



**PSBUSINESSPARKS.**

**Analysis of Operating Results  
and Financial Condition**

**March 31, 2009**

**ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION  
FOR THE THREE MONTHS ENDED MARCH 31, 2009**

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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		
	03/31/09	03/31/08	% Change
Total rental income	\$ 69,747	\$ 70,111	(0.5%)
Total cost of operations	22,755	22,490	1.2%
Net operating income	<u>\$ 46,992</u>	<u>\$ 47,621</u>	(1.3%)
Net income allocable to common shareholders	\$ 32,961	\$ 3,749	779.2%
Net income per common share:			
Basic	\$ 1.61	\$ 0.18	794.4%
Diluted	\$ 1.60	\$ 0.18	788.9%
Weighted average common shares outstanding - basic	20,470	20,435	0.2%
Weighted average common shares outstanding - diluted	20,541	20,629	(0.4%)
Weighted average common OP units outstanding	7,305	7,305	-
Total fully-converted diluted shares	<u>27,846</u>	<u>27,934</u>	(0.3%)

**FUNDS FROM OPERATIONS**

	FOR THE THREE MONTHS ENDED		
	03/31/09	03/31/08	% Change
FFO allocable to common shareholders/unit holders - before adjustment	\$ 31,485	\$ 30,544	3.1%
Gain on repurchase of preferred equity, net of issuance cost	35,639	-	100.0%
FFO allocable to common shareholders/unit holders - as reported	<u>\$ 67,124</u>	<u>\$ 30,544</u>	119.8%
Diluted FFO per common share and units - before adjustment	\$ 1.13	\$ 1.09	3.7%
Diluted FFO per common share and OP units - as reported	\$ 2.41	\$ 1.09	121.1%

**PROPERTY INFORMATION**

	FOR THE THREE MONTHS ENDED		
	03/31/09	03/31/08	% Change
<u>Total - Same Park Portfolio</u>			
Total rentable square footage at period end	19,556	19,556	-
Weighted average occupancy	91.4%	94.0%	(2.8%)
Annualized realized rent per sq. ft. <sup>(1)</sup>	\$ 15.61	\$ 15.26	2.3%
REVPAF <sup>(2)</sup>	\$ 14.27	\$ 14.34	(0.5%)

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

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

**BALANCE SHEET DATA**

	03/31/09	12/31/08	% Change
Total assets	\$ 1,399,881	\$ 1,469,323	(4.7%)
Noncontrolling interests - preferred units	\$ 73,418	\$ 94,750	(22.5%)
Noncontrolling interests - common units	\$ 157,036	\$ 148,023	6.1%
Perpetual preferred stock	\$ 626,046	\$ 706,250	(11.4%)
Common shareholders' equity	\$ 441,168	\$ 414,564	6.4%
Total common shares outstanding at period end	20,523	20,460	0.3%
Book value per common share	\$ 21.50	\$ 20.26	6.1%

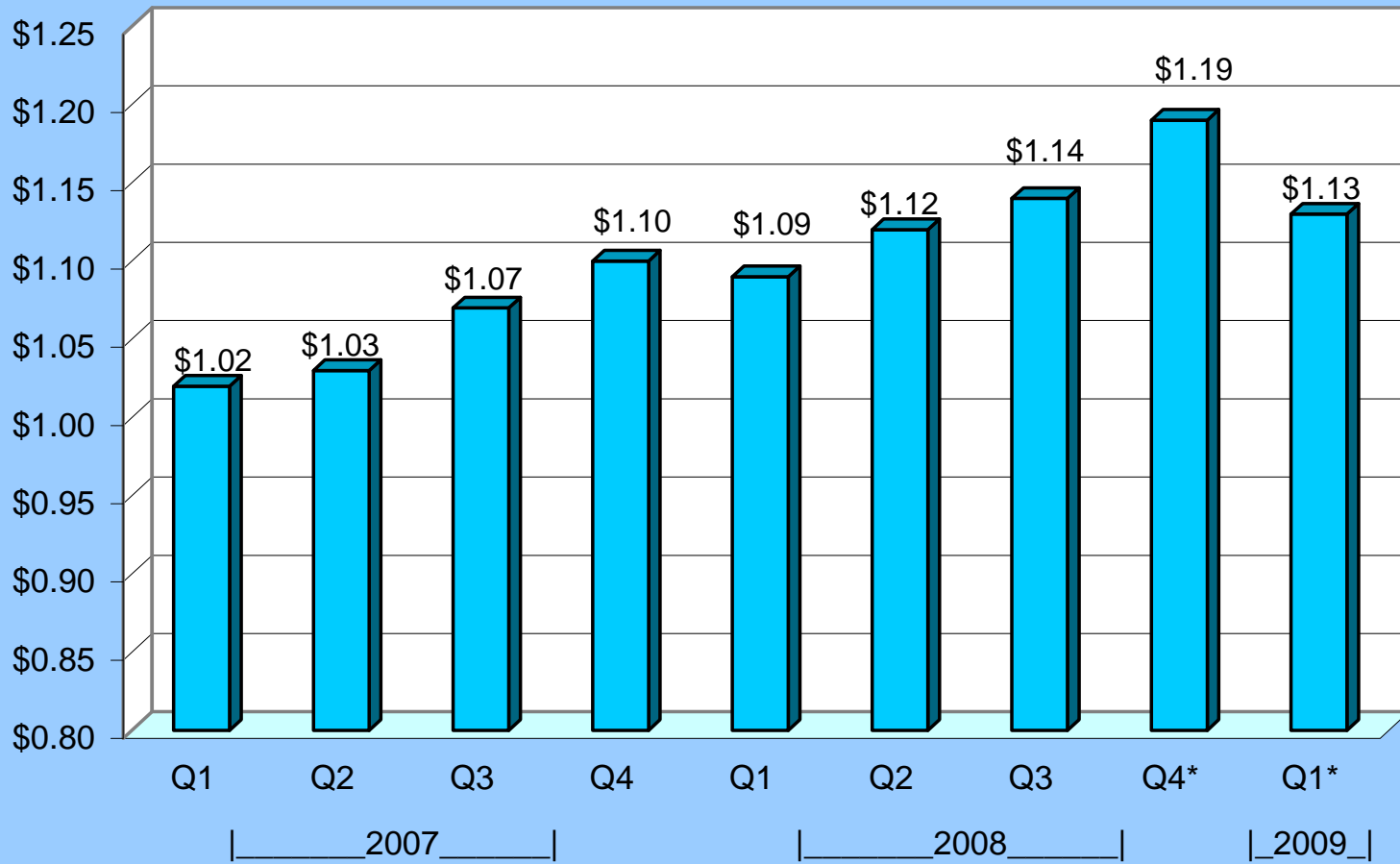
**MARKET VALUE INFORMATION**

	03/31/09	12/31/08	% Change
Market value of common stock and common OP units	\$ 1,025,485	\$ 1,239,997	(17.3%)
Total debt	53,840	59,308	(9.2%)
Total preferred equity	699,464	801,000	(12.7%)
Total market capitalization	<u>\$ 1,778,789</u>	<u>\$ 2,100,305</u>	(15.3%)
Stock price at the end of the period	\$ 36.85	\$ 44.66	(17.5%)

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

	FOR THE THREE MONTHS ENDED		Increase (Decrease)	% Change
	03/31/09	03/31/08		
<b><u>Funds from operations (FFO):</u></b>				
Net income allocable to common shareholders	\$ 32,961	\$ 3,749	\$ 29,212	779.2%
Adjustments:				
Depreciation and amortization	22,391	25,447	(3,056)	(12.0%)
Net income allocable to noncontrolling interests - common units	11,772	1,348	10,424	773.3%
FFO allocable to common shareholders/unit holders	<u>\$ 67,124</u>	<u>\$ 30,544</u>	<u>\$ 36,580</u>	<u>119.8%</u>
Weighted average common shares outstanding	20,470	20,435	35	0.2%
Weighted average common OP units outstanding	7,305	7,305	-	-
Weighted average common share equivalents outstanding	71	194	(123)	(63.4%)
Total fully-converted diluted shares	<u>27,846</u>	<u>27,934</u>	<u>(88)</u>	<u>(0.3%)</u>
Diluted FFO per common share/OP unit	<u>\$ 2.41</u>	<u>\$ 1.09</u>	<u>\$ 1.32</u>	<u>121.1%</u>
<b><u>Funds available for distribution (FAD):</u></b>				
Funds from operations	\$ 67,124	\$ 30,544	\$ 36,580	119.8%
Adjustments:				
Recurring capital improvements	(785)	(1,934)	(1,149)	(59.4%)
Tenant improvements	(3,282)	(4,454)	(1,172)	(26.3%)
Lease commissions	(871)	(2,268)	(1,397)	(61.6%)
Straight-line rent	(345)	94	(439)	(467.0%)
Stock compensation expense	1,088	1,012	76	7.5%
In-place lease adjustment	(86)	(48)	38	79.2%
Lease incentives net of tenant improvement reimbursements	(81)	(31)	50	161.3%
Gain on repurchase of preferred equity, net of issuance cost	(35,639)	-	(35,639)	(100.0%)
FAD	<u>\$ 27,123</u>	<u>\$ 22,915</u>	<u>\$ 4,208</u>	<u>18.4%</u>
Diluted FAD per common share/OP unit	<u>\$ 0.97</u>	<u>\$ 0.82</u>	<u>\$ 0.15</u>	<u>18.3%</u>
<b><u>Cash available for debt repayments and reinvestments:</u></b>				
FAD	\$ 27,123	\$ 22,915	\$ 4,208	18.4%
Distributions to common shareholders	(9,003)	(8,982)	21	0.2%
Distributions to common OP unit holders	(3,214)	(3,214)	-	-
Cash available for debt repayments and reinvestment:	<u>\$ 14,906</u>	<u>\$ 10,719</u>	<u>\$ 4,187</u>	<u>39.1%</u>
FAD payout ratio	<u>45.0%</u>	<u>53.2%</u>	<u>(8.2%)</u>	<u>(15.4%)</u>

## Reported Diluted FFO Per Common Share/OP Unit



\* Excludes net gain on repurchase of preferred equity.

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

	As of March 31, 2009			As of December 31, 2008		
	Total	% of Total Market Capitalization	WTD Average Rate	Total	% of Total Market Capitalization	WTD Average Rate
<b>Mortgage Debt:</b>						
5.730% mortgage note, due March 2013	\$ 14,180			\$ 14,247		
5.520% mortgage note, due May 2013	9,996			10,053		
5.680% mortgage note, due May 2013	10,009			10,065		
6.150% mortgage note, due November 2031 (includes unamortized premium of \$584,000 on \$16.2 million mortgage note with stated rate of 7.200%)	16,795			16,912		
5.610% mortgage note, due January 2011 (includes unamortized premium of \$120,000 on \$2.7 million mortgage note with stated rate of 7.610%)	2,860			2,887		
7.290% mortgage note, repaid February 2009	-			5,144		
<b>Total mortgage notes payable (1)</b>	<b>53,840</b>	<b>3.0%</b>	<b>5.81%</b>	<b>59,308</b>	<b>2.8%</b>	<b>5.94%</b>
<b>Total debt</b>	<b>53,840</b>	<b>3.0%</b>	<b>5.81%</b>	<b>59,308</b>	<b>2.8%</b>	<b>5.94%</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 (6,340,776 depository shares outstanding) callable 1/30/09	158,520			205,000		
6.875% Series I preferred stock (2,745,050 depository share outstanding) callable 4/21/09	68,626			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 (2,165,000 depository shares outstanding) callable 6/30/09	54,125			57,500		
7.600% Series L preferred stock (1,935,000 depository shares outstanding) callable 8/31/09	48,375			57,500		
7.200% Series M preferred stock (3,182,000 depository shares outstanding) callable 5/2/10	79,550			82,500		
7.125% Series N preferred operating partnership units (223,300 units outstanding) callable 12/12/10	5,583			20,000		
7.375% Series O preferred stock (3,384,000 depository shares outstanding) callable 6/16/11	84,600			95,000		
6.700% Series P preferred stock (5,290,000 depository shares outstanding) callable 1/17/12	132,250			133,750		
6.550% Series Q preferred operating partnership units (203,400 units outstanding) callable 3/12/12	5,085			12,000		
<b>Total preferred equity</b>	<b>699,464</b>	<b>39.3%</b>	<b>7.17%</b>	<b>801,000</b>	<b>38.1%</b>	<b>7.16%</b>
<b>Total debt and preferred equity</b>	<b>753,304</b>	<b>42.3%</b>	<b>7.07%</b>	<b>860,308</b>	<b>40.9%</b>	<b>7.07%</b>
Common stock (20,523,288 and 20,459,916 shares outstanding as of March 31, 2009 and December 31, 2008, respectively)	756,283			913,740		
Common operating partnership units (7,305,355 units outstanding as of March 31, 2009 and December 31, 2008)	269,202			326,257		
<b>Total common equity (2)</b>	<b>1,025,485</b>	<b>57.7%</b>		<b>1,239,997</b>	<b>59.1%</b>	
<b>Total market capitalization</b>	<b>\$ 1,778,789</b>	<b>100.0%</b>		<b>\$ 2,100,305</b>	<b>100.0%</b>	

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

Principal Maturity Dates						
	2009	2010	2011	2012	2013	Total
Rose Canyon	\$ 174	\$ 277	\$ 293	\$ 309	\$ 13,127	\$ 14,180
Meadows	192	278	15,741	-	-	16,211
Palm Beach	383	536	3,178	547	18,101	22,745
Meadows Loan Premium	157	218	209	-	-	584
Palm Beach Loan Premium	48	67	5	-	-	120
	<b>\$ 954</b>	<b>\$ 1,376</b>	<b>\$ 19,426</b>	<b>\$ 856</b>	<b>\$ 31,228</b>	<b>\$ 53,840</b>

(2) Closing stock price was \$36.85 and \$44.66 as of March 31, 2009 and December 31, 2008, respectively.

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

	03/31/09	12/31/08	Increase (Decrease)	% Change
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,093	\$ 55,015	\$ (49,922)	(a) (90.7%)
Real estate facilities, at cost:				
Land	494,849	494,849	-	-
Buildings and equipment	1,521,785	1,517,484	4,301	0.3%
	2,016,634	2,012,333	4,301	0.2%
Accumulated depreciation	(659,565)	(637,948)	21,617	3.4%
	1,357,069	1,374,385	(17,316)	(b) (1.3%)
Land held for development	7,869	7,869	-	-
	1,364,938	1,382,254	(17,316)	(1.3%)
Rent receivable	2,878	2,055	823	(c) 40.0%
Deferred rent receivable	21,978	21,633	345	1.6%
Other assets	4,994	8,366	(3,372)	(d) (40.3%)
Total assets	<u>\$ 1,399,881</u>	<u>\$ 1,469,323</u>	<u>\$ (69,442)</u>	(4.7%)
<b>LIABILITIES AND EQUITY</b>				
Accrued and other liabilities	\$ 48,373	\$ 46,428	\$ 1,945	(e) 4.2%
Mortgage notes payable	53,840	59,308	(5,468)	(9.2%)
Total liabilities	102,213	105,736	(3,523)	(3.3%)
Equity:				
PS Business Parks, Inc.'s shareholders' equity:				
Preferred stock	626,046	706,250	(80,204)	(11.4%)
Common stock	204	204	-	-
Paid-in capital	396,180	363,587	32,593	(f) 9.0%
Cumulative net income	639,106	622,113	16,993	2.7%
Cumulative distributions	(594,322)	(571,340)	22,982	(g) 4.0%
Total PS Business Parks, Inc.'s shareholders' equity	1,067,214	1,120,814	(53,600)	(4.8%)
Noncontrolling interests:				
Preferred units	73,418	94,750	(21,332)	(22.5%)
Common units	157,036	148,023	9,013	6.1%
Total noncontrolling interests:	230,454	242,773	(12,319)	(5.1%)
Total equity	1,297,668	1,363,587	(65,919)	(4.8%)
Total liabilities and equity	<u>\$ 1,399,881</u>	<u>\$ 1,469,323</u>	<u>\$ (69,442)</u>	(4.7%)

PS BUSINESS PARKS, INC. CONSOLIDATED BALANCE SHEETS VARIANCE DETAIL (in thousands)			
<b>(a) Change in cash and cash equivalents:</b>			
Beginning cash balance			\$ 55,015
Net cash provided by operating activities			48,205
Net cash used in investing activities			(5,075)
Net cash used in financing activities			(93,052)
Ending cash balance			<u>\$ 5,093</u>
<b>(b) Change in real estate facilities, at cost:</b>			
Beginning balance			\$ 1,374,385
Property renovations			137
Recurring capital improvements			785
Tenant improvements			3,282
Lease commissions			871
Depreciation and amortization			(22,391)
Ending balance			<u>\$ 1,357,069</u>
<b>(c) Rent receivable consists of:</b>			
	03/31/09	12/31/08	Increase (Decrease)
U.S. Government tenants	\$ 1,020	\$ 960	\$ 60
Other	2,258	1,395	863
Allowance for bad debt	(400)	(300)	(100)
	<u>\$ 2,878</u>	<u>\$ 2,055</u>	<u>\$ 823</u>
<b>(d) Other assets consist of:</b>			
	03/31/09	12/31/08	Increase (Decrease)
Prepaid insurance	\$ 226	\$ 1,032	\$ (806)
Prepaid property taxes	1,368	2,502	(1,134)
Lease incentives, net	1,162	1,285	(123)
Mortgage impounds	906	691	215
In-place lease adjustment, net	159	181	(22)
Other	1,173	2,675	(1,502)
	<u>\$ 4,994</u>	<u>\$ 8,366</u>	<u>\$ (3,372)</u>
<b>(e) Accrued and other liabilities consist of:</b>			
	03/31/09	12/31/08	Increase (Decrease)
Prepaid rent	\$ 9,667	\$ 9,156	\$ 511
Accrued property taxes	6,567	5,118	1,449
Security deposits	19,156	19,506	(350)
In-place lease adjustment and TI reimbursements, net	2,768	3,011	(243)
Reserves for acquisition costs	1,573	1,584	(11)
Other	8,642	8,053	589
	<u>\$ 48,373</u>	<u>\$ 46,428</u>	<u>\$ 1,945</u>
<b>(f) Change in paid-in capital:</b>			
Beginning paid-in capital			\$ 363,587
Gain on repurchase of preferred stock			39,002
EITF Topic D-42			3,364
Stock compensation, net			(320)
Adjustment to reflect noncontrolling interests to underlying ownership			(9,453)
Ending paid in capital			<u>\$ 396,180</u>
<b>(g) Change in cumulative distributions:</b>			
Beginning cumulative distributions			\$ (571,340)
Distributions to preferred shareholders			(13,979)
Distributions to common shareholders			(9,003)
Ending cumulative distributions			<u>\$ (594,322)</u>



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

	03/31/09	03/30/08	Increase (Decrease)	% Change
<b>Revenues:</b>				
Rental income	\$ 69,747	\$ 70,111	\$ (364) <b>(a)</b>	(0.5%)
Facility management fees	177	195	(18)	(9.2%)
Total operating revenues	<u>69,924</u>	<u>70,306</u>	<u>(382)</u>	(0.5%)
<b>Expenses:</b>				
Cost of operations	22,755	22,490	265	1.2%
Depreciation and amortization	22,391	25,447	(3,056)	(12.0%)
General and administrative	1,976	2,046	(70) <b>(b)</b>	(3.4%)
Total operating expenses	<u>47,122</u>	<u>49,983</u>	<u>(2,861)</u>	(5.7%)
<b>Other income and expenses:</b>				
Interest and other income	179	328	(149)	(45.4%)
Interest expense	(930)	(993)	(63) <b>(c)</b>	(6.3%)
Total other income and expenses	<u>(751)</u>	<u>(665)</u>	<u>86</u>	12.9%
Net income	<u>\$ 22,051</u>	<u>\$ 19,658</u>	<u>\$ 2,393</u>	12.2%
<b>Net income allocation:</b>				
Common shareholders	\$ 32,961	\$ 3,749	\$ 29,212	779.2%
Preferred shareholders	(16,026)	12,756	(28,782)	(225.6%)
Noncontrolling interests - common units	11,772	1,348	10,424	773.3%
Noncontrolling interests - preferred units	(6,714)	1,752	(8,466)	(483.2%)
Restricted stock unit holders	58	53	5	9.4%
	<u>\$ 22,051</u>	<u>\$ 19,658</u>	<u>\$ 2,393</u>	12.2%
<b>Net income per common share:</b>				
Basic	\$ 1.61	\$ 0.18	\$ 1.43	794.4%
Diluted	\$ 1.60	\$ 0.18	\$ 1.42	788.9%
<b>Weighted average common shares outstanding:</b>				
Basic	<u>20,470</u>	<u>20,435</u>	<u>35</u>	0.2%
Diluted	<u>20,541</u>	<u>20,629</u>	<u>(88)</u>	(0.4%)

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

	<u>03/31/09</u>	<u>03/31/08</u>	Increase (Decrease)
<b>(a) Rental income:</b>			
Same Park	\$ 69,402	\$ 70,205	\$ (803)
Same Park straight-line rent	345	(94)	439
	<u>\$ 69,747</u>	<u>\$ 70,111</u>	<u>\$ (364)</u>
<b>(b) General and administrative expenses:</b>			
Cash and non-cash compensation expense	\$ 1,519	\$ 1,599	\$ (80)
Professional fees	206	186	20
Other	251	261	(10)
	<u>\$ 1,976</u>	<u>\$ 2,046</u>	<u>\$ (70)</u>
<b>(c) Interest expense:</b>			
Mortgage notes payable	\$ (842)	\$ (905)	\$ (63)
Facilities fees & other charges	(88)	(88)	-
	<u>\$ (930)</u>	<u>\$ (993)</u>	<u>\$ (63)</u>

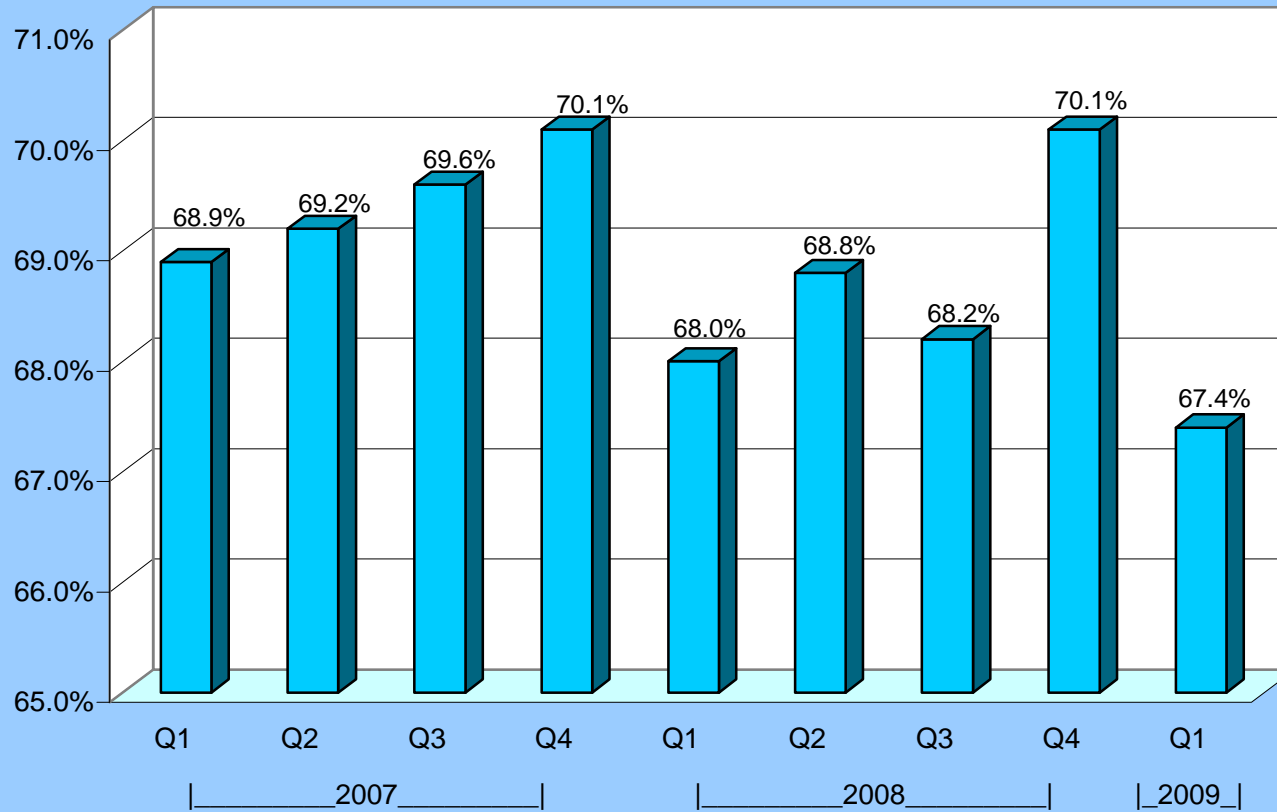
**PS BUSINESS PARKS, INC.**  
**Analysis of Capital Expenditures**  
(in thousands)

<u>Recurring capital expenditures</u> <sup>(1)</sup>	<u>Three Months Ended March 31, 2009 Costs</u>	<u>Cost per Weighted Average Square Foot</u>
Capital improvements <sup>(2)</sup>	\$785	\$0.04
Tenant improvements	3,282	\$0.17
Lease commissions	871	\$0.04
Total recurring capital expenditures	\$4,938	\$0.25
 <u>Non-recurring capital expenditures</u>		
Property renovations	\$137	
Total non-recurring capital expenditures	\$137	

(1) The Company defines "recurring capital expenditures" as those capitalized costs necessary to continue to operate the property at its current economic value. Capital improvements in excess of \$2,000 with a useful life greater than 24 months are capitalized. Lease transaction costs in excess of \$1,000 for leases with terms greater than 12 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 \$4.8 million or approximately \$0.25 per weighted average square foot for the three months ended March 31, 2009 compared to \$5.4 million or approximately \$0.28 per weighted average square foot for the three months ended March 31, 2008.

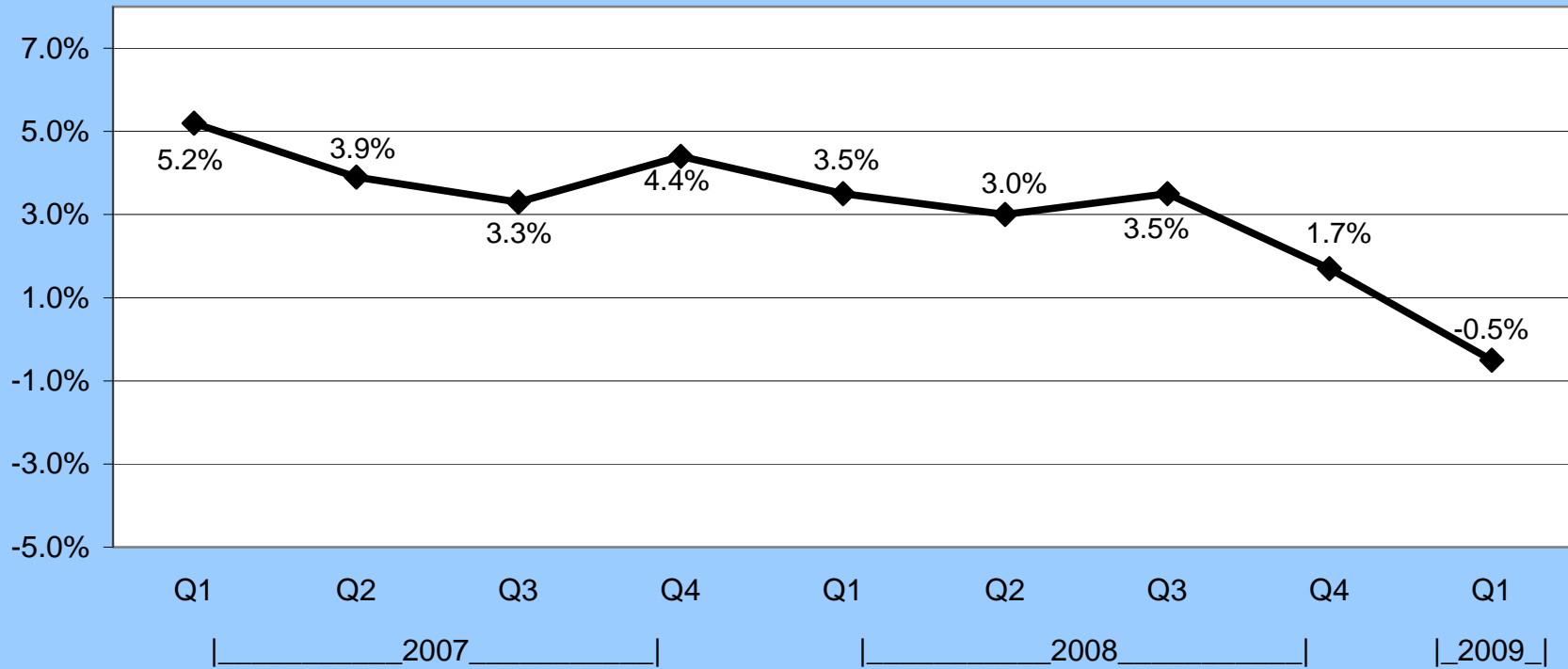
(2) Major costs include roof, HVAC and parking lot replacement as well as other major repairs that extend the life of the respective components of the building.

## Same Park Gross Operating Margin Percentage \*



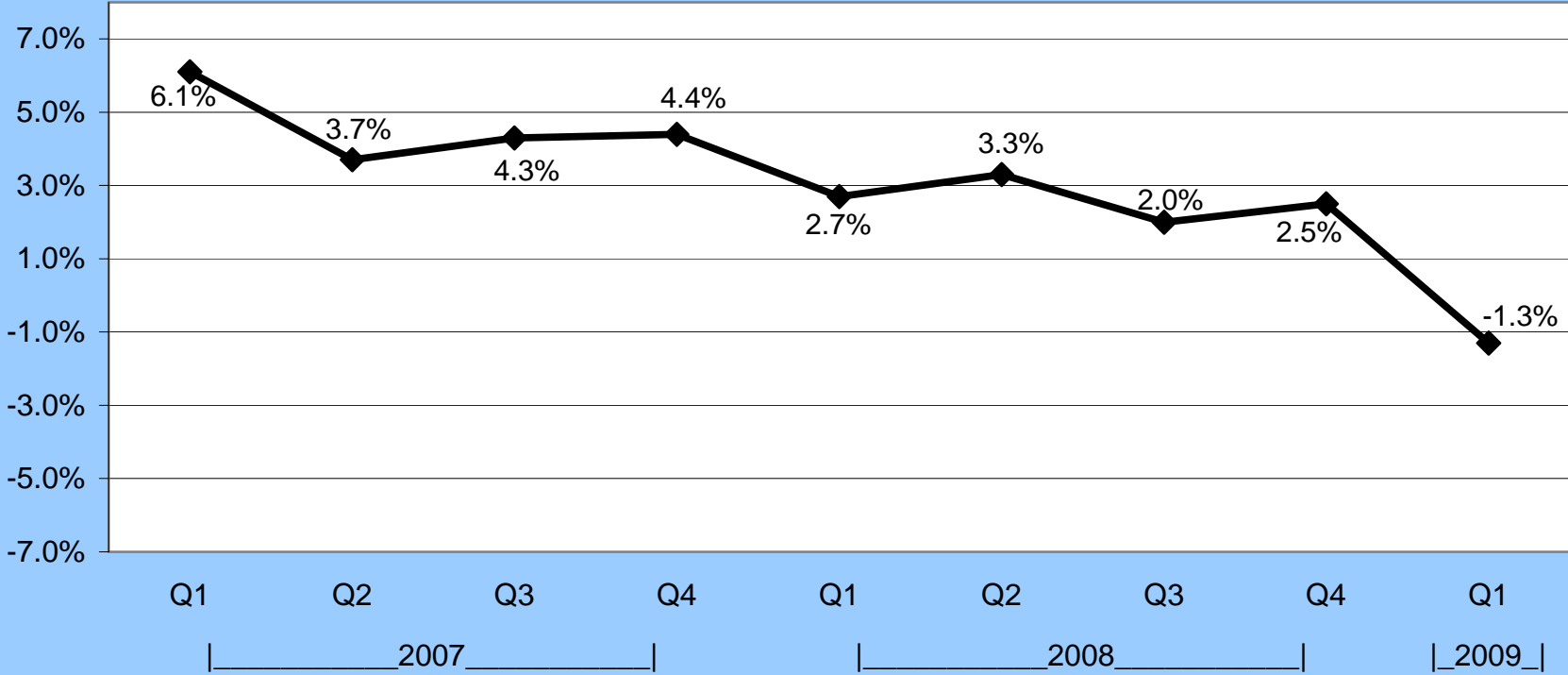
\* Gross margin is computed by dividing property net operating income by rental income for Same Park properties owned in each period.

## 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 '07 excludes the effect of 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 '07 excludes the effect of 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, 2009

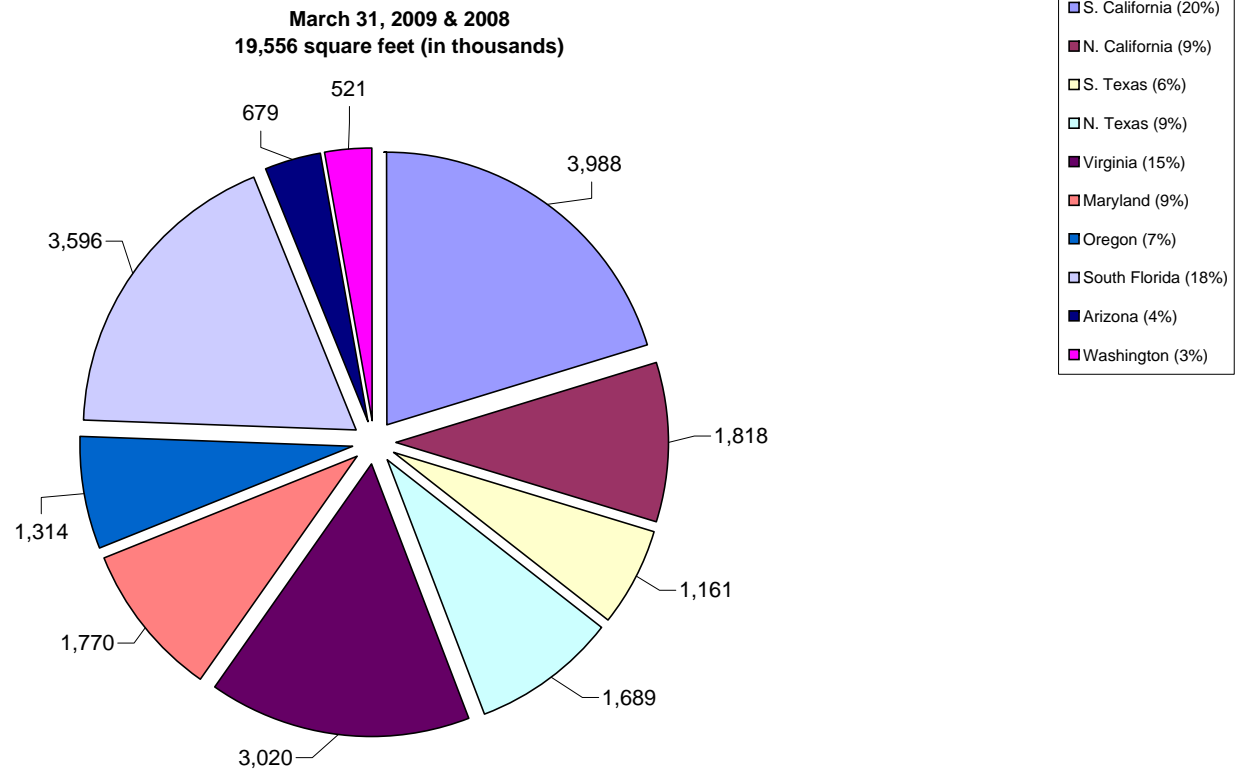
Industry	% of Total Rental Income
Business Services	14.1%
Health Services	10.6%
Computer Hardware, Software and Related Services	9.7%
Warehouse, Distribution, Transportation and Logistics	9.0%
Government	8.1%
Insurance and Financial Services	7.7%
Engineering and Construction	7.4%
Retail, Food and Automotive	6.6%
Communications	5.3%
Home Furnishings	3.8%
Electronics	3.3%
Educational Services	3.0%
Aerospace/Defense Products and Services	2.3%
Total	90.9%

Top 10 Customers by Total Annual Rental Income as of March 31, 2009

Tenant	Square Footage	Annualized Rental Income <sup>(1)</sup>	% of Total Annualized Rental Income
U.S. Government	502	\$ 13,257	4.7%
Kaiser Permanente	186	4,109	1.5%
Wells Fargo Bank	102	1,762	0.6%
Northrop Grumman	58	1,703	0.6%
AARP	102	1,684	0.6%
American Intercontinental University	75	1,423	0.5%
Raytheon	82	1,381	0.5%
Verizon	72	1,345	0.5%
Montgomery County Public School	47	1,339	0.5%
Intel	94	1,337	0.5%
Total	1,320	\$ 29,340	10.5%

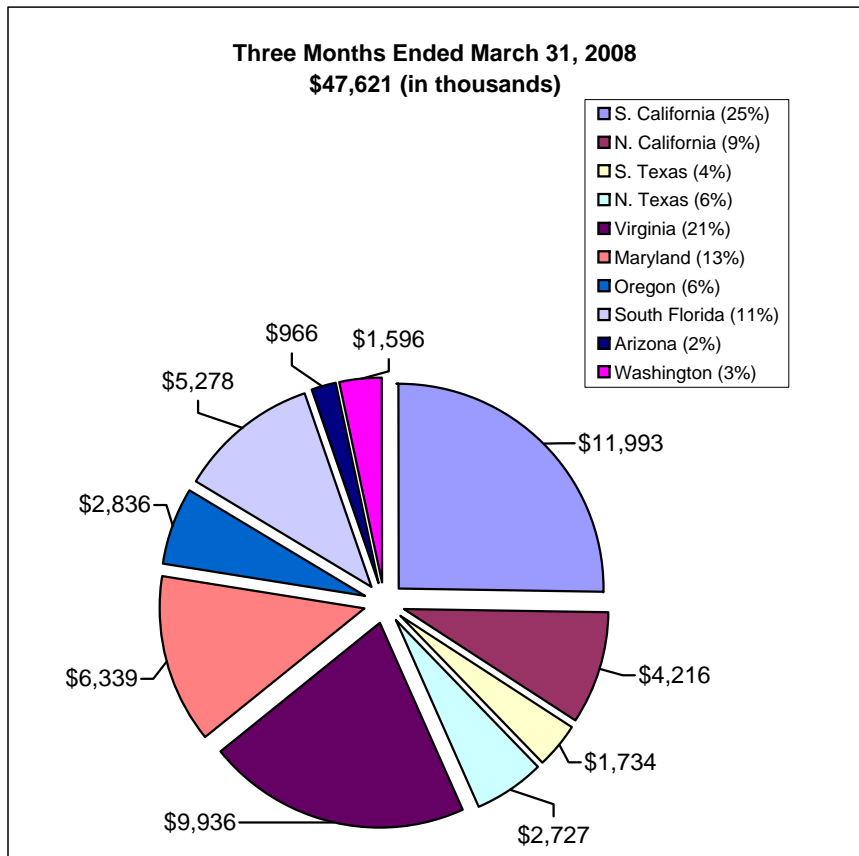
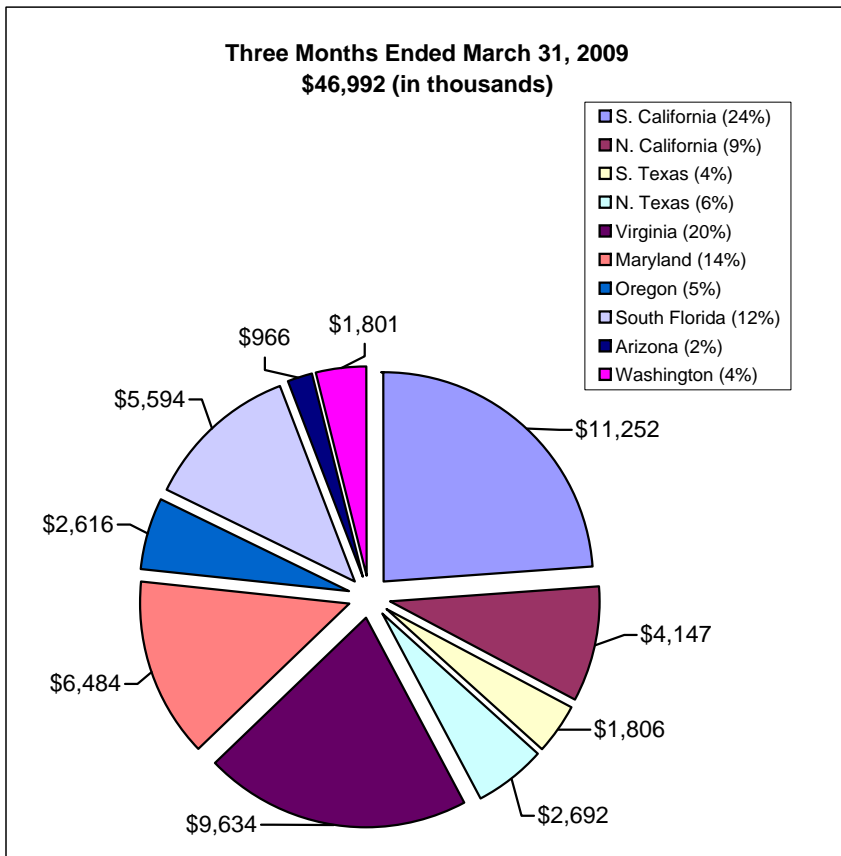
(1) - For leases expiring within one year, annualized rental income represents income to be received under existing leases from March 31, 2009 through date of expiration.

### Total Owned Rentable Square Footage by Region





### Total Owned Property Net Operating Income by Region



**PS BUSINESS PARKS, INC.**  
**TOTAL-SAME PARK PORTFOLIO OVERVIEW**  
(in thousands)

Rentable Square Footage of Properties as of March 31, 2009					
Primary Markets	Industrial	Office	Flex	Total	%
Miami	2,556	12	631	3,199	16.4%
Northern Virginia	-	1,073	1,947	3,020	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	-	705	911	1,616	8.3%
Los Angeles County	712	31	861	1,604	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	-	-	397	397	2.0%
Houston	-	131	243	374	1.9%
<b>Total</b>	<b>3,906</b>	<b>3,482</b>	<b>12,168</b>	<b>19,556</b>	<b>100.0%</b>
Percentage by Product Type	20.0%	17.8%	62.2%	100.0%	

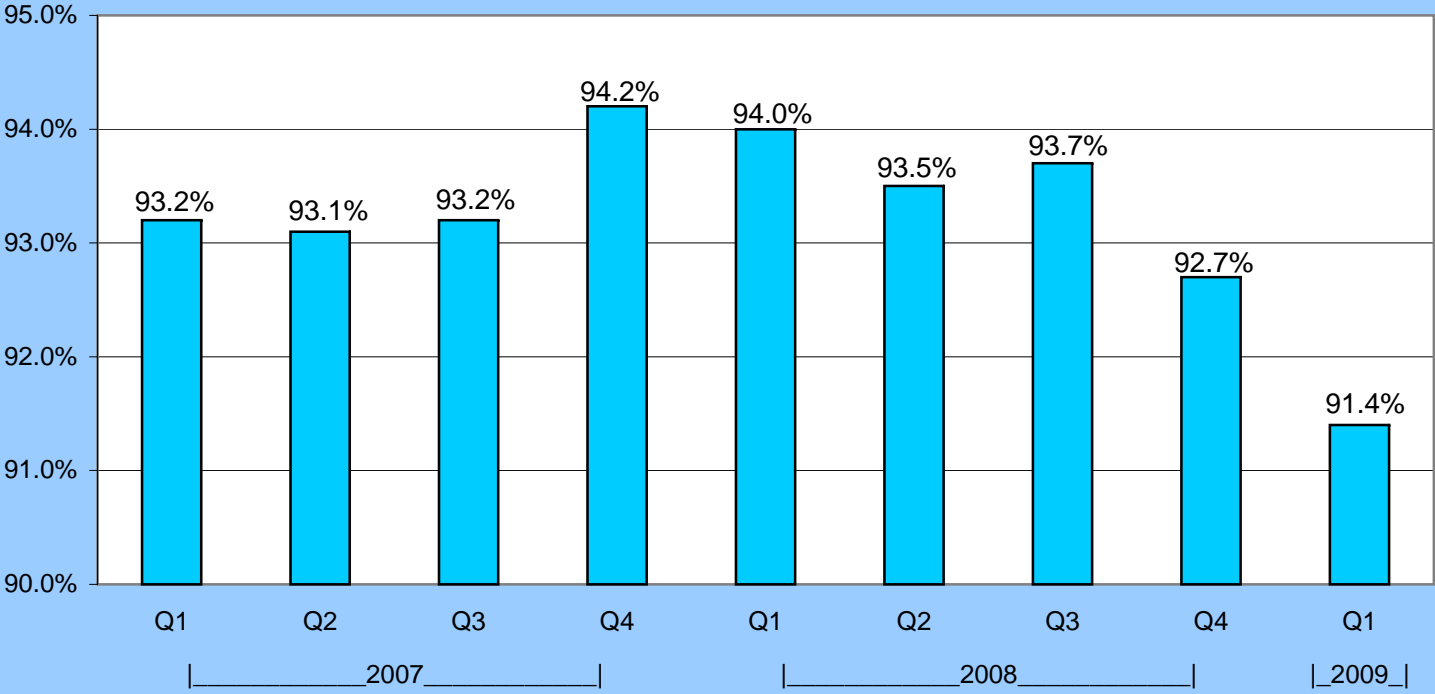
Weighted Average Occupancy Rates by Product Type for the Three Months Ended March 31, 2009				
Primary Markets	Industrial	Office	Flex	Total
Miami	97.0%	80.1%	98.8%	97.3%
Northern Virginia	-	94.4%	93.0%	93.5%
Northern California	92.8%	86.2%	90.9%	90.2%
Maryland	-	94.6%	89.3%	91.9%
Dallas	100.0%	-	91.3%	92.5%
Orange County	-	86.6%	88.8%	87.9%
Los Angeles County	99.6%	89.5%	87.7%	93.0%
Portland	-	77.9%	82.1%	81.5%
Austin	-	-	82.9%	82.9%
San Diego County	-	-	90.8%	90.8%
Phoenix	-	-	87.5%	87.5%
Seattle	-	100.0%	91.6%	92.1%
Palm Beach	-	-	86.4%	86.4%
Houston	-	100.0%	96.7%	97.9%
<b>Total</b>	<b>97.2%</b>	<b>91.1%</b>	<b>89.7%</b>	<b>91.4%</b>

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended March 31, 2009			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	97.1%	98.6%	97.3%
Northern Virginia	93.6%	93.2%	93.5%
Northern California	94.3%	86.0%	90.2%
Maryland	92.8%	84.8%	91.9%
Dallas	94.3%	83.8%	92.5%
Orange County	87.1%	88.5%	87.9%
Los Angeles County	99.6%	87.8%	93.0%
Portland	81.7%	80.9%	81.5%
Austin	84.0%	79.6%	82.9%
San Diego County	-	90.8%	90.8%
Phoenix	-	87.5%	87.5%
Seattle	-	92.1%	92.1%
Palm Beach	-	86.4%	86.4%
Houston	-	97.9%	97.9%
<b>Total</b>	<b>92.8%</b>	<b>89.3%</b>	<b>91.4%</b>

**Note:**

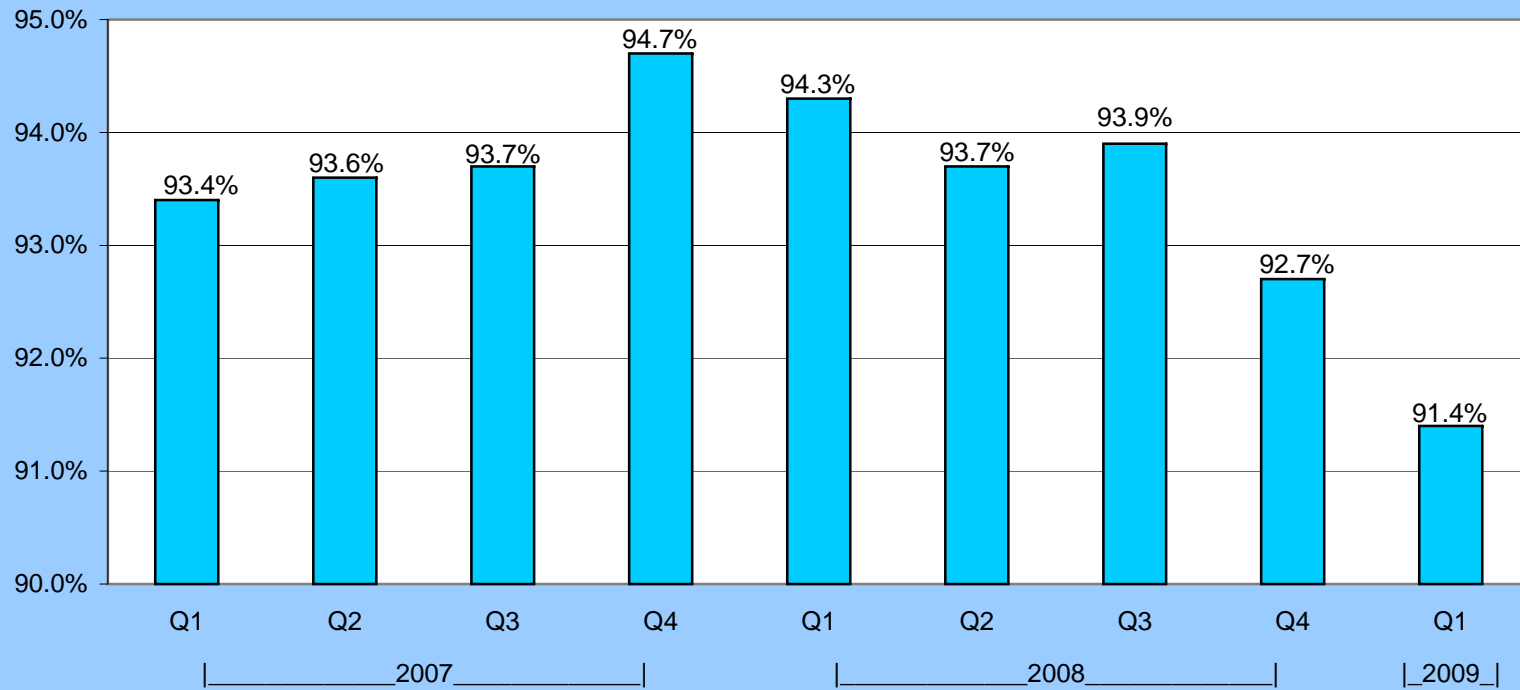
The Company's "large tenant" portfolio consists of properties with average leases greater than or equal to 5,000 square feet while the "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

# 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 weighted average occupancy for total owned portfolio held in continuing operations as reported in each period.

**PS BUSINESS PARKS, INC.**

**Owned Portfolio Lease Expirations as of March 31, 2009**

(in thousands)

Lease Expirations - Flex				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2009	2,178	\$ 32,369	18.2%	11.2%
2010	2,525	38,438	21.6%	13.3%
2011	2,110	35,146	19.8%	12.2%
2012	1,531	26,110	14.7%	9.0%
2013	1,081	17,614	9.9%	6.1%
Thereafter	1,384	28,142	15.8%	9.8%
Total	10,809	\$ 177,819	100.0%	61.6%

Lease Expirations - Office				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2009	426	\$ 8,674	11.0%	3.0%
2010	829	19,920	25.3%	6.9%
2011	585	14,720	18.7%	5.1%
2012	548	14,137	17.9%	4.9%
2013	344	8,863	11.2%	3.1%
Thereafter	441	12,514	15.9%	4.3%
Total	3,173	\$ 78,828	100.0%	27.3%

Lease Expirations - Industrial				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2009	461	\$ 3,902	12.2%	1.4%
2010	1,007	8,229	25.7%	2.9%
2011	800	7,040	22.0%	2.4%
2012	599	5,174	16.2%	1.8%
2013	554	4,688	14.7%	1.6%
Thereafter	339	2,926	9.2%	1.0%
Total	3,760	\$ 31,959	100.0%	11.1%

Lease Expirations - Total				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2009	3,065	\$ 44,945	15.6%	15.6%
2010	4,361	66,587	23.1%	23.1%
2011	3,495	56,906	19.7%	19.7%
2012	2,678	45,421	15.7%	15.7%
2013	1,979	31,165	10.8%	10.8%
Thereafter	2,164	43,582	15.1%	15.1%
Total	17,742	\$ 288,606	100.0%	100.0%

**PS BUSINESS PARKS, INC.**

**Owned Portfolio Lease Expirations as of March 31, 2009**

(in thousands)

Southern California					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2009	718	\$	12,274	18.5%	4.3%
2010	1,130		19,493	29.3%	6.8%
2011	765		12,860	19.3%	4.5%
2012	409		8,167	12.3%	2.8%
2013	226		5,249	7.9%	1.8%
Thereafter	372		8,472	12.7%	2.9%
Total	3,620	\$	66,515	100.0%	23.1%

Northern California					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2009	247	\$	4,130	18.7%	1.4%
2010	444		5,921	26.9%	2.1%
2011	276		4,067	18.5%	1.4%
2012	259		3,058	13.9%	1.1%
2013	135		2,201	10.0%	0.8%
Thereafter	201		2,638	12.0%	0.9%
Total	1,562	\$	22,015	100.0%	7.7%

Southern Texas					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2009	254	\$	3,078	24.3%	1.1%
2010	218		2,450	19.4%	0.9%
2011	133		1,584	12.5%	0.5%
2012	155		2,492	19.7%	0.8%
2013	99		995	7.8%	0.4%
Thereafter	143		2,059	16.3%	0.7%
Total	1,002	\$	12,658	100.0%	4.4%

Northern Texas					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2009	180	\$	1,491	8.4%	0.5%
2010	302		2,924	16.4%	1.0%
2011	157		1,906	10.7%	0.7%
2012	309		4,248	23.8%	1.5%
2013	347		3,165	17.7%	1.1%
Thereafter	271		4,104	23.0%	1.4%
Total	1,566	\$	17,838	100.0%	6.2%

**PS BUSINESS PARKS, INC.**

**Owned Portfolio Lease Expirations as of March 31, 2009**

(in thousands)

South Florida					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2009	565	\$ 5,917	17.6%	2.1%	
2010	893	8,220	24.4%	2.8%	
2011	731	7,303	21.7%	2.5%	
2012	563	5,702	16.9%	2.0%	
2013	424	4,320	12.8%	1.5%	
Thereafter	203	2,224	6.6%	0.8%	
Total	3,379	\$ 33,686	100.0%	11.7%	

Northern Virginia					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2009	383	\$ 6,405	10.7%	2.2%	
2010	685	13,641	22.8%	4.7%	
2011	351	7,267	12.2%	2.5%	
2012	498	11,555	19.3%	4.0%	
2013	373	7,582	12.7%	2.6%	
Thereafter	522	13,325	22.3%	4.6%	
Total	2,812	\$ 59,775	100.0%	20.6%	

Maryland					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2009	162	\$ 2,962	7.3%	1.0%	
2010	326	8,130	20.1%	2.8%	
2011	411	10,420	25.7%	3.6%	
2012	261	6,733	16.6%	2.3%	
2013	131	3,186	7.9%	1.1%	
Thereafter	365	9,084	22.4%	3.2%	
Total	1,656	\$ 40,515	100.0%	14.0%	

Oregon					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2009	213	\$ 3,512	18.0%	1.2%	
2010	128	2,259	11.6%	0.8%	
2011	474	8,406	43.2%	2.9%	
2012	63	1,147	5.9%	0.4%	
2013	162	2,953	15.2%	1.0%	
Thereafter	62	1,191	6.1%	0.4%	
Total	1,102	\$ 19,468	100.0%	6.7%	

**PS BUSINESS PARKS, INC.**

**Owned Portfolio Lease Expirations as of March 31, 2009**

(in thousands)

Washington					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2009	141	\$	2,584	28.8%	0.9%
2010	90		1,728	19.3%	0.6%
2011	100		1,944	21.7%	0.7%
2012	62		1,224	13.6%	0.4%
2013	52		1,142	12.7%	0.4%
Thereafter	13		353	3.9%	0.1%
Total	458	\$	8,975	100.0%	3.1%

Arizona					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2009	202	\$	2,592	36.2%	0.9%
2010	145		1,821	25.4%	0.6%
2011	97		1,149	16.1%	0.4%
2012	99		1,095	15.3%	0.4%
2013	30		372	5.2%	0.1%
Thereafter	12		132	1.8%	0.1%
Total	585	\$	7,161	100.0%	2.5%

Total					
Year of Lease Expiration	Leased Square Footage		Annualized Rental Income	%	% of Total Annualized Rental Income
2009	3,065	\$	44,945	15.6%	15.6%
2010	4,361		66,587	23.1%	23.1%
2011	3,495		56,906	19.7%	19.7%
2012	2,678		45,421	15.7%	15.7%
2013	1,979		31,165	10.8%	10.8%
Thereafter	2,164		43,582	15.1%	15.1%
Total	17,742	\$	288,606	100.0%	100.0%



**PS BUSINESS PARKS, INC.**

**Owned Portfolio Lease Expirations as of March 31, 2009**

(in thousands)

Lease Expirations - Large Tenant Portfolio				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2009	1,325	\$ 17,569	10.5%	6.1%
2010	2,334	32,367	19.3%	11.2%
2011	2,227	34,357	20.4%	11.9%
2012	1,747	28,217	16.8%	9.8%
2013	1,519	21,190	12.6%	7.3%
Thereafter	1,769	34,308	20.4%	11.9%
Total	10,921	\$ 168,008	100.0%	58.2%

Lease Expirations - Small Tenant Portfolio				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2009	1,740	\$ 27,376	22.7%	9.5%
2010	2,027	34,220	28.4%	11.9%
2011	1,268	22,549	18.7%	7.8%
2012	931	17,204	14.3%	5.9%
2013	460	9,975	8.2%	3.5%
Thereafter	395	9,274	7.7%	3.2%
Total	6,821	\$ 120,598	100.0%	41.8%

Lease Expirations - Total				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2009	3,065	\$ 44,945	15.6%	15.6%
2010	4,361	66,587	23.1%	23.1%
2011	3,495	56,906	19.7%	19.7%
2012	2,678	45,421	15.7%	15.7%
2013	1,979	31,165	10.8%	10.8%
Thereafter	2,164	43,582	15.1%	15.1%
Total	17,742	\$ 288,606	100.0%	100.0%