

AVENUES OF OPPORTUNITY

SL Green Realty Corp.

NAREIT

2004 Institutional Investor Conference

June 7th – 9th

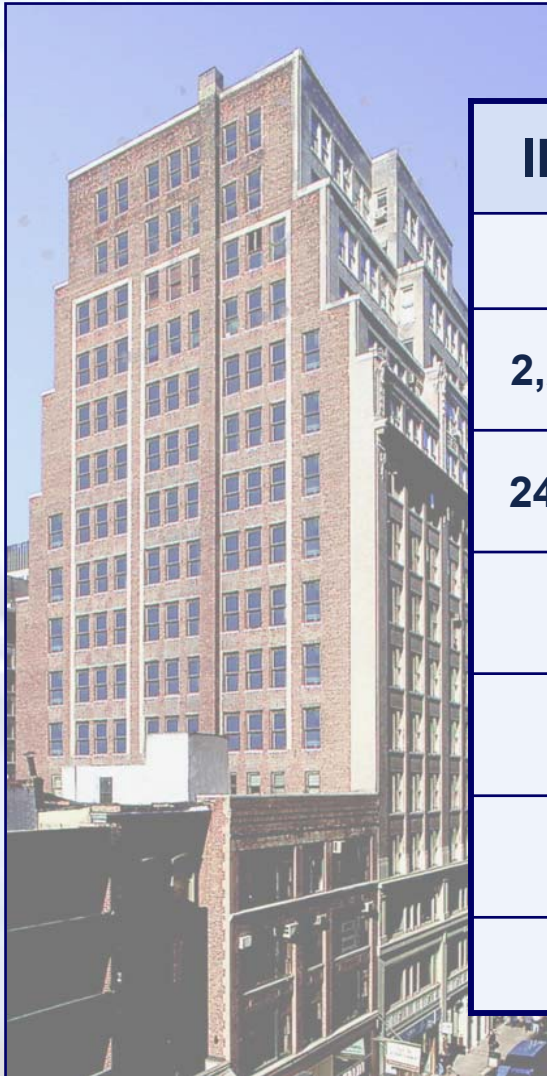
AVENUES OF OPPORTUNITY

COMPANY OVERVIEW

THE SL GREEN FRANCHISE

- ◆ **Founded in 1980**
- ◆ **Largest Portfolio of Publicly Owned Manhattan Office Buildings**
 - ❖ 15.4 million square feet, 27 office buildings
- ◆ **93% of Portfolio Located on Avenues**
- ◆ **94% of Portfolio Located in Midtown Manhattan**
 - ❖ 88% within 10-minute walk of Midtown's commuter stations
- ◆ **Acquirer of Choice**
 - ❖ Specialize in privately negotiated transactions
 - ❖ Knowledge of dynamics of over 30 individual submarkets
- ◆ **The SL Green Brand**
 - ❖ Better Than A, Greater Than B
 - ❖ Appeal to value sector of tenant market

THE SL GREEN BRAND IN THE MARKET



First Corporate Office

| IPO | | Present |
|-----------|--|------------|
| 9 | Number of Properties | 27 |
| 2,219,000 | Total Square Feet | 15,444,000 |
| 247,000 | Average Property Size (Square Feet)* | 618,000 |
| 2 | Buildings Over 20 Stories | 15 |
| 6 | Buildings with Floor Plates over 20,000 SF | 19 |
| 1 | Buildings over 800,000 Square Feet | 7 |
| 5 | Avenue Properties | 25 |

**Consolidates 286, 290 & 292 Madison Avenue*



Current Corporate Home

BUSINESS STRATEGIES & OBJECTIVES

Three Business Lines

◆ Investment in Core Avenue Properties

❖ Pursue Privately Negotiated, Value Added Acquisitions

- ◇ *Embedded value at closing*
- ◇ *Prices at deep discount to replacement cost*
- ◇ *Large avenue properties*
- ◇ *High credit quality tenants*

◆ Opportunistic Investments

- ❖ *Create high total returns through redevelopment & repositioning*

◆ Structured Finance

- ❖ *Business to be continued through Gramercy Capital Corp.*
- ❖ *Continue allocation of capital into structured finance program, up to 10% of market cap*
- ❖ *Current outstanding balance 5.8%* of total market capitalization*

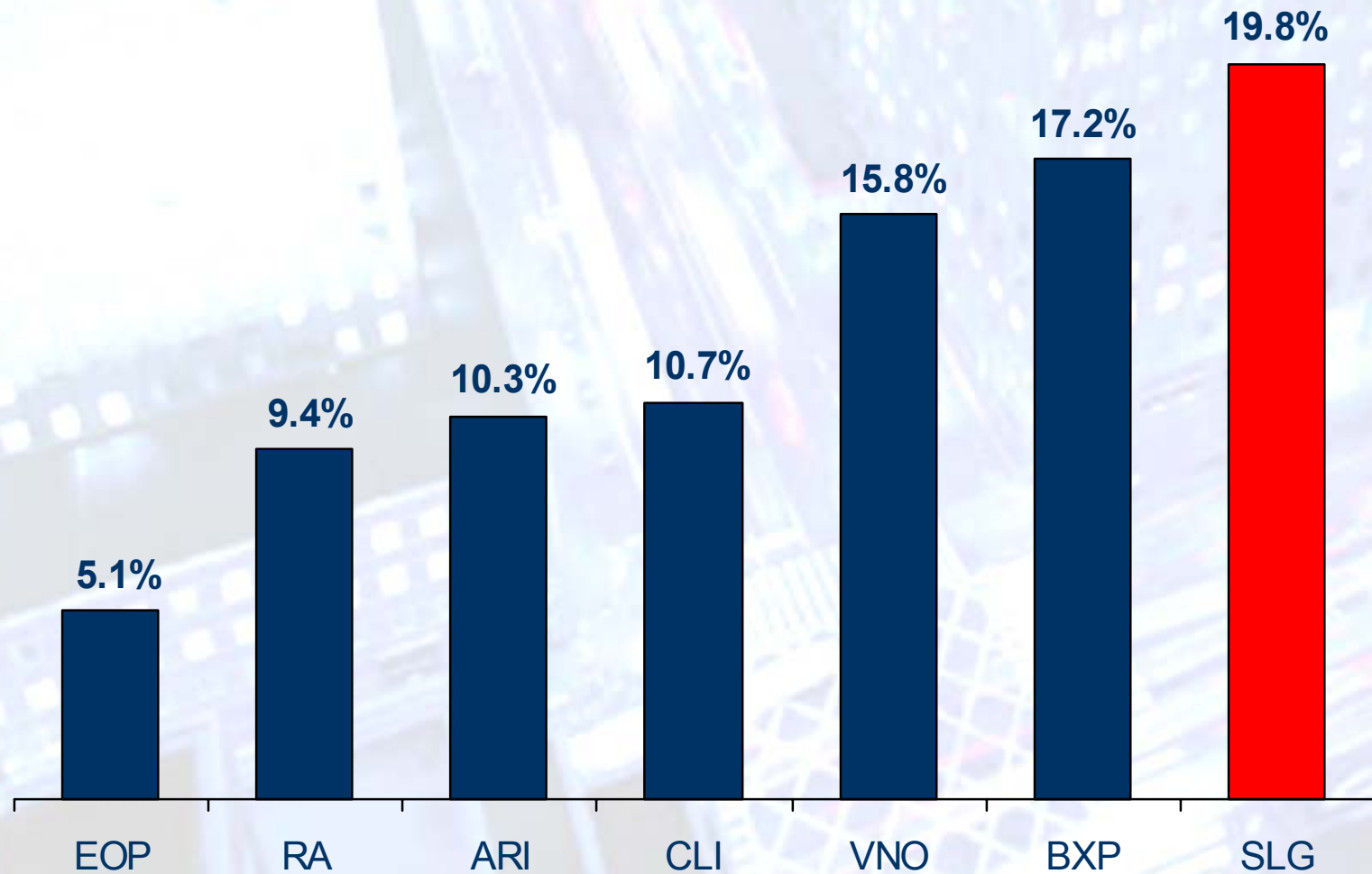
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MANAGEMENT TEAM

- **Stephen L. Green** – *Chairman of the Board*
- **Marc Holliday** – *President & Chief Executive Officer*
- **Gregory Hughes** – *Chief Financial Officer*
- **Andrew Mathias** – *Chief Investment Officer*
- **Gerard T. Nocera** – *Chief Operating Officer*

OUTPERFORMING THE MARKET

Market Leading Total Return, IPO to Present

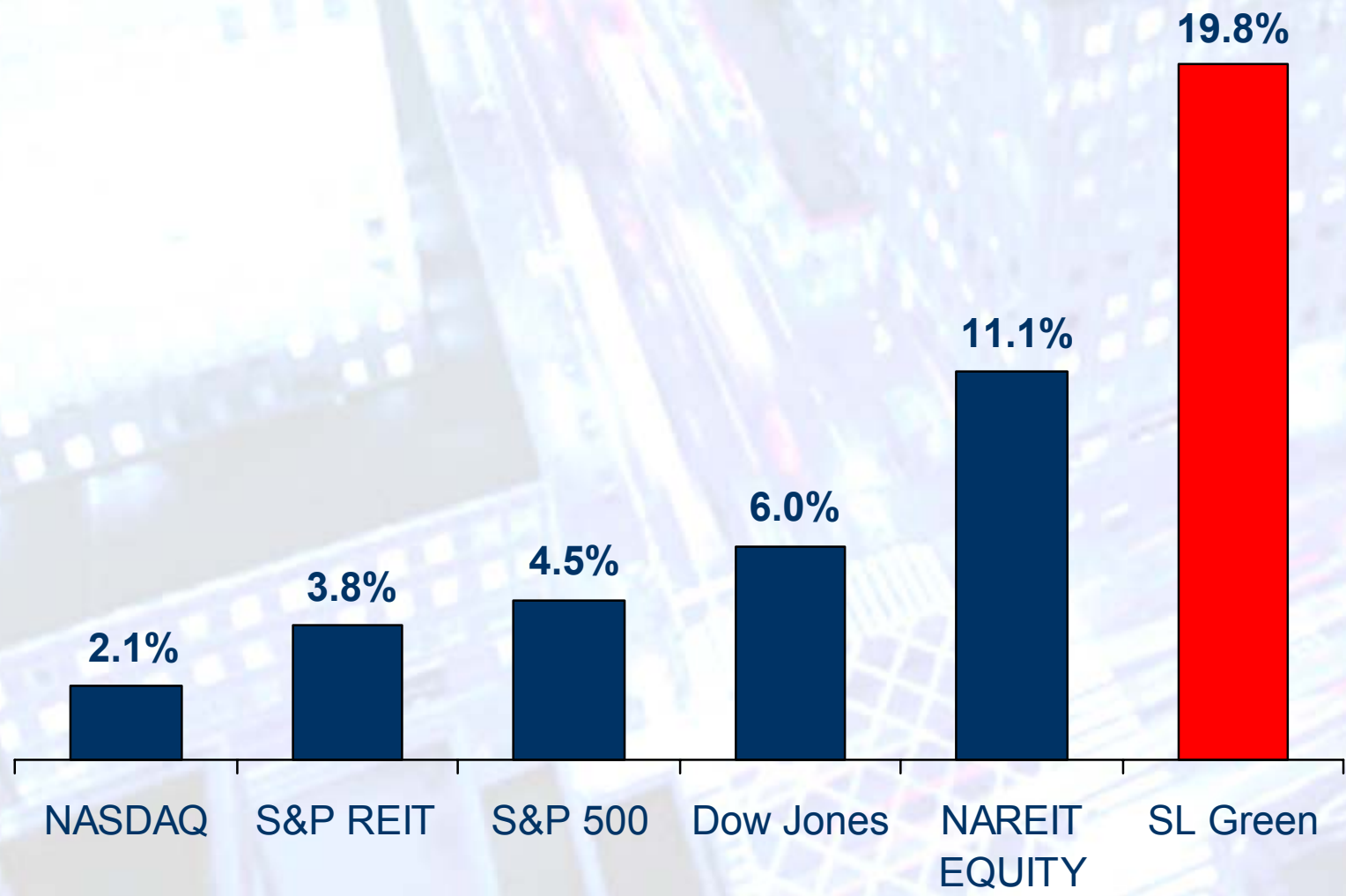


(from IPO through 3/31/03)

AVENUES OF OPPORTUNITY

OUTPERFORMING THE INDICES

Annualized Total Return



(from IPO through 3/31/03)

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RECENT DEVELOPMENTS: 2004 ACTIVITY

RECENT DEVELOPMENTS: 2004 ACTIVITY

Investments

- ◆ Sold a 75% Interest in One Park Avenue for \$318.5 million (\$344 psf) which was originally purchased for \$233.9 mm (\$256 psf) in 2001
- ◆ Acquired 19 West 44th Street for \$67.0 million (or \$229 psf)
- ◆ Made \$80.0 million of structured finance investments
- ◆ Filed registration statement for Gramercy Capital Corp (GKK) in anticipation of \$200 million IPO

Financings

- ◆ Raised \$76.2 million of common equity at \$42.33 per share
- ◆ Raised \$61.0 million of perpetual preferred equity at 7⁷/₈
- ◆ Expanded secured revolving credit facility from \$75 million to \$125 million
- ◆ Entered into swap agreements to fix rates on \$265 million of debt

Operations

- ◆ Increased occupancy from 95.8% at year end to 96.3% at end of first quarter
- ◆ Signed 121 leases for 567,535 SF
- ◆ Mark-to-market on first quarter leases up 2.5%

ONE PARK AVENUE RECAPITALIZATION

- ◆ **Acquired in 2001**
 - ❖ Cost: \$233.9 mm, \$256 psf
 - ❖ Cap Rate: 10.0%
- ◆ **Implemented Upgrading & Retenancing Program**
- ◆ **Sold 75% Interest in 2004**
 - ❖ SL Green Retains 16.7% managing interest in venture, (SITQ retains 8.3%)
 - ❖ Sale Price: \$318.5 million, \$344 psf
 - ❖ Cap Rate: 6.4%
 - ❖ Recognized \$22 million gain on sale of investment



UNLOCKING VALUE FOR SHAREHOLDERS

- ➔ *Replaced floating rate financing with 10-yr fixed at 5.8%*
- ➔ *Continuing to lease & manage asset and participate in future upside*
- ➔ *Generated \$83 mm in net proceeds, \$28 mm in excess of initial investment, including a \$4.3 million incentive fee*

19 WEST 44th ST. ACQUISITION



***Converted \$7.0 million
Preferred Equity Investment into a
\$67.0 million Acquisition***

- ▶ **Prime Location: Grand Central Sub-market**
- ▶ **In Place Escalated Rents: \$36.75 psf**
- ▶ **Lease Up Potential**
 - ✓ 86% Occupied
 - ✓ In-Place tenants looking to expand
- ▶ **8.0% Going-in Cash NOI**
- ▶ **New JV Partnership with City Investment Fund (CIF)**

GRAMERCY CAPITAL CORP. STRUCTURE

- ⇒ **Initial Public Offering of Gramercy Capital Corp.**
 - ↳ A specialty finance REIT, created to continue SL Green's structured finance business, focused on originating & acquiring loans & other fixed-income investments secured by commercial & multifamily real estate
- ⇒ **\$200 million IPO, \$50 million or 25% to be Purchased by SL Green**
- ⇒ **Subsidiary of SL Green to Manage Gramercy Capital Corp. through a Dedicated Team**
- ⇒ **Will Receive Substantial Additional Revenue Through Management Agreement and Other Interests in Gramercy Capital**
- ⇒ **SL Green to Retain Existing Structured Finance Portfolio**

BENEFITS OF GRAMERCY CAPITAL CORP.

- ⇒ **Create a *Best of Class* Specialty Finance Company**
- ⇒ **Expand the Business Platform to a Broader Marketplace**
- ⇒ **Unlock the Value Created for SL Green's Shareholders of an Internally Developed Structured Finance Platform**
- ⇒ **Grow the Business Beyond the Self Imposed Limitations Currently In Place**
- ⇒ **Enhance Returns Through Attractive Fee Package, Additional Leverage & Growth while Maintaining Pipeline of Acquisition Opportunities**

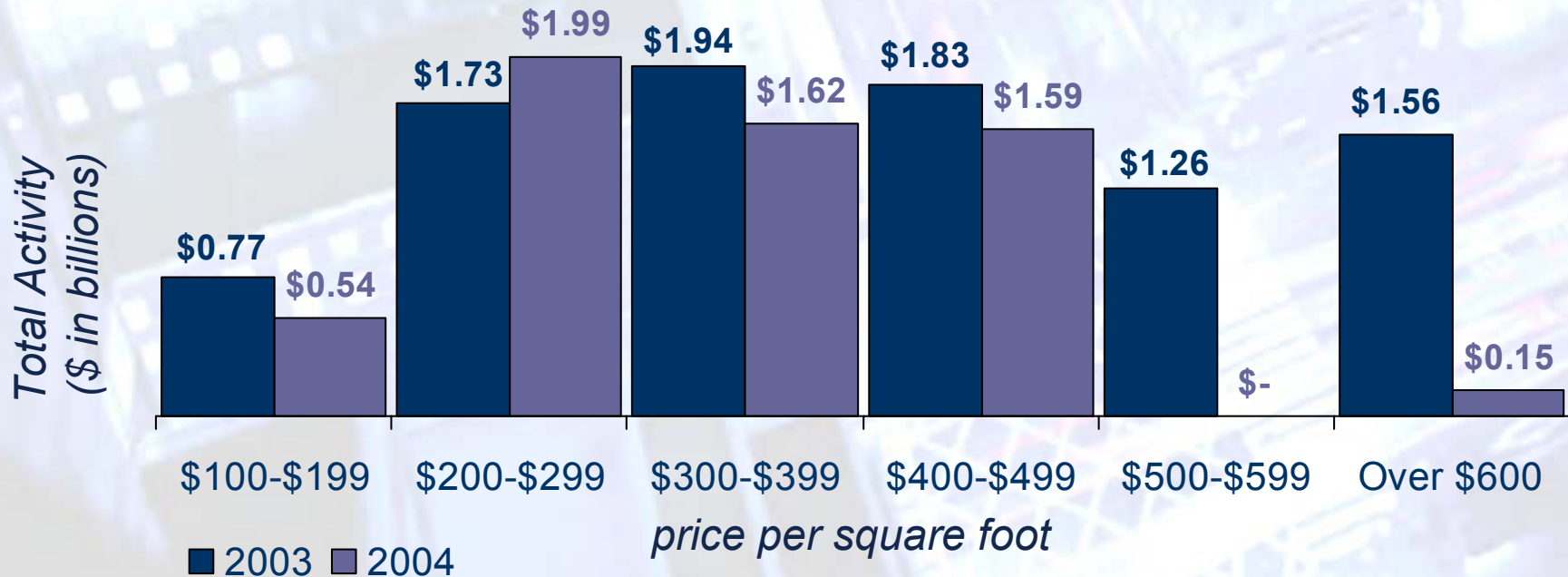
AVENUES OF OPPORTUNITY

***MANHATTAN MARKET
CONDITIONS***

SALES ACTIVITY IN THE NYC MARKET

| | SL Green | NYC Market 2003 | NYC Market 2004 |
|---------------|----------|-----------------|-----------------|
| Total Deals | 4 | 39 | 33* |
| Total Cost | \$850 mm | \$9.1 bn | \$5.9 bn |
| Avg. PSF Cost | \$319 | \$352 | \$301 |

* Closed/in-contract



AVENUES OF OPPORTUNITY

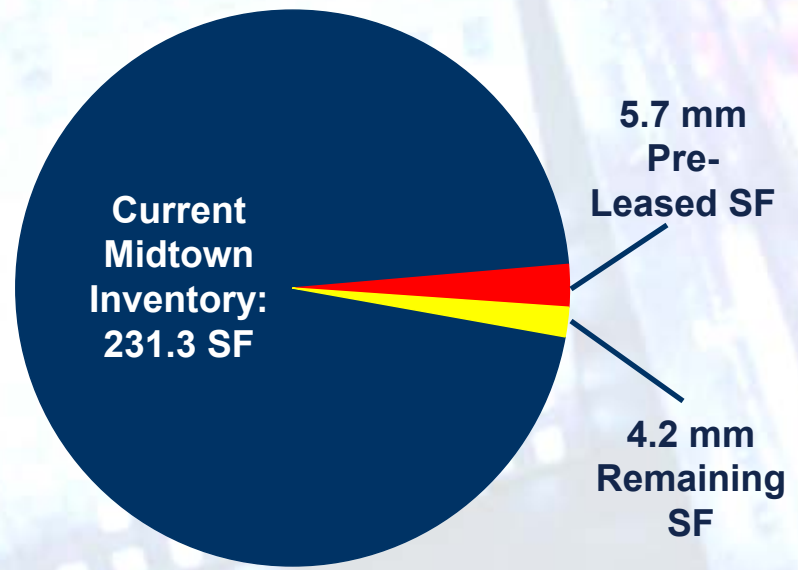
CURRENT MARKET CONDITIONS

- ◆ **Leasing Trending Upwards**
- ◆ **Midtown Vacancy Declining**
 - ❖ Vacancy approximately 11.5%
 - ❖ Direct vacancy: 8.1%
 - ❖ Sublease space: 3.4%
- ◆ **Need to Burn Off Sublease Space**
- ◆ **Minimal Additions to Total Inventory in Next 3 Years**
- ◆ **Job Growth in Manhattan Showing Signs of Improvement**

MIDTOWN SUBMARKET VACANCY RATES

| Midtown Submarket | Inventory (SF in 000's) | Direct Vacancy Rate | Sublease Vacancy Rate | Total Vacancy Rate |
|----------------------------------|-------------------------|---------------------|-----------------------|--------------------|
| Murray Hill | 14,012 | 9.6% | 3.7% | 13.3% |
| Grand Central | 41,864 | 9.9% | 3.2% | 13.2% |
| United Nations | 2,803 | 6.3% | 1.0% | 7.2% |
| East Side | 19,134 | 9.1% | 3.6% | 12.7% |
| Park Ave. | 21,043 | 3.7% | 6.9% | 10.6% |
| Madison/Fifth Ave. | 24,301 | 11.2% | 2.0% | 13.1% |
| 6 th Ave./Rock Center | 37,406 | 5.2% | 6.2% | 11.5% |
| West Side | 25,278 | 6.1% | 1.3% | 7.5% |
| Penn Station | 14,317 | 10.3% | 2.3% | 13.1% |
| Times Sq. South | 28,622 | 9.6% | 1.1% | 12.6% |
| Lincoln Center | 2,547 | 3.0% | 0.3% | 3.3% |
| Totals | 231,327 | 8.1% | 3.4% | 11.5% |

LIMITED PIPELINE OF NEW SPACE IN MIDTOWN



| | Total SF (millions) | % Current Total |
|------------------------------------|---------------------|-----------------|
| Current Midtown Inventory | 231.3 | 100 |
| Proposed Development | 9.9* | 4.3 |
| <i>Pre-Leased SF</i> | 5.7 | 2.5 |
| <i>Remaining SF</i> | 4.2 | 1.8 |
| Potential Midtown Inventory | 241.2 | |

**2.5 mm SF forecasted but not under construction*

| Key Projects | Year | Square Feet | Available SF | Key Tenants |
|---------------------------------|--------------|------------------------|--------------|-------------------------|
| Times Square Tower ¹ | 2004 | 1,000,000 | 766,000 | N/A ¹ |
| Columbus Centre | 2004 | 1,061,000 | 249,000 | AOL Time Warner |
| 300-310 Madison | 2004 | 1,200,000 | 48,000 | CIBC ⁴ , PWC |
| 731 Lexington Avenue | 2004 | 900,000 | 190,000 | Bloomberg, LP |
| 8 Times Square | 2005 & After | 1,300,000 | 700,000 | NY Times |
| 11 Times Square | 2005 & After | 850,000 | 850,000 | Possible Resi Space |
| 959 Eighth Avenue | 2005 & After | 850,000 | 0 | Hearst Magazine |
| One Bryant Park ² | 2006 & After | 2,100,000 ³ | 1,100,000 | Bank of America |

Source: Cushman & Wakefield – March 2004

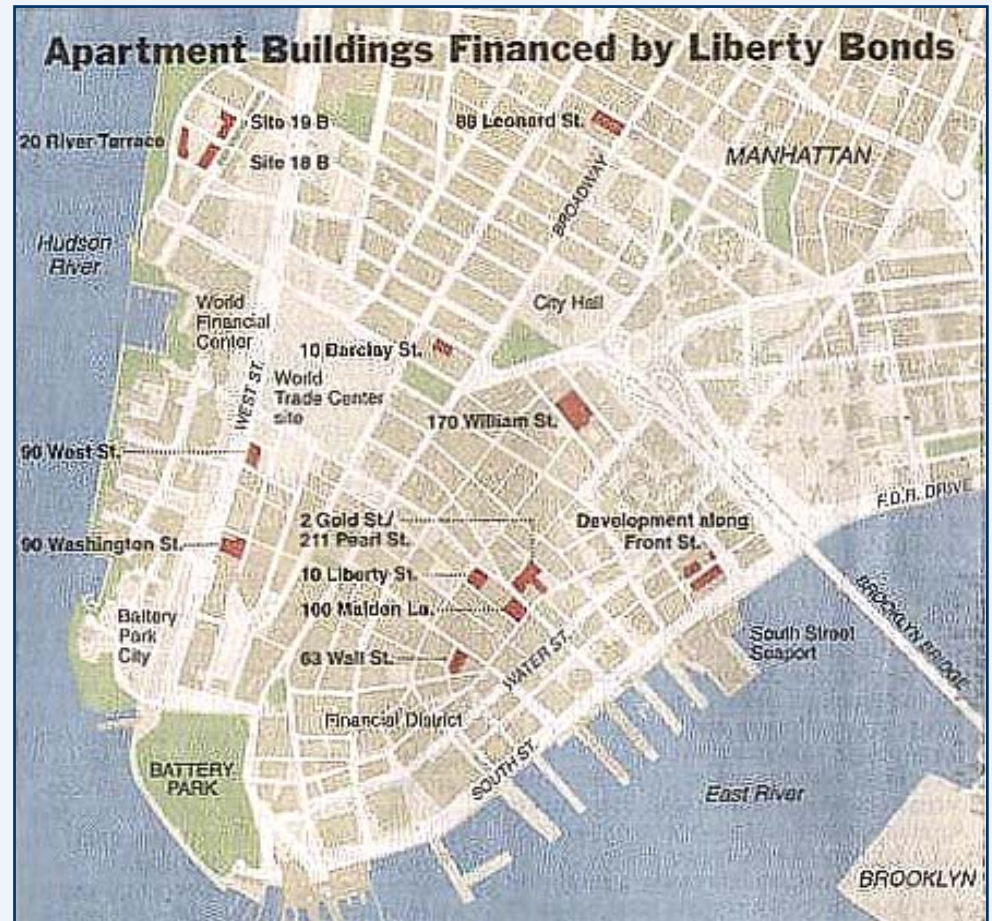
1. Formerly Arthur Andersen; 2. Construction projects termed "likely;" 3. Builder - Durst Organization, 2006 estimated completion date; 4. CIBC may become available

RESIDENTIAL CONVERSIONS PROVIDE STABILITY TO DOWNTOWN MARKET

Anticipated Office-to-Residential Conversions

| Property | Rentable SF |
|---------------------------------------|------------------|
| 27 Wall Street | 488,900 |
| 45 Wall Street | 390,500 |
| 63 Wall Street | 500,000 |
| 67 Wall Street | 303,000 |
| 100 Maiden Lane | 290,000 |
| 20 Exchange Place | 730,000 |
| 90 West Street | 350,000 |
| 15 Broad Street | 983,000 |
| 25 Broad Street | 500,000 |
| 415 Greenwich | 232,000 |
| 10 Hanover Place | 522,800 |
| 61 Broadway | 400,000 |
| 2 Chase Manhattan Plaza (20 Pine St.) | 567,000 |
| Woolworth Building (233 Broadway) | 115,333* |
| Total SF | 6,372,533 |

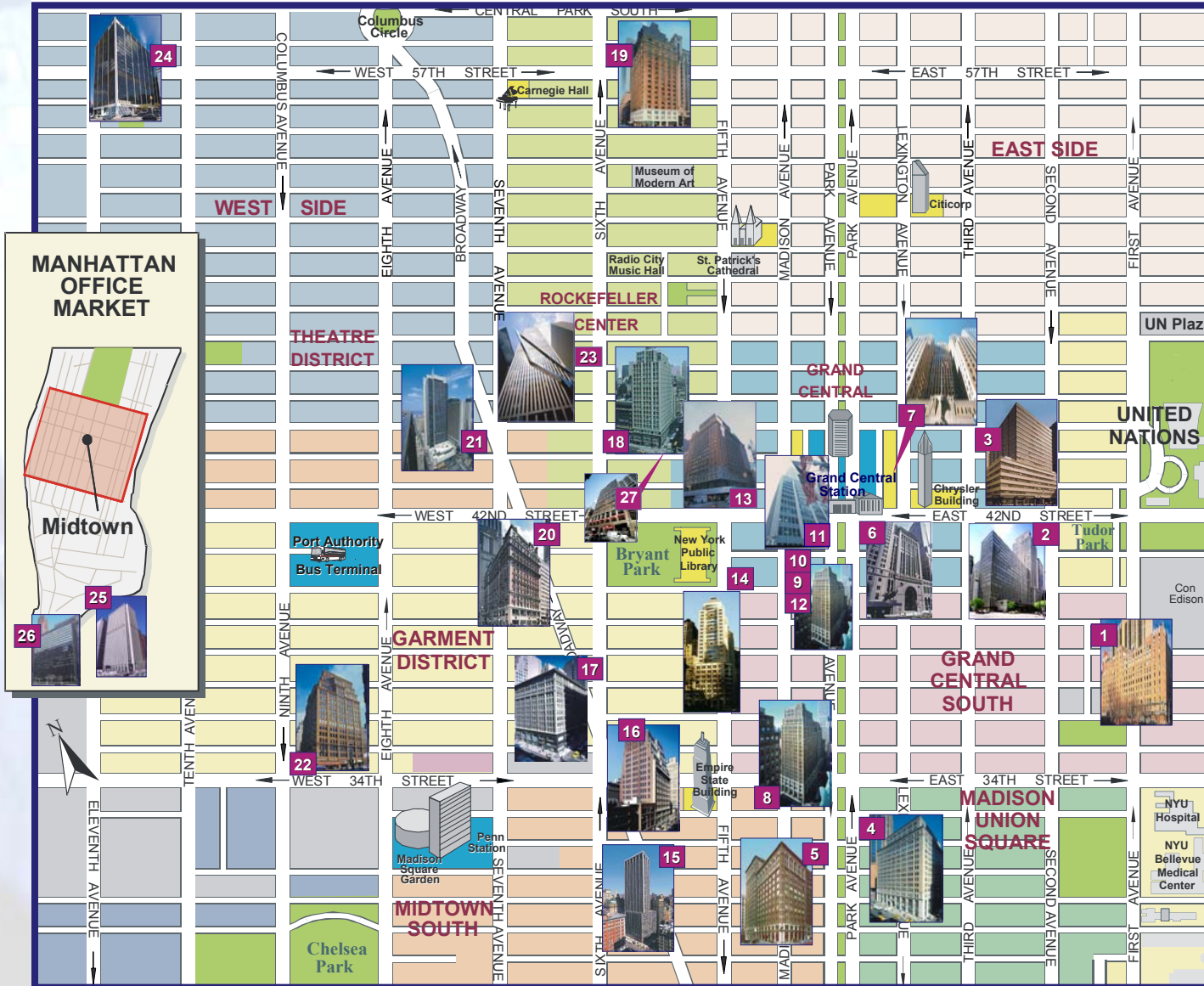
*Portion of building to be converted



AVENUES OF OPPORTUNITY

PROPERTY PORTFOLIO

THE SL GREEN BRAND IN THE MARKET



- ## SL Green Portfolio
1. 333 East 38th Street
 2. 220 East 42nd Street
 3. 711 Third Avenue
 4. One Park Avenue
 5. 470 Park Avenue South
 6. 110 East 42nd Street
 7. 420 Lexington Avenue
 8. 180 Madison Avenue
 9. 286 Madison Avenue
 10. 292 Madison Avenue
 11. 100 Park Avenue
 12. 290 Madison Avenue
 13. 317 Madison Avenue
 14. 461 Fifth Avenue
 15. 1250 Broadway
 16. 70 West 36th Street
 17. 1372 Broadway
 18. 1140 Avenue of the Americas
 19. 1414 Avenue of the Americas
 20. 6 Times Square
 21. 1515 Broadway
 22. 440 Ninth Avenue
 23. 1221 Avenue of the Americas
 24. 555 West 57th Street
 25. 125 Broad Street
 26. 17 Battery Place North
 27. 19 West 44th Street

PREMIER MIDTOWN PORTFOLIO



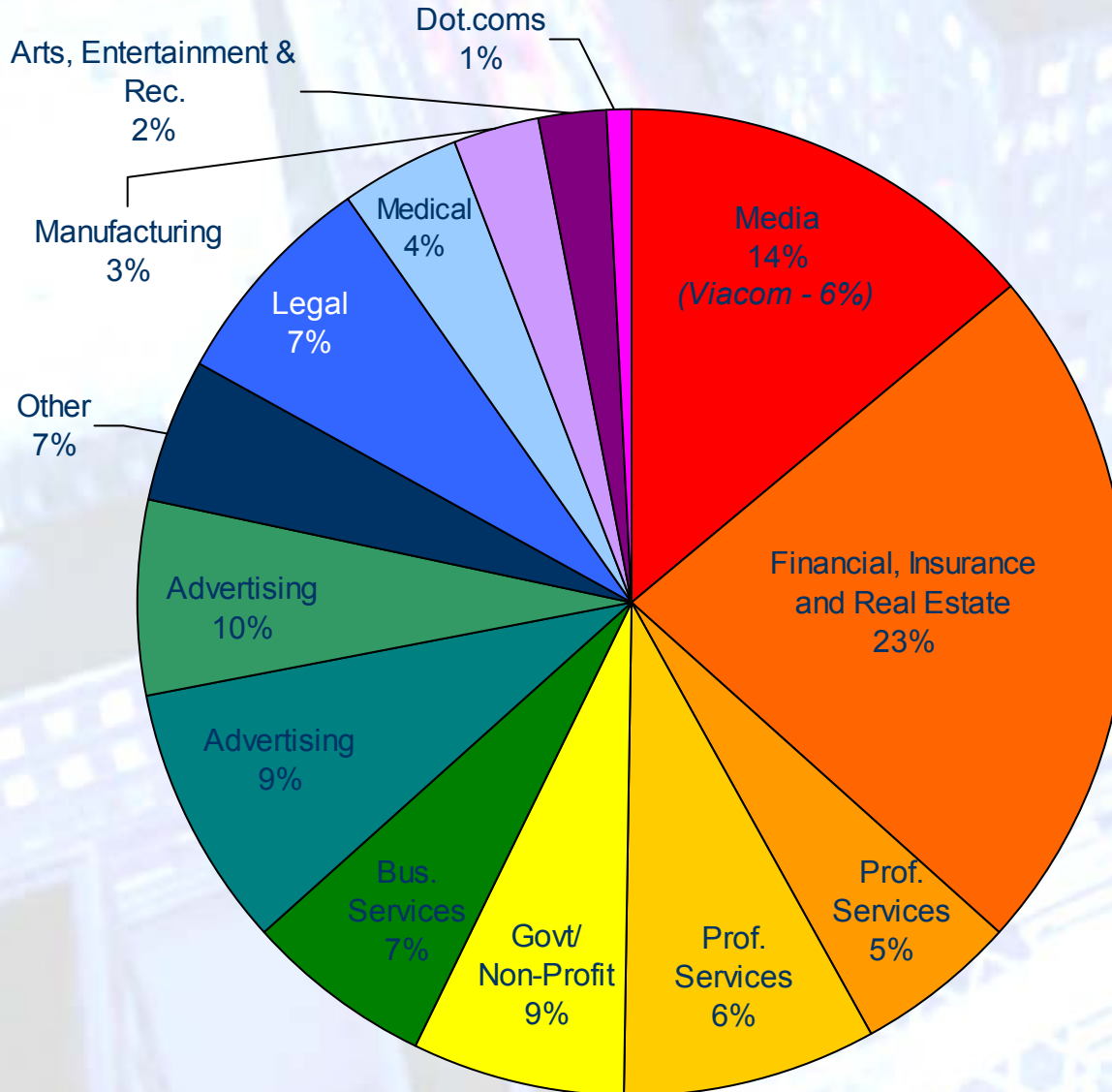
| 420 Lexington Avenue | 100 Park Avenue | 1515 Broadway | 220 East 42nd Street | 1221 Avenue of the Americas |
|---|---|------------------------------|--|--|
| March, 1998 | Feb, 2000 | May, 2002 | Feb, 2003 | Dec, 2003 |
| 1.20 Million SF | 834,000 | 1.75 Million SF | 1.14 Million SF | 2.55 Million SF |
| Bank Leumi USA, New York Life Insurance Co., & The MTA of NY | Altria Corp. & J & W Seligman Co., Inc. | Viacom, Inc. Headquarters | Pfizer, Inc. & Omnicom Group Inc. | Morgan Stanley, Société Générale & The McGraw-Hill Companies Inc. |

TOP 25 TENANTS

| TENANT (1 st Q 2004 Data) | TOTAL LEASED SF | PSF ANNUALIZED RENT | % of SLG SHARE OF ANNUALIZED RENT |
|--------------------------------------|------------------|---------------------|-----------------------------------|
| Viacom International, Inc. | 1,277,895 | \$46.38 | 7.8% |
| Morgan Stanley & Co. Inc. | 496,249 | \$63.42 | 3.4% |
| Societe Generale | 486,662 | \$48.11 | 2.5% |
| The McGraw Hill Companies, Inc. | 443,399 | \$43.05 | 2.0% |
| Omnicom Group | 419,111 | \$31.06 | 3.1% |
| Citigroup, Inc. | 330,900 | \$30.75 | 2.4% |
| Visting Nurse Services | 264,331 | \$28.28 | 1.0% |
| The City of New York | 249,854 | \$25.02 | 1.5% |
| BMW of Manhattan, Inc. | 227,782 | \$16.17 | 0.9% |
| CBS, Inc. | 188,583 | \$31.02 | 1.4% |
| Altria Corp | 175,887 | \$42.39 | 0.9% |
| Columbia House Company | 175,312 | \$46.11 | 0.9% |
| City University of New York -CUNY | 171,733 | \$29.84 | 1.2% |
| J&W Seligman & Co., Inc. | 168,390 | \$36.11 | 0.7% |
| Segal Company | 157,947 | \$38.50 | 0.8% |
| Sonnenschein, Nath, & Rosenthal | 147,997 | \$46.99 | 0.7% |
| New York Presbyterian Hospital | 140,961 | \$28.65 | 1.0% |
| The Mt. Sinai & NYU Hospital Centers | 140,600 | \$35.89 | 0.7% |
| Metro North Commuter Railroad Co. | 134,687 | \$30.43 | 1.0% |
| Tribune Newspaper | 134,208 | \$29.36 | 0.9% |
| St. Luke's Roosevelt Hospital | 134,150 | \$25.84 | 0.8% |
| Ross Stores | 126,001 | \$28.21 | 0.8% |
| JP Morgan Chase Bank | 103,991 | \$60.99 | 0.7% |
| Fahenstock & Co., Inc. | 103,566 | \$29.68 | 0.7% |
| Minskoff/Nederlander JV (1) | <u>102,452</u> | <u>\$2.05</u> | <u>0.0%</u> |
| Grand Total/Weighted Average | 6,502,648 | \$38.95 | 37.8% |

LEASING PROFILE

Portfolio Consists of a Diverse Tenant Roster & Industry Base



PORTFOLIO BY SUBMARKET

| SUBMARKET | PROPERTY | RENTABLE SF | % of TOTAL PORTFOLIO SF | OCCUPANCY AS OF 1Q04 |
|------------------------------------|-----------------------------------|-------------------|-------------------------|----------------------|
| Grand Central | 220 East 42nd Street | 1,135,000 | 7.35% | 94.5% |
| | 290 Madison Avenue | 37,000 | 0.24% | 100.0% |
| | 110 East 42nd Street | 181,000 | 1.17% | 89.4% |
| | 317 Madison Avenue | 450,000 | 2.91% | 89.4% |
| | 19 West 44th Street | 292,000 | 1.89% | 87.4% |
| | 420 Lexington Ave (Graybar) | 1,188,000 | 7.69% | 98.2% |
| | 711 Third Avenue | 524,000 | 2.89% | 99.2% |
| | 286 Madison Avenue | 112,000 | 0.73% | 87.9% |
| | 292 Madison Avenue | 187,000 | 1.21% | 95.4% |
| | 100 Park Avenue - 50% | 834,000 | 5.40% | 98.3% |
| | 461 Fifth Avenue | 200,000 | 1.30% | 97.1% |
| | | 5,140,000 | 33.28% | 95.5% |
| Grand Central South | 673 First Avenue | 422,000 | 1.93% | 99.8% |
| | 180 Madison Avenue - 50% | 265,000 | 1.72% | 82.7% |
| | 1 Park Avenue - 55% | 913,000 | 5.91% | 94.6% |
| | | 1,600,000 | 10.36% | 94.0% |
| Midtown West | 555 West 57th | 941,000 | 5.89% | 99.8% |
| Park Avenue South/ Flatiron | 470 Park Avenue South | 260,000 | 1.68% | 88.4% |
| Penn Station | 1250 Broadway -55% | 670,000 | 4.34% | 93.1% |
| | 440 Ninth Avenue | 339,000 | 2.70% | 100.0% |
| | 70 West 36th Street | 151,000 | 0.98% | 98.8% |
| | | 1,160,000 | 7.51% | 95.6% |
| Rockefeller Center/Plaza | 1140 Avenue of the Americas | 191,000 | 1.24% | 95.8% |
| | 1414 Avenue of the Americas | 111,000 | 0.72% | 94.3% |
| | 1221 Avenue of the Americas - 45% | 2,550,000 | 16.71% | 98.8% |
| | | 2,852,000 | 18.47% | 98.4% |
| Times Square | 1466 Broadway | 289,000 | 1.87% | 89.3% |
| | 1515 Broadway - 55% | 1,750,000 | 11.33% | 94.8% |
| | 1372 Broadway | 508,000 | 3.29% | 99.5% |
| | | 2,574,000 | 16.49% | 95.1% |
| Downtown | 17 Battery Place - North | 419,000 | 2.71% | 100.0% |
| | 125 Broad Street | 525,000 | 3.90% | 100.0% |
| | | 944,000 | 6.11% | 100.0% |
| GRAND TOTAL | | 15,444,000 | 100.00% | 96.3% |

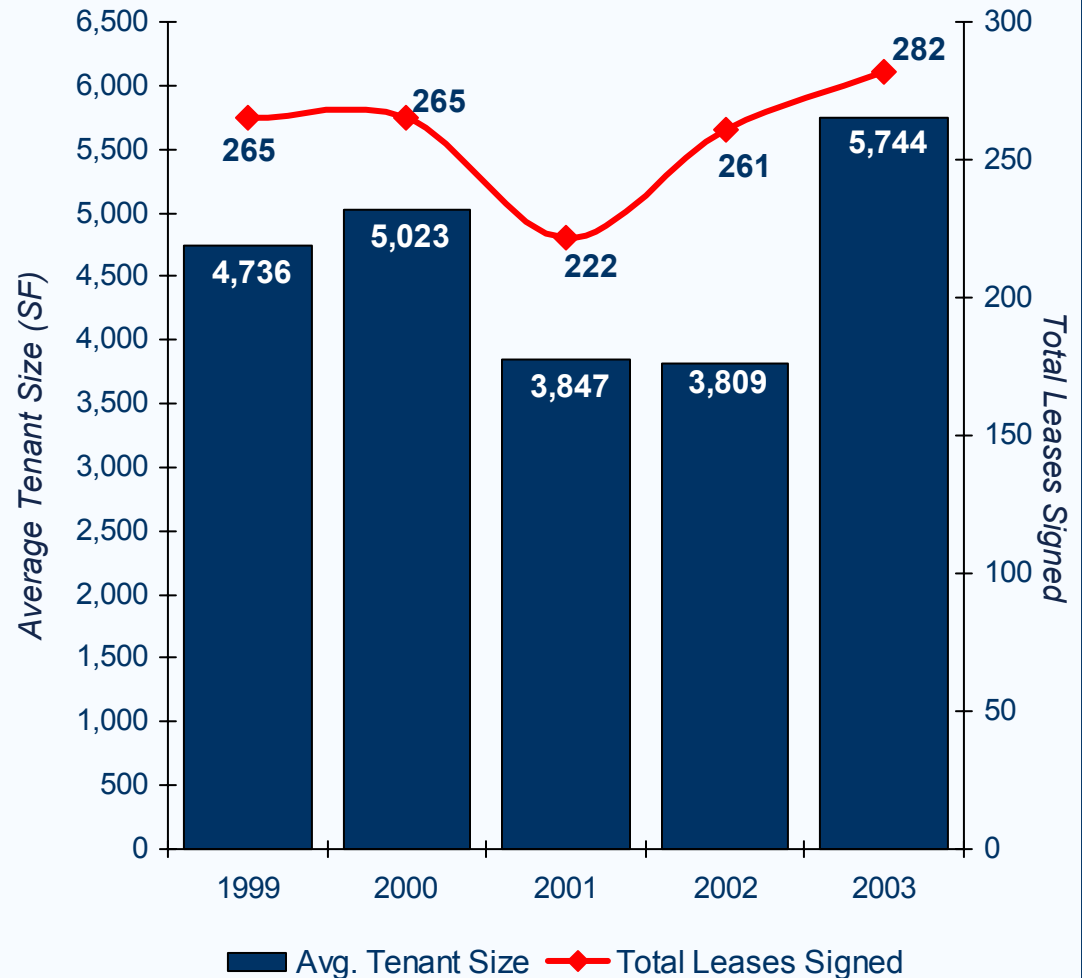
LEASING PERFORMANCE

2004 Leasing Statistics

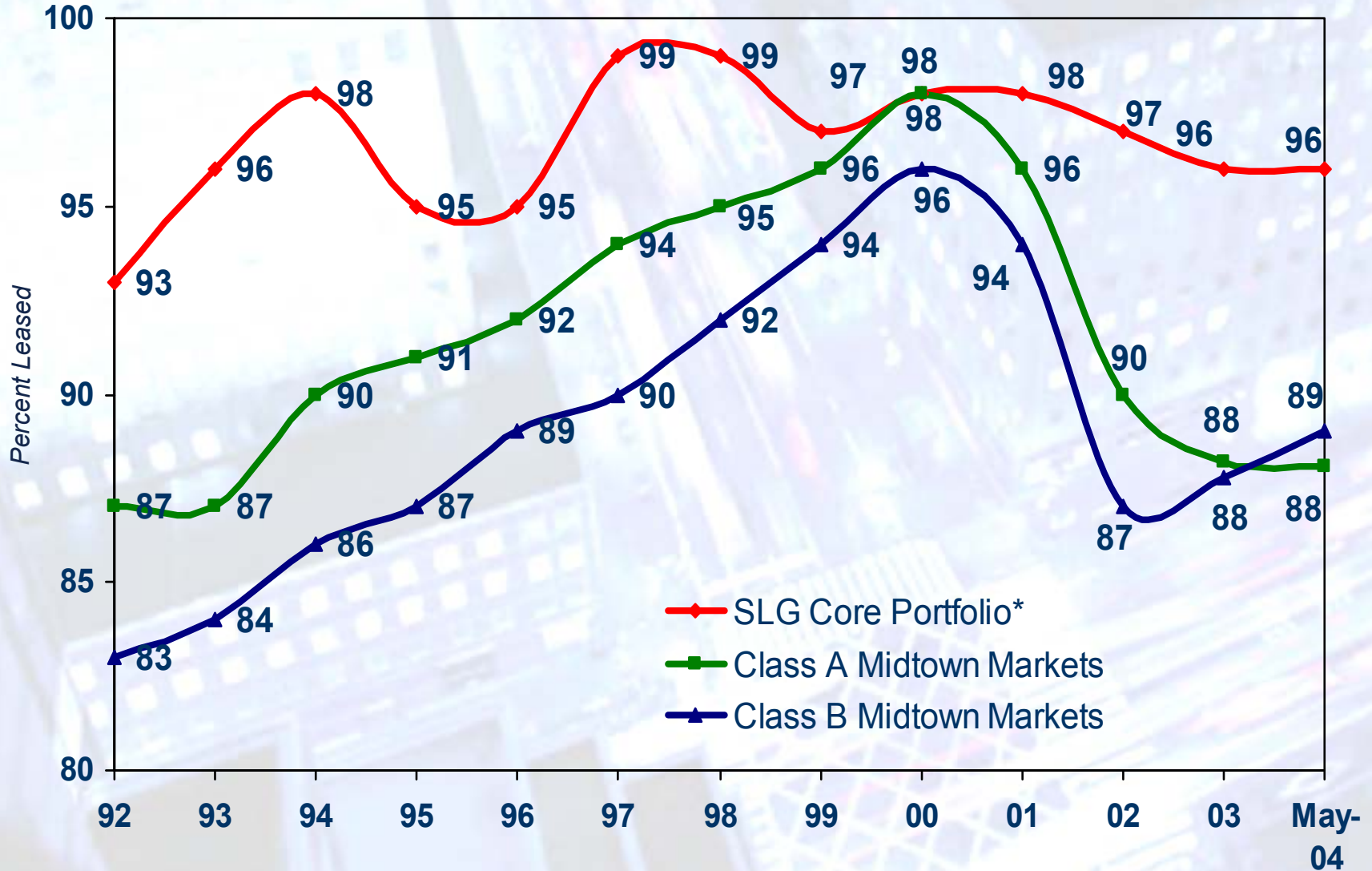
- 121 Leases Completed
- 567,535 RSF Leased
- 4,690 SF/lease

2003 Leasing Statistics

- 282 Leases Completed
- 1,620,000 RSF Leased
- 5,744 SF/lease



OUTPERFORMING THE MARKET



Source: RElocate/Cushman & Wakefield
 *Properties owned and managed by SL Green at least 18 months as of March 2004

AVENUES OF OPPORTUNITY

FINANCIAL PROFILE

AVENUES OF OPPORTUNITY

FINANCIAL GOALS & OBJECTIVES

- ◆ **Maintain Consistent Growth in Earnings and Free Cash Flow**
 - ❖ Average annual FFO growth of 11.74% since IPO
 - ❖ Combined interest coverage greater than 3x
 - ❖ Combined fixed charge coverage greater than 2x
- ◆ **Maintain Multiple Sources of Near-Term Liquidity**
 - ❖ Available unsecured lines capacity greater than 10% of assets
 - ❖ Multiple credit facilities
 - ❖ Strong emphasis on retained earnings
 - ❖ Seek to payout minimum amount requires to maintain REIT status (current FFO payout ratio 54.1%)

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FINANCIAL GOALS & OBJECTIVES

◆ **Active Liability Management**

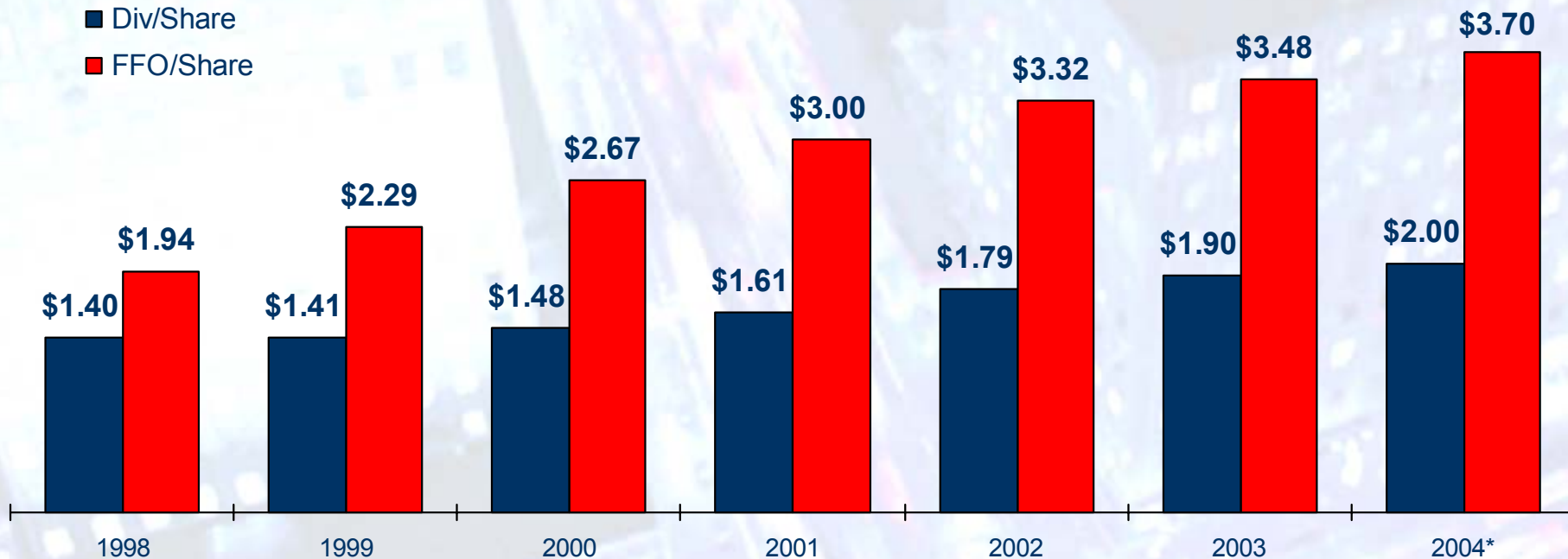
- ❖ Combined debt less than 50% of total market capitalization
- ❖ Combined floating rate debt less than 25% of total market capitalization
- ❖ Stagger maturities and extend duration

◆ **Access Multiple Sources of Long Term Capital**

- ❖ Access unsecured debt markets
- ❖ Access multiple sources of equity
 - ❖ Perpetual Preferred
 - ❖ Common
 - ❖ Operating partnership units
 - ❖ Joint ventures and asset sales
- ❖ Pursue most efficient capital

HISTORICAL DIVIDEND COVERAGE RATIOS

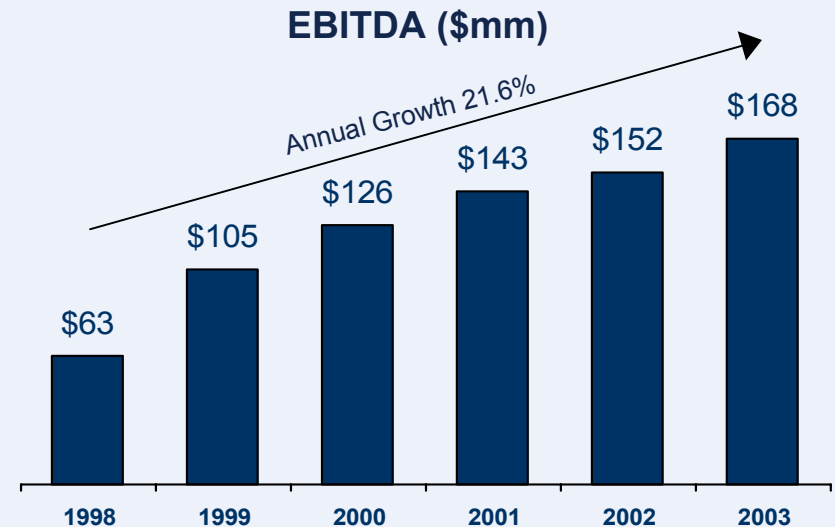
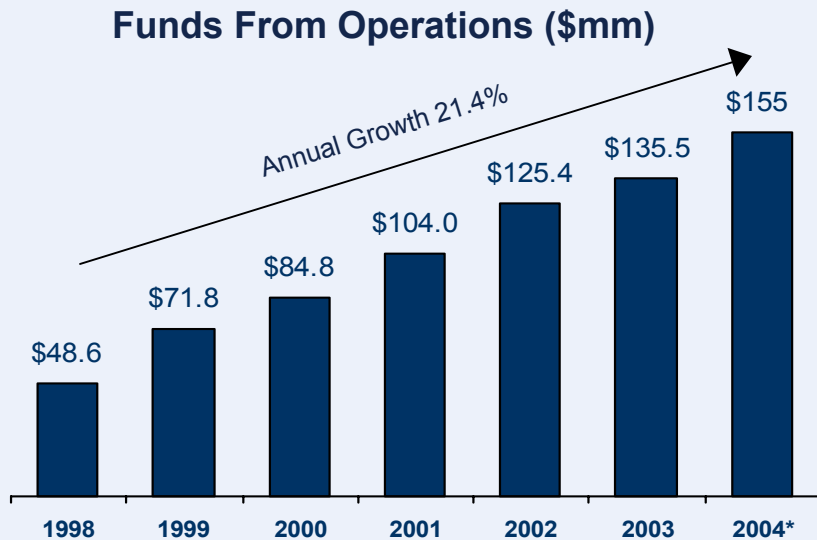
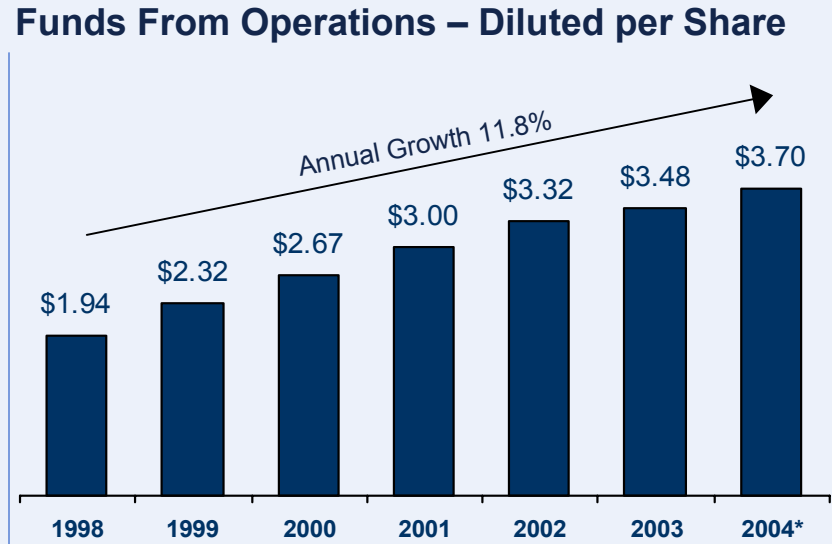
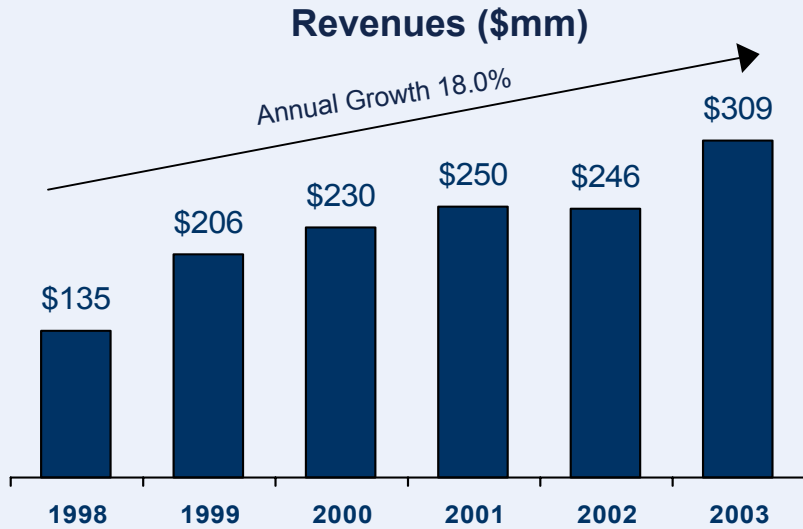
■ Div/Share
■ FFO/Share



| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 ¹ |
|------------------|-------|-------|-------|-------|-------|-------|--------------------|
| Payout Ratio | | | | | | | |
| FFO | 72.3% | 61.7% | 55.3% | 53.4% | 54.0% | 54.5% | 54.1% |
| FAD | 98.6% | 92.9% | 79.2% | 70.9% | 69.0% | 75.3% | 73.0% ³ |
| Dividend Growth* | NA | 1.6% | 7.0% | 14.2% | 5.1% | 7.5% | * |
| FFO Growth | 14.1% | 18.0% | 16.6% | 13.1% | 9.9% | 4.8% | 6.3% |

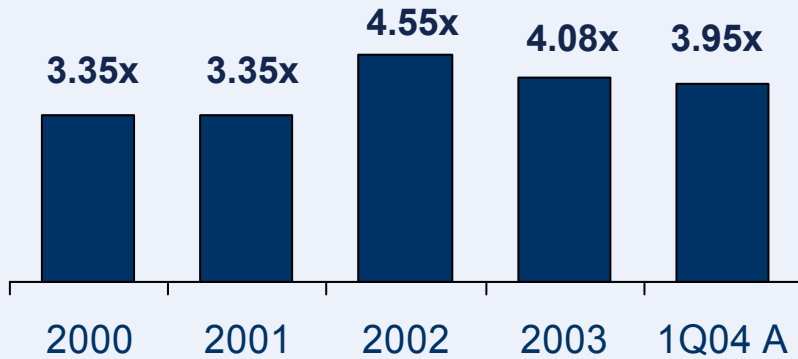
1. 2004 Data Based on FirstCall and analyst estimates; 2. Dividend growth represents announced dividend increase during the 4th Quarter;

STEADY GROWTH IN REVENUE AND EARNINGS

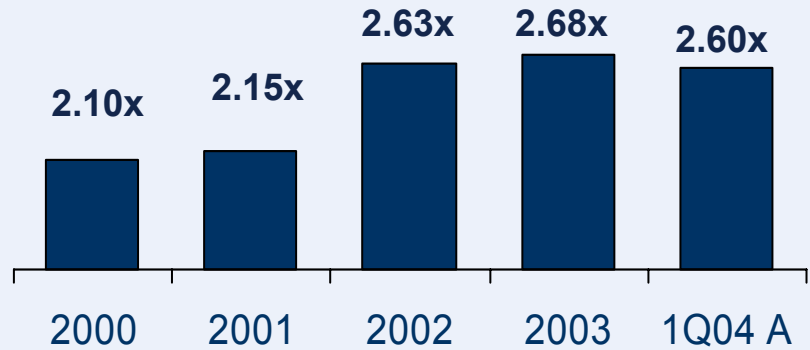


HISTORICAL COVERAGE RATIOS

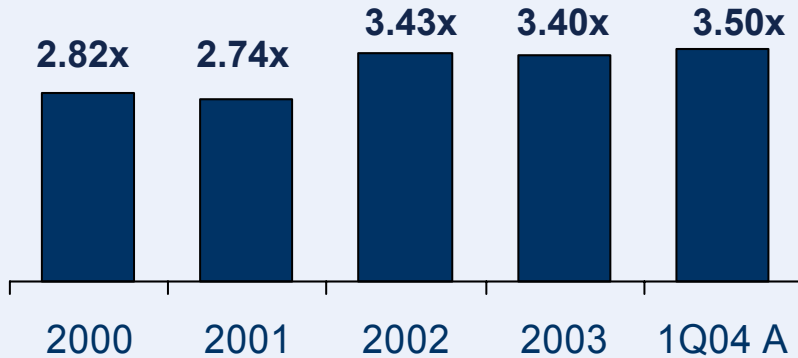
Interest Coverage Consolidated



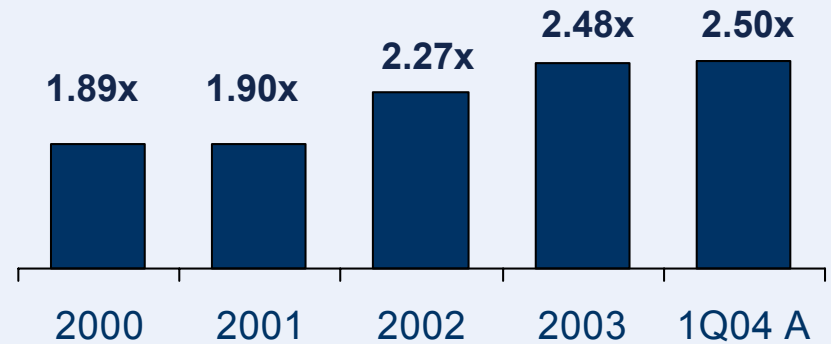
Fixed Charge Coverage Consolidated



Interest Coverage Combined



Fixed Charge Coverage Combined

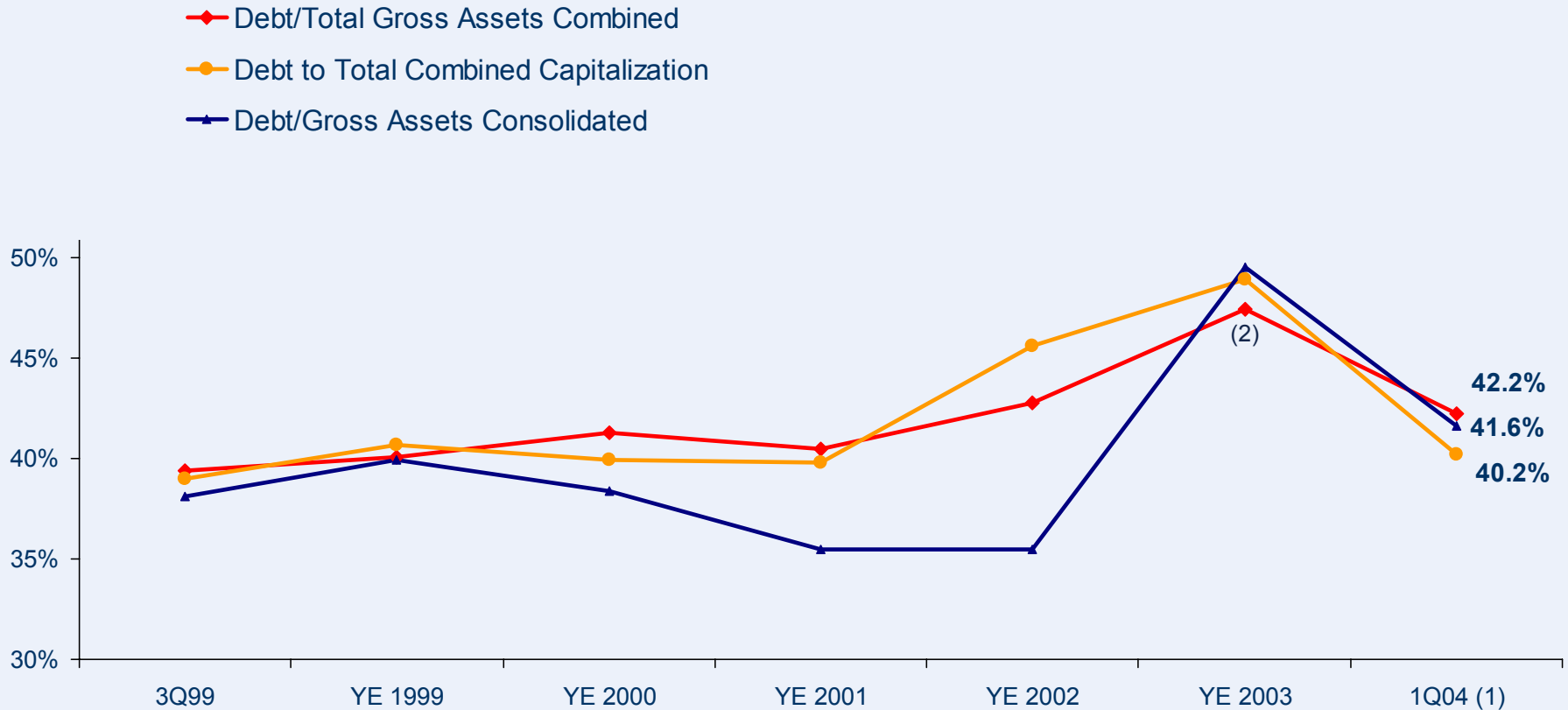


BALANCE SHEET

| | December 31, 2003 | March 31, 2004 Proforma* |
|---|---------------------|-----------------------------|
| <i>(Dollars in thousands)</i> | | |
| Real Estate | \$ 1,346,431 | \$ 1,355,880 |
| Less: Accumulated depreciation | (156,768) | (165,333) |
| Total Real Estate | 1,189,663 | 1,190,547 |
| Cash | 38,546 | 22,393 |
| Investments in joint ventures | 590,064 | 517,002 |
| Structured Finance | 218,989 | 276,538 |
| Other | 224,579 | 206,403 |
| Total Assets | \$ 2,261,841 | \$ 2,238,883 |
| Mortgage Notes Payable | \$ 525,870 | \$ 515,018 |
| Unsecured LOC | 170,000 | 20,000 |
| Unsecured Term Loan | 367,579 | 367,410 |
| Secured Line of Credit | 66,000 | 17,000 |
| Other Liabilities | 127,304 | 150,234 |
| Total Liabilities | 1,256,753 | 1,069,662 |
| Minority Interest | 54,791 | 52,756 |
| Stockholder's Equity | 950,297 | 1,116,465 |
| Total Liabilities & Stockholder's Equity | \$ 2,261,841 | \$ 2,238,883 |

*Proforma reflects Preferred Series D Offering and the recapitalization of One Park Avenue

HISTORICAL LEVERAGE



(1) Reflects March 31, 2004 proforma for announced transactions. Market cap calculated by June 1, 2004 closing stock price

(2) Reflects adjusted balance sheet for December 31, 2003.

AVENUES OF OPPORTUNITY

SL Green Realty Corp.

NAREIT

2004 Institutional Investor Conference

June 7th – 9th