



Boston Properties Signs Binding Agreement To Acquire Two Development Sites In New York City's Times Square

January 21, 1999

NEW YORK, NY, January 21, 1999 -- Boston Properties (NYSE: BXP), a self-managed and self-advised real estate investment trust (REIT), announced today that it has signed a binding agreement to acquire, between now and January 2001, the leasehold interest in the remaining two development sites in New York City's Times Square. The sites are part of the 42nd Street Development Project, a redevelopment project initiated in 1984 by the State and City of New York. Along with the leasehold interests, Boston Properties will acquire the rights to receive ground rent credits on the sites. The leasehold interests and credits will be acquired from Prudential Insurance Company of America ("Prudential") for a total purchase price of \$312.25 million. Prudential will also retain the right to become a 33.33% equity participant in the development ventures by contributing, upon an election to participate, its proportionate share of the total project equity.

Boston Properties President and CEO Edward H. Linde said, "We are delighted to be moving forward on the acquisition of two of the most sought-after development sites in New York City, allowing us to satisfy the demand for office space in a very tight Midtown market."

The Managing Director of the Prudential Realty Group, Brian P. Murphy, commented, "This is a terrific transaction for Prudential, Boston Properties and the State and City of New York. We are very excited about the future of Times Square at the 'Crossroads of the World.'"

The two development sites are the last to be sold of the four original sites included in Prudential's Times Square Development Project, begun more than 12 years ago. The sites are located in the heart of Times Square directly across from one another on the south side of 42nd Street. Site One is the full block between Broadway and Seventh Avenue. Site Four is at the corner of 42nd Street and Seventh Avenue. Boston Properties will be the principal owner and developer of two office towers on the sites consisting in the aggregate of more than 2.0 million square feet. Total development costs, including the acquisition of both sites, will be in excess of \$1.0 billion. Construction may begin late this year.

Boston Properties, Inc. 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 office, industrial and hotel properties predominantly located in Greater Boston, Midtown Manhattan, Greater Washington, D.C., San Francisco, California, Princeton/East Brunswick, New Jersey, Richmond, Virginia and Baltimore, Maryland. The Company is one of the largest owners and developers of office properties in the United States.

To receive Boston Properties' latest news and corporate developments via fax at no cost, please call 1-800-PRO-INFO; use company code BXP. Visit the Company's web site at <http://www.bostonproperties.com>. Also see <http://www.frbinc.com>.

This press release contains forward-looking statements within the meaning of the Federal securities laws. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy. Acquisitions that are pursued by Boston Properties may not be consummated for a variety of reasons, including a failure of the Company or other parties to an agreement to fulfill all conditions to closing required by the Company or such parties. Information contained in this release regarding current and future market conditions is based on the Company's assessment of the market and is subject to the uncertainties inherent in such an assessment. In particular, national and regional economic conditions and the rate of new construction and rehabilitation in a market will affect projected rents and the cost of lease renewals.

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