

For Immediate Release
January 16, 2007

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LIBERTY PROPERTY TRUST ANNOUNCES TAX TREATMENT OF 2006 DIVIDENDS

Malvern, PA – Liberty Property Trust (NYSE:LRY) announced today the final tax treatment (Form 1099) for its 2006 common dividend distributions. Shareholders are encouraged to consult with their personal tax advisors as to their specific tax treatment of Liberty Property Trust distributions. The table below summarizes the income tax treatment of the company's total distributions of \$2.4650 per common share (CUSIP No. 531172104):

Common share distributions:

Record Date	Payable Date	Cash Distribution Per Share	Ordinary Taxable Dividend	Long Term Capital Gain (15% Rate Gain)	Unrecaptured Section 1250 Gain (25% Rate Gain)	Return of Capital
1/1/2006	1/15/2006	\$0.615	\$0.4097	\$0.1721	\$0.0332	-
4/1/2006	4/15/2006	\$0.615	\$0.4097	\$0.1721	\$0.0332	-
7/1/2006	7/15/2006	\$0.615	\$0.4097	\$0.1721	\$0.0332	-
10/1/2006	10/15/2006	\$0.620	\$0.4130	\$0.1735	\$0.0335	-
Totals		\$2.465	\$1.6421	\$0.6898	\$0.1331	-

Classification of Dividends: The above table setting forth 2006 dividends includes four quarterly dividends, none of which are eligible for treatment as "qualified dividend income." The fourth quarter 2006 distribution made to holders of record as of January 1, 2007 for the common shares are considered 2007 distributions for federal income tax purposes.

Liberty Property Trust (NYSE:LRY) is a leader in commercial real estate, serving customers in the United States and United Kingdom, through the development, acquisition, ownership and management of superior office and industrial properties. Liberty's 65 million square foot portfolio includes more than 700 properties which provide office, distribution and light manufacturing facilities to 2,100 tenants.

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