



PSBUSINESSPARKS

**Analysis of Operating Results
and Financial Condition**

September 30, 2007

**ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2007**

INDEX

	<u>Page</u>
Fact Sheet	1
Funds from Operations (FFO)	2 - 3
Capital Structure	4
Consolidated Balance Sheets	5 - 6
Consolidated Income Statements	7 - 10
Capital Expenditure Analysis	11
Portfolio Analysis	12 - 25

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

OPERATING DATA							
	FOR THE THREE MONTHS ENDED			FOR THE NINE MONTHS ENDED			
	09/30/07	09/30/06	% Change	09/30/07	09/30/06	% Change	
Total operating revenues	\$ 68,707	\$ 61,842	11.1%	\$ 201,471	\$ 180,050	11.9%	
Net income allocable to common shareholders	\$ 4,267	\$ 3,478	22.7%	\$ 13,971	\$ 12,935	8.0%	
Net income per common share - diluted:							
Continuing operations	\$ 0.20	\$ 0.16	25.0%	\$ 0.64	\$ 0.52	23.1%	
Discontinued operations	\$ -	\$ -	0.0%	\$ -	\$ 0.08	(100.0%)	
Net income per common share - diluted	\$ 0.20	\$ 0.16	25.0%	\$ 0.64	\$ 0.60	6.7%	
Weighted average common shares outstanding - basic	21,345	21,290	0.3%	21,332	21,345	(0.1%)	
Weighted average common shares outstanding - diluted	21,616	21,599	0.1%	21,670	21,630	0.2%	
Weighted average common OP units outstanding	7,305	7,305	N/A	7,305	7,305	N/A	
Total fully-converted diluted shares	28,921	28,904	0.1%	28,975	28,935	0.1%	

FUNDS FROM OPERATIONS							
	FOR THE THREE MONTHS ENDED			FOR THE NINE MONTHS ENDED			
	09/30/07	09/30/06	% Change	09/30/07	09/30/06	% Change	
FFO allocable to common shareholders, before adjustments	\$ 31,013	\$ 28,213	9.9%	\$ 90,597	\$ 81,788	10.8%	
EITF Topic D-42	-	(1,366)	(100.0%)	-	(3,024)	(100.0%)	
FFO allocable to common shareholders	\$ 31,013	\$ 26,847	15.5%	\$ 90,597	\$ 78,764	15.0%	
Diluted FFO per common share and units - before adjustments	\$ 1.07	\$ 0.98	9.2%	\$ 3.13	\$ 2.83	10.6%	
Diluted FFO per common share and units	\$ 1.07	\$ 0.93	15.1%	\$ 3.13	\$ 2.72	15.1%	

PROPERTY INFORMATION							
	FOR THE THREE MONTHS ENDED			FOR THE NINE MONTHS ENDED			
	09/30/07	09/30/06	% Change	09/30/07	09/30/06	% Change	
Total Owned Portfolio (1) (excluding discontinued operations)							
Net rentable square footage at period end	19,556	18,222	7.3%	19,556	18,222	7.3%	
Weighted average occupancy	93.2%	93.8%	(0.6%)	93.2%	93.2%	N/A	
Annualized realized rent per sq. ft. (2)	\$ 15.08	\$ 14.43	4.5%	\$ 14.90	\$ 14.32	4.1%	
REVPAR (3)	\$ 14.05	\$ 13.54	3.8%	\$ 13.89	\$ 13.35	4.0%	
Same Park Portfolio (1)							
Net rentable square footage at period end	17,494	17,494	N/A	17,494	17,494	N/A	
Weighted average occupancy	93.7%	93.9%	(0.2%)	93.5%	93.2%	0.3%	
Annualized realized rent per sq. ft. (2)	\$ 14.65	\$ 14.15	3.5%	\$ 14.50	\$ 14.12	2.7%	
REVPAR (3)	\$ 13.73	\$ 13.29	3.3%	\$ 13.56	\$ 13.16	3.0%	

- (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.

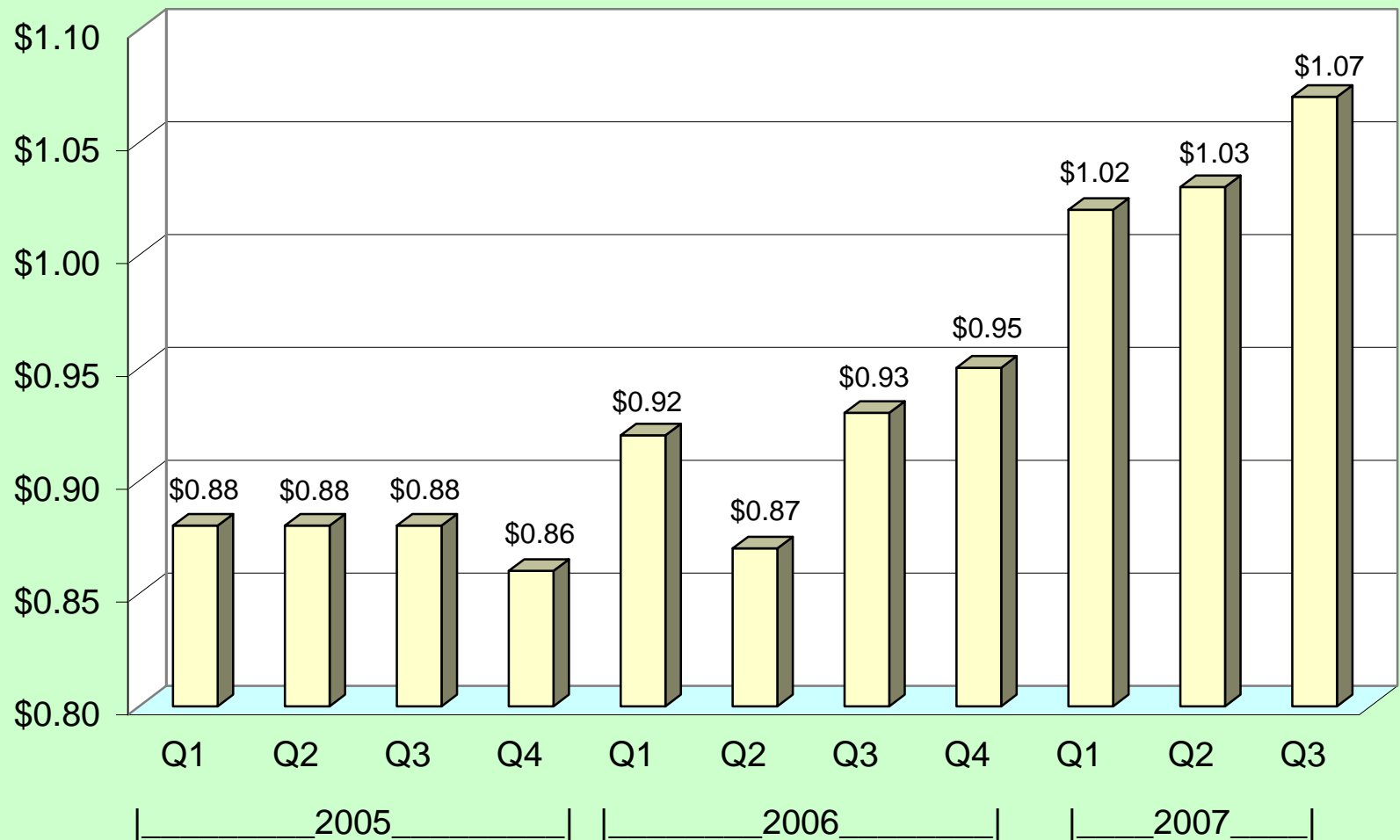
BALANCE SHEET DATA			
	09/30/07	12/31/06	% Change
Total assets	\$ 1,549,951	\$ 1,462,864	6.0%
Minority interest - preferred	\$ 94,750	\$ 82,750	14.5%
Minority interest - common	\$ 160,924	\$ 165,469	(2.7%)
Perpetual preferred stock	\$ 716,250	\$ 622,500	15.1%
Common shareholders' equity	\$ 470,275	\$ 482,703	(2.6%)
Total common shares outstanding at period end	21,349	21,311	0.2%
Book value per common share	\$ 22.03	\$ 22.65	(2.7%)

MARKET VALUE INFORMATION			
	09/30/07	12/31/06	% Change
Market value of common stock and common OP units	\$ 1,628,987	\$ 2,023,463	(19.5%)
Total debt	61,064	67,048	(8.9%)
Total preferred equity	811,000	705,250	15.0%
Total market capitalization	\$ 2,501,051	\$ 2,795,761	(10.5%)
Stock price at the end of the period	\$ 56.85	\$ 70.71	(19.6%)

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 NINE MONTHS ENDED		Increase (Decrease)	% Change
	09/30/07	09/30/06			09/30/07	09/30/06		
Funds from operations (FFO):								
Net income allocable to common shareholders	\$ 4,267	\$ 3,478	\$ 789	22.7%	\$ 13,971	\$ 12,935	\$ 1,036	8.0%
Adjustments:								
Gain on disposition of real estate	-	-	-	0.0%	-	(2,328)	(2,328)	(100.0%)
Depreciation and amortization	25,285	22,184	3,101	14.0%	71,841	63,747	8,094	12.7%
Minority interest in income - common units	1,461	1,185	276	23.3%	4,785	4,410	375	8.5%
FFO allocable to common shareholders/unitholders	<u>\$ 31,013</u>	<u>\$ 26,847</u>	<u>\$ 4,166</u>	<u>15.5%</u>	<u>\$ 90,597</u>	<u>\$ 78,764</u>	<u>\$ 11,833</u>	<u>15.0%</u>
Weighted average common shares outstanding	21,345	21,290	55	0.3%	21,332	21,345	(13)	(0.1%)
Weighted average common OP units outstanding	7,305	7,305	-	0.0%	7,305	7,305	-	0.0%
Weighted average common stock equivalents outstanding	271	309	(38)	(12.3%)	338	285	53	18.6%
Total pro forma fully-converted shares	<u>28,921</u>	<u>28,904</u>	<u>17</u>	<u>0.1%</u>	<u>28,975</u>	<u>28,935</u>	<u>40</u>	<u>0.1%</u>
Diluted FFO per common share/OP unit	<u>\$ 1.07</u>	<u>\$ 0.93</u>	<u>\$ 0.14</u>	<u>15.1%</u>	<u>\$ 3.13</u>	<u>\$ 2.72</u>	<u>\$ 0.41</u>	<u>15.1%</u>
Funds available for distribution (FAD):								
Funds from operations	\$ 31,013	\$ 26,847	\$ 4,166	15.5%	\$ 90,597	\$ 78,764	\$ 11,833	15.0%
Adjustments:								
Capital improvements	(5,646)	(3,548)	2,098	59.1%	(10,537)	(6,411)	4,126	64.4%
Tenant improvements	(4,308)	(3,166)	1,142	36.1%	(11,809)	(12,248)	(439)	(3.6%)
Lease commissions	(1,365)	(1,261)	104	8.2%	(3,777)	(4,049)	(272)	(6.7%)
Straight-line rent	(230)	(817)	(587)	(71.8%)	(489)	(2,437)	(1,948)	(79.9%)
Stock compensation expense	1,042	762	280	36.7%	2,746	2,007	739	36.8%
In-place lease adjustment	(44)	60	(104)	(173.3%)	(53)	172	(225)	(130.8%)
Lease incentives net of tenant improvement reimbursements	(15)	124	(139)	(112.1%)	96	387	(291)	(75.2%)
Redemption amount over carrying amount related to redeemed preferred equity	-	1,366	(1,366)	(100.0%)	-	3,024	(3,024)	(100.0%)
FAD	<u>\$ 20,447</u>	<u>\$ 20,367</u>	<u>\$ 80</u>	<u>0.4%</u>	<u>\$ 66,774</u>	<u>\$ 59,209</u>	<u>\$ 7,565</u>	<u>12.8%</u>
Diluted FAD per common share/OP unit	<u>\$ 0.71</u>	<u>\$ 0.70</u>	<u>\$ 0.01</u>	<u>1.4%</u>	<u>\$ 2.30</u>	<u>\$ 2.05</u>	<u>\$ 0.25</u>	<u>12.2%</u>
Cash available for debt repayments and reinvestments:								
FAD	\$ 20,447	\$ 20,367	\$ 80	0.4%	\$ 66,774	\$ 59,209	\$ 7,565	12.8%
Distributions to common shareholders	(9,393)	(6,176)	3,217	52.1%	(24,964)	(18,538)	6,426	34.7%
Distributions to common OP unit holders	(3,214)	(2,119)	1,095	51.7%	(8,547)	(6,356)	2,191	34.5%
Cash available for debt repayments and reinvestments	<u>\$ 7,840</u>	<u>\$ 12,072</u>	<u>\$ (4,232)</u>	<u>(35.1%)</u>	<u>\$ 33,263</u>	<u>\$ 34,315</u>	<u>\$ (1,052)</u>	<u>(3.1%)</u>
FAD payout ratio	<u>61.7%</u>	<u>40.7%</u>	<u>21.0%</u>	<u>51.6%</u>	<u>50.2%</u>	<u>42.0%</u>	<u>8.2%</u>	<u>19.5%</u>

Reported Diluted FFO Per Common Share/OP Unit



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

	As of September 30, 2007			As of December 31, 2006		
	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	\$ 5,366			\$ 5,490		
5.730% mortgage note, due March 2013	14,571			14,743		
5.520% mortgage note, due May 2013	10,327			10,483		
5.680% mortgage note, due May 2013	10,334			10,486		
6.150% mortgage note, due November 2031 (includes unamortized premium of \$881,000 on \$16.6 million mortgage note with stated rate of 7.200%)	17,453			17,759		
5.610% mortgage note, due January 2011 (includes unamortized premium of \$212,000 on \$2.8 million mortgage note with stated rate of 7.610%)	3,013			3,085		
8.190% mortgage note, repaid March 2007	-			5,002		
Total mortgage notes payable(1)	61,064	2.5%	5.94%	67,048	2.4%	6.11%
Total debt	61,064	2.5%	5.94%	67,048	2.4%	6.11%
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			-		
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		
Total preferred equity	811,000	32.4%	7.16%	705,250	25.2%	7.37%
Total debt and preferred equity	872,064	34.9%	7.07%	772,298	27.6%	7.26%
Common stock (21,348,771 and 21,311,005 shares outstanding as of September 30, 2007 and December 31, 2006, respectively)	1,213,678			1,506,901		
Common operating partnership units (7,305,355 units outstanding as of September 30, 2007 and December 31, 2006)	415,309			516,562		
Total common equity(2)	1,628,987	65.1%		2,023,463	72.4%	
Total market capitalization	\$ 2,501,051	100%		\$ 2,795,761	100%	

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

	Principal Maturity Dates						
	2007	2008	2009	2010	2011	Thereafter	Total
Park East III	\$ 43	\$ 179	\$ 5,144	\$ -	\$ -	\$ -	\$ 5,366
Rose Canyon	61	244	261	277	293	13,435	14,571
Meadows	58	237	258	278	15,741	-	16,572
Palm Beach	115	477	507	536	3,178	18,649	23,462
Meadows Loan Premium	47	198	208	218	210	-	881
Palm Beach Loan Premium	14	61	64	67	6	-	212
	\$ 338	\$ 1,396	\$ 6,442	\$ 1,376	\$ 19,428	\$ 32,084	\$ 61,064

(2) Closing stock price was \$56.85 and \$70.71 as of September 30, 2007 and December 31, 2006, respectively.

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

	09/30/07	12/31/06	Increase (Decrease)	% Change
<u>ASSETS</u>				
Cash and cash equivalents	\$ 56,725	\$ 66,282	\$ (9,557)	(a) (14.4%)
Real estate facilities, at cost:				
Land	494,849	439,777	55,072	12.5%
Buildings and equipment	1,471,564	1,353,442	118,122	8.7%
	1,966,413	1,793,219	173,194	(b) 9.7%
Accumulated depreciation	(513,177)	(441,336)	71,841	16.3%
	1,453,236	1,351,883	101,353	7.5%
Land held for development	7,869	9,011	(1,142)	(12.7%)
	1,461,105	1,360,894	100,211	7.4%
Rent receivable	2,049	2,080	(31)	(c) (1.5%)
Deferred rent receivables	21,943	21,454	489	2.3%
Other assets	8,129	12,154	(4,025)	(d) (33.1%)
Total assets	<u>\$ 1,549,951</u>	<u>\$ 1,462,864</u>	<u>\$ 87,087</u>	<u>6.0%</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Accrued and other liabilities	\$ 46,688	\$ 42,394	\$ 4,294	(e) 10.1%
Preferred stock called for redemption	-	50,000	(50,000)	(100.0%)
Mortgage notes payable	61,064	67,048	(5,984)	(8.9%)
Total liabilities	107,752	159,442	(51,690)	(32.4%)
Minority interests:				
Preferred units	94,750	82,750	12,000	14.5%
Common units	160,924	165,469	(4,545)	(2.7%)
Shareholders' equity:				
Preferred stock	716,250	572,500	143,750	25.1%
Common stock	213	213	-	0.0%
Paid-in capital	396,613	398,048	(1,435)	(f) (0.4%)
Cumulative net income	535,555	483,403	52,152	10.8%
Cumulative distributions	(462,106)	(398,961)	63,145	(g) 15.8%
Total shareholders' equity	<u>1,186,525</u>	<u>1,055,203</u>	<u>131,322</u>	<u>12.4%</u>
Total liabilities and shareholders' equity	<u>\$ 1,549,951</u>	<u>\$ 1,462,864</u>	<u>\$ 87,087</u>	<u>6.0%</u>

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

(a) Change in cash and cash equivalents			
Beginning cash balance			\$ 66,282
Net cash provided by operating activities			140,469
Net cash used in investing activities			(169,054)
Net cash provided by financing activities			19,028
Ending cash balance			<u>\$ 56,725</u>
(b) Change in real estate facilities, at cost:			
Beginning balance			\$ 1,793,219
Property acquisitions			141,934
Property renovations			3,995
Transfer from land held for development			1,142
Capital improvements			10,537
Tenant improvements			11,809
Lease commissions			3,777
Ending balance			<u>\$ 1,966,413</u>
(c) Rent receivable consists of the following:			
	<u>09/30/07</u>	<u>12/31/06</u>	<u>Change</u>
U.S. Government tenants	\$ 1,068	\$ 1,039	\$ 29
Other	1,281	\$ 1,341	(60)
Allowance for bad debt	(300)	\$ (300)	-
	<u>\$ 2,049</u>	<u>\$ 2,080</u>	<u>\$ (31)</u>
(d) Change in other assets:			
	<u>09/30/07</u>	<u>12/31/06</u>	<u>Change</u>
Insurance claim receivable	\$ 113	\$ 1,359	\$ (1,246)
Prepaid insurance	1,852	922	930
Prepaid property taxes	343	2,184	(1,841)
Lease incentives, net	1,740	2,148	(408)
Mortgage impounds	1,784	1,063	721
In-place lease adjustment, net	479	656	(177)
Other	1,818	3,822	(2,004)
	<u>\$ 8,129</u>	<u>\$ 12,154</u>	<u>\$ (4,025)</u>
(e) Accrued and other liabilities consists of:			
	<u>09/30/07</u>	<u>12/31/06</u>	<u>Change</u>
Prepaid rent	\$ 5,413	\$ 6,883	\$ (1,470)
Accrued property taxes	8,887	4,905	3,982
Security deposits	18,927	17,879	1,048
In-place lease adjustment, net	1,125	-	1,125
Reserves for acquisition costs	2,247	3,031	(783)
Other	10,089	9,696	393
	<u>\$ 46,688</u>	<u>\$ 42,394</u>	<u>\$ 4,294</u>
(f) Change in paid-in capital:			
Beginning paid-in capital			\$ 398,048
Shelf registration			(88)
Issuance of preferred stock			(4,183)
Exercise of stock options			479
Restricted stock and stock compensation			1,911
Adjustment to reflect minority interest to underlying ownership			446
Ending paid in capital			<u>\$ 396,613</u>
(g) Change in cumulative distributions:			
Beginning cumulative distributions			\$ 398,961
Distributions to preferred shareholders			38,181
Distributions to common shareholders			24,964
Ending cumulative distributions			<u>\$ 462,106</u>

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

	09/30/07	09/30/06	Increase (Decrease)	% Change
Revenues:				
Rental income	\$ 68,530	\$ 61,695	\$ 6,835 (a)	11.1%
Facility management fees	177	147	30	20.4%
Total operating revenues	<u>68,707</u>	<u>61,842</u>	<u>6,865</u>	<u>11.1%</u>
Expenses:				
Cost of operations	21,204	19,213	1,991 (b)	10.4%
Depreciation and amortization	25,285	22,184	3,101	14.0%
General and administrative	2,124	1,742	382 (c)	21.9%
Total operating expenses	<u>48,613</u>	<u>43,139</u>	<u>5,474</u>	<u>12.7%</u>
Other income and expenses:				
Interest and other income	1,151	1,884	(733)	(38.9%)
Interest expense	(1,009)	(628)	381 (d)	60.7%
Total other income and expenses	<u>142</u>	<u>1,256</u>	<u>(1,114)</u>	<u>(88.7%)</u>
Income from continuing operations before minority interests	<u>20,236</u>	<u>19,959</u>	<u>277</u>	<u>1.4%</u>
Minority interests in continuing operations:				
Minority interest in income - preferred units				
Distributions to preferred unit holders	(1,752)	(2,672)	(920)	(34.4%)
Redemption of preferred operating partnership units	-	(1,366)	(1,366)	(100.0%)
Minority interest in income - common units	(1,461)	(1,185)	276	23.3%
Total minority interests in continuing operations	<u>(3,213)</u>	<u>(5,223)</u>	<u>(2,010)</u>	<u>(38.5%)</u>
Income from continuing operations	<u>17,023</u>	<u>14,736</u>	<u>2,287</u>	<u>15.5%</u>
Discontinued operations:				
Loss from discontinued operations	-	-	-	-
Gain on disposition of real estate	-	-	-	-
Minority interest in earnings attributable to discontinued operations - common units	-	-	-	-
Income from discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Income	<u>17,023</u>	<u>14,736</u>	<u>2,287</u>	<u>15.5%</u>
Net Income allocable to preferred shareholders				
Preferred distributions	12,756	11,258	1,498	13.3%
Total preferred distributions	<u>12,756</u>	<u>11,258</u>	<u>1,498</u>	<u>13.3%</u>
Net Income allocable to common shareholders	<u>\$ 4,267</u>	<u>\$ 3,478</u>	<u>\$ 789</u>	<u>22.7%</u>
Net income per common share - basic:				
Continuing operations	\$ 0.20	\$ 0.16	\$ 0.04	25.0%
Discontinued operations	\$ -	\$ -	\$ -	0.0%
Net Income	\$ 0.20	\$ 0.16	\$ 0.04	25.0%
Net income per common share - diluted:				
Continuing operations	\$ 0.20	\$ 0.16	\$ 0.04	25.0%
Discontinued operations	\$ -	\$ -	\$ -	0.0%
Net Income	\$ 0.20	\$ 0.16	\$ 0.04	25.0%
Weighted average common shares outstanding:				
Basic	21,345	21,290	55	0.3%
Diluted	<u>21,616</u>	<u>21,599</u>	<u>17</u>	<u>0.1%</u>

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

	<u>09/30/07</u>	<u>09/30/06</u>	<u>Change</u>
(a) Rental income:			
Same Park	\$ 60,023	\$ 57,476	\$ 2,547
Acquisitions	8,277	3,402	4,875
Same Park's straight-line rent	7	621	(614)
Acquisitions' straight-line rent	223	196	27
	<u>\$ 68,530</u>	<u>\$ 61,695</u>	<u>\$ 6,835</u>
(b) Cost of operations:			
Same Park	\$ 18,273	\$ 18,063	\$ 210
Acquisitions	2,931	1,150	1,781
	<u>\$ 21,204</u>	<u>\$ 19,213</u>	<u>\$ 1,991</u>
(c) General and administrative expenses:			
Compensation expense	\$ 840	\$ 778	\$ 62
Stock compensation expense	748	551	197
Professional fees	226	172	54
Other	310	241	69
	<u>\$ 2,124</u>	<u>\$ 1,742</u>	<u>\$ 382</u>
(d) Interest expense:			
Mortgage notes payable	\$ (908)	\$ (533)	\$ 375
Facilities fees & other charges	(101)	(95)	6
	<u>\$ (1,009)</u>	<u>\$ (628)</u>	<u>\$ 381</u>

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

	9/30/2007	9/30/2006	Increase (Decrease)	% Change
Revenues:				
Rental income	\$ 200,929	\$ 179,608	\$ 21,321 (a)	11.9%
Facility management fees	542	442	100	22.6%
Total operating revenues	<u>201,471</u>	<u>180,050</u>	<u>21,421</u>	<u>11.9%</u>
Expenses:				
Cost of operations	62,665	55,354	7,311 (b)	13.2%
Depreciation and amortization	71,841	63,720	8,121	12.7%
General and administrative	5,938	5,264	674 (c)	12.8%
Total operating expenses	<u>140,444</u>	<u>124,338</u>	<u>16,106</u>	<u>13.0%</u>
Other income and expenses:				
Interest and other income	4,141	5,457	(1,316)	(24.1%)
Interest expense	(3,128)	(1,658)	1,470 (d)	88.7%
Total other income and expenses	<u>1,013</u>	<u>3,799</u>	<u>(2,786)</u>	<u>(73.3%)</u>
Income from continuing operations before minority interests	<u>62,040</u>	<u>59,511</u>	<u>2,529</u>	<u>4.2%</u>
Minority interests in continuing operations:				
Minority interest in income - preferred units				
Distributions to preferred unit holders	(5,103)	(8,234)	(3,131)	(38.0%)
Redemption of preferred operating partnership units	-	(1,366)	(1,366)	(100.0%)
Minority interest in income - common units	<u>(4,785)</u>	<u>(3,850)</u>	<u>935</u>	<u>24.3%</u>
Total minority interests in continuing operations	<u>(9,888)</u>	<u>(13,450)</u>	<u>(3,562)</u>	<u>(26.5%)</u>
Income from continuing operations	<u>52,152</u>	<u>46,061</u>	<u>6,091</u>	<u>13.2%</u>
Discontinued operations:				
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>52,152</u>	<u>47,704</u>	<u>4,448</u>	<u>9.3%</u>
Net Income allocable to preferred shareholders				
Preferred distributions	38,181	33,111	5,070	15.3%
Redemption of preferred stock	<u>-</u>	<u>1,658</u>	<u>(1,658)</u>	<u>(100.0%)</u>
Total preferred distributions	<u>38,181</u>	<u>34,769</u>	<u>3,412</u>	<u>9.8%</u>
Net Income allocable to common shareholders	<u>\$ 13,971</u>	<u>\$ 12,935</u>	<u>\$ 1,036</u>	<u>8.0%</u>
Net income per common share - basic:				
Continuing operations	\$ 0.65	\$ 0.53	\$ 0.12	22.6%
Discontinued operations	\$ -	\$ 0.08	\$ (0.08)	(100.0%)
	\$ 0.65	\$ 0.61	\$ 0.04	6.6%
Net income per common share - diluted:				
Continuing operations	\$ 0.64	\$ 0.52	\$ 0.12	23.1%
Discontinued operations	\$ -	\$ 0.08	\$ (0.08)	(100.0%)
	\$ 0.64	\$ 0.60	\$ 0.04	6.7%
Weighted average common shares outstanding:				
Basic	<u>21,332</u>	<u>21,345</u>	<u>(13) (g)</u>	<u>(0.1%)</u>
Diluted	<u>21,670</u>	<u>21,630</u>	<u>40</u>	<u>0.2%</u>

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

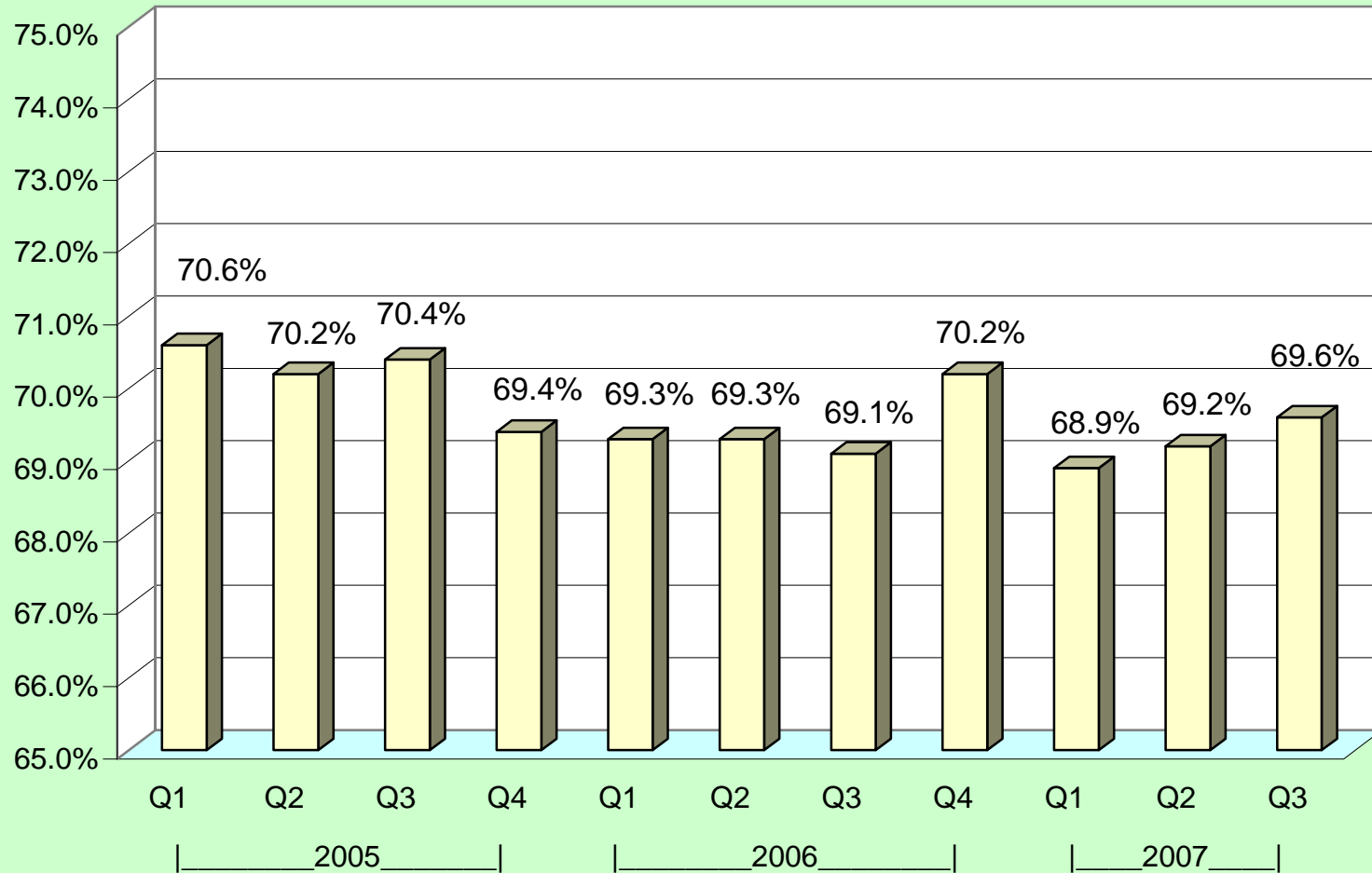
	<u>09/30/07</u>	<u>09/30/06</u>	<u>Change</u>
(a) Rental income:			
Same Park	\$ 177,961	\$ 170,682	\$ 7,279
Acquisitions	22,479	6,489	15,990
Same Park's straight-line rent	(106)	1,948	(2,054)
Acquisitions' straight-line rent	595	489	106
	<u>\$ 200,929</u>	<u>\$ 179,608</u>	<u>\$ 21,321</u>
(b) Cost of operations:			
Same Park	\$ 54,759	\$ 53,255	\$ 1,504
Acquisitions	7,906	2,099	5,807
	<u>\$ 62,665</u>	<u>\$ 55,354</u>	<u>\$ 7,311</u>
(c) General and administrative:			
Compensation expense	\$ 2,489	\$ 2,278	\$ 211
Stock compensation expense	1,919	1,560	359
Professional fees	556	563	(7)
Other	974	863	111
	<u>\$ 5,938</u>	<u>\$ 5,264</u>	<u>\$ 674</u>
(d) Interest expense:			
Mortgage notes payable	\$ (2,862)	\$ (1,385)	\$ 1,477
Facilities fees & other charges	(266)	(273)	(7)
	<u>\$ (3,128)</u>	<u>\$ (1,658)</u>	<u>\$ 1,470</u>
(e) Net loss from discontinued operations:			
Rental revenue	\$ -	\$ -	\$ -
Operating expenses	-	(98)	(98)
Depreciation expense	-	(27)	(27)
	<u>\$ -</u>	<u>\$ (125)</u>	<u>\$ (125)</u>
(f) Gain on disposition of real estate			
Woodside	\$ -	\$ -	\$ -
MICC	-	865	(865)
Other	-	1,463	(1,463)
	<u>\$ -</u>	<u>\$ 2,328</u>	<u>\$ (2,328)</u>
(g) Net decrease relates to stock repurchases partially offset by stock option exercises and vesting of restricted stock units.			

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

<u>Recurring capital expenditures (1)</u>	<u>Nine Months Ended September 30, 2007 Costs</u>	<u>Cost per Weighted Average Square Foot</u>
Capital improvements (2)	\$10,537	\$0.55
Tenant improvements	11,809	\$0.61
Leasing commissions	3,777	\$0.20
Total recurring capital expenditures	<u>\$26,123</u>	<u>\$1.35</u>
<u>Non-recurring capital expenditures</u>		
Property renovations	\$3,995	
Total non-recurring capital expenditures	<u>\$3,995</u>	

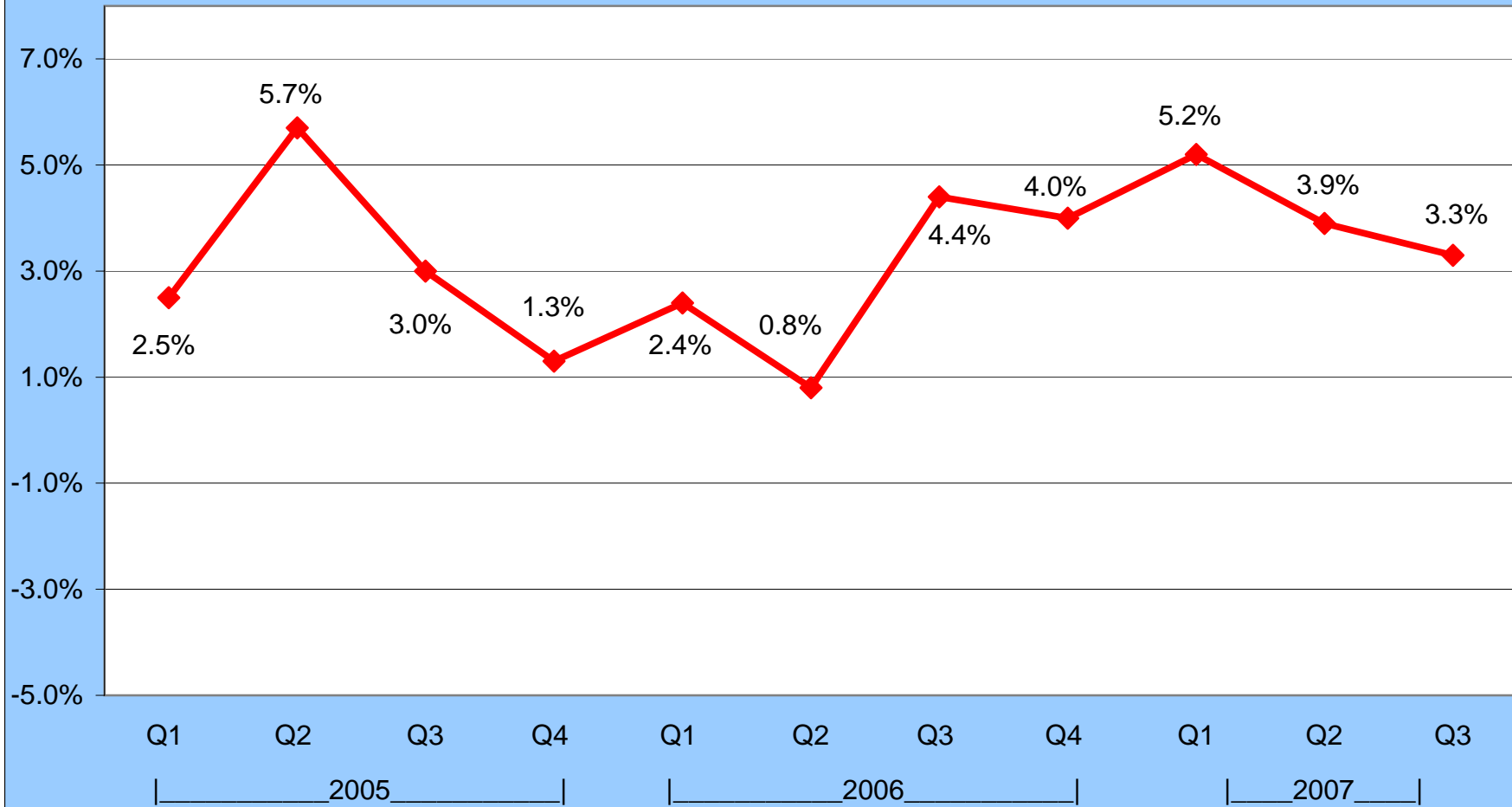
- (1) The Company defines "recurring capital expenditures" as those capitalized costs necessary to continue to operate the property at its current economic value. Leasing costs in excess of \$1,000 and capital improvements in excess of \$2,000 with a useful life greater than 24 months are capitalized. 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 \$14.3 million or approximately \$0.74 per weighted average square foot for the nine months ended September 30, 2007 compared to \$12.4 million or approximately \$0.69 per weighted average square foot for the nine months ended September 30, 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 *



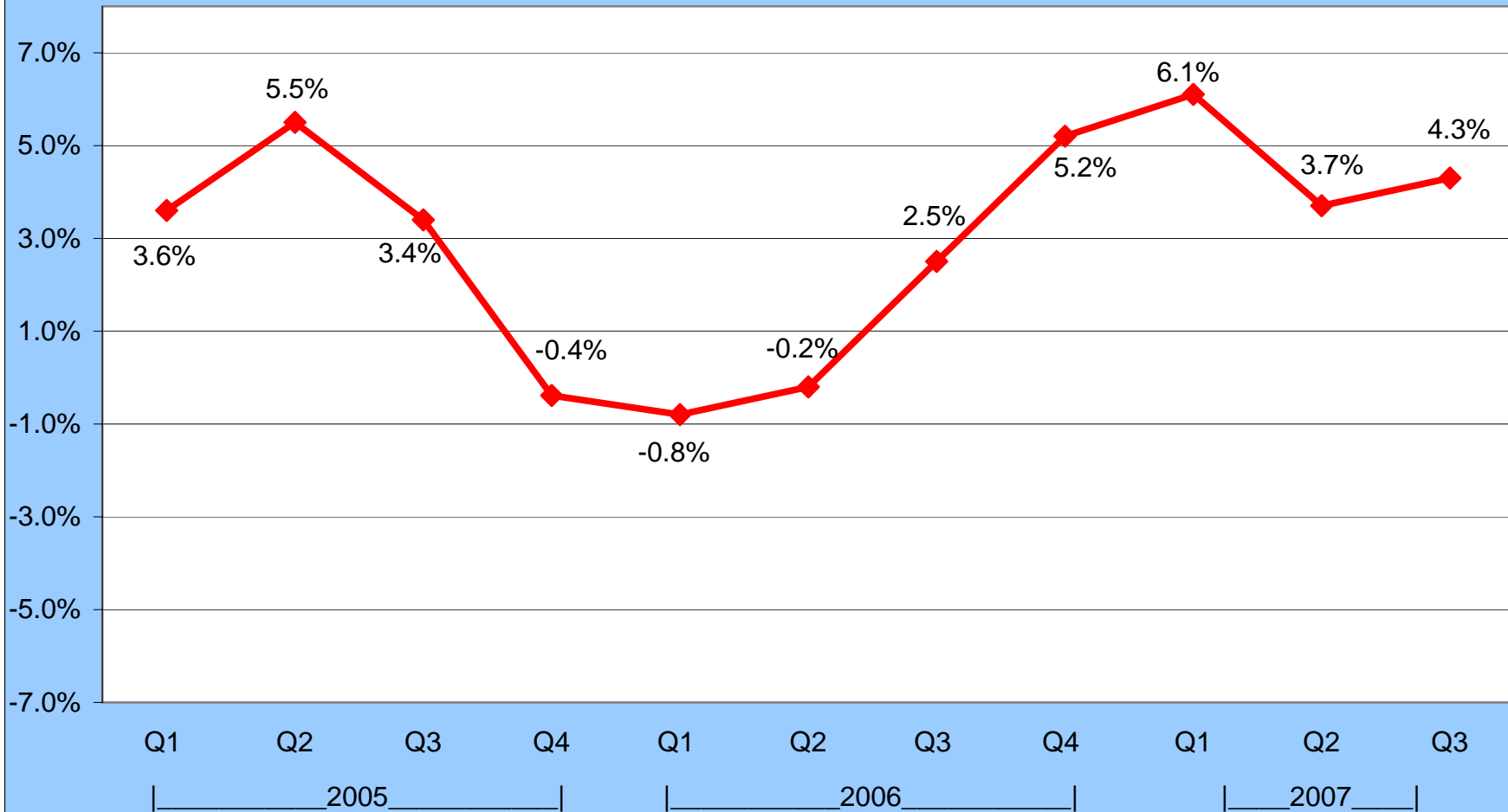
* Gross margin is computed by dividing property net operating income by rental income for Same Park properties owned in each period.

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 September 30, 2007

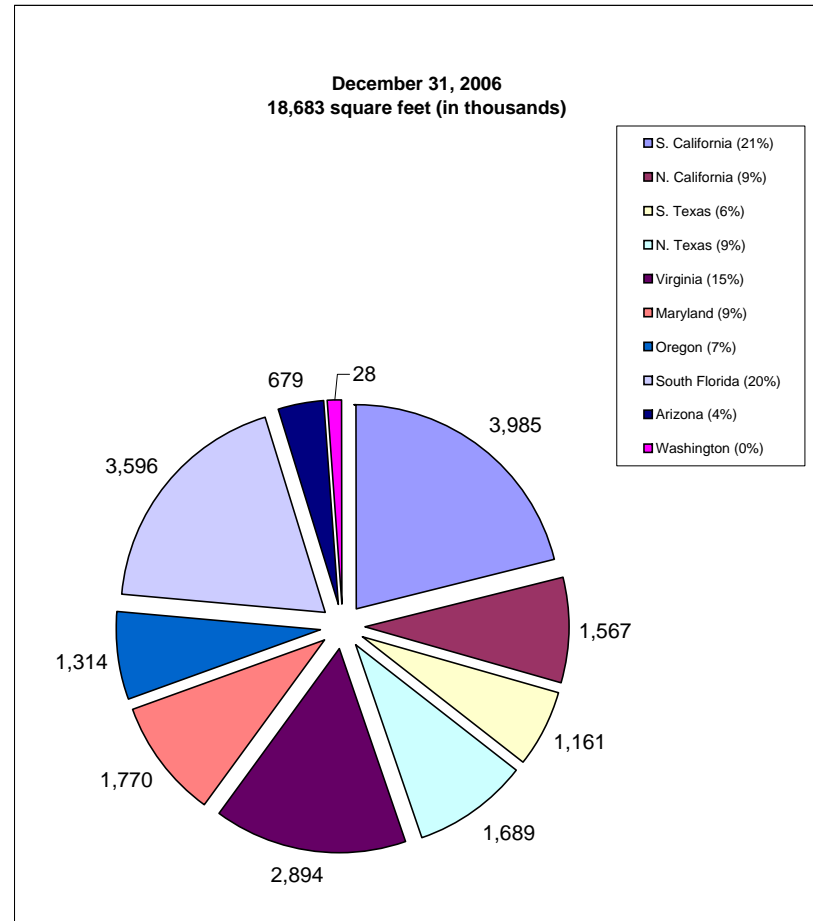
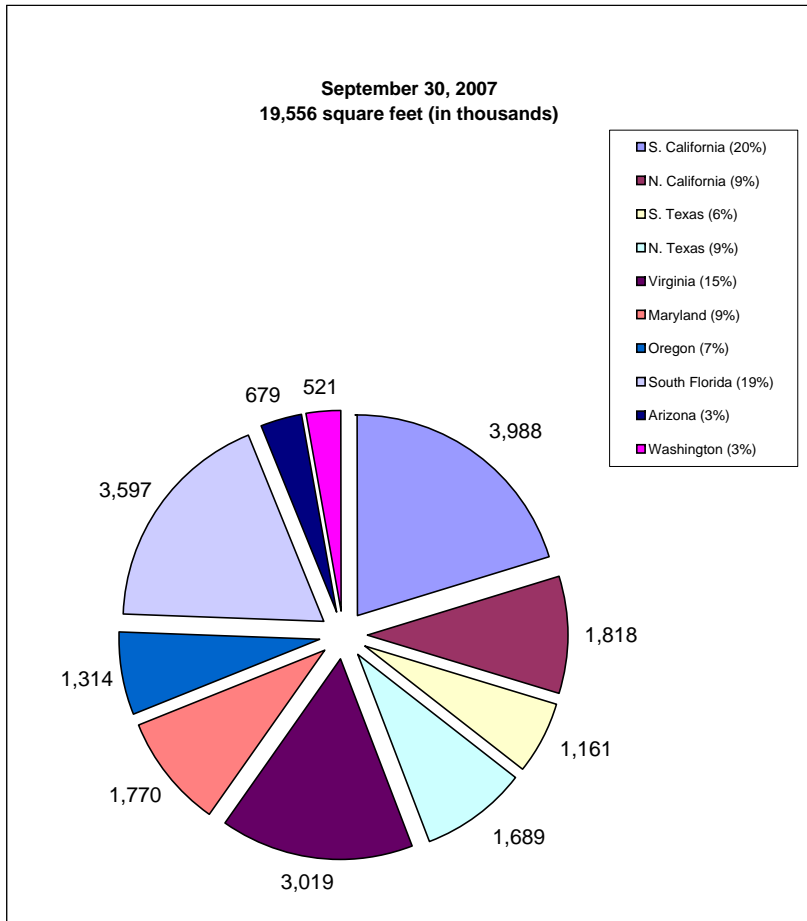
	<u>% of Total Rental Income</u>
Business Services	12.0%
Government	11.0%
Financial Services	10.2%
Contractors	9.8%
Computer Hardware, Software and Related Service	9.3%
Warehouse, Transportation and Logistics	8.7%
Health Services	6.9%
Retail	5.7%
Communications	5.4%
Home Furnishings	4.0%
Electronics	3.1%
	<u>86.1%</u>

Top 10 Customers by Total Annual Rental Income as of September 30, 2007

<u>Tenant</u>	<u>Square Footage</u>	<u>Annualized Rental Income (1)</u>	<u>% of Total Annualized Rental Income</u>
U.S. Government	495	\$ 11,646	4.3%
Kaiser Permanente	194	4,350	1.6%
Santa Clara County	97	3,302	1.2%
Intel	214	2,374	0.9%
Wells Fargo Bank	102	1,706	0.6%
Northrop Grumman	58	1,585	0.6%
AARP	102	1,562	0.6%
American Intercontinental University	75	1,310	0.5%
MCI	72	1,266	0.5%
Montgomery County Public Schools	47	1,221	0.4%
	<u>1,456</u>	<u>\$ 30,322</u>	<u>11.2%</u>

(1) For leases expiring within one year, annualized rental income represents income to be received under existing leases from September 30, 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 September 30, 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%
Total	3,906	3,481	12,169	19,556	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 September 30, 2007				
Primary Markets	Industrial	Office	Flex	Total
Miami	98.2%	100.0%	95.4%	97.7%
Northern Virginia	-	99.2%	95.4%	94.9%
Northern California	94.5%	93.1%	88.0%	90.7%
Maryland	-	92.0%	96.9%	94.5%
Dallas	100.0%	-	84.6%	86.7%
Orange County	-	91.8%	93.3%	93.8%
Los Angeles County	99.5%	88.8%	92.4%	95.5%
Portland	-	100.0%	85.3%	86.9%
Austin	-	-	97.2%	97.2%
San Diego County	-	-	95.5%	95.5%
Phoenix	-	-	87.3%	87.3%
Seattle	-	100.0%	88.1%	88.8%
Palm Beach	-	-	91.3%	91.3%
Houston	-	98.1%	88.0%	91.6%
	98.2%	100.0%	91.4%	93.2%

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended September 30, 2007			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	98.1%	94.8%	97.7%
Northern Virginia	95.7%	93.4%	94.9%
Northern California	95.5%	85.8%	90.7%
Maryland	95.2%	88.6%	94.5%
Dallas	87.2%	84.0%	86.7%
Orange County	95.6%	92.2%	93.8%
Los Angeles County	99.5%	92.3%	95.5%
Portland	86.0%	91.0%	86.9%
Austin	98.0%	94.6%	97.2%
San Diego County	-	95.5%	95.5%
Phoenix	-	87.3%	87.3%
Seattle	-	88.8%	88.8%
Palm Beach	-	91.3%	91.3%
Houston	-	91.6%	91.6%
	94.6%	91.0%	93.2%

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 September 30, 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%
Total	3,906	3,163	10,425	17,494	100.0%
Percentage by Product Type	22.3%	18.1%	59.6%	100.0%	

Weighted Average Occupancy Rates by Product Type for the Three Months Ended September 30, 2007				
Primary Markets	Industrial	Office	Flex	Total
Miami	98.2%	100.0%	95.4%	97.7%
Northern Virginia	-	99.2%	95.4%	94.7%
Dallas	100.0%	-	84.6%	86.7%
Orange County	-	91.8%	93.3%	93.8%
Los Angeles County	99.5%	88.8%	93.8%	96.4%
Northern California	94.5%	93.1%	93.3%	93.6%
Portland	-	100.0%	85.3%	86.9%
Maryland	-	93.1%	97.8%	95.1%
Austin	-	-	97.2%	97.2%
San Diego County	-	-	95.5%	95.5%
Phoenix	-	-	87.3%	87.3%
Seattle	-	-	89.7%	89.7%
Houston	-	98.1%	88.0%	91.6%
	98.2%	94.0%	91.9%	93.7%

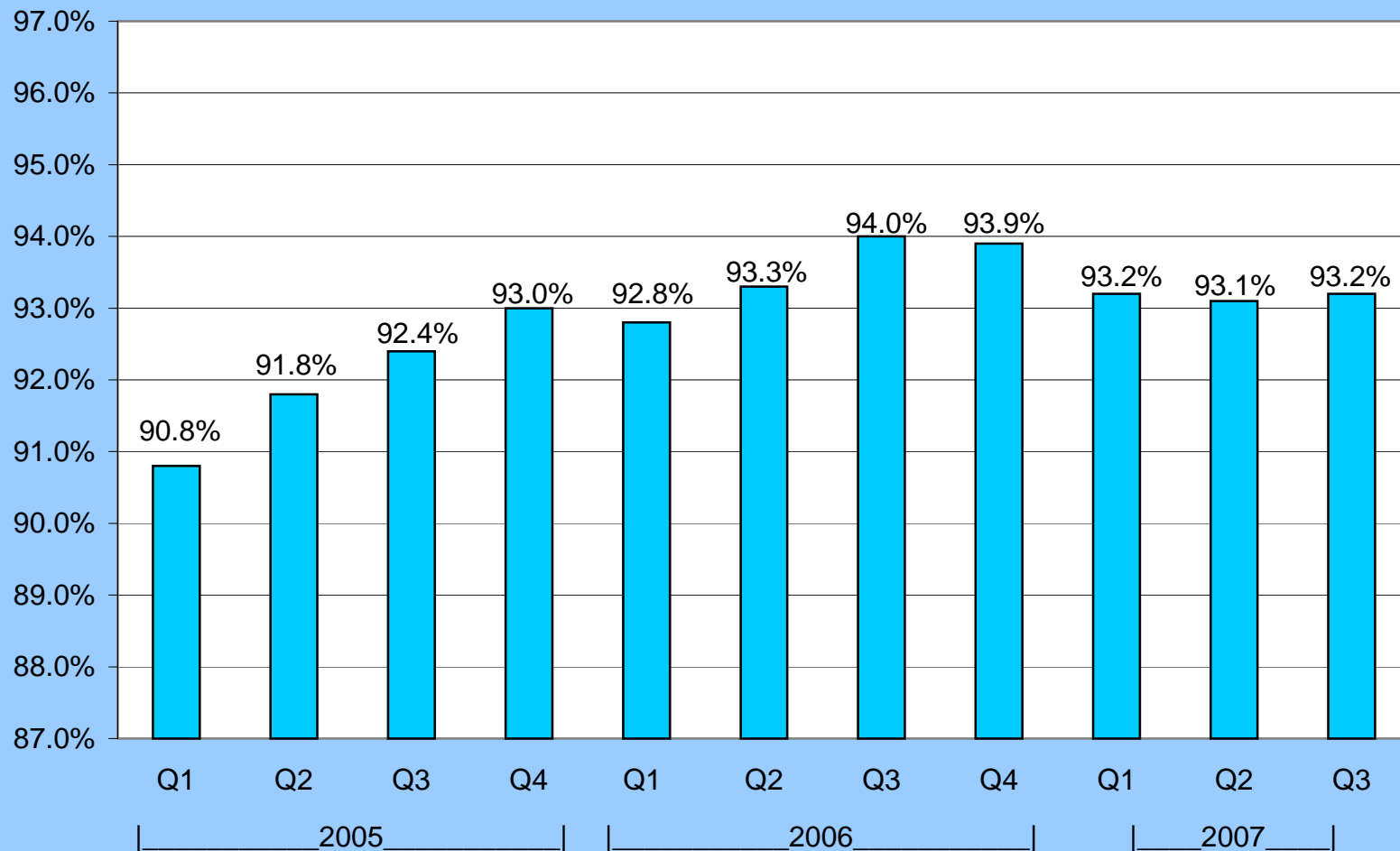
Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended September 30, 2007			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	98.1%	94.8%	97.7%
Northern Virginia	95.7%	93.4%	94.7%
Dallas	87.2%	84.0%	86.7%
Orange County	95.6%	92.2%	93.8%
Los Angeles County	99.5%	93.6%	96.4%
Northern California	95.5%	90.6%	93.6%
Portland	86.0%	91.0%	86.9%
Maryland	95.1%	94.7%	95.1%
Austin	98.0%	94.6%	97.2%
San Diego County	-	95.5%	95.5%
Phoenix	-	87.3%	87.3%
Seattle	-	89.7%	89.7%
Houston	-	91.6%	91.6%
	94.6%	92.1%	93.7%

Note:

Includes all properties owned since January 1, 2006.

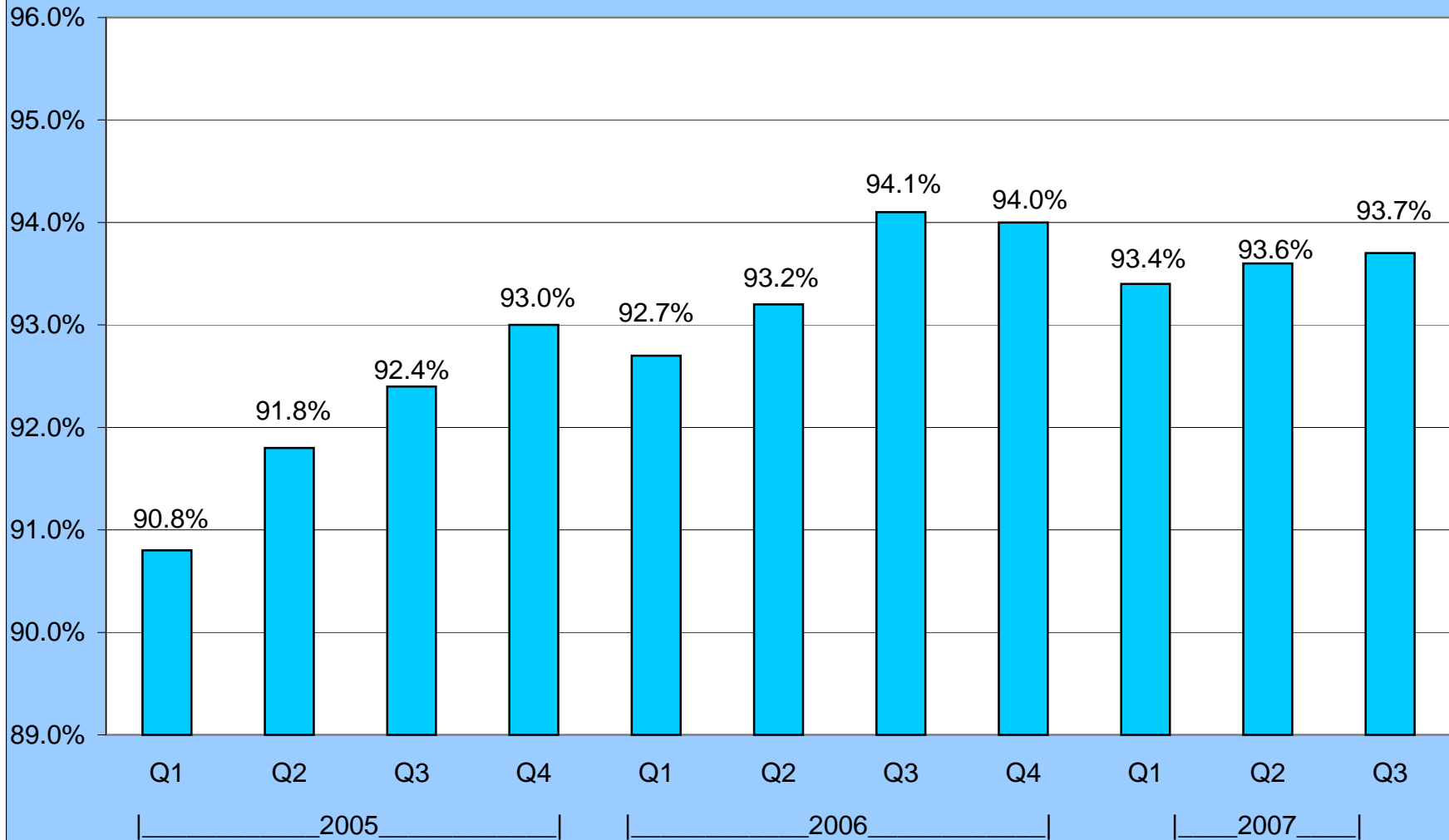
The Company's "large tenant" portfolio consists of properties with average leases greater than or equal to 5,000 square feet while the "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

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 September 30, 2007

(in thousands)

Lease Expirations - Flex				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	628	\$ 9,159	5.0%	3.1%
2008	2,745	41,795	23.0%	14.3%
2009	2,755	41,635	22.9%	14.2%
2010	1,540	23,852	13.1%	8.2%
2011	1,070	19,897	10.9%	6.8%
Thereafter	2,493	45,760	25.1%	15.6%
	<u>11,231</u>	<u>\$ 182,098</u>	<u>100.0%</u>	<u>62.2%</u>

Lease Expirations - Office				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	127	\$ 3,186	4.0%	1.1%
2008	678	15,488	19.6%	5.3%
2009	604	12,940	16.4%	4.4%
2010	733	18,127	22.9%	6.2%
2011	448	11,543	14.6%	3.9%
Thereafter	671	17,748	22.5%	6.1%
	<u>3,261</u>	<u>\$ 79,032</u>	<u>100.0%</u>	<u>27.0%</u>

Lease Expirations - Industrial				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	114	\$ 992	3.1%	0.4%
2008	779	6,086	19.3%	2.0%
2009	887	7,195	22.8%	2.5%
2010	1,007	8,223	26.0%	2.8%
2011	528	4,676	14.8%	1.6%
Thereafter	545	4,416	14.0%	1.5%
	<u>3,860</u>	<u>\$ 31,588</u>	<u>100.0%</u>	<u>10.8%</u>

Lease Expirations - Total				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	869	\$ 13,337	4.6%	4.6%
2008	4,202	63,369	21.6%	21.6%
2009	4,246	61,770	21.1%	21.1%
2010	3,280	50,202	17.2%	17.2%
2011	2,046	36,116	12.3%	12.3%
Thereafter	3,709	67,924	23.2%	23.2%
	<u>18,352</u>	<u>\$ 292,718</u>	<u>100.0%</u>	<u>100.0%</u>

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of September 30, 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>
2007	170	\$ 2,855	4.1%	0.8%
2008	1,007	16,851	24.5%	5.8%
2009	1,005	17,186	25.0%	5.8%
2010	755	12,965	18.9%	4.6%
2011	409	7,215	10.5%	2.5%
Thereafter	444	11,649	17.0%	4.0%
	<u>3,790</u>	<u>\$ 68,721</u>	<u>100.0%</u>	<u>23.5%</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>
2007	117	\$ 1,814	7.2%	0.6%
2008	524	9,358	37.1%	3.2%
2009	411	5,492	21.7%	1.9%
2010	224	2,782	11.0%	0.9%
2011	97	1,333	5.3%	0.5%
Thereafter	319	4,475	17.7%	1.5%
	<u>1,692</u>	<u>\$ 25,254</u>	<u>100.0%</u>	<u>8.6%</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>
2007	52	\$ 556	4.3%	0.2%
2008	328	3,315	25.7%	1.1%
2009	318	3,568	27.6%	1.2%
2010	124	1,404	10.9%	0.5%
2011	54	647	5.0%	0.2%
Thereafter	236	3,427	26.5%	1.2%
	<u>1,112</u>	<u>\$ 12,917</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>
2007	26	\$ 194	1.1%	0.1%
2008	169	1,688	9.9%	0.6%
2009	227	1,842	10.8%	0.6%
2010	220	2,078	12.2%	0.7%
2011	102	1,231	7.2%	0.4%
Thereafter	808	10,047	58.8%	3.4%
	<u>1,552</u>	<u>\$ 17,080</u>	<u>100.0%</u>	<u>5.8%</u>

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of September 30, 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>
2007	164	\$ 1,641	4.9%	0.6%
2008	868	7,996	24.1%	2.7%
2009	759	7,218	21.7%	2.5%
2010	841	7,631	23.0%	2.6%
2011	440	4,491	13.5%	1.5%
Thereafter	366	4,235	12.8%	1.4%
	<u>3,438</u>	<u>33,212</u>	<u>100.0%</u>	<u>11.3%</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>
2007	60	\$ 807	1.3%	0.3%
2008	633	12,340	20.7%	4.2%
2009	560	10,549	17.7%	3.6%
2010	506	10,156	17.0%	3.5%
2011	191	4,334	7.3%	1.5%
Thereafter	927	21,451	36.0%	7.3%
	<u>2,877</u>	<u>\$ 59,637</u>	<u>100.0%</u>	<u>20.4%</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>
2007	143	\$ 3,689	9.2%	1.3%
2008	182	4,462	11.1%	1.5%
2009	273	5,124	12.8%	1.8%
2010	335	8,426	21.1%	2.8%
2011	374	9,660	24.1%	3.3%
Thereafter	365	8,708	21.7%	3.0%
	<u>1,672</u>	<u>\$ 40,069</u>	<u>100.0%</u>	<u>13.7%</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>
2007	41	\$ 555	2.8%	0.2%
2008	239	3,572	17.8%	1.2%
2009	342	5,588	27.9%	1.9%
2010	116	2,287	11.4%	0.8%
2011	310	5,938	29.7%	2.0%
Thereafter	121	2,092	10.4%	0.7%
	<u>1,169</u>	<u>\$ 20,032</u>	<u>100.0%</u>	<u>6.8%</u>

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of September 30, 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>
2007	29	\$ 471	5.6%	0.2%
2008	124	2,253	26.9%	0.8%
2009	133	2,414	28.8%	0.9%
2010	67	1,268	15.2%	0.4%
2011	43	946	11.3%	0.3%
Thereafter	47	1,022	12.2%	0.4%
	<u>443</u>	<u>\$ 8,374</u>	<u>100.0%</u>	<u>3.0%</u>

Arizona				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	67	\$ 755	10.2%	0.3%
2008	128	1,534	20.7%	0.5%
2009	218	2,789	37.6%	0.9%
2010	92	1,205	16.2%	0.4%
2011	26	321	4.3%	0.1%
Thereafter	76	818	11.0%	0.3%
	<u>607</u>	<u>\$ 7,422</u>	<u>100.0%</u>	<u>2.5%</u>

Total				
<u>Year of Lease Expiration</u>	<u>Leased Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>
2007	869	\$ 13,337	4.6%	4.6%
2008	4,202	63,369	21.6%	21.6%
2009	4,246	61,770	21.1%	21.1%
2010	3,280	50,202	17.2%	17.2%
2011	2,046	36,116	12.3%	12.3%
Thereafter	3,709	67,924	23.2%	23.2%
	<u>18,352</u>	<u>\$ 292,718</u>	<u>100.0%</u>	<u>100.0%</u>

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of September 30, 2007

(in thousands)

Lease Expirations - Large Tenant Portfolio				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	322	\$ 5,542	3.2%	1.9%
2008	2,213	31,237	18.1%	10.6%
2009	2,264	29,139	16.9%	10.0%
2010	2,161	29,662	17.2%	10.2%
2011	1,543	26,244	15.2%	8.9%
Thereafter	2,905	50,724	29.4%	17.3%
Total	11,408	\$ 172,548	100.0%	58.9%

Lease Expirations - Small Tenant Portfolio				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	547	\$ 7,795	6.5%	2.7%
2008	1,989	32,132	26.7%	11.0%
2009	1,982	32,631	27.2%	11.1%
2010	1,119	20,540	17.1%	7.0%
2011	503	9,872	8.2%	3.4%
Thereafter	804	17,200	14.3%	5.9%
Total	6,944	\$ 120,170	100.0%	41.1%

Lease Expirations - Total				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	869	\$ 13,337	4.6%	4.6%
2008	4,202	63,369	21.6%	21.6%
2009	4,246	61,770	21.1%	21.1%
2010	3,280	50,202	17.2%	17.2%
2011	2,046	36,116	12.3%	12.3%
Thereafter	3,709	67,924	23.2%	23.2%
Total	18,352	\$ 292,718	100.0%	100.0%