Boston Properties
Investor Handout
Q1 2016

Premier Properties. Core Markets. Experienced Leadership.

Boston Properties

Forward-Looking Statements & Non-GAAP Financial Measures

Forward-Looking Statements

- This presentation contains forward-looking statements within the meaning of the federal securities laws. Please refer to the Appendix for information on how to identify these statements, as well as risks and uncertainties that could cause our actual results to differ materially from those expressed or implied by the forward-looking statements.

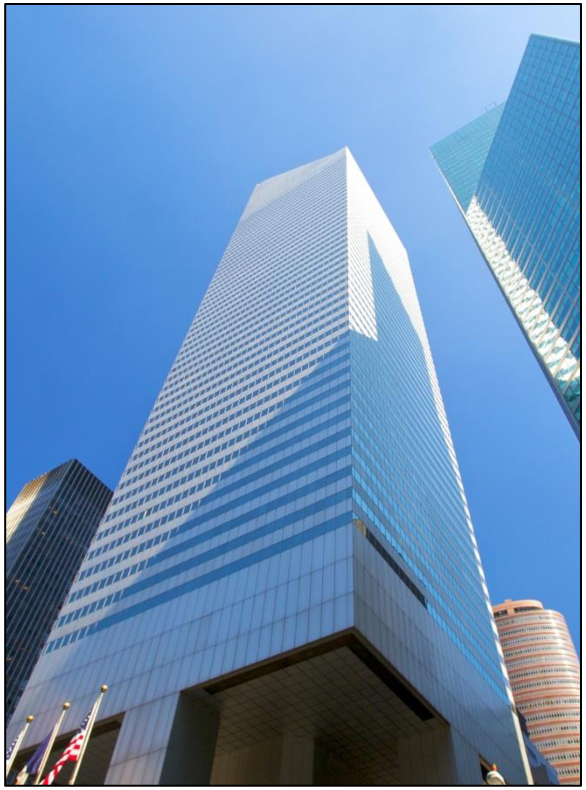
Use of Non-GAAP Financial Measures and other Definitions

- This presentation contains certain non-GAAP financial measures within the meaning of Regulation G and other terms that have particular definitions when used by us. The definitions of these non-GAAP financial measures and other terms may differ from those used by other REITs and, accordingly, may not be comparable. The definitions of these terms, the reasons for their use, and reconciliations to the most directly comparable GAAP measures are either included in the Appendix hereto or in our Supplemental Operating and Financial Data report for the quarter ended March 31, 2016, which may be accessed by clicking here.

Experienced Leadership

Premier Properties

Financial Strength



Quick Facts as of May 31, 2016

$31.4 Billion
Total Adjusted Market Cap[1]

$2.6 Billion
Annualized Revenue[1]

167
Properties

46.3 Million SF

130%
10-Year Total Shareholder Return

4.5%
Average 10-Year Dividend Yield

$1.5 Billion
EBITDA[1]

4.6 Million
Square Feet Currently Under Development/ Redevelopment

S&P 500
Investment Grade Company

7.1 Year
Average Lease Term

1970
Founded

1997
IPO

91.0%
Leased

[1] See Appendix for disclosures required by Regulation G.

Boston Properties Strategy

Select Markets	Exhibit the strongest economic growth and investment characteristics over time.
High-Quality Buildings	Maintain highest occupancy and achieve premium rental rates through economic cycles by focusing on space and place.
Operating & Development Platform	Integrated leasing, development, construction and property management. Development capability drives accretive new investments and consistently upgrades portfolio.
Strong Balance Sheet	Superior access to capital results in attractive debt costs and the ability to make opportunistic investments.
Integrity	Reputation of integrity and fair dealing makes us a counterparty of choice for real estate industry participants.

Managing our Business in the Current Environment

Investment Strategy

- Actively pursue new development opportunities
- Selectively sell assets to recycle capital
- Seek acquisition opportunities, primarily with financial partners or with value-add characteristics

Balance Sheet Strategy

- Strong balance sheet capacity with $3.6B of investment capacity and low leverage position (5.6x Adjusted Net Debt to Combined EBITDA)[1]
- $2.1B consolidated above-market debt maturing by year-end 2017
- $1B hedging strategy for 2016-2017 maturities

Leasing Strategy

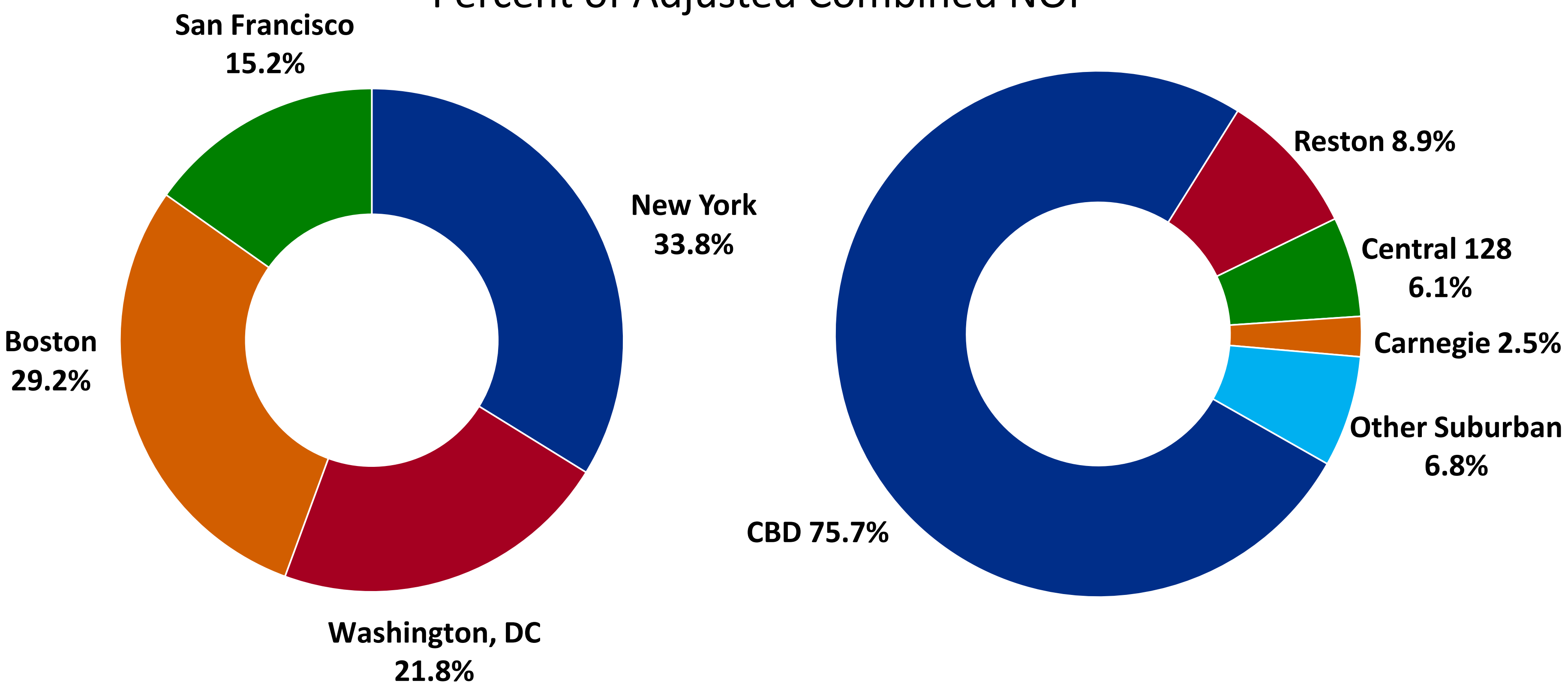
- Development pipeline—currently 61% leased and delivering thru 2018[2]
- Enhance revenue through leasing of high-value vacancy and capturing upside of near-term rollover
- Proactively manage future lease roll-over

[1] See Appendix for disclosures required by Regulation G.
[2] Excludes residential space.

Our Portfolio is Diversified in the Strongest U.S. Markets

Annualized Combined Revenue: $2.6 Billion[1]
Annualized Combined NOI: $1.6 Billion[1]

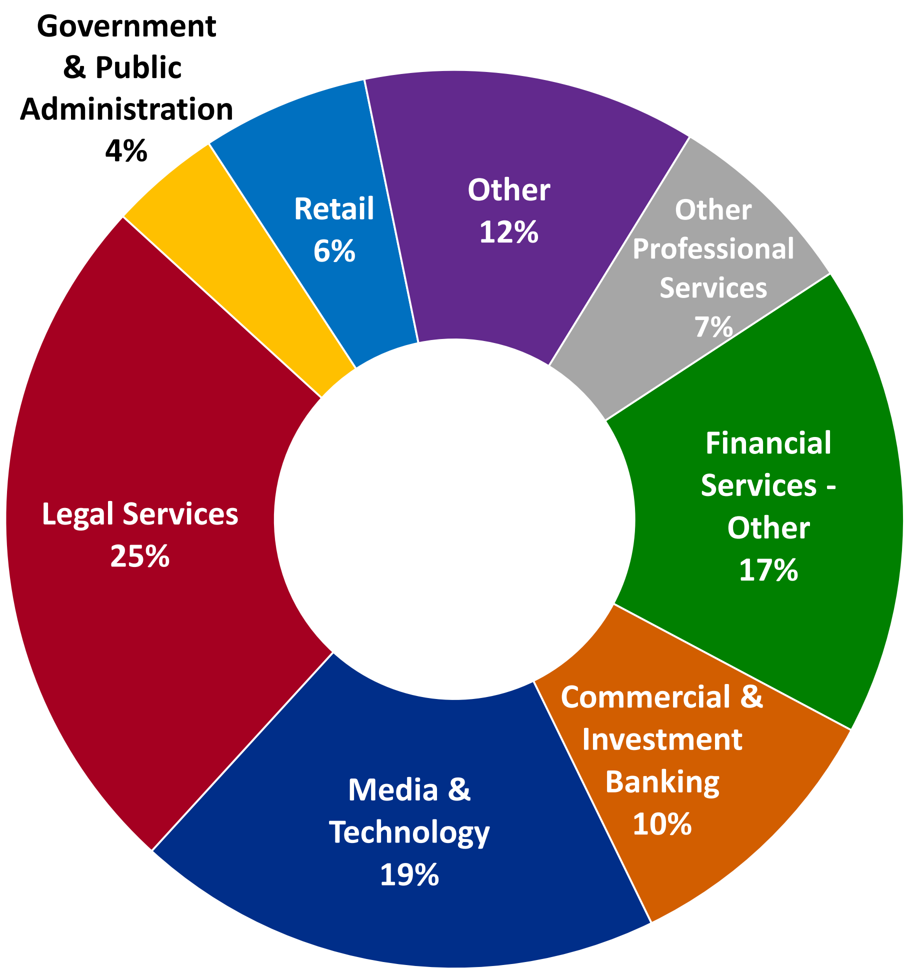
Percent of Adjusted Combined NOI[2]



[1] See Appendix for disclosures required by Regulation G.
[2] See page 40 of the Supplemental for disclosures required by Regulation G.
All data as of March 31, 2016.

Boston Properties

Diversified, Strong and Well-Known Tenant Base[1]

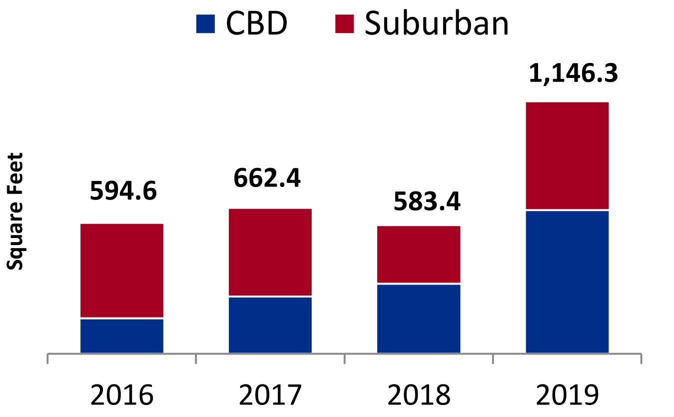


Top 20 Tenants	% of Portfolio
Citibank	3.30%
US Government	2.87%
Arnold & Porter	2.25%
Biogen	2.08%
Shearman & Sterling[2]	1.81%
Ropes & Gray[2]	1.67%
Kirkland & Ellis[2]	1.42%
O'Melveny & Myers[2]	1.41%
Wellington Management	1.33%
Bank of America	1.31%
Weil Gotshal Manges[2]	1.31%
Morgan Lewis Bockius[2]	1.25%
Microsoft	1.12%
Google	1.12%
Aramis (Estee Lauder)	1.07%
Kaye Scholer	1.00%
Reed Smith[2]	0.96%
Mass Financial Services	0.92%
Morrison Foerster[2]	0.90%
Hunton & Williams	0.88%
Total % of Portfolio Revenue	**29.98%**
Total % of Portfolio Square Feet	**23.97%**

[1] Percentages are based on the Company's share of consolidated and unconsolidated joint ventures and based on contractual rental revenue as of March 31, 2016.
[2] Top 50 law firms by gross revenue for 2015 according to the May 2016 issue of American Lawyer.

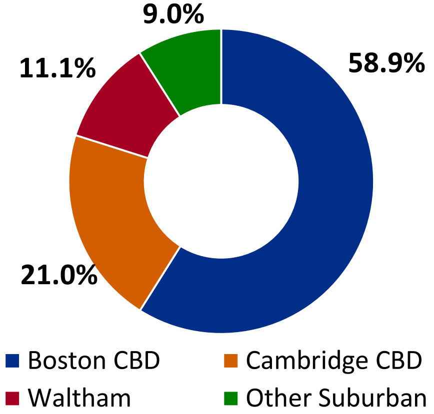
Boston Snapshot

Lease Roll-Over[1]



Percent Expiring	1.5%	1.6%	1.4%	2.8%

% of Combined NOI[2]

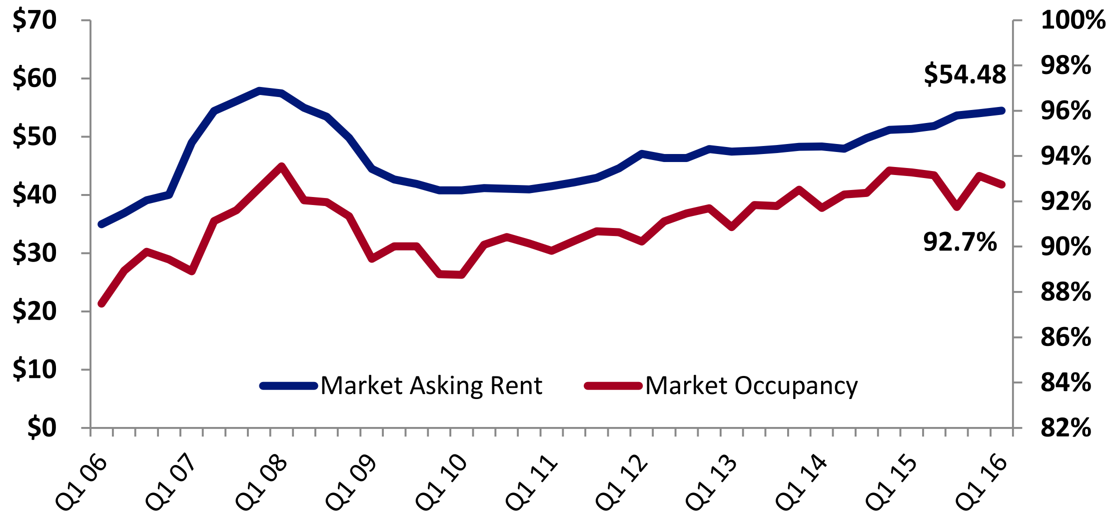


$724M Annualized Combined Revenue[2]
$435M Annualized Combined NOI[2]

In-Service Portfolio Composition[1]

Properties	50
Total Square Feet (M)	13.8
CBD Occupancy	91.7%
Suburban Occupancy	89.4%
CBD Average Rent PSF	$59.59
Suburban Average Rent PSF	$35.53

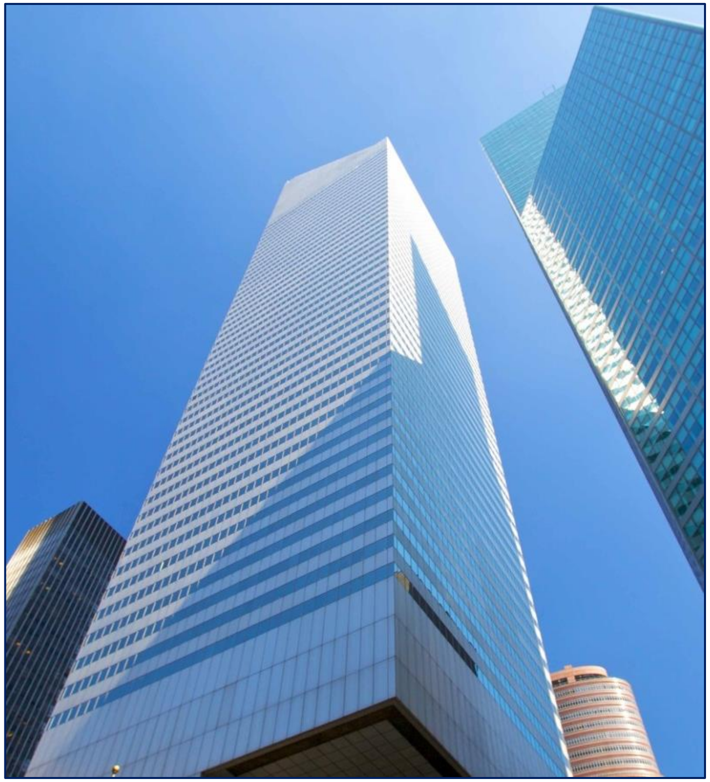
10-Year Annual Market Rent Growth 5.1%*



[1] Includes 100% of consolidated and unconsolidated JVs.
[2] See Appendix for disclosures required by Regulation G.
All data as of March 31, 2016.

* Market rents are based on data provided by Econometrics Advisors and are weighted based on BXP's submarkets.

New York Snapshot

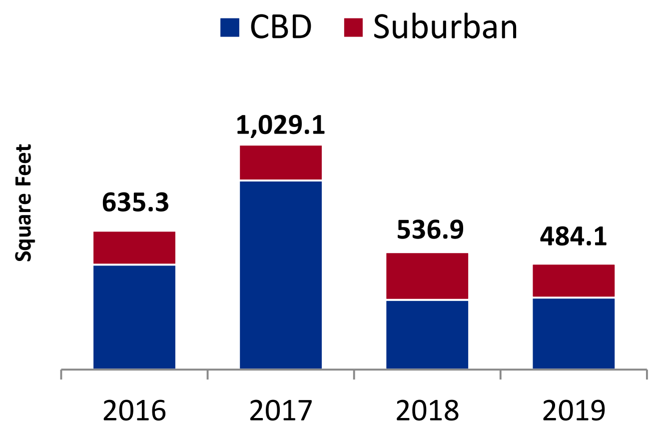


In-Service Portfolio Composition[1]

Properties	25
Total Square Feet (M)	11.6
CBD Occupancy	95.8%
Suburban Occupancy[3]	75.8%
CBD Average Rent PSF	$99.97
Suburban Average Rent PSF	$34.00

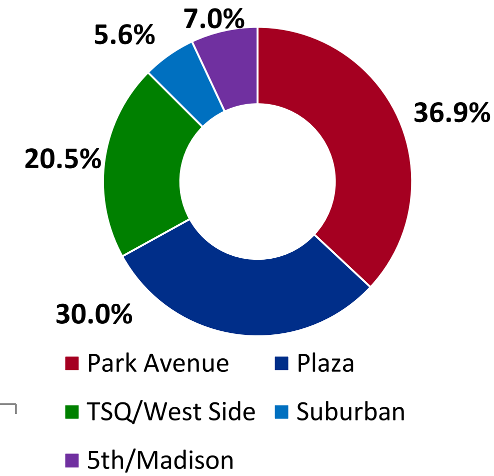
[1] Includes 100% of consolidated and unconsolidated JVs.
[2] See Appendix for disclosures required by Regulation G.
[3] Carnegie Center portfolio occupancy 85.7%.
All data as of March 31, 2016.

Lease Roll-Over[1]



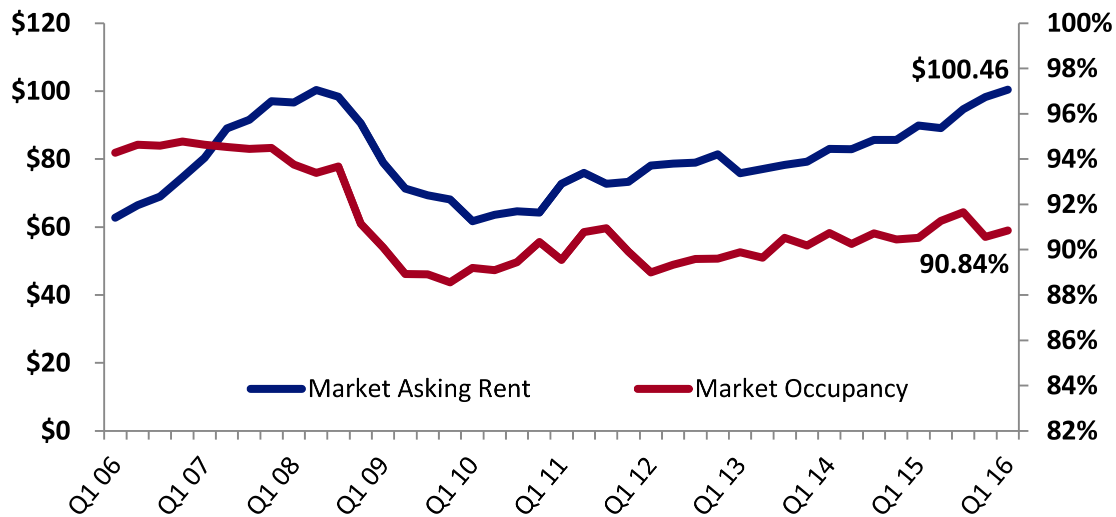
Percent Expiring	1.6%	2.8%	1.3%	1.2%

% of Combined NOI[2]



$980M Annualized Combined Revenue[2]
$608M Annualized Combined NOI[2]

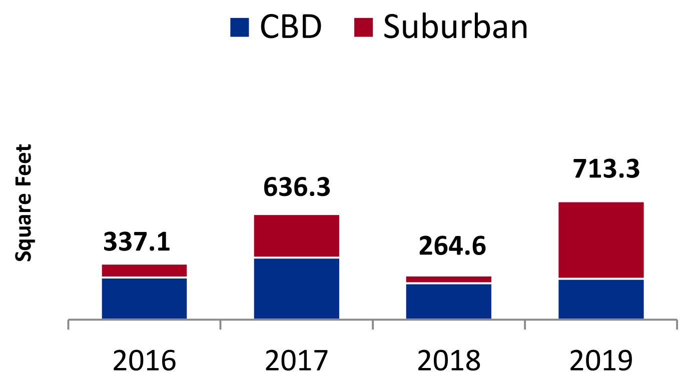
10-Year Annual Market Rent Growth 5.4%*



* Market rents are based on data provided by Econometrics Advisors and are weighted based on BXP's submarkets.

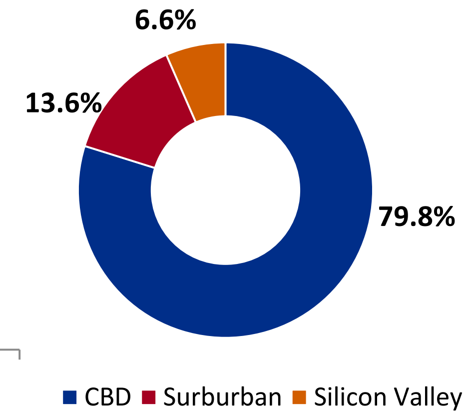
San Francisco Snapshot

Lease Roll-Over



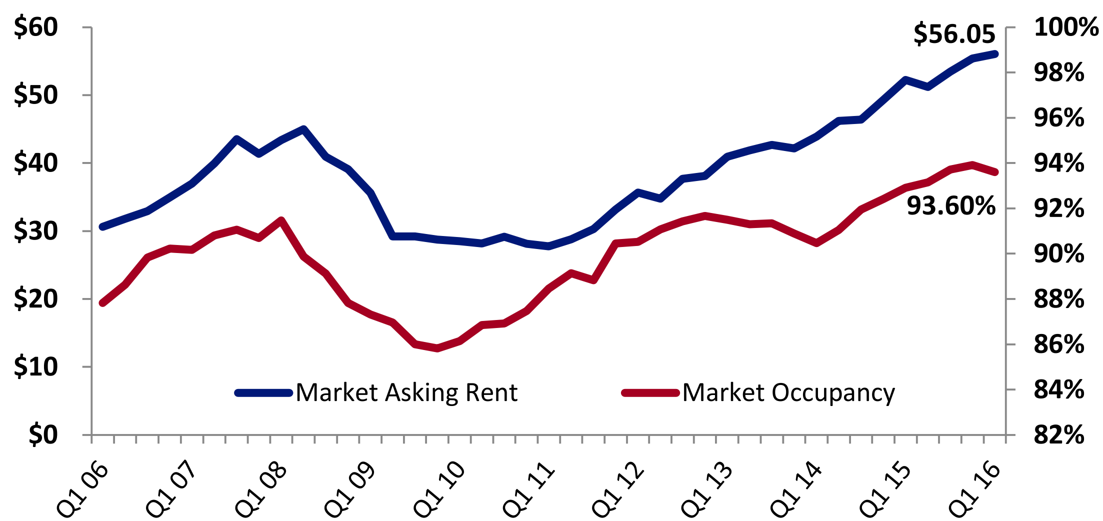
Percent Expiring	0.8%	1.6%	0.6%	1.7%

% of Combined NOI[1]



$312M Annualized Combined Revenue[1]
$209M Annualized Combined NOI[1]

10-Year Annual Market Rent Growth 6.9%*



In-Service Portfolio Composition

Properties	33
Total Square Feet (M)	5.9
CBD Occupancy	91.3%
Suburban Occupancy	87.6%
CBD Average Rent PSF	$58.10
Suburban Average Rent PSF	$37.96

[1] See Appendix for disclosures required by Regulation G.
All data as of March 31, 2016.

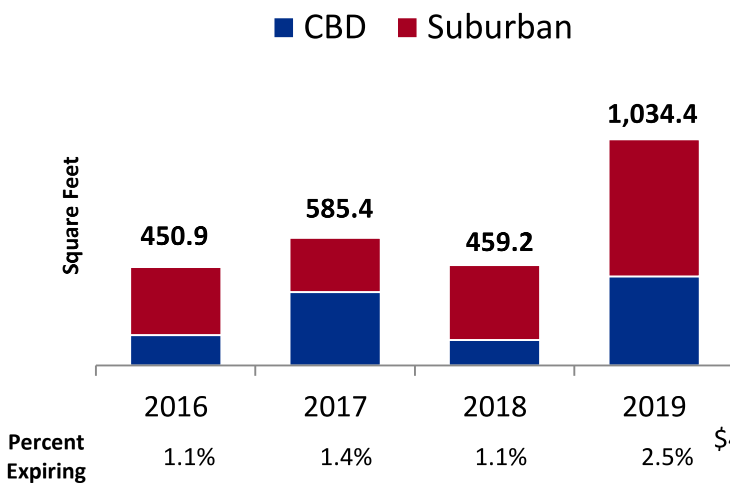
* Market rents are based on data provided by Econometrics Advisors and are weighted based on BXP's submarkets.

Washington, DC Snapshot

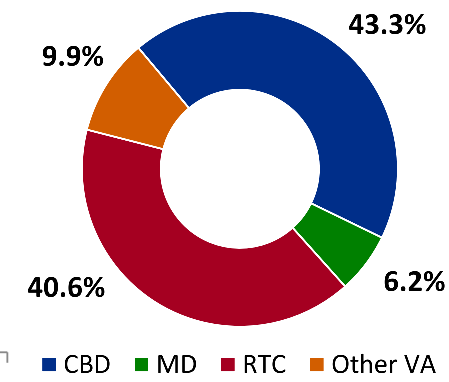
In-Service Portfolio Composition[1]

Properties	48
Total Square Feet (M)	10.4
CBD Occupancy	93.1%
Suburban Occupancy	89.5%
CBD Average Rent PSF	$61.17
Suburban Average Rent PSF	$43.35

Lease Roll-Over[1]

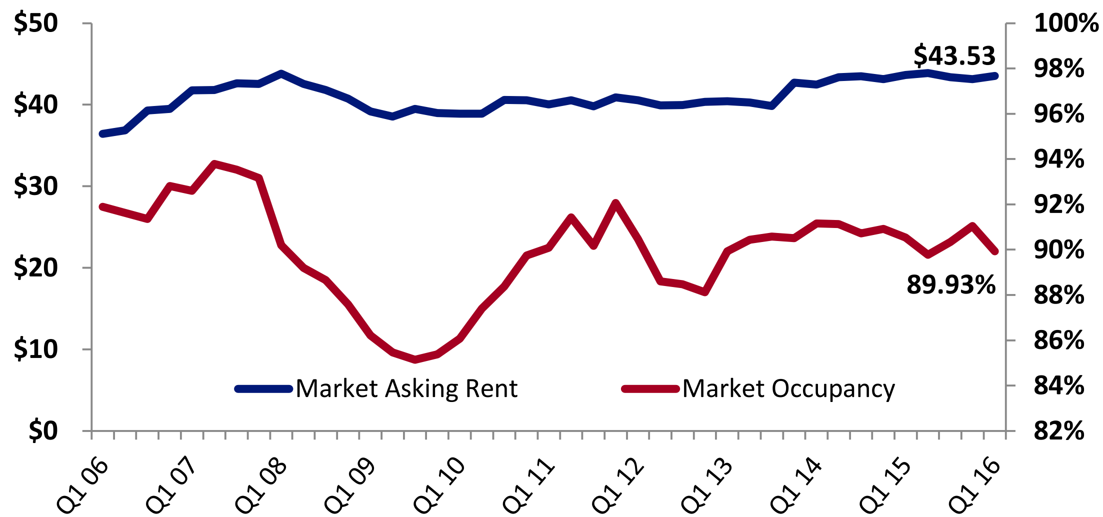


% of Combined NOI[2]



$452M Annualized Combined Revenue[2]
$301M Annualized Combined NOI[2]

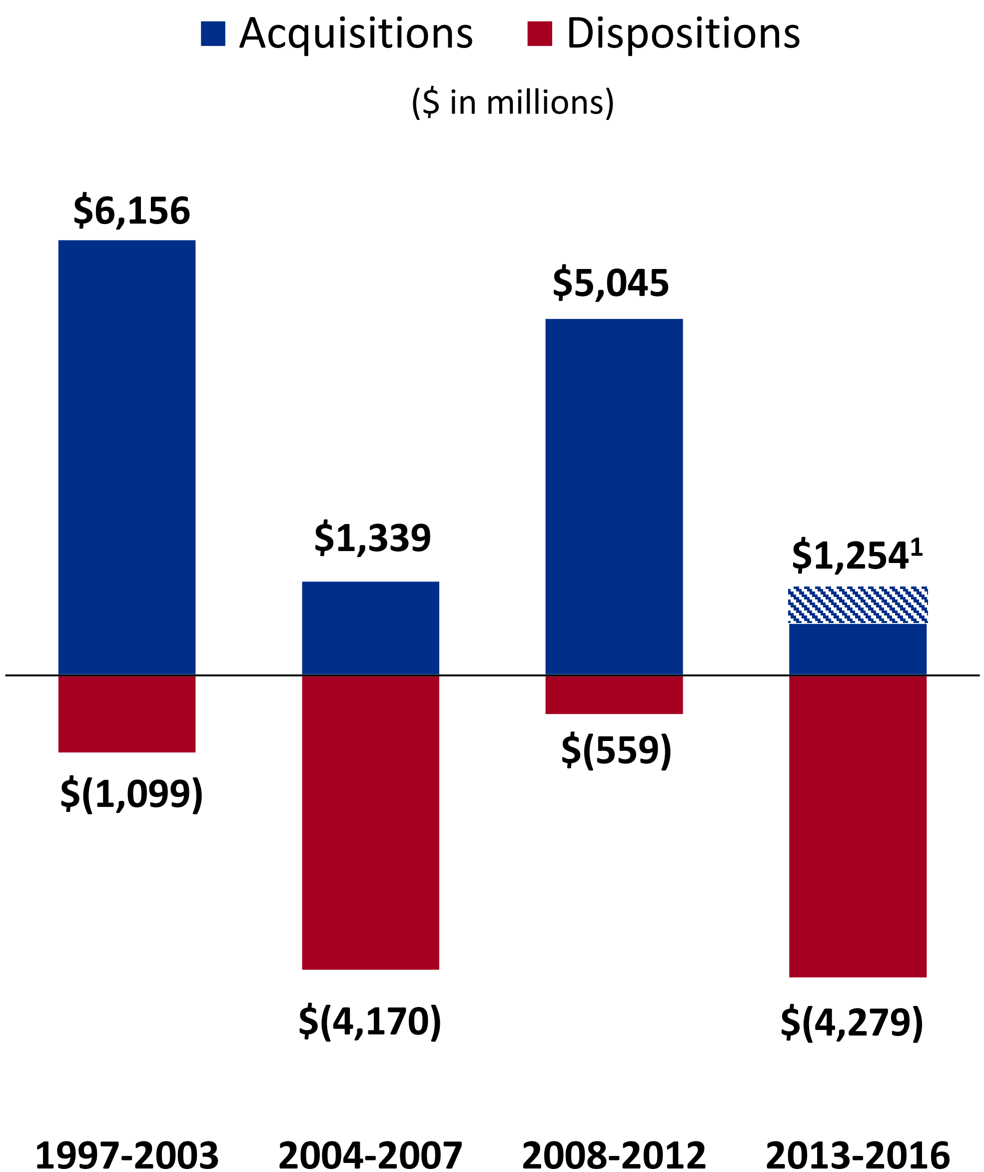
10-Year Annual Market Rent Growth 2.0%*

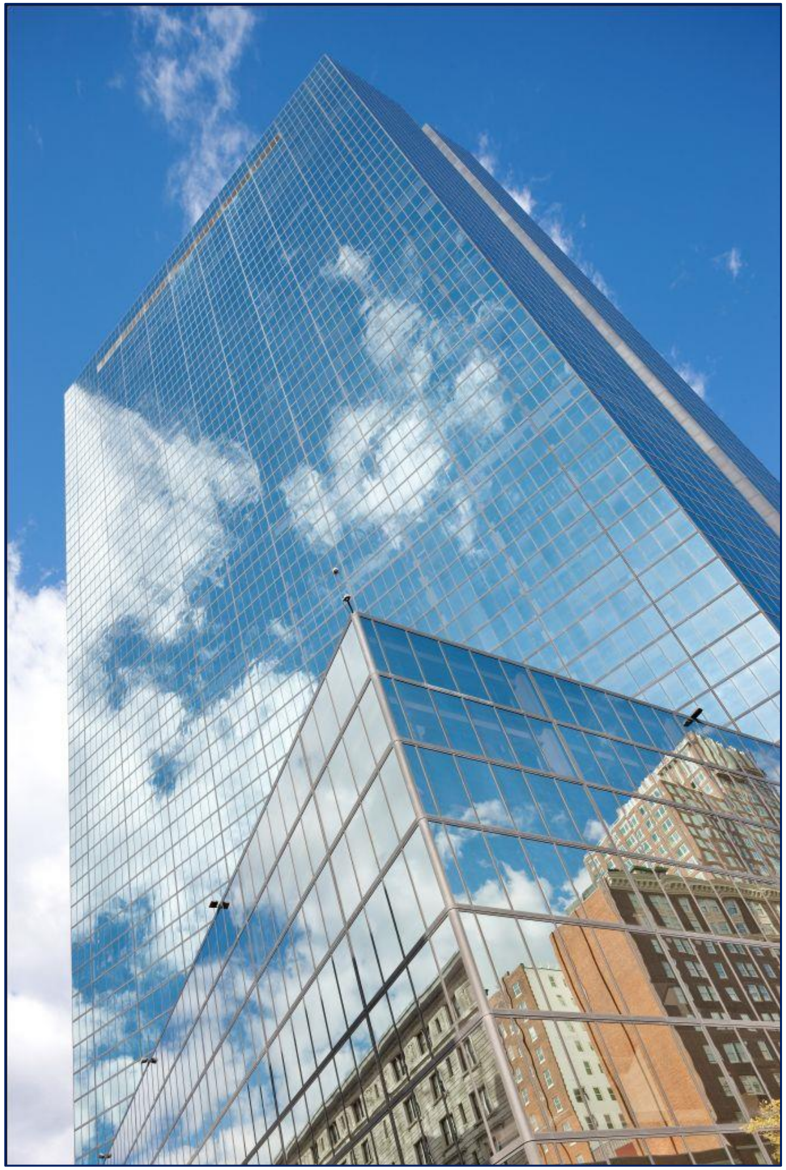


[1] Includes 100% of consolidated and unconsolidated JVs.
[2] See Appendix for disclosures required by Regulation G.
All data as of March 31, 2016.

* Market rents are based on data provided by Econometrics Advisors and are weighted based on BXP's submarkets.

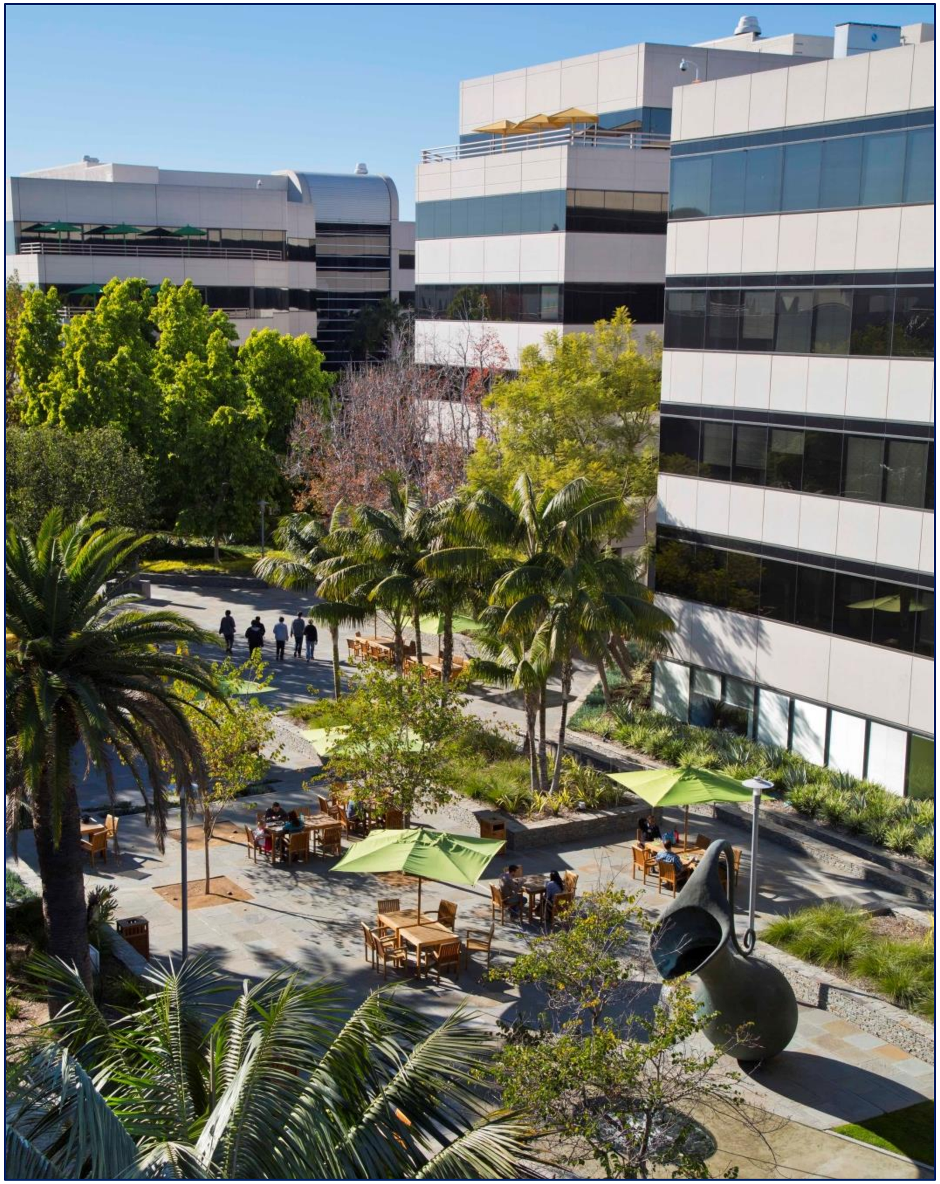
Continuously Recycling Capital





[1] As of May 31, 2016 and includes the acquisition of Colorado Center.

Colorado Center—Santa Monica, California



- 1.2 Million Square Feet
  - Six building office campus
  - 48,000 square feet of retail
  - 3,100 parking stall garage
  - 50% joint venture with TIAA
- 68% leased at below-market rents
- Purchase price $511 million, expected closing July 2016
- Supply constrained submarket
- Preferred location for Media, Advertising and Entertainment tenants

Boston Properties

Strategic Partners Offer Deal Access and Enhanced Returns

- 11.3 million square feet
- 21.8% of NOI from JV assets[1]
- Development joint ventures with strategic land partners
- Financial joint ventures with institutional partners

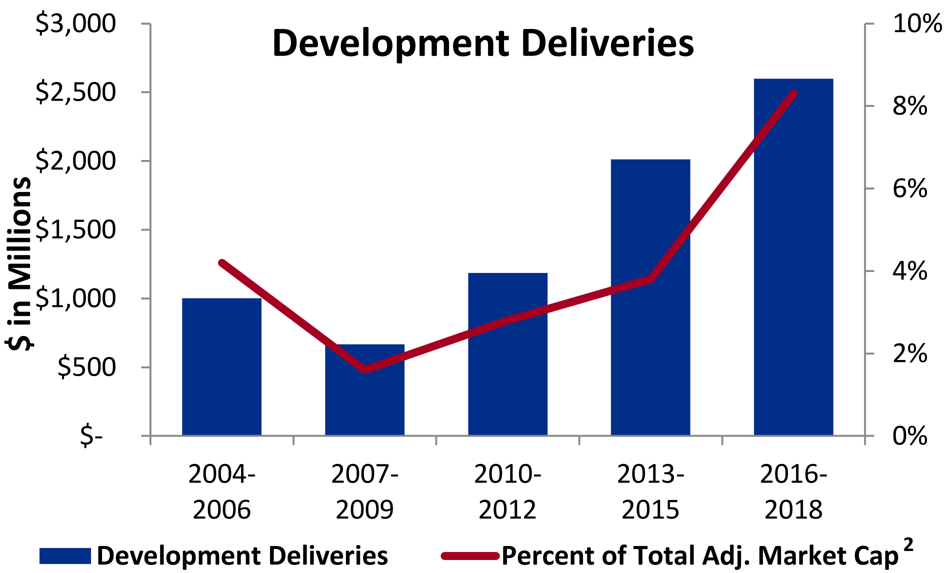
- Minimize risk through control of property management, leasing and development
- Provide enhanced returns through promote structures, development, leasing and management fees

Atlantic Wharf (left); Metropolitan Square (center); 767 Fifth Avenue (right)

[1]The percentage of JV assets is derived by dividing the Adjusted Combined NOI of the joint venture assets (consolidated and unconsolidated) by the Adjusted Combined NOI of the Company.
Data as of March 31, 2016.

Preeminent Developer with Robust Development Pipeline

- 2011 - 2015 deliveries
  - $3.1 billion of investment
  - 5.4 million square feet
  - 6.9% weighted-average stabilized unleveraged cash return
- Current pipeline:
  - $2.6 billion of budgeted costs
  - 4.6 million SF—61% pre-leased[1]
  - 7.2% projected unleveraged cash return[3]



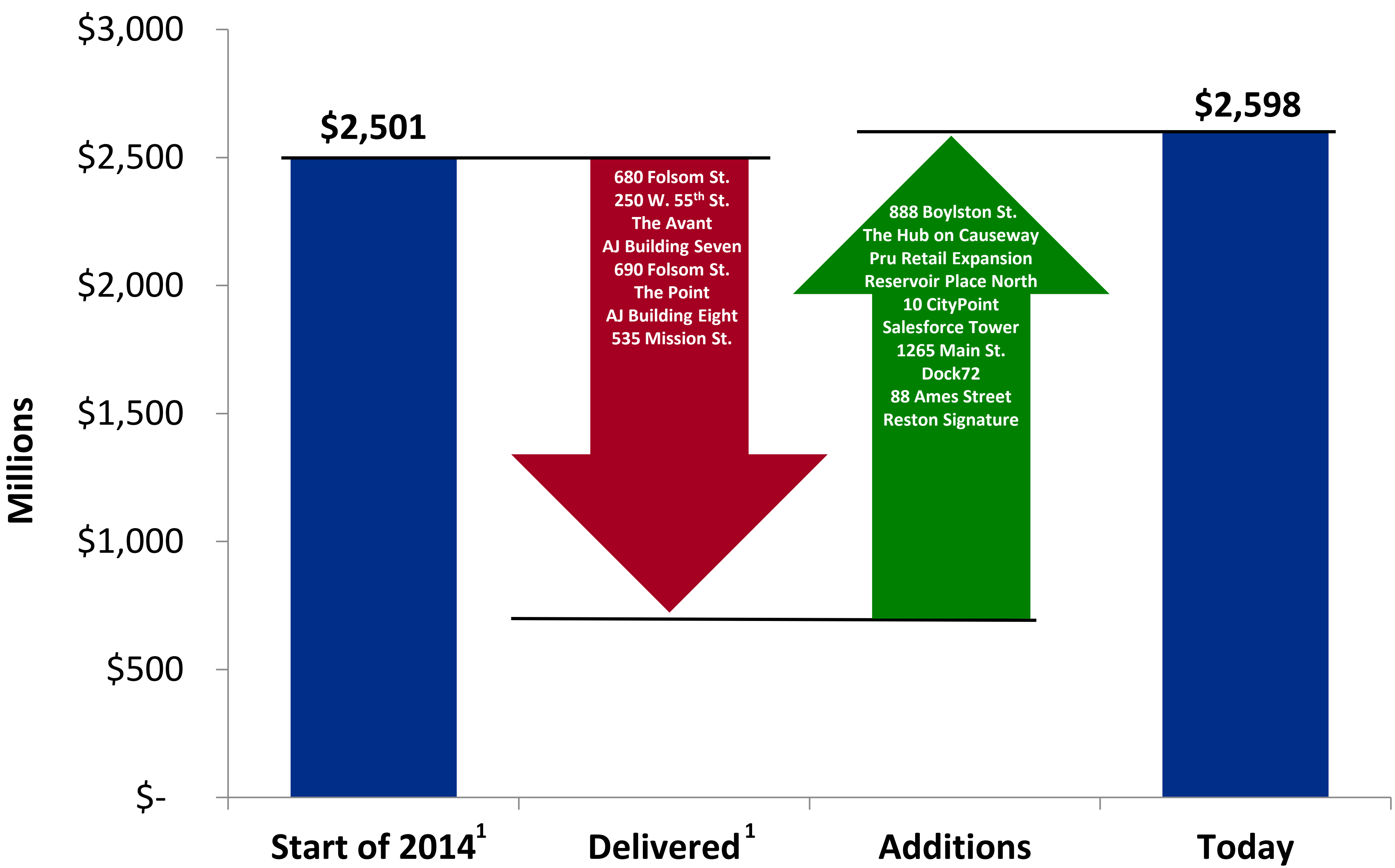
888 Boylston Street

601 Massachusetts Avenue

[1] Excludes residential space.
[2] See Appendix for disclosures required by Regulation G.
[3] See page 33 for additional information.
Data as of March 31, 2016.

Boston Properties

Successfully Replenishing Development Pipeline



[1] Amounts based on original project budget.

Active Development Pipeline

Project Name	Location	SF	Estimated Total Cost (BXP Share)	PSF	% Leased	Initial Occupancy
OFFICE/RETAIL						
804 Carnegie Center	Princeton, NJ	130,000	$47,000,000	$362	100%	Q2 2016
1265 Main Street (50% Ownership)	Waltham, MA	115,000	$26,090,000	$454	100%	Q4 2016
Prudential Center Retail Expansion	Boston, MA	15,000	$10,760,000	$717	100%	Q1 2016
601 Massachusetts Avenue	Washington, DC	478,000	$339,760,000	$711	90%	Q3 2015
10 CityPoint	Waltham, MA	245,000	$100,400,000	$410	96%	Q3 2016
888 Boylston Street	Boston, MA	425,000	$271,500,000	$639	69%	Q3 2016
Salesforce Tower (95% ownership)	San Francisco, CA	1,400,000	$1,073,500,000	$767	59%	Q2 2017
The Hub on Causeway (50% ownership)	Boston, MA	385,000	$141,870,000	$737	33%	Q4 2018
Dock72 (50% ownership)	Brooklyn, NY	670,000	$204,900,000	$612	33%	Q2 2018
Total Office Properties under Construction		*3,863,000*	*$2,215,780,000*	*$690*	*62%*	
RESIDENTIAL						
Cambridge Residential / 88 Ames (274 units)	Cambridge, MA	164,000	$140,170,000	$855	N/A	Q1 2018
Reston Signature Site (508 units)	Reston, VA	490,000	$217,232,000	$443	N/A	Q4 2017
Reston Signature Site Retail	Reston, VA	24,600	N/A	N/A	81%	
Total Residential Properties under Construction		*678,600*	*$357,402,000*	*$527*	*59%[1]*	
REDEVELOPMENT						
Reservoir Place North	Waltham, MA	73,000	$24,510,000	$336	0%	Q1 2017
Total Office Properties under Redevelopment		*73,000*	*$24,510,000*	*$336*	*0%*	
Total Office and Residential Properties under Construction and Redevelopment		**4,614,600**	**$2,597,692,000**	**$656**	**61%[1]**	

[1] Excludes residential projects.

Data as of March 31, 2016.

5.0 MSF Shadow Pipeline Drives Future Growth

Project Name	Location	Square Feet
20 CityPoint	Boston, MA	200,000
The Hub on Causeway—Phase II (50% ownership)	Boston, MA	416,000
The Hub on Causeway—Phase III (50% ownership)	Boston, MA	525,000
Cambridge Office and Residential	Cambridge, MA	940,000
Reston Block 5 (Office)	Reston, VA	274,000
Springfield Metro Center—Phase I	Springfield, VA	625,000
1001 6th Street, NW (50% ownership)	Washington, DC	520,000
The Station on North First	San Jose, CA	1,550,000
Entitled Future Development Pipeline		**5,050,000**

The Hub on Causeway

The Station on North First

Reston Town Center Office Block 5

Next Cycle Development Pipeline

Project Name	Location	Estimated Square Feet
Back Bay Station	Boston, MA	1,300,000
Reston Town Center—Phase III	Reston, VA	3,000,000
CityPoint Master Plan	Waltham, MA	1,450,000
Peterson Way	Santa Clara, CA	630,000
Fourth and Harrison	San Francisco, CA	850,000
MTA	New York, NY	720,000 to 920,000
Brooklyn Navy Yard—Phase II	Brooklyn, NY	1,000,000
Estimated Next Cycle Development Pipeline		**8,950,000 to 9,150,000**

Back Bay Station


CityPoint South Development

888 Boylston Street—Boston

- 17 stories, 425,000 SF, including 60,000 SF of retail
- 71% office pre-leased
- Anticipated to achieve USGBC LEED® Platinum
- Contemporaneous 15,000 SF expansion and opening of Eataly at the Prudential Center

Salesforce Tower – San Francisco

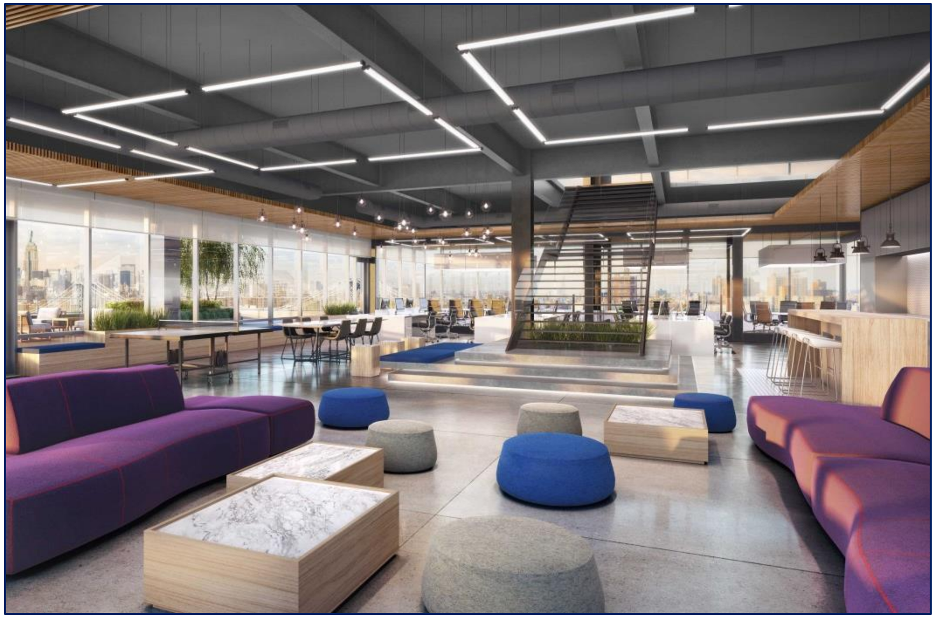
- 61 stories, 1.4 million SF office tower
  - Full height glass curtain wall with 10’ finished ceilings
  - Highly efficient and column free 25,000 SF average floor plates
- 59% pre-leased
- Delivery estimated in Q2 2017 and stabilization in Q1 2019
- Anticipated USGBC LEED® Platinum
- Adjacent to the Transbay Transit Center $4 billion public/private investment

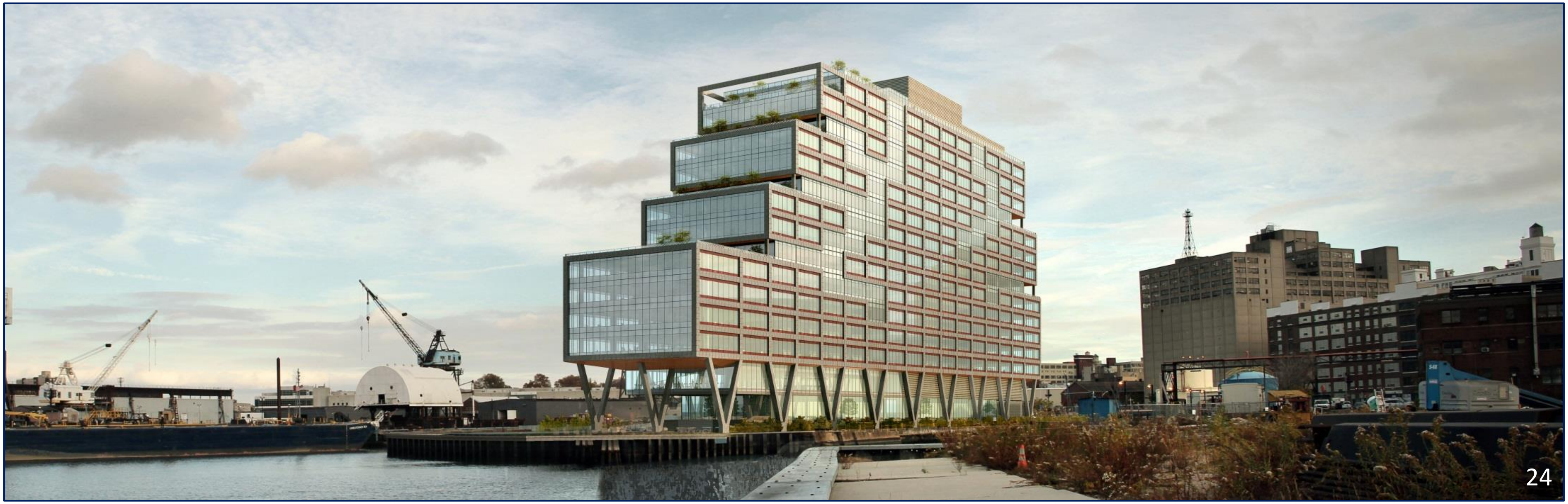
The Hub on Causeway—Boston

- 385,000 Square Feet (Phase I)
  - 210,000 Square Feet of Retail
  - 175,000 Square Feet of Office
- 63% of Retail pre-leased
- Delivery Estimated in Q4 2018
- 50% Joint Venture with Delaware North
- Attached to major transit station and entrance to TD Garden sports arena

Dock72 (Brooklyn Navy Yard)

- 16 stories, 670,000 SF
- 33% pre-leased to WeWork
- 40,000 – 60,000 SF floorplates
- Delivery estimated in Q2 2018 and stabilization in Q1 2020
- Joint initiative with Rudin Development (50% Partner), WeWork and Brooklyn Navy Yard Development Corporation





Cambridge and Reston Residential Projects

Cambridge Residential/88 Ames Street

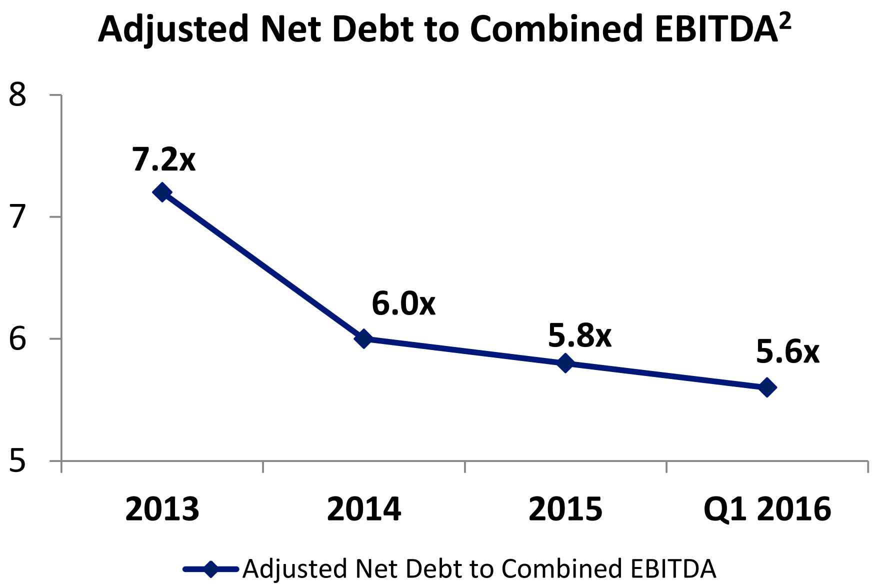
- 164,000 Square Feet
- 274 Units
- 9,000 Square Feet of Retail
- Project Costs $140 million
- Delivery Estimated in Q1 2018
- Located in the heart of Kendall Center

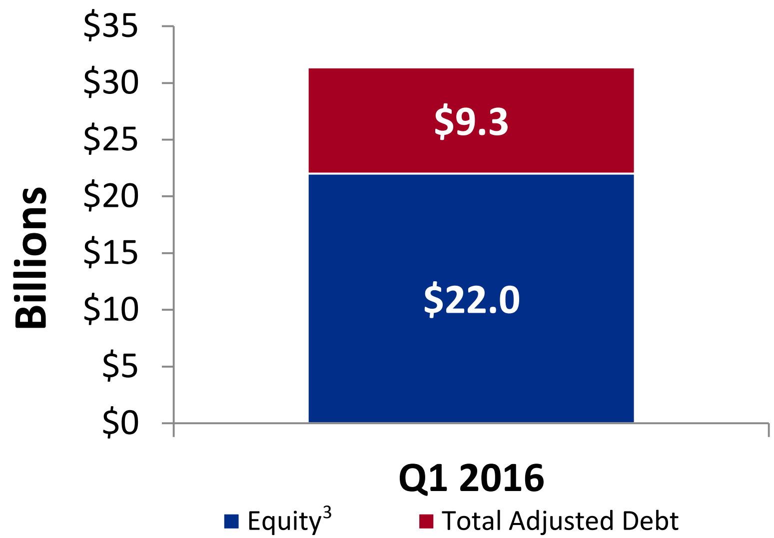
Reston Signature Site

- 514,600 Square Feet
- 508 Units
- 24,600 Square Feet of Retail
- Project Costs $217 million
- Delivery Estimated in Q4 2017
- Located in the urban core of Reston Town Center

Improved Leverage Increases Balance Sheet Capacity

$3.6 Billion of New Investment Capacity Without Raising Equity[1]





	2013	2014	2015	Q1 2016
Total Adjusted Debt to Total Adjusted Market Cap[4]	38.3%	29.0%	27.5%	29.8%
Fixed Charge Coverage Ratio[2]	2.0x	2.3x	2.5x	2.7x
FAD Payout Ratio[2]	69.8%	64.8%	76.9%	59.35%

2013-2015 data as of December 31 for applicable year.

[1] New Investment Capacity is the amount of incremental debt that can be raised and invested at initial GAAP NOI yields of 6% to result in an Adjusted Net Debt to Combined EBITDA ratio of 7.0x.

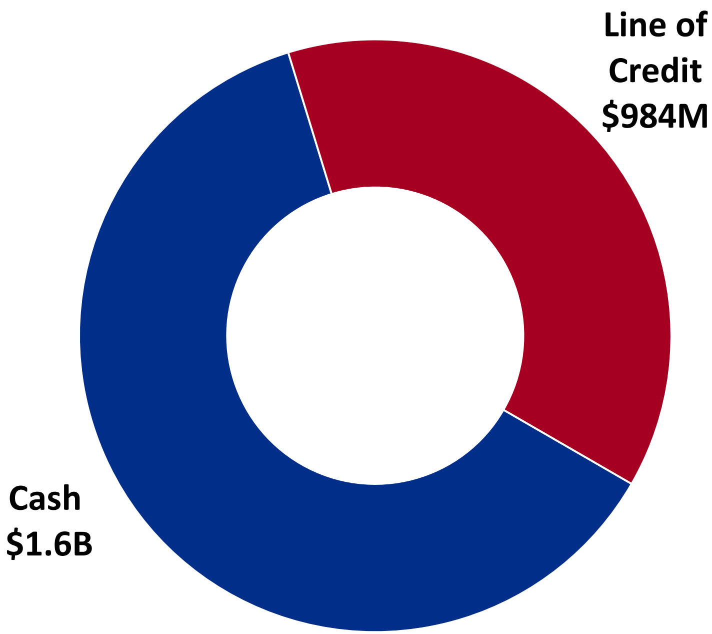
[2] See Appendix for disclosures required by Regulation G.

[3] Consists of Common Stock, OPUs and $200M of preferred stock.

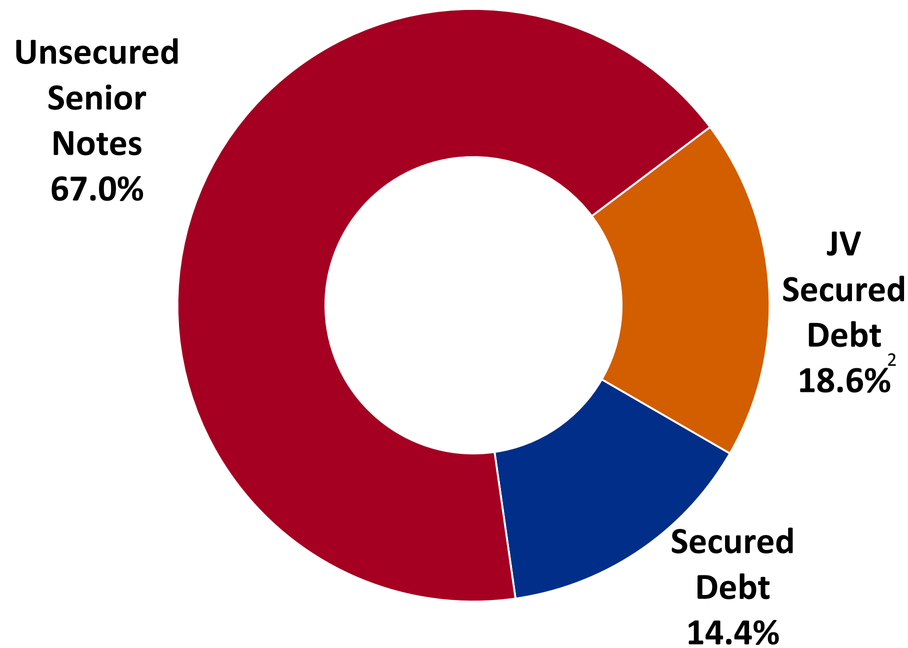
[4] See page 7 of the Supplemental and the Appendix for disclosures required by Regulation G.

Strong Liquidity and Access to Debt Markets

$2.7 Billion of Liquidity

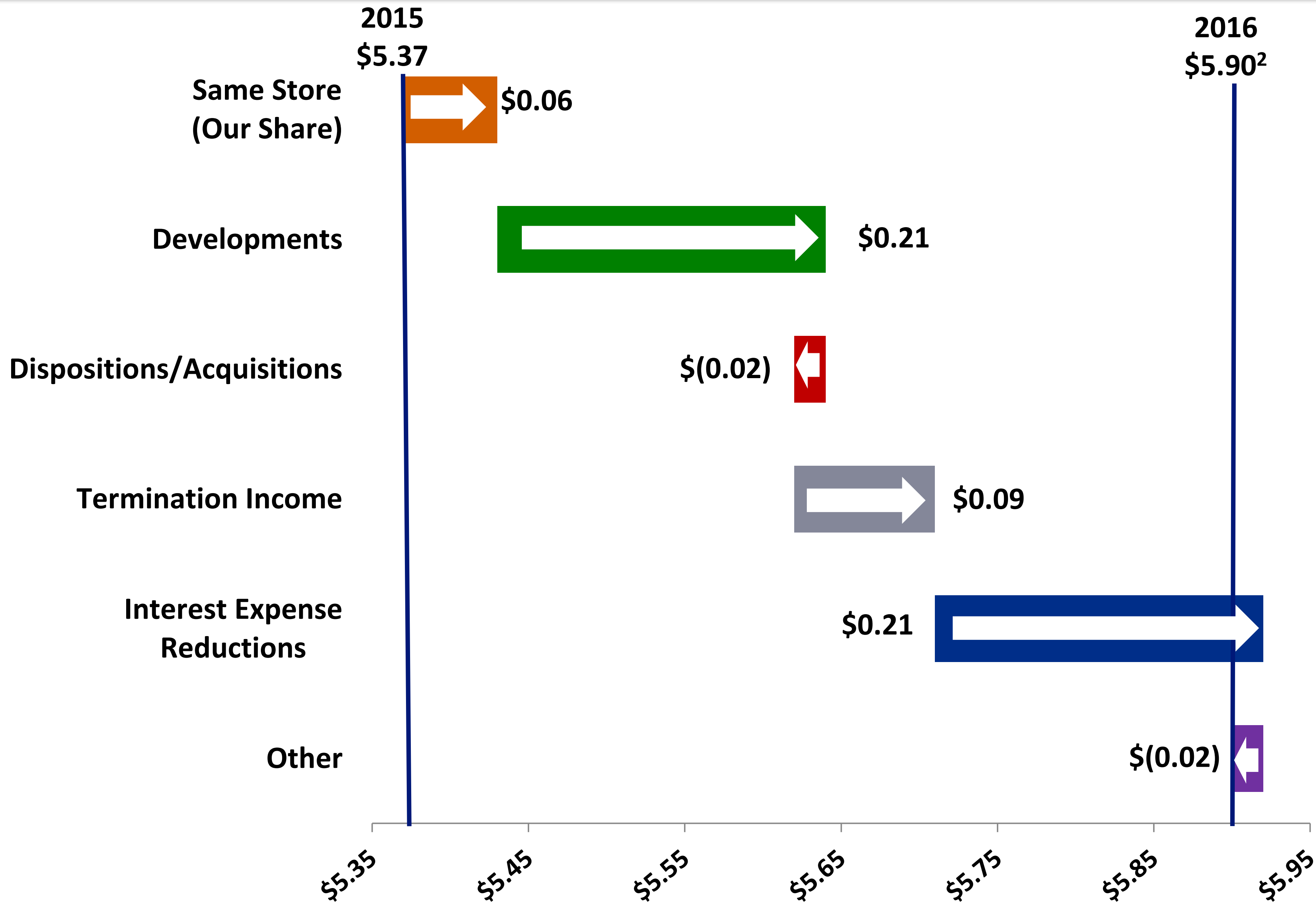


$9.3B Total Adjusted Debt[1]



[1] See Appendix for disclosures required by Regulation G. Also, see page 7 of the Supplemental for reconciliation of Total Adjusted Debt to Consolidated Debt.
[2] Percentage is based on the Company's share of consolidated and unconsolidated joint ventures.
Data as of March 31, 2016.

Projected 2016 FFO Up 9.9%[1]



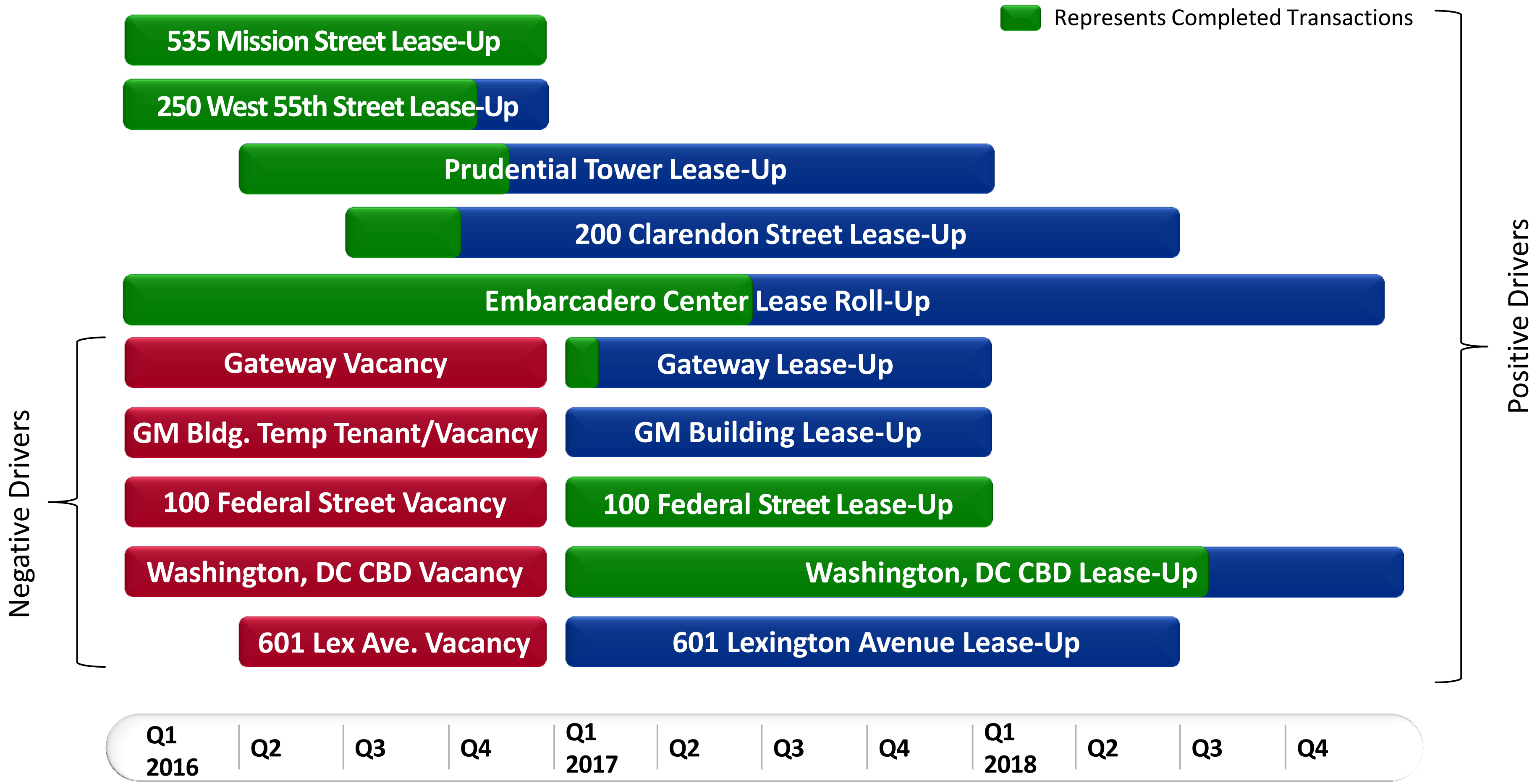
[1] Adjusting FFO for 2015 200 Clarendon Street defeasance and the additional termination income in 2016, the estimated FFO increase is projected to be 5.3%.

[2] Represents midpoint of earnings guidance issued on April 26, 2016. See page 6 of the Supplemental for reconciliation of projected FFO.

See Appendix for discussion of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements.

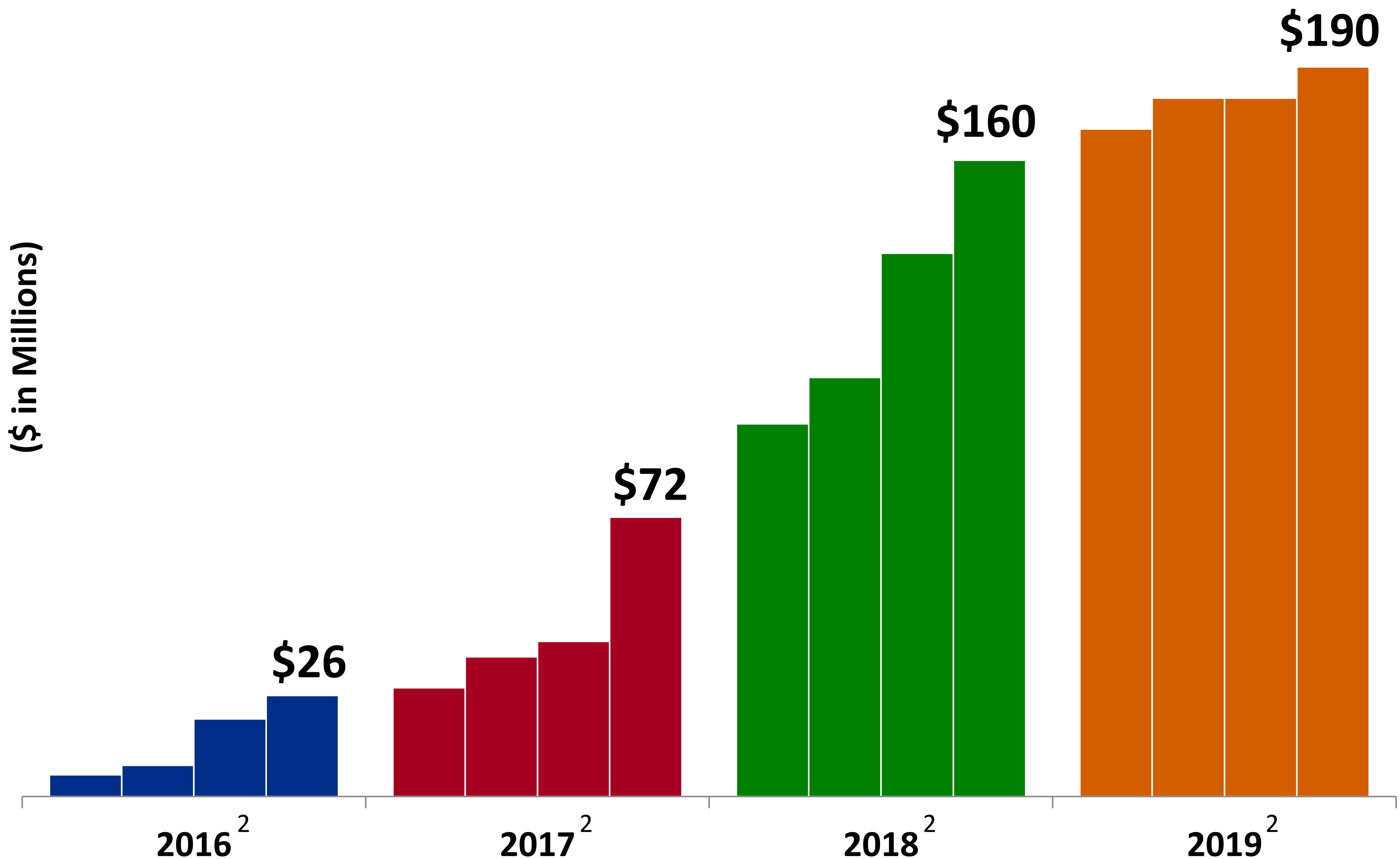
Timeline of Significant Future Portfolio NOI Drivers

- **Key lease-up opportunities projected to drive $80 million of incremental annual Adjusted Combined NOI growth by year end 2017.**
- **$48 million of $80 million in incremental Adjusted Combined NOI already completed.**



There can be no assurance that BXP will be successful in leasing the properties on the expected schedule or at the assumed rental rates. See Appendix for discussion of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements.

2016-2019 Development Incremental Adjusted Combined NOI[1]



[1] Projected incremental Adjusted Combined NOI above 2015 is based on management's current assumptions of lease-up progress at current market rents. There can be no assurance that BXP will be successful in leasing the properties on the expected schedule or at the assumed rental rates. See Appendix for discussion of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements.

[2] Represents incremental Adjusted Combined NOI for each year calculated as (1) Q4 Adjusted Combined NOI annualized, for each year less (2) Q4 2015 Adjusted Combined NOI annualized.

NAV Analysis[1]

	($ in M)
Total Adjusted Market Cap[1]	$31,128
Net Current Assets and Liabilities	$282
Management Company Value	($134)
Land	($256)
Development Pipeline[2]	($4,222)
Implied Value of In-Service Portfolio	$26,797
Annualized Combined NOI before Termination Income[1]	$1,565
NCI Share of NOI[1]	($192)
Non-Cash Components	($52)
Other Adjustments	($39)
Adjusted Combined Cash NOI[1]	$1,282
Implied Cap Rate	4.78%

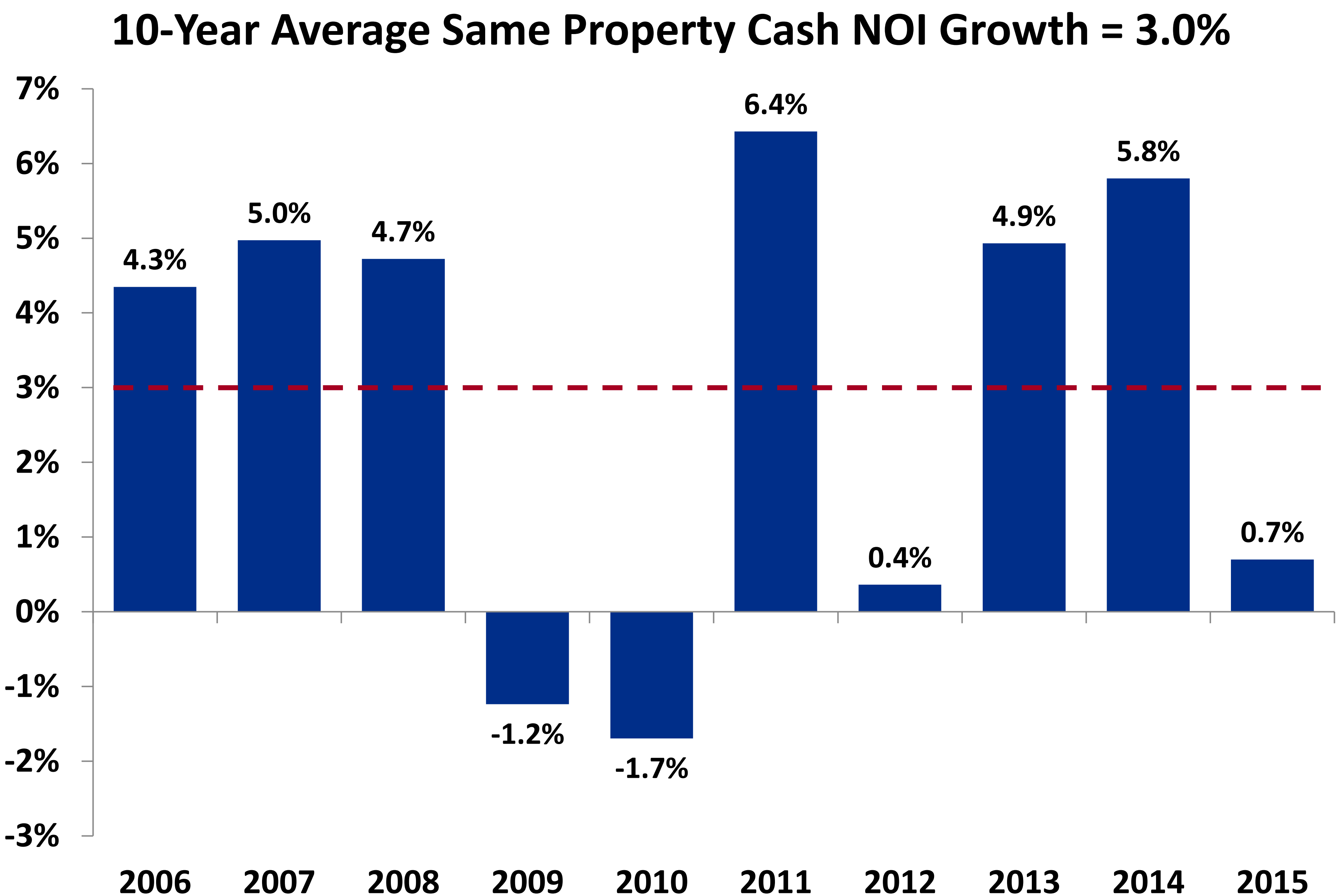
- BXP share price as of 5/31/16: $125.63
- Market cap rate of 4.0-4.5%
- 10-20% Discount to NAV
- Implied Value PSF $741
- Implied Cap Rate of 5.4%, assuming lease up to projected 94% occupancy

Cap Rate Sensitivity	4.0%	4.5%	5.0%
Implied Stock Price	$157.40	$136.67	$120.08

[1] See Appendix for disclosures required by Regulation G.
[2] See page 33 of this presentation for additional detail.

Boston Properties

Same Property Cash NOI Growth



Data as of December 31, 2015.

Boston Properties

Projected Returns From Development Enhance Growth[1]

Average 7.2% Unleveraged Cash Return

($ in M)	2016	2017	2018	2019	Total
BXP's Share of Budgeted Cost of Projects Delivered[2]	$540	$315	$1,356	$422	$2,633
Estimated Share of NOI upon Stabilization	$41	$27	$94	$28	$190
Compounded Annual Growth Rate (CAGR)[3]					**3.1%**
Estimated Value upon Completion (4.5% Cap Rate)[4]	$911	$600	$2,089	$622	$4,222
Total Development Budget					$2,633
Projected Value Creation					$1,590
Projected Value Creation/Cost					**60%**
Projected Value Creation/Share					**$9.30**

[1] There can be no assurance that BXP will be successful in leasing the properties on the expected schedule or at the assumed rental rates. See Appendix for discussion of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements.
[2] Budget includes return on investment during development. Development properties include existing pipeline plus 690 Folsom and Annapolis Junction Building Eight.
[3] CAGR is based on 2015 Combined EBITDA of $1.472 billion plus cumulative estimated share of NOI from development deliveries though 2019. See Appendix for disclosures required by Regulation G.
[4] Calculations assume a weighted-average projected stabilized cash NOI yield of 7.2% on budgeted costs, which is then valued at 4.5% cap rate. See page 45 of the Supplemental for projected stabilization dates for the development properties.

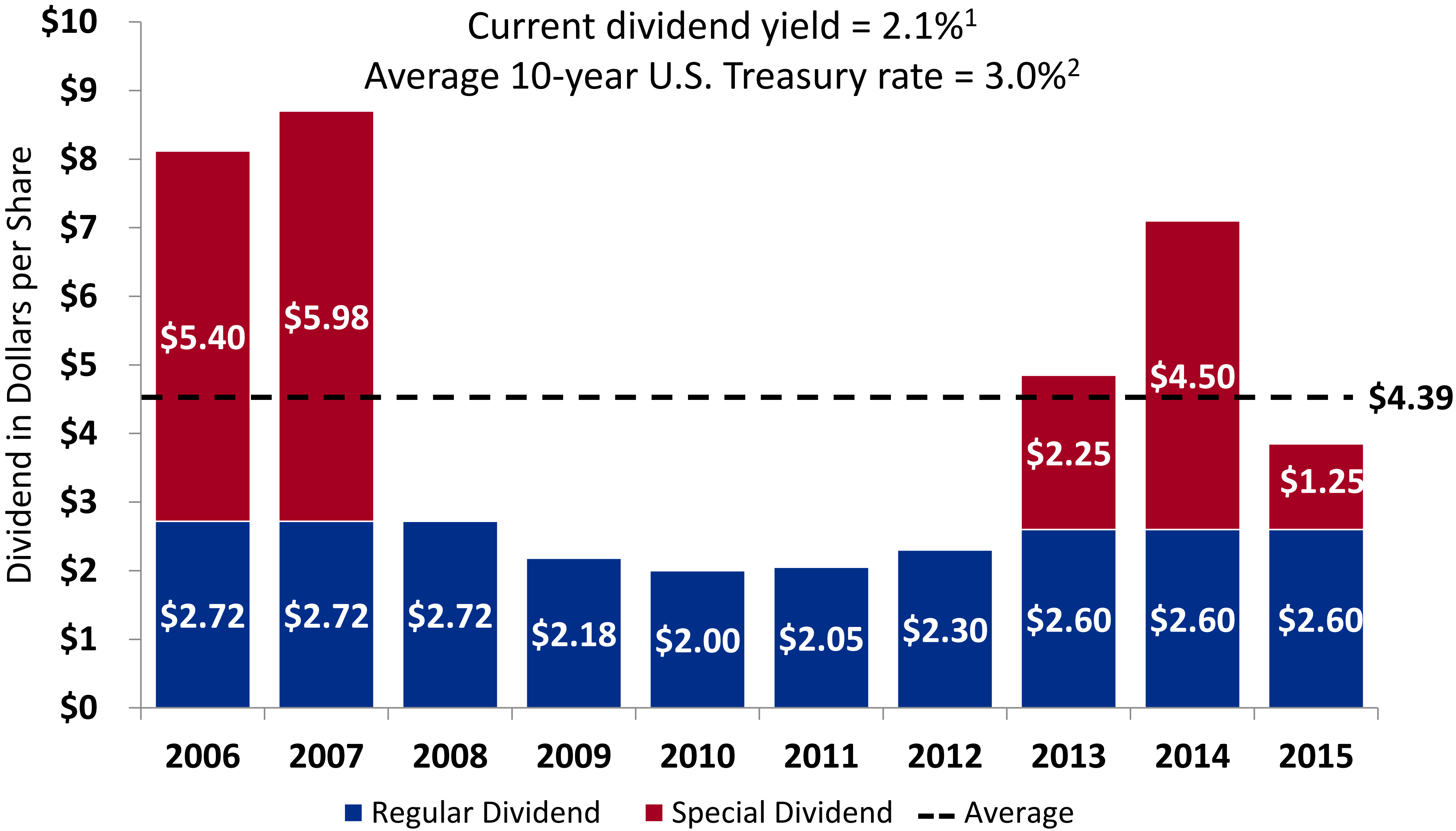
Returns From Dividends

Average 10-Year Dividend Yield = 4.5%

Average 10-year dividend payout = $4.39 per share

Current dividend yield = 2.1%[1]

Average 10-year U.S. Treasury rate = 3.0%[2]



[1] Current dividend yield is based on March 31, 2016 stock closing price of $127.08 per share.

[2] Based on daily average Treasury Rate for prior ten years from March 31, 2006 to March 31, 2016. Source: Thomson Reuters.

Boston Properties

Components of Return

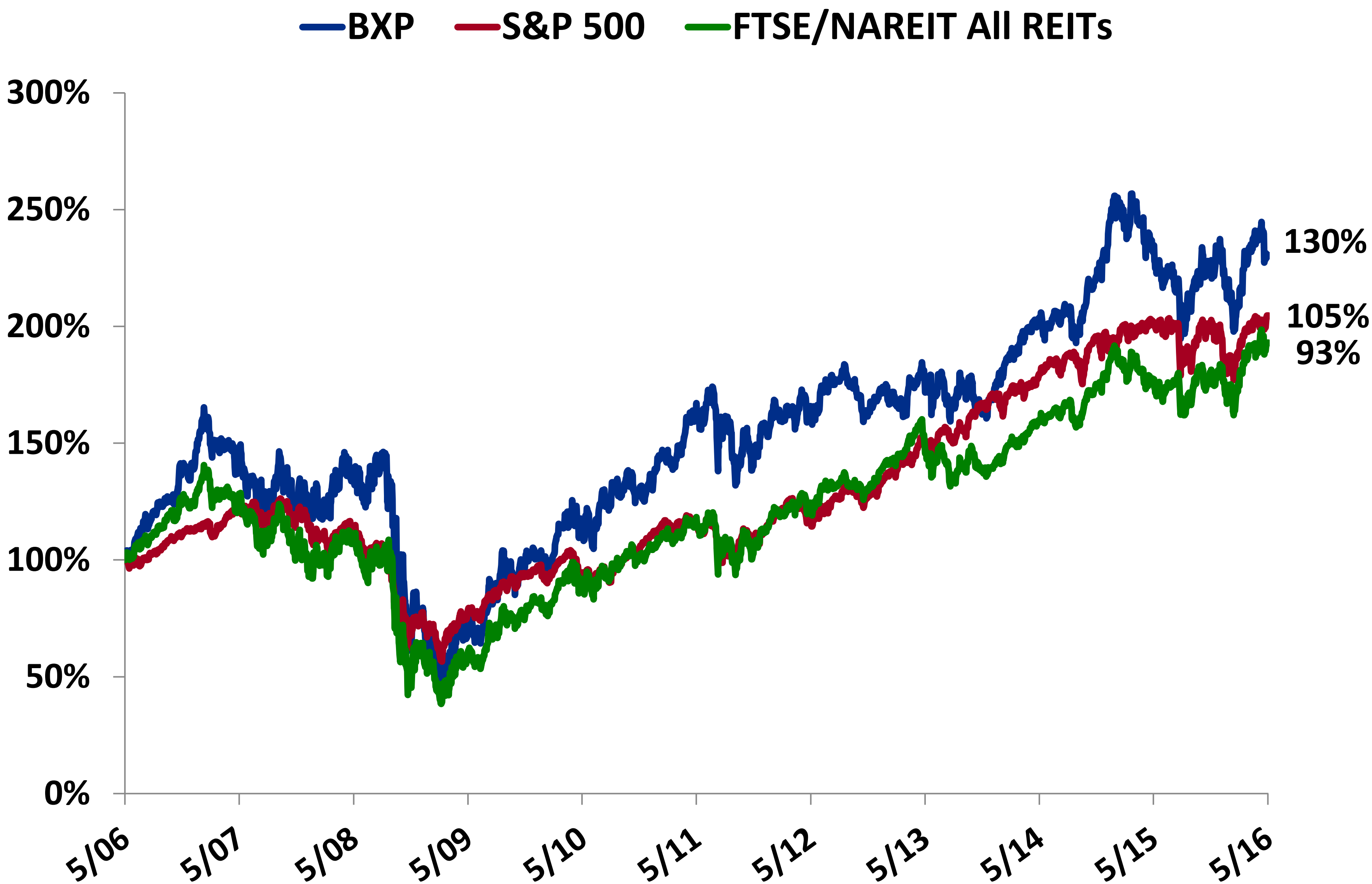
3.0% | **3.1%**[1] | **4.5%**

Organic Growth | External Growth | Income Growth

10.6%[1]

[1] There can be no assurance that BXP will be successful in leasing the properties on the expected schedule or at the assumed rental rates. See Appendix for discussion of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements.

135% BXP 10-Year Total Shareholder Return



Data through May 31, 2016 and provided by Thomson Reuters.

Sustainability Highlights

Established energy, greenhouse gas emissions, water and waste goals, with 2020 reduction targets below a 2008 baseline

Reduced like-for-like energy use by 6.7% in the last three years, saving an estimated $9.7 M in annual utility costs

Generated more than 1,000 MWh renewably onsite in 2015

Reduced water use intensity 17.8% since 2008, saving $1.7 M in annual utility costs

Increased our recycling rate from 36% in 2008 to 59% in 2015

Selected as a Green Lease Leader by the Better Buildings Alliance in 2015

Sustainability Certification and Recognition

- 15+ million square feet LEED Certified
- 80% at Gold and Platinum Level
- All new development projects, totaling 4.5 million square feet, are pursuing LEED certification

- Executive Members of EPA's Certification Nation program
- 52 ENERGY STAR labelled properties

- Ranked 2nd among US Office companies in 2015
- Ranked 24th out of 688 global companies in 2015 (among the top 4% of all participants)
- Achieved highest "Green Star" last 4 years

- 2014 Special Recognition – Most Improved Leader in the Light Award
- 2015 Leader in the Light Award Joint Winner

Sustainability Goals

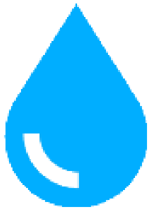
We have adopted goals with the following specific time frames, metrics, and targets below a 2008 baseline:

15x20 Energy Use Reduction

Reduce energy use intensity, targets a 15% reduction by 2020. Units are kBtu/SF.

20x20 Greenhouse Gas Reduction

Reduce Scope 1 and Scope 2 greenhouse gas emissions intensity, targets a 20% reduction by 2020. Units are kgCO_2e/SF.



20x20 Water Use Reduction

Reduce water use intensity, targets a 20% reduction by 2020. Units are gallons/SF.

65x20 Waste Diversion

Increase waste diverted from landfill, targets a 65% diversion rate by 2020. Units are % diverted.

Appendix

Premier Properties. Core Markets. Experienced Leadership.

Boston Properties

Forward-Looking Statements

This presentation 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,” ”may,” “might,” “plans,” “projects,” “should,” “will” 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 that are, in some cases, beyond Boston Properties’ control and could materially affect actual results, performance or achievements.

Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

- If there is a negative change in the economy, including but not limited to a reversal of current job growth trends and an increase in unemployment, it could have a negative effect on the following, among other things:
  - the fundamentals of our business, including overall market occupancy, tenant space utilization, and rental rates;
  - the financial condition of our tenants, many of which are financial, legal, media/telecommunication, technology and other professional firms, our lenders, counterparties to our derivative financial instruments and institutions that hold our cash balances and short-term investments, which may expose us to increased risks of default by these parties; and
  - the value of our real estate assets, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing secured by our properties or on an unsecured basis;
  - general risks affecting the real estate industry (including, without limitation, the inability to enter into or renew leases, tenant space utilization, dependence on tenants’ financial condition, and competition from other developers, owners and operators of real estate)
  - failure to manage effectively our growth and expansion into new markets and sub-markets or to integrate acquisitions and developments successfully;
  - the ability of our joint venture partners to satisfy their obligations;

Forward-Looking Statements (continued)

- risks and uncertainties affecting property development and construction (including, without limitation, construction delays, increased construction costs, cost overruns, inability to obtain necessary permits, tenant accounting considerations that may result in negotiated lease provisions that limit a tenant's liability during construction, and public opposition to such activities);
- risks associated with the availability and terms of financing and the use of debt to fund acquisitions and developments or refinance existing indebtedness, including the impact of higher interest rates on the cost and/or availability of financing;
- risks associated with forward interest rate contracts and the effectiveness of such arrangements;
- risks associated with downturns in the national and local economies, increases in interest rates, and volatility in the securities markets;
- risks associated with actual or threatened terrorist attacks;
- costs of compliance with the Americans with Disabilities Act and other similar laws;
- potential liability for uninsured losses and environmental contamination;
- risks associated with security breaches through cyber attacks, cyber intrusions or otherwise, as well as other significant disruptions of our information technology (IT) networks and related systems, which support our operations and our buildings;
- risks associated with Boston Properties, Inc.'s potential failure to qualify as a REIT under the Internal Revenue Code of 1986, as amended;
- possible adverse changes in tax and environmental laws;
- the impact of newly adopted accounting principles on our accounting policies and on period-to-period comparisons of financial results;
- risks associated with possible state and local tax audits; and
- risks associated with our dependence on key personnel whose continued service is not guaranteed.

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.

Non-GAAP Financial Measures & Other Definitions

This section contains definitions of certain non-GAAP financial measures we provide in other sections of this presentation, qualitative reconciliations of the differences between the non-GAAP financial measures and the most directly comparable GAAP financial measures, and the reasons why management believes these non-GAAP financial measures provide useful information to investors about the Company's financial condition and 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.

Adjusted Combined Cash Net Operating Income (NOI)

Adjusted Combined Cash NOI is Adjusted Combined NOI after eliminating the effects of straightlining of rent and fair value lease revenue and lease transaction costs that qualify as inducements in accordance with GAAP. We use Adjusted Combined Cash NOI internally as a performance measure and believe Adjusted Combined Cash NOI provides useful information to investors regarding our financial condition and results of operations because it does not include our partners' share of consolidated joint ventures, which have become significant. Therefore, we believe Adjusted Combined Cash NOI is a useful measure for evaluating the operating performance of our share of all of our real estate assets, including those held by our consolidated and unconsolidated joint ventures. Our management also uses Adjusted Combined NOI to evaluate regional property level performance and to make decisions about resource allocations. Further, like Consolidated NOI and Combined NOI, we believe Adjusted Combined Cash NOI is useful to investors as a performance measure because, when compared across periods, Adjusted Combined Cash NOI reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and development activity on a cash basis, providing perspective not immediately apparent from net income. Adjusted Combined Cash NOI presented by us may not be comparable to Adjusted Combined Cash NOI reported by other REITs that define Adjusted Combined NOI differently. We believe that in order to facilitate a clear understanding of our operating results, Adjusted Combined NOI should be examined in conjunction with net income as presented in our consolidated financial statements. Adjusted Combined Cash 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.

Non-GAAP Financial Measures & Other Definitions

Adjusted Combined Net Operating Income (NOI)

Adjusted Combined NOI is a non-GAAP financial measure equal to Combined NOI less our partners' share, based on ownership interest, of net operating income from consolidated joint ventures. In some cases we also present Adjusted Combined NOI on a cash basis, which is Adjusted Combined NOI after eliminating the effects of straightlining of rent and fair value lease revenue and lease transaction costs that qualify as inducements in accordance with GAAP. In addition to Consolidated NOI and Combined NOI, we use Adjusted Combined NOI internally as a performance measure and believe Adjusted Combined NOI provides useful information to investors regarding our financial condition and results of operations because it does not include our partners' share of consolidated joint ventures, which have become significant. Therefore, we believe Adjusted Combined NOI is a useful measure for evaluating the operating performance of our share of all of our real estate assets, including those held by our consolidated and unconsolidated joint ventures. Our management also uses Adjusted Combined NOI to evaluate regional property level performance and to make decisions about resource allocations. Further, like Consolidated NOI and Combined NOI, we believe Adjusted Combined NOI is useful to investors as a performance measure because, when compared across periods, Adjusted 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. Adjusted Combined NOI presented by us may not be comparable to Adjusted Combined NOI reported by other REITs that define Adjusted Combined NOI differently. We believe that in order to facilitate a clear understanding of our operating results, Adjusted Combined NOI should be examined in conjunction with net income as presented in our consolidated financial statements. Adjusted 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.

Adjusted Net Debt to Combined EBITDA

Adjusted net debt to combined EBITDA is a non-GAAP financial measure. We present this ratio because it provides management, investors and others with additional means of evaluating our overall financial flexibility, capital structure and leverage. A reconciliation of the components of adjusted net debt to combined EBITDA to the most directly comparable GAAP financial measures is set forth on the following pages.

Non-GAAP Financial Measures & Other Definitions (cont.)

(dollars in thousands)

	Quarter Ended	Years ended December 31,		
	March 31, 2016	2015	2014	2013
Net Income Attributable to Boston Properties, Inc. Common Shareholders	$181,747	$572,606	$433,111	$741,754
Add:				
Preferred Dividends	2,618	10,500	10,500	8,057
Net Income Attributable to Noncontrolling Interests	31,857	216,812	82,446	91,629
Interest Expense	105,309	432,196	455,743	446,880
Losses (Gains) from Investments in Securities	(259)	653	(1,038)	(2,911)
Losses (Gains) from Early Extinguishments of Debt	-	22,040	10,633	(122)
Depreciation and Amortization	159,448	639,542	628,573	560,637
Impairment Loss	-	-	-	8,306
Less:				
Discontinued Operations	-	-	-	137,792
Gains on Sales of Real Estate	67,623	375,895	168,039	-
Interest and Other Income	1,505	6,777	8,765	8,310
Gains on Consolidation of Joint Ventures	-	-	-	385,991
Income from Unconsolidated Joint Ventures	1,791	22,770	12,769	75,074
EBITDA	$409,801	$1,488,907	$1,430,395	$1,247,063
Unconsolidated Joint Venture EBITDA	10,161	47,308	45,116	107,527
Combined EBITDA	$419,962	$1,536,215	$1,475,511	$1,354,590

Non-GAAP Financial Measures & Other Definitions (cont.)

(dollars in thousands)

	Quarter Ended	Years ended December 31,		
	March 31, 2016	2015	2014	2013
Total Consolidated Debt	$9,980,366	$9,036,513	$9,906,984	$11,341,508
BXP's Share of Unconsolidated Joint Venture Debt	351,394	353,386	351,500	329,188
Total Debt	10,331,760	9,389,899	10,258,484	11,670,696
Less				
Cash balance	1,605,678	723,718	1,763,079	2,365,137
Net Debt	8,726,082	8,666,181	8,495,405	9,305,559
Less:				
Cash Held in Escrow for 1031 Exchange	-	-	433,794	-
Add:				
Special Dividend Payable	-	214,386	769,790	384,517
Adjusted Net Debt	$8,726,082	$8,880,567	$8,831,401	$9,690,076
Combined EBITDA	$1,544,848[1]	$1,536,215	$1,475,511	$1,354,590
Adjusted Net Debt to Combined EBITDA	**5.6**	**5.8**	**6.0**	**7.2**

[1] Combined EBITDA annualized (multiplied by 4), adjusted to remove the annualizing of the Q1 2016 termination income at 250 W 55th Street in New York, NY of $45 million.

Boston Properties

Annualized Combined NOI

Annualized Combined NOI is Combined NOI before termination income multiplied by four plus the termination income of the current quarter presented.

RECONCILIATION OF NET INCOME TO COMBINED NET OPERATING INCOME (NOI) and ANNUALIZED COMBINED NOI
(in thousands)

	For the three months ended March 31, 2016
Net income attributable to Boston Properties, Inc. common shareholders	$ 181,747
Preferred dividends	2,618
Net income attributable to Boston Properties, Inc.	184,365
Net income attributable to noncontrolling interests:	
Noncontrolling interest - common units of the Operating Partnership	21,393
Noncontrolling interest - redeemable preferred units of the Operating Partnership	-
Noncontrolling interest in property partnerships	10,464
Net income	216,222
Gains on sales of real estate	(67,623)
Income before gains on sales of real estate	148,599
Add:	
Interest expense	105,309
Depreciation and amortization	159,448
Transaction costs	25
General and administrative expense	29,353
Subtract:	
Gains from investments in securities	(259)
Interest and other income	(1,505)
Income from unconsolidated joint ventures	(1,791)
Development and management services income	(6,689)
Consolidated NOI	432,490
Add:	
NOI from unconsolidated joint ventures (BXP's share)[1]	10,161
Combined NOI	442,651
Subtract:	
Termination income	(51,297)
Combined NOI before termination income	391,354
Annualized Combined NOI before termination income[2]	1,565,416
Add:	
Termination income	51,297
Annualized Combined NOI	$ 1,616,713

[1] For disclosures related to the calculation of NOI from unconsolidated joint ventures, see page 58 of the Appendix.
[2] Amount equals Combined NOI before termination income multiplied by four.

Non-GAAP Financial Measures & Other Definitions (cont.)

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 and lease transaction costs which qualify as inducements in accordance with GAAP. 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.

Non-GAAP Financial Measures & Other Definitions (cont.)

Combined Revenue

Combined Revenue is a non-GAAP financial measure equal to Consolidated Revenue plus our share of revenue from unconsolidated joint ventures (based on our percentage ownership interest). In addition to Consolidated Revenue, we use Combined Revenue internally as a performance measure and believe Combined Revenue 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 Revenue 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 Revenue to evaluate regional property level performance and to make decisions about resource allocations. Further, like Consolidated Revenue, we believe Combined Revenue is useful to investors as a performance measure because, when compared across periods, Combined Revenue reflects the impact on operations from trends in occupancy rates, rental rates, and acquisition and development activity. Combined Revenue presented by us may not be comparable to Combined Revenue reported by other REITs that define Combined Revenue differently.

Reconciliation of Revenue to Annualized Combined Revenue

	Quarter ended March 31,2016
Total Revenue	$ 665,985
Add:	
BXP's share of revenue from unconsolidated joint ventures[1]	16,632
Subtract:	
Termination income	(51,297)
Total Combined Revenue before termination income	$ 631,320
Annualized combined revenue before termination income (i.e. multiplied by four)	2,525,278
Add:	
Termination income	51,297
Annualized Combined Revenue	$ 2,576,575

[1] See page 58 of the Appendix for the calculation.

Non-GAAP Financial Measures & Other Definitions (cont.)

Consolidated Net Operating Income (NOI)

Consolidated NOI is a non-GAAP financial measure equal to net income attributable to Boston Properties, Inc. common shareholders, the most directly comparable GAAP financial measure, plus preferred dividends, net income attributable to noncontrolling interests, plus corporate general and administrative expense, transaction costs, depreciation and amortization and interest expense, less development and management services income, income from unconsolidated joint ventures, interest and other income and gains from investments in securities. 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 and lease transaction costs which qualify as inducements in accordance with GAAP. 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.

Non-GAAP Financial Measures & Other Definitions (cont.)

Fixed Charge Coverage Ratio

Fixed charge coverage ratio is calculated by the Company as Adjusted EBITDA divided by Total Fixed Charges. The Company believes this ratio is useful because it provides investors and others an additional means of comparing our ability to service debt obligations to that of other companies. Adjusted EBITDA is defined by the Company as Combined EBITDA plus (1) straight-line ground rent expense and non-cash stock compensation expense, less (2) straight-line rent and fair value lease revenue. Total Fixed Charges is the sum of interest expense, capitalized interest, recurring capital expenditures, non-cash interest expense under ASC 470-20 (formerly known as FSP ABP 14-1) and preferred distributions. A reconciliation of Adjusted EBITDA to Combined EBITDA and a calculation of the Fixed Charge Coverage Ratios follow. A reconciliation of Combined EBITDA to net income attributable to Boston Properties, Inc. common shareholders is provided earlier in this Appendix.

	Quarter Ended	Years ended December 31,		
(dollars in thousands)	March 31, 2016	2015	2014	2013
Fixed charge				
Interest Expense	$105,309	$432,196	$455,743	$446,880
BXP share of Unconsolidated Joint Venture Interest Expense	4,015	13,917	13,370	61,259
Capitalized Interest[1]	9,269	34,213	52,476	68,152
Non-cash Interest Expense[1]	7,810	32,307	30,664	(6,889)
Recurring Capital Expenditures[1]	21,945	54,901	45,504	53,096
Preferred Dividends	2,618	10,506	11,523	14,103
Total Fixed Charges	$150,966	$578,040	$609,280	$636,601
Combined EBITDA	$419,962	$1,536,215	$1,475,511	$1,354,590
Add				
Straight-Line Ground Rent Expense	987	(790)	6,793	7,156
Non-cash Stock Compensation Expense	10,069	29,183	28,099	45,155
Less				
Straight-Line Rent[1]	13,792	67,967	55,732	64,722
Fair Value Lease Revenue[1]	5,375	24,651	36,369	43,598
Adjusted EBITDA	$411,851	$1,471,990	$1,418,302	$1,298,581
Fixed Charge Coverage Ratio	**2.73**	**2.55**	**2.33**	**2.04**

[1] Includes the Company's share of consolidated and unconsolidated joint venture amounts.

Non-GAAP Financial Measures & Other Definitions (cont.)

Funds Available for Distribution (FAD)

In addition to FFO, we present Funds Available for Distribution (FAD) by (1) adding to FFO lease transaction costs that qualify as rent inducements, non-real estate depreciation, non-cash losses from early extinguishments of debt, stock-based compensation, partners' share of consolidated and unconsolidated joint venture 2nd generation tenant improvement and leasing commissions (included in the period in which the lease commences) and unearned portion of capitalized fees, (2) eliminating the effects of straight-line rent, straight-line ground rent expense adjustment, fair value interest adjustment and fair value lease revenue, and (3) subtracting: recurring capital expenditures; hotel improvements, equipment upgrades and replacements; 2nd generation tenant improvement and leasing commissions (included in the period in which the lease commences); and non-cash termination income adjustment (fair value lease amounts). 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.

Funds from Operations (FFO)

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. common shareholders (computed in accordance with GAAP, including non-recurring items) for gains (or losses) from sales of properties, impairment losses on depreciable real estate consolidated on our balance sheet, impairment losses on our investments in unconsolidated joint ventures driven by a measurable decrease in the fair value of depreciable real estate held by the unconsolidated joint ventures, real estate-related depreciation and amortization, and our share of income (loss) from unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure, but we believe the presentation of FFO, combined with the presentation of required GAAP financial measures, has improved the understanding of operating results of REITs among the investing public and has helped make comparisons of REIT operating results more meaningful. Management generally considers FFO and FFO per share to be useful measures for understanding and comparing our operating results because, by excluding gains and losses related to sales of previously depreciated operating real estate assets, impairment losses and real estate asset depreciation and amortization (which can differ across owners of similar assets in similar condition based on historical cost accounting and useful life estimates), FFO and FFO per share can help investors compare the operating performance of a company's real estate across reporting periods and to the operating performance of other 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 a substitute to net income attributable to Boston Properties, Inc. common shareholders (determined in accordance with GAAP). 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 more comprehensively understand our operating performance, FFO should be considered along with our reported net income attributable to Boston Properties, Inc. and our cash flows in accordance with GAAP, as presented in our consolidated financial statements.

See following pages for reconciliations of FAD and FFO.

Non-GAAP Financial Measures & Other Definitions (cont.)

FAD Reconciliation (dollars in thousands)

	Quarter Ended March 31, 2016	Year Ended 2015	2014	2013
Funds Available for Distribution				
Funds from operations (FFO)	$ 279,542	$ 918,543	$ 899,094	$ 839,369
Straight-line rent adjustment[1]	(13,792)	(67,967)	(55,732)	(64,722)
Lease transaction costs which qualify as rent inducements[1,2]	5,288	12,661	9,503	9,679
Fair value lease revenue[1,3]	(5,375)	(24,651)	(36,369)	(43,598)
Non-cash losses from early extinguishments of debt	-	(3,604)	96	(264)
Non-cash impairment loss	-	-	-	8,306
Non-cash termination adjustment (including fair value lease amounts)	29	(2,187)	-	2,102
Straight-line ground rent expense adjustment[4]	987	(790)	6,793	7,156
Stock-based compensation	10,069	29,183	28,099	45,155
Non real estate depreciation	364	1,503	1,361	1,259
Fair value interest adjustment[1]	(7,810)	(32,307)	(30,644)	(16,363)
ASC 470-20 (formerly known as FSP APB 14-1) interest expense adjustment	-	-	2,438	23,052
2nd generation tenant improvements and lease commissions	(67,273)	(236,290)	(116,499)	(133,545)
Partners' share of consolidated and unconsolidated joint venture 2nd generation tenant improvement and leasing commissions	6,929	33,196	10,849	7,507
Unearned portion of capitalized fees	1,191	7,647	12,358	571
Recurring expenditures	(21,585)	(52,471)	(42,610)	(51,026)
Hotel improvements, equipment upgrades and replacements	(360)	(2,430)	(2,894)	(2,070)
Funds available for distribution	$ 188,204	$ 580,036	$ 685,843	$ 632,568
Dividend (excludes special distributions)	111,708	446,155	444,181	441,212
FAD Payout Ratio	**59.35%**	**76.92%**	**64.76%**	**69.75%**

[1] Includes the Company's share of consolidated and unconsolidated joint venture amounts.

[2] Consists of lease transaction costs that qualify as rent inducements in accordance with GAAP. Lease transaction costs are generally included in 2nd generation tenant improvements and leasing commissions.

[3] Represents the net adjustment for above- and below-market leases that are being amortized over the terms of the respective leases in place at the property acquisition dates.

[4] For the year ended December 31, 2015, includes the straight-line impact of the Company’s 99-year ground and air rights lease related to the Company’s 200 Clarendon Street property’s adjacent 100 Clarendon Street garage and Back Bay Station concourse level. The Company has allocated contractual ground lease payments aggregating approximately $34.4 million which it expects to incur over the next three years with no payments thereafter. The Company is recognizing these amounts on a straight-line basis over the 99-year term of the ground and air rights lease.

Non-GAAP Financial Measures & Other Definitions (cont.)

FFO Reconciliation (dollars in thousands)

	Quarter Ended	Year Ended		
	March 31, 2016	2015	2014	2013
Net income attributable to Boston Properties, Inc. common shareholders	$ 181,747	$ 648,748	$ 499,129	$ 841,516
Add:				
Preferred dividends	2,618	10,500	10,500	8,057
Noncontrolling interest - common units of the Operating Partnership	21,393	-	-	-
Noncontrolling interest - redeemable preferred units of the Operating Partnership	-	6	1,023	6,046
Noncontrolling interests in property partnerships	10,464	149,855	30,561	1,347
Impairment loss from discontinued operations	-	-	-	2,852
Less:				
Gain on forgiveness of debt from discontinued operations	-	-	-	20,736
Gain on sales of real estate from discontinued operations	-	-	-	115,459
Income from discontinued operations	-	-	-	8,022
Gains on sales of real estate	67,623	377,093	174,686	-
Income before gains on sales of real estate	148,599	432,016	366,527	715,601
Add:				
Real estate depreciation and amortization[1]	163,580	636,602	637,954	602,304
income from discontinued operations				8,022
Less:				
Gain on sales of real estate included within income from unconsolidated JV's.	-	-	-	54,501
Gains on sale of consolidated joint ventures	-	-	-	385,991
Noncontrolling interests in property partnerships' share of FFO	30,019	139,569	93,864	33,930
Noncontrolling interest - redeemable preferred units of the Operating Partnership	-	6	1,023	4,079
Preferred dividends	2,618	10,500	10,500	8,057
Funds From Operations (FFO)	$ 279,542	$ 918,543	$ 899,094	$ 839,369

[1] Real estate depreciation and amortization consists of depreciation and amortization from consolidated statements of operations plus our share of unconsolidated joint venture real estate depreciation and amortization less corporate related depreciation.

Non-GAAP Financial Measures & Other Definitions (cont.)

Consolidated Income Statements

(unaudited and in thousands, except for per share amounts)

	Three Months Ended March 31, 2016
Revenue	
Rental	
Base rent	$ 536,128
Recoveries from tenants	89,586
Parking and other	24,825
Total rental revenue	650,539
Hotel revenue	8,757
Development and management services	6,689
Total revenue	665,985
Expenses	
Operating	114,467
Real estate taxes	104,705
Hotel operating	7,634
General and administrative[1]	29,353
Transaction costs	25
Depreciation and amortization	159,448
Total expenses	415,632
Operating income	250,353
Other income (expense)	
Income from unconsolidated joint ventures	1,791
Interest and other income	1,505
Gains (losses) from investments in securities[1]	259
Interest expense [2]	(105,309)
Losses from early extinguishments of debt	-
Income before gains on sales of real estate	148,599
Gains on sales of real estate[3]	67,623
Net income	216,222
Net income attributable to noncontrolling interests	
Noncontrolling interest in property partnerships	(10,464)
Noncontrolling interest - redeemable preferred units of the Operating Partnership	-
Noncontrolling interest - common units of the Operating Partnership[4]	(21,393)
Net income attributable to Boston Properties, Inc.	184,365
Preferred dividends	(2,618)
Net income attributable to Boston Properties, Inc. common shareholders	$ 181,747
INCOME PER SHARE OF COMMON STOCK (EPS)	
Net income attributable to Boston Properties, Inc. per share - basic	$ 1.18
Net income attributable to Boston Properties, Inc. per share - diluted	$ 1.18

[1] Gains (losses) from investments in securities include $259 and general and administrative expense includes $(259), for the three months ended March 31, 2016, related to the Company's deferred compensation plan.

[2] For the three months ended March 31, 2016, interest expense includes $8,234 consisting of the interest expense on the partner loans for the 767 Fifth Avenue (The GM Building) consolidated joint venture, which amount is allocated to the partners within noncontrolling interests in property partnerships. The Company's share of the interest expense on its loan to the joint venture eliminates in consolidation.

[3] See page 44 of the Q1 2016 Supplemental for additional information.

[4] Equals noncontrolling interest - common units of the Operating Partnership's share of 10.32% of income before net income attributable to noncontrolling interests in Operating Partnership after deduction for preferred distributions for the three months ended March 31, 2016.

Non-GAAP Financial Measures & Other Definitions (cont.)

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 partially 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. In-service Office properties exclude hotel and residential properties.

Non-GAAP Financial Measures & Other Definitions (cont.)

Net Asset Value

$ and shares in millions

Real Estate Value	
Gross BXP Valuation	$ 31,128
Net Current Assets	(476)
Net Current Liabilities	758
Management Services Income	(134)
Land held for Future Development	(257)
Estimated Development Value upon Completion	(4,222)
Implied Value of Real Estate	$ 26,797

Adjusted Combined Cash NOI[1]	
Annualized Combined NOI before Termination Income)[2]	$ 1,565[3]
TI Lease Inducements & SL Ground Rent Expense	25
Adjustment to NOI for Properties Under (Re)Development	(2)
Management Fee Expense Deduction	(37)
NCI Share of NOI	(192)
Less Non-Cash SL & FV Rents	(77)
Total Adjusted Combined Cash NOI[1]	$ 1,282
Implied Cap Rate	4.8%

Inferred Stock Prices Calculation			
Adjusted Combined Cash NOI[1]	$ 1,282	$ 1,282	$ 1,282
Estimated Market Capitalization Rate	4.00%	4.50%	5.00%
RE Value (NOI Divided by Cap Rate)	32,054	28,493	25,643
Less:			
Total Adjusted Debt	(9,349)	(9,349)	(9,349)
Total Net Current Assets & Liabilities	(282)	(282)	(282)
Management Services Income	134	134	134
Land held for Future Development	257	257	257
Estimated Development Value upon Completion	4,222	4,222	4,222
Total Subtractions	(5,018)	(5,018)	(5,018)
Adjusted RE Value (NOI Divided by Cap Rate less Subtractions)	27,036	23,474	20,625
Diluted Shares Outstanding	171.8	171.8	171.8
Implied Stock Price ((NOI Divided by Cap Rate less Subtractions) Divided by Shares)	$ 157.40	$ 136.67	$ 120.08

Valuation Components	
Price per Share (5/19/16)	$ 123.71
Diluted Shares Outstanding	171.76
Preferred Stock	200
Equity Value	21,449
Total Adjusted Debt	9,349
Total Adjusted Market Value	$ 30,798

BXP Non-Real Estate Assets	
Cash[4]	$ 221
Cash Held in Escrows	71
Marketable Securities	21
Tenant & Other Receivables	74
Prepaid & Other Expenses	89
Total Current Assets	$ 476

BXP Non-Real Estate Liabilities	
A/P & Accrued Expenses	$ 253
Dividends & Distributions Payable	113
Accrued Interest	94
Other Liabilities	298
Total Current Liabilities	$ 758

Notes:

[1] Adjusted Combined Cash NOI is based on annualized Q1 2016 results.
[2] Adjusted Combined NOI is based on annualized Q1 2016 results.
[3] See page 47 of this presentation for additional information.
[4] Adjusted for the assumed funding of remaining development outflows.

Boston Properties

Non-GAAP Financial Measures & Other Definitions (cont.)

UNCONSOLIDATED JOINT VENTURES
(unaudited and dollars in thousands)

Balance Sheet Information
as of March 31, 2016

	540 Madison Avenue	Market Square North	Metropolitan Square	901 New York Avenue	Wisconsin Place (1)	Annapolis Junction (2)	500 North Capitol Street, N.W.	The Hub on Causeway (Phase 1)	1001 6th Street	Dock72	1265 Main Street	Total Unconsolidated Joint Ventures
Net Equity (3) (4)	$ 67,715	$ (9,506)	$ 9,238	$ (11,617)	$ 43,057	$ 21,134	$ (3,470)	$ 23,881	$ 42,540	$ 12,196	$ 16,143	$ 211,311
Mortgage/Construction loans payable, net (4)	$ 71,735	$ 62,346	$ 85,605	$ 55,860	$ -	$ 44,475 (5)	$ 31,373	$ -	$ -	$ -	$ -	$ 351,394
BXP's nominal ownership percentage	60.00%	50.00%	51.00%	25.00%	33.33%	50.00%	30.00%	50.00%	50.00%	50.00%	50.00%	

Results of Operations
for the three months ended June 30, 2016

	540 Madison Avenue	Market Square North	Metropolitan Square	901 New York Avenue	Wisconsin Place (1)	Annapolis Junction (2)	500 North Capitol Street, N.W.	The Hub on Causeway (Phase 1)	1001 6th Street	Dock72	1265 Main Street	Total Unconsolidated Joint Ventures
REVENUE												
Rental (6)	$ 5,958	$ 3,728	$ 6,751	$ 6,105	$ 998	$ 2,884	$ 2,632	$ -	$ 150	$ -	$ -	$ 29,206
Operating recoveries	831	845	1,325	1,052	298	809	1,141	-	-	-	-	6,301
Straight-line rent	492	918	(322)	766	-	43	283	-	-	-	-	2,180
Fair value lease revenue	(1)	-	-	-	-	-	-	-	-	-	-	(1)
Termination Income	-	34	(51)	-	-	-	-	-	-	-	-	(17)
Total revenue	7,280	5,525	7,703	7,923	1,296	3,736	4,056	-	150	-	-	37,669
EXPENSES												
Operating	3,433	2,287	3,614	3,259	564	1,924	1,347	-	239	-	-	16,667
NET OPERATING INCOME	3,847	3,238	4,089	4,664	732	1,812	2,709	-	(89)	-	-	21,002
Interest	635	1,540	2,447	2,075	-	575	1,117	-	-	-	-	8,389
Depreciation and amortization	1,888	800	1,733	1,334	1,382	1,014	913	-	-	-	-	9,064
SUBTOTAL	2,523	2,340	4,180	3,409	1,382	1,589	2,030	-	-	-	-	17,453
NET INCOME/(LOSS)	$ 1,324	$ 898	$ (91)	$ 1,255	$ (650)	$ 223	$ 679	$ -	$ (89)	$ -	$ -	$ 3,549
BXP's share of net income/(loss)	$ 794	$ 449	$ (46)	$ 347 (7)	$ (216)	$ 112	$ 204	$ -	$ (45)	$ -	$ -	1,599
Basis differential (8)	171	(7)	35	(8)	(7)	(1)	9	-	-	-	-	192
Income/(loss) from unconsolidated joint ventures	$ 965	$ 442	$ (11)	$ 339 (7)	$ (223)	$ 111	$ 213	$ -	$ (45)	$ -	$ -	$ 1,791
BXP's share of depreciation & amortization	1,022	412	894	913 (7)	466	513	276	-	-	-	-	4,496
BXP's share of Funds from Operations (FFO)	$ 1,987	$ 854	$ 883	$ 1,252	$ 243	$ 624	$ 489	$ -	$ (45)	$ -	$ -	$ 6,287
BXP's share of revenue (10)	$ 4,368	$ 2,763	$ 3,929	$ 1,981	$ 432	$ 1,868	$ 1,217	$ -	$ 75	$ -	$ -	$ 16,632
BXP's share of interest expense	$ 381	$ 770	$ 1,248	$ 993 (7)	$ -	$ 288	$ 335	$ -	$ -	$ -	$ -	$ 4,015
BXP's share of net operating income/(loss) (10)	$ 2,308	$ 1,619	$ 2,085	$ 2,231 (7)	$ 244	$ 906	$ 813	$ -	$ (45)	$ -	$ -	$ 10,161

(1) Represents the Company's interest in the joint venture entity that owns the land, parking garage and infrastructure. The Company's entity that owns 100% of the office component of the project is consolidated within the accounts of the Company.
(2) Annapolis Junction includes four properties in service and two undeveloped land parcels.
(3) Represents the Company's share.
(4) As of March 31, 2016, certain investments with deficit balances aggregating ($24,593) have been reflected within Other Liabilities on the Company's Consolidated Balance Sheet.
(5) On April 11, 2016, we received a Notice of Event of Default from the lender for the loan collateralized by Annapolis Junction Building One because the loan to value ratio is not in compliance with the applicable covenant in the loan agreement. The joint venture is currently in discussions with the lender regarding curing the default, but there can be no assurance as to the outcome of those discussions. The loan has an outstanding balance of approximately $40.0 million of which the Company's share is approximately $20.0 million.
(6) Includes approximately $25 of management services income and approximately $36 of interest and other income.
(7) Reflects the allocation percentages pursuant to the achievement of specified investment return thresholds as provided for in the joint venture agreement.
(8) Represents adjustments related to the carrying values and depreciation of certain of the Company's investment in unconsolidated joint ventures.
(9) Excludes operating recoveries.
(10) Includes the Company's share of approximately $14 of management services income and approximately $16 of interest and other income.

Boston Properties

Non-GAAP Financial Measures & Other Definitions (cont.)

Non-Controlling Interest Share of NOI

For the three months ended March 31, 2016

	767 Fifth Avenue (The GM Building)	Norges Joint Ventures: Times Square Tower, 601 Lexington Avenue, 100 Federal Street, Atlantic Wharf Office	Salesforce Tower	Total Consolidated Joint Ventures
BXP's ownership percentage	60.00%	55.00%	95.00%	
REVENUE				
Rental	$ 64,381	$ 90,357	$ -	$ 154,738
Straight-line rent	3,877	322	-	4,199
Fair value lease revenue	5,357	1,483	-	6,840
Termination income	-	4,115	-	4,115
Parking and other	637	1,425	-	2,062
Total revenue	74,252	97,702	-	171,954
EXPENSES				
Operating	27,045	32,901	-	59,946
NET OPERATING INCOME	47,207	64,801	-	112,008
Management services income	(403)	(513)	-	(916)
Interest and other income	(19)	(121)	-	(140)
Interest expense	23,846	8,362	-	32,208
Interest expense - partner notes	8,234	-	-	8,234
Fair value adjustment to interest expense	(11,278)	-	-	(11,278)
Depreciation and amortization	24,747	21,574	-	46,321
Gain on sale	-	-	-	-
SUBTOTAL	45,127	29,302	-	74,429
NET INCOME/(LOSS)	$ 2,080	$ 35,499	$ -	$ 37,579
Partners' share of NOI	$ 18,883	$ 29,160	$ -	$ 48,043
Partners' share of Annualized NOI	$ 75,531	$ 116,642	$ -	$ 192,173
BXP's share of NOI	$ 28,324	$ 35,641	$ -	$ 63,965

Non-GAAP Financial Measures & Other Definitions (cont.)

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, repositioned, or in development or redevelopment 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 22-24 of the Supplemental 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 and 100% of consolidated joint ventures.

Non-GAAP Financial Measures & Other Definitions (cont.)

Total Adjusted Debt to Total Adjusted Market Capitalization Ratio

Total adjusted debt to total adjusted market capitalization ratio, defined as total adjusted debt (which equals our total consolidated debt, plus our share of unconsolidated joint venture debt, minus our joint venture partners' share of consolidated debt) as a percentage of the market value of our outstanding equity securities plus our total adjusted debt, is an alternative measure of leverage used by some analysts in the REIT sector. Total adjusted market capitalization is the sum of (A) our total adjusted 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 LTIP Units, assuming all conditions have been met for the conversion of the LTIP Units and (4) 2012 OPP Units that were issued in the form of LTIP Units and earned as of February 6, 2015, (5) 2013 MYLTIP Units that were issued in the form of LTIP Units and earned as of February 4, 2016 plus (C) outstanding Series Four Preferred Units of partnership interest in Boston Properties Limited Partnership multiplied by the fixed liquidation preference of $50 per unit plus (D) outstanding shares of 5.25% Series B Cumulative Redeemable Preferred Stock multiplied by the fixed liquidation preference of $2,500 per share. The calculation of total adjusted market capitalization does not include LTIP Units issued in the form of 2014,2015 and 2016 MYLTIP Awards unless and until certain performance thresholds are achieved and they are earned.

We present this ratio because, following the consolidation of 767 Venture, LLC (the entity that owns 767 Fifth Avenue (The GM Building)) effective June 1, 2013, our consolidated debt increased significantly compared to prior periods even though our economic interest in 767 Venture, LLC remained substantially unchanged at 60%. Similarly, after selling an interest in 601 Lexington Avenue, our economic interest in the property decreased to 55% even though we continue to consolidate the related mortgage indebtedness. Accordingly, we believe the presentation of total adjusted debt may provide investors with a more complete picture of our share of consolidated and unconsolidated debt. In addition, in light of the difference between our total consolidated debt and our total adjusted debt, we believe that also presenting our total adjusted debt to total adjusted market capitalization may provide investors with a more complete picture of our leverage in relation to the overall size of our company. Investors should understand that our total adjusted debt to total adjusted 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 adjusted debt to total adjusted 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.

Boston Properties Investor Handout Q1 2016

Premier Properties. Core Markets. Experienced Leadership.

Boston Properties