
**UNITED STATES
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): July 29, 2015

BOSTON PROPERTIES, INC.
(Exact Name of Registrant As Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-13087
(Commission
File Number)

04-2473675
(IRS Employer
Identification No.)

800 Boylston Street, Suite 1900, Boston, Massachusetts 02199
(Address of Principal Executive Offices) (Zip Code)

(617) 236-3300
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 2.02. Results of Operations and Financial Condition.

The information in this Item 2.02—"Results of Operations and Financial Condition" is being furnished. Such information, including Exhibits 99.1 and 99.2 hereto, shall not be deemed "filed" for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. The information in this Item 2.02, including Exhibits 99.1 and 99.2, shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing.

On July 29, 2015, Boston Properties, Inc. (the "Company") issued a press release announcing its financial results for the second quarter of 2015. That press release referred to certain supplemental information that is available on the Company's website. The text of the supplemental information and the press release are attached hereto as Exhibits 99.1 and 99.2, respectively, and are incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

| <u>Exhibit No.</u> | <u>Description</u> |
|------------------------|--|
| *99.1 | Boston Properties, Inc. Supplemental Operating and Financial Data for the quarter ended June 30, 2015. |
| *99.2 | Press release dated July 29, 2015. |

* Filed herewith.

SIGNATURES

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

BOSTON PROPERTIES, INC.

Date: July 29, 2015

By: /s/ Michael E. LaBelle

Michael E. LaBelle

Senior Vice President, Chief Financial Officer

EXHIBIT INDEX

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|------------------------|--|
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| *99.2 | Press release dated July 29, 2015. |

* Filed herewith.



 **Boston Properties**

*Supplemental Operating and Financial Data
for the Quarter Ended June 30, 2015*

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This supplemental package contains forward-looking statements within the meaning of the Federal securities laws. You can identify these statements by our use of the words “assumes,” “believes,” “estimates,” “expects,” “guidance,” “intends,” “may,” “might,” “plans,” “projects,” “should,” “will” 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 enter into new leases or renew leases on favorable terms, dependence on tenants’ financial condition, the uncertainties of real estate development, acquisition and disposition activity, the ability to effectively integrate acquisitions, the uncertainties of investing in new markets, the ability of our joint venture partners to satisfy their obligations, the costs and availability of financing, the effectiveness of our interest rate hedging programs, the effects of local, national and international economic and market conditions, the effects of acquisitions, dispositions and possible impairment charges on our operating results, 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.

(Cover photo: 690 Folsom Street (foreground), 680 Folsom Street (background), San Francisco, CA)

The Company

Boston Properties, Inc. (the "Company"), a self-administered and self-managed real estate investment trust (REIT), is one of the largest owners, managers, and developers of first-class office properties in the United States, with a significant presence in four markets: Boston, New York, San Francisco, and Washington, DC. The Company was founded in 1970 by Mortimer B. Zuckerman and Edward H. Linde in Boston, where it maintains its headquarters. Boston Properties became a public company in June 1997. The Company acquires, develops and manages its properties through full-service regional offices. Its property portfolio is comprised primarily of first-class office space, one hotel, two residential properties and five retail properties. Boston Properties is well-known for its in-house building management expertise and responsiveness to tenants' needs. The Company holds a superior track record in developing premium Central Business District (CBD) office buildings, successful mixed use complexes, suburban office centers and build-to-suit projects for the U.S. government and a diverse array of creditworthy tenants.

Management

Boston Properties' senior management team is among the most respected and accomplished in the REIT industry. Our deep and talented team of 30 individuals averages 31 years of real estate experience and eighteen years with Boston Properties. We believe that our size, management depth, financial strength, reputation, and relationships of key personnel provide a competitive advantage to realize growth through property development and acquisitions. Boston Properties benefits from the reputation and relationships of key personnel, including Owen D. Thomas, Chief Executive Officer; Douglas T. Linde, President; Raymond A. Ritchey, Executive Vice President, National Director of Acquisitions and Development; and Michael E. LaBelle, Senior Vice President, Chief Financial Officer. Our senior management team's national reputation helps us attract business and investment opportunities. In addition, our other senior officers that serve as Regional Managers have strong reputations that assist in identifying and closing on new opportunities, having opportunities brought to us, and in negotiating with tenants and build-to-suit prospects. Additionally, Boston Properties' Board of Directors consists of eleven distinguished members, the majority of whom are Independent Directors.

Strategy

Boston Properties' primary business objective is to maximize return on investment in an effort to provide its investors with the greatest possible total return in all points of the economic cycle. To achieve this objective, the Company maintains consistent strategies that include the following:

- concentrating on carefully targeted markets characterized by high barriers to the creation of new supply and strong real estate fundamentals where tenants have demonstrated a preference for high-quality office buildings and other facilities;
- selectively acquiring assets which increase its penetration in these targeted markets;
- taking on complex, technically-challenging development projects that leverage the skills of its management team to successfully develop, acquire, and reposition properties;
- exploring joint-venture opportunities with partners who seek to benefit from the Company's depth of development and management expertise;
- pursuing on a selective basis the sale of properties or interests therein to either take advantage of the demand for the Company's premier properties or pare from the portfolio properties that we believe have slower future growth potential; and
- continuing to enhance the Company's balanced capital structure through its access to a variety of capital sources.

Snapshot
(as of June 30, 2015)

| | |
|--|--|
| Corporate Headquarters | Boston, Massachusetts |
| Markets | Boston, New York, San Francisco and Washington, DC |
| Fiscal Year-End | December 31 |
| Total Properties (includes unconsolidated joint ventures) | 170 |
| Total Square Feet (includes unconsolidated joint ventures and structured parking) | 61.0 million |
| Common shares outstanding, plus common, preferred and LTIP units (including Outperformance Plan Units) on an as-converted basis (but excluding Multi-Year Long-Term Incentive Program Units) | 171.5 million |
| Dividend - Quarter/Annualized | \$0.65/\$2.60 (excludes special dividend) |
| Dividend Yield | 2.15% (excludes special dividend) |
| Total Adjusted Market Capitalization (1) | \$30.0 billion |
| Senior Debt Ratings | Baa2 (Moody's); BBB+ (Fitch); A- (S&P) |

(1) For disclosures relating to our definition of Total Adjusted Market Capitalization, see page 48.

Boston Properties, Inc.
Second Quarter 2015

INVESTOR INFORMATION

Board of Directors

| | |
|---|---|
| Mortimer B. Zuckerman Chairman of the Board | Matthew J. Lustig Director |
| Owen D. Thomas Chief Executive Officer and Director | Alan J. Patricof Director, Chair of Audit Committee |
| Douglas T. Linde President and Director | Ivan G. Seidenberg Lead Independent Director |
| Carol B. Einiger Director | Martin Turchin Director |
| Dr. Jacob A. Frenkel Director, Chair of Nominating & Corporate Governance Committee | David A. Twardock Director, Chair of Compensation Committee |
| Joel I. Klein Director | |

Management

| | |
|--|---|
| Raymond A. Ritchey Executive Vice President, National Director of Acquisitions & Development | John F. Powers Senior Vice President and Regional Manager of New York |
| Michael E. LaBelle Senior Vice President, Chief Financial Officer | Frank D. Burt Senior Vice President, General Counsel |
| Peter D. Johnston Senior Vice President and Regional Manager of Washington, DC | Lori W. Silverstein Vice President, Controller |
| Bryan J. Koop Senior Vice President and Regional Manager of Boston | |
| Robert E. Pester Senior Vice President and Regional Manager of San Francisco | |

Company Information

| | | | |
|--|--|---|---|
| Corporate Headquarters 800 Boylston Street Suite 1900 Boston, MA 02199 (t) 617.236.3300 (f) 617.236.3311 | Trading Symbol BXP Stock Exchange Listing New York Stock Exchange | Investor Relations Boston Properties, Inc. 800 Boylston Street, Suite 1900 Boston, MA 02199 (t) 617.236.3322 (f) 617.236.3311 www.bostonproperties.com | Inquires Inquiries should be directed to Michael E. LaBelle Senior Vice President, Chief Financial Officer at 617.236.3352 or mlabelle@bostonproperties.com Arista Joyner, Investor Relations Manager at 617.236.3343 or ajoyner@bostonproperties.com |
|--|--|---|---|

Common Stock Data (NYSE: BXP)

Boston Properties' common stock has the following characteristics (based on information reported by the New York Stock Exchange):

| | Q2 2015 | Q1 2015 | Q4 2014 | Q3 2014 | Q2 2014 |
|--|--------------|--------------|--------------|--------------|--------------|
| <i>High Closing Price</i> | \$ 142.17 | \$ 144.74 | \$ 136.28 | \$ 123.41 | \$ 121.95 |
| <i>Low Closing Price</i> | \$ 120.83 | \$ 131.26 | \$ 115.10 | \$ 113.66 | \$ 114.45 |
| <i>Average Closing Price</i> | \$ 131.76 | \$ 139.56 | \$ 126.63 | \$ 119.60 | \$ 118.07 |
| <i>Closing Price, at the end of the quarter</i> | \$ 121.04 | \$ 140.48 | \$ 128.69 | \$ 115.76 | \$ 118.18 |
| <i>Dividends per share</i> | \$ 0.65 | \$ 0.65 | \$ 0.65 | \$ 0.65 | \$ 0.65 |
| <i>Special dividends per share</i> | \$ — | \$ — | \$ 4.50 | \$ — | \$ — |
| <i>Total dividends</i> | \$ 0.65 | \$ 0.65 | \$ 5.15 | \$ 0.65 | \$ 0.65 |
| <i>Closing dividend yield - annualized (1)</i> | 2.15% | 1.85% | 2.02% | 2.25% | 2.20% |
| <i>Closing common shares outstanding, plus preferred shares and common, preferred and LTIP units (including Outperformance Plan Units) on an as-converted basis (but excluding Multi-Year Long-Term Incentive Program Units) (thousands) (2)</i> | 171,506 | 171,490 | 171,064 | 171,062 | 171,063 |
| <i>Closing market value of outstanding shares and units (thousands)</i> | \$20,959,086 | \$24,291,548 | \$22,214,860 | \$20,004,159 | \$20,434,232 |

(1) Excludes the special dividend of \$4.50 per share paid on January 28, 2015 to shareholders of record as of the close of business on December 31, 2014.

(2) For additional detail, see page 12.

Timing

Quarterly results for the next four quarters will be announced according to the following schedule:

| | |
|----------------------|------------------------------|
| Third Quarter, 2015 | Tentatively October 29, 2015 |
| Fourth Quarter, 2015 | Tentatively January 26, 2016 |
| First Quarter, 2016 | Tentatively April 26, 2016 |
| Second Quarter, 2016 | Tentatively July 26, 2016 |

Boston Properties, Inc.
Second Quarter 2015

RESEARCH COVERAGE

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646.562.1380 / 646.562.1382

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Ranjini Venkatesan
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Anita Ogbara
Standard & Poor's
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With the exception of Green Street Advisors, an independent research firm, the equity analysts listed above are those analysts that, according to First Call Corporation, have published research material on the Company and are listed as covering the Company. Please note that any opinions, estimates or forecasts regarding Boston Properties' performance made by the analysts listed above do not represent the opinions, estimates or forecasts of Boston Properties or its management. Boston Properties does not by its reference above imply its endorsement of or concurrence with any information, conclusions or recommendations made by any of such analysts.

Boston Properties, Inc.
Second Quarter 2015

FINANCIAL HIGHLIGHTS
(unaudited and in thousands, except per share amounts)

This section includes non-GAAP financial measures, which are accompanied by what we consider the most directly comparable financial measures calculated and presented in accordance with GAAP. Quantitative reconciliations of the differences between the non-GAAP financial measures presented and the most directly comparable GAAP financial measures are shown on pages 9-11. A description of the non-GAAP financial measures we present and a statement of the reasons why management believes the non-GAAP measures provide useful information to investors about the Company's financial condition and results of operations can be found on pages 48-50.

| | Three Months Ended | | | | |
|--|--------------------|------------|-------------|------------|------------|
| | 30-Jun-15 | 31-Mar-15 | 31-Dec-14 | 30-Sep-14 | 30-Jun-14 |
| Selected Items: | | | | | |
| Revenue | \$ 618,221 | \$ 618,476 | \$ 613,707 | \$ 618,803 | \$ 589,794 |
| Straight-line rent (1) | \$ 14,024 | \$ 23,164 | \$ 18,639 | \$ 18,281 | \$ 10,672 |
| Fair value lease revenue (1) (2) | \$ 6,667 | \$ 7,081 | \$ 12,236 | \$ 9,207 | \$ 7,425 |
| Revenue from residential properties | \$ 3,811 | \$ 6,854 | \$ 7,195 | \$ 7,018 | \$ 6,298 |
| Company share of funds from operations from unconsolidated joint ventures | \$ 6,964 | \$ 9,702 | \$ 7,282 | \$ 9,518 | \$ 7,820 |
| Lease termination fees (1) (3) | \$ 5,419 | \$ 14,086 | \$ 1,117 | \$ 9,878 | \$ 1,027 |
| Ground rent expense (4) | \$ 3,676 | \$ 4,404 | \$ 4,990 | \$ 4,986 | \$ 4,984 |
| Fair value interest adjustment (1) | \$ 7,856 | \$ 7,796 | \$ 7,737 | \$ 7,694 | \$ 7,630 |
| Capitalized interest | \$ 8,850 | \$ 7,965 | \$ 7,667 | \$ 12,223 | \$ 14,877 |
| Capitalized wages | \$ 3,997 | \$ 3,626 | \$ 3,483 | \$ 3,403 | \$ 4,103 |
| Operating Margins [(rental revenue - rental expense)/rental revenue] (5) | 66.2% | 65.3% | 66.5% | 66.2% | 66.5% |
| Gains (losses) from early extinguishments of debt | \$ — | \$ — | \$ (10,633) | \$ — | \$ — |
| Income before gains on sales of real estate | \$ 100,739 | \$ 114,086 | \$ 85,323 | \$ 109,038 | \$ 95,901 |
| Net income attributable to Boston Properties, Inc. common shareholders | \$ 79,460 | \$ 171,182 | \$ 174,510 | \$ 127,724 | \$ 76,527 |
| Funds from operations (FFO) attributable to Boston Properties, Inc. | \$ 208,731 | \$ 200,385 | \$ 193,186 | \$ 223,403 | \$ 207,010 |
| FFO per share - diluted | \$ 1.36 | \$ 1.30 | \$ 1.26 | \$ 1.46 | \$ 1.35 |
| Net income attributable to Boston Properties, Inc. per share - basic | \$ 0.52 | \$ 1.12 | \$ 1.14 | \$ 0.83 | \$ 0.50 |
| Net income attributable to Boston Properties, Inc. per share - diluted | \$ 0.52 | \$ 1.11 | \$ 1.14 | \$ 0.83 | \$ 0.50 |
| Dividends per common share (6) | \$ 0.65 | \$ 0.65 | \$ 5.15 | \$ 0.65 | \$ 0.65 |
| Funds available for distribution to common shareholders and common unitholders (FAD) (7) | \$ 145,937 | \$ 147,145 | \$ 162,630 | \$ 170,801 | \$ 184,660 |

Ratios:

| | | | | | |
|---|--------|--------|--------|--------|--------|
| Interest Coverage Ratio (excluding capitalized interest) - cash basis (8) | 3.21 | 3.11 | 2.83 | 3.07 | 3.06 |
| Interest Coverage Ratio (including capitalized interest) - cash basis (8) | 2.98 | 2.91 | 2.66 | 2.79 | 2.72 |
| FFO Payout Ratio (7) | 47.79% | 50.00% | 51.59% | 44.52% | 48.15% |
| FAD Payout Ratio (7) | 76.49% | 75.72% | 68.42% | 65.14% | 60.09% |

Balance Sheet Items:

| | | | | | |
|---|------------|------------|------------|------------|------------|
| Above-market rents (included within Prepaid Expenses and Other Assets) | \$ 63,706 | \$ 75,063 | \$ 80,864 | \$ 86,609 | \$ 92,598 |
| Below-market rents (included within Other Liabilities) | \$ 202,653 | \$ 227,651 | \$ 243,395 | \$ 266,681 | \$ 284,726 |
| Accrued ground rent expense (included within Other Liabilities) | \$ 41,857 | \$ 40,751 | \$ 56,117 | \$ 54,448 | \$ 52,779 |
| Accrued interest payable on outside members' notes payable (included within Accrued Interest Payable) | \$ 103,622 | \$ 96,028 | \$ 88,643 | \$ 81,372 | \$ 78,270 |

Capitalization:

| | 30-Jun-15 | 31-Mar-15 | 31-Dec-14 | 30-Sep-14 | 30-Jun-14 |
|--|--------------|--------------|--------------|--------------|--------------|
| Common Stock Price @ Quarter End | \$ 121.04 | \$ 140.48 | \$ 128.69 | \$ 115.76 | \$ 118.18 |
| Equity Value @ Quarter End | \$20,959,086 | \$24,291,548 | \$22,214,860 | \$20,004,159 | \$20,434,232 |
| Total Consolidated Debt | \$ 9,867,459 | \$ 9,886,696 | \$ 9,906,984 | \$10,475,750 | \$10,558,609 |
| Total Consolidated Market Capitalization | \$30,826,545 | \$34,178,244 | \$32,121,844 | \$30,479,909 | \$30,992,841 |
| Total Consolidated Debt/Total Consolidated Market Capitalization (9) | 32.01% | 28.93% | 30.84% | 34.37% | 34.07% |
| BXP's Share of Unconsolidated Joint Venture Debt | \$ 352,882 | \$ 351,977 | \$ 351,500 | \$ 331,765 | \$ 328,711 |
| Less: | | | | | |
| Partners' Share of Consolidated Debt | \$ 1,168,046 | \$ 1,174,948 | \$ 1,181,797 | \$ 867,377 | \$ 872,839 |
| Total Adjusted Debt | \$ 9,052,295 | \$ 9,063,725 | \$ 9,076,687 | \$ 9,940,138 | \$10,014,481 |
| Total Adjusted Market Capitalization (10) | \$30,011,381 | \$33,355,273 | \$31,291,547 | \$29,944,297 | \$30,448,713 |
| Total Adjusted Debt/Total Adjusted Market Capitalization (9) (10) | 30.16% | 27.17% | 29.01% | 33.20% | 32.89% |

- (1) Includes the Company's share of consolidated and unconsolidated joint ventures amounts.
- (2) Represents the net adjustment for above- and below-market leases that are being amortized over the terms of the respective leases in place at the property acquisition dates.
- (3) For the three months ended March 31, 2015 and September 30, 2014, includes distributions received by the Company from its unsecured creditor claim against Lehman Brothers, Inc. totaling approximately \$4.5 million and \$7.7 million, respectively.
- (4) Includes non-cash straight-line adjustments to ground rent. See page 11 for the straight-line adjustments to the ground rent expense.
- (5) Rental expense consists of operating expenses, real estate taxes and ground rent expense. Amounts are exclusive of the gross up of reimbursable electricity and other amounts totaling \$17,845, \$17,867, \$17,218, \$18,172 and \$17,003 for the three months ended June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014, respectively.
- (6) For the three months ended December 31, 2014, dividends per share includes the \$4.50 per common share special dividend paid on January 28, 2015 to shareholders of record as of the close of business on December 31, 2014.
- (7) FFO Payout Ratio is defined as dividends per share to common shareholders divided by FFO per share. FAD Payout Ratio is defined as distributions to common shareholders and unitholders divided by FAD. For the three months ended December 31, 2014, excludes the \$4.50 per share special dividend paid on January 28, 2015 to shareholders of record as of the close of business on December 31, 2014.
- (8) The Company believes that the presentation of its interest coverage ratios provides investors with useful information about the Company's financial performance as it relates to its cash interest expense obligations, which may assist investors in evaluating the Company's ability to service its existing debt obligations. For a quantitative reconciliation, see page 11.
- (9) For disclosures related to our definitions, see page 48.
- (10) For additional detail, see page 12.

Boston Properties, Inc.
Second Quarter 2015

CONSOLIDATED BALANCE SHEETS
(unaudited and in thousands)

| | 30-Jun-15 | 31-Mar-15 | 31-Dec-14 | 30-Sep-14 | 30-Jun-14 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| ASSETS | | | | | |
| Real estate | \$18,207,934 | \$18,153,816 | \$18,231,978 | \$18,362,993 | \$17,680,555 |
| Construction in progress (1) | 880,996 | 797,148 | 736,311 | 715,609 | 1,309,781 |
| Land held for future development | 277,327 | 271,327 | 268,114 | 276,804 | 273,587 |
| Less accumulated depreciation | <u>(3,753,926)</u> | <u>(3,646,853)</u> | <u>(3,547,659)</u> | <u>(3,469,130)</u> | <u>(3,368,974)</u> |
| Total real estate | 15,612,331 | 15,575,438 | 15,688,744 | 15,886,276 | 15,894,949 |
| Cash and cash equivalents | 1,342,751 | 1,064,396 | 1,763,079 | 846,664 | 1,036,576 |
| Cash held in escrows (2) | 252,558 | 588,218 | 487,321 | 153,161 | 59,248 |
| Marketable securities | 20,953 | 20,736 | 19,459 | 18,834 | 18,927 |
| Tenant and other receivables, net | 55,183 | 47,768 | 46,595 | 43,210 | 51,348 |
| Accrued rental income, net | 730,797 | 713,874 | 691,999 | 689,885 | 673,587 |
| Deferred charges, net | 771,419 | 806,468 | 831,744 | 837,907 | 853,924 |
| Prepaid expenses and other assets | 117,993 | 165,985 | 164,432 | 219,074 | 133,035 |
| Investments in unconsolidated joint ventures | <u>209,974</u> | <u>196,188</u> | <u>193,394</u> | <u>191,593</u> | <u>188,887</u> |
| Total assets | <u>\$19,113,959</u> | <u>\$19,179,071</u> | <u>\$19,886,767</u> | <u>\$18,886,604</u> | <u>\$18,910,481</u> |
| LIABILITIES AND EQUITY | | | | | |
| Liabilities: | | | | | |
| Mortgage notes payable | \$ 4,269,808 | \$ 4,289,120 | \$ 4,309,484 | \$ 4,328,464 | \$ 4,411,453 |
| Unsecured senior notes, net of discount | 5,288,503 | 5,288,101 | 5,287,704 | 5,837,172 | 5,836,729 |
| Unsecured line of credit | — | — | — | — | — |
| Mezzanine notes payable | 309,148 | 309,475 | 309,796 | 310,114 | 310,427 |
| Outside members' notes payable | 180,000 | 180,000 | 180,000 | 180,000 | 180,000 |
| Accounts payable and accrued expenses | 231,900 | 224,086 | 243,263 | 253,600 | 216,080 |
| Dividends and distributions payable | 112,892 | 112,796 | 882,472 | 112,708 | 112,420 |
| Accrued interest payable | 178,548 | 186,630 | 163,532 | 181,954 | 156,024 |
| Other liabilities | <u>448,480</u> | <u>483,762</u> | <u>502,255</u> | <u>528,872</u> | <u>551,664</u> |
| Total liabilities | <u>11,019,279</u> | <u>11,073,970</u> | <u>11,878,506</u> | <u>11,732,884</u> | <u>11,774,797</u> |
| Commitments and contingencies | — | — | — | — | — |
| Noncontrolling interests: | | | | | |
| Redeemable preferred units of the Operating Partnership | — | 633 | 633 | 2,022 | 18,006 |
| Redeemable interest in property partnership | <u>106,233</u> | <u>105,520</u> | <u>104,692</u> | <u>104,105</u> | <u>103,778</u> |
| Equity: | | | | | |
| Stockholders' equity attributable to Boston Properties, Inc.: | | | | | |
| Excess stock, \$0.01 par value, 150,000,000 shares authorized, none issued or outstanding | — | — | — | — | — |
| Preferred stock, \$0.01 par value, 50,000,000 shares authorized; 5.25% Series B cumulative redeemable preferred stock, \$0.01 par value, liquidation preference \$2,500 per share, 92,000 shares authorized, 80,000 shares issued and outstanding | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Common stock, \$0.01 par value, 250,000,000 shares authorized, 153,473,931, 153,402,107, 153,113,945, 153,099,786 and 153,092,574 outstanding, respectively | 1,535 | 1,534 | 1,531 | 1,531 | 1,531 |
| Additional paid-in capital | 6,293,556 | 6,286,260 | 6,270,257 | 5,684,649 | 5,679,578 |
| Dividends in excess of earnings | (711,239) | (690,993) | (762,464) | (148,566) | (176,929) |
| Treasury common stock, at cost | (2,722) | (2,722) | (2,722) | (2,722) | (2,722) |
| Accumulated other comprehensive income (loss) | <u>1,848</u> | <u>(11,907)</u> | <u>(9,304)</u> | <u>(9,866)</u> | <u>(10,429)</u> |
| Total stockholders' equity attributable to Boston Properties, Inc. | <u>5,782,978</u> | <u>5,782,172</u> | <u>5,697,298</u> | <u>5,725,026</u> | <u>5,691,029</u> |
| Noncontrolling interests: | | | | | |
| Common units of the Operating Partnership | 614,988 | 617,274 | 603,171 | 606,002 | 601,775 |
| Property partnerships | <u>1,590,481</u> | <u>1,599,502</u> | <u>1,602,467</u> | <u>716,565</u> | <u>721,096</u> |
| Total equity | <u>7,988,447</u> | <u>7,998,948</u> | <u>7,902,936</u> | <u>7,047,593</u> | <u>7,013,900</u> |
| Total liabilities and equity | <u>\$19,113,959</u> | <u>\$19,179,071</u> | <u>\$19,886,767</u> | <u>\$18,886,604</u> | <u>\$18,910,481</u> |

- (1) Represents the portion of the Company's consolidated development projects that qualifies for interest capitalization. Such portion generally excludes intangible assets.
- (2) At June 30, 2015, approximately \$192.3 million was held by a qualified intermediary for possible investment in a like-kind exchange in accordance with Section 1031 of the Internal Revenue Code in connection with the sale of the Company's Residences on The Avenue property. Approximately \$342.0 million from the sales of the Company's Patriots Park, 130 Third Avenue and Washingtonian North properties was released from escrow during the three months ended June 30, 2015. At March 31, 2015, approximately \$534.2 million was held by a qualified intermediary for possible investment in a like-kind exchange in accordance with Section 1031 of the Internal Revenue Code in connection with the sales of the Company's Patriots Park, 130 Third Avenue, Washingtonian North and Residences on The Avenue properties. Approximately \$99.9 million from the sale of the Company's Mountain View and Broad Run properties was released from escrow during the three months ended March 31, 2015. At December 31, 2014, approximately \$433.6 million was held by a qualified intermediary for possible investment in a like-kind exchange in connection with the sales of the Company's Mountain View, Broad Run, Patriots Park and 130 Third Avenue properties.

Boston Properties, Inc.
Second Quarter 2015

CONSOLIDATED INCOME STATEMENTS
(in thousands, except for per share amounts)
(unaudited)

| | Three Months Ended | | | | |
|---|--------------------|------------|------------|------------|------------|
| | 30-Jun-15 | 31-Mar-15 | 31-Dec-14 | 30-Sep-14 | 30-Jun-14 |
| Revenue | | | | | |
| Rental | | | | | |
| Base Rent | \$ 486,609 | \$ 490,682 | \$ 484,011 | \$ 484,071 | \$ 463,239 |
| Recoveries from tenants | 86,795 | 88,593 | 85,946 | 90,103 | 81,382 |
| Parking and other | 26,552 | 24,788 | 25,724 | 26,236 | 26,300 |
| Total rental revenue | 599,956 | 604,063 | 595,681 | 600,410 | 570,921 |
| Hotel revenue | 13,403 | 9,085 | 10,907 | 11,918 | 12,367 |
| Development and management services | 4,862 | 5,328 | 7,119 | 6,475 | 6,506 |
| Total revenue | 618,221 | 618,476 | 613,707 | 618,803 | 589,794 |
| Expenses | | | | | |
| Operating | 113,945 | 120,954 | 111,342 | 114,116 | 110,239 |
| Real estate taxes | 100,519 | 100,396 | 99,735 | 101,063 | 92,407 |
| Hotel operating | 8,495 | 7,576 | 7,539 | 7,585 | 7,315 |
| General and administrative (1) | 22,284 | 28,791 | 23,172 | 22,589 | 23,271 |
| Transaction costs | 208 | 327 | 640 | 1,402 | 661 |
| Depreciation and amortization | 167,844 | 154,223 | 162,430 | 157,245 | 154,628 |
| Total expenses | 413,295 | 412,267 | 404,858 | 404,000 | 388,521 |
| Operating income | 204,926 | 206,209 | 208,849 | 214,803 | 201,273 |
| Other income (expense) | | | | | |
| Income from unconsolidated joint ventures | 3,078 | 14,834 | 2,700 | 4,419 | 2,834 |
| Interest and other income | 1,293 | 1,407 | 1,924 | 3,421 | 2,109 |
| Gains (losses) from investments in securities (1) | (24) | 393 | 387 | (297) | 662 |
| Interest expense (2) | (108,534) | (108,757) | (117,904) | (113,308) | (110,977) |
| Losses from early extinguishments of debt | — | — | (10,633) | — | — |
| Income before gains on sales of real estate | 100,739 | 114,086 | 85,323 | 109,038 | 95,901 |
| Gains on sales of real estate (3) | — | 95,084 | 126,102 | 41,937 | — |
| Net income | 100,739 | 209,170 | 211,425 | 150,975 | 95,901 |
| Net income attributable to noncontrolling interests | | | | | |
| Noncontrolling interest in property partnerships | (9,264) | (15,208) | (13,088) | (5,566) | (7,553) |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership | (3) | (3) | (9) | (75) | (320) |
| Noncontrolling interest - common units of the Operating Partnership (4) | (9,394) | (20,188) | (21,172) | (14,963) | (8,883) |
| Net income attributable to Boston Properties, Inc. | 82,078 | 173,771 | 177,156 | 130,371 | 79,145 |
| Preferred dividends | (2,618) | (2,589) | (2,646) | (2,647) | (2,618) |
| Net income attributable to Boston Properties, Inc. common shareholders | \$ 79,460 | \$ 171,182 | \$ 174,510 | \$ 127,724 | \$ 76,527 |
| INCOME PER SHARE OF COMMON STOCK (EPS) | | | | | |
| Net income attributable to Boston Properties, Inc. per share - basic | \$ 0.52 | \$ 1.12 | \$ 1.14 | \$ 0.83 | \$ 0.50 |
| Net income attributable to Boston Properties, Inc. per share - diluted | \$ 0.52 | \$ 1.11 | \$ 1.14 | \$ 0.83 | \$ 0.50 |

-
- (1) Gains (losses) from investments in securities includes \$(24), \$393, \$387, \$(297) and \$662 and general and administrative expense includes \$24, \$(393), \$(387), \$297 and \$(662) for the three months ended June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014, respectively, related to the Company's deferred compensation plan.
 - (2) For the three months ended June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014, interest expense includes \$7,594, \$7,385, \$7,271, \$7,102 and \$6,965, respectively, consisting of the interest expense on the partner loans for the 767 Fifth Avenue consolidated joint venture, which amount is allocated to the partners within noncontrolling interests in property partnerships. The Company's share of the interest expense on its loan to the joint venture eliminates in consolidation.
 - (3) See page 45 for additional information.
 - (4) Equals noncontrolling interest - common units of the Operating Partnership's share of 10.34%, 10.44%, 10.34%, 10.34% and 10.16% of income before net income attributable to noncontrolling interests in Operating Partnership after deduction for preferred distributions for the three months ended June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014, respectively.

Boston Properties, Inc.
Second Quarter 2015

FUNDS FROM OPERATIONS (FFO)
(in thousands, except for per share amounts)
(unaudited)

| | Three Months Ended | | | | |
|---|--------------------|------------------|------------------|------------------|------------------|
| | 30-Jun-15 | 31-Mar-15 | 31-Dec-14 | 30-Sep-14 | 30-Jun-14 |
| Net income attributable to Boston Properties, Inc. common shareholders | \$ 79,460 | \$ 171,182 | \$ 174,510 | \$ 127,724 | \$ 76,527 |
| Add: | | | | | |
| Preferred dividends | 2,618 | 2,589 | 2,646 | 2,647 | 2,618 |
| Noncontrolling interest - common units of the Operating Partnership | 9,394 | 20,188 | 21,172 | 14,963 | 8,883 |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership | 3 | 3 | 9 | 75 | 320 |
| Noncontrolling interests in property partnerships | 9,264 | 15,208 | 13,088 | 5,566 | 7,553 |
| Less: | | | | | |
| Gains on sales of real estate | — | 95,084 | 126,102 | 41,937 | — |
| Income before gains on sales of real estate | 100,739 | 114,086 | 85,323 | 109,038 | 95,901 |
| Add: | | | | | |
| Real estate depreciation and amortization (1) | 171,384 | 148,754 | 166,665 | 162,012 | 159,272 |
| Less: | | | | | |
| Noncontrolling interests in property partnerships' share of funds from operations | 36,699 | 36,515 | 33,866 | 19,150 | 21,825 |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership | 3 | 3 | 9 | 75 | 320 |
| Preferred dividends | 2,618 | 2,589 | 2,646 | 2,647 | 2,618 |
| Funds from operations (FFO) attributable to the Operating Partnership, common unitholders (including Boston Properties, Inc.) | 232,803 | 223,733 | 215,467 | 249,178 | 230,410 |
| Less: | | | | | |
| Noncontrolling interest - common units of the Operating Partnership's share of funds from operations | 24,072 | 23,348 | 22,281 | 25,775 | 23,400 |
| FFO attributable to Boston Properties, Inc. common shareholders (2) | <u>\$208,731</u> | <u>\$200,385</u> | <u>\$193,186</u> | <u>\$223,403</u> | <u>\$207,010</u> |
| FFO per share - basic | <u>\$ 1.36</u> | <u>\$ 1.31</u> | <u>\$ 1.26</u> | <u>\$ 1.46</u> | <u>\$ 1.35</u> |
| Weighted average shares outstanding - basic | <u>153,450</u> | <u>153,230</u> | <u>153,128</u> | <u>153,120</u> | <u>153,078</u> |
| FFO per share - diluted | <u>\$ 1.36</u> | <u>\$ 1.30</u> | <u>\$ 1.26</u> | <u>\$ 1.46</u> | <u>\$ 1.35</u> |
| Weighted average shares outstanding - diluted | <u>153,815</u> | <u>153,873</u> | <u>153,550</u> | <u>153,273</u> | <u>153,623</u> |

- (1) Real estate depreciation and amortization consists of depreciation and amortization from the consolidated statements of operations of \$167,844, \$154,223, \$162,430, \$157,245 and \$154,628 and our share of unconsolidated joint venture real estate depreciation and amortization of \$3,886, \$(5,132), \$4,582, \$5,099 and \$4,986, less corporate related depreciation of \$346, \$337, \$347, \$332 and \$342 for the three months ended June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014, respectively.
- (2) Based on weighted average basic shares for the quarter. The Company's share for the quarter ended June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014 was 89.66%, 89.56%, 89.66%, 89.66% and 89.84%, respectively.

Boston Properties, Inc.
Second Quarter 2015

RECONCILIATION TO DILUTED FUNDS FROM OPERATIONS
(in thousands, except for per share amounts)
(unaudited)

| | June 30, 2015 | | March 31, 2015 | | December 31, 2014 | | September 30, 2014 | | June 30, 2014 | |
|---|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|
| | Income (Numerator) | Shares/Units (Denominator) | Income (Numerator) | Shares/Units (Denominator) | Income (Numerator) | Shares/Units (Denominator) | Income (Numerator) | Shares/Units (Denominator) | Income (Numerator) | Shares/Units (Denominator) |
| Basic FFO | \$ 232,803 | 171,146 | \$ 223,733 | 171,084 | \$ 215,467 | 170,789 | \$ 249,178 | 170,785 | \$ 230,410 | 170,382 |
| Effect of Dilutive Securities | | | | | | | | | | |
| Convertible Preferred Units | — | — | — | — | — | — | — | — | 230 | 385 |
| Stock based compensation | — | 365 | — | 643 | — | 422 | — | 153 | — | 160 |
| Diluted FFO | \$ 232,803 | 171,511 | \$ 223,733 | 171,727 | \$ 215,467 | 171,211 | \$ 249,178 | 170,938 | \$ 230,640 | 170,927 |
| Less: | | | | | | | | | | |
| Noncontrolling interest - common units of the Operating Partnership's share of diluted FFO | 24,021 | 17,696 | 23,261 | 17,854 | 22,226 | 17,661 | 25,751 | 17,665 | 23,349 | 17,304 |
| Boston Properties, Inc.'s share of diluted FFO (1) | \$ 208,782 | 153,815 | \$ 200,472 | 153,873 | \$ 193,241 | 153,550 | \$ 223,427 | 153,273 | \$ 207,291 | 153,623 |
| FFO per share - basic | \$ 1.36 | | \$ 1.31 | | \$ 1.26 | | \$ 1.46 | | \$ 1.35 | |
| FFO per share - diluted | \$ 1.36 | | \$ 1.30 | | \$ 1.26 | | \$ 1.46 | | \$ 1.35 | |

(1) Based on weighted average diluted shares for the quarter. The Company's share for the quarter ended June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014 was 89.68%, 89.60%, 89.68%, 89.67% and 89.88%, respectively.

Boston Properties, Inc.
Second Quarter 2015

Funds Available for Distribution (FAD)
(in thousands)

| | Three Months Ended | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 30-Jun-15 | 31-Mar-15 | 31-Dec-14 | 30-Sep-14 | 30-Jun-14 |
| Basic FFO (see page 9) | \$232,803 | \$223,733 | \$215,467 | \$249,178 | \$230,410 |
| 2nd generation tenant improvements and leasing commissions | (54,346) | (55,121) | (20,824) | (47,649) | (22,690) |
| Straight-line rent (1) | (14,024) | (23,164) | (18,639) | (18,281) | (10,672) |
| Lease transaction costs which qualify as rent inducements (1) (2) | 3,141 | 5,929 | 3,533 | 1,516 | 1,605 |
| Recurring capital expenditures | (14,869) | (8,763) | (12,571) | (12,691) | (9,654) |
| Fair value interest adjustment (1) | (7,856) | (7,796) | (7,737) | (7,694) | (7,630) |
| Fair value lease revenue (1) (3) | (6,667) | (7,081) | (12,236) | (9,207) | (7,425) |
| Hotel improvements, equipment upgrades and replacements | (272) | (491) | (328) | (514) | (495) |
| Straight-line ground rent expense adjustment (4) | 1,106 | 1,196 | 1,669 | 1,669 | 1,708 |
| Non-real estate depreciation | 346 | 337 | 347 | 332 | 342 |
| Stock-based compensation | 5,469 | 11,011 | 5,391 | 5,809 | 6,519 |
| Non-cash losses from early extinguishments of debt | — | — | 96 | — | — |
| Non-cash termination income adjustment (fair value lease amounts) | (1,645) | 10 | — | — | — |
| Partners' share of consolidated and unconsolidated joint venture 2nd generation tenant improvement and leasing commissions | 2,005 | 1,511 | 652 | 6,593 | 804 |
| Unearned portion of capitalized fees | 746 | 5,834 | 7,810 | 1,740 | 1,838 |
| Funds available for distribution to common shareholders and common unitholders (FAD) | <u>\$145,937</u> | <u>\$147,145</u> | <u>\$162,630</u> | <u>\$170,801</u> | <u>\$184,660</u> |

Interest Coverage Ratios
(in thousands, except for ratio amounts)

| | Three Months Ended | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 30-Jun-15 | 31-Mar-15 | 31-Dec-14 | 30-Sep-14 | 30-Jun-14 |
| Income before gains on sales of real estate | \$100,739 | \$114,086 | \$85,323 | \$109,038 | \$95,901 |
| Interest expense | 108,534 | 108,757 | 117,904 | 113,308 | 110,977 |
| Interest expense from unconsolidated joint ventures | 3,823 | 4,977 | 3,248 | 3,254 | 3,270 |
| Depreciation and amortization expense | 167,844 | 154,223 | 162,430 | 157,245 | 154,628 |
| Depreciation and amortization expense from unconsolidated joint ventures | 3,886 | (5,132) | 4,582 | 5,099 | 4,986 |
| Non-cash losses from early extinguishments of debt | — | — | 96 | — | — |
| Non-cash termination income adjustment (fair value lease amounts) | (1,645) | 10 | — | — | — |
| Stock-based compensation | 5,469 | 11,011 | 5,391 | 5,809 | 6,519 |
| Straight-line ground rent expense adjustment (4) | 1,106 | 1,196 | 1,669 | 1,669 | 1,708 |
| Straight-line rent (1) | (14,024) | (23,164) | (18,639) | (18,281) | (10,672) |
| Lease transaction costs which qualify as rent inducements (1) (2) | 3,141 | 5,929 | 3,533 | 1,516 | 1,605 |
| Fair value lease revenue (1) (3) | (6,667) | (7,081) | (12,236) | (9,207) | (7,425) |
| Subtotal | 372,206 | 364,812 | 353,301 | 369,450 | 361,497 |
| Excluding Capitalized Interest | | | | | |
| Divided by: | | | | | |
| Adjusted interest expense (5) (6) (7) | 115,937 | 117,410 | 124,819 | 120,322 | 118,043 |
| Interest Coverage Ratio | <u>3.21</u> | <u>3.11</u> | <u>2.83</u> | <u>3.07</u> | <u>3.06</u> |
| Including Capitalized Interest | | | | | |
| Divided by: | | | | | |
| Adjusted interest expense (5) (6) (7) (8) | 124,909 | 125,488 | 132,584 | 132,641 | 132,982 |
| Interest Coverage Ratio | <u>2.98</u> | <u>2.91</u> | <u>2.66</u> | <u>2.79</u> | <u>2.72</u> |

- (1) Includes the Company's share of consolidated and unconsolidated joint venture amounts.
- (2) Consists of lease transaction costs which qualify as rent inducements in accordance with GAAP. Lease transaction costs are generally included in 2nd generation tenant improvements and leasing commissions.
- (3) Represents the net adjustment for above- and below-market leases that are being amortized over the terms of the respective leases in place at the property acquisition dates.
- (4) For additional information, see page 6.
- (5) Excludes consolidated and the Company's share of unconsolidated joint venture amortization of financing costs of \$1,936, \$1,956, \$1,987, \$1,987 and \$1,992 for the three months ended June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014, respectively.
- (6) Excludes interest expense of \$7,594, \$7,385, \$7,271, \$7,102 and \$6,965 for the three months ended June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014, respectively, consisting of the interest expense on the partner loans for the 767 Fifth Avenue (The GM Building) consolidated joint venture, which amount is allocated to the partners within noncontrolling interests in property partnerships. The Company's share of the interest expense on its loan to the joint venture eliminates in consolidation.
- (7) Excludes consolidated fair value interest adjustment of \$13,110, \$13,017, \$12,925, \$12,849 and \$12,753 for the three months ended June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014, respectively.
- (8) Includes consolidated and the Company's share of unconsolidated joint venture capitalized interest of \$8,972, \$8,078, \$7,765, \$12,319 and \$14,939 for the three months ended June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014, respectively.

Boston Properties, Inc.
Second Quarter 2015

CAPITAL STRUCTURE

Consolidated Debt

(in thousands)

| | Aggregate Principal June 30, 2015 |
|--|--|
| Mortgage Notes Payable | \$ 4,157,864 |
| Mezzanine Notes Payable | 306,000 |
| Unsecured Line of Credit | — |
| Unsecured Senior Notes, at face value | <u>5,300,000</u> |
| Total Debt | 9,763,864 |
| Fair Value Adjustment on Mortgage Notes Payable | 111,944 |
| Fair Value Adjustment on Mezzanine Notes Payable | 3,148 |
| Discount on Unsecured Senior Notes | <u>(11,497)</u> |
| Total Consolidated Debt | <u>\$ 9,867,459</u> |

Boston Properties Limited Partnership Unsecured Senior Notes

| Settlement Date | 6/27/2013 | 4/11/2013 | 6/11/2012 | 11/10/2011 | 11/18/2010 | 4/19/2010 | 10/9/2009 | Total/Average |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| Original Principal Amount | \$ 700,000 | \$ 500,000 | \$ 1,000,000 | \$ 850,000 | \$ 850,000 | \$ 700,000 | \$ 700,000 | \$ 5,300,000 |
| Principal Amount at Quarter End | \$ 700,000 | \$ 500,000 | \$ 1,000,000 | \$ 850,000 | \$ 850,000 | \$ 700,000 | \$ 700,000 | \$ 5,300,000 |
| Yield (on issue date) | 3.916% | 3.279% | 3.954% | 3.853% | 4.289% | 5.708% | 5.967% | 4.42% |
| Coupon | 3.800% | 3.125% | 3.850% | 3.700% | 4.125% | 5.625% | 5.875% | 4.30% |
| Public Offering Price | 99.694% | 99.379% | 99.779% | 99.767% | 99.260% | 99.891% | 99.931% | 99.68% |
| Ratings: | | | | | | | | |
| Moody's | Baa2 (stable) | Baa2 (stable) | Baa2 (stable) | Baa2 (stable) | Baa2 (stable) | Baa2 (stable) | Baa2 (stable) | |
| S&P | A- (stable) | A- (stable) | A- (stable) | A- (stable) | A- (stable) | A- (stable) | A- (stable) | |
| Fitch | BBB+ (stable) | BBB+ (stable) | BBB+ (stable) | BBB+ (stable) | BBB+ (stable) | BBB+ (stable) | BBB+ (stable) | |
| Maturity Date | 2/1/2024 | 9/1/2023 | 2/1/2023 | 11/15/2018 | 5/15/2021 | 11/15/2020 | 10/15/2019 | |
| Discount | \$ 1,777 | \$ 2,525 | \$ 1,650 | \$ 1,014 | \$ 3,849 | \$ 438 | \$ 244 | \$ 11,497 |
| Unsecured Senior Notes, net of discount | <u>\$ 698,223</u> | <u>\$ 497,475</u> | <u>\$ 998,350</u> | <u>\$ 848,986</u> | <u>\$ 846,151</u> | <u>\$ 699,562</u> | <u>\$ 699,756</u> | <u>\$ 5,288,503</u> |

Equity
(in thousands)

| | Shares/Units Outstanding as of 6/30/2015 | Common Stock Equivalents | Equivalent Value (1) |
|--|--|--------------------------------|-------------------------|
| Common Stock | 153,474 | 153,474 (2) | \$18,576,493 |
| Common Operating Partnership Units | 18,032 | 18,032 (3) | 2,182,593 |
| 5.25% Series B Cumulative Redeemable Preferred Stock | 80 | — | 200,000(4) |
| Total Equity | | <u>171,506</u> | <u>\$20,959,086</u> |
| Total Consolidated Debt | | | <u>\$ 9,867,459</u> |
| Total Consolidated Market Capitalization | | | <u>\$30,826,545</u> |
| BXP's share of Unconsolidated Joint Venture Debt | | | \$ 352,882 |
| Less: | | | |
| Partners' Share of Consolidated Debt | | | \$ 1,168,046 |
| Total Adjusted Debt (5) | | | <u>\$ 9,052,295</u> |
| Total Adjusted Market Capitalization (5) | | | <u>\$30,011,381</u> |

- (1) Values based on June 30, 2015 closing price of \$121.04 per share of common stock, except for the shares of Series B Cumulative Redeemable Preferred Stock which have been valued at the liquidation preference of \$2,500.00 per share (see Note 4 below).
- (2) Includes 67,682 shares of restricted stock.
- (3) Includes 1,839,555 long-term incentive plan units (including 216,960 2012 OPP Units), but excludes an aggregate of 1,154,553 Multi-Year Long-Term Incentive Program Units.
- (4) On or after March 27, 2018, the Company, at its option, may redeem the Series B Preferred Stock for a cash redemption price of \$2,500.00 per share (\$25.00 per depositary share), plus all accrued and unpaid dividends. The Series B Preferred Stock is not redeemable by the holders, has no maturity date and is not convertible into or exchangeable for any other security of the Company or any of its affiliates.
- (5) For disclosures relating to our definitions of Total Adjusted Debt and Total Adjusted Market Capitalization, see page 48.

Boston Properties, Inc.
Second Quarter 2015

DEBT ANALYSIS (1)
as of June 30, 2015

Debt Maturities and Principal Payments

(in thousands)

| | 2015 | 2016 | 2017 | 2018 | 2019 | Thereafter | Total |
|--|-----------------|------------------|--------------------|------------------|------------------|--------------------|--------------------|
| Floating Rate Debt | | | | | | | |
| Mortgage Notes Payable | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Unsecured Line of Credit | — | — | — | — | — | — | — |
| Total Floating Debt | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Fixed Rate Debt | | | | | | | |
| Mortgage Notes Payable | \$13,275 | \$608,879 | \$2,821,750 | \$ 18,633 | \$ 19,670 | \$ 675,657 | \$4,157,864 |
| Fair Value Adjustment | 27,120 | 50,632 | 34,192 | — | — | — | 111,944 |
| Mortgage Notes Payable | 40,395 | 659,511 | 2,855,942 | 18,633 | 19,670 | 675,657 | 4,269,808 |
| Mezzanine Notes Payable | — | — | 306,000 | — | — | — | 306,000 |
| Fair Value Adjustment | 666 | 1,389 | 1,093 | — | — | — | 3,148 |
| | 666 | 1,389 | 307,093 | — | — | — | 309,148 |
| Unsecured Senior Notes, Face Amount | — | — | — | 850,000 | 700,000 | 3,750,000 | 5,300,000 |
| Discount Amortization | (845) | (1,681) | (1,749) | (1,774) | (1,553) | (3,895) | (11,497) |
| Unsecured Senior Notes | (845) | (1,681) | (1,749) | 848,226 | 698,447 | 3,746,105 | 5,288,503 |
| Total Fixed Debt | \$40,216 | \$659,219 | \$3,161,286 | \$866,859 | \$718,117 | \$4,421,762 | \$9,867,459 |
| Total Consolidated Debt | \$40,216 | \$659,219 | \$3,161,286 | \$866,859 | \$718,117 | \$4,421,762 | \$9,867,459 |
| GAAP Weighted Average Floating Rate Debt | — | — | — | — | — | — | — |
| GAAP Weighted Average Fixed Rate Debt | 5.87% | 5.33% | 4.08% | 3.89% | 5.96% | 4.36% | 4.41% |
| Total GAAP Weighted Average Rate | 5.87% | 5.33% | 4.08% | 3.89% | 5.96% | 4.36% | 4.41% |
| Total Stated Weighted Average Rate | 5.84% | 6.44% | 5.76% | 3.77% | 5.87% | 4.29% | 4.98% |

Unsecured Debt

Unsecured Line of Credit - Matures July 26, 2018

(in thousands)

| Facility | Outstanding at 6/30/2015 | Letters of Credit | Remaining Capacity at 6/30/2015 |
|-------------|-----------------------------|----------------------|---------------------------------------|
| \$1,000,000 | \$ — | \$ 16,503 | \$ 983,497 |

Unsecured and Secured Debt Analysis

| | <u>% of Total Debt</u> | <u>Stated Weighted Average Rate</u> | <u>GAAP Weighted Average Rate</u> | <u>Weighted Average Maturity</u> |
|--------------------------------|------------------------|-------------------------------------|-----------------------------------|----------------------------------|
| Unsecured Debt | 53.60% | 4.34% | 4.42% | 6.1 years |
| Secured Debt | 46.40% | 5.72% | 4.39% | 2.7 years |
| Total Consolidated Debt | 100.00% | 4.98% | 4.41% | 4.5 years |

Floating and Fixed Rate Debt Analysis

| | <u>% of Total Debt</u> | <u>Stated Weighted Average Rate</u> | <u>GAAP Weighted Average Rate</u> | <u>Weighted Average Maturity</u> |
|--------------------------------|------------------------|-------------------------------------|-----------------------------------|----------------------------------|
| Floating Rate Debt | — | — | — | — years |
| Fixed Rate Debt | 100.00% | 4.98% | 4.41% | 4.5 years |
| Total Consolidated Debt | 100.00% | 4.98% | 4.41% | 4.5 years |

Interest Rate Hedging Instruments

(dollars in thousands)

| | <u>Notional Amount</u> | <u>Weighted-Average Ten-Year Swap Rate</u> | <u>Effective Date</u> | <u>Termination Date</u> |
|--|------------------------|--|-----------------------|-------------------------|
| Forward-starting interest rate swaps (2) | \$ 325,000 | 2.46% | September 1, 2016 | September 1, 2026 |
| Forward-starting interest rate swaps (3) | 150,000 | 2.79% | June 1, 2017 | June 1, 2027 |

- (1) Excludes unconsolidated joint ventures. The GAAP interest rate differs from the stated interest rate due to the inclusion of the amortization of financing charges, effects of hedging transactions and adjustments required to reflect loans at their fair values upon acquisition or consolidation.
- (2) During the three months ended June 30, 2015, the Company entered into forward-starting interest rate swap contracts which fix the ten-year swap rate on notional amounts aggregating \$75.0 million. The Company has now entered into forward-starting interest rate swap contracts which fix the ten-year swap rate at a weighted-average rate of approximately 2.458% per annum on notional amounts aggregating \$325.0 million. The interest rate swap contracts were entered into in advance of a financing with a target commencement date in September 2016 and maturity in September 2026.
- (3) The Company's 767 Fifth Partners LLC consolidated entity (the entity in which the Company has a 60% interest and that owns the General Motors Building at 767 Fifth Avenue in New York City) entered into forward-starting interest rate swap contracts, including contracts entered into subsequent to June 30, 2015, which fix the ten-year swap rate at a weighted-average rate of approximately 2.809% per annum on notional amounts aggregating \$225.0 million. These interest rate swap contracts were entered into in advance of a financing with a target commencement date in June 2017 and maturity in June 2027.

Boston Properties, Inc.
Second Quarter 2015

DEBT MATURITIES AND PRINCIPAL PAYMENTS (1)

as of June 30, 2015

(in thousands)

| Property | 2015 | 2016 | 2017 | 2018 | 2019 | Thereafter | Total |
|--|-----------------|------------------|--------------------|------------------|------------------|--------------------|--------------------|
| 767 Fifth Avenue (The GM Building) (60% ownership) | \$ — | \$ — | \$1,300,000 | \$ — | \$ — | \$ — | \$1,300,000 (2) |
| 599 Lexington Avenue | — | — | 750,000 | — | — | — | 750,000 |
| 601 Lexington Avenue (55% ownership) | 6,005 | 12,447 | 13,051 | 13,684 | 14,349 | 645,531 | 705,067 |
| 200 Clarendon Street (formerly John Hancock Tower and Garage) | — | — | 640,500 | — | — | — | 640,500 (2) |
| Embarcadero Center Four | 2,941 | 348,886 | — | — | — | — | 351,827 |
| Fountain Square (50% ownership) | — | 211,250 | — | — | — | — | 211,250(2) |
| 505 9th Street (50% ownership) | 1,311 | 2,737 | 113,596 | — | — | — | 117,644 |
| New Dominion Technology Park, Building One | 1,264 | 2,672 | 2,878 | 3,100 | 3,340 | 26,503 | 39,757 |
| Kingstowne Two and Retail | 990 | 29,277 | — | — | — | — | 30,267 (2) |
| University Place | 764 | 1,610 | 1,725 | 1,849 | 1,981 | 3,623 | 11,552 |
| | <u>13,275</u> | <u>608,879</u> | <u>2,821,750</u> | <u>18,633</u> | <u>19,670</u> | <u>675,657</u> | <u>4,157,864</u> |
| Aggregate Fair Value Adjustments | <u>27,120</u> | <u>50,632</u> | <u>34,192</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>111,944</u> |
| | <u>40,395</u> | <u>659,511</u> | <u>2,855,942</u> | <u>18,633</u> | <u>19,670</u> | <u>675,657</u> | <u>4,269,808</u> |
| Mezzanine Notes Payable (associated with 767 Fifth Avenue (The GM Building)) (60% ownership) | — | — | 306,000 | — | — | — | 306,000 |
| Fair Value Adjustment | 666 | 1,389 | 1,093 | — | — | — | 3,148 |
| | <u>666</u> | <u>1,389</u> | <u>307,093</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>309,148</u> |
| Unsecured Senior Notes, Face Amount | — | — | — | 850,000 | 700,000 | 3,750,000 | 5,300,000 |
| Aggregate Discount Amortization | (845) | (1,681) | (1,749) | (1,774) | (1,553) | (3,895) | (11,497) |
| | <u>(845)</u> | <u>(1,681)</u> | <u>(1,749)</u> | <u>848,226</u> | <u>698,447</u> | <u>3,746,105</u> | <u>5,288,503</u> |
| Unsecured Line of Credit | — | — | — | — | — | — | — |
| | <u>\$40,216</u> | <u>\$659,219</u> | <u>\$3,161,286</u> | <u>\$866,859</u> | <u>\$718,117</u> | <u>\$4,421,762</u> | <u>\$9,867,459</u> |
| % of Total Consolidated Debt | 0.41% | 6.68% | 32.04% | 8.78% | 7.28% | 44.81% | 100.00% |
| Balloon Payments | \$ — | \$583,782 | \$3,107,619 | \$850,000 | \$700,000 | \$4,383,554 | \$9,624,955 |
| Scheduled Principal Amortization | \$13,275 | \$25,097 | \$20,131 | \$18,633 | \$19,670 | \$42,103 | \$138,909 |

(1) Excludes unconsolidated joint ventures. For information on our unconsolidated joint venture debt, see page 16.

(2) This property has a fair value adjustment which is aggregated on the Aggregate Fair Value Adjustments line.

Senior Unsecured Debt Covenant Compliance Ratios

(in thousands)

In the fourth quarter of 2002, the Company's operating partnership (Boston Properties Limited Partnership) received investment grade ratings on its senior unsecured debt securities and thereafter issued unsecured notes. The notes were issued under an indenture, dated as of December 13, 2002, by and between Boston Properties Limited Partnership and The Bank of New York Mellon Trust Company, N.A., as trustee, as supplemented, which, among other things, requires us to comply with the following limitations on incurrence of debt: Limitation on Outstanding Debt; Limitation on Secured Debt; Ratio of Annualized Consolidated EBITDA to Annualized Interest Expense; and Maintenance of Unencumbered Assets. Compliance with these restrictive covenants requires us to apply specialized terms the meanings of which are described in detail in our filings with the SEC, and to calculate ratios in the manner prescribed by the indenture.

This section presents such ratios as of June 30, 2015 to show that the Company's Operating Partnership was in compliance with the terms of the indenture, as amended, which has been filed with the SEC. Management is not presenting these ratios and the related calculations for any other purpose or for any other period, and is not intending for these measures to otherwise provide information to investors about the Company's financial condition or results of operations. Investors should not rely on these measures other than for purposes of testing our compliance with the indenture. This section also presents certain other indenture-related data which we believe assists investors in the Company's unsecured debt securities.

| | Senior Notes Issued Prior to October 9, 2009 | Senior Notes Issued On or After October 9, 2009 |
|---|--|---|
| | June 30, 2015 | |
| Total Assets: | | |
| Capitalized Property Value (1) | \$ 21,951,292 | \$ 22,445,106 |
| Cash and Cash Equivalents | 1,342,751 | 1,342,751 |
| Investments in Marketable Securities | 20,953 | 20,953 |
| Undeveloped Land, at Cost (including Joint Venture %) | 330,469 | 330,469 |
| Development in Process, at Cost (including Joint Venture %) | 1,068,967 | 1,068,967 |
| Total Assets | \$ 24,714,432 | \$ 25,208,246 |
| Unencumbered Assets | \$ 16,237,059 | \$ 16,552,330 |
| Secured Debt (Fixed and Variable) (2) | \$ 4,157,864 | \$ 4,157,864 |
| Mezzanine Notes Payable (3) | 306,000 | 306,000 |
| Joint Venture Debt | 352,882 | 352,882 |
| Related Party Notes Payable | 180,000 | 180,000 |
| Contingent Liabilities & Letters of Credit | 23,472 | 23,472 |
| Unsecured Debt (4) | 5,300,000 | 5,300,000 |
| Total Outstanding Debt | \$ 10,320,218 | \$ 10,320,218 |
| Consolidated EBITDA: | | |
| Income before Gains on Sales of Real Estate (per Consolidated Income Statement) | \$ 100,739 | \$ 100,739 |
| Subtract: Income from Unconsolidated Joint Ventures (per Consolidated Income Statement) | (3,078) | (3,078) |
| Add: Losses from Investments in Securities (per Consolidated Income Statement) | 24 | 24 |
| Add: Interest Expense (per Consolidated Income Statement) | 108,534 | 108,534 |
| Add: Depreciation and Amortization (per Consolidated Income Statement) | 167,844 | 167,844 |
| EBITDA | 374,063 | 374,063 |
| Add: Company share of unconsolidated joint venture EBITDA | 11,374 | 11,374 |
| Consolidated EBITDA | \$ 385,437 | \$ 385,437 |
| Adjusted Interest Expense: | | |
| Interest Expense (per Consolidated Income Statement) | \$ 108,534 | \$ 108,534 |
| Add: Company share of unconsolidated joint venture interest expense | 3,823 | 3,823 |
| Less: Amortization of financing costs (including Joint Venture %) | (1,936) | (1,936) |
| Less: Interest expense funded by construction loan draws | — | — |
| Adjusted Interest Expense | \$ 110,421 | \$ 110,421 |

| Covenant Ratios and Related Data | Test | Actual | Actual |
|--|--------------------|---------------|---------------|
| Total Outstanding Debt/Total Assets | Less than 60% | 41.8% | 40.9% |
| Secured Debt/Total Assets | Less than 50% | 19.5% | 19.1% |
| Interest Coverage (Annualized Consolidated EBITDA to Annualized Interest Expense) | Greater than 1.50x | 3.49 | 3.49 |
| Unencumbered Assets/ Unsecured Debt | Greater than 150% | 306.4% | 312.3% |
| Unencumbered Consolidated Property EBITDA (5) | | \$256,531 | \$256,531 |
| Unencumbered Interest Coverage (Unencumbered Consolidated Property EBITDA to Unsecured Interest Expense) | | 4.44 | 4.44 |
| % of Unencumbered Consolidated Property EBITDA to Consolidated EBITDA | | 66.6% | 66.6% |
| # of in-service unencumbered properties | | 137 | 137 |

- For senior notes issued prior to October 9, 2009, Capitalized Property Value is determined for each property and is the greater of (A) annualized EBITDA capitalized at an 8.5% rate for CBD properties and a 9.0% rate for non-CBD properties, and (B) the undepreciated book value as determined under GAAP. Capitalized Property Value for senior notes issued on or after October 9, 2009 is determined for each property and is the greater of (A) annualized EBITDA capitalized at an 8.0% rate for CBD properties and a 9.0% rate for non-CBD properties, and (B) the undepreciated book value as determined under GAAP.
- Excludes aggregate fair value adjustment of \$111,944.
- Excludes aggregate fair value adjustment of \$3,148.
- Excludes aggregate debt discount of \$11,497.
- Unencumbered Consolidated Property EBITDA is a non-GAAP financial measure equal to Consolidated EBITDA excluding corporate revenue and expenses, encumbered consolidated Property EBITDA, EBITDA from land and properties that have either been disposed of or not fully placed in-service and items that in our view are not representative of a property's standard ongoing performance, such as termination income and other similar items. For the three months ended June 30, 2015, these excluded amounts were approximately \$(14,677), \$136,556, \$1,451 and \$5,576, respectively.

Boston Properties, Inc.
Second Quarter 2015

UNCONSOLIDATED JOINT VENTURE DEBT ANALYSIS (*)

Debt Maturities and Principal Payments by Property

as of June 30, 2015
(in thousands)

| <u>Property</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>Thereafter</u> | <u>Total</u> |
|---|----------------|-----------------|----------------|-----------------|----------------|-------------------|------------------|
| Metropolitan Square (51%) | \$ 637 | \$ 1,332 | \$1,410 | \$ 1,493 | \$1,582 | \$ 80,327 | \$ 86,781 |
| 540 Madison Avenue (60%) | — | — | — | 72,000 | — | — | 72,000 |
| Market Square North (50%) | 529 | 1,094 | 1,148 | 1,205 | 1,265 | 58,090 | 63,331 |
| 901 New York Avenue (25%) | — | — | — | — | — | 56,250 | 56,250 |
| 500 North Capitol Street, N.W. (30%) | — | — | — | — | — | 31,500 | 31,500 |
| Annapolis Junction Building One (50%) | 140 | 279 | 279 | 19,519 | — | — | 20,217 (1) |
| Annapolis Junction Building Six (50%) | 6,770 | — | — | — | — | — | 6,770 |
| Annapolis Junction Building Seven (50%) | — | 9,145 | — | — | — | — | 9,145 (2) |
| Annapolis Junction Building Eight (50%) | — | — | 6,888 | — | — | — | 6,888 (2) |
| | <u>\$8,076</u> | <u>\$11,850</u> | <u>\$9,725</u> | <u>\$94,217</u> | <u>\$2,847</u> | <u>\$226,167</u> | <u>\$352,882</u> |
| GAAP Weighted Average Rate | 2.98% | 3.00% | 2.98% | 2.00% | 5.41% | 4.82% | 3.92% |
| % of Total Debt | 2.28% | 3.36% | 2.76% | 26.70% | 0.81% | 64.09% | 100.00% |
| Balloon Payments | \$6,770 | \$ 9,145 | \$6,888 | \$91,519 | \$ — | \$221,044 | \$335,366 |
| Scheduled Amortization | \$1,306 | \$ 2,705 | \$2,837 | \$ 2,698 | \$2,847 | \$ 5,123 | \$ 17,516 |

Floating and Fixed Rate Debt Analysis

| | <u>% of Total Debt</u> | <u>Stated Weighted Average Rate</u> | <u>GAAP Weighted Average Rate</u> | <u>Weighted Average Maturity</u> |
|--------------------|------------------------|-------------------------------------|-----------------------------------|----------------------------------|
| Floating Rate Debt | 32.59% | 1.78% | 2.00% | 2.5 years |
| Fixed Rate Debt | 67.41% | 4.79% | 4.85% | 6.5 years |
| Total Debt | <u>100.00%</u> | <u>3.81%</u> | <u>3.92%</u> | <u>5.2 years</u> |

(*) All amounts represent the Company's share.

(1) Loan has one, three-year extension option, subject to certain conditions.

(2) Loan has two, one-year extension options, subject to certain conditions.

Boston Properties, Inc.
Second Quarter 2015

UNCONSOLIDATED JOINT VENTURES

Balance Sheet Information

*(unaudited and in thousands)
as of June 30, 2015*

| | <u>540 Madison Avenue</u> | <u>Market Square North</u> | <u>Metropolitan Square</u> | <u>901 New York Avenue</u> | <u>Wisconsin Place (1)</u> | <u>Annapolis Junction (2)</u> | <u>500 North Capitol Street, N.W.</u> | <u>North Station (Phase 1 - Air Rights)</u> | <u>1001 6th Street (formerly 501 K Street)</u> | <u>Dock72 (3)</u> | <u>1265 Main Street (4)</u> | <u>Total Unconsolidated Joint Ventures</u> |
|---|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|---------------------------------------|---|--|-------------------|-----------------------------|--|
| Net Equity (5) (6) | \$ 68,627 | \$ (10,161) | \$ 9,188 | \$ (12,411) | \$ 44,597 | \$ 26,812 | \$ (2,755) | \$ 6,609 | \$ 42,704 | \$ 9,228 | \$ 2,209 | \$ 184,647 |
| Mortgage/Construction loans payable (5) | \$ 72,000 | \$ 63,331 | \$ 86,781 | \$ 56,250 | \$ — | \$ 43,020 | \$ 31,500 | \$ — | \$ — | \$ — | \$ — | \$ 352,882 |
| BXP's nominal ownership percentage | 60.00% | 50.00% | 51.00% | 25.00% | 33.33% | 50.00% | 30.00% | 50.00% | 50.00% | 50.00% | 50.00% | |

Results of Operations

*(unaudited and in thousands)
for the three months ended June 30, 2015*

| | <u>540 Madison Avenue</u> | <u>Market Square North</u> | <u>Metropolitan Square</u> | <u>901 New York Avenue</u> | <u>Wisconsin Place (1)</u> | <u>Annapolis Junction (2)</u> | <u>500 North Capitol Street, N.W.</u> | <u>North Station (Phase 1 - Air Rights)</u> | <u>1001 6th Street (formerly 501 K Street)</u> | <u>Dock72 (3)</u> | <u>1265 Main Street (4)</u> | <u>Total Unconsolidated Joint Ventures</u> |
|--|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|---------------------------------------|---|--|-------------------|-----------------------------|--|
| REVENUE | | | | | | | | | | | | |
| Rental (7) | \$ 6,983 | \$ 6,214 | \$ 8,458 | \$ 7,840 | \$ 1,350 | \$ 3,958 | \$ 3,601 | \$ — | \$ 177 | \$ — | \$ — | \$ 38,581 |
| Straight-line rent | (194) | (145) | (18) | 470 | — | (11) | 221 | — | — | — | — | 323 |
| Fair value lease revenue | (71) | — | — | — | — | — | — | — | — | — | — | (71) |
| Termination Income | 205 | 120 | (6) | — | — | — | — | — | — | — | — | 319 |
| Total revenue | 6,923 | 6,189 | 8,434 | 8,310 | 1,350 | 3,947 | 3,822 | — | 177 | — | — | 39,152 |
| EXPENSES | | | | | | | | | | | | |
| Operating | 3,381 | 2,394 | 3,450 | 3,228 | 599 | 1,270 | 1,263 | — | 239 | — | — | 15,824 |
| NET OPERATING INCOME | 3,542 | 3,795 | 4,984 | 5,082 | 751 | 2,677 | 2,559 | — | (62) | — | — | 23,328 |
| Interest | 561 | 1,559 | 2,474 | 2,075 | — | 201 | 1,116 | — | — | — | — | 7,986 |
| Depreciation and amortization | 1,876 | 906 | 1,897 | 1,277 | 1,383 | 741 | 871 | — | — | — | — | 8,951 |
| SUBTOTAL | 2,437 | 2,465 | 4,371 | 3,352 | 1,383 | 942 | 1,987 | — | — | — | — | 16,937 |
| NET INCOME/(LOSS) | \$ 1,105 | \$ 1,330 | \$ 613 | \$ 1,730 | \$ (632) | \$ 1,735 | \$ 572 | \$ — | \$ (62) | \$ — | \$ — | \$ 6,391 |
| BXP's share of net income/(loss) | \$ 663 | \$ 665 | \$ 313 | \$ 463(8) | \$ (210) | \$ 867 | \$ 172 | \$ — | \$ (31) | \$ — | \$ — | 2,902 |
| Basis differential (9) | 182 | (4) | 8 | (7) | (7) | (5) | 9 | — | — | — | — | 176 |
| Income/(loss) from unconsolidated joint ventures | \$ 845 | \$ 661 | \$ 321 | \$ 456(8) | \$ (217) | \$ 862 | \$ 181 | \$ — | \$ (31) | \$ — | \$ — | 3,078 |
| BXP's share of depreciation & amortization | 1,001 | 462 | 987 | 328(8) | 466 | 379 | 263 | — | — | — | — | 3,886 |
| BXP's share of Funds from Operations (FFO) | \$ 1,846 | \$ 1,123 | \$ 1,308 | \$ 784 | \$ 249 | \$ 1,241 | \$ 444 | \$ — | \$ (31) | \$ — | \$ — | 6,964 |
| BXP's share of net operating income/(loss) (7) | \$ 2,132 | \$ 1,898 | \$ 2,542 | \$ 2,476(8) | \$ 250 | \$ 1,339 | \$ 768 | \$ — | \$ (31) | \$ — | \$ — | 11,374 |

- (1) Represents the Company's interest in the joint venture entity that owns the land, parking garage and infrastructure. The Company's entity that owns 100% of the office component of the project is consolidated within the accounts of the Company.
- (2) Annapolis Junction includes two properties in service, two properties in development and two undeveloped land parcels.
- (3) Refer to acquisition Note 3 on page 45.
- (4) Refer to acquisition Note 2 on page 45.
- (5) Represents the Company's share.
- (6) As of June 30, 2015, certain investments with deficit balances aggregating (\$25,327) have been reflected within Other Liabilities on the Company's Consolidated Balance Sheet.
- (7) Includes management services income.
- (8) Reflects the allocation percentages pursuant to the achievement of specified investment return thresholds as provided for in the joint venture agreement.
- (9) Represents adjustments related to the carrying values and depreciation of certain of the Company's investment in unconsolidated joint ventures.

Boston Properties, Inc.
Second Quarter 2015

CONSOLIDATED JOINT VENTURES
(unaudited and in thousands)

Balance Sheets

as of June 30, 2015

| BXP's nominal ownership percentage | 60.00% | 55.00% | 95.00% | 50.00% | 50.00% | |
|---|---|---|-------------------------|------------------------|-----------------------|--|
| | Norges Joint Ventures | | | | | Total Consolidated Joint Ventures |
| | 767 Fifth Avenue (The GM Building) | Times Square Tower 601 Lexington Avenue 100 Federal Street Atlantic Wharf Office | Salesforce Tower | Fountain Square | 505 9th Street | |
| ASSETS | | | | | | |
| Real estate, net | \$ 3,493,501 | \$ 2,262,686 | \$400,543 | \$360,725 | \$106,024 | \$ 6,623,479 |
| Cash and cash held in escrows | 92,406 | 132,073 | 3,685 | 17,003 | 5,413 | 250,580 |
| Other assets | 105,286 | 171,642 | 42 | 9,701 | 9,097 | 295,768 |
| Total assets | \$ 3,691,193 | \$ 2,566,401 | \$404,270 | \$387,429 | \$120,534 | \$ 7,169,827 |
| LIABILITIES AND EQUITY | | | | | | |
| Liabilities: | | | | | | |
| Mortgage notes payable | \$ 1,399,665 | \$ 705,067 | \$ — | \$216,837 | \$117,644 | \$ 2,439,213 |
| Mezzanine notes payable | 309,148 | — | — | — | — | 309,148 |
| Related party notes payable | 180,000 | — | — | — | — | 180,000 |
| Accrued interest on related party notes | 103,622 | — | — | — | — | 103,622 |
| Other liabilities | 166,150 | 57,487 | 31,853 | 11,206 | 6,913 | 273,609 |
| Total liabilities | 2,158,585 | 762,554 | 31,853 | 228,043 | 124,557 | 3,305,592 |
| Equity: | | | | | | |
| Boston Properties, Inc. | 1,089,990 (1) | 669,549 | 355,381 | 53,153 | (487) | 2,167,586 |
| Redeemable interest in property partnership | — | — | — | 106,233 | — | 106,233 |
| Noncontrolling interests | 442,618 | 1,134,298 | 17,036 | — | (3,536) | 1,590,416 (2) |
| Total equity | 1,532,608 | 1,803,847 | 372,417 | 159,386 | (4,023) | 3,864,235 |
| Total liabilities and equity | \$ 3,691,193 | \$ 2,566,401 | \$404,270 | \$387,429 | \$120,534 | \$ 7,169,827 |

Income Statements

for the three months ended June 30, 2015

| BXP's nominal ownership percentage | 60.00% | 55.00% | 95.00% | 50.00% | 50.00% | |
|---|---|---|-------------------------|------------------------|-----------------------|--|
| | Norges Joint Ventures | | | | | Total Consolidated Joint Ventures |
| | 767 Fifth Avenue (The GM Building) | Times Square Tower 601 Lexington Avenue 100 Federal Street Atlantic Wharf Office | Salesforce Tower | Fountain Square | 505 9th Street | |
| REVENUE | | | | | | |
| Rental | \$ 59,892 | \$ 89,185 | \$ — | \$ 8,850 | \$5,992 | \$ 163,919 |
| Straight-line rent | 8,547 | 2,037 | — | 432 | (57) | 10,959 |
| Fair value lease revenue | 9,496 | 1,826 | — | (50) | — | 11,272 |
| Termination income | 3,761 | (238) | — | 88 | — | 3,611 |
| Parking and other | 960 | 1,503 | — | 44 | 473 | 2,980 |
| Total revenue | 82,656 | 94,313 | — | 9,364 | 6,408 | 192,741 |
| EXPENSES | | | | | | |
| Operating | 25,961 | 31,462 | — | 3,340 | 2,404 | 63,167 |
| NET OPERATING INCOME | 56,695 | 62,851 | — | 6,024 | 4,004 | 129,574 |
| Management services income | (292) | (520) | — | (3) | — | (815) |
| Interest and other income | (11) | (277) | — | (1) | — | (289) |
| Interest expense | 23,865 | 8,469 | — | 3,086 | 1,736 | 37,156 |
| Interest expense - partner notes | 7,594 | — | — | — | — | 7,594 |
| Fair value adjustment to interest expense | (11,067) | — | — | (1,653) | — | (12,720) |
| Depreciation and amortization | 43,347 | 21,463 | — | 4,579 | 874 | 70,263 |
| Other | — | 54 | — | — | — | 54 |
| SUBTOTAL | 63,436 | 29,189 | — | 6,008 | 2,610 | 101,243 |
| NET INCOME/(LOSS) | \$ (6,741) | \$ 33,662 | \$ — | \$ 16 | \$1,394 | \$ 28,331 |
| Reconciliation of partners' noncontrolling interest (NCI): | | | | | | |
| Add back depreciation & amortization - BXP basis difference | \$ 8 | \$ 18 | \$ — | \$ 10 | \$ 30 | \$ 66 |
| Special allocation - BXP basis | — | (102) | — | — | — | (102) |
| Add back partners' share of partner loan interest | 7,594 | — | — | — | — | 7,594 |
| Partners' net income/(loss) before interest allocation | 861 | 33,578 | — | 26 | 1,424 | 35,889 |
| Partners' NCI share of net income before interest allocation | 344 | 15,110 | — | 13 | 712 | 16,179 |

| | | | | | | |
|---|-------------------|------------------|-------------|-----------------|-----------------|------------------|
| Partners' share of partner loan interest | (7,594) | — | — | — | — | (7,594) |
| Allocation of management and other fees to non-controlling partner | (603) | (821) | — | (26) | (97) | (1,547) |
| Accretion and adjustments | — | — | — | 2,226 (3) | — | 2,226 |
| Partners' NCI | <u>\$ (7,853)</u> | <u>\$ 14,289</u> | <u>\$ —</u> | <u>\$ 2,213</u> | <u>\$ 615</u> | <u>\$ 9,264</u> |
| Reconciliation of partners' share of FFO: | | | | | | |
| Net income/(loss) | \$ (6,741) | \$ 33,662 | \$ — | \$ 16 | \$ 1,394 | \$ 28,331 |
| Special allocation - BXP basis | — | (102) | — | — | — | (102) |
| Add back depreciation & amortization | 43,347 | 21,463 | — | 4,579 | 874 | 70,263 |
| Entity FFO | <u>36,606</u> | <u>55,023</u> | <u>—</u> | <u>4,595</u> | <u>2,268</u> | <u>98,492</u> |
| Partners' share of net income/(loss) | (2,693) | 15,182 | — | 13 | 712 | 13,214 |
| Partners' share of partner loan interest not in partner's share of entity FFO | (4,556) | — | — | — | — | (4,556) |
| Allocation of management and other fees to non-controlling partner | (603) | (821) | — | (26) | (97) | (1,547) |
| Partners' share of depreciation and amortization | 17,336 | 9,650 | — | — | 422 | 27,408 |
| Accretion and adjustments | — | (46) | — | 2,226 (3) | — | 2,180 |
| Partners' share FFO | <u>\$ 9,484</u> | <u>\$ 23,965</u> | <u>\$ —</u> | <u>\$ 2,213</u> | <u>\$ 1,037</u> | <u>\$ 36,699</u> |
| Reconciliation of BXP share of FFO | | | | | | |
| BXP share of net income/(loss) adjusted for partners' NCI | 1,112 | 19,373 | — | (2,197) (3) | 779 | 19,067 |
| Depreciation & amortization - BXP basis difference | 8 | 18 | — | 10 | 30 | 66 |
| Other adjustment (4) | 90 | 20 | — | 10 | — | 120 |
| BXP share of depreciation & amortization | 26,003 | 11,795 | — | 4,569 (3) | 422 | 42,789 |
| BXP share of FFO | <u>\$ 27,213</u> | <u>\$ 31,206</u> | <u>\$ —</u> | <u>\$ 2,392</u> | <u>\$ 1,231</u> | <u>\$ 62,042</u> |
| Unearned portion of capitalized fees (4) | <u>\$ 305</u> | <u>\$ 415</u> | <u>\$ —</u> | <u>\$ 26</u> | <u>\$ —</u> | <u>\$ 746</u> |

- (1) BXP equity adjusted for related party notes and accrued interest that are allocated to our partners through NCI.
- (2) Amount excludes preferred shareholders capital of approximately \$0.1 million.
- (3) The allocation of net income and FFO to the NCI partner reflects the accretion to their redemption value, which redemption is scheduled to occur in Q1 2016.
- (4) Capitalized fees are eliminated in consolidation and recognized in FFO over the life of the asset as depreciation and amortization are added back to the Company's net income.

Boston Properties, Inc.
Second Quarter 2015

PORTFOLIO OVERVIEW

Rentable Square Footage and Percentage of Combined Net Operating Income of In-Service Properties by Location and Type of Property for the Quarter Ended June 30, 2015 (1) (2)

| Geographic Area | Square Feet Office (3) | % of NOI Office (4) | Square Feet Office/ Technical | % of NOI Office/ Technical (4) | Square Feet Total (3) | Square Feet % of Total | % of NOI Residential (4) | % of NOI Hotel (4) | % of NOI Total (4) |
|------------------------|-------------------------------|----------------------------|--------------------------------------|---------------------------------------|------------------------------|-------------------------------|---------------------------------|---------------------------|---------------------------|
| Boston | 13,195,871 (5) | 26.8% | 392,530 | 1.1% | 13,588,401 (5) | 32.8% | 0.2% | 1.2% | 29.3% |
| New York | 11,566,751 (5) | 40.1% | — | — | 11,566,751 (5) | 28.0% | — | — | 40.1% |
| San Francisco | 5,487,302 | 11.2% | 570,053 | 1.2% | 6,057,355 | 14.7% | — | — | 12.4% |
| Washington, DC | 9,386,623 (5) | 17.3% | 738,829 | 0.5% | 10,125,452 (5) | 24.5% | 0.4% | — | 18.2% |
| | <u>39,636,547</u> | <u>95.4%</u> | <u>1,701,412</u> | <u>2.8%</u> | <u>41,337,959</u> | <u>100.0%</u> | <u>0.6%</u> | <u>1.2%</u> | <u>100.0%</u> |
| % of Total | 95.9% | | 4.1% | | 100.0% | | | | |

Percentage of Combined Net Operating Income of In-Service Properties by Location (2) (4)

| Geographic Area | CBD | Suburban | Total |
|------------------------|--------------|-----------------|---------------|
| Boston | 23.8% | 5.5% | 29.3% |
| New York | 38.0% | 2.1% | 40.1% |
| San Francisco | 9.5% | 2.9% | 12.4% |
| Washington, DC | 7.8% | 10.4% | 18.2% |
| Total | <u>79.1%</u> | <u>20.9%</u> | <u>100.0%</u> |

Hotel Properties

| Hotel Properties | Number of Rooms | Square Feet (6) |
|--|------------------------|------------------------|
| Boston Marriott Cambridge, Cambridge, MA | 433 | 334,260 |
| Total Hotel Properties | <u>433</u> | <u>334,260</u> |

Residential Properties

| Residential Properties | Number of Units | Square Feet |
|---|------------------------|--------------------|
| The Avant at Reston Town Center, Reston, VA | 359 | 355,347 (7) |
| The Lofts at Atlantic Wharf, Boston, MA | 86 | 87,097 (8) |
| Total Residential Properties | <u>445</u> | <u>442,444</u> |

Structured Parking

| | Number of Spaces | Square Feet |
|---------------------------------|-------------------------|--------------------|
| Total Structured Parking | <u>43,341</u> | <u>14,723,366</u> |

- (1) For disclosures relating to our definition of In-Service Properties, see page 49.
- (2) Combined Net Operating Income is a non-GAAP financial measure. For a quantitative reconciliation of Combined NOI to net income available to common shareholders, see page 41. For disclosures relating to our use of Combined NOI see page 49.
- (3) Includes approximately 2,200,000 square feet of retail space.
- (4) The calculation for percentage of Combined Net Operating Income excludes termination income.
- (5) Includes 100% of the rentable square footage of our In-Service Properties. For disclosures relating to our In-Service Properties, see pages 20-22.
- (6) Includes 4,260 square feet of retail space.
- (7) Includes 26,179 square feet of retail space.
- (8) Includes 9,617 square feet of retail space.

Boston Properties, Inc.
Second Quarter 2015

In-Service Property Listing

as of June 30, 2015

| | <u>Sub Market</u> | <u>Number of Buildings</u> | <u>Square Feet</u> | <u>Leased %</u> | <u>Annualized Revenue Per Leased SF (1)</u> | <u>Encumbered with secured debt (Y/N)</u> | <u>Central Business District (CBD) or Suburban (S)</u> |
|---|----------------------------|----------------------------|--------------------|-----------------|---|---|--|
| Boston | | | | | | | |
| Office | | | | | | | |
| 200 Clarendon Street (formerly John Hancock Tower) | CBD Boston MA | 1 | 1,732,843 | 73.8% | \$ 60.74 | Y | CBD |
| 100 Federal Street (55% ownership) | CBD Boston MA | 1 | 1,265,411 | 85.6% | 50.64 | N | CBD |
| 800 Boylston Street - The Prudential Center | CBD Boston MA | 1 | 1,227,964 | 90.8% | 57.44 | N | CBD |
| 111 Huntington Avenue - The Prudential Center | CBD Boston MA | 1 | 860,455 | 97.2% | 61.13 | N | CBD |
| Atlantic Wharf Office (55% ownership) | CBD Boston MA | 1 | 793,827 | 100.0% | 63.18 | N | CBD |
| 101 Huntington Avenue - The Prudential Center | CBD Boston MA | 1 | 505,249 | 93.6% | 46.10 | N | CBD |
| The Shops at the Prudential Center | CBD Boston MA | 1 | 501,571 | 93.6% | 77.91 | N | CBD |
| Star Market at the Prudential Center | CBD Boston MA | 1 | 57,235 | 100.0% | 54.33 | N | CBD |
| | | <u>8</u> | <u>6,944,555</u> | <u>87.9%</u> | <u>\$ 58.86</u> | | |
| 355 Main Street (formerly Five Cambridge Center) | East Cambridge MA | 1 | 264,708 | 93.3% | \$ 63.25 | N | CBD |
| 90 Broadway (formerly Four Cambridge Center) | East Cambridge MA | 1 | 222,656 | 97.1% | 49.59 | N | CBD |
| 255 Main Street (formerly One Cambridge Center) | East Cambridge MA | 1 | 215,629 | 100.0% | 54.33 | N | CBD |
| 300 Binney Street (formerly Seventeen Cambridge Center) | East Cambridge MA | 1 | 195,191 | 100.0% | 51.38 | N | CBD |
| 150 Broadway (formerly Eight Cambridge Center) | East Cambridge MA | 1 | 177,226 | 100.0% | 46.78 | N | CBD |
| 105 Broadway (formerly Ten Cambridge Center) | East Cambridge MA | 1 | 152,664 | 100.0% | 45.26 | N | CBD |
| 325 Main Street (formerly Three Cambridge Center) | East Cambridge MA | 1 | 115,361 | 100.0% | 43.91 | N | CBD |
| 145 Broadway (formerly Eleven Cambridge Center) | East Cambridge MA | 1 | 79,616 | 100.0% | 59.86 | N | CBD |
| University Place | Mid-Cambridge MA | 1 | 195,282 | 100.0% | 44.52 | Y | CBD |
| | | <u>9</u> | <u>1,618,333</u> | <u>98.5%</u> | <u>\$ 51.32</u> | | |
| Bay Colony Corporate Center | Route 128 Mass Turnpike MA | 4 | 996,317 | 87.0% | \$ 35.12 | N | S |
| Reservoir Place | Route 128 Mass Turnpike MA | 1 | 528,885 | 96.0% | 35.22 | N | S |
| 140 Kendrick Street | Route 128 Mass Turnpike MA | 3 | 380,987 | 99.5% | 37.17 | N | S |
| Weston Corporate Center | Route 128 Mass Turnpike MA | 1 | 356,995 | 100.0% | 51.95 | N | S |
| Waltham Weston Corporate Center | Route 128 Mass Turnpike MA | 1 | 306,687 | 79.6% | 33.04 | N | S |
| 230 CityPoint | Route 128 Mass Turnpike MA | 1 | 300,573 | 96.5% | 33.64 | N | S |
| 200 West Street | Route 128 Mass Turnpike MA | 1 | 256,245 | 97.9% | 33.28 | N | S |
| 77 CityPoint | Route 128 Mass Turnpike MA | 1 | 209,707 | 100.0% | 45.67 | N | S |
| 195 West Street | Route 128 Mass Turnpike MA | 1 | 63,500 | 100.0% | 39.43 | N | S |
| Quorum Office Park | Route 128 Northwest MA | 2 | 267,527 | 90.0% | 17.81 | N | S |
| Lexington Office Park | Route 128 Northwest MA | 2 | 166,759 | 86.8% | 25.89 | N | S |
| 191 Spring Street | Route 128 Northwest MA | 1 | 158,900 | 100.0% | 31.67 | N | S |
| 40 Shattuck Road | Route 128 Northwest MA | 1 | 121,542 | 81.6% | 22.18 | N | S |
| 91 Hartwell Avenue | Route 128 Northwest MA | 1 | 119,216 | 88.7% | 25.81 | N | S |
| 201 Spring Street | Route 128 Northwest MA | 1 | 106,300 | 100.0% | 35.70 | N | S |
| 33 Hayden Avenue | Route 128 Northwest MA | 1 | 80,872 | 100.0% | 41.16 | N | S |
| 32 Hartwell Avenue | Route 128 Northwest MA | 1 | 69,154 | 100.0% | 24.15 | N | S |
| 100 Hayden Avenue | Route 128 Northwest MA | 1 | 55,924 | 100.0% | 40.59 | N | S |
| 181 Spring Street | Route 128 Northwest MA | 1 | 55,793 | 100.0% | 30.64 | N | S |
| 92 Hayden Avenue | Route 128 Northwest MA | 1 | 31,100 | 100.0% | 40.43 | N | S |
| | | <u>27</u> | <u>4,632,983</u> | <u>93.2%</u> | <u>\$ 34.90</u> | | |
| Office/Technical | | | | | | | |
| 415 Main Street (formerly Seven Cambridge Center) | East Cambridge MA | 1 | 231,028 | 100.0% | \$ 91.61 | N | CBD |
| 250 Binney Street (formerly Fourteen Cambridge Center) | East Cambridge MA | 1 | 67,362 | 100.0% | 41.40 | N | CBD |
| 164 Lexington Road | Route 128 Northwest MA | 1 | 64,140 | 0.0% | — | N | S |
| 17 Hartwell Avenue | Route 128 Northwest MA | 1 | 30,000 | 0.0% | — | N | S |
| | | <u>4</u> | <u>392,530</u> | <u>76.0%</u> | <u>\$ 80.28</u> | | |

(1) For disclosures relating to our definition of Annualized Revenue, see page 49.

Boston Properties, Inc.
Second Quarter 2015

In-Service Property Listing (continued)

as of June 30, 2015

| | <u>Sub Market</u> | <u>Number of Buildings</u> | <u>Square Feet</u> | <u>Leased %</u> | <u>Annualized Revenue Per Leased SF (1)</u> | <u>Encumbered with secured debt (Y/N)</u> | <u>Central Business District (CBD) or Suburban (S)</u> |
|--|-----------------------------|----------------------------|--------------------|-----------------|---|---|--|
| New York | | | | | | | |
| Office | | | | | | | |
| 767 Fifth Avenue (The GM Building) (60% ownership) | Plaza District NY | 1 | 1,818,472 | 96.7% | \$ 147.84 | Y | CBD |
| 399 Park Avenue | Park Avenue NY | 1 | 1,710,383 | 98.9% | 86.93 | N | CBD |
| 601 Lexington Avenue (55% ownership) | Park Avenue NY | 1 | 1,632,073 | 97.5% | 94.13 | Y | CBD |
| 599 Lexington Avenue | Park Avenue NY | 1 | 1,057,978 | 97.6% | 79.37 | Y | CBD |
| Times Square Tower (55% ownership) | Times Square NY | 1 | 1,247,454 | 100.0% | 74.45 | N | CBD |
| (2) 250 West 55th Street | Times Square / West Side NY | 1 | 988,679 | 70.4% | 85.60 | N | CBD |
| 510 Madison Avenue | Fifth/Madison Avenue NY | 1 | 355,598 | 92.3% | 116.91 | N | CBD |
| 540 Madison Avenue (60% ownership) | Fifth/Madison Avenue NY | 1 | 283,695 | 87.1% | 105.75 | Y | CBD |
| | | <u>8</u> | <u>9,094,332</u> | <u>94.5%</u> | <u>\$ 99.62</u> | | |
| One Tower Center | East Brunswick NJ | 1 | 412,797 | 34.7% | \$ 31.01 | N | S |
| 510 Carnegie Center | Princeton NJ | 1 | 234,160 | 100.0% | 33.29 | N | S |
| 210 Carnegie Center | Princeton NJ | 1 | 162,372 | 79.3% | 34.82 | N | S |
| 206 Carnegie Center | Princeton NJ | 1 | 161,763 | 100.0% | 31.23 | N | S |
| 212 Carnegie Center | Princeton NJ | 1 | 151,547 | 79.0% | 35.99 | N | S |
| 214 Carnegie Center | Princeton NJ | 1 | 150,774 | 81.3% | 32.85 | N | S |
| 506 Carnegie Center | Princeton NJ | 1 | 149,110 | 100.0% | 33.44 | N | S |
| 508 Carnegie Center | Princeton NJ | 1 | 134,433 | 100.0% | 33.58 | N | S |
| 202 Carnegie Center | Princeton NJ | 1 | 134,068 | 63.1% | 35.71 | N | S |
| 101 Carnegie Center | Princeton NJ | 1 | 126,709 | 19.1% | 28.21 | N | S |
| 504 Carnegie Center | Princeton NJ | 1 | 121,990 | 66.1% | 32.59 | N | S |
| 502 Carnegie Center | Princeton NJ | 1 | 121,460 | 95.2% | 34.52 | N | S |
| 701 Carnegie Center | Princeton NJ | 1 | 120,000 | 100.0% | 39.04 | N | S |
| 104 Carnegie Center | Princeton NJ | 1 | 102,830 | 90.1% | 33.16 | N | S |
| 105 Carnegie Center | Princeton NJ | 1 | 69,955 | 62.7% | 31.65 | N | S |
| 302 Carnegie Center | Princeton NJ | 1 | 64,926 | 100.0% | 35.27 | N | S |
| 211 Carnegie Center | Princeton NJ | 1 | 47,025 | 100.0% | 36.59 | N | S |
| 201 Carnegie Center | Princeton NJ | — | 6,500 | 100.0% | 31.93 | N | S |
| | | <u>17</u> | <u>2,472,419</u> | <u>75.8%</u> | <u>\$ 33.77</u> | | |
| Total New York: | | <u>25</u> | <u>11,566,751</u> | <u>90.5%</u> | <u>\$ 87.83</u> | | |
| San Francisco | | | | | | | |
| Office | | | | | | | |
| Embarcadero Center Four | CBD San Francisco CA | 1 | 934,407 | 94.7% | \$ 59.81 | Y | CBD |
| Embarcadero Center One | CBD San Francisco CA | 1 | 830,776 | 93.8% | 52.02 | N | CBD |
| Embarcadero Center Two | CBD San Francisco CA | 1 | 779,800 | 95.2% | 56.29 | N | CBD |
| Embarcadero Center Three | CBD San Francisco CA | 1 | 774,981 | 98.0% | 47.87 | N | CBD |
| (2) 680 Folsom Street | CBD San Francisco CA | 2 | 524,793 | 98.4% | 55.69 | N | CBD |
| | | <u>6</u> | <u>3,844,757</u> | <u>95.8%</u> | <u>\$ 54.38</u> | | |
| 3100-3130 Zanker Road | San Jose CA | 4 | 543,900 | 19.5% | \$ 20.55 | N | S |
| (3) North First Business Park 601 and 651 Gateway | San Jose CA | 5 | 190,636 | 100.0% | 15.94 | N | S |
| 611 Gateway | South San Francisco CA | 2 | 506,280 | 99.6% | 37.65 | N | S |
| 2440 West El Camino Real | South San Francisco CA | 1 | 260,337 | 81.2% | 38.09 | N | S |
| | Mountain View CA | 1 | 141,392 | 100.0% | 53.42 | N | S |
| | | <u>13</u> | <u>1,642,545</u> | <u>70.3%</u> | <u>\$ 34.49</u> | | |
| Office/Technical | | | | | | | |
| Mountain View Research Park 453 Ravendale Drive | Mountain View CA | 15 | 540,433 | 100.0% | \$ 37.36 | N | S |
| | Mountain View CA | 1 | 29,620 | 100.0% | 25.73 | N | S |
| | | <u>16</u> | <u>570,053</u> | <u>100.0%</u> | <u>\$ 36.82</u> | | |
| Total San Francisco: | | <u>35</u> | <u>6,057,355</u> | <u>89.2%</u> | <u>\$ 48.28</u> | | |

(1) For disclosures relating to our definition of Annualized Revenue, see page 49.

(2) Not included in Same Property analysis.

(3) Property held for redevelopment.

Boston Properties, Inc.
Second Quarter 2015

In-Service Property Listing (continued)

as of June 30, 2015

| | <u>Sub Market</u> | <u>Number of Buildings</u> | <u>Square Feet</u> | <u>Leased %</u> | <u>Annualized Revenue Per Leased SF (1)</u> | <u>Encumbered with secured debt (Y/N)</u> | <u>Central Business District (CBD) or Suburban (S)</u> |
|---|----------------------------|----------------------------|--------------------|-----------------|---|---|--|
| Washington, DC | | | | | | | |
| Office | | | | | | | |
| Capital Gallery | Southwest Washington DC | 1 | 631,029 | 96.9% | \$ 57.40 | N | CBD |
| 500 E Street, S.W. | Southwest Washington DC | 1 | 251,994 | 100.0% | 45.55 | N | CBD |
| Metropolitan Square (51% ownership) | East End Washington DC | 1 | 589,288 | 90.5% | 56.56 | Y | CBD |
| 901 New York Avenue (25% ownership) | East End Washington DC | 1 | 539,680 | 91.2% | 66.08 | Y | CBD |
| Market Square North (50% ownership) | East End Washington DC | 1 | 406,815 | 94.0% | 61.76 | Y | CBD |
| 505 9th Street, N.W. (50% ownership) | East End Washington DC | 1 | 321,943 | 100.0% | 73.98 | Y | CBD |
| 2200 Pennsylvania Avenue | CBD Washington DC | 1 | 458,831 | 100.0% | 85.05 | N | CBD |
| 1333 New Hampshire Avenue | CBD Washington DC | 1 | 315,371 | 93.1% | 53.82 | N | CBD |
| 1330 Connecticut Avenue | CBD Washington DC | 1 | 252,136 | 100.0% | 59.89 | N | CBD |
| Sumner Square | CBD Washington DC | 1 | 208,892 | 98.5% | 48.41 | N | CBD |
| 500 North Capitol Street, N.W. (30% ownership) | Capitol Hill Washington DC | 1 | 230,859 | 92.8% | 65.35 | Y | CBD |
| | | <u>11</u> | <u>4,206,838</u> | <u>95.5%</u> | <u>\$ 62.24</u> | | |
| South of Market | Reston VA | 3 | 623,665 | 87.3% | \$ 52.35 | N | S |
| Fountain Square (50% ownership) | Reston VA | 2 | 521,706 | 96.8% | 45.38 | Y | S |
| One Freedom Square | Reston VA | 1 | 432,581 | 99.6% | 45.77 | N | S |
| Two Freedom Square | Reston VA | 1 | 421,757 | 98.8% | 43.86 | N | S |
| One and Two Discovery Square | Reston VA | 2 | 366,990 | 100.0% | 42.88 | N | S |
| One Reston Overlook | Reston VA | 1 | 319,519 | 100.0% | 36.68 | N | S |
| Reston Corporate Center | Reston VA | 2 | 261,046 | 100.0% | 38.82 | N | S |
| Democracy Tower | Reston VA | 1 | 259,441 | 100.0% | 56.60 | N | S |
| Fountain Square Retail (50% ownership) | Reston VA | 1 | 234,349 | 96.4% | 54.46 | Y | S |
| Two Reston Overlook | Reston VA | 1 | 134,615 | 100.0% | 36.33 | N | S |
| | | <u>15</u> | <u>3,575,669</u> | <u>96.9%</u> | <u>\$ 45.86</u> | | |
| Wisconsin Place Office | Montgomery County MD | 1 | 299,186 | 97.6% | \$ 53.63 | N | S |
| 2600 Tower Oaks Boulevard | Montgomery County MD | 1 | 179,369 | 63.2% | 37.50 | N | S |
| New Dominion Technology Park - Building Two | Herndon VA | 1 | 257,400 | 100.0% | 39.37 | N | S |
| New Dominion Technology Park - Building One | Herndon VA | 1 | 235,201 | 100.0% | 33.66 | Y | S |
| Kingstowne Two | Springfield VA | 1 | 156,251 | 93.7% | 37.81 | Y | S |
| Kingstowne One | Springfield VA | 1 | 151,483 | 88.6% | 39.86 | N | S |
| Kingstowne Retail | Springfield VA | 1 | 88,288 | 100.0% | 33.86 | Y | S |
| Annapolis Junction Building Six (50% ownership) | Anne Arundel County MD | 1 | 119,339 | 48.9% | 29.02 | Y | S |
| Annapolis Junction Building One (50% ownership) | Anne Arundel County MD | 1 | 117,599 | 80.7% | 140.85 | Y | S |
| | | <u>9</u> | <u>1,604,116</u> | <u>88.5%</u> | <u>\$ 47.10</u> | | |
| Office/Technical | | | | | | | |
| 7601 Boston Boulevard | Springfield VA | 1 | 114,028 | 100.0% | \$ 18.39 | N | S |
| 7435 Boston Boulevard | Springfield VA | 1 | 103,557 | 67.1% | 22.64 | N | S |
| 8000 Grainger Court | Springfield VA | 1 | 88,775 | 37.6% | 23.02 | N | S |
| 7500 Boston Boulevard | Springfield VA | 1 | 79,971 | 100.0% | 16.14 | N | S |
| 7501 Boston Boulevard | Springfield VA | 1 | 75,756 | 100.0% | 28.14 | N | S |
| 7450 Boston Boulevard | Springfield VA | 1 | 62,402 | 0.0% | — | N | S |
| 7374 Boston Boulevard | Springfield VA | 1 | 57,321 | 100.0% | 17.55 | N | S |
| 8000 Corporate Court | Springfield VA | 1 | 52,539 | 100.0% | 13.12 | N | S |
| 7451 Boston Boulevard | Springfield VA | 1 | 45,615 | 67.4% | 25.73 | N | S |
| 7300 Boston Boulevard | Springfield VA | 1 | 32,000 | 100.0% | 20.60 | N | S |
| 7375 Boston Boulevard | Springfield VA | 1 | 26,865 | 100.0% | 24.16 | N | S |
| | | <u>11</u> | <u>738,829</u> | <u>77.4%</u> | <u>\$ 20.36</u> | | |
| Total Washington, DC: | | <u>46</u> | <u>10,125,452</u> | <u>93.6%</u> | <u>\$ 51.45</u> | | |
| Total In-Service Properties: | | <u>154</u> | <u>41,337,959</u> | <u>91.1%</u> | <u>\$ 60.62</u> | | |

(1) For disclosures relating to our definition of Annualized Revenue, see page 49.

TOP 20 TENANTS LISTING AND PORTFOLIO TENANT DIVERSIFICATION

TOP 20 TENANTS BY SQUARE FEET LEASED

| | Tenant | Sq. Ft. | % of Portfolio |
|----|--|---------------|----------------|
| 1 | US Government | 1,667,873 (1) | 4.03% |
| 2 | Citibank | 984,692 (2) | 2.38% |
| 3 | Biogen | 772,212 | 1.87% |
| 4 | Bank of America | 758,995 (3) | 1.84% |
| 5 | Wellington Management | 707,568 (4) | 1.71% |
| 6 | Kirkland & Ellis | 612,769 (5) | 1.48% |
| 7 | Genentech | 570,770 | 1.38% |
| 8 | Ropes & Gray | 528,931 | 1.28% |
| 9 | O'Melveny & Myers | 504,902 (6) | 1.22% |
| 10 | Shearman & Sterling | 450,258 | 1.09% |
| 11 | Weil Gotshal Manges | 448,351 (7) | 1.08% |
| 12 | Microsoft | 382,532 | 0.93% |
| 13 | Finnegan Henderson Farabow | 362,405 (8) | 0.88% |
| 14 | Ann Inc. (fka Ann Taylor Corp.) | 351,026 (9) | 0.85% |
| 15 | Morgan Lewis Bockius | 348,151 | 0.84% |
| 16 | Google | 330,313 | 0.80% |
| 17 | PTC | 320,655 | 0.78% |
| 18 | Blue Cross and Blue Shield of Massachusetts | 308,210 | 0.75% |
| 19 | Mass Financial Services | 301,668 | 0.73% |
| 20 | Aramis (Estee Lauder) | 295,610 (10) | 0.72% |
| | Total % of Portfolio Square Feet | | 26.64% |
| | Total % of Portfolio Revenue | | 29.97% |
| | Total % of Boston Properties' Share of Portfolio Revenue | | 27.40% |

TENANT DIVERSIFICATION (GROSS RENT)



Notable Signed Deals (11)

| Tenant | Property | Sq. Ft. |
|-----------------|--------------------------|---------|
| salesforce.com | Salesforce Tower | 714,000 |
| Arnold & Porter | 601 Massachusetts Avenue | 376,000 |

- (1) Includes 81,088 & 104,874 square feet of space in properties in which Boston Properties has a 51% & 50% interest, respectively.
- (2) Includes 443,141, 10,080 & 2,761 square feet of space in properties in which Boston Properties has a 55%, 60%, and 51% interest, respectively.
- (3) Includes 690,908 & 50,887 square feet of space in properties in which Boston Properties has a 55% & 60% interest, respectively.
- (4) Includes 696,809 square feet of space in properties in which Boston Properties has a 55% interest.
- (5) Includes 391,662 & 221,107 square feet of space in properties in which Boston Properties has a 55% & 51% interest, respectively.
- (6) Includes 325,750 square feet of space in a property in which Boston Properties has a 55% interest.
- (7) Includes 420,204 & 28,147 square feet of space in properties in which Boston Properties has a 60% & 55% interest, respectively.
- (8) Includes 292,548 square feet of space in a property in which Boston Properties has a 25% interest.
- (9) Includes 331,209 square feet of space in a property in which Boston Properties has a 55% interest.
- (10) Includes 295,610 square feet of space in a property in which Boston Properties has a 60% interest.
- (11) Represents leases signed with occupancy commencing in the future.

Boston Properties, Inc.
Second Quarter 2015

IN-SERVICE OFFICE PROPERTIES

Lease Expirations (1) (2) (3)

| <u>Year of Lease Expiration</u> | <u>Rentable Square Footage Subject to Expiring Leases</u> | <u>Current Annualized Revenues Under Expiring Leases</u> | <u>Current Annualized Revenues Under Expiring Leases p.s.f.</u> | <u>Annualized Revenues Under Expiring Leases with future step-ups</u> | <u>Annualized Revenues Under Expiring Leases with future step-ups - p.s.f.</u> | <u>Percentage of Total Square Feet</u> |
|---------------------------------|---|--|---|---|--|--|
| 2015 | 1,473,782 | \$ 75,019,909 | \$ 50.90 | \$ 75,445,953 | \$ 51.19 | 3.92% (4) |
| 2016 | 2,551,764 | 131,080,550 | 51.37 | 132,662,057 | 51.99 | 6.79% |
| 2017 | 3,175,981 | 191,686,279 | 60.35 | 194,142,321 | 61.13 | 8.44% |
| 2018 | 1,638,215 | 98,535,731 | 60.15 | 100,672,625 | 61.45 | 4.36% |
| 2019 | 3,100,413 | 170,793,295 | 55.09 | 176,359,218 | 56.88 | 8.24% |
| 2020 | 3,959,753 | 249,232,600 | 62.94 | 265,273,571 | 66.99 | 10.53% |
| 2021 | 2,348,037 | 130,872,960 | 55.74 | 144,746,726 | 61.65 | 6.24% |
| 2022 | 3,944,180 | 217,311,604 | 55.10 | 238,398,475 | 60.44 | 10.49% |
| 2023 | 966,276 | 52,791,777 | 54.63 | 61,294,590 | 63.43 | 2.57% |
| 2024 | 2,401,916 | 139,202,906 | 57.95 | 154,294,386 | 64.24 | 6.39% |
| Thereafter | 8,646,156 | 587,943,995 | 68.00 | 761,425,594 | 88.07 | 22.99% |

Occupancy By Location (2) (5)

| <u>Location</u> | <u>CBD</u> | | <u>Suburban</u> | | <u>Total</u> | |
|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>30-Jun-15</u> | <u>30-Jun-14</u> | <u>30-Jun-15</u> | <u>30-Jun-14</u> | <u>30-Jun-15</u> | <u>30-Jun-14</u> |
| Boston | 89.9% | 95.3% | 93.2% | 89.1% | 91.1% | 93.1% |
| New York | 94.5% | 97.5% | 75.8% | 80.2% | 90.5% | 93.5% |
| San Francisco | 95.8% | 94.6% | 70.3% | 68.9% | 88.1% | 86.1% |
| Washington, DC | 95.5% | 95.6% | 94.3% | 96.6% | 94.8% | 96.2% |
| Total Portfolio | <u>93.3%</u> | <u>96.0%</u> | <u>87.8%</u> | <u>88.4%</u> | <u>91.4%</u> | <u>93.1%</u> |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties. Does not include residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes square feet expiring on the last day of the current quarter.
- (5) Includes approximately 2,200,000 square feet of retail space.

Boston Properties, Inc.
Second Quarter 2015

IN-SERVICE OFFICE/TECHNICAL PROPERTIES

Lease Expirations (1) (2) (3)

| <u>Year of Lease Expiration</u> | <u>Rentable Square Footage Subject to Expiring Leases</u> | <u>Current Annualized Revenues Under Expiring Leases</u> | <u>Current Annualized Revenues Under Expiring Leases p.s.f.</u> | <u>Annualized Revenues Under Expiring Leases with future step-ups</u> | <u>Annualized Revenues Under Expiring Leases with future step-ups - p.s.f.</u> | <u>Percentage of Total Square Feet</u> |
|---------------------------------|---|--|---|---|--|--|
| 2015 | 159,885 | \$ 4,362,755 | \$ 27.29 | \$ 4,362,755 | \$ 27.29 | 9.40% |
| 2016 | 317,784 | 23,633,874 | 74.37 | 23,683,512 | 74.53 | 18.68% |
| 2017 | 132,163 | 4,790,577 | 36.25 | 4,927,900 | 37.29 | 7.77% |
| 2018 | 28,364 | 1,082,348 | 38.16 | 1,258,325 | 44.36 | 1.67% |
| 2019 | 455,206 | 14,058,442 | 30.88 | 15,380,543 | 33.79 | 26.75% |
| 2020 | 114,375 | 2,722,872 | 23.81 | 2,873,139 | 25.12 | 6.72% |
| 2021 | 109,860 | 1,695,382 | 15.43 | 1,816,155 | 16.53 | 6.46% |
| 2022 | — | — | — | — | — | 0.00% |
| 2023 | — | — | — | — | — | 0.00% |
| 2024 | 82,188 | 3,128,177 | 38.06 | 3,781,137 | 46.01 | 4.83% |
| Thereafter | 23,439 | 452,293 | 19.30 | 540,892 | 23.08 | 1.38% |

Occupancy By Location

| <u>Location</u> | <u>CBD</u> | | <u>Suburban</u> | | <u>Total</u> | |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>30-Jun-15</u> | <u>30-Jun-14</u> | <u>30-Jun-15</u> | <u>30-Jun-14</u> | <u>30-Jun-15</u> | <u>30-Jun-14</u> |
| Boston | 100.0% | 100.0% | 0.0% | 0.0% | 76.0% | 76.0% |
| New York | N/A | N/A | N/A | N/A | N/A | N/A |
| San Francisco | N/A | N/A | 100.0% | 93.2% | 100.0% | 93.2% |
| Washington, DC | N/A | N/A | 77.4% | 96.9% | 77.4% | 96.9% |
| Total Portfolio | 100.0% | 100.0% | 81.4% | 89.4% | 84.7% | 91.1% |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties. Does not include residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.

Boston Properties, Inc.
Second Quarter 2015

IN-SERVICE RETAIL PROPERTIES

Lease Expirations (1) (2) (3)

| <u>Year of Lease Expiration</u> | <u>Rentable Square Footage Subject to Expiring Leases</u> | <u>Current Annualized Revenues Under Expiring Leases</u> | <u>Current Annualized Revenues Under Expiring Leases p.s.f.</u> | <u>Annualized Revenues Under Expiring Leases with future step-ups</u> | <u>Annualized Revenues Under Expiring Leases with future step-ups - p.s.f.</u> | <u>Percentage of Total Square Feet</u> |
|---------------------------------|---|--|---|---|--|--|
| 2015 | 51,879 | \$ 7,833,438 | \$ 150.99 | \$ 7,857,659 | \$ 151.46 | 2.56% (4) |
| 2016 | 270,473 | 38,342,021 | 141.76 | 27,091,737 | 100.16 | 13.34% |
| 2017 | 164,374 | 14,441,217 | 87.86 | 14,506,013 | 88.25 | 8.10% |
| 2018 | 240,722 | 20,620,694 | 85.66 | 21,925,991 | 91.08 | 11.87% |
| 2019 | 83,243 | 5,931,993 | 71.26 | 6,154,219 | 73.93 | 4.10% |
| 2020 | 185,244 | 11,647,160 | 62.87 | 12,304,173 | 66.42 | 9.13% |
| 2021 | 115,625 | 7,356,452 | 63.62 | 8,007,937 | 69.26 | 5.70% |
| 2022 | 235,624 | 18,221,522 | 77.33 | 20,300,380 | 86.16 | 11.62% |
| 2023 | 194,227 | 17,480,006 | 90.00 | 19,986,321 | 102.90 | 9.58% |
| 2024 | 99,261 | 9,096,649 | 91.64 | 10,814,682 | 108.95 | 4.89% |
| Thereafter | 387,417 | 27,201,929 | 70.21 | 36,864,333 | 95.15 | 19.10% |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties. Does not include residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes square feet expiring on the last day of the current quarter.

Boston Properties, Inc.
Second Quarter 2015

**GRAND TOTAL OF ALL
IN-SERVICE PROPERTIES**

Lease Expirations (1) (2) (3)

| <u>Year of Lease Expiration</u> | <u>Rentable Square Footage Subject to Expiring Leases</u> | <u>Current Annualized Revenues Under Expiring Leases</u> | <u>Current Annualized Revenues Under Expiring Leases p.s.f.</u> | <u>Annualized Revenues Under Expiring Leases with future step-ups</u> | <u>Annualized Revenues Under Expiring Leases with future step-ups - p.s.f.</u> | <u>Percentage of Total Square Feet</u> |
|---------------------------------|---|--|---|---|--|--|
| 2015 | 1,685,546 | \$ 87,216,102 | \$ 51.74 | \$ 87,666,366 | \$ 52.01 | 4.08% (4) |
| 2016 | 3,140,021 | 193,056,445 | 61.48 | 183,437,306 | 58.42 | 7.60% |
| 2017 | 3,472,518 | 210,918,073 | 60.74 | 213,576,234 | 61.50 | 8.40% |
| 2018 | 1,907,301 | 120,238,773 | 63.04 | 123,856,941 | 64.94 | 4.61% |
| 2019 | 3,638,862 | 190,783,730 | 52.43 | 197,893,980 | 54.38 | 8.80% |
| 2020 | 4,259,372 | 263,602,633 | 61.89 | 280,450,883 | 65.84 | 10.30% |
| 2021 | 2,573,522 | 139,924,794 | 54.37 | 154,570,818 | 60.06 | 6.23% |
| 2022 | 4,179,804 | 235,533,126 | 56.35 | 258,698,856 | 61.89 | 10.11% |
| 2023 | 1,160,503 | 70,271,783 | 60.55 | 81,280,911 | 70.04 | 2.81% |
| 2024 | 2,583,365 | 151,427,732 | 58.62 | 168,890,204 | 65.38 | 6.25% |
| Thereafter | 9,057,012 | 615,598,217 | 67.97 | 798,830,819 | 88.20 | 21.91% |

Occupancy By Location (2) (5)

| <u>Location</u> | <u>CBD</u> | | <u>Suburban</u> | | <u>Total</u> | |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>30-Jun-15</u> | <u>30-Jun-14</u> | <u>30-Jun-15</u> | <u>30-Jun-14</u> | <u>30-Jun-15</u> | <u>30-Jun-14</u> |
| Boston | 90.3% | 95.5% | 91.3% | 87.4% | 90.6% | 92.6% |
| New York | 94.5% | 97.5% | 75.8% | 80.2% | 90.5% | 93.5% |
| San Francisco | 95.8% | 94.6% | 77.9% | 76.6% | 89.2% | 87.0% |
| Washington, DC | 95.5% | 95.6% | 92.2% | 96.7% | 93.6% | 96.3% |
| Total Portfolio | 93.4% | 96.0% | 87.2% | 88.5% | 91.1% | 93.0% |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties. Does not include residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes square feet expiring on the last day of the current quarter.
- (5) Includes approximately 2,200,000 square feet of retail space, excluding our residential and hotel properties.

Boston Properties, Inc.
Second Quarter 2015

IN-SERVICE BOSTON REGION PROPERTIES

Lease Expirations - Boston Region (1) (2) (3)

| Year of Lease Expiration | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|--------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2015 | 395,943 | \$ 14,526,318 | \$36.69 | \$ 14,464,871 | \$36.53(4) | — | \$ — | \$ — | \$ — | \$ — |
| 2016 | 716,386 | 27,719,360 | 38.69 | 28,939,466 | 40.40 | 225,532 | 20,741,856 | 91.97 | 20,741,856 | 91.97 |
| 2017 | 768,619 | 30,569,584 | 39.77 | 31,076,348 | 40.43 | — | — | — | — | — |
| 2018 | 435,615 | 17,834,408 | 40.94 | 18,395,613 | 42.23 | — | — | — | — | — |
| 2019 | 1,339,143 | 62,645,401 | 46.78 | 63,954,704 | 47.76 | — | — | — | — | — |
| 2020 | 493,543 | 22,647,305 | 45.89 | 24,040,461 | 48.71 | — | — | — | — | — |
| 2021 | 808,961 | 30,488,198 | 37.69 | 32,068,428 | 39.64 | — | — | — | — | — |
| 2022 | 1,648,792 | 78,140,848 | 47.39 | 82,809,786 | 50.22 | — | — | — | — | — |
| 2023 | 290,923 | 17,158,723 | 58.98 | 18,995,725 | 65.29 | — | — | — | — | — |
| 2024 | 398,434 | 18,467,980 | 46.35 | 20,415,401 | 51.24 | 67,362 | 2,788,472 | 41.40 | 3,394,730 | 50.40 |
| Thereafter | 3,951,251 | 220,427,209 | 55.79 | 262,260,901 | 66.37 | — | — | — | — | — |

| Year of Lease Expiration | RETAIL | | | | | Total Property Types | | | | |
|--------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2015 | 22,587 | \$ 5,880,837 | \$260.36 | \$ 5,889,453 | \$260.75 | 418,530 | \$ 20,407,155 | \$48.76 | \$ 20,354,324 | \$48.63(4) |
| 2016 | 15,400 | 2,576,550 | 167.31 | 2,543,368 | 165.15 | 957,318 | 51,037,766 | 53.31 | 52,224,690 | 54.55(5) |
| 2017 | 50,101 | 3,671,565 | 73.28 | 3,684,468 | 73.54 | 818,720 | 34,241,149 | 41.82 | 34,760,816 | 42.46 |
| 2018 | 137,623 | 6,306,719 | 45.83 | 6,417,350 | 46.63 | 573,238 | 24,141,127 | 42.11 | 24,812,963 | 43.29 |
| 2019 | 11,787 | 1,869,356 | 158.59 | 1,943,408 | 164.88 | 1,350,930 | 64,514,757 | 47.76 | 65,898,112 | 48.78 |
| 2020 | 94,767 | 6,211,979 | 65.55 | 6,504,013 | 68.63 | 588,310 | 28,859,285 | 49.05 | 30,544,474 | 51.92 |
| 2021 | 38,642 | 2,603,609 | 67.38 | 2,793,247 | 72.29 | 847,603 | 33,091,807 | 39.04 | 34,861,676 | 41.13 |
| 2022 | 126,196 | 5,847,557 | 46.34 | 6,419,193 | 50.87 | 1,774,988 | 83,988,405 | 47.32 | 89,228,979 | 50.27 |
| 2023 | 77,609 | 6,952,869 | 89.59 | 7,758,668 | 99.97 | 368,532 | 24,111,592 | 65.43 | 26,754,393 | 72.60 |
| 2024 | 70,570 | 4,154,992 | 58.88 | 4,558,268 | 64.59 | 536,366 | 25,411,444 | 47.38 | 28,368,398 | 52.89 |
| Thereafter | 134,662 | 5,463,577 | 40.57 | 6,329,279 | 47.00 | 4,085,913 | 225,890,786 | 55.29 | 268,590,180 | 65.74 |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties. Does not include residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes square feet expiring on the last day of the current quarter.
- (5) Includes 225,532 square feet of research/laboratory space. Excluding the research/laboratory space, current and future expiring rents would be \$41.13 per square foot and \$42.77 per square foot, respectively. This 225,532 square feet of research/laboratory space is subject to a tenant purchase option that was exercised on October 22, 2014 and is expected to close on February 1, 2016.

Boston Properties, Inc.
Second Quarter 2015

IN-SERVICE BOSTON REGION PROPERTIES

Quarterly Lease Expirations - Boston Region (1) (2) (3)

| Lease Expiration by Quarter | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|-----------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| Q1 2015 | — | \$ — | \$ — | \$ — | \$ — | — | \$ — | \$ — | \$ — | \$ — |
| Q2 2015 | 65,966 | 2,722,980 | 41.28 | 2,722,980 | 41.28(4) | — | — | — | — | — |
| Q3 2015 | 178,273 | 7,385,129 | 41.43 | 7,389,612 | 41.45 | — | — | — | — | — |
| Q4 2015 | 151,704 | 4,418,209 | 29.12 | 4,352,279 | 28.69 | — | — | — | — | — |
| Total 2015 | 395,943 | \$ 14,526,318 | \$36.69 | \$ 14,464,871 | \$36.53 | — | \$ — | \$ — | \$ — | \$ — |
| Q1 2016 | 142,961 | \$ 5,808,624 | \$40.63 | \$ 5,808,624 | \$40.63 | 225,532 | \$ 20,741,856 | \$91.97 | \$ 20,741,856 | \$91.97 |
| Q2 2016 | 28,116 | 1,328,755 | 47.26 | 1,330,880 | 47.34 | — | — | — | — | — |
| Q3 2016 | 458,655 | 16,845,447 | 36.73 | 17,133,604 | 37.36 | — | — | — | — | — |
| Q4 2016 | 86,654 | 3,736,534 | 43.12 | 4,666,359 | 53.85 | — | — | — | — | — |
| Total 2016 | 716,386 | \$ 27,719,360 | \$38.69 | \$ 28,939,466 | \$40.40 | 225,532 | \$ 20,741,856 | \$91.97 | \$ 20,741,856 | \$91.97 |

| Lease Expiration by Quarter | RETAIL | | | | | Total Property Types | | | | |
|-----------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| Q1 2015 | — | \$ — | \$ — | \$ — | \$ — | — | \$ — | \$ — | \$ — | \$ — |
| Q2 2015 | 6,175 | 2,307,135 | 373.63 | 2,307,135 | 373.63(4) | 72,141 | 5,030,115 | 69.73 | 5,030,115 | 69.73(4) |
| Q3 2015 | 15,403 | 3,304,694 | 214.55 | 3,312,110 | 215.03 | 193,676 | 10,689,823 | 55.19 | 10,701,722 | 55.26 |
| Q4 2015 | 1,009 | 269,009 | 266.61 | 270,209 | 267.80 | 152,713 | 4,687,218 | 30.69 | 4,622,488 | 30.27 |
| Total 2015 | 22,587 | \$ 5,880,837 | \$260.36 | \$ 5,889,453 | \$260.75 | 418,530 | \$ 20,407,155 | \$48.76 | \$ 20,354,324 | \$48.63 |
| Q1 2016 | 8,115 | \$ 1,227,448 | \$151.26 | \$ 1,209,448 | \$149.04 | 376,608 | \$ 27,777,928 | \$73.76 | \$ 27,759,928 | \$73.71 |
| Q2 2016 | 1,419 | 458,874 | 323.38 | 442,074 | 311.54 | 29,535 | 1,787,629 | 60.53 | 1,772,955 | 60.03 |
| Q3 2016 | 4,089 | 606,107 | 148.23 | 606,175 | 148.25 | 462,744 | 17,451,554 | 37.71 | 17,739,779 | 38.34 |
| Q4 2016 | 1,777 | 284,121 | 159.89 | 285,671 | 160.76 | 88,431 | 4,020,656 | 45.47 | 4,952,029 | 56.00 |
| Total 2016 | 15,400 | \$ 2,576,550 | \$167.31 | \$ 2,543,368 | \$165.15 | 957,318 | \$ 51,037,766 | \$53.31 | \$ 52,224,690 | \$54.55 |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties. Does not include residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes square feet expiring on the last day of the current quarter.

IN-SERVICE NEW YORK REGION PROPERTIES

Lease Expirations - New York Region (1) (2) (3)

| OFFICE | | | | | | OFFICE/TECHNICAL | | | | | |
|--------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|--|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | |
| 2015 | 241,473 | \$ 10,787,759 | \$ 44.67 | \$ 11,266,315 | \$ 46.66 | — | \$ — | \$ — | \$ — | \$ — | |
| 2016 | 590,523 | 48,471,990 | 82.08 | 48,488,251 | 82.11 | — | — | — | — | — | |
| 2017 | 1,112,506 | 97,945,365 | 88.04 | 98,179,444 | 88.25 | — | — | — | — | — | |
| 2018 | 542,398 | 44,623,694 | 82.27 | 44,110,617 | 81.33 | — | — | — | — | — | |
| 2019 | 576,577 | 47,099,211 | 81.69 | 47,822,658 | 82.94 | — | — | — | — | — | |
| 2020 | 1,824,010 | 142,465,344 | 78.11 | 151,104,886 | 82.84 | — | — | — | — | — | |
| 2021 | 306,302 | 33,340,952 | 108.85 | 35,796,732 | 116.87 | — | — | — | — | — | |
| 2022 | 826,753 | 68,202,507 | 82.49 | 73,319,014 | 88.68 | — | — | — | — | — | |
| 2023 | 81,115 | 6,998,760 | 86.28 | 7,658,273 | 94.41 | — | — | — | — | — | |
| 2024 | 1,061,714 | 72,028,138 | 67.84 | 78,061,271 | 73.52 | — | — | — | — | — | |
| Thereafter | 2,902,698 | 258,301,736 | 88.99 | 351,384,328 | 121.05 | — | — | — | — | — | |

| RETAIL | | | | | | Total Property Types | | | | | |
|--------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|--|
| Year of Lease Expiration | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | |
| 2015 | 2,020 | \$ 225,472 | \$ 111.62 | \$ 236,773 | \$ 117.21 | 243,493 | \$ 11,013,231 | \$ 45.23 | \$ 11,503,088 | \$ 47.24 | |
| 2016 | 152,009 | 29,924,592 | 196.86 | 18,699,413 | 123.02 | 742,532 | 78,396,582 | 105.58 | 67,187,664 | 90.48 | |
| 2017 | 31,285 | 5,891,023 | 188.30 | 5,891,023 | 188.30 | 1,143,791 | 103,836,387 | 90.78 | 104,070,466 | 90.99 | |
| 2018 | 6,514 | 8,192,044 | 1,257.61 | 9,213,309 | 1,414.39 | 548,912 | 52,815,738 | 96.22 | 53,323,926 | 97.14 | |
| 2019 | — | — | — | — | — | 576,577 | 47,099,211 | 81.69 | 47,822,658 | 82.94 | |
| 2020 | 4,195 | 280,785 | 66.93 | 286,163 | 68.22 | 1,828,205 | 142,746,129 | 78.08 | 151,391,049 | 82.81 | |
| 2021 | 2,056 | 244,151 | 118.75 | 284,293 | 138.27 | 308,358 | 33,585,103 | 108.92 | 36,081,025 | 117.01 | |
| 2022 | 58,093 | 9,688,750 | 166.78 | 10,868,620 | 187.09 | 884,846 | 77,891,257 | 88.03 | 84,187,633 | 95.14 | |
| 2023 | 32,984 | 6,515,802 | 197.54 | 7,789,358 | 236.16 | 114,099 | 13,514,562 | 118.45 | 15,447,630 | 135.39 | |
| 2024 | 11,395 | 3,919,633 | 343.98 | 5,074,896 | 445.36 | 1,073,109 | 75,947,771 | 70.77 | 83,136,167 | 77.47 | |
| Thereafter | 74,991 | 15,556,195 | 207.44 | 22,842,079 | 304.60 | 2,977,689 | 273,857,931 | 91.97 | 374,226,407 | 125.68 | |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes square feet expiring on the last day of the current quarter.

IN-SERVICE NEW YORK REGION PROPERTIES

Quarterly Lease Expirations - New York Region (1) (2) (3)

| Lease Expiration by Quarter | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|-----------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| Q1 2015 | — | \$ — | \$ — | \$ — | \$ — | — | \$ — | \$ — | \$ — | \$ — |
| Q2 2015 | 55,878 | 1,909,062 | 34.16 | 1,909,062 | 34.16 (4) | — | — | — | — | — |
| Q3 2015 | 58,222 | 3,158,277 | 54.25 | 3,636,833 | 62.46 | — | — | — | — | — |
| Q4 2015 | 127,373 | 5,720,421 | 44.91 | 5,720,421 | 44.91 | — | — | — | — | — |
| Total 2015 | 241,473 | \$ 10,787,759 | \$ 44.67 | \$ 11,266,315 | \$ 46.66 | — | \$ — | \$ — | \$ — | \$ — |
| Q1 2016 | 179,850 | \$ 12,221,614 | \$ 67.95 | \$ 12,221,614 | \$ 67.95 | — | \$ — | \$ — | \$ — | \$ — |
| Q2 2016 | 321,168 | 28,261,263 | 88.00 | 28,261,263 | 88.00 | — | — | — | — | — |
| Q3 2016 | 20,154 | 1,938,197 | 96.17 | 1,938,636 | 96.19 | — | — | — | — | — |
| Q4 2016 | 69,351 | 6,050,915 | 87.25 | 6,066,738 | 87.48 | — | — | — | — | — |
| Total 2016 | 590,523 | \$ 48,471,990 | \$ 82.08 | \$ 48,488,251 | \$ 82.11 | — | \$ — | \$ — | \$ — | \$ — |

| Lease Expiration by Quarter | RETAIL | | | | | Total Property Types | | | | |
|-----------------------------|--|---|------------------|--|------------------|--|---|------------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| Q1 2015 | — | \$ — | \$ — | \$ — | \$ — | — | \$ — | \$ — | \$ — | \$ — |
| Q2 2015 | — | — | — | — | — | 55,878 | 1,909,062 | 34.16 | 1,909,062 | 34.16 (4) |
| Q3 2015 | 400 | 55,620 | 139.05 | 55,620 | 139.05 | 58,622 | 3,213,897 | 54.82 | 3,692,453 | 62.99 |
| Q4 2015 | 1,620 | 169,852 | 104.85 | 181,153 | 111.82 | 128,993 | 5,890,273 | 45.66 | 5,901,574 | 45.75 |
| Total 2015 | 2,020 | \$ 225,472 | \$ 111.62 | \$ 236,773 | \$ 117.21 | 243,493 | \$ 11,013,231 | \$ 45.23 | \$ 11,503,088 | \$ 47.24 |
| Q1 2016 | 46,938 | \$ 5,147,410 | \$ 109.66 | \$ 5,148,086 | \$ 109.68 | 226,788 | \$ 17,369,025 | \$ 76.59 | \$ 17,369,700 | \$ 76.59 |
| Q2 2016 | 16,868 | 1,147,988 | 68.06 | 1,153,325 | 68.37 | 338,036 | 29,409,252 | 87.00 | 29,414,588 | 87.02 |
| Q3 2016 | 10,210 | 1,607,951 | 157.49 | 1,607,951 | 157.49 | 30,364 | 3,546,148 | 116.79 | 3,546,586 | 116.80 |
| Q4 2016 | 77,993 | 22,021,243 | 282.35 | 10,790,052 | 138.35 | 147,344 | 28,072,158 | 190.52 | 16,856,789 | 114.40 |
| Total 2016 | 152,009 | \$ 29,924,592 | \$ 196.86 | \$ 18,699,413 | \$ 123.02 | 742,532 | \$ 78,396,582 | \$ 105.58 | \$ 67,187,664 | \$ 90.48 |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes square feet expiring on the last day of the current quarter.

IN-SERVICE SAN FRANCISCO REGION PROPERTIES

Lease Expirations - San Francisco Region (1) (2) (3)

| Year of Lease Expiration | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|--------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2015 | 342,214 | \$ 15,264,918 | \$44.61 | \$ 15,271,517 | \$44.63 (4) | 17,100 | \$ 423,639 | \$24.77 | \$ 423,639 | \$24.77 |
| 2016 | 910,883 | 38,326,749 | 42.08 | 38,481,083 | 42.25 | 58,852 | 2,123,243 | 36.08 | 2,153,994 | 36.60 |
| 2017 | 537,605 | 23,640,055 | 43.97 | 24,291,646 | 45.18 | 118,755 | 4,504,248 | 37.93 | 4,634,648 | 39.03 |
| 2018 | 193,504 | 11,028,038 | 56.99 | 11,577,329 | 59.83 | 28,364 | 1,082,348 | 38.16 | 1,258,325 | 44.36 |
| 2019 | 287,301 | 15,798,914 | 54.99 | 16,918,565 | 58.89 | 309,178 | 11,302,325 | 36.56 | 12,563,305 | 40.63 |
| 2020 | 564,520 | 34,240,779 | 60.65 | 36,008,959 | 63.79 | 34,404 | 1,431,847 | 41.62 | 1,582,114 | 45.99 |
| 2021 | 227,554 | 11,389,455 | 50.05 | 13,600,193 | 59.77 | — | — | — | — | — |
| 2022 | 488,879 | 21,762,938 | 44.52 | 24,967,524 | 51.07 | — | — | — | — | — |
| 2023 | 195,424 | 10,756,683 | 55.04 | 12,958,463 | 66.31 | — | — | — | — | — |
| 2024 | 335,473 | 18,434,323 | 54.95 | 20,052,509 | 59.77 | — | — | — | — | — |
| Thereafter | 579,432 | 31,429,170 | 54.24 | 44,178,764 | 76.24 | — | — | — | — | — |

| Year of Lease Expiration | RETAIL | | | | | Total Property Types | | | | |
|--------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2015 | 7,404 | \$ 521,795 | \$70.47 | \$ 521,795 | \$70.47 | 366,718 | \$ 16,210,352 | \$44.20 | \$ 16,216,951 | \$44.22 (4) |
| 2016 | 38,268 | 1,913,034 | 49.99 | 1,922,133 | 50.23 | 1,008,003 | 42,363,026 | 42.03 | 42,557,210 | 42.22 |
| 2017 | 16,079 | 1,102,746 | 68.58 | 1,126,280 | 70.05 | 672,439 | 29,247,049 | 43.49 | 30,052,574 | 44.69 |
| 2018 | 32,264 | 1,938,109 | 60.07 | 1,988,788 | 61.64 | 254,132 | 14,048,494 | 55.28 | 14,824,441 | 58.33 |
| 2019 | 11,730 | 685,084 | 58.40 | 724,188 | 61.74 | 608,209 | 27,786,323 | 45.69 | 30,206,058 | 49.66 |
| 2020 | 33,176 | 1,905,731 | 57.44 | 2,084,158 | 62.82 | 632,100 | 37,578,357 | 59.45 | 39,675,231 | 62.77 |
| 2021 | 16,954 | 1,080,917 | 63.76 | 1,122,396 | 66.20 | 244,508 | 12,470,372 | 51.00 | 14,722,589 | 60.21 |
| 2022 | 27,445 | 1,062,751 | 38.72 | 1,146,825 | 41.79 | 516,324 | 22,825,689 | 44.21 | 26,114,348 | 50.58 |
| 2023 | 27,788 | 1,515,883 | 54.55 | 1,613,655 | 58.07 | 223,212 | 12,272,566 | 54.98 | 14,572,119 | 65.28 |
| 2024 | 8,545 | 548,821 | 64.23 | 655,485 | 76.71 | 344,018 | 18,983,144 | 55.18 | 20,707,993 | 60.19 |
| Thereafter | 21,461 | 1,289,462 | 60.08 | 1,509,318 | 70.33 | 600,893 | 32,718,632 | 54.45 | 45,688,082 | 76.03 |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes square feet expiring on the last day of the current quarter.

IN-SERVICE SAN FRANCISCO REGION PROPERTIES

Quarterly Lease Expirations - San Francisco Region (1) (2) (3)

| Lease Expiration by Quarter | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|-----------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| Q1 2015 | — | \$ — | \$ — | \$ — | \$ — | — | \$ — | \$ — | \$ — | \$ — |
| Q2 2015 | 13,528 | 572,892 | 42.35 | 572,892 | 42.35 (4) | — | — | — | — | — |
| Q3 2015 | 116,371 | 6,326,936 | 54.37 | 6,326,936 | 54.37 | 12,900 | 346,065 | 26.83 | 346,065 | 26.83 |
| Q4 2015 | 212,315 | 8,365,090 | 39.40 | 8,371,689 | 39.43 | 4,200 | 77,575 | 18.47 | 77,575 | 18.47 |
| Total 2015 | 342,214 | \$ 15,264,918 | \$44.61 | \$ 15,271,517 | \$44.63 | 17,100 | \$ 423,639 | \$24.77 | \$ 423,639 | \$24.77 |
| Q1 2016 | 91,182 | \$ 4,228,363 | \$46.37 | \$ 4,232,998 | \$46.42 | — | — | — | — | — |
| Q2 2016 | 212,181 | 8,739,328 | 41.19 | 8,783,660 | 41.40 | 27,790 | 877,109 | 31.56 | 877,109 | 31.56 |
| Q3 2016 | 234,045 | 11,776,616 | 50.32 | 11,631,381 | 49.70 | 31,062 | 1,246,134 | 40.12 | 1,276,885 | 41.11 |
| Q4 2016 | 373,475 | 13,582,442 | 36.37 | 13,833,044 | 37.04 | — | — | — | — | — |
| Total 2016 | 910,883 | \$ 38,326,749 | \$42.08 | \$ 38,481,083 | \$42.25 | 58,852 | \$ 2,123,243 | \$36.08 | \$ 2,153,994 | \$36.60 |

| Lease Expiration by Quarter | RETAIL | | | | | Total Property Types | | | | |
|-----------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| Q1 2015 | — | \$ — | \$ — | \$ — | \$ — | — | — | — | — | — |
| Q2 2015 | — | — | — | — | — | 13,528 | 572,892 | 42.35 | 572,892 | 42.35 (4) |
| Q3 2015 | 1,285 | 119,888 | 93.30 | 119,888 | 93.30 | 130,556 | 6,792,888 | 52.03 | 6,792,888 | 52.03 |
| Q4 2015 | 6,119 | 401,907 | 65.68 | 401,907 | 65.68 | 222,634 | 8,844,572 | 39.73 | 8,851,170 | 39.76 |
| Total 2015 | 7,404 | \$ 521,795 | \$70.47 | \$ 521,795 | \$70.47 | 366,718 | \$ 16,210,352 | \$44.20 | \$ 16,216,951 | \$44.22 |
| Q1 2016 | 5,597 | \$ 366,307 | \$65.45 | \$ 367,542 | \$65.67 | 96,779 | 4,594,670 | \$47.48 | \$ 4,600,540 | \$47.54 |
| Q2 2016 | 2,236 | 154,554 | 69.12 | 154,554 | 69.12 | 242,207 | 9,770,991 | 40.34 | 9,815,323 | 40.52 |
| Q3 2016 | 9,488 | 514,331 | 54.21 | 514,935 | 54.27 | 274,595 | 13,537,081 | 49.30 | 13,423,201 | 48.88 |
| Q4 2016 | 20,947 | 877,842 | 41.91 | 885,102 | 42.25 | 394,422 | 14,460,284 | 36.66 | 14,718,146 | 37.32 |
| Total 2016 | 38,268 | \$ 1,913,034 | \$49.99 | \$ 1,922,133 | \$50.23 | 1,008,003 | \$ 42,363,026 | \$42.03 | \$ 42,557,210 | \$42.22 |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes square feet expiring on the last day of the current quarter.

Boston Properties, Inc.
Second Quarter 2015

IN-SERVICE WASHINGTON, DC REGION PROPERTIES

Lease Expirations - Washington, DC Region (1) (2) (3)

| Year of Lease Expiration | OFFICE | | | | | (4) (5) | OFFICE/TECHNICAL | | | | |
|--------------------------|--|---|-----------------|--|-----------------|---------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2015 | 494,152 | \$ 34,440,914 | \$69.70 | \$ 34,443,250 | \$69.70 | 142,785 | \$ 3,939,116 | \$27.59 | \$ 3,939,116 | \$27.59 | |
| 2016 | 333,972 | 16,562,451 | 49.59 | 16,753,256 | 50.16 | 33,400 | 768,775 | 23.02 | 787,662 | 23.58 | |
| 2017 | 757,251 | 39,531,276 | 52.20 | 40,594,884 | 53.61 | 13,408 | 286,330 | 21.36 | 293,252 | 21.87 | |
| 2018 | 466,698 | 25,049,592 | 53.67 | 26,589,067 | 56.97 | — | — | — | — | — | |
| 2019 | 897,392 | 45,249,769 | 50.42 | 47,663,292 | 53.11 | 146,028 | 2,756,117 | 18.87 | 2,817,237 | 19.29 | |
| 2020 | 1,077,680 | 49,879,172 | 46.28 | 54,119,265 | 50.22 | 79,971 | 1,291,025 | 16.14 | 1,291,025 | 16.14 | |
| 2021 | 1,005,220 | 55,654,354 | 55.37 | 63,281,372 | 62.95 | 109,860 | 1,695,382 | 15.43 | 1,816,155 | 16.53 | |
| 2022 | 979,756 | 49,205,311 | 50.22 | 57,302,152 | 58.49 | — | — | — | — | — | |
| 2023 | 398,814 | 17,877,610 | 44.83 | 21,682,129 | 54.37 | — | — | — | — | — | |
| 2024 | 606,295 | 30,272,464 | 49.93 | 35,765,205 | 58.99 | 14,826 | 339,705 | 22.91 | 386,407 | 26.06 | |
| Thereafter | 1,212,775 | 77,785,880 | 64.14 | 103,601,600 | 85.43 | 23,439 | 452,293 | 19.30 | 540,892 | 23.08 | |

| Year of Lease Expiration | RETAIL | | | | | (4) | Total Property Types | | | | |
|--------------------------|--|---|-----------------|--|-----------------|-----------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2015 | 19,868 | \$ 1,205,334 | \$60.67 | \$ 1,209,637 | \$60.88 | 656,805 | \$ 39,585,364 | \$60.27 | \$ 39,592,003 | \$60.28 | |
| 2016 | 64,796 | 3,927,846 | 60.62 | 3,926,823 | 60.60 | 432,168 | 21,259,071 | 49.19 | 21,467,741 | 49.67 | |
| 2017 | 66,909 | 3,775,883 | 56.43 | 3,804,241 | 56.86 | 837,568 | 43,593,488 | 52.05 | 44,692,377 | 53.36 | |
| 2018 | 64,321 | 4,183,822 | 65.05 | 4,306,544 | 66.95 | 531,019 | 29,233,414 | 55.05 | 30,895,610 | 58.18 | |
| 2019 | 59,726 | 3,377,554 | 56.55 | 3,486,623 | 58.38 | 1,103,146 | 51,383,440 | 46.58 | 53,967,153 | 48.92 | |
| 2020 | 53,106 | 3,248,664 | 61.17 | 3,429,839 | 64.58 | 1,210,757 | 54,418,862 | 44.95 | 58,840,129 | 48.60 | |
| 2021 | 57,973 | 3,427,775 | 59.13 | 3,808,001 | 65.69 | 1,173,053 | 60,777,511 | 51.81 | 68,905,528 | 58.74 | |
| 2022 | 23,890 | 1,622,463 | 67.91 | 1,865,743 | 78.10 | 1,003,646 | 50,827,774 | 50.64 | 59,167,895 | 58.95 | |
| 2023 | 55,846 | 2,495,452 | 44.68 | 2,824,640 | 50.58 | 454,660 | 20,373,063 | 44.81 | 24,506,769 | 53.90 | |
| 2024 | 8,751 | 473,202 | 54.07 | 526,034 | 60.11 | 629,872 | 31,085,372 | 49.35 | 36,677,646 | 58.23 | |
| Thereafter | 156,303 | 4,892,695 | 31.30 | 6,183,657 | 39.56 | 1,392,517 | 83,130,868 | 59.70 | 110,326,150 | 79.23 | |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties. Does not include residential units.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes square feet expiring on the last day of the current quarter.
- (5) Includes 94,864 square feet of Sensitive Compartmented Information Facility (SCIF) space. Excluding the SCIF space, the current and future expiring rental rate would be \$52.80 per square foot and \$52.80 per square foot, respectively.

IN-SERVICE WASHINGTON, DC REGION PROPERTIES

Quarterly Lease Expirations - Washington, DC Region (1) (2) (3)

| Lease Expiration by Quarter | OFFICE | | | | | OFFICE/TECHNICAL | | | | |
|-----------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| Q1 2015 | — | \$ — | \$ — | \$ — | \$ — | — | \$ — | \$ — | \$ — | \$ — |
| Q2 2015 | 12,060 | 459,936 | 38.14 | 459,937 | 38.14 (4) | — | — | — | — | — |
| Q3 2015 | 129,445 | 9,971,113 | 77.03 | 9,971,113 | 77.03 (5) | 14,338 | 317,625 | 22.15 | 317,625 | 22.15 |
| Q4 2015 | 352,647 | 24,009,865 | 68.08 | 24,012,200 | 68.09 (5) | 128,447 | 3,621,491 | 28.19 | 3,621,491 | 28.19 |
| Total 2015 | 494,152 | \$ 34,440,914 | \$69.70 | \$ 34,443,250 | \$69.70 | 142,785 | \$ 3,939,116 | \$27.59 | \$ 3,939,116 | \$27.59 |
| Q1 2016 | 55,818 | \$ 2,802,388 | \$50.21 | \$ 2,819,725 | \$50.52 | — | \$ — | \$ — | \$ — | \$ — |
| Q2 2016 | 185,144 | 9,256,417 | 50.00 | 9,339,700 | 50.45 | — | — | — | — | — |
| Q3 2016 | 33,660 | 1,400,999 | 41.62 | 1,441,638 | 42.83 | 33,400 | 768,775 | 23.02 | 787,662 | 23.58 |
| Q4 2016 | 59,350 | 3,102,647 | 52.28 | 3,152,193 | 53.11 | — | — | — | — | — |
| Total 2016 | 333,972 | \$ 16,562,451 | \$49.59 | \$ 16,753,256 | \$50.16 | 33,400 | \$ 768,775 | \$23.02 | \$ 787,662 | \$23.58 |

| Lease Expiration by Quarter | RETAIL | | | | | Total Property Types | | | | |
|-----------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| Q1 2015 | — | \$ — | \$ — | \$ — | \$ — | — | \$ — | \$ — | \$ — | \$ — |
| Q2 2015 | — | — | — | — | — | 12,060 | 459,936 | 38.14 | 459,937 | 38.14 (4) |
| Q3 2015 | 17,128 | 1,050,033 | 61.31 | 1,052,423 | 61.44 | 160,911 | 11,338,770 | 70.47 | 11,341,161 | 70.48 |
| Q4 2015 | 2,740 | 155,301 | 56.68 | 157,214 | 57.38 | 483,834 | 27,786,657 | 57.43 | 27,790,905 | 57.44 |
| Total 2015 | 19,868 | \$ 1,205,334 | \$60.67 | \$ 1,209,637 | \$60.88 | 656,805 | \$ 39,585,364 | \$60.27 | \$ 39,592,003 | \$60.28 |
| Q1 2016 | 21,644 | \$ 1,373,812 | \$63.47 | \$ 1,365,824 | \$63.10 | 77,462 | \$ 4,176,201 | \$53.91 | \$ 4,185,548 | \$54.03 |
| Q2 2016 | 10,799 | 614,962 | 56.95 | 615,380 | 56.98 | 195,943 | 9,871,379 | 50.38 | 9,955,080 | 50.81 |
| Q3 2016 | 6,010 | 346,951 | 57.73 | 349,762 | 58.20 | 73,070 | 2,516,725 | 34.44 | 2,579,062 | 35.30 |
| Q4 2016 | 26,343 | 1,592,120 | 60.44 | 1,595,858 | 60.58 | 85,693 | 4,694,767 | 54.79 | 4,748,051 | 55.41 |
| Total 2016 | 64,796 | \$ 3,927,846 | \$60.62 | \$ 3,926,823 | \$60.60 | 432,168 | \$ 21,259,071 | \$49.19 | \$ 21,467,741 | \$49.67 |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties. Does not include residential units.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes square feet expiring on the last day of the current quarter.
- (5) Includes 39,695 and 55,169 square feet of Sensitive Compartmented Information Facility (SCIF) space in Q3 2015 and Q4 2015, respectively. Excluding the SCIF space, the current and future expiring rental rate would be \$50.28 and \$50.28 and \$54.15 and \$54.16, respectively.

CBD PROPERTIES

Lease Expirations (1) (2) (3)

| Year of Lease Expiration | Boston | | | | | San Francisco | | | | |
|--------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2015 | 177,871 | \$ 12,665,652 | \$71.21 | \$ 12,674,268 | \$71.26 (4)(5) | 153,347 | \$ 8,247,162 | \$53.78 | \$ 8,247,163 | \$53.78 (4) |
| 2016 | 406,902 | 31,670,871 | 77.83 | 32,571,476 | 80.05 (6) | 689,756 | 35,343,480 | 51.24 | 35,302,587 | 51.18 |
| 2017 | 263,366 | 16,253,286 | 61.71 | 16,467,396 | 62.53 | 305,636 | 16,481,365 | 53.92 | 16,752,531 | 54.81 |
| 2018 | 278,306 | 14,655,153 | 52.66 | 14,931,026 | 53.65 | 217,214 | 12,669,876 | 58.33 | 13,241,127 | 60.96 |
| 2019 | 853,730 | 45,756,673 | 53.60 | 46,592,855 | 54.58 | 235,337 | 12,903,369 | 54.83 | 13,617,082 | 57.86 |
| 2020 | 422,565 | 23,864,415 | 56.48 | 25,064,408 | 59.31 | 559,276 | 34,374,612 | 61.46 | 36,124,402 | 64.59 |
| 2021 | 395,959 | 21,459,813 | 54.20 | 22,540,336 | 56.93 | 244,508 | 12,470,372 | 51.00 | 14,722,589 | 60.21 |
| 2022 | 1,084,743 | 58,299,804 | 53.75 | 63,159,092 | 58.22 | 225,876 | 11,700,442 | 51.80 | 13,242,895 | 58.63 |
| 2023 | 345,335 | 23,429,775 | 67.85 | 25,979,789 | 75.23 | 182,555 | 10,224,814 | 56.01 | 11,771,932 | 64.48 |
| 2024 | 272,428 | 15,394,216 | 56.51 | 17,121,048 | 62.85 | 344,018 | 18,983,144 | 55.18 | 20,707,993 | 60.19 |
| Thereafter | 3,546,936 | 202,003,958 | 56.95 | 242,038,954 | 68.24 | 595,251 | 32,532,446 | 54.65 | 45,437,863 | 76.33 |

| Year of Lease Expiration | New York | | | | | Washington, DC | | | | |
|--------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2015 | 50,896 | \$ 4,535,069 | \$ 89.10 | \$ 5,024,926 | \$ 98.73 (4) | 254,596 | \$ 14,982,747 | \$58.85 | \$ 14,985,137 | \$58.86 (4) |
| 2016 | 572,820 | 72,544,722 | 126.64 | 61,319,543 | 107.05 (7) | 96,835 | 5,831,077 | 60.22 | 5,889,167 | 60.82 |
| 2017 | 990,708 | 98,254,630 | 99.18 | 98,459,410 | 99.38 | 587,329 | 31,390,362 | 53.45 | 32,051,515 | 54.57 |
| 2018 | 331,398 | 45,437,612 | 137.11 | 45,815,635 | 138.25 | 166,769 | 10,727,326 | 64.32 | 11,326,276 | 67.92 |
| 2019 | 386,501 | 40,650,794 | 105.18 | 40,940,105 | 105.92 | 416,183 | 25,513,240 | 61.30 | 27,424,814 | 65.90 |
| 2020 | 1,529,315 | 132,728,902 | 86.79 | 140,693,974 | 92.00 | 463,220 | 24,302,522 | 52.46 | 26,699,114 | 57.64 |
| 2021 | 233,365 | 31,138,026 | 133.43 | 33,480,621 | 143.47 | 514,411 | 32,327,710 | 62.84 | 36,673,561 | 71.29 |
| 2022 | 835,767 | 76,346,856 | 91.35 | 82,479,866 | 98.69 | 315,538 | 22,113,071 | 70.08 | 25,018,601 | 79.29 |
| 2023 | 105,800 | 13,248,769 | 125.22 | 15,165,240 | 143.34 | 57,290 | 3,804,596 | 66.41 | 4,591,944 | 80.15 |
| 2024 | 688,707 | 62,591,036 | 90.88 | 69,293,701 | 100.61 | 182,005 | 11,623,249 | 63.86 | 13,835,391 | 76.02 |
| Thereafter | 2,836,356 | 269,154,648 | 94.89 | 369,005,751 | 130.10 | 930,617 | 65,526,735 | 70.41 | 87,158,074 | 93.66 |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties. Does not include residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes square feet expiring on the last day of the current quarter.
- (5) Excluding retail space current and future expiring rents would be \$43.69 per square foot and \$43.69 per square foot, respectively, in 2015.
- (6) Includes 225,532 square feet of research/laboratory space. Excluding the research/laboratory space and the retail space, current and future expiring rents would be \$59.74 per square foot and \$64.86 per square foot, respectively, in 2016. This 225,532 square feet of research/laboratory space is subject to a tenant purchase option that was exercised on October 22, 2014 and is expected to close on February 1, 2016.
- (7) Excluding retail space current and future expiring rents would be \$101.28 per square foot and \$101.28 per square foot, respectively, in 2016.

Boston Properties, Inc.
Second Quarter 2015

SUBURBAN PROPERTIES

Lease Expirations (1) (2) (3)

| Year of Lease Expiration | Boston | | | | | San Francisco | | | | |
|--------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2015 | 240,659 | \$ 7,741,503 | \$32.17 | \$ 7,680,056 | \$31.91 (4) | 213,371 | \$ 7,963,190 | \$37.32 | \$ 7,969,788 | \$37.35 |
| 2016 | 550,416 | 19,366,896 | 35.19 | 19,653,215 | 35.71 | 318,247 | 7,019,546 | 22.06 | 7,254,623 | 22.80 |
| 2017 | 555,354 | 17,987,862 | 32.39 | 18,293,420 | 32.94 | 366,803 | 12,765,684 | 34.80 | 13,300,043 | 36.26 |
| 2018 | 294,932 | 9,485,974 | 32.16 | 9,881,937 | 33.51 | 36,918 | 1,378,617 | 37.34 | 1,583,315 | 42.89 |
| 2019 | 497,200 | 18,758,084 | 37.73 | 19,305,257 | 38.83 | 372,872 | 14,882,954 | 39.91 | 16,588,976 | 44.49 |
| 2020 | 165,745 | 4,994,869 | 30.14 | 5,480,066 | 33.06 | 72,824 | 3,203,745 | 43.99 | 3,550,829 | 48.76 |
| 2021 | 451,644 | 11,631,994 | 25.75 | 12,321,340 | 27.28 | — | — | — | — | — |
| 2022 | 690,245 | 25,688,601 | 37.22 | 26,069,887 | 37.77 | 290,448 | 11,125,247 | 38.30 | 12,871,454 | 44.32 |
| 2023 | 23,197 | 681,817 | 29.39 | 774,605 | 33.39 | 40,657 | 2,047,752 | 50.37 | 2,800,187 | 68.87 |
| 2024 | 263,938 | 10,017,228 | 37.95 | 11,247,351 | 42.61 | — | — | — | — | — |
| Thereafter | 538,977 | 23,886,828 | 44.32 | 26,551,226 | 49.26 | 5,642 | 186,186 | 33.00 | 250,218 | 44.35 |

| Year of Lease Expiration | New York | | | | | Washington, DC | | | | |
|--------------------------|--|---|-----------------|--|-----------------|--|---|-----------------|--|-----------------|
| | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot | Rentable Square Footage Subject to Expiring Leases | Current Annualized Revenues Under Expiring Leases | Per Square Foot | Annualized Revenues Under Expiring Leases with future step-ups | Per Square Foot |
| 2015 | 192,597 | \$ 6,478,162 | \$33.64 | \$ 6,478,162 | \$33.64 (4) | 402,209 | \$ 24,602,616 | \$61.17 | \$ 24,606,866 | \$61.18 (4)(5) |
| 2016 | 169,712 | 5,851,860 | 34.48 | 5,868,121 | 34.58 | 335,333 | 15,427,994 | 46.01 | 15,578,574 | 46.46 |
| 2017 | 153,083 | 5,581,757 | 36.46 | 5,611,056 | 36.65 | 250,239 | 12,203,126 | 48.77 | 12,640,863 | 50.52 |
| 2018 | 217,514 | 7,378,126 | 33.92 | 7,508,291 | 34.52 | 364,250 | 18,506,087 | 50.81 | 19,569,334 | 53.73 |
| 2019 | 190,076 | 6,448,417 | 33.93 | 6,882,552 | 36.21 | 686,963 | 25,870,199 | 37.66 | 26,542,339 | 38.64 |
| 2020 | 298,890 | 10,017,227 | 33.51 | 10,697,075 | 35.79 | 747,537 | 30,116,339 | 40.29 | 32,141,015 | 43.00 |
| 2021 | 74,993 | 2,447,077 | 32.63 | 2,600,403 | 34.68 | 658,642 | 28,449,801 | 43.19 | 32,231,968 | 48.94 |
| 2022 | 49,079 | 1,544,401 | 31.47 | 1,707,768 | 34.80 | 688,108 | 28,714,703 | 41.73 | 34,149,294 | 49.63 |
| 2023 | 8,299 | 265,793 | 32.03 | 282,391 | 34.03 | 397,370 | 16,568,466 | 41.70 | 19,914,825 | 50.12 |
| 2024 | 384,402 | 13,356,736 | 34.75 | 13,842,466 | 36.01 | 447,867 | 19,462,123 | 43.46 | 22,842,255 | 51.00 |
| Thereafter | 141,333 | 4,703,283 | 33.28 | 5,220,656 | 36.94 | 461,900 | 17,604,133 | 38.11 | 23,168,076 | 50.16 |

- (1) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (2) Includes 100% of joint venture properties. Does not include residential units and hotel.
- (3) Does not include data for leases expiring in a particular year when leases for the same space have already been signed with replacement tenants with future commencement dates. In those cases, the data is included in the year in which the future lease expires.
- (4) Includes square feet expiring on the last day of the current quarter.
- (5) Includes 94,864 square feet of Sensitive Compartmented Information Facility (SCIF) space. Excluding the SCIF space from 2015, the current and future expiring rental rate would be \$36.58 per square foot and \$36.60 per square foot, respectively.

Boston Properties, Inc.
Second Quarter 2015

RESIDENTIAL and HOTEL PERFORMANCE

| <i>Rental Rates and Occupancy</i> | <u>Second Quarter 2015</u> | <u>Second Quarter 2014</u> | <u>Percent Change</u> | <u>YTD 2015</u> | <u>YTD 2014</u> | <u>Percent Change</u> |
|--|--------------------------------|--------------------------------|---------------------------|---------------------|---------------------|---------------------------|
| The Avant at Reston Town Center (359 units) | | | | | | |
| Reston, VA | | | | | | |
| Average Monthly Rental Rate (1) | \$ 2,263 | \$ 2,203 | 2.7% | \$ 2,254 | \$ 2,108 | 6.9% |
| Average Rental Rate Per Occupied Square Foot (1) | \$ 2.42 | \$ 2.40 | 0.8% | \$ 2.44 | \$ 2.30 | 6.1% |
| Average Physical Occupancy (1) (2) | 93.9% | 25.7% | 265.4% | 87.1% | 18.1% | 381.2% |
| Average Economic Occupancy (2) | 92.1% | 21.9% | 320.5% | 84.5% | 14.6% | 478.8% |
| The Lofts at Atlantic Wharf (86 units) | | | | | | |
| Boston, MA | | | | | | |
| Average Monthly Rental Rate (3) | \$ 4,013 | \$ 3,912 | 2.6% | \$ 4,013 | \$ 3,919 | 2.4% |
| Average Rental Rate Per Occupied Square Foot (3) | \$ 4.48 | \$ 4.39 | 2.1% | \$ 4.46 | \$ 4.38 | 1.8% |
| Average Physical Occupancy (2) (3) | 96.9% | 95.4% | 1.6% | 97.5% | 96.1% | 1.5% |
| Average Economic Occupancy (2) | 96.9% | 95.8% | 1.1% | 97.9% | 96.8% | 1.1% |
| Boston Marriott Cambridge (433 rooms) | | | | | | |
| Cambridge, MA | | | | | | |
| Average Occupancy | 86.7% | 87.3% | (0.7%) | 82.8% | 82.5% | 0.4% |
| Average Daily Rate | \$ 298.70 | \$ 273.22 | 9.3% | \$263.05 | \$239.30 | 9.9% |
| Revenue per available room | \$ 259.10 | \$ 238.55 | 8.6% | \$217.71 | \$197.44 | 10.3% |

| <i>Net Operating Income (in thousands)</i> | <u>Residential</u> | | | <u>Hotel</u> | | |
|---|--------------------------------|------------------------------------|---------------------------|--------------------------------|--------------------------------|---------------------------|
| | <u>Second Quarter 2015</u> | <u>Second Quarter 2014 (4)</u> | <u>Percent Change</u> | <u>Second Quarter 2015</u> | <u>Second Quarter 2014</u> | <u>Percent Change</u> |
| Rental Revenue | \$ 3,811 (5) | \$ 6,298 (5) | (39.5%) | \$ 13,403 | \$ 12,367 | 8.4% |
| Operating expenses and real estate taxes | 1,531 | 3,936 | (61.1%) | 8,495 | 7,315 | 16.1% |
| Net Operating Income | \$ 2,280 (5) | \$ 2,362 (5) | (3.5%) | \$ 4,908 | \$ 5,052 | (2.9%) |
| Less: Straight line rent and fair value lease revenue | 24 | 85 | (71.8%) | 1 | 1 | — |
| Rental Revenue - cash basis | 3,787 | 6,213 | (39.0%) | 13,402 | 12,366 | 8.4% |
| Less: Operating expenses and real estate taxes | 1,531 | 3,936 | (61.1%) | 8,495 | 7,315 | 16.1% |
| Add: Straight line ground rent expense | — | 522 | (100.0%) | — | — | — |
| Net Operating Income - cash basis | \$ 2,256 | \$ 2,799 | (19.4%) | \$ 4,907 | \$ 5,051 | (2.9%) |

- (1) Excludes 26,179 square feet of retail space which is 100% leased.
- (2) For disclosures related to our definition of Average Physical and Average Economic Occupancy, see page 50.
- (3) Excludes 9,617 square feet of retail space which is 100% leased.
- (4) Includes the Residences on the Avenue which was sold on March 17, 2015 and had approximately \$1.9 million of net operating income and approximately \$2.3 million of net operating income - cash basis for the quarter ended June 30, 2014.
- (5) Includes 35,796 square feet of retail space which had revenue of approximately \$464,000 for the quarter ended June 30, 2015 and 85,324 square feet of retail space which had revenue of approximately \$1.1 million for the quarter ended June 30, 2014.

Boston Properties, Inc.
Second Quarter 2015

OCCUPANCY ANALYSIS

Same Property Occupancy⁽¹⁾ - By Location

| <u>Location</u> | <u>CBD</u> | | <u>Suburban</u> | | <u>Total</u> | |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>30-Jun-15</u> | <u>30-Jun-14</u> | <u>30-Jun-15</u> | <u>30-Jun-14</u> | <u>30-Jun-15</u> | <u>30-Jun-14</u> |
| Boston | 90.3% | 95.5% | 91.3% | 87.2% | 90.6% | 92.6% |
| New York | 97.4% | 97.5% | 75.8% | 80.2% | 92.4% | 93.5% |
| San Francisco | 95.3% | 94.6% | 77.9% | 74.5% | 88.4% | 86.6% |
| Washington, DC | 95.5% | 95.6% | 92.2% | 96.3% | 93.6% | 96.0% |
| Total Portfolio | 94.2% | 96.0% | 87.2% | 87.7% | 91.5% | 92.8% |

Same Property Occupancy⁽¹⁾ - By Type of Property

| | <u>CBD</u> | | <u>Suburban</u> | | <u>Total</u> | |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>30-Jun-15</u> | <u>30-Jun-14</u> | <u>30-Jun-15</u> | <u>30-Jun-14</u> | <u>30-Jun-15</u> | <u>30-Jun-14</u> |
| Total Office Portfolio | 94.2% | 96.0% | 87.8% | 87.7% | 91.8% | 93.0% |
| Total Office/Technical Portfolio | 100.0% | 100.0% | 81.4% | 87.9% | 84.7% | 90.0% |
| Total Portfolio | 94.2% | 96.0% | 87.2% | 87.7% | 91.5% | 92.8% |

(1) For disclosures related to our definition of Same Properties, see page 49.

SAME PROPERTY PERFORMANCE

Office, Office/Technical and Hotel & Residential Properties

| | Office (1) | Office/Technical | Hotel & Residential (1) | Total |
|--|------------|------------------|-------------------------|------------|
| Number of Properties | 120 | 31 | 3 | 154 |
| Square feet | 38,123,075 | 1,701,412 | 776,704 | 40,601,191 |
| Percent of properties in-service | 96.2% | 100.0% | 100.0% | 96.4% |
| Occupancy @ 6/30/2014 | 93.0% | 90.0% | N/A | 92.8% |
| Occupancy @ 6/30/2015 | 91.8% | 84.7% | N/A | 91.5% |
| Percent change from 2nd quarter 2015 over 2nd quarter 2014 (2): | | | | |
| Rental revenue | 3.2% | 5.5% | 21.1% | |
| Operating expenses and real estate taxes | 5.8% | (0.0%) | 15.3% | |
| Consolidated Net Operating Income (3) - excluding hotel & residential | 1.8% | 7.6% | | 2.0% (2) |
| Consolidated Net Operating Income (3) - Hotel & residential | | | | 30.2% (2) |
| Net Operating Income - BXP's share of unconsolidated joint ventures (3) (4) | | | | 0.0% (2) |
| Combined Net Operating Income (3) | | | | 2.4% |
| Rental revenue - cash basis | 1.9% | 7.1% | 20.9% | |
| Consolidated Net Operating Income (3) - cash basis (5) excluding hotel & residential | (0.3%) | 10.0% | | (0.0%) (2) |
| Consolidated Net Operating Income (3) - cash basis (5) - Hotel & residential | | | | 29.9% (2) |
| Net Operating Income - cash basis (5) - BXP's share of unconsolidated joint ventures | | | | 1.1% (2) |
| Combined Net Operating Income (3) - cash basis (5) | | | | 0.5% |

Same Property Lease Analysis - quarter ended June 30, 2015

| | Office | Office/Technical | Total |
|--|-----------|------------------|-----------|
| Vacant space available @ 4/1/2015 (sf) | 3,445,684 | 168,385 | 3,614,069 |
| Square footage of leases expiring or terminated 4/1/2015-6/30/2015 | 1,141,431 | 35,675 | 1,177,106 |
| Total space for lease (sf) | 4,587,115 | 204,060 | 4,791,175 |
| New tenants (sf) | 1,045,533 | 28,069 | 1,073,602 |
| Renewals (sf) | 336,296 | 7,606 | 343,902 |
| Total space leased (sf) | 1,381,829 | 35,675 | 1,417,504 |
| Space available @ 6/30/2015 (sf) | 3,205,286 | 168,385 | 3,373,671 |
| Net (increase)/decrease in available space (sf) | 240,398 | — | 240,398 |
| Second generation leasing information: (6) | | | |
| Leases commencing during the period (sf) | 1,351,464 | 35,675 | 1,387,139 |
| Average lease term (months) | 88 | 47 | 87 |
| Average free rent period (days) | 39 | 72 | 40 |
| Total transaction costs per square foot (7) | \$ 39.60 | \$ 23.22 | \$ 39.18 |
| Increase (decrease) in gross rents (8) | 14.07% | 36.48% | 14.56% |
| Increase (decrease) in net rents (9) | 21.63% | 47.53% | 22.30% |

- (1) Includes revenue and expenses from retail tenants.
- (2) See page 42 for a quantitative reconciliation of Same Property Net Operating Income (NOI) by reportable segment.
- (3) For a quantitative reconciliation of NOI to Net income attributable to Boston Properties, Inc., see page 41. For disclosures relating to our use of Combined NOI and Consolidated NOI, see page 49.
- (4) For disclosures related to the calculation of NOI from unconsolidated joint ventures, see page 17.
- (5) For a quantitative reconciliation of NOI to NOI on a cash basis, see page 41.
- (6) Second generation leases are defined as leases for space that had previously been under lease by the Company. Of the 1,387,139 square feet of second generation leases that commenced in Q2 2015, leases for 1,223,146 square feet were signed in prior periods.
- (7) Total transaction costs include tenant improvements and leasing commissions and exclude free rent concessions.
- (8) Represents the increase/(decrease) in gross rent (base rent plus expense reimbursements) on the new vs. expired leases on the 896,470 square feet of second generation leases (1) that had been occupied within the prior 12 months and (2) for which the new lease term is greater than six months.
- (9) Represents the increase/(decrease) in net rent (gross rent less operating expenses) on the new vs. expired leases on the 896,470 square feet of second generation leases (1) that had been occupied within the prior 12 months and (2) for which the new lease term is greater than six months.

Boston Properties, Inc.
Second Quarter 2015

Reconciliation of Net Operating Income to Net Income

| | For the three months ended | |
|---|----------------------------|---------------|
| | June 30, 2015 | June 30, 2014 |
| | (in thousands) | |
| Net income attributable to Boston Properties, Inc. | \$ 82,078 | \$ 79,145 |
| Net income attributable to noncontrolling interests: | | |
| Noncontrolling interest - common units of the Operating Partnership | 9,394 | 8,883 |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership | 3 | 320 |
| Noncontrolling interest in property partnerships (1) | 9,264 | 7,553 |
| Net income | 100,739 | 95,901 |
| Add: | | |
| Interest expense | 108,534 | 110,977 |
| Depreciation and amortization | 167,844 | 154,628 |
| Transaction costs | 208 | 661 |
| General and administrative expense | 22,284 | 23,271 |
| Subtract: | | |
| Gains (losses) from investments in securities | 24 | (662) |
| Interest and other income | (1,293) | (2,109) |
| Income from unconsolidated joint ventures | (3,078) | (2,834) |
| Development and management services income | (4,862) | (6,506) |
| Consolidated Net Operating Income | 390,400 | 373,327 |
| Net Operating Income from unconsolidated joint ventures (BXP's share) (2) | 11,374 | 11,123 |
| Combined Net Operating Income | \$ 401,774 | \$ 384,450 |
| Same Property Net Operating Income | 378,599 | 369,866 |
| Net Operating Income from non Same Properties (3) | 16,315 | 13,557 |
| Termination income | 6,860 | 1,027 |
| Combined Net Operating Income | \$ 401,774 | \$ 384,450 |
| Same Property Net Operating Income | 378,599 | 369,866 |
| Subtract: | | |
| Straight-line rent and fair value lease revenue | (23,975) | (14,429) |
| Add: | | |
| Straight-line ground rent expense | 1,106 | 1,186 |
| Lease transaction costs which qualify as inducements in accordance with GAAP (4) | 4,355 | 1,834 |
| Same Property Net Operating Income - cash basis | \$ 360,085 | \$ 358,457 |

- (1) These partnerships include 505 9th Street in Washington, D.C., Fountain Square in Reston, VA, 767 Fifth Avenue (The GM Building) and Times Square Tower in New York City and, beginning October 30, 2014, 100 Federal Street and Atlantic Wharf Office Building in Boston, MA and 601 Lexington Avenue in New York City.
- (2) For disclosures related to the calculation of Net Operating Income from unconsolidated joint ventures, see page 17.
- (3) Pages 20-22 indicate by footnote the properties which are not included as part of Same Property Net Operating Income. Non Same Properties include dispositions that occurred prior to June 30, 2015 and therefore are no longer a part of the Company's property portfolio.
- (4) For additional information, refer to page 42.

Boston Properties, Inc.
Second Quarter 2015

Same Property Net Operating Income by Reportable Segment

(in thousands)

| | Office (1) | | | | Office/Technical | | | |
|--|-------------------------------|-------------------|-------------------|---------------|----------------------------|-------------------|-----------------|--------------|
| | For the three months ended | | \$ Change | % Change | For the three months ended | | \$ Change | % Change |
| | 30-Jun-15 | 30-Jun-14 | | | 30-Jun-15 | 30-Jun-14 | | |
| Rental Revenue | \$ 556,630 | \$ 533,654 | | | \$ 14,549 | \$ 13,791 | | |
| Less Termination Income | 6,680 | 986 | | | — | — | | |
| Rental revenue - subtotal | 549,950 | 532,668 | \$17,282 | 3.2% | 14,549 | 13,791 | \$ 758 | 5.5% |
| Operating expenses and real estate taxes | 200,510 | 189,532 | 10,978 | 5.8% | 3,802 | 3,803 | (1) | (0.0%) |
| Net Operating Income (2) | <u>\$ 349,440</u> | <u>\$ 343,136</u> | <u>\$ 6,304</u> | <u>1.8%</u> | <u>\$ 10,747</u> | <u>\$ 9,988</u> | <u>\$ 759</u> | <u>7.6%</u> |
| Rental revenue - subtotal | \$ 549,950 | \$ 532,668 | | | \$ 14,549 | \$ 13,791 | | |
| Less: | | | | | | | | |
| Straight-line rent and fair value lease revenue | 23,234 | 13,069 | 10,165 | 77.8% | 661 | 1,223 | (562) | (46.0%) |
| Add: | | | | | | | | |
| Lease transaction costs which qualify as inducements in accordance with GAAP (3) | 4,285 | 1,410 | 2,875 | 203.9% | — | 402 | (402) | (100.0%) |
| Rental revenue - cash basis | 531,001 | 521,009 | 9,992 | 1.9% | 13,888 | 12,970 | 918 | 7.1% |
| Less: | | | | | | | | |
| Operating expenses and real estate taxes | 200,510 | 189,532 | 10,978 | 5.8% | 3,802 | 3,803 | (1) | (0.0%) |
| Add: | | | | | | | | |
| Straight-line ground rent expense (4) | 1,106 | 1,186 | (80) | (6.7%) | — | — | — | — |
| Net Operating Income (5) - cash basis | <u>\$ 331,597</u> | <u>\$ 332,663</u> | <u>\$ (1,066)</u> | <u>(0.3%)</u> | <u>\$ 10,086</u> | <u>\$ 9,167</u> | <u>\$ 919</u> | <u>10.0%</u> |
| | | | | | | | | |
| | Sub-Total (1) | | | | Hotel & Residential | | | |
| | For the three months ended | | \$ Change | % Change | For the three months ended | | \$ Change | % Change |
| | 30-Jun-15 | 30-Jun-14 | | | 30-Jun-15 | 30-Jun-14 | | |
| Rental Revenue | \$ 571,179 | \$ 547,445 | | | \$ 17,214 | \$ 14,220 | | |
| Less Termination Income | 6,680 | 986 | | | — | — | | |
| Rental revenue - subtotal | 564,499 | 546,459 | \$18,040 | 3.3% | 17,214 | 14,220 | \$2,994 | 21.1% |
| Operating expenses and real estate taxes | 204,312 | 193,335 | 10,977 | 5.7% | 10,026 | 8,699 | 1,327 | 15.3% |
| Net Operating Income (2) | <u>\$ 360,187</u> | <u>\$ 353,124</u> | <u>\$ 7,063</u> | <u>2.0%</u> | <u>\$ 7,188</u> | <u>\$ 5,521</u> | <u>\$1,667</u> | <u>30.2%</u> |
| Rental revenue - subtotal | \$ 564,499 | \$ 546,459 | | | \$ 17,214 | \$ 14,220 | | |
| Less: | | | | | | | | |
| Straight-line rent and fair value lease revenue | 23,895 | 14,292 | 9,603 | 67.2% | 24 | 5 | 19 | 380.0% |
| Add: | | | | | | | | |
| Lease transaction costs which qualify as inducements in accordance with GAAP (3) | 4,285 | 1,812 | 2,473 | 136.5% | — | — | — | — |
| Rental revenue - cash basis | 544,889 | 533,979 | 10,910 | 2.0% | 17,190 | 14,215 | 2,975 | 20.9% |
| Less: | | | | | | | | |
| Operating expenses and real estate taxes | 204,312 | 193,335 | 10,977 | 5.7% | 10,026 | 8,699 | 1,327 | 15.3% |
| Add: | | | | | | | | |
| Straight-line ground rent expense (4) | 1,106 | 1,186 | (80) | (6.7%) | — | — | — | — |
| Net Operating Income (5) - cash basis | <u>\$ 341,683</u> | <u>\$ 341,830</u> | <u>\$ (147)</u> | <u>(0.0%)</u> | <u>\$ 7,164</u> | <u>\$ 5,516</u> | <u>\$1,648</u> | <u>29.9%</u> |
| | | | | | | | | |
| | Unconsolidated Joint Ventures | | | | Total (1) | | | |
| | For the three months ended | | \$ Change | % Change | For the three months ended | | \$ Change | % Change |
| | 30-Jun-15 | 30-Jun-14 | | | 30-Jun-15 | 30-Jun-14 | | |
| Rental Revenue | \$ 19,175 | \$ 18,660 | | | \$ 607,568 | \$ 580,325 | | |
| Less Termination Income | 180 | 41 | | | 6,860 | 1,027 | | |
| Rental revenue - subtotal | 18,995 | 18,619 | \$ 376 | 2.0% | 600,708 | 579,298 | \$21,410 | 3.7% |
| Operating expenses and real estate taxes | 7,771 | 7,398 | 373 | 5.0% | 222,109 | 209,432 | 12,677 | 6.1% |
| Net Operating Income (2) | <u>\$ 11,224</u> | <u>\$ 11,221</u> | <u>\$ 3</u> | <u>0.0%</u> | <u>\$ 378,599</u> | <u>\$ 369,866</u> | <u>\$ 8,733</u> | <u>2.4%</u> |
| Rental revenue - subtotal | \$ 18,995 | \$ 18,619 | | | \$ 600,708 | \$ 579,298 | | |
| Less: | | | | | | | | |
| Straight-line rent and fair value lease revenue | 56 | 132 | (76) | (57.6%) | 23,975 | 14,429 | 9,546 | 66.2% |
| Add: | | | | | | | | |
| Lease transaction costs which qualify as inducements in accordance with GAAP (3) | 70 | 22 | 48 | 218.2% | 4,355 | 1,834 | 2,521 | 137.5% |
| Rental revenue - cash basis | 19,009 | 18,509 | 500 | 2.7% | 581,088 | 566,703 | 14,385 | 2.5% |
| Less: | | | | | | | | |
| Operating expenses and real estate taxes | 7,771 | 7,398 | 373 | 5.0% | 222,109 | 209,432 | 12,677 | 6.1% |
| Add: | | | | | | | | |
| Straight-line ground rent expense (4) | — | — | — | — | 1,106 | 1,186 | (80) | (6.7%) |
| Net Operating Income (5) - cash basis | <u>\$ 11,238</u> | <u>\$ 11,111</u> | <u>\$ 127</u> | <u>1.1%</u> | <u>\$ 360,085</u> | <u>\$ 358,457</u> | <u>\$ 1,628</u> | <u>0.5%</u> |

(1) Includes 100% share of consolidated joint ventures. Same Property consolidated joint venture properties includes 505 9th Street in Washington, D.C., Fountain Square in Reston, VA, 767 Fifth Avenue (The GM Building) and Times Square Tower in New York City and, beginning October 30, 2014, 100 Federal Street and Atlantic Wharf Office Building in Boston, MA and 601 Lexington Avenue in New York City.

(2) For a quantitative reconciliation of net operating income (NOI) to net income available to common shareholders, see page 41. For disclosures relating to our use of NOI see page 49.

(3) Leasing transaction costs are generally included in 2nd generation tenant improvements and leasing commissions in the Company's FAD calculation on page 11. For additional information related to second generation transaction costs, see page 43.

(4) For additional information, see page 6.

(5) For a quantitative reconciliation of NOI to NOI on a cash basis see page 41. For disclosures relating to our use of NOI see page 49.

Boston Properties, Inc.
Second Quarter 2015

LEASING ACTIVITY

All In-Service Properties - quarter ended June 30, 2015

| | <u>Office</u> | <u>Office/Technical</u> | <u>Total</u> |
|---|------------------|-------------------------|------------------|
| Vacant space available @ 4/1/2015 (sf) | 3,843,254 | 168,385 | 4,011,639 |
| Property dispositions/ properties taken out of service (sf) | (73,258) | — | (73,258) |
| Properties placed in-service (sf) | 25,945 (1) | — | 25,945 |
| Leases expiring or terminated 4/1/2015-6/30/2015 (sf) | 1,221,117 | 35,675 | 1,256,792 |
| Total space available for lease (sf) | 5,017,058 | 204,060 | 5,221,118 |
| 1st generation leases (sf) | 159,367 | — | 159,367 |
| 2nd generation leases with new tenants (sf) | 1,015,168 | 28,069 | 1,043,237 |
| 2nd generation lease renewals (sf) | 336,296 | 7,606 | 343,902 |
| Total space leased (sf) | 1,510,831 | 35,675 | 1,546,506 |
| Vacant space available for lease @ 6/30/2015 (sf) | 3,506,227 | 168,385 | 3,674,612 |
| Net (increase)/decrease in available space (sf) | 337,027 | — | 337,027 |
| Second generation leasing information: (2) | | | |
| Leases commencing during the period (sf) | 1,351,464 | 35,675 | 1,387,139 |
| Average lease term (months) | 88 | 47 | 87 |
| Average free rent period (days) | 39 | 72 | 40 |
| Total transaction costs per square foot (3) | \$ 39.60 | \$ 23.22 | \$ 39.18 |
| Increase (decrease) in gross rents (4) | 14.07% | 36.48% | 14.56% |
| Increase (decrease) in net rents (5) | 21.63% | 47.53% | 22.30% |

| | <u>All leases 1st Generation</u> | <u>All leases 2nd Generation</u> | <u>Incr (decr) in 2nd gen. gross cash rents (4)</u> | <u>Incr (decr) in 2nd gen. net cash rents (5)</u> | <u>Total Leased (6)</u> | <u>Total square feet of leases executed in the quarter (7)</u> |
|----------------|--------------------------------------|--------------------------------------|---|---|-----------------------------|--|
| Boston | 300 | 886,056 | 17.75% | 30.14% | 886,356 | 287,391 |
| New York | 86,120 | 117,976 | 15.98% | 19.22% | 204,096 | 364,143 |
| San Francisco | 60,132 | 159,819 | 26.25% | 41.28% | 219,951 | 182,284 |
| Washington, DC | 12,815 | 223,288 | 3.35% | 4.63% | 236,103 | 190,763 |
| | <u>159,367</u> | <u>1,387,139</u> | <u>14.56%</u> | <u>22.30%</u> | <u>1,546,506</u> | <u>1,024,581</u> |

- (1) Total square feet of properties placed in-service in Q2 2015 consist of 300 square feet at 325 Main Street (formerly Three Cambridge Center) and 25,645 square feet at 535 Mission Street.
- (2) Second generation leases are defined as leases for space that had previously been leased by the Company. Of the 1,387,139 square feet of second generation leases that commenced in Q2 2015, leases for 1,223,146 square feet were signed in prior periods.
- (3) Total transaction costs include tenant improvements and leasing commissions and exclude free rent concessions.
- (4) Represents the increase/(decrease) in gross rent (base rent plus expense reimbursements) on the new vs. expired leases on the 896,470 square feet of second generation leases (1) that had been occupied within the prior 12 months and (2) for which the new lease term is greater than six months.
- (5) Represents the increase/(decrease) in net rent (gross rent less operating expenses) on the new vs. expired leases on the 896,470 square feet of second generation leases (1) that had been occupied within the prior 12 months and (2) for which the new lease term is greater than six months.
- (6) Represents leases for which rental revenue has commenced in accordance with GAAP during the quarter.
- (7) Represents leases executed in the quarter for which the GAAP impact may be recognized in the current or future quarters, including properties currently under development. The total square feet of leases executed in the current quarter and recognized in the current quarter is 176,497.

Boston Properties, Inc.
Second Quarter 2015

**HISTORICALLY GENERATED CAPITAL EXPENDITURES,
TENANT IMPROVEMENT COSTS AND LEASING COMMISSIONS**

Historical Capital Expenditures

(in thousands)

| | <u>Q2 2015</u> | <u>Q1 2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Recurring capital expenditures | \$14,869 | \$ 8,763 | \$42,610 | \$51,026 | \$23,774 |
| Planned non-recurring capital expenditures associated with acquisition properties | 1,485 | 972 | 13,087 | 20,506 | 22,287 |
| Hotel improvements, equipment upgrades and replacements | <u>272</u> | <u>491</u> | <u>2,894</u> | <u>2,070</u> | <u>896</u> |
| | <u>\$16,626</u> | <u>\$10,226</u> | <u>\$58,591</u> | <u>\$73,602</u> | <u>\$46,957</u> |

2nd Generation Tenant Improvements and Leasing Commissions

| | <u>Q2 2015</u> | <u>Q1 2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---|------------------|------------------|------------------|------------------|------------------|
| Office | | | | | |
| Square feet | <u>1,351,464</u> | <u>1,261,753</u> | <u>3,578,780</u> | <u>3,554,632</u> | <u>3,572,825</u> |
| Tenant improvements and lease commissions PSF | <u>\$ 39.60</u> | <u>\$ 43.27</u> | <u>\$ 30.89</u> | <u>\$ 37.54</u> | <u>\$ 45.31</u> |
| Office/Technical | | | | | |
| Square feet | <u>35,675</u> | <u>27,639</u> | <u>357,266</u> | <u>55,456</u> | <u>59,788</u> |
| Tenant improvements and lease commissions PSF | <u>\$ 23.22</u> | <u>\$ 19.00</u> | <u>\$ 16.69</u> | <u>\$ 2.02</u> | <u>\$ 3.94</u> |
| Average tenant improvements and lease commissions PSF | <u>\$ 39.18</u> | <u>\$ 42.75</u> | <u>\$ 29.60</u> | <u>\$ 36.99</u> | <u>\$ 44.63</u> |

Boston Properties, Inc.
Second Quarter 2015

ACQUISITIONS/DISPOSITIONS

as of June 30, 2015

ACQUISITIONS

For the period from January 1, 2015 through June 30, 2015

| <u>Property</u> | <u>Date Acquired</u> | <u>Square Feet</u> | <u>Initial Investment (1)</u> | <u>Anticipated Future Investment (1)</u> | <u>Total Investment (1)</u> | <u>Percentage Leased</u> |
|---|----------------------|--------------------|-------------------------------|--|-----------------------------|--------------------------|
| 1265 Main Street (50% ownership interest) | May 8, 2015 | 115,000 | \$ 1,934,000 | \$ 24,156,000 | \$ 26,090,000 (2) | 100% |
| Dock72 (50% ownership interest) | June 26, 2015 | 670,000 | 9,140,000 | 195,760,000 | 204,900,000 (3) | 33% |
| Total Acquisitions | | <u>785,000</u> | <u>\$11,074,000</u> | <u>\$219,916,000</u> | <u>\$230,990,000</u> | <u>43%</u> |

(1) Represents the Company's share.

(2) On May 8, 2015, the Company entered into a joint venture with an affiliate of 1265 Main Street LLC to redevelop an existing building into a Class A office building totaling approximately 115,000 net rentable square feet at 1265 Main Street in Waltham, Massachusetts. The joint venture partner contributed real estate and improvements, with an aggregate fair value of approximately \$9.4 million, for its initial 50% interest in the joint venture. For its initial 50% interest, the Company will contribute cash totaling approximately \$9.4 million as the joint venture incurs costs. The Company is accounting for the joint venture on an unconsolidated basis under the equity method of accounting. The joint venture has entered into a fifteen-year lease with a tenant to occupy 100% of the building. See also page 46.

(3) On June 26, 2015, the Company entered into a joint venture with Rudin Development to develop Dock72, an office building totaling approximately 670,000 net rentable square feet located at the Brooklyn Navy Yard in Brooklyn, New York. Each partner contributed cash totaling approximately \$9.1 million for their initial 50% interest in the joint venture. The Company is accounting for the joint venture on an unconsolidated basis under the equity method of accounting. The joint venture entered into a 96-year ground lease with the Brooklyn Navy Yard Development Corporation, comprised of an initial term of 49 years, which may be extended by the joint venture to 2111, subject to certain conditions. The joint venture also entered into a 20-year lease with a tenant to occupy approximately 222,000 net rentable square feet at the building. See also pages 46 and 47.

DISPOSITIONS

For the period from January 1, 2015 through June 30, 2015

| <u>Property</u> | <u>Date Disposed</u> | <u>Square Feet</u> | <u>Gross Sales Price</u> | <u>Net Cash Proceeds</u> | <u>Book Gain</u> |
|--------------------------------------|----------------------|--------------------|--------------------------|--------------------------|---------------------|
| Washingtonian North (land parcel) | February 19, 2015 | N/A | \$ 8,700,000 | \$ 8,331,000 | \$ 3,656,000 |
| Residences on The Avenue (335 units) | March 17, 2015 | 323,050 | 196,000,000 | 192,478,000 | 91,428,000 (1) |
| Total Dispositions | | <u>323,050</u> | <u>\$204,700,000</u> | <u>\$200,809,000</u> | <u>\$95,084,000</u> |

(1) The Company has agreed to provide the buyer up to \$6.0 million of net operating income support if the property's net operating income fails to achieve certain thresholds. This amount has been recorded as a reduction to the gain on sale. The Residences on The Avenue is comprised of 335 apartment units and approximately 50,000 net rentable square feet of retail space, subject to a ground lease that expires on February 1, 2068.

Boston Properties, Inc.
Second Quarter 2015

VALUE CREATION PIPELINE - CONSTRUCTION IN PROGRESS (1)

as of June 30, 2015

| Construction Properties | Initial Occupancy | Estimated Stabilization Date | Location | # of Buildings | Square feet | Investment to Date (2) | Estimated Total Investment (2) | Total Construction Loan (2) | Amount Drawn at 6/30/2015 (2) | Estimated Future Equity Requirement (2) | Percentage Leased (3) | Percentage Placed in Service (4) |
|--|-------------------|------------------------------|-------------------|----------------|------------------|-------------------------|--------------------------------|-----------------------------|-------------------------------|---|-----------------------|----------------------------------|
| Annapolis Junction Building Seven (50% ownership) | Q3 2015 | Q3 2015 | Annapolis, MD | 1 | 127,229 | \$ 17,235,425 | \$ 17,500,000 | \$ 11,000,000 | \$ 9,144,563 | \$ — | 100% | — |
| 690 Folsom Street | Q1 2015 | Q1 2016 | San Francisco, CA | 1 | 26,080 | 14,636,781 | 17,900,000 | — | — | 3,263,219 | 100% | 55% |
| 804 Carnegie Center | Q1 2016 | Q1 2016 | Princeton, NJ | 1 | 130,000 | 22,547,962 | 47,000,000 | — | — | 24,452,038 | 100% | — |
| 99 Third Avenue Retail | Q4 2015 | Q2 2016 | Waltham, MA | 1 | 16,500 | 14,877,042 | 16,900,000 | — | — | 2,022,958 | 84% | — |
| 535 Mission Street | Q4 2014 | Q3 2016 | San Francisco, CA | 1 | 307,000 | 185,491,205 | 215,000,000 | — | — | 29,508,795 | 81% | 41% |
| 1265 Main Street (50% Ownership) | Q4 2016 | Q4 2016 | Waltham, MA | 1 | 115,000 | 3,621,191 | 26,090,000 | — | — | 22,468,809 | 100% | — |
| Prudential Center Retail Expansion | Q1 2016 | Q4 2016 | Boston, MA | — | 15,000 | 6,232,873 | 9,980,000 | — | — | 3,747,127 | 42% | — |
| Annapolis Junction Building Eight (50% ownership) | Q1 2016 | Q1 2017 | Annapolis, MD | 1 | 125,000 | 12,000,019 | 18,500,000 | 13,000,000 | 6,887,840 | 387,821 | — | — |
| 10 CityPoint | Q3 2016 | Q2 2017 | Waltham, MA | 1 | 245,000 | 41,244,777 | 100,400,000 | — | — | 59,155,223 | 74% | — |
| 601 Massachusetts Avenue | Q4 2015 | Q4 2017 | Washington, DC | 1 | 478,000 | 280,714,460 | 360,760,000 | — | — | 80,045,540 | 83% | — |
| 888 Boylston Street | Q3 2016 | Q4 2017 | Boston, MA | 1 | 425,000 | 80,973,277 | 271,500,000 | — | — | 190,526,723 | 63% | — |
| Salesforce Tower (95% ownership) | Q2 2017 | Q1 2019 | San Francisco, CA | 1 | 1,400,000 | 380,556,025 | 1,073,500,000 | — | — | 692,943,975 | 51% | — |
| Dock72 (50% ownership) | Q4 2017 | Q4 2019 | Brooklyn, NY | 1 | 670,000 | 9,302,480 | 204,900,000 | — | — | 195,597,520 | 33% | — |
| Total Properties under Construction | | | | 12 | 4,079,809 | \$ 1,069,433,517 | \$ 2,379,930,000 | \$ 24,000,000 | \$ 16,032,403 | \$ 1,304,119,748 | 60% | 8% |
| Redevelopment Properties | | | | | | | | | | | | |
| Reservoir Place North | Q1 2016 | Q1 2017 | Waltham, MA | 1 | 73,000 | \$ 752,276 | \$ 24,510,000 | \$ — | \$ — | \$ 23,757,724 | — | — |
| Total Properties under Redevelopment | | | | 1 | 73,000 | \$ 752,276 | \$ 24,510,000 | \$ — | \$ — | \$ 23,757,724 | — | — |
| Total Properties Under Construction and Redevelopment | | | | 13 | 4,152,809 | \$ 1,070,185,793 | \$ 2,404,440,000 | \$ 24,000,000 | \$ 16,032,403 | \$ 1,327,877,472 | 59% | 8% |

PROJECTS PLACED IN-SERVICE DURING 2015

| | Initial In Service Date | Estimated Stabilization Date | Location | # of Buildings | Square feet | Investment to Date (2) | Estimated Total Investment (2) | Debt (2) | Amount Drawn at 6/30/2015 (2) | Estimated Future Equity Requirement (2) | Percentage Leased (3) | Percentage Placed in Service (4) |
|---|-------------------------|------------------------------|----------|----------------|-------------|------------------------|--------------------------------|-------------|-------------------------------|---|-----------------------|----------------------------------|
| Not Applicable | | | | | | | | | | | | |
| Total Projects placed In-Service | | | | — | — | \$ — | \$ — | \$ — | \$ — | \$ — | — | — |

IN-SERVICE PROPERTIES HELD FOR RE-DEVELOPMENT

| | Sub Market | # of Buildings | Existing Square Feet | Leased % | Annualized Revenue Per Leased SF (5) | Encumbered with secured debt (Y/N) | Central Business District (CBD) or Suburban (S) | Incremental Future Square Footage (6) |
|---|--------------|----------------|----------------------|---------------|--------------------------------------|------------------------------------|---|---------------------------------------|
| North First Business Park | San Jose, CA | 5 | 190,636 | 100.0% | \$ 15.94 | N | S | 1,359,364 |
| Total Properties held for Re-Development | | 5 | 190,636 | 100.0% | \$ 15.94 | | | 1,359,364 |

- (1) A project is classified as Construction in Progress when construction or supply contracts have been signed, physical improvements have commenced or a lease has been signed.
- (2) Represents the Company's share. Includes net revenue and interest carry.
- (3) Represents percentage leased as of July 24, 2015, including leases with future commencement dates and including residential space.
- (4) Represents the portion of the project which no longer qualifies for capitalization of interest in accordance with GAAP.
- (5) For disclosures relating to our definition of Annualized Revenue, see page 49.
- (6) The Incremental Future Square Footage is included in Approximate Developable Square Feet of Value Creation Pipeline - Owned Land Parcels on page 47.

Boston Properties, Inc.
Second Quarter 2015

VALUE CREATION PIPELINE - OWNED LAND PARCELS

as of June 30, 2015

| <u>Location</u> | <u>Acreage</u> | <u>Approximate Developable Square Feet</u> |
|--------------------------------|----------------|--|
| San Jose, CA (1) | 44.0 | 2,659,000 |
| Reston, VA | 38.3 | 1,160,000 |
| Waltham, MA | 11.3 | 805,000 |
| Springfield, VA | 17.8 | 800,000 |
| Dulles, VA | 76.6 | 760,000 |
| Rockville, MD | 58.1 | 759,000 |
| Gaithersburg, MD | 19.3 | 550,000 |
| Washington, DC (50% ownership) | 1.3 | 520,000 |
| Marlborough, MA | 50.0 | 400,000 |
| Boston, MA (50% ownership) | — | 377,000 |
| Annapolis, MD (50% ownership) | 20.0 | 300,000 |
| Andover, MA | 10.0 | 110,000 |
| | <u>346.7</u> | <u>9,200,000</u> |

VALUE CREATION PIPELINE - LAND PURCHASE OPTIONS

as of June 30, 2015

| <u>Location</u> | <u>Acreage</u> | <u>Approximate Developable Square Feet</u> |
|----------------------------------|----------------|--|
| Princeton, NJ | 134.1 | 1,650,000 |
| Boston, MA (50% ownership) | — | 1,423,000 |
| Brooklyn, NY (50% ownership) (2) | 1.3 | 600,000 |
| Cambridge, MA | — | 207,500 |
| San Francisco, CA | 2.3 | TBD |
| | <u>137.7</u> | <u>3,880,500</u> |

- (1) Excludes the existing square footage related to in-service properties being held for future re-development included on page 46.
- (2) On June 26, 2015, the Company entered into an option agreement to ground lease a land parcel which could support between 600,000 and 1,000,000 net rentable square feet of development.

Definitions

This section contains an explanation of certain non-GAAP financial measures we provide in other sections of this document, as well as the reasons why management believes these measures provide useful information to investors about the Company's financial condition or results of operations. Additional detail can be found in the Company's most recent annual report on Form 10-K and quarterly report on Form 10-Q, as well as other documents filed with or furnished to the SEC from time to time.

Funds from Operations

Pursuant to the revised definition of Funds from Operations adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"), we calculate Funds from Operations, or "FFO," by adjusting net income (loss) attributable to Boston Properties, Inc. common shareholders (computed in accordance with GAAP, including non-recurring items) for gains (or losses) from sales of properties, impairment losses on depreciable real estate of consolidated entities, impairment losses on investments in unconsolidated joint ventures driven by a measurable decrease in the fair value of depreciable real estate held by the unconsolidated joint ventures, real estate related depreciation and amortization, and after adjustment for unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure. The use of FFO, combined with the required primary GAAP presentations, has been fundamentally beneficial in improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. Management generally considers FFO to be a useful measure for reviewing our comparative operating and financial performance because, by excluding gains and losses related to asset sales (land and property), impairment losses and real estate asset depreciation and amortization (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help one compare the operating performance of a company's real estate between periods or as compared to different companies. Our computation of FFO may not be comparable to FFO reported by other REITs or real estate companies that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently.

FFO should not be considered as an alternative to net income attributable to Boston Properties, Inc. common shareholders (determined in accordance with GAAP) as an indication of our performance. FFO does not represent cash generated from operating activities determined in accordance with GAAP, and is not a measure of liquidity or an indicator of our ability to make cash distributions. We believe that to further understand our performance, FFO should be compared with our reported net income attributable to Boston Properties, Inc. and considered in addition to cash flows determined in accordance with GAAP, as presented in our consolidated financial statements.

Funds Available for Distribution (FAD)

In addition to FFO, we present Funds Available for Distribution (FAD) by (1) adding to FFO lease transaction costs which qualify as rent inducements, non-real estate depreciation, non-cash losses from early extinguishments of debt, stock-based compensation, partners' share of consolidated and unconsolidated joint venture 2nd generation tenant improvement and leasing commissions (included in the period in which the lease commences) and unearned portion of capitalized fees, (2) eliminating the effects of straight-line rent, straight-line ground rent expense adjustment, fair value interest adjustment and fair value lease revenue, (3) subtracting: recurring capital expenditures; hotel improvements, equipment upgrades and replacements; 2nd generation tenant improvement and leasing commissions (included in the period in which the lease commences); and non-cash termination income adjustment (fair value lease amounts). Although our FAD may not be comparable to that of other REITs and real estate companies, we believe it provides a meaningful indicator of our ability to fund cash needs and to make cash distributions to equity owners. In addition, we believe that to further understand our liquidity, FAD should be compared with our cash flows determined in accordance with GAAP, as presented in our consolidated financial statements. FAD does not represent cash generated from operating activities determined in accordance with GAAP, and FAD should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of our performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP), or as a measure of our liquidity.

Total Consolidated Debt to Total Consolidated Market Capitalization Ratio

Total consolidated debt to total consolidated market capitalization ratio, defined as total consolidated debt as a percentage of the market value of our outstanding equity securities plus our total consolidated debt, is a measure of leverage commonly used by analysts in the REIT sector. Total consolidated market capitalization is the sum of (A) our total consolidated indebtedness outstanding plus (B) the market value of our outstanding equity securities calculated using the closing price per share of common stock of the Company multiplied by the sum of (1) outstanding shares of common stock of the Company, (2) outstanding common units of limited partnership interest in Boston Properties Limited Partnership (excluding common units held by the Company), (3) common units issuable upon conversion of all outstanding Series Two Preferred Units of partnership interest in Boston Properties Limited Partnership (all of which had been converted as of May 12, 2014), (4) common units issuable upon conversion of all outstanding LTIP Units, assuming all conditions have been met for the conversion of the LTIP Units and (5) 2012 OPP Units that were issued in the form of LTIP Units and earned as of February 6, 2015 plus (C) outstanding Series Four Preferred Units of partnership interest in Boston Properties Limited Partnership multiplied by the fixed liquidation preference of \$50 per unit plus (D) outstanding shares of 5.25% Series B Cumulative Redeemable Preferred Stock multiplied by the fixed liquidation preference of \$2,500 per share. The calculation of total consolidated market capitalization does not include LTIP Units issued in the form of MYLTIP Awards unless and until certain performance thresholds are achieved and they are earned. We are presenting this ratio because our degree of leverage could affect our ability to obtain additional financing for working capital, capital expenditures, acquisitions, development or other general corporate purposes. Investors should understand that our total consolidated debt to total consolidated market capitalization ratio is in part a function of the market price of the common stock of the Company, and as such will fluctuate with changes in such price and does not necessarily reflect our capacity to incur additional debt to finance our activities or our ability to manage our existing debt obligations. However, for a company like ours, whose assets are primarily income-producing real estate, the total consolidated debt to total consolidated market capitalization ratio may provide investors with an alternate indication of leverage, so long as it is evaluated along with the ratio of indebtedness to other measures of asset value used by financial analysts and other financial ratios, as well as the various components of our outstanding indebtedness.

Total Adjusted Debt to Total Adjusted Market Capitalization Ratio

Total adjusted debt to total adjusted market capitalization ratio, defined as total adjusted debt (which equals our total consolidated debt, plus our share of unconsolidated joint venture debt, minus our joint venture partners' share of consolidated debt) as a percentage of the market value of our outstanding equity securities plus our total adjusted debt, is an alternative measure of leverage used by some analysts in the REIT sector. Total adjusted market capitalization is the sum of (A) our total adjusted debt plus (B) the market value of our outstanding equity securities calculated using the closing price per share of common stock of the Company multiplied by the sum of (1) outstanding shares of common stock of the Company, (2) outstanding common units of limited partnership interest in Boston Properties Limited Partnership (excluding common units held by the Company), (3) common units issuable upon conversion of all outstanding Series Two Preferred Units of partnership interest in Boston Properties Limited Partnership (all of which had been converted as of May 12, 2014), (4) common units issuable upon conversion of all outstanding LTIP Units, assuming all conditions have been met for the conversion of the LTIP Units and (5) 2012 OPP Units that were issued in the form of LTIP Units and earned as of February 6, 2015 plus (C) outstanding Series Four Preferred Units of partnership interest in Boston Properties Limited Partnership multiplied by the fixed liquidation preference of \$50 per unit plus (D) outstanding shares of 5.25% Series B Cumulative Redeemable Preferred Stock multiplied by the fixed liquidation preference of \$2,500 per share. The calculation of total adjusted market capitalization does not include LTIP Units issued in the form of MYLTIP Awards unless and until certain performance thresholds are achieved and they are earned.

We present this ratio because, following the consolidation of 767 Venture, LLC (the entity that owns 767 Fifth Avenue (The GM Building)) effective June 1, 2013, our consolidated debt increased significantly compared to prior periods even though our economic interest in 767 Venture, LLC remained substantially unchanged. We believe the presentation of total adjusted debt may provide investors with a more complete picture of our share of consolidated and unconsolidated debt. In addition, in light of the difference between our total consolidated debt and our total adjusted debt, we believe that also presenting our total adjusted debt to total adjusted market capitalization may provide investors with a more complete picture of our leverage in relation to the overall size of our company. Investors should understand that our total adjusted debt to total

adjusted market capitalization ratio is in part a function of the market price of the common stock of the Company, and as such will fluctuate with changes in such price and does not necessarily reflect our capacity to incur additional debt to finance our activities or our ability to manage our existing debt obligations. The total adjusted debt to total adjusted market capitalization ratio should be evaluated along with the ratio of indebtedness to other measures of asset value used by financial analysts and other financial ratios, as well as the various components of our outstanding indebtedness.

Definitions

Consolidated Net Operating Income (NOI)

Consolidated NOI is a non-GAAP financial measure equal to net income attributable to Boston Properties, Inc., the most directly comparable GAAP financial measure, plus net income attributable to noncontrolling interests, plus corporate general and administrative expense, transaction costs, depreciation and amortization and interest expense, less development and management services income, income from unconsolidated joint ventures, interest and other income and gains (losses) from investments in securities. In some cases we also present Consolidated NOI on a cash basis, which is Consolidated NOI after eliminating the effects of straight-lining of rent and fair value lease revenue and lease transaction costs which qualify as inducements in accordance with GAAP. We use Consolidated NOI internally as a performance measure and believe Consolidated NOI provides useful information to investors regarding our financial condition and results of operations because it reflects only those income and expense items that are incurred at the property level. Therefore, we believe Consolidated NOI is a useful measure for evaluating the operating performance of our real estate assets. Our management also uses Consolidated NOI to evaluate regional property level performance and to make decisions about resource allocations. Further, we believe Consolidated NOI is useful to investors as a performance measure because, when compared across periods, Consolidated NOI reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and development activity on an unleveraged basis, providing perspective not immediately apparent from net income. Consolidated NOI excludes certain components from net income in order to provide results that are more closely related to a property's results of operations. For example, interest expense is not necessarily linked to the operating performance of a real estate asset and is often incurred at the corporate level as opposed to the property level. In addition, depreciation and amortization, because of historical cost accounting and useful life estimates, may distort operating performance at the property level. Consolidated NOI presented by us may not be comparable to Consolidated NOI reported by other REITs that define Consolidated NOI differently. We believe that in order to facilitate a clear understanding of our operating results, Consolidated NOI should be examined in conjunction with net income as presented in our consolidated financial statements. Consolidated NOI should not be considered as an alternative to net income as an indication of our performance or to cash flows as a measure of our liquidity or ability to make distributions.

Combined Net Operating Income (NOI)

Combined NOI is a non-GAAP financial measure equal to Consolidated NOI plus our share of net operating income from unconsolidated joint ventures. In some cases we also present Combined NOI on a cash basis, which is Combined NOI after eliminating the effects of straight-lining of rent and fair value lease revenue and lease transaction costs which qualify as inducements in accordance with GAAP. In addition to Consolidated NOI, we use Combined NOI internally as a performance measure and believe Combined NOI provides useful information to investors regarding our financial condition and results of operations because it includes the impact of our unconsolidated joint ventures, which have become significant. Therefore, we believe Combined NOI is a useful measure for evaluating the operating performance of all of our real estate assets, including those held by our unconsolidated joint ventures. Our management also uses Combined NOI to evaluate regional property level performance and to make decisions about resource allocations. Further, like Consolidated NOI, we believe Combined NOI is useful to investors as a performance measure because, when compared across periods, Combined NOI reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and development activity on an unleveraged basis, providing perspective not immediately apparent from net income. Combined NOI presented by us may not be comparable to Combined NOI reported by other REITs that define Combined NOI differently. We believe that in order to facilitate a clear understanding of our operating results, Combined NOI should be examined in conjunction with net income as presented in our consolidated financial statements. Combined NOI should not be considered as an alternative to net income as an indication of our performance or to cash flows as a measure of our liquidity or ability to make distributions.

In-Service Properties

We treat a property as being "in-service" upon the earlier of (i) lease-up and completion of tenant improvements or (ii) one year after cessation of major construction activity under GAAP. The determination as to when a property should be treated as "in-service" involves a degree of judgment and is made by management based on the relevant facts and circumstances of the particular property. For portfolio operating and occupancy statistics we specify a single date for treating a property as "in-service" which is generally later than the date the property is partially placed in-service for GAAP. Under GAAP a property may be placed in service in stages as construction is completed and the property is held available for occupancy. In accordance with GAAP, when a portion of a property has been substantially completed and occupied or held available for occupancy, we cease capitalization on that portion, though we may not treat the property as being "in-service," and continue to capitalize only those costs associated with the portion still under construction. In-service properties include properties held by our unconsolidated joint ventures. In-service Office and Office/Technical properties exclude hotel and residential properties.

Same Properties

In our analysis of NOI, particularly to make comparisons of NOI between periods meaningful, it is important to provide information for properties that were in-service and owned by us throughout each period presented. We refer to properties acquired or placed in-service prior to the beginning of the earliest period presented and owned by us through the end of the latest period presented as "Same Properties." "Same Properties" therefore exclude properties placed in-service, acquired, repositioned, or in development or redevelopment after the beginning of the earliest period presented or disposed of prior to the end of the latest period presented. Accordingly, it takes at least one year and one quarter after a property is acquired or treated as "in-service" for that property to be included in "Same Properties." Pages 20-22 indicate by footnote the "In-Service Properties" which are not included in "Same Properties." "Same Properties NOI" includes our share of net operating income from unconsolidated joint ventures and 100% of consolidated joint ventures.

Annualized Revenue

Annualized Revenue is defined as rental obligations at the end of the reporting period, including contractual base rents, percentage rent and reimbursements from tenants under existing leases, multiplied by twelve. These annualized amounts exclude rent abatements and non-recurring items.

Future Annualized Revenue

Future Annualized Revenue is defined as rental obligations including the sum of (i) contractual base rents at lease expiration and (ii) percentage rent and reimbursements from tenants at the end of the current reporting period, multiplied by twelve. These annualized amounts exclude rent abatements and non-recurring items.

Definitions

Average Monthly Rental Rates

Average Rental Rates are calculated by the Company as rental revenue in accordance with GAAP, divided by the weighted monthly average number of occupied units.

Average Economic Occupancy

Average Economic Occupancy is defined as total possible revenue less vacancy loss as a percentage of total possible revenue. Total possible revenue is determined by valuing average occupied units at contract rates and average vacant units at Market Rents. Vacancy loss is determined by valuing vacant units at current Market Rents. By measuring vacant units at their Market Rents, Average Economic Occupancy takes into account the fact that units of different sizes and locations within a residential property have different economic impacts on a residential property's total possible gross revenue.

Market Rents

Market Rents used by the Company in calculating Average Economic Occupancy are based on the current market rates set by the managers of the Company's residential properties based on their experience in renting their residential property's units and publicly available market data. Trends in market rents for a region as reported by others could vary. Market Rents for a period are based on the average Market Rents during that period and do not reflect any impact for cash concessions.

Average Physical Occupancy

Average Physical Occupancy is defined as the number of average occupied units divided by the total number of units, expressed as a percentage.

news



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BOSTON PROPERTIES ANNOUNCES
SECOND QUARTER 2015 RESULTS

Reports diluted FFO per share of \$1.36 Reports diluted EPS of \$0.52

BOSTON, MA, July 29, 2015 – Boston Properties, Inc. (NYSE: BXP), a real estate investment trust, reported results today for the second quarter ended June 30, 2015.

Funds from Operations (FFO) for the quarter ended June 30, 2015 were \$208.7 million, or \$1.36 per share basic and \$1.36 per share diluted. This compares to FFO for the quarter ended June 30, 2014 of \$207.0 million, or \$1.35 per share basic and \$1.35 per share diluted. The weighted average number of basic and diluted shares outstanding totaled approximately 153,450,000 and 153,815,000, respectively, for the quarter ended June 30, 2015 and 153,078,000 and 153,623,000, respectively, for the quarter ended June 30, 2014.

The Company's reported FFO of \$1.36 per share diluted was greater than the guidance previously provided of \$1.32-\$1.34 per share diluted primarily due to better than expected portfolio operations of \$0.02 per share and lease termination income of \$0.01 per share.

Net income available to common shareholders was \$79.5 million for the quarter ended June 30, 2015, compared to \$76.5 million for the quarter ended June 30, 2014. Net income available to common shareholders per share (EPS) for the quarter ended June 30, 2015 was \$0.52 basic and \$0.52 on a diluted basis. This compares to EPS for the quarter ended June 30, 2014 of \$0.50 basic and \$0.50 on a diluted basis.

The reported results are unaudited and there can be no assurance that the results will not vary from the final unaudited information for the quarter ended June 30, 2015. In the opinion of management, all adjustments considered necessary for a fair presentation of these reported results have been made.

As of June 30, 2015, the Company's portfolio consisted of 170 properties aggregating approximately 46.3 million square feet, including 13 properties under construction/redevelopment totaling 4.2 million square feet. In addition, the Company has structured parking for vehicles containing approximately 14.7 million square feet. The overall percentage of leased space for the 154 properties in service (excluding the Company's two residential properties and hotel) as of June 30, 2015 was 91.1%.

Significant events during the second quarter included:

- During the three months ended June 30, 2015, the Company entered into forward-starting interest rate swap contracts which fix the ten-year swap rate on notional amounts aggregating \$75.0 million. The Company has now entered into forward-starting interest rate swap contracts which fix the ten-year swap rate at a weighted-average rate of approximately 2.458% per annum on notional amounts aggregating \$325.0 million. The interest rate swap contracts were entered into in advance of a financing with a target commencement date in September 2016 and maturity in September 2026.

In addition, the Company's 767 Fifth Partners LLC consolidated entity (the entity in which the Company has a 60% interest and that owns the General Motors Building at 767 Fifth Avenue in New York City) entered into forward-starting interest rate swap contracts, including contracts entered into subsequent to June 30, 2015, which fix the ten-year swap rate at a weighted-average rate of approximately 2.809% per annum on notional amounts aggregating \$225.0 million. These interest rate swap contracts were entered into in advance of a financing with a target commencement date in June 2017 and maturity in June 2027.
- On May 1, 2015, the Company commenced the redevelopment of Reservoir Place North, a Class A office project with approximately 73,000 net rentable square feet located in Waltham, Massachusetts.
- On May 8, 2015, the Company entered into a joint venture with an affiliate of 1265 Main Street LLC to redevelop an existing building into a Class A office building totaling approximately 115,000 net rentable square feet at 1265 Main Street in Waltham, Massachusetts. The joint venture partner contributed real estate and improvements, with an aggregate fair value of approximately \$9.4 million, for its initial 50% interest in the joint venture. For its initial 50% interest, the Company will contribute cash totaling approximately \$9.4 million as the joint venture incurs costs. The joint venture has entered into a fifteen-year lease with a tenant to occupy 100% of the building.
- On June 25, 2015, the Company's Operating Partnership redeemed the remaining 12,667 Series Four Preferred Units for cash totaling approximately \$0.6 million.
- On June 26, 2015, the Company entered into a joint venture with Rudin Development to develop Dock72, an office building totaling approximately 670,000 net rentable square feet located at the Brooklyn Navy Yard in Brooklyn, New York. Each partner contributed cash totaling approximately \$9.1 million for their initial 50% interest in the joint venture. The joint venture entered into a 96-year ground lease with the Brooklyn Navy Yard Development Corporation, comprised of an initial term of 49 years, which may be extended by the joint venture to 2111, subject to certain conditions. The joint venture also entered into a 20-year lease with WeWork to occupy approximately 222,000 net rentable square feet at the building and be a co-developer of the project.

Transactions completed subsequent to June 30, 2015:

- On July 29, 2015, a consolidated entity in which the Company has a 50% interest executed a binding agreement for the sale of 505 9th Street, N.W. located in Washington, DC, for approximately \$318.0 million, including the assumption by the buyer of approximately \$117.0 million of mortgage indebtedness. 505 9th Street, N.W. is an approximately 322,000 net rentable square foot Class A office building. The sale is subject to the satisfaction of customary closing conditions and, although there can be no assurance that the sale will be consummated on the terms currently contemplated or at all, it is expected to close by the end of the third quarter of 2015.

EPS and FFO per Share Guidance:

The Company’s guidance for the third quarter and full year 2015 for EPS (diluted) and FFO per share (diluted) is set forth and reconciled below. Except as described below, the estimates reflect management’s view of current and future market conditions, including assumptions with respect to rental rates, occupancy levels and the earnings impact of the events referenced in this release and otherwise referenced during the conference call referred to below. The estimates do not include possible future gains or losses or the impact on operating results from other possible future property acquisitions or dispositions, other possible capital markets activity or possible future impairment charges. EPS estimates may be subject to fluctuations as a result of several factors, including changes in the recognition of depreciation and amortization expense and any gains or losses associated with disposition activity. The Company is not able to assess at this time the potential impact of these factors on projected EPS. By definition, FFO does not include real estate-related depreciation and amortization, impairment losses or gains or losses associated with disposition activities. There can be no assurance that the Company’s actual results will not differ materially from the estimates set forth below.

As shown below, the Company has updated its guidance for FFO per share (diluted) for full year 2015 to \$5.37 – \$5.45 per share from \$5.35 – \$5.45 per share. The updated guidance reflects, when compared to the Company’s prior guidance, an increase from the second quarter 2015 results of \$0.03 per share offset by an increase in projected operating expenses for the remainder of 2015 of \$0.01 per share and a decrease in FFO of \$0.01 per share from the projected sale of 505 9th Street in Washington, DC.

| | Third Quarter 2015 | | | Full Year 2015 | | |
|--|--------------------|---|--------|----------------|---|--------|
| | Low | - | High | Low | - | High |
| Projected EPS (diluted) | \$1.13 | - | \$1.15 | \$3.13 | - | \$3.21 |
| Add: | | | | | | |
| Projected Company Share of Real Estate Depreciation and Amortization | 0.82 | - | 0.82 | 3.41 | - | 3.41 |
| Less: | | | | | | |
| Projected Company Share of Gains on Sales of Real Estate | 0.61 | - | 0.61 | 1.17 | - | 1.17 |
| Projected FFO per Share (diluted) | \$1.34 | - | \$1.36 | \$5.37 | - | \$5.45 |

Boston Properties will host a conference call on Thursday, July 30, 2015 at 10:00 AM Eastern Time, open to the general public, to discuss the second quarter 2015 results, the 2015 projections and related assumptions, and other related matters that may be of interest to investors. The

number to call for this interactive teleconference is (877) 796-3880 (Domestic) or (281) 913-8731 (International) and entering the passcode 56899689. A replay of the conference call will be available through August 13, 2015, by dialing (855) 859-2056 (Domestic) or (404) 537-3406 (International) and entering the passcode 56899689. There will also be a live audio webcast of the call which may be accessed on the Company's website at www.bostonproperties.com in the Investor Relations section. Shortly after the call a replay of the webcast will be available in the Investor Relations section of the Company's website and archived for up to twelve months following the call.

Additionally, a copy of Boston Properties' second quarter 2015 "Supplemental Operating and Financial Data" and this press release are available in the Investor Relations section of the Company's website at www.bostonproperties.com.

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 space, one hotel, two residential properties and five retail properties. The Company is one of the largest owners and developers of Class A office properties in the United States, concentrated in four markets – Boston, New York, San Francisco and Washington, DC.

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 "assumes," "believes," "estimates," "expects," "guidance," "intends," "plans," "projects" 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 Company's ability to satisfy the closing conditions to the pending transactions described above, the Company's ability to enter into new leases or renew leases on favorable terms, dependence on tenants' financial condition, the uncertainties of real estate development, acquisition and disposition activity, the ability to effectively integrate acquisitions, the uncertainties of investing in new markets, the costs and availability of financing, the effectiveness of our interest rate hedging contracts, the ability of our joint venture partners to satisfy their obligations, the effects of local, national and international economic and market conditions, the effects of acquisitions, dispositions and possible impairment charges on our operating results, 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, including its guidance for the third quarter and full fiscal year 2015, whether as a result of new information, future events or otherwise.

Financial tables follow.

BOSTON PROPERTIES, INC.
CONSOLIDATED BALANCE SHEETS

| | June 30, 2015 | December 31, 2014 |
|--|---|----------------------|
| | (in thousands, except for share amounts) (unaudited) | |
| ASSETS | | |
| Real estate | \$ 18,207,934 | \$ 18,231,978 |
| Construction in progress | 880,996 | 736,311 |
| Land held for future development | 277,327 | 268,114 |
| Less: accumulated depreciation | (3,753,926) | (3,547,659) |
| Total real estate | 15,612,331 | 15,688,744 |
| Cash and cash equivalents | 1,342,751 | 1,763,079 |
| Cash held in escrows | 252,558 | 487,321 |
| Investments in securities | 20,953 | 19,459 |
| Tenant and other receivables, net of allowance for doubtful accounts of \$1,061 and \$1,142, respectively | 55,183 | 46,595 |
| Accrued rental income, net of allowance of \$1,219 and \$1,499, respectively | 730,797 | 691,999 |
| Deferred charges, net | 771,419 | 831,744 |
| Prepaid expenses and other assets | 117,993 | 164,432 |
| Investments in unconsolidated joint ventures | 209,974 | 193,394 |
| Total assets | <u>\$ 19,113,959</u> | <u>\$ 19,886,767</u> |
| LIABILITIES AND EQUITY | | |
| Liabilities: | | |
| Mortgage notes payable | \$ 4,269,808 | \$ 4,309,484 |
| Unsecured senior notes, net of discount | 5,288,503 | 5,287,704 |
| Unsecured exchangeable senior notes, net of discount | — | — |
| Unsecured line of credit | — | — |
| Mezzanine notes payable | 309,148 | 309,796 |
| Outside members' notes payable | 180,000 | 180,000 |
| Accounts payable and accrued expenses | 231,900 | 243,263 |
| Dividends and distributions payable | 112,892 | 882,472 |
| Accrued interest payable | 178,548 | 163,532 |
| Other liabilities | 448,480 | 502,255 |
| Total liabilities | <u>11,019,279</u> | <u>11,878,506</u> |
| Commitments and contingencies | — | — |
| Noncontrolling interest: | | |
| Redeemable preferred units of the Operating Partnership | — | 633 |
| Redeemable interest in property partnership | 106,233 | 104,692 |
| Equity: | | |
| Stockholders' equity attributable to Boston Properties, Inc. | | |
| Excess stock, \$0.01 par value, 150,000,000 shares authorized, none issued or outstanding | — | — |
| Preferred stock, \$0.01 par value, 50,000,000 shares authorized; 5.25% Series B cumulative redeemable preferred stock, \$0.01 par value, liquidation preference \$2,500 per share, 92,000 shares authorized, 80,000 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively | 200,000 | 200,000 |
| Common stock, \$0.01 par value, 250,000,000 shares authorized, 153,552,831 and 153,192,845 shares issued and 153,473,931 and 153,113,945 shares outstanding at June 30, 2015 and December 31, 2014, respectively | 1,535 | 1,531 |
| Additional paid-in capital | 6,293,556 | 6,270,257 |
| Dividends in excess of earnings | (711,239) | (762,464) |
| Treasury common stock, at cost | (2,722) | (2,722) |
| Accumulated other comprehensive income (loss) | 1,848 | (9,304) |
| Total stockholders' equity attributable to Boston Properties, Inc. | 5,782,978 | 5,697,298 |
| Noncontrolling interests: | | |
| Common units of the Operating Partnership | 614,988 | 603,171 |
| Property partnerships | 1,590,481 | 1,602,467 |
| Total equity | <u>7,988,447</u> | <u>7,902,936</u> |
| Total liabilities and equity | <u>\$ 19,113,959</u> | <u>\$ 19,886,767</u> |

BOSTON PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | Three months ended | | Six months ended | |
|---|--|------------|------------------|------------|
| | June 30, | 2014 | June 30, | 2014 |
| | 2015 | 2014 | 2015 | 2014 |
| | (in thousands, except for per share amounts) | | | |
| Revenue | | | | |
| Rental | | | | |
| Base rent | \$ 486,609 | \$ 463,239 | \$ 977,291 | \$ 918,257 |
| Recoveries from tenants | 86,795 | 81,382 | 175,388 | 163,316 |
| Parking and other | 26,552 | 26,300 | 51,340 | 50,633 |
| Total rental revenue | 599,956 | 570,921 | 1,204,019 | 1,132,206 |
| Hotel revenue | 13,403 | 12,367 | 22,488 | 20,560 |
| Development and management services | 4,862 | 6,506 | 10,190 | 11,722 |
| Total revenue | 618,221 | 589,794 | 1,236,697 | 1,164,488 |
| Expenses | | | | |
| Operating | | | | |
| Rental | 214,464 | 202,646 | 435,814 | 409,034 |
| Hotel | 8,495 | 7,315 | 16,071 | 14,112 |
| General and administrative | 22,284 | 23,271 | 51,075 | 53,176 |
| Transaction costs | 208 | 661 | 535 | 1,098 |
| Depreciation and amortization | 167,844 | 154,628 | 322,067 | 308,898 |
| Total expenses | 413,295 | 388,521 | 825,562 | 786,318 |
| Operating income | 204,926 | 201,273 | 411,135 | 378,170 |
| Other income (expense) | | | | |
| Income from unconsolidated joint ventures | 3,078 | 2,834 | 17,912 | 5,650 |
| Interest and other income | 1,293 | 2,109 | 2,700 | 3,420 |
| Gains (losses) from investments in securities | (24) | 662 | 369 | 948 |
| Interest expense | (108,534) | (110,977) | (217,291) | (224,531) |
| Income before gains on sales of real estate | 100,739 | 95,901 | 214,825 | 163,657 |
| Gains on sales of real estate | — | — | 95,084 | — |
| Net income | 100,739 | 95,901 | 309,909 | 163,657 |
| Net income attributable to noncontrolling interests | | | | |
| Noncontrolling interests in property partnerships | (9,264) | (7,553) | (24,472) | (11,907) |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership | (3) | (320) | (6) | (939) |
| Noncontrolling interest - common units of the Operating Partnership | (9,394) | (8,883) | (29,530) | (15,010) |
| Net income attributable to Boston Properties, Inc. | 82,078 | 79,145 | 255,901 | 135,801 |
| Preferred dividends | (2,618) | (2,618) | (5,207) | (5,207) |
| Net income attributable to Boston Properties, Inc. common shareholders | \$ 79,460 | \$ 76,527 | \$ 250,694 | \$ 130,594 |
| Basic earnings per common share attributable to Boston Properties, Inc. common shareholders: | | | | |
| Net income | \$ 0.52 | \$ 0.50 | \$ 1.63 | \$ 0.85 |
| Weighted average number of common shares outstanding | 153,450 | 153,078 | 153,341 | 153,054 |
| Diluted earnings per common share attributable to Boston Properties, Inc. common shareholders: | | | | |
| Net income | \$ 0.52 | \$ 0.50 | \$ 1.63 | \$ 0.85 |
| Weighted average number of common and common equivalent shares outstanding | 153,815 | 153,238 | 153,845 | 153,203 |

BOSTON PROPERTIES, INC.
FUNDS FROM OPERATIONS (1)
(Unaudited)

| | Three months ended | | Six months ended | |
|--|--|------------------|------------------|------------------|
| | June 30, | 2014 | June 30, | 2014 |
| | 2015 | 2014 | 2015 | 2014 |
| | (in thousands, except for per share amounts) | | | |
| Net income attributable to Boston Properties, Inc. common shareholders | \$ 79,460 | \$ 76,527 | \$250,694 | \$130,594 |
| Add: | | | | |
| Preferred dividends | 2,618 | 2,618 | 5,207 | 5,207 |
| Noncontrolling interest - common units of the Operating Partnership | 9,394 | 8,883 | 29,530 | 15,010 |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership | 3 | 320 | 6 | 939 |
| Noncontrolling interests in property partnerships | 9,264 | 7,553 | 24,472 | 11,907 |
| Less: | | | | |
| Gains on sales of real estate | — | — | 95,084 | — |
| Income before gains on sales of real estate | 100,739 | 95,901 | 214,825 | 163,657 |
| Add: | | | | |
| Real estate depreciation and amortization (2) | 171,384 | 159,272 | 320,138 | 317,786 |
| Less: | | | | |
| Noncontrolling interests in property partnerships' share of funds from operations | 36,699 | 21,825 | 73,214 | 40,848 |
| Noncontrolling interest - redeemable preferred units of the Operating Partnership | 3 | 320 | 6 | 939 |
| Preferred dividends | 2,618 | 2,618 | 5,207 | 5,207 |
| Funds from operations (FFO) attributable to the Operating Partnership common unitholders (including Boston Properties, Inc.) | 232,803 | 230,410 | 456,536 | 434,449 |
| Less: | | | | |
| Noncontrolling interest - common units of the Operating Partnership's share of funds from operations | 24,072 | 23,400 | 47,423 | 43,566 |
| Funds from operations attributable to Boston Properties, Inc. common shareholders | <u>\$208,731</u> | <u>\$207,010</u> | <u>\$409,113</u> | <u>\$390,883</u> |
| Boston Properties, Inc.'s percentage share of funds from operations - basic | <u>89.66%</u> | <u>89.84%</u> | <u>89.61%</u> | <u>89.97%</u> |
| Weighted average shares outstanding - basic | <u>153,450</u> | <u>153,078</u> | <u>153,341</u> | <u>153,054</u> |
| FFO per share basic | <u>\$ 1.36</u> | <u>\$ 1.35</u> | <u>\$ 2.67</u> | <u>\$ 2.55</u> |
| Weighted average shares outstanding - diluted | <u>153,815</u> | <u>153,623</u> | <u>153,845</u> | <u>153,831</u> |
| FFO per share diluted | <u>\$ 1.36</u> | <u>\$ 1.35</u> | <u>\$ 2.66</u> | <u>\$ 2.55</u> |

- (1) Pursuant to the revised definition of Funds from Operations adopted by the Board of Governors of the National Association of Real Estate Investment Trusts (“NAREIT”), we calculate Funds from Operations, or “FFO,” by adjusting net income (loss) attributable to Boston Properties, Inc. common shareholders (computed in accordance with GAAP, including non-recurring items) for gains (or losses) from sales of properties, impairment losses on depreciable real estate of consolidated real estate, impairment losses on investments in unconsolidated joint ventures driven by a measurable decrease in the fair value of depreciable real estate held by the unconsolidated joint ventures, real estate related depreciation and amortization, and after adjustment for unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure. The use of FFO, combined with the required primary GAAP presentations, has been fundamentally beneficial in improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. Management generally considers FFO to be a useful measure for reviewing our comparative operating and financial performance because, by excluding gains and losses related to sales of previously depreciated operating real estate assets, impairment losses and real estate asset depreciation and amortization (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO can help one compare the operating performance of a company’s real estate between periods or as compared to different companies.

Our computation of FFO may not be comparable to FFO reported by other REITs or real estate companies that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently.

FFO should not be considered as an alternative to net income attributable to Boston Properties, Inc. common shareholders (determined in accordance with GAAP) as an indication of our performance. FFO does not represent cash generated from operating activities determined in accordance with GAAP, and is not a measure of liquidity or an indicator of our ability to make cash distributions. We believe that to further understand our performance, FFO should be compared with our reported net income attributable to Boston Properties, Inc. and considered in addition to cash flows in accordance with GAAP, as presented in our consolidated financial statements.

- (2) Real estate depreciation and amortization consists of depreciation and amortization from the Consolidated Statements of Operations of \$167,844, \$154,628, \$322,067 and \$308,898 and our share of unconsolidated joint venture real estate depreciation and amortization of \$3,886, \$4,986, \$(1,246) and \$9,570, less corporate-related depreciation and amortization of \$346, \$342, \$683 and \$682 for the three and six months ended June 30, 2015 and 2014, respectively.

BOSTON PROPERTIES, INC.
PORTFOLIO LEASING PERCENTAGES

| | % Leased by Location | |
|-----------------|-----------------------------|--------------------------|
| | June 30, 2015 | December 31, 2014 |
| Boston | 90.6% | 91.4% |
| New York | 90.5% | 90.9% |
| San Francisco | 89.2% | 88.3% |
| Washington, DC | 93.6% | 94.8% |
| Total Portfolio | <u>91.1%</u> | <u>91.7%</u> |

| | % Leased by Type | |
|----------------------------|-------------------------|--------------------------|
| | June 30, 2015 | December 31, 2014 |
| Class A Office Portfolio | 91.4% | 91.8% |
| Office/Technical Portfolio | 84.7% | 87.7% |
| Total Portfolio | <u>91.1%</u> | <u>91.7%</u> |