

Boston Properties Signs Agreement to Acquire 510 Madison Avenue in New York City

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BOSTON, Aug 20, 2010 (BUSINESS WIRE) -- **Boston Properties, Inc. (NYSE: BXP)**, a real estate investment trust, announced that it has entered into a purchase and sale agreement with an affiliate of Harry Macklowe to acquire fee title to 510 Madison Avenue in New York City. Under the agreement, at closing the Company will acquire the property by paying a purchase price equal to the aggregate principal and accrued interest on the property's existing senior mortgage loan and senior mezzanine loan totaling approximately \$280.5 million. Previously, on August 10, 2010, the Company had acquired for cash from a third party the junior mezzanine loan that was secured by a pledge of a subordinate ownership interest in the property for a purchase price of approximately \$22.5 million. Upon closing, the Company will be the sole owner of the property.

510 Madison Avenue is a newly-constructed, vacant 350,000 square foot Class A office tower located in the highly desirable Plaza District of midtown Manhattan. The building was conceived and developed by Harry Macklowe of Macklowe Properties and designed by Harry Macklowe, SLCE Architects and Moed de Armas & Shannon Architects. Following the closing, Harry Macklowe will serve as a Project Consultant and Advisor and as Co-Chairman of the Marketing and Leasing Advisory Committee for the property, and he may be entitled to additional payments depending on the performance of the property. CB Richard Ellis, Inc., through Paul Amrich, will be maintained as the rental agent for the property.

Concurrently with the execution of the purchase and sale agreement, the Company delivered a \$5.0 million deposit, which at closing will be applied to the purchase price. The Company will also be responsible for all transfer taxes incurred in connection with this transaction, as well as the Company's other acquisition costs, which are estimated to be an aggregate of between \$12 and \$15 million. The closing is scheduled to occur on September 1, 2010 and is subject to customary closing conditions. There can be no assurance that the acquisition will be completed on the terms currently contemplated, or at all.

Commenting on the transaction, the Company's Chairman and Chief Executive Officer, Mortimer B. Zuckerman, said "We are once again pleased to work with Harry Macklowe to acquire an office building with outstanding design in a premier location. Our previous relationship with Harry, which began with the acquisition of the General Motors Building and other assets in 2008, has fostered a productive relationship that helped us successfully acquire 510 Madison Avenue. 510 Madison Avenue is the only new office development in the Plaza District and, given its modern design and amenities, it is well positioned to attract the highest-quality tenants."

Mr. Macklowe, Chairman of Macklowe Properties, added "I am pleased to continue the business relationship and friendship which Mort Zuckerman and I have enjoyed together for many years, and I look forward to working with Boston Properties to complete 510 Madison Avenue and make the building a tremendous success."

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 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.

SOURCE: Boston Properties, Inc.

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