

**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):

**January 29, 2007**

**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))

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

Following the issuance of a press release on January 29, 2007 announcing the Company's results for the fourth quarter and full year ended December 31, 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 Company announced that it is increasing its earnings guidance for the year ending December 31, 2007 to \$5.30 per share of FFO.

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 January 29, 2007, the Company issued a press release announcing its results for the fourth quarter and full year ended December 31, 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 8.01. Other Events**

On January 29, 2007, SL Green Realty Corp. announced that it has completed a refinancing of the first mortgage loan on 485 Lexington Avenue for \$450 million. The ten-year interest only mortgage has an effective interest rate of 5.566%. The mortgage matures in January 2017.

On January 30, 2007, a joint venture of SL Green Realty Corp., SITQ Immobilier, a subsidiary of Caisse de depot et placement du Quebec, and SEB Immobilien-Investment GmbH, announced that it is selling One Park Avenue for \$550 million, or \$602 per square foot. SL Green expects to receive

approximately \$108 million in proceeds from the sale, a substantial portion of which will represent an incentive distribution under its joint venture arrangement with SEB. The proceeds will be utilized in a tax efficient 1031-exchange to acquire certain assets from Reckson Associates Realty Corp.

On January 30, 2007, SL Green Realty Corp. announced that it has entered into an agreement to sell 70 West 36<sup>th</sup> Street for \$61.5 million, or \$393 per square foot. The Company expects to realize a gain on this sale of approximately \$50.2 million.

On January 30, 2007, SL Green Realty Corp. announced that it has acquired 300 Main Street in Stamford, Connecticut and 399 Knollwood Road in White Plains, New York for \$46.6 million, or \$167 per square foot, inclusive of 50,000 square feet of garage parking at 300 Main Street, from affiliates of RPW Group.

### 2007 Earnings Guidance

The Company announced that it is increasing its earnings guidance for the year ending December 31, 2007 to \$5.30 per share of FFO.

Copies of these press releases announcing these transactions are attached hereto as Exhibits 99.3 through 99.6 and are incorporated herein by reference.

---

## **Item 9.01. Financial Statements and Exhibits**

### (c) *Exhibits*

- 99.1 Press Release regarding fourth quarter earnings.
- 99.2 Supplemental package.
- 99.3 Press release regarding refinancing of 485 Lexington Avenue.
- 99.4 Press release regarding sale of One Park Avenue.
- 99.5 Press release regarding sale of 70 West 36<sup>th</sup> Street.
- 99.6 Press release regarding acquisition of 300 Main Street and 399 Knollwood Road.

## **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, 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.

#### **Coverage Ratios**

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  
Gregory F. Hughes  
Chief Financial Officer

Date: January 30, 2007

## FOR IMMEDIATE RELEASE

## CONTACT

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

**SL GREEN REALTY CORP. REPORTS  
 FOURTH QUARTER FFO OF \$1.18 PER SHARE**

**Fourth Quarter Highlights**

- **Increased full year 2006 FFO to \$4.61 per share (diluted), an increase of 10.8% over the prior year.**
- **Increased fourth quarter FFO to \$1.18 per share (diluted) from \$1.02 during the fourth quarter of 2005, an increase of 15.7%.**
- **Net income available to common stockholders in the fourth quarter of 2006 totaled \$0.62 per share (diluted) and \$4.38 per share for the full year 2006.**
- **Increased quarterly common stock dividend by 16.7% to \$0.70 per share.**
- **Obtained stockholder approval to acquire Reckson Associates Realty Corp. (NYSE: RA) for approximately \$6.0 billion and closed on January 25, 2007. Simultaneously sold approximately \$2.0 billion of Reckson assets. In connection with this transaction, we issued approximately 9.0 million common shares, closed on a three-year \$500.0 million term loan, \$298.0 million of new mortgage financing and assumed \$1.3 billion of Reckson's unsecured notes.**
- **Increased the capacity on our unsecured line of credit by \$300.0 million to \$800.0 million.**
- **Increased average office starting rents by 28.7% over previously fully escalated rents reflecting continued growth in rents for office leases signed during the fourth quarter.**
- **Signed 38 office leases totaling 452,497 square feet during the fourth quarter.**
- **Finished the quarter at 97.0% occupancy, up from 96.1% at the end of the third quarter.**
- **Recognized combined same-store GAAP NOI growth of 16.4% during the fourth quarter.**
- **Recognized approximately \$8.8 million of incentive fees in connection with the resolution of the joint ventures with Morgan Stanley, including the venture that owned 485 Lexington Avenue.**

1

- 
- **Issued 3,998,100 shares of common stock in November 2006 raising net proceeds of approximately \$532.1 million.**
  - **Sold a 49.9% partnership interest in 521 Fifth Avenue, valuing the property at approximately \$240.0 million and recognized gain of approximately \$3.5 million.**
  - **Invested \$109.5 million in 800 Third Avenue through loans secured by up to 47% of the interests in the property's ownership, with an option to convert the loan to an equity interest.**
  - **Originated \$97.1 million of structured finance investments with an initial yield of 9.23%.**
  - **Received \$11.5 million in dividends and fees from our investment in, and management arrangements with, Gramercy Capital Corp. (NYSE: GKK), or Gramercy, including a \$3.0 million incentive fee earned during the quarter.**

**Summary**

New York, NY, January 29, 2007 - SL Green Realty Corp. (NYSE: SLG) today reported funds from operations available to common stockholders, or FFO, of \$60.5 million, or \$1.18 per share, for the fourth quarter ended December 31, 2006, a 15.7% increase over the same quarter in 2005. The Company also reported FFO of \$4.61 per share for the year ended December 31, 2006, a 10.8% increase over the same period in 2005, which was \$4.16 per share.

Net income available to common stockholders totaled \$29.4 million, or \$0.62 per share, for the fourth quarter and \$200.8 million, or \$4.38 per share, for the year ended December 31, 2006, an increase of \$8.5 million and \$63.3 million over the respective periods in 2005. Full-year 2006 results include gains on sale of \$2.12 per share compared to gains on sale of \$1.04 per share in 2005.

All per share amounts are presented on a diluted basis.

(In Millions except per share)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2006	2005	2006	2005
Funds from operations	\$ 60.5	\$ 46.9	\$ 223.6	\$ 189.5
- per share (diluted)	\$ 1.18	\$ 1.02	\$ 4.61	\$ 4.16
Net income	\$ 29.4	\$ 20.8	\$ 200.8	\$ 137.5
- per share (diluted)	\$ 0.62	\$ 0.48	\$ 4.38	\$ 3.20

### **Operating and Leasing Activity**

For the fourth quarter of 2006, the Company reported revenues and EBITDA of \$159.5 million and \$88.1 million, respectively, increases of \$49.4 million, or 44.9%, and \$25.8 million, or 41.4%, respectively, over the same period in 2005, largely due to strong leasing activity at 461 Fifth Avenue, 673 First Avenue and 521 Fifth Avenue as well as 2006 acquisitions, including 521 Fifth Avenue (March 2006), 609 Fifth Avenue (June 2006) and an investment in 717 Fifth Avenue (September 2006). Same-store GAAP NOI on a combined basis increased by 16.4% for the fourth quarter when compared to the same quarter in 2005, with the wholly-owned properties increasing 22.3% to \$52.1 million during the fourth quarter and the joint venture properties increasing 5.5% to \$24.7 million.

2

Average starting office rents of \$61.99 per rentable square foot for the fourth quarter represented a 28.7% increase over the previously fully escalated rents.

Occupancy for the portfolio increased from 96.1% at September 30, 2006 to 97.0% at December 31, 2006. During the quarter, the Company signed 47 leases totaling 458,376 square feet, with 38 leases and 452,497 square feet representing office leases. For the year, the Company leased approximately 2.1 million square feet.

Significant leasing activities during the fourth quarter included:

- Additional expansion with Morgan Stanley and Co., Inc. for approximately 110,948 square feet at 1221 Avenue of the Americas.
- Expansion with New York Presbyterian Hospital for approximately 65,096 square feet at 673 First Avenue.
- New lease with Novantas, LLC for approximately 41,147 square feet at 485 Lexington Avenue.
- New lease with Clarins USA, Inc. for approximately 37,925 square feet at One Park Avenue.

### **Real Estate Investment Activity**

During the fourth quarter of 2006, the Company announced new investments totaling approximately \$6.9 billion.

Investment activity announced during the fourth quarter included:

- In January 2007, the Company acquired Reckson Associates Realty Corp. for approximately \$6.0 billion. The transaction includes the acquisition of thirty properties encompassing approximately 9.2 million square feet, of which 5 properties encompassing approximately 4.2 million square feet are located in Manhattan. Simultaneously, the Company also sold approximately \$2.0 billion of the Reckson assets to an asset purchasing venture which includes certain members of Reckson's senior management.
- In December 2006, the Company invested approximately \$109.5 million in 800 Third Avenue through the origination of a loan secured by up to 47% of the interests in the property's ownership, with an option to convert the loan to an equity interest. Certain existing members have the right to re-acquire approximately 4% of the property's equity. The investment values the midtown Manhattan office property at \$285.0 million. SL Green will control a minority interest in the property in a joint venture with the remaining existing owners. 800 Third Avenue is a 40-story Class A office building located in the Grand Central submarket. Joseph P. Day Realty Corp. will continue to operate and lease the property in partnership with SL Green.
- In December 2006, the Company purchased interests in 485 Lexington Avenue from its partners, The City Investment Fund (CIF) and The Witkoff Group, resulting in majority ownership and control of the property. As a result of the acquisition of interests from CIF and The Witkoff Group, SL Green's ownership interest in 485 Lexington Avenue is 87%. The transaction values the property at

3

\$578 million compared to \$225 million or \$244 per square foot when first acquired in 2004. In addition, SL Green originated a loan secured by CIF's remaining ownership stake. SL Green also acquired an option from CIF to purchase its remaining equity interest.

- During the fourth quarter of 2006, SL Green sold to CIF a 49.9% interest in the entity that owns the leasehold interest in 521 Fifth Avenue. The sale of the interest in the property, which encompasses approximately 460,000 square feet, valued the property at \$240.0 million. This sale generated a gain of approximately \$3.5 million, or \$0.07 per share.

### **Financing and Capital Activity**

In November 2006, the Company sold 3,998,100 shares of its common stock for net proceeds, after deducting underwriting discounts, commissions and transaction expenses, of approximately \$532.1 million.

In January 2007, the Company exercised the accordion feature in their unsecured revolving line of credit. As a result, the capacity under the unsecured revolver increased by \$300.0 million to \$800.0 million.

In January 2007, the Company issued approximately 9.0 million common shares, closed on \$298.0 million of new mortgage financing, assumed approximately \$238.6 million of mortgage debt, approximately \$967.8 million of unsecured notes and approximately \$287.5 million of convertible debt in connection with the acquisition of Reckson.

### **Structured Finance Activity**

The Company's structured finance investments totaled \$445.0 million on December 31, 2006, an increase of approximately \$97.5 million over the balance at September 30, 2006. The structured finance investments currently have a weighted average maturity of 7.4 years. The weighted average yield for the quarter ended December 31, 2006 was 10.45%, compared to a yield of 10.32% for the quarter ended September 30, 2006.

During the fourth quarter 2006, the Company originated \$97.1 million of structured finance investments with an initial yield of 9.23%. There were no redemptions during the quarter.

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

At December 31, 2006, the book value of the Company's investment in Gramercy totaled \$118.6 million. Fees earned from various arrangements between the Company and Gramercy totaled approximately \$7.9 million for the quarter ended December 31, 2006, including an incentive fee of \$3.0 million earned as a result of Gramercy's FFO (as defined in Gramercy's management agreement) exceeding the 9.5% annual return on equity performance threshold. For the year ended December 31, 2006, the Company earned \$24.3 million in fees from Gramercy. The Company's share of FFO generated from its investment in Gramercy totaled approximately \$5.1 million and \$16.0 million for the quarter and year ended December 31, 2006, respectively, compared to \$3.2 million and \$9.1 million for the same periods in the prior year.

4

---

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 December 31, 2006, the Company's MG&A includes approximately \$1.9 million of costs associated with Gramercy as well as approximately \$10.0 million of additional incentive compensation expense. The Company's board of directors elected to convey this additional incentive compensation to various senior executives in recognition of their extraordinary efforts in 2006, including the approval of the Reckson merger, as well as, the Company's sector leading performance.

### **Dividends**

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

- \$0.70 per share of common stock. Dividends were paid on January 12, 2007 to stockholders of record on the close of business on December 29, 2006.
- \$0.4766 and \$0.4922 per share on the Company's Series C and D Preferred Stock, respectively, for the period October 15, 2006 through and including January 14, 2007. Distributions were made on January 12, 2007 to stockholders of record on the close of business on December 29, 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, January 30, 2007 at 2:00 p.m. ET to discuss fourth quarter and full year 2006 financial results. The Supplemental Package will be available prior to the quarterly conference call on the Company's web site.

The live conference will be webcast in listen-only mode on the Company's web site at [www.slgreen.com](http://www.slgreen.com) and on Thomson's StreetEvents Network. The conference may also be accessed by dialing (866) 203-3436 Domestic or (617) 213-8849 International, using pass code SL Green.

A replay of the call will be available through Tuesday, February 06, 2007 by dialing (888) 286-8010 Domestic or (617) 801-6888 International, using pass code 44713455.

### **Supplemental Information**

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

5

---

### **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 December 31, 2006, the Company owned 28 office properties totaling 19.0 million square feet. The Company's retail space ownership totals 296,000 square feet at eight 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 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 December 31,		Twelve Months Ended December 31,	
	2006	2005	2006	2005
<b>Revenue:</b>				
Rental revenue, net	\$ 101,230	\$ 74,345	\$ 365,135	\$ 285,316
Escalations & reimbursement revenues	16,881	16,186	68,053	55,739
Preferred equity and investment income	15,210	11,266	61,982	44,989
Other income	26,215	8,337	57,107	38,142
Total revenues	<u>159,536</u>	<u>110,134</u>	<u>552,277</u>	<u>424,186</u>
Equity in net income from unconsolidated joint ventures	10,537	10,706	40,780	49,349
<b>Expenses:</b>				
Operating expenses	32,255	26,937	125,912	99,464
Ground rent	5,463	5,162	20,150	19,250
Real estate taxes	18,591	14,484	75,204	58,037
Marketing, general and administrative	25,669	11,965	65,741	44,215
Total expenses	<u>81,978</u>	<u>58,548</u>	<u>287,007</u>	<u>220,966</u>
<b>Earnings Before Interest, Depreciation and Amortization (EBITDA)</b>	88,095	62,292	306,050	252,569
Interest expense	29,834	20,100	96,349	77,353
Amortization of deferred financing costs	1,329	875	4,425	4,461
Depreciation and amortization	21,592	15,869	75,085	58,648
Net income from Continuing Operations	35,340	25,448	130,191	112,107
Income from Discontinued Operations, net of minority interests	—	1,976	4,217	6,506
Gain on sale of Discontinued Operations, net of minority interests	—	—	93,976	33,875
Equity in net gain on sale of interest in unconsolidated joint venture	—	—	—	11,550
Gain on sale of real estate interest	3,451	—	3,451	—
Minority interests	(4,464)	(1,619)	(11,116)	(6,619)
Preferred stock dividends	(4,969)	(4,969)	(19,875)	(19,875)
Net income available to common shareholders	<u>\$ 29,358</u>	<u>\$ 20,836</u>	<u>\$ 200,844</u>	<u>\$ 137,544</u>
Net income per share (Basic)	\$ 0.62	\$ 0.49	\$ 4.50	\$ 3.29
Net income per share (Diluted)	\$ 0.62	\$ 0.48	\$ 4.38	\$ 3.20
<b>Funds From Operations (FFO)</b>				
FFO per share (Basic)	\$ 1.22	\$ 1.05	\$ 4.75	\$ 4.28
FFO per share (Diluted)	\$ 1.18	\$ 1.02	\$ 4.61	\$ 4.16
<b>FFO Calculation:</b>				
Net income from continuing operations	\$ 35,340	\$ 25,448	\$ 130,191	\$ 112,107
<b>Add:</b>				
Depreciation and amortization	21,592	15,869	75,085	58,648
FFO from Discontinued Operations	—	2,600	5,172	9,002
FFO adjustment for Joint Ventures	8,808	8,130	34,049	30,412
<b>Less:</b>				
Dividend on perpetual preferred stock	(4,969)	(4,969)	(19,875)	(19,875)
Depreciation of non-real estate assets	(241)	(204)	(988)	(781)
FFO before minority interests – BASIC and DILUTED	<u>\$ 60,530</u>	<u>\$ 46,874</u>	<u>\$ 223,634</u>	<u>\$ 189,513</u>

Basic ownership interest				
Weighted average REIT common shares for net income per share	46,993	42,148	44,593	41,793
Weighted average partnership units held by minority interests	2,697	2,448	2,511	2,499
Basic weighted average shares and units outstanding for FFO per share	<u>49,690</u>	<u>44,596</u>	<u>47,104</u>	<u>44,292</u>
Diluted ownership interest				
Weighted average REIT common share and common share equivalents	48,463	43,372	45,984	43,005
Weighted average partnership units held by minority interests	2,697	2,448	2,511	2,499
Diluted weighted average shares and units outstanding	<u>51,160</u>	<u>45,820</u>	<u>48,495</u>	<u>45,504</u>

7

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

	December 31, 2006 (Unaudited)	December 31, 2005
<b>Assets</b>		
Commercial real estate properties, at cost:		
Land and land interests	\$ 439,986	\$ 288,239
Buildings and improvements	2,111,970	1,440,584
Building leasehold and improvements	490,995	481,891
Property under capital lease	12,208	12,208
	<u>3,055,159</u>	<u>2,222,922</u>
Less accumulated depreciation	(279,436)	(219,295)
	<u>2,775,723</u>	<u>2,003,627</u>
Cash and cash equivalents	117,178	24,104
Restricted cash	252,272	60,750
Tenant and other receivables, net of allowance of \$11,079 and \$9,681 in 2006 and 2005, respectively	34,483	23,722
Related party receivables	7,195	7,707
Deferred rents receivable, net of allowance of \$10,925 and \$8,698 in 2006 and 2005, respectively	96,624	75,294
Structured finance investments, net of discount of \$14,804 and \$1,537 in 2006 and 2005, respectively	445,026	400,076
Investments in unconsolidated joint ventures	686,069	543,189
Deferred costs, net	97,850	79,428
Other assets	119,807	91,880
Total assets	<u>\$ 4,632,227</u>	<u>\$ 3,309,777</u>
<b>Liabilities and Stockholders' Equity</b>		
Mortgage notes payable	\$ 1,190,379	\$ 885,252
Revolving credit facility	—	32,000
Term loans	525,000	525,000
Accrued interest	10,008	7,711
Accounts payable and accrued expenses	138,181	87,390
Deferred revenue/gain	43,721	25,691
Capitalized lease obligation	16,394	16,260
Deferred land lease payable	16,938	16,312
Dividend and distributions payable	40,917	31,103
Security deposits	27,913	24,556
Junior subordinate deferrable interest debentures held by trusts that issued trust preferred securities	100,000	100,000
Total liabilities	<u>2,109,451</u>	<u>1,751,275</u>
Commitments and contingencies	—	—
Minority interest in other partnerships	56,162	25,012
Minority interest in operating partnership	71,731	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 December 31, 2006 and 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 December 31, 2006 and 2005, respectively	96,321	96,321
Common stock, \$0.01 par value 100,000 shares authorized, 49,840 and 42,456 issued and outstanding at December 31, 2006 and 2005, respectively	498	425
Additional paid - in capital	1,809,893	959,858
Accumulated other comprehensive income	13,971	15,316
Retained earnings	322,219	235,540
Total stockholders' equity	<u>2,394,883</u>	<u>1,459,441</u>
Total liabilities and stockholders' equity	<u>\$ 4,632,227</u>	<u>\$ 3,309,777</u>

8



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

	<b>December 31,</b>	
	<b>2006</b>	<b>2005</b>
<b>Operating Data: (1)</b>		
Net rentable area at end of period (in 000's)	19,000	18,200
Portfolio percentage leased at end of period	97.0%	96.7%
Same-Store percentage leased at end of period	97.4%	96.5%
Number of properties in operation	28	28
Office square feet leased during quarter (rentable)	452,497	963,087
Average mark-to-market percentage-office	28.7%	20.3%
Average starting cash rent per rentable square foot-office	\$ 61.99	\$ 46.89

(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)*

	<b>Three Months Ended December 31,</b>		<b>Twelve Months Ended December 31,</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
<b>Earnings before interest, depreciation and amortization (EBITDA):</b>	<b>\$ 88,095</b>	<b>\$ 62,292</b>	<b>\$ 306,050</b>	<b>\$ 252,569</b>
<b>Add:</b>				
Marketing, general & administrative expense	25,669	11,965	65,741	44,215
Operating income from discontinued operations	—	2,601	5,174	9,191
<b>Less:</b>				
Non-building revenue	(32,607)	(16,528)	(100,058)	(70,871)
Equity in net income from joint ventures	(10,537)	(10,706)	(40,780)	(49,349)
<b>GAAP net operating income (GAAP NOI)</b>	<b>70,620</b>	<b>49,624</b>	<b>236,127</b>	<b>185,755</b>
<b>Less:</b>				
Operating income from discontinued operations	(—)	(2,601)	(5,174)	(9,191)
GAAP NOI from other properties/affiliates	(18,493)	(4,410)	(44,533)	(11,241)
<b>Same-Store GAAP NOI</b>	<b>\$ 52,127</b>	<b>\$ 42,613</b>	<b>\$ 186,420</b>	<b>\$ 165,323</b>

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

SL Green Realty Corp.  
 Fourth Quarter 2006  
 Supplemental Data  
 December 31, 2006



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 December 31, 2006 that will subsequently be released on Form 10-K to be filed on or before March 1, 2007.



## TABLE OF CONTENTS

Highlights of Current Period Financial Performance	
Unaudited Financial Statements	
Corporate Profile	4
Financial Highlights	5-11
Balance Sheets	12-13
Statements of Operations	14
Funds From Operations	15
Statement of Stockholders' Equity	16
Taxable Income	17
Joint Venture Statements	18-21
Selected Financial Data	22-25
Summary of Debt and Ground Lease Arrangements	26-27
Mortgage Investments and Preferred Equity	28-29
Property Data	
Composition of Property Portfolio	30
Top Tenants	31
Tenant Diversification	32
Leasing Activity Summary	33-34
Lease Expiration Schedule	35
Summary of Acquisition/Disposition Activity	36-37
Supplemental Definitions	38
Corporate Information	39



## 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.

## FINANCIAL HIGHLIGHTS

FOURTH QUARTER 2006  
UNAUDITED



### FINANCIAL RESULTS

Funds From Operations, or FFO, available to common stockholders totaled \$60.5 million, or \$1.18 per share for the fourth quarter ended December 31, 2006, a 15.7% increase over the same quarter in 2005 when FFO totaled \$46.9 million, or \$1.02 per share.

Net income available for common stockholders totaled \$29.4 million, or \$0.62 per share (diluted) for the fourth quarter ended December 31, 2006. Net income available to common stockholders totaled \$20.8 million or \$0.48 per share in the same quarter in 2005. Fourth quarter 2006 results include gains on sale of \$0.07 per share compared to no gains on sale in 2005.

Funds available for distribution, or FAD, for the fourth quarter 2006 increased to \$0.78 per share (diluted) versus \$0.67 per share (diluted) in the prior year, a 16.4% increase.

The Company's dividend payout ratio was 59.2% of FFO and 90.2% of FAD before first cycle leasing costs.

All per share amounts are presented on a diluted basis.

### CONSOLIDATED RESULTS

Total quarterly revenues increased 44.9% in the fourth quarter to \$159.5 million compared to \$110.1 million in the prior year. The \$49.4 million growth in revenue resulted primarily from the following items:

- \$15.2 million increase from 2006 and 2005 acquisitions,
- \$10.9 million increase from same-store properties,
- \$3.9 million increase in preferred equity and investment income, and
- \$19.4 million increase in other revenue, which was primarily due to a incentive fees earned in 2006 (\$8.8 million) as well as from fees earned from Gramercy (\$2.5 million).

The Company's earnings before interest, taxes, depreciation and amortization, or EBITDA, increased by \$25.8 million (41.4%) to \$88.1 million. The following items drove EBITDA improvements:

- \$12.6 million increase from 2006 and 2005 acquisitions.
- \$9.6 million increase from same-store properties.
- \$3.9 million increase in preferred equity and investment income. The weighted-average structured finance investment balance for the quarter decreased to \$381.3 million from \$400.0 million in the prior year. The weighted-average yield for the quarter was 10.45% compared to 10.43% in the prior year.
- \$0.2 million decrease from reductions in equity in net income from unconsolidated joint ventures primarily due to our investments at 1515 Broadway (\$1.3 million), 485 Lexington Avenue (\$0.6 million) and the Mack-Green joint venture (\$0.4 million). This was partially offset by



increases at Gramercy (\$1.8 million) and 1250 Broadway (\$0.5 million).

- \$13.7 million decrease from higher MG&A expense. This is primarily due to higher compensation costs at GKK Manager LLC, which is consolidated into the accounts of SL Green.
- \$13.6 million increase in non-real estate revenues net of expenses, primarily due to increased incentive fees earned in 2006 (\$8.8 million) in addition to fee income from Gramercy (\$2.5 million).

FFO before minority interests improved \$9.9 million primarily as a result of:

- \$25.8 million increase in EBITDA,
- \$5.7 million decrease in FFO from unconsolidated joint ventures, discontinued operations and non-real estate depreciation, and
- \$10.2 million decrease from higher interest expense.

### SAME-STORE RESULTS

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

Same-store fourth quarter 2006 GAAP NOI increased \$9.5 million (22.3%) to \$52.1 million compared to the prior year. Operating margins before ground rent increased from 54.2% to 58.2%.

The \$9.5 million increase in GAAP NOI was primarily due to:

- \$7.5 million (10.5%) increase in rental revenue primarily due to improved leasing,
- \$0.5 million (3.3%) decrease in escalation and reimbursement revenue,

- \$3.0 million (349.0%) increase in investment and other income, and
- \$0.5 million (2.2%) increase in operating expenses, primarily driven by increases in payroll, repairs and maintenance and insurance costs, but was offset by reductions in utility costs.

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

The Joint Venture same-store properties fourth quarter 2006 GAAP NOI increased \$1.3 million (5.5%) to \$24.7 million compared to the prior year. Operating margins before ground rent increased from 55.4% to 56.4%.

The \$1.3 million increase in GAAP NOI was primarily due to:

- \$0.8 million (2.4%) increase in rental revenue primarily due to improved leasing,
- \$0.6 million (7.4%) increase in escalation and reimbursement revenue primarily due to electric reimbursements and real estate tax and operating expense recoveries,
- \$0.1 million (15.4%) increase in other income, and
- \$0.2 million (1.7%) increase in operating expenses primarily driven by increases in utilities and insurance.



### **STRUCTURED FINANCE ACTIVITY**

As of December 31, 2006, our structured finance and preferred equity investments totaled \$445.0 million. The weighted average balance outstanding for the fourth quarter of 2006 was \$381.3 million. During the fourth quarter of 2006 the weighted average yield was 10.45%.

During the fourth quarter 2006, the Company originated \$97.1 million of structured finance investments with an initial yield of 9.2%. There were no redemptions during the quarter.

### **QUARTERLY LEASING HIGHLIGHTS**

Vacancy at September 30, 2006 was 723,388 useable square feet net of holdover tenants. During the quarter, 212,804 additional useable office, retail and storage square feet became available at an average escalated cash rent of \$57.61 per rentable square foot. The Company acquired 16,280 of available usable square feet in connection with the closing of the 800 Third Avenue transaction. Space available to lease during the quarter totaled 936,192 useable square feet, or 4.9% of the total portfolio.

During the fourth quarter, 38 office leases, including early renewals, were signed totaling 452,497 rentable square feet. New cash rents averaged \$61.99 per rentable square foot. Replacement rents were 28.7% higher than rents on previously occupied space, which had fully escalated cash rents averaging \$48.18 per rentable square foot. The average lease term was 10 years and average tenant concessions were 3.3 months of free rent with a tenant improvement allowance of \$32.49 per rentable square foot.

The Company also signed 9 retail and storage leases, including early renewals, for 5,879 rentable square feet. The average lease term was 9.1 years and the average tenant concessions were 2.7 months of free rent with a tenant improvement allowance of \$21.83 per rentable square foot.

### **REAL ESTATE ACTIVITY**

Real estate investment transactions entered into during the fourth quarter totaled approximately \$6.9 billion and included:

- In January 2007, the Company acquired Reckson Associates Realty Corp. for approximately \$6.0 billion. The transaction includes the acquisition of thirty properties encompassing approximately 9.2 million square feet, of which 5 properties encompassing approximately 4.2 million square feet are located in Manhattan. Simultaneously, the Company also sold approximately \$2.0 billion of the Reckson assets to an asset purchasing venture which includes certain members of Reckson's senior management.
- In December 2006, the Company invested approximately \$109.5 million in 800 Third Avenue through the origination of a loan secured by up to 47% of the interests in the property's ownership, with an option to convert the loan to an equity interest. Certain existing members have the right to acquire



approximately 4% of the property's equity. The investment values the midtown Manhattan office property at \$285.0 million. SL Green will control a minority interest in the property in a joint venture with the remaining existing owners. 800 Third Avenue is a 40-story Class A office building located in the Grand Central submarket. Joseph P. Day Realty Corp. will continue to operate and lease the property in partnership with SL Green.

- In December 2006, the Company purchased interests in 485 Lexington Avenue from its partners, The City Investment Fund (CIF) and The Witkoff Group, resulting in majority ownership and control of the property. As a result of the acquisition of interests from CIF and The Witkoff Group, SL Green's ownership interest in 485 Lexington Avenue is 87%. The transaction values the property at \$578 million compared to \$225 million or \$244 per square foot when first acquired in 2004. In addition, SL Green originated a loan secured by CIF's remaining ownership stake. SL Green also acquired an option from CIF to purchase its remaining equity interest.
- During the fourth quarter of 2006, SL Green sold to CIF a 49.9% interest in the entity that owns the leasehold interest in 521 Fifth Avenue. The sale of the interest in the property, which encompasses approximately 460,000 square feet, valued the property at \$240.0 million. This sale generated a gain of approximately \$3.5 million, or \$0.07 per share.

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

At December 31, 2006, the book value of the Company's investment in Gramercy totaled \$118.6 million. Fees earned from various arrangements between the Company and Gramercy totaled approximately \$7.9 million for the quarter ended December 31, 2006, including an incentive fee of \$3.0 million earned as a result of Gramercy's FFO (as defined in Gramercy's management agreement) exceeding the 9.5% annual return on equity performance threshold. For the year ended December 31, 2006, the Company earned \$24.3 million in fees from Gramercy. The Company's share of FFO generated from its investment in Gramercy totaled approximately \$5.1 million and \$16.0 million for the quarter and year ended December 31, 2006, respectively, compared to \$3.2 million and \$9.1 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 December 31, 2006, the Company's MG&A includes approximately \$1.9 million of costs associated with Gramercy as well as approximately \$10.0 million of additional incentive compensation expense. The Company's board of directors elected to convey this additional incentive compensation to various senior executives in recognition of their extraordinary efforts in 2006, including the approval of the Reckson merger, as well as the Company's sector leading performance.

8



#### **FINANCING/ CAPITAL ACTIVITY**

In November 2006, the Company sold 3,998,100 million shares of its common stock for net proceeds, after deducting underwriting discounts, commissions and transaction expenses, of approximately \$532.1 million.

In January 2007, the Company exercised the accordian feature in their unsecured revolving line of credit. As a result, the capacity under the unsecured revolver increased by \$300.0 million to \$800.0 million.

In January 2007, the Company issued approximately 9.0 million common shares and closed on \$298.0 million of new mortgage financing, assumed approximately \$238.6 million of mortgage debt, approximately \$967.8 million of unsecured notes and approximately \$287.5 million of convertible debt in connection with the acquisition of Reckson.

#### **Dividends**

On December 4, 2006, the Company declared a dividend of \$0.70 per common share for the fourth quarter 2006. The dividend was payable January 12, 2007 to stockholders of record on the close of business on December 29, 2006. This distribution reflects the regular quarterly dividend, which is the equivalent of an annualized distribution of \$2.80 per common share.

On December 4, 2006, the Company also approved a distribution on its Series C preferred stock for the period October 15, 2006 through and including January 14, 2007, of \$0.4766 per share, payable January 12, 2007 to stockholders of record on the close of business on December 29, 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 December 4, 2006, the Company also approved a distribution on its Series D preferred stock for the period October 15, 2006 through and including January 14, 2007, of \$0.4922 per share, payable January 12, 2007 to stockholders of record on the close of business on December 29, 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**

For 2007, the consolidated Same-Store Properties will include 19 West and 28 West 44<sup>th</sup> Street and the joint-venture Same-Store Properties will include One Madison Avenue-South Building.

9

---



**SL Green Realty Corp.**  
**Key Financial Data**  
**December 31, 2006**  
(Dollars in Thousands Except Per Share and Sq. Ft.)



	As of or for the three months ended				
	12/31/2006	9/30/2006	6/30/2006	3/31/2006	12/31/2005
<b>Earnings Per Share</b>					
Net income available to common shareholders - diluted	\$ 0.62	\$ 2.53	\$ 0.65	\$ 0.54	\$ 0.48
Funds from operations available to common shareholders - diluted	\$ 1.18	\$ 1.13	\$ 1.22	\$ 1.08	\$ 1.02
Funds available for distribution to common shareholders - diluted	\$ 0.78	\$ 0.81	\$ 0.94	\$ 0.80	\$ 0.67
<b>Common Share Price &amp; Dividends</b>					
At the end of the period	\$ 132.78	\$ 111.70	\$ 109.47	\$ 101.50	\$ 76.39
High during period	\$ 139.50	\$ 115.90	\$ 109.47	\$ 103.09	\$ 77.14
Low during period	\$ 112.37	\$ 107.17	\$ 95.31	\$ 77.70	\$ 63.80
Common dividends per share	\$ 0.70	\$ 0.60	\$ 0.60	\$ 0.60	\$ 0.60
FFO Payout Ratio	59.16%	53.16%	49.20%	55.53%	58.65%
FAD Payout Ratio	90.23%	73.75%	63.91%	75.40%	89.03%
<b>Common Shares &amp; Units</b>					
Common shares outstanding	49,840	45,774	43,226	43,133	42,456
Units outstanding	2,694	2,219	2,219	2,263	2,427
Total shares and units outstanding	<u>52,534</u>	<u>47,993</u>	<u>45,445</u>	<u>45,396</u>	<u>44,883</u>
Weighted average common shares and units outstanding - basic	49,689	47,495	45,421	45,169	44,596
Weighted average common shares and units outstanding - diluted	51,160	49,215	46,901	46,608	45,820
<b>Market Capitalization</b>					
Market value of common equity	\$ 6,975,465	\$ 5,360,818	\$ 4,974,864	\$ 4,607,694	\$ 3,428,612
Liquidation value of preferred equity	257,500	257,500	257,500	257,500	257,500
Consolidated debt	1,815,379	1,975,325	1,853,644	1,693,907	1,542,252
Consolidated market capitalization	\$ 9,048,344	\$ 7,593,643	\$ 7,086,008	\$ 6,559,101	\$ 5,228,364
SLG portion JV debt	1,209,281	1,181,397	1,179,332	1,111,160	1,040,265
Combined market capitalization	<u>\$ 10,257,625</u>	<u>\$ 8,775,040</u>	<u>\$ 8,265,340</u>	<u>\$ 7,670,261</u>	<u>\$ 6,268,629</u>
Consolidated debt to market capitalization	20.06%	26.01%	26.16%	25.83%	29.50%
Combined debt to market capitalization	29.49%	35.97%	36.70%	36.57%	41.20%
Consolidated debt service coverage	3.12	3.38	3.63	3.55	3.53
Consolidated fixed charge coverage	2.36	2.47	2.59	2.45	2.39
Combined fixed charge coverage	1.89	1.93	2.03	1.95	1.93
<b>Portfolio Statistics</b>					
Directly owned office buildings	20	20	23	22	21
Joint venture office buildings	8	7	7	7	7
	<u>28</u>	<u>27</u>	<u>30</u>	<u>29</u>	<u>28</u>
Directly owned square footage	10,086,000	9,625,000	9,965,000	9,805,000	9,345,000
Joint venture square footage	8,879,900	8,814,900	8,814,900	8,814,900	8,814,900
	<u>18,965,900</u>	<u>18,439,900</u>	<u>18,779,900</u>	<u>18,619,900</u>	<u>18,159,900</u>
Quarter end occupancy-portfolio	97.0%	96.1%	95.9%	95.2%	96.7%
Quarter end occupancy- same store - wholly owned	97.5%	97.0%	96.8%	96.1%	96.0%
Quarter end occupancy- same store - combined (wholly owned + joint venture)	97.4%	96.9%	96.9%	96.3%	96.5%



**Selected Balance Sheet Data**

Real estate assets before depreciation	\$ 3,055,159	\$ 2,824,688	\$ 2,634,724	\$ 2,343,714	\$ 2,222,922
Investments in unconsolidated joint ventures	\$ 686,069	\$ 549,040	\$ 571,418	\$ 533,145	\$ 543,189
Structured finance investments	\$ 445,026	\$ 347,558	\$ 333,989	\$ 466,173	\$ 400,076
<b>Total Assets</b>	<b>\$ 4,632,227</b>	<b>\$ 4,226,806</b>	<b>\$ 3,691,952</b>	<b>\$ 3,482,532</b>	<b>\$ 3,309,777</b>
Fixed rate & hedged debt	\$ 1,511,714	\$ 1,418,106	\$ 1,419,065	\$ 1,254,116	\$ 1,255,141
Variable rate debt	303,665	462,219	339,579	439,791	287,111
<b>Total consolidated debt</b>	<b>\$ 1,815,379</b>	<b>\$ 1,880,325</b>	<b>\$ 1,758,644</b>	<b>\$ 1,693,907</b>	<b>\$ 1,542,252</b>
<b>Total Liabilities</b>	<b>\$ 2,109,451</b>	<b>\$ 2,239,912</b>	<b>\$ 2,090,786</b>	<b>\$ 1,893,838</b>	<b>\$ 1,751,275</b>
Fixed rate & hedged debt-including SLG portion of JV debt	\$ 2,099,716	\$ 1,957,206	\$ 1,958,896	\$ 1,768,857	\$ 1,741,225
Variable rate debt - including SLG portion of JV debt	924,944	1,104,516	979,080	1,036,210	841,292
<b>Total combined debt</b>	<b>\$ 3,024,660</b>	<b>\$ 3,061,722</b>	<b>\$ 2,937,976</b>	<b>\$ 2,805,067</b>	<b>\$ 2,582,517</b>

**Selected Operating Data**

Property operating revenues	\$ 118,111	\$ 113,124	\$ 104,004	\$ 97,948	\$ 90,531
Property operating expenses	56,309	58,867	53,269	52,824	46,583
Property operating NOI	\$ 61,802	\$ 54,257	\$ 50,735	\$ 45,124	\$ 43,948
NOI from discontinued operations	—	1,674	2,079	1,694	2,601
<b>Total property operating NOI</b>	<b>\$ 61,802</b>	<b>\$ 55,931</b>	<b>\$ 52,814</b>	<b>\$ 46,818</b>	<b>\$ 46,549</b>
SLG share of Property NOI from JVs	\$ 37,419	\$ 36,587	\$ 33,834	\$ 32,130	\$ 31,595
SLG share of FFO from Gramercy Capital	\$ 5,083	\$ 4,125	\$ 3,694	\$ 3,168	\$ 3,205
Structured finance income	\$ 15,210	\$ 15,714	\$ 17,305	\$ 13,479	\$ 11,266
Other income	\$ 26,215	\$ 9,517	\$ 11,475	\$ 9,900	\$ 8,337
Marketing general & administrative expenses	\$ 25,669	\$ 13,829	\$ 13,257	\$ 12,986	\$ 11,965
Consolidated interest	\$ 29,834	\$ 24,764	\$ 22,901	\$ 18,850	\$ 20,100
Combined interest	\$ 50,154	\$ 43,990	\$ 40,088	\$ 34,428	\$ 34,642
Preferred Dividend	\$ 4,969	\$ 4,969	\$ 4,969	\$ 4,969	\$ 4,969

**Office Leasing Statistics**

Total office leases signed	38	56	57	65	55
Total office square footage leased	452,497	586,223	427,862	539,399	963,087
Average rent psf	\$ 61.99	\$ 62.67	\$ 46.40	\$ 37.74	\$ 46.89
Escalated rents psf	\$ 48.18	\$ 49.81	\$ 42.08	\$ 32.33	\$ 38.99
Percentage of rent over escalated	28.7%	25.8%	10.3%	16.7%	20.3%
Tenant concession packages psf	\$ 32.49	\$ 14.90	\$ 24.89	\$ 12.91	\$ 39.57
Free rent months	3.3	1.9	2.5	2.1	6.2

**COMPARATIVE BALANCE SHEETS**

Unaudited  
(\$000's omitted)



	12/31/2006	9/30/2006	6/30/2006	3/31/2006	12/31/2005
<b>Assets</b>					
Commercial real estate properties, at cost:					
Land & land interests	\$ 439,986	\$ 349,073	\$ 302,821	\$ 270,351	\$ 288,239
Buildings & improvements fee interest	2,111,970	1,671,234	1,477,106	1,365,554	1,440,584
Buildings & improvements leasehold	490,995	705,900	703,843	695,601	481,891
Buildings & improvements under capital lease	12,208	12,208	12,208	12,208	12,208
	<u>\$ 3,055,159</u>	<u>\$ 2,738,415</u>	<u>\$ 2,495,978</u>	<u>\$ 2,343,714</u>	<u>\$ 2,222,922</u>
Less accumulated depreciation	(279,436)	(253,136)	(236,727)	(231,561)	(219,295)
	<u>\$ 2,775,723</u>	<u>\$ 2,485,279</u>	<u>\$ 2,259,251</u>	<u>\$ 2,112,153</u>	<u>\$ 2,003,627</u>
Other Real Estate Investments:					
Investment in unconsolidated joint ventures	686,069	549,040	571,418	533,145	543,189
Structured finance investments	445,026	347,558	333,989	466,173	400,076
Assets held for sale	—	121,962	170,173	—	—
Cash and cash equivalents	117,178	176,444	14,184	20,535	24,104
Restricted cash	252,272	227,482	61,663	59,489	60,750
Tenant and other receivables, net of \$11,079 reserve at 12/31/06	34,483	32,037	27,115	21,011	23,722
Related party receivables	7,195	9,563	8,330	6,329	7,707



Deferred rents receivable, net of reserve for tenant credit loss of \$10,925 at 12/31/06	96,624	85,242	81,561	80,249	75,294
Deferred costs, net	97,850	74,223	73,747	77,145	79,428
Other assets	119,807	117,976	90,521	106,303	91,880
<b>Total Assets</b>	<b>\$ 4,632,227</b>	<b>\$ 4,226,806</b>	<b>\$ 3,691,952</b>	<b>\$ 3,482,532</b>	<b>\$ 3,309,777</b>

12

## COMPARATIVE BALANCE SHEETS



Unaudited  
(\$000's omitted)

	12/31/2006	9/30/2006	6/30/2006	3/31/2006	12/31/2005
<b>Liabilities and Stockholders' Equity</b>					
Mortgage notes payable	\$ 1,190,379	\$ 1,255,325	\$ 1,078,999	\$ 912,262	\$ 885,252
Unsecured & Secured term loans	525,000	525,000	525,000	525,000	525,000
Revolving credit facilities	—	—	54,645	156,645	32,000
Accrued interest	10,008	9,353	7,991	7,706	7,711
Accounts payable and accrued expenses	138,181	96,741	84,977	69,079	87,390
Deferred revenue	43,721	63,358	49,045	30,759	25,691
Capitalized lease obligations	16,394	16,359	16,325	16,292	16,260
Deferred land lease payable	16,938	16,782	16,625	16,469	16,312
Dividend and distributions payable	40,917	33,247	31,725	31,408	31,103
Security deposits	27,913	28,368	30,075	28,218	24,556
Liabilities related to assets held for sale	—	95,379	95,379	—	—
Junior subordinated deferrable interest debentures	100,000	100,000	100,000	100,000	100,000
<b>Total Liabilities</b>	<b>\$ 2,109,451</b>	<b>\$ 2,239,912</b>	<b>\$ 2,090,786</b>	<b>\$ 1,893,838</b>	<b>\$ 1,751,275</b>
Minority interest in other partnerships	56,162	56,929	37,164	34,693	25,012
Minority interest in operating partnership (2,694 units outstanding) at 12/31/06	71,731	71,910	67,498	68,982	74,049
<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, 49,840 issued and outstanding at 12/31/06	498	458	432	431	425
Additional paid – in capital	1,809,893	1,268,491	991,241	983,144	959,858
Accumulated other comprehensive income	13,971	13,060	20,009	19,750	15,316
Retained earnings	322,219	327,744	236,520	233,392	235,540
<b>Total Stockholders' Equity</b>	<b>\$ 2,394,883</b>	<b>\$ 1,858,055</b>	<b>\$ 1,496,504</b>	<b>\$ 1,485,019</b>	<b>\$ 1,459,441</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 4,632,227</b>	<b>\$ 4,226,806</b>	<b>\$ 3,691,952</b>	<b>\$ 3,482,532</b>	<b>\$ 3,309,777</b>

13

## COMPARATIVE STATEMENTS OF OPERATIONS



Unaudited  
(\$000's omitted)

	Three Months Ended		Three Months Ended		Twelve Months Ended	
	December 31, 2006	December 31, 2005	September 30, 2006	December 31, 2006	December 31, 2005	
<b>Revenues</b>						
Rental revenue, net	\$ 101,230	\$ 74,345	\$ 93,233	\$ 365,135	\$ 285,316	
Escalation and reimbursement revenues	16,881	16,186	19,891	68,053	55,739	
Investment income	15,210	11,266	15,714	61,982	44,989	
Other income	26,215	8,337	9,517	57,107	38,142	
<b>Total Revenues, net</b>	<b>159,536</b>	<b>110,134</b>	<b>138,355</b>	<b>552,277</b>	<b>424,186</b>	
Equity in net income from unconsolidated joint ventures	10,537	10,706	9,679	40,780	49,349	
Operating expenses	32,255	26,937	34,920	125,912	99,464	
Ground rent	5,463	5,162	4,846	20,150	19,250	

Real estate taxes	18,591	14,484	19,101	75,204	58,037
Marketing, general and administrative	25,669	11,965	13,829	65,741	44,215
<b>Total Operating Expenses</b>	<b>81,978</b>	<b>58,548</b>	<b>72,696</b>	<b>287,007</b>	<b>220,966</b>
<b>EBITDA</b>	<b>88,095</b>	<b>62,292</b>	<b>75,338</b>	<b>306,050</b>	<b>252,569</b>
Interest	29,834	20,100	24,764	96,349	77,353
Amortization of deferred financing costs	1,329	875	1,140	4,425	4,461
Depreciation and amortization	21,592	15,869	19,289	75,085	58,648
<b>Income Before Minority Interest and Items</b>	<b>35,340</b>	<b>25,448</b>	<b>30,145</b>	<b>130,191</b>	<b>112,107</b>
Income from discontinued operations	—	1,977	1,595	4,217	6,506
Gain on sale of discontinued operations	3,451	—	94,631	97,427	33,875
Equity in net gain on sale of joint venture property	—	—	—	—	11,550
Minority interest	(4,464)	(1,620)	(2,713)	(11,116)	(6,619)
<b>Net Income</b>	<b>34,327</b>	<b>25,805</b>	<b>123,658</b>	<b>220,719</b>	<b>157,419</b>
Dividends on perpetual preferred shares	4,969	4,969	4,969	19,875	19,875
<b>Net Income Available For Common Shareholders</b>	<b>\$ 29,358</b>	<b>\$ 20,836</b>	<b>\$ 118,689</b>	<b>\$ 200,844</b>	<b>\$ 137,544</b>
<b>Earnings per Share</b>					
Net income per share (basic)	\$ 0.62	\$ 0.49	\$ 2.62	\$ 4.50	\$ 3.29
Net income per share (diluted)	\$ 0.62	\$ 0.48	\$ 2.53	\$ 4.38	\$ 3.20

## COMPARATIVE COMPUTATION OF FFO AND FAD



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

	Three Months Ended		Three Months Ended	Twelve Months Ended	
	December 31, 2006	December 31, 2005	September 30, 2006	December 31, 2006	December 31, 2005
<b>Funds from operations</b>					
Net Income before Minority Interests and Items	\$ 35,340	\$ 25,448	\$ 30,145	\$ 130,191	\$ 112,107
Add: Depreciation and amortization	21,592	15,869	19,289	75,085	58,648
FFO from discontinued operations	—	2,600	1,674	5,172	9,002
FFO adjustment for joint ventures	8,808	8,130	9,648	34,049	30,412
Less: Dividends on preferred shares	4,969	4,969	4,969	19,875	19,875
Non real estate depreciation and amortization	241	204	240	988	781
<b>Funds From Operations</b>	<b>\$ 60,530</b>	<b>\$ 46,874</b>	<b>\$ 55,547</b>	<b>\$ 223,634</b>	<b>\$ 189,513</b>
<b>Funds From Operations - Basic per Share</b>	<b>\$ 1.22</b>	<b>\$ 1.05</b>	<b>\$ 1.17</b>	<b>\$ 4.75</b>	<b>\$ 4.28</b>
<b>Funds From Operations - Diluted per Share</b>	<b>\$ 1.18</b>	<b>\$ 1.02</b>	<b>\$ 1.13</b>	<b>\$ 4.61</b>	<b>\$ 4.16</b>
<b>Funds Available for Distribution</b>					
FFO	\$ 60,530	\$ 46,874	\$ 55,547	\$ 223,634	\$ 189,513
Add: Non real estate depreciation and amortization	241	204	240	988	781
Amortization of deferred financing costs	1,329	875	1,140	4,425	4,461
Non-cash deferred compensation	2,320	1,086	2,113	9,298	4,219
Less: FAD adjustment for Joint Ventures	10,416	5,658	6,139	22,613	21,135
FAD adjustment for discontinued operations	—	558	15	30	668
Straight-line rental income and other non cash adjustments	6,353	1,868	4,517	21,657	15,949
Second cycle tenant improvements	3,209	5,626	4,989	18,179	19,324
Second cycle leasing commissions	1,380	1,159	976	7,113	8,032
Revenue enhancing recurring CAPEX	548	595	138	975	778
Non- revenue enhancing recurring CAPEX	2,824	2,696	2,228	6,928	3,442
<b>Funds Available for Distribution Diluted per Share</b>	<b>\$ 39,690</b>	<b>\$ 30,879</b>	<b>\$ 40,038</b>	<b>\$ 160,850</b>	<b>\$ 129,647</b>
<b>Funds Available for Distribution Diluted per Share</b>	<b>\$ 0.78</b>	<b>\$ 0.67</b>	<b>\$ 0.81</b>	<b>\$ 3.32</b>	<b>\$ 2.85</b>
<b>First Cycle Leasing Costs</b>					
Tenant improvements	19,940	5,065	1,091	23,246	8,782

Leasing commissions	10,908	3,179	296	14,742	6,061
<b>Funds Available for Distribution after First Cycle</b>					
Leasing Costs	\$ 8,842	\$ 22,635	\$ 38,651	\$ 122,862	\$ 114,804
<b>Funds Available for Distribution per Diluted</b>					
Weighted Average Unit and Common Share	\$ 0.17	\$ 0.49	\$ 0.79	\$ 2.53	\$ 2.52
Redevelopment Costs	\$ 5,959	\$ 5,124	\$ 3,366	\$ 15,374	\$ 10,932
<b>Payout Ratio of Funds From Operations</b>	<b>59.16%</b>	<b>58.65%</b>	<b>53.16%</b>	<b>54.21%</b>	<b>53.30%</b>
<b>Payout Ratio of Funds Available for Distribution</b>					
Before First Cycle Leasing Costs	<b>90.23%</b>	<b>89.03%</b>	<b>73.75%</b>	<b>75.37%</b>	<b>77.92%</b>

15

**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
<b>Balance at December 31, 2005</b>	\$ 151,981	\$ 96,321	\$ 425	\$ 959,858	\$ 235,540	\$ 15,316	\$ 1,459,441
Net Income					220,719		220,719
Preferred Dividend					(19,875)		(19,875)
Exercise of employee stock options			5	14,452			14,457
Stock-based compensation fair value				5,528			5,528
Cash distributions declared (\$2.50 per common share)					(114,165)		(114,165)
Comprehensive Income - Unrealized gain of derivative instruments						(1,345)	(1,345)
Redemption of units and dividend reinvestment proceeds			3	19,485			19,488
Net proceeds from common stock offering			64	800,200			800,264
Deferred compensation plan			1	302			303
Amortization of deferred compensation				10,068			10,068
<b>Balance at December 31, 2006</b>	\$ 151,981	\$ 96,321	\$ 498	\$ 1,809,893	\$ 322,219	\$ 13,971	\$ 2,394,883

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

	Common Stock	OP Units	Stock-Based Compensation	Sub-total	Preferred Stock	Diluted Shares
<b>Share Count at December 31, 2005</b>	42,455,829	2,426,786	—	44,882,615	—	44,882,615
YTD share activity	7,383,807	267,114		7,650,921		7,650,921
<b>Share Count at December 31, 2006 - Basic</b>	<b>49,839,636</b>	<b>2,693,900</b>	<b>—</b>	<b>52,533,536</b>	<b>—</b>	<b>52,533,536</b>
Weighting Factor	(5,246,588)	(182,727)	1,390,877	(4,038,438)		(4,038,438)
<b>Weighted Average Share Count at December 31, 2006 - Diluted</b>	<b>44,593,048</b>	<b>2,511,173</b>	<b>1,390,877</b>	<b>48,495,098</b>	<b>—</b>	<b>48,495,098</b>

16

**TAXABLE INCOME**

**Unaudited  
(\$000's omitted)**

	Twelve Months Ended	
	December 31, 2006	December 31, 2005
Net Income Available For Common Shareholders	\$ 200,844	\$ 137,544
Book/Tax Depreciation Adjustment	20,687	6,479
Book/Tax Gain Recognition Adjustment	(61,744)	(50,088)
Book/Tax JV Net equity adjustment	(15,362)	25,290
Other Operating Adjustments	(15,371)	(23,100)
C-corp Earnings	(4,518)	(1,825)
<b>Taxable Income (Projected)</b>	<b>\$ 124,536</b>	<b>\$ 94,300</b>
Dividend per share	\$ 2.50	\$ 2.22
Estimated payout of taxable income	100%	100%
Shares outstanding - basic	49,840	42,456

**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, 1466 Broadway, 286 & 290 Madison Avenue and 1140 Avenue of the Americas 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)**


	December 31, 2006		December 31, 2005	
	Total Property	SLG Property Interest	Total Property	SLG Property Interest
Land & land interests	\$ 654,925	\$ 303,372	\$ 647,787	\$ 287,853
Buildings & improvements fee interest	2,913,767	1,349,429	2,703,563	1,200,377
Buildings & improvements leasehold	247,062	122,664	20,038	9,017
	3,815,754	1,775,465	3,371,388	1,497,247
Less accumulated depreciation	(212,665)	(102,185)	(152,910)	(72,112)
<b>Net Real Estate</b>	<b>3,603,089</b>	<b>1,673,280</b>	<b>3,218,478</b>	<b>1,425,135</b>
Cash and cash equivalents	105,563	49,740	73,615	33,214
Restricted cash	24,876	11,161	27,101	10,285
Tenant receivables, net of \$1,340 reserve at 12/31/06	10,236	4,842	7,049	3,026
Deferred rents receivable, net of reserve for tenant credit loss of \$2,395 at 12/31/06	75,306	36,989	55,383	26,930
Deferred costs, net	67,876	31,893	64,170	29,229
Other assets	35,323	16,691	42,256	19,718
<b>Total Assets</b>	<b>\$ 3,922,269</b>	<b>\$ 1,824,596</b>	<b>\$ 3,488,052</b>	<b>\$ 1,547,537</b>
Mortgage loans payable	\$ 2,510,498	\$ 1,209,281	\$ 2,257,667	\$ 1,040,265
Derivative Instruments-fair value	25	14	1,968	205
Accrued interest payable	11,635	5,518	12,119	5,764
Accounts payable and accrued expenses	64,788	29,868	71,686	30,514
Security deposits	10,790	4,942	6,646	3,144
Contributed Capital (1)	1,324,533	574,973	1,137,966	467,645
<b>Total Liabilities and Equity</b>	<b>\$ 3,922,269</b>	<b>\$ 1,824,596</b>	<b>\$ 3,488,052</b>	<b>\$ 1,547,537</b>

As of December 31, 2006 the Company has twelve unconsolidated joint venture interests including a 66.18% economic interest in 1250 Broadway increased from 55% in August 2006, 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 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, a 48% interest in the Mack - - Green Joint Venture, a 50% interest in 21 West 34th Street, a 45% interest in 800 Third Avenue and a 50% interest in 521 Fifth Avenue. 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, 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.

18

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



	Three Months Ended December 31, 2006		Three Months Ended September 30, 2006		Three Months Ended December 31, 2005	
	Total Property	SLG Property Interest	SLG Property Interest	Total Property	SLG Property Interest	
<b>Revenues</b>						
Rental Revenue, net	\$ 94,438	\$ 47,767	\$ 46,957	\$ 89,949	\$ 40,929	
Escalation and reimbursement revenues	21,015	10,864	9,311	18,210	8,374	
Investment and other income	2,842	1,468	2,821	1,442	679	
<b>Total Revenues, net</b>	<b>\$ 118,295</b>	<b>\$ 60,099</b>	<b>\$ 59,089</b>	<b>\$ 109,601</b>	<b>\$ 49,982</b>	
<b>Expenses</b>						
Operating expenses	\$ 27,759	\$ 13,997	\$ 13,585	\$ 24,129	\$ 11,048	
Ground rent	267	120	101	58	26	
Real estate taxes	17,195	8,563	8,816	15,820	7,313	
<b>Total Operating Expenses</b>	<b>\$ 45,221</b>	<b>\$ 22,680</b>	<b>\$ 22,502</b>	<b>\$ 40,007</b>	<b>\$ 18,387</b>	
<b>GAAP NOI</b>	<b>\$ 73,074</b>	<b>\$ 37,419</b>	<b>\$ 36,587</b>	<b>\$ 69,594</b>	<b>\$ 31,595</b>	
<b>Cash NOI</b>	<b>\$ 64,134</b>	<b>\$ 33,021</b>	<b>\$ 31,592</b>	<b>\$ 62,888</b>	<b>\$ 28,947</b>	
Interest	38,026	20,320	19,226	31,393	14,542	
Amortization of deferred financing costs	1,267	726	694	1,572	737	
Depreciation and amortization	20,353	10,334	10,625	18,288	8,303	
<b>Net Income</b>	<b>\$ 13,428</b>	<b>\$ 6,039</b>	<b>\$ 6,042</b>	<b>\$ 18,341</b>	<b>\$ 8,013</b>	
Plus: Real estate depreciation	20,353	10,334	10,624	18,288	8,300	
<b>Funds From Operations</b>	<b>\$ 33,781</b>	<b>\$ 16,373</b>	<b>\$ 16,666</b>	<b>\$ 36,629</b>	<b>\$ 16,313</b>	
<b>FAD Adjustments:</b>						
Plus: Non real estate depreciation and amortization	\$ 1,267	\$ 726	\$ 695	\$ 1,572	\$ 737	
Less: Straight-line rental income and other non-cash adjustments	(8,954)	(4,405)	(4,995)	(6,310)	(2,464)	
Less: Second cycle tenant improvement	(8,458)	(4,149)	(45)	(4,362)	(2,262)	
Less: Second cycle leasing commissions	(5,173)	(2,264)	(1,553)	(2,933)	(1,331)	
Less: Recurring CAPEX	(689)	(324)	(241)	(734)	(338)	
<b>FAD Adjustment</b>	<b>\$ (22,007)</b>	<b>\$ (10,416)</b>	<b>\$ (6,139)</b>	<b>\$ (12,767)</b>	<b>\$ (5,658)</b>	

19

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



	Twelve Months Ended December 31, 2006		Twelve Months Ended December 31, 2005	
	Total Property	SLG Property Interest	Total Property	SLG Property Interest
<b>Revenues</b>				
Rental Revenue, net	\$ 366,869	\$ 181,773	\$ 343,041	\$ 154,999
Escalation and reimbursement revenues	76,118	38,252	63,305	28,969
Investment and other income	14,035	6,102	7,740	3,696
<b>Total Revenues, net</b>	<b>\$ 457,022</b>	<b>\$ 226,127</b>	<b>\$ 414,086</b>	<b>\$ 187,664</b>
<b>Expenses</b>				
Operating expenses	\$ 103,435	\$ 51,394	\$ 88,721	\$ 40,743
Ground rent	942	423	58	26
Real estate taxes	69,922	34,340	63,634	29,190
<b>Total Operating Expenses</b>	<b>\$ 174,299</b>	<b>\$ 86,157</b>	<b>\$ 152,413</b>	<b>\$ 69,959</b>
<b>GAAP NOI</b>	<b>\$ 282,723</b>	<b>\$ 139,970</b>	<b>\$ 261,673</b>	<b>\$ 117,705</b>
<b>Cash NOI</b>	<b>\$ 249,028</b>	<b>\$ 124,540</b>	<b>\$ 233,680</b>	<b>\$ 105,558</b>
Interest	137,903	72,311	98,378	43,956
Amortization of deferred financing costs	5,279	2,951	5,149	2,367
Depreciation and amortization	76,964	37,902	66,824	29,881
<b>Net Income</b>	<b>\$ 62,577</b>	<b>\$ 26,806</b>	<b>\$ 91,322</b>	<b>\$ 41,501</b>
Plus: Real estate depreciation	76,962	37,901	66,824	29,878

<b>Funds From Operations</b>	\$	<b>139,539</b>	\$	<b>64,707</b>	\$	<b>158,146</b>	\$	<b>71,379</b>
<b>FAD Adjustments:</b>								
Plus: Non real estate depreciation and amortization	\$	5,281	\$	2,952	\$	5,149	\$	2,367
Less: Straight-line rental income and other non-cash adjustments		(33,704)		(15,435)		(27,496)		(11,960)
Less: Second cycle tenant improvement		(10,626)		(5,165)		(14,656)		(6,704)
Less: Second cycle leasing commissions		(9,186)		(4,004)		(8,718)		(4,238)
Less: Recurring CAPEX		(1,834)		(961)		(1,269)		(599)
<b>FAD Adjustment</b>	<b>\$</b>	<b>(50,069)</b>	<b>\$</b>	<b>(22,613)</b>	<b>\$</b>	<b>(46,990)</b>	<b>\$</b>	<b>(21,134)</b>

20

## Gramercy Joint Venture Statements



Unaudited  
(\$000's omitted)

### Balance Sheets

	December 31, 2006	September 30, 2006
<b>Assets</b>		
Cash	\$ 19,314	\$ 39,842
Loans and other lending investments, net	2,144,151	2,064,058
Investment in joint ventures	57,567	58,512
Operating real estate, net	99,821	94,298
Other assets	445,260	283,244
<b>Total Assets</b>	<b>\$ 2,766,113</b>	<b>\$ 2,539,954</b>
<b>Liabilities and Stockholders' Equity</b>		
Repurchase agreement	\$ 277,412	\$ 58,739
Credit facilities	15,000	—
Collateralized debt obligation	1,714,250	1,714,250
Mortgage note payable	94,525	94,525
Other liabilities	54,266	68,649
Junior subordinated deferrable interest debentures	150,000	150,000
<b>Total Liabilities</b>	<b>2,305,453</b>	<b>2,086,163</b>
<b>Stockholders' Equity</b>		
Total stockholders' equity	460,660	453,791
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 2,766,113</b>	<b>\$ 2,539,954</b>
<b>Total Outstanding Shares</b>	<b>25,878</b>	<b>25,835</b>
<b>Total SLG Shares</b>	<b>6,418</b>	<b>6,418</b>
<b>SLG Investment in Gramercy at Cost</b>	<b>\$ 113,682</b>	<b>\$ 113,682</b>

### Income Statements

	Three Months Ended		Twelve Months Ended	
	December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
<b>Revenues</b>				
Investment Income	\$ 60,108	\$ 26,303	\$ 176,421	\$ 73,302
Rental Revenue - net	1,487	905	2,402	1,219
Gain on sales and other income	5,669	4,837	19,392	13,564
<b>Total revenues</b>	<b>67,264</b>	<b>32,045</b>	<b>198,215</b>	<b>88,085</b>
<b>Expenses</b>				
Interest	34,019	13,455	98,299	33,771
Management fees	4,875	3,336	16,668	9,600
Incentive fees	3,017	1,237	7,609	2,276
Depreciation and amortization	620	440	1,582	672
Marketing, general and administrative	4,238	2,255	11,957	6,976
Provision for loan loss	1,000	75	1,430	1,030
<b>Total expenses</b>	<b>47,769</b>	<b>20,798</b>	<b>137,545</b>	<b>54,325</b>
Income from continuing operations before equity in net loss of unconsolidated joint ventures, minority interest and taxes	19,495	11,247	60,670	33,760
Equity in net loss of unconsolidated joint ventures	(870)	(575)	(2,960)	(1,489)
Income from continuing operations before minority interest and taxes	18,625	10,672	57,710	32,271
Provision for taxes	(630)	100	(1,808)	(900)
<b>Net income available to common shareholders</b>	<b>17,995</b>	<b>10,772</b>	<b>55,902</b>	<b>31,371</b>
Plus: Real estate depreciation	2,319	2,049	8,125	5,119
<b>FFO</b>	<b>\$ 20,314</b>	<b>\$ 12,821</b>	<b>\$ 64,027</b>	<b>\$ 36,490</b>
<b>SLG share of net income</b>	<b>\$ 4,503</b>	<b>\$ 2,693</b>	<b>\$ 13,977</b>	<b>\$ 7,843</b>



SLG share of FFO \$ 5,083 \$ 3,203 \$ 16,070 \$ 9,125

**GKK Manager**

	Three Months Ended		Twelve Months Ended	
	December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Base management income	\$ 2,706	\$ 2,130	\$ 10,147	\$ 6,347
Other fee income	4,112	2,186	10,471	3,972
Marketing, general and administrative expenses	(1,909)	(2,160)	(8,067)	(7,389)
Net Income before minority interest	4,909	2,156	12,551	2,930
Less: minority interest	(1,678)	(706)	(4,289)	(878)
SLG share of GKK Manager net income	3,231	1,450	8,262	2,052
Servicing and administrative reimbursements	1,061	685	3,652	2,302
Net management income and reimbursements from Gramercy	\$ 4,292	\$ 2,135	\$ 11,914	\$ 4,354

21

**SELECTED FINANCIAL DATA**

**Capitalization Analysis**

**Unaudited**

(\$000's omitted)



	12/31/2006	9/30/2006	6/30/2006	3/31/2006	12/31/2005
<b>Market Capitalization</b>					
Common Equity:					
Common Shares Outstanding	49,840	45,774	43,226	43,133	42,456
OP Units Outstanding	2,694	2,219	2,219	2,263	2,427
<b>Total Common Equity (Shares and Units)</b>	<b>52,534</b>	<b>47,993</b>	<b>45,445</b>	<b>45,396</b>	<b>44,883</b>
Share Price (End of Period)	\$ 132.78	\$ 111.70	\$ 109.47	\$ 101.50	\$ 76.39
Equity Market Value	\$ 6,975,465	\$ 5,360,818	\$ 4,974,864	\$ 4,607,694	\$ 3,428,612
Preferred Equity at Liquidation Value:	257,500	257,500	257,500	257,500	257,500
<b>Real Estate Debt</b>					
Property Level Mortgage Debt	1,190,379	1,255,325	1,078,999	912,262	885,252
Outstanding Balance on - Term Loans	525,000	525,000	525,000	525,000	525,000
Outstanding Balance on - Unsecured Credit Line	—	—	54,645	156,645	32,000
Junior Subordinated Deferrable Interest Debentures	100,000	100,000	100,000	100,000	100,000
Liability Held for Sale	—	95,000	95,000	—	—
Total Consolidated Debt	1,815,379	1,975,325	1,853,644	1,693,907	1,542,252
Company's Portion of Joint Venture Debt	1,209,281	1,181,397	1,179,332	1,111,160	1,040,265
<b>Total Combined Debt</b>	<b>3,024,660</b>	<b>3,156,722</b>	<b>3,032,976</b>	<b>2,805,067</b>	<b>2,582,517</b>
<b>Total Market Cap (Debt &amp; Equity)</b>	<b>\$ 10,257,625</b>	<b>\$ 8,775,040</b>	<b>\$ 8,265,340</b>	<b>\$ 7,670,261</b>	<b>\$ 6,268,629</b>
<b>Availability under Lines of Credit</b>					
Senior Unsecured Line of Credit(A)	484,482(A)	486,482	431,837	329,275	453,920
Term Loans	—	—	—	—	—
<b>Total Availability</b>	<b>\$ 484,482</b>	<b>\$ 486,482</b>	<b>\$ 431,837</b>	<b>\$ 329,275</b>	<b>\$ 453,920</b>

(A) As reduced by \$15,518 letter of credit

**Combined Capitalized Interest** \$ 2,873 \$ 5,069 \$ 4,342 \$ 4,291 \$ 2,388

<b>Ratio Analysis</b>					
<b>Consolidated Basis</b>					
Debt to Market Cap Ratio	20.06%	26.01%	26.16%	25.83%	29.50%
Debt to Gross Real Estate Book Ratio	59.30%	69.65%	69.79%	72.65%	69.76%
Secured Real Estate Debt to Secured Assets Gross Book	76.31%	75.11%	74.76%	72.62%	75.60%
Unsecured Debt to Unencumbered Assets-Gross Book Value	28.58%	41.37%	44.60%	54.55%	44.28%
<b>Joint Ventures Allocated</b>					
Combined Debt to Market Cap Ratio	29.49%	35.97%	36.70%	36.57%	41.20%
Debt to Gross Real Estate Book Ratio	62.77%	72.78%	74.19%	72.37%	69.82%
Secured Debt to Secured Assets Gross Book	71.94%	74.26%	74.13%	72.25%	72.17%

22

**SELECTED FINANCIAL DATA**

**Property NOI and Coverage Ratios**

**Unaudited**

(\$000's omitted)



	Three Months Ended		Three Months Ended		Twelve Months Ended	
	December 31, 2006	December 31, 2005	September 30, 2006	December 31, 2006	December 31, 2005	
<b>Property NOI</b>						
Property Operating NOI	\$ 61,802	\$ 43,948	\$ 54,257	\$ 211,922	\$ 164,304	
NOI from Discontinued Operations	—	2,601	1,674	5,447	9,192	
Total Property Operating NOI - Consolidated	61,802	46,549	55,931	217,369	173,496	
SLG share of Property NOI from JVs	37,419	31,595	36,587	139,970	117,705	
<b>GAAP NOI</b>	<b>\$ 99,221</b>	<b>\$ 78,144</b>	<b>\$ 92,518</b>	<b>\$ 357,339</b>	<b>\$ 291,201</b>	

Less:	Free Rent (Net of Amortization)	4,415	1,526	2,566	10,944	11,296
	Net FAS 141 Adjustment	1,104	845	1,004	3,949	2,764
	Straightline Revenue Adjustment	6,270	2,902	7,028	26,349	18,797
Plus:	Allowance for S/L tenant credit loss	960	291	1,000	3,844	4,087
	Ground Lease Straight-line Adjustment	157	136	157	628	592
	<b>Cash NOI</b>	<b>\$ 88,549</b>	<b>\$ 73,298</b>	<b>\$ 83,077</b>	<b>\$ 320,569</b>	<b>\$ 263,023</b>

### Components of Debt Service and Fixed Charges

Interest Expense	30,034	20,284	24,960	97,126	78,336
Fixed Amortization Principal Payments	1,391	954	961	4,317	3,525
<b>Total Consolidated Debt Service</b>	<b>31,425</b>	<b>21,238</b>	<b>25,921</b>	<b>101,443</b>	<b>81,861</b>

Payments under Ground Lease Arrangements	5,306	5,113	4,764	19,772	19,007
Dividend on perpetual preferred shares	4,969	4,969	4,969	19,876	19,876
<b>Total Consolidated Fixed Charges</b>	<b>41,700</b>	<b>31,320</b>	<b>35,654</b>	<b>141,091</b>	<b>120,744</b>

<b>Adjusted EBITDA</b>	<b>99,870</b>	<b>74,980</b>	<b>89,660</b>	<b>356,573</b>	<b>295,181</b>
<b>Interest Coverage Ratio</b>	<b>3.26</b>	<b>3.70</b>	<b>3.50</b>	<b>3.54</b>	<b>3.77</b>
<b>Debt Service Coverage Ratio</b>	<b>3.12</b>	<b>3.53</b>	<b>3.38</b>	<b>3.39</b>	<b>3.61</b>
<b>Fixed Charge Coverage Ratio</b>	<b>2.36</b>	<b>2.39</b>	<b>2.47</b>	<b>2.46</b>	<b>2.44</b>

23

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



	Three Months Ended			Three Months Ended			Twelve Months Ended		
	December 31, 2006	December 31, 2005	%	September 30, 2006	December 31, 2006	December 31, 2005	%		
<b>Revenues</b>									
Rental Revenue, net	78,669	71,213	10%	76,633	305,597	285,316	7%		
Escalation & Reimbursement Revenues	14,358	14,859	-3%	16,747	58,921	51,886	14%		
Investment Income	351	229	53%	418	1,312	729	80%		
Other Income	4,036	1,065	279%	1,081	7,786	3,492	123%		
<b>Total Revenues</b>	<b>97,414</b>	<b>87,366</b>	<b>12%</b>	<b>94,879</b>	<b>373,616</b>	<b>341,423</b>	<b>9%</b>		
<b>Expenses</b>									
Operating Expense	24,640	24,114	2%	28,026	100,464	92,926	8%		
Ground Rent	4,750	4,825	-2%	4,750	19,149	18,913	1%		
Real Estate Taxes	15,439	15,395	0%	16,372	65,740	62,773	5%		
	<b>44,829</b>	<b>44,334</b>	<b>1%</b>	<b>49,148</b>	<b>185,353</b>	<b>174,612</b>	<b>6%</b>		
<b>EBITDA</b>	<b>52,585</b>	<b>43,032</b>	<b>22%</b>	<b>45,731</b>	<b>188,263</b>	<b>166,811</b>	<b>13%</b>		
Interest Expense & Amortization of Financing costs	10,880	11,152	-2%	11,071	43,923	43,342	1%		
Depreciation & Amortization	14,434	13,756	5%	14,150	56,445	52,316	8%		
Income Before Minority Interest	27,271	18,124	50%	20,510	87,895	71,153	24%		
Plus: Real Estate Depreciation & Amortization	14,423	13,747	5%	14,138	56,403	52,278	8%		
<b>FFO</b>	<b>41,694</b>	<b>31,871</b>	<b>31%</b>	<b>34,648</b>	<b>144,298</b>	<b>123,431</b>	<b>17%</b>		
Less: Non - Building Revenue	458	419	9%	464	1,843	1,488	24%		
Plus: Interest Expense & Amortization of Financing costs	10,880	11,152	-2%	11,071	43,923	43,342	1%		
Non Real Estate Depreciation	11	9	22%	12	42	38	11%		
<b>GAAP NOI</b>	<b>52,127</b>	<b>42,613</b>	<b>22%</b>	<b>45,267</b>	<b>186,420</b>	<b>165,323</b>	<b>13%</b>		
<b>Cash Adjustments</b>									
Less: Free Rent (Net of Amortization)	224	(806)	-128%	426	4,118	5,975	-31%		
Straightline Revenue Adjustment	3,264	2,062	58%	3,269	12,981	9,959	30%		
Rental Income - FAS 141	293	293	0%	293	1,160	1,160	0%		
Plus: Allowance for S/L tenant credit loss	705	508	39%	638	2,720	3,260	-17%		
Ground Lease Straight-line Adjustment	87	87	0%	87	347	542	-36%		
<b>Cash NOI</b>	<b>49,138</b>	<b>41,659</b>	<b>18%</b>	<b>42,004</b>	<b>171,228</b>	<b>152,031</b>	<b>13%</b>		
<b>Operating Margins</b>									
GAAP NOI to Real Estate Revenue, net	53.38%	48.73%		47.62%	49.78%	48.17%			
Cash NOI to Real Estate Revenue, net	50.31%	47.63%		44.19%	45.72%	44.30%			
GAAP NOI before Ground Rent/Real Estate Revenue, net	58.24%	54.24%		52.62%	54.89%	53.68%			
Cash NOI before Ground Rent/Real Estate Revenue, net	55.09%	53.05%		49.10%	50.74%	49.65%			

24

### SELECTED FINANCIAL DATA 2006 Same Store - Joint Venture Unaudited (\$000's omitted)





	Three Months Ended			Twelve Months Ended		
	December 31, 2006	December 31, 2005	%	December 31, 2006	December 31, 2005	%
<b>Revenues</b>						
Rental Revenue, net	33,908	33,124	2%	135,174	132,798	2%
Escalation & Reimbursement Revenues	9,170	8,537	7%	35,185	29,652	19%
Investment Income	692	110	530%	1,868	350	434%
Other Income	530	449	18%	3,432	2,879	19%
<b>Total Revenues</b>	<b>44,300</b>	<b>42,220</b>	<b>5%</b>	<b>175,659</b>	<b>165,679</b>	<b>6%</b>
<b>Expenses</b>						
Operating Expense	11,343	11,158	2%	45,074	40,766	11%
Ground Rent	—	—	—	—	—	—
Real Estate Taxes	7,605	7,583	0%	31,835	30,069	6%
	<b>18,948</b>	<b>18,741</b>	<b>1%</b>	<b>76,909</b>	<b>70,834</b>	<b>9%</b>
<b>EBITDA</b>	<b>25,352</b>	<b>23,479</b>	<b>8%</b>	<b>98,750</b>	<b>94,845</b>	<b>4%</b>
Interest Expense & Amortization of Financing costs	11,512	8,859	30%	43,950	28,026	57%
Depreciation & Amortization	6,067	5,919	2%	24,242	23,228	4%
Income Before Minority Interest	7,773	8,700	-11%	30,558	43,591	-30%
Plus: Real Estate Depreciation & Amortization	6,066	5,919	2%	24,241	23,226	4%
<b>FFO</b>	<b>13,839</b>	<b>14,619</b>	<b>-5%</b>	<b>54,799</b>	<b>66,817</b>	<b>-18%</b>
Less: Non – Building Revenue	702	117	501%	1,895	369	414%
Plus: Interest Expense & Amortization of Financing costs	11,512	8,859	30%	43,950	28,026	57%
Non Real Estate Depreciation	1	1	58%	1	2	-54%
<b>GAAP NOI</b>	<b>24,650</b>	<b>23,362</b>	<b>6%</b>	<b>96,855</b>	<b>94,476</b>	<b>3%</b>
<b>Cash Adjustments</b>						
Less: Free Rent (Net of Amortization)	1,203	(414)	-390%	1,227	2,416	-49%
Straightline Revenue Adjustment	846	1,164	-27%	4,297	5,881	-27%
FAS 141	245	245	0%	979	979	0%
Plus: Allowance for S/L tenant credit loss	125	51	143%	509	861	-41%
Ground Lease Straight-line Adjustment	—	—	—	—	—	—
<b>Cash NOI</b>	<b>22,482</b>	<b>22,420</b>	<b>0%</b>	<b>90,861</b>	<b>86,061</b>	<b>6%</b>
<b>Operating Margins</b>						
GAAP NOI to Real Estate Revenue, net	56.38%	55.42%		55.58%	56.85%	
Cash NOI to Real Estate Revenue, net	51.42%	53.18%		52.14%	51.79%	
GAAP NOI before Ground Rent/Real Estate Revenue, net	56.38%	55.42%		55.58%	56.85%	
Cash NOI before Ground Rent/Real Estate Revenue, net	51.42%	53.18%		52.14%	51.79%	

## DEBT SUMMARY SCHEDULE



Unaudited  
(\$000's omitted)

	Principal O/S Outstanding 12/31/2006	Coupon	2007 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	73,985	8.29%	644	Oct-07	73,984	—	Open
673 First Avenue	33,816	5.67%	696	Feb-13	28,984	—	Feb-06
70 W. 36th Street	11,199	7.87%	232	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%	3,268	Nov-13	182,394	—	Dec-06
420 Lexington Avenue	115,182	8.44%	2,487	Nov-10	104,691	—	Open
625 Madison Avenue	101,834	6.27%	2,059	Nov-15	78,595	—	Open
55 Corporate Drive	95,000	6.24%	—	Jun-16	95,000	—	Open
609 Fifth Avenue	101,807	5.85%	1,215	Oct-13	92,062	—	Jul-13
	<b>862,823</b>	<b>6.25%</b>	<b>10,601</b>		<b>786,339</b>		
<b>Secured fixed Rate Debt-Other</b>							
Wells Fargo Secured Term Loan (Libor + 125 bps) (1)	160,000	5.57%	—	May-10	154,923	—	—
609 Partners, LLC	63,891	5.00%	—	Jun-16	63,891	—	Jun-08
	<b>223,891</b>	<b>5.41%</b>	<b>—</b>		<b>218,814</b>		
<b>Unsecured fixed rate debt</b>							
Wells Fargo Unsecured Term Loan (Libor swap + 140bps) (2)	325,000	5.63%	—	Aug-09	325,000	—	Aug-07
Junior Subordinated Deferrable Interest Debentures	100,000	5.61%	—	Jul-15	100,000	—	—
	<b>425,000</b>	<b>5.63%</b>	<b>—</b>		<b>425,000</b>		
<b>Total Fixed Rate Debt/Wtd Avg</b>	<b>1,511,714</b>	<b>5.95%</b>	<b>10,601</b>		<b>1,430,153</b>		
<b>Floating rate Debt</b>							
<b>Secured floating rate debt</b>							
Wells Fargo Secured Term Loan (Libor + 125 bps)	40,000	6.65%	—	May-10	40,000	—	—
1551/1555 Broadway (Libor + 200 bps) (3)	78,208	7.31%	—	Aug-08	78,208	—	Open
141 Fifth Avenue (Libor + 225 bps) (3)	10,457	7.58%	—	Sep-07	10,457	Sep-10	—
717 Fifth Avenue (Libor + 160 bps)	175,000	6.93%	—	Sep-08	175,000	—	—
	<b>303,665</b>	<b>7.01%</b>	<b>—</b>		<b>303,665</b>		
<b>Unsecured floating rate debt</b>							
Senior Unsecured Line of Credit (Libor + 110 bps)	—	6.43%	—	Sep-08	—	Aug-09	Open
	<b>—</b>	<b>6.43%</b>	<b>—</b>		<b>—</b>		
<b>Total Floating Rate Debt/Wtd Avg</b>	<b>303,665</b>	<b>7.01%</b>	<b>—</b>		<b>303,665</b>		
<b>Total Debt/Wtd Avg</b>	<b>1,815,379</b>	<b>6.13%</b>	<b>10,601</b>		<b>1,733,818</b>		
<b>Weighted Average Balance &amp; Interest Rate</b>	<b>1,949,170</b>	<b>6.16%</b>					

## SUMMARY OF JOINT VENTURE DEBT

Joint Venture Debt	Principal O/S							
	Gross Principal	SLG Share						
1250 Broadway (Libor + 80bps)	115,000	63,250	6.53%	—	Aug-06	63,250	Aug-09	Open
1221 Avenue of Americas (Libor + 75bps) (4)	170,000	76,500	5.86%	—	Dec-10	76,500	Dec-08	Open
1515 Broadway (Libor + 90 bps)	625,000	343,750	6.23%	—	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	81,873	—	Open
1 Madison Avenue - South Building	683,374	375,856	5.91%	5,447	May-20	222,492	—	Jun-20
1 Madison Avenue - Clock Tower (Libor + 160bps)	127,323	38,197	6.98%	—	Nov-07	38,197	Nov-08	Nov-06
379 West Broadway (Libor + 225bps) (3)	12,872	5,792	7.58%	—	Dec-07	5,792	Dec-10	—
21 West 34th Street	100,000	50,000	5.75%	—	Dec-16	50,000	—	Nov-09

521 Fifth Avenue (Libor +100bps)	140,000	70,140	6.35%	—	Apr-11	70,140	—	Open
800 Third Avenue (Libor + 62.5bps)	20,910	9,431	5.98%	—	Aug-08	9,431	—	Open
Mack - Green Joint Venture	102,520	49,210	7.76%	322	May-08 & Aug-14	45,529	—	—
<b>Total Joint Venture Debt/Wtd Avg</b>	<b>2,510,499</b>	<b>1,209,281</b>	<b>6.21 %</b>	<b>5,769</b>		<b>1,046,784</b>		
<b>Weighted Average Balance &amp; Interest Rate with SLG JV debt</b>	<b>3,135,657</b>	<b>6.19 %</b>						

- (1) There is a LIBOR swap on this loan of 4.65% from May 2006 through December 2008.
- (2) 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.
- (3) 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.
- (4) There is a LIBOR swap of 4.76% on \$65mm of this loan.

**SUMMARY OF GROUND LEASE ARRANGEMENTS**



**Consolidated Statement (REIT)  
(\$000's omitted)**

<u>Property</u>	<u>2007 Scheduled Cash Payment</u>	<u>2008 Scheduled Cash Payment</u>	<u>2009 Scheduled Cash Payment</u>	<u>2010 Scheduled Cash Payment</u>	<u>Deferred Land Lease Obligations (1)</u>	<u>Year of Maturity</u>
<b>Operating Leases</b>						
673 First Avenue	3,010	3,010	3,010	3,010	15,807	2037
420 Lexington Avenue (2)	7,074	7,074	7,074	7,074	—	2008(3)
711 Third Avenue (2) (4)	1,550	1,550	1,550	1,550	805	2032
461 Fifth Avenue (2)	2,100	2,100	2,100	2,100	—	2027(5)
625 Madison Avenue (2)	4,613	4,613	4,613	4,613	—	2022(6)
1604 Broadway (2)	2,350	2,350	2,350	2,350	326	2021(7)
<b>Total</b>	<b>20,697</b>	<b>20,697</b>	<b>20,697</b>	<b>20,697</b>	<b>16,938</b>	

**Capitalized Lease**

673 First Avenue	1,416	1,416	1,416	1,416	16,394	2037
------------------	-------	-------	-------	-------	--------	------

- (1) Per the balance sheet at December 31, 2006
- (2) These ground leases are classified as operating leases and, therefore, do not appear on the balance sheet as an obligation.
- (3) Subject to renewal at the Company's option through 2029.
- (4) Excludes portion payable to SL Green as owner of 50% leasehold.
- (5) The Company has an option to purchase the ground lease for a fixed price on a specific date.
- (6) Subject to renewal at the Company's option through 2054.
- (7) Subject to renewal at the Company's option through 2036. The Company has a 45% interest in this property.

**STRUCTURED FINANCE**



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

	<u>Assets Outstanding</u>	<u>Wtd Average Assets during quarter</u>	<u>Wtd Average Yield during quarter</u>	<u>Current Yield</u>	<u>Libor Rate</u>
<b>9/30/2005</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>	466,173	453,085	10.27%	10.57%	4.83%
Originations/Accretion (1)	37,282				
Preferred Equity	7,000				
Redemptions /Amortization	(176,466)				

6/30/2006	333,989	409,728	10.31%	10.04%	5.33%
Originations/Accretion (1)	288				
Preferred Equity	32,500				
Redemptions /Amortization	(19,219)				
9/30/2006	347,558	351,249	10.32%	10.17%	5.32%
Originations/Accretion (1)	97,475				
Preferred Equity	—				
Redemptions /Amortization	(7)				
12/31/2006	445,026	381,255	10.45%	9.95%	5.32%

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

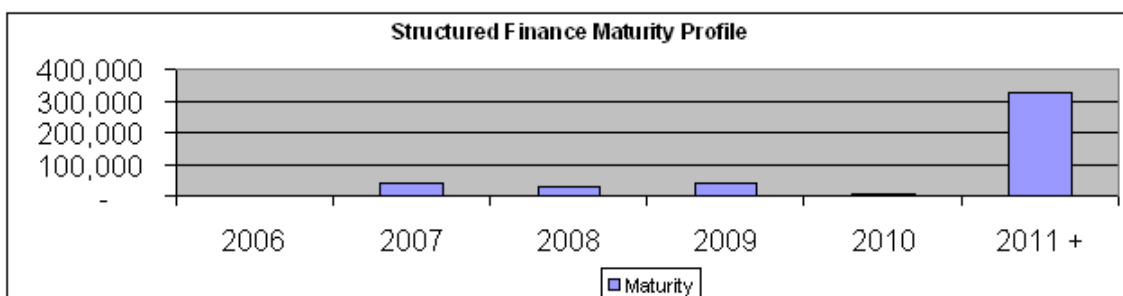
## STRUCTURED FINANCE



(\$000's omitted)

Type of Investment	Quarter End Balance(1)	Senior Financing	Exposure Psf	Wtd Average Yield during quarter	Current Yield
Junior Mortgage Participation	\$ 85,411	\$ 762,500	\$ 236	11.19%	11.04%
Mezzanine Debt	\$ 243,421	\$ 5,040,000	\$ 431	9.34%	8.84%
Preferred Equity	\$ 116,194	\$ 3,103,724	\$ 190	11.59%	11.47%
Balance as of 12/31/06	\$ 445,026	\$ 8,906,224	\$ 694	10.45%	9.95%

### 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 7.4 years.

## SELECTED PROPERTY DATA



Properties	SubMarket	Ownership	Usable Sq. Feet	% of Total Sq. Feet	Occupancy (%)					Annualized Rent (\$'s)	Annualized Rent		Total Tenants
					Dec-06	Sep-06	Jun-05	Mar-05	Dec-05		100%	SLG	
<b>PROPERTIES 100% OWNED "Same Store"</b>													
110 East 42nd Street	Grand Central North	Fee Interest	181,000	1	98.9	98.7	96.7	94.5	96.5	7,537,152	2	1	31
125 Broad Street	Downtown	Fee Interest	525,000	3	100.0	100.0	100.0	100.0	100.0	17,892,636	4	3	4
1372 Broadway	Garment	Fee Interest	508,000	3	85.7	85.7	85.7	86.4	84.1	15,993,192	4	3	21
220 East 42nd Street	Midtown	Fee Interest	1,135,000	6	100.0	100.0	100.0	99.5	99.5	42,376,140	10	7	38
292 Madison Avenue	Grand Central South	Fee Interest	187,000	1	99.7	99.7	99.7	99.7	99.7	7,863,624	2	1	19
317 Madison Avenue	Grand Central	Fee Interest	450,000	2	92.2	91.7	94.6	93.7	93.7	18,699,120	4	3	86
420 Lexington Ave (Graybar)	Grand Central North	Operating Sublease	1,188,000	6	98.3	98.9	98.0	97.4	97.1	56,781,348	14	9	253
440 Ninth Avenue	Garment	Fee Interest	339,000	2	99.4	99.4	99.4	99.4	100.0	10,672,008	3	2	12
461 Fifth Avenue	Midtown	Leasehold Interest	200,000	1	89.7	87.6	87.6	89.7	89.7	11,116,824	3	2	16
470 Park Avenue South	Park Avenue South/Flatiron	Fee Interest	260,000	1	98.3	100.0	100.0	96.9	93.8	9,902,508	2	2	29
555 West 57th Street	Midtown West	Fee Interest	941,000	5	99.9	99.9	99.9	100.0	100.0	28,327,128	7	4	16

625 Madison Avenue	Plaza District	Leasehold Interest	563,000	3	97.3	99.0	99.0	91.7	91.7	38,757,480	9	6	34
673 First Avenue	Grand Central South	Leasehold Interest	422,000	2	96.8	82.7	82.7	77.8	77.8	13,769,028	3	2	11
70 West 36th Street	Garment	Fee Interest	151,000	1	99.6	98.2	96.0	95.2	96.1	4,477,500	1	1	27
711 Third Avenue	Grand Central North	Operating Sublease (1)	524,000	3	100.0	100.0	96.1	100.0	100.0	23,656,020	6	4	19
750 Third Avenue	Grand Central North	Fee Interest	780,000	4	98.0	98.0	98.0	98.0	100.0	34,826,568	8	6	18
<b>Subtotal / Weighted Average</b>			<b>8,354,000</b>	<b>44</b>	<b>97.5</b>	<b>97.0</b>	<b>96.8</b>	<b>96.1</b>	<b>96.0</b>	<b>\$ 342,648,276</b>	<b>82</b>	<b>54</b>	<b>634</b>
<b>Adjustments</b>													
19 West 44th Street	Midtown	Fee Interest	292,000	2	97.4	99.4	98.5	98.1	96.8	11,007,852	3	2	64
28 West 44th Street	Midtown	Fee Interest	359,000	2	96.5	95.7	96.2	95.0	94.2	13,021,272	3	2	78
485 Lexington Avenue	Grand Central North	Fee Interest	921,000	5	90.5	78.7	74.1	71.2	100.0	38,294,568	9	6	12
609 Fifth Avenue	Midtown	Fee Interest	160,000	1	98.8	98.8	98.8			12,604,404	3	2	22
<b>Subtotal / Weighted Average</b>			<b>1,732,000</b>	<b>9</b>	<b>93.7</b>	<b>87.6</b>	<b>85.1</b>	<b>81.7</b>	<b>98.1</b>	<b>\$ 74,928,096</b>	<b>18</b>	<b>12</b>	<b>176</b>
<b>Total / Weighted Average Properties 100% Owned</b>			<b>10,086,000</b>	<b>53</b>	<b>96.9</b>	<b>95.4</b>	<b>94.7</b>	<b>93.8</b>	<b>96.3</b>	<b>\$ 417,576,372</b>	<b>100</b>	<b>66</b>	<b>810</b>
<b>PROPERTIES &lt; 100% OWNED (Unconsolidated)</b>													
<b>"Same Store"</b>													
1 Park Avenue - 16.7%	Grand Central	Fee Interest	913,000	5	97.8	93.5	97.8	97.8	97.8	36,138,480	1	1	19
1250 Broadway - 55%	Penn Station	Fee Interest	670,000	4	98.6	98.6	95.5	95.8	95.8	25,368,036	3	3	35
1515 Broadway - 55%	Times Square	Fee Interest	1,750,000	9	99.0	99.0	99.6	100.0	100.0	84,846,420	9	9	9
100 Park Avenue - 50%	Grand Central South	Fee Interest	834,000	4	92.1	93.3	93.8	89.7	92.7	33,872,520	3	3	35
1221 Avenue of the Americas - 45%	Rockefeller Center	Fee Interest	2,550,000	14	97.3	97.3	96.6	96.5	96.5	140,038,668	10	10	25
<b>Subtotal / Weighted Average</b>			<b>6,717,000</b>	<b>36</b>	<b>97.3</b>	<b>96.8</b>	<b>97.1</b>	<b>96.7</b>	<b>97.0</b>	<b>\$ 320,264,124</b>	<b>26</b>	<b>26</b>	<b>123</b>
<b>Adjustments</b>													
521 Fifth Avenue - 50.1%	Midtown	Leasehold Interest	460,000	2	90.4	94.2	94.2	97.4		17,608,128	1	1	51
800 Third Avenue - 45.1%	Grand Central North	Fee Interest	526,000	3	96.9					25,130,040	2	2	25
1 Madison Avenue - 55%	Park Avenue South	Fee Interest	1,176,900	6	98.6	98.6	98.6	97.5	97.5	56,804,028	5	3	3
<b>Subtotal / Weighted Average</b>			<b>2,162,900</b>	<b>11</b>	<b>96.4</b>	<b>98.3</b>	<b>97.3</b>	<b>97.5</b>	<b>97.5</b>	<b>\$ 99,542,196</b>	<b>8</b>	<b>8</b>	<b>79</b>
<b>Total / Weighted Average Properties Less Than 100% Owned</b>			<b>8,879,900</b>	<b>47</b>	<b>97.1</b>	<b>95.2</b>	<b>94.9</b>	<b>94.1</b>	<b>97.4</b>	<b>\$ 419,806,320</b>	<b>34</b>	<b>34</b>	<b>202</b>
<b>Grand Total / Weighted Average</b>			<b>18,965,900</b>	<b>100</b>	<b>97.0</b>	<b>96.1</b>	<b>95.9</b>	<b>95.2</b>	<b>96.7</b>	<b>\$ 837,382,692</b>			<b>1,012</b>
<b>Grand Total - SLG share of Annualized Rent</b>									<b>\$ 629,828,623</b>			<b>100</b>	
<b>Same Store Occupancy% - Combined</b>			<b>15,071,000</b>	<b>79</b>	<b>97.4</b>	<b>96.9</b>	<b>96.9</b>	<b>96.3</b>	<b>96.5</b>				

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

<b>RETAIL &amp; DEVELOPMENT PROPERTIES</b>													
1 Madison Avenue - Clock Tower - 30%	Park Avenue South	Fee Interest	220,000	43						N/A		N/A	N/A
1515-1555 Broadway - 50%	Times Square	Fee Interest	23,600	5						N/A		N/A	N/A
1604 Broadway - 45%	Times Square	Leasehold Interest	41,100	8	72.7	17.2	17.2	17.2	17.2	4,117,584	7	2	2
21 West 34th Street - 50%	Herald Square/Penn Station	Fee Interest	20,100	4	100.0		25.0	25.0	100.0	5,865,012		N/A	N/A
25-27 West 34th Street - 50%	Herald Square/Penn Station	Fee Interest	21,700	4		30.7	30.7	30.7					3
29 West 34th Street - 50%	Herald Square/Penn Station	Fee Interest	29,300	6	58.8	69.1	74.4	74.4		890,988	2	6	6
379 West Broadway - 45%	Cast Iron/Soho	Leasehold Interest	62,006	12	100.0	100.0	100.0	100.0	100.0	2,777,160	5	7	7
717 Fifth Avenue - 92%	Midtown/Plaza District	Fee Interest	76,400	15	63.1	63.1				12,504,504		43	8
141 Fifth Avenue - 50%	Flat Iron	Fee Interest	21,500	4	100.0	100.0	100.0	100.0	100.0	822,600		2	4
<b>Total / Weighted Average Retail/Development Properties</b>			<b>515,706</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>\$ 26,977,848</b>	<b>57</b>	<b>57</b>	<b>30</b>

## 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	1,410,339	\$ 72,338,316	\$ 51.29	8.6%	\$ 49,515,577	7.9%	BBB
Credit Suisse Securities (USA), Inc. Citigroup, N.A.	1 Madison Avenue, 125 Broad Street, 1 Park Avenue, 750 Third Avenue, 485 Lexington Avenue & 800 Third Avenue	2020	1,123,879	50,574,552	\$ 45.00	6.0%	27,816,004	4.4%	A+
Omnicom Group	220 East 42nd Street, 420 Lexington Avenue & 485 Lexington Avenue	2007, 2010 & 2017	653,366	28,766,064	\$ 44.03	3.4%	27,662,636	4.4%	AA+
Morgan Stanley & Co. Inc.	1221 Ave.of the Americas	Various	573,470	20,889,012	\$ 36.43	2.5%	20,889,012	3.3%	A-
Societe Generale	1221 Ave.of the Americas	Various	486,663	25,680,288	\$ 52.77	3.1%	11,556,130	1.8%	AA-
The McGraw Hill Companies, Inc.	1221 Ave.of the Americas	Various	420,328	20,007,564	\$ 47.60	2.4%	9,003,404	1.4%	A+
Advance Magazine Group	750 Third Avenue & 485 Lexington Avenue	2021	342,720	12,686,556	\$ 37.02	1.5%	12,686,556	2.0%	
Visiting Nurse Service of New York	1250 Broadway	2018	295,870	9,560,868	\$ 32.31	1.1%	6,326,904	1.0%	
New York Presbyterian Hospital	555 West 57th Street & 673 First Avenue	2009 & 2021	256,422	7,984,440	\$ 31.14	1.0%	7,984,440	1.3%	
C.B.S. Broadcasting, Inc.	555 West 57th Street	2013 & 2017	253,316	8,602,032	\$ 33.96	1.0%	8,602,032	1.4%	BBB
Polo Ralph Lauren Corporation	625 Madison Avenue	2019	234,207	11,337,732	\$ 48.41	1.4%	11,337,732	1.8%	BBB
The City University of New York - CUNY	555 West 57th Street & 28 West 44th Street	2010, 2011, 2015 & 2016	232,092	7,948,212	\$ 34.25	0.9%	7,948,212	1.3%	
BMW of Manhattan	555 West 57th Street	2012	227,782	4,283,628	\$ 18.81	0.5%	4,283,628	0.7%	
Vivendi Universal US Holdings	800 Third Avenue	Various	226,105	11,375,412	\$ 50.31	1.4%	5,130,311	0.8%	BBB
The Travelers Indemnity Company	485 Lexington Avenue	2016	214,978	10,748,904	\$ 50.00	1.3%	5,374,452	0.9%	A+
Teachers Insurance & Annuity Association	750 Third Avenue	2008, 2009 & 2015	188,625	8,504,328	\$ 45.09	1.0%	8,504,328	1.4%	AAA
The Columbia House Company	1221 Ave.of the Americas	Various	175,312	8,716,752	\$ 49.72	1.0%	3,922,538	0.6%	B2
The Mt. Sinai Hospital and NYU Hospital Centers	1 Park Avenue & 625 Madison Avenue	2013, 2015 & 2016	173,741	6,912,912	\$ 39.79	0.8%	1,692,241	0.3%	

The Segal Company	1 Park Avenue	2009	157,947	6,977,076	\$ 44.17	0.8%	1,163,079	0.2%	
J & W Seligman & Co., Incorporated	100 Park Avenue	2009	148,726	5,846,544	\$ 39.31	0.7%	2,923,272	0.5%	AAA
Sonnenschein, Nath & Rosenthal	1221 Ave.of the Americas	Various	147,997	7,681,296	\$ 51.90	0.9%	3,456,583	0.5%	
Ross Procurement, Inc.	1372 Broadway	2016	138,130	4,370,256	\$ 31.64	0.5%	4,370,256	0.7%	BBB
Altria Corporate Services	100 Park Avenue	2007	136,118	6,641,388	\$ 48.79	0.8%	3,320,694	0.5%	BBB+
Allen & Overy, LLP	1221 Ave.of the Americas	Various	135,885	11,565,468	\$ 85.11	1.4%	5,204,461	0.8%	

<b>Total</b>			<b>8,871,786</b>	<b>\$ 403,534,884</b>	<b>\$ 45.49</b>	<b>48.2%</b>	<b>\$ 265,765,359</b>	<b>42.2%</b>	
--------------	--	--	------------------	-----------------------	-----------------	--------------	-----------------------	--------------	--

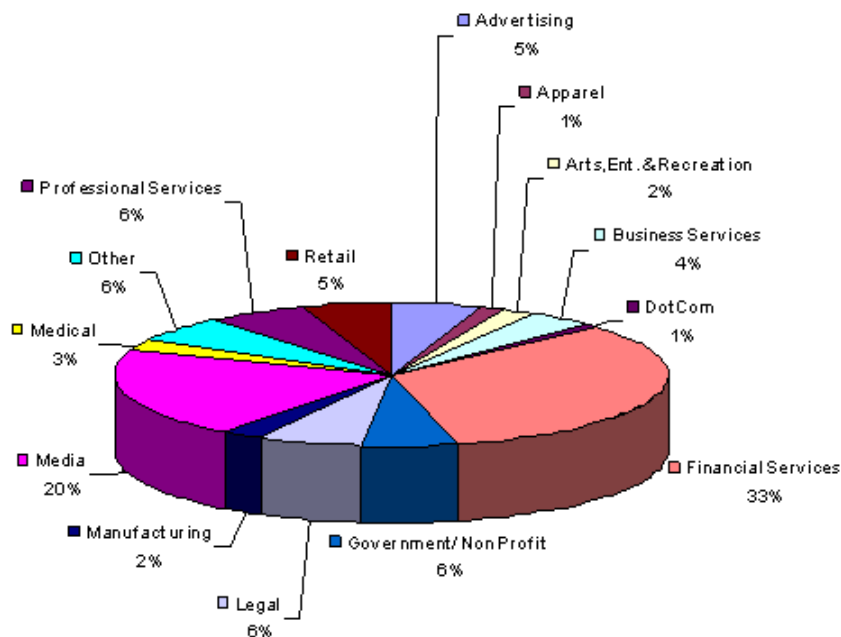
<b>Wholly Owned Portfolio + Allocated JV Properties</b>			<b>18,965,900</b>	<b>\$ 837,382,692</b>	<b>\$ 44.15</b>		<b>\$ 629,828,623</b>		
---	--	--	-------------------	-----------------------	-----------------	--	-----------------------	--	--

(1) - 60% of Portfolio's Largest Tenants have investment grade credit ratings. 33.5% of SLG Share of Annualized Rent is derived from these Tenants.

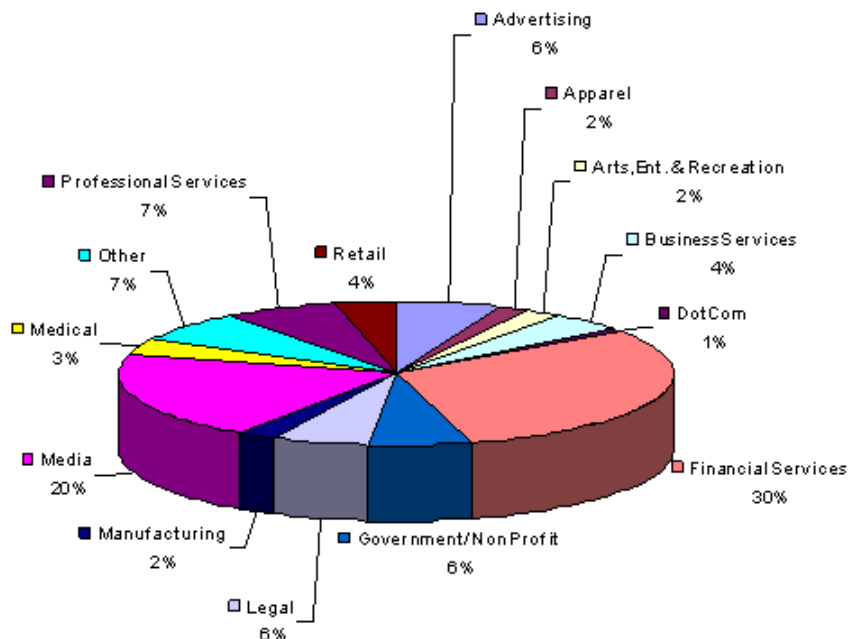
TENANT DIVERSIFICATION



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 9/30/06</b>			<b>723,388</b>		
<b>Add: Acquired Vacancies</b>	<b>800 Third Avenue</b>		<b>16,280</b>		
<b>Space which became available during the Quarter (A):</b>					
<b>Office</b>					
	461 Fifth Avenue	1	6,639	6,639	\$ 50.42
	100 Park Avenue	1	9,749	9,749	\$ 42.52
	470 Park Ave South	2	4,500	4,500	\$ 32.82
	110 East 42nd Street	3	7,476	7,476	\$ 33.04
	19 West 44th Street	4	8,023	8,023	\$ 37.11
	1221 Sixth Avenue	4	103,991	103,991	\$ 69.56
	521 Fifth Avenue	3	32,978	32,978	\$ 39.86
	625 Madison Avenue	2	9,867	9,867	\$ 44.50
	420 Lexington Avenue	4	8,467	10,193	\$ 43.60
	<b>Total/Weighted Average</b>	<b>24</b>	<b>191,690</b>	<b>193,416</b>	<b>\$ 56.22</b>
<b>Retail</b>					
	521 Fifth Avenue	2	19,700	19,700	\$ 73.89
	<b>Total/Weighted Average</b>	<b>2</b>	<b>19,700</b>	<b>19,700</b>	<b>\$ 73.89</b>
<b>Storage</b>					
	28 West 44th Street	2	1,191	1,191	\$ 21.22
	1250 Broadway	1	223	223	\$ 20.46
	<b>Total/Weighted Average</b>	<b>3</b>	<b>1,414</b>	<b>1,414</b>	<b>\$ 21.10</b>
<b>Total Space became Available during the Quarter</b>					
	<b>Office</b>	<b>24</b>	<b>191,690</b>	<b>193,416</b>	<b>\$ 56.22</b>
	<b>Retail</b>	<b>2</b>	<b>19,700</b>	<b>19,700</b>	<b>\$ 73.89</b>
	<b>Storage</b>	<b>3</b>	<b>1,414</b>	<b>1,414</b>	<b>\$ 21.10</b>
		<b>29</b>	<b>212,804</b>	<b>214,530</b>	<b>\$ 57.61</b>
<b>Total Available Space</b>			<b>936,192</b>		

(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 heldover.

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 12/31/06</b>				<b>936,192</b>					
<b>Office</b>									
	485 Lexington Avenue	5	10.3	108,654	109,506	\$ 60.62	\$ 38.90	\$ 44.37	3.4
	461 Fifth Avenue	2	6.9	10,816	11,293	\$ 76.39	\$ 50.68	\$ 24.60	3.1
	1 Park Avenue	1	15.6	38,186	37,925	\$ 38.50	\$ 54.79	\$ 40.00	6.0
	70 West 36th Street	1	5.0	1,989	2,104	\$ 34.50	\$ 37.27	\$ 5.00	1.0
	673 First Avenue	3	15.0	59,621	65,096	\$ 33.20	\$ —	\$ 36.58	4.6
	110 East 42nd Street	3	7.2	7,974	9,369	\$ 39.29	\$ 27.11	\$ 33.49	1.9
	19 West 44th Street	2	3.6	2,255	2,329	\$ 40.49	\$ 34.96	\$ 6.73	—
	28 West 44th Street	2	3.0	3,513	4,145	\$ 41.71	\$ 41.80	\$ 1.09	0.5
	1221 Sixth Avenue	3	12.2	104,042	110,948	\$ 80.84	\$ 65.94	\$ 34.97	3.5
	521 Fifth Avenue	3	8.8	35,410	38,405	\$ 49.25	\$ 20.01	\$ 32.50	3.7
	420 Lexington Avenue	1	5.0	1,120	1,721	\$ 38.00	\$ 30.33	\$ 3.17	—
	<b>Total/Weighted Average</b>	<b>26</b>	<b>11.6</b>	<b>373,580</b>	<b>392,841</b>	<b>\$ 57.93</b>	<b>\$ 49.07</b>	<b>\$ 36.95</b>	<b>3.8</b>
<b>Retail</b>									
	317 Madison Avenue	1	14.3	2,275	2,275	\$ 225.00	\$ 115.96	\$ 56.07	7.0
	<b>Total/Weighted Average</b>	<b>1</b>	<b>14.3</b>	<b>2,275</b>	<b>2,275</b>	<b>\$ 225.00</b>	<b>\$ 115.96</b>	<b>\$ 56.07</b>	<b>7.0</b>
<b>Storage</b>									
	220 East 42nd Street	1	5.3	326	343	\$ 26.67	\$ —	\$ 2.19	—
	1 Park Avenue	1	8.8	631	911	\$ 25.00	\$ —	\$ —	—

317 Madison Avenue	1	2.3	60	60	\$	20.00	\$	—	\$	—	—
28 West 44th Street	1	1.0	441	586	\$	23.30	\$	17.53	\$	—	—
1250 Broadway	1	2.3	600	857	\$	20.00	\$	—	\$	—	—
<b>Total/Weighted Average</b>	<b>5</b>	<b>4.5</b>	<b>2,058</b>	<b>2,757</b>	<b>\$</b>	<b>23.18</b>	<b>\$</b>	<b>17.53</b>	<b>\$</b>	<b>0.27</b>	<b>—</b>
<b>Leased Space</b>											
<b>Office (3)</b>	<b>26</b>	<b>11.6</b>	<b>373,580</b>	<b>392,841</b>	<b>\$</b>	<b>57.93</b>	<b>\$</b>	<b>49.07</b>	<b>\$</b>	<b>36.95</b>	<b>3.8</b>
<b>Retail</b>	<b>1</b>	<b>14.3</b>	<b>2,275</b>	<b>2,275</b>	<b>\$</b>	<b>225.00</b>	<b>\$</b>	<b>115.96</b>	<b>\$</b>	<b>56.07</b>	<b>7.0</b>
<b>Storage</b>	<b>5</b>	<b>4.5</b>	<b>2,058</b>	<b>2,757</b>	<b>\$</b>	<b>23.18</b>	<b>\$</b>	<b>17.53</b>	<b>\$</b>	<b>0.27</b>	<b>—</b>
<b>Total</b>	<b>32</b>	<b>11.6</b>	<b>377,913</b>	<b>397,873</b>	<b>\$</b>	<b>58.64</b>	<b>\$</b>	<b>49.51</b>	<b>\$</b>	<b>36.80</b>	<b>3.8</b>
<b>Total Available Space @ 12/31/06</b>											
			558,279								
<b>Early Renewals</b>											
<b>Office</b>											
220 East 42nd Street	1	1.0	13,194	13,194	\$	36.44	\$	35.82	\$	—	—
461 Fifth Avenue	1	5.0	13,032	13,496	\$	70.00	\$	62.61	\$	—	—
70 West 36th Street	2	5.5	6,488	6,714	\$	30.76	\$	28.77	\$	1.27	0.76
110 East 42nd Street	1	5.0	1,982	2,202	\$	42.50	\$	39.81	\$	3.11	—
28 West 44th Street	1	5.2	9,951	9,951	\$	42.00	\$	43.36	\$	10.00	1.0
521 Fifth Avenue	1	5.0	6,673	8,224	\$	50.00	\$	34.68	\$	8.73	—
420 Lexington Avenue	5	3.9	4,190	5,875	\$	51.10	\$	50.43	\$	—	—
<b>Total/Weighted Average</b>	<b>12</b>	<b>4.1</b>	<b>55,510</b>	<b>59,656</b>	<b>\$</b>	<b>47.86</b>	<b>\$</b>	<b>43.77</b>	<b>\$</b>	<b>3.13</b>	<b>0.3</b>
<b>Retail</b>											
1221 Sixth Avenue	1	3.0	279	279	\$	46.00	\$	40.00	\$	—	—
<b>Total/Weighted Average</b>	<b>1</b>	<b>3.0</b>	<b>279</b>	<b>279</b>	<b>\$</b>	<b>46.00</b>	<b>\$</b>	<b>40.00</b>	<b>\$</b>	<b>—</b>	<b>—</b>
<b>Storage</b>											
220 East 42nd Street	1	3.0	283	283	\$	6.36	\$	6.36	\$	—	—
461 Fifth Avenue	1	5.0	200	285	\$	25.00	\$	18.26	\$	—	—
<b>Total/Weighted Average</b>	<b>2</b>	<b>4.0</b>	<b>483</b>	<b>568</b>	<b>\$</b>	<b>15.71</b>	<b>\$</b>	<b>12.33</b>	<b>\$</b>	<b>—</b>	<b>—</b>
<b>Renewals</b>											
<b>Early Renewals Office</b>	<b>12</b>	<b>4.1</b>	<b>55,510</b>	<b>59,656</b>	<b>\$</b>	<b>47.86</b>	<b>\$</b>	<b>43.77</b>	<b>\$</b>	<b>3.13</b>	<b>0.3</b>
<b>Early Renewals Retail</b>	<b>1</b>	<b>3.0</b>	<b>279</b>	<b>279</b>	<b>\$</b>	<b>46.00</b>	<b>\$</b>	<b>40.00</b>	<b>\$</b>	<b>—</b>	<b>—</b>
<b>Early Renewals Storage</b>	<b>2</b>	<b>4.0</b>	<b>483</b>	<b>568</b>	<b>\$</b>	<b>15.71</b>	<b>\$</b>	<b>12.33</b>	<b>\$</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>15</b>	<b>4.1</b>	<b>56,272</b>	<b>60,503</b>	<b>\$</b>	<b>47.55</b>	<b>\$</b>	<b>43.46</b>	<b>\$</b>	<b>3.09</b>	<b>0.2</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 \$64.83/rsf for 296,742 rentable SF.  
Average starting office rent for office space (leased and early renewals, excluding new tenants replacing vacancies) is \$61.99/rsf for 356,398 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)	14	10,945	0.11%	\$ 403,296	\$ 36.85	\$ 53.93	1	202	0.00%	\$ 2,196	\$ 10.87	\$ 20.00
In 2nd Quarter 2006 (1)	1	1,912	0.02%	\$ 65,004	\$ 34.00	\$ 45.00	0	0	0.00%	\$ 0	\$ 0.00	\$ 0.00
In 3rd Quarter 2006 (1)	2	1,148	0.01%	\$ 64,188	\$ 55.91	\$ 66.71	0	0	0.00%	\$ 0	\$ 0.00	\$ 0.00
In 4th Quarter 2006	15	37,022	0.37%	\$ 1,400,760	\$ 37.84	\$ 56.30	4	26,705	0.31%	\$ 1,224,804	\$ 45.86	\$ 47.68
<b>Total 2006</b>	<b>32</b>	<b>51,027</b>	<b>0.51%</b>	<b>\$ 1,933,248</b>	<b>\$ 37.89</b>	<b>\$ 55.60</b>	<b>5</b>	<b>26,907</b>	<b>0.31%</b>	<b>\$ 1,227,000</b>	<b>\$ 45.60</b>	<b>\$ 47.47</b>
In 1st Quarter 2007	24	60,170	0.60%	\$ 2,482,020	\$ 41.25	\$ 56.82	3	7,498	0.09%	\$ 750,912	\$ 100.15	\$ 88.58
In 2nd Quarter 2007	36	149,139	1.48%	\$ 5,735,088	\$ 38.45	\$ 49.19	6	155,262	1.81%	\$ 10,040,280	\$ 64.67	\$ 73.44
In 3rd Quarter 2007	32	60,298	0.60%	\$ 2,594,904	\$ 43.03	\$ 51.82	5	29,157	0.34%	\$ 821,700	\$ 28.18	\$ 43.73
In 4th Quarter 2007	21	80,693	0.80%	\$ 3,424,788	\$ 42.44	\$ 70.73	5	185,348	2.16%	\$ 9,176,328	\$ 49.51	\$ 67.91
<b>Total 2007</b>	<b>113</b>	<b>350,300</b>	<b>3.48%</b>	<b>\$ 14,236,800</b>	<b>\$ 40.64</b>	<b>\$ 55.91</b>	<b>19</b>	<b>377,265</b>	<b>4.39%</b>	<b>\$ 20,789,220</b>	<b>\$ 55.11</b>	<b>\$ 68.73</b>
2008	113	684,299	6.79%	\$ 28,182,180	\$ 41.18	\$ 53.27	26	548,827	6.39%	\$ 24,375,456	\$ 44.41	\$ 67.58
2009	94	684,793	6.80%	\$ 29,465,652	\$ 43.03	\$ 51.90	26	571,503	6.65%	\$ 28,318,812	\$ 49.55	\$ 63.24
2010	121	1,433,192	14.22%	\$ 57,844,752	\$ 40.36	\$ 48.10	30	1,587,997	18.48%	\$ 79,924,056	\$ 50.33	\$ 64.97
2011	103	675,792	6.71%	\$ 32,608,212	\$ 48.25	\$ 53.59	17	225,727	2.63%	\$ 9,542,208	\$ 42.27	\$ 57.80
2012	53	809,163	8.03%	\$ 24,955,668	\$ 30.84	\$ 42.34	16	264,965	3.08%	\$ 10,581,120	\$ 39.93	\$ 58.07
2013	50	888,380	8.82%	\$ 34,957,308	\$ 39.35	\$ 48.94	14	1,039,945	12.10%	\$ 52,957,584	\$ 50.92	\$ 70.80
2014	23	336,292	3.36%	\$ 12,616,512	\$ 37.29	\$ 47.67	18	219,552	2.55%	\$ 15,685,272	\$ 71.44	\$ 95.97
2015	37	564,693	5.60%	\$ 23,619,672	\$ 41.83	\$ 52.09	20	544,690	6.34%	\$ 23,634,352	\$ 43.43	\$ 51.93
<b>Thereafter</b>	<b>103</b>	<b>3,595,790</b>	<b>35.69%</b>	<b>\$ 157,156,368</b>	<b>\$ 43.71</b>	<b>\$ 61.43</b>	<b>38</b>	<b>3,187,804</b>	<b>37.09%</b>	<b>\$ 152,751,240</b>	<b>\$ 47.92</b>	<b>\$ 74.22</b>
	<b>842</b>	<b>10,075,721</b>	<b>100.00%</b>	<b>\$ 417,576,372</b>	<b>\$ 41.44</b>	<b>\$ 53.96</b>	<b>229</b>	<b>8,595,182</b>	<b>100.00%</b>	<b>\$ 419,806,320</b>	<b>\$ 48.84</b>	<b>\$ 68.83</b>

- (1) Includes month to month holdover tenants that expired prior to 12/31/06.
- (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 at acquisition	12/31/2006	Acquisition Price (\$'s) (1)
<b>1998 Acquisitions</b>						



Mar-98	420 Lexington	Operating Sublease	Grand Central	1,188,000	83.0	98.3	\$	78,000,000
Mar-98	1466 Broadway	Fee Interest	Times Square	289,000	87.0	N/A	\$	64,000,000
Mar-98	321 West 44th	Fee Interest	Times Square	203,000	96.0	N/A	\$	17,000,000
May-98	711 3rd Avenue	Operating Sublease	Grand Central	524,000	79.0	100.0	\$	65,600,000
Jun-98	440 9th Avenue	Fee Interest	Penn Station	339,000	76.0	99.4	\$	32,000,000
Aug-98	1412 Broadway	Fee Interest	Times Square South	389,000	89.5	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	100.0	99.9	\$	66,700,000
May-99	90 Broad Street - 35% JV	Fee Interest	Financial	339,000	81.8	N/A	\$	34,500,000
May-99	<u>The Madison Properties:</u>	Fee Interest	Grand Central				\$	50,000,000
	286 Madison Avenue			112,000	98.8	N/A		
	290 Madison Avenue			36,800	85.6	N/A		
	292 Madison Avenue			187,000	97.0	99.7		
Aug-99	1250 Broadway - 50% JV	Fee Interest	Penn Station	670,000	96.5	98.6	\$	93,000,000
Nov-99	555 West 57th - remaining 35%	Fee Interest	Midtown West	—	—	99.9	\$	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	96.5	92.1	\$	192,000,000
Dec-00	180 Madison Avenue	Fee Interest	Grand Central	265,000	90.0	N/A	\$	41,250,000
<b>Contribution to JV</b>								
May-00	321 West 44th	Fee Interest	Times Square	203,000	98.0	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	97.0	N/A	\$	50,500,000
Jan-01	1 Park Avenue	Various Interests	Grand Central	913,000	97.0	97.8	\$	233,900,000
Jan-01	469 7th Avenue - 35% JV	Fee Interest	Penn Station	253,000	97.7	N/A	\$	45,700,000
Jun-01	317 Madison	Fee Interest	Grand Central	450,000	95.0	92.2	\$	105,600,000
<b>Acquisition of JV Interest</b>								
Sep-01	1250 Broadway - 49.9% JV (2)	Fee Interest	Penn Station	670,000	97.7	98.6	\$	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	98.0	99.0	\$	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	91.9	100.0	\$	265,000,000
Mar-03	125 Broad Street	Fee Interest	Downtown	525,000	100.0	100.0	\$	92,000,000
Oct-03	461 Fifth Avenue	Leasehold Interest	Midtown	200,000	93.9	89.7	\$	60,900,000
Dec-03	1221 Ave of Americas -45% JV	Fee Interest	Rockefeller Center	2,550,000	98.8	97.3	\$	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	86.0	97.4	\$	67,000,000
Jul-04	750 Third Avenue	Fee Interest	Grand Central	779,000	100.0	98.0	\$	255,000,000
Jul-04	485 Lexington Avenue - 30% JV	Fee Interest	Grand Central	921,000	100.0	90.5	\$	225,000,000
Oct-04	625 Madison Avenue	Leasehold Interest	Plaza District	563,000	68.0	97.3	\$	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	87.0	96.5	\$	105,000,000
Apr-05	1 Madison Ave - 55% JV	Fee Interest	Park Avenue South	1,177,000	96.0	98.6	\$	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	—	—	97.4	\$	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	90.0	100.0	\$	13,250,000
Nov-05	1604 Broadway - 45% JV	Leasehold Interest	Times Square	41,100	17.2	72.7	\$	4,400,000
Dec-05	379 West Broadway - 45% JV	Leasehold Interest	Cast Iron / Soho	62,006	100.0	100.0	\$	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	55.8	33.8	\$	30,000,000
Mar-06	521 Fifth Avenue	Leasehold Interest	Midtown	460,000	97.0	90.4	\$	210,000,000
Jun-06	609 Fifth Avenue	Fee Interest	Midtown	160,000	98.5	98.8	\$	182,000,000
Sep-06	717 Fifth Avenue	Fee Interest	Midtown / Plaza District	76,400	63.1	63.1	\$	235,000,000
Dec-06	485 Lexington Avenue - remaining 70%	Fee Interest	Grand Central	—	—	90.5	\$	578,000,000
Dec-06	800 Third Avenue - 47% JV	Fee Interest	Grand Central North	526,000	96.9	96.9	\$	285,000,000
				<b>1,273,400</b>				<b>\$ 1,520,000,000</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 9/1/01-10/31/01the company owned 99.8% of this property.)

## SUMMARY OF REAL ESTATE SALES ACTIVITY POST 1999



	Property	Type of Ownership	Submarket	Net Rentable sf	Sales Price (\$'s)	Sales Price (\$'/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



				791,000	\$ 159,500,000	\$ 202
<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>
<b>2006 Sales</b>						
Jul-06	286 & 290 Madison Avenue	Fee Interest	Grand Central	149,000	\$ 63,000,000	\$ 423
Aug-06	1140 Avenue of the Americas	Leasehold Interest	Rockefeller Center	191,000	\$ 97,500,000	\$ 510
Dec-06	521 Fifth Avenue (3)	Leasehold Interest	Midtown	460,000	\$ 240,000,000	\$ 522
				<b>800,000</b>	<b>\$ 400,500,000</b>	<b>\$ 501</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.
- (3) Company sold a 50% JV interest in the property at an implied \$240.0mm sales price



## SUPPLEMENTAL DEFINITIONS

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

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

**Equity income / (loss) from affiliates** are generally accounted for on a cost basis and realized gains and losses are included in current earnings. For 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).



**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  
**Andrew S. Levine**  
General Counsel and Secretary

**ANALYST COVERAGE**

<u>Firm</u>	<u>Analyst</u>	<u>Phone</u>	<u>Email</u>
AG Edwards, Inc.	Dave Aubuchon	(314) 955-5452	aubuchondl@agedwards.com
Banc of America Securities, LLC	Ross Nussbaum	(212) 847-5668	ross.nussbaum@bofasecurities.com
Citigroup Smith Barney, Inc.	Jonathan Litt	(212) 816-0231	jonathan.litt@citigroup.com
Deutsche Bank Securities, Inc.	Louis W. Taylor	(212) 250-4912	louis.taylor@db.com
Goldman Sachs & Co.	Jonathan Habermann	(917) 343-4260	jonathan.habermann@gs.com
Green Street Advisors	Michael Knott	(949) 640-8780	mknott@greenstreetadvisors.com
JP Morgan Securities, Inc.	Anthony Paolone	(212) 622-6682	anthony.paolone@jpmorgan.com
Lehman Brothers Holdings, Inc.	David Harris	(212) 526-1790	dharris4@lehman.com
Merrill Lynch	Steve Sakwa	(212) 449-4396	steve_sakwa@ml.com
Raymond James Financial, Inc.	Paul D. Puryear	(727) 567-2253	paul.puryear@raymondjames.com
Stifel Nicolaus	John Guinee	(410) 454-5520	jwguinee@stifel.com
Wachovia Securities, LLC	Christopher Haley	(443) 263-6773	christopher.haley@wachovia.com

*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.*

**FOR IMMEDIATE RELEASE****CONTACT**

Gregory Hughes  
Chief Financial Officer  
(212) 594-2700

***SL GREEN REALTY CORP. REFINANCES 485 LEXINGTON AVENUE***

New York, NY, January 29, 2007 - SL Green Realty Corp. (NYSE: SLG) today announced that it has completed a refinancing of the first mortgage loan on 485 Lexington Avenue for \$450 million. The ten-year interest only mortgage has an effective interest rate of 5.566%. The mortgage matures in January 2017.

Upon acquiring the 31-story, 926,000-square-foot asset in 2004 with its joint venture partners for \$225 million, or \$244 per square foot, SL Green embarked upon an intensive multi-million dollar capital repositioning program which included the replacement of all windows, an upgrade of the retail storefronts and a significant lobby renovation. Additionally, a strategic leasing and marketing effort to re-brand the property together with 750 Third Avenue as "Grand Central Square" was employed. The success of the redevelopment and leasing campaigns was soon evidenced by the addition of top-caliber tenants, including Travelers, Citibank and Novantas, to the tenant roster.

As a direct result of its extraordinary efforts, in December of 2006, SL Green purchased interests in 485 Lexington Avenue from its partners, The City Investment Fund (CIF) and The Witkoff Group, resulting in a majority ownership and control of the property. The transaction valued the property at \$578 million or approximately \$630 per square foot. In addition to this recognition of value in the property, the success of SL Green's repositioning efforts is evidenced by a 90% occupancy at the property and moreover, its superior execution of the long-term, best in market financing with top-tier originators led by Wachovia along with Morgan Stanley and Credit Suisse.

Marc Holliday, President & Chief Executive Officer of SL Green said, "This latest financing of 485 Lexington frees up a considerable amount of cash to put back to work for our shareholders. Overall, it provides a perfect illustration of how SL Green consistently identifies the potential value of a property, and then develops and executes strategies to build and unlock that value. In this case, in less than three years of ownership, we have nearly tripled 485 Lexington's market value while cementing our dominant position as Manhattan's largest landlord."

Sonnenblick Goldman acted as the exclusive financial advisors to SL Green.

**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 December 31, 2006, the Company owned 28 office properties totaling 19.0 million square feet. The Company's retail space ownership totals 296,000 square feet at eight 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.

---

**FOR IMMEDIATE RELEASE****CONTACT**

Gregory Hughes  
Chief Financial Officer  
(212) 594-2700

**SL GREEN REALTY CORP., SITQ GROUP & SEB IMMOBILIEN-INVESTMENT GMBH**  
**SELL ONE PARK AVENUE FOR \$550 MILLION**

---

New York, NY, January 30, 2007 — A joint venture of SL Green Realty Corp. (NYSE: SLG), SITQ Group, a subsidiary of Caisse de dépôt et placement du Québec, and SEB Immobilien-Investment GmbH, today announced that it is selling One Park Avenue for \$550 million, or \$602 per square foot.

SL Green expects to receive approximately \$108 million in proceeds from the sale, a substantial portion of which will represent an incentive distribution under its joint venture arrangement with SEB. The proceeds will be utilized in a tax efficient 1031-exchange to acquire certain assets from Reckson Associates Realty Corp.

The approximately 913,000 square foot, 20-story office property was acquired by SL Green in January of 2001 for \$233 million and recapitalized in May 2001 with SITQ Group as a joint venture partner. In May of 2004, following an extensive repositioning campaign that reinvigorated its 1920's flair and drastically improved the tenant amenities, SL Green and SITQ Group sold a 75% joint venture interest to Credit Suisse who subsequently sold its interest to SEB. Following the Credit Suisse transaction, SL Green retained a 16.7% interest in the property and it retained the responsibility of leasing and managing the property, while SITQ Group retained a 8% interest.

“Our ownership activity at One Park Avenue epitomizes SL Green’s superior ability to unlock embedded value for both our partners and shareholders,” stated Marc Holiday, President & Chief Executive Officer of SL Green Realty Corp. “Upon the completion of this sale, through our ownership at One Park Avenue alone, we will have generated sizable gains for our partners in addition to substantial free cash flows for our highly active reinvestment program.”

Located on Park Avenue South between 32nd and 33rd Streets, the 20-story commercial office building boasts immediate access to Grand Central, Penn Station and major subway stations. In 2006, SL Green signed new leases totaling over 90,000 square feet at One Park Avenue with upscale operator of health clubs and spas, Equinox Fitness Clubs and Clarins. Other noteworthy tenants at One Park Avenue include Coty, Inc., New York University Hospitals and Segal Company.

Darcy Stacom and William Shanahan of CB Richard Ellis represented the joint venture in the transaction.

The transaction is expected to close in the first quarter of 2007.

**About SL Green Realty Corp.**

*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 December 31, 2006, the Company owned 28 office properties totaling 19.0 million square feet. The Company’s retail space ownership totals 296,000 square feet at eight 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.*

---

**FOR IMMEDIATE RELEASE****CONTACT**

Gregory Hughes  
Chief Financial Officer  
(212) 594-2700

**SL GREEN REALTY CORP. SELLS 70 WEST 36<sup>TH</sup> STREET FOR \$61.5 MILLION**

---

New York, NY, January 30, 2007 - SL Green Realty Corp. (NYSE: SLG) today announced that it has entered into an agreement to sell 70 West 36<sup>th</sup> Street for \$61.5 million, or \$393 per square foot. The Company expects to realize a gain on this sale of approximately \$50.2 million.

The 156,532 square foot office property, which is situated on 36<sup>th</sup> Street between Fifth Avenue and Avenue of the Americas, was contributed to the SL Green portfolio during the Company's IPO for approximately \$9.35 million. From 1997 to 1998, 70 West 36<sup>th</sup> Street was the Headquarters of SL Green Realty Corp. Since its contribution, SL Green employed a strategic renovation program that included upgrading the lobby, elevators and corridors. Currently the property is 100% leased to a solid tenancy that includes Bank Hapoalim, First Quality Maintenance and Allstate Insurance.

Marc Holiday, President & Chief Executive Officer of SL Green Realty Corp., stated, "Our 2007 portfolio growth objectives, as noted at our 2006 Investor Conference this past December, include upgrading the portfolio through selective non-core divestitures of at least \$250 million of non-core assets. We are determined to accomplish this goal and are aggressively chipping away at it as demonstrated by the recent sale of One Park Avenue and now the sale of 70 West 36<sup>th</sup> Street."

Andrew Mathias, Chief Investment Officer of SL Green Realty Corp., added, "The key to delivering greater value to our shareholders will be sheltering gains from sales via tax efficient exchanges. With the sale of 70 West 36<sup>th</sup> Street, we are doing exactly that: proceeds will be deployed into the recently acquired Reckson Portfolio."

Rich Baxter and Ron Cohen of Cushman & Wakefield represented SL Green in the transaction.

The transaction is expected to close the first quarter of 2007.

**About SL Green Realty Corp.**

*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 December 31, 2006, the Company owned 28 office properties totaling 19.0 million square feet. The Company's retail space ownership totals 296,000 square feet at eight 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.*

---

**FOR IMMEDIATE RELEASE****CONTACT**

Gregory Hughes  
Chief Financial Officer

- -or-

Andrew Mathias  
Chief Investment Officer  
(212) 594-2700

SL Green Realty Corp. Strategically Acquires  
Two Premier Suburban Office Properties

\*\*\*

*Adds 300 Main Street in Stamford, CT &  
399 Knollwood Road in White Plains, NY to Portfolio*

New York, NY, January 30, 2007 — SL Green Realty Corp. (NYSE: SLG) today announced that it has acquired 300 Main Street in Stamford, Connecticut and 399 Knollwood Road in White Plains, New York for \$46.6 million, or \$167 per square foot, inclusive of 50,000 square feet of garage parking at 300 Main Street, from affiliates of RPW Group.

Situated in downtown Stamford, 300 Main Street is a 132,696 square foot, eight-story commercial office and retail building. The property, which was last renovated in 2002, is home to a quality tenancy including Wachovia, Elizabeth Arden and Putnam Investments. Currently the building is 88.9% occupied, including retail space which is 100% occupied to tenants LSM Enterprises and Wachovia.

399 Knollwood Road is a 146,156 square foot, three-story office and retail building located directly off the Westchester Expressway in White Plains, New York. The 97.4% occupied property, which was constructed in 1985, boasts Metlife and NYS Grievance as tenants. The retail space at 399 Knollwood is 100% leased to UPS and an on-site café.

Andrew Mathias, Chief Investment Officer of SL Green, stated, “The acquisition of 300 Main Street and 399 Knollwood Road is a strategic fit with of the recently acquired Reckson Portfolios in Westchester and Stamford. The former Reckson teams in both submarkets will maximize value at both properties via their superior micro-market knowledge and extensive relationships thereby providing SL Green with a competitive advantage in these high-barrier-to-entry markets.”

The transaction closed in January of 2007.

**About SL Green Realty Corp.**

*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 December 31, 2006, the Company owned 28 office properties totaling 19.0 million square feet. The Company's retail space ownership totals 296,000 square feet at eight 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.*

---