



**PSBUSINESSPARKS**

**Analysis of Operating Results  
and Financial Condition**

**December 31, 2007**

**ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION  
FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2007**

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

OPERATING DATA							
	FOR THE THREE MONTHS ENDED			FOR THE YEARS ENDED			
	12/31/07	12/31/06	% Change	12/31/07	12/31/06	% Change	
Total rental income	\$ 69,846	\$ 62,606	11.6%	\$ 270,775	\$ 242,214	11.8%	
Total cost of operations	21,695	19,317	12.3%	84,360	74,671	13.0%	
Net operating income	<u>\$ 48,151</u>	<u>\$ 43,289</u>	11.2%	<u>\$ 186,415</u>	<u>\$ 167,543</u>	11.3%	
Net income allocable to common shareholders	\$ 3,758	\$ 3,712	1.2%	\$ 17,729	\$ 16,647	6.5%	
Net income per common share - diluted:							
Continuing operations	\$ 0.17	\$ 0.17	-	\$ 0.82	\$ 0.69	18.8%	
Discontinued operations	-	-	-	-	\$ 0.08	(100.0%)	
Net income per common share - diluted	\$ 0.17	\$ 0.17	-	\$ 0.82	\$ 0.77	6.5%	
Weighted average common shares outstanding - basic	21,257	21,303	(0.2%)	21,313	21,335	(0.1%)	
Weighted average common shares outstanding - diluted	21,519	21,666	(0.7%)	21,634	21,646	(0.1%)	
Weighted average common OP units outstanding	7,305	7,305	-	7,305	7,305	-	
Total fully-converted diluted shares	<u>28,824</u>	<u>28,971</u>	(0.5%)	<u>28,939</u>	<u>28,951</u>	(0.0%)	

FUNDS FROM OPERATIONS							
	FOR THE THREE MONTHS ENDED			FOR THE YEARS ENDED			
	12/31/07	12/31/06	% Change	12/31/07	12/31/06	% Change	
FFO allocable to common shareholders, before adjustments	\$ 31,808	\$ 29,193	9.0%	\$ 122,405	\$ 110,981	10.3%	
EITF Topic D-42	-	(1,722)	(100.0%)	-	(4,746)	(100.0%)	
FFO allocable to common shareholders	<u>\$ 31,808</u>	<u>\$ 27,471</u>	15.8%	<u>\$ 122,405</u>	<u>\$ 106,235</u>	15.2%	
Diluted FFO per common share and units - before adjustments	\$ 1.10	\$ 1.01	8.9%	\$ 4.23	\$ 3.83	10.4%	
Diluted FFO per common share and units	\$ 1.10	\$ 0.95	15.8%	\$ 4.23	\$ 3.67	15.3%	

PROPERTY INFORMATION							
	FOR THE THREE MONTHS ENDED			FOR THE YEARS ENDED			
	12/31/07	12/31/06	% Change	12/31/07	12/31/06	% Change	
<b>Total Owned Portfolio (1)</b> (excluding discontinued operations)							
Net rentable square footage at period end	19,556	18,687	4.7%	19,556	18,687	4.7%	
Weighted average occupancy	94.2%	93.9%	0.3%	93.4%	93.4%	-	
Annualized realized rent per sq. ft. (2)	\$ 15.17	\$ 14.52	4.5%	\$ 14.97	\$ 14.37	4.2%	
REVPAR (3)	\$ 14.29	\$ 13.63	4.8%	\$ 13.98	\$ 13.42	4.2%	
<b>Same Park Portfolio (1)</b>							
Net rentable square footage at period end	17,494	17,494	-	17,494	17,494	-	
Weighted average occupancy	94.7%	94.0%	0.7%	93.8%	93.4%	0.4%	
Annualized realized rent per sq. ft. (2)	\$ 14.71	\$ 14.19	3.7%	\$ 14.55	\$ 14.14	2.9%	
REVPAR (3)	\$ 13.93	\$ 13.34	4.4%	\$ 13.65	\$ 13.21	3.3%	

- (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.

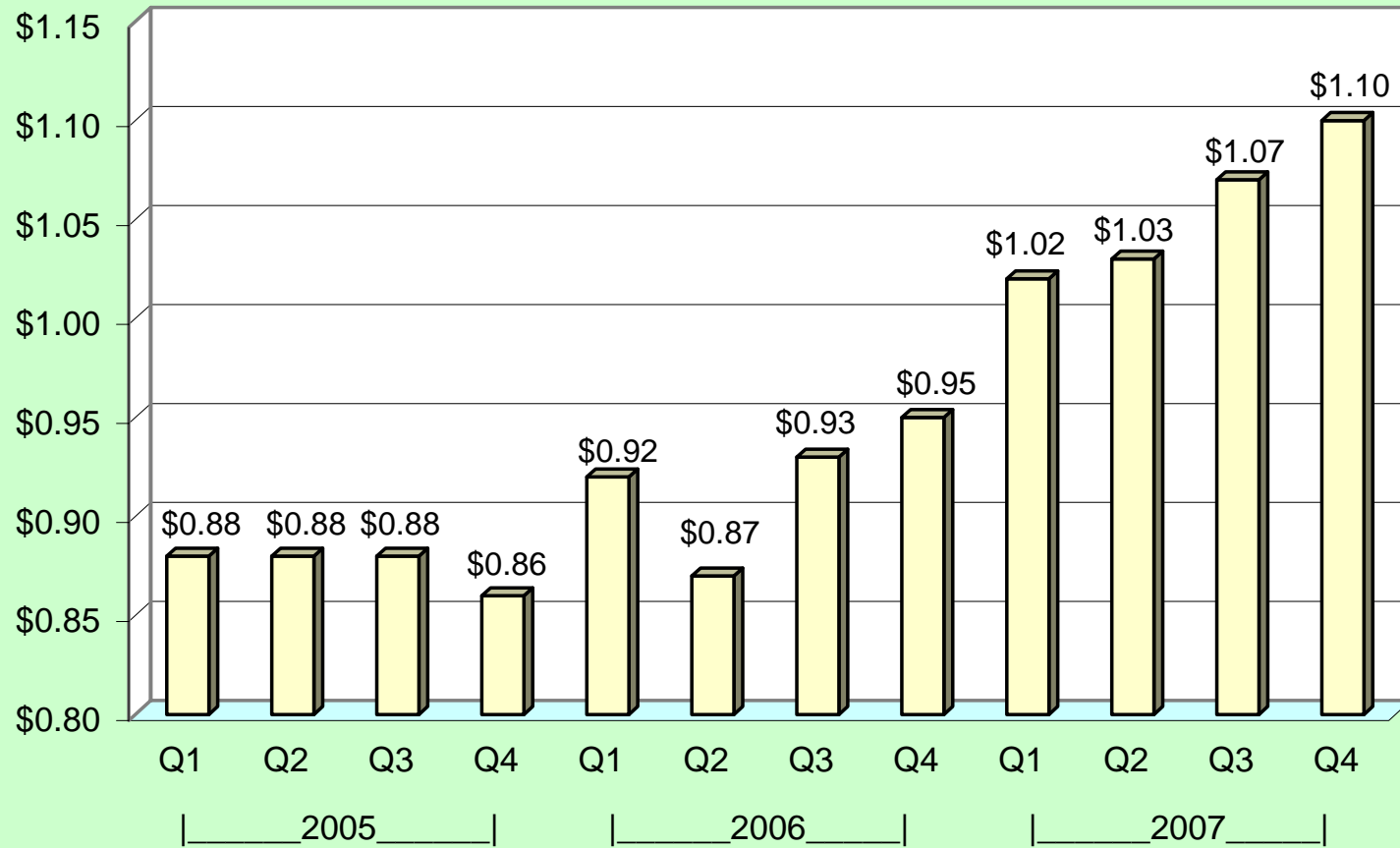
BALANCE SHEET DATA			
	12/31/07	12/31/06	% Change
Total assets	\$ 1,516,583	\$ 1,463,599	3.6%
Minority interest - preferred	\$ 94,750	\$ 82,750	14.5%
Minority interest - common	\$ 154,470	\$ 165,469	(6.6%)
Perpetual preferred stock	\$ 716,250	\$ 622,500	15.1%
Common shareholders' equity	\$ 439,330	\$ 482,703	(9.0%)
Total common shares outstanding at period end	20,777	21,311	(2.5%)
Book value per common share	\$ 21.15	\$ 22.65	(6.6%)

MARKET VALUE INFORMATION			
	12/31/07	12/31/06	% Change
Market value of common stock and common OP units	\$ 1,475,739	\$ 2,023,463	(27.1%)
Total debt	60,725	67,048	(9.4%)
Total preferred equity	811,000	705,250	15.0%
Total market capitalization	<u>\$ 2,347,464</u>	<u>\$ 2,795,761</u>	(16.0%)
Stock price at the end of the period	\$ 52.55	\$ 70.71	(25.7%)

**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 YEARS ENDED		Increase (Decrease)	% Change
	12/31/07	12/31/06			12/31/07	12/31/06		
<b>Funds from operations (FFO):</b>								
Net income allocable to common shareholders	\$ 3,758	\$ 3,712	\$ 46	1.2%	\$ 17,729	\$ 16,647	\$ 1,082	6.5%
Adjustments:								
Gain on disposition of real estate	-	-	-	-	-	(2,328)	(2,328)	(100.0%)
Depreciation and amortization	26,680	22,496	4,184	18.6%	98,521	86,243	12,278	14.2%
Minority interest in income - common units	1,370	1,263	107	8.5%	6,155	5,673	482	8.5%
FFO allocable to common shareholders/unitholders	\$ 31,808	\$ 27,471	\$ 4,337	15.8%	\$ 122,405	\$ 106,235	\$ 16,170	15.2%
Weighted average common shares outstanding	21,257	21,303	(46)	(0.2%)	21,313	21,335	(22)	(0.1%)
Weighted average common OP units outstanding	7,305	7,305	-	-	7,305	7,305	-	-
Weighted average common stock equivalents outstanding	262	363	(101)	(27.8%)	321	311	10	3.2%
Total pro forma fully-converted shares	28,824	28,971	(147)	(0.5%)	28,939	28,951	(12)	(0.0%)
Diluted FFO per common share/OP unit	\$ 1.10	\$ 0.95	\$ 0.15	15.8%	\$ 4.23	\$ 3.67	\$ 0.56	15.3%
<b>Funds available for distribution (FAD):</b>								
Funds from operations	\$ 31,808	\$ 27,471	\$ 4,337	15.8%	\$ 122,405	\$ 106,235	\$ 16,170	15.2%
Adjustments:								
Recurring capital improvements	(3,140)	(4,362)	(1,222)	(28.0%)	(13,677)	(10,773)	2,904	27.0%
Tenant improvements	(6,073)	(5,741)	332	5.8%	(17,882)	(17,989)	(107)	(0.6%)
Lease commissions	(2,026)	(1,285)	741	57.7%	(5,803)	(5,334)	469	8.8%
Straight-line rent	16	(367)	(383)	(104.4%)	(473)	(2,804)	(2,331)	(83.1%)
Stock compensation expense	978	796	182	22.9%	3,724	2,845	879	30.9%
In-place lease adjustment	(49)	60	(109)	(181.7%)	(102)	232	(334)	(144.0%)
Lease incentives net of tenant improvement reimbursements	(129)	53	(182)	(343.4%)	(33)	440	(473)	(107.5%)
Redemption amount over carrying amount related to redeemed preferred equity	-	1,722	(1,722)	(100.0%)	-	4,746	(4,746)	(100.0%)
FAD	\$ 21,385	\$ 18,347	\$ 3,038	16.6%	\$ 88,159	\$ 77,598	\$ 10,561	13.6%
Diluted FAD per common share/OP unit	\$ 0.74	\$ 0.63	\$ 0.11	17.5%	\$ 3.05	\$ 2.68	\$ 0.37	13.8%
<b>Cash available for debt repayments and reinvestments:</b>								
FAD	\$ 21,385	\$ 18,347	\$ 3,038	16.6%	\$ 88,159	\$ 77,598	\$ 10,561	13.6%
Distributions to common shareholders	(9,351)	(6,180)	3,171	51.3%	(34,315)	(24,718)	9,597	38.8%
Distributions to common OP unit holders	(3,214)	(2,118)	1,096	51.7%	(11,761)	(8,474)	3,287	38.8%
Cash available for debt repayments and reinvestments	\$ 8,820	\$ 10,049	\$ (1,229)	(12.2%)	\$ 42,083	\$ 44,406	\$ (2,323)	(5.2%)
FAD payout ratio	58.8%	45.2%	13.6%	30.1%	52.3%	42.8%	9.5%	22.2%

## Reported Diluted FFO Per Common Share/OP Unit



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

	As of December 31, 2007			As of December 31, 2006		
	Total	% of Total Market Capitalization	WTD Average Rate	Total	% of Total Market Capitalization	WTD Average Rate
<b>Long-Term Debt:</b>						
7.290% mortgage note, due February 2009	\$ 5,323			\$ 5,490		
5.730% mortgage note, due March 2013	14,510			14,743		
5.520% mortgage note, due May 2013	10,274			10,483		
5.680% mortgage note, due May 2013	10,281			10,486		
6.150% mortgage note, due November 2031 (includes unamortized premium of \$834,000 on \$16.5 million mortgage note with stated rate of 7.200%)	17,348			17,759		
5.610% mortgage note, due January 2011 (includes unamortized premium of \$198,000 on \$2.8 million mortgage note with stated rate of 7.610%)	2,989			3,085		
8.190% mortgage note, repaid March 2007	-			5,002		
<b>Total mortgage notes payable(1)</b>	<b>60,725</b>	<b>2.6%</b>	<b>5.94%</b>	<b>67,048</b>	<b>2.4%</b>	<b>6.11%</b>
<b>Total debt</b>	<b>60,725</b>	<b>2.6%</b>	<b>5.94%</b>	<b>67,048</b>	<b>2.4%</b>	<b>6.11%</b>
<b>Preferred Equity</b>						
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		
<b>Total preferred equity</b>	<b>811,000</b>	<b>34.5%</b>	<b>7.16%</b>	<b>705,250</b>	<b>25.2%</b>	<b>7.37%</b>
<b>Total debt and preferred equity</b>	<b>871,725</b>	<b>37.1%</b>	<b>7.07%</b>	<b>772,298</b>	<b>27.6%</b>	<b>7.26%</b>
Common stock (20,777,219 and 21,311,005 shares outstanding as of December 31, 2007 and December 31, 2006, respectively)	1,091,843			1,506,901		
Common operating partnership units (7,305,355 units outstanding as of December 31, 2007 and December 31, 2006)	383,896			516,562		
<b>Total common equity(2)</b>	<b>1,475,739</b>	<b>62.9%</b>		<b>2,023,463</b>	<b>72.4%</b>	
<b>Total market capitalization</b>	<b>\$ 2,347,464</b>	<b>100%</b>		<b>\$ 2,795,761</b>	<b>100%</b>	

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

	Principal Maturity Dates						
	2008	2009	2010	2011	2012	Thereafter	Total
Park East III \$	179	\$ 5,144	\$ -	\$ -	\$ -	\$ -	5,323
Rose Canyon	244	261	277	293	308	13,127	14,510
Meadows	237	258	278	15,741	-	-	16,514
Palm Beach	477	507	536	3,178	547	18,101	23,346
Meadows Loan Premium	198	208	218	210	-	-	834
Palm Beach Loan Premium	61	64	67	6	-	-	198
<b>\$</b>	<b>1,396</b>	<b>\$ 6,442</b>	<b>\$ 1,376</b>	<b>\$ 19,428</b>	<b>\$ 855</b>	<b>\$ 31,228</b>	<b>\$ 60,725</b>

(2) Closing stock price was \$52.55 and \$70.71 as of December 31, 2007 and December 31, 2006, respectively.

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

	12/31/07	12/31/06	Increase (Decrease)	% Change
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 35,041	\$ 67,017	\$ (31,976)	(a) (47.7%)
Real estate facilities, at cost:				
Land	494,849	439,777	55,072	12.5%
Buildings and equipment	1,484,049	1,353,442	130,607	9.6%
	1,978,898	1,793,219	185,679	(b) 10.4%
Accumulated depreciation	(539,857)	(441,336)	98,521	22.3%
	1,439,041	1,351,883	87,158	6.4%
Land held for development	7,869	9,011	(1,142)	(12.7%)
	1,446,910	1,360,894	86,016	6.3%
Rent receivable	2,240	2,080	160	(c) 7.7%
Deferred rent receivables	21,927	21,454	473	2.2%
Other assets	10,465	12,154	(1,689)	(d) (13.9%)
Total assets	<u>\$ 1,516,583</u>	<u>\$ 1,463,599</u>	<u>\$ 52,984</u>	<u>3.6%</u>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>				
Accrued and other liabilities	\$ 51,058	\$ 43,129	\$ 7,929	(e) 18.4%
Preferred stock called for redemption	-	50,000	(50,000)	(100.0%)
Mortgage notes payable	60,725	67,048	(6,323)	(9.4%)
Total liabilities	111,783	160,177	(48,394)	(30.2%)
Minority interests:				
Preferred units	94,750	82,750	12,000	14.5%
Common units	154,470	165,469	(10,999)	(6.6%)
Shareholders' equity:				
Preferred stock	716,250	572,500	143,750	25.1%
Common stock	207	213	(6)	(2.8%)
Paid-in capital	371,267	398,048	(26,781)	(f) (6.7%)
Cumulative net income	552,069	483,403	68,666	14.2%
Cumulative distributions	(484,213)	(398,961)	85,252	(g) 21.4%
Total shareholders' equity	<u>1,155,580</u>	<u>1,055,203</u>	<u>100,377</u>	<u>9.5%</u>
Total liabilities and shareholders' equity	<u>\$ 1,516,583</u>	<u>\$ 1,463,599</u>	<u>\$ 52,984</u>	<u>3.6%</u>

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

<b>(a) Change in cash and cash equivalents:</b>			
Beginning cash balance			\$ 67,017
Net cash provided by operating activities			184,094
Net cash used in investing activities			(180,188)
Net cash provided by financing activities			(35,882)
Ending cash balance			<u>\$ 35,041</u>
<b>(b) Change in real estate facilities, at cost:</b>			
Beginning balance			\$ 1,793,219
Property acquisitions			141,936
Property renovations			5,239
Transfer from land held for development			1,142
Recurring capital improvements			13,677
Tenant improvements			17,882
Lease commissions			5,803
Ending balance			<u>\$ 1,978,898</u>
<b>(c) Rent receivable consists of the following:</b>			
	<u>12/31/07</u>	<u>12/31/06</u>	Increase (Decrease)
U.S. Government tenants	\$ 1,143	\$ 1,039	\$ 104
Other	1,397	\$ 1,341	56
Allowance for bad debt	(300)	\$ (300)	-
	<u>\$ 2,240</u>	<u>\$ 2,080</u>	<u>\$ 160</u>
<b>(d) Change in other assets:</b>			
	<u>12/31/07</u>	<u>12/31/06</u>	Increase (Decrease)
Insurance claim receivable	\$ 122	\$ 1,359	\$ (1,237)
Prepaid insurance	1,316	922	394
Prepaid property taxes	2,615	2,184	431
Lease incentives, net	1,705	2,148	(443)
Mortgage impounds	1,474	1,063	411
In-place lease adjustment, net	419	656	(237)
Other	2,813	3,822	(1,009)
	<u>\$ 10,465</u>	<u>\$ 12,154</u>	<u>\$ (1,689)</u>
<b>(e) Accrued and other liabilities consists of:</b>			
	<u>12/31/07</u>	<u>12/31/06</u>	Increase (Decrease)
Prepaid rent	\$ 6,564	\$ 6,883	\$ (319)
Accrued property taxes	5,197	4,905	292
Security deposits	19,118	17,879	1,239
In-place lease adjustment, net	1,017	-	1,017
Reserves for acquisition costs	2,001	3,031	(1,030)
Other	17,161	10,431	6,730
	<u>\$ 51,058</u>	<u>\$ 43,129</u>	<u>\$ 7,929</u>
<b>(f) Change in paid-in capital:</b>			
Beginning paid-in capital			\$ 398,048
Shelf registration			(88)
Repurchase of common stock			(31,847)
Issuance of preferred stock			(4,183)
Exercise of stock options			1,468
Restricted stock and stock compensation			2,813
Adjustment to reflect minority interest to underlying ownership			5,056
Ending paid in capital			<u>\$ 371,267</u>
<b>(g) Change in cumulative distributions:</b>			
Beginning cumulative distributions			\$ 398,961
Distributions to preferred shareholders			50,937
Distributions to common shareholders			34,315
Ending cumulative distributions			<u>\$ 484,213</u>

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

	12/31/07	12/31/06	Increase (Decrease)	% Change
<b>Revenues:</b>				
Rental income	\$ 69,846	\$ 62,606	\$ 7,240 (a)	11.6%
Facility management fees	182	183	(1)	(0.5%)
Total operating revenues	<u>70,028</u>	<u>62,789</u>	<u>7,239</u>	<u>11.5%</u>
<b>Expenses:</b>				
Cost of operations	21,695	19,317	2,378 (b)	12.3%
Depreciation and amortization	26,680	22,496	4,184	18.6%
General and administrative	1,979	1,782	197 (c)	11.1%
Total operating expenses	<u>50,354</u>	<u>43,595</u>	<u>6,759</u>	<u>15.5%</u>
<b>Other income and expenses:</b>				
Interest and other income	963	1,417	(454)	(32.0%)
Interest expense	(1,002)	(917)	85 (d)	9.3%
Total other income and expenses	<u>(39)</u>	<u>500</u>	<u>(539)</u>	<u>(107.8%)</u>
Income from continuing operations before minority interests	<u>19,635</u>	<u>19,694</u>	<u>(59)</u>	<u>(0.3%)</u>
<b>Minority interests in continuing operations:</b>				
Minority interest in income - preferred units	(1,751)	(1,555)	196	12.6%
Minority interest in income - common units	(1,370)	(1,263)	107	8.5%
Total minority interests in continuing operations	<u>(3,121)</u>	<u>(2,818)</u>	<u>303</u>	<u>10.8%</u>
Net Income	<u>16,514</u>	<u>16,876</u>	<u>(362)</u>	<u>(2.1%)</u>
<b>Net Income allocable to preferred shareholders</b>				
Preferred distributions	12,756	11,442	1,314	11.5%
Redemption of preferred stock	-	1,722	(1,722)	(100.0%)
Total preferred distributions	<u>12,756</u>	<u>13,164</u>	<u>(408)</u>	<u>(3.1%)</u>
Net Income allocable to common shareholders	<u>\$ 3,758</u>	<u>\$ 3,712</u>	<u>\$ 46</u>	<u>1.2%</u>
<b>Net income per common share - basic:</b>				
Continuing operations	\$ 0.18	\$ 0.17	\$ 0.01	5.9%
Discontinued operations	\$ -	\$ -	\$ -	-
Net Income	\$ 0.18	\$ 0.17	\$ 0.01	5.9%
<b>Net income per common share - diluted:</b>				
Continuing operations	\$ 0.17	\$ 0.17	\$ -	-
Discontinued operations	\$ -	\$ -	\$ -	-
Net Income	\$ 0.17	\$ 0.17	\$ -	-
<b>Weighted average common shares outstanding:</b>				
Basic	21,257	21,303	(46)	(0.2%)
Diluted	<u>21,519</u>	<u>21,666</u>	<u>(147)</u>	<u>(0.7%)</u>

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

	12/31/07	12/31/06	Increase (Decrease)
<b>(a) Rental income:</b>			
Same Park	\$ 61,235	\$ 58,113	\$ 3,122
Non-Same Park	8,627	4,126	4,501
Same Park straight-line rent	(307)	222	(529)
Non-Same Park straight-line rent	291	145	146
	<u>\$ 69,846</u>	<u>\$ 62,606</u>	<u>\$ 7,240</u>
<b>(b) Cost of operations:</b>			
Same Park	\$ 18,236	\$ 17,452	\$ 784
Non-Same Park	3,459	1,865	1,594
	<u>\$ 21,695</u>	<u>\$ 19,317</u>	<u>\$ 2,378</u>
<b>(c) General and administrative expenses:</b>			
Cash and non-cash compensation expense	\$ 1,508	\$ 1,195	\$ 313
Professional fees	171	214	(43)
Other	300	373	(73)
	<u>\$ 1,979</u>	<u>\$ 1,782</u>	<u>\$ 197</u>
<b>(d) Interest expense:</b>			
Mortgage notes payable	\$ (914)	\$ (829)	\$ 85
Facilities fees & other charges	(88)	(88)	-
	<u>\$ (1,002)</u>	<u>\$ (917)</u>	<u>\$ 85</u>

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

	12/31/2007	12/31/2006	Increase (Decrease)	% Change
<b>Revenues:</b>				
Rental income	\$ 270,775	\$ 242,214	\$ 28,561 (a)	11.8%
Facility management fees	724	625	99	15.8%
Total operating revenues	<u>271,499</u>	<u>242,839</u>	<u>28,660</u>	<u>11.8%</u>
<b>Expenses:</b>				
Cost of operations	84,360	74,671	9,689 (b)	13.0%
Depreciation and amortization	98,521	86,216	12,305	14.3%
General and administrative	7,917	7,046	871 (c)	12.4%
Total operating expenses	<u>190,798</u>	<u>167,933</u>	<u>22,865</u>	<u>13.6%</u>
<b>Other income and expenses:</b>				
Interest and other income	5,104	6,874	(1,770)	(25.7%)
Interest expense	(4,130)	(2,575)	1,555 (d)	60.4%
Total other income and expenses	<u>974</u>	<u>4,299</u>	<u>(3,325)</u>	<u>(77.3%)</u>
Income from continuing operations before minority interests	<u>81,675</u>	<u>79,205</u>	<u>2,470</u>	<u>3.1%</u>
<b>Minority interests in continuing operations:</b>				
Minority interest in income - preferred units				
Distributions to preferred unit holders	(6,854)	(9,789)	(2,935)	(30.0%)
Redemption of preferred operating partnership units	-	(1,366)	(1,366)	(100.0%)
Minority interest in income - common units	<u>(6,155)</u>	<u>(5,113)</u>	<u>1,042</u>	<u>20.4%</u>
Total minority interests in continuing operations	<u>(13,009)</u>	<u>(16,268)</u>	<u>(3,259)</u>	<u>(20.0%)</u>
Income from continuing operations	<u>68,666</u>	<u>62,937</u>	<u>5,729</u>	<u>9.1%</u>
<b>Discontinued operations:</b>				
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	<u>-</u>	<u>(560)</u>	<u>(560)</u>	<u>(100.0%)</u>
Income from discontinued operations	<u>-</u>	<u>1,643</u>	<u>(1,643)</u>	<u>(100.0%)</u>
Net Income	<u>68,666</u>	<u>64,580</u>	<u>4,086</u>	<u>6.3%</u>
<b>Net Income allocable to preferred shareholders</b>				
Preferred distributions	50,937	44,553	6,384	14.3%
Redemption of preferred stock	<u>-</u>	<u>3,380</u>	<u>(3,380)</u>	<u>(100.0%)</u>
Total preferred distributions	<u>50,937</u>	<u>47,933</u>	<u>3,004</u>	<u>6.3%</u>
Net Income allocable to common shareholders	<u>\$ 17,729</u>	<u>\$ 16,647</u>	<u>\$ 1,082</u>	<u>6.5%</u>
<b>Net income per common share - basic:</b>				
Continuing operations	\$ 0.83	\$ 0.70	\$ 0.13	18.6%
Discontinued operations	\$ -	\$ 0.08	\$ (0.08)	(100.0%)
Net Income	\$ 0.83	\$ 0.78	\$ 0.05	6.4%
<b>Net income per common share - diluted:</b>				
Continuing operations	\$ 0.82	\$ 0.69	\$ 0.13	18.8%
Discontinued operations	\$ -	\$ 0.08	\$ (0.08)	(100.0%)
Net Income	\$ 0.82	\$ 0.77	\$ 0.05	6.5%
<b>Weighted average common shares outstanding:</b>				
Basic	<u>21,313</u>	<u>21,335</u>	<u>(22) (g)</u>	<u>(0.1%)</u>
Diluted	<u>21,634</u>	<u>21,646</u>	<u>(12)</u>	<u>(0.1%)</u>

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

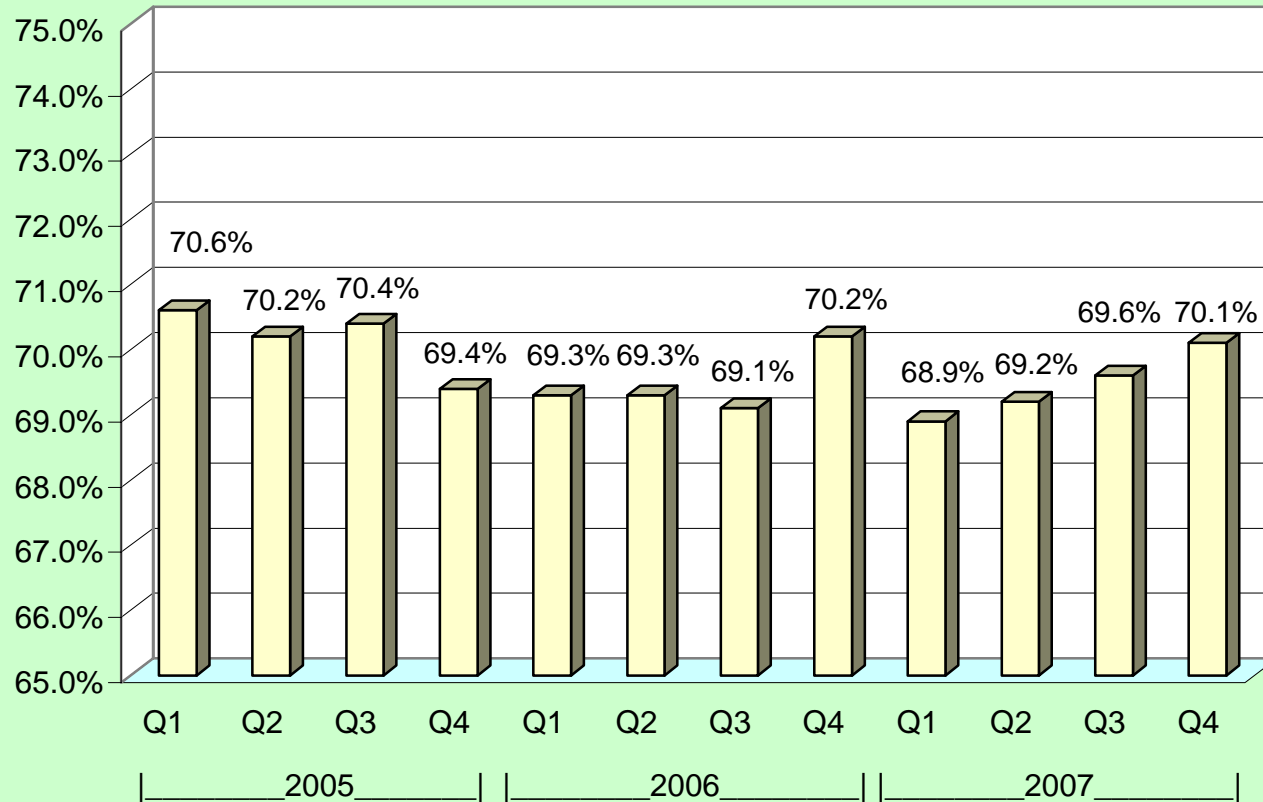
	12/31/07	12/31/06	Increase (Decrease)
<b>(a) Rental income:</b>			
Same Park	\$ 239,196	\$ 228,795	\$ 10,401
Non-Same Park	31,106	10,615	20,491
Same Park straight-line rent	(413)	2,170	(2,583)
Non-Same Park straight-line rent	886	634	252
	<u>\$ 270,775</u>	<u>\$ 242,214</u>	<u>\$ 28,561</u>
<b>(b) Cost of operations:</b>			
Same Park	\$ 72,995	\$ 70,707	\$ 2,288
Non-Same Park	11,365	3,964	7,401
	<u>\$ 84,360</u>	<u>\$ 74,671</u>	<u>\$ 9,689</u>
<b>(c) General and administrative expenses:</b>			
Cash and non-cash compensation expense	\$ 5,916	\$ 5,027	\$ 889
Professional fees	727	777	(50)
Other	1,274	1,242	32
	<u>\$ 7,917</u>	<u>\$ 7,046</u>	<u>\$ 871</u>
<b>(d) Interest expense:</b>			
Mortgage notes payable	\$ (3,776)	\$ (2,214)	\$ 1,562
Facilities fees & other charges	(354)	(361)	(7)
	<u>\$ (4,130)</u>	<u>\$ (2,575)</u>	<u>\$ 1,555</u>
<b>(e) Net loss from discontinued operations:</b>			
Rental revenue	\$ -	\$ -	\$ -
Operating expenses	-	(98)	(98)
Depreciation expense	-	(27)	(27)
	<u>\$ -</u>	<u>\$ (125)</u>	<u>\$ (125)</u>
<b>(f) Gain on disposition of real estate:</b>			
Woodside	\$ -	\$ -	\$ -
MICC	-	865	(865)
Other	-	1,463	(1,463)
	<u>\$ -</u>	<u>\$ 2,328</u>	<u>\$ (2,328)</u>
<b>(g) Net decrease relates to stock repurchases partially offset by stock option exercises and vesting of restricted stock units.</b>			

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

<b><u>Recurring capital expenditures (1)</u></b>	<b>Year Ended December 31, 2007 Costs</b>	<b>Cost per Weighted Average Square Foot</b>
Capital improvements (2)	\$13,677	\$0.71
Tenant improvements	17,882	\$0.92
Lease commissions	5,803	\$0.30
Total recurring capital expenditures	<u>\$37,362</u>	<u>\$1.93</u>
<b><u>Non-recurring capital expenditures</u></b>		
Property renovations	\$5,239	
Total non-recurring capital expenditures	<u>\$5,239</u>	

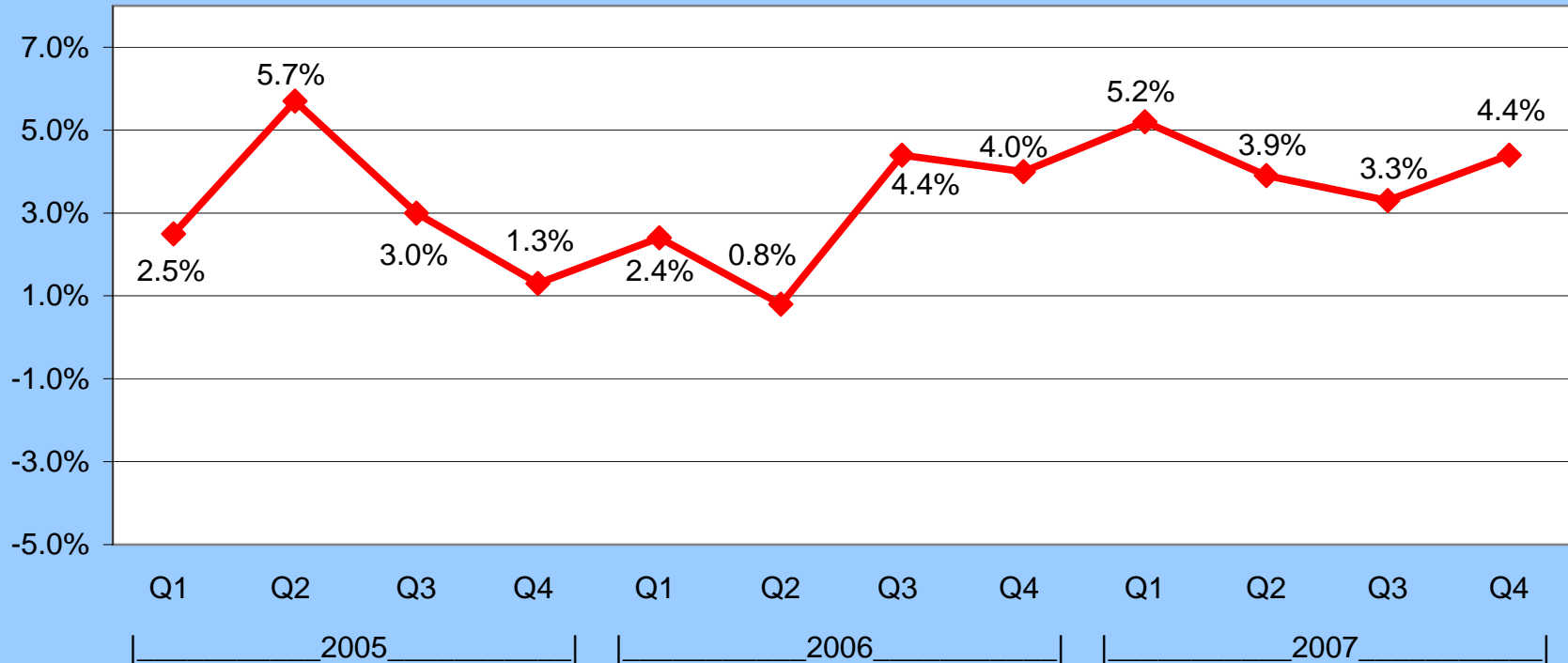
- (1) The Company defines "recurring capital expenditures" as those capitalized costs necessary to continue to operate the property at its current economic value. Leasing costs in excess of \$1,000 and capital improvements in excess of \$2,000 with a useful life greater than 24 months are capitalized. 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 \$19.3 million or approximately \$1.00 per weighted average square foot for the year ended December 31, 2007 compared to \$17.1 million or approximately \$0.95 per weighted average square foot for year ended December 31, 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 \*



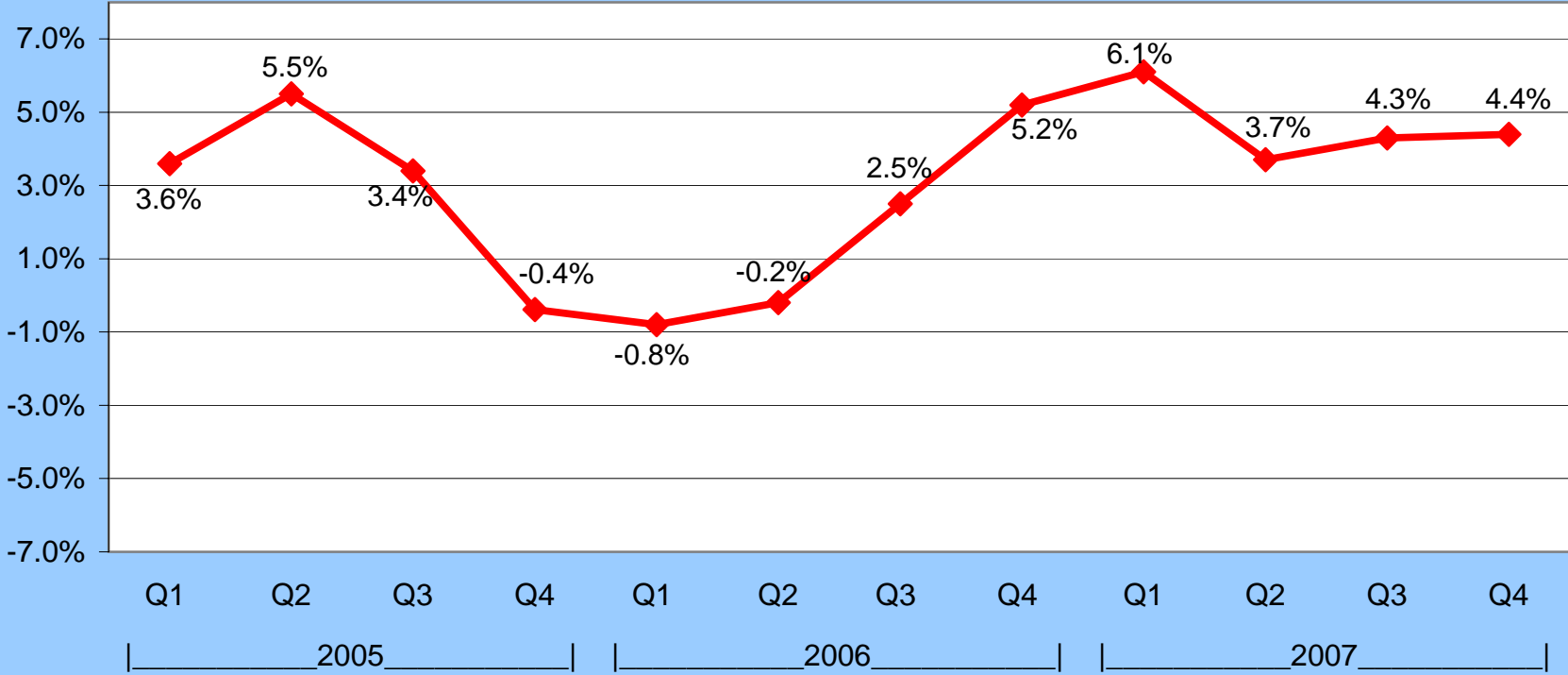
\* Gross margin is computed by dividing property net operating income by rental income for Same Park properties owned in each period.

## 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 December 31, 2007

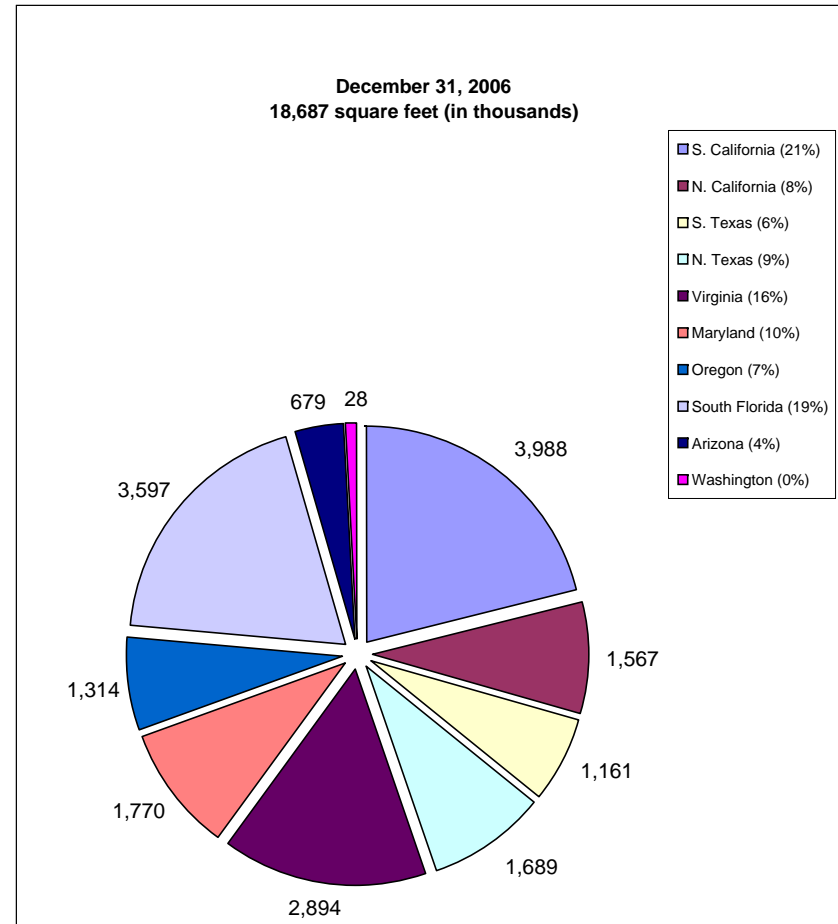
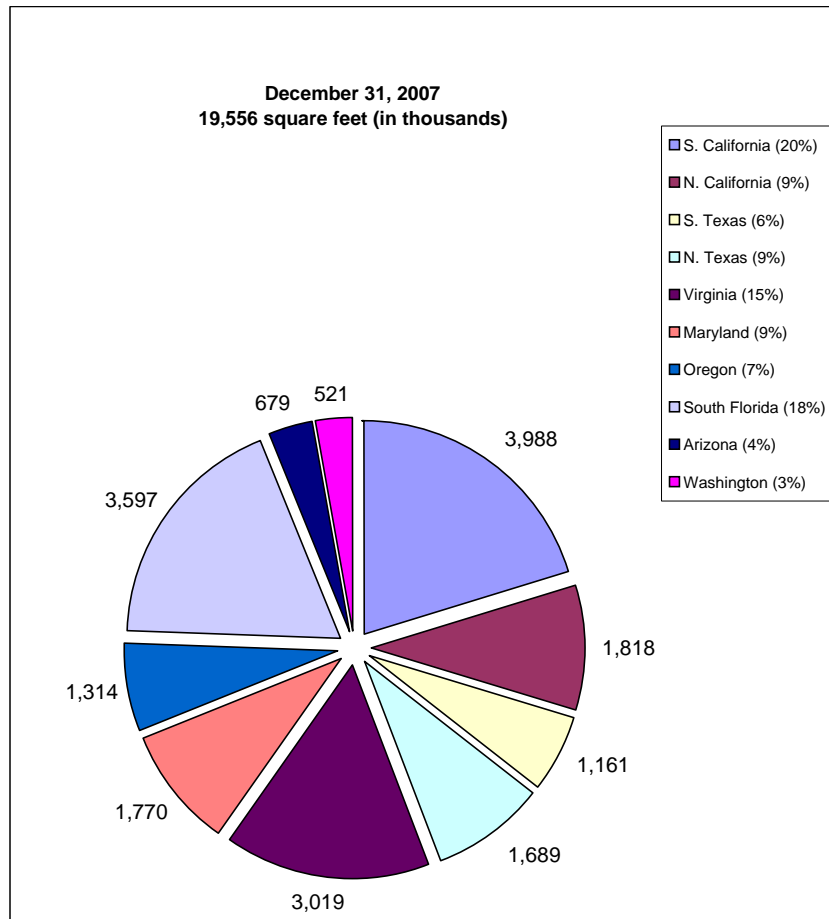
	<u>% of Total Rental Income</u>
Business Services	12.7%
Government	10.7%
Financial Services	9.8%
Contractors	9.5%
Computer Hardware, Software and Related Service	9.3%
Warehouse, Transportation and Logistics	8.9%
Health Services	7.1%
Retail	5.8%
Communications	5.6%
Home Furnishings	4.0%
Electronics	3.1%
	<u>86.5%</u>

Top 10 Customers by Total Annual Rental Income as of December 31, 2007

<u>Tenant</u>	<u>Square Footage</u>	<u>Annualized Rental Income (1)</u>	<u>% of Total Annualized Rental Income</u>
U.S. Government	505	\$ 12,026	4.3%
Kaiser Permanente	194	3,718	1.3%
Santa Clara County	97	2,489	0.9%
Intel	214	1,921	0.7%
Wells Fargo Bank	102	1,706	0.6%
AARP	102	1,596	0.6%
Northrop Grumman	58	1,585	0.6%
Raytheon	78	1,391	0.5%
American Intercontinental University	75	1,310	0.5%
MCI	72	1,266	0.4%
Total	<u>1,497</u>	<u>\$ 29,008</u>	<u>10.4%</u>

(1) For leases expiring within one year, annualized rental income represents income to be received under existing leases from December 31, 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 December 31, 2007					
Primary Markets	Industrial	Office	Flex	Total	%
Miami	2,556	12	631	3,199	16.4%
Northern Virginia	-	1,073	1,946	3,019	15.4%
Northern California	407	431	980	1,818	9.3%
Maryland	-	883	887	1,770	9.1%
Dallas	231	-	1,458	1,689	8.6%
Orange County	-	704	911	1,615	8.3%
Los Angeles County	712	31	862	1,605	8.2%
Portland	-	188	1,126	1,314	6.7%
Austin	-	-	787	787	4.0%
San Diego County	-	-	768	768	3.9%
Phoenix	-	-	679	679	3.5%
Seattle	-	28	493	521	2.7%
Palm Beach	-	-	398	398	2.0%
Houston	-	131	243	374	1.9%
<b>Total</b>	<b>3,906</b>	<b>3,481</b>	<b>12,169</b>	<b>19,556</b>	<b>100.0%</b>
Percentage by Product Type	20.0%	17.8%	62.2%	100.0%	

Weighted Average Occupancy Rates by Product Type for the Three Months Ended December 31, 2007				
Primary Markets	Industrial	Office	Flex	Total
Miami	98.5%	100.0%	96.3%	98.0%
Northern Virginia	-	94.3%	96.7%	95.9%
Northern California	94.5%	95.8%	88.4%	91.5%
Maryland	-	92.3%	96.7%	94.5%
Dallas	100.0%	-	89.7%	91.1%
Orange County	-	93.5%	94.8%	94.2%
Los Angeles County	100.0%	94.7%	92.8%	96.0%
Portland	-	89.2%	85.9%	86.4%
Austin	-	-	97.4%	97.4%
San Diego County	-	-	96.1%	96.1%
Phoenix	-	-	90.0%	90.0%
Seattle	-	100.0%	90.7%	91.2%
Palm Beach	-	-	93.9%	93.6%
Houston	-	99.3%	91.4%	94.2%
	98.4%	93.8%	92.9%	94.2%

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended December 31, 2007			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	98.2%	96.6%	98.0%
Northern Virginia	97.2%	93.3%	95.9%
Northern California	97.2%	85.8%	91.5%
Maryland	95.1%	89.5%	94.5%
Dallas	92.3%	85.6%	91.1%
Orange County	96.4%	92.2%	94.2%
Los Angeles County	100.0%	92.8%	96.0%
Portland	86.8%	84.1%	86.4%
Austin	98.8%	93.1%	97.4%
San Diego County	-	96.1%	96.1%
Phoenix	-	90.0%	90.0%
Seattle	-	91.2%	91.2%
Palm Beach	-	93.9%	93.6%
Houston	-	94.2%	94.2%
	95.8%	91.7%	94.2%

**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 December 31, 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%
<b>Total</b>	<b>3,906</b>	<b>3,163</b>	<b>10,425</b>	<b>17,494</b>	<b>100.0%</b>
Percentage by Product Type	22.3%	18.1%	59.6%	100.0%	

Weighted Average Occupancy Rates by Product Type for the Three Months Ended December 31, 2007				
Primary Markets	Industrial	Office	Flex	Total
Miami	98.5%	100.0%	96.3%	98.0%
Northern Virginia	-	93.7%	96.8%	95.8%
Dallas	100.0%	-	89.7%	91.1%
Orange County	-	93.5%	94.8%	94.2%
Los Angeles County	100.0%	94.7%	92.9%	96.3%
Northern California	94.5%	95.8%	94.7%	95.0%
Portland	-	89.2%	85.9%	86.4%
Maryland	-	93.6%	99.0%	95.5%
Austin	-	-	97.4%	97.4%
San Diego County	-	-	96.1%	96.1%
Phoenix	-	-	90.0%	90.0%
Seattle	-	-	89.7%	89.7%
Houston	-	99.3%	91.4%	94.2%
	98.4%	93.8%	93.5%	94.7%

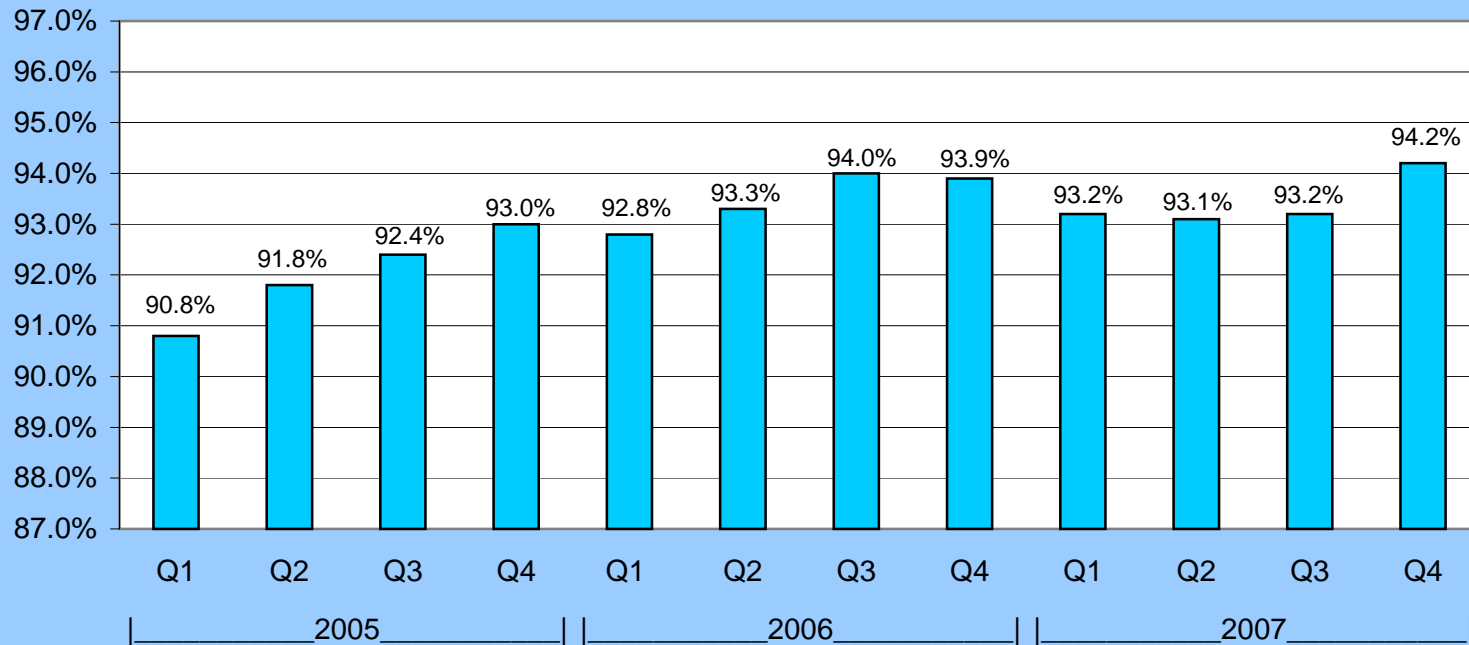
Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended December 31, 2007			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	98.2%	96.6%	98.0%
Northern Virginia	97.1%	93.3%	95.8%
Dallas	92.3%	85.6%	91.1%
Orange County	96.4%	92.2%	94.2%
Los Angeles County	100.0%	93.0%	96.3%
Northern California	97.2%	91.6%	95.0%
Portland	86.8%	84.1%	86.4%
Maryland	95.6%	90.8%	95.5%
Austin	98.8%	93.1%	97.4%
San Diego County	-	96.1%	96.1%
Phoenix	-	90.0%	90.0%
Seattle	-	89.7%	89.7%
Houston	-	94.2%	94.2%
	95.9%	92.4%	94.7%

**Note:**

Includes all properties owned since January 1, 2006.

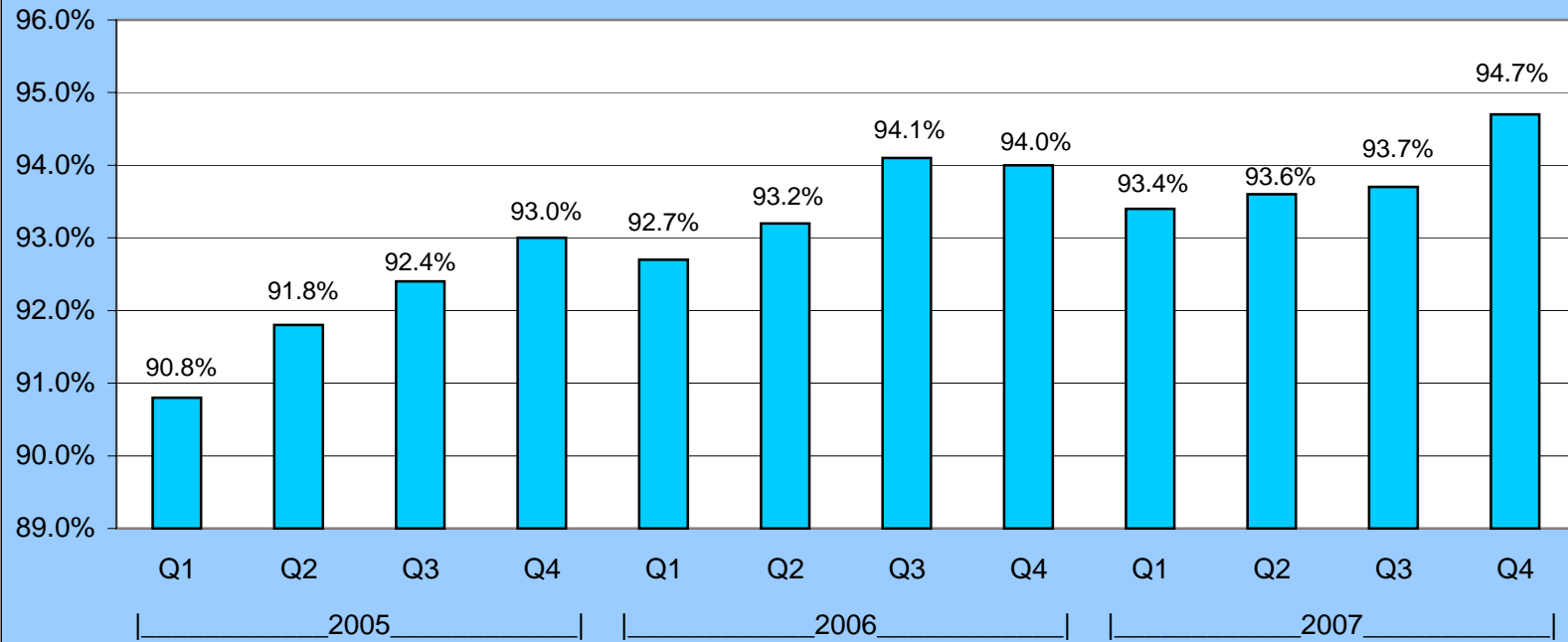
The Company's "large tenant" portfolio consists of properties with average leases greater than or equal to 5,000 square feet while the "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

## 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 December 31, 2007**

(in thousands)

Lease Expirations - Flex				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2008	2,565	\$ 38,620	21.3%	13.1%
2009	2,883	43,920	24.2%	14.9%
2010	1,793	27,801	15.3%	9.4%
2011	1,207	21,915	12.1%	7.5%
2012	1,127	20,370	11.2%	6.9%
Thereafter	1,557	28,863	15.9%	9.8%
Total	11,132	\$ 181,489	100.0%	61.6%

Lease Expirations - Office				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2008	641	\$ 14,850	18.4%	5.0%
2009	654	14,297	17.7%	4.9%
2010	763	18,694	23.1%	6.4%
2011	485	12,458	15.4%	4.2%
2012	309	7,811	9.7%	2.6%
Thereafter	457	12,728	15.7%	4.3%
Total	3,309	\$ 80,838	100.0%	27.4%

Lease Expirations - Industrial				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2008	689	\$ 5,532	17.2%	1.9%
2009	891	7,321	22.8%	2.5%
2010	1,002	8,318	25.9%	2.8%
2011	570	5,033	15.6%	1.7%
2012	376	3,436	10.7%	1.2%
Thereafter	327	2,498	7.8%	0.9%
Total	3,855	\$ 32,138	100.0%	11.0%

Lease Expirations - Total				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2008	3,895	\$ 59,002	20.0%	20.0%
2009	4,428	65,538	22.3%	22.3%
2010	3,558	54,813	18.6%	18.6%
2011	2,262	39,406	13.4%	13.4%
2012	1,812	31,617	10.7%	10.7%
Thereafter	2,341	44,089	15.0%	15.0%
Total	18,296	\$ 294,465	100.0%	100.0%

**PS BUSINESS PARKS, INC.**  
**Owned Portfolio Lease Expirations as of December 31, 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>
2008	936	\$ 15,496	22.5%	5.2%
2009	1,060	18,183	26.4%	6.2%
2010	820	14,457	20.9%	4.9%
2011	432	7,649	11.1%	2.6%
2012	217	4,927	7.1%	1.7%
Thereafter	308	8,284	12.0%	2.8%
Total	<u>3,773</u>	<u>\$ 68,996</u>	<u>100.0%</u>	<u>23.4%</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>
2008	501	\$ 8,987	36.1%	3.1%
2009	439	6,000	24.1%	2.1%
2010	250	3,290	13.2%	1.1%
2011	128	1,915	7.8%	0.7%
2012	156	1,925	7.7%	0.6%
Thereafter	178	2,772	11.1%	0.9%
Total	<u>1,652</u>	<u>\$ 24,889</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>
2008	297	\$ 3,092	23.6%	1.1%
2009	339	3,902	29.7%	1.3%
2010	145	1,642	12.5%	0.5%
2011	75	985	7.5%	0.3%
2012	106	1,683	12.8%	0.6%
Thereafter	148	1,827	13.9%	0.6%
Total	<u>1,110</u>	<u>\$ 13,131</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>
2008	171	\$ 1,671	9.6%	0.6%
2009	232	1,929	11.1%	0.7%
2010	230	2,181	12.6%	0.7%
2011	113	1,341	7.7%	0.5%
2012	296	4,064	23.4%	1.4%
Thereafter	520	6,188	35.6%	2.1%
Total	<u>1,562</u>	<u>\$ 17,374</u>	<u>100.0%</u>	<u>6.0%</u>

**PS BUSINESS PARKS, INC.**  
**Owned Portfolio Lease Expirations as of December 31, 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>
2008	792	\$ 7,703	22.8%	2.6%
2009	745	7,149	21.1%	2.4%
2010	904	8,444	24.9%	2.9%
2011	493	5,015	14.8%	1.7%
2012	351	3,732	11.0%	1.3%
Thereafter	153	1,841	5.4%	0.6%
Total	<u>3,438</u>	<u>33,884</u>	<u>100.0%</u>	<u>11.5%</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>
2008	543	\$ 10,488	17.4%	3.6%
2009	590	11,071	18.4%	3.8%
2010	573	11,427	19.0%	3.9%
2011	225	4,955	8.3%	1.7%
2012	372	9,033	15.0%	3.1%
Thereafter	596	13,179	21.9%	4.5%
Total	<u>2,899</u>	<u>\$ 60,153</u>	<u>100.0%</u>	<u>20.6%</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>
2008	206	\$ 5,135	12.8%	1.7%
2009	303	6,032	15.1%	2.0%
2010	325	8,141	20.4%	2.8%
2011	378	9,811	24.5%	3.3%
2012	170	4,217	10.6%	1.4%
Thereafter	263	6,633	16.6%	2.3%
Total	<u>1,645</u>	<u>\$ 39,969</u>	<u>100.0%</u>	<u>13.5%</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>
2008	213	\$ 3,077	15.0%	1.0%
2009	347	5,733	28.1%	1.9%
2010	110	2,083	10.2%	0.7%
2011	330	6,284	30.8%	2.1%
2012	43	752	3.7%	0.2%
Thereafter	127	2,486	12.2%	0.9%
Total	<u>1,170</u>	<u>\$ 20,415</u>	<u>100.0%</u>	<u>6.8%</u>

**PS BUSINESS PARKS, INC.**  
**Owned Portfolio Lease Expirations as of December 31, 2007**  
(in thousands)

Washington/Seattle					
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2008	104	\$ 1,796	21.5%	0.6%	
2009	147	2,655	31.9%	0.9%	
2010	91	1,726	20.7%	0.6%	
2011	53	1,025	12.3%	0.3%	
2012	25	497	6.0%	0.1%	
Thereafter	29	637	7.6%	0.2%	
<b>Total</b>	<b>449</b>	<b>\$ 8,336</b>	<b>100.0%</b>	<b>2.7%</b>	

Arizona					
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2008	132	\$ 1,557	21.3%	0.5%	
2009	226	2,884	39.4%	1.0%	
2010	110	1,422	19.4%	0.5%	
2011	35	426	5.8%	0.2%	
2012	76	787	10.8%	0.3%	
Thereafter	19	242	3.3%	0.1%	
<b>Total</b>	<b>598</b>	<b>\$ 7,318</b>	<b>100.0%</b>	<b>2.6%</b>	

Total					
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2008	3,895	\$ 59,002	20.0%	20.0%	
2009	4,428	65,538	22.3%	22.3%	
2010	3,558	54,813	18.6%	18.6%	
2011	2,262	39,406	13.4%	13.4%	
2012	1,812	31,617	10.7%	10.7%	
Thereafter	2,341	44,089	15.0%	15.0%	
<b>Total</b>	<b>18,296</b>	<b>\$ 294,465</b>	<b>100.0%</b>	<b>100.0%</b>	

**PS BUSINESS PARKS, INC.**

**Owned Portfolio Lease Expirations as of December 31, 2007**

(in thousands)

Lease Expirations - Large Tenant Portfolio					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2008	1,962	\$ 28,297	16.3%	9.6%	
2009	2,325	30,624	17.6%	10.4%	
2010	2,209	30,645	17.7%	10.4%	
2011	1,664	27,902	16.1%	9.5%	
2012	1,253	20,779	12.0%	7.0%	
Thereafter	1,972	35,238	20.3%	12.0%	
Total	11,385	\$ 173,485	100.0%	58.9%	

Lease Expirations - Small Tenant Portfolio					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2008	1,933	\$ 30,705	25.4%	10.4%	
2009	2,103	34,914	28.9%	11.9%	
2010	1,349	24,168	20.0%	8.2%	
2011	598	11,504	9.5%	3.9%	
2012	559	10,838	8.9%	3.7%	
Thereafter	369	8,851	7.3%	3.0%	
Total	6,911	\$ 120,980	100.0%	41.1%	

Lease Expirations - Total					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2008	3,895	\$ 59,002	20.0%	20.0%	
2009	4,428	65,538	22.3%	22.3%	
2010	3,558	54,813	18.6%	18.6%	
2011	2,262	39,406	13.4%	13.4%	
2012	1,812	31,617	10.7%	10.7%	
Thereafter	2,341	44,089	15.0%	15.0%	
Total	18,296	\$ 294,465	100.0%	100.0%	