



CITI 2015 GLOBAL PROPERTY CEO CONFERENCE  
MARCH 2015



NEW YORK



**NYC**

SOLID TO THE CORE

# Forward Looking Statements and Disclaimer

This presentation contains forward-looking statements within the meaning of the Securities Exchange Act of 1934, as amended. All statements included in this presentation, other than statements of historical fact, that address activities, events or developments that we believe or anticipate will or may occur in the future are forward-looking statements. These statements represent our reasonable judgment on the future based on various factors and using numerous assumptions and are subject to known and unknown risks, uncertainties and other factors that could cause our actual results and financial position to differ materially. We claim the protection of the safe harbor for forward-looking statements provided in the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Exchange Act. Examples of forward-looking statements include: (i) projections of revenue, earnings, capital structure and other financial items, (ii) statements of our plans and objectives, (iii) statements of expected future economic performance, and (iv) assumptions underlying statements regarding us or our business. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as “expects,” “should,” “could,” “intends,” “anticipates,” “targets,” “estimates” or the negatives of those terms, or by discussions of strategy or other intentions. The forward-looking information is based on various factors and was derived using numerous assumptions. Important factors that could cause our actual results to be materially different from the forward-looking statements include the risks and other factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2014, in our Quarterly Reports on Form 10-Q and in our other filings with the SEC. In addition, there may be other factors that could cause our actual results to be materially different from the results referenced in the forward-looking statements. All forward-looking statements contained in this presentation are qualified in their entirety by this cautionary statement. Forward-looking statements speak only as of the date they are made, and we do not intend to update or otherwise revise the forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events.

The Non-GAAP financial measures contained in this presentation are not measures of financial performance calculated in accordance with GAAP and should not be considered as replacements alternatives to net income (loss) or any other performance measure derived in accordance with GAAP or as alternatives to cash flows from operating activities as a measure of our liquidity. They should be viewed in addition to, and not as a substitute for, analysis of our results reported in accordance with GAAP, or as alternative measures of liquidity. Management believes that certain non-GAAP financial measures provide a view to measures similar to those used in evaluating our compliance with certain financial covenants under our credit facilities and provide financial statement users meaningful comparisons between current and prior year period results. They are also used as a metric to determine certain components of performance-based compensation. These Non-GAAP financial measures are based on currently available information and certain adjustments that we believe are reasonable and are presented as an aid in understanding our operating results. They are not necessarily indicative of future results of operations that may be obtained by the Company.

# 2015 Goals and Objectives

## LEASING

MANHATTAN  
SIGNED  
LEASES  
1.8M SF

MANHATTAN  
SAME STORE  
OCCUPANCY  
>96.5%

MANHATTAN  
MARK-TO-  
MARKET  
10% - 12%

## INVESTMENTS

OFFICE  
ACQUISITIONS  
\$400M  
&  
DISPOSITIONS  
\$600M

INCREASED  
DPE BALANCE  
\$250M

SELL >\$100M  
OF  
SUBURBAN  
ASSETS

## RESI & RETAIL

RESI  
INVESTMENT  
\$300M  
&  
RETAIL  
INVESTMENT  
\$300M

SIGN ANCHOR  
TENANT @  
719 SEVENTH  
AVE.

SIGN ANCHOR  
TENANT @  
650 FIFTH AVE.

## ONE VANDERBILT

OBTAIN  
SPECIAL PERMIT  
& COMMENCE  
DEMO @ ONE  
VANDERBILT

## FINANCIAL PERFORMANCE

SAME STORE  
CASH NOI  
3.6%

GROWTH  
PORTFOLIO NOI  
INCREASE  
\$30M

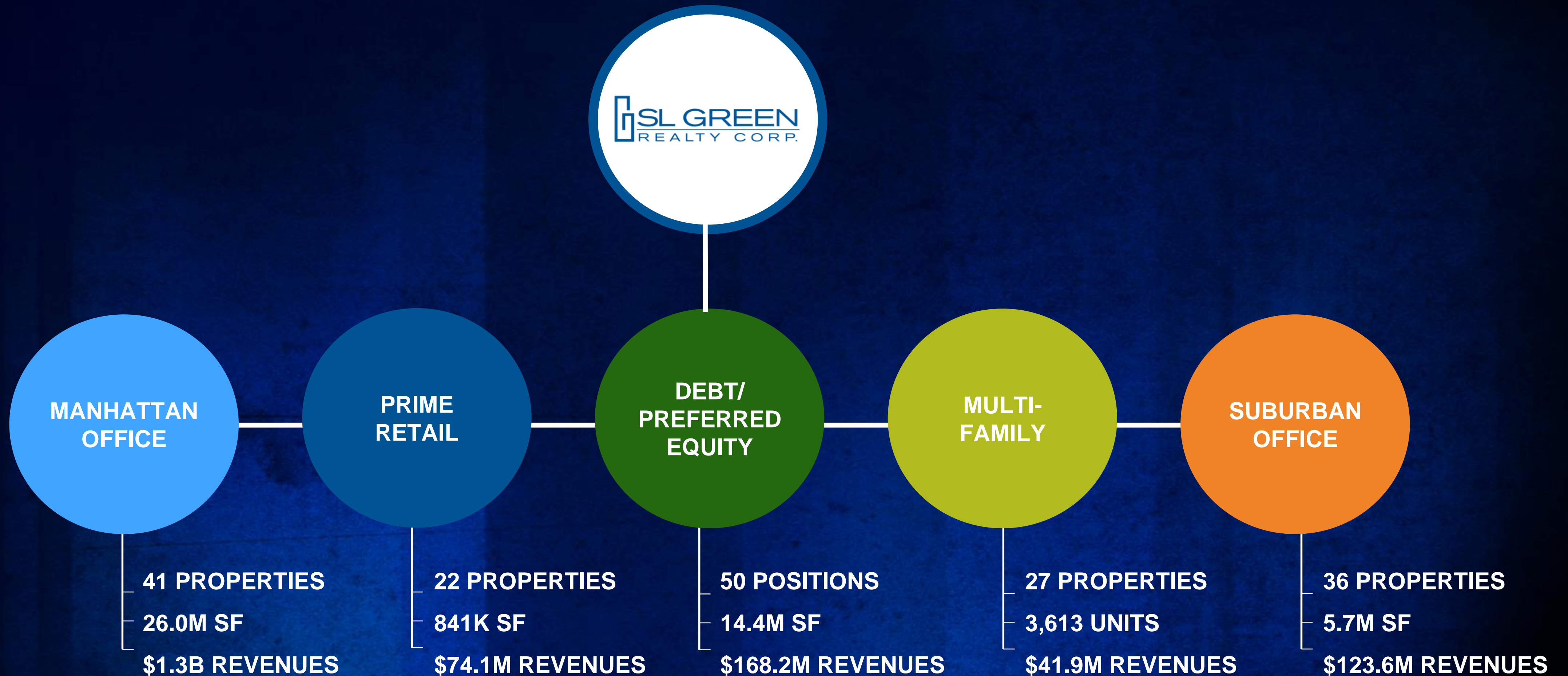
ISSUE >\$250M  
INDEX ELIGIBLE  
BONDS

RAISE  
DIVIDEND  
10%+

OBTAIN ISS  
SUPPORT FOR  
SAY-ON-PAY

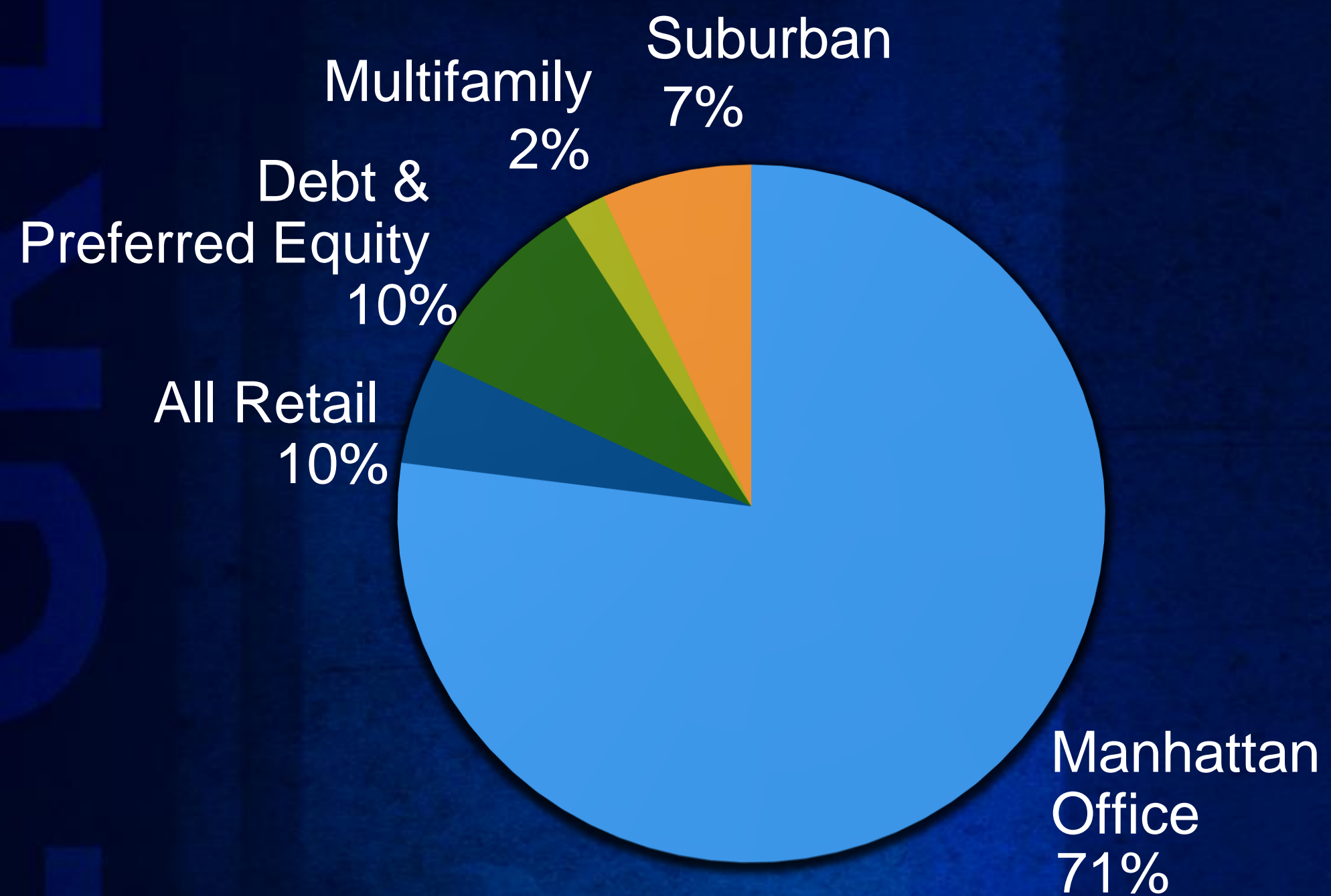
TRS  
>10%  
&  
EXCEED  
MSCI INDEX BY  
250 BPS

# SL Green Today

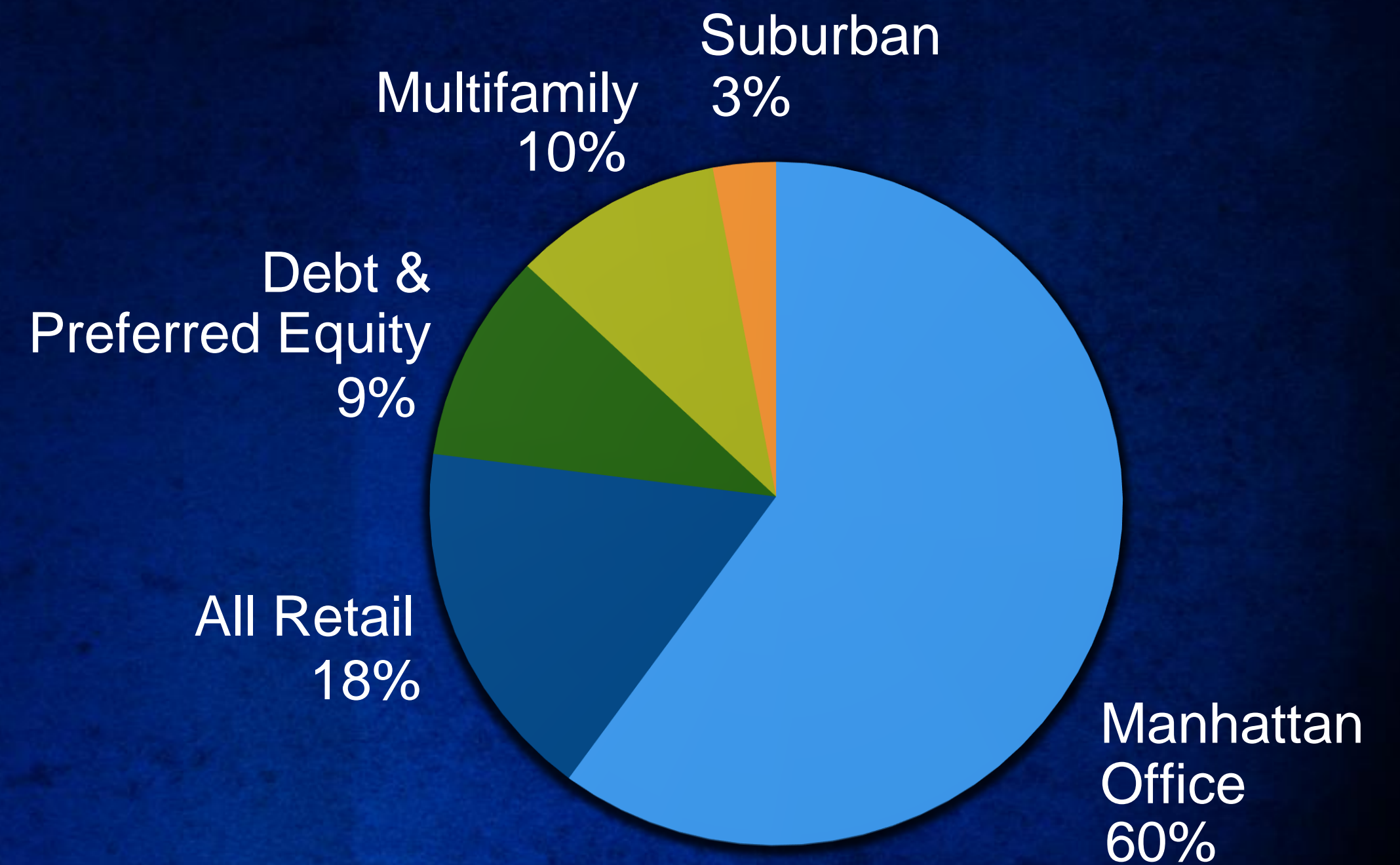


# SL Green Revenues

## PRESENT



## FUTURE <sup>1</sup>



<sup>1</sup> Based on Management's estimate

# SL Green Growth Drivers

1 Discount to NAV

2 Sizable NYC Capital Flows

3 Growth Portfolio 2.0

4 Prime Retail Portfolio

5 Embedded Rent Growth in Stabilized Office Portfolio

6 Proprietary OP Unit Currency

7 Savings and Liability Mark-to-Market

8 Accelerating NYC Job Growth

9 Robust Development Pipeline

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# Discount to NAV

- **Significant discount in stock price vs. private market valuations**
- **Current SLG Share Price - \$126.93**
  - Implied Manhattan cap rate – 4.73%
  - Implied Manhattan value PSF - \$728
- **Midtown Class A Office Pricing**
  - Cap rate – 4.00% - 4.50%
  - Value PSF - \$800 - \$1,400
- **Retail and Redevelopment properties undervalued**
- **Debt & Preferred Equity portfolio warrants a premium**

| (\$ IN BILLIONS EXCLUDING SHARE PRICE)          | 2/27/2015 |          |
|---|-----------|----------|
| Total Enterprise Value                          | \$22.8    | \$25.0   |
| Suburban Properties                             | (1.1)     | (1.1)    |
| Residential / Retail Properties                 | (2.2)     | (2.2)    |
| Development Properties                          | (1.9)     | (1.9)    |
| Debt & Preferred Equity @1.25x BV               | (2.1)     | (2.1)    |
| Other (388 Greenwich, Fee Int., Air Rights)     | (3.2)     | (3.2)    |
| Cash  | (0.3)     | (0.3)    |
| Residual Value - Manhattan Stabilized Assets    | \$12.1    | \$14.3   |
| Implied Cap Rate Based on Cash NOI <sup>1</sup> | 4.73%     | 4.00%    |
| Implied NYC Property Value PSF                  | \$728     | \$860    |
| Share Price                                     | \$126.93  | \$149.07 |
| FFO Multiple                                    | 20.2x     | 23.8x    |
| Discount to NAV                                 | -         | 17.4%    |

1. Based on 2015 projected FFO of \$6.27 per share  
NOTE: Incorporates management estimates



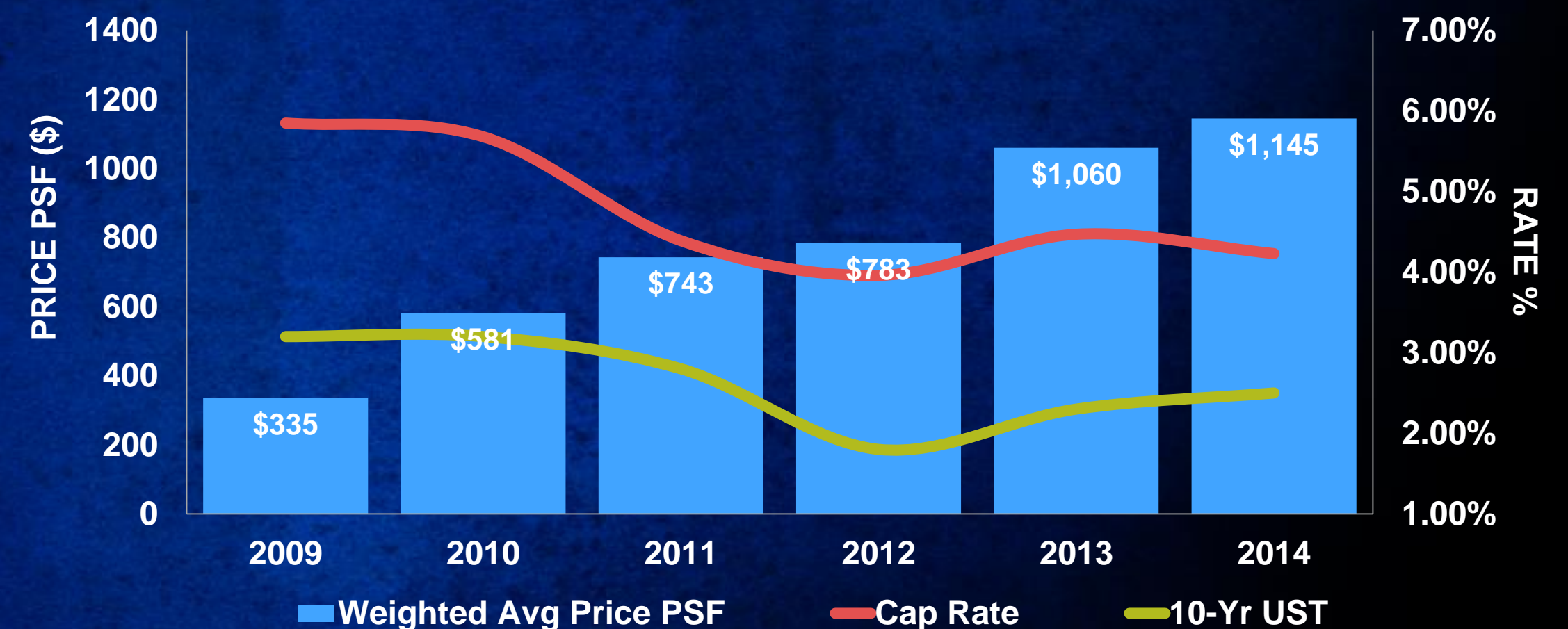
## 2 Sizable NYC Capital Flows

- Robust Manhattan sales volumes
  - \$9.4B of Office transactions >\$100M closed or in contract since 12/08/2014.
- Manhattan Class A Price PSF at new peak
- Wide spread between cap rates and UST
- Broad based investor interest in NYC assets
- Recent notable transactions closed or in contract:
  - Crown Building - \$1.75B (\$4,375 PSF)
  - 1095 Sixth Avenue - \$2.2B (\$2,136 PSF)
  - 230 Park Ave - \$1.17B (\$834 PSF)

HISTORICAL INVESTMENT SALES VOLUME <sup>1</sup>



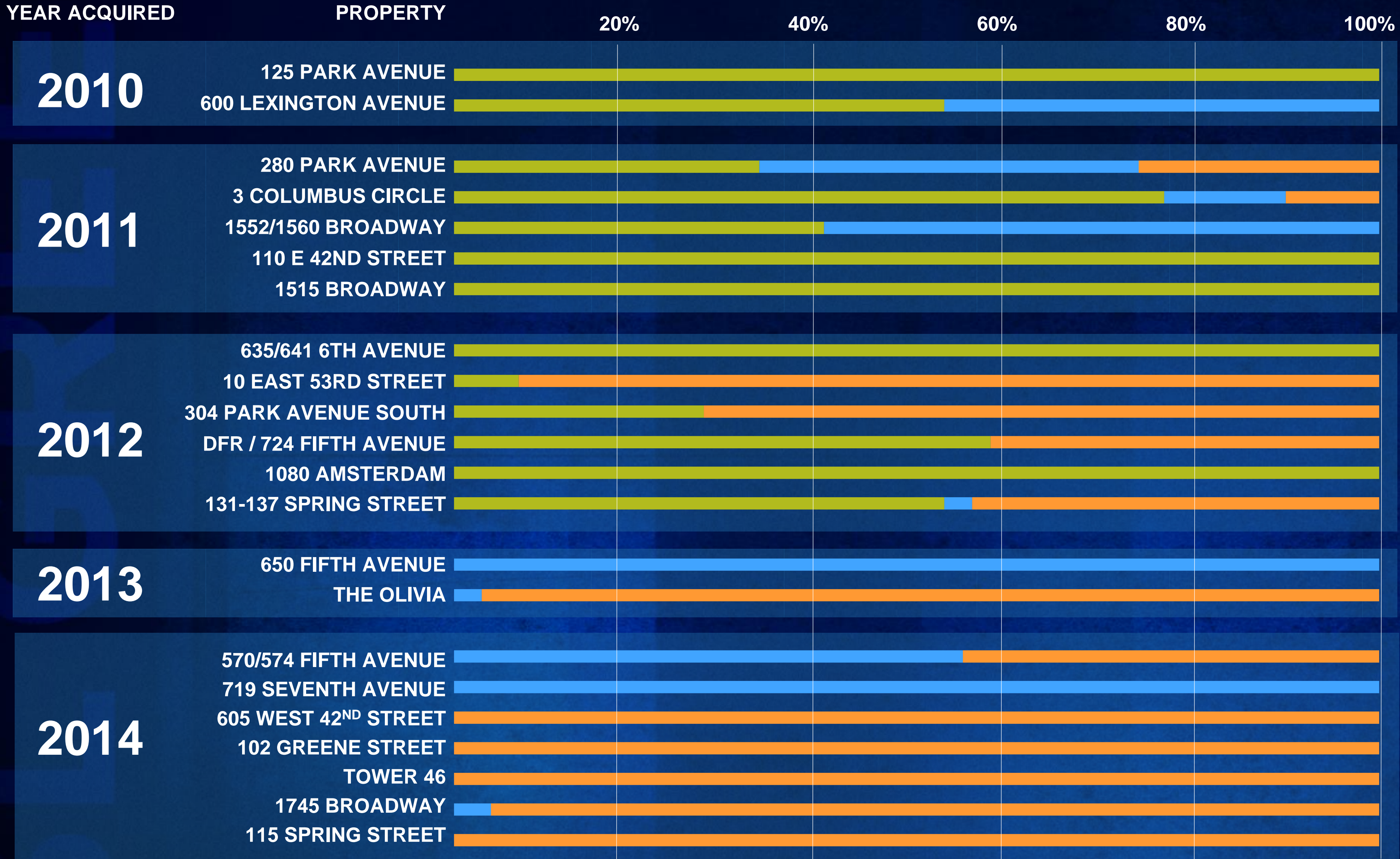
MIDTOWN OFFICE CLASS A PRICING <sup>1</sup>



1. Cushman & Wakefield

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# Growth Portfolio 2.0



■ AS OF YE 2014  
 ■ AS OF YE 2015  
 ■ YE 2016 - 2020

## NOI CREATION

**2014: \$33.3M**

**2015: \$35.7M**

**2016 – 2020:  
\$56.1M**

## TOTAL CUMULATIVE

## NOI CREATION

**\$125.1M**

Data reflects SLG share

# 4

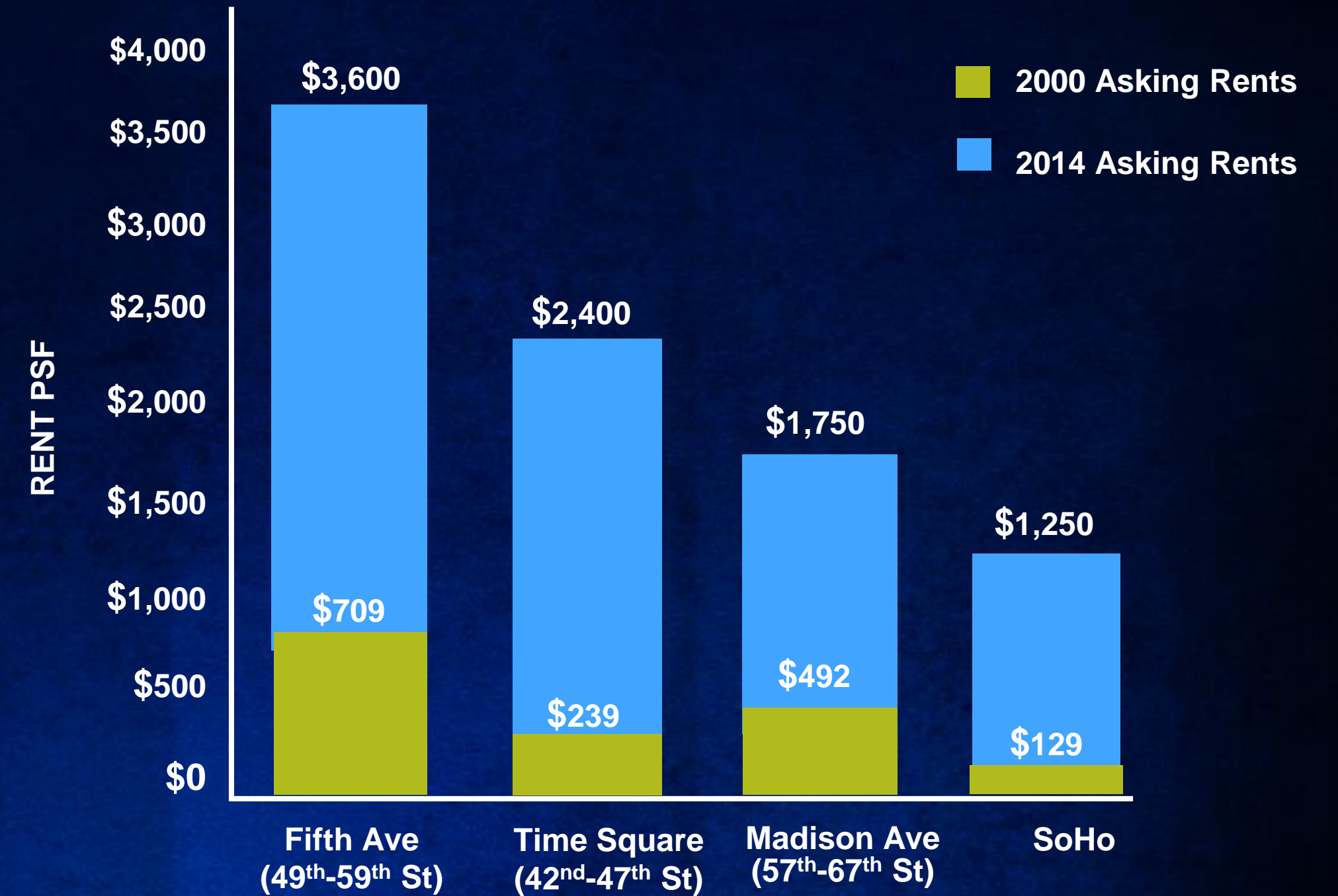
## Prime Retail Portfolio

- **Surge in market retail rents across SLG platform**
- **Vacancy and near-term turnover immediate benefit**
  - 1515 Broadway, 131 – 137 Spring Street and 635 – 641 Sixth Ave
- **Significant future mark-to-market on in-place below market leases**
  - 609 Fifth Avenue, 760 Madison and 3 Columbus Circle
- Significant leasing achievements year-to-date include Diesel and Swarovski

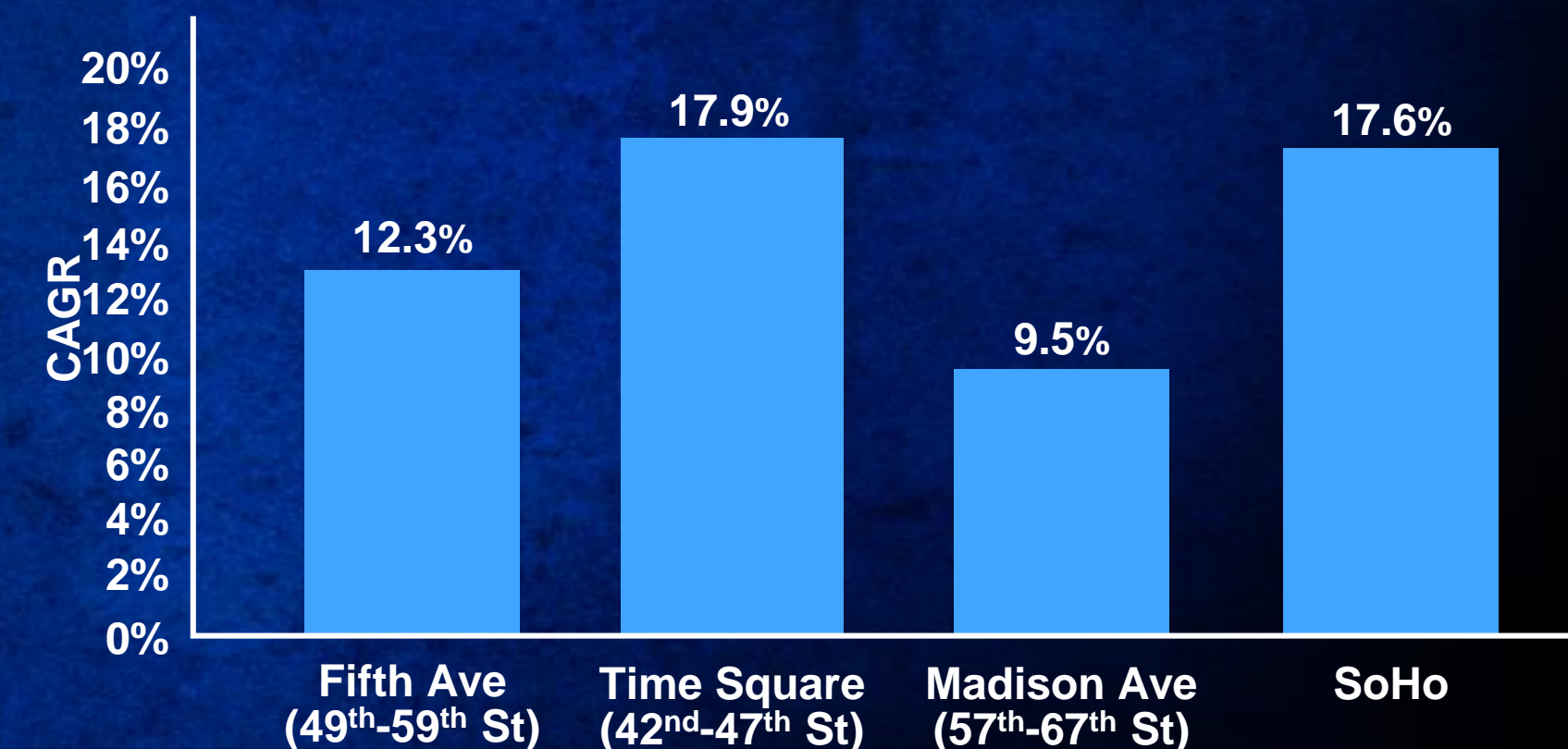
**107%**  
MARK-TO-MARKET  
RETAIL RENTS

**\$164M**  
OF TOTAL  
MARK-TO-MARKET  
ACCRETION

MANHATTAN RETAIL GROUND FLOOR ASKING RENTS <sup>1</sup>



COMPOUNDED ANNUAL GROWTH RATE SINCE 2000



1. Robert K. Futterman & Associates as of 2/24/2015

# 5 Embedded Rent Growth in Stabilized Office Portfolio

- Significant mark-to-market on in-place leases
- Market rent spike not necessary to achieve growth
- Potential for incremental revenue of \$26M - \$54M over 5 years
- SLG has proven track record of tenant retention
- Tenant concessions stable while construction costs increase

## 2015 - 2019

| MARKET RENT GROWTH:<br>2.6% |   | TOTAL/<br>AVG |
|-----------------------------|---|---------------|
| SF                          | Office Lease Roll                       | 5,902,976     |
|                             | Less: Growth Portfolio 2.0              | (957,390)     |
|                             | Net Office Lease Roll                   | 4,945,586     |
|                             |   |               |
| \$/PSF                      | Escalated Rent @ Lease Expiration       | \$62.20       |
|                             | Market Rent <sup>1</sup>                | \$67.76       |
|                             | Mark-to-Market                          | 8.9%          |
|                             |   |               |
| \$000                       | SLG Share of Incremental Revenue        | \$26,090      |
|                             |   |               |
| \$000                       | SLG Share of Leasing Costs <sup>2</sup> | \$32,078      |

## 2015 - 2019

| MARKET RENT GROWTH:<br>5.7% |   | TOTAL/<br>AVG |
|-----------------------------|---|---------------|
| SF                          | Office Lease Roll                       | 5,902,976     |
|                             | Less: Growth Portfolio 2.0              | (957,390)     |
|                             | Net Office Lease Roll                   | 4,945,586     |
|                             |   |               |
| \$/PSF                      | Escalated Rent @ Lease Expiration       | \$62.20       |
|                             | Market Rent <sup>1</sup>                | \$73.87       |
|                             | Mark-to-Market                          | 18.7%         |
|                             |   |               |
| \$000                       | SLG Share of Incremental Revenue        | \$53,841      |
|                             |   |               |
| \$000                       | SLG Share of Leasing Costs <sup>2</sup> | \$32,746      |

1. Management's estimate  
2. Amortized over average lease term

## 6

# Proprietary OP Unit Currency

- **16 Transactions with an Aggregate Valuation Exceeding \$5.4B**
- **Benefits for SLG**
  - Tax Efficient Units Allow SLG to Acquire Properties at Discount to Market
  - Majority of OP Unit Holders are New York Centric
  - Pipeline OP Unit Transaction Opportunities from Existing Relationships
  - A Means to Roll-up Disparate Partners Whose Interests May Not Be Aligned

|  | <b>SF</b>         |
|--|-------------------|
| Stonehenge Portfolio Interest <sup>1</sup> | 2,560,000         |
| 1515 Broadway                              | 1,750,000         |
| 220 East 42nd                              | 1,135,000         |
| 180 Maiden Lane                            | 1,090,000         |
| 3 Columbus Circle                          | 741,500           |
| 1745 Broadway <sup>2</sup>                 | 674,000           |
| 625 Madison                                | 563,000           |
| 125 Broad Street                           | 525,000           |
| 711 Third                                  | 524,000           |
| DFR Portfolio                              | 489,882           |
| 304 Park Avenue South                      | 215,000           |
| 609 Fifth                                  | 160,000           |
| 51 East 42nd                               | 142,000           |
| 747 Madison <sup>3</sup>                   | 10,000            |
| 719 Seventh                                | 6,000             |
| <b>TOTAL</b>                               | <b>10,585,382</b> |

1. Closed in February 2015. Full consideration paid in preferred OP units that bear interest at 3.75%.

2. Additional Interests acquired December 2014.

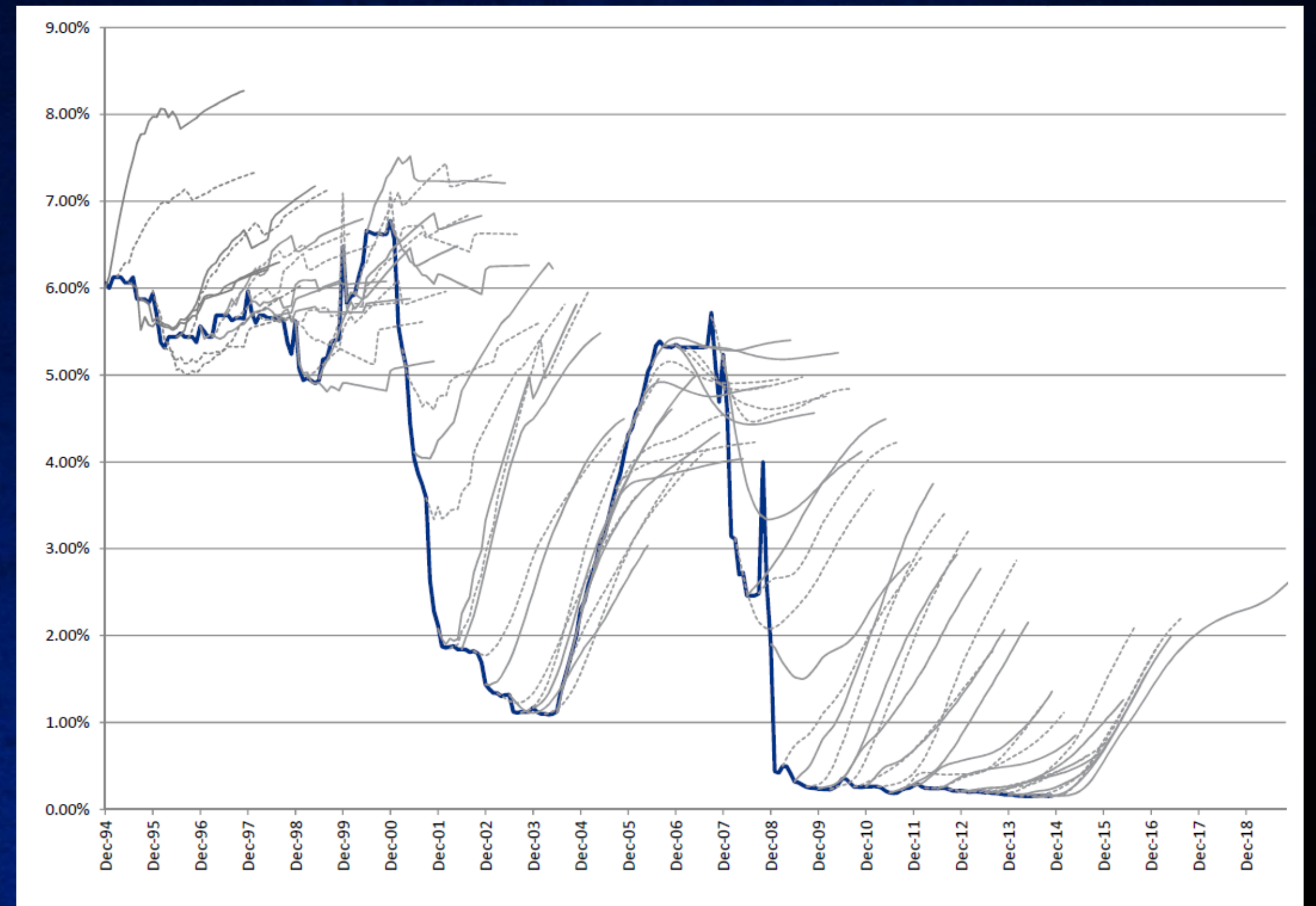
3. Issuance of Common Stock.

## 7

# Savings and Liability Mark-to-Market

- **Potential for significant interest savings in current rate environment**
- **Strategic balance between fixed rate and floating rate liabilities**
- **Targeted use of derivatives to take advantage of interest rates**

ACTUAL ONE MONTH LIBOR VS. HISTORICAL FORWARD CURVES

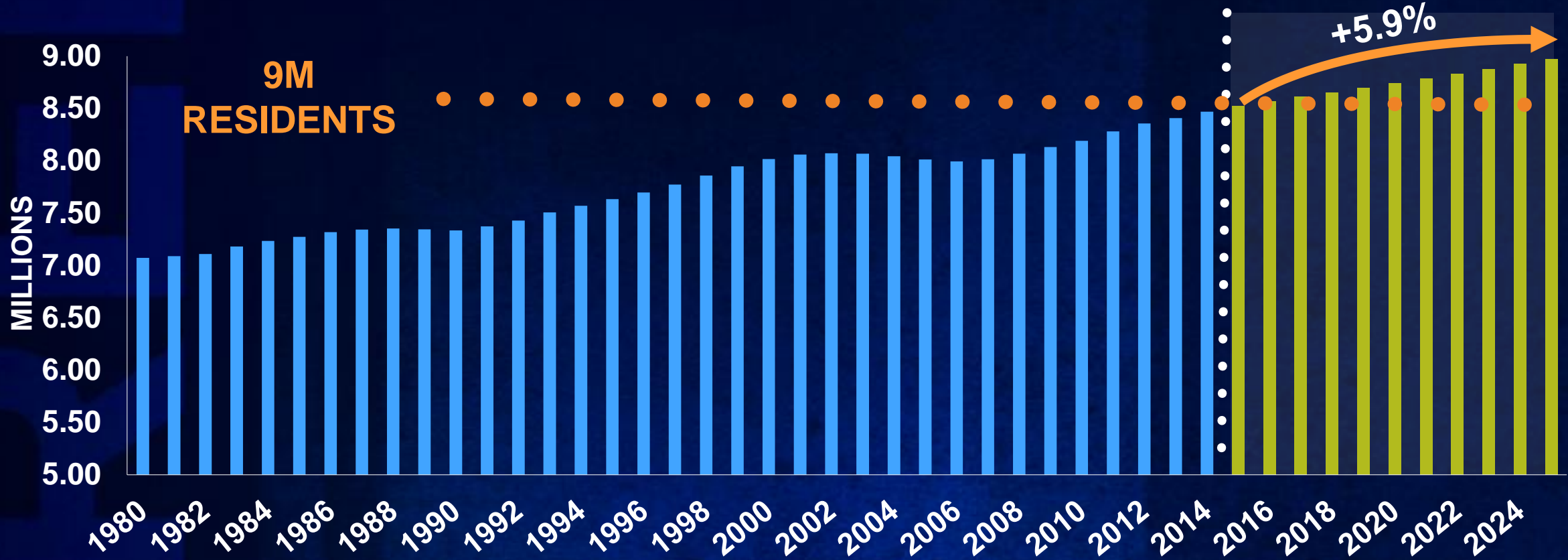


■ Historical Forward Curve  
■ Actual One Month LIBOR

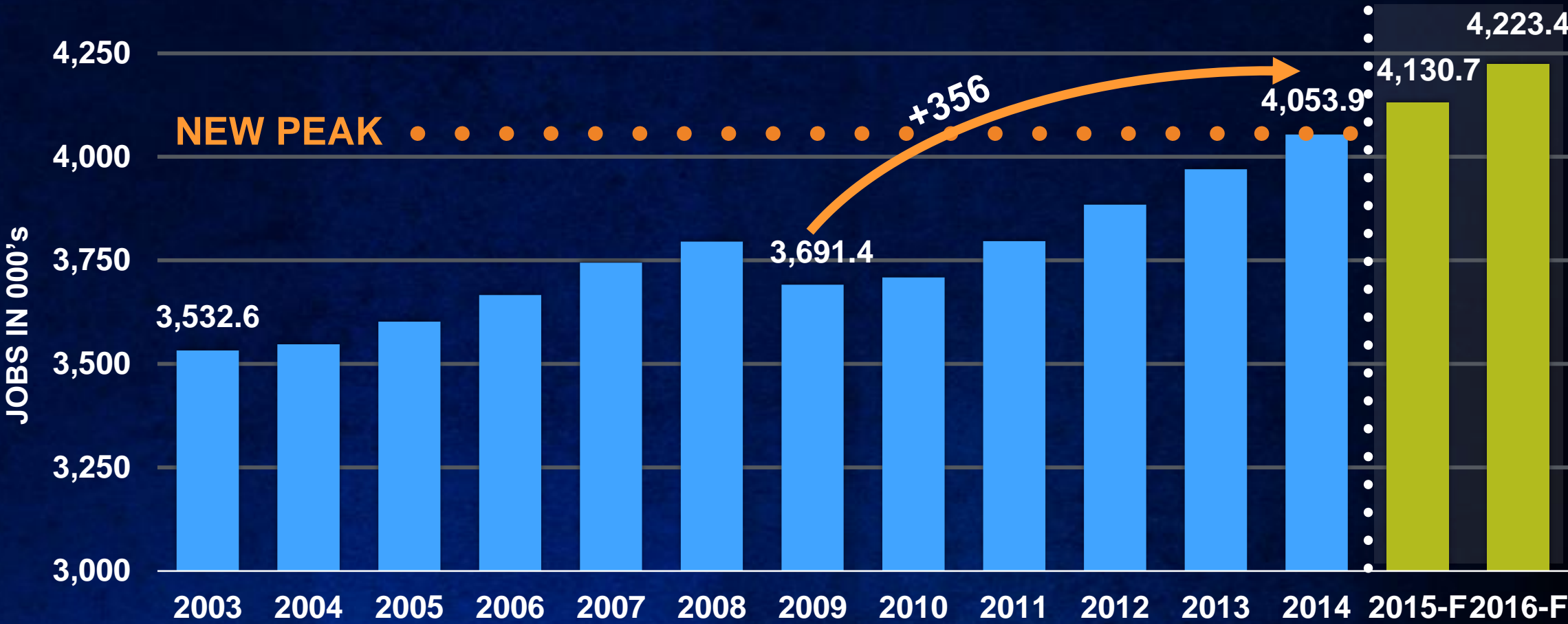
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# Accelerating NYC Job Growth

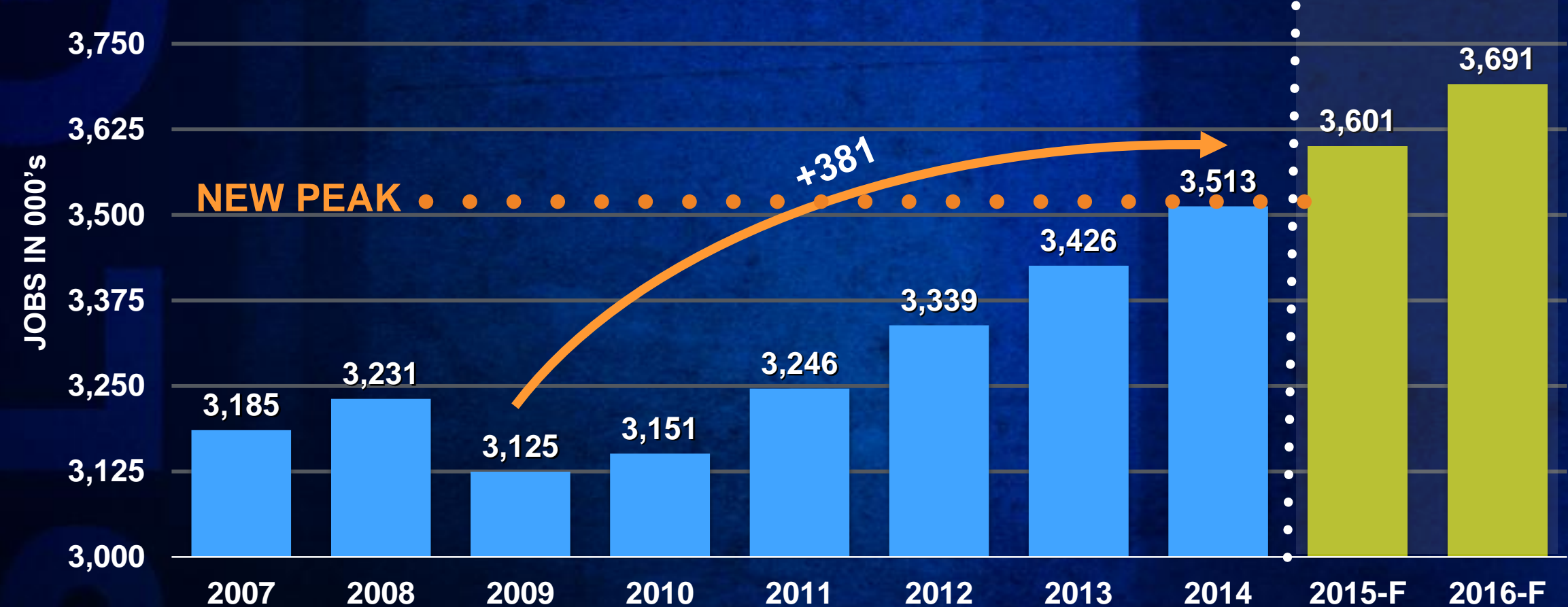
NYC POPULATION



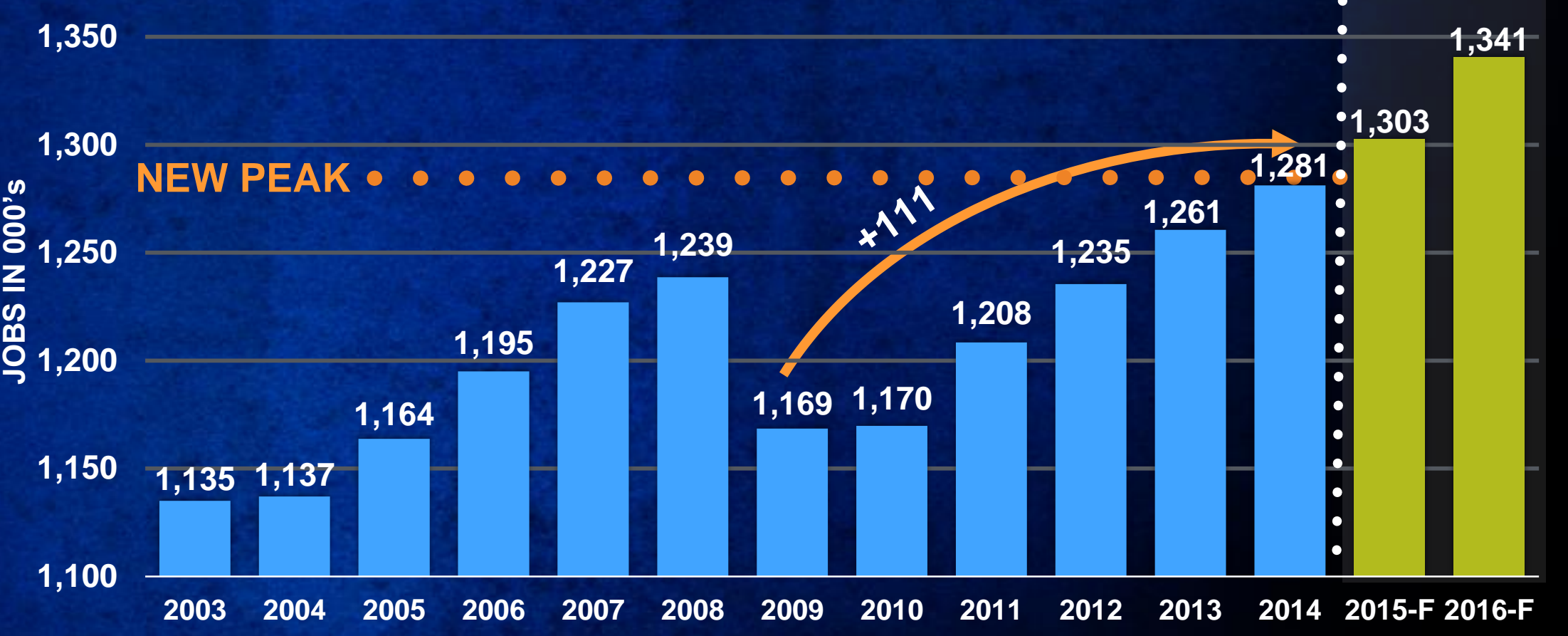
NYC TOTAL EMPLOYMENT



NYC PRIVATE SECTOR EMPLOYMENT



NYC OFFICE USING EMPLOYMENT



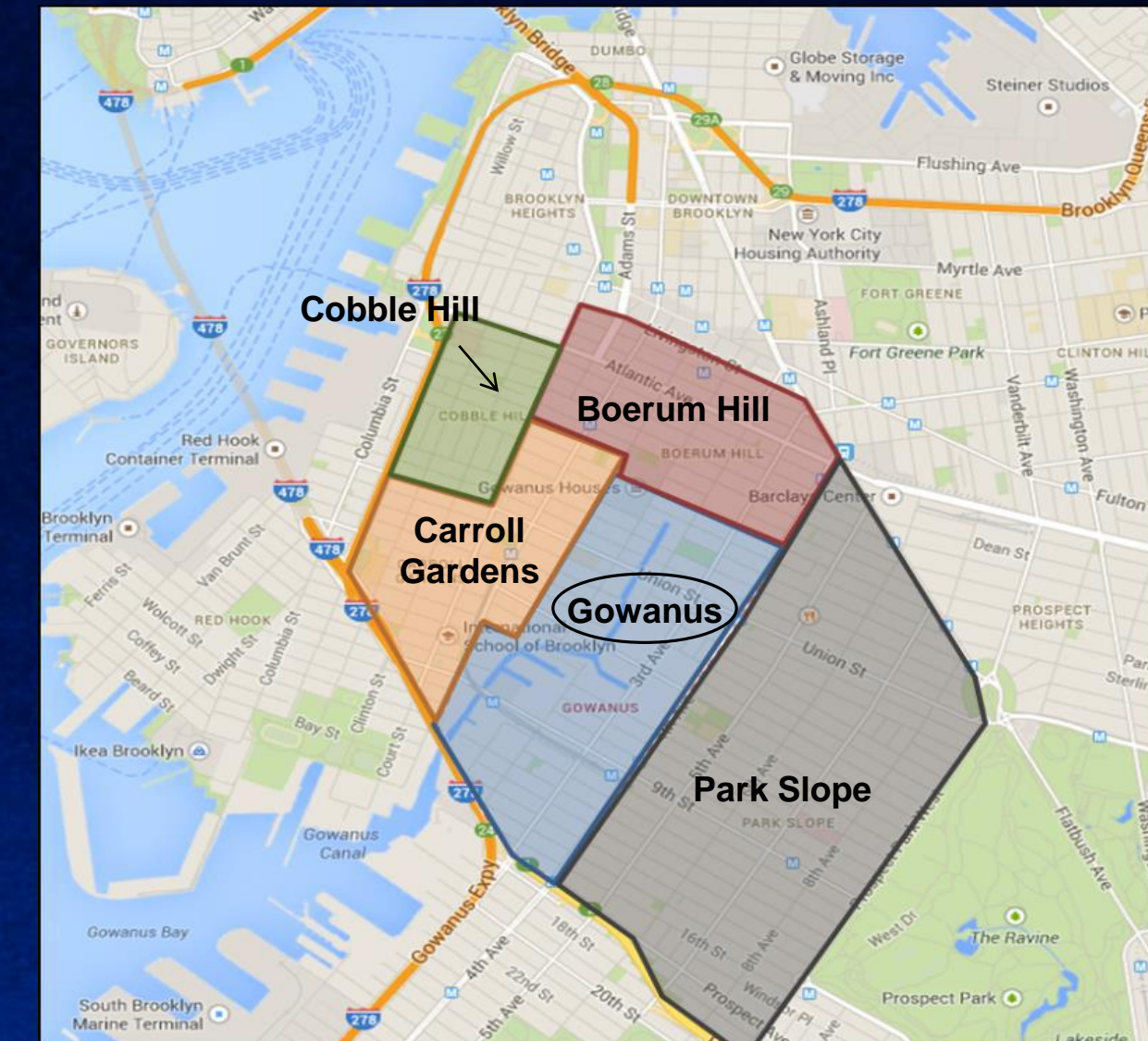
Source: Cushman & Wakefield

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# Robust Development Pipeline

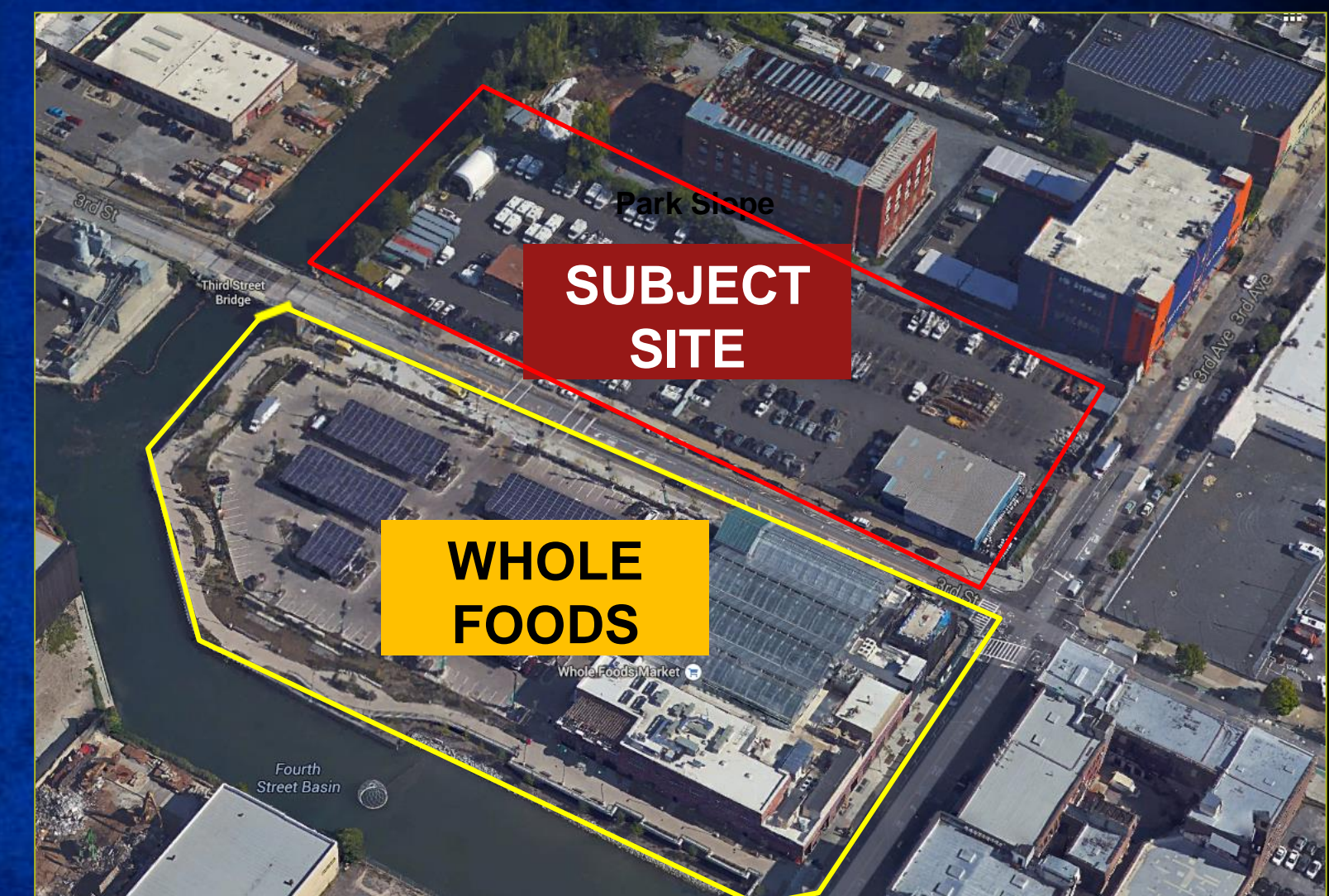
- **760 Madison**

- Highly desirable retail corner
- FMV revaluation may give rise to sub-lease restructuring
- Sub-rent could increase dramatically from \$4.5M currently
- Substantial development opportunity



- **Gowanus, Brooklyn**

- Mixed-use development opportunity (retail and office as-of-right)
- Potential SF: 760,866
- Located in the center of high growth neighborhoods - Park Slope & Carroll Gardens





# Acquisition of Stonehenge Interests

Provides Platform for Growth into NYC Residential



-  Newly Acquired Properties
-  Acquiring Additional Interest in Existing Properties
-  Other SLG Owned Residential Assets
-  605 West 42<sup>nd</sup> Street

## ACQUISITION HIGHLIGHTS

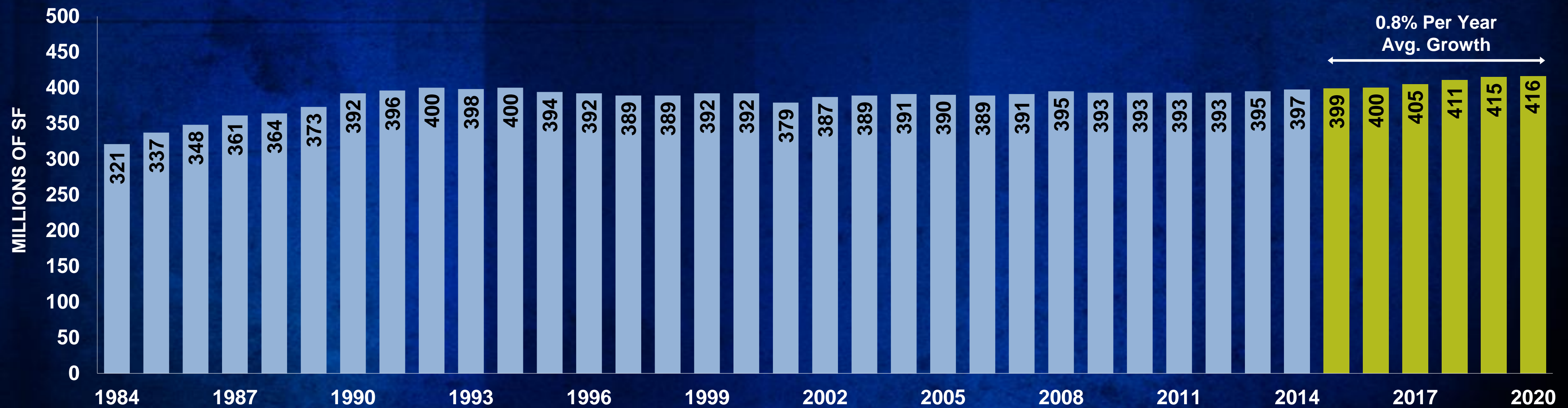
- **Large Institutional Quality Residential Portfolio**
- **Off Market Acquisition**
  - Secured Through Existing Relationships
  - Issuance of Preferred OP Units
- **Acquiring GP and LP Interests and Promotes**
  - Joint Ventures with Institutional Partners
  - 50/50 in GP with Ofer Yardeni
- **Unique Opportunity to Purchase Scale**
  - 23 Properties (18 New to SLG)
  - 2.6M SF (2.1M SF New to SLG)
  - 2,815 Units (2,314 Units New to SLG)
- **Portfolio Value in Excess of \$2.0B**
- **Continue to be Managed by Stonehenge**
- **Residential Submarket Diversification**

# Limited New Supply in Manhattan

| FUTURE DEVELOPMENTS         | SF IN MILLIONS |
|-----------------------------|----------------|
| Proposed 7-Year Development | 19.7           |
| Speculative Development     | (12.2)         |
| Real Development            | 7.5            |
| Pre-Leased                  | (2.1)          |
| Remaining                   | 5.4            |

| HISTORICAL CONVERSIONS                               | SF IN MILLIONS |
|--|----------------|
| Midtown / Midtown South Conversions from 2007 – 2014 | 8.6            |
| Downtown Conversions from 2007 – 2014                | 9.7            |
| <b>Total Conversions</b>                             | <b>18.3</b>    |

## MANHATTAN OFFICE INVENTORY



# Substantial Leasing Pipeline

| <b>SLG LEASING PIPELINE</b>           | <b>AS OF<br/>02/22/15<br/>BY SQUARE<br/>FEET</b> | <b>AS OF<br/>01/28/15<br/>BY SQUARE<br/>FEET</b> | <b>AS OF<br/>12/05/14<br/>BY SQUARE<br/>FEET</b> |
|---------------------------------------|--|--|--|
| <b>LEASES OUT FOR SIGNATURE</b>       | <b>54,677</b>                                    | <b>71,632</b>                                    | <b>74,629</b>                                    |
| <b>LEASES IN NEGOTIATION</b>          | <b>714,446</b>                                   | <b>504,114</b>                                   | <b>448,003</b>                                   |
| <b>TERM SHEETS IN<br/>NEGOTIATION</b> | <b>261,449</b>                                   | <b>494,067</b>                                   | <b>567,028</b>                                   |
| <b>TOTAL PIPELINE</b>                 | <b>1,030,572</b>                                 | <b>1,069,813</b>                                 | <b>1,089,660</b>                                 |

# Debt and Preferred Equity Portfolio

## Portfolio as of 2/26/2015 <sup>1</sup>

- **Debt and Preferred Equity Market Headwinds**
  - Increased Transaction Volume
  - Spread Compression
  - Increased Competition
  - More Aggressive Lending Environment

|                               |                |
|-------------------------------|----------------|
| <b>% in New York City</b>     | <b>100%</b>    |
| <b># of Positions</b>         | <b>50</b>      |
| <b>Net Book Value</b>         | <b>\$1.65B</b> |
| <b>WTD Avg. LTV</b>           | <b>~70%</b>    |
| <b>WTD Avg. Current Yield</b> | <b>10.2%</b>   |

- **SLG Action Plan**

- Whole Loan Originations
- Defend Our Turf
- Take Back Financing
- Continued Outreach



MIDTOWN DPE ASSETS<sup>2</sup>

<sup>1</sup> Includes 747 Madison and 530 Broadway positions

<sup>2</sup> Each dot represents a single property which may secure multiple positions

# Suburban Portfolio Improving

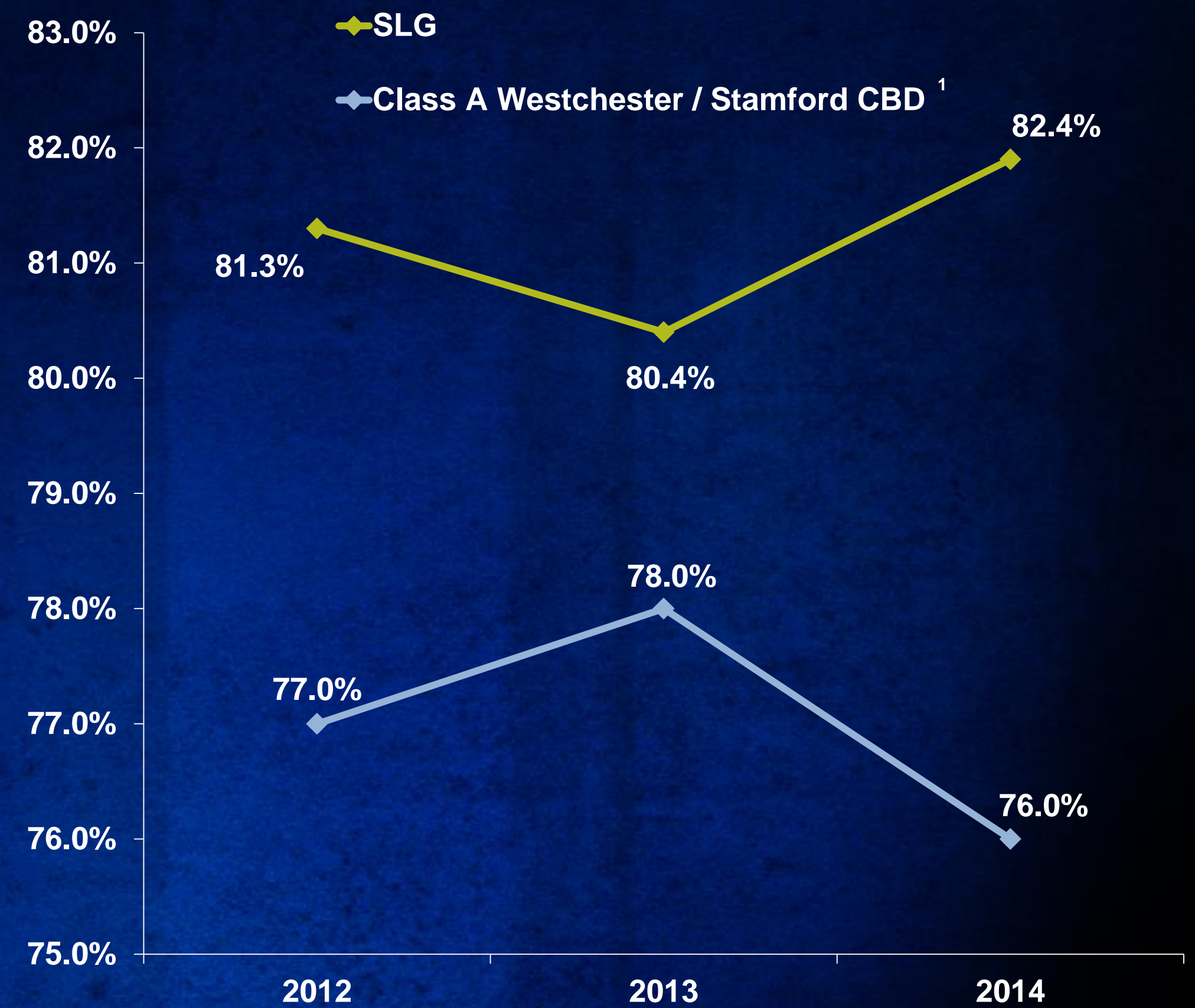
## SUBURBAN MARKET DYNAMICS

- **Leasing Velocity / Increasing Occupancy**
  - Re-emergence of Large Tenants
- **Growing Diversity of Tenant Base**
  - Healthtech, Education, Technology
- **Adaptive Reuse of Existing Buildings**
  - Medical, Education
- **Rental Growth**
  - CBD, Transit Oriented Locations

## SL GREEN PERFORMANCE

- **Positive mark-to-market**
- **No longer defensive**
- **Rising occupancy**
- **Moderate demand from large tenants**

## OCCUPANCY



1. Source: Cushman & Wakefield

# Credit Drivers and Credit Enhancing Activities

LOW RISK  
OPERATING  
STRATEGY

FOCUS ON CORE  
MARKETS AND  
SKILLS

CONSISTENT  
RESULTS

COMMITMENT TO  
INVESTMENT GRADE

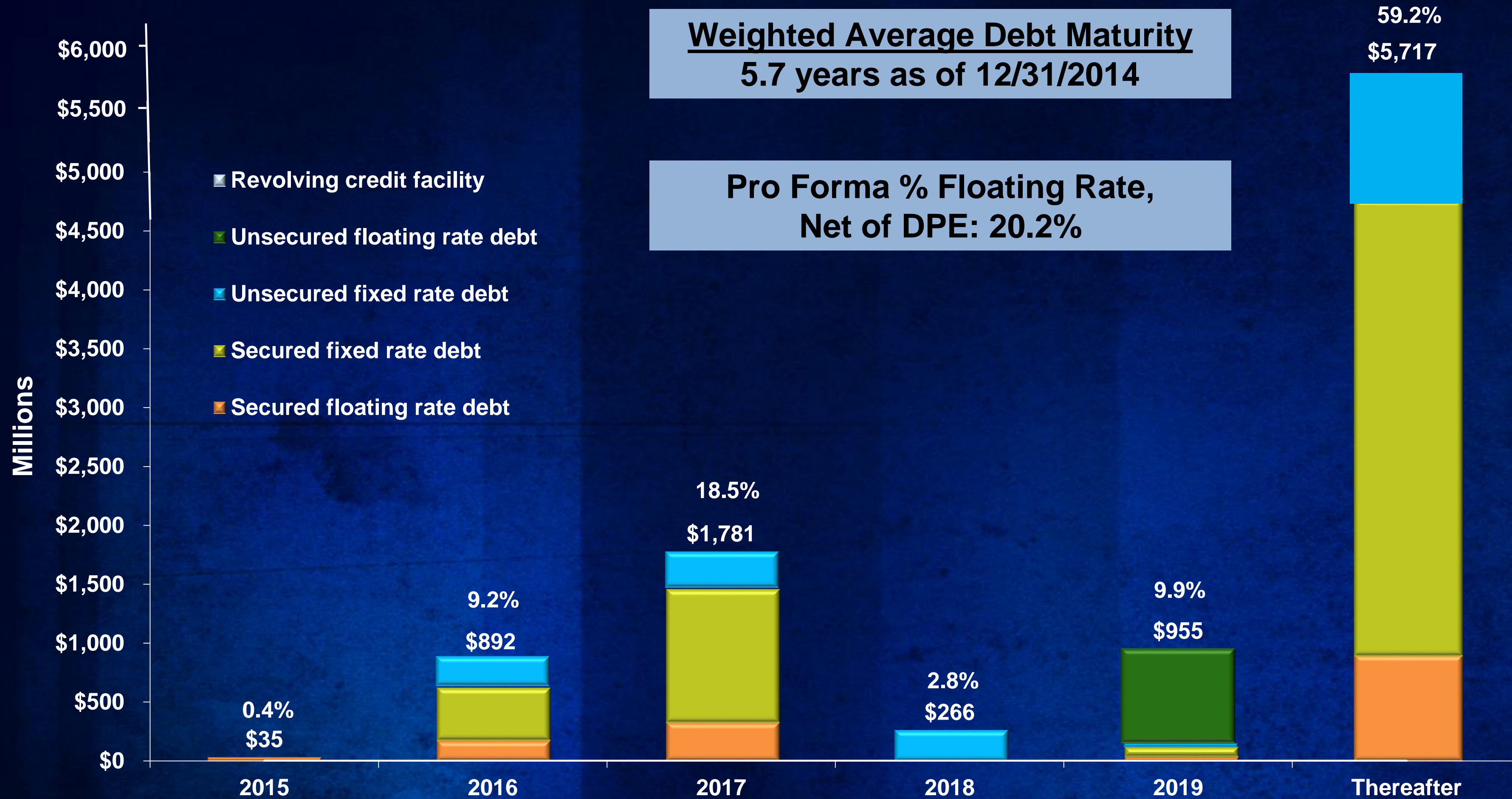
**2014 / 2015  
ACTIVITY**

- Moody's rating upgrade to Baa3
- Fitch rating upgrade to BBB-
- Standard & Poor's rating outlook upgrade to Positive
- Asset sales generating net cash proceeds of over \$700M
- Issued \$303M of common equity through 'at-the-market' equity plan
- Increased unencumbered real estate base by \$1.4B of assets<sup>1</sup>
  - Repaid mortgages totaling \$460M on assets with \$825M of value
  - Acquired \$562M of unencumbered assets
- Expanded, extended, and lowered cost of \$2.03B unsecured credit facility
- Refinanced mortgages totaling \$2.8B, resulting in longer maturity schedule and lower cost of debt<sup>2</sup>
- Swapped \$1.0B of the floating rate mortgage on 388-390 Greenwich to a fixed rate of 3.25% through December 2017
- Increased annual common dividend by 20% to \$2.40 per share
- Repaid \$100M debt and Preferred Equity Facility

<sup>1</sup> Represents undepreciated book value of unencumbered assets

<sup>2</sup> Refinanced mortgages include 420 Lexington, 388-390 Greenwich, 724 Fifth, 100 Park Avenue, and 3 Columbus Circle

# SL Green Debt Maturity Schedule



Note: Reflects SLG share of combined debt outstanding as of 12/31/2014, pro forma for acquisition of Stonehenge interest, repayment of 711 Third Avenue mortgage, repayment of Debt & Preferred Equity Facility, and refinancing of mortgage on 3 Columbus Circle.



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