

BOSTON PROPERTIES INC

Form 424B5

March 18, 2013

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Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-176157

**The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities nor do they seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Subject to Completion. Dated March 18, 2013.**

Prospectus Supplement

to Prospectus dated August 9, 2011

## Depository Shares

# Boston Properties, Inc.

Depository Shares Each Representing 1/100th of a Share of

**% Series B Cumulative Redeemable Preferred Stock (Liquidation Preference Equivalent to \$25.00 per Depository Share)**

We are selling \_\_\_\_\_ depository shares, or Depository Shares, each of which represents 1/100th of a share of our \_\_\_\_\_ % Series B Cumulative Redeemable Preferred Stock, par value \$.01 per share, which we refer to in this prospectus supplement as our Series B Preferred Stock. The Series B Preferred Stock represented by the Depository Shares will be deposited with Computershare Trust Company, N.A., as Depositary. As a holder of a Depository Share, you will be entitled to proportional rights and preferences as if you held 1/100th of a share of our Series B Preferred Stock. The following is a summary of the Series B Preferred Stock:

We will pay cumulative cash dividends on the Series B Preferred Stock from, and including, the date of original issuance, at a rate of \_\_\_\_\_ % per annum of the \$2,500 liquidation preference per share of the Series B Preferred Stock (equivalent to a fixed annual amount of \$ \_\_\_\_\_ per share of the Series B Preferred Stock or \$ \_\_\_\_\_ per Depository Share).

We will pay cash dividends on the Series B Preferred Stock quarterly, commencing on May 15, 2013, with the payment on that date being based pro rata on the number of days from and including the original issuance date through and including May 15, 2013, computed on the basis of a 360-day year consisting of twelve 30-day months.

Except in certain circumstances relating to the preservation of our status as a real estate investment trust, or REIT, for United States federal income tax purposes we may not redeem the Series B Preferred Stock prior to March , 2018.

On and after March , 2018, we, at our option, may redeem the Series B Preferred Stock (and cause the redemption of the Depositary Shares) for a cash redemption price of \$2,500 per share of Series B Preferred Stock (equivalent to \$25.00 per Depositary Share), plus all accrued and unpaid dividends.

The Series B Preferred Stock has no maturity date and no sinking fund has been established for the retirement or redemption thereof and is not convertible into or exchangeable for any other property or securities.

Holders of the Depositary Shares representing the Series B Preferred Stock generally have no voting rights, except if we fail to pay dividends for six or more quarters and in other limited circumstances.

Currently, no market exists for the Depositary Shares. We intend to apply to list the Depositary Shares on the New York Stock Exchange, or NYSE, under the symbol BXP PrB. If the application is approved, trading of the Depositary Shares is expected to commence within 30 days after the initial delivery of the Depositary Shares.

We have granted the underwriters an option to purchase up to an additional Depositary Shares from us solely to cover over-allotments, if any, on the same terms and conditions set forth above within 30 days of the date of this prospectus supplement.

**Investing in the Depositary Shares involves risks that are described in the Risk Factors section beginning on page S-6 of this prospectus supplement and beginning on page 16 of our most recent Annual Report on Form 10-K.**

**Neither the United States Securities and Exchange Commission, or SEC, or any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

	Per Depositary Share	Total <sup>(1)</sup>
Public offering price	\$ 25.00	\$
Underwriting discounts	\$ <sup>(2)</sup>	\$ <sup>(2)</sup>
Proceeds, before expenses, to us	\$	\$

(1) Assumes no exercise of the underwriters over-allotment option.

(2) The underwriting discount will be \$ per Depositary Share for retail orders and \$ per Depositary Share for institutional orders. The underwriters expect to deliver the Depositary Shares in book-entry form through The Depositary Trust Company on or about March , 2013.

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Morgan Stanley**

**Wells Fargo Securities**

The date of this prospectus supplement is March , 2013

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or in any related free writing prospectus we have prepared. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus, including the documents incorporated herein by reference, is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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This prospectus supplement is a supplement to the accompanying prospectus. If information in this prospectus supplement is inconsistent with the prospectus, this prospectus supplement will apply and supersede the information in the prospectus. It is important for you to read and carefully consider all information contained in this prospectus supplement and the accompanying prospectus. You should also read and carefully consider the information in the documents to which we have referred you to in "Information Incorporated by Reference" in the accompanying prospectus.

As used herein, unless the context otherwise requires, all references to "we," "us," "our," "Boston Properties" or the "Company" refer to Boston Properties Inc. individually or together with its subsidiaries, including Boston Properties Limited Partnership, or BPLP, and our predecessors.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights selected information from this prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein by reference. It does not contain all of the information that may be important to you. We encourage you to carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference, especially the Risk Factors section beginning on page S-6 of this prospectus supplement and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed with the SEC on February 28, 2013 before making an investment decision regarding the Depositary Shares.*

**About Our Company**

We are a fully integrated, self-administered and self-managed REIT, and one of the largest owners and developers of office properties in the United States. We conduct substantially all of our business through our subsidiary, BPLP. We are the sole general partner and, at February 21, 2013, the owner of approximately 89.0% of the economic interests in BPLP.

Our properties are concentrated in five markets Boston, New York, Princeton, San Francisco and Washington, DC. At December 31, 2012, we owned or had interests in 157 properties, totaling approximately 44.4 million net rentable square feet, including nine properties under construction totaling approximately 2.8 million net rentable square feet. In addition, we had structured parking for approximately 46,833 vehicles containing approximately 15.9 million square feet. At December 31, 2012, our properties consisted of:

149 office properties, including 132 Class A office properties (including eight properties under construction) and 17 Office/Technical properties;

one hotel;

four retail properties; and

three residential properties (one of which is under construction).

At December 31, 2012, we owned or controlled undeveloped land totaling approximately 509.3 acres, which could support approximately 12.5 million square feet of additional development. In addition, we have a noncontrolling interest in the Boston Properties Office Value-Added Fund, L.P. which we refer to as the Value-Added Fund, which is a strategic partnership with two institutional investors through which we have pursued the acquisition of assets within our existing markets that had deficiencies in property characteristics that provided an opportunity to create value through repositioning, refurbishment or renovation. Our investments through the Value-Added Fund are not included in our portfolio information or any other portfolio level statistics. At December 31, 2012, the Value-Added Fund had investments in 23 buildings comprised of two office complexes in Mountain View, California.

We consider Class A office properties to be centrally-located buildings that are professionally managed and maintained, attract high-quality tenants and command upper-tier rental rates, and that are modern structures or have been modernized to compete with newer buildings. We consider Office/Technical properties to be properties that support office, research and development, laboratory and other technical uses. Our definitions of Class A Office and Office/Technical properties may be different than those used by other companies.

Our principal executive office is located at 800 Boylston Street, Suite 1900, Boston, Massachusetts 02199-8103 and our telephone number is (617) 236-3300.

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**The Offering**

*The following summary of the offering is provided solely for your convenience. This summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus supplement under the heading Description of Series B Preferred Stock and Depositary Shares. For purposes of the sections entitled The Offering and Description of Series B Preferred Stock and Depositary Shares, references to we, us, and our refer only to Boston Properties, Inc. and not to its subsidiaries.*

**Issuer** Boston Properties, Inc., a Delaware corporation

**Securities Offered** Depositary Shares (or Depositary Shares if the underwriters exercise their over-allotment option in full), each representing 1/100th of a share of our % Series B Cumulative Redeemable Preferred Stock.

**Price per Depositary Share** \$25.00

**Ranking** The Series B Preferred Stock shall, with respect to dividend rights and rights upon our voluntary and involuntary liquidation, dissolution or winding up, rank:

senior to all classes or series of our common stock, our Series E Junior Participating Cumulative Preferred Stock and all classes or series of our capital stock now or hereafter authorized, issued or outstanding expressly designated as ranking junior to the Series B Preferred Stock;

on parity with any class or series of our capital stock expressly designated as ranking on parity with the Series B Preferred Stock; and

junior to any class or series of our capital stock expressly designated as ranking senior to the Series B Preferred Stock.

We will contribute the net proceeds from the sale of the Depositary Shares to BPLP in exchange for a number of preferred units of BPLP equal to the number of, and with substantially identical economic terms as, the Series B Preferred Stock represented by the Depositary Shares sold in this offering. These preferred units will rank, as to distributions and upon liquidation, senior to the common units and long term incentive units of partnership interest in BPLP and on parity with the Series Two and Series Four preferred units of partnership interest in BPLP.

**Dividends and Distributions** Holders of the Depositary Shares representing the Series B Preferred Stock will be entitled to receive, when, as and if declared by our board of directors (or a duly authorized committee thereof), cumulative preferential cash dividends at the rate of % per annum of the liquidation preference (equivalent to a fixed annual amount of \$ per Depositary Share). Such dividends will be payable quarterly in arrears on the fifteenth day of each February, May, August and November (or, if not a business day, the next succeeding



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business day), commencing on May 15, 2013. Dividends on the Series B Preferred Stock will accrue whether or not we have earnings, whether or not there are funds legally available for the payment of such dividends, and whether or not such dividends are declared. Accrued but unpaid dividends on the Series B Preferred Stock will accumulate as of the date on which they first become payable.

**Liquidation Preference**

Holders of the Depositary Shares representing the Series B Preferred Stock will be entitled to a liquidation preference equivalent to \$25.00 per Depositary Share, plus an amount equal to any accrued and unpaid dividends (whether or not declared) up to, but excluding, the date of payment.

**Redemption**

Except in certain circumstances relating to the preservation of our status as a REIT for United States federal income tax purposes, we may not redeem the Series B Preferred Stock or the Depositary Shares representing the Series B Preferred Stock prior to March 31, 2018. On and after March 31, 2018, we, at our option, may redeem the Series B Preferred Stock (and cause the redemption of the Depositary Shares), in whole or in part, at any time or from time to time, for cash at a redemption price of \$2,500 per share (equivalent to \$25.00 per Depositary Share), plus all accrued and unpaid dividends (whether or not declared) thereon up to, but excluding the date fixed for redemption, without interest.

**No Maturity or Sinking Fund**

The Series B Preferred Stock and the Depositary Shares have no maturity date, and no sinking fund has been established for the retirement or redemption of the Series B Preferred Stock. Accordingly, the Series B Preferred Stock and the Depositary Shares will remain outstanding indefinitely unless we decide to redeem the Series B Preferred Stock (and cause the redemption of the Depositary Shares) at our option.

**No Conversion**

The Series B Preferred Stock is not convertible into shares of any other class or series of our capital stock.

**Limited Voting Rights**

Holders of the Depositary Shares representing the Series B Preferred Stock generally have no voting rights, except as described below. Whenever dividends on the Series B Preferred Stock are in arrears for six or more consecutive or non-consecutive quarterly periods, the holders of the Depositary Shares (voting together as a single class with all other classes or series of our preferred stock upon which like voting rights have been conferred and are exercisable, if any) will be entitled to vote for the election of a total of two additional directors to serve on our board of directors, until we pay, or declare and set aside for payment, all dividends accumulated on the Series B Preferred Stock and such other preferred stock. In addition, the holders of the Depositary Shares will have voting rights in connection with the authorization or issuance of senior preferred stock or amendments to our amended and restated certificate of incorporation, as amended, or the Certificate of Incorporation, or the terms of the Series B Preferred Stock or the Depositary Shares that materially and adversely affect the rights of the Series B Preferred Stock or the Depositary Shares. See Description of Our Series B Preferred Stock and Depositary

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Shares Series B Preferred Stock Limited Voting Rights and Description of Our Series B Preferred Stock and Depositary Shares Depositary Shares Voting and Other Rights in this prospectus supplement.

**Listing**

Currently, no market exists for the Depositary Shares. We intend to apply to list the Depositary Shares on the NYSE under the symbol BXP PrB. If the application is approved, trading of the Depositary Shares is expected to commence within 30 days after the initial delivery of the Depositary Shares. The underwriters have advised us that they intend to make a market in the Depositary Shares prior to commencement of any trading on the NYSE, but they are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Depositary Shares. The Series B Preferred Stock represented by the Depositary Shares will not be listed and we do not expect that there will be any other trading market for the Series B Preferred Stock except as represented by the Depositary Shares.

**Restrictions on Ownership and Transfer**

Generally, ownership of more than 6.6% of the outstanding Series B Preferred Stock or Depositary Shares is, subject to certain exceptions, prohibited. See Description of Series B Preferred Stock and Depositary Shares Series B Preferred Stock Restrictions on Ownership and Transfer and Description of Series B Preferred Stock and Depositary Shares Depositary Shares Transfer in Trust on page S-19 and S-23 of this prospectus supplement, respectively.

**Use of Proceeds**

We expect to receive net proceeds from this offering of approximately \$ million (or approximately \$ million if the underwriters exercise their over-allotment option in full) after deducting the underwriting discounts and estimated transaction offering costs payable by us. We will contribute the net proceeds from the sale of the Depositary Shares to BPLP in exchange for a number of preferred units of BPLP equal to the number of, and with substantially identical economic terms as, our Series B Preferred Stock represented by the Depositary Shares sold in this offering. BPLP intends to use the net proceeds for general business purposes, which may include investment opportunities and debt reduction. See Use of Proceeds, on page S-10 of this prospectus supplement.

**Settlement**

The underwriters expect to deliver the Depositary Shares through The Depositary Trust Company on or about March , 2013.

**Risk Factors**

See Risk Factors beginning on page S-6 of this prospectus supplement and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and incorporated by reference into this prospectus supplement for information you should consider before buying the Depositary Shares.

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The following table sets forth our historical ratios of earnings to combined fixed charges and preferred dividends for each of the periods indicated:

	Year ended December 31,				
	2012	2011	2010	2009	2008
Ratios of Earnings to Combined Fixed Charges and Preferred Dividends	1.48	1.45	1.29	1.58	1.79

The ratios of earnings to combined fixed charges and preferred dividends were computed by dividing earnings by combined fixed charges and preferred dividends on our securities. We had no preferred securities outstanding for the periods presented. Earnings consist of income from continuing operations before income (loss) from unconsolidated joint ventures, plus gains on sales of real estate, amortization of interest capitalized, distributions from unconsolidated joint ventures, and fixed charges, minus interest capitalized and preferred distributions of consolidated subsidiaries. Combined fixed charges and preferred dividends consist of interest expensed, interest capitalized, preferred distributions of consolidated subsidiaries and preferred dividends on our securities.

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**RISK FACTORS**

*Investing in the Depositary Shares involves risks. Before purchasing the Depositary Shares offered by this prospectus supplement, you should carefully consider the risk factors incorporated by reference in this prospectus supplement and the accompanying prospectus, including our Annual Report on Form 10-K for the year ended December 31, 2012 filed with the SEC on February 28, 2013, as well as the risks, uncertainties and additional information (i) set forth in our Annual Report on Form 10-K generally and in our SEC reports that we file with the SEC and which are deemed incorporated by reference in this prospectus supplement and the accompanying prospectus, and (ii) the information contained in this prospectus supplement and the accompanying prospectus. These risks are not the only ones facing our company. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition or results of operations could be materially adversely affected by the materialization of any of these risks. The trading price of the Depositary Shares could decline due to the materialization of any of these risks and you may lose all or a part of your investment.*

**Risks Relating to this Offering**

*The Depositary Shares are a new issue of securities with no stated maturity date and do not have an established trading market, which may negatively affect their market value and your ability to transfer or sell your shares.*

The Depositary Shares, each of which represents 1/100th of a share of Series B Preferred Stock are a new issue of securities with no established trading market. In addition, because the securities have no stated maturity date, investors seeking liquidity will be limited to selling their shares in the secondary market. We intend to apply to list the Depositary Shares on the NYSE under the symbol BXP PrB, but there can be no assurance that the NYSE will accept the Depositary Shares for listing. If the Depositary Shares are approved for listing by the NYSE, we expect that trading of the Depositary Shares on the NYSE will begin within 30 days after the initial delivery of the Depositary Shares. We cannot assure you that an active trading market on the NYSE for the Depositary Shares will develop or, even if it develops, will be maintained, in which case the trading price of the Depositary Shares could be adversely affected and your ability to transfer your Depositary Shares will be limited. If an active market does develop on the NYSE, the Depositary Shares may trade at prices lower than the initial offering price.

We have been advised by the underwriters that they intend to make a market in the Depositary Shares prior to the commencement of trading on the NYSE, but they are not obligated to do so and may discontinue market-making at any time without notice.

***Market interest rates and other factors may affect the value of the Depositary Shares.***

One of the factors that will influence the trading price of the Depositary Shares will be the dividend yield on the Depositary Shares (as a percentage of the price of the Depositary Shares, as applicable) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of the Depositary Shares to expect a higher dividend yield. Thus, higher market interest rates could cause the market price of the Depositary Shares to decrease. The trading price of the Depositary Shares will also depend on many other factors, which may change from time to time, including:

our financial condition, performance, liquidity and prospects;

the market for similar securities issued by REITs;

the attractiveness of REIT securities in comparison to the securities of other companies, taking into account, among other things, the higher tax rates imposed on dividends paid by REITs;

our issuance of debt or preferred equity securities;

changes in earnings estimates by analysts and our ability to meet analysts' earnings estimates;

government action or regulation;

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prevailing interest rates; and

general economic, capital markets and real estate market conditions.

In addition, over the last few years, prices of equity securities in the U.S. trading markets have been experiencing extreme price fluctuations. As a result of this and other factors, investors who purchase the Depositary Shares in this offering may experience a decrease, which could be substantial and rapid, in the market price of the Depositary Shares, including decreases unrelated to our operating performance or prospects.

***Our Series B Preferred Stock and the Depositary Shares are subordinated to our existing and future indebtedness, as well as all other liabilities of our subsidiaries, and your interests could be adversely affected by our incurrence of additional indebtedness in the future.***

Payment of dividends and other amounts due on our Series B Preferred Stock and the Depositary Shares will be subordinated to all of our existing and future consolidated debt. As of February 21, 2013, our total consolidated debt was approximately \$8.9 billion. We may incur additional indebtedness in the future. Other than the limited voting rights as described under [Description of Our Series B Preferred Stock and Depositary Shares Series B Preferred Stock Limited Voting Rights](#) and [Description of Our Series B Preferred Stock and Depositary Shares Depositary Shares Voting and Other Rights](#) below, none of the provisions relating to the Series B Preferred Stock and Depositary Shares relates to or limits our incurrence of additional indebtedness or affords the holders of the Series B Preferred Stock and Depositary Shares protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all of our assets or business, that might adversely affect the holders of the Series B Preferred Stock and Depositary Shares. If we incur significant indebtedness, we may not have sufficient funds to make dividend or liquidation payments on the Series B Preferred Stock and the Depositary Shares. In addition, in connection with our existing and future indebtedness, we may be subject to restrictive covenants or other provisions that may prevent our subsidiaries from distributing to us cash needed for payments on the Series B Preferred Stock and the Depositary Shares or may otherwise limit our ability to make dividend or liquidation payments on the Series B Preferred Stock and the Depositary Shares. In the event of our bankruptcy, liquidation, dissolution or winding-up of our affairs, our assets will be available to pay obligations on the Series B Preferred Stock and the Depositary Shares only after all of our indebtedness and other liabilities have been paid. The rights of holders of the Series B Preferred Stock and Depositary Shares to participate in the distribution of our assets will rank junior to the prior claims of our creditors.

***As a holder of Depositary Shares you have limited voting rights.***

Your voting rights as a holder of Depositary Shares will be limited. Shares of our common stock are currently the only class or series of our capital stock carrying full voting rights. Voting rights for holders of Depositary Shares exist primarily with respect to the ability to vote, together as a single class with all other classes or series of our preferred stock upon which like voting rights have been conferred and are exercisable, if any, for the election of a total of two additional directors whenever dividends on the Series B Preferred Stock are in arrears for six or more consecutive or non-consecutive quarterly periods, and in connection with the authorization or issuance of senior preferred stock or amendments to the Certificate of Incorporation or the terms of the Series B Preferred Stock or the Depositary Shares that materially and adversely affect the rights of the Series B Preferred Stock or the Depositary Shares. See [Description of Our Series B Preferred Stock and Depositary Shares Series B Preferred Stock Limited Voting Rights](#) and [Description of Our Series B Preferred Stock and Depositary Shares Depositary Shares Voting and Other Rights](#) below. Other than the limited circumstances described in this prospectus supplement, holders of Series B Preferred Stock and Depositary Shares will not have voting rights.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus, including the documents incorporated by reference, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement for purposes of complying with those safe harbor provisions. We caution investors that any such forward-looking statements are based on beliefs and assumptions made by, and information currently available to, our management. When used, the words anticipate, believe, estimate, expect, intend, may, might, plan, project, result, should, will and similar expressions which do not relate solely to historical matters are intended to identify forward-looking statements. Such statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected by the forward-looking statements. We caution you that while forward-looking statements reflect our good-faith beliefs when we make them, they are not guarantees of future performance and are impacted by actual events when they occur after we make such statements. Accordingly, investors should use caution in relying on forward-looking statements, which are based on results and trends at the time they are made, to anticipate future results or trends.

Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, the following:

the factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, including those set forth under the headings Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations, and beginning on page S-6 of this prospectus supplement under the heading Risk Factors;

the continuing impacts of high unemployment and other macroeconomic trends, which are having and may continue to have a negative effect on the following, among other things:

the fundamentals of our business, including overall market occupancy, tenant space utilization, and rental rates;

the financial condition of our tenants, many of which are financial, legal and other professional firms, our lenders, counterparties to our derivative financial instruments and institutions that hold our cash balances and short-term investments, which may expose us to increased risks of default by these parties; and

the value of our real estate assets, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing secured by our properties or on an unsecured basis;

general risks affecting the real estate industry (including, without limitation, the inability to enter into or renew leases, tenant space utilization, dependence on tenants' financial condition, and competition from other developers, owners and operators of real estate);

failure to manage effectively our growth and expansion into new markets and sub-markets or to integrate acquisitions and developments successfully;

the ability of our joint venture partners to satisfy their obligations;

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risks and uncertainties affecting property development and construction (including, without limitation, construction delays, cost overruns, inability to obtain necessary permits and public opposition to such activities);

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risks associated with the availability and terms of financing and the use of debt to fund acquisitions and developments, including the impact of higher interest rates on the cost and/or availability of financing;

risks associated with forward interest rate contracts and the effectiveness of such arrangements;

risks associated with downturns in the national and local economies, increases in interest rates, and volatility in the securities markets;

risks associated with actual or threatened terrorist attacks;

costs of compliance with the Americans with Disabilities Act and other similar laws;

potential liability for uninsured losses and environmental contamination;

risks associated with our potential failure to qualify as a REIT under the Internal Revenue Code of 1986, as amended, or the Code;

possible adverse changes in tax and environmental laws;

the impact of newly adopted accounting principles on our accounting policies and on period-to-period comparisons of financial results;

risks associated with possible state and local tax audits; and

risks associated with our dependence on key personnel whose continued service is not guaranteed.

The risks set forth above are not exhaustive. Other sections of this prospectus supplement and the accompanying prospectus, including the documents that we incorporate by reference, may include additional factors that could adversely affect our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all risk factors, nor can it assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Investors should also refer to our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q for future periods and Current Reports on Form 8-K as we file them with the SEC and to other materials we may furnish to the public from time to time through Forms 8-K or otherwise, for a discussion of risks and uncertainties that may cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements. We expressly disclaim any responsibility to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events, or otherwise, and you should not rely upon these forward-looking statements after the date of this prospectus supplement.

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**USE OF PROCEEDS**

We expect to receive net proceeds from this offering of approximately \$      million (or approximately \$      million if the underwriters exercise their over-allotment option in full) after deducting the underwriting discounts and estimated transaction offering costs payable by us. We will contribute the net proceeds from the sale of the Depositary Shares to BPLP in exchange for a number of preferred units of BPLP equal to the number of, and with substantially identical economic terms as, our Series B Preferred Stock represented by the Depositary Shares sold in this offering. BPLP intends to use the net proceeds for general business purposes, which may include investment opportunities and debt reduction. Pending such uses, we may invest the net proceeds in short-term, interest-bearing securities.

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**DESCRIPTION OF SERIES B PREFERRED STOCK AND DEPOSITARY SHARES**

**General**

Each Depositary Share will represent 1/100th of a share of our Series B Preferred Stock. Prior to the closing of this offering, we will classify \_\_\_\_\_ shares of our authorized but unissued preferred stock as, and will approve and file with the Secretary of State of the State of Delaware a Certificate of Designations setting forth the terms of the Series B Preferred Stock, or the Certificate of Designations. We will then deposit shares of Series B Preferred Stock with Computershare Trust Company, N.A., as Depositary, under a Master Deposit Agreement among us, the Depositary and the holders from time to time of the Depositary Shares, or the Master Deposit Agreement, to create the Depositary Shares that we will sell in this offering. The Depositary Shares will be governed by and subject to the terms of the Master Deposit Agreement and, in general, each Depositary Share will represent, and entitle the holder to proportional rights and preferences (including dividends, voting, redemption and liquidation rights and preferences) as if such holder held, 1/100th of a share of the Series B Preferred Stock. The material terms of the Series B Preferred Stock and the Depositary Shares are summarized below.

In the future, we may create and sell additional Depositary Shares or shares of the Series B Preferred Stock.

**Listing**

Currently, no market exists for the Depositary Shares. We intend to apply to list the Depositary Shares on the NYSE under the symbol BXP PrB. If the application is approved, trading of the Depositary Shares is expected to commence within 30 days after the initial delivery of the Depositary Shares. The underwriters have advised us that they intend to make a market in the Depositary Shares prior to the commencement of any trading on the NYSE, but they are not obligated to do so and may discontinue market-making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Depositary Shares. The Series B Preferred Stock represented by the Depositary Shares will not be listed and we do not expect that there will be any other trading market for the Series B Preferred Stock except as represented by the Depositary Shares.

**Series B Preferred Stock**

The following is a summary of the material terms and provisions of the Series B Preferred Stock. The following summary does not set forth the full terms and provisions of the Series B Preferred Stock, which will be set forth in the Certificate of Designations. The Certificate of Designations, and not this description, will define the terms of the Series B Preferred Stock.

**Ranking**

The Series B Preferred Stock shall, with respect to dividend rights and rights upon our voluntary or involuntary liquidation, dissolution or winding up, rank:

senior to all classes or series of our common stock, our Series E Junior Participating Cumulative Preferred Stock and all classes or series of our capital stock now or hereafter authorized, issued or outstanding expressly designated as ranking junior to the Series B Preferred Stock;

on parity with any class or series of our capital stock expressly designated as ranking on parity with the Series B Preferred Stock; and

junior to any class or series of our capital stock expressly designated as ranking senior to the Series B Preferred Stock.

The term capital stock does not include convertible or exchangeable debt securities, which will rank senior to the Series B Preferred Stock prior to conversion or exchange. The Series B Preferred Stock will also rank junior in right of payment to our other existing and future debt obligations.

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We will contribute the net proceeds from the sale of the Depositary Shares to BPLP in exchange for a number of preferred units of BPLP equal to the number of, and with substantially identical economic terms as, the Series B Preferred Stock represented by the Depositary Shares sold in this offering. These preferred units will rank, with respect to distribution rights and rights upon voluntary or involuntary liquidation, dissolution or winding up of BPLP, senior to the common units and long term incentive units of partnership interest in BPLP and on parity with the Series Two and Series Four preferred units of partnership interest in BPLP.

At December 31, 2012, the Series Two preferred units consisted of 995,997 units, which bear a preferred distribution equal to the greater of (i) the distribution which would have been paid in respect of the Series Two preferred unit had such Series Two preferred unit been converted into any common units (including both regular and special distributions) or (ii) 6.00% per annum on a liquidation preference of \$50.00 per unit, and are convertible into common units at a rate of \$38.10 per preferred unit (1.312336 common units for each preferred unit). The holders of Series Two preferred units have the right to require BPLP to redeem their units for cash at the redemption price of \$50.00 per unit on May 14, 2013 and May 12, 2014. The maximum number of units that may be required to be redeemed from all holders on each of these dates is 1,007,662, which is one-sixth of the number of Series Two preferred units that were originally issued. BPLP also has the right, subject to certain conditions, to redeem Series Two preferred units for cash or to convert into common units any Series Two preferred units that are not redeemed when they are eligible for redemption.

At December 31, 2012, the Series Four preferred units consisted of 1,221,527 units, which bear a preferred distribution equal to 2.00% per annum on a liquidation preference of \$50.00 per unit and are not convertible into common units. The holders of Series Four preferred units have the right, at certain times and subject to certain conditions, to require BPLP to redeem their units for cash at the redemption price of \$50.00 per unit. BPLP also has the right, at certain times and subject to certain conditions, to redeem Series Four preferred units for cash at the redemption price of \$50.00 per unit.

In the future, BPLP may create additional classes or series of common or preferred units, including preferred units that are senior to preferred units corresponding to the Series B Preferred Stock, or issue additional common or preferred units of any class or series (including long term incentive units) without the consent of any holder of the Series B Preferred Stock or the Depositary Shares.

### ***Dividends and Distributions***

Subject to the preferential rights of the holders of any class or series of our capital stock ranking senior to the Series B Preferred Stock as to dividends, the holders of shares of the Series B Preferred Stock are entitled to receive, when, as and if declared by our board of directors (or a duly authorized committee thereof), out of funds legally available for the payment of dividends, cumulative preferential cash dividends at the rate of % per annum of the \$2,500 liquidation preference per share of the Series B Preferred Stock (equivalent to a fixed annual amount of \$ per share of the Series B Preferred Stock or \$ per Depositary Share).

Such dividends will accrue on each share of Series B Preferred Stock and be cumulative from, and including, the first date on which any share of Series B Preferred Stock is issued, or the Original Issue Date, and will be payable quarterly in arrears on the fifteenth day of each February, May, August and November, each such date a Dividend Payment Date, commencing on May 15, 2013; provided, however, that if any Dividend Payment Date falls on a date other than a business day, then the dividend which would otherwise have been payable on such Dividend Payment Date shall be paid on the first business day immediately following such Dividend Payment Date. For any shares of the Series B Preferred Stock issued after the Original Issue Date, dividends will accrue and be cumulative from, and including, the later of (i) the Original Issue Date or (ii) the day immediately following the date of the last daily distribution accrual on the Series B Preferred Stock that has been paid in full in accordance with the Certificate of Designations.

The amount of any dividend payable on the Series B Preferred Stock for any dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends will be payable to holders of record

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as they appear in our stockholder records at the close of business on the applicable Dividend Record Date, which shall be the date designated by our board of directors as the record date for the payment of dividends that is not more than 35 nor fewer than 10 days prior to the applicable Dividend Payment Date. A dividend period is the period commencing on, but excluding, a Dividend Payment Date to and including, the next Dividend Payment Date (other than the initial dividend period, which shall commence on and include the Original Issue Date and end on, and include, May 15, 2013).

The first dividend payable on the Series B Preferred Stock is scheduled to be paid on May 15, 2013 and will accrue from, and including, the Original Issue Date and end on, and include, May 15, 2013 and will be in the amount of \$        per share of the Series B Preferred Stock (equivalent to \$        per Depositary Share).

The term business day means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York City are authorized or required by law, regulation or executive order to close.

Dividends on the Series B Preferred Stock will accrue whether or not:

we have earnings;

there are funds legally available for the payment of those dividends; or

those dividends are declared.

Accrued but unpaid dividends on the Series B Preferred Stock will accumulate as of the Dividend Payment Date on which they first become payable.

Except as provided below, unless full cumulative dividends on the Series B Preferred Stock for all past dividend periods that have ended shall have been or contemporaneously are (i) declared and paid in cash or (ii) declared and a sum sufficient for the payment thereof in cash is set apart for such payment, we will not:

declare and pay or declare and set apart for payment of dividends, and we will not declare and make any distribution of cash or other property, directly or indirectly, on or with respect to any shares of our common stock, our Series E Junior Participating Cumulative Preferred Stock or shares of any other class or series of our capital stock ranking, as to dividends, on parity with or junior to the Series B Preferred Stock, for any period; or

redeem, purchase or otherwise acquire for any consideration, or make any other distribution of cash or other property, directly or indirectly, on or with respect to, or pay or make available any monies for a sinking fund for the redemption of, any common stock, our Series E Junior Participating Cumulative Preferred Stock or shares of any other class or series of our capital stock ranking, as to dividends and upon liquidation, on parity with or junior to the Series B Preferred Stock.