
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): October 25, 2011

BOSTON PROPERTIES, INC.

(Exact Name of Registrant As Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-13087
(Commission
File Number)

04-2473675
(IRS Employer
Identification No.)

800 Boylston Street, Suite 1900, Boston, Massachusetts 02199
(Address of Principal Executive Offices) (Zip Code)

(617) 236-3300
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

The information in this Item 2.02 - "Results of Operations and Financial Condition" is being furnished. Such information, including Exhibits 99.1 and 99.2 hereto, shall not be deemed "filed" for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. The information in this Item 2.02, including Exhibits 99.1 and 99.2, shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing.

On October 25, 2011, Boston Properties, Inc. (the "Company") issued a press release announcing its financial results for the third quarter of 2011. That press release referred to certain supplemental information that is available on the Company's website. The text of the supplemental information and the press release are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
*99.1	Boston Properties, Inc. Supplemental Operating and Financial Data for the quarter ended September 30, 2011.
*99.2	Press release dated October 25, 2011.

* Filed herewith.

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.

BOSTON PROPERTIES, INC.

Date: October 25, 2011

By: /s/ Michael E. LaBelle
Michael E. LaBelle
Senior Vice President, Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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* Filed herewith.



 **Boston Properties**

*Supplemental Operating and Financial Data
for the Quarter Ended September 30, 2011*

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This supplemental package contains forward-looking statements within the meaning of the Federal securities laws. You can identify these statements by our use of the words “assumes,” “believes,” “estimates,” “expects,” “guidance,” “intends,” “may,” “might,” “plans,” “projects,” “should,” “will” and similar expressions that do not relate to historical matters. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond Boston Properties’ control and could materially affect actual results, performance or achievements. These factors include, without limitation, the ability to enter into new leases or renew leases on favorable terms, dependence on tenants’ financial condition, the uncertainties of real estate development, acquisition and disposition activity, the ability to effectively integrate acquisitions, the uncertainties of investing in new markets, the ability of our joint venture partners to satisfy their obligations, the costs and availability of financing, the effectiveness of our interest rate hedging programs, the effects of local economic and market conditions, the effects of acquisitions, dispositions and possible impairment charges on our operating results, the impact of newly adopted accounting principles on the Company’s accounting policies and on period-to-period comparisons of financial results, regulatory changes and other risks and uncertainties detailed from time to time in the Company’s filings with the Securities and Exchange Commission. Boston Properties does not undertake a duty to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

The Company

Boston Properties, Inc. (the “Company”), a self-administered and self-managed real estate investment trust (REIT), is one of the largest owners, managers, and developers of first-class office properties in the United States, with a significant presence in five markets: Boston, Washington, D.C., Midtown Manhattan, San Francisco, and Princeton, N.J. The Company was founded in 1970 by Mortimer B. Zuckerman and Edward H. Linde in Boston, where it maintains its headquarters. Boston Properties became a public company in June 1997. The Company acquires, develops, and manages its properties through full-service regional offices. Its property portfolio is comprised primarily of first-class office space, one hotel, two residential properties and three retail properties. Boston Properties is well-known for its in-house building management expertise and responsiveness to tenants’ needs. The Company holds a superior track record in developing premium Central Business District (CBD) office buildings, suburban office centers and build-to-suit projects for the U.S. government and a diverse array of creditworthy tenants.

Management

Boston Properties’ senior management team is among the most respected and accomplished in the REIT industry. Our deep and talented team of thirty-four individuals averages twenty-six years of real estate experience and seventeen years with Boston Properties. We believe that our size, management depth, financial strength, reputation, and relationships of key personnel provide a competitive advantage to realize growth through property development and acquisitions. Boston Properties benefits from the reputation and relationships of key personnel, including Mortimer B. Zuckerman, Chairman of the Board of Directors and Chief Executive Officer; Douglas T. Linde, President; E. Mitchell Norville, Executive Vice President, Chief Operating Officer; Raymond A. Ritchey, Executive Vice President, National Director of Acquisitions and Development; and Michael E. LaBelle, Senior Vice President, Chief Financial Officer. Our senior management team’s national reputation helps us attract business and investment opportunities. In addition, our other senior officers that serve as Regional Managers have strong reputations that assist in identifying and closing on new opportunities, having opportunities brought to us, and in negotiating with tenants and build-to-suit prospects. Additionally, Boston Properties’ Board of Directors consists of ten distinguished members, the majority of whom serve as Independent Directors.

Strategy

Boston Properties’ primary business objective is to maximize return on investment in an effort to provide its stockholders with the greatest possible total return. To achieve this objective, the Company maintains a consistent strategy that includes the following:

- concentrating on carefully selected markets characterized by high barriers to the creation of new supply and strong real estate fundamentals where tenants have demonstrated a preference for high-quality office buildings and other facilities;
- selectively acquiring assets which increase its penetration in these select markets;
- taking on complex, technically-challenging projects that leverage the skills of its management team to successfully develop, acquire, and reposition properties;
- exploring joint-venture opportunities with partners who seek to benefit from the Company’s depth of development and management expertise;
- pursuing the sale of properties (on a selective basis) to take advantage of its value creation and the demand for its premier properties; and
- continuing to enhance the Company’s balanced capital structure through its access to a variety of capital sources.

Snapshot

(as of September 30, 2011)

Corporate Headquarters	Boston, Massachusetts
Markets	Boston, Midtown Manhattan, Washington, D.C., San Francisco, and Princeton, N.J.
Fiscal Year-End	December 31
Total Properties (includes unconsolidated joint ventures, other than the Value-Added Fund)	153
Total Square Feet (includes unconsolidated joint ventures, other than the Value-Added Fund, and structured parking)	57.1 million
Common Shares and Units Outstanding (as converted, but excluding outperformance plan units)	167.7 million
Dividend - Quarter/Annualized	\$0.50/\$2.00
Dividend Yield	2.24%
Total Combined Market Capitalization	\$24.4 billion
Senior Debt Ratings	Baa2 (Moody’s); BBB (Fitch); A- (S&P)

Boston Properties, Inc.
Third Quarter 2011

INVESTOR INFORMATION

Board of Directors

Mortimer B. Zuckerman
Chairman of the Board and Chief
Executive Officer

Douglas T. Linde
President and Director

Lawrence S. Bacow
Director

Zoë Baird Budinger
Director, Chair of Nominating &
Corporate Governance Committee

Carol B. Einiger
Director

Dr. Jacob A. Frenkel
Director

Matthew J. Lustig
Director

Alan J. Patricof
Director, Chair of Audit Committee

Martin Turchin
Director

David A. Twardock
Director, Chair of Compensation
Committee

Management

E. Mitchell Norville
Executive Vice President, Chief Operating
Officer

Raymond A. Ritchey
Executive Vice President, National
Director of Acquisitions & Development

Michael E. LaBelle
Senior Vice President, Chief Financial
Officer

Peter D. Johnston
Senior Vice President and Regional
Manager of Washington, D.C.

Bryan J. Koop
Senior Vice President and Regional
Manager of Boston

Mitchell S. Landis
Senior Vice President and Regional
Manager of Princeton

Robert E. Pester
Senior Vice President and Regional
Manager of San Francisco

Robert E. Selsam
Senior Vice President and Regional
Manager of New York

Frank D. Burt
Senior Vice President, General Counsel

Michael R. Walsh
Senior Vice President, Finance

Arthur S. Flashman
Vice President, Controller

Company Information

Corporate Headquarters
800 Boylston Street
Suite 1900
Boston, MA 02199
(t) 617.236.3300
(f) 617.236.3311

Trading Symbol
BXP

Stock Exchange Listing
New York Stock Exchange

Investor Relations
Boston Properties, Inc.
800 Boylston Street, Suite 1900
Boston, MA 02199
(t) 617.236.3322
(f) 617.236.3311
www.bostonproperties.com

Inquires
Inquiries should be directed to
Michael Walsh, Senior Vice President,
Finance
at 617.236.3410 or
mw Walsh@bostonproperties.com

Arista Joyner, Investor Relations
Manager
at 617.236.3343 or
ajoyner@bostonproperties.com

Common Stock Data (NYSE: BXP)

Boston Properties' common stock has the following characteristics (based on information reported by the New York Stock Exchange):

	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
<i>High Closing Price</i>	\$ 112.36	\$ 108.35	\$ 95.92	\$ 90.73	\$ 88.88
<i>Low Closing Price</i>	\$ 89.10	\$ 93.91	\$ 84.66	\$ 81.56	\$ 69.08
<i>Average Closing Price</i>	\$ 102.48	\$ 102.20	\$ 92.04	\$ 85.68	\$ 81.80
<i>Closing Price, at the end of the quarter</i>	\$ 89.10	\$ 106.16	\$ 94.85	\$ 86.10	\$ 83.12
<i>Dividends per share - annualized</i>	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
<i>Closing dividend yield - annualized</i>	2.24%	1.88%	2.11%	2.32%	2.41%
<i>Closing common shares outstanding, plus common, preferred and LTIP units on an as-converted basis (but excluding outperformance plan units) (thousands) (1)</i>	167,729	167,281	166,567	162,555	162,534
<i>Closing market value of outstanding shares and units (thousands)</i>	\$14,944,654	\$17,758,551	\$15,798,880	\$13,995,986	\$13,509,826

(1) For additional detail, see page 12.

Timing

Quarterly results for the remainder of 2011 will be announced according to the following schedule:

Fourth Quarter Tentatively January 31, 2012

Boston Properties, Inc.
Third Quarter 2011

RESEARCH COVERAGE

<u>Equity Research Coverage</u>		<u>Debt Research Coverage</u>	<u>Rating Agencies</u>
John Eade <u>Argus Research Company</u> 212.427.7500	Mitch Germain <u>JMP Securities</u> 212.906.3546	Tom Truxillo <u>Bank of America Merrill Lynch</u> 980.386.5212	Janice Svec <u>Fitch Ratings</u> 212.908.0304
Jeffrey Spector / Jamie Feldman <u>Bank of America Merrill Lynch</u> 212.449.6329 / 212.449.6339	Anthony Paolone / Joseph Dazio <u>J.P. Morgan Securities</u> 212.622.6682 / 212.622.6416	Thomas Cook <u>Citi Investment Research</u> 212.723.1112	Karen Nickerson <u>Moody's Investors Service</u> 212.553.4924
Ross Smotrich / Michael Lewis <u>Barclays Capital</u> 212.526.2306 / 212.526.3098	Sheila McGrath / Kristin Brown <u>Keefe, Bruyette & Woods</u> 212.887.7793 / 212.887.7738	John Giordano <u>Credit Suisse Securities</u> 212.538.4935	Susan Madison <u>Standard & Poor's</u> 212.438.4516
Michael Bilerman / Joshua Attie <u>Citigroup Global Markets</u> 212.816.1383 / 212.816.1685	Jordan Sadler / Craig Mailman <u>KeyBanc Capital Markets</u> 917.368.2280 / 917.368.2316	Mark Streeter <u>J.P. Morgan Securities</u> 212.834.5086	
James Sullivan / Stephen Boyd <u>Cowen and Company</u> 646.562.1380 / 646.562.1382	Robert Stevenson <u>Macquarie Research</u> 212.857.6168	Thierry Perrein / Jason Jones <u>Wells Fargo</u> 704.715.8455 / 704.715.7932	
Andrew Rosivach <u>Credit Suisse</u> 415.249.7942	Paul Morgan / Chris Caton <u>Morgan Stanley</u> 415.576.2627 / 415.576.2637		
John Perry / Vin Chao <u>Deutsche Bank Securities</u> 212.250.4912 / 212.250.6799	David Rodgers / Mike Carroll <u>RBC Capital Markets</u> 440.715.2647 / 440.715.2649		
Sri Nagarajan / Evan Smith <u>FBR Capital Markets</u> 646.885.5429 / 646.885.5431	Alexander Goldfarb / James Milam <u>Sandler O'Neill & Partners</u> 212.466.7937 / 212.466.8066		
Jay Habermann / Sloan Bohlen <u>Goldman Sachs & Company</u> 917.343.4260 / 212.902.2796	John Guinee / Erin Aslakson <u>Stifel, Nicolaus & Company</u> 443.224.1307 / 443.224.1350		
Michael Knott / Lukas Hartwich <u>Green Street Advisors</u> 949.640.8780 / 949.640.8780	Ross Nussbaum <u>UBS Securities</u> 212.713.2484		
Steve Sakwa / George Auerbach <u>ISI Group</u> 212.446.9462 / 212.446.9459	Jeff Langbaum <u>WJB Capital Group</u> 646.344.3310		
Steve Benyik <u>Jefferies & Co.</u> 212.707.6348			

With the exception of Green Street Advisors, an independent research firm, the equity analysts listed above are those analysts that, according to First Call Corporation, have published research material on the Company and are listed as covering the Company. Please note that any opinions, estimates or forecasts regarding Boston Properties' performance made by the analysts listed above do not represent the opinions, estimates or forecasts of Boston Properties or its management. Boston Properties does not by its reference above imply its endorsement of or concurrence with any information, conclusions or recommendations made by any of such analysts.

Boston Properties, Inc.
Third Quarter 2011

FINANCIAL HIGHLIGHTS
(unaudited and in thousands, except per share amounts)

This section includes non-GAAP financial measures, which are accompanied by what we consider the most directly comparable financial measures calculated and presented in accordance with GAAP. Quantitative reconciliations of the differences between the non-GAAP financial measures presented and the most directly comparable GAAP financial measures are shown on pages 9-11. A description of the non-GAAP financial measures we present and a statement of the reasons why management believes the non-GAAP measures provide useful information to investors about the Company's financial condition and results of operations can be found on pages 50-52.

	Three Months Ended				
	30-Sep-11	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10
Selected Items:					
Revenue	\$ 452,413	\$ 436,451	\$ 417,875	\$ 392,482	\$ 386,410
Straight-line rent (1)	\$ 23,075	\$ 24,571	\$ 21,073	\$ 20,082	\$ 22,861
Fair value lease revenue (1) (2)	\$ 19,955	\$ 20,537	\$ 20,761	\$ 18,875	\$ 19,368
Revenue from residential units	\$ 1,515	\$ 221	\$ —	\$ —	\$ —
Company share of funds from operations from unconsolidated joint ventures	\$ 36,961	\$ 35,562	\$ 35,041	\$ 35,468	\$ 38,167
Lease termination fees (included in revenue) (1)	\$ 8,976	\$ 231	\$ 2,003	\$ 2,210	\$ 5,225
Ground rent expense (3)	\$ 4,686	\$ 2,405	\$ 982	\$ 615	\$ 614
ASC 470-20 (formerly known as FSP APB 14-1) interest expense adjustment	\$ 9,813	\$ 9,657	\$ 9,505	\$ 9,486	\$ 9,453
Capitalized interest	\$ 13,004	\$ 11,958	\$ 11,239	\$ 14,569	\$ 9,302
Capitalized wages	\$ 2,710	\$ 2,876	\$ 2,559	\$ 3,114	\$ 3,247
Operating Margins [(rental revenue - rental expense)/rental revenue] (4)	66.6%	67.5%	67.0%	68.4%	67.2%
Losses from early extinguishments of debt (5)	\$ —	\$ —	\$ —	\$ 81,662	\$ —
Net income (loss) attributable to Boston Properties, Inc.	\$ 70,542	\$ 60,214	\$ 40,813	\$ (12,903)	\$ 57,668
Funds from operations (FFO) attributable to Boston Properties, Inc.	\$ 190,274	\$ 181,569	\$ 159,980	\$ 89,878	\$ 150,847
FFO per share - diluted	\$ 1.28	\$ 1.23	\$ 1.12	\$ 0.64	\$ 1.07
Net income (loss) attributable to Boston Properties, Inc. per share - basic	\$ 0.48	\$ 0.41	\$ 0.29	\$ (0.09)	\$ 0.41
Net income (loss) attributable to Boston Properties, Inc. per share - diluted	\$ 0.48	\$ 0.41	\$ 0.29	\$ (0.09)	\$ 0.41
Dividends per common share	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Funds available for distribution to common shareholders and common unitholders (FAD) (6)	\$ 162,496	\$ 156,895	\$ 127,782	\$ 133,472	\$ 114,097

Ratios:

Interest Coverage Ratio (excluding capitalized interest) - cash basis (7)	3.29	3.16	2.90	3.06	2.77
Interest Coverage Ratio (including capitalized interest) - cash basis (7)	2.85	2.77	2.57	2.59	2.50
FFO Payout Ratio (8)	39.06%	40.65%	44.64%	78.13%	46.73%
FAD Payout Ratio (9)	51.17%	52.84%	64.65%	60.39%	70.63%

Capitalization:

	30-Sep-11	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10
Common Stock Price @ Quarter End	\$ 89.10	\$ 106.16	\$ 94.85	\$ 86.10	\$ 83.12
Equity Value @ Quarter End	\$14,944,654	\$17,758,551	\$15,798,880	\$13,995,986	\$13,509,826
Total Consolidated Debt	\$ 7,950,363	\$ 7,941,643	\$ 7,937,264	\$ 7,786,001	\$ 7,444,886
Total Consolidated Market Capitalization	\$22,895,017	\$25,700,194	\$23,736,144	\$21,781,987	\$20,954,712
Total Consolidated Debt/Total Consolidated Market Capitalization (10)	34.73%	30.90%	33.44%	35.75%	35.53%
BXP's Share of Joint Venture Debt	\$ 1,532,963	\$ 1,534,029	\$ 1,542,952	\$ 1,543,960	\$ 1,558,597
Total Combined Debt	\$ 9,483,326	\$ 9,475,672	\$ 9,480,216	\$ 9,329,961	\$ 9,003,483
Total Combined Market Capitalization (11)	\$24,427,980	\$27,234,223	\$25,279,096	\$23,325,947	\$22,513,309
Total Combined Debt/Total Combined Market Capitalization (11) (12)	38.82%	34.79%	37.50%	40.00%	39.99%

- (1) Includes the Company's share of unconsolidated joint venture amounts. For additional detail, see page 17.
- (2) Represents the net adjustment for above- and below-market leases that are being amortized over the terms of the respective leases in place at the property acquisition dates.
- (3) Includes non-cash straight-line adjustment to ground rent. See page 11 for the straight-line adjustment to the ground rent expense.
- (4) Rental Expense consists of operating expenses, real estate taxes and ground rent expense. Amounts are exclusive of the gross up of reimbursable electricity and other amounts totaling \$13,838, \$12,859, \$9,704, \$10,404 and \$9,211 for the three months ended September 30, 2011, June 30, 2011, March 31, 2011, December 31, 2010 and September 30, 2010, respectively.
- (5) During the three months ended December 31, 2010, the Company's Operating Partnership repurchased \$50.0 million aggregate principal amount of its 2.875% exchangeable senior notes due 2037 for approximately \$51.1 million. The repurchased notes had an aggregate carrying value of approximately \$48.4 million, resulting in the recognition of a loss on early extinguishment of debt of approximately \$2.3 million. During the three months ended December 31, 2010, the Company's Operating Partnership redeemed \$700.0 million aggregate principal amount of its 6.25% senior notes due 2013 for approximately \$793.1 million, including accrued interest of approximately \$17.9 million, resulting in the recognition of a loss on early extinguishment of debt of approximately \$79.3 million.
- (6) For a quantitative reconciliation of the differences between FAD and FFO, see page 11.
- (7) For additional detail, see page 11.
- (8) FFO Payout Ratio is defined as dividends per share to common shareholders divided by FFO per share.
- (9) FAD Payout Ratio is defined as distributions to common shareholders and unitholders divided by FAD.
- (10) For disclosures related to our definition of Total Consolidated Debt to Total Consolidated Market Capitalization Ratio, see page 50.
- (11) For additional detail, see page 12.
- (12) For disclosures related to our definition of Total Combined Debt to Total Combined Market Capitalization Ratio, see page 50.

Boston Properties, Inc.
Third Quarter 2011

CONSOLIDATED BALANCE SHEETS
(unaudited and in thousands)

	30-Sep-11	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10
ASSETS					
Real estate	\$ 12,031,660	\$ 11,786,353	\$ 11,567,294	\$ 10,933,977	\$ 10,015,347
Development in progress	899,302	982,318	681,342	1,073,402	1,003,508
Land held for future development	266,834	284,115	759,786	757,556	754,120
Less accumulated depreciation	(2,558,620)	(2,468,165)	(2,411,378)	(2,323,818)	(2,243,265)
Total real estate	10,639,176	10,584,621	10,597,044	10,441,117	9,529,710
Cash and cash equivalents (1)	1,063,024	780,584	747,305	478,948	1,270,074
Cash held in escrows (1)	36,759	302,439	305,692	308,031	300,771
Marketable securities	9,312	9,975	9,800	8,732	7,911
Tenant and other receivables, net	47,554	44,470	54,740	60,813	50,722
Notes receivable (2)	276,375	276,375	270,000	270,000	270,000
Interest receivable from related party note receivable (2)	84,782	79,884	75,280	69,005	62,933
Accrued rental income, net	508,838	491,878	463,117	442,683	421,008
Deferred charges, net	441,700	449,014	449,076	436,019	300,882
Prepaid expenses and other assets	102,812	92,470	100,897	65,663	42,391
Investments in unconsolidated joint ventures	770,466	772,502	762,522	767,252	792,434
Total assets	\$ 13,980,798	\$ 13,884,212	\$ 13,835,473	\$ 13,348,263	\$ 13,048,836
LIABILITIES AND EQUITY					
Liabilities:					
Mortgage notes payable (1) (3)	\$ 3,179,034	\$ 3,181,469	\$ 3,188,025	\$ 3,047,586	\$ 2,813,338
Unsecured senior notes, net of discount	3,016,986	3,016,837	3,016,743	3,016,598	2,872,058
Unsecured exchangeable senior notes, net of discount	1,754,343	1,743,337	1,732,496	1,721,817	1,759,490
Unsecured line of credit (3)	—	—	—	—	—
Accounts payable and accrued expenses	172,928	173,257	171,617	186,059	199,534
Dividends and distributions payable	83,584	83,369	83,019	81,031	81,068
Accrued interest payable	89,555	62,046	88,070	62,327	84,689
Other liabilities	244,555	231,702	210,392	213,000	104,914
Total liabilities	8,540,985	8,492,017	8,490,362	8,328,418	7,915,091
Commitments and contingencies	—	—	—	—	—
Noncontrolling interest:					
Redeemable preferred units of the Operating Partnership	55,652	55,652	55,652	55,652	55,652
Equity:					
Stockholders' equity attributable to Boston Properties, Inc.:					
Excess stock, \$.01 par value, 150,000,000 shares authorized, none issued or 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, 147,627,247, 146,387,021, 145,058,429, 140,199,105 and 140,058,421 outstanding, respectively	1,476	1,464	1,451	1,402	1,401
Additional paid-in capital	4,916,440	4,846,003	4,771,659	4,417,162	4,424,711
Earnings (dividends) in excess of dividends (earnings)	(72,941)	(69,537)	(56,479)	(24,763)	58,051
Treasury common stock, at cost	(2,722)	(2,722)	(2,722)	(2,722)	(2,722)
Accumulated other comprehensive loss	(16,717)	(17,294)	(17,867)	(18,436)	(19,530)
Total stockholders' equity attributable to Boston Properties, Inc.	4,825,536	4,757,914	4,696,042	4,372,643	4,461,911
Noncontrolling interests:					
Common units of the Operating Partnership	559,621	579,211	594,002	592,164	609,454
Property partnerships	(996)	(582)	(585)	(614)	6,728
Total equity	5,384,161	5,336,543	5,289,459	4,964,193	5,078,093
Total liabilities and equity	\$ 13,980,798	\$ 13,884,212	\$ 13,835,473	\$ 13,348,263	\$ 13,048,836

- On September 24, 2010, in connection with the acquisition of 510 Madison Avenue in New York City, the Company caused the assignment of the existing mortgage to a new lender and subsequently increased the amount borrowed to \$267.5 million. This amount was fully secured by cash deposits included within the caption "Cash held in escrows." On August 19, 2011, the mortgage loan was refinanced and the cash deposit was released to the Company (See Note 3 below).
- The notes receivable consist of (1) a partner loan from the Company to the unconsolidated joint venture entity that owns the General Motors Building totaling \$270.0 million and (2) a loan from the Company to the Company's Value-Added Fund in the maximum amount of \$12.0 million, of which approximately \$6.4 million has been advanced to date. The unconsolidated entities have corresponding notes payable to the Company, see pages 17 and 18.
- On May 11, 2011, the Company refinanced at maturity the mortgage loan collateralized by its 601 Lexington Avenue property located in New York City totaling approximately \$453.3 million utilizing the proceeds of a draw under its Unsecured Line of Credit, which borrowing was secured by a mortgage on the property and which amount was included in Mortgage Notes Payable. On August 19, 2011, the Company obtained new mortgage financing totaling \$725.0 million collateralized by 601 Lexington Avenue. The proceeds were used to repay the borrowing under the Company's Unsecured Line of Credit totaling approximately \$453.3 million and to refinance the \$267.5 million mortgage loan collateralized by the Company's 510 Madison Avenue property. In connection with the refinancing, the lien of the 510 Madison Avenue mortgage was spread to 601 Lexington Avenue and released from 510 Madison Avenue so that 510 Madison Avenue is no longer encumbered by any mortgage debt.

Boston Properties, Inc.
Third Quarter 2011

CONSOLIDATED INCOME STATEMENTS
(in thousands, except for per share amounts)
(unaudited)

	Three Months Ended				
	30-Sep-11	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10
Revenue					
Rental					
Base Rent	\$360,595	\$348,474	\$339,535	\$312,899	\$310,459
Recoveries from tenants	53,899	48,874	45,896	45,189	45,646
Parking and other	21,694	21,101	19,068	16,920	15,850
Total rental revenue	436,188	418,449	404,499	375,008	371,955
Hotel revenue	8,045	8,904	5,948	10,510	8,016
Development and management services	8,180	9,098	7,428	6,964	6,439
Total revenue	452,413	436,451	417,875	392,482	386,410
Expenses					
Operating	90,130	82,981	79,208	70,807	71,100
Real estate taxes	64,855	61,894	60,763	54,577	56,941
Hotel operating	6,032	6,281	5,739	7,602	6,194
General and administrative (1) (2)	17,340	20,069	24,643	17,121	18,067
Acquisition costs	51	13	72	721	1,893
Depreciation and amortization	109,495	111,080	109,428	92,763	81,133
Total expenses	287,903	282,318	279,853	243,591	235,328
Operating income	164,510	154,133	138,022	148,891	151,082
Other income (expense)					
Income from unconsolidated joint ventures	11,326	8,882	7,976	9,834	11,565
Interest and other income	1,252	1,953	974	1,691	1,814
Gains (losses) from investments in securities (1)	(860)	6	373	682	731
Interest expense (3) (4)	(95,777)	(95,236)	(99,151)	(92,192)	(97,103)
Losses from early extinguishments of debt (5)	—	—	—	(81,662)	—
Net income (loss)	80,451	69,738	48,194	(12,756)	68,089
Net income (loss) attributable to noncontrolling interests					
Noncontrolling interest in property partnership	(86)	(503)	(529)	(907)	(889)
Noncontrolling interest - redeemable preferred units of the Operating Partnership	(832)	(842)	(823)	(795)	(820)
Noncontrolling interest - common units of the Operating Partnership (6)	(8,991)	(8,179)	(6,029)	1,555	(8,712)
Net income (loss) attributable to Boston Properties, Inc.	<u>\$ 70,542</u>	<u>\$ 60,214</u>	<u>\$ 40,813</u>	<u>\$ (12,903)</u>	<u>\$ 57,668</u>
INCOME (LOSS) PER SHARE OF COMMON STOCK (EPS)					
Net income (loss) attributable to Boston Properties, Inc. per share - basic	<u>\$ 0.48</u>	<u>\$ 0.41</u>	<u>\$ 0.29</u>	<u>\$ (0.09)</u>	<u>\$ 0.41</u>
Net income (loss) attributable to Boston Properties, Inc. per share - diluted	<u>\$ 0.48</u>	<u>\$ 0.41</u>	<u>\$ 0.29</u>	<u>\$ (0.09)</u>	<u>\$ 0.41</u>

- (1) Gains (losses) from investments in securities includes \$(860), \$6, \$373, \$682 and \$731 and general and administrative expense includes \$757, \$(23), \$(425), \$(636) and \$(521) for the three months ended September 30, 2011, June 30, 2011, March 31, 2011, December 31, 2010 and September 30, 2010, respectively, related to the Company's deferred compensation plan.
- (2) For the three months ended March 31, 2011, general and administrative expense includes approximately \$4.3 million consisting of the acceleration of the remaining unrecognized compensation expense associated with the conclusion of the three-year measurement period of the Company's 2008 OPP Awards. The 2008 OPP Awards were not earned and therefore the program was terminated.
- (3) Interest expense is reported net of capitalized interest of \$13,004, \$11,958, \$11,239, \$14,569 and \$9,302 for the three months ended September 30, 2011, June 30, 2011, March 31, 2011, December 31, 2010 and September 30, 2010, respectively.
- (4) Includes additional non-cash interest expense related to the adoption of ASC 470-20 (formerly known as FSP No. APB 14-1). For additional detail, see page 12.
- (5) During the three months ended December 31, 2010, the Company's Operating Partnership repurchased \$50.0 million aggregate principal amount of its 2.875% exchangeable senior notes due 2037 for approximately \$51.1 million. The repurchased notes had an aggregate carrying value of approximately \$48.4 million, resulting in the recognition of a loss on early extinguishment of approximately \$2.3 million. During the three months ended December 31, 2010, the Company's Operating Partnership redeemed \$700.0 million aggregate principal amount of its 6.25% senior notes due 2013 for approximately \$793.1 million, including accrued interest of approximately \$17.9 million, resulting in the recognition of a loss on early extinguishment of approximately \$79.3 million.
- (6) Equals noncontrolling interest - common units of the Operating Partnership's share of 11.02%, 11.61%, 12.33%, 12.54% and 12.73% of income before net income attributable to noncontrolling interests in Operating Partnership after deduction for preferred distributions for the three months ended September 30, 2011, June 30, 2011, March 31, 2011, December 31, 2010 and September 30, 2010, respectively.

Boston Properties, Inc.
Third Quarter 2011

FUNDS FROM OPERATIONS (FFO)
(in thousands, except for per share amounts)
(unaudited)

	Three Months Ended				
	30-Sep-11	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10
Net income (loss) attributable to Boston Properties, Inc.	\$ 70,542	\$ 60,214	\$ 40,813	\$ (12,903)	\$ 57,668
Add:					
Noncontrolling interest - common units of the Operating Partnership	8,991	8,179	6,029	(1,555)	8,712
Noncontrolling interest - redeemable preferred units of the Operating Partnership	832	842	823	795	820
Noncontrolling interests in property partnerships	86	503	529	907	889
Net income (loss)	80,451	69,738	48,194	(12,756)	68,089
Add:					
Real estate depreciation and amortization (1)	134,777	137,495	136,104	118,573	107,300
Less:					
Gain on sale of real estate included within income from unconsolidated joint ventures (2)	—	—	—	572	—
Noncontrolling interests in property partnerships' share of funds from operations	549	966	993	1,686	1,724
Noncontrolling interest - redeemable preferred units of the Operating Partnership	832	842	823	795	820
Funds from operations (FFO) attributable to the Operating Partnership	213,847	205,425	182,482	102,764	172,845
Less:					
Noncontrolling interest - common units of the Operating Partnership's share of funds from operations	23,573	23,856	22,502	12,886	21,998
FFO attributable to Boston Properties, Inc. (3)	<u>\$190,274</u>	<u>\$181,569</u>	<u>\$159,980</u>	<u>\$ 89,878</u>	<u>\$150,847</u>
FFO per share - basic	<u>\$ 1.29</u>	<u>\$ 1.24</u>	<u>\$ 1.13</u>	<u>\$ 0.64</u>	<u>\$ 1.08</u>
Weighted average shares outstanding - basic	<u>147,006</u>	<u>145,864</u>	<u>142,095</u>	<u>140,105</u>	<u>139,595</u>
FFO per share - diluted	<u>\$ 1.28</u>	<u>\$ 1.23</u>	<u>\$ 1.12</u>	<u>\$ 0.64</u>	<u>\$ 1.07</u>
Weighted average shares outstanding - diluted	<u>149,083</u>	<u>148,156</u>	<u>143,965</u>	<u>142,059</u>	<u>141,654</u>

- (1) Real estate depreciation and amortization consists of depreciation and amortization from the consolidated statements of operations of \$109,495, \$111,080, \$109,428, \$92,763 and \$81,133, our share of unconsolidated joint venture real estate depreciation and amortization of \$25,633, \$26,680, \$27,065, \$26,206 and \$26,602 less corporate related depreciation of \$351, \$265, \$389, \$396 and \$435 for the three months ended September 30, 2011, June 30, 2011, March 31, 2011, December 31, 2010 and September 30, 2010, respectively.
- (2) For the three months ended December 31, 2010, consists of the portion of income from unconsolidated joint ventures related to the gain on sale of real estate from the sale of the Company's 5.00% equity interest in the unconsolidated joint venture entity that owns the retail portion of the Wisconsin Place mixed-use property for approximately \$1.4 million of cash.
- (3) Based on weighted average basic shares for the quarter. The Company's share for the quarter ended September 30, 2011, June 30, 2011, March 31, 2011, December 31, 2010 and September 30, 2010 was 88.98%, 88.39%, 87.67%, 87.46% and 87.27%, respectively.

Boston Properties, Inc.
Third Quarter 2011

RECONCILIATION TO DILUTED FUNDS FROM OPERATIONS
(in thousands, except for per share amounts)
(unaudited)

	September 30, 2011		June 30, 2011		March 31, 2011		December 31, 2010		September 30, 2010	
	Income (Numerator)	Shares/Units (Denominator)	Income (Numerator)	Shares/Units (Denominator)	Income (Numerator)	Shares/Units (Denominator)	Income (Numerator)	Shares/Units (Denominator)	Income (Numerator)	Shares/Units (Denominator)
Basic FFO	\$ 213,847	165,219	\$ 205,425	165,029	\$ 182,482	162,082	\$ 102,764	160,191	\$ 172,845	159,952
Effect of Dilutive Securities										
Convertible Preferred Units	832	1,461	842	1,461	823	1,461	795	1,461	820	1,461
Stock based compensation and exchangeable notes	—	616	—	831	—	409	—	493	—	598
Diluted FFO	\$ 214,679	167,296	\$ 206,267	167,321	\$ 183,305	163,952	\$ 103,559	162,145	\$ 173,665	162,011
Less:										
Noncontrolling interest - common units of the Operating Partnership's share of diluted funds from operations	23,371	18,213	23,625	19,165	22,346	19,987	12,829	20,086	21,822	20,357
Company's share of diluted FFO (1)	\$ 191,308	149,083	\$ 182,642	148,156	\$ 160,959	143,965	\$ 90,730	142,059	\$ 151,843	141,654
FFO per share - basic	\$ 1.29		\$ 1.24		\$ 1.13		\$ 0.64		\$ 1.08	
FFO per share - diluted	\$ 1.28		\$ 1.23		\$ 1.12		\$ 0.64		\$ 1.07	

(1) Based on weighted average diluted shares for the quarter. The Company's share for the quarter ended September 30, 2011, June 30, 2011, March 31, 2011, December 31, 2010 and September 30, 2010 was 89.11%, 88.55%, 87.81%, 87.61% and 87.43%, respectively.

Boston Properties, Inc.
Third Quarter 2011

Funds Available for Distribution (FAD)
(in thousands)

	Three Months Ended				
	30-Sep-11	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10
Basic FFO (see page 9)	\$213,847	\$205,425	\$182,482	\$102,764	\$172,845
2nd generation tenant improvements and leasing commissions	(18,158)	(16,639)	(33,881)	(23,095)	(31,154)
Straight-line rent (1)	(23,075)	(24,571)	(21,073)	(20,082)	(22,861)
Recurring capital expenditures	(7,120)	(2,785)	(1,130)	(7,878)	(3,070)
Fair value interest adjustment (1)	(97)	(208)	45	1,394	1,196
ASC 470-20 (formerly known as FSP APB 14-1) interest expense adjustment	9,813	9,657	9,505	9,486	9,453
Fair value lease revenue (1) (2)	(19,955)	(20,537)	(20,761)	(18,875)	(19,368)
Hotel improvements, equipment upgrades and replacements	(1,239)	(1,478)	(494)	(1,542)	(231)
Straight-line ground rent expense adjustment	1,687	682	—	—	—
Non real estate depreciation	351	265	389	396	435
Stock-based compensation (3)	5,937	5,909	11,856	6,127	6,380
Losses from early extinguishments of debt	—	—	—	81,662	—
Non-cash termination income (including fair value lease amounts)	(335)	—	—	—	—
Partners' share of joint venture 2nd generation tenant improvement and leasing commissions	840	1,175	844	3,115	472
Funds available for distribution to common shareholders and common unitholders (FAD)	\$162,496	\$156,895	\$127,782	\$133,472	\$114,097

Interest Coverage Ratios
(in thousands, except for ratio amounts)

	Three Months Ended				
	30-Sep-11	30-Jun-11	31-Mar-11	31-Dec-10	30-Sep-10
Excluding Capitalized Interest					
Net income (loss)	\$ 80,451	\$ 69,738	\$ 48,194	\$ (12,756)	\$ 68,089
Interest expense	95,777	95,236	99,151	92,192	97,103
Depreciation and amortization expense	109,495	111,080	109,428	92,763	81,133
Depreciation and amortization expense from unconsolidated joint ventures	25,633	26,680	27,065	26,206	26,602
Losses from early extinguishments of debt	—	—	—	81,662	—
Non-cash termination income (including fair value lease amounts)	(335)	—	—	—	—
Stock-based compensation	5,937	5,909	11,856	6,127	6,380
Straight-line ground rent expense adjustment	1,687	682	—	—	—
Straight-line rent (1)	(23,075)	(24,571)	(21,073)	(20,082)	(22,861)
Fair value lease revenue (1) (2)	(19,955)	(20,537)	(20,761)	(18,875)	(19,368)
Subtotal	275,615	264,217	253,860	247,237	237,078
Divided by:					
Adjusted interest expense (4) (5)	83,678	83,495	87,598	80,855	85,504
Interest Coverage Ratio	<u>3.29</u>	<u>3.16</u>	<u>2.90</u>	<u>3.06</u>	<u>2.77</u>
Including Capitalized Interest					
Net income (loss)	\$ 80,451	\$ 69,738	\$ 48,194	\$ (12,756)	\$ 68,089
Interest expense	95,777	95,236	99,151	92,192	97,103
Depreciation and amortization expense	109,495	111,080	109,428	92,763	81,133
Depreciation and amortization expense from unconsolidated joint ventures	25,633	26,680	27,065	26,206	26,602
Losses from early extinguishments of debt	—	—	—	81,662	—
Non-cash termination income (including fair value lease amounts)	(335)	—	—	—	—
Stock-based compensation	5,937	5,909	11,856	6,127	6,380
Straight-line ground rent expense adjustment	1,687	682	—	—	—
Straight-line rent (1)	(23,075)	(24,571)	(21,073)	(20,082)	(22,861)
Fair value lease revenue (1) (2)	(19,955)	(20,537)	(20,761)	(18,875)	(19,368)
Subtotal	275,615	264,217	253,860	247,237	237,078
Divided by:					
Adjusted interest expense (4) (5) (6)	96,682	95,453	98,837	95,424	94,806
Interest Coverage Ratio	<u>2.85</u>	<u>2.77</u>	<u>2.57</u>	<u>2.59</u>	<u>2.50</u>

(1) Includes the Company's share of unconsolidated joint venture amounts.

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

(3) For the three months ended March 31, 2011, stock-based compensation includes approximately \$4.3 million consisting of the acceleration of the remaining unrecognized compensation expense associated with the conclusion of the three-year measurement period of the Company's 2008 OPP Awards. The 2008 OPP Awards were not earned and therefore the program was terminated.

(4) Excludes the impact of the ASC 470-20 (formerly known as FSP APB 14-1) interest expense adjustment of \$9,813, \$9,657, \$9,505, \$9,486 and \$9,453 for the three months ended September 30, 2011, June 30, 2011, March 31, 2011, December 31, 2010 and September 30, 2010, respectively.

(5) Excludes amortization of financing costs of \$2,286, \$2,084, \$2,048, \$1,851 and \$2,146 for the three months ended September 30, 2011, June 30, 2011, March 31, 2011, December 31, 2010 and September 30, 2010, respectively.

(6) Includes capitalized interest of \$13,004, \$11,958, \$11,239, \$14,569 and \$9,302 for the three months ended September 30, 2011, June 30, 2011, March 31, 2011, December 31, 2010 and September 30, 2010, respectively.

Boston Properties, Inc.
Third Quarter 2011

CAPITAL STRUCTURE

Consolidated Debt

(in thousands)

	Aggregate Principal September 30, 2011
Mortgage Notes Payable	\$ 3,152,888
Unsecured Line of Credit	—
Unsecured Senior Notes, at face value	3,025,000
Unsecured Exchangeable Senior Notes, at face value	1,823,694
Total Debt	8,001,582
Fair Value Adjustment on Mortgage Notes Payable	26,146
Discount on Unsecured Senior Notes	(8,014)
Discount on Unsecured Exchangeable Senior Notes	(4,699)
ASC 470-20 (formerly known as FSP APB 14-1) Adjustment (1)	(64,652)
Total Consolidated Debt	\$ 7,950,363

Boston Properties Limited Partnership Unsecured Senior Notes

Settlement Date	11/18/2010	4/19/2010	10/9/2009	5/22/2003	3/18/2003	1/17/2003	12/13/2002	Total/Average
Original Principal Amount	\$ 850,000	\$ 700,000	\$ 700,000	\$ 250,000	\$ 300,000	\$ 175,000	\$ 750,000	\$ 3,725,000
Principal Amount at Quarter End	\$ 850,000	\$ 700,000	\$ 700,000	\$ 250,000	\$ 300,000	\$ 42,568	\$ 182,432	\$ 3,025,000
Yield (on issue date)	4.289%	5.708%	5.967%	5.194%	5.693%	6.291%	6.381%	5.56%
Coupon	4.125%	5.625%	5.875%	5.000%	5.625%	6.250%	6.250%	5.44%
Public Offering Price	99.260%	99.891%	99.931%	99.329%	99.898%	99.763%	99.650%	99.66%
Ratings:								
Moody's	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	Baa2 (stable)	
S&P	A- (stable)	A- (stable)	A- (stable)	A- (stable)	A- (stable)	A- (stable)	A- (stable)	
Fitch	BBB (stable)	BBB (stable)	BBB (stable)	BBB (stable)	BBB (stable)	BBB (stable)	BBB (stable)	
Maturity Date	5/15/2021	11/15/2020	10/15/2019	6/1/2015	4/15/2015	1/15/2013	1/15/2013	
Discount	\$ 6,048	\$ 708	\$ 409	\$ 621	\$ 112	\$ 16	\$ 100	\$ 8,014
Unsecured Senior Notes, net of discount	\$ 843,952	\$ 699,292	\$ 699,591	\$ 249,379	\$ 299,888	\$ 42,552	\$ 182,332	\$ 3,016,986

Boston Properties Limited Partnership Unsecured Exchangeable Senior Notes

Settlement Date	8/19/2008	2/6/2007	4/6/2006	Total/Average
Original Principal Amount	\$ 747,500	\$ 862,500	\$ 450,000	\$ 2,060,000
Principal Amount at Quarter End	\$ 747,500	\$ 626,194	\$ 450,000	\$ 1,823,694
Yield (on issue date)	4.037%	3.462%	3.787%	3.778%
GAAP Yield	6.555%	5.630%	5.958%	6.090%
Coupon	3.625%	2.875%	3.750%	
Exchange Rate	8.5051	7.0430	10.0066	
Exchange Price	\$ 135.38 (2)	\$ 141.98	\$ 99.93	
Diluted share impact for the current quarter	—	—	112	112
First Optional Redemption Date	N/A	2/20/2012	5/18/2013	
Maturity Date	2/15/2014	2/15/2037	5/15/2036	
Discount	\$ 3,415	\$ 1,284	\$ —	\$ 4,699
ASC 470-20 (FSP APB 14-1) Adjustment (1)	\$ 44,315	\$ 5,055	\$ 15,282	\$ 64,652
Unsecured Senior Exchangeable Notes	\$ 699,770	\$ 619,855	\$ 434,718	\$ 1,754,343

Equity

(in thousands)

	Shares/Units Outstanding as of 9/30/11	Common Stock Equivalents	Equivalent Value (3)
Common Stock	147,627	147,627 (4)	\$ 13,153,566
Common Operating Partnership Units	18,641	18,641 (5)	\$ 1,660,913
Series Two Preferred Operating Partnership Units	1,113	1,461	\$ 130,175
Total Equity		167,729	\$ 14,944,654
Total Consolidated Debt			\$ 7,950,363
Total Consolidated Market Capitalization			\$ 22,895,017
BXP's share of Joint Venture Debt			\$ 1,532,963 (6)
Total Combined Debt (7)			\$ 9,483,326
Total Combined Market Capitalization (8)			\$ 24,427,980

- (1) Represents the remaining debt discount which will be amortized over the period during which the exchangeable senior notes are expected to be outstanding (i.e., through the first optional redemption dates or, in the case of the exchangeable senior notes due 2014, the maturity date) as additional non-cash interest expense.
- (2) The initial exchange rate is 8.5051 shares per \$1,000 principal amount of the notes (or an initial exchange price of approximately \$117.58 per share of Boston Properties, Inc.'s common stock). In addition, the Company entered into capped call transactions with affiliates of certain of the initial purchasers, which are intended to reduce the potential dilution upon future exchange of the notes. The capped call transactions are expected to have the effect of increasing the effective exchange price to the Company of the notes from \$117.58 to approximately \$137.17 per share (subject to adjustments), representing an overall effective premium of

approximately 40% over the closing price on August 13, 2008 of \$97.98 per share of Boston Properties, Inc's common stock. The net cost of the capped call transactions was approximately \$44.4 million. As of September 30, 2011, the exchange price was \$135.38 per share.

- (3) Values based on September 30, 2011 closing price of \$89.10 per share of common stock.
- (4) Includes 99 shares of restricted stock.
- (5) Includes 1,603 long-term incentive plan units, but excludes 400 unvested outperformance plan units.
- (6) Excludes the Company's share (\$276,375) of partner loans made to unconsolidated joint ventures.
- (7) For disclosures relating to our definition of Total Combined Debt, see page 50.
- (8) For disclosures relating to our definition of Total Combined Market Capitalization, see page 50.

Boston Properties, Inc.

Third Quarter 2011

DEBT ANALYSIS (1)

Debt Maturities and Principal Payments

as of September 30, 2011
(in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Thereafter</u>	<u>Total</u>
Floating Rate Debt							
Mortgage Notes Payable	\$ —	\$ 345	\$ 827	\$ 48,828	\$ —	\$ —	\$ 50,000
Unsecured Line of Credit	—	—	—	—	—	—	—
Total Floating Debt	\$ —	\$ 345	\$ 827	\$ 48,828	\$ —	\$ —	\$ 50,000
Fixed Rate Debt							
Mortgage Notes Payable	\$28,416	\$223,984	\$103,209	\$ 87,757	\$ 26,182	\$2,633,340	\$3,102,888
Fair Value Adjustment	2,352	6,816	4,270	3,962	4,157	4,589	26,146
Mortgage Notes Payable	30,768	230,800	107,479	91,719	30,339	2,637,929	3,129,034
Unsecured Exchangeable Senior Notes, net of discount (2)	—	624,910	450,000	744,085	—	—	1,818,995
ASC 470-20 (formerly known as FSP APB 14-1) Adjustment	(9,970)	(29,192)	(23,052)	(2,438)	—	—	(64,652)
Unsecured Exchangeable Senior Notes	(9,970)	595,718	426,948	741,647	—	—	1,754,343
Unsecured Senior Notes, net of discount	—	—	224,884	—	549,267	2,242,835	3,016,986
Total Fixed Debt	\$20,798	\$826,518	\$759,311	\$833,366	\$579,606	\$4,880,764	\$7,900,363
Total Consolidated Debt	\$20,798	\$826,863	\$760,138	\$882,194	\$579,606	\$4,880,764	\$7,950,363
GAAP Weighted Average Floating Rate Debt	0.00%	2.78%	2.78%	2.78%	0.00%	0.00%	2.78%
GAAP Weighted Average Fixed Rate Debt	9.35%	5.31%	6.08%	6.46%	5.48%	5.35%	5.55%
Total GAAP Weighted Average Rate	9.35%	5.31%	6.08%	6.24%	5.48%	5.35%	5.53%
Total Stated Weighted Average Rate	9.42%	4.37%	4.95%	3.93%	5.40%	5.39%	5.10%

Unsecured Debt

Unsecured Line of Credit - Matures June 24, 2014

(in thousands)

<u>Facility</u>	<u>Outstanding at 09/30/2011</u>	<u>Letters of Credit</u>	<u>Remaining Capacity at 09/30/2011</u>
\$ 750,000	\$ —	\$ 13,694	\$ 736,306

Unsecured and Secured Debt Analysis

	<u>% of Total Debt</u>	<u>Stated Weighted Average Rate</u>	<u>GAAP Weighted Average Rate</u>	<u>Weighted Average Maturity</u>
Unsecured Debt	60.01%	4.70%	5.64%	5.2 years
Secured Debt	39.99%	5.70%	5.38%	6.1 years
Total Consolidated Debt	<u>100.00%</u>	<u>5.10%</u>	<u>5.53%</u>	<u>5.6 years</u>

Floating and Fixed Rate Debt Analysis

	<u>% of Total Debt</u>	<u>Stated Weighted Average Rate</u>	<u>GAAP Weighted Average Rate</u>	<u>Weighted Average Maturity</u>
Floating Rate Debt	0.63%	2.40%	2.78%	2.8 years
Fixed Rate Debt	99.37%	5.12%	5.55%	5.6 years
Total Consolidated Debt	<u>100.00%</u>	<u>5.10%</u>	<u>5.53%</u>	<u>5.6 years</u>

- (1) Excludes unconsolidated joint ventures. The GAAP interest rate differs from the stated interest rate due to the inclusion of the amortization of financing charges, effects of hedging transactions, adjustments required to reflect loans at their fair values upon acquisition and the adjustments required to reflect the nonconvertible debt borrowing rate on the unsecured exchangeable senior notes in accordance with ASC 470-20 (formerly known as FSP APB 14-1).
- (2) For our unsecured exchangeable notes, amounts are included in the year in which the first optional redemption date occurs (or, in the case of the exchangeable notes due 2014, the year of maturity).

Boston Properties, Inc.
Third Quarter 2011

DEBT MATURITIES AND PRINCIPAL PAYMENTS (1)

as of September 30, 2011
(in thousands)

<u>Property</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Thereafter</u>	<u>Total</u>
599 Lexington Avenue	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 750,000	\$ 750,000
601 Lexington Avenue	—	—	2,747	11,321	11,870	699,062	725,000
John Hancock Tower and Garage	—	—	—	—	—	640,500	640,500 (2)
Embarcadero Center Four	1,162	4,828	5,131	5,452	5,794	348,886	371,253
Bay Colony Corporate Center	—	143,900	—	—	—	—	143,900 (2)
505 9th Street	526	2,177	2,306	2,441	2,585	116,334	126,369
One Freedom Square	391	65,511	—	—	—	—	65,902 (2)
New Dominion Technology Park, Building Two	—	—	—	63,000	—	—	63,000
Reservoir Place	—	345	827	48,828	—	—	50,000
140 Kendrick Street	273	1,143	47,889	—	—	—	49,305 (2)
New Dominion Technology Park, Building One	—	1,987	2,140	2,304	2,481	38,494	47,406
Kingstowne Two and Retail	391	1,630	1,730	1,837	1,950	29,277	36,815 (2)
Montvale Center	25,000	—	—	—	—	—	25,000 (3)
Sumner Square	223	930	22,896	—	—	—	24,049
Kingstowne One	157	657	17,062	—	—	—	17,876 (2)
University Place	293	1,221	1,308	1,402	1,502	10,787	16,513
Atlantic Wharf	—	—	—	—	—	—	— (4)
	<u>28,416</u>	<u>224,329</u>	<u>104,036</u>	<u>136,585</u>	<u>26,182</u>	<u>2,633,340</u>	<u>3,152,888</u>
Aggregate Fair Value Adjustments	<u>2,352</u>	<u>6,816</u>	<u>4,270</u>	<u>3,962</u>	<u>4,157</u>	<u>4,589</u>	<u>26,146</u>
	<u>30,768</u>	<u>231,145</u>	<u>108,306</u>	<u>140,547</u>	<u>30,339</u>	<u>2,637,929</u>	<u>3,179,034</u>
Unsecured Exchangeable Senior Notes, net of discount	—	624,910	450,000	744,085	—	—	1,818,995 (5)
ASC 470-20 (formerly known as FSP APB 14-1) Adjustment	(9,970)	(29,192)	(23,052)	(2,438)	—	—	(64,652)
	<u>(9,970)</u>	<u>595,718</u>	<u>426,948</u>	<u>741,647</u>	<u>—</u>	<u>—</u>	<u>1,754,343</u>
Unsecured Senior Notes, net of discount	—	—	224,884	—	549,267	2,242,835	3,016,986
Unsecured Line of Credit	—	—	—	—	—	—	— (6)
	<u>\$20,798</u>	<u>\$826,863</u>	<u>\$760,138</u>	<u>\$882,194</u>	<u>\$579,606</u>	<u>\$4,880,764</u>	<u>\$7,950,363</u>
% of Total Consolidated Debt	0.26%	10.40%	9.56%	11.10%	7.29%	61.39%	100.00%
Balloon Payments	\$25,000	\$833,516	\$761,136	\$855,430	\$549,267	\$4,750,613	\$7,774,962
Scheduled Amortization	\$ 5,768	\$ 22,539	\$ 22,054	\$ 29,202	\$ 30,339	\$ 130,151	\$ 240,053

- (1) Excludes unconsolidated joint ventures. For information on our unconsolidated joint venture debt, see page 16.
- (2) This property has a fair value adjustment which is aggregated below.
- (3) This loan was originally scheduled to mature on June 6, 2012. The Company notified the master servicer of this non-recourse mortgage loan that the cash flows generated from the property were insufficient to fund debt service payments and capital improvements necessary to lease and operate the property and that the Company was not prepared to fund any cash shortfalls. The Company is not current on making debt service payments and is currently in default. The Company is currently accruing interest at the default interest rate of 9.93% per annum. The Company is in discussions with the special servicer, and there can be no assurance as to the timing and ultimate resolution of these discussions.
- (4) As of September 30, 2011, the Company has not drawn any amounts under its \$192.5 million construction loan facility. Loan matures on April 21, 2012 and has two, one-year extension options subject to certain conditions.
- (5) For our unsecured exchangeable senior notes, amounts are included in the year in which the first optional redemption date occurs (or, in the case of the unsecured exchangeable senior notes due 2014, the year of maturity).
- (6) The Unsecured Line of Credit matures on June 24, 2014 and has an option for a one-year extension, subject to certain conditions.

Boston Properties, Inc.
Third Quarter 2011

Senior Unsecured Debt Covenant Compliance Ratios

(in thousands)

In the fourth quarter of 2002, the Company's operating partnership (Boston Properties Limited Partnership) received investment grade ratings on its senior unsecured debt securities and thereafter issued unsecured notes. The notes were issued under an indenture, dated as of December 13, 2002, by and between Boston Properties Limited Partnership and The Bank of New York, as trustee, as supplemented, which, among other things, requires us to comply with the following limitations on incurrence of debt: Limitation on Outstanding Debt; Limitation on Secured Debt; Ratio of Annualized Consolidated EBITDA to Annualized Interest Expense; and Maintenance of Unencumbered Assets. Compliance with these restrictive covenants requires us to apply specialized terms the meanings of which are described in detail in our filings with the SEC, and to calculate ratios in the manner prescribed by the indenture.

This section presents such ratios as of September 30, 2011 to show that the Company's Operating Partnership was in compliance with the terms of the indenture, as amended, which has been filed with the SEC. This section also presents certain other indenture-related data which we believe assists investors in the Company's unsecured debt securities. Management is not presenting these ratios and the related calculations for any other purpose or for any other period, and is not intending for these measures to otherwise provide information to investors about the Company's financial condition or results of operations. Investors should not rely on these measures other than for purposes of testing our compliance with the indenture.

	Senior Notes Issued Prior to October 9, 2009	Senior Notes Issued On or After October 9, 2009
	September 30, 2011	
Total Assets:		
Capitalized Property Value (1)	\$ 17,117,405	\$ 17,548,360
Cash and Cash Equivalents	1,063,024	1,063,024
Investments in Marketable Securities	9,312	9,312
Undeveloped Land, at Cost	266,834	266,834
Development in Process, at Cost (including Joint Venture %)	1,528,617	1,528,617
Total Assets	\$ 19,985,192	\$ 20,416,147
Unencumbered Assets	\$ 11,903,496	\$ 12,148,209
Secured Debt (Fixed and Variable)(2)	\$ 3,152,888	\$ 3,152,888
Joint Venture Debt	1,532,963	1,532,963
Contingent Liabilities & Letters of Credit	16,118	16,118
Unsecured Debt (3)	4,848,694	4,848,694
Total Outstanding Debt	\$ 9,550,663	\$ 9,550,663
Consolidated EBITDA:		
Net income (loss) (per Consolidated Income Statement)	\$ 80,451	\$ 80,451
Subtract: Income from unconsolidated joint ventures (per Consolidated Income Statement)	(11,326)	(11,326)
Add: (Gains) losses from Investments in Securities (per Consolidated Income Statement)	860	860
Add: Interest Expense (per Consolidated Income Statement)	95,777	95,777
Add: Depreciation and Amortization (per Consolidated Income Statement)	109,495	109,495
EBITDA	275,257	275,257
Add: Company share of unconsolidated joint venture EBITDA	59,484	59,484
Consolidated EBITDA	\$ 334,741	\$ 334,741
Adjusted Interest Expense:		
Interest Expense (per Consolidated Income Statement)	\$ 95,777	\$ 95,777
Add: Company share of unconsolidated joint venture interest expense	23,938	23,938
Less: Amortization of financing costs	(2,286)	(2,286)
Less: Interest expense funded by construction loan draws	—	—
Adjusted Interest Expense	\$ 117,429	\$ 117,429

Covenant Ratios and Related Data	Test	Actual	Actual
Total Outstanding Debt/Total Assets	Less than 60%	47.8%	46.8%
Secured Debt/Total Assets	Less than 50%	23.4%	23.0%
Interest Coverage (Annualized Consolidated EBITDA to Annualized Interest Expense)	Greater than 1.50x	2.85	2.85
Unencumbered Assets/ Unsecured Debt	Greater than 150%	245.5%	250.5%
Unencumbered Consolidated EBITDA		\$183,791	\$183,791
Unencumbered Interest Coverage (Unencumbered Consolidated EBITDA to Unsecured Interest Expense)		2.71	2.71
% of Unencumbered Consolidated EBITDA to Consolidated EBITDA		54.9%	54.9%
# of unencumbered properties		116	116

(1) For senior notes issued prior to October 9, 2009, Capitalized Property Value is determined for each property and is the greater of (A) annualized EBITDA capitalized at an 8.5% rate for CBD properties and a 9.0% rate for non-CBD properties, and (B) the undepreciated book value as determined under GAAP. Capitalized Property Value for senior notes issued on or after October 9, 2009 is determined for each property and is the greater of (A) annualized EBITDA capitalized at an 8.0% rate for CBD properties and a 9.0% rate for non-CBD properties, and (B) the undepreciated book value as determined under GAAP.

(2) Excludes fair value adjustment of \$26,146.

(3) Excludes debt discount of \$12,713 and ASC 470-20 (formerly known as FSP APB 14-1) adjustment of \$64,652.

Boston Properties, Inc.
Third Quarter 2011

UNCONSOLIDATED JOINT VENTURE DEBT ANALYSIS (*)

Debt Maturities and Principal Payments by Property

(in thousands)

<u>Property</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Thereafter</u>	<u>Total</u>
General Motors Building (60%)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 963,600	\$ 963,600 (1)(2)
125 West 55th Street (60%)	399	1,659	1,763	1,874	1,991	114,360	122,046
Two Grand Central Tower (60%)	353	1,465	1,556	1,652	101,072	—	106,098 (5)
Metropolitan Square (51%)	—	—	662	1,187	1,257	86,144	89,250
540 Madison Avenue (60%)	60	240	70,920	—	—	—	71,220 (3)
Market Square North (50%)	—	—	161	993	1,042	62,804	65,000
901 New York Avenue (25%)	180	742	782	823	37,590	—	40,117
Annapolis Junction (50%)	—	210	279	279	279	20,078	21,125 (4)
500 North Capitol (30%)	—	—	6,600	—	—	—	6,600 (6)
	<u>992</u>	<u>4,316</u>	<u>82,723</u>	<u>6,808</u>	<u>143,231</u>	<u>1,246,986</u>	<u>1,485,056</u>
Aggregate Fair Value Adjustments	<u>1,699</u>	<u>7,102</u>	<u>7,186</u>	<u>7,087</u>	<u>7,612</u>	<u>14,705</u>	<u>45,389</u>
	<u>\$2,691</u>	<u>\$11,418</u>	<u>\$89,909</u>	<u>\$13,895</u>	<u>\$150,843</u>	<u>\$1,261,691</u>	<u>\$1,530,445</u>
GAAP Weighted Average Rate	6.00%	5.81%	6.65%	5.62%	5.84%	6.38%	6.34%
% of Total Debt	0.18%	0.75%	5.87%	0.91%	9.86%	82.44%	100.00%

Floating and Fixed Rate Debt Analysis

	<u>% of Total Debt</u>	<u>Stated Weighted Average Rate (1)</u>	<u>GAAP Weighted Average Rate</u>	<u>Weighted Average Maturity</u>
Floating Rate Debt	1.87%	2.75%	2.96%	5.3 years
Fixed Rate Debt	98.13%	5.86%	6.40%	6.0 years
Total Debt	<u>100.00%</u>	<u>5.80%</u>	<u>6.34%</u>	<u>6.0 years</u>

(*) All amounts represent the Company's share. Amounts exclude the Value-Added Fund. See page 18 for additional information on debt pertaining to the Value-Added Fund.

(1) Excludes the Company's share (\$270 million) of the aggregate of \$450 million of loans made to the joint venture by its partners.

(2) This property has a fair value adjustment which is aggregated below. Although these mortgages require interest only payments with a balloon payment at maturity, the fair value adjustment is amortized over the term of the loan.

(3) This property has a fair value adjustment which is aggregated below.

(4) Loan has one, three-year extension option subject to certain conditions.

(5) On October 25, 2011, in conjunction with the sale of Two Grand Central Tower, the mortgage loan was assumed by the buyer.

(6) On October 14, 2011, 500 North Capitol's mortgage loan was refinanced with a new construction loan totaling \$107 million, bearing interest at a variable rate equal to LIBOR plus 1.65% per annum and matures on October 14, 2014 with two, one-year extension options, subject to certain conditions. At closing, \$33.3 million was drawn to fund the repayment of the existing mortgage of \$22 million and \$11.3 million to fund previously expended development costs.

Boston Properties, Inc.
Third Quarter 2011

UNCONSOLIDATED JOINT VENTURES

Balance Sheet Information

(unaudited and in thousands)
as of September 30, 2011

	General Motors Building	125 West 55th Street	Two Grand Central Tower	540 Madison Avenue	Market Square North	Metropolitan Square	901 New York Avenue	Wisconsin Place (1)	Annapolis Junction (2)	Eighth Avenue and 46th Street (2)	500 North Capitol Street (2)	Subtotal	Value- Added Fund (3)(4)	Total Unconsolidated Joint Ventures
Investment (5)	\$660,375 (6)	\$114,789	\$ 96,373	\$ 67,110	\$(12,500)	\$ 12,328	\$(1,475)	\$ 51,754	\$ 20,962	\$ 10,382	\$ 3,585	\$1,023,683	\$23,159	\$ 1,046,842
Note Receivable	270,000 (6)	—	—	—	—	—	—	—	—	—	—	270,000	6,375 (10)	276,375
Net Equity (5)	<u>\$390,375</u>	<u>\$114,789</u>	<u>\$ 96,373</u>	<u>\$ 67,110</u>	<u>\$(12,500)</u>	<u>\$ 12,328</u>	<u>\$(1,475)</u>	<u>\$ 51,754</u>	<u>\$ 20,962</u>	<u>\$ 10,382</u>	<u>\$ 3,585</u>	<u>\$ 753,683</u>	<u>\$16,784</u>	<u>\$ 770,467</u>
Mortgage/Construction loans payable (5) (7)	\$963,600	\$122,046	\$106,098	\$ 71,220	\$ 65,000	\$ 89,250	\$40,117	\$ —	\$ 21,125	\$ —	\$ 6,600	\$1,485,056	\$47,907	\$ 1,532,963
BXP's nominal ownership percentage	<u>60.00%</u>	<u>60.00%</u>	<u>60.00%</u>	<u>60.00%</u>	<u>50.00%</u>	<u>51.00%</u>	<u>25.00%</u>	<u>33.33%</u>	<u>50.00%</u>	<u>50.00%</u>	<u>30.00%</u>		<u>37.62%</u>	

Results of Operations

(unaudited and in thousands)
for the three months ended September 30, 2011

	General Motors Building	125 West 55th Street	Two Grand Central Tower	540 Madison Avenue	Market Square North	Metropolitan Square	901 New York Avenue	Wisconsin Place (1)	Annapolis Junction (2)	Eighth Avenue and 46th Street (2)	500 North Capitol Street (2)	Subtotal	Value- Added Fund (3)	Total Unconsolidated Joint Ventures
REVENUE														
Rental	\$ 57,677	\$10,141	\$ 7,769	\$ 7,116	\$ 4,579	\$ 8,454	\$ 8,519	\$ 1,075	\$ 4,089	\$ (1)	\$ 35	\$109,453	\$4,330	\$ 113,783
Straight-line rent	4,976	1,237	154	(1)	420	(14)	(119)	—	(2)	—	—	6,651	24	6,675
Fair value lease revenue	26,468	622	668	363	—	—	—	—	—	—	—	28,121	188	28,309
Termination Income	1,202	—	—	—	—	132	—	—	—	—	—	1,334	—	1,334
Total revenue	<u>90,323</u>	<u>12,000</u>	<u>8,591</u>	<u>7,478</u>	<u>4,999</u>	<u>8,572</u>	<u>8,400</u>	<u>1,075</u>	<u>4,087</u>	<u>(1)</u>	<u>35</u>	<u>145,559</u>	<u>4,542</u>	<u>150,101</u>
EXPENSES														
Operating	21,447	3,397	4,293	2,982	2,659	3,076	3,109	684	1,310	59	(50)	42,966	1,618	44,584
NET OPERATING INCOME	68,876	8,603	4,298	4,496	2,340	5,496	5,291	391	2,777	(60)	85	102,593	2,924	105,517
Interest	26,561	3,133	2,678	1,936	1,597	2,541	2,111	—	169	—	—	40,726	1,084	41,810
Interest other - partner loans	15,889	—	—	—	—	—	—	—	—	—	—	15,889	—	15,889
Depreciation and amortization	29,695	4,188	2,347	2,147	919	1,917	1,365	1,368	1,179	—	(30)	45,095	1,678	46,773
SUBTOTAL	<u>72,145</u>	<u>7,321</u>	<u>5,025</u>	<u>4,083</u>	<u>2,516</u>	<u>4,458</u>	<u>3,476</u>	<u>1,368</u>	<u>1,348</u>	<u>—</u>	<u>(30)</u>	<u>101,710</u>	<u>2,762</u>	<u>104,472</u>
Impairment loss	—	—	39,384 (11)	—	—	—	—	—	—	—	—	39,384	—	39,384
NET INCOME/(LOSS)	<u>\$ (3,269)</u>	<u>\$ 1,282</u>	<u>\$(40,111)</u>	<u>\$ 413</u>	<u>\$(176)</u>	<u>\$ 1,038</u>	<u>\$ 1,815</u>	<u>\$(977)</u>	<u>\$ 1,429</u>	<u>\$(60)</u>	<u>\$ 115</u>	<u>\$(38,501)</u>	<u>\$ 162</u>	<u>\$(38,339)</u>
BXP's share of net income/(loss)	\$ (1,961)	\$ 768	\$(24,067)	\$ 248	\$(88)	\$ 529	\$ 904 (8)	\$(327)	\$ 670 (8)	\$(30)	\$ 35	\$(23,320)	\$ 74 (4)(8)	\$(23,246)
Basis differential (9)	—	472	24,161 (11)	269	—	—	—	—	—	—	—	24,902	137 (4)	25,039
Elimination of inter-entity interest on partner loan	9,533	—	—	—	—	—	—	—	—	—	—	9,533	—	9,533
Income/(loss) from unconsolidated joint ventures	\$ 7,572	\$ 1,240	\$ 95	\$ 517	\$(88)	\$ 529	\$ 904	\$(327)	\$ 670	\$(30)	\$ 35	\$ 11,115	\$ 211 (4)	\$ 11,326
BXP's share of depreciation & amortization	17,817	2,124	1,043	1,078	459	977	559 (8)	458	607 (8)	—	(9)	25,113	521 (4)(8)	25,634
BXP's share of Funds from Operations (FFO)	<u>\$ 25,389</u>	<u>\$ 3,364</u>	<u>\$ 1,138</u>	<u>\$ 1,595</u>	<u>\$ 371</u>	<u>\$ 1,506</u>	<u>\$ 1,463</u>	<u>\$ 131</u>	<u>\$ 1,277</u>	<u>\$(30)</u>	<u>\$ 26</u>	<u>\$ 36,228</u>	<u>\$ 732 (4)</u>	<u>\$ 36,960</u>
BXP's share of net operating income/(loss)	<u>\$ 41,326</u>	<u>\$ 5,244</u>	<u>\$ 2,744</u>	<u>\$ 2,756</u>	<u>\$ 1,170</u>	<u>\$ 2,803</u>	<u>\$ 1,323</u>	<u>\$ 130</u>	<u>\$ 1,389</u>	<u>\$(30)</u>	<u>\$ 26</u>	<u>\$ 58,880</u>	<u>\$ 1,144 (4)</u>	<u>\$ 60,024</u>

- (1) Represents the Company's interest in the joint venture entity that owns the land and infrastructure. The Company's entity that owns the office component of the project has been consolidated within the accounts of the Company.
- (2) Property is currently not in service (i.e., under construction or undeveloped land). One of four land parcels of Annapolis Junction are undeveloped land. 500 North Capitol Street was taken out of service for re-development on March 28, 2011.
- (3) For additional information on the Value-Added Fund, see page 18. Information presented includes costs which relate to the organization and operations of the Value-Added Fund. The investments held by the Value-Added Fund are not included in the Company's portfolio information tables or any other portfolio level statistics and therefore are presented on page 18.
- (4) Represents the Company's 25% interest in 300 Billerica Road, as well as a 39.5% interest in Mountain View Research Park and Mountain View Technology Park.
- (5) Represents the Company's share.
- (6) Includes the Company's share (\$270 million) of the aggregate of \$450 million of loans made to the joint venture by its partners.
- (7) Excludes fair value adjustments.
- (8) Reflects the changes in the allocation percentages pursuant to the achievement of specified investment return thresholds as provided for in the joint venture agreement.
- (9) Represents adjustment related to the impairment of the carrying values of certain of the Company's investments in unconsolidated joint ventures.
- (10) Represents a loan from the Company to the Value Added Fund. The loan from the Company bears interest at a fixed rate of 10.0% per annum and matures on May 31, 2014.
- (11) On October 25, 2011, Two Grand Central Tower located in New York City was sold for approximately \$401.0 million, including the assumption by the buyer of approximately \$176.6 million of mortgage indebtedness. Pursuant to ASC 360, the unconsolidated joint venture recorded an impairment charge during the three months ended September 30, 2011 of approximately \$39.4 million. The Company's share of the current quarter impairment was approximately \$24.2 million. Because the Company had previously recognized an impairment loss in an amount greater than \$24.2 million, on its investment in the unconsolidated joint venture that owns Two Grand Central Tower, no additional impairment loss has been recognized by the Company.

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Boston Properties Office Value-Added Fund, L.P.

On October 25, 2004, the Company formed Boston Properties Office Value-Added Fund, L.P. (the "Value-Added Fund"), a strategic partnership with third parties, to pursue the acquisition of value-added investments in non-core office assets within the Company's existing markets. The Value-Added Fund had total equity commitments of \$140 million. The Company receives asset management, property management, leasing and redevelopment fees and, if certain return thresholds are achieved, will be entitled to an additional promoted interest.

On January 7, 2008, the Company transferred the Mountain View properties to its Value-Added Fund. In connection with the transfer of the Research Park and Technology Park properties to the Value-Added Fund, the Company and its partners agreed to certain modifications to the Value-Added Fund's original terms, including bifurcating the Value-Added Fund's promote structure such that Research Park and Technology Park will be accounted for separately from the non-Mountain View properties then owned by the Value-Added Fund (i.e. 300 Billerica Road). As a result of the modifications, the Company's interest in the Mountain View properties is approximately 39.5% and its interest in the non-Mountain View properties is 25%. The Company does not expect that the Value-Added Fund will make any future investments in new properties. The investments held by the Value-Added Fund are not included in the Company's portfolio information tables or any other portfolio level statistics and therefore are presented below.

Property Information

<u>Property Name</u>	<u>Number of Buildings</u>	<u>Square Feet</u>	<u>Leased %</u>	<u>Annualized Revenue per leased SF (1)</u>	<u>Mortgage Notes Payable (2)</u>
300 Billerica Road, Chelmsford, MA	1	110,882	100.0%	\$ 9.00	\$ 1,875 (3)
Mountain View Research Park, Mountain View, CA	16	600,449	65.2%	31.29	36,281 (4)
Mountain View Technology Park, Mountain View, CA	7	135,279	90.7%	22.07	9,751 (5)
Total	24	846,610	73.8%	\$ 25.53	\$ 47,907

Results of Operations

(unaudited and in thousands)
for the three months ended September 30, 2011

	<u>Value-Added Fund</u>
REVENUE	
Rental	\$ 4,330
Straight-line rent	24
Fair value lease revenue	188
Total revenue	<u>4,542</u>
EXPENSES	
Operating	1,618
SUBTOTAL	2,924
Interest	1,084
Depreciation and amortization	1,678
SUBTOTAL	<u>2,762</u>
NET INCOME	<u>\$ 162</u>
BXP's share of net income	\$ 74
Basis differential (6)	137
Income from Value-Added Fund	\$ 211
BXP's share of depreciation & amortization	521
BXP's share of Funds from Operations (FFO)	<u>\$ 732</u>
The Company's Equity in the Value-Added Fund	<u>\$ 16,784</u>

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Represents the Company's share.
- (3) The mortgage bears interest at a fixed rate of 5.69% per annum and matures on January 1, 2016.
- (4) On June 28, 2011, the mortgage loan was modified to a new mortgage loan totaling \$92.0 million. The new mortgage loan bears interest at a variable rate of LIBOR plus 2.50% and matures on May 31, 2014. In conjunction with the mortgage loan modification, the Company agreed to lend up to \$12.0 million to the Value-Added Fund, of which approximately \$6.4 million has been advanced to date. The loan from the Company bears interest at a fixed rate of 10.0% per annum and matures on May 31, 2014. The loan from the Company is included in the Company's investment in the Value-Added Fund.
- (5) On June 29, 2011, the maturity date was extended to November 15, 2011. The mortgage bears interest at a variable rate of LIBOR plus 1.50%.
- (6) Represents adjustment related to the impairment of the carrying values.

Boston Properties, Inc.
Third Quarter 2011

PORTFOLIO OVERVIEW

**Rentable Square Footage and Percentage of Portfolio Net Operating Income of In-Service Properties by Location and Type of Property
for the Quarter Ended September 30, 2011 (1) (2) (3)**

<u>Geographic Area</u>	<u>Square Feet Office (3)</u>	<u>% of NOI Office (4)</u>	<u>Square Feet Office/ Technical</u>	<u>% of NOI Office/ Technical (4)</u>	<u>Square Feet Total (3)</u>	<u>Square Feet % of Total</u>	<u>% of NOI Residential (4)</u>	<u>% of NOI Hotel (4)</u>	<u>% of NOI Total (4)</u>
Greater Boston	11,238,029	25.8%	832,890	1.6%	12,070,919	31.2%	0.0%	0.6%	28.0%
Greater Washington	9,399,545 (5)	20.4%	756,325	1.0%	10,155,870 (5)	26.3%	0.0%	—	21.4%
Midtown Manhattan	8,954,984 (6)	38.2%	—	—	8,954,984 (6)	23.2%	—	—	38.2%
Princeton/East Brunswick, NJ	2,453,574	2.5%	—	—	2,453,574	6.4%	—	—	2.5%
Greater San Francisco	4,980,850	9.9%	—	—	4,980,850	12.9%	—	—	9.9%
	<u>37,026,982</u>	<u>96.8%</u>	<u>1,589,215</u>	<u>2.6%</u>	<u>38,616,197</u>	<u>100.0%</u>	<u>0.0%</u>	<u>0.6%</u>	<u>100.0%</u>
% of Total	95.9%		4.1%		100.0%				

**Percentage of Portfolio Net Operating Income of In-Service Properties
by Location and Type of Property (2) (4)**

<u>Geographic Area</u>	<u>CBD</u>	<u>Suburban</u>	<u>Total</u>
Greater Boston	22.0%	6.0%	28.0%
Greater Washington	9.1%	12.3%	21.4%
Midtown Manhattan	38.2%	—	38.2%
Princeton/East Brunswick, NJ	—	2.5%	2.5%
Greater San Francisco	8.2%	1.7%	9.9%
Total	<u>77.5%</u>	<u>22.5%</u>	<u>100.0%</u>

Structured Parking

	<u>Number of Spaces</u>	<u>Square Feet</u>
Total Structured Parking	<u>43,899</u>	<u>14,828,024</u>

Hotel Properties

<u>Hotel Properties</u>	<u>Number of Rooms</u>	<u>Square Feet</u>
Cambridge Center Marriott, Cambridge, MA	433	330,400
Total Hotel Properties	<u>433</u>	<u>330,400</u>

Residential Properties

<u>Residential Properties</u>	<u>Number of Units</u>	<u>Square Feet (7)</u>
Residences on The Avenue, Washington, DC	335	325,000
The Lofts at Atlantic Wharf, Boston, MA	86	88,000
Total Residential Properties	<u>421</u>	<u>413,000</u>

- (1) For disclosures relating to our definition of In-Service Properties, see page 51.
- (2) Portfolio Net Operating Income is a non-GAAP financial measure. For a quantitative reconciliation of Portfolio NOI to net income available to common shareholders, see page 43. For disclosures relating to our use of Portfolio NOI see page 51.
- (3) Includes approximately 1,700,000 square feet of retail space.
- (4) The calculation for percentage of Portfolio Net Operating Income excludes termination income.
- (5) Includes 588,917 square feet at Metropolitan Square which is 51% owned by the Company, 407,207 square feet at Market Square North which is 50% owned by the Company, 539,229 square feet at 901 New York Avenue which is 25% owned by the Company, 321,943 square feet at 505 9th Street, N.W. which is 50% owned by the Company and 117,599 square feet at Annapolis Junction which is 50% owned by the Company.
- (6) Includes 1,805,401 square feet at the General Motors Building, 581,267 square feet at 125 West 55th Street, 650,278 square feet at Two Grand Central Tower and 289,195 square feet at 540 Madison Avenue, each of which is 60% owned by the Company.
- (7) Includes approximately 60,000 square feet of retail space.

Boston Properties, Inc.
Third Quarter 2011

In-Service Property Listing

as of September 30, 2011

	<u>Sub Market</u>	<u>Number of Buildings</u>	<u>Square Feet</u>	<u>Leased %</u>	<u>Annualized Revenue Per Leased SF (1)</u>	<u>Encumbered with secured debt (Y/N)</u>	<u>Central Business District (CBD) or Suburban (S)</u>
Greater Boston							
Office							
(2)	John Hancock Tower 800 Boylston Street - The Prudential Center	CBD Boston MA	1	1,723,276	97.8%	\$ 49.96	Y CBD
	111 Huntington Avenue - The Prudential Center	CBD Boston MA	1	1,228,690	91.4%	49.13	N CBD
	101 Huntington Avenue - The Prudential Center	CBD Boston MA	1	859,641	92.7%	59.86	N CBD
	The Shops at the Prudential Center	CBD Boston MA	1	505,939	100.0%	40.90	N CBD
	Shaws Supermarket at the Prudential Center	CBD Boston MA	1	504,089	99.2%	71.81	N CBD
	One Cambridge Center	East Cambridge MA	1	57,235	100.0%	49.49	N CBD
	Three Cambridge Center	East Cambridge MA	1	215,573	91.1%	43.79	N CBD
	Four Cambridge Center	East Cambridge MA	1	109,358	100.0%	26.45	N CBD
	Five Cambridge Center	East Cambridge MA	1	199,131	57.5%	43.45	N CBD
	Eight Cambridge Center	East Cambridge MA	1	240,480	100.0%	45.94	N CBD
	Ten Cambridge Center	East Cambridge MA	1	177,226	100.0%	41.24	N CBD
	Eleven Cambridge Center	East Cambridge MA	1	152,664	100.0%	44.36	N CBD
	University Place	Mid-Cambridge MA	1	79,616	100.0%	49.07	N CBD
(2)	Bay Colony Corporate Center	Route 128 Mass Turnpike MA	4	195,282	100.0%	39.75	Y CBD
	Reservoir Place	Route 128 Mass Turnpike MA	1	969,861	58.9%	34.48	Y S
	Reservoir Place North	Route 128 Mass Turnpike MA	1	526,080	84.4%	32.05	Y S
	140 Kendrick Street	Route 128 Mass Turnpike MA	1	73,258	100.0%	29.54	N S
	230 CityPoint	Route 128 Mass Turnpike MA	3	380,987	100.0%	30.17	Y S
	77 CityPoint	Route 128 Mass Turnpike MA	1	300,179	99.2%	33.32	N S
(3)	Waltham Office Center	Route 128 Mass Turnpike MA	1	209,707	100.0%	42.84	N S
	195 West Street	Route 128 Mass Turnpike MA	1	67,005	24.9%	17.49	N S
	200 West Street	Route 128 Mass Turnpike MA	1	63,500	100.0%	37.38	N S
	Weston Corporate Center	Route 128 Mass Turnpike MA	1	256,245	78.7%	31.48	N S
	Waltham Weston Corporate Center	Route 128 Mass Turnpike MA	1	356,995	100.0%	45.66	N S
	10 & 20 Burlington Mall Road	Route 128 Northwest MA	1	306,687	84.3%	28.97	N S
	Bedford Business Park	Route 128 Northwest MA	2	152,097	87.4%	24.61	N S
	32 Hartwell Avenue	Route 128 Northwest MA	1	92,207	100.0%	27.29	N S
	91 Hartwell Avenue	Route 128 Northwest MA	1	69,154	100.0%	25.99	N S
	92 Hayden Avenue	Route 128 Northwest MA	1	121,425	58.1%	26.69	N S
	100 Hayden Avenue	Route 128 Northwest MA	1	31,100	100.0%	35.02	N S
	33 Hayden Avenue	Route 128 Northwest MA	1	55,924	100.0%	34.90	N S
	Lexington Office Park	Route 128 Northwest MA	1	80,128	43.7%	39.72	N S
	191 Spring Street	Route 128 Northwest MA	2	166,745	79.7%	27.57	N S
	181 Spring Street	Route 128 Northwest MA	1	158,900	100.0%	31.87	N S
	201 Spring Street	Route 128 Northwest MA	1	56,602	100.0%	30.69	N S
	40 Shattuck Road	Route 128 Northwest MA	1	106,300	100.0%	34.06	N S
	Quorum Office Park	Route 128 Northwest MA	1	121,216	82.4%	21.59	N S
			2	267,527	82.5%	16.14	N S
			<u>46</u>	<u>11,238,029</u>	<u>89.6%</u>	<u>\$ 42.92</u>	
Office/Technical							
	Seven Cambridge Center	East Cambridge MA	1	231,028	100.0%	\$ 85.53	N CBD
	Fourteen Cambridge Center	East Cambridge MA	1	67,362	100.0%	24.68	N CBD
(3)	103 Fourth Avenue	Route 128 Mass Turnpike MA	1	62,476	58.5%	8.50	N S
	Bedford Business Park	Route 128 Northwest MA	2	377,884	74.0%	20.65	N S
	17 Hartwell Avenue	Route 128 Northwest MA	1	30,000	100.0%	15.25	N S
	164 Lexington Road	Route 128 Northwest MA	1	64,140	0.0%	—	N S
			<u>7</u>	<u>832,890</u>	<u>77.4%</u>	<u>\$ 43.38</u>	
	Total Greater Boston:		<u>53</u>	<u>12,070,919</u>	<u>88.8%</u>	<u>\$ 42.95</u>	

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
(2) Not included in Same Property analysis.
(3) Property held for redevelopment.

Boston Properties, Inc.
Third Quarter 2011

In-Service Property Listing (continued)

as of September 30, 2011

	<u>Sub Market</u>	<u>Number of Buildings</u>	<u>Square Feet</u>	<u>Leased %</u>	<u>Annualized Revenue Per Leased SF (1)</u>	<u>Encumbered with secured debt (Y/N)</u>	<u>Central Business District (CBD) or Suburban (S)</u>
Greater Washington, DC							
Office							
	Capital Gallery	Southwest Washington DC	1	622,306	97.7%	\$ 49.33	N CBD
	500 E Street, S. W.	Southwest Washington DC	1	248,336	100.0%	44.77	N CBD
	Metropolitan Square (51% ownership)	East End Washington DC	1	588,917	99.8%	52.03	Y CBD
	1301 New York Avenue	East End Washington DC	1	188,357	100.0%	46.38	N CBD
	Market Square North (50% ownership)	East End Washington DC	1	407,207	85.8%	55.25	Y CBD
	505 9th Street, N.W. (50% ownership)	East End Washington DC	1	321,943	100.0%	61.89	Y CBD
	901 New York Avenue (25% ownership)	East End Washington DC	1	539,229	99.8%	60.41	Y CBD
(2)	635 Massachusetts Avenue	East End Washington DC	1	211,000	100.0%	28.31	N CBD
(3)	2200 Pennsylvania Avenue	CBD Washington DC	1	456,988	82.0%	66.47	N CBD
	1333 New Hampshire Avenue	CBD Washington DC	1	315,371	98.5%	49.52	N CBD
	1330 Connecticut Avenue	CBD Washington DC	1	252,136	98.3%	56.68	N CBD
	Sumner Square	CBD Washington DC	1	208,665	93.7%	44.40	Y CBD
	Annapolis Junction (50% ownership)	Anne Arundel County, MD	1	117,599	100.0%	143.98	Y S
	Montvale Center	Montgomery County MD	1	123,392	79.4%	27.27	Y S
	One Preserve Parkway	Montgomery County MD	1	183,734	83.9%	36.17	N S
	2600 Tower Oaks Boulevard	Montgomery County MD	1	178,865	64.9%	36.32	N S
	Wisconsin Place Office	Montgomery County MD	1	299,186	96.5%	48.48	N S
	Democracy Tower	Fairfax County VA	1	235,436	100.0%	45.49	N S
	Kingstowne One	Fairfax County VA	1	151,195	88.6%	37.29	Y S
	Kingstowne Two	Fairfax County VA	1	156,251	98.2%	38.02	Y S
	Kingstowne Retail	Fairfax County VA	1	88,288	100.0%	32.62	Y S
	One Freedom Square	Fairfax County VA	1	424,016	97.1%	42.28	Y S
	Two Freedom Square	Fairfax County VA	1	421,142	96.7%	43.09	N S
	One Reston Overlook	Fairfax County VA	1	319,384	63.8%	32.40	N S
	Two Reston Overlook	Fairfax County VA	1	134,615	100.0%	31.72	N S
	One and Two Discovery Square	Fairfax County VA	2	366,990	100.0%	43.36	N S
	New Dominion Technology Park - Building One	Fairfax County VA	1	235,201	100.0%	33.17	Y S
	New Dominion Technology Park - Building Two	Fairfax County VA	1	257,400	100.0%	39.17	Y S
	Reston Corporate Center	Fairfax County VA	2	261,046	100.0%	34.57	N S
	South of Market	Fairfax County VA	3	647,682	99.8%	47.07	N S
	12290 Sunrise Valley	Fairfax County VA	1	182,424	100.0%	37.07	N S
(2)	12300 Sunrise Valley	Fairfax County VA	1	255,244	100.0%	44.99	N S
			<u>36</u>	<u>9,399,545</u>	<u>95.0%</u>	<u>\$ 47.74</u>	
Office/Technical							
(2)	6601 Springfield Center Drive	Fairfax County VA	1	26,388	100.0%	\$ 10.92	N S
	7435 Boston Boulevard	Fairfax County VA	1	103,557	100.0%	21.13	N S
	7451 Boston Boulevard	Fairfax County VA	1	47,001	100.0%	23.06	N S
	7450 Boston Boulevard	Fairfax County VA	1	62,402	100.0%	20.34	N S
	7374 Boston Boulevard	Fairfax County VA	1	57,321	100.0%	16.00	N S
	8000 Grainger Court	Fairfax County VA	1	88,775	100.0%	19.83	N S
	7500 Boston Boulevard	Fairfax County VA	1	79,971	100.0%	15.97	N S
	7501 Boston Boulevard	Fairfax County VA	1	75,756	100.0%	25.34	N S
	7601 Boston Boulevard	Fairfax County VA	1	103,750	100.0%	14.40	N S
	7375 Boston Boulevard	Fairfax County VA	1	26,865	100.0%	20.47	N S
	8000 Corporate Court	Fairfax County VA	1	52,539	100.0%	20.97	N S
	7300 Boston Boulevard	Fairfax County VA	1	32,000	100.0%	28.29	N S
			<u>12</u>	<u>756,325</u>	<u>100.0%</u>	<u>\$ 19.51</u>	
	Total Greater Washington:		<u>48</u>	<u>10,155,870</u>	<u>95.4%</u>	<u>\$ 45.54</u>	

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.

(2) Property held for redevelopment.

(3) Not included in Same Property analysis.

Boston Properties, Inc.
Third Quarter 2011

In-Service Property Listing (continued)

as of September 30, 2011

	<u>Sub Market</u>	<u>Number of Buildings</u>	<u>Square Feet</u>	<u>Leased %</u>	<u>Annualized Revenue Per Leased SF (1)</u>	<u>Encumbered with secured debt (Y/N)</u>	<u>Central Business District (CBD) or Suburban (S)</u>
Midtown Manhattan							
Office							
	599 Lexington Avenue	Park Avenue NY	1	1,045,128	96.5%	\$ 80.14	Y CBD
	601 Lexington Avenue	Park Avenue NY	1	1,630,318	98.0%	85.18	Y CBD
	399 Park Avenue	Park Avenue NY	1	1,707,476	98.8%	80.95	N CBD
	Times Square Tower	Times Square NY	1	1,245,921	98.1%	68.78	N CBD
	General Motors Building (60% ownership)	Plaza District NY	1	1,805,401	98.7%	117.01	Y CBD
	540 Madison Avenue (60% ownership)	Fifth/Madison Avenue NY	1	289,195	96.6%	95.69	Y CBD
	125 West 55th Street (60% ownership)	Sixth/Rock Center NY	1	581,267	100.0%	66.87	Y CBD
	Two Grand Central Tower (60% ownership)	Grand Central District NY	1	650,278	74.6%	57.00	Y CBD
	Total Midtown Manhattan:		<u>8</u>	<u>8,954,984</u>	<u>96.5%</u>	<u>\$ 85.55</u>	
Princeton/East Brunswick, NJ							
Office							
	101 Carnegie Center	Princeton NJ	1	123,659	87.7%	\$ 28.82	N S
	104 Carnegie Center	Princeton NJ	1	102,830	83.9%	32.33	N S
	105 Carnegie Center	Princeton NJ	1	69,955	55.4%	27.96	N S
	201 Carnegie Center	Princeton NJ	—	6,500	100.0%	30.48	N S
	202 Carnegie Center	Princeton NJ	1	130,582	92.7%	32.53	N S
	206 Carnegie Center	Princeton NJ	1	161,763	100.0%	33.40	N S
	210 Carnegie Center	Princeton NJ	1	162,372	94.4%	37.04	N S
	211 Carnegie Center	Princeton NJ	1	47,025	100.0%	32.34	N S
	212 Carnegie Center	Princeton NJ	1	150,395	64.0%	34.18	N S
	214 Carnegie Center	Princeton NJ	1	150,774	73.6%	31.38	N S
	302 Carnegie Center	Princeton NJ	1	64,926	65.1%	29.61	N S
	502 Carnegie Center	Princeton NJ	1	118,120	83.5%	35.14	N S
	504 Carnegie Center	Princeton NJ	1	121,990	100.0%	30.01	N S
	506 Carnegie Center	Princeton NJ	1	145,213	74.8%	31.68	N S
	508 Carnegie Center	Princeton NJ	1	128,662	20.3%	31.06	N S
	510 Carnegie Center	Princeton NJ	1	234,160	100.0%	29.61	N S
	701 Carnegie Center	Princeton NJ	1	120,000	100.0%	36.89	N S
			<u>16</u>	<u>2,038,926</u>	<u>82.5%</u>	<u>\$ 32.40</u>	
	One Tower Center	East Brunswick NJ	1	414,648	47.2%	\$ 30.69	N S
			<u>1</u>	<u>414,648</u>	<u>47.2%</u>	<u>\$ 30.69</u>	
	Total Princeton/East Brunswick, NJ:		<u>17</u>	<u>2,453,574</u>	<u>76.5%</u>	<u>\$ 32.22</u>	
Greater San Francisco							
Office							
	Embarcadero Center One	CBD San Francisco CA	1	833,723	85.7%	\$ 46.87	N CBD
	Embarcadero Center Two	CBD San Francisco CA	1	779,768	98.2%	51.20	N CBD
	Embarcadero Center Three	CBD San Francisco CA	1	775,086	93.6%	43.54	N CBD
	Embarcadero Center Four	CBD San Francisco CA	1	936,712	86.3%	58.23	Y CBD
			<u>4</u>	<u>3,325,289</u>	<u>90.7%</u>	<u>\$ 50.17</u>	
	611 Gateway	South San Francisco CA	1	256,302	100.0%	\$ 35.10	N S
	601 and 651 Gateway	South San Francisco CA	2	506,224	97.0%	33.55	N S
	303 Almaden	San Jose CA	1	158,499	91.5%	35.59	N CBD
(2)	North First Business Park	San Jose CA	5	190,636	75.8%	15.94	N S
	3200 Zanker Road	San Jose CA	4	543,900	52.0%	15.00	N S
			<u>13</u>	<u>1,655,561</u>	<u>79.7%</u>	<u>\$ 28.17</u>	
	Total Greater San Francisco:		<u>17</u>	<u>4,980,850</u>	<u>87.0%</u>	<u>\$ 43.44</u>	
	Total In-Service Properties:		<u>143</u>	<u>38,616,197</u>	<u>91.3%</u>	<u>\$ 53.59</u>	

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.

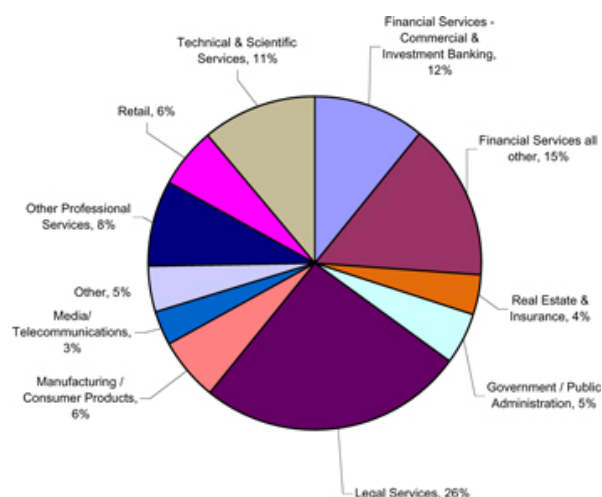
(2) Property held for redevelopment.

TOP 20 TENANTS LISTING AND PORTFOLIO TENANT DIVERSIFICATION

TOP 20 TENANTS BY SQUARE FEET LEASED

	<u>Tenant</u>	<u>Sq. Ft.</u>	<u>% of Portfolio</u>
1	US Government	1,950,002 (1)	5.05%
2	Citibank	1,046,768 (2)	2.71%
3	Lockheed Martin	766,065	1.98%
4	Genentech	640,271	1.66%
5	Kirkland & Ellis	639,683 (3)	1.66%
6	Biogen Idec	592,885	1.54%
7	Ropes & Gray	528,931	1.37%
8	O'Melveny & Myers	511,659	1.32%
9	Bain Capital	476,653	1.23%
10	Shearman & Sterling	472,808	1.22%
11	Manufacturers Investment (Manulife)	469,050	1.21%
12	Wellington Management	465,116	1.20%
13	Weil Gotshal Manges	444,982 (4)	1.15%
14	State Street Bank and Trust	408,552	1.06%
15	Microsoft	400,278	1.04%
16	Parametric Technology	380,987	0.99%
17	Finnegan Henderson Farabow	362,405 (5)	0.94%
18	Ann Inc (fka Ann Taylor Corp.)	338,942	0.88%
19	Oracle	314,773 (6)	0.82%
20	Bingham McCutchen	301,385	0.78%
	Total % of Portfolio Square Feet		29.81%
	Total % of Portfolio Revenue		31.47%

TENANT DIVERSIFICATION (GROSS RENT) *



* The classification of the Company's tenants is based on the U.S. Government's North American Industry Classification System (NAICS), which has replaced the Standard Industrial Classification (SIC) system.

Notable Signed Deals (7)

<u>Tenant</u>	<u>Property</u>	<u>Sq. Ft.</u>
Defense Intelligence Agency (US Government)	12300 & 12310 Sunrise Valley	523,000
Massachusetts Financial Services (MFS)	111 Huntington Avenue	306,668
Biogen Idec	17 Cambridge Center	190,000
Morrison & Foerster	250 West 55th Street	184,000
McDermott Will & Emery	500 North Capitol	171,000 (8)

- (1) Includes 36,126, 92,620 & 104,874 square feet of space in properties in which Boston Properties has a 60%, 51% & 50% interest, respectively.
- (2) Includes 10,080 & 2,761 square feet of space in properties in which Boston Properties has a 60% and 51% interest, respectively.
- (3) Includes 248,021 square feet of space in a property in which Boston Properties has a 51% interest.
- (4) All the space is in a property in which Boston Properties has a 60% interest.
- (5) Includes 292,548 square feet of space in a property in which Boston Properties has a 25% interest.
- (6) Includes 21,200 square feet of space in a property in which Boston Properties has a 60% interest.
- (7) Represents leases signed with occupancy commencing in the future.
- (8) Boston Properties has a 30% interest in the property.

Boston Properties, Inc.
Third Quarter 2011

IN-SERVICE OFFICE PROPERTIES

Lease Expirations (1) (2) (3) (4)

<u>Year of Lease Expiration</u>	<u>Rentable Square Footage Subject to Expiring Leases</u>	<u>Current Annualized Revenues Under Expiring Leases</u>	<u>Current Annualized Revenues Under Expiring Leases p.s.f.</u>	<u>Annualized Revenues Under Expiring Leases with future step-ups</u>	<u>Annualized Revenues Under Expiring Leases with future step-ups - p.s.f.</u>	<u>Percentage of Total Square Feet</u>
2011	546,561	\$ 27,344,317	\$ 50.03	\$ 27,568,313	\$ 50.44	1.55%
2012	2,573,870	131,747,903	51.19	132,318,356	51.41	7.28%
2013	1,762,790	75,500,631	42.83	76,440,051	43.36	4.99%
2014	3,544,050	144,898,677	40.89	155,380,402	43.84	10.03%
2015	3,199,706	158,077,556	49.40	167,196,549	52.25	9.05%
2016	3,218,359	158,043,655	49.11	165,475,221	51.42	9.11%
2017	3,289,754	213,691,005	64.96	236,065,950	71.76	9.31%
2018	887,526	57,670,187	64.98	63,766,317	71.85	2.51%
2019	2,754,328	159,092,865	57.76	174,099,356	63.21	7.79%
2020	3,132,384	184,896,503	59.03	206,013,815	65.77	8.86%
Thereafter	7,836,676	458,112,686	58.46	549,066,588	70.06	22.17%

Occupancy By Location (5)

<u>Location</u>	<u>CBD</u>		<u>Suburban</u>		<u>Total</u>	
	<u>30-Sep-11</u>	<u>30-Sep-10</u>	<u>30-Sep-11</u>	<u>30-Sep-10</u>	<u>30-Sep-11</u>	<u>30-Sep-10</u>
Greater Boston	95.0%	92.6%	82.9%	85.5%	89.6%	89.2%
Greater Washington	95.9%	98.4%	94.2%	96.9%	95.0%	97.6%
Midtown Manhattan	96.5%	97.6%	n/a	n/a	96.5%	97.6%
Princeton/East Brunswick, NJ	n/a	n/a	76.5%	82.5%	76.5%	82.5%
Greater San Francisco	90.7%	91.6%	78.5%	96.1%	87.0%	92.9%
Total Portfolio	<u>95.1%</u>	<u>95.7%</u>	<u>85.4%</u>	<u>90.7%</u>	<u>91.4%</u>	<u>93.7%</u>

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes 739,085 square feet of leased premises in properties under development.
- (5) Includes approximately 1,700,000 square feet of retail space.

Boston Properties, Inc.
Third Quarter 2011

IN-SERVICE OFFICE/TECHNICAL PROPERTIES

Lease Expirations (1) (2) (3)

<u>Year of Lease Expiration</u>	<u>Rentable Square Footage Subject to Expiring Leases</u>	<u>Current Annualized Revenues Under Expiring Leases</u>	<u>Current Annualized Revenues Under Expiring Leases p.s.f.</u>	<u>Annualized Revenues Under Expiring Leases with future step-ups</u>	<u>Annualized Revenues Under Expiring Leases with future step-ups - p.s.f.</u>	<u>Percentage of Total Square Feet</u>
2011	40,778	\$ 398,592	\$ 9.77	\$ 398,592	\$ 9.77	2.57%
2012	175,445	3,358,037	19.14	3,406,877	19.42	11.04%
2013	7,479	148,998	19.92	152,025	20.33	0.47%
2014	325,382	6,388,212	19.63	6,568,936	20.19	20.47%
2015	166,224	4,010,840	24.13	4,075,257	24.52	10.46%
2016	270,973	20,328,630	75.02	20,572,797	75.92	17.05%
2017	—	—	—	—	—	0.00%
2018	—	—	—	—	—	0.00%
2019	—	—	—	—	—	0.00%
2020	263,457	5,032,163	19.10	5,032,163	19.10	16.58%
Thereafter	137,321	2,584,752	18.82	2,744,752	19.99	8.64%

Occupancy By Location

<u>Location</u>	<u>CBD</u>		<u>Suburban</u>		<u>Total</u>	
	<u>30-Sep-11</u>	<u>30-Sep-10</u>	<u>30-Sep-11</u>	<u>30-Sep-10</u>	<u>30-Sep-11</u>	<u>30-Sep-10</u>
Greater Boston	100.0%	100.0%	64.8%	56.8%	77.4%	72.3%
Greater Washington	n/a	n/a	100.0%	100.0%	100.0%	100.0%
Midtown Manhattan	n/a	n/a	n/a	n/a	n/a	n/a
Princeton/East Brunswick, NJ	n/a	n/a	n/a	n/a	n/a	n/a
Greater San Francisco	n/a	n/a	n/a	n/a	n/a	n/a
Total Portfolio	<u>100.0%</u>	<u>100.0%</u>	<u>85.4%</u>	<u>82.1%</u>	<u>88.2%</u>	<u>85.5%</u>

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.

Boston Properties, Inc.
Third Quarter 2011

IN-SERVICE RETAIL PROPERTIES

Lease Expirations (1) (2) (3)(4)

<u>Year of Lease Expiration</u>	<u>Rentable Square Footage Subject to Expiring Leases</u>	<u>Current Annualized Revenues Under Expiring Leases</u>	<u>Current Annualized Revenues Under Expiring Leases p.s.f.</u>	<u>Annualized Revenues Under Expiring Leases with future step-ups</u>	<u>Annualized Revenues Under Expiring Leases with future step-ups - p.s.f.</u>	<u>Percentage of Total Square Feet</u>
2011	34,516	\$ 1,917,261	\$ 55.55	\$ 1,920,141	\$ 55.63	2.05%
2012	55,716	4,649,954	83.46	4,612,357	82.78	3.32%
2013	82,305	6,763,717	82.18	6,833,806	83.03	4.90%
2014	53,782	5,349,190	99.46	5,489,878	102.08	3.20%
2015	139,073	13,482,948	96.95	14,406,921	103.59	8.28%
2016	178,264	22,319,996	125.21	23,063,800	129.38	10.61%
2017	144,787	10,949,493	75.62	17,420,439	120.32	8.62%
2018	234,912	10,649,667	45.33	11,234,504	47.82	13.98%
2019	55,478	4,129,010	74.43	4,637,590	83.59	3.30%
2020	87,963	4,439,741	50.47	5,202,593	59.15	5.24%
Thereafter	613,286	39,208,642	63.93	48,712,871	79.43	36.50%

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes 21,178 square feet of leased premises in properties under development.

Boston Properties, Inc.
Third Quarter 2011

**GRAND TOTAL OF ALL
IN-SERVICE PROPERTIES**

Lease Expirations (1) (2) (3) (4)

<u>Year of Lease Expiration</u>	<u>Rentable Square Footage Subject to Expiring Leases</u>	<u>Current Annualized Revenues Under Expiring Leases</u>	<u>Current Annualized Revenues Under Expiring Leases p.s.f.</u>	<u>Annualized Revenues Under Expiring Leases with future step-ups</u>	<u>Annualized Revenues Under Expiring Leases with future step-ups - p.s.f.</u>	<u>Percentage of Total Square Feet</u>
2011	621,855	\$ 29,660,170	\$ 47.70	\$ 29,887,047	\$ 48.06	1.61%
2012	2,805,031	139,755,894	49.82	140,337,590	50.03	7.26%
2013	1,852,574	82,413,347	44.49	83,425,882	45.03	4.80%
2014	3,923,214	156,636,078	39.93	167,439,217	42.68	10.16%
2015	3,505,003	175,571,344	50.09	185,678,726	52.98	9.08%
2016	3,667,596	200,692,280	54.72	209,111,818	57.02	9.50%
2017	3,434,541	224,640,498	65.41	253,486,390	73.81	8.89%
2018	1,122,438	68,319,855	60.87	75,000,821	66.82	2.91%
2019	2,809,806	163,221,874	58.09	178,736,946	63.61	7.28%
2020	3,483,804	194,368,407	55.79	216,248,570	62.07	9.02%
Thereafter	8,587,283	499,906,081	58.21	600,524,212	69.93	22.24%

Occupancy By Location

<u>Location</u>	<u>CBD</u>		<u>Suburban</u>		<u>Total</u>	
	<u>30-Sep-11</u>	<u>30-Sep-10</u>	<u>30-Sep-11</u>	<u>30-Sep-10</u>	<u>30-Sep-11</u>	<u>30-Sep-10</u>
Greater Boston	95.2%	93.0%	81.2%	82.1%	88.8%	87.7%
Greater Washington	95.9%	98.4%	95.0%	97.3%	95.4%	97.8%
Midtown Manhattan	96.5%	97.6%	n/a	n/a	96.5%	97.6%
Princeton/East Brunswick, NJ	n/a	n/a	76.5%	82.5%	76.5%	82.5%
Greater San Francisco	90.7%	91.6%	78.5%	96.1%	87.0%	92.9%
Total Portfolio	<u>95.2%</u>	<u>95.7%</u>	<u>85.4%</u>	<u>89.9%</u>	<u>91.3%</u>	<u>93.4%</u>

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes 760,263 square feet of leased premises in properties under development.

Boston Properties, Inc.
Third Quarter 2011

IN-SERVICE BOSTON REGION PROPERTIES

Lease Expirations - Boston Region (1) (2) (3) (4)

Year of Lease Expiration	OFFICE					OFFICE/TECHNICAL				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	125,131	\$ 3,774,385	\$ 30.16	\$ 3,852,321	\$ 30.79	36,528	\$ 310,552	\$ 8.50	\$ 310,552	\$ 8.50
2012	782,782	28,436,266	36.33	28,505,316	36.42	—	—	—	—	—
2013	698,610	31,016,851	44.40	31,265,419	44.75	—	—	—	—	—
2014	1,133,189	42,343,554	37.37	44,126,159	38.94	97,362	2,120,067	21.78	2,120,067	21.78
2015	1,462,908	62,097,361	42.45	64,551,739	44.13	—	—	—	—	—
2016	797,769	28,725,157	36.01	30,914,278	38.75	241,823	19,724,830	81.57	19,814,919	81.94
2017	488,282	19,734,326	40.42	21,859,809	44.77	—	—	—	—	—
2018	229,564	10,645,422	46.37	11,730,744	51.10	—	—	—	—	—
2019	633,550	28,508,942	45.00	30,913,177	48.79	—	—	—	—	—
2020	212,859	9,622,566	45.21	10,536,789	49.50	183,486	3,754,917	20.46	3,754,917	20.46
Thereafter	3,250,364	155,490,584	47.84	182,999,374	56.30	80,000	1,667,616	20.85	1,827,616	22.85

Year of Lease Expiration	Retail					Total Property Types				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	12,037	\$ 1,536,108	\$127.62	\$ 1,566,108	\$130.11 (5)	173,696	\$ 5,621,045	\$32.36	\$ 5,728,981	\$32.98
2012	11,604	2,324,560	200.32	2,229,976	192.17	794,386	30,760,826	38.72	30,735,292	38.69
2013	32,058	3,969,129	123.81	3,949,830	123.21	730,668	34,985,981	47.88	35,215,249	48.20
2014	16,645	2,508,356	150.70	2,535,169	152.31	1,247,196	46,971,976	37.66	48,781,395	39.11
2015	73,046	5,543,258	75.89	5,561,623	76.14	1,535,954	67,640,619	44.04	70,113,362	45.65
2016	16,774	2,086,168	124.37	2,162,808	128.94	1,056,366	50,536,155	47.84	52,892,005	50.07 (6)
2017	45,499	2,691,164	59.15	2,856,786	62.79	533,781	22,425,489	42.01	24,716,595	46.30
2018	173,845	7,401,163	42.57	7,648,503	44.00	403,409	18,046,585	44.74	19,379,247	48.04
2019	16,026	2,187,834	136.52	2,422,008	151.13	649,576	30,696,776	47.26	33,335,184	51.32
2020	52,089	2,992,285	57.45	3,473,049	66.68	448,434	16,369,769	36.50	17,764,755	39.62
Thereafter	284,997	12,778,114	44.84	14,620,794	51.30	3,615,361	169,936,314	47.00	199,447,785	55.17

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes 626,659 square feet of leased premises in properties under development.
- (5) Excluding kiosks with one square foot at the Prudential Center, current and future expiring rents would be \$93.42 per square foot and \$93.42 per square foot, respectively, in 2011.
- (6) Includes 225,532 square feet of research/laboratory space. Excluding the research/laboratory space, current and future expiring rents would be \$37.29 per square foot and \$40.14 per square foot, respectively, in 2016.

Boston Properties, Inc.
Third Quarter 2011

IN-SERVICE BOSTON REGION PROPERTIES

Quarterly Lease Expirations - Boston Region (1) (2) (3)

Lease Expiration by Quarter	OFFICE					OFFICE/TECHNICAL				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
Q1 2011	—	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ —	\$ —	\$ —
Q2 2011	—	—	—	—	—	—	—	—	—	—
Q3 2011	5,330	124,747	23.40	124,747	23.40 (4)	—	—	—	—	—
Q4 2011	119,801	3,649,638	30.46	3,727,574	31.11	36,528	310,552	8.50	310,552	8.50
Total 2011	125,131	\$ 3,774,385	\$ 30.16	\$ 3,852,321	\$ 30.79	36,528	\$ 310,552.32	\$ 8.50	\$ 310,552.32	\$ 8.50
Q1 2012	200,367	\$ 7,465,563	\$ 37.26	\$ 7,472,763	\$ 37.30	—	\$ —	\$ —	\$ —	\$ —
Q2 2012	193,132	6,863,008	35.54	6,863,008	35.54	—	—	—	—	—
Q3 2012	114,950	3,688,044	32.08	3,693,421	32.13	—	—	—	—	—
Q4 2012	274,333	10,419,651	37.98	10,476,123	38.19	—	—	—	—	—
Total 2012	782,782	\$ 28,436,266	\$ 36.33	\$ 28,505,316	\$ 36.42	—	\$ —	\$ —	\$ —	\$ —

Lease Expiration by Quarter	Retail					Total Property Types				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
Q1 2011	—	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ —	\$ —	\$ —
Q2 2011	—	—	—	—	—	—	—	—	—	—
Q3 2011	2	52,000	25,999.98	52,000	25,999.98 (4)	5,332	176,747	33.15	176,747	33.15 (4)
Q4 2011	12,035	1,484,109	123.32	1,514,109	125.81	168,364	5,444,298	32.34	5,552,235	32.98
Total 2011	12,037	\$ 1,536,108	\$ 127.62	\$ 1,566,108	\$ 130.11 (5)	173,696	\$ 5,621,045	\$ 32.36	\$ 5,728,981	\$ 32.98
Q1 2012	9,806	\$ 1,549,217	\$ 157.99	\$ 1,467,917	\$ 149.70	210,173	\$ 9,014,780	\$ 42.89	\$ 8,940,680	\$ 42.54
Q2 2012	2	93,976	46,987.98	103,192	51,595.98	193,134	6,956,984	36.02	6,966,200	36.07
Q3 2012	6	370,900	61,816.64	348,400	58,066.65	114,956	4,058,943	35.31	4,041,821	35.16
Q4 2012	1,790	310,468	173.45	310,468	173.45	276,123	10,730,119	38.86	10,786,591	39.06
Total 2012	11,604	\$ 2,324,560	\$ 200.32	\$ 2,229,976	\$ 192.17	794,386	\$ 30,760,826	\$ 38.72	\$ 30,735,292	\$ 38.69

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.

(2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.

(3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.

(4) Represents leases that were occupied as of and expired on 9/30/2011.

(5) Excluding kiosks with one square foot at the Prudential Center, current and future expiring rents would be \$93.42 per square foot and \$93.42 per square foot, respectively, in 2011.

Boston Properties, Inc.
Third Quarter 2011

IN-SERVICE WASHINGTON REGION PROPERTIES

Lease Expirations - Washington Region (1) (2) (3)

Year of Lease Expiration	OFFICE					OFFICE/TECHNICAL				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	25,010	\$ 1,308,673	\$52.33	\$ 1,314,544	\$52.56	4,250	\$ 88,040	\$20.72	\$ 88,040	\$20.72
2012	1,038,724	52,524,165	50.57	52,837,461	50.87 (4)(5)	175,445	3,358,037	19.14	3,406,877	19.42
2013	176,073	9,313,578	52.90	9,510,580	54.01 (4)	7,479	148,998	19.92	152,025	20.33
2014	1,077,173	43,115,585	40.03	50,422,858	46.81	228,020	4,268,145	18.72	4,448,869	19.51
2015	644,445	29,906,492	46.41	32,179,892	49.93	166,224	4,010,840	24.13	4,075,257	24.52
2016	566,408	22,094,079	39.01	24,718,422	43.64	29,150	603,800	20.71	757,878	26.00
2017	904,870	49,022,545	54.18	52,272,347	57.77	—	—	—	—	—
2018	370,389	18,128,999	48.95	21,208,557	57.26	—	—	—	—	—
2019	825,968	39,096,551	47.33	43,737,511	52.95	—	—	—	—	—
2020	1,130,879	48,797,587	43.15	58,110,346	51.39	79,971	1,277,245	15.97	1,277,245	15.97
Thereafter	1,792,172	93,836,744	52.36	118,459,526	66.10	57,321	917,136	16.00	917,136	16.00

Year of Lease Expiration	Retail					Total Property Types				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	—	\$ —	\$ —	\$ —	\$ —	29,260	\$ 1,396,713	\$47.73	\$ 1,402,584	\$47.94
2012	5,050	323,666	64.09	329,212	65.19	1,219,219	56,205,868	46.10	56,573,549	46.40 (5)
2013	8,207	420,375	51.22	429,866	52.38	191,759	9,882,951	51.54	10,092,471	52.63
2014	12,053	654,446	54.30	679,433	56.37	1,317,246	48,038,176	36.47	55,551,160	42.17
2015	28,947	1,419,044	49.02	1,491,250	51.52	839,616	35,336,375	42.09	37,746,399	44.96
2016	26,268	1,320,252	50.26	1,349,742	51.38	621,826	24,018,131	38.63	26,826,041	43.14
2017	24,412	1,089,479	44.63	1,163,965	47.68	929,282	50,112,024	53.93	53,436,312	57.50
2018	44,148	2,372,663	53.74	2,643,423	59.88	414,537	20,501,662	49.46	23,851,979	57.54
2019	29,933	1,280,215	42.77	1,433,507	47.89	855,901	40,376,766	47.17	45,171,018	52.78
2020	17,495	555,870	31.77	671,283	38.37	1,228,345	50,630,702	41.22	60,058,875	48.89
Thereafter	208,776	8,799,234	42.15	11,668,020	55.89	2,058,269	103,553,114	50.31	131,044,682	63.67

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes 114,740 square feet of Sensitive Compartmented Information Facility (SCIF) space. Excluding the SCIF space from 2012 and 2013, the current and future expiring rental rate would be \$41.72 per square foot and \$42.03 per square foot, respectively, for 2012 and \$37.79 per square foot and \$40.94 per square foot, respectively, for 2013.
- (5) Includes 255,244 square feet of space to be taken out of service for redevelopment. See page 48 for further details.

Boston Properties, Inc.
Third Quarter 2011

IN-SERVICE WASHINGTON REGION PROPERTIES

Quarterly Lease Expirations - Washington Region (1) (2) (3)

Lease Expiration by Quarter	OFFICE					OFFICE/TECHNICAL				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
Q1 2011	—	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ —	\$ —	\$ —
Q2 2011	—	—	—	—	—	—	—	—	—	—
Q3 2011	—	—	—	—	—	4,250	88,040	20.72	88,040	20.72 (4)
Q4 2011	25,010	1,308,673	52.33	1,314,544	52.56	—	—	—	—	—
Total 2011	25,010	\$ 1,308,673	\$52.33	\$ 1,314,544	\$52.56	4,250	\$ 88,040	\$20.72	\$ 88,040	\$20.72
Q1 2012	452,378	\$ 18,952,998	\$41.90	\$ 19,041,553	\$42.09	13,408	\$ 286,790	\$21.39	\$ 286,790	\$21.39
Q2 2012	378,193	23,750,876	62.80	23,759,345	62.82	26,388	288,126	10.92	288,126	10.92
Q3 2012	102,054	4,609,955	45.17	4,630,485	45.37	52,050	1,002,843	19.27	1,002,843	19.27
Q4 2012	106,099	5,210,335	49.11	5,406,078	50.95	83,599	1,780,278	21.30	1,829,118	21.88
Total 2012	1,038,724	\$ 52,524,165	\$50.57	\$ 52,837,461	\$50.87 (5)	175,445	\$ 3,358,037	\$19.14	\$ 3,406,877	\$19.42

Lease Expiration by Quarter	Retail					Total Property Types				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
Q1 2011	—	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ —	\$ —	\$ —
Q2 2011	—	—	—	—	—	—	—	—	—	—
Q3 2011	—	—	—	—	—	4,250	88,040	20.72	88,040	20.72 (4)
Q4 2011	—	—	—	—	—	25,010	1,308,673	52.33	1,314,544	52.56
Total 2011	—	\$ —	\$ —	\$ —	\$ —	29,260	\$ 1,396,713	\$47.73	\$ 1,402,584	\$47.94
Q1 2012	585	\$ 21,882	\$37.41	\$ 21,882	\$37.41	466,371	\$ 19,261,670	\$41.30	\$ 19,350,225	\$41.49
Q2 2012	—	—	—	—	—	404,581	24,039,002	59.42	24,047,471	59.44
Q3 2012	—	—	—	—	—	154,104	5,612,798	36.42	5,633,328	36.56
Q4 2012	4,465	301,784	67.59	307,330	68.83	194,163	7,292,398	37.56	7,542,525	38.85
Total 2012	5,050	\$ 323,666	\$64.09	\$ 329,212	\$65.19	1,219,219	\$ 56,205,868	\$46.10	\$ 56,573,549	\$46.40 (6)

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.
- (4) Represents leases that were occupied as of and expired on 9/30/2011.
- (5) Includes 90,291 square feet of Sensitive Compartmented Information Facility (SCIF) space. Excluding the SCIF space, current and future expiring rents would be \$41.72 per square foot and \$42.03 per square foot, respectively, in 2012.
- (6) Includes 255,244 square feet of space to be taken out of service for redevelopment. See page 48 for further details.

Boston Properties, Inc.
Third Quarter 2011

IN-SERVICE SAN FRANCISCO REGION PROPERTIES

Lease Expirations - San Francisco Region (1) (2) (3)

Year of Lease Expiration	OFFICE					OFFICE/TECHNICAL				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	280,959	\$ 13,599,276	\$48.40	\$ 13,739,464	\$48.90	—	\$ —	\$ —	\$ —	\$ —
2012	234,733	11,337,456	48.30	11,370,821	48.44	—	—	—	—	—
2013	515,872	14,529,689	28.17	15,003,881	29.08	—	—	—	—	—
2014	430,591	17,734,972	41.19	18,318,272	42.54	—	—	—	—	—
2015	513,428	20,568,609	40.06	21,452,685	41.78	—	—	—	—	—
2016	1,043,943	44,342,419	42.48	45,916,117	43.98	—	—	—	—	—
2017	300,181	13,006,454	43.33	13,994,661	46.62	—	—	—	—	—
2018	90,123	5,768,844	64.01	5,862,618	65.05	—	—	—	—	—
2019	80,697	3,554,216	44.04	3,877,004	48.04	—	—	—	—	—
2020	455,830	26,445,024	58.02	28,244,282	61.96	—	—	—	—	—
Thereafter	113,639	4,738,750	41.70	5,805,924	51.09	—	—	—	—	—

Year of Lease Expiration	Retail					Total Property Types				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	22,171	\$ 357,153	\$ 16.11	\$ 330,033	\$ 14.89	303,130	\$ 13,956,428	\$46.04	\$ 14,069,497	\$46.41
2012	36,758	1,786,607	48.60	1,836,497	49.96	271,491	13,124,063	48.34	13,207,318	48.65
2013	40,358	2,195,091	54.39	2,265,750	56.14	556,230	16,724,779	30.07	17,269,631	31.05
2014	14,066	809,910	57.58	821,962	58.44	444,657	18,544,882	41.71	19,140,233	43.04
2015	27,092	1,929,396	71.22	1,992,750	73.55	540,520	22,498,005	41.62	23,445,435	43.38
2016	31,596	1,559,039	49.34	1,582,235	50.08	1,075,539	45,901,458	42.68	47,498,352	44.16
2017	13,083	693,214	52.99	783,612	59.90	313,264	13,699,668	43.73	14,778,272	47.18
2018	16,919	875,841	51.77	942,579	55.71	107,042	6,644,685	62.08	6,805,196	63.58
2019	5,642	302,012	53.53	345,624	61.26	86,339	3,856,228	44.66	4,222,628	48.91
2020	13,451	463,888	34.49	507,188	37.71	469,281	26,908,912	57.34	28,751,470	61.27
Thereafter	20,244	1,021,075	50.44	1,126,169	55.63	133,883	5,759,825	43.02	6,932,094	51.78

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.

Boston Properties, Inc.
Third Quarter 2011

IN-SERVICE SAN FRANCISCO REGION PROPERTIES

Quarterly Lease Expirations - San Francisco Region (1) (2) (3)

Lease Expiration by Quarter	OFFICE					OFFICE/TECHNICAL				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
Q1 2011	—	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ —	\$ —	\$ —
Q2 2011	—	—	—	—	—	—	—	—	—	—
Q3 2011	—	—	—	—	—	—	—	—	—	—
Q4 2011	280,959	13,599,276	48.40	13,739,464	48.90	—	—	—	—	—
Total 2011	280,959	\$ 13,599,276	\$ 48.40	\$ 13,739,464	\$ 48.90	—	\$ —	\$ —	\$ —	\$ —
Q1 2012	33,608	\$ 1,831,879	\$ 54.51	\$ 1,831,879	\$ 54.51	—	\$ —	\$ —	\$ —	\$ —
Q2 2012	15,368	673,120	43.80	673,120	43.80	—	—	—	—	—
Q3 2012	141,963	6,829,024	48.10	6,819,311	48.04	—	—	—	—	—
Q4 2012	43,794	2,003,433	45.75	2,046,511	46.73	—	—	—	—	—
Total 2012	234,733	\$ 11,337,456	\$ 48.30	\$ 11,370,821	\$ 48.44	—	\$ —	\$ —	\$ —	\$ —

Lease Expiration by Quarter	Retail					Total Property Types				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
Q1 2011	—	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ —	\$ —	\$ —
Q2 2011	—	—	—	—	—	—	—	—	—	—
Q3 2011	—	—	—	—	—	—	—	—	—	—
Q4 2011	22,171	357,153	16.11	330,033	14.89	303,130	13,956,428	46.04	14,069,497	46.41
Total 2011	22,171	\$ 357,153	\$ 16.11	\$ 330,033	\$ 14.89	303,130	\$ 13,956,428	\$ 46.04	\$ 14,069,497	\$ 46.41
Q1 2012	1,641	\$ 193,003	\$ 117.61	\$ 193,003	\$ 117.61	35,249	\$ 2,024,883	\$ 57.45	\$ 2,024,883	57.45
Q2 2012	4,358	248,080	56.93	248,080	56.93	19,726	921,199	46.70	921,199	46.70
Q3 2012	11,005	895,524	81.37	940,080	85.42	152,968	7,724,548	50.50	7,759,391	50.73
Q4 2012	19,754	450,000	22.78	455,334	23.05	63,548	2,453,433	38.61	2,501,844	39.37
Total 2012	36,758	\$ 1,786,607	\$ 48.60	\$ 1,836,497	\$ 49.96	271,491	\$ 13,124,063	\$ 48.34	\$ 13,207,318	\$ 48.65

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.

Boston Properties, Inc.
Third Quarter 2011

IN-SERVICE NEW YORK REGION PROPERTIES

Lease Expirations - New York Region (1) (2) (3) (4)

Year of Lease Expiration	OFFICE					OFFICE/TECHNICAL				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	80,060	\$ 7,458,048	\$ 93.16	\$ 7,458,048	\$ 93.16	—	\$ —	\$ —	\$ —	\$ —
2012	473,186	37,987,807	80.28	38,079,180	80.47	—	—	—	—	—
2013	143,427	12,898,236	89.93	12,900,759	89.95	—	—	—	—	—
2014	228,518	19,480,412	85.25	19,873,711	86.97	—	—	—	—	—
2015	388,341	39,600,888	101.97	42,805,852	110.23	—	—	—	—	—
2016	727,746	60,252,037	82.79	61,152,553	84.03	—	—	—	—	—
2017	1,433,922	126,418,650	88.16	142,172,783	99.15	—	—	—	—	—
2018	186,547	22,818,913	122.32	24,623,680	132.00	—	—	—	—	—
2019	1,018,587	82,204,402	80.70	88,947,471	87.32	—	—	—	—	—
2020	1,332,816	100,031,326	75.05	109,122,397	81.87	—	—	—	—	—
Thereafter	2,453,419	196,260,311	79.99	233,127,395	95.02	—	—	—	—	—

Year of Lease Expiration	Retail					Total Property Types				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	308	\$ 24,000	\$ 77.92	\$ 24,000	\$ 77.92	80,368	\$ 7,482,048	\$ 93.10	\$ 7,482,048	\$ 93.10
2012	2,304	215,120	93.37	216,673	94.04	475,490	38,202,927	80.34	38,295,852	80.54
2013	1,682	179,122	106.49	188,360	111.99	145,109	13,077,358	90.12	13,089,118	90.20
2014	11,018	1,376,477	124.93	1,453,314	131.90	239,536	20,856,889	87.07	21,327,026	89.03
2015	9,988	4,591,251	459.68	5,361,298	536.77	398,329	44,192,139	110.94	48,167,150	120.92
2016	103,626	17,354,536	167.47	17,969,015	173.40	831,372	77,606,573	93.35	79,121,568	95.17
2017	61,793	6,475,636	104.80	12,616,076	204.17	1,495,715	132,894,287	88.85	154,788,859	103.49
2018	—	—	—	—	—	186,547	22,818,913	122.32	24,623,680	132.00
2019	3,877	358,948	92.58	436,452	112.57	1,022,464	82,563,351	80.75	89,383,923	87.42
2020	4,928	427,698	86.79	551,073	111.82	1,337,744	100,459,024	75.10	109,673,470	81.98
Thereafter	99,269	16,610,219	167.33	21,297,887	214.55	2,552,688	212,870,531	83.39	254,425,283	99.67

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes 133,604 square feet of leased premises in properties under development.

Boston Properties, Inc.
Third Quarter 2011

IN-SERVICE NEW YORK PROPERTIES

Quarterly Lease Expirations - New York Region (1) (2) (3)

Lease Expiration by Quarter	OFFICE					OFFICE/TECHNICAL				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
Q1 2011	—	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ —	\$ —	\$ —
Q2 2011	—	—	—	—	—	—	—	—	—	—
Q3 2011	20,680	1,317,143	63.69	1,317,143	63.69 (4)	—	—	—	—	—
Q4 2011	59,380	6,140,905	103.42	6,140,905	103.42	—	—	—	—	—
Total 2011	80,060	\$ 7,458,048	\$ 93.16	\$ 7,458,048	\$ 93.16	—	\$ —	\$ —	\$ —	\$ —
Q1 2012	28,130	\$ 1,711,265	\$ 60.83	\$ 1,711,265	\$ 60.83	—	\$ —	\$ —	\$ —	\$ —
Q2 2012	175,905	11,620,723	66.06	11,703,586	66.53	—	—	—	—	—
Q3 2012	229,887	21,825,384	94.94	21,825,384	94.94	—	—	—	—	—
Q4 2012	39,264	2,830,435	72.09	2,838,945	72.30	—	—	—	—	—
Total 2012	473,186	\$ 37,987,807	\$ 80.28	\$ 38,079,180	\$ 80.47	—	\$ —	\$ —	\$ —	\$ —

Lease Expiration by Quarter	Retail					Total Property Types				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
Q1 2011	—	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ —	\$ —	\$ —
Q2 2011	—	—	—	—	—	—	—	—	—	—
Q3 2011	—	—	—	—	—	20,680	1,317,143	63.69	1,317,143	63.69 (4)
Q4 2011	308	24,000	77.92	24,000	77.92	59,688	6,164,905	103.29	6,164,905	103.29
Total 2011	308	\$ 24,000	\$ 77.92	\$ 24,000	\$ 77.92	80,368	\$ 7,482,048	\$ 93.10	\$ 7,482,048	\$ 93.10
Q1 2012	1,300	\$ 112,551	\$ 86.58	\$ 112,551	\$ 86.58	29,430	\$ 1,823,816	\$ 61.97	\$ 1,823,816	\$ 61.97
Q2 2012	243	51,251	210.91	51,251	210.91	176,148	11,671,974	66.26	11,754,836	66.73
Q3 2012	350	24,808	70.88	24,808	70.88	230,237	21,850,192	94.90	21,850,192	94.90
Q4 2012	411	26,511	64.50	28,063	68.28	39,675	2,856,946	72.01	2,867,008	72.26
Total 2012	2,304	\$ 215,120	\$ 93.37	\$ 216,673	\$ 94.04	475,490	\$ 38,202,927	\$ 80.34	\$ 38,295,852	\$ 80.54

(1) For disclosures relating to our definition of Annualized Revenue, see page 51.

(2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.

(3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.

(4) Represents leases that were occupied as of and expired on 9/30/2011.

Boston Properties, Inc.
Third Quarter 2011

IN-SERVICE PRINCETON/EAST BRUNSWICK PROPERTIES

Lease Expirations - Princeton/East Brunswick (1) (2) (3)

Year of Lease Expiration	OFFICE					OFFICE/TECHNICAL				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	35,401	\$ 1,203,936	\$34.01	\$ 1,203,936	\$34.01	—	\$ —	\$ —	\$ —	\$ —
2012	44,445	1,462,210	32.90	1,525,579	34.33	—	—	—	—	—
2013	228,808	7,742,277	33.84	7,759,413	33.91	—	—	—	—	—
2014	674,579	22,224,155	32.95	22,639,402	33.56	—	—	—	—	—
2015	190,584	5,904,207	30.98	6,206,381	32.57	—	—	—	—	—
2016	82,493	2,629,963	31.88	2,773,851	33.63	—	—	—	—	—
2017	162,499	5,509,029	33.90	5,766,350	35.49	—	—	—	—	—
2018	10,903	308,010	28.25	340,719	31.25	—	—	—	—	—
2019	195,526	5,728,754	29.30	6,624,194	33.88	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—	—
Thereafter	227,082	7,786,297	34.29	8,674,369	38.20	—	—	—	—	—

Year of Lease Expiration	Retail					Total Property Types				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	—	\$ —	\$ —	\$ —	\$ —	35,401	\$ 1,203,936	\$34.01	\$ 1,203,936	\$34.01
2012	—	—	—	—	—	44,445	1,462,210	32.90	1,525,579	34.33
2013	—	—	—	—	—	228,808	7,742,277	33.84	7,759,413	33.91
2014	—	—	—	—	—	674,579	22,224,155	32.95	22,639,402	33.56
2015	—	—	—	—	—	190,584	5,904,207	30.98	6,206,381	32.57
2016	—	—	—	—	—	82,493	2,629,963	31.88	2,773,851	33.63
2017	—	—	—	—	—	162,499	5,509,029	33.90	5,766,350	35.49
2018	—	—	—	—	—	10,903	308,010	28.25	340,719	31.25
2019	—	—	—	—	—	195,526	5,728,754	29.30	6,624,194	33.88
2020	—	—	—	—	—	—	—	—	—	—
Thereafter	—	—	—	—	—	227,082	7,786,297	34.29	8,674,369	38.20

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.

Boston Properties, Inc.
Third Quarter 2011

IN-SERVICE PRINCETON/EAST BRUNSWICK PROPERTIES

Quarterly Lease Expirations - Princeton/East Brunswick (1) (2) (3)

Lease Expiration by Quarter	OFFICE					OFFICE/TECHNICAL				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
Q1 2011	—	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ —	\$ —	\$ —
Q2 2011	—	—	—	—	—	—	—	—	—	—
Q3 2011	877	29,454	33.58	29,454	33.58 (4)	—	—	—	—	—
Q4 2011	34,524	1,174,482	34.02	1,174,482	34.02	—	—	—	—	—
Total 2011	35,401	\$ 1,203,936	\$34.01	\$ 1,203,936	\$34.01	—	\$ —	\$ —	\$ —	\$ —
Q1 2012	5,500	\$ 194,260	\$35.32	\$ 194,260	\$35.32	—	\$ —	\$ —	\$ —	\$ —
Q2 2012	19,175	583,742	30.44	583,742	30.44	—	—	—	—	—
Q3 2012	18,894	657,271	34.79	720,639	38.14	—	—	—	—	—
Q4 2012	876	26,937	30.75	26,937	30.75	—	—	—	—	—
Total 2012	44,445	\$ 1,462,210	\$32.90	\$ 1,525,579	\$34.33	—	\$ —	\$ —	\$ —	\$ —

Lease Expiration by Quarter	Retail					Total Property Types				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
Q1 2011	—	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ —	\$ —	\$ —
Q2 2011	—	—	—	—	—	—	—	—	—	—
Q3 2011	—	—	—	—	—	877	29,454	33.58	29,454	33.58 (4)
Q4 2011	—	—	—	—	—	34,524	1,174,482	34.02	1,174,482	34.02
Total 2011	—	\$ —	\$ —	\$ —	\$ —	35,401	\$ 1,203,936	\$34.01	\$ 1,203,936	\$34.01
Q1 2012	—	\$ —	\$ —	\$ —	\$ —	5,500	\$ 194,260	\$35.32	\$ 194,260	\$35.32
Q2 2012	—	—	—	—	—	19,175	583,742	30.44	583,742	30.44
Q3 2012	—	—	—	—	—	18,894	657,271	34.79	720,639	38.14
Q4 2012	—	—	—	—	—	876	26,937	30.75	26,937	30.75
Total 2012	—	\$ —	\$ —	\$ —	\$ —	44,445	\$ 1,462,210	\$32.90	\$ 1,525,579	\$34.33

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.
- (4) Represents leases that were occupied as of and expired on 9/30/2011.

Boston Properties, Inc.
Third Quarter 2011

CBD PROPERTIES

Lease Expirations (1) (2) (3) (4)

Year of Lease Expiration	Greater Boston					Greater Washington				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	31,524	\$ 2,161,441	\$ 68.56	\$ 2,350,071	\$ 74.55 (5)	16,207	\$ 1,002,200	\$ 61.84	\$ 1,008,071	\$ 62.20
2012	198,936	11,071,950	55.66	10,978,441	55.19	179,459	7,963,844	44.38	7,975,029	44.44
2013	410,889	24,490,784	59.60	24,496,062	59.62	37,315	1,909,141	51.16	1,963,032	52.61
2014	966,922	38,488,977	39.81	40,043,165	41.41	624,068	25,586,073	41.00	31,929,762	51.16
2015	938,749	49,763,206	53.01	50,637,658	53.94	348,828	19,636,337	56.29	20,925,226	59.99
2016	494,181	32,945,714	66.67	33,236,919	67.26 (6)	63,647	3,127,366	49.14	3,398,735	53.40
2017	219,613	12,622,183	57.47	14,420,970	65.67	807,868	45,072,112	55.79	47,549,895	58.86
2018	317,593	15,480,305	48.74	16,323,125	51.40	93,634	5,753,958	61.45	6,483,569	69.24
2019	384,773	19,716,817	51.24	21,386,839	55.58	407,130	22,327,005	54.84	25,935,629	63.70
2020	264,948	12,614,851	47.61	14,009,837	52.88	486,504	23,109,441	47.50	28,178,673	57.92
Thereafter	2,527,800	135,051,056	53.43	161,081,192	63.72	1,160,466	65,775,056	56.68	85,647,588	73.80

Year of Lease Expiration	New York					San Francisco				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	80,368	\$ 7,482,048	\$ 93.10	\$ 7,482,048	\$ 93.10	120,225	\$ 8,621,109	\$ 71.71	\$ 8,593,989	\$ 71.48
2012	475,490	38,202,927	80.34	38,295,852	80.54	232,948	11,783,122	50.58	11,840,560	50.83
2013	145,109	13,077,358	90.12	13,089,118	90.20	243,943	11,742,582	48.14	12,018,676	49.27
2014	239,536	20,856,889	87.07	21,327,026	89.03	285,040	12,942,714	45.41	13,346,525	46.82
2015	398,329	44,192,139	110.94	48,167,150	120.92	297,705	14,560,138	48.91	14,753,196	49.56
2016	831,372	77,606,573	93.35	79,121,568	95.17	932,986	42,272,766	45.31	43,372,958	46.49
2017	1,495,715	132,894,287	88.85	154,788,859	103.49	219,743	10,504,206	47.80	10,962,724	49.89
2018	186,547	22,818,913	122.32	24,623,680	132.00	107,042	6,644,685	62.08	6,805,196	63.58
2019	1,022,464	82,563,351	80.75	89,383,923	87.42	86,339	3,856,228	44.66	4,222,628	48.91
2020	1,337,744	100,459,024	75.10	109,673,470	81.98	469,281	26,908,912	57.34	28,751,470	61.27
Thereafter	2,552,688	212,870,531	83.39	254,425,283	99.67	133,883	5,759,825	43.02	6,932,094	51.78

Year of Lease Expiration	Princeton/East Brunswick					Other				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	—	\$ —	\$ —	\$ —	\$ —	—	\$ —	\$ —	\$ —	\$ —
2012	—	—	—	—	—	—	—	—	—	—
2013	—	—	—	—	—	—	—	—	—	—
2014	—	—	—	—	—	—	—	—	—	—
2015	—	—	—	—	—	—	—	—	—	—
2016	—	—	—	—	—	—	—	—	—	—
2017	—	—	—	—	—	—	—	—	—	—
2018	—	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—	—	—	—	—

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes 760,263 square feet of leased premises in properties under development.
- (5) Excluding kiosks with one square foot at the Prudential Center, current and future expiring rents would be \$55.50 per square foot and \$60.53 per square foot, respectively, in 2011.
- (6) Includes 225,532 square feet of research/laboratory space. Excluding the research/laboratory space, current and future expiring rents would be \$49.53 per square foot and \$50.52 per square foot, respectively, in 2016.

Boston Properties, Inc.
Third Quarter 2011

SUBURBAN PROPERTIES

Lease Expirations (1) (2) (3)

Year of Lease Expiration	Greater Boston					Greater Washington				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	142,172	\$ 3,459,604	\$24.33	\$ 3,378,910	\$23.77	13,053	\$ 394,513	\$30.22	\$ 394,513	\$30.22
2012	595,450	19,688,876	33.07	19,756,850	33.18	1,039,760	48,242,024	46.40	47,751,822	45.93 (4)(5)
2013	319,779	10,495,197	32.82	10,719,187	33.52	154,444	7,973,810	51.63	8,129,439	52.64 (4)
2014	280,274	8,483,000	30.27	8,738,230	31.18	693,178	22,452,104	32.39	23,621,398	34.08
2015	597,205	17,877,412	29.94	19,475,704	32.61	490,788	15,700,038	31.99	16,821,173	34.27
2016	562,185	17,590,441	31.29	19,655,087	34.96	558,179	20,890,765	37.43	23,427,306	41.97
2017	314,168	9,803,307	31.20	10,295,626	32.77	121,414	5,039,912	41.51	5,886,417	48.48
2018	85,816	2,566,280	29.90	3,056,122	35.61	320,903	14,747,704	45.96	17,368,411	54.12
2019	264,803	10,979,959	41.46	11,948,345	45.12	448,771	18,049,761	40.22	19,235,388	42.86
2020	183,486	3,754,917	20.46	3,754,917	20.46	741,841	27,521,261	37.10	31,880,202	42.97
Thereafter	1,087,561	34,885,259	32.08	38,366,593	35.28	897,803	37,778,058	34.74	45,397,094	50.56

Year of Lease Expiration	New York					San Francisco				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	—	\$ —	\$ —	\$ —	\$ —	182,905	\$ 5,335,319	\$29.17	\$ 5,475,508	\$29.94
2012	—	—	—	—	—	38,543	1,340,941	34.79	1,366,758	35.46
2013	—	—	—	—	—	312,287	4,982,197	15.95	5,250,955	16.81
2014	—	—	—	—	—	159,617	5,602,168	35.10	5,793,708	36.30
2015	—	—	—	—	—	242,815	7,937,867	32.69	8,692,239	35.80
2016	—	—	—	—	—	142,553	3,628,692	25.46	4,125,394	28.94
2017	—	—	—	—	—	93,521	3,195,462	34.17	3,815,548	40.80
2018	—	—	—	—	—	—	—	—	—	—
2019	—	—	—	—	—	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—	—
Thereafter	—	—	—	—	—	—	—	—	—	—

Year of Lease Expiration	Princeton/East Brunswick					Other				
	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot	Rentable Square Footage Subject to Expiring Leases	Current Annualized Revenues Under Expiring Leases	Per Square Foot	Annualized Revenues Under Expiring Leases with future step-ups	Per Square Foot
2011	35,401	\$ 1,203,936	\$34.01	\$ 1,203,936	\$34.01	—	\$ —	\$ —	\$ —	\$ —
2012	44,445	1,462,210	32.90	1,525,579	34.33	—	—	—	—	—
2013	228,808	7,742,277	33.84	7,759,413	33.91	—	—	—	—	—
2014	674,579	22,224,155	32.95	22,639,402	33.56	—	—	—	—	—
2015	190,584	5,904,207	30.98	6,206,381	32.57	—	—	—	—	—
2016	82,493	2,629,963	31.88	2,773,851	33.63	—	—	—	—	—
2017	162,499	5,509,029	33.90	5,766,350	35.49	—	—	—	—	—
2018	10,903	308,010	28.25	340,719	31.25	—	—	—	—	—
2019	195,526	5,728,754	29.30	6,624,194	33.88	—	—	—	—	—
2020	—	—	—	—	—	—	—	—	—	—
Thereafter	227,082	7,786,297	34.29	8,674,369	38.20	—	—	—	—	—

- (1) For disclosures relating to our definition of Annualized Revenue, see page 51.
- (2) Includes 100% of unconsolidated joint venture properties. Does not include properties owned by the Value-Added Fund, residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with a replacement tenant with a future commencement date. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes 114,740 square feet of Sensitive Compartmented Information Facility (SCIF) space. Excluding the SCIF space from 2012 and 2013, the current and future expiring rental rate would be \$37.16 per square foot and \$37.52 per square foot, respectively, for 2012 and \$34.86 per square foot and \$35.67 per square foot, respectively, for 2013.
- (5) Includes 255,244 square feet of space to be taken out of service for redevelopment, see page 48 for further details.

Boston Properties, Inc.
Third Quarter 2011

HOTEL PERFORMANCE

Cambridge Center Marriott

	<u>Third Quarter 2011</u>	<u>Third Quarter 2010</u>	<u>Percent Change</u>	<u>Year to Date 2011</u>	<u>Year to Date 2010</u>	<u>Percent Change</u>
Occupancy	84.6%	84.1%	0.6%	79.8%	80.3%	-0.6%
Average Daily Rate	\$ 207.86	\$ 198.69	4.6%	\$ 203.54	\$ 188.59	7.9%
Revenue per available room	\$ 175.85	\$ 167.00	5.3%	\$ 162.36	\$ 151.42	7.2%

RESIDENTIAL PERFORMANCE

Residences on The Avenue
located at 2221 I Street, NW Washington, DC

	<u>Third Quarter 2011</u>	<u>Third Quarter 2010</u>	<u>Percent Change</u>
Average Rental Rate (1)	\$ 3,229	N/A	N/A
Physical Occupancy (1) (2)	57.0%	N/A	N/A
Economic Occupancy (2)	50.9%	N/A	N/A
Net Operating Income (Loss) (3)	\$ 21,055	N/A	N/A

The Lofts at Atlantic Wharf
Boston, MA

	<u>Third Quarter 2011</u>	<u>Third Quarter 2010</u>	<u>Percent Change</u>
Average Rental Rate (4)	\$ 3,439	N/A	N/A
Physical Occupancy (4) (2)	55.8%	N/A	N/A
Economic Occupancy (2)	41.2%	N/A	N/A
Net Operating Income (Loss) (5)	\$ 14,128	N/A	N/A

- (1) Excludes 50,000 square feet of retail space which is 100% occupied.
(2) For disclosures related to our definition of Physical and Economic Occupancy, see page 52.
(3) Includes 50,000 square feet of retail space, which had revenue of approximately \$385,840 for the quarter ended September 30, 2011.
(4) Excludes 10,000 square feet of retail space which is 0% occupied.
(5) Includes 10,000 square feet of retail space, which had revenue of approximately \$0 for the quarter ended September 30, 2011.

Boston Properties, Inc.
Third Quarter 2011

OCCUPANCY ANALYSIS

Same Property Occupancy⁽¹⁾ - By Location

<u>Location</u>	<u>CBD</u>		<u>Suburban</u>		<u>Total</u>	
	<u>30-Sep-11</u>	<u>30-Sep-10</u>	<u>30-Sep-11</u>	<u>30-Sep-10</u>	<u>30-Sep-11</u>	<u>30-Sep-10</u>
Greater Boston	94.3%	93.0%	85.9%	82.1%	90.2%	87.7%
Greater Washington	97.5%	98.4%	95.0%	97.2%	96.0%	97.7%
Midtown Manhattan	96.5%	97.6%	n/a	n/a	96.5%	97.6%
Princeton/East Brunswick, NJ	n/a	n/a	76.5%	82.5%	76.5%	82.5%
Greater San Francisco	90.7%	91.6%	78.5%	96.1%	87.0%	92.9%
Total Portfolio	<u>95.2%</u>	<u>95.7%</u>	<u>87.2%</u>	<u>89.8%</u>	<u>92.0%</u>	<u>93.3%</u>

Same Property Occupancy⁽¹⁾ - By Type of Property

<u>Location</u>	<u>CBD</u>		<u>Suburban</u>		<u>Total</u>	
	<u>30-Sep-11</u>	<u>30-Sep-10</u>	<u>30-Sep-11</u>	<u>30-Sep-10</u>	<u>30-Sep-11</u>	<u>30-Sep-10</u>
Total Office Portfolio	95.2%	95.6%	87.4%	90.5%	92.2%	93.7%
Total Office/Technical Portfolio	100.0%	100.0%	85.4%	82.1%	88.2%	85.5%
Total Portfolio	<u>95.2%</u>	<u>95.7%</u>	<u>87.2%</u>	<u>89.8%</u>	<u>92.0%</u>	<u>93.3%</u>

(1) For disclosures related to our definition of Same Property, see page 51.

Boston Properties, Inc.
Third Quarter 2011

SAME PROPERTY PERFORMANCE

Office, Office/Technical and Hotel Properties

	<u>Office</u>	<u>Office/Technical</u>	<u>Hotel (1)</u>	<u>Total</u>
Number of Properties	118	19	1	138
Square feet	33,876,857	1,589,215	330,400	35,796,472
Percent of properties in-service	91.5%	100.0%	100.0%	91.9%
Occupancy @ 9/30/2010	93.7%	85.5%	—	93.3%
Occupancy @ 9/30/2011	92.2%	88.2%	—	92.0%
Percent change from 3rd quarter 2011 over 3rd quarter 2010 (2):				
Rental revenue	1.8%	4.9%	0.4%	
Operating expenses and real estate taxes	1.1%	5.8%	-2.6%	
Consolidated Net Operating Income (3) - excluding hotel				2.3% (2)
Consolidated Net Operating Income (3) - Hotel				10.5% (2)
Net Operating Income - BXP's share of unconsolidated joint ventures (3) (4)				-0.9% (2)
Portfolio Net Operating Income (3)				1.7%
Rental revenue - cash basis	5.7%	5.0%	0.4%	
Consolidated Net Operating Income (3) - cash basis (5) excluding hotel	8.4%	4.6%		8.3% (2)
Consolidated Net Operating Income (3) - cash basis (5) - Hotel				10.8% (2)
Net Operating Income - cash basis (5) - BXP's share of unconsolidated joint ventures				0.1% (2)
Portfolio Net Operating Income (3) - cash basis (5)				7.1%

Same Property Lease Analysis - quarter ended September 30, 2011

	<u>Office</u>	<u>Office/ Technical</u>	<u>Total</u>
Vacant space available @ 7/1/2011 (sf)	2,522,124	205,196	2,727,320
Square footage of leases expiring or terminated 7/1/2011-9/30/2011	933,755	25,678	959,433
Total space for lease (sf)	<u>3,455,879</u>	<u>230,874</u>	<u>3,686,753</u>
New tenants (sf)	658,628	16,291	674,919
Renewals (sf)	144,416	26,388	170,804
Total space leased (sf)	<u>803,044</u>	<u>42,679</u>	<u>845,723</u>
Space available @ 9/30/2011 (sf)	<u>2,652,835</u>	<u>188,195</u>	<u>2,841,030</u>
Net (increase)/decrease in available space (sf)	(130,711)	17,001	(113,710)
2nd generation Average lease term (months)	82	31	80
2nd generation Average free rent (days)	191	—	181
2nd generation TI/Comm PSF	\$ 21.99	\$ 16.47	\$ 21.70
Increase (decrease) in 2nd generation gross rents (6)	-10.33%	0.00%	-10.22%
Increase (decrease) in 2nd generation net rents (6)	-15.81%	0.00%	-15.60%

- (1) Includes revenue and expenses from retail tenants at the hotel property.
- (2) See page 44 for a quantitative reconciliation of Same Property Net Operating Income (NOI) by reportable segment.
- (3) For a quantitative reconciliation of NOI to net income available to common shareholders, see page 43. For disclosures relating to our use of Portfolio NOI and Consolidated NOI, see page 51.
- (4) For disclosures related to the calculation of NOI from unconsolidated joint ventures, see page 17.
- (5) For a quantitative reconciliation of NOI to NOI on a cash basis, see page 43.
- (6) Represents change in rents on a "cash to cash" basis (actual rent at time of expiration vs. initial rent of new lease) and for only 2nd generation space after eliminating any space vacant for more than 12 months. The total footage being weighted is 665,047 square feet.

Boston Properties, Inc.
Third Quarter 2011

Reconciliation of Net Operating Income to Net Income

	For the three months ended	
	September 30, 2011	September 30, 2010
	(in thousands)	
Net income (loss) attributable to Boston Properties, Inc.	\$ 70,542	\$ 57,668
Net income (loss) attributable to noncontrolling interests:		
Noncontrolling interest - common units of the Operating Partnership	8,991	8,712
Noncontrolling interest - redeemable preferred units of the Operating Partnership	832	820
Noncontrolling interests in property partnerships	86	889
Net income (loss)	80,451	68,089
Add:		
Losses from early extinguishment of debt	—	—
Interest expense	95,777	97,103
Losses (gains) from investments in securities	860	(731)
Depreciation and amortization	109,495	81,133
Acquisition costs	51	1,893
General and administrative expense	17,340	18,067
Subtract:		
Income from unconsolidated joint ventures	(11,326)	(11,565)
Interest and other income	(1,252)	(1,814)
Development and management services income	(8,180)	(6,439)
Consolidated Net Operating Income	283,216	245,736
Net Operating Income from unconsolidated joint ventures (BXP's share) (1)	60,024	61,723
Combined Net Operating Income	343,240	307,459
Subtract:		
Net Operating Income from Value-Added Fund (BXP's share)	(1,144)	(1,162)
Portfolio Net Operating Income	\$ 342,096	\$ 306,297
Same Property Net Operating Income	304,162	298,966
Net operating income from non Same Properties (2)	28,958	2,106
Termination income	8,976	5,225
Portfolio Net Operating Income	\$ 342,096	\$ 306,297
Same Property Net Operating Income	304,162	298,966
Less straight-line rent and fair value lease revenue	29,154	42,230
Same Property Net Operating Income - cash basis	\$ 275,008	\$ 256,736

- (1) For disclosures related to the calculation of Net Operating Income from unconsolidated joint ventures, see page 17.
(2) Pages 20-22 indicate by footnote the properties which are not included as part of Same Property Net Operating Income.

Boston Properties, Inc.
Third Quarter 2011

Same Property Net Operating Income by Reportable Segment

(in thousands)

	Office				Office/Technical			
	For the three months ended		\$	%	For the three months ended		\$	%
	30-Sep-11	30-Sep-10			30-Sep-11	30-Sep-10		
			Change	Change			Change	Change
Rental Revenue	366,175	357,715			12,106	\$ 11,539		
Less Termination Income	5,596	3,610			—	—		
Rental revenue - subtotal	360,579	354,105	\$ 6,474	1.8%	12,106	11,539	\$ 567	4.9%
Operating expenses and real estate taxes	124,992	123,678	1,314	1.1%	3,609	3,410	199	5.8%
Net Operating Income (1)	<u>\$ 235,587</u>	<u>\$ 230,427</u>	<u>\$ 5,160</u>	<u>2.2%</u>	<u>\$ 8,497</u>	<u>\$ 8,129</u>	<u>\$ 368</u>	<u>4.5%</u>
Rental revenue - subtotal	\$ 360,579	\$ 354,105			\$ 12,106	\$ 11,539		
Less straight line rent and fair value lease revenue	8,044	20,544	(12,500)	-60.8%	(54)	(47)	(7)	-14.9%
Rental revenue - cash basis	352,535	333,561	18,974	5.7%	12,160	11,586	574	5.0%
Less:								
Operating expenses and real estate taxes	124,992	123,678	1,314	1.1%	3,609	3,410	199	5.8%
Net Operating Income (2) - cash basis	<u>\$ 227,543</u>	<u>\$ 209,883</u>	<u>\$ 17,660</u>	<u>8.4%</u>	<u>\$ 8,551</u>	<u>\$ 8,176</u>	<u>\$ 375</u>	<u>4.6%</u>
	Sub-Total				Hotel			
	For the three months ended		\$	%	For the three months ended		\$	%
	30-Sep-11	30-Sep-10			30-Sep-11	30-Sep-10		
			Change	Change			Change	Change
Rental Revenue	\$ 378,281	\$ 369,254			\$ 8,045	\$ 8,016		
Less Termination Income	5,596	3,610			—	—		
Rental revenue - subtotal	372,685	365,644	\$ 7,041	1.9%	8,045	8,016	\$ 29	0.4%
Operating expenses and real estate taxes	128,601	127,088	1,513	1.2%	6,032	6,194	(162)	-2.6%
Net Operating Income (1)	<u>\$ 244,084</u>	<u>\$ 238,556</u>	<u>\$ 5,528</u>	<u>2.3%</u>	<u>\$ 2,013</u>	<u>\$ 1,822</u>	<u>\$ 191</u>	<u>10.5%</u>
Rental revenue - subtotal	\$ 372,685	\$ 365,644			\$ 8,045	\$ 8,016		
Less straight line rent and fair value lease revenue	7,990	20,497	(12,507)	-61.0%	(7)	(1)	(6)	-600.0%
Rental revenue - cash basis	364,695	345,147	19,548	5.7%	8,052	8,017	35	0.4%
Less:								
Operating expenses and real estate taxes	128,601	127,088	1,513	1.2%	6,032	6,194	(162)	-2.6%
Net Operating Income (2) - cash basis	<u>\$ 236,094</u>	<u>\$ 218,059</u>	<u>\$ 18,035</u>	<u>8.3%</u>	<u>\$ 2,020</u>	<u>\$ 1,823</u>	<u>\$ 197</u>	<u>10.8%</u>

	Unconsolidated Joint Ventures (3)				Total			
	For the three months ended		\$	%	For the three months ended		\$	%
	30-Sep-11	30-Sep-10	Change	Change	30-Sep-11	30-Sep-10	Change	Change
Rental Revenue	82,620	\$ 83,435			\$ 468,946	\$ 460,705		
Less Termination Income	788	1,615			6,384	5,225		
Rental revenue - subtotal	81,832	81,820	\$ 12	0.0%	462,562	455,480	\$ 7,082	1.6%
Operating expenses and real estate taxes	23,767	23,232	535	2.3%	158,400	156,514	1,886	1.2%
Net Operating Income (1)	\$ 58,065	\$ 58,588	\$ (523)	-0.9%	\$ 304,162	\$ 298,966	\$ 5,196	1.7%
Rental revenue - subtotal	\$ 81,832	\$ 81,820			\$ 462,562	\$ 455,480		
Less straight line rent and fair value lease revenue	21,171	21,734	(563)	-2.6%	29,154	42,230	(13,076)	-31.0%
Rental revenue - cash basis	60,661	60,086	575	1.0%	433,408	413,250	20,158	4.9%
Less:								
Operating expenses and real estate taxes	23,767	23,232	535	2.3%	158,400	156,514	1,886	1.2%
Net Operating Income (2) - cash basis	\$ 36,894	\$ 36,854	\$ 40	0.1%	\$ 275,008	\$ 256,736	\$ 18,272	7.1%

(1) For a quantitative reconciliation of net operating income (NOI) to net income available to common shareholders, see page 43. For disclosures relating to our use of NOI see page 51.

(2) For a quantitative reconciliation of NOI to NOI on a cash basis see page 43. For disclosures relating to our use of NOI see page 51.

(3) Does not include the Value-Added Fund.

Boston Properties, Inc.

Third Quarter 2011

LEASING ACTIVITY

All In-Service Properties - quarter ended September 30, 2011

	<u>Office</u>	<u>Office/Technical</u>	<u>Total</u>
Vacant space available @ 7/1/2011 (sf)	2,903,079	205,196	3,108,275
Property dispositions/ assets taken out of service (sf)	263,870	—	263,870
Property acquisitions (sf)	—	—	—
Assets placed in-service (sf)	179,775	—	179,775
Leases expiring or terminated 7/1/2011-9/30/2011 (sf)	1,267,095	25,678	1,292,773
Total space for lease (sf)	<u>4,086,079</u>	<u>230,874</u>	<u>4,316,953</u>
New tenants (sf)	769,791	16,291	786,082
Renewals (sf)	144,416	26,388	170,804
Total space leased (sf)	<u>914,207</u>	<u>42,679</u>	<u>956,886 (1)</u>
Space available @ 9/30/2011 (sf)	<u>3,171,872</u>	<u>188,195</u>	<u>3,360,067</u>
Net (increase)/decrease in available space (sf)	(268,793)	17,001	(251,792)
2nd generation Average lease term (months)	82	31	79
2nd generation Average free rent (days)	188	—	178
2nd generation TI/Comm PSF	\$ 21.72	\$ 16.47	\$ 21.45
Increase (decrease) in 2nd generation gross rents (2)	-10.33%	0.00%	-10.22%
Increase (decrease) in 2nd generation net rents (3)	-15.81%	0.00%	-15.60%

	<u>All leases 1st Generation</u>	<u>All leases 2nd Generation</u>	<u>Incr (decr) in 2nd gen. gross cash rents (2)</u>	<u>Incr (decr) in 2nd gen. net cash rents (3)</u>	<u>Total Leased (4)</u>	<u>Total Total square feet of leases executed in the quarter (5)</u>
Boston	33,273	434,532	-20.48%	-29.58%	467,805	473,366
Washington	60,077	175,625	11.38%	13.54%	235,702	315,537
New York	17,230	51,988	17.96%	24.33%	69,218	16,118
San Francisco	—	100,893	-34.49%	-46.19%	100,893	81,913
Princeton	—	83,268	-9.24%	-14.29%	83,268	139,698
	<u>110,580</u>	<u>846,306</u>	<u>-10.22%</u>	<u>-15.60%</u>	<u>956,886</u>	<u>1,026,632</u>

- (1) Details of 1st and 2nd generation space is located in chart below.
- (2) Represents increase (decrease) in gross rent (total base rent and expense reimbursements), comparing the change in rent at lease expiration vs. initial rent of the new lease for 2nd generation space that has been vacant for less than twelve months. The total footage being weighted is 665,047.
- (3) Represents increase (decrease) in net rent (base rent less base year expense), comparing the rent at lease expiration vs. initial rent of the new lease for 2nd generation space that has been vacant for less than twelve months. The total footage being weighted is 665,047.
- (4) Represents leases for which rental revenue has commenced in accordance with GAAP during the quarter.
- (5) Represents leases executed in the quarter for which the GAAP impact may be recognized in the current or future quarters, including properties currently under development. The total square feet of leases executed in the current quarter and recognized in the current quarter is 281,280.

Boston Properties, Inc.
Third Quarter 2011

**HISTORICALLY GENERATED CAPITAL EXPENDITURES,
TENANT IMPROVEMENT COSTS AND LEASING COMMISSIONS**

Historical Capital Expenditures

(in thousands)

	Q3 2011	Q2 2011	Q1 2011	2010	2009	2008
Recurring capital expenditures	\$ 7,120	\$ 2,785	\$ 1,130	\$ 13,988	\$ 27,813	\$ 29,781
Planned non-recurring capital expenditures associated with acquisition properties	1,042	731	120	395	865	3,203
Hotel improvements, equipment upgrades and replacements	1,239 (1)	1,478 (2)	494	2,262 (3)	1,515	2,317 (4)
	<u>\$ 9,401</u>	<u>\$ 4,994</u>	<u>\$ 1,744</u>	<u>\$ 16,645</u>	<u>\$ 30,193</u>	<u>\$ 35,301</u>

2nd Generation Tenant Improvements and Leasing Commissions

	Q3 2011	Q2 2011	Q1 2011	2010	2009	2008
Office						
Square feet	803,627	760,821	1,450,468	4,765,440	3,545,251	2,472,619
Tenant improvements and lease commissions PSF	\$ 21.72	\$ 21.87	\$ 22.78	\$ 35.77	\$ 32.59	\$ 30.17
Office/Technical						
Square feet	42,679	—	58,770	149,617	115,848	26,388
Tenant improvements and lease commissions PSF	\$ 16.47	\$ —	\$ 14.28	\$ 2.14	\$ 0.13	\$ —
Average tenant improvements and lease commissions PSF	<u>\$ 21.45</u>	<u>\$ 21.87</u>	<u>\$ 22.45</u>	<u>\$ 34.74</u>	<u>\$ 31.56</u>	<u>\$ 29.85</u>

- (1) Includes approximately \$928 of retail tenant improvements.
(2) Includes approximately \$917 of retail tenant improvements.
(3) Includes approximately \$1,091 of costs related to a façade project at Cambridge Center Marriott
(4) Includes approximately \$723 of costs related to suites renovation at Cambridge Center Marriott.

Boston Properties, Inc.
Third Quarter 2011

ACQUISITIONS/DISPOSITIONS

as of September 30, 2011

ACQUISITIONS

For the period from January 1, 2011 through September 30, 2011

<u>Property</u>	<u>Date Acquired</u>	<u>Square Feet</u>	<u>Initial Investment</u>	<u>Anticipated Future Investment</u>	<u>Total Investment</u>	<u>Percentage Leased</u>
Bay Colony Corporate Center	Feb-11	969,861	\$185,000,000	\$30,000,000	\$215,000,000	59%
Total Acquisitions		<u>969,861</u>	<u>\$185,000,000</u>	<u>\$30,000,000</u>	<u>\$215,000,000</u>	<u>59%</u>

DISPOSITIONS

For the period from January 1, 2011 through September 30, 2011

<u>Property</u>	<u>Date Disposed</u>	<u>Square Feet</u>	<u>Gross Sales Price</u>	<u>Book Gain</u>
Not Applicable		—	—	—
Total Dispositions		<u>—</u>	<u>\$ —</u>	<u>\$ —</u>

Boston Properties, Inc.
Third Quarter 2011

VALUE CREATION PIPELINE - CONSTRUCTION IN PROGRESS (1)

as of September 30, 2011

Construction Properties	Initial Occupancy	Estimated Stabilization Date	Location	# of Buildings	Square feet	Investment to Date (2)	Estimated Total Investment (2)	Total Construction Loan	Amount Drawn at September 30, 2011	Estimated Future Equity Requirement (2)	Percentage Leased (3)	Percentage Placed in Service (4)
Office												
Atlantic Wharf Office 510 Madison Avenue	Q1 2011	Q1 2012	Boston, MA	1	790,000	\$ 527,063,702	\$ 552,900,000	\$192,500,000 (5)	\$ —	\$ (166,663,702) (5)	90%	82%
Annapolis Junction Lot 6 (50% ownership)	Q2 2011	Q3 2013	New York, NY	1	347,000	349,894,628	375,000,000	—	—	25,105,372	39%	25%
12310 Sunrise Valley (6)	Q1 2012	Q3 2013	Annapolis, MD	1	120,000	7,753,535	14,000,000	—	—	6,246,465	0%	0%
500 North Capitol (30% ownership) (7)	Q1 2012	Q1 2012	Reston, VA	1	267,531	35,817,494	67,000,000	—	—	31,182,506	100%	0%
17 Cambridge Center (8)	Q4 2012	Q4 2013	Washington, DC	1	232,000	14,106,479	36,540,000	6,600,000 (7)	6,600,000	22,433,521 (7)	74%	0%
250 West 55th Street (9)	Q3 2013	Q3 2013	Cambridge, MA	1	190,329	22,619,800	86,300,000	—	—	63,680,200	100%	0%
	Q2 2014	Q4 2015	New York, NY	1	989,000	500,317,016	1,050,000,000	—	—	549,682,984	19%	0%
Total Properties under Construction				7	2,935,860	\$1,457,572,653	\$2,181,740,000	\$ 199,100,000	\$ 6,600,000	\$ 531,667,347	56%	36%

PROJECTS PLACED IN-SERVICE DURING 2011

	Initial In Service Date	Estimated Stabilization Date	Location	# of Buildings	Square feet	Investment to Date (2)	Estimated Total Investment (2)	Debt	Drawn at September 30, 2011	Estimated Future Equity Requirement (2)	Percentage Leased (3)	Percentage Placed in Service (4)
Office												
2200 Pennsylvania Avenue (10)	Q1 2011	Q4 2011	Washington, DC	1	456,988	\$177,694,796	\$ 210,000,000	\$ —	\$ —	\$ 32,305,204	94%	100%
Total Office Properties Placed in Service				1	456,988	\$177,694,796	\$ 210,000,000	\$ —	\$ —	\$ 32,305,204	94%	100%
Residential												
The Lofts at Atlantic Wharf (86 Units) (11)	Q3 2011	Q2 2012	Boston, MA	1	78,000	\$ 54,932,079	\$ 47,100,000	\$ —	\$ —	\$ (7,832,079)	71%	100%
Atlantic Wharf -Retail Residences on The Avenue (335 units) (12)	Q2 2011	Q3 2012	Washington, DC	1	275,000	112,298,683	124,000,000	—	—	11,701,317	69%	100%
2221 I Street, NW - Retail					50,000	—	—	—	—	—	100%	included above
Total Residential Properties Placed in Service				2	413,000	\$167,230,762	\$ 171,100,000	\$ —	\$ —	\$ 3,869,238	73%	100%
Total Projects placed in Service				3	869,988	\$344,925,558	\$ 381,100,000	\$ —	\$ —	\$ 36,174,442	87%	100%

IN-SERVICE PROPERTIES HELD FOR RE-DEVELOPMENT

	Sub Market	Number of Buildings	Existing Square Feet	Leased %	Annualized Revenue Per Leased SF (13)	Encumbered with secured debt (Y/N)	Central Business District (CBD) or Suburban (S)	Estimated Future SF (14)
103 Fourth Avenue	Route 128 Mass Turnpike MA	1	62,476	58.5%	\$ 8.50	N	S	265,000
Waltham Office Center	Route 128 Mass Turnpike MA	1	67,005	24.9%	17.49	N	S	414,000
6601 Springfield Center Drive	Fairfax County VA	1	26,388	100.0%	10.92	N	S	386,000
North First Business Park	San Jose, CA	5	190,636	75.8%	15.94	N	S	683,000
635 Massachusetts Avenue (future address 601 Mass Ave)	East End Washington DC	1	211,000	100.0%	28.31	N	CBD	450,000
12300 Sunrise Valley (15)	Fairfax County VA	1	255,244	100.0%	44.99	N	S	255,951
Total Properties held for Re-Development		10	812,749	85.0%	\$ 29.91			2,453,951

- A project is classified as Construction in Progress when construction or supply contracts have been signed, physical improvements have commenced or a lease has been signed.
- Includes net revenue during lease up period and acquisition expenses.
- Represents percentage leased as of October 21, 2011.
- Represents the portion of the project which no longer qualifies for capitalization of interest in accordance with GAAP.
- The Company has not drawn from the construction loan to date, but reserves the right to do so in the future.
- The Company commenced redevelopment of 12310 Sunrise Drive on July 5, 2011 and expects to have it available for occupancy during the first quarter of 2012. Project cost includes the incremental costs related to redevelopment and excludes original investment in the asset.
- Project cost includes original investment in the joint venture. On October 14, 2011, a joint venture in which the Company has a 30% interest obtained construction financing totaling \$107 million. At closing, \$33.3 million was drawn to fund the repayment of the existing mortgage of \$22 million and \$11.3 million to fund previously incurred development costs.
- On July 18, 2011, the company executed an approximately 190,000 square foot 15-year lease with Biogen and commenced development for this build to suit project.
- Investment to Date excludes approximately \$24.8 million of cost that were expensed in prior periods in connection with the suspension of development activities. Estimated Total Investment includes approximately \$230 million of interest capitalization.
- Project is subject to a ground lease expiring in 2068.
- Project cost includes residential and retail components. Estimated Total Investment is net of \$12.0 million of net proceeds from the sale of Federal Historical Tax Credits. Investment to date includes \$0.7 million received to date. The remaining proceeds are expected to be received in Q4 2011.
- Project cost includes residential and retail components and is subject to a ground lease expiring in 2068.
- For disclosures relating to our definition of Annualized Revenue, see page 51.
- The incremental square footage increase in Estimated Future SF is Included in Approximate Developable Square Feet of Value Creation Pipeline - Owned Land Parcels on page 49.
- 12300 Sunrise Valley Drive is 100% leased to the Defense Intelligence Agency (US Government). Redevelopment will commence in the second quarter of 2012 and the property is expected to be available for occupancy during the second quarter of 2013.

Boston Properties, Inc.
Third Quarter 2011

VALUE CREATION PIPELINE - OWNED LAND PARCELS

as of September 30, 2011

<u>Location</u>	<u>Acreage</u>	<u>Approximate Developable Square Feet</u>
San Jose, CA (1) (2)	44.0	2,409,364
Reston, VA (1)	36.3	1,253,886
Waltham, MA (1)	25.4	1,020,519
Gaithersburg, MD	27.0	850,000
Springfield, VA (1)	17.8	773,612
Dulles, VA	76.6	760,000
Rockville, MD	58.1	759,000
Boston, MA	1.0	450,000
Marlborough, MA	50.0	400,000
Annapolis, MD (50% ownership)	20.0	300,000
Washington, DC (1)	1.0	239,000
Andover, MA	10.0	110,000
New York, NY (50% ownership) (3)	0.2	TBD
	<u>367.4</u>	<u>9,325,381</u>

VALUE CREATION PIPELINE - LAND PURCHASE OPTIONS

as of September 30, 2011

<u>Location</u>	<u>Acreage</u>	<u>Approximate Developable Square Feet</u>
Princeton, NJ (4)	143.1	1,780,000
Cambridge, MA (5)	—	250,000
	<u>143.1</u>	<u>2,030,000</u>

- (1) Excludes the existing square footage related to sites being held for future re-development included on page 48.
- (2) Includes an additional 460,000 of developable square footage at our 3200 Zanker Road project.
- (3) The venture owns five lots with air rights and developable square footage remains to be determined.
- (4) Option to purchase at a fixed price of \$30.50 per square foot plus annual non-refundable option payments of \$125,000.
- (5) Includes 50,000 square feet of development rights for office / lab space and the option to purchase 200,000 square feet of residential rights.

Definitions

This section contains an explanation of certain non-GAAP financial measures we provide in other sections of this document, as well as the reasons why management believes these measures provide useful information to investors about the Company's financial condition or results of operations. Additional detail can be found in the Company's most recent annual report on Form 10-K and quarterly report on Form 10-Q, as well as other documents filed with or furnished to the SEC from time to time.

Funds from Operations

Pursuant to the revised definition of Funds from Operations adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"), we calculate Funds from Operations, or "FFO," by adjusting net income (loss) attributable to Boston Properties, Inc. (computed in accordance with GAAP, including non-recurring items) for gains (or losses) from sales of properties, real estate related depreciation and amortization, and after adjustment for unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure. The use of FFO, combined with the required primary GAAP presentations, has been fundamentally beneficial in improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. Management generally considers FFO to be a useful measure for reviewing our comparative operating and financial performance because, by excluding gains and losses related to sales of previously depreciated operating real estate assets and excluding real estate asset depreciation and amortization (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help one compare the operating performance of a company's real estate between periods or as compared to different companies. Our computation of FFO may not be comparable to FFO reported by other REITs or real estate companies that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently.

FFO should not be considered as an alternative to net income attributable to Boston Properties, Inc. (determined in accordance with GAAP) as an indication of our performance. FFO does not represent cash generated from operating activities determined in accordance with GAAP, and is not a measure of liquidity or an indicator of our ability to make cash distributions. We believe that to further understand our performance, FFO should be compared with our reported net income attributable to Boston Properties, Inc. and considered in addition to cash flows determined in accordance with GAAP, as presented in our consolidated financial statements.

Funds Available for Distribution (FAD)

In addition to FFO, we present Funds Available for Distribution (FAD) by (1) adding to FFO non-real estate depreciation, fair value interest adjustment, losses from early extinguishments of debt, ASC 470-20 (formerly known as FSP APB 14-1) interest expense adjustment, non-cash stock-based compensation expense, and partners' share of joint venture 2nd generation tenant improvement and leasing commission, (2) eliminating the effects of straight-line rent and fair value lease revenue, (3) subtracting: recurring capital expenditures; hotel improvements, equipment upgrades and replacements; and second generation tenant improvement and leasing commissions (included in the period in which the lease commences); and (4) subtracting non-cash termination income and non-cash income from the termination of a management agreement. Although our FAD may not be comparable to that of other REITs and real estate companies, we believe it provides a meaningful indicator of our ability to fund cash needs and to make cash distributions to equity owners. In addition, we believe that to further understand our liquidity, FAD should be compared with our cash flows determined in accordance with GAAP, as presented in our consolidated financial statements. FAD does not represent cash generated from operating activities determined in accordance with GAAP, and FAD should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP), or as a measure of our liquidity.

Total Consolidated Debt to Total Consolidated Market Capitalization Ratio

Total consolidated debt to total consolidated market capitalization ratio, defined as total consolidated debt as a percentage of the market value of our outstanding equity securities plus our total consolidated debt, is a measure of leverage commonly used by analysts in the REIT sector. Total consolidated market capitalization is the sum of (A) our total consolidated indebtedness outstanding plus (B) the market value of our outstanding equity securities calculated using the closing price per share of common stock of the Company multiplied by the sum of (1) outstanding shares of common stock of the Company, (2) outstanding common units of limited partnership interest in Boston Properties Limited Partnership (excluding common units held by the Company), (3) common units issuable upon conversion of all outstanding Series Two Preferred Units of partnership interest in Boston Properties Limited Partnership and (4) common units issuable upon conversion of all outstanding LTIP Units, assuming all conditions have been met for the conversion of the LTIP Units. The calculation of total consolidated market capitalization does not include OPP Units because, unlike other LTIP Units, they are not earned until certain thresholds are achieved. We are presenting this ratio because our degree of leverage could affect our ability to obtain additional financing for working capital, capital expenditures, acquisitions, development or other general corporate purposes. Investors should understand that our total consolidated debt to total consolidated market capitalization ratio is in part a function of the market price of the common stock of the Company, and as such will fluctuate with changes in such price and does not necessarily reflect our capacity to incur additional debt to finance our activities or our ability to manage our existing debt obligations. However, for a company like ours, whose assets are primarily income-producing real estate, the total consolidated debt to total consolidated market capitalization ratio may provide investors with an alternate indication of leverage, so long as it is evaluated along with the ratio of indebtedness to other measures of asset value used by financial analysts and other financial ratios, as well as the various components of our outstanding indebtedness.

Total Combined Debt to Total Combined Market Capitalization Ratio

Total combined debt to total combined market capitalization ratio, defined as total combined debt (which equals our total consolidated debt plus our share of unconsolidated joint venture debt) as a percentage of the market value of our outstanding equity securities plus our total combined debt, is an alternative measure of leverage used by some analysts in the REIT sector. Total combined market capitalization is the sum of (A) our total combined debt plus (B) the market value of our outstanding equity securities calculated using the closing price per share of common stock of the Company multiplied by the sum of (1) outstanding shares of common stock of the Company, (2) outstanding common units of limited partnership interest in Boston Properties Limited Partnership (excluding common units held by the Company), (3) common units issuable upon conversion of all outstanding Series Two Preferred Units of partnership interest in Boston Properties Limited Partnership and (4) common units issuable upon conversion of all outstanding LTIP Units, assuming all conditions have been met for the conversion of the LTIP Units. The calculation of total combined market capitalization does not include OPP Units because, unlike other LTIP Units, they are not earned until certain thresholds are achieved.

We present this ratio because, following our acquisitions of the General Motors Building, Two Grand Central Tower, 125 West 55th Street and 540 Madison Avenue through unconsolidated joint ventures in June and August 2008, our share of unconsolidated joint venture debt increased significantly compared to prior periods when the amount of assets held through unconsolidated joint ventures was significantly smaller. In light of the difference between our total consolidated debt and our total combined debt, we believe that also presenting our total combined debt to total combined market capitalization may provide investors with a more complete picture of our leverage. Investors should understand that our total combined debt to total combined market capitalization ratio is in part a function of the market price of the common stock of the Company, and as such will fluctuate with changes in such price and does not necessarily reflect our capacity to incur additional debt to finance our activities or our ability to manage our existing debt obligations. The total combined debt to total combined market capitalization ratio should be evaluated along with the ratio of indebtedness to other measures of asset value used by financial analysts and other financial ratios, as well as the various components of our outstanding indebtedness.

Definitions

Consolidated Net Operating Income (NOI)

Consolidated NOI is a non-GAAP financial measure equal to net income attributable to Boston Properties, Inc., the most directly comparable GAAP financial measure, plus income attributable to noncontrolling interests, corporate general and administrative expense, acquisition costs, depreciation and amortization, losses (gains) from investments in securities, interest expense, and losses from early extinguishments of debt, less interest income, development and management services income and income from unconsolidated joint ventures. In some cases we also present Consolidated NOI on a cash basis, which is Consolidated NOI after eliminating the effects of straight-lining of rent and fair value lease revenue. We use Consolidated NOI internally as a performance measure and believe Consolidated NOI provides useful information to investors regarding our financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level. Therefore, we believe Consolidated NOI is a useful measure for evaluating the operating performance of our real estate assets. Our management also uses Consolidated NOI to evaluate regional property level performance and to make decisions about resource allocations. Further, we believe Consolidated NOI is useful to investors as a performance measure because, when compared across periods, Consolidated NOI reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and development activity on an unleveraged basis, providing perspective not immediately apparent from net income. Consolidated NOI excludes certain components from net income in order to provide results that are more closely related to a property's results of operations. For example, interest expense is not necessarily linked to the operating performance of a real estate asset and is often incurred at the corporate level as opposed to the property level. In addition, depreciation and amortization, because of historical cost accounting and useful life estimates, may distort operating performance at the property level. Consolidated NOI presented by us may not be comparable to Consolidated NOI reported by other REITs that define Consolidated NOI differently. We believe that in order to facilitate a clear understanding of our operating results, Consolidated NOI should be examined in conjunction with net income as presented in our consolidated financial statements. Consolidated NOI should not be considered as an alternative to net income as an indication of our performance or to cash flows as a measure of our liquidity or ability to make distributions.

Combined Net Operating Income (NOI)

Combined NOI is a non-GAAP financial measure equal to Consolidated NOI plus our share of net operating income from unconsolidated joint ventures. In some cases we also present Combined NOI on a cash basis, which is Combined NOI after eliminating the effects of straight-lining of rent and fair value lease revenue. In addition to Consolidated NOI, we use Combined NOI internally as a performance measure and believe Combined NOI provides useful information to investors regarding our financial condition and results of operations because it includes the impact of our unconsolidated joint ventures, which have become significant. Therefore, we believe Combined NOI is a useful measure for evaluating the operating performance of all of our real estate assets, including those held by our unconsolidated joint ventures. Our management also uses Combined NOI to evaluate regional property level performance and to make decisions about resource allocations. Further, like Consolidated NOI, we believe Combined NOI is useful to investors as a performance measure because, when compared across periods, Combined NOI reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and development activity on an unleveraged basis, providing perspective not immediately apparent from net income. Combined NOI presented by us may not be comparable to Combined NOI reported by other REITs that define Combined NOI differently. We believe that in order to facilitate a clear understanding of our operating results, Combined NOI should be examined in conjunction with net income as presented in our consolidated financial statements. Combined NOI should not be considered as an alternative to net income as an indication of our performance or to cash flows as a measure of our liquidity or ability to make distributions.

Portfolio Net Operating Income (NOI)

Portfolio NOI is a non-GAAP financial measure equal to Combined NOI less our share of net operating income from the Value-Added Fund in recognition of the fact that we do not include non-core office properties held by the fund in the Company's portfolio information tables or other portfolio level statistics because they have deficiencies in property characteristics which provide opportunity to create value. In some cases we also present Portfolio NOI on a cash basis, which is Portfolio NOI after eliminating the effects of straight-lining of rent and fair value lease revenue. In addition to Consolidated NOI and Combined NOI, we use Portfolio NOI internally as a performance measure and believe Portfolio NOI provides useful information to investors regarding our financial condition and results of operations because it includes the impact of our unconsolidated joint ventures, which have become significant, but excludes the impact of the Value-Added Fund. Therefore, we believe Portfolio NOI is a useful measure for evaluating the operating performance of our active portfolio, including both consolidated assets and those held by our unconsolidated joint ventures. Our management also uses Portfolio NOI to evaluate regional property level performance and to make decisions about resource allocations. Further, like Consolidated NOI and Combined NOI, we believe Portfolio NOI is useful to investors as a performance measure because, when compared across periods, Portfolio NOI reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and development activity on an unleveraged basis, providing perspective not immediately apparent from net income. Portfolio NOI presented by us may not be comparable to Portfolio NOI reported by other REITs that define Portfolio NOI differently. We believe that in order to facilitate a clear understanding of our operating results, Portfolio NOI should be examined in conjunction with net income as presented in our consolidated financial statements. Portfolio NOI should not be considered as an alternative to net income as an indication of our performance or to cash flows as a measure of our liquidity or ability to make distributions.

In-Service Properties

We treat a property as being "in-service" upon the earlier of (i) lease-up and completion of tenant improvements or (ii) one year after cessation of major construction activity under GAAP. The determination as to when a property should be treated as "in-service" involves a degree of judgment and is made by management based on the relevant facts and circumstances of the particular property. For portfolio operating and occupancy statistics we specify a single date for treating a property as "in-service" which is generally later than the date the property is placed in-service for GAAP. Under GAAP a property may be placed in service in stages as construction is completed and the property is held available for occupancy. In accordance with GAAP, when a portion of a property has been substantially completed and occupied or held available for occupancy, we cease capitalization on that portion, though we may not treat the property as being "in-service," and continue to capitalize only those costs associated with the portion still under construction. In-service properties include properties held by our unconsolidated joint ventures (other than the Value-Added Fund). In-service properties excludes hotel and residential properties.

Same Properties

In our analysis of NOI, particularly to make comparisons of NOI between periods meaningful, it is important to provide information for properties that were in-service and owned by us throughout each period presented. We refer to properties acquired or placed in-service prior to the beginning of the earliest period presented and owned by us through the end of the latest period presented as "Same Properties." "Same Properties" therefore exclude properties placed in-service, acquired, repositioned, or in development or redevelopment after the beginning of the earliest period presented or disposed of prior to the end of the latest period presented. Accordingly, it takes at least one year and one quarter after a property is acquired or treated as "in-service" for that property to be included in "Same Properties." Pages 20-22 indicate by footnote the "In-Service Properties" which are not included in "Same Properties." "Same Properties NOI" includes our share of net operating income from unconsolidated joint ventures (other than the Value-Added Fund).

Annualized Revenue

Rental obligations at the end of the reporting period, including contractual base rents and reimbursements from tenants under existing leases, multiplied by twelve. These annualized amounts exclude rent abatements.

Future Annualized Revenue

Rental obligations including contractual base rents at lease expiration and reimbursements from tenants at the end of the current reporting period, multiplied by twelve. These annualized amounts exclude rent abatements.

Definitions

Average Rental Rates

Average Rental Rates are calculated by the Company as rental revenue in accordance with GAAP, divided by the weighted average number of occupied units.

Economic Occupancy

Economic Occupancy is defined as total possible revenue less vacancy loss as a percentage of total possible revenue. Total possible revenue is determined by valuing occupied units at contract rates and vacant units at Market Rents. Vacancy loss is determined by valuing vacant units at current Market Rents. By measuring vacant units at their Market Rents, Economic Occupancy takes into account the fact that units of different sizes and locations within a residential property have different economic impacts on a residential property's total possible gross revenue.

Market Rents

Market Rents as reported by the Company are based on the current market rates set by the managers of the Company's residential properties based on their experience in renting their residential property's units and publicly available market data. Trends in market rents for a region as reported by others could vary. Market Rents for a period are based on the average Market Rents during that period and do not reflect any impact for cash concessions.

Physical Occupancy

Physical occupancy is defined as the number of occupied units divided by the total number of units, expressed as a percentage.

news



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BOSTON PROPERTIES ANNOUNCES
THIRD QUARTER 2011 RESULTS

Reports diluted FFO per share of \$1.28

Reports diluted EPS of \$0.48

BOSTON, MA, October 25, 2011 – Boston Properties, Inc. (NYSE: BXP), a real estate investment trust, reported results today for the third quarter ended September 30, 2011.

Funds from Operations (FFO) for the quarter ended September 30, 2011 were \$190.3 million, or \$1.29 per share basic and \$1.28 per share diluted. This compares to FFO for the quarter ended September 30, 2010 of \$150.8 million, or \$1.08 per share basic and \$1.07 per share diluted. The weighted average number of basic and diluted shares outstanding totaled 147,006,295 and 149,082,924, respectively, for the quarter ended September 30, 2011 and 139,594,881 and 141,653,831, respectively, for the quarter ended September 30, 2010.

Net income available to common shareholders was \$70.5 million for the quarter ended September 30, 2011, compared to \$57.7 million for the quarter ended September 30, 2010. Net income available to common shareholders per share (EPS) for the quarter ended September 30, 2011 was \$0.48 basic and \$0.48 on a diluted basis. This compares to EPS for the third quarter of 2010 of \$0.41 basic and \$0.41 on a diluted basis.

The reported results are unaudited and there can be no assurance that the results will not vary from the final information for the quarter ended September 30, 2011. In the opinion of management, all adjustments considered necessary for a fair presentation of these reported results have been made.

As of September 30, 2011, the Company's portfolio consisted of 153 properties, comprised primarily of Class A office space, one hotel, two residential properties and three retail properties, aggregating approximately 42.3 million square feet, including seven properties under construction totaling 2.9 million square feet. In addition, the Company has structured parking for vehicles containing approximately 14.8 million square feet. The overall percentage of leased space for the 143 properties in service (excluding the two residential properties and the hotel) as of September 30, 2011 was 91.3%.

Significant events during the third quarter included:

- On July 1, 2011, the Company placed in-service The Lofts at Atlantic Wharf, the residential component of its Atlantic Wharf development project located in Boston, Massachusetts. The residential component is comprised of 86 apartment units and approximately 10,000 square feet of retail space. The residential units are currently 71% leased.
- On July 1, 2011, the Company entered into lease amendments with the existing tenant at its three-building complex in Reston, Virginia, which will be redeveloped as the headquarters for the Defense Intelligence Agency. Under the agreement, the tenant will terminate early its leases for approximately 523,000 square feet at the complex and be responsible for certain payments to the Company aggregating approximately \$14.8 million, of which approximately \$7.9 million was recognized in the third quarter of 2011 and approximately \$5.1 million will be recognized in the fourth quarter of 2011, with the remaining \$1.8 million to be recognized in 2012. On July 5, 2011, the Company commenced the redevelopment of the 12310 Sunrise Valley Drive property at the complex, which is expected to be completed during the first quarter of 2012.
- On July 13, 2011, the Company completed and placed in-service the Residences on The Avenue, the residential component of its 2221 I Street, NW development project located in Washington, DC. The residential component is comprised of 335 apartment units and approximately 50,000 square feet of retail space. The residential units are currently 69% leased and the retail space is currently 100% leased.
- On July 14, 2011, the Company entered into a 15-year lease with Biogen Idec for 100% of a build-to-suit development project with approximately 190,000 net rentable square feet of Class A office space located on land owned by the Company at 17 Cambridge Center in Cambridge, Massachusetts. The Company commenced construction of the project and expects that the project will be complete and available for occupancy during the third quarter of 2013.
- On August 17, 2011, the Company completed and placed in-service its 2200 Pennsylvania Avenue development project located in Washington, DC. 2200 Pennsylvania Avenue is an approximately 457,000 net rentable square foot Class A office property. The property is currently 94% leased.
- On August 19, 2011, the Company obtained mortgage financing totaling \$725.0 million collateralized by its 601 Lexington Avenue property located in New York City. The mortgage loan bears interest at a fixed rate of 4.75% per annum and matures on April 10, 2022. Proceeds from the mortgage financing were used to repay the borrowing under the Company's Operating Partnership's Unsecured Line of Credit totaling approximately \$453.3 million, which borrowing was secured by a mortgage on the property. The additional cash proceeds were used to refinance the \$267.5 million mortgage loan collateralized by the Company's 510 Madison Avenue property located in New York City. In connection with the refinancing, the lien of the 510 Madison Avenue mortgage was spread to 601 Lexington Avenue and released from 510 Madison Avenue so that 510 Madison Avenue is no longer encumbered by any mortgage debt.

- During the three months ended September 30, 2011, the Company issued an aggregate of 431,223 shares of stock under its “at the market” (ATM) stock offering program for gross proceeds of approximately \$44.9 million and net proceeds of approximately \$44.4 million. As of September 30, 2011, approximately \$555.1 million remained available under this ATM program. This ATM stock offering program was established on June 2, 2011 and provides the Company with the ability to sell from time to time up to an aggregate of \$600.0 million of its common stock through sales agents over a three-year period.

Transactions completed subsequent to September 30, 2011:

- On October 14, 2011, a joint venture in which the Company has a 30% interest obtained construction financing totaling \$107.0 million collateralized by its 500 North Capitol Street, NW redevelopment project located in Washington DC. The construction financing bears interest at a variable rate equal to LIBOR plus 1.65% per annum and matures on October 14, 2014 with two, one-year extension options, subject to certain conditions. At closing, approximately \$33.3 million was drawn to fund the repayment of the existing mortgage loan totaling \$22.0 million and approximately \$11.3 million of previously incurred development costs.
- On October 25, 2011, a joint venture in which the Company has a 60% interest completed the sale of Two Grand Central Tower located in New York City for approximately \$401.0 million, including the assumption by the buyer of approximately \$176.6 million of mortgage indebtedness. Net cash proceeds totaled approximately \$209.8 million, of which the Company’s share was approximately \$125.9 million, after the payment of transaction costs of approximately \$14.6 million. Two Grand Central Tower is an approximately 650,000 net rentable square foot Class A office tower.

EPS and FFO per Share Guidance:

The Company's guidance for the fourth quarter 2011 and full year 2012 for EPS (diluted) and FFO per share (diluted) 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 and the earnings impact of the events referenced in this release and otherwise referenced during the conference call referred to below. In addition, the estimates for the full year 2012 when compared to the full year 2011 include, among other things, the impact of the redevelopment of Patriots Park in Reston, Virginia (which is expected to reduce 2012 FFO by approximately \$0.14 per share) and the reduction in non-cash fair value lease revenue associated with investments in unconsolidated joint ventures (which is expected to reduce 2012 FFO by approximately \$0.11 per share). The estimates do not include possible future gains or losses or the impact on operating results from other possible future property acquisitions or dispositions, other possible capital markets activity or possible future impairment charges. EPS estimates may be subject to fluctuations as a result of several factors, including changes in the recognition of depreciation and amortization expense and any gains or losses associated with disposition activity. The Company is not able to assess at this time the potential impact of these factors on projected EPS. By definition, FFO does not include real estate-related depreciation and amortization 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.

	Fourth Quarter 2011			Full Year 2012		
	<u>Low</u>	-	<u>High</u>	<u>Low</u>	-	<u>High</u>
Projected EPS (diluted)	\$0.63	-	\$0.65	\$1.43	-	\$1.63
Add:						
Projected Company Share of Real Estate Depreciation and Amortization	0.83	-	0.83	3.15	-	3.15
Less:						
Projected Company Share of Gain on Sale of Real Estate from Unconsolidated Joint Ventures	0.28	-	0.28	0.00	-	0.00
Projected FFO per Share (diluted)	<u>\$1.18</u>	-	<u>\$1.20</u>	<u>\$4.58</u>	-	<u>\$4.78</u>

Boston Properties will host a conference call on Wednesday, October 26, 2011 at 10:00 AM Eastern Time, open to the general public, to discuss the third quarter 2011 results, the fourth quarter 2011 and fiscal year 2012 projections and related assumptions, and other related matters that may be of interest to investors. The number to call for this interactive teleconference is (877) 706-4503 (Domestic) or (281) 913-8731 (International) and entering the passcode 10547103. A replay of the conference call will be available through November 9, 2011, by dialing (855) 859-2056 (Domestic) or (404) 537-3406 (International) and entering the passcode 10547103. There will also be a live audio webcast of the call which may be accessed on the Company's website at www.bostonproperties.com in the Investor Relations section. Shortly after the call a replay of the webcast will be available in the Investor Relations section of the Company's website and archived for up to twelve months following the call.

Additionally, a copy of Boston Properties' third quarter 2011 "Supplemental Operating and Financial Data" and this press release are available in the Investor Relations section of the Company's website at www.bostonproperties.com.

Boston Properties is a fully integrated, self-administered and self-managed real estate investment trust that develops, redevelops, acquires, manages, operates and owns a diverse portfolio of Class A office space, one hotel, two residential properties and three retail properties. The Company is one of the largest owners and developers of Class A office properties in the United States, concentrated in five markets – Boston, Midtown Manhattan, Washington, DC, San Francisco and Princeton, NJ.

This press release contains forward-looking statements within the meaning of the Federal securities laws. You can identify these statements by our use of the words “assumes,” “believes,” “estimates,” “expects,” “guidance,” “intends,” “plans,” “projects” and similar expressions that do not relate to historical matters. You should exercise caution in interpreting and relying on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond Boston Properties’ control and could materially affect actual results, performance or achievements. These factors include, without limitation, the Company’s ability to satisfy the closing conditions to the pending transactions described above, the ability to enter into new leases or renew leases on favorable terms, dependence on tenants’ financial condition, the uncertainties of real estate development, acquisition and disposition activity, the ability to effectively integrate acquisitions, the uncertainties of investing in new markets, the costs and availability of financing, the effectiveness of our interest rate hedging contracts, the ability of our joint venture partners to satisfy their obligations, the effects of local economic and market conditions, the effects of acquisitions, dispositions and possible impairment charges on our operating results, the impact of newly adopted accounting principles on the Company’s accounting policies and on period-to-period comparisons of financial results, regulatory changes and other risks and uncertainties detailed from time to time in the Company’s filings with the Securities and Exchange Commission. Boston Properties does not undertake a duty to update or revise any forward-looking statement, including its guidance for the fourth quarter 2011 and full fiscal year 2012, whether as a result of new information, future events or otherwise.

Financial tables follow.

BOSTON PROPERTIES, INC.
CONSOLIDATED BALANCE SHEETS

	September 30, 2011	December 31, 2010
	(in thousands, except for share amounts) (unaudited)	
<u>ASSETS</u>		
Real estate	\$ 12,031,660	\$ 10,933,977
Construction in progress	899,302	1,073,402
Land held for future development	266,834	757,556
Less: accumulated depreciation	(2,558,620)	(2,323,818)
Total real estate	10,639,176	10,441,117
Cash and cash equivalents	1,063,024	478,948
Cash held in escrows	36,759	308,031
Investments in securities	9,312	8,732
Tenant and other receivables, net of allowance for doubtful accounts of \$1,650 and \$2,081, respectively	47,554	60,813
Related party notes receivable	276,375	270,000
Interest receivable from related party notes receivable	84,782	69,005
Accrued rental income, net of allowance of \$2,356 and \$3,116, respectively	508,838	442,683
Deferred charges, net	441,700	436,019
Prepaid expenses and other assets	102,812	65,663
Investments in unconsolidated joint ventures	770,466	767,252
Total assets	<u>\$ 13,980,798</u>	<u>\$ 13,348,263</u>
<u>LIABILITIES AND EQUITY</u>		
Liabilities:		
Mortgage notes payable	\$ 3,179,034	\$ 3,047,586
Unsecured senior notes, net of discount	3,016,986	3,016,598
Unsecured exchangeable senior notes, net of discount	1,754,343	1,721,817
Unsecured line of credit	—	—
Accounts payable and accrued expenses	172,928	186,059
Dividends and distributions payable	83,584	81,031
Accrued interest payable	89,555	62,327
Other liabilities	244,555	213,000
Total liabilities	<u>8,540,985</u>	<u>8,328,418</u>
Commitments and contingencies	—	—
Noncontrolling interest:		
Redeemable preferred units of the Operating Partnership	55,652	55,652
Equity:		
Stockholders' equity attributable to Boston Properties, Inc.		
Excess stock, \$.01 par value, 150,000,000 shares authorized, none issued or 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, 147,706,147 and 140,278,005 shares issued and 147,627,247 and 140,199,105 shares outstanding in 2011 and 2010, respectively	1,476	1,402
Additional paid-in capital	4,916,440	4,417,162
Dividends in excess of earnings	(72,941)	(24,763)
Treasury common stock, at cost	(2,722)	(2,722)
Accumulated other comprehensive loss	(16,717)	(18,436)
Total stockholders' equity attributable to Boston Properties, Inc.	4,825,536	4,372,643
Noncontrolling interests:		
Common units of the Operating Partnership	559,621	592,164
Property partnerships	(996)	(614)
Total equity	<u>5,384,161</u>	<u>4,964,193</u>
Total liabilities and equity	<u>\$ 13,980,798</u>	<u>\$ 13,348,263</u>

BOSTON PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
(in thousands, except for per share amounts) (unaudited)				
Revenue				
Rental				
Base rent	\$360,595	\$310,459	\$1,048,604	\$ 918,665
Recoveries from tenants	53,899	45,646	148,669	135,530
Parking and other	21,694	15,850	61,863	47,570
Total rental revenue	436,188	371,955	1,259,136	1,101,765
Hotel revenue	8,045	8,016	22,897	22,290
Development and management services	8,180	6,439	24,706	34,267
Total revenue	452,413	386,410	1,306,739	1,158,322
Expenses				
Operating				
Rental	154,985	128,041	439,831	376,310
Hotel	6,032	6,194	18,052	17,551
General and administrative	17,340	18,067	62,052	62,537
Acquisition costs	51	1,893	136	1,893
Gain from suspension of development	—	—	—	(7,200)
Depreciation and amortization	109,495	81,133	330,003	245,608
Total expenses	287,903	235,328	850,074	696,699
Operating income	164,510	151,082	456,665	461,623
Other income (expense)				
Income from unconsolidated joint ventures	11,326	11,565	28,184	26,940
Interest and other income	1,252	1,814	4,179	5,641
Gains (losses) from investments in securities	(860)	731	(481)	253
Interest expense	(95,777)	(97,103)	(290,164)	(285,887)
Losses from early extinguishments of debt	—	—	—	(8,221)
Income from continuing operations	80,451	68,089	198,383	200,349
Gain on sale of real estate	—	—	—	2,734
Net income	80,451	68,089	198,383	203,083
Net income attributable to noncontrolling interests				
Noncontrolling interests in property partnerships	(86)	(889)	(1,118)	(2,557)
Noncontrolling interest - redeemable preferred units of the Operating Partnership	(832)	(820)	(2,497)	(2,548)
Noncontrolling interest - common units of the Operating Partnership	(8,991)	(8,712)	(23,409)	(25,841)
Noncontrolling interest in gain on sale of real estate - common units of the Operating Partnership	—	—	—	(351)
Net income attributable to Boston Properties, Inc.	<u>\$ 70,542</u>	<u>\$ 57,668</u>	<u>\$ 171,359</u>	<u>\$ 171,786</u>
Basic earnings per common share attributable to Boston Properties, Inc.:				
Net income	\$ 0.48	\$ 0.41	\$ 1.18	\$ 1.23
Weighted average number of common shares outstanding	147,006	139,595	145,006	139,215
Diluted earnings per common share attributable to Boston Properties, Inc.:				
Net income	\$ 0.48	\$ 0.41	\$ 1.18	\$ 1.23
Weighted average number of common and common equivalent shares outstanding	147,622	140,193	145,625	139,874

BOSTON PROPERTIES, INC.
FUNDS FROM OPERATIONS (1)

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
	(in thousands, except for per share amounts) (unaudited)			
Net income attributable to Boston Properties, Inc.	\$ 70,542	\$ 57,668	\$ 171,359	\$ 171,786
Add:				
Noncontrolling interest in gain on sale of real estate - common units of the Operating Partnership	—	—	—	351
Noncontrolling interest - common units of the Operating Partnership	8,991	8,712	23,409	25,841
Noncontrolling interest - redeemable preferred units of the Operating Partnership	832	820	2,497	2,548
Noncontrolling interests in property partnerships	86	889	1,118	2,557
Less:				
Gain on sale of real estate	—	—	—	2,734
Income from continuing operations	80,451	68,089	198,383	200,349
Add:				
Real estate depreciation and amortization (2)	134,777	107,300	408,376	331,973
Less:				
Noncontrolling interests in property partnerships' share of funds from operations	549	1,724	2,508	5,176
Noncontrolling interest - redeemable preferred units of the Operating Partnership	832	820	2,497	2,548
Funds from operations (FFO) attributable to the Operating Partnership	213,847	172,845	601,754	524,598
Less:				
Noncontrolling interest - common units of the Operating Partnership's share of funds from operations	23,573	21,998	70,089	67,280
Funds from operations attributable to Boston Properties, Inc.	<u>\$ 190,274</u>	<u>\$ 150,847</u>	<u>\$ 531,665</u>	<u>\$ 457,318</u>
Boston Properties, Inc.'s percentage share of funds from operations - basic	<u>88.98%</u>	<u>87.27%</u>	<u>88.35%</u>	<u>87.17%</u>
Weighted average shares outstanding - basic	<u>147,006</u>	<u>139,595</u>	<u>145,006</u>	<u>139,215</u>
FFO per share basic	<u>\$ 1.29</u>	<u>\$ 1.08</u>	<u>\$ 3.67</u>	<u>\$ 3.28</u>
Weighted average shares outstanding - diluted	<u>149,083</u>	<u>141,654</u>	<u>147,086</u>	<u>141,335</u>
FFO per share diluted	<u>\$ 1.28</u>	<u>\$ 1.07</u>	<u>\$ 3.64</u>	<u>\$ 3.26</u>

- (1) Pursuant to the revised definition of Funds from Operations adopted by the Board of Governors of the National Association of Real Estate Investment Trusts (“NAREIT”), we calculate Funds from Operations, or “FFO,” by adjusting net income (loss) attributable to Boston Properties, Inc. (computed in accordance with GAAP, including non-recurring items) for gains (or losses) from sales of properties, real estate related depreciation and amortization, and after adjustment for unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure. The use of FFO, combined with the required primary GAAP presentations, has been fundamentally beneficial in improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. Management generally considers FFO to be a useful measure for reviewing our comparative operating and financial performance because, by excluding gains and losses related to sales of previously depreciated operating real estate assets and excluding real estate asset depreciation and amortization (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help one compare the operating performance of a company’s real estate between periods or as compared to different companies.

Our computation of FFO may not be comparable to FFO reported by other REITs or real estate companies that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently.

FFO should not be considered as an alternative to net income attributable to Boston Properties, Inc. (determined in accordance with GAAP) as an indication of our performance. FFO does not represent cash generated from operating activities determined in accordance with GAAP, and is not a measure of liquidity or an indicator of our ability to make cash distributions. We believe that to further understand our performance, FFO should be compared with our reported net income attributable to Boston Properties, Inc. and considered in addition to cash flows in accordance with GAAP, as presented in our consolidated financial statements.

- (2) Real estate depreciation and amortization consists of depreciation and amortization from the Consolidated Statements of Operations of \$109,495, \$81,133, \$330,003 and \$245,608, our share of unconsolidated joint venture real estate depreciation and amortization of \$25,633, \$26,602, \$79,378 and \$87,739, less corporate-related depreciation and amortization of \$351, \$435, \$1,005 and \$1,374 for the three months and nine months ended September 30, 2011 and 2010, respectively.

BOSTON PROPERTIES, INC.
PORTFOLIO LEASING PERCENTAGES

	% Leased by Location	
	September 30, 2011	December 31, 2010
Greater Boston	88.8%	89.4%
Greater Washington, DC	95.4%	97.3%
Midtown Manhattan	96.5%	96.9%
Princeton/East Brunswick, NJ	76.5%	80.8%
Greater San Francisco	87.0%	92.9%
Total Portfolio	91.3%	93.2%

	% Leased by Type	
	September 30, 2011	December 31, 2010
Class A Office Portfolio	91.4%	93.6%
Office/Technical Portfolio	88.2%	85.5%
Total Portfolio	91.3%	93.2%