



PSBUSINESSPARKS

**Analysis of Operating Results
and Financial Condition**

June 30, 2006

**ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2006**

INDEX

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

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

OPERATING DATA						
	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED		
	06/30/06	06/30/05	% Change	06/30/06	06/30/05	% Change
Total operating revenues	\$ 59,305	\$ 55,533	6.8%	\$ 118,208	\$ 109,441	8.0%
Net income allocable to common shareholders	\$ 4,395	\$ 5,772	(23.9%)	\$ 9,457	\$ 13,096	(27.8%)
Net income per common share - diluted:						
Continuing operations	\$ 0.15	\$ 0.21	(28.6%)	\$ 0.36	\$ 0.41	(12.2%)
Discontinued operations	\$ 0.05	\$ 0.06	(16.7%)	\$ 0.08	\$ 0.19	(57.9%)
Net income per common share - diluted	\$ 0.20	\$ 0.26	(23.1%)	\$ 0.44	\$ 0.59	(25.4%)
Weighted average common shares outstanding - basic	21,311	21,893	(2.7%)	21,373	21,872	(2.3%)
Weighted average common shares outstanding - diluted	21,585	22,029	(2.0%)	21,648	22,015	(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	28,890	29,334	(1.5%)	28,953	29,320	(1.3%)

FUNDS FROM OPERATIONS						
	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED		
	06/30/06	06/30/05	% Change	06/30/06	06/30/05	% Change
FFO allocable to common shareholders, before adjustments	\$ 26,887	\$ 26,062	3.2%	\$ 51,765	\$ 51,942	(0.3%)
EITF Topic D-42	(1,658)	(301)	450.8%	(1,658)	(301)	450.8%
Footstar Bankruptcy Settlement	-	-	0%	1,810	-	100.0%
FFO allocable to common shareholders, reported	\$ 25,229	\$ 25,761	(2.1%)	\$ 51,917	\$ 51,641	0.5%
Diluted FFO per common share and units - before adjustments	\$ 0.93	\$ 0.89	4.5%	\$ 1.79	\$ 1.77	1.1%
Diluted FFO per common share and units - as reported	\$ 0.87	\$ 0.88	(1.1%)	\$ 1.79	\$ 1.76	1.7%

PROPERTY INFORMATION						
	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED		
	06/30/06	06/30/05	% Change	06/30/06	06/30/05	% Change
<u>Total Owned Portfolio</u> (excluding discontinued operations)						
Net rentable square footage at period end	18,205	17,245	5.6%	18,205	17,245	5.6%
Weighted average occupancy	93.3%	91.9%	1.5%	93.0%	91.7%	1.4%
Annualized realized rent per sq. ft. (1)	\$ 14.18	\$ 13.97	1.5%	\$ 14.03	\$ 13.81	1.6%
REVPAR (2)	\$ 13.23	\$ 12.84	3.0%	\$ 13.05	\$ 12.66	3.1%
<u>Same Park Portfolio</u>						
Net rentable square footage at period end	17,245	17,245	0.0%	17,245	17,245	0.0%
Weighted average occupancy	93.2%	91.9%	1.4%	93.0%	91.6%	1.5%
Annualized realized rent per sq. ft. (1)	\$ 13.89	\$ 13.98	(0.6%)	\$ 13.83	\$ 13.81	0.1%
REVPAR (2)	\$ 12.95	\$ 12.85	0.8%	\$ 12.86	\$ 12.65	1.7%

(1) Represents the annualized revenues earned per occupied square foot less bankruptcy settlement of \$1.8 million.

(2) Represents the annualized revenues earned per total square foot less bankruptcy settlement of \$1.8 million.

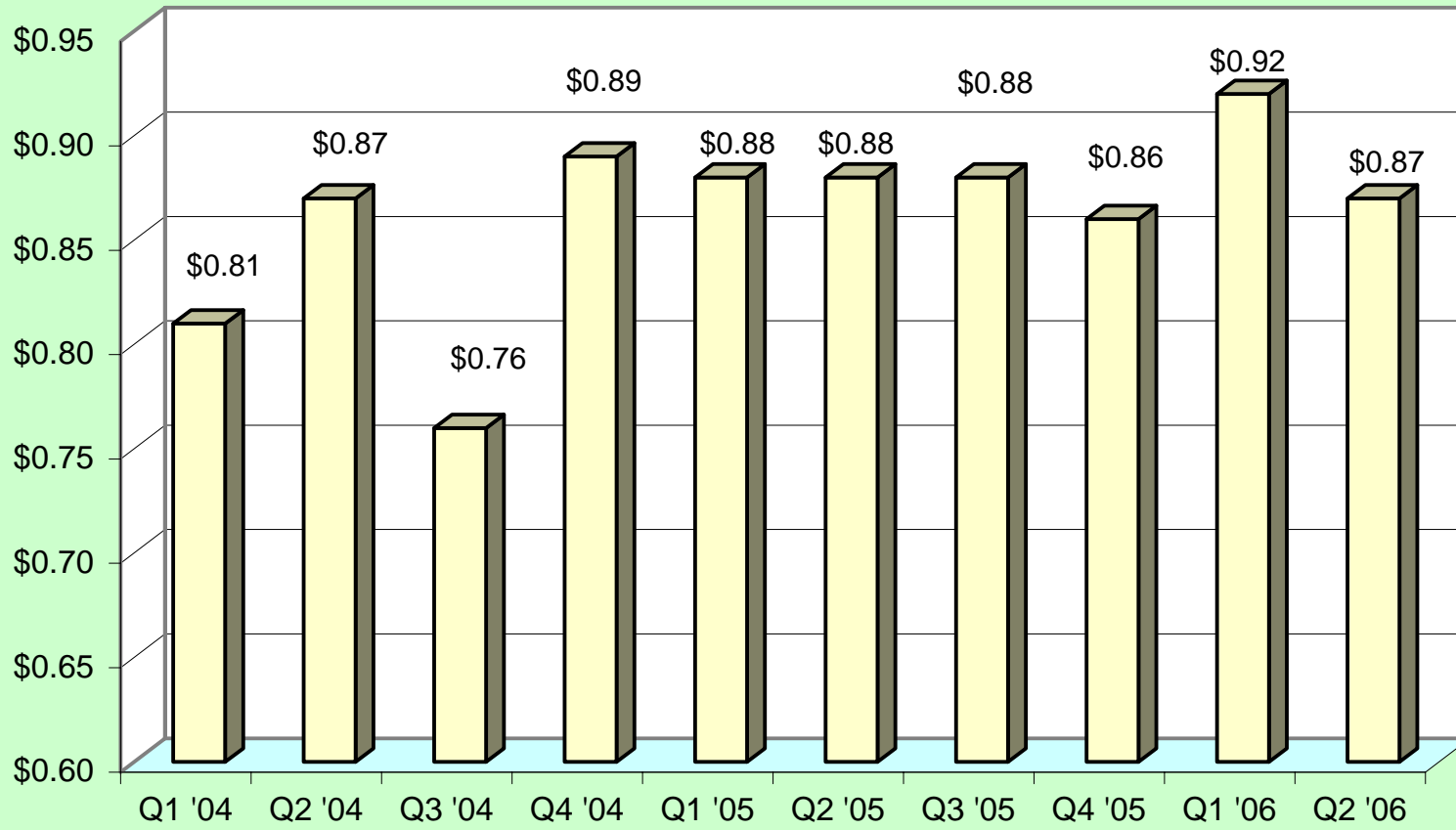
BALANCE SHEET DATA			
	06/30/06	12/31/05	% Change
Total assets	\$ 1,475,970	\$ 1,463,678	0.8%
Minority interest - preferred	\$ 135,750	\$ 135,750	0.0%
Minority interest - common	\$ 166,247	\$ 169,451	(1.9%)
Perpetual preferred stock	\$ 602,500	\$ 593,350	1.5%
Common shareholders' equity	\$ 484,342	\$ 500,108	(3.2%)
Total common shares outstanding at period end	21,283	21,561	(1.3%)
Book value per common share	\$ 22.76	\$ 23.20	(1.9%)

MARKET VALUE INFORMATION			
	06/30/06	12/31/05	% Change
Market value of common stock and common OP units	\$ 1,686,729	\$ 1,420,204	18.8%
Total debt	43,497	25,893	68.0%
Total preferred stock and preferred OP units	738,250	729,100	1.3%
Total market capitalization	\$ 2,468,476	\$ 2,175,197	13.5%
Stock price at the end of the period	\$ 59.00	\$ 49.20	19.9%

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 SIX MONTHS ENDED		Increase (Decrease)	% Change
	06/30/06	06/30/05			06/30/06	06/30/05		
<u>Funds from operations (FFO):</u>								
Net income allocable to common shareholders	\$ 4,395	\$ 5,772	\$ (1,377)	(23.9%)	\$ 9,457	\$ 13,096	\$ (3,639)	(27.8%)
Adjustments:								
Gain on disposition of real estate	(1,617)	(1,016)	601	59.2%	(2,328)	(3,930)	(1,602)	(40.8%)
Depreciation and amortization	20,950	19,084	1,866	9.8%	41,563	38,100	3,463	9.1%
Minority interest in income - common units	1,501	1,921	(420)	(21.9%)	3,225	4,375	(1,150)	(26.3%)
FFO allocable to common shareholders/unitholders	<u>\$ 25,229</u>	<u>\$ 25,761</u>	<u>\$ (532)</u>	<u>(2.1%)</u>	<u>\$ 51,917</u>	<u>\$ 51,641</u>	<u>\$ 276</u>	<u>0.5%</u>
Weighted average common shares outstanding	21,311	21,893	(582)	(2.7%)	21,373	21,872	(499)	(2.3%)
Weighted average common OP units outstanding	7,305	7,305	-	0.0%	7,305	7,305	-	0.0%
Weighted average common stock equivalents outstanding	274	136	138	101.5%	275	143	132	92.3%
Total pro forma fully-converted shares	<u>28,890</u>	<u>29,334</u>	<u>(444)</u>	<u>(1.5%)</u>	<u>28,953</u>	<u>29,320</u>	<u>(367)</u>	<u>(1.3%)</u>
Diluted FFO per common share/OP unit	<u>\$ 0.87</u>	<u>\$ 0.88</u>	<u>\$ (0.01)</u>	<u>(1.1%)</u>	<u>\$ 1.79</u>	<u>\$ 1.76</u>	<u>\$ 0.03</u>	<u>1.7%</u>
<u>Funds available for distribution (FAD):</u>								
Funds from operations	\$ 25,229	\$ 25,761	\$ (532)	(2.1%)	\$ 51,917	\$ 51,641	\$ 276	0.5%
Adjustments:								
Maintenance capital expenditures	(1,859)	(1,165)	694	59.6%	(2,863)	(1,504)	1,359	90.4%
Tenant improvements	(5,539)	(5,259)	280	5.3%	(9,082)	(11,706)	(2,624)	(22.4%)
Lease commissions	(2,277)	(1,679)	598	35.6%	(2,788)	(3,233)	(445)	(13.8%)
Straight-line rent	(1,031)	(1,069)	(38)	(3.6%)	(1,620)	(2,257)	(637)	(28.2%)
Stock compensation expense	719	306	413	135.0%	1,245	434	811	186.9%
In-place rents adjustment	59	39	20	51.3%	112	78	34	43.6%
Lease incentives	133	-	133	100%	263	-	263	100%
Redemption amount over carrying amount related to redeemed preferred equity	1,658	301	1,357	450.8%	1,658	301	1,357	450.8%
FAD	<u>\$ 17,092</u>	<u>\$ 17,235</u>	<u>\$ (143)</u>	<u>(0.8%)</u>	<u>\$ 38,842</u>	<u>\$ 33,754</u>	<u>\$ 5,088</u>	<u>15.1%</u>
Diluted FAD per common share/OP unit	<u>\$ 0.59</u>	<u>\$ 0.59</u>	<u>\$ -</u>	<u>0.0%</u>	<u>\$ 1.34</u>	<u>\$ 1.15</u>	<u>\$ 0.19</u>	<u>16.5%</u>
<u>Cash available for debt repayments and reinvestments:</u>								
FAD	\$ 17,092	\$ 17,235	\$ (143)	(0.8%)	\$ 38,842	\$ 33,754	\$ 5,088	15.1%
Distributions to common shareholders	(6,172)	(6,342)	(170)	(2.7%)	(12,361)	(12,691)	(330)	(2.6%)
Distributions to common OP unit holders	(2,118)	(2,118)	-	0.0%	(4,237)	(4,237)	-	0.0%
Cash available for debt repayments and reinvestments	<u>\$ 8,802</u>	<u>\$ 8,775</u>	<u>\$ 27</u>	<u>0.3%</u>	<u>\$ 22,244</u>	<u>\$ 16,826</u>	<u>\$ 5,417</u>	<u>32.2%</u>
FAD payout ratio	<u>48.5%</u>	<u>49.1%</u>	<u>(0.6%)</u>	<u>(1.2%)</u>	<u>42.7%</u>	<u>50.2%</u>	<u>(7.5%)</u>	<u>(14.9%)</u>

Reported Diluted FFO Per Common Share/OP Unit



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

	06/30/06	12/31/05	Increase (Decrease)	% Change
<u>ASSETS</u>				
Cash and cash equivalents	\$ 114,376	\$ 200,447	\$ (86,071)	(a) (42.9%)
Real estate facilities, at cost:				
Land	417,093	382,804	34,289	9.0%
Buildings and equipment	1,298,670	1,189,501	109,169	9.2%
	<u>1,715,763</u>	<u>1,572,305</u>	<u>143,458</u>	(b) 9.1%
Accumulated depreciation	(396,738)	(355,202)	41,536	11.7%
	<u>1,319,025</u>	<u>1,217,103</u>	<u>101,922</u>	8.4%
Properties held for disposition, net	792	6,158	(5,366)	(c) (87.1%)
Land held for development	9,019	9,011	8	0.1%
	<u>1,328,836</u>	<u>1,232,272</u>	<u>96,564</u>	7.8%
Rent receivable	1,649	2,678	(1,029)	(d) (38.4%)
Deferred rent receivables	20,270	18,650	1,620	8.7%
Other assets	10,839	9,631	1,208	(e) 12.5%
Total assets	<u>\$ 1,475,970</u>	<u>\$ 1,463,678</u>	<u>\$ 12,292</u>	<u>0.8%</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Accrued and other liabilities	\$ 43,634	\$ 39,126	\$ 4,508	(f) 11.5%
Mortgage notes payable	<u>43,497</u>	<u>25,893</u>	<u>17,604</u>	<u>68.0%</u>
Total liabilities	87,131	65,019	22,112	34.0%
Minority interests:				
Preferred units	135,750	135,750	-	0.0%
Common units	166,247	169,451	(3,204)	(1.9%)
Shareholders' equity:				
Preferred stock	602,500	593,350	9,150	1.5%
Common stock	213	215	(2)	(0.9%)
Paid-in capital	394,521	407,380	(12,859)	(g) (3.2%)
Cumulative net income	451,791	418,823	32,968	7.9%
Cumulative distributions	(362,183)	(326,310)	35,873	(h) 11.0%
Total shareholders' equity	<u>1,086,842</u>	<u>1,093,458</u>	<u>(6,616)</u>	<u>(0.6%)</u>
Total liabilities and shareholders' equity	<u>\$ 1,475,970</u>	<u>\$ 1,463,678</u>	<u>\$ 12,292</u>	<u>0.8%</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			83,784
Net cash used in investing activities			(117,131)
Net cash used in financing activities			(52,724)
Ending cash balance			<u>\$ 114,376</u>
(b) Change in real estate facilities, at cost:			
Beginning balance			\$ 1,572,305
Property acquisitions			126,709
Property renovations			2,016
Maintenance capital expenditures			2,863
Tenant improvements			9,082
Lease commissions			2,788
Ending balance			<u>\$ 1,715,763</u>
(c) Change in properties held for disposition, net:			
Beginning balance			\$ 6,158
Disposition of real estate			(5,339)
Capital expenditures and depreciation			(27)
Ending balance			<u>\$ 792</u>
(d) Rent receivable consists of the following:			
	<u>06/30/06</u>	<u>12/31/05</u>	<u>Change</u>
U.S. Government tenants	\$ 1,094	\$ 1,479	\$ (385)
Other	855	1,499	(644)
Allowance for bad debt	(300)	(300)	-
	<u>\$ 1,649</u>	<u>\$ 2,678</u>	<u>\$ (1,029)</u>
(e) Change in other assets:			
	<u>06/30/06</u>	<u>12/31/05</u>	<u>Change</u>
Insurance claim receivable	\$ 1,175	\$ 1,619	\$ (444)
Prepaid insurance	2,619	845	1,774
Lease incentives, net	2,334	2,422	(88)
Mortgage impounds	1,011	407	604
In place rent adjustment, net	776	456	320
Other	2,924	3,882	(958)
	<u>\$ 10,839</u>	<u>\$ 9,631</u>	<u>\$ 1,208</u>
(f) Accrued and other liabilities consists of:			
	<u>06/30/06</u>	<u>12/31/05</u>	<u>Change</u>
Prepaid rent	\$ 7,251	\$ 6,272	\$ 979
Accrued property taxes	6,815	5,095	1,720
Security deposits	17,111	15,964	1,147
Reserves for acquisition costs	3,801	3,820	(19)
Other	8,656	7,975	681
	<u>\$ 43,634</u>	<u>\$ 39,126</u>	<u>\$ 4,508</u>
(g) Change in paid-in capital:			
Beginning paid-in capital			\$ 407,380
Repurchase of common stock			(16,114)
Redemption of preferred stock			1,658
Issuance of preferred stock			(2,285)
Exercise of stock options			646
Stock option amortization			293
Restricted stock amortization			750
Change in minority interest, common			2,193
Ending paid in capital			<u>\$ 394,521</u>
(h) Change in cumulative distributions:			
Beginning cumulative distributions			\$ 326,310
Distributions to preferred shareholders			23,511
Distributions to common shareholders			12,362
Ending cumulative distributions			<u>\$ 362,183</u>

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

	06/30/06	06/30/05	Increase (Decrease)	% Change
Revenues:				
Rental income	\$ 59,159	\$ 55,389	\$ 3,770 (a)	6.8%
Facility management fees	146	144	2	1.4%
Total operating revenues	<u>59,305</u>	<u>55,533</u>	<u>3,772</u>	<u>6.8%</u>
Expenses:				
Cost of operations	18,195	16,623	1,572 (b)	9.5%
Depreciation and amortization	20,950	18,486	2,464	13.3%
General and administrative	1,872	1,326	546 (c)	41.2%
Total operating expenses	<u>41,017</u>	<u>36,435</u>	<u>4,582</u>	<u>12.6%</u>
Other income and expenses:				
Interest and other income	1,573	982	591 (d)	60.2%
Interest expense	(517)	(280)	237 (e)	84.6%
Total other income and expenses	<u>1,056</u>	<u>702</u>	<u>354</u>	<u>50.4%</u>
Income from continuing operations before minority interests	<u>19,344</u>	<u>19,800</u>	<u>(456)</u>	<u>(2.3%)</u>
Minority interests in continuing operations:				
Minority interest in income - preferred units				
Distributions paid to preferred unit holders	(2,781)	(2,691)	90	3.3%
Redemption of preferred operating partnership units	-	(301)	(301)	(100.0%)
Minority interest in income - common units	<u>(1,097)</u>	<u>(1,517)</u>	<u>(420)</u>	<u>(27.7%)</u>
Total minority interests in continuing operations	<u>(3,878)</u>	<u>(4,509)</u>	<u>(631)</u>	<u>(14.0%)</u>
Income from continuing operations	<u>15,466</u>	<u>15,291</u>	<u>175</u>	<u>1.1%</u>
Discontinued operations:				
(Loss) income from discontinued operations	(28)	602	(630) (f)	(104.7%)
Gain on disposition of real estate	1,617	1,016	601	59.2%
Minority interest in earnings attributable to discontinued operations - common units	<u>(404)</u>	<u>(404)</u>	<u>-</u>	<u>0.0%</u>
Income from discontinued operations	<u>1,185</u>	<u>1,214</u>	<u>(29)</u>	<u>(2.4%)</u>
Net Income	<u>16,651</u>	<u>16,505</u>	<u>146</u>	<u>0.9%</u>
Net Income allocable to preferred shareholders				
Preferred distributions paid	10,598	10,733	(135) (f)	(1.3%)
Redemption of preferred stock	1,658	-	1,658	100.0%
Total preferred distributions	<u>12,256</u>	<u>10,733</u>	<u>1,523</u>	<u>14.2%</u>
Net Income allocable to common shareholders	<u>\$ 4,395</u>	<u>\$ 5,772</u>	<u>\$ (1,377)</u>	<u>(23.9%)</u>
Net income per common share - basic:				
Continuing operations	\$ 0.15	\$ 0.21	\$ (0.06)	(28.6%)
Discontinued operations	\$ 0.06	\$ 0.06	\$ 0.00	0.0%
Net Income	\$ 0.21	\$ 0.26	\$ (0.05)	(19.2%)
Net income per common share - diluted				
Continuing operations	\$ 0.15	\$ 0.21	\$ (0.06)	(28.6%)
Discontinued operations	\$ 0.05	\$ 0.06	\$ (0.01)	(16.7%)
Net Income	\$ 0.20	\$ 0.26	\$ (0.06)	(23.1%)
Weighted average common shares outstanding:				
Basic	<u>21,311</u>	<u>21,893</u>	<u>(582) (g)</u>	<u>(2.7%)</u>
Diluted	<u>21,585</u>	<u>22,029</u>	<u>(444)</u>	<u>(2.0%)</u>

PS BUSINESS PARKS, INC.
CONSOLIDATED STATEMENT OF INCOME
VARIANCE EXPLANATIONS
FOR THE THREE MONTHS ENDED JUNE 30, 2006
(in thousands)

	June 30,		
	2006	2005	Change
(a) Rental income for the three months ended:			
Same Park	\$ 55,010	\$ 54,320	\$ 690
Acquisitions	3,118	-	3,118
Straight-line rent	1,031	1,069	(38)
	<u>\$ 59,159</u>	<u>\$ 55,389</u>	<u>\$ 3,770</u>
(b) Cost of operations for the three months ended:			
Same Park	\$ 17,134	\$ 16,623	\$ 511
Acquisitions	1,061	-	1,061
	<u>\$ 18,195</u>	<u>\$ 16,623</u>	<u>\$ 1,572</u>
(c) General and administrative expenses for the three months ended:			
Compensation expense	\$ 726	\$ 735	\$ (9)
Long term stock compensation expense	587	134	453
Professional fees	212	176	36
Other	347	281	66
	<u>\$ 1,872</u>	<u>\$ 1,326</u>	<u>\$ 546</u>
(d) Interest and other income for the three months ended:			
Business services	\$ 21	\$ 37	\$ (16)
Interest income	1,552	945	607
	<u>\$ 1,573</u>	<u>\$ 982</u>	<u>\$ 591</u>
(e) Interest expense for the three months ended:			
Mortgage notes payable	\$ 428	\$ 217	\$ 211
Facilities fees & other charges	89	63	26
	<u>\$ 517</u>	<u>\$ 280</u>	<u>\$ 237</u>
(f) Net operating (loss) income from discontinued operations for the three months ended:			
Rental revenue	\$ -	\$ 1,767	\$ (1,767)
Operating expenses	(28)	(566)	538
Depreciation expense	-	(599)	599
	<u>\$ (28)</u>	<u>\$ 602</u>	<u>\$ (630)</u>
(g) 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 SIX MONTHS ENDED
(in thousands, except per share amounts)

	06/30/06	06/30/05	Increase (Decrease)	% Change
Revenues:				
Rental income	\$ 117,913	\$ 109,152	\$ 8,761 (a)	8.0%
Facility management fees	295	289	6	2.1%
Total operating revenues	<u>118,208</u>	<u>109,441</u>	<u>8,767</u>	<u>8.0%</u>
Expenses:				
Cost of operations	36,141	32,493	3,648 (b)	11.2%
Depreciation and amortization	41,536	36,912	4,624	12.5%
General and administrative	3,522	2,764	758 (c)	27.4%
Total operating expenses	<u>81,199</u>	<u>72,169</u>	<u>9,030</u>	<u>12.5%</u>
Other income and expenses:				
Interest and other income	3,573	1,380	2,193 (d)	158.9%
Interest expense	(1,030)	(562)	468 (e)	83.3%
Total other income and expenses	<u>2,543</u>	<u>818</u>	<u>1,725</u>	<u>210.9%</u>
Income from continuing operations before minority interests	<u>39,552</u>	<u>38,090</u>	<u>1,462</u>	<u>3.8%</u>
Minority interests in continuing operations:				
Minority interest in income - preferred units				
Distributions paid to preferred unit holders	(5,562)	(5,382)	180	3.3%
Redemption of preferred operating partnership units	-	(301)	(301)	(100.0%)
Minority interest in income - common units	(2,665)	(2,981)	(316)	(10.6%)
Total minority interests in continuing operations	<u>(8,227)</u>	<u>(8,664)</u>	<u>(437)</u>	<u>(5.0%)</u>
Income from continuing operations	<u>31,325</u>	<u>29,426</u>	<u>1,899</u>	<u>6.5%</u>
Discontinued operations:				
(Loss) income from discontinued operations	(125)	1,636	(1,761) (f)	(107.6%)
Gain on disposition of real estate	2,328	3,930	(1,602)	(40.8%)
Minority interest in earnings attributable to discontinued operations - common units	(560)	(1,394)	(834)	(59.8%)
Income from discontinued operations	<u>1,643</u>	<u>4,172</u>	<u>(2,529)</u>	<u>(60.6%)</u>
Net Income	<u>32,968</u>	<u>33,598</u>	<u>(630)</u>	<u>(1.9%)</u>
Net Income allocable to preferred shareholders				
Preferred distributions paid	21,853	20,502	1,351	6.6%
Redemption of preferred stock	1,658	-	1,658	100.0%
Total preferred distributions	<u>23,511</u>	<u>20,502</u>	<u>3,009</u>	<u>14.7%</u>
Net Income allocable to common shareholders	<u>\$ 9,457</u>	<u>\$ 13,096</u>	<u>\$ (3,639)</u>	<u>(27.8%)</u>
Net income per common share - basic:				
Continuing operations	\$ 0.37	\$ 0.41	\$ (0.04)	(9.8%)
Discontinued operations	\$ 0.08	\$ 0.19	\$ (0.11)	(57.9%)
	\$ 0.44	\$ 0.60	\$ (0.16)	(26.7%)
Net income per common share - diluted				
Continuing operations	\$ 0.36	\$ 0.41	\$ (0.05)	(12.2%)
Discontinued operations	\$ 0.08	\$ 0.19	\$ (0.11)	(57.9%)
	\$ 0.44	\$ 0.59	\$ (0.15)	(25.4%)
Weighted average common shares outstanding:				
Basic	<u>21,373</u>	<u>21,872</u>	<u>(499) (g)</u>	<u>(2.3%)</u>
Diluted	<u>21,648</u>	<u>22,015</u>	<u>(367)</u>	<u>(1.7%)</u>

PS BUSINESS PARKS, INC.
CONSOLIDATED STATEMENT OF INCOME
VARIANCE EXPLANATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2006
(in thousands)

	June 30,		
	2006	2005	Change
(a) Rental income for the six months ended:			
Same Park	\$ 111,366	\$ 106,895	\$ 4,471
Acquisitions	4,927	-	4,927
Straight-line rent	1,620	2,257	(637)
	<u>\$ 117,913</u>	<u>\$ 109,152</u>	<u>\$ 8,761</u>

	June 30,		
	2006	2005	Change
(b) Cost of operations for the six months ended:			
Same Park	\$ 34,573	\$ 32,493	\$ 2,080
Acquisitions	1,568	-	1,568
	<u>\$ 36,141</u>	<u>\$ 32,493</u>	<u>\$ 3,648</u>

	June 30,		
	2006	2005	Change
(c) General and administrative expenses for the six months ended:			
Compensation expense	\$ 1,500	\$ 1,580	\$ (80)
Long term stock compensation expense	996	253	743
Professional fees	391	347	44
Other	635	584	51
	<u>\$ 3,522</u>	<u>\$ 2,764</u>	<u>\$ 758</u>

	June 30,		
	2006	2005	Change
(d) Interest and other income for the six months ended:			
Business services	\$ 45	\$ 95	\$ (50)
Interest income	3,528	1,285	2,243
	<u>\$ 3,573</u>	<u>\$ 1,380</u>	<u>\$ 2,193</u>

	June 30,		
	2006	2005	Change
(e) Interest expense for the six months ended:			
Mortgage notes payable	\$ 852	\$ 436	\$ 416
Facilities fees & other charges	178	126	52
	<u>\$ 1,030</u>	<u>\$ 562</u>	<u>\$ 468</u>

	June 30,		
	2006	2005	Change
(f) Net operating (loss) income from discontinued operations for the six months ended:			
Rental revenue	\$ -	\$ 3,997	\$ (3,997)
Operating expenses	(98)	(1,173)	1,075
Depreciation expense	(27)	(1,188)	1,161
	<u>\$ (125)</u>	<u>\$ 1,636</u>	<u>\$ (1,761)</u>

(g) Net decrease relates to stock repurchases partially offset by stock option exercises and vesting of restricted stock units.

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

	As of June 30, 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	\$ 5,155			\$ 5,302		
7.290% mortgage note, due February 2009	5,569			5,645		
5.730% mortgage note, due March 2013	14,834			14,946		
6.150% mortgage note, due November 2031 (includes unamortized premium of \$1.1 million on \$16.8 million mortgage note with stated rate of 7.200%)	17,939			-		
Total mortgage notes payable (1)	43,497	1.8%	6.39%	25,893	1.2%	6.57%
Short-Term Debt:						
\$100 million unsecured line of credit	-			-		
Total short-term debt	-	-	-	-	-	-
Total debt	43,497	1.8%	6.39%	25,893	1.2%	6.57%
Preferred Equity						
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 depository shares 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 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 (3,000,000 depository shares outstanding) callable 6/16/11	75,000			-		
9.500% Series D preferred stock (2,634,000 depository shares outstanding) called 5/10/06	-			65,850		
Total preferred equity	738,250	29.9%	7.51%	729,100	33.5%	7.70%
Total debt and preferred equity	781,747	31.7%	7.44%	754,993	34.7%	7.66%
Common stock (21,283,274 and 21,560,593 shares outstanding as of June 30, 2006 and December 31, 2005 respectively)	\$ 1,255,713			\$ 1,060,781		
Common operating partnership units (7,305,355 units outstanding as of June 30, 2006 and December 31, 2005)	431,016			359,423		
Total common equity (2)	1,686,729	68.3%		1,420,204	65.3%	
Total market capitalization	\$ 2,468,476	100%		\$ 2,175,197	100%	

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

	Principal Maturity Dates						
	2006	2007	2008	2009	2010	Thereafter	Total
Park East I & II	\$153	\$5,002	-	-	-	-	\$5,155
Park East III	79	167	\$179	\$5,144	-	-	5,569
Rose Canyon	91	233	244	261	\$277	\$13,728	14,834
Meadows	104	223	237	258	278	15,741	16,841
Meadows Loan Premium	77	188	198	208	218	209	1,098
	\$ 504	\$ 5,813	\$ 858	\$ 5,871	\$ 773	\$ 29,678	\$ 43,497

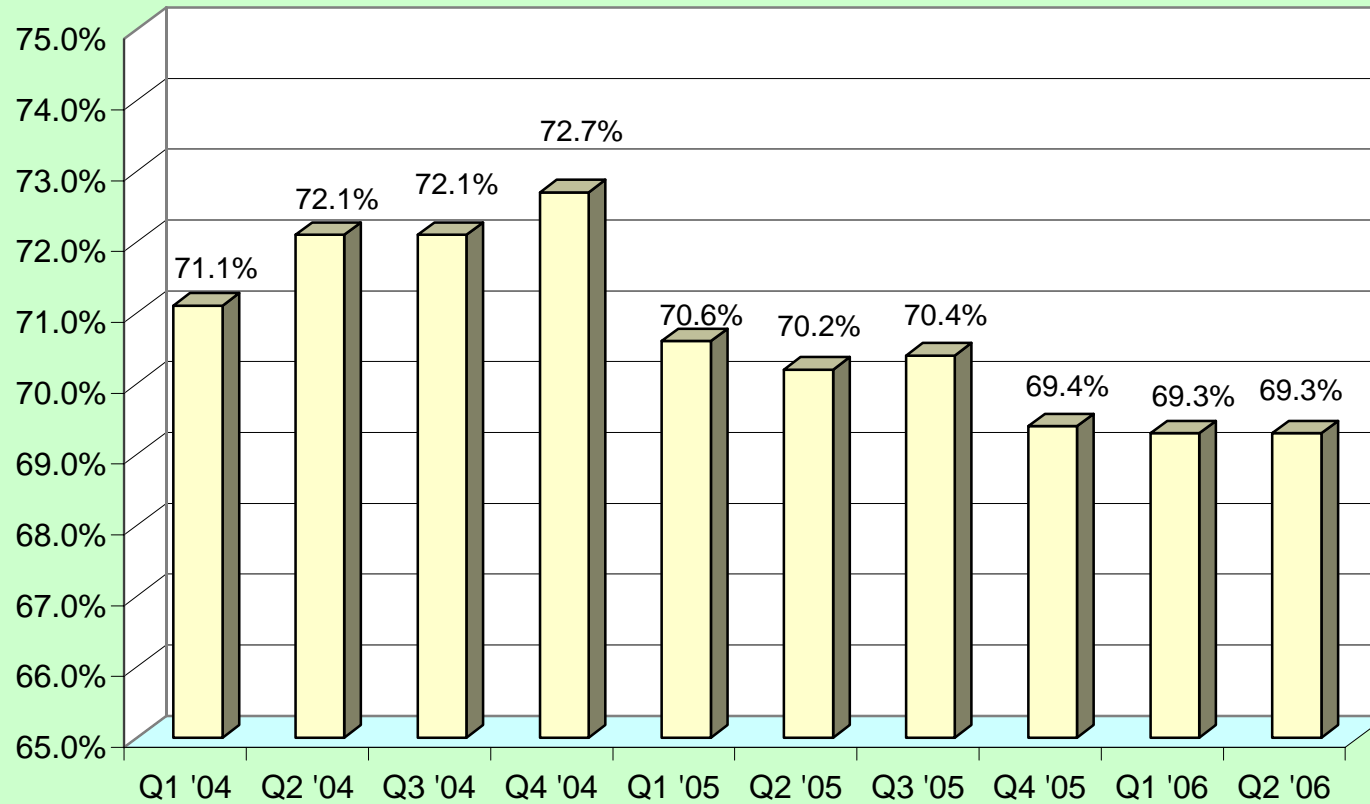
(2) Closing stock price was \$59.00 and \$49.20 as of June 30, 2006 and December 31, 2005, respectively.

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

<u>Recurring capital expenditures (1)</u>	<u>Six Months Ended June 30, 2006 Costs</u>	<u>Cost per Weighted Average Square Foot</u>
Maintenance capital expenditures (2)	\$2,863	\$0.16
Tenant improvements	9,082	\$0.51
Leasing commissions	2,788	\$0.16
Total recurring capital expenditures	<u>\$14,733</u>	<u>\$0.83</u>
<u>Non-recurring capital expenditures</u>		
Property renovations	\$2,024	
Total non-recurring capital expenditures	<u>\$2,024</u>	

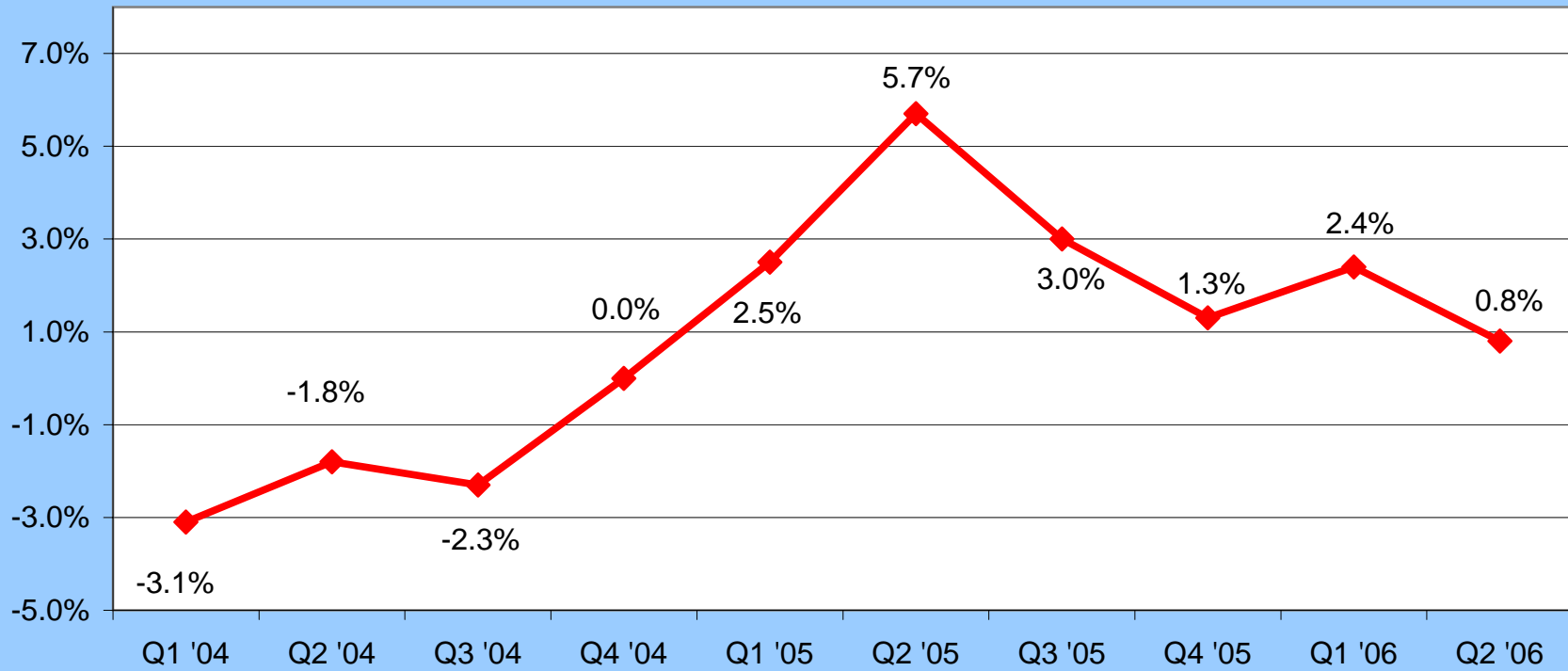
- (1) The company defines "recurring capital expenditures" as those capitalized costs necessary to continue to operate the property at its current economic value. Costs in excess of \$1,000 for tenant improvements and \$2,000 for maintenance capital expenditures with a useful life greater than 24 months 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 \$8.2 million or approximately \$0.46 per weighted average square foot for the six months ended June 30, 2006 compared to \$8.0 million or \$0.45 per weighted average square foot during the six months ended June 30, 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 *



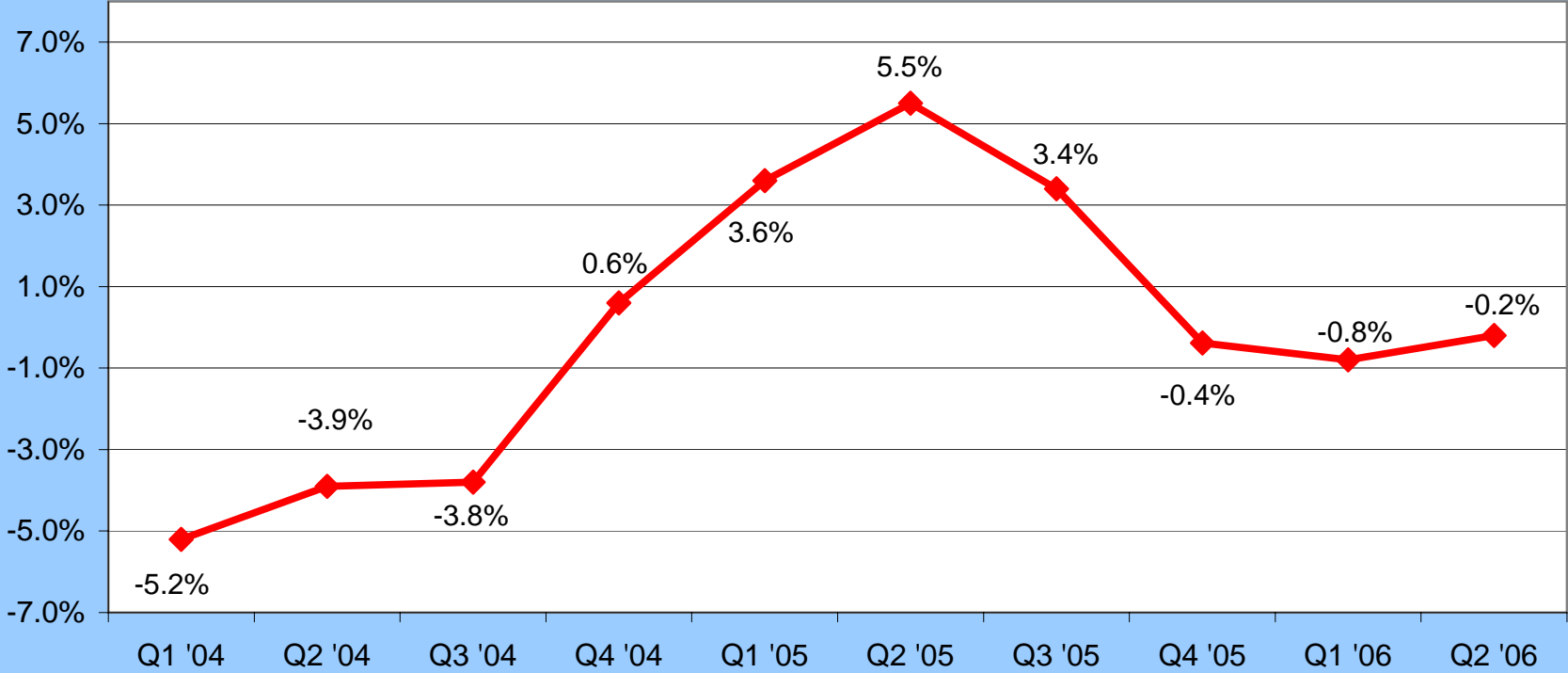
* Gross margin is computed by dividing property net operating income by rental income for Same Park properties owned in each period.

Change in Same Park Revenue *



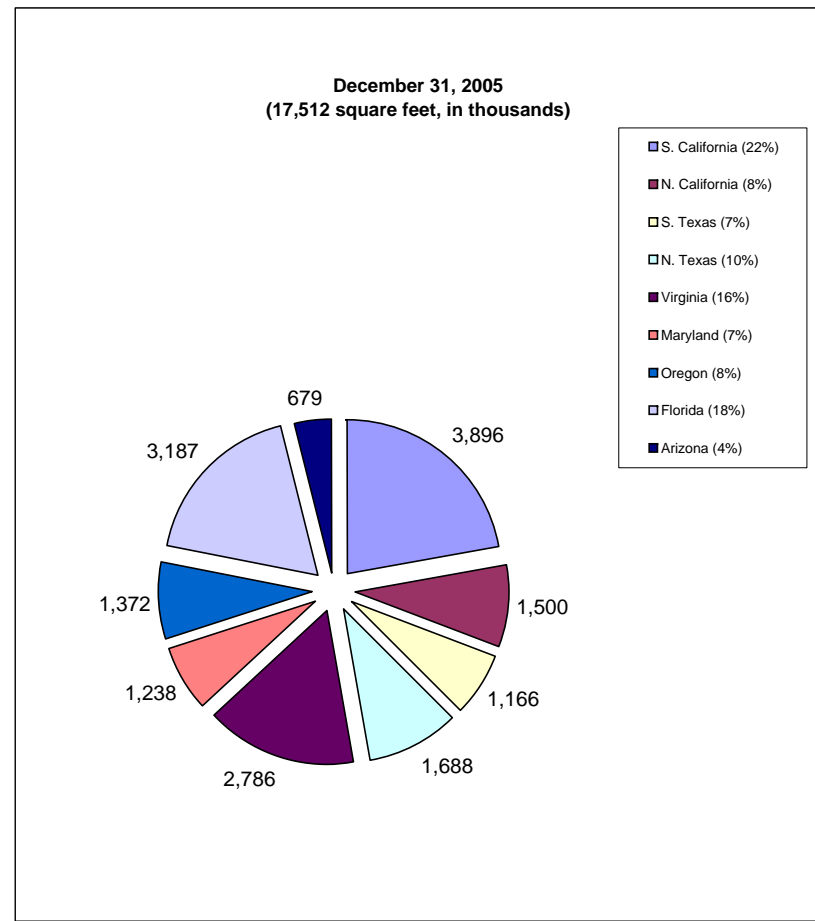
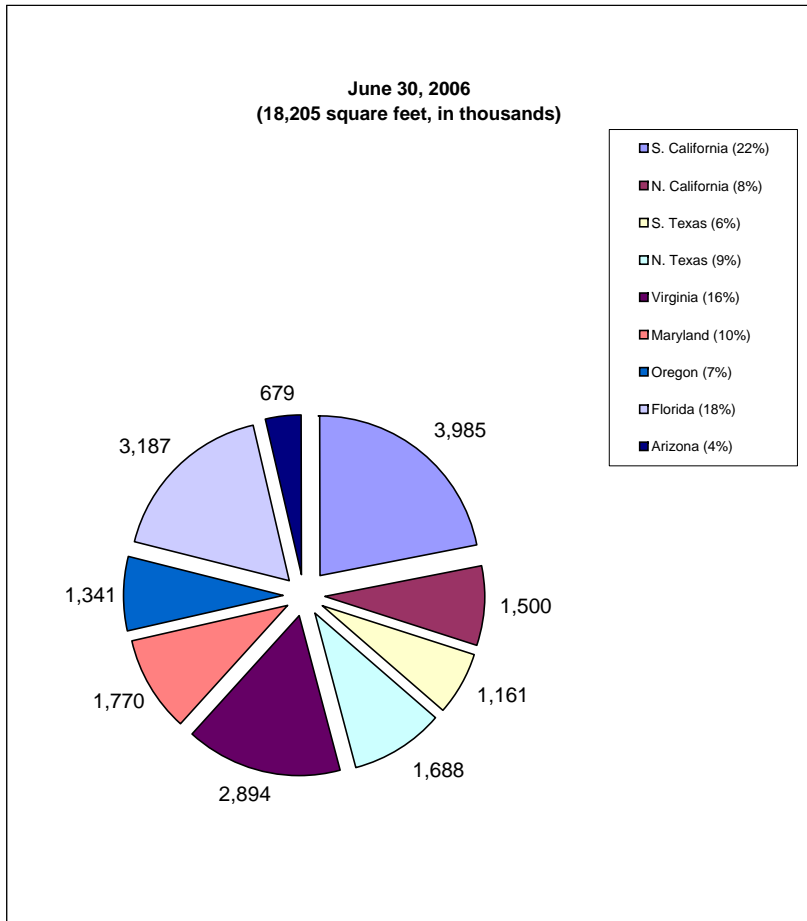
* Percentage represents the change over the comparative period in the previous year based on Same Park operating assets as reported in each period. Q1 '06 excludes a \$1.8 million bankruptcy settlement.

Change in Same Park NOI *



* Percentage represents the change over the comparative 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 June 30, 2006

	<u>% of Total Rental Income</u>
Business Services	11.5%
Government	11.2%
Financial Services	10.3%
Contractors	9.8%
Computer Hardware, Software and Related Service	9.5%
Warehouse, Transportation and Logistics	9.4%
Retail	5.9%
Communications	4.9%
Home Furnishings	4.1%
Electronics	3.3%
	<u>79.9%</u>

Top Ten Customers by Total Annual Rental Income as of June 30, 2006

<u>Tenant</u>	<u>Square Footage</u>	<u>Annualized Rental Income (1)</u>	<u>% of Total Annualized Rental Income</u>
U.S. Government	483	\$ 13,010	5.5%
Kaiser Permanente	194	4,066	1.7%
Santa Clara County	97	3,069	1.3%
Intel	214	2,990	1.3%
Axcellis Technologies	89	1,802	0.8%
Wells Fargo Bank	102	1,651	0.7%
AARP	102	1,510	0.6%
Northrop Grumman	58	1,498	0.6%
MCI	72	1,221	0.5%
Montgomery County Public Schools	48	1,154	0.5%
	<u>1,459</u>	<u>\$ 31,971</u>	<u>13.5%</u>

(1) For leases expiring within one year, annualized rental income represents income to be received under existing leases from June 30, 2006 through date of expiration.

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

Rentable Square Footage of Properties as of June 30, 2006					
Primary Markets	Industrial	Office	Flex	Total	%
Miami	2,556	12	619	3,187	17.5%
Northern Virginia	-	948	1,946	2,894	15.9%
Portland	-	187	1,154	1,341	7.4%
Dallas	231	-	1,457	1,688	9.3%
Orange County	-	704	911	1,615	8.9%
Los Angeles County	712	31	859	1,602	8.8%
Northern California	407	430	663	1,500	8.2%
Maryland	-	883	887	1,770	9.7%
Austin	-	-	787	787	4.3%
Phoenix	-	-	679	679	3.7%
San Diego County	-	-	768	768	4.2%
Houston	-	131	243	374	2.1%
	<u>3,906</u>	<u>3,326</u>	<u>10,973</u>	<u>18,205</u>	<u>100.0%</u>

Average Occupancy Rates by Product Type for the Three Months Ended June 30, 2006				
Primary Markets	Industrial	Office	Flex	Total
Miami	96.9%	100.0%	94.2%	96.4%
Northern Virginia	-	96.3%	94.3%	95.0%
Portland	-	85.9%	89.9%	89.4%
Dallas	100.0%	-	76.3%	79.5%
Orange County	-	92.0%	95.4%	93.9%
Los Angeles County	96.4%	99.9%	97.0%	96.8%
Northern California	96.2%	94.6%	95.7%	95.5%
Maryland	-	98.5%	97.8%	98.1%
Austin	-	-	87.9%	87.9%
Phoenix	-	-	93.9%	93.9%
San Diego County	-	-	96.8%	96.8%
Houston	-	97.7%	84.2%	88.9%
	<u>96.9%</u>	<u>95.1%</u>	<u>91.5%</u>	<u>93.3%</u>

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended June 30, 2006			
Primary Markets	Large Tenant	Small Tenant	Total
Miami	96.2%	97.6%	96.4%
Northern Virginia	93.4%	97.7%	95.0%
Portland	91.7%	78.9%	89.4%
Dallas	79.6%	79.3%	79.5%
Orange County	92.8%	94.9%	93.9%
Los Angeles County	96.4%	97.1%	96.8%
Northern California	97.1%	93.1%	95.5%
Maryland	98.3%	87.5%	98.1%
Austin	87.4%	89.2%	87.9%
Phoenix	-	93.9%	93.9%
San Diego County	-	96.8%	96.8%
Houston	-	88.9%	88.9%
	<u>93.1%</u>	<u>93.8%</u>	<u>93.3%</u>

Note:

Includes all properties reported in continuing operations as of June 30, 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 June 30, 2006

Primary Markets	Industrial	Office	Flex	Total	%
Miami	2,556	12	619	3,187	18.5%
Northern Virginia	-	948	1,839	2,787	16.1%
Portland	-	187	1,154	1,341	7.8%
Dallas	231	-	1,457	1,688	9.8%
Orange County	-	704	911	1,615	9.3%
Los Angeles County	712	31	770	1,513	8.8%
Northern California	407	430	663	1,500	8.7%
Maryland	-	718	521	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	3,161	10,178	17,245	100.0%

Average Occupancy Rates by Product Type for the Three Months Ended June 30, 2006

Primary Markets	Industrial	Office	Flex	Total
Miami	96.9%	100.0%	94.2%	96.4%
Northern Virginia	-	96.3%	94.4%	95.0%
Portland	-	85.9%	89.9%	89.4%
Dallas	100.0%	-	76.3%	79.5%
Orange County	-	92.0%	95.4%	93.9%
Los Angeles County	96.4%	99.9%	97.0%	96.8%
Northern California	96.2%	94.6%	95.7%	95.5%
Maryland	-	98.6%	98.5%	98.5%
Austin	-	-	87.9%	87.9%
Phoenix	-	-	93.9%	93.9%
San Diego County	-	-	97.1%	97.1%
Houston	-	97.7%	84.2%	88.9%
	96.9%	95.1%	91.2%	93.2%

Weighted Average Occupancy Rates by Portfolio Type for the Three Months Ended June 30, 2006

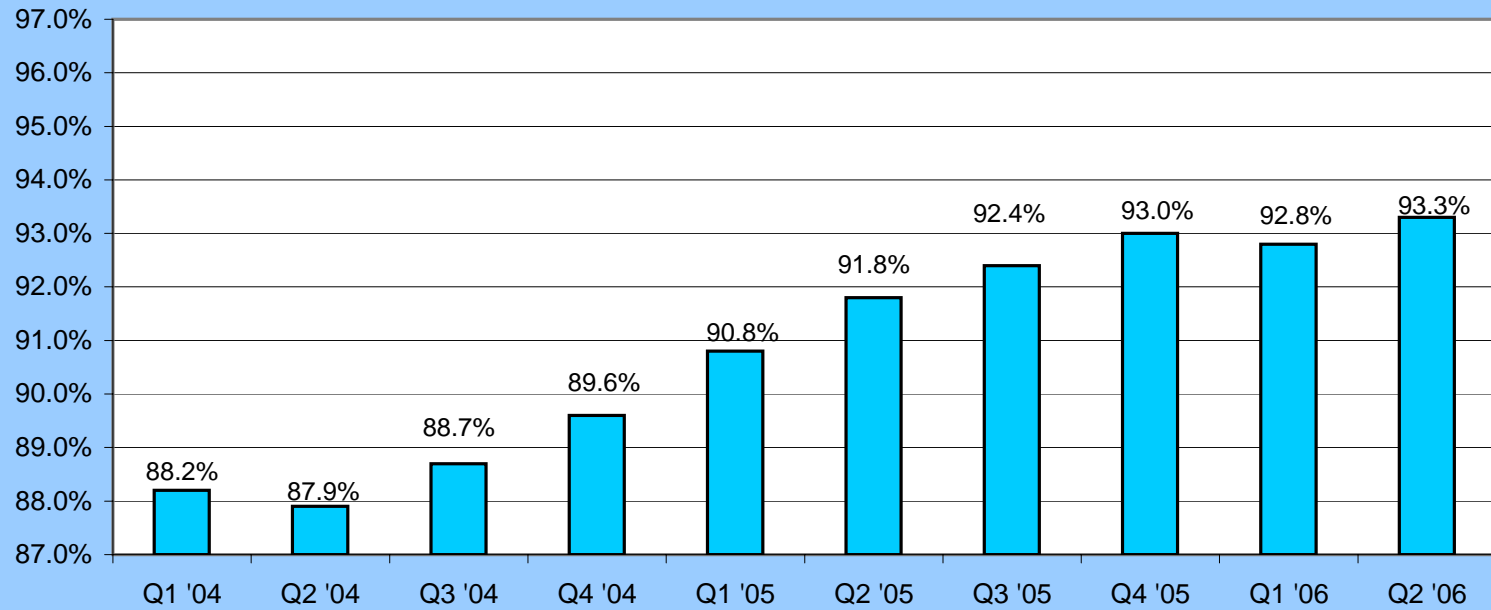
Primary Markets	Large Tenant	Small Tenant	Total
Miami	96.2%	97.6%	96.4%
Northern Virginia	93.5%	97.7%	95.0%
Portland	91.7%	78.9%	89.4%
Dallas	79.6%	79.3%	79.5%
Orange County	92.8%	94.9%	93.9%
Los Angeles County	96.4%	97.1%	96.8%
Northern California	97.1%	93.1%	95.5%
Maryland	98.8%	86.9%	98.5%
Austin	87.4%	89.2%	87.9%
Phoenix	-	93.9%	93.9%
San Diego County	-	97.1%	97.1%
Houston	-	88.9%	88.9%
	93.0%	93.7%	93.2%

Note:

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

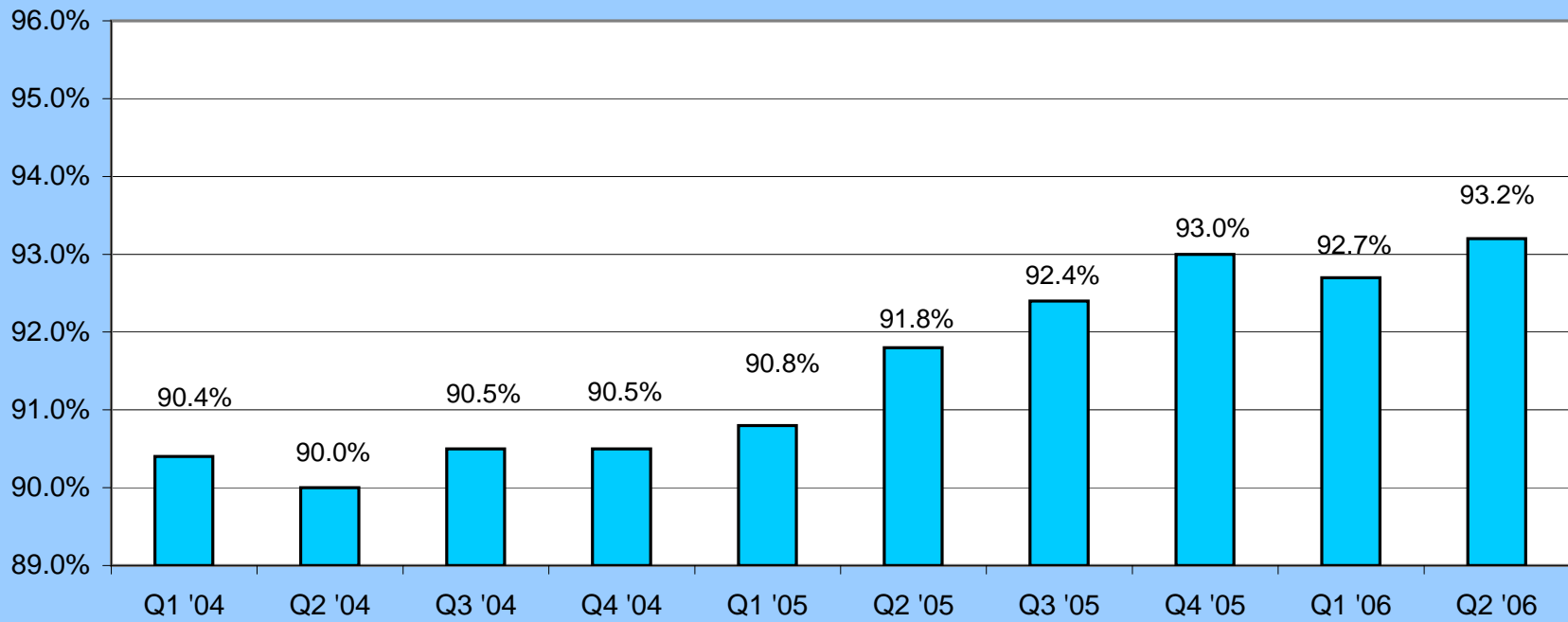
The Company's "large tenant" portfolio consists of properties with average leases greater than or equal to 5,000 square feet while the "small tenant" portfolio consists of properties with average leases less than 5,000 square feet.

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 June 30, 2006

(in thousands)

Lease Expirations - Flex				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2006	1,275	\$ 11,985	9.4%	5.4%
2007	2,425	29,131	22.9%	13.2%
2008	2,220	28,621	22.5%	12.9%
2009	1,329	15,882	12.5%	7.2%
2010	736	8,931	7.0%	4.1%
Thereafter	2,205	32,638	25.7%	14.7%
	<u>10,190</u>	<u>\$ 127,188</u>	<u>100.0%</u>	<u>57.5%</u>

Lease Expirations - Office				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2006	282	\$ 4,350	6.5%	2.0%
2007	445	9,045	13.4%	4.1%
2008	655	14,307	21.3%	6.5%
2009	440	8,711	12.9%	3.9%
2010	522	12,441	18.5%	5.6%
Thereafter	755	18,469	27.4%	8.4%
	<u>3,099</u>	<u>\$ 67,323</u>	<u>100.0%</u>	<u>30.5%</u>

Lease Expirations - Industrial				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2006	292	\$ 1,950	7.3%	0.9%
2007	711	4,927	18.6%	2.2%
2008	906	6,446	24.3%	2.9%
2009	770	5,003	18.8%	2.3%
2010	727	5,121	19.3%	2.3%
Thereafter	506	3,102	11.7%	1.4%
	<u>3,912</u>	<u>\$ 26,549</u>	<u>100.0%</u>	<u>12.0%</u>

Lease Expirations - Total				
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents
2006	1,849	\$ 18,285	8.3%	8.3%
2007	3,581	43,103	19.5%	19.5%
2008	3,781	49,374	22.3%	22.3%
2009	2,539	29,596	13.4%	13.4%
2010	1,985	26,493	12.0%	12.0%
Thereafter	3,466	54,209	24.5%	24.5%
	<u>17,201</u>	<u>\$ 221,060</u>	<u>100.0%</u>	<u>100.0%</u>

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of June 30, 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>
2006	684	\$ 7,568	13.4%	3.4%
2007	895	12,567	22.2%	5.7%
2008	881	13,241	23.4%	6.0%
2009	589	8,544	15.1%	3.9%
2010	452	6,429	11.3%	2.9%
Thereafter	401	8,266	14.6%	3.7%
	<u>3,902</u>	<u>\$ 56,615</u>	<u>100.0%</u>	<u>25.6%</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>
2006	130	\$ 1,015	5.8%	0.4%
2007	301	3,532	20.2%	1.6%
2008	397	6,566	37.5%	3.0%
2009	209	1,999	11.4%	0.9%
2010	126	978	5.6%	0.5%
Thereafter	306	3,425	19.5%	1.6%
	<u>1,469</u>	<u>\$ 17,515</u>	<u>100.0%</u>	<u>8.0%</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>
2006	111	\$ 799	8.7%	0.5%
2007	208	1,774	19.4%	0.8%
2008	265	2,179	23.9%	1.0%
2009	169	1,441	15.8%	0.7%
2010	59	524	5.7%	0.2%
Thereafter	226	2,420	26.5%	1.1%
	<u>1,038</u>	<u>\$ 9,137</u>	<u>100.0%</u>	<u>4.3%</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>
2006	113	\$ 636	5.5%	0.3%
2007	209	1,560	13.5%	0.7%
2008	122	964	8.3%	0.4%
2009	136	669	5.8%	0.3%
2010	144	897	7.7%	0.4%
Thereafter	665	6,866	59.2%	3.1%
	<u>1,389</u>	<u>\$ 11,592</u>	<u>100.0%</u>	<u>5.2%</u>

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of June 30, 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>
2006	270	\$ 2,178	8.9%	1.0%
2007	680	5,493	22.3%	2.5%
2008	841	6,388	25.9%	2.9%
2009	589	4,307	17.5%	1.9%
2010	544	4,100	16.6%	1.9%
Thereafter	247	2,162	8.8%	1.0%
	<u>3,171</u>	<u>\$ 24,628</u>	<u>100.0%</u>	<u>11.2%</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>
2006	237	\$ 3,265	7.1%	1.5%
2007	391	5,506	12.0%	2.5%
2008	653	11,483	24.9%	5.2%
2009	433	6,849	14.9%	3.1%
2010	313	5,745	12.5%	2.6%
Thereafter	701	13,187	28.6%	6.0%
	<u>2,728</u>	<u>\$ 46,035</u>	<u>100.0%</u>	<u>20.9%</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>
2006	123	\$ 1,381	4.3%	0.6%
2007	286	5,637	17.8%	2.5%
2008	201	4,038	12.7%	1.8%
2009	183	2,646	8.3%	1.2%
2010	235	5,828	18.4%	2.6%
Thereafter	581	12,209	38.5%	5.5%
	<u>1,609</u>	<u>\$ 31,739</u>	<u>100.0%</u>	<u>14.2%</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>
2006	51	\$ 454	2.6%	0.2%
2007	353	4,474	25.8%	2.0%
2008	307	3,373	19.4%	1.5%
2009	128	2,068	11.9%	0.9%
2010	77	1,575	9.1%	0.7%
Thereafter	322	5,411	31.2%	2.4%
	<u>1,238</u>	<u>\$ 17,355</u>	<u>100.0%</u>	<u>7.7%</u>

PS BUSINESS PARKS, INC.
Owned Portfolio Lease Expirations as of June 30, 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>
2006	130	\$ 989	15.3%	0.4%
2007	258	2,560	39.7%	1.2%
2008	114	1,142	17.7%	0.5%
2009	103	1,073	16.7%	0.5%
2010	35	417	6.5%	0.2%
Thereafter	17	263	4.1%	0.1%
	<u>657</u>	<u>\$ 6,444</u>	<u>100.0%</u>	<u>2.9%</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>
2006	1,849	\$ 18,285	8.3%	8.3%
2007	3,581	43,103	19.5%	19.5%
2008	3,781	49,374	22.3%	22.3%
2009	2,539	29,596	13.4%	13.4%
2010	1,985	26,493	12.0%	12.0%
Thereafter	3,466	54,209	24.5%	24.5%
	<u>17,201</u>	<u>\$ 221,060</u>	<u>100.0%</u>	<u>100.0%</u>

PS BUSINESS PARKS, INC.

Owned Portfolio Lease Expirations as of June 30, 2006

(in thousands)

Lease Expirations - Large Tenant Portfolio					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2006	745	\$ 6,886	5.0%	3.1%	
2007	1,867	20,599	15.1%	9.3%	
2008	2,368	28,876	21.1%	13.0%	
2009	1,683	16,550	12.1%	7.5%	
2010	1,566	19,631	14.4%	8.9%	
Thereafter	2,935	44,119	32.3%	19.9%	
Total	11,164	\$ 136,661	100.0%	61.7%	

Lease Expirations - Small Tenant Portfolio					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2006	1,104	\$ 11,399	13.5%	5.2%	
2007	1,714	22,504	26.7%	10.2%	
2008	1,413	20,498	24.3%	9.3%	
2009	856	13,046	15.5%	5.9%	
2010	419	6,862	8.1%	3.1%	
Thereafter	531	10,090	11.9%	4.6%	
Total	6,037	\$ 84,399	100.0%	38.3%	

Lease Expirations - Total					
Year of Lease Expiration	Leased Square Footage	Annual Rents	%	% of Company Annual rents	
2006	1,849	\$ 18,285	8.3%	8.3%	
2007	3,581	43,103	19.5%	19.5%	
2008	3,781	49,374	22.3%	22.3%	
2009	2,539	29,596	13.4%	13.4%	
2010	1,985	26,493	12.0%	12.0%	
Thereafter	3,466	54,209	24.5%	24.5%	
Total	17,201	\$ 221,060	100.0%	100.0%	