to pay down its line of credit. In July, the Company issued 39,162 shares at an average price of \$75.81 through its Dividend Reinvestment Plan.

### **COMMON STOCK DIVIDEND:**

Subsequent to quarter end, the Company announced a quarterly dividend of \$0.68 per share or \$2.72 annualized.

### **YEAR 2014 EARNINGS GUIDANCE:**

Management is encouraged by its occupancy gains and its ability to attain significant rental rate growth in most markets. The following assumptions covering operations have been utilized in formulating guidance for the fourth quarter and full year 2014:

|  | Same Store<br>Projected Increases Over 2013 |                |
|--|---|----------------|
|  | 4Q 2014                                     | Full Year 2014 |
| Revenue                                    | 6.0 – 7.0%                                  | 7.0 – 8.0%     |
| Operating Costs (excluding property taxes) | 2.0 – 3.0%                                  | 3.0 – 4.0%     |

|                          |            |            |
|--------------------------|------------|------------|
| Property Taxes           | 5.0 – 6.0% | 8.5 – 9.5% |
| Total Operating Expenses | 3.0 – 4.0% | 4.5 – 5.5% |
| Net Operating Income     | 7.5 – 8.5% | 8.0 – 9.0% |

The Company intends to complete up to \$20 million on its expansion and enhancement program. It has also budgeted \$16 million to provide for recurring capitalized expenditures including roofing, paving, and office renovations.

In addition to the \$278 million of properties acquired by the Company through October 28, 2014, it has assumed \$10 million of additional acquisitions in 2014, exclusive of investments in joint ventures. Per share FFO guidance is projected after adding back third party acquisition costs. Purchases of additional properties are expected to be funded via proceeds from the Company's ATM program and draws on its line of credit which carries an interest rate of LIBOR plus 1.5%.

Annual general and administrative expenses are expected to be approximately \$40 million. The increase over the prior year is primarily due to the need for additional personnel required for recent acquisitions, income taxes on its taxable REIT subsidiaries, and the Company's plans to continue expanding its internet marketing presence, Corporate Alliance and third party management programs.

At September 30, 2014, the Company had 33.7 million shares of common stock outstanding and 0.2 million Operating Partnership Units outstanding.

As a result of the above assumptions, management expects funds from operations for the full year 2014 to be approximately \$4.33 to \$4.37 per share, and between \$1.10 and \$1.14 per share for the fourth quarter of 2014.

#### **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 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:

Sovran Self Storage will hold its Third Quarter Earnings Release Conference Call at 9:00 a.m. Eastern Time on Thursday, October 30, 2014. To access the conference call, dial 877.407.8033 (domestic), or 201.689.8033 (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 "news and events" under the investor relations tab at [www.unclebobs.com/company/](http://www.unclebobs.com/company/).

The webcast will be archived for a period of 90 days; a telephone replay will also be available for 72 hours by calling 877.660.6853 and entering conference ID 13592918.

## ABOUT SOVRAN SELF STORAGE, INC:

Sovran Self 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 506 self storage facilities in 25 states under the name "Uncle Bob's Self Storage"®. For more information, visit [www.unclebobs.com](http://www.unclebobs.com), like us on [Facebook](#), or follow us on [Twitter](#).

### SOVRAN SELF STORAGE, INC.

#### BALANCE SHEET DATA

(unaudited)

| (dollars in thousands)                           | September 30,<br>2014 | December 31,<br>2013 |
|--|-----------------------|----------------------|
| <b>Assets</b>                                    |                       |                      |
| Investment in storage facilities:                |                       |                      |
| Land   | \$ 381,794            | \$ 312,053           |
| Building, equipment and construction in progress | 1,731,340             | 1,552,584            |
|  | 2,113,134             | 1,864,637            |
| Less: accumulated depreciation                   | (400,306)             | (366,472)            |
| Investment in storage facilities, net            | 1,712,828             | 1,498,165            |
| Cash and cash equivalents                        | 7,476                 | 9,524                |
| Accounts receivable                              | 5,663                 | 5,119                |
| Receivable from joint venture                    | 714                   | 883                  |
| Investment in joint venture                      | 38,911                | 30,391               |
| Prepaid expenses                                 | 7,302                 | 5,978                |

|  |              |              |
|--|--------------|--------------|
| Intangible asset - in-place customer leases (net of accumulated amortization of \$16,274 in 2014 and \$13,551 in 2013) | 2,646        | 1,092        |
| Fair value of interest rate swap agreements  | 547          | 794          |
| Other assets   | 5,197        | 9,929        |
| Total Assets   | \$ 1,781,284 | \$ 1,561,875 |

#### Liabilities

|   |         |           |
|---|---------|-----------|
| Line of credit                              | \$ -    | \$ 49,000 |
| Term notes                                  | 750,000 | 575,000   |
| Accounts payable and accrued liabilities    | 43,807  | 37,741    |
| Deferred revenue                            | 7,269   | 6,708     |
| Fair value of interest rate swap agreements | 10,458  | 7,523     |
| Mortgages payable                           | 2,160   | 2,254     |
| Total Liabilities                           | 813,694 | 678,226   |

|   |        |        |
|---|--------|--------|
| Noncontrolling redeemable Operating Partnership Units at redemption value | 14,817 | 12,940 |
|---|--------|--------|

#### Equity

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| Common stock                         | 349          | 337          |
| Additional paid-in capital           | 1,157,820    | 1,066,399    |
| Accumulated deficit                  | (168,628)    | (162,450)    |
| Accumulated other comprehensive loss | (9,593)      | (6,402)      |
| Treasury stock at cost               | (27,175)     | (27,175)     |
| Total Shareholders' Equity           | 952,773      | 870,709      |
| Total Liabilities and Equity         | \$ 1,781,284 | \$ 1,561,875 |

### CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

|   |               |               |
|---|---------------|---------------|
|   | July 1, 2014  | July 1, 2013  |
|   | to            | to            |
| (dollars in thousands, except share data) | September 30, | September 30, |
|   | 2014          | 2013          |

#### Revenues

|                          |           |           |
|--------------------------|-----------|-----------|
| Rental income            | \$ 79,092 | \$ 65,309 |
| Other operating income   | 4,958     | 4,040     |
| Management fee income    | 1,199     | 1,106     |
| Total operating revenues | 85,249    | 70,455    |

#### Expenses

|  |        |        |
|--|--------|--------|
| Property operations and maintenance      | 17,913 | 15,568 |
| Real estate taxes                        | 8,312  | 6,953  |
| General and administrative               | 10,041 | 8,965  |
| Acquisition related costs                | 1,210  | 776    |
| Operating leases of storage facilities   | 1,997  | -      |
| Depreciation and amortization            | 12,113 | 10,496 |
| Amortization of in-place customer leases | 1,244  | 797    |
| Total operating expenses                 | 52,830 | 43,555 |

|                        |        |        |
|------------------------|--------|--------|
| Income from operations | 32,419 | 26,900 |
|------------------------|--------|--------|

Other income (expense)

|                      |        |   |        |   |
|----------------------|--------|---|--------|---|
| Interest expense (A) | (9,116 | ) | (7,923 | ) |
| Interest income      | 1      |   | 1      |   |

|   |                  |                  |
|---|------------------|------------------|
| Gain on sale of real estate                           | 1,777            | -                |
| Equity in income of joint ventures                    | 662              | 575              |
| Income from continuing operations                     | 25,743           | 19,553           |
| Income from discontinued operations                   | -                | 246              |
| <b>Net income</b>                                     | <b>25,743</b>    | <b>19,799</b>    |
| Net income attributable to noncontrolling interests   | (154)            | (124)            |
| <b>Net income attributable to common shareholders</b> | <b>\$ 25,589</b> | <b>\$ 19,675</b> |

**Earnings per common share attributable to common shareholders - basic**

|                            |         |         |
|----------------------------|---------|---------|
| Continuing operations      | \$ 0.77 | \$ 0.62 |
| Discontinued operations    | \$ -    | \$ 0.01 |
| Earnings per share - basic | \$ 0.77 | \$ 0.63 |

**Earnings per common share attributable to common shareholders - diluted**

|                              |         |         |
|------------------------------|---------|---------|
| Continuing operations        | \$ 0.77 | \$ 0.61 |
| Discontinued operations      | \$ -    | \$ 0.01 |
| Earnings per share - diluted | \$ 0.77 | \$ 0.62 |

|  |            |            |
|--|------------|------------|
| Common shares used in basic earnings per share calculation | 33,234,660 | 31,469,026 |
|--|------------|------------|

|  |            |            |
|--|------------|------------|
| Common shares used in diluted earnings per share calculation | 33,398,648 | 31,625,635 |
|--|------------|------------|

|  |                |                |
|--|----------------|----------------|
| <b>Dividends declared per common share</b> | <b>\$ 0.68</b> | <b>\$ 0.53</b> |
|--|----------------|----------------|

**(A) Interest expense for the three months ending September 30 consists of the following**

|   |          |          |
|---|----------|----------|
| Interest expense                        | \$ 8,903 | \$ 7,706 |
| Amortization of deferred financing fees | 213      | 217      |
| Total interest expense                  | \$ 9,116 | \$ 7,923 |

January 1, 2014 to January 1, 2013 to

(dollars in thousands, except share data)

September 30, 2014 September 30, 2013

**Revenues**

|                          |            |            |
|--------------------------|------------|------------|
| Rental income            | \$ 223,438 | \$ 186,997 |
| Other operating income   | 14,123     | 11,303     |
| Management fee income    | 3,453      | 3,142      |
| Acquisition fee income   | 136        | -          |
| Total operating revenues | 241,150    | 201,442    |

**Expenses**

|                                     |        |        |
|-------------------------------------|--------|--------|
| Property operations and maintenance | 51,431 | 45,288 |
| Real estate taxes                   | 24,433 | 19,735 |
| General and administrative          | 30,400 | 26,745 |

|   |           |           |
|---|-----------|-----------|
| Acquisition related costs                             | 5,926     | 1,263     |
| Operating leases of storage facilities                | 5,991     | -         |
| Depreciation and amortization                         | 35,057    | 31,170    |
| Amortization of in-place customer leases              | 2,723     | 2,682     |
| Total operating expenses                              | 155,961   | 126,883   |
| Income from operations                                | 85,189    | 74,559    |
| Other income (expense)                                |           |           |
| Interest expense <b>(A)</b>                           | (25,331)  | (24,827)  |
| Interest income                                       | 31        | 2         |
| Gain on sale of real estate                           | 1,777     | 421       |
| Equity in income of joint ventures                    | 1,553     | 1,417     |
| Income from continuing operations                     | 63,219    | 51,572    |
| Income from discontinued operations                   | -         | 651       |
| <b>Net income</b>                                     | 63,219    | 52,223    |
| Net income attributable to noncontrolling interests   | (381)     | (331)     |
| <b>Net income attributable to common shareholders</b> | \$ 62,838 | \$ 51,892 |

**Earnings per common share attributable to common shareholders - basic**

|                            |         |         |
|----------------------------|---------|---------|
| Continuing operations      | \$ 1.92 | \$ 1.65 |
| Discontinued operations    | \$ -    | \$ 0.02 |
| Earnings per share - basic | \$ 1.92 | \$ 1.67 |

**Earnings per common share attributable to common shareholders - diluted**

|                              |         |         |
|------------------------------|---------|---------|
| Continuing operations        | \$ 1.91 | \$ 1.64 |
| Discontinued operations      | \$ -    | \$ 0.02 |
| Earnings per share - diluted | \$ 1.91 | \$ 1.66 |

|  |            |            |
|--|------------|------------|
| Common shares used in basic earnings per share calculation | 32,806,164 | 31,077,910 |
|--|------------|------------|

|  |            |            |
|--|------------|------------|
| Common shares used in diluted earnings per share calculation | 32,972,262 | 31,235,049 |
|--|------------|------------|

|  |         |         |
|--|---------|---------|
| <b>Dividends declared per common share</b> | \$ 2.04 | \$ 1.49 |
|--|---------|---------|

**(A) Interest expense for the nine months ending September 30 consists of the following**

|   |           |           |
|---|-----------|-----------|
| Interest expense                        | \$ 24,712 | \$ 24,187 |
| Amortization of deferred financing fees | 619       | 640       |
| Total interest expense                  | \$ 25,331 | \$ 24,827 |

**COMPUTATION OF FUNDS FROM OPERATIONS (FFO) (1) - (unaudited)**

|  |   |   |
|--|---|---|
|  | July 1, 2014<br>to<br>September 30,<br>2014 | July 1, 2013<br>to<br>September 30,<br>2013 |
| (dollars in thousands, except share data)      |   |   |
| Net income attributable to common shareholders | \$ 25,589                                   | \$ 19,675                                   |



|  |         |         |
|--|---------|---------|
| Net income attributable to noncontrolling interests  | 154     | 124     |
| Depreciation of real estate and amortization of intangible assets exclusive of deferred financing fees | 13,127  | 11,071  |
| Depreciation of real estate included in discontinued operations  | -       | 89      |
| Depreciation and amortization from unconsolidated joint ventures                                       | 430     | 373     |
| Gain on sale of real estate  | (1,777) | -       |
| Funds from operations allocable to noncontrolling interest in Operating Partnership                    | (224)   | (196)   |
| Funds from operations available to common shareholders   | 37,299  | 31,136  |
| FFO per share - diluted  | \$ 1.12 | \$ 0.98 |

#### Adjustments to FFO

|  |         |         |
|--|---------|---------|
| Acquisition costs expensed   | 1,210   | 776     |
| Operating leases straight line rent adjustment   | 497     | -       |
| Funds from operations resulting from non-recurring items allocable to noncontrolling interest in Operating Partnership | (10)    | (5)     |
| Adjusted funds from operations available to common shareholders  | 38,996  | 31,907  |
| Adjusted FFO per share - diluted   | \$ 1.17 | \$ 1.01 |

|                         |            |            |
|-------------------------|------------|------------|
| Common shares - diluted | 33,398,648 | 31,625,635 |
|-------------------------|------------|------------|

|  |  |  |
|--|--|--|
|  | January 1, 2014<br>to<br>September 30,<br>2014 | January 1, 2013<br>to<br>September 30,<br>2013 |
|--|--|--|

(dollars in thousands, except share data)

|  |           |           |
|--|-----------|-----------|
| Net income attributable to common shareholders   | \$ 62,838 | \$ 51,892 |
| Net income attributable to noncontrolling interests  | 381       | 331       |
| Depreciation of real estate and amortization of intangible assets exclusive of deferred financing fees | 37,097    | 33,211    |
| Depreciation of real estate included in discontinued operations  | -         | 266       |
| Depreciation and amortization from unconsolidated joint ventures                                       | 1,166     | 1,119     |
| Gain on sale of real estate  | (1,777)   | (421)     |
| Funds from operations allocable to noncontrolling interest in Operating Partnership                    | (601)     | (547)     |
| Funds from operations available to common shareholders   | 99,104    | 85,851    |
| FFO per share - diluted  | \$ 3.01   | \$ 2.75   |

#### Adjustments to FFO

|  |         |         |
|--|---------|---------|
| Acquisition costs expensed   | 5,926   | 1,263   |
| Company's share of acquisition costs expensed by Sovran HHF Storage Holdings   | 185     | -       |
| Acquisition fee income from Sovran HHF Storage Holdings  | (136)   | -       |
| Operating leases straight line rent adjustment   | 1,491   | -       |
| Funds from operations resulting from non-recurring items allocable to noncontrolling interest in Operating Partnership | (45)    | (8)     |
| Adjusted funds from operations available to common shareholders  | 106,525 | 87,106  |
| Adjusted FFO per share - diluted   | \$ 3.23 | \$ 2.79 |

|                         |            |            |
|-------------------------|------------|------------|
| Common shares - diluted | 32,972,262 | 31,235,049 |
|-------------------------|------------|------------|

(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.

**QUARTERLY SAME STORE DATA (2) \* 385 stores owned since 12/31/12 (unaudited)**

| (dollars in thousands)             | July 1, 2014                | July 1, 2013                | Change   | Percentage |        |
|------------------------------------|-----------------------------|-----------------------------|----------|------------|--------|
|                                    | to<br>September<br>30, 2014 | to<br>September<br>30, 2013 |          | Change     | Change |
| <b>Revenues:</b>                   |                             |                             |          |            |        |
| Rental income                      | \$ 68,829                   | \$ 64,460                   | \$ 4,369 | 6.8        | %      |
| Tenant insurance commissions       | 2,421                       | 1,979                       | 442      | 22.3       | %      |
| Other operating income             | 1,290                       | 1,369                       | (79 )    | -5.8       | %      |
| Total operating revenues           | 72,540                      | 67,808                      | 4,732    | 7.0        | %      |
| <b>Expenses:</b>                   |                             |                             |          |            |        |
| Payroll and benefits               | 6,316                       | 6,170                       | 146      | 2.4        | %      |
| Real estate taxes                  | 7,030                       | 6,836                       | 194      | 2.8        | %      |
| Utilities                          | 2,939                       | 2,943                       | (4 )     | -0.1       | %      |
| Repairs and maintenance            | 2,498                       | 2,193                       | 305      | 13.9       | %      |
| Office and other operating expense | 2,500                       | 2,460                       | 40       | 1.6        | %      |
| Insurance                          | 980                         | 1,102                       | (122 )   | -11.1      | %      |
| Advertising & yellow pages         | 353                         | 381                         | (28 )    | -7.3       | %      |
| Total operating expenses           | 22,616                      | 22,085                      | 531      | 2.4        | %      |
| Net operating income (3)           | \$ 49,924                   | \$ 45,723                   | \$ 4,201 | 9.2        | %      |
| QTD Same store move ins            | 40,458                      | 43,002                      | (2,544 ) |            |        |
| QTD Same store move outs           | 45,082                      | 46,853                      | (1,771 ) |            |        |

**OTHER COMPARABLE QUARTERLY SAME STORE DATA \* (unaudited)**

|  | July 1, 2014                | July 1, 2013                | Change | Percentage |        |
|--|-----------------------------|-----------------------------|--------|------------|--------|
|  | to<br>September<br>30, 2014 | to<br>September<br>30, 2013 |        | Change     | Change |

**Stores owned since 12/31/11 (357 stores) (2)**

|                          |           |           |          |     |   |
|--------------------------|-----------|-----------|----------|-----|---|
| Revenues                 | \$ 65,906 | \$ 62,132 | \$ 3,774 | 6.1 | % |
| Expenses                 | 20,447    | 19,605    | 842      | 4.3 | % |
| Net operating income (3) | \$ 45,459 | \$ 42,527 | \$ 2,932 | 6.9 | % |

**Stores owned since 12/31/10 (329 stores) (2)**

|                          |           |           |          |     |   |
|--------------------------|-----------|-----------|----------|-----|---|
| Revenues                 | \$ 59,985 | \$ 56,556 | \$ 3,429 | 6.1 | % |
| Expenses                 | 18,376    | 17,606    | 770      | 4.4 | % |
| Net operating income (3) | \$ 41,609 | \$ 38,950 | \$ 2,659 | 6.8 | % |

(2) 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.

(3) 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 of 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. 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.

\* See exhibit A for supplemental quarterly same store data.

**YEAR TO DATE SAME STORE DATA (2) \* 385 stores owned since 12/31/12 (unaudited)**

|                                    | January 1,<br>2014<br>to<br>September 30,<br>2014 | January 1,<br>2013<br>to<br>September 30,<br>2013 | Change    | Percentage<br>Change |   |
|------------------------------------|---|---|-----------|----------------------|---|
| (dollars in thousands)             |   |   |           |                      |   |
| <b>Revenues:</b>                   |   |   |           |                      |   |
| Rental income                      | \$ 199,154  | \$ 185,164  | \$ 13,990 | 7.6                  | % |
| Tenant insurance commissions       | 7,046   | 5,502   | 1,544     | 28.1                 | % |
| Other operating income             | 3,918   | 3,987   | (69 )     | -1.7                 | % |
| Total operating revenues           | 210,118   | 194,653   | 15,465    | 7.9                  | % |
| <b>Expenses:</b>                   |   |   |           |                      |   |
| Payroll and benefits               | 18,826  | 18,471  | 355       | 1.9                  | % |
| Real estate taxes                  | 21,083  | 19,479  | 1,604     | 8.2                  | % |
| Utilities                          | 8,211   | 7,791   | 420       | 5.4                  | % |
| Repairs and maintenance            | 7,509   | 6,704   | 805       | 12.0                 | % |
| Office and other operating expense | 7,330   | 7,137   | 193       | 2.7                  | % |
| Insurance                          | 3,023   | 3,219   | (196 )    | -6.1                 | % |
| Advertising & yellow pages         | 1,063   | 1,159   | (96 )     | -8.3                 | % |
| Total operating expenses           | 67,045  | 63,960  | 3,085     | 4.8                  | % |
| Net operating income (3)           | \$ 143,073  | \$ 130,693  | \$ 12,380 | 9.5                  | % |
| YTD Same store move ins            | 124,646   | 128,650   | (4,004 )  |                      |   |
| YTD Same store move outs           | 120,050   | 122,083   | (2,033 )  |                      |   |

| OTHER DATA                           | Same Store (2) |          | All Stores (4) |          |   |   |
|--------------------------------------|----------------|----------|----------------|----------|---|---|
|                                      | 2014           | 2013     | 2014           | 2013     |   |   |
|                                      |                |          |                |          |   |   |
| Weighted average quarterly occupancy | 91.3           | % 89.9   | % 90.9         | % 89.9   | % | % |
| Occupancy at September 30            | 90.5           | % 89.3   | % 90.0         | % 89.2   | % | % |
| Rent per occupied square foot        | \$ 11.71       | \$ 11.22 | \$ 12.19       | \$ 11.21 |   |   |

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

#### Investment in Storage Facilities: (unaudited)

The following summarizes activity in storage facilities during the months ended September 30, 2014:

|  |              |
|--|--------------|
| Beginning balance  | \$ 1,864,637 |
| Property acquisitions  | 232,763      |
| Improvements and equipment additions:                        |              |
| Expansions   | 11,099       |
| Roofing, paving, and equipment:                              |              |
| Stabilized stores  | 9,320        |
| Recently acquired stores                                     | 813          |
| Change in construction in progress (Total CIP \$8.8 million) | (975 )       |
| Dispositions and Impairments                                 | (4,523 )     |
| Storage facilities at cost at period end                     | \$ 2,113,134 |

#### Comparison of Selected G&A Costs (unaudited)

|   | Quarter Ended      |                    |
|---|--------------------|--------------------|
|   | September 30, 2014 | September 30, 2013 |
| Management and administrative salaries and benefits | 5,450              | 4,976              |
| Internet advertising & marketing                    | 1,330              | 1,214              |
| Training  | 208                | 214                |
| Call center   | 404                | 381                |
| Uncle Bob's Management costs                        | 162                | 80                 |
| Income taxes  | 352                | 332                |
| Other administrative expenses (5)                   | 2,135              | 1,768              |
|   | \$ 10,041          | \$ 8,965           |

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

September 30, 2014      September 30, 2013

|   |            |            |
|---|------------|------------|
| Common shares outstanding               | 33,708,457 | 31,977,890 |
| Operating Partnership Units outstanding | 198,913    | 199,163    |

## Exhibit A

### Sovran Self Storage, Inc.

#### Same Store Performance Summary

#### Three Months Ended September 30, 2014

(unaudited)

| State          | Stores | Square Feet | Avg Qtrly Rent per Occupied Square Foot | Avg Quarterly Occupancy for the Three Months Ended September 30, |       | Revenue for the Three Months Ended September 30, |          |          | Expenses for the Three Months Ended September 30, |        |          | NO for Enc |
|----------------|--------|-------------|---|--|-------|--|----------|----------|---|--------|----------|------------|
|                |        |             |   | 2014   | 2013  | 2014   | 2013     | % Change | 2014  | 2013   | % Change |            |
| Alabama        | 22     | 1,617       | \$ 8.70                                 | 89.0%  | 88.1% | \$ 3,396   | \$ 3,187 | 6.6%     | \$ 996  | \$ 955 | 4.3%     | \$ 2,41    |
| Arizona        | 10     | 669         | 10.00                                   | 86.8%  | 81.0% | 1,557  | 1,473    | 5.7%     | 588   | 504    | 16.7%    | 969        |
| Connecticut    | 5      | 328         | 18.45                                   | 87.8%  | 93.4% | 1,374  | 1,287    | 6.8%     | 385   | 366    | 5.2%     | 989        |
| Florida        | 60     | 3,975       | 11.55                                   | 89.9%  | 88.7% | 10,941   | 10,122   | 8.1%     | 3,415   | 3,342  | 2.2%     | 7,5        |
| Georgia        | 28     | 1,949       | 10.59                                   | 92.7%  | 86.0% | 5,107  | 4,516    | 13.1%    | 1,525   | 1,499  | 1.7%     | 3,5        |
| Illinois       | 9      | 699         | 13.54                                   | 87.2%  | 83.5% | 2,160  | 1,947    | 10.9%    | 775   | 996    | -        | 1,3        |
| Louisiana      | 14     | 823         | 11.40                                   | 90.6%  | 91.7% | 2,232  | 2,149    | 3.9%     | 593   | 605    | -2.0%    | 1,6        |
| Maine          | 2      | 114         | 13.76                                   | 93.8%  | 89.9% | 384  | 364      | 5.5%     | 92  | 93     | -1.1%    | 292        |
| Maryland       | 3      | 139         | 16.41                                   | 92.1%  | 89.5% | 544  | 527      | 3.2%     | 187   | 200    | -6.5%    | 357        |
| Massachusetts  | 12     | 656         | 14.67                                   | 91.8%  | 93.2% | 2,333  | 2,271    | 2.7%     | 682   | 652    | 4.6%     | 1,6        |
| Mississippi    | 12     | 916         | 9.71                                    | 91.7%  | 90.6% | 2,153  | 2,067    | 4.2%     | 638   | 604    | 5.6%     | 1,5        |
| Missouri       | 8      | 515         | 12.25                                   | 90.5%  | 88.5% | 1,493  | 1,389    | 7.5%     | 462   | 476    | -2.9%    | 1,0        |
| New Hampshire  | 4      | 260         | 12.01                                   | 93.2%  | 91.5% | 762  | 720      | 5.8%     | 224   | 212    | 5.7%     | 538        |
| New Jersey     | 2      | 121         | 17.87                                   | 93.0%  | 87.5% | 525  | 484      | 8.5%     | 199   | 197    | 1.0%     | 326        |
| New York       | 28     | 1,702       | 14.66                                   | 92.3%  | 92.4% | 6,016  | 5,696    | 5.6%     | 1,751   | 1,676  | 4.5%     | 4,2        |
| North Carolina | 19     | 1,155       | 10.49                                   | 93.9%  | 93.3% | 3,003  | 2,808    | 6.9%     | 790   | 815    | -3.1%    | 2,2        |
| Ohio           | 16     | 1,089       | 10.26                                   | 91.7%  | 90.4% | 2,700  | 2,552    | 5.8%     | 784   | 735    | 6.7%     | 1,9        |
| Pennsylvania   | 4      | 220         | 10.31                                   | 92.3%  | 89.2% | 543  | 514      | 5.6%     | 176   | 170    | 3.5%     | 367        |
| Rhode Island   | 4      | 206         | 12.83                                   | 91.8%  | 90.0% | 664  | 639      | 3.9%     | 208   | 225    | -7.6%    | 456        |
| South Carolina | 8      | 450         | 10.85                                   | 92.2%  | 90.7% | 1,192  | 1,106    | 7.8%     | 395   | 398    | -0.8%    | 797        |
| Tennessee      | 4      | 291         | 10.62                                   | 91.4%  | 90.5% | 738  | 702      | 5.1%     | 258   | 244    | 5.7%     | 480        |
| Texas          | 93     | 6,620       | 12.11                                   | 93.1%  | 92.5% | 19,515   | 18,181   | 7.3%     | 6,538   | 6,152  | 6.3%     | 12,1       |
| Virginia       | 18     | 1,236       | 11.37                                   | 87.1%  | 86.5% | 3,208  | 3,107    | 3.3%     | 955   | 969    | -1.4%    | 2,2        |

|  |     |        |          |       |       |           |           |      |           |           |      |        |
|--|-----|--------|----------|-------|-------|-----------|-----------|------|-----------|-----------|------|--------|
| <b>Portfolio Total</b>                               | 385 | 25,750 | \$ 11.71 | 91.3% | 89.9% | \$ 72,540 | \$ 67,808 | 7.0% | \$ 22,616 | \$ 22,085 | 2.4% | \$ 49, |
| Properties owned since 12/31/12 (detail shown above) | 385 | 25,750 | 11.71    | 91.3% | 89.9% | 72,540    | 67,808    | 7.0% | 22,616    | 22,085    | 2.4% | 49,    |
| Properties owned since 12/31/11                      | 357 | 23,551 | 11.62    | 91.4% | 91.0% | 65,906    | 62,132    | 6.1% | 20,447    | 19,605    | 4.3% | 45,    |
| Properties owned since 12/31/10                      | 329 | 21,730 | 11.42    | 91.6% | 90.8% | 59,985    | 56,556    | 6.1% | 18,376    | 17,606    | 4.4% | 41,    |

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

## Exhibit B

### Sovran Self Storage, Inc.

#### Debt Maturity Schedule

September 30, 2014

(unaudited)

| (dollars in thousands) | Maturity Date | Basis of Rate    | Current Interest Rate (1) | Year  |        |            |        |        |            |
|------------------------|---------------|------------------|---------------------------|-------|--------|------------|--------|--------|------------|
|                        |               |                  |                           | 2014  | 2015   | 2016       | 2017   | 2018   | Thereafter |
| Line of credit         | Jun-2018      | Variable         | 1.65%                     | \$ -  | \$ -   | \$ -       | \$ -   | \$ -   | \$ -       |
| Term note              | Apr-2016      | Fixed            | 6.38%                     | -     | -      | 150,000    | -      | -      | -          |
| Term note              | Jun-2020      | Swapped to fixed | 4.02%                     | -     | -      | -          | -      | -      | 125,000    |
| Term note              | Jun-2020      | Swapped to fixed | 3.26%                     | -     | -      | -          | -      | -      | 100,000    |
| Term note              | Jun-2020      | Swapped to fixed | 3.02%                     | -     | -      | -          | -      | -      | 100,000    |
| Term note              | Aug-2021      | Fixed            | 5.54%                     | -     | -      | -          | -      | -      | 100,000    |
| Term note              | Apr-2024      | Fixed            | 4.53%                     | -     | -      | -          | -      | -      | 175,000    |
| Mortgage note          | May-2026      | Fixed            | 5.99%                     | 33    | 134    | 142        | 151    | 160    | 1,540      |
|                        |               |                  |                           | \$ 33 | \$ 134 | \$ 150,142 | \$ 151 | \$ 160 | \$ 601,540 |

(1) Rate as of September 30, 2014 based on existing debt rating. Interest rates shown do not include amortization of fees and facility fees which are expected to be \$1.2 million in 2014.

Photos/Multimedia Gallery Available:

<http://www.businesswire.com/multimedia/home/20141029006395/en/>

Sovran Self Storage, Inc.

Diane Piegza

Vice President

Investor Relations and Community Affairs

716-650-6115

Source: Sovran Self Storage, Inc.