

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): January 22, 1998

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

Delaware  
(State of Incorporation)

1-13087  
(Commission File Number)

04-2473675  
(IRS Employer Id. Number)

8 Arlington Street  
Boston, Massachusetts  
(Address of principal executive offices)

02116  
(Zip Code)

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

Item 2 Acquisition or Disposition of Assets

(a) On January 22, 1998, the Company, through its Operating Partnership subsidiary, completed its acquisition of Riverfront Plaza, an approximately 900,000 net rentable square foot class A office building in Richmond, Virginia, for a total investment of approximately \$174.4 million, consisting of \$52.6 million of cash and mortgage financing in the amount of \$121.8 million.

(b) On February 2, 1998, the Company, through its Operating Partnership subsidiary, completed its acquisition of the Mulligan/Griffin Portfolio, a portfolio of nine Class A office buildings aggregating approximately 1.3 million net rentable square feet and six parcels of land aggregating 30.7 acres. These properties are located in Gaithersburg, MD, Rockville, MD, Springfield, VA, and Reston, VA. The Company acquired the Mulligan/Griffin Portfolio for approximately \$252.9 million, consisting of \$88.5 million of cash, the assumption of \$113.3 million of indebtedness, the assumption of other liabilities in the amount of \$1.1 million, and the issuance of 1,471,456 units of limited partnership of the Company's Operating Partnership subsidiary.

Item 5 Other Events

On January 30, 1998, the Company completed a public offering of 23,000,000 shares of the Company's Common Stock (including 3,000,000 shares issued pursuant to the exercise of the underwriters' overallotment options) at \$35.125 per share resulting in net proceeds to the Company of approximately \$766.5 million.

Item 7 Financial Statements and Exhibits

(a) Financial Statements under Rule 3-14 of Regulation S-X.

Previously filed.

(b) Pro Forma Financial Statements

Pro Forma Condensed Consolidated Balance Sheet as of September 30, 1997 (unaudited)

Pro Forma Condensed Consolidated Statement of Operations for the nine months ended September 30, 1997 (unaudited) and the year ended December 31, 1996 (unaudited)

(c) Exhibits

\*10.1 Contribution Agreement dated November 26, 1997 among the Operating Partnership, Boston Properties LLC and the Contributors named therein.

\* Incorporated herein by reference to the Company's Registration Statement on Form S-11 (No. 333-41449).

BOSTON PROPERTIES, INC.  
SIGNATURE

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 thereunto duly authorized.

BOSTON PROPERTIES, INC.

/s/ David G. Gaw

-----  
David G. Gaw  
Senior Vice President and  
Chief Financial Officer

Date: February 6, 1998

BOSTON PROPERTIES, INC.

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 1997  
(UNAUDITED)

The following unaudited Pro Forma Condensed Consolidated Balance Sheet of Boston Properties, Inc. (the "Company") is presented as if the following transactions had been consummated on September 30, 1997; (i) properties acquired subsequent to September 30, 1997 (the "Acquisition Properties"), and (ii) the completion of the offering as described hereafter (the "Offering"). This Pro Forma Condensed Consolidated Balance Sheet should be read in conjunction with the Pro Forma Condensed Consolidated Statement of Income of the Company for the nine months ended September 30, 1997 and the year ended December 31, 1996 and the historical consolidated and combined financial statements and notes thereto of the Company and the Boston Properties Predecessor Group (the "Predecessor Group"). In management's opinion, all adjustments necessary to reflect the above transactions have been made.

The following Pro Forma Condensed Consolidated Balance Sheet is not necessarily indicative of what the actual financial position would have been assuming the above transactions had been consummated at September 30, 1997, nor does it purport to represent the future financial position of the Company.

The Offering

On January 30, 1998, the Company completed a public offering of 23,000,000 shares of the Company's Common Stock (including 3,000,000 issued pursuant to the exercise of the underwriters' over-allotment options) at \$35.125 per share resulting in net proceeds to the Company of approximately \$766.5 million.

The Properties

The Company owns a portfolio of 92 commercial real estate properties (the "Properties") aggregating approximately 18.2 million square feet. The properties consist of 74 office properties with approximately 13.1 million net rentable square feet (including five office properties under development containing approximately 1.1 million net rentable square feet) and approximately 2.9 million additional square feet of structured parking for 8,119 vehicles, nine industrial properties with approximately 925,000 net rentable square feet, three hotels with a total of 1,054 rooms (consisting of approximately 940,000 square feet) (including one hotel currently under development), and a parking garage with 1,170 spaces (consisting of approximately 330,000 square feet). In addition, the Company has under contract or has an option to acquire six parcels of land totaling 120.0 acres, which will support approximately 2,249,100 square feet of development.

Acquisitions included in pro forma:

Property Name	Location	Net Rentable Sq. Ft.	Date of Acquisition
Newport Office Park	Quincy, MA	168,829	6/23/97
280 Park Avenue	New York, NY	1,198,769	9/11/97
100 East Pratt Street	Baltimore, MD	633,482	10/23/97
875 Third Avenue	New York, NY	681,669	11/21/97
Riverfront Plaza	Richmond, VA	899,720	1/22/98
Mulligan/Griffin Portfolio	Reston, VA Springfield, VA Rockville, MD Gaithersburg, MD	1,277,454	2/2/98

Purchase Price (dollars in thousands)

Property Name	Cash	Debt	Other	OP Units	Common Stock	Total
Newport Office Park	--	\$ 21,700	--	--	--	\$ 21,700
280 Park Avenue	\$ 102,650	220,000	--	--	--	322,650
100 East Pratt Street	137,500	--	--	--	\$ 16	137,516
875 Third Avenue	1,500	180,000	--	\$ 28,000(1)	--	209,500
Riverfront Plaza	52,561	121,800	--	--	--	174,361
Mulligan/Griffin Portfolio	88,516	113,262	1,123	50,000(2)	--	252,901

(1) The Company issued Operating Partnership Units in the amount of 890,869 for 875 Third Avenue (valued at \$31.43 per OP unit).

(2) The Company issued Operating Partnership Units in the amount of 1,471,456 for the Mulligan/Griffin Portfolio (valued at \$33.98 per unit).

BOSTON PROPERTIES, INC.

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 1997  
(UNAUDITED)  
(DOLLARS IN THOUSANDS)

	BOSTON PROPERTIES, INC.	PRO FORMA ADJUSTMENTS			PRO FORMA
		ACQUISITION PROPERTIES	OFFERING (A)	OTHER ADJUSTMENTS	
<b>ASSETS</b>					
Real estate and equipment.....	\$1,433,376	\$784,885(B)	--	--	\$2,218,261
Less: accumulated depreciation.....	(285,505)	--	--	--	(285,505)
Total real estate and equipment.....	1,147,871	784,885	--	--	1,932,756
Cash .....	25,989	(78,374)(C)	\$765,462	\$ (275,561)(C)	437,516
Escrows.....	10,673	2,631 (D)	--	--	13,304
Tenant and other receivables.....	13,170	227 (E)	--	--	13,397
Accrued rental income...	50,377	--	--	--	50,377
Deferred charges.....	34,707	--	--	--	34,707
Prepaid expenses and other assets.....	8,933	--	--	--	8,933
Investment in Joint Venture.....	3,918	--	--	--	3,918
Total assets.....	\$1,295,638	\$709,369	\$765,462	\$(275,561)	\$2,494,908
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>Liabilities:</b>					
Mortgage notes payable.....	\$ 914,614	\$425,669(F)	--	--	\$1,340,283
Unsecured Line of Credit.....	71,000	204,561(F)	--	\$(275,561)(F)	--
Accounts payable and accrued expenses.....	16,073	1,123(G)	--	--	17,196
Accrued interest payable.....	3,639	--	--	--	3,639
Rent received in advance, security deposits and other liabilities.....	13,663	--	--	--	13,663
Total liabilities.....	1,018,989	631,353	--	(275,561)	1,374,781
Minority interest in Operating Partnership..	81,168	78,000(B)	--	--	159,168
<b>Stockholders' equity:</b>					
Preferred stock, \$.01 par value, 50,000,000 shares authorized, none issued or outstanding.....	--	--	--	--	--
Common stock, \$.01 par value, 250,000,000 shares authorized, 38,693,541 issued and outstanding (historical) and 61,694,041 shares issued and outstanding (pro forma).....	387	--	\$ 230	--	617
Additional paid in capital.....	172,315	16(B)	765,232	--	937,563
Retained earnings.....	22,779	--	--	--	22,779
Total stockholders' equity.....	195,481	16	765,462	--	960,959
Total liabilities and stockholders' equity..	\$1,295,638	\$709,369	\$765,462	\$(275,561)	\$2,494,908

The accompanying notes are an integral part of the pro forma condensed consolidated balance sheet.

BOSTON PROPERTIES, INC.

NOTES TO THE  
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTES TO THE PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 1997:

(A) Represents the net proceeds obtained from the issuance of 23.0 million common shares (including 3.0 million shares issued pursuant to the exercise of the underwriters' overallotment options) in the Offering as follows:

Gross proceeds from the Offering.....	\$807,875
Underwriters' discount and other offering expenses.....	(42,413)
	-----
Net cash proceeds.....	765,462
Par value of common shares(/1/ ).....	(230)
	-----
	\$765,232
	=====

(/1/) Represents the issuance of 23.0 million (\$.01 par value per share) common shares in the Offering at an offering price of \$35.125 per share.

(B) Represents the purchase price, including closing costs, of the 1997 Acquired Properties as follows:

ACQUISITION PROPERTIES	PURCHASE PRICE
-----	-----
100 East Pratt Street (/1/ ).....	\$137,516
875 Third Avenue (/2/ ).....	215,118
Riverfront Plaza (/3/ ).....	174,361
Mulligan/Griffin Portfolio(/4/ ).....	257,890
	-----
Total Acquisition Properties.....	\$784,885
	=====

- (/1/) The acquisition of 100 East Pratt Street was funded by a draw-down of \$137,500 from the Unsecured Line of Credit and the issuance of 500 shares of common stock (valued at approximately \$16, based on a value of \$32.00 per share).
- (/2/) The acquisition of 875 Third Avenue was funded by the assumption of the fair value of mortgage debt in the amount of \$185,618, payment of \$1,500 in cash and the issuance of 890,869 Operating Partnership Units (the "OP Units"). To the extent that, for the ten trading days through and including December 31, 1998 the average daily closing price on the New York Stock Exchange of shares of common stock is less than \$31.43 per share (such average, the "Share Average"), the Operating Partnership shall issue to the contributor of 875 Third Avenue a number of additional OP Units (the "Additional OP Units") such that the product of (x) the Share Average, multiplied by (y) the sum of 890,869 plus the Additional OP Units, equals \$28,000. Consequently, for accounting purposes, the OP Units were valued at approximately \$28,000, based on a value of \$31.43 per unit.
- (/3/) The acquisition of Riverfront Plaza was funded through a draw-down from the unsecured line of credit of \$52,561 in cash and mortgage acquisition financing of \$121,800.
- (/4/) The acquisition of the Mulligan/Griffin Portfolio was funded through the payment of \$74,016 in cash, a draw-down of \$14,500 from the Unsecured Line of Credit, the assumption of the fair value of mortgage debt in the amount of \$118,251, the assumption of other liabilities in the amount of \$1,123 and the issuance of \$50,000 in restricted OP Units based on a price per unit of approximately \$33.98.

(C) Represents the cash transactions as follows:

Net proceeds of the Offering described in Note (A) .....	\$ 765,462
Proceeds and working capital used for the Acquisition Properties.....	(78,374)
Paydown of Unsecured Line of Credit with proceeds from the Offering.....	(275,561)
	-----
Net increase in cash.....	\$ 411,527
	=====

(D) Net increase reflects the following:

Required escrow deposit for the debt assumed on the acquisition of 875 Third Avenue.....	\$ 2,631
	=====



BOSTON PROPERTIES, INC.

NOTES TO THE PRO FORMA CONDENSED  
CONSOLIDATED BALANCE SHEET--(CONTINUED)

(DOLLARS IN THOUSANDS)

(E) Reflects a tenant note receivable purchased in connection with the acquisition of Riverfront Plaza.

(F) Represents the debt transactions as follows:

MORTGAGE NOTES PAYABLE

Debt assumed in connection with the acquisition of 875 Third Avenue.....	\$185,618
Seller financing in connection with the acquisition of Riverfront Plaza.....	121,800
Debt assumed in connection with the acquisition of the Mulligan/Griffin Portfolio.....	118,251
	-----
Net increase in mortgage indebtedness.....	\$425,669
	=====

UNSECURED LINE OF CREDIT

Draw-down from the Unsecured Line of Credit in connection with the acquisition of 100 East Pratt Street.....	\$ 137,500
Draw-down from the Unsecured Line of Credit in connection with the acquisition of Riverfront Plaza.....	52,561
Draw-down from the Unsecured Line of Credit in connection with two properties in the Mulligan/Griffin Portfolio.....	14,500
Paydown of the Unsecured Line of Credit from proceeds of the Offering, net .....	(275,561)
	-----
Net decrease in Unsecured Line of Credit.....	\$ (71,000)
	=====

(G) Reflects other liabilities assumed in connection with the acquisition of the Mulligan/Griffin Portfolio.

BOSTON PROPERTIES, INC.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997 AND FOR THE YEAR ENDED DECEMBER  
31, 1996  
(UNAUDITED)

The following unaudited Pro Forma Condensed Consolidated Statement of Income for the nine months ended September 30, 1997 and for the year ended December 31, 1996 is presented as if the following transactions had occurred on January 1, 1996; (i) the consummation of the initial public offering (the "Initial Offering") and related Formation Transactions, and the Offering (ii) the acquisition of the property acquired concurrent with the Initial Offering (the "Initial Offering Acquisition Property"), (iii) the acquisition of properties acquired subsequent to the Initial Offering (the "Acquisition Properties"), and (iv) the closing of the mortgage financing.

The Development and Management Company has been included in the pro forma financial information under the equity method of accounting due to the Operating Partnership's ownership of a noncontrolling, 1% voting interest.

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

The unaudited Pro Forma Condensed Consolidated Statement of Income is not necessarily indicative of what the actual results of operations would have been for the nine months ended September 30, 1997, or for the year ended December 31, 1996, had the previously described transactions actually occurred on January 1, 1996 and the effect thereof carried forward through the nine month period ended September 30, 1997, nor do they purport to present the future results of operations of the Company.

BOSTON PROPERTIES, INC.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997  
(UNAUDITED)  
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	BOSTON PROPERTIES, INC. JUNE 23, 1997 TO SEPTEMBER 30, 1997	BOSTON PROPERTIES PREDECESSOR GROUP JANUARY 1, 1997 TO JUNE 22, 1997	PRO FORMA ADJUSTMENTS			
			FORMATION TRANSACTIONS (A)	INITIAL OFFERING ACQUISITION PROPERTY (B)	PROPERTIES ACQUISITION (C)	OTHER ADJUSTMENTS
Revenue:						
Rental:						
Base rent.....	\$57,892	\$80,122	\$ 9,396	\$1,498	\$87,663	--
Recoveries from tenants.....	6,144	10,283	--	101	13,698	--
Parking and other.....	217	3,397	(1,061)	--	729	--
Total rental revenue.....	64,253	93,802	8,335	1,599	102,090	--
Hotel.....	--	31,185	(31,185)	--	--	--
Development and management services.....	2,221	3,685	(452)	--	--	--
Interest and other.....	1,879	1,146	(352)	--	--	\$(1,200) (D)
Total revenue...	68,353	129,818	(23,654)	1,599	102,090	(1,200)
Expenses:						
Rental:						
Operating.....	8,828	13,650	(353)	437	20,607	--
Real estate taxes.....	9,065	13,382	1,345	172	15,476	--
Hotel:						
Operating.....	--	20,938	(20,938)	--	--	--
Real estate tax- es.....	--	1,514	(1,514)	--	--	--
General and administrative...	3,164	5,116	391	--	--	725 (E)
Interest.....	16,091	53,324	(28,151)	--	17,657	16,455 (F)
Depreciation and amortization....	10,113	17,054	124	210 (G)	15,479	--
Total expenses..	47,261	124,978	(49,096)	819	69,219	17,180
Income before minority interests	21,092	4,840	25,442	780	32,871	(18,380)
Minority interest in property partnership.....	(69)	(235)	--	--	--	--
Income before minority interest in Operating Partnership .....	21,023	4,605	25,442	780	32,871	(18,380)
Minority interest in Operating Partnership.....	(6,169)	--	--	--	--	(9,089) (H)
Income before extraordinary item.....	\$14,854	\$ 4,605	\$ 25,442	\$ 780	\$32,871	\$(27,469)
Income before ex- traordinary item per common share..	\$ .38					
Weighted average number of common shares outstand- ing.....	38,694					

PRO  
FORMA

Revenue:

Rental:	
Base rent.....	\$236,571
Recoveries from tenants.....	30,226
Parking and other.....	3,282
	-----
Total rental revenue.....	270,079
Hotel.....	--
Development and management services.....	5,454
Interest and other.....	1,473
	-----
Total revenue...	277,006
	-----
Expenses:	
Rental:	
Operating.....	43,169
Real estate taxes.....	39,440
Hotel:	
Operating.....	--
Real estate taxes.....	--
General and administrative...	9,396
Interest.....	75,376
Depreciation and amortization.....	42,980
	-----
Total expenses..	210,361
	-----
Income before minority interests .....	66,645
Minority interest in property partnership.....	(304)
	-----
Income before minority interest in Operating Partnership .....	66,341
Minority interest in Operating Partnership.....	(15,258)
	-----
Income before extraordinary item.....	\$ 51,083
	=====
Income before extraordinary item per common share..	\$ .83
	=====
Weighted average number of common shares outstanding.....	61,694
	=====

The accompanying notes are an integral part of the pro forma condensed consolidated statement of income.

BOSTON PROPERTIES, INC.

NOTES TO THE  
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME

(DOLLARS IN THOUSANDS)

NOTES TO THE PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997

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

PRO FORMA ADJUSTMENTS	RENT HOTELS AND GARAGE	PARKING INCOME	HOTEL REVENUE	MGMT FEES	INTEREST AND OTHER	PROPERTY OPERATING EXPENSES	PROPERTY REAL ESTATE TAXES	HOTEL OPERATING EXPENSES	HOTEL REAL ESTATE TAXES	GENERAL & ADMIN	INTEREST EXPENSE
(1) Assignment of contracts.....				\$(452)						\$(430)	
(2) Equity investment income.....					\$21						
(3) Operation of hotels and garage.....		\$(1,061)	\$(31,185)			\$(353)	\$1,345	\$(20,938)	\$(1,514)		
(4) Rental of hotels and garage.....	\$9,396										
(5) General and administrative..										821	
(6) Amortization of deferred financing costs.....											\$ (189)
(7) Release of restricted cash.....					(373)						
(8) Depreciation expense.....											
(9) Mortgage interest.....											(27,962)
Pro Forma Formation Transactions adjustment summary total...	\$9,396	\$(1,061)	\$(31,185)	\$(452)	\$(352)	\$(353)	\$1,345	\$(20,938)	\$(1,514)	\$ 391	\$(28,151)

PRO FORMA ADJUSTMENTS DEPRECIATION EXPENSE

(1) Assignment of contracts.....	
(2) Equity investment income.....	
(3) Operation of hotels and garage.....	
(4) Rental of hotels and garage.....	
(5) General and administrative..	
(6) Amortization of deferred financing costs.....	
(7) Release of restricted cash.....	
(8) Depreciation expense.....	\$124
(9) Mortgage interest.....	
Pro Forma Formation Transactions adjustment summary total...	\$124

(1) In connection with the Formation Transactions, certain third-party management contracts were assigned to the Development and Management

Company. As a result of the assignment, operating income, expenses and overhead attributable to the contracts were reflected in the operations of the Development and Management Company as detailed below:

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

- (2) The Operating Partnership holds a 95% economic interest in the Development and Management Company and records an equity interest of \$21 on the \$22 net income.
- (3) In connection with the Formation Transactions, the Operating Partnership entered into participating leases for the operation of the hotels and parking garage. As a result of these agreements, revenue and expenses will not be reflected from the operation of these businesses.
- (4) Represents rental income from the leasing of the hotels and parking garage owned by the Operating Partnership. The hotel lease arrangements are with an affiliate.
- (5) Reflects an increase of \$821 in general and administrative expenses as a result of operating as a public company.
- (6) Reflects the net increase of \$290 in the amortization of deferred financing costs for the \$1,800 fee and related professional costs on the Unsecured Line of Credit, less a net reduction of \$479 in amortization of deferred financing costs related to debt paid off with the Initial Offering proceeds.

BOSTON PROPERTIES, INC.

NOTES TO THE PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME--(CONTINUED)

(DOLLARS IN THOUSANDS)

- (7) Reflects the decrease in interest income as a result of the release of cash previously required to be held in escrow per the terms of the various mortgage note payable agreements.
- (8) Reflects the increase in depreciation from depreciating over 40 years the pro forma increase to real estate from the purchase of limited partners' interests and transfer costs paid.
- (9) Reflects the repayment of a portion of the existing mortgage indebtedness from proceeds of the Initial Offering for the Predecessor Period:

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

- B. Reflects the results of operations, as adjusted for depreciation, of the Newport Office Park, acquired concurrent with the Initial Offering, for the period from January 1, 1997 to June 22, 1997 (the acquisition date).

BOSTON PROPERTIES, INC.

NOTES TO THE PRO FORMA CONDENSED  
CONSOLIDATED STATEMENT OF INCOME--(CONTINUED)

(DOLLARS IN THOUSANDS)

C. Reflects the historical results of operations, as adjusted for base rent and depreciation, for the Acquisition Properties for the nine months ended September 30, 1997 as follows:

ACQUISITION PROPERTIES

	280 PARK AVENUE(1)	100 EAST PRATT STREET	875 THIRD AVENUE	RIVERFRONT PLAZA	MULLIGAN/ GRIFFIN PORTFOLIO	TOTAL
Revenue:						
Base rent.....	\$17,012	\$10,924	\$18,646	\$13,023	\$19,523	\$79,128
Adjustment(2).....	7,437	397	24	389	288	8,535
Total base rent.....	24,449	11,321	18,670	13,412	19,811	87,663
Recoveries from tenants.....	1,707	2,133	3,799	2,017	4,042	13,698
Other.....	80	267	--	382	--	729
Total rental revenue.....	26,236	13,721	22,469	15,811	23,853	102,090
Expenses:						
Operating.....	7,772	3,453	3,355	2,761	3,266 (4)	20,607
Real estate taxes.....	6,677	1,541	4,831	1,219	1,208	15,476
Interest.....	--	--	11,138 (3)	--	6,519 (5)	17,657
Depreciation(Note G).....	3,355	1,934	2,420	2,288	5,482	15,479
Total expenses.....	17,804	6,928	21,744	6,268	16,475	69,219
Net income.....	\$ 8,432	\$ 6,793	\$ 725	\$ 9,543	\$ 7,378	\$32,871

(1) Reflects the results of operations for the period from January 1, 1997 through September 11, 1997 (the acquisition date).

(2) Represents an adjustment to straight-line rent based on the pro forma acquisition date of January 1, 1996 and also includes an adjustment for rental income from Banker's Trust during the period they occupied 280 Park Avenue as owner/occupant of the building (the rental figure is based upon the lease entered into by Banker's Trust concurrent with the sale of the building to the Company on September 11, 1997).

(3) Includes an adjustment of (\$675) to reflect effective interest on the fair value of mortgage debt assumed.

(4) Includes an adjustment of \$300 to reflect the Company's estimate of additional property level operating expenses.

(5) Includes an adjustment of (\$1,323) to reflect effective interest on the fair value of mortgage debt assumed.

BOSTON PROPERTIES, INC.

NOTES TO THE PRO FORMA CONDENSED  
CONSOLIDATED STATEMENT OF INCOME--(CONTINUED)

(DOLLARS IN THOUSANDS)

D. Reflects the reduction in interest income as a result of cash used for the acquisition of 280 Park Avenue.

E. Reflects the incremental increase in general and administrative costs related to the Acquisition Properties.

F. Reflects the net increase in interest as a result of the following debt transactions:

Payoff of the Unsecured Line of Credit with proceeds from the Offering for the period subsequent to the Initial Offering, net of amounts capitalized.....	\$ (411)
Mortgage acquisition financing of 280 Park Avenue in the original principal amount of \$220 million computed at an interest rate of 7.00% for the period January 1, 1997 to September 11, 1997 (date of acquisition).....	10,675
Amortization of deferred financing fees for the period from January 1, 1997 to September 11, 1997 (date of acquisition) as a result of approximately \$1.1 million of fees associated with the mortgage financing of 280 Park Avenue. The deferred financing fees are amortized over the five year term of the loan .....	153
Mortgage acquisition financing of Riverfront Plaza in the principal amount of \$121,800 computed at an interest rate of 6.61% .....	6,038
	-----
Increase in interest expense for the period subsequent to the Initial Offering.....	\$16,455
	=====

G. Detail of pro forma depreciation expense is presented below for the Initial Offering Acquisition Property and the Acquisition Properties:

PROPERTY(IES)	PURCHASE PRICE	PRO FORMA DEPRECIATION(1)
-----	-----	-----
INITIAL OFFERING ACQUISITION PROPERTY		
Newport Office Park(2).....	\$ 21,700	\$ 210
		=====
ACQUISITION PROPERTIES		
280 Park Avenue(2).....	\$322,650	\$ 3,355
100 East Pratt Street.....	137,516	1,934
875 Third Avenue.....	215,118	2,420
Riverfront Plaza.....	174,361	2,288
Mulligan/Griffin Portfolio.....	257,890	5,482
		-----
		\$15,479
		=====

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

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

H. Adjustment to minority interest to reflect the minority investors interest in the Operating Partnership following the Offering and issuance of OP Units and common shares.

BOSTON PROPERTIES, INC.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 1996  
(UNAUDITED)  
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	BOSTON PROPERTIES PREDECESSOR GROUP	PRO FORMA ADJUSTMENTS				PRO FORMA
		FORMATION	INITIAL	ACQUISITION	OTHER	
		TRANSACTIONS	OFFERING	PROPERTY	ADJUSTMENTS	
	(A)	(B)	(C)			
Revenue:						
Rental:						
Base rent.....	\$169,420	\$22,371	\$2,908	\$108,969	--	\$303,668
Recoveries from tenants.....	22,607	--	180	19,795	--	42,582
Parking and other.....	2,979	(2,043)	--	848	--	1,784
	-----	-----	-----	-----	-----	-----
Total rental revenue..	195,006	20,328	3,088	129,612	--	348,034
Hotel.....	65,678	(65,678)	--	--	--	--
Development and management services....	5,719	(936)	--	--	--	4,783
Interest and other.....	3,530	(705)	--	--	--	2,825
	-----	-----	-----	-----	-----	-----
Total revenue.....	269,933	(46,991)	3,088	129,612	--	355,642
Expenses:						
Rental:						
Operating.....	29,823	(713)	879	27,274	--	57,263
Real estate taxes.....	28,372	2,754	347	21,421	--	52,894
Hotel:						
Operating.....	43,634	(43,634)	--	--	--	--
Real estate taxes.....	3,100	(3,100)	--	--	--	--
General and administrative.....	10,754	834	--	--	\$ 950(D)	12,538
Interest.....	109,394	(54,398)	--	23,571	23,671(E)	102,238
Depreciation and amortization.....	36,199	257	434	21,005(F)	--	57,895
	-----	-----	-----	-----	-----	-----
Total expenses.....	261,276	(98,000)	1,660	93,271	24,621	282,828
Income before minority interests .....						
	8,657	51,009	1,428	36,341	(24,621)	72,814
Minority interest in property partnership....						
	(384)	--	--	--	--	(384)
Income before minority interest in Operating Partnership .....						
	8,273	51,009	1,428	36,341	(24,621)	72,430
Minority interest in Operating Partnership...						
	--	--	--	--	(16,659)(G)	(16,659)
	-----	-----	-----	-----	-----	-----
Net income.....	\$ 8,273	\$51,009	\$1,428	\$36,341	\$(41,280)	\$ 55,771
	=====	=====	=====	=====	=====	=====
Net income per common share.....						
						\$ .90
						=====
Weighted average number of common shares outstanding.....						
						61,694
						=====

The accompanying notes are an integral part of the pro forma condensed consolidated statement of income.

BOSTON PROPERTIES, INC.

NOTES TO THE PRO FORMA CONDENSED  
CONSOLIDATED STATEMENT OF INCOME

(DOLLARS IN THOUSANDS)

NOTES TO THE PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR  
ENDED DECEMBER 31, 1996

A. Reflects the pro forma Formation Transactions adjustment summary for the  
year ended December 31, 1996

PRO FORMA ADJUSTMENTS	RENT HOTELS AND GARAGE	PARKING INCOME	HOTEL REVENUE	MGMT FEES	INTEREST AND OTHER	PROPERTY OPERATING EXPENSES	PROPERTY REAL ESTATE TAXES	HOTEL OPERATING EXPENSES	HOTEL REAL ESTATE TAXES	GENERAL & ADMIN	INTEREST EXPENSE
(1) Assignment of contracts.....				\$(936)						\$ (866)	
(2)Equity investment income.....					\$66						
(3)Operation of hotels and garage.....		\$(2,043)	\$(65,678)			\$(713)	\$2,754	\$(43,634)	\$(3,100)		
(4)Rental of hotels and garage.....	\$22,371										
(5)General and administrative..										1,700	
(6)Amortization of deferred financing costs.....											\$ (731)
(7)Release of restricted cash.....					(771)						
(8)Depreciation expense.....											
(9)Mortgage interest.....											(53,667)
Pro forma formation transactions adjustment summary total...	\$22,371	\$(2,043)	\$(65,678)	\$(936)	\$(705)	\$(713)	\$2,754	\$(43,634)	\$(3,100)	\$ 834	\$(54,398)
PRO FORMA ADJUSTMENTS	DEPREC- IATION EXPENSE										
(1) Assignment of contracts.....											
(2)Equity investment income.....											
(3)Operation of hotels and garage.....											
(4)Rental of hotels and garage.....											
(5)General and administrative..											
(6)Amortization of deferred financing costs.....											
(7)Release of restricted cash.....											
(8)Depreciation expense.....	\$257										
(9)Mortgage interest.....											
Pro forma formation transactions adjustment summary total...	\$257										

(1) In connection with the Formation Transactions, certain third-party management contracts are assigned to the Development and Management Company. As a result of the assignment, current operating income,

expenses and overhead attributable to the contracts are reflected in the operations of the Development and Management Company as detailed below:

Management services.....	\$936
General and administrative expenses.....	(866)
	-----
Manager contract income.....	\$ 70
	=====

- (2) The Operating Partnership holds a 95% economic interest in the Development and Management Company and records an equity interest of \$66 on the \$70 net income.
- (3) In connection with the Formation Transactions, the Operating Partnership entered into participating leases for the operation of the hotels and parking garage. As a result of these agreements, revenue and expenses are not reflected from the operation of these businesses.
- (4) Represents rental income from the leasing of the hotels and parking garage owned by the Operating Partnership. The hotel lease arrangements are with an affiliate.
- (5) Reflects an increase of \$1,700 in general and administrative expenses as a result of operating as a public company.
- (6) Reflects the net increase of \$600 in the amortization of deferred financing costs for the \$1,800 fee and related professional costs on the Unsecured Line of Credit, less a net reduction of \$1,331 in amortization of deferred financing costs related to debt paid off with the Initial Offering proceeds.
- (7) Reflects the decrease in interest income as a result of the release of cash previously required to be held in escrow per the terms of the various mortgage note payable agreements.
- (8) Reflects the increase in depreciation from depreciating over 40 years the pro forma increase to real estate from the purchase of limited partners' interests and transfer costs paid.

BOSTON PROPERTIES, INC.

NOTES TO THE PRO FORMA CONDENSED  
CONSOLIDATED STATEMENT OF INCOME--(CONTINUED)

(DOLLARS IN THOUSANDS)

- (9) Reflects the repayment of a portion of the existing mortgage indebtedness from proceeds of the Initial Offering and the corresponding adjustment to interest expense incurred in 1996.

PROPERTY(IES)	PRINCIPAL AMOUNT	INTEREST RATE	INTEREST
599 Lexington Avenue.....	\$225,000	7.00%	\$ 15,750(1)
Two Independence Square.....	122,855	7.90%	9,813
One Independence Square.....	78,700	7.90%	6,276
2300 N Street.....	66,000	7.00%	4,620(1)
Capital Gallery.....	60,751	8.24%	5,761
Ten Cambridge Center.....	25,000	7.57%	1,924
191 Spring Street.....	23,942	8.50%	1,697
Bedford Business Park.....	23,500	8.50%	1,998(1)
10 & 20 Burlington Mall Road.....	16,621	8.33%	1,385
Cambridge Center North Garage.....	15,000	7.57%	1,183
91 Hartwell Avenue.....	11,322	8.33%	943
92 & 100 Hayden Avenue.....	9,057	8.33%	754
Montvale Center.....	7,992	8.59%	474
Newport Office Park.....	6,874	8.13%	558
Hilltop Business Center.....	4,817	7.00%	318
Pro forma totals.....			53,454
Historical interest expense for the year ended December 31, 1996.....			(107,121)
Pro forma interest expense adjustment..			\$ (53,667)

- (1) The interest expense used in this calculation assumes the mortgage loan was outstanding during all of 1996.

B. Reflects the historical results of operations, as adjusted for depreciation, for Newport Office Park, acquired concurrent with the Initial Offering for the year ended December 31, 1996.

C. Reflects the historical results of operations, as adjusted for base rent and depreciation, for the Acquisition Properties for the year ended December 31, 1996 as follows:

ACQUISITION PROPERTIES

	280 PARK AVENUE	100 EAST PRATT STREET	875 THIRD AVENUE	RIVERFRONT PLAZA	MULLIGAN/GRIFFIN PORTFOLIO	TOTAL
Revenue:						
Base rent.....	\$16,786	\$14,046	\$25,255	\$15,898	\$25,548	\$ 97,533
Adjustment(1).....	9,991	528	31	522	364	11,436
Total base rent.....	26,777	14,574	25,286	16,420	25,912	108,969
Recoveries from ten- ants.....	2,600	2,966	5,813	2,976	5,440	19,795
Other.....	59	353	--	436	--	848
Total rental revenue.....	29,436	17,893	31,099	19,832	31,352	129,612
Expenses:						
Operating.....	10,169	4,333	4,249	3,865	4,658(3)	27,274
Real estate taxes.....	9,908	2,054	6,365	1,638	1,456	21,421
Interest.....	--	--	14,850(2)	--	8,721(4)	23,571
Depreciation(Note F)..	4,840	2,578	3,227	3,051	7,309	21,005
Total expenses.....	24,917	8,965	28,691	8,554	22,144	93,271
Net income.....	\$ 4,519	\$ 8,928	\$ 2,408	\$11,278	\$ 9,208	\$ 36,341

- (1) Represents an adjustment to straight-line rent based on the pro forma acquisition date of January 1, 1996 and also includes an adjustment for rental income from Banker's Trust during the period they occupied 280 Park Avenue as owner/occupant of the building (the rental figure is based upon the lease entered into by Banker's Trust concurrent with the sale of the building to the Company on September 11, 1997).

- (2) Includes an adjustment of (\$900) to reflect effective interest on the fair value of mortgage debt assumed.



BOSTON PROPERTIES, INC.

NOTES TO THE PRO FORMA CONDENSED  
CONSOLIDATED STATEMENT OF INCOME--(CONTINUED)

(DOLLARS IN THOUSANDS)

- (3) Includes an adjustment of \$400 to reflect the Company's estimate of additional property level operating expenses.  
(4) Includes an adjustment of (\$2,364) to reflect effective interest on the fair value of the mortgage debt assumed.

D. Reflects the incremental increase in general and administrative costs related to the Acquisition Properties.

E. Reflects the net increase in interest expense as a result of the following debt transactions:

Acquisition mortgage financing of 280 Park Avenue in the original principal amount of \$220 million computed at an interest rate of 7.00% for the year ended December 31, 1996.....	\$15,400
Amortization of deferred financing fees as a result of approximately \$1.1 million of fees associated with the mortgage financing of 280 Park Avenue. The deferred financing fees are amortized over the five year term of the loan .....	220
Mortgage acquisition financing of Riverfront Plaza in the principal amount of \$121,800 computed at an interest rate of 6.61%.....	8,051
	-----
Increase in interest expense.....	\$23,671
	=====

F. Detail of pro forma depreciation expense is presented below for the Initial Offering Acquisition Property and the Acquisition Properties:

PROPERTY(IES)	PURCHASE PRICE	PRO FORMA DEPRECIATION(1)
-----	-----	-----
INITIAL OFFERING ACQUISITION PROPERTY		
Newport Office Park.....	\$ 21,700	\$ 434
		=====
ACQUISITION PROPERTIES		
280 Park Avenue.....	\$322,650	\$ 4,840
100 East Pratt Street.....	137,516	2,578
875 Third Avenue.....	215,118	3,227
Riverfront Plaza.....	174,361	3,051
Mulligan/Griffin Portfolio.....	257,890	7,309
		-----
		\$21,005
		=====

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

G. Adjustment to minority interest to reflect the minority investors interest in the Operating Partnership following the Offering and issuance of OP Units and common shares.