



Boston Properties to Acquire 399 Park Avenue from Citibank, NA

August 29, 2002

NEW YORK, Aug 29, 2002 /PRNewswire-FirstCall via COMTEX/ -- Boston Properties, Inc. (NYSE: BXP), a real estate investment trust, and Citibank, N.A. announced today that they have signed a contract for Boston Properties to acquire 399 Park Avenue from Citibank. The acquisition is expected to close before the end of September, 2002.

399 Park Avenue is a 1.68 million square foot building that occupies the entire block from Park Avenue to Lexington Avenue between 53rd and 54th Streets in Midtown Manhattan. The building serves as the corporate headquarters of Citigroup (NYSE: C), which occupies approximately 40% of the building. The building also includes Lehman Brothers, Bingham McCutchen, Arnold & Porter, Wilmer Cutler & Pickering, and JP Morgan Chase among its roster of blue chip tenants. The building is fully leased, and more than 75% percent of the space in the building is leased for terms in excess of ten years. The purchase price is \$1.06 billion.

We believe this transaction represents a terrific opportunity and value for our company," said Sanford I. Weill, Chairman and Chief Executive Officer of Citigroup. "While we continue to be a significant owner of real estate in New York, we are delighted to be deepening our relationship with Boston Properties, an excellent company and property manager."

Mr. Weill noted that Citigroup will recognize a total pre-tax gain of approximately \$830 million from the sale, with approximately \$530 million pre-tax recognized immediately upon sale and the remainder recognized over the term of Citigroup's lease agreements.

Boston Properties currently owns five major office properties in Midtown Manhattan: Citigroup Center, 599 Lexington Avenue, 280 Park Avenue, 875 Third Avenue and Five Times Square. In addition, Boston Properties has Times Square Tower currently under construction in Times Square.

Mort Zuckerman, Chairman of Boston Properties, said, "The acquisition of 399 Park Avenue complements our core strategy of acquiring and building the finest properties in the markets in which we operate. It provides an extraordinary combination of return in relation to risk and an outstanding long-term real estate value. This building represents everything we seek in an acquisition. It should enhance our short term and long term profitability. We are also delighted to have Citigroup's world headquarters as part of our portfolio and look forward to continuing our strong relationship with Citigroup as one of our premier tenants."

Boston Properties will host a conference call and audio web cast, both open to the general public on Tuesday, September 3, 2002 at 10:00AM (Eastern Time) to discuss the transaction.

The conference call can be accessed by dialing 800-452-1315 (Domestic) and 706-634-7372 (International), no passcode is required. The replay will be available through September 10, 2002 by dialing 800-642-1687 (Domestic) and 706-645-9291 (International) / passcode 5496448. The Company will web cast the call at www.streetevents.com, and a link to the web cast will be available on the Company's own site at www.bostonproperties.com in the investor section. A replay of the web cast will be available for 10 days on both web sites.

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, industrial and hotel properties. The Company is one of the largest owners and developers of Class A office properties in the United States, concentrated in four core markets: Boston, Washington DC, Midtown Manhattan and San Francisco. Visit the Company's web site at <http://www.bostonproperties.com>.

Citigroup, the preeminent global financial services company with some 200 million customer accounts in more than 100 countries, provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, insurance, securities brokerage, and asset management. Major brand names under Citigroup's trademark red umbrella include Citibank, CitiFinancial, Primerica, Salomon Smith Barney, Banamex, and Travelers Life and Annuity. Additional information may be found at www.citigroup.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 to reach agreement with the selling party regarding the acquisition price or other terms of a contribution or acquisition agreement. Agreements that the Company enters into may be terminated for a variety of reasons, including a failure by the Company or the other party to fulfill all conditions required for consummation of the agreements. Accordingly, Boston Properties can give no assurances that the transaction contemplated by this release will be consummated on the terms described or at all.

SOURCE Boston Properties, Inc.

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