



PS BUSINESS PARKS

**Analysis of Operating Results
and Financial Condition**

March 31, 2008

**ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION
FOR THE THREE MONTHS ENDED MARCH 31, 2008**

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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		
	03/31/08	03/31/07	% Change
Total rental income	\$ 70,111	\$ 65,124	7.7%
Total cost of operations	22,490	20,439	10.0%
Net operating income	<u>\$ 47,621</u>	<u>\$ 44,685</u>	<u>6.6%</u>
Net income allocable to common shareholders	\$ 3,802	\$ 5,923	(35.8%)
Net income per common share:			
Basic	\$ 0.19	\$ 0.28	(32.1%)
Diluted	\$ 0.18	\$ 0.27	(33.3%)
Weighted average common shares outstanding - basic	20,435	21,316	(4.1%)
Weighted average common shares outstanding - diluted	20,629	21,690	(4.9%)
Weighted average common OP units outstanding	7,305	7,305	-
Total fully-converted diluted shares	<u>27,934</u>	<u>28,995</u>	<u>(3.7%)</u>

FUNDS FROM OPERATIONS			
	FOR THE THREE MONTHS ENDED		
	03/31/08	03/31/07	% Change
FFO allocable to common shareholders/unitholders	\$ 30,597	\$ 29,593	3.4%
Diluted FFO per common share and OP units	\$ 1.10	\$ 1.02	7.8%

PROPERTY INFORMATION			
	FOR THE THREE MONTHS ENDED		
	03/31/08	03/31/07	% Change
<u>Total Owned Portfolio</u>			
Total rentable square footage at period end	19,557	19,432	0.6%
Weighted average occupancy	94.0%	93.2%	0.9%
Annualized realized rent per sq. ft. ⁽¹⁾	\$ 15.24	\$ 14.76	3.3%
REVPAF ⁽²⁾	\$ 14.33	\$ 13.76	4.1%
<u>Same Park Portfolio</u>			
Total rentable square footage at period end	18,687	18,687	-
Weighted average occupancy	94.3%	93.2%	1.2%
Annualized realized rent per sq. ft. ⁽¹⁾	\$ 15.07	\$ 14.73	2.3%
REVPAF ⁽²⁾	\$ 14.21	\$ 13.73	3.5%

(1) Represents the annualized revenues earned per occupied square foot.
(2) Represents the annualized revenues earned per total square foot.

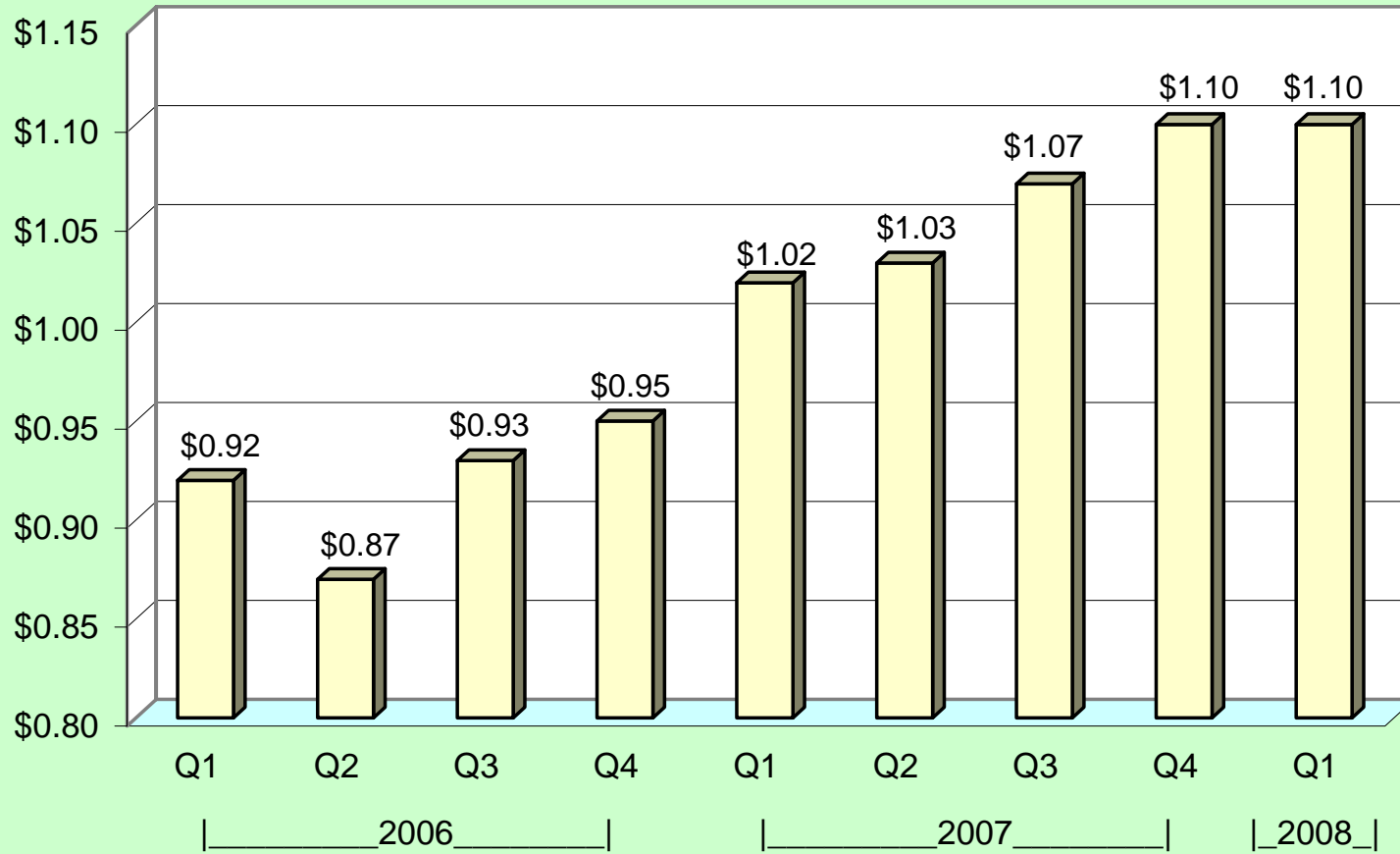
BALANCE SHEET DATA			
	03/31/08	12/31/07	% Change
	Total assets	\$ 1,489,690	\$ 1,516,583
Minority interest - preferred	\$ 94,750	\$ 94,750	-
Minority interest - common	\$ 149,918	\$ 154,470	(2.9%)
Perpetual preferred stock	\$ 716,250	\$ 716,250	-
Common shareholders' equity	\$ 419,182	\$ 439,330	(4.6%)
Total common shares outstanding at period end	20,426	20,777	(1.7%)
Book value per common share	\$ 20.52	\$ 21.15	(3.0%)

MARKET VALUE INFORMATION			
	03/31/08	12/31/07	% Change
	Market value of common stock and common OP units	\$ 1,439,276	\$ 1,475,739
Total debt	60,381	60,725	(0.6%)
Total preferred equity	811,000	811,000	-
Total market capitalization	<u>\$ 2,310,657</u>	<u>\$ 2,347,464</u>	<u>(1.6%)</u>
Stock price at the end of the period	\$ 51.90	\$ 52.55	(1.2%)

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

	FOR THE THREE MONTHS ENDED		Increase (Decrease)	% Change
	03/31/08	03/31/07		
<u>Funds from operations (FFO):</u>				
Net income allocable to common shareholders	\$ 3,802	\$ 5,923	\$ (2,121)	(35.8%)
Adjustments:				
Depreciation and amortization	25,447	21,640	3,807	17.6%
Minority interest in income - common units	1,348	2,030	(682)	(33.6%)
FFO allocable to common shareholders/unitholders	<u>\$ 30,597</u>	<u>\$ 29,593</u>	<u>\$ 1,004</u>	<u>3.4%</u>
Weighted average common shares outstanding	20,435	21,316	(881)	(4.1%)
Weighted average common OP units outstanding	7,305	7,305	-	-
Weighted average common stock equivalents outstanding	194	374	(180)	(48.1%)
Total pro forma fully-converted shares	<u>27,934</u>	<u>28,995</u>	<u>(1,061)</u>	<u>(3.7%)</u>
Diluted FFO per common share/OP unit	<u>\$ 1.10</u>	<u>\$ 1.02</u>	<u>\$ 0.08</u>	<u>7.8%</u>
<u>Funds available for distribution (FAD):</u>				
Funds from operations	\$ 30,597	\$ 29,593	\$ 1,004	3.4%
Adjustments:				
Recurring capital improvements	(1,934)	(1,822)	112	6.1%
Tenant improvements	(4,454)	(4,439)	15	0.3%
Lease commissions	(2,268)	(1,034)	1,234	119.3%
Straight-line rent	94	(208)	302	145.2%
Stock compensation expense	1,012	638	374	58.6%
In-place lease adjustment	(48)	27	(75)	(277.8%)
Lease incentives net of tenant improvement reimbursements	(31)	58	(89)	(153.4%)
FAD	<u>\$ 22,968</u>	<u>\$ 22,813</u>	<u>\$ 155</u>	<u>0.7%</u>
Diluted FAD per common share/OP unit	<u>\$ 0.82</u>	<u>\$ 0.79</u>	<u>\$ 0.03</u>	<u>3.8%</u>
<u>Cash available for debt repayments and reinvestments:</u>				
FAD	\$ 22,968	\$ 22,813	\$ 155	0.7%
Distributions to common shareholders	(8,982)	(6,183)	2,799	45.3%
Distributions to common OP unit holders	(3,214)	(2,119)	1,095	51.7%
Cash available for debt repayments and reinvestments	<u>\$ 10,772</u>	<u>\$ 14,511</u>	<u>\$ (3,739)</u>	<u>(25.8%)</u>
FAD payout ratio	<u>53.1%</u>	<u>36.4%</u>	<u>16.7%</u>	<u>45.9%</u>

Reported Diluted FFO Per Common Share/OP Unit



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

	As of March 31, 2008			As of December 31, 2007		
	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	\$ 5,280			\$ 5,323		
5.730% mortgage note, due March 2013	14,450			14,510		
5.520% mortgage note, due May 2013	10,220			10,274		
5.680% mortgage note, due May 2013	10,228			10,281		
6.150% mortgage note, due November 2031 (includes unamortized premium of \$785,000 on \$16.5 million mortgage note with stated rate of 7.200%)	17,239			17,348		
5.610% mortgage note, due January 2011 (includes unamortized premium of \$183,000 on \$2.8 million mortgage note with stated rate of 7.610%)	2,964			2,989		
Total mortgage notes payable (1)	60,381	2.6%	5.94%	60,725	2.6%	5.94%
Total debt	60,381	2.6%	5.94%	60,725	2.6%	5.94%
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			143,750		
6.550% Series Q preferred operating partnership units (480,000 units outstanding) callable 3/12/12	12,000			12,000		
Total preferred equity	811,000	35.1%	7.16%	811,000	34.5%	7.16%
Total debt and preferred equity	871,381	37.7%	7.07%	871,725	37.1%	7.07%
Common stock (20,426,361 and 20,777,219 shares outstanding as of March 31, 2008 and December 31, 2007, respectively)	1,060,128			1,091,843		
Common operating partnership units (7,305,355 units outstanding as of March 31, 2008 and December 31, 2007)	379,148			383,896		
Total common equity (2)	1,439,276	62.3%		1,475,739	62.9%	
Total market capitalization	\$ 2,310,657	100%		\$ 2,347,464	100%	

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

Principal Maturity Dates							
	2008	2009	2010	2011	2012	Thereafter	Total
Park East III	\$ 136	\$ 5,144	\$ -	\$ -	\$ -	\$ -	\$ 5,280
Rose Canyon	183	261	277	293	309	13,127	14,450
Meadows	177	258	278	15,741	-	-	16,454
Palm Beach	360	507	536	3,178	547	18,101	23,229
Meadows Loan Premium	149	208	218	210	-	-	785
Palm Beach Loan Premium	46	64	67	6	-	-	183
	\$ 1,051	\$ 6,442	\$ 1,376	\$ 19,428	\$ 856	\$ 31,228	\$ 60,381

(2) Closing stock price was \$51.90 and \$52.55 as of March 31, 2008 and December 31, 2007, respectively.

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

	03/31/08	12/31/07	Increase (Decrease)	% Change
<u>ASSETS</u>				
Cash and cash equivalents	\$ 26,943	\$ 35,041	\$ (8,098)	(a) (23.1%)
Real estate facilities, at cost:				
Land	494,849	494,849	-	-
Buildings and equipment	1,493,105	1,484,049	9,056	0.6%
	1,987,954	1,978,898	9,056	(b) 0.5%
Accumulated depreciation	(565,304)	(539,857)	25,447	4.7%
	1,422,650	1,439,041	(16,391)	(1.1%)
Land held for development	7,869	7,869	-	-
	1,430,519	1,446,910	(16,391)	(1.1%)
Rent receivable	3,763	2,240	1,523	(c) 68.0%
Deferred rent receivables	21,833	21,927	(94)	(0.4%)
Other assets	6,632	10,465	(3,833)	(d) (36.6%)
Total assets	<u>\$ 1,489,690</u>	<u>\$ 1,516,583</u>	<u>\$ (26,893)</u>	<u>(1.8%)</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Accrued and other liabilities	\$ 49,209	\$ 51,058	\$ (1,849)	(e) (3.6%)
Mortgage notes payable	60,381	60,725	(344)	(0.6%)
Total liabilities	109,590	111,783	(2,193)	(2.0%)
Minority interests:				
Preferred units	94,750	94,750	-	-
Common units	149,918	154,470	(4,552)	(2.9%)
Shareholders' equity:				
Preferred stock	716,250	716,250	-	-
Common stock	204	207	(3)	(1.4%)
Paid-in capital	356,302	371,267	(14,965)	(f) (4.0%)
Cumulative net income	568,627	552,069	16,558	3.0%
Cumulative distributions	(505,951)	(484,213)	21,738	(g) 4.5%
Total shareholders' equity	<u>1,135,432</u>	<u>1,155,580</u>	<u>(20,148)</u>	<u>(1.7%)</u>
Total liabilities and shareholders' equity	<u>\$ 1,489,690</u>	<u>\$ 1,516,583</u>	<u>\$ (26,893)</u>	<u>(1.8%)</u>

PS BUSINESS PARKS, INC. CONSOLIDATED BALANCE SHEETS VARIANCE EXPLANATIONS (in thousands)			
(a) Change in cash and cash equivalents:			
Beginning cash balance			\$ 35,041
Net cash provided by operating activities			49,455
Net cash used in investing activities			(9,056)
Net cash used in financing activities			(48,497)
Ending cash balance			<u>\$ 26,943</u>
(b) Change in real estate facilities, at cost:			
Beginning balance			\$ 1,978,898
Property renovations			400
Recurring capital improvements			1,934
Tenant improvements			4,454
Lease commissions			2,268
Ending balance			<u>\$ 1,987,954</u>
(c) Rent receivable consists of:			
	<u>03/31/08</u>	<u>12/31/07</u>	Increase (Decrease)
U.S. Government tenants	\$ 1,112	\$ 1,143	\$ (31)
Other	2,951	\$ 1,397	1,554
Allowance for bad debt	(300)	\$ (300)	-
	<u>\$ 3,763</u>	<u>\$ 2,240</u>	<u>\$ 1,523</u>
(d) Other assets consist of:			
	<u>03/31/08</u>	<u>12/31/07</u>	Increase (Decrease)
Insurance claim receivable	\$ 115	\$ 122	\$ (7)
Prepaid insurance	362	1,316	(954)
Prepaid property taxes	1,476	2,615	(1,139)
Lease incentives, net	1,562	1,705	(143)
Mortgage impounds	1,451	1,474	(23)
In-place lease adjustment, net	359	419	(60)
Other	1,307	2,814	(1,507)
	<u>\$ 6,632</u>	<u>\$ 10,465</u>	<u>\$ (3,833)</u>
(e) Accrued and other liabilities consist of:			
	<u>03/31/08</u>	<u>12/31/07</u>	Increase (Decrease)
Prepaid rent	\$ 6,045	\$ 6,564	\$ (519)
Accrued property taxes	6,345	5,197	1,148
Security deposits	19,486	19,118	368
In-place lease adjustment, net	909	1,017	(108)
Reserves for acquisition costs	1,907	2,001	(94)
Accrued stock repurchase	-	3,302	(3,302)
Other	14,517	13,859	658
	<u>\$ 49,209</u>	<u>\$ 51,058</u>	<u>\$ (1,849)</u>
(f) Change in paid-in capital:			
Beginning paid-in capital			\$ 371,267
Repurchase of common stock			(18,321)
Exercise of stock options			114
Restricted stock and stock compensation			554
Adjustment to reflect minority interest to underlying ownership			2,688
Ending paid in capital			<u>\$ 356,302</u>
(g) Change in cumulative distributions:			
Beginning cumulative distributions			\$ 484,213
Distributions to preferred shareholders			12,756
Distributions to common shareholders			8,982
Ending cumulative distributions			<u>\$ 505,951</u>

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

	03/31/08	03/31/07	Increase (Decrease)	% Change
Revenues:				
Rental income	\$ 70,111	\$ 65,124	\$ 4,987 (a)	7.7%
Facility management fees	195	183	12	6.6%
Total operating revenues	<u>70,306</u>	<u>65,307</u>	<u>4,999</u>	<u>7.7%</u>
Expenses:				
Cost of operations	22,490	20,439	2,051 (b)	10.0%
Depreciation and amortization	25,447	21,640	3,807	17.6%
General and administrative	2,046	1,702	344 (c)	20.2%
Total operating expenses	<u>49,983</u>	<u>43,781</u>	<u>6,202</u>	<u>14.2%</u>
Other income and expenses:				
Interest and other income	328	1,801	(1,473)	(81.8%)
Interest expense	(993)	(1,107)	(114) (d)	(10.3%)
Total other income and expenses	<u>(665)</u>	<u>694</u>	<u>(1,359)</u>	<u>(195.8%)</u>
Income before minority interests	<u>19,658</u>	<u>22,220</u>	<u>(2,562)</u>	<u>(11.5%)</u>
Minority interests:				
Minority interest in income - preferred units	(1,752)	(1,599)	153	9.6%
Minority interest in income - common units	(1,348)	(2,030)	(682)	(33.6%)
Total minority interests	<u>(3,100)</u>	<u>(3,629)</u>	<u>(529)</u>	<u>(14.6%)</u>
Net Income	<u>16,558</u>	<u>18,591</u>	<u>(2,033)</u>	<u>(10.9%)</u>
Net Income allocable to preferred shareholders:				
Preferred stock distributions	12,756	12,668	88	0.7%
Net Income allocable to common shareholders	<u>\$ 3,802</u>	<u>\$ 5,923</u>	<u>\$ (2,121)</u>	<u>(35.8%)</u>
Net income per common share:				
Basic	\$ 0.19	\$ 0.28	\$ (0.09)	(32.1%)
Diluted	\$ 0.18	\$ 0.27	\$ (0.09)	(33.3%)
Weighted average common shares outstanding:				
Basic	<u>20,435</u>	<u>21,316</u>	<u>(881)</u>	<u>(4.1%)</u>
Diluted	<u>20,629</u>	<u>21,690</u>	<u>(1,061)</u>	<u>(4.9%)</u>

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

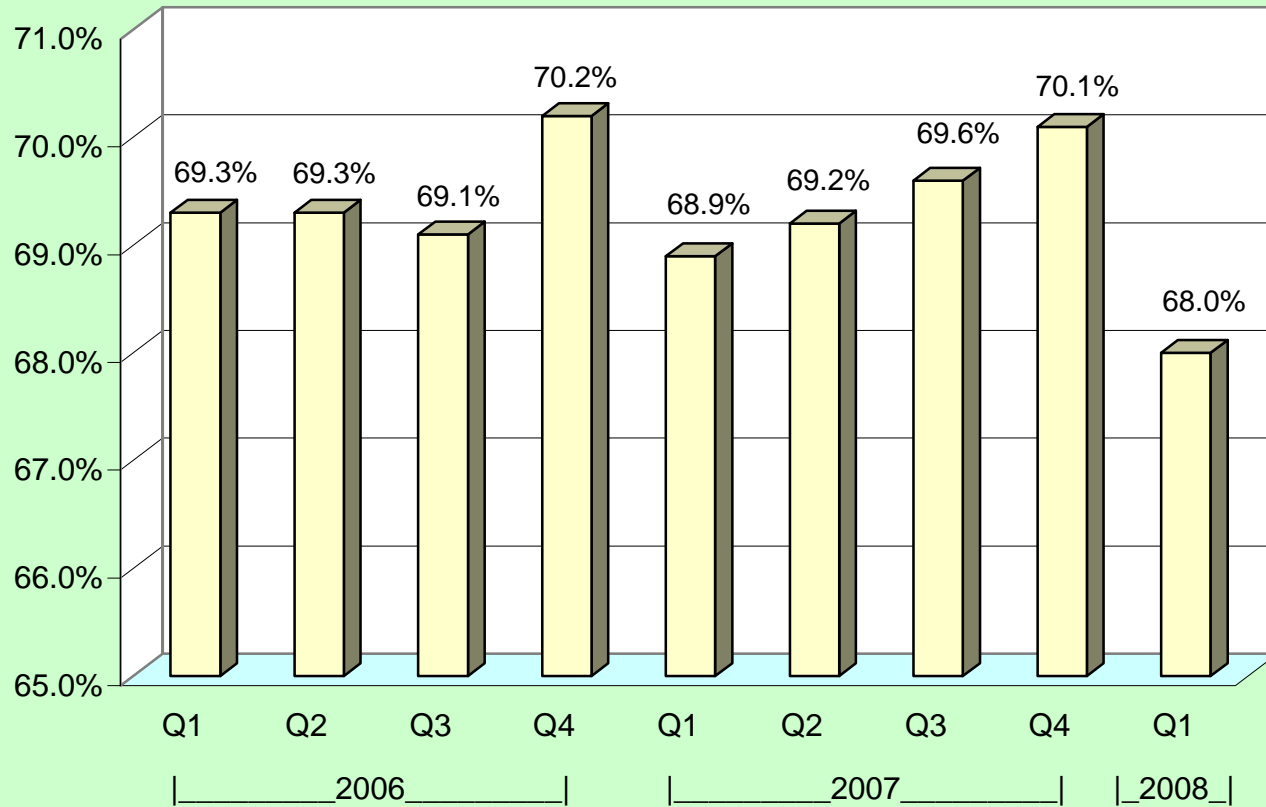
	03/31/08	03/31/07	Increase (Decrease)
(a) Rental income:			
Same Park	\$ 66,584	\$ 63,947	\$ 2,637
Non-Same Park	3,621	969	2,652
Same Park straight-line rent	(188)	200	(388)
Non-Same Park straight-line rent	94	8	86
	<u>\$ 70,111</u>	<u>\$ 65,124</u>	<u>\$ 4,987</u>
(b) Cost of operations:			
Same Park	\$ 21,243	\$ 20,172	\$ 1,071
Non-Same Park	1,247	267	980
	<u>\$ 22,490</u>	<u>\$ 20,439</u>	<u>\$ 2,051</u>
(c) General and administrative expenses:			
Cash and non-cash compensation expense	\$ 1,599	\$ 1,197	\$ 402
Professional fees	186	168	18
Other	261	337	(76)
	<u>\$ 2,046</u>	<u>\$ 1,702</u>	<u>\$ 344</u>
(d) Interest expense:			
Mortgage notes payable	\$ (905)	\$ (1,019)	\$ (114)
Facilities fees & other charges	(88)	(88)	-
	<u>\$ (993)</u>	<u>\$ (1,107)</u>	<u>\$ (114)</u>

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

<u>Recurring capital expenditures</u> ⁽¹⁾	<u>Three Months Ended March 31, 2008 Costs</u>	<u>Cost per Weighted Average Square Foot</u>
Capital improvements ⁽²⁾	\$1,934	\$0.10
Tenant improvements	4,454	\$0.23
Lease commissions	2,268	\$0.12
Total recurring capital expenditures	<u>\$8,656</u>	\$0.44
 <u>Non-recurring capital expenditures</u>		
Property renovations	\$400	
Total non-recurring capital expenditures	<u>\$400</u>	

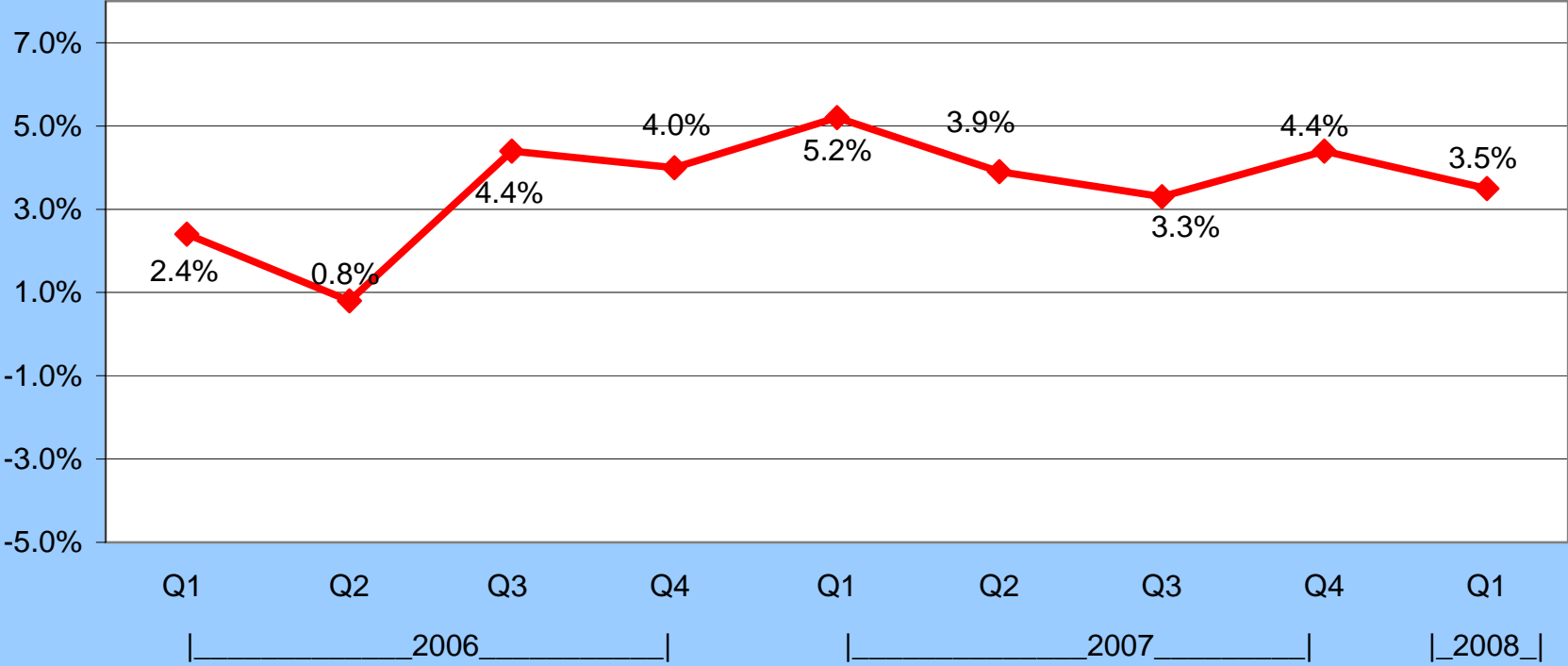
- (1) The Company defines "recurring capital expenditures" as those capitalized costs necessary to continue to operate the property at its current economic value. Leasing costs in excess of \$1,000 and capital improvements in excess of \$2,000 with a useful life greater than 24 months are capitalized. 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 \$5.4 million or approximately \$0.28 per weighted average square foot for the three months ended March 31, 2008 compared to \$4.9 million or approximately \$0.26 per weighted average square foot for the three months ended March 31, 2007.
- (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 *



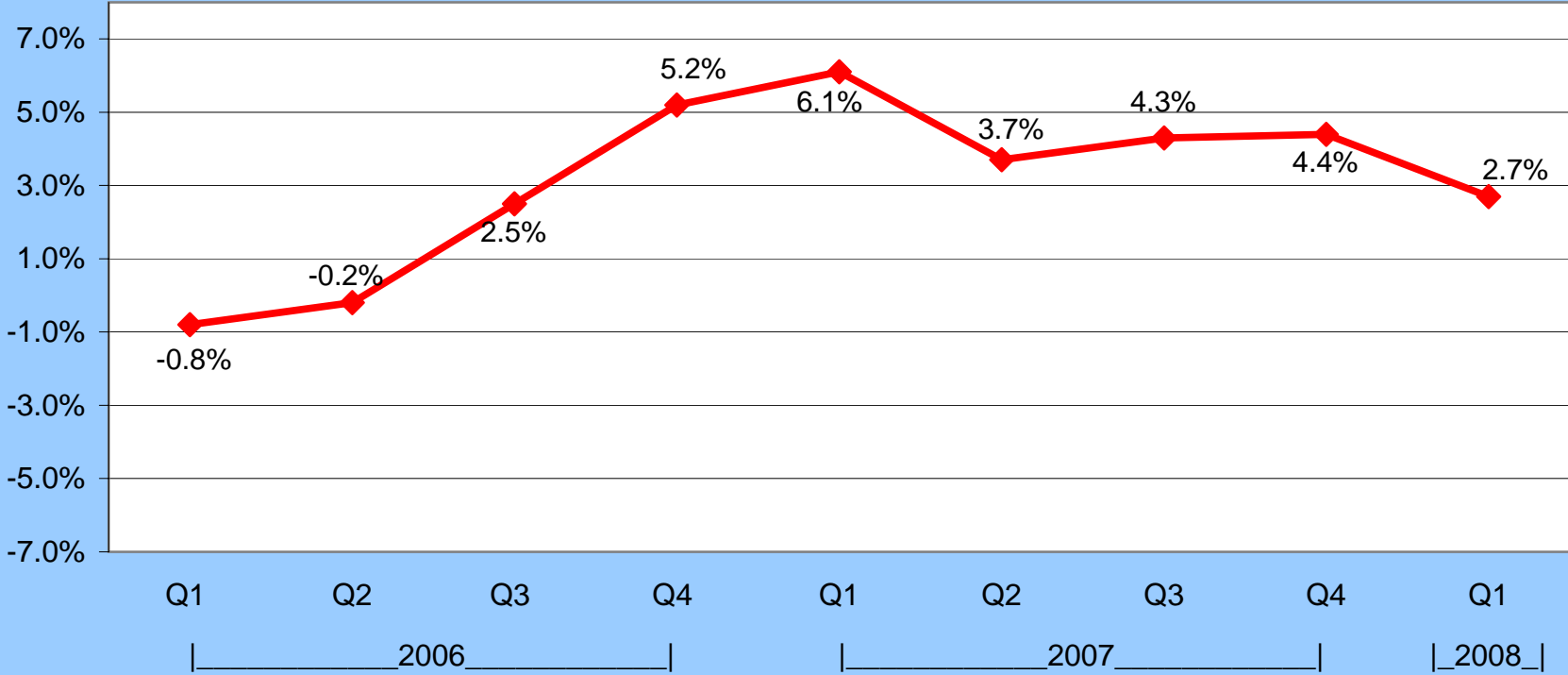
* Gross margin is computed by dividing property net operating income by rental income for Same Park properties owned in each period.

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 March 31, 2008

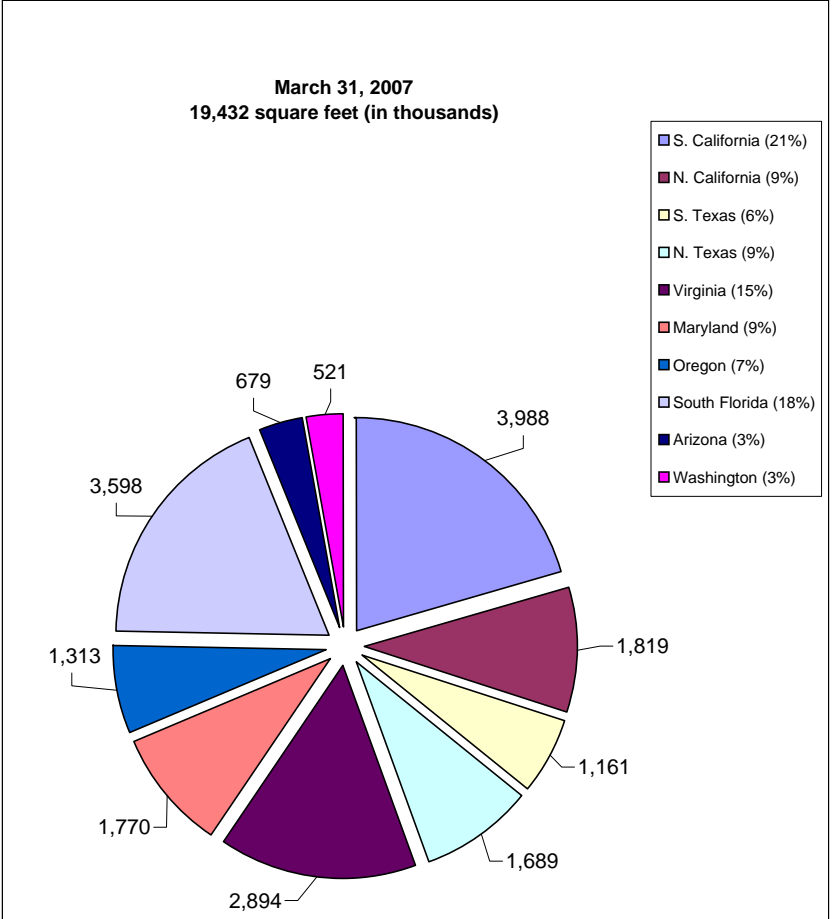
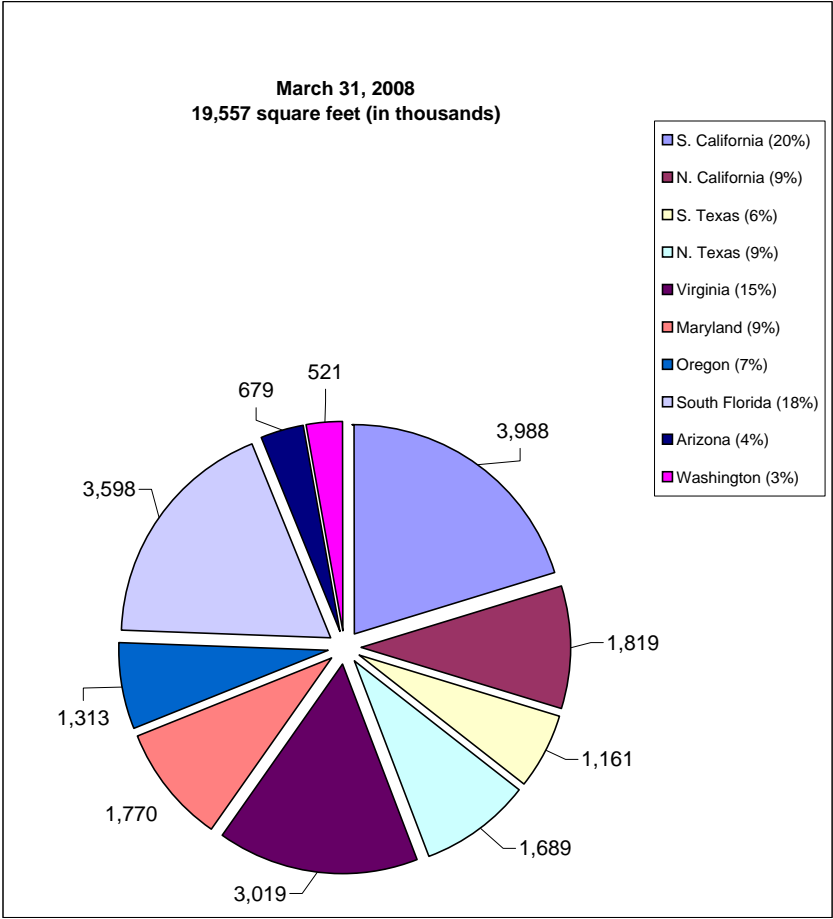
Industry	% of Total Annual Rents
Business Services	12.8%
Government	10.8%
Financial Services	9.9%
Contractors	9.6%
Computer Hardware, Software and Related Service	9.6%
Warehouse, Transportation and Logistics	8.6%
Health Services	7.3%
Retail	5.9%
Communications	5.6%
Home Furnishings	3.9%
Electronics	2.9%
Total	<u>86.9%</u>

Top 10 Customers by Total Annual Rental Income as of March 31, 2008

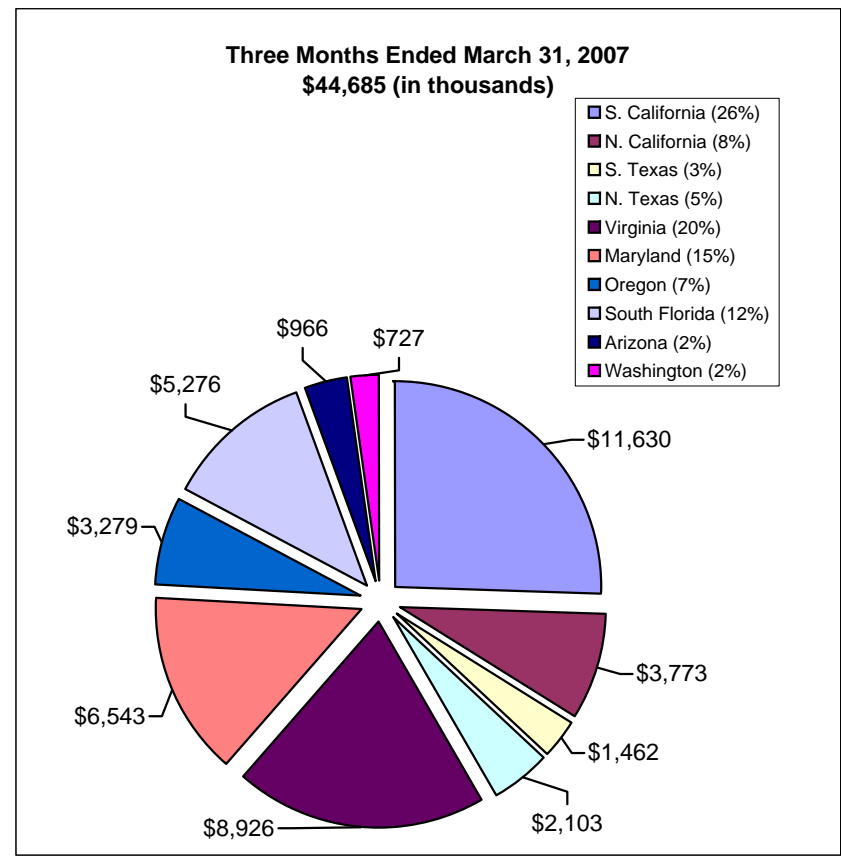
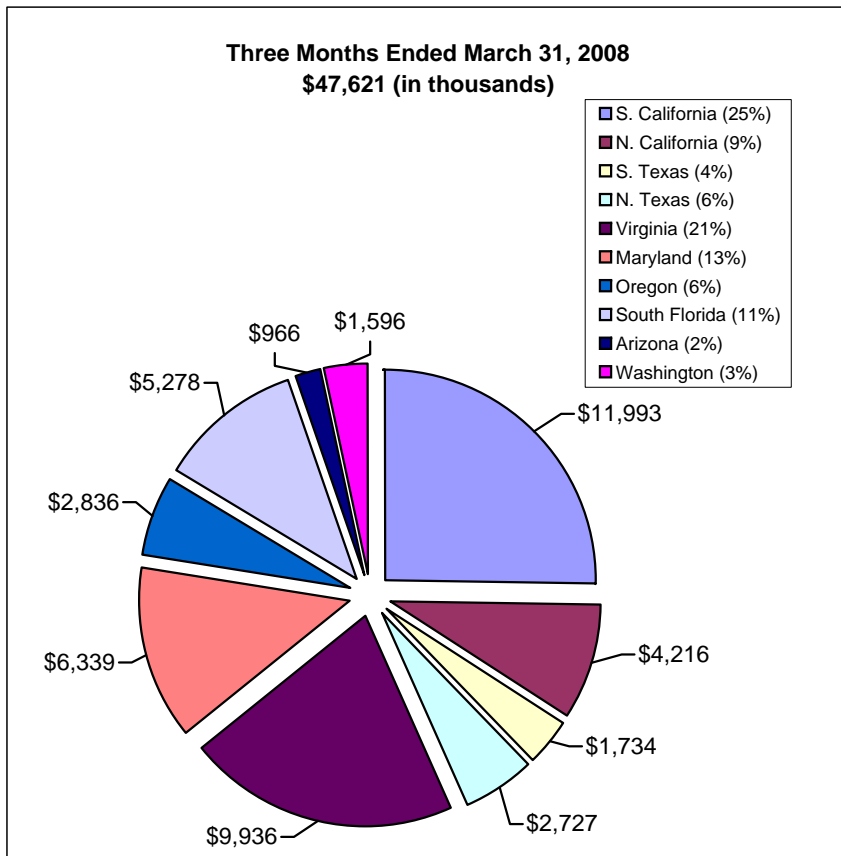
Tenant	Square Footage	Annualized Rental Income ⁽¹⁾	% of Total Annualized Rental Income
U.S. Government	495	\$ 12,203	4.3%
Kaiser Permanente	186	4,426	1.6%
Wells Fargo Bank	102	1,702	0.6%
County of Santa Clara	97	1,660	0.6%
AARP	102	1,610	0.6%
Northrop Grumman	58	1,587	0.6%
Intel	214	1,485	0.5%
American Intercontinental University	75	1,330	0.5%
Raytheon	78	1,270	0.5%
MCI	72	1,268	0.4%
Total	<u>1,479</u>	<u>\$ 28,541</u>	<u>10.2%</u>

(1) - For leases expiring within one year, annualized rental income represents income to be received under existing leases from March 31, 2008 through date of expiration.

Total Owned Rentable Square Footage by Region



Total Owned Property Net Operating Income by Region



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

Rentable Square Footage of Properties as of March 31, 2008					
Primary Markets	Industrial	Office	Flex	Total	%
Miami	2,556	12	632	3,200	16.4%
Northern Virginia	-	1,073	1,946	3,019	15.4%
Northern California	407	431	981	1,819	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	-	187	1,126	1,313	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%
Total	3,906	3,480	12,171	19,557	100.0%
Percentage by Product Type	20.0%	17.8%	62.2%	100.0%	

Weighted Average Occupancy Rates by Product Type for the Three Months Ended March 31, 2008				
Primary Markets	Industrial	Office	Flex	Total
Miami	97.0%	100.0%	97.6%	97.1%
Northern Virginia	-	95.3%	97.6%	96.8%
Northern California	98.7%	95.1%	87.1%	91.6%
Maryland	-	93.0%	88.5%	90.7%
Dallas	100.0%	-	92.0%	93.1%
Orange County	-	92.9%	94.5%	93.8%
Los Angeles County	100.0%	86.8%	92.9%	95.9%
Portland	-	85.6%	87.1%	86.9%
Austin	-	-	95.7%	95.7%
San Diego County	-	-	97.0%	97.0%
Phoenix	-	-	87.4%	87.4%
Seattle	-	100.0%	93.0%	93.4%
Palm Beach	-	-	93.6%	93.6%
Houston	-	100.0%	92.5%	95.1%
Total	97.9%	93.8%	92.7%	94.0%

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended March 31, 2008			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	97.0%	98.1%	97.1%
Northern Virginia	98.1%	94.3%	96.8%
Northern California	98.3%	84.8%	91.6%
Maryland	91.0%	88.4%	90.7%
Dallas	94.8%	85.1%	93.1%
Orange County	95.6%	92.3%	93.8%
Los Angeles County	100.0%	92.7%	95.9%
Portland	87.0%	86.3%	86.9%
Austin	97.1%	91.2%	95.7%
San Diego County	-	97.0%	97.0%
Phoenix	-	87.4%	87.4%
Seattle	-	93.4%	93.4%
Palm Beach	-	93.6%	93.6%
Houston	-	95.1%	95.1%
Total	95.4%	91.7%	94.0%

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, 2008					
Primary Markets	Industrial	Office	Flex	Total	%
Miami	2,556	12	632	3,200	17.1%
Northern Virginia	-	948	1,946	2,894	15.5%
Maryland	-	883	887	1,770	9.5%
Dallas	231	-	1,458	1,689	9.0%
Orange County	-	704	911	1,615	8.7%
Los Angeles County	712	31	862	1,605	8.6%
Northern California	407	431	729	1,567	8.4%
Portland	-	187	1,126	1,313	7.0%
Austin	-	-	787	787	4.2%
San Diego County	-	-	768	768	4.1%
Phoenix	-	-	679	679	3.6%
Palm Beach	-	-	398	398	2.1%
Houston	-	131	243	374	2.0%
Seattle	-	-	28	28	0.2%
Total	3,906	3,327	11,454	18,687	100.0%
Percentage by Product Type	20.9%	17.8%	61.3%	100.0%	

Weighted Average Occupancy Rates by Product Type for the Three Months Ended March 31, 2008				
Primary Markets	Industrial	Office	Flex	Total
Miami	97.0%	100.0%	97.6%	97.1%
Northern Virginia	-	94.7%	97.6%	96.7%
Maryland	-	93.0%	88.5%	90.7%
Dallas	100.0%	-	92.0%	93.1%
Orange County	-	92.9%	94.5%	93.8%
Los Angeles County	100.0%	86.8%	92.9%	95.9%
Northern California	98.7%	95.1%	93.0%	95.1%
Portland	-	85.6%	87.1%	86.9%
Austin	-	-	95.7%	95.7%
San Diego County	-	-	97.0%	97.0%
Phoenix	-	-	87.4%	87.4%
Palm Beach	-	-	93.6%	93.6%
Houston	-	100.0%	92.5%	95.1%
Seattle	-	-	89.4%	89.4%
Total	97.9%	93.6%	93.2%	94.3%

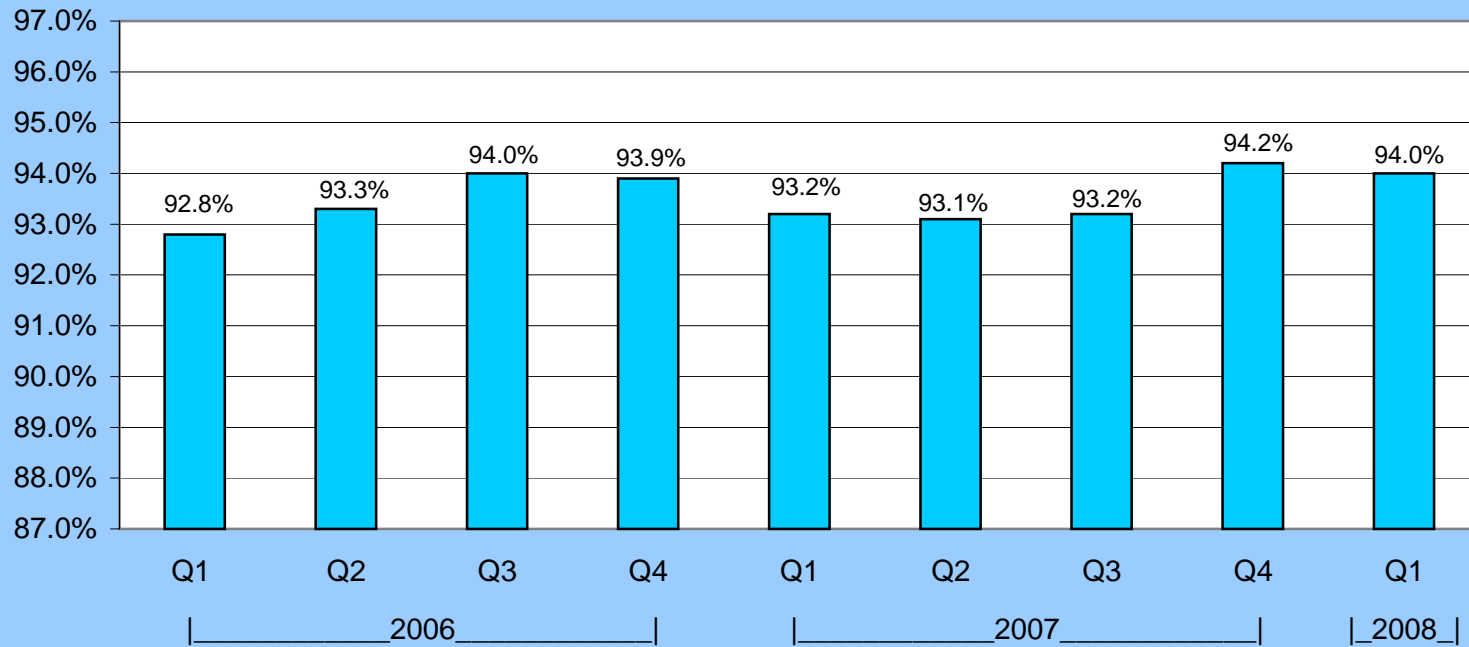
Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended March 31, 2008			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	97.0%	98.1%	97.1%
Northern Virginia	98.0%	94.3%	96.7%
Maryland	91.0%	88.4%	90.7%
Dallas	94.8%	85.1%	93.1%
Orange County	95.6%	92.3%	93.8%
Los Angeles County	100.0%	92.7%	95.9%
Northern California	98.3%	90.5%	95.1%
Portland	87.0%	86.3%	86.9%
Austin	97.1%	91.2%	95.7%
San Diego County	-	97.0%	97.0%
Phoenix	-	87.4%	87.4%
Palm Beach	-	93.6%	93.6%
Houston	-	95.1%	95.1%
Seattle	-	89.4%	89.4%
Total	95.4%	92.4%	94.3%

Note:

Includes all properties owned since January 1, 2007.

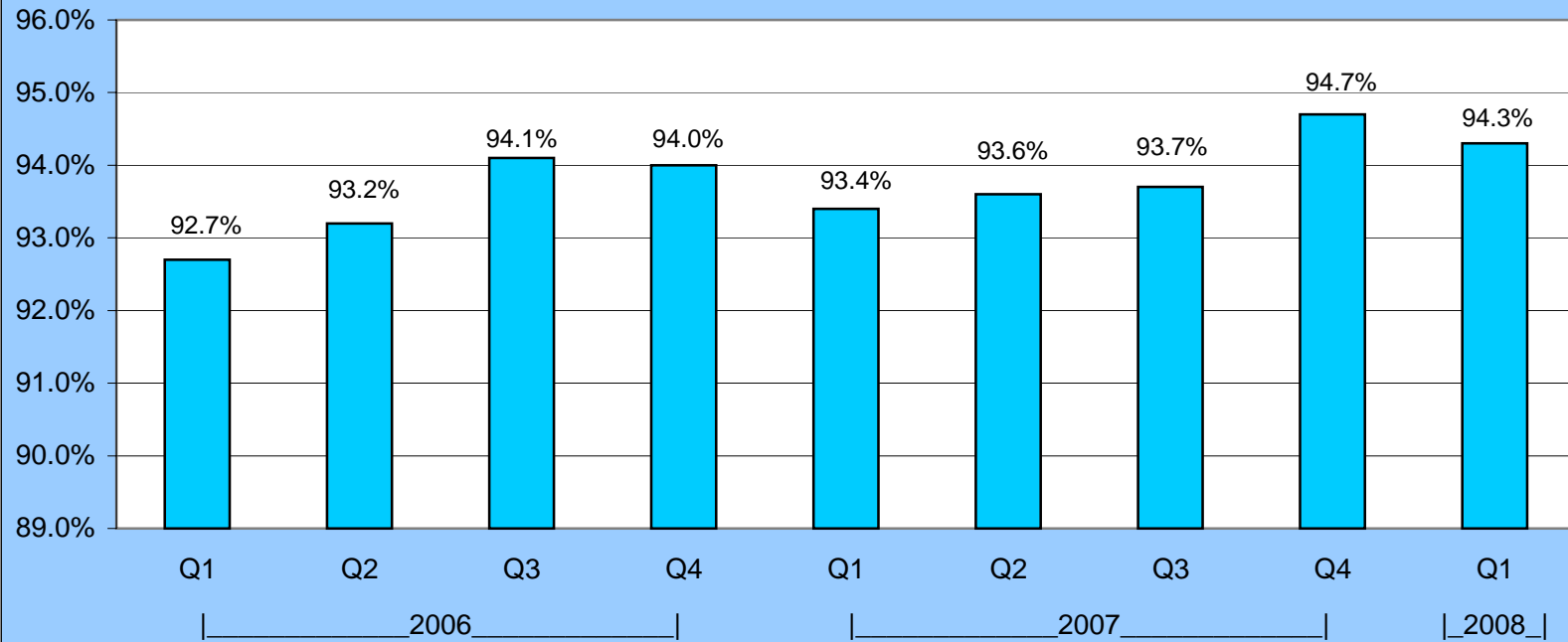
The Company's "large tenant" portfolio consists of properties with average leases greater than or equal to 5,000 square feet while the "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

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 March 31, 2008

(in thousands)

Lease Expirations - Flex				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2008	2,031	\$ 31,030	16.8%	10.4%
2009	2,974	45,534	24.6%	15.2%
2010	1,967	30,166	16.3%	10.1%
2011	1,426	25,121	13.6%	8.4%
2012	1,172	20,991	11.3%	7.0%
Thereafter	1,764	32,219	17.4%	10.8%
Total	11,334	\$ 185,061	100.0%	61.9%

Lease Expirations - Office				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2008	427	\$ 9,153	11.2%	3.0%
2009	606	12,704	15.5%	4.3%
2010	750	18,357	22.5%	6.1%
2011	516	13,212	16.2%	4.4%
2012	430	11,350	13.9%	3.8%
Thereafter	610	16,926	20.7%	5.7%
Total	3,339	\$ 81,702	100.0%	27.3%

Lease Expirations - Industrial				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2008	372	\$ 2,978	9.2%	1.0%
2009	847	6,978	21.7%	2.3%
2010	999	8,292	25.7%	2.8%
2011	711	6,235	19.3%	2.1%
2012	383	3,511	10.9%	1.2%
Thereafter	494	4,253	13.2%	1.4%
Total	3,806	\$ 32,247	100.0%	10.8%

Lease Expirations - Total				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2008	2,830	\$ 43,161	14.4%	14.4%
2009	4,427	65,216	21.8%	21.8%
2010	3,716	56,815	19.0%	19.0%
2011	2,653	44,568	14.9%	14.9%
2012	1,985	35,852	12.0%	12.0%
Thereafter	2,868	53,398	17.9%	17.9%
Total	18,479	\$ 299,010	100.0%	100.0%

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of March 31, 2008

(in thousands)

Southern California					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	658	\$	11,360	16.2%	3.8%
2009	1,053		17,661	25.1%	5.9%
2010	896		15,628	22.2%	5.2%
2011	537		9,213	13.1%	3.1%
2012	243		5,533	7.9%	1.8%
Thereafter	432		10,904	15.5%	3.7%
Total	3,819	\$	70,299	100.0%	23.5%

Northern California					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	388	\$	7,657	30.0%	2.5%
2009	442		6,061	23.7%	2.0%
2010	315		4,015	15.7%	1.3%
2011	168		2,560	10.0%	0.9%
2012	156		1,942	7.6%	0.6%
Thereafter	224		3,315	13.0%	1.1%
Total	1,693	\$	25,550	100.0%	8.4%

Southern Texas					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	245	\$	2,586	19.6%	0.9%
2009	350		4,066	30.8%	1.4%
2010	180		1,956	14.8%	0.7%
2011	81		1,061	8.0%	0.4%
2012	106		1,691	12.8%	0.6%
Thereafter	149		1,854	14.0%	0.6%
Total	1,111	\$	13,214	100.0%	4.6%

Northern Texas					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	137	\$	1,366	7.8%	0.5%
2009	237		1,973	11.3%	0.6%
2010	246		2,333	13.4%	0.8%
2011	117		1,373	7.9%	0.5%
2012	296		4,065	23.3%	1.4%
Thereafter	539		6,331	36.3%	2.1%
Total	1,572	\$	17,441	100.0%	5.9%

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of March 31, 2008

(in thousands)

South Florida					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	523	\$	5,191	15.3%	1.7%
2009	695		6,792	20.0%	2.3%
2010	860		8,032	23.6%	2.7%
2011	636		6,312	18.6%	2.1%
2012	379		4,024	11.8%	1.3%
Thereafter	306		3,643	10.7%	1.2%
Total	3,399	\$	33,994	100.0%	11.3%

Northern Virginia					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	415	\$	7,481	12.2%	2.5%
2009	670		12,476	20.3%	4.2%
2010	584		11,596	18.9%	3.9%
2011	237		5,185	8.5%	1.7%
2012	419		10,345	16.9%	3.5%
Thereafter	637		14,192	23.2%	4.8%
Total	2,962	\$	61,275	100.0%	20.6%

Maryland					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	98	\$	1,945	4.8%	0.6%
2009	276		5,169	12.8%	1.7%
2010	327		8,172	20.3%	2.7%
2011	390		10,063	25.0%	3.4%
2012	230		6,020	15.0%	2.0%
Thereafter	351		8,908	22.1%	3.0%
Total	1,672	\$	40,277	100.0%	13.4%

Oregon					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	174	\$	2,724	13.1%	0.9%
2009	333		5,553	26.7%	1.8%
2010	98		1,825	8.8%	0.6%
2011	359		6,722	32.4%	2.2%
2012	50		876	4.2%	0.3%
Thereafter	169		3,074	14.8%	1.0%
Total	1,183	\$	20,774	100.0%	6.8%

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of March 31, 2008

(in thousands)

Washington					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	104	\$	1,754	19.8%	0.6%
2009	145		2,578	29.1%	0.9%
2010	93		1,751	19.7%	0.6%
2011	68		1,353	15.3%	0.4%
2012	25		500	5.6%	0.2%
Thereafter	42		935	10.5%	0.3%
Total	477	\$	8,871	100.0%	3.0%

Arizona					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	88	\$	1,097	15.0%	0.4%
2009	226		2,887	39.5%	1.0%
2010	117		1,507	20.6%	0.5%
2011	60		726	9.9%	0.2%
2012	81		856	11.7%	0.3%
Thereafter	19		242	3.3%	0.1%
Total	591	\$	7,315	100.0%	2.5%

Total					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	2,830	\$	43,161	14.4%	14.4%
2009	4,427		65,216	21.8%	21.8%
2010	3,716		56,815	19.0%	19.0%
2011	2,653		44,568	14.9%	14.9%
2012	1,985		35,852	12.0%	12.0%
Thereafter	2,868		53,398	17.9%	17.9%
Total	18,479	\$	299,010	100.0%	100.0%

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of March 31, 2008

(in thousands)

Lease Expirations - Large Tenant Portfolio					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	1,265	\$	18,116	10.4%	6.0%
2009	2,295		30,107	17.2%	10.1%
2010	2,218		30,590	17.5%	10.2%
2011	1,905		30,435	17.4%	10.2%
2012	1,371		24,032	13.8%	8.0%
Thereafter	2,371		41,362	23.7%	13.9%
Total	11,425	\$	174,642	100.0%	58.4%

Lease Expirations - Small Tenant Portfolio					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	1,565	\$	25,045	20.1%	8.4%
2009	2,132		35,109	28.2%	11.7%
2010	1,498		26,225	21.1%	8.8%
2011	748		14,133	11.4%	4.7%
2012	614		11,820	9.5%	4.0%
Thereafter	497		12,036	9.7%	4.0%
Total	7,054	\$	124,368	100.0%	41.6%

Lease Expirations - Total					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2008	2,830	\$	43,161	14.4%	14.4%
2009	4,427		65,216	21.8%	21.8%
2010	3,716		56,815	19.0%	19.0%
2011	2,653		44,568	14.9%	14.9%
2012	1,985		35,852	12.0%	12.0%
Thereafter	2,868		53,398	17.9%	17.9%
Total	18,479	\$	299,010	100.0%	100.0%