

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

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

Date of Report (Date of earliest event reported):

July 24, 2006

**SL GREEN REALTY CORP.**

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

**MARYLAND**

(STATE OF INCORPORATION)

1-13199

(COMMISSION FILE NUMBER)

13-3956775

(IRS EMPLOYER ID. NUMBER)

420 Lexington Avenue  
New York, New York

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

10170  
(ZIP CODE)

(212) 594-2700

(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 2.02. Results of Operations and Financial Condition**

Following the issuance of a press release on July 24, 2006 announcing the Company's results for the second quarter ended June 30, 2006, the Company intends to make available supplemental information regarding the Company's operations that is too voluminous for a press release. The Company is attaching the press release as Exhibit 99.1 and the supplemental package as Exhibit 99.2 to this Current Report on Form 8-K.

The information (including exhibits 99.1 and 99.2) being furnished pursuant to this "Item 2.02 Results of Operations and Financial Condition" shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing.

**Item 7.01. Regulation FD Disclosure**

As discussed in Item 2.02 above, on July 24, 2006, the Company issued a press release announcing its results for the second quarter ended June 30, 2006.

The information being furnished pursuant to this "Item 7.01 Regulation FD Disclosure" shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing. This information will not be deemed an admission as to the materiality of such information that is required to be disclosed solely by Regulation FD.

**Item 9.01. Financial Statements and Exhibits**

99.1 Press Release regarding second quarter earnings.

99.2 Supplemental package.

## **NON-GAAP Supplemental Financial Measures**

### **Funds from Operations (FFO)**

FFO is a widely recognized measure of REIT performance. We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts, or NAREIT, which may not be comparable to FFO reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than we do. The revised White Paper on FFO approved by the Board of Governors of NAREIT in April 2002 defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring and sales of properties, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. We present FFO because we consider it an important supplemental measure of our operating performance and believe that it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, particularly those that own and operate commercial office properties. We also use FFO as one of several criteria to determine performance-based bonuses for members of our senior management. FFO is intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization unique to real estate, gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year,

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reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, interest costs, providing perspective not immediately apparent from net income. FFO does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of our financial performance or to cash flow from operating activities (determined in accordance with GAAP) as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make cash distributions.

### **Funds Available for Distribution (FAD)**

FAD is a non-GAAP financial measure that is not intended to represent cash flow for the period and is not indicative of cash flow provided by operating activities as determined in accordance with GAAP. FAD is presented solely as a supplemental disclosure with respect to liquidity because the Company believes it provides useful information regarding the Company's ability to fund its dividends. Because all companies do not calculate FAD the same way, the presentation of FAD may not be comparable to similarly titled measures of other companies. FAD does not represent cash flow from operating, investing and finance activities in accordance with GAAP and should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of our financial performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP), or as a measure of our liquidity.

### **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)**

The Company presents earnings before interest, taxes, depreciation and amortization (EBITDA) because the Company believes that EBITDA, along with cash flow from operating activities, investing activities and financing activities, provides investors with an additional indicator of the Company's ability to incur and service debt. EBITDA should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of our financial performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP), or as a measure of our liquidity.

### **Same-Store Net Operating Income**

The Company presents same-store net operating income on a cash and GAAP basis because the Company believes that it provides investors with useful information regarding the operating performance of properties that are comparable for the periods presented. For properties owned since January 1, 2005, the Company determines net operating income by subtracting property operating expenses and ground rent from recurring rental and tenant reimbursement revenues. Same-store net operating income is not an alternative to net income (determined in accordance with GAAP) and same-store performance should not be considered an alternative to GAAP net income performance.

### **Debt to Market Capitalization Ratio**

The Company presents the ratio of debt to market capitalization as a measure of the Company's leverage position relative to the Company's estimated market value. The Company's estimated market value is based upon the quarter-end trading price of the Company's common stock multiplied by all common shares and operating partnership units outstanding plus the face value of the Company's preferred equity. This ratio is presented on a consolidated basis and a combined basis. The combined debt to market capitalization includes the Company's pro-rata share of off-balance sheet (unconsolidated) joint venture debt. The Company believes this ratio may provide investors with another measure of the Company's current leverage position. The debt to market capitalization ratio should be used as one measure of the Company's leverage position, and this measure is commonly used in the REIT sector; however, this may not be comparable to other REITs that do not compute in the same manner. The debt to market capitalization ratio does not represent the Company's borrowing capacity and should not be considered an alternative measure to the Company's current lending arrangements.

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The Company presents fixed charge and interest coverage ratios to provide a measure of the Company's financial flexibility to service current debt amortization, interest expense and ground rent from current cash net operating income. These coverage ratios are provided on both a consolidated and combined basis. The combined coverage ratios include the Company's pro-rata share of off-balance sheet (unconsolidated) joint venture fixed charges and cash net operating income. These coverage ratios represent a common measure of the Company's ability to service fixed cash payments; however, these ratios are not used as an alternative to cash flow from operating, financing and investing activities (determined in accordance with GAAP).

#### SIGNATURES

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

SL GREEN REALTY CORP.

/s/ Gregory F. Hughes

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Gregory F. Hughes

Chief Financial Officer

Date: July 25, 2006

## FOR IMMEDIATE RELEASE

## CONTACT

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 Chief Financial Officer  
 (212) 594-2700  
 or  
 Heidi Gillette  
 Investor Relations  
 (212) 216-1601

**SL GREEN REALTY CORP. REPORTS  
 SECOND QUARTER FFO OF \$1.22 PER SHARE**

Second Quarter Highlights

- Increased second quarter FFO to \$1.22 per share (diluted) from \$1.02 during the second quarter of 2005, an increase of 19.6%.
- Closed on the previously announced transaction involving 609 Fifth Avenue, which valued the property at approximately \$182.0 million.
- Signed 57 office leases totaling 427,862 square feet during the second quarter.
- Finished the quarter at 95.9% occupancy, up from 95.2% at the end of the first quarter.
- Increased average office starting rents by 10.3% over previously fully escalated rents reflecting continued growth in rents for office leases signed during the second quarter.
- Recognized combined same-store GAAP NOI growth of 5.3% during the second quarter.
- Recapitalized 55 Corporate Drive, NJ increasing our ownership interest from 10% to 50%. The property was originally acquired in May 2005 for \$125.0 million and was valued at \$236.0 million in connection with the recapitalization in June 2006.
- Recognized approximately \$4.9 million to date (\$0.10 per share) of fees, promote and other income resulting from the recapitalization and resolution of our investments with The Gale Companies.
- Refinanced 521 Fifth Avenue with a \$140.0 million mortgage at LIBOR plus 100 basis points, a 62.5 basis point reduction in spread.
- Invested \$15.3 million for a 50% ownership interest in a joint venture with Mack-Cali Realty Corporation which acquired interests in seven class A office properties valued at approximately \$127.5 million and encompassing approximately 900,000 square feet.
- Originated \$44.2 million of structured finance investments with an initial yield of 9.74%.

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- Invested \$20.1 million in Gramercy Capital Corp., or Gramercy (NYSE: GKK), in connection with its approximately \$80.0 million common stock offering in May 2006.
  - Received \$8.2 million in dividends and fees from our investment in, and management arrangements with, Gramercy, including a \$1.6 million incentive fee earned during the quarter.
  - Issued 2.5 million shares of common stock in July 2006 raising net proceeds of approximately \$269.1 million.

Summary

New York, NY, July 24, 2006 - SL Green Realty Corp. (NYSE: SLG) today reported funds from operations available to common stockholders, or FFO, of \$57.2 million, or \$1.22 per share, for the second quarter ended June 30, 2006, a 19.6% increase over the same quarter in 2005. The Company also reported FFO of \$2.30 per share for the six months ended June 30, 2006, a 14.4% increase over the same period in 2005, which was \$2.01 per share.

Net income available to common stockholders totaled \$29.1 million, or \$0.65 per share for the second quarter and \$52.8 million, or \$1.19 per share for the six months ended June 30, 2006, a decrease of \$27.4 million and \$26.6 million over the respective periods in 2005. 2005 results include a gain on sale of 1414 Avenue of the Americas (\$0.79 per share)

All per share amounts are presented on a diluted basis.

| (In Millions except per share) | Three Months Ended June 30, |         | Six Months Ended June 30, |         |
|--------------------------------|-----------------------------|---------|---------------------------|---------|
|                                | 2006                        | 2005    | 2006                      | 2005    |
| Funds from operations          | \$ 57.2                     | \$ 46.4 | \$ 107.5                  | \$ 90.9 |
| -per share (diluted)           | \$ 1.22                     | \$ 1.02 | \$ 2.30                   | \$ 2.01 |
| Net income                     | \$ 29.1                     | \$ 56.5 | \$ 52.8                   | \$ 79.4 |
| -per share (diluted)           | \$ 0.65                     | \$ 1.31 | \$ 1.19                   | \$ 1.85 |

Operating and Leasing Activity

For the second quarter of 2006, the Company reported revenues and EBITDA of \$132.8 million and \$76.9 million, respectively, increases of \$30.7 million (or 30.1%) and \$14.7 million (or 23.7%), respectively, over the same period in 2005, largely due to strong leasing activity at 625 Madison Avenue and 420 Lexington Avenue as well as the acquisitions in 2005 and 2006, including 28 West 44<sup>th</sup> Street (February 2005), an additional interest in 19 West 44<sup>th</sup> Street (June 2005) and 521 Fifth Avenue (March 2006). Same-store GAAP NOI on a combined basis increased by 5.3% for the second quarter when compared to the same quarter in 2005, with the wholly-owned properties increasing 7.9% to \$47.0 million during the second quarter and the joint venture properties increasing by 0.5% to \$24.1 million.

Average starting office rents of \$46.40 per rentable square foot for the second quarter represented a 10.3% increase over the previously fully escalated rents.

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Occupancy for the portfolio increased from 95.2% at March 31, 2006 to 95.9% at June 30, 2006. During the quarter, the Company signed 60 leases totaling 437,864 square feet, with 57 leases and 427,862 square feet representing office leases.

Significant leasing activities during the second quarter included:

- Renewal with Morgan Stanley and Co., Inc. for approximately 46,300 square feet at 1221 Avenue of the Americas.
- New lease with Cardinia Real Estate LLC for approximately 54,149 square feet at 485 Lexington Avenue.
- New lease with Network Appliance for approximately 36,223 square feet at 100 Park Avenue.
- Commencement of lease with Polo Ralph Lauren for approximately 72,500 square feet at 625 Madison Avenue.

### **Real Estate Investment Activity**

During the second quarter of 2006, the Company announced new investments totaling approximately \$545.5 million.

Investment activity announced during the second quarter included:

- In June 2006, the Company acquired an additional 40% ownership interest in the venture that owns 55 Corporate Drive, N.J., increasing our ownership interest to 50%. This interest is held as a tenant-in-common interest. Subsequent to this acquisition, which valued the property at \$236.0 million, the property was refinanced. The mortgage was repaid and replaced by a \$190.0 million, ten-year interest-only mortgage with a fixed stated interest rate of 5.75%. The property is net-leased to a single tenant until 2015.
- On June 30, 2006, the Company completed the investment in the previously announced transaction involving 609 Fifth Avenue — a mixed-use property that includes New York City's American Girl Store and approximately 100,000 square feet of Class A office space — in a transaction that valued the property at approximately \$182.0 million. The Company issued approximately 64 million preferred units in SL Green Operating Partnership, L.P., valued at \$1.00 per unit, to subsidiaries of 609 Partners, LLC, the partnership that indirectly holds the property, and acquired all of its common partnership interests. The property remains subject to a \$102.0 million mortgage loan held by Morgan Stanley Mortgage Capital, Inc. The mortgage has a fixed annual interest rate of 5.85% and will mature in October 2013.
- In May 2006, the Company entered into a joint venture with Mack-Cali Realty Corporation. The joint venture, in which the Company has a 50% ownership interest, acquired interests in seven class A office properties, valued at approximately \$127.5 million from entities affiliated with The Gale Company in which entities the Company had a preferred equity investment. The properties, which encompass approximately 900,000 square feet, are subject to \$102.5 million of mortgage loans at an effective interest rate of approximately 7.57%.

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### **Financing and Capital Activity**

In July 2006, the Company sold 2,500,000 shares of its common stock for net proceeds, after deducting underwriting discounts, commissions and transaction expenses, of approximately \$269.1 million. Lehman Brothers acted as sole underwriter for this offering, and was also granted a 30-day option to purchase up to an additional 250,000 shares solely to cover over-allotments.

In April 2006, the Company refinanced the \$140.0 million loan on 521 Fifth Avenue with a new \$140.0 million five-year loan that bears interest at LIBOR plus 100 basis points. The previous loan bore interest at LIBOR plus 162.5 basis points.

### **Structured Finance Activity**

The Company's structured finance investments totaled \$334.0 million on June 30, 2006, a decrease of \$132.2 million over the balance at March 31, 2006. The structured finance investments currently have a weighted average maturity of 7.7 years. The weighted average yield for the quarter ended June 30, 2006 was 10.31%, consistent with the yield for the quarter ended March 31, 2006.

During the second quarter 2006, the Company originated \$44.2 million of structured finance investments with an initial yield of 9.74%. This includes an investment in a New York City commercial office property, which Gramercy elected not to make. In addition, the Company received redemptions totaling approximately \$176.5 million that were yielding 10.97%.

In May 2006, Mack-Cali Realty Corporation acquired The Gale Company's interests in the New Jersey properties constituting the Bellmeade portfolio, which interests are in substantially all of the entities in which the Company had a preferred equity investment. This transaction, as well as other redemptions during the quarter, resulted in the recognition of approximately \$4.9 million (\$0.10 per share) of fee and promote income.

### **Investment In Gramercy Capital Corp.**

In May 2006, we purchased 750,000 shares of common stock of Gramercy for approximately \$20.1 million in connection with its approximately \$80.0 million common stock offering. At June 30, 2006, the book value of the Company's investment in Gramercy totaled \$116.8 million. Fees earned from various arrangements between the Company and Gramercy totaled approximately \$5.4 million for the quarter ended June 30, 2006, including an incentive fee of \$1.6 million earned as a result of Gramercy's FFO exceeding the 9.5% annual return on equity performance threshold. For the six months ended June 30, 2006, the Company earned \$10.2 million in fees from Gramercy. The Company's share of FFO generated from its investment in Gramercy totaled approximately \$3.7 million and \$6.9 million for the three and six months ended June 30, 2006, respectively, compared to \$2.2 million and \$3.3 million for the same periods in the prior year.

The Company's marketing, general and administrative, or MG&A, expenses include the consolidation of the expenses of its subsidiary GKK Manager LLC, the entity which manages and advises Gramercy. For the quarter ended June 30, 2006, the Company's MG&A includes approximately \$2.6 million of costs associated with Gramercy.

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### **Dividends**

During the second quarter of 2006, the Company declared quarterly dividends on its outstanding common and preferred stock as follows:

- \$0.60 per share of common stock. Dividends were paid on July 14, 2006 to stockholders of record on the close of business on June 30, 2006.
- \$0.4766 and \$0.4922 per share on the Company's Series C and D Preferred Stock, respectively, for the period April 15, 2006 through and including July 14, 2006. Distributions were made on July 14, 2006 to stockholders of record on the close of business on June 30, 2006. Distributions reflect regular quarterly distributions, which are the equivalent of an annualized distribution of \$1.90625 and \$1.96875, respectively.

### **Conference Call and Audio Webcast**

The Company's executive management team, led by Marc Holliday, President and Chief Executive Officer, will host a conference call and audio web cast on Tuesday, July 25, 2006 at 2:00 p.m. ET to discuss second quarter financial results.

The conference call may be accessed by dialing (866) 761-0748 Domestic or (617) 614-2706 International. No pass code is required. The live conference will be simultaneously broadcast in a listen-only mode on the Company's web site at [www.slgreen.com](http://www.slgreen.com). The Supplemental Package outlining second quarter 2006 financial results will be available prior to the quarterly conference call on the Company's web site.

A replay of the call will be available through Tuesday, August 1, 2006 by dialing (888) 286-8010 Domestic or (617) 801-6888 International, using pass code 38212898.

### **Supplemental Information**

The Supplemental Package outlining second quarter 2006 financial results will be available prior to the quarterly conference call on the Company's website.

### **Company Profile**

SL Green Realty Corp. is a self-administered and self-managed real estate investment trust, or REIT, that predominantly acquires, owns, repositions and manages a portfolio of Manhattan office properties. The Company is the only publicly held REIT that specializes exclusively in this niche. As of June 30, 2006, the Company owned 30 office properties totaling 18.8 million square feet. The Company's retail space ownership totals 219,300 square feet at seven properties.

To be added to the Company's distribution list or to obtain the latest news releases and other Company information, please visit our website at [www.slgreen.com](http://www.slgreen.com) or contact Investor Relations at 212-216-1601.

### **Disclaimers**

#### ***Non-GAAP Financial Measures***

*During the quarterly conference call, the Company may discuss non-GAAP financial measures as defined by SEC Regulation G. In addition, the Company has used non-GAAP financial measures in this press release. A reconciliation of each non-GAAP*

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*financial measure and the comparable GAAP financial measure (net income) can be found on pages 7 and 9 of this release and in the Company's Supplemental Package.*

#### ***Forward-looking Information***

This press release contains forward-looking information based upon the Company's current best judgment and expectations. Actual results could vary from those presented herein. The risks and uncertainties associated with forward-looking information in this release include the strength of the commercial office real estate markets in New York, competitive market conditions, unanticipated administrative costs, timing of leasing income, general and local economic conditions, interest rates, capital market conditions, tenant bankruptcies and defaults, the availability and cost of comprehensive insurance, including coverage for terrorist acts, and other factors, which are beyond the Company's control. We undertake no obligation to publicly update or revise any of the forward-looking information. For further information, please refer to the Company's filing with the Securities and Exchange Commission.

**SL GREEN REALTY CORP.**  
**STATEMENTS OF OPERATIONS-UNAUDITED**  
*(Amounts in thousands, except per share data)*

|   | Three Months Ended<br>June 30, |                  | Six Months Ended<br>June 30, |                  |
|---|--------------------------------|------------------|------------------------------|------------------|
|   | 2006                           | 2005             | 2006                         | 2005             |
| <b>Revenue:</b>   |                                |                  |                              |                  |
| Rental revenue, net   | \$ 87,746                      | \$ 70,974        | \$ 170,671                   | \$ 138,397       |
| Escalations & reimbursement revenues                                    | 16,258                         | 13,017           | 31,281                       | 24,079           |
| Preferred equity and investment income                                  | 17,305                         | 11,925           | 30,784                       | 23,071           |
| Other income  | 11,475                         | 6,140            | 21,375                       | 12,908           |
| Total revenues  | <u>132,784</u>                 | <u>102,056</u>   | <u>254,111</u>               | <u>198,455</u>   |
| Equity in net income from unconsolidated joint ventures                 | 10,596                         | 13,334           | 20,564                       | 25,393           |
| <b>Expenses:</b>  |                                |                  |                              |                  |
| Operating expenses  | 29,258                         | 22,729           | 58,738                       | 45,312           |
| Ground rent   | 4,921                          | 4,825            | 9,842                        | 9,253            |
| Real estate taxes   | 19,090                         | 15,111           | 37,513                       | 28,915           |
| Marketing, general and administrative                                   | 13,257                         | 10,594           | 26,243                       | 18,832           |
| Total expenses  | <u>66,526</u>                  | <u>53,259</u>    | <u>132,336</u>               | <u>102,312</u>   |
| <b>Earnings Before Interest, Depreciation and Amortization (EBITDA)</b> | 76,854                         | 62,131           | 142,339                      | 121,536          |
| Interest expense  | 22,901                         | 19,479           | 41,751                       | 36,674           |
| Amortization of deferred financing costs                                | 1,242                          | 907              | 1,956                        | 1,700            |
| Depreciation and amortization   | 17,938                         | 14,430           | 34,204                       | 28,016           |
| Net income from Continuing Operations                                   | <u>34,773</u>                  | <u>27,315</u>    | <u>64,428</u>                | <u>55,146</u>    |
| Income from Discontinued Operations, net of minority interests          | 1,786                          | 1,561            | 2,901                        | 3,114            |
| Gain on sale of Discontinued Operations, net of minority interests      | —                              | 33,864           | —                            | 33,864           |
| Minority interests  | (2,530)                        | (1,301)          | (4,599)                      | (2,789)          |
| Preferred stock dividends   | (4,969)                        | (4,969)          | (9,938)                      | (9,938)          |
| Net income available to common shareholders                             | <u>\$ 29,060</u>               | <u>\$ 56,470</u> | <u>\$ 52,792</u>             | <u>\$ 79,379</u> |
| Net income per share (Basic)  | \$ 0.67                        | \$ 1.35          | \$ 1.23                      | \$ 1.91          |
| Net income per share (Diluted)  | \$ 0.65                        | \$ 1.31          | \$ 1.19                      | \$ 1.85          |
| <b>Funds From Operations (FFO).</b>                                     |                                |                  |                              |                  |
| FFO per share (Basic)   | \$ 1.26                        | \$ 1.05          | \$ 2.37                      | \$ 2.06          |
| FFO per share (Diluted)   | \$ 1.22                        | \$ 1.02          | \$ 2.30                      | \$ 2.01          |
| <b>FFO Calculation:</b>   |                                |                  |                              |                  |
| Net income from continuing operations                                   | \$ 34,773                      | \$ 27,315        | \$ 64,428                    | \$ 55,146        |
| <b>Add:</b>   |                                |                  |                              |                  |
| Depreciation and amortization   | 17,938                         | 14,430           | 34,204                       | 28,016           |
| FFO from Discontinued Operations  | 2,079                          | 2,134            | 3,773                        | 4,346            |
| FFO adjustment for Joint Ventures                                       | 7,613                          | 7,651            | 15,593                       | 13,733           |
| <b>Less:</b>  |                                |                  |                              |                  |
| Dividend on perpetual preferred stock                                   | (4,969)                        | (4,969)          | (9,938)                      | (9,938)          |
| Depreciation of non-real estate assets                                  | (240)                          | (189)            | (508)                        | (370)            |
| FFO before minority interests — BASIC and DILUTED                       | <u>\$ 57,194</u>               | <u>\$ 46,372</u> | <u>\$ 107,552</u>            | <u>\$ 90,933</u> |
| <b>Basic ownership interest</b>   |                                |                  |                              |                  |
| Weighted average REIT common shares for net income per share            | 43,191                         | 41,790           | 43,026                       | 41,547           |
| Weighted average partnership units held by minority interests           | 2,230                          | 2,513            | 2,270                        | 2,522            |
| Basic weighted average shares and units outstanding for FFO per share   | <u>45,421</u>                  | <u>44,303</u>    | <u>45,296</u>                | <u>44,069</u>    |
| <b>Diluted ownership interest</b>                                       |                                |                  |                              |                  |
| Weighted average REIT common share and common share equivalents         | 44,671                         | 42,992           | 44,505                       | 42,791           |
| Weighted average partnership units held by minority interests           | 2,230                          | 2,513            | 2,270                        | 2,522            |
| Diluted weighted average shares and units outstanding                   | <u>46,901</u>                  | <u>45,505</u>    | <u>46,775</u>                | <u>45,313</u>    |

**SL GREEN REALTY CORP.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Amounts in Thousands)

|   | June 30,<br>2006<br>(Unaudited) | December 31,<br>2005 |
|---|---------------------------------|----------------------|
| <b>Assets</b>   |                                 |                      |
| Commercial real estate properties, at cost:   |                                 |                      |
| Land and land interests   | \$ 302,821                      | \$ 288,239           |
| Buildings and improvements  | 1,477,106                       | 1,440,584            |
| Building leasehold and improvements   | 703,843                         | 481,891              |
| Property under capital lease  | 12,208                          | 12,208               |
|   | <u>2,495,978</u>                | <u>2,222,922</u>     |
| Less accumulated depreciation   | (236,727)                       | (219,295)            |
|   | <u>2,259,251</u>                | <u>2,003,627</u>     |
| Assets held for sale  | 170,173                         | —                    |
| Cash and cash equivalents   | 14,184                          | 24,104               |
| Restricted cash   | 61,663                          | 60,750               |
| Tenant and other receivables, net of allowance of \$12,682 and \$9,681 in 2006 and 2005, respectively   | 27,115                          | 23,722               |
| Related party receivables   | 8,330                           | 7,707                |
| Deferred rents receivable, net of allowance of \$9,570 and \$8,698 in 2006 and 2005, respectively   | 81,561                          | 75,294               |
| Structured finance investments, net of discount of \$3,514 and \$1,537 in 2006 and 2005, respectively   | 333,989                         | 400,076              |
| Investments in unconsolidated joint ventures  | 571,418                         | 543,189              |
| Deferred costs, net   | 73,747                          | 79,428               |
| Other assets  | 90,521                          | 91,880               |
| Total assets  | <u>\$ 3,691,952</u>             | <u>\$ 3,309,777</u>  |
| <b>Liabilities and Stockholders' Equity</b>   |                                 |                      |
| Mortgage notes payable  | 1,078,999                       | \$ 885,252           |
| Revolving credit facility   | 54,645                          | 32,000               |
| Term loans  | 525,000                         | 525,000              |
| Derivative instruments at fair value  | —                               | —                    |
| Accrued interest  | 7,991                           | 7,711                |
| Accounts payable and accrued expenses   | 84,977                          | 87,390               |
| Deferred revenue/gain   | 49,045                          | 25,691               |
| Capitalized lease obligation  | 16,325                          | 16,260               |
| Deferred land lease payable   | 16,625                          | 16,312               |
| Dividend and distributions payable  | 31,725                          | 31,103               |
| Security deposits   | 30,075                          | 24,556               |
| Liabilities related to assets held for sale   | 95,379                          | —                    |
| Junior subordinate deferrable interest debentures held by trusts that issued trust preferred securities   | 100,000                         | 100,000              |
| Total liabilities   | <u>2,090,786</u>                | <u>1,751,275</u>     |
| Commitments and contingencies   | —                               | —                    |
| Minority interest in other partnerships   | 37,164                          | 25,012               |
| Minority interest in operating partnership  | 67,498                          | 74,049               |
| <b>Stockholders' Equity</b>   |                                 |                      |
| 7.625% Series C perpetual preferred shares, \$0.01 per value, \$25.00 liquidation preference, 6,300 issued and outstanding at June 30, 2006 and December 31, 2005, respectively | 151,981                         | 151,981              |
| 7.875% Series D perpetual preferred shares, \$0.01 per value, \$25.00 liquidation preference, 4,000 issued and outstanding at June 30, 2006 and December 31, 2005, respectively | 96,321                          | 96,321               |
| Common stock, \$0.01 par value 100,000 shares authorized, 43,226 and 42,456 issued and outstanding at June 30, 2006 and December 31, 2005, respectively                         | 432                             | 425                  |
| Additional paid - in capital  | 991,241                         | 959,858              |
| Accumulated other comprehensive income  | 20,009                          | 15,316               |
| Retained earnings   | 236,520                         | 235,540              |
| Total stockholders' equity  | <u>1,496,504</u>                | <u>1,459,441</u>     |
| Total liabilities and stockholders' equity  | <u>\$ 3,691,952</u>             | <u>\$ 3,309,777</u>  |

**SL GREEN REALTY CORP.**  
**SELECTED OPERATING DATA-UNAUDITED**

|   | June 30, |        |
|---|----------|--------|
|   | 2006     | 2005   |
| <b>Operating Data:(1)</b>                     |          |        |
| Net rentable area at end of period (in 000's) | 18,780   | 18,425 |
| Portfolio percentage leased at end of period  | 95.8%    | 95.9%  |
| Same-Store percentage leased at end of period | 96.9%    | 96.5%  |
| Number of properties in operation             | 30       | 29     |



|  |          |          |
|--|----------|----------|
| Office square feet leased during quarter (rentable)        | 427,862  | 386,134  |
| Average mark-to-market percentage-office                   | 10.3%    | 1.7%     |
| Average starting cash rent per rentable square foot-office | \$ 46.40 | \$ 43.49 |

(1) Includes wholly owned and joint venture properties.

**SL GREEN REALTY CORP.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES\***  
*(Amounts in thousands, except per share data)*

|  | Three Months Ended<br>June 30, |                  | Six Months Ended<br>June 30, |                  |
|--|--------------------------------|------------------|------------------------------|------------------|
|  | 2006                           | 2005             | 2006                         | 2005             |
| <b>Earnings before interest, depreciation and amortization (EBITDA):</b> | 76,854                         | \$ 62,131        | \$ 142,339                   | \$ 121,536       |
| <u>Add:</u>  |                                |                  |                              |                  |
| Marketing, general & administrative expense                              | 13,257                         | 10,594           | 26,243                       | 18,832           |
| Operating income from discontinued operations                            | 2,079                          | 2,151            | 3,773                        | 4,535            |
| <u>Less:</u>   |                                |                  |                              |                  |
| Non-building revenue   | (26,484)                       | (15,658)         | (45,385)                     | (29,881)         |
| Equity in net income from joint ventures                                 | (10,596)                       | (13,334)         | (20,564)                     | (25,393)         |
| <b>GAAP net operating income (GAAP NOI)</b>                              | 55,110                         | 45,884           | 106,406                      | 89,629           |
| <u>Less:</u>   |                                |                  |                              |                  |
| GAAP NOI from other properties/affiliates                                | (8,131)                        | (2,363)          | (13,628)                     | (3,954)          |
| <b>Same-Store GAAP NOI</b>   | <u>\$ 46,979</u>               | <u>\$ 43,521</u> | <u>\$ 92,778</u>             | <u>\$ 85,675</u> |

\* See page 7 for a reconciliation of FFO and EBITDA to net income.

**SL Green Realty Corp.**  
**Second Quarter 2006**  
**Supplemental Data**  
**June 30, 2006**

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

- SL Green's common stock is listed on the New York Stock Exchange, and trades under the symbol SLG.
- 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 perspective 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 Investor Relations at [investor.relations@slgreen.com](mailto:investor.relations@slgreen.com) or at 212-216-1601.

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 quarter ended June 30, 2006 that will subsequently be released on Form 10-Q to be filed on or before August 9, 2006.

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## CORPORATE PROFILE

SL Green Realty Corp. (the “Company”) was formed on August 20, 1997 to continue the commercial real estate business of S.L. Green Properties Inc. founded in 1980 by Stephen L. Green, our current Chairman. For more than 25 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: investment in long-term core properties, investment in opportunistic assets and structured finance investments. With the formation of Gramercy Capital Corp., or Gramercy, (NYSE: GKK) in 2004, there will be a reduced focus on direct structured finance investments by the Company. 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, or 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 RESULTS

Funds From Operations, or FFO, available to common stockholders totaled \$57.2 million, or \$1.22 per share for the second quarter ended June 30, 2006, a 19.6% increase over the same quarter in 2005 when FFO totaled \$46.4 million, or \$1.02 per share.

Net income available for common stockholders totaled \$29.1 million, or \$0.65 per share (diluted) for the second quarter ended June 30, 2006. Net income available to common stockholders totaled \$56.5 million, or \$1.31 per share in the same quarter in 2005. 2005 results include a gain on sale of 1414 Avenue of the Americas (\$0.79 per share)

Funds available for distribution, or FAD, for the second quarter 2006 increased to \$0.94 per share (diluted) versus \$0.69 per share (diluted) in the prior year, a 36.2% increase.

The Company’s dividend payout ratio was 49.2% of FFO and 63.9% of FAD before second cycle leasing costs.

All per share amounts are presented on a diluted basis.

### CONSOLIDATED RESULTS

Total quarterly revenues increased 30.1% in the second quarter to \$132.8 million compared to \$102.1 million in the prior year. The \$30.7 million growth in revenue resulted primarily from the following items:

- \$9.2 million increase from 2006 and 2005 acquisitions,
- \$10.4 million increase from same-store properties, including \$0.3 million relating to assets held for sale reflected in discontinued operations,
- \$6.0 million increase in other revenue, which was primarily due to fees earned from Gramercy (\$3.3 million), and
- \$5.4 million increase in preferred equity and investment income.

The Company’s earnings before interest, taxes, depreciation and amortization, or EBITDA, increased by \$14.7 million (23.7%) to \$76.9 million. The following items drove EBITDA improvements:

- \$6.0 million increase from 2006 and 2005 acquisitions.
- \$3.4 million increase from same-store properties.
- \$5.4 million increase in preferred equity and investment income. The weighted-average structured finance investment balance for the quarter decreased to \$409.7 million from \$413.6 million in the prior year. The weighted-average yield for the quarter was 10.3% compared to 10.3% in the prior year.
- \$2.7 million decrease from reductions in equity in net income from unconsolidated joint ventures primarily due to our investments at 1515 Broadway (\$3.2 million), 1250 Broadway (\$0.4 million) and 180 Madison Avenue (\$0.4 million). This was partially offset by increases at Gramercy (\$1.3 million).
- \$3.1 million decrease from higher MG&A expense. This is primarily due to higher compensation costs at GKK

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Manager LLC, which is consolidated into the accounts of SL Green.

- \$5.7 million increase in non-real estate revenues net of expenses, primarily due to fee income from Gramercy (\$3.3 million).

FFO before minority interests improved \$10.8 million primarily as a result of:

- \$14.7 million increase in EBITDA,
- \$0.1 million decrease in FFO from unconsolidated joint ventures, discontinued operations and non-real estate depreciation, and
- \$3.8 million decrease from higher interest expense.

#### SAME-STORE RESULTS

##### ***Consolidated Properties***

Same-store second quarter 2006 GAAP NOI increased \$3.5 million (8.0%) to \$47.0 million compared to the prior year. Operating margins after ground rent increased from 49.05% to 49.57%.

The \$3.5 million increase in GAAP NOI was primarily due to:

- \$4.4 million (5.9%) increase in rental revenue primarily due to improved leasing,
- \$2.0 million (15.2%) increase in escalation and reimbursement revenue primarily due to operating expense and real estate tax recoveries,
- \$0.1 million (24.3%) decrease in other income,
- \$2.2 million (9.9%) increase in operating expenses, primarily driven by increases in payroll, utilities and insurance costs, and
- \$0.6 million (3.8%) increase in real estate taxes.

##### ***Joint Venture Properties***

Joint Venture properties second quarter 2006 GAAP NOI increased \$0.1 million (0.5%) to \$24.1 million compared to the prior year. Operating margins after ground rent decreased from 58.76% to 55.86%.

The \$0.1 million increase in GAAP NOI was primarily due to:

- \$0.3 million (1.0%) increase in rental revenue primarily due to improved leasing,
- \$1.8 million (25.8%) increase in escalation and reimbursement revenue primarily due to electric reimbursements and real estate tax and operating expense recoveries,
- \$0.4 million (6083.3%) increase in other income,
- \$0.6 million (8.2%) increase in real estate taxes, and
- \$1.7 million (18.9%) increase in operating expenses primarily driven by increases in utilities and insurance.

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#### STRUCTURED FINANCE ACTIVITY

As of June 30, 2006, our structured finance and preferred equity investments totaled \$334.0 million. The weighted average balance outstanding for the second quarter of 2006 was \$409.7 million. During the second quarter of 2006 the weighted average yield was 10.31%.

During the second quarter 2006, the Company originated \$44.2 million of structured finance investments with an initial yield of 9.74%. This includes an investment in a New York City commercial office property, which Gramercy elected not to make. In addition, the Company received redemptions totaling approximately \$176.5 million that were yielding 10.97%.

In May 2006, Mack-Cali Realty Corporation acquired The Gale Company's interests in the New Jersey properties constituting the Bellmeade portfolio, which interests are in substantially all of the entities in which the Company had a preferred equity investment. This transaction resulted in the recognition of approximately \$4.9 million (\$0.10 per share) of fees, promote and other income.

#### QUARTERLY LEASING HIGHLIGHTS

Vacancy at March 31, 2006 was 892,254 useable square feet net of holdover tenants. During the quarter, 199,982 additional useable office, retail and storage square feet became available at an average escalated cash rent of \$44.27 per rentable square foot. The Company added 1,841 of available usable square feet in connection with the closing of the 609 Fifth Avenue transaction. Space available to lease during the quarter totaled 1,094,077 useable square feet, or 5.8% of the total portfolio.

During the second quarter, 57 office leases, including early renewals, were signed totaling 427,862 rentable square feet. New cash rents averaged \$46.40 per rentable square foot. Replacement rents were 10.3% higher than rents on previously occupied space, which had fully escalated cash rents averaging \$42.08 per rentable square foot. The average lease term was 6.9 years and average tenant concessions were 2.5 months of free rent with a tenant improvement allowance of \$24.89 per rentable square foot.

The Company also signed 3 retail and storage leases, including early renewals, for 10,002 rentable square feet. The average lease term was 10 years and the average tenant concessions were 2.8 months of free rent with a tenant improvement allowance of \$9.77 per rentable square foot.

#### REAL ESTATE ACTIVITY

Real estate investment transactions entered into during the second quarter totaled approximately \$545.5 million and included:

- In June 2006, the Company acquired an additional 40% ownership interest in the venture that owns 55 Corporate Drive, N.J., increasing our ownership interest to 50%. This interest is held as a tenant-in-common

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interest. Subsequent to this acquisition, which valued the property at \$236.0 million, the property was refinanced. The mortgage was repaid and replaced by a \$190.0 million, ten-year interest-only mortgage with a fixed stated interest rate of 5.75%. The property is net-leased to a single tenant until 2015.

- On June 30, 2006, the Company completed the investment in the previously announced transaction involving 609 Fifth Avenue — a mixed-use property that includes New York City's American Girl Store and approximately 100,000 square feet of Class A office space — in a transaction that valued the property at approximately \$182.0 million. The Company issued approximately 64 million preferred units in SL Green Operating Partnership, L.P., valued at \$1.00 per unit, to subsidiaries of 609 Partners, LLC, the partnership that indirectly holds the property, and acquired all of its common partnership interests. The property remains subject to a \$102.0 million mortgage loan held by Morgan Stanley Mortgage Capital, Inc. The mortgage has a fixed annual interest rate of 5.85% and will mature in October 2013.
- In May 2006, the Company entered into a joint venture with Mack-Cali Realty Corporation. The joint venture, in which the Company has a 50% ownership interest, acquired interests in seven class A office properties, valued at approximately \$127.5 million from entities affiliated with The Gale Company in which the Company had a preferred equity investment. The properties, which encompass approximately 900,000 square feet, are subject to \$102.5 million of mortgage loans at an effective interest rate of approximately 7.57%.

#### **Investment In Gramercy Capital Corp.**

In May 2006, we purchased 750,000 shares of common stock of Gramercy for approximately \$20.1 million in connection with its approximately \$80.0 million common stock offering. At June 30, 2006, the book value of the Company's investment in Gramercy totaled \$116.8 million. Fees earned from various arrangements between the Company and Gramercy totaled approximately \$5.4 million for the quarter ended June 30, 2006, including an incentive fee of \$1.6 million earned as a result of Gramercy's FFO exceeding the 9.5% annual return on equity performance threshold. For the six months ended June 30, 2006, the Company earned \$10.2 million in fees from Gramercy. The Company's share of FFO generated from its investment in Gramercy totaled approximately \$3.7 million and \$6.9 million for the three and six months ended June 30, 2006, respectively, compared to \$2.2 million and \$3.3 million for the same periods in the prior year.

The Company's marketing, general and administrative, or MG&A, expenses include the consolidation of the expenses of its subsidiary GKK Manager LLC, the entity which manages and advises Gramercy. For the quarter ended June 30, 2006,

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the Company's MG&A includes approximately \$2.6 million of costs associated with Gramercy.

#### FINANCING/CAPITAL ACTIVITY

In July 2006, the Company sold 2,500,000 shares of its common stock for net proceeds, after deducting underwriting discounts, commissions and transaction expenses, of approximately \$269.1 million. Lehman Brothers acted as sole underwriter for this offering, and was also granted a 30-day option to purchase up

to an additional 250,000 shares solely to cover over-allotments.

In April 2006, the Company refinanced the \$140.0 million loan on 521 Fifth Avenue with a new \$140.0 million five-year loan that bears interest at LIBOR plus 100 basis points. The previous loan bore interest at LIBOR plus 162.5 basis points.

### Dividends

On June 14, 2006, the Company declared a dividend of \$0.60 per common share for the second quarter 2006. The dividend was payable July 14, 2006 to stockholders of record on the close of business on June 30, 2006. This distribution reflects the regular quarterly dividend, which is the equivalent of an annualized distribution of \$2.40 per common share.

On June 14, 2006, the Company also approved a distribution on its Series C preferred stock for the period April 15, 2006 through and including July 14, 2006, of \$0.4766 per share, payable July 14, 2006 to stockholders of record on the close of business on June 30, 2006. The distribution reflects the regular quarterly distribution, which is the equivalent of an annualized distribution of \$1.90625 per Series C preferred stock.

On June 14, 2006, the Company also approved a distribution on its Series D preferred stock for the period April 15, 2006 through and including July 14, 2006, of \$0.4922 per share, payable July 14, 2006 to stockholders of record on the close of business on June 30, 2006. The distribution reflects the regular quarterly distribution, which is the equivalent of an annualized distribution of \$1.96875 per Series D preferred stock.

### OTHER

Effective July 1, 2006, the consolidated Same-Store Properties will no longer include 286 Madison Avenue, 290 Madison Avenue and 1140 Avenue of the Americas.

**SL Green Realty Corp.**  
**Key Financial Data**  
**June 30, 2006**  
(Dollars in Thousands Except Per Share and Sq. Ft.)



|   | As of or for the three months ended |              |              |              |              |
|---|-------------------------------------|--------------|--------------|--------------|--------------|
|   | 6/30/2006                           | 3/31/2006    | 12/31/2005   | 9/30/2005    | 6/30/2005    |
| <b>Earnings Per Share</b>   |                                     |              |              |              |              |
| Net income available to common shareholders - diluted                 | \$ 0.65                             | \$ 0.54      | \$ 0.48      | \$ 0.87      | \$ 1.31      |
| Funds from operations available to common shareholders - diluted      | \$ 1.22                             | \$ 1.08      | \$ 1.02      | \$ 1.13      | \$ 1.02      |
| Funds available for distribution to common shareholders - diluted     | \$ 0.94                             | \$ 0.80      | \$ 0.67      | \$ 0.83      | \$ 0.69      |
| <b>Common Share Price &amp; Dividends</b>                             |                                     |              |              |              |              |
| At the end of the period  | \$ 109.47                           | \$ 101.50    | \$ 76.39     | \$ 68.18     | \$ 64.50     |
| High during period  | \$ 109.47                           | \$ 103.09    | \$ 77.14     | \$ 70.10     | \$ 66.05     |
| Low during period   | \$ 95.31                            | \$ 77.70     | \$ 63.80     | \$ 64.76     | \$ 55.38     |
| Common dividends per share  | \$ 0.60                             | \$ 0.60      | \$ 0.60      | \$ 0.54      | \$ 0.54      |
| FFO Payout Ratio  | 49.20%                              | 55.53%       | 58.65%       | 47.70%       | 52.99%       |
| FAD Payout Ratio  | 63.91%                              | 75.40%       | 89.03%       | 64.78%       | 78.57%       |
| <b>Common Shares &amp; Units</b>                                      |                                     |              |              |              |              |
| Common shares outstanding   | 43,226                              | 43,133       | 42,456       | 41,942       | 41,830       |
| Units outstanding   | 2,219                               | 2,263        | 2,427        | 2,502        | 2,512        |
| Total shares and units outstanding                                    | 45,445                              | 45,396       | 44,883       | 44,444       | 44,342       |
| <b>Weighted average common shares and units outstanding - basic</b>   |                                     |              |              |              |              |
|   | 45,421                              | 45,169       | 44,596       | 44,426       | 44,303       |
| <b>Weighted average common shares and units outstanding - diluted</b> |                                     |              |              |              |              |
|   | 46,901                              | 46,608       | 45,820       | 45,674       | 45,505       |
| <b>Market Capitalization</b>  |                                     |              |              |              |              |
| Market value of common equity   | \$ 4,974,864                        | \$ 4,607,694 | \$ 3,428,612 | \$ 3,030,192 | \$ 2,860,059 |
| Liquidation value of preferred equity                                 | 257,500                             | 257,500      | 257,500      | 257,500      | 257,500      |
| Consolidated debt   | 1,853,644                           | 1,693,907    | 1,542,252    | 1,626,640    | 1,493,753    |
| Consolidated market capitalization                                    | \$ 7,086,008                        | \$ 6,559,101 | \$ 5,228,364 | \$ 4,914,332 | \$ 4,611,312 |
| SLG portion JV debt   | 1,179,332                           | 1,111,160    | 1,040,265    | 911,959      | 928,334      |
| Combined market capitalization  | \$ 8,265,340                        | \$ 7,670,261 | \$ 6,268,629 | \$ 5,826,291 | \$ 5,539,646 |
| <b>Consolidated debt to market capitalization</b>                     |                                     |              |              |              |              |
|   | 26.16%                              | 25.83%       | 29.50%       | 33.10%       | 32.39%       |
| <b>Combined debt to market capitalization</b>                         |                                     |              |              |              |              |
|   | 36.70%                              | 36.57%       | 41.20%       | 43.57%       | 43.72%       |

|                                    |      |      |      |      |      |
|------------------------------------|------|------|------|------|------|
| Consolidated debt service coverage | 3.63 | 3.55 | 3.53 | 3.70 | 3.54 |
| Consolidated fixed charge coverage | 2.59 | 2.45 | 2.39 | 2.55 | 2.40 |
| Combined fixed charge coverage     | 2.03 | 1.95 | 1.93 | 2.07 | 2.03 |

#### Portfolio Statistics

|  |                   |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Directly owned office buildings  | 23                | 22                | 21                | 21                | 21                |
| Joint venture office buildings   | 7                 | 7                 | 7                 | 7                 | 8                 |
|  | <u>30</u>         | <u>29</u>         | <u>28</u>         | <u>28</u>         | <u>29</u>         |
| Directly owned square footage  | 9,965,000         | 9,805,000         | 9,345,000         | 9,345,000         | 9,345,000         |
| Joint venture square footage   | 8,814,900         | 8,814,900         | 8,814,900         | 8,814,900         | 9,079,900         |
|  | <u>18,779,900</u> | <u>18,619,900</u> | <u>18,159,900</u> | <u>18,159,900</u> | <u>18,424,900</u> |
| Quarter end occupancy-portfolio  | 95.9%             | 95.2%             | 96.7%             | 96.0%             | 95.9%             |
| Quarter end occupancy- same store - wholly owned                               | 96.8%             | 96.1%             | 96.0%             | 94.9%             | 95.3%             |
| Quarter end occupancy- same store - combined<br>(wholly owned + joint venture) | 96.9%             | 96.3%             | 96.5%             | 96.0%             | 96.5%             |

#### Supplemental Package Information

Second Quarter 2006

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|  | As of or for the three months ended |              |              |              |              |
|--|-------------------------------------|--------------|--------------|--------------|--------------|
|  | 6/30/2006                           | 3/31/2006    | 12/31/05     | 9/30/2005    | 6/30/2005    |
| <b>Selected Balance Sheet Data</b>                           |                                     |              |              |              |              |
| Real estate assets before depreciation                       | \$ 2,634,724                        | \$ 2,343,714 | \$ 2,222,922 | \$ 2,183,267 | \$ 2,049,820 |
| Investments in unconsolidated joint ventures                 | \$ 571,418                          | \$ 533,145   | \$ 543,189   | \$ 659,860   | \$ 638,336   |
| Structured finance investments                               | \$ 333,989                          | \$ 466,173   | \$ 400,076   | \$ 400,049   | \$ 396,862   |
| Total Assets   | \$ 3,691,952                        | \$ 3,482,532 | \$ 3,309,777 | \$ 3,352,330 | \$ 3,154,845 |
| Fixed rate & hedged debt                                     | \$ 1,419,065                        | \$ 1,254,116 | \$ 1,255,141 | \$ 1,256,095 | \$ 1,256,978 |
| Variable rate debt   | 339,579                             | 439,791      | 287,111      | 370,545      | 236,775      |
| Total consolidated debt                                      | \$ 1,758,644                        | \$ 1,693,907 | \$ 1,542,252 | \$ 1,626,640 | \$ 1,493,753 |
| Total Liabilities  | \$ 2,090,786                        | \$ 1,893,838 | \$ 1,751,275 | \$ 1,821,699 | \$ 1,668,824 |
| Fixed rate & hedged debt-including SLG portion of<br>JV debt | \$ 1,958,896                        | \$ 1,768,857 | \$ 1,741,225 | \$ 1,732,776 | \$ 1,756,389 |
| Variable rate debt - including SLG portion of JV debt        | 979,080                             | 1,036,210    | 841,292      | 805,823      | 665,698      |
| Total combined debt  | \$ 2,937,976                        | \$ 2,805,067 | \$ 2,582,517 | \$ 2,538,599 | \$ 2,422,087 |
| <b>Selected Operating Data</b>                               |                                     |              |              |              |              |
| Property operating revenues                                  | \$ 104,004                          | \$ 97,948    | \$ 90,531    | \$ 88,049    | \$ 83,991    |
| Property operating expenses                                  | 53,269                              | 52,824       | 46,583       | 46,686       | 42,665       |
| Property operating NOI                                       | \$ 50,735                           | \$ 45,124    | \$ 43,948    | \$ 41,363    | \$ 41,326    |
| NOI from discontinued operations                             | 2,079                               | 1,694        | 2,601        | 2,055        | 2,151        |
| Total property operating NOI                                 | \$ 52,814                           | \$ 46,818    | \$ 46,549    | \$ 43,418    | \$ 43,477    |
| SLG share of Property NOI from JVs                           | \$ 33,834                           | \$ 32,130    | \$ 31,595    | \$ 32,770    | \$ 29,813    |
| SLG share of FFO from Gramercy Capital                       | \$ 3,694                            | \$ 3,168     | \$ 3,205     | \$ 2,610     | \$ 2,164     |
| Structured finance income                                    | \$ 17,305                           | \$ 13,479    | \$ 11,266    | \$ 10,652    | \$ 11,925    |
| Other income   | \$ 11,475                           | \$ 9,900     | \$ 8,337     | \$ 16,897    | \$ 6,140     |
| Marketing general & administrative expenses                  | \$ 13,257                           | \$ 12,986    | \$ 11,965    | \$ 13,418    | \$ 10,594    |
| Consolidated interest  | \$ 22,901                           | \$ 18,850    | \$ 20,100    | \$ 20,580    | \$ 19,479    |
| Combined interest  | \$ 40,088                           | \$ 34,428    | \$ 34,642    | \$ 33,487    | \$ 29,930    |
| Preferred Dividend   | \$ 4,969                            | \$ 4,969     | \$ 4,969     | \$ 4,969     | \$ 4,969     |
| <b>Office Leasing Statistics</b>                             |                                     |              |              |              |              |
| Total office leases signed                                   | 57                                  | 65           | 55           | 58           | 71           |
| Total office square footage leased                           | 427,862                             | 539,399      | 963,087      | 341,458      | 386,134      |
| Average rent psf   | \$ 46.40                            | \$ 37.74     | \$ 46.89     | \$ 43.79     | \$ 43.49     |
| Escalated rents psf  | \$ 42.08                            | \$ 32.33     | \$ 38.99     | \$ 41.68     | \$ 42.75     |
| Percentage of rent over escalated                            | 10.3%                               | 16.7%        | 20.3%        | 5.1%         | 1.7%         |
| Tenant concession packages psf                               | \$ 24.89                            | \$ 12.91     | \$ 39.57     | \$ 30.74     | \$ 14.65     |
| Free rent months   | 2.5                                 | 2.1          | 6.2          | 2.7          | 2.3          |

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COMPARATIVE BALANCE SHEETS



Unaudited  
(\$000's omitted)

|  | 6/30/2006           | 3/31/2006           | 12/31/2005          | 9/30/2005           | 6/30/2005           |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |                     |                     |                     |
| Commercial real estate properties, at cost:  |                     |                     |                     |                     |                     |
| Land & land interests  | \$ 302,821          | \$ 270,351          | \$ 288,239          | \$ 288,080          | \$ 264,696          |
| Buildings & improvements fee interest  | 1,477,106           | 1,365,554           | 1,440,584           | 1,408,858           | 1,301,193           |
| Buildings & improvements leasehold   | 703,843             | 695,601             | 481,891             | 474,121             | 471,723             |
| Buildings & improvements under capital lease   | 12,208              | 12,208              | 12,208              | 12,208              | 12,208              |
|  | \$ 2,495,978        | \$ 2,343,714        | \$ 2,222,922        | \$ 2,183,267        | \$ 2,049,820        |
| Less accumulated depreciation  | (236,727)           | (231,561)           | (219,295)           | (205,443)           | (192,249)           |
|  | \$ 2,259,251        | \$ 2,112,153        | \$ 2,003,627        | \$ 1,977,824        | \$ 1,857,571        |
| Other Real Estate Investments:   |                     |                     |                     |                     |                     |
| Investment in unconsolidated joint ventures  | 571,418             | 533,145             | 543,189             | 659,860             | 638,336             |
| Structured finance investments   | 333,989             | 466,173             | 400,076             | 400,049             | 396,862             |
| Assets held for sale   | 170,173             | —                   | —                   | —                   | —                   |
| Cash and cash equivalents  | 14,184              | 20,535              | 24,104              | 14,193              | 1,978               |
| Restricted cash  | 61,663              | 59,489              | 60,750              | 56,215              | 62,136              |
| Tenant and other receivables, net of \$12,682 reserve at 6/30/06                       | 27,115              | 21,011              | 23,722              | 21,928              | 18,011              |
| Related party receivables  | 8,330               | 6,329               | 7,707               | 3,598               | 3,978               |
| Deferred rents receivable, net of reserve for tenant credit loss of \$9,570 at 6/30/06 | 81,561              | 80,249              | 75,294              | 73,983              | 70,064              |
| Deferred costs, net  | 73,747              | 77,145              | 79,428              | 68,518              | 60,700              |
| Other assets   | 90,521              | 106,303             | 91,880              | 76,162              | 45,209              |
| <b>Total Assets</b>  | <b>\$ 3,691,952</b> | <b>\$ 3,482,532</b> | <b>\$ 3,309,777</b> | <b>\$ 3,352,330</b> | <b>\$ 3,154,845</b> |

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|   | 6/30/2006           | 3/31/2006           | 12/31/2005          | 9/30/2005           | 6/30/2005           |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Liabilities and Stockholders' Equity</b>   |                     |                     |                     |                     |                     |
| Mortgage notes payable  | \$ 1,078,999        | \$ 912,262          | \$ 885,252          | \$ 866,640          | \$ 770,023          |
| Unsecured & Secured term loans  | 525,000             | 525,000             | 525,000             | 525,000             | 525,000             |
| Revolving credit facilities   | 54,645              | 156,645             | 32,000              | 135,000             | 98,730              |
| Derivative Instruments-fair value   | —                   | —                   | —                   | —                   | 1,078               |
| Accrued interest  | 7,991               | 7,706               | 7,711               | 7,589               | 6,909               |
| Accounts payable and accrued expenses   | 84,977              | 69,079              | 87,390              | 77,329              | 66,759              |
| Deferred revenue  | 49,045              | 30,759              | 25,691              | 25,596              | 16,406              |
| Capitalized lease obligations   | 16,325              | 16,292              | 16,260              | 16,228              | 16,166              |
| Deferred land lease payable   | 16,625              | 16,469              | 16,312              | 16,179              | 16,043              |
| Dividend and distributions payable  | 31,725              | 31,408              | 31,103              | 28,176              | 28,122              |
| Security deposits   | 30,075              | 28,218              | 24,556              | 23,962              | 23,588              |
| Liabilities related to assets held for sale   | 95,379              | —                   | —                   | —                   | —                   |
| Junior subordinated deferrable interest debentures  | 100,000             | 100,000             | 100,000             | 100,000             | 100,000             |
| <b>Total Liabilities</b>  | <b>\$ 2,090,786</b> | <b>\$ 1,893,838</b> | <b>\$ 1,751,275</b> | <b>\$ 1,821,699</b> | <b>\$ 1,668,824</b> |
| Minority interest in other partnerships   | 37,164              | 34,693              | 25,012              | 14,493              | 724                 |
| Minority interest in operating partnership (2,219 units outstanding) at 6/30/06                   | 67,498              | 68,982              | 74,049              | 76,625              | 76,061              |
| <b>Stockholders' Equity</b>   |                     |                     |                     |                     |                     |
| 7.625% Series C Perpetual Preferred Shares  | 151,981             | 151,981             | 151,981             | 151,981             | 151,981             |
| 7.875% Series D Perpetual Preferred Shares  | 96,321              | 96,321              | 96,321              | 96,321              | 96,321              |
| Common stock, \$.01 par value 100,000 shares authorized, 43,226 issued and outstanding at 6/30/06 | 432                 | 431                 | 425                 | 419                 | 418                 |
| Additional paid – in capital  | 991,241             | 983,144             | 959,858             | 936,923             | 928,900             |
| Accumulated other comprehensive income  | 20,009              | 19,750              | 15,316              | 13,691              | 6,118               |
| Retained earnings   | 236,520             | 233,392             | 235,540             | 240,178             | 225,498             |
| <b>Total Stockholders' Equity</b>   | <b>\$ 1,496,504</b> | <b>\$ 1,485,019</b> | <b>\$ 1,459,441</b> | <b>\$ 1,439,513</b> | <b>\$ 1,409,236</b> |
| <b>Total Liabilities and Stockholders' Equity</b>   | <b>\$ 3,691,952</b> | <b>\$ 3,482,532</b> | <b>\$ 3,309,777</b> | <b>\$ 3,352,330</b> | <b>\$ 3,154,845</b> |

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COMPARATIVE STATEMENTS OF OPERATIONS



Unaudited  
(\$000's omitted)

|   | Three Months Ended |                  | Three Months Ended |                  | Six Months Ended |  |
|---|--------------------|------------------|--------------------|------------------|------------------|--|
|   | June 30, 2006      | June 30, 2005    | March 31, 2006     | June 30, 2006    | June 30, 2005    |  |
| <b>Revenues</b>   |                    |                  |                    |                  |                  |  |
| Rental revenue, net                                     | \$ 87,746          | \$ 70,974        | \$ 82,925          | \$ 170,671       | \$ 138,397       |  |
| Escalation and reimbursement revenues                   | 16,258             | 13,017           | 15,023             | 31,281           | 24,079           |  |
| Investment income                                       | 17,305             | 11,925           | 13,479             | 30,784           | 23,071           |  |
| Other income  | 11,475             | 6,140            | 9,900              | 21,375           | 12,908           |  |
| <b>Total Revenues, net</b>                              | <b>132,784</b>     | <b>102,056</b>   | <b>121,327</b>     | <b>254,111</b>   | <b>198,455</b>   |  |
| Equity in net income from unconsolidated joint ventures | 10,596             | 13,334           | 9,968              | 20,564           | 25,393           |  |
| Operating expenses                                      | 29,258             | 22,729           | 29,480             | 58,738           | 45,312           |  |
| Ground rent   | 4,921              | 4,825            | 4,921              | 9,842            | 9,253            |  |
| Real estate taxes                                       | 19,090             | 15,111           | 18,423             | 37,513           | 28,915           |  |
| Marketing, general and administrative                   | 13,257             | 10,594           | 12,986             | 26,243           | 18,832           |  |
| <b>Total Operating Expenses</b>                         | <b>66,526</b>      | <b>53,259</b>    | <b>65,810</b>      | <b>132,336</b>   | <b>102,312</b>   |  |
| <b>EBITDA</b>   | <b>76,854</b>      | <b>62,131</b>    | <b>65,485</b>      | <b>142,339</b>   | <b>121,536</b>   |  |
| Interest  | 22,901             | 19,479           | 18,850             | 41,751           | 36,674           |  |
| Amortization of deferred financing costs                | 1,242              | 907              | 714                | 1,956            | 1,700            |  |
| Depreciation and amortization                           | 17,938             | 14,430           | 16,266             | 34,204           | 28,016           |  |
| <b>Income Before Minority Interest and Items</b>        | <b>34,773</b>      | <b>27,315</b>    | <b>29,655</b>      | <b>64,428</b>    | <b>55,146</b>    |  |
| Income from discontinued operations                     | 1,786              | 1,561            | 1,116              | 2,901            | 3,114            |  |
| Gain on sale of discontinued operations                 | —                  | 33,864           | —                  | —                | 33,846           |  |
| Minority interest                                       | (2,530)            | (1,301)          | (2,070)            | (4,599)          | (2,789)          |  |
| <b>Net Income</b>                                       | <b>34,029</b>      | <b>61,439</b>    | <b>28,701</b>      | <b>62,730</b>    | <b>89,317</b>    |  |
| Dividends on perpetual preferred shares                 | 4,969              | 4,969            | 4,969              | 9,938            | 9,938            |  |
| <b>Net Income Available For Common Shareholders</b>     | <b>\$ 29,060</b>   | <b>\$ 56,470</b> | <b>\$ 23,732</b>   | <b>\$ 52,792</b> | <b>\$ 79,379</b> |  |
| <b>Earnings per Share</b>                               |                    |                  |                    |                  |                  |  |
| Net income per share (basic)                            | \$ 0.67            | \$ 1.35          | \$ 0.55            | \$ 1.23          | \$ 1.91          |  |
| Net income per share (diluted)                          | \$ 0.65            | \$ 1.31          | \$ 0.54            | \$ 1.19          | \$ 1.85          |  |

COMPARATIVE COMPUTATION OF FFO AND FAD



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

|  | Three Months Ended |                  | Three Months Ended |                   | Six Months Ended |  |
|--|--------------------|------------------|--------------------|-------------------|------------------|--|
|  | June 30, 2006      | June 30, 2005    | March 31, 2006     | June 30, 2006     | June 30, 2005    |  |
| <b>Funds from operations</b>                     |                    |                  |                    |                   |                  |  |
| Net Income before Minority Interests and Items   | \$ 34,773          | \$ 27,315        | \$ 29,655          | \$ 64,428         | \$ 55,146        |  |
| Add:   |                    |                  |                    |                   |                  |  |
| Depreciation and amortization                    | 17,938             | 14,430           | 16,266             | 34,204            | 28,016           |  |
| FFO from discontinued operations                 | 2,079              | 2,134            | 1,694              | 3,773             | 4,346            |  |
| FFO adjustment for joint ventures                | 7,613              | 7,651            | 7,980              | 15,593            | 13,733           |  |
| Less:  |                    |                  |                    |                   |                  |  |
| Dividends on preferred shares                    | 4,969              | 4,969            | 4,969              | 9,938             | 9,938            |  |
| Non real estate depreciation and amortization    | 240                | 189              | 268                | 508               | 370              |  |
| <b>Funds From Operations</b>                     | <b>\$ 57,194</b>   | <b>\$ 46,372</b> | <b>\$ 50,358</b>   | <b>\$ 107,552</b> | <b>\$ 90,933</b> |  |
| <b>Funds From Operations - Basic per Share</b>   | <b>\$ 1.26</b>     | <b>\$ 1.05</b>   | <b>\$ 1.11</b>     | <b>\$ 2.37</b>    | <b>\$ 2.06</b>   |  |
| <b>Funds From Operations - Diluted per Share</b> | <b>\$ 1.22</b>     | <b>\$ 1.02</b>   | <b>\$ 1.08</b>     | <b>\$ 2.30</b>    | <b>\$ 2.01</b>   |  |
| <b>Funds Available for Distribution</b>          |                    |                  |                    |                   |                  |  |
| FFO  | \$ 57,194          | \$ 46,372        | \$ 50,358          | 107,552           | 90,933           |  |
| Add:   |                    |                  |                    |                   |                  |  |
| Non real estate depreciation and amortization    | 240                | 189              | 268                | 508               | 370              |  |
| Amortization of deferred financing costs         | 1,242              | 907              | 714                | 1,956             | 1,700            |  |
| Non-cash deferred compensation                   | 2,569              | 1,064            | 2,296              | 4,865             | 2,047            |  |
| Less:  |                    |                  |                    |                   |                  |  |
| FAD adjustment for Joint Ventures                | 3,618              | 5,259            | 2,440              | 6,058             | 10,271           |  |

|  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
| FAD adjustment for discontinued operations   | 15               | 5                | —                | 15               | 97               |
| Straight-line rental income and other non cash adjustments                               | 5,164            | 5,068            | 5,622            | 10,786           | 9,915            |
| Second cycle tenant improvements   | 6,014            | 5,240            | 3,967            | 9,981            | 9,388            |
| Second cycle leasing commissions   | 785              | 1,368            | 3,972            | 4,757            | 4,272            |
| Revenue enhancing recurring CAPEX  | —                | 88               | 289              | 289              | 110              |
| Non- revenue enhancing recurring CAPEX   | 1,617            | 230              | 259              | 1,876            | 306              |
| <b>Funds Available for Distribution</b>  | <b>\$ 44,032</b> | <b>\$ 31,274</b> | <b>\$ 37,087</b> | <b>\$ 81,119</b> | <b>\$ 60,692</b> |
| <b>Diluted per Share</b>   | <b>\$ 0.94</b>   | <b>\$ 0.69</b>   | <b>\$ 0.80</b>   | <b>\$ 1.73</b>   | <b>\$ 1.34</b>   |
| First Cycle Leasing Costs  |                  |                  |                  |                  |                  |
| Tenant improvements  | 824              | 1,120            | 1,391            | 2,215            | 1,258            |
| Leasing commissions  | 465              | 1,773            | 3,073            | 3,538            | 2,668            |
| <b>Funds Available for Distribution after First Cycle Leasing Costs</b>                  | <b>\$ 42,743</b> | <b>\$ 28,381</b> | <b>\$ 32,623</b> | <b>\$ 75,366</b> | <b>\$ 56,766</b> |
| Funds Available for Distribution per Diluted Weighted Average Unit and Common Share      | \$ 0.91          | \$ 0.62          | \$ 0.70          | \$ 1.61          | \$ 1.25          |
| Redevelopment Costs  | 4,113            | 2,408            | 1,936            | 6,049            | 2,837            |
| <b>Payout Ratio of Funds From Operations</b>   | <b>49.20%</b>    | <b>52.99%</b>    | <b>55.53%</b>    | <b>52.19%</b>    | <b>53.82%</b>    |
| <b>Payout Ratio of Funds Available for Distribution Before First Cycle Leasing Costs</b> | <b>63.91%</b>    | <b>78.57%</b>    | <b>75.40%</b>    | <b>69.19%</b>    | <b>80.63%</b>    |

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## CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Unaudited  
(\$000's omitted)



|  | Series C Preferred Stock | Series D Preferred Stock | Common Stock | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Income | TOTAL        |
|--|--------------------------|--------------------------|--------------|----------------------------|-------------------|--|--------------|
| Balance at December 31, 2005                                     | \$ 151,981               | \$ 96,321                | \$ 425       | \$ 959,858                 | \$ 235,540        | \$ 15,316                              | \$ 1,459,441 |
| Net Income   |                          |                          |              |                            | 62,730            |  | 62,730       |
| Preferred Dividend   |                          |                          |              |                            | (9,938)           |  | (9,938)      |
| Exercise of employee stock options and redemption of units       |                          |                          | 5            | 19,351                     |                   |  | 19,356       |
| Stock-based compensation fair value                              |                          |                          |              | 2,076                      |                   |  | 2,076        |
| Cash distributions declared (\$1.20 per common share)            |                          |                          |              |                            | (51,812)          |  | (51,812)     |
| Comprehensive Income - Unrealized gain of derivative instruments |                          |                          |              |                            |                   | 4,693                                  | 4,693        |
| Dividend reinvestment plan                                       |                          |                          | 1            | 4,770                      |                   |  | 4,771        |
| Deferred compensation plan                                       |                          |                          | 1            | 320                        |                   |  | 321          |
| Amortization of deferred compensation                            |                          |                          |              | 4,866                      |                   |  | 4,866        |
| Balance at June 30, 2006   | \$ 151,981               | \$ 96,321                | \$ 432       | \$ 991,241                 | \$ 236,520        | \$ 20,009                              | \$ 1,496,504 |

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

|   | Common Stock | OP Units  | Stock-Based Compensation | Sub-total  | Preferred Stock | Diluted Shares |
|---|--------------|-----------|--------------------------|------------|-----------------|----------------|
| Share Count at December 31, 2005                        | 42,455,829   | 2,426,786 | —                        | 44,882,615 | —               | 44,882,615     |
| YTD share activity                                      | 770,535      | (208,261) |                          | 562,274    |                 | 562,274        |
| Share Count at June 30, 2006 - Basic                    | 43,226,364   | 2,218,525 | —                        | 45,444,889 | —               | 45,444,889     |
| Weighting Factor  | (200,467)    | 51,684    | 1,479,326                | 1,330,543  |                 | 1,330,543      |
| Weighted Average Share Count at June 30, 2006 - Diluted | 43,025,897   | 2,270,209 | 1,479,326                | 46,775,432 | —               | 46,775,432     |

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## TAXABLE INCOME

Unaudited  
(\$000's omitted)



|  | Six Months Ended |                  |
|--|------------------|------------------|
|  | June 30, 2006    | June 30, 2005    |
| Net Income Available For Common Shareholders | \$ 52,792        | \$ 79,379        |
| Book/Tax Depreciation Adjustment             | 8,294            | 4,420            |
| Book/Tax Gain Recognition Adjustment         | —                | (23,725)         |
| Book/Tax JV Net equity adjustment            | 13,148           | 12,122           |
| Other Operating Adjustments                  | (18,434)         | (25,272)         |
| C-corp Earnings                              | (2,618)          | (1,811)          |
| <b>Taxable Income (Projected)</b>            | <b>\$ 53,182</b> | <b>\$ 45,113</b> |
| Dividend per share                           | \$ 1.20          | \$ 1.08          |
| Estimated payout of taxable income           | 98%              | 100%             |

**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, 50 West 23rd Street, 1370 Broadway, 1412 Broadway, 17 Battery Place North and 1466 Broadway through 1031 exchanges. In addition, the Company has deferred substantially all of the taxable gain resulting from the sale of an interest in One Park Avenue.

**JOINT VENTURE STATEMENTS**

**Balance Sheet for Unconsolidated Property Joint Ventures**  
**Unaudited**  
**(\$000's omitted)**



|  | June 30, 2006       |                       | June 30, 2005       |                       |
|--|---------------------|-----------------------|---------------------|-----------------------|
|  | Total Property      | SLG Property Interest | Total Property      | SLG Property Interest |
| Land & land interests  | \$ 647,117          | \$ 292,830            | \$ 631,505          | \$ 289,881            |
| Buildings & improvements fee interest  | 2,879,687           | 1,301,781             | 2,620,274           | 1,204,110             |
| Buildings & improvements leasehold   | 21,838              | 9,827                 | —                   | —                     |
|  | 3,548,642           | 1,604,438             | 3,251,779           | 1,493,991             |
| Less accumulated depreciation  | (186,113)           | (87,898)              | (122,697)           | (59,000)              |
| <b>Net Real Estate</b>   | <b>3,362,529</b>    | <b>1,516,540</b>      | <b>3,129,082</b>    | <b>1,434,991</b>      |
| Cash and cash equivalents  | 103,538             | 47,039                | 64,905              | 28,847                |
| Restricted cash  | 25,540              | 12,505                | 26,250              | 11,511                |
| Tenant receivables, net of \$1,941 reserve at 6/30/06                                  | 13,045              | 6,684                 | 4,876               | 2,659                 |
| Deferred rents receivable, net of reserve for tenant credit loss of \$2,197 at 6/30/06 | 65,544              | 31,918                | 46,528              | 22,988                |
| Deferred costs, net  | 78,038              | 33,564                | 47,561              | 23,410                |
| Other assets   | 30,919              | 14,435                | 25,159              | 11,206                |
| <b>Total Assets</b>  | <b>\$ 3,679,153</b> | <b>\$ 1,662,685</b>   | <b>\$ 3,344,361</b> | <b>\$ 1,535,612</b>   |
| Mortgage loans payable   | \$ 2,572,643        | \$ 1,179,332          | \$ 1,981,250        | \$ 928,334            |
| Derivative Instruments-fair value  | —                   | —                     | 25                  | 14                    |
| Accrued interest payable   | 12,037              | 5,342                 | 7,605               | 3,497                 |
| Accounts payable and accrued expenses  | 59,566              | 27,156                | 58,290              | 26,252                |
| Security deposits  | 7,530               | 3,571                 | 8,088               | 3,886                 |
| Contributed Capital (1)  | 1,027,377           | 447,284               | 1,289,103           | 573,629               |
| <b>Total Liabilities and Equity</b>  | <b>\$ 3,679,153</b> | <b>\$ 1,662,685</b>   | <b>\$ 3,344,361</b> | <b>\$ 1,535,612</b>   |

As of June 30, 2006 the Company has ten unconsolidated joint venture interests including a 55% interest in 1250 Broadway, a 50% interest in 100 Park Avenue, a 16.67% interest in 1 Park Avenue, a 68.5% economic interest in 1515 Broadway increased from 55% in December 2005, a 45% interest in 1221 Avenue of the Americas, a 50% economic interest in 485 Lexington Avenue increased from 30% in January 2006, a 55% interest in the South Building of 1 Madison Avenue, a 30% interest in the Clock Tower of 1 Madison Avenue, a 45% interest in 379 West Broadway and a 50% interest in the Mack - Green Joint Venture. These interests are accounted for on the equity method of accounting and, therefore, are not consolidated into the company's financial statements.

As we have been designated as the primary beneficiary under FIN 46(R), we have consolidated the accounts of the following four joint ventures including a 50% interest in 1551/1555 Broadway and 21 West 34th Street, a 50% interest in 141 Fifth Avenue, a 45% interest in 1604 Broadway and a 50% interest in 25-29 West 34th Street.

- (1) Contributed capital includes adjustments to capital to reflect our share of capital based on implied sales prices of partially sold or contributed properties. Our investment in unconsolidated joint venture reflects our actual contributed capital base.

**JOINT VENTURE STATEMENTS**

**Statements of Operations for Unconsolidated Property Joint Ventures**  
**Unaudited**  
**(\$000's omitted)**



|  | Three Months Ended June 30, 2006 |                          | March 31, 2006           | Three Months Ended June 30, 2005 |                          |
|--|----------------------------------|--------------------------|--------------------------|----------------------------------|--------------------------|
|  | Total Property                   | SLG<br>Property Interest | SLG<br>Property Interest | Total Property                   | SLG<br>Property Interest |
| <b>Revenues</b>  |                                  |                          |                          |                                  |                          |
| Rental Revenue, net  | \$ 90,504                        | \$ 44,459                | \$ 42,590                | \$ 85,779                        | \$ 39,467                |
| Escalation and reimbursement revenues                            | 17,880                           | 9,025                    | 9,052                    | 13,921                           | 6,622                    |
| Investment and other income                                      | 1,711                            | 835                      | 978                      | 381                              | 253                      |
| <b>Total Revenues, net</b>                                       | <b>\$ 110,095</b>                | <b>\$ 54,319</b>         | <b>\$ 52,620</b>         | <b>\$ 100,081</b>                | <b>\$ 46,342</b>         |
| <b>Expenses</b>  |                                  |                          |                          |                                  |                          |
| Operating expenses   | \$ 24,033                        | \$ 11,835                | \$ 11,977                | \$ 19,916                        | \$ 9,184                 |
| Ground rent  | 225                              | 101                      | 101                      | —                                | —                        |
| Real estate taxes  | 17,604                           | 8,549                    | 8,412                    | 15,917                           | 7,345                    |
| <b>Total Operating Expenses</b>                                  | <b>\$ 41,862</b>                 | <b>\$ 20,485</b>         | <b>\$ 20,490</b>         | <b>\$ 35,833</b>                 | <b>\$ 16,529</b>         |
| <b>GAAP NOI</b>  | <b>\$ 68,233</b>                 | <b>\$ 33,834</b>         | <b>\$ 32,130</b>         | <b>\$ 64,248</b>                 | <b>\$ 29,813</b>         |
| <b>Cash NOI</b>  | <b>\$ 60,482</b>                 | <b>\$ 30,533</b>         | <b>\$ 29,394</b>         | <b>\$ 56,694</b>                 | <b>\$ 26,159</b>         |
| Interest   | 33,355                           | 17,187                   | 15,578                   | 23,196                           | 10,451                   |
| Amortization of deferred financing costs                         | 1,379                            | 760                      | 771                      | 1,144                            | 540                      |
| Depreciation and amortization                                    | 17,556                           | 8,491                    | 8,452                    | 16,274                           | 7,351                    |
| <b>Net Income</b>  | <b>\$ 15,943</b>                 | <b>\$ 7,396</b>          | <b>\$ 7,329</b>          | <b>\$ 23,634</b>                 | <b>\$ 11,471</b>         |
| Plus: Real estate depreciation                                   | 17,556                           | 8,491                    | 8,452                    | 16,274                           | 7,351                    |
| <b>Funds From Operations</b>                                     | <b>\$ 33,499</b>                 | <b>\$ 15,887</b>         | <b>\$ 15,781</b>         | <b>\$ 39,908</b>                 | <b>\$ 18,822</b>         |
| <b>FAD Adjustments:</b>  |                                  |                          |                          |                                  |                          |
| Plus: Non real estate depreciation and amortization              | \$ 1,379                         | \$ 760                   | \$ 771                   | \$ 1,144                         | \$ 540                   |
| Less: Straight-line rental income and other non-cash adjustments | (7,748)                          | (3,302)                  | (2,733)                  | (7,553)                          | (3,653)                  |
| Less: Second cycle tenant improvement                            | (1,267)                          | (569)                    | (402)                    | (4,379)                          | (1,746)                  |
| Less: Second cycle leasing commissions                           | (255)                            | (128)                    | (59)                     | (805)                            | (343)                    |
| Less: Recurring CAPEX  | (669)                            | (379)                    | (17)                     | (110)                            | (57)                     |
| <b>FAD Adjustment</b>  | <b>\$ (8,560)</b>                | <b>\$ (3,618)</b>        | <b>\$ (2,440)</b>        | <b>\$ (11,703)</b>               | <b>\$ (5,259)</b>        |

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|   | Six Months Ended June 30, 2006 |                          | Six Months Ended June 30, 2005 |                          |
|---|--------------------------------|--------------------------|--------------------------------|--------------------------|
|   | Total Property                 | SLG<br>Property Interest | Total Property                 | SLG<br>Property Interest |
| <b>Revenues</b>                                     |                                |                          |                                |                          |
| Rental Revenue, net                                 | \$ 178,960                     | \$ 87,049                | \$ 161,411                     | \$ 73,378                |
| Escalation and reimbursement revenues               | 36,872                         | 18,077                   | 27,873                         | 13,148                   |
| Investment and other income                         | 3,572                          | 1,813                    | 674                            | 414                      |
| <b>Total Revenues, net</b>                          | <b>\$ 219,404</b>              | <b>\$ 106,939</b>        | <b>\$ 189,958</b>              | <b>\$ 86,940</b>         |
| <b>Expenses</b>                                     |                                |                          |                                |                          |
| Operating expenses                                  | \$ 48,757                      | \$ 23,812                | \$ 40,800                      | \$ 18,930                |
| Ground rent   | 450                            | 202                      | —                              | —                        |
| Real estate taxes                                   | 35,021                         | 16,961                   | 31,831                         | 14,670                   |
| <b>Total Operating Expenses</b>                     | <b>\$ 84,228</b>               | <b>\$ 40,975</b>         | <b>\$ 72,631</b>               | <b>\$ 33,600</b>         |
| <b>GAAP NOI</b>                                     | <b>\$ 135,176</b>              | <b>\$ 65,964</b>         | <b>\$ 117,327</b>              | <b>\$ 53,340</b>         |
| <b>Cash NOI</b>                                     | <b>\$ 120,431</b>              | <b>\$ 59,927</b>         | <b>\$ 103,165</b>              | <b>\$ 46,702</b>         |
| Interest  | 63,816                         | 32,765                   | 38,296                         | 16,507                   |
| Amortization of deferred financing costs            | 2,812                          | 1,531                    | 2,156                          | 1,013                    |
| Depreciation and amortization                       | 35,209                         | 16,943                   | 30,133                         | 13,432                   |
| <b>Net Income</b>                                   | <b>\$ 33,339</b>               | <b>\$ 14,725</b>         | <b>\$ 46,742</b>               | <b>\$ 22,388</b>         |
| Plus: Real estate depreciation                      | 35,209                         | 16,943                   | 30,133                         | 13,432                   |
| <b>Funds From Operations</b>                        | <b>\$ 68,548</b>               | <b>\$ 31,668</b>         | <b>\$ 76,875</b>               | <b>\$ 35,820</b>         |
| <b>FAD Adjustments:</b>                             |                                |                          |                                |                          |
| Plus: Non real estate depreciation and amortization | \$ 2,812                       | \$ 1,531                 | \$ 2,156                       | \$ 1,013                 |

|  |                    |                   |                    |                    |
|--|--------------------|-------------------|--------------------|--------------------|
| Less: Straight-line rental income and other non-cash adjustments | (14,740)           | (6,035)           | (14,061)           | (6,636)            |
| Less: Second cycle tenant improvement                            | (2,094)            | (971)             | (5,771)            | (2,412)            |
| Less: Second cycle leasing commissions                           | (452)              | (187)             | (4,175)            | (2,159)            |
| Less: Recurring CAPEX  | (719)              | (396)             | (146)              | (77)               |
| <b>FAD Adjustment</b>  | <b>\$ (15,193)</b> | <b>\$ (6,058)</b> | <b>\$ (21,997)</b> | <b>\$ (10,271)</b> |

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## Gramercy Joint Venture Statements

Unaudited  
(\$000's omitted)



### Balance Sheets

|  | June 30,<br>2006    | March 31,<br>2006   |
|--|---------------------|---------------------|
| <b>Assets</b>                                      |                     |                     |
| Cash   | \$ 38,055           | \$ 46,001           |
| Loans and other lending investments, net           | 1,655,566           | 1,543,643           |
| Investment in joint ventures                       | 59,243              | 57,373              |
| Operating real estate, net                         | 83,988              | 53,059              |
| Other assets                                       | 130,784             | 103,568             |
| <b>Total Assets</b>                                | <b>\$ 1,967,636</b> | <b>\$ 1,803,644</b> |
| <b>Liabilities and Stockholders' Equity</b>        |                     |                     |
| Repurchase agreement                               | \$ 393,170          | \$ 377,193          |
| Collateralized debt obligation                     | 810,500             | 810,500             |
| Mortgage note payable                              | 94,525              | 41,000              |
| Other liabilities                                  | 61,153              | 43,560              |
| Junior subordinated deferrable interest debentures | 150,000             | 150,000             |
| <b>Total Liabilities</b>                           | <b>1,509,348</b>    | <b>1,422,253</b>    |
| Minority interest in operating real estate         |                     | 5,000               |
| <b>Stockholders' Equity</b>                        |                     |                     |
| Total stockholders' equity                         | 458,288             | 376,391             |
| <b>Total Liabilities and Stockholders' Equity</b>  | <b>\$ 1,967,636</b> | <b>\$ 1,803,644</b> |
| <b>Total Outstanding Shares</b>                    | <b>25,818</b>       | <b>22,818</b>       |
| <b>Total SLG Shares</b>                            | <b>6,418</b>        | <b>5,668</b>        |
| <b>SLG Investment in Gramercy at Cost</b>          | <b>\$ 113,682</b>   | <b>\$ 93,619</b>    |

### Income Statements

|   | Three Months Ended |                  | Six Months Ended |                  |
|---|--------------------|------------------|------------------|------------------|
|   | June 30,<br>2006   | June 30,<br>2005 | June 30,<br>2006 | June 30,<br>2005 |
| <b>Revenues</b>   |                    |                  |                  |                  |
| Investment Income   | \$ 39,134          | \$ 15,689        | \$ 71,013        | \$ 25,939        |
| Rental Revenue - net  | —                  | —                | 914              | —                |
| Other income  | 4,371              | 3,069            | 8,568            | 3,509            |
| <b>Total revenues</b>   | <b>43,505</b>      | <b>18,758</b>    | <b>80,495</b>    | <b>29,448</b>    |
| <b>Expenses</b>   |                    |                  |                  |                  |
| Interest  | 20,777             | 6,264            | 38,499           | 9,065            |
| Management fees   | 3,861              | 1,870            | 7,384            | 3,538            |
| Incentive fees  | 1,578              | —                | 2,771            | —                |
| Depreciation and amortization   | 228                | 106              | 683              | 128              |
| Marketing, general and administrative   | 2,779              | 1,632            | 5,549            | 3,266            |
| Provision for loan loss   | 500                | 525              | 500              | 525              |
| <b>Total expenses</b>   | <b>29,723</b>      | <b>10,397</b>    | <b>55,386</b>    | <b>16,522</b>    |
| Income from continuing operations before equity in net loss of unconsolidated joint ventures, minority interest and taxes | 13,782             | 8,361            | 25,109           | 12,926           |
| Equity in net loss of unconsolidated joint ventures   | (630)              | (404)            | (1,357)          | (404)            |
| Income from continuing operations before minority interest and taxes  | 13,152             | 7,957            | 23,752           | 12,522           |
| Provision for taxes   | (335)              | (500)            | (382)            | (500)            |

|   |                  |                 |                  |                  |
|---|------------------|-----------------|------------------|------------------|
| Net income available to common shareholders | 12,817           | 7,457           | 23,370           | 12,022           |
| Plus: Real estate depreciation              | 1,978            | 1,199           | 4,096            | 1,199            |
| <b>FFO</b>                                  | <b>\$ 14,795</b> | <b>\$ 8,656</b> | <b>\$ 27,466</b> | <b>\$ 13,221</b> |
| <b>SLG share of net income</b>              | <b>\$ 3,200</b>  | <b>\$ 1,864</b> | <b>\$ 5,840</b>  | <b>\$ 3,006</b>  |
| <b>SLG share of FFO</b>                     | <b>\$ 3,694</b>  | <b>\$ 2,164</b> | <b>\$ 6,862</b>  | <b>\$ 3,307</b>  |

### GKK Manager

|  | Three Months Ended |               | Six Months Ended |                 |
|--|--------------------|---------------|------------------|-----------------|
|  | June 30, 2006      | June 30, 2005 | June 30, 2006    | June 30, 2005   |
| Base management income                                 | \$ 2,501           | \$ 1,326      | \$ 4,737         | \$ 2,531        |
| Other fee income                                       | 2,084              | —             | 3,776            | 750             |
| Marketing, general and administrative expenses         | (1,989)            | (1,243)       | (3,935)          | (2,651)         |
| Net Income before minority interest                    | 2,596              | 83            | 4,578            | 630             |
| Less: minority interest                                | (896)              | (18)          | (1,565)          | (153)           |
| SLG share of GKK Manager net income                    | 1,700              | 65            | 3,013            | 477             |
| Servicing and administrative reimbursements            | 861                | 544           | 1,643            | 1,007           |
| Net management income and reimbursements from Gramercy | <b>\$ 2,561</b>    | <b>\$ 609</b> | <b>\$ 4,656</b>  | <b>\$ 1,484</b> |

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### SELECTED FINANCIAL DATA

#### Capitalization Analysis

#### Unaudited

(\$000's omitted)



|  | 6/30/2006           | 3/31/2006           | 12/31/2005          | 9/30/2005           | 6/30/2005           |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Market Capitalization</b>                       |                     |                     |                     |                     |                     |
| Common Equity:                                     |                     |                     |                     |                     |                     |
| Common Shares Outstanding                          | 43,226              | 43,133              | 42,456              | 41,942              | 41,830              |
| OP Units Outstanding                               | 2,219               | 2,263               | 2,427               | 2,502               | 2,512               |
| <b>Total Common Equity (Shares and Units)</b>      | <b>45,445</b>       | <b>45,396</b>       | <b>44,883</b>       | <b>44,444</b>       | <b>44,342</b>       |
| Share Price (End of Period)                        | \$ 109.47           | \$ 101.50           | \$ 76.39            | \$ 68.18            | \$ 64.50            |
| Equity Market Value                                | <b>\$ 4,974,864</b> | <b>\$ 4,607,694</b> | <b>\$ 3,428,612</b> | <b>\$ 3,030,192</b> | <b>\$ 2,860,059</b> |
| Preferred Equity at Liquidation Value:             | 257,500             | 257,500             | 257,500             | 257,500             | 257,500             |
| <b>Real Estate Debt</b>                            |                     |                     |                     |                     |                     |
| Property Level Mortgage Debt                       | 1,078,999           | 912,262             | 885,252             | 866,640             | 770,023             |
| Outstanding Balance on - Term Loans                | 525,000             | 525,000             | 525,000             | 525,000             | 525,000             |
| Outstanding Balance on - Secured Credit Line       | —                   | —                   | —                   | —                   | 67,000              |
| Outstanding Balance on - Unsecured Credit Line     | 54,645              | 156,645             | 32,000              | 135,000             | 31,730              |
| Junior Subordinated Deferrable Interest Debentures | 100,000             | 100,000             | 100,000             | 100,000             | 100,000             |
| Liability held for sale                            | 95,000              | —                   | —                   | —                   | —                   |
| Total Consolidated Debt                            | 1,853,644           | 1,693,907           | 1,542,252           | 1,626,640           | 1,493,753           |
| Company's Portion of Joint Venture Debt            | 1,179,332           | 1,111,160           | 1,040,265           | 911,959             | 928,334             |
| <b>Total Combined Debt</b>                         | <b>3,032,976</b>    | <b>2,805,067</b>    | <b>2,582,517</b>    | <b>2,538,599</b>    | <b>2,422,087</b>    |
| <b>Total Market Cap (Debt &amp; Equity)</b>        | <b>\$ 8,265,340</b> | <b>\$ 7,670,261</b> | <b>\$ 6,268,629</b> | <b>\$ 5,826,291</b> | <b>\$ 5,539,646</b> |
| <b>Availability under Lines of Credit</b>          |                     |                     |                     |                     |                     |
| Senior Unsecured Line of Credit(A)                 | 431,837(A)          | 329,275             | 453,920             | 359,612             | 264,270             |
| Term Loans   | —                   | —                   | —                   | —                   | —                   |
| Secured Line of Credit                             | —                   | —                   | —                   | —                   | 58,000              |
| <b>Total Availability</b>                          | <b>\$ 431,837</b>   | <b>\$ 329,275</b>   | <b>\$ 453,920</b>   | <b>\$ 359,612</b>   | <b>\$ 322,270</b>   |

(A) As reduced by \$13,518 letter of credit

|                                      |                 |                 |                 |                 |                 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Combined Capitalized Interest</b> | <b>\$ 4,342</b> | <b>\$ 4,291</b> | <b>\$ 2,388</b> | <b>\$ 2,161</b> | <b>\$ 1,016</b> |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|

### Ratio Analysis

#### Consolidated Basis

|  |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|
| Debt to Market Cap Ratio                                   | 26.16% | 25.83% | 29.50% | 33.10% | 32.39% |
| Debt to Gross Real Estate Book Ratio (1)                   | 69.79% | 72.65% | 69.76% | 74.92% | 70.02% |
| Secured Real Estate Debt to Secured Assets Gross Book (1)  | 74.76% | 72.62% | 75.60% | 75.41% | 75.39% |
| Unsecured Debt to Unencumbered Assets-Gross Book Value (1) | 44.60% | 54.55% | 44.28% | 55.21% | 45.26% |

**Joint Ventures Allocated**

|   |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|
| Combined Debt to Market Cap Ratio                     | 36.70% | 36.57% | 41.20% | 43.57% | 43.72% |
| Debt to Gross Real Estate Book Ratio (1)              | 74.19% | 72.37% | 69.82% | 69.46% | 66.69% |
| Secured Debt to Secured Assets Gross Book<br>(1), (2) | 74.13% | 72.25% | 72.17% | 67.56% | 67.52% |

(1) Excludes property level capital obligations.

(2) Secured debt ratio includes only property level secured debt.

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**SELECTED FINANCIAL DATA**  
**Property NOI and Coverage Ratios**  
**Unaudited**  
**(\$000's omitted)**


|   | Three Months Ended |                  | Three Months Ended |                   | Six Months Ended  |  |
|---|--------------------|------------------|--------------------|-------------------|-------------------|--|
|   | June 30,<br>2006   | June 30,<br>2005 | March 31,<br>2006  | June 30,<br>2006  | June 30,<br>2005  |  |
| <b>Property NOI</b>                         |                    |                  |                    |                   |                   |  |
| Property Operating NOI                      | \$ 50,735          | \$ 41,326        | \$ 45,124          | \$ 95,859         | \$ 78,996         |  |
| NOI from Discontinued Operations            | 2,079              | 2,151            | 1,694              | 3,773             | 4,535             |  |
| Total Property Operating NOI - Consolidated | 52,814             | 43,477           | 46,818             | 99,632            | 83,531            |  |
| SLG share of Property NOI from JVs          | 33,834             | 29,813           | 32,130             | 65,964            | 53,340            |  |
| <b>GAAP NOI</b>                             | <b>\$ 86,648</b>   | <b>\$ 73,290</b> | <b>\$ 78,948</b>   | <b>\$ 165,596</b> | <b>\$ 136,871</b> |  |
| Less: Free Rent (Net of Amortization)       | 1,742              | 4,033            | 2,221              | 3,963             | 7,746             |  |
| Net FAS 141 Adjustment                      | 1,052              | 639              | 789                | 1,841             | 1,332             |  |
| Straightline Revenue Adjustment             | 6,693              | 5,426            | 6,358              | 13,051            | 10,142            |  |
| Plus: Allowance for S/L tenant credit loss  | 951                | 1,245            | 933                | 1,884             | 2,543             |  |
| Ground Lease Straight-line Adjustment       | 157                | 160              | 157                | 314               | 320               |  |
| <b>Cash NOI</b>                             | <b>\$ 78,269</b>   | <b>\$ 64,597</b> | <b>\$ 70,670</b>   | <b>\$ 148,939</b> | <b>\$ 120,514</b> |  |

**Components of Debt Service and Fixed Charges**

|  |               |               |               |                |                |
|--|---------------|---------------|---------------|----------------|----------------|
| Interest Expense                         | 23,093        | 19,655        | 19,039        | 42,132         | 37,292         |
| Fixed Amortization Principal Payments    | 941           | 793           | 1,025         | 1,966          | 1,688          |
| <b>Total Consolidated Debt Service</b>   | <b>24,034</b> | <b>20,448</b> | <b>20,064</b> | <b>44,098</b>  | <b>38,980</b>  |
| Payments under Ground Lease Arrangements | 4,851         | 4,752         | 4,851         | 9,702          | 9,108          |
| Dividend on perpetual preferred shares   | 4,969         | 4,969         | 4,969         | 9,938          | 9,938          |
| <b>Total Consolidated Fixed Charges</b>  | <b>33,854</b> | <b>30,169</b> | <b>29,884</b> | <b>63,738</b>  | <b>58,026</b>  |
| <b>Adjusted EBITDA</b>                   | <b>88,942</b> | <b>72,402</b> | <b>78,102</b> | <b>167,044</b> | <b>140,060</b> |
| <b>Interest Coverage Ratio</b>           | <b>3.77</b>   | <b>3.68</b>   | <b>3.72</b>   | <b>3.75</b>    | <b>3.76</b>    |
| <b>Debt Service Coverage Ratio</b>       | <b>3.63</b>   | <b>3.54</b>   | <b>3.55</b>   | <b>3.59</b>    | <b>3.59</b>    |
| <b>Fixed Charge Coverage Ratio</b>       | <b>2.59</b>   | <b>2.40</b>   | <b>2.45</b>   | <b>2.52</b>    | <b>2.41</b>    |

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**SELECTED FINANCIAL DATA**  
**2006 Same Store - Consolidated**  
**Unaudited**  
**(\$000's omitted)**


|  | Three Months Ended |                  |           | Three Months Ended |                  |                  | Six Months Ended |  |  |
|--|--------------------|------------------|-----------|--------------------|------------------|------------------|------------------|--|--|
|  | June 30,<br>2006   | June 30,<br>2005 | %         | March 31,<br>2006  | June 30,<br>2006 | June 30,<br>2005 | %                |  |  |
| <b>Revenues</b>                                    |                    |                  |           |                    |                  |                  |                  |  |  |
| Rental Revenue, net                                | 79,052             | 74,658           | 6%        | 77,872             | 156,925          | 148,558          | 6%               |  |  |
| Escalation & Reimbursement Revenues                | 14,865             | 12,899           | 15%       | 14,252             | 29,117           | 24,213           | 20%              |  |  |
| Investment Income                                  | 313                | 154              | 103%      | 227                | 543              | 300              | 81%              |  |  |
| Other Income                                       | 388                | 388              | 0%        | 2,326              | 2,711            | 1,729            | 57%              |  |  |
| <b>Total Revenues</b>                              | <b>94,618</b>      | <b>88,099</b>    | <b>7%</b> | <b>94,677</b>      | <b>189,296</b>   | <b>174,800</b>   | <b>8%</b>        |  |  |
| <b>Expenses</b>                                    |                    |                  |           |                    |                  |                  |                  |  |  |
| Operating Expense                                  | 24,582             | 22,377           | 10%       | 25,828             | 50,410           | 45,910           | 10%              |  |  |
| Ground Rent  | 4,912              | 4,912            | 0%        | 4,912              | 9,824            | 9,427            | 4%               |  |  |
| Real Estate Taxes                                  | 17,600             | 16,953           | 4%        | 17,742             | 35,343           | 33,080           | 7%               |  |  |
|  | <b>47,094</b>      | <b>44,242</b>    | <b>6%</b> | <b>48,482</b>      | <b>95,577</b>    | <b>88,417</b>    | <b>8%</b>        |  |  |
| <b>EBITDA</b>                                      | <b>47,524</b>      | <b>43,857</b>    | <b>8%</b> | <b>46,195</b>      | <b>93,719</b>    | <b>86,383</b>    | <b>8%</b>        |  |  |
| Interest Expense & Amortization of Financing costs | 11,018             | 10,745           | 3%        | 10,954             | 21,972           | 21,022           | 5%               |  |  |
| Depreciation & Amortization                        | 14,267             | 13,293           | 7%        | 14,312             | 28,580           | 26,381           | 8%               |  |  |

|       |  |               |               |            |               |               |               |            |
|-------|--|---------------|---------------|------------|---------------|---------------|---------------|------------|
|       | Income Before Minority Interest                    | 22,239        | 19,819        | 12%        | 20,929        | 43,167        | 38,980        | 11%        |
| Plus: | Real Estate Depreciation & Amortization            | 14,257        | 13,282        | 7%         | 14,302        | 28,559        | 26,359        | 8%         |
|       | <b>FFO</b>   | <b>36,496</b> | <b>33,101</b> | <b>10%</b> | <b>35,231</b> | <b>71,726</b> | <b>65,339</b> | <b>10%</b> |
| Less: | Non – Building Revenue                             | 545           | 336           | 62%        | 395           | 940           | 708           | 33%        |
| Plus: | Interest Expense & Amortization of Financing costs | 11,018        | 10,745        | 3%         | 10,954        | 21,972        | 21,022        | 5%         |
|       | Non Real Estate Depreciation                       | 10            | 11            | -9%        | 10            | 20            | 22            | -9%        |
|       | <b>GAAP NOI</b>                                    | <b>46,979</b> | <b>43,521</b> | <b>8%</b>  | <b>45,800</b> | <b>92,778</b> | <b>85,675</b> | <b>8%</b>  |

#### Cash Adjustments

|       |                                       |               |               |            |               |               |               |           |
|-------|---------------------------------------|---------------|---------------|------------|---------------|---------------|---------------|-----------|
| Less: | Free Rent (Net of Amortization)       | 1,467         | 2,805         | -48%       | 1,998         | 3,466         | 5,271         | -34%      |
|       | Straightline Revenue Adjustment       | 3,190         | 2,612         | 22%        | 3,273         | 6,464         | 5,428         | 19%       |
|       | Rental Income - FAS 141               | 289           | 289           | 0%         | 285           | 574           | 574           | 0%        |
| Plus: | Allowance for S/L tenant credit loss  | 697           | 960           | -27%       | 680           | 1,377         | 1,910         | -28%      |
|       | Ground Lease Straight-line Adjustment | 87            | 160           | -46%       | 87            | 174           | 320           | -46%      |
|       | <b>Cash NOI</b>                       | <b>42,817</b> | <b>38,935</b> | <b>10%</b> | <b>41,011</b> | <b>83,825</b> | <b>76,632</b> | <b>9%</b> |

#### Operating Margins

|  |  |        |        |  |        |        |        |
|--|--|--------|--------|--|--------|--------|--------|
|  | GAAP NOI to Real Estate Revenue, net                 | 49.57% | 49.05% |  | 48.23% | 48.90% | 48.68% |
|  | Cash NOI to Real Estate Revenue, net                 | 45.18% | 43.88% |  | 43.19% | 44.18% | 43.54% |
|  | GAAP NOI before Ground Rent/Real Estate Revenue, net | 54.75% | 54.59% |  | 53.40% | 54.08% | 54.03% |
|  | Cash NOI before Ground Rent/Real Estate Revenue, net | 50.27% | 49.24% |  | 48.27% | 49.27% | 48.71% |

#### SELECTED FINANCIAL DATA

2006 Same Store - Joint Venture

Unaudited

(\$000's omitted)



|  | Three Months Ended |               |            | Six Months Ended |               |            |
|--|--------------------|---------------|------------|------------------|---------------|------------|
|  | June 30, 2006      | June 30, 2005 | %          | June 30, 2006    | June 30, 2005 | %          |
| <b>Revenues</b>                                    |                    |               |            |                  |               |            |
| Rental Revenue, net                                | 34,126             | 33,805        | 1%         | 67,564           | 66,681        | 1%         |
| Escalation & Reimbursement Revenues                | 8,600              | 6,836         | 26%        | 17,253           | 13,594        | 27%        |
| Investment Income                                  | 325                | 96            | 238%       | 659              | 159           | 315%       |
| Other Income                                       | 376                | 11            | 3452%      | 809              | 59            | 1282%      |
| <b>Total Revenues</b>                              | <b>43,426</b>      | <b>40,747</b> | <b>7%</b>  | <b>86,285</b>    | <b>80,492</b> | <b>7%</b>  |
| <b>Expenses</b>                                    |                    |               |            |                  |               |            |
| Operating Expense                                  | 10,815             | 9,097         | 19%        | 22,055           | 18,748        | 18%        |
| Ground Rent  | —                  | —             |            | —                | —             |            |
| Real Estate Taxes                                  | 8,149              | 7,531         | 8%         | 16,277           | 15,005        | 8%         |
|  | <b>18,964</b>      | <b>16,629</b> | <b>14%</b> | <b>38,332</b>    | <b>33,753</b> | <b>14%</b> |
| <b>EBITDA</b>                                      | <b>24,463</b>      | <b>24,118</b> | <b>1%</b>  | <b>47,953</b>    | <b>46,739</b> | <b>3%</b>  |
| Interest Expense & Amortization of Financing costs | 10,992             | 6,295         | 75%        | 21,032           | 12,070        | 74%        |
| Depreciation & Amortization                        | 6,044              | 5,813         | 4%         | 12,035           | 11,433        | 5%         |
| Income Before Minority Interest                    | 7,426              | 12,010        | -38%       | 14,886           | 23,236        | -36%       |
| Plus: Real Estate Depreciation &                   | 6,044              | 5,813         | 4%         | 12,035           | 11,432        | 5%         |



| Amortization |  |               |               |             |               |               |             |
|--------------|--|---------------|---------------|-------------|---------------|---------------|-------------|
| <b>FFO</b>   |  | <b>13,470</b> | <b>17,823</b> | <b>-24%</b> | <b>26,921</b> | <b>34,668</b> | <b>-22%</b> |
| Less:        | Non – Building Revenue                             | 330           | 101           | 227%        | 670           | 167           | 301%        |
| Plus:        | Interest Expense & Amortization of Financing costs | 10,992        | 6,295         | 75%         | 21,032        | 12,070        | 74%         |
|              | Non Real Estate Depreciation                       | 0             | 0             | 0%          | —             | 1             | -100%       |
|              | <b>GAAP NOI</b>                                    | <b>24,133</b> | <b>24,017</b> | <b>0%</b>   | <b>47,283</b> | <b>46,572</b> | <b>2%</b>   |

### Cash Adjustments

|       |                                       |               |               |           |               |               |            |
|-------|---------------------------------------|---------------|---------------|-----------|---------------|---------------|------------|
| Less: | Free Rent (Net of Amortization)       | (218)         | 1,344         | -116%     | (369)         | 2,660         | -114%      |
|       | Straightline Revenue Adjustment       | 1,226         | 1,630         | -25%      | 2,431         | 3,400         | -29%       |
|       | FAS 141                               | 245           | 245           | 0%        | 489           | 489           | 0%         |
| Plus: | Allowance for S/L tenant credit loss  | 105           | 229           | -54%      | 229           | 547           | -58%       |
|       | Ground Lease Straight-line Adjustment | —             | —             |           | —             | —             |            |
|       | <b>Cash NOI</b>                       | <b>22,985</b> | <b>21,028</b> | <b>9%</b> | <b>44,961</b> | <b>40,569</b> | <b>11%</b> |

### Operating Margins

|  |        |        |        |        |
|--|--------|--------|--------|--------|
| GAAP NOI to Real Estate Revenue, net                 | 55.86% | 58.76% | 55.08% | 57.59% |
| Cash NOI to Real Estate Revenue, net                 | 53.20% | 51.45% | 52.38% | 50.17% |
| GAAP NOI before Ground Rent/Real Estate Revenue, net | 55.86% | 58.76% | 55.08% | 57.59% |
| Cash NOI before Ground Rent/Real Estate Revenue, net | 53.20% | 51.45% | 52.38% | 50.17% |

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### DEBT SUMMARY SCHEDULE

Unaudited  
(\$000's omitted)



|  | Principal O/S Outstanding 6/30/2006 (5) | Coupon       | 2006 Principal Repayment | Maturity Date | Due at Maturity  | As-Of Right Extension | Earliest Prepayment |
|--|---|--------------|--------------------------|---------------|------------------|-----------------------|---------------------|
| <b>Fixed rate debt</b>                                       |   |              |                          |               |                  |                       |                     |
| <b>Secured fixed Rate Debt</b>                               |   |              |                          |               |                  |                       |                     |
| 125 Broad Street   | 74,386                                  | 8.29%        | 803                      | Oct-07        | 73,341           | —                     | Open                |
| 673 First Avenue   | 34,147                                  | 5.67%        | 657                      | Feb-13        | 28,984           | —                     | Feb-06              |
| 70 W. 36th Street  | 11,307                                  | 7.87%        | 214                      | May-09        | 10,629           | —                     | Open                |
| 711 Third Avenue   | 120,000                                 | 4.99%        | —                        | Jun-15        | 120,000          | —                     | Mar-15              |
| 220 E 42nd Street  | 210,000                                 | 5.24%        | —                        | Nov-13        | 182,394          | —                     | Dec-06              |
| 420 Lexington Avenue   | 116,334                                 | 8.44%        | 2,284                    | Nov-10        | 104,691          | —                     | Open                |
| 625 Madison Avenue   | 102,000                                 | 6.27%        | 166                      | Nov-15        | 78,595           | —                     | Open                |
| 609 Fifth Avenue   | 102,000                                 | 5.85%        | 209                      | Oct-13        | 91,342           | —                     | Jul-13              |
|  | <b>770,174</b>                          | <b>6.25%</b> | <b>4,333</b>             |               | <b>689,976</b>   |                       |                     |
| <b>Secured fixed Rate Debt-Other</b>                         |   |              |                          |               |                  |                       |                     |
| Wells Fargo Secured Term Loan (Libor + 125 bps) (1)          | 160,000                                 | 5.09%        | —                        | May-10        | 160,000          | —                     | —                   |
| 609 Partners, LLC  | 63,891                                  | 5.00%        | —                        | Jun-09        | 63,891           | —                     | Jun-08              |
|  | <b>223,891</b>                          | <b>5.06%</b> | <b>—</b>                 |               | <b>223,891</b>   |                       |                     |
| <b>Unsecured fixed rate debt</b>                             |   |              |                          |               |                  |                       |                     |
| Wells Fargo Unsecured Term Loan (Libor swap + 125bps) (2)    | 325,000                                 | 4.64%        | —                        | Aug-09        | 325,000          | —                     | Aug-07              |
| Junior Subordinated Deferrable Interest Debentures           | 100,000                                 | 5.61%        | —                        | Jul-15        | 100,000          | —                     | —                   |
|  | <b>425,000</b>                          | <b>4.87%</b> | <b>—</b>                 |               | <b>425,000</b>   |                       |                     |
|  | <b>Total Fixed Rate Debt/Wtd Avg</b>    | <b>5.65%</b> | <b>4,333</b>             |               | <b>1,338,867</b> |                       |                     |
| <b>Floating rate Debt</b>                                    |   |              |                          |               |                  |                       |                     |
| <b>Secured floating rate debt</b>                            |   |              |                          |               |                  |                       |                     |
| Wells Fargo Secured Term Loan (Libor + 125 bps)              | 40,000                                  | 6.27%        | —                        | May-10        | 40,000           | —                     | —                   |
| 1551/1555 Broadway & 21 W. 34th Street (Libor + 200 bps) (3) | 94,630                                  | 6.98%        | —                        | Aug-08        | 94,630           | —                     | Open                |
| 141 Fifth Avenue (Libor + 225 bps) (3)                       | 10,304                                  | 7.31%        | —                        | Sep-07        | 10,304           | Sep-10                | —                   |
| 521 Fifth Avenue (Libor + 100 bps)                           | 140,000                                 | 5.99%        | —                        | Apr-11        | 140,000          | —                     | Open                |
|  | <b>284,934</b>                          | <b>6.41%</b> | <b>—</b>                 |               | <b>284,934</b>   |                       |                     |
| <b>Unsecured floating rate debt</b>                          |   |              |                          |               |                  |                       |                     |
| Senior Unsecured Line of Credit (Libor + 95 bps)             | 54,645                                  | 6.03%        | —                        | Aug-08        | 54,645           | Aug-09                | Open                |
|  | <b>54,645</b>                           | <b>6.03%</b> | <b>—</b>                 |               | <b>54,645</b>    |                       |                     |
|  | <b>Total Floating Rate Debt/Wtd Avg</b> | <b>6.35%</b> | <b>—</b>                 |               | <b>339,579</b>   |                       |                     |
|  | <b>Total Debt/Wtd Avg</b>               | <b>5.79%</b> | <b>4,333</b>             |               | <b>1,678,446</b> |                       |                     |
| <b>Weighted Average Balance &amp; Interest Rate</b>          | <b>1,671,413</b>                        | <b>5.84%</b> |                          |               |                  |                       |                     |

### SUMMARY OF JOINT VENTURE DEBT

| Joint Venture Debt                          | Principal O/S   |           |       |   |        |        |        |      |
|---|-----------------|-----------|-------|---|--------|--------|--------|------|
|   | Gross Principal | SLG Share |       |   |        |        |        |      |
| 1250 Broadway (Libor + 120bps)              | 115,000         | 63,250    | 6.19% | — | Aug-06 | 63,250 | Aug-09 | Open |
| 1221 Avenue of Americas (Libor + 75bps) (4) | 170,000         | 76,500    | 5.71% | — | Dec-10 | 76,500 | Dec-08 | Open |

|  |                  |                  |              |              |                 |                |        |        |
|--|------------------|------------------|--------------|--------------|-----------------|----------------|--------|--------|
| 1515 Broadway (Libor + 90 bps)                                       | 625,000          | 343,750          | 5.96%        | —            | Nov-07          | 343,750        | Jul-09 | Open   |
| 1 Park Avenue  | 238,500          | 39,830           | 5.80%        | —            | May-14          | 39,830         | —      | Open   |
| 100 Park Avenue (3)  | 175,000          | 87,325           | 6.52%        | —            | Nov-15          | 63,626         | —      | Open   |
| 485 Lexington Ave (Libor + 135bps)                                   | 321,149          | 96,345           | 6.33%        | —            | Jan-09          | 96,345         | Jul-09 | Open   |
| 1 Madison Avenue - South Building                                    | 686,035          | 377,319          | 5.91%        | 2,536        | May-20          | 220,755        | —      | Jun-20 |
| 1 Madison Avenue - Clock Tower (Libor + 160bps)                      | 126,621          | 37,986           | 6.63%        | —            | Nov-07          | 37,986         | Nov-08 | Nov-06 |
| 379 West Broadway (Libor + 225bps) (3)                               | 12,838           | 5,777            | 7.31%        | —            | Dec-07          | 5,777          | Dec-10 | —      |
|  |                  |                  |              |              | May-08 & Aug-14 |                |        |        |
| Mack - Green Joint Venture   | 102,500          | 51,250           | 7.57%        | 254          |                 | 47,290         | —      | —      |
| <b>Total Joint Venture Debt/Wtd Avg</b>                              | <b>2,572,643</b> | <b>1,179,332</b> | <b>6.10%</b> | <b>2,790</b> |                 | <b>995,109</b> |        |        |
| <b>Weighted Average Balance &amp; Interest Rate with SLG JV debt</b> |                  | <b>2,825,760</b> | <b>5.94%</b> |              |                 |                |        |        |

- There is a LIBOR swap on this loan of 4.65% from May 2006 through December 2008.
- WF term loan consists of three tranches which mature in June 2008 and a fourth tranche which matures in August 2009. The blended rates on the step -up swaps for this loan are as follows: 3.57% on \$100mm, 3.51% on \$35mm, 3.95% on \$65mm, and 4.21% on \$125mm.
- Committed amount for 1551/1555 Broadway and 21 West 34th Street is \$112.7mm, for 141 Fifth Avenue is \$12.58mm, for 1 Madison Avenue is \$205.1mm, for 100 Park is \$175mm and for 379 West Broadway is \$13.25mm.
- There is a LIBOR swap of 4.76% on \$65mm of this loan.
- 55 Corporate Drive is excluded from this schedule since the property is classified as property held for sale.

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## SUMMARY OF GROUND LEASE ARRANGEMENTS

### Consolidated Statement (REIT)

(\$000's omitted)



| Property                    | 2006 Scheduled Cash Payment | 2007 Scheduled Cash Payment | 2008 Scheduled Cash Payment | 2009 Scheduled Cash Payment | Deferred Land Lease Obligations (1) | Year of Maturity |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------------|------------------|
| <b>Operating Leases</b>     |                             |                             |                             |                             |                                     |                  |
| 673 First Avenue            | 3,010                       | 3,010                       | 3,010                       | 3,010                       | 15,545                              | 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                       | 894                                 | 2032             |
| 461 Fifth Avenue (2)        | 2,100                       | 2,100                       | 2,100                       | 2,100                       | —                                   | 2027 (6)         |
| 625 Madison Avenue (2)      | 4,613                       | 4,613                       | 4,613                       | 4,613                       | —                                   | 2022 (7)         |
| 1604 Broadway (2)           | 2,350                       | 2,350                       | 2,350                       | 2,350                       | 186                                 | 2021 (8)         |
| <b>Total</b>                | <b>21,045</b>               | <b>21,045</b>               | <b>21,045</b>               | <b>21,045</b>               | <b>16,625</b>                       |                  |
| <b>Capitalized Lease</b>    |                             |                             |                             |                             |                                     |                  |
| 673 First Avenue            | 1,416                       | 1,416                       | 1,416                       | 1,416                       | 16,325                              | 2037             |

- Per the balance sheet at June 30, 2006
- These ground leases are classified as operating leases and, therefore, do not appear on the balance sheet as an obligation.
- The Company has a unilateral option to extend the ground lease for an additional 50 years to 2066.
- Subject to renewal at the Company's option through 2029.
- Excludes portion payable to SL Green as owner of 50% leasehold.
- The Company has an option to purchase the ground lease for a fixed price on a specific date.
- Subject to renewal at the Company's option through 2054.
- Subject to renewal at the Company's option through 2036. The Company has a 45% interest in this property.

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## STRUCTURED FINANCE

(\$000's omitted)

|                            | Assets Outstanding | Wtd Average Assets during quarter | Wtd Average Yield during quarter | Current Yield | Libor Rate |
|----------------------------|--------------------|-----------------------------------|----------------------------------|---------------|------------|
| <b>3/31/2005</b>           | 375,099            | 363,189                           | 10.43%                           | 10.69%        | 2.87%      |
| Originations/Accretion (1) | 58,250             |                                   |                                  |               |            |
| Preferred Equity           | 6,125              |                                   |                                  |               |            |
| Redemptions /Amortization  | (42,612)           |                                   |                                  |               |            |
| <b>6/30/2005</b>           | 396,862            | 413,571                           | 10.27%                           | 10.26%        | 3.34%      |
| Originations/Accretion (1) | —                  |                                   |                                  |               |            |
| Preferred Equity           | 58,000             |                                   |                                  |               |            |
| Redemptions /Amortization  | (54,813)           |                                   |                                  |               |            |
| <b>9/30/2005</b>           | 400,049            | 398,433                           | 10.26%                           | 10.34%        | 3.86%      |
| Originations/Accretion (1) | 152                |                                   |                                  |               |            |
| Preferred Equity           | —                  |                                   |                                  |               |            |
| Redemptions /Amortization  | (125)              |                                   |                                  |               |            |
| <b>12/31/2005</b>          | 400,076            | 399,889                           | 10.43%                           | 10.44%        | 4.39%      |

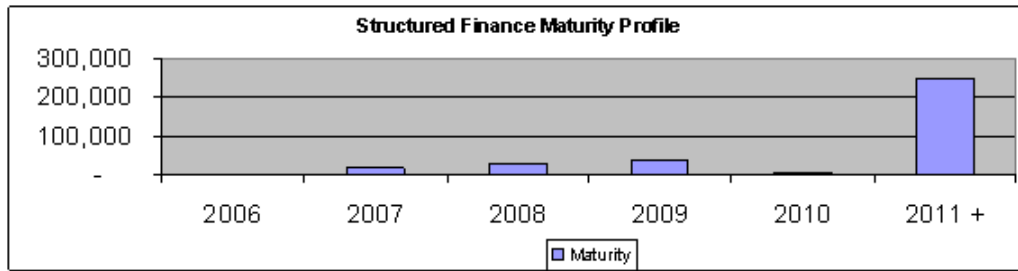
|                            |                |                |               |               |              |
|----------------------------|----------------|----------------|---------------|---------------|--------------|
| Originations/Accretion (1) | 61,127         |                |               |               |              |
| Preferred Equity           | 5,000          |                |               |               |              |
| Redemptions /Amortization  | (30)           |                |               |               |              |
| <b>3/31/2006</b>           | <b>466,173</b> | <b>453,085</b> | <b>10.27%</b> | <b>10.57%</b> | <b>4.83%</b> |
| Originations/Accretion (1) | 37,282         |                |               |               |              |
| Preferred Equity           | 7,000          |                |               |               |              |
| Redemptions /Amortization  | (176,466)      |                |               |               |              |
| <b>6/30/2006</b>           | <b>333,989</b> | <b>409,728</b> | <b>10.31%</b> | <b>10.04%</b> | <b>5.33%</b> |

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

**STRUCTURED FINANCE**  
(\$000's omitted)

| Type of Investment            | Quarter End Balance(1) | Senior Financing    | Exposure Psf  | Wtd Average Yield during quarter | Current Yield  |
|-------------------------------|------------------------|---------------------|---------------|----------------------------------|----------------|
| Junior Mortgage Participation | \$ 90,808              | \$ 895,500          | \$ 244        | 11.01 %                          | 10.78 %        |
| Mezzanine Debt                | \$ 148,659             | \$ 697,000          | \$ 348        | 8.88 %                           | 8.72 %         |
| Preferred Equity              | \$ 94,522              | \$ 2,718,724        | \$ 124        | 11.50 %                          | 11.35 %        |
| <b>Balance as of 6/30/06</b>  | <b>\$ 333,989</b>      | <b>\$ 4,311,224</b> | <b>\$ 235</b> | <b>10.31 %</b>                   | <b>10.04 %</b> |

**Current Maturity Profile (2)**



(1) Most investments are indexed to Libor and are prepayable at dates prior to maturity subject to certain prepayment penalties or fees.  
(2) The weighted maturity is 7.7 years.

**SELECTED PROPERTY DATA**



| Properties                         | SubMarket                  | Ownership              | Usable Sq. Feet  | % of Total Sq. Feet | Occupancy (%) |             |             |             |             | Annualized Rent (\$'s) | Annualized Rent |           | Total Tenants |
|------------------------------------|----------------------------|------------------------|------------------|---------------------|---------------|-------------|-------------|-------------|-------------|------------------------|-----------------|-----------|---------------|
|                                    |                            |                        |                  |                     | Jun-06        | Mar-06      | Dec-05      | Sep-05      | Jun-05      |                        | 100%            | SLG       |               |
| <b>PROPERTIES 100% OWNED</b>       |                            |                        |                  |                     |               |             |             |             |             |                        |                 |           |               |
| <b>"Same Store"</b>                |                            |                        |                  |                     |               |             |             |             |             |                        |                 |           |               |
|                                    |                            |                        |                  | %                   | %             | %           | %           | %           | %           | \$                     | %               | %         |               |
| 1140 Avenue of the Americas        | Rockefeller Center         | Leasehold Interest     | 191,000          | 1                   | 98.6          | 100.0       | 97.1        | 97.1        | 97.1        | 9,281,340              | 2               | 2         | 25            |
| 110 East 42nd Street               | Grand Central North        | Fee Interest           | 181,000          | 1                   | 96.7          | 94.5        | 96.5        | 89.6        | 91.3        | 6,792,036              | 2               | 1         | 28            |
| 125 Broad Street                   | Downtown                   | Fee Interest           | 525,000          | 3                   | 100.0         | 100.0       | 100.0       | 100.0       | 100.0       | 18,452,868             | 5               | 3         | 4             |
| 1372 Broadway                      | Garment                    | Fee Interest           | 508,000          | 3                   | 85.7          | 86.4        | 84.1        | 84.1        | 99.2        | 15,985,092             | 4               | 3         | 24            |
| 220 East 42nd Street               | Midtown                    | Fee Interest           | 1,135,000        | 6                   | 100.0         | 99.5        | 99.5        | 99.6        | 99.0        | 39,954,264             | 10              | 7         | 38            |
| 286 Madison Avenue                 | Grand Central South        | Fee Interest           | 112,000          | 1                   | 100.0         | 100.0       | 99.8        | 98.8        | 96.9        | 4,180,440              | 1               | 1         | 39            |
| 290 Madison Avenue                 | Grand Central South        | Fee Interest           | 37,000           | 0                   | 100.0         | 100.0       | 100.0       | 100.0       | 100.0       | 1,444,440              | 0               | 0         | 4             |
| 292 Madison Avenue                 | Grand Central South        | Fee Interest           | 187,000          | 1                   | 99.7          | 99.7        | 99.7        | 99.7        | 99.7        | 7,793,100              | 2               | 1         | 20            |
| 317 Madison Avenue                 | Grand Central              | Fee Interest           | 450,000          | 2                   | 94.6          | 93.7        | 93.7        | 86.4        | 85.2        | 18,306,432             | 5               | 3         | 89            |
| 420 Lexington Ave (Graybar)        | Grand Central North        | Operating Sublease     | 1,188,000        | 6                   | 98.0          | 97.4        | 97.1        | 97.0        | 96.5        | 53,598,960             | 13              | 9         | 256           |
| 440 Ninth Avenue                   | Garment                    | Fee Interest           | 339,000          | 2                   | 99.4          | 99.4        | 100.0       | 100.0       | 100.0       | 10,444,152             | 3               | 2         | 13            |
| 461 Fifth Avenue                   | Midtown                    | Leasehold Interest     | 200,000          | 1                   | 87.6          | 89.7        | 89.7        | 89.7        | 89.7        | 10,540,776             | 3               | 2         | 16            |
| 470 Park Avenue South              | Park Avenue South/Flatiron | Fee Interest           | 260,000          | 1                   | 100.0         | 96.9        | 93.8        | 93.1        | 93.8        | 10,092,780             | 3               | 2         | 29            |
| 555 West 57th Street               | Midtown West               | Fee Interest           | 941,000          | 5                   | 99.9          | 100.0       | 100.0       | 100.0       | 100.0       | 27,296,832             | 7               | 5         | 16            |
| 625 Madison Avenue                 | Plaza District             | Leasehold Interest     | 563,000          | 3                   | 99.0          | 91.7        | 91.7        | 83.3        | 77.0        | 38,334,696             | 10              | 6         | 38            |
| 673 First Avenue                   | Grand Central South        | Leasehold Interest     | 422,000          | 2                   | 82.7          | 77.8        | 77.8        | 77.8        | 80.8        | 11,608,368             | 3               | 2         | 11            |
| 70 West 36th Street                | Garment                    | Fee Interest           | 151,000          | 1                   | 96.0          | 95.2        | 96.1        | 96.7        | 96.7        | 4,247,292              | 1               | 1         | 28            |
| 711 Third Avenue                   | Grand Central North        | Operating Sublease (1) | 524,000          | 3                   | 96.1          | 100.0       | 100.0       | 99.3        | 98.7        | 22,336,644             | 6               | 4         | 19            |
| 750 Third Avenue                   | Grand Central North        | Fee Interest           | 780,000          | 4                   | 98.0          | 98.0        | 100.0       | 100.0       | 100.0       | 34,391,316             | 9               | 6         | 18            |
| <b>Subtotal / Weighted Average</b> |                            |                        | <b>8,694,000</b> | <b>46</b>           | <b>96.8</b>   | <b>96.1</b> | <b>96.0</b> | <b>94.9</b> | <b>95.3</b> | <b>\$ 345,081,828</b>  | <b>87</b>       | <b>58</b> | <b>715</b>    |

| Adjustments   |                     |                    |                   |            |             |             |             |             |             |                       |            |            |              |
|---|---------------------|--------------------|-------------------|------------|-------------|-------------|-------------|-------------|-------------|-----------------------|------------|------------|--------------|
| 19 West 44th Street   | Midtown             | Fee Interest       | 292,000           | 2          | 98.5        | 98.1        | 96.8        | 95.8        | 92.2        | 10,687,332            | 3          | 2          | 67           |
| 28 West 44th Street   | Midtown             | Fee Interest       | 359,000           | 2          | 96.2        | 95.0        | 94.2        | 93.1        | 84.9        | 12,697,776            | 3          | 2          | 74           |
| 521 Fifth Avenue  | Midtown             | Leasehold Interest | 460,000           | 2          | 94.2        | 97.4        | —           | —           | —           | 16,844,448            | 4          | 3          | 50           |
| 609 Fifth Avenue  | Midtown             | Fee Interest       | 160,000           | 1          | 98.5        | —           | —           | —           | —           | 13,592,000            | 3          | 2          | 22           |
| <b>Subtotal / Weighted Average</b>                              |                     |                    | <b>1,271,000</b>  | <b>7</b>   | <b>96.3</b> | <b>96.8</b> | <b>95.4</b> | <b>94.3</b> | <b>88.2</b> | <b>\$ 53,821,556</b>  | <b>13</b>  | <b>9</b>   | <b>213</b>   |
| <b>Total / Weighted Average Properties 100% Owned</b>           |                     |                    | <b>9,965,000</b>  | <b>53</b>  | <b>96.8</b> | <b>96.2</b> | <b>96.0</b> | <b>94.9</b> | <b>94.8</b> | <b>\$ 398,903,384</b> | <b>100</b> | <b>67</b>  | <b>928</b>   |
| PROPERTIES < 100% OWNED (Unconsolidated)                        |                     |                    |                   |            |             |             |             |             |             |                       |            |            |              |
| "Same Store"  |                     |                    |                   |            |             |             |             |             |             |                       |            |            |              |
| 1 Park Avenue - 16.7%   | Grand Central       | Fee Interest       | 913,000           | 5          | 97.8        | 97.8        | 97.8        | 97.8        | 97.8        | 36,245,748            |            | 1          | 18           |
| 1250 Broadway - 55%   | Penn Station        | Fee Interest       | 670,000           | 4          | 95.5        | 95.8        | 95.8        | 95.5        | 95.3        | 22,593,192            |            | 2          | 36           |
| 1515 Broadway - 55%   | Times Square        | Fee Interest       | 1,750,000         | 9          | 99.6        | 100.0       | 100.0       | 100.0       | 99.6        | 81,780,972            |            | 9          | 11           |
| 100 Park Avenue - 50%   | Grand Central South | Fee Interest       | 834,000           | 4          | 93.8        | 89.7        | 92.7        | 92.7        | 91.5        | 34,389,960            |            | 3          | 38           |
| 1221 Avenue of the Americas - 45%                               | Rockefeller Center  | Fee Interest       | 2,550,000         | 14         | 96.6        | 96.5        | 96.5        | 96.2        | 97.7        | 128,126,532           |            | 10         | 24           |
| <b>Subtotal / Weighted Average</b>                              |                     |                    | <b>6,717,000</b>  | <b>36</b>  | <b>97.1</b> | <b>96.7</b> | <b>97.0</b> | <b>96.9</b> | <b>96.7</b> | <b>\$ 303,136,404</b> |            | <b>25</b>  | <b>127</b>   |
| Adjustments   |                     |                    |                   |            |             |             |             |             |             |                       |            |            |              |
| 485 Lexington Avenue - 30%                                      | Grand Central North | Fee Interest       | 921,000           | 5          | 74.1        | 71.2        | 100.0       | 100.0       | 100.0       | 32,451,672            |            | 3          | 7            |
| 1 Madison Avenue - 55%  | Park Avenue South   | Fee Interest       | 1,176,900         | 6          | 98.6        | 97.5        | 97.5        | 97.5        | 95.5        | 55,341,012            |            | 5          | 3            |
| <b>Subtotal / Weighted Average</b>                              |                     |                    | <b>2,097,900</b>  | <b>11</b>  | <b>87.8</b> | <b>86.0</b> | <b>98.6</b> | <b>98.6</b> | <b>97.5</b> | <b>\$ 87,792,684</b>  |            | <b>8</b>   | <b>10</b>    |
| <b>Total / Weighted Average Properties Less Than 100% Owned</b> |                     |                    | <b>8,814,900</b>  | <b>47</b>  | <b>94.9</b> | <b>94.1</b> | <b>97.4</b> | <b>97.3</b> | <b>96.9</b> | <b>\$ 390,929,088</b> |            | <b>33</b>  | <b>137</b>   |
| <b>Grand Total / Weighted Average</b>                           |                     |                    | <b>18,779,900</b> | <b>100</b> | <b>95.9</b> | <b>95.2</b> | <b>96.7</b> | <b>96.0</b> | <b>95.9</b> | <b>\$ 789,832,472</b> |            |            | <b>1,065</b> |
| <b>Grand Total - SLG share of Annualized Rent</b>               |                     |                    |                   |            |             |             |             |             |             | <b>\$ 594,877,067</b> |            | <b>100</b> |              |
| <b>Same Store Occupancy % - Combined</b>                        |                     |                    | <b>15,411,000</b> | <b>82</b>  | <b>96.9</b> | <b>96.3</b> | <b>96.5</b> | <b>96.0</b> | <b>96.5</b> |                       |            |            |              |

(1) Including Ownership of 50% in Building Fee.

| RETAIL & DEVELOPMENT PROPERTIES                               |                            |                    |                |            |            |            |            |            |            |                     |            |           |           |
|---|----------------------------|--------------------|----------------|------------|------------|------------|------------|------------|------------|---------------------|------------|-----------|-----------|
| 1 Madison Avenue - Clock Tower - 30%                          | Park Avenue South          | Fee Interest       | 220,000        | 50         | —          | —          | —          | —          | —          | N/A                 | N/A        | N/A       | N/A       |
| 1551-1555 Broadway - 50%                                      | Times Square               | Fee Interest       | 23,600         | 5          | —          | —          | —          | —          | —          | N/A                 | N/A        | N/A       | N/A       |
| 1604 Broadway - 45%   | Times Square               | Leasehold Interest | 41,100         | 9          | 17.2       | 17.2       | 17.2       | —          | —          | 2,138,040           | 26         | 12        | 2         |
| 21 West 34th Street - 50%                                     | Herald Square/Penn Station | Fee Interest       | 20,100         | 5          | 25.0       | 25.0       | 100.0      | —          | —          | 577,572             | 7          | 4         | 1         |
| 25-27 West 34th Street - 50%                                  | Herald Square/Penn Station | Fee Interest       | 21,700         | 5          | 30.7       | 30.7       | —          | —          | —          | 943,788             | 12         | 6         | 3         |
| 29 West 34th Street - 50%                                     | Herald Square/Penn Station | Fee Interest       | 29,300         | 7          | 74.4       | 74.4       | —          | —          | —          | 1,044,852           | 13         | 6         | 7         |
| 379 West Broadway - 45%                                       | Cast Iron/Soho             | Leasehold Interest | 62,006         | 14         | 100.0      | 100.0      | 100.0      | —          | —          | 2,674,500           | 33         | 15        | 7         |
| 141 Fifth Avenue - 50%  | Flat Iron                  | Fee Interest       | 21,500         | 5          | 100.0      | 100.0      | 100.0      | —          | —          | 753,132             | 9          | 5         | 4         |
| <b>Total / Weighted Average Retail/Development Properties</b> |                            |                    | <b>439,306</b> | <b>100</b> | <b>N/A</b> | <b>N/A</b> | <b>N/A</b> | <b>N/A</b> | <b>N/A</b> | <b>\$ 8,131,884</b> | <b>100</b> | <b>47</b> | <b>24</b> |

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## LARGEST TENANTS BY SQUARE FEET LEASED



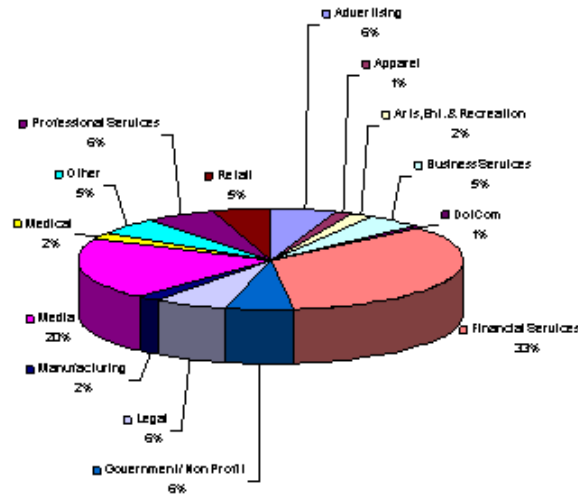
### Wholly Owned Portfolio + Allocated JV Properties

| Tenant Name   | Property   | Lease Expiration              | Total Leased Square Feet | Annualized Rent (\$)  | PSF Annualized  | % of Annualized Rent | SLG Share of Annualized Rent(\$) | % of SLG Share of Annualized Rent | Credit Rating (1) |
|---|--|-------------------------------|--------------------------|-----------------------|-----------------|----------------------|----------------------------------|-----------------------------------|-------------------|
| Viacom International, Inc.                              | 1515 Broadway  | 2008, 2010, 2012, 2013 & 2015 | 1,375,776                | \$ 68,068,908         | \$ 49.48        | 8.6%                 | \$ 46,593,168                    | 7.8%                              | BBB               |
| Credit Suisse Securities (USA), Inc.                    | 1 Madison Avenue   | 2020                          | 1,123,879                | \$ 53,923,716         | \$ 47.98        | 6.8%                 | \$ 29,658,044                    | 5.0%                              | A+                |
| Citigroup, N.A.   | 125 Broad Street, 1 Park Avenue, 750 Third Avenue & 485 Lexington Avenue | 2007, 2010 & 2017             | 645,896                  | \$ 27,891,876         | \$ 43.18        | 3.5%                 | \$ 19,847,813                    | 3.3%                              | AA+               |
| Omnicom Group   | 220 East 42nd Street, 420 Lexington Avenue & 485 Lexington Avenue        | 2008, 2009, 2010 & 2017       | 545,687                  | \$ 18,740,784         | \$ 34.34        | 2.4%                 | \$ 18,740,784                    | 3.2%                              | A-                |
| Morgan Stanley & Co. Inc.                               | 1221 Ave. of the Americas  | Various                       | 496,249                  | \$ 31,512,876         | \$ 63.50        | 4.0%                 | \$ 14,180,794                    | 2.4%                              | A+                |
| Societe Generale  | 1221 Ave. of the Americas  | Various                       | 486,663                  | \$ 23,697,324         | \$ 48.69        | 3.0%                 | \$ 10,663,796                    | 1.8%                              | AA-               |
| The McGraw Hill Companies, Inc.                         | 1221 Ave. of the Americas  | Various                       | 420,328                  | \$ 18,443,640         | \$ 43.88        | 2.3%                 | \$ 8,299,638                     | 1.4%                              | A+                |
| Advance Magazine Group                                  | 750 Third Avenue & 485 Lexington Avenue                                  | 2021                          | 342,720                  | \$ 12,686,556         | \$ 37.02        | 1.6%                 | \$ 11,437,950                    | 1.9%                              |                   |
| Visiting Nurse Service of New York                      | 1250 Broadway  | 2006 & 2018                   | 290,741                  | \$ 8,503,200          | \$ 29.25        | 1.1%                 | \$ 4,676,760                     | 0.8%                              |                   |
| C.B.S. Broadcasting, Inc.                               | 555 West 57th Street   | 2013 & 2017                   | 253,316                  | \$ 8,404,320          | \$ 33.18        | 1.1%                 | \$ 8,404,320                     | 1.4%                              | BBB               |
| Polo Ralph Lauren Corporation                           | 625 Madison Avenue   | 2019                          | 234,207                  | \$ 11,272,272         | \$ 48.13        | 1.4%                 | \$ 11,272,272                    | 1.9%                              | BBB               |
| The City University of New York - CUNY                  | 555 West 57th Street & 28 West 44th Street                               | 2006, 2010, 2011, 2015 & 2016 | 233,580                  | \$ 7,679,652          | \$ 32.88        | 1.0%                 | \$ 7,679,652                     | 1.3%                              |                   |
| New York Presbyterian Hospital                          | 555 West 57th Street & 673 First Avenue                                  | 2006, 2009, & 2021            | 231,888                  | \$ 7,230,468          | \$ 31.18        | 0.9%                 | \$ 7,230,468                     | 1.2%                              |                   |
| BMW of Manhattan  | 555 West 57th Street   | 2012                          | 227,782                  | \$ 4,089,852          | \$ 17.96        | 0.5%                 | \$ 4,089,852                     | 0.7%                              |                   |
| The Travelers Indemnity Company                         | 485 Lexington Avenue   | 2016                          | 214,978                  | \$ 10,748,904         | \$ 50.00        | 1.4%                 | \$ 5,374,452                     | 0.9%                              | A+                |
| Teachers Insurance & Annuity Association                | 750 Third Avenue   | 2008, 2009 & 2015             | 188,625                  | \$ 8,504,328          | \$ 45.09        | 1.1%                 | \$ 8,504,328                     | 1.4%                              | AAA               |
| The Columbia House Company                              | 1221 Ave. of the Americas  | Various                       | 175,312                  | \$ 8,180,916          | \$ 46.66        | 1.0%                 | \$ 3,681,412                     | 0.6%                              | B2                |
| The Mt. Sinai Hospital and NYU Hospital Centers         | 1 Park Avenue & 625 Madison Avenue                                       | 2013, 2015 & 2016             | 173,741                  | \$ 6,782,964          | \$ 39.04        | 0.9%                 | \$ 1,724,136                     | 0.3%                              |                   |
| The Segal Company                                       | 1 Park Avenue  | 2009                          | 157,947                  | \$ 6,757,428          | \$ 42.78        | 0.9%                 | \$ 1,126,463                     | 0.2%                              |                   |
| J & W Seligman & Co., Incorporated                      | 100 Park Avenue  | 2009                          | 148,726                  | \$ 5,835,120          | \$ 39.23        | 0.7%                 | \$ 2,917,560                     | 0.5%                              | AAA               |
| Sonnenschein, Nath & Rosenthal                          | 1221 Ave. of the Americas  | Various                       | 147,997                  | \$ 7,091,676          | \$ 47.92        | 0.9%                 | \$ 3,191,254                     | 0.5%                              |                   |
| Ross Procurement, Inc.                                  | 1372 Broadway  | 2016                          | 138,130                  | \$ 4,292,472          | \$ 31.08        | 0.5%                 | \$ 4,292,472                     | 0.7%                              | BBB               |
| Altria Corporate Services                               | 100 Park Avenue  | 2007                          | 136,118                  | \$ 6,545,388          | \$ 48.09        | 0.8%                 | \$ 3,272,694                     | 0.6%                              | BBB+              |
| Metro North Commuter Railroad Co.                       | 420 Lexington Avenue   | 2008 & 2016                   | 134,687                  | \$ 4,611,696          | \$ 34.24        | 0.6%                 | \$ 4,611,696                     | 0.8%                              | AAA               |
| Tribune Newspaper                                       | 220 East 42nd Street   | 2010                          | 134,208                  | \$ 4,385,964          | \$ 32.68        | 0.6%                 | \$ 4,385,964                     | 0.7%                              | A-                |
| <b>Total</b>  |  |                               | <b>8,659,181</b>         | <b>\$ 375,882,300</b> | <b>\$ 43.41</b> | <b>47.6%</b>         | <b>\$ 245,857,743</b>            | <b>41.3%</b>                      |                   |
| <b>Wholly Owned Portfolio + Allocated JV Properties</b> |  |                               | <b>18,779,900</b>        | <b>\$ 789,832,472</b> | <b>\$ 42.06</b> |                      | <b>\$ 594,877,067</b>            |                                   |                   |

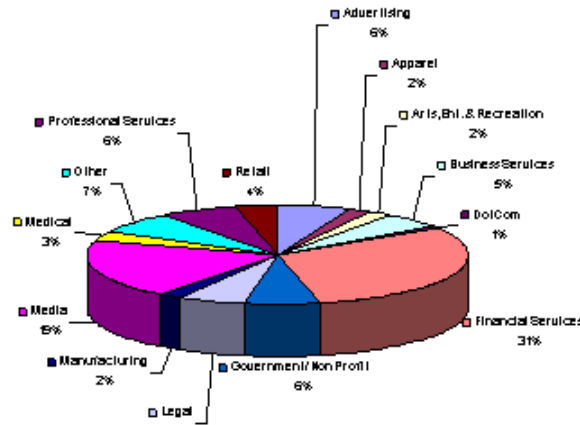
(1) 64% of Portfolio's Largest Tenants have investment grade credit ratings. 35% of SLG Share of Annualized Rent is derived from these Tenants.

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Based on Base Rental Revenue



Based on Square Feet Leased



Leasing Activity

Available Space

| Activity  | Building Address     | # of Leases | Usable SF | Rentable SF | Rent/Rentable SF (\$'s)(1) |
|---|----------------------|-------------|-----------|-------------|----------------------------|
| <b>Vacancy at 3/31/06</b>                                   |                      |             | 892,254   |             |                            |
| <b>Add: Acquired Vacancies</b>                              | 609 Fifth Avenue     |             | 1,841     |             |                            |
| <b>Space which became available during the Quarter (A):</b> |                      |             |           |             |                            |
| <b>Office</b>   |                      |             |           |             |                            |
|   | 317 Madison Avenue   | 4           | 5,643     | 5,871       | \$ 34.20                   |
|   | 485 Lexington Avenue | 2           | 27,530    | 27,530      | \$ 50.00                   |
|   | 1515 Broadway        | 1           | 6,732     | 6,732       | \$ 34.12                   |
|   | 220 East 42nd Street | 2           | 3,387     | 3,387       | \$ 52.27                   |
|   | 461 Fifth Avenue     | 1           | 4,177     | 4,319       | \$ 55.00                   |
|   | 1250 Broadway        | 2           | 19,102    | 20,820      | \$ 28.02                   |
|   | 292 Madison Avenue   | 1           | 10,113    | 10,269      | \$ 52.77                   |
|   | 70 West 36th Street  | 1           | 1,671     | 1,835       | \$ 24.48                   |
|   | 470 Park Ave South   | 1           | 7,800     | 9,068       | \$ 20.50                   |
|   | 1140 Sixth Avenue    | 1           | 2,725     | 3,131       | \$ 67.63                   |
|   | 1372 Broadway        | 1           | 6,916     | 7,723       | \$ 46.37                   |

|                               |           |                |                |           |              |
|-------------------------------|-----------|----------------|----------------|-----------|--------------|
| 19 West 44th Street           | 5         | 5,987          | 5,987          | \$        | 41.78        |
| 711 Third Avenue              | 3         | 20,607         | 20,824         | \$        | 41.80        |
| 521 Fifth Avenue              | 2         | 14,760         | 14,760         | \$        | 52.84        |
| 625 Madison Avenue            | 3         | 26,465         | 28,290         | \$        | 54.15        |
| 420 Lexington Avenue          | 11        | 33,831         | 38,105         | \$        | 43.19        |
| <b>Total/Weighted Average</b> | <b>41</b> | <b>197,446</b> | <b>208,651</b> | <b>\$</b> | <b>44.22</b> |

#### Retail

|                               |          |              |              |           |              |
|-------------------------------|----------|--------------|--------------|-----------|--------------|
| 625 Madison Avenue            | 1        | 1,685        | 1,685        | \$        | 68.67        |
| <b>Total/Weighted Average</b> | <b>1</b> | <b>1,685</b> | <b>1,685</b> | <b>\$</b> | <b>68.67</b> |

#### Storage

|                               |          |            |            |           |             |
|-------------------------------|----------|------------|------------|-----------|-------------|
| 555 West 57th Street          | 1        | 851        | 851        | \$        | 9.11        |
| <b>Total/Weighted Average</b> | <b>1</b> | <b>851</b> | <b>851</b> | <b>\$</b> | <b>9.11</b> |

#### Total Space became Available during the Quarter

|              |           |                |                |           |              |
|--------------|-----------|----------------|----------------|-----------|--------------|
| Office       | 41        | 197,446        | 208,651        | \$        | 44.22        |
| Retail       | 1         | 1,685          | 1,685          | \$        | 68.67        |
| Storage      | 1         | 851            | 851            | \$        | 9.11         |
| <b>Total</b> | <b>43</b> | <b>199,982</b> | <b>211,187</b> | <b>\$</b> | <b>44.27</b> |

**Total Available Space** 1,094,077

(1) Escalated Rent is calculated as Total Annual Income less Electric Charges  
(A)-Includes expiring space, relocating tenants and move-outs where tenants vacated. Excludes lease expirations where tenants holdover.

## Leasing Activity



## Leased Space

| Activity                               | Building Address              | # of Leases | Term (Yrs)  | Usable SF      | Rentable SF    | New Cash Rent / Rentable SF(1) | Prev. Escalated Rent/ Rentable SF(2) | TI / Rentable SF | Free Rent # of Months |
|--|-------------------------------|-------------|-------------|----------------|----------------|--------------------------------|--------------------------------------|------------------|-----------------------|
| <b>Available Space as of 3/31/06</b>   |                               |             |             | 1,094,077      |                |                                |                                      |                  |                       |
| <b>Office</b>                          |                               |             |             |                |                |                                |                                      |                  |                       |
|  | 317 Madison Avenue            | 6           | 4.1         | 9,784          | 11,436         | \$ 38.42                       | \$ 27.93                             | \$ 0.03          | 1.2                   |
|  | 485 Lexington Avenue          | 1           | 2.7         | 54,149         | 54,149         | \$ 42.00                       | \$ 39.21                             | \$ —             | 2.0                   |
|  | 220 East 42nd Street          | 1           | 14.5        | 3,387          | 3,387          | \$ 45.96                       | \$ 52.27                             | \$ 51.87         | 1.0                   |
|  | 100 Park Avenue               | 1           | 10.5        | 34,129         | 36,223         | \$ 50.00                       | \$ —                                 | \$ 58.26         | 7.0                   |
|  | 1250 Broadway                 | 2           | 10.7        | 17,142         | 18,173         | \$ 36.89                       | \$ 35.97                             | \$ 21.64         | 0.4                   |
|  | 292 Madison Avenue            | 1           | 5.0         | 10,113         | 10,536         | \$ 38.00                       | \$ 51.43                             | \$ 7.97          | 2.5                   |
|  | 1 Madison Avenue              | 1           | 5.0         | 12,230         | 12,064         | \$ 40.00                       | \$ —                                 | \$ 45.00         | 8.0                   |
|  | 70 West 36th Street           | 2           | 7.3         | 2,771          | 2,983          | \$ 29.63                       | \$ 27.93                             | \$ 23.27         | 1.3                   |
|  | 470 Park Ave South            | 2           | 10.5        | 15,800         | 18,359         | \$ 31.49                       | \$ 21.93                             | \$ 42.03         | 3.0                   |
|  | 673 First Avenue              | 1           | 15.7        | 20,680         | 22,694         | \$ 32.67                       | \$ —                                 | \$ 48.14         | 8.0                   |
|  | 110 East 42nd Street          | 1           | 5.1         | 3,927          | 3,927          | \$ 38.00                       | \$ 28.35                             | \$ 53.06         | 1.0                   |
|  | 19 West 44th Street           | 6           | 6.7         | 7,121          | 7,733          | \$ 37.25                       | \$ 38.19                             | \$ 9.00          | 1.3                   |
|  | 28 West 44th Street           | 2           | 5.1         | 4,002          | 4,002          | \$ 35.54                       | \$ —                                 | \$ 50.76         | 2.0                   |
|  | 625 Madison Avenue            | 3           | 13.5        | 69,173         | 76,000         | \$ 49.75                       | \$ 45.73                             | \$ 48.01         | 3.0                   |
|  | 420 Lexington Avenue          | 14          | 7.5         | 41,439         | 50,460         | \$ 39.05                       | \$ 30.82                             | \$ 21.02         | 1.3                   |
|  | <b>Total/Weighted Average</b> | <b>44</b>   | <b>9.0</b>  | <b>305,847</b> | <b>332,126</b> | <b>\$ 42.07</b>                | <b>\$ 36.70</b>                      | <b>\$ 31.41</b>  | <b>3.2</b>            |
| <b>Retail</b>                          |                               |             |             |                |                |                                |                                      |                  |                       |
|  | 220 East 42nd Street          | 1           | 15.4        | 5,300          | 5,300          | \$ 85.00                       | \$ —                                 | \$ 18.43         | 5.0                   |
|  | 1372 Broadway                 | 1           | 10.0        | 3,229          | 3,229          | \$ 40.00                       | \$ 46.37                             | \$ —             | —                     |
|  | 1221 Sixth Avenue             | 1           | 4.9         | 1,473          | 1,473          | \$ 32.00                       | \$ —                                 | \$ —             | 1.0                   |
|  | <b>Total/Weighted Average</b> | <b>3</b>    | <b>12.1</b> | <b>10,002</b>  | <b>10,002</b>  | <b>\$ 62.67</b>                | <b>\$ 46.37</b>                      | <b>\$ 9.77</b>   | <b>2.8</b>            |
| <b>Leased Space</b>                    |                               |             |             |                |                |                                |                                      |                  |                       |
|  | <b>Office (3)</b>             | <b>44</b>   | <b>9.0</b>  | <b>305,847</b> | <b>332,126</b> | <b>\$ 41.99</b>                | <b>\$ 36.70</b>                      | <b>\$ 31.41</b>  | <b>3.2</b>            |
|  | <b>Retail</b>                 | <b>3</b>    | <b>12.1</b> | <b>10,002</b>  | <b>10,002</b>  | <b>\$ 62.67</b>                | <b>\$ 46.37</b>                      | <b>\$ 9.77</b>   | <b>2.8</b>            |
|  | <b>Total</b>                  | <b>47</b>   | <b>9.1</b>  | <b>315,849</b> | <b>342,128</b> | <b>\$ 42.60</b>                | <b>\$ 36.85</b>                      | <b>\$ 30.77</b>  | <b>3.2</b>            |
| <b>Total Available Space @ 6/30/06</b> |                               |             |             | 778,228        |                |                                |                                      |                  |                       |
| <b>Early Renewals</b>                  |                               |             |             |                |                |                                |                                      |                  |                       |
| <b>Office</b>                          |                               |             |             |                |                |                                |                                      |                  |                       |
|  | 317 Madison Avenue            | 1           | 3.0         | 2,906          | 2,945          | \$ 38.00                       | \$ 49.56                             | \$ —             | —                     |
|  | 292 Madison Avenue            | 1           | 3.0         | 10,113         | 10,817         | \$ 40.00                       | \$ 39.50                             | \$ 5.00          | —                     |
|  | 70 West 36th Street           | 2           | 6.1         | 13,553         | 17,106         | \$ 35.49                       | \$ 29.96                             | \$ 2.16          | —                     |
|  | 19 West 44th Street           | 3           | 1.2         | 1,410          | 1,514          | \$ 36.35                       | \$ 30.79                             | \$ —             | —                     |
|  | 28 West 44th Street           | 1           | 5.0         | 6,327          | 7,928          | \$ 33.00                       | \$ 27.06                             | \$ 10.00         | —                     |
|  | 1221 Sixth Avenue             | 1           | 6.3         | 46,300         | 46,300         | \$ 79.05                       | \$ 70.24                             | \$ —             | —                     |
|  | 420 Lexington Avenue          | 4           | 5.3         | 6,823          | 9,126          | \$ 43.45                       | \$ 55.44                             | \$ 5.11          | —                     |
|  | <b>Total/Weighted Average</b> | <b>13</b>   | <b>5.5</b>  | <b>87,432</b>  | <b>95,736</b>  | <b>\$ 57.71</b>                | <b>\$ 53.32</b>                      | <b>\$ 2.26</b>   | <b>—</b>              |
| <b>Renewals</b>                        |                               |             |             |                |                |                                |                                      |                  |                       |
|  | <b>Expired/Renewed</b>        | <b>9</b>    | <b>9.3</b>  | <b>30,591</b>  | <b>34,438</b>  | <b>\$ 38.48</b>                | <b>\$ 33.53</b>                      | <b>\$ 9.30</b>   | <b>—</b>              |
|  | <b>Early Renewals Office</b>  | <b>13</b>   | <b>5.5</b>  | <b>87,432</b>  | <b>95,736</b>  | <b>\$ 57.71</b>                | <b>\$ 53.32</b>                      | <b>\$ 2.26</b>   | <b>—</b>              |
|  | <b>Total</b>                  | <b>22</b>   | <b>6.5</b>  | <b>118,023</b> | <b>130,174</b> | <b>\$ 52.62</b>                | <b>\$ 48.09</b>                      | <b>\$ 4.13</b>   | <b>—</b>              |

(1) Annual Base Rent  
(2) Escalated Rent is calculated as Total Annual Income less Electric Charges  
(3) Average starting office rent excluding new tenants replacing vacancies is \$40.86/rsf for 200,175 rentable SF.  
Average starting office rent for office space (leased and early renewals, excluding new tenants replacing vacancies) is \$46.31/rsf for 295,911 rentable SF.

ANNUAL LEASE EXPIRATIONS



| Year of Lease Expiration | Consolidated Properties       |  |                                    |                                    |  |   | Joint Venture Properties      |  |                                    |                                    |  |   |
|--------------------------|-------------------------------|--|------------------------------------|------------------------------------|--|---|-------------------------------|--|------------------------------------|------------------------------------|--|---|
|                          | Number of Expiring Leases (2) | Rentable Square Footage of Expiring Leases | Percentage of Total Leased Sq. Ft. | Annualized Rent of Expiring Leases | Annualized Rent Per Leased Square Foot of Expiring Leases \$/psf (3) | Year 2006 Weighted Average Asking Rent \$/psf | Number of Expiring Leases (2) | Rentable Square Footage of Expiring Leases | Percentage of Total Leased Sq. Ft. | Annualized Rent of Expiring Leases | Annualized Rent Per Leased Square Foot of Expiring Leases \$/psf (3) | Year 2006 Weighted Average Asking Rent \$/psf |
| In 1st Quarter 2006 (1)  | 18                            | 27,763                                     | 0.28%                              | \$ 623,226                         | \$ 22.45   | \$ 49.08                                      | 1                             | 202  | 0.00%                              | \$ 2,196                           | \$ 10.87   | \$ 25.00                                      |
| In 2nd Quarter 2006      | 16                            | 55,509                                     | 0.56%                              | \$ 2,834,748                       | \$ 51.07   | \$ 70.22                                      | 2                             | 13,174                                     | 0.16%                              | \$ 138,228                         | \$ 10.49   | \$ 31.60                                      |
| In 3rd Quarter 2006      | 25                            | 146,910                                    | 1.47%                              | \$ 5,236,224                       | \$ 35.64   | \$ 41.24                                      | 6                             | 106,454                                    | 1.29%                              | \$ 4,782,312                       | \$ 44.92   | \$ 50.48                                      |
| In 4th Quarter 2006      | 26                            | 95,243                                     | 0.95%                              | \$ 3,456,778                       | \$ 36.29   | \$ 47.85                                      | 1                             | 9,749                                      | 0.12%                              | \$ 415,884                         | \$ 42.66   | \$ 60.00                                      |
| <b>Total 2006</b>        | <b>85</b>                     | <b>325,425</b>                             | <b>3.25%</b>                       | <b>\$ 12,150,976</b>               | <b>\$ 37.34</b>  | <b>\$ 48.77</b>                               | <b>10</b>                     | <b>129,579</b>                             | <b>1.57%</b>                       | <b>\$ 5,338,620</b>                | <b>\$ 41.20</b>  | <b>\$ 49.24</b>                               |
| In 1st Quarter 2007      | 32                            | 75,615                                     | 0.76%                              | \$ 3,085,135                       | \$ 40.80   | \$ 52.97                                      | 2                             | 4,281                                      | 0.05%                              | \$ 182,916                         | \$ 42.73   | \$ 38.43                                      |
| In 2nd Quarter 2007      | 36                            | 138,431                                    | 1.38%                              | \$ 5,538,648                       | \$ 40.01   | \$ 45.76                                      | 4                             | 166,292                                    | 2.01%                              | \$ 11,459,592                      | \$ 68.91   | \$ 68.74                                      |
| In 3rd Quarter 2007      | 35                            | 84,165                                     | 0.84%                              | \$ 3,861,240                       | \$ 45.88   | \$ 50.93                                      | 3                             | 25,260                                     | 0.31%                              | \$ 634,596                         | \$ 25.12   | \$ 38.36                                      |
| In 4th Quarter 2007      | 19                            | 84,669                                     | 0.85%                              | \$ 3,400,692                       | \$ 40.16   | \$ 67.23                                      | 3                             | 159,400                                    | 1.93%                              | \$ 7,732,752                       | \$ 48.49   | \$ 59.96                                      |
| <b>Total 2007</b>        | <b>122</b>                    | <b>382,880</b>                             | <b>3.83%</b>                       | <b>\$ 15,885,715</b>               | <b>\$ 41.49</b>  | <b>\$ 57.49</b>                               | <b>12</b>                     | <b>355,313</b>                             | <b>4.30%</b>                       | <b>\$ 20,009,856</b>               | <b>\$ 56.32</b>  | <b>\$ 62.27</b>                               |
| 2008                     | 133                           | 792,970                                    | 7.93%                              | \$ 31,048,575                      | \$ 39.15   | \$ 46.81                                      | 19                            | 561,787                                    | 6.79%                              | \$ 23,846,316                      | \$ 42.45   | \$ 61.63                                      |
| 2009                     | 108                           | 756,697                                    | 7.57%                              | \$ 33,045,681                      | \$ 43.67   | \$ 48.90                                      | 19                            | 566,298                                    | 6.85%                              | \$ 27,091,548                      | \$ 47.84   | \$ 55.88                                      |
| 2010                     | 150                           | 1,650,076                                  | 16.50%                             | \$ 66,224,035                      | \$ 40.13   | \$ 45.32                                      | 20                            | 1,311,897                                  | 15.86%                             | \$ 62,736,288                      | \$ 47.82   | \$ 61.20                                      |
| 2011                     | 89                            | 680,139                                    | 6.80%                              | \$ 31,862,425                      | \$ 46.85   | \$ 50.33                                      | 8                             | 159,189                                    | 1.92%                              | \$ 7,225,932                       | \$ 45.39   | \$ 54.19                                      |
| 2012                     | 55                            | 790,778                                    | 7.91%                              | \$ 24,065,340                      | \$ 30.43   | \$ 40.51                                      | 11                            | 244,150                                    | 2.95%                              | \$ 9,154,620                       | \$ 37.50   | \$ 47.83                                      |
| 2013                     | 52                            | 892,800                                    | 8.93%                              | \$ 34,439,365                      | \$ 38.57   | \$ 45.36                                      | 7                             | 1,136,287                                  | 13.74%                             | \$ 58,338,048                      | \$ 51.34   | \$ 66.38                                      |
| 2014                     | 31                            | 384,108                                    | 3.84%                              | \$ 13,832,288                      | \$ 36.01   | \$ 43.59                                      | 11                            | 170,671                                    | 2.06%                              | \$ 13,623,504                      | \$ 79.82   | \$ 100.32                                     |
| 2015                     | 45                            | 614,549                                    | 6.15%                              | \$ 25,297,308                      | \$ 41.16   | \$ 48.57                                      | 13                            | 438,911                                    | 5.31%                              | \$ 17,435,520                      | \$ 39.72   | \$ 45.68                                      |
| Thereafter               | 95                            | 2,728,458                                  | 27.29%                             | \$ 111,051,676                     | \$ 40.70   | \$ 57.52                                      | 25                            | 3,195,488                                  | 38.64%                             | \$ 146,128,836                     | \$ 45.73   | \$ 74.45                                      |
|                          | <b>965</b>                    | <b>9,998,880</b>                           | <b>100.00%</b>                     | <b>\$ 398,903,384</b>              | <b>\$ 39.89</b>  | <b>\$ 49.72</b>                               | <b>155</b>                    | <b>8,269,570</b>                           | <b>100.00%</b>                     | <b>\$ 390,929,088</b>              | <b>\$ 47.27</b>  | <b>\$ 66.01</b>                               |

- (1) Includes month to month holdover tenants that expired prior to 3/31/06.
- (2) Tenants may have multiple leases.
- (3) Represents in place annualized rent allocated by year of maturity.

SUMMARY OF REAL ESTATE ACQUISITION ACTIVITY POST 1997



|                                   | Property  | Type of Ownership  | Submarket                   | Net Rentable sf  | % Leased       |           | Acquisition Price (\$'s) (1) |
|-----------------------------------|---|--------------------|-----------------------------|------------------|----------------|-----------|------------------------------|
|                                   |   |                    |                             |                  | at acquisition | 3/31/2006 |                              |
| <b>1998 Acquisitions</b>          |   |                    |                             |                  |                |           |                              |
| Mar-98                            | 420 Lexington                                     | Operating Sublease | Grand Central               | 1,188,000        | 83             | 98        | \$ 78,000,000                |
| Mar-98                            | 1466 Broadway                                     | Fee Interest       | Times Square                | 289,000          | 87             | N/A       | \$ 64,000,000                |
| Mar-98                            | 321 West 44th                                     | Fee Interest       | Times Square                | 203,000          | 96             | N/A       | \$ 17,000,000                |
| May-98                            | 711 3rd Avenue                                    | Operating Sublease | Grand Central               | 524,000          | 79             | 96        | \$ 65,600,000                |
| Jun-98                            | 440 9th Avenue                                    | Fee Interest       | Penn Station                | 339,000          | 76             | 99        | \$ 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               | —                | —              | —         | \$ 27,300,000                |
| Jan-99                            | 555 West 57th - 65% JV                            | Fee Interest       | Midtown West                | 941,000          | 100            | 100       | \$ 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               |                  |                |           | \$ 50,000,000                |
|                                   | 286 Madison Avenue                                |                    |                             | 112,000          | 99             | 100       |                              |
|                                   | 290 Madison Avenue                                |                    |                             | 36,800           | 86             | 100       |                              |
|                                   | 292 Madison Avenue                                |                    |                             | 187,000          | 97             | 100       |                              |
| Aug-99                            | 1250 Broadway - 50% JV                            | Fee Interest       | Penn Station                | 670,000          | 97             | 96        | \$ 93,000,000                |
| Nov-99                            | 555 West 57th - remaining 35%                     | Fee Interest       | Midtown West                | —                |                | 100       | \$ 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               | 834,000          | 97             | 94        | \$ 192,000,000               |
| Dec-00                            | 180 Madison Avenue                                | Fee Interest       | Grand Central               | 265,000          | 90             | N/A       | \$ 41,250,000                |
| <b>Contribution to JV</b>         |   |                    |                             |                  |                |           |                              |
| May-00                            | 321 West 44th                                     | Fee Interest       | Times Square                | 203,000          | 98             | N/A       | \$ 28,400,000                |
|                                   |   |                    |                             | <b>1,302,000</b> |                |           | <b>\$ 261,650,000</b>        |
| <b>2001 Acquisitions</b>          |   |                    |                             |                  |                |           |                              |
| Jan-01                            | 1370 Broadway                                     | Fee Interest       | Times Square South          | 255,000          | 97             | N/A       | \$ 50,500,000                |
| Jan-01                            | 1 Park Avenue                                     | Various Interests  | Grand Central               | 913,000          | 97             | 98        | \$ 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             | 95        | \$ 105,600,000               |
| <b>Acquisition of JV Interest</b> |   |                    |                             |                  |                |           |                              |
| Sep-01                            | 1250 Broadway - 49.9% JV (2)                      | Fee Interest       | Penn Station                | 670,000          | 98             | 96        | \$ 126,500,000               |
|                                   |   |                    |                             | <b>2,541,000</b> |                |           | <b>\$ 562,200,000</b>        |
| <b>2002 Acquisitions</b>          |   |                    |                             |                  |                |           |                              |
| May-02                            | 1515 Broadway - 55% JV                            | Fee Interest       | Times Square                | 1,750,000        | 98             | 100       | \$ 483,500,000               |
|                                   |   |                    |                             |                  |                |           | <b>\$ 483,500,000</b>        |
| <b>2003 Acquisitions</b>          |   |                    |                             |                  |                |           |                              |
| Feb-03                            | 220 East 42nd Street                              | Fee Interest       | Grand Central               | 1,135,000        | 92             | 100       | \$ 265,000,000               |
| Mar-03                            | 125 Broad Street                                  | Fee Interest       | Downtown                    | 525,000          | 100            | 100       | \$ 92,000,000                |
| Oct-03                            | 461 Fifth Avenue                                  | Leasehold Interest | Midtown                     | 200,000          | 94             | 88        | \$ 60,900,000                |
| Dec-03                            | 1221 Ave of Americas -45% JV                      | Fee Interest       | Rockefeller Center          | 2,550,000        | 99             | 97        | \$ 1,000,000,000             |
|                                   |   |                    |                             | <b>4,410,000</b> |                |           | <b>\$ 1,417,900,000</b>      |
| <b>2004 Acquisitions</b>          |   |                    |                             |                  |                |           |                              |
| Mar-04                            | 19 West 44th Street -35% JV                       | Fee Interest       | Midtown                     | 292,000          | 86             | 99        | \$ 67,000,000                |
| Jul-04                            | 750 Third Avenue                                  | Fee Interest       | Grand Central               | 779,000          | 100            | 98        | \$ 255,000,000               |
| Jul-04                            | 485 Lexington Avenue - 30% JV                     | Fee Interest       | Grand Central               | 921,000          | 100            | 74        | \$ 225,000,000               |
| Oct-04                            | 625 Madison Avenue                                | Leasehold Interest | Plaza District              | 563,000          | 68             | 99        | \$ 231,500,000               |
|                                   |   |                    |                             | <b>2,555,000</b> |                |           | <b>\$ 778,500,000</b>        |
| <b>2005 Acquisitions</b>          |   |                    |                             |                  |                |           |                              |
| Feb-05                            | 28 West 44th Street                               | Fee Interest       | Midtown                     | 359,000          | 87             | 96        | \$ 105,000,000               |
| Apr-05                            | 1 Madison Ave - 55% JV                            | Fee Interest       | Park Avenue South           | 1,177,000        | 96             | 99        | \$ 803,000,000               |
| Apr-05                            | 1 Madison Ave                                     | Fee Interest       | Park Avenue South           | 267,000          | N/A            | N/A       | \$ 115,000,000               |
| Jun-05                            | 19 West 44th Street -remaining 65%                | Fee Interest       | Midtown                     | —                |                | 99        | \$ 91,200,000                |
| Jul-05                            | 1551/1555 Broadway & 21 West 34th Street - 50% JV | Fee Interest       | Times Square / Penn Station | 43,700           | N/A            | N/A       | \$ 102,500,000               |

|                         |                                 |                    |                              |                  |     |     |    |                         |
|-------------------------|---------------------------------|--------------------|------------------------------|------------------|-----|-----|----|-------------------------|
| Sep-05                  | 141 Fifth Avenue - 50% JV       | Fee Interest       | Flatiron District            | 21,500           | 90  | 100 | \$ | 13,250,000              |
| Nov-05                  | 1604 Broadway - 45% JV          | Leasehold Interest | Times Square                 | 41,100           | 17  | 17  | \$ | 4,400,000               |
| Dec-05                  | 379 West Broadway - 45% JV      | Leasehold Interest | Cast Iron / Soho             | 62,006           | 100 | 100 | \$ | 19,750,000              |
|                         |                                 |                    |                              | <b>1,971,306</b> |     |     |    | <b>\$ 1,229,950,000</b> |
| <b>2006 Acquisition</b> |                                 |                    |                              |                  |     |     |    |                         |
| Jan-06                  | 25-29 West 34th Street - 50% JV | Fee Interest       | Herald Square / Penn Station | 51,000           | 56  | 56  | \$ | 30,000,000              |
| Mar-06                  | 521 Fifth Avenue                | Leasehold Interest | Midtown                      | 460,000          | 97  | 94  | \$ | 210,000,000             |
| Jun-06                  | 609 Fifth Avenue                | Fee Interest       | Midtown                      | 160,000          | 99  | 99  | \$ | 182,000,000             |
|                         |                                 |                    |                              | <b>671,000</b>   |     |     |    | <b>\$ 422,000,000</b>   |

- (1) Acquisition price represents purchase price for consolidated acquisitions and purchase price or imputed value for joint venture properties.  
(2) Current ownership interest is 55%. (From 9/1/01-10/31/01 the company owned 99.8% of this property.)

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## SUMMARY OF REAL ESTATE SALES ACTIVITY POST 1999



|                   | Property                      | Type of Ownership | Submarket           | Net Rentable sf  | Sales Price (\$'s)    | Sales Price (\$'s/SF) |
|-------------------|-------------------------------|-------------------|---------------------|------------------|-----------------------|-----------------------|
| <b>2000 Sales</b> |                               |                   |                     |                  |                       |                       |
| Feb-00            | 29 West 35th Street           | Fee Interest      | Penn Station        | 78,000           | \$ 11,700,000         | \$ 150                |
| Mar-00            | 36 West 44th Street           | Fee Interest      | Grand Central       | 178,000          | \$ 31,500,000         | \$ 177                |
| May-00            | 321 West 44th Street - 35% JV | Fee Interest      | Times Square        | 203,000          | \$ 28,400,000         | \$ 140                |
| Nov-00            | 90 Broad Street               | Fee Interest      | Financial           | 339,000          | \$ 60,000,000         | \$ 177                |
| Dec-00            | 17 Battery South              | Fee Interest      | 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 Interest      | Grand Central North | 40,623           | \$ 13,250,000         | \$ 326                |
| May-01            | 1 Park Ave - 45% JV           | Fee Interest      | Grand Central South | 913,000          | \$ 233,900,000        | \$ 256                |
| Jun-01            | 1412 Broadway                 | Fee Interest      | Times Square South  | 389,000          | \$ 90,700,000         | \$ 233                |
| Jul-01            | 110 E. 42nd Street            | Fee Interest      | Grand Central       | 69,700           | \$ 14,500,000         | \$ 208                |
| Sep-01            | 1250 Broadway (1)             | Fee Interest      | 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 Interest      | Penn Station        | 253,000          | \$ 53,100,000         | \$ 210                |
|                   |                               |                   |                     | <b>253,000</b>   | <b>\$ 53,100,000</b>  | <b>\$ 210</b>         |
| <b>2003 Sales</b> |                               |                   |                     |                  |                       |                       |
| Mar-03            | 50 West 23rd Street           | Fee Interest      | Chelsea             | 333,000          | \$ 66,000,000         | \$ 198                |
| Jul-03            | 1370 Broadway                 | Fee Interest      | Times Square South  | 255,000          | \$ 58,500,000         | \$ 229                |
| Dec-03            | 321 W 44th Street             | Fee Interest      | Times Square        | 203,000          | \$ 35,000,000         | \$ 172                |
|                   |                               |                   |                     | <b>791,000</b>   | <b>\$ 159,500,000</b> | <b>\$ 202</b>         |
| <b>2004 Sales</b> |                               |                   |                     |                  |                       |                       |
| May-04            | 1 Park Avenue (2)             | Fee Interest      | Grand Central South | 913,000          | \$ 318,500,000        | \$ 349                |
| Oct-04            | 17 Battery Place North        | Fee Interest      | Financial           | 419,000          | \$ 70,000,000         | \$ 167                |
| Nov-04            | 1466 Broadway                 | Fee Interest      | Times Square        | 289,000          | \$ 160,000,000        | \$ 554                |
|                   |                               |                   |                     | <b>1,621,000</b> | <b>\$ 548,500,000</b> | <b>\$ 338</b>         |
| <b>2005 Sales</b> |                               |                   |                     |                  |                       |                       |
| Apr-05            | 1414 Avenue of the Americas   | Fee Interest      | Plaza District      | 111,000          | \$ 60,500,000         | \$ 545                |
| Aug-05            | 180 Madison Avenue            | Fee Interest      | Grand Central       | 265,000          | \$ 92,700,000         | \$ 350                |
|                   |                               |                   |                     | <b>376,000</b>   | <b>\$ 153,200,000</b> | <b>\$ 407</b>         |

- (1) Company sold a 45% JV interest in the property at an implied \$126.5mm sales price.  
(2) Company sold a 75% JV interest in the property at an implied \$318.5mm sales price.

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## 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 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 the total payments for interest, principal amortization, ground leases and preferred stock dividend.

**Fixed charge coverage** is adjusted EBITDA divided by fixed charge.

**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 under the White Paper approved by the Board of Governors of NAREIT in April 2002 as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring and sales of properties, plus real estate depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures.

**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.

**Percentage leased** represents the percentage of leased square feet, including month-to-month leases, to total rentable square feet owned, 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 TIs and LCs** are tenant improvements, lease commissions, and other leasing costs incurred during leasing of second generation 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 at liquidation value. SLG's share of total debt includes total consolidated debt plus SLG's pro rata share of the debt of unconsolidated joint ventures less 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 an interest (e.g. joint ventures).

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## CORPORATE GOVERNANCE

**Stephen L. Green**  
Chairman of the Board  
**Marc Holliday**  
CEO and President  
**Gregory F. Hughes**  
Chief Financial Officer

**Andrew Mathias**  
Chief Investment Officer  
**Gerard Nocera**  
Chief Operating Officer  
**Andrew S. Levine**  
General Counsel and Secretary

## ANALYST COVERAGE

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*SL Green Realty Corp. is followed by the analysts listed above. Please note that any opinions, estimates or forecasts regarding SL Green Realty Corp.'s performance made by these analysts are theirs alone and do not represent opinions, forecasts or predictions of SL Green Realty Corp. or its management. SL Green Realty Corp. does not by its reference above or distribution imply its endorsement of or concurrence with such information, conclusions or recommendations.*

