Boston Properties Completes the Sale of a 45% Ownership Interest in Times Square Tower

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BOSTON--(BUSINESS WIRE)--Oct. 9, 2013-- **Boston Properties, Inc. (NYSE: BXP)**, a real estate investment trust, announced that it has completed the previously announced sale of a 45% ownership interest in Times Square Tower for a gross purchase price of $684 million in cash. In connection with the sale, Boston Properties formed a joint venture with an affiliate of Norges Bank. In addition to retaining a 55% interest in the venture, Boston Properties will provide customary property management and leasing services for the venture. The property is unencumbered by debt. Boston Properties currently expects that it would distribute at least the amount of proceeds necessary to avoid paying a corporate level tax on the gain realized from the sale.

Times Square Tower is a 1,246,000 square foot, Class A office tower, including associated retail space and signage, located in the heart of Times Square in New York City. It was developed by Boston Properties and completed in 2004, and it is currently 99% leased. The property is subject to a ground lease with The City of New York with 76 years remaining, and it benefits from a Payment In Lieu of Taxes (PILOT) program through June 2024. The joint venture will hold the contractual right to purchase the fee interest in the property beginning in July 2024.

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, three residential properties and four retail properties. Boston Properties is one of the largest owners and developers of Class A office properties in the United States, concentrated in five markets – Boston, New York, Princeton, San Francisco and Washington, DC.

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 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, national and international economic and market conditions (including the impact of the European sovereign debt issues), the effects of acquisitions, dispositions and possible impairment charges on our operating results, the impact of newly adopted accounting principles on the Boston Properties' accounting policies and on period-to-period comparisons of financial results, regulatory changes and other risks and uncertainties detailed from time to time in Boston Properties' 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.

Source: Boston Properties, Inc.

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