

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report: October 24, 2001

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)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) EXHIBITS

99.1 Press Release

ITEM 9. REGULATION FD DISCLOSURE

Following the issuance of a press release on July 23, 2001 announcing the Company's results for the third quarter ended September 30, 2001, 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 to this Current Report on Form 8-K.

Note: the information in this report (including the exhibits) is furnished pursuant to Item 9 and 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. This report will not be deemed an admission as to the materiality of any information in the report that is required to be disclosed solely by Regulation FD.

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/ Thomas E. Wirth

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Thomas E. Wirth  
Executive Vice President, Chief Financial Officer

Date: October 24, 2001

[LOGO OF SL GREEN REALTY CORP.]  
420 Lexington Avenue New York City 10170

## CONTACT

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Michael W. Reid  
Chief Operating Officer  
-or-  
Thomas E. Wirth  
Chief Financial Officer  
(212) 594-2700

## FOR IMMEDIATE RELEASE

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SL GREEN REALTY CORP. REPORTS THIRD QUARTER FFO OF \$0.73 PER SHARE  
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## HIGHLIGHTS

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- o 15% same store portfolio cash NOI growth
  - o Issued five million common shares at \$29.80 net per share; raised \$149 million in net proceeds
  - o FFO increased to \$0.73 per share (diluted) versus \$0.70 prior year, a 4% increase, and a 9% FFO increase excluding the \$1.0 million (\$0.03 per share) contribution to the Twin Towers Fund
  - o FFO increased \$3.9 million (19%) to \$24.0 million from \$20.1 million
  - o Acquired 49.9% interest in 1250 Broadway from its JV partner for \$29.5 million and refinanced property with \$85 million first mortgage
  - o Invested \$53.5 million in a preferred equity position in The News Building
  - o Originated \$57.7 million in structured finance investments

## FINANCIAL RESULTS

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NEW YORK, NY, OCTOBER 23, 2001 - SL Green Realty Corp. (NYSE:SLG) reported improved operating results for the three months ended September 30, 2001. During the period, funds from operations (FFO) before minority interests totaled \$24.0 million, or \$0.73 per share (diluted), compared to \$20.1 million, or \$0.70 per share (diluted), for the same quarter in 2000. The 2001 quarterly results include a \$1.0 million charge, or \$0.03 per share, for a one-time contribution to the Twin Towers Fund. Excluding this contribution, third quarter earnings would have been \$0.76 per share, representing a 9% improvement over the prior year. The FFO per share calculation is reflective of the Company's five million common share issuance in the third quarter of 2001 which increased the weighted average dilutive shares outstanding to 36.1

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million, a 13% increase over the prior year. This growth was primarily attributable to strong same store cash NOI growth of 15%.

Nine month results were also strong, reflecting a 14% FFO increase over 2000 as FFO before minority interests totaled \$68.6 million or \$2.25 per share (diluted), compared to \$55.6 million or \$1.97 per share (diluted) for the same period in the previous year. This growth is also attributable to strong same store cash NOI growth of 16%.

For the quarter, net income available to common shareholders, adjusted for property sales, extraordinary items and the cumulative effect of an accounting change increased 14% to \$13.6 million, or \$0.43 per share (diluted) as compared to \$11.9 million, or \$0.43 per share (diluted), for the same period in the previous year. For the nine months ended September 30, 2001, adjusted net income increased 25% to \$39.1 million, or \$1.36 per share (diluted), as compared to \$31.4 million, or \$1.16 per share (diluted), for the same period in the previous year.

Total quarterly revenues increased in the third quarter to \$61.9 million (1.7%) compared to last year's \$60.9 million. The \$1.0 million growth in revenue resulted primarily from:

- o 2001 acquisitions (\$6.0 million)
- o 2001 same store portfolio (\$1.7 million).

These revenue increases were partially offset by reduced revenues of properties sold (\$6.0 million) and investment and preferred equity income (\$1.0 million). The \$1.0 million decrease in investment and preferred equity income is due to the following: (i) \$0.7 million from yield maintenance received from the early redemption of a preferred equity investment on 1370 Avenue of the Americas in third quarter 2000 and (ii) lower yields primarily from reduced interest rates (\$0.5 million) and investment spreads (\$0.9 million) and the decrease is partially offset by the higher weighted average structured finance investment balance outstanding (\$1.3 million).

During the third quarter, same store cash NOI increased \$3.3 million to \$25.6 million, as compared to \$22.3 million over the same period in the prior year. Cash NOI margins before ground rent improved year over year from 55.2% to 60.2%. The improvement in cash NOI was driven primarily by a \$3.4 million increase in cash revenue due to:

- o A 45% increase in replacement rents over previous fully-escalated rents (\$1.3 million)
- o Reduced free and straight-line rents (\$1.7 million)
- o Rent steps from current in-place tenants (\$0.5 million)
- o \$0.9 million increase in escalation and reimbursement income primarily from increased electric reimbursement, operating expense reimbursements and percentage rent escalations
- o Decrease in revenue due to lower occupancy primarily due to planned vacancy at 1466 Broadway (\$0.4 million)
- o Decrease in revenue due to higher reserves for tenant allowance (\$0.6 million).

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The net increase in revenue was partially offset by \$0.2 million increase in real estate taxes with operating expenses remaining flat. Approximately 90.0% of the quarterly electric expense was recovered through the utility clause in the tenants' leases.

The Company's third quarter EBITDA increased \$1.6 million resulting in increased margins before ground rent of 66.0% in 2001 as compared to 65.4% for the same period last year. After ground rent, margins improved to 60.6% in 2001 from 59.7% in the corresponding prior year period. Margin improvement was driven by the Company's primary real estate investment themes:

- o GAAP NOI of \$4.4 million
  - o \$3.4 million increase from 2001 acquisitions
  - o \$1.8 million increase from same store (7% improvement)
  - o \$2.2 million increase from net income from unconsolidated joint ventures
  - o \$3.3 million decrease from properties sold or contributed to joint ventures.

These increases in EBITDA were partially offset by (i) an increase in MG&A (\$1.6 million) primarily due to a \$1.0 million contribution to the Twin Towers fund and increased personnel costs, (ii) a decrease in investments and other income (\$0.7 million) and (iii) a loss from equity in affiliates as compared to net income in the prior year (\$0.1 million).

FFO for the quarter ended September 30, 2001 improved \$3.9 million primarily as a result of a \$1.6 million increase in EBITDA, increased FFO adjustment from joint ventures (\$1.4 million) and lower interest costs (\$0.9 million). Lower interest costs (\$0.9 million) were associated with: higher average debt levels due to net acquisition and new investment debt activity (\$1.5 million), the higher average debt levels due to the funding of ongoing capital projects and working capital requirements (\$0.2 million), and the proceeds from the Company's July common stock offering (\$1.6 million) offset by lower interest rates from floating rate debt (\$0.9 million).

During the quarter ended September 30, 2001, the Company recorded an extraordinary loss of \$0.3 million due to the early extinguishment of debt that was excluded from the Company's FFO results. The 2001 quarterly results of the Company exclude a gain on sale of property interest that totaled \$0.6 million and the 2000 quarterly results exclude a gain on redemption of a preferred equity investment totaling (\$5.6 million).

At the end of the quarter, consolidated debt totaled \$484.1 million, reflecting a debt to market capitalization ratio of 30.0%.

NEW PROPERTY ACTIVITY  
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## 1250 BROADWAY ACQUISITION

On September 24, 2001, the Company acquired a 49.9% interest in 1250 Broadway from its joint venture partner, The Carlyle Group, for approximately \$29.5 million. In conjunction with this transaction, Salomon Smith Barney provided \$85 million of first mortgage financing. 1250 Broadway is a 39-story building with approximately 685,000 square feet, and occupies the block

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front between 31st and 32nd Streets on Broadway. It is currently 99.6% leased. The going-in cash NOI yield on the investment is approximately 9.5% per annum. The Company is currently implementing a \$5 million capital improvement program to significantly renovate and upgrade the property. During the quarter, Visiting Nurse Services of New York, a current tenant in the building, expanded into 80,000 square feet at an average rent over \$40.00 per square foot and simultaneously replaced 25,000 square feet previously occupied by technology tenants. The acquisition is the first step in transitioning the property to a long-term ownership position with a new capital partner.

## 110 EAST 42ND STREET SALE

The Company sold a 69,700 square foot condominium interest in its property located at 110 East 42nd Street for \$14.5 million, or approximately \$208 per square foot. In connection with the sale, the Company recognized a gain of approximately \$0.6 million. The Company will manage the condominium and continues to own the remaining 181,000 square feet of the property through a condominium interest.

## THE NEWS BUILDING PREFERRED EQUITY INVESTMENT

On September 10, 2001 the Company announced the purchase of a \$53.5 million preferred equity investment in The News Building, a 1.1 million square foot office building located at 220 East 42nd Street, New York. The investment was made into an entity affiliated with The Witkoff Group and DRA Advisors, Inc. who continue to own a majority interest in the property. In connection with the transaction, SL Green has assumed leasing responsibilities at the property.

## NEW STRUCTURED FINANCE ACTIVITY

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The Company has completed the following transactions:

- o Originated \$57.7 million of structured finance assets at a retained yield after seller financing of 14.6%, including \$30 million in October
- o PREI funded \$25 million of a structured finance asset under the established investment program.

## OTHER

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## COMMON SHARE ISSUANCE

On July 25th, the Company sold 5 million common shares at a gross price of \$30.66 per share. After the underwriter's discount, net proceeds to the Company totaled \$149.0 million, or \$29.80 per share. The immediate use of proceeds was to pay down the Company's unsecured revolving credit facility.

## DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

The Company filed a registration statement with the SEC to register a dividend reinvestment and stock purchase plan ("DRIP") which was declared effective on September 24, 2001. The Company registered 3 million shares of common stock under the DRIP.

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As of September 30, 2001, the Company's portfolio consists of interests in 25 properties, aggregating 10.0 million square feet.

SL Green Realty Corp. is a self-administered and self-managed real estate investment trust ("REIT") that acquires, owns, repositions and manages a portfolio of Manhattan office properties. The Company is the only publicly held REIT who specializes exclusively in this niche.

Financial Tables attached.



Interest		
9,785	10,698	
36,853	30,243	
Depreciation		
and		
amortization		
9,047	8,300	
27,956	24,519	
Real estate		
taxes	7,452	
7,299	23,590	
	21,688	
Marketing,		
general and		
administrative		
4,116	2,540	
11,331	8,517	
-----	---	
-----	---	
-----	---	
Total		
expenses		
48,577	47,261	
	154,132	
136,365	-----	
-----	-----	
-----	-----	
-----	-----	
13,347	13,613	
41,262	35,763	
Equity in net		
income (loss)		
from		
affiliates		
(57)	71	(984)
609	Equity in	
	net income	
	from	
unconsolidated		
joint		
ventures		
2,752	586	
6,020	2,209	-
-----	-----	-----
-----	-----	-----
-----	-----	-----
Income before		
minority		
interest,		
extraordinary		
items,		
property		
sales,		
cumulative		
effect		
adjustment		
and preferred		
stock		
dividends and		
accretion		
16,042	14,270	
46,298	38,581	
Minority		
interests		
(1,010)		
(1,496)		
(3,496)		
(4,964)		
Extraordinary		
loss, net of		
minority		
interest		
(332)	--	
(430)	(430)	
Gain on sale		
of rental		
properties		
647	5,624	
5,164	24,646	
Cumulative		
effect of		

accounting  
 change -- --  
 (532) --  
 Preferred  
 stock  
 dividends and  
 accretion  
 (2,414)  
 (2,407)  
 (7,243)  
 (7,220) -----  
 -----  
 -----

----- Net  
 income  
 available to  
 common  
 shareholders  
 \$ 12,933 \$  
 15,991 \$  
 39,761 \$  
 50,613

=====  
 =====  
 =====  
 ===== Net  
 income per  
 share (Basic)  
 \$ 0.45 \$ 0.65  
 \$ 1.53 \$ 2.08

Net income  
 per share  
 (Diluted) \$  
 0.44 \$ 0.62 \$  
 1.50 \$ 1.98

FUNDS FROM  
 OPERATIONS  
 (FFO) FFO per  
 share (Basic)  
 \$ 0.78 \$ 0.75  
 \$ 2.42 \$ 2.08  
 FFO per share  
 (Diluted) \$  
 0.73 \$ 0.70 \$  
 2.25 \$ 1.97

FFO  
 CALCULATION:  
 -----

-- Income  
 before  
 minority  
 interests,  
 preferred  
 stock  
 dividends,  
 extraordinary  
 loss,  
 property  
 sales and  
 cumulative  
 effect  
 adjustment \$

16,042 \$  
 14,270 \$  
 46,298 \$

38,581 LESS:  
 Preferred  
 stock  
 dividend  
 (2,300)  
 (2,300)  
 (6,900)

(6,900) Add:  
 Joint venture  
 FFO  
 adjustment  
 2,225 842  
 4,579 2,468  
 Depreciation  
 and  
 amortization

9,047 8,300  
 27,956 24,519  
 Amortization  
 of deferred  
 financing  
 costs and  
 depreciation  
 of non-real  
 estate assets  
 (1,059)  
 (1,042)  
 (3,371)  
 (3,105) -----

-----  
 -  
 ----- FFO  
 - BASIC  
 23,955 20,070  
 68,562 55,563

Add:  
 Preferred  
 stock  
 dividends  
 2,300 2,300  
 6,900 6,900 -  
 -----

-----  
 --  
 -----  
 FFO - DILUTED  
 \$ 26,255 \$  
 22,370 \$  
 75,462 \$  
 62,463

=====  
 =====  
 =====  
 =====

Basic  
 ownership  
 interests  
 Weighted  
 average REIT  
 common shares  
 28,511 24,458  
 25,988 24,329  
 Weighted  
 average  
 partnership  
 units held by  
 minority  
 interest  
 2,280 2,346  
 2,286 2,385 -  
 -----

-----  
 --  
 -----

Basic  
 weighted  
 average  
 shares and  
 units  
 outstanding  
 30,791 26,804  
 28,274 26,714

=====  
 =====  
 =====  
 =====

Diluted  
 ownership  
 interest  
 Weighted  
 average REIT  
 common and  
 common share  
 equivalent  
 shares 29,093  
 24,954 26,506  
 24,678  
 Weighted  
 average

partnership  
units held by  
minority  
interests  
2,280 2,346  
2,286 2,385  
Common share  
equivalents  
for preferred  
stock 4,699  
4,699 4,699  
4,699 -----  
-----  
-----

Diluted  
weighted  
average  
equivalent  
shares and  
units  
outstanding  
36,072 31,999  
33,491 31,762  
=====

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

September 30,	December 31,	2001	2000	-----	-----
----- ASSETS (unaudited) Commercial real estate properties,					
at cost: Land and land interests					
.....				\$ 138,337	
	\$ 125,572	Buildings and improvements	.....	679,821	
	618,637	Building leasehold	.....		
	143,198	139,393	Property under capital lease	.....	
.....				12,208	12,208
-----	973,564	895,810	Less accumulated		
depreciation	.....			880,225	817,378
(93,339)	(78,432)	-----	-----		
		Properties held for sale	.....	--	10,895
		Cash and cash equivalents	.....	5,991	
		10,793	Restricted cash	.....	
37,104	86,823	Tenant receivables, net \$3,905 and \$1,723 reserve	.....		
		in 2001 and 2000, respectively	.....		
		12,229	7,580	Related party receivables	.....
.....				1,883	917
Deferred rents receivable net of provision for doubtful accounts					
of \$4,813 and 50,060	45,816	\$4,860	in 2001 and 2000,		
respectively	Investment in and advances to affiliates	.....		8,570	6,373
.....				Investment in	
unconsolidated joint ventures	.....				
143,049	65,031	Structured finance investments	.....	157,901	51,293
.....		Deferred costs, net	.....		
		36,066	40,113	Other assets	.....
.....					
	13,093	18,142	-----	-----	Total assets
\$ 1,346,171	\$ 1,161,154	=====	=====		LIABILITIES AND
					STOCKHOLDERS' EQUITY
					Mortgage notes payable
.....				\$	
	411,393	\$ 414,342	Revolving credit facility		

.....	72,738	
46,374 Accrued interest payable		
.....	1,935	
2,349 Accounts payable and accrued expenses		
.....	20,827	24,818
Deferred revenue		
.....		
1,363 1,112 Deferred compensation awards		
.....	1,838	2,833
Derivative instruments--fair value		
.....	4,987	--
Capitalized lease obligations		
.....	15,505	15,303
Deferred land lease payable		
.....	13,926	13,158
Dividend and distributions payable		
.....	14,775	12,678
Security deposits		
.....		
18,903 19,014 -----		
Total liabilities		
.....		
578,190 551,981 -----		
Minority interest		
.....		
46,474 43,326 8% Preferred Income Equity Redeemable Stock \$0.01		
par value, \$25.00 mandatory liquidation preference 25,000 shares		
authorized, 4,600 outstanding in 2001 and 2000		
.....	111,117	110,774
STOCKHOLDERS'		
EQUITY Common stock, \$0.01 par value 100,000 shares authorized,		
29,944 and 24,516 issued and outstanding in 2001 and 2000,		
respectively	300	246
Additional paid -		
in capital	582,874	
.....	428,698	
Deferred compensation plan		
.....	(8,400)	(5,037)
Accumulated other comprehensive loss		
.....	(4,500)	--
Retained earnings		
.....	40,116	
31,166 -----		
Total stockholders' equity		
.....	610,390	
455,073 -----		
Total liabilities and		
stockholders' equity		\$
.....		
1,346,171 \$ 1,161,154 =====		7

SL GREEN REALTY CORP.  
SELECTED OPERATING DATA-UNAUDITED

September  
30, 2001  
2000 ----  
----  
OPERATING  
DATA: Net  
rentable  
area at  
end of  
period (in  
000's)(1)  
10,036  
9,131  
Portfolio  
occupancy  
percentage  
at end of  
period 98%  
98% Same  
store  
occupancy  
percentage  
at end of  
period 98%  
98% Number  
of  
properties

in  
operation  
25 23

(1) Includes wholly-owned and majority and minority owned properties.