



PSBUSINESSPARKS

**Analysis of Operating Results
and Financial Condition**

December 31, 2004

**ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION
FOR THE THREE MONTHS AND TWELVE MONTHS ENDED DECEMBER 31, 2004**

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

OPERATING DATA							
	FOR THE THREE MONTHS ENDED			FOR THE YEAR ENDED			
	12/31/04	12/31/03	Difference	12/31/04	12/31/03	Difference	
Total operating revenues	\$ 56,151	\$ 49,665	13.1%	\$ 219,071	\$ 194,735	12.5%	
Net income allocable to common shareholders	\$ 16,912	\$ 6,726	151.4%	\$ 29,123	\$ 33,312	(12.6%)	
Net income per common share - diluted:							
Continuing operations	\$ 0.23	\$ 0.32	(28.1%)	\$ 0.72	\$ 1.58	(54.4%)	
Discontinued operations	\$ 0.54	\$ (0.01)	5500.0%	\$ 0.60	\$ (0.03)	2100.0%	
Net Income	\$ 0.77	\$ 0.31	148.4%	\$ 1.33	\$ 1.54	(13.6%)	
Weighted average common shares outstanding - Basic	21,830	21,545	1.3%	21,767	21,412	1.7%	
Weighted average common shares outstanding - Diluted	21,993	21,759	1.1%	21,960	21,565	1.8%	
Weighted average common OP units outstanding	7,305	7,305	0.0%	7,305	7,305	0.0%	
Total pro forma fully-converted shares	29,298	29,064	0.8%	29,265	28,870	1.4%	

FUNDS FROM OPERATIONS							
	FOR THE THREE MONTHS ENDED			FOR THE YEAR ENDED			
	12/31/04	12/31/03	Difference	12/31/04	12/31/03	Difference	
FFO allocable to common shareholders before adjustments	\$ 25,498	\$ 25,478	0.1%	\$ 101,687	\$ 103,355	(1.6%)	
Non - recurring adjustments	532	-	100.0%	532	-	100.0%	
EITF Topic D-42	-	-	-	(5,005)	-	100.0%	
Impairment provision	-	-	-	-	(5,907)	(100.0%)	
FFO allocable to common shareholders	\$ 26,030	\$ 25,478	2.2%	\$ 97,214	\$ 97,448	(0.2%)	
FFO per common share and units - before adjustments	\$ 0.87	\$ 0.88	(1.1%)	\$ 3.47	\$ 3.58	(3.1%)	
FFO per common share and units - as reported	\$ 0.89	\$ 0.88	1.1%	\$ 3.32	\$ 3.38	(1.8%)	

PROPERTY INFORMATION							
	FOR THE THREE MONTHS ENDED			FOR THE YEAR ENDED			
	12/31/04	12/31/03	Difference	12/31/04	12/31/03	Difference	
Total Owned Portfolio (1)							
Net rentable square footage at period end	17,849	14,370	24.2%	17,783	14,094	26.2%	
Weighted average occupancy	89.6%	91.9%	(2.5%)	88.9%	92.4%	(3.8%)	
Annualized realized rent per sq. ft. (2)	\$ 13.79	\$ 14.74	(6.4%)	\$ 13.63	\$ 14.74	(7.5%)	
REVPAR (3)	\$ 12.36	\$ 13.55	(8.8%)	\$ 12.12	\$ 13.62	(11.0%)	
Same Park Facilities							
Net rentable square footage	13,726	13,726	0.0%	13,726	13,726	0.0%	
Weighted average occupancy	90.5%	92.6%	(2.3%)	90.5%	92.8%	(2.5%)	
Annualized realized rent per sq. ft. (2)	\$ 15.11	\$ 14.73	2.6%	\$ 14.79	\$ 14.71	0.5%	
REVPAR (3)	\$ 13.67	\$ 13.64	0.2%	\$ 13.39	\$ 13.65	(1.9%)	

(1) Total Owned Portfolio data excludes assets held for disposition.

(2) Represents the actual revenues earned per occupied square foot.

(3) Represents the actual revenues earned per total square foot.

BALANCE SHEET DATA				
	12/31/04	12/31/03	Difference	
Total assets	\$ 1,363,829	\$ 1,358,861	0.4%	
Minority interest - preferred	\$ 127,750	\$ 217,750	(41.3%)	
Minority interest - common	\$ 169,295	\$ 169,888	(0.3%)	
Perpetual preferred stock	\$ 510,850	\$ 168,673	202.9%	
Common shareholders' equity	\$ 506,114	\$ 502,155	0.8%	
Total common shares outstanding at period end	21,840	21,566	1.3%	
Book value per common share	\$ 23.17	\$ 23.28	(0.5%)	

MARKET VALUE INFORMATION				
	12/31/04	12/31/03	Difference	
Market value of common stock and common OP units	\$ 1,314,441	\$ 1,191,213	10.3%	
Total debt	11,367	264,694	(95.7%)	
Total preferred stock and preferred OP units	638,600	386,423	65.3%	
Total market capitalization	\$ 1,964,408	\$ 1,842,330	6.6%	
Stock price at the end of the period	\$ 45.10	\$ 41.26	9.3%	

PS BUSINESS PARKS, INC.

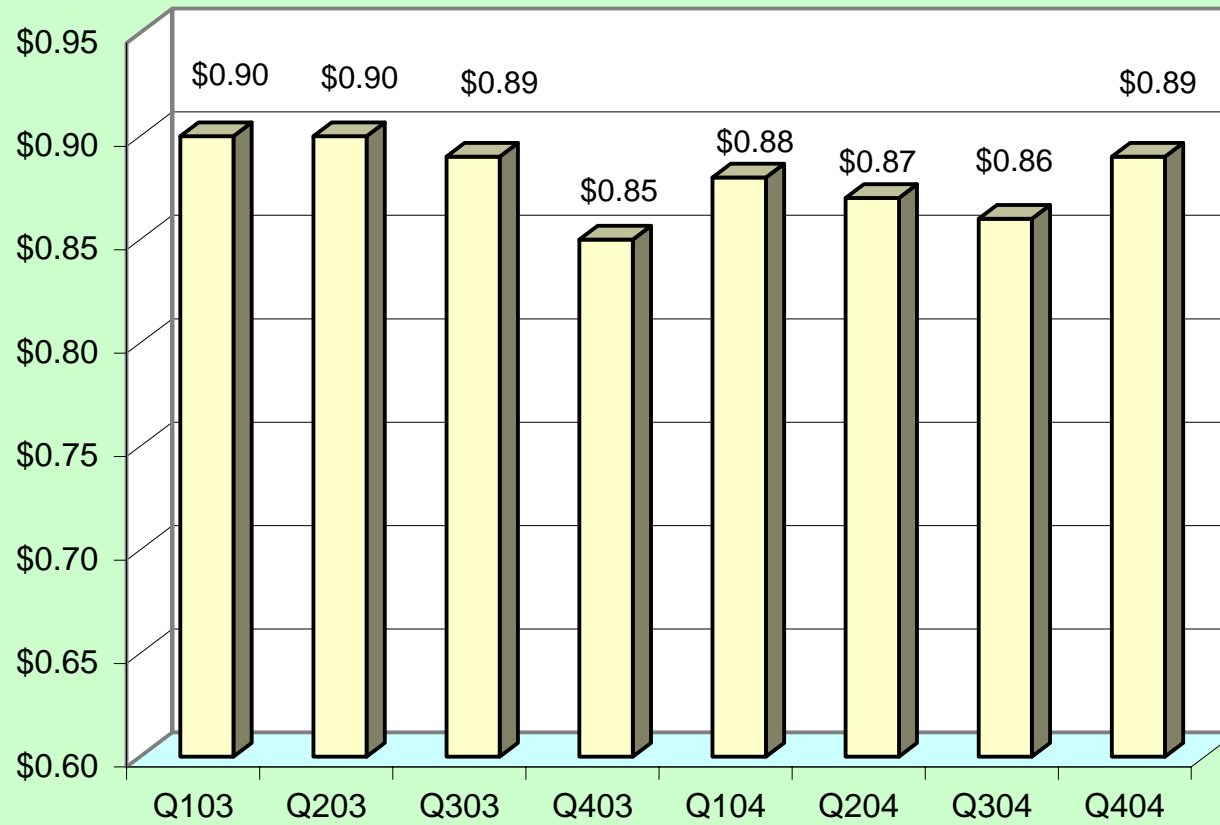
Sources and Uses of Funds (in thousands)

	<u>Twelve Months Ended December 31, 2004</u>	<u>Twelve Months Ended December 31, 2003</u>
<u>Sources of Funds:</u>		
Funds from operations, before EITF Topic D-42	\$ 102,219	\$ 97,448
Proceeds from disposition of real estate	48,284	14,498
Proceeds from placement of preferred units, net	41,533	-
Issuance of preferred stock, net	381,130	-
Exercise of stock options	6,958	7,621
Disposition proceeds from joint venture	-	2,406
Proceeds from liquidation of investments	-	7,600
Borrowings from an affiliate	-	100,000
Borrowings on line of credit	138,000	95,000
	<u>718,124</u>	<u>324,573</u>
<u>Uses of Funds:</u>		
Property renovations	(6,310)	(15,984)
Land Held for Development	(234)	(838)
Recurring capital expenditures	(43,614)	(22,954)
Acquisition of real estate	(22,323)	(279,137)
Early Debt Extinguishment	(7,717)	-
Investment in marketable securities	-	(1,396)
Common dividends and OP distributions	(33,748)	(33,350)
Principal payments on mortgage notes payable	(610)	(585)
Redemption of preferred stock	(185,573)	(2,198)
Repayments on line of credit	(233,000)	-
Repurchase of common stock	-	(8,119)
Repayment of borrowings from an affiliate	(100,000)	-
Repayment of unsecured note payable	(50,000)	-
Preferred stock shelf registration	(101)	-
Change in working capital	(1,015)	985
	<u>(684,245)</u>	<u>(363,576)</u>
Net increase (decrease) in cash balance	33,879	(39,003)
Beginning cash balance	5,809	44,812
Ending cash balance	<u>\$ 39,688</u>	<u>\$ 5,809</u>

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

	Three Months Ended		Increase (Decrease)	% Change	FOR THE YEAR ENDED		Increase (Decrease)	% Change
	12/31/04	12/31/03			12/31/04	12/31/03		
<u>Funds from operations (FFO):</u>								
Net income allocable to common shareholders	\$	16,912	\$	6,726	\$	10,186	151.4%	
Adjustments:								
(Gain) loss on disposition of real estate		(15,317)		601		15,918	2648.6%	
Depreciation and amortization		18,777		15,870		2,907	18.3%	
Minority interest in income - common units		5,658		2,281		3,377	148.0%	
Gain on sale of marketable securities		-		-		-	0.0%	
Equity income from gain on sale of joint venture properties		-		-		-	0.0%	
FFO allocable to common shareholders/unitholders	\$	26,030	\$	25,478	\$	552	2.2%	
Weighted average common shares outstanding		21,830		21,545		285	1.3%	
Weighted average common OP units outstanding		7,305		7,305		0	0.0%	
Weighted average dilutive stock options		163		214		(51)	(23.8%)	
Total fully-converted shares		29,298		29,064		234	0.8%	
Fully diluted FFO per common share/OP unit	\$	0.89	\$	0.88	\$	0.01	1.1%	
<u>Funds available for distribution (FAD):</u>								
Funds from operations	\$	26,030	\$	25,478	\$	552	2.2%	
Adjustments:								
Maintenance capital expenditures		(3,852)		(1,239)		2,613	210.9%	
Tenant improvements		(8,428)		(4,794)		3,634	75.8%	
Lease commissions		(1,951)		(1,310)		641	48.9%	
Straight-line rent		(901)		(819)		82	10.0%	
Stock compensation expense		65		268		(203)	(75.7%)	
In-place rents adjustment (SFAS 141)		39		-		39	100%	
Impairment charge on properties held for sale		-		-		-	-	
Redemption amount over carrying amount related to preferred equity called for redemption		-		-		-	-	
FAD	\$	11,002	\$	17,584	\$	7,358	41.8%	
FAD per common share/OP unit	\$	0.38	\$	0.61	\$	(0.23)	(37.7%)	
<u>Cash available for debt repayments and reinvestments:</u>								
FAD	\$	11,002	\$	17,584	\$	(6,582)	(37.4%)	
Distributions to common shareholders		(6,334)		(6,192)		142	2.3%	
Distributions to common OP unitholders		(2,118)		(2,118)		-	0.0%	
Cash available for debt repayments and reinvestments	\$	2,550	\$	9,274	\$	(6,724)	(72.5%)	

Diluted FFO Per Common Share/OP Unit *



* Amounts before effects of ETIF Topic D-42 costs and impairment charges.

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

	As of December 31, 2004			As of December 31, 2003		
	Total	% of Total Market Capitalization	WTD Average Rate	Total	% of Total Market Capitalization	WTD Average Rate
Long-Term Debt:						
8.190% mortgage note, secured by one commercial property, due March 2007	\$ 5,578			\$ 5,832		
7.290% mortgage note, secured by one commercial property, due February 2009	5,789			5,924		
7.050% mortgage note, secured by one commercial property, due May 2006	-			7,938		
Total mortgage notes payable (1)	11,367	1%	7.73%	19,694	1%	7.46%
Term facility Loan (4.46% @ 12/31/03)	-			50,000		
Total Long-Term Debt	-	-	-	69,694	4%	5.31%
Short-Term Debt:						
\$100 million unsecured line of credit (1.82% @ 12/31/03)	-			95,000		
Notes Payable affiliate	-			100,000		
Total Short-Term Debt	-	0%	0.00%	195,000	11%	1.64%
Total debt	11,367	1%	7.73%	264,694	14%	2.60%
8.875% Series Y preferred operating partnership units (480,000 units outstanding) callable 7/12/05	12,000			12,000		
9.500% Series D preferred stock (2,634,000 depository shares outstanding) callable 5/10/06	65,850			65,850		
9.250% Series E preferred operating partnership units (2,120,000 units outstanding) callable 9/21/06	53,000			53,000		
8.750% Series F preferred stock (2,000,000 units outstanding) callable 1/28/07	50,000			50,000		
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 units outstanding) callable 1/30/09	205,000			-		
6.875% Series I preferred stock (3,000,000 units outstanding) callable 4/21/09	75,000			-		
7.500% Series J preferred operating partnership units (1,710,000 units outstanding) callable 5/27/09	42,750			-		
7.950% Series K preferred stock (2,300,000 units outstanding) callable 6/30/09	57,500			-		
7.600% Series L preferred stock (2,300,000 units outstanding) callable 8/31/09	57,500			-		
9.250% Series A preferred stock (2,112,900 depository shares outstanding) called 4/30/04	-			52,823		
8.875% Series B preferred operating partnership units (510,000 units outstanding) called 4/23/04	-			12,750		
8.750% Series C preferred operating partnership units (3,200,000 units outstanding) callable 9/3/04	-			80,000		
8.875% Series X preferred operating partnership units (1,600,000 units outstanding) callable 9/23/04	-			40,000		
Total preferred equity	638,600	33%	7.80%	386,423	21%	8.99%
Total debt and preferred equity	649,967	33%	7.80%	651,117	35%	6.40%
Common stock (21,839,667 and 21,565,528 shares outstanding in December 31, 2004 and December 31, 2003 respectively)	984,969			\$ 889,794		
Common operating partnership units (7,305,355 units outstanding as of December 31, 2004 and December 31, 2003)	329,472			301,419		
Total common equity (2)	1,314,441	67%		1,191,213	65%	
Total market capitalization	\$ 1,964,408	100%		\$ 1,842,330	100%	

(1) Principal Maturity Dates are represented by the following chart:

Principal Maturity Dates					
	2005	2006	2007	2008	Thereafter
Park East I & II	\$ 276	\$ 300	\$ 5,002	-	-
Park East III	144	155	167	\$ 179	\$ 5,144
	\$ 420	\$ 455	\$ 5,169	\$ 179	\$ 5,144

(2) Closing stock price was \$45.10 and \$41.26 as of December 31, 2004 and December 31, 2003, respectively.

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

	12/31/04	12/31/03	Increase (Decrease)	% Change
<u>ASSETS</u>				
Cash and cash equivalents	\$ 39,688	\$ 5,809	\$ 33,879 (a)	583.2%
Real estate facilities, at cost:				
Land	382,908	378,239	4,669	1.2%
Buildings and equipment	1,187,584	1,120,579	67,005	6.0%
	<u>1,570,492</u>	<u>1,498,818</u>	<u>71,674 (b)</u>	<u>4.8%</u>
Accumulated depreciation	(295,415)	(223,103)	72,312	32.4%
	<u>1,275,077</u>	<u>1,275,715</u>	<u>(638)</u>	<u>(0.1%)</u>
Properties held for disposition, net	16,876	49,171	(32,295) (c)	(65.7%)
Land held for development	11,583	11,399	184	1.6%
	<u>1,303,536</u>	<u>1,336,285</u>	<u>(32,749)</u>	<u>(2.5%)</u>
Rent receivable	2,079 (d)	1,885 (d)	194	10.3%
Deferred rent receivables	15,470	12,929	2,541	19.7%
Other assets	3,056	1,877	1,179 (e)	62.8%
Intangible assets, net	-	76	(76)	(100.0%)
Total assets	<u>\$ 1,363,829</u>	<u>\$ 1,358,861</u>	<u>\$ 4,968</u>	<u>0.4%</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Accrued and other liabilities	\$ 38,453 (f)	\$ 35,701	\$ 2,752	7.7%
Line of credit	-	95,000	(95,000)	(100.0%)
Mortgage notes payable	11,367	11,756	(389)	(3.3%)
Mortgage on asset held for sale	-	7,938	(7,938)	(100.0%)
Notes payable to affiliate	-	100,000	(100,000)	(100.0%)
Unsecured term loan	-	50,000	(50,000)	(100.0%)
Total liabilities	<u>49,820</u>	<u>300,395</u>	<u>(250,575)</u>	<u>(83.4%)</u>
Minority interests:				
Preferred units	127,750	217,750	(90,000) (g)	(41.3%)
Common units	169,295	169,888	(593)	(0.3%)
Shareholders' equity:				
Preferred stock	510,850	168,673	342,177 (h)	202.9%
Common stock	218	216	2	0.9%
Paid-in capital	420,351	420,778	(427) (i)	(0.1%)
Cumulative net income	343,529	281,386	62,143	22.1%
Comprehensive loss	-	(535)	535	100.0%
Cumulative distributions	(257,984)	(199,690)	58,294 (k)	29.2%
Total shareholders' equity	<u>1,016,964</u>	<u>670,828</u>	<u>346,136</u>	<u>51.6%</u>
Total liabilities and shareholders' equity	<u>\$ 1,363,829</u>	<u>\$ 1,358,861</u>	<u>\$ 4,968</u>	<u>0.4%</u>

PS BUSINESS PARKS, INC.
CONSOLIDATED BALANCE SHEETS
VARIANCE EXPLANATIONS

(a)	See sources and uses of funds on page 2			
(b)	Change in real estate facilities, at cost is due to the following:			
	Property acquisition (includes capitalized acquisition costs)			24,088
	Property renovations			6,310
	Maintenance capital expenditures			8,760
	Tenant improvements			27,388
	Lease commissions			7,465
	Improvements on properties held for sale			(2,337)
				<u>\$ 71,674</u>
(c)	Discontinued operations includes assets identified for sale located in the Company's Miami Portfolio.			
(d)	Rent receivable consists of the following:	12/31/04	12/31/03	
	U.S. Government Tenants	\$ 1,132	\$ 1,175	
	Acquisitions	300	14	
	Same Park	1,197	846	
	Allowance for bad debt	(550)	(150)	
		<u>\$ 2,079</u>	<u>\$ 1,885</u>	
(e)	Change in other assets is due to the following:			
	Due on rental properties sold		\$ 1,534	
	Prepaid Insurance		773	
	Amortization of prepaid costs		(195)	
	Pre- Acquisition Costs		(147)	
	Other Accounts Receivable and Deposit		(640)	
	Other		(146)	
			<u>\$ 1,179</u>	
(f)	Accrued and other liabilities at December 31, 2004 consists of:	12/31/2004	12/31/2003	Change
	Prepaid Rent	\$ 6,778	8,290	\$ (1,512)
	Accounts payable	3,906	927	2,979
	Property taxes	3,109	3,427	(318)
	Security deposits	15,220	14,056	1,164
	Accrued interest	-	112	(112)
	Reserves for acquisition costs	5,051	4,920	131
	Unrealized loss on interest rate swap	-	534	(534)
	Other	4,389	3,435	954
		<u>\$ 38,453</u>	<u>35,701</u>	<u>\$ 2,752</u>
(g)	Change in minority interest - preferred units:			
	Redemption of Series B			(12,750)
	Issuance of Series J			42,750
	Redemption of Series C and X			(120,000)
				<u>\$ (90,000)</u>
(h)	Change in preferred stock:			
	Redemption of Series A			(52,823)
	Issuance of Series H			205,000
	Issuance of Series I			75,000
	Issuance of Series K			57,500
	Issuance of Series L			57,500
				<u>\$ 342,177</u>
(i)	Change in paid-in capital:			
	Beginning paid-in capital			\$ 420,778
	Preferred stock issuance costs			(13,870)
	Shelf registration costs			(101)
	Redemption of preferred stock (application of EITF Topic D-42)			5,005
	Exercise of stock options			6,956
	Stock option amortization			1,365
	Restricted stock amortization			-
	Change in minority interest, common			218
	Ending paid in capital			<u>\$ 420,351</u>
(j)	Change in cumulative distributions:			
	Distributions to preferred shareholders			\$ (32,613)
	Distributions to common shareholders			(25,681)
				<u>\$ (58,294)</u>

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

	12/31/04	12/31/03	Increase (Decrease)	% Change
Revenues:				
Rental income	\$ 56,042	\$ 49,485	\$ 6,557 (a)	13.3%
Facility management fees primarily from affiliates	109	180	(71)	(39.4%)
Total operating revenues	<u>\$ 56,151</u>	<u>\$ 49,665</u>	<u>6,486</u>	<u>13.1%</u>
Expenses:				
Property operations	16,699	14,285	2,414 (b)	16.9%
Depreciation and amortization	18,777	15,489	3,288	21.2%
General and administrative	1,379	1,175 (c)	204	17.4%
Total operating expenses	<u>36,855</u>	<u>30,949</u>	<u>5,906</u>	<u>19.1%</u>
Other income and expenses				
Gain on sale of marketable securities	-	-	-	-
Interest and other income	194	154	40	26.0%
Interest expense	(442)	(1,001) (d)	(559)	(55.8%)
Total other income and expenses	<u>(248)</u>	<u>(847)</u>	<u>(599)</u>	<u>(70.7%)</u>
Income from continuing operations before minority interests and equity in income of liquidated joint venture	<u>19,048</u>	<u>17,869</u>	<u>1,179</u>	<u>6.6%</u>
Equity in income of liquidated joint venture	-	-	-	-
Minority interests in continuing operations:				
Minority interest in income - preferred units	-	-	-	-
Distributions paid to preferred unit holders	(2,697)	(4,810)	(2,113)	(43.9%)
Redemption of preferred operating partnership units	-	-	-	-
Minority interest in income - common units	(1,685)	(2,325)	(640)	(27.5%)
Total minority interests in continuing operation	<u>(4,382)</u>	<u>(7,135)</u>	<u>(2,753)</u>	<u>(38.6%)</u>
Income from continuing operations	<u>14,666</u>	<u>10,734</u>	<u>3,932</u>	<u>36.6%</u>
Discontinued operations:				
Income from discontinued operations	514	428 (e)	86	20.1%
Impairment charge on properties held for sale	-	-	-	N/A
Gain (loss) on disposition of real estate	15,317	(601)	15,918	2648.6%
Minority interest in (earnings) loss attributable to discontinued operations - common units	(3,973)	44	4,017	9129.5%
Income (loss) from discontinued operation	<u>11,858</u>	<u>(129)</u>	<u>11,987</u>	<u>9292.2%</u>
Net Income	<u>26,524</u>	<u>10,605</u>	<u>15,919</u>	<u>150.1%</u>
Net Income allocable to preferred shareholders				
Preferred distributions				
Preferred distributions paid	9,612	3,879	5,733 (f)	147.8%
Redemptions of preferred stock	-	-	-	N/A
Total preferred distributions	<u>9,612</u>	<u>3,879</u>	<u>5,733</u>	<u>147.8%</u>
Net Income allocable to common shareholder	<u>\$ 16,912</u>	<u>\$ 6,726</u>	<u>\$ 10,186</u>	<u>151.4%</u>
Net income per common share - basic:				
Continuing operations	\$ 0.23	\$ 0.32	\$ (0.09)	(28.1%)
Discontinued operations	\$ 0.54	\$ (0.01)	\$ 0.55	5500.0%
Net Income	<u>\$ 0.77</u>	<u>\$ 0.31</u>	<u>\$ 0.46</u>	<u>148.4%</u>
Net income per common share - diluted				
Continuing operations	\$ 0.23	\$ 0.32	\$ (0.09)	(28.1%)
Discontinued operations	\$ 0.54	\$ (0.01)	\$ 0.46	4600.0%
Net Income	<u>\$ 0.77</u>	<u>\$ 0.31</u>	<u>\$ 0.46</u>	<u>148.4%</u>
Weighted average common shares outstanding:				
Basic	<u>21,830</u>	<u>21,545</u>	<u>285 (g)</u>	<u>1.3%</u>
Diluted	<u>21,993</u>	<u>21,759</u>	<u>234</u>	<u>1.1%</u>

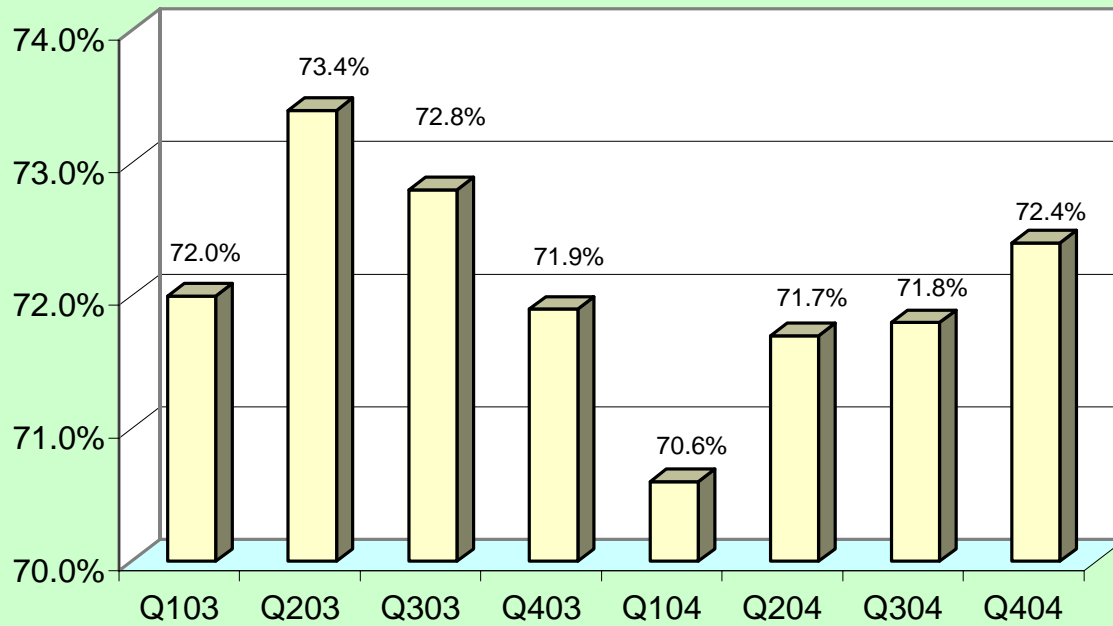
(a) Rental income has increased due to the following:		\$	123
Same Park facilities			6,396
Acquisitions			38
Straight-line rent			<u>6,557</u>
(b) Cost of operations have increased due to the following:		\$	(185)
Same Park facilities			2,599
Acquisitions			<u>2,414</u>
(c) General and administrative expenses for the three months ended:		December 31, 2004	December 31, 2003
Salaries	\$	494	\$ 248
Bonus Accrual		194	180
Stock option and stock compensation expense, gross		152	114
Stock option and stock compensation expense, reversal related to terminated employees		(389)	-
Professional fees		527	150
Investor services		90	113
Internal acquisition costs		61	185
Other		250	185
	<u>\$</u>	<u>1,379</u>	<u>\$ 1,175</u>
(d) Interest expense for the three months ended:		December 31, 2004	December 31, 2003
Mortgage notes payable	\$	326	\$ 369
Facilities fees & other charges		64	64
Line of Credit interest (Wells Fargo)		52	-
Interest Rate Swap Charges		-	239
Term Loan Interest (Fleet)		-	329
	<u>\$</u>	<u>442</u>	<u>\$ 1,001</u>
(e) Net income from discontinued operations for the three months ended:		December 31, 2004	December 31, 2003
Rental revenue	\$	1,182	\$ 1,263
Operating expenses		(437)	(454)
Debt extinguishment costs		(231)	-
Depreciation expense		-	(381)
Income from discontinued property		514	428
	<u>\$</u>	<u>514</u>	<u>\$ 428</u>
(f) Increase relates to issuance of additional preferred stock .			
(g) Net increase relates to stock option exercises.			

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

	12/31/04	12/31/03	Increase (Decrease)	% Change
Revenues:				
Rental income	\$ 218,447	\$ 193,993	\$ 24,454 (a)	12.6%
Facility management fees primarily from affiliate	624	742	(118)	(15.9%)
Total operating revenues	<u>\$ 219,071</u>	<u>\$ 194,735</u>	<u>24,336</u>	<u>12.5%</u>
Expenses:				
Property operations	64,969	53,410	11,559 (b)	21.6%
Depreciation and amortization	72,336	57,436	14,900	25.9%
General and administrative	4,628 (c)	4,683 (c)	(55)	(1.2%)
Total operating expenses	<u>141,933</u>	<u>115,529</u>	<u>26,404</u>	<u>22.9%</u>
Other income and expenses:				
Gain on sale of marketable securities:	-	2,043	(2,043)	(100.0%)
Interest and other income	406	1,125	(719)	(63.9%)
Interest expense	(3,054) (d)	(4,015) (d)	(961)	(23.9%)
Total other income and expenses	<u>(2,648)</u>	<u>(847)</u>	<u>1,801</u>	<u>212.6%</u>
Income from continuing operations before minority interest and equity in income of liquidated joint ventur	<u>74,490</u>	<u>78,359</u>	<u>(3,869)</u>	<u>(4.9%)</u>
Equity in income of liquidated joint ventur	<u>-</u>	<u>2,296</u>	<u>(2,296)</u>	<u>(100.0%)</u>
Minority interests in continuing operations				
Minority interest in income - preferred unit:				
Distributions paid to preferred unit holders	(17,106)	(19,240)	(2,134)	(11.1%)
Redemption of preferred operating partnership unit:	(3,139)	-	3,139	100.0%
Minority interest in income - common unit	(5,328)	(11,593)	(6,265)	(54.0%)
Total minority interests in continuing operation:	<u>(25,573)</u>	<u>(30,833)</u>	<u>(5,260)</u>	<u>(17.1%)</u>
Income from continuing operations	<u>48,917</u>	<u>49,822</u>	<u>(905)</u>	<u>(1.8%)</u>
Discontinued operations:				
Income from discontinued operation:	2,196 (e)	2,036 (e)	160	7.9%
Impairment charge on properties held for sale	-	(5,907)	(5,907)	(100.0%)
Gain (loss) on disposition of real estate	15,462	2,897	12,565	433.7%
Minority interest in (earnings) loss attributable to discontinued operations - common units	(4,432)	248	4,680	1887.2%
Income (loss) from discontinued operation:	<u>13,226</u>	<u>(726)</u>	<u>13,952</u>	<u>1921.7%</u>
Net Income	<u>62,143</u>	<u>49,096</u>	<u>13,047</u>	<u>26.6%</u>
Net Income allocable to preferred shareholder				
Preferred distributions				
Preferred distributions paid	31,154	15,784	15,370	97.4%
Redemptions of preferred stock	1,866	-	1,866	100.0%
Total preferred distributions	<u>33,020</u>	<u>15,784</u>	<u>17,236</u> (f)	<u>109.2%</u>
Net Income allocable to common shareholders	<u>\$ 29,123</u>	<u>\$ 33,312</u>	<u>(4,189)</u>	<u>(12.6%)</u>
Net income per common share - basic				
Continuing operations	\$ 0.73	\$ 1.59	\$ (0.86)	(54.1%)
Discontinued operations	\$ 0.61	\$ (0.03)	\$ 0.64	2133.3%
Net Income	<u>\$ 1.34</u>	<u>\$ 1.56</u>	<u>\$ (0.22)</u>	<u>(14.0%)</u>
Net income per common share - dilute				
Continuing operations	\$ 0.72	\$ 1.58	\$ (0.84)	(53.2%)
Discontinued operations	\$ 0.60	\$ (0.03)	\$ 0.63	2100.0%
Net Income	<u>\$ 1.33</u>	<u>\$ 1.54</u>	<u>\$ (0.21)</u>	<u>(13.6%)</u>
Weighted average common shares outstanding				
Basic	<u>21,767</u>	<u>21,412</u>	<u>355</u> (g)	<u>1.7%</u>
Diluted	<u>21,960</u>	<u>21,565</u>	<u>395</u>	<u>1.8%</u>

(a)	Rental income has increased due to the following		
	Same Park facilities	\$	(3,709)
	Acquisitions		27,191
	Straight-line rent		972
		<u>\$</u>	<u>24,454</u>
(b)	Cost of operations have increased due to the following		
	Same Park facilities	\$	949
	Acquisitions		10,610
		<u>\$</u>	<u>11,559</u>
(c)	General and administrative expenses for the year ended	December 31, 2004	December 31, 2003
	Salaries	\$ 1,644	\$ 1,004
	Bonuses	734	720
	Stock option and stock compensation expense	482	453
	Stock option and stock compensation expense related to terminated employees:	(389)	-
	Professional fees	895	460
	Investor services	424	313
	Internal acquisition costs	158	585
	Other	680	1,148
		<u>\$ 4,628</u>	<u>\$ 4,683</u>
(d)	Interest expense for the year ended	December 31, 2004	December 31, 2003
	Mortgage notes payable	\$ 1,416	\$ 1,498
	Line of credit interest	387	-
	Interest rate swap charges	557	904
	Facilities fees & other charges	256	254
	Loan from Affiliate (PSI)	146	-
	Term loan interest	292	1,359
		<u>\$ 3,054</u>	<u>\$ 4,015</u>
(e)	Net income from discontinued operations for the year ended	December 31, 2004	December 31, 2003
	Rental revenue	\$ 5,962	\$ 5,736
	Operating expenses	(2,079)	(2,029)
	Depreciation	(1,456)	(1,671)
	Debt extinguishment costs	(231)	-
	Income from discontinued property	<u>\$ 2,196</u>	<u>\$ 2,036</u>
(f)	Increase relates to the issuance of additional preferred equity as well as \$1,866,000 related to the redemption of the Series A preferred stock		
(g)	Net increase relates to stock option exercises		

Gross Operating Margin Percentage* (Same Park)



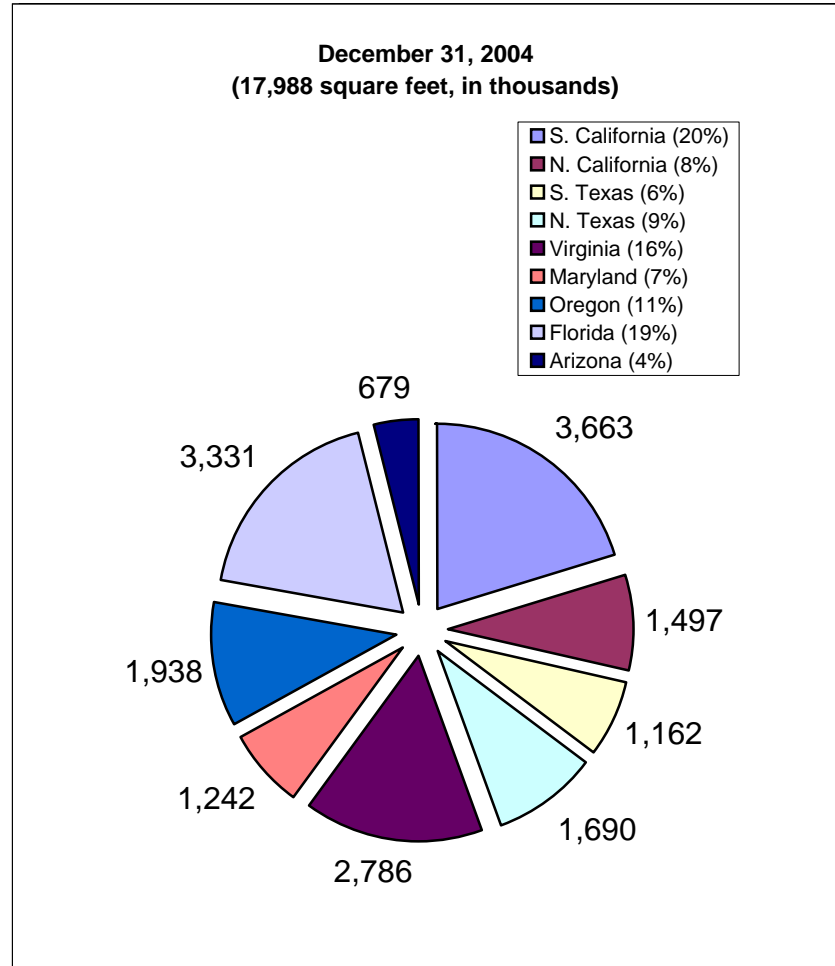
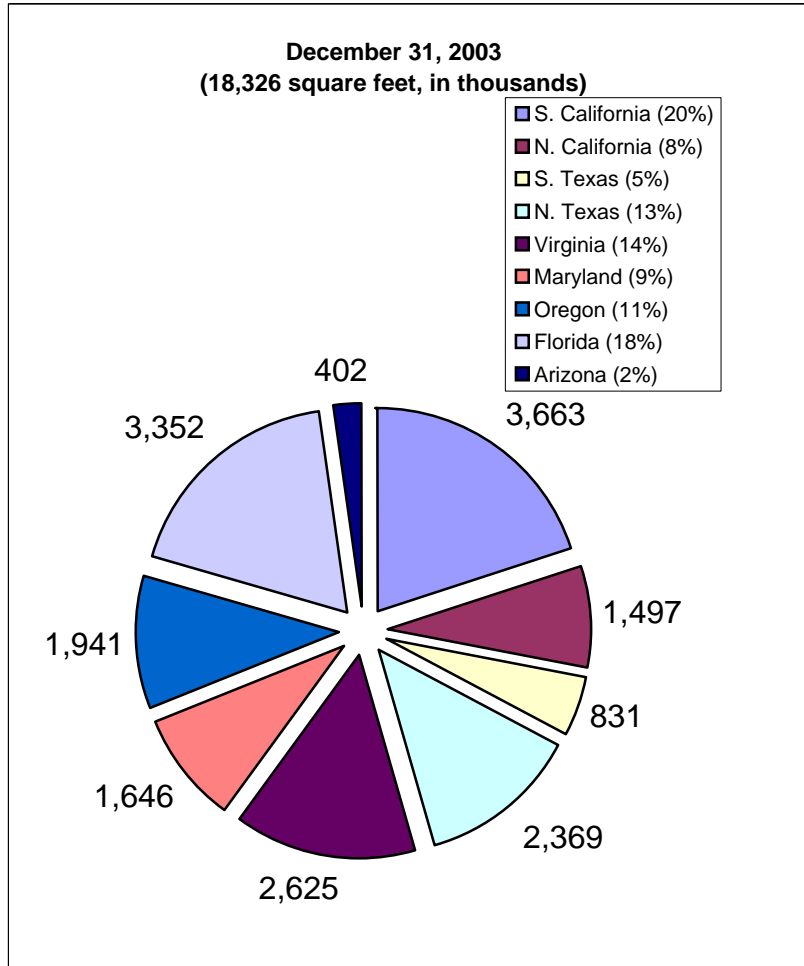
* Gross margin is computed by dividing property net operating income by rental income (excluding straight-line rent adjustment).

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

<u>Recurring capital expenditures (1)</u>	<u>Twelve Months Ended December 31, 2004 Costs</u>	<u>Cost per Weighted Average Square Foot</u>
Maintenance capital expenditures (2)	\$8,760	\$0.48
Tenant improvements (3)	27,388	\$1.49
Leasing commissions	7,465	\$0.41
Total recurring capital expenditures	<u>\$43,613</u>	<u>\$2.38</u>
<u>Non-recurring capital expenditures</u>		
Property renovations	\$6,310	
Acquisition costs	22,323	
Total non-recurring capital expenditures	<u>\$28,633</u>	

- (1) The company defines "recurring capital expenditures" as those capitalized costs necessary to continue to operate the property at its current economic value. Costs in excess of \$1,000 for tenant improvements and \$5,000 for maintenance capital expenditures with a useful life greater than 24 months for tenant improvements and 30 months for maintenance capital expenditures 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 were \$14.7 million or approximately \$0.83 per weighted average square foot for the twelve months ended December 31, 2004 compared to \$13 million or \$0.92 per square foot during the twelve months ended December 31, 2003.
- (2) Major costs include roofing, HVAC replacement, parking lot replacement and other major repairs that extend the life of the respective component of the building.
- (3) Tenant improvements less than \$1,000 or for leases of two years or less are expensed and included as a component of cost of operations (\$842,000 for the twelve months ended December 31, 2004 as compared to \$653,000 for the twelve months ended December 31, 2003).

Total Owned Rentable Square Footage by Region *



* Square footage includes discontinued operations

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

Rentable Square Footage of Properties as of December 31, 2004

Primary Markets	Industrial	Office	Flex	Total	%
Miami	2,556	12	623	3,191	17.9%
Northern Virginia	-	572	2,215	2,787	15.6%
Portland	-	346	1,592	1,938	10.9%
Maryland	-	720	522	1,242	7.0%
Dallas	231	-	1,459	1,690	9.5%
Los Angeles County	712	31	770	1,513	8.5%
Northern California	407	430	660	1,497	8.4%
Orange County	-	704	911	1,615	8.9%
Austin	-	-	788	788	4.4%
Phoenix	-	-	679	679	3.8%
San Diego County	-	-	535	535	3.0%
Houston	-	131	243	374	2.1%
	<u>3,906</u>	<u>2,946</u>	<u>10,997</u>	<u>17,849</u>	<u>100.0%</u>

Average Occupancy Rates by Product Type for the Quarter Ending December 31, 2004

Primary Markets	Industrial	Office	Flex	Total
Miami	86.1%	100.0%	93.5%	87.6%
Northern Virginia	-	92.6%	98.1%	97.0%
Portland	-	67.5%	82.2%	79.6%
Maryland	-	96.3%	88.3%	92.9%
Dallas	100.0%	-	79.3%	82.2%
Los Angeles County	97.7%	86.1%	94.4%	95.8%
Northern California	96.9%	91.9%	95.1%	94.7%
Orange County	-	89.3%	95.8%	93.0%
Austin	-	-	73.3%	73.3%
Phoenix	-	-	92.7%	92.7%
San Diego County	-	-	97.0%	97.0%
Houston	-	78.2%	90.1%	85.9%
	<u>90.1%</u>	<u>89.0%</u>	<u>89.6%</u>	<u>89.6%</u>

Weighted Average Occupancy Rates by Portfolio Type for the Quarter Ending December 31, 2004

Primary Markets	Large Tenant	Small Tenant	Total
Miami	86.6%	95.4%	87.6%
Northern Virginia	97.7%	94.4%	97.0%
Portland	79.2%	84.3%	79.6%
Maryland	92.9%	94.1%	92.9%
Dallas	82.8%	78.5%	82.2%
Los Angeles County	97.7%	94.1%	95.8%
Northern California	94.3%	95.3%	94.7%
Orange County	92.3%	95.1%	93.0%
Austin	71.4%	81.9%	73.3%
Phoenix	100.0%	91.7%	92.7%
San Diego County	-	97.0%	97.0%
Houston	78.2%	90.1%	85.9%
	<u>88.5%</u>	<u>92.7%</u>	<u>89.6%</u>

Note:

Excludes discontinued operations as of December 31, 2004.

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 December 31, 2004					
Primary Markets	Industrial	Office	Flex	Total	%
Northern Virginia	-	406	2,215	2,621	19.1%
Portland	-	347	1,592	1,939	14.1%
Maryland	-	720	522	1,242	9.1%
Dallas	231	-	1,345	1,576	11.5%
Los Angeles County	712	31	770	1,513	11.0%
Northern California	407	430	660	1,497	10.9%
Orange County	-	161	911	1,072	7.8%
Austin	-	-	788	788	5.7%
Phoenix	-	-	569	569	4.1%
San Diego County	-	-	535	535	3.9%
Houston	-	131	243	374	2.8%
	1,350	2,226	10,150	13,726	100.0%

Average Occupancy Rates by Product Type for the Quarter Ending December 31, 2004				
Primary Markets	Industrial	Office	Flex	Total
Northern Virginia	-	95.8%	98.1%	97.7%
Portland	-	67.5%	82.2%	79.6%
Maryland	-	96.3%	88.3%	92.9%
Dallas	100.0%	-	79.7%	82.7%
Los Angeles County	97.7%	86.1%	94.4%	95.8%
Northern California	96.9%	91.9%	95.1%	94.7%
Orange County	-	99.0%	95.8%	96.3%
Austin	-	-	73.3%	73.3%
Phoenix	-	-	94.7%	94.7%
San Diego County	-	-	97.0%	97.0%
Houston	-	78.2%	90.1%	85.9%
	97.8%	89.8%	89.6%	90.5%

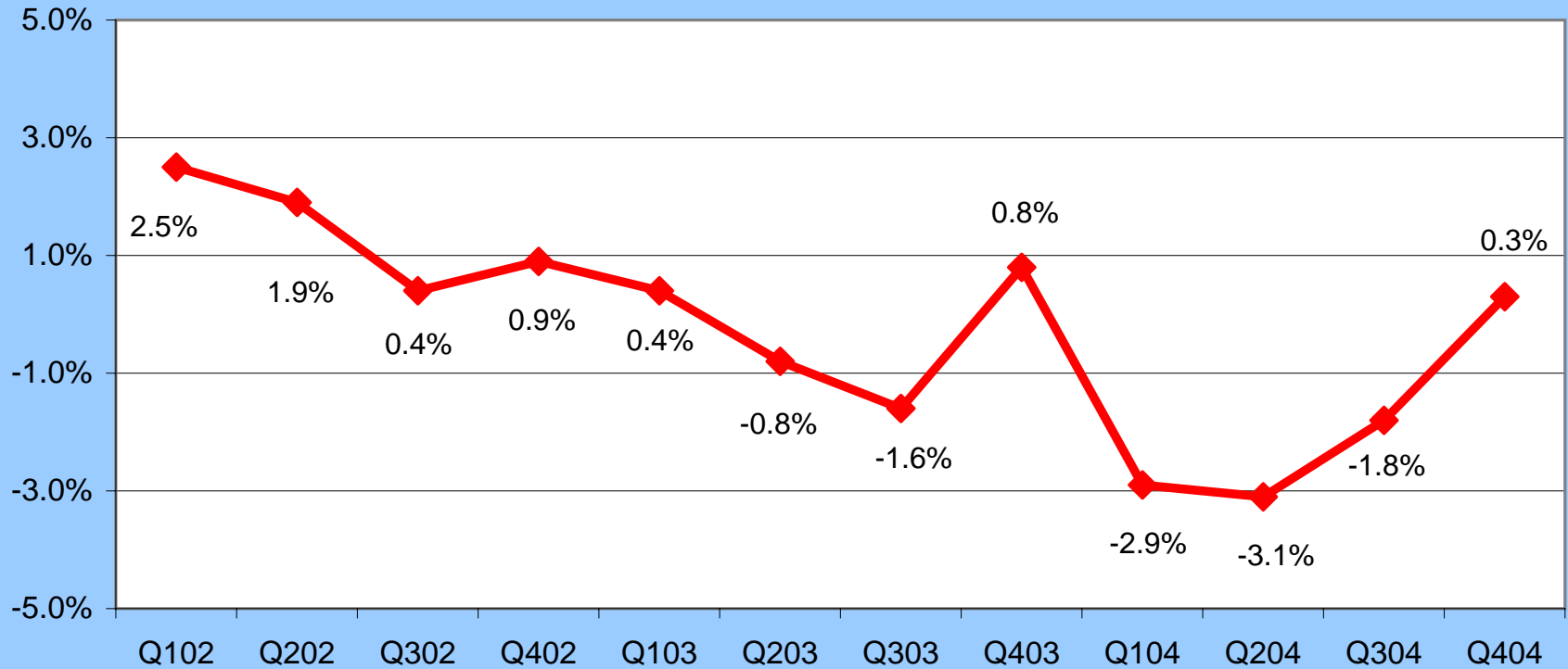
Weighted Average Occupancy Rates by Portfolio Type for the Quarter Ending December 31, 2004			
Primary Markets	Large Tenant	Small Tenant	Total
Northern Virginia	97.7%	97.8%	97.7%
Portland	79.2%	84.3%	79.6%
Maryland	92.9%	94.1%	92.9%
Dallas	83.5%	78.5%	82.7%
Los Angeles County	97.7%	94.1%	95.8%
Northern California	94.3%	95.3%	94.7%
Orange County	96.9%	95.1%	96.3%
Austin	71.4%	81.9%	73.3%
Phoenix	100.0%	93.8%	94.7%
San Diego County	-	97.0%	97.0%
Houston	78.2%	90.1%	85.9%
	89.4%	93.1%	90.5%

Note:

Includes all properties included in continuing operations owned since January 1, 2003.

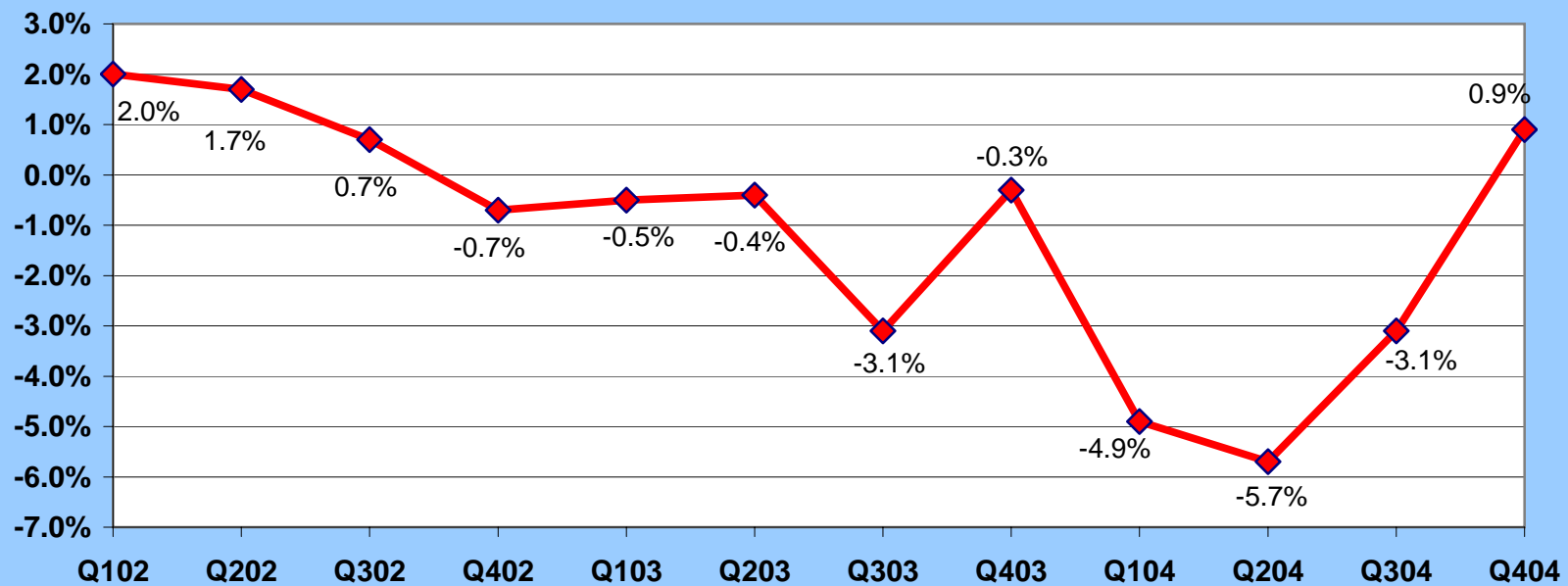
The Company's "large tenant" portfolio consists of properties with average leases greater than or equal to 5,000 square feet while the "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

Change in Same Park Revenue before Straight Line Rent *



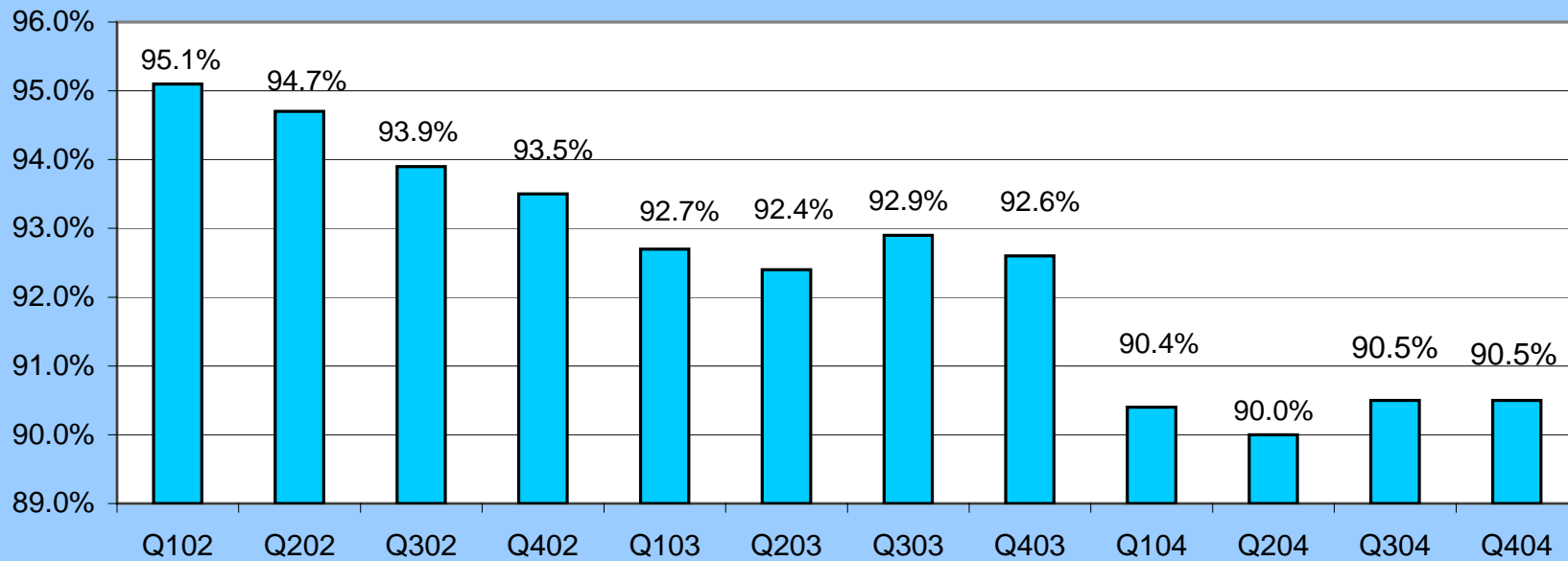
* Percentage represents the change from the same period in the prior year.

Change in Same Park NOI before Straight Line Rent *



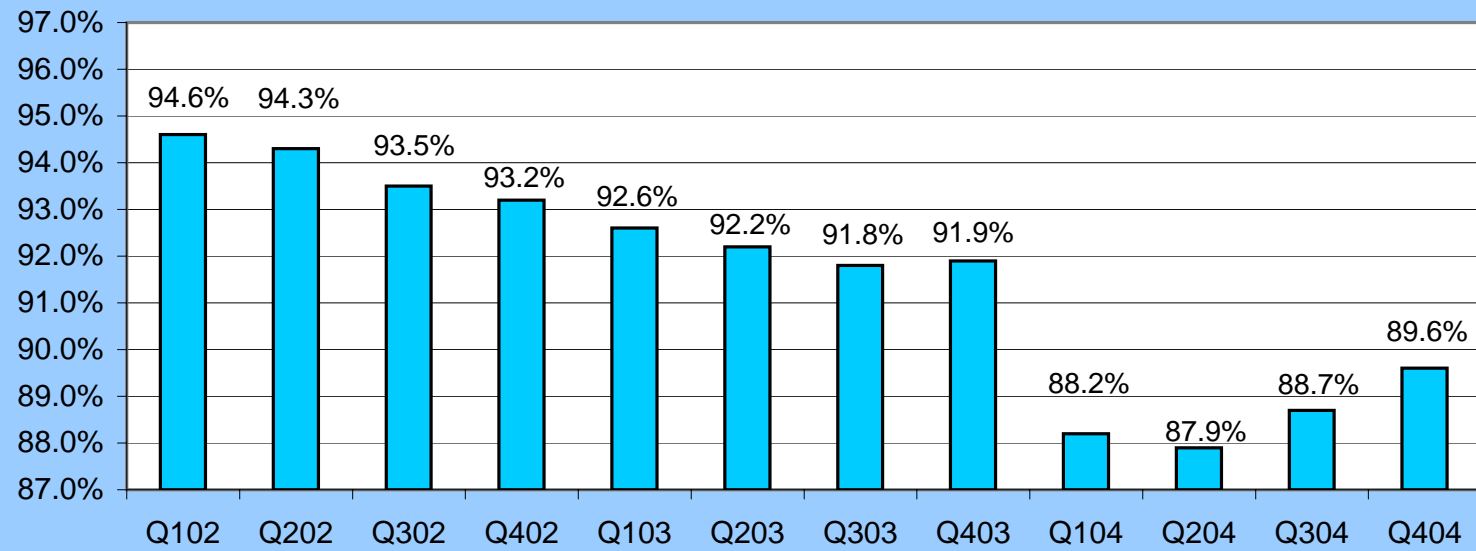
* Percentage represents the change from the same period in the prior year.

Same Park Weighted Average Occupancy



Note: Same Park is defined as all properties included in continuing operations since January 1 , 2003.

Total Owned Portfolio Weighted Average Occupancy *



* Excludes discontinued operations

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

Industry Concentration as of December 31, 2004

	<u>% of Total Rents</u>
Computer Hardware, software and related services	12.1%
Business services	11.8%
Government	10.4%
Contractors	9.5%
Warehouse / Logistics	8.6%
Financial services	8.1%
Retail	5.8%
Home furnishings	4.5%
Electronics	4.4%
Communications	4.1%
	<u>79.3%</u>

Top Ten Customers by Total Annual Revenues as of December 31, 2004

<u>Tenant</u>	<u>Square Footage</u>	<u>Total Annual Revenues</u>	<u>%</u>
U.S. Government	475	\$ 11,293	5.0%
Citigroup	262	4,223	1.9%
Intel	214	3,647	1.6%
IBM	180	2,960	1.3%
County of Santa Clara	97	2,951	1.3%
Hughes Network Systems **	106	2,239	1.0%
Axcelis Technologies	89	1,609	0.7%
Symantec Corporation, Inc.	81	1,559	0.7%
Welch Allyn Protocol, Inc.	95	1,511	0.7%
MCI	88	1,413	0.6%
	<u>1,687</u>	<u>\$ 33,405</u>	<u>14.9%</u>

** Electronics subsidiary of Hughes Aircraft

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of December 31, 2004

(in thousands)

Lease Expirations - Flex					
<u>Year of Lease Expiration</u>	<u>Rentable Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2005	2,464	\$ 28,669	22.4%	13.4%	
2006	2,215	28,127	22.0%	13.1%	
2007	1,556	18,793	14.7%	8.8%	
2008	1,161	17,469	13.7%	8.2%	
2009	1,035	11,269	8.8%	5.3%	
Thereafter	1,685	23,573	18.4%	11.0%	
	<u>10,116</u>	<u>\$ 127,900</u>	<u>100.0%</u>	<u>59.8%</u>	

Lease Expirations - Office					
<u>Year of Lease Expiration</u>	<u>Rentable Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2005	701	\$ 15,237	25.2%	7.1%	
2006	501	10,746	17.8%	5.0%	
2007	400	8,168	13.5%	3.8%	
2008	370	8,708	14.4%	4.2%	
2009	262	5,252	8.7%	2.4%	
Thereafter	491	12,375	20.4%	5.8%	
	<u>2,725</u>	<u>\$ 60,486</u>	<u>100.0%</u>	<u>28.3%</u>	

Lease Expirations - Industrial					
<u>Year of Lease Expiration</u>	<u>Rentable Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2005	879	\$ 6,375	24.9%	3.0%	
2006	1,028	6,527	25.5%	3.1%	
2007	777	5,044	19.7%	2.4%	
2008	409	3,035	11.9%	1.3%	
2009	321	2,173	8.5%	1.0%	
Thereafter	378	2,404	9.5%	1.1%	
	<u>3,792</u>	<u>\$ 25,558</u>	<u>100.0%</u>	<u>11.9%</u>	

Lease Expirations - Total					
<u>Year of Lease Expiration</u>	<u>Rentable Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company Annual rents</u>	
2005	4,044	\$ 50,281	23.5%	23.5%	
2006	3,744	45,400	21.2%	21.2%	
2007	2,733	32,005	15.0%	15.0%	
2008	1,940	29,212	13.7%	13.7%	
2009	1,618	18,694	8.7%	8.7%	
Thereafter	2,554	38,352	17.9%	17.9%	
	<u>16,633</u>	<u>\$ 213,944</u>	<u>100.0%</u>	<u>100.0%</u>	

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of December 31, 2004
(in thousands)

Southern California					
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents	
2005	1,000	\$ 14,528	29.1%	6.8%	
2006	1,142	13,308	26.7%	6.2%	
2007	608	8,519	17.1%	4.0%	
2008	312	5,391	10.8%	2.5%	
2009	283	4,258	8.5%	2.0%	
Thereafter	184	3,882	7.8%	1.8%	
	<u>3,529</u>	<u>\$ 49,886</u>	<u>100.0%</u>	<u>23.3%</u>	

Northern California					
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents	
2005	239	\$ 2,904	16.3%	1.3%	
2006	312	3,546	19.9%	1.7%	
2007	307	2,909	16.3%	1.3%	
2008	221	4,839	27.1%	2.3%	
2009	120	1,202	6.7%	0.6%	
Thereafter	228	2,442	13.7%	1.1%	
	<u>1,427</u>	<u>\$ 17,842</u>	<u>100.0%</u>	<u>8.3%</u>	

Southern Texas					
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents	
2005	280	\$ 2,515	29.4%	1.1%	
2006	183	1,849	21.6%	0.9%	
2007	128	1,212	14.2%	0.6%	
2008	85	820	9.6%	0.4%	
2009	192	1,304	15.3%	0.6%	
Thereafter	91	845	9.9%	0.4%	
	<u>959</u>	<u>\$ 8,545</u>	<u>100.0%</u>	<u>4.0%</u>	

Northern Texas					
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents	
2005	309	\$ 2,962	22.4%	1.4%	
2006	235	2,935	22.2%	1.4%	
2007	145	1,085	8.2%	0.5%	
2008	117	1,315	9.9%	0.6%	
2009	183	884	6.7%	0.4%	
Thereafter	483	4,058	30.6%	1.9%	
	<u>1,472</u>	<u>\$ 13,239</u>	<u>100.0%</u>	<u>6.2%</u>	

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of December 31, 2004
(in thousands)

Florida					
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents	
2005	820	\$ 6,366	26.6%	3.0%	
2006	886	6,673	27.9%	3.1%	
2007	591	4,299	18.0%	2.0%	
2008	410	3,103	13.0%	1.5%	
2009	199	1,759	7.3%	0.8%	
Thereafter	214	1,731	7.2%	0.8%	
	<u>3,120</u>	<u>\$ 23,931</u>	<u>100.0%</u>	<u>11.2%</u>	

Northern Virginia					
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents	
2005	470	\$ 6,465	14.4%	3.1%	
2006	477	8,862	19.8%	4.1%	
2007	301	4,254	9.5%	2.0%	
2008	436	7,847	17.5%	3.7%	
2009	306	4,619	10.3%	2.2%	
Thereafter	695	12,704	28.5%	5.8%	
	<u>2,685</u>	<u>\$ 44,751</u>	<u>100.0%</u>	<u>20.9%</u>	

Maryland					
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents	
2005	319	\$ 7,099	28.0%	3.3%	
2006	98	2,496	9.8%	1.2%	
2007	223	4,711	18.6%	2.2%	
2008	156	3,252	12.8%	1.5%	
2009	157	2,176	8.6%	1.0%	
Thereafter	278	5,614	22.2%	2.6%	
	<u>1,231</u>	<u>\$ 25,348</u>	<u>100.0%</u>	<u>11.8%</u>	

Oregon					
Year of Lease Expiration	Rentable Square Footage	Annual Rents	%	% of Company Annual rents	
2005	378	\$ 5,059	21.2%	2.4%	
2006	287	4,465	18.7%	2.1%	
2007	253	3,283	13.8%	1.5%	
2008	179	2,392	10.0%	1.1%	
2009	114	1,795	7.5%	0.8%	
Thereafter	367	6,855	28.8%	3.2%	
	<u>1,578</u>	<u>\$ 23,849</u>	<u>100.0%</u>	<u>11.1%</u>	

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of December 31, 2004
(in thousands)

Arizona					
<u>Year of Lease Expiration</u>	<u>Rentable Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company</u>	
				<u>Annual rents</u>	
2005	229	\$ 2,383	36.4%	1.2%	
2006	124	1,266	19.3%	0.5%	
2007	177	1,734	26.5%	0.9%	
2008	24	251	3.8%	0.1%	
2009	64	696	10.6%	0.3%	
Thereafter	14	223	3.4%	0.2%	
	<u>632</u>	<u>\$ 6,553</u>	<u>100.0%</u>	<u>3.2%</u>	

Total					
<u>Year of Lease Expiration</u>	<u>Rentable Square Footage</u>	<u>Annual Rents</u>	<u>%</u>	<u>% of Company</u>	
				<u>Annual rents</u>	
2005	4,044	\$ 50,281	23.5%	23.5%	
2006	3,744	45,400	21.2%	21.2%	
2007	2,733	32,006	15.0%	15.0%	
2008	1,940	29,210	13.7%	13.7%	
2009	1,618	18,693	8.7%	8.7%	
Thereafter	2,554	38,354	17.9%	17.9%	
	<u>16,633</u>	<u>\$ 213,944</u>	<u>100.0%</u>	<u>100.0%</u>	

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of December 31, 2004

(in thousands)

Lease Expirations - Large Tenant Portfolio					
Year of Lease Expiration	Rentable Square Footage		Annual Rents	%	% of Company Annual rents
2005	2,654	\$	34,290	21.4%	16.0%
2006	2,458		29,700	18.6%	13.9%
2007	1,902		22,050	13.8%	10.3%
2008	1,603		24,582	15.4%	11.6%
2009	1,316		14,690	9.2%	6.8%
Thereafter	2,359		34,511	21.6%	16.1%
Total	12,292	\$	159,823	100.0%	74.7%

Lease Expirations - Small Tenant Portfolio					
Year of Lease Expiration	Rentable Square Footage		Annual Rents	%	% of Company Annual rents
2005	1,390	\$	15,990	29.5%	7.5%
2006	1,286		15,701	29.0%	7.3%
2007	831		9,956	18.4%	4.6%
2008	337		4,629	8.6%	2.2%
2009	302		4,004	7.4%	1.9%
Thereafter	195		3,841	7.1%	1.8%
Total	4,341	\$	54,121	100.0%	25.3%

Lease Expirations - Total					
Year of Lease Expiration	Rentable Square Footage		Annual Rents	%	% of Company Annual rents
2005	4,044	\$	50,280	23.5%	23.5%
2006	3,744		45,401	21.2%	21.2%
2007	2,733		32,006	15.0%	15.0%
2008	1,940		29,211	13.7%	13.7%
2009	1,618		18,694	8.7%	8.7%
Thereafter	2,554		38,352	17.9%	17.9%
Total	16,633	\$	213,944	100.0%	100.0%