



Boston Properties, Inc. Completes Acquisition Of Embarcadero Center In San Francisco, California

February 11, 1999

BOSTON, MA, February 11, 1999 -- Boston Properties, Inc. (NYSE: BXP), a self-managed and self-advised real estate investment trust (REIT), announced today that it has completed the second phase of a two-phase acquisition of Embarcadero Center in San Francisco, California, from The Prudential Insurance Company of America ("Prudential") and David Rockefeller & Associates ("Rockefeller"). Situated on 8.4 acres of waterfront property in the heart of the city's financial district, Embarcadero Center is a six-building portfolio of Class A space, consisting of an aggregate of 3.66 million square feet of net rentable office space, 354,000 square feet of retail space and 2,090 underground parking spaces. It is believed to be the largest mixed-use business complex in the western United States.

In the initial phase of the acquisition, which closed November 12, 1998, the Company acquired both Prudential's and Rockefeller's entire interest in the Old Federal Reserve Building and Embarcadero Center West Tower and Rockefeller's entire equity interest in Embarcadero Centers 1, 2, 3 and 4 (EC 1-4). In the second phase of the transaction, which closed February 10, 1999, Boston Properties acquired Prudential's interest in EC 1-4.

The Company acquired the entire Embarcadero Center portfolio for approximately \$1.233 billion, which was financed as follows: (1) the incurrence of \$730 million of secured financing having a weighted average maturity of approximately 8.85 years and a weighted average fixed interest rate of approximately 6.63%; (2) the incurrence of approximately \$92 million of unsecured financing under the Company's line of credit; (3) the issuance of Preferred Units of the Company's Operating Partnership having an aggregate liquidation preference of approximately \$311 million, and (4) from a separate transaction, the use of the proceeds from the sale of \$100 million of the Company's preferred stock to Prudential.

Boston Properties Chairman Mortimer B. Zuckerman commented, "Embarcadero Center offers exceptional long-term opportunity for us, having added this irreplaceable asset to our portfolio at a price significantly below replacement cost. We are delighted to have both Rockefeller and Prudential as major shareholders in the Company."

David Twardock, Senior Managing Director of Prudential, said, "This transaction epitomizes the way in which Prudential will invest in real estate. For more than 25 years, the Embarcadero Center partnership with Rockefeller has been one of our most successful ventures. We look forward to a similarly rewarding relationship through our investment in Boston Properties."

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.

AT THE COMPANY:

Edward H. Linde - President, CEO & Director
David G. Gaw - SVP & CFO
(617) 859-2600

AT THE FINANCIAL RELATIONS BOARD:

Marianne Stewart - General Info. (212) 661-8030
Claire Koeneman - Analyst (312) 266-7800
Judith Sylk-Siegel - Media (212) 661-8030