

PSBUSINESSPARKSSM

**Analysis of Operating Results
and Financial Condition**

March 31, 2011

**ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION
FOR THE THREE MONTHS ENDED MARCH 31, 2011**

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

OPERATING DATA

	For The Three Months Ended		
	03/31/11	03/31/10	% Change
Total rental income	\$ 73,946	\$ 67,132	10.2%
Total cost of operations	25,901	22,966	12.8%
Net operating income	<u>\$ 48,045</u>	<u>\$ 44,166</u>	8.8%
Net income allocable to common shareholders	\$ 16,562	\$ 11,740	41.1%
Net income per common share - diluted:			
Continuing operations	\$ 0.67	\$ 0.32	109.4%
Discontinued operations	\$ -	\$ 0.16	(100.0%)
Net income per common share	\$ 0.67	\$ 0.48	39.6%
Weighted average common shares outstanding - basic	24,685	24,413	1.1%
Weighted average common shares outstanding - diluted	24,792	24,564	0.9%

FUNDS FROM OPERATIONS

	For The Three Months Ended		
	03/31/11	03/31/10	% Change
FFO allocable to common and dilutive shares - adjusted	\$ 34,983	\$ 29,458	18.8%
Acquisition transaction costs	-	(1,117)	(100.0%)
Gain on repurchase of preferred equity, net of issuance costs	7,389	-	100.0%
FFO allocable to common and dilutive shares - as reported	<u>\$ 42,372</u>	<u>\$ 28,341</u>	49.5%
FFO per common and dilutive share - adjusted	\$ 1.09	\$ 0.92	18.5%
FFO per common and dilutive share - as reported	\$ 1.32	\$ 0.89	48.3%
Weighted average common shares outstanding - diluted	24,792	24,564	0.9%
Weighted average common OP units outstanding	7,305	7,305	-
Weighted average restricted stock units outstanding	72	107	(32.7%)
Total common and dilutive shares	<u>32,169</u>	<u>31,976</u>	0.6%

PROPERTY INFORMATION

	For The Three Months Ended		
	03/31/11	03/31/10	% Change
<u>Total Portfolio</u> ⁽¹⁾			
Total rentable square footage at period end	21,791	19,775	10.2%
Weighted average occupancy	89.1%	91.3%	(2.4%)
Annualized realized rent per sq. ft. ⁽²⁾	\$ 15.24	\$ 15.09	1.0%
REVPAF ⁽³⁾	\$ 13.57	\$ 13.58	(0.1%)
<u>Same Park Portfolio</u> ⁽⁴⁾			
Total rentable square footage at period end	19,425	19,425	-
Weighted average occupancy	91.0%	91.4%	(0.4%)
Annualized realized rent per sq. ft. ⁽²⁾	\$ 14.61	\$ 15.05	(2.9%)
REVPAF ⁽³⁾	\$ 13.30	\$ 13.75	(3.3%)

- (1) Amounts exclude discontinued operations.
(2) Represents the annualized revenues earned per occupied square foot.
(3) Represents the annualized revenues earned per total weighted average square foot.
(4) All assets in continuing operations that the Company owned from January 1, 2010 through March 31, 2011.

BALANCE SHEET DATA

	03/31/11	12/31/10	% Change
Total assets	\$ 1,606,226	\$ 1,621,057	(0.9%)
Noncontrolling interests - preferred units	\$ 5,583	\$ 53,418	(89.5%)
Noncontrolling interests - common units	\$ 178,146	\$ 176,179	1.1%
Perpetual preferred stock	\$ 598,546	\$ 598,546	-
Common shareholders' equity	\$ 602,666	\$ 594,982	1.3%
Total common shares outstanding at period end	24,714	24,671	0.2%
Book value per common share	\$ 24.39	\$ 24.12	1.1%

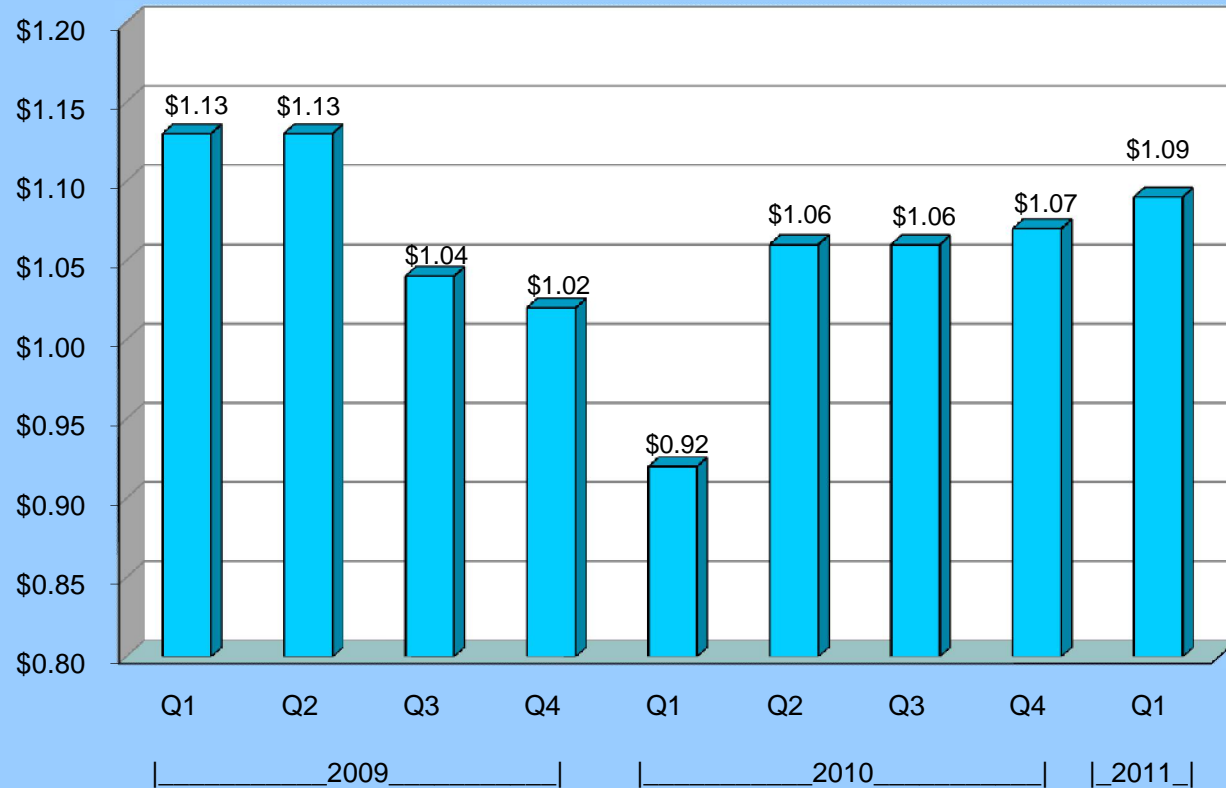
MARKET VALUE INFORMATION

	03/31/11	12/31/10	% Change
Market value of common stock and common OP units	\$ 1,855,202	\$ 1,781,732	4.1%
Total debt	169,512	144,511	17.3%
Total preferred equity	604,129	651,964	(7.3%)
Total market capitalization	<u>\$ 2,628,843</u>	<u>\$ 2,578,207</u>	2.0%
Stock price at the end of the period	\$ 57.94	\$ 55.72	4.0%

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

	<u>For The Three Months Ended</u>		<u>Increase</u>	
	<u>03/31/11</u>	<u>03/31/10</u>	<u>(Decrease)</u>	<u>% Change</u>
<u>Funds from operations (FFO):</u>				
Net income allocable to common shareholders	\$ 16,562	\$ 11,740	\$ 4,822	41.1%
Adjustments:				
Gain on sale of real estate facility	-	(5,153)	(5,153)	(100.0%)
Depreciation and amortization	20,859	18,190	2,669	14.7%
Net income allocable to noncontrolling interests - common units	4,901	3,513	1,388	39.5%
Net income allocable to restricted stock unit holders	50	51	(1)	(2.0%)
FFO allocable to common and dilutive shares	<u>\$ 42,372</u>	<u>\$ 28,341</u>	<u>\$ 14,031</u>	49.5%
Weighted average common shares outstanding	24,685	24,413	272	1.1%
Weighted average common OP units outstanding	7,305	7,305	-	-
Weighted average restricted stock units outstanding	72	107	(35)	(32.7%)
Weighted average common share equivalents outstanding	107	151	(44)	(29.1%)
Total common and dilutive shares	<u>32,169</u>	<u>31,976</u>	<u>193</u>	0.6%
FFO per common and dilutive share	<u>\$ 1.32</u>	<u>\$ 0.89</u>	<u>\$ 0.43</u>	48.3%
<u>Funds available for distribution (FAD):</u>				
Funds from operations	\$ 42,372	\$ 28,341	\$ 14,031	49.5%
Adjustments:				
Recurring capital improvements	(856)	(1,585)	(729)	(46.0%)
Tenant improvements	(4,752)	(2,558)	2,194	85.8%
Lease commissions	(1,480)	(834)	646	77.5%
Straight-line rent	(281)	(254)	27	10.6%
Stock compensation expense	458	615	(157)	(25.5%)
In-place lease adjustment	209	(38)	(247)	(650.0%)
Tenant improvement reimbursements, net of lease incentives	(195)	(163)	32	19.4%
Gain on repurchase of preferred equity, net of issuance costs	(7,389)	-	7,389	100.0%
FAD	<u>\$ 28,086</u>	<u>\$ 23,524</u>	<u>\$ 4,562</u>	19.4%
FAD per common and dilutive share	<u>\$ 0.87</u>	<u>\$ 0.74</u>	<u>\$ 0.13</u>	17.6%
<u>Cash available for debt repayments and reinvestments:</u>				
FAD	\$ 28,086	\$ 23,524	\$ 4,562	19.4%
Distributions to common shareholders	(10,867)	(10,747)	120	1.1%
Distributions to common OP unit holders	(3,214)	(3,214)	-	-
Distributions to restricted stock unit holders	(33)	(47)	(14)	(29.8%)
Debt Service	(278)	(274)	4	1.5%
Cash available for reinvestments	<u>\$ 13,694</u>	<u>\$ 9,242</u>	<u>\$ 4,452</u>	48.2%
FAD payout ratio	<u>50.3%</u>	<u>59.5%</u>	<u>(9.2%)</u>	(15.5%)

FFO Per Common and Dilutive Share*



* Excludes net gain on repurchase of preferred equity, non-cash distributions related to the redemption/repurchase of preferred equity, and acquisition transaction costs.

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

	As of March 31, 2011			As of December 31, 2010		
	Total	% of Total Market Capitalization	WTD Average Rate	Total	% of Total Market Capitalization	WTD Average Rate
Mortgage Debt:						
5.730% mortgage note, due March 2013	\$ 13,655			\$ 13,729		
5.520% mortgage note, due May 2013	9,508			9,572		
5.680% mortgage note, due May 2013	9,530			9,594		
6.150% mortgage note, due November 2031 (includes unamortized premium of \$154,000 on \$15.7 million mortgage note with stated rate of 7.20%) (1)	15,819			15,950		
5.610% mortgage note, repaid January 2011	-			2,666		
Total mortgage notes payable	48,512	1.8%	5.82%	51,511	2.0%	5.81%
Short-term Debt:						
\$100.0 million unsecured credit facility (LIBOR + 1.80%)	-			93,000		
\$121.0 million note payable to affiliate (LIBOR + 0.85%)	121,000			-		
Total short-term debt	121,000	4.6%	1.16%	93,000	3.6%	2.11%
Total debt	169,512	6.4%	2.49%	144,511	5.6%	3.43%
Preferred Equity						
7.000% Series H preferred stock (6,340,776 depository shares outstanding as of 03/31/11) callable 1/30/09	158,520			158,520		
6.875% Series I preferred stock (2,745,050 depository share outstanding as of 03/31/11) callable 4/21/09	68,626			68,626		
7.200% Series M preferred stock (3,182,000 depository shares outstanding as of 03/31/11) callable 5/2/10	79,550			79,550		
7.125% Series N preferred operating partnership units (223,300 units outstanding as of 03/31/11) callable 12/12/10	5,583			5,583		
7.375% Series O preferred stock (3,384,000 depository shares outstanding as of 03/31/11) callable 6/16/11	84,600			84,600		
6.700% Series P preferred stock (5,290,000 depository shares outstanding as of 03/31/11) callable 1/17/12	132,250			132,250		
6.875% Series R preferred stock (3,000,000 depository shares outstanding as of 03/31/11) callable 10/15/15	75,000			75,000		
7.500% Series J preferred operating partnership units (1,710,000 units repurchased 2/6/11)	-			42,750		
6.550% Series Q preferred operating partnership units (203,400 units repurchased 2/14/11)	-			5,085		
Total preferred equity	604,129	23.0%	6.98%	651,964	25.3%	7.02%
Total debt and preferred equity	773,641	29.4%	6.00%	796,475	30.9%	6.36%
Common stock (24,714,009 and 24,671,177 shares outstanding as of March 31, 2011 and December 31, 2010, respectively)	1,431,930			1,374,678		
Common operating partnership units (7,305,355 units outstanding as of March 31, 2011 and December 31, 2010)	423,272			407,054		
Total common equity (2)	1,855,202	70.6%		1,781,732	69.1%	
Total market capitalization	\$ 2,628,843	100.0%		\$ 2,578,207	100.0%	

Principal maturity dates are represented by the following chart:

		Principal Maturity Dates						
		2011	2012	2013	2014	2015	Thereafter	Total
Rose Canyon	\$ 219	\$ 309	\$ 13,127	\$ -	\$ -	\$ -	\$ -	\$ 13,655
Meadows (1)	222	318	345	371	399	14,010		15,665
Boca	197	275	9,036	-	-	-		9,508
Wellington II	193	272	9,065	-	-	-		9,530
Meadows Loan Premium	154	-	-	-	-	-		154
	\$ 985	\$ 1,174	\$ 31,573	\$ 371	\$ 399	\$ 14,010	\$ -	\$ 48,512

- (1) This mortgage is repayable without penalty beginning November, 2011.
(2) Closing stock price was \$57.94 and \$55.72 as of March 31, 2011 and December 31, 2010, respectively.

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

	03/31/11	12/31/10	Increase (Decrease)		% Change
<u>ASSETS</u>					
Cash and cash equivalents	\$ 4,548	\$ 5,066	\$ (518)	(a)	(10.2%)
Real estate facilities, at cost:					
Land	564,851	564,851	-		-
Buildings and equipment	1,788,504	1,782,613	5,891		0.3%
	2,353,355	2,347,464	5,891		0.3%
Accumulated depreciation	(795,547)	(776,840)	18,707		2.4%
	1,557,808	1,570,624	(12,816)	(b)	(0.8%)
Land held for development	6,829	6,829	-		-
	1,564,637	1,577,453	(12,816)		(0.8%)
Rent receivable	4,536	3,127	1,409	(c)	45.1%
Deferred rent receivable	22,558	22,277	281		1.3%
Other assets	9,947	13,134	(3,187)	(d)	(24.3%)
Total assets	\$ 1,606,226	\$ 1,621,057	\$ (14,831)		(0.9%)
<u>LIABILITIES AND EQUITY</u>					
Accrued and other liabilities	\$ 51,773	\$ 53,421	\$ (1,648)	(e)	(3.1%)
Credit Facility	-	93,000	(93,000)		(100.0%)
Note payable to affiliate	121,000	-	121,000		100.0%
Mortgage notes payable	48,512	51,511	(2,999)		(5.8%)
Total liabilities	221,285	197,932	23,353		11.8%
Equity:					
PS Business Parks, Inc.'s shareholders' equity:					
Preferred stock	598,546	598,546	-		-
Common stock	246	246	-		-
Paid-in capital	559,821	557,882	1,939	(f)	0.3%
Cumulative net income	811,678	784,616	27,062		3.4%
Cumulative distributions	(769,079)	(747,762)	21,317	(g)	2.9%
Total PS Business Parks, Inc.'s shareholders' equity	1,201,212	1,193,528	7,684		0.6%
Noncontrolling interests:					
Preferred units	5,583	53,418	(47,835)		(89.5%)
Common units	178,146	176,179	1,967		1.1%
Total noncontrolling interests:	183,729	229,597	(45,868)		(20.0%)
Total equity	1,384,941	1,423,125	(38,184)		(2.7%)
Total liabilities and equity	\$ 1,606,226	\$ 1,621,057	\$ (14,831)		(0.9%)

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

(a) Change in cash and cash equivalents:			
Beginning cash balance			\$ 5,066
Net cash provided by operating activities			45,236
Net cash used in investing activities			(8,043)
Net cash used in financing activities			(37,711)
Ending cash balance			<u>\$ 4,548</u>
(b) Change in real estate facilities, at cost:			
Beginning balance			\$ 1,570,624
Property renovations and developments			955
Recurring capital improvements			856
Tenant improvements			4,752
Lease commissions			1,480
Depreciation and amortization			(20,859)
Ending balance			<u>\$ 1,557,808</u>
(c) Rent receivable consists of:			
	03/31/11	12/31/10	Increase (Decrease)
Non-government tenants	\$ 3,359	\$ 1,852	\$ 1,507
U.S. Government tenants	1,577	1,675	(98)
Allowance for bad debt	(400)	(400)	-
	<u>\$ 4,536</u>	<u>\$ 3,127</u>	<u>\$ 1,409</u>
(d) Other assets consist of:			
	03/31/11	12/31/10	Increase (Decrease)
In-place lease adjustment, net	\$ 5,058	\$ 5,422	\$ (364)
Prepaid property taxes	1,680	3,107	(1,427)
Prepaid insurance	268	1,011	(743)
Mortgage impounds	928	823	105
Lease incentives, net	480	514	(34)
Other	1,533	2,257	(724)
	<u>\$ 9,947</u>	<u>\$ 13,134</u>	<u>\$ (3,187)</u>
(e) Accrued and other liabilities consist of:			
	03/31/11	12/31/10	Increase (Decrease)
Security deposits	\$ 20,890	\$ 20,697	\$ 193
Accrued property taxes	6,058	4,961	1,097
Prepaid rent	11,975	12,778	(803)
In-place lease adjustment and tenant improvement reimbursements, net	3,782	4,159	(377)
Other	9,068	10,826	(1,758)
	<u>\$ 51,773</u>	<u>\$ 53,421</u>	<u>\$ (1,648)</u>
(f) Change in paid-in capital:			
Beginning paid-in capital			\$ 557,882
Gain on repurchase of preferred equity			10,107
Exercise of stock options			944
Stock compensation, net			(84)
Adjustment to reflect noncontrolling interests to underlying ownership			(9,028)
Ending paid in capital			<u>\$ 559,821</u>
(g) Change in cumulative distributions:			
Beginning cumulative distributions			\$ (747,762)
Distributions to preferred shareholders			(10,450)
Distributions to common shareholders			(10,867)
Ending cumulative distributions			<u>\$ (769,079)</u>

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

	For The Three Months Ended		Increase (Decrease)	% Change
	03/31/11	03/31/10		
Revenues:				
Rental income	\$ 73,946	\$ 67,132	\$ 6,814	(a) 10.2%
Facility management fees	178	173	5	2.9%
Total operating revenues	<u>74,124</u>	<u>67,305</u>	<u>6,819</u>	10.1%
Expenses:				
Cost of operations	25,901	22,966	2,935	12.8%
Depreciation and amortization	20,859	18,190	2,669	14.7%
General and administrative	<u>1,570</u>	<u>2,749</u>	<u>(1,179)</u>	(b) (42.9%)
Total operating expenses	<u>48,330</u>	<u>43,905</u>	<u>4,425</u>	10.1%
Other income and expenses:				
Interest and other income	94	109	(15)	(13.8%)
Interest expense	<u>(1,215)</u>	<u>(855)</u>	<u>360</u>	(c) 42.1%
Total other income and expenses	<u>(1,121)</u>	<u>(746)</u>	<u>345</u>	46.2%
Income from continuing operations	<u>24,673</u>	<u>22,654</u>	<u>2,019</u>	8.9%
Discontinued operations:				
Income from discontinued operations	-	34	(34)	(100.0%)
Gain on sale of real estate facility	<u>-</u>	<u>5,153</u>	<u>(5,153)</u>	(100.0%)
Total discontinued operations	<u>-</u>	<u>5,187</u>	<u>(5,187)</u>	(100.0%)
Net income	<u>\$ 24,673</u>	<u>\$ 27,841</u>	<u>\$ (3,168)</u>	(11.4%)
Net income allocation:				
Net income allocable to noncontrolling interests:				
Noncontrolling interests - common units	\$ 4,901	\$ 3,513	1,388	39.5%
Noncontrolling interests - preferred units	<u>(7,290)</u>	<u>1,382</u>	<u>(8,672)</u>	(627.5%)
Total net income allocable to noncontrolling interests	<u>(2,389)</u>	<u>4,895</u>	<u>(7,284)</u>	(148.8%)
Net income allocable to PS Business Parks, Inc.:				
Common shareholders	16,562	11,740	4,822	41.1%
Preferred shareholders	10,450	11,155	(705)	(6.3%)
Restricted stock unit holders	<u>50</u>	<u>51</u>	<u>(1)</u>	(2.0%)
Total net income allocable to PS Business Parks, Inc.	<u>27,062</u>	<u>22,946</u>	<u>4,116</u>	17.9%
	<u>\$ 24,673</u>	<u>\$ 27,841</u>	<u>\$ (3,168)</u>	(11.4%)
Net income per common share - basic:				
Continuing operations	\$ 0.67	\$ 0.32	\$ 0.35	109.4%
Discontinued operations	\$ -	\$ 0.16	\$ (0.16)	(100.0%)
Net Income	\$ 0.67	\$ 0.48	\$ 0.19	39.6%
Net income per common share - diluted:				
Continuing operations	\$ 0.67	\$ 0.32	\$ 0.35	109.4%
Discontinued operations	\$ -	\$ 0.16	\$ (0.16)	(100.0%)
Net Income	\$ 0.67	\$ 0.48	\$ 0.19	39.6%
Weighted average common shares outstanding:				
Basic	<u>24,685</u>	<u>24,413</u>	<u>272</u>	1.1%
Diluted	<u>24,792</u>	<u>24,564</u>	<u>228</u>	0.9%

PS BUSINESS PARKS, INC.
CONSOLIDATED STATEMENT OF INCOME
VARIANCE DETAIL
(in thousands)

	For The Three Months Ended		Increase
	03/31/11	03/31/10	(Decrease)
(a) Rental income:			
Same Park	\$ 64,657	\$ 66,556	\$ (1,899)
Non-Same Park	9,008	322	8,686
Same Park straight-line rent	(79)	232	(311)
Non-Same Park straight-line rent	360	22	338
	<u>\$ 73,946</u>	<u>\$ 67,132</u>	<u>\$ 6,814</u>
(b) General and administrative expenses:			
Cash and non-cash compensation expense	\$ 1,118	\$ 1,038	\$ 80
Acquisition transaction costs	-	1,117	(1,117)
Professional fees	190	286	(96)
Other	262	308	(46)
	<u>\$ 1,570</u>	<u>\$ 2,749</u>	<u>\$ (1,179)</u>
(c) Interest expense:			
Mortgage notes payable	\$ (709)	\$ (767)	\$ (58)
Credit facility	(200)	-	200
Note payable to affiliate	(199)	-	199
Facilities fees & other charges	(107)	(88)	19
	<u>\$ (1,215)</u>	<u>\$ (855)</u>	<u>\$ 360</u>

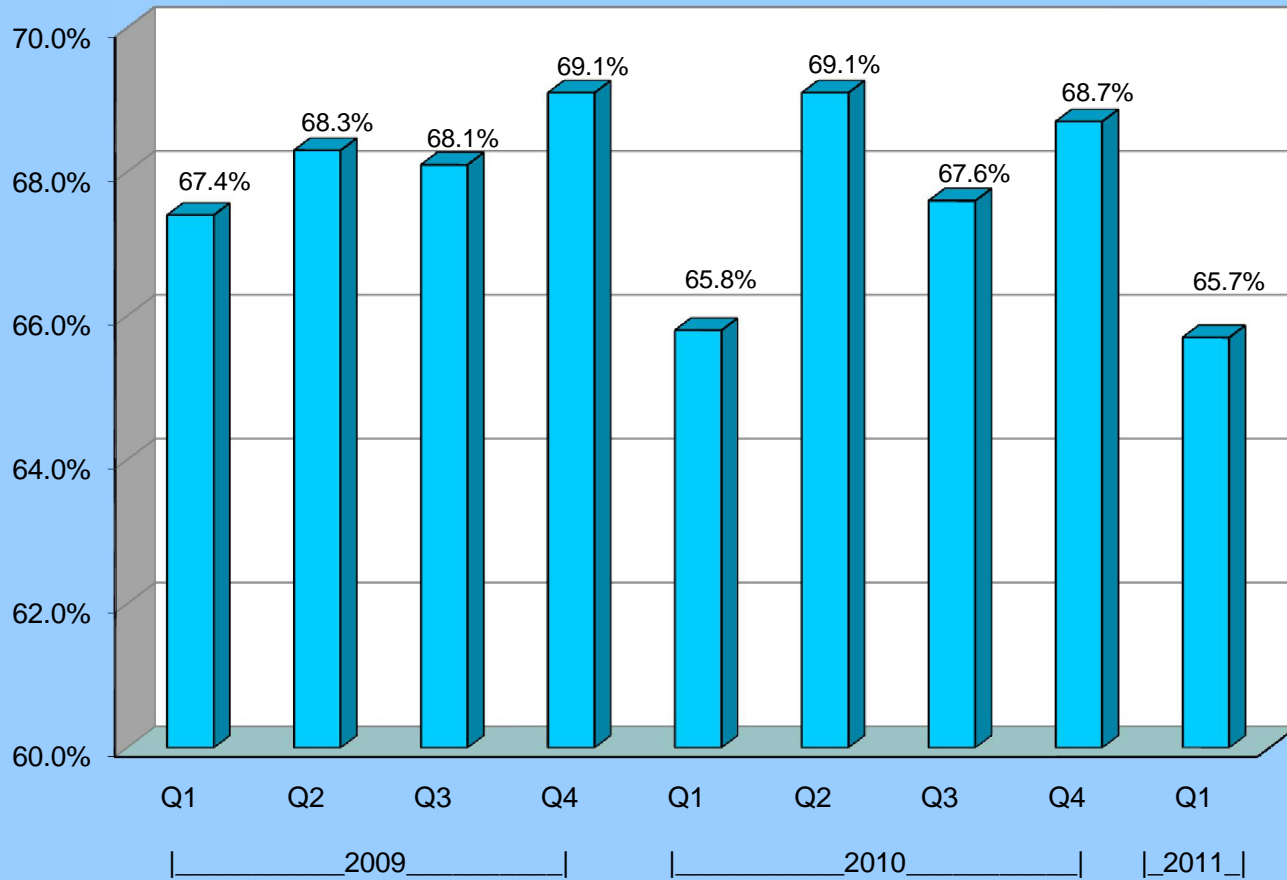
PS BUSINESS PARKS, INC.
Analysis of Capital Expenditures
(in thousands, except per square foot data)

<u>Recurring capital expenditures</u> ⁽¹⁾	<u>For The Three Months Ended</u> <u>March 31, 2011</u>	<u>Cost per Weighted</u> <u>Average Square Foot</u>
Capital improvements ⁽²⁾	\$856	\$0.04
Tenant improvements	4,752	\$0.22
Lease commissions	1,480	\$0.07
Total recurring capital expenditures	<u>\$7,088</u>	\$0.33
 <u>Non-recurring capital expenditures</u>		
Property renovations and development	\$955	
Total non-recurring capital expenditures	<u>\$955</u>	

(1) The Company defines "recurring capital expenditures" as those capitalized costs necessary to continue to operate the property at its current economic value. Capital improvements in excess of \$2,000 with a useful life greater than 24 months are capitalized. Lease transaction costs in excess of \$1,000 for leases with terms greater than 12 months are capitalized. It excludes deferred maintenance and leasing costs committed to by previous owners for acquired properties, renovations that substantially enhance the value of a property and first generation leasing costs on development properties. Lease-up costs on acquired properties are included in recurring capital expenditures. Repairs and maintenance expense was \$6.3 million or approximately \$0.29 per weighted average square foot for the three months ended March 31, 2011 compared to \$5.6 million or approximately \$0.29 per weighted average square foot for the three months ended March 31, 2010.

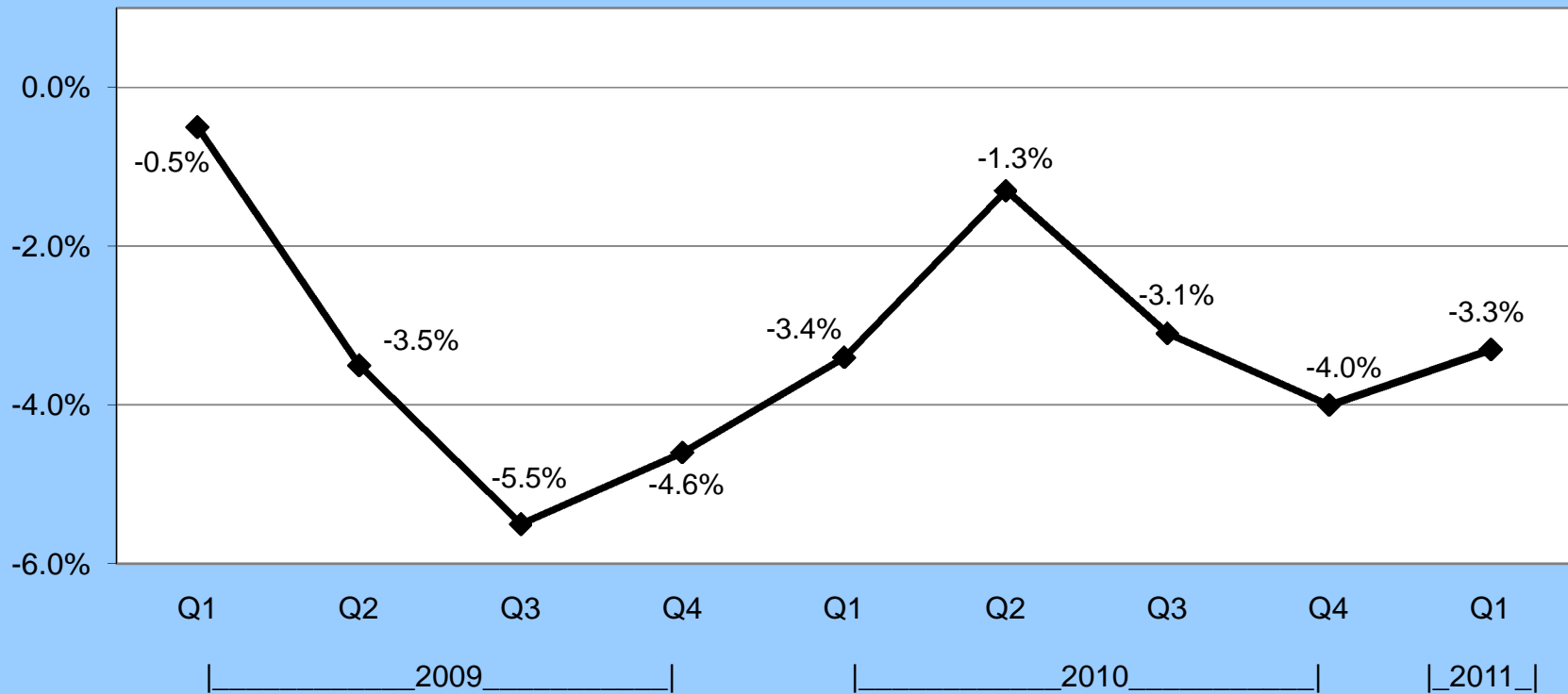
(2) Major costs include roof, HVAC and parking lot replacement as well as other major repairs that extend the life of the respective components of the building.

Same Park Gross Operating Margin Percentage *



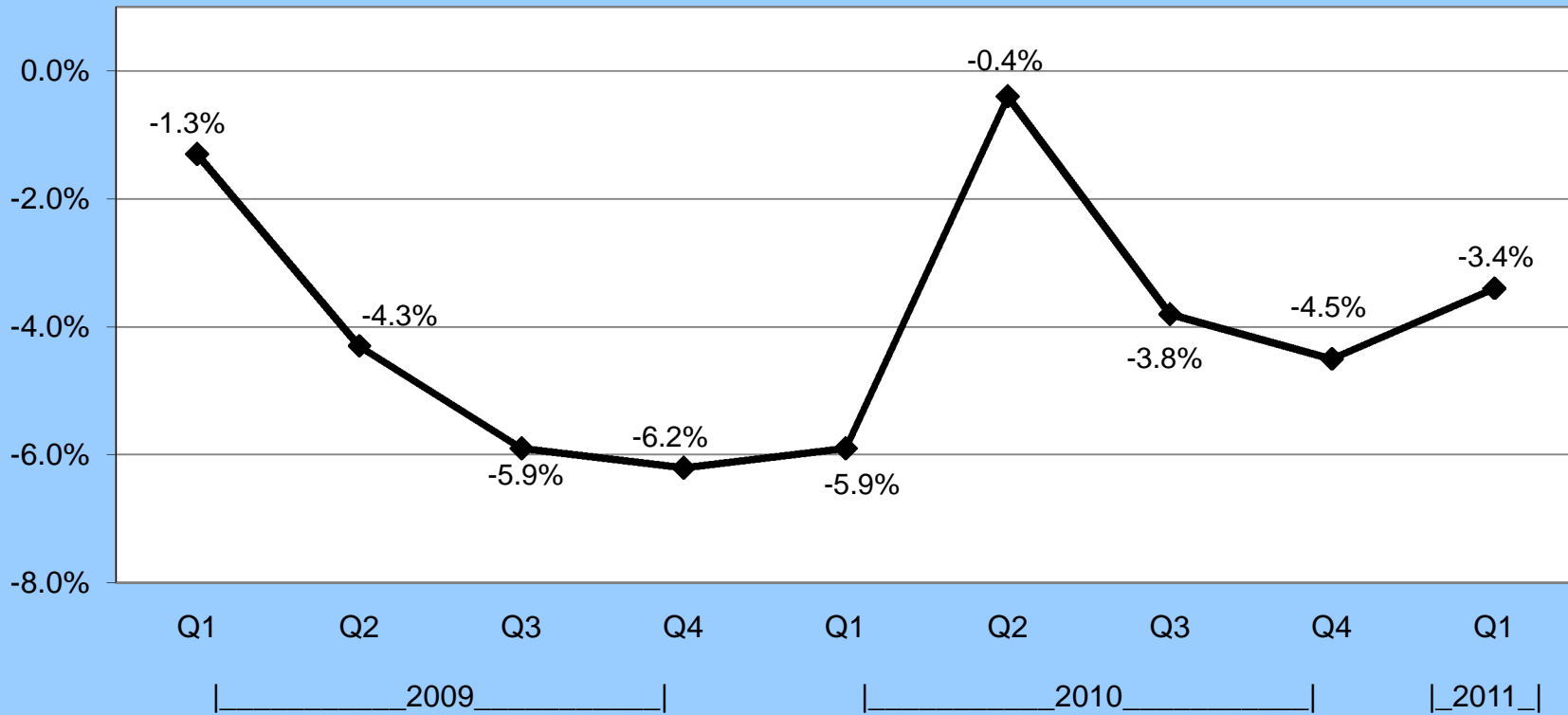
* Gross margin is computed by dividing property net operating income by rental income for Same Park properties in each period.

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.

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.

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

Industry Concentration as of March 31, 2011

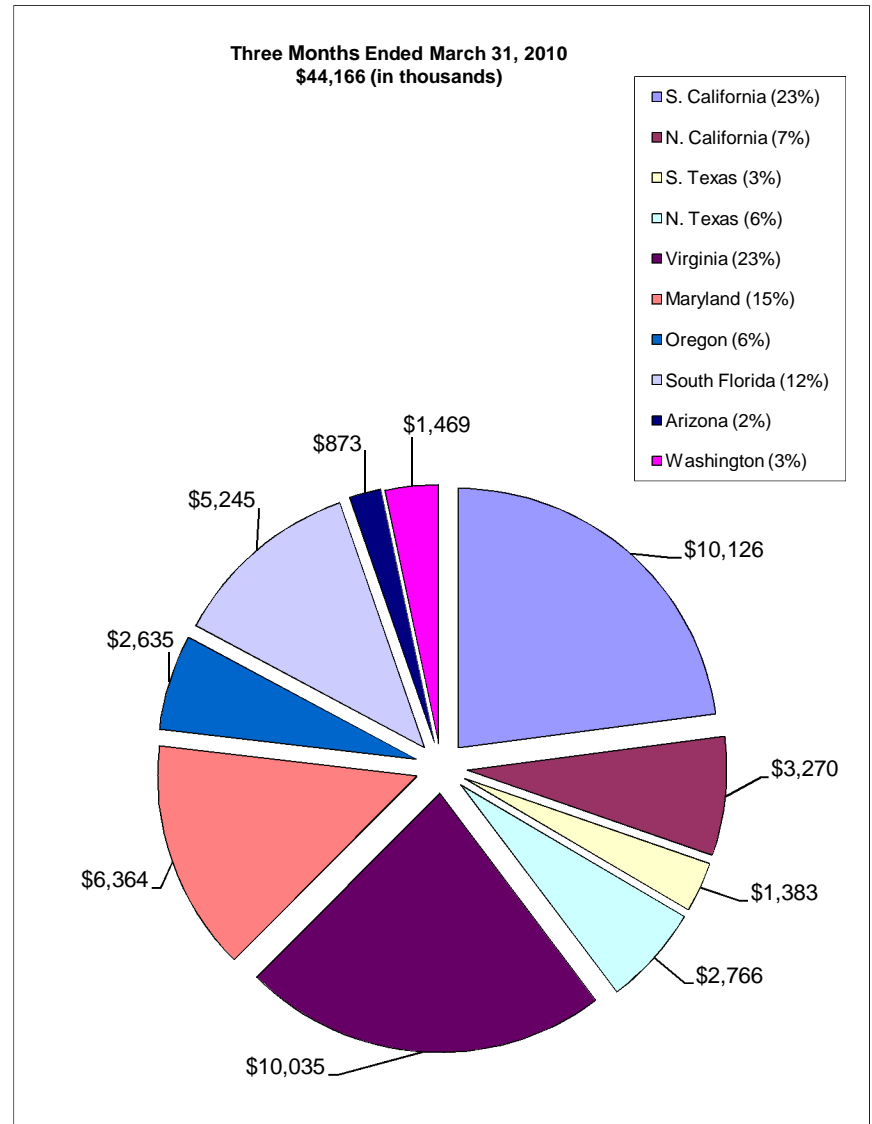
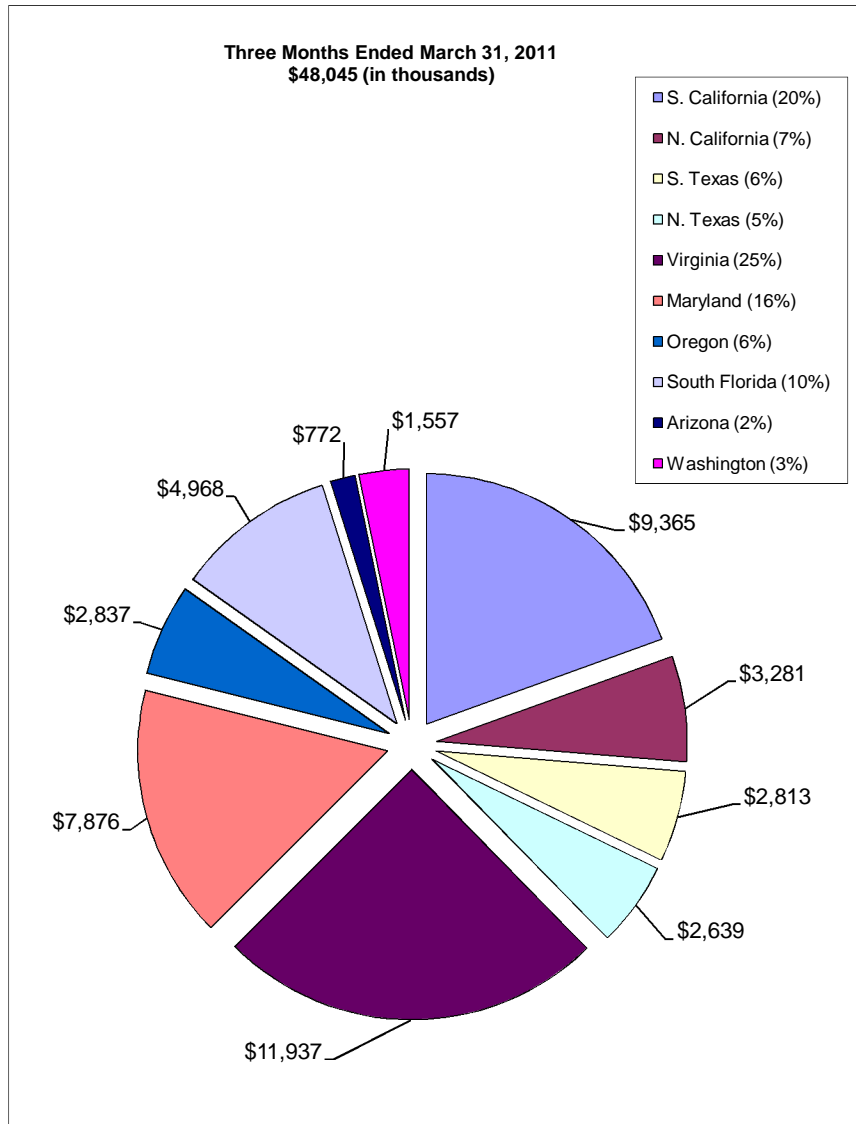
Industry	% of Total Rental Income
Business Services	15.7%
Health Services	11.6%
Government	11.1%
Computer Hardware, Software and Related Services	10.7%
Warehouse, Distribution, Transportation and Logistics	7.5%
Insurance and Financial Services	6.8%
Retail, Food and Automotive	5.9%
Engineering and Construction	5.8%
Communications	4.8%
Home Furnishings	3.6%
Aerospace/Defense Products and Services	3.2%
Electronics	2.8%
Educational Services	2.7%
Other	7.8%
Total	100.0%

Top 10 Customers by Total Annual Rental Income as of March 31, 2011

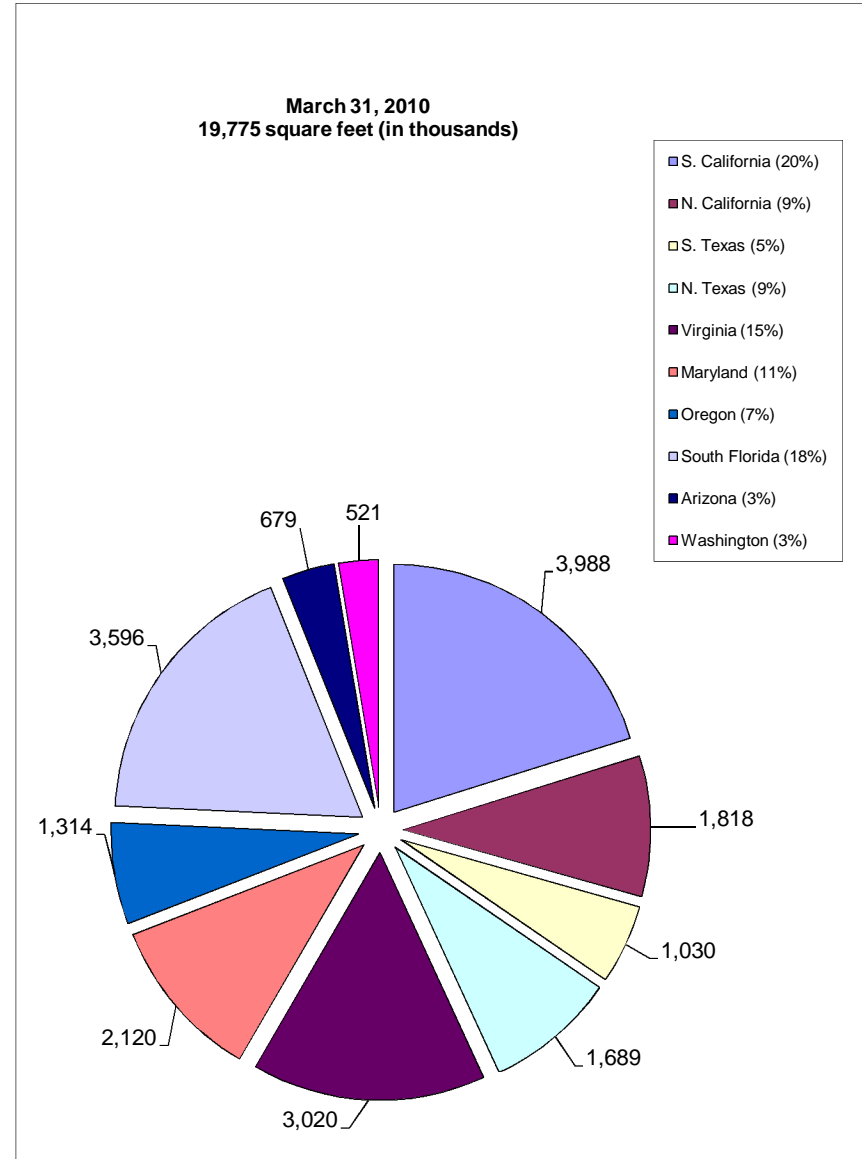
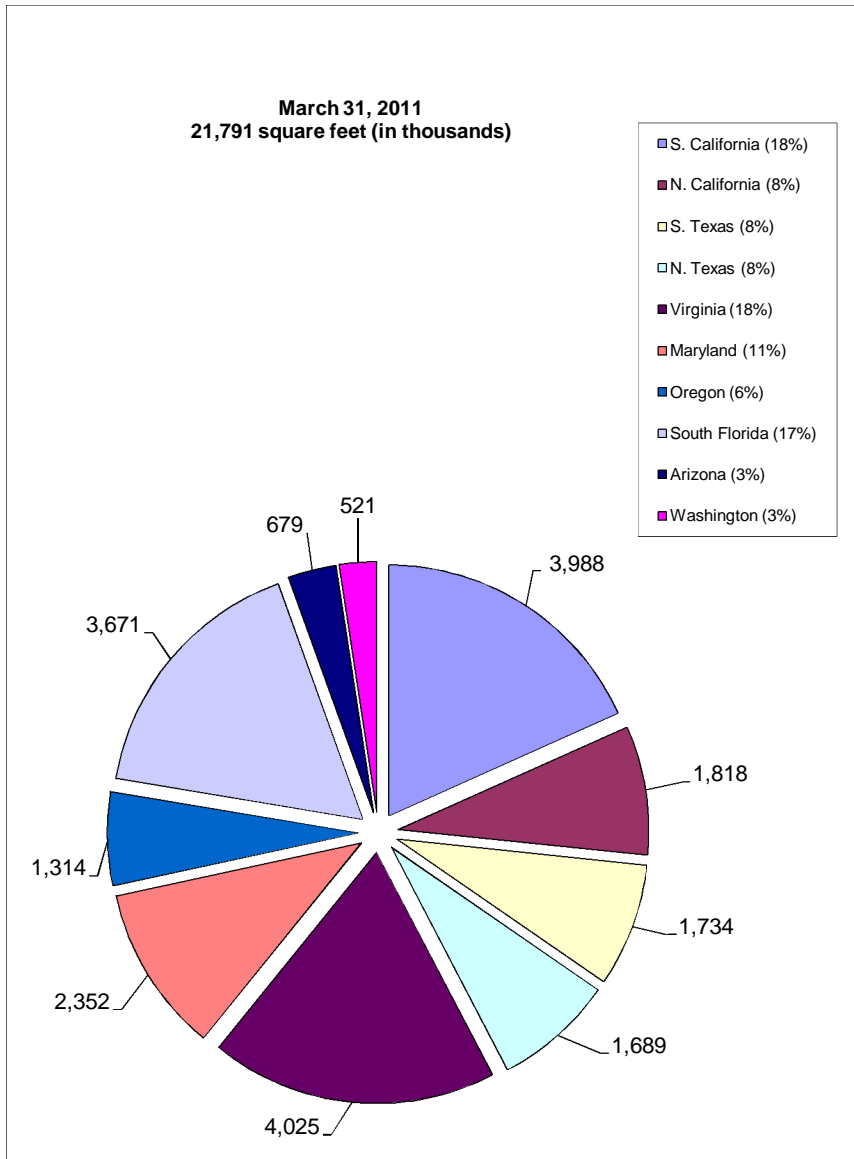
Tenant	Square Footage	Annualized Rental Income ⁽¹⁾	% of Total Annualized Rental Income
U.S. Government	769	\$ 19,542	6.4%
Lockheed Martin Corporation	176	4,779	1.6%
Kaiser Permanente	205	4,778	1.6%
Wells Fargo Bank	126	2,325	0.8%
Luminex Corporation	149	2,047	0.7%
ATS Corporation	58	1,783	0.6%
AARP	102	1,742	0.5%
Welch Allyn Protocol, Inc.	103	1,657	0.5%
Verizon	80	1,583	0.5%
Investorplace Media, LLC	46	1,504	0.5%
Total	1,814	\$ 41,740	13.7%

(1) - For leases expiring within one year, annualized rental income represents income to be received under existing leases from March 31, 2011 through the date of expiration.

Total Property Net Operating Income by Region



Total Owned Rentable Square Footage by Region



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

Rentable Square Footage of Properties as of March 31, 2011					
Primary Markets	Industrial	Office	Flex	Total	% of Total
Miami	2,631	12	631	3,274	15.1%
Northern Virginia	-	2,078	1,947	4,025	18.5%
Maryland	-	1,382	970	2,352	10.8%
Northern California	407	431	980	1,818	8.3%
Dallas	231	-	1,458	1,689	7.8%
Orange County	-	705	911	1,616	7.4%
Los Angeles County	712	31	861	1,604	7.4%
Austin	-	-	1,491	1,491	6.8%
Portland	-	188	1,126	1,314	6.0%
San Diego County	-	-	768	768	3.5%
Phoenix	-	-	679	679	3.1%
Seattle	-	28	493	521	2.4%
Palm Beach	-	-	397	397	1.8%
Houston	-	-	243	243	1.1%
Total	3,981	4,855	12,955	21,791	100.0%
Percentage by Product Type	18.3%	22.3%	59.5%	100.0%	

Weighted Average Occupancy Rates by Product Type for the Three Months Ended March 31, 2011				
Primary Markets	Industrial	Office	Flex	Total
Miami	98.4%	100.0%	95.4%	97.8%
Northern Virginia	-	74.5%	91.6%	82.8%
Maryland	-	86.0%	86.7%	86.3%
Northern California	98.2%	90.8%	87.1%	90.5%
Dallas	100.0%	-	89.3%	90.7%
Orange County	-	80.6%	92.7%	87.4%
Los Angeles County	95.2%	96.8%	87.6%	91.1%
Austin	-	-	88.5%	88.5%
Portland	-	89.3%	85.1%	85.7%
San Diego County	-	-	91.2%	91.2%
Phoenix	-	-	87.9%	87.9%
Seattle	-	100.0%	94.0%	94.4%
Palm Beach	-	-	89.3%	89.3%
Houston	-	-	82.7%	82.7%
Total	97.9%	81.0%	89.3%	89.1%

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended March 31, 2011			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	97.8%	98.1%	97.8%
Northern Virginia	82.8%	82.8%	82.8%
Maryland	87.0%	83.9%	86.3%
Northern California	92.6%	88.3%	90.5%
Dallas	91.0%	89.2%	90.7%
Orange County	88.4%	86.5%	87.4%
Los Angeles County	95.2%	87.9%	91.1%
Austin	87.3%	94.8%	88.5%
Portland	85.3%	88.1%	85.7%
San Diego County	-	91.2%	91.2%
Phoenix	-	87.9%	87.9%
Seattle	-	94.4%	94.4%
Palm Beach	-	89.3%	89.3%
Houston	-	82.7%	82.7%
Total	89.7%	88.0%	89.1%

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 March 31, 2011					
Primary Markets	Industrial	Office	Flex	Total	% of Total
Miami	2,556	12	631	3,199	16.5%
Northern Virginia	-	1,073	1,947	3,020	15.5%
Northern California	407	431	980	1,818	9.4%
Maryland	-	883	887	1,770	9.1%
Dallas	231	-	1,458	1,689	8.7%
Orange County	-	705	911	1,616	8.3%
Los Angeles County	712	31	861	1,604	8.2%
Portland	-	188	1,126	1,314	6.8%
Austin	-	-	787	787	4.0%
San Diego County	-	-	768	768	4.0%
Phoenix	-	-	679	679	3.5%
Seattle	-	28	493	521	2.7%
Palm Beach	-	-	397	397	2.0%
Houston	-	-	243	243	1.3%
Total	3,906	3,351	12,168	19,425	100.0%
Percentage by Product Type	20.1%	17.3%	62.6%	100.0%	

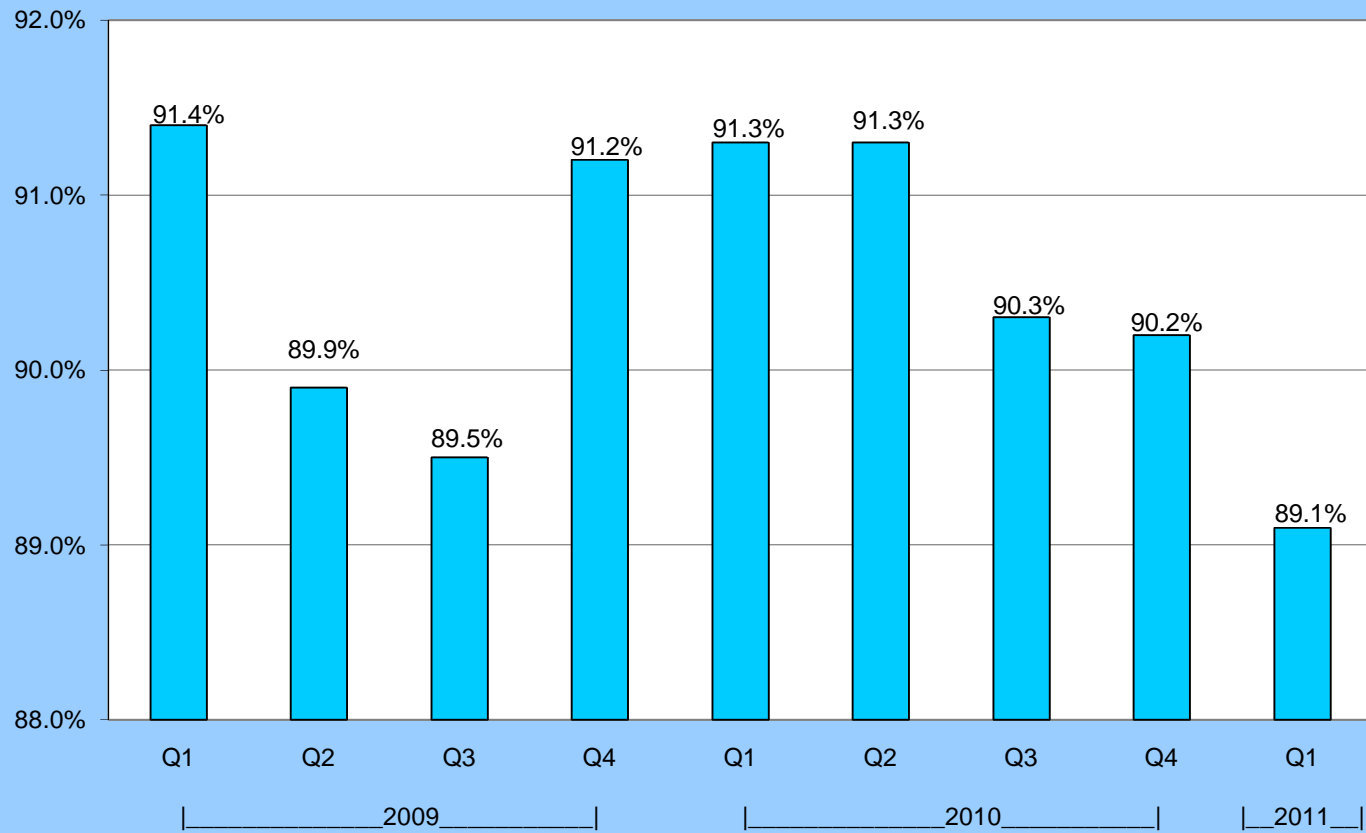
Weighted Average Occupancy Rates by Product Type for the Three Months Ended March 31, 2011				
Primary Markets	Industrial	Office	Flex	Total
Miami	98.7%	100.0%	95.4%	98.1%
Northern Virginia	-	89.2%	91.6%	90.7%
Northern California	98.2%	90.8%	87.1%	90.5%
Maryland	-	91.4%	86.4%	88.9%
Dallas	100.0%	-	89.3%	90.7%
Orange County	-	80.6%	92.7%	87.4%
Los Angeles County	95.2%	96.8%	87.6%	91.1%
Portland	-	89.3%	85.1%	85.7%
Austin	-	-	90.0%	90.0%
San Diego County	-	-	91.2%	91.2%
Phoenix	-	-	87.9%	87.9%
Seattle	-	100.0%	94.0%	94.4%
Palm Beach	-	-	89.3%	89.3%
Houston	-	-	82.7%	82.7%
Total	98.1%	88.4%	89.5%	91.0%

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended March 31, 2011			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	98.1%	98.1%	98.1%
Northern Virginia	89.7%	92.7%	90.7%
Northern California	92.6%	88.3%	90.5%
Maryland	88.6%	91.0%	88.9%
Dallas	91.0%	89.2%	90.7%
Orange County	88.4%	86.5%	87.4%
Los Angeles County	95.2%	87.9%	91.1%
Portland	85.3%	88.1%	85.7%
Austin	88.8%	93.5%	90.0%
San Diego County	-	91.2%	91.2%
Phoenix	-	87.9%	87.9%
Seattle	-	94.4%	94.4%
Palm Beach	-	89.3%	89.3%
Houston	-	82.7%	82.7%
Total	91.7%	89.9%	91.0%

Note:

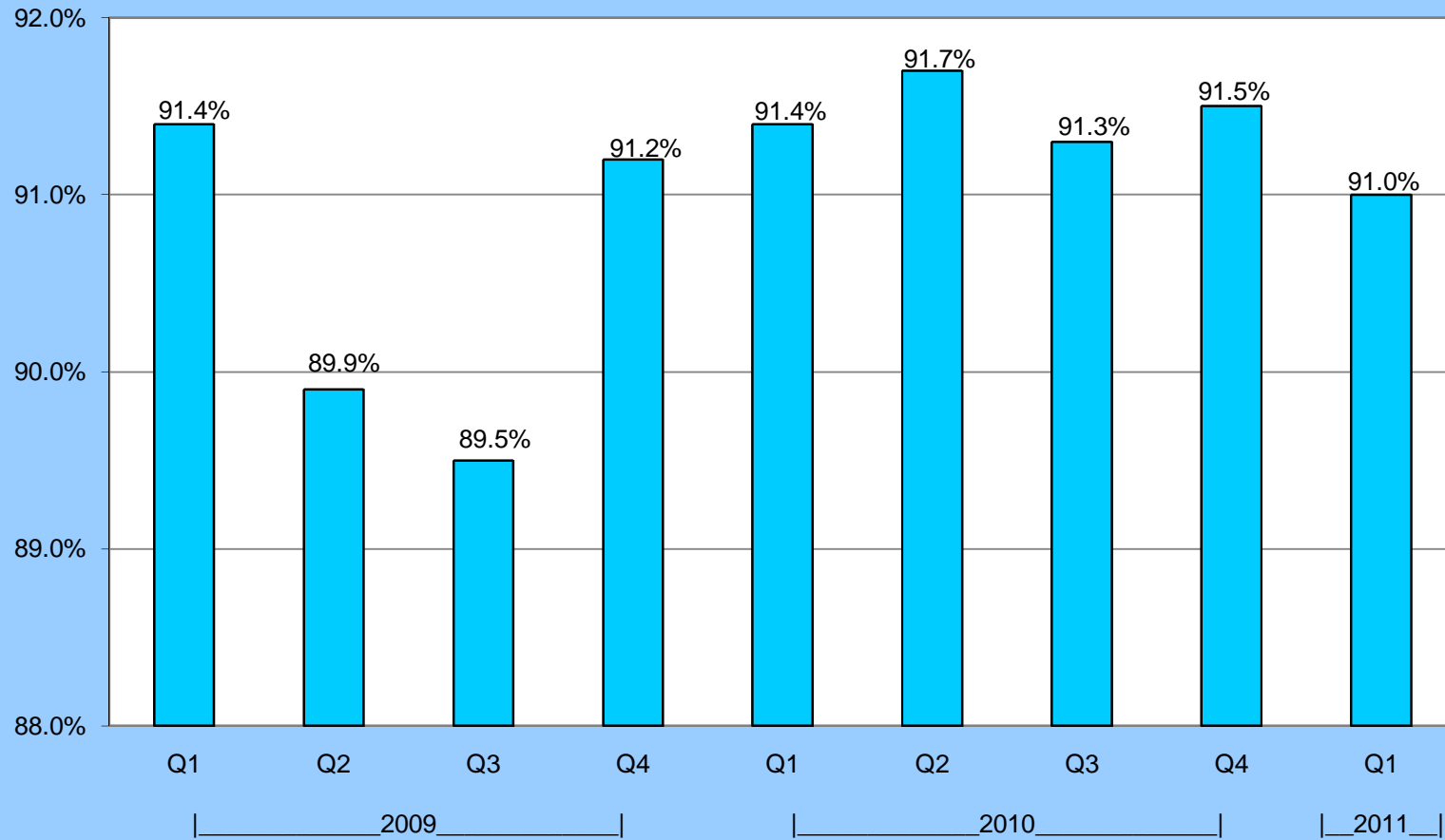
The Company's "large tenant" portfolio consists of properties with average leases greater than or equal to 5,000 square feet while the "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

Total Owned Portfolio Weighted Average Occupancy *



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

Same Park Weighted Average Occupancy *



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

PS BUSINESS PARKS, INC.

Total Portfolio Lease Expirations as of March 31, 2011

(in thousands)

Lease Expirations - Flex				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2011	2,025	\$ 27,614	15.8%	9.0%
2012	3,331	48,085	27.5%	15.7%
2013	2,424	34,195	19.5%	11.0%
2014	1,508	23,040	13.2%	7.5%
2015	1,008	15,698	9.0%	5.1%
Thereafter	1,387	26,317	15.0%	8.6%
Total	11,683	\$ 174,949	100.0%	56.9%

Lease Expirations - Office				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2011	596	\$ 13,727	13.5%	4.4%
2012	967	22,855	22.5%	7.4%
2013	975	25,757	25.4%	8.5%
2014	459	10,793	10.7%	3.5%
2015	260	6,323	6.2%	2.1%
Thereafter	737	21,997	21.7%	7.1%
Total	3,994	\$ 101,452	100.0%	33.0%

Lease Expirations - Industrial				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2011	518	\$ 4,229	13.7%	1.4%
2012	834	6,957	22.5%	2.3%
2013	1,177	9,018	29.2%	2.9%
2014	718	5,446	17.6%	1.8%
2015	301	2,487	8.0%	0.8%
Thereafter	359	2,795	9.0%	0.9%
Total	3,907	\$ 30,932	100.0%	10.1%

Lease Expirations - Total Portfolio				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2011	3,139	\$ 45,570	14.8%	14.8%
2012	5,132	77,897	25.4%	25.4%
2013	4,576	68,970	22.4%	22.4%
2014	2,685	39,279	12.8%	12.8%
2015	1,569	24,508	8.0%	8.0%
Thereafter	2,483	51,109	16.6%	16.6%
Total	19,584	\$ 307,333	100.0%	100.0%

PS BUSINESS PARKS, INC.
TOTAL OWNED PORTFOLIO ANALYSIS AS OF MARCH 31, 2011

Southern California					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2011	900	\$ 13,542	23.3%	4.4%	
2012	1,039	16,627	28.6%	5.5%	
2013	787	11,993	20.6%	3.8%	
2014	458	7,896	13.6%	2.6%	
2015	262	4,263	7.3%	1.4%	
Thereafter	146	3,826	6.6%	1.2%	
Total	3,592	\$ 58,147	100.0%	18.9%	

Northern California					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2011	327	\$ 4,397	21.9%	1.4%	
2012	578	6,556	32.6%	2.1%	
2013	328	4,311	21.5%	1.4%	
2014	224	2,429	12.1%	0.8%	
2015	75	908	4.5%	0.3%	
Thereafter	104	1,476	7.4%	0.5%	
Total	1,636	\$ 20,077	100.0%	6.5%	

Southern Texas					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2011	191	\$ 1,943	10.5%	0.6%	
2012	256	3,111	16.8%	1.0%	
2013	354	3,887	20.9%	1.3%	
2014	291	3,460	18.6%	1.1%	
2015	306	4,351	23.5%	1.4%	
Thereafter	155	1,804	9.7%	0.6%	
Total	1,553	\$ 18,556	100.0%	6.0%	

Northern Texas					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2011	126	\$ 1,445	8.3%	0.5%	
2012	465	5,759	33.2%	1.9%	
2013	409	3,604	20.8%	1.2%	
2014	331	4,010	23.2%	1.3%	
2015	96	1,342	7.7%	0.4%	
Thereafter	118	1,173	6.8%	0.4%	
Total	1,545	\$ 17,333	100.0%	5.7%	

PS BUSINESS PARKS, INC.
TOTAL OWNED PORTFOLIO ANALYSIS AS OF MARCH 31, 2011

Florida					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2011	467	\$ 4,133	13.1%	1.3%	
2012	921	8,732	27.6%	2.8%	
2013	979	8,666	27.4%	2.8%	
2014	563	4,994	15.8%	1.6%	
2015	246	2,354	7.4%	0.8%	
Thereafter	348	2,768	8.7%	0.9%	
Total	<u>3,524</u>	<u>\$ 31,647</u>	<u>100.0%</u>	<u>10.2%</u>	

Northern Virginia					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2011	393	\$ 7,284	9.6%	2.4%	
2012	883	19,149	25.1%	6.2%	
2013	792	17,088	22.4%	5.6%	
2014	345	8,038	10.5%	2.6%	
2015	295	5,706	7.5%	1.9%	
Thereafter	706	18,937	24.9%	6.2%	
Total	<u>3,414</u>	<u>\$ 76,202</u>	<u>100.0%</u>	<u>24.9%</u>	

Maryland					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2011	254	\$ 6,151	11.9%	2.0%	
2012	435	10,538	20.4%	3.4%	
2013	457	12,276	23.8%	4.0%	
2014	224	4,461	8.7%	1.5%	
2015	152	3,645	7.1%	1.2%	
Thereafter	550	14,495	28.1%	4.7%	
Total	<u>2,072</u>	<u>\$ 51,566</u>	<u>100.0%</u>	<u>16.8%</u>	

Oregon					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2011	241	\$ 3,694	19.1%	1.2%	
2012	181	2,871	14.8%	0.9%	
2013	201	3,354	17.3%	1.1%	
2014	148	2,566	13.2%	0.8%	
2015	68	1,054	5.4%	0.3%	
Thereafter	308	5,855	30.2%	1.9%	
Total	<u>1,147</u>	<u>\$ 19,394</u>	<u>100.0%</u>	<u>6.2%</u>	

PS BUSINESS PARKS, INC.

TOTAL OWNED PORTFOLIO ANALYSIS AS OF MARCH 31, 2011

Washington/ Seattle					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2011	116	\$ 1,786	21.1%	0.6%	
2012	137	2,264	26.8%	0.8%	
2013	123	2,413	28.6%	0.8%	
2014	36	757	9.0%	0.3%	
2015	36	563	6.7%	0.2%	
Thereafter	38	661	7.8%	0.2%	
Total	486	\$ 8,444	100.0%	2.9%	

Arizona					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2011	124	\$ 1,195	20.0%	0.4%	
2012	237	2,290	38.4%	0.8%	
2013	146	1,378	23.1%	0.4%	
2014	65	668	11.2%	0.2%	
2015	33	322	5.4%	0.1%	
Thereafter	10	114	1.9%	0.0%	
Total	615	\$ 5,967	100.0%	1.9%	

Total Portfolio					
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income	
2011	3,139	\$ 45,570	14.8%	14.8%	
2012	5,132	77,897	25.4%	25.4%	
2013	4,576	68,970	22.4%	22.4%	
2014	2,685	39,279	12.8%	12.8%	
2015	1,569	24,508	8.0%	8.0%	
Thereafter	2,483	51,109	16.6%	16.6%	
Total	19,584	\$ 307,333	100.0%	100.0%	

PS BUSINESS PARKS, INC.
TOTAL OWNED PORTFOLIO ANALYSIS AS OF MARCH 31, 2011

Lease Expirations - Large Tenant Portfolio				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2011	1,394	\$ 19,773	10.6%	6.4%
2012	2,699	40,006	21.6%	13.1%
2013	3,063	43,208	23.3%	14.0%
2014	1,917	25,059	13.5%	8.2%
2015	1,084	15,427	8.3%	5.0%
Thereafter	2,087	42,210	22.7%	13.7%
Total	12,244	\$ 185,683	100.0%	60.4%

Lease Expirations - Small Tenant Portfolio				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2011	1,745	\$ 25,797	21.2%	8.4%
2012	2,433	37,891	31.1%	12.3%
2013	1,513	25,762	21.2%	8.4%
2014	768	14,220	11.7%	4.6%
2015	485	9,081	7.5%	3.0%
Thereafter	396	8,899	7.3%	2.9%
Total	7,340	\$ 121,650	100.0%	39.6%

Lease Expirations - Total Portfolio				
Year of Lease Expiration	Leased Square Footage	Annualized Rental Income	%	% of Total Annualized Rental Income
2011	3,139	\$ 45,570	14.8%	14.8%
2012	5,132	77,897	25.4%	25.4%
2013	4,576	68,970	22.4%	22.4%
2014	2,685	39,279	12.8%	12.8%
2015	1,569	24,508	8.0%	8.0%
Thereafter	2,483	51,109	16.6%	16.6%
Total	19,584	\$ 307,333	100.0%	100.0%