

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

AMENDMENT NO. 1 TO  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):  
NOVEMBER 12, 1998

BOSTON PROPERTIES, INC.  
(Exact name of Registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction  
of incorporation)

1-13087  
(Commission File  
Number)

04-2473675  
(I.R.S. employer  
Identification No.)

8 ARLINGTON STREET  
BOSTON, MASSACHUSETTS 02116  
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code:  
(617) 859-2600

Boston Properties, Inc. (the "Company") hereby amends its Current Report on Form 8-K dated November 12, 1998, filed with the Securities and Exchange Commission on November 25, 1998, to (i) add Item 5 below to describe certain 1998 acquisitions that are individually insignificant under Rule 3-14 of Regulation S-X, but when aggregated with all other individually insignificant 1998 acquisitions are significant under Rule 3-14 and (ii) amend Item 7 in its entirety to include required financial statements, pro forma financial information and certain exhibits.

#### ITEM 5. OTHER EVENTS

On June 25, 1998, the Company acquired University Place, an approximately 196,000 square foot Class A office property located in Cambridge, Massachusetts, for a total purchase price of approximately \$37.0 million. The Company financed the acquisition with cash.

On November 3, 1998, the Company acquired Reservoir Place, an approximately 530,000 square foot Class A office property located in Waltham, Massachusetts, for a total purchase price of approximately \$104.2 million. The Company financed the acquisition through the issuance of common operating partnership units valued at approximately \$27.1 million and the assumption of debt with a fair value of approximately \$77.1 million.

The agreements made in connection with the acquisition of Reservoir Place and University Place (the "Properties"), were negotiated at arms length between the Company and representatives of the transferors. Neither the Company, any subsidiary of the Company nor any director or officer of the Company was affiliated with or had a material relationship with the transferors. In determining the price to purchase the Properties, the Company evaluated various factors, including, among others, the existing leases, which are the primary source of revenue, the occupancy rates, the competitive nature of the markets and comparative rental rates. Current and anticipated operating expenses, maintenance and repair costs, real estate taxes and capital improvement requirements were also evaluated. After reasonable inquiry, the Company is not aware of any material factors (other than those stated above) which would cause the reported financial information not to be indicative of future operating results.

#### ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

##### (a) Financial Statements of Assets Acquired:

Statement of Revenue over Certain Operating Expenses of University Place for the fiscal year ended September 30, 1997 and (unaudited) for the period from October 1, 1997 through June 24, 1998 (date of acquisition).

Statement of Revenue over Certain Operating Expenses of Reservoir Place for the year ended December 31, 1997 and (unaudited) for the nine months ended September 30, 1998.

Combined Statement of Revenue over Certain Operating Expenses of the Embarcadero Center Portfolio for the year ended December 31, 1997 and (unaudited) for the nine months ended September 30, 1998.

##### (b) Pro Forma Financial Information:

The information contained in the following pro forma financial statements assumes that both phases of the Embarcadero Center acquisition have occurred in accordance with the agreements filed on November 12, 1998.

Pro Forma Condensed Consolidated Balance Sheet as of September 30, 1998 (unaudited).

Pro Forma Condensed Consolidated and Combined Statements of Income for the nine months ended September 30, 1998 (unaudited) and for the year ended December 31, 1997 (unaudited).

(c) Exhibits

EXHIBIT NO.

- 23.1 Consent of PricewaterhouseCoopers LLP, Independent Accountants.
- 23.2 Consent of KPMG LLP, Independent Accountants.
- 99.1 Purchase and Sale Agreement, dated as of November 12, 1998, by and between Two Embarcadero Center West and BP OFR LLC.\*
- 99.2 Contribution Agreement, dated as of November 12, 1998, by and among the Company, the Operating Partnership, Embarcadero Center Investors Partnership ("ECIP") and the partners in ECIP listed on Exhibit A thereto.\*
- 99.3 Contribution Agreement, dated as of November 12, 1998, by and among the Company, the Operating Partnership, Three Embarcadero Center West ("Three ECW") and the partners in Three ECW listed on Exhibit A thereto.\*
- 99.4 Three ECW Redemption Agreement, dated as of November 12, 1998, by and among Three ECW, the Operating Partnership, BP EC West LLC, Prudential, PIC Realty Corporation ("PIC") and Prudential Realty Securities II, Inc. ("PRS II").\*
- 99.5 Three ECW Property Contribution Agreement, dated as of November 12, 1998, by and among Three ECW, Prudential, PIC, PRS II, the Operating Partnership, the Company and BP EC West LLC.\*
- 99.6 Registration Rights and Lock-Up Agreement, dated November 12, 1998, by and among the Company, the Operating Partnership and the Holders named therein.\*
- 99.7 Third Amended and Restated Partnership Agreement of One Embarcadero Center Venture, dated as of November 12, 1998, by and between Boston Properties LLC ("BPLLC"), as managing general partner, BP EC1 Holdings LLC ("BP EC1 LLC"), as non-managing general partner, and PIC, as non-managing general partner.\*
- 99.8 Third Amended and Restated Partnership Agreement of Embarcadero Center Associates, dated as of November 12, 1998, by and between BPLLC, as managing general partner, BP EC2 Holdings LLC ("BP EC2 LLC"), as non-managing general partner, and PIC, as non-managing general partner.\*
- 99.9 Second Amended and Restated Partnership Agreement of Three Embarcadero Center Venture, dated as of November 12, 1998, by and between BPLLC, as managing general partner, BP EC3 Holdings LLC ("BP EC3 LLC"), as non-managing general partner, and Prudential, as non-managing general partner.\*
- 99.10 Second Amended and Restated Partnership Agreement of Four Embarcadero Center Venture, dated as of November 12, 1998, by and between BPLLC, as managing general partner, BP EC4 Holdings LLC ("BP EC4 LLC"), as non-managing general partner, and Prudential, as non-managing general partner.\*
- 99.11 Note Purchase Agreement, dated as of November 12, 1998, by and between Prudential Realty Securities, Inc. ("PRS") and One Embarcadero Center Venture.\*
- 99.12 Note Purchase Agreement, dated as of November 12, 1998, by and between PRS and Embarcadero Center Associates.\*

- 99.13 Note Purchase Agreement, dated as of November 12, 1998, by and between PRS and Three Embarcadero Center Venture.\*
- 99.14 Note Purchase Agreement, dated as of November 12, 1998, by and between PRS and Four Embarcadero Center Venture.\*
- 99.15 Redemption Agreement, dated as of November 12, 1998, by and among One Embarcadero Center Venture, BPLLC, BP EC1 LLC and PIC.\*
- 99.16 Redemption Agreement, dated as of November 12, 1998, by and among Embarcadero Center Associates, BPLLC, BP EC2 LLC and PIC.\*
- 99.17 Redemption Agreement, dated as of November 12, 1998, by and among Three Embarcadero Center Venture, BPLLC, BP EC3 LLC and Prudential.\*
- 99.18 Redemption Agreement, dated as of November 12, 1998, by and among Four Embarcadero Center Venture, BPLLC, BP EC4 LLC and Prudential.\*
- 99.19 Option and Put Agreement, dated as of November 12, 1998, by and between One Embarcadero Center Venture and Prudential.\*
- 99.20 Option and Put Agreement, dated as of November 12, 1998, by and between Embarcadero Center Associates and Prudential.\*
- 99.21 Option and Put Agreement, dated as of November 12, 1998, by and between Three Embarcadero Center Venture and Prudential.\*
- 99.22 Option and Put Agreement, dated as of November 12, 1998, by and between Four Embarcadero Center Venture and Prudential.\*
- 99.23 Stock Purchase Agreement, dated as of September 28, 1998, by and between the Company and Prudential.\*
- 99.24 Certificate of Designations for the Series Two Preferred Units, dated November 12, 1998.\*
- 99.25 Certificate of Designations for the Series Three Preferred Units, dated November 12, 1998.\*
- 99.26 Form of Certificate of Designations for the Series A Preferred Stock.\*

-----  
\*Previously filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 26, 1999

BOSTON PROPERTIES, INC.

By: /S/ DAVID G. GAW

-----  
David G. Gaw  
Chief Financial Officer

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of  
Boston Properties, Inc.:

We have audited the accompanying statement of revenue over certain operating expenses of University Place in Cambridge, Massachusetts (the "Property") for the fiscal year ended September 30, 1997. This statement is the responsibility of the Property's management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenue over certain operating expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenue over certain operating expenses was prepared for the purpose of complying with Rule 3-14 of the Securities and Exchange Commission, and excludes certain expenses described in Note 2, and therefore is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenue over certain operating expenses (as described in Note 2) of the Property for the fiscal year ended September 30, 1997 in conformity with generally accepted accounting principles.

/s/ PricewaterhouseCoopers LLP

December 11, 1998

UNIVERSITY PLACE  
STATEMENT OF REVENUE OVER CERTAIN OPERATING EXPENSES  
(in thousands)

	For the year ended September 30, 1997 -----	For the Period from October 1, 1997 through June 24, 1998 ----- (Unaudited)
Revenue:		
Base rent	\$ 5,381	\$ 4,085
Recoveries from tenants	222	159
Garage, net	1,132	870
	-----	-----
	6,735	5,114
	-----	-----
Certain operating expenses:		
Repairs and maintenance	247	220
Utilities	330	218
General and administrative	291	267
Janitorial and cleaning	168	131
Security	92	66
Insurance	30	23
Ground rent	566	425
Real estate taxes	1,248	920
	-----	-----
	2,972	2,270
	-----	-----
Excess of revenue over certain operating expenses	\$ 3,763	\$ 2,844
	-----	-----
	-----	-----

The accompanying notes are an integral part of the statement.

UNIVERSITY PLACE  
NOTES TO STATEMENT OF REVENUE  
OVER CERTAIN OPERATING EXPENSES  
(dollars in thousands)

1. DESCRIPTION OF THE PROPERTY

The accompanying statement of revenue over certain operating expenses (the "Statement") includes the operations of an approximately 196,000 square foot Class A office property known as University Place, (the "Property") located in Cambridge, Massachusetts. The Property was acquired on June 25, 1998 by Boston Properties, Inc. from an unrelated third party.

2. BASIS OF ACCOUNTING

The accompanying Statement has been prepared on the accrual basis of accounting. The Statement has been prepared in accordance with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission for real estate properties acquired or to be acquired. Accordingly, this Statement excludes certain historical expenses not comparable to the operations of the Property after acquisition such as amortization, depreciation, certain interest costs, corporate expenses and certain other costs not directly related to the future operations of the Property.

3. SIGNIFICANT ACCOUNTING POLICIES

RENTAL REVENUE

Rental income is recognized on the straight-line method over the terms of the related leases. The excess of recognized rentals over amounts due pursuant to lease terms is recorded as accrued rent. The impact of the straight-line rent adjustment increased revenue by approximately \$233 and \$72 for the fiscal year ended September 30, 1997 and for the period from October 1, 1997 through June 24, 1998 (unaudited), respectively.

UNAUDITED INTERIM INFORMATION

The statement of revenue over certain operating expenses for the period from October 1, 1997 through June 24, 1998 is unaudited. In the opinion of management, all adjustments necessary for a fair presentation of such Statement have been included. The results of operations for the period are not necessarily indicative of future results of operations.



UNIVERSITY PLACE  
NOTES TO STATEMENT OF REVENUE  
OVER CERTAIN OPERATING EXPENSES  
(dollars in thousands)

RISKS AND UNCERTAINTIES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

4. DESCRIPTION OF LEASING ARRANGEMENTS

The space is leased to tenants under leases with terms that vary in length. Minimum lease payments excluding reimbursement clauses and renewal options to be received during the next five years and thereafter for noncancelable operating leases in effect at September 30, 1997 are as follows:

YEAR ENDING SEPTEMBER 30, -----	(IN THOUSANDS)
1998.....	\$5,433
1999.....	5,216
2000.....	3,587
2001.....	2,976
2002.....	2,981
Thereafter.....	8,297

As of September 30, 1997, three tenants occupied approximately 65% of the leasable square feet and represented approximately 67% of the contract rent.

5. GROUND RENT

The Property is subject to a ground lease that expires December 31, 2028 (the "Ground Lease"). The Ground Lease, as amended, requires a minimum payment of \$500 per annum, plus the greater of escalation rent and percentage rent, as defined in the agreement. The ground lease provides the holder with an option to purchase the lease interest commencing January 1, 2001. The purchase option is at the greater of the fair market value or a calculated amount as defined in the agreement.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of  
Boston Properties, Inc.:

We have audited the accompanying statement of revenue over certain operating expenses of Reservoir Place in Waltham, Massachusetts (the "Property") for the year ended December 31, 1997. This statement is the responsibility of the Property's management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenue over certain operating expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenue over certain operating expenses was prepared for the purpose of complying with Rule 3-14 of the Securities and Exchange Commission, and excludes certain expenses described in Note 2, and therefore is not intended to be a complete presentation of the Property's revenue and expenses.

In our opinion, the statement referred to above presents fairly, in all material respects, the revenue over certain operating expenses (as described in Note 2) of the Property for the year ended December 31, 1997 in conformity with generally accepted accounting principles.

/s/ PricewaterhouseCoopers LLP

December 18, 1998

RESERVOIR PLACE  
STATEMENT OF REVENUE OVER CERTAIN OPERATING EXPENSES  
(in thousands)

	For the year ended December 31, 1997 -----	For the nine months ended September 30, 1998 ----- (Unaudited)
Revenue:		
Base rent	\$ 11,387	\$ 9,414
Recoveries from tenants	835	657
Other income	58	16
	-----	-----
	12,280	10,087
	-----	-----
Certain operating expenses:		
Repairs and maintenance	714	644
Janitorial and cleaning	463	420
Security	179	153
Utilities	201	236
General and administrative	109	84
Insurance	93	81
Real estate taxes	1,741	1,315
Interest expense	6,038	4,528
	-----	-----
	9,538	7,461
	-----	-----
Excess of revenue over certain operating expenses	\$ 2,742	\$ 2,626
	-----	-----
	-----	-----

The accompanying notes are an integral part of the Statement.

RESERVOIR PLACE  
NOTES TO STATEMENT OF REVENUE  
OVER CERTAIN OPERATING EXPENSES  
(dollars in thousands)

1. DESCRIPTION OF THE PROPERTY

The accompanying statement of revenue over certain operating expenses (the "Statement") includes the operations of an approximately 530,000 square foot Class A office property known as Reservoir Place, (the "Property") located in Waltham, Massachusetts. The Property was acquired on November 3, 1998 by Boston Properties, Inc. from an unrelated third party.

2. BASIS OF ACCOUNTING

The accompanying Statement has been prepared on the accrual basis of accounting. The Statement has been prepared in accordance with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission for real estate properties acquired or to be acquired. Accordingly, this Statement excludes certain historical expenses not comparable to the operations of the Property after acquisition such as amortization, depreciation, property management fees, certain interest costs, corporate expenses and certain other costs not directly related to the future operations of the Property.

3. SIGNIFICANT ACCOUNTING POLICIES

RENTAL REVENUE

Rental income is recognized on the straight-line method over the terms of the related leases. The excess of recognized rentals over amounts due pursuant to lease terms is recorded as accrued rent. The impact of the straight-line rent adjustment increased revenue by approximately \$149 and \$37 for the year ended December 31, 1997 and for the nine months ended September 30, 1998 (unaudited), respectively.

UNAUDITED INTERIM INFORMATION

The statement of revenue over certain operating expenses for the nine months ended September 30, 1998 is unaudited. In the opinion of management, all adjustments necessary for a fair presentation of such Statement have been included. The results of operations for the period are not necessarily indicative of future results of operations.

RISKS AND UNCERTAINTIES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

RESERVOIR PLACE  
NOTES TO STATEMENT OF REVENUE  
OVER CERTAIN OPERATING EXPENSES  
(dollars in thousands)

4. DESCRIPTION OF LEASING ARRANGEMENTS

The space is leased to tenants under leases with terms that vary in length. Minimum lease payments excluding reimbursement clauses and renewal options to be received during the next five years and thereafter for noncancelable operating leases in effect at December 31, 1997 are as follows:

YEAR ENDING DECEMBER 31, -----	(IN THOUSANDS)
1998.....	\$12,866
1999.....	11,935
2000.....	9,620
2001.....	7,409
2002.....	3,642
Thereafter.....	3,988

As of December 31, 1997, three tenants occupied approximately 37% of the leasable square feet and represented approximately 33% of the contract rent.

5. DEBT ASSUMPTION

In connection with the acquisition, the mortgage debt (the "Note") encumbering the Property totaling \$66,444 at December 31, 1997 was assumed. The terms of the Note were modified upon assumption to eliminate current principal payments. The Note requires interest only payments through May 1, 1999 at an interest rate of 9.0866% and principal and interest payments at an interest rate of 9.6457% thereafter until maturity on November 1, 2006.

Principal payments due on the Note during the next five years and thereafter are approximately as follows:

1998.....	\$ --
1999.....	326
2000.....	603
2001.....	712
2002.....	1,342
Thereafter	63,461

6. RELATED PARTY TRANSACTIONS

The property reimbursed an affiliate for salary and wages and administrative costs totaling approximately \$337 and \$255 for the year ended December 31, 1997 and the nine month period ended September 30, 1998 (unaudited), respectively.

Independent Auditors' Report

The Board of Directors and Stockholders of  
Boston Properties, Inc.:

We have audited the accompanying Combined Statement of Revenue over Certain Operating Expenses (the Statement) of the Embarcadero Center Portfolio, which is comprised of One Embarcadero Center, Two Embarcadero Center, Three Embarcadero Center, Four Embarcadero Center, Two Embarcadero Center West and Three Embarcadero Center West, for the year ended December 31, 1997. The Statement is the responsibility of management. Our responsibility is to express an opinion on the Statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement was prepared to comply with the requirements of Rule 3-14 of Regulation S-X of the Securities and Exchange Commission and excludes certain expenses, described in note 2, that would not be comparable to those resulting from the proposed future operations of the properties. It is not intended to be a complete presentation of the operations of the properties.

In our opinion, the Statement referred to above presents fairly, in all material respects, the revenue over certain operating expenses, as described in Note 2, of the Embarcadero Center Portfolio for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

/s/ KPMG LLP

San Francisco, California  
December 18, 1998

EMBARCADERO CENTER PORTFOLIO  
 COMBINED STATEMENTS OF REVENUE OVER CERTAIN OPERATING EXPENSES  
 (in thousands)

	For the year ended December 31, 1997	For the nine months ended September 30, 1998
	-----	-----
		(Unaudited)
Rental:		
Office rent (note 5)	\$ 93,594	\$ 72,990
Retail rent	8,925	6,591
Escalation	2,672	2,281
Retail area charges	2,592	1,935
	-----	-----
Total rental	107,783	83,797
Other:		
Storage	505	378
Parking (note 5)	7,854	6,546
Other income	3,130	2,594
	-----	-----
Total other	11,489	9,518
	-----	-----
Total revenue	119,272	93,315
	-----	-----
Certain operating expenses (notes 5 and 6):		
Utilities	8,259	6,649
Security	3,427	2,565
Repairs and maintenance	16,167	11,876
Advertising and promotions	1,576	1,088
Insurance	4,150	2,501
Property tax	6,154	5,005
Interest on assumed loan	10,618	5,578
Other	1,291	955
	-----	-----
Total expenses	51,642	36,217
	-----	-----
Excess of revenue over certain operating expenses	\$ 67,630	\$ 57,098
	-----	-----
	-----	-----

See accompanying notes to combined statements of revenue over certain operating expenses.

EMBARCADERO CENTER  
NOTES TO COMBINED STATEMENT OF REVENUE  
OVER CERTAIN OPERATING EXPENSES  
(dollars in thousands)

(1) DESCRIPTION OF THE PROPERTIES

The accompanying statements of revenue over certain operating expenses (the "Statement") includes the collective operations of the Embarcadero Center Portfolio, which is comprised of six Class A buildings with approximately 3.6 million square feet of net rentable office space, 354,000 square feet of retail space and 2,090 underground parking spaces, known as One Embarcadero Center, Two Embarcadero Center, Three Embarcadero Center, Four Embarcadero Center, Two Embarcadero Center West, and Three Embarcadero Center West (the "Properties") located in San Francisco, California. The Properties were acquired by Boston Properties, Inc. on November 12, 1998 from an unrelated third party.

(2) BASIS OF ACCOUNTING

The accompanying Statement has been prepared on the accrual method of accounting. The Statements have been prepared in accordance with Rule 3-14 of Regulation S-X of the Securities and Exchange Commission for real estate properties acquired or to be acquired. Accordingly, these Statements exclude certain historical expenses not comparable to the operations of the Properties after acquisition such as amortization, depreciation, administrative and management fees and interest as these expenses would not be comparable to the proposed future operations of the Properties.

The acquisition of the Properties may result in a new valuation for purposes of determining future property tax assessments.

(3) SIGNIFICANT ACCOUNTING POLICIES

(A) RENTAL REVENUE

Rental income of the Properties is recognized on a straight-line basis over the terms of the related leases. The excess of recognized rentals over amounts due pursuant to lease terms is recorded as accrued rent. The impact of the straight-line rent adjustment increased revenue by approximately \$431 for the year ended December 31, 1997 and decreased revenue by approximately \$148 for the nine months ended September 30, 1998 (unaudited).

(B) UNAUDITED INTERIM INFORMATION

The statement of revenue over certain operating expenses for the nine months ended September 30, 1998 is unaudited. In the opinion of management, all adjustments necessary for a fair presentation of such combined statement have been included.

(C) RISKS AND UNCERTAINTIES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.



EMBARCADERO CENTER  
NOTES TO COMBINED STATEMENT OF REVENUE  
OVER CERTAIN OPERATING EXPENSES  
(dollars in thousands)

(4) DESCRIPTION OF LEASING ARRANGEMENTS

The office and retail space is leased to tenants under leases with terms that vary in length. Minimum lease payments excluding reimbursement clauses, percentage lease revenue of \$663 and renewal options to be received during the next five years and thereafter under noncancelable operating leases in effect at December 31, 1997 are as follows:

YEAR ENDING DECEMBER 31:	(IN THOUSANDS)
1998	\$ 100,414
1999	91,165
2000	82,546
2001	74,271
2002	61,618
Thereafter	190,737

(5) RELATED PARTY TRANSACTIONS

During the year ended December 31, 1997, affiliates of the Properties leased space, including parking spaces, at the Properties. In 1997, parking revenue includes approximately \$579 from leased parking spaces with affiliates and rental revenue includes \$1,196 from leased facilities with affiliates.

The Properties reimburse an affiliate for their pro rata share of advertising and promotions expense. In addition, the Properties reimburse the affiliate for salaries and wages, including benefits, of affiliate employees who work on the Properties. Such salaries and wages are included in security, repairs and maintenance, administration, advertising and promotions, and other expenses line items.

Included in the Statement are the following fees and reimbursements:

	1997
Security	\$ 138
Repairs and maintenance	56
Advertising and promotions	374
Other expenses	100
	\$ 668

The Properties participate in an insurance purchasing arrangement administered by an affiliate whereby the affiliate purchases certain insurance for the Properties and are reimbursed for such cost. The affiliate is not an insurer under the arrangement. The total reimbursements to the affiliate during 1997 totaled \$73.

EMBARCADERO CENTER  
NOTES TO COMBINED STATEMENT OF REVENUE  
OVER CERTAIN OPERATING EXPENSES  
(dollars in thousands)

(6) DEBT ASSUMPTION

In connection with the acquisition of the Embarcadero Center Portfolio Boston Properties, Inc. assumed a mortgage note payable secured by the Four Embarcadero Center property. The assumed note had resulted from a refinancing that was completed as of January 26, 1998. The interest expense reflected in the Statement relates to the debt assumed. Prepayment penalties and related swap termination costs incurred in 1998 are not reflected in the accompanying financial statements. The principal amount of the note assumed was \$108,698. The note bears interest at a fixed rate of 6.83% and is payable in equal monthly installments, including principal and interest, of \$766. The note is based on a 25 year amortization schedule, with the remaining principal balance due and payable at maturity on February 1, 2008.

BOSTON PROPERTIES, INC.  
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET  
NOTES TO THE PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET  
September 30, 1998  
(Unaudited)

The accompanying unaudited Pro Forma Condensed Consolidated Balance Sheet of Boston Properties, Inc. (the "Company") is presented as if the acquisitions subsequent to September 30, 1998, Embarcadero Center and Reservoir Place (the "Acquisition Properties"), had been consummated on September 30, 1998.

This Pro Forma Consolidated financial information should be read in conjunction with Form 10-Q for the nine months ended September 30, 1998 (unaudited).

The following Pro Forma Condensed Consolidated Balance Sheet is not necessarily indicative of what the actual financial position would have been assuming the above transactions had been consummated on September 30, 1998 nor does it purport to represent the future financial position of the Company.

Boston Properties  
Pro Forma Condensed Consolidated Balance Sheet  
September 30, 1998  
(unaudited)  
(dollars in thousands)

	BOSTON PROPERTIES, INC.	ACQUISITION PROPERTIES	PRO FORMA
<b>ASSETS</b>			
Real Estate and equipment:	\$3,562,645	\$1,312,022	\$4,874,667
Less accumulated depreciation	(335,821)	--	(335,821)
Total real estate and equipment	3,226,824	1,312,022 (A)	4,538,846
Cash and cash equivalents	15,544		15,544
Escrows	19,668	--	19,668
Tenant and other receivables	33,160	--	33,160
Accrued rental income	67,692		67,692
Deferred charges	41,244	2,013 (B)	43,257
Prepaid expenses and other assets	23,064	--	23,064
Investment in joint ventures	32,136	--	32,136
Total assets	\$3,459,332	\$1,314,035	\$4,773,367
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Liabilities:			
Mortgage notes payable	\$1,752,430	\$ 807,128 (C)	\$2,559,558
Unsecured line of credit	195,000	93,447 (C)	288,447
Accounts payable and accrued expenses	41,502	--	41,502
Accrued interest payable	4,784	--	4,784
Other liabilities	26,357	--	26,357
Total liabilities	2,020,073	900,575	2,920,648
Minority interests	462,015	413,460 (D)	875,475
Stockholders' equity:			
Excess stock, \$.01 par value, 150,000,000 shares authorized, none issued and outstanding			
Preferred stock, \$.01 par value, 50,000,000 shares authorized, none issued or outstanding			
Common Stock: \$.01 par value, 250,000,000 shares authorized, 63,527,552 issued and outstanding	635	--	635
Additional paid in capital	949,972	--	949,972
Retained earnings	26,637	--	26,637
Total stockholders' equity	977,244	--	977,244
Total liabilities and stockholders' equity	\$3,459,332	\$1,314,035	\$4,773,367

BOSTON PROPERTIES, INC.

NOTES TO THE PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET  
(dollars in thousands)

(A) Represents the acquisition price, including closing costs, of the Acquisition Properties as follows:

Embarcadero Center (1).....	\$1,207,834
Reservoir Place (2).....	104,188
	-----
Total Acquired Properties	\$1,312,022
	-----
	-----

- 1) The acquisition of the Embarcadero Center includes the issuance of \$386.4 million in Preferred Operating Partnership Units (the "Preferred Units), the assumption of debt and new mortgage acquisition financing totaling \$730,000 and a draw from the Unsecured Line of Credit of approximately \$91,434.
- 2) The acquisition of Reservoir Place was funded through the assumption of mortgage debt with a fair value of \$77,128 and the issuance of approximately \$27,060 of Operating Partnership Units (the "OP Units").

(B) Represents costs incurred to refinance debt in connection with the acquisition of Embarcadero Center.

(C) Represents the following debt transactions related to the Acquired Properties:

MORTGAGE NOTES PAYABLE

Mortgage assumed in connection with the acquisition of Embarcadero Center.....	\$ 108,698
Mortgage financing in connection with the acquisition of Embarcadero Center .....	621,302
Mortgage assumed in connection with the acquisition of Reservoir Place at fair value .....	77,128
	-----
Net increase in mortgage notes payable .....	\$807,128
	-----
	-----

UNSECURED LINE OF CREDIT

Draw down on Unsecured Line of Credit in connection with the acquisition and refinancing of Embarcadero Center .....	\$ 93,447
	-----

(D) Adjustment to minority interest to reflect change as a result of the increase in outstanding OP Units as a result of the issuance of OP Units with a fair value of approximately \$27.1 million in connection with the acquisition of Reservoir Place and the issuance of Preferred Units of \$386.4 million in connection with the acquisition of Embarcadero Center.

BOSTON PROPERTIES, INC.  
PRO FORMA CONDENSED CONSOLIDATED  
AND COMBINED STATEMENTS OF INCOME  
For the nine months ended  
September 30, 1998 and the year ended December 31, 1997  
(Unaudited)

The accompanying unaudited Pro Forma Condensed Consolidated Statements of Income for the nine months ended September 30, 1998 and for the year ended December 31, 1997 are presented as if the following transactions had occurred on January 1, 1997: (i) the consummation of the initial public offering (the "Initial Offering") and related formation transactions, (ii) the consummation of the second offering and private sale of common stock, (iii) the acquisition of the previously completed 1997 acquisitions reported on Form 8-K's previously filed with the Securities and Exchange Commission (the "1997 Acquired Properties"), (iv) the 1998 acquisitions for which financial statements are required to be filed pursuant to Rule 3-14 (the "1998 Acquired Properties"), (v) the closing of mortgage financing and refinancings, and (vi) the drawdown on the Unsecured Line of Credit as a result of acquisitions.

The operations of the hotel properties and certain parking garages have been included in the pro forma financial information pursuant to participating lease agreements for the Company to continue to qualify as a REIT under IRC Section 856.

This Pro Forma Condensed Consolidated and Combined Statements of Income should be read in conjunction with the historical consolidated and combined financial statement and notes thereto of the Company and the Predecessor Company, reported on Form 10-K for the year ended December 31, 1997 and on Form 10-Q for the nine month period ended September 30, 1998.

The unaudited Pro Forma Condensed Consolidated financial information prepared by Boston Properties' management is not necessarily indicative of what the actual results of operations would have been for the nine month period ended September 30, 1998 or for the year ended December 31, 1997, had the previously described transactions actually occurred on January 1, 1997 and the effect thereof carried forward through the nine month period ended September 30, 1998, nor do they purport to present the future results of operations of the Company.

Boston Properties, Inc.  
Pro Forma Condensed Consolidated and Combined Statements of Income  
For the nine months ended September 30, 1998  
(unaudited)  
(dollars in thousands, except per share date)

	Boston Properties, Inc.			
	----- Nine months ended September 30, 1998 -----	1998 Acquisitions	Other Adjustments	Pro Forma -----
		----- (A)	-----	-----
Revenue:				
Rental				
Base rent	\$286,610	\$155,457		\$442,067
Recoveries from tenants	33,027	13,602		46,629
Parking and other	5,880	13,373		19,253
	-----	-----	-----	-----
Total rental revenue	325,517	182,432		507,949
Development and management services	8,893			8,893
Interest and other	9,410		\$ (8,353) (B)	1,057
	-----	-----	-----	-----
Total revenue	343,820	182,432	(8,353)	517,899
	-----	-----	-----	-----
Expenses				
Rents:				
Operating	50,444	41,780		92,224
Real estate taxes	46,744	17,994		64,738
General and administrative	16,750	-	2,325 (C)	19,075
Interest	81,926	16,251	44,177 (D)	142,354
Depreciation and amortization	51,212	30,559 (E)		81,771
	-----	-----	-----	-----
Total expenses	247,076	106,584	46,502	400,162
	-----	-----	-----	-----
Income before minority interests	96,744	75,848	(54,855)	117,737
Minority interest in property partnership	(390)	-	-	(390)
	-----	-----	-----	-----
Income before minority interest in Operating Partnership and extraordinary item	96,354	75,848	(54,855)	117,347
Minority interest in Operating Partnership	(25,025)	-	(20,374) (F)	(45,399)
	-----	-----	-----	-----
Income before extraordinary item	\$ 71,329	\$ 75,848	\$(75,229)	\$ 71,948
	-----	-----	-----	-----
Income before extraordinary item per common share-basic	\$ 1.19			\$1.13
	-----			-----
Weighted average number of common shares outstanding-basic	60,101			63,528
	-----			-----

BOSTON PROPERTIES, INC  
NOTES TO THE PRO FORMA CONDENSED  
CONSOLIDATED STATEMENTS OF INCOME  
(dollars in thousands)

(A) Reflects the historical results of operations, as adjusted for base rent, interest and depreciation, for the 1998 Acquired Properties for the nine months ended September 30, 1998 as follows:

	Riverfront Plaza (1)	Mulligan/ Griffin(1)	Carnegie Center (1)	Prudential Center (1)	Metropolitan Square (1)
Revenue:					
Rental:					
Base rent	\$ 1,121	\$ 2,357	\$ 13,857	\$ 30,098	\$ 10,282
Adjustment (2)	--	--	537	1,791	209
Total base rent	1,121	2,357	14,394	31,889	10,491
Recoveries from tenants	217	526	3,449	3,959	474
Other	117	530	232	2,391	--
Total rental revenue	1,455	3,413	18,075	38,239	10,965
Expenses:					
Operating	255	387	3,087	8,097	1,819
Real estate taxes	137	135	2,127	7,084	1,589
Interest	--	677	2,076 (3)	--	3,922 (4)
Depreciation and amortization	236	452	2,588	4,879	1,832
Total expenses	628	1,651	9,878	20,060	9,162
Net income	\$ 827	\$ 1,762	\$ 8,197	\$ 18,179	\$ 1,803

	University Place (1)	Embarcadero Center (1)	Reservoir Place (1)	Total 1998 Acquisitions
Revenue:				
Rental:				
Base rent	\$ 2,672	\$ 79,581	\$ 9,414	\$149,382
Adjustment (2)	33	3,449	56	6,075
Total base rent	2,705	83,030	9,470	155,457
Recoveries from tenants	104	4,216	657	13,602
Other	569	9,518	16	13,373
Total rental revenue	3,378	96,764	10,143	182,432
Expenses:				
Operating	883	25,634	1,618	41,780
Real estate taxes	602	5,005	1,315	17,994
Interest	--	5,578	3,998 (5)	16,251
Depreciation and amortization	353	18,632	1,587	30,559
Total expenses	1,838	54,849	8,518	106,584
Net income	\$ 1,540	\$ 41,915	\$ 1,625	\$ 75,848

(1) Reflects results of operations prior to acquisition.

(2) Represents an adjustment to straight-line rent based on the pro forma acquisition date of January 1, 1997.

(3) Includes an adjustment of \$15 to reflect effective interest expense on the mortgage debt assumed.

(4) Includes an adjustment of (\$1,098) to reflect effective interest expense on the mortgage debt assumed.

(5) Includes an adjustment of (\$530) to reflect effective interest expense on the mortgage debt assumed.



- (B) Reflects the net decrease in interest income as a result of cash used to acquire the 1998 Acquired Properties.
- (C) Reflects an incremental increase in general and administrative costs related to the 1998 Acquired Properties and the establishment of regional offices.
- (D) Reflects increase in interest expense as a result of the following transactions:

Interest on mortgage acquisition financing of Embarcadero Center in the principal amount of \$621,302 computed at an average interest rate of 6.63% .....	\$ 30,894
Interest on mortgage acquisition financing of the Prudential Center in the principal amount of \$300,000 computed at an interest rate of 6.72% .....	10,108
Interest on Unsecured Line of Credit as a result of the 1998 Acquired Properties .....	4,694
Interest on mortgage acquisition financing of Riverfront Plaza in the principal amount of \$121,800 computed at an interest rate of 6.61% .....	485
Amortization of deferred financing fees as a result of approximately \$2.0 million of fees associated with the mortgage financing of Embarcadero Center. The deferred fees are amortized over a weighted average of 8.7 years .....	173
Interest reduction on refinancing and partial paydown of the Mulligan/Griffin Portfolio loans .....	(1,377)
Interest reduction on paydown of \$30 million related to the 875 Third Avenue mortgage loan .....	(800)
Net increase in interest expense .....	\$ 44,177

- (E) Detail of pro forma depreciation expense is presented below for the 1998 Acquired Properties:

PROPERTIES	PURCHASE PRICE	PRO FORMA DEPRECIATION(1)
Riverfront Plaza(2)	\$ 174,361	236
Mulligan/Griffin Portfolio(2)	257,890	452
Carnegie Center Portfolio (2)	276,000	2,588
Prudential Center(2)	518,982	4,879
Metropolitan Square(2)	175,000	1,832
Embarcadero Center	1,207,834	18,632
Reservoir Place	104,188	1,587
University Place(2)	37,000	353
		-----
		\$ 30,559
		-----
		-----

(1) Represents depreciation expense on the properties which has been calculated over 40 years for the building and over the life of the lease for tenant improvements.

(2) Reflects pro forma depreciation expense for the period prior to acquisition.

BOSTON PROPERTIES, INC  
NOTES TO THE PRO FORMA CONDENSED  
CONSOLIDATED STATEMENTS OF INCOME  
(dollars in thousands)

- (F) Reflects the adjustment for the Operating Partnership unit holders' share of pro forma income before extraordinary items, including a distribution on the preferred units.

Boston Properties, Inc.  
Pro Forma Condensed Consolidated Statements of Income  
For the year ended December 31, 1997  
(unaudited)  
(dollars in thousands, except per share data)

	Boston Properties, Inc. ----- June 23, 1997 to December 31, 1997 -----	Boston Properties Predecessor Group ----- Jan.1, 1997 to June 22, 1997 -----	Pro Forma Adjustments ----- Formation Transactions (A)		IPO Acquisition Property ----- (B) -----
Revenue:					
Rental:					
Base rent	\$ 126,401	\$ 80,122	\$ 9,396		\$ 1,498
Recoveries from tenants	12,564	10,283	--		101
Parking and other	676	3,397	(1,061)		--
Total rental revenue	----- 139,641	----- 93,802	----- 8,335		----- 1,599
Hotel	--	31,185	(31,185)		--
Development and management services	3,813	3,685	(452)		--
Interest and other	2,189	1,146	(352)		--
Total revenue	----- 145,643	----- 129,818	----- (23,654)		----- 1,599
Expenses:					
Rental:					
Operating	19,591	13,650	(353)		437
Real estate taxes	20,502	13,382	1,345		172
Hotel:					
Operating	--	20,938	(20,938)		--
Real estate taxes	--	1,514	(1,514)		--
General and administrative	6,689	5,116	391		--
Interest	38,264	53,324	(28,151)		--
Depreciation and amortization	21,719	17,054	124		210
Total expenses	----- 106,765	----- 124,978	----- (49,096)		----- 819
Income before minority interests	38,878	4,840	25,442		780
Minority interest in property partnership	(215)	(235)	--		--
Income before minority interest in Operating Partnership and extraordinary item	----- 38,663	----- 4,605	----- 25,442		----- 780
Minority interest in Operating Partnership	(11,437)	--	--		--
Income before extraordinary item	----- \$ 27,226	----- \$ 4,605	----- \$ 25,442		----- \$ 780
Income before extraordinary item per common share-basic	----- \$ 0.70				
Weighted average number of common shares outstanding-basic	----- 38,694				

	Pro Forma Adjustments			
	1997 Acquisitions	1998 Acquisitions	Other Adjustments	Pro Forma
	(C)	(C)		
<b>Revenue:</b>				
Rental:				
Base rent	\$ 54,440	\$ 277,152	--	\$ 549,009
Recoveries from tenants	7,639	30,027	--	60,614
Parking and other	347	18,520	--	21,879
Total rental revenue	62,426	325,699	--	631,502
Hotel	--	--		
Development and management services			--	7,046
Interest and other			\$ (2,983) (D)	--
Total revenue	62,426	325,699	(2,983)	638,548
<b>Expenses:</b>				
Rental:				
Operating	14,580	75,816		123,721
Real estate taxes	13,049	33,026		81,476
Hotel:				
Operating				--
Real estate taxes				--
General and administrative			4,300 (E)	16,496
Interest	11,138	36,851	87,182 (F)	198,608
Depreciation and amortization	7,709	55,583 (G)		102,399
Total expenses	46,476	201,276	91,482	522,700
Income before minority interests	15,950	124,423	(94,465)	115,848
Minority interest in property partnership	--	--	--	(450)
Income before minority interest in Operating Partnership and extraordinary item	15,950	124,423	(94,465)	115,398
Minority interest in Operating Partnership	--	--	(42,638) (H)	(54,075)
Income before extraordinary item	\$ 15,950	\$ 124,423	(\$137,103)	\$ 61,323
Income before extraordinary item per common share-basic				\$ 0.97
Weighted average number of common shares outstanding-basic				63,528

BOSTON PROPERTIES, INC.  
NOTES TO THE PRO FORMA CONDENSED  
CONSOLIDATED AND COMBINED STATEMENTS OF INCOME

(DOLLARS IN THOUSANDS)

Notes to the Pro Forma Consolidated and Combined Statement of Income for the year ended December 31, 1997

(A) Reflects the pro forma Formation Transactions adjustment summary for the period from January 1, 1997 to June 22, 1997 (the "Predecessor Period").

Pro Forma Adjustments	Rent Hotels and Garage	Parking Income	Hotel Revenue	Mgmt Fees	Interest and Other	Property Operating Expenses	Property Real Estate Taxes
(1) Assignment of contracts.....				\$(452)			
(2) Equity investment income.....					\$ 21		
(3) Operation of hotels and garage.....		\$(1,061)	\$(31,185)			\$(353)	\$1,345
(4) Rental of hotels and garage.....	\$9,396						
(5) General and administrative.....							
(6) Amortization of deferred financing costs....							
(7) Release of restricted cash.....					(373)		
(8) Depreciation expense.....							
(9) Mortgage interest.....							
Pro Forma Formation Transactions adjustment summary total	\$9,396	\$(1,061)	\$(31,185)	\$(452)	\$(352)	\$(353)	\$1,345

Pro Forma Adjustments	Hotel Operating Expenses	Hotel Real Estate Taxes	General & Admin	Interest Expense	Depreciation Expense
(1) Assignment of contracts.....			\$(430)		
(2) Equity investment income.....					
(3) Operation of hotels and garage.....	\$(20,938)	\$(1,514)			
(4) Rental of hotels and garage.....					
(5) General and administrative.....			821		
(6) Amortization of deferred financing costs....				\$ (189)	
(7) Release of restricted cash.....					
(8) Depreciation expense.....					\$124
(9) Mortgage interest.....				(27,962)	
Pro Forma Formation Transactions adjustment summary total	\$(20,938)	\$(1,514)	\$ 391	\$(28,151)	\$124

(1) In connection with the Formation Transactions, certain third-party management contracts were assigned to the Development and Management Company. As a result of the assignment, operating income, expenses and overhead attributable to the contracts were reflected in the operations of the Development and Management Company as detailed below:

Management services.....	\$ 452
General and administrative expenses.....	(430)
Manager contract income.....	\$ 22

- (2) The Operating Partnership holds a 95% economic interest in the Development and Management Company and records an equity interest of \$21 on the \$22 net income.
- (3) In connection with the Formation Transactions, the Operating Partnership entered into participating leases for the operation of the hotels and parking garage. As a result of these agreements, revenue and expenses will not be reflected from the operation of these businesses.
- (4) Represents rental income from the leasing of the hotels and parking garage owned by the Operating Partnership. The hotel lease arrangements are with an affiliate.
- (5) Reflects an increase of \$821 in general and administrative expenses as a result of operating as a public company.

- (6) Reflects the net increase of \$290 in the amortization of deferred financing costs for the \$1,800 fee and related professional costs on the Unsecured Line of Credit, less a net reduction of \$479 in amortization of deferred financing costs related to debt paid off with the Initial Offering proceeds.
- (7) Reflects the decrease in interest income as a result of the release of cash previously required to be held in escrow per the terms of the various mortgage note payable agreements.
- (8) Reflects the increase in depreciation from depreciating over 40 years the pro forma increase in real estate from the purchase of limited partners' interests and transfer cost paid.
- (9) Reflects the repayment of a portion of the existing mortgage indebtedness from proceeds of the Initial Offering for the Predecessor

Period:

Properties	Principal Amount	Interest Rate	Interest
599 Lexington Avenue.....	\$225,000	7.00%	\$ 7,547
Two Independence Square.....	122,505	7.90%	4,637
One Independence Square.....	78,327	7.90%	2,965
2300 N Street.....	66,000	7.00%	2,214
Capital Gallery.....	60,559	8.24%	2,391
Ten Cambridge Center.....	25,000	7.57%	907
191 Spring Street.....	23,883	8.50%	973
Bedford Business Park.....	23,376	8.50%	952
10 & 20 Burlington Mall Road.....	16,621	8.33%	663
Cambridge Center North Garage.....	15,000	7.57%	544
91 Hartwell Avenue.....	11,322	8.33%	452
92 & 100 Hayden Avenue.....	9,057	8.33%	362
Montvale Center.....	7,969	8.59%	328
Newport Office Park.....	6,874	8.13%	268
Hilltop Business Center.....	4,750	7.00%	159
			-----
Total.....			25,362
Historical interest expense- Predecessor Period.....			(53,324)
			-----
Pro forma interest expense adjustment for the Predecessor Period.....			\$(27,962)
			-----

- (B) Reflects the results of operations, as adjusted for depreciation, of the Newport Office Park, acquired concurrent with the Initial Offering, for the period from January 1, 1997 to June 22, 1997 (the acquisition date).
- (C) Reflects the historical results of operations, as adjusted for base rent, interest and depreciation, for the 1997 and 1998 Acquired Properties for the year ended December 31, 1997 as follows:

	280 Park Ave (1)	100 East Pratt (1)	875 Third Ave (1)	Total 1997 Acquisitions
Revenue:				
Rental:				
Base rent	\$17,012	\$10,924	\$18,646	\$46,582
Adjustment(2)	7,437	397	24	7,858
Total rental revenue	24,449	11,321	18,670	54,440
Recoveries from tenants	1,707	2,133	3,799	7,639
Parking and other	80	267	--	347
Total revenue	26,236	13,721	22,469	62,426
Expenses:				
Rental:				
Operating	7,772	3,453	3,355	14,580
Real estate taxes	6,677	1,541	4,831	13,049
Interest				
Depreciation and amortization	3,355	1,934	2,420	7,709
Total expenses	17,804	6,928	21,744	46,476
Net income	\$ 8,432	\$ 6,793	\$ 725	\$ 15,950

- (1) Reflects results of operations prior to acquisition.  
(2) Represents an adjustment to straight-line rent based on the pro forma acquisition date of January 1, 1997.  
(3) Includes an adjustment of (\$675) to reflect effective interest on the mortgage debt assumed.

	Riverfront Plaza	Mulligan/ Griffin	Carnegie Center	Prudential Center	Metropolitan Square
Revenue:					
Rental:					
Base rent	\$ 17,299	\$ 25,924	\$ 27,294	\$ 56,052	\$ 19,255
Adjustment (1)	909	464	1,127	3,542	148
Total base rent	18,208	26,388	28,421	59,594	19,403
Recoveries from tenants	2,891	5,314	7,128	7,273	1,100
Parking and Other	454	--	427	4,960	--
Total rental revenue	21,553	31,702	35,976	71,827	20,503
Expenses:					
Rental:					
Operating	3,954	3,927	7,034	19,368	3,180
Real estate taxes	1,625	1,608	4,253	13,543	2,854
Interest	--	8,692(2)	4,835(3)	--	7,334(4)
Depreciation and amortization	3,923	5,480	5,175	9,731	3,500
Total expenses	9,502	19,707	21,297	42,642	16,868
Net income	\$ 12,051	\$ 11,995	\$ 14,679	\$ 29,185	\$ 3,635

	Embarcadero Center	Reservoir Place	University Place	Total 1998 Acquisitions
Revenue:				
Rental:				
Base rent	\$102,519	\$ 11,387	\$ 5,381	\$265,111
Adjustment (1)	5,706	78	67	12,041
Total base rent	108,225	11,465	5,448	277,152
Recoveries from tenants	5,264	835	222	30,027
Other	11,489	58	1,132	18,520
Total rental revenue	124,978	12,358	6,802	325,699
Expenses:				
Rental:				
Operating	34,870	1,759	1,724	75,816
Real estate taxes	6,154	1,741	1,248	33,026
Interest	10,618	5,372(5)	--	36,851
Depreciation and amortization	24,912	2,122	740	55,583
Total expenses	76,554	10,994	3,712	201,276
Net income	\$ 48,424	\$ 1,364	\$ 3,090	\$124,423

(1) Represents an adjustment to straight-line rent based on the pro forma acquisition date of January 1, 1997.

(2) Includes an adjustment of (\$1,671) to reflect the effective interest expense of the mortgage debt assumed.

(3) Includes an adjustment of \$28 to reflect effective interest expense on the mortgage debt assumed.

(4) Includes an adjustment of (\$2,255) to reflect effective interest expense on the mortgage debt assumed.

(5) Includes an adjustment of (\$666) to reflect effective interest expense on the mortgage debt assumed.

(D) Reflects reduction in interest income as a result of cash used for the acquisition of properties.

(E) Reflects an incremental increase in general and administrative costs related to the 1997 and 1998 Acquired Properties and the establishment of regional offices.

(F) Reflects increase in interest expense as a result of the following transactions:

Interest on mortgage acquisition financing of Embarcadero Center in the principal amount of \$621,302 computed at an average interest rate of 6.63%	\$ 41,192
Interest on mortgage acquisition financing of the Prudential Center in the principal amount of \$300,000 computed at an interest rate of 6.72%	20,160
Interest on Unsecured Line of Credit as a result of the 1997 and 1998 Acquired Properties	14,526
Interest on mortgage acquisition financing of 280 Park Avenue in the original principal amount of \$220 million computed at an interest rate of 7.00% for the period January 1, 1997 to September 11, 1997 (date of acquisition)	10,675
Interest on mortgage acquisition financing of Riverfront Plaza in the principal amount of \$121,800 computed at an interest rate of 6.61%	8,051



BOSTON PROPERTIES, INC  
NOTES TO THE PRO FORMA CONDENSED  
CONSOLIDATED STATEMENTS OF INCOME  
(dollars in thousands)

Amortization of deferred financing fees as a result of approximately \$2.0 million of fees associated with the mortgage financing of Embarcadero Center. The deferred fees are amortized over a weighted average of 8.7 years .....	231
Amortization of deferred financing fees for the period from January 1, 1997 to September 11, 1997 (date of acquisition) as a result of approximately \$1.1 million of fees associated with the mortgage financing of 280 Park Avenue. The deferred financing fees are amortized over the five year term of the loan .....	153
Interest reduction on refinancing and partial payoff of the Mulligan/Griffin Portfolio loans .....	(5,406)
Interest reduction on payoff of \$30 million related to the 875 Third Avenue mortgage loan .....	(2,400)
	-----
Net increase in interest expense .....	\$ 87,182
	-----
	-----

(G) Detail of pro forma depreciation expense is presented below for the 1998 Acquired Properties:

Properties	Purchase Price	Pro forma Depreciation(1)
Riverfront Plaza	\$ 174,361	\$ 3,923
Mulligan/Griffin Portfolio	257,890	5,480
Carnegie Center Portfolio	276,000	5,175
Prudential Center	518,982	9,731
Metropolitan Square	175,000	3,500
Embarcadero Center	1,207,834	24,912
Reservoir Place	104,188	2,122
University Place	37,000	740
		-----
		\$ 55,583
		-----
		-----

(1) Represents depreciation expense on the properties which has been calculated over 40 years for the building and over the life of the lease for tenant improvements.

(H) Reflects the adjustment for the operating partnership unit holders' share of pro forma income before extraordinary items, including the distribution on the preferred units.

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Boston Properties, Inc. on Forms S-3 (files Nos. 333-69375, 333-70765 and 333-68379) of our reports indicated below with respect to the financial statements indicated below, which reports are included in this Form 8-K/A of Boston Properties, dated January 26, 1999.

Financial Statements -----	Date of Independent Accountants Report -----
Statement of revenue over certain expenses of University Place for the year ended September 30, 1997.....	December 11, 1998
Statement of revenue over certain operating expenses of Reservoir Place for the year ended December 31, 1997.....	December 18, 1998

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts  
January 25, 1999

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in the registration statement Nos. 333-69375, 333-70765, and 333-68379 on Form S-3 of Boston Properties, Inc. of our report dated December 18, 1998 relating to the Combined Statement of Revenues over Certain Operating Expenses of Embarcadero Center Portfolio for the year ended December 31, 1997, which report appears in this Form 8-K/A. Our report on the Combined Statement of Revenues over Certain Operating Expenses contains a paragraph indicating that the Statement was prepared for the purpose of complying with the requirements of Rule 3-14 of Regulation S-X of the Securities and Exchange Commission and excludes certain expenses that would not be comparable to those resulting from the proposed future operations of the properties. It is not intended to be a complete presentation of the operations of the properties.

/s/ KPMG LLP

San Francisco, California  
January 21, 1999