

SL Green Realty Corp.  
Third Quarter 2002  
Supplemental Data  
September 30, 2002



SL Green Realty Corp. is a fully integrated, self-administered and self-managed Real Estate Investment Trust (REIT) that primarily owns, manages, leases, acquires and repositions office properties in emerging, high-growth submarkets of Manhattan.

- SL Green's common stock and Preferred Income Equity Redeemable Shares ("PIERS"<sup>SM</sup>), are listed on the New York Stock Exchange, and trade under the symbols: SLG and SLG PrA respectively.
- SL Green maintains an internet site at [www.slgreen.com](http://www.slgreen.com) at which most key investor relations data pertaining to dividend declaration, payout, current and historic share price, etc. can be found. Such information is not reiterated in this supplemental financial package. This supplemental financial package is available through the Company's Internet site.
- This data is presented to supplement audited and unaudited regulatory filings of the Company and should be read in conjunction with those filings. The financial data herein is unaudited and is provided from the prospective of timeliness to assist readers of quarterly and annual financial filings. As such, data otherwise contained in future regulatory filings covering the same period may be restated from the data presented herein.

Questions pertaining to the information contained herein should be referred to Michael W. Reid or Thomas E. Wirth at [michael.reid@slgreen.com](mailto:michael.reid@slgreen.com) or [tom.wirth@slgreen.com](mailto:tom.wirth@slgreen.com) or at 212-594-2700

This report includes certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this report that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, including such matters as future capital expenditures, dividends and acquisitions (including the amount and nature thereof), expansion and other development trends of the real estate industry, business strategies, expansion and growth of the Company's operations and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, general economic and business conditions, the business opportunities that may be presented to and pursued by the Company, changes in laws or regulations and other factors, many of which are beyond the control of the Company. Any such statements are not guarantees of future performance and actual results or developments may differ materially from those anticipated in the forward-looking statements.

The following discussion related to the consolidated financial statements of the Company should be read in conjunction with the financial statements for the three and nine months ended September 30, 2002 that will subsequently be released on Form 10-Q to be filed on or before November 15, 2002.



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# TABLE OF CONTENTS

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Highlights of Current Period Financial Performance	
Unaudited Financial Statements	
Corporate Profile	4
Financial Highlights	5-9
Balance Sheets	11-12
Statements of Operations	13-14
Joint Venture Statements	15-16
Statement of Stockholders' Equity	17
Funds From Operations	18
Selected Financial Data	19-21
Summary of Debt and Ground Lease Arrangements	22-23
Mortgage Investments and Preferred Equity	24-25
Property Data	
Composition of Property Portfolio	26
Top Tenants	27
Leasing Activity Summary	28-31
Lease Expiration Schedule	32-33
Summary of Acquisition/Disposition Activity	34-35
Supplemental Definitions	36
Corporate Information	37



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# CORPORATE PROFILE

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SL Green Realty Corp. (the "Company") was formed on August 20, 1997 to continue the commercial real estate business of SL Green Properties Inc. founded in 1980 by Stephen L. Green, our current Chairman and Chief Executive Officer. For more than 20 years SL Green has been engaged in the business of owning, managing, leasing, acquiring and repositioning office properties in Manhattan. The Company's investment focus is to create value through the acquisition, redevelopment and repositioning of Manhattan office properties and releasing and managing these properties for maximum cash flow.

Looking forward, SL Green Realty Corp. will continue its opportunistic investment philosophy through three established business lines: wholly owned property investments, co-ownership in properties with institutional partners, and structured finance investments. This three-legged investment strategy will allow SL Green to balance the components of its portfolio to take advantage of each stage in the business cycle.

Today, the Company is the only fully integrated, self-managed, self-administered Real Estate Investment Trust (REIT) exclusively focused on owning and operating office buildings in Manhattan. SL Green is a pure play for investors to own a piece of New York.



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# FINANCIAL HIGHLIGHTS

THIRD QUARTER 2002  
UNAUDITED

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## EARNINGS PERFORMANCE

Third quarter Funds From Operations (FFO) were \$30.2 million or \$0.86 per share (diluted), 19.4% better than one year ago, when FFO was \$23.6 million or \$0.72 per share (diluted). The third quarter FFO per share results reflect the Company's five million common share issuance in July 2001 which primarily increased the weighted average dilutive shares outstanding from 36.1 million in 2001 to 37.8 million in 2002.

For the nine months ended September 30, 2002, results improved 11.6% as FFO before minority interest totaled \$85.8 million, or \$2.45 per share diluted, compared to \$68.6 million, or \$2.25 per share diluted for the same period in 2001.

The 2001 results include a \$1.0 million charge, or \$0.03 per share, for a one-time contribution to the Twin Towers Fund. In addition, in accordance with new accounting guidelines, the 2001 results were restated to reclassify a \$0.3 million charge related to the early extinguishment of debt as an increase to interest expense.

The \$6.6 million growth in third quarter FFO results from the following:

(1) \$3.9 million increase to FFO from unconsolidated joint ventures primarily due to the acquisition of 1515 Broadway (May 2002) and the net acquisition of an incremental share in the interest in 1250 Broadway from 49.9% to 55.0% (November 2001).

(2) Consolidated GAAP NOI increased \$2.3 million:

- ◀ \$0.3 million increase from the 2002 same store properties primarily due to an increase in GAAP revenue totaling \$1.2 million, net of change in credit loss. The increase in revenue is attributable to (i) a \$1.5 million increase from GAAP replacement rents, which were 48.0% higher than the previously fully escalated rents, were partially offset by higher tenant reserves and vacancies (\$0.9 million) and (ii) increased escalation and reimbursement income (\$0.1 million) primarily from operating expense recoveries. This increase was partially offset by a \$1.1 million increase in operating costs.
- ◀ \$3.0 million increase from the equity in income from unconsolidated joint ventures (previously noted above, included in \$3.9 million from unconsolidated joint ventures). The \$3.0 million net income improvement excludes a \$0.9 million improvement in FFO for increased depreciation.
- ◀ \$0.2 million decrease due to the partial sale of 110 East 42<sup>nd</sup> Street.
- ◀ \$0.6 million decrease from non-same store property results, inclusive of 50 West 23<sup>rd</sup> Street and e.Emerge.

(3) \$1.9 million increase in investment and preferred equity income primarily due to the weighted-average asset balance increase from \$114.2 million to \$194.7 million due to





# FINANCIAL HIGHLIGHTS

THIRD QUARTER 2002  
UNAUDITED



increased net originations. The increase is partially offset by a decrease in the weighted average yield from 16.50% to 12.45% primarily due to lower LIBOR.

(4) MG&A decreased \$1.0 million due to the contribution to the Twin Towers Fund in 2001.

(5) \$0.6 million increase in other income primarily due to asset management fees earned on joint ventures (\$0.7 million) and lease buy-out income (\$0.2 million).

(6) \$0.3 million decrease in interest expense associated with (i) reduced interest costs on floating rate debt (\$0.9 million), (ii) reclassification of 2001 debt extinguishment (\$0.3 million) and (iii) proceeds from the July 2001 common stock offering (\$0.2 million). These reductions were partially offset by increased costs associated with new investment activity (\$0.8 million), the costs associated with refinancings and amortization (\$0.2 million), and increased costs for working capital reserves (\$0.1 million).

## QUARTERLY OPERATING RESULTS

### **Same Store**

Same store cash NOI in the 2002 same store portfolio was unchanged at \$24.6 million. Cash operating margins before ground rent decreased from 57.9% to 56.4%. GAAP NOI increased by \$0.3 million over the prior year, and GAAP operating margins before ground rent decreased from 61.2% to 60.4%. Same store results were affected by a \$1.1 million

increase in operating costs and a \$1.1 million increase in cash revenue.

The \$1.1 million increase in same store operating expenses was due to:

1. \$0.5 million (8.1%) increase in real estate taxes due to higher assessed property values and an increase to the tax rate.
2. \$0.6 million (49.2%) increase in other operating expenses due primarily to (i) \$0.4 million from management costs, professional fees primarily related to legal collection costs and (ii) advertising costs due to the increased vacancy.
3. \$0.1 million (2.7%) decrease in utility costs for electricity and reduced occupancy.

The \$1.1 million increase in cash revenue was due to:

1. An increase in cash rental revenue of \$1.4 million resulting from higher replacement rents on approximately 460,000 square feet that were 39.0% greater than previously fully escalated rents. This increase was partially offset by increased vacancy and reserves (\$0.4 million) as the same store portfolio occupancy decreased from 97.7% in 2001 to 96.9% in 2002.
2. \$0.1 million increase in escalation and reimbursement income due to passthrough of operating cost escalations.



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## FINANCIAL HIGHLIGHTS

THIRD QUARTER 2002  
UNAUDITED

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3. An increase of \$0.2 million in cash revenue due to tenant rent steps partially offset by increased free rent.
4. \$0.2 million decrease in signage rent primarily due to 1666 Broadway.
5. The electric recovery rate for the quarter was approximately 86.0%, which is slightly below the previous year.

### **Consolidated**

The Company's consolidated third quarter EBITDA margins before ground rent improved to 74.9 % compared to 65.9% for 2001. The EBITDA margins after ground rent improved to 69.3% as compared to 60.6% in the same period of the prior year.

These margin improvements are attributable to (i) \$3.0 million increase in net income from joint ventures, (ii) \$1.9 million increase in structured finance income, (iii) \$0.6 million increase in other income primarily due to management fees and lease buy-out income and (iv) \$1.0 million decrease in MG&A expense.

### **QUARTERLY LEASING HIGHLIGHTS**

Vacancy at June 30, 2002 was 337,022 useable square feet net of holdover tenants. During the quarter, 200,368 additional useable office square feet became available at an average escalated cash rent of \$28.25 per rentable square foot. Space

available before holdovers to lease during the quarter totaled 537,390 useable square feet, or 4.7% of the total portfolio.

During the third quarter, 47 leases were signed totaling 160,358 useable square feet. New office cash rents averaged \$34.27 per rentable square foot. Replacement rents were 33.9% greater than rents on previously occupied space, which had a fully escalated cash rent averaging \$25.60 per rentable square foot. The average office lease term was 8.6 years. Average office tenant concessions were 1.6 months of free rent and an allowance of \$17.75 per rentable square foot. Including early renewals and excluding holdover tenants, the tenant renewal rate was 72.0% based on square feet expiring. 16 leases have expired comprising 29,825 useable square feet that are in a holdover status. This results in 347,207 useable square feet (net of holdovers) remaining available as of September 30, 2002.

The average lease term on the quarterly leasing activity was 8.6 years.

The Company signed 10 office leases for 107,935 useable square feet that were for early renewals. The early renewals for space were not scheduled to become available until after the fourth quarter of 2002. The Company was able to renew the current office tenants at an average cash rent of \$31.69, representing an increase of 65.3% over the previously fully escalated rents of \$19.17. The future fully-escalated rents for the early renewals at the time the current leases will roll are estimated to be \$21.72 representing a 45.9% mark-to-market.



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## FINANCIAL HIGHLIGHTS

THIRD QUARTER 2002  
UNAUDITED



The average lease term on the office early renewals was 9.4 years.

For the trailing twelve months, cash replacement rents were 38.1% above the previously escalated rents.

### NEW ACTIVITY

#### **50 West 23<sup>rd</sup> Street**

Due to the Company's intent to sell the property located at 50 West 23<sup>rd</sup> Street, the property's assets and liabilities have been classified to assets and liabilities held for sale on the balance sheet at September 30, 2002. As a result, the Company's operating results have been restated to classify all of the property's income to discontinued operations for all periods presented.

#### **Structured Finance Activity**

After this activity, the structured finance portfolio, including preferred equity interests, totaled \$194.7 million with a current yield of 12.40%, after seller financing.

At September 30, 2002, \$102.0 million of structured finance assets had effective fixed LIBOR floors. The weighted average LIBOR floor was 4.05%.

### CAPITALIZATION AND LIQUIDITY

FAD before first cycle leasing costs increased 5.2% from \$0.55 per share (diluted) to \$0.58 per share (diluted). The increase in FAD was due to the (i) higher FFO results (\$6.6 million), (ii) reduced FAD adjustment from joint ventures (\$2.1 million) primarily due to 1250 Broadway and One Park Avenue and (iii) increased straight-line credit loss reserve (\$0.6 million). These were partially offset by (i) an increase in tenant improvement and leasing commissions (\$6.9 million) primarily associated with higher tenant concession packages, (ii) increased free and straight-line rent (\$0.2 million) and (iii) lower recurring capex (\$0.2 million).

The Company's dividend payout ratio was 51.5% of FFO and 58.3% of FAD before first cycle leasing costs.

During September, the Company declared a dividend distribution of \$0.4425 per common share for the quarter ended September 30, 2002. This reflects the regular quarterly dividend, which is the equivalent of an annualized dividend of \$1.77 per common share. At the close of the third quarter 2002, the common share annualized dividend yield was 5.8%. The Company also declared a dividend of \$0.50 per share of Preferred Income Equity Redeemable Stock for shareholders of record as of September 30, 2002. Both dividends were paid on October 15, 2002.





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## FINANCIAL HIGHLIGHTS

THIRD QUARTER 2002  
UNAUDITED

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### OTHER

Annually, the Company adjusts the same store pool to include all properties owned for a minimum of twelve months (since January 1, 2001). 50 West 23<sup>rd</sup> Street has been classified as held for sale and has been removed from the 2002 same store pool. The 2002 same store pool includes the following wholly-owned properties:

#### 2002 SAME STORE

673 First Avenue  
470 Park Avenue South  
555 West 57<sup>th</sup> Street  
711 Third Avenue  
286 Madison Avenue

1140 Avenue of the Americas  
1466 Broadway  
440 Ninth Avenue  
1372 Broadway  
290 Madison Avenue

420 Lexington Avenue  
70 West 36<sup>th</sup> Street  
1414 Avenue of the Americas  
292 Madison Avenue  
17 Battery Place North



## FINANCIAL HIGHLIGHTS

Third Quarter  
Unaudited



	September 30,	
	2002	2001
<b>Operational Information</b>		
Total Revenues (000's)	\$63,186	\$59,795
Funds from Operations		
FFO per share- diluted	\$0.86	\$0.72
FFO Payout	51%	54%
Funds Available for Distribution		
FAD per share- diluted	\$0.58	\$0.55
FAD Payout	76%	70%
Operating Earnings per share - diluted	\$0.52	\$0.39
Dividends per share	\$0.4425	\$0.3875
Weighted Average Shares Outstanding - Diluted (FFO)	37,811	36,072
Same-store Cash NOI	0%	20%
Capitalization Data (000's)		
Total Assets	\$1,467,192	\$1,346,171
Total Consolidated Debt	\$548,731	\$484,131
Minority Interest	\$44,941	\$46,474
Preferred Stock	\$111,599	\$111,117
Quarter End Closing Price - SLG Common Stock	\$30.74	\$31.52
Total Market Capitalization	\$2,081,572	\$1,878,278
<b>Ratios</b>		
Consolidated Debt to Total Market Capitalization	33.81%	29.98%
Combined Debt Allocated	46.42%	39.80%
Consolidated Fixed Charge	2.68	2.34
Combined Fixed Charge	2.21	2.02
<b>Portfolio</b>		
<b>Total Buildings</b>		
Directly Owned	19	19
Joint Ventures	6	6
	25	25
Total SF	11,533,000	10,035,800
End of Quarter Occupancy - Total	97.0%	97.5%
End of Quarter Occupancy - 2002 Same Store	96.9%	97.7%

# COMPARATIVE BALANCE SHEETS



Unaudited  
(000's omitted)

	<u>9/30/2002</u>	<u>9/30/2001</u>	<u>+/-</u>	<u>6/30/2002</u>	<u>+/-</u>	<u>3/31/2002</u>	<u>+/-</u>
<b>Assets</b>							
Commercial real estate properties, at cost:							
Land & land interests	131,078	138,337	(7,259)	138,337	(7,259)	138,337	(7,259)
Buildings & improvements fee interest	675,499	679,821	(4,322)	701,721	(26,222)	699,610	(24,111)
Buildings & improvements leasehold	147,911	143,198	4,713	145,264	2,647	145,012	2,899
Buildings & improvements under capital lease	<u>12,208</u>	<u>12,208</u>	<u>-</u>	<u>12,208</u>	<u>-</u>	<u>12,208</u>	<u>-</u>
	966,696	973,564	(6,868)	997,530	(30,834)	995,167	(28,471)
Less accumulated depreciation	<u>(119,056)</u>	<u>(93,339)</u>	<u>(25,717)</u>	<u>(115,555)</u>	<u>(3,501)</u>	<u>(108,034)</u>	<u>(11,022)</u>
	847,640	880,225	(32,585)	881,975	(34,335)	887,133	(39,493)
Other Real Estate Investments:							
Investment in unconsolidated joint ventures	217,108	143,049	74,059	223,354	(6,246)	124,958	92,150
Mortgage loans receivable	127,293	96,411	30,882	127,814	(521)	127,669	(376)
Preferred equity investments	67,416	61,491	5,925	67,434	(18)	61,451	5,965
Assets held for sale	41,185	-	41,185	-	41,185	-	41,185
Cash and cash equivalents	13,450	5,991	7,459	20,486	(7,036)	12,429	1,021
Restricted cash:							
Tenant security	19,115	19,394	(279)	18,974	141	18,714	401
Escrows & other	13,423	17,710	(4,287)	15,517	(2,094)	18,412	(4,989)
Tenant and other receivables, net of \$5,860 reserve at 9/30/02	8,066	12,229	(4,163)	8,619	(552)	7,754	312
Related party receivables	4,832	1,883	2,949	3,515	1,317	3,417	1,415
Deferred rents receivable, net of reserve for tenant credit loss of \$6,321 at 9/30/02	54,992	50,060	4,932	55,975	(983)	53,816	1,176
Investment in and advances to affiliates	3,146	8,570	(5,424)	2,949	197	2,811	335
Deferred costs, net	34,957	36,066	(1,109)	34,571	386	34,416	541
Other assets	<u>14,569</u>	<u>13,093</u>	<u>1,476</u>	<u>18,691</u>	<u>(4,122)</u>	<u>15,005</u>	<u>(436)</u>
<b>Total Assets</b>	<b>1,467,192</b>	<b>1,346,171</b>	<b>121,021</b>	<b>1,479,874</b>	<b>(12,682)</b>	<b>1,367,985</b>	<b>99,207</b>

## COMPARATIVE BALANCE SHEETS



Unaudited  
(000's omitted)

	<u>9/30/2002</u>	<u>9/30/2001</u>	<u>+/-</u>	<u>6/30/2002</u>	<u>+/-</u>	<u>3/31/2002</u>	<u>+/-</u>
<b>Liabilities and Stockholders' Equity</b>							
Mortgage notes payable	374,800	411,393	(36,593)	397,371	(22,571)	408,186	(33,386)
Revolving credit facilities	173,931	72,738	101,193	197,931	(24,000)	86,931	87,000
Derivative Instruments-fair value	8,540	4,987	3,553	4,991	3,549	2,002	6,538
Accrued interest payable	1,945	1,935	10	1,951	(6)	1,617	328
Accounts payable and accrued expenses	33,935	20,827	13,108	27,259	6,676	24,386	9,549
Deferred compensation awards	671	1,838	(1,167)	671	-	671	-
Deferred revenue	3,777	1,363	2,414	2,920	857	1,676	2,101
Capitalized lease obligations	15,895	15,505	390	15,802	93	15,644	251
Deferred land lease payable	14,466	13,926	540	14,406	60	14,246	220
Dividend and distributions payable	16,693	14,775	1,918	16,706	(13)	16,596	97
Liabilities related to assets held for sale	21,414	-	21,414	-	21,414	-	21,414
Security deposits	19,420	18,903	517	19,261	159	19,019	401
Total Liabilities	685,487	578,190	107,297	699,269	(13,782)	590,974	94,513
Minority interest (2,166 units outstanding) at 9/30/02	44,941	46,474	(1,533)	45,644	(703)	47,295	(2,354)
8% Preferred Income Equity Redeemable Shares \$0.01 par value, \$25.00 mandatory liquidation preference, 4,600 outstanding	111,599	111,117	482	111,474	125	111,353	246
<b>Stockholders' Equity</b>							
Common stock, \$.01 par value 100,000 shares authorized, 30,376 issued and outstanding at 9/30/02	303	300	3	303	(0)	301	2
Additional paid – in capital	591,668	582,874	8,794	590,197	1,471	585,509	6,159
Deferred compensation plans & officer loans	(5,987)	(8,400)	2,413	(6,165)	178	(7,336)	1,349
Accumulated other comprehensive loss	(8,279)	(4,500)	(3,779)	(4,709)	(3,570)	(1,709)	(6,570)
Retained earnings	47,460	40,116	7,344	43,861	3,599	41,598	5,862
Total Stockholders' Equity	625,165	610,390	14,775	623,487	1,678	618,363	6,802
<b>Total Liabilities and Stockholders' Equity</b>	<b>1,467,192</b>	<b>1,346,171</b>	<b>121,021</b>	<b>1,479,874</b>	<b>(12,682)</b>	<b>1,367,985</b>	<b>99,207</b>

# COMPARATIVE STATEMENTS OF OPERATIONS



Unaudited  
(\$000's omitted)

	Three Months Ended					Three Months Ended		Nine Months Ended	
	Sep-02	Sep-01	+/-	%		Jun-02	Sep-02	Sep-02	Sep-02
<b>Revenues</b>									
Rental revenue, net	46,055	44,704	1,351	3%		44,903		135,038	
Free rent	1,483	877	606	69%		1,695		4,714	
Amortization of free rent	(793)	(718)	(75)	10%		(925)		(2,546)	
Net free rent	690	159	531	334%		770		2,168	
Straight-line rent	1,473	1,734	(261)	-15%		1,566		4,833	
Allowance for S/L tenant credit loss	(974)	(361)	(613)	170%		(529)		(2,016)	
Escalation and reimbursement revenues	8,824	8,727	96	1%		6,318		21,630	
Signage rent	191	424	(233)	-55%		267		924	
Preferred equity investment income	1,960	632	1,328	210%		1,934		5,805	
Investment income	3,871	3,304	567	17%		3,828		11,420	
Other income	1,095	472	623	132%		1,334		3,402	
<b>Total Revenues, net</b>	<b>63,186</b>	<b>59,795</b>	<b>3,391</b>	<b>6%</b>		<b>60,391</b>		<b>183,204</b>	
Equity in income/(loss) from affiliates	21	(57)	78	-137%		307		245	
Equity in income from unconsolidated joint ventures	5,784	2,751	3,033	110%		3,998		13,113	
<b>Operating expenses</b>									
Operating expenses	15,997	14,740	1,257	9%		13,945		43,174	
Ground rent	3,159	3,101	58	2%		3,159		9,478	
Real estate taxes	7,688	7,153	535	7%		7,052		21,798	
Marketing, general and administrative	3,160	4,115	(955)	-23%		3,357		9,719	
<b>Total Operating Expenses</b>	<b>30,004</b>	<b>29,110</b>	<b>894</b>	<b>3%</b>		<b>27,513</b>		<b>84,169</b>	
<b>EBITDA</b>	<b>38,987</b>	<b>33,380</b>	<b>5,607</b>	<b>17%</b>		<b>37,183</b>		<b>112,393</b>	
Interest	9,378	9,724	(346)	-4%		9,130		27,235	
Depreciation and amortization	9,795	8,792	1,003	11%		9,502		28,648	
<b>Income Before Minority Interest and Items</b>	<b>19,814</b>	<b>14,864</b>	<b>4,950</b>	<b>33%</b>		<b>18,551</b>		<b>56,510</b>	
Extraordinary loss- early debt extinguishment	-	-	-	0%		-		-	
Income from Discontinued Operations	789	786	3	0%		700		2,034	
Gain on sale of properties	-	647	(647)	-100%		-		-	
Cumulative effect of accounting change	-	-	-	0%		-		-	
Minority interest - OP	(1,167)	(950)	(217)	23%		(1,153)		(3,380)	
<b>Net Income</b>	<b>19,436</b>	<b>15,347</b>	<b>4,089</b>	<b>27%</b>		<b>18,098</b>		<b>55,164</b>	
Dividends on preferred shares	2,300	2,300	0	0%		2,300		6,900	
Preferred stock accretion	123	114	9	8%		123		368	
<b>Net Income Available For Common Shares</b>	<b>17,013</b>	<b>12,933</b>	<b>4,080</b>	<b>32%</b>		<b>15,675</b>		<b>47,896</b>	
<b>Ratios</b>									
MG&A to Real Estate Revenue, net	5.62%	7.43%				6.30%		5.98%	
MG&A to Total Revenue, net	5.00%	6.88%				5.56%		5.31%	
Operating Expense to Real Estate Revenue, net	28.43%	26.61%				26.17%		26.56%	
EBITDA to Real Estate Revenue, net	69.30%	60.27%				69.77%		69.13%	
EBITDA before Ground Rent to Real Estate Revenue, net	74.91%	65.86%				75.70%		74.96%	



# COMPARATIVE STATEMENTS OF OPERATIONS

Unaudited  
(\$000's omitted)



	Three Months Ended			Three Months Ended	Nine Months Ended
	Sep-02	Sep-01		Jun-02	Sep-02
<b>Per share data:</b>					
<b><u>Earnings per Share</u></b>					
Net income per share (basic)	0.56	0.45		0.52	1.53
Net income per share (diluted)	0.54	0.44		0.51	1.50
<b><u>Operating Earnings</u></b>					
Net Income Available For Common Shares	17,013	12,933	32%	15,675	47,896
Income from Discontinued Operations	(789)	(786)	0%	(700)	(2,034)
Cumulative effect of accounting change	-	-	0%	-	-
Gain on Sale	-	(647)	-100%	-	-
<b>Operating Earnings-Basic</b>	<b>16,225</b>	<b>11,499</b>	<b>41%</b>	<b>14,975</b>	<b>46,407</b>
<b>Operating Earnings Per Share - Basic</b>	<b>0.53</b>	<b>0.40</b>	<b>33%</b>	<b>0.50</b>	<b>1.54</b>
<b>Operating Earnings Per Share - Diluted</b>	<b>0.52</b>	<b>0.39</b>	<b>33%</b>	<b>0.49</b>	<b>1.51</b>
<b><u>Taxable Income</u></b>					
Net Income Available For Common Shares	17,013	12,933	32%	15,675	47,896
Book/Tax Depreciation Adjustment	2,045	(251)	-915%	1,794	5,642
Book/Tax Gain Recognition Adjustment	0	1,393	-100%	1,680	1,680
Other Operating Adjustments	(1,736)	(2,584)	-33%	(4,351)	(9,659)
C-corp Earnings	(21)	57	-137%	(307)	(243)
<b>Taxable Income</b>	<b>17,301</b>	<b>11,548</b>	<b>50%</b>	<b>14,491</b>	<b>45,316</b>
Dividend per share	0.4425	0.3875	14%	0.4425	1.33
Estimated payout of taxable income	78%	70%	11%	92%	89%
Basic weighted average common shares	30,357	28,511	6%	30,200	30,185
Diluted weighted average common shares and common share equivalents outstanding	37,811	31,373	21%	33,183	33,074

### Payout of Taxable Income Analysis:

Estimated taxable income is derived from net income less straightline rent, free rent net of amortization of free rent, plus tax gain on sale of properties, credit loss, straightline ground rent and the difference between tax and GAAP depreciation. The Company has deferred the taxable gain on the sales 29 West 35th Street, 17 Battery Place South, 90 Broad Street, and 1412 Broadway through 1031 exchanges.

## JOINT VENTURE STATEMENTS

Balance sheet for unconsolidated joint ventures  
Unaudited  
(000's omitted)



	September 30, 2002			September 30, 2001	
	<u>Total Property</u>	<u>SLG Property Interest</u>		<u>Total Property</u>	<u>SLG Property Interest</u>
Land & land interests	217,266	115,955		129,751	75,594
Buildings & improvements	901,573	480,104		547,460	321,754
	1,118,839	596,059		677,211	397,348
Less accumulated depreciation	(32,407)	(16,859)		(15,532)	(10,082)
Net Real Estate	1,086,432	579,200		661,679	387,266
Cash and cash equivalents	34,931	18,507		10,638	6,584
Restricted cash	28,934	15,500		23,433	15,792
Tenant receivables, net of \$177 reserve	2,442	1,308		5,585	3,968
Deferred rents receivable, net of reserve for tenant credit loss of \$662 at 9/30/02	11,144	5,751		5,600	3,559
Deferred costs, net	13,814	7,400		9,095	6,472
Other assets	8,760	4,674		4,681	2,788
<b>Total Assets</b>	<b>1,186,456</b>	<b>632,340</b>		<b>720,712</b>	<b>426,429</b>
Mortgage loan payable	742,926	396,513	references pages 18 & 21	445,000	263,648
Derivative Instruments-fair value	(258)	(142)		0	0
Accrued interest payable (1)	2,268	1,181		1,642	885
Accounts payable and accrued expenses	11,948	6,253		18,266	14,375
Security deposits	21,923	11,788		6,340	4,380
Contributed Capital (2)	407,649	216,747	references page 10	249,464	143,141
<b>Total Liabilities and Equity</b>	<b>1,186,456</b>	<b>632,340</b>		<b>720,712</b>	<b>426,429</b>

As of September 30, 2002 the Company has six joint venture interests representing a 50% interest in 180 Madison Avenue acquired in December 2000, a 55% interest in 1250 Broadway acquired in September 2001, a 50% interest in 100 Park Avenue acquired in February 2000, a 35% interest in 321 West 44th Street contributed May 2000, a 55% interest in 1 Park Avenue contributed in June 2001, and a 55% interest in 1515 Broadway acquired in May 2002. These interests are accounted for on the equity method of accounting and, therefore, are not consolidated into the company's financial statements. Additional detail is available on page 32.

(1) This analysis includes hedge instruments at fair value of \$193K on 1250 Broadway and \$57K on 1515 Broadway.

(2) This analysis excludes certain residual interests in the entity that held 90 Broad Street (sold November 2000).

## JOINT VENTURE STATEMENTS

Statements of operations for unconsolidated joint ventures

Unaudited  
(000's omitted)



	Three Months Ended September 30, 2002			Three Months Ended September 30, 2001		
	<u>Total Property</u>	<u>SLG Property Interest</u>	<u>SLG Subsidiary</u>	<u>Total Property</u>	<u>SLG Property Interest</u>	<u>SLG Subsidiary</u>
<b>Revenues</b>						
Rental Revenue, net	35,141	18,647		21,628	11,463	
Free rent	247	124		192	140	
Amortization of free rent	(85)	(42)		(71)	(37)	
Net free rent	162	82		121	103	
Straight-line rent	1,926	1,033		1,008	516	
Allowance for S/L tenant credit loss	(365)	(195)		(185)	(105)	
Escalation and reimbursement revenues	8,667	4,630		4,999	2,657	
Investment income	147	78		174	93	
Other income	394	216		24	12	
<b>Total Revenues, net</b>	<b>46,072</b>	<b>24,491</b>		<b>27,585</b>	<b>14,738</b>	
<b>Expenses</b>						
Operating expenses	12,326	6,553		6,827	3,577	
Real estate taxes	6,835	3,630		4,264	2,269	
<b>Total Operating Expenses</b>	<b>19,161</b>	<b>10,183</b>		<b>11,092</b>	<b>5,846</b>	
<b>GAAP NOI</b>	<b>27,276</b>	<b>14,503</b>		<b>16,678</b>	<b>8,997</b>	
<b>Cash NOI</b>	<b>25,188</b>	<b>13,388</b>		<b>15,548</b>	<b>8,378</b>	
Interest	9,341	4,789		7,159	3,733	
Depreciation and amortization	7,005	3,735		4,279	2,408	
<b>Net Income</b>	<b>10,565</b>	<b>5,784</b>	references page 12	<b>5,054</b>	<b>2,752</b>	
Plus: Real Estate Depreciation	6,047	3,072	references page 17	3,903	2,225	
Plus: Extraordinary Loss	-	-		-	-	
Plus: Management & Leasing Fees	-	-	8	-	-	192
<b>Funds From Operations</b>	<b>16,612</b>	<b>8,856</b>		<b>8,957</b>	<b>4,977</b>	
<b>FAD Adjustments:</b>						
Plus: Non Real Estate Depreciation	958	519		376	183	
Plus: 2% Allowance for S/L Tenant Credit Loss	365	195		185	91	
Less: Free and S/L Rent	(2,088)	(1,115)		(1,129)	(556)	
Less: Second Cycle Tenant Improvement,	(310)	(117)		(2,734)	(2,092)	
Less: Second Cycle Leasing Commissions	(484)	(256)		(597)	(442)	
Less: Recurring Capex	(175)	(83)		(322)	(158)	
<b>FAD Adjustment</b>	<b>(1,734)</b>	<b>(856)</b>		<b>(4,221)</b>	<b>(2,973)</b>	
Operating Expense to Real Estate Revenue, net	26.86%	26.86%		24.60%	24.27%	
GAAP NOI to Real Estate Revenue, net	59.43%	59.46%		60.09%	61.05%	
Cash NOI to Real Estate Revenue, net	54.88%	54.89%		56.02%	56.85%	

## CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY



(\$000's omitted)

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings / (Distributions In Excess of Earnings)</u>	<u>Deferred Compensation Plan / Officers' Loan</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>TOTAL</u>
<b>Balance at December 31, 2000</b>	<b>246</b>	<b>428,698</b>	<b>31,166</b>	<b>(5,037)</b>	<b>-</b>	<b>455,073</b>
Net Income			63,001			63,001
Cumulative Effect of Accounting Change					(811)	(811)
Preferred Dividend and Accretion			(9,657)			(9,657)
Proceeds from common stock offering & revaluation of minority interest (\$2,927)	50	144,558				144,608
Deferred compensation plan	1	4,122		(4,105)		18
Exercise of employee stock options	3	5,283				5,286
Cash distributions declared (\$1.605 per common share)			(44,826)			(44,826)
Redemption of operating partnership units		689				689
Comprehensive Income - Unrealized loss of derivative instruments					(2,100)	(2,100)
Amortization of officers' loan and deferred compensation				1,627		1,627
<b>Balance at December 31, 2001</b>	<b>300</b>	<b>583,350</b>	<b>39,684</b>	<b>(7,515)</b>	<b>(2,911)</b>	<b>612,908</b>
Net Income			55,164			55,164
Preferred Dividend and Accretion			(7,268)			(7,268)
Exercise of employee stock options	3	6,147				6,150
Cash distributions declared (\$1.3275 per common share)			(40,120)			(40,120)
Comprehensive Income - Unrealized loss of derivative instruments					(5,368)	(5,368)
Redemption of operating partnership units		2,686				2,686
Deferred compensation plan		(515)		534		19
Amortization of deferred compensation				994		994
<b>Balance at September 30, 2002 (Unaudited)</b>	<b>303</b>	<b>591,668</b>	<b>47,460</b>	<b>(5,987)</b>	<b>(8,279)</b>	<b>625,165</b>

## RECONCILIATION OF SHARES AND UNITS OUTSTANDING, AND DILUTION COMPUTATION

	<u>Common Stock</u>	<u>OP Units</u>	<u>Stock Options</u>	<u>Sub-total</u>	<u>Preferred Stock</u>	<u>Nine Months Diluted Shares</u>
<b>Balance at December 31, 2001</b>	<b>29,978,304</b>	<b>2,271,404</b>	<b>-</b>	<b>32,249,708</b>	<b>-</b>	<b>32,249,708</b>
YTD share activity	397,830	(104,964)		292,866		292,866
<b>Balance at September 30, 2002- Basic</b>	<b>30,376,134</b>	<b>2,166,440</b>	<b>-</b>	<b>32,542,574</b>	<b>-</b>	<b>32,542,574</b>
Dilution Factor	(191,799)	57,748	665,197	531,146	4,698,900	5,230,046
<b>Balance at September 30, 2002 - Diluted</b>	<b>30,184,335</b>	<b>2,224,188</b>	<b>665,197</b>	<b>33,073,720</b>	<b>4,698,900</b>	<b>37,772,620</b>

## COMPARATIVE COMPUTATION OF FFO AND FAD

Unaudited

(\$000's omitted - except per share data)



	Three Months Ended Sept 30			Three Months Ended June 30,		Three Months Ended March 31,	
	2002	2001	% Change	2002	% Change	2002	% Change
<b>Funds from operations</b>							
Net Income before Minority Interests	19,814	14,864	33%	18,551	7%	18,144	9%
Add:							
Depreciation and Amortization	9,795	8,791	11%	9,502	3%	9,351	5%
FFO from Discontinued Operations	927	1,096	-15%	947	-2%	887	5%
FFO adjustment for Joint Ventures	3,072	2,225	38%	2,713	13%	1,881	63%
Less:							
Dividends on Preferred Shares	2,300	2,300	0%	2,300	0%	2,300	0%
Non Real Estate Depreciation/Amortization of Finance Costs	1,046	1,055	-1%	1,056	-1%	981	7%
<b>Funds From Operations - Basic</b>	<b>30,262</b>	<b>23,621</b>	<b>28%</b>	<b>28,357</b>	<b>7%</b>	<b>26,982</b>	<b>12%</b>
<b>Funds From Operations - Basic per Share</b>	<b>0.93</b>	<b>0.77</b>	<b>21%</b>	<b>0.87</b>	<b>6%</b>	<b>0.84</b>	<b>11%</b>
Add:							
Dividends on Preferred Shares	2,300	2,300	0%	2,300	0%	2,300	0%
<b>Funds From Operations - Diluted</b>	<b>32,562</b>	<b>25,921</b>	<b>26%</b>	<b>30,657</b>	<b>6%</b>	<b>29,282</b>	<b>11%</b>
<b>Funds From Operations - Diluted per Share</b>	<b>0.86</b>	<b>0.72</b>	<b>19%</b>	<b>0.81</b>	<b>6%</b>	<b>0.78</b>	<b>11%</b>
<b>Funds Available for Distribution</b>							
FFO (1)	32,562	25,921	26%	30,657	6%	29,282	11%
Add:							
Non Real Estate Depreciation	1,046	1,059	-1%	1,057	-1%	987	6%
2% Allowance for S/L Tenant Credit Loss	974	377	158%	542	80%	516	89%
Straight-line Ground Rent	60	60	0%	160	-63%	160	-63%
Non-cash Deferred Compensation	178	349	-49%	637	-72%	179	0%
FAD adjustment for Joint Ventures	(856)	(2,922)	-71%	(2,234)	-62%	(850)	1%
Less:							
Straight-line Rental Income	1,473	1,783	-17%	1,601	-8%	1,821	-19%
Free Rent - Occupied (Net of Amortization, incl. First Cycle)	690	138	400%	784	-12%	715	-3%
Amortization of Mortgage Investment Discount	97	177	-45%	97	0%	95	2%
Second Cycle Tenant Improvements	6,691	591	1032%	1,429	368%	3,603	86%
Second Cycle Leasing Commissions	2,711	1,858	46%	757	258%	848	220%
Recurring Building Improvements	232	431	-46%	101	130%	88	164%
<b>Funds Available for Distribution</b>	<b>22,070</b>	<b>19,866</b>	<b>11%</b>	<b>26,050</b>	<b>-15%</b>	<b>23,103</b>	<b>-4%</b>
Diluted per Share	0.58	0.55	6%	0.69	-15%	0.62	-5%
First Cycle Leasing Costs							
Tenant Improvement	-	7	-100%	13	-100%	78	-100%
Leasing Commissions	-	-	0%	-	0%	279	-100%
<b>Funds Available for Distribution after First Cycle Leasing Costs</b>	<b>22,070</b>	<b>19,859</b>	<b>11%</b>	<b>26,037</b>	<b>-15%</b>	<b>22,746</b>	<b>-3%</b>
Funds Available for Distribution per Diluted Weighted Average Unit and Common Share	0.58	0.55	5%	0.69	-15%	0.60	-4%
Redevelopment Costs	2,245	4,147	-46%	1,207	86%	2,329	-4%
<b>Payout Ratio of Funds From Operations</b>	<b>51.38%</b>	<b>53.92%</b>		<b>54.68%</b>		<b>56.82%</b>	
<b>Payout Ratio of Funds Available for Distribution Before First Cycle</b>	<b>75.81%</b>	<b>70.36%</b>		<b>64.35%</b>		<b>71.85%</b>	

(1) For the calculation of funds available for distribution, the FFO Diluted was used for 3Q01.



## SELECTED FINANCIAL DATA

### Capitalization Analysis

Unaudited

(\$000's omitted)



	September 30, <u>2002</u>	<u>2001</u>	June 30, <u>2002</u>	March 31, <u>2002</u>
<b>Market Capitalization</b>				
Common Equity:				
Common Shares Outstanding	30,376	29,945	30,307	30,042
OP Units Outstanding	2,166	2,278	2,213	2,271
<b>Total Common Equity (Shares and Units)</b>	<b>32,542</b>	<b>32,223</b>	<b>32,520</b>	<b>32,314</b>
Share Price (End of Period)	30.74	31.52	35.65	33.60
Equity Market Value	1,000,329	1,015,669	1,159,338	1,085,745
Preferred Equity at Liquidation Value:	<b>115,000</b>	<b>115,000</b>	<b>115,000</b>	<b>115,000</b>
<b>Real Estate Debt</b>				
Property Level Mortgage Debt	395,800	411,393	397,371	408,186
Company's portion of Joint Venture Mortgages	396,513	263,478	396,650	225,133
Outstanding Balance on – Secured Credit Line	30,931	19,738	33,931	34,931
Outstanding Balance on – Unsecured Credit Line	143,000	53,000	164,000	52,000
<b>Total Combined Debt</b>	<b>966,244</b>	<b>747,609</b>	<b>991,952</b>	<b>720,250</b>
<b>Total Market Cap (Debt &amp; Equity)</b>	<b>2,081,572</b>	<b>1,878,278</b>	<b>2,266,290</b>	<b>1,920,995</b>
<b>Lines of Credit Availability</b>				
Senior Unsecured Line of Credit				
Maximum Line Available	300,000	300,000	300,000	300,000
Letters of Credit issued	5,000	5,000	5,000	30,000
Outstanding Balance	143,000	53,000	164,000	52,000
Net Line Availability	152,000	242,000	131,000	218,000
Secured Line of Credit				
Maximum Line Available	75,000	60,000	75,000	75,000
Outstanding Balance	30,931	19,738	33,931	34,931
Net Line Availability	44,069	40,262	41,069	40,069
<b>Total Availability under Lines of Credit</b>	<b>196,069</b>	<b>282,262</b>	<b>172,069</b>	<b>258,069</b>
<b>Ratio Analysis</b>				
<b>Consolidated Basis</b>				
Debt to Market Cap Ratio	33.81%	29.98%	31.84%	29.20%
Debt to Gross Real Estate Book Ratio (1)	56.45%	48.31%	56.97%	46.82%
Secured Real Estate Debt to Secured Assets Gross Book	67.68%	67.51%	68.48%	66.04%
Unsecured Debt to Unencumbered				
Assets-Gross Book Value (1)	39.29%	15.67%	42.44%	14.03%
Secured Line of Credit to Structured Finance Assets (1)	15.89%	12.50%	26.58%	27.36%
<b>Joint Ventures Allocated</b>				
Combined Debt to Market Cap Ratio	46.42%	39.80%	43.77%	37.49%
Debt to Gross Real Estate Book Ratio (1)	60.34%	53.77%	60.58%	51.71%
Secured Debt to Secured Assets Gross Book (1)	67.13%	67.38%	67.50%	47.58%

(1) Excludes property under capital lease

## SELECTED FINANCIAL DATA

Property NOI and Coverage Ratios  
Unaudited  
(\$000's omitted)



	Three Months Ended September 30,				Three Months Ended June 30,		
	2002	2001	+/-	% Change	2002	+/-	% Change
<b>Funds from operations</b>	30,262	23,621	6,641	28%	30,504	(242)	1%
Less: Non – Building Revenue	9,986	6,354	3,632	57%	12,084	(2,098)	17%
Plus: 2% Reserve for Tenant Credit Loss	975	377	598	159%	542	433	-80%
Interest Expense (incl. Capital Lease Int.)	9,776	10,117	(341)	-3%	9,519	257	-3%
Non Real Estate Depreciation	1,046	1,059	(13)	-1%	1,057	(11)	1%
MG&A Expense	3,160	4,116	(956)	-23%	3,357	(197)	6%
Preferred Dividend	2,300	2,300	0	0%	2,300	(0)	0%
<b>GAAP NOI</b>	<b>37,533</b>	<b>35,236</b>	<b>2,297</b>	<b>7%</b>	<b>35,196</b>	<b>2,337</b>	<b>-7%</b>
<b>Cash adjustments</b>							
Less: Free Rent (Net of Amortization)	765	138	627	454%	880	(115)	13%
Straightline Revenue Adjustment	2,495	1,783	712	40%	2,409	86	-4%
Plus: Ground Lease Straight-line Adjustment	60	60	-	0%	160	(100)	63%
<b>Cash NOI</b>	<b>34,333</b>	<b>33,374</b>	<b>959</b>	<b>3%</b>	<b>32,069</b>	<b>2,264</b>	<b>-7%</b>
Real Estate Revenue, net	58,996	57,886	1,110	2%	55,528	3,468	-6%
<b>Operating margins</b>							
GAAP NOI/Real Estate Revenue, net	63.62%	60.87%			63.38%		
Cash NOI/Real Estate Revenue, net	58.20%	57.66%			57.37%		
GAAP NOI before Ground Rent/Real Estate Reven	68.97%	66.23%			69.07%		
Cash NOI before Ground Rent/Real Estate Revenu	63.45%	62.91%			62.77%		
<b>Components of debt and fixed charges</b>							
Interest on Fixed Rate Loans	5,509	6,037	(528)	-9%	5,718	(209)	4%
Interest on Floating Rate Loans	4,266	4,080	187	5%	3,800	466	-12%
Fixed Amortization Principal Payments	1,402	1,196	206	17%	1,643	(241)	15%
<b>Total Debt Service</b>	<b>11,177</b>	<b>11,313</b>	<b>(136)</b>	<b>-1%</b>	<b>11,161</b>	<b>16</b>	<b>0%</b>
Payments under Ground Lease Arrangements	3,099	3,041	58	2%	2,999	100	-3%
Preferred Stock Dividend	2,300	2,300	0	0%	2,300	(0)	0%
<b>Total Fixed Charges</b>	<b>16,576</b>	<b>16,654</b>	<b>(78)</b>	<b>0%</b>	<b>16,460</b>	<b>116</b>	<b>-1%</b>
Adjusted EBITDA	44,436	39,003			42,822		
Interest Coverage Ratio	4.55	3.86			4.50		
Debt Service Coverage ratio	3.98	3.45			3.84		
Fixed Charge Coverage ratio	2.68	2.34			2.60		

## SELECTED FINANCIAL DATA

2002 Same Store  
Unaudited  
(\$000's omitted)



	Three Months Ended September 30,				Three Months Ended June 30		
	2002	2001	+/-	% Change	2002	+/-	% Change
<b>Revenues</b>							
Rental Revenue	41,728	40,105	1,623	4%	40,857	871	2%
Credit Loss	(686)	(326)	(360)	111%	(482)	(204)	42%
Signage Rent	191	372	(181)	-49%	191	0	0%
Escalation & Reimbursement Revenues	7,195	7,053	142	2%	5,191	2,004	39%
Investment & Other Income	262	665	(403)	-61%	574	(312)	-54%
<b>Total Revenues</b>	<b>48,690</b>	<b>47,869</b>	<b>821</b>	<b>2%</b>	<b>46,331</b>	<b>2,359</b>	<b>5%</b>
<b>Expenses</b>							
Operating Expense	12,875	12,375	500	4%	10,981	1,894	17%
Ground Rent	3,159	3,101	58	2%	3,159	(0)	0%
Real Estate Taxes	6,610	6,114	496	8%	6,055	555	9%
<b>Total Operating Expenses</b>	<b>22,644</b>	<b>21,589</b>	<b>1,055</b>	<b>5%</b>	<b>20,195</b>	<b>2,449</b>	<b>12%</b>
<b>EBITDA</b>	<b>26,046</b>	<b>26,280</b>	<b>(234)</b>	<b>-1%</b>	<b>26,136</b>	<b>(90)</b>	<b>0%</b>
Interest	6,129	6,469	(340)	-5%	6,364	(235)	-4%
Depreciation & Amortization	7,364	6,684	680	10%	7,147	217	3%
Income Before Minority Interest	12,553	13,127	(574)	-4%	12,625	(72)	-1%
Plus: Real Estate Depreciation & Amortization	7,125	6,469	656	10%	6,909	216	3%
<b>FFO</b>	<b>19,678</b>	<b>19,596</b>	<b>82</b>	<b>0%</b>	<b>19,534</b>	<b>144</b>	<b>1%</b>
Less: Non – Building Revenue	233	444	(211)	-48%	336	(103)	-31%
Plus: Reserve for Tenant Credit Loss	686	326	360	111%	482	204	42%
Interest Expense	6,129	6,469	(340)	-5%	6,364	(235)	-4%
Non Real Estate Depreciation	239	215	24	11%	237	2	1%
<b>GAAP NOI</b>	<b>26,499</b>	<b>26,162</b>	<b>337</b>	<b>1%</b>	<b>26,281</b>	<b>218</b>	<b>1%</b>
<b>Cash Adjustments</b>							
Less: Free Rent (Net of Amortization)	671	178	493	276%	612	59	10%
Straightline Revenue Adjustment	1,284	1,459	(175)	-12%	1,384	(100)	-7%
Plus: Ground Lease Straight-line Adjustment	60	60	-	0%	160	(100)	-63%
<b>Cash NOI</b>	<b>24,604</b>	<b>24,585</b>	<b>19</b>	<b>0%</b>	<b>24,445</b>	<b>159</b>	<b>1%</b>
<b>Operating Margins</b>							
GAAP NOI to Real Estate Revenue, net	53.92%	54.79%			56.54%		
Cash NOI to Real Estate Revenue, net	50.07%	51.49%			52.59%		
GAAP NOI before Ground Rent/Real Estate Revenue, net	60.35%	61.28%			63.34%		
Cash NOI before Ground Rent/Real Estate Revenue, net	56.37%	57.85%			59.05%		

## DEBT SUMMARY SCHEDULE



Unaudited  
(\$000's omitted)

	Principal O/S Outstanding 9/30/2002	Coupon	Fixed Annual Payment	2002 Principal Repayment	Maturity Date	Due at Maturity	Earliest Contractual Prepayment Date
<b>Fixed rate secured debt</b>							
Property							
673 First Avenue	6,529	9.00%	5,459	3,301	12/13/2003	2,000	Open
50 West 23rd Street	21,000	7.33%	1,539	-	8/1/2007	19,234	Aug-01
CIBC (against 1414 Ave. of Americas and 70 W. 36th St.)	25,776	7.90%	2,402	336	5/1/2009	12,196	Apr-03
711 Third Avenue	48,546	8.13%	4,383	373	9/10/2005	47,247	Jun-04
555 West 57th Street (Libor collar of 6.10% - 6.58% + 200bps)	68,423	8.10%	5,618	676	11/4/2004	66,959	Open
420 Lexington Avenue	123,508	8.44%	12,385	1,693	11/1/2010	104,406	Open
317 Madison (Libor Swap of 4.01% + 180bps)	65,000	5.81%	3,829	-	8/20/2004	65,000	Open
875 Bridgeport Avenue, CT (1031 exchange asset)	14,840	8.32%	1,273	37	5/10/2025	5,466	Open
<b>Total Fixed Rate Secured Debt/Wtd Avg</b>	<b>373,622</b>	<b>7.78%</b>	<b>36,887</b>	<b>6,416</b>			
<b>Floating rate Debt</b>							
<b>Secured floating rate debt</b>							
Structured Finance Loan (Libor + 100bp)	22,178	2.81%	-	-	11/1/2002	22,178	Nov-02
Secured Line of Credit (Libor + 150bps)	30,931	3.37%	-	-	12/22/2004	30,931	Open
<b>Total Floating Rate Secured Debt/Wtd Avg</b>	<b>53,109</b>	<b>3.14%</b>					
<b>Unsecured floating rate debt</b>							
Senior Unsecured Line of Credit (Libor + 150 bps)	143,000	3.35%	-	-	6/27/2003	143,000	Open
<b>Total Floating Rate Unsecured Debt/Wtd Avg</b>	<b>143,000</b>	<b>3.35%</b>					
<b>Total Floating Rate Debt Outstanding</b>	<b>196,109</b>	<b>3.29%</b>					
<b>Total Debt/Wtd Avg</b>	<b>569,731</b>	<b>6.24%</b>					
<b>Weighted Average Balance &amp; Interest Rate</b>	<b>588,853</b>	<b>6.15%</b>					

## SUMMARY OF JOINT VENTURE DEBT

	Principal O/S		Coupon	Fixed Annual Payment	2002 Principal Repayment	Maturity Date	Due at Maturity	Earliest Contractual Prepayment Date
	Gross Principal	SLG Share						
<b>Joint Venture Debt</b>								
180 Madison JV	31,793	15,865	7.81%	2,765	278	12/1/2005	30,778	Open
1250 Broadway (Libor Swap of 4.03% + 250bp) (1)	85,000	46,750	6.53%	5,551	-	10/1/2004	85,000	Open
1515 Broadway (Libor + 191 bps) (2)	335,000	184,250	4.05%	-	-	5/14/2004	184,250	Open
321 W 44th JV (Libor + 250bps)	22,000	7,700	4.33%	-	-	4/30/2003	7,700	Open
1 Park Avenue (Libor + 150 bps)	150,000	82,500	3.31%	-	-	1/10/2004	82,500	Open
100 Park Avenue JV	119,134	59,448	8.00%	10,617	883	9/1/2010	107,488	Open
<b>Total Joint Venture Debt/Wtd Avg</b>	<b>742,928</b>	<b>396,513</b>	<b>4.94%</b>	<b>18,932</b>	<b>1,161</b>			
<b>Weighted Average Balance &amp; Interest Rate with SLG JV debt</b>	<b>985,408</b>	<b>5.74%</b>						

(1) Swap on 1250 mortgage executed on SLG portion only through January 11, 2005.

(2) Spread on 1515 is weighted for first mortgage and mezzanine pieces. In August 2002 a swap at a Libor of 2.29% was placed on \$100mm of SL Green's share of debt.

## SUMMARY OF GROUND LEASE ARRANGEMENTS

Consolidated Statement (REIT)

(\$000's omitted)



<u>Property</u>	<u>2002 Scheduled Cash Payment</u>	<u>2003 Scheduled Cash Payment</u>	<u>2004 Scheduled Cash Payment</u>	<u>2005 Scheduled Cash Payment</u>	<u>Deferred Land Lease Obligations (1)</u>	<u>Year of Maturity</u>
<b>Operating Leases</b>						
673 First Avenue	3,010	3,010	3,010	3,108	12,901	2037
1140 Avenue of Americas (2)	348	348	348	348	-	2016 (3)
420 Lexington Avenue (2)	7,074	7,074	7,074	7,074	-	2008 (4)
711 Third Avenue (2) (5)	1,550	1,550	1,550	1,550	1,565	2032
<b>Total</b>	<b>11,982</b>	<b>11,982</b>	<b>11,982</b>	<b>12,080</b>	<b>14,466</b>	
<b>Capitalized Lease</b>						
673 First Avenue	1,290	1,290	1,290	1,322	15,895	2037

(1) Per the balance sheet at September 30, 2002.

(2) These ground leases are classified as operating leases and, therefore, do not appear on the balance sheet as an obligation.

(3) The Company has a unilateral option to extend the ground lease for an additional 50 years to 2066.

(4) Subject to renewal at the Company's option through 2029.

(5) Excludes portion payable to SL Green as owner of 50% leasehold.



# STRUCTURED FINANCE



(\$000's omitted)

	<u>Assets Outstanding</u>	<u>Wtd Average Assets during quarter</u>	<u>Wtd Average Yield during quarter</u>	<u>Current Yield</u>	<u>Libor Rate</u>
<b>9/30/2001</b>	157,901	114,248	16.50%	14.88%	3.73%
Originations/Accretion (1)	30,468				
Preferred Equity	-				
Redemptions	-				
<b>12/31/2001</b>	188,370	178,248	12.86%	12.72%	2.09%
Originations/Accretion (1)	860				
Preferred Equity					
Redemptions	(110)				
<b>3/31/2002</b>	189,120	188,644	12.63%	12.82%	1.88%
Originations/Accretion (1)	20,300				
Preferred Equity	6,000				
Redemptions	(20,172)				
<b>6/30/2002</b>	195,248	175,907	12.65%	12.67%	1.86%
Originations/Accretion (1)					
Preferred Equity	-				
Redemptions	(539)				
<b>9/30/2002</b>	194,709	194,709	12.45% <sup>2</sup>	12.40% <sup>3</sup>	1.82% <sup>4</sup>

(1) Accretion includes original issue discounts and compounding investment income.

(2) As of September 30, 2002, net of seller financing, the weighted yield is 11.36%.

(3) As of September 30, 2002, net of seller financing, the current yield is 11.31%.

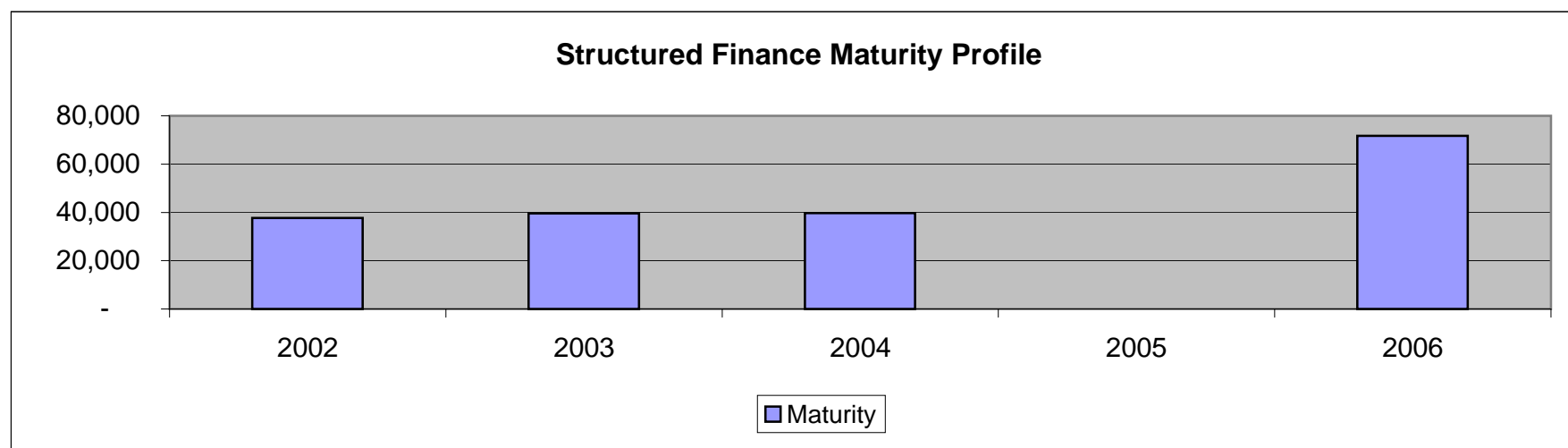
(4) At quarter end \$102mm of assets have fixed index rates. The weighted average base rate is 4.05%

# STRUCTURED FINANCE



(\$000's omitted)

<u>Type of Investment</u>	<u>Quarter End Balance<sup>1</sup></u>	<u>Senior Financing</u>	<u>Exposure Psf</u>	<u>Wtd Average Yield during quarter</u>	<u>Current Yield</u>
Junior Mortgage Participation	\$42,649	\$245,277	\$126	13.88%	13.50%
Mezzanine Debt	\$74,644	\$267,600	\$206	12.50%	12.78%
Preferred Equity	\$77,416	\$369,500	\$181	13.08%	13.09%
<b>Balance as of 9/30/02</b>	<b>\$194,709</b>	<b>\$882,377</b>	<b>\$179</b>	<b>12.45%<sup>2</sup></b>	<b>12.40%<sup>3</sup></b>



(1) Most investments are indexed to Libor and are prepayable at dates prior to maturity subject to certain prepayment penalties or fees.

(2) As of September 30, 2002, net of seller financing, the weighted yield is 11.36%.

(3) As of September 30, 2002, net of seller financing, the current yield is 11.31%.

## SELECTED PROPERTY DATA



Properties	Submarket	Ownership	Rentable Sq. Feet	% of Total Sq. Feet	Leased					Annualized Rent (\$'s)	Annualized Rent		Total Tenants
					Sep-02	Jun-02	Mar-02	Dec-01	Sep-01		100%	SLG	
<b>PROPERTIES 100% OWNED</b>													
<b>"Same Store"</b>													
673 First Avenue	Grand Central South	Leasehold Interest	422,000	4	99.8	99.8	99.8	99.8	99.9	13,186,509	6	5	15
470 Park Avenue South	Park Avenue South/ Flatiron	Fee Interest	260,000	2	99.3	99.3	98.8	99.4	99.4	7,710,093	4	3	25
70 W. 36th Street	Garment	Fee Interest	151,000	1	93.1	94.3	99.2	98.5	96.3	3,808,428	2	1	31
1414 Avenue of the Americas	Rockefeller Center	Fee Interest	111,000	1	96.5	97.6	97.6	96.2	97.6	4,231,343	2	1	26
1372 Broadway	Garment	Fee Interest	508,000	4	97.8	97.2	97.2	99.3	100.0	13,343,728	7	5	26
1140 Avenue of the Americas	Rockefeller Center	Leasehold Interest	191,000	2	95.5	95.5	95.5	95.5	100.0	7,183,965	4	3	24
1466 Broadway	Times Square	Fee Interest	289,000	3	86.2	84.4	84.9	88.9	81.2	9,231,236	5	3	96
420 Lexington Ave (Graybar)	Grand Central North	Operating Sublease	1,188,000	10	93.2	95.8	94.0	94.8	97.1	44,364,095	22	15	248
440 Ninth Avenue	Garment	Fee Interest	339,000	3	97.1	86.7	86.7	91.1	91.1	7,591,587	4	3	12
711 Third Avenue	Grand Central North	Operating Sublease (1)	524,000	5	100.0	100.0	100.0	100.0	100.0	18,935,484	9	7	20
555 West 57th	Midtown West	Fee Interest	941,000	8	100.0	100.0	100.0	100.0	99.9	19,781,922	10	7	21
286 Madison Avenue	Grand Central South	Fee Interest	112,000	1	92.6	94.7	97.9	100.0	99.7	3,321,546	2	1	36
290 Madison Avenue	Grand Central South	Fee Interest	37,000	1	100.0	100.0	100.0	100.0	100.0	1,334,952	1	0	4
292 Madison Avenue	Grand Central South	Fee Interest	187,000	2	99.7	99.7	98.3	100.0	100.0	6,521,351	3	2	18
17 Battery Place - North	World Trade/ Battery	Fee Interest	419,000	4	100.0	100.0	100.0	100.0	100.0	9,607,437	5	3	7
<b>Subtotal / Weighted Average</b>			<b>5,679,000</b>	<b>50</b>	<b>96.9</b>	<b>96.8</b>	<b>96.5</b>	<b>97.4</b>	<b>97.7</b>	<b>170,153,676</b>	<b>83</b>	<b>58</b>	<b>609</b>
<b>2001 Acquisitions</b>													
317 Madison Avenue	Grand Central	Fee Interest	450,000	4	94.3	94.5	94.0	94.6	95.7	13,109,606	6	5	103
1370 Broadway	Garment	Fee Interest	255,000	2	92.3	92.3	98.0	97.3	99.0	7,238,265	4	3	27
<b>Subtotal / Weighted Average</b>			<b>705,000</b>	<b>6</b>	<b>93.6</b>	<b>93.7</b>	<b>95.4</b>	<b>95.6</b>	<b>96.9</b>	<b>20,347,871</b>	<b>10</b>	<b>8</b>	<b>130</b>
<b>Adjustments</b>													
50 W. 23rd Street	Chelsea	Fee Interest	333,000	3	97.2	97.2	97.2	99.2	99.2	7,863,541	4	3	16
110 East 42nd Street	Grand Central	Fee Interest	181,000	2	97.9	97.8	99.8	99.9	99.9	5,899,719	3	2	26
<b>Subtotal / Weighted Average</b>			<b>514,000</b>	<b>4</b>	<b>97.4</b>	<b>97.4</b>	<b>98.1</b>	<b>99.4</b>	<b>99.4</b>	<b>13,763,260</b>	<b>7</b>	<b>5</b>	<b>42</b>
<b>Total/ Weighted Average Properties 100% Owned</b>			<b>6,898,000</b>	<b>60</b>	<b>96.6</b>	<b>96.5</b>	<b>96.6</b>	<b>97.4</b>	<b>97.7</b>	<b>204,264,807</b>	<b>100</b>	<b>71</b>	<b>781</b>
<b>PROPERTIES &lt;100% OWNED</b>													
<b>Unconsolidated</b>													
180 Madison Avenue - 50%	Grand Central South	Fee Interest	265,000	2	82.1	87.3	89.7	92.8	89.5	6,941,258	1		50
1 Park Avenue - 55%	Grand Central South	Various Interests	913,000	8	98.6	98.4	98.3	98.3	97.7	32,919,493	6		18
1250 Broadway -55%	Penn Station	Fee Interest	670,000	6	99.3	99.3	99.5	99.5	99.5	19,245,914	4		27
100 Park Avenue - 50%	Grand Central South	Fee Interest	834,000	7	100.0	100.0	100.0	100.0	97.2	29,787,247	5		38
1515 Broadway - 55%	Times Square	Fee Interest	1,750,000	15	98.3	98.5				61,471,396	12		17
321 West 44th Street -35%	Times Square	Fee Interest	203,000	2	90.2	97.7	97.4	97.2	97.5	4,338,182	1		27
<b>Subtotal / Weighted Average</b>			<b>4,635,000</b>	<b>40</b>	<b>97.5</b>	<b>98.2</b>	<b>98.1</b>	<b>98.4</b>	<b>97.1</b>	<b>154,703,490</b>		<b>29</b>	<b>177</b>
<b>Grand Total/ Weighted Average</b>			<b>11,533,000</b>	<b>100</b>	<b>97.0</b>	<b>97.2</b>	<b>97.0</b>	<b>97.7</b>	<b>97.5</b>	<b>358,968,297</b>			<b>958</b>
<b>Grand Total - SLG share of Annualized Rent</b>										<b>286,610,937</b>		<b>100</b>	

(1) Including Ownership of 50% in Building Fee

## LARGEST TENANTS BY SQUARE FEET LEASED



### Wholly Owned Portfolio + Allocated JV Properties

<u>Tenant</u>	<u>Property</u>	<u>Lease Expiration</u>	<u>Total Leased Square Feet</u>	<u>Annualized Rent (\$)</u>	<u>PSF Annualized</u>	<u>% of Annualized Rent</u>	<u>SLG Share of Annualized Rent(\$)</u>	<u>% of SLG Share of Annualized Rent</u>
Viacom International, Inc.	1515 Broadway	2002, 2004, 2006, 2008, 2009, 2013	1,279,779	\$51,443,388	\$40.20	14.3%	\$28,293,863	9.9%
The City of New York	17 Battery Place	2012	325,664	\$5,701,920	\$17.51	1.6%	\$5,701,920	2.0%
Visting Nurse Services	1250 Broadway	2002, 2005, 2006 & 2011	254,323	\$7,019,184	\$27.60	2.0%	\$3,860,551	1.3%
BMW of Manhattan, Inc.	555 West 57th Street	2012	227,782	\$3,072,360	\$13.49	0.9%	\$3,072,360	1.1%
Philip Morris Management Corp	100 Park Avenue	2007	175,887	\$6,553,824	\$37.26	1.8%	\$3,270,358	1.1%
City University of New York -CUNY	555 West 57th Street	2010, 2011, & 2015	171,732	\$4,681,716	\$27.26	1.3%	\$4,681,716	1.6%
J&W Seligman & Co., Inc.	100 Park Avenue	2009	168,390	\$5,306,280	\$31.51	1.5%	\$2,647,834	0.9%
C.B.S., Inc.	555 West 57th Street	2003 & 2010	165,214	\$3,341,724	\$20.23	0.9%	\$3,341,724	1.2%
Segal Company	1 Park Avenue	2009	157,944	\$5,548,140	\$35.13	1.5%	\$3,051,477	1.1%
Loews Corp	1 Park Avenue	2002	155,765	\$6,818,880	\$43.78	1.9%	\$3,750,384	1.3%
Metro North Commuter Railroad Co.	420 Lexington Avenue	2008 & 2016	134,687	\$3,928,716	\$29.17	1.1%	\$3,928,716	1.4%
St. Luke's Roosevelt Hospital	555 West 57th Street	2014	133,700	\$3,205,656	\$23.98	0.9%	\$3,205,656	1.1%
Minskoff/Nederlander JV (1)	1515 Broadway	2024	102,452	\$210,000	\$2.05	0.1%	\$115,500	0.0%
Ross Stores	1372 Broadway	2010	101,741	\$2,745,348	\$26.98	0.8%	\$2,745,348	1.0%
Ketchum, Inc.	711 Third Avenue	2015	100,876	\$4,218,456	\$41.82	1.2%	\$4,218,456	1.5%
CHF Industries	1 Park Avenue	2005	100,000	\$3,396,600	\$33.97	0.9%	\$1,868,130	0.7%
Coty Inc.	1 Park Avenue	2015	100,000	\$3,668,352	\$36.68	1.0%	\$2,017,594	0.7%
New York Presbyterian Hospital	555 West 57th Street & 673 First Avenue	2006 & 2009	99,650	\$2,723,268	\$27.33	0.8%	\$2,723,268	1.0%
MCI/Worldcom	17 Battery Place, 110 E 42nd St, & 100 Park Avenue	2004 & 2006	93,025	\$3,299,316	\$35.47	0.9%	\$2,362,688	0.8%
Ann Taylor Inc.	1372 Broadway	2010	93,020	\$2,672,472	\$28.73	0.7%	\$2,672,472	0.9%
Crain Communications Inc.	711 Third Avenue	2009	90,531	\$3,263,172	\$36.04	0.9%	\$3,263,172	1.1%
Information Builders Inc	1250 Broadway	2003	88,571	\$2,063,784	\$23.30	0.6%	\$1,135,081	0.4%
Advanstar Communications	1 Park Avenue	2010	85,284	\$2,915,352	\$34.18	0.8%	\$1,603,444	0.6%
Parade Publications, Inc.	711 Third Avenue	2010	82,444	\$1,978,656	\$24.00	0.6%	\$1,978,656	0.7%
UNICEF	673 First Avenue	2003, 2012, & 2013	81,100	\$2,666,268	\$32.88	0.7%	\$2,666,268	0.9%
<b>TOTAL</b>			<b>4,569,561</b>	<b>142,442,832</b>	<b>\$31.17</b>	<b>39.7%</b>	<b>\$98,176,636</b>	<b>34.3%</b>
<b>Wholly Owned Portfolio + Allocated JV Properties</b>			<b>11,533,000</b>	<b>\$358,968,297</b>	<b>\$31.13</b>		<b>\$286,610,937</b>	

(1) Minskoff/Nederlander JV pays percentage rent.

### THIRD QUARTER 2002 - LEASING ACTIVITY



#### Available Space

<u>Activity Type</u>	<u>Building Address</u>	<u># of Leases</u>	<u>Usable SF</u>	<u>Rentable SF</u>	<u>Rent/Rentable SF* (\$'s)</u>
<b>Vacancy at 6/30/02</b>					
<b>337,022</b>					
<b>Expiring Space</b>					
Office					
	317 Madison Avenue	5	9,838	10,903	23.97
	1370 Broadway	3	7,951	8,736	24.91
	180 Madison Avenue	6	7,704	7,704	30.06
	100 Park Avenue	1	1,122	1,189	52.00
	286 Madison Avenue	2	3,174	3,960	35.26
	292 Madison	1	10,113	10,113	20.00
	1414 Ave of Americas	1	1,120	2,351	41.10
	110 East 42nd Street	1	1,358	1,941	38.80
	321 W. 44th Street	1	16,395	19,698	15.81
	1466 Broadway	6	7,232	8,368	33.38
	420 Lexington Avenue	12	46,067	50,113	27.99
	<b>Total/Weighted Average</b>	<b>39</b>	<b>112,074</b>	<b>125,076</b>	<b>26.22</b>
Retail					
	1515 Broadway	1	4,000	4,000	121.00
	1372 Broadway	1	710	645	39.14
	<b>Total/Weighted Average</b>	<b>2</b>	<b>4,710</b>	<b>4,645</b>	<b>109.63</b>
<b>Move Outs</b>					
Office					
	1 Park Avenue	1	16,205	20,462	31.00
	180 Madison Avenue	2	5,186	5,186	29.46
	100 Park Avenue	1	7,745	9,776	25.00
	555 West 57th Street	1	5,043	5,400	20.00
	70 West 36th Street	1	7,879	10,000	32.89
	1372 Broadway	1	33,685	42,685	22.09
	1466 Broadway	3	590	759	48.68
	420 Lexington Avenue	2	6,509	6,729	28.48
	<b>Total/Weighted Average</b>	<b>12</b>	<b>82,842</b>	<b>100,997</b>	<b>26.14</b>
Retail					
	217 Madison Avenue	1	500	500	199.65
	<b>Total/Weighted Average</b>	<b>1</b>	<b>500</b>	<b>500</b>	<b>199.65</b>
<b>Evicted Tenants</b>					
Office					
	<b>Total/Weighted Average</b>	-	-	-	<b>29.34</b>
Retail					
	<b>Total/Weighted Average</b>	-	-	-	-
<b>Relocating Tenants</b>					
Office					
	1466 Broadway	1	242	242	44.63
	<b>Total/Weighted Average</b>	<b>1</b>	<b>242</b>	<b>242</b>	<b>44.63</b>
<b>Available Space</b>					
	<b>Office</b>	<b>52</b>	<b>195,158</b>	<b>226,315</b>	<b>26.20</b>
	<b>Retail</b>	<b>3</b>	<b>5,210</b>	<b>5,145</b>	<b>118.38</b>
	<b>Total</b>	<b>55</b>	<b>200,368</b>	<b>231,460</b>	<b>28.25</b>
	<b>Available Space</b>		<b>537,390</b>		

\* Escalated Rent is calculated as Total Annual Income less Electric Charges.

# THIRD QUARTER - 2002 LEASING ACTIVITY



## Leased Space

Activity Type	Building Address	# of Leases	Lease Term (Yrs)	Usable SF	Rentable SF	New Cash Rent / Rentable SF*	Prev. Escalated Rent/ Rentable SF**	T.I / Rentable SF	Free Rent # of Months
<b>Available Space as 9/30/02</b>				<b>537,390</b>					
<b>Renewing Tenants</b>									
Office									
	317 Madison Avenue	2	3.0	4,807	7,063	33.09	17.85	-	4.0
	1370 Broadway	2	2.2	1,730	2,515	31.35	29.06	0.80	-
	180 Madison Avenue	1	4.0	1,775	2,313	36.00	23.00	0.80	1.0
	100 Park Avenue	1	2.0	832	1,189	47.50	52.00	-	-
	1466 Broadway	1	3.0	965	1,398	36.00	29.79	2.00	1.0
	420 Lexington Avenue	3	1.0	9,234	13,191	34.41	24.95	0.04	1.5
	<b>Total/Weighted Average</b>	<b>10</b>	<b>2.0</b>	<b>19,343</b>	<b>27,669</b>	<b>34.57</b>	<b>24.76</b>	<b>0.26</b>	<b>0.8</b>
Storage									
	<b>Total/Weighted Average</b>								
<b>Relocating Tenants</b>									
Office									
	1466 Broadway	1	2.0	379	573	38.00	44.28	4.36	-
	<b>Total/Weighted Average</b>	<b>1</b>	<b>2.0</b>	<b>379</b>	<b>573</b>	<b>38.00</b>	<b>44.28</b>	<b>4.36</b>	<b>-</b>
<b>Expansion Tenants</b>									
Retail									
	1372 Broadway	1	15.0	1,651	1,800	90.00	100.00	-	4.0
	<b>Total/Weighted Average</b>	<b>1</b>	<b>15.0</b>	<b>1,651</b>	<b>1,800</b>	<b>90.00</b>	<b>100.00</b>	<b>-</b>	<b>4.0</b>
<b>New Tenants Replacing Old Tenants</b>									
Office									
	317 Madison Avenue	1	1.0	3,421	5,105	40.00	23.50	-	-
	1 Park Avenue	1	10.5	16,205	20,462	26.00	31.00	-	2.0
	180 Madison Avenue	2	3.0	1,886	2,675	37.58	28.10	1.64	4.0
	100 Park Avenue	1	8.0	7,745	10,058	37.30	24.30	20.00	2.0
	286 Madison Avenue	1	5.0	995	1,422	33.00	24.75	7.86	2.0
	555 West 57th Street	1	15.3	5,043	7,077	36.00	15.26	-	4.0
	70 West 36th Street	1	10.0	6,063	7,675	23.00	17.00	25.00	4.0
	1372 Broadway	2	14.6	34,705	45,208	46.25	31.76	24.60	4.0
	110 East 42nd Street	1	5.0	1,387	1,983	38.08	22.55	20.19	1.0
	440 Ninth Avenue	2	10.0	35,141	45,500	26.00	20.00	39.51	17.0
	1466 Broadway	2	2.3	884	1,217	39.32	31.68	7.05	1.0
	420 Lexington Avenue	5	4.1	7,686	11,335	38.97	34.07	4.12	6.0
	<b>Total/Weighted Average</b>	<b>20</b>	<b>10.5</b>	<b>121,161</b>	<b>159,717</b>	<b>34.62</b>	<b>25.68</b>	<b>21.37</b>	<b>2.4</b>
Retail									
	317 Madison Avenue	1	2.4	501	501	150.00	199.65	-	1.0
	1372 Broadway	1	10.1	710	710	45.00	37.14	-	-
	<b>Total/Weighted Average</b>	<b>2</b>	<b>6.9</b>	<b>1,211</b>	<b>1,211</b>	<b>88.40</b>	<b>100.40</b>	<b>-</b>	<b>0.5</b>

## THIRD QUARTER - 2002 LEASING ACTIVITY



### Leased Space

Activity Type	Building Address	# of Leases	Lease		New Cash Rent / Rentable SF*	Prev. Escalated Rent/ Rentable SF**	T.I./ Rentable SF	Free Rent # of Months
			Term (Yrs)	Usable SF				
<b>New Tenants Replacing Vacancies</b>								
Office								
	1 Park Avenue	1	0.5	2079	2,654	22.00	-	-
	180 Madison Avenue	1	3.0	660	1,081	38.00	-	2.0
	321 West 44th Street	1	2.0	1,163	2,495	26.00	43.00	-
	1466 Broadway	3	3.7	7,451	10,949	30.35	-	1.7
	420 Lexington Avenue	3	5.3	4,124	6,216	38.67	-	7.0
	<b>Total/Weighted Average</b>	<b>9</b>	<b>3.5</b>	<b>15,477</b>	<b>23,395</b>	<b>31.45</b>	<b>-</b>	<b>14.05</b>
Retail								
	1372 Broadway	1	10	758	800	70.63	-	4.0
	<b>Total/Weighted Average</b>	<b>1</b>	<b>10</b>	<b>758</b>	<b>800</b>	<b>70.63</b>	<b>-</b>	<b>4.0</b>
Storage								
	555 West 57th Street	1	12.8	284	418	25.00	-	-
	420 Lexington Avenue	2	3	94	134	22.41	-	-
	<b>Total/Weighted Average</b>	<b>3</b>	<b>10.4</b>	<b>378</b>	<b>552</b>	<b>24.37</b>	<b>-</b>	<b>-</b>
<b>Leased Space</b>								
	Office	<b>40</b>	<b>8.6</b>	<b>156,360</b>	<b>211,354</b>	<b>34.27</b>	<b>25.60</b>	<b>17.75</b>
	Retail	<b>4</b>	<b>9.3</b>	<b>3,620</b>	<b>3,811</b>	<b>85.44</b>	<b>100.16</b>	<b>-</b>
	Storage	<b>3</b>	<b>10.4</b>	<b>378</b>	<b>552</b>	<b>24.37</b>	<b>-</b>	<b>2.3</b>
	<b>Total</b>	<b>47</b>	<b>8.6</b>	<b>160,358</b>	<b>215,717</b>	<b>35.15</b>	<b>26.66</b>	<b>17.39</b>
<b>Sold Vacancies</b>								
<b>Sub-Total Available Space @ 9/30/02</b>				<b>377,032</b>				
<b>Holdover Tenants</b>								
	317 Madison	2	0	1,200	1,200	31.15	31.15	-
	1370 Broadway	1	0	6,221	6,221	24.34	24.34	-
	180 Madison Avenue	5	0	5,391	5,391	25.23	25.23	-
	292 Madison Avenue	1	0	10,113	10,113	20.00	20.00	-
	1466 Broadway	4	0	3,568	3,568	35.51	35.51	-
	420 Lexington Avenue	2	0	1,253	1,253	40.34	40.34	-
		<b>15</b>	<b>0</b>	<b>27,746</b>	<b>27,746</b>	<b>25.09</b>	<b>25.09</b>	<b>-</b>
<b>Total Available Space @ 9/30/02</b>				<b>349,286</b>				

## THIRD QUARTER - 2002 LEASING ACTIVITY



### Leased Space

Activity Type	Building Address	# of Leases	Lease		New Cash Rent / Rentable SF*	Prev. Escalated Rent/ Rentable SF**	T.I / Rentable SF	Free Rent # of Months
			Term (Yrs)	Usable SF				
<b>Early Renewals</b>								
Office								
	290 Madison Avenue	1	5.8	4,332	5,626	33.00	28.16	-
	50 West 23rd Street	1	7.0	33,940	44,117	32.50	20.77	15.00
	555 West 57th Street	2	9.4	29,685	40,322	33.31	18.47	13.10
	440 Ninth Avenue	2	5.6	35,606	46,242	29.15	15.60	15.75
	420 Lexington Avenue	<u>4</u>	<u>0.9</u>	<u>4,372</u>	<u>5,963</u>	<u>33.15</u>	<u>31.18</u>	<u>-</u>
		<b>10</b>	<b>9.4</b>	<b>107,935</b>	<b>142,270</b>	<b>31.69</b>	<b>19.17</b>	<b>14.62</b>
Retail								
	1372 Broadway	1	9.3	2,894	3,478	104.19	90.00	-
	711 Third Avenue	<u>1</u>	<u>9.1</u>	<u>10,388</u>	<u>10,388</u>	<u>29.84</u>	<u>13.00</u>	<u>-</u>
		<b>2</b>	<b>9.1</b>	<b>13,282</b>	<b>13,866</b>	<b>48.49</b>	<b>32.31</b>	<b>-</b>
Storage								
	286 Madison Avenue	<u>1</u>	<u>2.0</u>	<u>325</u>	<u>505</u>	<u>25.00</u>	<u>25.00</u>	<u>-</u>
		<b>1</b>	<b>2.0</b>	<b>325</b>	<b>505</b>	<b>25.00</b>	<b>25.00</b>	<b>-</b>
<b>Renewals</b>								
	Expired/Renewed Office	10	2.0	19,343	27,669	34.57	24.76	0.26
	Early Renewals Office	10	9.4	107,935	142,270	31.69	19.17	14.62
	Early Renewals Retail	2	9.1	13,282	13,866	48.49	32.31	-
	Early Renewals Storage	<u>1</u>	<u>2.0</u>	<u>325</u>	<u>505</u>	<u>25.00</u>	<u>25.00</u>	<u>-</u>
	<b>Total</b>	<b>23</b>	<b>8.2</b>	<b>140,885</b>	<b>184,310</b>	<b>33.37</b>	<b>21.01</b>	<b>11.32</b>

\* Annual Base Rent

\*\* Escalated Rent is calculated as Total Annual Income less Electric Charges.



# ANNUAL LEASE EXPIRATIONS



## Consolidated Properties

Year of Lease Expiration	Number of Expiring Leases**	Square Footage of Expiring Leases	Percentage of Total Leased Sq. Ft.	Annualized Rent of Expiring Leases (\$'s)	Annualized Rent Per Leased Square Foot of Expiring Leases \$/psf ***	Year 2002 Weighted Average Asking Rent \$/psf
In 1st Quarter 2002 *	10	9,519	0.14%	\$253,896	\$26.67	\$42.61
In 2nd Quarter 2002 *	4	5,028	0.07%	\$166,980	\$33.21	\$38.95
In 3rd Quarter 2002*	13	24,569	0.36%	\$670,752	\$27.30	\$38.06
In 4th Quarter 2002	28	79,482	1.18%	\$2,578,212	\$32.44	\$39.62
<b>Total 2002</b>	<b>55</b>	<b>118,598</b>	<b>1.76%</b>	<b>\$3,669,840</b>	<b>\$30.94</b>	<b>\$39.51</b>
2003	133	557,205	8.25%	\$16,741,392	\$30.05	\$37.37
2004	138	618,011	9.15%	\$19,960,536	\$32.30	\$35.94
2005	128	595,696	8.82%	\$19,212,036	\$32.25	\$36.43
2006	73	513,343	7.60%	\$16,529,604	\$32.20	\$36.29
2007	79	376,972	5.58%	\$11,535,084	\$30.60	\$38.09
2008	43	370,799	5.49%	\$12,340,248	\$33.28	\$36.13
2009	38	564,141	8.35%	\$17,721,060	\$31.41	\$36.71
2010	44	991,862	14.68%	\$30,141,864	\$30.39	\$37.87
2011	23	300,169	4.44%	\$12,217,032	\$40.70	\$40.15
<b>Thereafter</b>	<b>50</b>	<b>1,750,048</b>	<b>25.90%</b>	<b>\$44,196,111</b>	<b>\$25.26</b>	<b>\$34.57</b>
	<b>804</b>	<b>6,756,844</b>	<b>100%</b>	<b>\$204,264,807</b>	<b>\$30.23</b>	<b>\$36.50</b>

\* Includes month to month holdover tenants that expired prior to 9/30/02

\*\*Tenants may have multiple leases.

\*\*\*Represents current in place annualized rent allocated by year of maturity.

# ANNUAL LEASE EXPIRATIONS



## Joint Venture Properties

Year of Lease Expiration	Number of Expiring Leases**	Square Footage of Expiring Leases	Percentage of Total Leased Sq. Ft.	Annualized Rent of Expiring Leases (\$'s)	Annualized Rent Per Leased Square Foot of Expiring Leases \$/psf ***	Year 2002 Weighted Average Asking Rent \$/psf
In 1st Quarter 2002 *	0	0	0.00%	\$0	\$0.00	\$0.00
In 2nd Quarter 2002 *	0	0	0.00%	\$0	\$0.00	\$0.00
In 3rd Quarter 2002*	5	11,563	0.26%	\$765,648	\$66.22	\$45.19
In 4th Quarter 2002	14	275,559	6.10%	\$12,286,980	\$44.59	\$45.20
<b>Total 2002</b>	<b>19</b>	<b>287,122</b>	<b>6.36%</b>	<b>\$13,052,628</b>	<b>\$45.46</b>	<b>\$45.46</b>
2003	22	200,632	4.44%	\$5,970,348	\$29.76	\$44.49
2004	21	173,071	3.83%	\$6,752,916	\$39.02	\$46.07
2005	23	402,063	8.90%	\$10,785,780	\$26.83	\$48.22
2006	25	375,021	8.30%	\$10,337,196	\$27.56	\$44.14
2007	14	282,223	6.25%	\$9,755,652	\$34.57	\$48.58
2008	14	336,780	7.46%	\$10,540,848	\$31.30	\$48.04
2009	16	524,865	11.62%	\$18,077,184	\$34.44	\$47.65
2010	14	1,279,175	28.32%	\$49,358,808	\$38.59	\$53.14
2011	5	101,393	2.24%	\$3,947,232	\$38.93	\$39.92
<b>Thereafter</b>	<b>17</b>	<b>554,842</b>	<b>12.28%</b>	<b>\$16,124,898</b>	<b>\$29.06</b>	<b>\$47.21</b>
	<b>190</b>	<b>4,517,187</b>	<b>100.00%</b>	<b>\$154,703,490</b>	<b>\$34.25</b>	<b>\$48.47</b>

\* Includes month to month holdover tenants that expired prior to 9/30/02

\*\*Tenants may have multiple leases.

\*\*\*Represents in place annualized rent allocated by year of maturity.

# SUMMARY OF REAL ESTATE ACQUISITION ACTIVITY POST 1997



	<u>Property</u>	<u>Type of Ownership</u>	<u>Submarket</u>	<u>Net Rentable s.f.</u>	<u>% Leased at acquisition</u>	<u>% Leased 9/30/2002</u>	<u>Acquisition Price (\$'s)</u>
<b>1998 Acquisitions</b>							
Mar-98	420 Lexington	Operating Sublease	Grand Central North	1,188,000	83	93.2	\$78,000,000
Mar-98	1466 Broadway	Fee Interest	Times Square	289,000	87	86.2	\$64,000,000
Mar-98	321 West 44th	Fee Interest	Times Square	203,000	96	90.2	\$17,000,000
May-98	711 3rd Avenue	Operating Sublease	Grand Central North	524,000	79	100.0	\$65,600,000
Jun-98	440 9th Avenue	Fee Interest	Garment	339,000	76	97.1	\$32,000,000
Aug-98	1412 Broadway	Fee Interest	Times Square South	389,000	90	N/A	\$82,000,000
				<b>2,932,000</b>			<b>\$338,600,000</b>
<b>1999 Acquisitions</b>							
Jan-99	420 Lexington Leasehold	Sub-leasehold	Grand Central North				\$27,300,000
Jan-99	555 West 57th - 65% JV	Fee Interest	Midtown West	941,000	100	100.0	\$66,700,000
May-99	90 Broad Street - 35% JV	Fee Interest	Financial	339,000	82	N/A	\$34,500,000
May-99	<u>The Madison Properties:</u>	Fee Interest	Grand Central South				\$50,000,000
	286 Madison Avenue			112,000	99	92.6	
	290 Madison Avenue			36,800	86	100.0	
	292 Madison Avenue			187,000	97	99.7	
Aug-99	1250 Broadway - 50% JV	Fee Interest	Penn Station	670,000	97	99.3	\$93,000,000
Nov-99	555 West 57th - remaining 35%	Fee Interest	Midtown West	-			\$34,100,000
				<b>2,285,800</b>			<b>\$305,600,000</b>
<b>2000 Acquisitions</b>							
Feb-00	100 Park Avenue	Fee Interest	Grand Central South	834,000	97	100.0	\$192,000,000
Dec-00	180 Madison Avenue	Fee Interest	Grand Central South	265,000	90	82.1	\$41,250,000
<b>Contribution to JV</b>							
May-00	321 West 44th	Fee Interest	Times Square	203,000	98	90.2	\$28,400,000
				<b>1,302,000</b>			<b>\$261,650,000</b>
<b>2001 Acquisitions</b>							
Jan-01	1370 Broadway	Fee Interest	Garment	255,000	97	92.3	\$50,500,000
Jan-01	1 Park Avenue	Various Interests	Grand Central South	913,000	97	98.6	\$233,900,000
Jan-01	469 7th Avenue - 35% JV	Fee Interest	Penn Station	253,000	98	N/A	\$45,700,000
Jun-01	317 Madison	Fee Interest	Grand Central	450,000	95	94.3	\$105,600,000
<b>Acquisition of JV Interest</b>							
Sep-01	1250 Broadway - 49.9% JV (3)	Fee Interest	Penn Station	670,000	98	99.3	\$126,500,000
				<b>2,541,000</b>			<b>\$562,200,000</b>
<b>2002 Acquisitions</b>							
May-02	1515 Broadway - 55% JV (4)	Fee Interest	Times Square	1,750,000	98	98.3	\$483,500,000
							<b>\$483,500,000</b>

(1) This includes the issuance of 44,772 OP units (valued at \$1mm) and \$20mm for a 50% interest in the Building Fee (purchased 7/98).

(2) This includes the assumption of mortgage debt for \$28.6mm (65% of \$44mm).

(3) Current ownership interest is 55%. (From 9/1/01-10/31/01 the company owned 99.8% of this property.)

(4) Current ownership interest is 55%.

## SUMMARY OF REAL ESTATE SALES ACTIVITY POST 1999



	<u>Property</u>	<u>Type of Ownership</u>	<u>Submarket</u>	<u>Net Rentable s.f.</u>	<u>Sales Price (\$'s)</u>	<u>Sales Price (\$'s/SF)</u>
<b>2000 Sales</b>						
Feb-00	29 West 35th Street	Fee Structure	Garment	78,000	\$11,700,000	\$150
Mar-00	36 West 44th Street	Fee Structure	Grand Central	178,000	\$31,500,000	\$177
May-00	321 West 44th Street - 35% JV	Fee Structure	Times Square	203,000	\$28,400,000	\$140
Nov-00	90 Broad Street	Fee Structure	Financial	339,000	\$60,000,000	\$177
Dec-00	17 Battery South	Fee Structure	Financial	392,000	\$53,000,000	\$135
				<b>1,190,000</b>	<b>\$184,600,000</b>	<b>\$156</b>
<b>2001 Sales</b>						
Jan-01	633 Third Ave	Fee Structure	Grand Central North	40,623	\$13,250,000	\$326
May-01	1 Park Ave - 45% JV	Fee Structure	Times Square	913,000	\$233,900,000	\$256
Jun-01	1412 Broadway	Fee Structure	Times Square South	389,000	\$90,700,000	\$233
Jul-01	110 E. 42nd Street	Fee Structure	Grand Central North	69,700	\$14,500,000	\$208
Sep-01	1250 Broadway (1)	Fee Structure	Penn Station	670,000	\$126,500,000	\$189
				<b>2,082,323</b>	<b>\$478,850,000</b>	<b>\$242</b>
<b>2002 Sales</b>						
Jun-02	469 Seventh Avenue	Fee Structure	Penn Station	253,000	\$53,100,000	\$210

(1) Company sold a 45% JV interest in the property at an implied \$126.5mm sales price.

# SUPPLEMENTAL DEFINITIONS

**Annualized rent** is calculated as monthly base rent and escalations per the lease, as of a certain date, multiplied by 12.

**Debt service coverage** is adjusted EBITDA divided by total interest and principal payments

**Equity income/ (loss) from affiliates** are generally accounted for on a cost basis and realized gains and losses are included in current earnings. For its investments in private companies, the Company periodically reviews its investments and management determines if the value of such investments have been permanently impaired. Permanent impairment losses for investments in public and private companies are included in current earnings.

**Fixed charge** is adjusted EBITDA divided by the total payments for ground leases and preferred stock.

**Fixed charge coverage** is adjusted EBITDA divided by total interest expense (including capitalized interest and debt premium amortization, but excluding finance cost amortization) plus preferred dividends and distributions.

**Funds available for distribution (FAD)** is defined as FFO plus non-real estate depreciation, 2% allowance for straight line credit loss, adjustment for straight line ground rent, non-cash deferred compensation, a pro-rata adjustment for FAD for SLG's unconsolidated JV; less straight line rental income, free rent net of amortization, second cycle tenant improvement and leasing cost, and recurring building improvements.

**Funds from operations (FFO)** is defined as income from operations before minority interests, gains or losses from sales of real estate and extraordinary items plus real estate depreciation, an adjustment to derive SLG's pro rata share of the FFO of unconsolidated joint ventures, and perpetual preferred stock dividends. In accordance with NAREIT White Paper on FFO, SLG includes the effects of straight-line rents in FFO.

**Interest coverage** is adjusted EBITDA divided by total interest expense.

**Junior Mortgage Participations** are subordinate interests in first mortgages.

**Mezzanine Debt Loans** are loans secured by ownership interests.

**Operating earnings per share** reflects income before minority interests and gains (losses) from dispositions of real estate and impairment reserves on assets held for sale and operating properties less minority interests' share of income and preferred stock dividends if anti-dilutive.

**Percentage leased** represents the total percentage of total rentable square feet owned, which is leased, including month-to-month leases, as of the date reported. Space is considered leased when the tenant has either taken physical or economic occupancy.

**Preferred Equity Investments** are equity investments entitled to preferential returns that are senior to common equity.

**Recurring capital expenditures** represents non-incremental building improvements and leasing costs required to maintain current revenues. Recurring capital expenditures do not include immediate building improvements that were taken into consideration when underwriting the purchase of a building or which are incurred to bring a building up to "operating standard."

**Redevelopment costs** are non-recurring capital expenditures incurred in order to improve buildings to SLG's "operating standards." These building costs are taken into consideration during the underwriting for a given property's acquisition.

**Same store NOI growth** is the change in the NOI (excluding straight-line rents) of the same store properties from the prior year reporting period to the current year reporting period.

**Same store properties** include all properties that were owned during both the current and prior year reporting periods and excludes development properties prior to being stabilized for both the current and prior reporting period.

**Second generation TI's and LC's** are tenant improvements, lease commissions, and other leasing costs incurred during leasing of second generations space. Costs incurred prior to leasing available square feet are not included until such space is leased. Second generation space excludes square footage vacant at acquisition.

**SLG's share of total debt to market capitalization** is calculated as SLG's share of total debt divided by the sum of total debt plus market equity and preferred stock equity income redeemable shares. SLG's share of total debt includes total consolidated debt plus SLG's pro rata share of the debt of unconsolidated joint ventures less than JV partners' share of debt. Market equity assumes conversion of all OP units into common stock.

**Total square feet owned** represents 100% of the square footage of properties either owned directly by SLG or in which SLG has a controlling interest (e.g. consolidated joint ventures).

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# CORPORATE GOVERNANCE

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**Stephen L. Green**

Chairman of the Board and CEO

**Marc Holliday**

President

**Michael W. Reid**

Chief Operating Officer

**Thomas E. Wirth**

Chief Financial Officer

**Gerard Nocera**

Executive VP, Director of Real Estate

**Andrew S. Levine**

General Counsel and Secretary

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## ANALYST COVERAGE

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<b><u>Firm</u></b>	<b><u>Analyst</u></b>	<b><u>Phone</u></b>	<b><u>Email</u></b>
AG Edwards	Dave Aubuchon	(314) 955-5452	aubuchond@agedwards.com
Corinthian Partners, LLC	Claus Hirsch	(212) 287-1565	cwhirsch@rcn.com
Credit Suisse First Boston	Larry Raiman	(212) 538-2380	lawrence.raiman@csfb.com
Deutsche Banc Alex. Brown	Louis W. Taylor	(212) 469-4912	louis.taylor@db.com
Goldman Sachs	James H. Kammert, CFA	(212) 855-0670	james.kammert@gs.com
Legg Mason Wood Walker, Inc.	David Fick	(410) 454-5018	dmfick@leggmason.com
Lehman Brothers, Inc.	David Shulman	(212) 526-3413	dshulman@lehman.com
McDonald & Company	Anatole Pevnev	(216) 263-4783	apevnev@mcinvest.com
Prudential Securities	James W. Sullivan	(212) 778-2515	jim_sullivan@prusec.com
Raymond James & Associates	Paul Puryear	(727) 573-8607	ppuryear@ecm.rjf.com
Salomon Smith Barney	Jonathan Litt	(212) 816-0231	jonathan.litt@ssmb.com
Wachovia Securities	Christopher Haley	(443) 263-6773	christopher.haley@wachovia.com

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