

BXP Quarterly Investor Overview

Q3 2019





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.

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](#).

Projections

This presentation includes projections for full year 2019 and full year 2020 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 October 29, 2019. The Company has not updated or reaffirmed any of these projections since that date and is not doing so now by including them in this presentation.

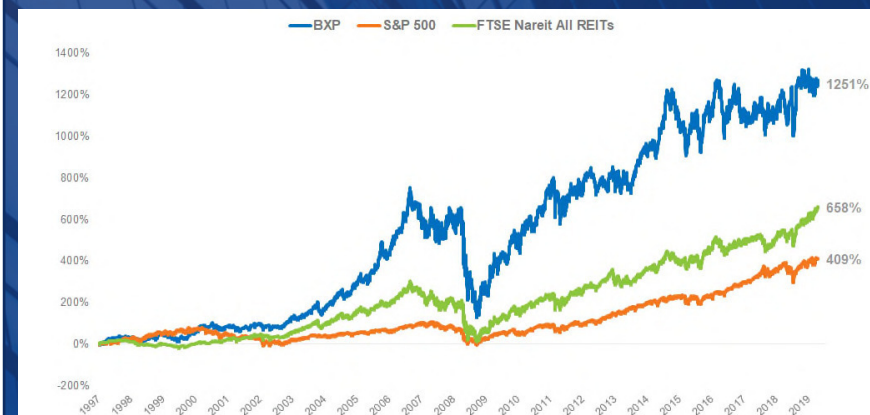
Except as otherwise expressly indicated, all data is as of September 30, 2019.

BXP Investment Thesis

- **Favorable market demand:** “War for Talent” tailwind
 - Attracting and retaining talent is a top “C-level” priority in BXP markets with tight labor conditions
- **Market leadership position:** Reputation for best “place and space”
 - BXP develops and owns marquee, high-quality, modern assets that major employers demand
- **Competitive advantage:** Developer and landlord of choice
 - Track record, expertise, relationships and capital required to develop and own innovative and sustainable properties in supply constrained markets
- **Resilient business model:** Scale & geographic and sector diversity
 - BXP has a balanced portfolio of west coast and east coast properties and long-term leases with tenants in diverse sectors
- **Durable growth:** Multi-pronged, assured growth strategy
 - Strong occupancy trends and rent growth appreciation
 - BXP has a \$3.6B pipeline of primarily pre-leased new developments
 - Track record of dividend growth

Highest-Quality, Multi-Market Office Development REIT

BXP's Total Shareholder Return Since IPO of 1,251%



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 2019 is through September 30, 2019. Source: Thomson Reuters

BXP Quick Facts

The largest publicly-traded developer, owner and manager of Class A office properties in the U.S.

196 Properties¹

51.9M

Square Feet Owned¹

\$2.8 Billion

BXP's Share of Annualized Revenue²

\$22.6B

Equity Market Cap

S&P 500

Company

\$34.4B

Consolidated Market Cap

Investment Grade

A- (S&P)
BBB+ (Fitch)
Baa1 (Moody's)

92.6%

Leased
(In-Service Properties)^{1,4}

6.3M

Square Feet Currently under Development/Redevelopment¹

\$768M

Annualized Funds Available for Distribution²

1,251%
Total Return

Since 1997 IPO

- 3.0x S&P 500
- 1.9x REIT Index³

8.0 Years

Weighted-Average Lease Term^{4, 5}

\$1.7B

BXP's Share of Annualized EBITDA²

2.9%

Annualized Dividend Yield



1. Includes 100% of consolidated and unconsolidated properties.

2. See Appendix.

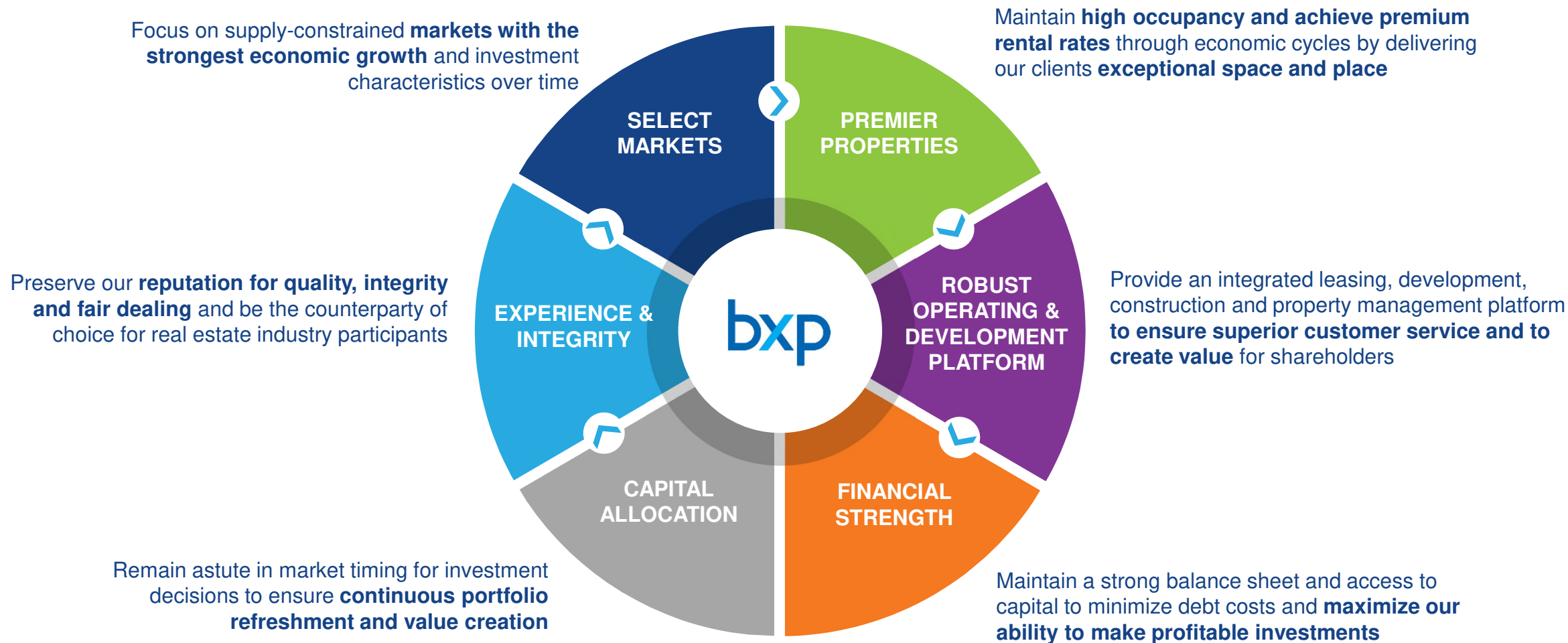
3. FTSE Nareit All REITs Index.

4. Excludes residential and hotel properties.

5. Calculation is based on BXP's Share of annualized revenue. See Appendix.

BXP Strategy

Develop Premier Properties in Robust Markets with Sustained Growth



BXP – A Leader in Sustainability

Recognition & Certification



- Over 21 million square feet of actively managed green buildings certified at the highest Gold and Platinum Levels
- All new office development projects required to pursue LEED Silver certification or better



- 68 ENERGY STAR certified properties in 2018
- Average score of eligible buildings was 79.8
- 2019 ENERGY STAR Partner of the Year



- Selected as a Green Lease Leader by the Better Buildings Alliance for 2015, 2016, 2017, 2018 and 2019



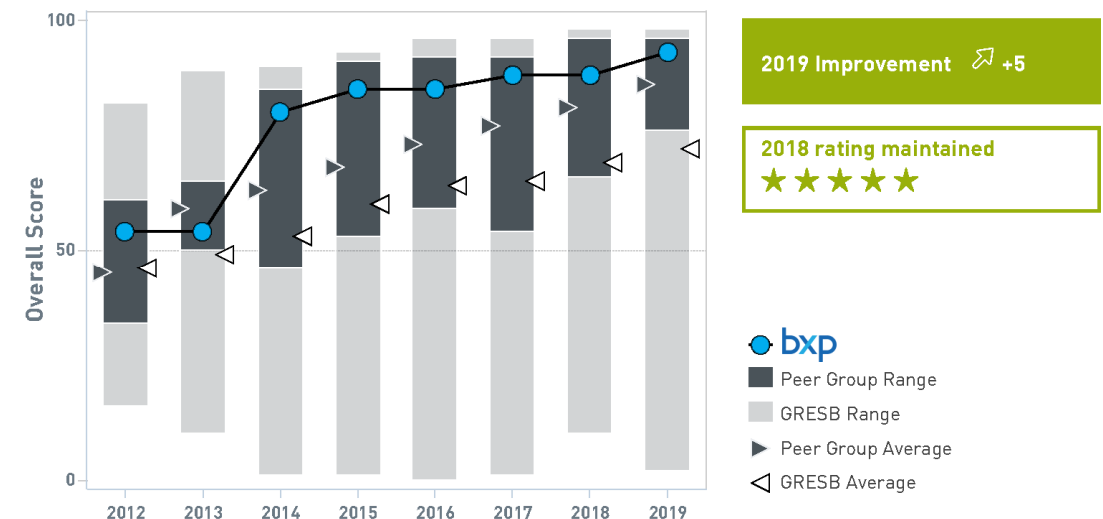
- Nareit Leader in the Light Award winner in 2014, 2015, 2017 and 2018



- Over 9.3 million square feet Fitwel Certified
- “Fitwel Champions”



- Ranked among the top 4% of all participants (ranked 33rd out of 964 global companies in 2019)
- Achieved highest “Green Star” rating for eight consecutive years and highest GRESB 5-Star Rating



BXP Advantage

Developing in our Core Markets to Ensure Quality, Agility & Growth

Quality:

The Largest Publicly-Traded Class A Office Development REIT Focused on Five High-Growth U.S. Markets

- Unique ability to develop and invest in the country's most innovative, iconic and complex properties that attract desirable long-term tenants

Agility:

Smart Deployment of Capital

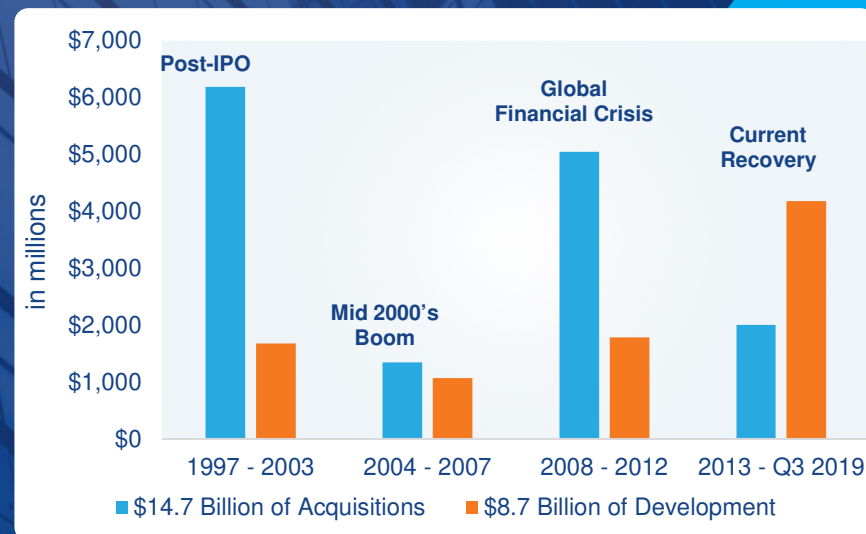
- A broad portfolio across sectors and geographies to capture growth and minimize risk
- A rich history of developing, acquiring and divesting of assets to maximize shareholder value in all economic cycles

Durable Growth:

Growth Upside, Downside Protection

- Growth: Large, pre-leased development pipeline coming online through 2023
- Durable cash flows: Strong tenant retention and 8-year weighted-average lease term¹

Highest-Quality, Multi-Market Office Development REIT



BXP In Detail

- Diverse tenant base across sectors and geographies
- Strong pipeline of developments
- Modest leverage with substantial liquidity

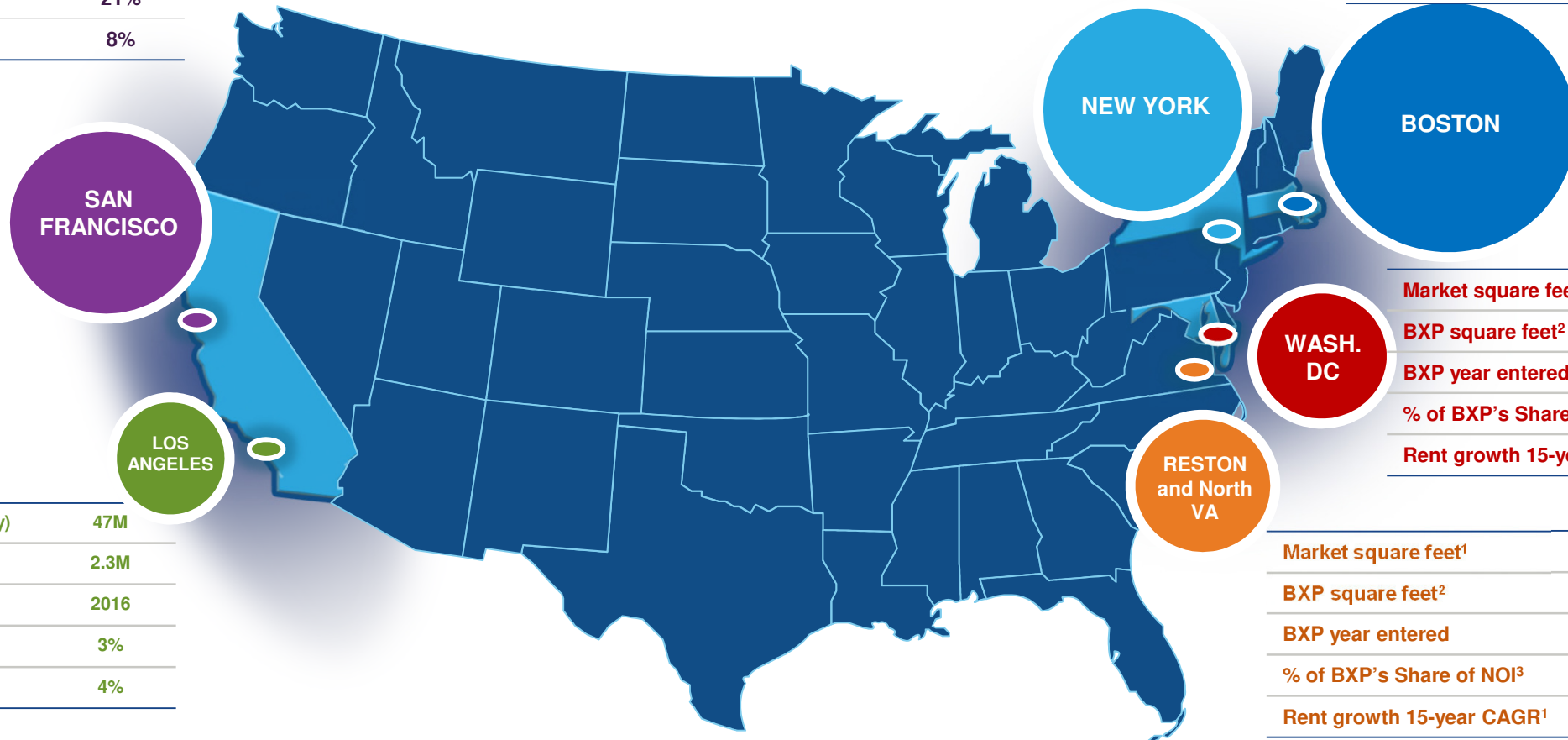
BXP Markets:

Focus on Growing Gateway Regions

Market square feet ¹	100M
BXP square feet ²	7.5M
BXP year entered	1998
% of BXP's Share of NOI ³	21%
Rent growth 15-year CAGR ¹	8%

Market square feet ¹ (midtown)	374M
BXP square feet ²	10.8M
BXP year entered	1986
% of BXP's Share of NOI ³	27%
Rent growth 15-year CAGR ¹	3%

Market square feet ¹	121M
BXP square feet ²	14.4M
BXP year entered	1970
% of BXP's Share NOI ³	33%
Rent growth 15-year CAGR ¹	5%



1. Represents market square footage and market rent growth as defined and projected by Econometrics Advisors, ("CBRE EA"). Boston region includes the Total Boston Metro market as defined by CBRE EA; Los Angeles represents the West LA market as defined by CBRE EA and includes all submarkets indicated on slide 34; New York region represents New York Midtown and includes Total NYC Metro markets plus Trenton Submarket (Princeton), each as defined by CBRE EA; San Francisco includes Total San Francisco and San Jose Metro markets, each as defined by CBRE EA; Washington, DC includes all Washington, DC CBD submarkets as defined by CBRE EA and BXP active submarkets in Maryland (Bethesda/Chevy Chase and Rockville); and Reston and North Virginia submarket as defined by CBRE EA and represents BXP active submarkets only (Reston, Herndon, Springfield).

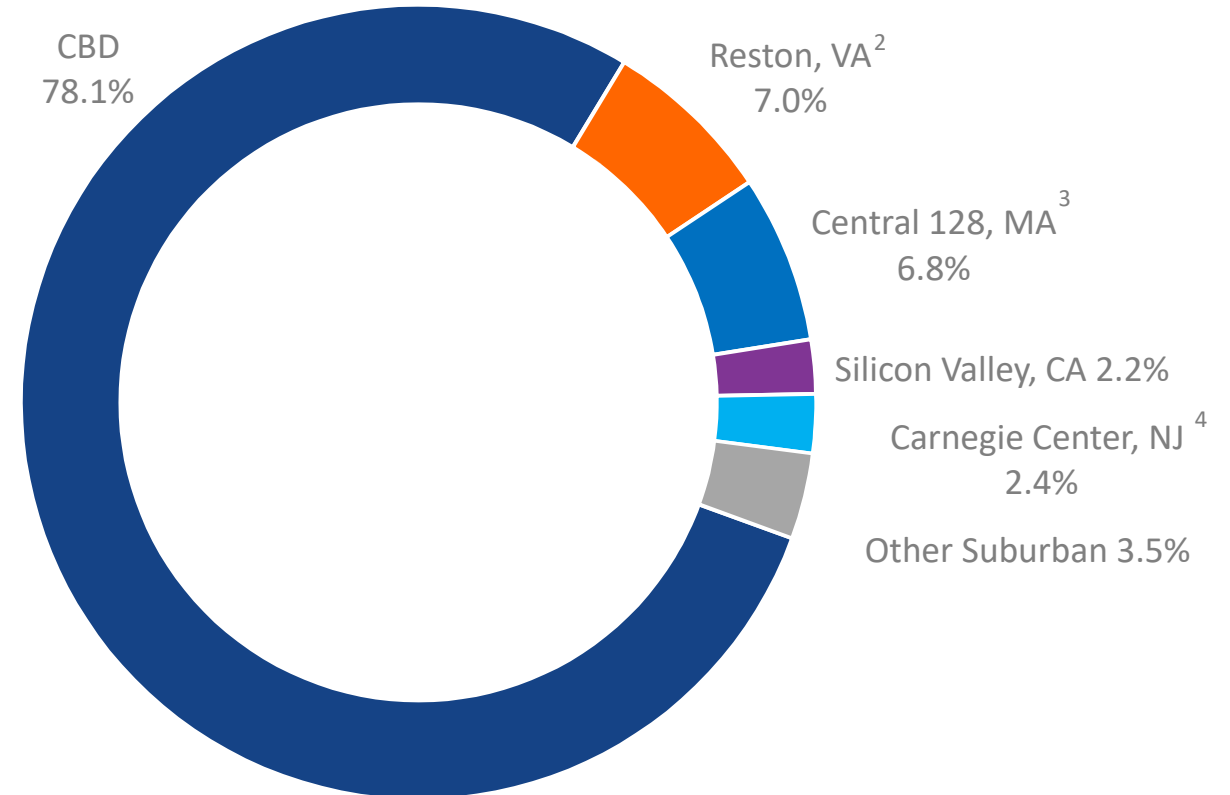
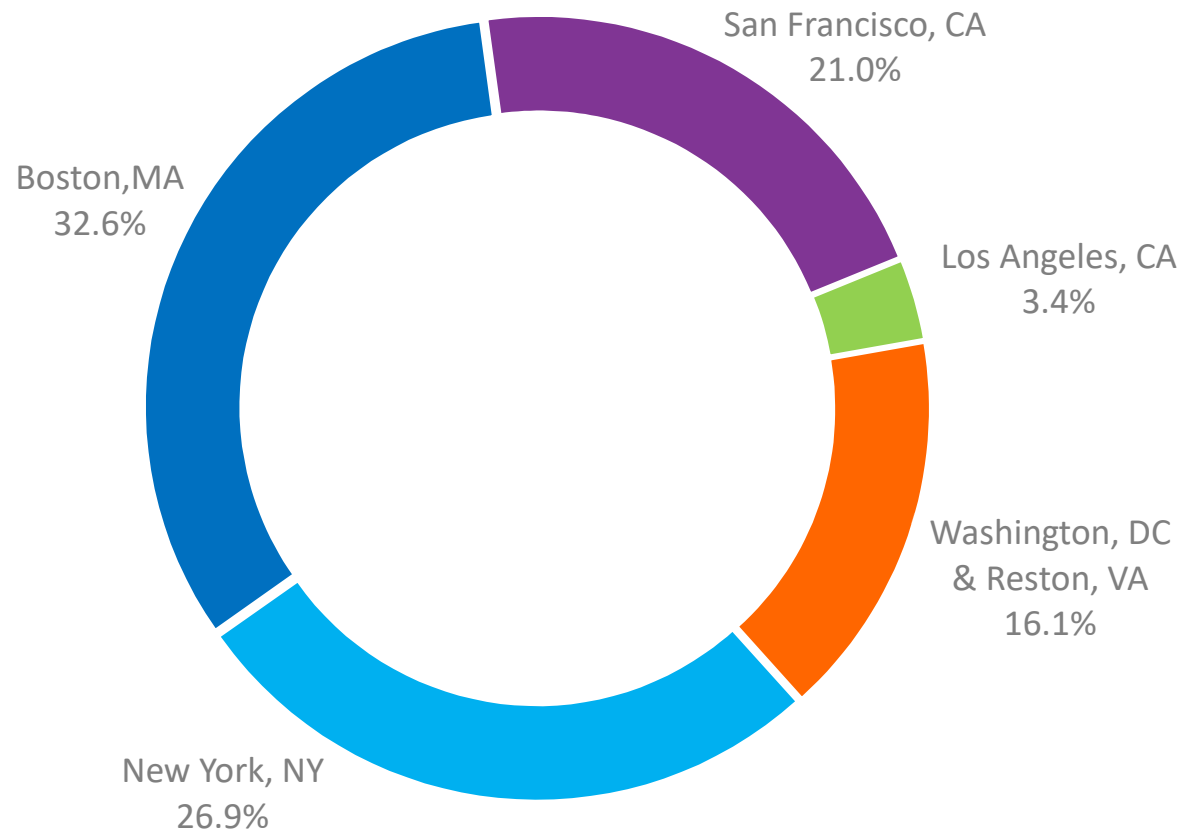
2. Includes 100% of consolidated and unconsolidated joint venture properties.

3. Excludes termination income. See Appendix.

BXP Markets:

Diversified Across U.S. Markets

BXP's Share of NOI¹



1. Excluding termination income. See Appendix.

2. Includes properties located in Northern Virginia.

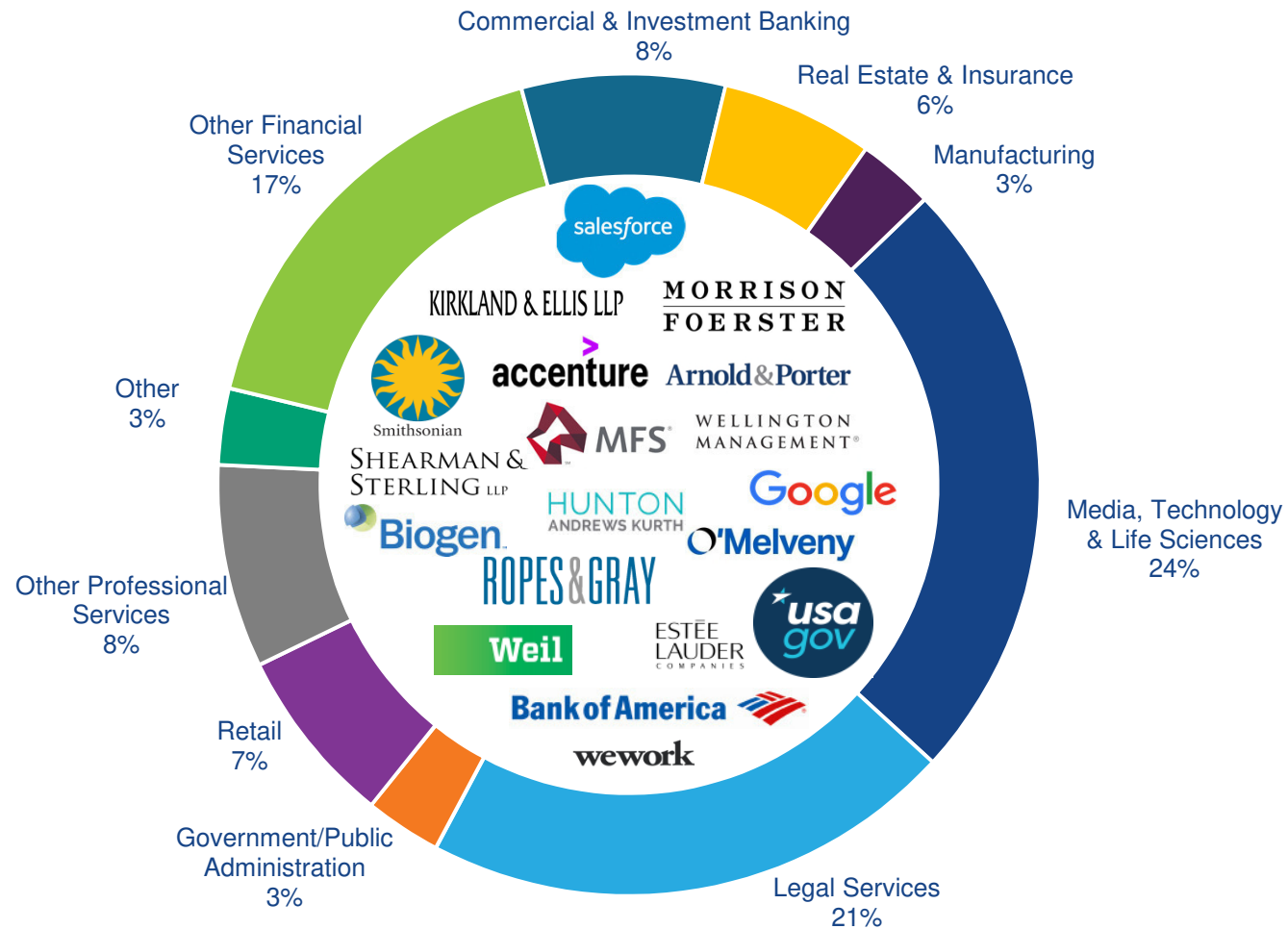
3. Includes properties in Waltham, Lexington and Needham, MA.

4. Carnegie Center is located in Princeton, NJ.

BXP Tenant Base:

Broad Portfolio Balanced Across Established and Growth Sectors

Industry Diversification¹



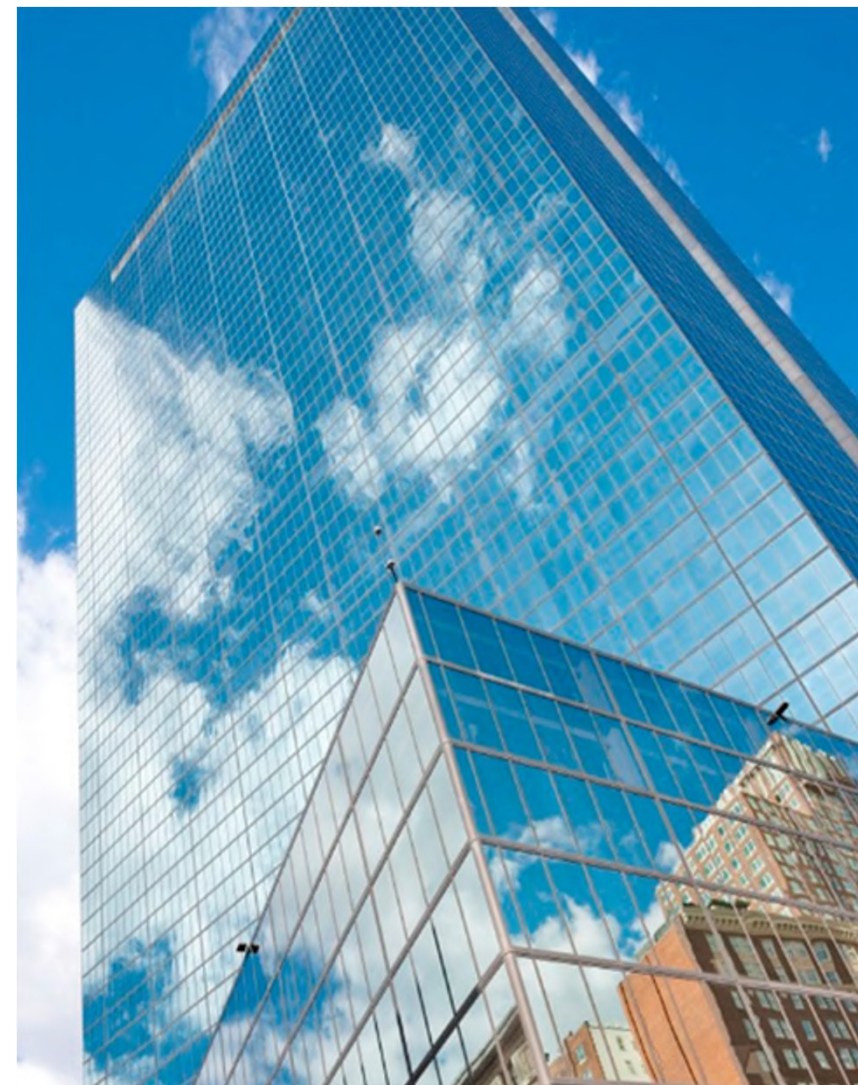
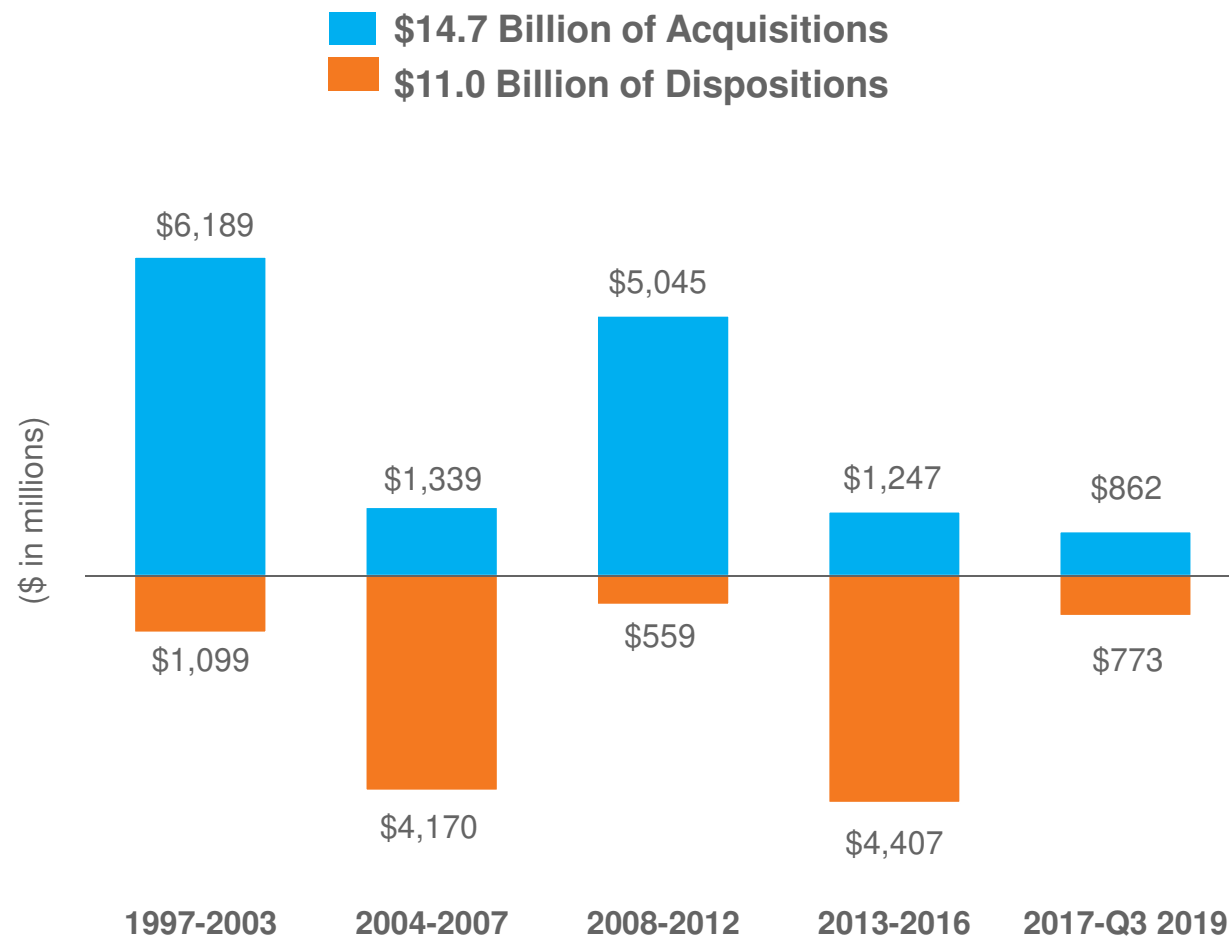
Top 20 Tenants	% of BXP's Share of Annualized Rental Obligations ²
salesforce.com	3.43%
Arnold & Porter Kaye Scholer	2.75%
US Government	1.87%
Biogen	1.81%
Shearman & Sterling	1.59%
Kirkland & Ellis	1.51%
Ropes & Gray	1.44%
Google	1.41%
Weil Gotshal & Manges	1.28%
O'Melveny & Myers	1.16%
Wellington Management	1.12%
WeWork	1.09%
Bank of America	0.99%
Aramis (Estee Lauder)	0.92%
Mass Financial Services	0.92%
Morrison & Foerster	0.86%
Hunton Andrews Kurth	0.80%
Starr Indemnity & Liability Co	0.77%
Accenture	0.76%
Smithsonian Institution	0.75%
Total	27.23%
BXP's Share of Square Feet²	23.12%

1. Represents industry diversification percentages based on BXP's Share of Annualized Rental Obligations.

2. See Appendix.

BXP Acquisition/Disposition History

Consistently Recycling Capital



200 Clarendon Street

Preeminent Developer with Robust Pipeline

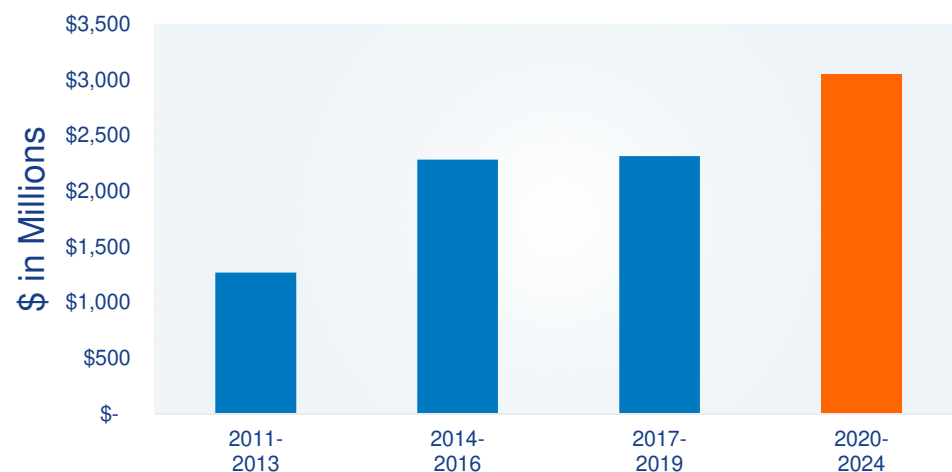
\$2.6B of Recent Deliveries Generating Strong Returns (2014-Q3 2019)

- \$2.6 billion of investment 2014 through Q3 2019
- 4.3 million¹ square feet
- 7.2% BXP's Share of Annualized NOI—cash return²

\$3.6B of Active Developments⁴:

- 6.3 million¹ square feet—78% pre-leased⁵
- 7.0% projected weighted-average stabilized unleveraged cash return

Development Deliveries³



The Hub on Causeway

1. Includes 100% of consolidated and unconsolidated properties. See Appendix.

2. See Appendix

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

4. Represents BXP's Share of estimated total cost, including income (loss) and interest carry during development. For additional information, refer to the "Active Development Pipeline" page of this presentation.

5. Represents percentage pre-leased as of November 1, 2019; includes leases with future commencement dates, but excludes residential units.

Development Projects Placed In-Service in 2018: 2.3M Square Feet



191 Spring Street

- 171,000 square feet
- 100% leased
- Initial occupancy in Q4 2017
- Major repositioning of five-story, 171,000 square foot building along Route 128 Corridor, originally built in 1971



Salesforce Tower

- 1.4 million square feet, 61 stories
- 100% leased
- Initial occupancy in Q4 2017
- USGBC LEED® Platinum
- Adjacent to the Transbay Transit Center
- Tallest office structure in San Francisco



Signature at Reston

- 490,000 square feet of residential space
- 508 residential units
- 24,500 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 of residential space
- 280 residential units
- 14,500 square feet of retail space
- Initial occupancy in Q2 2018
- Located in the heart of Kendall Center

\$3.6 Billion Active Development Pipeline¹

Project Name	Location	Square Feet	BXP's Ownership Percentage	Estimated Total Cost (BXP's Share) ¹	Estimated Cost PSF ¹	Percent Leased ²	Actual/Est. Initial Occupancy
OFFICE							
The Hub on Causeway - Podium	Boston, MA	375,000	50%	\$141,870,000	\$757	91%	Q2 2019
20 City Point	Waltham, MA	211,000	100%	\$97,000,000	\$460	63%	Q3 2019
145 Broadway	Cambridge, MA	485,000	100%	\$366,400,000	\$755	98%	Q4 2019
Dock 72	Brooklyn, NY	670,000	50%	\$243,150,000	\$726	33%	Q4 2019
17Fifty President Street	Reston, VA	276,000	100%	\$142,900,000	\$518	100%	Q2 2020
100 Causeway Street	Boston, MA	632,000	50%	\$267,300,000	\$846	87%	Q2 2021
325 Main Street	Cambridge, MA	420,000	100%	\$418,400,000	\$996	90%	Q3 2022
7750 Wisconsin Avenue - Marriott HQ	Bethesda, MD	734,000	50%	\$198,900,000	\$542	100%	Q3 2022
2100 Pennsylvania Avenue	Washington, DC	469,000	100%	\$356,100,000	\$759	61%	Q3 2022
Reston Gateway	Reston, VA	1,062,000	100%	\$715,300,000	\$674	80%	Q4 2022
Total Office Properties under Construction		5,334,000		\$2,947,320,000	\$714	80%	
RESIDENTIAL							
The Hub on Causeway - Residential (440 units)	Boston, MA	320,000	50%	\$153,500,000	\$959	24%	Q4 2019
The Skylyne (MacArthur Station Residences) (402 units)	Oakland, CA	324,000	100%	\$263,600,000	\$814	N/A	Q2 2020
Total Residential Properties Under Construction and Redevelopment		644,000		\$417,100,000	\$862	24%	
OFFICE REDEVELOPMENT							
One Five Nine East 53rd Street	New York, NY	220,000	55%	\$150,000,000	\$1,240	96%	Q1 2020
200 West Street	Waltham, MA	126,000	100%	\$47,800,000	\$379	0%	Q1 2021
Total Properties under Redevelopment		346,000		\$197,800,000	\$801	61%	
Total Office and Residential Properties Under Construction and Redevelopment		6,324,000		\$3,562,220,000	\$752	78%	

1. Represents BXP's Share of estimated total cost, including income (loss) and interest carry on debt and equity investment during development. See Appendix.

2. Data as of November 1, 2019. Totals exclude residential units.

15.0 Million Square Feet¹ in Future Development Pipeline

Drives Long-Term Growth Opportunity



Back Bay Station

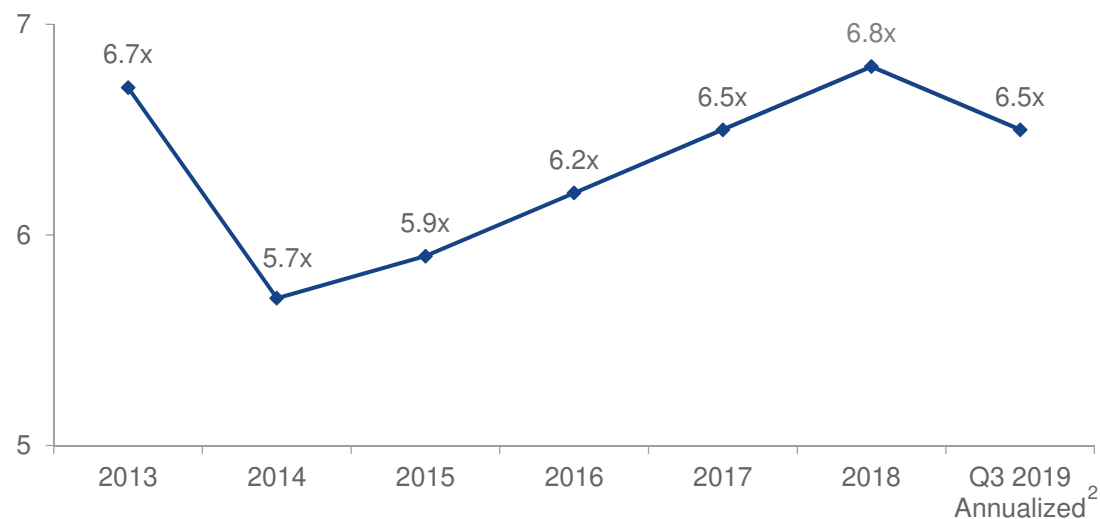


The Station on North First

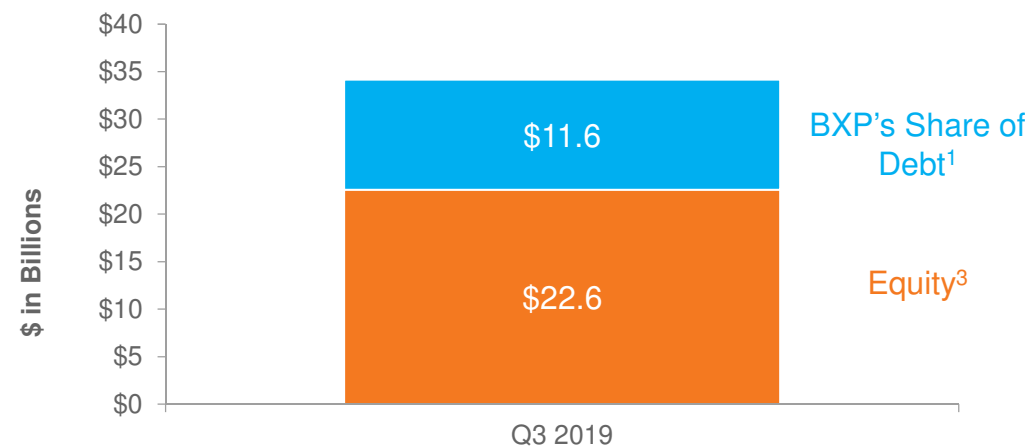
Project Name	Location	Estimated Square Feet ¹
Reston Gateway (Phase II)	Reston, VA	3,100,000
3 Hudson Boulevard (25% ownership)	New York, NY	2,000,000
CityPoint	Waltham, MA	1,700,000
The Station on North First	San Jose, CA	1,550,000
Back Bay Station	Boston, MA	1,300,000
Platform 16 (55% ownership)	San Jose, CA	1,100,000
Brooklyn Navy Yard - Phase II (50% ownership)	Brooklyn, NY	600,000
343 Madison (MTA)	New York, NY	850,000
Plaza at Almaden	San Jose, CA	840,000
Fourth and Harrison	San Francisco, CA	820,000
Peterson Way	Santa Clara, CA	630,000
1001 6 th Street, NW (50% ownership)	Washington, DC	520,000
Future Development Pipeline		15,010,000

Conservative Leverage Provides Balance Sheet Capacity

BXP's Share of Net Debt to BXP's Share of EBITDAre¹



BXP's Share of Market Capitalization¹



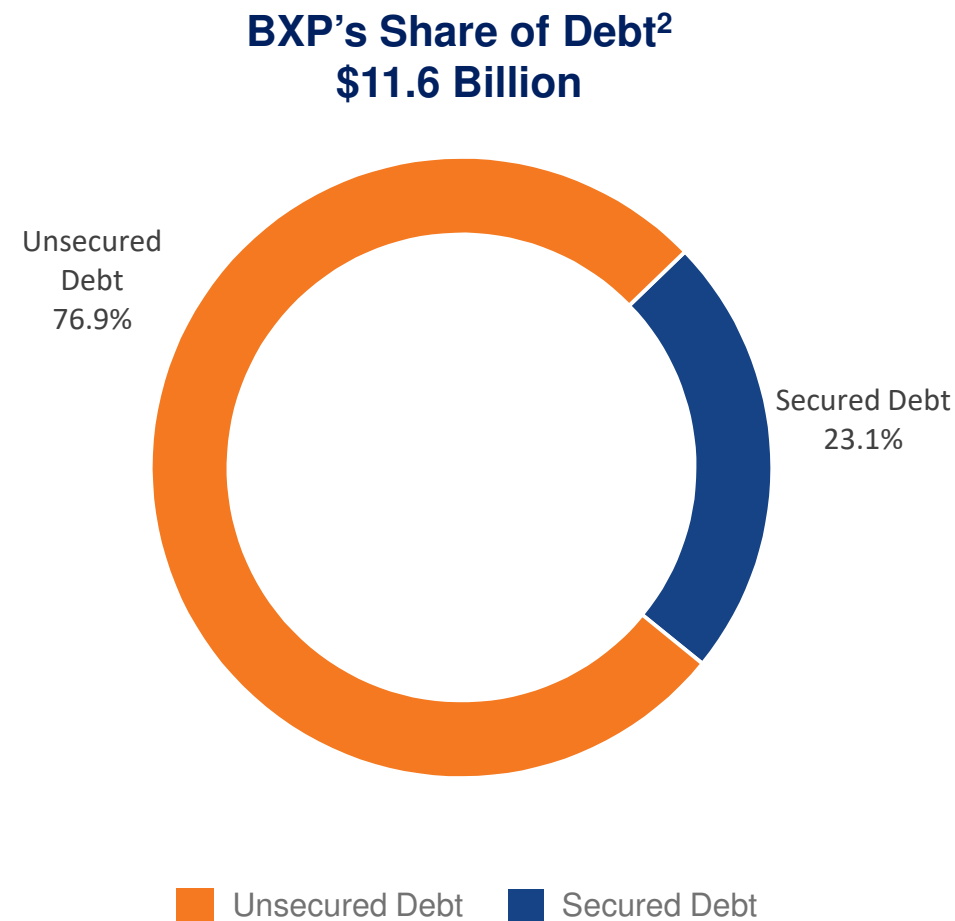
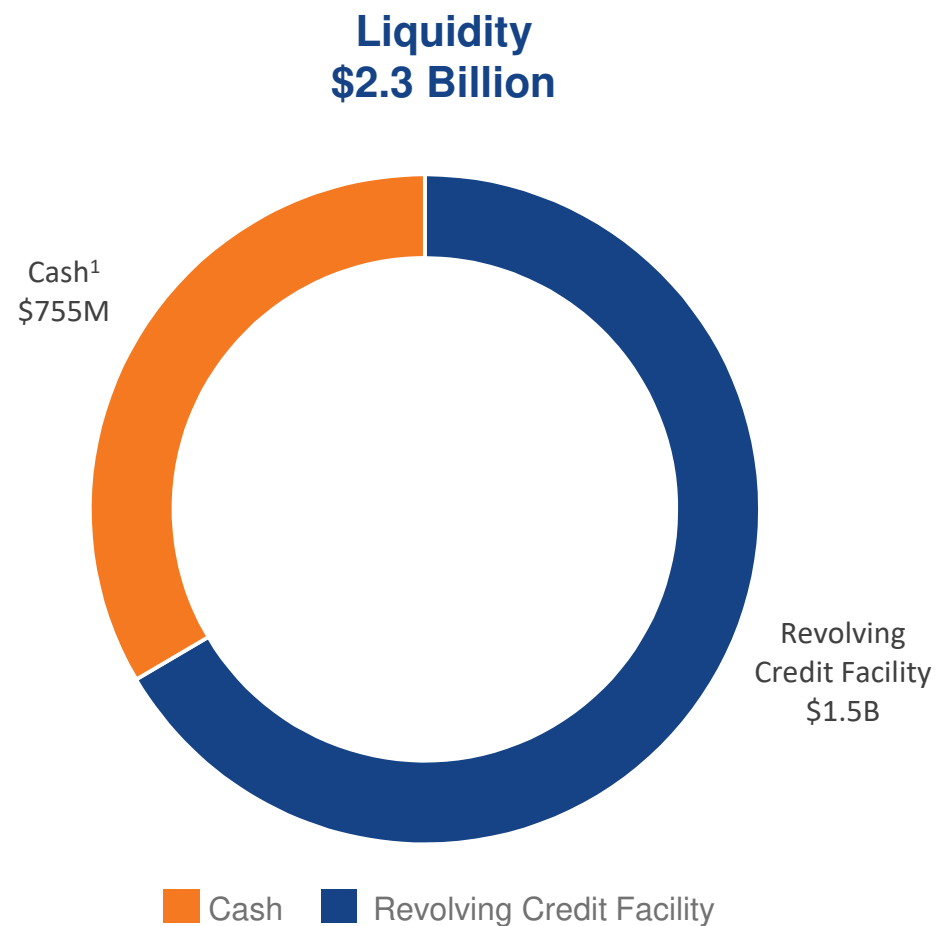
	2014	2015	2016	2017	2018	Q3 2019
BXP's Share of Debt to BXP's Share of Market Capitalization ¹	29.1%	27.5%	29.2%	30.0%	35.3%	33.9%
Fixed Charge Coverage Ratio ¹	2.5x	2.7x	2.8x	3.0x	2.9x	2.7x
FAD Payout Ratio ¹	64.8%	77.1%	71.4%	74.8%	80.4%	85.5%

1. See Appendix.

2. For purposes of this ratio, BXP's Share of Annualized EBITDAre equals the product of BXP's Share of EBITDAre for Q3 2019 multiplied by four (4).

3. Consists of Common Stock, Operating Partnership Units and \$200M of Preferred Stock.

Substantial Liquidity and Access to Debt Markets



1. Cash and cash equivalents as of September 30, 2019, plus cash held in escrow for possible use in Section 1031 exchange transaction(s).

2. See Appendix.

NAV Analysis^{1,2}

	(\$ in M)
BCP's Share of Market Capitalization ¹	\$34,139
Net Non-Real Estate Assets and Liabilities	1,681
Management Company Value	(330)
Land Held for Future Development	(247)
Estimated Present Value of Current Developments ²	<u>(6,744)</u>
Implied In-Service Portfolio Value (A)	<u>\$28,499</u>
BCP's Share of Annualized NOI (excluding termination income) ¹	\$1,725
Non-Cash Components	(86)
Other Adjustments	<u>(167)</u>
Adjusted BCP's Share of Annualized NOI—cash (excluding termination income) ¹ (B)	<u>\$1,472</u>
Implied Cap Rate (B÷A)	5.17%

- \$129.66 common stock price per share as of September 30, 2019
- Implied value PSF of in-service portfolio \$668¹

Cap Rate Sensitivity	Implied Stock Price	Implied Premium Discount
4.00%	\$178.92	(27.5)%
4.50%	\$155.23	(16.5)%
5.00%	\$136.27	(4.9)%
5.50%	\$120.77	7.4%

1. See Appendix.

2. Estimated present value assumes a weighted-average stabilized BCP's Share of NOI—cash (excluding termination income) yield of 7.0% on BCP'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 an annual rate of 4.5% for the period through stabilization to determine present value.

BXP Investment Summary:

Opportunities for Increased Shareholder Return

BXP Growth Summary¹

External growth, organic growth, dividend yield

4.3%

Projected 5-year CAGR from developments²

Strong external growth from pre-leased development pipeline

3.4%

Average 5-year growth in BXP's Share of Same Property NOI-Cash through 2020³

Consistent organic same property NOI growth

3.2%

5-year historical average yield

46% dividend increase over the past three years

1. There can be no assurance that the Company will be successful in achieving its projected growth. See Appendix for discussion of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements.

2. For purposes of this slide, "Development Projects" include the active development pipeline plus 2019 development deliveries and stabilizations. For additional detail please refer to the slide "Active Development Pipeline." CAGR is based on (x) the difference of Q3 2019 BXP's Share of EBITDAre—cash of \$405.3 million multiplied by four (4), less BXP's Share of Annualized NOI from Development Projects of \$123.6 million, plus (y) the cumulative projected BXP's Share of NOI upon stabilization from development deliveries through the end of Q4 2023. See Appendix.

3. Represents the five-year quarterly average of BXP's Share of Same Property NOI – Cash (excluding termination income) based on actual quarterly growth in 2016, 2017 and 2018 and the midpoint of the assumption ranges for 2019 and 2020 Growth in BXP's Share of Same Property NOI – Cash (excluding termination income.) See Appendix.

Projected Returns from Developments Enhance Growth¹

Average 7% Unleveraged Cash Return

(\$ in M)	2019	2020	2021	2022	2023	Total
BXP's Share of Total Budgeted Costs of Development Projects ² (A)	\$1,750	\$528	\$805	\$885	\$1,071	\$5,039
Estimated BXP's Share of Cash NOI upon Stabilization ³	\$129	\$39	\$59	\$65	\$79	\$371
Estimated Value upon Completion (4.5% Cap Rate) ⁴ (B)						\$7,601
Projected Value Creation (B - A)						\$2,562
Projected Value Creation/Cost						50.84%
Projected Value Creation/Share						\$14.84
5-Year Compounded Annual Growth Rate (CAGR) ⁵						4.3%

1. 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.

2. For purposes of this slide, "Development Projects" include the active development pipeline plus 2019 development deliveries and stabilizations. For additional detail please refer to the slide "Active Development Pipeline."

3. Includes \$1 per foot management fee deduction.

4. Calculations assume a projected weighted-average stabilized BXP's Share of NOI—cash yield of 7.0% on BXP's Share of total budgeted costs, which is then valued at a 4.5% cap rate.

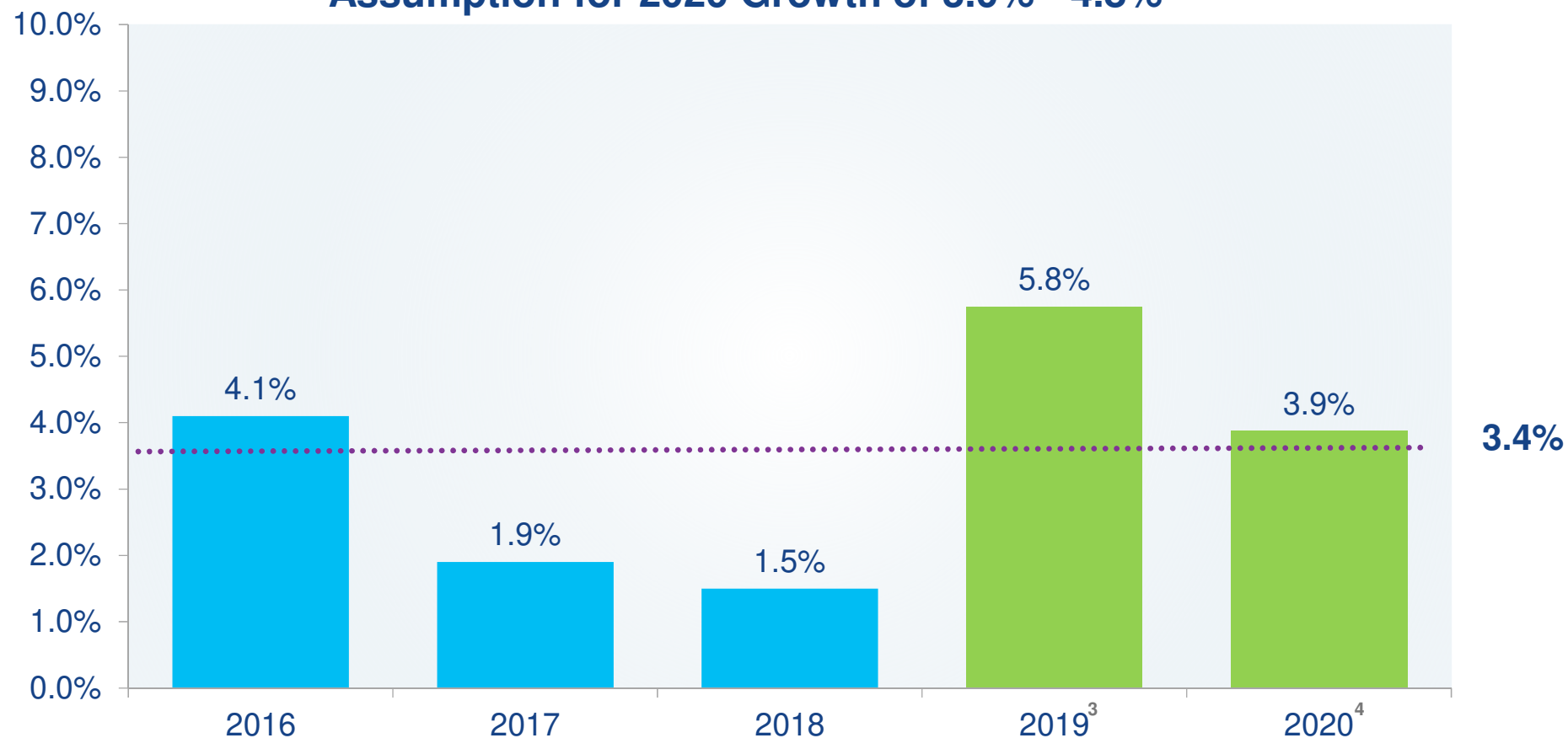
5. CAGR is based on (x) the difference of Q3 2019 BXP's Share of EBITDA—cash of \$405.3 million multiplied by four (4), less BXP's Share of Annualized NOI from Development Projects of \$123.9 million, plus (y) the cumulative projected BXP's Share of NOI upon stabilization from development deliveries through the end of Q4 2023. See Appendix.

Growth in BXP's Share of Same Property NOI – Cash¹

5-Year Quarterly Average through 2020² = 3.4%

Assumption for 2019 Growth of 5.0% - 6.5%¹

Assumption for 2020 Growth of 3.0% - 4.8%¹



1. See Appendix.

2. Represents the five-year quarterly average of BXP's Share of Same Property NOI – Cash (excluding termination income) based on actual quarterly growth in 2016, 2017 and 2018 and the midpoint of the assumption ranges for 2019 and 2020 Growth in BXP's Share of Same Property NOI – Cash (excluding termination income.) See Appendix.

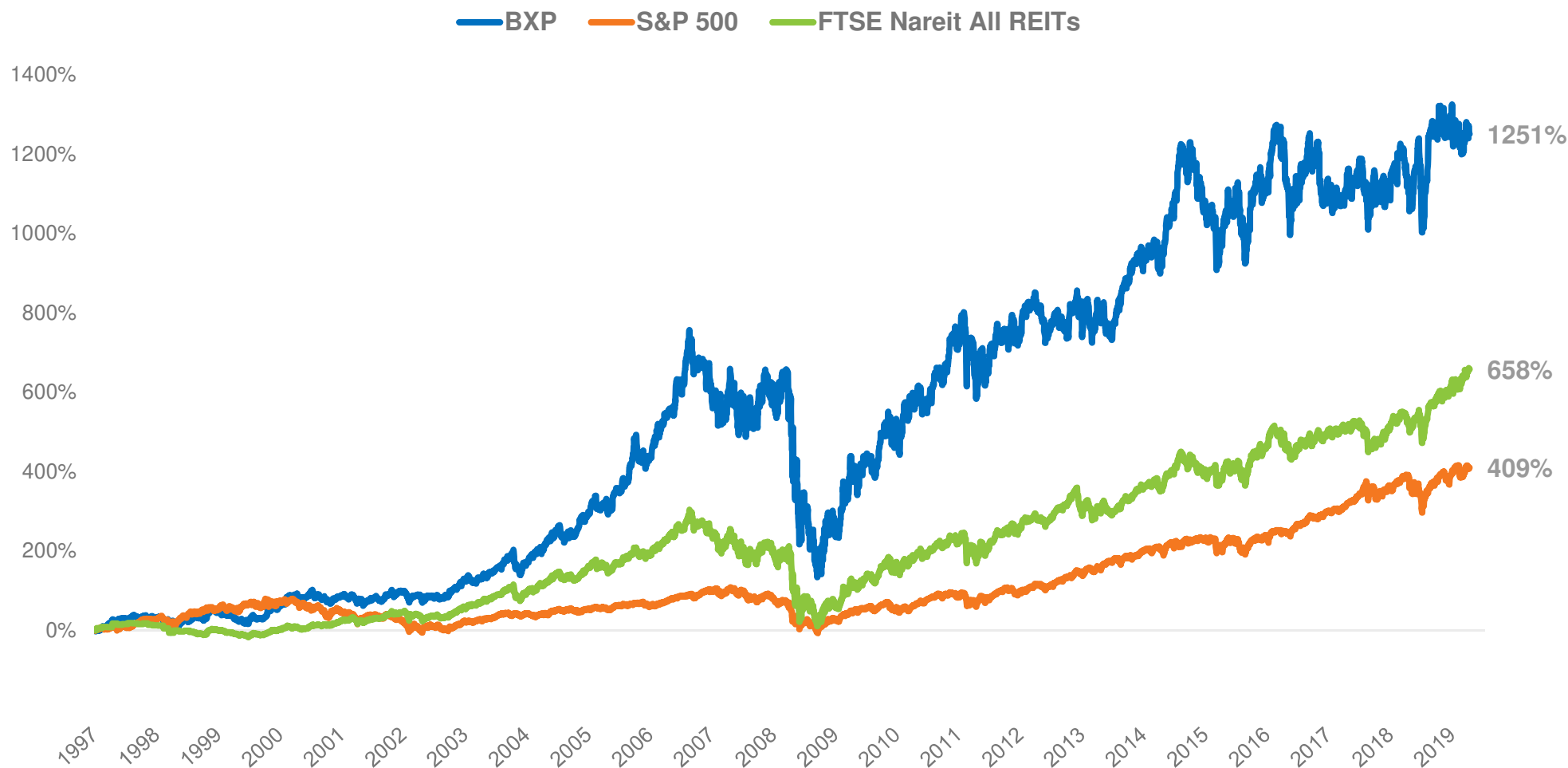
3. Represents the midpoint of the assumption range for 2019 Growth in BXP's Share of Same Property NOI – Cash (excluding termination income).

4. Represents the midpoint of the assumption range for 2020 Growth in BXP's Share of Same Property NOI – Cash (excluding termination income).

Returns from Dividends



BXP's Total Shareholder Return Since IPO of 1,251%



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 2019 is through September 30, 2019. Source: Thomson Reuters

BXP: Relentless Commitment to Shareholder Returns

Looking Back: A History of Shareholder Returns



10%
Average Annual
Shareholder
Return¹ 10-years

Looking Forward: A Platform for Growth in 2020

8%
Projected
2020 FFO
growth²

2.9%
Dividend
Yield³

1. Represents the average annual total shareholder return between October 30, 2009 and October 30, 2019.
2. The projected increase is based on the midpoint of the guidance range for 2020 FFO per diluted share that was disclosed in the Company's earnings release on October 29, 2019 compared to projected FFO per diluted share for 2019 that was disclosed in the Company's earnings release on October 29, 2019. See Appendix.
3. Based on the annualized dividend of \$3.80 per share and closing share price as of September 30, 2019.

BXP Summary:

Differentiated Model with Long-Term Advantages

QUALITY



- Highest quality office portfolio across five markets with strong employment growth
- Investment grade rating (A-/BBB+/Baa1)
- Proven, trusted corporate leadership team and regional management
- Modern portfolio of new or recently refreshed assets

AGILITY



- Diverse tenants across sectors and geographies to capture growth and minimize risk
- Modest leverage with substantial liquidity
- A rich history of developing, acquiring and divesting of assets to maximize shareholder value in all economic cycles

DURABLE GROWTH



- Stronger projected 2019 and 2020 FFO growth compared to the average of peer office REITs¹
- Growing pipeline of pre-leased developments
- Durable cash flow stream with 8-year weighted-average lease term²





Regional Snapshots

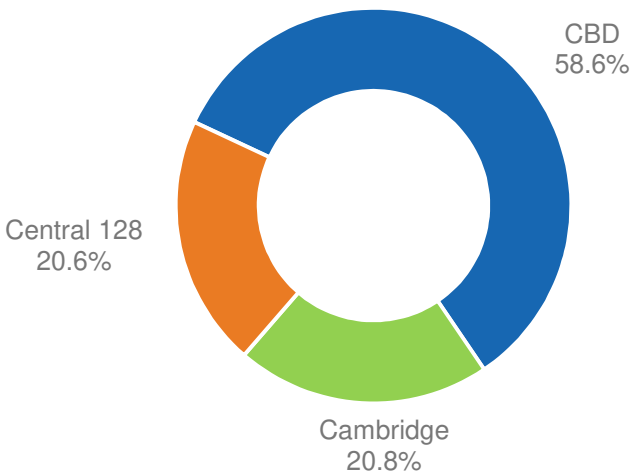


Boston Snapshot

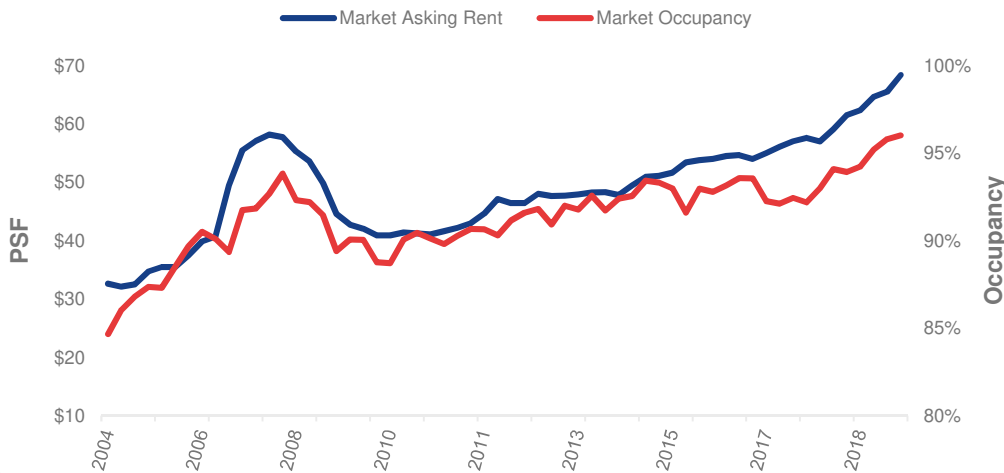
In-Service Portfolio Composition

Properties ¹	50
Total Square Feet (M) ¹	14.4
CBD Leased ^{1, 2}	99.0%
Suburban Leased ^{1, 2}	88.9%
CBD Average Rental Obligations PSF ^{1, 2}	\$67.65
Suburban Average Rental Obligations PSF ^{1, 2}	\$42.65
BXP's Share of Annualized Rental Revenue (M) ³	\$905
BXP's Share of Annualized NOI (M) ³	\$563

BXP's Share of NOI³ by Submarket



15-Year Annual Market Rent Growth 5%⁴



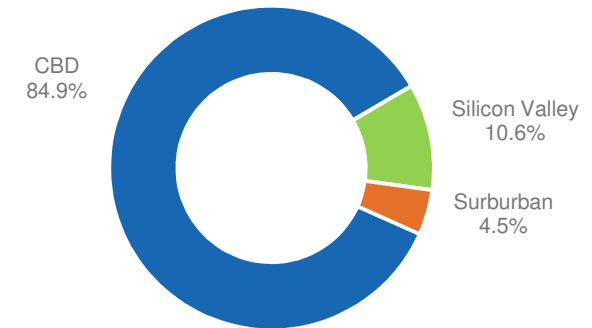
1. Includes 100% of consolidated and unconsolidated joint venture properties.
2. Only includes leases for which revenue recognition has commenced in accordance with GAAP. Excludes hotel and residential properties.
3. Excludes termination income. See Appendix.
4. Market rents are based on data provided by CBRE EA and are weighted based on the Annualized Rental Obligations in each of the Company's submarkets.

San Francisco Snapshot

In-Service Portfolio Composition

Properties	35
Total Square Feet (M)	7.5
CBD Leased ¹	96.8%
Suburban Leased ¹	83.3%
CBD Average Rental Obligations PSF ¹	\$79.85
Suburban Average Rental Obligations PSF ¹	\$45.24
BXP's Share of Annualized Rental Revenue (M) ²	\$546
BXP's Share of Annualized NOI (M) ²	\$360

BXP's Share of NOI² by Submarket



15-Year Annual Market Rent Growth 8%³



1. Only includes leases for which revenue recognition has commenced in accordance with GAAP.

2. Excludes termination income. See Appendix.

3. Market rents are based on data provided by CBRE EA and are weighted based on the Annualized Rental Obligations in each of the Company's submarkets.

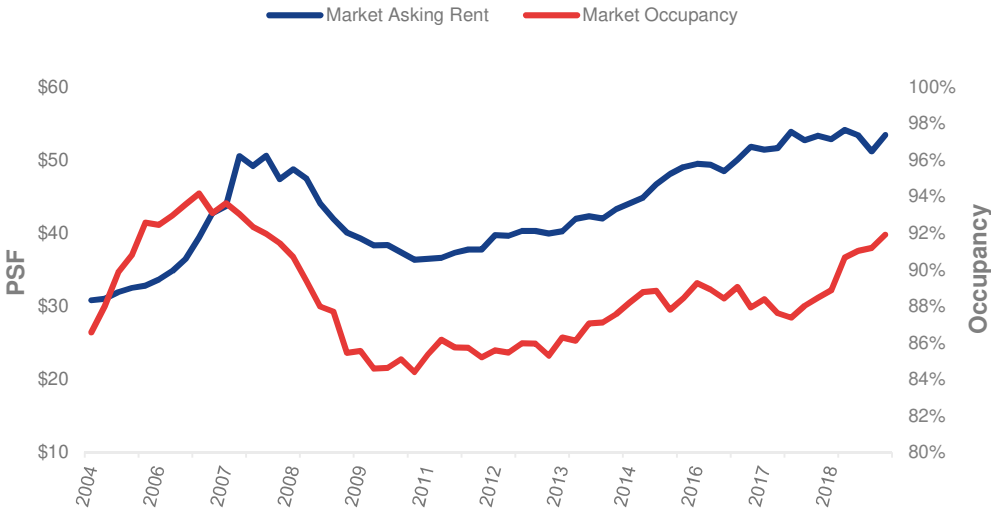
Los Angeles Snapshot

In-Service Portfolio Composition

Properties ¹	27
Total Square Feet (M) ¹	2.3
CBD Leased ^{1,2}	96.8%
CBD Average Rental Obligations PSF	\$62.12



15-Year Annual Market Rent Growth 4%³



1. Consists of the unconsolidated joint ventures that own Colorado Center and Santa Monica Business Park.
2. Only includes leases for which revenue recognition has commenced in accordance with GAAP.
3. Market rents are weighted based on square footage within the West Los Angeles submarket. Data provided by CBRE EA.

New York Snapshot

In-Service Portfolio Composition

Properties ¹	25
Total Square Feet (M) ¹	10.8
CBD Leased ^{1,2}	92.8%
Suburban Leased ^{2,3}	85.2%
CBD Average Rental Obligations PSF ^{1,2}	\$107.50
Suburban Average Rental Obligations PSF ²	\$36.62
BXP's Share of Annualized Rental Revenue (M) ³	\$772
BXP's Share of Annualized NOI (M) ³	\$465

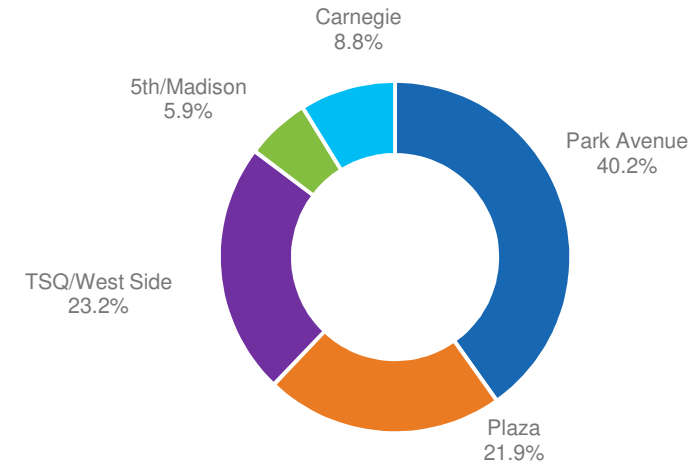
1. Includes 100% of consolidated and unconsolidated joint venture properties.

2. Only includes leases for which revenue recognition has commenced in accordance with GAAP.

3. Excludes termination income. See Appendix.

4. Market rents are based on data provided by CBRE EA and are weighted based on the Annualized Rental Obligations in each of the Company's submarkets.

BXP's Share of NOI³ by Submarket



15-Year Annual Market Rent Growth 3%⁴



Washington, DC Snapshot

In-Service Portfolio Composition

Properties ¹	46
Total Square Feet (M) ¹	10.6
CBD Leased ^{1,2}	88.1%
Suburban Leased ^{1,2}	88.4%
CBD Average Rental Obligations PSF ^{1,2}	\$73.11
Suburban Average Rental Obligations PSF ^{1,2}	\$45.02
BXP's Share of Annualized Rental Revenue (M) ³	\$453
BXP's Share of Annualized NOI (M) ³	\$278

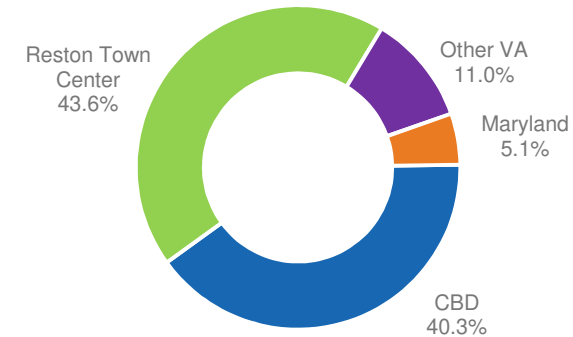
1. Includes 100% of unconsolidated joint venture properties.

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

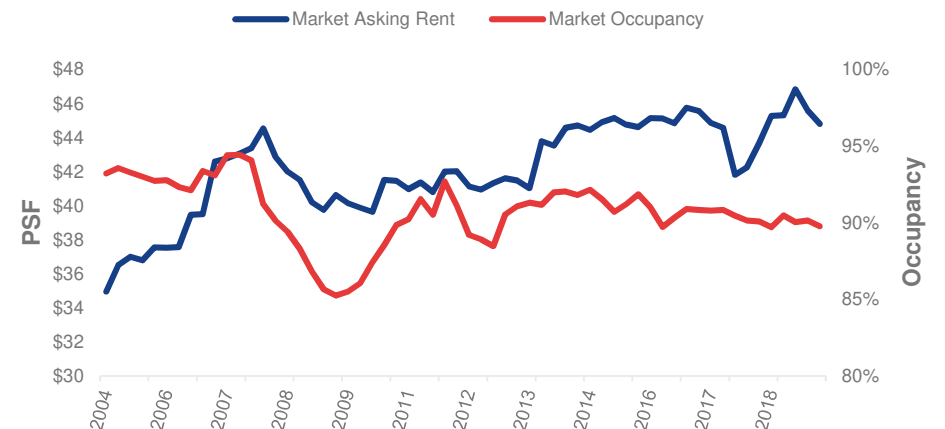
3. Excludes termination income. See Appendix.

4. Market rents are based on data provided by CBRE EA and are weighted based on the Annualized Rental Obligations in each of the Company's submarkets.

BXP's Share of NOI³ by Submarket



15-Year Annual Market Rent Growth 2%⁴



Development Case Studies



325 Main Street, Cambridge, MA

- 16-stories, 420,000 square feet total
- Includes a 401,000 square foot Class A office building
 - 95% pre-leased to Google for a term of 15 years
- Replaces an existing, four-story, 115,000 square foot building previously on site
- Initial delivery estimated in Q3 2022
- Adjacent to MIT in Cambridge, MA
- Brings Google's total leased space with Boston Properties to more than 800,000 square feet in Cambridge



The Hub on Causeway, Boston, MA

- 1.3M square feet total
- 50% - 50% joint venture with Delaware North
- Rapid7 & Verizon as anchor tenants
- Office and retail are 88% pre-leased
- Attached to major transit station and entrance to TD Garden sports arena
- Podium: 375,000 square feet (Phase I)
 - 91% pre-leased
 - 198,000 square feet of retail space
 - 177,000 square feet of office space
 - Initial occupancy in Q2 2019
- Residential: 320,000 square feet (Phase II)
 - 440 residential units
 - Initial occupancy in Q4 2019
- 100 Causeway: 632,000 square feet (Final Phase)
 - 87% pre-leased
 - 31-story office tower
 - One of Boston's tallest new office developments in 20 years
 - Initial occupancy in Q2 2021



20 CityPoint, Waltham, MA

- 6 stories; 211,000 square feet
 - Enclosed pedestrian bridge to access amenities located within 10 CityPoint
 - Retail and restaurant space
- 63% pre-leased
- Initial occupancy 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
- Occupancy in Q4 2019
- Anticipate USGBC LEED® Gold
- Located in the heart of Kendall Center



Dock 72, Brooklyn Navy Yard, NY

- 16-stories; 670,000 square feet
- 33% pre-leased to WeWork
- 40,000-60,000 square foot floorplates
- Occupancy in Q4 2019
- 50% - 50% joint venture



One Five Nine East 53rd Street, New York



- Repositioning of retail and low-rise office space at 601 Lexington Avenue
 - Six stories; 220,000 square feet, including 200,000 square feet office, as well as 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 Q1 2020
- Lease signed for 100% of office space

2100 Pennsylvania Avenue, Washington, DC

- 469,000 square feet
- Includes 440,000 square feet of office space that is 66% pre-leased to WilmerHale for a term of 16 years
- Includes 30,000 square feet of retail space
- Initial delivery estimated in 2022
- Located in the Foggy Bottom neighborhood of Washington, DC with direct frontage on Pennsylvania Avenue
- Adjacent to BXP's successful 2200 Pennsylvania Avenue mixed-use property



7750 Wisconsin Avenue, Bethesda, MD

- Marriott International build-to-suit project for new corporate headquarters:
 - 22 stories
 - 734,000 square feet
- Located just north of Bethesda Metro Station
- Initial occupancy estimated in Q3 2022
- 50% - 50% joint venture



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



Reston Gateway, Reston, VA

- 1.1 million square feet
- 42,000 square feet of retail space
- 2,680 parking spaces
- Fannie Mae as anchor tenant with 850,000 square feet
- 80% pre-leased
- Initial occupancy estimated in Q4 2022
- Kicks off Phase III of Reston Town Center (4.5 million square feet)



Residential Development Projects



The Skylyne MacArthur Station Residences

- 324,000 square feet
- 402 residential 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 residential units
- Occupancy in Q4 2019
- 50% - 50% joint venture



Sustainability

BXP – A Leader in Sustainability

Recognition & Certification



- Over 21 million square feet of actively managed green buildings certified at the highest Gold and Platinum Levels
- All new office development projects required to pursue LEED Silver certification or better



- 68 ENERGY STAR certified properties in 2018
- Average score of eligible buildings was 79.8
- 2019 ENERGY STAR Partner of the Year



- Selected as a Green Lease Leader by the Better Buildings Alliance for 2015, 2016, 2017, 2018 and 2019



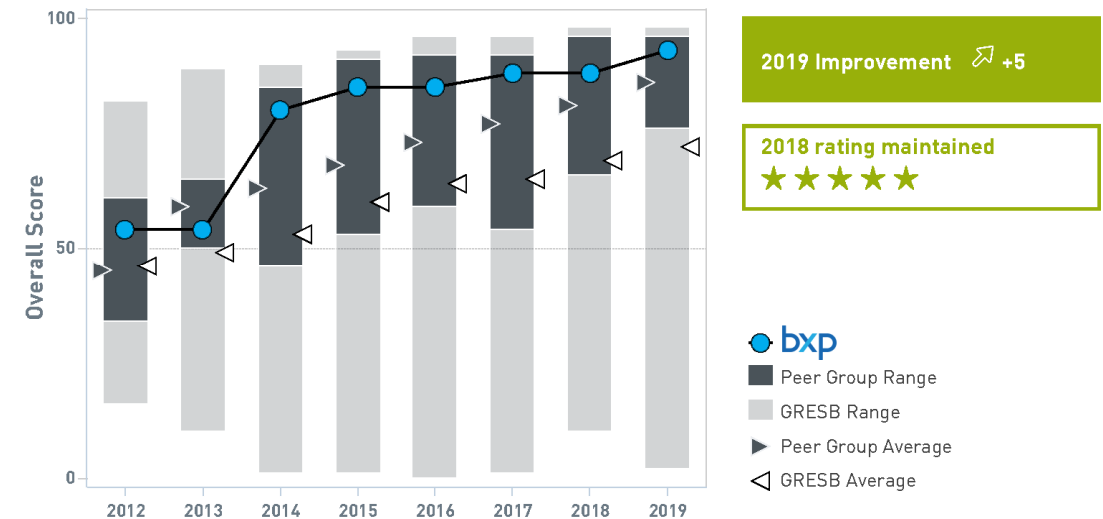
- Nareit Leader in the Light Award winner in 2014, 2015, 2017 and 2018



- Over 9.3 million square feet Fitwel Certified
- “Fitwel Champions”



- Ranked among the top 4% of all participants (ranked 33rd out of 964 global companies in 2019)
- Achieved highest “Green Star” rating for eight consecutive years and highest GRESB 5-Star Rating



Sustainability Goals



32x25 Energy Use Reduction Goal

Reduce energy use intensity, targets a 32% reduction by 2025. Units are kBtu/SF.

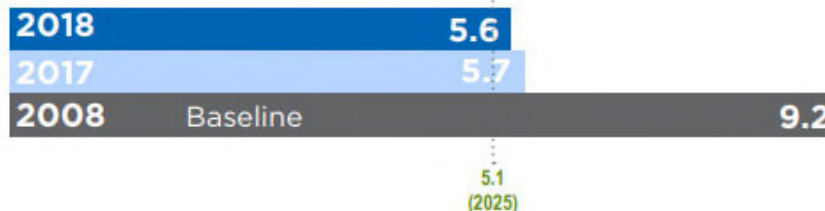


↓ 24%



45x25 Greenhouse Gas Reduction Goal

Reduce Scope 1 and Scope 2 greenhouse gas emissions intensity, targets a 45% reduction by 2025. Units are kgCO₂e/SF.



↓ 39%



30x25 Water Use Reduction Goal

Commitment to reduce water use intensity, targets a 30% reduction by 2025. Units are gallons/SF.

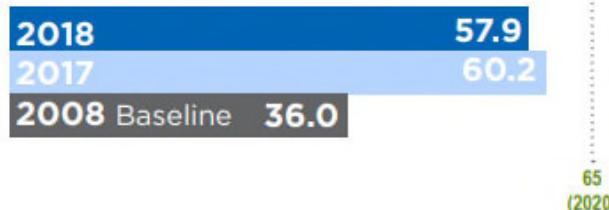


↓ 25%



65x20 Waste Diversion Goal

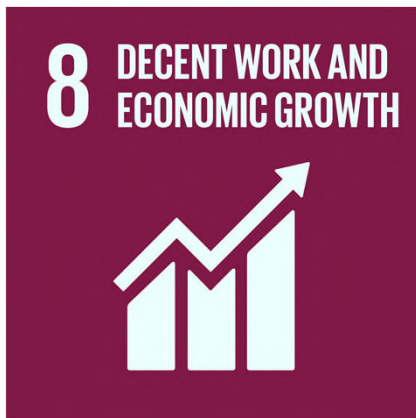
Increase waste diverted from landfill, targets a 65% diversion rate by 2020. Units are % diverted.



↑ 61%

Sustainable Development Goals

We believe that our efforts can contribute to resolving the key issues that the global community faces. Our sustainability policies, practices, and projects are aligned with the direction set by the United Nations Sustainability Development Goals (SDGs).





Investor Relations:

Sara Buda

sbuda@bxp.com

617-236-3429



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 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 the Company's unconsolidated joint ventures (calculated based upon the Company's percentage ownership interest and, in some cases, after priority allocations), minus the Company's partners' share of the amount from the Company's consolidated joint ventures (calculated based upon the partners' percentage ownership interests and, in some cases, after priority allocations, income allocation to private REIT shareholders and their share of fees due to the Company). 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 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. In other cases, GAAP requires that the Company consolidate the venture even though the Company's partner(s) owns a significant percentage interest. As a result, management believes that presenting BXP Share of 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 true 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, financing and guarantees, liquidations and other matters. 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.

In addition, the Company presents certain of these measures on a "**Annualized**" basis, which means the measure for the applicable quarter is multiplied by four (4). Management believes that presenting "Annualized" measures allows investors to compare results of a particular quarter to the same measure for full years and thereby more easily assess trend data. However, the Company cautions investors that "Annualized" measures should not be considered a substitute for the measure calculated 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 Revenue

Annualized Revenue is defined as (1) revenue less termination income for the quarter ended September 30, 2019, multiplied by four (4), plus (2) termination income for the quarter ended September 30, 2019. 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, (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 and (8) on and after February 9, 2019, which was the end of the performance period for 2016 MYLTIP Units and thus the date earned, common units issuable upon conversion of 2016 MYLTIP Units that were issued in the form of LTIP Units plus (z) 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, 2017, 2018 and 2019 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 do 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 (losses) on sales of real estate, gain on sale of investment in unconsolidated joint venture, gains on consolidation of joint ventures and discontinued operations. 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 (excluding the impact related to deferred revenue related to improvements to long-lived assets paid for by a tenant), 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 (excluding the impact related to deferred revenue related to improvements to long-lived assets paid for by a tenant), 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, 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. For clarification purposes, this ratio does not include gains (losses) from early extinguishments of debt.

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 EBITDAre**. 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 EBITDAre 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 losses, depreciation and amortization expense, loss from early extinguishment of debt and interest expense, less (2) development and management services revenue, direct reimbursements of payroll and related costs from management services contracts, income (loss) from unconsolidated joint ventures, gains (losses) on sales of real estate, gains (losses) from investments in securities and interest and other income. In some cases, the Company also presents (1) **NOI – cash**, which is NOI after eliminating the effects of straight-line rent (excluding the impact related to deferred revenue related to improvements to long-lived assets paid for by a tenant), fair value lease revenue, straight-line ground rent expense adjustment 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.

Rental Revenue

Rental Revenue is equal to Total revenue, the most directly comparable GAAP financial measure, less development and management services revenue and direct reimbursements of payroll and related costs from management services contracts. Upon the adoption of Accounting Standards Update No. 2016-02 "Leases" on January 1, 2019, service income from tenants is included in Lease revenue. Prior to adoption, these amounts were included in the line item for Development and management services revenue. The Company uses Rental Revenue internally as a performance measure and in calculating other non-GAAP financial measures (e.g., NOI), which provides investors with information regarding our performance that is not immediately apparent from the comparable non-GAAP measures and allows investors to compare operating performance between periods. The Company also presents **Rental Revenue (excluding termination income)** because termination income can distort the results for any given period because it 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 does not reflect the core ongoing operating performance of the Company's properties.

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."

The Company's assumptions for average In-service portfolio occupancy, increase in BXP's Share of Same Property net operating income (excluding termination income) and increase in BXP's Share of Same Property net operating income - cash (excluding termination income) for the full year 2019 and full year 2020 are set forth 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 October 29, 2019 and otherwise referenced during the Company's conference call on October 30, 2019. Except as otherwise publicly disclosed, the estimates do not include any material (1) possible future gains or losses or the impact on operating results from other possible future property acquisitions or dispositions, (2) other possible capital markets activity or (3) possible future impairment charges. The Company is not able to assess at this time the potential impact of these factors on these assumptions. There can be no assurance that the Company's actual results will not differ materially from the assumptions set forth below.

	Full Year 2019		Full Year 2020	
	Low	High	Low	High
Average In-service portfolio occupancy	92.50% —	93.50%	92.50% —	93.50%
Increase in BXP's Share of Same Property net operating income (excluding termination income)	6.25% —	7.00%	3.00% —	4.75%
Increase in BXP's Share of Same Property net operating income - cash (excluding termination income)	5.00% —	6.50%	3.00% —	4.75%

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

Projected FFO

The Company's guidance for the full year 2019 and full year 2020 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 Company's earnings release issued on October 29, 2019 and otherwise referenced during the Company's conference call on October 30, 2019. Except as otherwise publicly disclosed, the estimates do not include any material (1) possible future gains or losses or the impact on operating results from other possible future property acquisitions or dispositions, (2) other possible capital markets activity or (3) 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.

	Full Year 2019		Full Year 2020	
	Low	High	Low	High
Projected EPS (diluted)	\$ 3.28	\$ 3.30	\$ 3.45	\$ 3.65
Add:				
Projected Company's share of real estate depreciation and amortization	3.84	3.84	4.00	4.00
Impairment loss	0.14	0.14	—	—
Projected Company's share of (gains) losses on sales of real estate	(0.28)	(0.28)	—	—
Projected FFO per share (diluted)	<u>\$ 6.98</u>	<u>\$ 7.00</u>	<u>\$ 7.45</u>	<u>\$ 7.65</u>

	Midpoint of Projected 2019	Midpoint of Projected 2020	Percentage Increase/ (Decrease)
Projected Growth in FFO Per Share (Diluted) (excluding termination income)			
Earnings per share (diluted)	\$ 3.29	\$ 3.55	7.9%
Add:			
Actual/Projected Company's share of real estate depreciation and amortization	3.84	4.00	
Impairment loss	0.14	—	
Projected Company's share of losses on sales of real estate	(0.28)	—	
FFO per share (diluted)	<u>6.99</u>	<u>7.55</u>	<u>8.0%</u>
Adjustments:			
Termination income	(0.09)	(0.03)	
FFO per share (diluted) (excluding termination income)	<u>\$ 6.90</u>	<u>\$ 7.52</u>	<u>9.0%</u>

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

Revenue and Rental Revenue

(in thousands)

	Quarter ended September 30, 2019
Revenue	\$ 743,553
Add:	
BXP's share of revenue from unconsolidated Joint Ventures ("JVs") ¹	36,332
Less:	
Partners' share of revenue from consolidated JVs ²	75,714
Termination income	1,960
BXP's share of termination income from unconsolidated JVs ¹	—
Add:	
Partners' share of termination income from consolidated JVs ²	—
BXP's Share of Revenue (excluding termination income) (A)	<u>\$ 702,211</u>
 BXP's Share of Annualized Revenue (excluding termination income) ³ (A x 4)	 \$ 2,808,844
Add:	
Termination income	1,960
BXP's share of termination income from unconsolidated JVs ¹	—
Less:	
Partners' share of termination income from consolidated JVs ²	—
BXP's Share of Revenue	
 BXP's Share of Annualized Revenue	 <u>\$ 2,810,804</u>

	Quarter ended September 30, 2019
Revenue	\$ 743,553
Less:	
Direct reimbursements of payroll and related costs from management services contracts	2,429
Development and management services	10,303
Rental Revenue	<u>730,821</u>
Add:	
BXP's share of Rental Revenue from unconsolidated JVs ¹	36,319
Less:	
Partners' share of Rental Revenue from consolidated JVs ²	75,699
BXP's Share of Rental Revenue	<u>\$ 691,441</u>
Less:	
Termination income	1,960
BXP's share of termination income from unconsolidated JVs ¹	—
Add:	
Partners' share of termination income from consolidated JVs ²	—
BXP's Share of Rental Revenue (excluding termination income) (B)	<u>\$ 689,481</u>
 BXP's Share of Annualized Rental Revenue (excluding termination income) ³ (B x 4)	 <u>\$ 2,757,924</u>

¹See "Joint Ventures-Unconsolidated" in this Appendix.

²See "Joint Ventures-Consolidated" in this Appendix.

³BXP'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)

Net Debt to EBITDAre Ratios

(dollars in thousands)

	Quarter Ended	Year Ended December 31,					
	September 30, 2019	2018	2017	2016	2015	2014	2013
Consolidated debt	\$ 11,838,738	\$ 11,007,757	\$ 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	751,210	543,359	434,767	356,914	723,718	1,763,079	2,365,137
Cash held in escrow for 1031 exchange	3,850	44,401	—	—	—	433,794	—
Net debt	11,083,678	10,419,997	9,836,844	9,439,219	8,679,211	8,659,901	9,540,888
Add:							
BXP's share of unconsolidated JV debt	924,366	890,574	604,845	318,193	351,926	349,647	327,526
Partners' share of cash and cash equivalents from consolidated JVs	122,317	124,202	128,143	108,181	85,909	104,192	60,704
Less:							
BXP's share of cash and cash equivalents from unconsolidated JVs	84,199	99,750	59,772	45,974	44,505	53,851	37,799
Partners' share of consolidated JV debt	1,201,113	1,204,774	1,209,280	1,144,473	1,168,142	1,324,910	1,063,116
BXP's Share of Net Debt (A)	<u>\$ 10,845,049</u>	<u>\$ 10,130,249</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 ¹ (B)	<u>\$ 1,676,652</u> ²	<u>\$ 1,480,334</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 Net Debt to BXP's Share of EBITDAre (A ÷ B)	<u>6.5</u>	<u>6.8</u>	<u>6.5</u>	<u>6.2</u>	<u>5.9</u>	<u>5.7</u>	<u>6.7</u>

¹See reconciliations of "EBITDAre" in this Appendix.

²For the quarter ended September 30, 2019, BXP's Share of EBITDAre is annualized and calculated as the product of such amount for the quarter (\$419,163) 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,				
	September 30, 2019	2018	2017	2016	2015	2014
Common stock price at quarter/year end	\$ 129.66	\$ 112.55	\$ 130.03	\$ 125.78	\$ 127.54	\$ 128.69
Equity market capitalization at quarter/year end (A)	\$ 22,577,112	\$ 19,584,824	\$ 22,559,179	\$ 21,805,734	\$ 22,074,258	\$ 22,214,860
Consolidated debt (B)	\$ 11,838,738	\$ 11,007,757	\$ 10,271,611	\$ 9,796,133	\$ 9,188,543	\$ 10,086,984
Add:						
BXP's share of unconsolidated JV debt	924,366	890,574	604,845	318,193	351,926	349,647
Less:						
Partners' share of consolidated JV debt	1,201,113	1,204,774	1,209,280	1,144,473	1,168,142	1,324,910
BXP's Share of Debt (C)	\$ 11,561,991	\$ 10,693,557	\$ 9,667,176	\$ 8,969,853	\$ 8,372,327	\$ 9,111,721
Consolidated Market Capitalization (A + B)	\$ 34,415,850	\$ 30,592,581	\$ 32,830,790	\$ 31,601,867	\$ 31,262,801	\$ 32,301,844
Consolidated Debt/Consolidated Market Capitalization [B ÷ (A + B)]	34.40%	35.98%	31.29%	31.00%	29.39%	31.23%
BXP's Share of Market Capitalization (A + C)	\$ 34,139,103	\$ 30,278,381	\$ 32,226,355	\$ 30,775,587	\$ 30,446,585	\$ 31,326,581
BXP's Share of Debt/BXP's Share of Market Capitalization [C ÷ (A + C)]	33.87%	35.32%	30.00%	29.15%	27.50%	29.09%

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

EBITDAre (dollars in thousands)

	Quarter Ended September 30, 2019	Year Ended December 31,					
		2018	2017	2016	2015	2014	2013
Net income attributable to Boston Properties, Inc. common shareholders	\$ 107,771	\$ 572,347	\$ 451,939	\$ 502,285	\$ 572,606	\$ 433,111	\$ 741,754
Add:							
Preferred dividends	2,625	10,500	10,500	10,500	10,500	10,500	8,057
Net income attributable to noncontrolling interests	30,974	129,716	100,042	57,192	216,812	82,446	91,629
Losses from interest rate contracts	—	—	—	140	—	—	—
Losses (gains) from early extinguishments of debt	28,010	16,490	(496)	371	22,040	10,633	(122)
Interest expense	106,471	378,168	374,481	412,849	432,196	455,743	446,880
Depreciation and amortization expense	165,862	645,649	617,547	694,403	639,542	628,573	560,637
Impairment losses	—	11,812	—	1,783	—	—	8,306
Less:							
Discontinued operations	—	—	—	—	—	—	137,792
Gains on consolidation of JVs	—	—	—	—	—	—	385,991
Gain on sale of investment in unconsolidated JV	—	—	—	59,370	—	—	—
Gains (losses) on sales of real estate	(15)	182,356	7,663	80,606	375,895	168,039	—
Income (loss) from unconsolidated JVs	(649)	2,222	11,232	8,074	22,770	12,769	75,074
Add:							
BXP's share of EBITDAre from unconsolidated JVs ¹	23,378	81,340	65,132	50,712	45,864	45,076	128,669
EBITDAre	465,755	1,661,444	1,600,250	1,582,185	1,540,895	1,485,274	1,386,953
Less:							
Partners' share of EBITDAre from consolidated JVs ²	46,592	181,110	177,539	174,370	209,088	139,875	64,055
BXP's Share of EBITDAre	<u>\$ 419,163</u>	<u>\$ 1,480,334</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	\$ 419,163	\$ 1,480,334	\$ 1,422,711	\$ 1,407,815	\$ 1,331,807	\$ 1,345,399	\$ 1,322,898
Add:							
Lease transaction costs that qualify as rent inducements ³	2,140	8,692	920	8,853	12,667	9,006	9,679
BXP's share of lease transaction costs that qualify as rent inducements from unconsolidated JVs ³	182 ¹	601	1,048	58	2,161	1,234	—
Straight-line ground rent expense adjustment	1,019	3,972	2,489	3,951	(790)	6,793	7,156
Stock-based compensation expense	7,809	40,117	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 ³	281 ²	277	25	17	2,167	737	—
Straight-line rent and fair value lease revenue	25,084 ⁴	71,866	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	3,235 ¹	13,447	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	3,600 ^{2, 4}	13,702	9,169	14,343	25,866	21,105	10,365
BXP's Share of EBITDAre—cash	<u>\$ 405,313</u>	<u>\$ 1,461,828</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>

¹See "Joint Ventures-Unconsolidated" in this Appendix.

²See "Joint Ventures-Consolidated" in this Appendix.

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

⁴Excludes the straight-line impact of approximately \$(36.9) million and \$(14.7) million for Straight-line rent and fair value lease revenue and Partners' share of straight-line rent and fair value of lease revenue from consolidated JVs, respectively, in connection with the deferred revenue received from a tenant. The tenant paid for improvements to a long-lived asset of the Company resulting in deferred revenue for the period until the asset was substantially complete, which occurred in the third quarter of 2019.

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

Fixed Charge Coverage Ratio

(dollars in thousands)

	Quarter Ended September 30, 2019	Year Ended December 31,				
		2018	2017	2016	2015	2014
Fixed Charges						
Interest expense	\$ 106,471	\$ 378,168	\$ 374,481	\$ 412,849	\$ 432,196	\$ 455,743
Partners' share of interest expense from consolidated JVs	(10,720) ¹	(44,321)	(57,100)	(69,204)	(89,580)	(78,753)
BXP's share of interest expense from unconsolidated JVs	9,795 ²	33,036	19,638	15,704	16,538	13,056
Capitalized interest	16,184	65,766	61,070	39,816	34,213	52,476
Partners' share of capitalized interest from consolidated JVs	(1,466) ¹	(4,505)	(1,700)	(224)	—	—
BXP's share of capitalized interest from unconsolidated JVs	2,559 ²	3,445	104	—	408	311
Fair value interest adjustment and hedge amortization	(1,579)	(6,316)	14,434	44,116	52,407	51,201
Partners' share of fair value interest adjustment and hedge amortization from consolidated JVs	144 ¹	576	(7,803)	(18,218)	(20,100)	(20,557)
BXP's share of fair value interest adjustment and hedge amortization from unconsolidated JVs	— ²	—	—	—	—	—
Amortization of financing costs	(3,329)	(12,281)	(10,587)	(7,386)	(7,539)	(7,754)
Partners' share of amortization of financing costs from consolidated JVs	382 ¹	1,528	979	153	260	194
BXP's share of amortization of financing costs from unconsolidated JVs	(203) ²	(544)	(432)	(445)	(425)	(317)
Maintenance capital expenditures ³	31,140	75,306	48,573	59,838	56,383	45,619
Partners' share of maintenance capital expenditures from consolidated JVs ³	(548)	(3,028)	(5,611)	(2,569)	(5,565)	(4,378)
BXP's share of maintenance capital expenditures from unconsolidated JVs ³	671	2,089	582	1,029	1,653	1,369
Hotel improvements, equipment upgrades and replacements	177	2,102	9,647	6,801	2,430	2,894
Preferred dividends/distributions	2,625	10,500	10,500	10,500	10,500	10,500
Total Fixed Charges (A)	\$ 152,303	\$ 501,521	\$ 456,775	\$ 492,760	\$ 483,779	\$ 521,604
BXP's Share of EBITDAre—cash⁴ (B)	405,313	1,461,828	1,382,462	1,392,959	1,280,243	1,297,693
Fixed Charge Coverage Ratio (B ÷ A)	2.66	2.91	3.03	2.83	2.65	2.49

¹See "Joint Ventures-Consolidated" in this Appendix.

²See "Joint Ventures-Unconsolidated" in this Appendix.

³Maintenance capital expenditures do not include planned capital expenditures related to acquisitions and repositioning capital expenditures.

⁴See 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 September 30, 2019	Year Ended December 31,				
		2018	2017	2016	2015	2014
Net income attributable to Boston Properties, Inc. common shareholders	\$ 107,771	\$ 572,347	\$ 451,939	\$ 502,285	\$ 572,606	\$ 433,111
Add:						
Preferred dividends	2,625	10,500	10,500	10,500	10,500	10,500
Noncontrolling interest - common units of the Operating Partnership	12,504	66,807	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	18,470	62,909	47,832	(2,068)	149,855	30,561
Net income	141,370	712,563	562,481	569,977	799,918	526,057
Add:						
Depreciation and amortization expense	165,862	645,649	617,547	694,403	639,542	628,573
Noncontrolling interests in property partnerships' share of depreciation and amortization	(17,402) ¹	(73,880)	(78,190)	(107,087)	(90,832)	(63,303)
BXP's share of depreciation and amortization from unconsolidated joint ventures	13,745 ²	54,352	34,262	26,934	6,556	19,251
Corporate-related depreciation and amortization	(411)	(1,634)	(1,986)	(1,568)	(1,503)	(1,361)
Impairment losses	—	11,812	—	—	—	—
Less:						
Gain on sale of investment in unconsolidated joint venture	—	—	—	59,370	—	—
Gain on sale of real estate included within income (loss) from unconsolidated joint ventures	(487)	8,270	—	—	—	—
Gains (losses) on sales of real estate	(15)	182,356	7,663	80,606	375,895	168,039
Noncontrolling interests in property partnerships ³	18,470	62,909	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	10,500
FFO attributable to the Operating Partnership common unitholders (including Boston Properties, Inc.) ("Basic FFO")	282,571	1,084,827	1,068,119	1,034,251	918,543	899,094
Less:						
Noncontrolling interest - common units of the Operating Partnership's share of FFO	28,940	110,338	108,707	106,504	94,828	91,588
FFO attributable to Boston Properties, Inc. common shareholders	\$ 253,631	\$ 974,489	\$ 959,412	\$ 927,747	\$ 823,715	\$ 807,506

¹See "Joint Ventures-Consolidated" in this Appendix.

²See "Joint Ventures-Unconsolidated" in this Appendix.

³For 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,				
	September 30, 2019	2018	2017	2016	2015	2014
FFO attributable to the Operating Partnership common unitholders (including Boston Properties, Inc.) ("Basic FFO")	\$ 282,571	\$1,084,827	\$1,068,119	\$1,034,251	\$ 918,543	\$ 899,094
Straight-line rent	16,803	(48,055)	(53,511)	(33,739)	(79,998)	(63,060)
Partners' share of straight-line rent from consolidated JVs	(12,633)	6,212	2,597	4,224	14,702	9,261
BXP's share of straight-line rent from unconsolidated JVs	(2,266)	(10,713)	(11,553)	(9,832)	(2,671)	(1,933)
Lease transaction costs that qualify as rent inducements ³	2,140	8,692	920	8,853	12,667	9,006
Partners' share of lease transaction costs that qualify as rent inducements from consolidated JVs ³	(281)	(277)	(25)	(17)	(2,167)	(737)
BXP's share of lease transaction costs that qualify as rent inducements from unconsolidated JVs ³	182	601	1,048	58	2,161	1,234
Fair value lease revenue ⁴	(4,961)	(23,811)	(22,290)	(30,381)	(35,898)	(48,265)
Partners' share of fair value lease revenue from consolidated JVs ⁴	1,463	7,490	6,572	10,119	11,164	11,844
BXP's share of fair value lease revenue from unconsolidated JVs ⁴	(969)	(2,734)	(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	—	—	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	—	—	468	(44)	2,191	—
BXP's share of non-cash termination income adjustment (fair value lease amounts) from unconsolidated JVs	—	—	(214)	—	—	—
Straight-line ground rent expense adjustment ⁵	1,019	3,972	2,489	3,951	(790)	6,793
Stock-based compensation	7,809	40,117	35,361	32,911	29,183	28,099
Non-real estate depreciation	411	1,634	1,986	1,568	1,503	1,361
Impairment losses	—	—	—	1,783	—	—
Fair value interest adjustment and hedge amortization	1,579	6,316	(14,434)	(44,116)	(52,407)	(51,201)
Partners' share of fair value interest adjustment and hedge amortization from consolidated JVs	(144)	(576)	7,803	18,218	20,100	20,557
ASC 470-20 interest expense adjustment	—	—	—	—	—	2,438
Second generation tenant improvements and leasing commissions	(124,751)	(256,610)	(270,738)	(278,269)	(192,419)	(108,469)
Partners' share of second generation tenant improvements and leasing commissions from consolidated JVs	56,051	16,446	7,752	5,026	3,725	7,327
BXP's share of second generation tenant improvements and leasing commissions from unconsolidated JVs	(1,499)	(14,481)	(5,343)	(14,875)	(14,400)	(4,508)
Unearned portion of capitalized fees from consolidated joint ventures	836	7,528	9,765	5,925	7,647	12,358
Maintenance capital expenditures ⁶	(31,140)	(75,306)	(48,573)	(59,838)	(56,383)	(45,619)
Partners' share of maintenance capital expenditures from consolidated JVs ⁶	548	3,028	5,611	2,569	5,565	4,378
BXP's share of maintenance capital expenditures from unconsolidated JVs ⁶	(671)	(2,089)	(582)	(1,029)	(1,653)	(1,369)
Hotel improvements, equipment upgrades and replacements	(177)	(2,102)	(9,647)	(6,801)	(2,430)	(2,894)
Funds available for distribution to common shareholders and common unitholders (FAD) (A)	<u>\$ 191,920</u>	<u>\$ 750,109</u>	<u>\$ 701,987</u>	<u>\$ 650,060</u>	<u>\$ 579,054</u>	<u>\$ 685,843</u>
Annualized FAD (A x 4) ⁷	<u>\$ 767,680</u>					
Distributions to common shareholders and unitholders (excluding any special distributions) (B)	<u>164,043</u>	<u>603,202</u>	<u>524,810</u>	<u>464,114</u>	<u>446,155</u>	<u>444,181</u>
FAD Payout Ratio (B ÷ A)	<u>85.47%</u>	<u>80.42%</u>	<u>74.76%</u>	<u>71.40%</u>	<u>77.05%</u>	<u>64.76%</u>

¹See "Joint Ventures-Consolidated" in this Appendix.

²See "Joint Ventures-Unconsolidated" in this Appendix.

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

⁴Represents 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.

⁵For the quarter ended September 30, 2019 and the years ended December 31, 2018, 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 2023 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.

⁶Maintenance capital expenditures do not include planned capital expenditures related to acquisitions and repositioning capital expenditures.

⁷Annualized FAD is calculated as the product of such amount for the quarter multiplied by (4).

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 September 30, 2019

	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	Total Consolidated Joint Ventures
Revenue			
Lease ¹	\$ 106,557 ⁵	\$ 96,856	\$ 203,413
Straight-line rent	(35,660) ⁵	3,625	(32,035)
Fair value lease revenue	3,523	119	3,642
Termination income	—	—	—
Total lease revenue	74,420	100,600	175,020
Parking and other	2	1,467	1,469
Total rental revenue	74,422	102,067	176,489
Expenses			
Operating	30,516	34,984	65,500
Net Operating Income (NOI)	43,906	67,083	110,989
Other income (expense)			
Development and management services revenue	—	33	33
Interest and other income	350	562	912
Interest expense	(20,716)	(5,415)	(26,131)
Depreciation and amortization expense	(20,878)	(20,208)	(41,086)
General and administrative expense	(34)	(29)	(63)
Total other income (expense)	(41,278)	(25,057)	(66,335)
Net income	\$ 2,628	\$ 42,026	\$ 44,654
BXP's nominal ownership percentage	60.00%	55.00%	
Partners' share of NOI (after income allocation to private REIT shareholders) ²	\$ 16,933	\$ 29,316	\$ 46,249
BXP's share of NOI (after income allocation to private REIT shareholders)	\$ 26,973	\$ 37,767	\$ 64,740
Unearned portion of capitalized fees ³	\$ 34	\$ 802	\$ 836
Partners' share of select items²			
Partners' share of hedge amortization	\$ 144	\$ —	\$ 144
Partners' share of amortization of financing costs	\$ 346	\$ 36	\$ 382
Partners' share of capitalized interest	\$ 272	\$ 1,194	\$ 1,466
Partners' share of lease transaction costs that qualify as rent inducements	\$ —	\$ 281	\$ 281
Partners' share of management and other fees	\$ 630	\$ 871	\$ 1,501
Partners' share of basis differential and other adjustments	\$ (19)	\$ 10	\$ (9)
Partners' share of income allocation to private REIT shareholders	\$ —	\$ —	\$ —

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 September 30, 2019

	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	Total Consolidated Joint Ventures
Reconciliation of Partners' share of EBITDAre			
Partners' NCI ⁴	\$ 440	\$ 18,030	\$ 18,470
Add:			
Partners' share of interest expense ²	8,283	2,437	10,720
Partners' share of depreciation and amortization expense after BXP's basis differential ¹	8,336	9,066	17,402
Partners' share of EBITDAre ⁴	<u>\$ 17,059</u>	<u>\$ 29,533</u>	<u>\$ 46,592</u>
Reconciliation of Partners' share of NOI²			
Rental revenue	\$ 29,769	\$ 45,930	\$ 75,699
Less: Termination income	—	—	—
Rental revenue (excluding termination income)	29,769	45,930	75,699
Less: Operating expenses (including partners' share of management and other fees)	12,836	16,614	29,450
Income allocation to private REIT shareholders	—	—	—
NOI (excluding termination income and after income allocation to private REIT shareholders)	<u>\$ 16,933</u>	<u>\$ 29,316</u>	<u>\$ 46,249</u>
Rental revenue (excluding termination income)	\$ 29,769	\$ 45,930	\$ 75,699
Less: Straight-line rent	(14,264) ⁵	1,631	(12,633)
Straight-line rent from deferred revenue ⁶	14,770	—	14,770
Fair value lease revenue	1,409	54	1,463
Add: Lease transaction costs that qualify as rent inducements	—	281	281
Subtotal	<u>\$ 27,854</u>	<u>\$ 44,526</u>	<u>\$ 72,380</u>
Less: Operating expenses (including partners' share of management and other fees)	12,836	16,614	29,450
Income allocation to private REIT shareholders	—	—	—
NOI - cash (excluding termination income and after income allocation to private REIT shareholders)	<u>\$ 15,018</u>	<u>\$ 27,912</u>	<u>\$ 42,930</u>
Reconciliation of Partners' share of Revenue²			
Rental revenue	\$ 29,769	\$ 45,930	\$ 75,699
Add: Development and management services revenue	—	15	15
Revenue	<u>\$ 29,769</u>	<u>\$ 45,945</u>	<u>\$ 75,714</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,					
	2018	2017	2016	2015	2014	2013
Selected Financial Data⁷						
Interest expense	\$ 107,612	\$ 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	\$ —	\$ —
Reconciliation of Partners' share of depreciation and amortization						
Depreciation and amortization expense	\$ 184,985	\$ 185,632	\$ 250,803	\$ 227,226	\$ 173,954	\$ 102,283
Less:						
BXP's basis difference	1,571	351	318	200	141	516
Depreciation and amortization after BXP's basis	\$ 183,414	\$ 185,281	\$ 250,485	\$ 227,026	\$ 173,813	\$ 101,767
Partners' share of depreciation and amortization expense ²	\$ 73,880	\$ 78,190	\$ 107,087	\$ 90,832	\$ 63,303	\$ 32,583
Reconciliation of Partners' share of EBITDA⁸						
Partners' NCI	\$ 62,909	\$ 47,832	\$ (2,068)	\$ 149,855	\$ 30,561	\$ 1,347
Add:						
Partners' share of interest expense ^{2, 8}	44,321	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 ²	73,880	78,190	107,087	90,832	63,303	32,583
Less:						
Partners' share of gain from early extinguishment of debt ²	—	5,842	—	—	—	—
Partners' share of gain on sale of real estate ²	—	—	—	101,118	—	—
Partners' share of EBITDA ⁸	\$ 181,110	\$ 177,539	\$ 174,370	\$ 209,088	\$ 139,875	\$ 64,055

¹Lease revenue includes recoveries from tenants and service income from tenants.

²Amounts represent the partners' share based on their respective ownership percentage.

³Capitalized 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.

⁴Amounts 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.

⁵Includes deferred revenue from a tenant.

⁶Represents the straight-line impact related to deferred revenue from a tenant. The tenant paid for improvements to a long-lived asset of the Company resulting in deferred revenue for the period until the asset was substantially complete, which occurred in the third quarter of 2019.

⁷Amounts represent 100% of consolidated joint venture activities.

⁸Amounts 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 September 30, 2019

	Market Square North	Metropolitan Square	901 New York Avenue	Annapolis Junction ¹	500 North Capitol Street, N.W.	Colorado Center	Santa Monica Business Park	The Hub on Causeway	Other Joint Ventures ²	Total Unconsolidated Joint Ventures
Revenue										
Lease ³	\$ 5,112	\$ 3,010	\$ 8,512	\$ 1,936	\$ 4,554	\$ 19,334	\$ 15,530	\$ 2,402	\$ 1,715	\$ 62,105
Straight-line rent	647	3,246	111	55	(14)	(363)	868	760	—	5,310
Fair value lease revenue	—	—	—	—	—	13	958	—	—	971
Termination income	—	—	—	—	—	—	—	—	—	—
Total lease revenue	5,759	6,256	8,623	1,991	4,540	18,984	17,356	3,162	1,715	68,386
Parking and other	224	598	390	55	126	2,649	1,913	(251)	1,239	6,943
Total rental revenue	5,983	6,854	9,013	2,046	4,666	21,633	19,269	2,911	2,954	75,329
Expenses										
Operating	2,619	3,552	3,562	795	1,826	6,530	8,036	532	1,465	28,917
Net Operating Income	3,364	3,302	5,451	1,251	2,840	15,103	11,233	2,379	1,489	46,412
Other income/(expense)										
Development and management services income	21	—	5	—	—	—	—	—	—	26
Interest and other income	94	—	109	81	28	235	2	65	153	767
Interest expense	(1,440)	(1,916)	(2,075)	(585)	(1,128)	(5,033)	(7,030)	(907)	(369)	(20,483)
Depreciation and amortization expense	(1,136)	(1,694)	(1,589)	(690)	(934)	(5,142)	(9,521)	(999)	(1,772)	(23,477)
General and administrative expense	(13)	(5)	—	—	(2)	—	(23)	(61)	—	(104)
Gain on sale of real estate	—	—	—	—	—	—	—	—	(812)	(812)
Total other income/(expense)	(2,474)	(3,615)	(3,550)	(1,194)	(2,036)	(9,940)	(16,572)	(1,902)	(2,800)	(44,083)
Net income/(loss)	\$ 890	\$ (313)	\$ 1,901	\$ 57	\$ 804	\$ 5,163	\$ (5,339)	\$ 477	\$ (1,311)	\$ 2,329
BXP's nominal ownership percentage	50%	20%	25%	50%	30%	50%	55%	50%		
BXP's share of select items										
BXP's share of amortization of financing costs	\$ 10	\$ 5	\$ 22 ⁴	\$ 19	\$ 4	\$ 13	\$ 72	\$ 55	\$ 3	\$ 203
BXP's share of capitalized interest	\$ —	\$ 78	\$ — ⁴	\$ —	\$ —	\$ —	\$ —	\$ 1,180	\$ 1,301	\$ 2,559
Reconciliation of BXP's share of EBITDAre										
Income/(loss) from unconsolidated joint ventures	\$ 399	\$ (84)	\$ 475	\$ 24	\$ 241	\$ 1,653	\$ (2,937)	\$ 228	\$ (648)	\$ (649)
Add:										
BXP's share of interest expense	720	383	1,038 ⁴	293	338	2,517	3,867	454	185	9,795
BXP's share of depreciation and amortization expense	614	336	1,272 ⁴	350	280	4,472 ⁵	5,237	510	674	13,745
Less:										
BXP's share of gain on sale of real estate	—	—	— ⁴	—	—	—	—	—	(487)	(487)
BXP's share of EBITDAre	\$ 1,733	\$ 635	\$ 2,785 ⁴	\$ 667	\$ 859	\$ 8,642 ⁵	\$ 6,167	\$ 1,192	\$ 698	\$ 23,378

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 September 30, 2019

Reconciliation of BXP's share of Net Operating Income/(Loss)	Market Square North	Metropolitan Square	901 New York Avenue	Annapolis Junction ¹	500 North Capitol Street, N.W.	Colorado Center	Santa Monica Business Park	The Hub on Causeway	Other Joint Ventures ²	Total Unconsolidated Joint Ventures
BXP's share of rental revenue	\$ 2,992	\$ 1,371	\$ 4,507 ⁴	\$ 1,023	\$ 1,400	\$ 11,789 ⁵	\$ 10,598	\$ 1,456	\$ 1,183	\$ 36,319
BXP's share of operating expenses	1,310	710	1,781 ⁴	398	548	3,265 ⁵	4,420	266	556	13,254
BXP's share of net operating income/(loss)	1,682	661	2,726 ⁴	625	852	8,524 ⁵	6,178	1,190	627	23,065
Less:										
BXP's share of termination income	—	—	— ⁴	—	—	—	—	—	—	—
BXP's share of net operating income/(loss) (excluding termination income)	1,682	661	2,726 ⁴	625	852	8,524 ⁵	6,178	1,190	627	23,065
Less:										
BXP's share of straight-line rent	324	649	56 ⁴	28	(4)	356 ⁵	477	380	—	2,266
BXP's share of fair value lease revenue	—	—	—	—	—	442 ⁵	527	—	—	969
Add:										
BXP's share of lease transaction costs that qualify as rent inducements	—	149	23 ⁴	—	4	—	—	6	—	182
BXP's share of net operating income/(loss) - cash (excluding termination income)	<u>\$ 1,358</u>	<u>\$ 161</u>	<u>\$ 2,693⁴</u>	<u>\$ 597</u>	<u>\$ 860</u>	<u>\$ 7,726⁵</u>	<u>\$ 5,174</u>	<u>\$ 816</u>	<u>\$ 627</u>	<u>\$ 20,012</u>

Reconciliation of BXP's share of Revenue

BXP's share of rental revenue	\$ 2,992	\$ 1,371	\$ 4,507 ⁴	\$ 1,023	\$ 1,400	\$ 11,789 ⁵	\$ 10,598	\$ 1,456	\$ 1,183	\$ 36,319
Add:										
BXP's share of development and management services revenue	11	—	2 ⁴	—	—	—	—	—	—	13
BXP's share of revenue	<u>\$ 3,003</u>	<u>\$ 1,371</u>	<u>\$ 4,509⁴</u>	<u>\$ 1,023</u>	<u>\$ 1,400</u>	<u>\$ 11,789⁵</u>	<u>\$ 10,598</u>	<u>\$ 1,456</u>	<u>\$ 1,183</u>	<u>\$ 36,332</u>

¹ Annapolis Junction includes three in-service properties and two undeveloped land parcels.

² Includes 1001 6th Street, Dock 72, 7750 Wisconsin Avenue, 1265 Main Street, Wisconsin Place Parking Facility, 3 Hudson Boulevard, 540 Madison Avenue and Platform 16.

³ Lease revenue includes recoveries from tenants and service income from tenants.

⁴ Reflects the allocation percentages pursuant to the achievement of specified investment return thresholds as provided for in the joint venture agreement.

⁵ 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.

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

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

	Year Ended December 31,					
	2018	2017	2016	2015	2014	2013
Selected Financial Data¹						
Interest expense	\$ 71,309	\$ 46,371	\$ 34,016	\$ 32,176	\$ 31,896	\$ 112,535
Depreciation and amortization expense ²	\$ 103,075	\$ 57,079	\$ 44,989	\$ 36,057	\$ 37,041	\$ 86,088
Losses from early extinguishment of debt	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,677
Gain on distribution of real estate	\$ 16,959	\$ —	\$ —	\$ —	\$ —	\$ —
Gains on sales of real estate	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 14,207
Reconciliation of BXP's share of EBITDAre³						
Income from unconsolidated joint ventures	\$ 2,222	\$ 11,232	\$ 8,074	\$ 22,770	\$ 12,769	\$ 75,074
Add:						
BXP's share of interest expense	33,036	19,638	15,704	16,538	13,056	61,259
BXP's share of depreciation and amortization expense	54,352	34,262	26,934	6,556	19,251	46,214
Losses from early extinguishment of debt	—	—	—	—	—	623
Less:						
BXP's share of gain on distribution of real estate	8,270	—	—	—	—	—
Gains on sales of real estate	—	—	—	—	—	54,501
BXP's share of EBITDAre	<u>\$ 81,340</u>	<u>\$ 65,132</u>	<u>\$ 50,712</u>	<u>\$ 45,864</u>	<u>\$ 45,076</u>	<u>\$ 128,669</u>

¹Amount represents 100% of unconsolidated joint venture activities.

²In 2018, the joint venture that owns Metropolitan Square, which the Company has a 20% ownership interest, commenced a renovation project and recorded accelerated depreciation of approximately \$22 million related to the remaining book value asset to be replaced.

³Amounts represent the Company's share based on its respective ownership percentage.

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	\$ 34,139,103
Non-Real Estate Assets	628,395
Non-Real Estate Liabilities	1,052,375
Management Company Value	(329,681)
Land Held for Future Development	(246,972)
Estimated Present Value of Current Developments ¹	(6,743,797)
Implied In-service Portfolio Value (A)	<u>\$ 28,499,423</u>
BXP's Share of In-service Square Feet (square feet in thousands) (B)	42,235
Implied Value per Square Foot (A ÷ B)	\$ 675

Adjusted BXP's Share of Annualized NOI - cash

BXP's Share of Annualized NOI (excluding termination	\$ 1,725,324
Annualized Lease Transaction Costs that Qualify as Rent Inducements	8,560
Annualized BXP's share of Lease Transaction Costs that Qualify as Rent Inducements from Unconsolidated JVs	728
Annualized Straight-Line Ground Rent Expense Adjustment	4,076
Annualized Partners' share of lease transaction costs that qualify as rent inducements from consolidated JVs	(1,124)
Adjustment to NOI for Properties Under (Re)Development	(123,947)
Management Fee Expense Deduction	(42,691)
Annualized Straight-Line Rent and Fair Value Lease Revenue ³	(100,336)
Annualized BXP's share of Straight-Line Rent and Fair Value of Lease Revenue from Unconsolidated JVs	(12,940)
Annualized Partners' share of Straight-Line Rent and Fair Value of Lease Revenue from Consolidated JVs ³	<u>\$ 14,400</u>
Adjusted BXP's Share of Annualized NOI - cash (excluding termination income) (C)	\$ 1,472,050

Implied Cap Rate incl. Projected Growth **(C ÷ A)** 5.17 %

Inferred Stock Price Calculations

Adjusted BXP's Share of Annualized NOI - cash (excluding termination income) incl. Projected Growth (C)	\$ 1,472,050	\$ 1,472,050	\$ 1,472,050	\$ 1,472,050
Estimated Market Capitalization Rate (D)	4.0%	4.5%	5.0%	5.5 %
Estimated Enterprise Value (C ÷ D)	\$ 36,801,250	\$ 32,712,222	\$ 29,441,000	\$ 26,764,545
Less:				
BXP's Share of Debt	(11,561,991)	(11,561,991)	(11,561,991)	(11,561,991)
Net Assets & Liabilities	(1,680,770)	(1,680,770)	(1,680,770)	(1,680,770)
Management Services Income	329,681	329,681	329,681	329,681
Land Held for Future Development	246,972	246,972	246,972	246,972
Estimated Present Value of Current Developments ¹	<u>6,743,797</u>	<u>6,743,797</u>	<u>6,743,797</u>	<u>6,743,797</u>
Total Adjustments (E)	<u>\$ (5,922,311)</u>	<u>\$ (5,922,311)</u>	<u>\$ (5,922,311)</u>	<u>\$ (5,922,311)</u>
Real Estate Value less adjustments [E + (C ÷ D)]	<u>\$ 30,878,939</u>	<u>\$ 26,789,911</u>	<u>\$ 23,518,689</u>	<u>\$ 20,842,234</u>
Diluted Shares Outstanding (F)	172,583	172,583	172,583	172,583
Implied Stock Price [(E + (C ÷ D)) ÷ F]	\$ 178.92	\$ 155.23	\$ 136.27	\$ 120.77

Valuation Components

Price per Share (at 9/30/2019)	\$ 129.66
Diluted Shares Outstanding	172,583
Preferred Stock	\$ 200,000
Equity Value (at 9/30/2019)	\$ 22,577,112
BXP's Share of Debt ⁴	<u>11,561,991</u>
BXP's Share of Market Capitalization	<u>\$ 34,139,103</u>

BXP Non-Real Estate Assets

Cash and Cash Equivalents	\$ 751,210
Development costs remaining to fund (discounted at 4.5%)	(1,768,307)
Cash Held in Escrows	53,555
Investments in Securities	34,375
Tenant and Other Receivables, Net	102,155
Notes & Related Party Receivables, Net	99,844
Prepaid Expenses and Other Assets ⁵	<u>98,773</u>
Non-Real Estate Assets	<u>\$ (628,395)</u>

BXP Non-Real Estate Liabilities

Accounts Payable and Accrued Expenses	\$ 421,269
Dividends & Distributions Payable	165,421
Accrued Interest Payable ⁵	83,177
Finance Lease Liabilities	221,029
Other Liabilities ⁵	<u>161,479</u>
Non-Real Estate Liabilities	<u>\$ 1,052,375</u>

¹For 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 7.0% 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.

²See "Net Operating Income (NOI)" in this Appendix.

³Excludes the straight-line impact of approximately \$(36.9) million and \$(14.7) million for Straight-line rent and fair value lease revenue and Partners' share of straight-line rent and fair value of lease revenue from consolidated JVs, respectively, in connection with the deferred revenue received from a tenant. The tenant paid for improvements to a long-lived asset of the Company resulting in deferred revenue for the period until the asset was substantially complete, which occurred in the third quarter of 2019.

⁴See "Debt to Market Capitalization Ratios" in this Appendix.

⁵Excludes non-cash items.

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

Net Operating Income (NOI)

(in thousands)

	Quarter ended September 30, 2019		Quarter ended September 30, 2019
Net income attributable to Boston Properties, Inc. common shareholders	\$ 107,771	BXP's Share of Annualized NOI (excluding termination income) (A x 4)	\$ 1,725,324
Preferred dividends	2,625	Add:	
Net income attributable to Boston Properties, Inc.	110,396	Termination income	1,960
Net income attributable to noncontrolling interests:		BXP's share of termination income from unconsolidated JVs ¹	—
Noncontrolling interest - common units of the Operating Partnership	12,504	Less:	
Noncontrolling interests in property partnerships	18,470	Partners' share of termination income from consolidated JVs ²	—
Net income	141,370	BXP's Share of Annualized NOI	\$ 1,727,284
Add:			
Interest expense	106,471	BXP's Share of Annualized NOI (excluding termination income) (A x 4)	\$ 1,725,324
Loss from early extinguishment of debt	28,010	Add:	
Depreciation and amortization expense	165,862	Annualized Lease transaction costs that qualify as rent inducements	8,560
Transaction costs	538	Annualized BXP's share of lease transaction costs that qualify as rent inducements from unconsolidated JVs ¹	728
Payroll and related costs from management services contracts	2,429	Annualized Straight-line ground rent expense adjustment	4,076
General and administrative expense	31,147	Less:	
Less:		Annualized Partners' share of lease transaction costs that qualify as rent inducements from consolidated JVs ²	1,124
Interest and other income	7,178	Adjustment to NOI for properties under re(development)	123,947
Gains from investments in securities	106	Annualized Management fee expense deduction	42,691
Gains (losses) on sales of real estate	(15)	Annualized Straight-line rent and fair value lease revenue ³	100,336
Income (loss) from unconsolidated joint ventures ("JVs")	(649)	Annualized BXP's share of straight-line rent and fair value of lease revenue from unconsolidated JVs ¹	12,940
Direct reimbursements of payroll and related costs from management services contracts	2,429	Add:	
Development and management services revenue	10,303	Annualized Partners' share of straight-line rent and fair value of lease revenue from consolidated JVs ^{2,3}	\$ 14,400
Consolidated NOI	456,475	Adjusted BXP's Share of Annualized NOI—Cash	\$ 1,472,050
Add:			
BXP's share of NOI from unconsolidated JVs ¹	23,065		
Less:			
Partners' share of NOI from consolidated JVs (after income allocation to private REIT shareholders) ²	46,249		
Termination income	1,960		
BXP's share of termination income from unconsolidated JVs ¹	—		
Add:			
Partners' share of termination income from consolidated JVs ²	—		
BXP's Share of NOI (excluding termination income) (A)	\$ 431,331		

¹See "Joint Ventures-Unconsolidated" in this Appendix. Annualized amounts represent amounts for the quarter ended September 30, 2019, multiplied by four (4).

²See "Joint Ventures-Consolidated" in this Appendix. Annualized amounts represent amounts for the quarter ended September 30, 2019, multiplied by four (4).

³Excludes the straight-line impact of approximately \$(36.9) million and \$(14.7) million for Straight-line rent and fair value lease revenue and Partners' share of straight-line rent and fair value of lease revenue from consolidated JVs, respectively, in connection with the deferred revenue received from a tenant. The tenant paid for improvements to a long-lived asset of the Company resulting in deferred revenue for the period until the asset was substantially complete, which occurred in the third quarter of 2019.

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 three years.

	2018				2017				2016			
	<u>31-Mar-18</u>	<u>31-Mar-17</u>	<u>Change (\$)</u>	<u>Change (%)</u>	<u>31-Mar-17</u>	<u>31-Mar-16</u>	<u>Change (\$)</u>	<u>Change (%)</u>	<u>31-Mar-16</u>	<u>31-Mar-15</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Q1	\$ 335,553	\$ 338,860	(3,307)	(1.0)%	\$ 328,368	\$ 321,831	6,537	2.0 %	\$ 322,168	\$ 301,136	21,032	7.0%
	<u>30-Jun-18</u>	<u>30-Jun-17</u>	<u>Change (\$)</u>	<u>Change (%)</u>	<u>30-Jun-17</u>	<u>30-Jun-16</u>	<u>Change (\$)</u>	<u>Change (%)</u>	<u>30-Jun-16</u>	<u>30-Jun-15</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Q2	\$ 344,912	\$ 356,617	(11,705)	(3.3)%	\$ 344,583	\$ 335,171	9,412	2.8 %	\$ 334,902	\$ 319,807	15,095	4.7%
	<u>30-Sep-18</u>	<u>30-Sep-17</u>	<u>Change (\$)</u>	<u>Change (%)</u>	<u>30-Sep-17</u>	<u>30-Sep-16</u>	<u>Change (\$)</u>	<u>Change (%)</u>	<u>30-Sep-16</u>	<u>30-Sep-15</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Q3	\$ 355,058	\$ 346,325	8,733	2.5 %	\$ 346,146	\$ 336,885	9,261	2.7 %	\$ 322,185	\$ 318,833	3,352	1.1%
	<u>31-Dec-18</u>	<u>31-Dec-17</u>	<u>Change (\$)</u>	<u>Change (%)</u>	<u>31-Dec-17</u>	<u>31-Dec-16</u>	<u>Change (\$)</u>	<u>Change (%)</u>	<u>31-Dec-16</u>	<u>31-Dec-15</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Q4	\$ 371,103	\$ 343,949	27,154	7.9 %	\$ 342,461	\$ 343,103	(642)	(0.2)%	\$ 326,978	\$ 315,166	11,812	3.7%
Average Change (%)				<u>1.5 %</u>				<u>1.9 %</u>				<u>4.1%</u>

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 three 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-18	31-Dec-17	30-Sep-18	30-Sep-17	30-Jun-18	30-Jun-17	31-Mar-18	31-Mar-17
Net income (loss) attributable to Boston Properties, Inc. common shareholders	\$ 148,529	\$ 103,829	\$ 119,118	\$ 117,337	\$ 128,681	\$ 133,709	\$ 176,021	\$ 97,083
Preferred dividends	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625
Net income (loss) attributable to Boston Properties, Inc.	151,154	106,454	121,743	119,962	131,306	136,334	178,646	99,708
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	17,662	11,884	13,852	13,402	14,859	15,473	20,432	11,432
Noncontrolling interest - redeemable preferred units of the Operating Partnership	—	—	—	—	—	—	—	—
Noncontrolling interest in property partnerships	16,425	13,865	14,850	14,340	14,400	15,203	17,234	4,424
Net income	185,241	132,203	150,445	147,704	160,565	167,010	216,312	115,564
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	185,241	132,203	150,445	147,704	160,565	167,010	216,312	115,564
Add:								
(Gains) losses from early extinguishment of debt	16,490	13,858	—	—	—	(14,354)	—	—
Losses from interest rate contracts	—	—	—	—	—	—	—	—
Interest expense	100,378	91,772	95,366	92,032	92,204	95,143	90,220	95,534
Depreciation and amortization expense	165,439	154,259	157,996	152,164	156,417	151,919	165,797	159,205
Impairment loss	11,812	—	—	—	—	—	—	—
Transaction costs	195	96	914	239	474	299	21	34
Payroll and related costs from management services contracts	2,219	—	2,516	—	1,970	—	2,885	—
General and administrative expense	27,683	29,396	29,677	25,792	28,468	27,141	35,894	31,386
Subtract:								
(Gains) losses from investments in securities	3,319	(962)	(1,075)	(944)	(505)	(730)	126	(1,042)
Interest and other income	(3,774)	(2,336)	(2,822)	(1,329)	(2,579)	(1,504)	(1,648)	(614)
Gains on sales of real estate	(59,804)	(872)	(7,863)	(2,891)	(18,292)	(3,767)	(96,397)	(133)
Gains on consolidation of joint ventures	—	—	—	—	—	—	—	—
Gains on sale of investment in unconsolidated joint venture	—	—	—	—	—	—	—	—
(Income) loss from unconsolidated joint ventures	(5,305)	(4,197)	4,313	(843)	(769)	(3,108)	(461)	(3,084)
Direct reimbursements of payroll and related costs from management services contracts	(2,219)	—	(2,516)	—	(1,970)	—	(2,885)	—
Development and management services revenue	(12,195)	(9,957)	(15,253)	(10,811)	(9,305)	(7,365)	(8,405)	(6,472)
Net Operating Income ("NOI")	429,479	403,260	411,698	401,113	406,678	410,684	401,459	390,378
Subtract:								
Straight-line rent	(1,830)	(22,323)	848	(16,105)	(19,972)	(3,060)	(27,101)	(12,023)
Fair value lease revenue	(6,076)	(5,655)	(6,053)	(5,781)	(6,092)	(5,464)	(5,590)	(5,390)
Termination income	(4,775)	(756)	(1,350)	(4,783)	(718)	(13,601)	(1,362)	(3,918)
Add:								
Straight-line ground rent expense adjustment ¹	887	929	887	929	887	929	898	941
Lease transaction costs that qualify as rent inducements	3,989	225	3,866	(102)	521	115	316	682
NOI - cash	421,674	375,680	409,896	375,271	381,304	389,603	368,620	370,670
Subtract:								
NOI - cash from non Same Properties (excluding termination income)	(23,135)	(6,629)	(26,602)	(2,135)	(10,207)	105	(6,915)	(1,922)
Same Property NOI - cash (excluding termination income)	398,539	369,051	383,294	373,136	371,097	389,708	361,705	368,748
Subtract:								
Partners' share of NOI - cash from consolidated JVs (excluding termination income)	(43,416)	(38,390)	(43,922)	(38,758)	(39,865)	(45,314)	(39,770)	(41,051)
Add:								
Partners' share of NOI - cash from non Same Properties from consolidated JVs (excluding termination income and after priority allocation and income allocation to private REIT shareholders)	854	(6)	834	(596)	189	(882)	313	(279)
BXP's share of NOI - cash from unconsolidated JVs (excluding termination income)	20,458	13,346	18,697	12,543	13,516	13,105	14,071	11,442
Subtract:								
BXP's share of NOI - cash from non Same Properties from unconsolidated JVs (excluding termination income)	(5,332)	(52)	(3,845)	—	(25)	—	(766)	—
BXP's Share of Same Property NOI - cash (excluding termination income)	\$ 371,103	\$ 343,949	\$ 355,058	\$ 346,325	\$ 344,912	\$ 356,617	\$ 335,553	\$ 338,860

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

	<u>For the three months ended</u>		<u>For the three months ended</u>		<u>For the three months ended</u>		<u>For the three months ended</u>	
	<u>31-Dec-17</u>	<u>30-Dec-16</u>	<u>30-Sep-17</u>	<u>30-Sep-16</u>	<u>30-Jun-17</u>	<u>30-Jun-16</u>	<u>31-Mar-17</u>	<u>31-Mar-16</u>
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	<u>2,625</u>	<u>2,704</u>	<u>2,625</u>	<u>2,589</u>	<u>2,625</u>	<u>2,589</u>	<u>2,625</u>	<u>2,618</u>
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	<u>13,865</u>	<u>(2,121)</u>	<u>14,340</u>	<u>(17,225)</u>	<u>15,203</u>	<u>6,814</u>	<u>4,424</u>	<u>10,464</u>
Net income	132,203	164,894	147,704	71,504	167,010	117,357	115,564	216,222
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	132,203	164,894	147,704	71,504	167,010	117,357	115,564	216,222
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
Direct reimbursements of payroll and related costs from management services contracts	—	—	—	—	—	—	—	—
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 sales of real estate	(872)	—	(2,891)	(12,983)	(3,767)	—	(133)	(67,623)
Gains on consolidation of joint ventures	—	—	—	—	—	—	—	—
Gains on sale of investment in unconsolidated joint venture	—	(59,370)	—	—	—	—	—	—
(Income) loss from unconsolidated joint ventures	(4,197)	(2,585)	(843)	(1,464)	(3,108)	(2,234)	(3,084)	(1,791)
Direct reimbursements of payroll and related costs from management services contracts	—	—	—	—	—	—	—	—
Development and management services revenue	<u>(9,957)</u>	<u>(9,698)</u>	<u>(10,811)</u>	<u>(6,364)</u>	<u>(7,365)</u>	<u>(5,533)</u>	<u>(6,472)</u>	<u>(6,689)</u>
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)
Termination income	(756)	(504)	(4,783)	170	(13,601)	(7,654)	(3,918)	(51,306)
Add:								
Straight-line ground rent expense adjustment ¹	929	971	929	971	929	971	941	982
Lease transaction costs that qualify as rent inducements	<u>225</u>	<u>487</u>	<u>(102)</u>	<u>861</u>	<u>115</u>	<u>2,200</u>	<u>682</u>	<u>5,305</u>
NOI - cash (excluding termination income)	375,680	373,932	375,271	366,534	389,603	385,309	370,670	364,861
Subtract:								
NOI - cash from non Same Properties (excluding termination income)	<u>(6,884)</u>	<u>(23)</u>	<u>(467)</u>	<u>532</u>	<u>(6,818)</u>	<u>(19,492)</u>	<u>(8,187)</u>	<u>(10,625)</u>
Same Property NOI - cash (excluding termination income)	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 (excluding termination income)	(40,084)	(40,655)	(40,283)	(39,901)	(45,314)	(40,415)	(41,051)	(41,703)
Add:								
Partners' share of NOI - cash from non Same Properties from consolidated JVs (excluding termination income and after priority allocation and income allocation to private REIT shareholders)	192	(600)	(589)	(231)	(882)	1,577	(279)	1,571
BXP's share of NOI - cash from unconsolidated JVs (excluding termination income)	13,557	10,602	12,708	10,647	13,182	8,881	11,537	9,109
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 Same Property NOI - cash (excluding termination income)	<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
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	166,738	71,504	323,271	117,357	100,739	216,222	209,170
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
Direct reimbursements of payroll and related costs from management services contracts	—	—	—	—	—	—	—	—
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 sales of real estate	—	(81,332)	(12,983)	(199,479)	—	—	(67,623)	(95,084)
Gains on consolidation of joint ventures	—	—	—	—	—	—	—	—
Gains on sale of investment in unconsolidated joint venture	(59,370)	—	—	—	—	—	—	—
(Income) loss from unconsolidated joint ventures	(2,585)	(2,211)	(1,464)	(2,647)	(2,234)	(3,078)	(1,791)	(14,834)
Direct reimbursements of payroll and related costs from management services contracts	—	—	—	—	—	—	—	—
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)
Termination income	(504)	(7,701)	170	(9,589)	(7,654)	(6,680)	(51,306)	(14,924)
Add:								
Straight-line ground rent expense adjustment ¹	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>
NOI - cash (excluding termination income)	373,959	356,440	366,594	364,434	385,273	361,009	364,866	339,136
Subtract:								
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>
Same Property NOI - cash (excluding termination income)	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 (excluding termination income)	(40,655)	(41,303)	(39,901)	(47,897)	(40,415)	(48,282)	(41,703)	(48,403)
Add:								
Partners' share of NOI - cash from non Same Properties from consolidated JVs (excluding termination income and after priority allocation and income allocation to private REIT shareholders)	(601)	1,684	(231)	5,290	—	4,808	—	5,084
BXP's share of NOI - cash from unconsolidated JVs (excluding termination income)	10,602	9,396	10,647	11,145	8,881	11,207	9,109	14,934
Subtract:								
BXP's share of NOI - cash from non Same Properties from unconsolidated JVs (excluding termination income)	<u>(3,487)</u>	<u>(1,286)</u>	<u>(2,924)</u>	<u>(899)</u>	<u>(322)</u>	<u>—</u>	<u>(312)</u>	<u>—</u>
BXP's Share of Same Property NOI - cash (excluding termination income)	<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>

¹ 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 \$168 and \$(31) for the three months ended December 31, 2018 and 2017, respectively; \$175 and \$(375) for the three months ended September 30, 2018 and 2017, respectively; approximately \$116 and \$(531) for the three months ended June 30, 2018 and 2017, respectively; approximately \$(46) and \$(302) for the three months ended March 31, 2018 and 2017, respectively; \$(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, 2018, the Company had remaining lease payment obligations aggregating approximately \$26.1 million, all of which it expects to incur by the end of 2023 with no payments thereafter. Under GAAP, the Company recognizes 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 the Back Bay Transit Station. As a result, the amounts excluded from the adjustment each quarter through 2021 may vary significantly.