



PSBUSINESSPARKS

**Analysis of Operating Results
and Financial Condition**

June 30, 2007

**ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2007**

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

OPERATING DATA							
	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED			
	06/30/07	06/30/06	% Change	06/30/07	06/30/06	% Change	
Total operating revenues	\$ 67,457	\$ 59,305	13.7%	\$ 132,764	\$ 118,208	12.3%	
Net income allocable to common shareholders	\$ 3,781	\$ 4,395	(14.0%)	\$ 9,704	\$ 9,457	2.6%	
Net income per common share - diluted:							
Continuing operations	\$ 0.17	\$ 0.15	13.3%	\$ 0.45	\$ 0.36	25.0%	
Discontinued operations	\$ -	\$ 0.05	(100.0%)	\$ -	\$ 0.08	(100.0%)	
Net income per common share - diluted	\$ 0.17	\$ 0.20	(15.0%)	\$ 0.45	\$ 0.44	2.3%	
Weighted average common shares outstanding - basic	21,334	21,311	0.1%	21,325	21,373	(0.2%)	
Weighted average common shares outstanding - diluted	21,681	21,585	0.4%	21,692	21,648	0.2%	
Weighted average common OP units outstanding	7,305	7,305	N/A	7,305	7,305	0.0%	
Total fully-converted diluted shares	28,986	28,890	0.3%	28,997	28,953	0.2%	

FUNDS FROM OPERATIONS							
	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED			
	06/30/07	06/30/06	% Change	06/30/07	06/30/06	% Change	
FFO allocable to common shareholders, before adjustments	\$ 29,991	\$ 26,887	11.5%	\$ 59,584	\$ 53,575	11.2%	
EITF Topic D-42	-	(1,658)	(100.0%)	-	(1,658)	(100.0%)	
FFO allocable to common shareholders	\$ 29,991	\$ 25,229	18.9%	\$ 59,584	\$ 51,917	14.8%	
Diluted FFO per common share and units - before adjustments	\$ 1.03	\$ 0.93	10.8%	\$ 2.05	\$ 1.85	10.8%	
Diluted FFO per common share and units	\$ 1.03	\$ 0.87	18.4%	\$ 2.05	\$ 1.79	14.5%	

PROPERTY INFORMATION							
	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED			
	06/30/07	06/30/06	% Change	06/30/07	06/30/06	% Change	
Total Owned Portfolio (1) (excluding discontinued operations)							
Net rentable square footage at period end	19,431	18,205	6.7%	19,431	18,205	6.7%	
Weighted average occupancy	93.1%	93.2%	(0.1%)	93.2%	92.9%	0.3%	
Annualized realized rent per sq. ft. (2)	\$ 14.87	\$ 14.18	4.9%	\$ 14.82	\$ 14.25	4.0%	
REVPAR (3)	\$ 13.84	\$ 13.22	4.7%	\$ 13.47	\$ 13.24	1.7%	
Same Park Portfolio (1)							
Net rentable square footage at period end	17,494	17,494	N/A	17,494	17,494	N/A	
Weighted average occupancy	93.6%	93.1%	0.5%	93.5%	92.9%	0.6%	
Annualized realized rent per sq. ft. (2)	\$ 14.42	\$ 13.96	3.3%	\$ 14.41	\$ 14.10	2.2%	
REVPAR (3)	\$ 13.50	\$ 13.00	3.8%	\$ 13.47	\$ 13.10	2.8%	

- (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.

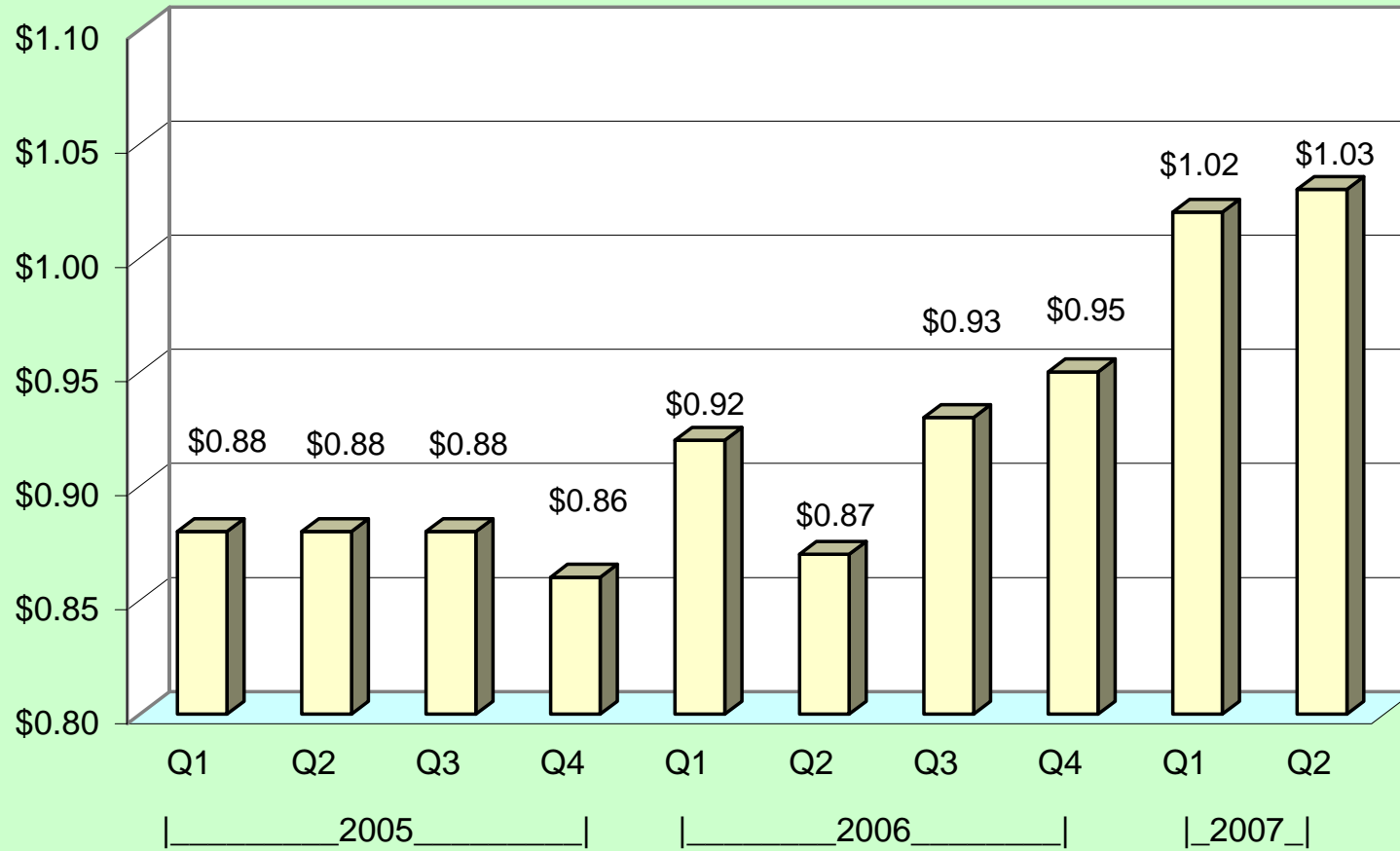
BALANCE SHEET DATA			
	06/30/07	12/31/06	% Change
Total assets	\$ 1,553,568	\$ 1,462,864	6.2%
Minority interest - preferred	\$ 94,750	\$ 82,750	14.5%
Minority interest - common	\$ 162,518	\$ 165,469	(1.8%)
Perpetual preferred stock	\$ 716,250	\$ 622,500	15.1%
Common shareholders' equity	\$ 474,684	\$ 482,703	(1.7%)
Total common shares outstanding at period end	21,337	21,311	0.1%
Book value per common share	\$ 22.25	\$ 22.65	(1.8%)

MARKET VALUE INFORMATION			
	06/30/07	12/31/06	% Change
Market value of common stock and common OP units	\$ 1,815,088	\$ 2,023,463	(10.3%)
Total debt	61,392	67,048	(8.4%)
Total preferred equity	811,000	705,250	15.0%
Total market capitalization	\$ 2,687,480	\$ 2,795,761	(3.9%)
Stock price at the end of the period	\$ 63.37	\$ 70.71	(10.4%)

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

	FOR THE THREE MONTHS ENDED		Increase (Decrease)	% Change	FOR THE SIX MONTHS ENDED		Increase (Decrease)	% Change
	06/30/07	06/30/06			06/30/07	06/30/06		
Funds from operations (FFO):								
Net income allocable to common shareholders	\$ 3,781	\$ 4,395	\$ (614)	(14.0%)	\$ 9,704	\$ 9,457	\$ 247	2.6%
Adjustments:								
Gain on disposition of real estate	-	(1,617)	(1,617)	(100.0%)	-	(2,328)	(2,328)	(100.0%)
Depreciation and amortization	24,916	20,950	3,966	18.9%	46,556	41,563	4,993	12.0%
Minority interest in income - common units	1,294	1,501	(207)	(13.8%)	3,324	3,225	99	3.1%
FFO allocable to common shareholders/unitholders	<u>\$ 29,991</u>	<u>\$ 25,229</u>	<u>\$ 4,762</u>	<u>18.9%</u>	<u>\$ 59,584</u>	<u>\$ 51,917</u>	<u>\$ 7,667</u>	<u>14.8%</u>
Weighted average common shares outstanding	21,334	21,311	23	0.1%	21,325	21,373	(48)	(0.2%)
Weighted average common OP units outstanding	7,305	7,305	-	0.0%	7,305	7,305	-	0.0%
Weighted average common stock equivalents outstanding	347	274	73	26.6%	367	275	92	33.5%
Total pro forma fully-converted shares	<u>28,986</u>	<u>28,890</u>	<u>96</u>	<u>0.3%</u>	<u>28,997</u>	<u>28,953</u>	<u>44</u>	<u>0.2%</u>
Diluted FFO per common share/OP unit	<u>\$ 1.03</u>	<u>\$ 0.87</u>	<u>\$ 0.16</u>	<u>18.4%</u>	<u>\$ 2.05</u>	<u>\$ 1.79</u>	<u>\$ 0.26</u>	<u>14.5%</u>
Funds available for distribution (FAD):								
Funds from operations	\$ 29,991	\$ 25,229	\$ 4,762	18.9%	\$ 59,584	\$ 51,917	\$ 7,667	14.8%
Adjustments:								
Capital improvements	(3,069)	(1,859)	1,210	65.1%	(4,891)	(2,863)	2,028	70.8%
Tenant improvements	(3,062)	(5,539)	(2,477)	(44.7%)	(7,501)	(9,082)	(1,581)	(17.4%)
Lease commissions	(1,378)	(2,277)	(899)	(39.5%)	(2,412)	(2,788)	(376)	(13.5%)
Straight-line rent	(51)	(1,031)	(980)	(95.1%)	(259)	(1,620)	(1,361)	(84.0%)
Stock compensation expense	1,065	719	346	48.1%	1,704	1,245	459	36.9%
In-place lease adjustment	(36)	59	(95)	(161.0%)	(9)	112	(121)	(108.0%)
Lease incentives net of tenant improvement reimbursements	52	133	(81)	(60.9%)	111	263	(152)	(57.8%)
Redemption amount over carrying amount related to redeemed preferred equity	-	1,658	(1,658)	(100.0%)	-	1,658	(1,658)	(100.0%)
FAD	<u>\$ 23,512</u>	<u>\$ 17,092</u>	<u>\$ 6,420</u>	<u>37.6%</u>	<u>\$ 46,327</u>	<u>\$ 38,842</u>	<u>\$ 7,485</u>	<u>19.3%</u>
Diluted FAD per common share/OP unit	<u>\$ 0.81</u>	<u>\$ 0.59</u>	<u>\$ 0.22</u>	<u>37.3%</u>	<u>\$ 1.60</u>	<u>\$ 1.34</u>	<u>\$ 0.26</u>	<u>19.4%</u>
Cash available for debt repayments and reinvestments:								
FAD	\$ 23,512	\$ 17,092	\$ 6,420	37.6%	\$ 46,327	\$ 38,842	\$ 7,485	19.3%
Distributions to common shareholders	(9,388)	(6,172)	3,216	52.1%	(15,571)	(12,361)	3,210	26.0%
Distributions to common OP unit holders	(3,214)	(2,118)	1,096	51.7%	(5,333)	(4,237)	1,096	25.9%
Cash available for debt repayments and reinvestments	<u>\$ 10,910</u>	<u>\$ 8,802</u>	<u>\$ 2,108</u>	<u>23.9%</u>	<u>\$ 25,423</u>	<u>\$ 22,244</u>	<u>\$ 3,179</u>	<u>14.3%</u>
FAD payout ratio	<u>53.6%</u>	<u>48.5%</u>	<u>5.1%</u>	<u>10.5%</u>	<u>45.1%</u>	<u>42.7%</u>	<u>2.4%</u>	<u>5.6%</u>

Reported Diluted FFO Per Common Share/OP Unit



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

	As of June 30, 2007			As of December 31, 2006		
	Total	% of Total Market Capitalization	WTD Average Rate	Total	% of Total Market Capitalization	WTD Average Rate
Long-Term Debt:						
7.290% mortgage note, due February 2009	\$ 5,408			\$ 5,490		
5.730% mortgage note, due March 2013	14,628			14,743		
5.520% mortgage note, due May 2013	10,380			10,483		
5.680% mortgage note, due May 2013	10,385			10,486		
6.150% mortgage note, due November 2031 (includes unamortized premium of \$929,000 on \$16.6 million mortgage note with stated rate of 7.200%)	17,554			17,759		
5.610% mortgage note, due January 2011 (includes unamortized premium of \$227,000 on \$2.8 million mortgage note with stated rate of 7.610%)	3,037			3,085		
8.190% mortgage note, repaid March 2007	-			5,002		
Total mortgage notes payable(1)	61,392	2.3%	5.94%	67,048	2.4%	6.11%
Total debt	61,392	2.3%	5.94%	67,048	2.4%	6.11%
Preferred Equity						
7.950% Series G preferred operating partnership units (800,000 units outstanding) callable 10/30/07	20,000			20,000		
7.000% Series H preferred stock (8,200,000 depository shares outstanding) callable 1/30/09	205,000			205,000		
6.875% Series I preferred stock (3,000,000 depository share outstanding) callable 4/21/09	75,000			75,000		
7.500% Series J preferred operating partnership units (1,710,000 units outstanding) callable 5/27/09	42,750			42,750		
7.950% Series K preferred stock (2,300,000 depository shares outstanding) callable 6/30/09	57,500			57,500		
7.600% Series L preferred stock (2,300,000 depository shares outstanding) callable 8/31/09	57,500			57,500		
7.200% Series M preferred stock (3,300,000 depository shares outstanding) callable 5/2/10	82,500			82,500		
7.125% Series N preferred operating partnership units (800,000 units outstanding) callable 12/12/10	20,000			20,000		
7.375% Series O preferred stock (3,800,000 depository shares outstanding) callable 6/16/11	95,000			95,000		
6.700% Series P preferred stock (5,750,000 depository shares outstanding) callable 1/17/12	143,750			-		
6.550% Series Q preferred operating partnership units (480,000 units outstanding) callable 3/12/12	12,000			-		
8.750% Series F preferred stock (2,000,000 depository shares outstanding) redeemed 1/29/07	-			50,000		
Total preferred equity	811,000	30.2%	7.16%	705,250	25.2%	7.37%
Total debt and preferred equity	872,392	32.5%	7.07%	772,298	27.6%	7.26%
Common stock (21,337,354 and 21,311,005 shares outstanding as of June 30, 2007 and December 31, 2006, respectively)	1,352,148			1,506,901		
Common operating partnership units (7,305,355 units outstanding as of June 30, 2007 and December 31, 2006)	462,940			516,562		
Total common equity(2)	1,815,088	67.5%		2,023,463	72.4%	
Total market capitalization	\$ 2,687,480	100%		\$ 2,795,761	100%	

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

	Principal Maturity Dates						
	2007	2008	2009	2010	2011	Thereafter	Total
Park East III	\$ 85	\$ 179	\$ 5,144	\$ -	\$ -	\$ -	\$ 5,408
Rose Canyon	118	244	261	277	293	13,435	14,628
Meadows	112	237	258	278	15,741	-	16,626
Palm Beach	228	477	507	536	3,178	18,649	23,575
Meadows Loan Premium	94	198	208	218	210	-	928
Palm Beach Loan Premium	29	61	64	67	6	-	227
	\$ 666	\$ 1,396	\$ 6,442	\$ 1,376	\$ 19,428	\$ 32,084	\$ 61,392

(2) Closing stock price was \$63.37 and \$70.71 as of June 30, 2007 and December 31, 2006, respectively.

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

	06/30/07	12/31/06	Increase (Decrease)	% Change
<u>ASSETS</u>				
Cash and cash equivalents	\$ 72,437	\$ 66,282	\$ 6,155	(a) 9.3%
Real estate facilities, at cost:				
Land	485,898	439,777	46,121	10.5%
Buildings and equipment	1,441,978	1,353,442	88,536	6.5%
	1,927,876	1,793,219	134,657	(b) 7.5%
Accumulated depreciation	(487,892)	(441,336)	46,556	10.5%
	1,439,984	1,351,883	88,101	6.5%
Land held for development	7,869	9,011	(1,142)	(12.7%)
	1,447,853	1,360,894	86,959	6.4%
Rent receivable	2,003	2,080	(77)	(c) (3.7%)
Deferred rent receivables	21,713	21,454	259	1.2%
Other assets	9,562	12,154	(2,592)	(d) (21.3%)
Total assets	<u>\$ 1,553,568</u>	<u>\$ 1,462,864</u>	<u>\$ 90,704</u>	<u>6.2%</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Accrued and other liabilities	\$ 43,974	\$ 42,394	\$ 1,580	(e) 3.7%
Preferred stock called for redemption	-	50,000	(50,000)	(100.0%)
Mortgage notes payable	61,392	67,048	(5,656)	(8.4%)
Total liabilities	105,366	159,442	(54,076)	(33.9%)
Minority interests:				
Preferred units	94,750	82,750	12,000	14.5%
Common units	162,518	165,469	(2,951)	(1.8%)
Shareholders' equity:				
Preferred stock	716,250	572,500	143,750	25.1%
Common stock	213	213	-	0.0%
Paid-in capital	395,896	398,048	(2,152)	(f) (0.5%)
Cumulative net income	518,532	483,403	35,129	7.3%
Cumulative distributions	(439,957)	(398,961)	40,996	(g) 10.3%
Total shareholders' equity	1,190,934	1,055,203	135,731	12.9%
Total liabilities and shareholders' equity	<u>\$ 1,553,568</u>	<u>\$ 1,462,864</u>	<u>\$ 90,704</u>	<u>6.2%</u>

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

(a) Change in cash and cash equivalents			
Beginning cash balance		\$	66,282
Net cash provided by operating activities			90,944
Net cash used in investing activities			(131,084)
Net cash provided by financing activities			46,295
Ending cash balance		\$	<u>72,437</u>
(b) Change in real estate facilities, at cost:			
Beginning balance		\$	1,793,219
Property acquisitions			116,243
Property renovations			2,468
Transfer from land held for development			1,142
Building improvements			4,891
Tenant improvements			7,501
Lease commissions			2,412
Ending balance		\$	<u>1,927,876</u>
(c) Rent receivable consists of the following:			
	<u>06/30/07</u>	<u>12/31/06</u>	<u>Change</u>
U.S. Government tenants	\$ 1,040	\$ 1,039	\$ 1
Other	1,263	\$ 1,341	(78)
Allowance for bad debt	(300)	\$ (300)	-
	<u>\$ 2,003</u>	<u>\$ 2,080</u>	<u>\$ (77)</u>
(d) Change in other assets:			
	<u>06/30/07</u>	<u>12/31/06</u>	<u>Change</u>
Insurance claim receivable	\$ 473	\$ 1,359	\$ (886)
Prepaid insurance	2,795	922	1,873
Prepaid property taxes	151	2,184	(2,033)
Lease incentives, net	1,876	2,148	(272)
Mortgage impounds	1,634	1,063	571
In-place lease adjustment, net	538	656	(118)
Other	2,095	3,822	(1,727)
	<u>\$ 9,562</u>	<u>\$ 12,154</u>	<u>\$ (2,592)</u>
(e) Accrued and other liabilities consists of:			
	<u>06/30/07</u>	<u>12/31/06</u>	<u>Change</u>
Prepaid rent	\$ 6,312	\$ 6,883	\$ (571)
Accrued property taxes	7,077	4,905	2,172
Security deposits	18,740	17,879	861
In-place lease adjustment, net	947	-	947
Reserves for acquisition costs	2,703	3,031	(328)
Other	8,195	9,696	(1,501)
	<u>\$ 43,974</u>	<u>\$ 42,394</u>	<u>\$ 1,580</u>
(f) Change in paid-in capital:			
Beginning paid-in capital		\$	398,048
Shelf registration			(88)
Issuance of preferred stock			(4,183)
Exercise of stock options			365
Restricted stock and stock compensation			1,148
Adjustment to reflect minority interest to underlying ownership			606
Ending paid in capital		\$	<u>395,896</u>
(g) Change in cumulative distributions:			
Beginning cumulative distributions		\$	398,961
Distributions to preferred shareholders			25,425
Distributions to common shareholders			15,571
Ending cumulative distributions		\$	<u>439,957</u>

PS BUSINESS PARKS, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED
(in thousands, except per share amounts)

	06/30/07	06/30/06	Increase (Decrease)	% Change
Revenues:				
Rental income	\$ 67,275	\$ 59,159	\$ 8,116 (a)	13.7%
Facility management fees	182	146	36	24.7%
Total operating revenues	<u>67,457</u>	<u>59,305</u>	<u>8,152</u>	<u>13.7%</u>
Expenses:				
Cost of operations	21,022	18,195	2,827 (b)	15.5%
Depreciation and amortization	24,916	20,950	3,966	18.9%
General and administrative	2,112	1,872	240 (c)	12.8%
Total operating expenses	<u>48,050</u>	<u>41,017</u>	<u>7,033</u>	<u>17.1%</u>
Other income and expenses:				
Interest and other income	1,189	1,573	(384)	(24.4%)
Interest expense	(1,012)	(517)	495 (d)	95.7%
Total other income and expenses	<u>177</u>	<u>1,056</u>	<u>(879)</u>	<u>(83.2%)</u>
Income from continuing operations before minority interests	<u>19,584</u>	<u>19,344</u>	<u>240</u>	<u>1.2%</u>
Minority interests in continuing operations:				
Minority interest in income - preferred units	(1,752)	(2,781)	(1,029)	(37.0%)
Minority interest in income - common units	(1,294)	(1,097)	197	18.0%
Total minority interests in continuing operations	<u>(3,046)</u>	<u>(3,878)</u>	<u>(832)</u>	<u>(21.5%)</u>
Income from continuing operations	<u>16,538</u>	<u>15,466</u>	<u>1,072</u>	<u>6.9%</u>
Discontinued operations:				
Loss from discontinued operations	-	(28)	(28) (e)	(100.0%)
Gain on disposition of real estate	-	1,617	(1,617)	(100.0%)
Minority interest in earnings attributable to discontinued operations - common units	-	(404)	(404)	(100.0%)
Income from discontinued operations	<u>-</u>	<u>1,185</u>	<u>(1,185)</u>	<u>(100.0%)</u>
Net Income	<u>16,538</u>	<u>16,651</u>	<u>(113)</u>	<u>(0.7%)</u>
Net Income allocable to preferred shareholders				
Preferred distributions	12,757	10,598	2,159	20.4%
Redemption of preferred stock	-	1,658	(1,658)	(100.0%)
Total preferred distributions	<u>12,757</u>	<u>12,256</u>	<u>501</u>	<u>4.1%</u>
Net Income allocable to common shareholders	<u>\$ 3,781</u>	<u>\$ 4,395</u>	<u>\$ (614)</u>	<u>(14.0%)</u>
Net income per common share - basic:				
Continuing operations	\$ 0.18	\$ 0.15	\$ 0.03	20.0%
Discontinued operations	\$ -	\$ 0.06	\$ (0.06)	(100.0%)
Net Income	\$ 0.18	\$ 0.21	\$ (0.03)	(14.3%)
Net income per common share - diluted:				
Continuing operations	\$ 0.17	\$ 0.15	\$ 0.02	13.3%
Discontinued operations	\$ -	\$ 0.05	\$ (0.05)	(100.0%)
Net Income	\$ 0.17	\$ 0.20	\$ (0.03)	(15.0%)
Weighted average common shares outstanding:				
Basic	<u>21,334</u>	<u>21,311</u>	<u>23</u>	<u>0.1%</u>
Diluted	<u>21,681</u>	<u>21,585</u>	<u>96</u>	<u>0.4%</u>

PS BUSINESS PARKS, INC.
CONSOLIDATED STATEMENT OF INCOME
VARIANCE EXPLANATIONS
FOR THE THREE MONTHS ENDED
(in thousands)

	<u>06/30/07</u>	<u>06/30/06</u>	<u>Change</u>
(a) Rental income:			
Same Park	\$ 59,144	\$ 56,039	\$ 3,105
Acquisitions	8,080	2,089	5,991
Straight-line rent	51	1,031	(980)
	<u>\$ 67,275</u>	<u>\$ 59,159</u>	<u>\$ 8,116</u>
(b) Cost of operations:			
Same Park	\$ 18,207	\$ 17,474	\$ 733
Acquisitions	2,815	721	2,094
	<u>\$ 21,022</u>	<u>\$ 18,195</u>	<u>\$ 2,827</u>
(c) General and administrative expenses:			
Compensation expense	\$ 815	\$ 726	\$ 89
Stock compensation expense	808	587	221
Professional fees	161	212	(51)
Other	328	347	(19)
	<u>\$ 2,112</u>	<u>\$ 1,872</u>	<u>\$ 240</u>
(d) Interest expense:			
Mortgage notes payable	\$ 936	\$ 428	\$ 508
Facilities fees & other charges	76	89	(13)
	<u>\$ 1,012</u>	<u>\$ 517</u>	<u>\$ 495</u>
(e) Net loss from discontinued operations:			
Rental revenue	\$ -	\$ -	\$ -
Operating expenses	-	(28)	(28)
Depreciation expense	-	-	-
	<u>\$ -</u>	<u>\$ (28)</u>	<u>\$ (28)</u>

PS BUSINESS PARKS, INC.
CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED
(in thousands, except per share amounts)

	6/30/2007	6/30/2006	Increase (Decrease)	% Change
Revenues:				
Rental income	\$ 132,399	\$ 117,913	\$ 14,486 (a)	12.3%
Facility management fees	365	295	70	23.7%
Total operating revenues	<u>132,764</u>	<u>118,208</u>	<u>14,556</u>	<u>12.3%</u>
Expenses:				
Cost of operations	41,461	36,141	5,320 (b)	14.7%
Depreciation and amortization	46,556	41,536	5,020	12.1%
General and administrative	3,814	3,522	292 (c)	8.3%
Total operating expenses	<u>91,831</u>	<u>81,199</u>	<u>10,632</u>	<u>13.1%</u>
Other income and expenses:				
Interest and other income	2,990	3,573	(583)	(16.3%)
Interest expense	(2,119)	(1,030)	1,089 (d)	105.7%
Total other income and expenses	<u>871</u>	<u>2,543</u>	<u>(1,672)</u>	<u>(65.7%)</u>
Income from continuing operations before minority interests	<u>41,804</u>	<u>39,552</u>	<u>2,252</u>	<u>5.7%</u>
Minority interests in continuing operations:				
Minority interest in income - preferred units	(3,351)	(5,562)	(2,211)	(39.8%)
Minority interest in income - common units	(3,324)	(2,665)	659	24.7%
Total minority interests in continuing operations	<u>(6,675)</u>	<u>(8,227)</u>	<u>(1,552)</u>	<u>(18.9%)</u>
Income from continuing operations	<u>35,129</u>	<u>31,325</u>	<u>3,804</u>	<u>12.1%</u>
Discontinued operations:				
Loss from discontinued operations	-	(125)	(125) (e)	(100.0%)
Gain on disposition of real estate	-	2,328	(2,328) (f)	(100.0%)
Minority interest in earnings attributable to discontinued operations - common units	-	(560)	(560)	(100.0%)
Income from discontinued operations	<u>-</u>	<u>1,643</u>	<u>(1,643)</u>	<u>(100.0%)</u>
Net Income	<u>35,129</u>	<u>32,968</u>	<u>2,161</u>	<u>6.6%</u>
Net Income allocable to preferred shareholders				
Preferred distributions	25,425	21,853	3,572	16.3%
Redemption of preferred stock	-	1,658	(1,658)	(100.0%)
Total preferred distributions	<u>25,425</u>	<u>23,511</u>	<u>1,914</u>	<u>8.1%</u>
Net Income allocable to common shareholders	<u>\$ 9,704</u>	<u>\$ 9,457</u>	<u>\$ 247</u>	<u>2.6%</u>
Net income per common share - basic:				
Continuing operations	\$ 0.46	\$ 0.37	\$ 0.09	24.3%
Discontinued operations	\$ -	\$ 0.08	\$ (0.08)	(100.0%)
	\$ 0.46	\$ 0.44	\$ 0.02	4.5%
Net income per common share - diluted:				
Continuing operations	\$ 0.45	\$ 0.36	\$ 0.09	25.0%
Discontinued operations	\$ -	\$ 0.08	\$ (0.08)	(100.0%)
	\$ 0.45	\$ 0.44	\$ 0.01	2.3%
Weighted average common shares outstanding:				
Basic	<u>21,325</u>	<u>21,373</u>	<u>(48) (g)</u>	<u>(0.2%)</u>
Diluted	<u>21,692</u>	<u>21,648</u>	<u>44</u>	<u>0.2%</u>

PS BUSINESS PARKS, INC.
CONSOLIDATED STATEMENT OF INCOME
VARIANCE EXPLANATIONS
FOR THE SIX MONTHS ENDED
(in thousands)

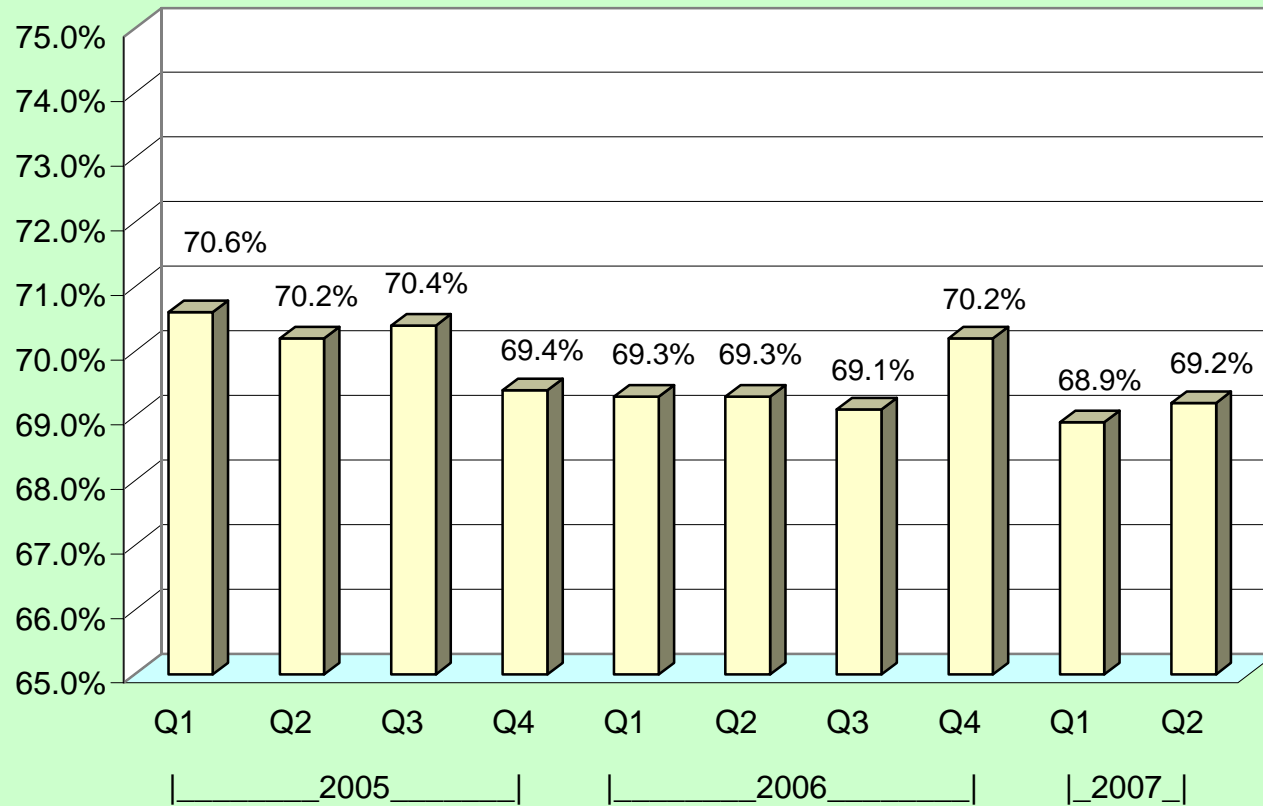
	06/30/07	06/30/06	Change
(a) Rental income:			
Same Park	\$ 117,712	\$ 113,206	\$ 4,506
Acquisitions	14,428	3,087	11,341
Straight-line rent	259	1,620	(1,361)
	<u>\$ 132,399</u>	<u>\$ 117,913</u>	<u>\$ 14,486</u>
(b) Cost of operations:			
Same Park	\$ 36,486	\$ 35,192	\$ 1,294
Acquisitions	4,975	949	4,026
	<u>\$ 41,461</u>	<u>\$ 36,141</u>	<u>\$ 5,320</u>
(c) General and administrative:			
Compensation expense	\$ 1,649	\$ 1,500	\$ 149
Stock compensation expense	1,171	1,009	162
Professional fees	330	391	(61)
Other	664	622	42
	<u>\$ 3,814</u>	<u>\$ 3,522</u>	<u>\$ 292</u>
(d) Interest expense:			
Mortgage notes payable	\$ 1,954	\$ 852	\$ 1,102
Facilities fees & other charges	165	178	(13)
	<u>\$ 2,119</u>	<u>\$ 1,030</u>	<u>\$ 1,089</u>
(e) Net loss from discontinued operations:			
Rental revenue	\$ -	\$ -	\$ -
Operating expenses	-	(98)	(98)
Depreciation expense	-	(27)	(27)
	<u>\$ -</u>	<u>\$ (125)</u>	<u>\$ (125)</u>
(f) Gain on disposition of real estate			
Woodside	\$ -	\$ -	\$ -
MICC	-	865	(865)
Other	-	1,463	(1,463)
	<u>\$ -</u>	<u>\$ 2,328</u>	<u>\$ (2,328)</u>
(g) Net decrease relates to stock repurchases partially offset by stock option exercises and vesting of restricted stock units.			

PS BUSINESS PARKS, INC.
Analysis of Capital Expenditures
(in thousands)

<u>Recurring capital expenditures (1)</u>	<u>Six Months Ended June 30, 2007 Costs</u>	<u>Cost per Weighted Average Square Foot</u>
Capital improvements (2)	\$4,891	\$0.25
Tenant improvements	7,501	\$0.39
Leasing commissions	2,412	\$0.13
Total recurring capital expenditures	<u>\$14,804</u>	<u>\$0.77</u>
<u>Non-recurring capital expenditures</u>		
Property renovations	\$2,467	
Total non-recurring capital expenditures	<u>\$2,467</u>	

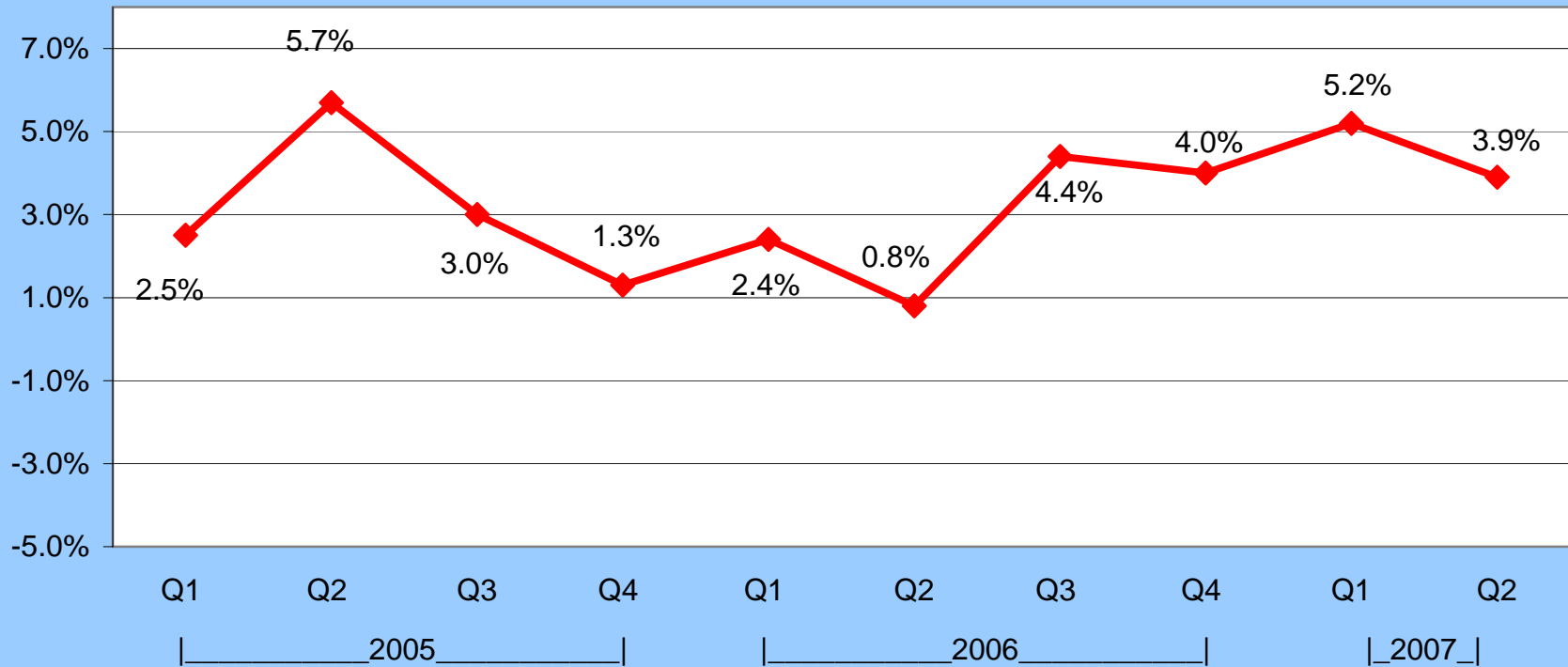
- (1) The Company defines "recurring capital expenditures" as those capitalized costs necessary to continue to operate the property at its current economic value. Leasing costs in excess of \$1,000 and capital improvements in excess of \$2,000 with a useful life greater than 24 months are capitalized. 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 expenses were \$9.5 million or approximately \$0.49 per weighted average square foot for the six months ended June 30, 2007 compared to \$8.2 million or approximately \$0.46 per weighted average square foot for the six months ended June 30, 2006.
- (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 *



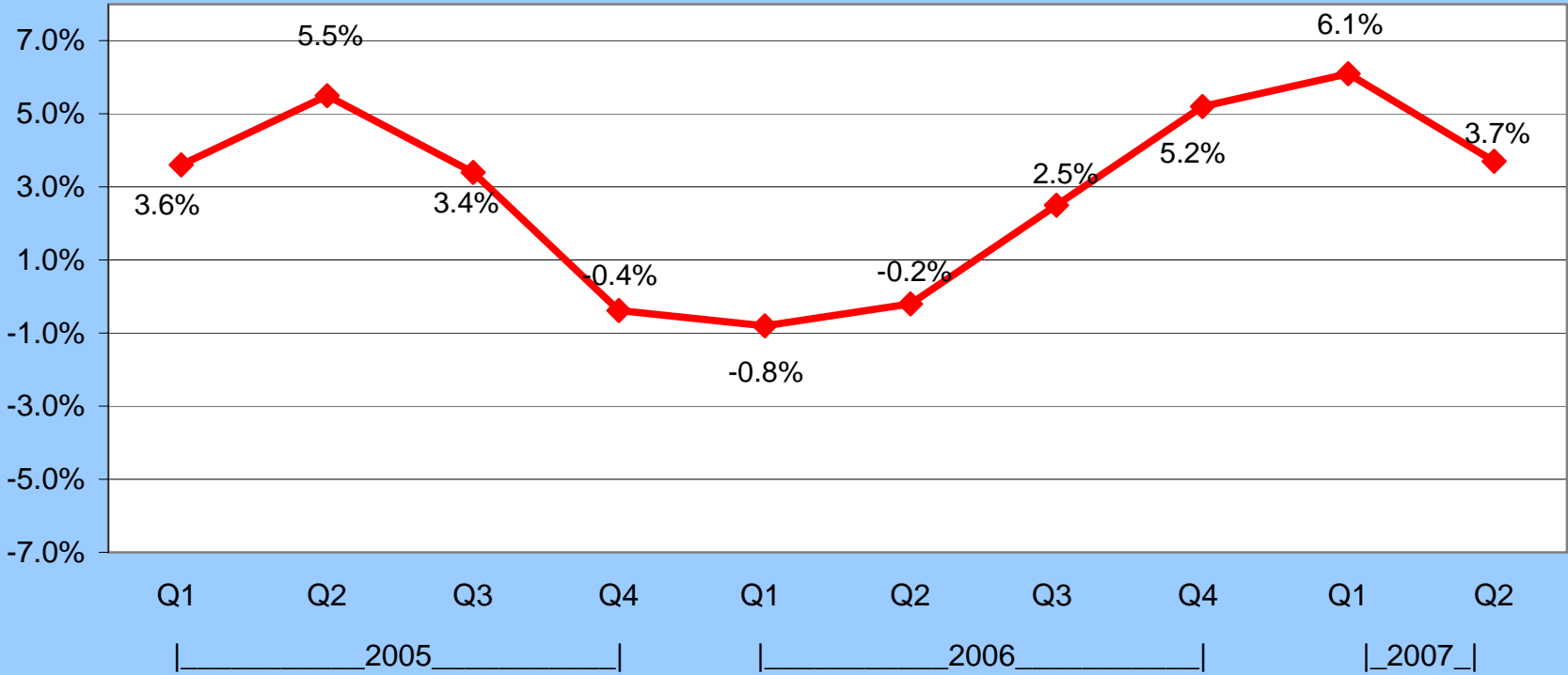
* Gross margin is computed by dividing property net operating income by rental income for Same Park properties owned in each period.

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. Q1 '06 and Q1 '07 exclude a \$1.8 million bankruptcy settlement received in Q1' 06.

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. Q1 '06 and Q1 '07 exclude a \$1.8 million bankruptcy settlement received in Q1 '06.

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

Industry Concentration as of June 30, 2007

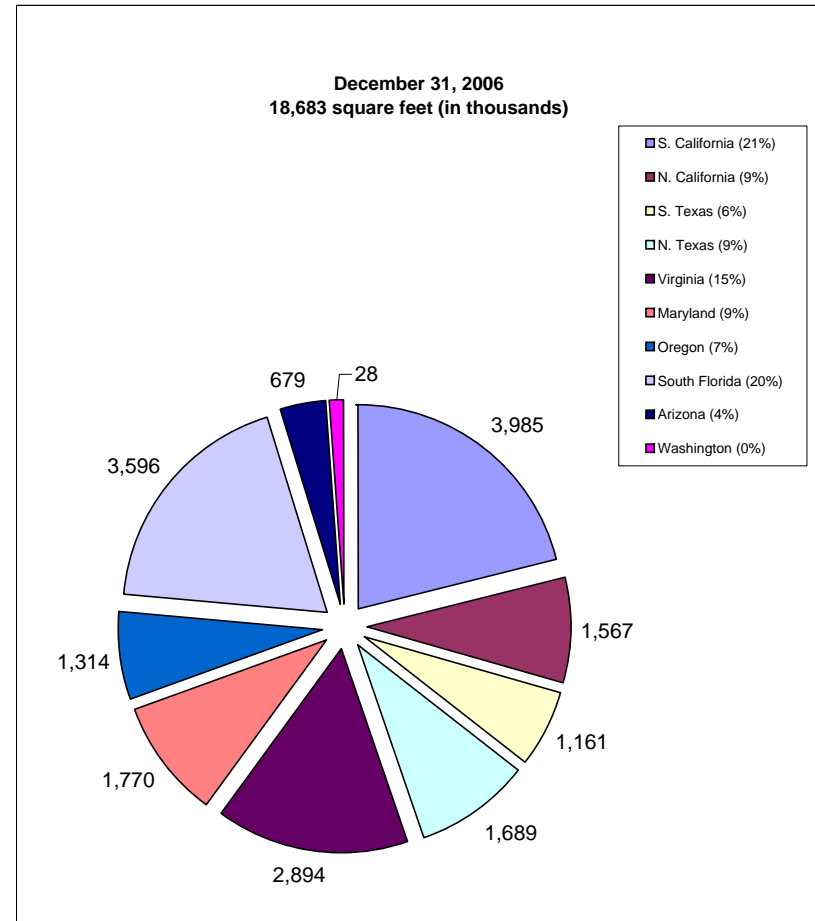
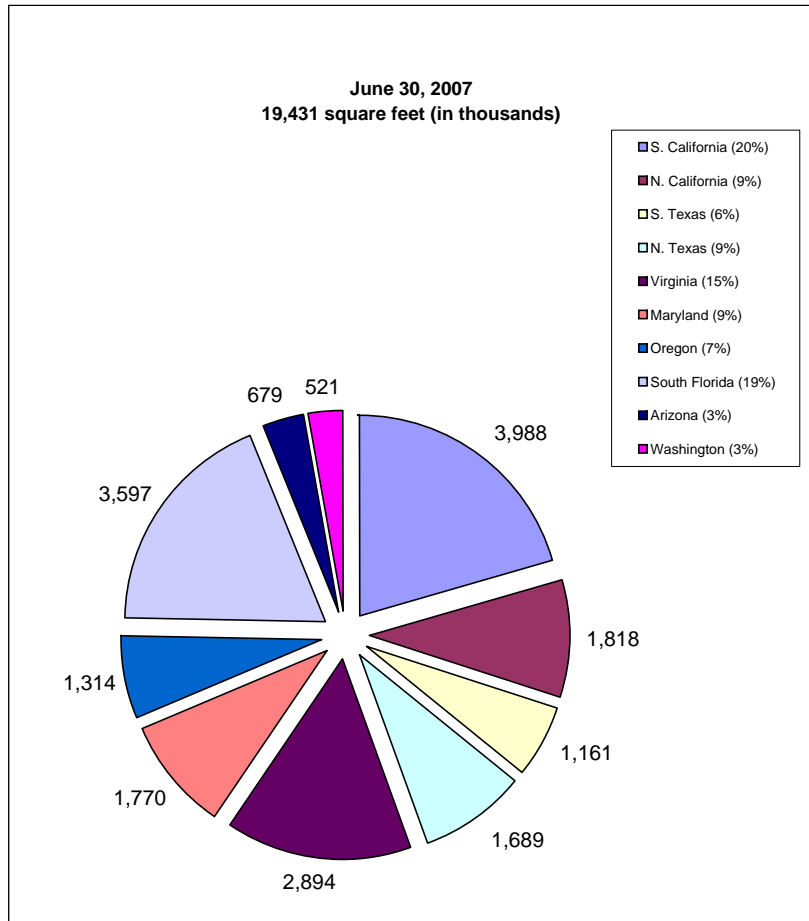
	<u>% of Total Rental Income</u>
Business Services	12.3%
Government	11.0%
Financial Services	10.5%
Contractors	9.4%
Computer Hardware, Software and Related Service	9.2%
Warehouse, Transportation and Logistics	8.9%
Health Services	7.0%
Retail	5.8%
Communications	5.5%
Home Furnishings	4.0%
Electronics	3.2%
	<u>86.8%</u>

Top Ten Customers by Total Annual Rental Income as of June 30, 2007

<u>Tenant</u>	<u>Square Footage</u>	<u>Annualized Rental Income (1)</u>	<u>% of Total Annualized Rental Income</u>
U.S. Government	469	\$ 11,900	4.4%
Kaiser Permanente	194	4,296	1.6%
Santa Clara County	97	3,191	1.2%
Intel	214	2,793	1.0%
Wells Fargo Bank	102	1,706	0.6%
AARP	102	1,562	0.6%
Northrop Grumman	58	1,542	0.6%
MCI	72	1,260	0.5%
American Intercontinental University	75	1,236	0.5%
Montgomery County Public Schools	47	1,221	0.5%
	<u>1,430</u>	<u>\$ 30,707</u>	<u>11.5%</u>

(1) For leases expiring within one year, annualized rental income represents income to be received under existing leases from June 30, 2007 through date of expiration.

Total Owned Rentable Square Footage by Region *



* Square footage excludes discontinued operations.

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

Rentable Square Footage of Properties as of June 30, 2007					
Primary Markets	Industrial	Office	Flex	Total	%
Miami	2,556	12	631	3,199	16.5%
Northern Virginia	-	948	1,946	2,894	14.9%
Northern California	407	431	981	1,819	9.4%
Maryland	-	883	887	1,770	9.1%
Dallas	231	-	1,458	1,689	8.7%
Orange County	-	704	911	1,615	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	-	-	398	398	2.0%
Houston	-	131	243	374	1.9%
Total	3,906	3,356	12,169	19,431	100.0%
Percentage by Product Type	20.1%	17.3%	62.6%	100.0%	

Average Occupancy Rates by Product Type for the Three Months Ended June 30, 2007				
Primary Markets	Industrial	Office	Flex	Total
Miami	99.6%	100.0%	96.2%	98.9%
Northern Virginia	-	93.3%	93.9%	93.7%
Northern California	85.8%	93.6%	88.8%	89.2%
Maryland	-	92.6%	97.7%	95.2%
Dallas	100.0%	-	82.1%	84.6%
Orange County	-	94.8%	94.1%	94.4%
Los Angeles County	98.9%	94.7%	93.6%	96.0%
Portland	-	96.3%	89.3%	90.3%
Austin	-	-	93.9%	93.9%
San Diego County	-	-	94.0%	94.0%
Phoenix	-	-	89.0%	89.0%
Seattle	-	94.0%	87.8%	88.1%
Palm Beach	-	-	93.6%	93.6%
Houston	-	92.7%	87.9%	89.6%
	98.1%	93.7%	91.4%	93.1%

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended June 30, 2007			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	99.3%	95.9%	98.9%
Northern Virginia	93.2%	94.6%	93.7%
Northern California	91.5%	87.0%	89.2%
Maryland	95.5%	92.3%	95.2%
Dallas	85.0%	82.6%	84.6%
Orange County	95.6%	93.3%	94.4%
Los Angeles County	98.9%	93.7%	96.0%
Portland	90.0%	91.9%	90.3%
Austin	93.5%	94.9%	93.9%
San Diego County	-	94.0%	94.0%
Phoenix	-	89.0%	89.0%
Seattle	-	88.1%	88.1%
Palm Beach	-	93.6%	93.6%
Houston	-	89.6%	89.6%
	94.1%	91.6%	93.1%

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 June 30, 2007					
Primary Markets	Industrial	Office	Flex	Total	%
Miami	2,556	12	631	3,199	18.3%
Northern Virginia	-	948	1,839	2,787	15.9%
Dallas	231	-	1,458	1,689	9.6%
Orange County	-	704	911	1,615	9.2%
Los Angeles County	712	31	772	1,515	8.7%
Northern California	407	430	663	1,500	8.6%
Portland	-	188	1,126	1,314	7.5%
Maryland	-	719	520	1,239	7.1%
Austin	-	-	787	787	4.5%
San Diego County	-	-	768	768	4.4%
Phoenix	-	-	679	679	3.9%
Seattle	-	-	28	28	0.2%
Houston	-	131	243	374	2.1%
Total	3,906	3,163	10,425	17,494	100.0%
Percentage by Product Type	22.3%	18.1%	59.6%	100.0%	

Average Occupancy Rates by Product Type for the Three Months Ended June 30, 2007				
Primary Markets	Industrial	Office	Flex	Total
Miami	99.6%	100.0%	96.2%	98.9%
Northern Virginia	-	93.3%	94.2%	94.0%
Dallas	100.0%	-	82.1%	84.6%
Orange County	-	94.8%	94.1%	94.4%
Los Angeles County	98.9%	94.7%	95.7%	97.2%
Northern California	85.8%	93.6%	93.9%	91.6%
Portland	-	96.3%	89.3%	90.4%
Maryland	-	92.9%	97.7%	94.9%
Austin	-	-	93.9%	93.9%
San Diego County	-	-	94.0%	94.0%
Phoenix	-	-	89.0%	89.0%
Seattle	-	-	93.8%	93.8%
Houston	-	92.7%	87.9%	89.6%
	98.1%	93.8%	91.8%	93.6%

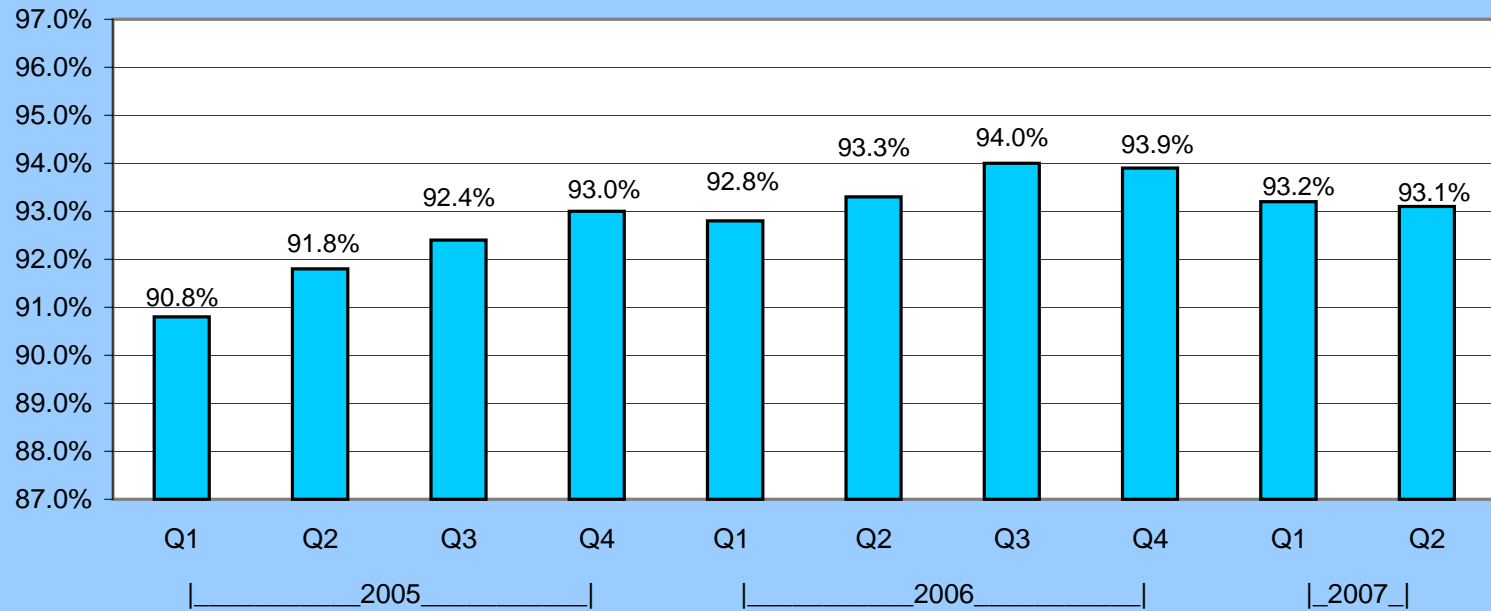
Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended June 30, 2007			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	99.3%	95.9%	98.9%
Northern Virginia	93.5%	94.6%	94.0%
Dallas	85.0%	82.6%	84.6%
Orange County	95.6%	93.3%	94.4%
Los Angeles County	98.9%	95.7%	97.2%
Northern California	91.5%	91.9%	91.6%
Portland	90.0%	91.9%	90.4%
Maryland	94.9%	96.6%	94.9%
Austin	93.5%	94.9%	93.9%
San Diego County	-	94.0%	94.0%
Phoenix	-	89.0%	89.0%
Seattle	-	93.8%	93.8%
Houston	-	89.6%	89.6%
	94.0%	92.7%	93.6%

Note:

Includes all properties owned since January 1, 2006.

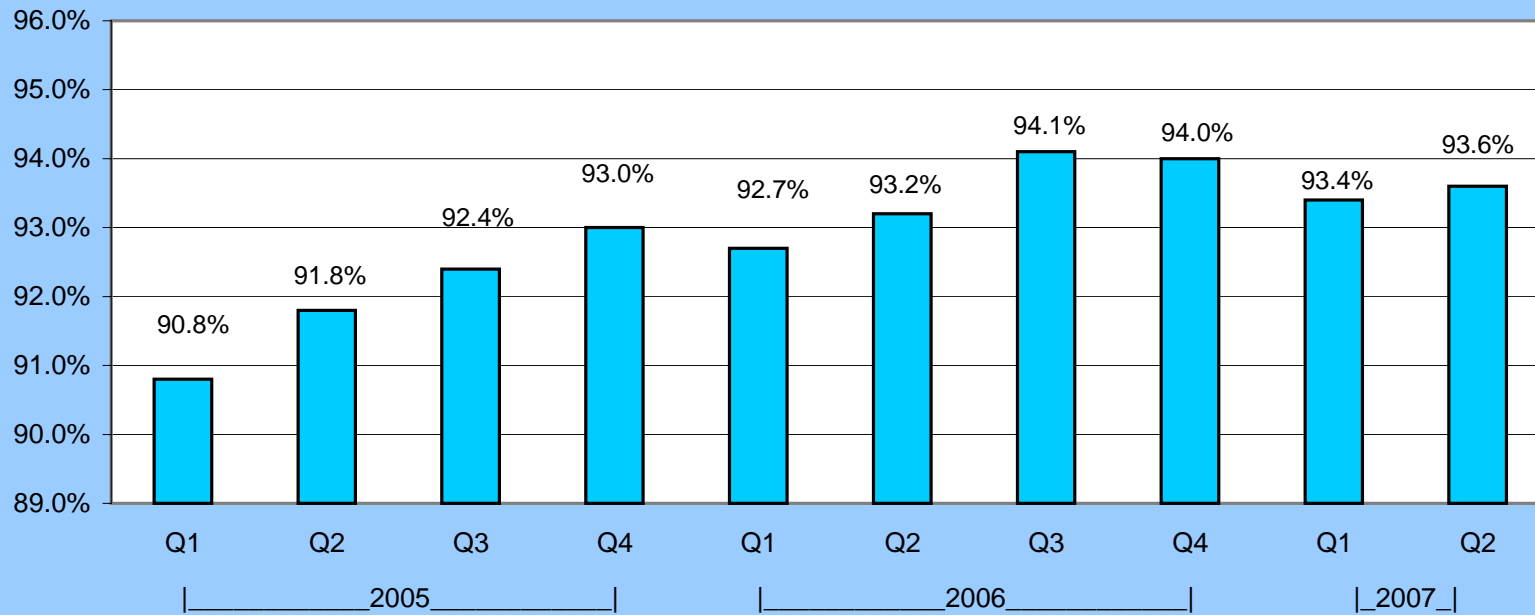
The Company's "large tenant" portfolio consists of properties with average leases greater than or equal to 5,000 square feet while the "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

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 Same Park weighted average occupancy as reported in each period.

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of June 30, 2007

(in thousands)

Lease Expirations - Flex					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2007	1,283	\$ 17,757	10.1%	6.3%	
2008	2,714	40,774	23.1%	14.4%	
2009	2,604	38,191	21.6%	13.5%	
2010	1,308	19,680	11.1%	6.9%	
2011	1,017	18,475	10.5%	6.5%	
Thereafter	2,274	41,639	23.6%	14.7%	
	<u>11,200</u>	<u>\$ 176,516</u>	<u>100.0%</u>	<u>62.3%</u>	

Lease Expirations - Office					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2007	249	\$ 5,978	7.9%	2.1%	
2008	683	15,440	20.5%	5.4%	
2009	533	11,323	14.9%	4.0%	
2010	678	16,599	21.9%	5.9%	
2011	411	10,487	13.8%	3.7%	
Thereafter	616	15,931	21.0%	5.6%	
	<u>3,170</u>	<u>\$ 75,758</u>	<u>100.0%</u>	<u>26.7%</u>	

Lease Expirations - Industrial					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2007	260	\$ 2,093	6.7%	0.7%	
2008	856	6,665	21.5%	2.4%	
2009	905	7,349	23.7%	2.6%	
2010	942	7,504	24.2%	2.6%	
2011	505	4,392	14.1%	1.6%	
Thereafter	396	3,029	9.8%	1.1%	
	<u>3,864</u>	<u>\$ 31,032</u>	<u>100.0%</u>	<u>11.0%</u>	

Lease Expirations - Total					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2007	1,792	\$ 25,828	9.1%	9.1%	
2008	4,253	62,879	22.2%	22.2%	
2009	4,042	56,863	20.1%	20.1%	
2010	2,928	43,783	15.4%	15.4%	
2011	1,933	33,354	11.8%	11.8%	
Thereafter	3,286	60,599	21.4%	21.4%	
	<u>18,234</u>	<u>\$ 283,306</u>	<u>100.0%</u>	<u>100.0%</u>	

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of June 30, 2007
(in thousands)

Southern California				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	338	\$ 5,751	8.4%	2.0%
2008	1,007	16,844	24.7%	5.9%
2009	949	16,094	23.6%	5.7%
2010	708	11,777	17.3%	4.2%
2011	380	6,665	9.8%	2.4%
Thereafter	421	11,045	16.2%	3.9%
	<u>3,803</u>	<u>\$ 68,176</u>	<u>100.0%</u>	<u>24.1%</u>

Northern California				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	229	\$ 3,231	13.5%	1.1%
2008	525	9,119	37.9%	3.2%
2009	355	4,450	18.6%	1.6%
2010	185	2,078	8.7%	0.7%
2011	97	1,322	5.5%	0.5%
Thereafter	251	3,782	15.8%	1.4%
	<u>1,642</u>	<u>\$ 23,982</u>	<u>100.0%</u>	<u>8.5%</u>

Southern Texas				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	107	\$ 1,005	8.1%	0.4%
2008	317	3,390	27.4%	1.2%
2009	276	2,853	23.0%	1.0%
2010	119	1,310	10.6%	0.5%
2011	52	627	5.1%	0.2%
Thereafter	232	3,201	25.8%	1.1%
	<u>1,103</u>	<u>\$ 12,386</u>	<u>100.0%</u>	<u>4.4%</u>

Northern Texas				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	84	\$ 920	5.6%	0.3%
2008	163	1,595	9.7%	0.6%
2009	220	1,765	10.7%	0.6%
2010	183	1,557	9.5%	0.6%
2011	103	1,244	7.6%	0.4%
Thereafter	763	9,386	56.9%	3.3%
	<u>1,516</u>	<u>\$ 16,467</u>	<u>100.0%</u>	<u>5.8%</u>

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of June 30, 2007
(in thousands)

South Florida				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	440	\$ 4,466	13.6%	1.6%
2008	862	7,349	22.5%	2.6%
2009	786	7,472	22.8%	2.7%
2010	745	6,566	20.1%	2.3%
2011	431	4,379	13.4%	1.5%
Thereafter	224	2,501	7.6%	0.9%
	<u>3,488</u>	<u>32,733</u>	<u>100.0%</u>	<u>11.6%</u>

Northern Virginia				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	141	\$ 2,265	4.1%	0.8%
2008	656	12,585	22.5%	4.4%
2009	517	9,444	17.0%	3.3%
2010	438	8,583	15.4%	3.0%
2011	159	3,437	6.2%	1.2%
Thereafter	858	19,369	34.8%	6.8%
	<u>2,769</u>	<u>\$ 55,683</u>	<u>100.0%</u>	<u>19.5%</u>

Maryland				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	196	\$ 4,784	12.0%	1.7%
2008	217	5,044	12.6%	1.8%
2009	267	4,933	12.3%	1.7%
2010	317	7,939	19.9%	2.7%
2011	339	8,861	22.2%	3.2%
Thereafter	358	8,384	21.0%	3.0%
	<u>1,694</u>	<u>\$ 39,945</u>	<u>100.0%</u>	<u>14.1%</u>

Oregon				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	74	\$ 1,249	6.4%	0.4%
2008	249	3,652	18.6%	1.3%
2009	328	5,425	27.6%	1.9%
2010	102	2,082	10.6%	0.8%
2011	302	5,753	29.2%	2.0%
Thereafter	80	1,508	7.6%	0.5%
	<u>1,135</u>	<u>\$ 19,669</u>	<u>100.0%</u>	<u>6.9%</u>

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of June 30, 2007
(in thousands)

Washington				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	59	\$ 785	11.5%	0.3%
2008	124	1,703	24.9%	0.6%
2009	143	1,890	27.7%	0.7%
2010	56	924	13.5%	0.3%
2011	48	790	11.6%	0.3%
Thereafter	35	735	10.8%	0.3%
	<u>465</u>	<u>\$ 6,827</u>	<u>100.0%</u>	<u>2.5%</u>

Arizona				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	124	\$ 1,372	18.4%	0.5%
2008	133	1,598	21.5%	0.6%
2009	201	2,537	34.1%	0.9%
2010	75	967	13.0%	0.3%
2011	22	276	3.7%	0.1%
Thereafter	64	688	9.3%	0.2%
	<u>619</u>	<u>\$ 7,438</u>	<u>100.0%</u>	<u>2.6%</u>

Total				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	1,792	\$ 25,831	9.1%	9.1%
2008	4,253	62,879	22.2%	22.2%
2009	4,042	56,863	20.1%	20.1%
2010	2,928	43,783	15.4%	15.4%
2011	1,933	33,354	11.8%	11.8%
Thereafter	3,286	60,599	21.4%	21.4%
	<u>18,234</u>	<u>\$ 283,309</u>	<u>100.0%</u>	<u>100.0%</u>

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of June 30, 2007

(in thousands)

Lease Expirations - Large Tenant Portfolio				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	678	\$ 9,481	5.7%	3.3%
2008	2,285	31,704	19.1%	11.2%
2009	2,236	27,986	17.0%	9.9%
2010	1,977	26,686	16.1%	9.4%
2011	1,456	24,212	14.6%	8.5%
Thereafter	2,585	45,489	27.5%	16.1%
Total	11,217	\$ 165,558	100.0%	58.4%

Lease Expirations - Small Tenant Portfolio				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	1,114	\$ 16,347	13.9%	5.8%
2008	1,968	31,175	26.5%	11.0%
2009	1,806	28,877	24.5%	10.2%
2010	951	17,097	14.5%	6.0%
2011	477	9,142	7.8%	3.3%
Thereafter	701	15,110	12.8%	5.3%
Total	7,017	\$ 117,748	100.0%	41.6%

Lease Expirations - Total				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	1,792	\$ 25,828	9.1%	9.1%
2008	4,253	62,879	22.2%	22.2%
2009	4,042	56,863	20.1%	20.1%
2010	2,928	43,783	15.4%	15.4%
2011	1,933	33,354	11.8%	11.8%
Thereafter	3,286	60,599	21.4%	21.4%
Total	18,234	\$ 283,306	100.0%	100.0%