



**PSBUSINESSPARKS**<sup>SM</sup>

**Analysis of Operating Results  
and Financial Condition**

**March 31, 2010**

**ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION  
FOR THE THREE MONTHS ENDED MARCH 31, 2010**

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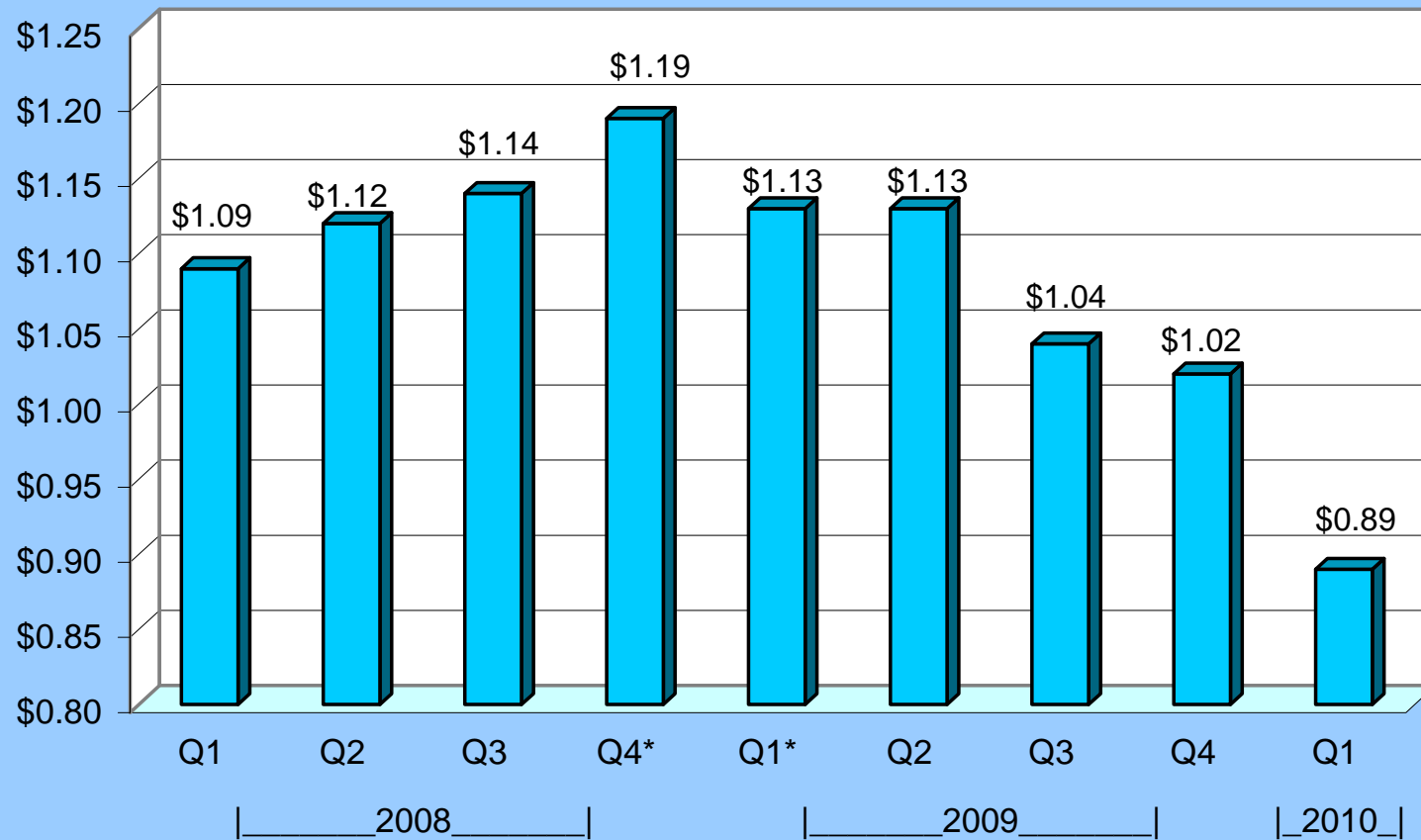
**PS BUSINESS PARKS, INC.**  
**FIRST QUARTER FACT SHEET**  
(in thousands, except per share amounts)

OPERATING DATA			
	For The Three Months Ended		
	03/31/10	03/31/09	% Change
Total rental income	\$ 67,132	\$ 69,132	(2.9%)
Total cost of operations	22,966	22,436	2.4%
Net operating income	<u>\$ 44,166</u>	<u>\$ 46,696</u>	(5.4%)
Net income allocable to common shareholders	\$ 11,740	\$ 32,588	(64.0%)
Net income per common share - diluted:			
Continuing operations	\$ 0.32	\$ 1.58	(79.7%)
Discontinued operations	\$ 0.16	\$ 0.01	1500.0%
Net income per common share	\$ 0.48	\$ 1.59	(69.8%)
Weighted average common shares outstanding - basic	24,413	20,470	19.3%
Weighted average common shares outstanding - diluted	24,564	20,532	19.6%
FUNDS FROM OPERATIONS			
	For The Three Months Ended		
	03/31/10	03/31/09	% Change
FFO allocable to common and dilutive shares - before adjustment	\$ 28,341	\$ 31,543	(10.2%)
Gain on repurchase of preferred equity, net of issuance costs	-	35,639	(100.0%)
FFO allocable to common and dilutive shares - as reported	<u>\$ 28,341</u>	<u>\$ 67,182</u>	(57.8%)
FFO per common and dilutive share - before adjustment	\$ 0.89	\$ 1.13	(21.2%)
FFO per common and dilutive share - as reported	\$ 0.89	\$ 2.40	(62.9%)
Weighted average common shares outstanding - diluted	24,564	20,532	19.6%
Weighted average common OP units outstanding	7,305	7,305	-
Weighted average restricted stock units outstanding	107	142	(24.6%)
Total common and dilutive shares	<u>31,976</u>	<u>27,979</u>	14.3%
PROPERTY INFORMATION			
	For The Three Months Ended		
	03/31/10	03/31/09	% Change
<b>Total Portfolio</b> <sup>(1)</sup>			
Total rentable square footage at period end	19,775	19,425	1.8%
Weighted average occupancy	91.3%	91.4%	(0.1%)
Annualized realized rent per sq. ft. <sup>(2)</sup>	\$ 14.87	\$ 15.58	(4.6%)
REVPAF <sup>(3)</sup>	\$ 13.58	\$ 14.24	(4.6%)
<b>Same Park Portfolio</b>			
Total rentable square footage at period end	19,425	19,425	-
Weighted average occupancy	91.4%	91.4%	-
Annualized realized rent per sq. ft. <sup>(2)</sup>	\$ 15.05	\$ 15.58	(3.4%)
REVPAF <sup>(3)</sup>	\$ 13.75	\$ 14.24	(3.4%)
<p>(1) Amounts exclude discontinued operations.  (2) Represents the annualized revenues earned per occupied square foot.  (3) Represents the annualized revenues earned per total square foot.</p>			
BALANCE SHEET DATA			
	03/31/10	12/31/09	% Change
Total assets	\$ 1,567,758	\$ 1,564,822	0.2%
Noncontrolling interests - preferred units	\$ 73,418	\$ 73,418	-
Noncontrolling interests - common units	\$ 176,928	\$ 176,540	0.2%
Perpetual preferred stock	\$ 626,046	\$ 626,046	-
Common shareholders' equity	\$ 593,179	\$ 589,633	0.6%
Total common shares outstanding at period end	24,492	24,400	0.4%
Book value per common share	\$ 24.22	\$ 24.17	0.2%
MARKET VALUE INFORMATION			
	03/31/10	12/31/09	% Change
Market value of common stock and common OP units	\$ 1,698,000	\$ 1,586,828	7.0%
Total debt	52,544	52,887	(0.6%)
Total preferred equity	699,464	699,464	-
Total market capitalization	<u>\$ 2,450,008</u>	<u>\$ 2,339,179</u>	4.7%
Stock price at the end of the period	\$ 53.40	\$ 50.05	6.7%

**PS BUSINESS PARKS, INC.**  
**ANALYSIS OF FUNDS FROM OPERATIONS**  
(in thousands, except per share amounts)

	For The Three Months Ended		Increase (Decrease)	% Change
	03/31/10	03/31/09		
<b><u>Funds from operations (FFO):</u></b>				
Net income allocable to common shareholders	\$ 11,740	\$ 32,588	\$ (20,848)	(64.0%)
Adjustments:				
Gain on disposition of real estate	(5,153)	-	(5,153)	(100.0%)
Depreciation and amortization	18,190	22,743	(4,553)	(20.0%)
Net income allocable to noncontrolling interests - common units	3,513	11,629	(8,116)	(69.8%)
Net income allocable to restricted stock unit holders	51	222	(171)	(77.0%)
FFO allocable to common and dilutive shares	<u>\$ 28,341</u>	<u>\$ 67,182</u>	<u>\$ (38,841)</u>	<u>(57.8%)</u>
Weighted average common shares outstanding	24,413	20,470	3,943	19.3%
Weighted average common OP units outstanding	7,305	7,305	-	-
Weighted average restricted stock units outstanding	107	142	(35)	(24.6%)
Weighted average common share equivalents outstanding	151	62	89	143.5%
Total common and dilutive shares	<u>31,976</u>	<u>27,979</u>	<u>3,997</u>	<u>14.3%</u>
FFO per common and dilutive share	<u>\$ 0.89</u>	<u>\$ 2.40</u>	<u>\$ (1.51)</u>	<u>(62.9%)</u>
<b><u>Funds available for distribution (FAD):</u></b>				
Funds from operations	\$ 28,341	\$ 67,182	\$ (38,841)	(57.8%)
Adjustments:				
Recurring capital improvements	(1,585)	(785)	800	101.9%
Tenant improvements	(2,558)	(3,282)	(724)	(22.1%)
Lease commissions	(834)	(871)	(37)	(4.2%)
Straight-line rent	(254)	(345)	(91)	(26.4%)
Stock compensation expense	615	1,088	(473)	(43.5%)
In-place lease adjustment	(38)	(86)	(48)	(55.8%)
Lease incentives, net of tenant improvement reimbursements	(163)	(81)	82	101.2%
Gain on repurchase of preferred equity, net of issuance costs	-	(35,639)	35,639	100.0%
FAD	<u>\$ 23,524</u>	<u>\$ 27,181</u>	<u>\$ (3,657)</u>	<u>(13.5%)</u>
FAD per common and dilutive share	<u>\$ 0.74</u>	<u>\$ 0.97</u>	<u>\$ (0.23)</u>	<u>(23.7%)</u>
<b><u>Cash available for debt repayments and reinvestments:</u></b>				
FAD	\$ 23,524	\$ 27,181	\$ (3,657)	(13.5%)
Distributions to common shareholders	(10,747)	(9,003)	1,744	19.4%
Distributions to common OP unit holders	(3,214)	(3,214)	-	-
Distributions to restricted stock unit holders	(47)	(58)	(11)	(19.0%)
Cash available for debt repayments and reinvestments	<u>\$ 9,516</u>	<u>\$ 14,906</u>	<u>\$ (5,390)</u>	<u>(36.2%)</u>
FAD payout ratio	<u>59.5%</u>	<u>45.2%</u>	<u>14.3%</u>	<u>31.6%</u>

## Reported FFO Per Common and Dilutive Share



\* Excludes net gain on repurchase of preferred equity.

**PS BUSINESS PARKS, INC.**  
**CAPITAL STRUCTURE**  
(in thousands)

	As of March 31, 2010			As of December 31, 2009		
	Total	% of Total Market Capitalization	WTD Average Rate	Total	% of Total Market Capitalization	WTD Average Rate
<b>Mortgage Debt:</b>						
5.730% mortgage note, due March 2013	\$ 13,935			\$ 14,006		
5.520% mortgage note, due May 2013	9,759			9,819		
5.680% mortgage note, due May 2013	9,777			9,836		
6.150% mortgage note, due November 2031 (includes unamortized premium of \$375,000 on \$15.9 million mortgage note with stated rate of 7.20%)(3)	16,322			16,446		
5.610% mortgage note, due January 2011 (includes unamortized premium of \$56,000 on \$2.7 million mortgage note with stated rate of 7.61%)	2,751			2,780		
<b>Total mortgage notes payable(1)</b>	<b>52,544</b>	<b>2.1%</b>	<b>5.81%</b>	<b>52,887</b>	<b>2.3%</b>	<b>5.81%</b>
<b>Total debt</b>	<b>52,544</b>	<b>2.1%</b>	<b>5.81%</b>	<b>52,887</b>	<b>2.3%</b>	<b>5.81%</b>
<b>Preferred Equity</b>						
7.950% Series G preferred operating partnership units (800,000 units outstanding as of 03/31/10) callable 10/30/07	20,000			20,000		
7.000% Series H preferred stock (6,340,776 depository shares outstanding as of 03/31/10) callable 1/30/09	158,520			158,520		
6.875% Series I preferred stock (2,745,050 depository share outstanding as of 03/31/10) callable 4/21/09	68,626			68,626		
7.500% Series J preferred operating partnership units (1,710,000 units outstanding as of 03/31/10) callable 5/27/09	42,750			42,750		
7.950% Series K preferred stock (2,165,000 depository shares outstanding as of 03/31/10) callable 6/30/09	54,125			54,125		
7.600% Series L preferred stock (1,935,000 depository shares outstanding as of 03/31/10) callable 8/31/09	48,375			48,375		
7.200% Series M preferred stock (3,182,000 depository shares outstanding as of 03/31/10) callable 5/2/10	79,550			79,550		
7.125% Series N preferred operating partnership units (223,300 units outstanding as of 03/31/10) callable 12/12/10	5,583			5,583		
7.375% Series O preferred stock (3,384,000 depository shares outstanding as of 03/31/10) callable 6/16/11	84,600			84,600		
6.700% Series P preferred stock (5,290,000 depository shares outstanding as of 03/31/10) callable 1/17/12	132,250			132,250		
6.550% Series Q preferred operating partnership units (203,400 units outstanding as of 03/31/10) callable 3/12/12	5,085			5,085		
<b>Total preferred equity</b>	<b>699,464</b>	<b>28.6%</b>	<b>7.17%</b>	<b>699,464</b>	<b>29.9%</b>	<b>7.17%</b>
<b>Total debt and preferred equity</b>	<b>752,008</b>	<b>30.7%</b>	<b>7.07%</b>	<b>752,351</b>	<b>32.2%</b>	<b>7.07%</b>
Common stock (24,492,401 and 24,399,509 shares outstanding as of March 31, 2010 and December 31, 2009, respectively)	1,307,894			1,221,195		
Common operating partnership units (7,305,355 units outstanding as of March 31, 2010 and December 31, 2009)	390,106			365,633		
<b>Total common equity(2)</b>	<b>1,698,000</b>	<b>69.3%</b>		<b>1,586,828</b>	<b>67.8%</b>	
<b>Total market capitalization</b>	<b>\$ 2,450,008</b>	<b>100.0%</b>		<b>\$ 2,339,179</b>	<b>100.0%</b>	

(1) Principal maturity dates are represented by the following chart:

		Principal Maturity Dates						
		2010	2011	2012	2013	2014	Thereafter	Total
Rose Canyon	\$ 206	\$ 293	\$ 309	\$ 13,127	\$ -	\$ -	\$ -	13,935
Meadows (3)	206	298	318	345	371	14,409	-	15,947
Boca	187	261	275	9,036	-	-	-	9,759
Wellington I	35	2,660	-	-	-	-	-	2,695
Wellington II	183	257	272	9,065	-	-	-	9,777
Meadows Loan Premium	166	209	-	-	-	-	-	375
Wellington I Loan Premium	50	6	-	-	-	-	-	56
	<b>\$ 1,033</b>	<b>\$ 3,984</b>	<b>\$ 1,174</b>	<b>\$ 31,573</b>	<b>\$ 371</b>	<b>\$ 14,409</b>	<b>\$ -</b>	<b>\$ 52,544</b>

(2) Closing stock price was \$53.40 and \$50.05 as of March 31, 2010 and December 31, 2009, respectively.

(3) This mortgage is repayable without penalty beginning November, 2011.

**PS BUSINESS PARKS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands)

	03/31/10	12/31/09	Increase (Decrease)	% Change
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 169,282	\$ 208,229	\$ (38,947) (a)	(18.7%)
Real estate facilities, at cost:				
Land	499,081	493,709	5,372	1.1%
Buildings and equipment	1,584,044	1,528,044	56,000	3.7%
	2,083,125	2,021,753	61,372	3.0%
Accumulated depreciation	(723,617)	(707,209)	16,408	2.3%
	1,359,508	1,314,544	44,964 (b)	3.4%
Properties held for disposition, net	-	4,260	(4,260) (c)	(100.0%)
Land held for development	6,829	6,829	-	-
	1,366,337	1,325,633	40,704	3.1%
Rent receivable	3,289	2,504	785 (d)	31.3%
Deferred rent receivable	21,619	21,596	23	0.1%
Other assets	7,231	6,860	371 (e)	5.4%
Total assets	\$ 1,567,758	\$ 1,564,822	\$ 2,936	0.2%
<b><u>LIABILITIES AND EQUITY</u></b>				
Accrued and other liabilities	\$ 45,643	\$ 46,298	\$ (655) (f)	(1.4%)
Mortgage notes payable	52,544	52,887	(343)	(0.6%)
Total liabilities	98,187	99,185	(998)	(1.0%)
Equity:				
PS Business Parks, Inc.'s shareholders' equity:				
Preferred stock	626,046	626,046	-	-
Common stock	244	243	1	0.4%
Paid-in capital	550,894	548,393	2,501 (g)	0.5%
Cumulative net income	722,237	699,291	22,946	3.3%
Cumulative distributions	(680,196)	(658,294)	21,902 (h)	3.3%
Total PS Business Parks, Inc.'s shareholders' equity	1,219,225	1,215,679	3,546	0.3%
Noncontrolling interests:				
Preferred units	73,418	73,418	-	-
Common units	176,928	176,540	388	0.2%
Total noncontrolling interests:	250,346	249,958	388	0.2%
Total equity	1,469,571	1,465,637	3,934	0.3%
Total liabilities and equity	\$ 1,567,758	\$ 1,564,822	\$ 2,936	0.2%

**PS BUSINESS PARKS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**VARIANCE DETAIL**  
(in thousands)

<b>(a) Change in cash and cash equivalents:</b>			
Beginning cash balance			\$ 208,229
Net cash provided by operating activities			41,467
Net cash used in investing activities			(56,291)
Net cash used in financing activities			(24,123)
Ending cash balance			<u>\$ 169,282</u>
<b>(b) Change in real estate facilities, at cost:</b>			
Beginning balance			\$ 1,314,544
Property acquisitions			56,099
Property renovations			2,078
Recurring capital improvements			1,585
Tenant improvements			2,558
Lease commissions			834
Depreciation and amortization			(18,190)
Ending balance			<u>\$ 1,359,508</u>
<b>(c) Change in properties held for disposition, net:</b>			
Beginning balance			\$ 4,260
Disposition of real estate			(4,260)
Ending balance			<u>\$ -</u>
<b>(d) Rent receivable consists of:</b>			
	03/31/10	12/31/09	Increase (Decrease)
U.S. Government tenants	\$ 1,095	\$ 1,071	\$ 24
Non-government tenants	2,594	1,833	761
Allowance for bad debt	(400)	(400)	-
	<u>\$ 3,289</u>	<u>\$ 2,504</u>	<u>\$ 785</u>
<b>(e) Other assets consist of:</b>			
	03/31/10	12/31/09	Increase (Decrease)
Prepaid insurance	\$ 91	\$ 861	\$ (770)
Prepaid property taxes	1,639	2,630	(991)
Lease incentives, net	641	654	(13)
Mortgage impounds	786	622	164
In-place lease adjustment, net	2,418	94	2,324
Other	1,656	1,999	(343)
	<u>\$ 7,231</u>	<u>\$ 6,860</u>	<u>\$ 371</u>
<b>(f) Accrued and other liabilities consist of:</b>			
	03/31/10	12/31/09	Increase (Decrease)
Prepaid rent	\$ 9,981	\$ 10,578	\$ (597)
Accrued property taxes	6,155	4,651	1,504
Security deposits	19,174	19,126	48
In-place lease adjustment and TI reimbursements, net	2,675	3,006	(331)
Other	7,658	8,937	(1,279)
	<u>\$ 45,643</u>	<u>\$ 46,298</u>	<u>\$ (655)</u>
<b>(g) Change in paid-in capital:</b>			
Beginning paid-in capital			\$ 548,393
Stock compensation, net			(58)
Exercise of stock options			2,648
Adjustment to reflect noncontrolling interests to underlying ownership			(89)
Ending paid in capital			<u>\$ 550,894</u>
<b>(h) Change in cumulative distributions:</b>			
Beginning cumulative distributions			\$ (658,294)
Distributions to preferred shareholders			(11,155)
Distributions to common shareholders			(10,747)
Ending cumulative distributions			<u>\$ (680,196)</u>

**PS BUSINESS PARKS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except per share amounts)

	For The Three Months Ended		Increase (Decrease)	% Change
	03/31/10	03/31/09		
<b>Revenues:</b>				
Rental income	\$ 67,132	\$ 69,132	\$ (2,000)	(a) (2.9%)
Facility management fees	173	177	(4)	(2.3%)
Total operating revenues	<u>67,305</u>	<u>69,309</u>	<u>(2,004)</u>	(2.9%)
<b>Expenses:</b>				
Cost of operations	22,966	22,436	530	2.4%
Depreciation and amortization	18,190	22,614	(4,424)	(19.6%)
General and administrative	2,749	1,976	773	(b) 39.1%
Total operating expenses	<u>43,905</u>	<u>47,026</u>	<u>(3,121)</u>	(6.6%)
<b>Other income and expenses:</b>				
Interest and other income	109	179	(70)	(39.1%)
Interest expense	(855)	(930)	(75)	(c) (8.1%)
Total other income and expenses	<u>(746)</u>	<u>(751)</u>	<u>(5)</u>	(0.7%)
Income from continuing operations	<u>22,654</u>	<u>21,532</u>	<u>1,122</u>	5.2%
<b>Discontinued operations:</b>				
Income from discontinued operations	34	167	(133)	(79.6%)
Gain on disposition of real estate	5,153	-	5,153	100.0%
Total discontinued operations	<u>5,187</u>	<u>167</u>	<u>5,020</u>	3006.0%
Net income	<u>\$ 27,841</u>	<u>\$ 21,699</u>	<u>\$ 6,142</u>	28.3%
<b>Net income allocation:</b>				
Net income allocable to noncontrolling interests:				
Noncontrolling interests - common units	\$ 3,513	\$ 11,629	\$ (8,116)	(69.8%)
Noncontrolling interests - preferred units	1,382	(6,714)	8,096	120.6%
Total net income allocable to noncontrolling interests	<u>4,895</u>	<u>4,915</u>	<u>(20)</u>	(0.4%)
Net income allocable to PS Business Parks, Inc.:				
Common shareholders	11,740	32,588	(20,848)	(64.0%)
Preferred shareholders	11,155	(16,026)	27,181	169.6%
Restricted stock unit holders	51	222	(171)	(77.0%)
Total net income allocable to PS Business Parks, Inc.	<u>22,946</u>	<u>16,784</u>	<u>6,162</u>	36.7%
	<u>\$ 27,841</u>	<u>\$ 21,699</u>	<u>\$ 6,142</u>	28.3%
<b>Net income per common share - basic:</b>				
Continuing operations	\$ 0.32	\$ 1.59	\$ (1.27)	(79.9%)
Discontinued operations	\$ 0.16	\$ 0.01	\$ 0.15	1500.0%
Net Income	\$ 0.48	\$ 1.59	\$ (1.11)	(69.8%)
<b>Net income per common share - diluted:</b>				
Continuing operations	\$ 0.32	\$ 1.58	\$ (1.26)	(79.7%)
Discontinued operations	\$ 0.16	\$ 0.01	\$ 0.15	1500.0%
Net Income	\$ 0.48	\$ 1.59	\$ (1.11)	(69.8%)
<b>Weighted average common shares outstanding:</b>				
Basic	<u>24,413</u>	<u>20,470</u>	<u>3,943</u>	19.3%
Diluted	<u>24,564</u>	<u>20,532</u>	<u>4,032</u>	19.6%

**PS BUSINESS PARKS, INC.**  
**CONSOLIDATED STATEMENT OF INCOME**  
**VARIANCE DETAIL**  
(in thousands)

	For The Three Months Ended		Increase (Decrease)
	03/31/10	03/31/09	
<b>(a) Rental income:</b>			
Same Park	\$ 66,556	\$ 68,769	\$ (2,213)
Non-Same Park	322	-	322
Same Park straight-line rent	232	363	(131)
Non-Same Park straight-line rent	22	-	22
	<u>\$ 67,132</u>	<u>\$ 69,132</u>	<u>\$ (2,000)</u>
<b>(b) General and administrative expenses:</b>			
Cash and non-cash compensation expense	\$ 1,038	\$ 1,519	\$ (481)
Professional fees	286	206	80
Acquisition Costs	1,117	-	1,117
Other	308	251	57
	<u>\$ 2,749</u>	<u>\$ 1,976</u>	<u>\$ 773</u>
<b>(c) Interest expense:</b>			
Mortgage notes payable	\$ (767)	\$ (842)	\$ (75)
Facilities fees & other charges	(88)	(88)	-
	<u>\$ (855)</u>	<u>\$ (930)</u>	<u>\$ (75)</u>

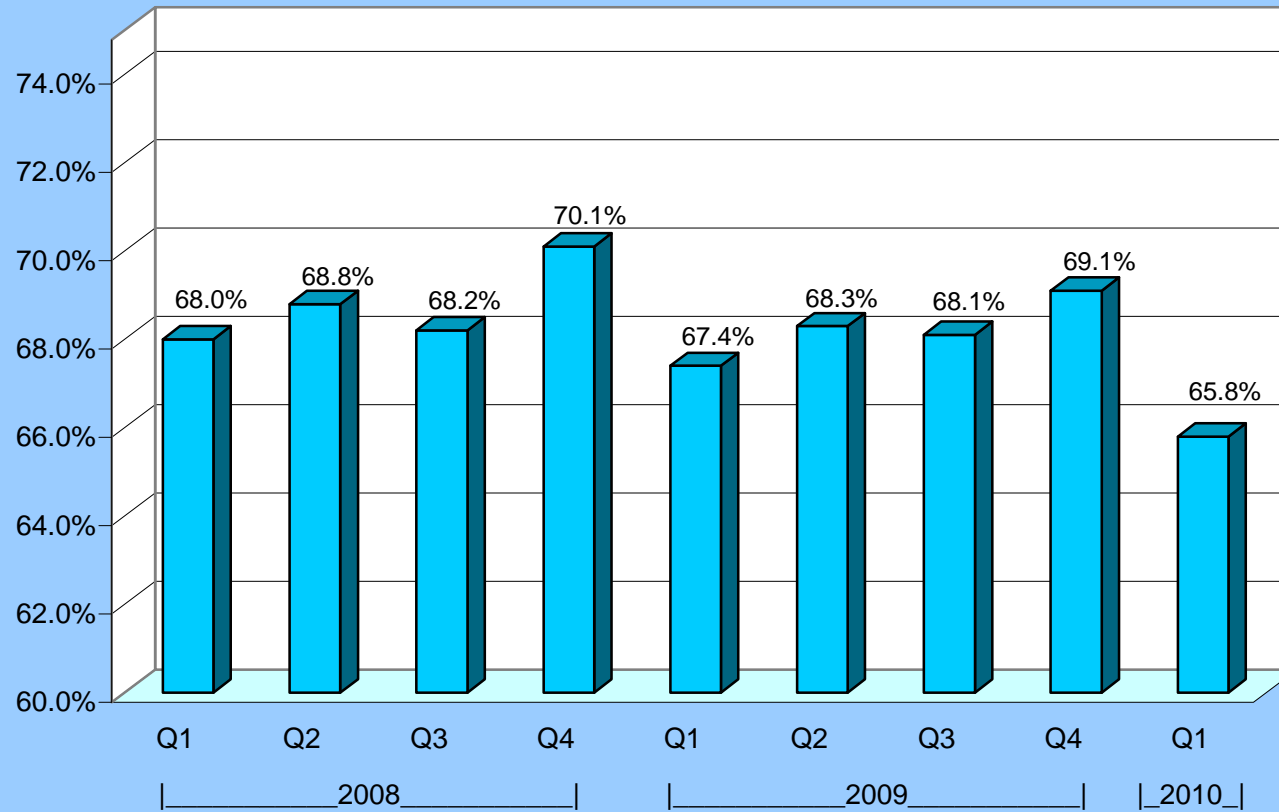
**PS BUSINESS PARKS, INC.**  
**Analysis of Capital Expenditures**  
(in thousands, except per square foot data)

<u>Recurring capital expenditures</u> <sup>(1)</sup>	<u>For The Three Months Ended</u> <u>March 31, 2010</u>	<u>Cost per Weighted</u> <u>Average Square Foot</u>
Capital improvements <sup>(2)</sup>	\$1,585	\$0.08
Tenant improvements	2,558	\$0.13
Lease commissions	834	\$0.04
Total recurring capital expenditures	<u>\$4,977</u>	\$0.26
 <b><u>Non-recurring capital expenditures</u></b>		
Property renovations and development	\$2,078	
Total non-recurring capital expenditures	<u>\$2,078</u>	

(1) The Company defines "recurring capital expenditures" as those capitalized costs necessary to continue to operate the property at its current economic value. Capital improvements in excess of \$2,000 with a useful life greater than 24 months are capitalized. Lease transaction costs in excess of \$1,000 for leases with terms greater than 12 months are capitalized. It excludes deferred maintenance and leasing costs committed to by previous owners for acquired properties, renovations that substantially enhance the value of a property and first generation leasing costs on development properties. Lease-up costs on acquired properties are included in recurring capital expenditures. Repairs and maintenance expense was \$5.6 million or approximately \$0.29 per weighted average square foot for the three months ended March 31, 2010 compared to \$4.8 million or approximately \$0.25 per weighted average square foot for the three months ended March 31, 2009.

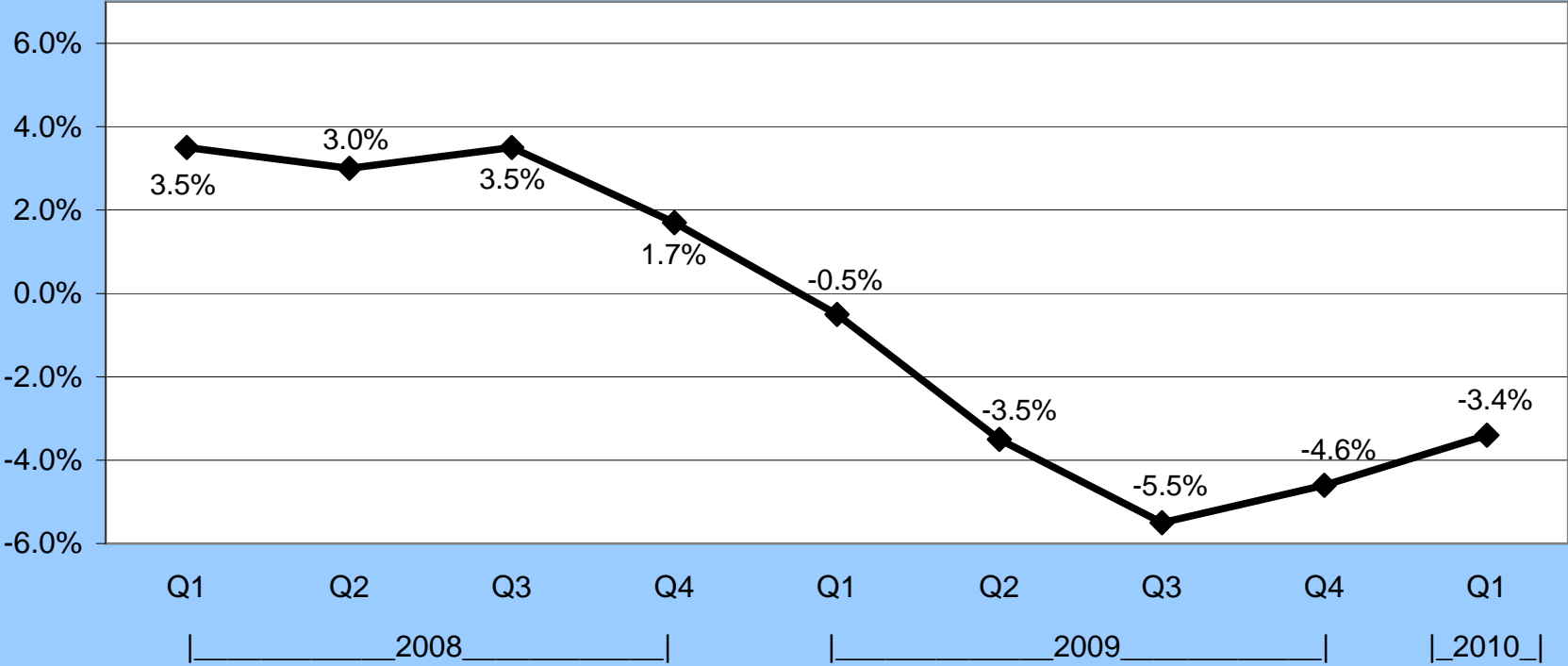
(2) Major costs include roof, HVAC and parking lot replacement as well as other major repairs that extend the life of the respective components of the building.

## Same Park Gross Operating Margin Percentage \*



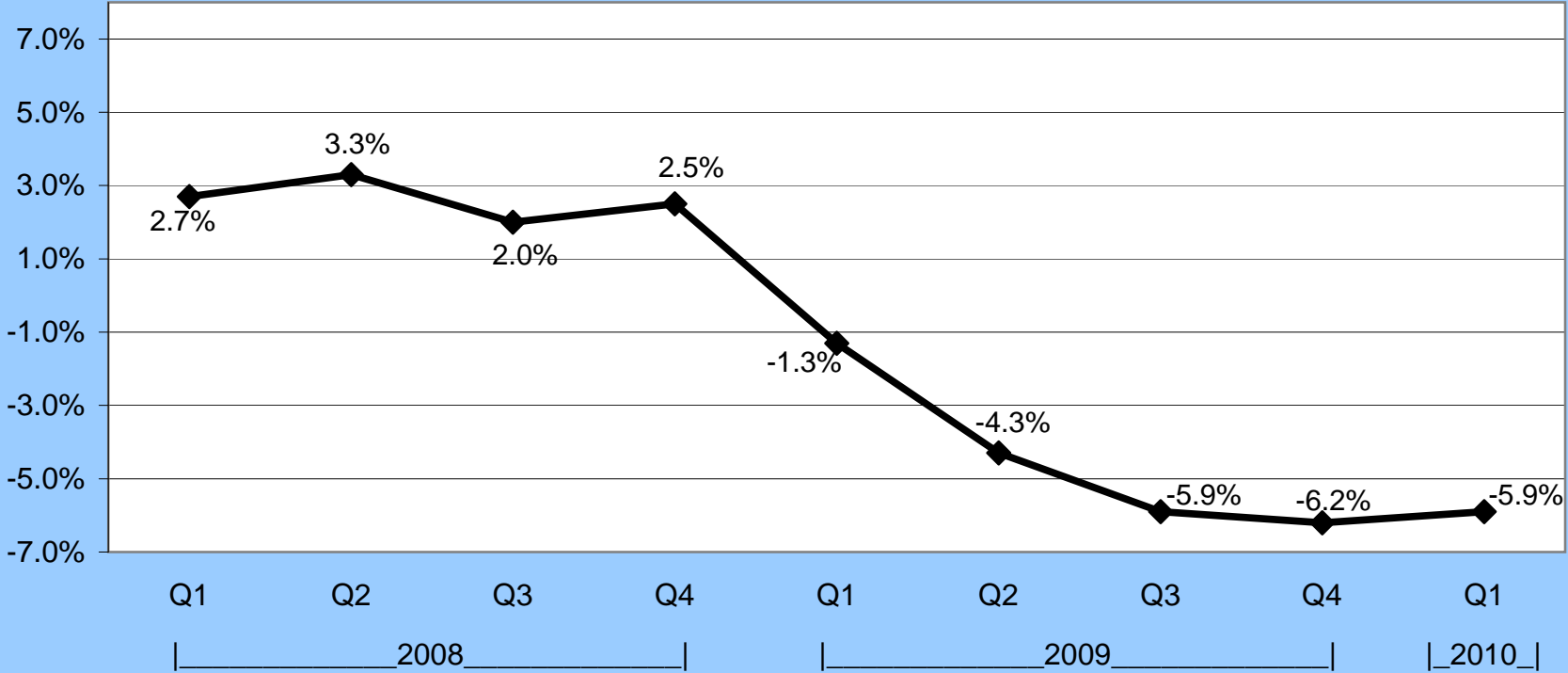
\* Gross margin is computed by dividing property net operating income by rental income for Same Park properties in each period.

# Change in Same Park Revenue \*



\* Percentage represents the change over the comparable period in the previous year based on Same Park operating assets as reported in each period.

### Change in Same Park NOI \*



\* Percentage represents the change over the comparable period in the previous year based on Same Park operating assets as reported in each period.

**PS BUSINESS PARKS, INC.**  
**TOTAL PORTFOLIO CONCENTRATION SUMMARY**  
(in thousands)

Industry Concentration as of March 31, 2010

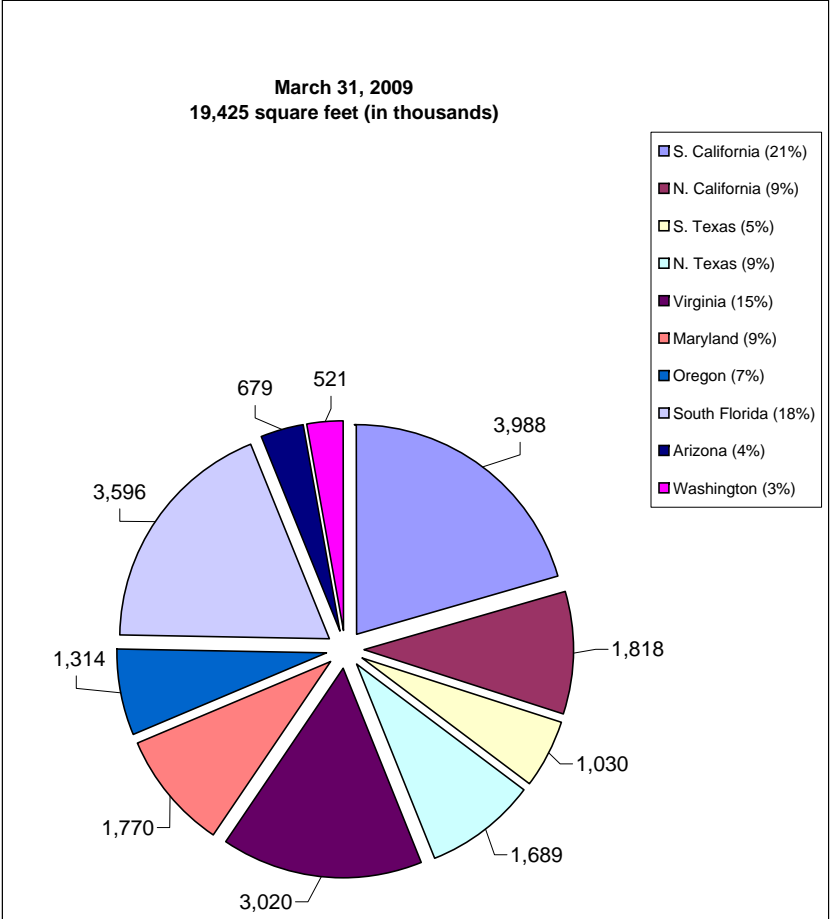
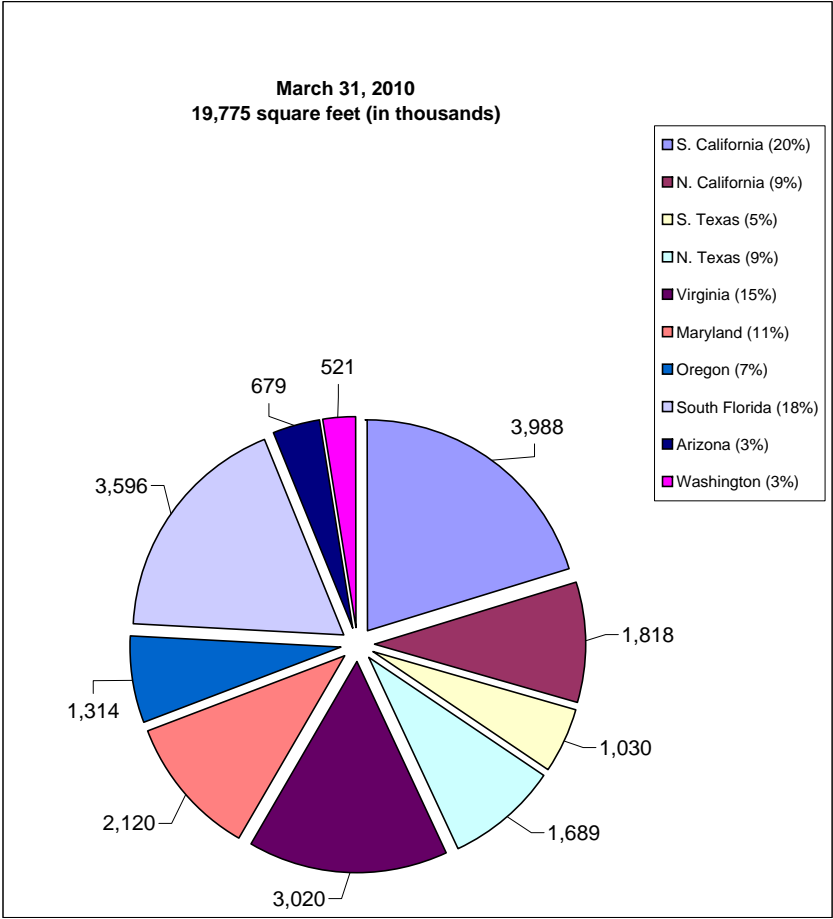
Industry	% of Total Rental Income
Business Services	14.6%
Health Services	11.2%
Computer Hardware, Software and Related Services	9.2%
Government	8.4%
Warehouse, Distribution, Transportation and Logistics	8.3%
Insurance and Financial Services	7.8%
Engineering and Construction	7.0%
Retail, Food and Automotive	6.4%
Communications	5.3%
Aerospace/Defense Products and Services	3.9%
Home Furnishings	3.7%
Electronics	3.6%
Educational Services	2.7%
Other	7.9%
<b>Total</b>	<b>100.0%</b>

Top 10 Customers by Total Annual Rental Income as of March 31, 2010

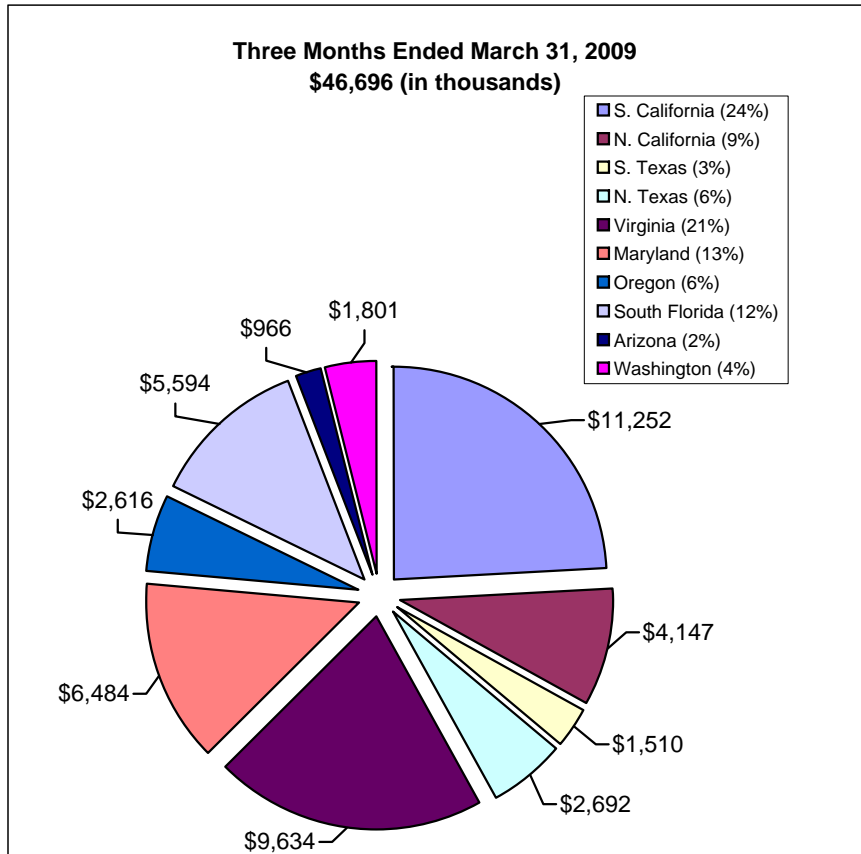
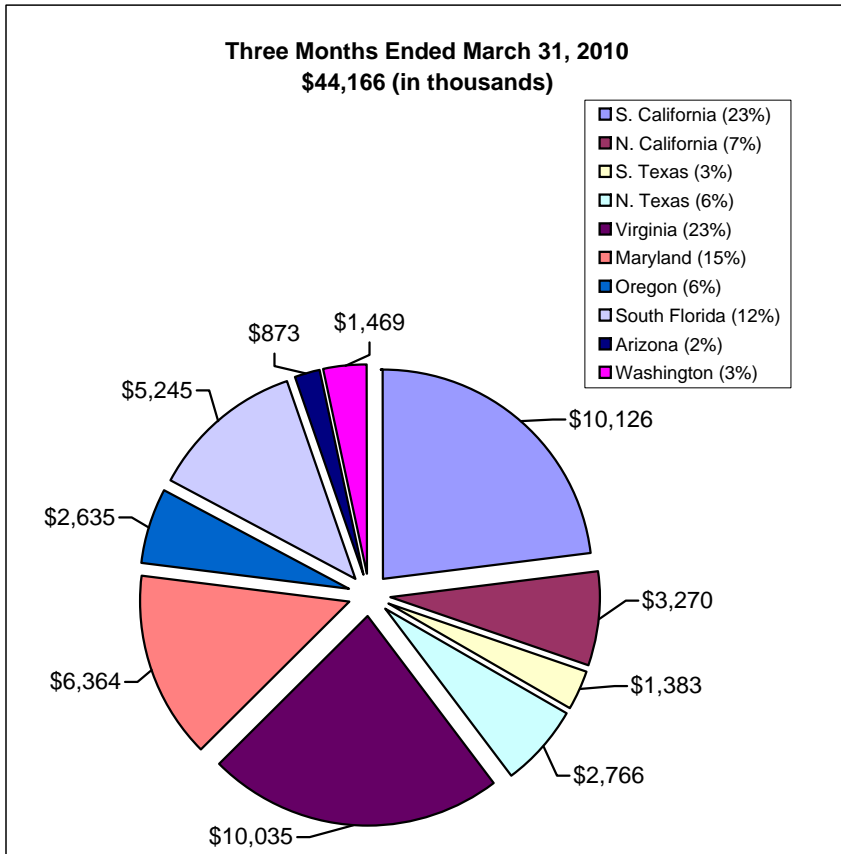
Tenant	Square Footage	Annualized Rental Income <sup>(1)</sup>	% of Total Annualized Rental Income
U.S. Government	507	\$ 12,359	4.5%
Kaiser Permanente	194	4,635	1.7%
Lockheed Martin Corporation	147	4,059	1.5%
Wells Fargo Bank	101	1,767	0.6%
AARP	102	1,748	0.6%
American Intercontinental University	75	1,470	0.6%
Investorplace Media, LLC	46	1,465	0.5%
Welch Allyn Protocol, Inc.	91	1,420	0.5%
Raytheon	82	1,399	0.5%
Verizon	72	1,391	0.5%
<b>Total</b>	<b>1,417</b>	<b>\$ 31,713</b>	<b>11.5%</b>

(1) - For leases expiring within one year, annualized rental income represents income to be received under existing leases from March 31, 2010 through date of expiration.

**Total Owned Rentable Square Footage by Region**



### Total Property Net Operating Income by Region



**PS BUSINESS PARKS, INC.**  
**TOTAL PORTFOLIO OVERVIEW**  
(in thousands)

Rentable Square Footage of Properties as of March 31, 2010					
Primary Markets	Industrial	Office	Flex	Total	% of Total
Miami	2,556	12	631	3,199	16.2%
Northern Virginia	-	1,073	1,947	3,020	15.3%
Maryland	-	1,235	885	2,120	10.7%
Northern California	407	431	980	1,818	9.2%
Dallas	231	-	1,458	1,689	8.5%
Orange County	-	705	911	1,616	8.2%
Los Angeles County	712	31	861	1,604	8.2%
Portland	-	188	1,126	1,314	6.6%
Austin	-	-	787	787	4.0%
San Diego County	-	-	768	768	3.9%
Phoenix	-	-	679	679	3.4%
Seattle	-	28	493	521	2.6%
Palm Beach	-	-	397	397	2.0%
Houston	-	-	243	243	1.2%
<b>Total</b>	<b>3,906</b>	<b>3,703</b>	<b>12,166</b>	<b>19,775</b>	<b>100.0%</b>
Percentage by Product Type	19.8%	18.7%	61.5%	100.0%	

Weighted Average Occupancy Rates by Product Type for the Three Months Ended March 31, 2010				
Primary Markets	Industrial	Office	Flex	Total
Miami	98.1%	100.0%	87.9%	96.1%
Northern Virginia	-	94.4%	94.5%	94.4%
Maryland	-	96.0%	89.6%	92.9%
Northern California	98.8%	84.9%	86.4%	88.9%
Dallas	100.0%	-	89.9%	91.3%
Orange County	-	84.9%	91.6%	88.7%
Los Angeles County	98.3%	86.0%	91.6%	94.4%
Portland	-	78.7%	82.6%	82.0%
Austin	-	-	84.7%	84.7%
San Diego County	-	-	95.9%	95.9%
Phoenix	-	-	82.9%	82.9%
Seattle	-	87.1%	87.6%	87.5%
Palm Beach	-	-	88.4%	88.4%
Houston	-	-	87.3%	87.3%
<b>Total</b>	<b>98.3%</b>	<b>90.7%</b>	<b>89.3%</b>	<b>91.3%</b>

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended March 31, 2010			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	96.0%	96.4%	96.1%
Northern Virginia	94.7%	93.9%	94.4%
Maryland	92.9%	92.6%	92.9%
Northern California	90.2%	87.5%	88.9%
Dallas	91.7%	89.5%	91.3%
Orange County	87.2%	90.1%	88.7%
Los Angeles County	98.3%	91.4%	94.4%
Portland	82.1%	81.4%	82.0%
Austin	84.7%	84.6%	84.7%
San Diego County	-	95.9%	95.9%
Phoenix	-	82.9%	82.9%
Seattle	-	87.5%	87.5%
Palm Beach	-	88.4%	88.4%
Houston	-	87.3%	87.3%
<b>Total</b>	<b>92.2%</b>	<b>90.0%</b>	<b>91.3%</b>

**Note:**

The Company's "large tenant" portfolio consists of properties with average leases greater than or equal to 5,000 square feet while the "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

**PS BUSINESS PARKS, INC.**  
**SAME PARK PORTFOLIO OVERVIEW**  
(in thousands)

Rentable Square Footage of Properties as of March 31, 2010					
Primary Markets	Industrial	Office	Flex	Total	% of Total
Miami	2,556	12	631	3,199	16.5%
Northern Virginia	-	1,073	1,947	3,020	15.5%
Northern California	407	431	980	1,818	9.4%
Maryland	-	883	887	1,770	9.1%
Dallas	231	-	1,458	1,689	8.7%
Orange County	-	705	911	1,616	8.3%
Los Angeles County	712	31	861	1,604	8.2%
Portland	-	188	1,126	1,314	6.8%
Austin	-	-	787	787	4.0%
San Diego County	-	-	768	768	4.0%
Phoenix	-	-	679	679	3.5%
Seattle	-	28	493	521	2.7%
Palm Beach	-	-	397	397	2.0%
Houston	-	-	243	243	1.3%
<b>Total</b>	<b>3,906</b>	<b>3,351</b>	<b>12,168</b>	<b>19,425</b>	<b>100.0%</b>
Percentage by Product Type	20.1%	17.3%	62.6%	100.0%	

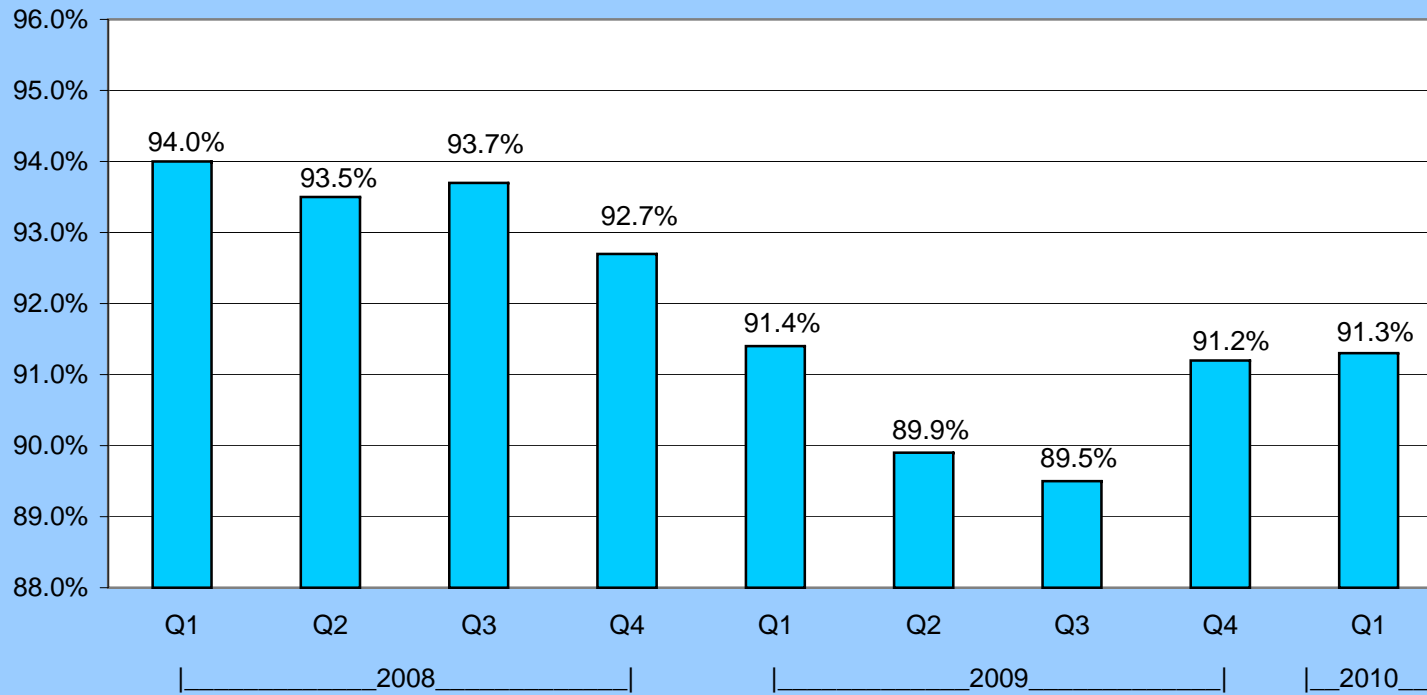
Weighted Average Occupancy Rates by Product Type for the Three Months Ended March 31, 2010				
Primary Markets	Industrial	Office	Flex	Total
Miami	98.1%	100.0%	87.9%	96.1%
Northern Virginia	-	94.4%	94.5%	94.4%
Northern California	98.8%	84.9%	86.4%	88.9%
Maryland	-	97.5%	89.6%	93.6%
Dallas	100.0%	-	89.9%	91.3%
Orange County	-	84.9%	91.6%	88.7%
Los Angeles County	98.3%	86.0%	91.6%	94.4%
Portland	-	78.7%	82.6%	82.0%
Austin	-	-	84.7%	84.7%
San Diego County	-	-	95.9%	95.9%
Phoenix	-	-	82.9%	82.9%
Seattle	-	87.1%	87.6%	87.5%
Palm Beach	-	-	88.4%	88.4%
Houston	-	-	87.3%	87.3%
<b>Total</b>	<b>98.3%</b>	<b>91.0%</b>	<b>89.3%</b>	<b>91.4%</b>

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended March 31, 2010			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	96.0%	96.4%	96.1%
Northern Virginia	94.7%	93.9%	94.4%
Northern California	90.2%	87.5%	88.9%
Maryland	93.4%	94.8%	93.6%
Dallas	91.7%	89.5%	91.3%
Orange County	87.2%	90.1%	88.7%
Los Angeles County	98.3%	91.4%	94.4%
Portland	82.1%	81.4%	82.0%
Austin	84.7%	84.6%	84.7%
San Diego County	-	95.9%	95.9%
Phoenix	-	82.9%	82.9%
Seattle	-	87.5%	87.5%
Palm Beach	-	88.4%	88.4%
Houston	-	87.3%	87.3%
<b>Total</b>	<b>92.2%</b>	<b>90.1%</b>	<b>91.4%</b>

**Note:**

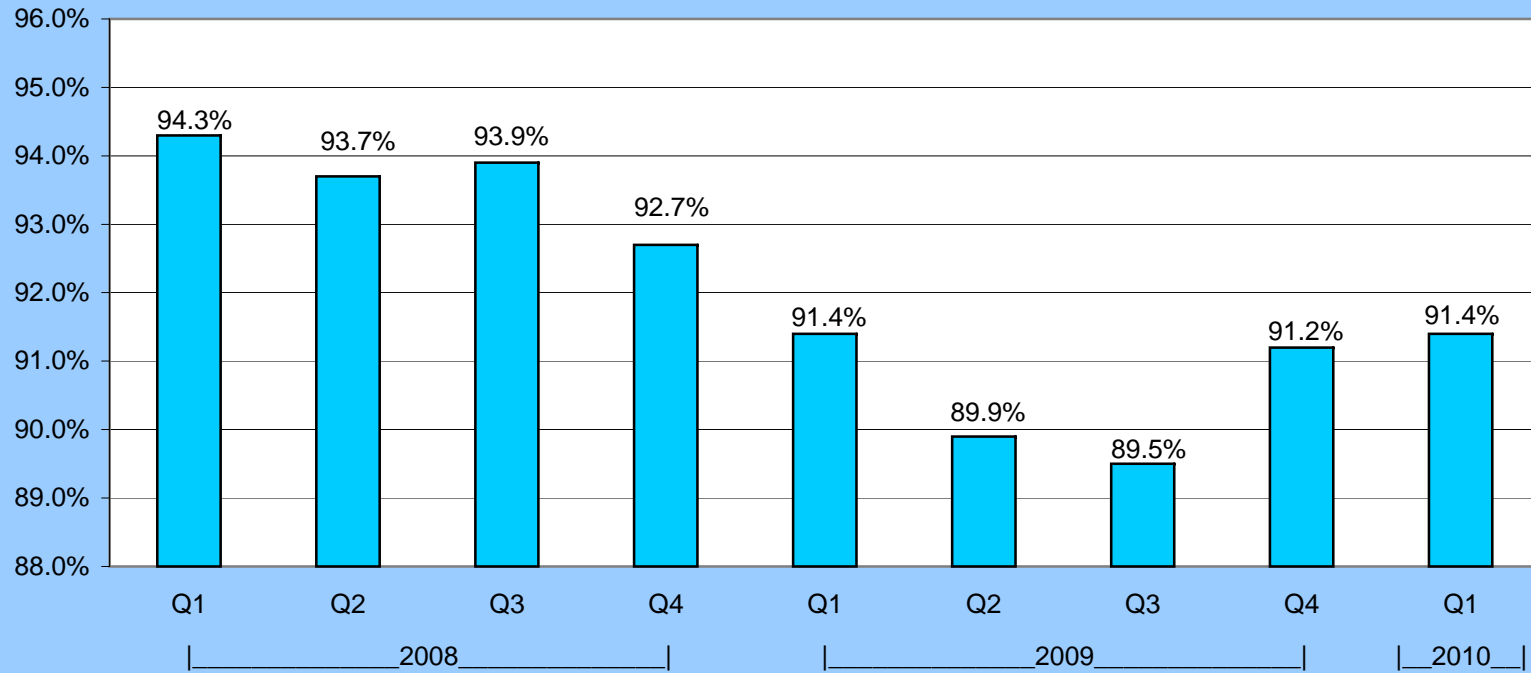
The Company's "large tenant" portfolio consists of properties with average leases greater than or equal to 5,000 square feet while the "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

## Total Owned Portfolio Weighted Average Occupancy \*



\* Represents the weighted average occupancy for total owned portfolio held in continuing operations as reported in each period.

## Same Park Weighted Average Occupancy \*



\* Represents the weighted average occupancy for total owned portfolio held in continuing operations as reported in each period.

**PS BUSINESS PARKS, INC.**

**Total Portfolio Lease Expirations as of March 31, 2010**

(in thousands)

Lease Expirations - Flex				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2010	2,049	\$ 30,042	17.5%	10.4%
2011	3,018	45,882	26.8%	15.9%
2012	2,268	34,804	20.3%	12.1%
2013	1,500	23,079	13.5%	8.0%
2014	989	16,119	9.4%	5.6%
Thereafter	1,080	21,386	12.5%	7.4%
<b>Total</b>	<b>10,904</b>	<b>\$ 171,312</b>	<b>100.0%</b>	<b>59.4%</b>

Lease Expirations - Office				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2010	562	\$ 13,138	15.4%	4.6%
2011	878	21,588	25.4%	7.5%
2012	619	15,341	18.0%	5.3%
2013	597	15,205	17.9%	5.3%
2014	311	7,516	8.8%	2.6%
Thereafter	418	12,351	14.5%	4.3%
<b>Total</b>	<b>3,385</b>	<b>\$ 85,139</b>	<b>100.0%</b>	<b>29.6%</b>

Lease Expirations - Industrial				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2010	468	\$ 3,665	11.6%	1.3%
2011	924	7,801	24.8%	2.7%
2012	799	6,708	21.3%	2.3%
2013	882	6,885	21.9%	2.4%
2014	461	3,572	11.3%	1.3%
Thereafter	347	2,860	9.1%	1.0%
<b>Total</b>	<b>3,881</b>	<b>\$ 31,491</b>	<b>100.0%</b>	<b>11.0%</b>

Lease Expirations - Total Portfolio				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2010	3,079	\$ 46,845	16.3%	16.3%
2011	4,820	75,271	26.1%	26.1%
2012	3,686	56,853	19.7%	19.7%
2013	2,979	45,169	15.7%	15.7%
2014	1,761	27,207	9.5%	9.5%
Thereafter	1,845	36,597	12.7%	12.7%
<b>Total</b>	<b>18,170</b>	<b>\$ 287,942</b>	<b>100.0%</b>	<b>100.0%</b>

**PS BUSINESS PARKS, INC.**

**Total Portfolio Lease Expirations as of March 31, 2010**

**(in thousands)**

Southern California					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	793	\$	13,856	21.5%	4.8%
2011	1,211		18,696	29.0%	6.5%
2012	671		12,123	18.8%	4.2%
2013	474		8,255	12.8%	2.9%
2014	313		5,010	7.8%	1.8%
Thereafter	267		6,504	10.1%	2.3%
<b>Total</b>	<b>3,729</b>		<b>64,444</b>	<b>100.0%</b>	<b>22.5%</b>

Northern California					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	339	\$	4,446	21.5%	1.5%
2011	414		5,495	26.6%	1.9%
2012	429		4,906	23.7%	1.7%
2013	181		2,660	12.8%	0.9%
2014	146		1,613	7.8%	0.6%
Thereafter	118		1,569	7.6%	0.5%
<b>Total</b>	<b>1,627</b>	<b>\$</b>	<b>20,689</b>	<b>100.0%</b>	<b>7.1%</b>

Southern Texas					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	140	\$	1,539	15.7%	0.5%
2011	187		2,201	22.5%	0.7%
2012	184		1,994	20.4%	0.7%
2013	143		1,381	14.1%	0.5%
2014	103		1,289	13.2%	0.5%
Thereafter	117		1,381	14.1%	0.5%
<b>Total</b>	<b>874</b>	<b>\$</b>	<b>9,785</b>	<b>100.0%</b>	<b>3.4%</b>

Northern Texas					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	263	\$	2,570	14.8%	0.9%
2011	195		2,169	12.5%	0.7%
2012	350		4,544	26.1%	1.6%
2013	336		2,917	16.8%	1.0%
2014	302		3,733	21.3%	1.3%
Thereafter	106		1,471	8.5%	0.5%
<b>Total</b>	<b>1,552</b>	<b>\$</b>	<b>17,404</b>	<b>100.0%</b>	<b>6.0%</b>

**PS BUSINESS PARKS, INC.**

**Total Portfolio Lease Expirations as of March 31, 2010**

(in thousands)

South Florida					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	506	\$	4,508	14.2%	1.6%
2011	894		8,509	26.9%	3.0%
2012	768		7,369	23.3%	2.5%
2013	673		6,095	19.3%	2.1%
2014	294		2,790	8.8%	1.0%
Thereafter	274		2,386	7.5%	0.8%
Total	3,409	\$	31,657	100.0%	11.0%

Northern Virginia					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	514	\$	10,598	17.3%	3.7%
2011	502		9,782	15.9%	3.4%
2012	609		12,752	20.8%	4.4%
2013	532		10,308	16.8%	3.6%
2014	292		6,936	11.2%	2.4%
Thereafter	463		11,026	18.0%	3.8%
Total	2,912	\$	61,402	100.0%	21.3%

Maryland					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	225	\$	5,117	10.4%	1.8%
2011	626		16,090	32.7%	5.6%
2012	318		8,023	16.3%	2.8%
2013	284		7,582	15.3%	2.6%
2014	169		3,295	6.7%	1.1%
Thereafter	309		9,158	18.6%	3.2%
Total	1,931	\$	49,265	100.0%	17.1%

Oregon					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	102	\$	1,613	8.4%	0.6%
2011	475		8,022	41.7%	2.8%
2012	108		1,823	9.5%	0.6%
2013	204		3,549	18.3%	1.2%
2014	97		1,820	9.5%	0.6%
Thereafter	146		2,419	12.6%	0.8%
Total	1,132	\$	19,246	100.0%	6.6%

**PS BUSINESS PARKS, INC.**

**Total Portfolio Lease Expirations as of March 31, 2010**

(in thousands)

Washington					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	71	\$	1,220	15.1%	0.4%
2011	147		2,566	31.8%	0.9%
2012	87		1,632	20.3%	0.6%
2013	89		1,719	21.3%	0.6%
2014	17		418	5.2%	0.1%
Thereafter	29		508	6.3%	0.2%
<b>Total</b>	<b>440</b>	<b>\$</b>	<b>8,063</b>	<b>100.0%</b>	<b>2.8%</b>

Arizona					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	126	\$	1,378	23.0%	0.5%
2011	169		1,741	29.1%	0.6%
2012	162		1,687	28.2%	0.6%
2013	63		703	11.7%	0.3%
2014	28		303	5.1%	0.1%
Thereafter	16		175	2.9%	0.1%
<b>Total</b>	<b>564</b>	<b>\$</b>	<b>5,987</b>	<b>100.0%</b>	<b>2.2%</b>

Total Portfolio					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	3,079	\$	46,845	16.3%	16.3%
2011	4,820		75,271	26.1%	26.1%
2012	3,686		56,853	19.7%	19.7%
2013	2,979		45,169	15.7%	15.7%
2014	1,761		27,207	9.5%	9.5%
Thereafter	1,845		36,597	12.7%	12.7%
<b>Total</b>	<b>18,170</b>	<b>\$</b>	<b>287,942</b>	<b>100.0%</b>	<b>100.0%</b>

**PS BUSINESS PARKS, INC.**

**Total Portfolio Lease Expirations as of March 31, 2010**

**(in thousands)**

Lease Expirations - Large Tenant Portfolio					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	1,406	\$	20,755	12.1%	7.2%
2011	2,664		40,929	23.8%	14.2%
2012	2,207		32,271	18.8%	11.2%
2013	2,224		30,851	18.0%	10.7%
2014	1,322		18,641	10.9%	6.5%
Thereafter	1,458		28,229	16.4%	9.8%
<b>Total</b>	<b>11,281</b>		<b>171,676</b>	<b>100.0%</b>	<b>59.6%</b>

Lease Expirations - Small Tenant Portfolio					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	1,673	\$	26,090	22.4%	9.1%
2011	2,156		34,342	29.6%	11.9%
2012	1,479		24,582	21.1%	8.5%
2013	755		14,318	12.3%	5.0%
2014	439		8,566	7.4%	3.0%
Thereafter	387		8,368	7.2%	2.9%
<b>Total</b>	<b>6,889</b>		<b>116,266</b>	<b>100.0%</b>	<b>40.4%</b>

Lease Expirations - Total Portfolio					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2010	3,079	\$	46,845	16.3%	16.3%
2011	4,820		75,271	26.1%	26.1%
2012	3,686		56,853	19.7%	19.7%
2013	2,979		45,169	15.7%	15.7%
2014	1,761		27,207	9.5%	9.5%
Thereafter	1,845		36,597	12.7%	12.7%
<b>Total</b>	<b>18,170</b>		<b>287,942</b>	<b>100.0%</b>	<b>100.0%</b>