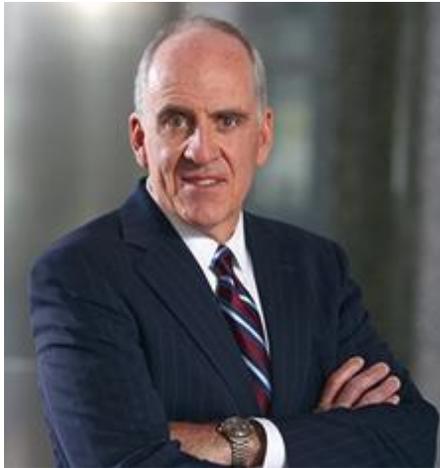


2012 ANNUAL REPORT

CEO LETTER

Exceptional results



Maximizing shareholder value remains a top priority for our business. In 2012 we did just that – delivering exceptional results with real expertise.

DEAR FELLOW SHAREHOLDERS,

EXTRA SPACE STORAGE® DELIVERED ANOTHER YEAR OF EXCEPTIONAL RESULTS IN 2012. We drove revenue and occupancy to all-time highs with our sophisticated platform, which includes revenue management systems and internet marketing expertise, in an improving market with virtually no new supply. Despite a continued weak economy, our performance was amongst the best in the self-storage industry.

At the center of our success is our scalable business model. To strengthen our market position and grow the REIT, we completed more than \$700 million in acquisitions – our biggest year since we acquired Storage USA in 2005. Two follow-on stock offerings for \$430 million enabled this growth.

We grew by taking advantage of our cost of capital and our unique corporate structure. Unique to self-storage REITs, our portfolio includes wholly-owned properties, joint venture properties and assets that we manage for third-party owners, all under the Extra Space Storage brand. In 2012, over 70% of the 91 properties we acquired in 24 states came from our joint-venture and third-party relationships, dramatically reducing the transactional risk assumed to acquire these assets because they were already in our system.

2012 RESULTS

We exceeded expectations in 2012 by focusing on the fundamentals of our operations. In fact, over the past 28 quarters, Extra Space Storage has performed materially above the publicly-traded self-storage sector in terms of average same-store revenue growth, expense control and net operating income.¹

Our innovation continues to set us apart. Even as storage demand remained stable, we used our internet marketing strategies to grow same-store occupancy to over 90% in July – the highest in our company's history – and over 88% at year end. With real-time data from our revenue management platform, we were able to increase street rates, reduce discounts and maximize revenues. Together, our internet and pricing strategies have allowed us, on average, to generate the strongest same-store revenue growth in our industry for the past seven years.

We grew same-store rental and tenant reinsurance revenues by 6.6%, to \$276.8 million in 2012 up from \$259.7 million in 2011. At the same time, we reduced same-store expenses by -0.06% to deliver a 10.2% increase in same-store NOI.

Our execution delivered another year of growth. We increased funds from operations by 32.5%, as we continued to take market share from less sophisticated competitors. In addition, we raised our quarterly common stock dividend by 25% in the fourth quarter, to \$0.25 per share, or \$1.00 per share on an annualized basis.

Our market performance speaks for itself. As of December 31, 2012, we rewarded shareholders with a total annual return of 54.4%, the highest of our peers. We were Number 2 of 125 publicly traded REITs nationwide in all sectors and property types in terms of total five-year return to shareholders. This is a major accomplishment, because maximizing shareholder value is our Number 1 objective.

BUILT FOR GROWTH

From the beginning, Extra Space Storage was built for growth and our management team has a strategic vision to expand our business. Today the strategies we have put in place over the years continue to deliver results.

Through our solid execution, in 2011 and 2012 we achieved double-digit FFO growth. We continue to drive our performance with what we call our “levers of growth,” which include:

- Strong core property performance, driven by our expertise in operations, internet marketing and revenue management, combined with our high-quality portfolio

- Additional income from the lease-up assets in our recently completed development pipeline
- Open-market and off-market acquisitions with long-term growth potential for our shareholders
- Our growing third-party management program, the largest of its kind in the United States, and
- Our expanding tenant insurance program.

In fact, we are the only self-storage REIT with all five of these levers of growth – a key advantage that will serve us well in the coming years.

CUSTOMER FOCUS

With the rise of mobile phones and tablets, the world has changed – and Extra Space Storage has changed with it. The days of Yellow Page and direct response advertising are gone, and we now market our properties almost exclusively online.

We have developed an impressive internet presence, using organic search engine optimization, paid advertising, social media, call tracking technology, lead generation and analytics to acquire the best customers. Our goal is to attract people who will stay with us longer, whether they search for storage from a desktop, laptop, smartphone or tablet. As our top-line growth shows, we are succeeding in this effort.

Even with our internet prowess and state-of-the-art call center, our properties remain one of the primary points of initial contact for our customers. In other words, our best marketing assets are the properties themselves. That's why we have always taken pride in having clean, convenient, secure and visible facilities, managed by a professional, courteous staff. In 2012 we focused on increasing the drive-by presence of our

properties by reimaging assets to make them relevant in the markets they serve. Customers need to know the product is storage.

Throughout 2012, as well as in the coming year, we are investing in our locations with signage upgrades, landscaping, property improvements, and retail-oriented office renovations – all to increase our curb appeal and deliver an even better customer experience.

At the same time, we continue to put a priority on hiring and retaining a high-caliber team. When it comes to our people, we train more, we expect more – and we get more.

It's just one way we excel at customer service.

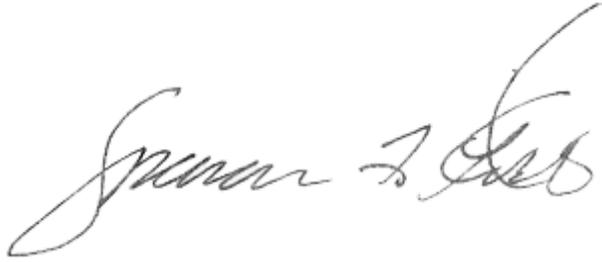
LOOKING AHEAD

As we head into 2013, I look forward to building on our success. Our business is well-managed, well-positioned and well-capitalized. We are aligned for future earnings growth, with a clear strategy and an experienced leadership team.

Overall, this is an exciting time for Extra Space Storage. With a culture of innovation, technology and performance, we are constantly finding ways to become even more efficient. I want to recognize our 2,400 employees for their diligence and commitment to continuous improvement. Thanks to the focused efforts of the entire team, we have delivered another year of outstanding results.

In closing, I remain optimistic about the self-storage sector and our ability to continue producing solid results for you, our shareholders. I look forward to updating you on our success in the year ahead.

Sincerely,



SPENCER F. KIRK

CEO

Extra Space Storage Inc.

¹ Simple average of publicly reported same-store revenue, expenses and NOI.

OPERATIONS

Expertise in the fundamentals



At Extra Space Storage, innovation sets us apart. We innovate with our systems, our internet marketing and our operations. We start with a focus on fundamentals. Simply put, we maximize every revenue opportunity and appropriately minimize every expense. At the same time, we continue to

excel at the basics on the property level – giving us the best properties in the business, managed by the best people.

OPERATIONAL EXCELLENCE

At Extra Space Storage[®], our operational platform is exceptional. With a focus on fundamentals, we strive to maximize every revenue opportunity and appropriately minimize every expense. As our 2012 results show, the strategy is paying off.

We continue to drive innovation in our systems, our marketing and our operations. Together, they allow us to capture the right customer, at the right price, with the right promotion at the right time. A key advantage is our proprietary revenue management platform, which tracks the price elasticity of demand in real time. This lets us set prices on a unit-by-unit basis and achieve the highest rents and occupancy levels.

ONLINE MARKETING

At the same time, we deliver top-line growth with our online marketing expertise. The Internet has become the primary channel for customers to research storage options and increasingly, book units online. For years we have been at the forefront of this trend. We continue to develop sophisticated strategies to target customers online – whether they find us on a desktop or laptop computer, a smartphone or tablet.

To be in front of the customer at their time of need, we focus on maximizing our organic search placement and bid strategically on approximately 30 million paid search terms every day. With efficient, cost-effective interactive marketing, we can attract customers who are likely to stay with us longer – ultimately increasing the lifetime value of the customer.

To tailor our online marketing efforts, we are leveraging the extensive customer data that we have collected across the company for years. Our “big data” initiative helps us target the highest-potential customers, giving us a distinct advantage that most companies don’t have. In this fast-changing landscape, smaller storage operators simply can’t compete.

EXPENSE CONTROL

Through technological investment and innovation, we continue to control overall expenses and our operating costs at the property level. We kept expenses below budget last year - a significant accomplishment, since it was the third year running with almost no growth in same-store expenses.

We continue to invest in our ongoing [sustainability program](#), which includes installing solar panels and energy-efficient lighting at many of our properties. In the process, we have dramatically reduced our utility bills and our environmental footprint.

We were the first in our industry to implement an electronic leasing program, which we launched in late 2011 and finished rolling out last year. We don’t print leases anymore, saving on paper and toner. Instead, the customer reads and signs the lease on the screen. Then we email the tenant a copy and keep the lease electronically so it can be securely accessed across the organization. This continues our efforts to move critical data to the cloud so it can be accessed company-wide at any time, saving money from an infrastructure standpoint at the same time.

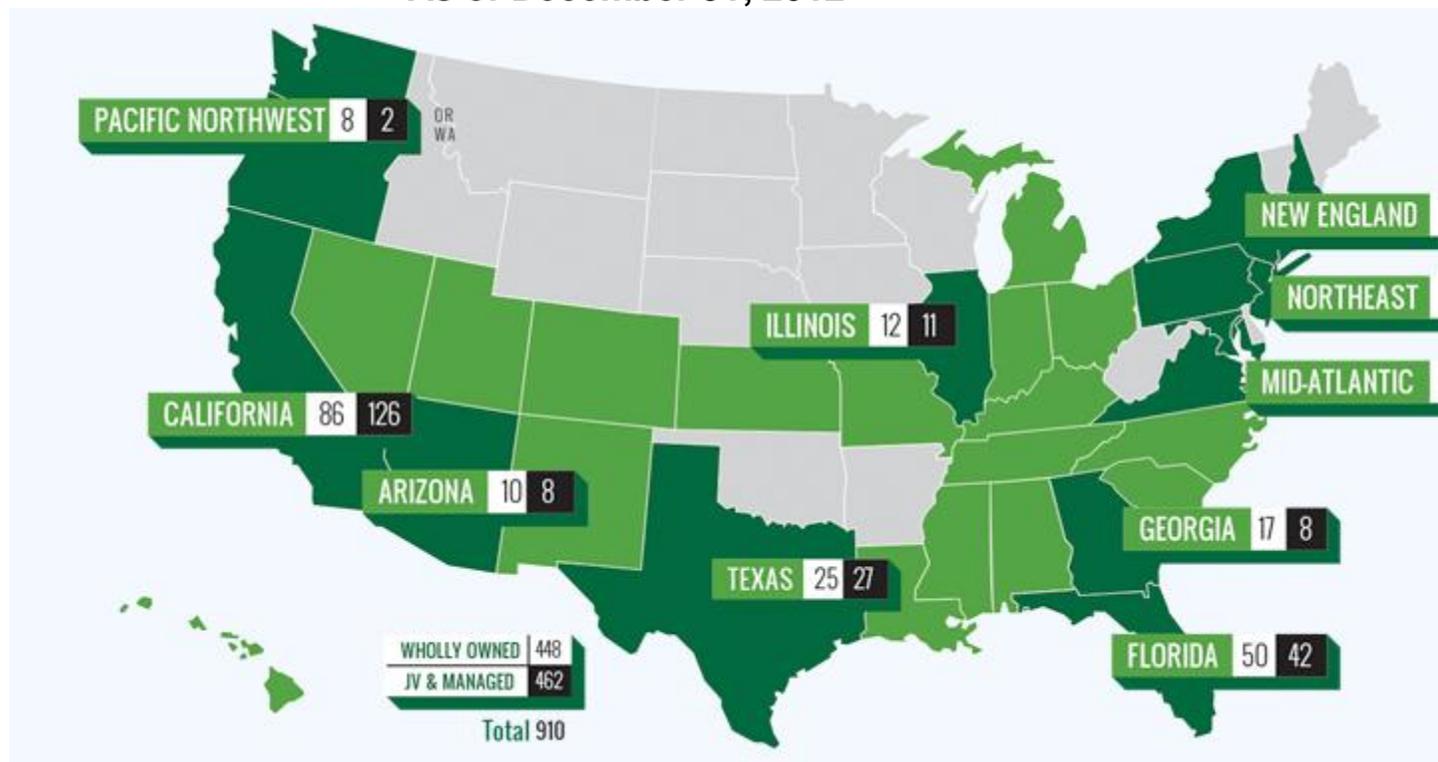
PORTFOLIO

Extending our position

INDUSTRY-LEADING PORTFOLIO

Extra Space Storage® is the second-largest owner and operator of self-storage properties. We have assembled the highest-quality portfolio in the industry, with the best assets in the best locations. In fact, more than 70% of our properties are in the top 20 metropolitan statistical areas (MSAs) – the largest concentration of any publicly-traded REIT.

As of December 31, 2012



Within each market, we have convenient locations in the areas where people live, work and play. That gives us industry-leading demographics, with the greatest median household income and population density within a three-mile radius of our properties compared to our peers.

EXPANSIVE GROWTH

In 2012 we ended the year with 910 properties under the Extra Space Storage brand. We have a unique corporate structure unlike any other REIT, which at year end included 448 wholly owned properties, 281 joint venture properties and 181 properties managed on behalf of third-party owners. In 2012 we increased our wholly-owned portfolio by 26%.

Our third-party management program – called ManagementPlus – is the largest in the industry. Last year it continued to grow, with an emphasis on top-performing markets with the highest rents. We continue to attract both individual owners and large real estate investors.

By reflagging their properties under the Extra Space Storage brand, third-party owners can take full advantage our Internet marketing capabilities, revenue management system and well trained staff. With these resources, we can help owners increase occupancy, lower expenses and maximize revenues. In return, they give us the “first call” when they are ready to sell – creating a robust acquisitions pipeline of properties we know better than anyone else.

ACCRETIVE ACQUISITIONS

Last year we continued to grow the REIT in a disciplined and meaningful way, through both open-market and off-market acquisitions. To fund transactions with long-term growth potential for our shareholders, we successfully raised net proceeds of approximately \$430 million in two follow-on stock offerings.

This allowed us to complete 91 acquisitions totaling approximately \$700 million – over 70% of which were off-market deals from managed relationships. In our largest deal of the year, we paid \$300 million for the remaining 94.9% interest in 36 properties in 18 states that we had owned in a joint venture with Prudential Real Estate Investors. In November, we

purchased another joint venture partner's interest in 21 properties in 11 states.

With our low cost of capital and our unique corporate structure, we have been able to make value producing acquisitions – allowing us to extend our position and grow on a wide-spread, national scale.

FINANCIALS

Exceeding expectations



Extra Space Storage has exceeded expectations year after year, and we continue to reward shareholders in the process. Over the past five years, we generated the highest average total return to shareholders of any publicly traded self-storage REIT as of December 31, 2012. What's more, we also ranked a remarkable No. 2 out of 125 REITs nationwide – across all property types – in terms of five-year average total shareholder return.

[2012 Annual Report on Form 10-K »](#)

STRONG PERFORMANCE

Our 2012 financial results exceeded expectations across the board. We once again delivered industry-leading operating performance, increasing funds from operations by 32.5%. In the fourth quarter we rewarded

shareholders by raising our quarterly common stock dividend by 25%, to \$0.25 per share.

Increasing shareholder value was a major achievement. We delivered a total annual return of 54.4% for the year ended December 31, 2012, the highest of our publicly-traded self-storage peers. In fact, out of 125 REITs nationwide, Extra Space Storage® ranked Number 2 of in terms of total five-year return to shareholders.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Extra Space Storage Inc., the S&P 500 Index, and the FTSE NAREIT Equity REITs Index



*\$100 invested on 12/31/07 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

Copyright © 2013 S&P, a division of The McGraw-Hill Companies Inc. All rights reserved.

SOLID BALANCE SHEET

As we have said in the past, our philosophy is to tap the capital markets when we can enhance shareholder value. Last year we did just that. In

April, we successfully executed a secondary offering of 8,050,000 shares of common stock, raising net proceeds of approximately \$227 million. Then in November, we completed another offering of 5,980,000 shares of common stock, raising net proceeds of approximately \$203 million.

With the additional equity, we made high-quality acquisitions in markets that dovetailed with our current portfolio and provide long-term growth potential for our shareholders. We also repaid a \$100 million line of credit, replacing it with secured loans at interest rates near all-time lows. Overall, we believe we are well capitalized to support our future growth.

TERMS & CONDITIONS

EXTRA SPACE STORAGE® PRIVACY POLICY

We at Extra Space Storage value the relationship we have with our customers and web site visitors. We are committed to responsible information handling practices. We take the privacy of our customers very seriously and want you to feel comfortable whenever you visit our web site, access our online services, or participate in our online offerings. Although our web site has unique services and offerings, they share a similar privacy philosophy. Therefore, we drafted this corporate online privacy policy to represent Extra Space Storage's general privacy approach to the information practices of our web site.

EXTRA SPACE STORAGE PRIVACY PRINCIPLES

Our approach to responsible information handling is founded on the basis of the Fair Information Practices, the cornerstone of which is providing

notice of our information practices and other privacy aspects in order to allow individuals to make informed decisions regarding personally identifiable information. When you visit our web site, information may be requested of you in order for you to participate more fully in our online offerings and services. When we collect information from you, we let you know what is being collected, how it is collected, for what purpose(s) it is collected, and to whom it may be disclosed. We also identify the information that is necessary to fulfill your request. Whenever we request additional or optional information, we mark those as voluntary so that you know it is not required to provide the requested service.

PERSONAL INFORMATION

You may browse our web site without providing personal information to us. However, if you want to receive or our online products and services, or participate in other online activities (e.g., surveys and contests), we may request that you provide us with information about yourself. Providing this information is optional and not a requirement to visit our site. When you provide personally identifiable information to us that may be used for secondary purposes, (i.e. uses not related to the purpose for which the information was collected), we give you the opportunity to opt-out of such uses.

INFORMATION UPDATES

We have a variety of mechanisms for you to modify and update the contact information that you have provided to us and are in the process of developing more mechanisms to update your personal data. When you visit our web site, we let you know in our privacy statements how you may currently modify the contact information that you have provided.

PROTECT PERSONAL INFORMATION

We recognize industry standards and employ security safeguards to protect personally identifiable information from unauthorized access and misuse. Furthermore, we take measures to ensure that the information used to process your request is accurate and current.

CORPORATE INFORMATION

Corporate Headquarter

2795 East Cottonwood Parkway, Suite 400
Salt Lake City, Utah 84121
Tel (801) 365-4600

Transfer Agent

American Stock Transfer & Trust
New York City, New York

Independent Auditors

Ernst & Young LLP
Salt Lake City, Utah

Legal Counsel

Latham & Watkins LLP
San Diego, California

Stock Information

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

Annual Meeting of Stockholders

The Company's annual meeting of stockholders will be held on May 21, 2013 at the Company's corporate offices located at 2795 East Cottonwood Parkway, Salt Lake City, Utah 84121.

Form 10-K Information

A copy of the Company's Form 10-K, filed with the Securities Exchange Commission, will be furnished, free of charge on written request to:

Investor Relations

2795 East Cottonwood Parkway, Suite 400
Salt Lake City, Utah 84121.

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



Board of Directors

Kenneth M. Woolley

Executive Chairman of the Board
Extra Space Storage Inc.

Spencer F. Kirk

Chief Executive Officer
Extra Space Storage Inc.

Anthony Fanticola

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

Joseph D. Margolis

Managing Director
The Penzance Companies

Roger B. Porter

IBM Professor of Business
and Government
Harvard University

K. Fred Skousen

Advancement Vice President
Brigham Young University
Retired

Hugh W. Horne

President and
Chief Executive Officer

Storageworld, L.P.

Storage Spot, Inc.

Management Team

Kenneth M. Woolley

Executive Chairman of the Board

Chief Investment Officer

Spencer F. Kirk

Chief Executive Officer

Charles Allen

Executive Vice President

Chief Legal Officer

Karl Haas

Executive Vice President

Chief Operating Officer

Scott Stubbs

Executive Vice President

Chief Financial Officer

Bruce Boucher

Chief Human Resources Officer

Bill Hoban

Chief Technology Officer

James Overturf

Chief Marketing Officer

FORWARD-LOOKING STATEMENT EXTRA SPACE STORAGE, INC. (EXR)

Certain information set forth in this annual report contains "forward-looking statements" within the meaning of the federal securities laws.

Forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions and other information that is not historical information. In some cases, forward-looking statements can be identified by terminology such as "believes," "estimates," "expects," "may," "will," "should," "anticipates," or "intends" or the negative of such terms or other comparable terminology, or by discussions of strategy. We may also make additional forward-looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, by us or on our behalf, are also expressly qualified by these cautionary statements. There are a number of risks and uncertainties that could cause our actual results to differ materially from the forward-looking statements contained in or contemplated by this annual report. Any forward looking statements should be considered in light of the risks referenced in the "Risk Factors" section included in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Such factors include, but are not limited to:

- changes in general economic conditions and in the markets in which we operate;

- the effect of competition from new and existing self-storage facilities or other storage alternatives, which could cause rents and occupancy rates to decline;
- potential liability for uninsured losses and environmental contamination;
- difficulties in our ability to evaluate, finance and integrate acquired and developed properties into our existing operations and to lease up those properties, which could adversely affect our profitability;
- the impact of the regulatory environment as well as national, state, and local laws and regulations including, without limitation, those governing REITs, which could increase our expenses and reduce our cash available for distribution;
- disruptions in credit and financial markets and resulting difficulties in raising capital at reasonable rates or at all, which could impede our ability to grow;
- delays in the development and construction process, which could adversely affect our profitability;
- economic uncertainty due to the impact of war or terrorism, which could adversely affect our business plan and;
- our ability to attract and retain qualified personnel and management members.

All forward-looking statements are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them, but there can be no assurance that management's expectations, beliefs and projections will result or be achieved. All forward-looking statements apply only as of the date made. We undertake no obligation to publicly update or revise forward-looking statements which may be made to

reflect events or circumstances after the date made or to reflect the occurrence of anticipated events.