

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-05-10** | Period of Report: **1995-03-31**
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FILER

PS PARTNERS III LTD

CIK: **741513** | IRS No.: **953920904** | State of Incorpor.: **CA** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-13479** | Film No.: **95535931**
SIC: **4210** Trucking & courier services (no air)

Mailing Address
600 N BRAND BLVD, SUITE
300
GLENDALE CA 91203-1241

Business Address
600 N BRAND BLVD STE 300
GLENDALE CA 91203-1241
8182448080

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the period ended March 31, 1995

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 [No Fee Required]

For the transition period from _____ to _____

Commission File Number 0-13479

PS PARTNERS III, LTD.

(Exact name of registrant as specified in its charter)

California

95-3920904

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

600 North Brand Blvd.
Glendale, California

91203-1241

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (818) 244-8080

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes X No
 --- ---

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<S>	<C>
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</TABLE>

PS PARTNERS III, LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	March 31, 1995	December 31, 1994
	(Unaudited)	
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents	\$ 1,856,000	\$ 2,131,000
Rent and other receivables	57,000	59,000
Real estate facilities, at cost:		
Land	15,392,000	15,392,000
Buildings and equipment	73,186,000	73,147,000
	88,578,000	88,539,000
Less accumulated depreciation	(29,711,000)	(28,884,000)
	58,867,000	59,655,000
Other assets	179,000	171,000
	\$ 60,959,000	\$ 62,016,000
LIABILITIES AND PARTNERS' EQUITY		
Accounts payable	\$ 614,000	\$ 762,000
Advance payments from renters	561,000	567,000
Minority interest in general partnerships	28,071,000	28,090,000
Partners' equity:		
Limited partners' equity, \$500 per unit, 128,000 units authorized, issued and outstanding	31,312,000	32,187,000
General partners' equity	401,000	410,000
Total partners' equity	31,713,000	32,597,000
	\$ 60,959,000	\$ 62,016,000

</TABLE>

See accompanying notes.

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PS PARTNERS III, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

<TABLE>
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	Three Months Ended March 31,	
	1995	1994
<S>	<C>	<C>
REVENUE:		
Rental income	\$ 3,667,000	\$ 3,537,000
Interest income	32,000	6,000
	3,699,000	3,543,000
COSTS AND EXPENSES:		
Cost of operations	1,252,000	1,220,000
Management fees	218,000	210,000

Depreciation and amortization	827,000	800,000
Administrative	53,000	48,000
	-----	-----
	2,350,000	2,278,000
	-----	-----
Income before minority interest	1,349,000	1,265,000
Minority interest in income	733,000	720,000
	-----	-----
NET INCOME	\$ 616,000	\$ 545,000
	=====	=====
Limited partners' share of net income (\$3.60 per unit in 1995 and \$3.37 per unit in 1994)	\$ 461,000	\$ 431,000
General partners' share of net income	155,000	114,000
	-----	-----
	\$ 616,000	\$ 545,000
	=====	=====

</TABLE>

See accompanying notes.

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PS PARTNERS III, LTD.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<TABLE>
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	Three Months Ended March 31,	
	1995	1994
	-----	-----
	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 616,000	\$ 545,000
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	827,000	800,000
Decrease (increase) in rent and other receivables	2,000	(30,000)
Increase in other assets	(8,000)	(7,000)
Decrease in accounts payable	(148,000)	(274,000)
(Decrease) increase in advance payments from renters	(6,000)	2,000
Minority interest in income	733,000	720,000
	-----	-----
Total adjustments	1,400,000	1,211,000
	-----	-----
Net cash provided by operating activities	2,016,000	1,756,000
	-----	-----
Cash flows from investing activities:		
Additions to real estate facilities	(39,000)	(44,000)
	-----	-----
Net cash used in investing activities	(39,000)	(44,000)
	-----	-----
Cash flows from financing activities:		
Distributions to holder of minority interest	(752,000)	(625,000)
Distributions to partners	(1,500,000)	(1,099,000)
	-----	-----
Net cash used in financing activities	(2,252,000)	(1,724,000)
	-----	-----
Net decrease in cash and cash equivalents	(275,000)	(12,000)
Cash and cash equivalents at the beginning of the period	2,131,000	1,166,000
	-----	-----
Cash and cash equivalents at the end of the period	\$ 1,856,000	\$ 1,154,000
	=====	=====

</TABLE>

See accompanying notes.

PS PARTNERS III, LTD.
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 1995
 (UNAUDITED)

1. The accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures contained herein are adequate to make the information presented not misleading. These unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and related notes appearing in the Partnership's Form 10-K for the year ended December 31, 1994.
2. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting of only normal accruals, necessary to present fairly the Partnership's financial position at March 31, 1995, the results of operations for the three months ended March 31, 1995 and 1994 and cash flows for the three months then ended.
3. The results of operations for the three months ended March 31, 1995 are not necessarily indicative of the results to be expected for the full year.

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PS PARTNERS III, LTD.
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations:

THREE MONTHS ENDED MARCH 31, 1995 COMPARED TO THREE MONTHS ENDED MARCH 31, 1994:

The Partnership's net income for the three months ended March 31, 1995 was \$616,000 compared to \$545,000 for the three months ended March 31, 1994, representing an increase of \$71,000. This increase was primarily due to increases in operating results at the Partnership's mini-warehouse facilities and interest income partially offset by increases in depreciation expense and minority interest in income for those properties held in joint venture with Storage Equities, Inc. ("SEI").

Rental income was \$3,667,000 compared to \$3,537,000 for the three months ended March 31, 1995 and 1994, respectively, representing an increase of \$130,000, or 4%. This increase was the result of increased average realized rental rates at the Partnership's mini-warehouse facilities partially offset by decreased average realized rental rates at the Partnership's business park facility. The weighted average occupancy levels at the mini-warehouse and business park facility were 89% and 96%, respectively, for the three months ended March 31, 1995 compared to 87% and 94% respectively, for the three months ended March 31, 1994. The monthly average realized rent per square foot for the mini-warehouse and business park facility was \$.53 and \$.47, respectively, for the three months ended March 31, 1995 and \$.52 and \$.54, respectively, for the three months ended March 31, 1994.

Cost of operations (including management fees) were \$1,470,000 and \$1,430,000 for the three months ended March 31, 1995 and 1994, respectively, representing an increase of \$40,000. This increase was primarily attributable to increases in property tax, utilities and commercial tenant improvement expenses, partially offset by decreases in payroll and advertising expenses.

Minority interest in income increased \$13,000 to \$733,000 from \$720,000 for the three months ended March 31, 1995 and 1994, respectively. This increase was primarily attributable to improved operations at the Partnership's real estate facilities for those properties owned jointly with SEI.

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PS PARTNERS III, LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(CONTINUED)

Liquidity and Capital Resources

The Partnership has adequate sources of cash to finance its operations, both on a short-term and long-term basis, primarily from internally generated cash from property operations and cash reserves. Cash generated from operations (\$2,022,000 for the three months ended March 31, 1995) has been sufficient to meet all current obligations of the Partnership.

During 1995, the Partnership anticipates approximately \$969,000 of capital improvements (of which \$300,000 represents SEI's joint venture share). Total capital improvements were \$39,000 for the three months ended March 31, 1995 of which \$33,000 represents the Partnership's share.

The Partnership paid distributions to the limited and general partners totaling \$1,336,000 (\$10.44 per unit) and \$164,000, respectively, during the first three months of 1995. Future distribution rates may be adjusted to levels which are supported by operating cash flow after capital improvements and any other necessary obligations.

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PART II. OTHER INFORMATION

ITEMS 1 through 5 are not applicable.

Item 6 Exhibits and Reports on Form 8-K

(a) The following Exhibits are included herein:

(27) Financial Data Schedule

(b) Form 8-K
none

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATED: May 10, 1995

PS PARTNERS III, LTD.

BY: Storage Equities, Inc.
General Partner

BY: /s/ Ronald L. Havner

Ronald L. Havner, Jr.
Vice President - Storage Equities, Inc.
(principal financial and accounting
officer)

8

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