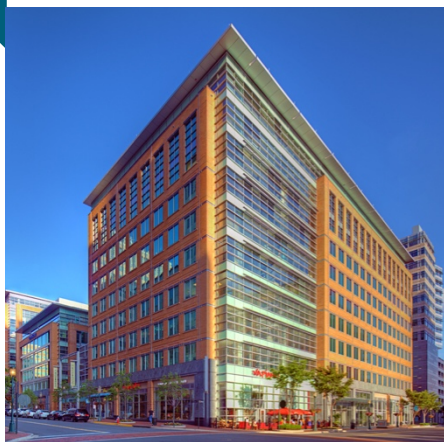




# Investor Materials Q1 2018

**bxp** Boston  
Properties



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## 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 the Company's actual results to differ materially from those expressed or implied by the forward-looking statements.

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## 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 the Company. The Company's definitions may differ from those used by other companies and, therefore, may not be comparable. The definitions of these terms and, if applicable, the reasons for their use and reconciliations to the most directly comparable GAAP measures are included in the Appendix.

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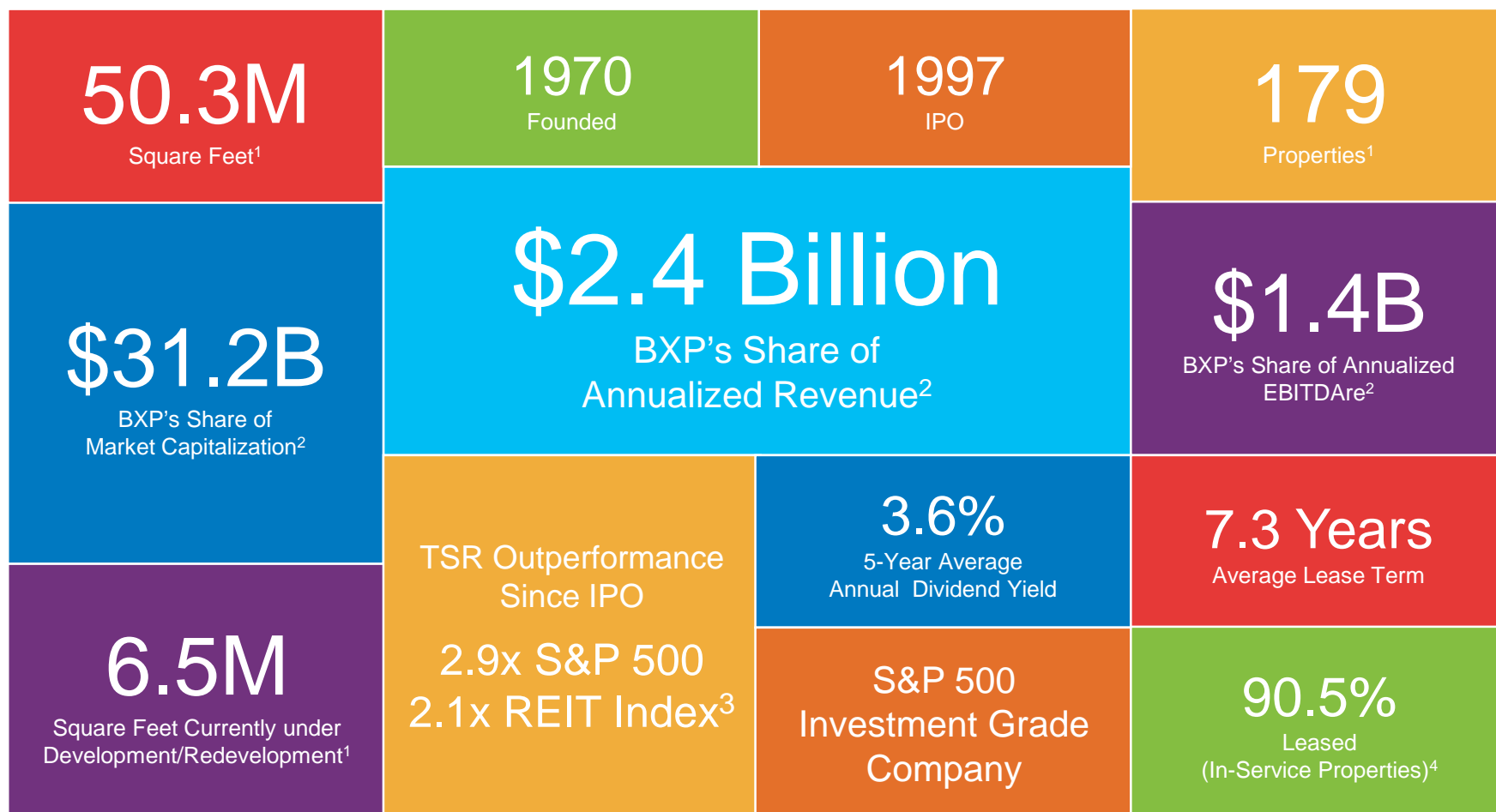
## Projections

This presentation includes projections for second quarter 2018 and full year 2018 diluted earnings per common share ("EPS") and diluted funds from operations ("FFO") per share that were previously provided in the Company's most recent earnings release on April 24, 2018. The Company has not updated or reaffirmed any of these projections since that date and is not doing so by including them in this presentation.

**Except as otherwise expressly indicated, all data is as of March 31, 2018.**

# Quick Facts

Preeminent Developer and Owner of Class A Office Properties in the U.S.



¹Includes 100% of consolidated and unconsolidated properties. Data as of April 22, 2018.

²See Appendix.

³FTSE Nareit All REITs Index.

⁴Excludes hotel and residential properties.

# Boston Properties' Strategy

## Select Markets

Focused on supply constrained markets with the strongest economic growth and investment characteristics over time

## Premier Properties

Maintain high occupancy and achieve premium rental rates through economic cycles by focusing on space and place

## Robust Operating & Development Platform

Integrated leasing, development, construction and property management. Development delivers attractive risk-adjusted investment returns and modernizes our portfolio

## Financial Strength

Strong balance sheet and superior access to capital minimizes debt costs and maximizes our ability to make opportunistic investments

## Experience & 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	Balance Sheet Strategy	Leasing Strategy
<ul style="list-style-type: none"><li>• Actively pursue new development opportunities</li><li>• Seek acquisition opportunities with value-add characteristics</li><li>• Selectively sell assets to recycle capital</li></ul>	<ul style="list-style-type: none"><li>• Maintain strong balance sheet with conservative leverage position (6.8x—BXP's Share of Net Debt to BXP's Share of EBITDA<sup>1</sup>)</li><li>• Improve leverage ratio and borrowing capacity through increased EBITDA<sup>1</sup> from our development deliveries</li></ul>	<ul style="list-style-type: none"><li>• Development pipeline—83% pre-leased<sup>2</sup></li><li>• Grow revenue by leasing high-value vacancy and capturing upside of near-term roll-over</li><li>• Increase occupancy from ~91% to ~93%</li><li>• Proactively manage future lease roll-over</li></ul>

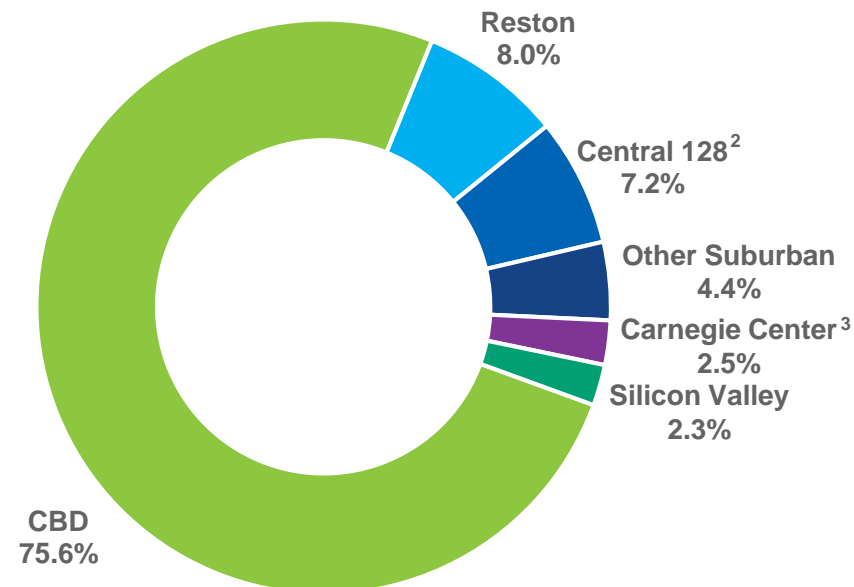
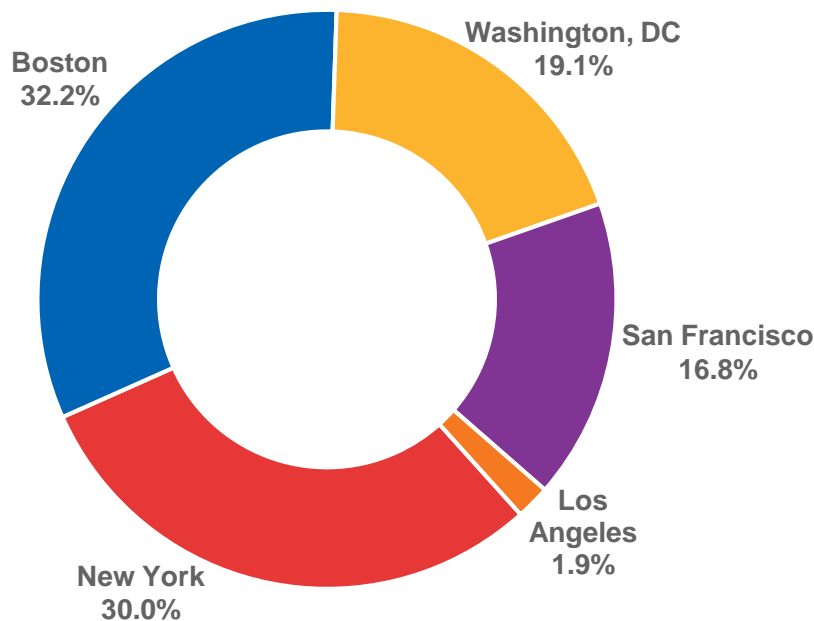
<sup>1</sup>See Appendix.

<sup>2</sup>Represents percentage pre-leased as of April 22, 2018; includes leases with future commencement dates, but excludes residential units.



# Geographically Diversified Across the Strongest U.S. Markets

## BXP's Share of NOI<sup>1</sup>

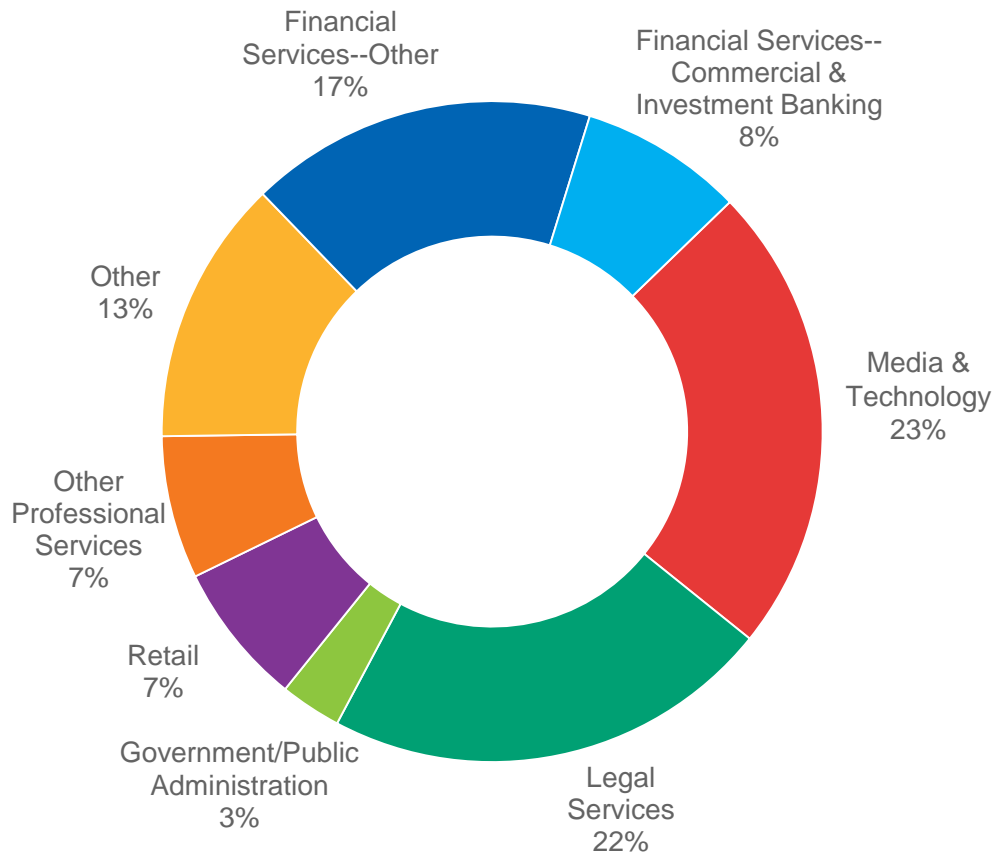


<sup>1</sup>Excluding termination income. See Appendix.

<sup>2</sup>Includes properties located in Waltham, Lexington and Needham, MA.

<sup>3</sup>Carnegie Center is located in Princeton, NJ.

# Diversified Tenant Base

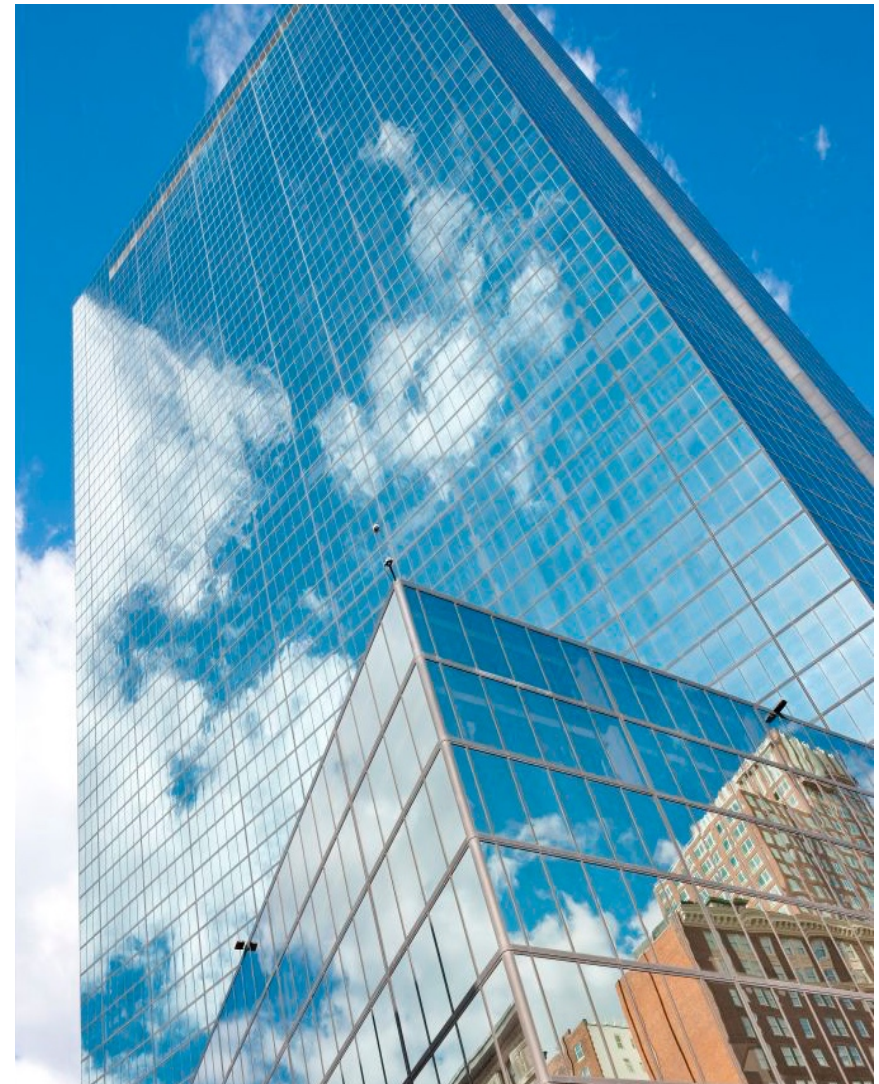
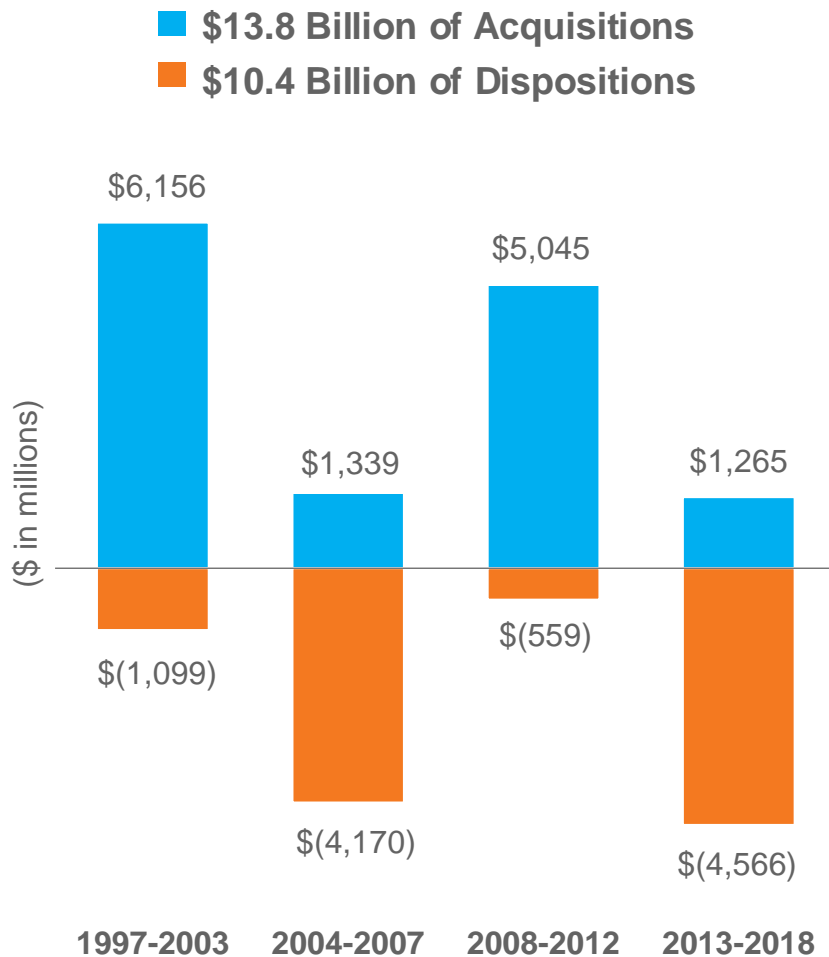


Top 20 Tenants	% of BXP's Share of Annualized Rental Obligations <sup>2</sup>
Arnold & Porter Kaye Scholer <sup>1</sup>	3.26%
US Government	2.15%
Biogen	1.91%
Kirkland & Ellis <sup>1</sup>	1.81%
Shearman & Sterling <sup>1</sup>	1.71%
Ropes & Gray <sup>1</sup>	1.54%
Google	1.32%
O'Melveny & Myers <sup>1</sup>	1.23%
Wellington Management	1.20%
Bank of America	1.16%
Weil Gotshal & Manges <sup>1</sup>	1.12%
Aramis (Estee Lauder)	1.00%
Mass Financial Services	0.95%
Morrison & Foerster <sup>1</sup>	0.84%
Hunton & Williams	0.84%
WeWork	0.82%
Citibank	0.81%
Starr Indemnity & Liability Co	0.79%
Genentech	0.78%
Smithsonian Institution	0.77%
<b>Total</b>	<b>26.01%</b>
<b>BXP's Share<sup>2</sup> of Square Feet</b>	<b>21.93%</b>

<sup>1</sup>Top 50 law firms by gross revenue for 2017 according to the May 2018 issue of *The American Lawyer*.

<sup>2</sup>See Appendix.

# Consistently Recycling Capital

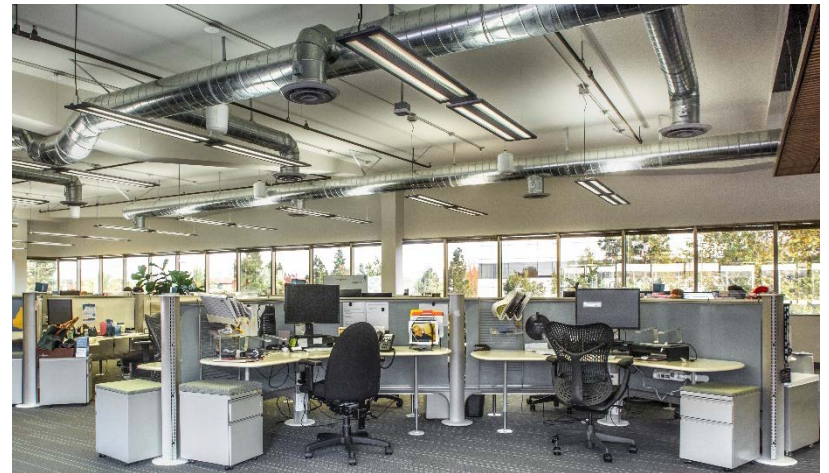


200 Clarendon Street



# Santa Monica Business Park

- 1.2 million square feet
  - 47 acres in the center of Santa Monica
  - 15 office buildings and 6 retail buildings
- 94% leased<sup>1</sup>
- \$616 million net purchase price
- Expected to close in Q2/Q3 2018<sup>2</sup>
- Opportunity for growth due to below-market leases
- Preferred location for media, advertising and entertainment tenants



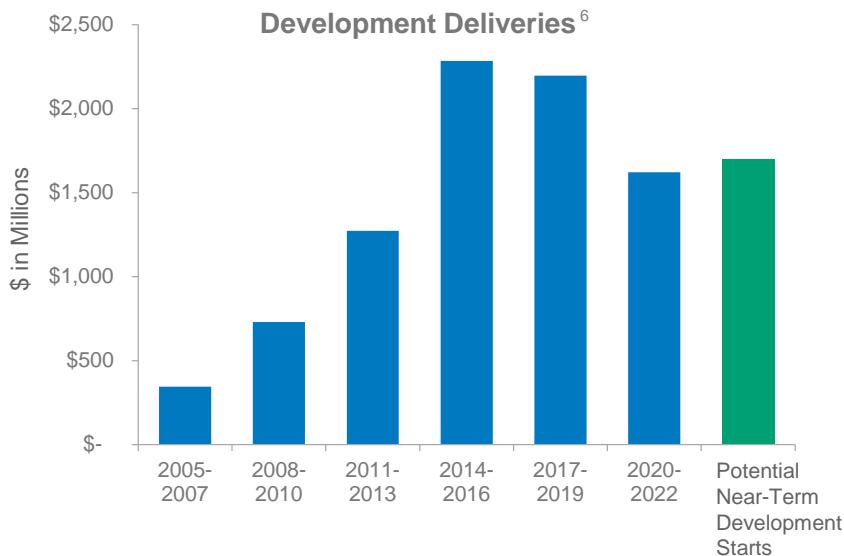
<sup>1</sup>Includes signed leases that have not yet commenced.

<sup>2</sup>The closing is subject to customary closing conditions and termination rights for transactions of this type. There can be no assurance that the acquisition will be completed on the terms currently contemplated, or at all.

# Preeminent Developer with Robust Pipeline<sup>1</sup>

## Deliveries: 2011 through Q1 2018

- \$3.9 billion of investment
- 6.9 million<sup>3</sup> square feet
- 7.1% BXP's Share of Annualized NOI—cash return<sup>5,7</sup>



## Active pipeline:

- \$3.5 billion<sup>2</sup> of total budgeted costs
- 6.5 million<sup>3</sup> square feet—83% pre-leased<sup>4</sup>
- 6.9% projected weighted-average stabilized unleveraged cash return
- 2.6 million square feet of near term development starts at an estimated cost of \$1.7 billion at BXP's Share



Salesforce Tower

<sup>1</sup>Data as of April 22, 2018.

<sup>2</sup>Represents BXP's Share of development costs, including income (loss) and interest carry during development as of April 22, 2018. For additional information, refer to the "Active Development Pipeline" page of this presentation.

<sup>3</sup>Includes 100% of consolidated and unconsolidated properties.

<sup>4</sup>Includes leases with future commencement dates, but excludes residential units.

<sup>5</sup>Includes projections for 250 West 55th Street upon stabilization, but excludes termination income.

<sup>6</sup>For purposes of this graph, developments are considered delivered in the year in which the property was/is projected to be stabilized.

<sup>7</sup>See Appendix.

# Active Development Pipeline

Project Name	Location	Square Feet	BXP's Ownership Percentage	Estimated Total Cost (BXP's Share) <sup>1</sup>	Estimated Cost PSF (BXP's Share) <sup>1</sup>	Percent Leased <sup>2</sup>	Actual/Est. Initial Occupancy
<b>OFFICE UNDER CONSTRUCTION</b>							
Salesforce Tower	San Francisco, CA	1,400,000	95%	\$1,073,500,000	\$807	98%	Q4 2017
The Hub on Causeway—Podium	Boston, MA	385,000	50%	\$141,870,000	\$737	88%	Q2 2019
Dock 72	Brooklyn, NY	670,000	50%	\$204,900,000	\$612	33%	Q1 2019
145 Broadway	Cambridge, MA	485,000	100%	\$375,000,000	\$773	98%	Q4 2019
7750 Wisconsin Avenue - Marriott HQ <sup>3</sup>	Bethesda, MD	740,000	50%	\$211,100,000	\$571	100%	Q3 2022
6595 Springfield Center Drive - TSA HQ	Springfield, VA	634,000	100%	\$313,700,000	\$495	98%	Q3 2020
20 CityPoint	Waltham, MA	211,000	100%	\$97,000,000	\$460	52%	Q3 2019
17Fifty Presidents Street	Reston, VA	276,000	100%	\$142,900,000	\$518	100%	Q2 2020
<b>Total Office Properties under Construction</b>		<b>4,801,000</b>		<b>\$2,559,970,000</b>	<b>\$668</b>	<b>86%</b>	
<b>OFFICE REDEVELOPMENT</b>							
191 Spring Street	Lexington, MA	171,000	100%	\$53,920,000	\$315	88%	Q4 2017
One Five Nine East 53 <sup>rd</sup> Street <sup>4</sup>	New York, NY	220,000	55%	\$106,000,000	\$876	—%	Q4 2019
<b>Total Office Properties under Redevelopment</b>		<b>391,000</b>		<b>\$159,920,000</b>	<b>\$548</b>	<b>38%</b>	
<b>Total Office Properties Under Construction and Redevelopment</b>		<b>5,192,000</b>		<b>\$2,719,890,000</b>	<b>\$659</b>	<b>83%</b>	

<sup>1</sup>Includes income (loss) and interest carry on debt and equity investment during development. See Appendix.

<sup>2</sup>Data as of April 22, 2018; excludes residential units.

<sup>3</sup>Represents estimate of rentable square feet based on current building design.

<sup>4</sup>The low-rise portion of 601 Lexington Avenue. The Company has a signed letter of intent with a tenant for 82% of the square footage.

# Active Development Pipeline (Cont.)

Project Name	Location	Square Feet	BXP's Ownership Percentage	Estimated Total Cost (BXP's Share) <sup>1</sup>	Estimated Cost PSF (BXP's Share) <sup>1</sup>	Percent Leased <sup>2</sup>	Actual/Est. Initial Occupancy
<b>RESIDENTIAL</b>							
Proto Kendall Square (280 units)	Cambridge, MA	152,000	100%	\$140,170,000	\$922	20.5%	Q2 2018
Proto Kendall Square – Retail	Cambridge, MA	14,500	100%	--	--	98%	
Signature at Reston (508 units)	Reston, VA	490,000	100%	\$234,854,000	\$479	25.7%	Q1 2018
Signature at Reston – Retail	Reston, VA	24,600	100%	--	--	81%	
MacArthur Station Residences (402 units)	Oakland, CA	324,000	100%	\$263,600,000	\$814	N/A	Q2 2020
The Hub on Causeway Residential (440 units)	Boston, MA	320,000	50%	\$153,500,000	\$959	N/A	Q4 2019
<b>Total Residential Properties Under Construction</b>		<b>1,325,100</b>		<b>\$792,124,000</b>	<b>\$680</b>	<b>87%</b>	

<b>Total Office and Residential Properties Under Construction and Redevelopment</b>	<b>6,517,100</b>		<b>\$3,512,014,000</b>	<b>\$664</b>	<b>83%</b>	
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<sup>1</sup>Includes income (loss) and interest carry on debt and equity investment during development. See Appendix.

<sup>2</sup>Office and retail data as of April 22, 2018; excludes residential units. Residential units percent leased is as of May 31, 2018.



# 1.5 Million SF of Near-Term Development Starts with Pre-leasing



Reston Gateway



2100 Pennsylvania Avenue

- Two Class A office buildings totaling approximately 1,060,000 square feet<sup>1</sup>
  - 80% of office space pre-leased to Fannie Mae
  - Estimated \$715 million investment
  - Initial delivery estimated in 2022
  - Located in Reston Town Center, VA
- Class A office building totaling approximately 469,000 square feet<sup>1</sup>
  - 66% of office space pre-leased
  - Estimated \$360 million investment
  - Initial delivery estimated in 2022
  - Located in the West End/CBD in Washington, DC with direct frontage on Pennsylvania Avenue

<sup>1</sup>Actual square footage may differ materially depending on the outcome of the permitting/entitlement process for each project.



# Potential Near-Term Development Starts with Leases in Negotiation



The Hub on Causeway – Office Tower

Project Name	Location	Estimated Square Feet <sup>1</sup>
Kendall Center—Office <sup>2</sup>	Cambridge, MA	440,000
Kendall Center--Residential	Cambridge, MA	223,000
The Hub on Causeway - Office Tower (50% ownership)	Boston, MA	640,000
<b>Entitled Near-Term Development Pipeline</b>		<b>1,303,000</b>

<sup>1</sup>Actual square footage may differ materially depending on the outcome of the permitting/entitlement process for each project.

<sup>2</sup>Includes 115,000 square feet of an existing in-service property.

# Future Development Pipeline Drives Future Growth



Back Bay Station



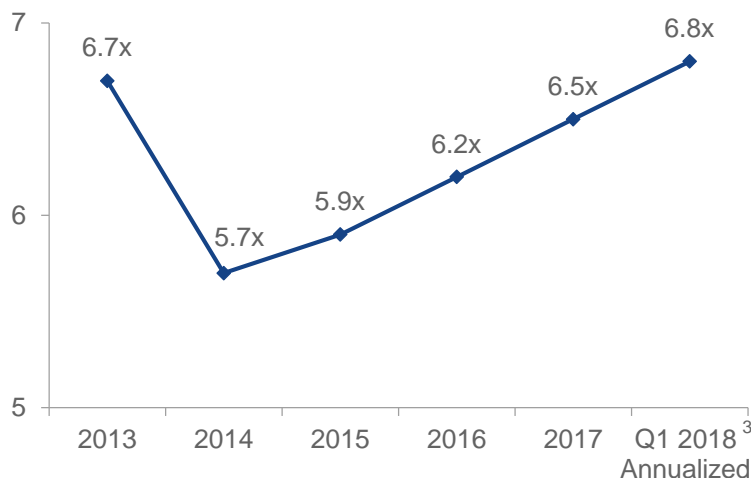
The Station on North First

Project Name	Location	Estimated Square Feet <sup>1</sup>
Reston Gateway (Phase II)	Reston Town Center, VA	2,500,000
The Station on North First	San Jose, CA	1,550,000
CityPoint Master Plan	Waltham, MA	1,450,000
Back Bay Station	Boston, MA	1,300,000
Brooklyn Navy Yard - Phase II (50% ownership)	Brooklyn, NY	1,000,000
MTA	New York, NY	850,000
Fourth and Harrison	San Francisco, CA	850,000
Peterson Way	Santa Clara, CA	630,000
1001 6 <sup>th</sup> Street, NW—Potential Office or Residential (50% ownership)	Washington, DC	520,000
<b>Future Development Pipeline</b>		<b>10,650,000</b>

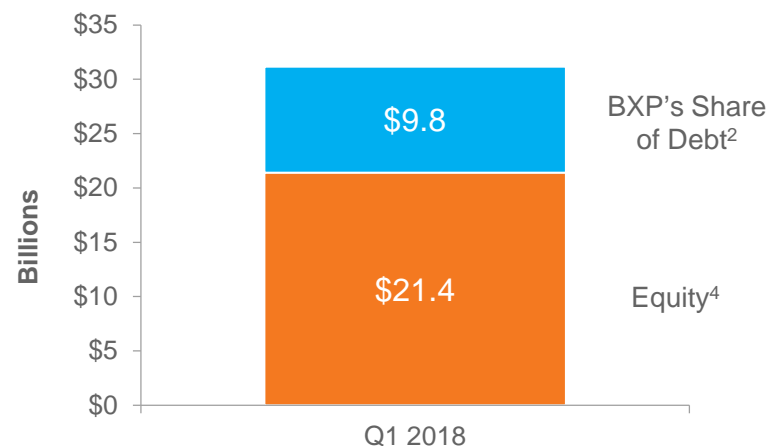
<sup>1</sup>Actual square footage may differ materially depending on the outcome of the permitting/entitlement process for each project.

# Conservative Leverage Provides Balance Sheet Capacity<sup>1</sup>

**BXP's Share of Net Debt to BXP's Share of EBITDAre<sup>2</sup>**



**BXP's Share of Market Capitalization<sup>2</sup>**



	2014	2015	2016	2017	Q1 2018
BXP's Share of Debt to BXP's Share of Market Capitalization <sup>2</sup>	29.1%	27.5%	29.2%	30.0%	31.3%
Fixed Charge Coverage Ratio <sup>2</sup>	2.4x	2.5x	2.8x	3.0x	2.8x
FAD Payout Ratio <sup>2</sup>	64.8%	77.1%	71.4%	74.8%	96.2%

<sup>1</sup>All data as of the last day of the applicable fiscal period.

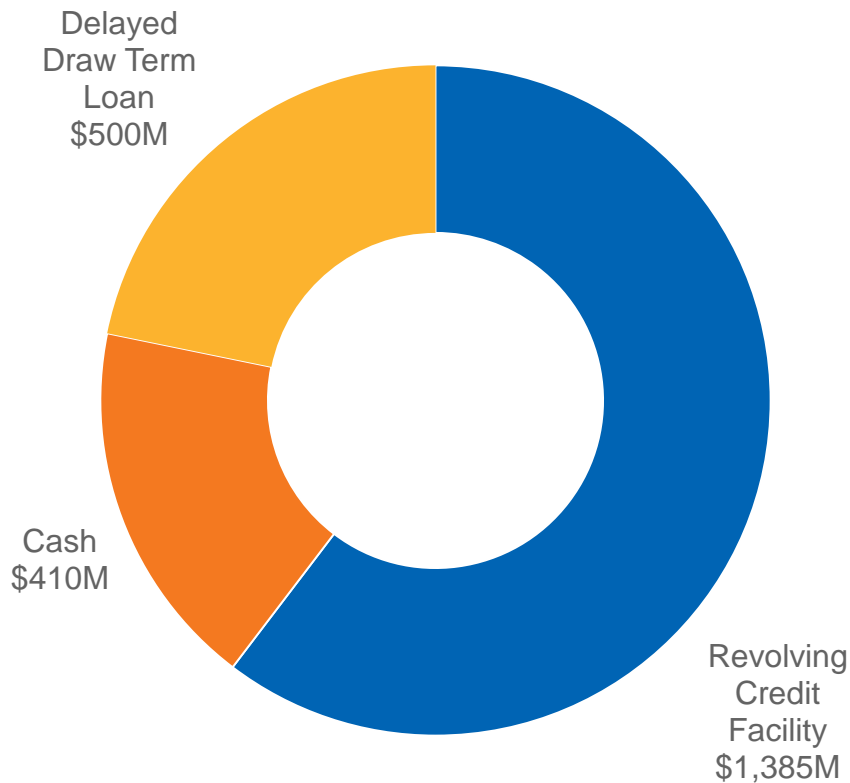
<sup>2</sup>See Appendix.

<sup>3</sup>Represents BXP's Share of Annualized EBITDAre, which is calculated as the product of BXP's Share of EBITDAre for Q1 2018 multiplied by four (4).

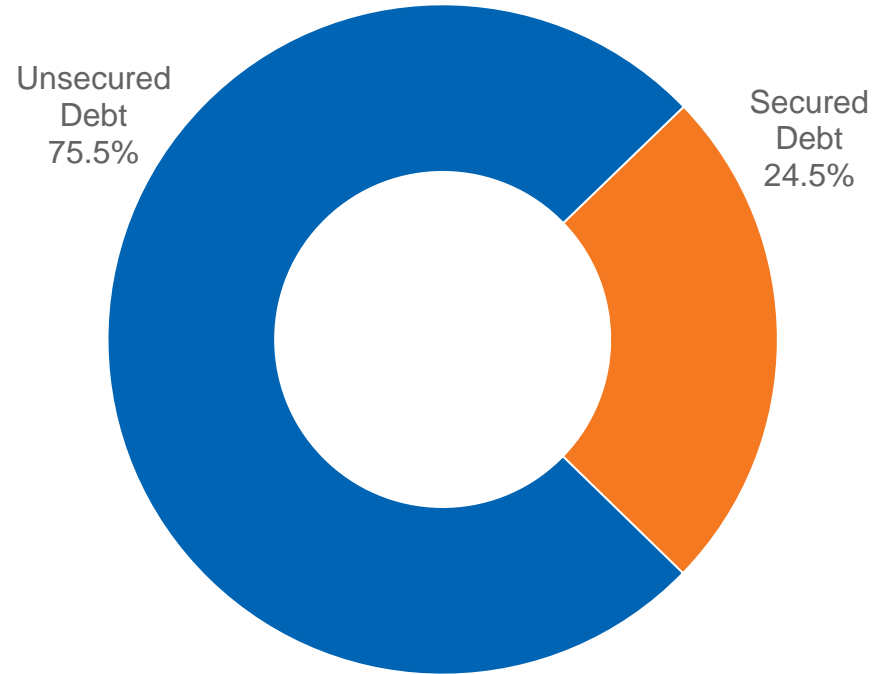
<sup>4</sup>Consists of Common Stock, Operating Partnership Units and \$200M of Preferred Stock.

# Substantial Liquidity and Access to Debt Markets

**Liquidity  
\$2.3 Billion<sup>1</sup>**



**BXP's Share of Debt<sup>2</sup>  
\$9.8 Billion**



<sup>1</sup>As of May 1, 2018, the Company had \$795 million of cash, \$0 million of outstanding borrowings on Revolving Credit Facility, \$500 million outstanding on the Delayed Draw Term Loan and \$1.6 million letters of credit outstanding with the ability to borrow approximately \$1.5 billion under these facilities.

<sup>2</sup>See Appendix.

# 2.6% Projected 2018 FFO Growth<sup>1</sup>



<sup>1</sup>The projected increase is based on the midpoint of the guidance range for 2018 diluted FFO per share compared to actual diluted FFO per share for 2017, and excludes termination income for both 2017 and 2018. See Appendix.

<sup>2</sup>Represents the midpoint of the guidance range for 2018 diluted FFO per share issued on April 24, 2018. See Appendix.



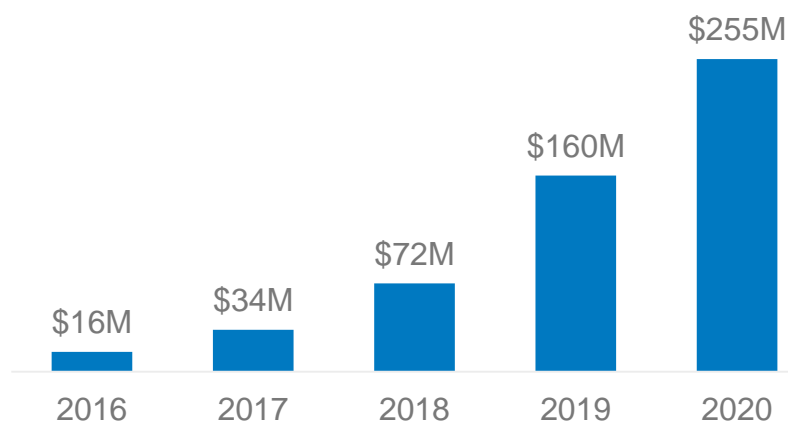
# \$365M of Projected Incremental Growth in BXP's Share of NOI by 2020

## Development

\$255 million increase

88% pre-leased/leased<sup>1</sup>

Significant portion in 2019 with stabilization of Salesforce Tower and 145 Broadway



## Lease-Up Potential

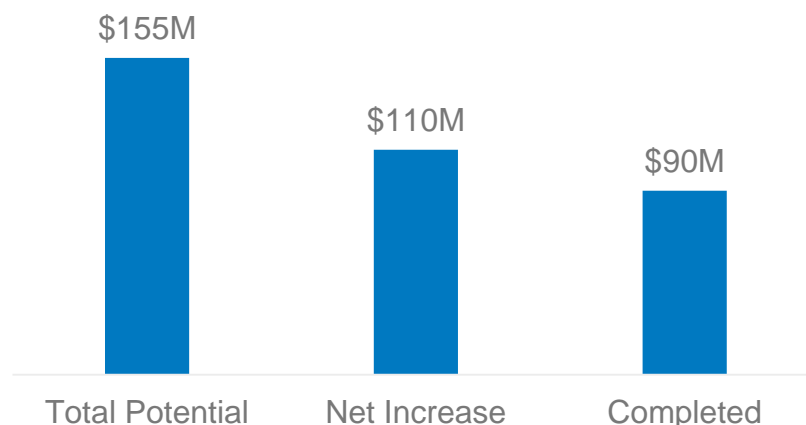
Nine key assets

\$155 million total

\$94 million completed

\$110 million net increase

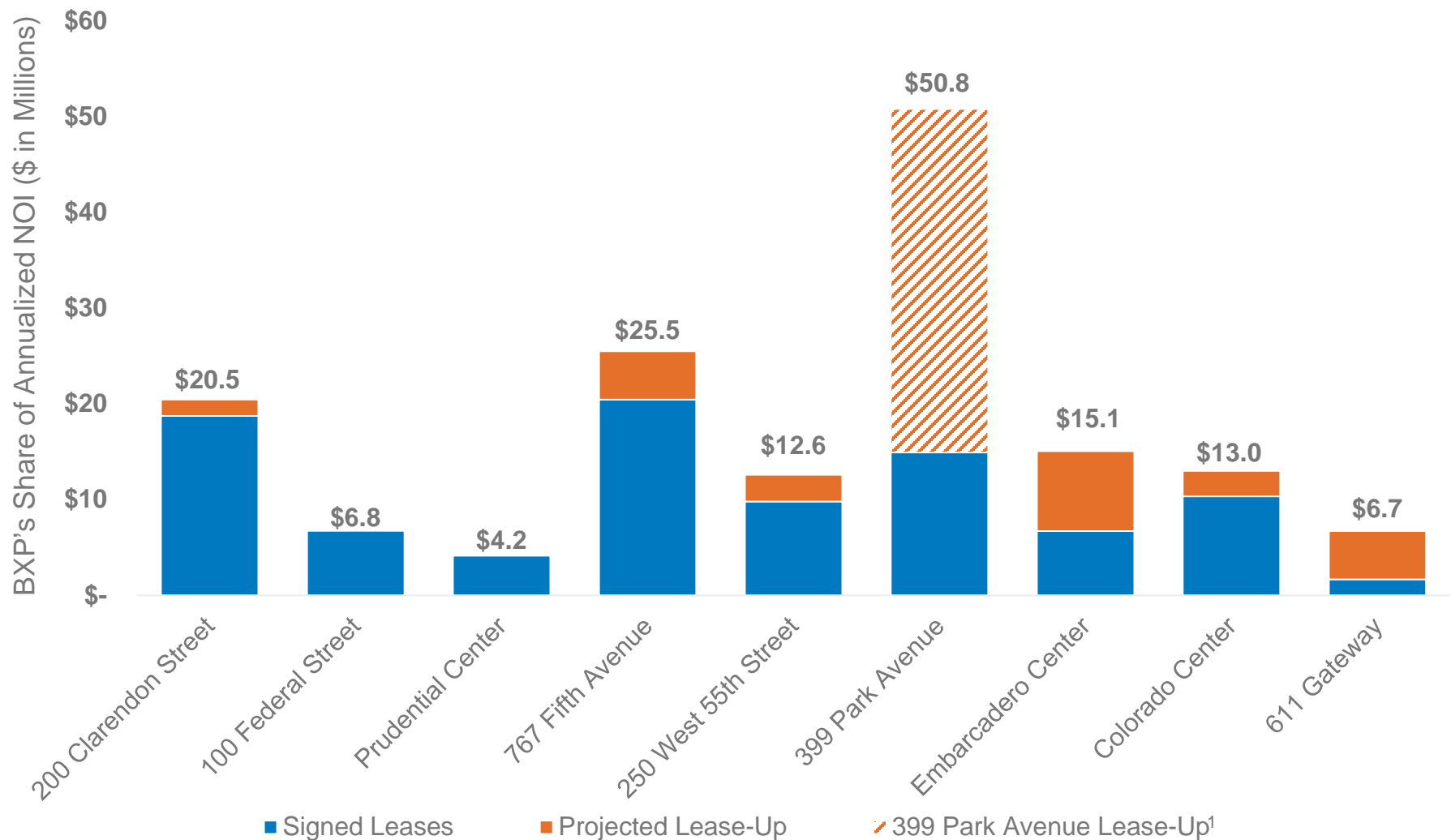
Drives portfolio occupancy from ~91% to ~93%



<sup>1</sup>Represents the percentage pre-leased/leased at the following developments/properties as of April 22, 2018: 804 Carnegie Center, 601 Massachusetts Avenue, 10 CityPoint, 1265 Main Street, Reservoir Place North, 888 Boylston Street, Salesforce Tower, The Hub on Causeway--Podium, Dock 72, Proto Kendall Square (Retail), Signature at Reston (Retail), 145 Broadway, 191 Spring Street, One Five Nine East, 53<sup>rd</sup> Street, 20 CityPoint, 17 Fifty Presidents Street and The Hub on Causeway—Residential. Excludes residential units.

There can be no assurance that the Company 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.

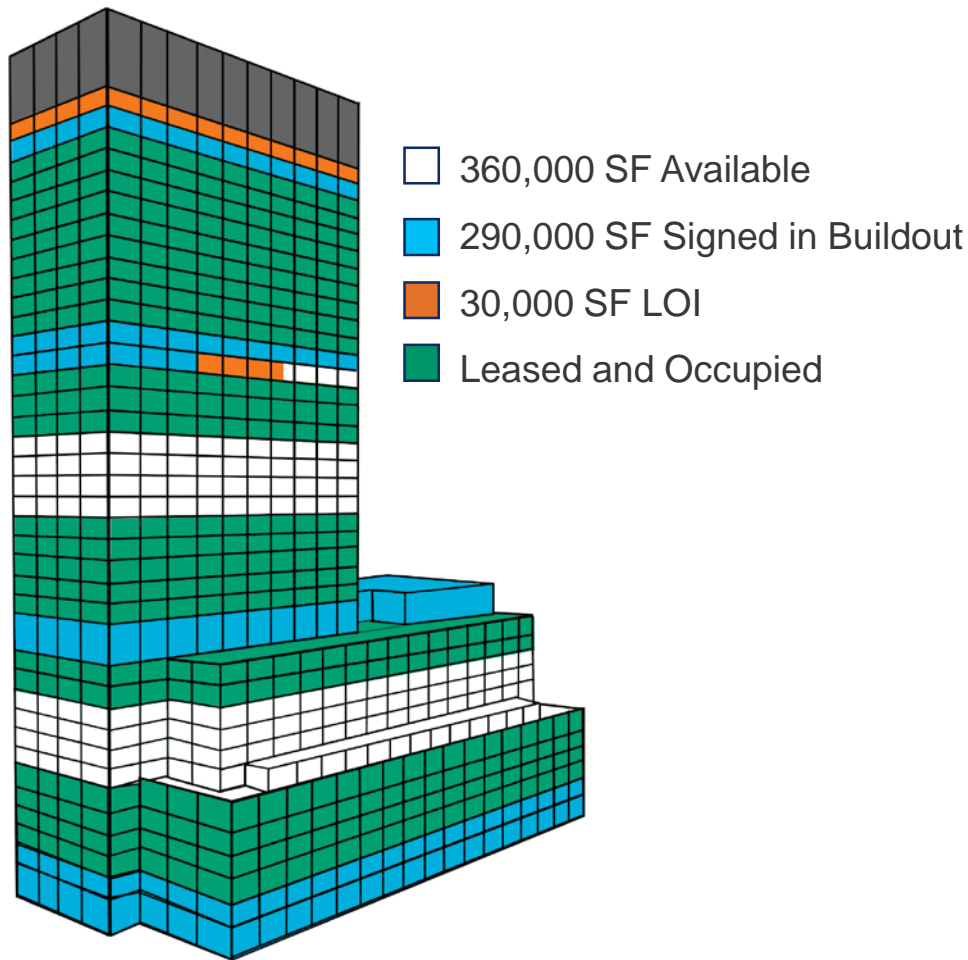
# Leasing Progress for Key Growth Drivers



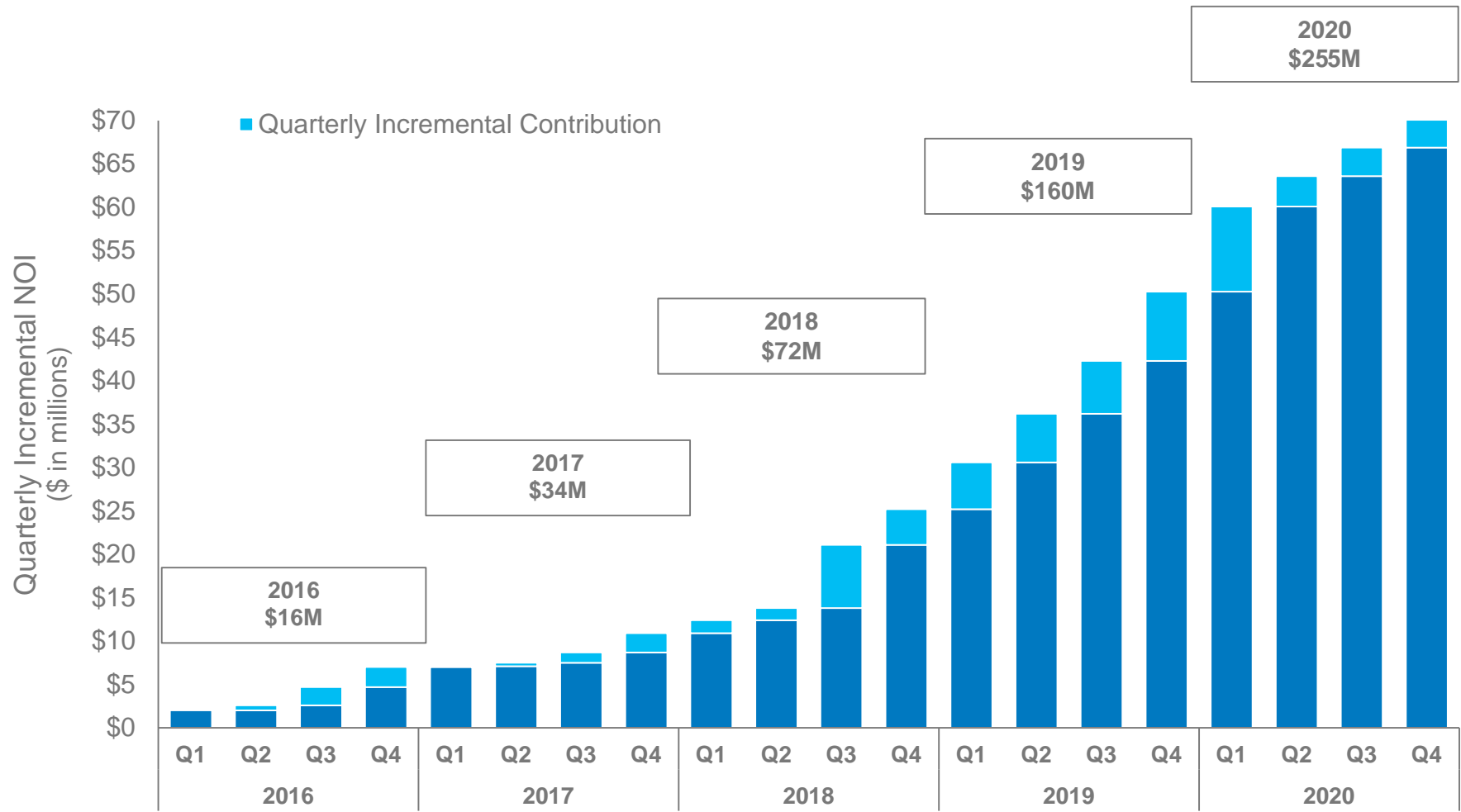
<sup>1</sup>Represents the lease-up necessary at 399 Park Avenue as a result of 2017 lease expirations in order to maintain the projected \$110 million incremental growth since January 1, 2016 in BXP's Share of NOI from the nine key assets.

Data excludes termination income.

# 399 Park Avenue Re-Leasing



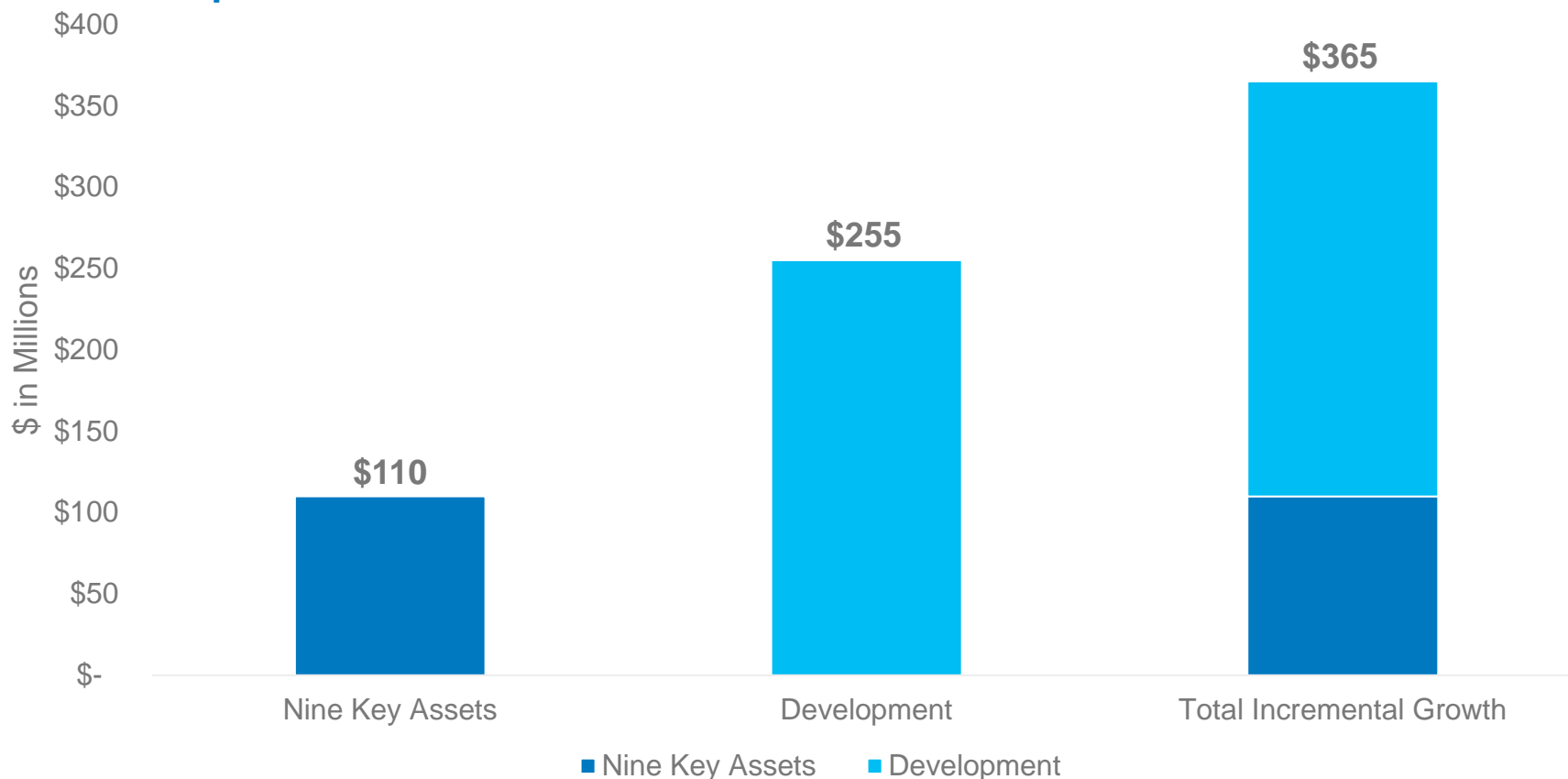
# Projected Incremental Contribution to BXP's Share of NOI<sup>1</sup> from Developments



<sup>1</sup>Represents the projected incremental contribution to BXP's Share of NOI from developments for each quarter since January 1, 2016. Projected amounts are based on management's current assumptions for the lease-up of properties placed or expected to be placed in-service between 2016 and 2020. There can be no assurance that the Company 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.

# \$365M Incremental Growth in BXP's Boston Properties Share of NOI from Nine Key Assets and Developments by the end of 2020

**Represents a 26% Increase from 2016 BXP's Share of Annualized NOI**



There can be no assurance that the Company 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.



# NAV Analysis<sup>1,2</sup>

	(\$ in M)
BXP's Share of Market Capitalization <sup>1</sup>	\$31,170.5
Net Non-Real Estate Assets and Liabilities	1,708.8
Management Company Value	(269.0)
Land Held for Future Development	(204.5)
Estimated Present Value of Current Developments <sup>2</sup>	(5,135.4)
<b>Implied In-Service Portfolio Value (A)</b>	<b><u>\$27,270.4</u></b>
BXP's Share of Annualized NOI (excluding termination income) <sup>1</sup>	\$1,474.4
Non-Cash Components	(102.9)
Other Adjustments	(67.5)
<b>Adjusted BXP's Share of Annualized NOI—cash (excluding termination income)<sup>1</sup></b>	<b>\$1,304.0</b>
<b>Projected Growth<sup>3,4</sup></b>	<b><u>93.7</u></b>
<b>Adjusted BXP's Share of Annualized NOI—cash with Projected Growth (B)</b>	<b><u>\$1,397.6</u></b>
<b>Implied Cap Rate (B÷A)</b>	<b>5.13%</b>

- \$123.22 BXP common stock price per share as of March 29, 2018
- Implied value PSF of in-service portfolio \$631<sup>1</sup>

Cap Rate Sensitivity	Implied Stock Price	Implied Discount
4.00%	\$168.93	(27.1)%
4.50%	\$146.38	(15.8)%
5.00%	\$128.35	(4.0)%
5.50%	\$113.59	8.5%

<sup>1</sup>See Appendix.

<sup>2</sup>Estimated present value assumes a weighted-average stabilized BXP's Share of NOI—cash yield of 6.9% on BXP's Share of total budgeted costs, which is then valued at a 4.5% cap rate. The value of current developments is then discounted at 4.5% to determine present value.

<sup>3</sup>Calculated based on the previously communicated \$110M of projected growth in BXP's Share of Annualized NOI from the nine key assets, discounted at a 4.5% rate.

<sup>4</sup>There can be no assurance that the Company 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.

# Projected Returns from Developments Enhance Growth<sup>1</sup>

## Average 6.9% Unleveraged Cash Return

(\$ in M)	2017	2018	2019	2020	2021	2022	Total
BXP's Share of Total Budgeted Costs of Development Projects <sup>2</sup> (A)	\$265	\$54	\$1,861	\$896	\$514	\$211	<b>\$3,801</b>
Estimated BXP's Share of NOI upon Stabilization	\$19	\$4	\$136	\$66	\$38	\$15	<b>\$278</b>
Estimated Value upon Completion (4.5% Cap Rate) <sup>3</sup> (B)							<b>\$5,955</b>
Projected Value Creation (B - A)							<b>\$2,154</b>
<b>Projected Value Creation/Cost</b>							<b>56.7%</b>
<b>Projected Value Creation/Share</b>							<b>\$12.51</b>
<b>3-Year Compounded Annual Growth Rate (CAGR)<sup>4</sup></b>							<b>5.4%</b>

<sup>1</sup>There can be no assurance that the Company 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.

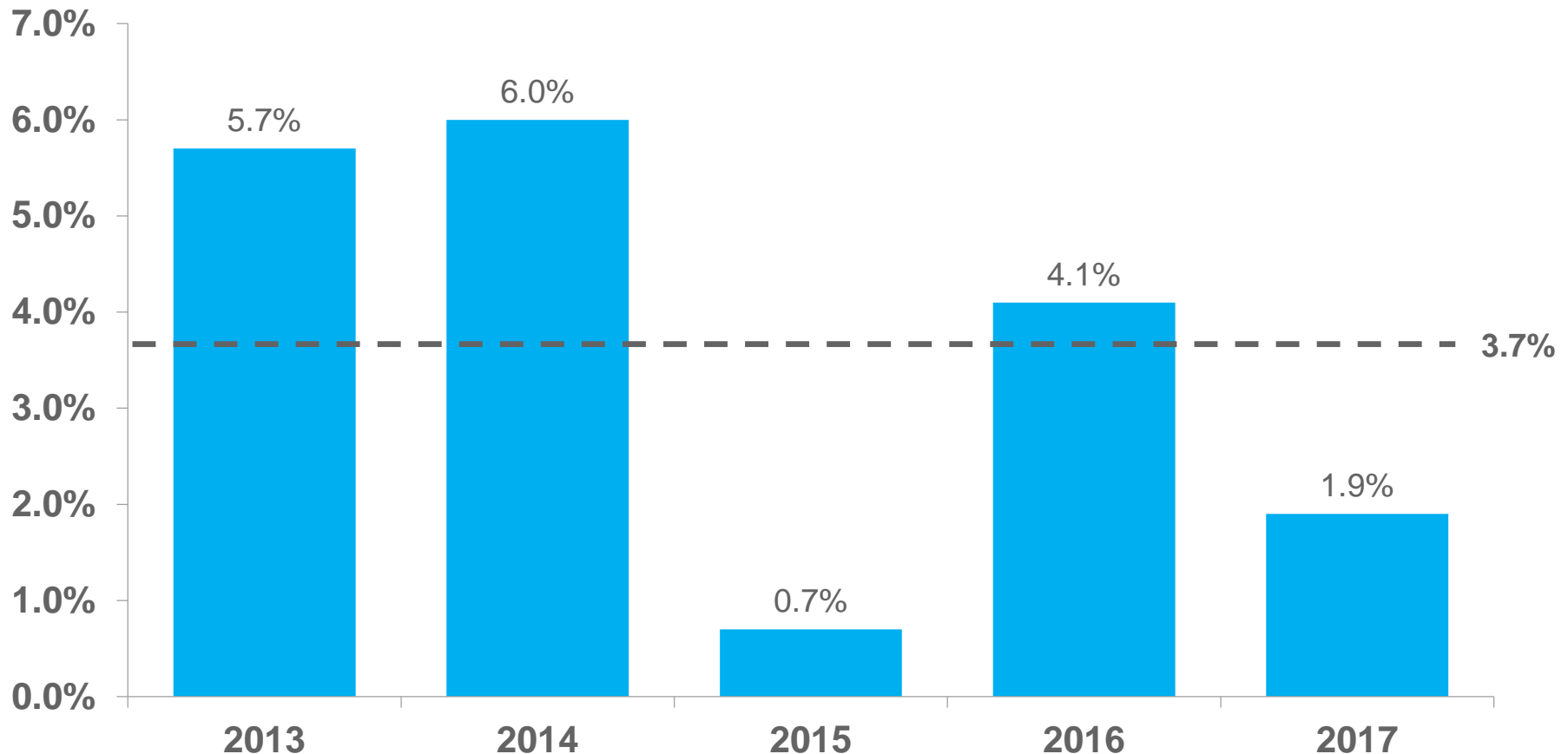
<sup>2</sup>Development properties include active development pipeline plus 2017 development deliveries. For additional detail please refer to the slide "Active Development Pipeline."

<sup>3</sup>Calculations assume a projected weighted-average stabilized BXP's Share of NOI—cash yield of 6.9% on BXP's Share of total budgeted costs, which is then valued at a 4.5% cap rate.

<sup>4</sup>CAGR is based on (1) Q1 2018 BXP's Share of EBITDA—cash of \$334.1 million multiplied by four (4), (BXP's Share of Annualized EBITDA—cash of \$1.34 billion), plus (2) cumulative projected BXP's Share of NOI upon stabilization from development deliveries through the end of Q4 2021. See Appendix.

# Growth in BXP's Share of Same Property NOI—Cash<sup>1</sup>

**5-Year Quarterly Average = 3.7%**



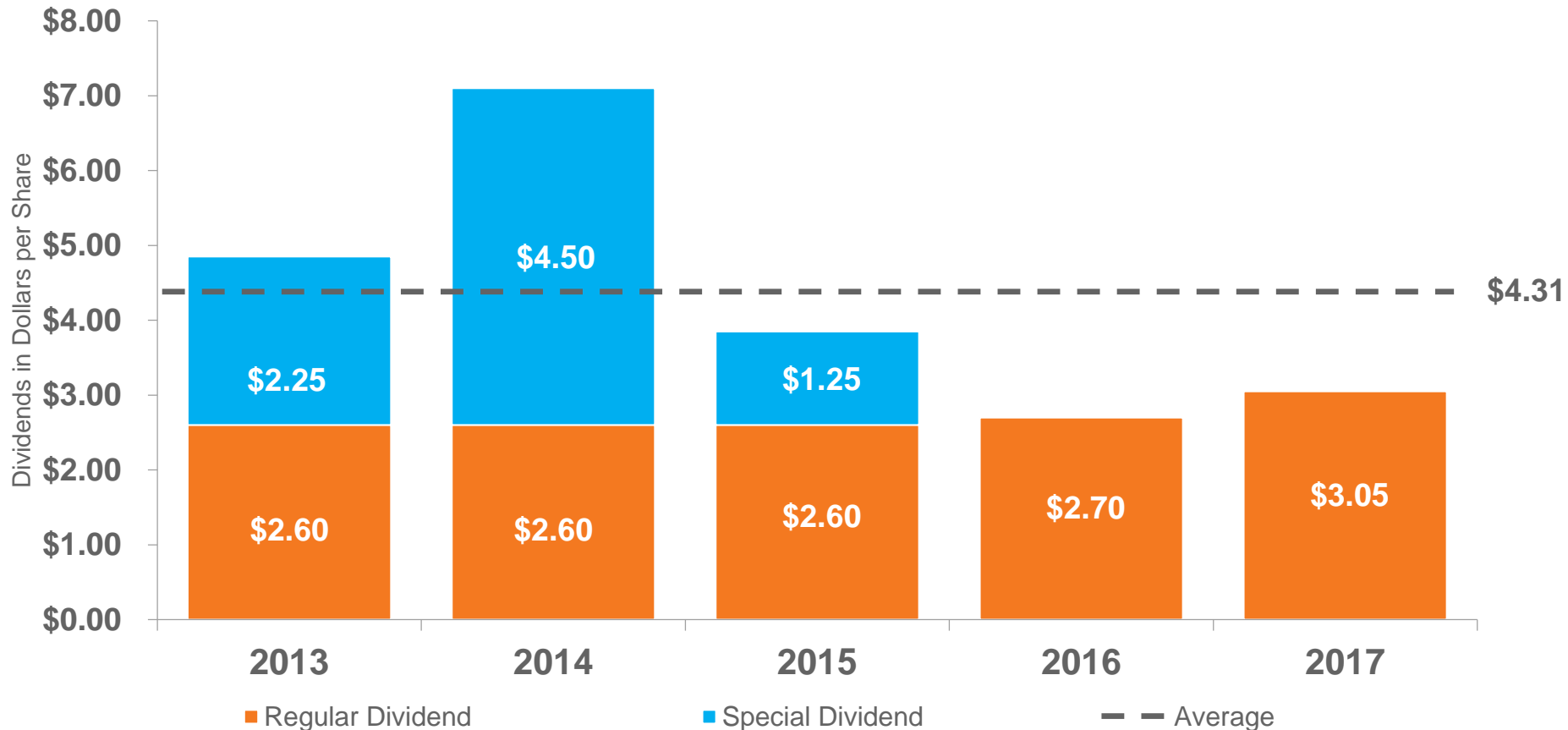
<sup>1</sup>See Appendix.

# Returns from Dividends

**5-Year Average Annual Dividend Yield = 3.6%**

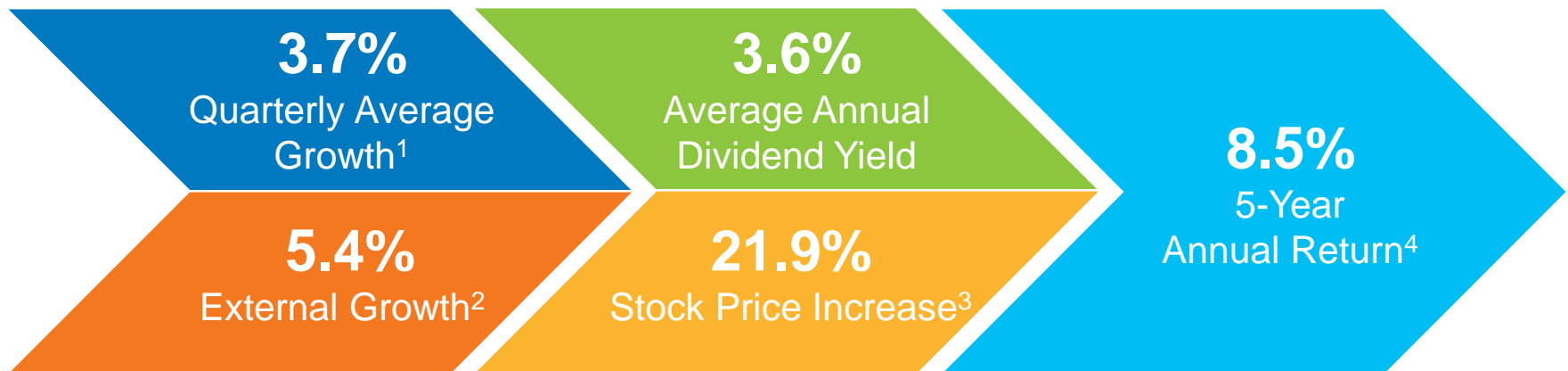
5-year average annual dividend payout = \$4.31 per share

Annualized regular quarterly dividend = \$3.20 per share<sup>1</sup>



<sup>1</sup>Annualized regular dividend equals Q1 2018 dividend of \$0.80 per share multiplied by four.

# Components of Five-Year Annual Return



<sup>1</sup>See "BXP's Share of Same Property NOI – Cash" in this presentation.

<sup>2</sup>See growth in "Projected Returns from Developments Enhance Growth" in this presentation for computations. There can be no assurance that the Company 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.

<sup>3</sup>Represents an increase in the price per share of common stock from March 28, 2013 (\$101.06) to March 29, 2018 (\$123.22).

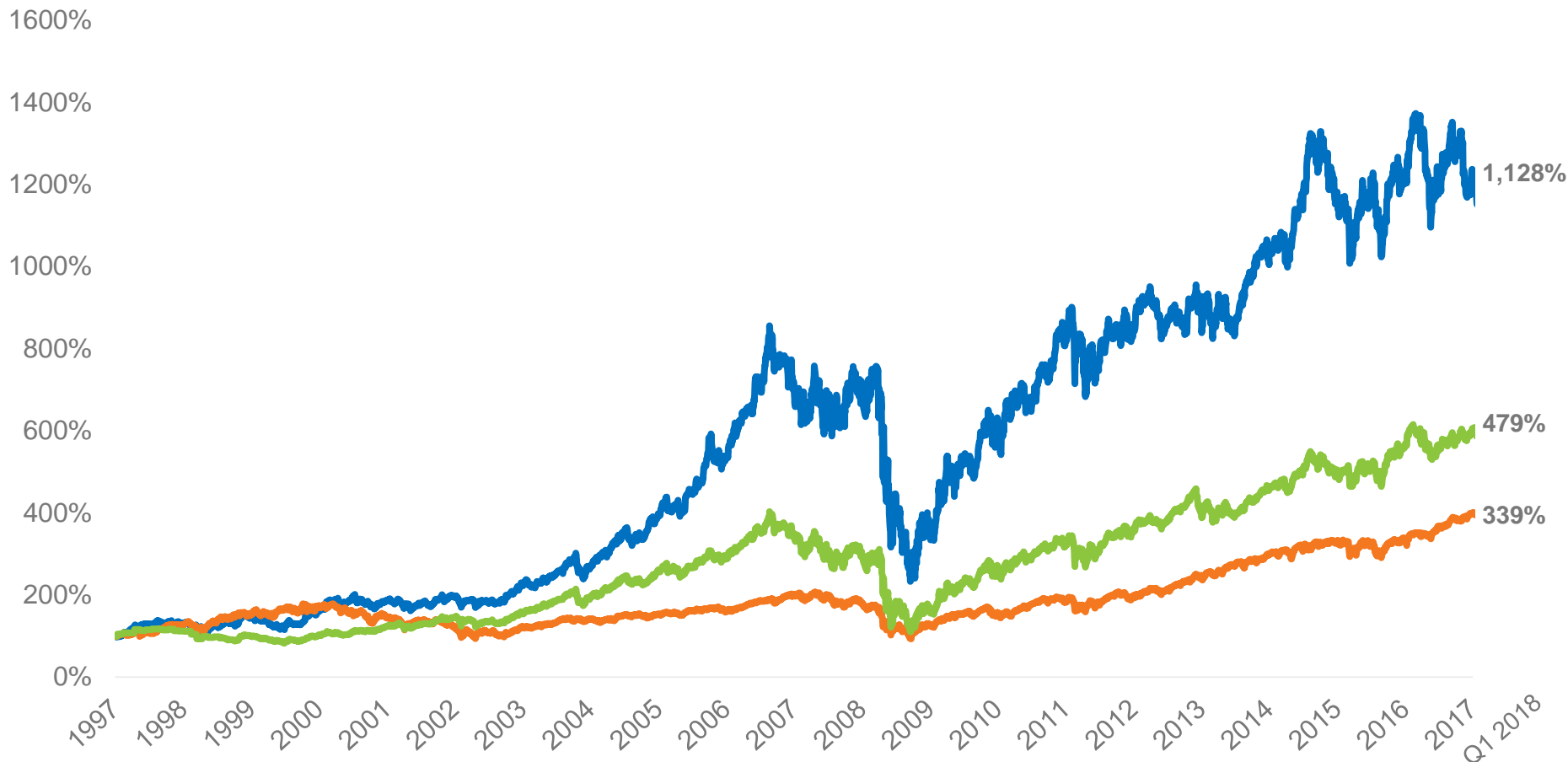
<sup>4</sup>Represents the average increase in total shareholder return between December 31, 2012 and December 31, 2017.



# BXP's Total Shareholder Return Since IPO of 1,128%



— BXP — S&P 500 — FTSE Nareit All REITs



This graph assumes an investment of \$100 on June 17, 1997 and the reinvestment of dividends. Data shown is based on the share price or index values, as applicable, as of December 31 of each year, except data for 2018 is through March 31, 2018. Source: Thomson Reuters.



# Regional Snapshots

**bxp** Boston  
Properties

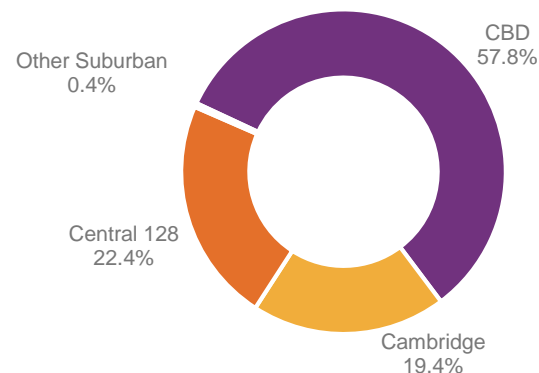


# Boston Snapshot

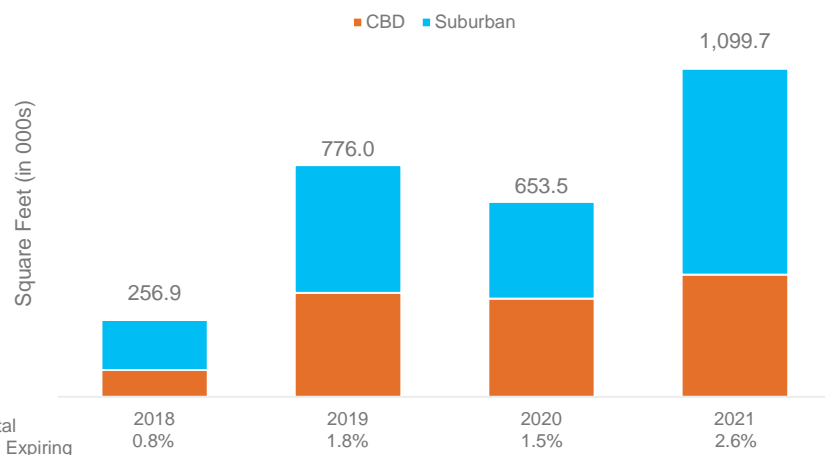
## In-Service Portfolio Composition

Properties <sup>1</sup>	51
Total Square Feet (M) <sup>1</sup>	14.3
CBD Leased <sup>1, 2</sup>	96.5%
Suburban Leased <sup>1, 2</sup>	91.7%
CBD Average Rental Obligations PSF <sup>1, 2</sup>	\$62.74
Suburban Average Rental Obligations PSF <sup>1, 2</sup>	\$39.80
BXP's Share of Annualized Rental Revenue (M) <sup>3</sup>	\$806
BXP's Share of Annualized NOI (M) <sup>3</sup>	\$474

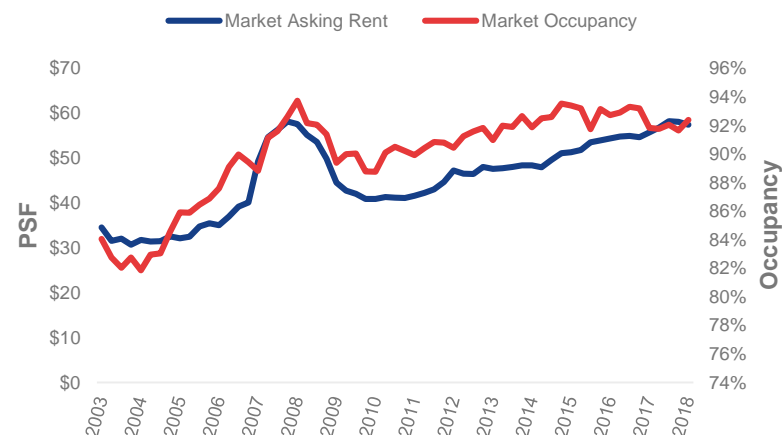
## BXP's Share of NOI<sup>3</sup> by Submarket



## Boston Lease Roll-Over<sup>1, 4</sup>



## 15-Year Annual Market Rent Growth 3.5%<sup>5</sup>



<sup>1</sup>Includes 100% of consolidated and unconsolidated joint venture properties.

<sup>2</sup>Only includes leases for which revenue recognition has commenced in accordance with GAAP. Excludes hotel and residential properties.

<sup>3</sup>Excludes termination income. See Appendix.

<sup>4</sup>Roll-over excludes hotel and residential properties.

<sup>5</sup>Market rents are based on data provided by Econometric Advisors and are weighted based on the Annualized Rental Obligations in each of the Company's submarkets.



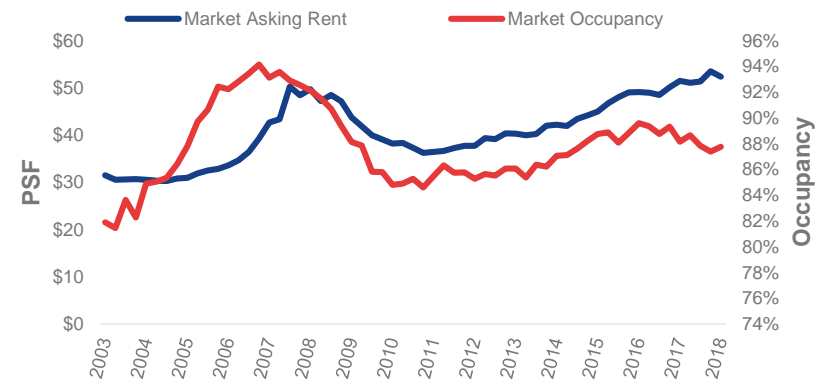
# Los Angeles Snapshot

## In-Service Portfolio Composition

Properties <sup>1</sup>	6
Total Square Feet (M) <sup>1</sup>	1.1
CBD Leased <sup>1,2</sup>	87.7%
Including Signed Leases That Have Not Commenced	92.6%
CBD Average Rental Obligations PSF	\$59.35



## 15-Year Annual Market Rent Growth 3.4%<sup>3</sup>



Colorado Center

<sup>1</sup>Consists of the unconsolidated joint venture that owns Colorado Center.

<sup>2</sup>Only includes leases for which revenue recognition has commenced in accordance with GAAP.

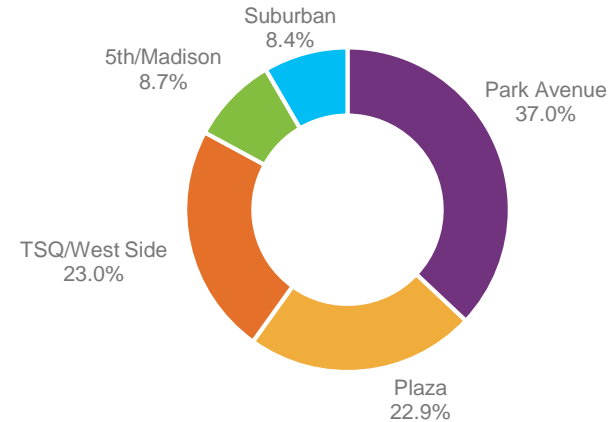
<sup>3</sup>Market rents are weighted based on square footage within the West Los Angeles submarket. Data provided by Econometric Advisors.

# New York Snapshot

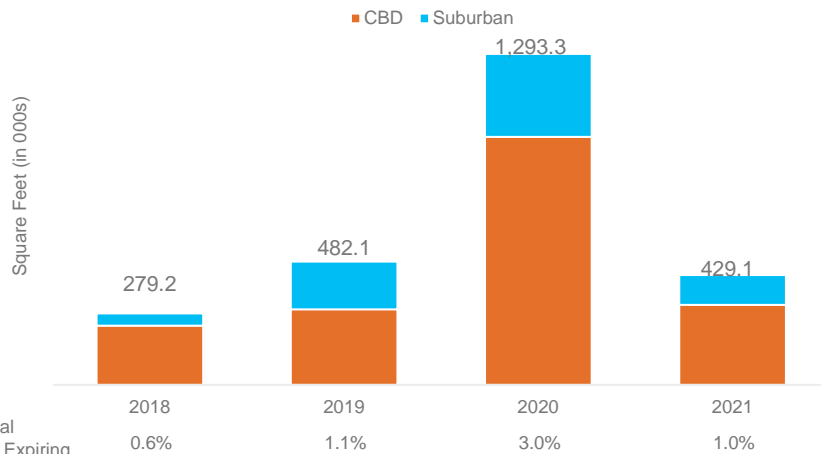
## In-Service Portfolio Composition

Properties <sup>1</sup>	27
Total Square Feet (M) <sup>1</sup>	11.6
CBD Leased <sup>1,2</sup>	89.7%
Suburban Leased <sup>2,3</sup>	82.2%
CBD Average Rental Obligations PSF <sup>1,2</sup>	\$105.03
Suburban Average Rental Obligations PSF <sup>2,3</sup>	\$35.81
BXP's Share of Annualized Rental Revenue (M) <sup>4</sup>	\$744
BXP's Share of Annualized NOI (M) <sup>4</sup>	\$443

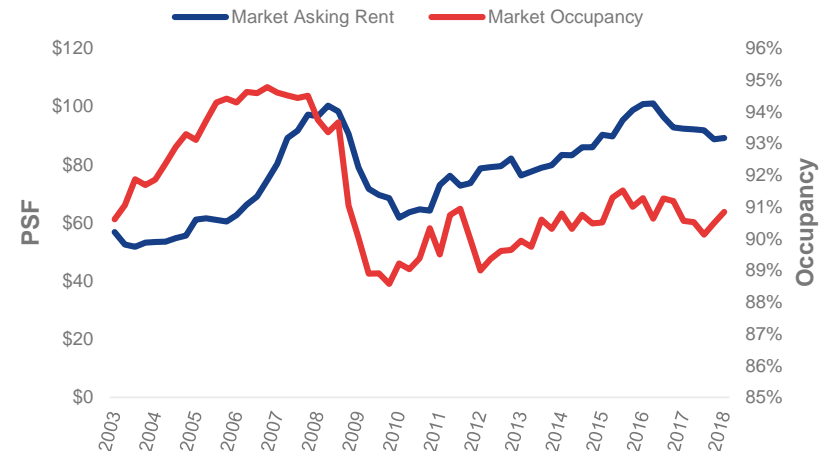
## BXP's Share of NOI<sup>4</sup> by Submarket



## New York Lease Roll-Over



## 15-Year Annual Market Rent Growth 3.0%<sup>5</sup>



<sup>1</sup>Includes 100% of consolidated and unconsolidated joint venture properties.

<sup>2</sup>Only includes leases for which revenue recognition has commenced in accordance with GAAP.

<sup>3</sup>Excludes One Tower Center, an approximately 413,000 square foot office building in East Brunswick, New Jersey, which is 35.1% leased.

<sup>4</sup>Excludes termination income. See Appendix.

<sup>5</sup>Market rents are based on data provided by Econometric Advisors and are weighted based on the Annualized Rental Obligations in each of the Company's submarkets.

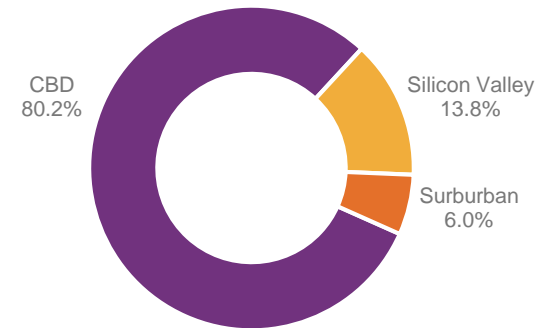


# San Francisco Snapshot

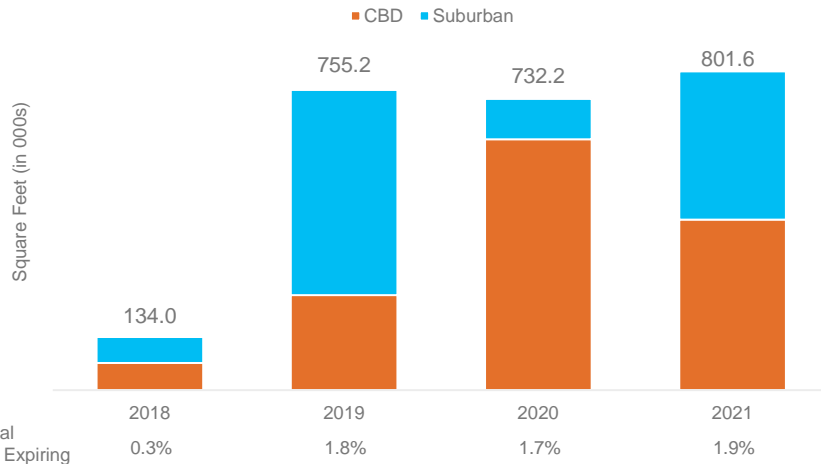
## In-Service Portfolio Composition

Properties	34
Total Square Feet (M)	6.1
CBD Leased <sup>1</sup>	91.0%
Suburban Leased <sup>1</sup>	85.2%
CBD Average Rental Obligations PSF <sup>1</sup>	\$66.54
Suburban Average Rental Obligations PSF <sup>1</sup>	\$42.40
BXP's Share of Annualized Rental Revenue (M) <sup>2</sup>	\$358
BXP's Share of Annualized NOI (M) <sup>2</sup>	\$248

## BXP's Share of NOI<sup>2</sup> by Submarket



## San Francisco Lease Roll-Over



## 15-Year Annual Market Rent Growth 6.1%<sup>3</sup>



<sup>1</sup>Only includes leases for which revenue recognition has commenced in accordance with GAAP.

<sup>2</sup>Excludes termination income. See Appendix.

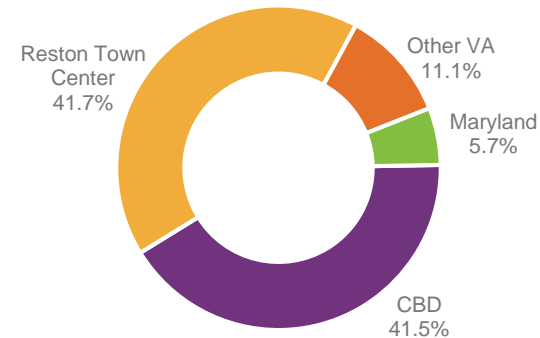
<sup>3</sup>Market rents are based on data provided by Econometric Advisors and are weighted based on the Annualized Rental Obligations in each of the Company's submarkets.

# Washington, DC Snapshot

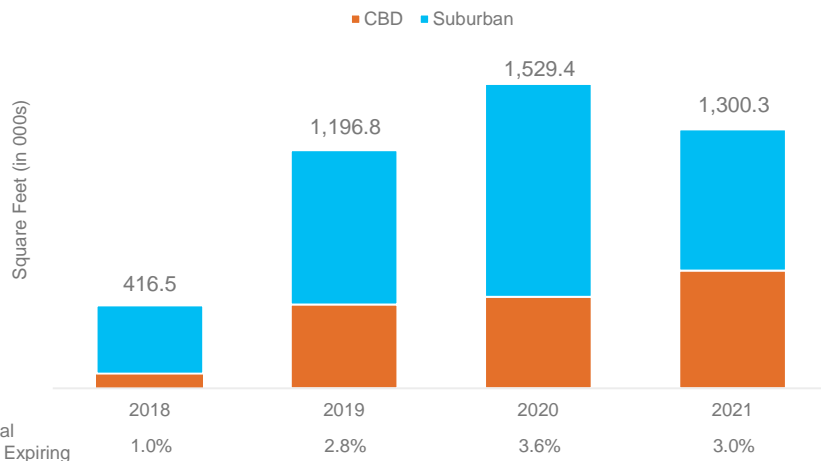
## In-Service Portfolio Composition

Properties <sup>1</sup>	48
Total Square Feet (M) <sup>1</sup>	10.6
CBD Leased <sup>1,2</sup>	91.8%
Suburban Leased <sup>1,2</sup>	89.9%
CBD Average Rental Obligations PSF <sup>1,2</sup>	\$66.58
Suburban Average Rental Obligations PSF <sup>1,2</sup>	\$45.08
BCP's Share of Annualized Rental Revenue (M) <sup>3</sup>	\$455
BCP's Share of Annualized NOI (M) <sup>3</sup>	\$282

## BCP's Share of NOI<sup>3</sup> by Submarket



## Washington, DC Lease Roll-Over<sup>1,4</sup>



## 15-Year Annual Market Rent Growth 1.8%<sup>5</sup>



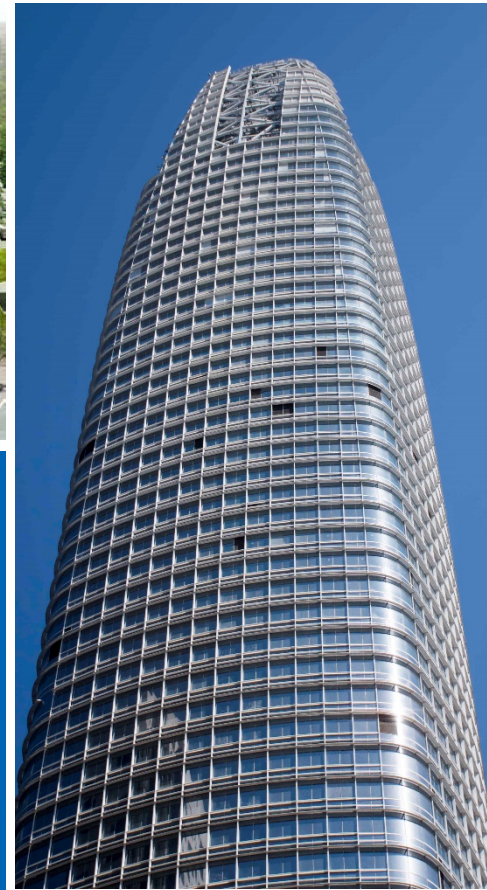
<sup>1</sup>Includes 100% of unconsolidated joint venture properties.

<sup>2</sup>Only includes leases for which revenue recognition has commenced in accordance with GAAP. Excludes residential units.

<sup>3</sup>Excludes termination income. See Appendix.

<sup>4</sup>Roll-over excludes residential units.

<sup>5</sup>Market rents are based on data provided by Econometric Advisors and are weighted based on the Annualized Rental Obligations in each of the Company's submarkets.



# Development Case Studies





# The Hub on Causeway, Boston

- 385,000 square feet (Phase I)
  - 210,000 square feet of retail space
  - 175,000 square feet of office space
- 88% pre-leased
- Initial occupancy estimated in Q2 2019
- 50% joint venture with Delaware North
- Attached to major transit station and entrance to TD Garden sports arena



# 20 CityPoint, Waltham, MA

- 6 stories; 211,000 square feet
  - Enclosed pedestrian bridge to access amenities located within 10 CityPoint
  - Retail and restaurant space
- 52% pre-leased
- Initial occupancy estimated in Q3 2019
- Anticipate USGBC LEED® Silver





# 145 Broadway, Cambridge, MA



- 19 stories; 485,000 square feet, including 9,500 square feet of retail space
- 100% of office space pre-leased to Akamai Technologies
- Initial occupancy estimated in Q4 2019
- Anticipate USGBC LEED® Gold
- Located in the heart of Kendall Center





# 191 Spring Street, Lexington, MA

- Major repositioning of five-story, 171,000 square foot building along Route 128 Corridor, originally built in 1971
- Improvements include:
  - Reskinning south facing façade
  - Replacing exterior glazing on east, south and west façades with factory-style windows
  - Repairing exterior walls
  - Overhauling outdated building mechanical systems
  - Lobby renovation and construction of amenity spaces, including new roof terrace
- 88% pre-leased
- Initial occupancy in Q4 2017



# Dock 72 (Brooklyn Navy Yard)

- 16-stories; 670,000 square feet
- 33% pre-leased to WeWork
- 40,000-60,000 square foot floorplates
- Initial occupancy estimated in Q1 2019 and estimated stabilization in Q3 2020
- 50/50 joint venture





# One Five Nine East 53<sup>rd</sup> Street, New York



- Repositioning of retail and low-rise office space at 601 Lexington Avenue
  - Six stories; 220,000 square feet, including office, retail and a public marketplace
- Creation of new high-value prime retail space
  - Transforms an inward facing concourse into a vibrant retail experience
- New dedicated street-level entrance and lobby for low-rise office floors
- Rooftop terraces on each floor
- Initial occupancy estimated in Q4 2019 and stabilization estimated in Q4 2019

# Salesforce Tower, San Francisco



- 61 stories; 1.4 million square feet
  - Full-height glass curtain wall with 10' finished ceilings
  - Highly efficient and column-free; average floor plates of 25,000 square feet
- 98% pre-leased
- Initial occupancy in Q4 2017
- Anticipate USGBC LEED® Platinum
- Adjacent to the Transbay Transit Center, a \$4 billion public/private investment





# 7750 Wisconsin Avenue, Bethesda, MD

- Marriott International build-to-suit project for new corporate headquarters:
  - 22 stories
  - 740,000 square feet
- Located just north of Bethesda Metro Station
- Initial occupancy estimated in Q3 2022
- 50/50 joint venture



# 6595 Springfield Center Drive, Springfield, VA

- Transportation Security Administration (“TSA”) build-to-suit project for new headquarters:
  - 623,000 square feet of office space
  - 11,000 square feet of retail space
  - 1,711 structured parking spaces
- 100% of office space pre-leased to the United States Government
- Initial occupancy estimated in Q3 2020





# 17Fifty Presidents Street, Reston, VA

- 17 stories; 276,000 square feet
  - Column free, highly efficient floorplates
  - Rooftop terrace and amenity room, fitness center and bike maintenance area
  - 226 below grade parking spaces
- 100% pre-leased to Leidos
- Initial occupancy estimated in Q2 2020
- Anticipate USGBC LEED® Silver
- Located in the urban core of Reston Town Center



# Residential Development Projects



## **Signature at Reston**

- 490,000 square feet
- 508 units
- 24,600 square feet of retail space
- Initial occupancy in Q1 2018
- Located in the urban core of Reston Town Center



## **Proto Kendall Square**

- 152,000 square feet
- 280 units
- 14,500 square feet of retail space
- Initial occupancy in Q2 2018
- Located in the heart of Kendall Center



## **MacArthur Station Residences**

- 324,000 square feet
- 402 units
- Initial occupancy estimated in Q2 2020
- Located adjacent to MacArthur BART Station in Oakland, CA



## **The Hub on Causeway**

- 320,000 square feet
- 440 units
- Initial occupancy estimated in Q4 2019
- 50/50 Joint Venture

# Sustainability

# Sustainability Certification and Recognition



- 21 million square feet LEED Certified
- Over 95% at Gold and Platinum Levels
- All new office development projects are pursuing LEED Silver certification or better



- Ranked 41<sup>st</sup> out of 823 global companies in 2017 (among the top 5% of all participants)
- Achieved highest "Green Star" rating last 6 years and a GRESB 5-Star Rating



- 66 ENERGY STAR certified properties representing 24 million square feet
- Average score of eligible buildings is 80.1



- Earned "Most Innovative" Leader in the Light Award in 2017
- Nareit Leader in the Light Award winner in 2014 and 2015

# Sustainability Highlights



- Achieved 2020 energy, greenhouse gas emissions and water goals three years early
- Reset goals in 2017 with updated 2025 reduction targets below a 2008 baseline



- Reduced energy intensity 14% since 2014, saving an estimated \$9.7M in annual utility costs
- Since 2008, total office portfolio energy use per square foot has been reduced by 23%<sup>1</sup>



- Five onsite solar photovoltaic systems produce enough power to energize more than 100 U.S. households



- Reduced water use intensity by 27% since 2008, saving over 200 million gallons of water annually<sup>1</sup>



- Increased diversion rate, including recycling and composting, from 36% in 2008 to 60% in 2017
- Established a waste diversion target of 65% by 2020




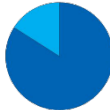



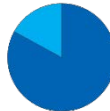


- Selected as a Green Lease Leader by the Better Buildings Alliance in 2015, 2016 and 2017

<sup>1</sup>Data through December 31, 2017.

# Sustainability Goals

We have adopted goals with the following specific time-frames, metrics and targets against a 2008 baseline.

GOAL	PROGRESS	NOTES
 <p><b>32x25 Energy Use Reduction</b> Reduce energy use intensity, targets a 32% reduction by 2025. Units are kBtu/SF.</p>		<p><b>BXP reached 72% of this goal by the end of 2017.</b> The Company previously exceeded its 2020 target and has recorded a 23% reduction in energy use intensity since 2008.</p>
 <p><b>45x25 Greenhouse Gas Reduction</b> Reduce Scope 1 and Scope 2 greenhouse gas emissions intensity, targets a 45% reduction by 2025. Units are kgCO<sub>2</sub>e/SF.</p>		<p><b>BXP reached 84% of this goal by the end of 2017.</b> The Company previously exceeded its 2020 target and has reduced greenhouse gas intensity by 30% since 2008.</p>
 <p><b>30x25 Water Use Reduction</b> Reduce water use intensity, targets a 30% reduction by 2025. Units are gallons/SF.</p>		<p><b>BXP reached 87% of this goal by the end of 2017.</b> The Company previously exceeded its 2020 target and has recorded a 26% water use intensity reduction since 2008.</p>
 <p><b>65x20 Waste Diversion</b> Increase waste diverted from landfill, targets a 65% diversion rate by 2020. Units are % diverted.</p>		<p><b>BXP reached 83% of this goal by the end of 2017.</b> The Company increased its waste diversion rate to 60% in 2017 and continues to make progress towards achieving a waste diversion rate of 65%.</p>



# Appendix

This presentation contains forward-looking statements within the meaning of the federal securities laws. You can identify these statements by the Company's use of the words "anticipates," "believes," "budgeted," "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 the Company's control and could materially affect actual results, performance or achievements.

**Some of the risks and uncertainties that may cause the Company's 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 the Company's business, including overall market occupancy, tenant space utilization and rental rates;
  - the financial condition of the Company's tenants, many of which are financial, legal, media/telecommunication, technology and other professional firms, its lenders, counterparties to its derivative financial instruments and institutions that hold its cash balances and short-term investments, which may expose the Company to increased risks of default by these parties; and
  - the value of the Company's real estate assets, which may limit its ability to dispose of assets at attractive prices or obtain or maintain debt financing secured by its properties or on an unsecured basis;
- volatile or adverse global economic and political conditions, and dislocations in the credit markets could adversely affect the Company's access to cost-effective capital and have a resulting material adverse effect on its business opportunities, results of operations and financial condition;
- 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 the Company's growth and expansion into new markets and sub-markets or to integrate acquisitions and developments successfully;
- the ability of the Company's joint venture partners to satisfy their obligations;
- 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 the Company's information technology (IT) networks and related systems, which support its operations and its buildings;
- risks associated with the Company'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 the Company's accounting policies and on period-to-period comparisons of financial results;
- risks associated with possible state and local tax audits;
- risks associated with the Company's dependence on key personnel whose continued service is not guaranteed; and
- the other risk factors identified in the Company's most recently filed annual report on Form 10-K and quarterly report on Form 10-Q.

**The Company expressly disclaims any duty to update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, future events or otherwise, and you should not rely upon these forward-looking statements after the date of this presentation.**

This Appendix contains definitions of certain non-GAAP financial measures and other terms that the Company uses in this presentation and, where applicable, quantitative reconciliations of the differences between the non-GAAP financial measures and the most directly comparable GAAP financial measures, 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 and the other purposes, if any, for which management uses the measures. 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 the Company files or furnishes to the SEC from time to time.

The Company also presents "**BXP's Share**" of certain of these measures, which are non-GAAP financial measures that are calculated as the consolidated amount calculated in accordance with GAAP, plus the Company's share of the amount from its unconsolidated joint ventures (calculated based upon the Company's percentage ownership interest), minus the Company's partners' share of the amount from the Company's consolidated joint ventures (calculated based upon the partners' percentage ownership interests). Management believes that presenting "BXP's Share" of these measures provides useful information to investors regarding the Company's financial condition and/or results of operations because the Company has several significant joint ventures and presenting various financial measures in this manner can help investors better understand the Company's financial condition and/or results of operations after taking into account its economic interest in these joint ventures. The Company cautions investors that the ownership percentages used in calculating "BXP's Share" of these measures may not completely and accurately depict all of the legal and economic implications of holding an interest in a consolidated or unconsolidated joint venture. For example, in addition to partners' interests in profits and capital, venture agreements vary in the allocation of rights regarding decision making (both routine and major decisions), distributions, transferability of interests, liquidations and other matters. Moreover, in some cases, the Company exercises significant influence over, but does not control, the joint venture, in which case GAAP requires that the Company account for the joint venture entity using the equity method of accounting and the Company does not consolidate it for financial reporting purposes. As a result, presentations of "BXP's Share" of a financial measure should not be considered a substitute for, and should only be considered together with and as a supplement to, the Company's financial information presented in accordance with GAAP.

**Annualized Revenue**

Annualized Revenue is defined as (1) revenue less termination income for the quarter ended March 31, 2018, multiplied by four (4), plus (2) termination income for the quarter ended March 31, 2018. The Company believes that termination income can distort the results for any given period because termination income generally represents multiple months or years of a tenant's rental obligations that are paid in a lump sum in connection with a negotiated early termination of the tenant's lease and thus does not reflect the core ongoing operating performance of the Company's properties. As a result, the Company believes that by presenting Annualized Revenue without annualizing termination income, investors may more easily compare quarterly revenue to revenue for full fiscal years, which can provide useful trend data. Annualized Revenue should not be considered a substitute for revenue in accordance with GAAP and should only be considered together with and as a supplement to the Company's financial information prepared in accordance with GAAP.

**Annualized Rental Obligations**

Annualized Rental Obligations is defined as monthly Rental Obligations, as of the last day of the reporting period, multiplied by twelve (12).



**Debt to Market Capitalization Ratio**

**Consolidated Debt to Consolidated Market Capitalization Ratio** is a measure of leverage commonly used by analysts in the REIT sector that equals the quotient of (A) the Company's Consolidated Debt divided by (B) the Company's Consolidated Market Capitalization, presented as a percentage. **Consolidated Market Capitalization** is the sum of (x) the Company's Consolidated Debt plus (y) the market value of the Company's outstanding equity securities calculated using the closing price per share of common stock of the Company, as reported by the New York Stock Exchange, 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, (4) on and after February 6, 2015, which was the end of the performance period for 2012 OPP Units and thus the date earned, common units issuable upon conversion of 2012 OPP Units that were issued in the form of LTIP Units, (5) on and after February 4, 2016, which was the end of the performance period for 2013 MYLTIP Units and thus the date earned, common units issuable upon conversion of 2013 MYLTIP Units that were issued in the form of LTIP Units, (6) on and after February 3, 2017, which was the end of the performance period for 2014 MYLTIP Units and thus the date earned, common units issuable upon conversion of 2014 MYLTIP Units that were issued in the form of LTIP Units and (7) on and after February 4, 2018, which was the end of the performance period for 2015 MYLTIP Units and thus the date earned, common units issuable upon conversion of 2015 MYLTIP Units that were issued in the form of LTIP Units plus (C) outstanding shares of 5.25% Series B Cumulative Redeemable Preferred Stock multiplied by their fixed liquidation preference of \$2,500 per share. The calculation of Consolidated Market Capitalization does not include LTIP Units issued in the form of MYLTIP Awards unless and until certain performance thresholds are achieved and they are earned. Because their three-year performance periods have not yet ended, 2016, 2017 and 2018 MYLTIP Units are not included.

The Company also presents **BXP's Share of Market Capitalization**, which is calculated in a similar manner, except that BXP's Share of Debt is utilized instead of the Company's Consolidated Debt in both the numerator and the denominator. The Company presents these ratios because its degree of leverage could affect its ability to obtain additional financing for working capital, capital expenditures, acquisitions, development or other general corporate purposes and because different investors and lenders consider one or both of these ratios. Investors should understand that these ratios are, 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 the Company's capacity to incur additional debt to finance its activities or its ability to manage its existing debt obligations. However, for a company like Boston Properties, Inc., whose assets are primarily income-producing real estate, these ratios may provide investors with an alternate indication of leverage, so long as they are 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 the Company's outstanding indebtedness.

**EBITDAre**

Pursuant to the definition of Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("Nareit"), the Company calculates Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate, or "EBITDAre," as net income (loss) attributable to Boston Properties, Inc. common shareholders, the most directly comparable GAAP financial measure, plus net income attributable to noncontrolling interests, interest expense, losses (gains) from early extinguishments of debt, depreciation and amortization expense, impairment loss and adjustments to reflect the Company's share of EBITDAre from unconsolidated joint ventures less gains on sales of real estate. EBITDAre is a non-GAAP financial measure. The Company uses EBITDAre internally as a performance measure and believes EBITDAre provides useful information to investors regarding its financial condition and results of operations at the corporate level because, when compared across periods, EBITDAre reflects the impact on operations from trends in occupancy rates, rental rates, operating costs, general and administrative expenses and acquisition and development activities on an unleveraged basis, providing perspective not immediately apparent from net (loss) income attributable to Boston Properties, Inc. common shareholders.

In some cases the Company also presents (A) **BXP's Share of EBITDAre – cash**, which is BXP's Share of EBITDAre after eliminating the effects of straight-line rent, fair value lease revenue and non-cash termination income adjustment (fair value lease amounts) and adding straight-line ground rent expense, stock-based compensation expense and lease transaction costs that qualify as rent inducements, and (B) **Annualized EBITDAre**, which is EBITDAre for the applicable fiscal quarter ended multiplied by four (4). Presenting BXP's Share of EBITDAre – cash allows investors to compare EBITDAre across periods without taking into account the effect of certain non-cash rental revenues, ground rent expense and stock based compensation expense. Similar to depreciation and amortization, because of historical cost accounting, fair value lease revenue may distort operating performance measures at the property level. Additionally, presenting EBITDAre excluding the impact of straight-line rent provides investors with an alternative view of operating performance at the property level that more closely reflects rental revenue generated at the property level without regard to future contractual increases in rental rates. In addition, the Company's management believes that the presentation of Annualized EBITDAre provides useful information to investors regarding the Company's results of operations because it enables investors to more easily compare quarterly EBITDAre to EBITDAre from full fiscal years.

The Company's computation of EBITDAre may not be comparable to EBITDAre 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. The Company believes that in order to facilitate a clear understanding of its operating results, EBITDAre should be examined in conjunction with net income attributable to Boston Properties, Inc. common shareholders as presented in the Company's consolidated financial statements. EBITDAre should not be considered a substitute to net income attributable to Boston Properties, Inc. common shareholders in accordance with GAAP or any other GAAP financial measures and should only be considered together with and as a supplement to the Company's financial information prepared in accordance with GAAP.

**Fixed Charge Coverage Ratio**

Fixed Charge Coverage Ratio equals **BXP's Share of EBITDAre – cash** divided by **Total Fixed Charges**. BXP's Share of EBITDAre – cash is a non-GAAP financial measure equal to BXP's Share of EBITDAre after eliminating the effects of straight-line rent, fair value lease revenue and non-cash termination income adjustment (fair value lease amounts) and adding straight-line ground rent expense, stock-based compensation expense and lease transaction costs that qualify as rent inducements.

Total Fixed Charges is also a non-GAAP financial measure equal to the sum of BXP's Share of interest expense, capitalized interest, maintenance capital expenditures, losses from early extinguishment of debt, hotel improvements, equipment upgrades and replacements and preferred dividends/distributions less fair value interest adjustment and hedge amortization and amortization of financing costs. The Company believes that the presentation of its Fixed Charge Coverage Ratio provides investors with useful information about the Company's financial performance as it relates to overall financial flexibility and balance sheet management, and, although the Company's Fixed Charge Coverage Ratio is not a liquidity measure, as it does not include adjustments to reflect changes in working capital or the actual timing of the payment of income or expense items that are accrued in the period, the Company believes that its Fixed Charge Coverage Ratio provides investors with useful supplemental information regarding the Company's ability to service its existing fixed charges. Furthermore, the Company believes that the Fixed Charge Coverage Ratio is frequently used by analysts, rating agencies and other interested parties in the evaluation of the Company's performance as a REIT and, as a result, by presenting the Fixed Charge Coverage Ratio the Company assists these parties in their evaluations. The Company's calculation of its Fixed Charge Coverage Ratio may not be comparable to the ratios reported by other REITs or real estate companies that define the term differently and should only be considered together with and as a supplement to the Company's financial information prepared in accordance with GAAP.

**Funds Available for Distribution (FAD) and FAD Payout Ratio**

In addition to Funds from Operations (FFO), which is defined on the following page, the Company presents Funds Available for Distribution to common shareholders and common unitholders (FAD), which is a non-GAAP financial measure that is calculated by (1) adding to FFO lease transaction costs that qualify as rent inducements, non-real estate depreciation, non-cash losses (gains) from early extinguishments of debt, stock-based compensation expense, Accounting Standards Codification ("ASC") 470-20 interest expense adjustment, 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 hedge amortization and fair value lease revenue, and (3) subtracting maintenance capital expenditures, hotel improvements, equipment upgrades and replacements, 2nd generation tenant improvement and leasing commissions (included in the period in which the lease commences), non-cash termination income adjustment (fair value lease amounts) and impairments of non-depreciable real estate. The Company believes that the presentation of FAD provides useful information to investors regarding the Company's results of operations because FAD provides supplemental information regarding the Company's operating performance that would not otherwise be available and may be useful to investors in assessing the Company's operating performance. Additionally, although the Company does not consider FAD to be a liquidity measure, as it does not make adjustments to reflect changes in working capital or the actual timing of the payment of income or expense items that are accrued in the period, the Company believes that FAD may provide investors with useful supplemental information regarding the Company's ability to generate cash from its operating performance and the impact of the Company's operating performance on its ability to make distributions to its shareholders. Furthermore, the Company believes that FAD is frequently used by analysts, investors and other interested parties in the evaluation of its performance as a REIT and, as a result, by presenting FAD the Company is assisting these parties in their evaluation. FAD should not be considered as a substitute for net income (loss) attributable to Boston Properties, Inc.'s common shareholders determined in accordance with GAAP or any other GAAP financial measures and should only be considered together with and as a supplement to the Company's financial information prepared in accordance with GAAP.

**FAD Payout Ratio** is defined as distributions to common shareholders and unitholders (excluding any special distributions) divided by FAD.

**Funds from Operations (FFO)**

Pursuant to the revised definition of Funds from Operations adopted by the Board of Governors of Nareit, the Company calculates Funds from Operations, or "FFO," by adjusting net income (loss) attributable to Boston Properties, Inc. common shareholders (computed in accordance with GAAP) for gains (or losses) from sales of properties, impairment losses on depreciable real estate consolidated on the Company's balance sheet, impairment losses on its investments in unconsolidated joint ventures driven by a measurable decrease in the fair value of depreciable real estate held by the unconsolidated joint ventures and real estate-related depreciation and amortization. FFO is a non-GAAP financial measure, but the Company believes 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 the Company's 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.

The Company's computation of FFO may not be comparable to FFO reported by other REITs or real estate companies that do not define the term in accordance with the current Nareit definition or that interpret the current Nareit definition differently. In order to facilitate a clear understanding of the Company's operating results, FFO should be examined in conjunction with net income attributable to Boston Properties, Inc. common shareholders as presented in the Company's consolidated financial statements. FFO should not be considered as a substitute for net income attributable to Boston Properties, Inc. common shareholders (determined in accordance with GAAP) or any other GAAP financial measures and should only be considered together with and as a supplement to the Company's financial information prepared in accordance with GAAP.

**In-Service Properties**

The Company treats a property as being "in-service" upon the earlier of (1) lease-up and completion of tenant improvements or (2) one year after cessation of major construction activity as determined under GAAP. The determination as to when an entire 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, the Company specifies a single date for treating a property as "in-service," which is generally later than the date the property is partially placed in-service under 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 addition, under GAAP, when a portion of a property has been substantially completed and either occupied or held available for occupancy, the Company ceases capitalizing costs on that portion, even though it may not treat the property as being "in-service," and continues to capitalize only those costs associated with the portion still under construction. In-service properties include properties held by the Company's unconsolidated joint ventures.



**Net Asset Value (NAV)**

Net Asset Value, or NAV, is a useful measure that assists investors and management to estimate the fair value of a company. There is no directly comparable GAAP financial measure to NAV and because the calculation of NAV involves a number of assumptions and estimates, it can be calculated using various methods. Therefore, each investor must determine the specific methodology to use to arrive at a NAV. For example, in light of the significance of its joint ventures, the Company presents NAV using BXP's Share of various components, whereas others that calculate NAV may not do so and, therefore, their calculations of NAV may not be comparable to NAV as calculated by the Company or other companies. Because (1) there are various methods of calculation and (2) the assumptions and estimates may not prove to be correct, actual NAV may differ materially from a company's estimate.

**Net Debt**

Net Debt is equal to (A) the Company's consolidated debt plus special dividends payable (if any) less (B) cash and cash equivalents and cash held in escrow for potential Section 1031 like kind exchange(s). The Company believes that the presentation of Net Debt provides useful information to investors because the Company reviews Net Debt as part of the management of its overall financial flexibility, capital structure and leverage. In particular, Net Debt is an important component of the Company's ratio of **BXP's Share of Net Debt to BXP's Share of EBITDA**. BXP's Share of Net Debt is calculated in a similar manner to Net Debt, except that BXP's Share of Debt and BXP's Share of cash are utilized instead of the Company's consolidated debt and cash in the calculation. The Company believes BXP's Share of Net Debt to BXP's Share of EBITDA is useful to investors because it provides an alternative measure of the Company's financial flexibility, capital structure and leverage based on its percentage ownership interest in all of its assets. Furthermore, certain debt rating agencies, creditors and credit analysts monitor the Company's Net Debt as part of their assessments of its business. The Company may utilize a considerable portion of its cash and cash equivalents at any given time for purposes other than debt reduction. In addition, cash and cash equivalents and cash held in escrow for potential Section 1031 like kind exchange(s) may not be solely controlled by the Company. The deduction of these items from consolidated debt in the calculation of Net Debt therefore should not be understood to mean that these items are available exclusively for debt reduction at any given time.

**Net Operating Income (NOI)**

Net operating income (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 (1) preferred dividends, net income attributable to noncontrolling interests, corporate general and administrative expense, payroll and related costs from management services contracts, transaction costs, impairment loss, depreciation and amortization expense, interest expense and losses from interest rate contracts, less (2) discontinued operations, gains on sales of real estate, development and management services revenue, direct reimbursements of payroll and related costs from management services contracts, income from unconsolidated joint ventures, gain on sale of investment in unconsolidated joint venture, gains on consolidation of joint ventures, interest and other income, gains (losses) from investments in securities, and gains (losses) from early extinguishments of debt. In some cases the Company also presents (1) **NOI – cash**, which is NOI after eliminating the effects of straight-lining of rent, fair value lease revenue, ground rent expense and lease transaction costs that qualify as rent inducements in accordance with GAAP, and (2) NOI and NOI – cash, in each case excluding termination income. **(continued on next page)**

**Net Operating Income (NOI) (continued)**

The Company uses these measures internally as performance measures and believes they provide useful information to investors regarding the Company's results of operations and financial condition because, when compared across periods, they reflect 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. 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. Similarly, interest expense may be incurred at the property level even though the financing proceeds may be used at the corporate level (e.g., used for other investment activity). In addition, depreciation and amortization expense because of historical cost accounting and useful life estimates, may distort operating performance measures at the property level. Presenting NOI – cash allows investors to compare NOI performance across periods without taking into account the effect of certain non-cash rental revenues and ground rent expenses. Similar to depreciation and amortization expense, fair value lease revenues, because of historical cost accounting, may distort operating performance measures at the property level. Additionally, presenting NOI excluding the impact of the straight-lining of rent provides investors with an alternative view of operating performance at the property level that more closely reflects net cash generated at the property level on an unleveraged basis. Presenting NOI measures that exclude termination income provides investors with additional information regarding operating performance at a property level that allows them to compare operating performance between periods without taking into account termination income, which can distort the results for any given period because they generally represent multiple months or years of a tenant's rental obligations that are paid in a lump sum in connection with a negotiated early termination of the tenant's lease and are not reflective of the core ongoing operating performance of the Company's properties.

**Rental Obligations**

Rental Obligations is defined as the contractual base rents (but excluding percentage rent) and budgeted reimbursements from tenants under existing leases. These amounts exclude rent abatements.

**Same Properties**

In the Company's 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 the Company throughout each period presented. The Company refers to properties acquired or placed in-service prior to the beginning of the earliest period presented and owned by the Company 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."

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## Projected FFO

The Company's guidance for the second quarter and full year 2018 for diluted earnings per common share attributable to Boston Properties, Inc. common shareholders (EPS) and diluted funds from operations (FFO) per common share attributable to Boston Properties, Inc. common shareholders is set forth and reconciled below. Except as described below, the estimates reflect management's view of current and future market conditions, including assumptions with respect to rental rates, occupancy levels, the timing of the lease-up of available space and development deliveries and the earnings impact of the events referenced in the earnings release issued on April 24, 2018 and otherwise referenced during the Company's conference call on April 25, 2018. The estimates do not include possible future gains or losses or the impact on operating results from other possible future property acquisitions or dispositions, other 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, impairment losses on depreciable real estate 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 below.

	Second Quarter 2018		Full Year 2018	
	Low	High	Low	High
Projected EPS (diluted)	\$ 0.65	\$ 0.67	\$ 3.28	\$ 3.37
Add:				
Projected Company's share of real estate depreciation and amortization	0.88	0.88	3.55	3.55
Less:				
Projected Company's share of gains on sales of real estate	—	—	0.56	0.56
Projected FFO per share (diluted)	<u>\$ 1.53</u>	<u>\$ 1.55</u>	<u>\$ 6.27</u>	<u>\$ 6.36</u>

## Projected Growth in FFO Per Share (Diluted) (excluding termination income)

	Actual 2017	Midpoint of Projected 2018	Percentage Increase
Earnings per share (diluted)	\$ 2.93	\$ 3.33	13.7%
Add:			
Company's share of real estate depreciation and amortization	3.33	3.55	
Less:			
Gains on sales of real estate	0.04	0.56	
FFO per share (diluted)	6.22	6.32	1.6%
Adjustments:			
Termination income	(0.10)	(0.04)	
FFO per share (diluted) (excluding termination income)	<u>\$ 6.12</u>	<u>\$ 6.28</u>	<u>2.6%</u>

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## BXP's Share of Annualized Revenue

(in thousands)

	Quarter ended March 31, 2018
Revenue	\$ 661,151
Add:	
BXP's share of revenue from unconsolidated Joint Ventures ("JVs") <sup>1</sup>	26,340
Less:	
Partners' share of revenue from consolidated JVs <sup>2</sup>	75,009
Termination income	1,362
BXP's share of termination income from unconsolidated JVs <sup>1</sup>	—
Add:	
Partners' share of termination income from consolidated JVs <sup>2</sup>	2
BXP's Share of Revenue (excluding termination income)	<u>\$ 611,122</u>
 BXP's Share of Annualized Revenue (excluding termination income) <sup>3</sup>	 \$ 2,444,488
Add:	
Termination income	1,362
BXP's share of termination income from unconsolidated JVs <sup>1</sup>	—
Less:	
Partners' share of termination income from consolidated JVs <sup>2</sup>	2
BXP's Share of Annualized Revenue	<u>\$ 2,445,848</u>

<sup>1</sup>See "Joint Ventures-Unconsolidated" in this Appendix.

<sup>2</sup>See "Joint Ventures-Consolidated" in this Appendix.

<sup>3</sup>BXP's Share of Annualized Revenue (excluding termination income) equals BXP's Share of Revenue (excluding termination income), multiplied by four (4).



# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## Debt to EBITDAre Ratios

(dollars in thousands)

		Year Ended December 31,				
	March 31, 2018	2017	2016	2015	2014	2013
Consolidated debt	\$ 10,339,313	\$ 10,271,611	\$ 9,796,133	\$ 9,188,543	\$ 10,086,984	\$ 11,521,508
Add:						
Special dividend payable	—	—	—	214,386	769,790	384,517
Less:						
Cash and cash equivalents	294,571	434,767	356,914	723,718	1,763,079	2,365,137
Cash held in escrow for 1031 exchange	115,440	—	—	—	433,794	—
Net debt	9,929,302	9,836,844	9,439,219	8,679,211	8,659,901	9,540,888
Add:						
BXP's share of unconsolidated JV debt	622,207	604,845	318,193	351,926	349,647	327,526
Partners' share of cash and cash equivalents from consolidated JVs	107,306	128,143	108,181	85,909	104,192	60,704
Less:						
BXP's share of cash and cash equivalents from unconsolidated JVs	71,515	59,772	45,974	44,505	53,851	37,799
Partners' share of consolidated JV debt	1,208,154	1,209,280	1,144,473	1,168,142	1,324,910	1,063,116
BXP's Share of Net Debt <b>(A)</b>	<u>\$ 9,379,146</u>	<u>\$ 9,300,780</u>	<u>\$ 8,675,146</u>	<u>\$ 7,904,399</u>	<u>\$ 7,734,979</u>	<u>\$ 8,828,203</u>
BXP's Share of EBITDAre <sup>1</sup> <b>(B)</b>	<u>\$ 1,380,288</u> <sup>2</sup>	<u>\$ 1,422,711</u>	<u>\$ 1,407,815</u>	<u>\$ 1,331,807</u>	<u>\$ 1,345,399</u>	<u>\$ 1,322,898</u>
BXP's Share of Net Debt to BXP's Share of EBITDAre <b>(A ÷ B)</b>	<u>6.8</u>	<u>6.5</u>	<u>6.2</u>	<u>5.9</u>	<u>5.7</u>	<u>6.7</u>

<sup>1</sup>See reconciliations of "EBITDAre" in this Appendix.

<sup>2</sup>For the quarter ended March 31, 2018, BXP's Share of EBITDAre is annualized and calculated as the product of such amount for the quarter multiplied by four (4).

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## Debt to Market Capitalization Ratios

(dollars in thousands, except per share amounts)

		December 31,			
	March 31, 2018	2017	2016	2015	2014
Common stock price at quarter/year end	\$ 123.22	\$ 130.03	\$ 125.78	\$ 127.54	\$ 128.69
Equity value at quarter/year end <b>(A)</b>	<u>\$ 21,417,129</u>	<u>\$ 22,559,179</u>	<u>\$ 21,805,734</u>	<u>\$ 22,074,258</u>	<u>\$ 22,214,860</u>
Consolidated debt <b>(B)</b>	\$ 10,339,313	\$ 10,271,611	\$ 9,796,133	\$ 9,188,543	\$ 10,086,984
Add:					
BXP's share of unconsolidated JV debt	622,207	604,845	318,193	351,926	349,647
Less:					
Partners' share of consolidated JV debt	1,208,154	1,209,280	1,144,473	1,168,142	1,324,910
BXP's Share of Debt <b>(C)</b>	<u>\$ 9,753,366</u>	<u>\$ 9,667,176</u>	<u>\$ 8,969,853</u>	<u>\$ 8,372,327</u>	<u>\$ 9,111,721</u>
Consolidated Market Capitalization <b>(A + B)</b>	<u>\$ 31,756,442</u>	<u>\$ 32,830,790</u>	<u>\$ 31,601,867</u>	<u>\$ 31,262,801</u>	<u>\$ 32,301,844</u>
Consolidated Debt/Consolidated Market Capitalization <b>[B ÷ (A + B)]</b>	<u>32.56%</u>	<u>31.29%</u>	<u>31.00%</u>	<u>29.39%</u>	<u>31.23%</u>
BXP's Share of Market Capitalization <b>(A + C)</b>	<u>\$ 31,170,495</u>	<u>\$ 32,226,355</u>	<u>\$ 30,775,587</u>	<u>\$ 30,446,585</u>	<u>\$ 31,326,581</u>
BXP's Share of Debt/BXP's Share of Market Capitalization <b>[C ÷ (A + C)]</b>	<u>31.29%</u>	<u>30.00%</u>	<u>29.15%</u>	<u>27.50%</u>	<u>29.09%</u>

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## EBITDAre

(dollars in thousands)

	Quarter Ended March 31, 2018	Year Ended December 31,				
		2017	2016	2015	2014	2013
Net income attributable to Boston Properties, Inc. common shareholders	\$ 176,021	\$ 451,939	\$ 502,285	\$ 572,606	\$ 433,111	\$ 741,754
Add:						
Preferred dividends	2,625	10,500	10,500	10,500	10,500	8,057
Net income attributable to noncontrolling interests	37,666	100,042	57,192	216,812	82,446	91,629
Losses from interest rate contracts	—	—	140	—	—	—
Losses (gains) from early extinguishments of debt	—	(496)	371	22,040	10,633	(122)
Interest expense	90,220	374,481	412,849	432,196	455,743	446,880
Depreciation and amortization expense	165,797	617,547	694,403	639,542	628,573	560,637
Impairment loss	—	—	1,783	—	—	8,306
Less:						
Discontinued operations	—	—	—	—	—	137,792
Gains on sales of real estate	96,397	7,663	80,606	375,895	168,039	—
Gains on consolidation of JVs	—	—	—	—	—	385,991
Gain on sale of investment in unconsolidated JV	—	—	59,370	—	—	—
Income from unconsolidated JVs	461	11,232	8,074	22,770	12,769	75,074
Add:						
BXP's share of EBITDAre from unconsolidated JVs <sup>1</sup>	16,294	65,132	50,712	45,864	45,076	128,669
EBITDAre	391,765	1,600,250	1,582,185	1,540,895	1,485,274	1,386,953
Less:						
Partners' share of EBITDAre from consolidated JVs <sup>2</sup>	46,693	177,539	174,370	209,088	139,875	64,055
BXP's Share of EBITDAre	<u>\$ 345,072</u>	<u>\$ 1,422,711</u>	<u>\$ 1,407,815</u>	<u>\$ 1,331,807</u>	<u>\$ 1,345,399</u>	<u>\$ 1,322,898</u>
BXP's Share of EBITDAre	\$ 345,072	\$ 1,422,711	\$ 1,407,815	\$ 1,331,807	\$ 1,345,399	\$ 1,322,898
Add:						
Lease transaction costs that qualify as rent inducements <sup>3</sup>	316	920	8,853	12,667	9,006	9,679
BXP's share of lease transaction costs that qualify as rent inducements from unconsolidated JVs <sup>3</sup>	70 <sup>1</sup>	1,048	58	2,161	1,234	—
Straight-line ground rent expense adjustment	852	2,489	3,951	(790)	6,793	7,156
Stock-based compensation expense	14,772	35,361	32,911	29,183	28,099	45,155
Less:						
Partners' share of lease transaction costs that qualify as rent inducements from consolidated JVs <sup>3</sup>	— <sup>2</sup>	25	17	2,167	737	—
Straight-line rent and fair value lease revenue	32,691	75,801	64,120	115,896	111,325	93,820
BXP's share of straight-line rent and fair value lease revenue from unconsolidated JVs	2,059 <sup>1</sup>	13,410	10,835	2,588	1,881	24,865
Add:						
Partners' share of straight-line rent and fair value of lease revenue from consolidated JVs	7,799 <sup>2</sup>	9,169	14,343	25,866	21,105	10,365
BXP's Share of EBITDAre—cash	<u>\$ 334,131</u>	<u>\$ 1,382,462</u>	<u>\$ 1,392,959</u>	<u>\$ 1,280,243</u>	<u>\$ 1,297,693</u>	<u>\$ 1,276,568</u>

<sup>1</sup>See "Joint Ventures-Unconsolidated" in this Appendix.

<sup>2</sup>See "Joint Ventures-Consolidated" in this Appendix.

<sup>3</sup>Lease transaction costs are generally included in second generation tenant improvements and leasing commissions in the period in which the lease commences.

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## Fixed Charge Coverage Ratio

(dollars in thousands)

	Quarter Ended	Year Ended December 31,			
	March 31, 2018	2017	2016	2015	2014
Fixed Charges					
Interest expense	\$ 90,220	\$ 374,481	\$ 412,849	\$ 432,196	\$ 455,743
Partners' share of interest expense from consolidated JVs	(11,238) <sup>1</sup>	(57,100)	(69,204)	(89,580)	(78,753)
BXP's share of interest expense from unconsolidated JVs	6,389 <sup>2</sup>	19,638	15,704	16,538	13,056
Capitalized interest	17,378	61,070	39,816	34,213	52,476
Partners' share of capitalized interest from consolidated JVs	(886) <sup>1</sup>	(1,700)	(224)	—	—
BXP's share of capitalized interest from unconsolidated JVs	12 <sup>2</sup>	5	—	387	256
Fair value interest adjustment and hedge amortization	(1,579)	14,434	44,116	52,407	51,201
Partners' share of fair value interest adjustment and hedge amortization from consolidated JVs	144 <sup>1</sup>	(7,803)	(18,218)	(20,100)	(20,557)
BXP's share of fair value interest adjustment and hedge amortization from unconsolidated JVs	— <sup>2</sup>	—	—	—	—
Amortization of financing costs	(3,058)	(10,587)	(7,386)	(7,539)	(7,754)
Partners' share of amortization of financing costs from consolidated JVs	382 <sup>1</sup>	979	153	260	194
BXP's share of amortization of financing costs from unconsolidated JVs	(115) <sup>2</sup>	(432)	(445)	(425)	(317)
Maintenance capital expenditures <sup>3</sup>	20,970	48,573	59,838	56,383	45,619
Partners' share of maintenance capital expenditures from consolidated JVs <sup>3</sup>	(1,660)	(5,611)	(2,569)	(5,565)	(4,378)
BXP's share of maintenance capital expenditures from unconsolidated JVs <sup>3</sup>	670	582	1,029	1,653	1,369
Losses (gains) from early extinguishment of debt	—	(496)	371	22,040	10,633
Hotel improvements, equipment upgrades and replacements	377	9,647	6,801	2,430	2,894
Preferred dividends/distributions	2,625	10,500	10,500	10,500	10,500
<b>Total Fixed Charges (A)</b>	<b>\$ 120,631</b>	<b>\$ 456,180</b>	<b>\$ 493,131</b>	<b>\$ 505,798</b>	<b>\$ 532,182</b>
<b>BXP's Share of EBITDAre—cash<sup>4</sup> (B)</b>	<b>334,131</b>	<b>1,382,462</b>	<b>1,392,959</b>	<b>1,280,243</b>	<b>1,297,693</b>
<b>Fixed Charge Coverage Ratio (B ÷ A)</b>	<b>2.77</b>	<b>3.03</b>	<b>2.82</b>	<b>2.53</b>	<b>2.44</b>

<sup>1</sup>See "Joint Ventures-Consolidated" in this Appendix.

<sup>2</sup>See "Joint Ventures-Unconsolidated" in this Appendix.

<sup>3</sup>Maintenance capital expenditures do not include planned capital expenditures related to acquisitions and repositioning capital expenditures.

<sup>4</sup>See reconciliations on previous page of this Appendix.



# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## FFO, FAD, and FAD Payout Ratios

(dollars in thousands)

	Quarter Ended March 31, 2018	Year Ended December 31,			
		2017	2016	2015	2014
Net income attributable to Boston Properties, Inc. common shareholders	\$ 176,021	\$ 451,939	\$ 502,285	\$ 572,606	\$ 433,111
Add:					
Preferred dividends	2,625	10,500	10,500	10,500	10,500
Noncontrolling interest - common units of the Operating Partnership	20,432	52,210	59,260	66,951	50,862
Noncontrolling interest - redeemable preferred units of the Operating Partnership	—	—	—	6	1,023
Noncontrolling interests in property partnerships	17,234	47,832	(2,068)	149,855	30,561
Less:					
Gains on sales of real estate	96,397	7,663	80,606	375,895	168,039
Income before gains on sales of real estate	119,915	554,818	489,371	424,023	358,018
Add:					
Depreciation and amortization	165,797	617,547	694,403	639,542	628,573
Noncontrolling interests in property partnerships' share of depreciation and amortization	(18,221)	(78,190)	(107,087)	(90,832)	(63,303)
BXP's share of depreciation and amortization from unconsolidated joint ventures	9,444	34,262	26,934	6,556	19,251
Corporate-related depreciation and amortization	(405)	(1,986)	(1,568)	(1,503)	(1,361)
Less:					
Gain on sale of investment in unconsolidated joint venture	—	—	59,370	—	—
Noncontrolling interests in property partnerships <sup>1</sup>	17,234	47,832	(2,068)	48,737	30,561
Noncontrolling interest - redeemable preferred units of the Operating Partnership	—	—	—	6	1,023
Preferred dividends	2,625	10,500	10,500	10,500	10,500
FFO attributable to the Operating Partnership common unitholders (including Boston Properties, Inc.) ("Basic FFO")	256,671	1,068,119	1,034,251	918,543	899,094
Less:					
Noncontrolling interest - common units of the Operating Partnership's share of FFO	26,108	108,707	106,504	94,828	91,588
FFO attributable to Boston Properties, Inc. common shareholders	<u>\$ 230,563</u>	<u>\$ 959,412</u>	<u>\$ 927,747</u>	<u>\$ 823,715</u>	<u>\$ 807,506</u>

<sup>1</sup>For the year ended December 31, 2015, excludes the noncontrolling interests in property partnerships' share of a gain on sale of real estate totaling approximately \$101.1 million.

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## FFO, FAD, and FAD Payout Ratios (continued from previous page)

(dollars in thousands)

Funds Available for Distribution	Quarter Ended		Year Ended December 31,			
	March 31, 2018		2017	2016	2015	2014
FFO attributable to the Operating Partnership common unitholders (including Boston Properties, Inc.) ("Basic FFO")	\$	256,671	\$ 1,068,119	\$ 1,034,251	\$ 918,543	\$ 899,094
Straight-line rent		(27,101)	(53,511)	(33,739)	(79,998)	(63,060)
Partners' share of straight-line rent from consolidated JVs		6,046 <sup>1</sup>	2,597	4,224	14,702	9,261
BXP's share of straight-line rent from unconsolidated JVs		(1,607) <sup>2</sup>	(11,553)	(9,832)	(2,671)	(1,933)
Lease transaction costs that qualify as rent inducements <sup>3</sup>		316	920	8,853	12,667	9,006
Partners' share of lease transaction costs that qualify as rent inducements from consolidated JVs <sup>3</sup>		— <sup>1</sup>	(25)	(17)	(2,167)	(737)
BXP's share of lease transaction costs that qualify as rent inducements from unconsolidated JVs <sup>3</sup>		70 <sup>2</sup>	1,048	58	2,161	1,234
Fair value lease revenue <sup>4</sup>		(5,590)	(22,290)	(30,381)	(35,898)	(48,265)
Partners' share of fair value lease revenue from consolidated JVs <sup>4</sup>		1,753 <sup>1</sup>	6,572	10,119	11,164	11,844
BXP's share of fair value lease revenue from unconsolidated JVs <sup>4</sup>		(452) <sup>2</sup>	(1,857)	(1,003)	83	52
Non-cash losses (gains) from early extinguishments of debt		—	(14,444)	371	(3,604)	96
Partners' share of non-cash losses (gains) from early extinguishments of debt from consolidated JVs		— <sup>1</sup>	5,878	—	—	—
Non-cash termination income adjustment (fair value lease amounts)		—	(1,171)	177	(5,360)	—
Partner's share of non-cash termination income adjustment (fair value lease amounts) from consolidated JVs		— <sup>1</sup>	468	(44)	2,191	—
BXP's share of non-cash termination income adjustment (fair value lease amounts) from unconsolidated JVs		— <sup>2</sup>	(214)	—	—	—
Straight-line ground rent expense adjustment <sup>5</sup>		852	2,489	3,951	(790)	6,793
Stock-based compensation		14,772	35,361	32,911	29,183	28,099
Non-real estate depreciation		405	1,986	1,568	1,503	1,361
Impairment loss		—	—	1,783	—	—
Fair value interest adjustment and hedge amortization		1,579	(14,434)	(44,116)	(52,407)	(51,201)
Partners' share of fair value interest adjustment and hedge amortization from consolidated JVs		(144) <sup>1</sup>	7,803	18,218	20,100	20,557
ASC 470-20 interest expense adjustment		—	—	—	—	2,438
Second generation tenant improvements and leasing commissions		(84,685)	(270,738)	(278,269)	(192,419)	(108,469)
Partners' share of second generation tenant improvements and leasing commissions from consolidated JVs		1,124	7,752	5,026	3,725	7,327
BXP's share of second generation tenant improvements and leasing commissions from unconsolidated JVs		(1,208)	(5,343)	(14,875)	(14,400)	(4,508)
Unearned portion of capitalized fees from consolidated joint ventures		889	9,765	5,925	7,647	12,358
Maintenance capital expenditures <sup>6</sup>		(20,970)	(48,573)	(59,838)	(56,383)	(45,619)
Partners' share of maintenance capital expenditures from consolidated JVs <sup>6</sup>		1,660	5,611	2,569	5,565	4,378
BXP's share of maintenance capital expenditures from unconsolidated JVs <sup>6</sup>		(670)	(582)	(1,029)	(1,653)	(1,369)
Hotel improvements, equipment upgrades and replacements		(377)	(9,647)	(6,801)	(2,430)	(2,894)
Funds available for distribution to common shareholders and common unitholders (FAD) (A)	\$	<u>143,333</u>	\$ <u>701,987</u>	\$ <u>650,060</u>	\$ <u>579,054</u>	\$ <u>685,843</u>
Distributions to common shareholders and unitholders (excluding any special distributions) (B)		<u>137,841</u>	<u>524,810</u>	<u>464,114</u>	<u>446,155</u>	<u>444,181</u>
FAD Payout Ratio (B ÷ A)		<u>96.17%</u>	<u>74.76%</u>	<u>71.40%</u>	<u>77.05%</u>	<u>64.76%</u>

<sup>1</sup>See "Joint Ventures-Consolidated" in this Appendix.

<sup>2</sup>See "Joint Ventures-Unconsolidated" in this Appendix.

<sup>3</sup>Lease transaction costs are generally included in second generation tenant improvements and leasing commissions in the period in which the lease commences.

<sup>4</sup>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.

<sup>5</sup>For the quarter ended March 31, 2018 and the years ended December 31, 2017, 2016 and 2015, includes the straight-line impact of the Company's 99-year ground and air rights lease related to the 100 Clarendon Street garage and Back Bay Transit Station. The Company has allocated contractual ground lease payments aggregating approximately \$34.4 million, which it expects to by the end of 2021 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.

<sup>6</sup>Maintenance capital expenditures do not include planned capital expenditures related to acquisitions and repositioning capital expenditures.

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## Joint Ventures (“JVs”) - Consolidated

(unaudited and in thousands)

Results of Operations for the three months ended March 31, 2018

	767 Fifth Avenue (The GM Building)	<u>Norges Joint Ventures</u> Times Square Tower 601 Lexington Avenue / One Five Nine East 53rd Street 100 Federal Street Atlantic Wharf Office	Salesforce Tower	Total Consolidated Joint Ventures
Revenue				
Rent	\$ 53,570	\$ 71,579	\$ 3,344	\$ 128,493
Straight-line rent	2,688	11,199	(1,375)	12,512
Fair value lease revenue	4,117	236	—	4,353
Termination income	—	5	—	5
Base Rent	60,375	83,019	1,969	145,363
Recoveries from tenants	12,649	15,234	813	28,696
Parking and other	760	1,449	23	2,232
Total rental revenue	73,784	99,702	2,805	176,291
Expenses				
Operating	28,691	34,142	2,173	65,006
Net Operating Income (NOI)	\$ 45,093	\$ 65,560	\$ 632	\$ 111,285
Other income (expense)				
Development and management services revenue	\$ 430	\$ 655	\$ 431	\$ 1,516
Interest and other income	393	394	26	813
Interest expense	(20,451)	(6,796)	—	(27,247)
Depreciation and amortization expense	(22,677)	(20,397)	(463)	(43,537)
Subtotal	\$ (42,305)	\$ (26,144)	\$ (6)	\$ (68,455)
Net income	\$ 2,788	\$ 39,416	\$ 626	\$ 42,830
BXP's ownership percentage	60.00%	55.00%	95.00%	
Partners' share of NOI <sup>1</sup>	\$ 18,037	\$ 29,502	\$ 32	\$ 47,571
BXP's share of NOI	\$ 27,056	\$ 36,058	\$ 600	\$ 63,714
Unearned portion of capitalized fees <sup>2</sup>	\$ 68	\$ 804	\$ 17	\$ 889
<b>Partners' share of select items<sup>1</sup></b>				
Partners' share of hedge amortization	\$ 144	\$ —	\$ —	\$ 144
Partners' share of amortization of financing costs	\$ 346	\$ 36	\$ —	\$ 382
Partners' share of capitalized interest	\$ 203	\$ 683	\$ —	\$ 886
Partner's share of management and other fees	\$ 675	\$ 789	\$ —	\$ 1,464
Partner's share of accretion and adjustments	\$ —	\$ —	\$ (200)	\$ (200)

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## Joint Ventures (“JVs”) - Consolidated (continued)

(unaudited and in thousands)

Results of Operations for the three months ended March 31, 2018

	767 Fifth Avenue (The GM Building)	Norges Joint Ventures Times Square Tower 601 Lexington Avenue / One Five Nine East 53rd Street 100 Federal Street Atlantic Wharf Office	Salesforce Tower	Total Consolidated Joint Ventures
<b>Reconciliation of Partners' share of EBITDAre</b>				
Partners' NCI <sup>3</sup>	\$ 462	\$ 16,936	\$ (164)	\$ 17,234
Add:				
Partners' share of interest expense <sup>1</sup>	8,180	3,058	—	11,238
Partners' share of depreciation and amortization expense <sup>1</sup>	9,049	9,152	20	18,221
Partners' share of EBITDAre <sup>3</sup>	<u>\$ 17,691</u>	<u>\$ 29,146</u>	<u>\$ (144)</u>	<u>\$ 46,693</u>
<b>Reconciliation of Partners' share of NOI<sup>1</sup></b>				
Rental revenue	\$ 29,514	\$ 44,866	\$ 140	\$ 74,520
Less: Termination income	—	2	—	2
Rental revenue (excluding termination income)	29,514	44,864	140	74,518
Less: Operating expenses	11,476	15,364	109	26,949
NOI (excluding termination income)	<u>\$ 18,038</u>	<u>\$ 29,500</u>	<u>\$ 31</u>	<u>\$ 47,569</u>
Rental revenue (excluding termination income)	\$ 29,514	\$ 44,864	\$ 140	\$ 74,518
Less: Straight-line rent	1,075	5,040	(69)	6,046
Fair value lease revenue	1,647	106	—	1,753
Add: Lease transaction costs that qualify as rent inducements	—	—	—	—
Subtotal	\$ 26,792	\$ 39,718	\$ 209	\$ 66,719
Less: Operating expenses	11,476	15,364	109	26,949
NOI - cash (excluding termination income)	<u>\$ 15,316</u>	<u>\$ 24,354</u>	<u>\$ 100</u>	<u>\$ 39,770</u>
<b>Reconciliation of Partners' share of Revenue<sup>1</sup></b>				
Rental revenue	\$ 29,514	\$ 44,866	\$ 140	\$ 74,520
Add: Development and management services revenue	172	295	22	489
Revenue	<u>\$ 29,686</u>	<u>\$ 45,161</u>	<u>\$ 162</u>	<u>\$ 75,009</u>

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## Joint Ventures (“JVs”) - Consolidated (continued) (unaudited and in thousands)

	Year Ended December 31,				
	2017	2016	2015	2014	2013
<b>Selected Financial Data<sup>4</sup></b>					
Interest expense	\$ 119,229	\$ 128,997	\$ 143,691	\$ 121,001	\$ 72,640
Fair value interest adjustment	\$ 20,227	\$ 45,545	\$ 49,370	\$ 49,766	\$ 27,936
Gain from early extinguishment of debt	\$ 14,606	\$ —	\$ —	\$ —	\$ —
Gain on sale of real estate	\$ —	\$ —	\$ 199,479	\$ —	\$ —
<b>Reconciliation of Partners' share of depreciation and amortization expense</b>					
Depreciation and amortization expense	\$ 185,632	\$ 250,803	\$ 227,226	\$ 173,954	\$ 102,283
Less:					
BXP's basis difference	351	318	200	141	516
Depreciation and amortization after BXP's basis	\$ 185,281	\$ 250,485	\$ 227,026	\$ 173,813	\$ 101,767
Partners' share of depreciation and amortization expense <sup>1</sup>	\$ 78,190	\$ 107,087	\$ 90,832	\$ 63,303	\$ 32,583
<b>Reconciliation of Partners' share of EBITDAre</b>					
Partners' NCI	\$ 47,832	\$ (2,068)	\$ 149,855	\$ 30,561	\$ 1,347
Add:					
Partners' share of interest expense <sup>1, 5</sup>	41,103	35,029	38,726	17,733	14,081
Partners' share of interest expense - outside members' notes	16,256	34,322	30,793	28,278	16,044
Partners' share of depreciation and amortization expense <sup>1</sup>	78,190	107,087	90,832	63,303	32,583
Less:					
Partners' share of gain from early extinguishment of debt <sup>1</sup>	5,842	—	—	—	—
Partners' share of gain on sale of real estate <sup>1</sup>	—	—	101,118	—	—
Partners' share of EBITDAre	<u>\$ 177,539</u>	<u>\$ 174,370</u>	<u>\$ 209,088</u>	<u>\$ 139,875</u>	<u>\$ 64,055</u>

<sup>1</sup>Amounts represent the partners' share based on their respective ownership percentage.

<sup>2</sup>Capitalized fees are eliminated in consolidation and recognized over the life of the asset as depreciation and amortization are added back to the Company's net income.

<sup>3</sup>Amounts represent the partners' share based on their respective ownership percentage and is adjusted for basis differentials and the allocations of management and other fees and interest to BXP.

<sup>4</sup>Amounts represent 100% of consolidated joint venture activities.

<sup>5</sup>Amounts include fair value interest adjustment.



# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## Joint Ventures (“JVs”) - Unconsolidated

(unaudited and in thousands)

Results of Operations for the three months ended March 31, 2018

	540 Madison Avenue	Market Square North	Metropolitan Square	901 New York Avenue	Wisconsin Place Parking Facility	Annapolis Junction <sup>1</sup>	500 North Capitol Street, N.W.	Colorado Center	1265 Main Street	Other Joint Ventures <sup>2</sup>	Total Unconsolidated Joint Ventures
<b>Revenue</b>											
Rental	\$ 5,843	\$ 4,337	\$ 5,959	\$ 6,802	\$ 25	\$ 2,486	\$ 2,863	\$ 11,505	\$ 994	\$ 1,547	\$ 42,361
Straight-line rent	17	294	(170)	316	—	64	15	2,680	—	(1,450)	1,766
Fair value lease revenue	—	—	—	—	—	—	—	96	—	—	96
Base rent	5,860	4,631	5,789	7,118	25	2,550	2,878	14,281	994	97	44,223
Recoveries from tenants	576	938	924	1,289	268	426	1,248	500	350	—	6,519
Parking and other	32	208	660	418	964	58	126	2,546	—	279	5,291
Total rental revenue	6,468	5,777	7,373	8,825	1,257	3,034	4,252	17,327	1,344	376	56,033
<b>Expenses</b>											
Operating	3,700	2,368	3,714	3,527	598	1,563	1,313	5,348	355	363	22,849
<b>Net Operating Income</b>	<b>2,768</b>	<b>3,409</b>	<b>3,659</b>	<b>5,298</b>	<b>659</b>	<b>1,471</b>	<b>2,939</b>	<b>11,979</b>	<b>989</b>	<b>13</b>	<b>33,184</b>
<b>Other income/(expense)</b>											
Development and management services revenue	30	3	15	—	—	—	—	2	1	—	51
Interest and other income	44	47	6	25	—	48	14	69	—	133	386
Interest expense	(981)	(1,485)	(2,210)	(2,075)	—	(1,264)	(1,104)	(4,925)	(380)	—	(14,424)
Depreciation and amortization expense	(1,941)	(1,021)	(1,868)	(1,504)	(1,375)	(1,058)	(944)	(4,617)	(397)	—	(14,725)
Subtotal	(2,848)	(2,456)	(4,057)	(3,554)	(1,375)	(2,274)	(2,034)	(9,471)	(776)	133	(28,712)
<b>Net income/(loss)</b>	<b>\$ (80)</b>	<b>\$ 953</b>	<b>\$ (398)</b>	<b>\$ 1,744</b>	<b>\$ (716)</b>	<b>\$ (803)</b>	<b>\$ 905</b>	<b>\$ 2,508</b>	<b>\$ 213</b>	<b>\$ 146</b>	<b>\$ 4,472</b>
<b>BXP's nominal ownership percentage</b>											
	60%	50%	20%	25%	33.33%	50%	30%	50%	50%	50%	
<b>BXP's share of select items</b>											
BXP's share of amortization of financing costs	\$ 31	\$ 10	\$ 5	\$ 22	<sup>3</sup> \$ —	\$ 27	\$ 4	\$ 13	\$ 3	\$ —	\$ 115
BXP's share of capitalized interest	\$ —	\$ —	\$ 12	\$ —	<sup>3</sup> \$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12
<b>Reconciliation of BXP's share of EBITDAre</b>											
Income/(loss) from unconsolidated joint ventures	\$ 114	\$ 435	\$ (75)	\$ 456	<sup>3</sup> \$ (247)	\$ (429)	\$ 272	\$ (178)	\$ 99	\$ 14	\$ 461
<b>Add:</b>											
BXP's share of interest expense	589	743	442	999	—	632	331	2,463	190	—	6,389
BXP's share of depreciation and amortization expense	1,003	552	369	1,188	<sup>3</sup> 466	555	283	4,822	206	—	9,444
<b>BXP's share of EBITDAre</b>	<b>\$ 1,706</b>	<b>\$ 1,730</b>	<b>\$ 736</b>	<b>\$ 2,643</b>	<b>\$ 219</b>	<b>\$ 758</b>	<b>\$ 886</b>	<b>\$ 7,107</b>	<b>\$ 495</b>	<b>\$ 14</b>	<b>\$ 16,294</b>

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## Joint Ventures (“JVs”) - Unconsolidated (continued)

(unaudited and in thousands)

Results of Operations for the three months ended March 31, 2018

Reconciliation of BXP's share of Net Operating Income/(Loss)	540 Madison Avenue	Market Square North	Metropolitan Square	901 New York Avenue	Wisconsin Place Parking Facility	Annapolis Junction <sup>1</sup>	500 North Capitol Street, N.W.	Colorado Center	1265 Main Street	Other Joint Ventures <sup>2</sup>	Total Unconsolidated Joint Ventures
BXP's share of rental revenue	\$ 3,881	\$ 2,889	\$ 1,475	\$ 4,250 <sup>3</sup>	\$ 419	\$ 1,517	\$ 1,276	\$ 9,748	\$ 672	\$ 188	\$ 26,315
BXP's share of operating expenses	2,220	1,184	743	1,699 <sup>3</sup>	199	782	394	2,674	178	182	10,255
BXP's share of net operating income/(loss)	1,661	1,705	732	2,551 <sup>3</sup>	220	735	882	7,074	494	6	16,060
Less:											
BXP's share of termination income	—	—	—	— <sup>3</sup>	—	—	—	—	—	—	—
BXP's share of net operating income/(loss) (excluding termination income)	1,661	1,705	732	2,551 <sup>3</sup>	220	735	882	7,074	494	6	16,060
Less:											
BXP's share of straight-line rent	10	147	(34)	152 <sup>3</sup>	—	32	5	2,020	—	(725)	1,607
BXP's share of fair value lease revenue	—	—	—	— <sup>3</sup>	—	—	—	452	—	—	452
Add:											
BXP's share of lease transaction costs that qualify as rent inducements	—	41	—	29 <sup>3</sup>	—	—	—	—	—	—	70
BXP's share of net operating income/(loss) - cash (excluding termination income)	<u>\$ 1,651</u>	<u>\$ 1,599</u>	<u>\$ 766</u>	<u>\$ 2,428<sup>3</sup></u>	<u>\$ 220</u>	<u>\$ 703</u>	<u>\$ 877</u>	<u>\$ 4,602</u>	<u>\$ 494</u>	<u>\$ 731</u>	<u>\$ 14,071</u>
<b>Reconciliation of BXP's share of Revenue</b>											
BXP's share of rental revenue	\$ 3,881	\$ 2,889	\$ 1,475	\$ 4,250	\$ 419	\$ 1,517	\$ 1,276	\$ 9,748	\$ 672	\$ 188	\$ 26,315
Add:											
BXP's share of development and management services revenue	18	2	3	—	—	—	—	1	1	—	25
BXP's share of revenue	<u>\$ 3,899</u>	<u>\$ 2,891</u>	<u>\$ 1,478</u>	<u>\$ 4,250</u>	<u>\$ 419</u>	<u>\$ 1,517</u>	<u>\$ 1,276</u>	<u>\$ 9,749</u>	<u>\$ 673</u>	<u>\$ 188</u>	<u>\$ 26,340</u>

<sup>1</sup>Annapolis Junction includes four properties in service and two undeveloped land parcels.

<sup>2</sup>Includes The Hub on Causeway, 1001 6th Street, Dock 72 and 7750 Wisconsin Avenue. During the three months ended March 31, 2018, The Hub on Causeway - Hotel Air Rights was placed in-service.

<sup>3</sup>Reflects the allocation percentages pursuant to the achievement of specified investment return thresholds as provided for in the joint venture agreement.

<sup>4</sup>The Company's purchase price allocation under ASC 805 for Colorado Center differs from the historical basis of the venture resulting in the majority of the basis differential for this venture.

<sup>5</sup>Represents adjustments related to the carrying values and depreciation of certain of the Company's investment in unconsolidated joint ventures.

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## Joint Ventures (“JVs”) - Unconsolidated (continued) (unaudited and in thousands)

	Year Ended December 31,				
	2017	2016	2015	2014	2013
<b>Selected Financial Data<sup>1</sup></b>					
Interest expense	\$ 46,371	\$ 34,016	\$ 32,176	\$ 31,896	\$ 112,535
Depreciation and amortization expense	\$ 57,079	\$ 44,989	\$ 36,057	\$ 37,041	\$ 86,088
Losses from early extinguishment of debt	\$ —	\$ —	\$ —	\$ —	\$ 1,677
Gains on sales of real estate	\$ —	\$ —	\$ —	\$ —	\$ 14,207
<b>Reconciliation of BXP's share of EBITDAre<sup>2</sup></b>					
Income/(loss) from unconsolidated joint ventures <sup>3</sup>	\$ 11,232	\$ 8,074	\$ 22,770	\$ 12,769	\$ 75,074
Add:					
BXP's share of interest expense	19,638	15,704	16,538	13,056	61,259
BXP's share of depreciation and amortization expense	34,262	26,934	6,556	19,251	46,214
Losses from early extinguishment of debt	—	—	—	—	623
Less:					
Gains on sales of real estate <sup>3</sup>	—	—	—	—	54,501
BXP's share of EBITDAre	<u>\$ 65,132</u>	<u>\$ 50,712</u>	<u>\$ 45,864</u>	<u>\$ 45,076</u>	<u>\$ 128,669</u>

<sup>1</sup>Amount represents 100% of unconsolidated joint venture activities.

<sup>2</sup>Amounts represent the Company's share based on its respective ownership percentage.

<sup>3</sup>On May 30, 2013, a joint venture in which the Company had a 60% interest completed the sale of its 125 West 55th Street property located in New York City. The Company had previously recognized an impairment loss on its investment in the unconsolidated joint venture property. As a result, the Company recognized a gain on sale of real estate totaling approximately \$43.2 million, which is included within income from unconsolidated joint ventures for the year ended December 31, 2013.

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## NET ASSET VALUE

(dollars and shares in thousands, except per square foot and per share amounts)

### Real Estate Value

BXP's Share of Market Capitalization	\$ 31,170,495
Non-Real Estate Assets	850,245
Non-Real Estate Liabilities	858,504
Management Company Value	(268,965)
Land Held for Future Development	(204,506)
Estimated Present Value of Current Developments <sup>1</sup>	(5,135,398)
Implied In-service Portfolio Value <b>(A)</b>	<u>\$ 27,270,375</u>
BXP's Share of In-service Square Feet (square feet in thousands) <b>(B)</b>	43,205
Implied Value per Square Foot <b>(A ÷ B)</b>	\$ 631

### Adjusted BXP's Share of Annualized NOI - cash

BXP's Share of Annualized NOI (excluding termination income) <sup>2</sup>	\$ 1,474,352
Annualized Lease Transaction Costs that Qualify as Rent Inducements	1,264
Annualized BXP's share of Lease Transaction Costs that Qualify as Rent Inducements from Unconsolidated JVs	280
Annualized Straight-Line Ground Rent Expense Adjustment	3,408
Adjustment to NOI for Properties Under (Re)Development	(24,336)
Management Fee Expense Deduction	(43,197)
Annualized Straight-Line Rent and Fair Value Lease Revenue	(130,764)
Annualized BXP's share of Straight-Line Rent and Fair Value of Lease Revenue from Unconsolidated JVs	(8,236)
Annualized Partners' share of Straight-Line Rent and Fair Value of Lease Revenue from Consolidated JVs	31,196
Adjusted BXP's Share of Annualized NOI - cash (excluding termination income) <b>(C)</b>	<u>\$ 1,303,967</u>

Projected Growth <sup>3</sup>	93,676
Adjusted BXP's Share of Annualized NOI - cash (excluding termination income) incl. Projected Growth <b>(D)</b>	<u>\$ 1,397,643</u>
Implied Cap Rate incl. Projected Growth <b>(D ÷ A)</b>	5.13%

### Inferred Stock Price Calculations

Adjusted BXP's Share of Annualized NOI - cash (excluding termination income) incl. Projected Growth <b>(D)</b>	\$ 1,397,643	\$ 1,397,643	\$ 1,397,643	\$ 1,397,643
Estimated Market Capitalization Rate <b>(E)</b>	4.0%	4.5%	5.0%	5.5%
Estimated Enterprise Value <b>(D ÷ E)</b>	\$ 34,941,075	\$ 31,058,733	\$ 27,952,860	\$ 25,411,691
Less:				
BXP's Share of Debt	(9,753,366)	(9,753,366)	(9,753,366)	(9,753,366)
Net Assets & Liabilities	(1,708,749)	(1,708,749)	(1,708,749)	(1,708,749)
Management Services Income	268,965	268,965	268,965	268,965
Land Held for Future Development	204,506	204,506	204,506	204,506
Estimated Present Value of Current Developments <sup>1</sup>	5,135,398	5,135,398	5,135,398	5,135,398
Total Adjustments <b>(F)</b>	<u>\$ (5,853,246)</u>	<u>\$ (5,853,246)</u>	<u>\$ (5,853,246)</u>	<u>\$ (5,853,246)</u>
Real Estate Value less adjustments <b>[F + (D ÷ E)]</b>	<u>\$ 29,087,829</u>	<u>\$ 25,205,487</u>	<u>\$ 22,099,614</u>	<u>\$ 19,558,445</u>
Diluted Shares Outstanding <b>(G)</b>	172,189	172,189	172,189	172,189
Implied Stock Price <b>[(F + (D ÷ E)) ÷ G]</b>	\$ 168.93	\$ 146.38	\$ 128.35	\$ 113.59

### Valuation Components

Price per Share (at 3/29/2018)	\$ 123.22
Diluted Shares Outstanding	172,189
Preferred Stock	\$ 200,000
Equity Value (at 3/29/2018)	\$ 21,417,129
BXP's Share of Debt	9,753,366
BXP's Share of Market Capitalization	<u>\$ 31,170,495</u>

### BXP Non-Real Estate Assets

Cash and Cash Equivalents	\$ 294,571
Development costs remaining to fund (discounted at 4.5%)	(1,431,110)
Lease transaction costs to achieve 93% occupancy	(101,413)
Cash Held in Escrows	160,558
Investments in Securities	29,353
Tenant and Other Receivables, Net	73,401
Prepaid Expenses and Other Assets <sup>4</sup>	124,395
Non-Real Estate Assets	<u>\$ (850,245)</u>

### BXP Non-Real Estate Liabilities

Accounts Payable and Accrued Expenses	\$ 355,002
Dividends & Distributions Payable	139,218
Accrued Interest Payable <sup>4</sup>	96,176
Other Liabilities <sup>4</sup>	268,108
Non-Real Estate Liabilities	<u>\$ 858,504</u>

<sup>1</sup>For additional information, refer to the "Projected Returns from Developments Enhance Growth" page in this presentation. Calculations assume a projected weighted-average stabilized BXP's Share of NOI—cash yield of 6.9% on BXP's Share of total budgeted costs, which is then valued at a 4.5% cap rate. The development value is then discounted at 4.5% to determine present value.

<sup>2</sup>See "Reconciliation of Net Income Attributable to Boston Properties, Inc.'s Common Shareholders to BXP's Share of Annualized NOI (excluding termination income)" in this Appendix.

<sup>3</sup>Projected growth based on projected BXP's share of growth from nine key assets discounted at 4.5%.

<sup>4</sup>Excludes non-cash items.

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## Net Operating Income (NOI)

(in thousands)

	Quarter ended March 31, 2018		Quarter ended March 31, 2018
Net income attributable to Boston Properties, Inc. common shareholders	\$ 176,021	BXP's Share of Annualized NOI (excluding termination income) <b>(A x 4)</b>	\$ 1,474,352
Preferred dividends	2,625	Add:	
Net income attributable to Boston Properties, Inc.	178,646	Termination income	1,362
Net income attributable to noncontrolling interests:		BXP's share of termination income from unconsolidated JVs <sup>1</sup>	—
Noncontrolling interest - common units of the Operating Partnership	20,432	Less:	
Noncontrolling interests in property partnerships	17,234	Partners' share of termination income from consolidated JVs <sup>2</sup>	2
Net income	216,312	BXP's Share of Annualized NOI	<u>\$ 1,475,712</u>
Gains on sales of real estate	(96,397)	BXP's Share of Annualized NOI (excluding termination income) <b>(A x 4)</b>	\$ 1,474,352
Income before gains on sales of real estate	119,915	Add:	
Add:		Annualized Lease transaction costs that qualify as rent inducements	1,264
Interest expense	90,220	Annualized BXP's share of lease transaction costs that qualify as rent inducements from unconsolidated JVs <sup>1</sup>	280
Losses from investments in securities	126	Annualized Straight-line ground rent expense adjustment	3,408
Depreciation and amortization expense	165,797	Less:	
Transaction costs	21	Annualized Partners' share of lease transaction costs that qualify as rent inducements from consolidated JVs <sup>2</sup>	—
Payroll and related costs from management services contracts	2,885	Adjustment to NOI for properties under re(development)	24,336
General and administrative expense	35,894	Annualized Management fee expense deduction	43,197
Less:		Annualized Straight-line rent and fair value lease revenue	130,764
Interest and other income	1,648	Annualized BXP's share of straight-line rent and fair value of lease revenue from unconsolidated JVs <sup>1</sup>	8,236
Income from unconsolidated joint ventures ("JVs")	461	Add:	
Direct reimbursements of payroll and related costs from management services contracts	2,885	Annualized Partners' share of straight-line rent and fair value of lease revenue from consolidated JVs <sup>2</sup>	31,196
Development and management services revenue	8,405	Adjusted BXP's Share of Annualized NOI—Cash	<u>\$ 1,303,967</u>
Consolidated NOI	401,459		
Add:			
BXP's share of NOI from unconsolidated JVs <sup>1</sup>	16,060		
Less:			
Partners' share of NOI from consolidated JVs <sup>2</sup>	47,571		
Termination income	1,362		
BXP's share of termination income from unconsolidated JVs <sup>1</sup>	—		
Add:			
Partners' share of termination income from consolidated JVs <sup>2</sup>	2		
BXP's Share of NOI (excluding termination income) <b>(A)</b>	<u>\$ 368,588</u>		

<sup>1</sup>See "Joint Ventures-Unconsolidated" in this Appendix. Annualized amounts represent amounts for the quarter ended March 31, 2018, multiplied by four (4).

<sup>2</sup>See "Joint Ventures-Consolidated" in this Appendix. Annualized amounts represent amounts for the quarter ended March 31, 2018, multiplied by four (4).



# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

## BXP'S Share OF Same Property Net Operating Income—cash (excluding termination income) (in thousands)

Please see the following pages for complete reconciliations of BXP's Share of Same Property NOI—cash (excluding termination income) for each quarterly period presented over the past five years.

	2017				2016				2015			
	31-Mar-17	31-Mar-16	Change (\$)	Change (%)	31-Mar-16	31-Mar-15	Change (\$)	Change (%)	31-Mar-15	31-Mar-14	Change (\$)	Change (%)
Q1	\$ 328,368	\$ 321,831	6,537	2.0 %	\$ 322,168	\$ 301,136	21,032	7.0%	\$ 318,345	\$ 314,478	3,867	1.2 %
	30-Jun-17	30-Jun-16	Change (\$)	Change (%)	30-Jun-16	30-Jun-15	Change (\$)	Change (%)	30-Jun-15	30-Jun-14	Change (\$)	Change (%)
Q2	\$ 344,583	\$ 335,171	9,412	2.8 %	\$ 334,902	\$ 319,807	15,095	4.7%	\$ 331,214	\$ 327,992	3,222	1.0 %
	30-Sep-17	30-Sep-16	Change (\$)	Change (%)	30-Sep-16	30-Sep-15	Change (\$)	Change (%)	30-Sep-15	30-Sep-14	Change (\$)	Change (%)
Q3	\$ 346,146	\$ 336,885	9,261	2.7 %	\$ 322,185	\$ 318,833	3,352	1.1%	\$ 327,493	\$ 329,953	(2,460)	(0.7)%
	31-Dec-17	31-Dec-16	Change (\$)	Change (%)	31-Dec-16	31-Dec-15	Change (\$)	Change (%)	31-Dec-15	31-Dec-14	Change (\$)	Change (%)
Q4	\$ 342,461	\$ 343,103	(642)	(0.2)%	\$ 326,978	\$ 315,166	11,812	3.7%	\$ 304,493	\$ 300,686	3,807	1.3 %
Average Change (%)				1.9 %	4.1%				0.7 %			

2014					2013			
	31-Mar-14	31-Mar-13	Change (\$)	Change (%)	31-Mar-13	31-Mar-12	Change (\$)	Change (%)
Q1	\$ 294,299	\$ 279,673	14,626	5.2 %	\$ 295,149	\$ 285,568	9,581	3.4%
	30-Jun-14	30-Jun-13	Change (\$)	Change (%)	30-Jun-13	30-Jun-12	Change (\$)	Change (%)
Q2	\$ 314,323	\$ 290,957	23,366	8.0 %	\$ 285,221	\$ 272,290	12,931	4.7%
	30-Sep-14	30-Sep-13	Change (\$)	Change (%)	30-Sep-13	30-Sep-12	Change (\$)	Change (%)
Q3	\$ 346,462	\$ 326,607	19,855	6.1 %	\$ 293,030	\$ 271,002	22,028	8.1%
	31-Dec-14	31-Dec-13	Change (\$)	Change (%)	31-Dec-13	31-Dec-12	Change (\$)	Change (%)
Q4	\$ 341,235	\$ 326,472	14,763	4.5 %	\$ 292,029	\$ 273,976	18,053	6.6%
Average Change (%)				6.0 %	5.7%			

Please see the following pages for complete reconciliations of BXP's Share of Same Property NOI—cash for each quarterly period presented over the past five years.

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

	For the three months ended		For the three months ended		For the three months ended		For the three months ended	
	31-Dec-17	30-Dec-16	30-Sep-17	30-Sep-16	30-Jun-17	30-Jun-16	31-Mar-17	31-Mar-16
Net income (loss) attributable to Boston Properties, Inc. common shareholders	\$ 103,829	\$ 147,214	\$ 117,337	\$ 76,753	\$ 133,709	\$ 96,597	\$ 97,083	\$ 181,747
Preferred dividends	2,625	2,704	2,625	2,589	2,625	2,589	2,625	2,618
Net income (loss) attributable to Boston Properties, Inc.	106,454	149,918	119,962	79,342	136,334	99,186	99,708	184,365
Net income attributable to noncontrolling interests:								
Noncontrolling interest in discontinued operations - common units of the Operating Partnership	—	—	—	—	—	—	—	—
Noncontrolling interest - common units of the Operating Partnership	11,884	17,097	13,402	9,387	15,473	11,357	11,432	21,393
Noncontrolling interest - redeemable preferred units of the Operating Partnership	—	—	—	—	—	—	—	—
Noncontrolling interest in property partnerships	13,865	(2,121)	14,340	(17,225)	15,203	6,814	4,424	10,464
Net income	132,203	164,894	147,704	71,504	167,010	117,357	115,564	216,222
Gains on sales of real estate	(872)	—	(2,891)	(12,983)	(3,767)	—	(133)	(67,623)
Income before gains on sales of real estate	131,331	164,894	144,813	58,521	163,243	117,357	115,431	148,599
Discontinued operations:								
Impairment loss from discontinued operations	—	—	—	—	—	—	—	—
Gain on forgiveness of debt from discontinued operations	—	—	—	—	—	—	—	—
Gains on sales of real estate from discontinued operations	—	—	—	—	—	—	—	—
Income (loss) from discontinued operations	—	—	—	—	—	—	—	—
Income from continuing operations	131,331	164,894	144,813	58,521	163,243	117,357	115,431	148,599
Add:								
(Gains) losses from early extinguishment of debt	13,858	—	—	371	(14,354)	—	—	—
Losses from interest rate contracts	—	—	—	140	—	—	—	—
Interest expense	91,772	97,896	92,032	104,641	95,143	105,003	95,534	105,309
Depreciation and amortization expense	154,259	178,032	152,164	203,748	151,919	153,175	159,205	159,448
Impairment loss	—	—	—	1,783	—	—	—	—
Transaction costs	96	1,200	239	249	299	913	34	25
General and administrative expense	29,396	25,293	25,792	25,165	27,141	25,418	31,386	29,353
Subtract:								
(Gains) losses from investments in securities	(962)	(560)	(944)	(976)	(730)	(478)	(1,042)	(259)
Interest and other income	(2,336)	(573)	(1,329)	(3,628)	(1,504)	(1,524)	(614)	(1,505)
Gains on consolidation of joint ventures	—	—	—	—	—	—	—	—
Gains on sale of investment in unconsolidated joint venture	—	(59,370)	—	—	—	—	—	—
Income from unconsolidated joint ventures	(4,197)	(2,585)	(843)	(1,464)	(3,108)	(2,234)	(3,084)	(1,791)
Development and management services revenue	(9,957)	(9,698)	(10,811)	(6,364)	(7,365)	(5,533)	(6,472)	(6,689)
Net Operating Income ("NOI")	403,260	394,529	401,113	382,186	410,684	392,097	390,378	432,490
Subtract:								
Straight-line rent	(22,323)	(14,711)	(16,105)	(11,107)	(3,060)	6,503	(12,023)	(14,424)
Fair value lease revenue	(5,655)	(6,840)	(5,781)	(6,547)	(5,464)	(8,808)	(5,390)	(8,186)
Add:								
Straight-line ground rent expense adjustment <sup>1</sup>	929	971	929	971	929	971	941	982
Lease transaction costs that qualify as rent inducements	225	487	(102)	861	115	2,200	682	5,305
<b>NOI - cash</b>	376,436	374,436	380,054	366,364	403,204	392,963	374,588	416,167
Subtract:								
Termination income	(756)	(504)	(4,783)	170	(13,601)	(7,654)	(3,918)	(51,306)
NOI - cash from non Same Properties (excluding termination income)	(6,884)	(23)	(467)	532	(6,818)	(19,492)	(8,187)	(10,625)
<b>Same Property NOI - cash (excluding termination income)</b>	368,796	373,909	374,804	367,066	382,785	365,817	362,483	354,236
Subtract:								
Partners' share of NOI - cash from consolidated JVs	(40,090)	(40,686)	(41,516)	(39,480)	(47,820)	(40,459)	(41,051)	(43,555)
Add:								
Partners' share of NOI - cash from non Same Properties from consolidated JVs (excluding termination income)	192	(600)	(589)	(231)	(882)	1,577	(279)	1,571
BXP's share of NOI - cash from unconsolidated JVs	13,623	10,615	12,736	10,655	13,586	8,885	11,537	9,100
Subtract:								
BXP's share of NOI - cash from non Same Properties from unconsolidated JVs (excluding termination income)	—	(153)	(494)	(696)	(5,188)	(689)	(4,322)	(1,382)
BXP's share of termination income from unconsolidated JVs	(66)	(13)	(28)	(8)	(404)	(4)	—	9
Add:								
Partners' share of termination income from consolidated JVs	6	31	1,233	(421)	2,506	44	—	1,852
<b>BXP's Share of Same Property NOI - cash (excluding termination income)</b>	<u>\$ 342,461</u>	<u>\$ 343,103</u>	<u>\$ 346,146</u>	<u>\$ 336,885</u>	<u>\$ 344,583</u>	<u>\$ 335,171</u>	<u>\$ 328,368</u>	<u>\$ 321,831</u>

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

	For the three months ended		For the three months ended		For the three months ended		For the three months ended	
	31-Dec-16	30-Dec-15	30-Sep-16	30-Sep-15	30-Jun-16	30-Jun-15	31-Mar-16	31-Mar-15
Net income (loss) attributable to Boston Properties, Inc. common shareholders	\$ 147,214	\$ 137,851	\$ 76,753	\$ 184,082	\$ 96,597	\$ 79,460	\$ 181,747	\$ 171,182
Preferred dividends	<u>2,704</u>	<u>2,646</u>	<u>2,589</u>	<u>2,647</u>	<u>2,589</u>	<u>2,618</u>	<u>2,618</u>	<u>2,589</u>
Net income (loss) attributable to Boston Properties, Inc.	149,918	140,497	79,342	186,729	99,186	82,078	184,365	173,771
Net income attributable to noncontrolling interests:								
Noncontrolling interest in discontinued operations - common units of the Operating Partnership	—	—	—	—	—	—	—	—
Noncontrolling interest - common units of the Operating Partnership	17,097	16,098	9,387	21,302	11,357	9,394	21,393	20,188
Noncontrolling interest - redeemable preferred units of the Operating Partnership	—	—	—	—	—	3	—	3
Noncontrolling interest in property partnerships	<u>(2,121)</u>	<u>10,143</u>	<u>(17,225)</u>	<u>115,240</u>	<u>6,814</u>	<u>9,264</u>	<u>10,464</u>	<u>15,208</u>
Net income	164,894	166,738	71,504	323,271	117,357	100,739	216,222	209,170
Gains on sales of real estate	<u>—</u>	<u>(81,332)</u>	<u>(12,983)</u>	<u>(199,479)</u>	<u>—</u>	<u>—</u>	<u>(67,623)</u>	<u>(95,084)</u>
Income before gains on sales of real estate	164,894	85,406	58,521	123,792	117,357	100,739	148,599	114,086
Discontinued operations:								
Impairment loss from discontinued operations	—	—	—	—	—	—	—	—
Gain on forgiveness of debt from discontinued operations	—	—	—	—	—	—	—	—
Gains on sales of real estate from discontinued operations	—	—	—	—	—	—	—	—
Income (loss) from discontinued operations	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Income from continuing operations	164,894	85,406	58,521	123,792	117,357	100,739	148,599	114,086
Add:								
(Gains) losses from early extinguishment of debt	—	22,040	371	—	—	—	—	—
Losses from interest rate contracts	—	—	140	—	—	—	—	—
Interest expense	97,896	106,178	104,641	108,727	105,003	108,534	105,309	108,757
Depreciation and amortization expense	178,032	164,460	203,748	153,015	153,175	167,844	159,448	154,223
Impairment loss	—	—	1,783	—	—	—	—	—
Transaction costs	1,200	470	249	254	913	208	25	327
General and administrative expense	25,293	24,300	25,165	20,944	25,418	22,284	29,353	28,791
Subtract:								
(Gains) losses from investments in securities	(560)	(493)	(976)	1,515	(478)	24	(259)	(393)
Interest and other income	(573)	(440)	(3,628)	(3,637)	(1,524)	(1,293)	(1,505)	(1,407)
Gains on consolidation of joint ventures	—	—	—	—	—	—	—	—
Gains on sale of investment in unconsolidated joint venture	(59,370)	—	—	—	—	—	—	—
Income from unconsolidated joint ventures	(2,585)	(2,211)	(1,464)	(2,647)	(2,234)	(3,078)	(1,791)	(14,834)
Development and management services revenue	<u>(9,698)</u>	<u>(6,452)</u>	<u>(6,364)</u>	<u>(5,912)</u>	<u>(5,533)</u>	<u>(4,862)</u>	<u>(6,689)</u>	<u>(5,328)</u>
Net Operating Income ("NOI")	394,529	393,258	382,186	396,051	392,097	390,400	432,490	384,222
Subtract:								
Straight-line rent	(14,711)	(19,623)	(11,107)	(15,992)	6,503	(18,454)	(14,424)	(25,928)
Fair value lease revenue	(6,840)	(7,450)	(6,547)	(8,838)	(8,808)	(9,648)	(8,186)	(9,962)
Add:								
Straight-line ground rent expense adjustment <sup>1</sup>	998	(3,983)	1,031	891	935	1,106	987	1,196
Lease transaction costs that qualify as rent inducements	<u>487</u>	<u>1,939</u>	<u>861</u>	<u>1,911</u>	<u>2,200</u>	<u>4,285</u>	<u>5,305</u>	<u>4,532</u>
<b>NOI - cash</b>	374,463	364,141	366,424	374,023	392,927	367,689	416,172	354,060
Subtract:								
Termination income	(504)	(7,701)	170	(9,589)	(7,654)	(6,680)	(51,306)	(14,924)
NOI - cash from non Same Properties (excluding termination income)	<u>(12,840)</u>	<u>(9,765)</u>	<u>(12,000)</u>	<u>(13,240)</u>	<u>(18,515)</u>	<u>(8,935)</u>	<u>(9,792)</u>	<u>(9,615)</u>
<b>Same Property NOI - cash (excluding termination income)</b>	361,119	346,675	354,594	351,194	366,758	352,074	355,074	329,521
Subtract:								
Partners' share of NOI - cash from consolidated JVs	(40,686)	(43,416)	(39,480)	(49,726)	(40,459)	(49,723)	(43,555)	(49,241)
Add:								
Partners' share of NOI - cash from non Same Properties from consolidated JVs (excluding termination income)	(601)	1,684	(231)	5,290	—	4,808	—	5,084
BXP's share of NOI - cash from unconsolidated JVs	10,615	9,413	10,655	11,145	8,885	11,387	9,100	14,934
Subtract:								
BXP's share of NOI - cash from non Same Properties from unconsolidated JVs (excluding termination income)	(3,487)	(1,286)	(2,924)	(899)	(322)	—	(312)	—
BXP's share of termination income from unconsolidated JVs	(13)	(17)	(8)	—	(4)	(180)	9	—
Add:								
Partners' share of termination income from consolidated JVs	<u>31</u>	<u>2,113</u>	<u>(421)</u>	<u>1,829</u>	<u>44</u>	<u>1,441</u>	<u>1,852</u>	<u>838</u>
<b>BXP's Share of Same Property NOI - cash (excluding termination income)</b>	<u>\$ 326,978</u>	<u>\$ 315,166</u>	<u>\$ 322,185</u>	<u>\$ 318,833</u>	<u>\$ 334,902</u>	<u>\$ 319,807</u>	<u>\$ 322,168</u>	<u>\$ 301,136</u>

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

	For the three months ended		For the three months ended		For the three months ended		For the three months ended	
	31-Dec-15	30-Dec-14	30-Sep-15	30-Sep-14	30-Jun-15	30-Jun-14	31-Mar-15	31-Mar-14
Net income (loss) attributable to Boston Properties, Inc. common shareholders	\$ 137,851	\$ 174,510	\$ 184,082	\$ 127,724	\$ 79,460	\$ 76,527	\$ 171,182	\$ 54,034
Preferred dividends	<u>2,646</u>	<u>2,646</u>	<u>2,647</u>	<u>2,647</u>	<u>2,618</u>	<u>2,618</u>	<u>2,589</u>	<u>2,589</u>
Net income (loss) attributable to Boston Properties, Inc.	140,497	177,156	186,729	130,371	82,078	79,145	173,771	56,623
Net income attributable to noncontrolling interests:								
Noncontrolling interest in discontinued operations - common units of the Operating Partnership	—	—	—	—	—	—	—	—
Noncontrolling interest - common units of the Operating Partnership	16,098	21,172	21,302	14,963	9,394	8,883	20,188	6,160
Noncontrolling interest - redeemable preferred units of the Operating Partnership	—	9	—	75	3	320	3	619
Noncontrolling interest in property partnerships	<u>10,143</u>	<u>13,088</u>	<u>115,240</u>	<u>5,566</u>	<u>9,264</u>	<u>7,553</u>	<u>15,208</u>	<u>4,354</u>
Net income	166,738	211,425	323,271	150,975	100,739	95,901	209,170	67,756
Gains on sales of real estate	<u>(81,332)</u>	<u>(126,102)</u>	<u>(199,479)</u>	<u>(41,937)</u>	<u>—</u>	<u>—</u>	<u>(95,084)</u>	<u>—</u>
Income before gains on sales of real estate	85,406	85,323	123,792	109,038	100,739	95,901	114,086	67,756
Discontinued operations:								
Impairment loss from discontinued operations	—	—	—	—	—	—	—	—
Gain on forgiveness of debt from discontinued operations	—	—	—	—	—	—	—	—
Gains on sales of real estate from discontinued operations	—	—	—	—	—	—	—	—
Income (loss) from discontinued operations	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Income from continuing operations	85,406	85,323	123,792	109,038	100,739	95,901	114,086	67,756
Add:								
(Gains) losses from early extinguishment of debt	22,040	10,633	—	—	—	—	—	—
Losses from interest rate contracts	—	—	—	—	—	—	—	—
Interest expense	106,178	117,904	108,727	113,308	108,534	110,977	108,757	113,554
Depreciation and amortization expense	164,460	162,430	153,015	157,245	167,844	154,628	154,223	154,270
Impairment loss	—	—	—	—	—	—	—	—
Transaction costs	470	640	254	1,402	208	661	327	437
General and administrative expense	24,300	23,172	20,944	22,589	22,284	23,271	28,791	29,905
Subtract:								
(Gains) losses from investments in securities	(493)	(387)	1,515	297	24	(662)	(393)	(286)
Interest and other income	(440)	(1,924)	(3,637)	(3,421)	(1,293)	(2,109)	(1,407)	(1,311)
Gains on consolidation of joint ventures	—	—	—	—	—	—	—	—
Gains on sale of investment in unconsolidated joint venture	—	—	—	—	—	—	—	—
Income from unconsolidated joint ventures	(2,211)	(2,700)	(2,647)	(4,419)	(3,078)	(2,834)	(14,834)	(2,816)
Development and management services revenue	<u>(6,452)</u>	<u>(7,119)</u>	<u>(5,912)</u>	<u>(6,475)</u>	<u>(4,862)</u>	<u>(6,506)</u>	<u>(5,328)</u>	<u>(5,216)</u>
Net Operating Income ("NOI")	393,258	387,972	396,051	389,564	390,400	373,327	384,222	356,293
Subtract:								
Straight-line rent	(19,623)	(21,244)	(15,992)	(19,893)	(18,455)	(12,182)	(25,928)	(9,741)
Fair value lease revenue	(7,450)	(17,542)	(8,838)	(11,516)	(9,648)	(9,609)	(9,962)	(9,598)
Add:								
Straight-line ground rent expense adjustment <sup>1</sup>	(3,983)	1,669	891	1,669	1,106	1,708	1,196	1,747
Lease transaction costs that qualify as rent inducements	<u>1,939</u>	<u>2,600</u>	<u>1,911</u>	<u>1,411</u>	<u>4,285</u>	<u>1,812</u>	<u>4,532</u>	<u>3,183</u>
<b>NOI - cash</b>	364,141	353,455	374,023	361,235	367,688	355,056	354,060	341,884
Subtract:								
Termination income	(7,701)	(1,134)	(9,589)	(8,164)	(6,680)	(986)	(14,924)	(1,110)
NOI - cash from non Same Properties (excluding termination income)	<u>(1,646)</u>	<u>(6,374)</u>	<u>(18,966)</u>	<u>(6,899)</u>	<u>(12,161)</u>	<u>(6,724)</u>	<u>(5,066)</u>	<u>(6,235)</u>
<b>Same Property NOI - cash (excluding termination income)</b>	354,794	345,947	345,468	346,172	348,847	347,346	334,070	334,539
Subtract:								
Partners' share of NOI - cash from consolidated JVs	(61,453)	(58,608)	(49,725)	(29,512)	(48,071)	(30,465)	(49,241)	(30,777)
Add:								
Partners' share of NOI - cash from non Same Properties from consolidated JVs (excluding termination income)	—	1,968	19,625	1,949	17,759	—	17,654	—
BXP's share of NOI - cash from unconsolidated JVs	9,413	11,362	11,145	13,102	11,387	11,012	14,935	10,725
Subtract:								
BXP's share of NOI - cash from non Same Properties from unconsolidated JVs (excluding termination income)	(357)	—	(849)	(44)	31	140	89	—
BXP's share of termination income from unconsolidated JVs	(17)	17	—	(1,790)	(180)	(41)	—	(9)
Add:								
Partners' share of termination income from consolidated JVs	<u>2,113</u>	<u>—</u>	<u>1,829</u>	<u>76</u>	<u>1,441</u>	<u>—</u>	<u>838</u>	<u>—</u>
<b>BXP's Share of Same Property NOI - cash (excluding termination income)</b>	<u>\$ 304,493</u>	<u>\$ 300,686</u>	<u>\$ 327,493</u>	<u>\$ 329,953</u>	<u>\$ 331,214</u>	<u>\$ 327,992</u>	<u>\$ 318,345</u>	<u>\$ 314,478</u>

# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

	For the three months ended		For the three months ended		For the three months ended		For the three months ended	
	31-Dec-14	30-Dec-13	30-Sep-14	30-Sep-13	30-Jun-14	30-Jun-13	31-Mar-14	31-Mar-13
Net income (loss) attributable to Boston Properties, Inc. common shareholders	\$ 174,510	\$ 88,719	\$ 127,724	\$ 152,677	\$ 76,527	\$ 452,417	\$ 54,034	\$ 47,854
Preferred dividends	<u>2,646</u>	<u>2,646</u>	<u>2,647</u>	<u>2,647</u>	<u>2,618</u>	<u>2,618</u>	<u>2,589</u>	<u>146</u>
Net income (loss) attributable to Boston Properties, Inc.	177,156	91,365	130,371	155,324	79,145	455,035	56,623	48,000
Net income attributable to noncontrolling interests:								
Noncontrolling interest in discontinued operations - common units of the Operating Partnership	—	2,713	—	8,970	—	333	—	2,066
Noncontrolling interest - common units of the Operating Partnership	21,172	7,302	14,963	8,339	8,883	50,489	6,160	4,111
Noncontrolling interest - redeemable preferred units of the Operating Partnership	9	2,661	75	1,082	320	1,123	619	1,180
Noncontrolling interest in property partnerships	<u>13,088</u>	<u>2,271</u>	<u>5,566</u>	<u>(3,279)</u>	<u>7,553</u>	<u>(219)</u>	<u>4,354</u>	<u>2,574</u>
Net income	211,425	106,312	150,975	170,436	95,901	506,761	67,756	57,931
Gains on sales of real estate	<u>(126,102)</u>	<u>—</u>	<u>(41,937)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Income before gains on sales of real estate	85,323	106,312	109,038	170,436	95,901	506,761	67,756	57,931
Discontinued operations:								
Impairment loss from discontinued operations	—	—	—	—	—	—	—	3,241
Gain on forgiveness of debt from discontinued operations	—	—	—	—	—	—	—	(20,182)
Gains on sales of real estate from discontinued operations	—	(26,381)	—	(86,448)	—	—	—	—
Income (loss) from discontinued operations	<u>—</u>	<u>(536)</u>	<u>—</u>	<u>(1,677)</u>	<u>—</u>	<u>(3,315)</u>	<u>—</u>	<u>(2,494)</u>
Income from continuing operations	85,323	79,395	109,038	82,311	95,901	503,446	67,756	38,496
Add:								
(Gains) losses from early extinguishment of debt	10,633	—	—	30	—	(152)	—	—
Losses from interest rate contracts	—	—	—	—	—	—	—	—
Interest expense	117,904	121,134	113,308	122,173	110,977	103,140	113,554	100,433
Depreciation and amortization expense	162,430	154,475	157,245	153,253	154,628	133,456	154,270	119,453
Impairment loss	—	—	—	—	—	—	—	8,306
Transaction costs	640	—	1,402	766	661	535	437	443
General and administrative expense	23,172	20,656	22,589	24,841	23,271	24,316	29,905	45,516
Subtract:								
(Gains) losses from investments in securities	(387)	(1,039)	297	(956)	(662)	(181)	(286)	(735)
Interest and other income	(1,924)	(1,664)	(3,421)	(3,879)	(2,109)	(1,296)	(1,311)	(1,471)
Gains on consolidation of joint ventures	—	—	—	1,810	—	(387,801)	—	—
Gains on sale of investment in unconsolidated joint venture	—	—	—	—	—	—	—	—
Income from unconsolidated joint ventures	(2,700)	(2,834)	(4,419)	(14,736)	(2,834)	(48,783)	(2,816)	(8,721)
Development and management services revenue	<u>(7,119)</u>	<u>(7,632)</u>	<u>(6,475)</u>	<u>(5,475)</u>	<u>(6,506)</u>	<u>(7,855)</u>	<u>(5,216)</u>	<u>(8,733)</u>
Net Operating Income ("NOI")	387,972	362,491	389,564	360,138	373,327	318,825	356,293	292,987
Subtract:								
Straight-line rent	(21,244)	(18,067)	(19,893)	(16,771)	(12,182)	(14,859)	(9,741)	(15,726)
Fair value lease revenue	(17,542)	(9,279)	(11,516)	(9,134)	(9,609)	(5,833)	(9,598)	(3,690)
Add:								
Straight-line ground rent expense adjustment <sup>1</sup>	1,669	1,785	1,669	1,785	1,708	1,785	1,747	1,801
Lease transaction costs that qualify as rent inducements	<u>2,600</u>	<u>4,904</u>	<u>1,411</u>	<u>2,429</u>	<u>1,812</u>	<u>2,346</u>	<u>3,183</u>	<u>1,227</u>
<b>NOI - cash</b>	353,455	341,834	361,235	338,447	355,056	302,264	341,884	276,599
Subtract:								
Termination income	(1,134)	(664)	(8,164)	(1,380)	(986)	(287)	(1,110)	(476)
NOI - cash from non Same Properties (excluding termination income)	<u>(1,176)</u>	<u>(4,694)</u>	<u>3,260</u>	<u>(1,079)</u>	<u>(45,901)</u>	<u>(16,753)</u>	<u>(50,141)</u>	<u>(712)</u>
<b>Same Property NOI - cash (excluding termination income)</b>	351,145	336,476	356,331	335,988	308,169	285,224	290,633	275,411
Subtract:								
Partners' share of NOI - cash from consolidated JVs	(58,608)	(28,506)	(29,492)	(20,424)	(30,465)	(9,494)	(30,777)	(4,658)
Add:								
Partners' share of NOI - cash from non Same Properties from consolidated JVs (excluding termination income)	37,303	7,550	8,279	—	25,527	4,978	25,839	—
BXP's share of NOI - cash from unconsolidated JVs	11,340	10,959	13,102	11,010	11,012	28,368	9,391	37,284
Subtract:								
BXP's share of NOI - cash from non Same Properties from unconsolidated JVs (excluding termination income)	38	(7)	(44)	33	121	(18,118)	(778)	(28,364)
BXP's share of termination income from unconsolidated JVs	17	—	(1,790)	—	(41)	(1)	(9)	—
Add:								
Partners' share of termination income from consolidated JVs	<u>—</u>	<u>—</u>	<u>76</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>BXP's Share of Same Property NOI - cash (excluding termination income)</b>	<u>\$ 341,235</u>	<u>\$ 326,472</u>	<u>\$ 346,462</u>	<u>\$ 326,607</u>	<u>\$ 314,323</u>	<u>\$ 290,957</u>	<u>\$ 294,299</u>	<u>\$ 279,673</u>



# RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES AND OTHER FINANCIAL INFORMATION (UNAUDITED)

	For the three months ended		For the three months ended		For the three months ended		For the three months ended	
	31-Dec-13	30-Dec-12	30-Sep-13	30-Sep-12	30-Jun-13	30-Jun-12	31-Mar-13	31-Mar-12
Net income (loss) attributable to Boston Properties, Inc. common shareholders	\$ 88,719	\$ 65,400	\$ 152,677	\$ 57,249	\$ 452,417	\$ 118,559	\$ 47,854	\$ 48,454
Preferred dividends	2,646	—	2,647	—	2,618	—	146	—
Net income (loss) attributable to Boston Properties, Inc.	91,365	65,400	155,324	57,249	455,035	118,559	48,000	48,454
Net income attributable to noncontrolling interests:								
Noncontrolling interest in discontinued operations - common units of the Operating Partnership	2,713	245	8,910	162	88	4,075	1,819	61
Noncontrolling interest - common units of the Operating Partnership	7,302	7,575	8,399	6,779	50,734	10,318	4,358	5,973
Noncontrolling interest - redeemable preferred units of the Operating Partnership	2,661	1,057	1,082	874	1,123	765	1,180	801
Noncontrolling interest in property partnerships	2,271	2,331	(3,279)	458	(219)	457	2,574	546
Net income	106,312	76,608	170,436	65,522	506,761	134,174	57,931	55,835
Gains on sales of real estate	—	—	—	—	—	—	—	—
Income before gains on sales of real estate	106,312	76,608	170,436	65,522	506,761	134,174	57,931	55,835
Discontinued operations:								
Impairment loss from discontinued operations	—	—	—	—	—	—	3,241	—
Gain on forgiveness of debt from discontinued operations	—	—	—	—	—	—	(20,182)	—
Gains on sales of real estate from discontinued operations	(26,381)	—	(86,448)	—	—	(36,877)	—	—
Income (loss) from discontinued operations	(536)	(2,357)	(1,078)	(1,550)	(873)	(218)	(61)	(570)
Income from continuing operations	79,395	74,251	82,910	63,972	505,888	97,079	40,929	55,265
Add:								
(Gains) losses from early extinguishment of debt	—	—	30	5,494	(152)	(274)	—	(767)
Losses from interest rate contracts	—	—	—	—	—	—	—	—
Interest expense	121,134	102,802	122,173	105,030	103,140	99,901	100,433	103,237
Depreciation and amortization expense	154,475	118,752	154,193	110,653	134,604	111,168	120,595	108,462
Impairment loss	—	—	—	—	—	—	8,306	—
Transaction costs	—	401	766	1,140	535	8	443	2,104
General and administrative expense	20,656	17,921	24,841	21,617	22,194	19,066	43,571	27,619
Subtract:								
(Gains) losses from investments in securities	(1,039)	(187)	(956)	(587)	(181)	186	(735)	(801)
Interest and other income	(1,664)	(2,062)	(3,879)	(4,001)	(1,296)	(2,382)	(1,471)	(1,646)
Gains on consolidation of joint ventures	—	—	1,810	—	(387,801)	—	—	—
Gains on sale of investment in unconsolidated joint venture	—	—	—	—	—	—	—	—
Income from unconsolidated joint ventures	(2,834)	(6,949)	(14,736)	(9,217)	(48,783)	(21,191)	(8,721)	(11,721)
Development and management services revenue	(7,632)	(8,340)	(5,479)	(8,024)	(7,857)	(9,564)	(8,736)	(8,145)
Net Operating Income ("NOI")	362,491	296,589	361,673	286,077	320,291	293,997	294,614	273,607
Subtract:								
Straight-line rent	(18,025)	(18,216)	(16,742)	(20,026)	(15,112)	(19,775)	(15,864)	(19,270)
Fair value lease revenue	(9,279)	(3,711)	(9,134)	(3,919)	(5,833)	(3,759)	(3,760)	(2,937)
Add:								
Straight-line ground rent expense adjustment <sup>1</sup>	1,785	1,838	1,785	1,838	1,785	1,838	1,801	5,032
Lease transaction costs that qualify as rent inducements	4,895	890	2,429	1,247	2,346	(372)	1,237	508
<b>NOI - cash</b>	<b>341,867</b>	<b>277,390</b>	<b>340,011</b>	<b>265,217</b>	<b>303,477</b>	<b>271,929</b>	<b>278,028</b>	<b>256,940</b>
Subtract:								
Termination income	(664)	(2,094)	(1,380)	(1,205)	(287)	(4,086)	(476)	(3,056)
NOI - cash from non Same Properties (excluding termination income)	(53,445)	(6,121)	(52,742)	(981)	(25,023)	(3,770)	(16,295)	(3,496)
<b>Same Property NOI - cash (excluding termination income)</b>	<b>287,758</b>	<b>269,175</b>	<b>285,889</b>	<b>263,031</b>	<b>278,167</b>	<b>264,073</b>	<b>261,257</b>	<b>250,388</b>
Subtract:								
Partners' share of NOI - cash from consolidated JVs	(28,506)	(4,280)	(20,424)	(1,730)	(9,494)	(1,792)	(4,658)	(1,859)
Add:								
Partners' share of NOI - cash from non Same Properties from consolidated JVs (excluding termination income)	23,786	—	18,473	—	7,631	—	2,771	—
BXP's share of NOI - cash from unconsolidated JVs	9,647	36,533	9,975	37,663	26,959	49,400	35,863	37,370
Subtract:								
BXP's share of NOI - cash from non Same Properties from unconsolidated JVs (excluding termination income)	(656)	(27,152)	(623)	(27,389)	(18,041)	(27,219)	(84)	—
BXP's share of termination income from unconsolidated JVs	—	(300)	(260)	(574)	(1)	(12,172)	—	(331)
Add:								
Partners' share of termination income from consolidated JVs	—	—	—	—	—	—	—	—
<b>BXP's Share of Same Property NOI - cash (excluding termination income)</b>	<b>\$ 292,029</b>	<b>\$ 273,976</b>	<b>\$ 293,030</b>	<b>\$ 271,002</b>	<b>\$ 285,221</b>	<b>\$ 272,290</b>	<b>\$ 295,149</b>	<b>\$ 285,568</b>

<sup>1</sup> In light of the front-ended, uneven rental payments required by the Company's 99-year ground and air rights lease for the 100 Clarendon Street garage and Back Bay Transit Station in Boston, MA, and to make period-to-period comparisons more meaningful to investors, the adjustment does not include the straight-line impact of approximately \$(31) and \$27 for the three months ended December 31, 2017 and 2016, respectively; \$(375) and \$60 for the three months ended September 30, 2017 and 2016, respectively; approximately \$(531) and \$(36) for the three months ended June 30, 2017 and 2016, respectively and approximately \$(302) and \$5 for the three months ended March 31, 2017 and 2016, respectively. As of December 31, 2017, the Company had remaining lease payment obligations aggregating approximately \$26.4 million, all of which it expects to incur by the end of 2021 with no payments thereafter. Under GAAP, the Company is recognizing expense of \$(87) per quarter on a straight-line basis over the term of the lease. However, unlike more traditional ground and air rights leases, the timing and amounts of the rental payments by the Company correlate to the uneven timing and funding by the Company of capital expenditures related to improvements at Back Bay Transit Station. As a result, the amounts excluded from the adjustment each quarter through 2021 may vary significantly.