Sovran Self Storage Reports Third Quarter Results: Revenues Increase 14%

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, 2007.

Net income available to common shareholders for the third quarter of 2007 was $10.9 million or $.51 per diluted share. Net income available to common shareholders for the same period in 2006 was $8.8 million or $.49 per diluted share. Funds from operations per share for the quarter increased 24.2% to $19.1 million or $.89 per fully diluted common share compared to $.85 per fully diluted share for the quarter ended September 30, 2006. Strong rental rate growth was offset by the impact of a decline in occupancy in most of the Company's Florida markets.

David Rogers, the Company's Chief Financial Officer, said, "We've done well this quarter integrating our recent acquisitions into the Uncle Bob's family, and moving forward with our expansion and enhancement program."

OPERATIONS:

Total Company net operating income for the third quarter grew 15.2% compared with the same quarter in 2006 to $32.8 million. This growth was the result of improved operating performance and the income generated by the 58 stores acquired since mid 2006. Overall average occupancy for the quarter was 85.1% and average rent per square foot for the portfolio was $10.39.

Revenues at the 317 stores owned and/or managed for the entire quarter in both years increased 3.5% over the third quarter of 2006, the result of a 3.6% increase in rental rates (offset by a 140 basis point decrease in average occupancy) and a 3.1% increase in other income. Same store operating expenses declined 30 basis points primarily as a result of an expected decrease in property insurance premiums. As a result, same store net operating income improved by 5.7% over the third quarter of 2006. General and administrative expenses rose $538,000 over the same period in 2006; this is primarily due to increased expenses involved in operating 58 more facilities this year.

Strong performance was shown at the Company's Texas, North Carolina and New England stores as well as those in the Atlanta and Buffalo markets. Stores in Florida, South Carolina and the Washington, DC markets have experienced slower than expected
growth during the quarter.

PROPERTIES:

The Company acquired no new stores during the quarter, but entered into contracts to acquire three facilities at a total cost of $10.6 million.

It continued its program of expanding and enhancing its existing stores - so far this year, the Company has expended $15.6 million to add 275,000 sq. ft. of new storage space to 15 stores, and converted 50,000 sq. ft. to premium storage at 4 others. Projects at 25 other stores are underway to add another 350,000 sq. ft. at an expected cost of $20 million.

CAPITAL TRANSACTIONS:

During the quarter, the Company issued 70,648 shares through its Dividend Reinvestment Program, Direct Stock Purchase Plan and Employee Option Plan. A total of $3.3 million was received, and was used to fund capital improvements.

On July 9, 2007, the Company issued 920,244 shares of common stock to the holder of its Series C Preferred stock upon the holder's election to convert 1.2 million shares of the Series C Preferred into common stock. The Company now has no issues of convertible preferred stock outstanding.

The Company's Board of Directors authorized the repurchase of up to two million shares of the Company's common stock. To date, the Company has acquired approximately 1.2 million shares pursuant to the program. The Company expects such repurchases to be effected from time to time, in the open markets or in private transactions. The amount and timing of shares to be purchased will be subject to market conditions and will be based on several factors, including compliance with lender covenants and the price of the Company's stock. No assurance can be given as to the specific timing or amount of the share repurchases or as to whether and to what extent the share repurchase will be consummated. The Company did not acquire any shares in the quarter ended September 30, 2007.

YEAR 2007 EARNINGS GUIDANCE:

The Company expects conditions in most of its markets to remain relatively stable, and estimates growth in net operating income on a same store basis to be approximately 4.5% for the balance of the year.

As previously announced, the Company has implemented a program that will add 450,000 to 600,000 square feet of rentable space at existing stores and convert up to an additional 250,000 to 300,000 square feet to premium (climate and humidity controlled) spaces over the next two years. The projected cost of these revenue enhancing improvements is estimated at between $45 and $50 million. $19 million was expended in 2006 on such improvements and up to $25 million is expected in 2007. $15.6 million was expended during the nine months ended September 30, 2007.
As opportunities arise, the Company may acquire self-storage facilities with high growth potential for its own portfolio, and may sell certain facilities depending on market conditions. For purposes of issuing 2007 guidance, the Company is forecasting accretive acquisitions of $135 million, opportunistic acquisitions of $10 million and no sales of existing facilities.

Funding of the acquisitions and the above mentioned revenue enhancing and refurbishing improvements will be provided primarily from borrowings on the Company's line of credit, term note borrowings, issuance of common shares in the Company's Dividend Reinvestment Program and Stock Purchase Programs, and issuance of common or preferred stock.

General and administrative expenses are expected to increase as the Company adds properties and enters new markets.

At September 30, 2007, all but $91 million of the Company's debt is either fixed rate or covered by rate swap contracts that essentially fix the rate. Subsequent borrowings that may occur will initially be pursuant to the Company's Line of Credit agreement at a floating rate of LIBOR plus 0.9% or pursuant to short term notes of LIBOR plus 1.2%.

Management expects funds from operations for the fourth quarter of 2007 to be between $.88 and $.90 per share.

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 21F of 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 form joint ventures and sell existing properties to those joint ventures; 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 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 ability to successfully extend its truck leasing program and Dri-guard product roll-out; the Company's reliance on its call center; the Company's cash flow may be insufficient to meet required payments of principal and interest; 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 Daylight Time on Thursday, November 1, 2007. Anyone wishing to listen to the call may access the webcast via the Investment portion of Sovran's homepage www.sovranss.com. The call will be archived for a period of 90 days after initial airing.

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 354 self-storage facilities in 22 states under the name "Uncle Bob's Self Storage"(R). For more information, please contact David Rogers, CFO or Diane Piegza, VP Corporate Communications at (716) 633-1850 or visit the Company's Web site.

SOVRAN SELF STORAGE, INC.
BALANCE SHEET DATA
(uniudited)

<table>
<thead>
<tr>
<th>September 30, December 31,</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>(dollars in thousands)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in storage facilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>235,662</td>
<td>208,644</td>
</tr>
<tr>
<td>Building, equipment and construction in progress</td>
<td>1,067,081</td>
<td>935,260</td>
</tr>
<tr>
<td>---------------------------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>1,302,743</td>
<td>1,143,904</td>
<td></td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(177,988)</td>
<td>(155,843)</td>
</tr>
<tr>
<td>Investment in storage facilities, net</td>
<td>1,124,755</td>
<td>988,061</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>8,504</td>
<td>47,730</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>2,925</td>
<td>2,166</td>
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<tr>
<td>Receivable from related parties</td>
<td>27</td>
<td>37</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>5,985</td>
<td>5,336</td>
</tr>
<tr>
<td>Fair value of interest rate swap agreements</td>
<td>797</td>
<td>2,274</td>
</tr>
<tr>
<td>Intangible asset - in-place customer leases (net of accumulated amortization of $3,348)</td>
<td>1,096</td>
<td>-</td>
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<tr>
<td>Other assets</td>
<td>5,664</td>
<td>7,606</td>
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<tr>
<td>Total Assets</td>
<td>1,149,753</td>
<td>1,053,210</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line of credit</td>
<td>91,000</td>
<td>-</td>
</tr>
<tr>
<td>Term notes</td>
<td>350,000</td>
<td>350,000</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>22,827</td>
<td>15,358</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>5,746</td>
<td>5,292</td>
</tr>
<tr>
<td>Accrued dividends</td>
<td>13,616</td>
<td>12,675</td>
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<tr>
<td>Mortgages payable</td>
<td>110,911</td>
<td>112,027</td>
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<tr>
<td>Total Liabilities</td>
<td>594,100</td>
<td>495,352</td>
</tr>
<tr>
<td>Minority interest - Operating Partnership</td>
<td>9,779</td>
<td>10,164</td>
</tr>
<tr>
<td>Minority interest - consolidated joint ventures</td>
<td>16,783</td>
<td>16,783</td>
</tr>
</tbody>
</table>
Shareholders' Equity
8.375% Series C Convertible Cumulative
Preferred Stock - 26,613
Common stock 228 216
Additional paid-in capital 650,872 612,738
Dividends in excess of net income (95,518) (83,609)
Accumulated other comprehensive income 684 2,128
Treasury stock at cost (27,175) (27,175)
----------------- ---------------
Total Shareholders' Equity 529,091 530,911
----------------- ---------------

Total Liabilities and Shareholders' Equity $ 1,149,753 $ 1,053,210
================================== =============

CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
July 1, 2007 July 1, 2006
to to
(dollars in thousands, except share data) September September
30, 2007 30, 2006

Revenues
Rental income $ 49,195 $ 43,354
Other operating income 1,803 1,430
----------------- ---------------
Total operating revenues 50,998 44,784

Expenses
Property operations and maintenance 13,501 12,163
Real estate taxes 4,649 4,112
General and administrative 3,968 3,430
Depreciation and amortization 7,784 6,683
Amortization of in-place customer leases 606 -
----------------- ---------------
Total operating expenses 30,508 26,388

Income from operations 20,490 18,396

Other income (expense)
Interest expense (including amortization
of financing fees of $233 in 2007
and $240 in 2006) (9,092) (8,421)
Interest income 137 135
Minority interest - Operating Partnership (215) (225)
Minority interest - consolidated joint
ventures (462) (462)
Equity in income of joint ventures 17 42
----------------- ---------------
Net Income 10,875 9,465

Net income available to common shareholders $ 10,875 $ 8,837

Earnings per common share - basic $ 0.51 $ 0.49
<table>
<thead>
<tr>
<th>Description</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per common share - diluted</td>
<td>$ 0.51</td>
<td>$ 0.49</td>
</tr>
<tr>
<td>Common shares used in basic earnings per share calculation</td>
<td>21,390,303</td>
<td>17,919,342</td>
</tr>
<tr>
<td>Common shares used in diluted earnings per share calculation</td>
<td>21,426,962</td>
<td>17,989,000</td>
</tr>
<tr>
<td>Dividends declared per common share</td>
<td>$ 0.6300</td>
<td>$ 0.6200</td>
</tr>
</tbody>
</table>

**CONSOLIDATED STATEMENTS OF OPERATIONS**
(unaudited)

<table>
<thead>
<tr>
<th>Description</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental income</td>
<td>$ 138,985</td>
<td>$ 117,797</td>
</tr>
<tr>
<td>Other operating income</td>
<td>4,713</td>
<td>3,940</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>143,698</td>
<td>121,737</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property operations and maintenance</td>
<td>38,819</td>
<td>31,915</td>
</tr>
<tr>
<td>Real estate taxes</td>
<td>13,670</td>
<td>11,372</td>
</tr>
<tr>
<td>General and administrative</td>
<td>11,222</td>
<td>10,530</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>22,199</td>
<td>18,362</td>
</tr>
<tr>
<td>Amortization of in-place customer leases</td>
<td>3,348</td>
<td>-</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>89,258</td>
<td>72,179</td>
</tr>
<tr>
<td>Income from operations</td>
<td>54,440</td>
<td>49,558</td>
</tr>
<tr>
<td>Other income (expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense (including amortization of financing fees of $716 in 2007 and $748 in 2006)</td>
<td>(24,908)</td>
<td>(20,992)</td>
</tr>
<tr>
<td>Interest income</td>
<td>814</td>
<td>490</td>
</tr>
<tr>
<td>Minority interest - Operating Partnership</td>
<td>(581)</td>
<td>(690)</td>
</tr>
<tr>
<td>Minority interest - consolidated joint ventures</td>
<td>(1,386)</td>
<td>(1,068)</td>
</tr>
<tr>
<td>Equity in income of joint ventures</td>
<td>97</td>
<td>148</td>
</tr>
<tr>
<td>Net Income</td>
<td>28,476</td>
<td>27,446</td>
</tr>
<tr>
<td>Preferred stock dividends</td>
<td>(1,256)</td>
<td>(1,884)</td>
</tr>
<tr>
<td>Net income available to common shareholders</td>
<td>$ 27,220</td>
<td>$ 25,562</td>
</tr>
<tr>
<td>Earnings per common share - basic</td>
<td>$ 1.31</td>
<td>$ 1.44</td>
</tr>
<tr>
<td>Earnings per common share - diluted</td>
<td>$ 1.31</td>
<td>$ 1.44</td>
</tr>
</tbody>
</table>
Common shares used in basic earnings per share calculation 20,760,920 17,692,367

Common shares used in diluted earnings per share calculation 20,813,165 17,758,535

Dividends declared per common share $ 1.8700 $ 1.8500

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

July 1, 2007  July 1, 2006
(to to)
(dollars in thousands, except share data) September September
30, 2007 30, 2006
------------ ------------
Net income $ 10,875 $ 9,465
Minority interest in income 677 687
Depreciation of real estate and amortization of intangible assets exclusive of deferred financing fees 8,390 6,683
Depreciation and amortization from unconsolidated joint ventures 14 14
Preferred dividends - (628)
Funds from operations allocable to minority interest in Operating Partnership (377) (366)
Funds from operations allocable to minority interest in consolidated joint ventures (462) (462)
------------ ------------
Funds from operations available to common shareholders 19,117 15,393

FFO per share - diluted (a) $ 0.89 $ 0.85

Common shares - diluted 21,426,962 17,989,000
Common shares if Series C Preferred Stock is converted 80,021 920,244
------------ ------------
Total shares used in FFO per share calculation (a) 21,506,983 18,909,244

January 1, 2007  January 1, 2006
(to to)
(dollars in thousands, except share data) September September
30, 2007 30, 2006
------------ ------------
Net income $ 28,476 $ 27,446
Minority interest in income 1,967 1,758
Depreciation of real estate and amortization of intangible assets exclusive of deferred financing fees 25,547 18,362
Depreciation and amortization from unconsolidated joint ventures 44 148
Preferred dividends (1,256) (1,884)
Funds from operations allocable to minority
interest in Operating Partnership  (1,069)  (1,091)
Funds from operations allocable to minority  
interest in consolidated joint ventures  (1,386)  (1,323)

------------  ------------
Funds from operations available to common
shareholders  52,323  43,416
FFO per share - diluted (a)  $ 2.50  $ 2.42

Common shares - diluted  20,813,165  17,758,535
Common shares if Series C Preferred Stock is
converted  640,170  920,244

------------  ------------
Total shares used in FFO per share
calculation (a)  21,453,335  18,678,779

(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 computed in
accordance with generally accepted accounting principles ("GAAP"),
excluding gains or losses on sales of 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 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.

(a) The Series C Convertible Preferred Shares were converted on July
9, 2007 into 920,244 common shares. These shares have been added to
the diluted shares outstanding to calculate the FFO per share in
2006. The prorated shares through the conversion date have been added
to the diluted shares outstanding to calculate the FFO per share in
2007.

QUARTERLY SAME STORE DATA (2)  
July 1, July 1,  
2007  2006

(dollars in thousands)  September September  Change  
30, 2007  30, 2006

------------  ------------

(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
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the diluted shares outstanding to calculate the FFO per share in
2006. The prorated shares through the conversion date have been added
to the diluted shares outstanding to calculate the FFO per share in
2007.
Revenues:
Rental income $44,716 $43,180 3.6%
Other operating income 1,470 1,426 3.1%
------------- -----------  
Total operating revenues 46,186 44,606 3.5%

Expenses:
Property operations, maintenance,
and real estate taxes 16,142 16,185 -0.3%
------------- -----------  
Operating income $30,044 $28,421 5.7%

(2) Includes the 317 stores owned and/or managed
by the Company for the entire periods presented.

YEAR TO DATE SAME STORE DATA (3) January January
1, 2007 1, 2006 to to Percentage
(dollars in thousands) September September Change
30, 2007 30, 2006
------------- -----------  
Revenues:
Rental income $116,993 $113,177 3.4%
Other operating income 3,885 3,796 2.3%
------------- -----------  
Total operating revenues 120,878 116,973 3.3%

Expenses:
Property operations, maintenance,
and real estate taxes 43,030 40,924 5.1%
------------- -----------  
Operating income $77,848 $76,049 2.4%

(3) Includes the 285 stores owned and/or managed
by the Company for the entire periods presented.

OTHER DATA  Same Store (2)  All Stores
---------------  -------------  
-------------  
Weighted average quarterly occupancy 85.4% 86.8% 85.1% 86.7%
Occupancy at September 30 84.4% 85.9% 84.3% 85.9%
Rent per occupied square foot $10.63 $10.26 $10.39 $10.25
Investment in Storage Facilities:
-------------  
The following summarizes activity in storage facilities during the
nine months ended September 30, 2007:

Beginning balance $1,143,904
Property acquisitions 124,701
Improvements and equipment additions:
Dri-guard / climate control installations 1,575
<table>
<thead>
<tr>
<th>Description</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansions</td>
<td>14,044</td>
<td></td>
</tr>
<tr>
<td>Roofing, paving, painting, and equipment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stabilized stores</td>
<td>10,200</td>
<td></td>
</tr>
<tr>
<td>Recently acquired and joint venture stores</td>
<td>4,115</td>
<td></td>
</tr>
<tr>
<td>Rental trucks</td>
<td>333</td>
<td></td>
</tr>
<tr>
<td>Change in construction in progress</td>
<td></td>
<td>3,952</td>
</tr>
<tr>
<td>(Total CIP $10.5 million)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dispositions</td>
<td>(81)</td>
<td></td>
</tr>
<tr>
<td>Storage facilities at cost at period end</td>
<td>1,302,743</td>
<td></td>
</tr>
</tbody>
</table>

| Source: Sovran Self Storage, Inc.                        |        |        |

### September 30, September 30, 2007, 2006

<table>
<thead>
<tr>
<th>Description</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common shares outstanding at September 30</td>
<td>21,612,427</td>
<td>18,090,066</td>
</tr>
<tr>
<td>Operating Partnership Units outstanding at September 30</td>
<td>425,785</td>
<td>427,927</td>
</tr>
</tbody>
</table>