



## **Boston Properties And Ernst & Young Announce 20-Year Lease For Times Square Property**

August 16, 1999

Site to be Ernst & Young's National Headquarters

NEW YORK, August 16, 1999 - Boston Properties, Inc. (NYSE: BXP), a leading real estate investment trust, and professional services giant Ernst & Young LLP announced today that Ernst & Young has signed a 20-year lease for a new 37-floor, 1 million-square foot national headquarters to be built by Boston Properties at the site of 5 Times Square, on the west side of Seventh Avenue between 41st and 42nd Streets in New York City. Boston Properties recently completed the acquisition of this site's leasehold interest and ground rent credits from The Prudential Insurance Company of America for a purchase price of \$152.5 million in cash. The site is part of the 42nd Street Development Project, a redevelopment project initiated by the State and City of New York. Boston Properties is also in the process of acquiring and pre-leasing Site 1 of the redevelopment project, directly across Seventh Avenue from the 5 Times Square site.

The building has been designed by the highly acclaimed architect Bill Pedersen of the firm Kohn, Pedersen, Fox of New York. The office tower features a dramatic angular shape, with a sloping fin on the Seventh Avenue side, with space for commercial signage and retail space at the base. Mr. Pedersen has designed several other world-renowned buildings, such as 33 Wacker Drive in Chicago, the IBM Headquarters in Montreal and Armonk, New York, and the world's tallest building, currently under construction in Shanghai, China. Occupancy is projected in the first half of 2002.

"Our new state-of-the-art location in the heart of Manhattan will fit the needs of our global professional services firm well into the 21st Century and be a productive place for our clients, existing employees and new employees as we continue to grow," said Philip A. Laskawy, chairman and CEO of Ernst & Young.

Ernst & Young's New York headquarters are currently located at 787 Seventh Avenue, where E&Y has been since 1989. The firm's worldwide organization has 85,000 people and revenues of \$10.9 billion. Ernst & Young plans to move most of its approximately 4,000 New York City employees from seven buildings it leases in the city into the new location. E&Y's Advanced Development Center, an environment for accelerated design and delivery for business solutions, will remain at 55 Broad Street.

Mortimer B. Zuckerman, Chairman of Boston Properties, stated, "This development affirms Boston Properties' commitment to New York City, and demonstrates our ability to undertake development of large complicated projects." Mr. Zuckerman added, "Times Square is perhaps the greatest example to date of urban renaissance through joint public and private efforts, making Times Square the most dynamic, convenient, and exciting place to be in New York City."

Both the State and City of New York commented on the transaction:

Charles Gargano, Chairman of the 42nd Street Development Project and its parent, Empire State Development Corporation, said, "We are very pleased to see our redevelopment of the heart of Times Square take another big step forward with the announcement of this lease with Ernst & Young. Thanks to Governor Pataki's vision and the private sector's confidence in New York, completion of the redevelopment of Times Square will soon be reality, years before anyone ever thought possible."

Mayor Rudolph W. Giuliani said, "The great news for New York City and Times Square continues. Today's announcement by Boston Properties and Ernst & Young reinforces their support and commitment to New York City. The new one million-square foot office tower at 5 Times Square will be a great addition to the renaissance already taking place in the New Times Square. What was once considered a symbol of urban blight now serves as a shining example of the successes that have reestablished Times Square as The Crossroads of the World."

Ernst & Young LLP ([www.ey.com](http://www.ey.com)) provides assurance and advisory business services, tax services and consulting for domestic and global clients. The firm has 30,000 people in 87 U.S. cities. Ernst & Young LLP is a member firm of Ernst & Young International ([www.eyi.com](http://www.eyi.com)), a global organization with member firms in 675 cities.

Boston Properties 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. The Company is one of the largest owners and developers of office properties in the United States, concentrated in the Northeast Corridor from Virginia to Greater Boston and in downtown San Francisco.

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. Developments that are commenced by Boston Properties may not be completed for various reasons and, if completed, may not produce a desired yield on invested capital. Acquisitions that are pursued by Boston Properties may not be consummated for a variety of reasons, including a failure to reach agreement with the selling party regarding the acquisition price or other terms of a contribution or acquisition agreement. Agreements that the Company enters into may be terminated for a variety of reasons, including a failure by the Company or the other party to fulfill all conditions required for consummation of the agreements.

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