



Boston Properties, Inc. Announces Fourth Quarter And Year End 1998 Results

January 26, 1999

BOSTON, MA, January 26, 1999 -- Boston Properties, Inc. (NYSE: BXP) today reported results for the fourth quarter and the year ended December 31, 1998.

Funds from Operations (FFO) for the quarter ended December 31, 1998 were approximately \$43.6 million, or \$0.69 per share basic and \$0.68 per share diluted, compared to FFO of approximately \$20.4 million, or \$0.53 per share basic and \$0.52 per share diluted for the quarter ended December 31, 1997. The weighted average number of basic and diluted shares outstanding totaled 63,527,666 and 68,432,476, respectively, for the quarter ended December 31, 1998 and 38,693,930 and 39,107,768, respectively, for the same quarter last year. FFO for the year ended December 31, 1998 were approximately \$153.0 million, or \$2.52 per share basic and \$2.50 per share diluted, compared to FFO on a pro forma basis of approximately \$76.5 million, or \$1.98 per share basic and \$1.96 per share diluted, for the year ended December 31, 1997.

Revenues were approximately \$170.0 million for the quarter and \$513.8 million for the year ended December 31, 1998, compared to revenues of approximately \$77.3 million and \$255.1 million (pro forma) for the same periods in 1997. Income before extraordinary items was approximately \$27.3 million for the quarter and \$98.6 million for the year ended December 31, 1998, compared to \$12.4 million and \$48.9 million (pro forma), respectively, for the same periods in 1997. Income before extraordinary items per share for the quarter was \$0.43 basic and diluted, compared to \$0.32 basic and diluted last year, and for the year ended December 31, 1998 was \$1.62 basic and diluted, compared to \$1.26 basic and \$1.25 diluted on a pro forma basis last year.

The reported results are unaudited and there can be no assurance that the results will not vary from the final audited information for the year ended December 31, 1998. In the opinion of management, all adjustments considered necessary for a fair presentation of these reported results have been made. Pro forma results are presented as if the Company's initial public offering of common stock and related formation transactions (which were completed on June 23, 1997) had occurred at the beginning of the relevant period.

As of December 31, 1998, the Company's portfolio consisted of 122 properties comprising more than 31.0 million square feet, including nine properties under development totaling approximately 2.0 million square feet. The overall occupancy rate for the properties in service as of December 31, 1998 was 98.4%.

Additional highlights of the fourth quarter, as previously announced, include:

- Closing of the first phase of Embarcadero Center, an approximately 3.7 million-square-foot mixed-use urban center located in San Francisco, California, on November 12, 1998 for approximately \$1.2 billion.
- Acquisition of Reservoir Place, a 529,992-square-foot Class A office building in Waltham, Massachusetts, on November 3, 1998 for approximately \$96.0 million.

Transactions announced since the quarter ended December 31, 1998 include:

- Signing of a binding agreement to acquire, between now and January 2001, the leasehold interest in the remaining two development sites in New York City's Times Square for a total purchase price of \$312.25 million. Prudential Insurance Company of America, the seller, will also retain the right to become a 33.33% equity participant in the development ventures by contributing, upon an election to participate, its proportionate share of the total project equity.

Boston Properties, Inc. is a fully integrated, self-administered and self-managed real estate investment trust that develops, redevelops, acquires, manages, operates and owns a diverse portfolio of office, industrial and hotel properties predominantly located in Greater Boston, Midtown Manhattan, Greater Washington, D.C., San Francisco, California, Princeton/East Brunswick, New Jersey, Richmond, Virginia and Baltimore, Maryland. The Company is one of the largest owners and developers of office properties in the United States.

To receive Boston Properties' latest news and corporate developments via fax at no cost, please call 1-800-PRO-INFO; use company code BXP. Visit the Company's web site at <http://www.bostonproperties.com>. Also see <http://www.frbinc.com>.

This press release contains forward-looking statements within the meaning of the Federal securities laws. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy. Acquisitions that are pursued by Boston Properties may not be consummated for a variety of reasons, including a failure of the Company or other parties to an agreement to fulfill all conditions to closing required by the Company or such parties. Information contained in this release regarding current and future market conditions is based on the Company's assessment of the market and is subject to the uncertainties inherent in such an assessment. In particular, national and regional economic conditions and the rate of new construction and rehabilitation in a market will affect projected rents and the cost of lease renewals.

AT THE COMPANY:

Edward H. Linde - President, CEO & Director
David G. Gaw - SVP & CFO
(617) 859-2600

AT THE FINANCIAL RELATIONS BOARD:

Marianne Stewart - General Info. (212) 661-8030
Claire Koeneman - Analyst (312) 266-7800

