# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 8-K

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): January 28, 2009**

# BOSTON PROPERTIES, INC.
**(Exact name of registrant as specified in charter)**

| **Delaware** | **1-13087** | **04-2473675** |
|---|---|---|
| **(State or Other Jurisdiction of Incorporation)** | **(Commission File Number)** | **(IRS Employer Identification No.)** |

**800 Boylston Street, Suite 1900, Boston, Massachusetts 02199**
**(Address of Principal Executive Offices) (Zip Code)**

**(617) 236-3300**
**(Registrant's telephone number, including area code)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition.**

The information in this Item 2.02—"Results of Operations and Financial Condition" is being furnished. Such information, including Exhibits 99.1 and 99.2 hereto, shall not be deemed "filed" for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. The information in this Item 2.02, including Exhibits 99.1 and 99.2, shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing.

On January 28, 2009, the Company issued a press release announcing its financial results for the fourth quarter of 2008. That press release referred to certain supplemental information that is available on the Company's website. The text of the supplemental information and the press release are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated by reference herein.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits.*

| Exhibit No. | Description |
|---|---|
| *99.1 | Boston Properties, Inc. Supplemental Operating and Financial Data for the quarter ended December 31, 2008. |
| *99.2 | Press release dated January 28, 2009. |

* Filed herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BOSTON PROPERTIES, INC.

Date: January 29, 2009

By: /s/ Michael E. LaBelle
Michael E. LaBelle
Senior Vice President, Chief Financial Officer

## EXHIBIT INDEX

| Exhibit No. | Description |
|---|---|
| *99.1 | Boston Properties, Inc. Supplemental Operating and Financial Data for the quarter ended December 31, 2008. |
| *99.2 | Press release dated January 28, 2009. |

* Filed herewith.

Exhibit 99.1

Boston Properties

***Supplemental Operating and Financial Data for the Quarter Ended December 31, 2008***

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This supplemental package contains forward-looking statements within the meaning of the Federal securities laws. You can identify these statements by our use of the words “assumes,” “believes,” “estimates,” “expects,” “guidance,” “intends,” “plans,” “projects,” and similar expressions that do not relate to historical matters. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond Boston Properties’ control and could materially affect actual results, performance or achievements. These factors include, without limitation, the ability to enter into new leases or renew leases on favorable terms, dependence on tenants’ financial condition, the uncertainties of real estate development, acquisition and disposition activity, the ability to effectively integrate acquisitions, the ability of our joint venture partners to satisfy their obligations, the costs and availability of financing, the effectiveness of our hedging programs, the effects of local economic and market conditions, the effects of acquisitions, dispositions and possible impairment charges on our operating results, the impact of newly adopted accounting principles on the Company’s accounting policies and on period-to-period comparisons of financial results, regulatory changes and other risks and uncertainties detailed from time to time in the Company’s filings with the Securities and Exchange Commission. Boston Properties does not undertake a duty to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

## The Company

Boston Properties, Inc. (the “Company”), a self-administered and self-managed real estate investment trust (REIT), is one of the largest owners, managers, and developers of first-class office properties in the United States, with a significant presence in five markets: Boston, Washington, D.C., Midtown Manhattan, San Francisco, and Princeton, N.J. The Company was founded in 1970 by Mortimer B. Zuckerman and Edward H. Linde in Boston, where it maintains its headquarters. Boston Properties became a public company in June 1997. The Company acquires, develops, and manages its properties through full-service regional offices. Its property portfolio is comprised primarily of first-class office space and also includes one hotel. Boston Properties is well-known for its in-house building management expertise and responsiveness to tenants’ needs. The Company holds a superior track record in developing premium Central Business District (CBD) office buildings, suburban office centers and build-to-suit projects for the U.S. government and a diverse array of creditworthy tenants.

## Management

Boston Properties’ senior management team is among the most respected and accomplished in the REIT industry. Our deep and talented team of thirty-three individuals average twenty-five years of real estate experience and fifteen years with Boston Properties. We believe that our size, management depth, financial strength, reputation, and relationships of key personnel provide a competitive advantage to realize growth through property development and acquisitions. Boston Properties benefits from the reputation and relationships of key personnel, including Mortimer B. Zuckerman, Chairman of our Board of Directors, Edward H. Linde, Chief Executive Officer, and Douglas T. Linde, our President. Each has a national reputation, which attracts business and investment opportunities. In addition, our two Executive Vice Presidents and other senior officers that serve as Regional Managers have strong reputations that aid us in identifying and closing on new opportunities, having opportunities brought to us, and negotiating with tenants and build-to-suit prospects. Boston Properties’ Board of Directors consists of ten distinquished members, the majority of which serve as Independent Directors.

## Strategy

Boston Properties’ primary business objective is to maximize return on investment in an effort to provide its stockholders with the greatest possible total return. To achieve this objective, the Company maintains a consistent strategy, which includes: concentrating on a few carefully selected markets—characterized by high barriers to the creation of new supply and strong real estate fundamentals—where tenants have demonstrated a preference for high-quality office buildings and other facilities; selectively acquiring assets which increase its penetration in these select markets; taking on complex, technically-challenging projects that leverage the skills of its management team to successfully develop, acquire, and reposition properties; exploring joint-venture opportunities with partners who seek to benefit from the Company’s depth of development and management expertise; pursuing the sale of properties (on a selective basis) to take advantage of its value creation and the demand for its premier properties; and continuing to enhance the Company’s balanced capital structure through its access to a variety of capital sources.

## Snapshot
**(as of December 31, 2008)**

| | |
|---|---|
| Corporate Headquarters | Boston, Massachusetts |
| Markets | Boston, Midtown Manhattan, Washington, D.C., San Francisco, and Princeton, N.J. |
| Fiscal Year-End | December 31 |
| Total Properties (includes unconsolidated joint ventures) | 147 |
| Total Square Feet (includes unconsolidated joint ventures) | 49.8 million |
| Common Shares and Units Outstanding (as converted, but excluding outperformance plan units) | 143.5 million |
| Dividend - Quarter/Annualized | $0.68/$2.72 |
| Dividend Yield | 4.95% |
| Total Combined Market Capitalization | $15.7 billion |
| Senior Debt Ratings | Baa2 (Moody’s); BBB (Fitch); A- (S&P) |

INVESTOR INFORMATION

## Board of Directors

Mortimer B. Zuckerman
Chairman of the Board

Edward H. Linde
Chief Executive Officer and Director

Lawrence S. Bacow
Director

Zoë Baird
Director, Chair of Nominating & Corporate Governance Committee

Carol B. Einiger
Director

Fredrick Iseman
Director

Alan J. Patricof
Director, Chair of Audit Committee

Richard E. Salomon
Director, Chair of Compensation Committee

Martin Turchin
Director

David A. Twardock
Director

## Management

Douglas T. Linde
President

E. Mitchell Norville
Executive Vice President, Chief Operating Officer

Raymond A. Ritchey
Executive Vice President, National Director of Acquisitions & Development

Michael E. LaBelle
Senior Vice President, Chief Financial Officer

Peter D. Johnston
Senior Vice President and Regional Manager of Washington, D.C.

Bryan J. Koop
Senior Vice President and Regional Manager of Boston

Mitchell S. Landis
Senior Vice President and Regional Manager of Princeton

Robert E. Pester
Senior Vice President and Regional Manager of San Francisco

Robert E. Selsam
Senior Vice President and Regional Manager of New York

Frank D. Burt
Senior Vice President, General Counsel

Michael Walsh
Senior Vice President, Finance

Arthur S. Flashman
Vice President, Controller

## Company Information

**Corporate Headquarters**
800 Boylston Street
Suite 1900
Boston, MA 02199
(t) 617.236.3300
(f) 617.236.3311

**Trading Symbol**
BXP

**Stock Exchange Listing**
New York Stock Exchange

**Investor Relations**
Boston Properties, Inc.
800 Boylston Street, Suite 1900
Boston, MA 02199
(t) 617.236.3322
(f) 617.236.3311
www.bostonproperties.com

**Inquires**
Inquiries should be directed to Michael Walsh, Senior Vice President, Finance at 617.236.3410 or mwalsh@bostonproperties.com

Arista Joyner, Investor Relations Manager at 617.236.3343 or ajoyner@bostonproperties.com

## Common Stock Data (NYSE: BXP)

*Boston Properties' common stock has the following characteristics (based on information reported by the New York Stock Exchange):*

| | Q4 2008 | Q3 2008 | Q2 2008 | Q1 2008 | Q4 2007 |
|---|---|---|---|---|---|
| *High Closing Price* | $ 89.30 | $ 104.35 | $ 105.04 | $ 98.39 | $ 113.60 |
| *Low Closing Price* | $ 43.28 | $ 87.00 | $ 90.07 | $ 82.10 | $ 88.71 |
| *Average Closing Price* | $ 60.92 | $ 96.41 | $ 97.79 | $ 89.38 | $ 100.95 |
| *Closing Price, at the end of the quarter* | $ 55.00 | $ 93.66 | $ 90.22 | $ 92.07 | $ 91.81 |
| *Dividends per share - annualized (1)* | $ 2.72 | $ 2.72 | $ 2.72 | $ 2.72 | $ 2.72 |
| *Closing dividend yield - annualized (1)* | 4.95% | 2.90% | 3.01% | 2.95% | 2.96% |
| *Closing common shares outstanding, plus common, preferred and LTIP units on an as-converted basis (but excluding outperformance plan units) (thousands) (2)* | 143,497 | 142,455 | 142,447 | 142,182 | 141,910 |
| *Closing market value of outstanding shares and units (thousands)* | $7,892,335 | $13,342,335 | $12,851,568 | $13,090,697 | $13,028,757 |

*(1) Excludes special dividend of $5.98 per share paid on January 30, 2008.*
*(2) For additional detail, see page 13.*

## Timing

Quarterly results for 2009 will be announced according to the following schedule:

| | | | |
|---|---|---|---|
| First Quarter | Late April 2009 | Third Quarter | Late October 2009 |
| Second Quarter | Late July 2009 | Fourth Quarter | Late January 2010 |

RESEARCH COVERAGE

**Equity Research Coverage**

Bridget Adams
Argus Research Company
646.747.5448

Steve Sakwa / Ian Weissman
Bank of America-Merrill Lynch
212.449.0335 / 212.449.6255

Ross Smotrich / Jeff Langbaum
Barclays Capital
212.526.2306 / 212.526.0971

Michael Bilerman / Irwin Guzman
Citigroup Global Markets
212.816.1383 / 212.816.1685

Steve Benyik
Credit Suisse
212.538.0239

Lou Taylor / Vin Chao
Deutsche Bank Securities
203.863.2381 / 212.250.8811

Wilkes Graham
Friedman, Billings, Ramsey
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Jay Habermann / Sloan Bohlen
Goldman Sachs & Company
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Michael Knott / Lukas Hartwich
Green Street Advisors
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Shelia McGrath / Bill Carrier
Keefe, Bruyette & Woods
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Jordan Sadler / Craig Mailman
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Nick Pirsos
Macquarie Research Equities
212.231.2457

Mark Biffert / Marisha Clinton
Oppenheimer & Company
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David Rogers / Mike Carroll
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John Guinee / Erin Aslakson
Stifel, Nicolaus & Company
443.224.1307 / 443.224.1350

James Feldman / Jonathon Petersen
UBS Investment Research
212.713.4932 / 212.713.4057

**Debt Research Coverage**

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Matthew Lynch
Credit Suisse Securities
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Mark Streeter
J.P. Morgan Securities
212.834.5086

Thierry Perrein / Jason Jones
Wachovia
704.715.8455 / 704.715.7932

**Rating Agencies:**

Janice Svec
Fitch Ratings
212.908.0304

Karen Nickerson
Moody's Investors Service
212.553.4924

James Fielding
Standard & Poor's
212.438.2452

*With the exception of Green Street Advisors, an independent research firm, the equity analysts listed above are those analysts that, according to First Call Corporation, have published research material on the Company and are listed as covering the Company. Please note that any opinions, estimates or forecasts regarding Boston Properties' performance made by the analysts listed above do not represent the opinions, estimates or forecasts of Boston Properties or its management. Boston Properties does not by its reference above imply its endorsement of or concurrence with any information, conclusions or recommendations made by any of such analysts.*

## *FINANCIAL HIGHLIGHTS*
*(unaudited and in thousands, except per share amounts)*

This section includes non-GAAP financial measures, which are accompanied by what we consider the most directly comparable financial measures calculated and presented in accordance with GAAP. Quantitative reconciliations of the differences between the non-GAAP financial measures presented and the most directly comparable GAAP financial measures are shown on pages 9 through 11. A description of the non-GAAP financial measures we present and a statement of the reasons why management believes the non-GAAP measures provide useful information to investors about the Company's financial condition and results of operations can be found on pages 50-51.

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | 31-Dec-08 | 30-Sep-08 | 30-Jun-08 | 31-Mar-08 | 31-Dec-07 |
| **Income Items:** | | | | | |
| Revenue | $ 390,300 | $ 357,988 | $ 368,680 | $ 371,432 | $ 381,399 |
| Straight-line rent (SFAS 13) (1) (2) | $ 15,989 | $ (7,216) | $ 11,220 | $ 13,073 | $ 9,256 |
| Fair value lease revenue (SFAS 141) (2) (3) | $ 27,696 | $ 25,730 | $ 7,105 | $ 1,372 | $ 1,341 |
| Company share of funds from operations from unconsolidated joint ventures | $ (151,160) | $ 34,312 | $ 10,827 | $ 4,305 | $ 2,879 |
| Lease termination fees (included in revenue) (2) | $ 8,149 | $ 1,438 | $ 1,509 | $ 4,005 | $ 2,881 |
| Capitalized interest | $ 11,397 | $ 11,265 | $ 9,736 | $ 9,485 | $ 10,419 |
| Capitalized wages | $ 2,988 | $ 3,036 | $ 3,012 | $ 3,211 | $ 3,271 |
| Operating Margins [(rental revenue - rental expense)/rental revenue] (4) | 68.3% | 64.3% | 67.7% | 67.8% | 67.5% |
| Impairment losses on investments in unconsolidated joint ventures (5) | $ 188,325 | $ — | $ — | $ — | $ — |
| Net income (loss) available to common shareholders | $ (91,552) | $ 48,506 | $ 79,534 | $ 88,461 | $ 123,790 |
| Funds from operations (FFO) available to common shareholders | $ 5,870 | $ 137,945 | $ 145,001 | $ 134,723 | $ 147,534 |
| FFO per share - diluted | $ 0.05 | $ 1.13 | $ 1.19 | $ 1.11 | $ 1.22 |
| Net income (loss) available to common shareholders per share - basic | $ (0.76) | $ 0.40 | $ 0.66 | $ 0.74 | $ 1.04 |
| Net income (loss) available to common shareholders per share - diluted | $ (0.76) | $ 0.40 | $ 0.66 | $ 0.73 | $ 1.02 |
| Dividends per common share (6) | $ 0.68 | $ 0.68 | $ 0.68 | $ 0.68 | $ 6.66 |
| Funds available for distribution to common shareholders and common unitholders (FAD) (7) | $ 134,314 | $ 131,835 | $ 141,106 | $ 119,831 | $ 119,993 |
| **Ratios:** | | | | | |
| Interest Coverage Ratio (excluding capitalized interest) - cash basis (8) | 3.44 | 3.40 | 3.53 | 3.33 | 3.50 |
| Interest Coverage Ratio (including capitalized interest) - cash basis (8) | 2.95 | 2.91 | 3.06 | 2.91 | 3.03 |
| FFO Payout Ratio (9) | 1360.00% | 60.18% | 57.14% | 61.26% | 55.74% |
| FAD Payout Ratio (10) | 71.97% | 72.86% | 67.92% | 79.92% | 79.59% |

| | 31-Dec-08 | 30-Sep-08 | 30-Jun-08 | 31-Mar-08 | 31-Dec-07 |
|---|---|---|---|---|---|
| **Capitalization:** | | | | | |
| Common Stock Price @ Quarter End | $ 55.00 | $ 93.66 | $ 90.22 | $ 92.07 | $ 91.81 |
| Equity Value @ Quarter End | $ 7,892,335 | $13,342,335 | $12,851,568 | $13,090,697 | $13,028,757 |
| Total Consolidated Debt | $ 6,271,916 | $ 6,111,463 | $ 5,503,889 | $ 5,527,832 | $ 5,492,166 |
| Total Consolidated Market Capitalization | $14,164,251 | $19,453,798 | $18,355,457 | $18,618,529 | $18,520,923 |
| Consolidated Debt/Total Consolidated Market Capitalization (11) | 44.28% | 31.42% | 29.99% | 29.69% | 29.65% |
| BXP's Share of Joint Venture Debt | $ 1,554,508 | $ 1,552,801 | $ 1,200,731 | $ 236,648 | $ 202,471 |
| Total Combined Debt | $ 7,826,424 | $ 7,664,264 | $ 6,704,620 | $ 5,764,480 | $ 5,694,637 |
| Total Combined Market Capitalization (12) | $15,718,759 | $21,006,599 | $19,556,189 | $18,855,177 | $18,723,394 |
| Combined Debt/Total Combined Market Capitalization (12) (13) | 49.79% | 36.49% | 34.28% | 30.57% | 30.41% |

(1) During the quarter ended September 30, 2008, the Company recognized reserves for Lehman Brothers Inc. and Heller Ehrman LLP totaling approximately $13.2 million and $7.8 million, respectively.
(2) Includes the Company's share of unconsolidated joint venture amounts. For additional detail, see page 18.
(3) Represents the net adjustment for above- and below-market leases that are being amortized over the terms of the respective leases in place at the property acquisition dates.
(4) Rental Expense consists of operating expenses and real estate taxes. Amounts are exclusive of the gross up of reimbursable electricity and other amounts totaling $9,854, $10,571, $9,860, $9,180 and $8,403 for the three months ended December 31, 2008, September 30, 2008, June 30, 2008, March 31, 2008 and December 31, 2007, respectively. Operating margins for the three months ended September 30, 2008 are impacted by the establishment of non-cash reserves for the accrued straight-line rent balances associated with the Company's leases with Lehman Brothers Inc. and the law firm Heller Ehrman LLP for $13.2 million and $7.8 million, respectively. During the quarter ended December 31, 2008, the Company entered into an agreement to terminate its lease with Heller Ehrman LLP.
(5) Represents the non-cash impairment losses on the Company's investments in the unconsolidated joint ventures that own 540 Madison Avenue, Two Grand Central Tower, 125 West 55th Street, the Company's Value-Added Fund and its Eighth Avenue and 46th Street project in accordance with APB No. 18, *"The Equity Method of Accounting for Investments in Common Stock*." For additional detail, see page 18.
(6) For the three months ended December 31, 2007, dividends per share includes the $5.98 per common share special dividend paid on January 30, 2008.
(7) For a quantitative reconciliation of the differences between FAD and FFO, see page 11.
(8) For additional detail, see page 11.
(9) Dividends per common share divided by FFO per share - diluted. For the three months ended December 31, 2007, excludes the $5.98 per share special dividend paid on January 30, 2008.
(10) Gross dividends to common shareholders plus distributions to common Operating Partnership unitholders divided by FAD. For the three months ended December 31, 2007, excludes the $5.98 per share special dividend paid on January 30, 2008.
(11) For disclosures related to our definition of Consolidated Debt to Total Consolidated Market Capitalization, see page 50.
(12) For additional detail, see page 13.

(13) For disclosures related to our definition of Combined Debt to Total Combined Market Capitalization, see page 50.

## *CONSOLIDATED BALANCE SHEETS*
### *(unaudited and in thousands)*

| | 31-Dec-08 | 30-Sep-08 | 30-Jun-08 | 31-Mar-08 | 31-Dec-07 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Real estate | $ 9,560,049 | $ 9,434,884 | $ 9,277,500 | $ 9,231,874 | $ 9,077,528 |
| Development in progress | 829,995 | 813,404 | 735,372 | 619,165 | 700,762 |
| Land held for future development | 228,300 | 253,891 | 253,313 | 266,555 | 249,999 |
| Real estate held for sale | — | — | — | — | 221,606(1) |
| Less accumulated depreciation | (1,768,785) | (1,710,875) | (1,647,145) | (1,589,686) | (1,531,707) |
| Total real estate | 8,849,559 | 8,791,304 | 8,619,040 | 8,527,908 | 8,718,188 |
| Cash and cash equivalents | 241,510 | 55,597 | 112,110 | 794,643 | 1,506,921 |
| Cash held in escrows | 21,970 | 34,311 | 59,644 | 57,640 | 186,839 |
| Marketable securities | 11,590 | 16,160 | 20,372 | 23,404 | 22,584 |
| Tenant and other receivables, net | 68,743 | 57,554 | 42,116 | 34,580 | 58,074 |
| Note receivable | 270,000(2) | 270,000(2) | 270,000(2) | 100,000(3) | — |
| Accrued rental income, net | 316,711 | 316,411 | 326,149 | 313,011 | 300,594 |
| Deferred charges, net | 326,401 | 314,562 | 305,287 | 294,002 | 287,199 |
| Prepaid expenses and other assets | 22,401 | 44,039 | 26,511 | 51,357 | 30,566 |
| Investments in unconsolidated joint ventures | 782,760(4) | 973,396 | 606,696 | 152,942 | 81,672 |
| **Total assets** | $10,911,645 | $10,873,334 | $10,387,925 | $10,349,487 | $11,192,637 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | | | |
| Liabilities: | | | | | |
| Mortgage notes payable | $ 2,660,642 | $ 2,282,699 | $ 2,535,496 | $ 2,760,620 | $ 2,726,127 |
| Unsecured senior notes, net of discount | 1,472,375 | 1,472,258 | 1,472,141 | 1,472,027 | 1,471,913 |
| Unsecured exchangeable senior notes, net of discount | 2,038,899 | 2,037,506 | 1,296,252 | 1,295,185 | 1,294,126 |
| Unsecured line of credit | 100,000 | 319,000 | 200,000 | — | — |
| Accounts payable and accrued expenses | 171,791 | 164,986 | 183,192 | 128,769 | 145,692 |
| Dividends and distributions payable | 97,162 | 96,491 | 96,451 | 105,150 | 944,870 |
| Accrued interest payable | 67,132 | 48,705 | 55,979 | 47,355 | 54,487 |
| Other liabilities (5) | 173,750 | 167,646 | 187,104 | 221,432 | 232,705 |
| Total liabilities | 6,781,751 | 6,589,291 | 6,026,615 | 6,030,538 | 6,869,920 |
| Commitments and contingencies | — | — | — | — | — |
| Minority interests | 598,627 | 639,171 | 663,313 | 654,512 | 653,892 |
| Stockholders' Equity: | | | | | |
| Excess stock, $.01 par value, 150,000,000 shares authorized, none issued or outstanding | — | — | — | — | — |
| Preferred stock, $.01 par value, 50,000,000 shares authorized, none issued or outstanding | — | — | — | — | — |
| Common stock, $.01 par value, 250,000,000 shares authorized, 121,180,655, 119,851,868, 119,756,240, 119,669,070 and 119,502,485 outstanding, respectively | 1,212 | 1,199 | 1,198 | 1,197 | 1,195 |
| Additional paid-in capital | 3,369,850 | 3,317,358 | 3,341,887 | 3,317,643 | 3,305,219 |
| Earnings in excess of dividends | 192,843 | 366,482 | 399,502 | 401,410 | 394,324 |
| Treasury common stock, at cost | (2,722) | (2,722) | (2,722) | (2,722) | (2,722) |
| Accumulated other comprehensive loss | (29,916) | (37,445) | (41,868) | (53,091) | (29,191) |
| Total stockholders' equity | 3,531,267 | 3,644,872 | 3,697,997 | 3,664,437 | 3,668,825 |
| **Total liabilities and stockholders' equity** | $10,911,645 | $10,873,334 | $10,387,925 | $10,349,487 | $11,192,637 |

(1) At December 31, 2007, Real Estate Held for Sale consisted of the Mountain View Research Park and Technology Park properties which were transferred into the Company's Value-Added Fund on January 7, 2008.

(2) The note receivable represents a partner loan from the Company to the joint venture that owns the General Motors Building, see page 17.

(3) Represents the balance of the promissory note due from the Value-Added Fund and payable to the Company, which related to the transfer by the Company of the Mountain View properties to the Value-Added Fund in January 2008. The promissory note bore interest at a rate of 7% per annum and was scheduled to mature in October 2008, subject to extension at the option of the Value-Added Fund until April 2009. The Value-Added Fund obtained third-party financing secured by the Mountain View Research Park properties on May 30, 2008 and repaid the remaining outstanding balance on the note to the Company.

(4) Reflects a reduction in the carrying values of certain of the investments as a result of non-cash impairment losses aggregating approximately $188.3 million in accordance with APB No. 18 "*The Equity Method of Accounting for Investments in Common Stock*." For additional detail, see page 18.

(5) At December 31, 2008, September 30, 2008, June 30, 2008, March 31, 2008 and December 31, 2007, Other Liabilities included approximately $0.9 million, $1.3 million, $1.8 million, $2.3 million and $26.1 million and approximately $0.0 million, $1.6 million, $3.1 million, $4.6 million and $6.1 million consisting of the master lease and revenue support obligations, respectively, related to the sale of 280 Park Avenue, approximately $25.0 million, $25.0 million, $25.0 million, $24.8 million and $24.4 million, respectively, related to the redemption of the outside members' equity interests in the entity that owns Citigroup Center and the fair values of the Company's interest rate hedging contracts of approximately $0.0 million, $0.01 million, $8.2 million, $53.2 million and $25.7 million, respectively.

## *CONSOLIDATED INCOME STATEMENTS*
***(in thousands, except for per share amounts)***
***(unaudited)***

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | **31-Dec-08** | **30-Sep-08** | **30-Jun-08** | **31-Mar-08** | **31-Dec-07** |
| Revenue: | | | | | |
| Rental | | | | | |
| Base Rent (1) | $ 300,544 | $266,205 | $281,072 | $281,394 | $277,088 |
| Recoveries from tenants | 50,032 | 55,968 | 49,848 | 48,884 | 46,926 |
| Parking and other | 17,663 | 16,624 | 17,317 | 16,501 | 16,845 |
| Total rental revenue | 368,239 | 338,797 | 348,237 | 346,779 | 340,859 |
| Hotel revenue | 12,158 | 8,482 | 9,708 | 6,524 | 13,121 |
| Development and management services | 9,024 | 9,557 | 6,460 | 5,477 | 5,378 |
| Interest and other (2) | 879 | 1,152 | 4,275 | 12,652 | 22,041 |
| Total revenue | 390,300 | 357,988 | 368,680 | 371,432 | 381,399 |
| Expenses: | | | | | |
| Operating | 71,890 | 77,324 | 71,227 | 70,369 | 68,610 |
| Real estate taxes | 51,589 | 50,391 | 47,876 | 47,364 | 47,855 |
| Hotel operating | 8,846 | 6,318 | 6,449 | 5,897 | 9,059 |
| General and administrative (2) (3) | 16,552 | 18,758 | 17,467 | 19,588 | 16,594 |
| Interest (4) | 71,261 | 68,308 | 64,564 | 67,839 | 68,289 |
| Depreciation and amortization | 79,766 | 75,321 | 74,389 | 74,671 | 71,421 |
| Net derivative losses | 7,172 | 6,318 | (257) | 3,788 | — |
| Losses from investments in securities (2) | 2,631 | 940 | 160 | 873 | 609 |
| Total expenses | 309,707 | 303,678 | 281,875 | 290,389 | 282,437 |
| Income before income (loss) from unconsolidated joint ventures | 80,593 | 54,310 | 86,805 | 81,043 | 98,962 |
| Minority interests in property partnerships | (427) | (525) | (420) | (625) | (84) |
| Income (loss) from unconsolidated joint ventures (5) | (187,559) | 2,644 | 1,855 | 1,042 | 805 |
| Income (loss) before minority interest in Operating Partnership | (107,393) | 56,429 | 88,240 | 81,460 | 99,683 |
| Minority interest in Operating Partnership (6) | 14,174 | (9,420) | (14,009) | (13,024) | (23,181) |
| Income (loss) before gains on sales of real estate | (93,219) | 47,009 | 74,231 | 68,436 | 76,502 |
| Gains on sales of real estate, net of minority interest | 1,667 | 1,497 | 5,303 | 20,025 | — |
| Income (loss) before discontinued operations | (91,552) | 48,506 | 79,534 | 88,461 | 76,502 |
| Income from discontinued operations, net of minority interest | — | — | — | — | 862 |
| Gains on sales of real estate from discontinued operations, net of minority interest | — | — | — | — | 46,426 |
| Net income (loss) available to common shareholders | $ (91,552) | $ 48,506 | $ 79,534 | $ 88,461 | $123,790 |
| **INCOME (LOSS) PER SHARE OF COMMON STOCK (EPS)** | | | | | |
| Net income (loss) available to common shareholders per share - basic | $ (0.76) | $ 0.40 | $ 0.66 | $ 0.74 | $ 1.04 |
| Net income (loss) available to common shareholders per share - diluted | $ (0.76) | $ 0.40 | $ 0.66 | $ 0.73 | $ 1.02 |

(1) During the quarter ended September 30, 2008, the Company recognized reserves for Lehman Brothers Inc. and Heller Ehrman LLP totaling approximately $13.2 million and $7.8 million, respectively.

(2) Losses from investments in securities includes $1,660, $795, $160, $597 and $294, and general and administrative expenses includes $(1,603), $(770), $(138), $(657) and $(245) for the three months ended December 31, 2008, September 30, 2008, June 30, 2008, March 31, 2008 and December 31, 2007, respectively, related to the Company's deferred compensation plan. Prior period quarterly amounts have been reclassified from interest and other revenue to losses from investments in securities to conform to the current period presentation.

(3) General and administrative expenses includes a write-off of approximately $1.4 million of costs related to abandoned development projects for the three months ended March 31, 2008.

(4) Interest expense is reported net of capitalized interest of $11,397, $11,265, $9,736, $9,485 and $10,419 for the three months ended December 31, 2008, September 30, 2008, June 30, 2008, March 31, 2008 and December 31, 2007, respectively.

(5) Includes non-cash impairment losses aggregating approximately $188.3 million for the three months ended December 31, 2008 in accordance with APB No. 18 "*The Equity Method of Accounting for Investments in Common Stock*." For additional detail, see page 18.

(6) Equals minority interest share of 14.33%, 14.58%, 14.51%, 14.56% and 14.58% of income before minority interest in Operating Partnership after deduction for preferred distributions for the three months ended December 31, 2008, September 30, 2008, June 30, 2008, March 31, 2008 and December 31, 2007, respectively.

Certain prior period amounts have been reclassified to conform to current period presentation.

## *FUNDS FROM OPERATIONS (FFO)*
***(in thousands, except for per share amounts)***
***(unaudited)***

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | 31-Dec-08 | 30-Sep-08 | 30-Jun-08 | 31-Mar-08 | 31-Dec-07 |
| Net income (loss) available to common shareholders | $ (91,552) | $ 48,506 | $ 79,534 | $ 88,461 | $ 123,790 |
| Add: | | | | | |
| Minority interest in Operating Partnership | (14,174) | 9,420 | 14,009 | 13,024 | 23,181 |
| Minority interests in property partnerships | 427 | 525 | 420 | 625 | 84 |
| Less: | | | | | |
| Income (loss) from unconsolidated joint ventures | (187,559) | 2,644 | 1,855 | 1,042 | 805 |
| Gains on sales of real estate, net of minority interest | 1,667 | 1,497 | 5,303 | 20,025 | — |
| Income from discontinued operations, net of minority interest | — | — | — | — | 862 |
| Gains on sales of real estate from discontinued operations, net of minority interest | — | — | — | — | 46,426 |
| Income before minority interests and income (loss) from unconsolidated joint ventures | 80,593 | 54,310 | 86,805 | 81,043 | 98,962 |
| Add: | | | | | |
| Real estate depreciation and amortization (1) | 115,668 | 106,475 | 82,838 | 77,619 | 73,306 |
| Income from discontinued operations | — | — | — | — | 1,009 |
| Income (loss) from unconsolidated joint ventures (2) | (187,559) | 2,644 | 1,855 | 1,042 | 805 |
| Less: | | | | | |
| Minority property partnerships' share of funds from operations | 897 | 1,013 | 928 | 1,111 | 437 |
| Preferred distributions (3) | 953 | 931 | 949 | 905 | 926 |
| Funds from operations (FFO) | 6,852 | 161,485 | 169,621 | 157,688 | 172,719 |
| Less: | | | | | |
| Minority interest in Operating Partnership's share of funds from operations | 982 | 23,540 | 24,620 | 22,965 | 25,185 |
| FFO available to common shareholders (4) | $ 5,870 | $ 137,945 | $ 145,001 | $ 134,723 | $ 147,534 |
| FFO per share - basic | $ 0.05 | $ 1.15 | $ 1.21 | $ 1.13 | $ 1.24 |
| Weighted average shares outstanding - basic | 120,788 | 119,832 | 119,753 | 119,536 | 119,249 |
| FFO per share - diluted | $ 0.05 | $ 1.13 | $ 1.19 | $ 1.11 | $ 1.22 |
| Weighted average shares outstanding - diluted | 121,478 | 122,830 | 122,776 | 122,483 | 122,338 |

(1) Real estate depreciation and amortization consists of depreciation and amortization from the consolidated statements of operations of $79,766, $75,321, $74,389, $74,671 and $71,421, our share of unconsolidated joint venture real estate depreciation and amortization of $36,399, $31,669, $8,972, $3,263 and $2,074 and depreciation and amortization from discontinued operations of $0, $0, $0, $0 and $234 less corporate related depreciation of $497, $515, $523, $315 and $423, for the three months ended December 31, 2008, September 30, 2008, June 30, 2008, March 31, 2008 and December 31, 2007, respectively.

(2) Includes non-cash impairment losses aggregating approximately $188.3 million, or $1.33 per share diluted, for the three months ended December 31, 2008 in accordance with APB No. 18 "*The Equity Method of Accounting for Investments in Common Stock*." For additional detail, see page 18.

(3) Excludes approximately $8.7 million for the three months ended December 31, 2007 of income allocated to the holders of Series Two Preferred Units to account for their right to participate on an as-converted basis in the special dividend that followed previously completed sales of real estate.

(4) Based on weighted average shares for the quarter. Company's share for the quarter ended December 31, 2008, September 30, 2008, June 30, 2008, March 31, 2008 and December 31, 2007 was 85.67%, 85.42%, 85.49%, 85.44% and 85.42%, respectively.

## *RECONCILIATION TO DILUTED FUNDS FROM OPERATIONS*
*(in thousands, except for per share amounts)*
*(unaudited)*

| | December 31, 2008 | | September 30, 2008 | | June 30, 2008 | | March 31, 2008 | | December 31, 2007 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Income (Numerator) | Shares/Units (Denominator) | Income (Numerator) | Shares/Units (Denominator) | Income (Numerator) | Shares/Units (Denominator) | Income (Numerator) | Shares/Units (Denominator) | Income (Numerator) | Shares/Units (Denominator) |
| Basic FFO | $ 6,852 | 140,993 | $ 161,485 | 140,281 | $ 169,621 | 140,086 | $ 157,688 | 139,911 | $ 172,719 | 139,605 |
| Effect of Dilutive Securities | | | | | | | | | | |
| Convertible Preferred Units | — | — | 931 | 1,461 | 949 | 1,461 | 905 | 1,461 | 926(1) | 1,460 |
| Stock Options and Exchangeable Notes | — | 690 | — | 1,537 | — | 1,562 | — | 1,486 | — | 1,629 |
| Diluted FFO | $ 6,852 | 141,683 | $ 162,416 | 143,279 | $ 170,570 | 143,109 | $ 158,593 | 142,858 | $ 173,645 | 142,694 |
| Less: | | | | | | | | | | |
| Minority interest in Operating Partnership's share of diluted funds from operations | 982 | 20,205 | 23,180 | 20,449 | 24,235 | 20,333 | 22,620 | 20,375 | 24,772 | 20,356 |
| Company's share of diluted FFO (2) | $ 5,870 | 121,478 | $ 139,236 | 122,830 | $ 146,335 | 122,776 | $ 135,973 | 122,483 | $ 148,873 | 122,338 |
| FFO per share - basic | $ 0.05 | | $ 1.15 | | $ 1.21 | | $ 1.13 | | $ 1.24 | |
| FFO per share - diluted | $ 0.05 | | $ 1.13 | | $ 1.19 | | $ 1.11 | | $ 1.22 | |

(1) Excludes approximately $8.7 million for the three months ended December 31, 2007 of income allocated to the holders of Series Two Preferred Units to account for their right to participate on an as-converted basis in the special dividend that followed previously completed sales of real estate.

(2) Based on weighted average diluted shares for the quarter. Company's share for the quarter ended December 31, 2008, September 30, 2008, June 30, 2008, March 31, 2008 and December 31, 2007 was 85.74%, 85.73%, 85.79%, 85.74% and 85.73%, respectively.

## *Funds Available for Distribution (FAD)*
*(in thousands)*

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | 31-Dec-08 | 30-Sep-08 | 30-Jun-08 | 31-Mar-08 | 31-Dec-07 |
| Basic FFO (see page 9) | $ 6,852 | $161,485 | $169,621 | $157,688 | $172,719 |
| 2nd generation tenant improvements and leasing commissions | (19,445) | (18,278) | (10,281) | (26,600) | (28,553) |
| Straight-line rent (1) (2) | (15,989) | 7,216 | (11,220) | (13,073) | (9,256) |
| Recurring capital expenditures | (12,158) | (8,252) | (5,075) | (4,296) | (16,217) |
| Fair value interest adjustment (1) | 1,084 | 375 | (627) | (809) | (789) |
| Fair value lease revenue (SFAS 141) (1) | (27,696) | (25,730) | (7,105) | (1,372) | (1,341) |
| Hotel improvements, equipment upgrades and replacements | (589) | (446) | (289) | (993) | (67) |
| Non real estate depreciation | 497 | 515 | 523 | 315 | 423 |
| Stock-based compensation | 5,572 | 6,471 | 5,631 | 5,183 | 3,040 |
| Net derivative losses | 7,172 | 6,318 | (257) | 3,788 | — |
| Impairment losses on investments in unconsolidated joint ventures (3) | 188,325 | — | — | — | — |
| Partners' share of joint venture 2nd generation tenant improvement and leasing commissions | 689 | 2,161 | 185 | — | 34 |
| Funds available for distribution to common shareholder and common unitholders (FAD) | $134,314 | $131,835 | $141,106 | $119,831 | $119,993 |

## *Interest Coverage Ratios*
*(in thousands, except for ratio amounts)*

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | 31-Dec-08 | 30-Sep-08 | 30-Jun-08 | 31-Mar-08 | 31-Dec-07 |
| ***Excluding Capitalized Interest*** | | | | | |
| Income before minority interests and income (loss) from unconsolidated joint ventures | $ 80,593 | $ 54,310 | $ 86,805 | $ 81,043 | $ 98,962 |
| Interest expense | 71,261 | 68,308 | 64,564 | 67,839 | 68,289 |
| Net derivative losses | 7,172 | 6,318 | (257) | 3,788 | — |
| Depreciation and amortization expense | 79,766 | 75,321 | 74,389 | 74,671 | 71,421 |
| Depreciation from joint ventures | 36,399 | 31,669 | 8,972 | 3,263 | 2,074 |
| Income (loss) from unconsolidated joint ventures | (187,559) | 2,644 | 1,855 | 1,042 | 805 |
| Impairment losses on investments in unconsolidated joint ventures (3) | 188,325 | — | — | — | — |
| Stock-based compensation | 5,572 | 6,471 | 5,631 | 5,183 | 3,040 |
| Discontinued operations - depreciation expense | — | — | — | — | 234 |
| Discontinued operations | — | — | — | — | 1,009 |
| Straight-line rent (1) (2) | (15,989) | 7,216 | (11,220) | (13,073) | (9,256) |
| Fair value lease revenue (SFAS 141) (1) | (27,696) | (25,730) | (7,105) | (1,372) | (1,341) |
| Subtotal | 237,844 | 226,527 | 223,634 | 222,384 | 235,237 |
| Interest expense (4) | 69,118 | 66,561 | 63,364 | 66,833 | 67,294 |
| Interest Coverage Ratio | 3.44 | 3.40 | 3.53 | 3.33 | 3.50 |
| ***Including Capitalized Interest*** | | | | | |
| Income before minority interests and income (loss) from unconsolidated joint ventures | $ 80,593 | $ 54,310 | $ 86,805 | $ 81,043 | $ 98,962 |
| Interest expense | 71,261 | 68,308 | 64,564 | 67,839 | 68,289 |
| Net derivative losses | 7,172 | 6,318 | (257) | 3,788 | — |
| Depreciation and amortization expense | 79,766 | 75,321 | 74,389 | 74,671 | 71,421 |
| Depreciation from joint ventures | 36,399 | 31,669 | 8,972 | 3,263 | 2,074 |
| Income (loss) from unconsolidated joint ventures | (187,559) | 2,644 | 1,855 | 1,042 | 805 |
| Impairment losses on investments in unconsolidated joint ventures (3) | 188,325 | — | — | — | — |
| Stock-based compensation | 5,572 | 6,471 | 5,631 | 5,183 | 3,040 |
| Discontinued operations - depreciation expense | — | — | — | — | 234 |
| Discontinued operations | — | — | — | — | 1,009 |
| Straight-line rent (1) (2) | (15,989) | 7,216 | (11,220) | (13,073) | (9,256) |
| Fair value lease revenue (SFAS 141) (1) | (27,696) | (25,730) | (7,105) | (1,372) | (1,341) |
| Subtotal | 237,844 | 226,527 | 223,634 | 222,384 | 235,237 |
| Divided by: | | | | | |
| Interest expense (4) (5) | 80,515 | 77,826 | 73,100 | 76,318 | 77,713 |
| Interest Coverage Ratio | 2.95 | 2.91 | 3.06 | 2.91 | 3.03 |

(1) Includes the Company's share of unconsolidated joint venture amounts.
(2) During the quarter ended September 30, 2008, the Company recognized reserves for Lehman Brothers Inc. and Heller Ehrman LLP totaling approximately $13.2 million and $7.8 million, respectively.
(3) Represents non-cash impairment losses on certain of the Company's investments in unconsolidated joint ventures in accordance with APB No. 18, "*The Equity Method of Accounting for Investments in Common Stock*." For additional detail, see page 18.
(4) Excludes amortization of financing costs of $2,143, $1,747, $1,200, $1,006 and $995 for the three months ended December 31, 2008, September 30, 2008, June 30, 2008, March 31, 2008 and December 31, 2007, respectively.
(5) Includes capitalized interest of $11,397, $11,265, $9,736, $9,485 and $10,419 for the three months ended December 31, 2008, September 30, 2008, June 30, 2008, March 31, 2008 and December 31, 2007, respectively.

## *DISCONTINUED OPERATIONS*
### *(in thousands, unaudited)*

Effective January 1, 2002, the Company adopted the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." The Company's application of SFAS No. 144 results in the presentation of the net operating results of qualifying properties sold or held for sale during the applicable period as income from discontinued operations for all periods presented. The following table summarizes income from discontinued operations (net of minority interest) for the three months ended December 31, 2008, September 30, 2008, June 30, 2008, March 31, 2008 and December 31, 2007, respectively.

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | 31-Dec-08 | 30-Sep-08 | 30-Jun-08 | 31-Mar-08 | 31-Dec-07 |
| Total Revenue (1) | $ — | $ — | $ — | $ — | $ 1,612 |
| Expenses: | | | | | |
| Operating | — | — | — | — | 369 |
| Hotel operating | — | — | — | — | — |
| Depreciation and amortization | — | — | — | — | 234 |
| Total Expenses | — | — | — | — | 603 |
| Income before minority interest in Operating Partnership | — | — | — | — | 1,009 |
| Minority interest in Operating Partnership | — | — | — | — | 147 |
| Income from discontinued operations (net of minority interest) | $ — | $ — | $ — | $ — | $ 862 |
| Properties: | | | | | Orbital Sciences Campus & Broad Run, Building E |

(1) The impact of the straight-line rent adjustment increased revenue by $0, $0, $0, $0 and $34 for the three months ended December 31, 2008, September 30, 2008, June 30, 2008, March 31, 2008 and December 31, 2007, respectively.

## *CAPITAL STRUCTURE*

### *Consolidated Debt*

*(in thousands)*

| | Aggregate Principal December 31, 2008 |
|---|---|
| Mortgage Notes Payable (net of fair value adjustment) | $ 2,647,408 |
| Unsecured Line of Credit | 100,000 |
| Unsecured Senior Notes, at face value | 1,475,000 |
| Unsecured Exchangeable Senior Notes, at face value | 2,060,000 |
| Total Debt | 6,282,408 |
| Fair Value Adjustment on Mortgage Notes Payable | (13,234) |
| Discount on Unsecured Senior Notes | 2,625 |
| Discount on Unsecured Exchangeable Senior Notes | 21,101 |
| Total Consolidated Debt | $ 6,271,916 |

### Boston Properties Limited Partnership Unsecured Senior Notes

| Settlement Date | 5/22/03 | 3/18/03 | 1/17/03 | 12/13/02 | Total/Average |
|---|---|---|---|---|---|
| Principal Amount | $ 250,000 | $ 300,000 | $ 175,000 | $ 750,000 | $1,475,000 |
| Yield (on issue date) | 5.194% | 5.693% | 6.291% | 6.381% | 6.03% |
| Coupon | 5.000% | 5.625% | 6.250% | 6.250% | 5.91% |
| Discount | 99.329% | 99.898% | 99.763% | 99.650% | 99.66% |
| Ratings: | | | | | |
| Moody's | Baa2 (stable) | Baa2 (stable) | Baa2 (stable) | Baa2 (stable) | |
| S&P | A- (negative) | A- (negative) | A- (negative) | A- (negative) | |
| Fitch | BBB (stable) | BBB (stable) | BBB (stable) | BBB (stable) | |
| Maturity Date | 6/1/2015 | 4/15/2015 | 1/15/2013 | 1/15/2013 | |
| Discount | $ 1,021 | $ 184 | $ 215 | $ 1,205 | $ 2,625 |
| Unsecured Senior Notes, net of discount | $ 248,979 | $ 299,816 | $ 174,785 | $ 748,795 | $1,472,375 |

### Boston Properties Limited Partnership Unsecured Exchangeable Senior Notes

| Settlement Date | 8/19/2008 | 2/6/2007 | 4/6/2006 | |
|---|---|---|---|---|
| Principal Amount | $ 747,500 | $ 862,500 | $ 450,000 | $2,060,000 |
| Yield (on issue date) | 4.057% | 3.462% | 3.787% | 3.749% |
| Coupon | 3.625% | 2.875% | 3.787% | |
| Exchange Rate | 8.5051(1) | 7.0430(2) | 10.0066(3) | |
| First Optional Redemption Date | 1/1/2014 | 2/20/2012 | 5/18/2013 | |
| Maturity Date | 2/15/2014 | 2/15/2037 | 5/15/2036 | |
| Discount | $ 7,011 | $ 14,090 | $ — | $ 21,101 |
| Unsecured Senior Exchangeable Notes | $ 740,489 | $ 848,410 | $ 450,000 | $2,038,899 |

### *Equity*

*(in thousands)*

| | Shares/Units Outstanding as of 12/31/08 | Common Stock Equivalents | Equivalent (4) |
|---|---|---|---|
| Common Stock | 121,181 | 121,181(5) | $ 6,664,955 |
| Common Operating Partnership Units | 20,855 | 20,855(6) | 1,147,025 |
| Series Two Preferred Operating Partnership Units | 1,113 | 1,461 | 80,355 |
| Total Equity | | 143,497 | $ 7,892,335 |
| Total Consolidated Debt | | | 6,271,916 |
| Total Consolidated Market Capitalization | | | $14,164,251 |
| BXP's share of Joint Venture Debt | | | 1,554,508(8) |
| Total Combined Debt (7) | | | 7,826,424 |
| Total Combined Market Capitalization (9) | | | $15,718,759 |

(1) The initial exchange rate is 8.5051 shares per $1,000 principal amount of the notes (or an initial exchange price of approximately $117.58 per share of Boston Properties, Inc.'s common stock). In addition, the Company entered into capped call transactions with affiliates of certain of the initial purchasers, which are intended to reduce the potential dilution upon future exchange of the notes. The capped call transactions are expected to have the effect of increasing the effective exchange price to the Company of the notes from $117.58 to approximately $137.17 per share, representing an overall effective premium of approximately 40% over the closing price on August 13, 2008 of $97.98 per share of Boston Properties, Inc.'s common stock. The net cost of the capped call transactions was approximately $44.4 million.

(2) In connection with the special dividend of $5.98 per share of common stock declared on December 17, 2007, the exchange rate was adjusted from 6.6090 to 7.0430 shares per $1,000 principal amount of notes effective as of December 31, 2007, resulting in an exchange price of approximately $141.98 per share of Boston Properties, Inc.'s common stock.

(3) In connection with the special dividend of $5.98 per share of common stock declared on December 17, 2007, the exchange rate was adjusted from 9.3900 to 10.0066 shares per $1,000 principal amount of notes effective as of December 31, 2007, resulting in an exchange price of approximately $99.93 per share of Boston Properties, Inc.'s common stock.

(4) Value based on December 31, 2008 closing price of $55.00 per share of common stock.

(5) Includes 31 shares of restricted stock.

(6) Includes 946 long-term incentive plan units, but excludes 1,086 unvested outperformance plan units.
(7) For disclosures relating to our definition of Total Combined Debt, see page 50.
(8) Excludes the Company's share ($270,000) of the aggregate of $450,000 of loans made to the joint venture that owns the General Motors Building by its partners.
(9) For disclosures relating to our definition of Total Combined Market Capitalization, see page 50.

## *DEBT ANALYSIS (1)*

### *Debt Maturities and Principal Payments*

***(in thousands)***

| | 2009 | 2010 | 2011 | 2012 | 2013 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| Floating Rate Debt | | | | | | | |
| Mortgage Notes Payable | $183,125 | $ 30,674 | $ 71,693 | $ — | $ — | $ — | $ 285,492 |
| Unsecured Line of Credit | — | 100,000 | — | — | — | — | 100,000 |
| Total Floating Debt | $183,125 | $130,674 | $ 71,693 | $ — | $ — | $ — | $ 385,492 |
| Fixed Rate Debt | | | | | | | |
| Mortgage Notes Payable (net of fair value adjustment) | $ 91,534 | $130,815 | $549,115 | $105,059 | $ 100,436 | $1,384,957 | $2,361,916 |
| Fair Value Adjustment | 4,151 | 3,988 | 2,605 | 1,583 | 632 | 275 | 13,234 |
| Mortgage Notes Payable | 95,685 | 134,803 | 551,720 | 106,642 | 101,068 | 1,385,232 | 2,375,150 |
| Unsecured Senior Notes, net of discount | — | — | — | — | 923,580 | 548,795 | 1,472,375 |
| Unsecured Exchangeable Senior Notes, net of discount (2) | — | — | — | 848,410 | 450,000 | 740,489 | 2,038,899 |
| Total Fixed Debt | $ 95,685 | $134,803 | $551,720 | $955,052 | $1,474,648 | $2,674,516 | $5,886,424 |
| Total Consolidated Debt | $278,810 | $265,477 | $623,413 | $955,052 | $1,474,648 | $2,674,516 | $6,271,916 |
| GAAP Weighted Average Floating Rate Debt | 2.93% | 4.58% | 3.63% | — | — | — | 3.62% |
| GAAP Weighted Average Fixed Rate Debt | 6.38% | 7.83% | 7.02% | 3.71% | 5.55% | 5.33% | 5.36% |
| Total GAAP Weighted Average Rate | 4.11% | 6.23% | 6.63% | 3.71% | 5.55% | 5.33% | 5.25% |
| Total Stated Weighted Average Rate | 4.21% | 5.70% | 6.78% | 3.86% | 5.57% | 5.24% | 5.23% |

### *Unsecured Debt*

### *Unsecured Line of Credit - Matures August 3, 2010 (3)*

***(in thousands)***

| Facility | Outstanding @ 12/31/2008 | Letters of Credit | Remaining Capacity @ 12/31/2008 |
|---|---|---|---|
| $ 1,000,000 | $ 100,000 | $ 15,590 | $ 884,410 |

### *Unsecured and Secured Debt Analysis*

| | % of Total Debt | Stated Weighted Average Rate | GAAP Weighted Average Rate | Weighted Average Maturity |
|---|---|---|---|---|
| Unsecured Debt | 57.58% | 4.58% | 4.71% | 4.6 years |
| Secured Debt | 42.42% | 6.11% | 5.98% | 5.7 years |
| Total Consolidated Debt | 100.00% | 5.23% | 5.25% | 5.1 years |

### *Floating and Fixed Rate Debt Analysis*

| | % of Total Debt | Stated Weighted Average Rate (3) | GAAP Weighted Average Rate | Weighted Average Maturity |
|---|---|---|---|---|
| Floating Rate Debt | 6.15% | 3.07% | 3.62% | 1.6 years |
| Fixed Rate Debt | 93.85% | 5.38% | 5.36% | 5.3 years |
| Total Consolidated Debt | 100.00% | 5.23% | 5.25% | 5.1 years |

### *Interest Rate Hedging Instruments (4)*

***(in thousands)***

| | Notional Amount | Weighted Average 10 Year Treasury Rate | Settlement Date | Accumulated Other Comprehensive Loss |
|---|---|---|---|---|
| Treasury Locks | $ 325,000 | 4.74% | 4/1/2008(5) | $ 24,432 |
| Forward-starting interest rate swap | 50,000 | 4.61% | 7/31/2008(6) | 1,949 |
| | $ 375,000(7) | 4.72% | | $ 26,381(8) |
| Treasury Locks | $ 50,000 | 4.28% | 7/31/2008(6) | $ 1,218 |
| Forward-starting interest rate swaps | 100,000 | 4.46% | 7/31/2008(7) | 5,954 |
| | $ 150,000 | 4.40% | | $ 7,172(9) |
| Total | $ 525,000 | 4.63% | | $ 33,553 |

(1) Excludes unconsolidated joint ventures.
(2) For our unsecured exchangeable notes, amounts are included in the year in which the first optional redemption date occurs rather than their stated maturity dates.
(3) Subject to certain conditions, the Company may extend the maturity date of the Unsecured Line of Credit to August 3, 2011.
(4) The Company had entered into a series of interest rate hedges to lock in the 10-year treasury rate and 10-year swap spread in contemplation of obtaining long-term fixed rate financing to finance or refinance properties in the Company's existing portfolio.
(5) On April 1, 2008, the Company cash-settled these Treasury Locks and made cash payments to the counterparties totaling approximately $33.5 million.
(6) On July 31, 2008, the Company cash-settled at maturity its two remaining treasury lock contracts and one forward-starting interest rate swap contract with notional amounts aggregating $100.0 million and made aggregate cash payments to the counterparties totaling approximately $3.9 million.
(7) On September 2, 2008, the Company cash-settled at maturity its remaining forward-starting interest rate swap contracts with notional amounts aggregating $100.0 million and made aggregate cash payments to the counterparties totaling approximately $6.0 million.

(8) On November 13, 2008, the Company closed on an eight-year, $375.0 million loan collateralized by its Four Embarcadero Center property for an all-in fixed rate, inclusive of the credit spread, of 6.10% per annum. The Company will reclassify into earnings as an increase in interest expense over the eight-year term of the loan the balance recorded within Accumulated Other Comprehensive Loss.

(9) The Company's interest rate hedging program contemplated obtaining additional financing of at least $150.0 million by the end of 2008. In accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended and interpreted, the Company determined that it would be unable to complete the financing by the required date under its interest rate hedging program and, as a result, the Company has recognized a net derivative loss of approximately $7.2 million representing the ineffectiveness of its remaining interest rate hedging contracts.

## *DEBT MATURITIES AND PRINCIPAL PAYMENTS (1)*

*(in thousands)*

| Property | 2009 | 2010 | 2011 | 2012 | 2013 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| 599 Lexington Avenue | $ — | $ — | $ — | $ — | $ — | $ 750,000 | $ 750,000 |
| Citigroup Center | 8,859 | 9,516 | 456,633 | — | — | — | 475,008(2) |
| Embarcadero Center Four | — | — | 4,520 | 4,803 | 5,105 | 360,572 | 375,000 |
| South of Market | 183,125 | — | — | — | — | — | 183,125(3) |
| 505 9th Street | 157 | 1,943 | 2,057 | 2,177 | 2,306 | 121,360 | 130,000 |
| Wisconsin Place Office | — | — | 71,693 | — | — | — | 71,693(4) |
| One Freedom Square | 1,303 | 1,407 | 1,521 | 65,511 | — | — | 69,742(2) |
| New Dominion Technology Park, Building Two | — | — | — | — | — | 63,000 | 63,000 |
| 202, 206 & 214 Carnegie Center | 994 | 56,306 | — | — | — | — | 57,300 |
| New Dominion Technology Park, Building One | 1,594 | 1,716 | 1,846 | 1,987 | 2,140 | 43,278 | 52,561 |
| 140 Kendrick Street | 914 | 985 | 1,061 | 1,143 | 47,889 | — | 51,992(2) |
| Reservoir Place | 48,411 | — | — | — | — | — | 48,411(2) |
| 1330 Connecticut Avenue | 1,287 | 1,390 | 44,796 | — | — | — | 47,473(2) |
| Kingstowne Two and Retail | 1,370 | 1,446 | 1,535 | 1,630 | 1,730 | 33,056 | 40,767(2) |
| 10 & 20 Burlington Mall Rd & 91 Hartwell | 996 | 1,069 | 32,524 | — | — | — | 34,589 |
| Democracy Tower (formerly South of Market - Phase II) | — | 30,674 | — | — | — | — | 30,674(5) |
| 10 Cambridge Center | 916 | 29,677 | — | — | — | — | 30,593 |
| Sumner Square | 747 | 804 | 865 | 930 | 22,896 | — | 26,242 |
| Montvale Center | — | — | — | 25,000 | — | — | 25,000 |
| Eight Cambridge Center | 818 | 22,911 | — | — | — | — | 23,729 |
| 1301 New York Avenue | 21,627 | — | — | — | — | — | 21,627 |
| Kingstowne One | 549 | 582 | 618 | 657 | 17,062 | — | 19,468(2) |
| University Place | 992 | 1,063 | 1,139 | 1,221 | 1,308 | 13,691 | 19,414 |
| | 274,659 | 161,489 | 620,808 | 105,059 | 100,436 | 1,384,957 | 2,647,408 |
| Fair Value Adjustment | 4,151 | 3,988 | 2,605 | 1,583 | 632 | 275 | 13,234 |
| | 278,810 | 165,477 | 623,413 | 106,642 | 101,068 | 1,385,232 | 2,660,642 |
| Unsecured Senior Notes, net of discount | — | — | — | | 923,580 | 548,795 | 1,472,375 |
| Unsecured Exchangeable Senior Notes, net of discount | | | | 848,410 | 450,000 | 740,489 | 2,038,899(6) |
| Unsecured Line of Credit | — | 100,000 | — | — | — | — | 100,000(7) |
| | $278,810 | $265,477 | $623,413 | $955,052 | $1,474,648 | $2,674,516 | $6,271,916 |
| % of Total Consolidated Debt | 4.45% | 4.23% | 9.94% | 15.23% | 23.51% | 42.64% | 100.00% |
| Balloon Payments | $251,369 | $238,013 | $600,390 | $938,116 | $1,459,832 | $2,498,247 | $5,985,967 |
| Scheduled Amortization | $ 27,441 | $ 27,464 | $ 23,023 | $ 16,936 | $ 14,816 | $ 176,269 | $ 285,949 |

(1) Excludes unconsolidated joint ventures. For information on our unconsolidated joint venture debt, see page 17.
(2) This property has a fair value adjustment which is aggregated below.
(3) Loan matures on November 21, 2009 and has two, one-year extension options.
(4) Loan matures on January 29, 2011 and has two, one-year extension options.
(5) Loan matures on December 19, 2010 and has two, one-year extension options.
(6) For our unsecured exchangeable notes, amounts are included in the year in which the first optional redemption date occurs rather than their stated maturity dates.
(7) Unsecured Line of Credit matures on August 3, 2010 and has a one-year extension option.

## *Senior Unsecured Debt Covenant Compliance Ratios*

***(in thousands)***

In the fourth quarter of 2002, the Company's operating partnership (Boston Properties Limited Partnership) received investment grade ratings on its senior unsecured debt securities and thereafter issued unsecured notes. The notes were issued under an indenture, dated as of December 13, 2002, by and between Boston Properties Limited Partnership and The Bank of New York, as trustee, as supplemented, which, among other things, requires us to comply with the following limitations on incurrence of debt: Limitation on Outstanding Debt; Limitation on Secured Debt; Ratio of Annualized Consolidated EBITDA to Annualized Interest Expense; and Maintenance of Unencumbered Assets. Compliance with these restrictive covenants requires us to apply specialized terms the meanings of which are described in detail in our filings with the SEC, and to calculate ratios in the manner prescribed by the indenture.

This section presents such ratios as of December 31, 2008 to show that the Company's operating partnership was in compliance with the terms of the indenture, as amended, which has been filed with the SEC. This section also presents certain other indenture-related data which we believe assists investors in the Company's unsecured debt securities. Management is not presenting these ratios and the related calculations for any other purpose or for any other period, and is not intending for these measures to otherwise provide information to investors about the Company's financial condition or results of operations. Investors should not rely on these measures other than for purposes of testing our compliance with the indenture.

| | December 31, 2008 |
|---|---|
| Total Assets: | |
| Capitalized Property Value (1) | $ 15,116,059 |
| Cash and Cash Equivalents | 241,510 |
| Investments in Marketable Securities | 11,590 |
| Undeveloped Land, at Cost | 228,300 |
| Development in Process, at Cost (including Joint Venture %) | 902,684 |
| Total Assets | $ 16,500,143 |
| Unencumbered Assets | $ 9,265,309 |
| Secured Debt (Fixed and Variable) (2) | $ 2,647,408 |
| Joint Venture Debt | 1,554,508 |
| Contingent Liabilities & Letters of Credit | 21,835 |
| Unsecured Debt (3) | 3,635,000 |
| Total Outstanding Debt | $ 7,858,751 |
| Consolidated EBITDA: | |
| Income before minority interests and income (loss) from unconsolidated joint ventures (per Consolidated Income Statement) | $ 80,593 |
| Add: Interest Expense (per Consolidated Income Statement) | 71,261 |
| Add: Depreciation and Amortization (per Consolidated Income Statement) | 79,766 |
| Add: Net Derivative Losses | 7,172 |
| Add: Loss from investments in securities | 2,631 |
| EBITDA | 241,423 |
| Add: Company share of unconsolidated joint venture EBITDA | 60,884 |
| Consolidated EBITDA | $ 302,307 |
| Adjusted Interest Expense: | |
| Interest Expense (per Consolidated Income Statement) | $ 71,261 |
| Add: Company share of unconsolidated joint venture interest expense | 28,758 |
| Less: Amortization of financing costs | (2,143) |
| Less: Interest expense funded by construction loan draws | (1,277) |
| Adjusted Interest Expense | $ 96,599 |

| Covenant Ratios and Related Data | Test | Actual |
|---|---|---|
| Total Outstanding Debt/Total Assets | Less than 60% | 47.6% |
| Secured Debt/Total Assets | Less than 50% | 25.5% |
| Interest Coverage (Annualized Consolidated EBITDA to Annualized Interest Expense) | Greater than 1.50x | 3.13 |
| Unencumbered Assets/Unsecured Debt | Greater than 150% | 254.9% |
| Unencumbered Consolidated EBITDA | | $ 163,927 |
| Unencumbered Interest Coverage (Unencumbered Consolidated EBITDA to Unsecured Interest Expense) | | 3.77 |
| % of unencumbered Consolidated EBITDA to Consolidated EBITDA | | 54.2% |
| # of unencumbered properties | | 99 |

(1) Capitalized Property Value is determined for each property and is the greater of (A) annualized EBITDA capitalized at an 8.5% rate for CBD properties and a 9.0% rate for non-CBD properties, and (B) the undepreciated book value as determined under GAAP.
(2) Excludes Fair Value Adjustment of $13,234
(3) Excludes Debt Discount of $23,726

## *UNCONSOLIDATED JOINT VENTURE DEBT ANALYSIS (*)*

### *Debt Maturities and Principal Payments by Property*

*(in thousands)*

| Property | 2009 | 2010 | 2011 | 2012 | 2013 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| General Motors Building (60%) | $ — | $ — | $ — | $ — | $ — | $ 963,600 | $ 963,600(1) (2) |
| 125 West 55th Street (60%) | — | 158,100 | — | — | — | — | 158,100(2) |
| Two Grand Central Tower (60%) | — | 114,000 | — | — | — | — | 114,000(2) |
| 540 Madison Avenue (60%) | 240 | 240 | 240 | 240 | 70,920 | — | 71,880(3) |
| Metropolitan Square (51%) | 1,152 | 63,437 | — | — | — | — | 64,589 |
| Market Square North (50%) | 1,260 | 41,549 | — | — | — | — | 42,809 |
| 901 New York Avenue (25%) | 635 | 669 | 705 | 742 | 782 | 38,413 | 41,946 |
| Eighth Avenue and 46th Street (50%) | 11,800 | — | — | — | — | — | 11,800 |
| Annapolis Junction (50%) | — | 19,413 | — | — | — | — | 19,413(4) |
| Wisconsin Place Retail (5%) | — | 2,468 | — | — | — | — | 2,468(4) |
| | 15,087 | 399,876 | 945 | 982 | 71,702 | 1,002,013 | 1,490,605 |
| Fair Value Adjustment | 8,145 | 7,182 | 6,620 | 7,102 | 7,186 | 29,403 | 65,638 |
| | $23,232 | $407,058 | $7,565 | $8,084 | $78,888 | $1,031,416 | $1,556,243 |
| GAAP Weighted Average Rate | 5.69% | 6.85% | 5.56% | 5.55% | 6.42% | 6.59% | 6.64% |
| % of Total Debt | 1.49% | 26.15% | 0.49% | 0.52% | 5.07% | 66.28% | 100.00% |

### *Floating and Fixed Rate Debt Analysis*

| | % of Total Debt | Stated Weighted Average Rate (1) | GAAP Weighted Average Rate | Weighted Average Maturity |
|---|---|---|---|---|
| Floating Rate Debt | 2.26% | 3.60% | 3.88% | 1.2 years |
| Fixed Rate Debt | 97.74% | 6.02% | 6.71% | 6.6 years |
| Total Debt | 100.00% | 5.97% | 6.64% | 6.4 years |

(*) All amounts represent the Company’s share. Amounts exclude the Value-Added Fund. See page 19 for additional information on debt pertaining to the Value-Added Fund.

(1) Excludes the Company’s share ($270,000) of the aggregate of $450,000 of loans made to the joint venture by its partners.

(2) This property has a fair value adjustment which is aggregated below. Although these mortgages require interest only payments with a balloon payment at maturity, the fair value adjustment is amortized in over the term of the loan.

(3) This property has a fair value adjustment which is aggregated below.

(4) Debt has two, one-year extension options.

**Boston Properties, Inc.**
**Fourth Quarter 2008**

## UNCONSOLIDATED JOINT VENTURES

### Balance Sheet Information

*(unaudited and in thousands)*
*as of December 31, 2008*

| | General Motors Building | 125 West 55th Street | Two Grand Central Tower | 540 Madison Avenue | Market Square North | Metropolitan Square | 901 New York Avenue | Wisconsin Place (1) (2) | Annapolis Junction | Eighth Avenue and 46th Street (1) | Subtotal | Value-Added Fund (3)(4) | Total Unconsolidated Joint Ventures |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Investment (5) | $708,717(6) | $ 75,841 | $ 74,646 | $ 67,430 | $ 6,116 | $ 37,452 | $ (682) | $ 50,599 | $ 7,584 | $ (2,830) | $1,024,873 | $ 27,887 | $ 1,052,760 |
| Note Receivable (6) | 270,000 | — | — | — | — | — | — | — | — | — | 270,000 | — | 270,000 |
| Net Equity | $438,717 | $ 75,841 | $ 74,646 | $ 67,430 | $ 6,116 | $ 37,452 | $ (682) | $ 50,599 | $ 7,584 | $ (2,830) | $ 754,873 | $ 27,887 | $ 782,760 |
| Mortgage/Construction loans payable (5) (7) | $963,600 | $158,100 | $114,000 | $ 71,880 | $42,809 | $ 64,589 | $ 41,946 | $ 2,468 | $ 19,413 | $ 11,800 | $1,490,605 | $ 63,903 | $ 1,554,508 |
| BXP's nominal ownership percentage | 60.00% | 60.00% | 60.00% | 60.00% | 50.00% | 51.00% | 25.00% | 23.89% | 50.00% | 50.00% | | 36.92% | |

### Results of Operations

*(unaudited and in thousands)*
*for the three months ended December 31, 2008*

| | General Motors Building | 125 West 55th Street | Two Grand Central Tower | 540 Madison Avenue | Market Square North | Metropolitan Square | 901 New York Avenue | Wisconsin Place (1) (2) | Annapolis Junction (1) | Eighth Avenue and 46th Street (1) | Subtotal | Value-Added Fund (3)(4) | Total Unconsolidated Joint Ventures |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | | | | | | | | |
| Rental | $ 45,250 | $ 7,685 | $ 8,252 | $ 6,022 | $ 5,982 | $ 7,520 | $ 8,130 | $ 482 | $ — | $ — | $ 89,323 | $ 3,975 | $ 93,298 |
| Straight-line rent (SFAS 13) | 4,318 | 2,749 | 320 | 754 | (129) | (133) | 213 | — | — | — | 8,092 | 339 | 8,431 |
| Fair value lease revenue (SFAS 141) | 35,537 | 2,673 | 3,832 | 1,358 | — | — | — | — | — | — | 43,400 | 847 | 44,247 |
| Termination Income | — | 438 | — | — | — | — | 3 | — | — | — | 441 | 432 | 873 |
| Total revenue | 85,105 | 13,545 | 12,404 | 8,134 | 5,853 | 7,387 | 8,346 | 482 | — | — | 141,256 | 5,593 | 146,849 |
| **EXPENSES** | | | | | | | | | | | | | |
| Operating | 17,191 | 3,356 | 3,419 | 2,559 | 2,322 | 3,338 | 3,232 | 1,368 | 428 | — | 37,213 | 2,128 | 39,341 |
| **NET OPERATING INCOME** | 67,914 | 10,189 | 8,985 | 5,575 | 3,531 | 4,049 | 5,114 | (886) | (428) | — | 104,043 | 3,465 | 107,508 |
| Interest | 32,113 | 4,618 | 2,881 | 1,889 | 1,662 | 2,610 | 2,205 | 135 | 344 | — | 48,457 | 2,545 | 51,002 |
| Interest other - partner loans | 6,454 | — | — | — | — | — | — | — | — | — | 6,454 | — | 6,454 |
| Depreciation and amortization | 41,481 | 6,059 | 5,147 | 2,844 | 1,127 | 1,645 | 1,520 | 419 | 543 | — | 60,785 | 2,516 | 63,301 |
| **SUBTOTAL** | 80,048 | 10,677 | 8,028 | 4,733 | 2,789 | 4,255 | 3,725 | 554 | 887 | — | 115,696 | 5,061 | 120,757 |
| Gains on sale of real estate | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Impairment loss (8) | — | — | — | — | — | — | — | — | — | 40,570 | 40,570 | — | 40,570 |
| Losses from early extinguishment of debt | — | — | — | — | — | — | — | — | — | — | — | — | — |
| **NET INCOME/(LOSS)** | $(12,134) | $ (488) | $ 957 | $ 842 | $ 742 | $ (206) | $ 1,389 | $ (1,440) | $ (1,315) | $ (40,570) | $ (52,223) | $ (1,596) | $ (53,819) |
| BXP's share of net income/(loss) | $ (7,280) | $ (293) | $ 574 | $ 505 | $ 371 | $ (105) | $ 828(9) | $ (171) | $ (657) | $ (20,285) | $ (26,513) | $ (479) | $ (26,992) |
| Impairment loss on investment (8) | — | 45,122 | 74,318 | 31,920 | — | — | — | — | — | 2,882 | 154,242 | 13,798 | 168,040 |
| Elimination of inter-entity interest on partner loan | 7,473 | — | — | — | — | — | — | — | — | — | 7,473 | — | 7,473 |
| Income/(loss) from unconsolidated joint ventures | $ 193 | $(45,415) | $(73,744) | $ (31,415) | $ 371 | $ (105) | $ 828 | $ (171) | $ (657) | $ (23,167) | $(173,282) | $ (14,277) | $ (187,559) |
| BXP's share of depreciation & amortization | 24,889 | 3,635 | 3,088 | 1,707 | 564 | 839 | 386 | 100 | 271 | — | 35,479 | 920 | 36,399 |
| BXP's share of Funds from Operations (FFO) | $ 25,082 | $(41,780) | $(70,656) | $ (29,708) | $ 935 | $ 734 | $ 1,214 | $ (71) | $ (386) | $ (23,167) | $(137,803) | $ (13,357) | $ (151,160) |
| BXP's share of net operating income/(loss) | $ 40,748 | $ 6,113 | $ 5,391 | $ 3,345 | $ 1,766 | $ 2,065 | $ 1,279 | $ (64) | $ (214) | $ — | $ 60,429 | $ 1,328 | $ 61,757 |

(1) Property is currently not in service (i.e., under construction or undeveloped land).
(2) Represents the Company's interest in the joint venture entity that owns the land and infrastructure, as well as a nominal interest in the retail component of the project. The entity that will develop the office component of the project, of which the Company has a 66.67% interest, has been consolidated within the accounts of the Company.
(3) For additional information on the Value-Added Fund, see page 19. Information presented includes costs which relate to the organization and operations of the Value-Added Fund.
(4) Represents the Company's 25% interest in 300 Billerica Road and Circle Star, as well as a 39.5% interest in Mountain View Research Park and Mountain View Technology Park.
(5) Represents the Company's share.
(6) Includes the Company's share ($270,000) of the aggregate of $450,000 of loans made to the joint venture by it's partners.
(7) Excludes fair value adjustments.
(8) Represents the other-than-temporary decline in the fair values below the carrying values of certain of the Company's investments in unconsolidated joint ventures.
(9) Reflects the changes in the allocation percentages pursuant to the achievement of specified investment return thresholds as provided for in the joint venture agreement.

## _Boston Properties Office Value-Added Fund, L.P._

On October 25, 2004, the Company formed Boston Properties Office Value-Added Fund, L.P. (the "Value-Added Fund"), a strategic partnership with third parties, to pursue the acquisition of value-added investments in non-core office assets within the Company's existing markets. The Value-Added Fund had total equity commitments of $140 million. The Company receives asset management, property management, leasing and redevelopment fees and, if certain return thresholds are achieved, will be entitled to an additional promoted interest.

On January 7, 2008, the Company transferred the Mountain View properties to its Value-Added Fund. In connection with the transfer of the Research Park and Technology Park properties to the Value-Added Fund, the Company and its partners agreed to certain modifications to the Value-Added Fund's original terms, including bifurcating the Value-Added Fund's promote structure such that Research Park and Technology Park will be accounted for separately from the non-Mountain View properties currently owned by the Value-Added Fund (i.e., Circle Star and 300 Billerica Road). As a result of the modifications, the Company's interest in the Mountain View properties is approximately 39.5% and its interest in the non-Mountain View properties is 25%. The Company does not expect that the Value-Added Fund will make any future investments in new properties. The investments held by the Value-Added Fund are not included in the Company's portfolio information tables or any other portfolio level statistics and therefore are presented below.

### _Property Information_

| Property Name | Number of Buildings | Square Feet | Leased % | Annual Revenue per leased SF (1) | Mortgage Notes Payable (2) |
|---|---|---|---|---|---|
| 300 Billerica Road, Chelmsford, MA | 1 | 110,882 | 100.0% | $ 8.17 | $ 1,875(3) |
| Circle Star, San Carlos, CA | 2 | 206,945 | 45.2% | 20.83 | 10,500(4) |
| Mountain View Research Park, Mountain View, CA | 16 | 600,449 | 60.8% | 29.42 | 42,028(5) |
| Mountain View Technology Park, Mountain View, CA | 7 | 135,279 | 70.6% | 23.66 | 9,500(6) |
| Total | 26 | 1,053,555 | 63.1% | $ 23.84 | $ 63,903 |

### _Results of Operations_

_(unaudited and in thousands)_
_for the three months ended December 31, 2008_

| | Value-Added Fund |
|---|---|
| **REVENUE** | |
| Rental | $ 3,975 |
| Straight-line rent (SFAS 13) | 339 |
| Fair value lease revenue (SFAS 141) | 847 |
| Total revenue | 5,161 |
| **EXPENSES** | |
| Operating | 2,128 |
| **SUBTOTAL** | 3,033 |
| Interest | 2,545 |
| Depreciation and amortization | 2,516 |
| **SUBTOTAL** | 5,061 |
| Gains on sale of real estate | — |
| Loss from early extinguishment of debt | — |
| **NET INCOME** | $ (1,596) |
| BXP's share of net income | $ (479) |
| Impairment loss on investment | (13,798) |
| Loss from Value-Added Fund | $ (14,277) |
| BXP's share of depreciation & amortization | 920 |
| BXP's share of Funds from Operations (FFO) | $ (13,357) |
| **The Company's Equity in the Value-Added Fund** | $ 27,887 |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Represents the Company's share.
(3) The mortgage bears interest at a fixed rate of 5.69% and matures on January 1, 2016.
(4) The mortgage bears interest at a fixed rate of 6.57% and matures on September 1, 2013.
(5) The mortgage bears interest at a variable rate of LIBOR plus 1.75% and matures on May 31, 2011, with two, one-year extension options. The Value-Added Fund has entered into three (3) interest rate swap contracts to fix the one-month LIBOR index rate at 3.63% per annum on an aggregate notional amount of $103 million. The swap contracts went into effect on June 2, 2008 and expire on April 1, 2011.
(6) The mortgage bears interest at a variable rate of LIBOR plus 1.50% and matures on March 31, 2011, with two, one-year extension options. The Value-Added Fund has entered into an interest rate swap contract to fix the one-month LIBOR index rate at 4.085% per annum on a notional amount of $24 million. The swap contract went into effect on June 12, 2008 and expires on March 31, 2011.

## *PORTFOLIO OVERVIEW*

### *Rentable Square Footage and Percentage of Portfolio Net Operating Income of In-Service Properties by Location and Type of Property for the Quarter Ended December 31, 2008 (1) (2) (3)*

| Geographic Area | Square Feet Office (3) | % of NOI Office (4) | Square Feet Office/ Technical | % of NOI Office/ Technical (4) | Square Feet Total (3) | Square Feet % of Total | % of NOI Hotel (4) | % of NOI Total (4) |
|---|---|---|---|---|---|---|---|---|
| Greater Boston | 8,205,022 | 18.6% | 834,062 | 1.8% | 9,039,084 | 26.2% | 1.1% | 21.5% |
| Greater Washington | 8,461,307(5) | 19.1% | 825,232 | 1.1% | 9,286,539(5) | 27.0% | — | 20.2% |
| Greater San Francisco | 4,973,866 | 11.4% | — | — | 4,973,866 | 14.4% | — | 11.4% |
| Midtown Manhattan | 8,817,832(6) | 44.2% | — | — | 8,817,832(6) | 25.6% | — | 44.2% |
| Princeton/East Brunswick, NJ | 2,324,692 | 2.7% | — | — | 2,324,692 | 6.7% | — | 2.7% |
| | 32,782,719 | 96.0% | 1,659,294 | 2.9% | 34,442,013 | 100.0% | 1.1% | 100.0% |
| % of Total | 95.2% | | 4.8% | | 100.0% | | | |

### *Percentage of Portfolio Net Operating Income of In-Service Properties by Location and Type of Property (2) (4) Hotel Properties*

| Geographic Area | CBD | Suburban | Total |
|---|---|---|---|
| Greater Boston | 15.8% | 5.7% | 21.5% |
| Greater Washington | 8.8% | 11.4% | 20.2% |
| Greater San Francisco | 9.2% | 2.2% | 11.4% |
| Midtown Manhattan | 44.2% | — | 44.2% |
| Princeton/East Brunswick, NJ | — | 2.7% | 2.7% |
| Total | 78.0% | 22.0% | 100.0% |

### *Hotel Properties*

| Hotel Properties | Number of Rooms | Square Feet |
|---|---|---|
| Cambridge Center Marriott, Cambridge, MA | 433 | 330,400 |
| Total Hotel Properties | 433 | 330,400 |

### *Structured Parking*

| | Number of Spaces | Square Feet |
|---|---|---|
| Total Structured Parking | 35,617 | 11,219,345 |

(1) For disclosures relating to our definition of In-Service Properties, see page 51.
(2) Portfolio Net Operating Income is a non-GAAP financial measure. For a quantitative reconciliation of Portfolio NOI to net income available to common shareholders, see page 43. For disclosures relating to our use of Portfolio NOI see page 51.
(3) Includes approximately 1,700,000 square feet of retail space.
(4) The calculation for percentage of Portfolio Net Operating Income excludes termination income.
(5) Includes 586,887 square feet at Metropolitan Square which is 51% owned by Boston Properties, 401,279 square feet at Market Square North which is 50% owned by Boston Properties, 539,229 square feet at 901 New York Avenue which is 25% owned by Boston Properties, 321,926 square feet at 505 9th Street, N.W. which is 50% owned by Boston Properties and 117,599 square feet at Annapolis Junction which is 50% owned by Boston Properties.
(6) Includes 1,770,298 square feet at the General Motors Building, 558,008 square feet at 125 West 55th Street, 635,275 square feet at Two Grand Central Tower and 284,185 square feet at 540 Madison Avenue each of which is 60% owned by Boston Properties.

**Boston Properties, Inc.**
**Fourth Quarter 2008**

***In-Service Property Listing***
***as of December 31, 2008***

| | Sub Market | Number of Buildings | Square Feet | Leased % | Annualized Revenue Per Leased SF (1) | Encumbered with secured debt (Y/N) | Central Business District (CBD) or Suburban (S) |
|---|---|---|---|---|---|---|---|
| **Greater Boston** | | | | | | | |
| Office | | | | | | | |
| 800 Boylston Street - The Prudential Center | CBD Boston MA | 1 | 1,192,899 | 93.9% | $ 42.93 | N | CBD |
| 111 Huntington Avenue - The Prudential Center | CBD Boston MA | 1 | 859,642 | 99.6% | 62.64 | N | CBD |
| 101 Huntington Avenue - The Prudential Center | CBD Boston MA | 1 | 505,939 | 100.0% | 39.66 | N | CBD |
| The Shops at the Prudential Center | CBD Boston MA | 1 | 509,813 | 98.5% | 71.81 | N | CBD |
| Shaws Supermarket at the Prudential Center | CBD Boston MA | 1 | 57,235 | 100.0% | 52.76 | N | CBD |
| One Cambridge Center | East Cambridge MA | 1 | 215,385 | 81.7% | 39.41 | N | CBD |
| Three Cambridge Center | East Cambridge MA | 1 | 108,152 | 77.7% | 31.43 | N | CBD |
| Four Cambridge Center | East Cambridge MA | 1 | 198,295 | 95.1% | 39.79 | N | CBD |
| Five Cambridge Center | East Cambridge MA | 1 | 240,480 | 99.3% | 44.99 | N | CBD |
| Eight Cambridge Center | East Cambridge MA | 1 | 177,226 | 100.0% | 35.80 | Y | CBD |
| Ten Cambridge Center | East Cambridge MA | 1 | 152,664 | 100.0% | 40.21 | Y | CBD |
| Eleven Cambridge Center | East Cambridge MA | 1 | 79,616 | 90.2% | 47.82 | N | CBD |
| University Place | Mid-Cambridge MA | 1 | 195,282 | 100.0% | 38.28 | Y | CBD |
| Reservoir Place | Route 128 Mass Turnpike MA | 1 | 527,590 | 93.1% | 30.51 | Y | S |
| Reservoir Place North | Route 128 Mass Turnpike MA | 1 | 73,258 | 100.0% | 35.56 | N | S |
| 140 Kendrick Street | Route 128 Mass Turnpike MA | 3 | 380,987 | 100.0% | 31.24 | Y | S |
| 230 CityPoint (formerly Prospect Place) | Route 128 Mass Turnpike MA | 1 | 301,815 | 92.6% | 31.84 | N | S |
| (2) 77 CityPoint | Route 128 Mass Turnpike MA | 1 | 209,707 | 100.0% | 39.67 | N | S |
| Waltham Office Center | Route 128 Mass Turnpike MA | 3 | 129,262 | 53.3% | 20.51 | N | S |
| 195 West Street | Route 128 Mass Turnpike MA | 1 | 63,500 | 100.0% | 53.15 | N | S |
| 200 West Street | Route 128 Mass Turnpike MA | 1 | 248,311 | 100.0% | 35.16 | N | S |
| Waltham Weston Corporate Center | Route 128 Mass Turnpike MA | 1 | 306,789 | 98.1% | 36.18 | N | S |
| 10 & 20 Burlington Mall Road | Route 128 Northwest MA | 2 | 153,180 | 92.4% | 24.41 | Y | S |
| Bedford Business Park | Route 128 Northwest MA | 1 | 92,207 | 100.0% | 22.03 | N | S |
| 32 Hartwell Avenue | Route 128 Northwest MA | 1 | 69,154 | 100.0% | 24.81 | N | S |
| 91 Hartwell Avenue | Route 128 Northwest MA | 1 | 121,425 | 83.8% | 26.58 | Y | S |
| 92 Hayden Avenue | Route 128 Northwest MA | 1 | 31,100 | 100.0% | 33.91 | N | S |
| 100 Hayden Avenue | Route 128 Northwest MA | 1 | 55,924 | 100.0% | 32.90 | N | S |
| 33 Hayden Avenue | Route 128 Northwest MA | 1 | 80,128 | 100.0% | 31.84 | N | S |
| Lexington Office Park | Route 128 Northwest MA | 2 | 166,373 | 71.1% | 26.49 | N | S |
| 191 Spring Street | Route 128 Northwest MA | 1 | 158,900 | 100.0% | 30.38 | N | S |
| 181 Spring Street | Route 128 Northwest MA | 1 | 55,793 | 100.0% | 35.55 | N | S |
| 201 Spring Street | Route 128 Northwest MA | 1 | 106,300 | 100.0% | 33.42 | N | S |
| 40 Shattuck Road | Route 128 Northwest MA | 1 | 120,773 | 64.4% | 20.79 | N | S |
| Quorum Office Park | Route 128 Northwest MA | 2 | 259,918 | 100.0% | 26.59 | N | S |
| | | 42 | 8,205,022 | 95.0% | $ 41.13 | | |
| Office/Technical | | | | | | | |
| Seven Cambridge Center | East Cambridge MA | 1 | 231,028 | 100.0% | 82.34 | N | CBD |
| Fourteen Cambridge Center | East Cambridge MA | 1 | 67,362 | 100.0% | 24.48 | N | CBD |
| 103 Fourth Avenue | Route 128 Mass Turnpike MA | 1 | 62,476 | 58.5% | 21.93 | N | S |
| Bedford Business Park | Route 128 Northwest MA | 2 | 379,056 | 62.7% | 22.47 | N | S |
| 17 Hartwell Avenue | Route 128 Northwest MA | 1 | 30,000 | 100.0% | 15.25 | N | S |
| 164 Lexington Road | Route 128 Northwest MA | 1 | 64,140 | 0.0% | — | N | S |
| | | 7 | 834,062 | 72.3% | $ 45.25 | | |
| | Total Greater Boston: | 49 | 9,039,084 | 92.9% | $ 41.42 | | |

## *In-Service Property Listing (continued)*

### *as of December 31, 2008*

| | Sub Market | Number of Buildings | Square Feet | Leased % | Annualized Revenue Per Leased SF (1) | Encumbered with secured debt (Y/N) | Central Business District (CBD) or Suburban (S) |
|---|---|---|---|---|---|---|---|
| **Greater Washington, DC** | | | | | | | |
| Office | | | | | | | |
| Capital Gallery | Southwest Washington DC | 1 | 619,586 | 100.0% | $ 45.98 | N | CBD |
| 500 E Street, S. W. | Southwest Washington DC | 1 | 248,336 | 100.0% | 44.06 | N | CBD |
| Metropolitan Square (51% ownership) | East End Washington DC | 1 | 586,887 | 99.9% | 49.72 | Y | CBD |
| 1301 New York Avenue | East End Washington DC | 1 | 188,358 | 100.0% | 31.28 | Y | CBD |
| Market Square North (50% ownership) | East End Washington DC | 1 | 401,279 | 100.0% | 56.67 | Y | CBD |
| (2) 505 9th Street, N.W. (50% ownership) | CBD Washington DC | 1 | 321,926 | 100.0% | 54.67 | Y | CBD |
| 901 New York Avenue (25% ownership) | CBD Washington DC | 1 | 539,229 | 99.4% | 56.56 | Y | CBD |
| 1333 New Hampshire Avenue | CBD Washington DC | 1 | 315,371 | 100.0% | 49.42 | N | CBD |
| 1330 Connecticut Avenue | CBD Washington DC | 1 | 252,136 | 100.0% | 56.42 | Y | CBD |
| (2) 635 Massachusetts Avenue | CBD Washington DC | 1 | 211,000 | 100.0% | 28.31 | N | CBD |
| Sumner Square | CBD Washington DC | 1 | 208,665 | 100.0% | 45.37 | Y | CBD |
| (2) Annapolis Junction (50% ownership) | Arundel County, MD | 1 | 117,599 | 0.0% | — | Y | S |
| Montvale Center | Montgomery County MD | 1 | 122,808 | 82.5% | 26.87 | Y | S |
| 2600 Tower Oaks Boulevard | Montgomery County MD | 1 | 178,887 | 90.8% | 40.44 | N | S |
| Kingstowne One | Fairfax County VA | 1 | 150,838 | 100.0% | 34.66 | Y | S |
| Kingstowne Two | Fairfax County VA | 1 | 156,251 | 95.7% | 34.13 | Y | S |
| Kingstowne Retail | Fairfax County VA | 1 | 88,288 | 94.3% | 29.65 | Y | S |
| One Freedom Square | Fairfax County VA | 1 | 414,433 | 100.0% | 40.57 | Y | S |
| Two Freedom Square | Fairfax County VA | 1 | 421,676 | 98.8% | 43.55 | N | S |
| One Reston Overlook | Fairfax County VA | 1 | 312,685 | 100.0% | 28.75 | N | S |
| Two Reston Overlook | Fairfax County VA | 1 | 134,615 | 93.8% | 30.85 | N | S |
| One and Two Discovery Square | Fairfax County VA | 2 | 366,990 | 100.0% | 44.91 | N | S |
| New Dominion Technology Park - Building One | Fairfax County VA | 1 | 235,201 | 100.0% | 32.98 | Y | S |
| New Dominion Technology Park - Building Two | Fairfax County VA | 1 | 257,400 | 100.0% | 39.49 | Y | S |
| Reston Corporate Center | Fairfax County VA | 2 | 261,046 | 100.0% | 33.71 | N | S |
| (2) South of Market | Fairfax County VA | 3 | 648,279 | 83.0% | 36.02 | Y | S |
| 12290 Sunrise Valley | Fairfax County VA | 1 | 182,424 | 100.0% | 36.28 | N | S |
| 12300 Sunrise Valley | Fairfax County VA | 1 | 255,244 | 100.0% | 34.33 | N | S |
| 12310 Sunrise Valley | Fairfax County VA | 1 | 263,870 | 100.0% | 34.68 | N | S |
| | | 33 | 8,461,307 | 96.5% | $ 42.54 | | |
| Office/Technical | | | | | | | |
| 6601 Springfield Center Drive | Fairfax County VA | 1 | 26,388 | 100.0% | 13.63 | N | S |
| 6605 Springfield Center Drive | Fairfax County VA | 1 | 68,907 | 0.0% | — | N | S |
| 7435 Boston Boulevard | Fairfax County VA | 1 | 103,557 | 100.0% | 20.03 | N | S |
| 7451 Boston Boulevard | Fairfax County VA | 1 | 47,001 | 100.0% | 22.53 | N | S |
| 7450 Boston Boulevard | Fairfax County VA | 1 | 62,402 | 100.0% | 19.70 | N | S |
| 7374 Boston Boulevard | Fairfax County VA | 1 | 57,321 | 100.0% | 16.38 | N | S |
| 8000 Grainger Court | Fairfax County VA | 1 | 88,775 | 100.0% | 18.50 | N | S |
| 7500 Boston Boulevard | Fairfax County VA | 1 | 79,971 | 100.0% | 15.10 | N | S |
| 7501 Boston Boulevard | Fairfax County VA | 1 | 75,756 | 100.0% | 23.39 | N | S |
| 7601 Boston Boulevard | Fairfax County VA | 1 | 103,750 | 100.0% | 14.40 | N | S |
| 7375 Boston Boulevard | Fairfax County VA | 1 | 26,865 | 100.0% | 20.11 | N | S |
| 8000 Corporate Court | Fairfax County VA | 1 | 52,539 | 100.0% | 17.77 | N | S |
| 7300 Boston Boulevard | Fairfax County VA | 1 | 32,000 | 100.0% | 26.05 | N | S |
| | | 13 | 825,232 | 91.6% | $18.62 | | |
| | Total Greater Washington: | 46 | 9,286,539 | 96.1% | $ 40.52 | | |

*In-Service Property Listing (continued)*

*as of December 31, 2008*

| | Sub Market | Number of Buildings | Square Feet | Leased % | Annualized Revenue Per Leased SF (1) | Encumbered with secured debt (Y/N) | Central Business District (CBD) or Suburban (S) |
|---|---|---|---|---|---|---|---|
| **Midtown Manhattan** | | | | | | | |
| Office | | | | | | | |
| 599 Lexington Avenue | Park Avenue NY | 1 | 1,037,338 | 99.2% | $ 74.71 | Y | CBD |
| Citigroup Center | Park Avenue NY | 1 | 1,590,013 | 97.7% | 78.12 | Y | CBD |
| 399 Park Avenue | Park Avenue NY | 1 | 1,700,331 | 99.7% | 86.32 | N | CBD |
| Times Square Tower | Times Square NY | 1 | 1,242,384 | 97.3% | 67.63 | N | CBD |
| (2) General Motors Building (60% ownership) | Plaza District NY | 1 | 1,770,298 | 98.0% | 108.29 | Y | CBD |
| (2) 125 West 55th Street (60% ownership) | Sixth/Rock Center NY | 1 | 558,008 | 100.0% | 61.71 | Y | CBD |
| (2) Two Grand Central Tower (60% ownership) | Grand Central District NY | 1 | 635,275 | 99.8% | 55.49 | Y | CBD |
| (2) 540 Madison Avenue (60% ownership) | 5th/Madison District NY | 1 | 284,185 | 92.9% | 88.32 | Y | CBD |
| | Total Midtown Manhattan: | 8 | 8,817,832 | 98.4% | $ 81.50 | | |
| **Princeton/East Brunswick, NJ** | | | | | | | |
| Office | | | | | | | |
| 101 Carnegie Center | Princeton NJ | 1 | 123,659 | 100.0% | $ 28.77 | N | S |
| 104 Carnegie Center | Princeton NJ | 1 | 102,830 | 94.4% | 34.38 | N | S |
| 105 Carnegie Center | Princeton NJ | 1 | 69,955 | 55.3% | 24.71 | N | S |
| 201 Carnegie Center | Princeton NJ | — | 6,500 | 100.0% | 28.39 | N | S |
| 202 Carnegie Center | Princeton NJ | 1 | 130,582 | 81.1% | 32.71 | Y | S |
| 206 Carnegie Center | Princeton NJ | 1 | 161,763 | 100.0% | 31.51 | Y | S |
| 210 Carnegie Center | Princeton NJ | 1 | 161,776 | 93.7% | 35.05 | N | S |
| 211 Carnegie Center | Princeton NJ | 1 | 47,025 | 100.0% | 30.73 | N | S |
| 212 Carnegie Center | Princeton NJ | 1 | 149,354 | 95.7% | 36.49 | N | S |
| 214 Carnegie Center | Princeton NJ | 1 | 150,774 | 80.1% | 32.70 | Y | S |
| 302 Carnegie Center | Princeton NJ | 1 | 64,926 | 100.0% | 35.00 | N | S |
| 502 Carnegie Center | Princeton NJ | 1 | 116,855 | 100.0% | 35.85 | N | S |
| 504 Carnegie Center | Princeton NJ | 1 | 121,990 | 100.0% | 33.48 | N | S |
| 506 Carnegie Center | Princeton NJ | 1 | 136,213 | 100.0% | 34.65 | N | S |
| 508 Carnegie Center | Princeton NJ | 1 | 132,653 | 56.1% | 32.04 | N | S |
| 510 Carnegie Center | Princeton NJ | 1 | 234,160 | 100.0% | 27.73 | N | S |
| | | 15 | 1,911,015 | 91.3% | $ 32.48 | | |
| One Tower Center | East Brunswick NJ | 1 | 413,677 | 49.5% | $ 33.09 | N | S |
| | | 1 | 413,677 | 49.5% | $ 33.09 | | |
| | Total Princeton/East Brunswick, NJ: | 16 | 2,324,692 | 83.8% | $ 32.55 | | |
| **Greater San Francisco** | | | | | | | |
| Office | | | | | | | |
| Embarcadero Center One | CBD San Francisco CA | 1 | 830,280 | 85.5% | $ 48.88 | N | CBD |
| Embarcadero Center Two | CBD San Francisco CA | 1 | 778,337 | 98.6% | 52.19 | N | CBD |
| Embarcadero Center Three | CBD San Francisco CA | 1 | 774,946 | 84.2% | 42.67 | N | CBD |
| Embarcadero Center Four | CBD San Francisco CA | 1 | 936,561 | 96.6% | 62.08 | Y | CBD |
| | | 4 | 3,320,124 | 91.4% | $ 52.26 | | |
| 303 Almaden | San Jose, CA | 1 | 156,859 | 94.1% | 32.25 | N | CBD |
| 611 Gateway | South San Francisco CA | 1 | 256,302 | 100.0% | $ 33.56 | N | S |
| 601 and 651 Gateway | South San Francisco CA | 2 | 506,045 | 96.6% | 31.04 | N | S |
| (2) North First Business Park | San Jose, CA | 5 | 190,636 | 75.8% | 15.53 | N | S |
| 3200 Zanker Road | San Jose, CA | 4 | 543,900 | 100.0% | 14.34 | N | S |
| | | 13 | 1,653,742 | 95.6% | $ 24.40 | | |
| | Total Greater San Francisco: | 17 | 4,973,866 | 92.8% | $ 42.68 | | |
| | Total In-Service Properties: | 136 | 34,442,013 | 94.5% | $ 51.50 | | |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Not included in Same Property analysis.

## *TOP 20 TENANTS LISTING AND PORTFOLIO TENANT DIVERSIFICATION*

### *TOP 20 TENANTS BY SQUARE FEET LEASED*

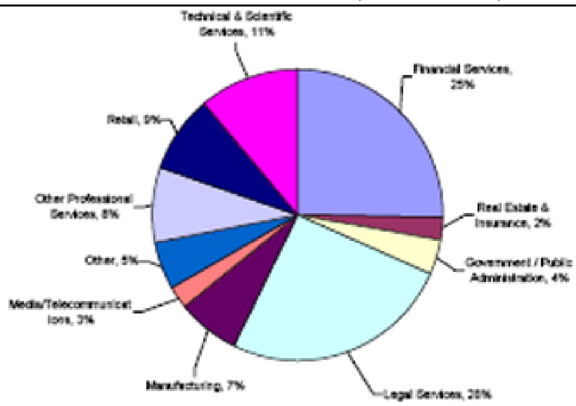
| | Tenant | Sq. Ft. | | % of Portfolio |
|---|---|---|---|---|
| 1 | US Government | 1,825,576 | (1) | 5.30% |
| 2 | Lockheed Martin | 1,292,429 | | 3.75% |
| 3 | Citibank | 1,085,570 | (2) | 3.15% |
| 4 | Genentech | 546,750 | | 1.59% |
| 5 | Kirkland & Ellis | 502,046 | (3) | 1.46% |
| 6 | Gillette | 484,051 | | 1.41% |
| 7 | Shearman & Sterling | 472,808 | | 1.37% |
| 8 | Weil Gotshal Manges | 456,744 | (4) | 1.33% |
| 9 | O'Melveny & Myers | 446,039 | | 1.30% |
| 10 | Lehman Brothers | 436,723 | (5) | 1.27% |
| 11 | Parametric Technology | 380,987 | | 1.11% |
| 12 | Accenture | 378,867 | | 1.10% |
| 13 | Finnegan Henderson Farabow | 356,195 | (6) | 1.03% |
| 14 | Ann Taylor | 338,942 | | 0.98% |
| 15 | Northrop Grumman | 327,677 | | 0.95% |
| 16 | Biogen Idec | 317,341 | | 0.92% |
| 17 | Washington Group International | 299,079 | | 0.87% |
| 18 | Aramis (Estee Lauder) | 295,610 | (7) | 0.86% |
| 19 | Bingham McCutchen | 291,415 | | 0.85% |
| 20 | Akin Gump Strauss Hauer & Feld | 290,132 | | 0.84% |
| | Total % of Portfolio Square Feet | | | 31.43% |
| | Total % of Portfolio Revenue | | | 32.08% |

### *Notable Signed Deals (8)*

| Tenant | Property | | Sq. Ft. |
|---|---|---|---|
| Ropes & Gray LLP | Prudential Tower | (9) | 470,000 |
| Wellington Management | 280 Congress Street (Russia Wharf) | | 450,000 |
| Biogen Idec | Weston Corporate Center | | 356,367 |
| Akamai Technology | Four & Eight Cambridge Center | | 230,678 |
| Gibson, Dunn & Crutcher LLP | 250 W. 55th Street | | 221,510 |
| Hunton & Williams | 2200 Pennsylvania Avenue | | 189,806 |

(1) Includes 116,353, 68,282 & 28,384 square feet of space in properties in which Boston Properties has a 60%, 51% and 50% interest respectively.
(2) Includes 10,080 & 2,761 square feet of space in properties in which Boston Properties has a 60% and 51% interest repectivley.
(3) Includes 218,134 square feet of space in a property in which Boston Properties has a 51% interest.
(4) Includes 456,744 square feet of space in a property in which Boston Properties has a 60% interest.
(5) Lehman Brothers Inc. has filed for bankruptcy.
(6) Includes 258,990 square feet of space in a property in which Boston Properties has a 25% interest.
(7) Includes 295,610 square feet of space in a property in which Boston Properties has a 60% interest.
(8) Represents leases signed with occupancy commencing in the future.
(9) The space is currently occupied by Gillette.

### *TENANT DIVERSIFICATION (GROSS RENT) **




* The classification of the Company's tenants is based on the U.S. Government's North American Industry Classification System (NAICS), which has replaced the Standard Industrial Classification (SIC) system.

## *IN-SERVICE OFFICE PROPERTIES*

### *Lease Expirations (1) (2)*

| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Current Annualized Revenues Under Expiring Leases p.s.f. | Annualized Revenues Under Expiring Leases with future step-ups | Annualized Revenues Under Expiring Leases with future step-ups - p.s.f. | Percentage of Total Square Feet |
|---|---|---|---|---|---|---|
| 2009 | 2,027,102 | $ 83,334,710 | $ 41.11 | $ 85,478,285 | $ 42.17 | 6.49% |
| 2010 | 2,880,352 | 114,860,449 | 39.88 | 117,718,408 | 40.87 | 9.23% |
| 2011 | 3,108,868 | 148,454,595 | 47.75 | 152,250,995 | 48.97 | 9.96% |
| 2012 | 2,848,806 | 133,645,304 | 46.91 | 138,146,049 | 48.49 | 9.12% |
| 2013 | 1,322,079 | 55,386,819 | 41.89 | 59,022,206 | 44.64 | 4.23% |
| 2014 | 2,446,190 | 99,297,300 | 40.59 | 105,702,253 | 43.21 | 7.83% |
| 2015 | 1,777,100 | 82,417,313 | 46.38 | 93,118,894 | 52.40 | 5.69% |
| 2016 | 2,532,069 | 144,960,725 | 57.25 | 157,533,591 | 62.22 | 8.11% |
| 2017 | 2,812,567 | 192,148,137 | 68.32 | 210,510,579 | 74.85 | 9.01% |
| 2018 | 488,637 | 35,622,434 | 72.90 | 41,807,237 | 85.56 | 1.57% |
| Thereafter | 7,189,680 | 422,871,754 | 58.82 | 540,316,472 | 75.15 | 23.03% |

### *Occupancy By Location (3)*

| | CBD | | Suburban | | Total | |
|---|---|---|---|---|---|---|
| Location | 31-Dec-08 | 31-Dec-07 | 31-Dec-08 | 31-Dec-07 | 31-Dec-08 | 31-Dec-07 |
| Midtown Manhattan | 98.4% | 99.5% | n/a | n/a | 98.4% | 99.5% |
| Greater Boston | 96.3% | 98.6% | 93.3% | 91.5% | 95.0% | 95.5% |
| Greater Washington | 99.9% | 98.8% | 93.6% | 99.2% | 96.5% | 99.0% |
| Greater San Francisco | 91.5% | 89.3% | 95.8% | 95.4% | 92.8% | 91.1% |
| Princeton/East Brunswick, NJ | n/a | n/a | 83.8% | 83.3% | 83.8% | 83.3% |
| Total Portfolio | 97.1% | 97.0% | 91.9% | 92.9% | 95.2% | 95.4% |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.
(3) Includes approximately 1,700,000 square feet of retail space.

## *IN-SERVICE OFFICE/TECHNICAL PROPERTIES*

### *Lease Expirations (1) (2)*

| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Current Annualized Revenues Under Expiring Leases p.s.f. | Annualized Revenues Under Expiring Leases with future step-ups | Annualized Revenues Under Expiring Leases with future step-ups - p.s.f. | Percentage of Total Square Feet |
|---|---|---|---|---|---|---|
| 2009 | 203,726 | $ 4,507,799 | $ 22.13 | $ 4,522,599 | $ 22.20 | 12.28% |
| 2010 | 216,776 | 3,845,928 | 17.74 | 3,982,206 | 18.37 | 13.06% |
| 2011 | 57,321 | 939,059 | 16.38 | 939,059 | 16.38 | 3.45% |
| 2012 | 132,820 | 2,903,804 | 21.86 | 2,921,092 | 21.99 | 8.00% |
| 2013 | — | — | — | — | — | 0.00% |
| 2014 | 247,668 | 4,274,253 | 17.26 | 4,589,336 | 18.53 | 14.93% |
| 2015 | 23,439 | 426,159 | 18.18 | 494,384 | 21.09 | 1.41% |
| 2016 | 225,532 | 18,655,676 | 82.72 | 18,955,634 | 84.05 | 13.59% |
| 2017 | — | — | — | — | — | 0.00% |
| 2018 | — | — | — | — | — | 0.00% |
| Thereafter | 237,776 | 5,342,728 | 22.47 | 5,661,616 | 23.81 | 14.33% |

### *Occupancy By Location*

| | CBD | | Suburban | | Total | |
|---|---|---|---|---|---|---|
| Location | 31-Dec-08 | 31-Dec-07 | 31-Dec-08 | 31-Dec-07 | 31-Dec-08 | 31-Dec-07 |
| Midtown Manhattan | n/a | n/a | n/a | n/a | n/a | n/a |
| Greater Boston | 100.0% | 100.0% | 56.8% | 56.8% | 72.3% | 72.3% |
| Greater Washington | n/a | n/a | 91.6% | 100.0% | 91.6% | 100.0% |
| Greater San Francisco | n/a | n/a | n/a | n/a | n/a | n/a |
| Princeton/East Brunswick, NJ | n/a | n/a | n/a | n/a | n/a | n/a |
| Total Portfolio | 100.0% | 100.0% | 77.9% | 83.0% | 81.9% | 86.1% |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.

(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.

## *IN-SERVICE RETAIL PROPERTIES*

### *Lease Expirations (1) (2)*

| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Current Annualized Revenues Under Expiring Leases p.s.f. | Annualized Revenues Under Expiring Leases with future step - ups | Annualized Revenues Under Expiring Leases with future step-ups - p.s.f. | Percentage of Total Square Feet |
|---|---|---|---|---|---|---|
| 2009 | 64,593 | $ 5,175,437 | $ 80.12 (3) | $ 4,669,603 | $ 72.29 (3) | 4.14% |
| 2010 | 109,266 | 7,087,612 | 64.87 (4) | 7,092,681 | 64.91 (4) | 7.00% |
| 2011 | 71,636 | 5,084,989 | 70.98 | 5,254,080 | 73.34 | 4.59% |
| 2012 | 182,210 | 13,031,241 | 71.52 | 13,046,259 | 71.60 | 11.67% |
| 2013 | 74,536 | 6,099,776 | 81.84 | 6,163,679 | 82.69 | 4.78% |
| 2014 | 43,829 | 4,142,344 | 94.51 | 4,507,582 | 102.84 | 2.81% |
| 2015 | 93,880 | 8,719,153 | 92.88 | 10,110,632 | 107.70 | 6.01% |
| 2016 | 131,581 | 20,880,004 | 158.69 | 22,801,312 | 173.29 | 8.43% |
| 2017 | 112,552 | 7,464,427 | 66.32 | 8,025,260 | 71.30 | 7.21% |
| 2018 | 234,673 | 10,611,107 | 45.22 | 11,497,428 | 48.99 | 15.04% |
| Thereafter | 442,052 | 25,134,873 | 56.86 | 31,941,148 | 72.26 | 28.32% |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.

(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.

(3) Excluding kiosks with one square foot at the Prudential Center, current and future expiring rents would be $53.94 per square foot and $52.44 per square foot in 2009.

(4) Excluding kiosks with one square foot at the Prudential Center, current and future expiring rents would be $61.28 per square foot and $61.28 per square foot in 2010.

## *GRAND TOTAL OF ALL IN-SERVICE PROPERTIES*

### *Lease Expirations (1) (2)*

| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Current Annualized Revenues Under Expiring Leases p.s.f. | Annualized Revenues Under Expiring Leases with future step-ups | Annualized Revenues Under Expiring Leases with future step-ups - p.s.f. | Percentage of Total Square Feet |
|---|---|---|---|---|---|---|
| 2009 | 2,295,421 | $ 93,017,946 | $ 40.52 | $ 94,670,486 | $ 41.24 | 6.7% |
| 2010 | 3,206,394 | 125,793,989 | 39.23 | 128,793,296 | 40.17 | 9.3% |
| 2011 | 3,237,825 | 154,478,643 | 47.71 | 158,444,134 | 48.94 | 9.4% |
| 2012 | 3,163,836 | 149,580,349 | 47.28 | 154,113,400 | 48.71 | 9.2% |
| 2013 | 1,396,615 | 61,486,594 | 44.03 | 65,185,886 | 46.67 | 4.1% |
| 2014 | 2,737,687 | 107,713,897 | 39.34 | 114,799,171 | 41.93 | 7.9% |
| 2015 | 1,894,419 | 91,562,625 | 48.33 | 103,723,910 | 54.75 | 5.5% |
| 2016 | 2,889,182 | 184,496,405 | 63.86 | 199,290,537 | 68.98 | 8.4% |
| 2017 | 2,925,119 | 199,612,564 | 68.24 | 218,535,840 | 74.71 | 8.5% |
| 2018 | 723,310 | 46,233,541 | 63.92 | 53,304,665 | 73.70 | 2.1% |
| Thereafter | 7,869,508 | 453,349,356 | 57.61 | 577,919,237 | 73.44 | 22.8% |

### *Occupancy By Location*

| | CBD | | Suburban | | Total | |
|---|---|---|---|---|---|---|
| Location | 31-Dec-08 | 31-Dec-07 | 31-Dec-08 | 31-Dec-07 | 31-Dec-08 | 31-Dec-07 |
| Midtown Manhattan | 98.4% | 99.5% | n/a | n/a | 98.4% | 99.5% |
| Greater Boston | 96.5% | 98.7% | 88.7% | 86.9% | 92.9% | 93.3% |
| Greater Washington | 99.9% | 98.8% | 93.3% | 99.3% | 96.1% | 99.1% |
| Greater San Francisco | 91.5% | 89.3% | 95.8% | 95.4% | 92.8% | 91.1% |
| Princeton/East Brunswick, NJ | n/a | n/a | 83.8% | 83.3% | 83.8% | 83.3% |
| Total Portfolio | 97.1% | 97.1% | 90.5% | 91.8% | 94.5% | 94.9% |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.

## *IN-SERVICE GREATER BOSTON PROPERTIES*

### *Lease Expirations - Greater Boston (1) (2)*

| | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | 768,803 | $ 27,131,172 | $ 35.29 | $ 26,906,777 | $ 35.00 | — | $ — | $ — | $ — | $ — |
| 2010 | 720,381 | 24,368,480 | 33.83 | 25,679,288 | 35.65 | 36,528 | 801,046 | 21.93 | 892,366 | 24.43 |
| 2011 | 1,253,168 | 56,403,037 | 45.01 | 57,958,568 | 46.25 | — | — | — | — | — |
| 2012 | 1,091,745 | 40,508,522 | 37.10 | 41,940,850 | 38.42 | 67,362 | 1,649,088 | 24.48 | 1,649,088 | 24.48 |
| 2013 | 441,340 | 17,915,773 | 40.59 | 19,950,919 | 45.21 | — | — | — | — | — |
| 2014 | 652,251 | 26,974,252 | 41.36 | 27,409,410 | 42.02 | 30,000 | 457,500 | 15.25 | 457,500 | 15.25 |
| 2015 | 329,024 | 12,748,737 | 38.75 | 14,078,476 | 42.79 | — | — | — | — | — |
| 2016 | 271,096 | 8,522,623 | 31.44 | 9,573,467 | 35.31 | 225,532 | 18,655,676 | 82.72 | 18,955,634 | 84.05 |
| 2017 | 313,236 | 13,695,991 | 43.72 | 16,961,611 | 54.15 | — | — | — | — | — |
| 2018 | 2,291 | 62,983 | 27.49 | 67,565 | 29.49 | — | — | — | — | — |
| Thereafter | 1,149,579 | 47,883,839 | 41.65 | 73,897,512 | 64.28 | 237,776 | 5,342,728 | 22.47 | 5,661,616 | 23.81 |

| | Retail | | | | | Total Property Types | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | 5,963 | $ 2,296,689 | $385.16 | $ 1,790,855 | $300.33(3) | 774,766 | $ 29,427,861 | $37.98 | $ 28,697,633 | $37.04 |
| 2010 | 56,483 | 2,947,599 | 52.19 | 2,925,653 | 51.80 | 813,392 | 28,117,125 | 34.57 | 29,497,307 | 36.26 |
| 2011 | 12,164 | 1,437,836 | 118.20 | 1,514,028 | 124.47 | 1,265,332 | 57,840,872 | 45.71 | 59,472,596 | 47.00 |
| 2012 | 61,410 | 2,326,011 | 37.88 | 2,326,011 | 37.88 | 1,220,517 | 44,483,621 | 36.45 | 45,915,949 | 37.62 |
| 2013 | 28,464 | 3,477,601 | 122.18 | 3,466,064 | 121.77 | 469,804 | 21,393,374 | 45.54 | 23,416,983 | 49.84 |
| 2014 | 16,269 | 1,912,169 | 117.53 | 2,017,744 | 124.02 | 698,520 | 29,343,921 | 42.01 | 29,884,654 | 42.78 |
| 2015 | 29,493 | 4,498,531 | 152.53 | 4,640,548 | 157.34 | 358,517 | 17,247,268 | 48.11 | 18,719,024 | 52.21 |
| 2016 | 14,617 | 1,773,195 | 121.31 | 1,875,523 | 128.31 | 511,245 | 28,951,494 | 56.63 | 30,404,623 | 59.47 |
| 2017 | 49,402 | 3,459,069 | 70.02 | 3,697,476 | 74.84 | 362,638 | 17,155,060 | 47.31 | 20,659,088 | 56.97 |
| 2018 | 178,454 | 7,793,702 | 43.67 | 8,159,720 | 45.72 | 180,745 | 7,856,685 | 43.47 | 8,227,285 | 45.52 |
| Thereafter | 213,735 | 9,544,770 | 44.66 | 11,215,792 | 52.48 | 1,601,090 | 62,771,337 | 39.21 | 90,774,920 | 56.70 |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.
(3) Excluding kiosks with one square foot at the Prudential Center, current and future expiring rents would be $101.74 per square foot and $85.56 per square foot in 2009.

### *IN-SERVICE GREATER BOSTON PROPERTIES*

### *Quarterly Lease Expirations - Greater Boston (1) (2)*

| | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Lease Expiration by Quarter** | **Rentable Square Footage Subject to Expiring Leases** | **Current Annualized Revenues Under Expiring Leases** | **Per Square Foot** | **Annualized Revenues Under Expiring Leases with future step-ups** | **Per Square Foot** | **Rentable Square Footage Subject to Expiring Leases** | **Current Annualized Revenues Under Expiring Leases** | **Per Square Foot** | **Annualized Revenues Under Expiring Leases with future step-ups** | **Per Square Foot** |
| Q1 2009 | 161,002 | $ 6,564,290 | $ 40.77 | $ 6,318,506 | $ 39.24 | — | $ — | $ — | $ — | $ — |
| Q2 2009 | 218,161 | 7,254,237 | 33.25 | 7,254,237 | 33.25 | — | — | — | — | — |
| Q3 2009 | 142,771 | 4,083,803 | 28.60 | 4,083,803 | 28.60 | — | — | — | — | — |
| Q4 2009 | 246,869 | 9,228,842 | 37.38 | 9,250,232 | 37.47 | — | — | — | — | — |
| Total 2009 | 768,803 | $ 27,131,172 | $ 35.29 | $ 26,906,777 | $ 35.00 | — | — | — | — | — |
| Q1 2010 | 45,409 | $ 1,488,326 | $ 32.78 | $ 1,527,967 | $ 33.65 | — | $ — | $ — | $ — | $ — |
| Q2 2010 | 263,189 | 8,348,994 | 31.72 | 8,701,373 | 33.06 | — | — | — | — | — |
| Q3 2010 | 233,683 | 8,497,006 | 36.36 | 9,189,663 | 39.33 | 36,528 | 801,046 | 21.93 | 892,366 | 24.43 |
| Q4 2010 | 178,100 | 6,034,154 | 33.88 | 6,260,285 | 35.15 | — | — | — | — | — |
| Total 2010 | 720,381 | $ 24,368,480 | $ 33.83 | $ 25,679,288 | $ 35.65 | 36,528 | 801,046 | 21.93 | 892,366 | 24.43 |

| | Retail | | | | | Total Property Types | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Lease Expiration by Quarter** | **Rentable Square Footage Subject to Expiring Leases** | **Current Annualized Revenues Under Expiring Leases** | **Per Square Foot** | **Annualized Revenues Under Expiring Leases with future step-ups** | **Per Square Foot** | **Rentable Square Footage Subject to Expiring Leases** | **Current Annualized Revenues Under Expiring Leases** | **Per Square Foot** | **Annualized Revenues Under Expiring Leases with future step-ups** | **Per Square Foot** |
| Q1 2009 | 2,644 | $ 654,220 | $ 247.44 | $ 413,520 | $ 156.40 | 163,646 | $ 7,218,510 | $ 44.11 | $ 6,732,026 | $ 41.14 |
| Q2 2009 | 6 | 371,404 | 61,900.66 | 265,396 | 44,232.66 | 218,167 | 7,625,641 | 34.95 | 7,519,633 | 34.47 |
| Q3 2009 | 2,978 | 1,016,145 | 341.22 | 867,495 | 291.30 | 145,749 | 5,099,948 | 34.99 | 4,951,298 | 33.97 |
| Q4 2009 | 335 | 254,920 | 760.96 | 244,444 | 729.68 | 247,204 | 9,483,762 | 38.36 | 9,494,676 | 38.41 |
| Total 2009 | 5,963 | 2,296,689 | $ 385.16 | $ 1,790,855 | $ 300.33(3) | 774,766 | $ 29,427,861 | $ 37.98 | $ 28,697,633 | $ 37.04 |
| Q1 2010 | 15,314 | $ 2,109,708.36 | $ 137.76 | 2,087,762 | $ 136.33 | 60,723 | $ 3,598,035 | $ 59.25 | $ 3,615,730 | $ 59.54 |
| Q2 2010 | 41,167 | 694,794 | 16.88 | 694,794 | 16.88 | 304,356 | 9,043,788 | 29.71 | 9,396,167 | 30.87 |
| Q3 2010 | — | 55,000 | — | 55,000 | — | 270,211 | 9,353,052 | 34.61 | 10,137,029 | 37.52 |
| Q4 2010 | 2 | 88,097 | 44,048.46 | 88,097 | 44,048.46 | 178,102 | 6,122,251 | 34.37 | 6,348,382 | 35.64 |
| Total 2010 | 56,483 | $ 2,947,599 | $ 52.19 | $ 2,925,653 | $ 51.80 | 813,392 | $ 28,117,125 | $ 34.57 | $ 29,497,307 | $ 36.26 |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.
(3) Excluding kiosks with one square foot at the Prudential Center, current and future expiring rents would be $128.15 per square foot and $128.15 per square foot in 2009.

## *IN-SERVICE GREATER WASHINGTON PROPERTIES*

### *Lease Expirations - Greater Washington (1) (2)*

| | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | 685,141 | $ 24,905,748 | $36.35 | $ 24,967,062 | $36.44 | 203,726 | $ 4,507,799 | $22.13 | $ 4,522,599 | $22.20 |
| 2010 | 779,761 | 33,892,363 | 43.47 | 34,625,094 | 44.40 | 180,248 | 3,044,882 | 16.89 | 3,089,840 | 17.14 |
| 2011 | 786,622 | 30,552,144 | 38.84 | 32,008,924 | 40.69 | 57,321 | 939,059 | 16.38 | 939,059 | 16.38 |
| 2012 | 874,319 | 36,271,800 | 41.49 | 37,967,974 | 43.43 | 65,458 | 1,254,716 | 19.17 | 1,272,004 | 19.43 |
| 2013 | 357,702 | 11,155,688 | 31.19 | 11,615,592 | 32.47 | — | — | — | — | — |
| 2014 | 468,526 | 18,249,711 | 38.95 | 20,499,854 | 43.75 | 217,668 | 3,816,753 | 17.53 | 4,131,836 | 18.98 |
| 2015 | 572,120 | 25,968,405 | 45.39 | 29,572,278 | 51.69 | 23,439 | 426,159 | 18.18 | 494,384 | 21.09 |
| 2016 | 187,575 | 6,800,915 | 36.26 | 8,317,665 | 44.34 | — | — | — | — | — |
| 2017 | 805,237 | 42,707,670 | 53.04 | 47,322,909 | 58.77 | — | — | — | — | — |
| 2018 | 262,702 | 11,372,295 | 43.29 | 15,386,500 | 58.57 | — | — | — | — | — |
| Thereafter | 2,046,964 | 92,094,368 | 44.99 | 118,595,488 | 57.94 | — | — | — | — | — |

| | Retail | | | | | Total Property Types | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | 21,029 | $ 1,011,493 | $48.10 | $ 1,011,493 | $48.10 | 909,896 | $ 30,425,040 | $33.44 | $ 30,501,154 | $33.52 |
| 2010 | 13,587 | 654,109 | 48.14 | 663,755 | 48.85 | 973,596 | 37,591,354 | 38.61 | 38,378,689 | 39.42 |
| 2011 | 18,533 | 896,232 | 48.36 | 907,911 | 48.99 | 862,476 | 32,387,435 | 37.55 | 33,855,894 | 39.25 |
| 2012 | 11,984 | 499,159 | 41.65 | 526,016 | 43.89 | 951,761 | 38,025,675 | 39.95 | 39,765,994 | 41.78 |
| 2013 | 8,199 | 386,557 | 47.15 | 422,897 | 51.58 | 365,901 | 11,542,246 | 31.54 | 12,038,488 | 32.90 |
| 2014 | 7,827 | 376,468 | 48.10 | 407,318 | 52.04 | 694,021 | 22,442,933 | 32.34 | 25,039,009 | 36.08 |
| 2015 | 24,704 | 1,134,461 | 45.92 | 1,229,651 | 49.78 | 620,263 | 27,529,025 | 44.38 | 31,296,314 | 50.46 |
| 2016 | 17,696 | 868,953 | 49.10 | 975,702 | 55.14 | 205,271 | 7,669,868 | 37.36 | 9,293,367 | 45.27 |
| 2017 | 24,412 | 1,078,883 | 44.19 | 1,190,204 | 48.75 | 829,649 | 43,786,553 | 52.78 | 48,513,113 | 58.47 |
| 2018 | 38,423 | 1,845,890 | 48.04 | 2,296,330 | 59.76 | 301,125 | 13,218,185 | 43.90 | 17,682,830 | 58.72 |
| Thereafter | 145,124 | 4,205,494 | 28.98 | 5,591,808 | 38.53 | 2,192,088 | 96,299,862 | 43.93 | 124,187,296 | 56.65 |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.

## *IN-SERVICE GREATER WASHINGTON PROPERTIES*

### *Quarterly Lease Expirations - Greater Washington (1) (2)*

| | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Lease Expiration by Quarter** | **Rentable Square Footage Subject to Expiring Leases** | **Current Annualized Revenues Under Expiring Leases** | **Per Square Foot** | **Annualized Revenues Under Expiring Leases with future step-ups** | **Per Square Foot** | **Rentable Square Footage Subject to Expiring Leases** | **Current Annualized Revenues Under Expiring Leases** | **Per Square Foot** | **Annualized Revenues Under Expiring Leases with future step-ups** | **Per Square Foot** |
| Q1 2009 | 216,063 | $ 6,954,562 | $32.19 | $ 6,954,562 | $32.19 | 41,770 | $ 1,090,671 | $26.11 | $ 1,090,671 | $26.11 |
| Q2 2009 | 43,116 | 1,638,625 | 38.01 | 1,638,625 | 38.01 | 94,156 | 2,216,407 | 23.54 | 2,216,407 | 23.54 |
| Q3 2009 | 22,997 | 814,493 | 35.42 | 817,060 | 35.53 | 26,388 | 359,630 | 13.63 | 359,630 | 13.63 |
| Q4 2009 | 402,965 | 15,498,068 | 38.46 | 15,556,815 | 38.61 | 41,412 | 841,091 | 20.31 | 855,891 | 20.67 |
| Total 2009 | 685,141 | $ 24,905,748 | $36.35 | $ 24,967,062 | $36.44 | 203,726 | $ 4,507,799 | $22.13 | $ 4,522,599 | $22.20 |
| Q1 2010 | 146,268 | $ 7,037,710 | $48.12 | $ 7,185,613 | $49.13 | — | $ — | $ — | $ — | $ — |
| Q2 2010 | 417,076 | 16,225,023 | 38.90 | 16,512,884 | 39.59 | 146,848 | 2,394,183 | 16.30 | 2,423,034 | 16.50 |
| Q3 2010 | 17,227 | 650,657 | 37.77 | 667,328 | 38.74 | 33,400 | 650,699 | 19.48 | 666,806 | 19.96 |
| Q4 2010 | 199,190 | 9,978,972 | 50.10 | 10,259,269 | 51.50 | — | — | — | — | — |
| Total 2010 | 779,761 | $ 33,892,363 | $43.47 | $ 34,625,094 | $44.40 | 180,248 | $ 3,044,882 | $16.89 | $ 3,089,840 | $17.14 |

| | Retail | | | | | Total Property Types | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Lease Expiration by Quarter** | **Rentable Square Footage Subject to Expiring Leases** | **Current Annualized Revenues Under Expiring Leases** | **Per Square Foot** | **Annualized Revenues Under Expiring Leases with future step-ups** | **Per Square Foot** | **Rentable Square Footage Subject to Expiring Leases** | **Current Annualized Revenues Under Expiring Leases** | **Per Square Foot** | **Annualized Revenues Under Expiring Leases with future step-ups** | **Per Square Foot** |
| Q1 2009 | 17,730 | $ 830,536 | $46.84 | $ 830,536 | $46.84 | 275,563 | $ 8,875,768 | $32.21 | $ 8,875,768 | $32.21 |
| Q2 2009 | — | — | — | — | — | 137,272 | 3,855,032 | 28.08 | 3,855,032 | 28.08 |
| Q3 2009 | 3,291 | 180,917 | 54.97 | 180,917 | 54.97 | 52,676 | 1,355,040 | 25.72 | 1,357,608 | 25.77 |
| Q4 2009 | 8 | 40 | 5.00 | 40 | 5.00 | 444,385 | 16,339,199 | 36.77 | 16,412,746 | 36.93 |
| Total 2009 | 21,029 | $ 1,011,493 | $48.10 | 1,011,493 | $48.10 | 909,896 | $ 30,425,040 | $33.44 | $ 30,501,154 | $33.52 |
| Q1 2010 | 1,130 | $ 68,161 | $60.32 | $ 69,240 | $61.27 | 147,398 | $ 7,105,871 | $48.21 | $ 7,254,854 | $49.22 |
| Q2 2010 | 1,596 | 71,998 | 45.11 | 73,823 | 46.25 | 565,520 | 18,691,205 | 33.05 | 19,009,741 | 33.61 |
| Q3 2010 | — | — | — | — | — | 50,627 | 1,301,356 | 25.70 | 1,334,134 | 26.35 |
| Q4 2010 | 10,861 | 513,950 | 47.32 | 520,692 | 47.94 | 210,051 | 10,492,923 | 49.95 | 10,779,961 | 51.32 |
| Total 2010 | 13,587 | $ 654,109 | $48.14 | $ 663,755 | $48.85 | 973,596 | $ 37,591,354 | $38.61 | $ 38,378,689 | $39.42 |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.

## *IN-SERVICE GREATER SAN FRANCISCO PROPERTIES*

### *Lease Expirations - Greater San Francisco (1) (2)*

| | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Year of Lease Expiration** | **Rentable Square Footage Subject to Expiring Leases** | **Current Annualized Revenues Under Expiring Leases** | **Per Square Foot** | **Annualized Revenues Under Expiring Leases with future step-ups** | **Per Square Foot** | **Rentable Square Footage Subject to Expiring Leases** | **Current Annualized Revenues Under Expiring Leases** | **Per Square Foot** | **Annualized Revenues Under Expiring Leases with future step-ups** | **Per Square Foot** |
| 2009 | 213,992 | $ 9,340,901 | $43.65 | $ 9,345,983 | $43.67 | — | $ — | $ — | $ — | $ — |
| 2010 | 748,329 | 18,102,772 | 24.19 | 18,776,429 | 25.09 | — | — | — | — | — |
| 2011 | 381,264 | 25,146,515 | 65.96 | 25,576,798 | 67.08 | — | — | — | — | — |
| 2012 | 257,373 | 13,003,516 | 50.52 | 13,783,584 | 53.55 | — | — | — | — | — |
| 2013 | 224,694 | 9,655,459 | 42.97 | 10,332,073 | 45.98 | — | — | — | — | — |
| 2014 | 471,350 | 18,349,074 | 38.93 | 19,696,400 | 41.79 | — | — | — | — | — |
| 2015 | 355,447 | 12,998,174 | 36.57 | 14,647,201 | 41.21 | — | — | — | — | — |
| 2016 | 963,893 | 38,464,658 | 39.91 | 41,400,408 | 42.95 | — | — | — | — | — |
| 2017 | 171,279 | 7,892,890 | 46.08 | 8,532,705 | 49.82 | — | — | — | — | — |
| 2018 | 58,268 | 3,475,649 | 59.65 | 3,973,135 | 68.19 | — | — | — | — | — |
| Thereafter | 490,420 | 26,172,452 | 53.37 | 29,544,854 | 60.24 | — | — | — | — | — |

| | Retail | | | | | Total Property Types | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Year of Lease Expiration** | **Rentable Square Footage Subject to Expiring Leases** | **Current Annualized Revenues Under Expiring Leases** | **Per Square Foot** | **Annualized Revenues Under Expiring Leases with future step-ups** | **Per Square Foot** | **Rentable Square Footage Subject to Expiring Leases** | **Current Annualized Revenues Under Expiring Leases** | **Per Square Foot** | **Annualized Revenues Under Expiring Leases with future step-ups** | **Per Square Foot** |
| 2009 | 33,700 | $ 1,431,584 | $42.48 | $ 1,431,584 | $42.48 | 247,692 | $ 10,772,485 | $43.49 | $ 10,777,567 | $43.51 |
| 2010 | 32,208 | 1,603,969 | 49.80 | 1,621,338 | 50.34 | 780,537 | 19,706,741 | 25.25 | 20,397,767 | 26.13 |
| 2011 | 24,809 | 1,107,905 | 44.66 | 1,126,846 | 45.42 | 406,073 | 26,254,420 | 64.65 | 26,703,644 | 65.76 |
| 2012 | 35,001 | 2,563,106 | 73.23 | 2,661,326 | 76.04 | 292,374 | 15,566,622 | 53.24 | 16,444,910 | 56.25 |
| 2013 | 36,191 | 2,061,127 | 56.95 | 2,082,285 | 57.54 | 260,885 | 11,716,586 | 44.91 | 12,414,358 | 47.59 |
| 2014 | 8,365 | 570,363 | 68.18 | 608,124 | 72.70 | 479,715 | 18,919,436 | 39.44 | 20,304,524 | 42.33 |
| 2015 | 34,183 | 1,739,978 | 50.90 | 1,894,249 | 55.41 | 389,630 | 14,738,151 | 37.83 | 16,541,450 | 42.45 |
| 2016 | 7,887 | 454,542 | 57.63 | 492,530 | 62.45 | 971,780 | 38,919,200 | 40.05 | 41,892,938 | 43.11 |
| 2017 | 12,053 | 678,680 | 56.31 | 735,926 | 61.06 | 183,332 | 8,571,570 | 46.75 | 9,268,631 | 50.56 |
| 2018 | 16,919 | 883,816 | 52.24 | 926,949 | 54.79 | 75,187 | 4,359,464 | 57.98 | 4,900,084 | 65.17 |
| Thereafter | — | — | — | — | — | 490,420 | 26,172,452 | 53.37 | 29,544,854 | 60.24 |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.

## *IN-SERVICE GREATER SAN FRANCISCO PROPERTIES*

### *Quarterly Lease Expirations - Greater San Francisco (1) (2)*

| | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Lease Expiration by Quarter | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| Q1 2009 | 23,940 | $ 776,161 | $ 32.42 | $ 779,725 | $ 32.57 | — | $ — | $ — | $ — | $ — |
| Q2 2009 | 21,697 | 775,264 | 35.73 | 775,264 | 35.73 | — | — | — | — | — |
| Q3 2009 | 72,400 | 2,778,853 | 38.38 | 2,778,853 | 38.38 | — | — | — | — | — |
| Q4 2009 | 95,955 | 5,010,623 | 52.22 | 5,012,141 | 52.23 | — | — | — | — | — |
| Total 2009 | 213,992 | $ 9,340,901 | $ 43.65 | $ 9,345,983 | $ 43.67 | — | — | — | — | — |
| Q1 2010 | 8,186 | $ 302,847 | $ 37.00 | $ 302,847 | $ 37.00 | — | $ — | $ — | $ — | $ — |
| Q2 2010 | 53,844 | 2,267,170 | 42.11 | 2,270,602 | 42.17 | — | — | — | — | — |
| Q3 2010 | 64,443 | 4,602,554 | 71.42 | 4,825,583 | 74.88 | — | — | — | — | — |
| Q4 2010 | 621,856 | 10,930,203 | 17.58 | 11,377,397 | 18.30 | — | — | — | — | — |
| Total 2010 | 748,329 | $ 18,102,772 | $ 24.19 | $ 18,776,429 | $ 25.09 | — | — | — | — | — |

| | Retail | | | | | Total Property Types | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Lease Expiration by Quarter | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| Q1 2009 | 21,499 | $ 766,656 | $ 35.66 | $ 766,656 | $ 35.66 | 45,439 | $ 1,542,818 | $33.95 | $ 1,546,381 | $34.03 |
| Q2 2009 | 1,022 | 103,960 | 101.72 | 103,960 | 101.72 | 22,719 | 879,224 | 38.70 | 879,224 | 38.70 |
| Q3 2009 | — | — | — | — | — | 72,400 | 2,778,853 | 38.38 | 2,778,853 | 38.38 |
| Q4 2009 | 11,179 | 560,968 | 50.18 | 560,968 | 50.18 | 107,134 | 5,571,591 | 52.01 | 5,573,110 | 52.02 |
| Total 2009 | 33,700 | $ 1,431,584 | $ 42.48 | $ 1,431,584 | $ 42.48 | 247,692 | $ 10,772,485 | $43.49 | $ 10,777,567 | $43.51 |
| Q1 2010 | 1,914 | $ 148,587 | $ 77.63 | $ 148,587 | $ 77.63 | 10,100 | $ 451,434 | $44.70 | $ 451,434 | 44.70 |
| Q2 2010 | 420 | 40,666 | 96.82 | 40,666 | 96.82 | 54,264 | 2,307,835 | 42.53 | 2,311,267 | 42.59 |
| Q3 2010 | 3,087 | 202,176 | 65.49 | 202,176 | 65.49 | 67,530 | 4,804,730 | 71.15 | 5,027,760 | 74.45 |
| Q4 2010 | 26,787 | 1,212,540 | 45.27 | 1,229,910 | 45.91 | 648,643 | 12,142,743 | 18.72 | 12,607,306 | 19.44 |
| Total 2010 | 32,208 | $ 1,603,969 | $ 49.80 | $ 1,621,338 | $ 50.34 | 780,537 | $ 19,706,741 | $25.25 | $ 20,397,767 | $26.13 |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.

## *IN-SERVICE MIDTOWN MANHATTAN PROPERTIES*

### *Lease Expirations - Midtown Manhattan (1) (2)*

| | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | 229,901 | $ 17,435,211 | $ 75.84 | $ 19,683,819 | $ 85.62 | — | $ — | $ — | $ — | $ — |
| 2010 | 493,253 | 33,498,684 | 67.91 | 33,624,514 | 68.17 | — | — | — | — | — |
| 2011 | 242,460 | 20,976,965 | 86.52 | 21,111,304 | 87.07 | — | — | — | — | — |
| 2012 | 579,948 | 42,346,071 | 73.02 | 42,902,750 | 73.98 | — | — | — | — | — |
| 2013 | 112,221 | 10,704,839 | 95.39 | 10,723,911 | 95.56 | — | — | — | — | — |
| 2014 | 163,462 | 13,958,320 | 85.39 | 14,537,307 | 88.93 | — | — | — | — | — |
| 2015 | 366,357 | 26,117,288 | 71.29 | 29,743,596 | 81.19 | — | — | — | — | — |
| 2016 | 1,072,586 | 89,935,135 | 83.85 | 96,967,738 | 90.41 | — | — | — | — | — |
| 2017 | 1,441,969 | 125,150,355 | 86.79 | 134,690,541 | 93.41 | — | — | — | — | — |
| 2018 | 165,376 | 20,711,507 | 125.24 | 22,380,037 | 135.33 | — | — | — | — | — |
| Thereafter | 3,475,947 | 255,958,150 | 73.64 | 317,408,593 | 91.32 | — | — | — | — | — |

| | Retail | | | | | Total Property Types | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | 3,901 | $ 435,670 | $ 111.68 | $ 435,670 | $ 111.68 | 233,802 | $ 17,870,881 | $ 76.44 | $ 20,119,489 | $ 86.05 |
| 2010 | 6,988 | 1,881,935 | 269.31 | 1,881,935 | 269.31 | 500,241 | 35,380,620 | 70.73 | 35,506,449 | 70.98 |
| 2011 | 16,130 | 1,643,016 | 101.86 | 1,705,295 | 105.72 | 258,590 | 22,619,982 | 87.47 | 22,816,599 | 88.23 |
| 2012 | 73,815 | 7,642,965 | 103.54 | 7,532,906 | 102.05 | 653,763 | 49,989,035 | 76.46 | 50,435,656 | 77.15 |
| 2013 | 1,682 | 174,490 | 103.74 | 192,434 | 114.41 | 113,903 | 10,879,329 | 95.51 | 10,916,345 | 95.84 |
| 2014 | 11,368 | 1,283,345 | 112.89 | 1,474,396 | 129.70 | 174,830 | 15,241,666 | 87.18 | 16,011,703 | 91.58 |
| 2015 | 5,500 | 1,346,183 | 244.76 | 2,346,183 | 426.58 | 371,857 | 27,463,471 | 73.85 | 32,089,779 | 86.30 |
| 2016 | 91,381 | 17,783,313 | 194.61 | 19,457,558 | 212.93 | 1,163,967 | 107,718,448 | 92.54 | 116,425,296 | 100.02 |
| 2017 | 26,685 | 2,247,795 | 84.23 | 2,401,654 | 90.00 | 1,468,654 | 127,398,149 | 86.74 | 137,092,195 | 93.35 |
| 2018 | 877 | 87,700 | 100.00 | 114,429 | 130.48 | 166,253 | 20,799,207 | 125.11 | 22,494,466 | 135.30 |
| Thereafter | 83,193 | 11,384,610 | 136.85 | 15,133,548 | 181.91 | 3,559,140 | 267,342,760 | 75.11 | 332,542,141 | 93.43 |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.

## *IN-SERVICE MIDTOWN MANHATTAN PROPERTIES*

### *Quarterly Lease Expirations - Midtown Manhattan (1) (2)*

| Lease Expiration by Quarter | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| Q1 2009 | 33,927 | $ 2,316,220 | $ 68.27 | $ 4,554,475 | $134.24 | — | $ — | $ — | $ — | $ — |
| Q2 2009 | 69,835 | 4,802,247 | 68.77 | 4,807,536 | 68.84 | — | — | — | — | — |
| Q3 2009 | 83,441 | 6,698,131 | 80.27 | 6,698,131 | 80.27 | — | — | — | — | — |
| Q4 2009 | 42,698 | 3,618,613 | 84.75 | 3,623,676 | 84.87 | — | — | — | — | — |
| Total 2009 | 229,901 | $ 17,435,211 | $ 75.84 | $ 19,683,819 | $ 85.62 | — | $ — | $ — | $ — | $ — |
| Q1 2010 | 206,301 | $ 13,680,843 | $ 66.31 | $ 13,680,843 | $ 66.31 | — | $ — | $ — | $ — | $ — |
| Q2 2010 | 117,511 | 6,118,954 | 52.07 | 6,217,720 | 52.91 | — | — | — | — | — |
| Q3 2010 | 78,271 | 5,483,912 | 70.06 | 5,488,389 | 70.12 | — | — | — | — | — |
| Q4 2010 | 91,170 | 8,214,976 | 90.11 | 8,237,562 | 90.35 | — | — | — | — | — |
| Total 2010 | 493,253 | $ 33,498,684 | $ 67.91 | $ 33,624,514 | $ 68.17 | — | $ — | $ — | $ — | $ — |

| Lease Expiration by Quarter | Retail | | | | | Total Property Types | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| Q1 2009 | 658 | $ 52,101 | $ 79.18 | $ 52,101 | $ 79.18 | 34,585 | $ 2,368,321 | $68.48 | $ 4,606,576 | $133.20 |
| Q2 2009 | 3,000 | 287,446 | 95.82 | 287,446 | 95.82 | 72,835 | 5,089,692 | 69.88 | 5,094,981 | 69.95 |
| Q3 2009 | — | — | — | — | — | 83,441 | 6,698,131 | 80.27 | 6,698,131 | 80.27 |
| Q4 2009 | 243 | 96,123 | 395.57 | 96,123 | 395.57 | 42,941 | 3,714,736 | 86.51 | 3,719,800 | 86.63 |
| Total 2009 | 3,901 | $ 435,670 | $111.68 | $ 435,670 | $111.68 | 233,802 | $ 17,870,881 | $76.44 | $ 20,119,489 | $ 86.05 |
| Q1 2010 | 6,988 | $ 1,881,935 | $269.31 | $ 1,881,935 | $269.31 | 213,289 | $ 15,562,778 | $72.97 | $ 15,562,778 | $ 72.97 |
| Q2 2010 | — | — | — | — | — | 117,511 | 6,118,954 | 52.07 | 6,217,720 | 52.91 |
| Q3 2010 | — | — | — | — | — | 78,271 | 5,483,912 | 70.06 | 5,488,389 | 70.12 |
| Q4 2010 | — | — | — | — | — | 91,170 | 8,214,976 | 90.11 | 8,237,562 | 90.35 |
| Total 2010 | 6,988 | $ 1,881,935 | $269.31 | $ 1,881,935 | $269.31 | 500,241 | $ 35,380,620 | $70.73 | $ 35,506,449 | $ 70.98 |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.

## *IN-SERVICE PRINCETON/EAST BRUNSWICK PROPERTIES*

### *Lease Expirations - Princeton/East Brunswick (1) (2)*

| | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | 129,265 | $ 4,521,679 | $34.98 | $ 4,574,644 | $35.39 | — | $ — | $ — | $ — | $ — |
| 2010 | 138,628 | 4,998,149 | 36.05 | 5,013,083 | 36.16 | — | — | — | — | — |
| 2011 | 445,354 | 15,375,934 | 34.53 | 15,595,400 | 35.02 | — | — | — | — | — |
| 2012 | 45,421 | 1,515,396 | 33.36 | 1,550,891 | 34.14 | — | — | — | — | — |
| 2013 | 186,122 | 5,955,059 | 32.00 | 6,399,711 | 34.38 | — | — | — | — | — |
| 2014 | 690,601 | 21,765,942 | 31.52 | 23,559,281 | 34.11 | — | — | — | — | — |
| 2015 | 154,152 | 4,584,709 | 29.74 | 5,077,343 | 32.94 | — | — | — | — | — |
| 2016 | 36,919 | 1,237,394 | 33.52 | 1,274,313 | 34.52 | — | — | — | — | — |
| 2017 | 80,846 | 2,701,231 | 33.41 | 3,002,812 | 37.14 | — | — | — | — | — |
| 2018 | — | — | — | — | — | — | — | — | — | — |
| Thereafter | 26,770 | 762,945 | 28.50 | 870,025 | 32.50 | — | — | — | — | — |

| | Retail | | | | | Total Property Types | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | — | $ — | $ — | $ — | $ — | 129,265 | $ 4,521,679 | $34.98 | $ 4,574,644 | $35.39 |
| 2010 | — | — | — | — | — | 138,628 | 4,998,149 | 36.05 | 5,013,083 | 36.16 |
| 2011 | — | — | — | — | — | 445,354 | 15,375,934 | 34.53 | 15,595,400 | 35.02 |
| 2012 | — | — | — | — | — | 45,421 | 1,515,396 | 33.36 | 1,550,891 | 34.14 |
| 2013 | — | — | — | — | — | 186,122 | 5,955,059 | 32.00 | 6,399,711 | 34.38 |
| 2014 | — | — | — | — | — | 690,601 | 21,765,942 | 31.52 | 23,559,281 | 34.11 |
| 2015 | — | — | — | — | — | 154,152 | 4,584,709 | 29.74 | 5,077,343 | 32.94 |
| 2016 | — | — | — | — | — | 36,919 | 1,237,394 | 33.52 | 1,274,313 | 34.52 |
| 2017 | — | — | — | — | — | 80,846 | 2,701,231 | 33.41 | 3,002,812 | 37.14 |
| 2018 | — | — | — | — | — | — | — | — | — | — |
| Thereafter | — | — | — | — | — | 26,770 | 762,945 | 28.50 | 870,025 | 32.50 |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.

## *IN-SERVICE PRINCETON/EAST BRUNSWICK PROPERTIES*

### *Quarterly Lease Expirations - Princeton/East Brunswick (1) (2)*

| Lease Expiration by Quarter | OFFICE Rentable Square Footage Subject to Expiring Leases | OFFICE Current Annualized Revenues Under Expiring Leases | OFFICE Per Square Foot | OFFICE Annualized Revenues Under Expiring Leases with future step-ups | OFFICE Per Square Foot | OFFICE/TECHNICAL Rentable Square Footage Subject to Expiring Leases | OFFICE/TECHNICAL Current Annualized Revenues Under Expiring Leases | OFFICE/TECHNICAL Per Square Foot | OFFICE/TECHNICAL Annualized Revenues Under Expiring Leases with future step-ups | OFFICE/TECHNICAL Per Square Foot |
|---|---|---|---|---|---|---|---|---|---|---|
| Q1 2009 | 41,982 | $ 1,410,701 | $33.60 | $ 1,410,701 | $33.60 | — | $ — | $ — | $ — | $ — |
| Q2 2009 | 4,585 | 161,849 | 35.30 | 161,849 | 35.30 | — | — | — | — | — |
| Q3 2009 | 24,797 | 891,425 | 35.95 | 891,425 | 35.95 | — | — | — | — | — |
| Q4 2009 | 57,901 | 2,057,704 | 35.54 | 2,110,669 | 36.45 | — | — | — | — | — |
| Total 2009 | 129,265 | $ 4,521,679 | $34.98 | $ 4,574,644 | $35.39 | — | $ — | $ — | $ — | $ — |
| Q1 2010 | 8,193 | $ 314,884 | $38.43 | $ 318,981 | $38.93 | — | $ — | $ — | $ — | $ — |
| Q2 2010 | 11,901 | 370,232 | 31.11 | 379,948 | 31.93 | — | — | — | — | — |
| Q3 2010 | 5,260 | 189,232 | 35.98 | 190,353 | 36.19 | — | — | — | — | — |
| Q4 2010 | 113,274 | 4,123,801 | 36.41 | 4,123,801 | 36.41 | — | — | — | — | — |
| Total 2010 | 138,628 | $ 4,998,149 | $36.05 | $ 5,013,083 | $36.16 | — | $ — | $ — | $ — | $ — |

| Lease Expiration by Quarter | Retail Rentable Square Footage Subject to Expiring Leases | Retail Current Annualized Revenues Under Expiring Leases | Retail Per Square Foot | Retail Annualized Revenues Under Expiring Leases with future step-ups | Retail Per Square Foot | Total Property Types Rentable Square Footage Subject to Expiring Leases | Total Property Types Current Annualized Revenues Under Expiring Leases | Total Property Types Per Square Foot | Total Property Types Annualized Revenues Under Expiring Leases with future step-ups | Total Property Types Per Square Foot |
|---|---|---|---|---|---|---|---|---|---|---|
| Q1 2009 | — | $ — | $ — | $ — | $ — | 41,982 | $ 1,410,701 | $33.60 | $ 1,410,701 | $33.60 |
| Q2 2009 | — | — | — | — | — | 4,585 | 161,849 | 35.30 | 161,849 | 35.30 |
| Q3 2009 | — | — | — | — | — | 24,797 | 891,425 | 35.95 | 891,425 | 35.95 |
| Q4 2009 | — | — | — | — | — | 57,901 | 2,057,704 | 35.54 | 2,110,669 | 36.45 |
| Total 2009 | — | $ — | $ — | $ — | $ — | 129,265 | $ 4,521,679 | $34.98 | $ 4,574,644 | $35.39 |
| Q1 2010 | — | $ — | $ — | $ — | $ — | 8,193 | $ 314,884 | $38.43 | $ 318,981 | $38.93 |
| Q2 2010 | — | — | — | — | — | 11,901 | 370,232 | 31.11 | 379,948 | 31.93 |
| Q3 2010 | — | — | — | — | — | 5,260 | 189,232 | 35.98 | 190,353 | 36.19 |
| Q4 2010 | — | — | — | — | — | 113,274 | 4,123,801 | 36.41 | 4,123,801 | 36.41 |
| Total 2010 | — | $ — | $ — | $ — | $ — | 138,628 | $ 4,998,149 | $36.05 | $ 5,013,083 | $36.16 |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.

## *CBD PROPERTIES*

### *Lease Expirations (1) (2)*

| | Greater Boston | | | | | Greater Washington | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | 201,667 | $ 10,356,076 | $ 51.35 | $ 9,850,242 | $ 48.84 | 341,727 | $ 13,176,521 | $38.56 | $ 13,234,593 | $38.73 |
| 2010 | 232,928 | 10,287,322 | 44.17 | 10,937,233 | 46.96 | 361,454 | 18,392,084 | 50.88 | 18,832,245 | 52.10 |
| 2011 | 762,277 | 43,354,876 | 56.88 | 44,694,615 | 58.63 | 150,425 | 8,337,432 | 55.43 | 8,638,868 | 57.43 |
| 2012 | 431,199 | 20,297,426 | 47.07 | 20,393,048 | 47.29 | 169,638 | 7,363,956 | 43.41 | 7,475,351 | 44.07 |
| 2013 | 297,208 | 16,679,669 | 56.12 | 18,049,454 | 60.73 | 245,179 | 7,613,205 | 31.05 | 7,791,740 | 31.78 |
| 2014 | 529,243 | 24,837,322 | 46.93 | 25,012,399 | 47.26 | 72,018 | 3,541,092 | 49.17 | 4,056,534 | 56.33 |
| 2015 | 268,803 | 14,322,016 | 53.28 | 15,333,826 | 57.04 | 337,833 | 18,526,211 | 54.84 | 20,822,887 | 61.64 |
| 2016 | 296,421 | 22,284,958 | 75.18 | 22,939,771 | 77.39 | 57,782 | 2,716,273 | 47.01 | 3,170,178 | 54.86 |
| 2017 | 217,082 | 12,356,110 | 56.92 | 15,153,513 | 69.81 | 753,605 | 40,374,344 | 53.57 | 44,317,492 | 58.81 |
| 2018 | 178,454 | 7,793,702 | 43.67 | 8,159,720 | 45.72 | 51,018 | 3,164,231 | 62.02 | 3,727,652 | 73.07 |
| Thereafter | 1,098,511 | 46,098,672 | 41.96 | 73,545,231 | 66.95 | 1,342,779 | 67,185,914 | 50.03 | 88,931,399 | 66.23 |

| | New York | | | | | San Francisco | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | 233,802 | $ 17,870,881 | $ 76.44 | $ 20,119,489 | $ 86.05 | 170,658 | $ 8,459,990 | $49.57 | $ 8,463,553 | $49.59 |
| 2010 | 500,241 | 35,380,620 | 70.73 | 35,506,449 | 70.98 | 192,012 | 10,707,477 | 55.76 | 10,849,798 | 56.51 |
| 2011 | 258,590 | 22,619,982 | 87.47 | 22,816,599 | 88.23 | 313,309 | 24,291,378 | 77.53 | 24,541,411 | 78.33 |
| 2012 | 653,763 | 49,989,035 | 76.46 | 50,435,656 | 77.15 | 265,533 | 14,683,841 | 55.30 | 15,474,156 | 58.28 |
| 2013 | 113,903 | 10,879,329 | 95.51 | 10,916,345 | 95.84 | 224,928 | 10,855,227 | 48.26 | 11,401,697 | 50.69 |
| 2014 | 174,830 | 15,241,666 | 87.18 | 16,011,703 | 91.58 | 223,413 | 10,318,068 | 46.18 | 10,965,007 | 49.08 |
| 2015 | 371,857 | 27,463,471 | 73.85 | 32,089,779 | 86.30 | 167,668 | 7,752,926 | 46.24 | 8,379,449 | 49.98 |
| 2016 | 1,163,967 | 107,718,448 | 92.54 | 116,425,296 | 100.02 | 843,392 | 35,835,570 | 42.49 | 38,235,226 | 45.34 |
| 2017 | 1,468,654 | 127,398,149 | 86.74 | 137,092,195 | 93.35 | 183,332 | 8,571,570 | 46.75 | 9,268,631 | 50.56 |
| 2018 | 166,253 | 20,799,207 | 125.11 | 22,494,466 | 135.30 | 75,187 | 4,359,464 | 57.98 | 4,900,084 | 65.17 |
| Thereafter | 3,559,140 | 267,342,760 | 75.11 | 332,542,141 | 93.43 | 490,420 | 26,172,452 | 53.37 | 29,544,854 | 60.24 |

| | Princeton/East Brunswick | | | | | Other | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | — | $ — | $ — | $ — | $ — | — | $ — | $ — | $ — | $ — |
| 2010 | — | — | — | — | — | — | — | — | — | — |
| 2011 | — | — | — | — | — | — | — | — | — | — |
| 2012 | — | — | — | — | — | — | — | — | — | — |
| 2013 | — | — | — | — | — | — | — | — | — | — |
| 2014 | — | — | — | — | — | — | — | — | — | — |
| 2015 | — | — | — | — | — | — | — | — | — | — |
| 2016 | — | — | — | — | — | — | — | — | — | — |
| 2017 | — | — | — | — | — | — | — | — | — | — |
| 2018 | — | — | — | — | — | — | — | — | — | — |
| Thereafter | — | — | — | — | — | — | — | — | — | — |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.

## *SUBURBAN PROPERTIES*

### *Lease Expirations (1) (2)*

| | Greater Boston | | | | | Greater Washington | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | 573,099 | $ 19,071,785 | $33.28 | $ 18,847,391 | $32.89 | 568,169 | $ 17,248,519 | $30.36 | $ 17,266,561 | $30.39 |
| 2010 | 580,464 | 17,829,802 | 30.72 | 18,560,074 | 31.97 | 612,142 | 19,199,270 | 31.36 | 19,546,444 | 31.93 |
| 2011 | 503,055 | 14,485,996 | 28.80 | 14,777,981 | 29.38 | 712,051 | 24,050,003 | 33.78 | 25,217,026 | 35.41 |
| 2012 | 789,318 | 24,186,195 | 30.64 | 25,522,901 | 32.34 | 782,123 | 30,661,719 | 39.20 | 32,290,642 | 41.29 |
| 2013 | 172,596 | 4,713,705 | 27.31 | 5,367,529 | 31.10 | 120,722 | 3,929,040 | 32.55 | 4,246,748 | 35.18 |
| 2014 | 169,277 | 4,506,599 | 26.62 | 4,872,255 | 28.78 | 622,003 | 18,901,840 | 30.39 | 20,982,475 | 33.73 |
| 2015 | 89,714 | 2,925,252 | 32.61 | 3,385,198 | 37.73 | 282,430 | 9,002,814 | 31.88 | 10,473,427 | 37.08 |
| 2016 | 214,824 | 6,666,536 | 31.03 | 7,464,852 | 34.75 | 147,489 | 4,953,595 | 33.59 | 6,123,189 | 41.52 |
| 2017 | 145,556 | 4,798,950 | 32.97 | 5,505,574 | 37.82 | 76,044 | 3,412,209 | 44.87 | 4,195,621 | 55.17 |
| 2018 | 2,291 | 62,983 | 27.49 | 67,565 | 29.49 | 250,107 | 10,053,953 | 40.20 | 13,955,179 | 55.80 |
| Thereafter | 502,579 | 16,672,665 | 33.17 | 17,229,689 | 34.28 | 849,309 | 29,113,947 | 57.93 | 35,255,897 | 41.51 |

| | New York | | | | | San Francisco | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | — | $ — | $ — | $ — | $ — | 77,034 | $ 2,312,496 | $30.02 | $ 2,314,014 | $30.04 |
| 2010 | — | — | — | — | — | 588,525 | 8,999,264 | 15.29 | 9,547,969 | 16.22 |
| 2011 | — | — | — | — | — | 92,764 | 1,963,042 | 21.16 | 2,162,234 | 23.31 |
| 2012 | — | — | — | — | — | 26,841 | 882,781 | 32.89 | 970,754 | 36.17 |
| 2013 | — | — | — | — | — | 35,957 | 861,359 | 23.96 | 1,012,661 | 28.16 |
| 2014 | — | — | — | — | — | 256,302 | 8,601,368 | 33.56 | 9,339,517 | 36.44 |
| 2015 | — | — | — | — | — | 221,962 | 6,985,225 | 31.47 | 8,162,001 | 36.77 |
| 2016 | — | — | — | — | — | 128,388 | 3,083,631 | 24.02 | 3,657,712 | 28.49 |
| 2017 | — | — | — | — | — | — | — | — | — | — |
| 2018 | — | — | — | — | — | — | — | — | — | — |
| Thereafter | — | — | — | — | — | — | — | — | — | — |

| | Princeton/East Brunswick | | | | | Other | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2009 | 129,265 | $ 4,521,679 | $34.98 | $ 4,574,644 | $35.39 | — | $ — | $ — | $ — | $ — |
| 2010 | 138,628 | 4,998,149 | 36.05 | 5,013,083 | 36.16 | — | — | — | — | — |
| 2011 | 445,354 | 15,375,934 | 34.53 | 15,595,400 | 35.02 | — | — | — | — | — |
| 2012 | 45,421 | 1,515,396 | 33.36 | 1,550,891 | 34.14 | — | — | — | — | — |
| 2013 | 186,122 | 5,955,059 | 32.00 | 6,399,711 | 34.38 | — | — | — | — | — |
| 2014 | 690,601 | 21,765,942 | 31.52 | 23,559,281 | 34.11 | — | — | — | — | — |
| 2015 | 154,152 | 4,584,709 | 29.74 | 5,077,343 | 32.94 | — | — | — | — | — |
| 2016 | 36,919 | 1,237,394 | 33.52 | 1,274,313 | 34.52 | — | — | — | — | — |
| 2017 | 80,846 | 2,701,231 | 33.41 | 3,002,812 | 37.14 | — | — | — | — | — |
| 2018 | — | — | — | — | — | — | — | — | — | — |
| Thereafter | 26,770 | 762,945 | 28.50 | 870,025 | 32.50 | — | — | — | — | — |

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.

## *HOTEL PERFORMANCE*

### *Cambridge Center Marriott*

| | Fourth Quarter 2008 | Fourth Quarter 2007 | Percent Change | Year to Date 2008 | Year To Date 2007 | Percent Change |
|---|---|---|---|---|---|---|
| Occupancy | 74.6% | 78.0% | -4.4% | 77.7% | 80.0% | -2.9% |
| Average Daily Rate | $ 230.67 | $ 244.55 | -5.7% | $ 217.70 | $ 217.23 | 0.2% |
| Revenue per available room | $ 172.15 | $ 190.69 | -9.7% | $ 169.08 | $ 173.80 | -2.7% |

## *OCCUPANCY ANALYSIS*

### *Same Property Occupancy[(1)] - By Location*

| | CBD | | Suburban | | Total | |
|---|---|---|---|---|---|---|
| Location | 31-Dec-08 | 31-Dec-07 | 31-Dec-08 | 31-Dec-07 | 31-Dec-08 | 31-Dec-07 |
| Greater Boston | 96.5% | 98.7% | 88.1% | 86.9% | 92.7% | 93.3% |
| Greater Washington | 99.9% | 98.8% | 97.1% | 99.3% | 98.3% | 99.1% |
| Midtown Manhattan | 98.5% | 99.5% | n/a | n/a | 98.5% | 99.5% |
| Princeton/East Brunswick, NJ | n/a | n/a | 83.8% | 83.3% | 83.8% | 83.3% |
| Greater San Francisco | 91.5% | 89.3% | 98.7% | 99.6% | 93.5% | 92.1% |
| Total Portfolio | 96.8% | 97.1% | 91.8% | 92.2% | 94.7% | 95.1% |

### *Same Property Occupancy[(1)] - - By Type of Property*

| | CBD | | Suburban | | Total | |
|---|---|---|---|---|---|---|
| | 31-Dec-08 | 31-Dec-07 | 31-Dec-08 | 31-Dec-07 | 31-Dec-08 | 31-Dec-07 |
| Total Office Portfolio | 96.8% | 97.0% | 93.6% | 93.4% | 95.5% | 95.6% |
| Total Office/Technical Portfolio | 100.0% | 100.0% | 77.9% | 83.0% | 81.9% | 86.1% |
| Total Portfolio | 96.8% | 97.1% | 91.8% | 92.2% | 94.7% | 95.1% |

(1) For disclosures related to our definition of Same Property, see page 51.

## *SAME PROPERTY PERFORMANCE*

### *Office, Office/Technical and Hotel Properties*

| | Office | Office/Technical | Hotel (1) | Total |
|---|---|---|---|---|
| Number of Properties | 100 | 20 | 1 | 121 |
| Square feet | 27,835,806 | 1,659,294 | 330,400 | 29,825,500 |
| Percent of in-service properties | 84.9% | 100.0% | 100.0% | 85.8% |
| Occupancy @ 12/31/2007 | 95.6% | 86.1% | — | 95.1% |
| Occupancy @ 12/31/2008 | 95.5% | 81.9% | — | 94.7% |
| Percent change from 4th quarter 2008 over 4th quarter 2007 (2): | | | | |
| Rental revenue | 3.5% | 14.6% | -7.3% | |
| Operating expenses and real estate taxes | 4.4% | 22.2% | -2.4% | |
| Consolidated Net Operating Income (3) - excluding hotel | | | | 3.4%(2) |
| Consolidated Net Operating Income (3) - Hotel | | | | -18.5%(2) |
| Net Operating Income - BXP's share of unconsolidated joint ventures (3) (4) | | | | -2.3%(2) |
| Portfolio Net Operating Income (3) | | | | 2.8% |
| Rental revenue - cash basis | 4.3% | 12.6% | -7.3% | |
| Consolidated Net Operating Income (3) - cash basis (4) excluding hotel | 4.2% | 9.0% | | 4.3%(2) |
| Consolidated Net Operating Income (3) - cash basis (4) - Hotel | | | | -18.5%(2) |
| Net Operating Income - cash basis (4) - BXP's share of unconsolidated joint ventures | | | | -0.3%(2) |
| Portfolio Net Operating Income (3) - cash basis (4) | | | | 3.8% |

### *Same Property Lease Analysis - quarter ended December 31, 2008*

| | Office | Office/Technical | Total |
|---|---|---|---|
| Vacant space available @ 10/1/2008 (sf) | 1,255,949 | 300,275 | 1,556,224 |
| Square footage of leases expiring or terminated 10/1/2008-12/31/2008 | 612,811 | — | 612,811 |
| Total space for lease (sf) | 1,868,760 | 300,275 | 2,169,035 |
| New tenants (sf) | 458,862 | — | 458,862 |
| Renewals (sf) | 158,171 | — | 158,171 |
| Total space leased (sf) | 617,033 | — | 617,033 |
| Space available @ 12/31/2008 (sf) | 1,251,727 | 300,275 | 1,552,002 |
| Net (increase)/decrease in available space (sf) | 4,222 | — | 4,222 |
| 2nd generation Average lease term (months) | 81 | — | 81 |
| 2nd generation Average free rent (days) | 111 | — | 111 |
| 2nd generation TI/Comm PSF | $ 28.51 | $ — | $ 28.51 |
| Increase (decrease) in 2nd generation gross rents (5) | 25.87% | 0.00% | 25.87% |
| Increase (decrease) in 2nd generation net rents (5) | 38.12% | 0.00% | 38.12% |

(1) Includes revenue and expenses from retail tenants at the hotel properties.

(2) See page 44 for a quantitative reconciliation of Same Property Net Operating Income (NOI) by reportable segment.

(3) For a quantitative reconciliation of NOI to net income available to common shareholders, see page 43. For disclosures relating to our use of Portfolio NOI and Consolidated NOI, see page 51.

(4) For disclosures related to the calculation of NOI from unconsolidated joint ventures, see page 18.

(5) Represents change in rents on a "cash to cash" basis (actual rent at time of expiration vs. initial rent of new lease) and for only 2nd generation space after eliminating any space vacant for more than 12 months. The total footage being weighted is 587,746 square feet.

## *Reconciliation of Net Operating Income to Net Income*

| | For the three months ended 12/31/2008 | 12/31/2007 |
|---|---|---|
| | *(in thousands)* | |
| Net income (loss) available to common shareholders | $ (91,552) | $ 123,790 |
| Gains on sales of real estate from discontinued operations, net of minority interest | — | (46,426) |
| Income from discontinued operations, net of minority interest | — | (862) |
| Gains on sales of real estate, net of minority interest | (1,667) | — |
| Minority interest in Operating Partnership | (14,174) | 23,181 |
| (Income) loss from unconsolidated joint ventures | 187,559 | (805) |
| Minority interest in property partnership | 427 | 84 |
| Income before minority interest in property partnership, income (loss) from unconsolidated joint ventures, minority interest in Operating Partnership, gains on sales of real estate and discontinued operations | 80,593 | 98,962 |
| Add: | | |
| Losses from investments in securities | 2,631 | 609 |
| Net derivative losses | 7,172 | — |
| Depreciation and amortization | 79,766 | 71,421 |
| Interest expense | 71,261 | 68,289 |
| General and administrative expense | 16,552 | 16,594 |
| Subtract: | | |
| Interest and other income | (879) | (22,041) |
| Development and management services income | (9,024) | (5,378) |
| Consolidated Net Operating Income | $ 248,072 | $ 228,456 |
| Net Operating Income from unconsolidated joint ventures (BXP's share) (1) | 61,757 | 5,424 |
| Combined Net Operating Income | $ 309,829 | $ 233,880 |
| Subtract: | | |
| Net Operating Income from Value-Added Fund (BXP's share) | (1,328) | (261) |
| Portfolio Net Operating Income | 308,501 | 233,619 |
| Same Property Net Operating Income | $ 234,216 | $ 227,761 |
| Net operating income from non Same Properties (2) | 66,308 | 2,976 |
| Termination income | 7,977 | 2,882 |
| Portfolio Net Operating Income | $ 308,501 | $ 233,619 |
| Same Property Net Operating Income | $ 234,216 | $ 227,761 |
| Less straight-line rent and fair value lease revenue | 8,394 | 10,208 |
| Same Property Net Operating Income - cash basis | $ 225,822 | $ 217,553 |

(1) For disclosures related to the calculation of Net Operating Income from unconsolidated joint ventures, see page 18.

(2) Pages 21-23 indicate by footnote the properties which are not included as part of Same Property Net Operating Income.

## *Same Property Net Operating Income by Reportable Segment*

**(in thousands)**

| | Office | | | | Office/Technical | | | |
|---|---|---|---|---|---|---|---|---|
| | For the three months ended | | $ | % | For the three months ended | | $ | % |
| | 31-Dec-08 | 31-Dec-07 | Change | Change | 31-Dec-08 | 31-Dec-07 | Change | Change |
| Rental Revenue | $ 341,246 | $ 325,047 | | | $ 12,068 | $ 10,547 | | |
| Less Termination Income | 7,713 | 2,862 | | | — | 19 | | |
| Rental revenue - subtotal | 333,533 | 322,185 | 11,348 | 3.5% | 12,068 | 10,528 | 1,540 | 14.6% |
| Operating expenses and real estate taxes | 116,293 | 111,357 | 4,936 | 4.4% | 3,448 | 2,822 | 626 | 22.2% |
| Net Operating Income (1) | $ 217,240 | $ 210,828 | $ 6,412 | 3.0% | $ 8,620 | $ 7,706 | $ 914 | 11.9% |
| Rental revenue - subtotal | $ 333,533 | $ 322,185 | | | $ 12,068 | $ 10,528 | | |
| Less straight line rent and fair value lease revenue | 7,884 | 9,846 | (1,962) | -19.9% | 590 | 336 | 254 | 75.6% |
| Rental revenue - cash basis | 325,649 | 312,339 | 13,310 | 4.3% | 11,478 | 10,192 | 1,286 | 12.6% |
| Less: | | | | | | | | |
| Operating expenses and real estate taxes | 116,293 | 111,357 | 4,936 | 4.4% | 3,448 | 2,822 | 626 | 22.2% |
| Net Operating Income (2) - cash basis | $ 209,356 | $ 200,982 | $ 8,374 | 4.2% | $ 8,030 | $ 7,370 | $ 660 | 9.0% |

| | Sub-Total | | | | Hotel | | | |
|---|---|---|---|---|---|---|---|---|
| | For the three months ended | | $ | % | For the three months ended | | $ | % |
| | 31-Dec-08 | 31-Dec-07 | Change | Change | 31-Dec-08 | 31-Dec-07 | Change | Change |
| Rental Revenue | $ 353,314 | $ 335,594 | | | $ 12,158 | $ 13,121 | | |
| Less Termination Income | 7,713 | 2,881 | | | — | — | | |
| Rental revenue - subtotal | 345,601 | 332,713 | 12,888 | 3.9% | 12,158 | 13,121 | $ (963) | -7.3% |
| Operating expenses and real estate taxes | 119,741 | 114,179 | 5,562 | 4.9% | 8,846 | 9,059 | (213) | -2.4% |
| Net Operating Income (1) | $ 225,860 | $ 218,534 | $ 7,326 | 3.4% | $ 3,312 | $ 4,062 | $ (750) | -18.5% |
| Rental revenue - subtotal | $ 345,601 | $ 332,713 | | | $ 12,158 | $ 13,121 | | |
| Less straight line rent and fair value lease revenue | 8,474 | 10,182 | (1,708) | -16.8% | (1) | (1) | — | 0.0% |
| Rental revenue - cash basis | 337,127 | 322,531 | 14,596 | 4.5% | 12,159 | 13,122 | (963) | -7.3% |
| Less: | | | | | | | | |
| Operating expenses and real estate taxes | 119,741 | 114,179 | 5,562 | 4.9% | 8,846 | 9,059 | (213) | -2.4% |
| Net Operating Income (2) - cash basis | $ 217,386 | $ 208,352 | $ 9,034 | 4.3% | $ 3,313 | $ 4,063 | $ (750) | -18.5% |

| | Unconsolidated Joint Ventures (3) | | | | Total | | | |
|---|---|---|---|---|---|---|---|---|
| | For the three months ended | | $ | % | For the three months ended | | $ | % |
| | 31-Dec-08 | 31-Dec-07 | Change | Change | 31-Dec-08 | 31-Dec-07 | Change | Change |
| Rental Revenue | $ 8,886 | $ 8,825 | | | $374,358 | $357,540 | | |
| Less Termination Income | 1 | 1 | | | 7,714 | 2,882 | | |
| Rental revenue - subtotal | 8,885 | 8,824 | $ 61 | 0.7% | 366,644 | 354,658 | 11,986 | 3.4% |
| Operating expenses and real estate taxes | 3,841 | 3,659 | 182 | 5.0% | 132,428 | 126,897 | 5,531 | 4.4% |
| Net Operating Income (1) | $ 5,044 | $ 5,165 | $ (121) | -2.3% | $234,216 | $227,761 | $ 6,455 | 2.8% |
| Rental revenue - subtotal | $ 8,885 | $ 8,824 | | | $366,644 | $354,658 | | |
| Less straight line rent and fair value lease revenue | (79) | 27 | (106) | -392.6% | 8,394 | 10,208 | (1,814) | -17.8% |
| Rental revenue - cash basis | 8,964 | 8,797 | 167 | 1.9% | 358,250 | 344,450 | 13,800 | 4.0% |
| Less: | | | | | | | | |
| Operating expenses and real estate taxes | 3,841 | 3,659 | 182 | 5.0% | 132,428 | 126,897 | 5,531 | 4.4% |
| Net Operating Income (2) - cash basis | $ 5,123 | $ 5,138 | $ (15) | -0.3% | $225,822 | $217,553 | $ 8,269 | 3.8% |

(1) For a quantitative reconciliation of net operating income (NOI) to net income available to common shareholders, see page 43. For disclosures relating to our use of NOI see page 51.

(2) For a quantitative reconciliation of NOI to NOI on a cash basis see page 43. For disclosures relating to our use of NOI see page 51.

(3) Does not include the Value-Added Fund.

## *LEASING ACTIVITY*

### *All In-Service Properties - quarter ended December 31, 2008*

| | Office | Office/Technical | Total |
|---|---|---|---|
| Vacant space available @ 10/1/2008 (sf) | 1,356,737 | 300,275 | 1,657,012 |
| Property dispositions/ assets taken out of service (sf) | — | — | — |
| Property acquisitions/ assets placed in-service (sf) | 227,606 | — | 227,606 |
| Leases expiring or terminated 10/1/2008-12/31/2008 (sf) | 672,793 | — | 672,793 |
| Total space for lease (sf) | 2,257,136 | 300,275 | 2,557,411 |
| New tenants (sf) | 484,653 | — | 484,653 |
| Renewals (sf) | 189,567 | — | 189,567 |
| Total space leased (sf) | 674,220 | — | 674,220 (1) |
| Space available @ 12/31/2008 (sf) | 1,582,916 | 300,275 | 1,883,191 |
| Net (increase)/decrease in available space (sf) | (226,179) | — | (226,179) |
| 2nd generation Average lease term (months) | 81 | — | 81 |
| 2nd generation Average free rent (days) | 106 | — | 106 |
| 2nd generation TI/Comm PSF | $ 28.84 | $ — | $ 28.84 |
| Increase (decrease) in 2nd generation gross rents (2) | 26.23% | 0.00% | 26.23% |
| Increase (decrease) in 2nd generation net rents (3) | 38.87% | 0.00% | 38.87% |

| | All leases 1st Generation | All leases 2nd Generation | Incr (decr) in 2nd gen. gross cash rents (2) | Incr (decr) in 2nd gen. net cash rents (3) | Total Leased (4) | Total square feet of leases executed in the quarter (5) |
|---|---|---|---|---|---|---|
| Boston | — | 257,571 | 6.73% | 10.78% | 257,571 | 785,629 |
| Washington | — | 32,897 | 1.50% | 2.30% | 32,897 | 513,362 |
| New York | — | 242,823 | 43.63% | 61.27% | 242,823 | 240,892 |
| San Francisco | — | 128,776 | 9.62% | 14.17% | 128,776 | 122,417 |
| Princeton | — | 12,153 | -6.33% | -10.03% | 12,153 | 54,293 |
| | — | 674,220 | 26.23% | 38.87% | 674,220 | 1,716,593 |

(1) Details of 1st and 2nd generation space is located in chart below.
(2) Represents increase (decrease) in gross rent (total base rent and expense reimbursements), comparing the change in rent at lease expiration vs. initial rent of the new lease for 2nd generation space that has been vacant for less than twelve months. The total footage being weighted is 644,933.
(3) Represents increase (decrease) in net rent (base rent less base year expense), comparing the rent at lease expiration vs. initial rent of the new lease for 2nd generation space that has been vacant for less than twelve months. The total footage being weighted is 644,933.
(4) Represents leases for which rental revenue has commenced in accordance with GAAP during the quarter.
(5) Represents leases executed in the quarter for which the GAAP impact may be recognized in the current or future quarter, including properties currently under development.

## *HISTORICALLY GENERATED CAPITAL EXPENDITURES, TENANT IMPROVEMENT COSTS AND LEASING COMMISSIONS*

### *Historical Capital Expenditures*

*(in thousands)*

| | Q4 2008 | Q3 2008 | Q2 2008 | Q1 2008 | 2007 | 2006 | 2005 |
|---|---|---|---|---|---|---|---|
| Recurring capital expenditures | $12,158 | $ 8,252 | $5,075 | $4,296 | $36,599 | $25,718 | $22,369 |
| Planned non-recurring capital expenditures associated with acquisition properties | 1,072 | 1,472 | 644 | 15 | 1,490 | 3,869 | 2,957 |
| Hotel improvements, equipment upgrades and replacements | 589 | 446 | 289 | 993(1) | 1,127 | 7,969(2) | 4,097 |
| | $13,819 | $10,170 | $6,008 | $5,304 | $39,216 | $37,556 | $29,423 |

### *2nd Generation Tenant Improvements and Leasing Commissions*

| | Q4 2008 | Q3 2008 | Q2 2008 | Q1 2008 | 2007 | 2006 | 2005 |
|---|---|---|---|---|---|---|---|
| Office | | | | | | | |
| Square feet | 674,220 | 586,405 | 467,307 | 744,687 | 3,201,812 | 2,972,996 | 2,749,079 |
| Tenant improvement and lease commissions PSF | $ 28.84 | $ 31.17 | $ 22.00 | $ 35.72 | $ 23.88 | $ 29.14 | $ 28.75 |
| Office/Technical | | | | | | | |
| Square feet | — | 26,388 | — | — | 226,692 | 33,400 | 82,753 |
| Tenant improvement and lease commissions PSF | $ — | $ — | $ — | $ — | $ 26.62 | $ — | $ 2.89 |
| Average tenant improvement and lease commissions PSF | $ 28.84 | $ 29.57 | $ 22.00 | $ 35.72 | $ 24.06 | $ 28.82 | $ 28.00 |

(1) Includes approximately $723 of costs related to suites renovation at Cambridge Center Marriott.

(2) Includes approximately $5,600 of costs related to a room renovation project at Cambridge Center Marriott.

## *ACQUISITIONS/DISPOSITIONS*

*as of December 31, 2008*

### *ACQUISITIONS*

*For the period from January 1, 2008 through December 31, 2008*

| Property | Date Acquired | Square Feet | Initial Investment | Anticipated Future Investment | Total Investment | Percentage Leased |
|---|---|---|---|---|---|---|
| 250 West 55th Street (Development Rights) | May-08 | N/A | $ 34,200,000 | $ — (1) | $ 34,200,000 | N/A |
| The General Motors Building (60% ownership interest) | Jun-08 | 1,770,298 | 1,675,000,000 | — | 1,675,000,000 | 98% |
| Two Grand Central Tower (60% ownership interest) | Aug-08 | 635,275 | 256,758,000 | 1,681,000 | 258,439,000 | 100% |
| 540 Madison Avenue (60% ownership interest) | Aug-08 | 284,185 | 166,254,000 | 1,197,000 | 167,451,000 | 93% |
| 125 West 55th Street (60% ownership interest) | Aug-08 | 558,008 | 266,388,000 | 1,126,000 | 267,514,000 | 100% |
| 635 Massachusetts Avenue | Sep-08 | 211,000 | 119,473,000 | — (1) | 119,473,000 | 100% |
| **Total Acquisitions** | | 3,458,766 | $2,518,073,000 | $4,004,000 | $2,522,077,000 | 98% |

### *DISPOSITIONS*

*For the period from January 1, 2008 through December 31, 2008*

| Property | Date Disposed | Square Feet | Gross Sales Price | Book Gain |
|---|---|---|---|---|
| 280 Park Avenue (2) | Jun-06 | — | $ — | $23,438,000 |
| Mountain View Research/Technology Parks (3) | Jan-08 | 735,728 | 221,600,000 | — |
| 20 F Street Land (4) | Apr-08 | — | 33,700,000 | 9,902,000 |
| **Total Dispositions** | | 735,728 | $255,300,000 | $33,340,000 |

(1) Anticipated future investment on development projects are not included.

(2) 280 Park Avenue was sold in June 2006. The Company entered into a 74,340 net rentable square foot master lease obligation with the buyer resulting in the deferral of approximately $67.3 million of the book gain. Subsequent to the sale during 2006, the Company signed qualifying leases for 26,281 net rentable square feet and recognized approximately $21.0 million of additional book gain. During the year ended December 31, 2007, the Company signed an additional qualifying lease for 22,250 net rentable square feet resulting in the recognition of approximately $18.0 million of additional book gain. During the three months ended March 31, 2008, the Company signed an additional qualifying lease for 17,454 net rentable square feet resulting in the recognition of approximately $23.4 million of additional book gain. As of December 31, 2008, the master lease obligation totaled approximately $0.9 million.

(3) On January 7, 2008, the Company transferred at cost the Mountain View properties to the Value-Added Fund.

(4) On April 14, 2008, the Company sold a parcel of land located in Washington, D.C. for approximately $33.7 million. The Company had previously entered into a development agreement with the buyer to develop a Class A office property on the parcel totaling approximately 165,000 net rentable square feet. The estimated gain on sale totaling approximately $23.4 million has been deferred and will be recognized over the construction period.

**Boston Properties, Inc.**
**Fourth Quarter 2008**

### VALUE CREATION PIPELINE—CONSTRUCTION IN PROGRESS (1)

*as of December 31, 2008*

| Construction Properties | Initial Occupancy | Estimated Stabilization Date | Location | # of Buildings | Square feet | Investment to Date (2) (3) | Estimated Total Investment (2) (3) | Total Construction Loan (2) | Amount Drawn at 12/31/2008 (2) | Estimated Future Equity Requirement (2) | Percentage Leased (4) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| One Preserve Parkway | Q2 2008 | Q4 2009 | Rockville, MD | 1 | 183,000 | $ 47,003,011 | $ 60,536,931 | $ — | $ — | $ 13,533,920 | 20% |
| Wisconsin Place (66.67% ownership) (5) | Q2 2009 | Q4 2009 | Chevy Chase, MD | 1 | 290,000 | 73,551,223 | 93,500,000 | 79,970,501 | 50,266,106 | — | 91% |
| Democracy Tower (formerly South of Market - Phase II) | Q3 2009 | Q3 2009 | Reston, VA | 1 | 225,000 | 58,013,572 | 87,200,000 | 65,000,000 | 30,674,413 | — | 100% |
| 701 Carnegie Center | Q4 2009 | Q4 2009 | Princeton, NJ | 1 | 120,000 | 16,816,314 | 34,000,000 | — | — | 17,183,686 | 100% |
| Weston Corporate Center | Q3 2010 | Q3 2010 | Weston, MA | 1 | 356,367 | 34,516,458 | 150,000,000 | | | 115,483,542 | 100% |
| 250 West 55th | Q1 2011 | Q4 2011 | New York, NY | 1 | 1,000,000 | 425,468,297 | 980,000,000 | — | — | 554,531,703 | 22% |
| 280 Congress Street (Russia Wharf) (6) | Q1 2011 | Q1 2012 | Boston, MA | 2 | 815,000 | 216,658,746 | 550,000,000 | — | — | 333,341,254 | 78%(8) |
| 2200 Pennsylvania Avenue (7) | Q2 2011 | Q2 2012 | Washington, DC | 2 | 780,000 | 36,676,358 | 380,000,000 | — | — | 343,323,642 | 42% |
| **Total Properties under Construction** | | | | 10 | 3,769,367 | $908,703,979 | $2,335,236,931 | $144,970,501 | $80,940,519 | $1,377,397,747 | 58%(8) |

### PROJECTS PLACED-IN-SERVICE DURING 2008

| | Initial In Service Date | Estimated Stabilization Date | Location | # of Buildings | Square feet | Investment to Date (3) | Estimated Total Investment (3) | Debt | Drawn at December 31, 2008 | Estimated Future Equity Requirement | Percentage Leased |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 505 9th Street (50% ownership) | Q4 2007 | Q1 2008 | Washington, D.C. | 1 | 323,000 | $ 65,046,318 | $ 65,000,000 | $ 65,000,000 | $ 65,000,000 | $ — | 100% |
| 77 CityPoint (formerly 77 Fourth Avenue) | Q1 2008 | Q4 2008 | Waltham, MA | 1 | 210,000 | 77,246,929 | 79,707,173 | — | — | 2,460,244 | 100% |
| South of Market (Phase I) | Q1 2008 | Q3 2009 | Reston, VA | 3 | 652,000 | 192,560,598 | 213,800,000 | 200,000,000 | 183,125,450 | 4,364,852 | 85% |
| Annapolis Junction (50% ownership) | Q4 2008 | Q4 2009 | Annapolis, MD | 1 | 117,600 | 26,315,362 | 32,600,000 | 22,750,000 | 19,412,906 | 2,947,545 | 14% |
| **Total Projects Placed in Service** | | | | 6 | 1,302,600 | $361,169,207 | $391,107,173 | $287,750,000 | $ 267,538,356 | $ 9,772,641 | 85% |

### IN-SERVICE PROPERTIES HELD FOR RE-DEVELOPMENT

| | Sub Market | Number of Buildings | Square Feet | Leased % | Annualized Revenue Per Leased SF (9) | Encumbered with secured debt (Y/N) | Central Business District (CBD) or Suburban (S) | Estimated Future SF (10) |
|---|---|---|---|---|---|---|---|---|
| 103 Fourth Avenue | Route 128 Mass Turnpike MA | 1 | 62,476 | 58.5% | $ 21.93 | N | S | 265,000 |
| Waltham Office Center | Route 128 Mass Turnpike MA | 3 | 129,262 | 53.3% | 20.51 | N | S | 414,000 |
| 6601 Springfield Center Drive | Fairfax County VA | 1 | 26,388 | 100.0% | 13.63 | N | S | 86,000 |
| 6605 Springfield Center Drive | Fairfax County VA | 1 | 68,907 | 0.0% | — | N | S | 300,000 |
| North First Business Park | San Jose, CA | 5 | 190,636 | 75.8% | 15.53 | N | S | 683,000 |
| 635 Massachusetts Avenue | Washington, DC | 1 | 211,000 | 100.0% | 28.31 | N | CBD | 450,000 |
| **Total Properties held for Re-Development** | | 12 | 688,669 | 70.8% | $ 22.14 | | | 2,198,000 |

(1) A project is classified as Construction in Progress when construction or supply contracts have been signed, physical improvements have commenced or a lease has been signed.
(2) Represents the Company’s share.
(3) Includes net revenue during lease up period.

(4) Represents percentage leased as of January 26, 2009.
(5) Includes approximately $40.3 million of land and infrastructure costs invested to date.
(6) Includes 235,000 square feet of residential space for rent or for sale and 28,000 square feet of retail space.
(7) Includes 330,000 square feet of residential space for rent or sale.
(8) Percentage Leased excludes 235,000 square feet of residential space and includes 28,000 square feet of retail space.
(9) For disclosures relating to our definition of Annualized Revenue, see page 51.
(10) Included in developable square feet of Value Creation Pipeline—Owned Land Parcels on page 49.

## VALUE CREATION PIPELINE—OWNED LAND PARCELS

*as of December 31, 2008*

| Location | Acreage | Approximate Developable Square Feet |
|---|---|---|
| San Jose, CA (1) (2) | 44.0 | 2,600,000 |
| Waltham, MA (1) | 25.4 | 1,150,000 |
| Reston, VA | 33.8 | 910,000 |
| Dulles, VA | 76.6 | 850,000 |
| Gaithersburg, MD | 27.0 | 850,000 |
| Springfield, VA (1) | 17.8 | 800,000 |
| Rockville, MD | 58.1 | 759,000 |
| Boston, MA (3) | 1.2 | 700,000 |
| Washington, DC (1) | 1.0 | 450,000 |
| Marlborough, MA | 50.0 | 400,000 |
| Annapolis, MD (50% ownership) | 20.0 | 300,000 |
| Andover, MA | 10.0 | 110,000 |
| New York, NY (50% ownership) (4) | 0.2 | TBD |
| | 365.1 | 9,879,000 |

## VALUE CREATION PIPELINE—LAND PURCHASE OPTIONS

*as of December 31, 2008*

| Location | Acreage | Approximate Developable Square Feet |
|---|---|---|
| Princeton, NJ (5) | 143.1 | 1,780,000 |
| Cambridge, MA (6) | 1.1 | 370,000 |
| | 144.2 | 2,150,000 |

(1) Properties on-site are held for future re-development and are referenced on page 48.
(2) Includes an additional 460,000 square feet of developable square footage at our 3200 Zanker Road project.
(3) Includes approximately 250,000 square feet of Residential development.
(4) Previously reported as land purchase options, includes four sites, comprised of five lots with air rights. The developable square feet remains to be determined.
(5) $30.50 per square foot and $125,000 per annum non-refundable payment.
(6) In accordance with an agreement executed on November 26, 2008, 170,000 square feet of office development was transferred to the Company on January 16, 2009. The Company has the option to purchase an additional 200,000 square feet of residential rights.

***Definitions***

This section contains an explanation of certain non-GAAP financial measures we provide in other sections of this document, as well as the reasons why management believes these measures provide useful information to investors about the Company's financial condition or results of operations. Additional detail can be found in the Company's most recent annual report on Form 10-K and quarterly report on Form 10-Q, as well as other documents filed with or furnished to the SEC from time to time.

**Funds from Operations**

Pursuant to the revised definition of Funds from Operations adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"), we calculate Funds from Operations, or "FFO," by adjusting net income (loss) (computed in accordance with GAAP, including non-recurring items) for gains (or losses) from sales of properties, real estate related depreciation and amortization, and after adjustment for unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure. The use of FFO, combined with the required primary GAAP presentations, has been fundamentally beneficial in improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. Management generally considers FFO to be a useful measure for reviewing our comparative operating and financial performance because, by excluding gains and losses related to sales of previously depreciated operating real estate assets and excluding real estate asset depreciation and amortization (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help one compare the operating performance of a company's real estate between periods or as compared to different companies. Our computation of FFO may not be comparable to FFO reported by other REITs or real estate companies that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently.

FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance. FFO does not represent cash generated from operating activities determined in accordance with GAAP, and is not a measure of liquidity or an indicator of our ability to make cash distributions. We believe that to further understand our performance, FFO should be compared with our reported net income and considered in addition to cash flows in accordance with GAAP, as presented in our consolidated financial statements.

**Funds Available for Distribution (FAD)**

In addition to FFO, we present Funds Available for Distribution (FAD) by (1) adding to FFO as adjusted non-real estate depreciation, net derivative losses and impairments, (2) eliminating the effect of straight-line rent, (3) subtracting: recurring capital expenditures; hotel improvements, equipment upgrades and replacements; and second generation tenant improvement and leasing commissions; (4) subtracting all non-cash compensation expense related to restricted securities. Although our FAD may not be comparable to that of other REITs and real estate companies, we believe it provides a meaningful indicator of our ability to fund cash needs and to make cash distributions to equity owners. In addition, we believe that to further understand our liquidity, FAD should be compared with our cash flows in accordance with GAAP, as presented in our consolidated financial statements. FAD does not represent cash generated from operating activities determined in accordance with GAAP, and FAD should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP), or as a measure of our liquidity.

**Consolidated Debt to Total Consolidated Market Capitalization Ratio**

Consolidated debt to total consolidated market capitalization ratio, defined as total consolidated debt as a percentage of the market value of our outstanding equity securities plus our total consolidated debt, is a measure of leverage commonly used by analysts in the REIT sector. Total consolidated market capitalization is the sum of (A) our total consolidated indebtedness outstanding plus (B) the market value of our outstanding equity securities calculated using the closing price per share of common stock of the Company multiplied by the sum of (1) the actual aggregate number of outstanding common partnership units of our operating partnership (including common partnership units held by the company), (2) the number of common partnership units issuable upon conversion of all outstanding long term incentive plan units of our operating partnership, or LTIP units, but excluding unearned outperformance plan units, assuming all conditions have been met for the conversion of the LTIP units, and (3) the number of common partnership units issuable upon conversion of preferred partnership units of our operating partnership. We are presenting this ratio because our degree of leverage could affect our ability to obtain additional financing for working capital, capital expenditures, acquisitions, development or other general corporate purposes. Investors should understand that our consolidated debt to total consolidated market capitalization ratio is in part a function of the market price of the common stock of Boston Properties, Inc., and as such will fluctuate with changes in such price and does not necessarily reflect our capacity to incur additional debt to finance our activities or our ability to manage our existing debt obligations. However, for a company like ours, whose assets are primarily income-producing real estate, the consolidated debt to total consolidated market capitalization ratio may provide investors with an alternate indication of leverage, so long as it is evaluated along with the ratio of indebtedness to other measures of asset value used by financial analysts and other financial ratios, as well as the various components of our outstanding indebtedness.

**Combined Debt to Total Combined Market Capitalization Ratio**

Combined debt to total combined market capitalization ratio, defined as total combined debt (which equals our total consolidated debt plus our share of unconsolidated joint venture debt) as a percentage of the market value of our outstanding equity securities plus our total combined debt, is an alternative measure of leverage used by some analysts in the REIT sector. Total combined market capitalization is the sum of (A) our total combined debt plus (B) the market value of our outstanding equity securities calculated using the closing price per share of common stock of the Company multiplied by the sum of (1) the actual aggregate number of outstanding common partnership units of our operating partnership (including common partnership units held by the Company), (2) the number of common partnership units issuable upon conversion of all outstanding long term incentive plan units of our operating partnership, or LTIP units, excluding unearned outperformance plan units, assuming all conditions have been met for the conversion of the LTIP units, and (3) the number of common partnership units issuable upon conversion of preferred partnership units of our operating partnership.

We present this ratio because, following our acquisitions of the General Motors Building, Two Grand Central Tower, 125 West 55th Street and 540 Madison Avenue through unconsolidated joint ventures in June and August 2008, our share of unconsolidated joint venture debt increased significantly compared to prior periods when the amount of assets held through unconsolidated joint ventures was significantly smaller. In light of the difference between our consolidated debt and our total combined debt, we believe that presenting our combined debt to total combined market capitalization as well may provide investors with a more complete picture of our leverage. Investors should understand that our combined debt to total combined market capitalization ratio is in part a function of the market price of the common stock of Boston Properties, Inc., and as such will fluctuate with changes in such price and does not necessarily reflect our capacity to incur additional debt to finance our activities or our ability to manage our existing debt obligations. The combined debt to total combined market capitalization ratio should be evaluated along with the ratio of indebtedness to other measures of asset value used by financial analysts and other financial ratios, as well as the various components of our outstanding indebtedness.

***Definitions***

**Consolidated Net Operating Income (NOI)**

Consolidated NOI is a non-GAAP financial measure equal to net income available to common shareholders, the most directly comparable GAAP financial measure, plus corporate general and administrative expense, depreciation and amortization, interest expense, minority interest in Operating Partnership and losses from early extinguishment of debt, less interest income, development and management income, gains from property dispositions, gains on sale from discontinued operations, income from discontinued operations, income from unconsolidated joint ventures and minority interest in property partnerships. In some cases we also present Consolidated NOI on a cash basis, which is Consolidated NOI after eliminating the effects of straight-lining of rent. We use Consolidated NOI internally as a performance measure and believe Consolidated NOI provides useful information to investors regarding our financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level. Therefore, we believe Consolidated NOI is a useful measure for evaluating the operating performance of our real estate assets. Our management also uses Consolidated NOI to evaluate regional property level performance and to make decisions about resource allocations. Further, we believe Consolidated NOI is useful to investors as a performance measure because, when compared across periods, Consolidated NOI reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and development activity on an unleveraged basis, providing perspective not immediately apparent from net income. Consolidated NOI excludes certain components from net income in order to provide results that are more closely related to a property's results of operations. For example, interest expense is not necessarily linked to the operating performance of a real estate asset and is often incurred at the corporate level as opposed to the property level. In addition, depreciation and amortization, because of historical cost accounting and useful life estimates, may distort operating performance at the property level. Consolidated NOI presented by us may not be comparable to Consolidated NOI reported by other REITs that define Consolidated NOI differently. We believe that in order to facilitate a clear understanding of our operating results, Consolidated NOI should be examined in conjunction with net income as presented in our consolidated financial statements. Consolidated NOI should not be considered as an alternative to net income as an indication of our performance or to cash flows as a measure of our liquidity or ability to make distributions.

**Combined Net Operating Income (NOI)**

Combined NOI is a non-GAAP financial measure equal to Consolidated NOI plus our share of income from unconsolidated joint ventures. In some cases we also present Combined NOI on a cash basis, which is Combined NOI after eliminating the effects of straight-lining of rent. In addition to Consolidated NOI, we use Combined NOI internally as a performance measure and believe Combined NOI provides useful information to investors regarding our financial condition and results of operations because it includes the impact of our unconsolidated joint ventures, which have become significant. Therefore, we believe Combined NOI is a useful measure for evaluating the operating performance of all of our real estate assets, including those held by our unconsolidated joint ventures. Our management also uses Combined NOI to evaluate regional property level performance and to make decisions about resource allocations. Further, like Consolidated NOI, we believe Combined NOI is useful to investors as a performance measure because, when compared across periods, Combined NOI reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and development activity on an unleveraged basis, providing perspective not immediately apparent from net income. Combined NOI presented by us may not be comparable to Combined NOI reported by other REITs that define Combined NOI differently. We believe that in order to facilitate a clear understanding of our operating results, Combined NOI should be examined in conjunction with net income as presented in our consolidated financial statements. Combined NOI should not be considered as an alternative to net income as an indication of our performance or to cash flows as a measure of our liquidity or ability to make distributions.

**Portfolio Net Operating Income (NOI)**

Portfolio NOI is a non-GAAP financial measure equal to Combined NOI less our share of income from the Value-Added Fund in recognition of the fact that we do not include non-core office properties held by the fund in the Company's portfolio information tables or other portfolio level statistics because they have deficiencies in property characteristics which provide opportunity to create value. In some cases we also present Portfolio NOI on a cash basis, which is Portfolio NOI after eliminating the effects of straight-lining of rent. In addition to Consolidated NOI and Combined NOI, we use Portfolio NOI internally as a performance measure and believe Portfolio NOI provides useful information to investors regarding our financial condition and results of operations because it includes the impact of our unconsolidated joint ventures, which have become significant, but excludes the impact of the Value-Added Fund. Therefore, we believe Portfolio NOI is a useful measure for evaluating the operating performance of our active portfolio, including both consolidated assets and those held by our unconsolidated joint ventures. Our management also uses Portfolio NOI to evaluateregional property level performance and to make decisions about resource allocations. Further, like Consolidated NOI and Combined NOI, we believe Portfolio NOI is useful to investors as a performance measure because, when compared across periods, Portfolio NOI reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and development activity on an unleveraged basis, providing perspective not immediately apparent from net income. Portfolio NOI presented by us may not be comparable to Portfolio NOI reported by other REITs that define Portfolio NOI differently. We believe that in order to facilitate a clear understanding of our operating results, Portfolio NOI should be examined in conjunction with net income as presented in our consolidated financial statements. Portfolio NOI should not be considered as an alternative to net income as an indication of our performance or to cash flows as a measure of our liquidity or ability to make distributions.

**In-Service Properties**

In-service properties include properties held by our unconsolidated joint ventures (other than the Value-Added Fund). We treat a property as being "in-service" upon the earlier of (i) lease-up and completion of tenant improvements or (ii) one year after cessation of major construction activity under GAAP. The determination as to when a property should be treated as "in-service" involves a degree of judgment and is made by management based on the relevant facts and circumstances of the particular property. For portfolio operating and occupancy statistics we specify a single date for treating a property as "in-service" which is generally later than the date the property is placed in-service for GAAP. Under GAAP a property may be placed in service in stages as construction is completed and the property is held available for occupancy. In accordance with GAAP, when a portion of a property has been substantially completed and occupied or held available for occupancy, we cease capitalization on that portion, though we may not treat the property as being "in-service," and continue to capitalize only those costs associated with the portion still under construction.

**Same Properties**

In our analysis of NOI, particularly to make comparisons of NOI between periods meaningful, it is important to provide information for properties that were in-service and owned by us throughout each period presented. We refer to properties acquired or placed in-service prior to the beginning of the earliest period presented and owned by us through the end of the latest period presented as "Same Properties." "Same Properties" therefore exclude properties placed in-service, acquired or repositioned after the beginning of the earliest period presented or disposed of prior to the end of the latest period presented. Accordingly, it takes at least one year and one quarter after a property is acquired or treated as "in-service" for that property to be included in "Same Properties." Pages 21-23 indicate by footnote the "In-Service Properties" which are not included in "Same Properties." "Same Properties NOI" includes our share of net operating income from unconsolidated joint ventures (other than the Value-Added Fund).

**Annualized Revenue**

Contractual rental obligations at the end of the reporting period, including contractual reimbursements, on an annualized cash basis.

**Future Annualized Revenue**

Contractual rental obligations at lease expiration, including current contractual reimbursements, on an annualized cash basis.

news

Boston Properties

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# BOSTON PROPERTIES, INC. ANNOUNCES FOURTH QUARTER 2008 RESULTS; RECOGNIZES $188.3 MILLION OF NON-CASH IMPAIRMENT CHARGES ON INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

**Reports diluted FFO per share of $0.05** **Reports diluted EPS of $(0.76)**

**BOSTON, MA, January 28, 2009 – Boston Properties, Inc. (NYSE: BXP)**, a real estate investment trust, reported results today for the fourth quarter ended December 31, 2008.

*Results for the quarter ended December 31, 2008*

Funds from Operations (FFO) for the quarter ended December 31, 2008 were $5.9 million, or $0.05 per share basic and $0.05 per share diluted. This compares to FFO for the quarter ended December 31, 2007 of $147.5 million, or $1.24 per share basic and $1.22 per share diluted. FFO for the quarter ended December 31, 2008 includes $(1.33) per share on a diluted basis related to non-cash impairment charges on certain of the Company’s investments in unconsolidated joint ventures, $0.05 per share on a diluted basis related to termination income associated with the Company’s termination of its lease with the law firm of Heller Ehrman LLP and $(0.05) per share on a diluted basis related to the ineffectiveness of certain of the Company’s interest rate hedging contracts. The weighted average number of basic and diluted shares outstanding totaled 120,788,097 and 121,478,453, respectively, for the quarter ended December 31, 2008 and 119,248,503 and 122,338,037, respectively, for the quarter ended December 31, 2007.

In the fourth quarter ended December 31, 2008, the Company recognized non-cash impairment charges aggregating approximately $(188.3) million, or $(1.33) per share diluted, representing the other-than-temporary decline in the fair values below the carrying values of certain of the Company’s investments in unconsolidated joint ventures. In accordance with Accounting Principles Board Opinion No. 18 “The Equity Method of Accounting for Investments in Common Stock” (APB No. 18), a loss in value of an investment under the equity method of accounting, which is other than a temporary decline, must be recognized. As a result, the Company recognized non-cash impairment charges on its investments in 540 Madison Avenue, Two Grand Central Tower, 125 West 55th Street, the Company’s Value-Added Fund and its Eighth Avenue and 46th Street project located in New York City (discussed below).

Net income (loss) available to common shareholders was $(91.6) million for the quarter ended December 31, 2008, compared to $123.8 million for the quarter ended December 31, 2007. Net income (loss) available to common shareholders per share (EPS) for the quarter ended December 31, 2008 was $(0.76) basic and diluted. This compares to EPS for the fourth quarter of 2007 of $1.04 basic and $1.02 on a diluted basis.

*Results for the year ended December 31, 2008*

FFO for the year ended December 31, 2008 were $423.8 million, or $3.53 per share basic and $3.49 per share diluted. This compares to FFO for the year ended December 31, 2007 of $562.5 million, or $4.73 per share basic and $4.64 per share diluted, after a supplemental adjustment to exclude the loss from early extinguishment of debt associated with the sale of real estate. The loss from early extinguishment of debt associated with the sale of real estate totaled approximately $2.7 million, or $0.02 per share basic and diluted for the year ended December 31, 2007. The weighted average number of basic and diluted shares outstanding totaled 119,979,810 and 122,759,352, respectively, for the year ended December 31, 2008 and 118,838,524 and 122,453,781, respectively, for the year ended December 31, 2007.

Net income available to common shareholders was $125.2 million for the year ended December 31, 2008, compared to $1,324.7 million for the year ended December 31, 2007. Net income available to common shareholders per share (EPS) for the year ended December 31, 2008 was $1.04 basic and $1.03 on a diluted basis. This compares to EPS for the year ended December 31, 2007 of $11.11 basic and $10.94 on a diluted basis. Net income available to common shareholders for the year ended December 31, 2007, includes approximately $1,015.8 million related to gains on sales of real estate and discontinued operations.

The reported results are unaudited and there can be no assurance that the results will not vary from the final information for the quarter and year ended December 31, 2008. In the opinion of management, all adjustments considered necessary for a fair presentation of these reported results have been made.

As of December 31, 2008, the Company's portfolio consisted of 147 properties comprising approximately 49.8 million square feet, including 10 properties under construction totaling 3.8 million square feet and one hotel. The overall percentage of leased space for the 136 properties in service as of December 31, 2008 was 94.5%.

Significant events during the fourth quarter included:

- On October 8, 2008, a joint venture in which the Company has a 50% interest placed in-service Annapolis Junction, a 118,000 net rentable square foot Class A office property located in Annapolis, Maryland. The property is 14% leased.
- On October 10, 2008, the Company used available cash to repay the mortgage loan collateralized by its Bedford Business Park properties located in Bedford, Massachusetts totaling approximately $16.1 million. There was no prepayment penalty associated with the repayment. The mortgage loan bore interest at a fixed rate of 8.60% per annum and was scheduled to mature on December 10, 2008.

- On November 13, 2008, the Company closed on an eight-year, $375.0 million mortgage loan collateralized by Four Embarcadero Center located in San Francisco, California. The mortgage loan bears interest at a fixed rate of 6.10% per annum. Under the Company's interest rate hedging program, the Company will reclassify into earnings over the eight-year term of the loan as an increase in interest expense approximately $26.4 million of the amounts recorded on its consolidated balance sheet within accumulated other comprehensive loss, which amounts represent the effective portion of the applicable interest rate hedging contracts. The Company's interest rate hedging program also contemplated obtaining additional financing of at least $150.0 million by the end of 2008. In accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended and interpreted, the Company determined that it would be unable to complete the financing by the required date under its hedging program. As a result, the Company has recognized a net derivative loss of approximately $7.2 million representing the ineffectiveness of its remaining interest rate hedging contracts.
- On November 17, 2008, the Company entered into an agreement to terminate its lease with the law firm of Heller Ehrman LLP at its Times Square Tower property located in New York City and recognized lease termination income of approximately $7.5 million. The Company subsequently entered into a lease with the law firm of Pryor Cashman LLP which now occupies approximately 95,000 net rentable square feet of the Heller Ehrman space through June 2024.
- On November 26, 2008, the Company entered into a 15-year lease with Biogen Idec, for 100% of a build-to-suit development project with approximately 356,000 net rentable square feet of Class A office space located on land owned by the Company and known as the Corporate Center of Weston in Weston, Massachusetts. The Company expects that the project will be complete and available for occupancy during the third quarter of 2010.
- On December 1, 2008, the Company placed in-service 77 CityPoint, a 210,000 net rentable square foot Class A office property located in Waltham, Massachusetts. The property is 100% leased.
- On December 10, 2008, the Company placed in-service South of Market, a 652,000 net rentable square foot Class A office project located in Reston, Virginia. The property is 85% leased.
- On December 15, 2008, Frederick J. Iseman was appointed to serve as a new independent member of the Company's Board of Directors. Mr. Iseman is Chairman and Chief Executive Officer of CI Capital Partners LLC, a private equity investment firm which he founded in 1993. In addition, the Board appointed Mr. Iseman to the Compensation Committee effective January 1, 2009.
- On December 18, 2008, the Company executed a 15-year lease with the law firm of Hunton & Williams LLP for its development project at 2200 Pennsylvania Avenue in Washington, DC. Hunton & Williams will occupy approximately 190,000 square feet out of the approximately 450,000 square feet of office space (approximately 42%). The lease is scheduled to commence in the third quarter of 2011.

- During the quarter ended December 31, 2008, an unconsolidated joint venture in which the Company has a 50% interest suspended development activity on its Eighth Avenue and 46th Street project located in New York City. The proposed project was comprised of an assemblage of land parcels and air-rights, including contracts to acquire land parcels and air-rights, on which the joint venture was to construct a Class A office property. As a result, the Company recognized a charge totaling approximately $23.2 million, which represented the Company's share of land and air-rights impairment losses, forfeited contract deposits and previously incurred planning and pre-development costs.

**EPS and FFO per Share Guidance:**

The Company's guidance for the first quarter and full year 2009 for EPS (diluted) and FFO per share (diluted) is set forth and reconciled below.

| | First Quarter 2009 | | | Full Year 2009 | | |
|---|---|---|---|---|---|---|
| | Low | - | High | Low | - | High |
| Projected EPS (diluted) | $0.54 | - | $0.56 | $1.77 | - | $1.97 |
| Add: | | | | | | |
| Projected Company Share of Real Estate Depreciation and Amortization | 0.76 | - | 0.76 | 3.05 | - | 3.05 |
| Less: | | | | | | |
| Projected Company Share of Gains on Sales of Real Estate | 0.02 | - | 0.02 | 0.07 | - | 0.07 |
| Projected FFO per Share (diluted) | $1.28 | - | $1.30 | $4.75 | - | $4.95 |

Except as described below, the foregoing estimates reflect management's view of current and future market conditions, including assumptions with respect to rental rates, occupancy levels and the earnings impact of the events referenced in this release and previously disclosed. The guidance above includes the additional non-cash interest expense resulting from the change in accounting for convertible debt instruments that is more fully described in the next paragraph. In addition, the estimates do not include possible future gains or losses or the impact on operating results from other possible future property acquisitions or dispositions, or possible future impairment charges. EPS estimates may be subject to fluctuations as a result of several factors, including changes in the recognition of depreciation and amortization expense and any gains or losses associated with disposition activity. The Company is not able to assess at this time the potential impact of these factors on projected EPS. By definition, FFO does not include real estate-related depreciation and amortization or gains or losses associated with disposition activities. There can be no assurance that the Company's actual results will not differ materially from the estimates set forth above.

On May 9, 2008, the Financial Accounting Standards Board (the "FASB") issued FASB Staff Position No. APB 14-1 "Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)" ("FSP No. APB 14-1") that requires the liability and equity components of convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement) to be separately accounted for in a manner that reflects the issuer's nonconvertible debt borrowing rate. FSP No. APB 14-1 requires that the initial proceeds from the sale of Boston Properties Limited Partnership's $862.5 million of 2.875% exchangeable senior notes due 2037, $450.0 million of 3.75% exchangeable senior notes due 2036 and $747.5 million of 3.625% exchangeable senior notes due 2014 be allocated between a liability component and an equity component in a manner that reflects interest expense at the interest rate of similar nonconvertible debt. The resulting debt discount will be amortized over the period during which the debt is expected to be outstanding (i.e., through the first optional redemption dates) as additional non-cash interest expense. Based on the Company's understanding of the application of FSP No. APB 14-1, this will result in an aggregate of approximately $0.15 - $0.16 per share (net of incremental capitalized interest) of additional non-cash interest expense for fiscal 2008 and approximately $0.21 - $0.22 per share for fiscal 2009. Excluding the impact of capitalized interest, the additional non-cash interest expense will be approximately $0.19 - $0.20 per share for fiscal 2008 and approximately $0.27 - $0.28 per share for fiscal 2009. The additional non-cash interest expense (before netting) will increase in subsequent reporting periods through the first optional redemption dates as the debt accretes to its par value over the same period. FSP No. APB 14-1 is effective for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is not permitted. Upon adoption, FSP No. APB 14-1 requires companies to retrospectively apply the requirements of the pronouncement to all periods presented.

Boston Properties will host a conference call on Thursday, January 29, 2009 at 10:00 AM Eastern Time, open to the general public, to discuss the fourth quarter and full year 2008 results, the 2009 projections and related assumptions, and other related matters that may be of interest to investors. The number to call for this interactive teleconference is (800) 257-7087 (Domestic) or (303) 205-0033 (International); no passcode required. A replay of the conference call will be available through February 5, 2009, by dialing (800) 405-2236 (Domestic) or (303) 590-3000 (International) and entering the passcode 11124985. There will also be a live audio webcast of the call which may be accessed on the Company's website at www.bostonproperties.com in the Investor Relations section. Shortly after the call a replay of the webcast will be available in the Investor Relations section of the Company's website and archived for up to twelve months following the call.

Additionally, a copy of Boston Properties' fourth quarter 2008 "Supplemental Operating and Financial Data" and this press release are available in the Investor Relations section of the Company's website at www.bostonproperties.com.

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 Class A office properties and one hotel. The Company is one of the largest owners and developers of Class A office properties in the United States, concentrated in five markets – Boston, Midtown Manhattan, Washington, D.C., San Francisco and Princeton, N.J.

*This press release contains forward-looking statements within the meaning of the Federal securities laws. You can identify these statements by our use of the words "assumes," "believes," "estimates," "expects," "guidance," "intends," "plans," "projects" and similar expressions that do not relate to historical matters. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond Boston Properties' control and could materially affect actual results, performance or achievements. These factors include, without limitation, the ability to enter into new leases or renew leases on favorable terms, dependence on tenants' financial condition, the uncertainties of real* *estate development, acquisition and disposition activity, the ability to effectively integrate acquisitions, the costs and availability of financing, the effectiveness of our interest rate hedging program, the ability of our joint venture partners to satisfy their obligations, the effects of local economic and market conditions, the effects of acquisitions, dispositions and possible impairment charges on our operating results, the impact of newly adopted accounting principles on the Company's accounting policies and on period-to-period comparisons of financial results, regulatory changes and other risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission. Boston Properties does not undertake a duty to update or revise any forward-looking statement, including its guidance for the first quarter and full fiscal year 2009, whether as a result of new information, future events or otherwise.*

Financial tables follow.

**BOSTON PROPERTIES, INC.**
**CONSOLIDATED STATEMENTS OF OPERATIONS**

| | Three months ended December 31, 2008 | Three months ended December 31, 2007 | Year ended December 31, 2008 | Year ended December 31, 2007 |
|---|---|---|---|---|
| | (in thousands, except for per share amounts) (unaudited) | | | |
| Revenue | | | | |
| Rental: | | | | |
| Base rent | $ 300,544 | $277,088 | $1,129,215 | $1,084,308 |
| Recoveries from tenants | 50,032 | 46,926 | 204,732 | 184,929 |
| Parking and other | 17,663 | 16,845 | 68,105 | 64,982 |
| Total rental revenue | 368,239 | 340,859 | 1,402,052 | 1,334,219 |
| Hotel revenue | 12,158 | 13,121 | 36,872 | 37,811 |
| Development and management services | 9,024 | 5,378 | 30,518 | 20,553 |
| Interest and other | 879 | 22,041 | 18,958 | 90,315 |
| Total revenue | 390,300 | 381,399 | 1,488,400 | 1,482,898 |
| Expenses | | | | |
| Operating: | | | | |
| Rental | 123,479 | 116,465 | 488,030 | 455,840 |
| Hotel | 8,846 | 9,059 | 27,510 | 27,765 |
| General and administrative | 16,552 | 16,594 | 72,365 | 69,882 |
| Interest | 71,261 | 68,289 | 271,972 | 285,887 |
| Depreciation and amortization | 79,766 | 71,421 | 304,147 | 286,030 |
| Net derivative losses | 7,172 | — | 17,021 | — |
| Losses from investments in securities | 2,631 | 609 | 4,604 | 609 |
| Losses from early extinguishments of debt | — | — | — | 3,417 |
| Total expenses | 309,707 | 282,437 | 1,185,649 | 1,129,430 |
| Income before minority interests in property partnerships, income (loss) from unconsolidated joint ventures, minority interest in Operating Partnership, gains on sales of real estate and discontinued operations | 80,593 | 98,962 | 302,751 | 353,468 |
| Minority interests in property partnerships | (427) | (84) | (1,997) | (84) |
| Income (loss) from unconsolidated joint ventures | (187,559) | 805 | (182,018) | 20,428 |
| Income (loss) before minority interest in Operating Partnership, gains on sales of real estate and discontinued operations | (107,393) | 99,683 | 118,736 | 373,812 |
| Minority interest in Operating Partnership | 14,174 | (23,181) | (22,006) | (64,916) |
| Income (loss) before gains on sales of real estate and discontinued operations | (93,219) | 76,502 | 96,730 | 308,896 |
| Gains on sales of real estate, net of minority interest | 1,667 | — | 28,502 | 789,238 |
| Income (loss) before discontinued operations | (91,552) | 76,502 | 125,232 | 1,098,134 |
| Discontinued operations: | | | | |
| Income from discontinued operations, net of minority interest | — | 862 | — | 6,206 |
| Gains on sales of real estate from discontinued operations, net of minority interest | — | 46,426 | — | 220,350 |
| Net income (loss) available to common shareholders | $ (91,552) | $123,790 | $ 125,232 | $1,324,690 |
| Basic earnings per common share: | | | | |
| Income (loss) available to common shareholders before discontinued operations | $ (0.76) | $ 0.64 | $ 1.04 | $ 9.20 |
| Discontinued operations, net of minority interest | — | 0.40 | — | 1.91 |
| Net income (loss) available to common shareholders | $ (0.76) | $ 1.04 | $ 1.04 | $ 11.11 |
| Weighted average number of common shares outstanding | 120,788 | 119,249 | 119,980 | 118,839 |
| Diluted earnings per common share: | | | | |
| Income (loss) available to common shareholders before discontinued operations | $ (0.76) | $ 0.63 | $ 1.03 | $ 9.06 |
| Discontinued operations, net of minority interest | — | 0.39 | — | 1.88 |
| Net income (loss) available to common shareholders | $ (0.76) | $ 1.02 | $ 1.03 | $ 10.94 |
| Weighted average number of common and common equivalent shares outstanding | 120,788 | 120,878 | 121,299 | 120,780 |

# BOSTON PROPERTIES, INC.
# CONSOLIDATED BALANCE SHEETS

| | December 31, 2008 | December 31, 2007 |
|---|---|---|
| | (in thousands, except for share amounts) (unaudited) | |
| **ASSETS** | | |
| Real estate | $ 9,560,049 | $ 9,077,528 |
| Real estate held for sale, net | — | 221,606 |
| Construction in progress | 829,995 | 700,762 |
| Land held for future development | 228,300 | 249,999 |
| Less: accumulated depreciation | (1,768,785) | (1,531,707) |
| Total real estate | 8,849,559 | 8,718,188 |
| Cash and cash equivalents | 241,510 | 1,506,921 |
| Cash held in escrows | 21,970 | 186,839 |
| Marketable securities | 11,590 | 22,584 |
| Tenant and other receivables, net of allowance for doubtful accounts of $4,006 and $1,901, respectively | 68,743 | 58,074 |
| Note receivable | 270,000 | — |
| Accrued rental income, net of allowance of $15,440 and $829, respectively | 316,711 | 300,594 |
| Deferred charges, net | 326,401 | 287,199 |
| Prepaid expenses and other assets | 22,401 | 30,566 |
| Investments in unconsolidated joint ventures | 782,760 | 81,672 |
| Total assets | $ 10,911,645 | $ 11,192,637 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Liabilities: | | |
| Mortgage notes payable | $ 2,660,642 | $ 2,726,127 |
| Unsecured senior notes, net of discount | 1,472,375 | 1,471,913 |
| Unsecured exchangeable senior notes, net of discount | 2,038,899 | 1,294,126 |
| Unsecured line of credit | 100,000 | — |
| Accounts payable and accrued expenses | 171,791 | 145,692 |
| Dividends and distributions payable | 97,162 | 944,870 |
| Accrued interest payable | 67,132 | 54,487 |
| Other liabilities | 173,750 | 232,705 |
| Total liabilities | 6,781,751 | 6,869,920 |
| Commitments and contingencies | — | — |
| Minority interests | 598,627 | 653,892 |
| Stockholders' equity: | | |
| Excess stock, $.01 par value, 150,000,000 shares authorized, none issued or outstanding | — | — |
| Preferred stock, $.01 par value, 50,000,000 shares authorized, none issued or outstanding | — | — |
| Common stock, $.01 par value, 250,000,000 shares authorized, 121,259,555 and 119,581,385 shares issued and 121,180,655 and 119,502,485 shares outstanding in 2008 and 2007, respectively | 1,212 | 1,195 |
| Additional paid-in capital | 3,369,850 | 3,305,219 |
| Earnings in excess of dividends | 192,843 | 394,324 |
| Treasury common stock, at cost | (2,722) | (2,722) |
| Accumulated other comprehensive loss | (29,916) | (29,191) |
| Total stockholders' equity | 3,531,267 | 3,668,825 |
| Total liabilities and stockholders' equity | $ 10,911,645 | $ 11,192,637 |

**BOSTON PROPERTIES, INC.**
**FUNDS FROM OPERATIONS (1)**

| | Three months ended December 31, 2008 | Three months ended December 31, 2007 | Year ended December 31, 2008 | Year ended December 31, 2007 |
|---|---|---|---|---|
| | (in thousands, except for per share amounts) (unaudited) | | | |
| Net income (loss) available to common shareholders | $ (91,552) | $123,790 | $ 125,232 | $1,324,690 |
| Add: | | | | |
| Minority interest in Operating Partnership | (14,174) | 23,181 | 22,006 | 64,916 |
| Minority interests in property partnerships | 427 | 84 | 1,997 | 84 |
| Less: | | | | |
| Income (loss) from unconsolidated joint ventures | (187,559) | 805 | (182,018) | 20,428 |
| Gains on sales of real estate, net of minority interest | 1,667 | — | 28,502 | 789,238 |
| Income from discontinued operations, net of minority interest | — | 862 | — | 6,206 |
| Gains on sales of real estate from discontinued operations, net of minority interest | — | 46,426 | — | 220,350 |
| Income before minority interests in property partnerships, income (loss) from unconsolidated joint ventures, minority interest in Operating Partnership, gains on sales of real estate and discontinued operations | 80,593 | 98,962 | 302,751 | 353,468 |
| Add: | | | | |
| Real estate depreciation and amortization (2) | 115,668 | 73,306 | 382,600 | 295,635 |
| Income from discontinued operations | — | 1,009 | — | 7,274 |
| Income (loss) from unconsolidated joint ventures (3) | (187,559) | 805 | (182,018) | 4,975 |
| Less: | | | | |
| Minority interests in property partnerships' share of funds from operations | 897 | 437 | 3,949 | 437 |
| Preferred distributions (4) | 953 | 926 | 3,738 | 4,266 |
| Funds from operations (FFO) | 6,852 | 172,719 | 495,646 | 656,649 |
| Add: | | | | |
| Losses from early extinguishments of debt associated with the sales of real estate | — | — | — | 2,675 |
| Funds from operations after a supplemental adjustment to exclude losses from early extinguishments of debt associated with the sales of real estate | 6,852 | 172,719 | 495,646 | 659,324 |
| Less: | | | | |
| Minority interest in the Operating Partnership's share of funds from operations after a supplemental adjustment to exclude losses from early extinguishments of debt associated with the sales of real estate | 982 | 25,185 | 71,895 | 96,808 |
| Funds from operations available to common shareholders after a supplemental adjustment to exclude losses from early extinguishments of debt associated with the sales of real estate | $ 5,870 | $147,534 | $ 423,751 | $ 562,516 |
| Our percentage share of funds from operations - basic | 85.67% | 85.42% | 85.49% | 85.32% |
| Weighted average shares outstanding - basic | 120,788 | 119,249 | 119,980 | 118,839 |
| FFO per share basic after a supplemental adjustment to exclude losses from early extinguishments of debt associated with the sales of real estate | $ 0.05 | $ 1.24 | $ 3.53 | $ 4.73 |
| FFO per share basic | $ 0.05 | $ 1.24 | $ 3.53 | $ 4.71 |
| Weighted average shares outstanding - diluted | 121,478 | 122,338 | 122,759 | 122,454 |
| FFO per share diluted after a supplemental adjustment to exclude losses from early extinguishments of debt associated with the sales of real estate | $ 0.05 | $ 1.22 | $ 3.49 | $ 4.64 |
| FFO per share diluted | $ 0.05 | $ 1.22 | $ 3.49 | $ 4.62 |

(1) Pursuant to the revised definition of Funds from Operations adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"), we calculate Funds from Operations, or "FFO," by adjusting net income (loss) (computed in accordance with GAAP, including non-recurring items) for gains (or losses) from sales of properties, real estate related depreciation and amortization, and after adjustment for unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure. The use of FFO, combined with the required primary GAAP presentations, has been fundamentally beneficial in improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. Management generally considers FFO to be a useful measure for reviewing our comparative operating and financial performance because, by excluding gains and losses related to sales of previously depreciated operating real estate assets and excluding real estate asset depreciation and amortization (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help one compare the operating performance of a company's real estate between periods or as compared to different companies. Our computation of FFO may not be comparable to FFO reported by other REITs or real estate companies that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently.

In addition to presenting FFO in accordance with the NAREIT definition, we also disclose FFO after a specific and defined supplemental adjustment to exclude losses from early extinguishments of debt associated with the sales of real estate. The adjustment to exclude losses from early extinguishments of debt results when the sale of real estate encumbered by debt requires us to pay the extinguishment costs prior to the debt's stated maturity and to write-off unamortized loan costs at the date of the extinguishment. Such costs are excluded from the gains on sales of real estate reported in accordance with GAAP. However, we view the losses from early extinguishments of debt associated with the sales of real estate as an incremental cost of the sale transactions because we extinguished the debt in connection with the consummation of the sale transactions and we had no intent to extinguish the debt absent such transactions. We believe that this supplemental adjustment more appropriately reflects the results of our operations exclusive of the impact of our sale transactions.

Although our FFO as adjusted clearly differs from NAREIT's definition of FFO, and may not be comparable to that of other REITs and real estate companies, we believe it provides a meaningful supplemental measure of our operating performance because we believe that, by excluding the effects of the losses from early extinguishments of debt associated with the sales of real estate, management and investors are presented with an indicator of our operating performance that more closely achieves the objectives of the real estate industry in presenting FFO.

Neither FFO nor FFO as adjusted should be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance. Neither FFO nor FFO as adjusted represents cash generated from operating activities determined in accordance with GAAP, and neither is a measure of liquidity or an indicator of our ability to make cash distributions. We believe that to further understand our performance, FFO and FFO as adjusted should be compared with our reported net income and considered in addition to cash flows in accordance with GAAP, as presented in our consolidated financial statements.

(2) Real estate depreciation and amortization consists of depreciation and amortization from the Consolidated Statements of Operations of $79,766, $71,421, $304,147 and $286,030, our share of unconsolidated joint venture real estate depreciation and amortization of $36,399, $2,074, $80,303 and $8,247 and depreciation and amortization from discontinued operations of $0, $234, $0 and $2,948, less corporate-related depreciation and amortization of $497, $423, $1,850 and $1,590 for the three months and year ended December 31, 2008 and 2007, respectively.

(3) Includes non-cash impairment losses aggregating approximately $188.3 million for the three months and year ended December 31, 2008 in accordance with APB No. 18 "The Equity Method of Accounting for Investments in Common Stock." Excludes approximately $15.5 million related to our share of the gain on sale and related loss from early extinguishment of debt associated with the sale of Worldgate Plaza for the year ended December 31, 2007.

(4) Excludes approximately $8.7 million and $5.6 million for the three months and year ended December 31, 2007, respectively, of income allocated to the holders of Series Two Preferred Units to account for their right to participate on an as-converted basis in the special dividend that followed previously completed sales of real estate.

**BOSTON PROPERTIES, INC.**
**PORTFOLIO LEASING PERCENTAGES**

| | % Leased by Location | |
|---|---|---|
| | December 31, 2008 | December 31, 2007 |
| Greater Boston | 92.9% | 93.3% |
| Greater Washington, D.C. | 96.1% | 99.1% |
| Midtown Manhattan | 98.4% | 99.5% |
| Princeton/East Brunswick, NJ | 83.8% | 83.3% |
| Greater San Francisco | 92.8% | 91.1% |
| Total Portfolio | 94.5% | 94.9% |

| | % Leased by Type | |
|---|---|---|
| | December 31, 2008 | December 31, 2007 |
| Class A Office Portfolio | 95.2% | 95.4% |
| Office/Technical Portfolio | 81.9% | 86.1% |
| Total Portfolio | 94.5% | 94.9% |