

SL Green Realty Corp.  
Fourth Quarter 2001  
Supplemental Data  
December 31, 2001

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

- SL Green's common stock and Preferred Income Equity Redeemable Shares ("PIERS" <sup>SM</sup>), are listed on the New York Stock Exchange, and trade under the symbols: SLG and SLG PrA respectively.
- SL Green maintains an internet site at **www.slgreen.com** at which most key investor relations data pertaining to dividend declaration, payout, current and historic share price, etc. can be found. Such information is not reiterated in this supplemental financial package. This supplemental financial package is available through the Company's Internet site.
- This data is presented to supplement audited and unaudited regulatory filings of the Company and should be read in conjunction with those filings. The financial data herein is unaudited and is provided from the prospective of timeliness to assist readers of quarterly and annual financial filings. As such, data otherwise contained in future regulatory filings covering the same period may be restated from the data presented herein.
- Questions pertaining to the information contained herein should be referred to Michael W. Reid or Thomas E. Wirth at michael.reid@slgreen.com or tom.wirth@slgreen.com or at 212-594-2700.

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

The following discussion related to the consolidated financial statements of the Company should be read in conjunction with the financial statements for the Year ended December 31, 2001 that will subsequently be released on Form 10-K to be filed on or before March 31, 2002.

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## CORPORATE PROFILE

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

Looking forward, SL Green Realty Corp. will continue its opportunistic investment philosophy through 3 established business lines: wholly owned property investments, co-ownership in properties with institutional partners, and structured finance investments. This three-legged investment strategy will allow SL Green to balance the components of its portfolio to take advantage of each stage in the business cycle.

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

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## FINANCIAL HIGHLIGHTS

FOURTH QUARTER 2001  
UNAUDITED

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### EARNINGS PERFORMANCE

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Fourth quarter Funds From Operations (FFO) were \$26.3 million or \$0.76 per share (diluted), 9% better than one year ago, when FFO was \$20.1 million or \$0.70 per share (diluted). For the twelve months ended December 31, 2001, FFO was \$94.8 million or \$3.02 per share (diluted), a 13% improvement over 2000 when FFO was \$75.6 million or \$2.67 per share (diluted). The fourth quarter FFO per share results reflect the Company's five million common share issuance in July 2001 which increased the weighted average dilutive shares outstanding from 34.5 million in 2000 to 37.5 million.

The \$6.2 million growth in fourth quarter FFO reflects contributions from the following:

(1) Consolidated GAAP NOI increased \$2.4 million:

- ◄ \$3.4 million from 2001 acquisitions of 1370 Broadway and 317 Madison Avenue.
- ◄ \$1.1 million increase from same store properties as GAAP revenue increased \$1.0 million, net of change in credit loss. The increase in revenue is attributable to (i) \$1.8 million in rental revenue as GAAP replacement rents which were 53% higher than the previously fully escalated rents was partially

offset by higher tenant reserves and vacancies (\$0.8 million) and (ii) increased escalation and reimbursement income (\$0.8 million) related to the increased energy recovery through operating escalations and percentage rent escalations (\$0.5 million). The electric recovery rate for the quarter was approximately 95% as compared to 80% the previous year. Revenue gains were partially offset by \$0.2 million (4%) of higher real estate taxes due to higher property value assessments, while operating expenses increased less than 1%.

- ◄ \$1.7 million increase from the equity in income from unconsolidated joint ventures primarily due to the contribution of One Park Avenue to a joint venture, the net acquisition of an incremental share in the interest in 1250 Broadway (from 49.9% to 55.0%), and the purchase of 469 Seventh Avenue and 180 Madison Avenue, partially offset by the sale of 90 Broad Street.
- ◄ \$3.7 million decrease from wholly-owned properties sold or partially sold; 17 Battery South, condo unit at 110 East 42<sup>nd</sup> Street, 1412 Broadway, and 633 Third Ave.

(2) Investment and preferred equity income increased \$1.7 million primarily due to (i) the \$53.5 million preferred

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## FINANCIAL HIGHLIGHTS CONTINUED

FOURTH QUARTER 2001  
UNAUDITED

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equity investment in The News Building (\$1.7 million) in September 2001 and (ii) the \$30.0 million structured finance investment (\$1.0 million) in October 2001. The increase is partially offset by a \$1.1 million write off of technology investments primarily representing ENN/Captivate.

(3) \$1.0 million increase in other income primarily due to an acquisition fee earned on 1250 Broadway (\$0.6 million) and asset management fees earned on joint ventures (\$0.3 million).

(4) Lower interest costs (\$0.8 million) associated with (i) reduced loan balances due to previous disposition activity (\$1.1 million), (ii) reduced loan balances from July offering proceeds (\$0.6 million) and (iii) reduced interest costs on floating rate debt (\$0.8 million). These reductions were partially offset by increased costs associated with new investment activity (\$1.6 million) and increased costs for working capital reserves (\$0.1 million).

(5) MG&A increased \$1.0 million due to higher personnel costs due to several executive management changes and higher year-end compensation and severance costs.

(6) The net loss from affiliates improved to \$0.2 million primarily due to higher third party management and construction supervisory fees from our joint ventures.

Operating earnings increased 15% to \$13.8 million, or \$0.45 per share (diluted) as compared to \$9.7 million, or \$0.39 per

share (diluted), for the same period in the previous year. For the twelve months ended December 31, 2001, operating earnings increased 23% to \$49.3 million, or \$1.79 per share (diluted), as compared to \$36.1 million, or \$1.46 per share (diluted), for the same period in the previous year.

The preferred shares are anti-dilutive based upon adjusted net income described above for the periods presented.

### QUARTERLY OPERATING MARGINS

#### **Same Store**

Same store cash NOI in the 2001 same store portfolio rose \$1.4 million (6%) from \$24.2 million in 2000 to \$25.7 million in 2001, and operating margins before ground rent improved from 60.7% to 62.3%. GAAP NOI increased by \$1.1 million (4%) over a year ago, and GAAP operating margins before ground rent improved from 64.9% to 65.3 %.

One of the primary drivers increasing same store cash NOI is the \$1.3 million increase in total revenue combined with a \$0.5 million reduction in free and straight-line rent, resulting in a \$1.8 million (3%) increase in cash revenue. The decrease in straight-line rent (\$0.4 million) is primarily due to 420 Lexington Avenue (\$0.2 million) and 711 Third Avenue (\$0.1 million) due to scheduled rent steps in tenant leases. The \$1.7 million increase in same store revenue is due to:

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# FINANCIAL HIGHLIGHTS CONTINUED

FOURTH QUARTER 2001  
UNAUDITED

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1. An increase in cash rental revenue of \$1.5 million resulting from higher replacement rents on approximately 363,000 square feet that were 43% greater than previously fully escalated rents. This increase was partially offset by increased vacancy and reserves (\$0.8 million).
2. Increased escalation and reimbursement income (\$0.8 million), consisting of electric reimbursement (\$0.5 million) and increased passthrough of operating costs including porter wage (\$0.3 million).

## **Consolidated**

The Company's consolidated fourth quarter EBITDA margins before ground rent improved to 72.1% compared to 66.0% for 2000. The EBITDA margin after ground rent improved to 66.5% as compared to 60.2% in the same period of the prior year.

These margin improvements are attributable to (i) GAAP NOI growth resulting from leasing due to average improvement in cash replacement rents over this 12 month period of 44% versus previously escalated rents, (ii) income from unconsolidated joint ventures and (iii) increased net investment in structured finance and preferred equity.

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## QUARTERLY LEASING HIGHLIGHTS

Vacancy at September 30, 2001 was 390,676 useable square feet net of holdover tenants. During the quarter, 205,080 additional useable office square feet became available at an average escalated cash rent of \$29.74 per rentable square foot. Space available before holdovers to lease during the quarter totaled 595,756 useable square feet, or 5.9% of the total portfolio.

During the fourth quarter, 45 office leases were signed totaling 160,766 useable square feet with new cash rents averaging \$36.87 per rentable square foot (exclusive of storage and retail space). Replacement rents were 49.2% greater than rents on previously occupied space, which had a fully escalated cash rent averaging \$24.71 per rentable square foot. Average tenant concessions were one month of free rent and an allowance of \$11.37 per rentable square foot. Including early renewals and excluding holdover tenants, the tenant renewal rate was 67%. 16 leases have expired comprising 30,261 useable square feet that are in a holdover status. This results in 350,439 useable square feet (net of holdovers) remaining available as of December 31, 2001.

The Company signed 9 leases for 51,117 useable square feet that were for early renewals. The early renewals for space

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## FINANCIAL HIGHLIGHTS CONTINUED

FOURTH QUARTER 2001  
UNAUDITED

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were not scheduled to become available until after the fourth quarter of 2001. The Company was able to renew the current office tenants at an average cash rent of \$31.41, representing an increase of 48.6% over the previously fully escalated rents of \$21.14.

### NEW ACTIVITY

#### New Property Activity

During November the Company announced that it has entered into a joint venture on 1250 Broadway with SITQ Immobilier.

Under the terms of the joint venture, SITQ Immobilier has purchased a 45% interest in the property, yielding proceeds of approximately \$22 million, inclusive of closing costs and reimbursements and subject to \$85 million of first mortgage financing from Salomon Brothers. The transaction enables SL Green to bring in a long-term partner in a core asset while freeing up capital for additional high growth opportunities and enhancing its yield on investment through fees earned in management, leasing and redevelopment of the asset.

#### Structured Finance Activity

The Company has completed the following transactions:

- The Company originated \$30.0 million of structured finance investments, a yield of 13.4% in October 2001.
- As of December 31, 2001 the Company's mortgage and preferred equity balances totaled \$188.4 million. The weighted balance outstanding over the quarter is \$177.2 million. During the fourth quarter 2001 the weighted average yield was 12.86%. The quarter end run rate is 12.72%.

### CAPITALIZATION AND LIQUIDITY

At the end of the quarter the Company replaced its \$60 million one-year Prudential secured credit facility with a new secured line for \$75 million led by Fleet Bank and Wachovia. The new secured line has a term of two years with one extension at an interest rate of LIBOR plus 150bp.

The Company's dividend payout ratio was 58.1% of FFO and 69.2% of FAD before first cycle leasing costs.

During December, the Company declared a dividend distribution of \$0.4425 per common share for the quarter ending December 31, 2001, an increase of \$0.22 or 14.2% per common share on an annualized basis. This distribution reflects the regular quarterly dividend, which



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## FINANCIAL HIGHLIGHTS CONTINUED

FOURTH QUARTER 2001  
UNAUDITED

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is the equivalent of an annualized distribution of \$1.77 per common share. At the close of the fourth quarter 2001, the common share annualized dividend yield was 5.8%. The Company also declared a dividend of \$0.50 per share of Preferred Income Equity Redeemable Stock for shareholders of record as of December 31, 2001. Both dividends were paid on January 15, 2002.

### OTHER

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Annually, the Company adjusts the same store pool to include all properties owned for a minimum of twelve months (since January 1, 2001). The 2002 same store pool will include the following properties:

<u>2002 SAME STORE</u>		
673 First Avenue	1140 Avenue of the Americas	420 Lexington Avenue
470 Park Avenue South	50 West 23 <sup>rd</sup> Street	1466 Broadway
70 West 36 <sup>th</sup> Street	555 West 57 <sup>th</sup> Street	440 Ninth Avenue
1414 Avenue of the Americas	711 Third Avenue	1372 Broadway
292 Madison Avenue	286 Madison Avenue	290 Madison Avenue
	17 Battery Place North	

## FINANCIAL HIGHLIGHTS

Fourth Quarter  
Unaudited



	Three Months Ended December 31	
	2001	2000
<b>Operational Information</b>		
Total Revenues (000's)	\$62,292	\$58,195
<b>Funds from Operations</b>		
FFO per share- diluted	\$0.76	\$0.70
FFO Payout	58.1%	55.4%
<b>Funds Available for Distribution</b>		
FAD per share- diluted	\$0.56	\$0.53
FAD Payout	69.2%	73.4%
<b>Operating Earnings</b>		
per share - diluted	\$0.45	\$0.39
<b>Dividends per share</b>	\$0.4425	\$0.3875
<b>Same-store Cash NOI increase</b>	6%	27%
<b>Capitalization Data (000's)</b>		
Total Assets	\$1,373,026	\$1,161,154
Total Debt	\$504,831	\$460,716
Minority Interest	\$46,430	\$43,326
Preferred Stock	\$111,231	\$110,774
Quarter End Closing Price - SLG Common Stock	\$30.71	\$28.00
Total Market Capitalization	\$1,835,500	\$1,442,583
<b>Ratios</b>		
Consolidated Debt to Total Market Capitalization	31.35%	34.72%
Joint Venture Debt Allocated	39.78%	39.96%
<b>Portfolio</b>		
<b>Total Buildings</b>		
Directly Owned	19	19
Joint Ventures	6	4
	25	23
Total SF	10,035,800	8,664,800
End of Quarter Occupancy	97.7%	98.1%

# COMPARATIVE BALANCE SHEETS



Unaudited  
(000's omitted)

	<u>12/31/2001</u>	<u>12/31/2000</u>	<u>+/-</u>	<u>9/30/2001</u>	<u>+/-</u>	<u>6/30/2001</u>	<u>+/-</u>
<b>Assets</b>							
Commercial real estate properties, at cost:							
Land & land interests	138,337	125,572	12,765	138,337	-	140,657	(2,320)
Buildings & improvements fee interest	689,094	618,637	70,457	679,821	9,273	683,889	5,205
Buildings & improvements leasehold	144,736	139,393	5,343	143,198	1,538	141,670	3,066
Buildings & improvements under capital lease	<u>12,208</u>	<u>12,208</u>	<u>-</u>	<u>12,208</u>	<u>-</u>	<u>12,208</u>	<u>-</u>
	984,375	895,810	88,565	973,564	10,811	978,424	5,951
Less accumulated depreciation	<u>(100,776)</u>	<u>(78,432)</u>	<u>(22,344)</u>	<u>(93,339)</u>	<u>(7,437)</u>	<u>(86,585)</u>	<u>(14,191)</u>
	883,599	817,378	66,221	880,225	3,374	891,839	(8,240)
Other Real Estate Investments:							
Investment in unconsolidated joint ventures	123,469	65,031	58,438	143,049	(19,580)	124,495	(1,026)
Mortgage loans receivable	126,298	51,293	75,006	96,411	29,887	97,832	28,466
Preferred Equity Investments	60,213	-	60,213	61,491	(1,278)	-	60,213
Derivatives - fair value	3,576	-	3,576	-	3,576	-	3,576
Properties held for sale	-	10,895	(10,895)	-	-	-	-
Cash and cash equivalents	13,193	10,793	2,400	5,991	7,202	43,742	(30,549)
Restricted cash:							
Tenant security	19,016	19,479	(463)	19,394	(378)	26,408	(7,392)
Escrows & other	19,408	67,344	(47,936)	17,710	1,698	11,108	8,300
Tenant and other receivables, net of \$3,629 reserve at 12/31/01	8,793	7,580	1,213	12,229	(3,437)	7,008	1,785
Related party receivables	3,498	917	2,581	1,883	1,615	955	2,543
Deferred rents receivable, net of reserve for							
tenant credit loss of \$5,264 at 12/31/01	51,855	45,816	6,039	50,060	1,795	49,354	2,501
Investment in and advances to affiliates	8,211	6,373	1,838	8,570	(359)	7,932	279
Deferred costs, net	34,901	40,113	(5,212)	36,066	(1,166)	37,446	(2,545)
Other assets	<u>16,996</u>	<u>18,142</u>	<u>(1,146)</u>	<u>13,093</u>	<u>3,903</u>	<u>21,546</u>	<u>(4,550)</u>
<b>Total Assets</b>	<b>1,373,026</b>	<b>1,161,154</b>	<b>211,872</b>	<b>1,346,171</b>	<b>26,855</b>	<b>1,319,665</b>	<b>53,361</b>

# COMPARATIVE BALANCE SHEETS



Unaudited  
(000's omitted)

	<u>12/31/2001</u>	<u>12/31/2000</u>	<u>+/-</u>	<u>9/30/2001</u>	<u>+/-</u>	<u>6/30/2001</u>	<u>+/-</u>
<b>Liabilities and Stockholders' Equity</b>							
Mortgage notes payable	409,900	414,342	(4,442)	411,393	(1,493)	325,411	84,489
Revolving credit facilities	94,931	46,374	48,557	72,738	22,193	283,238	(188,307)
Derivative Instruments-fair value	3,205	-	3,205	4,987	(1,782)	2,383	822
Accrued interest payable	1,875	2,349	(474)	1,935	(60)	2,533	(658)
Accounts payable and accrued expenses	22,819	24,818	(1,999)	20,828	1,991	20,922	1,897
Deferred compensation awards	1,838	2,833	(995)	1,838	-	1,838	-
Deferred revenue	1,381	1,112	271	1,363	19	1,587	(206)
Capitalized lease obligations	15,574	15,303	271	15,505	69	15,437	137
Deferred land lease payable	14,086	13,158	928	13,926	160	13,866	220
Dividend and distributions payable	16,570	12,678	3,892	14,775	1,795	12,796	3,774
Security deposits	18,829	19,014	(185)	18,903	(74)	20,776	(1,947)
Total Liabilities	601,008	551,981	49,027	578,190	22,818	700,787	(99,779)
Minority interest (2,271 units outstanding)	46,430	43,326	3,104	46,474	(44)	43,546	2,884
8% Preferred Income Equity Redeemable Shares \$0.01 par value, \$25.00 mandatory liquidation preference, 4,600 outstanding	111,231	110,774	457	111,117	114	111,002	229
<b>Stockholders' Equity</b>							
Common stock, \$.01 par value 100,000 shares authorized, 29,978 issued and outstanding at 12/31/01	300	246	54	300	0	249	51
Additional paid – in capital	583,350	428,698	154,652	582,874	476	436,262	147,088
Deferred compensation plans & officer loans	(7,515)	(5,037)	(2,478)	(8,400)	885	(9,072)	1,557
Accumulated other comprehensive loss	(1,462)	-	(1,462)	(4,500)	3,038	(1,896)	434
Retained earnings	39,684	31,166	8,518	40,116	(432)	38,787	897
Total Stockholders' Equity	614,357	455,073	159,284	610,390	3,967	464,330	150,027
<b>Total Liabilities and Stockholders' Equity</b>	<b>1,373,026</b>	<b>1,161,154</b>	<b>211,872</b>	<b>1,346,171</b>	<b>26,855</b>	<b>1,319,665</b>	<b>53,361</b>

# COMPARATIVE STATEMENTS OF OPERATIONS



Unaudited  
(\$000's omitted)

	Three Months Ended				Twelve Months Ended		
	Dec-01	Dec-00	+/-	%	Sep-01	Dec-01	Dec-00
<b>Revenues</b>							
Rental revenue, net	46,859	46,037	822	2%	46,426	196,484	176,929
Free rent	693	781	(88)	-13%	877	4,655	7,142
Amortization of free rent	(781)	(756)	(25)	3%	(739)	(3,174)	(3,243)
Net free rent	(88)	25	(113)	128%	138	1,480	3,899
Straight-line rent	1,956	2,171	(215)	-11%	1,783	8,625	9,074
Allowance for S/L tenant credit loss	(443)	(182)	(261)	59%	(377)	(1,928)	(854)
Escalation and reimbursement revenues	6,872	5,791	1,081	16%	9,114	31,339	24,732
Signage rent	568	544	24	4%	424	1,522	2,137
Preferred equity investment income	1,931	-	1,931		630	2,561	
Investment income	3,182	3,367	(185)	-6%	3,306	14,808	13,271
Other income	1,455	442	1,013	70%	479	2,793	1,135
<b>Total Revenues, net</b>	<b>62,292</b>	<b>58,195</b>	<b>4,097</b>	<b>7%</b>	<b>61,924</b>	<b>257,685</b>	<b>230,323</b>
Equity in income/(loss) from affiliates	(71)	(231)	160	-227%	(57)	(1,054)	378
Equity in income from unconsolidated joint ventures	2,587	899	1,688	65%	2,752	8,607	3,108
<b>Expenses</b>							
Operating expenses	13,159	12,751	408	3%	15,076	58,141	54,644
Ground rent	3,159	3,155	4	0%	3,101	12,579	12,660
Real estate taxes	7,373	7,163	210	3%	7,452	30,963	28,850
Marketing, general and administrative	4,044	3,043	1,001	25%	4,116	15,374	11,561
<b>Total Operating Expenses</b>	<b>27,735</b>	<b>26,112</b>	<b>1,623</b>	<b>6%</b>	<b>29,745</b>	<b>117,057</b>	<b>107,715</b>
<b>EBITDA</b>	<b>37,073</b>	<b>32,751</b>	<b>4,322</b>	<b>12%</b>	<b>34,874</b>	<b>148,181</b>	<b>126,094</b>
Interest	9,384	10,188	(804)	-9%	9,785	46,238	40,431
Depreciation and amortization	10,380	7,992	2,388	23%	9,047	38,336	32,511
<b>Income Before Minority Interest</b>	<b>17,309</b>	<b>14,571</b>	<b>2,738</b>	<b>16%</b>	<b>16,042</b>	<b>63,607</b>	<b>53,152</b>
Extraordinary loss- early debt extinguishment	-	(491)	491	0%	(332)	(430)	(921)
Gain/ (Loss) on sale of properties	(207)	16,770	(16,977)	0%	647	4,956	41,416
Cumulative effect of accounting change	-	-	-	0%	-	(532)	-
Minority interest - OP	(1,104)	(2,467)	1,363	-124%	(1,010)	(4,600)	(7,430)
<b>Net Income</b>	<b>15,998</b>	<b>28,383</b>	<b>(12,385)</b>	<b>-77%</b>	<b>15,347</b>	<b>63,001</b>	<b>86,217</b>
Dividends on preferred shares	2,300	2,300	-	0%	2,300	9,200	9,200
Preferred stock accretion	114	107	7	6%	114	458	426
<b>Net Income Available For Common Shares</b>	<b>13,584</b>	<b>25,976</b>	<b>(12,392)</b>	<b>-91%</b>	<b>12,933</b>	<b>53,343</b>	<b>76,591</b>
<b>Ratios</b>							
MG&A to Real Estate Revenue, net	7.26%	5.60%			7.16%	6.47%	5.35%
MG&A to Total Revenue, net	6.49%	5.23%			6.65%	5.97%	5.02%
Operating Expense to Real Estate Revenue, net	23.61%	23.45%			26.21%	24.48%	25.31%
EBITDA to Real Estate Revenue, net	66.53%	60.22%			60.64%	62.39%	58.40%
EBITDA before Ground Rent to Real Estate Revenue, net	72.20%	66.02%			66.03%	67.68%	64.26%

# COMPARATIVE STATEMENTS OF OPERATIONS



Unaudited  
(\$000's omitted)

	Three Months Ended			Twelve Months Ended		
	Dec-01	Dec-00		Sep-01	Dec-01	Dec-00
<b>Per share data:</b>						
<b><u>Earnings per Share</u></b>						
Net income per share (basic)	0.45	1.06		0.45	1.98	3.14
Net income per share (diluted)	0.45	0.96		0.44	1.94	2.93
<b><u>Operating Earnings</u></b>						
Net Income Available For Common Shares	13,584	25,976	-48%	12,933	53,343	76,591
Extraordinary loss- early debt extinguishment	-	491	-100%	332	430	921
Cumulative effect of accounting change	-	-	0%	-	532	-
Gain on Sale	207	(16,770)	-101%	(647)	(4,956)	(41,416)
<b>Operating Earnings</b>	<b>13,791</b>	<b>9,697</b>	<b>42%</b>	<b>12,618</b>	<b>49,348</b>	<b>36,097</b>
<b>Operating Earnings Per Share - Basic</b>	<b>0.46</b>	<b>0.40</b>	<b>15%</b>	<b>0.44</b>	<b>1.83</b>	<b>1.48</b>
<b>Operating Earnings Per Share - Diluted</b>	<b>0.45</b>	<b>0.39</b>	<b>15%</b>	<b>0.43</b>	<b>1.79</b>	<b>1.46</b>
<b><u>Taxable Income</u></b>						
Net Income Available For Common Shares	13,584	25,976	-48%	12,933	53,343	76,591
Book/Tax Depreciation Adjustment	7,255	824	780%	(251)	7,111	1,805
Book/Tax Gain Recognition Adjustment	321	(4,617)	-107%	1,393	(602)	(13,428)
Other Operating Adjustments	(2,317)	(2,156)	7%	(2,584)	(11,544)	(13,091)
C-corp Earnings	195	-	0%	57	1,180	-
<b>Taxable Income</b>	<b>19,038</b>	<b>20,027</b>	<b>-5%</b>	<b>11,548</b>	<b>49,488</b>	<b>51,877</b>
Dividend per share	0.4425	0.3875	14%	0.3875	1.605	1.475
Estimated payout of taxable income	68%	51%	33%	70%	87%	79%
Basic weighted average common shares	29,971	24,505	22%	28,511	26,993	24,373
Diluted weighted average common shares and common share equivalents outstanding	32,813	31,999	3%	31,373	29,808	31,818

## 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, and 1412 Broadway through 1031 exchanges.

## JOINT VENTURE STATEMENTS

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



	December 31, 2001		December 31, 2000	
	<u>Total Property</u>	<u>SLG Property Interest</u>	<u>Total Property</u>	<u>SLG Property Interest</u>
Land & land interests	129,471	65,858	71,130	34,632
Buildings & improvements	545,894	277,335	295,492	143,826
	675,365	343,193	366,622	178,458
Less accumulated depreciation	(19,683)	(9,989)	(6,826)	(3,348)
Net Real Estate	655,682	333,204	359,796	175,110
Cash and cash equivalents	14,415	7,281	3,394	1,603
Restricted cash	24,388	12,404	12,609	6,103
Tenant receivables, net of \$98 reserve	2,958	1,540	2,046	980
Deferred rents receivable, net of reserve for tenant credit loss of \$379 at 12/31/01	6,865	3,434	3,395	1,646
Deferred costs, net	9,598	4,848	4,187	2,052
Other assets	2,696	1,422	2,392	1,238
<b>Total Assets</b>	<b>716,602</b>	<b>364,133</b>	<b>387,819</b>	<b>188,732</b>
Mortgage loan payable	444,784	225,290	238,650	115,808
Derivative Instruments-fair value	(782)	(430)	-	-
Accrued interest payable (1)	1,696	838	1,582	789
Accounts payable and accrued expenses	12,730	6,543	6,609	3,238
Security deposits	5,495	2,658	5,626	2,744
Contributed Capital (2)	252,678	129,234	135,352	66,153
<b>Total Liabilities and Equity</b>	<b>716,602</b>	<b>364,133</b>	<b>387,819</b>	<b>188,732</b>

As of December 31, 2001 the Company has six joint venture interests representing a 50% interest in 180 Madison Avenue acquired in December 2000, a 55% interest in 1250 Broadway acquired in September 2001, a 50% interest in 100 Park Avenue acquired in February 2000, a 35% interest in 321 West 44th Street contributed May 2000, a 35% interest in 469 Seventh Avenue acquired in January 2001, and a 55% interest in 1 Park Avenue contributed in June 2001. These interests are accounted for on the equity method of accounting and, therefore, are not consolidated into the company's financial statements. Additional detail is available on page 33.

(1) This analysis includes a hedge instrument at fair value of \$782K placed on the existing mortgage on 1250 Broadway.

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

## JOINT VENTURE STATEMENTS

Statements of operations for unconsolidated joint ventures  
Unaudited  
(000's omitted)



	Three Months Ended December 31, 2001			Three Months Ended December 31, 2000		
	Total Property	SLG Property Interest	SLG Subsidiary	Total Property	SLG Property Interest	SLG Subsidiary
<b>Revenues</b>						
Rental Revenue, net	21,646	11,591		12,883	6,160	
Free rent	717	439		343	153	
Amortization of free rent	(103)	(56)		(68)	(31)	
Net free rent	614	383		275	122	
Straight-line rent	947	514		531	252	
Allowance for S/L tenant credit loss	(268)	(152)		(99)	(50)	
Escalation and reimbursement revenues	3,257	1,750		1,852	846	
Investment income	193	104		159	72	
Other income	16	11		10	4	
<b>Total Revenues, net</b>	<b>26,405</b>	<b>14,201</b>		<b>15,611</b>	<b>7,406</b>	
<b>Expenses</b>						
Operating expenses	6,790	3,567		3,994	1,873	
Real estate taxes	4,251	2,292		2,661	1,292	
<b>Total Operating Expenses</b>	<b>11,041</b>	<b>5,859</b>		<b>6,655</b>	<b>3,165</b>	
<b>GAAP NOI</b>	<b>15,632</b>	<b>8,494</b>		<b>9,055</b>	<b>4,290</b>	
<b>Cash NOI</b>	<b>14,071</b>	<b>7,597</b>		<b>8,249</b>	<b>3,916</b>	
Interest	6,506	3,505		5,218	2,463	
Depreciation and amortization	4,190	2,252		2,028	879	
<b>Net Income</b>	<b>4,668</b>	<b>2,585</b>	references page 13	<b>1,710</b>	<b>899</b>	
Plus: Real Estate Depreciation	3,753	1,996	references page 18	1,832	788	
Plus: Extraordinary Loss	-	-		-	-	
Plus: Management & Leasing Fees	-	-	234	-	-	45
<b>Funds From Operations</b>	<b>8,421</b>	<b>4,581</b>		<b>3,542</b>	<b>1,687</b>	
<b>FAD Adjustments:</b>						
Plus: Non Real Estate Depreciation	437	253		196	91	
Plus: 2% Allowance for S/L Tenant Credit Loss	268	152		99	50	
Less: Free and S/L Rent	(1,560)	(897)		(806)	(374)	
Less: Second Cycle Tenant Improvement, Leasing Commissions & Recurring Capex	(2,145)	(1,099)		(335)	(138)	
<b>FAD Adjustment</b>	<b>(3,000)</b>	<b>(1,591)</b>		<b>(846)</b>	<b>(371)</b>	
Operating Expense to Real Estate Revenue, net	25.66%	25.05%		25.70%	25.37%	
GAAP NOI to Real Estate Revenue, net	59.07%	59.66%		58.26%	58.13%	
Cash NOI to Real Estate Revenue, net	53.17%	53.35%		53.07%	53.06%	



## CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY



(\$000's omitted)

	Common Stock	Additional Paid-In Capital	Retained Earnings / (Distributions In Excess of Earnings)	Deferred Compensation Plan / Officers' Loan	Accumulated Other Comprehensive Loss	TOTAL
Balance at December 31, 1998	240	416,939	(8,559)	(3,794)		404,826
Balance at December 31, 1999	242	421,958	(9,422)	(6,674)	-	406,104
Net Income			86,217			86,217
Preferred dividend and accretion			(9,626)			(9,626)
Deferred compensation plan		253		6		259
Exercise of employee stock options	3	4,359				4,362
Cash distributions declared (\$1.475 per common share)			(36,003)			(36,003)
Redemption of operating partnership units	1	2,128				2,129
Amortization of officers' loan and deferred compensation				1,631		1,631
<b>Balance at December 31, 2000</b>	<b>246</b>	<b>428,698</b>	<b>31,166</b>	<b>(5,037)</b>	<b>-</b>	<b>455,073</b>
Net Income			63,001			63,001
Cumulative Effect of Accounting Change					(811)	(811)
Preferred Dividend and Accretion			(9,658)			(9,658)
Proceeds from common stock offering & revaluation of minority interest (\$2,927)	50	144,558				144,608
Deferred compensation plan	1	4,122		(4,105)		18
Exercise of employee stock options	3	5,283				5,286
Cash distributions declared (\$1.605 per common share)			(44,826)			(44,826)
Redemption of operating partnership units		689				689
Comprehensive Income - Unrealized loss of derivative instruments					(651)	(651)
Amortization of officers' loan and deferred compensation				1,627		1,627
<b>Balance at December 31, 2001</b>	<b>300</b>	<b>583,350</b>	<b>39,684</b>	<b>(7,515)</b>	<b>(1,462)</b>	<b>614,357</b>

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

	Common Stock	OP Units	Stock Options	Sub-total	Preferred Stock	Diluted Shares
Balance at December 31, 1998	23,951,826	2,428,056		26,379,882		26,379,882
Balance at December 31, 1999	24,184,217	2,428,056		26,612,273		26,612,273
Balance at December 31, 2000	24,516,003	2,307,515		26,823,518		26,823,518
Option/OP Units Converted	296,201	(36,111)		260,090		260,090
Deferred Compensation Program	166,100			166,100		166,100
Common Stock Offering	5,000,000			5,000,000		5,000,000
<b>Balance at December 31, 2001 - Basic</b>	<b>29,978,304</b>	<b>2,271,404</b>	<b>-</b>	<b>32,249,708</b>	<b>-</b>	<b>32,249,708</b>
Dilution Factor	(2,984,900)	11,497	531,597	(2,441,806)	4,698,900	2,257,094
<b>Balance at December 31, 2001 - Diluted</b>	<b>26,993,404</b>	<b>2,282,901</b>	<b>531,597</b>	<b>29,807,902</b>	<b>4,698,900</b>	<b>34,506,802</b>

## COMPARATIVE COMPUTATION OF FFO AND FAD

Unaudited

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



	Three Months Ended Dec 31			Three Months Ended Sept 30		Twelve Months Ended Dec 31		
	2001	2000	% Change	2001	% Change	2001	2000	% Change
<b>Funds from operations</b>								
Net Income before Minority Interests	17,309	14,571	19%	16,042	8%	63,607	53,152	20%
Add:								
Depreciation and Amortization	10,380	7,992	30%	9,047	15%	38,336	32,511	18%
FFO adjustment for Joint Ventures	1,996	788	153%	2,225	-10%	6,575	3,258	102%
Less:								
Dividends on Preferred Shares	2,300	2,300	0%	2,300	0%	9,200	9,200	0%
Non Real Estate Depreciation/Amortization of Finance Costs	1,102	998	10%	1,059	4%	4,474	4,102	9%
<b>Funds From Operations - Basic</b>	<b>26,283</b>	<b>20,053</b>	<b>31%</b>	<b>23,955</b>	<b>10%</b>	<b>94,844</b>	<b>75,619</b>	<b>25%</b>
<b>Funds From Operations - Basic per Share</b>	<b>0.82</b>	<b>0.75</b>	<b>9%</b>	<b>0.78</b>	<b>5%</b>	<b>3.24</b>	<b>2.83</b>	
Add:								
Dividends on Preferred Shares	2,300	2,300	0%	2,300	0%	9,200	9,200	0%
<b>Funds From Operations - Diluted</b>	<b>28,583</b>	<b>22,353</b>	<b>28%</b>	<b>26,255</b>	<b>9%</b>	<b>104,044</b>	<b>84,819</b>	<b>23%</b>
<b>Funds From Operations - Diluted per Share</b>	<b>0.76</b>	<b>0.70</b>	<b>9%</b>	<b>0.73</b>	<b>5%</b>	<b>3.02</b>	<b>2.67</b>	<b>13%</b>
<b>Funds Available for Distribution</b>								
FFO (1)	28,583	22,353	28%	26,255	9%	104,044	84,819	23%
Add:								
Non Real Estate Depreciation	1,102	998	10%	1,059	4%	4,474	4,102	9%
2% Allowance for S/L Tenant Credit Loss	443	182	144%	377	18%	1,928	854	126%
Straight-line Ground Rent	160	354	-55%	60	167%	928	1,548	-40%
Non-cash Deferred Compensation	349	903	-61%	349	0%	1,396	2,015	-31%
FAD adjustment for Joint Ventures & Emerge	(1,540)	(371)	315%	(2,922)	-47%	(8,141)	(2,360)	245%
Less:								
Straight-line Rental Income	1,956	2,171	-10%	1,783	10%	8,625	9,074	-5%
Free Rent - Occupied (Net of Amortization, incl. First Cycle)	(88)	25	-453%	138	-164%	1,480	3,899	-62%
Amortization of Mortgage Investment Discount	175	1,119	-84%	177	-1%	(4,497)	3,345	-234%
Second Cycle Tenant Improvement & Leasing Commission on Existing Space	5,397	3,315	63%	2,449	120%	9,918	12,534	-21%
Recurring Building Improvements	1,411	905	56%	431	227%	2,956	2,401	23%
<b>Funds Available for Distribution</b>	<b>20,246</b>	<b>16,884</b>	<b>20%</b>	<b>20,201</b>	<b>0%</b>	<b>86,147</b>	<b>59,726</b>	<b>44%</b>
Diluted per Share	0.54	0.53	2%	0.56	-4%	2.50	1.88	33%
First Cycle Leasing Costs								
Tenant Improvement & Leasing Commissions	74	439	-83%	7	957%	254	14,026	-98%
<b>Funds Available for Distribution after First Cycle Leasing Costs</b>	<b>20,172</b>	<b>16,445</b>	<b>23%</b>	<b>20,194</b>	<b>0%</b>	<b>85,893</b>	<b>45,699</b>	<b>88%</b>
Funds Available for Distribution per Diluted Weighted Average Unit and Common Share	0.63	0.61	2%	0.64	-3%	2.93	1.71	72%
Redevelopment Costs	4,708	6,995	-33%	4,147	14%	13,791	17,261	-20%
<b>Payout Ratio of Funds From Operations</b>	<b>58.07%</b>	<b>55.36%</b>		<b>53.24%</b>		<b>58.70%</b>	<b>55.33%</b>	
<b>Payout Ratio of Funds Available for Distribution Before First Cycle</b>	<b>81.99%</b>	<b>73.44%</b>		<b>69.20%</b>		<b>70.90%</b>	<b>66.97%</b>	

(1) For the calculation of funds available for distribution, the FFO Diluted was used for 2Q01 and 3Q01.

## SELECTED FINANCIAL DATA

Capitalization Analysis  
Unaudited  
(\$000's omitted)



	December 31, 2001	December 31, 2000	September 30, 2001	June 30, 2001
<b>Market Capitalization</b>				
Common Equity:				
Common Shares Outstanding	29,978	24,516	29,945	24,859
OP Units Outstanding	2,271	2,308	2,278	2,281
<b>Total Common Equity (Shares and Units)</b>	<b>32,249</b>	<b>26,824</b>	<b>32,223</b>	<b>27,140</b>
Share Price at (End of Period)	30.71	28.00	31.52	30.31
Equity Market Value	990,379	751,059	1,015,669	822,621
Preferred Equity at Liquidation Value:	<b>115,000</b>	<b>115,000</b>	<b>115,000</b>	<b>115,000</b>
<b>Real Estate Debt</b>				
Property Level Mortgage Debt	409,900	414,342	411,393	325,411
Company's portion of Joint Venture Mortgages	225,290	115,808	263,478	213,452
Outstanding Balance on – Secured Credit Line	34,931	23,374	19,738	45,238
Outstanding Balance on – Unsecured Credit Line	60,000	23,000	53,000	238,000
<b>Total Combined Debt</b>	<b>730,121</b>	<b>576,524</b>	<b>747,609</b>	<b>822,102</b>
<b>Total Market Cap (Debt &amp; Equity)</b>	<b>1,835,500</b>	<b>1,442,583</b>	<b>1,878,278</b>	<b>1,759,723</b>
<b>Lines of Credit Availability</b>				
Senior Unsecured Line of Credit				
Maximum Line Available	300,000	250,000	300,000	300,000
Letters of Credit issued	5,000	21,000	5,000	5,000
Outstanding Balance	60,000	23,000	53,000	238,000
Net Line Availability	235,000	206,000	242,000	57,000
Secured Line of Credit				
Maximum Line Available	75,000	60,000	60,000	60,000
Outstanding Balance	34,931	23,374	19,738	45,238
Net Line Availability	40,069	36,626	40,262	14,762
<b>Total Availability under Lines of Credit</b>	<b>275,069</b>	<b>242,626</b>	<b>282,262</b>	<b>71,762</b>
<b>Ratio Analysis</b>				
Consolidated Basis				
Debt to Market Cap Ratio	31.35%	34.72%	29.98%	39.36%
Debt to Gross Real Estate Book Ratio (1)	48.34%	48.89%	48.31%	58.31%
Secured Real Estate Debt to Secured Assets Gross Book (1)	77.68%	66.06%	67.51%	68.37%
Unsecured Debt to Unencumbered Assets-Gross Book Value (1)	15.92%	8.65%	15.67%	62.74%
Secured Line of Credit to Structured Finance Assets (1)	18.73%	45.57%	12.50%	41.95%
Joint Ventures Allocated				
Combined Debt to Market Cap Ratio	39.78%	39.96%	39.80%	46.72%
Debt to Gross Real Estate Book Ratio (1)	53.24%	51.58%	53.77%	60.10%
Secured Debt to Secured Assets Gross Book (1)	51.31%	65.85%	67.38%	67.15%
Unsecured Debt to Unencumbered Assets-Gross Book Value (1)	15.92%	8.65%	15.67%	62.74%
Secured Line of Credit to Structured Finance Assets (1)	18.73%	45.57%	12.50%	41.95%

(1) Excludes property under capital lease

## SELECTED FINANCIAL DATA

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



	Three Months Ended December 31				Three Months Ended September 30		
	2001	2000	+/-	% Change	2001	+/-	% Change
<b>Funds from operations</b>	26,283	20,053	6,230	31%	23,955	2,328	10%
Less: Non – Building Revenue <sup>1</sup>	8,458	4,063	4,395	108%	6,355	2,103	33%
Plus: 2% Reserve for Tenant Credit Loss	443	182	261	144%	377	66	18%
Interest Expense (incl. Capital Lease Int.)	9,384	10,188	(804)	-8%	9,785	(401)	-4%
Non Real Estate Depreciation	1,102	998	104	10%	1,059	43	4%
MG&A Expense	4,044	3,043	1,001	33%	4,116	(72)	-2%
Preferred Dividend	2,300	2,300	-	0%	2,300	-	0%
<b>GAAP NOI</b>	<b>35,098</b>	<b>32,701</b>	<b>2,397</b>	<b>7%</b>	<b>35,237</b>	<b>(139)</b>	<b>0%</b>
<b>Cash adjustments</b>							
Less: Free Rent (Net of Amortization)	295	25	270	1081%	138	157	114%
Straightline Revenue Adjustment	2,470	2,171	299	14%	1,783	687	39%
Plus: Ground Lease Straight-line Adjustment	160	354	(194)	-55%	60	100	167%
<b>Cash NOI</b>	<b>32,493</b>	<b>30,859</b>	<b>1,634</b>	<b>5%</b>	<b>33,376</b>	<b>(883)</b>	<b>-3%</b>
Real Estate Revenue, net	56,167	54,568	1,599	3%	57,886	(1,719)	-3%
<b>Operating margins</b>							
GAAP NOI/Real Estate Revenue, net	62.49%	59.93%			60.87%		
Cash NOI/Real Estate Revenue, net	57.85%	56.55%			57.66%		
GAAP NOI before Ground Rent/Real Estate Revenue, net	68.11%	65.71%			66.23%		
Cash NOI before Ground Rent/Real Estate Revenue, net	63.19%	61.68%			62.91%		
<b>Components of debt and fixed charges</b>							
Interest on Fixed Rate Loans	5,762	7,010	(1,248)	-18%	5,705	57	1%
Interest on Floating Rate Loans	3,622	3,178	444	14%	4,080	(458)	-11%
Fixed Amortization Principal Payments	1,493	1,009	484	48%	1,196	297	25%
<b>Total Debt Service</b>	<b>10,877</b>	<b>11,197</b>	<b>(320)</b>	<b>-3%</b>	<b>10,981</b>	<b>(104)</b>	<b>-1%</b>
Payments under Ground Lease Arrangements	2,999	2,802	197	7%	3,041	(42)	-1%
Preferred Stock Dividend	2,300	2,300	-	0%	2,300	-	0%
<b>Total Fixed Charges</b>	<b>16,176</b>	<b>16,299</b>	<b>(123)</b>	<b>-1%</b>	<b>16,322</b>	<b>(146)</b>	<b>-1%</b>
Adjusted EBITDA	39,906	35,582			39,005		
Interest Coverage Ratio	4.25	3.49			3.99		
Debt Service Coverage ratio	3.67	3.18			3.55		
Fixed Charge Coverage ratio	2.47	2.18			2.39		

(1) Non Building revenue for 3Q01 was adjusted for income received for preferred equity investment income.

## SELECTED FINANCIAL DATA

2001 Same Store  
Unaudited  
(\$000's omitted)



	Three Months Ended December 31				Three Months Ended September 30,		
	2001	2000	+/-	% Change	2001	+/-	% Change
<b>Revenues</b>							
Rental Revenue	40,119	39,360	759	2%	39,760	359	1%
Credit Loss	(374)	(121)	(253)	210%	(279)	(95)	34%
Signage Rent	433	544	(111)	-20%	372	61	16%
Escalation & Reimbursement Revenues	5,420	4,633	787	17%	7,170	(1,750)	-24%
Investment & Other Income	154	294	(140)	-47%	390	(236)	-60%
<b>Total Revenues</b>	<b>45,752</b>	<b>44,710</b>	<b>1,042</b>	<b>2%</b>	<b>47,413</b>	<b>(1,661)</b>	<b>-4%</b>
<b>Expenses</b>							
Operating Expense	9,886	9,834	52	1%	11,667	(1,781)	-15%
Ground Rent	3,159	3,155	4	0%	3,100	59	0%
Real Estate Taxes	6,076	5,825	251	4%	6,111	(35)	-1%
<b>Total Operating Expenses</b>	<b>19,121</b>	<b>18,814</b>	<b>307</b>	<b>2%</b>	<b>20,878</b>	<b>(1,757)</b>	<b>-8%</b>
<b>EBITDA</b>	<b>26,631</b>	<b>25,896</b>	<b>735</b>	<b>3%</b>	<b>26,535</b>	<b>96</b>	<b>0%</b>
Interest	6,837	7,522	(685)	-9%	6,862	(25)	0%
Depreciation & Amortization	7,566	5,946	1,621	27%	6,622	944	14%
Income Before Minority Interest	12,228	12,427	(201)	-2%	13,051	(823)	-6%
Plus: Real Estate Depreciation & Amortization	7,345	5,652	1,693	30%	6,403	942	15%
<b>FFO</b>	<b>19,573</b>	<b>18,079</b>	<b>1,494</b>	<b>8%</b>	<b>19,454</b>	<b>119</b>	<b>1%</b>
Less: Non – Building Revenue	124	263	(139)	-53%	175	(51)	-29%
Plus: 2% Reserve for Tenant Credit Loss	374	121	253	210%	279	95	34%
Interest Expense	6,837	7,522	(685)	-9%	6,862	(25)	0%
Non Real Estate Depreciation	220	294	(74)	-25%	220	-	0%
<b>GAAP NOI</b>	<b>26,880</b>	<b>25,754</b>	<b>1,127</b>	<b>4%</b>	<b>26,640</b>	<b>240</b>	<b>1%</b>
<b>Cash Adjustments</b>							
Less: Free Rent (Net of Amortization)	(31)	65	(96)	-147%	(127)	96	-75%
Straightline Revenue Adjustment	1,413	1,810	(397)	-22%	1,250	163	13%
Plus: Ground Lease Straight-line Adjustment	160	354	(194)	-55%	121	39	0%
<b>Cash NOI</b>	<b>25,658</b>	<b>24,232</b>	<b>1,426</b>	<b>6%</b>	<b>25,638</b>	<b>20</b>	<b>0%</b>
<b>Operating Margins</b>							
GAAP NOI to Real Estate Revenue, net	58.43%	57.79%			56.06%		
Cash NOI to Real Estate Revenue, net	55.77%	54.37%			53.96%		
GAAP NOI before Ground Rent/Real Estate Revenue, net	65.30%	64.87%			62.59%		
Cash NOI before Ground Rent/Real Estate Revenue, net	62.29%	60.66%			60.22%		

## DEBT SUMMARY SCHEDULE



Unaudited  
(\$000's omitted)

	Principal O/S 12/31/2001	Coupon	2002 Annual Payment	2002 Principal Repayment	Maturity Date	Due at Maturity	Earliest Contractual Prepayment Date
<b>Fixed rate secured debt</b>							
Property							
673 First Avenue	8,977	9.00%	5,459	3,301	12/13/2003	2,000	Open
470 Park Avenue South	9,356	8.25%	1,203	452	4/1/2004	8,285	Open
50 West 23rd Street	21,000	7.33%	1,539	-	8/1/2007	19,234	Aug-01
CIBC (against 1414 Ave. of Americas and 70 W. 36th St.)	26,023	7.90%	2,402	336	5/1/2009	12,196	Apr-03
711 Third Avenue	48,824	8.13%	4,383	373	9/10/2005	22,825	Jun-04
555 West 57th Street (Libor collar of 6.10% - 6.58% + 200bps)	68,930	8.10%	-	676	11/4/2004	66,959	Open
420 Lexington Avenue	124,745	8.44%	12,385	1,693	11/1/2010	104,406	Open
317 Madison (Libor Cap of 4.01% + 180bps)	65,000	5.81%	3,829	-	8/20/2004	65,000	Open
875 Bridgeport Avenue, CT (1031 exchange asset)	14,867	8.32%	1,273	37	5/10/2025	5,466	Open
<b>Total Fixed Rate Secured Debt</b>	<b>387,722</b>	<b>7.81% wtd avg</b>	<b>32,473</b>	<b>6,867</b>			
<b>Floating rate Debt</b>							
<b>Secured floating rate debt</b>							
Structured Finance Loan (Libor + 100bp)	22,178	3.67%		-	11/1/2002	22,178	Nov-02
Fleet Secured Line of Credit (Libor + 150bps)	34,931	3.60%		-	12/22/2001	34,931	Open
<b>Total Floating Rate Secured Debt</b>	<b>57,109</b>	<b>3.92% wtd avg</b>					
<b>Unsecured floating rate debt</b>							
Senior Unsecured Line of Credit (Libor + 150 bps)	60,000	3.94%		-	6/27/2003	60,000	Open
<b>Total Floating Rate Unsecured Debt</b>	<b>60,000</b>	<b>3.94% wtd avg</b>					
<b>Total Floating Rate Debt Outstanding</b>	<b>117,109</b>	<b>3.93% wtd avg</b>					
<b>Total Debt</b>	<b>504,831</b>	<b>6.91% wtd avg</b>					
<b>Weighted Average Balance &amp; Interest Rate</b>	<b>491,987</b>	<b>6.91%</b>					

## SUMMARY OF JOINT VENTURE DEBT

	Principal O/S							
	Gross Principal	SLG Share						
<b>Joint Venture Debt</b>								
180 Madison JV	32,000	15,968	7.81%	2,765	278	12/1/2005	30,778	Open
1250 Broadway (Libor Swap of 4.03% + 250bp) (1)	85,000	46,750	5.48%	5,551	-	10/1/2004	85,000	Open
469 Seventh Avenue (Libor + 225 bp)	36,000	12,600	4.33%	-	-	2/1/2003	12,600	Open
321 W 44th JV (Libor + 250bps)	22,000	7,700	4.87%	-	-	4/30/2003	7,700	Open
1 Park Avenue (Libor + 150 bps)	150,000	82,500	4.20%	-	-	1/10/2004	82,500	Open
100 Park Avenue JV	119,784	59,772	8.00%	10,617	883	9/1/2010	107,488	Open
<b>Total Joint Venture Debt</b>	<b>444,784</b>	<b>225,290</b>	<b>5.76%</b>	<b>18,932</b>	<b>1,161</b>			
<b>Weighted Average Balance &amp; Interest Rate with SLG JV debt</b>	<b>717,349</b>	<b>6.55%</b>						

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

## SUMMARY OF GROUND LEASE ARRANGEMENTS

Consolidated Statement (REIT)

(\$000's omitted)



<u>Property</u>	<u>2002 Scheduled Cash Payment</u>	<u>2003 Scheduled Cash Payment</u>	<u>2004 Scheduled Cash Payment</u>	<u>2005 Scheduled Cash Payment</u>	<u>Deferred Land Lease Obligations (1)</u>	<u>Year of Maturity</u>
<b>Operating Leases</b>						
673 1st Avenue	3,010	3,010	3,010	3108	12,387	2037
1140 Avenue of Americas (2)	348	348	348	348	-	2016 (3)
420 Lexington (2)	7,074	7,074	7,074	7,074	-	2008 (4)
711 3rd Avenue (2) (5)	1,550	1,550	1,550	1,550	1,699	2032
<b>Total</b>	<b>11,982</b>	<b>11,982</b>	<b>11,982</b>	<b>12,080</b>	<b>14,086</b>	
<b>Capitalized Lease</b>						
673 1st Avenue	1,290	1,290	1,290	1,322	15,574	2037

(1) Per the balance sheet at December 31, 2001.

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

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

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

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

# MORTGAGE INVESTMENT AND PREFERRED EQUITY



(\$000's omitted)

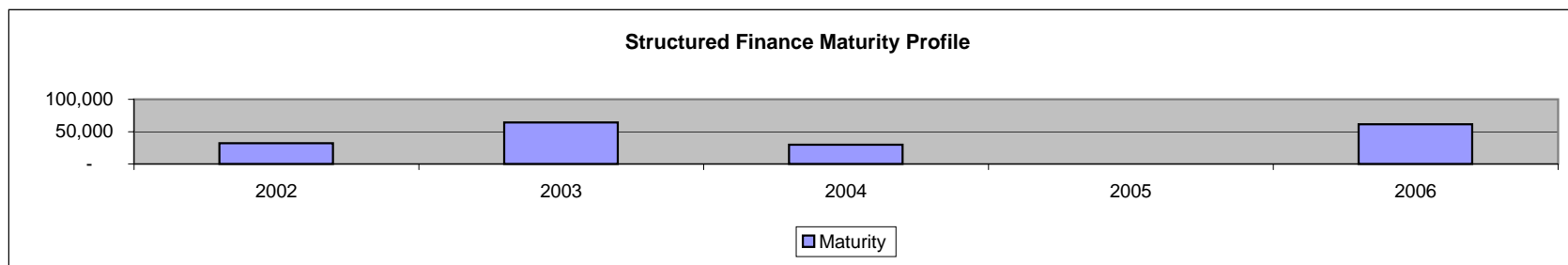
	<u>Assets Outstanding at Par</u>	<u>Wtd Average Assets during quarter</u>	<u>Wtd Average Yield during quarter</u>	<u>Run Rate Yield</u>	<u>Libor Rate</u>
<b>12/31/2000</b>	51,293	50,598	22.10%	22.30%	6.82%
Originations/Accretion*	41,689				
Redemptions	<u>0</u>				
<b>3/31/2001</b>	<b>92,982</b>	56,527	19.92%	15.87%	5.75%
Originations/Accretion*	60,651				
Redemptions	<u>(55,802)</u>				
<b>6/30/2001</b>	<b>97,832</b>	70,607	15.04%	13.65%	4.52%
Originations/Accretion*	28,457				
Preferred Equity	53,500				
Redemptions	<u>(21,888)</u>				
<b>9/30/2001</b>	<b>157,901</b>	114,248	16.50%	14.88%	3.73%
Originations/Accretion*	30,468				
Preferred Equity	<u>0</u>				
Redemptions	<u>0</u>				
<b>12/31/2001</b>	<b>188,369</b>	178,248	12.86%	12.72%	2.09%

\* Accretion includes original issue discounts and compounding investment income.

\*\* At quarter end \$116.5mm of assets have fixed floor yields based on a weighted average floor libor of 4.19%.

\*\* Run rate yield, net of seller financing, based on current outstanding balance at December 31, 2001 is 11.75%.

## Current Maturity Profile





# SELECTED PROPERTY DATA



Properties	Submarket	Ownership	Rentable Sq. Feet	% of Total Sq. Feet	Percent Occupied				Annualized Rent (\$'s)	Annualized		Number of Tenants
					12/31/2001	9/30/2001	6/30/2001	3/31/2001		Rent as % of Wholly Owned	Rent as % of SLG Interests	
<b>PROPERTIES 100% OWNED</b>												
<b>"Same Store"</b>												
673 First Avenue	Grand Central South	Leasehold Interest	422,000	4	99.8	99.9	99.8	99.8	12,834,062	7	5	14
470 Park Avenue South	Park Avenue South/ Flatiron	Fee Interest	260,000	3	99.4	99.4	99.4	99.0	7,056,505	4	3	26
70 W. 36th Street	Garment	Fee Interest	151,000	2	98.5	96.3	96.3	98.0	3,688,304	2	2	30
1414 Avenue of the Americas	Rockefeller Center	Fee Interest	111,000	1	96.2	97.6	97.6	97.0	3,905,970	2	2	28
1372 Broadway	Garment	Fee Interest	508,000	5	99.3	100.0	99.3	99.0	13,857,209	7	6	27
1140 A of A	Rockefeller Center	Leasehold Interest	191,000	2	95.5	100.0	100.0	100.0	6,802,510	4	3	25
50 W. 23rd Street	Chelsea	Fee Interest	333,000	3	99.2	99.2	99.2	99.0	7,800,699	4	3	18
1466 Broadway	Times Square	Fee Interest	289,000	3	88.9	81.2	80.9	83.0	8,502,171	4	4	93
420 Lexington Ave (Graybar)	Grand Central North	Operating Sublease	1,188,000	12	94.8	97.1	99.4	99.0	39,472,740	20	16	249
440 Ninth Avenue	Garment	Fee Interest	339,000	3	91.1	91.1	98.8	98.0	7,935,202	4	3	15
711 Third Avenue	Grand Central North	Operating Sublease (1)	524,000	5	100.0	100.0	100.0	100.0	18,362,410	9	8	21
555 West 57th	Midtown West	Fee Interest	941,000	9	100.0	99.9	100.0	100.0	18,724,322	10	8	23
286 Madison Avenue	Grand Central South	Fee Interest	112,000	1	100.0	98.7	100.0	98.0	3,372,594	2	1	42
290 Madison Avenue	Grand Central South	Fee Interest	36,800	1	100.0	100.0	100.0	100.0	1,322,244	1	1	4
292 Madison Avenue	Grand Central South	Fee Interest	187,000	2	100.0	100.0	100.0	100.0	6,267,750	3	3	19
<b>Subtotal / Weighted Average</b>			<b>5,592,800</b>	<b>56</b>	<b>97.4</b>	<b>97.6</b>	<b>98.5</b>	<b>98.4</b>	<b>159,904,692</b>	<b>82</b>	<b>66</b>	<b>634</b>
<b>2001 Acquisitions</b>												
317 Madison	Grand Central	Fee Interest	450,000	4	94.6	95.7	95.7	0.0	12,063,472	6	5	105
1370 Broadway	Garment	Fee Interest	255,000	3	97.3	99.0	99.4	99.0	6,835,576	4	3	30
<b>Subtotal / Weighted Average</b>			<b>705,000</b>	<b>7</b>	<b>95.6</b>	<b>96.9</b>	<b>97.0</b>	<b>99.0</b>	<b>18,899,048</b>	<b>10</b>	<b>8</b>	<b>135</b>
<b>2001 Adjustments</b>												
110 East 42nd Street	Grand Central	Fee Interest	181,000	2	99.9	99.9	99.9	100.0	5,849,915	3	2	29
17 Battery Place - North	World Trade/ Battery	Fee Interest	419,000	4	100.0	100.0	100.0	100.0	9,326,210	5	4	7
<b>Subtotal / Weighted Average</b>			<b>600,000</b>	<b>6</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>15,176,125</b>	<b>8</b>	<b>6</b>	<b>36</b>
<b>Total/ Weighted Average Properties 100% Owned</b>			<b>6,897,800</b>	<b>69</b>	<b>97.4</b>	<b>97.7</b>	<b>98.5</b>	<b>98.6</b>	<b>193,979,865</b>	<b>100</b>	<b>80</b>	<b>805</b>
<b>PROPERTIES &lt;100% OWNED</b>												
<b>Unconsolidated</b>												
180 Madison Avenue - 50%	Grand Central South	Fee Interest	265,000	3	92.8	89.5	89.5	89.0	6,302,821		1	53
1 Park Avenue - 55%	Grand Central South	Various Interests	913,000	9	98.3	97.7	97.0	97.0	32,522,146		7	17
1250 Broadway -55%	Penn Station	Fee Interest	670,000	7	99.5	99.5	99.5	99.6	17,041,892		4	28
469 Seventh Avenue - 35%	Penn Station	Fee Interest	253,000	2	96.8	96.1	90.0	90.0	6,505,933		1	21
100 Park Avenue - 50%	Grand Central South	Fee Interest	834,000	8	100.0	97.2	100.0	100.0	28,529,204		6	37
321 West 44th Street -35%	Times Square	Fee Interest	203,000	2	97.2	97.5	95.5	96.0	4,021,547		1	25
<b>Subtotal / Weighted Average</b>			<b>3,138,000</b>	<b>31</b>	<b>98.4</b>	<b>97.1</b>	<b>97.0</b>	<b>97.0</b>	<b>94,923,543</b>		<b>20</b>	<b>181</b>
<b>Grand Total/ Weighted Average</b>			<b>10,035,800</b>	<b>100</b>	<b>97.7</b>	<b>97.5</b>	<b>98.0</b>	<b>98.1</b>	<b>288,903,408</b>			<b>986</b>
<b>Grand Total - SLG share of Annualized Rent</b>									<b>242,305,884</b>		<b>100</b>	

(1) Including Ownership of 50% in Building Fee

## LARGEST TENANTS BY SQUARE FEET LEASED



Wholly Owned Portfolio + Allocated JV Properties			Total	Annualized	PSF	% of	SLG Share of	% of
Tenant	Property	Lease Expiration	Leased Square Feet	Rent (\$)	Annualized	Owned Annualized Rent	Annualized Rent(\$)	SLG Share of Annualized Rent
The City of New York	17 Battery Place & 1250 Broadway	2007 & 2012	317,867	\$6,348,480	\$19.97	2.2%	\$5,857,442	2.4%
BMW of Manhattan, Inc.	555 West 57th Street	2012	227,782	\$2,806,224	\$12.32	1.0%	\$2,806,224	1.2%
Visting Nurse Services	1250 Broadway	2002, 2006 & 2011	171,078	\$4,382,280	\$25.62	1.5%	\$2,410,254	1.0%
Philip Morris Management Corp	100 Park Avenue	2007	175,887	\$6,445,140	\$36.64	2.2%	\$3,216,125	1.3%
J&W Seligman & Co., Inc.	100 Park Avenue	2009	168,390	\$5,133,144	\$30.48	1.8%	\$2,561,439	1.1%
City University of New York -CUNY	555 West 57th Street	2010, 2011, & 2015	168,014	\$3,972,312	\$23.64	1.4%	\$3,972,312	1.6%
Segal Company	1 Park Avenue	2009	157,944	\$5,508,612	\$34.88	1.9%	\$3,029,737	1.3%
Loews Corp	1 Park Avenue	2002	155,765	\$6,910,344	\$44.36	2.4%	\$3,800,689	1.6%
Metro North Commuter Railroad Co.	420 Lexington Avenue	2008 & 2016	134,687	\$3,838,836	\$28.50	1.3%	\$3,838,836	1.6%
St. Luke's Roosevelt Hospital	555 West 57th Street	2014	133,700	\$2,993,196	\$22.39	1.0%	\$2,993,196	1.2%
C.B.S., Inc.	555 West 57th Street	2003 & 2010	127,320	\$2,402,580	\$18.87	0.8%	\$2,402,580	1.0%
Ross Stores	1372 Broadway	2010	101,741	\$2,605,176	\$25.61	0.9%	\$2,605,176	1.1%
Ketchum, Inc.	711 Third Avenue	2015	100,876	\$3,984,780	\$39.50	1.4%	\$3,984,780	1.6%
CHF Industries	1 Park Avenue	2005	100,000	\$3,370,272	\$33.70	1.2%	\$1,853,650	0.8%
Coty Inc.	1 Park Avenue	2015	100,000	\$3,542,028	\$35.42	1.2%	\$1,948,115	0.8%
New York Presbyterian Hospital	555 West 57th Street & 673 First Avenue	2006 & 2009	99,650	\$2,595,660	\$26.05	0.9%	\$2,595,660	1.1%
Ann Taylor Inc.	1372 Broadway	2010	93,020	\$2,357,496	\$25.34	0.8%	\$2,357,496	1.0%
Crain Communications Inc.	711 Third Avenue	2009	90,531	\$3,263,172	\$36.04	1.1%	\$3,263,172	1.3%
Information Builders Inc	1250 Broadway	2003	88,571	\$2,115,708	\$23.89	0.7%	\$1,163,639	0.5%
Advanstar Communications	1 Park Avenue	2010	85,284	\$2,893,488	\$33.93	1.0%	\$1,591,418	0.7%
MCI INTERNATIONAL	17 Battery Place & 100 Park Avenue	2004 & 2006	83,751	\$3,072,744	\$36.69	1.1%	\$2,146,625	0.9%
Parade Publications, Inc.	711 Third Avenue	2010	82,444	\$2,011,872	\$24.40	0.7%	\$2,011,872	0.8%
UNICEF	673 First Avenue	2003 & 2012	81,100	\$2,655,264	\$32.74	0.9%	\$2,655,264	1.1%
Kallir, Phillips, Ross Inc.	673 First Avenue	2004	80,000	\$2,443,572	\$30.54	0.8%	\$2,443,572	1.0%
Mt. Sinai Hospital	1 Park Avenue	2010	80,000	\$2,824,968	\$35.31	1.0%	\$1,553,732	0.6%
<b>TOTAL</b>			<b>3,205,402</b>	<b>\$90,477,348</b>	<b>\$28.23</b>	<b>31.3%</b>	<b>\$69,063,006</b>	<b>28.5%</b>
<b>Wholly Owned Portfolio + Allocated JV Properties</b>			<b>10,035,800</b>	<b>\$288,903,408</b>	<b>\$28.79</b>		<b>\$242,305,884</b>	

## FOURTH QUARTER 2001 - LEASING ACTIVITY



### Available Space

Activity Type	Building Address	# of Leases	Usable SF	Rentable SF	Rent/Rentable SF* (\$'s)
Vacancy at 9/30/01			345,645		
Acquired Vacancies					
<b>Expiring Space</b>					
	Office				
	317 Madison Avenue	6	11,290	11,290	26.05
	1370 Broadway	2	7,861	7,861	24.20
	180 Madison Avenue	4	5,298	5,298	26.00
	292 Madison Avenue	1	3,615	5,652	21.64
	1414 6th Avenue	4	9,176	9,176	35.87
	70 West 36th Street	3	5,471	7,212	27.02
	470 Park Ave South	1	7,432	9,735	21.76
	1140 Sixth Avenue	2	8,644	9,640	22.82
	17 Battery Place	3	37,241	40,167	17.21
	711 Third Avenue	2	7,296	7,296	27.19
	1466 Broadway	5	4,058	5,322	49.72
	420 Lexington Avenue	14	20,562	22,543	30.69
	<b>Total/Weighted Average</b>	<b>47</b>	<b>127,944</b>	<b>141,192</b>	<b>25.12</b>
	Retail				
	286 Madison Avenue	1	350	350	36.07
	1372 Broadway	1	768	935	50.47
	<b>Total/Weighted Average</b>	<b>2</b>	<b>1,118</b>	<b>1,285</b>	<b>46.55</b>
<b>Move Outs</b>					
	Office				
	1250 Broadway	2	13,456	17,501	29.20
	555 West 57th Street	1	2,238	2,800	21.10
	420 Lexington Avenue	5	41,798	43,572	40.90
	<b>Total/Weighted Average</b>	<b>8</b>	<b>57,492</b>	<b>63,873</b>	<b>36.88</b>
	Retail				
	1 Park Avenue	1	516	516	43.60
	420 Lexington Avenue	1	2,012	2,012	101.33
	<b>Total/Weighted Average</b>	<b>2</b>	<b>2,528</b>	<b>2,528</b>	<b>89.55</b>
<b>Evicted Tenants</b>					
	Office				
	317 Madison Avenue	2	6,264	6,264	28.41
	292 Madison Avenue	2	2,649	3,390	26.27
	420 Lexington Avenue	2	7,085	9,364	34.82
	<b>Total/Weighted Average</b>	<b>4</b>	<b>15,998</b>	<b>19,018</b>	<b>31.18</b>
	Retail				
	<b>Total/Weighted Average</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Relocating Tenants</b>					
	<b>Total/Weighted Average</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Available Space</b>					
	Office	59	201,434	224,083	29.00
	Retail	4	3,646	3,813	75.06
	<b>Total</b>	<b>63</b>	<b>205,080</b>	<b>227,896</b>	<b>29.74</b>
	<b>Available Space</b>		<b>550,725</b>		

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

# FOURTH QUARTER - 2001 LEASING ACTIVITY



## Leased Space

Activity Type	Building Address	# of Leases	Usable SF	Rentable SF	Rent / Rentable SF	Prev. Escalated Rent/ Rentable SF	T.I./ Rentable SF	Free Rent # of Months
Available Space as 12/31/01			550,725					
<b>Renewing Tenants</b>								
Office								
	70 West 36th Street	2	4,055	5,796	33.24	27.62	-	1
	17 Battery Place	3	37,241	40,167	30.48	17.21	-	-
	1466 Broadway	1	374	715	46.00	45.00	-	-
	420 Lexington	3	3,779	4,972	42.50	24.46	2.92	-
	<b>Total/Weighted Average</b>	<b>9</b>	<b>45,449</b>	<b>51,650</b>	<b>32.16</b>	<b>19.46</b>	<b>0.28</b>	<b>0.1</b>
Retail								
	1372 Broadway	1	768	935	48.00	48.00	-	-
	<b>Total/Weighted Average</b>	<b>1</b>	<b>768</b>	<b>935</b>	<b>48.00</b>	<b>48.00</b>	<b>-</b>	<b>-</b>
<b>Relocating Tenants</b>								
Office								
	<b>Total/Weighted Average</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expansion Tenants</b>								
Office								
	555 West 57th Street	1	2,238	3,154	39.00	21.10	11.00	2.0
	70 West 36th Street	1	784	1,120	34.00	17.00	10.00	3.0
	<b>Total/Weighted Average</b>	<b>2</b>	<b>3,022</b>	<b>4,274</b>	<b>37.69</b>	<b>20.03</b>	<b>10.74</b>	<b>2.5</b>
<b>New Tenants Replacing Old Tenants</b>								
Office								
	317 Madison Avenue	3	4,663	6,147	20.91	31.40	1.54	2.0
	180 Madison Avenue	2	2,637	3,895	32.04	24.48	2.28	5.5
	1250 Broadway	2	13,456	17,501	32.90	29.20	0.96	3.0
	286 Madison Avenue	1	1,635	2,359	38.00	25.00	11.64	-
	292 Madison Avenue	1	2,649	3,440	40.00	26.27	7.41	2.0
	70 West 36th Street	2	4,977	7,326	31.00	19.61	5.00	2.0
	470 Park Ave South	1	7,432	9,735	46.00	21.76	70.00	-
	711 Third Avenue	1	2,321	2,325	45.00	31.32	10.00	2.0
	1466 Broadway	2	4,089	5,050	38.28	27.44	1.02	3.0
	420 Lexington Avenue	9	33,975	48,980	41.98	28.86	17.60	17.0
	<b>Total/Weighted Average</b>	<b>24</b>	<b>77,834</b>	<b>106,758</b>	<b>39.44</b>	<b>27.44</b>	<b>15.89</b>	<b>1.5</b>
Storage								
	317 Madison Avenue	1	66	92	20.00	10.00	-	-
	<b>Total/Weighted Average</b>	<b>1</b>	<b>66</b>	<b>92</b>	<b>20.00</b>	<b>10.00</b>	<b>-</b>	<b>-</b>
	<b>Total/Weighted Average</b>	<b>37</b>	<b>127,139</b>	<b>163,709</b>	<b>37.07</b>	<b>24.70</b>	<b>10.80</b>	<b>0.9</b>

# FOURTH QUARTER - 2001 LEASING ACTIVITY



## Leased Space

<u>Activity Type</u>	<u>Building Address</u>	<u># of Leases</u>	<u>Usable SF</u>	<u>Rentable SF</u>	<u>Rent / Rentable SF</u>	<u>Prev. Escalated Rent/ Rentable SF</u>	<u>T.I / Rentable SF</u>	<u>Free Rent # of Months</u>
<b>New Tenants Replacing Vacancies</b>								
Office								
	317 Madison Avenue	2	3,629	5,185	40.56		19	2.0
	469 Seventh Avenue	1	1,922	2,746	37.00	-	10	1.0
	180 Madison Avenue	1	8,182	10,576	38.00	-	4	4.0
	70 West 36th Street	1	1,117	1,596	33.00	-	-	2.0
	1466 Broadway	5	19,611	24,824	34.47	-	16.63	7.0
	<b>Total/Weighted Average</b>	<b>10</b>	<b>34,461</b>	<b>44,927</b>	<b>36.11</b>	<b>-</b>	<b>12.94</b>	<b>1.6</b>
Retail								
	180 Madison Avenue	1	2,635	2,635	77.42	-	19.48	4.0
	<b>Total/Weighted Average</b>	<b>1</b>	<b>2,635</b>	<b>2,635</b>	<b>77.42</b>	<b>-</b>	<b>19.48</b>	<b>4.0</b>
Storage								
	1 Park Avenue	2	5,791	7,811	28.60	-	12.93	-
	<b>Total/Weighted Average</b>	<b>2</b>	<b>5,791</b>	<b>7,811</b>	<b>23.49</b>	<b>-</b>	<b>12.93</b>	<b>-</b>
<b>Leased Space</b>								
	<b>Office</b>	<b>45</b>	<b>160,766</b>	<b>207,609</b>	<b>36.87</b>	<b>24.71</b>	<b>11.27</b>	<b>1.0</b>
	<b>Retail</b>	<b>2</b>	<b>3,403</b>	<b>3,570</b>	<b>69.71</b>	<b>48.00</b>	<b>14.38</b>	<b>2.0</b>
	<b>Storage</b>	<b>3</b>	<b>5,857</b>	<b>7,903</b>	<b>28.50</b>	<b>10.00</b>	<b>12.78</b>	<b>-</b>
	<b>Total</b>	<b>50</b>	<b>170,026</b>	<b>219,082</b>	<b>37.10</b>	<b>23.35</b>	<b>11.37</b>	<b>1.0</b>
	<i>Total minus relos</i>	-	-	-	-	-	-	-
<b>Sold Vacancies</b>								
		-	-	-	-	-	-	-
<b>Sub-Total Available Space @ 12/31/01</b>			<b>380,699</b>					
<b>Holdover Tenants</b>								
	317 Madison Avenue	2	2,619	2,619	24.56	24.56	-	-
	1370 Broadway	1	2,498	2,498	23.27	23.27	-	-
	180 Madison Avenue	1	494	494	27.01	27.01	-	-
	286 Madison Avenue	1	350	350	36.07	36.07	-	-
	292 Madison Avenue	1	3,615	5,652	21.64	21.64	-	-
	1414 Ave of Americas	3	7,576	7,576	37.21	37.21	-	-
	711 Third Avenue	1	4,975	4,975	25.26	25.26	-	-
	1466 Broadway	2	2,040	2,545	52.26	52.26	-	-
	420 Lexington Avenue	4	6,094	6,937	32.40	32.40	-	-
		<b>16</b>	<b>30,261</b>	<b>33,646</b>	<b>30.79</b>	<b>30.79</b>	<b>-</b>	<b>-</b>
<b>Total Available Space @ 12/31/01</b>			<b>350,438</b>					

## FOURTH QUARTER - 2001 LEASING ACTIVITY



### Leased Space

<u>Activity Type</u>	<u>Building Address</u>	<u># of Leases</u>	<u>Usable SF</u>	<u>Rentable SF</u>	<u>Rent / Rentable SF</u>	<u>Prev. Escalated Rent/ Rentable SF</u>	<u>T.I / Rentable SF</u>	<u>Free Rent # of Months</u>
<b>Early Renewals</b>								
Office	317 Madison Avenue	1	3,555	4,153	42.84	22.72	-	-
	1 Park Avenue	1	26,976	26,976	26.00	17.00	8.00	-
	180 Madison Avenue	1	8,918	11,434	29.00	21.00	-	-
	100 Park Avenue	1	902	1,189	55.00	36.00	-	-
	110 East 42nd Street	2	5,718	8,679	46.77	34.51	-	-
	321 West 44th Street	2	4,464	5,560	22.64	13.93	-	-
	420 Lexington Avenue	1	584	867	47.00	36.45	-	-
		<b>9</b>	<b>51,117</b>	<b>58,858</b>	<b>31.41</b>	<b>21.14</b>	<b>3.67</b>	<b>-</b>
<b>Renewals</b>								
	Expired/Renewed Office	9	45,449	51,650	32.16	19.46	0.28	0.1
	Expired/Renewed Retail	1	768	935	48.00	48.00	-	0.0
	Early Renewals Office	9	51,117	58,858	31.41	21.14	3.67	-
	<b>Total</b>	<b>19</b>	<b>97,334</b>	<b>111,443</b>	<b>31.90</b>	<b>20.59</b>	<b>2.07</b>	<b>0.1</b>

\* Annual Base Rent

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



# ANNUAL LEASE EXPIRATIONS

## Consolidated Properties

Year of Lease Expiration	Number of Expiring Leases**	Square Footage of Expiring Leases	Percentage of Total Leased Sq. Ft.	Annualized Rent of Expiring Leases (\$'s)	Annualized Rent Per Leased Square Foot of Expiring Leases \$/psf ***	Year 2002 Weighted Average Asking Rent \$/psf
In 1st Quarter 2002 *	58	149,616	2.20%	4,245,720	28.38	39.64
In 2nd Quarter 2002	33	112,788	1.66%	2,581,500	22.89	37.97
In 3rd Quarter 2002	30	83,343	1.23%	2,179,332	26.15	41.99
In 4th Quarter 2002	29	102,367	1.51%	3,198,120	31.24	40.51
<b>Total 2002</b>	<b>150</b>	<b>448,114</b>	<b>6.59%</b>	<b>12,204,672</b>	<b>27.24</b>	<b>39.86</b>
2003	132	567,419	8.35%	16,041,396	28.27	38.69
2004	131	625,952	9.21%	19,116,156	30.54	36.66
2005	104	585,272	8.61%	18,044,328	30.83	37.46
2006	66	486,043	7.15%	14,448,392	29.73	37.09
2007	46	306,664	4.51%	8,251,140	26.91	40.90
2008	42	398,856	5.87%	12,499,008	31.34	37.20
2009	35	550,710	8.10%	16,413,252	29.80	38.04
2010	42	1,050,848	15.46%	29,586,460	28.15	38.07
2011	28	352,236	5.18%	12,123,972	34.42	41.55
<b>Thereafter</b>	<b>32</b>	<b>1,425,973</b>	<b>20.98%</b>	<b>35,251,089</b>	<b>24.72</b>	<b>35.17</b>
	<b>808</b>	<b>6,798,087</b>	<b>100.00%</b>	<b>193,979,865</b>	<b>28.53</b>	<b>37.63</b>

\* Includes month to month holdover tenants that expired prior to 12/31/01.  
 \*\*Tenants may have multiple leases.  
 \*\*\*Represents current in place annualized rent allocated by year of maturity.



# ANNUAL LEASE EXPIRATIONS

## Joint Venture Properties

Year of Lease Expiration	Number of Expiring Leases**	Square Footage of Expiring Leases	Percentage of Total Leased Sq. Ft.	Annualized Rent of Expiring Leases (\$'s)	Annualized Rent Per Leased Square Foot of Expiring Leases \$/psf ***	Year 2002 Weighted Average Asking Rent \$/psf
In 1st Quarter 2002 *	10	22,909	0.75%	615,276	26.86	40.00
In 2nd Quarter 2002	9	30,930	1.02%	900,000	29.10	39.44
In 3rd Quarter 2002	12	79,656	2.62%	1,811,664	22.74	35.43
In 4th Quarter 2002	8	236,085	7.77%	10,109,388	42.82	43.28
<b>Total 2002</b>	<b>39</b>	<b>369,580</b>	<b>12.16%</b>	<b>13,436,328</b>	<b>22.38</b>	<b>41.06</b>
2003	18	230,252	7.58%	5,860,200	25.45	38.13
2004	24	176,496	5.81%	5,592,156	31.68	42.16
2005	17	288,422	9.49%	9,122,100	31.63	44.01
2006	24	319,215	10.51%	8,927,712	27.97	39.86
2007	11	298,696	9.83%	10,057,140	33.67	46.51
2008	14	170,690	5.62%	4,925,772	28.86	42.13
2009	18	570,327	18.77%	18,350,172	32.17	43.91
2010	14	299,746	9.86%	10,677,696	35.62	44.70
2011	6	67,912	2.24%	1,351,680	19.90	36.32
<b>Thereafter</b>	<b>10</b>	<b>247,181</b>	<b>8.13%</b>	<b>6,622,587</b>	<b>26.79</b>	<b>41.55</b>
	<b>195</b>	<b>3,038,517</b>	<b>100.00%</b>	<b>94,923,543</b>	<b>31.24</b>	<b>42.48</b>

\* Includes month to month holdover tenants that expired prior to 12/31/01  
 \*\*Tenants may have multiple leases.  
 \*\*\*Represents in place annualized rent allocated by year of maturity.



## SUMMARY OF REAL ESTATE ACQUISITION ACTIVITY POST 1997



	<u>Property</u>	<u>Type of Ownership</u>	<u>Submarket</u>	<u>Net Rentable s.f.</u>	<u>% Leased at acquisition</u>	<u>% Leased 12/31/2001</u>	<u>Acquisition Price (\$'s)</u>
<b>1998 Acquisitions</b>							
Mar-98	420 Lexington	Operating Sublease	Grand Central North	1,188,000	83	97	\$78,000,000
Mar-98	1466 Broadway	Fee Interest	Times Square	289,000	87	81	\$64,000,000
Mar-98	321 West 44th	Fee Interest	Times Square	203,000	96	97	\$17,000,000
May-98	711 3rd Avenue	Operating Sublease	Grand Central North	524,000	79	100	\$65,600,000
Jun-98	440 9th Avenue	Fee Interest	Garment	339,000	76	91	\$32,000,000
Aug-98	1412 Broadway	Fee Interest	Times Square South	389,000	90	N/A	\$82,000,000
				<b>2,932,000</b>			<b>\$338,600,000</b>
<b>1999 Acquisitions</b>							
Jan-99	420 Lexington Leasehold	Sub-leasehold	Grand Central North				\$27,300,000
Jan-99	555 West 57th - 65% JV	Fee Interest	Midtown West	941,000	100	100	\$66,700,000
May-99	90 Broad Street - 35% JV	Fee Interest	Financial	339,000	82	N/A	\$34,500,000
May-99	<u>The Madison Properties:</u>	Fee Interest	Grand Central South				\$50,000,000
	286 Madison Avenue			112,000	99	100	
	290 Madison Avenue			36,800	86	100	
	292 Madison Avenue			187,000	97	100	
Aug-99	1250 Broadway - 50% JV	Fee Interest	Penn Station	670,000	97	100	\$93,000,000
Nov-99	555 West 57th - remaining 35%	Fee Interest	Midtown West	-			\$34,100,000
				<b>2,285,800</b>			<b>\$305,600,000</b>
<b>2000 Acquisitions</b>							
Feb-00	100 Park Avenue	Fee Interest	Grand Central South	834,000	97	100	\$192,000,000
Dec-00	180 Madison Avenue	Fee Interest	Grand Central South	265,000	90	93	\$41,250,000
<b>Contribution to JV</b>							
May-00	321 West 44th	Fee Interest	Times Square	203,000	98	97	\$28,400,000
				<b>1,302,000</b>			<b>\$261,650,000</b>
<b>2001 Acquisitions</b>							
Jan-01	1370 Broadway	Fee Interest	Garment	255,000	97	97	\$50,500,000
Jan-01	1 Park Avenue	Various Interests	Grand Central South	913,000	97	98	\$233,900,000
Jan-01	469 7th Avenue - 35% JV	Fee Interest	Penn Station	253,000	98	97	\$45,700,000
Jun-01	317 Madison	Fee Interest	Grand Central	450,000	95	95	\$105,600,000
<b>Acquisition of JV Interest</b>							
Sep-01	1250 Broadway - 49.9% JV (3)	Fee Interest	Penn Station	670,000	98	100	\$126,500,000
				<b>2,541,000</b>			<b>\$435,700,000</b>

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

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

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

## SUMMARY OF REAL ESTATE SALES ACTIVITY POST 1999



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

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

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## SUPPLEMENTAL DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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## CORPORATE GOVERNANCE

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**Stephen L. Green**

Chairman of the Board and CEO

**Marc Holliday**

President and Chief Investment Officer

**Michael Reid**

Chief Operating Officer

**Tom Wirth**

Chief Financial Officer

**Gerard Nocera**

Executive Vice President, Leasing

**Andrew S. Levine**

General Counsel and Secretary

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## ANALYST COVERAGE

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<b>Firm</b>	<b>Analyst</b>	<b>Phone</b>	<b>Email</b>
CIBC Oppenheimer Corp.	Anthony Paolone	(212)-667-8116	anthony.paolone@us.cibc.com
Corinthian Partners, LLC	Claus Hirsch	(212) 287-1565	cwhirsch@rcn.com
Credit Suisse First Boston	Larry Raiman	(212) 538-2380	lawrence.raiman@csfb.com
Deutsche Banc Alex. Brown	Louis W. Taylor	(212) 469-4912	louis.taylor@db.com
Goldman Sachs	James H. Kammert, CFA Matthew D. Lentz	(212) 855-0670 (212) 357-4225	james.kammert@gs.com matthew.lentz@gs.com
Legg Mason Wood Walker, Inc.	David Fick	(410) 454-5018	dmfick@leggmason.com
Lehman Brothers, Inc.	David Shulman	(212) 526-3413	dshulman@lehman.com
McDonald & Company	Anatole Pevnev	(216) 263-4783	apevnev@mcdinvest.com
Prudential Securities	James W. Sullivan	(212) 778-2515	jim_sullivan@prusec.com
Raymond James & Associates	Paul Puryear	(727) 573-8607	ppuryear@ecm.rjf.com
Salomon Smith Barney	Jonathan Litt	(212) 816-0231	jonathan.litt@ssmb.com
Wachovia Securities	Christopher Haley	(443) 263-6773	christopher.haley@wachovia.com

*SL Green Realty Corp. is followed by the analyst(s) 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.*

