

**News Release**

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For Release: Immediately  
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**PS Business Parks, Inc. Announces Tax Treatment of 2002 Dividends**

GLENDALE, California—PS Business Parks, Inc. (AMEX:PSB), announced today the tax treatment of the Company's 2002 dividends. For the tax year ended December 31, 2002, distributions for the common stock and all the various series of preferred stocks were 100% ordinary income.

**Alternative Minimum Tax**

Alternative minimum tax adjustments are to be apportioned between a real estate investment trust ("REIT") and its shareholders under Internal Revenue Code Section 59(d). Although regulations have not yet been issued under that provision, based on regulations issued pursuant to a similar provision of prior law and the legislative history of the current provision, it appears that such alternative minimum tax adjustments are to be apportioned to a REIT's shareholders to the extent that the REIT distributes its regular taxable income. It is the Company's policy to distribute all of its regular taxable income and accordingly, all of the Company's alternative minimum tax adjustments are being apportioned to the Company's shareholders.

The Company has determined that 6.13% of each ordinary income distribution to its shareholders for the tax year ended December 31, 2002 consists of alternative minimum tax adjustments (*i.e.*, for each \$1 of ordinary dividend reportable by a shareholder, 6.13¢ represents an alternative minimum tax adjustment). To determine your share of the Company's alternative minimum tax adjustments, multiply the aggregate dollar amount of your reportable 2002 ordinary dividends from the Company (the sum of the amounts shown in Box 1 of the Company's 1099-DIV) times 6.13%.

If you are an individual, please refer to Internal Revenue Service Form 6251, Alternative Minimum Tax-Individuals. Your share of alternative minimum tax adjustments should be input as a positive amount in Part I, Line 17 (post-1986 depreciation; difference between regular tax and AMT depreciation). If you are a corporation, please refer to Internal Revenue Service Form 4626, Alternative Minimum Tax-Corporations. Your share of alternative minimum tax adjustments should be input as a positive amount in Line 2, letter "a" (depreciation of post-1986 property).

If you have questions, please consult your tax advisor for further guidance.

**Company Information**

PSB is a self-advised and self-managed equity real estate investment trust specializing in the ownership, management, acquisition, development and redevelopment of business parks containing principally office "flex" space. The Company defines "flex" space as buildings that are configured with a combination of office and warehouse space and can be designed to fit an almost limitless number of uses (including office, assembly, showroom, laboratory, light manufacturing and warehouse under one roof). As of December 31, 2002, PSB wholly-owned approximately 14.4 million net rentable square feet of commercial space with approximately 3,200 customers located in eight states, concentrated primarily in California (4,673,000 sq. ft.), Texas (2,409,000 sq. ft.), Oregon (1,973,000 sq. ft.), Virginia (2,621,000 sq. ft.) and Maryland (1,646,000 sq. ft.).

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