



SL Green Recapitalizes 2 Herald Square & Signs Four Transactions Totaling 177,081 Square Feet

December 3, 2018

Building Occupancy Rises Above 93%

NEW YORK--(BUSINESS WIRE)--Dec. 3, 2018-- SL Green Realty Corp. (NYSE:SLG), New York City's largest office landlord, today announced that it has secured \$150 million of first mortgage financing for 2 Herald Square, and sold a 49% partnership interest to an Israeli institutional investor. The recapitalization is the first step of a value-add capital program that will restore iconic status to this best-in-class building located on one of the most prominent corners in New York.

In addition, SL Green announced the signing of four transactions at the Property, totaling 177,081 square feet:

- (i) the execution of an agreement to convey a 30-year leasehold condominium covering 95,370 square feet to Mercy College;
- (ii) the signing of a new 29,388-square-foot lease to expand WeWork; and,
- (iii) the signing of new retail leases with Victoria Secret and with Happy Socks, filling a recaptured Sixth Avenue lobby space that SL Green converted into a retail opportunity.

Mercy College's 30-year transaction covers the building's third, fourth and seventh floors and brings Mercy's total footprint to 95,370 square feet from its existing 55,000 square feet. As part of the transaction, Mercy will also receive a new dedicated 34th Street lobby by relocating its ground floor entrance and absorbing a portion of previously vacant retail space.

WeWork has expanded its footprint within the building with a new 29,388-square-foot lease. Amazon, through WeWork's enterprise client account, currently occupies 122,903 square feet across floors eight through 11 and the penthouse. Following the lease expansion, WeWork will also occupy a new dedicated lobby space located on 35th Street.

Building on the momentum already started from Victoria's Secret's recent corner extension, Happy Socks signed a new retail lease on Sixth Avenue, fronting Herald Square. Together, these transactions raise the building occupancy to 93.2%.

"Following our successful acquisition of the leasehold at 2 Herald Square, we executed our business plan ahead of schedule by expanding existing tenants from within as well as adding a new tenant to our roster," said **Brett Herschenfeld, Managing Director at SL Green**, who continued. "In just six months, we have shown that with strong management and capital investment, this asset in a prime Herald Square location immediately attracts global capital and tenants."

Located on a corner of Herald Square – at the intersection of Sixth Avenue, Broadway, and 34th Street – 2 Herald is a 369,000-square-foot office and retail asset at one of Manhattan's busiest locations and most vibrant retail and office submarket.

About SL Green Realty Corp.

SL Green Realty Corp., an S&P 500 company and New York City's largest office landlord, is a fully integrated real estate investment trust, or REIT, that is focused primarily on acquiring, managing and maximizing value of Manhattan commercial properties. As of September 30, 2018, SL Green held interests in 106 Manhattan buildings totaling 46.4 million square feet. This included ownership interests in 28.2 million square feet of Manhattan buildings and 18.2 million square feet of buildings securing debt and preferred equity investments. In addition, SL Green held ownership interests in 15 suburban buildings totaling 2.3 million square feet in Brooklyn, Westchester County, and Connecticut.

Forward-looking Statement

This press release includes certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are intended to be covered by the safe harbor provisions thereof. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, are forward-looking statements. Forward-looking statements are not guarantees of future performance and we caution you not to place undue reliance on such statements. Forward-looking statements are generally identifiable by the use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," "project," "continue," or the negative of these words, or other similar words or terms.

Forward-looking statements contained in this press release are subject to a number of risks and uncertainties, many of which are beyond our control, that may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by forward-looking statements made by us. Factors and risks to our business that could cause actual results to differ from those contained in the forward-looking statements are described in our filings with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of future events, new information or otherwise.

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