

Boston Properties Agrees to Acquire the General Motors Building and Three Other Midtown Assets from Macklowe Properties

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BOSTON, May 24 /PRNewswire-FirstCall/ -- Boston Properties, Inc. (NYSE: BXP), a real estate investment trust, announced today that it has entered into agreements with entities affiliated with Macklowe Properties to acquire the General Motors Building and a portfolio of other assets located in New York City consisting of 540 Madison Avenue, 125 West 55th Street and Two Grand Central Tower for an aggregate purchase price of approximately \$3.949 billion. The purchase price consists of approximately \$1.4655 billion of cash, the issuance to one of the selling entities of \$10 million of common units of limited partnership interest in Boston Properties Limited Partnership and the assumption of approximately \$2.4735 billion of fixed rate debt.

The debt that is expected to be assumed as part of the transactions consists of the following:

General Motors Building

* an aggregate principal amount of \$1.9 billion of secured and mezzanine loans having a weighted average interest rate of 5.97% per annum, all of which mature in September 2017; the Company intends to acquire the lenders' interest in a portion of the mezzanine loans having an aggregate principal amount of \$294 million

540 Madison Avenue

* two secured loans having an aggregate principal amount of \$120 million and a weighted average interest rate of 5.28% per annum, each of which matures in July 2013

125 West 55th Street

* an aggregate principal amount of \$263.5 million of secured and mezzanine loans having a weighted average interest rate of 6.31% per annum, all of which mature in March 2010

Two Grand Central Tower

* a \$190 million secured loan having a per annum interest rate of 5.10%, which matures in July 2010

The Company expects to consummate the acquisitions through one or more joint ventures with financial partners. The identity of the partners and the specific terms and conditions of the joint venture arrangements have not been finalized, but the Company expects that it will ultimately own an economic interest of up to approximately 49% in the venture(s) and provide customary property management and leasing services.

The closing of the acquisitions is expected to occur in multiple steps, with the acquisition of the General Motors Building expected to close in June 2008 and the acquisition of the remaining assets occurring thereafter. The Company has posted a deposit in the form of a letter of credit in the amount of \$165 million. The closing of the acquisitions is subject to customary conditions and termination rights for transactions of this type. There can be no assurance that the closings will occur on the terms currently contemplated or at all.

The General Motors Building is an approximately 2,000,000 rentable square foot office building located at the corner of 5th Avenue and Central Park South in New York City. 540 Madison Avenue is a 39-story building located at Madison Avenue at 55th Street that contains approximately 292,000 rentable square feet. 125 West 55th Street is a 23-story building, spanning from 55th to 56th Streets between Avenue of the Americas and Seventh Avenue, that contains approximately 591,000 rentable square feet. Two Grand Central Tower is a 44-story mid-block tower that runs from 44th to 45th Street between Lexington and Third Avenue and contains approximately 664,000 rentable square feet.

Goldman Sachs and Morgan Stanley are acting as financial advisors to Boston Properties and the investors in these transactions, and Lehman Brothers and Deutsche Bank are also advising Boston Properties. Proskauer Rose LLP and Goodwin Procter LLP are rendering legal and tax advice to Boston Properties.

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 "expects," "plans," "estimates," "projects," "intends," "believes" 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 obtain commitments from joint venture partners on satisfactory terms, the ability to enter into new leases or renew leases on favorable terms, dependence on tenants' financial condition, the uncertainties of real estate development and acquisition activity, the ability to effectively integrate acquisitions, the costs and availability of financing, the effects of local economic and market conditions, 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 whether as a result of new information, future events or otherwise.

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 consisting primarily 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 select markets - Boston, Midtown Manhattan, Washington, D.C., San Francisco, and Princeton, N.J. Visit the Company's web site a <http://www.bostonproperties.com> .

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