January 23, 2007

PS Business Parks, Inc. Announces Tax Treatment of 2006 Dividends

GLENDALE, Calif.--(BUSINESS WIRE)--

PS Business Parks, Inc. (AMEX:PSB) announced today the tax treatment of the Company's 2006 dividends. For the tax year ended December 31, 2006, distributions for the common stock and all the various series of preferred stocks were classified as follows:

	2006			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Ordinary Income	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%

The ordinary income dividends do not constitute "qualified dividend income."

Alternative Minimum Tax

Alternative minimum tax adjustments are to be apportioned between a real estate investment trust ("REIT") and its shareholders under Internal Revenue Code Section 59(d). Although regulations have not yet been issued under that provision, based on regulations issued pursuant to a similar provision of prior law and the legislative history of the current provision, it appears that such alternative minimum tax adjustments are to be apportioned to a REIT's shareholders to the extent that the REIT distributes its regular taxable income. It is the Company's policy to distribute all of its regular taxable income and accordingly, all of the Company's alternative minimum tax adjustments are being apportioned to the Company's shareholders.

The Company has determined that -1.3213% of each distribution to its shareholders for the tax year ended December 31, 2006 consists of alternative minimum tax adjustments (i.e., for each $1 of dividend reportable by a shareholder, -1.3213 cents represents an alternative minimum tax adjustment). To determine your share of the Company's alternative minimum tax adjustments, multiply the aggregate dollar amount of your reportable 2006 dividends from the Company (the sum of the amounts shown in Boxes 1a and 2a of the Company's 2006 Form 1099-DIV) times -1.3213%.

If you are an individual, please refer to Internal Revenue Service Form 6251, Alternative Minimum Tax--Individuals. Your share of alternative minimum tax adjustments should be input as a positive amount in Part I, Line 17 (depreciation on assets placed in service after 1986). If you are a corporation, please refer to Internal Revenue Service Form 4626, Alternative Minimum Tax--Corporations. Your share of alternative minimum tax adjustments

should be input as a positive amount in Line 2, letter "a" (depreciation of post-1986 property).

If you have questions, please consult your tax advisor for further guidance.

Company Information

PS Business Parks, Inc., a member of the S&P SmallCap 600, is a self-advised and self-managed equity real estate investment trust that acquires, develops, owns and operates commercial properties, primarily flex, multi-tenant office and industrial space. The Company defines "flex" space as buildings that are configured with a combination of office and warehouse space and can be designed to fit a number of uses (including office, assembly, showroom, laboratory, light manufacturing and warehouse space). As of December 31, 2006, PSB wholly owned approximately 18.7 million net rentable square feet of commercial space with approximately 3,600 customers located in eight states, concentrated in California (5.6 million sq. ft.), Florida (3.6 million sq. ft.), Virginia (2.9 million sq. ft.), Texas (2.8 million sq. ft.), Maryland (1.8 million sq. ft.), Oregon (1.3 million sq. ft.) and Arizona (0.7 million sq. ft.)

Additional information about PS Business Parks, Inc. is available on the Internet. The Company's website is www.psbusinessparks.com.

Source: PS Business Parks, Inc.