



## **SL Green Realty Corp. Expands Portfolio With Acquisition of the Fee Interest In 1250 Broadway for \$93 Million**

### **Accretive Transaction Solidifies SL Green's Position as Major Landlord In The Pennsylvania Station Submarket**

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New York, July 14 -- SL Green Realty Corp. (NYSE: SLG) ("SL Green") announced today that it has contracted with 3832 Associates to purchase the fee interest in 1250 Broadway, a 670,000 square foot, 39-story office tower located in the Pennsylvania Station ("Penn Station") submarket, for \$93.0 million in cash (\$139 per square foot).

Closing is expected to occur in the third quarter of 1999 and will increase SL Green's ownership of office buildings in Manhattan to 24 properties with approximately 8.7 million rentable square feet. The acquisition also makes SL Green one of the largest landlords in the resurgent Penn Station area, with over 2.1 million rentable square feet.

The transaction is expected to be immediately accretive to funds from operations ("FFO"). Management expects the property to generate going-in cash returns of approximately 8.8%, and 9.6% on a GAAP basis. The levered internal rate of return on the investment is expected to be in excess of 23%.

#### **About the Property**

1250 Broadway, which is currently 96.5% occupied, is located just one block east of Penn Station between 31st and 32nd Streets on Broadway. The Penn Station area is currently a hotbed of redevelopment in Manhattan with renovations planned for both the terminal and surrounding areas.

A \$500 million Penn Station redevelopment project is scheduled to begin in 2000 and to be completed by 2003. Upon completion, the 1.4 million square foot Farley Post Office complex will have 30% more passenger capacity and will double passenger circulation space. About 15% of leases at 1250 Broadway will roll over at approximately the same time as completion of this project.

The property, built in 1968, includes 601,000 square feet of office space; 21,000 square feet of retail space; and 48,000 square feet of parking. Floorplates range between 13,100 and 24,000 square feet. The building has a diversified tenant base, including:

Tenant	Square Footage
The City of New York	48,000
Visiting Nurse Services	168,000
The New York Transit Authority	44,500
Twenty-Four Seven Media, Inc.	40,500
Information Builders	88,500

Commenting on today's news, Marc Holliday, Chief Investment Officer of SL Green noted, "This transaction, like others we have recently completed, fits well with our stated financial objectives by offering us a good mix of cash flow plus significant upside opportunity. In particular, the building's location in the revitalized Penn Station submarket, when combined with our repositioning program, should allow us to continue to attract a solid base of creditworthy tenants, while taking advantage of escalating rents in the area. Current average in-place office rents at 1250 Broadway are \$23 per square foot -- approximately 30% below market."

Stephen L. Green, Chairman and Chief Executive Officer of SL Green commented "We are delighted to be able to acquire 1250 Broadway, a property which was not even slated to come to market until later this year. In fact, it was through the use of

our strong, pre-existing industry relationships -- generated over the past 19 years -- that we were able to negotiate this key transaction on a preemptive basis before the property was exposed to the market."

Mr. Green continued, "This strategic purchase reinforces SL Green's strategy of acquiring properties in Manhattan's most dynamic submarkets and within short walking distances of major Midtown Manhattan commuter transportation hubs. It also further solidifies our position as New York City's 'affordable rent expert' and the largest owner of Class B office buildings in Midtown Manhattan."

SL Green Corp. is a fully integrated, self-administered and self-managed real estate investment trust ("REIT") which primarily owns, manages, leases, acquires and repositions Class B office properties in Manhattan.

Visit SL Green's website at <http://www.slgreen.com>, or SL Green's pages at <http://www.frbinc.com>.

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 the forward-looking information include the strength of the commercial office real estate market, competitive market conditions, general economic growth, interest rates and capital market conditions. For further information, please refer to the Company's filings with the Securities and Exchange Commission.