

News Release

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PS Business Parks, Inc. Announces Tax Treatment of 2003 Dividends

GLENDALE, California – PS Business Parks, Inc. (AMEX: PSB) announced today the tax treatment of the Company's 2003 dividends. For the tax year ended December 31, 2003, distributions for the common stock and all the various series of preferred stocks were classified as follows:

	2003			
	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
Ordinary Income	91.60%	85.93%	100.00%	100.00%
Pre May 6 th Long-Term Capital Gain	8.40%	14.07%	0.00%	0.00%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

A percentage of the long-term capital gain is unrecaptured section 1250 gain for the first and second quarters of 2003 as follows:

	2003 Percentage of Total Long-Term Capital Gain Distribution			
	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
Unrecaptured Section 1250 Gain	<u>4.18%</u>	<u>87.20%</u>	<u>0.00%</u>	<u>0.00%</u>

For corporate shareholders a portion of the total long-term capital gain is required to be recaptured as ordinary income. For the first and second quarters of 2003 the percentages are as follows:

	2003 Percentage of Total Long-Term Capital Gain Distribution			
	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
IRC §291 Recapture	<u>.84%</u>	<u>17.44%</u>	<u>0.00%</u>	<u>0.00%</u>

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 11.91% of each distribution to its shareholders for the tax year ended December 31, 2003 consists of alternative minimum tax adjustments (i.e., for each \$1 of dividend reportable by a shareholder, 11.91¢ 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 2003 dividends from the Company (the sum of the amounts shown in Boxes 1a and 2a of the Company's 2003 Form 1099-DIV) times 11.91%.

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 (depreciation on assets placed in service after 1986). 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, 2003, PSB owns approximately 18.4 million net rentable square feet with approximately 3,700 customers located in 8 states, concentrated primarily in California (4,967,000 sq. ft.), Florida (3,350,000 sq. ft.), Texas (2,983,000 sq. ft.), Oregon (1,973,000 sq. ft.), Virginia (2,621,000 sq. ft.) and Maryland (1,769,000 sq. ft.).

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