

PS BUSINESS PARKS INC/CA  
Form FWP  
January 10, 2012

Issuer Free Writing Prospectus  
Filed Pursuant to Rule 433  
Registration Statement No. 333-160104  
January 10, 2012

**PS BUSINESS PARKS, INC.**  
**8,000,000 DEPOSITARY SHARES**  
**EACH REPRESENTING 1/1000 OF A SHARE OF**  
**6.45% CUMULATIVE PREFERRED STOCK, SERIES S**

**Final Term Sheet**

|  |   |
|--|---|
| <b>Issuer:</b>                                   | PS Business Parks, Inc. (PSB)   |
| <b>Security:</b>                                 | Depositary Shares Each Representing 1/1000 of a Share of 6.45% Cumulative Preferred Stock, Series S   |
| <b>Size:</b>                                     | 8,000,000 depositary shares   |
| <b>Over-allotment Option:</b>                    | 1,200,000 depositary shares at \$25.00 per depositary share   |
| <b>Type of Security:</b>                         | SEC Registered Registration Statement No. 333-160104  |
| <b>Public Offering Price:</b>                    | \$25.00 per depositary share; \$200,000,000 total (not including over-allotment option)   |
| <b>Underwriting Discounts:</b>                   | \$0.7875 per share for Retail Orders; \$5,279,400 total; and \$0.50 per share for Institutional Orders; \$648,000 total   |
| <b>Proceeds to the Company, before expenses:</b> | \$194,072,600 total   |
| <b>Estimated Company Expenses:</b>               | \$330,000, other than the underwriting discount   |
| <b>Use of Proceeds:</b>                          | We expect to use a portion of the net proceeds to redeem depositary shares representing interests in our 7.375% Cumulative Preferred Shares, Series O at \$25.00 per share, for a total redemption price of approximately \$84.6 million, plus the accrued and unpaid dividends. We also expect to use the net proceeds from this offering for general corporate purposes, which may include the repayment of outstanding indebtedness, the redemption of other |

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preferred securities and the acquisition of commercial properties.

**Joint Book-Running Managers:**

Incorporated

Merrill Lynch, Pierce, Fenner & Smith

Morgan Stanley & Co. LLC

Wells Fargo Securities, LLC

**Co-Managers:**

J.P. Morgan Securities LLC

Credit Suisse Securities (USA) LLC

RBC Capital Markets, LLC

**Underwriting:**

|   | <b>Number of<br/>Firm Shares</b> |
|---|----------------------------------|
| Merrill Lynch, Pierce, Fenner & Smith   |                                  |
| Incorporated                            | 2,133,333                        |
| Morgan Stanley & Co. LLC                | 2,133,333                        |
| Wells Fargo Securities, LLC             | 2,133,334                        |
| Credit Suisse Securities (USA) LLC      | 400,000                          |
| J.P. Morgan Securities LLC              | 400,000                          |
| RBC Capital Markets, LLC                | 400,000                          |
| D.A. Davidson & Co.                     | 40,000                           |
| Davenport & Company LLC                 | 40,000                           |
| Janney Montgomery Scott LLC             | 40,000                           |
| JJB Hilliard, WL Lyons, LLC             | 40,000                           |
| Mesirow Financial, Inc.                 | 40,000                           |
| Morgan Keegan & Company, Inc.           | 40,000                           |
| Oppenheimer & Co. Inc.                  | 40,000                           |
| Robert W. Baird & Co. Incorporated      | 40,000                           |
| Stifel Nicolaus & Company, Incorporated | 40,000                           |
| Wedbush Securities Inc.                 | 40,000                           |

**Distribution Rights:**

6.45% of the liquidation preference per annum; Distributions begin on March 31, 2012

**Redemption:**

The depositary shares may not be redeemed until on or after January 18, 2017, except in order to preserve our status as a real estate investment trust.

**Settlement Date:**

January 18, 2012 (T+5)

**Selling Concession:**

\$0.50/depositary share for Retail Orders; \$0.30/depositary share for Institutional Orders

**Reallowance to other dealers:**

\$0.45/depositary share

**CUSIP Number:**

69360J719

**ISIN Number:**

US69360J7191

**Changes to the Risk Factors and Description of Preferred Stock and Depositary Shares sections in the Preliminary Prospectus Supplement:**

The following changes are made under the headings Risk Factors and Description of Preferred Stock and Depositary Shares in the Preliminary Prospectus Supplement:

**Risk Factors** Public Storage has significant influence over us.

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The first two sentences on page S-3 of the Preliminary Prospectus Supplement under the heading "Risk Factors - Public Storage has significant influence over us." are amended to read as follows:

At December 31, 2011, Public Storage ( "PS" ) and its affiliates owned 24.0% of the outstanding shares of the Company's common stock and 23.2% of the outstanding common units of the Operating Partnership (100% of the common units not owned by the Company). Assuming issuance of the Company's common stock upon redemption of its partnership units, PS would own 41.7% of the outstanding shares of the Company's common stock.

**Risk Factors** Since we buy and operate real estate, we are subject to general real estate investment and operating risks.

The second sentence of the last paragraph on page S-5 of the Preliminary Prospectus Supplement under the heading Risk Factors Since we buy and operate real estate, we are subject to general real estate investment and operating risks. is amended to read as follows:

During 2011, we acquired approximately 5.6 million square feet for an aggregate purchase price of approximately \$553.5 million.

**Description of Preferred Stock and Depositary Shares** General

The second sentence of the first paragraph on page S-10 of the Preliminary Prospectus Supplement under the heading Description of Preferred Stock and Depositary Shares General is amended to read as follows:

At January 6, 2012, we had outstanding 23,942 shares of preferred stock (represented by 23,941,826 depositary shares) and had reserved for issuance an additional 224 shares of preferred stock represented by 223,300 preferred operating partnership units.

**The Issuer has filed a registration statement (including a prospectus with the SEC) and prospectus supplement for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the prospectus supplement, and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus or prospectus supplement if you request it by calling Merrill Lynch, Pierce, Fenner & Smith Incorporated toll-free 1-800-294-1322, Morgan Stanley & Co. LLC toll-free 1-866-718-1649 or Wells Fargo Securities, LLC toll-free 1-800-326-5897.**

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