

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 25, 2011

**BOSTON PROPERTIES, INC.**

(Exact Name of Registrant As Specified in Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

1-13087  
(Commission  
File Number)

04-2473675  
(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 25, 2011, Boston Properties, Inc. (the "Company") issued a press release announcing its financial results for the fourth quarter of 2010. 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 8.01. Other Events.**

Selected financial results and related information of the Company for the three months and fiscal year ended December 31, 2010 is filed as Exhibit 99.3 hereto and incorporated by reference herein.

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

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u>  |
|--------------------|---|
| *99.1              | Boston Properties, Inc. Supplemental Operating and Financial Data for the quarter ended December 31, 2010.              |
| *99.2              | Press release dated January 25, 2011.   |
| *99.3              | Selected financial and related information of the Company for the three months and fiscal year ended December 31, 2010. |

\* 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.

Date: January 25, 2011

BOSTON PROPERTIES, INC.

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

EXHIBIT INDEX

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\* Filed herewith.



 **Boston Properties**

*Supplemental Operating and Financial Data  
for the Quarter Ended December 31, 2010*

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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 interest rate 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, one hotel, two residential properties and three retail properties. 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-four individuals averages twenty-six years of real estate experience and sixteen 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 the Board of Directors and Chief Executive Officer; Douglas T. Linde, President; E. Mitchell Norville, Executive Vice President, Chief Operating Officer; Raymond A. Ritchey, Executive Vice President, National Director of Acquisitions and Development; and Michael E. LaBelle, Senior Vice President, Chief Financial Officer. Our senior management team's national reputation helps us attract business and investment opportunities. In addition, our other senior officers that serve as Regional Managers have strong reputations that assist in identifying and closing on new opportunities, having opportunities brought to us, and in negotiating with tenants and build-to-suit prospects. Additionally, Boston Properties' Board of Directors consists of ten distinguished members, the majority of whom 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 that includes the following:

- 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, 2010)

|   |   |
|---|---|
| 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, other than the Value-Added Fund)                          | 146   |
| Total Square Feet (includes unconsolidated joint ventures, other than the Value-Added Fund, and structured parking) | 53.6 million  |
| Common Shares and Units Outstanding<br>(as converted, but excluding outperformance plan units)                      | 162.6 million   |
| Dividend - Quarter/Annualized   | \$0.50/\$2.00   |
| Dividend Yield  | 2.32%   |
| Total Combined Market Capitalization  | \$23.3 billion  |
| Senior Debt Ratings   | Baa2 (Moody's); BBB (Fitch); A- (S&P)   |

**Boston Properties, Inc.**  
**Fourth Quarter 2010**

INVESTOR INFORMATION

| <b>Board of Directors</b>   |  | <b>Management</b>  |  |
|---|--|--|--|
| Mortimer B. Zuckerman<br>Chairman of the Board and<br>Chief Executive Officer     | Dr. Jacob A. Frenkel<br>Director                               | E. Mitchell Norville<br>Executive Vice President, Chief Operating Officer                          | Robert E. Pester<br>Senior Vice President and Regional Manager of<br>San Francisco |
| Douglas T. Linde<br>President and Director  | Matthew J. Lustig<br>Director                                  | Raymond A. Ritchey<br>Executive Vice President, National Director of<br>Acquisitions & Development | Robert E. Selsam<br>Senior Vice President and Regional Manager of<br>New York      |
| Lawrence S. Bacow<br>Director   | Alan J. Patricof<br>Director, Chair of Audit Committee         | Michael E. LaBelle<br>Senior Vice President,<br>Chief Financial Officer                            | Frank D. Burt<br>Senior Vice President, General Counsel                            |
| Zoë Baird<br>Director, Chair of Nominating<br>& Corporate Governance<br>Committee | Martin Turchin<br>Director                                     | Peter D. Johnston<br>Senior Vice President and Regional Manager of<br>Washington, D.C.             | Michael R. Walsh<br>Senior Vice President, Finance                                 |
| Carol B. Einiger<br>Director  | David A. Twardock<br>Director, Chair of Compensation Committee | Bryan J. Koop<br>Senior Vice President and Regional Manager of<br>Boston                           | Arthur S. Flashman<br>Vice President, Controller                                   |
|   |  | Mitchell S. Landis<br>Senior Vice President and Regional Manager of<br>Princeton                   |  |

**Company Information**

| <b>Corporate Headquarters</b>   | <b>Trading Symbol</b>   | <b>Investor Relations</b>  | <b>Inquires</b>  |
|---|---|--|--|
| 800 Boylston Street<br>Suite 1900<br>Boston, MA 02199<br>(t) 617.236.3300<br>(f) 617.236.3311 | BXP<br><br><b>Stock Exchange Listing</b><br>New York Stock Exchange | Boston Properties, Inc.<br>800 Boylston Street, Suite 1900<br>Boston, MA 02199<br>(t) 617.236.3322<br>(f) 617.236.3311<br>www.bostonproperties.com | Inquiries should be directed to Michael Walsh,<br>Senior Vice President, Finance at 617.236.3410<br>or<br>mwalsh@bostonproperties.com<br>Arista Joyner, Investor Relations Manager<br>at 617.236.3343 or<br>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 2010       | Q3 2010       | Q2 2010       | Q1 2010       | Q4 2009       |
|--|---------------|---------------|---------------|---------------|---------------|
| <i>High Closing Price</i>  | \$ 90.73      | \$ 88.88      | \$ 83.39      | \$ 77.14      | \$ 70.80      |
| <i>Low Closing Price</i>   | \$ 81.56      | \$ 69.08      | \$ 71.34      | \$ 62.49      | \$ 57.25      |
| <i>Average Closing Price</i>   | \$ 85.68      | \$ 81.80      | \$ 77.51      | \$ 69.14      | \$ 65.43      |
| <i>Closing Price, at the end of the quarter</i>  | \$ 86.10      | \$ 83.12      | \$ 71.34      | \$ 75.44      | \$ 67.07      |
| <i>Dividends per share - annualized</i>  | \$ 2.00       | \$ 2.00       | \$ 2.00       | \$ 2.00       | \$ 2.00       |
| <i>Closing dividend yield - annualized</i>   | 2.32%         | 2.41%         | 2.80%         | 2.65%         | 2.98%         |
| <i>Closing common shares outstanding, plus common, preferred and LTIP units on an as-converted basis (but excluding outperformance plan units) (thousands) (1)</i> | 162,555       | 162,534       | 162,086       | 161,911       | 161,571       |
| <i>Closing market value of outstanding shares and units (thousands)</i>  | \$ 13,995,986 | \$ 13,509,826 | \$ 11,563,216 | \$ 12,214,566 | \$ 10,836,567 |

(1) For additional detail, see page 12.

**Timing**

Quarterly results for the 2011 will be announced according to the following schedule:

|                |                            |                |                              |
|----------------|----------------------------|----------------|------------------------------|
| First Quarter  | Tentatively April 26, 2011 | Third Quarter  | Tentatively October 25, 2011 |
| Second Quarter | Tentatively July 26, 2011  | Fourth Quarter | Tentatively January 31, 2012 |



RESEARCH COVERAGE

| Equity Research Coverage   |  | Debt Research Coverage   | Rating Agencies   |
|--|--|--|---|
| John Eade<br><u>Argus Research Company</u><br>212.427.7500   | Steve Sakwa / Ian Weissman<br><u>ISI Group</u><br>212.446.9462 / 212.446.9461                            | Thomas Cook<br><u>Citi Investment Research</u><br>212.723.1112                     | Janice Svec<br><u>Fitch Ratings</u><br>212.908.0304                 |
| Jeffrey Spector / Jamie Feldman<br><u>Bank of America-Merrill Lynch</u><br>212.449.6329 / 212.449.6339 | Steve Benyik<br><u>Jefferies &amp; Co.</u><br>212.707.6348   | John Giordano<br><u>Credit Suisse Securities</u><br>212.538.4935                   | Karen Nickerson<br><u>Moody's Investors Service</u><br>212.553.4924 |
| Ross Smotrich<br><u>Barclays Capital</u><br>212.526.2306   | Mitch Germain<br><u>JMP Securities</u><br>212.906.3546   | Mark Streeter<br><u>J.P. Morgan Securities</u><br>212.834.5086                     | James Fielding<br><u>Standard &amp; Poor's</u><br>212.438.2452      |
| Michael Bilerman / Joshua Attie<br><u>Citigroup Global Markets</u><br>212.816.1383 / 212.816.1685      | Anthony Paolone / Michael Mueller<br><u>J.P. Morgan Securities</u><br>212.622.6682 / 212.622.6689        | Thierry Perrein / Jason Jones<br><u>Wells Fargo</u><br>704.715.8455 / 704.715.7932 |   |
| James Sullivan / Stephen Boyd<br><u>Cowen and Company</u><br>646.562.1380 / 646.562.1382               | Sheila McGrath / Kristin Brown<br><u>Keefe, Bruyette &amp; Woods</u><br>212.887.7793 / 212.887.7738      |  |   |
| Andrew Rosivach<br><u>Credit Suisse</u><br>415.249.7942  | Jordan Sadler / Craig Mailman<br><u>KeyBanc Capital Markets</u><br>917.368.2280 / 917.368.2316           |  |   |
| John Perry<br><u>Deutsche Bank Securities</u><br>212.250.4912  | Robert Stevenson<br><u>Macquarie Research</u><br>212.857.6168  |  |   |
| Sri Nagarajan / Evan Smith<br><u>FBR Capital Markets</u><br>646.885.5429 / 646.885.5431                | David Rodgers / Mike Carroll<br><u>RBC Capital Markets</u><br>440.715.2647 / 440.715.2649                |  |   |
| David Harris<br><u>Gleacher &amp; Company</u><br>203.532.7332  | Alexander Goldfarb / James Milam<br><u>Sandler O'Neill &amp; Partners</u><br>212.466.7937 / 212.466.8066 |  |   |
| Jay Habermann / Sloan Bohlen<br><u>Goldman Sachs &amp; Company</u><br>917.343.4260 / 212.902.2796      | John Guinee / Erin Aslakson<br><u>Stifel, Nicolaus &amp; Company</u><br>443.224.1307 / 443.224.1350      |  |   |
| Michael Knott / Lukas Hartwich<br><u>Green Street Advisors</u><br>949.640.8780 / 949.640.8780          | Ross Nussbaum / Rob Salisbury<br><u>UBS Securities</u><br>212.713.2484 / 212.713.4760                    |  |   |

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.

**Boston Properties, Inc.**  
**Fourth Quarter 2010**

**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 9-11. 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 49-50.

|  | 31-Dec-10   | 30-Sep-10  | Three Months Ended |            |            |
|--|-------------|------------|--------------------|------------|------------|
|  |             |            | 30-Jun-10          | 31-Mar-10  | 31-Dec-09  |
| <b>Selected Items:</b>   |             |            |                    |            |            |
| Revenue  | \$ 392,482  | \$ 386,410 | \$ 393,841         | \$ 378,071 | \$ 376,128 |
| Straight-line rent (1)   | \$ 20,082   | \$ 22,861  | \$ 27,038          | \$ 29,068  | \$ 13,279  |
| Fair value lease revenue (1) (2)   | \$ 18,875   | \$ 19,368  | \$ 19,748          | \$ 23,319  | \$ 23,705  |
| Company share of funds from operations from unconsolidated joint ventures                | \$ 35,468   | \$ 38,167  | \$ 37,589          | \$ 38,923  | \$ 31,469  |
| Lease termination fees (included in revenue) (1)   | \$ 2,210    | \$ 5,225   | \$ 4,156           | \$ 1,907   | \$ 1,060   |
| ASC 470-20 (formerly known as FSP APB 14-1) interest expense adjustment                  | \$ 9,486    | \$ 9,453   | \$ 9,263           | \$ 10,112  | \$ 9,893   |
| Capitalized interest   | \$ 14,569   | \$ 9,302   | \$ 9,023           | \$ 8,087   | \$ 11,637  |
| Capitalized wages  | \$ 3,114    | \$ 3,247   | \$ 2,745           | \$ 2,524   | \$ 2,929   |
| Operating Margins [(rental revenue - rental expense)/rental revenue] (3)                 | 68.4%       | 67.2%      | 68.1%              | 67.3%      | 66.9%      |
| Impairment losses on investments in unconsolidated joint ventures (4)                    | \$ —        | \$ —       | \$ —               | \$ —       | \$ 6,198   |
| Losses from early extinguishments of debt (5)  | \$ 81,662   | \$ —       | \$ 6,051           | \$ 2,170   | \$ —       |
| Net income (loss) attributable to Boston Properties, Inc.                                | \$ (12,903) | \$ 57,668  | \$ 61,412          | \$ 52,714  | \$ 53,317  |
| Funds from operations (FFO) attributable to Boston Properties, Inc.                      | \$ 89,878   | \$ 150,847 | \$ 156,870         | \$ 149,596 | \$ 146,056 |
| FFO per share - diluted  | \$ 0.64     | \$ 1.07    | \$ 1.12            | \$ 1.07    | \$ 1.04    |
| Net income (loss) attributable to Boston Properties, Inc. per share - basic              | \$ (0.09)   | \$ 0.41    | \$ 0.44            | \$ 0.38    | \$ 0.38    |
| Net income (loss) attributable to Boston Properties, Inc. per share - diluted            | \$ (0.09)   | \$ 0.41    | \$ 0.44            | \$ 0.38    | \$ 0.38    |
| Dividends per common share   | \$ 0.50     | \$ 0.50    | \$ 0.50            | \$ 0.50    | \$ 0.50    |
| Funds available for distribution to common shareholders and common unitholders (FAD) (6) | \$ 133,472  | \$ 114,097 | \$ 121,829         | \$ 55,328  | \$ 120,838 |
| <b>Ratios:</b>   |             |            |                    |            |            |
| Interest Coverage Ratio (excluding capitalized interest) - cash basis (7)                | 3.06        | 2.77       | 2.73               | 2.80       | 3.08       |
| Interest Coverage Ratio (including capitalized interest) - cash basis (7)                | 2.59        | 2.50       | 2.47               | 2.54       | 2.67       |
| FFO Payout Ratio   | 78.13%      | 46.73%     | 44.64%             | 46.73%     | 48.08%     |
| FAD Payout Ratio   | 60.39%      | 70.63%     | 65.97%             | 145.10%    | 66.29%     |

|  | 31-Dec-10     | 30-Sep-10     | 30-Jun-10     | 31-Mar-10     | 31-Dec-09     |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>Capitalization:</b>   |               |               |               |               |               |
| Common Stock Price @ Quarter End                                     | \$ 86.10      | \$ 83.12      | \$ 71.34      | \$ 75.44      | \$ 67.07      |
| Equity Value @ Quarter End   | \$ 13,995,986 | \$ 13,509,826 | \$ 11,563,216 | \$ 12,214,566 | \$ 10,836,567 |
| Total Consolidated Debt  | \$ 7,786,001  | \$ 7,444,886  | \$ 7,229,300  | \$ 6,674,899  | \$ 6,719,771  |
| Total Consolidated Market Capitalization                             | \$ 21,781,987 | \$ 20,954,712 | \$ 18,792,516 | \$ 18,889,465 | \$ 17,556,338 |
| Total Consolidated Debt/Total Consolidated Market Capitalization (8) | 35.75%        | 35.53%        | 38.47%        | 35.34%        | 38.28%        |
| BXP's Share of Joint Venture Debt                                    | \$ 1,543,960  | \$ 1,558,597  | \$ 1,535,198  | \$ 1,520,976  | \$ 1,555,494  |
| Total Combined Debt  | \$ 9,329,961  | \$ 9,003,483  | \$ 8,764,498  | \$ 8,195,875  | \$ 8,275,265  |
| Total Combined Market Capitalization (9)                             | \$ 23,325,947 | \$ 22,513,309 | \$ 20,327,714 | \$ 20,410,440 | \$ 19,111,832 |
| Total Combined Debt/Total Combined Market Capitalization (9) (10)    | 40.00%        | 39.99%        | 43.12%        | 40.16%        | 43.30%        |

- (1) Includes the Company's share of unconsolidated joint venture amounts. For additional detail, see page 17.
- (2) 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.
- (3) Rental Expense consists of operating expenses and real estate taxes. Amounts are exclusive of the gross up of reimbursable electricity and other amounts totaling \$10,404, \$9,211, \$9,311, \$9,131 and \$8,813 for the three months ended December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009, respectively.
- (4) Represents the non-cash impairment losses on the Company's investments in unconsolidated joint ventures in accordance with guidance included in Accounting Standards Codification ("ASC") 323 "Investments-Equity Method and Joint Ventures" (formerly known as APB No. 18, "The Equity Method of Accounting for Investments in Common Stock") and ASC 360 "Property, Plant and Equipment" (formerly known as SFAS No. 144 "Accounting for the Impairment or Disposal of Long Lived Assets").
- (5) During the three months ended March 31, 2010, the Company's Operating Partnership repurchased approximately \$53.6 million aggregate principal amount of its 2.875% exchangeable senior notes due 2037 for approximately \$53.0 million. The repurchased notes had an aggregate carrying value of approximately \$50.8 million, resulting in the recognition of a loss on early extinguishment of approximately \$2.2 million. During the three months ended June 30, 2010, the Company's Operating Partnership repurchased approximately \$132.8 million aggregate principal amount of its 2.875% exchangeable senior notes due 2037 for approximately \$132.5 million. These repurchased notes had an aggregate carrying value of approximately \$126.4 million, resulting in the recognition of a loss on early extinguishment of approximately \$6.1 million. During the three months ended December 31, 2010, the Company's Operating Partnership repurchased \$50.0 million aggregate principal amount of its 2.875% exchangeable senior notes due 2037 for approximately \$51.1 million. The repurchased notes had an aggregate carrying value of approximately \$48.4 million, resulting in the recognition of a loss on early extinguishment of approximately \$2.3 million. During the three months ended December 31, 2010, the Company's Operating Partnership redeemed \$700.0 million aggregate principal amount of its 6.25% senior notes due 2013 for approximately \$793.1 million, including accrued interest of approximately \$17.9 million, resulting in the recognition of a loss on early extinguishment of approximately \$79.3 million.
- (6) For a quantitative reconciliation of the differences between FAD and FFO, see page 11.
- (7) For additional detail, see page 11.
- (8) For disclosures related to our definition of Total Consolidated Debt to Total Consolidated Market Capitalization Ratio, see page 49.
- (9) For additional detail, see page 12.
- (10) For disclosures related to our definition of Total Combined Debt to Total Combined Market Capitalization Ratio, see page 49.

**Boston Properties, Inc.**  
**Fourth Quarter 2010**  
**CONSOLIDATED BALANCE SHEETS**  
(unaudited and in thousands)

|  | 31-Dec-10            | 30-Sep-10            | 30-Jun-10            | 31-Mar-10            | 31-Dec-09            |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |                      |                      |                      |
| Real estate  | \$ 10,933,977        | \$ 10,015,347        | \$ 9,984,329         | \$ 9,823,024         | \$ 9,817,388         |
| Development in progress  | 1,073,402            | 1,003,508            | 632,731              | 662,809              | 563,645              |
| Land held for future development   | 757,556              | 754,120              | 732,006              | 730,201              | 718,525              |
| Less accumulated depreciation  | <u>(2,323,818)</u>   | <u>(2,243,265)</u>   | <u>(2,173,300)</u>   | <u>(2,103,274)</u>   | <u>(2,033,677)</u>   |
| Total real estate  | 10,441,117           | 9,529,710            | 9,175,766            | 9,112,760            | 9,065,881            |
| Cash and cash equivalents  | 478,948              | 1,270,074            | 1,703,448            | 1,220,392            | 1,448,933            |
| Cash held in escrows (1)   | 308,031              | 300,771              | 25,382               | 20,848               | 21,867               |
| Marketable securities  | 8,732                | 7,911                | 7,026                | 7,592                | 9,946                |
| Tenant and other receivables, net  | 129,818              | 113,655              | 98,602               | 102,085              | 93,240               |
| Note receivable (2)  | 270,000              | 270,000              | 270,000              | 270,000              | 270,000              |
| Accrued rental income, net   | 442,683              | 421,008              | 401,054              | 376,942              | 363,121              |
| Deferred charges, net  | 436,019              | 300,882              | 289,388              | 291,564              | 294,395              |
| Prepaid expenses and other assets  | 65,663               | 42,391               | 22,385               | 50,998               | 17,684               |
| Investments in unconsolidated joint ventures   | 767,252              | 792,434              | 794,650              | 798,161              | 763,636              |
| <b>Total assets</b>  | <b>\$ 13,348,263</b> | <b>\$ 13,048,836</b> | <b>\$ 12,787,701</b> | <b>\$ 12,251,342</b> | <b>\$ 12,348,703</b> |
| <b>LIABILITIES AND EQUITY</b>  |                      |                      |                      |                      |                      |
| <b>Liabilities:</b>  |                      |                      |                      |                      |                      |
| Mortgage notes payable (1)   | \$ 3,047,586         | \$ 2,813,338         | \$ 2,608,577         | \$ 2,637,534         | \$ 2,643,301         |
| Unsecured senior notes, net of discount  | 3,016,598            | 2,872,058            | 2,871,909            | 2,172,525            | 2,172,389            |
| Unsecured exchangeable senior notes, net of discount   | 1,721,817            | 1,759,490            | 1,748,814            | 1,864,840            | 1,904,081            |
| Unsecured line of credit   | —                    | —                    | —                    | —                    | —                    |
| Accounts payable and accrued expenses  | 186,059              | 199,534              | 177,000              | 189,633              | 220,089              |
| Dividends and distributions payable  | 81,031               | 81,068               | 80,865               | 80,756               | 80,536               |
| Accrued interest payable   | 62,327               | 84,689               | 80,521               | 69,166               | 76,058               |
| Other liabilities  | 213,000              | 104,914              | 95,423               | 115,755              | 127,538              |
| Total liabilities  | <u>8,328,418</u>     | <u>7,915,091</u>     | <u>7,663,109</u>     | <u>7,130,209</u>     | <u>7,223,992</u>     |
| Commitments and contingencies  | —                    | —                    | —                    | —                    | —                    |
| <b>Noncontrolling interest:</b>  |                      |                      |                      |                      |                      |
| Redeemable preferred units of the Operating Partnership  | 55,652               | 55,652               | 55,652               | 55,652               | 55,652               |
| <b>Equity:</b>   |                      |                      |                      |                      |                      |
| <b>Stockholders' equity attributable to Boston Properties, Inc.:</b>   |                      |                      |                      |                      |                      |
| 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, 140,199,105, 140,058,421, 139,273,399, 139,003,995 and 138,880,010 outstanding, respectively | 1,402                | 1,401                | 1,393                | 1,390                | 1,389                |
| Additional paid-in capital   | 4,417,162            | 4,424,711            | 4,394,435            | 4,381,075            | 4,373,679            |
| Earnings (dividends) in excess of dividends (earnings)   | (24,763)             | 58,051               | 70,426               | 78,645               | 95,433               |
| Treasury common stock, at cost   | (2,722)              | (2,722)              | (2,722)              | (2,722)              | (2,722)              |
| Accumulated other comprehensive loss   | <u>(18,436)</u>      | <u>(19,530)</u>      | <u>(20,155)</u>      | <u>(21,145)</u>      | <u>(21,777)</u>      |
| Total stockholders' equity attributable to Boston Properties, Inc.   | 4,372,643            | 4,461,911            | 4,443,377            | 4,437,243            | 4,446,002            |
| <b>Noncontrolling interests:</b>   |                      |                      |                      |                      |                      |
| Common units of the Operating Partnership  | 592,164              | 609,454              | 619,224              | 622,263              | 617,386              |
| Property partnerships  | (614)                | 6,728                | 6,339                | 5,975                | 5,671                |
| Total equity   | <u>4,964,193</u>     | <u>5,078,093</u>     | <u>5,068,940</u>     | <u>5,065,481</u>     | <u>5,069,059</u>     |
| <b>Total liabilities and equity</b>  | <b>\$ 13,348,263</b> | <b>\$ 13,048,836</b> | <b>\$ 12,787,701</b> | <b>\$ 12,251,342</b> | <b>\$ 12,348,703</b> |

- (1) On September 24, 2010, in connection with the acquisition of 510 Madison Avenue in New York City, the Company caused the assignment of the existing mortgage to a new lender and subsequently increased the amount borrowed to \$267.5 million, which amount is fully secured by cash deposits included within the caption "Cash held in escrows."
- (2) The note receivable consists of a partner loan from the Company to the unconsolidated joint venture entity that owns the General Motors Building. The unconsolidated entity has a corresponding note payable to the Company, see page 17.

Boston Properties, Inc.  
Fourth Quarter 2010

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

|   | Three Months Ended |            |            |            |            |
|---|--------------------|------------|------------|------------|------------|
|   | 31-Dec-10          | 30-Sep-10  | 30-Jun-10  | 31-Mar-10  | 31-Dec-09  |
| <b>Revenue</b>  |                    |            |            |            |            |
| Rental  |                    |            |            |            |            |
| Base Rent   | \$ 312,899         | \$ 310,459 | \$ 305,823 | \$ 302,383 | \$ 295,448 |
| Recoveries from tenants   | 45,189             | 45,646     | 44,340     | 45,544     | 46,769     |
| Parking and other   | 16,920             | 15,850     | 16,423     | 15,297     | 15,357     |
| Total rental revenue  | 375,008            | 371,955    | 366,586    | 363,224    | 357,574    |
| Hotel revenue   | 10,510             | 8,016      | 8,371      | 5,903      | 10,277     |
| Development and management services (1)   | 6,964              | 6,439      | 18,884     | 8,944      | 8,277      |
| Total revenue   | 392,482            | 386,410    | 393,841    | 378,071    | 376,128    |
| <b>Expenses</b>   |                    |            |            |            |            |
| Operating   | 70,807             | 71,100     | 68,039     | 69,062     | 69,280     |
| Real estate taxes   | 54,577             | 56,941     | 55,245     | 55,923     | 54,908     |
| Hotel operating   | 7,602              | 6,194      | 6,089      | 5,268      | 7,717      |
| General and administrative (2) (3)  | 17,121             | 18,067     | 17,648     | 26,822     | 19,506     |
| Acquisition costs (4)   | 721                | 1,893      | —          | —          | —          |
| Gain from suspension of development (5)   | —                  | —          | —          | (7,200)    | —          |
| Depreciation and amortization   | 92,763             | 81,133     | 81,400     | 83,075     | 79,125     |
| Total expenses  | 243,591            | 235,328    | 228,421    | 232,950    | 230,536    |
| Operating income  | 148,891            | 151,082    | 165,420    | 145,121    | 145,592    |
| Other income (expense)  |                    |            |            |            |            |
| Income from unconsolidated joint ventures (6)   | 9,834              | 11,565     | 7,465      | 7,910      | 962        |
| Interest and other income   | 1,691              | 1,814      | 2,117      | 1,710      | 1,784      |
| Gains (losses) from investments in securities (2)   | 682                | 731        | (678)      | 200        | 510        |
| Interest expense (7) (8)  | (92,192)           | (97,103)   | (96,755)   | (92,029)   | (88,180)   |
| Losses from early extinguishments of debt (9)   | (81,662)           | —          | (6,051)    | (2,170)    | —          |
| Income (loss) from continuing operations  | (12,756)           | 68,089     | 71,518     | 60,742     | 60,668     |
| Gains on sales of real estate (1)   | —                  | —          | 969        | 1,765      | 2,078      |
| Net income (loss)   | (12,756)           | 68,089     | 72,487     | 62,507     | 62,746     |
| Net income (loss) attributable to noncontrolling interests  |                    |            |            |            |            |
| Noncontrolling interests in property partnerships   | (907)              | (889)      | (864)      | (804)      | (463)      |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership                         | (795)              | (820)      | (836)      | (892)      | (860)      |
| Noncontrolling interest - common units of the Operating Partnership (10)                                  | 1,555              | (8,712)    | (9,250)    | (7,870)    | (7,841)    |
| Noncontrolling interest in gains on sales of real estate - common units of the Operating Partnership (10) | —                  | —          | (125)      | (227)      | (265)      |
| Net income (loss) attributable to Boston Properties, Inc.   | \$ (12,903)        | \$ 57,668  | \$ 61,412  | \$ 52,714  | \$ 53,317  |
| <b>INCOME (LOSS) PER SHARE OF COMMON STOCK (EPS)</b>  |                    |            |            |            |            |
| Net income (loss) attributable to Boston Properties, Inc. per share - basic                               | \$ (0.09)          | \$ 0.41    | \$ 0.44    | \$ 0.38    | \$ 0.38    |
| Net income (loss) attributable to Boston Properties, Inc. per share - diluted                             | \$ (0.09)          | \$ 0.41    | \$ 0.44    | \$ 0.38    | \$ 0.38    |

- (1) During the three months ended June 30, 2010, the Company satisfied the requirements of its master lease agreement related to the 2006 sale of 280 Park Avenue in New York City, resulting in the recognition of the remaining deferred gain on sale of real estate totaling approximately \$1.0 million. In conjunction with the satisfaction of the master lease agreement, the property management and leasing agreement entered into with the seller at the time of the sale was terminated, resulting in the recognition of deferred management fees totaling approximately \$12.2 million.
- (2) Gains (losses) from investments in securities includes \$682, \$731, \$(678), \$200 and \$486 and general and administrative expense includes \$(636), \$(521), \$675, \$(288) and \$(444) for the three months ended December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009, respectively, related to the Company's deferred compensation plan.
- (3) For the three months ended March 31, 2010, general and administrative expense includes an aggregate of approximately \$5.8 million of remaining stock-based compensation granted between 2006 and 2009 to Edward H. Linde, our former Chief Executive Officer, which expense was accelerated as a result of his passing on January 10, 2010.
- (4) Effective January 1, 2009, the Company is required to expense costs incurred during the period associated with the acquisitions and pending acquisitions of real estate such as legal, due diligence and other closing related costs in accordance with ASC 805 "Business Combinations" (formerly known as SFAS No. 141(R)).
- (5) On February 6, 2009, the Company announced that it was suspending construction on its 1,000,000 square foot office building at 250 West 55th Street in New York City. During the first quarter of 2009, the Company recognized costs aggregating approximately \$27.8 million related to the suspension of development, which amount included a \$20.0 million contractual amount due pursuant to a lease agreement. During December 2009, the Company completed the construction of foundations and steel/deck to grade to facilitate a restart of construction in the future and as a result ceased interest capitalization on the project. On January 19, 2010, the Company paid \$12.8 million related to the termination of the lease agreement. As a result, the Company recognized approximately \$7.2 million of income during the first quarter of 2010.
- (6) Includes a non-cash impairment loss aggregating approximately \$6.2 million for the three months ended December 31, 2009. In accordance with guidance included in ASC 323 "Investments-Equity Method and Joint Ventures" (formerly known as APB No. 18 "The Equity Method of Accounting for Investments in Common Stock") and ASC 360 "Property, Plant and Equipment" (formerly known as SFAS No. 144 "Accounting for the Impairment or Disposal of Long Lived Assets").
- (7) Interest expense is reported net of capitalized interest of \$14,569, \$9,302, \$9,023, \$8,087 and \$11,637 for the three months ended December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009, respectively.
- (8) Includes additional non-cash interest expense related to the adoption of ASC 470-20 (formerly known as FSP No. APB 14-1). For additional detail, see page 12.
- (9) During the three months ended March 31, 2010, the Company's Operating Partnership repurchased approximately \$53.6 million aggregate principal amount of its 2.875% exchangeable senior notes due 2037 for approximately \$53.0 million. The repurchased notes had an aggregate carrying value of approximately \$50.8 million, resulting in the recognition of a loss on early extinguishment of approximately \$2.2 million. During the three months ended June 30, 2010, the Company's Operating Partnership repurchased approximately \$132.8 million aggregate principal amount of its 2.875% exchangeable senior notes due 2037 for approximately \$132.5 million. These repurchased notes had an aggregate carrying value of approximately \$126.4 million, resulting in the recognition of a loss on early extinguishment of approximately \$6.1 million. During the three months ended December 31, 2010, the Company's Operating Partnership repurchased \$50.0 million aggregate principal amount of its 2.875% exchangeable senior notes due 2037 for approximately \$51.1 million. The repurchased notes had an aggregate carrying value of approximately \$48.4 million, resulting in the recognition of a loss on early extinguishment of approximately \$2.3 million. During the three months ended December 31, 2010, the Company's Operating Partnership redeemed \$700.0 million aggregate principal amount of its 6.25% senior notes due 2013 for approximately \$793.1 million, including accrued interest of approximately \$17.9 million, resulting in the recognition of a loss on early extinguishment of approximately \$79.3 million.
- (10) Equals noncontrolling interest - common units of the Operating Partnership's share of 12.54%, 12.73%, 12.87%, 12.88% and 12.77% of income before net income attributable to noncontrolling interests in Operating Partnership after deduction for preferred distributions for the three months ended December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009, respectively.

Boston Properties, Inc.  
Fourth Quarter 2010

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

|  | Three Months Ended |                   |                   |                   |                   |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|
|  | 31-Dec-10          | 30-Sep-10         | 30-Jun-10         | 31-Mar-10         | 31-Dec-09         |
| Net income (loss) attributable to Boston Properties, Inc.  | \$ (12,903)        | \$ 57,668         | \$ 61,412         | \$ 52,714         | \$ 53,317         |
| Add:   |                    |                   |                   |                   |                   |
| Noncontrolling interest in gains on sales of real estate - common units of the Operating Partnership | —                  | —                 | 125               | 227               | 265               |
| Noncontrolling interest - common units of the Operating Partnership                                  | (1,555)            | 8,712             | 9,250             | 7,870             | 7,841             |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership                    | 795                | 820               | 836               | 892               | 860               |
| Noncontrolling interests in property partnerships  | 907                | 889               | 864               | 804               | 463               |
| Less:  |                    |                   |                   |                   |                   |
| Gains on sales of real estate  | —                  | —                 | 969               | 1,765             | 2,078             |
| Income (loss) from continuing operations   | (12,756)           | 68,089            | 71,518            | 60,742            | 60,668            |
| Add:   |                    |                   |                   |                   |                   |
| Real estate depreciation and amortization (1)  | 118,573            | 107,300           | 111,055           | 113,618           | 109,153           |
| Less:  |                    |                   |                   |                   |                   |
| Gain on sale of real estate included within income from unconsolidated joint ventures (2)            | 572                | —                 | —                 | —                 | —                 |
| Noncontrolling interests in property partnerships' share of funds from operations                    | 1,686              | 1,724             | 1,697             | 1,755             | 1,523             |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership                    | 795                | 820               | 836               | 892               | 860               |
| Funds from operations (FFO) attributable to the Operating Partnership                                | 102,764            | 172,845           | 180,040           | 171,713           | 167,438           |
| Less:  |                    |                   |                   |                   |                   |
| Noncontrolling interest - common units of the Operating Partnership's share of funds from operations | 12,886             | 21,998            | 23,170            | 22,117            | 21,382            |
| FFO attributable to Boston Properties, Inc. (3)  | <u>\$ 89,878</u>   | <u>\$ 150,847</u> | <u>\$ 156,870</u> | <u>\$ 149,596</u> | <u>\$ 146,056</u> |
| FFO per share - basic  | <u>\$ 0.64</u>     | <u>\$ 1.08</u>    | <u>\$ 1.13</u>    | <u>\$ 1.08</u>    | <u>\$ 1.05</u>    |
| Weighted average shares outstanding - basic  | <u>140,105</u>     | <u>139,595</u>    | <u>139,113</u>    | <u>138,931</u>    | <u>138,761</u>    |
| FFO per share - diluted  | <u>\$ 0.64</u>     | <u>\$ 1.07</u>    | <u>\$ 1.12</u>    | <u>\$ 1.07</u>    | <u>\$ 1.04</u>    |
| Weighted average shares outstanding - diluted  | <u>142,059</u>     | <u>141,654</u>    | <u>141,287</u>    | <u>141,058</u>    | <u>140,920</u>    |

(1) Real estate depreciation and amortization consists of depreciation and amortization from the consolidated statements of operations of \$92,763, \$81,133, \$81,400, \$83,075 and \$79,125, our share of unconsolidated joint venture real estate depreciation and amortization of \$26,206, \$26,602, \$30,124, \$31,013 and \$30,507, less corporate related depreciation of \$396, \$435, \$469, \$470 and \$479 for the three months ended December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009, respectively.

(2) For the three months ended December 31, 2010, consists of the portion of income from unconsolidated joint ventures related to the gain on sale of real estate from the sale of the Company's 5.00% equity interest in the unconsolidated joint venture entity that owns the retail portion of the Wisconsin Place mixed-use property for approximately \$1.4 million of cash.

(3) Based on weighted average shares for the quarter. The Company's share for the quarter ended December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009 was 87.46%, 87.27%, 87.13%, 87.12% and 87.23%, respectively.

**Boston Properties, Inc.**  
**Fourth Quarter 2010**

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

|  | December 31, 2010     |                               | September 30, 2010    |                               | June 30, 2010         |                               | March 31, 2010        |                               | December 31, 2009     |                               |
|--|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|
|  | Income<br>(Numerator) | Shares/Units<br>(Denominator) | Income<br>(Numerator) | Shares/Units<br>(Denominator) | Income<br>(Numerator) | Shares/Units<br>(Denominator) | Income<br>(Numerator) | Shares/Units<br>(Denominator) | Income<br>(Numerator) | Shares/Units<br>(Denominator) |
| Basic FFO  | \$ 102,764            | 160,191                       | \$ 172,845            | 159,952                       | \$ 180,040            | 159,660                       | \$ 171,713            | 159,472                       | \$ 167,438            | 159,076                       |
| Effect of Dilutive Securities  |                       |                               |                       |                               |                       |                               |                       |                               |                       |                               |
| Convertible Preferred Units  | 795                   | 1,461                         | 820                   | 1,461                         | 836                   | 1,461                         | 892                   | 1,461                         | 860                   | 1,461                         |
| Stock based compensation   | —                     | 493                           | —                     | 598                           | —                     | 713                           | —                     | 666                           | —                     | 698                           |
| Diluted FFO  | \$ 103,559            | 162,145                       | \$ 173,665            | 162,011                       | \$ 180,876            | 161,834                       | \$ 172,605            | 161,599                       | \$ 168,298            | 161,235                       |
| Less:  |                       |                               |                       |                               |                       |                               |                       |                               |                       |                               |
| Noncontrolling interest - common units of the<br>Operating Partnership's share of diluted funds<br>from operations | 12,829                | 20,086                        | 21,822                | 20,357                        | 22,965                | 20,547                        | 21,940                | 20,541                        | 21,204                | 20,315                        |
| Company's share of diluted FFO (1)   | \$ 90,730             | 142,059                       | \$ 151,843            | 141,654                       | \$ 157,911            | 141,287                       | \$ 150,665            | 141,058                       | \$ 147,094            | 140,920                       |
| FFO per share - basic  | \$ 0.64               |                               | \$ 1.08               |                               | \$ 1.13               |                               | \$ 1.08               |                               | \$ 1.05               |                               |
| FFO per share - diluted  | \$ 0.64               |                               | \$ 1.07               |                               | \$ 1.12               |                               | \$ 1.07               |                               | \$ 1.04               |                               |

(1) Based on weighted average diluted shares for the quarter. The Company's share for the quarter ended December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009 was 87.61%, 87.43%, 87.30%, 87.29% and 87.40%, respectively.

**Boston Properties, Inc.**  
**Fourth Quarter 2010**  
**Funds Available for Distribution (FAD)**  
**(in thousands)**

|   | Three Months Ended |                   |                   |                  |                   |
|---|--------------------|-------------------|-------------------|------------------|-------------------|
|   | 31-Dec-10          | 30-Sep-10         | 30-Jun-10         | 31-Mar-10        | 31-Dec-09         |
| Basic FFO (see page 9)  | \$ 102,764         | \$ 172,845        | \$ 180,040        | \$ 171,713       | \$ 167,438        |
| 2nd generation tenant improvements and leasing commissions                                  | (23,095)           | (31,154)          | (26,451)          | (90,072)         | (28,886)          |
| Straight-line rent (1)  | (20,082)           | (22,861)          | (27,038)          | (29,068)         | (13,279)          |
| Recurring capital expenditures  | (7,878)            | (3,070)           | (1,996)           | (1,044)          | (8,854)           |
| Fair value interest adjustment (1)  | 1,394              | 1,196             | 1,552             | 1,795            | 1,755             |
| ASC 470-20 (formerly known as FSP APB 14-1) interest expense adjustment                     | 9,486              | 9,453             | 9,263             | 10,112           | 9,893             |
| Fair value lease revenue (1) (2)  | (18,875)           | (19,368)          | (19,748)          | (23,319)         | (23,705)          |
| Hotel improvements, equipment upgrades and replacements                                     | (1,542)            | (231)             | (182)             | (307)            | (198)             |
| Non real estate depreciation  | 396                | 435               | 469               | 470              | 479               |
| Stock-based compensation  | 6,127              | 6,380             | 6,334             | 14,011           | 6,500             |
| Impairment losses on investments in unconsolidated joint ventures (3)                       | —                  | —                 | —                 | —                | 6,198             |
| Gain from suspension of development   | —                  | —                 | —                 | (7,200)          | —                 |
| Losses from early extinguishments of debt   | 81,662             | —                 | 6,051             | 2,170            | —                 |
| Non-cash termination income (including fair value lease amounts)                            | —                  | —                 | (849)             | (585)            | —                 |
| Non-cash income from termination of management agreement                                    | —                  | —                 | (12,212)          | —                | —                 |
| Partners' share of joint venture 2nd generation tenant improvement and leasing commissions  | 3,115              | 472               | 6,596             | 6,652            | 3,497             |
| <b>Funds available for distribution to common shareholders and common unitholders (FAD)</b> | <b>\$ 133,472</b>  | <b>\$ 114,097</b> | <b>\$ 121,829</b> | <b>\$ 55,328</b> | <b>\$ 120,838</b> |

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

|  | Three Months Ended |             |             |             |             |
|--|--------------------|-------------|-------------|-------------|-------------|
|  | 31-Dec-10          | 30-Sep-10   | 30-Jun-10   | 31-Mar-10   | 31-Dec-09   |
| <b>Excluding Capitalized Interest</b>                                    |                    |             |             |             |             |
| Income from continuing operations  | \$ (12,756)        | \$ 68,089   | \$ 71,518   | \$ 60,742   | \$ 60,668   |
| Interest expense   | 92,192             | 97,103      | 96,755      | 92,029      | 88,180      |
| Depreciation and amortization expense                                    | 92,763             | 81,133      | 81,400      | 83,075      | 79,125      |
| Depreciation and amortization expense from unconsolidated joint ventures | 26,206             | 26,602      | 30,124      | 31,013      | 30,507      |
| Impairment losses on investments in unconsolidated joint ventures (3)    | —                  | —           | —           | —           | 6,198       |
| Gain from suspension of development                                      | —                  | —           | —           | (7,200)     | —           |
| Losses from early extinguishments of debt                                | 81,662             | —           | 6,051       | 2,170       | —           |
| Non-cash termination income (including fair value lease amounts)         | —                  | —           | (849)       | (585)       | —           |
| Non-cash income from termination of management agreement                 | —                  | —           | (12,212)    | —           | —           |
| Stock-based compensation   | 6,127              | 6,380       | 6,334       | 14,011      | 6,500       |
| Straight-line rent (1)   | (20,082)           | (22,861)    | (27,038)    | (29,068)    | (13,279)    |
| Fair value lease revenue (1) (2)   | (18,875)           | (19,368)    | (19,748)    | (23,319)    | (23,705)    |
| Subtotal   | 247,237            | 237,078     | 232,335     | 222,868     | 234,194     |
| Divided by:  |                    |             |             |             |             |
| Adjusted interest expense (4) (5)  | 80,855             | 85,504      | 85,145      | 79,677      | 76,033      |
| <b>Interest Coverage Ratio</b>   | <b>3.06</b>        | <b>2.77</b> | <b>2.73</b> | <b>2.80</b> | <b>3.08</b> |
| <b>Including Capitalized Interest</b>                                    |                    |             |             |             |             |
| Income from continuing operations  | \$ (12,756)        | \$ 68,089   | \$ 71,518   | \$ 60,742   | \$ 60,668   |
| Interest expense   | 92,192             | 97,103      | 96,755      | 92,029      | 88,180      |
| Depreciation and amortization expense                                    | 92,763             | 81,133      | 81,400      | 83,075      | 79,125      |
| Depreciation and amortization expense from unconsolidated joint ventures | 26,206             | 26,602      | 30,124      | 31,013      | 30,507      |
| Impairment losses on investments in unconsolidated joint ventures (3)    | —                  | —           | —           | —           | 6,198       |
| Gain from suspension of development                                      | —                  | —           | —           | (7,200)     | —           |
| Losses from early extinguishments of debt                                | 81,662             | —           | 6,051       | 2,170       | —           |
| Non-cash termination income (including fair value lease amounts)         | —                  | —           | (849)       | (585)       | —           |
| Non-cash income from termination of management agreement                 | —                  | —           | (12,212)    | —           | —           |
| Stock-based compensation   | 6,127              | 6,380       | 6,334       | 14,011      | 6,500       |
| Straight-line rent (1)   | (20,082)           | (22,861)    | (27,038)    | (29,068)    | (13,279)    |
| Fair value lease revenue (1) (2)   | (18,875)           | (19,368)    | (19,748)    | (23,319)    | (23,705)    |
| Subtotal   | 247,237            | 237,078     | 232,335     | 222,868     | 234,194     |
| Divided by:  |                    |             |             |             |             |
| Adjusted interest expense (4) (5) (6)                                    | 95,424             | 94,806      | 94,168      | 87,764      | 87,670      |
| <b>Interest Coverage Ratio</b>   | <b>2.59</b>        | <b>2.50</b> | <b>2.47</b> | <b>2.54</b> | <b>2.67</b> |

(1) Includes the Company's share of unconsolidated joint venture amounts.

(2) 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.

(3) Represents the non-cash impairment losses on the Company's investments in unconsolidated joint ventures in accordance with guidance included in ASC 323 "Investments-Equity Method and Joint Ventures" (formerly known as APB No. 18, "The Equity Method of Accounting for Investments in Common Stock") and ASC 360 "Property, Plant and Equipment" (formerly known as SFAS No. 144 "Accounting for the Impairment or Disposal of Long Lived Assets").

(4) Excludes the impact of the ASC 470-20 (formerly known as FSP APB 14-1) interest expense adjustment of \$9,486, \$9,453, \$9,263, \$10,112 and \$9,893 for the three months ended December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009, respectively.

(5) Excludes amortization of financing costs of \$1,851, \$2,146, \$2,347, \$2,240 and \$2,254 for the three months ended December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009, respectively.

(6) Includes capitalized interest of \$14,569, \$9,302, \$9,023, \$8,087 and \$11,637 for the three months ended December 31, 2010, September 30, 2010, June 30, 2010, March 31, 2010 and December 31, 2009, respectively.

**Boston Properties, Inc.**  
**Fourth Quarter 2010**  
**CAPITAL STRUCTURE**

**Consolidated Debt**  
*(in thousands)*

|  | <b>Aggregate Principal<br/>December 31, 2010</b> |
|--|--|
| Mortgage Notes Payable                                     | \$ 3,019,890                                     |
| Unsecured Line of Credit                                   |  |
| Unsecured Senior Notes, at face value                      | 3,025,000  |
| Unsecured Exchangeable Senior Notes, at face value         | 1,823,694  |
| <b>Total Debt</b>  | <b>7,868,584</b>                                 |
| Fair Value Adjustment on Mortgage Notes Payable            | 27,696   |
| Discount on Unsecured Senior Notes                         | (8,402)  |
| Discount on Unsecured Exchangeable Senior Notes            | (8,249)  |
| ASC 470-20 (formerly known as FSP APB 14-1) Adjustment (1) | (93,628)   |
| <b>Total Consolidated Debt</b>                             | <b>\$ 7,786,001</b>                              |

**Boston Properties Limited Partnership Unsecured Senior Notes**

|   | 11/18/2010    | 4/19/2010     | 10/9/2009     | 5/22/2003     | 3/18/2003     | 1/17/2003     | 12/13/2002    |                      |              |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------------|--------------|
|   |               |               |               |               |               |               |               | <b>Total/Average</b> |              |
| Original Principal Amount               | \$ 850,000    | \$ 700,000    | \$ 700,000    | \$ 250,000    | \$ 300,000    | \$ 175,000    | \$ 750,000    |                      | \$ 3,725,000 |
| Principal Amount at Quarter End         | \$ 850,000    | \$ 700,000    | \$ 700,000    | \$ 250,000    | \$ 300,000    | \$ 42,568(2)  | \$ 182,432(2) |                      | \$ 3,025,000 |
| Yield (on issue date)                   | 4.289%        | 5.708%        | 5.967%        | 5.194%        | 5.693%        | 6.291%        | 6.381%        |                      | 5.56%        |
| Coupon                                  | 4.125%        | 5.625%        | 5.875%        | 5.000%        | 5.625%        | 6.250%        | 6.250%        |                      | 5.44%        |
| Public Offering Price                   | 99.260%       | 99.891%       | 99.931%       | 99.329%       | 99.898%       | 99.763%       | 99.650%       |                      | 99.66%       |
| <b>Ratings:</b>                         |               |               |               |               |               |               |               |                      |              |
| Moody's                                 | Baa2 (stable) | Baa2 (stable) | Baa2 (stable) | Baa2 (stable) | Baa2 (stable) | Baa2 (stable) | Baa2 (stable) |                      |              |
| S&P                                     | A- (stable)   | A- (stable)   | A- (stable)   | A- (stable)   | A- (stable)   | A- (stable)   | A- (stable)   |                      |              |
| Fitch                                   | BBB (stable)  | BBB (stable)  | BBB (stable)  | BBB (stable)  | BBB (stable)  | BBB (stable)  | BBB (stable)  |                      |              |
| Maturity Date                           | 5/15/2021     | 11/15/2020    | 10/15/2019    | 6/1/2015      | 4/15/2015     | 1/15/2013     | 1/15/2013     |                      |              |
| Discount                                | \$ 6,230      | \$ 736        | \$ 438        | \$ 735        | \$ 133        | \$ 114        | \$ 16         |                      | \$ 8,402     |
| Unsecured Senior Notes, net of discount | \$ 843,770    | \$ 699,264    | \$ 699,562    | \$ 249,265    | \$ 299,867    | \$ 42,454     | \$ 182,416    |                      | \$ 3,016,598 |

**Boston Properties Limited Partnership Unsecured Exchangeable Senior Notes**

|  | 8/19/2008    | 2/6/2007      | 4/6/2006   |  |  |  |  |                      |              |
|--|--------------|---------------|------------|--|--|--|--|----------------------|--------------|
|  |              |               |            |  |  |  |  | <b>Total/Average</b> |              |
| Original Principal Amount                | \$ 747,500   | \$ 862,500    | \$ 450,000 |  |  |  |  | \$ 2,060,000         |              |
| Principal Amount at Quarter End          | \$ 747,500   | \$ 626,194(3) | \$ 450,000 |  |  |  |  | \$ 1,823,694         |              |
| Yield (on issue date)                    | 4.037%       | 3.462%        | 3.787%     |  |  |  |  | 3.778%               |              |
| GAAP Yield                               | 6.555%       | 5.630%        | 5.958%     |  |  |  |  | 6.090%               |              |
| Coupon                                   | 3.625%       | 2.875%        | 3.750%     |  |  |  |  |                      |              |
| Exchange Rate                            | 8.5051       | 7.0430        | 10.0066    |  |  |  |  |                      |              |
| Exchange Price                           | \$ 136.13(4) | \$ 141.98     | \$ 99.93   |  |  |  |  |                      |              |
| First Optional Redemption Date           | N/A          | 2/20/2012     | 5/18/2013  |  |  |  |  |                      |              |
| Maturity Date                            | 2/15/2014    | 2/15/2037     | 5/15/2036  |  |  |  |  |                      |              |
| Discount                                 | \$ 4,433     | \$ 3,816      | \$ -       |  |  |  |  |                      | \$ 8,249     |
| ASC 470-20 (FSP APB 14-1) Adjustment (1) | \$ 56,927    | \$ 14,846     | \$ 21,855  |  |  |  |  |                      | \$ 93,628    |
| Unsecured Senior Exchangeable Notes      | \$ 686,140   | \$ 607,532    | \$ 428,145 |  |  |  |  |                      | \$ 1,721,817 |

**Equity**

*(in thousands)*

|  | <b>Shares/Units<br/>Outstanding<br/>as of 12/31/10</b> | <b>Common<br/>Stock<br/>Equivalents</b> | <b>Equivalent (\$)</b> |
|--|--|---|------------------------|
| Common Stock                                     | 140,199  | 140,199(6)                              | \$ 12,071,134          |
| Common Operating Partnership Units               | 20,895   | 20,895(7)                               | \$ 1,799,060           |
| Series Two Preferred Operating Partnership Units | 1,113  | 1,461                                   | \$ 125,792             |
| <b>Total Equity</b>                              |  | <b>162,555</b>                          | <b>\$ 13,995,986</b>   |
| <b>Total Consolidated Debt</b>                   |  |   | <b>\$ 7,786,001</b>    |
| <b>Total Consolidated Market Capitalization</b>  |  |   | <b>\$ 21,781,987</b>   |
| BXP's share of Joint Venture Debt                |  |   | \$ 1,543,960(8)        |
| <b>Total Combined Debt (9)</b>                   |  |   | <b>\$ 9,329,961</b>    |
| <b>Total Combined Market Capitalization (10)</b> |  |   | <b>\$ 23,325,947</b>   |

- (1) Represents the remaining debt discount which will be amortized over the period during which the exchangeable senior notes are expected to be outstanding (i.e., through the first optional redemption dates or, in the case of the exchangeable senior notes due 2014, the maturity date) as additional non-cash interest expense.
- (2) On December 12, 2010, the Company's Operating Partnership redeemed \$700.0 million in aggregate principal amount of its 6.25% Senior Notes due 2013. The redemption price was determined in accordance with the applicable indenture and was approximately \$793.1 million. The redemption price included approximately \$17.9 million of accrued and unpaid interest to, but not including, the redemption date. Excluding such accrued and unpaid interest, the redemption price was approximately 110.75% of the principal amount being redeemed. In addition, on November 29, 2010, the Company entered into two Treasury lock agreements to fix the yield on the U.S. Treasury issue used in determining the redemption price on notional amounts aggregating \$700.0 million. On December 9, 2010, the Company cash-settled the Treasury lock agreements and paid approximately \$2.1 million. As a result of the payment of the redemption premium, the settlement of the Treasury locks and the write-off of deferred financing costs, the Company recognized an aggregate loss on early extinguishment of debt of approximately \$79.3 million. Following the partial redemption, there is an aggregate of \$225.0 million of the notes outstanding.
- (3) During the three months ended December 31, 2010, the Company's Operating Partnership repurchased \$50.0 million aggregate principal amount of its 2.875% exchangeable senior notes due 2037 for approximately \$51.1 million. The repurchased notes had an aggregate carrying value of approximately \$48.4 million, resulting in the recognition of a loss on early extinguishment of approximately \$2.3 million.
- (4) 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 (subject to adjustments), 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. As of December 31, 2010, the exchange price was \$136.13 per share.
- (5) Value based on December 31, 2010 closing price of \$86.10 per share of common stock.
- (6) Includes 117 shares of restricted stock.
- (7) Includes 1,507 long-term incentive plan units, but excludes 1,081 unvested outperformance plan units.
- (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 Debt, see page 49.
- (10) For disclosures relating to our definition of Total Combined Market Capitalization, see page 49.



**Boston Properties, Inc.**  
**Fourth Quarter 2010**  
**DEBT ANALYSIS (1)**

**Debt Maturities and Principal Payments**

**as of December 31, 2010**  
**(in thousands)**

|  | 2011              | 2012              | 2013              | 2014              | 2015              | Thereafter          | Total               |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| <b>Floating Rate Debt</b>                                |                   |                   |                   |                   |                   |                     |                     |
| Mortgage Notes Payable                                   | \$ —              | \$ 267,845        | \$ 827            | \$ 48,828         | \$ —              | \$ —                | \$ 317,500          |
| Unsecured Line of Credit                                 | —                 | —                 | —                 | —                 | —                 | —                   | —                   |
| <b>Total Floating Debt</b>                               | <b>\$ —</b>       | <b>\$ 267,845</b> | <b>\$ 827</b>     | <b>\$ 48,828</b>  | <b>\$ —</b>       | <b>\$ —</b>         | <b>\$ 317,500</b>   |
| <b>Fixed Rate Debt</b>                                   |                   |                   |                   |                   |                   |                     |                     |
| Mortgage Notes Payable                                   | \$ 471,818        | \$ 105,084        | \$ 100,462        | \$ 76,436         | \$ 14,312         | \$ 1,934,278        | \$ 2,702,390        |
| Fair Value Adjustment                                    | 5,675             | 5,043             | 4,270             | 3,962             | 4,157             | 4,589               | 27,696              |
| Mortgage Notes Payable                                   | 477,493           | 110,127           | 104,732           | 80,398            | 18,469            | 1,938,867           | 2,730,086           |
| Unsecured Exchangeable Senior Notes, net of discount (2) | —                 | 622,378           | 450,000           | 743,067           | —                 | —                   | 1,815,445           |
| ASC 470-20 (formerly known as FSP APB 14-1) Adjustment   | (38,946)          | (29,192)          | (23,052)          | (2,438)           | —                 | —                   | (93,628)            |
| Unsecured Exchangeable Senior Notes                      | (38,946)          | 593,186           | 426,948           | 740,629           | —                 | —                   | 1,721,817           |
| Unsecured Senior Notes, net of discount                  | —                 | —                 | 224,870           | —                 | 549,132           | 2,242,596           | 3,016,598           |
| <b>Total Fixed Debt</b>                                  | <b>\$ 438,547</b> | <b>\$ 703,313</b> | <b>\$ 756,550</b> | <b>\$ 821,027</b> | <b>\$ 567,601</b> | <b>\$ 4,181,463</b> | <b>\$ 7,468,501</b> |
| <b>Total Consolidated Debt</b>                           | <b>\$ 438,547</b> | <b>\$ 971,158</b> | <b>\$ 757,377</b> | <b>\$ 869,855</b> | <b>\$ 567,601</b> | <b>\$ 4,181,463</b> | <b>\$ 7,786,001</b> |
| GAAP Weighted Average Floating Rate Debt                 | 0.00%             | 0.64%             | 2.83%             | 2.83%             | 0.00%             | 0.00%               | 0.99%               |
| GAAP Weighted Average Fixed Rate Debt                    | 7.21%             | 5.64%             | 6.09%             | 6.48%             | 5.50%             | 5.44%               | 5.75%               |
| <b>Total GAAP Weighted Average Rate</b>                  | <b>7.21%</b>      | <b>4.28%</b>      | <b>6.08%</b>      | <b>6.26%</b>      | <b>5.50%</b>      | <b>5.44%</b>        | <b>5.56%</b>        |
| Total Stated Weighted Average Rate                       | 7.18%             | 3.06%             | 4.96%             | 3.93%             | 5.42%             | 5.49%               | 5.07%               |

**Unsecured Debt**

**Unsecured Line of Credit - Matures August 3, 2011**

**(in thousands)**

| Facility    | Outstanding<br>at 12/31/2010 | Letters of<br>Credit | Remaining<br>Capacity<br>at 12/31/2010 |
|-------------|------------------------------|----------------------|--|
| \$1,000,000 | \$ —                         | \$ 24,564            | \$ 975,436                             |

**Unsecured and Secured Debt Analysis**

|                                | % of Total Debt | Stated Weighted<br>Average Rate | GAAP Weighted<br>Average Rate | Weighted Average<br>Maturity |
|--------------------------------|-----------------|---------------------------------|-------------------------------|------------------------------|
| Unsecured Debt                 | 60.86%          | 4.71%                           | 5.63%                         | 6.0 years                    |
| Secured Debt                   | 39.14%          | 5.63%                           | 5.44%                         | 4.5 years                    |
| <b>Total Consolidated Debt</b> | <b>100.00%</b>  | <b>5.07%</b>                    | <b>5.56%</b>                  | <b>5.4 years</b>             |

**Floating and Fixed Rate Debt Analysis**

|                                | % of Total Debt | Stated Weighted<br>Average Rate | GAAP Weighted<br>Average Rate | Weighted Average<br>Maturity |
|--------------------------------|-----------------|---------------------------------|-------------------------------|------------------------------|
| Floating Rate Debt             | 4.08%           | 0.86%                           | 0.99%                         | 1.5 years                    |
| Fixed Rate Debt                | 95.92%          | 5.25%                           | 5.75%                         | 5.6 years                    |
| <b>Total Consolidated Debt</b> | <b>100.00%</b>  | <b>5.07%</b>                    | <b>5.56%</b>                  | <b>5.4 years</b>             |

(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 (or, in the case of the exchangeable notes due 2014, the year of maturity).

**Boston Properties, Inc.**  
**Fourth Quarter 2010**

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

*as of December 31, 2010*  
*(in thousands)*

| Property   | 2011              | 2012              | 2013              | 2014              | 2015              | Thereafter          | Total               |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| 599 Lexington Avenue                                   | \$ —              | \$ —              | \$ —              | \$ —              | \$ —              | \$ 750,000          | \$ 750,000          |
| John Hancock Tower and Garage                          | —                 | —                 | —                 | —                 | —                 | 640,500             | 640,500 (2)         |
| 601 Lexington Avenue                                   | 456,633           | —                 | —                 | —                 | —                 | —                   | 456,633 (2)         |
| Embarcadero Center Four                                | 4,543             | 4,828             | 5,131             | 5,452             | 5,794             | 348,886             | 374,634             |
| 510 Madison Avenue                                     | —                 | 267,500           | —                 | —                 | —                 | —                   | 267,500 (3)         |
| 505 9th Street   | 2,058             | 2,177             | 2,306             | 2,441             | 2,585             | 116,334             | 127,901             |
| One Freedom Square                                     | 1,520             | 65,511            | —                 | —                 | —                 | —                   | 67,031 (2)          |
| New Dominion Technology Park, Building Two             | —                 | —                 | —                 | 63,000            | —                 | —                   | 63,000              |
| 140 Kendrick Street                                    | 1,061             | 1,143             | 47,889            | —                 | —                 | —                   | 50,093 (2)          |
| Reservoir Place  | —                 | 345               | 827               | 48,828            | —                 | —                   | 50,000              |
| New Dominion Technology Park, Building One             | 1,846             | 1,987             | 2,140             | 2,304             | 2,481             | 38,494              | 49,252              |
| Kingstowne Two and Retail                              | 1,535             | 1,630             | 1,730             | 1,837             | 1,950             | 29,277              | 37,959 (2)          |
| Montvale Center  | —                 | 25,000            | —                 | —                 | —                 | —                   | 25,000              |
| Sumner Square  | 866               | 930               | 22,896            | —                 | —                 | —                   | 24,692              |
| Kingstowne One   | 617               | 657               | 17,062            | —                 | —                 | —                   | 18,336 (2)          |
| University Place                                       | 1,139             | 1,221             | 1,308             | 1,402             | 1,502             | 10,787              | 17,359              |
| Atlantic Wharf   | —                 | —                 | —                 | —                 | —                 | —                   | — (4)               |
|  | <u>471,818</u>    | <u>372,929</u>    | <u>101,289</u>    | <u>125,264</u>    | <u>14,312</u>     | <u>1,934,278</u>    | <u>3,019,890</u>    |
| Aggregate Fair Value Adjustments                       | 5,675             | 5,043             | 4,270             | 3,962             | 4,157             | 4,589               | 27,696              |
|  | <u>477,493</u>    | <u>377,972</u>    | <u>105,559</u>    | <u>129,226</u>    | <u>18,469</u>     | <u>1,938,867</u>    | <u>3,047,586</u>    |
| Unsecured Exchangeable Senior Notes, net of discount   | —                 | 622,378           | 450,000           | 743,067           | —                 | —                   | 1,815,445 (5)       |
| ASC 470-20 (formerly known as FSP APB 14-1) Adjustment | (38,946)          | (29,192)          | (23,052)          | (2,438)           | —                 | —                   | (93,628)            |
|  | <u>(38,946)</u>   | <u>593,186</u>    | <u>426,948</u>    | <u>740,629</u>    | <u>—</u>          | <u>—</u>            | <u>1,721,817</u>    |
| Unsecured Senior Notes, net of discount                | —                 | —                 | 224,870           | —                 | 549,132           | 2,242,596           | 3,016,598           |
| Unsecured Line of Credit                               | —                 | —                 | —                 | —                 | —                 | —                   | — (6)               |
|  | <u>\$ 438,547</u> | <u>\$ 971,158</u> | <u>\$ 757,377</u> | <u>\$ 869,855</u> | <u>\$ 567,601</u> | <u>\$ 4,181,463</u> | <u>\$ 7,786,001</u> |
| % of Total Consolidated Debt                           | 5.63%             | 12.47%            | 9.73%             | 11.17%            | 7.29%             | 53.71%              | 100.00%             |
| Balloon Payments                                       | \$ 452,462        | \$ 979,584        | \$ 761,122        | \$ 854,414        | \$ 549,132        | \$ 4,139,726        | \$ 7,736,440        |
| Scheduled Amortization                                 | \$ 25,031         | \$ 20,766         | \$ 19,307         | \$ 17,879         | \$ 18,469         | \$ 41,737           | \$ 143,189          |

- (1) Excludes unconsolidated joint ventures. For information on our unconsolidated joint venture debt, see page 16.
- (2) This property has a fair value adjustment which is aggregated below.
- (3) The mortgage is fully secured by cash deposits.
- (4) As of December 31, 2010, the Company has not drawn any amounts under its \$192.5 million construction loan facility. Loan matures on April 21, 2012 and has two, one-year extension options subject to certain conditions. On October 1, 2010, the Company released from collateral the residential portion of the project and reduced the loan commitment from \$215.0 million to \$192.5 million.
- (5) For our unsecured exchangeable senior notes, amounts are included in the year in which the first optional redemption date occurs (or, in the case of the unsecured exchangeable senior notes due 2014, the year of maturity).
- (6) The Unsecured Line of Credit matures on August 3, 2011.

Senior Unsecured Debt Covenant Compliance Ratios

(in thousands)

In the fourth quarter of 2010, 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, 2010 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.

|   | Senior Notes<br>Issued Prior to<br>October 9, 2009 | Senior Notes<br>Issued On or After<br>October 9, 2009 |
|---|--|---|
|   | December 31, 2010                                  |   |
| <b>Total Assets:</b>  |  |   |
| Capitalized Property Value (1)  | \$ 16,822,598                                      | \$ 17,226,114   |
| Cash and Cash Equivalents (2)   | 478,948  | 478,948   |
| Investments in Marketable Securities  | 8,732  | 8,732   |
| Undeveloped Land, at Cost   | 757,556  | 757,556   |
| Development in Process, at Cost (including Joint Venture %)                                     | 1,097,372  | 1,097,372   |
| <b>Total Assets</b>   | <b>\$ 19,165,206</b>                               | <b>\$ 19,568,722</b>                                  |
| <b>Unencumbered Assets</b>  | <b>\$ 11,201,177</b>                               | <b>\$ 11,439,804</b>                                  |
| Secured Debt (Fixed and Variable) (2) (3)   | \$ 2,752,390                                       | \$ 2,752,390  |
| Joint Venture Debt  | 1,543,960  | 1,543,960   |
| Contingent Liabilities & Letters of Credit  | 26,991   | 26,991  |
| Unsecured Debt (4)  | 4,848,694  | 4,848,694   |
| <b>Total Outstanding Debt</b>   | <b>\$ 9,172,035</b>                                | <b>\$ 9,172,035</b>                                   |
| <b>Consolidated EBITDA:</b>   |  |   |
| Income (loss) from continuing operations (per Consolidated Income Statement)                    | \$ (12,756)  | \$ (12,756)   |
| Subtract: Income from unconsolidated joint ventures (per Consolidated Income Statement)         | (9,834)  | (9,834)   |
| Subtract: Gains (losses) from Investments in Securities (per Consolidated Income Statement)     | (682)  | (682)   |
| Add: Interest Expense (per Consolidated Income Statement)                                       | 92,192   | 92,192  |
| Add: Depreciation and Amortization (per Consolidated Income Statement)                          | 92,763   | 92,763  |
| Add: Losses from early extinguishment of debt (per Consolidated Income Statement)               | 81,662   | 81,662  |
| <b>EBITDA</b>   | <b>243,345</b>                                     | <b>243,345</b>  |
| Add: Company share of unconsolidated joint venture EBITDA                                       | 58,268   | 58,268  |
| <b>Consolidated EBITDA</b>  | <b>\$ 301,613</b>                                  | <b>\$ 301,613</b>                                     |
| <b>Adjusted Interest Expense:</b>   |  |   |
| Interest Expense (per Consolidated Income Statement)  | \$ 92,192  | \$ 92,192   |
| Add: Company share of unconsolidated joint venture interest expense                             | 24,399   | 24,399  |
| Less: Amortization of financing costs   | (1,851)  | (1,851)   |
| Less: Interest expense funded by construction loan draws  | —  | —   |
| <b>Adjusted Interest Expense</b>  | <b>\$ 114,740</b>                                  | <b>\$ 114,740</b>                                     |
|   | <b>Test</b>  | <b>Actual</b>   |
| <b>Covenant Ratios and Related Data</b>   |  |   |
| Total Outstanding Debt/Total Assets   | Less than 60%                                      | 47.9%   |
| Secured Debt/Total Assets   | Less than 50%                                      | 22.4%   |
| Interest Coverage (Annualized Consolidated EBITDA to Annualized Interest Expense)               | Greater than 1.50x                                 | 2.63  |
| Unencumbered Assets/ Unsecured Debt   | Greater than 150%                                  | 231.0%  |
| Unencumbered Consolidated EBITDA  |  | \$ 185,731  |
| Unencumbered Interest Coverage (Unencumbered Consolidated EBITDA to Unsecured Interest Expense) |  | 2.63  |
| % of Unencumbered Consolidated EBITDA to Consolidated EBITDA                                    |  | 61.6%   |
| # of unencumbered properties  |  | 114   |

- (1) For senior notes issued prior to October 9, 2009, 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. Capitalized Property Value for the senior notes issued on or after October 9, 2009 will be determined for each property and is the greater of (A) annualized EBITDA capitalized at an 8.0% rate for CBD properties and a 9.0% rate for non-CBD properties, and (B) the undepreciated book value as determined under GAAP.
- (2) Based on the Company's covenant definitions, the debt and restricted cash associated with 510 Madison Avenue, which is fully secured by cash deposits, has been excluded.
- (3) Excludes fair value adjustment of \$27,696.
- (4) Excludes debt discount of \$16,651 and ASC 470-20 (formerly known as FSP APB 14-1) adjustment of \$93,628.

Boston Properties, Inc.  
Fourth Quarter 2010

UNCONSOLIDATED JOINT VENTURE DEBT ANALYSIS (\*)

**Debt Maturities and Principal Payments by Property**

(in thousands)

| Property                         | 2011            | 2012            | 2013            | 2014            | 2015             | Thereafter         | Total              |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|------------------|--------------------|--------------------|
| General Motors Building (60%)    | \$ —            | \$ —            | \$ —            | \$ —            | \$ —             | \$ 963,600         | \$ 963,600 (1)(2)  |
| 125 West 55th Street (60%)       | 1,562           | 1,659           | 1,763           | 1,874           | 1,991            | 114,360            | 123,209            |
| Two Grand Central Tower (60%)    | 1,380           | 1,465           | 1,556           | 1,652           | 101,072          | —                  | 107,125            |
| Metropolitan Square (51%)        | —               | —               | 662             | 1,187           | 1,257            | 86,144             | 89,250             |
| 540 Madison Avenue (60%)         | 240             | 240             | 70,920          | —               | —                | —                  | 71,400 (3)         |
| Market Square North (50%)        | —               | —               | 161             | 993             | 1,042            | 62,803             | 64,999             |
| 901 New York Avenue (25%)        | 705             | 742             | 782             | 823             | 37,590           | —                  | 40,642             |
| Annapolis Junction (50%)         | 21,349          | —               | —               | —               | —                | —                  | 21,349 (4)         |
| 500 North Capitol (30%)          | —               | —               | 6,600           | —               | —                | —                  | 6,600              |
|                                  | <u>25,236</u>   | <u>4,106</u>    | <u>82,444</u>   | <u>6,529</u>    | <u>142,952</u>   | <u>1,226,907</u>   | <u>1,488,174</u>   |
| Aggregate Fair Value Adjustments | 6,620           | 7,102           | 7,186           | 7,087           | 7,612            | 14,705             | 50,311             |
|                                  | <u>\$31,856</u> | <u>\$11,208</u> | <u>\$89,630</u> | <u>\$13,616</u> | <u>\$150,564</u> | <u>\$1,241,612</u> | <u>\$1,538,485</u> |
| GAAP Weighted Average Rate       | 2.07%           | 6.00%           | 6.66%           | 5.77%           | 5.85%            | 6.45%              | 6.33%              |
| % of Total Debt                  | 2.07%           | 0.73%           | 5.83%           | 0.89%           | 9.79%            | 80.70%             | 100.00%            |

**Floating and Fixed Rate Debt Analysis**

|                    | % of Total Debt | Stated Weighted<br>Average Rate (1) | GAAP<br>Weighted<br>Average Rate | Weighted Average<br>Maturity |
|--------------------|-----------------|-------------------------------------|----------------------------------|------------------------------|
| Floating Rate Debt | 1.88%           | 2.32%                               | 2.53%                            | 1.1 years                    |
| Fixed Rate Debt    | 98.12%          | 5.86%                               | 6.40%                            | 6.8 years                    |
| Total Debt         | <u>100.00%</u>  | <u>5.79%</u>                        | <u>6.33%</u>                     | <u>6.7 years</u>             |

(\*) All amounts represent the Company's share. Amounts exclude the Value-Added Fund. See page 18 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 over the term of the loan.

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

(4) Loan has a one-year extension option subject to certain conditions.

**Boston Properties, Inc.**  
**Fourth Quarter 2010**

**UNCONSOLIDATED JOINT VENTURES**

**Balance Sheet Information**

*(unaudited and in thousands)  
as of December 31, 2010*

|   | 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) | Annapolis Junction (2) | Eighth Avenue and 46th Street (2) | 500 North Capital | Subtotal     | Value-Added Fund (3)(4) | Total Unconsolidated Joint Ventures |
|---|-------------------------|----------------------|-------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|------------------------|-----------------------------------|-------------------|--------------|-------------------------|-------------------------------------|
| Investment (5)                              | \$ 671,094 (6)          | \$ 114,488           | \$ 96,308               | \$ 69,291          | \$ (12,401)         | \$ 13,941           | \$ (1,386)          | \$ 53,227           | \$ 7,747               | \$ 10,396                         | \$ 1,706          | \$ 1,024,411 | \$ 12,841               | \$ 1,037,252                        |
| Note Receivable (6)                         | 270,000                 | —                    | —                       | —                  | —                   | —                   | —                   | —                   | —                      | —                                 | —                 | 270,000      | —                       | 270,000                             |
| Net Equity (5)                              | \$ 401,094              | \$ 114,488           | \$ 96,308               | \$ 69,291          | \$ (12,401)         | \$ 13,941           | \$ (1,386)          | \$ 53,227           | \$ 7,747               | \$ 10,396                         | \$ 1,706          | \$ 754,411   | \$ 12,841               | \$ 767,252                          |
| Mortgage/Construction loans payable (5) (7) | \$ 963,600              | \$ 123,209           | \$ 107,125              | \$ 71,400          | \$ 64,999           | \$ 89,250           | \$ 40,642           | \$ —                | \$ 21,349              | \$ —                              | \$ 6,600          | \$ 1,488,174 | \$ 55,786               | \$ 1,543,960                        |
| BXP's nominal ownership percentage          | 60.00%                  | 60.00%               | 60.00%                  | 60.00%             | 50.00%              | 51.00%              | 25.00%              | 33.33%              | 50.00%                 | 50.00%                            | 30.00%            |              |                         | 37.62%                              |

**Results of Operations**

*(unaudited and in thousands)  
for the three months ended December 31, 2010*

|  | 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) | Annapolis Junction (2) | Eighth Avenue and 46th Street (2) | 500 North Capital | Subtotal         | Value-Added Fund (3) | Total Unconsolidated Joint Ventures |                  |
|--|-------------------------|----------------------|-------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|------------------------|-----------------------------------|-------------------|------------------|----------------------|-------------------------------------|------------------|
| <b>REVENUE</b>                                       |                         |                      |                         |                    |                     |                     |                     |                     |                        |                                   |                   |                  |                      |                                     |                  |
| Rental   |                         | \$52,945             | \$10,146                | \$ 7,652           | \$ 7,045            | \$5,412             | \$ 8,677            | \$ 4,819            | \$ 4,184               | \$ —                              | \$2,036           | \$ 111,213       | \$ 4,477             | \$ 115,690                          |                  |
| Straight-line rent                                   |                         | 3,133                | 1,309                   | 716                | 186                 | (78)                | (571)               | 421                 | 5                      | —                                 | —                 | 5,107            | (93)                 | 5,014                               |                  |
| Fair value lease revenue                             |                         | 27,361               | 623                     | 1,108              | 534                 | —                   | —                   | —                   | —                      | —                                 | 18                | 29,644           | 281                  | 29,925                              |                  |
| Termination Income                                   |                         | —                    | —                       | —                  | —                   | 66                  | 3                   | —                   | —                      | —                                 | —                 | 69               | —                    | 69                                  |                  |
| Total revenue  |                         | 83,439               | 12,078                  | 9,476              | 7,765               | 5,334               | 8,172               | 5,240               | 4,189                  | —                                 | 2,054             | 146,033          | 4,665                | 150,698                             |                  |
| <b>EXPENSES</b>                                      |                         |                      |                         |                    |                     |                     |                     |                     |                        |                                   |                   |                  |                      |                                     |                  |
| Operating  |                         | 20,473               | 3,416                   | 4,047              | 2,822               | 2,217               | 3,111               | 2,125               | 1,245                  | 102                               | 787               | 43,520           | 1,706                | 45,226                              |                  |
| <b>NET OPERATING INCOME</b>                          |                         | 62,966               | 8,662                   | 5,429              | 4,943               | 3,117               | 5,061               | 3,115               | 2,944                  | (102)                             | 1,267             | 102,513          | 2,959                | 105,472                             |                  |
| Interest   |                         | 26,416               | 3,163                   | 2,715              | 1,922               | 1,596               | 2,541               | 732                 | 149                    | —                                 | 417               | 41,789           | 2,063                | 43,852                              |                  |
| Interest other - partner loans                       |                         | 15,166               | —                       | —                  | —                   | —                   | —                   | —                   | —                      | —                                 | —                 | 15,166           | —                    | 15,166                              |                  |
| Depreciation and amortization                        |                         | 30,199               | 4,190                   | 3,653              | 2,129               | 891                 | 1,878               | 1,454               | 1,186                  | —                                 | 1,833             | 48,799           | 1,971                | 50,770                              |                  |
| <b>SUBTOTAL</b>                                      |                         | 71,781               | 7,353                   | 6,368              | 4,051               | 2,487               | 4,419               | 2,186               | 1,335                  | —                                 | 2,250             | 105,754          | 4,034                | 109,788                             |                  |
| Gain on debt forgiveness (8)                         |                         | —                    | —                       | —                  | —                   | —                   | —                   | —                   | —                      | —                                 | —                 | —                | 17,701               | 17,701                              |                  |
| Guaranty obligation                                  |                         | —                    | —                       | —                  | —                   | —                   | —                   | —                   | —                      | —                                 | —                 | —                | —                    | —                                   |                  |
| Impairment loss                                      |                         | —                    | —                       | —                  | —                   | —                   | —                   | —                   | —                      | —                                 | —                 | —                | —                    | —                                   |                  |
| Losses from early extinguishment of debt             |                         | —                    | —                       | —                  | —                   | —                   | —                   | —                   | —                      | —                                 | —                 | —                | —                    | —                                   |                  |
| <b>NET INCOME/(LOSS)</b>                             |                         | <u>\$(8,815)</u>     | <u>\$ 1,309</u>         | <u>\$(939)</u>     | <u>\$ 892</u>       | <u>\$ 630</u>       | <u>\$ 642</u>       | <u>\$ 929</u>       | <u>\$ 1,609</u>        | <u>\$(102)</u>                    | <u>\$(983)</u>    | <u>\$(3,241)</u> | <u>\$ 16,626</u>     | <u>\$ 13,385</u>                    |                  |
| BXP's share of net income/(loss)                     |                         | \$(5,289)            | \$ 785                  | \$(563)            | \$ 535              | \$ 315              | \$ 327              | \$ 847 (9)          | \$(5)                  | \$ 871 (9)                        | \$(51)            | \$(295)          | \$(2,523)            | \$ 4,024 (4)                        | \$ 1,501         |
| Basis differential (10)                              |                         | —                    | \$ 472                  | 869                | 310                 | —                   | —                   | —                   | —                      | —                                 | —                 | 1,651            | (2,989)(4)           | (1,338)                             |                  |
| Gain on sale of real estate (11)                     |                         | —                    | —                       | —                  | —                   | —                   | —                   | 572                 | —                      | —                                 | —                 | 572              | —                    | 572                                 |                  |
| Elimination of inter-entity interest on partner loan |                         | 9,099                | —                       | —                  | —                   | —                   | —                   | —                   | —                      | —                                 | —                 | 9,099            | —                    | 9,099                               |                  |
| Income/(loss) from unconsolidated joint ventures     |                         | \$ 3,810             | \$ 1,257                | \$ 306             | \$ 845              | \$ 315              | \$ 327              | \$ 847              | \$ 567                 | \$ 871                            | \$(51)            | \$(295)          | \$ 8,799             | \$ 1,035 (4)                        | \$ 9,834         |
| BXP's share of gains on sale of real estate          |                         | —                    | —                       | —                  | —                   | —                   | —                   | (572)               | —                      | —                                 | —                 | (572)            | —                    | (572)                               |                  |
| BXP's share of depreciation & amortization           |                         | 18,119               | 2,124                   | 1,596              | 1,053               | 446                 | 958                 | 533 (9)             | 269                    | (56)(9)                           | 550               | 25,592           | 614 (4)              | 26,206                              |                  |
| BXP's share of Funds from Operations (FFO)           |                         | <u>\$21,929</u>      | <u>\$ 3,381</u>         | <u>\$ 1,902</u>    | <u>\$ 1,898</u>     | <u>\$ 761</u>       | <u>\$ 1,285</u>     | <u>\$ 1,380</u>     | <u>\$ 264</u>          | <u>\$ 815</u>                     | <u>\$(51)</u>     | <u>\$ 255</u>    | <u>\$ 33,819</u>     | <u>\$ 1,649 (4)</u>                 | <u>\$ 35,468</u> |
| BXP's share of net operating income/(loss)           |                         | <u>\$37,780</u>      | <u>\$ 5,279</u>         | <u>\$ 3,532</u>    | <u>\$ 3,051</u>     | <u>\$ 1,559</u>     | <u>\$ 2,581</u>     | <u>\$ 1,278</u>     | <u>\$ 250</u>          | <u>\$ 1,472</u>                   | <u>\$(51)</u>     | <u>\$ 380</u>    | <u>\$ 57,110</u>     | <u>\$ 1,192 (4)</u>                 | <u>\$ 58,302</u> |

- (1) Represents the Company's interest in the joint venture entity that owns the land and infrastructure. The Company's entity that owns the office component of the project has been consolidated within the accounts of the Company.
- (2) Property is currently not in service (i.e., under construction or undeveloped land). Two of three land parcels of Annapolis Junction are undeveloped land.
- (3) For additional information on the Value-Added Fund, see page 18. Information presented includes costs which relate to the organization and operations of the Value-Added Fund. 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 on page 18.
- (4) Represents the Company's 25% interest in 300 Billerica Road, 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 its partners.
- (7) Excludes fair value adjustments.
- (8) On October 20, 2010 the Company's Value-Added Fund conveyed the fee simple title to its One and Two Circle Star Way properties and paid approximately \$3.8 million to the lender in satisfaction of its outstanding obligations under the existing mortgage loan. The mortgage loan had an outstanding principal amount of \$42.0 million, bore interest at a fixed rate of 6.57% per annum and was scheduled to mature on September 1, 2013, resulting in a gain of debt forgiveness of \$17.7 million.
- (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.
- (10) Represents adjustment related to the impairment of the carrying values of certain of the Company's investments in unconsolidated joint ventures and certain losses related to the Company's investment in the Value-Added Fund.
- (11) On December 23, 2010, the Company sold its 5.00% equity interest in its consolidated joint venture entity that owns the retail portion at the Wisconsin Place mixed-use property located in Chevy Chase, Maryland for cash of approximately \$1.4 million, resulting in a gain on sale of real estate of \$0.6 million.

**Boston Properties, Inc.**  
**Fourth Quarter 2010**

**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 then owned by the Value-Added Fund (i.e. 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**

| <u>Property Name</u>                             | <u>Number of Buildings</u> | <u>Square Feet</u> | <u>Leased %</u> | <u>Annual Revenue per leased SF (1)</u> | <u>Mortgage Notes Payable (2)</u> |
|--|----------------------------|--------------------|-----------------|---|-----------------------------------|
| 300 Billerica Road, Chelmsford, MA               | 1                          | 110,882            | 100.0%          | \$ 9.36                                 | \$ 1,875 (3)                      |
| Mountain View Research Park, Mountain View, CA   | 16                         | 600,449            | 78.1%           | 31.09                                   | 44,244 (4)                        |
| Mountain View Technology Park, Mountain View, CA | 7                          | 135,279            | 61.1%           | 26.67                                   | 9,667 (5)                         |
| <b>Total</b>                                     | <b>24</b>                  | <b>846,610</b>     | <b>78.3%</b>    | <b>\$ 26.90</b>                         | <b>\$ 55,786</b>                  |

**Results of Operations**

(unaudited and in thousands)  
for the three months ended December 31, 2010

|   | <u>Value-Added Fund</u> |
|---|-------------------------|
| <b>REVENUE</b>                                      |                         |
| Rental  | \$ 4,477                |
| Straight-line rent                                  | (93)                    |
| Fair value lease revenue                            | 281                     |
| <b>Total revenue</b>                                | <b>4,665</b>            |
| <b>EXPENSES</b>                                     |                         |
| Operating   | 1,706                   |
| <b>SUBTOTAL</b>                                     | <b>2,959</b>            |
| Interest  | 2,063                   |
| Depreciation and amortization                       | 1,971                   |
| <b>SUBTOTAL</b>                                     | <b>4,034</b>            |
| Gain on debt forgiveness (6)                        | 17,701                  |
| Guaranty obligation                                 | —                       |
| Impairment loss                                     | —                       |
| Loss from early extinguishment of debt              | —                       |
| <b>NET INCOME</b>                                   | <b>\$ 16,626</b>        |
| BXP's share of net income                           | \$ 4,024                |
| Basis differential (7)                              | (2,989)                 |
| Impairment loss on investment                       | —                       |
| Income from Value-Added Fund                        | \$ 1,035                |
| BXP's share of depreciation & amortization          | 614                     |
| BXP's share of Funds from Operations (FFO)          | \$ 1,649                |
| <b>The Company's Equity in the Value-Added Fund</b> | <b>\$ 12,841</b>        |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

(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 variable rate of LIBOR plus 1.75% and matures on May 31, 2011. 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.

(5) The mortgage bears interest at a variable rate of LIBOR plus 1.50% and matures on March 31, 2011. 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.

(6) On October 20, 2010 the Company's Value-Added Fund conveyed the fee simple title to its One and Two Circle Star Way properties and paid approximately \$3.8 million to the lender in satisfaction of its outstanding obligations under the existing mortgage loan. The mortgage loan had an outstanding principal amount of \$42.0 million, bore interest at a fixed rate of 6.57% per annum and was scheduled to mature on September 1, 2013, resulting in a gain on debt forgiveness of \$17.7 million.

(7) Represents adjustment related to the impairment of the carrying values and a gain on investment related to the Company's investment in the Value-Added Fund.

Boston Properties, Inc.  
Fourth Quarter 2010

**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, 2010 (1) (2) (3)**

| <u>Geographic Area</u>       | <u>Square Feet<br/>Office (3)</u> | <u>% of NOI<br/>Office (4)</u> | <u>Square Feet<br/>Office/<br/>Technical</u> | <u>% of NOI<br/>Office/<br/>Technical (4)</u> | <u>Square Feet<br/>Total (3)</u> | <u>Square Feet<br/>% of Total</u> | <u>% of NOI<br/>Hotel (4)</u> | <u>% of NOI<br/>Total (4)</u> |
|------------------------------|-----------------------------------|--------------------------------|--|---|----------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| Greater Boston               | 10,231,294                        | 19.4%                          | 834,062                                      | 1.7%  | 11,065,356                       | 29.5%                             | 0.9%                          | 22.0%                         |
| Greater Washington           | 9,367,244 (5)                     | 21.9%                          | 756,325                                      | 1.0%  | 10,123,569 (5)                   | 26.9%                             | —                             | 22.9%                         |
| Greater San Francisco        | 4,980,744                         | 11.3%                          | —  | —   | 4,980,744                        | 13.3%                             | —                             | 11.3%                         |
| Midtown Manhattan            | 8,944,307 (6)                     | 41.0%                          | —  | —   | 8,944,307 (6)                    | 23.8%                             | —                             | 41.0%                         |
| Princeton/East Brunswick, NJ | 2,452,529                         | 2.8%                           | —  | —   | 2,452,529                        | 6.5%                              | —                             | 2.8%                          |
|                              | <u>35,976,118</u>                 | <u>96.4%</u>                   | <u>1,590,387</u>                             | <u>2.7%</u>                                   | <u>37,566,505</u>                | <u>100.0%</u>                     | <u>0.9%</u>                   | <u>100.0%</u>                 |
| % of Total                   | 95.8%                             |                                | 4.2%   |   | 100.0%                           |                                   |                               |                               |

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

| <u>Geographic Area</u>       | <u>CBD</u>   | <u>Suburban</u> | <u>Total</u>  |
|------------------------------|--------------|-----------------|---------------|
| Greater Boston               | 16.0%        | 6.0%            | 22.0%         |
| Greater Washington           | 8.9%         | 14.0%           | 22.9%         |
| Greater San Francisco        | 9.0%         | 2.3%            | 11.3%         |
| Midtown Manhattan            | 41.0%        | —               | 41.0%         |
| Princeton/East Brunswick, NJ | —            | 2.8%            | 2.8%          |
| Total                        | <u>74.9%</u> | <u>25.1%</u>    | <u>100.0%</u> |

| <u>Hotel Properties</u>                  |  | <u>Number of<br/>Rooms</u>  | <u>Square<br/>Feet</u> |
|--|--|-----------------------------|------------------------|
| <u>Hotel Properties</u>                  |  |                             |                        |
| Cambridge Center Marriott, Cambridge, MA |  | 433                         | 330,400                |
| Total Hotel Properties                   |  | <u>433</u>                  | <u>330,400</u>         |
| <u>Structured Parking</u>                |  | <u>Number of<br/>Spaces</u> | <u>Square<br/>Feet</u> |
| Total Structured Parking                 |  | <u>40,664</u>               | <u>13,650,302</u>      |

- (1) For disclosures relating to our definition of In-Service Properties, see page 50.
- (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 42. For disclosures relating to our use of Portfolio NOI see page 50.
- (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 586,950 square feet at Metropolitan Square which is 51% owned by Boston Properties, 402,740 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, 321,943 square feet at 505 9th Street, N.W. which is 50% owned by Boston Properties, 117,599 square feet at Annapolis Junction which is 50% owned by Boston Properties and 175,698 square feet at 500 North Capitol which is 30% owned by Boston Properties.
- (6) Includes 1,803,465 square feet at the General Motors Building, 581,267 square feet at 125 West 55th Street, 646,227 square feet at Two Grand Central Tower and 288,580 square feet at 540 Madison Avenue, each of which is 60% owned by Boston Properties.

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In-Service Property Listing  
as of December 31, 2010

|                              | Sub Market                                    | Number of Buildings        | Square Feet | Leased %          | Annualized Revenue Per Leased SF (\$) | Encumbered with secured debt (Y/N) | Central Business District (CBD) or Suburban (S) |
|------------------------------|---|----------------------------|-------------|-------------------|---------------------------------------|------------------------------------|---|
| <b>Greater Boston</b>        |   |                            |             |                   |                                       |                                    |   |
| <b>Office</b>                |   |                            |             |                   |                                       |                                    |   |
| (2)                          | John Hancock Tower                            | CBD Boston MA              | 1,693,553   | 96.6%             | \$ 48.09                              | Y                                  | CBD   |
|                              | 800 Boylston Street - The Prudential Center   | CBD Boston MA              | 1,226,475   | 90.9%             | 47.92                                 | N                                  | CBD   |
|                              | 111 Huntington Avenue - The Prudential Center | CBD Boston MA              | 859,641     | 94.2%             | 61.04                                 | N                                  | CBD   |
|                              | 101 Huntington Avenue - The Prudential Center | CBD Boston MA              | 505,939     | 100.0%            | 41.20                                 | N                                  | CBD   |
|                              | The Shops at the Prudential Center            | CBD Boston MA              | 510,405     | 98.5%             | 71.26                                 | N                                  | CBD   |
|                              | Shaws Supermarket at the Prudential Center    | CBD Boston MA              | 57,235      | 100.0%            | 49.44                                 | N                                  | CBD   |
|                              | One Cambridge Center                          | East Cambridge MA          | 215,573     | 90.4%             | 40.96                                 | N                                  | CBD   |
|                              | Three Cambridge Center                        | East Cambridge MA          | 108,152     | 43.0%             | 21.91                                 | N                                  | CBD   |
|                              | Four Cambridge Center                         | East Cambridge MA          | 199,131     | 58.6%             | 43.05                                 | N                                  | CBD   |
|                              | Five Cambridge Center                         | East Cambridge MA          | 240,480     | 100.0%            | 45.96                                 | N                                  | CBD   |
|                              | Eight Cambridge Center                        | East Cambridge MA          | 177,226     | 100.0%            | 40.92                                 | N                                  | CBD   |
|                              | Ten Cambridge Center                          | East Cambridge MA          | 152,664     | 100.0%            | 44.56                                 | N                                  | CBD   |
|                              | Eleven Cambridge Center                       | East Cambridge MA          | 79,616      | 100.0%            | 48.59                                 | N                                  | CBD   |
|                              | University Place                              | Mid-Cambridge MA           | 195,282     | 100.0%            | 40.50                                 | Y                                  | CBD   |
|                              | Reservoir Place                               | Route 128 Mass Turnpike MA | 526,080     | 79.5%             | 32.43                                 | Y                                  | S   |
|                              | Reservoir Place North                         | Route 128 Mass Turnpike MA | 73,258      | 100.0%            | 29.15                                 | N                                  | S   |
|                              | 140 Kendrick Street                           | Route 128 Mass Turnpike MA | 380,987     | 100.0%            | 27.50                                 | Y                                  | S   |
|                              | 230 CityPoint                                 | Route 128 Mass Turnpike MA | 299,944     | 95.8%             | 34.38                                 | N                                  | S   |
|                              | 77 CityPoint                                  | Route 128 Mass Turnpike MA | 209,707     | 100.0%            | 42.81                                 | N                                  | S   |
| (3)                          | Waltham Office Center                         | Route 128 Mass Turnpike MA | 67,005      | 38.3%             | 16.47                                 | N                                  | S   |
|                              | 195 West Street                               | Route 128 Mass Turnpike MA | 63,500      | 100.0%            | 37.99                                 | N                                  | S   |
|                              | 200 West Street                               | Route 128 Mass Turnpike MA | 255,378     | 29.0%             | 33.72                                 | N                                  | S   |
| (2)                          | Weston Corporate Center                       | Route 128 Mass Turnpike MA | 356,367     | 100.0%            | 40.22                                 | N                                  | S   |
|                              | Waltham Weston Corporate Center               | Route 128 Mass Turnpike MA | 306,789     | 76.3%             | 37.00                                 | N                                  | S   |
|                              | 10 & 20 Burlington Mall Road                  | Route 128 Northwest MA     | 152,097     | 88.9%             | 25.04                                 | N                                  | S   |
|                              | Bedford Business Park                         | Route 128 Northwest MA     | 92,207      | 100.0%            | 28.09                                 | N                                  | S   |
|                              | 32 Hartwell Avenue                            | Route 128 Northwest MA     | 69,154      | 100.0%            | 25.99                                 | N                                  | S   |
|                              | 91 Hartwell Avenue                            | Route 128 Northwest MA     | 121,425     | 77.3%             | 20.42                                 | N                                  | S   |
|                              | 92 Hayden Avenue                              | Route 128 Northwest MA     | 31,100      | 100.0%            | 35.94                                 | N                                  | S   |
|                              | 100 Hayden Avenue                             | Route 128 Northwest MA     | 55,924      | 100.0%            | 34.22                                 | N                                  | S   |
|                              | 33 Hayden Avenue                              | Route 128 Northwest MA     | 80,128      | 100.0%            | 32.84                                 | N                                  | S   |
|                              | Lexington Office Park                         | Route 128 Northwest MA     | 166,745     | 77.3%             | 27.10                                 | N                                  | S   |
|                              | 191 Spring Street                             | Route 128 Northwest MA     | 158,900     | 100.0%            | 31.35                                 | N                                  | S   |
|                              | 181 Spring Street                             | Route 128 Northwest MA     | 55,793      | 60.4%             | 31.61                                 | N                                  | S   |
|                              | 201 Spring Street                             | Route 128 Northwest MA     | 106,300     | 100.0%            | 34.79                                 | N                                  | S   |
|                              | 40 Shattuck Road                              | Route 128 Northwest MA     | 121,216     | 75.9%             | 21.30                                 | N                                  | S   |
|                              | Quorum Office Park                            | Route 128 Northwest MA     | 259,918     | 100.0%            | 24.33                                 | N                                  | S   |
|                              |   |                            | 42          | 10,231,294        | 90.8%                                 | \$ 43.25                           |   |
| <b>Office/Technical</b>      |   |                            |             |                   |                                       |                                    |   |
|                              | Seven Cambridge Center                        | East Cambridge MA          | 231,028     | 100.0%            | \$ 83.83                              | N                                  | CBD   |
|                              | Fourteen Cambridge Center                     | East Cambridge MA          | 67,362      | 100.0%            | 24.72                                 | N                                  | CBD   |
| (3)                          | 103 Fourth Avenue                             | Route 128 Mass Turnpike MA | 62,476      | 58.5%             | 10.48                                 | N                                  | S   |
|                              | Bedford Business Park                         | Route 128 Northwest MA     | 379,056     | 62.7%             | 20.49                                 | N                                  | S   |
|                              | 17 Hartwell Avenue                            | Route 128 Northwest MA     | 30,000      | 100.0%            | 15.25                                 | N                                  | S   |
|                              | 164 Lexington Road                            | Route 128 Northwest MA     | 64,140      | 0.0%              | —                                     | N                                  | S   |
|                              |   |                            | 7           | 834,062           | 72.3%                                 | \$ 44.38                           |   |
| <b>Total Greater Boston:</b> |   |                            | <b>49</b>   | <b>11,065,356</b> | <b>89.4%</b>                          | <b>\$ 43.31</b>                    |   |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

(2) Not included in Same Property analysis.

(3) Property held for redevelopment.



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In-Service Property Listing (continued)  
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|                                  | 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) |
|----------------------------------|---|-------------------------|-------------|-------------------|--------------------------------------|------------------------------------|---|
| <b>Greater Washington, DC</b>    |   |                         |             |                   |                                      |                                    |   |
| <b>Office</b>                    |   |                         |             |                   |                                      |                                    |   |
|                                  | Capital Gallery                             | Southwest Washington DC | 1           | 621,009           | 100.0%                               | \$ 48.53                           | N CBD   |
|                                  | 500 E Street, S. W.                         | Southwest Washington DC | 1           | 248,336           | 100.0%                               | 44.13                              | N CBD   |
|                                  | Metropolitan Square (51% ownership)         | East End Washington DC  | 1           | 586,950           | 96.2%                                | 52.64                              | Y CBD   |
|                                  | 1301 New York Avenue                        | East End Washington DC  | 1           | 188,357           | 100.0%                               | 46.14                              | N CBD   |
|                                  | Market Square North (50% ownership)         | East End Washington DC  | 1           | 402,740           | 90.9%                                | 54.89                              | Y CBD   |
| (2)(3)                           | 500 North Capitol (30% ownership)           | CBD Washington DC       | 1           | 175,698           | 100.0%                               | 43.03                              | Y CBD   |
|                                  | 505 9th Street, N.W. (50% ownership)        | CBD Washington DC       | 1           | 321,943           | 96.0%                                | 63.31                              | Y CBD   |
|                                  | 901 New York Avenue (25% ownership)         | CBD Washington DC       | 1           | 539,229           | 99.8%                                | 60.60                              | Y CBD   |
|                                  | 1333 New Hampshire Avenue                   | CBD Washington DC       | 1           | 315,371           | 100.0%                               | 48.93                              | N CBD   |
|                                  | 1330 Connecticut Avenue                     | CBD Washington DC       | 1           | 252,136           | 98.3%                                | 57.07                              | N CBD   |
| (3)                              | 635 Massachusetts Avenue                    | CBD Washington DC       | 1           | 211,000           | 100.0%                               | 28.31                              | N CBD   |
|                                  | Sumner Square                               | CBD Washington DC       | 1           | 208,665           | 93.7%                                | 46.37                              | Y CBD   |
|                                  | Annapolis Junction (50% ownership)          | Arundel County, MD      | 1           | 117,599           | 100.0%                               | 141.07                             | Y S   |
|                                  | Montvale Center                             | Montgomery County MD    | 1           | 123,392           | 79.3%                                | 26.73                              | Y S   |
|                                  | One Preserve Parkway                        | Montgomery County MD    | 1           | 183,734           | 76.7%                                | 35.18                              | N S   |
|                                  | 2600 Tower Oaks Boulevard                   | Montgomery County MD    | 1           | 178,865           | 87.8%                                | 37.85                              | N S   |
|                                  | Wisconsin Place                             | Montgomery County MD    | 1           | 299,186           | 96.5%                                | 46.21                              | N S   |
|                                  | Democracy Tower                             | Fairfax County VA       | 1           | 235,436           | 100.0%                               | 46.12                              | N S   |
|                                  | Kingstowne One                              | Fairfax County VA       | 1           | 150,838           | 90.6%                                | 37.03                              | Y S   |
|                                  | Kingstowne Two                              | Fairfax County VA       | 1           | 156,251           | 98.2%                                | 38.11                              | Y S   |
|                                  | Kingstowne Retail                           | Fairfax County VA       | 1           | 88,288            | 100.0%                               | 32.62                              | Y S   |
|                                  | One Freedom Square                          | Fairfax County VA       | 1           | 423,922           | 95.6%                                | 41.56                              | Y S   |
|                                  | Two Freedom Square                          | Fairfax County VA       | 1           | 421,142           | 96.7%                                | 43.43                              | N S   |
|                                  | One Reston Overlook                         | Fairfax County VA       | 1           | 312,685           | 100.0%                               | 31.28                              | N S   |
|                                  | Two Reston Overlook                         | Fairfax County VA       | 1           | 134,615           | 91.8%                                | 33.17                              | N S   |
|                                  | One and Two Discovery Square                | Fairfax County VA       | 2           | 366,990           | 95.3%                                | 43.83                              | N S   |
|                                  | New Dominion Technology Park - Building One | Fairfax County VA       | 1           | 235,201           | 100.0%                               | 33.12                              | Y S   |
|                                  | New Dominion Technology Park - Building Two | Fairfax County VA       | 1           | 257,400           | 100.0%                               | 39.01                              | Y S   |
|                                  | Reston Corporate Center                     | Fairfax County VA       | 2           | 261,046           | 100.0%                               | 35.15                              | N S   |
|                                  | South of Market                             | Fairfax County VA       | 3           | 647,682           | 99.7%                                | 45.06                              | N S   |
|                                  | 12290 Sunrise Valley                        | Fairfax County VA       | 1           | 182,424           | 100.0%                               | 38.25                              | N S   |
| (3)                              | 12300 Sunrise Valley                        | Fairfax County VA       | 1           | 255,244           | 100.0%                               | 45.98                              | N S   |
| (3)                              | 12310 Sunrise Valley                        | Fairfax County VA       | 1           | 263,870           | 100.0%                               | 46.36                              | N S   |
|                                  |   |                         | <u>37</u>   | <u>9,367,244</u>  | <u>97.1%</u>                         | <u>\$ 46.48</u>                    |   |
| <b>Office/Technical</b>          |   |                         |             |                   |                                      |                                    |   |
| (3)                              | 6601 Springfield Center Drive               | Fairfax County VA       | 1           | 26,388            | 100.0%                               | \$ 11.33                           | N S   |
|                                  | 7435 Boston Boulevard                       | Fairfax County VA       | 1           | 103,557           | 100.0%                               | 20.57                              | N S   |
|                                  | 7451 Boston Boulevard                       | Fairfax County VA       | 1           | 47,001            | 100.0%                               | 22.68                              | N S   |
|                                  | 7450 Boston Boulevard                       | Fairfax County VA       | 1           | 62,402            | 100.0%                               | 20.32                              | N S   |
|                                  | 7374 Boston Boulevard                       | Fairfax County VA       | 1           | 57,321            | 100.0%                               | 16.46                              | N S   |
|                                  | 8000 Grainger Court                         | Fairfax County VA       | 1           | 88,775            | 100.0%                               | 20.05                              | N S   |
|                                  | 7500 Boston Boulevard                       | Fairfax County VA       | 1           | 79,971            | 100.0%                               | 15.07                              | N S   |
|                                  | 7501 Boston Boulevard                       | Fairfax County VA       | 1           | 75,756            | 100.0%                               | 25.00                              | 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%                               | 20.93                              | N S   |
|                                  | 8000 Corporate Court                        | Fairfax County VA       | 1           | 52,539            | 100.0%                               | 20.58                              | N S   |
|                                  | 7300 Boston Boulevard                       | Fairfax County VA       | 1           | 32,000            | 100.0%                               | 27.52                              | N S   |
|                                  |   |                         | <u>12</u>   | <u>756,325</u>    | <u>100.0%</u>                        | <u>\$ 19.31</u>                    |   |
| <b>Total Greater Washington:</b> |   |                         | <u>49</u>   | <u>10,123,569</u> | <u>97.3%</u>                         | <u>\$ 44.40</u>                    |   |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 50.  
(2) Not included in Same Property analysis.  
(3) Property held for redevelopment.

**Boston Properties, Inc.**  
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**In-Service Property Listing (continued)**  
**as of December 31, 2010**

|   | <b>Sub Market</b>                          | <b>Number of Buildings</b> | <b>Square Feet</b> | <b>Leased %</b> | <b>Annualized Revenue Per Leased SF (1)</b> | <b>Encumbered with secured debt (Y/N)</b> | <b>Central Business District (CBD) or Suburban (S)</b> |
|---|--|----------------------------|--------------------|-----------------|---|---|--|
| <b>Midtown Manhattan</b>                |  |                            |                    |                 |   |   |  |
| Office                                  |  |                            |                    |                 |   |   |  |
| 599 Lexington Avenue                    | Park Avenue NY                             | 1                          | 1,043,649          | 98.3%           | \$ 79.28                                    | Y   | CBD  |
| 601 Lexington Avenue                    | Park Avenue NY                             | 1                          | 1,629,685          | 96.0%           | 82.83                                       | Y   | CBD  |
| 399 Park Avenue                         | Park Avenue NY                             | 1                          | 1,707,476          | 98.8%           | 80.20                                       | N   | CBD  |
| Times Square Tower                      | Times Square NY                            | 1                          | 1,243,958          | 99.1%           | 72.54                                       | N   | CBD  |
| General Motors Building (60% ownership) | Plaza District NY                          | 1                          | 1,803,465          | 98.4%           | 114.11                                      | Y   | CBD  |
| 540 Madison Avenue (60% ownership)      | Plaza District NY                          | 1                          | 288,580            | 95.6%           | 101.29                                      | Y   | CBD  |
| 125 West 55th Street (60% ownership)    | Sixth/Rock Center NY                       | 1                          | 581,267            | 100.0%          | 66.58                                       | Y   | CBD  |
| Two Grand Central Tower (60% ownership) | Grand Central District NY                  | 1                          | 646,227            | 80.6%           | 57.93                                       | Y   | CBD  |
|   | <b>Total Midtown Manhattan:</b>            | <b>8</b>                   | <b>8,944,307</b>   | <b>96.9%</b>    | <b>\$ 84.86</b>                             |   |  |
| <b>Princeton/East Brunswick, NJ</b>     |  |                            |                    |                 |   |   |  |
| Office                                  |  |                            |                    |                 |   |   |  |
| 101 Carnegie Center                     | Princeton NJ                               | 1                          | 123,659            | 87.7%           | \$ 28.75                                    | N   | S  |
| 104 Carnegie Center                     | Princeton NJ                               | 1                          | 102,830            | 97.2%           | 35.13                                       | N   | S  |
| 105 Carnegie Center                     | Princeton NJ                               | 1                          | 69,955             | 55.3%           | 28.15                                       | N   | S  |
| 201 Carnegie Center                     | Princeton NJ                               | —                          | 6,500              | 100.0%          | 30.57                                       | N   | S  |
| 202 Carnegie Center                     | Princeton NJ                               | 1                          | 130,582            | 78.4%           | 33.32                                       | N   | S  |
| 206 Carnegie Center                     | Princeton NJ                               | 1                          | 161,763            | 100.0%          | 33.85                                       | N   | S  |
| 210 Carnegie Center                     | Princeton NJ                               | 1                          | 162,368            | 92.8%           | 36.40                                       | N   | S  |
| 211 Carnegie Center                     | Princeton NJ                               | 1                          | 47,025             | 100.0%          | 32.27                                       | N   | S  |
| 212 Carnegie Center                     | Princeton NJ                               | 1                          | 149,354            | 82.0%           | 36.14                                       | N   | S  |
| 214 Carnegie Center                     | Princeton NJ                               | 1                          | 150,774            | 75.1%           | 33.07                                       | N   | S  |
| 302 Carnegie Center                     | Princeton NJ                               | 1                          | 64,926             | 65.1%           | 29.90                                       | N   | S  |
| 502 Carnegie Center                     | Princeton NJ                               | 1                          | 118,120            | 82.1%           | 34.94                                       | N   | S  |
| 504 Carnegie Center                     | Princeton NJ                               | 1                          | 121,990            | 100.0%          | 30.03                                       | N   | S  |
| 506 Carnegie Center                     | Princeton NJ                               | 1                          | 145,213            | 100.0%          | 34.32                                       | N   | S  |
| 508 Carnegie Center                     | Princeton NJ                               | 1                          | 128,662            | 57.8%           | 33.00                                       | N   | S  |
| 510 Carnegie Center                     | Princeton NJ                               | 1                          | 234,160            | 100.0%          | 29.38                                       | N   | S  |
| (2) 701 Carnegie Center                 | Princeton NJ                               | 1                          | 120,000            | 100.0%          | 36.32                                       | N   | S  |
|   |  | <b>16</b>                  | <b>2,037,881</b>   | <b>87.6%</b>    | <b>\$ 33.01</b>                             |   |  |
| One Tower Center                        | East Brunswick NJ                          | 1                          | 414,648            | 47.2%           | \$ 30.25                                    | N   | S  |
|   |  | <b>1</b>                   | <b>414,648</b>     | <b>47.2%</b>    | <b>\$ 30.25</b>                             |   |  |
|   | <b>Total Princeton/East Brunswick, NJ:</b> | <b>17</b>                  | <b>2,452,529</b>   | <b>80.8%</b>    | <b>\$ 32.74</b>                             |   |  |
| <b>Greater San Francisco</b>            |  |                            |                    |                 |   |   |  |
| Office                                  |  |                            |                    |                 |   |   |  |
| Embarcadero Center One                  | CBD San Francisco CA                       | 1                          | 833,723            | 84.1%           | \$ 47.36                                    | N   | CBD  |
| Embarcadero Center Two                  | CBD San Francisco CA                       | 1                          | 779,583            | 97.2%           | 50.88                                       | N   | CBD  |
| Embarcadero Center Three                | CBD San Francisco CA                       | 1                          | 775,086            | 92.7%           | 42.22                                       | N   | CBD  |
| Embarcadero Center Four                 | CBD San Francisco CA                       | 1                          | 936,791            | 93.6%           | 62.61                                       | Y   | CBD  |
|   |  | <b>4</b>                   | <b>3,325,183</b>   | <b>91.8%</b>    | <b>\$ 51.34</b>                             |   |  |
| 611 Gateway                             | South San Francisco CA                     | 1                          | 256,302            | 100.0%          | \$ 34.54                                    | N   | S  |
| 601 and 651 Gateway                     | South San Francisco CA                     | 2                          | 506,224            | 96.2%           | 33.16                                       | N   | S  |
| 303 Almaden                             | San Jose CA                                | 1                          | 158,499            | 90.8%           | 34.89                                       | N   | CBD  |
| (3) North First Business Park           | San Jose CA                                | 5                          | 190,636            | 75.8%           | 16.69                                       | N   | S  |
| 3200 Zanker Road                        | San Jose CA                                | 4                          | 543,900            | 100.0%          | 15.13                                       | N   | S  |
|   |  | <b>13</b>                  | <b>1,655,561</b>   | <b>95.2%</b>    | <b>\$ 25.81</b>                             |   |  |
|   | <b>Total Greater San Francisco:</b>        | <b>17</b>                  | <b>4,980,744</b>   | <b>92.9%</b>    | <b>\$ 42.61</b>                             |   |  |
|   | <b>Total In-Service Properties:</b>        | <b>140</b>                 | <b>37,566,505</b>  | <b>93.2%</b>    | <b>\$ 53.21</b>                             |   |  |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 50.  
(2) Not included in Same Property analysis.  
(3) Property held for redevelopment.

TOP 20 TENANTS LISTING AND PORTFOLIO TENANT DIVERSIFICATION

TOP 20 TENANTS BY SQUARE FEET LEASED

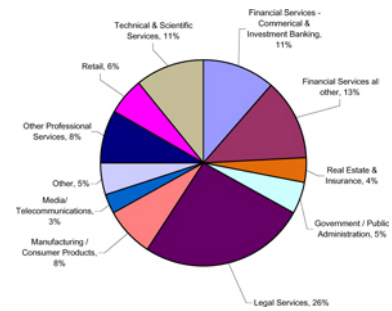
|    | Tenant                           | Sq. Ft.       | % of Portfolio |
|----|----------------------------------|---------------|----------------|
| 1  | US Government                    | 1,974,528 (1) | 5.26%          |
| 2  | Citibank                         | 1,047,695 (2) | 2.79%          |
| 3  | Lockheed Martin                  | 1,029,935     | 2.74%          |
| 4  | Kirkland & Ellis                 | 648,566 (3)   | 1.73%          |
| 5  | Genentech                        | 640,271       | 1.70%          |
| 6  | Biogen                           | 576,393       | 1.53%          |
| 7  | Ropes & Gray                     | 528,931       | 1.41%          |
| 8  | O'Melveny & Myers                | 511,659       | 1.36%          |
| 9  | Bain Capital                     | 476,653       | 1.27%          |
| 10 | Shearman & Sterling              | 472,808       | 1.26%          |
| 11 | Manulife                         | 467,178       | 1.24%          |
| 12 | Weil Gotshal Manges              | 444,982 (4)   | 1.18%          |
| 13 | State Street Bank and Trust      | 408,552       | 1.09%          |
| 14 | Parametric Technology            | 380,987       | 1.01%          |
| 15 | Microsoft                        | 342,478       | 0.91%          |
| 16 | Ann Taylor                       | 338,942       | 0.90%          |
| 17 | Finnegan Henderson Farabow       | 336,396 (5)   | 0.90%          |
| 18 | Northrop Grumman                 | 323,097       | 0.86%          |
| 19 | Accenture                        | 310,312       | 0.83%          |
| 20 | Bingham McCutchen                | 301,385       | 0.80%          |
|    | Total % of Portfolio Square Feet |               | 30.78%         |
|    | Total % of Portfolio Revenue     |               | 31.95%         |

Notable Signed Deals (6)

| Tenant                                      | Property                     | Sq. Ft.    |
|---|------------------------------|------------|
| Wellington Management                       | Atlantic Wharf               | 454,000(7) |
| Defense Intelligence Agency (US Government) | 12300 & 12310 Sunrise Valley | 523,000    |
| Massachusetts Financial Services (MFS)      | 111 Huntington Avenue        | 279,000    |
| Zoll Medical                                | Quorum Office Park           | 220,738    |
| Hunton & Williams LLP                       | 2200 Pennsylvania Avenue     | 189,806    |
| McDermott Will & Emery                      | 500 North Capital            | 171,000    |

- (1) Includes 36,126, 68,173, 75,074 & 175,698 square feet of space in properties in which Boston Properties has a 60%, 51%, 50% & 30% interest, respectively.
- (2) Includes 10,080 & 2,761 square feet of space in properties in which Boston Properties has a 60% and 51% interest, respectively.
- (3) Includes 256,904 square feet of space in a property in which Boston Properties has a 51% interest.
- (4) All space is in a property in which Boston Properties has a 60% interest.
- (5) Includes 266,539 square feet of space in a property in which Boston Properties has a 25% interest.
- (6) Represents leases signed with occupancy commencing in the future.
- (7) Tenant began occupancy in January 2011.

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.

Boston Properties, Inc.  
Fourth Quarter 2010

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 |
|--------------------------|--|---|--|--|---|---------------------------------|
| 2011                     | 2,256,456  | \$ 108,860,400                                    | 48.24  | \$ 109,027,276   | 48.32   | 6.56%                           |
| 2012                     | 2,516,331  | 133,143,758                                       | 52.91  | 130,678,843  | 51.93   | 7.32%                           |
| 2013                     | 1,696,044  | 71,162,648  | 41.96  | 72,952,897   | 43.01   | 4.93%                           |
| 2014                     | 3,372,278  | 134,873,894                                       | 39.99  | 145,915,616  | 43.27   | 9.81%                           |
| 2015                     | 2,997,522  | 148,324,079                                       | 49.48  | 160,696,671  | 53.61   | 8.72%                           |
| 2016                     | 2,713,265  | 134,332,543                                       | 49.51  | 145,040,373  | 53.46   | 7.89%                           |
| 2017                     | 3,196,938  | 210,962,855                                       | 65.99  | 226,797,902  | 70.94   | 9.30%                           |
| 2018                     | 703,551  | 49,473,294  | 70.32  | 54,831,358   | 77.94   | 2.05%                           |
| 2019                     | 2,972,745  | 170,226,476                                       | 57.26  | 189,982,321  | 63.91   | 8.65%                           |
| 2020                     | 2,699,017  | 158,696,636                                       | 58.80  | 177,971,365  | 65.94   | 7.85%                           |
| Thereafter               | 6,362,396  | 373,058,543                                       | 58.63  | 438,465,018  | 68.92   | 18.51%                          |

Occupancy By Location (3)

| Location                     | CBD       |           | Suburban  |           | Total     |           |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                              | 31-Dec-10 | 31-Dec-09 | 31-Dec-10 | 31-Dec-09 | 31-Dec-10 | 31-Dec-09 |
| Midtown Manhattan            | 96.9%     | 95.4%     | n/a       | n/a       | 96.9%     | 95.4%     |
| Greater Boston               | 93.7%     | 95.9%     | 86.3%     | 85.1%     | 90.8%     | 91.0%     |
| Greater Washington           | 97.8%     | 99.4%     | 96.6%     | 93.2%     | 97.1%     | 95.8%     |
| Greater San Francisco        | 91.8%     | 91.0%     | 95.6%     | 91.3%     | 92.9%     | 91.1%     |
| Princeton/East Brunswick, NJ | n/a       | n/a       | 80.8%     | 81.7%     | 80.8%     | 81.7%     |
| Total Portfolio              | 95.4%     | 95.5%     | 90.4%     | 88.5%     | 93.6%     | 92.8%     |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

(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 |
|--------------------------|--|---|--|--|---|---------------------------------|
| 2011                     | 264,668  | \$ 4,202,372                                      | \$ 15.88   | \$ 4,223,493   | \$ 15.96  | 16.64%                          |
| 2012                     | 185,359  | 4,025,245   | 21.72  | 4,083,972  | 22.03   | 11.65%                          |
| 2013                     | 7,479  | 148,517   | 19.86  | 154,497  | 20.66   | 0.47%                           |
| 2014                     | 258,020  | 4,724,309   | 18.31  | 4,943,701  | 19.16   | 16.22%                          |
| 2015                     | 166,224  | 3,906,039   | 23.50  | 3,981,647  | 23.95   | 10.45%                          |
| 2016                     | 225,532  | 18,991,330  | 84.21  | 19,291,288   | 85.54   | 14.18%                          |
| 2017                     | —  | —   | —  | —  | —   | 0.00%                           |
| 2018                     | —  | —   | —  | —  | —   | 0.00%                           |
| 2019                     | —  | —   | —  | —  | —   | 0.00%                           |
| 2020                     | 157,776  | 3,255,634   | 20.63  | 3,334,522  | 21.13   | 9.92%                           |
| Thereafter               | 80,000   | 1,616,032   | 20.20  | 1,856,032  | 23.20   | 5.03%                           |

Occupancy By Location

| Location                     | CBD       |           | Suburban  |           | Total     |           |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                              | 31-Dec-10 | 31-Dec-09 | 31-Dec-10 | 31-Dec-09 | 31-Dec-10 | 31-Dec-09 |
| Midtown Manhattan            | n/a       | n/a       | n/a       | n/a       | n/a       | n/a       |
| Greater Boston               | 100.0%    | 100.0%    | 56.8%     | 61.5%     | 72.3%     | 75.3%     |
| Greater Washington           | n/a       | n/a       | 100.0%    | 91.6%     | 100.0%    | 91.6%     |
| 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%    | 82.1%     | 79.8%     | 85.5%     | 83.4%     |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

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

Boston Properties, Inc.  
Fourth Quarter 2010

IN-SERVICE RETAIL PROPERTIES

Lease Expirations (1) (2)

| <u>Year of Lease Expiration</u> | <u>Rentable Square Footage Subject to Expiring Leases</u> | <u>Current Annualized Revenues Under Expiring Leases</u> | <u>Current Annualized Revenues Under Expiring Leases p.s.f.</u> | <u>Annualized Revenues Under Expiring Leases with future step-ups</u> | <u>Annualized Revenues Under Expiring Leases with future step-ups - - p.s.f.</u> | <u>Percentage of Total Square Feet</u> |
|---------------------------------|---|--|---|---|--|--|
| 2011                            | 59,726  | \$ 5,364,091   | \$ 89.81  | \$ 5,051,195  | \$ 84.57   | 3.73%                                  |
| 2012                            | 164,976   | 10,935,544   | 66.29   | 10,936,820  | 66.29  | 10.29%                                 |
| 2013                            | 73,391  | 6,329,479  | 86.24   | 6,391,690   | 87.09  | 4.58%                                  |
| 2014                            | 53,902  | 4,976,768  | 92.33   | 5,188,389   | 96.26  | 3.36%                                  |
| 2015                            | 145,287   | 12,967,609   | 89.26   | 14,151,040  | 97.40  | 9.07%                                  |
| 2016                            | 169,398   | 20,927,917   | 123.54  | 22,322,708  | 131.78   | 10.57%                                 |
| 2017                            | 108,949   | 6,820,792  | 62.61   | 7,285,593   | 66.87  | 6.80%                                  |
| 2018                            | 232,022   | 10,613,387   | 45.74   | 11,207,418  | 48.30  | 14.48%                                 |
| 2019                            | 55,477  | 3,737,117  | 67.36   | 4,303,991   | 77.58  | 3.46%                                  |
| 2020                            | 103,161   | 4,573,000  | 44.33   | 5,534,959   | 53.65  | 6.44%                                  |
| Thereafter                      | 436,300   | 26,655,721   | 61.09   | 32,682,444  | 74.91  | 27.22%                                 |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

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

**Boston Properties, Inc.**  
**Fourth Quarter 2010**  
**GRAND TOTAL OF ALL**  
**IN-SERVICE PROPERTIES**

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

| <u>Year of Lease Expiration</u> | <u>Rentable Square Footage Subject to Expiring Leases</u> | <u>Current Annualized Revenues Under Expiring Leases</u> | <u>Current Annualized Revenues Under Expiring Leases p.s.f.</u> | <u>Annualized Revenues Under Expiring Leases with future step-ups</u> | <u>Annualized Revenues Under Expiring Leases with future step-ups - - p.s.f.</u> | <u>Percentage of Total Square Feet</u> |
|---------------------------------|---|--|---|---|--|--|
| 2011                            | 2,580,850   | \$ 118,426,863   | \$ 45.89  | \$ 118,301,963  | \$ 45.84   | 6.9%                                   |
| 2012                            | 2,866,666   | 148,104,547  | 51.66   | 145,699,635   | 50.83  | 7.6%                                   |
| 2013                            | 1,776,914   | 77,640,644   | 43.69   | 79,499,084  | 44.74  | 4.7%                                   |
| 2014                            | 3,684,200   | 144,574,970  | 39.24   | 156,047,706   | 42.36  | 9.8%                                   |
| 2015                            | 3,309,033   | 165,197,728  | 49.92   | 178,829,358   | 54.04  | 8.8%                                   |
| 2016                            | 3,108,195   | 174,251,791  | 56.06   | 186,654,369   | 60.05  | 8.3%                                   |
| 2017                            | 3,305,887   | 217,783,647  | 65.88   | 234,083,494   | 70.81  | 8.8%                                   |
| 2018                            | 935,573   | 60,086,681   | 64.22   | 66,038,776  | 70.59  | 2.5%                                   |
| 2019                            | 3,028,222   | 173,963,593  | 57.45   | 194,286,312   | 64.16  | 8.1%                                   |
| 2020                            | 2,959,954   | 166,525,270  | 56.26   | 186,840,846   | 63.12  | 7.9%                                   |
| Thereafter                      | 6,878,696   | 401,330,296  | 58.34   | 473,003,494   | 68.76  | 18.3%                                  |

**Occupancy By Location**

| <u>Location</u>              | <u>CBD</u>       |                  | <u>Suburban</u>  |                  | <u>Total</u>     |                  |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                              | <u>31-Dec-10</u> | <u>31-Dec-09</u> | <u>31-Dec-10</u> | <u>31-Dec-09</u> | <u>31-Dec-10</u> | <u>31-Dec-09</u> |
| Midtown Manhattan            | 96.9%            | 95.4%            | n/a              | n/a              | 96.9%            | 95.4%            |
| Greater Boston               | 94.0%            | 96.2%            | 82.8%            | 82.1%            | 89.4%            | 89.6%            |
| Greater Washington           | 97.8%            | 99.4%            | 97.0%            | 93.0%            | 97.3%            | 95.5%            |
| Greater San Francisco        | 91.8%            | 91.0%            | 95.6%            | 91.3%            | 92.9%            | 91.1%            |
| Princeton/East Brunswick, NJ | n/a              | n/a              | 80.8%            | 81.7%            | 80.8%            | 81.7%            |
| Total Portfolio              | 95.4%            | 95.6%            | 89.7%            | 87.7%            | 93.2%            | 92.4%            |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

(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)

| Year of Lease Expiration | 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 |
| 2011                     | 394,213  | \$ 12,322,031                                     | \$ 31.26        | \$ 12,271,831  | \$ 31.13        | 36,528   | \$ 382,732  | \$ 10.48        | \$ 382,732   | \$ 10.48        |
| 2012                     | 694,423  | 27,445,701  | 39.52           | 26,738,062   | 38.50           | 67,362   | 1,665,183   | 24.72           | 1,665,183  | 24.72           |
| 2013                     | 625,404  | 26,250,205  | 41.97           | 27,145,913   | 43.41           | —  | —   | —               | —  | —               |
| 2014                     | 1,027,291  | 37,389,533  | 36.40           | 38,996,054   | 37.96           | 30,000   | 457,500   | 15.25           | 457,500  | 15.25           |
| 2015                     | 1,239,812  | 54,665,496  | 44.09           | 56,756,216   | 45.78           | —  | —   | —               | —  | —               |
| 2016                     | 492,443  | 17,355,475  | 35.24           | 18,803,528   | 38.18           | 225,532  | 18,991,330  | 84.21           | 19,291,288   | 85.54           |
| 2017                     | 446,115  | 18,553,209  | 41.59           | 20,631,104   | 46.25           | —  | —   | —               | —  | —               |
| 2018                     | 132,757  | 7,292,783   | 54.93           | 7,606,758  | 57.30           | —  | —   | —               | —  | —               |
| 2019                     | 633,550  | 28,474,845  | 44.94           | 30,879,080   | 48.74           | —  | —   | —               | —  | —               |
| 2020                     | 192,260  | 8,503,542   | 44.23           | 9,396,785  | 48.88           | 157,776  | 3,255,634   | 20.63           | 3,334,522  | 21.13           |
| Thereafter               | 2,515,201  | 116,669,322                                       | 46.39           | 126,482,616  | 50.29           | 80,000   | 1,616,032   | 20.20           | 1,856,032  | 23.20           |

| Year of Lease Expiration | 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 |
| 2011                     | 18,740   | \$ 3,701,340                                      | \$ 197.51       | \$ 3,376,443   | \$ 180.17 (3)   | 449,481  | \$ 16,406,102                                     | \$ 36.50        | \$ 16,031,007  | \$ 35.67        |
| 2012                     | 68,835   | 3,165,350   | 45.98           | 3,172,874  | 46.09           | 830,620  | 32,276,234  | 38.86           | 31,576,119   | 38.02           |
| 2013                     | 28,516   | 3,641,277   | 127.69          | 3,620,877  | 126.98          | 653,920  | 29,891,482  | 45.71           | 30,766,790   | 47.05           |
| 2014                     | 16,492   | 2,154,072   | 130.61          | 2,186,293  | 132.57          | 1,073,783  | 40,001,105  | 37.25           | 41,639,847   | 38.78           |
| 2015                     | 72,607   | 5,353,688   | 73.74           | 5,424,070  | 74.70           | 1,312,419  | 60,019,184  | 45.73           | 62,180,286   | 47.38           |
| 2016                     | 14,617   | 1,776,577   | 121.54          | 1,850,442  | 126.60          | 732,592  | 38,123,382  | 52.04           | 39,945,257   | 54.53 (4)       |
| 2017                     | 44,699   | 2,715,985   | 60.76           | 2,882,470  | 64.49           | 490,814  | 21,269,194  | 43.33           | 23,513,574   | 47.91           |
| 2018                     | 171,701  | 7,421,055   | 43.22           | 7,644,861  | 44.52           | 304,458  | 14,713,837  | 48.33           | 15,251,619   | 50.09           |
| 2019                     | 16,025   | 1,801,314   | 112.41          | 2,066,071  | 128.93          | 649,575  | 30,276,158  | 46.61           | 32,945,150   | 50.72           |
| 2020                     | 67,712   | 3,400,580   | 50.22           | 4,140,480  | 61.15           | 417,748  | 15,159,756  | 36.29           | 16,871,788   | 40.39           |
| Thereafter               | 204,851  | 8,237,578   | 40.21           | 9,333,205  | 45.56           | 2,800,052  | 126,522,931                                       | 45.19           | 137,671,853  | 49.17           |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

(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 \$109.07 per square foot and \$112.33 per square foot in 2011.

(4) Includes 225,532 square feet of research/laboratory space, excluding the research/laboratory space current and future expiring rents would be \$37.40 per square foot and \$40.41 per square foot in 2016.



IN-SERVICE GREATER BOSTON PROPERTIES

Quarterly Lease Expirations - Greater Boston (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 2011                     | 133,338  | \$ 4,398,472                                      | \$ 32.99        | \$ 4,398,472   | \$ 32.99        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| Q2 2011                     | 105,104  | 2,506,269   | 23.85           | 2,466,669  | 23.47           | —  | —   | —               | —  | —               |
| Q3 2011                     | 92,114   | 3,189,329   | 34.62           | 3,178,730  | 34.51           | 36,528   | 382,732   | 10.48           | 382,732  | 10.48           |
| Q4 2011                     | 63,657   | 2,227,961   | 35.00           | 2,227,961  | 35.00           | —  | —   | —               | —  | —               |
| <b>Total 2011</b>           | <b>394,213</b>                                     | <b>\$ 12,322,031</b>                              | <b>\$ 31.26</b> | <b>\$ 12,271,831</b>   | <b>\$ 31.13</b> | <b>36,528</b>                                      | <b>\$ 382,731.96</b>                              | <b>\$ 10.48</b> | <b>\$ 382,731.96</b>   | <b>\$ 10.48</b> |
| Q1 2012                     | 177,620  | \$ 6,849,056                                      | \$ 38.56        | \$ 6,910,949   | \$ 38.91        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| Q2 2012                     | 186,545  | 7,819,068   | 41.92           | 7,874,588  | 42.21           | —  | —   | —               | —  | —               |
| Q3 2012                     | 118,240  | 4,016,906   | 33.97           | 4,070,647  | 34.43           | —  | —   | —               | —  | —               |
| Q4 2012                     | 212,018  | 8,760,672   | 41.32           | 7,881,878  | 37.18           | 67,362   | 1,665,183   | 24.72           | 1,665,183  | 24.72           |
| <b>Total 2012</b>           | <b>694,423</b>                                     | <b>\$ 27,445,701</b>                              | <b>\$ 39.52</b> | <b>\$ 26,738,062</b>   | <b>\$ 38.50</b> | <b>67,362</b>                                      | <b>\$ 1,665,183</b>                               | <b>\$ 24.72</b> | <b>\$ 1,665,183</b>  | <b>\$ 24.72</b> |

| 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 2011                     | 5,238  | \$ 1,256,676                                      | \$ 239.92        | \$ 1,056,276   | \$ 201.66            | 138,576  | \$ 5,655,148                                      | \$ 40.81        | \$ 5,454,748   | \$ 39.36        |
| Q2 2011                     | 2,040  | 705,305   | 345.74           | 640,097  | 313.77               | 107,144  | 3,211,574   | 29.97           | 3,106,766  | 29.00           |
| Q3 2011                     | 7  | 496,800   | 70,971.41        | 405,150  | 57,878.55            | 128,649  | 4,068,861   | 31.63           | 3,966,611  | 30.83           |
| Q4 2011                     | 11,455   | 1,242,558   | 108.47           | 1,274,920  | 111.30               | 75,112   | 3,470,519   | 46.20           | 3,502,881  | 46.64           |
| <b>Total 2011</b>           | <b>18,740</b>                                      | <b>\$ 3,701,340</b>                               | <b>\$ 197.51</b> | <b>\$ 3,376,443</b>  | <b>\$ 180.17 (3)</b> | <b>449,481</b>                                     | <b>\$ 16,406,102</b>                              | <b>\$ 36.50</b> | <b>\$ 16,031,007</b>   | <b>\$ 35.67</b> |
| Q1 2012                     | 10,463   | \$ 1,408,636                                      | \$ 134.63        | \$ 1,416,161   | \$ 135.35            | 188,083  | \$ 8,257,692                                      | \$ 43.90        | \$ 8,327,110   | \$ 44.27        |
| Q2 2012                     | 56,582   | 1,445,522   | 25.55            | 1,445,522  | 25.55                | 243,127  | 9,264,591   | 38.11           | 9,320,111  | 38.33           |
| Q3 2012                     | —  | —   | —                | —  | —                    | 118,240  | 4,016,906   | 33.97           | 4,070,647  | 34.43           |
| Q4 2012                     | 1,790  | 311,192   | 173.85           | 311,191  | 173.85               | 281,170  | 10,737,046  | 38.19           | 9,858,252  | 35.06           |
| <b>Total 2012</b>           | <b>68,835</b>                                      | <b>\$ 3,165,350</b>                               | <b>\$ 45.98</b>  | <b>\$ 3,172,874</b>  | <b>\$ 46.09</b>      | <b>830,620</b>                                     | <b>\$ 32,276,234</b>                              | <b>\$ 38.86</b> | <b>\$ 31,576,119</b>   | <b>\$ 38.02</b> |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

(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 \$109.07 per square foot and \$112.33 per square foot in 2011.

IN-SERVICE GREATER WASHINGTON PROPERTIES

Lease Expirations - Greater Washington (1) (2)

| Year of Lease Expiration | 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 |
| 2011                     | 977,937  | \$ 44,781,564                                     | \$ 45.79        | \$ 44,783,515  | \$ 45.79 (3)(4) | 228,140  | \$ 3,819,640                                      | \$ 16.74        | \$ 3,840,761   | \$ 16.84        |
| 2012                     | 1,040,943  | 52,315,259  | 50.26           | 50,328,984   | 48.35 (3)(5)    | 117,997  | 2,360,062   | 20.00           | 2,418,789  | 20.50           |
| 2013                     | 176,073  | 9,181,428   | 52.15           | 9,502,484  | 53.97 (3)       | 7,479  | 148,517   | 19.86           | 154,497  | 20.66           |
| 2014                     | 996,686  | 39,693,512  | 39.83           | 47,202,664   | 47.36           | 228,020  | 4,266,809   | 18.71           | 4,486,201  | 19.67           |
| 2015                     | 699,706  | 30,958,408  | 44.24           | 34,807,809   | 49.75           | 166,224  | 3,906,039   | 23.50           | 3,981,647  | 23.95           |
| 2016                     | 447,385  | 17,766,256  | 39.71           | 20,332,641   | 45.45           | —  | —   | —               | —  | —               |
| 2017                     | 857,165  | 46,507,154  | 54.26           | 50,275,922   | 58.65           | —  | —   | —               | —  | —               |
| 2018                     | 342,948  | 17,030,029  | 49.66           | 19,982,723   | 58.27           | —  | —   | —               | —  | —               |
| 2019                     | 1,091,151  | 52,681,351  | 48.28           | 61,915,664   | 56.74           | —  | —   | —               | —  | —               |
| 2020                     | 751,889  | 28,812,932  | 38.32           | 35,429,622   | 47.12           | —  | —   | —               | —  | —               |
| Thereafter               | 1,379,813  | 69,665,368  | 50.49           | 88,587,471   | 64.20           | —  | —   | —               | —  | —               |

| Year of Lease Expiration | 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 |
| 2011                     | 2,791  | \$ 119,198  | \$ 42.71        | \$ 119,198   | \$ 42.71        | 1,208,868  | \$ 48,720,403                                     | \$ 40.30        | \$ 48,743,474  | \$ 40.32 (4)    |
| 2012                     | 6,384  | 412,501   | 64.61           | 420,307  | 65.84           | 1,165,324  | 55,087,822  | 47.27           | 53,168,080   | 45.63 (5)       |
| 2013                     | 8,207  | 422,747   | 51.51           | 441,453  | 53.79           | 191,759  | 9,752,692   | 50.86           | 10,098,435   | 52.66           |
| 2014                     | 12,053   | 656,837   | 54.50           | 694,840  | 57.65           | 1,236,759  | 44,617,158  | 36.08           | 52,383,706   | 42.36           |
| 2015                     | 28,902   | 1,414,210   | 48.93           | 1,485,068  | 51.38           | 894,832  | 36,278,658  | 40.54           | 40,274,523   | 45.01           |
| 2016                     | 22,769   | 1,144,513   | 50.27           | 1,274,162  | 55.96           | 470,154  | 18,910,769  | 40.22           | 21,606,803   | 45.96           |
| 2017                     | 24,412   | 1,087,683   | 44.56           | 1,174,633  | 48.12           | 881,577  | 47,594,836  | 53.99           | 51,450,555   | 58.36           |
| 2018                     | 43,402   | 2,374,588   | 54.71           | 2,650,968  | 61.08           | 386,350  | 19,404,617  | 50.23           | 22,633,691   | 58.58           |
| 2019                     | 29,933   | 1,288,850   | 43.06           | 1,454,973  | 48.61           | 1,121,084  | 53,970,201  | 48.14           | 63,370,636   | 56.53           |
| 2020                     | 17,495   | 504,161   | 28.82           | 624,567  | 35.70           | 769,384  | 29,317,093  | 38.10           | 36,054,189   | 46.86           |
| Thereafter               | 136,742  | 5,602,726   | 40.97           | 7,106,606  | 51.97           | 1,516,555  | 75,268,093  | 49.63           | 95,694,077   | 63.10           |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 50.  
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.  
(3) Includes 114,740 square feet of SCIF space. Excluding the SCIF space from 2011, 2012 and 2013, the current and future expiring rental rate would be \$41.87 per square foot and \$41.87 per square foot for 2011, \$42.93 per square foot and \$43.41 per square foot for 2012 and \$38.45 per square foot and \$40.07 per square foot for 2013.  
(4) Includes 263,870 square feet of space to be taken out of service for redevelopment, see page 47 for further details.  
(5) Includes 255,244 square feet of space to be taken out of service for redevelopment, see page 47 for further details.

IN-SERVICE GREATER WASHINGTON PROPERTIES

Quarterly Lease Expirations - Greater Washington (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 2011                     | 489,689  | \$ 19,033,179                                     | \$ 38.87        | \$ 19,033,179  | \$ 38.87        | 137,292  | \$ 2,148,909                                      | \$ 15.65        | \$ 2,148,909   | \$ 15.65        |
| Q2 2011                     | 166,032  | 10,971,939  | 66.08           | 10,992,757   | 66.21           | —  | —   | —               | —  | —               |
| Q3 2011                     | 270,964  | 12,556,162  | 46.34           | 12,556,162   | 46.34           | 59,788   | 1,003,254   | 16.78           | 1,003,254  | 16.78           |
| Q4 2011                     | 51,252   | 2,220,284   | 43.32           | 2,201,416  | 42.95           | 31,060   | 667,477   | 21.49           | 688,598  | 22.17           |
| Total 2011                  | 977,937  | \$ 44,781,564                                     | \$ 45.79        | \$ 44,783,515  | \$ 45.79 (3)(5) | 228,140  | \$ 3,819,640                                      | \$ 16.74        | \$ 3,840,761   | \$ 16.84        |
| Q1 2012                     | 225,225  | \$ 9,162,976                                      | \$ 40.68        | \$ 9,332,477   | \$ 41.44        | 13,408   | \$ 284,672  | \$ 21.23        | \$ 290,606   | \$ 21.67        |
| Q2 2012                     | 622,297  | 34,448,885  | 55.36           | 32,059,252   | 51.52           | —  | —   | —               | —  | —               |
| Q3 2012                     | 87,322   | 3,408,636   | 39.04           | 3,443,961  | 39.44           | 52,050   | 994,140   | 19.10           | 994,140  | 19.10           |
| Q4 2012                     | 106,099  | 5,294,761   | 49.90           | 5,493,294  | 51.78           | 52,539   | 1,081,250   | 20.58           | 1,134,043  | 21.58           |
| Total 2012                  | 1,040,943  | \$ 52,315,259                                     | \$ 50.26        | \$ 50,328,984  | \$ 48.35 (4)(6) | 117,997  | \$ 2,360,062                                      | \$ 20.00        | \$ 2,418,789   | \$ 20.50        |

| 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 2011                     | —  | \$ —  | \$ —            | \$ —   | \$ —            | 626,981  | \$ 21,182,088                                     | \$ 33.78        | \$ 21,182,088  | \$ 33.78        |
| Q2 2011                     | —  | —   | —               | —  | —               | 166,032  | 10,971,939  | 66.08           | 10,992,757   | 66.21           |
| Q3 2011                     | —  | —   | —               | —  | —               | 330,752  | 13,559,416  | 41.00           | 13,559,416   | 41.00           |
| Q4 2011                     | 2,791  | 119,198   | 42.71           | 119,198  | 42.71           | 85,103   | 3,006,959   | 35.33           | 3,009,212  | 35.36           |
| Total 2011                  | 2,791  | \$ 119,198  | \$ 42.71        | \$ 119,198   | \$ 42.71        | 1,208,868  | \$ 48,720,403                                     | \$ 40.30        | \$ 48,743,474  | \$ 40.32 (5)    |
| Q1 2012                     | 585  | \$ 22,617   | \$ 38.66        | \$ 23,202  | \$ 39.66        | 239,218  | \$ 9,470,266                                      | \$ 39.59        | \$ 9,646,285   | \$ 40.32        |
| Q2 2012                     | 1,334  | 78,200  | 58.62           | 79,875   | 59.88           | 623,631  | 34,527,085  | 55.36           | 32,139,127   | 51.54           |
| Q3 2012                     | —  | —   | —               | —  | —               | 139,372  | 4,402,776   | 31.59           | 4,438,101  | 31.84           |
| Q4 2012                     | 4,465  | 311,684   | 69.81           | 317,230  | 71.05           | 163,103  | 6,687,695   | 41.00           | 6,944,567  | 42.58           |
| Total 2012                  | 6,384  | \$ 412,501  | \$ 64.61        | \$ 420,307   | \$ 65.84        | 1,165,324  | \$ 55,087,822                                     | \$ 47.27        | \$ 53,168,080  | \$ 45.63 (6)    |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 50.  
(2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.  
(3) Includes 38,376 square feet of SCIF space, excluding the SCIF space current and future expiring rents would be \$41.87 per square foot and \$41.87 per square foot in 2011.  
(4) Includes 52,024 square feet of SCIF space, excluding the SCIF space current and future expiring rents would be \$42.93 per square foot and \$43.41 per square foot in 2012.  
(5) Includes 263,870 square feet of space to be taken out of service for redevelopment, see page 47 for further details.  
(6) Includes 255,244 square feet of space to be taken out of service for redevelopment, see page 47 for further details.

IN-SERVICE GREATER SAN FRANCISCO PROPERTIES

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

| Year of Lease Expiration | 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 |
| 2011                     | 392,834  | \$ 25,277,303                                     | \$ 64.35        | \$ 25,203,433  | \$ 64.16        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| 2012                     | 277,828  | 14,194,910  | 51.09           | 14,329,227   | 51.58           | —  | —   | —               | —  | —               |
| 2013                     | 518,316  | 14,803,567  | 28.56           | 15,263,329   | 29.45           | —  | —   | —               | —  | —               |
| 2014                     | 470,994  | 18,708,570  | 39.72           | 19,446,986   | 41.29           | —  | —   | —               | —  | —               |
| 2015                     | 479,391  | 18,333,637  | 38.24           | 19,988,458   | 41.70           | —  | —   | —               | —  | —               |
| 2016                     | 982,452  | 40,302,731  | 41.02           | 42,830,060   | 43.60           | —  | —   | —               | —  | —               |
| 2017                     | 291,684  | 12,496,045  | 42.84           | 13,471,104   | 46.18           | —  | —   | —               | —  | —               |
| 2018                     | 58,268   | 3,583,433   | 61.50           | 3,989,491  | 68.47           | —  | —   | —               | —  | —               |
| 2019                     | 80,697   | 3,546,128   | 43.94           | 3,868,916  | 47.94           | —  | —   | —               | —  | —               |
| 2020                     | 455,830  | 26,057,270  | 57.16           | 28,163,546   | 61.79           | —  | —   | —               | —  | —               |
| Thereafter               | 78,596   | 2,702,965   | 34.39           | 3,483,657  | 44.32           | —  | —   | —               | —  | —               |

| Year of Lease Expiration | 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 |
| 2011                     | 33,017   | \$ 601,493  | \$ 18.22        | \$ 613,493   | \$ 18.58        | 425,851  | \$ 25,878,797                                     | \$ 60.77        | \$ 25,816,926  | \$ 60.62        |
| 2012                     | 52,345   | 3,060,166   | 58.46           | 2,988,688  | 57.10           | 330,173  | 17,255,076  | 52.26           | 17,317,915   | 52.45           |
| 2013                     | 34,986   | 2,083,894   | 59.56           | 2,138,562  | 61.13           | 553,302  | 16,887,461  | 30.52           | 17,401,891   | 31.45           |
| 2014                     | 14,339   | 802,443   | 55.96           | 850,266  | 59.30           | 485,333  | 19,511,012  | 40.20           | 20,297,251   | 41.82           |
| 2015                     | 33,790   | 1,817,463   | 53.79           | 1,897,101  | 56.14           | 513,181  | 20,151,100  | 39.27           | 21,885,560   | 42.65           |
| 2016                     | 29,736   | 1,346,616   | 45.29           | 1,441,156  | 48.47           | 1,012,188  | 41,649,347  | 41.15           | 44,271,216   | 43.74           |
| 2017                     | 13,153   | 724,285   | 55.07           | 781,791  | 59.44           | 304,837  | 13,220,330  | 43.37           | 14,252,895   | 46.76           |
| 2018                     | 16,919   | 817,745   | 48.33           | 911,589  | 53.88           | 75,187   | 4,401,177   | 58.54           | 4,901,079  | 65.19           |
| 2019                     | 5,642  | 295,420   | 52.36           | 344,092  | 60.99           | 86,339   | 3,841,548   | 44.49           | 4,213,007  | 48.80           |
| 2020                     | 13,451   | 444,721   | 33.06           | 490,679  | 36.48           | 469,281  | 26,501,991  | 56.47           | 28,654,225   | 61.06           |
| Thereafter               | 738  | 31,734  | 43.00           | 34,686   | 47.00           | 79,334   | 2,734,699   | 34.47           | 3,518,343  | 44.35           |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

(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)

| 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 2011                     | 1,590  | \$ 82,314   | \$ 51.77        | \$ 82,314  | \$ 51.77        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| Q2 2011                     | 38,062   | 1,701,230   | 44.70           | 1,701,230  | 44.70           | —  | —   | —               | —  | —               |
| Q3 2011                     | 132,021  | 11,364,081  | 86.08           | 11,364,081   | 86.08           | —  | —   | —               | —  | —               |
| Q4 2011                     | 221,161  | 12,129,678  | 54.85           | 12,055,808   | 54.51           | —  | —   | —               | —  | —               |
| Total 2011                  | 392,834  | \$ 25,277,303                                     | \$ 64.35        | \$ 25,203,433  | \$ 64.16        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| Q1 2012                     | 81,006   | \$ 4,809,909                                      | \$ 59.38        | \$ 4,831,055   | \$ 59.64        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| Q2 2012                     | 13,764   | 605,588   | 44.00           | 613,896  | 44.60           | —  | —   | —               | —  | —               |
| Q3 2012                     | 112,790  | 5,537,814   | 49.10           | 5,613,681  | 49.77           | —  | —   | —               | —  | —               |
| Q4 2012                     | 70,268   | 3,241,600   | 46.13           | 3,270,594  | 46.54           | —  | —   | —               | —  | —               |
| Total 2012                  | 277,828  | \$ 14,194,910                                     | \$ 51.09        | \$ 14,329,227  | \$ 51.58        | —  | \$ —  | \$ —            | \$ —   | \$ —            |

| 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 2011                     | 9,313  | \$ 393,643  | \$ 42.27        | \$ 393,643   | \$ 42.27        | 10,903   | \$ 475,957  | \$ 43.65        | \$ 475,957   | \$ 43.65        |
| Q2 2011                     | —  | —   | —               | —  | —               | 38,062   | 1,701,230   | 44.70           | 1,701,230  | 44.70           |
| Q3 2011                     | 180  | 27,049  | 150.27          | 27,049   | 150.27          | 132,201  | 11,391,130  | 86.17           | 11,391,130   | 86.17           |
| Q4 2011                     | 23,524   | 180,802   | 7.69            | 192,802  | 8.20            | 244,685  | 12,310,480  | 50.31           | 12,248,609   | 50.06           |
| Total 2011                  | 33,017   | \$ 601,493  | \$ 18.22        | \$ 613,493   | \$ 18.58        | 425,851  | \$ 25,878,797                                     | \$ 60.77        | \$ 25,816,926  | \$ 60.62        |
| Q1 2012                     | 13,902   | \$ 1,016,625                                      | \$ 73.13        | \$ 1,021,302   | \$ 73.46        | 94,908   | \$ 5,826,534                                      | \$ 61.39        | \$ 5,852,358   | 61.66           |
| Q2 2012                     | 6,367  | 410,848   | 64.53           | 437,968  | 68.79           | 20,131   | 1,016,436   | 50.49           | 1,051,864  | 52.25           |
| Q3 2012                     | 11,005   | 851,607   | 77.38           | 938,753  | 85.30           | 123,795  | 6,389,421   | 51.61           | 6,552,435  | 52.93           |
| Q4 2012                     | 21,071   | 781,085   | 37.07           | 590,665  | 28.03           | 91,339   | 4,022,685   | 44.04           | 3,861,259  | 42.27           |
| Total 2012                  | 52,345   | \$ 3,060,166                                      | \$ 58.46        | \$ 2,988,688   | \$ 57.10        | 330,173  | \$ 17,255,076                                     | \$ 52.26        | \$ 17,317,915  | \$ 52.45        |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

(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)

| Year of Lease Expiration | 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 |
| 2011                     | 189,317  | \$ 15,750,875                                     | \$ 83.20        | \$ 16,052,339  | \$ 84.79        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| 2012                     | 453,493  | 37,473,683  | 82.63           | 37,568,366   | 82.84           | —  | —   | —               | —  | —               |
| 2013                     | 143,190  | 13,044,583  | 91.10           | 13,063,471   | 91.23           | —  | —   | —               | —  | —               |
| 2014                     | 192,910  | 16,420,454  | 85.12           | 16,688,671   | 86.51           | —  | —   | —               | —  | —               |
| 2015                     | 388,029  | 38,438,112  | 99.06           | 42,856,323   | 110.45          | —  | —   | —               | —  | —               |
| 2016                     | 719,753  | 56,558,316  | 78.58           | 60,599,001   | 84.19           | —  | —   | —               | —  | —               |
| 2017                     | 1,454,094  | 129,078,197                                       | 88.77           | 137,897,747  | 94.83           | —  | —   | —               | —  | —               |
| 2018                     | 169,578  | 21,567,049  | 127.18          | 23,252,387   | 137.12          | —  | —   | —               | —  | —               |
| 2019                     | 1,018,587  | 81,442,552  | 79.96           | 88,341,621   | 86.73           | —  | —   | —               | —  | —               |
| 2020                     | 1,299,038  | 95,322,891  | 73.38           | 104,981,411  | 80.81           | —  | —   | —               | —  | —               |
| Thereafter               | 2,268,786  | 179,662,776                                       | 79.19           | 215,073,162  | 94.80           | —  | —   | —               | —  | —               |

| Year of Lease Expiration | 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 |
| 2011                     | 5,178  | \$ 942,060  | \$ 181.94       | \$ 942,060   | \$ 181.94       | 194,495  | \$ 16,692,935                                     | \$ 85.83        | \$ 16,994,399  | \$ 87.38        |
| 2012                     | 37,412   | 4,297,527   | 114.87          | 4,354,951  | 116.41          | 490,905  | 41,771,210  | 85.09           | 41,923,317   | 85.40           |
| 2013                     | 1,682  | 181,561   | 107.94          | 190,798  | 113.44          | 144,872  | 13,226,145  | 91.30           | 13,254,269   | 91.49           |
| 2014                     | 11,018   | 1,363,415   | 123.74          | 1,456,989  | 132.24          | 203,928  | 17,783,869  | 87.21           | 18,145,661   | 88.98           |
| 2015                     | 9,988  | 4,382,248   | 438.75          | 5,344,801  | 535.12          | 398,017  | 42,820,360  | 107.58          | 48,201,124   | 121.10          |
| 2016                     | 102,276  | 16,660,211  | 162.89          | 17,756,948   | 173.62          | 822,029  | 73,218,527  | 89.07           | 78,355,949   | 95.32           |
| 2017                     | 26,685   | 2,292,839   | 85.92           | 2,446,698  | 91.69           | 1,480,779  | 131,371,036                                       | 88.72           | 140,344,445  | 94.78           |
| 2018                     | —  | —   | —               | —  | —               | 169,578  | 21,567,049  | 127.18          | 23,252,387   | 137.12          |
| 2019                     | 3,877  | 351,533   | 90.67           | 438,856  | 113.19          | 1,022,464  | 81,794,085  | 80.00           | 88,780,478   | 86.83           |
| 2020                     | 4,503  | 223,539   | 49.64           | 279,233  | 62.01           | 1,303,541  | 95,546,429  | 73.30           | 105,260,644  | 80.75           |
| Thereafter               | 93,969   | 12,783,684  | 136.04          | 16,207,947   | 172.48          | 2,362,755  | 192,446,460                                       | 81.45           | 231,281,109  | 97.89           |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

(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 2011                     | 41,486   | \$ 2,572,627                                      | \$ 62.01        | \$ 2,851,100   | \$ 68.72        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| Q2 2011                     | 52,001   | 4,144,663   | 79.70           | 4,159,203  | 79.98           | —  | —   | —               | —  | —               |
| Q3 2011                     | 35,173   | 2,395,215   | 68.10           | 2,395,215  | 68.10           | —  | —   | —               | —  | —               |
| Q4 2011                     | 60,657   | 6,638,369   | 109.44          | 6,646,821  | 109.58          | —  | —   | —               | —  | —               |
| Total 2011                  | 189,317  | \$ 15,750,875                                     | \$ 83.20        | \$ 16,052,339  | \$ 84.79        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| Q1 2012                     | 46,487   | \$ 3,982,563                                      | \$ 85.67        | \$ 3,994,383   | \$ 85.92        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| Q2 2012                     | 175,905  | 11,642,583  | 66.19           | 11,725,446   | 66.66           | —  | —   | —               | —  | —               |
| Q3 2012                     | 200,347  | 19,400,956  | 96.84           | 19,400,956   | 96.84           | —  | —   | —               | —  | —               |
| Q4 2012                     | 30,754   | 2,447,581   | 79.59           | 2,447,581  | 79.59           | —  | —   | —               | —  | —               |
| Total 2012                  | 453,493  | \$ 37,473,683                                     | \$ 82.63        | \$ 37,568,366  | \$ 82.84        | —  | \$ —  | \$ —            | \$ —   | \$ —            |

| 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 2011                     | 715  | \$ 101,492  | \$ 141.95       | \$ 101,492   | \$ 141.95       | 42,201   | \$ 2,674,119                                      | \$ 63.37        | \$ 2,952,592   | \$ 69.96        |
| Q2 2011                     | 1,200  | 169,545   | 141.29          | 169,545  | 141.29          | 53,201   | 4,314,208   | 81.09           | 4,328,748  | 81.37           |
| Q3 2011                     | 1,605  | 437,588   | 272.64          | 437,588  | 272.64          | 36,778   | 2,832,804   | 77.02           | 2,832,804  | 77.02           |
| Q4 2011                     | 1,658  | 233,435   | 140.79          | 233,435  | 140.79          | 62,315   | 6,871,804   | 110.28          | 6,880,256  | 110.41          |
| Total 2011                  | 5,178  | \$ 942,060  | \$ 181.94       | \$ 942,060   | \$ 181.94       | 194,495  | \$ 16,692,935                                     | \$ 85.83        | \$ 16,994,399  | \$ 87.38        |
| Q1 2012                     | 36,408   | \$ 4,197,466                                      | \$ 115.29       | \$ 4,250,937   | \$ 116.76       | 82,895   | \$ 8,180,029                                      | \$ 98.68        | \$ 8,245,320   | \$ 99.47        |
| Q2 2012                     | 243  | 48,851  | 201.03          | 51,251   | 210.91          | 176,148  | 11,691,434  | 66.37           | 11,776,696   | 66.86           |
| Q3 2012                     | 350  | 24,700  | 70.57           | 24,700   | 70.57           | 200,697  | 19,425,656  | 96.79           | 19,425,656   | 96.79           |
| Q4 2012                     | 411  | 26,511  | 64.50           | 28,063   | 68.28           | 31,165   | 2,474,092   | 79.39           | 2,475,644  | 79.44           |
| Total 2012                  | 37,412   | \$ 4,297,527                                      | \$ 114.87       | \$ 4,354,951   | \$ 116.41       | 490,905  | \$ 41,771,210                                     | \$ 85.09        | \$ 41,923,317  | \$ 85.40        |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

(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)

| Year of Lease Expiration | 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 |
| 2011                     | 302,155  | \$ 10,728,627                                     | \$ 35.51        | \$ 10,716,158  | \$ 35.47        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| 2012                     | 49,644   | 1,714,205   | 34.53           | 1,714,205  | 34.53           | —  | —   | —               | —  | —               |
| 2013                     | 233,061  | 7,882,865   | 33.82           | 7,977,700  | 34.23           | —  | —   | —               | —  | —               |
| 2014                     | 684,397  | 22,661,825  | 33.11           | 23,581,241   | 34.46           | —  | —   | —               | —  | —               |
| 2015                     | 190,584  | 5,928,427   | 31.11           | 6,287,864  | 32.99           | —  | —   | —               | —  | —               |
| 2016                     | 71,232   | 2,349,765   | 32.99           | 2,475,144  | 34.75           | —  | —   | —               | —  | —               |
| 2017                     | 147,880  | 4,328,251   | 29.27           | 4,522,025  | 30.58           | —  | —   | —               | —  | —               |
| 2018                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| 2019                     | 148,760  | 4,081,601   | 27.44           | 4,977,041  | 33.46           | —  | —   | —               | —  | —               |
| 2020                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| Thereafter               | 120,000  | 4,358,112   | 36.32           | 4,838,112  | 40.32           | —  | —   | —               | —  | —               |

| Year of Lease Expiration | 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 |
| 2011                     | —  | \$ —  | \$ —            | \$ —   | \$ —            | 302,155  | \$ 10,728,627                                     | \$ 35.51        | \$ 10,716,158  | \$ 35.47        |
| 2012                     | —  | —   | —               | —  | —               | 49,644   | 1,714,205   | 34.53           | 1,714,205  | 34.53           |
| 2013                     | —  | —   | —               | —  | —               | 233,061  | 7,882,865   | 33.82           | 7,977,700  | 34.23           |
| 2014                     | —  | —   | —               | —  | —               | 684,397  | 22,661,825  | 33.11           | 23,581,241   | 34.46           |
| 2015                     | —  | —   | —               | —  | —               | 190,584  | 5,928,427   | 31.11           | 6,287,864  | 32.99           |
| 2016                     | —  | —   | —               | —  | —               | 71,232   | 2,349,765   | 32.99           | 2,475,144  | 34.75           |
| 2017                     | —  | —   | —               | —  | —               | 147,880  | 4,328,251   | 29.27           | 4,522,025  | 30.58           |
| 2018                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| 2019                     | —  | —   | —               | —  | —               | 148,760  | 4,081,601   | 27.44           | 4,977,041  | 33.46           |
| 2020                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| Thereafter               | —  | —   | —               | —  | —               | 120,000  | 4,358,112   | 36.32           | 4,838,112  | 40.32           |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

(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   |   |                 |  |                 | 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 2011                     | 103,990  | \$ 3,694,921                                      | \$ 35.53        | \$ 3,694,921   | \$ 35.53        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| Q2 2011                     | 3,477  | 119,689   | 34.42           | 119,689  | 34.42           | —  | —   | —               | —  | —               |
| Q3 2011                     | 117,093  | 4,196,847   | 35.84           | 4,184,379  | 35.74           | —  | —   | —               | —  | —               |
| Q4 2011                     | 77,595   | 2,717,170   | 35.02           | 2,717,170  | 35.02           | —  | —   | —               | —  | —               |
| Total 2011                  | 302,155  | \$ 10,728,627                                     | \$ 35.51        | \$ 10,716,158  | \$ 35.47        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| Q1 2012                     | 5,500  | \$ 197,296  | \$ 35.87        | \$ 197,296   | \$ 35.87        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| Q2 2012                     | 36,120   | 1,235,427   | 34.20           | 1,235,427  | 34.20           | —  | —   | —               | —  | —               |
| Q3 2012                     | 8,024  | 281,481   | 35.08           | 281,481  | 35.08           | —  | —   | —               | —  | —               |
| Q4 2012                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| Total 2012                  | 49,644   | \$ 1,714,205                                      | \$ 34.53        | \$ 1,714,205   | \$ 34.53        | —  | \$ —  | \$ —            | \$ —   | \$ —            |

| 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 2011                     | —  | \$ —  | \$ —            | \$ —   | \$ —            | 103,990  | \$ 3,694,921                                      | \$ 35.53        | \$ 3,694,921   | \$ 35.53        |
| Q2 2011                     | —  | —   | —               | —  | —               | 3,477  | 119,689   | 34.42           | 119,689  | 34.42           |
| Q3 2011                     | —  | —   | —               | —  | —               | 117,093  | 4,196,847   | 35.84           | 4,184,379  | 35.74           |
| Q4 2011                     | —  | —   | —               | —  | —               | 77,595   | 2,717,170   | 35.02           | 2,717,170  | 35.02           |
| Total 2011                  | —  | \$ —  | \$ —            | \$ —   | \$ —            | 302,155  | \$ 10,728,627                                     | \$ 35.51        | \$ 10,716,158  | \$ 35.47        |
| Q1 2012                     | —  | \$ —  | \$ —            | \$ —   | \$ —            | 5,500  | \$ 197,296  | \$ 35.87        | \$ 197,296   | \$ 35.87        |
| Q2 2012                     | —  | —   | —               | —  | —               | 36,120   | 1,235,427   | 34.20           | 1,235,427  | 34.20           |
| Q3 2012                     | —  | —   | —               | —  | —               | 8,024  | 281,481   | 35.08           | 281,481  | 35.08           |
| Q4 2012                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| Total 2012                  | —  | \$ —  | \$ —            | \$ —   | \$ —            | 49,644   | \$ 1,714,205                                      | \$ 34.53        | \$ 1,714,205   | \$ 34.53        |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

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

**Boston Properties, Inc.**  
**Fourth Quarter 2010**  
**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 |  |
| 2011                     | 143,359  | \$ 9,048,442                                      | \$ 63.12        | \$ 8,723,546   | \$ 60.85 (3)    | 322,034  | \$ 14,720,480                                     | \$ 45.71        | \$ 14,747,151  | \$ 45.79        |  |
| 2012                     | 327,849  | 14,994,412  | 45.74           | 15,076,636   | 45.99           | 191,595  | 8,622,143   | 45.00           | 8,691,698  | 45.36           |  |
| 2013                     | 380,869  | 21,429,657  | 56.27           | 22,044,243   | 57.88           | 37,315   | 1,877,761   | 50.32           | 1,972,020  | 52.85           |  |
| 2014                     | 863,736  | 33,945,992  | 39.30           | 35,486,758   | 41.09           | 554,920  | 22,534,307  | 40.61           | 28,787,888   | 51.88           |  |
| 2015                     | 872,533  | 46,405,864  | 53.19           | 47,234,445   | 54.13           | 344,732  | 19,628,233  | 56.94           | 21,245,347   | 61.63           |  |
| 2016                     | 449,449  | 29,573,779  | 65.80           | 30,227,912   | 67.26 (4)       | 60,856   | 2,967,855   | 48.77           | 3,334,572  | 54.79           |  |
| 2017                     | 219,613  | 12,777,372  | 58.18           | 14,577,022   | 66.38           | 782,697  | 43,512,012  | 55.59           | 46,624,669   | 59.57           |  |
| 2018                     | 300,394  | 14,611,190  | 48.64           | 15,135,082   | 50.38           | 66,223   | 4,252,655   | 64.22           | 4,871,639  | 73.56           |  |
| 2019                     | 384,772  | 19,254,068  | 50.04           | 20,954,674   | 54.46           | 696,330  | 36,917,401  | 53.02           | 45,285,377   | 65.03           |  |
| 2020                     | 259,972  | 11,904,122  | 45.79           | 13,537,266   | 52.07           | 176,069  | 7,519,850   | 42.71           | 9,704,270  | 55.12           |  |
| Thereafter               | 1,822,011  | 95,682,260  | 52.51           | 105,010,279  | 57.63           | 751,308  | 41,655,354  | 55.44           | 53,144,053   | 70.74           |  |

| 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 |  |
| 2011                     | 194,495  | \$ 16,692,935                                     | \$ 85.83        | \$ 16,994,399  | \$ 87.38        | 329,594  | \$ 23,806,309                                     | \$ 72.23        | \$ 23,712,164  | \$ 71.94        |  |
| 2012                     | 490,905  | 41,771,210  | 85.09           | 41,923,317   | 85.40           | 291,630  | 15,926,892  | 54.61           | 15,944,713   | 54.67           |  |
| 2013                     | 144,872  | 13,226,145  | 91.30           | 13,254,269   | 91.49           | 241,015  | 11,854,416  | 49.19           | 12,159,519   | 50.45           |  |
| 2014                     | 203,928  | 17,783,869  | 87.21           | 18,145,661   | 88.98           | 229,031  | 10,658,926  | 46.54           | 10,983,822   | 47.96           |  |
| 2015                     | 398,017  | 42,820,360  | 107.58          | 48,201,124   | 121.10          | 270,366  | 12,332,433  | 45.61           | 13,163,489   | 48.69           |  |
| 2016                     | 822,029  | 73,218,527  | 89.07           | 78,355,949   | 95.32           | 883,800  | 38,358,062  | 43.40           | 40,561,936   | 45.89           |  |
| 2017                     | 1,480,779  | 131,371,036                                       | 88.72           | 140,344,445  | 94.78           | 211,316  | 10,100,368  | 47.80           | 10,437,347   | 49.39           |  |
| 2018                     | 169,578  | 21,567,049  | 127.18          | 23,252,387   | 137.12          | 75,187   | 4,401,177   | 58.54           | 4,901,079  | 65.19           |  |
| 2019                     | 1,022,464  | 81,794,085  | 80.00           | 88,780,478   | 86.83           | 86,339   | 3,841,548   | 44.49           | 4,213,007  | 48.80           |  |
| 2020                     | 1,303,541  | 95,546,429  | 73.30           | 105,260,644  | 80.75           | 469,281  | 26,501,991  | 56.47           | 28,654,225   | 61.06           |  |
| Thereafter               | 2,362,755  | 192,446,460                                       | 81.45           | 231,281,109  | 97.89           | 79,334   | 2,734,699   | 34.47           | 3,518,343  | 44.35           |  |

| Year of Lease Expiration | Princeton/East Brunswick                           |   |                 |  |                 | Other  |   |                 |  |                 |
|--------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
|                          | 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 |
| 2011                     | —  | \$ —  | \$ —            | \$ —   | \$ —            | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| 2012                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| 2013                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| 2014                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| 2015                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| 2016                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| 2017                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| 2018                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| 2019                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| 2020                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| Thereafter               | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |

(1) For disclosures relating to our definition of Annualized Revenue, see page 50.

(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 \$48.09 per square foot and \$48.29 per square foot in 2011.

(4) Includes 225,532 square feet of research/laboratory space. Excluding the research/laboratory space, current and future expiring rents would be \$46.73 per square foot and \$48.30 per square foot in 2016.



| Year of Lease Expiration | Princeton/East Brunswick                           |   |                 |  |                 | Other  |   |                 |  |                 |
|--------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
|                          | 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 |
| 2011                     | 302,155  | \$ 10,728,627                                     | \$ 35.51        | \$ 10,716,158  | \$ 35.47        | —  | \$ —  | \$ —            | \$ —   | \$ —            |
| 2012                     | 49,644   | 1,714,205   | 34.53           | 1,714,205  | 34.53           | —  | —   | —               | —  | —               |
| 2013                     | 233,061  | 7,882,865   | 33.82           | 7,977,700  | 34.23           | —  | —   | —               | —  | —               |
| 2014                     | 684,397  | 22,661,825  | 33.11           | 23,581,241   | 34.46           | —  | —   | —               | —  | —               |
| 2015                     | 190,584  | 5,928,427   | 31.11           | 6,287,864  | 32.99           | —  | —   | —               | —  | —               |
| 2016                     | 71,232   | 2,349,765   | 32.99           | 2,475,144  | 34.75           | —  | —   | —               | —  | —               |
| 2017                     | 147,880  | 4,328,251   | 29.27           | 4,522,025  | 30.58           | —  | —   | —               | —  | —               |
| 2018                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| 2019                     | 148,760  | 4,081,601   | 27.44           | 4,977,041  | 33.46           | —  | —   | —               | —  | —               |
| 2020                     | —  | —   | —               | —  | —               | —  | —   | —               | —  | —               |
| Thereafter               | 120,000  | 4,358,112   | 36.32           | 4,838,112  | 40.32           | —  | —   | —               | —  | —               |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 50.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include any data on properties owned by the Value-Added Fund.
- (3) Includes 114,740 square feet of SCIF space. Excluding the SCIF space from 2011, 2012 and 2013, the current and future expiring rental rate would be \$33.66 per square foot and \$33.66 per square foot for 2011, \$39.72 per square foot and \$40.23 per square foot for 2012 and \$34.80 per square foot and \$36.15 per square foot for 2013.
- (4) Includes 267,870 square feet of space to be taken out of service for redevelopment, see page 47 for further details.
- (5) Includes 255,244 square feet of space to be taken out of service for redevelopment, see page 47 for further details.

**Boston Properties, Inc.**  
**Fourth Quarter 2010**  
**HOTEL PERFORMANCE**

**Cambridge Center Marriott**

|                            | Fourth Quarter<br>2010 | Fourth Quarter<br>2009 | Percent<br>Change | Year to Date<br>2010 | Year to Date<br>2009 | Percent<br>Change |
|----------------------------|------------------------|------------------------|-------------------|----------------------|----------------------|-------------------|
| Occupancy                  | 72.4%                  | 74.4%                  | -2.7%             | 77.9%                | 75.1%                | 3.7%              |
| Average Daily Rate         | \$ 218.99              | \$ 198.88              | 10.1%             | \$ 197.29            | \$ 185.29            | 6.5%              |
| Revenue per available room | \$ 158.65              | \$ 147.94              | 7.2%              | \$ 153.65            | \$ 139.19            | 10.4%             |

**OCCUPANCY ANALYSIS**

**Same Property Occupancy<sup>(1)</sup> - By Location**

| Location                     | CBD       |           | Suburban  |           | Total     |           |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                              | 31-Dec-10 | 31-Dec-09 | 31-Dec-10 | 31-Dec-09 | 31-Dec-10 | 31-Dec-09 |
| Greater Boston               | 93.1%     | 96.2%     | 81.4%     | 83.4%     | 87.6%     | 90.2%     |
| Greater Washington           | 97.7%     | 99.4%     | 97.0%     | 94.1%     | 97.3%     | 96.2%     |
| Midtown Manhattan            | 96.9%     | 95.4%     | n/a       | n/a       | 96.9%     | 95.4%     |
| Princeton/East Brunswick, NJ | n/a       | n/a       | 79.8%     | 80.7%     | 79.8%     | 80.7%     |
| Greater San Francisco        | 91.8%     | 91.0%     | 95.6%     | 91.3%     | 92.9%     | 91.1%     |
| Total Portfolio              | 95.3%     | 95.6%     | 89.4%     | 88.4%     | 92.9%     | 92.7%     |

**Same Property Occupancy<sup>(1)</sup> - By Type of Property**

|                                  | CBD       |           | Suburban  |           | Total     |           |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                  | 31-Dec-10 | 31-Dec-09 | 31-Dec-10 | 31-Dec-09 | 31-Dec-10 | 31-Dec-09 |
| Total Office Portfolio           | 95.2%     | 95.5%     | 90.1%     | 88.8%     | 93.3%     | 93.0%     |
| Total Office/Technical Portfolio | 100.0%    | 100.0%    | 82.1%     | 84.0%     | 85.5%     | 87.0%     |
| Total Portfolio                  | 95.3%     | 95.6%     | 89.4%     | 88.4%     | 92.9%     | 92.7%     |

(1) For disclosures related to our definition of Same Property, see page 50.

SAME PROPERTY PERFORMANCE

Office, Office/Technical and Hotel Properties

|  | Office     | Office/Technical | Hotel (1) | Total      |
|--|------------|------------------|-----------|------------|
| Number of Properties   | 117        | 19               | 1         | 137        |
| Square feet  | 33,631,585 | 1,590,387        | 330,400   | 35,552,372 |
| Percent of in-service properties   | 93.5%      | 100.0%           | 100.0%    | 93.8%      |
| Occupancy @ 12/31/2009   | 93.0%      | 87.0%            | —         | 92.7%      |
| Occupancy @ 12/31/2010   | 93.3%      | 85.5%            | —         | 92.9%      |
| Percent change from 4th quarter 2010 over 4th quarter 2009 (2):                      |            |                  |           |            |
| Rental revenue   | 3.1%       | 0.8%             | 2.3%      |            |
| Operating expenses and real estate taxes   | 0.1%       | 4.7%             | -1.5%     |            |
| Consolidated Net Operating Income (3) - excluding hotel                              |            |                  |           | 4.6% (2)   |
| Consolidated Net Operating Income (3) - Hotel  |            |                  |           | 13.6% (2)  |
| Net Operating Income - BXP's share of unconsolidated joint ventures (3) (4)          |            |                  |           | -7.1% (2)  |
| Portfolio Net Operating Income (3)   |            |                  |           | 2.3%       |
| Rental revenue - cash basis  | 1.6%       | -3.0%            | 2.3%      |            |
| Consolidated Net Operating Income (3) - cash basis (5) excluding hotel               | 2.5%       | -6.2%            |           | 2.1% (2)   |
| Consolidated Net Operating Income (3) - cash basis (5) - Hotel                       |            |                  |           | 13.5% (2)  |
| Net Operating Income - cash basis (5) - BXP's share of unconsolidated joint ventures |            |                  |           | 5.3% (2)   |
| Portfolio Net Operating Income (3) - cash basis (5)                                  |            |                  |           | 2.7%       |

Same Property Lease Analysis - quarter ended December 31, 2010

|  | Office    | Office/Technical | Total     |
|--|-----------|------------------|-----------|
| Vacant space available @ 10/1/2010 (sf)                              | 2,143,620 | 231,368          | 2,374,988 |
| Square footage of leases expiring or terminated 10/1/2010-12/31/2010 | 1,010,907 | 104,219          | 1,115,126 |
| Total space for lease (sf)   | 3,154,527 | 335,587          | 3,490,114 |
| New tenants (sf)   | 344,755   | —                | 344,755   |
| Renewals (sf)  | 551,995   | 104,219          | 656,214   |
| Total space leased (sf)  | 896,750   | 104,219          | 1,000,969 |
| Space available @ 12/31/2010 (sf)                                    | 2,257,777 | 231,368          | 2,489,145 |
| Net (increase)/decrease in available space (sf)                      | (114,157) | —                | (114,157) |
| 2nd generation Average lease term (months)                           | 86        | 36               | 80        |
| 2nd generation Average free rent (days)                              | 47        | 5                | 42        |
| 2nd generation TI/Comm PSF   | \$ 25.77  | \$ 0.96          | \$ 23.18  |
| Increase (decrease) in 2nd generation gross rents (6)                | -9.44%    | -26.60%          | -10.56%   |
| Increase (decrease) in 2nd generation net rents (6)                  | -15.10%   | -32.10%          | -16.45%   |

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

(2) See page 43 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 42. For disclosures relating to our use of Portfolio NOI and Consolidated NOI, see page 50.

(4) For disclosures related to the calculation of NOI from unconsolidated joint ventures, see page 17.

(5) For a quantitative reconciliation of NOI to NOI on a cash basis, see page 42.

(6) 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 881,188 square feet.

Boston Properties, Inc.  
Fourth Quarter 2010

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

|  | For the three months ended |                   |
|--|----------------------------|-------------------|
|  | December 31, 2010          | December 31, 2009 |
|  | <i>(in thousands)</i>      |                   |
| Net income (loss) attributable to Boston Properties, Inc.  | \$ (12,903)                | \$ 53,317         |
| Net income (loss) attributable to noncontrolling interests:  |                            |                   |
| Noncontrolling interest in gains on sales of real estate - common units of the Operating Partnership | —                          | 265               |
| Noncontrolling interest - common units of the Operating Partnership                                  | (1,555)                    | 7,841             |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership                    | 795                        | 860               |
| Noncontrolling interests in property partnerships  | 907                        | 463               |
| Gains on sales of real estate  | —                          | (2,078)           |
| Income (loss) from continuing operations   | <u>(12,756)</u>            | <u>60,668</u>     |
| Add:   |                            |                   |
| Losses from early extinguishment of debt   | 81,662                     | —                 |
| Interest expense   | 92,192                     | 88,180            |
| Gains (losses) from investments in securities  | (682)                      | (510)             |
| Depreciation and amortization  | 92,763                     | 79,125            |
| Acquisition costs  | 721                        | —                 |
| General and administrative expense   | 17,121                     | 19,506            |
| Subtract:  |                            |                   |
| Income from unconsolidated joint ventures  | (9,834)                    | (962)             |
| Interest and other income  | (1,691)                    | (1,784)           |
| Development and management services income   | (6,964)                    | (8,277)           |
| Consolidated Net Operating Income  | <u>252,532</u>             | <u>235,946</u>    |
| Net Operating Income from unconsolidated joint ventures (BXP's share) (1)                            | <u>58,302</u>              | <u>62,333</u>     |
| Combined Net Operating Income  | <u>310,834</u>             | <u>298,279</u>    |
| Subtract:  |                            |                   |
| Net Operating Income from Value-Added Fund (BXP's share)   | (1,192)                    | (1,238)           |
| Portfolio Net Operating Income   | <u>\$ 309,642</u>          | <u>\$ 297,041</u> |
| Same Property Net Operating Income   | 301,878                    | 295,178           |
| Net operating income from non Same Properties (2)  | 5,554                      | 803               |
| Termination income   | 2,210                      | 1,060             |
| Portfolio Net Operating Income   | <u>\$ 309,642</u>          | <u>\$ 297,041</u> |
| Same Property Net Operating Income   | 301,878                    | 295,178           |
| Less straight-line rent and fair value lease revenue   | 36,877                     | 37,045            |
| Same Property Net Operating Income - cash basis  | <u>\$ 265,001</u>          | <u>\$ 258,133</u> |

- (1) For disclosures related to the calculation of Net Operating Income from unconsolidated joint ventures, see page 17.  
(2) Pages 20-22 indicate by footnote the properties which are not included as part of Same Property Net Operating Income.



**Boston Properties, Inc.**  
**Fourth Quarter 2010**

**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-10                  | 31-Dec-09  |           |       | 31-Dec-10                  | 31-Dec-09 |          |         |
| Rental Revenue                                       | \$ 356,959                 | \$ 344,866 |           |       | \$ 11,750                  | \$ 11,657 |          |         |
| Less Termination Income                              | 2,175                      | 894        |           |       | —                          | —         |          |         |
| Rental revenue - subtotal                            | 354,784                    | 343,972    | \$ 10,812 | 3.1%  | 11,750                     | 11,657    | \$ 93    | 0.8%    |
| Operating expenses and real estate taxes             | 120,592                    | 120,525    | 67        | 0.1%  | 3,529                      | 3,369     | 160      | 4.7%    |
| Net Operating Income (1)                             | \$ 234,192                 | \$ 223,447 | \$ 10,745 | 4.8%  | \$ 8,221                   | \$ 8,288  | \$ (67)  | -0.8%   |
| Rental revenue - subtotal                            | \$ 354,784                 | \$ 343,972 |           |       | \$ 11,750                  | \$ 11,657 |          |         |
| Less straight line rent and fair value lease revenue | 15,321                     | 9,841      | 5,480     | 55.7% | 466                        | 19        | 447      | 2352.6% |
| Rental revenue - cash basis                          | 339,463                    | 334,131    | 5,332     | 1.6%  | 11,284                     | 11,638    | (354)    | -3.0%   |
| Less:  |                            |            |           |       |                            |           |          |         |
| Operating expenses and real estate taxes             | 120,592                    | 120,525    | 67        | 0.1%  | 3,529                      | 3,369     | 160      | 4.7%    |
| Net Operating Income (2) - cash basis                | \$ 218,871                 | \$ 213,606 | \$ 5,265  | 2.5%  | \$ 7,755                   | \$ 8,269  | \$ (514) | -6.2%   |
|  |                            |            |           |       |                            |           |          |         |
|  | Sub-Total                  |            |           |       | Hotel                      |           |          |         |
|  | For the three months ended |            | \$        | %     | For the three months ended |           | \$       | %       |
|  | 31-Dec-10                  | 31-Dec-09  |           |       | 31-Dec-10                  | 31-Dec-09 |          |         |
| Rental Revenue                                       | \$ 368,709                 | \$ 356,523 |           |       | \$ 10,509                  | \$ 10,277 |          |         |
| Less Termination Income                              | 2,175                      | 894        |           |       | —                          | —         |          |         |
| Rental revenue - subtotal                            | 366,534                    | 355,629    | \$ 10,905 | 3.1%  | 10,509                     | 10,277    | \$ 232   | 2.3%    |
| Operating expenses and real estate taxes             | 124,121                    | 123,894    | 227       | 0.2%  | 7,602                      | 7,717     | (115)    | -1.5%   |
| Net Operating Income (1)                             | \$ 242,413                 | \$ 231,735 | \$ 10,678 | 4.6%  | \$ 2,907                   | \$ 2,560  | \$ 347   | 13.6%   |
| Rental revenue - subtotal                            | \$ 366,534                 | \$ 355,629 |           |       | \$ 10,509                  | \$ 10,277 |          |         |
| Less straight line rent and fair value lease revenue | 15,787                     | 9,860      | 5,927     | 60.1% | (1)                        | (1)       | —        | 0.0%    |
| Rental revenue - cash basis                          | 350,747                    | 345,769    | 4,978     | 1.4%  | 10,510                     | 10,278    | 232      | 2.3%    |
| Less:  |                            |            |           |       |                            |           |          |         |
| Operating expenses and real estate taxes             | 124,121                    | 123,894    | 227       | 0.2%  | 7,602                      | 7,717     | (115)    | -1.5%   |
| Net Operating Income (2) - cash basis                | \$ 226,626                 | \$ 221,875 | \$ 4,751  | 2.1%  | \$ 2,908                   | \$ 2,561  | \$ 347   | 13.5%   |

|  | Unconsolidated Joint Ventures (3) |           |            |        | Total                      |            |          |        |
|--|-----------------------------------|-----------|------------|--------|----------------------------|------------|----------|--------|
|  | For the three months ended        |           | \$         | %      | For the three months ended |            | \$       | %      |
|  | 31-Dec-10                         | 31-Dec-09 | Change     | Change | 31-Dec-10                  | 31-Dec-09  | Change   | Change |
| Rental Revenue                                       | \$ 79,326                         | \$ 81,715 |            |        | \$ 458,544                 | \$ 448,515 |          |        |
| Less Termination Income                              | 35                                | 166       |            |        | 2,210                      | 1,060      |          |        |
| Rental revenue - subtotal                            | 79,291                            | 81,549    | \$ (2,258) | -2.8%  | 456,334                    | 447,455    | \$ 8,879 | 2.0%   |
| Operating expenses and real estate taxes             | 22,733                            | 20,666    | 2,067      | 10.0%  | 154,456                    | 152,277    | 2,179    | 1.4%   |
| Net Operating Income (1)                             | \$ 56,558                         | \$ 60,883 | \$ (4,325) | -7.1%  | \$ 301,878                 | \$ 295,178 | \$ 6,700 | 2.3%   |
| Rental revenue - subtotal                            | \$ 79,291                         | \$ 81,549 |            |        | \$ 456,334                 | \$ 447,455 |          |        |
| Less straight line rent and fair value lease revenue | 21,091                            | 27,186    | (6,095)    | -22.4% | 36,877                     | 37,045     | (168)    | -0.5%  |
| Rental revenue - cash basis                          | 58,200                            | 54,363    | 3,837      | 7.1%   | 419,457                    | 410,410    | 9,047    | 2.2%   |
| Less:  |                                   |           |            |        |                            |            |          |        |
| Operating expenses and real estate taxes             | 22,733                            | 20,666    | 2,067      | 10.0%  | 154,456                    | 152,277    | 2,179    | 1.4%   |
| Net Operating Income (2) - cash basis                | \$ 35,467                         | \$ 33,697 | \$ 1,770   | 5.3%   | \$ 265,001                 | \$ 258,133 | \$ 6,868 | 2.7%   |

(1) For a quantitative reconciliation of net operating income (NOI) to net income available to common shareholders, see page 42. For disclosures relating to our use of NOI see page 50.

(2) For a quantitative reconciliation of NOI to NOI on a cash basis see page 42. For disclosures relating to our use of NOI see page 50.

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

**Boston Properties, Inc.**  
**Fourth Quarter 2010**  
**LEASING ACTIVITY**

**All In-Service Properties - quarter ended December 31, 2010**

|   | <u>Office</u>    | <u>Office/Technical</u> | <u>Total</u>         |
|---|------------------|-------------------------|----------------------|
| Vacant space available @ 10/1/2010 (sf)                 | 2,143,620        | 231,368                 | 2,374,988            |
| Property dispositions/ assets taken out of service (sf) | —                | —                       | —                    |
| Property acquisitions/ assets placed in-service (sf)    | 57,392           | —                       | 57,392               |
| Leases expiring or terminated 10/1/2010-12/31/2010 (sf) | 1,010,907        | 104,219                 | 1,115,126            |
| <b>Total space for lease (sf)</b>                       | <b>3,211,919</b> | <b>335,587</b>          | <b>3,547,506</b>     |
| New tenants (sf)  | 344,755          | —                       | 344,755              |
| Renewals (sf)   | 551,995          | 104,219                 | 656,214              |
| <b>Total space leased (sf)</b>                          | <b>896,750</b>   | <b>104,219</b>          | <b>1,000,969 (1)</b> |
| Space available @ 12/31/2010 (sf)                       | 2,315,169        | 231,368                 | 2,546,537            |
| Net (increase)/decrease in available space (sf)         | (171,549)        | —                       | (171,549)            |
| 2nd generation Average lease term (months)              | 86               | 36                      | 80                   |
| 2nd generation Average free rent (days)                 | 47               | 5                       | 42                   |
| 2nd generation TI/Comm PSF                              | \$ 25.77         | \$ 0.96                 | \$ 23.18             |
| Increase (decrease) in 2nd generation gross rents (2)   | -9.44%           | -26.60%                 | -10.56%              |
| Increase (decrease) in 2nd generation net rents (3)     | -15.10%          | -32.10%                 | -16.45%              |

|               | <u>All leases<br/>1st Generation</u> | <u>All leases<br/>2nd Generation</u> | <u>Incr (decr)<br/>in 2nd gen.<br/>gross cash rents (2)</u> | <u>Incr (decr)<br/>in 2nd gen.<br/>net cash rents (3)</u> | <u>Total<br/>Leased (4)</u> | <u>Total square feet of leases<br/>executed in the quarter (5)</u> |
|---------------|--------------------------------------|--------------------------------------|---|---|-----------------------------|--|
| Boston        | —                                    | 305,155                              | -15.47%   | -23.34%   | 305,155                     | 1,526,616  |
| Washington    | 4,430                                | 438,816                              | -7.27%  | -10.52%   | 443,246                     | 464,290  |
| New York      | —                                    | 127,953                              | -9.71%  | -18.63%   | 127,953                     | 157,575  |
| San Francisco | —                                    | 83,004                               | -20.69%   | -30.91%   | 83,004                      | 83,485   |
| Princeton     | —                                    | 41,611                               | -7.81%  | -13.56%   | 41,611                      | 9,760  |
|               | <u>4,430</u>                         | <u>996,539</u>                       | <u>-10.56%</u>  | <u>-16.45%</u>  | <u>1,000,969</u>            | <u>2,241,726</u>   |

- (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 881,188.
- (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 881,188.
- (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 quarters, including properties currently under development. The total square feet of leases executed in the current quarter and recognized in the current quarter is 399,214.

Boston Properties, Inc.  
Fourth Quarter 2010

HISTORICALLY GENERATED CAPITAL EXPENDITURES,  
TENANT IMPROVEMENT COSTS AND LEASING COMMISSIONS

Historical Capital Expenditures

(in thousands)

|   | Q4 2010         | Q3 2010         | Q2 2010         | Q1 2010         | 2009             | 2008             | 2007             |
|---|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| Recurring capital expenditures  | \$ 7,878        | \$ 3,070        | \$ 1,996        | \$ 1,044        | \$ 27,813        | \$ 29,781        | \$ 36,599        |
| Planned non-recurring capital expenditures associated with acquisition properties | 250             | 11              | 22              | 112             | 865              | 3,203            | 1,490            |
| Hotel improvements, equipment upgrades and replacements                           | 1,542 (1)       | 231             | 182             | 307             | 1,515            | 2,317 (2)        | 1,127            |
|   | <u>\$ 9,670</u> | <u>\$ 3,312</u> | <u>\$ 2,200</u> | <u>\$ 1,463</u> | <u>\$ 30,193</u> | <u>\$ 35,301</u> | <u>\$ 39,216</u> |

2nd Generation Tenant Improvements and Leasing Commissions

|  | Q4 2010         | Q3 2010         | Q2 2010         | Q1 2010         | 2009            | 2008            | 2007            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Office   |                 |                 |                 |                 |                 |                 |                 |
| Square feet  | 892,320         | 740,065         | 1,141,111       | 1,991,944       | 3,545,251       | 2,472,619       | 3,201,812       |
| Tenant improvement and lease commissions PSF         | \$ 25.77        | \$ 41.82        | \$ 23.18        | \$ 45.21        | \$ 32.59        | \$ 30.17        | \$ 23.88        |
| Office/Technical                                     |                 |                 |                 |                 |                 |                 |                 |
| Square feet  | 104,219         | 14,338          | —               | 31,060          | 115,848         | 26,388          | 226,692         |
| Tenant improvement and lease commissions PSF         | \$ 0.96         | \$ 14.25        | \$ —            | \$ 0.51         | \$ 0.13         | \$ —            | \$ 26.62        |
| Average tenant improvement and lease commissions PSF | <u>\$ 23.18</u> | <u>\$ 41.30</u> | <u>\$ 23.18</u> | <u>\$ 44.46</u> | <u>\$ 31.56</u> | <u>\$ 29.85</u> | <u>\$ 24.06</u> |

- (1) Includes approximately \$1,091 of costs related to a façade project at Cambridge Center Marriott  
(2) Includes approximately \$723 of costs related to suites renovation at Cambridge Center Marriott.

**Boston Properties, Inc.**  
**Fourth Quarter 2010**

**ACQUISITIONS/DISPOSITIONS**

as of December 31, 2010

**ACQUISITIONS**

For the period from January 1, 2010 through December 31, 2010

| Property   | Date Acquired | Square Feet      | Initial Investment   | Anticipated Future Investment | Total Investment     | Percentage Leased |
|--|---------------|------------------|----------------------|-------------------------------|----------------------|-------------------|
| 500 North Capitol (30% ownership interest)                 | Apr-10        | 175,698          | \$ 8,485,000         | \$ 28,000,000                 | \$ 36,485,000        | 100%              |
| Reston Virginia Land Parcel                                | Jul-10        | N/A              | 20,250,000           | —                             | 20,250,000           | N/A               |
| 510 Madison Avenue   | Sep-10        | 347,000          | 310,670,771          | 64,329,229 (1)                | 375,000,000          | 13%               |
| The Offices at Wisconsin Place (remaining 33.33% interest) | Dec-10        | 299,186          | 25,485,000 (2)       | —                             | 25,485,000           | 97%               |
| John Hancock Tower & Garage                                | Dec-10        | 1,693,553        | 930,000,000          | —                             | 930,000,000          | 97%               |
| <b>Total Acquisitions</b>                                  |               | <u>2,515,437</u> | <u>1,294,890,771</u> | <u>92,329,229</u>             | <u>1,387,220,000</u> | <u>85%</u>        |

**DISPOSITIONS**

For the period from January 1, 2010 through December 31, 2010

| Property                                | Date Disposed | Square Feet | Gross Sales Price  | Book Gain          |
|---|---------------|-------------|--------------------|--------------------|
| 20 F Street Land (3)                    | Apr-08        | —           | \$ —               | \$1,765,000        |
| 280 Park Avenue (4)                     | Jun-06        | —           | —                  | 969,000            |
| Wisconsin Place Retail (5.00% interest) | Dec-10        | —           | 1,429,000          | 572,000 (2)        |
| <b>Total Dispositions</b>               |               | <u>—</u>    | <u>\$1,429,000</u> | <u>\$3,306,000</u> |

- (1) Estimated future equity requirements include approximately \$13 million of capitalized interest. For additional detail, see page 47.
- (2) On December 23, 2010, the Company acquired the outside member's 33.33% equity interest in its consolidated joint venture entity that owns the Offices at Wisconsin Place located in Chevy Chase, Maryland for cash of approximately \$25.5 million. On the same day, the seller acquired the Company's 5.00% equity interest in the Company's unconsolidated joint venture entity that owns the retail portion of the Wisconsin Place mixed-use property for approximately \$1.4 million of cash, resulting in a gain on sale of real estate totaling approximately \$0.6 million. The gain on sale of real estate has been reflected in income from unconsolidated joint ventures within the Company's consolidated income statement. In addition, on December 23, 2010, the Company used available cash to repay the mortgage loan collateralized by the Offices at Wisconsin Place totaling approximately \$97.2 million. The mortgage loan bore interest at a variable rate equal to LIBOR plus 1.10% per annum and was scheduled to mature on January 29, 2011. There was no prepayment penalty.
- (3) 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 gain on sale totaling approximately \$23.4 million was deferred and has been recognized over the construction period. During the six months ended June 30, 2010, the Company completed construction of the project and recognized the remaining gain on sale totaling approximately \$1.8 million.
- (4) 280 Park Avenue was sold in 2006. The Company had entered into a master lease obligation with the buyer resulting in the deferral of a portion of the book gain on sale. During the three months ended June 30, 2010, the Company satisfied the remaining requirement of the master lease obligation and recognized the remaining deferred gain on sale of approximately \$1.0 million.

**Boston Properties, Inc.**  
**Fourth Quarter 2010**

**VALUE CREATION PIPELINE - CONSTRUCTION IN PROGRESS (1)**

as of December 31, 2010

| <b>Construction Properties</b>                         | <b>Initial Occupancy</b> | <b>Estimated Stabilization Date</b> | <b>Location</b> | <b># of Buildings</b> | <b>Existing Square feet</b> | <b>Investment to Date (2)</b> | <b>Estimated Total Investment (2)</b> | <b>Total Construction Loan (2)</b> | <b>Amount Drawn at December 31, 2010</b> | <b>Estimated Future Equity Requirement</b> | <b>Percentage Leased (3)</b> |
|--|--------------------------|-------------------------------------|-----------------|-----------------------|-----------------------------|-------------------------------|---------------------------------------|------------------------------------|--|--|------------------------------|
| <b>Office</b>  |                          |                                     |                 |                       |                             |                               |                                       |                                    |  |  |                              |
| Atlantic Wharf (4)                                     | Q1 2011                  | Q1 2012                             | Boston, MA      | 1                     | 790,000                     | \$ 503,799,170                | \$ 552,900,000                        | \$192,500,000 (5)                  | \$ —                                     | \$ (143,399,170)(5)                        | 79% (4)                      |
| 2200 Pennsylvania Avenue (6)                           | Q1 2011                  | Q2 2012                             | Washington, DC  | 1                     | 460,000                     | 137,290,747                   | 230,000,000                           | —                                  | —  | 92,709,253                                 | 83% (6)                      |
| 510 Madison Avenue (7)                                 | Q2 2011                  | Q4 2012                             | New York, NY    | 1                     | 347,000                     | 319,070,986                   | 375,000,000                           | —                                  | —  | 55,929,014                                 | 13%                          |
| <b>Total Office Properties under Construction</b>      |                          |                                     |                 | <b>3</b>              | <b>1,597,000</b>            | <b>\$ 960,160,903</b>         | <b>\$1,157,900,000</b>                | <b>\$ 192,500,000</b>              | <b>\$ —</b>                              | <b>\$ 5,239,097</b>                        | <b>66%</b>                   |
| <b>Residential</b>                                     |                          |                                     |                 |                       |                             |                               |                                       |                                    |  |  |                              |
| Atlantic Wharf - Residential (86 Units) (8)            | Q3 2011                  | Q2 2012                             | Boston, MA      | 1                     | 78,000                      | \$ 35,494,551                 | \$ 47,100,000                         | \$ —                               | \$ —                                     | \$ 11,605,449                              | N/A                          |
| Atlantic Wharf - Retail                                |                          |                                     |                 |                       | 10,000                      | —                             | —                                     | —                                  | —  | —  | 0%                           |
| 2221 I Street, NW - Residential (335 units) (9)        | Q2 2011                  | Q3 2012                             | Washington, DC  | 1                     | 275,000                     | 81,873,673                    | 150,000,000                           | —                                  | —  | 68,126,327                                 | N/A                          |
| 2221 I Street, NW - Retail                             |                          |                                     |                 |                       | 50,000                      | —                             | —                                     | —                                  | —  | —  | 100%                         |
| <b>Total Residential Properties under Construction</b> |                          |                                     |                 | <b>2</b>              | <b>413,000</b>              | <b>\$ 117,368,224</b>         | <b>\$ 197,100,000</b>                 | <b>\$ —</b>                        | <b>\$ —</b>                              | <b>\$ 79,731,776</b>                       | <b>83%</b>                   |
| <b>Total Properties under Construction</b>             |                          |                                     |                 | <b>5</b>              | <b>2,010,000</b>            | <b>\$1,077,529,127</b>        | <b>\$1,355,000,000</b>                | <b>\$ 192,500,000</b>              | <b>\$ —</b>                              | <b>\$ 84,970,873</b>                       | <b>66%</b>                   |

**PROJECTS PLACED-IN-SERVICE DURING 2010**

|   | <b>Initial In Service Date</b> | <b>Estimated Stabilization Date</b> | <b>Location</b> | <b># of Buildings</b> | <b>Square feet</b> | <b>Investment to Date (2)</b> | <b>Estimated Total Investment (2)</b> | <b>Debt</b> | <b>Drawn at December 31, 2010</b> | <b>Estimated Future Equity Requirement</b> | <b>Percentage Leased</b> |
|---|--------------------------------|-------------------------------------|-----------------|-----------------------|--------------------|-------------------------------|---------------------------------------|-------------|-----------------------------------|--|--------------------------|
| Weston Corporate Center                 | Q2 2010                        | Q2 2010                             | Weston, MA      | 1                     | 356,367            | \$124,691,599                 | \$ 127,500,000                        | \$ —        | \$ —                              | \$ 2,808,401                               | 100%                     |
| <b>Total Projects Placed in Service</b> |                                |                                     |                 | <b>1</b>              | <b>356,367</b>     | <b>\$124,691,599</b>          | <b>\$ 127,500,000</b>                 | <b>\$ —</b> | <b>\$ —</b>                       | <b>\$ 2,808,401</b>                        | <b>100%</b>              |

|   | <b>Sub Market</b>          | <b>Number of Buildings</b> | <b>Existing Square Feet</b> | <b>Leased %</b> | <b>Annualized Revenue Per Leased SF (10)</b> | <b>Encumbered with secured debt (Y/N)</b> | <b>Central Business District (CBD) or Suburban (S)</b> | <b>Estimated Future SF (11)</b> |
|---|----------------------------|----------------------------|-----------------------------|-----------------|--|---|--|---------------------------------|
| 103 Fourth Avenue                               | Route 128 Mass Turnpike MA | 1                          | 62,476                      | 58.5%           | \$ 10.48                                     | N   | S  | 265,000                         |
| Waltham Office Center                           | Route 128 Mass Turnpike MA | 1                          | 67,005                      | 38.3%           | 16.47  | N   | S  | 414,000 (12)                    |
| 6601 Springfield Center Drive                   | Fairfax County VA          | 1                          | 26,388                      | 100.0%          | 11.33  | N   | S  | 386,000 (12)                    |
| North First Business Park                       | San Jose, CA               | 5                          | 190,636                     | 75.8%           | 16.69  | N   | S  | 683,000                         |
| 635 Massachusetts Avenue                        | CBD Washington DC          | 1                          | 211,000                     | 100.0%          | 28.31  | N   | CBD  | 450,000                         |
| 500 North Capitol (30% ownership) (13)          | CBD Washington DC          | 1                          | 175,698                     | 100.0%          | 43.03  | Y   | CBD  | 223,000                         |
| 12300 & 12310 Sunrise Valley (14)               | Fairfax County VA          | 2                          | 519,114                     | 100.0%          | 46.17  | N   | S  | 523,000                         |
| <b>Total Properties held for Re-Development</b> |                            | <b>12</b>                  | <b>1,252,317</b>            | <b>91.0%</b>    | <b>\$ 36.01</b>                              |   |  | <b>2,944,000</b>                |

- (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) Includes net revenue during lease up period.
- (3) Represents office and retail percentage leased as of January 25, 2011 and excludes residential space.
- (4) Project includes 17,000 square feet of retail space.
- (5) On October 1, 2010, the Company modified the construction loan facility by releasing from collateral the residential portion of the project and reducing the loan commitment from \$215.0 million to \$192.5 million. The Company has not drawn from the construction loan to date, but reserves the right to do so in the future.
- (6) Project includes 20,000 square feet of retail space and is subject to a ground lease expiring in 2068.
- (7) Acquired September 24, 2010; base building is expected to be completed in Q2 2011. Estimated future equity requirements include approximately \$13 million of capitalized interest.
- (8) Project cost includes residential and retail components. Estimated Total Investment is net of \$12.0 million of net proceeds from the sale of Federal Historical Tax Credits.
- (9) Project cost includes residential and retail components and is subject to a ground lease expiring in 2068.
- (10) For disclosures relating to our definition of Annualized Revenue, see page 50.
- (11) Included in Approximate Developable Square Feet of Value Creation Pipeline - Owned Land Parcels on page 48.
- (12) Total estimated square footage represents the entire site including the buildings reclassified to Land in Q1, 2010.
- (13) On January 18, 2011, the Company executed an approximately 171,000 square foot 15 year lease with McDermott Will & Emery. The Company expects to commence redevelopment in the second quarter 2011 and expects to have it available for occupancy during the fourth quarter 2012.
- (14) On September 14, 2010, the Company executed an approximately 523,000 square foot 20-year lease with the Defense Intelligence Agency (US Government) for the Company's 12300 & 12310 Sunrise Valley Drive properties located in Reston, Virginia, which are currently 100% leased. The Company expects to commence redevelopment of 12310 Sunrise Valley Drive in the third quarter of 2011 and expects to have it available for occupancy during the first quarter of 2012. Redevelopment of 12300 Sunrise Valley Drive will commence in the second quarter of 2012 and availability for occupancy is expected during the second quarter of 2013.

VALUE CREATION PIPELINE - OWNED LAND PARCELS

as of December 31, 2010

| <u>Location</u>                  | <u>Acreage</u> | <u>Approximate Developable Square Feet</u> |
|----------------------------------|----------------|--|
| San Jose, CA (1) (2)             | 44.0           | 2,409,364                                  |
| Reston, VA (1)                   | 36.3           | 1,253,886                                  |
| Waltham, MA (1)                  | 25.4           | 1,020,519                                  |
| New York, NY (3)                 | 1.0            | 1,000,000                                  |
| Gaithersburg, MD                 | 27.0           | 850,000                                    |
| Springfield, VA (1)              | 17.8           | 773,612                                    |
| Dulles, VA                       | 76.6           | 760,000                                    |
| Rockville, MD                    | 58.1           | 759,000                                    |
| Boston, MA (4)                   | 1.0            | 450,000                                    |
| Marlborough, MA                  | 50.0           | 400,000                                    |
| Annapolis, MD (50% ownership)    | 20.0           | 300,000                                    |
| Washington, DC (1)               | 1.7            | 286,302                                    |
| Cambridge, MA                    | 1.1            | 170,000                                    |
| Andover, MA                      | 10.0           | 110,000                                    |
| New York, NY (50% ownership) (5) | 0.2            | TBD  |
|                                  | <u>370.2</u>   | <u>10,542,683</u>                          |

VALUE CREATION PIPELINE - LAND PURCHASE OPTIONS

as of December 31, 2010

| <u>Location</u>   | <u>Acreage</u> | <u>Approximate Developable Square Feet</u> |
|-------------------|----------------|--|
| Princeton, NJ (6) | 143.1          | 1,780,000                                  |
| Cambridge, MA (7) | —              | 500,000                                    |
|                   | <u>143.1</u>   | <u>2,280,000</u>                           |

- (1) Excludes the existing square footage related to sites being held for future re-development included on page 47.
- (2) Includes an additional 460,000 of developable square footage at our 3200 Zanker Road project.
- (3) On November 30, 2009, we completed the construction of foundations and steel/deck to grade at 250 West 55th Street, to facilitate a restart of construction in the future.
- (4) Excludes 250,000 developable square feet of which the Company executed an agreement to ground lease with a Residential Developer.
- (5) The venture owns five lots with air rights and developable square footage remains to be determined.
- (6) Option to purchase at a fixed price of \$30.50 per square foot plus annual non-refundable option payments of \$125,000.
- (7) An additional 300,000 square feet of development rights for office/lab space was granted as part of a zoning change in Q3 2010. The Company also has the option to purchase 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) attributable to Boston Properties, Inc. (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 attributable to Boston Properties, Inc. (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 attributable to Boston Properties, Inc. and considered in addition to cash flows determined 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 non-real estate depreciation, fair value interest adjustment, losses from early extinguishments of debt, impairments, ASC 470-20 (formerly known as FSP APB 14-1) interest expense adjustment, non-cash stock-based compensation expense, and partners' share of joint venture 2nd generation tenant improvement and leasing commission, (2) eliminating the effects of straight-line rent and fair value lease revenue, (3) subtracting: recurring capital expenditures; hotel improvements, equipment upgrades and replacements; and second generation tenant improvement and leasing commissions (included in the period in which the lease commences); and (4) subtracting the gain from suspension of development, non-cash termination income and non-cash income from the termination of a management agreement. 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 determined 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.

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

Total 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) outstanding shares of common stock of the Company, (2) outstanding common units of limited partnership interest in Boston Properties Limited Partnership (excluding common units held by the Company), (3) common units issuable upon conversion of all outstanding Series Two Preferred Units of partnership interest in Boston Properties Limited Partnership and (4) common units issuable upon conversion of all outstanding LTIP Units, assuming all conditions have been met for the conversion of the LTIP Units. The calculation of total consolidated market capitalization does not include OPP Units because, unlike other LTIP Units, they are not earned until certain thresholds are achieved. 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 total consolidated debt to total consolidated market capitalization ratio is in part a function of the market price of the common stock of the Company, 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 total 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.

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

Total 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) outstanding shares of common stock of the Company, (2) outstanding common units of limited partnership interest in Boston Properties Limited Partnership (excluding common units held by the Company), (3) common units issuable upon conversion of all outstanding Series Two Preferred Units of partnership interest in Boston Properties Limited Partnership and (4) common units issuable upon conversion of all outstanding LTIP Units, assuming all conditions have been met for the conversion of the LTIP Units. The calculation of total combined market capitalization does not include OPP Units because, unlike other LTIP Units, they are not earned until certain thresholds are achieved.

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 total consolidated debt and our total combined debt, we believe that presenting our total 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 total combined debt to total combined market capitalization ratio is in part a function of the market price of the common stock of the Company, 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 total 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 attributable to Boston Properties, Inc., the most directly comparable GAAP financial measure, plus income attributable to noncontrolling interests, corporate general and administrative expense, acquisition costs, depreciation and amortization, interest expense and losses from early extinguishments of debt, less interest income, development and management services income, and income from unconsolidated joint ventures. 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 and fair value lease revenue. 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 net operating 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 and fair value lease revenue. 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 net operating 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 and fair value lease revenue. 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 evaluate regional 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**

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. In-service properties include properties held by our unconsolidated joint ventures (other than the Value-Added Fund).

**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 20-22 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



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**AT THE COMPANY**

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**BOSTON PROPERTIES ANNOUNCES**  
**FOURTH QUARTER 2010 RESULTS**

**Reports diluted FFO per share of \$0.64**

**Reports diluted EPS of \$(0.09)**

**BOSTON, MA, January 25, 2011 – Boston Properties, Inc. (NYSE: BXP)**, a real estate investment trust, reported results today for the fourth quarter ended December 31, 2010.

*Results for the quarter ended December 31, 2010*

Funds from Operations (FFO) for the quarter ended December 31, 2010 were \$89.9 million, or \$0.64 per share basic and \$0.64 per share diluted. This compares to FFO for the quarter ended December 31, 2009 of \$146.1 million, or \$1.05 per share basic and \$1.04 per share diluted. FFO for the quarter ended December 31, 2010 includes \$(0.50) per share on a diluted basis related to the losses from early extinguishments of debt totaling approximately \$81.7 million primarily associated with the Company's Operating Partnership's redemption of \$700.0 million in aggregate principal amount of its 6.25% senior notes due 2013 and the repurchase of \$50.0 million aggregate principal amount of its 2.875% exchangeable senior notes due 2037. FFO for the quarter ended December 31, 2009 includes \$(0.04) per share on a diluted basis related to non-cash impairment charges on the Company's investment in its Value-Added Fund. The weighted average number of basic and diluted shares outstanding totaled 140,104,791 and 142,058,612, respectively, for the quarter ended December 31, 2010 and 138,761,430 and 140,919,736, respectively, for the quarter ended December 31, 2009.

Net income (loss) available to common shareholders was \$(12.9) million for the quarter ended December 31, 2010, compared to \$53.3 million for the quarter ended December 31, 2009. Net income (loss) available to common shareholders per share (EPS) for the quarter ended December 31, 2010 was \$(0.09) basic and \$(0.09) on a diluted basis. This compares to EPS for the fourth quarter of 2009 of \$0.38 basic and \$0.38 on a diluted basis.

*Results for the year ended December 31, 2010*

FFO for the year ended December 31, 2010 were \$547.4 million, or \$3.93 per share basic and \$3.90 per share diluted. This compares to FFO for the year ended December 31, 2009 of \$606.3 million, or \$4.63 per share basic and \$4.59 per share diluted. The weighted average number of basic and diluted shares outstanding totaled 139,439,637 and 141,518,065, respectively, for the year ended December 31, 2010 and 131,050,184 and 132,972,524, respectively, for the year ended December 31, 2009.

Net income available to common shareholders was \$159.1 million for the year ended December 31, 2010, compared to \$231.0 million for the year ended December 31, 2009. Net income available to common shareholders per share (EPS) for the year ended December 31, 2010 was \$1.14 basic and \$1.14 on a diluted basis. This compares to EPS for the year ended December 31, 2009 of \$1.76 basic and \$1.76 on a diluted basis.

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, 2010. In the opinion of management, all adjustments considered necessary for a fair presentation of these reported results have been made.

As of December 31, 2010, the Company's portfolio consisted of 146 properties, comprised primarily of Class A office space, one hotel, two residential properties and three retail properties, aggregating approximately 39.9 million square feet, including five properties under construction totaling 2.0 million square feet. In addition, the Company has structured parking for vehicles containing approximately 13.7 million square feet. The overall percentage of leased space for the 140 properties in service as of December 31, 2010 was 93.2%.

Significant events during the fourth quarter included:

- On October 1, 2010, the Company modified its construction loan facility collateralized by its Atlantic Wharf development project in Boston, Massachusetts. The construction loan facility totaling \$215.0 million bears interest at a variable rate equal to LIBOR plus 3.00% per annum and matures on April 21, 2012 with two, one-year extension options, subject to certain conditions. The modification consisted of releasing from collateral the residential portion of the project and reducing the loan commitment to \$192.5 million. All other terms of the mortgage loan remain unchanged. The Company has not drawn any amounts under the facility.
- On October 20, 2010, the Company closed a transaction with a financial institution (the "HTC Investor") related to the historic rehabilitation of the residential component of the Company's Atlantic Wharf development in Boston, Massachusetts (the "residential project"). The residential project is expected to result in the development of approximately 86 units of residential rental apartments and approximately 10,000 square feet of retail space. Because, as a REIT, the Company may not take full advantage of available historic tax credits, the Company admitted the HTC Investor as a partner in the residential project. The HTC Investor has agreed to contribute an aggregate of approximately \$14 million to the project in three installments in 2010 and 2011, subject to the Company's achievement of certain conditions that include construction milestones and its compliance with the federal

rehabilitation regulations. In exchange for its contribution, the HTC Investor will receive substantially all of the benefits derived from the tax credits. The \$14 million in proceeds received from the HTC Investor will be recorded as deferred revenue and recognized as revenue over the five-year tax credit recapture period.

- On October 20, 2010, the Company used available cash to repay the mortgage loan collateralized by its South of Market property located in Reston, Virginia totaling approximately \$188.0 million. The mortgage loan bore interest at a variable rate equal to LIBOR plus 1.00% per annum and was scheduled to mature on November 21, 2010. There was no prepayment penalty.
- On October 20, 2010, the Company used available cash to repay the mortgage loan collateralized by its Democracy Tower property located in Reston, Virginia totaling approximately \$59.8 million. The mortgage loan bore interest at a variable rate equal to LIBOR plus 1.75% per annum and was scheduled to mature on December 19, 2010. There was no prepayment penalty.
- On October 21, 2010, the Company's Value-Added Fund conveyed the fee simple title to its One and Two Circle Star Way properties and paid \$3.8 million to the lender, which had been accrued previously, in satisfaction of its outstanding obligations under the existing mortgage loan. The mortgage loan had an outstanding principal amount of \$42.0 million, bore interest at a fixed rate of 6.57% per annum and was scheduled to mature on September 1, 2013. In addition, the Value-Added Fund had guaranteed the payment of (1) an aggregate of approximately \$5.0 million of unfunded tenant improvement costs and leasing commissions and (2) one year of real estate taxes. The Company had an effective ownership interest of 25% in the One and Two Circle Star Way properties.
- On November 1, 2010, the Company used available cash to repay the mortgage loan collateralized by its 10 & 20 Burlington Mall Road property located in Burlington, Massachusetts and 91 Hartwell Avenue property located in Lexington, Massachusetts totaling approximately \$32.8 million. The mortgage loan bore interest at a fixed rate of 7.25% per annum and was scheduled to mature on October 1, 2011. The Company paid a prepayment penalty totaling approximately \$0.3 million associated with the repayment.
- On November 1, 2010, the Company used available cash to repay the mortgage loan collateralized by its 1330 Connecticut Avenue property located in Washington, DC totaling approximately \$45.0 million. The mortgage loan bore interest at a fixed rate of 7.58% per annum and was scheduled to mature on February 26, 2011. There was no prepayment penalty.
- On November 16, 2010, the Company's Operating Partnership repurchased \$50.0 million aggregate principal amount of its 2.875% exchangeable senior notes due 2037, which the holders may require the Operating Partnership to repurchase in February 2012, for approximately \$51.1 million. The repurchased notes had an aggregate carrying value of the liability component of approximately \$48.4 million and the value of the equity component was approximately \$0.4 million, resulting in the recognition of a loss on early extinguishment of approximately \$2.3 million.

- On November 18, 2010, the Company's Operating Partnership completed a public offering of \$850.0 million in aggregate principal amount of its 4.125% senior notes due 2021. The notes were priced at 99.26% of the principal amount to yield 4.289% to maturity. The aggregate net proceeds to the Operating Partnership, after deducting underwriter discounts and offering expenses, were approximately \$836.9 million. The notes mature on May 15, 2021, unless earlier redeemed.
- On December 12, 2010, the Company's Operating Partnership completed the redemption of \$700.0 million in aggregate principal amount of its 6.25% senior notes due 2013. The redemption price was determined in accordance with the applicable indenture and was approximately \$793.1 million. The redemption price included approximately \$17.9 million of accrued and unpaid interest to, but not including, the redemption date. Excluding such accrued and unpaid interest, the redemption price was approximately 110.75% of the principal amount being redeemed. In addition, on November 29, 2010, the Company entered into two Treasury lock agreements to fix the yield on the U.S. Treasury issue used in determining the redemption price on notional amounts aggregating \$700.0 million. On December 9, 2010, the Company cash-settled the Treasury lock agreements and paid approximately \$2.1 million. As a result of the payment of the redemption premium, the settlement of the Treasury locks and the write-off of deferred financing costs, the Company recognized an aggregate loss on early extinguishment of debt of approximately \$79.3 million. Following the partial redemption, there is an aggregate of \$225.0 million of the notes outstanding.
- On December 23, 2010, the Company acquired the outside member's 33.33% equity interest in its consolidated joint venture entity that owns the Offices at Wisconsin Place located in Chevy Chase, Maryland for cash of approximately \$25.5 million. On the same day, the seller acquired the Company's 5.00% equity interest in the Company's unconsolidated joint venture entity that owns the retail portion of the Wisconsin Place mixed-use property for approximately \$1.4 million of cash. In addition, on December 23, 2010, the Company used available cash to repay the mortgage loan collateralized by the Offices at Wisconsin Place totaling approximately \$97.2 million. The mortgage loan bore interest at a variable rate equal to LIBOR plus 1.10% per annum and was scheduled to mature on January 29, 2011. There was no prepayment penalty.

On December 29, 2010, the Company completed the acquisition of the John Hancock Tower and Garage in Boston, Massachusetts for an aggregate purchase price of approximately \$930.0 million. The purchase price consisted of approximately \$289.5 million of cash and the assumption of approximately \$640.5 million of indebtedness. The assumed debt is a securitized senior mortgage loan that bears interest at a fixed rate of 5.68% per annum and matures on January 6, 2017. The loan requires interest-only payments with a balloon payment due at maturity. The Company incurred an aggregate of approximately \$0.9 million of acquisition-related costs, of which \$0.6 million were expensed during the fourth quarter of 2010. The John Hancock Tower is an iconic 62-story, approximately 1,700,000 rentable square foot office tower located in the heart of Boston's Back Bay neighborhood. The garage is an eight-level, 2,013 space parking facility.

Transactions completed subsequent to December 31, 2010:

- On January 14, 2011, the Company placed in-service approximately 57% of the office component of its Atlantic Wharf development project located in Boston, Massachusetts. The office component, which is comprised of approximately 790,000 net rentable square feet, is currently 79% leased.
- On January 20, 2011, as reported in the Company's Current Report on Form 8-K filed on January 21, 2011, the Company's Compensation Committee approved outperformance awards under the Company's 1997 Stock Option and Incentive Plan to officers and employees of the Company. These awards (the "2011 OPP Awards") are part of a broad-based, long-term incentive compensation program designed to provide the Company's management team with the potential to earn equity awards subject to the Company "outperforming" and creating shareholder value in a pay-for-performance structure. Recipients of 2011 OPP Awards will share in a maximum outperformance pool of \$40 million if the total return to shareholders, including both share appreciation and dividends, exceeds absolute and relative hurdles over a three-year measurement period from February 1, 2011 to January 31, 2014. Earned awards are subject to two-years of time-based vesting after the performance measurement date. Investors are encouraged to refer to the Form 8-K referenced above for a detailed discussion of the terms and conditions of the 2011 OPP Awards, including the manner in which the outperformance pool is calculated. The Company expects that under the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") 718 "Compensation – Stock Compensation" the 2011 OPP Awards will have an aggregate value of approximately \$7.4 million, which amount will be amortized into earnings over the five-year plan period under the graded vesting method and has been reflected in the 2011 guidance below.

**EPS and FFO per Share Guidance:**

The Company's guidance for the first quarter and full year 2011 for EPS (diluted) and FFO per share (diluted) is set forth and reconciled below.

|  | First Quarter 2011 |   |        | Full Year 2011 |   |        |
|--|--------------------|---|--------|----------------|---|--------|
|  | Low                | - | High   | Low            | - | High   |
| Projected EPS (diluted)  | \$0.26             | - | \$0.28 | \$1.20         | - | \$1.35 |
| Add:   |                    |   |        |                |   |        |
| Projected Company Share of Real Estate Depreciation and Amortization | 0.80               | - | 0.80   | 3.25           | - | 3.25   |
| Less:  |                    |   |        |                |   |        |
| Projected Company Share of Gains on Sales of Real Estate             | 0.00               | - | 0.00   | 0.00           | - | 0.00   |
| Projected FFO per Share (diluted)                                    | \$1.06             | - | \$1.08 | \$4.45         | - | \$4.60 |

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. 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, possible capital markets activity 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.

Boston Properties will host a conference call on Wednesday, January 26, 2011 at 10:00 AM Eastern Time, open to the general public, to discuss the fourth quarter and full year 2010 results, the 2011 projections and related assumptions, and other related matters that may be of interest to investors. The number to call for this interactive teleconference is (877) 706-4503 (Domestic) or (281) 913-8731 (International) and entering the passcode 34013524. A replay of the conference call will be available through February 11, 2011, by dialing (800) 642-1687 (Domestic) or (706) 645-9291 (International) and entering the passcode 34013524. There will also be a live audio webcast of the call which may be accessed on the Company's website at [www.bostonproperties.com](http://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 2010 "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](http://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 space, one hotel, two residential properties and three retail properties. 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, DC, San Francisco and Princeton, NJ.

*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 Company's ability to satisfy the closing conditions to the pending transactions described above, 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 contracts, 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 2011, whether as a result of new information, future events or otherwise.*

Financial tables follow.

**BOSTON PROPERTIES, INC.**  
**CONSOLIDATED BALANCE SHEETS**

|   | December 31,<br>2010                                    | December 31,<br>2009 |
|---|---|----------------------|
|   | (in thousands, except for share amounts)<br>(unaudited) |                      |
| <b>ASSETS</b>   |   |                      |
| Real estate   | \$ 10,933,977   | \$ 9,817,388         |
| Construction in progress  | 1,073,402   | 563,645              |
| Land held for future development  | 757,556   | 718,525              |
| Less: accumulated depreciation  | (2,323,818)   | (2,033,677)          |
| Total real estate   | 10,441,117  | 9,065,881            |
| Cash and cash equivalents   | 478,948   | 1,448,933            |
| Cash held in escrows  | 308,031   | 21,867               |
| Investments in securities   | 8,732   | 9,946                |
| Tenant and other receivables, net of allowance for doubtful accounts of \$2,081 and \$4,125, respectively   | 129,818   | 93,240               |
| Related party note receivable   | 270,000   | 270,000              |
| Accrued rental income, net of allowance of \$3,116 and \$2,645, respectively  | 442,683   | 363,121              |
| Deferred charges, net   | 436,019   | 294,395              |
| Prepaid expenses and other assets   | 65,663  | 17,684               |
| Investments in unconsolidated joint ventures  | 767,252   | 763,636              |
| Total assets  | <u>\$ 13,348,263</u>                                    | <u>\$ 12,348,703</u> |
| <b>LIABILITIES AND EQUITY</b>   |   |                      |
| Liabilities:  |   |                      |
| Mortgage notes payable  | \$ 3,047,586  | \$ 2,643,301         |
| Unsecured senior notes, net of discount   | 3,016,598   | 2,172,389            |
| Unsecured exchangeable senior notes, net of discount  | 1,721,817   | 1,904,081            |
| Unsecured line of credit  | —   | —                    |
| Accounts payable and accrued expenses   | 186,059   | 220,089              |
| Dividends and distributions payable   | 81,031  | 80,536               |
| Accrued interest payable  | 62,327  | 76,058               |
| Other liabilities   | 213,000   | 127,538              |
| Total liabilities   | <u>8,328,418</u>  | <u>7,223,992</u>     |
| Commitments and contingencies   | —   | —                    |
| Noncontrolling interest:  |   |                      |
| Redeemable preferred units of the Operating Partnership   | 55,652  | 55,652               |
| Equity:   |   |                      |
| Stockholders' equity attributable to Boston Properties, Inc.  |   |                      |
| 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, 140,278,005 and 138,958,910 shares issued and 140,199,105 and 138,880,010 shares outstanding in 2010 and 2009, respectively | 1,402   | 1,389                |
| Additional paid-in capital  | 4,417,162   | 4,373,679            |
| Earnings (dividends) in excess of dividends (earnings)  | (24,763)  | 95,433               |
| Treasury common stock, at cost  | (2,722)   | (2,722)              |
| Accumulated other comprehensive loss  | (18,436)  | (21,777)             |
| Total stockholders' equity attributable to Boston Properties, Inc.  | 4,372,643   | 4,446,002            |
| Noncontrolling interests:   |   |                      |
| Common units of the Operating Partnership   | 592,164   | 617,386              |
| Property partnerships   | (614)   | 5,671                |
| Total equity  | <u>4,964,193</u>  | <u>5,069,059</u>     |
| Total liabilities and equity  | <u>\$ 13,348,263</u>                                    | <u>\$ 12,348,703</u> |

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

|  | Three months ended |            | Year ended   |              |
|--|--------------------|------------|--------------|--------------|
|  | December 31,       |            | December 31, |              |
|  | 2010               | 2009       | 2010         | 2009         |
| (in thousands, except for per share amounts)<br>(unaudited)  |                    |            |              |              |
| <b>Revenue</b>   |                    |            |              |              |
| <b>Rental</b>  |                    |            |              |              |
| Base rent  | \$ 312,899         | \$ 295,448 | \$ 1,231,564 | \$ 1,185,431 |
| Recoveries from tenants  | 45,189             | 46,769     | 180,719      | 200,899      |
| Parking and other  | 16,920             | 15,357     | 64,490       | 66,597       |
| Total rental revenue   | 375,008            | 357,574    | 1,476,773    | 1,452,927    |
| Hotel revenue  | 10,510             | 10,277     | 32,800       | 30,385       |
| Development and management services  | 6,964              | 8,277      | 41,231       | 34,878       |
| Total revenue  | 392,482            | 376,128    | 1,550,804    | 1,518,190    |
| <b>Expenses</b>  |                    |            |              |              |
| <b>Operating</b>   |                    |            |              |              |
| Rental   | 125,384            | 124,188    | 501,694      | 501,799      |
| Hotel  | 7,602              | 7,717      | 25,153       | 23,966       |
| General and administrative   | 17,121             | 19,506     | 79,658       | 75,447       |
| Acquisition costs  | 721                | —          | 2,614        | —            |
| Loss (gain) from suspension of development   | —                  | —          | (7,200)      | 27,766       |
| Depreciation and amortization  | 92,763             | 79,125     | 338,371      | 321,681      |
| Total expenses   | 243,591            | 230,536    | 940,290      | 950,659      |
| Operating income   | 148,891            | 145,592    | 610,514      | 567,531      |
| <b>Other income (expense)</b>  |                    |            |              |              |
| Income from unconsolidated joint ventures  | 9,834              | 962        | 36,774       | 12,058       |
| Interest and other income  | 1,691              | 1,784      | 7,332        | 4,059        |
| Gains from investments in securities   | 682                | 510        | 935          | 2,434        |
| Interest expense   | (92,192)           | (88,180)   | (378,079)    | (322,833)    |
| Losses from early extinguishments of debt  | (81,662)           | —          | (89,883)     | (510)        |
| Income (loss) from continuing operations   | (12,756)           | 60,668     | 187,593      | 262,739      |
| Gains on sales of real estate  | —                  | 2,078      | 2,734        | 11,760       |
| Net income (loss)  | (12,756)           | 62,746     | 190,327      | 274,499      |
| <b>Net income (loss) attributable to noncontrolling interests</b>                                    |                    |            |              |              |
| Noncontrolling interests in property partnerships  | (907)              | (463)      | (3,464)      | (2,778)      |
| <b>Noncontrolling interest - redeemable preferred units of the Operating Partnership</b>             |                    |            |              |              |
| Partnership  | (795)              | (860)      | (3,343)      | (3,594)      |
| Noncontrolling interest - common units of the Operating Partnership                                  | 1,555              | (7,841)    | (24,099)     | (35,534)     |
| Noncontrolling interest in gains on sales of real estate - common units of the Operating Partnership | —                  | (265)      | (349)        | (1,579)      |
| Net income (loss) attributable to Boston Properties, Inc.  | \$ (12,903)        | \$ 53,317  | \$ 159,072   | \$ 231,014   |
| <b>Basic earnings per common share attributable to Boston Properties, Inc.:</b>                      |                    |            |              |              |
| Net income (loss)  | \$ (0.09)          | \$ 0.38    | \$ 1.14      | \$ 1.76      |
| Weighted average number of common shares outstanding   | 140,105            | 138,761    | 139,440      | 131,050      |
| <b>Diluted earnings per common share attributable to Boston Properties, Inc.:</b>                    |                    |            |              |              |
| Net income (loss)  | \$ (0.09)          | \$ 0.38    | \$ 1.14      | \$ 1.76      |
| Weighted average number of common and common equivalent shares outstanding                           | 140,105            | 139,459    | 140,057      | 131,512      |

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

|  | Three months ended<br>December 31,                          |                   | Year ended<br>December 31, |                   |
|--|---|-------------------|----------------------------|-------------------|
|  | 2010  | 2009              | 2010                       | 2009              |
|  | (in thousands, except for per share amounts)<br>(unaudited) |                   |                            |                   |
| Net income (loss) attributable to Boston Properties, Inc.  | \$ (12,903)   | \$ 53,317         | \$ 159,072                 | \$ 231,014        |
| Add:   |   |                   |                            |                   |
| Noncontrolling interest in gains on sales of real estate -common units of the Operating Partnership  | —   | 265               | 349                        | 1,579             |
| Noncontrolling interest - common units of the Operating Partnership                                  | (1,555)   | 7,841             | 24,099                     | 35,534            |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership                    | 795   | 860               | 3,343                      | 3,594             |
| Noncontrolling interests in property partnerships  | 907   | 463               | 3,464                      | 2,778             |
| Less:  |   |                   |                            |                   |
| Gains on sales of real estate  | —   | 2,078             | 2,734                      | 11,760            |
| Income (loss) from continuing operations   | (12,756)  | 60,668            | 187,593                    | 262,739           |
| Add:   |   |                   |                            |                   |
| Real estate depreciation and amortization (2)  | 118,573   | 109,153           | 450,546                    | 446,718           |
| Less:  |   |                   |                            |                   |
| Gain on sale of real estate included within income from unconsolidated joint ventures (3)            | 572   | —                 | 572                        | —                 |
| Noncontrolling interests in property partnerships' share of funds from operations                    | 1,686   | 1,523             | 6,862                      | 5,513             |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership                    | 795   | 860               | 3,343                      | 3,594             |
| Funds from operations (FFO) attributable to the Operating Partnership                                | 102,764   | 167,438           | 627,362                    | 700,350           |
| Less:  |   |                   |                            |                   |
| Noncontrolling interest - common units of the Operating Partnership's share of funds from operations | 12,886  | 21,382            | 80,006                     | 94,078            |
| Funds from operations attributable to Boston Properties, Inc.  | <u>\$ 89,878</u>  | <u>\$ 146,056</u> | <u>\$ 547,356</u>          | <u>\$ 606,272</u> |
| Our percentage share of funds from operations - basic  | <u>87.46%</u>   | <u>87.23%</u>     | <u>87.25%</u>              | <u>86.57%</u>     |
| Weighted average shares outstanding - basic  | <u>140,105</u>  | <u>138,761</u>    | <u>139,440</u>             | <u>131,050</u>    |
| FFO per share basic  | <u>\$ 0.64</u>  | <u>\$ 1.05</u>    | <u>\$ 3.93</u>             | <u>\$ 4.63</u>    |
| Weighted average shares outstanding - diluted  | <u>142,059</u>  | <u>140,920</u>    | <u>141,518</u>             | <u>132,973</u>    |
| FFO per share diluted  | <u>\$ 0.64</u>  | <u>\$ 1.04</u>    | <u>\$ 3.90</u>             | <u>\$ 4.59</u>    |

- (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) attributable to Boston Properties, Inc. (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 attributable to Boston Properties, Inc. (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 attributable to Boston Properties, Inc. 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 \$92,763, \$79,125, \$338,371 and \$321,681, our share of unconsolidated joint venture real estate depreciation and amortization of \$26,206, \$30,507, \$113,945 and \$126,943, less corporate-related depreciation and amortization of \$396, \$479, \$1,770 and \$1,906 for the three months and year ended December 31, 2010 and 2009, respectively.
- (3) Consists of the portion of income from unconsolidated joint ventures related to the gain on sale of real estate from the sale of the Company's 5.00% equity interest in the Company's unconsolidated joint venture entity that owns the retail portion of the Wisconsin Place mixed-use property for approximately \$1.4 million of cash.

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

|                              | % Leased by Location |                   |
|------------------------------|----------------------|-------------------|
|                              | December 31, 2010    | December 31, 2009 |
| Greater Boston               | 89.4%                | 89.6%             |
| Greater Washington, DC       | 97.3%                | 95.5%             |
| Midtown Manhattan            | 96.9%                | 95.4%             |
| Princeton/East Brunswick, NJ | 80.8%                | 81.7%             |
| Greater San Francisco        | 92.9%                | 91.1%             |
| Total Portfolio              | 93.2%                | 92.4%             |

|                            | % Leased by Type  |                   |
|----------------------------|-------------------|-------------------|
|                            | December 31, 2010 | December 31, 2009 |
| Class A Office Portfolio   | 93.6%             | 92.8%             |
| Office/Technical Portfolio | 85.5%             | 83.4%             |
| Total Portfolio            | 93.2%             | 92.4%             |

On January 25, 2011, Boston Properties, Inc. (the "Company"), a real estate investment trust, reported results for the fourth quarter ended December 31, 2010.

*Results for the quarter ended December 31, 2010*

Funds from Operations (FFO) for the quarter ended December 31, 2010 were \$89.9 million, or \$0.64 per share basic and \$0.64 per share diluted. This compares to FFO for the quarter ended December 31, 2009 of \$146.1 million, or \$1.05 per share basic and \$1.04 per share diluted. FFO for the quarter ended December 31, 2010 includes \$(0.50) per share on a diluted basis related to the losses from early extinguishments of debt totaling approximately \$81.7 million primarily associated with the Company's Operating Partnership's redemption of \$700.0 million in aggregate principal amount of its 6.25% senior notes due 2013 and the repurchase of \$50.0 million aggregate principal amount of its 2.875% exchangeable senior notes due 2037. FFO for the quarter ended December 31, 2009 includes \$(0.04) per share on a diluted basis related to non-cash impairment charges on the Company's investment in its Value-Added Fund. The weighted average number of basic and diluted shares outstanding totaled 140,104,791 and 142,058,612, respectively, for the quarter ended December 31, 2010 and 138,761,430 and 140,919,736, respectively, for the quarter ended December 31, 2009.

Net income (loss) available to common shareholders was \$(12.9) million for the quarter ended December 31, 2010, compared to \$53.3 million for the quarter ended December 31, 2009. Net income (loss) available to common shareholders per share (EPS) for the quarter ended December 31, 2010 was \$(0.09) basic and \$(0.09) on a diluted basis. This compares to EPS for the fourth quarter of 2009 of \$0.38 basic and \$0.38 on a diluted basis.

*Results for the year ended December 31, 2010*

FFO for the year ended December 31, 2010 were \$547.4 million, or \$3.93 per share basic and \$3.90 per share diluted. This compares to FFO for the year ended December 31, 2009 of \$606.3 million, or \$4.63 per share basic and \$4.59 per share diluted. The weighted average number of basic and diluted shares outstanding totaled 139,439,637 and 141,518,065, respectively, for the year ended December 31, 2010 and 131,050,184 and 132,972,524, respectively, for the year ended December 31, 2009.

Net income available to common shareholders was \$159.1 million for the year ended December 31, 2010, compared to \$231.0 million for the year ended December 31, 2009. Net income available to common shareholders per share (EPS) for the year ended December 31, 2010 was \$1.14 basic and \$1.14 on a diluted basis. This compares to EPS for the year ended December 31, 2009 of \$1.76 basic and \$1.76 on a diluted basis.

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, 2010. In the opinion of management, all adjustments considered necessary for a fair presentation of these reported results have been made. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

As of December 31, 2010, the Company's portfolio consisted of 146 properties, comprised primarily of Class A office space, one hotel, two residential properties and three retail properties, aggregating approximately 39.9 million square feet, including five properties under construction totaling 2.0 million square feet. In addition, the Company has structured parking for vehicles containing approximately 13.7 million square feet. The overall percentage of leased space for the 140 properties in service as of December 31, 2010 was 93.2%.

Significant events during the fourth quarter included:

- On October 1, 2010, the Company modified its construction loan facility collateralized by its Atlantic Wharf development project in Boston, Massachusetts. The construction loan facility totaling \$215.0 million bears interest at a variable rate equal to LIBOR plus 3.00% per annum and matures on April 21, 2012 with two, one-year extension options, subject to certain conditions. The modification consisted of releasing from collateral the residential portion of the project and reducing the loan commitment to \$192.5 million. All other terms of the mortgage loan remain unchanged. The Company has not drawn any amounts under the facility.
- On October 20, 2010, the Company closed a transaction with a financial institution (the "HTC Investor") related to the historic rehabilitation of the residential component of the Company's Atlantic Wharf development in Boston, Massachusetts (the "residential project"). The residential project is expected to result in the development of approximately 86 units of residential rental apartments and approximately 10,000 square feet of retail space. Because, as a REIT, the Company may not take full advantage of available historic tax credits, the Company admitted the HTC Investor as a partner in the residential project. The HTC Investor has agreed to contribute an aggregate of approximately \$14 million to the project in three installments in 2010 and 2011, subject to the Company's achievement of certain conditions that include construction milestones and its compliance with the federal rehabilitation regulations. In exchange for its contribution, the HTC Investor will receive substantially all of the benefits derived from the tax credits. The \$14 million in proceeds received from the HTC Investor will be recorded as deferred revenue and recognized as revenue over the five-year tax credit recapture period.
- On October 20, 2010, the Company used available cash to repay the mortgage loan collateralized by its South of Market property located in Reston, Virginia totaling approximately \$188.0 million. The mortgage loan bore interest at a variable rate equal to LIBOR plus 1.00% per annum and was scheduled to mature on November 21, 2010. There was no prepayment penalty.
- On October 20, 2010, the Company used available cash to repay the mortgage loan collateralized by its Democracy Tower property located in Reston, Virginia totaling approximately \$59.8 million. The mortgage loan bore interest at a variable rate equal to LIBOR plus 1.75% per annum and was scheduled to mature on December 19, 2010. There was no prepayment penalty.



- On October 21, 2010, the Company's Value-Added Fund conveyed the fee simple title to its One and Two Circle Star Way properties and paid \$3.8 million to the lender, which had been accrued previously, in satisfaction of its outstanding obligations under the existing mortgage loan. The mortgage loan had an outstanding principal amount of \$42.0 million, bore interest at a fixed rate of 6.57% per annum and was scheduled to mature on September 1, 2013. In addition, the Value-Added Fund had guaranteed the payment of (1) an aggregate of approximately \$5.0 million of unfunded tenant improvement costs and leasing commissions and (2) one year of real estate taxes. The Company had an effective ownership interest of 25% in the One and Two Circle Star Way properties.
- On November 1, 2010, the Company used available cash to repay the mortgage loan collateralized by its 10 & 20 Burlington Mall Road property located in Burlington, Massachusetts and 91 Hartwell Avenue property located in Lexington, Massachusetts totaling approximately \$32.8 million. The mortgage loan bore interest at a fixed rate of 7.25% per annum and was scheduled to mature on October 1, 2011. The Company paid a prepayment penalty totaling approximately \$0.3 million associated with the repayment.
- On November 1, 2010, the Company used available cash to repay the mortgage loan collateralized by its 1330 Connecticut Avenue property located in Washington, DC totaling approximately \$45.0 million. The mortgage loan bore interest at a fixed rate of 7.58% per annum and was scheduled to mature on February 26, 2011. There was no prepayment penalty.
- On November 16, 2010, the Company's Operating Partnership repurchased \$50.0 million aggregate principal amount of its 2.875% exchangeable senior notes due 2037, which the holders may require the Operating Partnership to repurchase in February 2012, for approximately \$51.1 million. The repurchased notes had an aggregate carrying value of the liability component of approximately \$48.4 million and the value of the equity component was approximately \$0.4 million, resulting in the recognition of a loss on early extinguishment of approximately \$2.3 million.
- On November 18, 2010, the Company's Operating Partnership completed a public offering of \$850.0 million in aggregate principal amount of its 4.125% senior notes due 2021. The notes were priced at 99.26% of the principal amount to yield 4.289% to maturity. The aggregate net proceeds to the Operating Partnership, after deducting underwriter discounts and offering expenses, were approximately \$836.9 million. The notes mature on May 15, 2021, unless earlier redeemed.
- On December 12, 2010, the Company's Operating Partnership completed the redemption of \$700.0 million in aggregate principal amount of its 6.25% senior notes due 2013. The redemption price was determined in accordance with the applicable indenture and was approximately \$793.1 million. The redemption price included approximately \$17.9 million of accrued and unpaid interest to, but not including, the redemption date. Excluding such accrued and unpaid interest, the redemption price was approximately 110.75% of the principal amount being redeemed. In addition, on November 29, 2010, the Company entered into two Treasury lock agreements to fix the yield on the U.S. Treasury issue used in

determining the redemption price on notional amounts aggregating \$700.0 million. On December 9, 2010, the Company cash-settled the Treasury lock agreements and paid approximately \$2.1 million. As a result of the payment of the redemption premium, the settlement of the Treasury locks and the write-off of deferred financing costs, the Company recognized an aggregate loss on early extinguishment of debt of approximately \$79.3 million. Following the partial redemption, there is an aggregate of \$225.0 million of the notes outstanding.

- On December 23, 2010, the Company acquired the outside member's 33.33% equity interest in its consolidated joint venture entity that owns the Offices at Wisconsin Place located in Chevy Chase, Maryland for cash of approximately \$25.5 million. On the same day, the seller acquired the Company's 5.00% equity interest in the Company's unconsolidated joint venture entity that owns the retail portion of the Wisconsin Place mixed-use property for approximately \$1.4 million of cash. In addition, on December 23, 2010, the Company used available cash to repay the mortgage loan collateralized by the Offices at Wisconsin Place totaling approximately \$97.2 million. The mortgage loan bore interest at a variable rate equal to LIBOR plus 1.10% per annum and was scheduled to mature on January 29, 2011. There was no prepayment penalty.
- On December 29, 2010, the Company completed the acquisition of the John Hancock Tower and Garage in Boston, Massachusetts for an aggregate purchase price of approximately \$930.0 million. The purchase price consisted of approximately \$289.5 million of cash and the assumption of approximately \$640.5 million of indebtedness. The assumed debt is a securitized senior mortgage loan that bears interest at a fixed rate of 5.68% per annum and matures on January 6, 2017. The loan requires interest-only payments with a balloon payment due at maturity. The Company incurred an aggregate of approximately \$0.9 million of acquisition-related costs, of which \$0.6 million were expensed during the fourth quarter of 2010. The John Hancock Tower is an iconic 62-story, approximately 1,700,000 rentable square foot office tower located in the heart of Boston's Back Bay neighborhood. The garage is an eight-level, 2,013 space parking facility.

Transactions completed subsequent to December 31, 2010:

- On January 14, 2011, the Company placed in-service approximately 57% of the office component of its Atlantic Wharf development project located in Boston, Massachusetts. The office component, which is comprised of approximately 790,000 net rentable square feet, is currently 79% leased.
- On January 20, 2011, as reported in the Company's Current Report on Form 8-K filed on January 21, 2011, the Company's Compensation Committee approved outperformance awards under the Company's 1997 Stock Option and Incentive Plan to officers and employees of the Company. These awards (the "2011 OPP Awards") are part of a broad-based, long-term incentive compensation program designed to provide the Company's management team with the potential to earn equity awards subject to the Company "outperforming" and creating shareholder value in a pay-for-performance structure. Recipients of 2011 OPP Awards will share in a maximum outperformance pool of \$40 million if the total return to shareholders, including both share appreciation and dividends, exceeds absolute and relative hurdles over a three-year measurement period from February 1,

2011 to January 31, 2014. Earned awards are subject to two-years of time-based vesting after the performance measurement date. Investors are encouraged to refer to the Form 8-K referenced above for a detailed discussion of the terms and conditions of the 2011 OPP Awards, including the manner in which the outperformance pool is calculated. The Company expects that under the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") 718 "Compensation – Stock Compensation" the 2011 OPP Awards will have an aggregate value of approximately \$7.4 million, which amount will be amortized into earnings over the five-year plan period under the graded vesting method.

#### *Tax Disclosure Update*

For purposes of updating tax disclosure included in documents previously filed by the Company and the Company's Operating Partnership, the Company notes that on December 17, 2010, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (the "Act") was enacted. Among other things, the Act extended until December 31, 2012 certain reduced tax rates that had been scheduled to expire after December 31, 2010, including the reduced rate of tax on capital gains, the application of the capital gains tax rate to certain "qualified" dividends and the reduced rate of backup withholding discussed in such documents.

*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 Company's ability to satisfy the closing conditions to the pending transactions described above, 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 contracts, 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, whether as a result of new information, future events or otherwise.*

Financial tables follow.

**BOSTON PROPERTIES, INC.**  
**CONSOLIDATED BALANCE SHEETS**

|   | December 31,<br>2010                                    | December 31,<br>2009 |
|---|---|----------------------|
|   | (in thousands, except for share amounts)<br>(unaudited) |                      |
| <b>ASSETS</b>   |   |                      |
| Real estate   | \$ 10,933,977   | \$ 9,817,388         |
| Construction in progress  | 1,073,402   | 563,645              |
| Land held for future development  | 757,556   | 718,525              |
| Less: accumulated depreciation  | (2,323,818)   | (2,033,677)          |
| Total real estate   | 10,441,117  | 9,065,881            |
| Cash and cash equivalents   | 478,948   | 1,448,933            |
| Cash held in escrows  | 308,031   | 21,867               |
| Investments in securities   | 8,732   | 9,946                |
| Tenant and other receivables, net of allowance for doubtful accounts of \$2,081 and \$4,125, respectively   | 129,818   | 93,240               |
| Related party note receivable   | 270,000   | 270,000              |
| Accrued rental income, net of allowance of \$3,116 and \$2,645, respectively  | 442,683   | 363,121              |
| Deferred charges, net   | 436,019   | 294,395              |
| Prepaid expenses and other assets   | 65,663  | 17,684               |
| Investments in unconsolidated joint ventures  | 767,252   | 763,636              |
| Total assets  | \$ 13,348,263   | \$ 12,348,703        |
| <b>LIABILITIES AND EQUITY</b>   |   |                      |
| Liabilities:  |   |                      |
| Mortgage notes payable  | \$ 3,047,586  | \$ 2,643,301         |
| Unsecured senior notes, net of discount   | 3,016,598   | 2,172,389            |
| Unsecured exchangeable senior notes, net of discount  | 1,721,817   | 1,904,081            |
| Unsecured line of credit  | —   | —                    |
| Accounts payable and accrued expenses   | 186,059   | 220,089              |
| Dividends and distributions payable   | 81,031  | 80,536               |
| Accrued interest payable  | 62,327  | 76,058               |
| Other liabilities   | 213,000   | 127,538              |
| Total liabilities   | 8,328,418   | 7,223,992            |
| Commitments and contingencies   | —   | —                    |
| Noncontrolling interest:  |   |                      |
| Redeemable preferred units of the Operating Partnership   | 55,652  | 55,652               |
| Equity:   |   |                      |
| Stockholders' equity attributable to Boston Properties, Inc.  |   |                      |
| 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, 140,278,005 and 138,958,910 shares issued and 140,199,105 and 138,880,010 shares outstanding in 2010 and 2009, respectively | 1,402   | 1,389                |
| Additional paid-in capital  | 4,417,162   | 4,373,679            |
| Earnings (dividends) in excess of dividends (earnings)  | (24,763)  | 95,433               |
| Treasury common stock, at cost  | (2,722)   | (2,722)              |
| Accumulated other comprehensive loss  | (18,436)  | (21,777)             |
| Total stockholders' equity attributable to Boston Properties, Inc.  | 4,372,643   | 4,446,002            |
| Noncontrolling interests:   |   |                      |
| Common units of the Operating Partnership   | 592,164   | 617,386              |
| Property partnerships   | (614)   | 5,671                |
| Total equity  | 4,964,193   | 5,069,059            |
| Total liabilities and equity  | \$ 13,348,263   | \$ 12,348,703        |

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

|  | Three months ended<br>December 31, |            | Year ended<br>December 31, |              |
|--|------------------------------------|------------|----------------------------|--------------|
|  | 2010                               | 2009       | 2010                       | 2009         |
| (in thousands, except for per share amounts)<br>(unaudited)  |                                    |            |                            |              |
| <b>Revenue</b>   |                                    |            |                            |              |
| Rental   |                                    |            |                            |              |
| Base rent  | \$ 312,899                         | \$ 295,448 | \$ 1,231,564               | \$ 1,185,431 |
| Recoveries from tenants  | 45,189                             | 46,769     | 180,719                    | 200,899      |
| Parking and other  | 16,920                             | 15,357     | 64,490                     | 66,597       |
| Total rental revenue   | 375,008                            | 357,574    | 1,476,773                  | 1,452,927    |
| Hotel revenue  | 10,510                             | 10,277     | 32,800                     | 30,385       |
| Development and management services  | 6,964                              | 8,277      | 41,231                     | 34,878       |
| Total revenue  | 392,482                            | 376,128    | 1,550,804                  | 1,518,190    |
| <b>Expenses</b>  |                                    |            |                            |              |
| Operating  |                                    |            |                            |              |
| Rental   | 125,384                            | 124,188    | 501,694                    | 501,799      |
| Hotel  | 7,602                              | 7,717      | 25,153                     | 23,966       |
| General and administrative   | 17,121                             | 19,506     | 79,658                     | 75,447       |
| Acquisition costs  | 721                                | —          | 2,614                      | —            |
| Loss (gain) from suspension of development   | —                                  | —          | (7,200)                    | 27,766       |
| Depreciation and amortization  | 92,763                             | 79,125     | 338,371                    | 321,681      |
| Total expenses   | 243,591                            | 230,536    | 940,290                    | 950,659      |
| Operating income   | 148,891                            | 145,592    | 610,514                    | 567,531      |
| Other income (expense)   |                                    |            |                            |              |
| Income from unconsolidated joint ventures  | 9,834                              | 962        | 36,774                     | 12,058       |
| Interest and other income  | 1,691                              | 1,784      | 7,332                      | 4,059        |
| Gains from investments in securities   | 682                                | 510        | 935                        | 2,434        |
| Interest expense   | (92,192)                           | (88,180)   | (378,079)                  | (322,833)    |
| Losses from early extinguishments of debt  | (81,662)                           | —          | (89,883)                   | (510)        |
| Income (loss) from continuing operations   | (12,756)                           | 60,668     | 187,593                    | 262,739      |
| Gains on sales of real estate  | —                                  | 2,078      | 2,734                      | 11,760       |
| Net income (loss)  | (12,756)                           | 62,746     | 190,327                    | 274,499      |
| Net income (loss) attributable to noncontrolling interests   |                                    |            |                            |              |
| Noncontrolling interests in property partnerships  | (907)                              | (463)      | (3,464)                    | (2,778)      |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership                    | (795)                              | (860)      | (3,343)                    | (3,594)      |
| Noncontrolling interest - common units of the Operating Partnership                                  | 1,555                              | (7,841)    | (24,099)                   | (35,534)     |
| Noncontrolling interest in gains on sales of real estate - common units of the Operating Partnership | —                                  | (265)      | (349)                      | (1,579)      |
| Net income (loss) attributable to Boston Properties, Inc.  | \$ (12,903)                        | \$ 53,317  | \$ 159,072                 | \$ 231,014   |
| <b>Basic earnings per common share attributable to Boston Properties, Inc.:</b>                      |                                    |            |                            |              |
| Net income (loss)  | \$ (0.09)                          | \$ 0.38    | \$ 1.14                    | \$ 1.76      |
| Weighted average number of common shares outstanding   | 140,105                            | 138,761    | 139,440                    | 131,050      |
| <b>Diluted earnings per common share attributable to Boston Properties, Inc.:</b>                    |                                    |            |                            |              |
| Net income (loss)  | \$ (0.09)                          | \$ 0.38    | \$ 1.14                    | \$ 1.76      |
| Weighted average number of common and common equivalent shares outstanding                           | 140,105                            | 139,459    | 140,057                    | 131,512      |

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

|  | Three months ended<br>December 31,                          |                   | Year ended<br>December 31, |                   |
|--|---|-------------------|----------------------------|-------------------|
|  | 2010  | 2009              | 2010                       | 2009              |
|  | (in thousands, except for per share amounts)<br>(unaudited) |                   |                            |                   |
| Net income (loss) attributable to Boston Properties, Inc.  | \$ (12,903)   | \$ 53,317         | \$ 159,072                 | \$ 231,014        |
| Add:   |   |                   |                            |                   |
| Noncontrolling interest in gains on sales of real estate - common units of the Operating Partnership | —   | 265               | 349                        | 1,579             |
| Noncontrolling interest - common units of the Operating Partnership                                  | (1,555)   | 7,841             | 24,099                     | 35,534            |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership                    | 795   | 860               | 3,343                      | 3,594             |
| Noncontrolling interests in property partnerships  | 907   | 463               | 3,464                      | 2,778             |
| Less:  |   |                   |                            |                   |
| Gains on sales of real estate  | —   | 2,078             | 2,734                      | 11,760            |
| Income (loss) from continuing operations   | (12,756)  | 60,668            | 187,593                    | 262,739           |
| Add:   |   |                   |                            |                   |
| Real estate depreciation and amortization (2)  | 118,573   | 109,153           | 450,546                    | 446,718           |
| Less:  |   |                   |                            |                   |
| Gain on sale of real estate included within income from unconsolidated joint ventures (3)            | 572   | —                 | 572                        | —                 |
| Noncontrolling interests in property partnerships' share of funds from operations                    | 1,686   | 1,523             | 6,862                      | 5,513             |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership                    | 795   | 860               | 3,343                      | 3,594             |
| Funds from operations (FFO) attributable to the Operating Partnership                                | 102,764   | 167,438           | 627,362                    | 700,350           |
| Less:  |   |                   |                            |                   |
| Noncontrolling interest - common units of the Operating Partnership's share of funds from operations | 12,886  | 21,382            | 80,006                     | 94,078            |
| Funds from operations attributable to Boston Properties, Inc.  | <u>\$ 89,878</u>  | <u>\$ 146,056</u> | <u>\$ 547,356</u>          | <u>\$ 606,272</u> |
| Our percentage share of funds from operations - basic  | <u>87.46%</u>   | <u>87.23%</u>     | <u>87.25%</u>              | <u>86.57%</u>     |
| Weighted average shares outstanding - basic  | <u>140,105</u>  | <u>138,761</u>    | <u>139,440</u>             | <u>131,050</u>    |
| FFO per share basic  | <u>\$ 0.64</u>  | <u>\$ 1.05</u>    | <u>\$ 3.93</u>             | <u>\$ 4.63</u>    |
| Weighted average shares outstanding - diluted  | <u>142,059</u>  | <u>140,920</u>    | <u>141,518</u>             | <u>132,973</u>    |
| FFO per share diluted  | <u>\$ 0.64</u>  | <u>\$ 1.04</u>    | <u>\$ 3.90</u>             | <u>\$ 4.59</u>    |

- (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) attributable to Boston Properties, Inc. (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 attributable to Boston Properties, Inc. (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 attributable to Boston Properties, Inc. 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 \$92,763, \$79,125, \$338,371 and \$321,681, our share of unconsolidated joint venture real estate depreciation and amortization of \$26,206, \$30,507, \$113,945 and \$126,943, less corporate-related depreciation and amortization of \$396, \$479, \$1,770 and \$1,906 for the three months and year ended December 31, 2010 and 2009, respectively.
- (3) Consists of the portion of income from unconsolidated joint ventures related to the gain on sale of real estate from the sale of the Company’s 5.00% equity interest in the Company’s unconsolidated joint venture entity that owns the retail portion of the Wisconsin Place mixed-use property for approximately \$1.4 million of cash.

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

|                              | % Leased by Location |                   |
|------------------------------|----------------------|-------------------|
|                              | December 31, 2010    | December 31, 2009 |
| Greater Boston               | 89.4%                | 89.6%             |
| Greater Washington, DC       | 97.3%                | 95.5%             |
| Midtown Manhattan            | 96.9%                | 95.4%             |
| Princeton/East Brunswick, NJ | 80.8%                | 81.7%             |
| Greater San Francisco        | 92.9%                | 91.1%             |
| Total Portfolio              | 93.2%                | 92.4%             |

|                            | % Leased by Type  |                   |
|----------------------------|-------------------|-------------------|
|                            | December 31, 2010 | December 31, 2009 |
| Class A Office Portfolio   | 93.6%             | 92.8%             |
| Office/Technical Portfolio | 85.5%             | 83.4%             |
| Total Portfolio            | 93.2%             | 92.4%             |