

Boston Properties, Inc. Announces Suspension of Construction on 250 West 55th Street in New York City

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BOSTON--(BUSINESS WIRE)-- **Boston Properties, Inc. (NYSE: BXP)**, a real estate investment trust, announced today that it intends to suspend construction on its new development at 250 West 55th Street in New York City as a result of its inability to conclude a lease transaction with a major law firm with which it has been negotiating over the last year. Agreement on financial terms had been reached with the firm within the last year, but recently the law firm informed the Company that it could not proceed on those terms thereby rendering the project economically infeasible in today's environment.

The project, a one million square foot office building, was originally scheduled for completion in 2011. Construction of foundations is well underway at the site and the Company intends to complete them to facilitate a restart of construction when it deems it propitious to do so.

As a result of the decision to suspend construction, the Company expects to reduce its capital commitments through 2011 by approximately \$450 million. In addition, the Company is currently evaluating the impact of the suspension of construction on its guidance for earnings per share and Funds From Operations for fiscal 2009, and the Company intends to publish updated guidance for fiscal 2009 as soon as practicable. Among other items, the Company is evaluating the expected impact on capitalized interest and capitalized wages, write-offs of leasing commissions and other possible charges.

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 properties and one hotel. 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, D.C., San Francisco and Princeton, N.J.

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 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 costs and availability of financing, the effectiveness of our interest rate hedging programs, 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 first quarter and full fiscal year 2009, whether as a result of new information, future events or otherwise.

Source: Boston Properties, Inc.

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