



PSBUSINESSPARKS

**Analysis of Operating Results
and Financial Condition**

December 31, 2006

**ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION
FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2006**

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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 YEARS ENDED			
	12/31/06	12/31/05	% Change	12/31/06	12/31/05	% Change	
Total operating revenues	\$ 62,789	\$ 55,943	12.2%	\$ 242,839	\$ 220,183	10.3%	
Net income allocable to common shareholders	\$ 3,712	\$ 4,923	(24.6%)	\$ 16,647	\$ 32,283	(48.4%)	
Net income per common share - diluted:							
Continuing operations	\$ 0.17	\$ 0.18	(5.6%)	\$ 0.69	\$ 0.76	(9.2%)	
Discontinued operations	\$ -	\$ 0.05	(100.0%)	\$ 0.08	\$ 0.71	(88.7%)	
Net income per common share - diluted	\$ 0.17	\$ 0.22	(22.7%)	\$ 0.77	\$ 1.47	(47.6%)	
Weighted average common shares outstanding - basic	21,303	21,704	(1.8%)	21,335	21,826	(2.2%)	
Weighted average common shares outstanding - diluted	21,666	21,920	(1.2%)	21,646	22,018	(1.7%)	
Weighted average common OP units outstanding	7,305	7,305	0.0%	7,305	7,305	0.0%	
Total fully-converted diluted shares	28,971	29,225	(0.9%)	28,951	29,323	(1.3%)	

FUNDS FROM OPERATIONS							
	FOR THE THREE MONTHS ENDED			FOR THE YEARS ENDED			
	12/31/06	12/31/05	% Change	12/31/06	12/31/05	% Change	
FFO allocable to common shareholders, before adjustments	\$ 29,193	\$ 25,052	16.5%	\$ 110,981	\$ 102,764	8.0%	
EITF Topic D-42	(1,722)	-	(100.0%)	(4,746)	(301)	1476.7%	
FFO allocable to common shareholders, reported	\$ 27,471	\$ 25,052	9.7%	\$ 106,235	\$ 102,463	3.7%	
Diluted FFO per common share and units - before adjustments	\$ 1.01	\$ 0.86	17.4%	\$ 3.83	\$ 3.50	9.4%	
Diluted FFO per common share and units - as reported	\$ 0.95	\$ 0.86	10.5%	\$ 3.67	\$ 3.49	5.2%	

PROPERTY INFORMATION							
	FOR THE THREE MONTHS ENDED			FOR THE YEARS ENDED			
	12/31/06	12/31/05	% Change	12/31/06	12/31/05	% Change	
Total Owned Portfolio (1) (excluding discontinued operations)							
Net rentable square footage at period end	18,683	17,492	6.8%	18,683	17,492	6.8%	
Weighted average occupancy	93.9%	93.2%	0.8%	93.4%	92.3%	1.2%	
Annualized realized rent per sq. ft. (2)	\$ 14.52	\$ 13.74	5.7%	\$ 14.37	\$ 13.75	4.5%	
REVPAR (3)	\$ 13.63	\$ 12.81	6.4%	\$ 13.47	\$ 12.69	6.1%	
Same Park Portfolio (1)							
Net rentable square footage at period end	17,259	17,259	N/A	17,259	17,259	N/A	
Weighted average occupancy	94.0%	93.2%	0.9%	93.4%	92.3%	1.2%	
Annualized realized rent per sq. ft. (2)	\$ 14.20	\$ 13.73	3.4%	\$ 14.09	\$ 13.75	2.5%	
REVPAR (3)	\$ 13.35	\$ 12.80	4.3%	\$ 13.16	\$ 12.69	3.7%	

- (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.

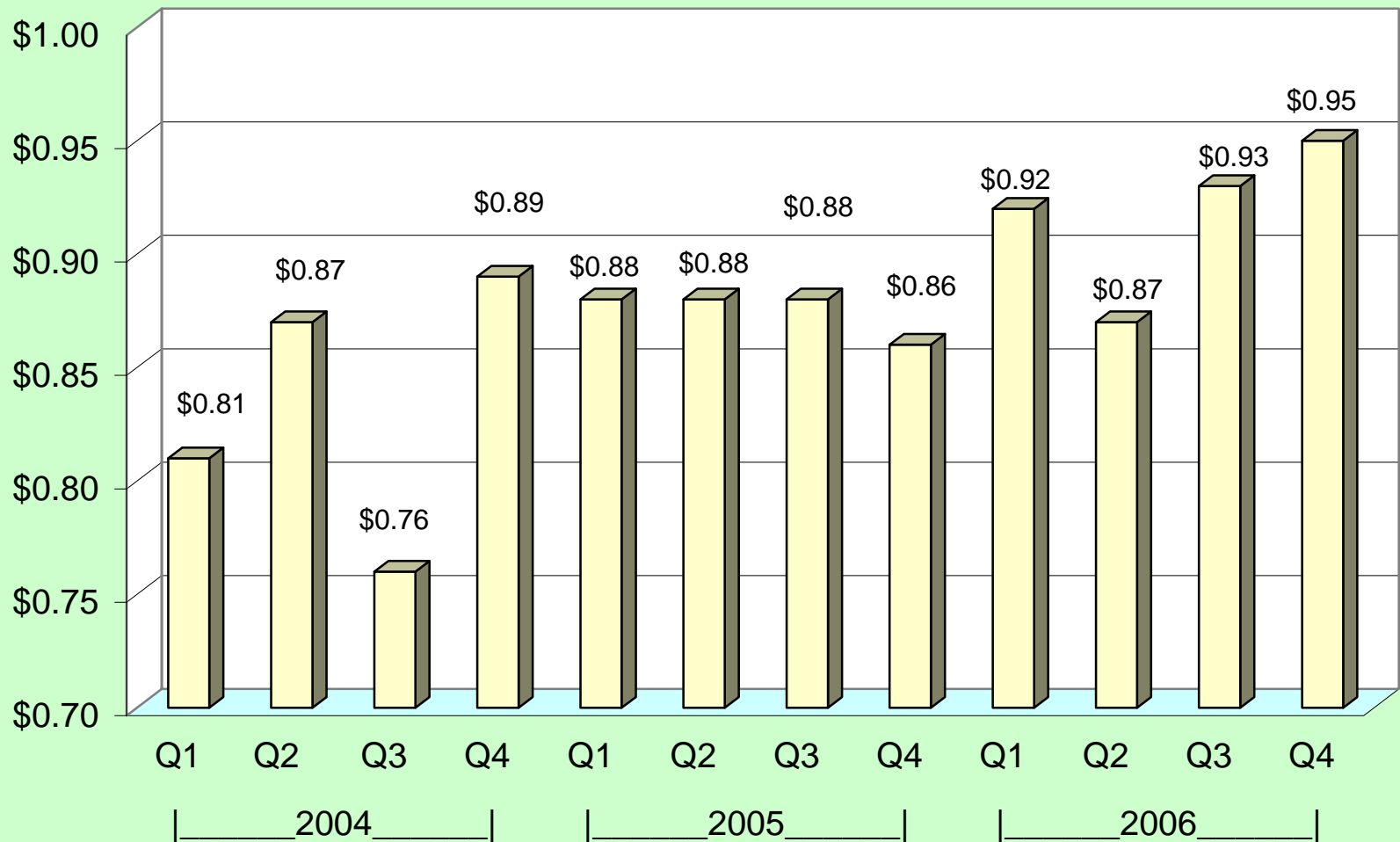
BALANCE SHEET DATA			
	12/31/06	12/31/05	% Change
Total assets	\$ 1,462,864	\$ 1,463,678	(0.1%)
Minority interest - preferred	\$ 82,750	\$ 135,750	(39.0%)
Minority interest - common	\$ 165,469	\$ 169,451	(2.3%)
Perpetual preferred stock	\$ 622,500	\$ 593,350	4.9%
Common shareholders' equity	\$ 482,703	\$ 500,108	(3.5%)
Total common shares outstanding at period end	21,311	21,561	(1.2%)
Book value per common share	\$ 22.65	\$ 23.20	(2.4%)

MARKET VALUE INFORMATION			
	12/31/06	12/31/05	% Change
Market value of common stock and common OP units	\$ 2,023,463	\$ 1,420,204	42.5%
Total debt	67,048	25,893	158.9%
Total preferred equity	705,250	729,100	(3.3%)
Total market capitalization	\$ 2,795,761	\$ 2,175,197	28.5%
Stock price at the end of the period	\$ 70.71	\$ 49.20	43.7%

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 YEARS ENDED		Increase (Decrease)	% Change
	12/31/06	12/31/05			12/31/06	12/31/05		
Funds from operations (FFO):								
Net income allocable to common shareholders	\$ 3,712	\$ 4,923	\$ (1,211)	(24.6%)	\$ 16,647	\$ 32,283	\$ (15,636)	(48.4%)
Adjustments:								
Gain on disposition of real estate	-	(1,580)	(1,580)	(100.0%)	(2,328)	(18,109)	(15,781)	(87.1%)
Depreciation and amortization	22,496	20,002	2,494	12.5%	86,243	77,420	8,823	11.4%
Minority interest in income - common units	1,263	1,707	(444)	(26.0%)	5,673	10,869	(5,196)	(47.8%)
FFO allocable to common shareholders/unitholders	<u>\$ 27,471</u>	<u>\$ 25,052</u>	<u>\$ 2,419</u>	<u>9.7%</u>	<u>\$ 106,235</u>	<u>\$ 102,463</u>	<u>\$ 3,772</u>	<u>3.7%</u>
Weighted average common shares outstanding	21,303	21,704	(401)	(1.8%)	21,335	21,826	(491)	(2.2%)
Weighted average common OP units outstanding	7,305	7,305	-	0.0%	7,305	7,305	-	0.0%
Weighted average common stock equivalents outstanding	363	216	147	68.1%	311	192	119	62.0%
Total pro forma fully-converted shares	<u>28,971</u>	<u>29,225</u>	<u>(254)</u>	<u>(0.9%)</u>	<u>28,951</u>	<u>29,323</u>	<u>(372)</u>	<u>(1.3%)</u>
Diluted FFO per common share/OP unit	<u>\$ 0.95</u>	<u>\$ 0.86</u>	<u>\$ 0.09</u>	<u>10.5%</u>	<u>\$ 3.67</u>	<u>\$ 3.49</u>	<u>\$ 0.18</u>	<u>5.2%</u>
Funds available for distribution (FAD):								
Funds from operations	\$ 27,471	\$ 25,052	\$ 2,419	9.7%	\$ 106,235	\$ 102,463	\$ 3,772	3.7%
Adjustments:								
Capital improvements	(4,362)	(3,187)	1,175	36.9%	(10,773)	(8,075)	2,698	33.4%
Tenant improvements	(5,741)	(2,918)	2,823	96.7%	(17,989)	(19,179)	(1,190)	(6.2%)
Lease commissions	(1,285)	(3,577)	(2,292)	(64.1%)	(5,334)	(8,567)	(3,233)	(37.7%)
Straight-line rent	(367)	(361)	6	1.7%	(2,804)	(3,635)	(831)	(22.9%)
Stock compensation expense	796	311	485	155.9%	2,845	1,060	1,785	168.4%
In-place lease adjustment	60	38	22	57.9%	232	155	77	49.7%
Lease incentives net of tenant improvement reimbursements	53	122	(69)	(56.6%)	440	144	296	205.6%
Redemption amount over carrying amount related to redeemed preferred equity	1,722	-	1,722	100%	4,746	301	4,445	1476.7%
FAD	<u>\$ 18,347</u>	<u>\$ 15,480</u>	<u>\$ 2,867</u>	<u>18.5%</u>	<u>\$ 77,598</u>	<u>\$ 64,667</u>	<u>\$ 12,931</u>	<u>20.0%</u>
Diluted FAD per common share/OP unit	<u>\$ 0.63</u>	<u>\$ 0.53</u>	<u>\$ 0.10</u>	<u>18.9%</u>	<u>\$ 2.68</u>	<u>\$ 2.21</u>	<u>\$ 0.47</u>	<u>21.3%</u>
Cash available for debt repayments and reinvestments:								
FAD	\$ 18,347	\$ 15,480	\$ 2,867	18.5%	\$ 77,598	\$ 64,667	\$ 12,931	20.0%
Distributions to common shareholders	(6,180)	(6,294)	(114)	(1.8%)	(24,718)	(25,315)	(597)	(2.4%)
Distributions to common OP unit holders	(2,118)	(2,118)	-	0.0%	(8,474)	(8,474)	-	0.0%
Cash available for debt repayments and reinvestments	<u>\$ 10,049</u>	<u>\$ 7,068</u>	<u>\$ 2,981</u>	<u>42.2%</u>	<u>\$ 44,406</u>	<u>\$ 30,878</u>	<u>\$ 13,528</u>	<u>43.8%</u>
FAD payout ratio	<u>45.2%</u>	<u>54.3%</u>	<u>(9.1%)</u>	<u>(16.8%)</u>	<u>42.8%</u>	<u>52.3%</u>	<u>(9.5%)</u>	<u>(18.2%)</u>

Reported Diluted FFO Per Common Share/OP Unit



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

	As of December 31, 2006			As of December 31, 2005		
	Total	% of Total Market Capitalization	WTD Average Rate	Total	% of Total Market Capitalization	WTD Average Rate
Long-Term Debt:						
8.190% mortgage note, due March 2007	\$ 5,002			\$ 5,302		
7.290% mortgage note, due February 2009	5,490			5,645		
5.730% mortgage note, due March 2013	14,743			14,946		
5.520% mortgage note, due May 2013	10,483			-		
5.680% mortgage note, due May 2013	10,486			-		
6.150% mortgage note, due November 2031 (includes unamortized premium of \$1.0 million on \$16.7 million mortgage note with stated rate of 7.200%)	17,759			-		
5.610% mortgage note, due January 2011 (includes unamortized premium of \$256,000 on \$2.8 million mortgage note with stated rate of 7.610%)	3,085			-		
Total mortgage notes payable(1)	67,048	2.4%	6.11%	25,893	1.2%	6.57%
Short-Term Debt:						
\$100 million unsecured line of credit	-			-		
Total short-term debt	-	-	-	-	-	-
Total debt	67,048	2.4%	6.11%	25,893	1.2%	6.57%
Preferred Equity						
8.750% Series F preferred stock (2,000,000 depository shares outstanding) called for 1/29/07 redemption ⁽³⁾	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 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			-		
9.500% Series D preferred stock (2,634,000 depository shares outstanding) redeemed 5/10/06	-			65,850		
9.250% Series E preferred operating partnership units (2,120,000 units outstanding) redeemed 9/21/06	-			53,000		
Total preferred equity	705,250	25.2%	7.37%	729,100	33.5%	7.70%
Total debt and preferred equity	772,298	27.6%	7.26%	754,993	34.7%	7.66%
Common stock (21,311,005 and 21,560,593 shares outstanding as of December 31, 2006 and December 31, 2005, respectively)	\$ 1,506,901			\$ 1,060,781		
Common operating partnership units (7,305,355 units outstanding as of December 31, 2006 and December 31, 2005)	516,562			359,423		
Total common equity(2)	2,023,463	72.4%		1,420,204	65.3%	
Total market capitalization	\$ 2,795,761	100%		\$ 2,175,197	100%	

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

	Principal Maturity Dates						
	2007	2008	2009	2010	2011	Thereafter	Total
Park East I & II	\$5,002	-	-	-	-	-	\$5,002
Park East III	167	\$179	\$5,144	-	-	-	5,490
Rose Canyon	233	244	261	\$277	\$293	\$13,435	14,743
Meadows	223	237	258	278	15,741	-	16,737
Palm Beach	451	477	507	536	3,178	18,649	23,798
Meadows Loan Premium	188	198	208	218	210	-	1,022
Palm Beach Loan Premium	58	61	64	67	6	-	256
	\$ 6,322	\$ 1,396	\$ 6,442	\$ 1,376	\$ 19,428	\$ 32,084	\$ 67,048

(2) Closing stock price was \$70.71 and \$49.20 as of December 31, 2006 and December 31, 2005, respectively.

(3) Subsequent to December 31, 2006, Series F preferred stocks were redeemed at par.

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

	12/31/06	12/31/05	Increase (Decrease)	% Change
<u>ASSETS</u>				
Cash and cash equivalents	\$ 66,282	\$ 200,447	\$ (134,165)	(a) (66.9%)
Real estate facilities, at cost:				
Land	439,777	383,308	56,469	14.7%
Buildings and equipment	1,353,442	1,189,815	163,627	13.8%
	<u>1,793,219</u>	<u>1,573,123</u>	220,096	(b) 14.0%
Accumulated depreciation	(441,336)	(355,228)	86,108	24.2%
	<u>1,351,883</u>	<u>1,217,895</u>	133,988	11.0%
Properties held for disposition, net	-	5,366	(5,366)	(c) (100.0%)
Land held for development	9,011	9,011	-	0.0%
	<u>1,360,894</u>	<u>1,232,272</u>	128,622	10.4%
Rent receivable	2,080	2,678	(598)	(d) (22.3%)
Deferred rent receivables	21,454	18,650	2,804	15.0%
Other assets	12,154	9,631	2,523	(e) 26.2%
Total assets	<u>\$ 1,462,864</u>	<u>\$ 1,463,678</u>	<u>\$ (814)</u>	<u>(0.1%)</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Accrued and other liabilities	\$ 42,394	\$ 39,126	\$ 3,268	(f) 8.4%
Preferred stock called for redemption	50,000	-	50,000	100.0%
Mortgage notes payable	67,048	25,893	41,155	158.9%
	<u>159,442</u>	<u>65,019</u>	94,423	145.2%
Minority interests:				
Preferred units	82,750	135,750	(53,000)	(39.0%)
Common units	165,469	169,451	(3,982)	(2.3%)
Shareholders' equity:				
Preferred stock	572,500	593,350	(20,850)	(3.5%)
Common stock	213	215	(2)	(0.9%)
Paid-in capital	398,048	407,380	(9,332)	(g) (2.3%)
Cumulative net income	483,403	418,823	64,580	15.4%
Cumulative distributions	(398,961)	(326,310)	72,651	(h) 22.3%
Total shareholders' equity	<u>1,055,203</u>	<u>1,093,458</u>	<u>(38,255)</u>	<u>(3.5%)</u>
Total liabilities and shareholders' equity	<u>\$ 1,462,864</u>	<u>\$ 1,463,678</u>	<u>\$ (814)</u>	<u>(0.1%)</u>

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

(a) Change in cash and cash equivalents			
Beginning cash balance			\$ 200,447
Net cash provided by operating activities			165,515
Net cash used in investing activities			(169,986)
Net cash used in financing activities			(129,694)
Ending cash balance			<u>\$ 66,282</u>
(b) Change in real estate facilities, at cost:			
Beginning balance			\$ 1,573,123
Property acquisitions			181,245
Property renovations			5,131
Maintenance capital expenditures			10,773
Tenant improvements			17,989
Lease commissions			5,334
Casualty loss			(376)
Ending balance			<u>\$ 1,793,219</u>
(c) Change in properties held for disposition, net:			
Beginning balance			\$ 5,366
Disposition of real estate			(5,337)
Capital expenditures and depreciation			(29)
Ending balance			<u>\$ -</u>
(d) Rent receivable consists of the following:			
	12/31/06	12/31/05	Change
U.S. Government tenants	\$ 1,039	\$ 1,479	\$ (440)
Other	1,341	1,499	(158)
Allowance for bad debt	(300)	(300)	-
	<u>\$ 2,080</u>	<u>\$ 2,678</u>	<u>\$ (598)</u>
(e) Change in other assets:			
	12/31/06	12/31/05	Change
Insurance claim receivable	\$ 1,359	\$ 1,619	\$ (260)
Prepaid insurance	992	845	147
Prepaid property taxes	2,184	1,687	497
Lease incentives, net	2,148	2,422	(274)
Mortgage impounds	1,063	407	656
In place rent adjustment, net	656	456	200
Other	3,751	2,195	1,556
	<u>\$ 12,154</u>	<u>\$ 9,631</u>	<u>\$ 2,523</u>
(f) Accrued and other liabilities consists of:			
	12/31/06	12/31/05	Change
Prepaid rent	\$ 6,883	\$ 6,272	\$ 611
Accrued property taxes	4,905	5,095	(190)
Security deposits	17,879	15,964	1,914
Reserves for acquisition costs	3,031	3,820	(789)
Other	9,696	7,975	1,721
	<u>\$ 42,394</u>	<u>\$ 39,126</u>	<u>\$ 3,268</u>
(g) Change in paid-in capital:			
Beginning paid-in capital			\$ 407,380
Repurchase of common stock			(16,114)
Redemption of preferred equity (EITF Topic D-42)			4,746
Issuance of preferred stock			(2,798)
Exercise of stock options			1,366
Restricted stock and stock compensation			2,286
Adjustment to reflect minority interest to underlying ownership			1,182
Ending paid in capital			<u>\$ 398,048</u>
(h) Change in cumulative distributions:			
Beginning cumulative distributions			\$ 326,310
Distributions to preferred shareholders			46,211
Distributions to common shareholders			24,718
Ending cumulative distributions			<u>\$ 397,239</u>

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

	12/31/06	12/31/05	Increase (Decrease)	% Change
Revenues:				
Rental income	\$ 62,606	\$ 55,798	\$ 6,808 (a)	12.2%
Facility management fees	183	145	38	26.2%
Total operating revenues	<u>62,789</u>	<u>55,943</u>	<u>6,846</u>	<u>12.2%</u>
Expenses:				
Cost of operations	19,317	17,037	2,280 (b)	13.4%
Depreciation and amortization	22,496	19,975	2,521	12.6%
General and administrative	1,782	1,580	202 (c)	12.8%
Total operating expenses	<u>43,595</u>	<u>38,592</u>	<u>5,003</u>	<u>13.0%</u>
Other income and expenses:				
Interest and other income	1,417	2,108	(691)	(32.8%)
Interest expense	(917)	(464)	453 (d)	97.6%
Total other income and expenses	<u>500</u>	<u>1,644</u>	<u>(1,144)</u>	<u>(69.6%)</u>
Asset impairment due to casualty loss	-	72	(72)	(100.0%)
Income from continuing operations before minority interests	<u>19,694</u>	<u>18,923</u>	<u>771</u>	<u>4.1%</u>
Minority interests in continuing operations:				
Minority interest in income - preferred units				
Distributions to preferred unit holders	(1,555)	(2,508)	(953)	(38.0%)
Minority interest in income - common units	(1,263)	(1,309)	(46)	(3.5%)
Total minority interests in continuing operations	<u>(2,818)</u>	<u>(3,817)</u>	<u>(999)</u>	<u>(26.2%)</u>
Income from continuing operations	<u>16,876</u>	<u>15,106</u>	<u>1,770</u>	<u>11.7%</u>
Discontinued operations:				
Loss from discontinued operations	-	(111)	(111) (e)	(100.0%)
Gain on disposition of real estate	-	1,580	(1,580)	(100.0%)
Minority interest in earnings attributable to discontinued operations - common units	-	(398)	(398)	(100.0%)
Income from discontinued operations	<u>-</u>	<u>1,071</u>	<u>(1,071)</u>	<u>(100.0%)</u>
Net Income	<u>16,876</u>	<u>16,177</u>	<u>699</u>	<u>4.3%</u>
Net Income allocable to preferred shareholders				
Preferred distributions	11,442	11,254	188	1.7%
Redemption of preferred stock	1,722	-	1,722	100.0%
Total preferred distributions	<u>13,164</u>	<u>11,254</u>	<u>1,910</u>	<u>17.0%</u>
Net Income allocable to common shareholders	<u>\$ 3,712</u>	<u>\$ 4,923</u>	<u>\$ (1,211)</u>	<u>(24.6%)</u>
Net income per common share - basic:				
Continuing operations	\$ 0.17	\$ 0.18	\$ (0.01)	(5.6%)
Discontinued operations	\$ -	\$ 0.05	\$ (0.05)	(100.0%)
Net Income	\$ 0.17	\$ 0.23	\$ (0.06)	(26.1%)
Net income per common share - diluted:				
Continuing operations	\$ 0.17	\$ 0.18	\$ (0.01)	(5.6%)
Discontinued operations	\$ -	\$ 0.05	\$ (0.05)	(100.0%)
Net Income	\$ 0.17	\$ 0.22	\$ (0.05)	(22.7%)
Weighted average common shares outstanding:				
Basic	<u>21,303</u>	<u>21,704</u>	<u>(401) (f)</u>	<u>(1.8%)</u>
Diluted	<u>21,666</u>	<u>21,920</u>	<u>(254)</u>	<u>(1.2%)</u>

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

	<u>12/31/06</u>	<u>12/31/05</u>	<u>Change</u>
(a) Rental income:			
Same Park	\$ 57,168	\$ 54,827	\$ 2,341
Acquisitions	5,071	610	4,461
Straight-line rent	367	361	6
	<u>\$ 62,606</u>	<u>\$ 55,798</u>	<u>\$ 6,808</u>
(b) Cost of operations:			
Same Park	\$ 17,090	\$ 16,883	\$ 207
Acquisitions	2,227	154	2,073
	<u>\$ 19,317</u>	<u>\$ 17,037</u>	<u>\$ 2,280</u>
(c) General and administrative expenses:			
Compensation expense	\$ 593	\$ 688	\$ (95)
Long term stock compensation expense	602	168	434
Professional fees	214	180	34
Other	373	544	(171)
	<u>\$ 1,782</u>	<u>\$ 1,580</u>	<u>\$ 202</u>
(d) Interest expense:			
Mortgage notes payable	\$ 829	\$ 375	\$ 454
Facilities fees & other charges	88	89	(1)
	<u>\$ 917</u>	<u>\$ 464</u>	<u>\$ 453</u>
(e) Net (loss) income from discontinued operations:			
Rental revenue	\$ -	\$ 6	\$ (6)
Operating expenses	-	(90)	90
Depreciation expense	-	(27)	27
	<u>\$ -</u>	<u>\$ (111)</u>	<u>\$ 111</u>
(f) Net decrease relates to stock repurchases partially offset by stock option exercises and vesting of restricted stock units.			

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

	12/31/2006	12/31/2005	Increase (Decrease)	% Change
Revenues:				
Rental income	\$ 242,214	\$ 219,604	\$ 22,610	(a) 10.3%
Facility management fees	625	579	46	7.9%
Total operating revenues	<u>242,839</u>	<u>220,183</u>	<u>22,656</u>	<u>10.3%</u>
Expenses:				
Cost of operations	74,671	65,712	8,959	(b) 13.6%
Depreciation and amortization	86,216	76,178	10,038	13.2%
General and administrative	7,046	5,843	1,203	(c) 20.6%
Total operating expenses	<u>167,933</u>	<u>147,733</u>	<u>20,200</u>	<u>13.7%</u>
Other income and expenses:				
Interest and other income	6,874	4,888	1,986	40.6%
Interest expense	(2,575)	(1,330)	1,245	(d) 93.6%
Total other income and expenses	<u>4,299</u>	<u>3,558</u>	<u>741</u>	<u>20.8%</u>
Asset impairment due to casualty loss	-	72	(72)	(100.0%)
Income from continuing operations before minority interests	<u>79,205</u>	<u>75,936</u>	<u>3,269</u>	<u>4.3%</u>
Minority interests in continuing operations:				
Minority interest in income - preferred units				
Distributions to preferred unit holders	(9,789)	(10,350)	(561)	(5.4%)
Redemption of preferred operating partnership units	(1,366)	(301)	1,065	353.8%
Minority interest in income - common units	(5,113)	(5,611)	(498)	(8.9%)
Total minority interests in continuing operations	<u>(16,268)</u>	<u>(16,262)</u>	<u>6</u>	<u>0.0%</u>
Income from continuing operations	<u>62,937</u>	<u>59,674</u>	<u>3,263</u>	<u>5.5%</u>
Discontinued operations:				
(Loss) income from discontinued operations	(125)	2,769	(2,894)	(e) (104.5%)
Gain on disposition of real estate	2,328	18,109	(15,781)	(f) (87.1%)
Minority interest in earnings attributable to discontinued operations - common units	(560)	(5,258)	(4,698)	(89.3%)
Income from discontinued operations	<u>1,643</u>	<u>15,620</u>	<u>(13,977)</u>	<u>(89.5%)</u>
Net Income	<u>64,580</u>	<u>75,294</u>	<u>(10,714)</u>	<u>(14.2%)</u>
Net Income allocable to preferred shareholders				
Preferred distributions	44,553	43,011	1,542	3.6%
Redemption of preferred stock	3,380	-	3,380	100.0%
Total preferred distributions	<u>47,933</u>	<u>43,011</u>	<u>4,922</u>	<u>11.4%</u>
Net Income allocable to common shareholders	<u>\$ 16,647</u>	<u>\$ 32,283</u>	<u>\$ (15,636)</u>	<u>(48.4%)</u>
Net income per common share - basic:				
Continuing operations	0.70	0.76	(0.06)	(7.9%)
Discontinued operations	0.08	0.72	(0.64)	(88.9%)
	0.78	1.48	(0.70)	(47.3%)
Net income per common share - diluted:				
Continuing operations	0.69	0.76	(0.07)	(9.2%)
Discontinued operations	0.08	0.71	(0.63)	(88.7%)
	0.77	1.47	(0.70)	(47.6%)
Weighted average common shares outstanding:				
Basic	<u>21,335</u>	<u>21,826</u>	<u>(491)</u>	<u>(g) (2.2%)</u>
Diluted	<u>21,646</u>	<u>22,018</u>	<u>(372)</u>	<u>(1.7%)</u>

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

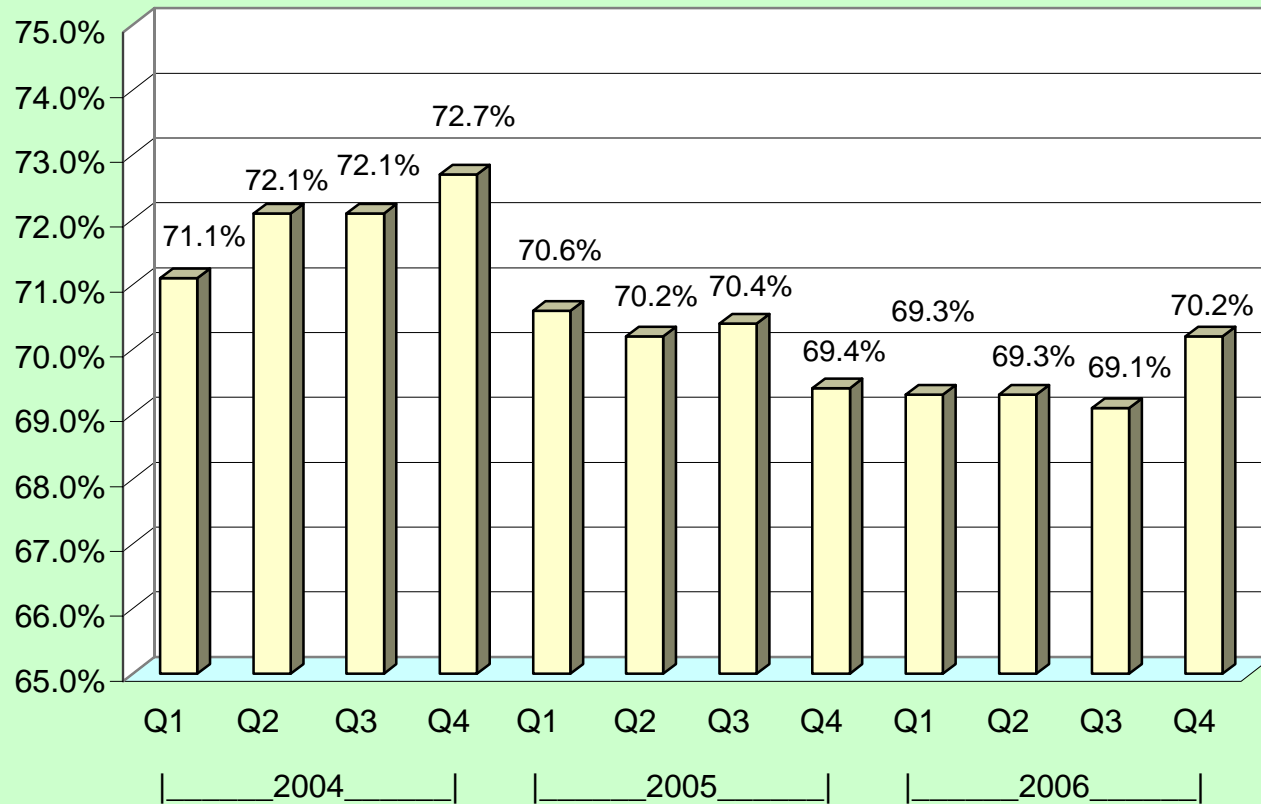
	12/31/06	12/31/05	Change
(a) Rental income:			
Same Park	\$ 224,967	\$ 215,359	\$ 9,608
Acquisitions	14,443	610	13,833
Straight-line rent	2,804	3,635	(831)
	<u>\$ 242,214</u>	<u>\$ 219,604</u>	<u>\$ 22,610</u>
(b) Cost of operations:			
Same Park	\$ 69,271	\$ 65,558	\$ 3,713
Acquisitions	5,400	154	5,246
	<u>\$ 74,671</u>	<u>\$ 65,712</u>	<u>\$ 8,959</u>
(c) General and administrative:			
Compensation expense	\$ 2,871	\$ 3,035	\$ (164)
Long term stock compensation expense	2,156	634	1,522
Professional fees	777	738	39
Other	1,242	1,436	(194)
	<u>\$ 7,046</u>	<u>\$ 5,843</u>	<u>\$ 1,203</u>
(d) Interest expense:			
Mortgage notes payable	\$ 2,214	\$ 1,026	\$ 1,188
Facilities fees & other charges	361	304	57
	<u>\$ 2,575</u>	<u>\$ 1,330</u>	<u>\$ 1,245</u>
(e) Net operating (loss) income from discontinued operations:			
Rental revenue	\$ -	\$ 5,829	\$ (5,829)
Operating expenses	(98)	(1,818)	1,720
Depreciation expense	(27)	(1,242)	1,215
	<u>\$ (125)</u>	<u>\$ 2,769</u>	<u>\$ (2,894)</u>
(f) Gain on disposition of real estate			
Woodside	\$ -	\$ 12,538	\$(12,538)
MICC	865	2,750	(1,885)
Other	1,463	2,821	(1,358)
	<u>\$ 2,328</u>	<u>\$ 18,109</u>	<u>\$(15,781)</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>Year Ended December 31, 2006 Costs</u>	<u>Cost per Weighted Average Square Foot</u>
Maintenance capital expenditures (2)	\$10,773	\$0.60
Tenant improvements	17,989	\$1.00
Leasing commissions	5,334	\$0.30
Total recurring capital expenditures	<u>\$34,096</u>	<u>\$1.89</u>
<u>Non-recurring capital expenditures</u>		
Property renovations	\$5,131	
Total non-recurring capital expenditures	<u>\$5,131</u>	

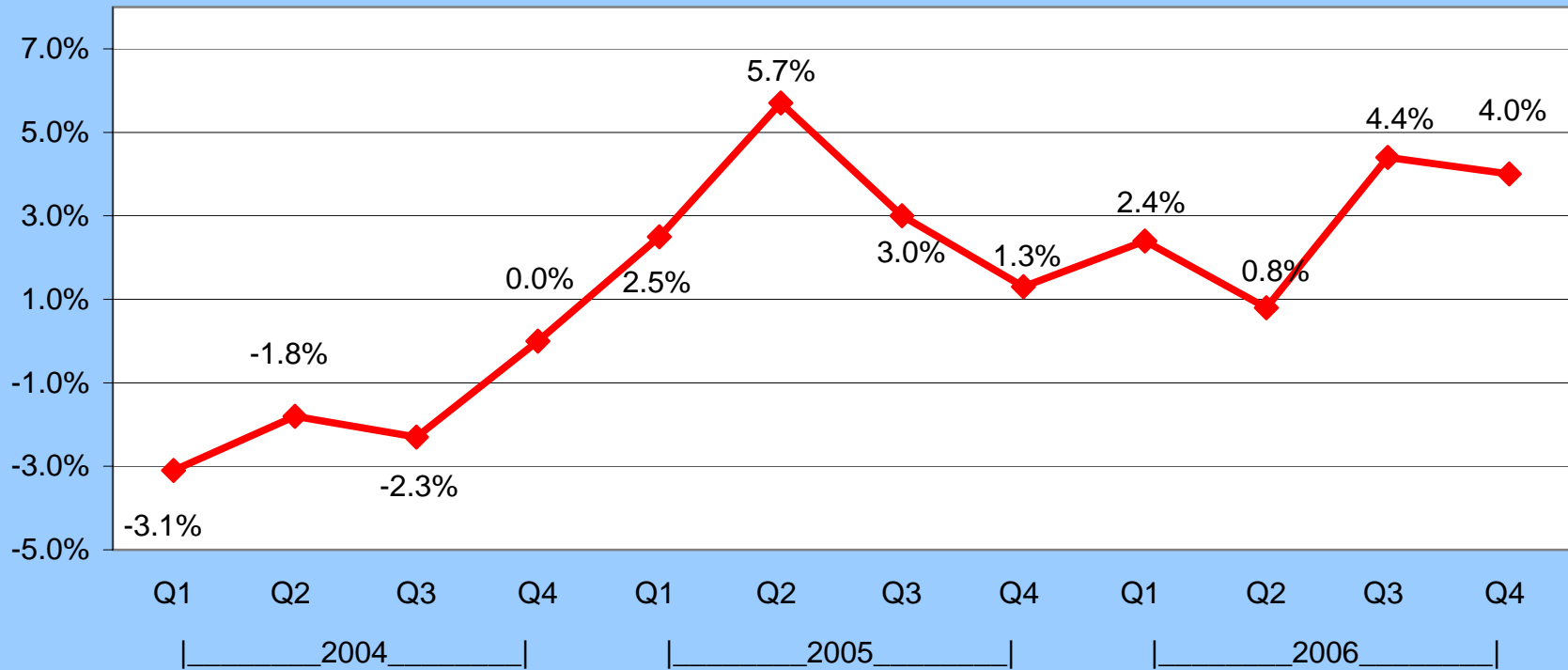
- (1) The company defines "recurring capital expenditures" as those capitalized costs necessary to continue to operate the property at its current economic value. Costs in excess of \$1,000 for tenant improvements and \$2,000 for maintenance capital expenditures with a useful life greater than 24 months are capitalized. It excludes deferred maintenance and leasing costs committed to by previous owners for acquired properties, 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 \$17.2 million or approximately \$0.95 per weighted average square foot for the year ended December 31, 2006 compared to \$15.5 million or approximately \$0.90 per weighted average square foot during the year ended December 31, 2005.
- (2) Major costs include roof and HVAC replacement, parking lot replacement and other major repairs that extend the life of the respective component of the building.

Same Park Gross Operating Margin Percentage *



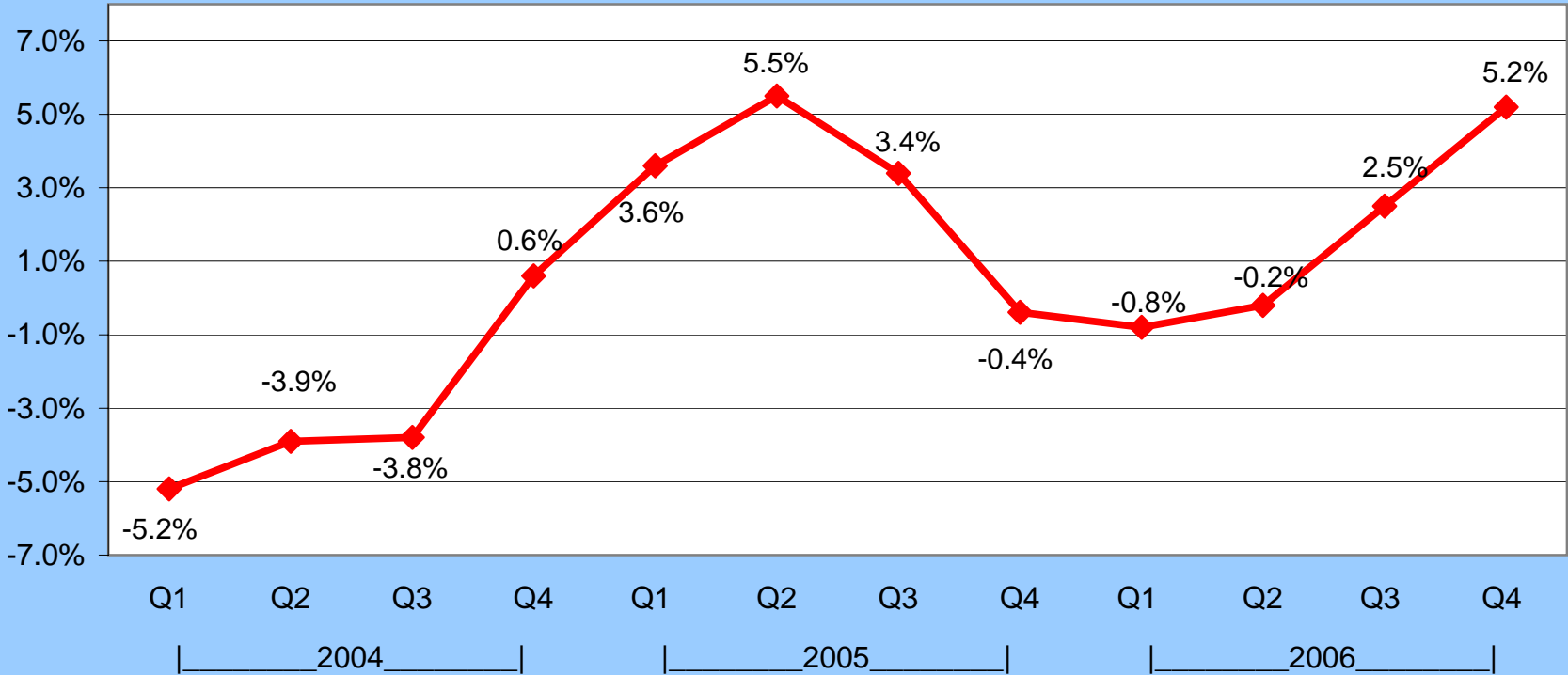
* Gross margin is computed by dividing property net operating income by rental income for Same Park properties owned in each period.

Change in Same Park Revenue *



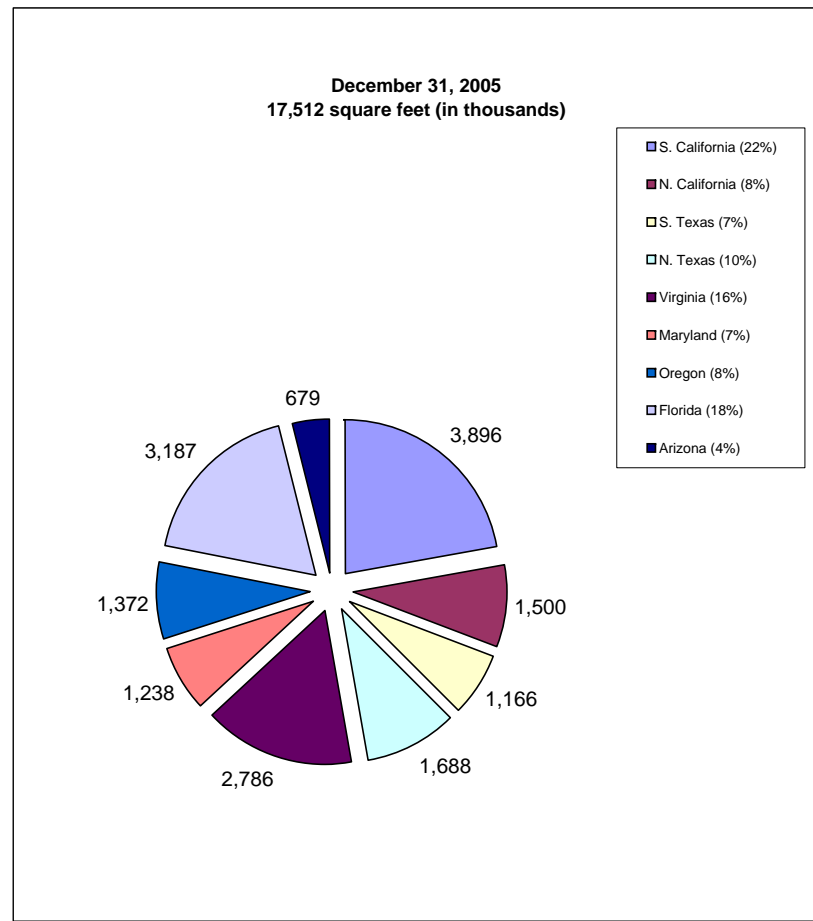
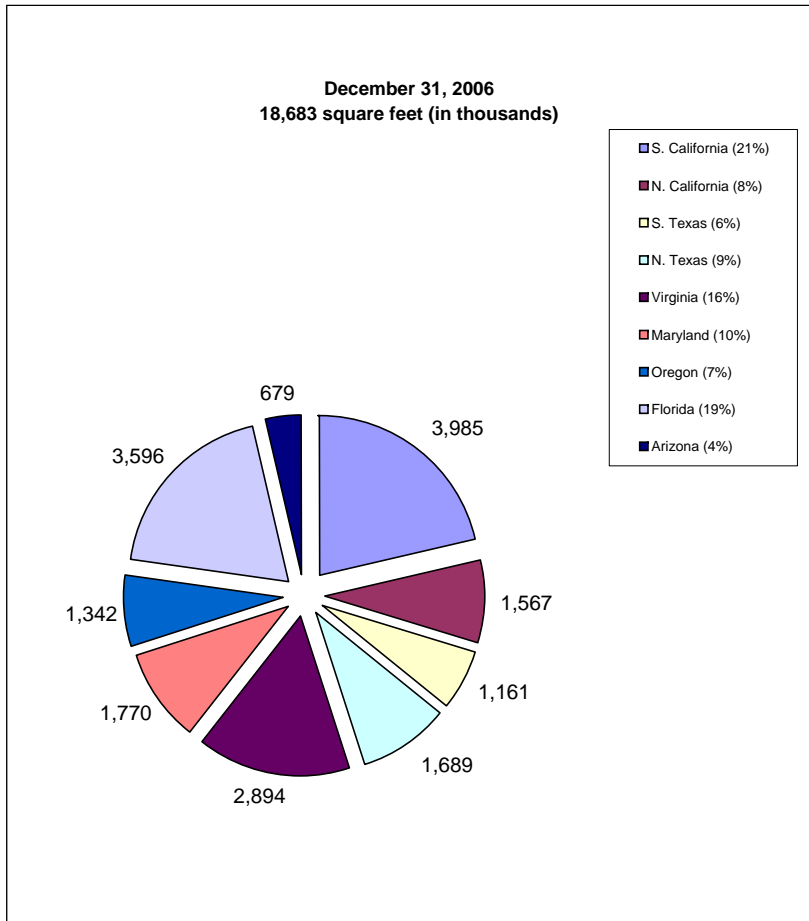
* Percentage represents the change over the comparable period in the previous year based on Same Park operating assets as reported in each period. Q1 '06 excludes a \$1.8 million bankruptcy settlement.

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 excludes a \$1.8 million bankruptcy settlement.

Total Owned Rentable Square Footage by Region *



* Square footage excludes discontinued operations.

PS BUSINESS PARKS, INC.
PORTFOLIO CONCENTRATION SUMMARY
(in thousands)

Industry Concentration as of December 31, 2006

	<u>% of Total Rental Income</u>
Business Services	11.5%
Government	11.1%
Financial Services	10.4%
Contractors	9.5%
Computer Hardware, Software and Related Service	9.1%
Warehouse, Transportation and Logistics	9.1%
Health Services	7.3%
Retail	5.8%
Communications	5.8%
Home Furnishings	3.8%
Electronics	3.1%
	<u>86.5%</u>

Top Ten Customers by Total Annual Rental Income as of December 31, 2006

<u>Tenant</u>	<u>Square Footage</u>	<u>Annualized Rental Income (1)</u>	<u>% of Total Annualized Rental Income</u>
U.S. Government	469	\$ 12,854	5.1%
Kaiser Permanente	194	3,693	1.5%
Santa Clara County	97	3,191	1.3%
Intel	214	3,024	1.2%
Axcelis Technologies	89	1,802	0.7%
Wells Fargo Bank	102	1,651	0.7%
AARP	102	1,542	0.6%
Northrop Grumman	58	1,539	0.6%
Raytheon	77	1,239	0.5%
MCI	72	1,227	0.5%
	<u>1,474</u>	<u>\$ 31,762</u>	<u>12.7%</u>

(1) For leases expiring within one year, annualized rental income represents income to be received under existing leases from December 31, 2006 through date of expiration.

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

Rentable Square Footage of Properties as of December 31, 2006

Primary Markets	Industrial	Office	Flex	Total	%
Miami	2,556	12	1,028	3,596	19.3%
Northern Virginia	-	948	1,946	2,894	15.5%
Portland	-	188	1,154	1,342	7.2%
Dallas	231	-	1,458	1,689	9.0%
Orange County	-	704	911	1,615	8.6%
Los Angeles County	712	31	859	1,602	8.6%
Northern California	407	431	729	1,567	8.4%
Maryland	-	883	887	1,770	9.5%
Austin	-	-	787	787	4.2%
Phoenix	-	-	679	679	3.6%
San Diego County	-	-	768	768	4.1%
Houston	-	131	243	374	2.0%
	3,906	3,328	11,449	18,683	100.0%

Average Occupancy Rates by Product Type for the Three Months Ended December 31, 2006

Primary Markets	Industrial	Office	Flex	Total
Miami	98.7%	100.0%	95.0%	97.9%
Northern Virginia	-	94.2%	93.5%	93.7%
Portland	-	90.5%	92.0%	91.7%
Dallas	93.3%	-	80.3%	82.1%
Orange County	-	96.6%	96.8%	96.7%
Los Angeles County	100.0%	97.1%	94.4%	96.9%
Northern California	88.9%	96.6%	96.3%	94.4%
Maryland	-	93.9%	97.3%	95.6%
Austin	-	-	92.9%	92.9%
Phoenix	-	-	92.5%	92.5%
San Diego County	-	-	93.7%	93.7%
Houston	-	96.6%	85.7%	89.5%
	97.6%	94.9%	92.3%	93.9%

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended December 31, 2006

Primary Markets	Large Tenant	Small Tenant	Total
Miami	98.3%	95.4%	97.9%
Northern Virginia	92.7%	95.6%	93.7%
Portland	93.1%	85.8%	91.7%
Dallas	82.3%	81.2%	82.1%
Orange County	98.3%	95.3%	96.7%
Los Angeles County	100.0%	94.5%	96.9%
Northern California	93.9%	95.1%	94.4%
Maryland	96.4%	89.0%	95.6%
Austin	92.7%	93.6%	92.9%
Phoenix	-	92.5%	92.5%
San Diego County	-	93.7%	93.7%
Houston	-	89.5%	89.5%
	94.2%	93.2%	93.9%

Note:

Includes all properties reported in continuing operations as of December 31, 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.

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

Rentable Square Footage of Properties as of December 31, 2006

Primary Markets	Industrial	Office	Flex	Total	%
Miami	2,556	12	631	3,199	18.5%
Northern Virginia	-	948	1,839	2,787	16.0%
Portland	-	188	1,154	1,342	7.8%
Dallas	231	-	1,458	1,689	9.8%
Orange County	-	704	911	1,615	9.4%
Los Angeles County	712	31	770	1,513	8.8%
Northern California	407	430	663	1,500	8.7%
Maryland	-	719	520	1,239	7.2%
Austin	-	-	787	787	4.6%
Phoenix	-	-	679	679	3.9%
San Diego County	-	-	535	535	3.1%
Houston	-	131	243	374	2.2%
	3,906	3,163	10,190	17,259	100.0%

Average Occupancy Rates by Product Type for the Three Months Ended December 31, 2006

Primary Markets	Industrial	Office	Flex	Total
Miami	98.7%	100.0%	94.7%	97.9%
Northern Virginia	-	94.2%	94.2%	94.2%
Portland	-	90.5%	92.0%	91.7%
Dallas	93.3%	-	80.3%	82.1%
Orange County	-	96.6%	96.8%	96.7%
Los Angeles County	100.0%	97.1%	96.4%	98.1%
Northern California	88.9%	96.6%	96.9%	94.6%
Maryland	-	95.2%	97.8%	96.3%
Austin	-	-	92.9%	92.9%
Phoenix	-	-	92.5%	92.5%
San Diego County	-	-	93.0%	93.0%
Houston	-	96.6%	85.7%	89.5%
	97.6%	95.2%	92.3%	94.0%

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended December 31, 2006

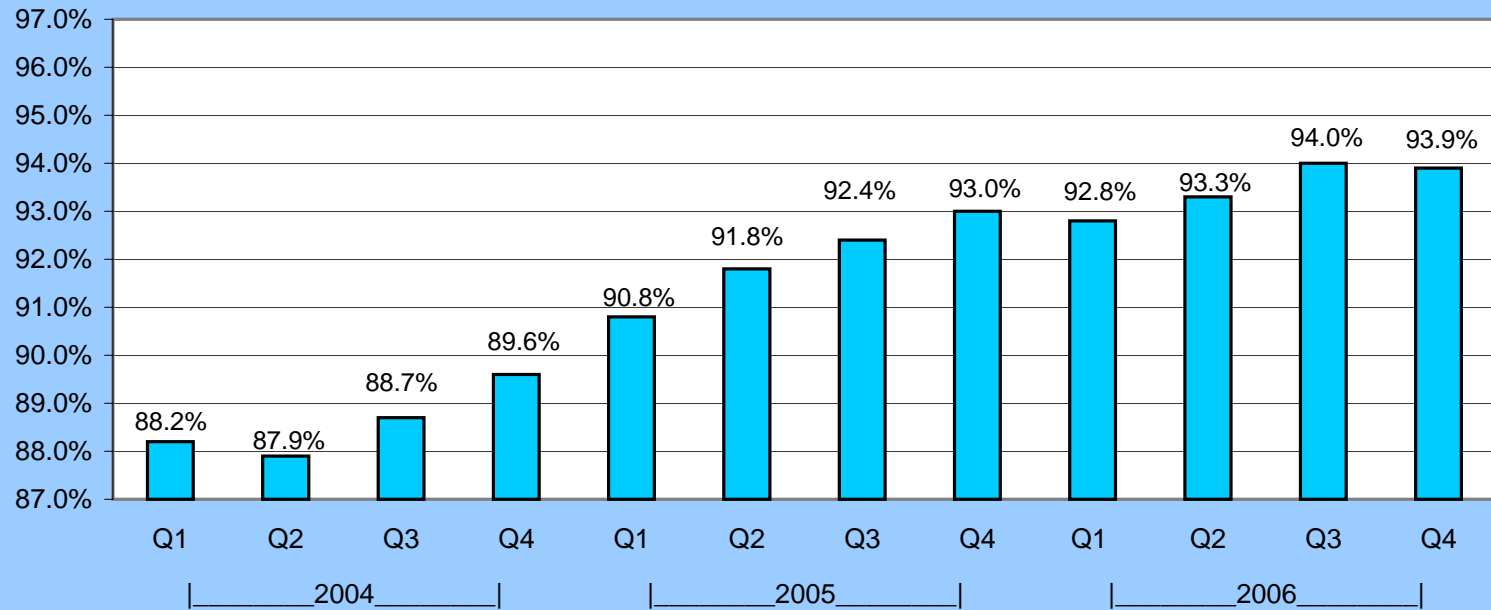
Primary Markets	Large Tenant	Small Tenant	Total
Miami	98.3%	95.0%	97.9%
Northern Virginia	93.4%	95.6%	94.2%
Portland	93.1%	85.8%	91.7%
Dallas	82.3%	81.2%	82.1%
Orange County	98.3%	95.3%	96.7%
Los Angeles County	100.0%	96.4%	98.1%
Northern California	93.9%	95.7%	94.6%
Maryland	96.4%	92.5%	96.3%
Austin	92.7%	93.6%	92.9%
Phoenix	-	92.5%	92.5%
San Diego County	-	93.0%	93.0%
Houston	-	89.5%	89.5%
	94.3%	93.5%	94.0%

Note:

Includes all properties included in continuing operations owned since January 1, 2005.

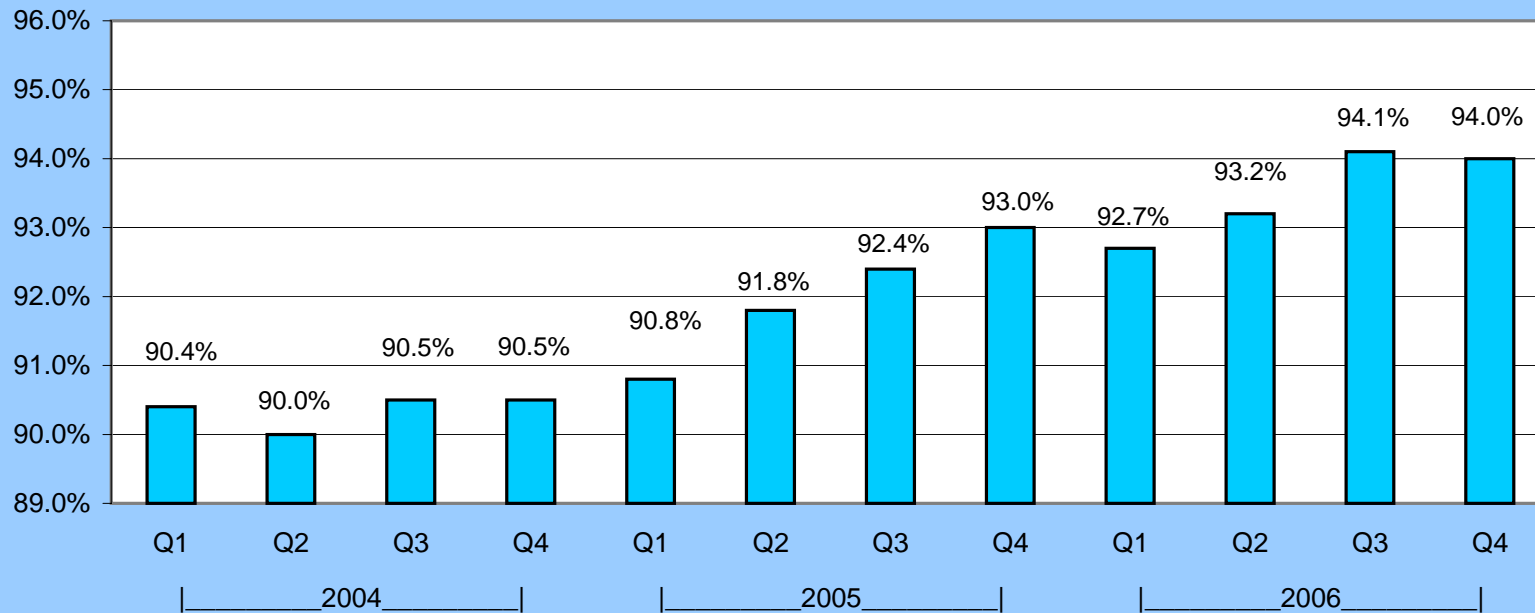
The Company's "large tenant" portfolio consists of properties with average leases greater than or equal to 5,000 square feet while the "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

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 December 31, 2006

(in thousands)

Lease Expirations - Flex				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	2,543	\$ 35,984	21.9%	13.4%
2008	2,600	39,907	24.3%	14.9%
2009	1,918	28,008	17.0%	10.4%
2010	852	12,694	7.7%	4.7%
2011	927	17,234	10.5%	6.4%
Thereafter	1,682	30,597	18.6%	11.4%
	<u>10,522</u>	<u>\$ 164,424</u>	<u>100.0%</u>	<u>61.2%</u>

Lease Expirations - Office				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	474	\$ 10,284	13.8%	3.8%
2008	697	16,076	21.6%	6.0%
2009	501	10,591	14.3%	4.0%
2010	572	14,153	19.0%	5.3%
2011	363	9,386	12.6%	3.5%
Thereafter	539	13,805	18.7%	5.1%
	<u>3,146</u>	<u>\$ 74,295</u>	<u>100.0%</u>	<u>27.7%</u>

Lease Expirations - Industrial				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	587	\$ 4,604	15.2%	1.7%
2008	885	6,834	22.6%	2.5%
2009	878	7,071	23.4%	2.6%
2010	792	6,117	20.2%	2.2%
2011	404	3,402	11.3%	1.3%
Thereafter	306	2,203	7.3%	0.8%
	<u>3,852</u>	<u>\$ 30,231</u>	<u>100.0%</u>	<u>11.1%</u>

Lease Expirations - Total				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	3,604	\$ 50,872	18.9%	18.9%
2008	4,182	62,817	23.4%	23.4%
2009	3,297	45,670	17.0%	17.0%
2010	2,216	32,964	12.2%	12.2%
2011	1,694	30,022	11.2%	11.2%
Thereafter	2,527	46,605	17.3%	17.3%
	<u>17,520</u>	<u>\$ 268,950</u>	<u>100.0%</u>	<u>100.0%</u>

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of December 31, 2006
(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	914	\$ 15,034	22.5%	5.6%
2008	1,054	18,134	27.1%	6.7%
2009	741	12,515	18.7%	4.7%
2010	572	8,904	13.3%	3.3%
2011	295	5,779	8.6%	2.2%
Thereafter	253	6,540	9.8%	2.4%
	<u>3,829</u>	<u>\$ 66,906</u>	<u>100.0%</u>	<u>24.9%</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	355	\$ 4,830	22.2%	1.8%
2008	435	7,813	35.9%	2.9%
2009	240	2,973	13.7%	1.1%
2010	132	1,423	6.6%	0.5%
2011	117	1,320	6.1%	0.5%
Thereafter	216	3,380	15.5%	1.3%
	<u>1,495</u>	<u>\$ 21,739</u>	<u>100.0%</u>	<u>8.1%</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	230	\$ 2,409	20.1%	0.9%
2008	304	3,230	26.9%	1.2%
2009	238	2,512	20.9%	0.9%
2010	63	694	5.8%	0.3%
2011	52	627	5.2%	0.2%
Thereafter	190	2,542	21.1%	1.0%
	<u>1,077</u>	<u>\$ 12,014</u>	<u>100.0%</u>	<u>4.5%</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	214	\$ 1,999	13.0%	0.7%
2008	148	1,469	9.5%	0.5%
2009	185	1,514	9.8%	0.6%
2010	154	1,371	8.9%	0.5%
2011	90	1,127	7.3%	0.4%
Thereafter	620	7,924	51.5%	2.9%
	<u>1,411</u>	<u>\$ 15,404</u>	<u>100.0%</u>	<u>5.6%</u>

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of December 31, 2006
(in thousands)

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	795	\$ 7,986	25.3%	3.0%
2008	868	7,223	22.9%	2.7%
2009	750	6,866	21.8%	2.6%
2010	573	4,702	14.9%	1.7%
2011	337	3,380	10.7%	1.3%
Thereafter	125	1,372	4.4%	0.5%
	<u>3,448</u>	<u>\$ 31,529</u>	<u>100.0%</u>	<u>11.8%</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	360	\$ 5,561	10.4%	2.1%
2008	675	13,370	25.0%	5.0%
2009	459	8,447	15.8%	3.1%
2010	324	6,661	12.5%	2.5%
2011	141	2,970	5.6%	1.1%
Thereafter	741	16,413	30.7%	6.1%
	<u>2,700</u>	<u>\$ 53,422</u>	<u>100.0%</u>	<u>19.9%</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	333	\$ 7,662	19.4%	2.9%
2008	221	5,067	12.8%	1.9%
2009	204	3,602	9.1%	1.3%
2010	263	6,746	17.1%	2.5%
2011	340	8,861	22.4%	3.3%
Thereafter	321	7,562	19.2%	2.8%
	<u>1,682</u>	<u>\$ 39,500</u>	<u>100.0%</u>	<u>14.7%</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	170	\$ 2,813	13.4%	1.0%
2008	327	4,754	22.6%	1.8%
2009	331	5,381	25.6%	2.0%
2010	92	1,878	8.9%	0.7%
2011	301	5,628	26.7%	2.1%
Thereafter	33	605	2.8%	0.2%
	<u>1,254</u>	<u>\$ 21,059</u>	<u>100.0%</u>	<u>7.8%</u>

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of December 31, 2006

(in thousands)

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	233	\$ 2,578	34.9%	0.9%	
2008	150	1,757	23.8%	0.7%	
2009	149	1,860	25.2%	0.7%	
2010	43	585	7.9%	0.2%	
2011	21	330	4.5%	0.1%	
Thereafter	28	267	3.7%	0.1%	
	<u>624</u>	<u>\$ 7,377</u>	<u>100.0%</u>	<u>2.7%</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	3,604	\$ 50,872	18.9%	18.9%	
2008	4,182	62,817	23.4%	23.4%	
2009	3,297	45,670	17.0%	17.0%	
2010	2,216	32,964	12.2%	12.2%	
2011	1,694	30,022	11.2%	11.2%	
Thereafter	2,527	46,605	17.3%	17.3%	
	<u>17,520</u>	<u>\$ 268,950</u>	<u>100.0%</u>	<u>100.0%</u>	

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of December 31, 2006

(in thousands)

Lease Expirations - Large Tenant Portfolio				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	1,554	\$ 20,736	12.8%	7.7%
2008	2,397	33,773	20.9%	12.6%
2009	2,097	25,428	15.7%	9.5%
2010	1,649	22,437	13.9%	8.3%
2011	1,317	22,775	14.0%	8.5%
Thereafter	2,085	36,741	22.7%	13.7%
Total	11,099	\$ 161,890	100.0%	60.3%

Lease Expirations - Small Tenant Portfolio				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	2,050	\$ 30,136	28.2%	11.2%
2008	1,785	29,044	27.1%	10.8%
2009	1,200	20,242	18.9%	7.5%
2010	567	10,527	9.8%	3.9%
2011	377	7,247	6.8%	2.7%
Thereafter	442	9,864	9.2%	3.6%
Total	6,421	\$ 107,060	100.0%	39.7%

Lease Expirations - Total				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2007	3,604	\$ 50,872	18.9%	18.9%
2008	4,182	62,817	23.4%	23.4%
2009	3,297	45,670	17.0%	17.0%
2010	2,216	32,964	12.2%	12.2%
2011	1,694	30,022	11.2%	11.2%
Thereafter	2,527	46,605	17.3%	17.3%
Total	17,520	\$ 268,950	100.0%	100.0%