

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):  
JANUARY 26, 1999

BOSTON PROPERTIES, INC.  
(Exact name of Registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation)	1-13087 (Commission File Number)	04-2473675 (I.R.S. employer Identification No.)
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8 ARLINGTON STREET  
BOSTON, MASSACHUSETTS 02116  
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code:  
(617) 859-2600

ITEM 5. OTHER EVENTS

Following the issuance of a press release on January 26, 1999, announcing the Company's results for the fourth quarter ended December 31, 1998, the Company intends to provide, to certain investors and analysts at their request, supplemental information regarding the Company's operations that is too voluminous for a press release. The Company is attaching this supplementary operating and financial data as Exhibit 99.1 and the press release as Exhibit 99.2 to this Current Report on Form 8-K.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits

EXHIBIT NO.

- - - - -

- 99.1 The Boston Properties, Inc. Supplemental Operating and Financial Data for the quarter ended December 31, 1998.
- 99.2 The Boston Properties, Inc. press release dated January 26, 1999 for the quarter and year ended December 31, 1998.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 27, 1999

BOSTON PROPERTIES, INC.

By: /s/ DAVID G. GAW

-----  
David G. Gaw  
Chief Financial Officer

BOSTON PROPERTIES, INC.  
Supplemental Operating and Financial Data for  
the Quarter Ended December 31, 1998

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

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BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

COMPANY BACKGROUND

Boston Properties Inc., is a self-administered and self-managed real estate investment trust that develops, acquires, owns, and manages a diverse portfolio of office, industrial, and hotel properties predominantly located in greater Boston, greater Washington, DC, midtown Manhattan, greater San Francisco, Baltimore, Maryland, Richmond, Virginia, and Princeton/East Brunswick, New Jersey. The Company is one of the largest owners and developers of office properties in the United States.

On June 23, 1997, Boston Properties successfully completed its initial public offering. The offering and the underwriters over-allotment option closed on the same date resulting in 36,110,000 shares being sold at \$25.00 per share for a total offering of \$902,750,000. On January 30, 1998, the Company closed a follow-on offering of 23,000,000 shares (including the underwriters' over-allotment) at \$35.125 per share for a total offering of \$807,875,000.

Through its predecessor company founded by Mortimer B. Zuckerman and Edward H. Linde in 1970, the Company grew through the seventies, eighties, and nineties by developing and redeveloping Class A office properties, R&D and industrial properties, and hotels in its primary markets of greater Boston, greater Washington, DC, and midtown Manhattan.

Since the Company's Initial Offering in June 1997, the Company has acquired 39 properties adding approximately 14.1 million square feet to its portfolio, representing an investment of approximately \$3.6 billion. In addition, the Company is developing eight Class A Office Buildings and one 221 room hotel for a total anticipated investment of approximately \$222.3 million. The Company owns or controls land where it can develop an additional 9.1 million square feet.

Boston Properties is a full-service real estate company with substantial in-house expertise and resources in acquisitions, development, financing, construction management, property management, marketing, leasing, accounting, and legal services.

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

INVESTOR INFORMATION

-----  
8 Arlington Street  
Boston, MA 02116  
(617) 859-2600  
(617) 536-5087 (fax)

Mortimer B. Zuckerman	Chairman of the Board
Edward H. Linde	President, Chief Executive Officer and Director
Robert E. Burke	Executive Vice President, Operations
David G. Gaw	Senior Vice President, Chief Financial Officer

TIMING

-----  
QUARTERLY RESULTS WILL BE ANNOUNCED ACCORDING TO THE FOLLOWING  
ANTICIPATED SCHEDULE:

FIRST QUARTER	EARLY MAY
SECOND QUARTER	EARLY AUGUST
THIRD QUARTER	EARLY NOVEMBER
YEAR END	LATE JANUARY

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

COMMON STOCK DATA (NYSE: BXP)

BOSTON PROPERTIES' COMMON STOCK IS TRADED PRIMARILY ON THE NEW YORK STOCK EXCHANGE UNDER THE SYMBOL: BXP. BXP'S COMMON STOCK HAS HAD THE FOLLOWING CHARACTERISTICS:

	4TH QUARTER 1998	4TH QUARTER 1997
HIGH PRICE	\$ 32.5000	\$ 34.3750
LOW PRICE	\$ 26.6250	\$ 30.0000
CLOSING PRICE	\$ 30.5000	\$ 33.0625
DIVIDENDS PER SHARE - ANNUALIZED	\$ 1.70	\$ 1.62
CLOSING DIVIDEND YIELD - ANNUALIZED	5.57%	4.90%
CLOSING SHARES, COMMON UNITS AND PREFERRED UNITS (IF CONVERTED) OUTSTANDING (THOUSANDS)	97,780	55,651
CLOSING MARKET VALUE OF SHARES AND UNITS OUTSTANDING (THOUSANDS)	\$ 2,982,290	\$ 1,893,989

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

FINANCIAL HIGHLIGHTS  
(UNAUDITED AND IN THOUSANDS)

THREE MONTHS ENDED

	ACTUAL 31-DEC-98	ACTUAL 31-DEC-97	% CHANGE
<b>INCOME ITEMS:</b>			
Revenues	\$ 170,026	\$ 77,288	119.99%
Net Income (1)	\$ 27,271	\$ 12,372	120.43%
Funds from Operations	\$ 59,711	\$ 29,017	105.78%
Company's share (76.79% and 70.66%)	\$ 43,607	\$ 20,355	114.23%
Funds from Operations per share - basic	\$ 0.69	\$ 0.53	30.48%
Funds from Operations per share - diluted	\$ 0.68	\$ 0.52	30.76%
Dividends per share	\$ 0.425	\$ 0.405	4.94%
<b>RATIOS:</b>			
Interest Coverage Ratio (2)	2.41	2.37	1.78%
Dividend Payout Ratio	62.51%	77.88%	-19.74%

(1) Net income is before net extraordinary items

(2) FFO plus interest (excluding amortization)/interest (excluding amortization)

	DECEMBER 31, 1998	DECEMBER 31, 1997	% CHANGE
<b>CAPITALIZATION:</b>			
Total Debt	\$ 3,088,724	\$ 1,332,253	131.84%
Total Shares Outstanding @ Quarter End	63,528	38,694	64.18%
Total Units Outstanding @ Quarter End	23,798	16,957	40.34%
Total Preferred Units Outstanding @ Quarter End (if converted)	10,454	-	-
Price @ Quarter End	\$ 30.50	\$ 33.0625	-7.75%
Equity Value @ Quarter End	\$ 2,982,294	\$ 1,839,961	62.08%
Total Market Capitalization	\$ 6,071,018	\$ 3,172,214	91.38%
Debt/Total Market Capitalization	50.88%	42.00%	21.14%

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

CONSOLIDATED BALANCE SHEETS  
(UNAUDITED AND IN THOUSANDS)

	DECEMBER 31, 1998	DECEMBER 31, 1997
	-----	-----
<b>ASSETS</b>		
-----		
Real Estate and equipment	\$ 4,755,436	\$ 1,778,973
Land and development in progress	191,436	17,527
Less accumulated depreciation	(357,384)	(294,218)
	-----	-----
Total real estate and equipment	4,559,809	1,502,282
Cash	12,166	17,560
Escrows	19,014	14,178
Notes receivable	420,143	-
Tenant and other receivables	40,830	24,458
Accrued rental income	64,251	55,190
Deferred charges, net	46,029	35,485
Prepaid expenses and other assets	26,058	20,225
Investment in joint ventures	46,787	3,143
	-----	-----
<b>TOTAL ASSETS</b>	<b>\$ 5,235,087</b>	<b>\$ 1,672,521</b>
	-----	-----
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
-----		
<b>Liabilities:</b>		
Mortgage notes payable	\$ 2,653,581	\$ 1,099,253
Notes payable	420,143	-
Unsecured line of credit	15,000	233,000
Accounts payable and accrued expenses	33,638	23,822
Dividends payable	40,494	22,539
Accrued interest payable	7,307	6,581
Other liabilities	37,209	11,642
	-----	-----
Total liabilities	3,207,372	1,396,837
	-----	-----
Commitments and contingencies	-	-
	-----	-----
Minority interests	1,105,864	100,636
	-----	-----
<b>Stockholders' Equity:</b>		
Excess stock, \$.01 par value, 150,000,000 shares authorized, none issued or outstanding	-	-
Preferred stock, \$.01 par value, 50,000,000 shares authorized, none issued or outstanding	-	-
Common stock, \$.01 par value, 250,000,000 shares authorized, 63,527,552 and 38,694,041 issued and outstanding, respectively	635	387
Additional paid-in capital	929,081	172,347
Earnings in excess of dividends	(7,865)	2,314
	-----	-----
Total stockholders' equity	921,851	175,048
	-----	-----
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 5,235,087</b>	<b>\$ 1,672,521</b>
	-----	-----

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

CONSOLIDATED INCOME STATEMENTS  
(UNAUDITED AND IN THOUSANDS)

	THREE MONTHS ENDED		
	ACTUAL 31-DEC-98 -----	ACTUAL 31-DEC-97 -----	% CHANGE -----
Revenue:			
Rental income	\$162,060	\$ 75,388	114.97%
Development and management services	3,517	1,591	121.06%
Interest and other	4,449	309	1339.81%
Total revenue	170,026	77,288	119.99%
Operating Expenses:			
Rental expenses	53,303	22,201	140.09%
General and administrative	5,753	3,525	63.21%
Interest	42,934	22,214	93.27%
Depreciation and amortization	24,205	11,565	109.30%
Total expenses	126,195	59,505	112.07%
Income before minority interests	43,831	17,783	146.48%
Minority interest in property partnerships	(2,163)	(146)	1381.51%
Income before minority interest in Operating Partnership	41,668	17,637	136.25%
Minority interest in Operating Partnership	(14,397)	(5,265)	173.45%
Net income before extraordinary items	27,271	12,372	120.43%
Net extraordinary loss on early debt extinguishments, net of minority interest	(9,045)	-	-
Net income	\$ 18,226	\$ 12,372	47.32%
INCOME PER SHARE OF COMMON STOCK			
Net income before extraordinary item	\$ 0.43	\$ 0.32	34.26%
Net income	\$ 0.29	\$ 0.32	-10.34%

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

FUNDS FROM OPERATIONS  
(IN THOUSANDS, EXCEPT FOR PER SHARE AMOUNTS)  
(UNAUDITED)

	THREE MONTHS ENDED		
	ACTUAL 31-DEC-98 -----	ACTUAL 31-DEC-97 -----	% CHANGE -----
Income from operations before minority interests	\$ 43,831	\$ 17,783	146.48%
Add:			
Real estate depreciation and amortization	23,930	11,395	110.00%
Less:			
Minority property partnership's share of funds from operations	(3,725)	(161)	2213.66%
Preferred allocation	(4,325)	-	-
Funds from Operations	\$ 59,711	\$ 29,017	105.78%
Company's share (1)	\$ 43,607	\$ 20,355	114.23%
Funds from Operations per share - basic	\$ 0.69	\$ 0.53	30.48%
Weighted average shares outstanding - basic	63,528	38,694	64.18%
Funds from Operations per share - diluted	\$ 0.68	\$ 0.52	30.76%
Weighted average shares outstanding - diluted	68,432	39,108	74.98%

(1) Based on weighted average shares for the quarter. Company's share for the quarter ended 12/31/98 was 73.03% and 70.15% for the quarter ended 12/31/97.

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

FINANCIAL RATIOS

THREE MONTHS ENDED  
DECEMBER 31, 1998  
-----

RATIOS COMPUTED FOR INDUSTRY COMPARISONS: (1)

OPERATIONAL RATIOS (2)

Debt Service Coverage Ratio (Funds from Operations ("FFO")+Interest/Interest+Principal)	2.20
Interest Coverage Ratio (Funds from Operations+Interest/Interest)	2.41
Return on Shareholder's Equity (Funds from Operations/Average Equity (book value) ) (%)	24.74%
Return on Real Estate Investments (Funds from Operations+Interest/Average Real Estate Investments (book value)) (%)	10.54%
FFO Payout Ratio (Dividends Declared/Funds from Operations) (%)	62.50%

(1) All coverage and return ratios computed based on FFO before minority interest in earnings of the Operating Partnership and the minority interest share of FFO add-backs.

(2) FFO is calculated based on the NAREIT White Paper

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

CAPITAL STRUCTURE

DEBT  
(IN THOUSANDS)

AGGREGATE PRINCIPAL  
DECEMBER 31, 1998

Mortgage Loans	\$ 2,653,581
Notes Payable	420,143
Unsecured Line of Credit	15,000
Total Debt	\$ 3,088,724

EQUITY  
(IN THOUSANDS)

	SHARES & UNITS OUTSTANDING	COMMON STOCK EQUIVALENTS	\$ VALUE EQUIVALENT (1)
Common Stock	63,528	63,528	\$ 1,937,598
Operating Partnership Units	23,798	23,798	725,839
Preferred Operating Partnership Units	8,754	10,454	318,856
Total Equity		97,780	\$ 2,982,294
Total Market Capitalization			\$ 6,071,018

(1) Value based on December 31, 1998 closing price of \$30.50.

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

DEBT ANALYSIS

Long-Term Debt Maturities and Principal Payments  
(in thousands)

YEAR	1999	2000	2001	2002	2003	THEREAFTER	TOTAL
	----	----	----	----	----	-----	----
Amount	\$ 26,940	233,075	146,059	385,394	206,853	2,090,403	\$ 3,088,724

UNSECURED LINE OF CREDIT - DUE JUNE 23, 2000  
(in thousands)

FACILITY	OUTSTANDING @ 12/31/98	REMAINING CAPACITY
-----	-----	-----
\$ 500,000	15,000	\$ 485,000

UNSECURED AND SECURED DEBT ANALYSIS

	% OF DEBT	WEIGHTED AVERAGE RATE	WEIGHTED AVERAGE MATURITY
	-----	-----	-----
Unsecured Debt	14.09%	5.79%	1.7 years
Secured Debt	85.91%	7.04%	6.5 years
	-----	-----	-----
Total Debt	100.00%	6.87%	5.6 years
	-----	-----	-----

FLOATING AND FIXED RATE DEBT ANALYSIS

	% OF DEBT	WEIGHTED AVERAGE RATE	WEIGHTED AVERAGE MATURITY
	-----	-----	-----
Floating Rate Debt	14.46%	5.81%	0.2 years
Fixed Rate Debt	85.54%	7.05%	6.6 years
	-----	-----	-----
Total Debt	100.00%	6.87%	5.6 years
	-----	-----	-----

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

PORTFOLIO OVERVIEW

Rentable Square Feet of In-Service Properties by Location and Type of Property

GEOGRAPHIC AREA -----	OFFICE * -----	R&D -----	INDUSTRIAL -----	TOTAL -----	% OF TOTAL -----
Greater Boston	5,008,699	545,206	247,318	5,801,223	26.17%
Greater Washington, D.C.	4,161,795	1,383,442	236,743	5,781,980	26.08%
Greater San Francisco	3,701,118	144,479	281,000	4,126,597	18.61%
Midtown Manhattan	2,880,508	-	-	2,880,508	12.99%
Princeton/East Brunswick, NJ	1,366,360	-	-	1,366,360	6.16%
Baltimore, MD	1,152,436	-	-	1,152,436	5.19%
Richmond, VA	899,720	-	-	899,720	4.06%
Bucks County, PA	-	-	161,000	161,000	0.73%
Total	19,170,636	2,073,127	926,061	22,169,824	100.00%
% of Total	86.48%	9.35%	4.18%	100.00%	

\* Includes retail square footage.

HOTEL PROPERTIES

HOTEL PROPERTIES -----	NUMBER OF ROOMS -----	SQUARE FEET -----
Long Wharf Marriott	402	420,000
Cambridge Center Marriott	431	330,400
Total Hotel Properties	833	750,400

GARAGE PROPERTY AND STRUCTURED PARKING

GARAGE PROPERTIES -----	NUMBER OF SPACES -----	SQUARE FEET -----
Cambridge Center North Garage	1,170	332,442
STRUCTURED PARKING	15,997	5,802,711
TOTAL GARAGE PROPERTY AND STRUCTURED PARKING	17,167	6,135,153

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

PORTFOLIO OVERVIEW

PERCENTAGE OF PROPERTY FUNDS FROM OPERATIONS\* FOR IN-SERVICE PROPERTIES BY  
LOCATION  
and Type of Property for Quarter Ended December 31, 1998

GEOGRAPHIC AREA	OFFICE (1)	R&D	INDUSTRIAL	HOTEL	GARAGE	TOTAL
Greater Boston	21.5% (2)	1.0%	0.3%	5.3%	0.3%	28.4%
Greater Washington, D.C.	24.7%	3.6%	0.2%	n/a	n/a	28.5%
Greater San Francisco	6.8% (3)	0.3%	0.2%	n/a	n/a	7.3%
Midtown Manhattan	21.2%	n/a	n/a	n/a	n/a	21.2%
Baltimore	5.0%	n/a	n/a	n/a	n/a	5.0%
Richmond	3.8%	n/a	n/a	n/a	n/a	3.8%
Princeton/East Brunswick, NJ	5.7%	n/a	n/a	n/a	n/a	5.7%
Bucks County, PA	n/a	n/a	0.1%	n/a	n/a	0.1%
Total	88.7%	4.9%	0.8%	5.3%	0.3%	100.0%

(1) Includes Retail Center FFO (Prudential Center Boston and Embarcadero Center).

(2) Includes Reservoir Place since its acquisition on November 3, 1998.

(3) Includes Embarcadero Center since phase 1 of the acquisition on November 12, 1998.

\* For this table, Property Funds from Operations is equal to GAAP basis property NOI which includes the effect of straight-line rent and excludes any deduction for interest expense.

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

OCCUPANCY ANALYSIS

SAME PROPERTY OCCUPANCY - BY LOCATION

LOCATION -----	31-DEC-98 -----	31-DEC-97 -----
Greater Boston, MA	95.1%	98.3%
Greater Washington, D.C.	98.0%	97.2%
Midtown Manhattan, NY	99.9%	99.7%
Baltimore, MD	n/a	n/a
Princeton/East Brunswick, NJ	n/a	n/a
Richmond, VA	n/a	n/a
Greater San Francisco, CA	95.0%	98.4%
Bucks County, PA	100.0%	100.0%
	-----	-----
Total Portfolio	97.5%	98.0%
	-----	-----

SAME PROPERTY - BY TYPE OF PROPERTY

	31-DEC-98 -----	31-DEC-97 -----
Total Office Portfolio	98.1%	99.0%
Total R&D Portfolio	99.8%	96.9%
Total Industrial Portfolio	89.3%	93.4%
	-----	-----
Total Portfolio	97.5%	98.0%
	-----	-----

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

IN-SERVICE OFFICE PROPERTIES

LEASE EXPIRATIONS

YEAR OF LEASE EXPIRATION	ANNUALIZED CURRENT RENTABLE SQUARE FOOTAGE SUBJECT TO EXPIRING LEASES	REVENUES UNDER EXPIRING LEASES (IN THOUSANDS)	PERCENTAGE OF TOTAL ANNUALIZED CURRENT REVENUES REPRESENTED BY EXPIRING LEASES
1999	1,372,073	37,469,294	6.15%
2000	1,406,569	39,803,309	6.54%
2001	2,264,138	64,950,377	10.67%
2002	2,247,533	101,767,905	16.71%
2003	1,739,987	52,615,550	8.64%
2004	1,900,942	50,633,360	8.32%
2005	1,316,652	33,646,533	5.53%
2006	2,303,485	77,823,860	12.78%
2007	1,684,849	53,126,078	8.73%
Thereafter	2,707,074	97,054,930	15.94%

OCCUPANCY BY LOCATION

	31-DEC-98	31-DEC-97
Greater Boston, MA	96.9%	98.5%
Greater Washington, D.C.	99.8%	99.2%
Midtown Manhattan, NY	99.9%	95.2%
Baltimore, MD	99.8%	98.0%
Richmond, VA	98.8%	n/a
Princeton/East Brunswick, NJ	98.7%	n/a
Greater San Francisco, CA	98.9%	n/a
Bucks County, PA	n/a	n/a
Total Office Portfolio	98.8%	97.6%

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

IN-SERVICE R&D PROPERTIES

LEASE EXPIRATIONS

YEAR OF LEASE EXPIRATION	ANNUALIZED CURRENT RENTABLE SQUARE FOOTAGE SUBJECT TO EXPIRING LEASES	REVENUES UNDER EXPIRING LEASES (IN THOUSANDS)	PERCENTAGE OF TOTAL ANNUALIZED CURRENT REVENUES REPRESENTED BY EXPIRING LEASES
1999	220,556	2,444,286	8.89%
2000	403,559	3,631,373	13.20%
2001	264,891	2,081,579	7.57%
2002	266,460	4,620,591	16.80%
2003	94,495	1,180,220	4.29%
2004	47,641	704,767	2.56%
2005	148,330	1,847,469	6.72%
2006	150,000	1,622,501	5.90%
2007	107,895	2,294,165	8.34%
Thereafter	345,209	7,080,818	25.74%

OCCUPANCY BY LOCATION

	31-DEC-98	31-DEC-97
Greater Boston, MA	100.0%	100.0%
Greater Washington, D.C.	99.0%	95.8%
Midtown Manhattan, NY	n/a	n/a
Baltimore, MD	n/a	n/a
Richmond, VA	n/a	n/a
Princeton/East Brunswick, NJ	n/a	n/a
Greater San Francisco, CA	99.0%	95.2%
Bucks County, PA	n/a	n/a
Total R&D Portfolio	99.2%	97.3%

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

IN-SERVICE INDUSTRIAL PROPERTIES

LEASE EXPIRATIONS

YEAR OF LEASE EXPIRATION	ANNUALIZED CURRENT RENTABLE SQUARE FOOTAGE SUBJECT TO EXPIRING LEASES	REVENUES UNDER EXPIRING LEASES (IN THOUSANDS)	PERCENTAGE OF TOTAL ANNUALIZED CURRENT REVENUES REPRESENTED BY EXPIRING LEASES
1999	147,512	1,473,292	27.69%
2000	249,280	1,469,129	27.61%
2001	70,829	357,093	6.71%
2002	-	-	0.00%
2003	143,105	975,445	18.33%
2004	195,076	935,485	17.58%
2005	20,500	110,151	2.07%
2006	-	-	0.00%
2007	-	-	0.00%
Thereafter	-	-	0.00%

OCCUPANCY BY LOCATION

	31-DEC-98	31-DEC-97
Greater Boston, MA	93.0%	93.0%
Greater Washington, D.C.	73.9%	81.4%
Midtown Manhattan, NY	n/a	n/a
Baltimore, MD	n/a	n/a
Richmond, VA	n/a	n/a
Princeton/East Brunswick, NJ	n/a	n/a
Greater San Francisco, CA	92.9%	100.0%
Bucks County, PA	100.0%	100.0%
Total Industrial Portfolio	89.3%	93.4%

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

GRAND TOTAL OF ALL  
IN-SERVICE PROPERTIES

LEASE EXPIRATION

YEAR OF LEASE EXPIRATION	ANNUALIZED CURRENT RENTABLE SQUARE FOOTAGE SUBJECT TO EXPIRING LEASES	REVENUES UNDER EXPIRING LEASES (IN THOUSANDS)	PERCENTAGE OF TOTAL ANNUALIZED CURRENT REVENUES REPRESENTED BY EXPIRING LEASES
1999	1,740,141	41,386,872	6.45%
2000	2,059,408	44,903,811	7.00%
2001	2,599,858	67,389,049	10.50%
2002	2,513,993	106,388,496	16.58%
2003	1,977,587	54,771,215	8.54%
2004	2,143,659	52,273,612	8.15%
2005	1,485,482	35,604,153	5.55%
2006	2,453,485	79,446,361	12.38%
2007	1,792,744	55,420,243	8.64%
Thereafter	3,052,283	104,135,748	16.23%

OCCUPANCY BY LOCATION

	31-DEC-98	31-DEC-97
Greater Boston, MA	97.0%	98.3%
Greater Washington, D.C.	98.5%	97.3%
Midtown Manhattan, NY	99.9%	95.2%
Baltimore, MD	99.8%	98.0%
Richmond, VA	98.8%	n/a
Princeton/East Brunswick, NJ	98.7%	n/a
Greater San Francisco, CA	98.5%	98.4%
Bucks County, PA	100.0%	100.0%
Total Portfolio	98.4%	97.2%

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

SAME PROPERTY PERFORMANCE  
Hotel Properties

LONG WHARF MARRIOTT - BOSTON

	1/1/98- 12/31/98 -----	1/1/97- 12/31/97 -----	PERCENT CHANGE -----	10/1/98 12/31/98 -----	10/1/97 12/31/97 -----	PERCENT CHANGE -----
Occupancy	87.5%	87.1%	0.46%	82.6%	84.3%	-2.02%
Average Daily Rate	\$ 226.46	\$ 218.23	3.77%	\$ 218.90	\$ 230.09	-4.86%
REVPAR	\$ 198.15	\$ 190.08	4.25%	\$ 180.81	\$ 193.97	-6.78%

CAMBRIDGE CENTER MARRIOTT

	1/1/98- 12/31/98 -----	1/1/97- 12/31/97 -----	PERCENT CHANGE -----	10/1/98 12/31/98 -----	10/1/97 12/31/97 -----	PERCENT CHANGE -----
Occupancy	83.6%	85.3%	-1.99%	76.0%	74.8%	1.60%
Average Daily Rate	\$ 181.15	\$ 163.77	10.61%	\$ 179.32	\$ 170.32	5.28%
REVPAR	\$ 151.44	\$ 139.70	8.40%	\$ 136.28	\$ 127.34	7.02%

TOTAL HOTEL PERFORMANCE

	1/1/98- 12/31/98 -----	1/1/97- 12/31/97 -----	PERCENT CHANGE -----	10/1/98 12/31/98 -----	10/1/97 12/31/97 -----	PERCENT CHANGE -----
Occupancy	85.5%	86.2%	-0.81%	79.2%	79.4%	-0.25%
Average Daily Rate	\$ 203.02	\$ 190.05	6.82%	\$ 198.42	\$ 199.16	-0.37%
REVPAR	\$ 173.98	\$ 164.01	6.08%	\$ 157.77	\$ 159.50	-1.08%

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

SAME PROPERTY PERFORMANCE  
OFFICE, R&D, INDUSTRIAL AND HOTEL PROPERTIES

	OFFICE	R&D	INDUSTRIAL	HOTEL	TOTAL
	-----	-----	-----	-----	-----
Number of Properties	33	23	9	2	67
Square feet	5,641,474	1,323,693	926,061	750,400	8,641,628
Percent of in-service properties	29.4%	63.9%	100.0%	100.0%	
Occupancy @ 12/31/97	99.0%	96.9%	93.4%		98.0%
Occupancy @ 12/31/98	98.1%	99.8%	89.3%		97.1%
Percent change from 4th quarter 1998 over 4th quarter 1997:					
Revenue	7.3%	6.1%	4.6%	10.8%	7.3%
Expense	7.8%	21.1%	27.3%	35.8%	10.0%
Net Operating Income	7.0%	1.9%	-4.9%	6.5%	6.2%

SAME PROPERTY LEASE ANALYSIS - QUARTER ENDED DECEMBER 31, 1998

	OFFICE	R&D	INDUSTRIAL	TOTAL
	-----	-----	-----	-----
Vacant space available @ 10/1/98 (sf)	43,584	35,867	46,222	125,673
Square footage of leases expiring or terminated 10/1/98 - 12/31/98	149,992	11,271	136,358	297,621
Total space for lease (sf)	193,576	47,138	182,580	423,294
New tenants (sf)	32,685	36,040	-	68,725
Renewals (sf)	31,367	8,000	83,608	122,975
Total space leased (sf)	64,052	44,040	83,608	191,700
Space available @ 12/31/98 (sf)	129,524	3,098	98,972	231,594
Net increase (decrease) in leased space (sf)	(85,940)	32,769	(52,750)	(105,921)
Average lease term (months)	39	66	12	33
2nd generation TI/Comm PSF	\$ 13.54	\$ 3.34	\$ 0.72	\$ 5.61
Increase in 2nd generation net rents (2)	10.4%	10.3%	0.0%	6.7%

(1) For this table, Funds from Operations is equal to GAAP basis property NOI which includes the effect of straight-line rent and excludes any deduction for interest expense.

(2) Represents increase in net rents on a "cash to cash" basis. (Actual net rent at time of expiration vs. initial net rent of new lease.)

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

SAME PROPERTY LEASE ANALYSIS - YEAR TO DATE 1/1/98 - 12/31/98

	OFFICE -----	R&D -----	INDUSTRIAL -----	TOTAL -----
Vacant space available @ 1/1/98 (sf)	54,323	41,654	61,222	157,199
Square footage of leases expiring or terminated 1/1/98- 12/31/98	418,421	73,783	358,358	850,562
Total space for lease (sf)	472,744	115,437	419,580	1,007,761
New tenants (sf)	183,200	72,494	56,000	311,694
Renewals (sf)	162,745	39,354	264,608	466,707
Total space leased (sf)	345,945	111,848	320,608	778,401
Space available @ 12/31/98 (sf)	126,799	3,098	98,972	228,869
Net increase/(decrease) in leased space (sf)	(72,476)	38,556	(37,750)	(71,670)
Average lease term (months)	64	67	29	50
2nd generation TI/Comm PSF	\$ 13.66	\$ 3.32	\$ 1.13	\$ 7.01
Increase in 2nd generation net rents (1)	17.0%	12.6%	-9.2%	9.9%

(1) Represents increase in net rents on a "cash to cash" basis (actual net rent at time of expiration vs. initial net rent of new lease).

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

HISTORICALLY GENERATED CAPITAL EXPENDITURES,  
TENANT IMPROVEMENT COSTS AND LEASING COMMISSIONS

HISTORICAL CAPITAL EXPENDITURES

	1992	1993	1994	1995	1996	1997	1998
	----	----	----	----	----	----	----
Recurring capital expenditures	\$ 1,547	\$ 1,425	\$1,812	\$ 1,618	\$ 1,083	\$ 1,125	\$ 3,543
Hotel improvements, equipment upgrades and replacements	\$ 3,182	\$ 836	\$1,917	\$ 4,420	\$ 3,041	\$ 2,625	\$ 3,872

2ND GENERATION TENANT IMPROVEMENTS AND LEASING COMMISSIONS

	1992	1993	1994	1995	1996	1997	1998
	----	----	----	----	----	----	----
Office							
Square feet	673,138	451,295	690,459	768,459	970,072	1,016,427	648,291
Tenant improvement and lease commissions p.s.f.	\$ 7.85	\$ 8.45	\$ 9.45	\$ 10.66	\$ 11.40	\$ 10.83	\$ 9.82
R&D							
Square feet	185,070	166,957	276,332	177,073	337,676	169,878	113,428
Tenant improvement and lease commissions p.s.f.	\$ 3.82	\$ 5.53	\$ 0.68	\$ 6.99	\$ 10.45	\$ 2.22	\$ 3.32
Industrial							
Square feet	44,473	241,500	132,521	308,388	128,148	258,795	320,608
Tenant improvement and lease commissions p.s.f.	\$ 2.31	\$ 0.28	\$ 3.32	\$ 1.00	\$ 1.71	\$ 0.99	\$ 1.13
Average tenant improvement and lease commission p.s.f.	\$ 6.75	\$ 5.59	\$ 6.51	\$ 7.77	\$ 10.31	\$ 8.06	\$ 6.57

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

VALUE CREATION PIPELINE - ACQUISITIONS/REPOSITIONING  
AS OF DECEMBER 31, 1998  
(IN THOUSANDS)

PROPERTY -----	DATE PLACED IN SERVICE -----	SQUARE FEET -----	INITIAL INVESTMENT -----	ANTICIPATED FUTURE INVESTMENT -----	TOTAL INVESTMENT -----	CURRENT OCCUPANCY -----
ACQUISITIONS						
CLASS A OFFICE BUILDINGS						
Reservoir Place	Nov-98	529,992	\$ 96,000	\$ 1,676	\$ 97,676	99%
Embarcadero Center	Nov-98	3,701,118	1,216,000	37,710	1,253,710	98%
Subtotal		4,231,110	1,312,000	39,386	1,351,386	99%
REPOSITIONING						
1301 New York Avenue	Mar-99	185,000	28,000	18,200	46,200	100% (1)
TOTAL VALUE CREATION PIPELINE - ACQUISITIONS/REPOSITIONING		4,416,110	\$ 1,340,000	\$ 57,586	\$ 1,397,586	99%

(1) As of March 1, 1999

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

VALUE CREATION PIPELINE - CONSTRUCTION IN PROGRESS  
AS OF DECEMBER 31, 1998

DEVELOPMENT PROPERTIES	ESTIMATED PLACED IN SERVICE DATE	LOCATION	# OF BUILDINGS	SQUARE FEET	INVESTMENT TO DATE
CLASS A OFFICE BUILDINGS					
200 West Street	Q2 1999	Waltham, MA	1	250,000	\$ 25,604,410
Eight Cambridge Center	Q2 1999	Cambridge, MA	1	175,000	15,704,068
One Freedom Square (25% ownership)	Q4 1999	Reston, VA	1	406,980	3,711,969
One and Two Reston Overlook (25% ownership)	Q1-Q2 1999	Reston, VA	2	444,000	4,626,104
The Arboretum	Q3 1999	Reston, VA	1	96,000	10,208,022
181 Spring Street	Q2 1999	Lexington, MA	1	52,000	8,854,583
Market Square North	Q4 2000	Washington, DC	1	409,843	37,361,361
TOTAL CLASS A OFFICE BUILDINGS			8	1,833,823	106,070,517
HOTELS					
Residence Inn by Marriott	Q1 1999	Cambridge, MA	1	187,474	21,887,954
TOTAL DEVELOPMENT PROPERTIES			9	2,021,297	\$ 127,958,471

DEVELOPMENT PROPERTIES	TOTAL INVESTMENT	PERCENTAGE LEASED
CLASS A OFFICE BUILDINGS		
200 West Street	\$ 43,423,000	79%
Eight Cambridge Center	26,000,000	100%
One Freedom Square (25% ownership)	19,150,000 (1)	73%
One and Two Reston Overlook (25% ownership)	18,100,000 (1)	100%
The Arboretum	15,265,000	100%
181 Spring Street	10,871,085	0%
Market Square North	57,500,000 (2)	0%
TOTAL CLASS A OFFICE BUILDINGS	190,309,085	66%
HOTELS		
Residence Inn by Marriott	32,000,000	n/a
TOTAL DEVELOPMENT PROPERTIES	\$ 222,309,085	66%

(1) Represents 25% of the total anticipated project-level investment.

(2) Represents 50% of the total anticipated project-level investment.

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

VALUE CREATION PIPELINE - OWNED LAND PARCELS  
as of December 31, 1998

LOCATION -----	NO. OF PARCELS -----	ACREAGE -----	DEVELOPABLE SQUARE FEET -----
Dulles, VA	6	91.1	1,200,000
Rockville, MD	7	128.3	2,331,000
Reston, VA	2	8.8	775,000
Herndon, VA	1	35.5	450,000
Andover, MA	2	27.0	290,000
Springfield, VA	3	9.4	130,000
Boston, MA	-	- (1)	1,600,000 (2)
	-----	-----	-----
	21	300.1	6,776,000
	-----	-----	-----
	-----	-----	-----

- (1) Parcels and acreage have not yet been determined at this time.  
(2) Boston Properties has a 50% ownership interest.

VALUE CREATION PIPELINE - LAND PURCHASE OPTIONS

LOCATION -----	NO. OF PARCELS -----	ACREAGE -----	DEVELOPABLE SQUARE FEET -----
Princeton, NJ	16	167.1	2,100,000
Cambridge, MA	1	2.6	209,000
	-----	-----	-----
	17	169.7	2,309,000
	-----	-----	-----
	-----	-----	-----

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

ACQUISITION PROPERTY PROFILE

PROPERTY NAME: Reservoir Place  
PRODUCT TYPE: Class A Office Building  
LOCATION: Waltham, MA  
DESCRIPTION: Class A office complex, located directly off Route 128, consists of two connected buildings and a two-level underground parking garage.  
SIZE: Approximately 530,000 net rentable square feet  
YEAR CONSTRUCTED: 1955/1987  
PURCHASE PRICE: \$96 Million  
CLOSING DATE: November 3, 1998  
FUTURE INVESTMENT: \$1.7 million  
OCCUPANCY LEVEL: 99%  
NUMBER OF TENANTS: 71  
FUNDING SOURCE: Common Operating Partnership Units, Assumption of Debt and Cash.  
LARGEST TENANTS:

COMPANY:	EDS Personal Communications	SIZE:	77,341	LEASE EXPIRATION:	12/31/99
COMPANY:	Information Resources, Inc.	SIZE:	71,954	LEASE EXPIRATION:	6/30/04
COMPANY:	Parexel Int'l Corp.	SIZE:	71,691	LEASE EXPIRATION:	8/31/01

BOSTON PROPERTIES, INC.  
FOURTH QUARTER 1998

ACQUISITION PROPERTY PROFILE

PROPERTY NAME: Embarcadero Center  
PRODUCT TYPE: Multi-use  
LOCATION: San Francisco, California  
DESCRIPTION: The largest mixed-use business complex in the western United States, comprised of 6 multi-tenant Class-A office towers as well as retail shops, restaurants, entertainment facilities and parking.  
YEAR CONSTRUCTED: Embarcadero Centers 1-4 and West Tower - 1971-1989  
The Old Federal Reserve Building - 1924/1988  
PURCHASE PRICE: \$1.2 Billion  
CLOSING DATE: November 12, 1998 (Phase One)  
February 10, 1999 (Phase Two)  
FUTURE INVESTMENT: \$32.7 million  
OCCUPANCY LEVEL: 98.9%  
NUMBER OF TENANTS: 320  
FUNDING SOURCE: Cash, Preferred Operating Partnership Units, Debt Financing  
LARGEST TENANTS:

Company:	Orrick, Herrington & Sutcliffe	Size:	146,013	Lease Expiration:	7/31/04
Company:	Industrial Indemnity Company	Size:	103,567	Lease Expiration:	5/31/04
Company:	Peat Marwick, KPMG	Size:	98,598	Lease Expiration:	12/31/09
Company:	Dresdner RCM Global Investors	Size:	91,040	Lease Expiration:	10/31/01

BOSTON PROPERTIES, INC.  
 8 ARLINGTON STREET  
 BOSTON, MA 02116  
 (NYSE: BXP)

## 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 Syk-Siegel - Media (212) 661-8030

## FOR IMMEDIATE RELEASE:

-----  
 January 26, 1999 --

BOSTON PROPERTIES, INC. ANNOUNCES  
 FOURTH QUARTER AND YEAR END 1998 RESULTS

BOSTON, MA, JANUARY 26, 1999 - Boston Properties, Inc. (NYSE: BXP) today reported results for the fourth quarter and the year ended December 31, 1998.

Funds from Operations (FFO) for the quarter ended December 31, 1998 were approximately \$43.6 million, or \$0.69 per share basic and \$0.68 per share diluted, compared to FFO of approximately \$20.4 million, or \$0.53 per share basic and \$0.52 per share diluted for the quarter ended December 31, 1997. The weighted average number of basic and diluted shares outstanding totaled 63,527,666 and 68,432,476, respectively, for the quarter ended December 31, 1998 and 38,693,930 and 39,107,768, respectively, for the same quarter last year. FFO for the year ended December 31, 1998 were approximately \$153.0 million, or \$2.52 per share basic and \$2.50 per share diluted, compared to FFO on a pro forma basis of approximately \$76.5 million, or \$1.98 per share basic and \$1.96 per share diluted, for the year ended December 31, 1997.

Revenues were approximately \$170.0 million for the quarter and \$513.8 million for the year ended December 31, 1998, compared to revenues of approximately \$77.3 million and \$255.1 million (pro forma) for the same periods in 1997. Income before extraordinary items was approximately \$27.3 million for the quarter and \$98.6 million for the year ended December 31, 1998, compared to \$12.4 million and \$48.9 million (pro forma), respectively, for the same periods in 1997. Income before extraordinary items per share for the quarter was \$0.43 basic and diluted, compared to \$0.32 basic and diluted last year, and for the year ended December 31, 1998 was \$1.62 basic and diluted, compared to \$1.26 basic and \$1.25 diluted on a pro forma basis last year.

-MORE-

The reported results are unaudited and there can be no assurance that the results will not vary from the final audited information for the year ended December 31, 1998. In the opinion of management, all adjustments considered necessary for a fair presentation of these reported results have been made. Pro forma results are presented as if the Company's initial public offering of common stock and related formation transactions (which were completed on June 23, 1997) had occurred at the beginning of the relevant period.

As of December 31, 1998, the Company's portfolio consisted of 122 properties comprising more than 31.0 million square feet, including nine properties under development totaling approximately 2.0 million square feet. The overall occupancy rate for the properties in service as of December 31, 1998 was 98.4%.

Additional highlights of the fourth quarter, as previously announced, include:

- - Closing of the first phase of Embarcadero Center, an approximately 3.7 million-square-foot mixed-use urban center located in San Francisco, California, on November 12, 1998 for approximately \$1.2 billion.
- - Acquisition of Reservoir Place, a 529,992-square-foot Class A office building in Waltham, Massachusetts, on November 3, 1998 for approximately \$96.0 million.

Transactions announced since the quarter ended December 31, 1998 include:

- - Signing of 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 for a total purchase price of \$312.25 million. Prudential Insurance Company of America, the seller, 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, Inc. is a fully integrated, self-administered and self-managed real estate investment trust (REIT) that develops, redevelops, acquires, manages, operates and owns a diverse portfolio of office, industrial, and hotel properties located predominantly in the Greater Boston; Greater Washington, D.C.; midtown Manhattan; Greater San Francisco; Baltimore, Maryland; Princeton/East Brunswick, New Jersey; and Richmond, Virginia markets. The Company is one of the largest owners and developers of office properties in the United States.

Financial tables follow.

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>. Or visit The Financial Relations Board's web site at <http://www.frbinc.com>.

-MORE-

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.

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BOSTON PROPERTIES, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED AND IN THOUSANDS, EXCEPT PER SHARE DATA)

	Three months ended December 31,		Year ended December 31,	
	1998	1997	1998	1997
REVENUE				
Rental:				(Pro forma)
Base rent	\$ 140,109	\$ 68,509	\$426,874	\$218,902
Recoveries from tenants	15,671	6,421	48,543	22,933
Parking and other	6,280	458	12,160	3,139
Total rental revenue	162,060	75,388	487,577	244,974
Development and management services	3,517	1,591	12,411	7,029
Interest and other	4,449	309	13,859	3,105
Total revenue	170,026	77,288	513,847	255,108
EXPENSES				
Rental:				
Operating	30,451	10,764	80,894	33,114
Real estate taxes	22,852	11,437	69,596	35,401
General and administrative	5,753	3,525	22,504	12,233
Interest	42,934	22,214	124,860	65,011
Depreciation and amortization	24,205	11,565	75,418	39,079
Total expenses	126,195	59,505	373,272	184,838
Income before minority interests	43,831	17,783	140,575	70,270
Minority interest in property partnerships	(2,163)	(146)	(2,555)	(449)
Income before minority interest in Operating Partnership	41,668	17,637	138,020	69,821
Minority interest in Operating Partnership	(14,397)	(5,265)	(39,427)	(20,952)
Income before extraordinary items	27,271	12,372	98,593	48,869
Extraordinary loss on early debt extinguishments, net	(9,045)	-	(5,481)	-
Net income	\$ 18,226	\$ 12,372	\$ 93,112	\$ 48,869
Basic earnings per share:				
Income before extraordinary items	\$ 0.43	\$ 0.32	\$ 1.62	\$ 1.26
Extraordinary loss, net	(0.14)	-	(0.09)	-
Net income	\$ 0.29	\$ 0.32	\$ 1.53	\$ 1.26
Weighted average number of common shares outstanding	63,528	38,694	60,776	38,694
Diluted earnings per share:				
Income before extraordinary items	\$ 0.43	\$ 0.32	\$ 1.62	\$ 1.25
Extraordinary loss, net	(0.13)	-	(0.09)	-
Net income	\$ 0.30	\$ 0.32	\$ 1.53	\$ 1.25
Weighted average number of common shares outstanding	68,432	39,108	62,443	39,108

BOSTON PROPERTIES, INC.  
CONSOLIDATED BALANCE SHEETS  
(unaudited and in thousands, except share and per share data)

	December 31, 1998	December 31, 1997
<b>ASSETS</b>		
Real estate:	\$ 4,917,193	\$ 1,796,500
Less: accumulated depreciation	(357,384)	(294,218)
Total real estate	4,559,809	1,502,282
Cash and cash equivalents	12,166	17,560
Escrows	19,014	14,178
Notes receivable	420,143	-
Tenant and other receivables, net	40,830	24,458
Accrued rental income, net	64,251	55,190
Deferred charges, net	46,029	35,485
Prepaid expenses and other assets	26,058	20,225
Investment in joint ventures	46,787	3,143
Total assets	\$ 5,235,087	\$ 1,672,521
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities:		
Mortgage notes payable	\$ 2,653,581	\$ 1,099,253
Notes payable	420,143	-
Unsecured line of credit	15,000	233,000
Accounts payable and accrued expenses	33,638	23,822
Dividends payable	40,494	22,539
Accrued interest payable	7,307	6,581
Other liabilities	37,209	11,642
Total liabilities	3,207,372	1,396,837
Commitments and contingencies	-	-
Minority interests	1,105,864	100,636
Stockholders' equity:		
Preferred stock, \$.01 par value, 50,000,000 shares authorized, none issued or outstanding	-	-
Excess stock, \$.01 par value, 150,000,000 shares authorized, none issued or outstanding	-	-
Common stock, \$.01 par value, 250,000,000 shares authorized, 63,527,552 and 38,694,041 issued and outstanding, respectively	635	387
Additional paid-in capital	929,081	172,347
Dividends in excess of earnings	(7,865)	2,314
Total stockholders' equity	921,851	175,048
Total liabilities and stockholders' equity	\$ 5,235,087	\$ 1,672,521

BOSTON PROPERTIES, INC.  
FUNDS FROM OPERATIONS  
(Unaudited and in thousands)

	Three Months Ended		% Change
	Actual December 31, 1998	Actual December 31, 1997	
Income from operations before minority interests	\$ 43,831	\$ 17,783	146.48%
Add:			
Real estate depreciation and amortization	23,930	11,395	110.00%
Less:			
Preferred allocation	(4,325)	-	-
Minority property partnerships' share of Funds from Operations	(3,725)	(161)	2213.66%
Funds from Operations	\$ 59,711	\$ 29,017	105.78%
Company's share (1)	\$ 43,607	\$ 20,355	114.23%
Funds from Operations per share - basic	\$ 0.69	\$ 0.53	30.48%
Weighted average shares outstanding - basic	63,528	38,694	64.18%
Funds from Operations per share - diluted	\$ 0.68	\$ 0.52	30.65%
Weighted average shares outstanding - diluted	68,432	39,108	74.98%

(1) Based on weighted average shares for the quarter. Company's share for the quarter ended 12/31/98 was 73.03% and 70.15% for the quarter ended 12/31/97.

	Year Ended		% Change
	Actual December 31, 1998	Pro Forma December 31, 1997	
Income from operations before minority interests	\$ 140,575	\$ 70,270	100.05%
Add:			
Real estate depreciation and amortization	74,649	38,527	93.76%
Less:			
Preferred allocation	(5,830)	-	-
Minority property partnerships' share of Funds from Operations	(4,185)	(554)	655.42%
Funds from Operations	\$ 205,209	\$ 108,243	89.58%
Company's share (2)	\$ 153,045	\$ 76,485	100.10%
Funds from Operations per share - basic	\$ 2.52	\$ 1.98	27.40%
Weighted average shares outstanding - basic	60,776	38,694	57.07%
Funds from Operations per share - diluted	\$ 2.50	\$ 1.96	27.83%
Weighted average shares outstanding - diluted	62,443	39,108	59.67%

(2) Based on weighted average shares for the year. Company's share for the year ended 12/31/98 was 74.58% and 70.66% for the pro forma year ended 12/31/97.

BOSTON PROPERTIES, INC.  
 PORTFOLIO OCCUPANCY  
 (UNAUDITED)

OCCUPANCY BY LOCATION

	December 31, 1998	December 31, 1997
Greater Boston, MA	97.0%	98.3%
Greater Washington, DC	98.5%	97.3%
Midtown Manhattan, NY	99.9%	95.2%
Baltimore, MD	99.8%	98.0%
Richmond, VA	98.8%	n/a
Princeton/East Brunswick, NJ	98.7%	n/a
Greater San Francisco, CA	98.5%	98.4%
Bucks County, PA	100.0%	100.0%
Total Portfolio	98.4%	97.2%

OCCUPANCY BY TYPE

Class A Office Portfolio	98.8%	97.6%
R&D Portfolio	99.2%	97.3%
Industrial Portfolio	89.3%	93.4%
Total Portfolio	98.4%	97.2%