

FORM 8-K

CURRENT REPORT

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

Date of Report: May 5, 2004

RECKSON ASSOCIATES REALTY CORP.  
and  
RECKSON OPERATING PARTNERSHIP, L.P.  
(Exact name of each Registrant as specified in its Charter)

Reckson Associates Realty Corp. - Maryland  
Reckson Operating Partnership, L.P. - Delaware  
(State or other jurisdiction of incorporation or  
organization)

Reckson Associates Realty Corp. -  
11-3233650  
Reckson Operating Partnership, L.P. -  
11-3233647  
(IRS Employer ID Number)

225 Broadhollow Road  
Melville, New York  
(Address of principal executive offices)

11747  
(Zip Code)

1-13762  
(Commission File Number)

(631) 694-6900  
(Registrant's telephone number, including area code)

Item 7. Financial Statements and Exhibits

(c) Exhibits

99.1 Reckson Associates Realty Corp. Earnings Press Release dated May 5,  
2004

Item 12. Results of Operations and Financial Condition

On May 5, 2004, Reckson Associates Realty Corp. (the "Company") issued a  
press release announcing its consolidated financial results for the quarter  
ended March 31, 2004. A copy of this press release is furnished as Exhibit  
99.1 to this Current Report on Form 8-K.

The information contained in this Current Report on Form 8-K, including  
Exhibit 99.1, shall not be deemed "filed" with the Securities and Exchange  
Commission for the purposes of Section 18 of the Securities Exchange Act of  
1934 or otherwise subject to the liabilities of that section, nor shall it be  
incorporated by reference in any registration statement filed by the Company  
or Reckson Operating Partnership, L.P. under the Securities Act of 1933, as  
amended.

SIGNATURES

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

RECKSON ASSOCIATES REALTY CORP.

By: /s/ Michael Maturo  
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Michael Maturo  
Executive Vice President  
and Chief Financial Officer

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp.,  
its General Partner

By: /s/ Michael Maturo  
-----  
Michael Maturo  
Executive Vice President  
and Chief Financial Officer

Date: May 6, 2004

EXHIBIT INDEX

Exhibit Number

Description

99.1

Reckson Associates Realty Corp. Earnings  
Press Release dated May 5, 2004

## PRESS RELEASE

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 Reckson Associates Realty Corp.  
 225 Broadhollow Road  
 Melville, NY 11747  
 (631) 694-6900 (Phone)  
 (631) 622-6790 (Facsimile)  
 Contact: Scott Rechler, CEO  
 Michael Maturo, CFO

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 FOR IMMEDIATE RELEASE

Reckson Announces First Quarter 2004 Results  
 Completes Record Amount of Leasing  
 Improves Portfolio Occupancy by 2.4%

(MELVILLE, NEW YORK, May 5, 2004) - Reckson Associates Realty Corp. (NYSE: RA) today reported diluted funds from operations ("FFO") of \$42.6 million or \$.58 per share for the first quarter of 2004, as compared to FFO of \$44.5 million or \$.59 per share for the first quarter of 2003.

Commenting on the Company's performance, Scott Rechler, Reckson's President and Chief Executive Officer, stated, "Our strong first quarter performance reflects our continued focus on executing our business plan and capitalizing on recovering market conditions. During the first quarter, we achieved a record amount of office leasing, increasing our occupancy to 93.3%, including a 75% tenant renewal rate. Additionally, we further strengthened our balance sheet with a series of opportunistic capital market activities including the issuance of \$150 million of common equity and \$150 million of seven-year senior unsecured notes at an effective interest rate of 5.196%. Finally, we continued to enhance our corporate governance with the appointment of four additional, highly qualified, independent directors."

Net income allocable to common shareholders totaled \$16.0 million in the first quarter of 2004, including \$5.2 million related to gain on sales of real estate from discontinued operations, as compared to \$8.7 million in the first quarter of 2003. Diluted net income per common share, commonly referred to as earnings per share ("EPS"), totaled \$.26 per share in the first quarter of 2004, as compared to \$.15 per share in the first quarter of 2003.

A reconciliation of FFO to net income allocable to common shareholders, the GAAP measure the Company believes to be the most directly comparable, is in the financial tables accompanying this press release.

Summary Portfolio Performance  
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The Company reported same property office occupancy at March 31, 2004 of 93.5%. This compares to 92.5% at December 31, 2003 and 92.9% at March 31, 2003. The Company reported same property portfolio occupancy of 92.7% at March 31, 2004, as compared to 91.1% at December 31, 2003 and 91.6% at March 31, 2003.

The Company also reported office occupancy at March 31, 2004 of 93.3%. This compares to 91.5% at December 31, 2003 and 92.8% at March 31, 2003. The Company reported portfolio occupancy of 92.6% at March 31, 2004, as compared to 90.2% at December 31, 2003 and 91.4%, excluding the Long Island industrial properties, at March 31, 2003.

Rent performance on renewal and replacement space during the first quarter of 2004 was (1.8%) (cash) and 6.0% (including straight-line rent) in the office portfolio.

Portfolio same property net operating income (property operating revenues less property operating expenses) ("NOI") before termination fees for the first quarter of 2004 was 1.5% (cash) and 0.4% (including straight-line rent), compared to the first quarter of 2003. Office same property NOI before termination fees for the first quarter of 2004 was 1.1% (cash) and 0% (including straight-line rent), compared to the first quarter of 2003.

Net of minority interests in joint ventures, portfolio same property NOI before termination fees for the first quarter of 2004 was 2.3% (cash) and 1.1% (including straight-line rent), compared to the first quarter of 2003. Net of minority interests in joint ventures, office same property NOI before termination fees for the first quarter of 2004 was 1.9% (cash) and 0.6% (including straight-line rent), compared to the first quarter of 2003.

Other Highlights  
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Leasing Activity

- Executed 61 leases totaling 885,553 square feet during the first quarter of 2004
- Executed office leasing transactions that resulted in a 75% renewal rate during the first quarter of 2004

Investment/Disposition Activity

- Closed on 1185 Avenue of the Americas, NYC, for approximately \$321 million
- Sold three operating properties for approximately \$36.6 million, representing a blended cap rate of 7.0% on forecasted 2004 NOI net of joint venture partner's interest
- Sold one parcel of land for \$1.8 million

- Purchased the remaining 50% interest in a junior mezzanine loan secured by a 1.1 million square foot Class A office complex located on Long Island for \$15.5 million

#### Capital Market Activity

- Sold 5.5 million shares of common stock at an effective price of \$27.35 per share
- Redeemed \$50 million outstanding 8.85% Series B preferred stock at 102% of par for shares of common stock valued at \$26.05 per share
- Issued \$150 million of 5.15% seven-year senior unsecured notes with an effective interest rate of 5.196% - Repaid \$100 million of 7.4% senior unsecured notes at maturity on March 15, 2004 - Executed a six-month treasury lock hedge agreement (\$100 million notional amount) on 10-year treasury at an effective rate of 3.94% including carry cost yield

#### Corporate Governance

- Announced John ("Jack") Ruffle joined the Board of Directors and was appointed Chairman of the Audit Committee
- Adopted policy which requires independent directors to own a minimum equity stake in the Company of \$100,000 of common stock
- Adopted policy which requires at least one independent director to rotate off of the Board every three years

#### Earnings Guidance

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On Thursday, May 6th, during the Company's quarterly earnings conference call, management will discuss earnings guidance for 2004.

#### Non-GAAP Financial Measures

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#### Funds from Operations ("FFO")

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The Company believes that FFO is a widely recognized and appropriate measure of performance of an equity REIT. Although FFO is a non-GAAP financial measure, the Company believes it provides useful information to shareholders, potential investors and management. The Company computes FFO in accordance with standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO is defined by NAREIT as net income or loss, excluding gains or losses from sales of depreciable properties plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO does not represent cash generated from operating activities in accordance with GAAP and is not indicative of cash available to fund cash needs. FFO should not be considered as an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flow as a measure of liquidity. Since all companies do not calculate FFO in a similar fashion, the Company's calculation of FFO presented herein may not be comparable to similarly titled measures as reported by other companies.

Reckson Associates Realty Corp. is a self-administered and self-managed real estate investment trust (REIT) specializing in the acquisition, leasing, financing, management and development of Class A office properties.

Reckson's core growth strategy is focused on the markets surrounding and including New York City. The Company is one of the largest publicly traded owners, managers and developers of Class A office properties in the New York Tri-State area, with 84 properties comprised of approximately 15.3 million square feet either owned or controlled, or under contract. For additional information on Reckson Associates Realty Corp., please visit the Company's web site at [www.reckson.com](http://www.reckson.com).

#### Conference Call and Webcast

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The Company's executive management team, led by President and Chief Executive Officer Scott Rechler, will host a conference call outlining first quarter results on Thursday, May 6, 2004 at 2:00 p.m. EST. The conference call may be accessed by dialing (800) 700-7860 (internationally (651) 291-0900). No passcode is required. The live conference call will also be webcast in a listen-only mode on the Company's web site at [www.reckson.com](http://www.reckson.com), in the Investor Relations section, with an accompanying slide show presentation outlining the Company's first quarter results.

A replay of the conference call will be available telephonically from May 6, 2004 at 8:00 p.m. EST through May 14, 2004 at 11:59 p.m. EST. The telephone number for the replay is (800) 475-6701, passcode 727014. A replay of the webcast of the conference call will also be available via the Company's web site.

#### Financial Statements Attached

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The Supplemental Package and Slide Show Presentation outlining the Company's first quarter 2004 results will be available prior to the Company's quarterly conference call on the Company's web site at [www.reckson.com](http://www.reckson.com) in the Investor Relations section, by e-mail to those on the Company's distribution list, as well as by mail or fax, upon request. To be added to the Company's e-mail distribution list or to receive a copy of the quarterly materials by mail or fax, please contact Susan McGuire, Investor Relations, Reckson Associates Realty Corp., 225 Broadhollow Road, Melville, New York 11747-4883, [investorrelations@reckson.com](mailto:investorrelations@reckson.com) or (631) 622-6746.

Certain matters discussed herein, including guidance concerning the Company's future performance, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, forward-looking statements are not guarantees of results and no assurance can be given that the expected results will be delivered. Such forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those expected. Among those risks, trends and uncertainties are the general economic climate, including the conditions affecting industries in which our principal tenants compete; financial condition of our tenants; changes in the supply of and demand for office properties in the New York Tri-State area; changes in interest rate levels; changes in the Company's credit ratings; changes in the Company's cost of and

access to capital; downturns in rental rate levels in our markets and our ability to lease or re-lease space in a timely manner at current or anticipated rental rate levels; the availability of financing to us or our tenants; changes in operating costs, including utility, real estate taxes, security and insurance costs; repayment of debt owed to the Company by third parties (including FrontLine Capital Group); risks associated with joint ventures; liability for uninsured losses or environmental matters; and other risks associated with the development and acquisition of properties, including risks that development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated. For further information on factors that could impact Reckson, reference is made to Reckson's filings with the Securities and Exchange Commission. Reckson undertakes no responsibility to update or supplement information contained in this press release.



Reckson Associates Realty Corp. (NYSE: RA)  
Consolidated Statements of Income  
(in thousands, except share amounts)

	Three Months Ended March 31,	
	2004	2003
Property Operating Revenues:		
Base rents	\$ 111,210	\$ 94,919
Tenant escalations and reimbursements	18,095	14,017
Total property operating revenues	129,305	108,936
Property Operating Expenses:		
Operating expenses	30,879	26,442
Real estate taxes	20,605	16,954
Total property operating expenses	51,484	43,396
Net Operating Income	77,821	65,540
Gross Margin percentage	60.2%	60.2%
Other Income	5,777	7,365
Other Expenses		
Interest expense	25,661	20,097
Depreciation and amortization	29,166	28,825
Marketing, general and administrative	7,079	7,577
Total other expenses	61,906	56,499
Income before minority interests, preferred dividends and distributions, gain on sales of depreciable real estate and discontinued operations	21,692	16,406
Minority partners' interests in consolidated partnerships	(6,181)	(4,401)
Distributions to preferred unitholders	(273)	(273)
Limited partners' minority interest in the operating partnership	(600)	(661)
Income before discontinued operations and preferred dividends	14,638	11,071
Discontinued operations (net of limited partners' minority interest)		
Gain on sales of real estate	5,202	-
Income from discontinued operations	384	2,909
Net income	20,224	13,980
Dividends to preferred shareholders	(4,260)	(5,317)
Net income allocable to common shareholders	\$ 15,964	\$ 8,663
Allocable to Class A common	\$ 15,964	\$ 6,595
Allocable to Class B common	-	2,068
Net income allocable to common shareholders	\$ 15,964	\$ 8,663
Basic weighted average common shares outstanding:		
Class A common	61,363,000	48,201,000
Class B common	-	9,915,000
Basic net income per weighted average common share:		
Class A common stock - income (loss) from continuing operations	\$0.17	\$0.09
Discontinued operations	0.09	0.05
Basic net income per Class A common	\$0.26	\$0.14
Class B common stock - income (loss) from continuing operations	-	\$0.14
Discontinued operations	-	0.07
Basic net income per Class B common	-	\$0.21
Diluted weighted average common shares outstanding:		
Class A common	61,718,000	48,320,000

Class B common

-

9,915,000

Diluted net income per weighted average common share:

Class A common

\$0.26

\$0.14

Class B common

=====
-
=====
\$0.15
=====

Reckson Associates Realty Corp. (NYSE: RA)  
Consolidated Balance Sheets  
(in thousands)

	March 31, 2004	December 31, 2003
	----- (unaudited)	-----
<b>Assets:</b>		
Commercial real estate properties, at cost:		
Land	\$ 380,660	\$ 379,989
Buildings and improvements	2,562,883	2,215,200
Developments in progress:		
Land	89,959	90,706
Development costs	71,664	68,127
Furniture, fixtures, and equipment	11,460	11,338
	-----	-----
	3,116,626	2,765,360
Less: accumulated depreciation	(490,308)	(464,821)
	-----	-----
Investment in real estate, net of accumulated depreciation	2,626,318	2,300,539
Properties and related assets held for sale, net of accumulated depreciation	35,099	47,590
Investments in real estate joint ventures	5,950	5,904
Investments in mortgage notes and notes receivable	55,484	54,986
Investments in service companies and affiliate loans and joint ventures	71,005	71,614
Cash and cash equivalents	86,498	22,330
Tenant receivables	8,803	11,959
Deferred rents receivable	116,760	112,133
Prepaid expenses and other assets	63,094	35,338
Contract and land deposits and pre-acquisition costs	60	20,203
Deferred leasing and loan costs (net of accumulated amortization)	68,083	64,399
	-----	-----
Total Assets	\$ 3,137,154	\$ 2,746,995
	=====	=====
<b>Liabilities:</b>		
Mortgage notes payable	\$ 968,726	\$ 721,635
Liabilities associated with properties held for sale	557	778
Unsecured credit facility	90,000	169,000
Senior unsecured notes	549,093	499,445
Accrued expenses and other liabilities	107,125	93,988
Dividends and distributions payable	32,870	28,290
	-----	-----
Total Liabilities	1,748,371	1,513,136
	-----	-----
Minority partners' interests in consolidated partnerships	234,301	233,070
Preferred unit interest in the operating partnership	19,662	19,662
Limited partners' minority interest in the operating partnership	50,471	44,518
	-----	-----
	304,434	297,250
	-----	-----
Commitments and contingencies	-	-
<b>Stockholders' Equity:</b>		
Preferred Stock, \$.01 par value, 25,000,000 shares authorized		
Series A - 8,834,500 shares issued and outstanding	88	88
Series B - 0 and 2,000,000 shares issued and outstanding, respectively	-	20
Common Stock, \$.01 par value, 100,000,000 shares authorized		
Class A - 66,630,805 and 58,275,367 shares issued and outstanding, respectively	666	583
Treasury Stock, 3,318,600 shares	(68,492)	(68,492)
Retained earnings	22,924	35,757
Additional paid in capital	1,129,163	968,653
	-----	-----
Total Stockholders' Equity	1,084,349	936,609
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 3,137,154	\$ 2,746,995
	=====	=====
Total debt to market capitalization (a):	40.0%	41.2%
	=====	=====

(a) Total debt includes the Company's pro rata share of consolidated and unconsolidated joint venture debt.

Reckson Associates Realty Corp. (NYSE: RA)  
Funds From Operations  
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2004	2003
Net income allocable to common shareholders	\$ 15,964	\$ 8,663
Add: Real estate depreciation and amortization	28,557	31,327
Minority partners' interests in consolidated partnerships	6,325	4,690
Limited partners' minority interest in the operating partnership	936	996
Less: Amounts distributable to minority partners in consolidated partnerships	8,504	6,807
Gain on sales of depreciable real estate	5,156	-
<b>Basic Funds From Operations ("FFO")</b>	<b>38,122</b>	<b>38,869</b>
Add: Dividends and distributions on dilutive shares and units	4,484	5,590
<b>Diluted FFO</b>	<b>\$ 42,606</b>	<b>\$ 44,459</b>
Diluted FFO calculations:		
Weighted average common shares outstanding	61,363	58,116
Weighted average units of limited partnership interest outstanding	3,551	7,276
<b>Basic weighted average common shares and units outstanding</b>	<b>64,914</b>	<b>65,392</b>
Adjustments for dilutive FFO weighted average shares and units outstanding:		
Common stock equivalents	355	119
Series A preferred stock	7,747	7,747
Series B preferred stock	-	1,919
Limited partners' preferred interest	689	661
<b>Total diluted weighted average shares and units outstanding</b>	<b>73,705</b>	<b>75,838</b>
Diluted FFO per weighted average share or unit	\$ 0.58	\$ 0.59
Diluted weighted average dividends per share	\$ 0.42	\$ 0.42
Diluted FFO payout ratio	73.5%	72.4%

Reckson Associates Realty Corp. (NYSE: RA)  
Cash Available for Distribution  
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2004	2003
Basic Funds From Operations	\$ 38,122	\$ 38,869
Adjustments for basic cash available for distribution:		
Less: Straight line rents and other FAS 141 non-cash rent adjustments	5,032	4,018
Committed non-incremental capitalized tenant improvements and leasing costs	9,097	8,791
Actual non-incremental capitalized improvements	1,940	2,126
Basic Cash Available for Distribution ("CAD")	22,053	23,934
Add: Dividends and distributions on dilutive shares and units	-	-
Diluted CAD	\$ 22,053	\$ 23,934
Diluted CAD calculations:		
Weighted average common shares outstanding	61,363	58,116
Weighted average units of limited partnership interest outstanding	3,551	7,276
Basic weighted average common shares and units outstanding	64,914	65,392
Adjustments for dilutive CAD weighted average shares and units outstanding:		
Common stock equivalents	355	119
Series A preferred stock	-	-
Series B preferred stock	-	-
Limited partners' preferred interest	-	-
Total diluted weighted average shares and units outstanding	65,269	65,511
Diluted CAD per weighted average share or unit	\$ 0.34	\$ 0.37
Diluted weighted average dividends per share	\$ 0.42	\$ 0.42
Diluted CAD payout ratio	125.8%	116.2%