UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported):
April 19, 2006

SL GREEN REALTY CORP.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MARYLAND
(STATE OF INCORPORATION)

1-13199 (COMMISSION FILE NUMBER)	**13-3956775** (IRS EMPLOYER ID. NUMBER)
420 Lexington Avenue **New York, New York** (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	**10170** (ZIP CODE)

(212) 594-2700
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:
o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On April 19, 2006, GKK Manager LLC (the "Manager"), a majority-owned subsidiary of SL Green Realty Corp. (the "Company"), entered into an Amended and Restated Management Agreement (the "Amended Management Agreement") with Gramercy Capital Corp. ("Gramercy") and GKK Capital LP (the "GKK LP"). Gramercy is externally managed and advised by the Manager and the Company owns approximately 25% of the outstanding shares of Gramercy's common stock.

The Amended Management Agreement generally contains the same terms and conditions as the Management Agreement dated August 2, 2004 except for the following material changes: (i) extends the term of the agreement through December 31, 2009, with automatic one year renewals; (ii) eliminates the 50% reduction in the termination fee if Gramercy becomes self-managed and clarifies that in connection with an internalization of the Manager, the only consideration to be paid to the Manager will be pursuant to a separate agreement between the Manager and Gramercy; and (iii) includes in the definition of "Stockholders Equity" (a) trust preferred securities and (b) other securities that do not constitute indebtedness on the balance sheet in accordance with GAAP.

In addition, the Amended Management Agreement provides that in connection with formations of collateralized debt obligations or other securitization vehicles (collectively, "CDOs"), if a collateral manager is retained, the Manager or an affiliate will be the collateral manager and will receive the following fees: (i) 0.25% per annum of the book value of the assets owned for transitional "managed" CDOs, (ii) 0.15% per annum of the book value of the assets owned for non-transitional "managed" CDOs, (iii) 0.10% per annum of the book value of the assets owned for static CDOs that own primarily non-investment grade bonds, and (iv) 0.05% per annum of the book value of the assets owned for static CDOs that own primarily investment grade bonds; limited in each instance by the fees that are paid to the collateral manager. The balance of the fees paid by the CDO for collateral management services are paid over to Gramercy.

On April 19, 2006, SL Green Operating Partnership, L.P., a majority-owned subsidiary of the Company ("SL Green OP" and, with the Company and its subsidiaries, the "SL Green Entities") also entered into an Amended and Restated Origination Agreement (the "Amended Origination Agreement") with Gramercy. The Amended Origination Agreement generally contains the same terms and conditions as the Origination Agreement between Gramercy and SL Green OP dated August 2, 2004, except for the following material changes: (i) provides Gramercy with a right of first offer with respect to fixed income investments or preferred equity investments that any SL Green Entity owns, subject to limited exceptions; (ii) clarifies that the pre-emptive rights of the Company apply to limited partnership units of GKK LP ("Units") and other securities of Gramercy convertible into common stock of Gramercy or Units and extends such rights to issuances by Gramercy in any private or public offering, any merger, consolidation or similar business combination transaction or any sale of all or substantially all of the assets of Gramercy, and obligates Gramercy to obtain stockholder approval for these preemptive rights every five years; and (iii) confirms the right of the SL Green Entities to retain investments owned by companies or businesses that are acquired by SL Green Entities, but precludes the Company from acquiring companies or businesses engaged primarily in Gramercy's primary business activities.

In connection with the management services that the Manager provides to Gramercy and GKK LP, the Manager engaged SLG Gramercy Services LLC, a wholly-owned affiliate of the Company, to manage and service certain assets of Gramercy pursuant to an Asset Servicing Agreement. On April 19, 2006, the Manager and SLG Gramercy Services LLC entered into an Amended and Restated Asset Servicing Agreement (the "Amended Asset Servicing Agreement"), which reduces the asset servicing fee to 0.05% per annum of the book value of the assets for all credit tenant lease assets and for non-investment grade bonds, but keeps the asset servicing fee at 0.15% per annum of the book value of the assets for all other assets.

The foregoing is a summary of the terms of the Amended Management Agreement, Amended Origination Agreement and Amended Asset Servicing Agreement. Certain additional changes not described herein were made to these agreements. Such summary does not purport to be complete and is qualified in its entirety by reference to the full text of each of the agreements, copies of which are attached hereto and incorporated herein by reference.

Item 2.02. Results of Operations and Financial Condition

Following the issuance of a press release on April 24, 2006 announcing the Company's results for the first quarter ended March 31, 2006, the Company intends to make available supplemental information regarding the Company's operations that is too voluminous for a press release. The Company is attaching the press release as Exhibit 99.1 and the supplemental package as Exhibit 99.2 to this Current Report on Form 8-K.

The information (including exhibits 99.1 and 99.2) being furnished pursuant to this "Item 2.02 Results of Operations and Financial Condition" shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing.

Item 7.01. Regulation FD Disclosure

As discussed in Item 2.02 above, on April 24, 2006, the Company issued a press release announcing its results for the first quarter ended March 31, 2006.

The information being furnished pursuant to this "Item 7.01 Regulation FD Disclosure" shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing. This information will not be deemed an admission as to the materiality of such information that is required to be disclosed solely by Regulation FD.

Item 8.01. Other Events

On April 25, 2006, the Company announced that it had entered into an agreement to acquire the fee interest in 609 Fifth Avenue – a mixed-use property that includes New York City's American Girl Store and approximately 100,000 square feet of Class A office space – for $182 million. This transaction represents a conversion of another SL Green structured-finance investment into a wholly-owned asset. The transaction, which is subject to customary closing conditions, is expected to close in the second quarter of 2006.

In January 2006, the Company, in a joint venture with Jeff Sutton, acquired the fee interests in two adjoining retail buildings at 25-27 and 29 West 34th Street for an aggregate purchase price of $30.0 million. The buildings comprise approximately 50,900 rentable square feet. We own 50% of the equity in the joint venture. The Company also owns the adjacent property at 21 West 34th Street.

On April 25, 2006, the Company announced that it had entered into an agreement to sell the properties located at 286 Madison Avenue and 290 Madison Avenue for approximately $63.0 million. The transaction, which is subject to customary closing conditions, is expected to close in the second quarter of 2006.

A copy of the press releases announcing these transactions are attached hereto as Exhibit 99.3 and 99.4 and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

(c) *Exhibits*

10.1	Amended Management Agreement.
10.2	Amended Origination Agreement.
10.3	Amended Asset Servicing Agreement.
99.1	Press Release regarding first quarter earnings.
99.2	Supplemental package.
99.3	Press release regarding agreement to acquire the property located at 609 Fifth Avenue and the closing of the acquisition of the properties located at 25-27 West 34th Street and 29 West 34th Street.
99.4	Press release regarding entering of an agreement to sell 286 Madison Avenue and 290 Madison Avenue.

NON-GAAP Supplemental Financial Measures

<u>Funds from Operations (FFO)</u>

FFO is a widely recognized measure of REIT performance. We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts, or NAREIT, which may not be comparable to FFO reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than we do. The revised White Paper on FFO approved by the Board of Governors of

NAREIT in April 2002 defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring and sales of properties, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. We present FFO because we consider it an important supplemental measure of our operating performance and believe that it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITS, particularly those that own and operate commercial office properties. We also use FFO as one of several criteria to determine performance-based bonuses for members of our senior management. FFO is intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization unique to real estate, gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, interest costs, providing perspective not immediately apparent from net income. FFO does not represent cash generated from operating activities in accordance with GAAP and should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of our financial performance or to cash flow from operating activities (determined in accordance with GAAP) as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make cash distributions.

Funds Available for Distribution (FAD)

FAD is a non-GAAP financial measure that is not intended to represent cash flow for the period and is not indicative of cash flow provided by operating activities as determined in accordance with GAAP. FAD is presented solely as a supplemental disclosure with respect to liquidity because the Company believes it provides useful information regarding the Company’s ability to fund its dividends. Because all companies do not calculate FAD the same way, the presentation of FAD may not be comparable to similarly titled measures of other companies. FAD does not represent cash flow from operating, investing and finance activities in accordance with GAAP and should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of our financial

performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP), or as a measure of our liquidity.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

The Company presents earnings before interest, taxes, depreciation and amortization (EBITDA) because the Company believes that EBITDA, along with cash flow from operating activities, investing activities and financing activities, provides investors with an additional indicator of the Company’s ability to incur and service debt. EBITDA should not be considered as an alternative to net income (determined in accordance with GAAP), as an indication of our financial performance, as an alternative to net cash flows from operating activities (determined in accordance with GAAP), or as a measure of our liquidity.

Same-Store Net Operating Income

The Company presents same-store net operating income on a cash and GAAP basis because the Company believes that it provides investors with useful information regarding the operating performance of properties that are comparable for the periods presented. For properties owned since January 1, 2005, the Company determines net operating income by subtracting property operating expenses and ground rent from recurring rental and tenant reimbursement revenues. Same-store net operating income is not an alternative to net income (determined in accordance with GAAP) and same-store performance should not be considered an alternative to GAAP net income performance.

Debt to Market Capitalization Ratio

The Company presents the ratio of debt to market capitalization as a measure of the Company’s leverage position relative to the Company’s estimated market value. The Company’s estimated market value is based upon the quarter-end trading price of the Company’s common stock multiplied by all common shares and operating partnership units outstanding plus the face value of the Company’s preferred equity. This ratio is presented on a consolidated basis and a combined basis. The combined debt to market capitalization includes the Company’s pro-rata share of off-balance sheet (unconsolidated) joint venture debt. The Company believes this ratio may provide investors with another measure of the Company’s current leverage position. The debt to market capitalization ratio should be used as one measure of the Company’s leverage position, and this measure is commonly used in the REIT sector; however, this may not be comparable to other REITs that do not compute in the same manner. The debt to market capitalization ratio does not represent the Company’s borrowing capacity and should not be considered an alternative measure to the Company’s current lending arrangements.

Coverage Ratios

The Company presents fixed charge and interest coverage ratios to provide a measure of the Company’s financial flexibility to service current debt amortization, interest expense and ground rent from current cash net operating income. These coverage ratios are provided on both a consolidated and combined basis. The combined coverage ratios include the Company’s pro-rata share of off-balance sheet (unconsolidated) joint venture fixed charges and cash net operating income. These coverage ratios represent a common measure of the Company’s ability to service fixed cash payments; however, these ratios are not used as an alternative to cash flow from operating, financing and investing activities (determined in accordance with GAAP).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SL GREEN REALTY CORP.

/S/ Gregory F. Hughes

Gregory F. Hughes
Chief Financial Officer

Date: April 25, 2006

Exhibit 10.1

EXECUTION COPY

AMENDED AND RESTATED
MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED MANAGEMENT AGREEMENT is made as of April 19, 2006 (this "Agreement") by and between Gramercy Capital Corp., a Maryland corporation (the "Parent"), GKK Capital LP, a Delaware limited partnership (the "Operating Partnership" and with the Parent and Subsidiaries and other entities controlled by either of them, the "Company"), and GKK Manager LLC, a Delaware limited liability company (the "Manager").

W I T N E S S E T H :

WHEREAS, the Parent and the Operating Partnership were formed by SL Green Realty Corp., a Maryland corporation (with SL Green Operating Partnership, L.P., a Delaware limited partnership ("SL Green OP") and subsidiaries and other entities controlled by either of them, "SL Green") to continue SL Green's specialty real estate finance business in a separate company;

WHEREAS, the Parent and the Operating Partnership desire to have Manager undertake the duties and responsibilities hereinafter set forth on behalf of the Company as provided in this Agreement;

WHEREAS, Manager is willing to render such services on the terms and conditions hereinafter set forth;

WHEREAS, the Parent, the Operating Partnership and the Manager entered into the original management agreement as of August 2, 2004 (the "Original Management Agreement") and the Confirmatory Addendum to Management Agreement (the "Addendum"); and

WHEREAS the Parent, the Operating Partnership and the Manager desire to amend and restate the Original Management Agreement in its entirety.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, the parties hereto agree that the Original Management Agreement shall be amended and restated in its entirety as follows:

1. **Definitions**.

(a) "Agreement" has the meaning assigned in the first paragraph.

(b) "Asset Servicing Agreement" means the Amended and Restated Asset Servicing Agreement between Manager and SLG Gramercy Services LLC, dated as of the date hereof.

(c) "Board of Directors" means the Board of Directors of the Parent.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Company" has the meaning assigned in the first paragraph.

(f) "Company Account" has the meaning assigned in Section 5.

(g) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(h) "Expenses" has the meaning assigned in Section 9.

(i) "GAAP" means generally accepted accounting principles in effect in the U.S. on the date such principles are applied consistently.

(j) "Governing Instruments" means, with respect to any Person, the articles of incorporation and bylaws in the case of a corporation, the certificate of limited partnership (if applicable) and partnership agreement in the case of a general or limited partnership or the articles of formation and operating agreement in the case of a limited liability company.

(k) "Independent Directors" means the members of the Board of Directors of Parent who are not officers or employees of the Company, Manager or SL Green and who are otherwise "independent" in accordance with the Parent's Governing Instruments and, if applicable, the rules of the New York Stock Exchange.

(l) "Investment Company Act" means the Investment Company Act of 1940, as amended.

(m) "Investment Guidelines" means the parameters and policies relating to Investments as determined by the Board of Directors, as set forth in the public disclosure documents of the Parent and as may be changed from time-to-time.

(n) "Investments" means the investments of the Company.

(o) "Manager" has the meaning assigned in the first paragraph.

(p) "Outsource Agreement" means the Amended and Restated Outsource Agreement by and between the Manager and SL Green Operating Partnership, L.P., dated as of the date hereof.

(q) "Origination Agreement" means the Amended and Restated Origination Agreement between the Parent and SL Green Operating Partnership, L.P., dated as of the date hereof.

(r) "Partnership Agreement" means the agreement of limited partnership of the Operating Partnership, as amended from time to time.

(s) "Person" means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or

municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

(t) "REIT" means a corporation or trust which qualifies as a real estate investment trust in accordance with Sections 856 through 860 of the Code.

(u) "Special Limited Partnership Interest" means the interest in the Operating Partnership granted to the Manager pursuant to the terms of the Partnership Agreement.

(v) "Stockholders' Equity" means, without duplication, the sum of (i) the aggregate gross proceeds from the sales of the Operating Partnership's common and preferred equity capital, (ii) the aggregate gross proceeds from the sales of trust preferred securities issued by the Company, and (iii) the aggregate gross proceeds from the sales of any securities issued by the Company that do not constitute indebtedness on the Parent's financial statements in accordance with GAAP.

(w) "Subsidiary" means any direct or indirect subsidiary of the Parent or the Operating Partnership, any partnership, the general partner of which is the Parent or the Operating Partnership or any direct or indirect subsidiary of the Parent or the Operating Partnership and any limited liability company, the managing member of which is the Parent or the Operating Partnership or any direct or indirect subsidiary of the Parent or the Operating Partnership.

2. **Appointment and Duties of Manager**.

(a) Appointment. The Company hereby appoints Manager as its exclusive agent to manage the assets of the Company subject to the further terms and conditions set forth in this Agreement, and Manager hereby agrees to use its commercially reasonable efforts to perform each of the duties set forth herein, provided funds are made available by the Company for such purposes, as set forth in Section 9 hereof.

(b) Duties. Manager, in its capacity as manager of the Company's day-to-day operations, at all times will be subject to the supervision of the Board of Directors and will have only such functions and authority as the Company may delegate to it, including, without limitation, the functions and authority identified herein and delegated to Manager hereby. Manager will perform (or cause to be performed) the following services and activities for the Company:

(i) serving as the Parent's consultant with respect to the periodic review of the investment criteria and parameters for Investments, borrowings and operations for approval by the Board of Directors;

(ii) investigating, analyzing and selecting possible investment opportunities;

(iii) engaging and supervising, on the Company's behalf and at the Company's expense, independent contractors which provide real estate-related services, investment banking services, mortgage brokerage services, securities brokerage services, legal services, accounting

services, due diligence services and other financial services and such other services as may be required relating to the Company's Investments;

(iv) negotiating, executing and closing on the Company's behalf the origination, acquisition, sale, exchange or other disposition of any of the Company's Investments;

(v) arranging, negotiating, coordinating and managing operations of any joint venture or co-investment interests held by the Company and conducting all matters with any joint venture or co-investment partners;

(vi) providing executive and administrative personnel;

(vii) administering the Company's day-to-day operations and performing and supervising the performance of other administrative functions necessary to the Company's management, as may be agreed upon by Manager and the Board of Directors, including the collection of revenues and the payment of the Company's debts and obligations, maintenance of appropriate computer services to perform such administrative functions, keeping the Company's books and records, organizing Board of Directors and committee meetings, and other services related to the Parent's obligations as a publicly traded entity;

(viii) communicating on the Company's behalf with the holders of any of the Company's equity or debt securities as required to satisfy the reporting and other requirements of any governmental bodies or agencies or trading markets and to maintain effective relations with such holders;

(ix) advising the Parent in connection with policy decisions to be made by the Parent's Board of Directors;

(x) evaluating and recommending to the Board of Directors modifications to the hedging strategies in effect and causing the Company to engage in overall hedging strategies consistent with the Company's status as a REIT and with the Company's Investment Guidelines;

(xi) advising the Company regarding the maintenance of the Company's status as a REIT and monitoring compliance with the various REIT qualification tests and other rules set out in the Code and Treasury Regulations thereunder;

(xii) advising the Company regarding the maintenance of the Company's exemption from the Investment Company Act and monitoring compliance with the requirements for maintaining an exemption from the Investment Company Act;

(xiii) assisting the Company in developing criteria for Investment commitments meeting the Company's objectives, and making available to the Company its knowledge and experience with respect to real estate, real estate securities and other real estate-related assets;

(xiv) representing, and making recommendations to, the Company in connection with the purchase and finance and commitment to purchase and finance of whole loans, mezzanine loans and interests therein, mortgage loans and interests therein (including on a

portfolio basis), real estate, real estate securities and other real estate-related assets, and the sale and commitment to sell such assets;

(xv) monitoring the operating performance of the Company's Investments and providing periodic reports with respect thereto to the Board of Directors as requested by the Board of Directors, including comparative information with respect to such operating performance, budgeted or projected operating results and compliance with the Company's Investment Guidelines;

(xvi) investing or reinvesting any money of the Company (including investing in short-term investments pending investment in long-term asset investments, payment of fees, costs and expenses, or payments of dividends or distributions to the Company's stockholders and partners), and advising the Parent and the Operating Partnership as to their respective capital structures and capital raising;

(xvii) causing the Parent and the Operating Partnership to retain qualified accountants and legal counsel, as applicable, to assist in developing appropriate accounting procedures, compliance procedures and testing systems with respect to financial reporting obligations and Parent's compliance with the REIT provisions of the Code and to conduct quarterly compliance reviews thereof;

(xviii) causing the Parent and the Operating Partnership to qualify to do business in all applicable jurisdictions and to obtain and maintain all appropriate licenses;

(xix) assisting the Parent and the Operating Partnership in complying with all regulatory requirements applicable to the Parent and the Operating Partnership in respect of its business activities, including preparing or causing to be prepared all financial statements required under applicable regulations and contractual undertakings and all reports and documents, if any, required under the Exchange Act, the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

(xx) taking all necessary actions to enable the Parent and the Operating Partnership to make required tax filings and reports, including with respect to the Parent, soliciting stockholders for required information to the extent provided by the REIT provisions of the Code;

(xxi) handling and resolving all claims, disputes or controversies (including all litigation, arbitration, settlement or other proceedings or negotiations) in which the Company may be involved or to which the Company may be subject, arising out of the Company's day-to-day operations, subject to such limitations or parameters as may be imposed from time-to-time by the Board of Directors;

(xxii) using commercially reasonable efforts to cause expenses incurred by or on behalf of the Company to be reasonable or customary and within any budgeted parameters or expense guidelines set by the Board of Directors from time-to-time;

(xxiii) performing such other services as may be required from time-to-time for management and other activities relating to the Company's assets as the Board of Directors shall reasonably request or Manager shall deem appropriate under the particular circumstances;

(xxiv) using commercially reasonable efforts to cause the Parent and the Operating Partnership to comply with all applicable laws; and

(xxv) taking the foregoing actions for the Subsidiaries.

(c) <u>Asset Management Subcontracts</u>. Manager may enter into agreements with other parties, including its affiliates and/or SL Green, for the purpose of engaging one or more asset managers for and on behalf, and at the sole cost and expense, of the Company to provide asset management and/or similar services to the Company with respect to the Investments, pursuant to asset management agreement(s) with terms which are then customary for agreements regarding the management of assets similar in type, quality and value to the assets of the Company; provided, that any such agreements entered into with affiliates of Manager shall be (i) on terms no more favorable to such affiliate than would be obtained from a third party on an arm's-length basis, and (ii) approved by a majority of the Independent Directors.

(d) <u>Other Service Providers; Special Servicer</u>. Subject to any required Board of Directors approval, Manager may retain for and on behalf, and at the sole cost and expense, of the Company such services of accountants, legal counsel, appraisers, insurers and brokers, among others, including Manager's affiliates, as Manager deems necessary or advisable in connection with the management and operations of the Company and the provision of its duties under this Agreement; provided, that any such agreement entered into with an affiliate of Manager to perform any such services shall be engaged (i) on terms no more favorable to such affiliate than would be obtained from a third party on an arm's-length basis, and (ii) approved by a majority of the Independent Directors. The Company hereby acknowledges and approves the terms of the Asset Servicing Agreement and the Outsource Agreement. In connection therewith, the Company agrees that with respect to any Investments which entitle it to appoint a special servicer or a sub-servicer to a special servicer, it shall use all commercially reasonable efforts to designate the Manager or SLG Gramercy Services LLC as such special servicer or sub-servicer. In such event the fees to be paid to the Manager or SLG Gramercy Services LLC shall be based on then customary fees paid to third-parties performing similar functions, and shall be approved by a majority of the Independent Directors.

(e) CDO's. If the Company forms, directly or indirectly, a CDO, CLO, REMIC or other similar vehicle (collectively, "CDOs") and retains a collateral manager, the Company shall, or shall cause the issuer(s) thereof or their related parties to, enter into a collateral management agreement or other similar agreements with the Manager similar to those agreements entered into in connection with the formation of Gramercy Real Estate CDO 2005-1, Ltd. and Gramercy Real Estate CDO 2005-1, LLC and on substantially the same terms and conditions, or upon the then current customary market terms and conditions for similar agreements in similar transactions, reasonably acceptable to the Manager, provided, however, that the compensation paid to the Manager in connection therewith shall be as set forth in Section 8(b) hereof.

(f) Reporting Requirements.

(i) As frequently as Manager may deem necessary or advisable, or at the direction of the Board of Directors, Manager shall prepare, or cause to be prepared, with respect to any Investment (A) reports and information on the Company's operations and asset performance and (B) other information reasonably requested by the Company.

(ii) Manager shall prepare, or cause to be prepared, all reports, financial or otherwise, with respect to the Parent and the Operating Partnership reasonably required by the Board of Directors in order for the Parent and the Operating Partnership to comply with its Governing Instruments or any other materials required to be filed with any governmental entity or agency, and shall prepare, or cause to be prepared, all materials and data necessary to complete such reports and other materials including, without limitation, an annual audit of the Company's books of account by a nationally recognized independent accounting firm of good reputation, initially Ernst & Young, LLP.

(iii) Manager shall prepare regular reports for the Board of Directors to enable the Board of Directors to review the Company's acquisitions, portfolio composition and characteristics, credit quality, performance and compliance with the Investment Guidelines and policies approved by the Board of Directors.

(g) Use of Manager's Funds. Manager shall not be required to expend money in excess of that contained in any applicable Company Account or otherwise made available by the Company to be expended by Manager hereunder.

(h) Reliance by Manager. In performing its duties under this Section 2, Manager shall be entitled to rely on qualified experts and professionals (including, without limitation, accountants, legal counsel and other professional service providers) hired by Manager at the Company's sole cost and expense.

(i) Payment and Reimbursement of Expenses. The Company shall pay all expenses, and reimburse Manager for Manager's expenses incurred on its behalf, in connection with any such services to the extent such expenses are reimbursable by the Company to Manager pursuant to Section 9 hereof.

3. **Dedication; Other Activities**.

(a) Devotion of Time. Manager will provide a dedicated management team to deliver the management services to the Company hereunder, the members of which team shall devote such of their time to the management of the Company as the Manager deems necessary and appropriate, commensurate with the level of activity of the Company from time to time. The Company shall have the benefit of Manager's reasonable judgment and effort in rendering services and, in furtherance of the foregoing, Manager shall not undertake activities which, in its reasonable judgment, will substantially adversely affect the performance of its obligations under this Agreement.

(b) Other Activities. Except to the extent set forth in clause (a) above, nothing herein shall prevent Manager or any of its affiliates or any of the officers and employees of any of the

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foregoing from engaging in other businesses or from rendering services of any kind to any other person or entity, including investment in, or advisory service to others investing in, any type of real estate or real estate-related investment, including investments which meet the principal investment objectives of the Company.

(c) Officers, Employees, Etc. Manager's or its affiliates' members, partners, officers, employees and agents may serve as directors, officers, employees, agents, nominees or signatories for the Company or any Subsidiary, to the extent permitted by their Governing Instruments, as may be amended from time to time, or by any resolutions duly adopted by the Board of Directors pursuant to the Company's Governing Instruments. When executing documents or otherwise acting in such capacities for the Company or such other Subsidiary, such Persons shall use their respective titles with respect to the Company or such Subsidiary.

4. **Agency**. Manager shall act as the agent of the Company in making, acquiring, financing and disposing of Investments, disbursing and collecting the Company's funds, paying the debts and fulfilling the obligations of the Company, supervising the performance of professionals engaged by or on behalf of the Company and handling, prosecuting and settling any claims of or against the Company, the Board of Directors, holders of the Company's securities or the Company's representatives or assets.

5. **Bank Accounts**. At the direction of the Board of Directors, Manager may establish and maintain as an agent on behalf of the Company one or more bank accounts in the name of the Parent and the Operating Partnership or any other Subsidiary (any such account, a "Company Account"), collect and deposit funds into any such Company Account and disburse funds from any such Company Account, under such terms and conditions as the Board of Directors may approve. Manager shall from time-to-time render appropriate accountings of such collections and payments to the Board of Directors and, upon request, to the auditors of Company.

6. **Records; Confidentiality**.

(a) Records. Manager shall maintain appropriate books of account and records relating to services performed under this Agreement, and such books of account and records shall be accessible for inspection by representatives of the Company at any time during normal business hours.

(b) Confidentiality. Manager shall keep confidential any nonpublic information obtained in connection with the services rendered under this Agreement and shall not disclose any such information (or use the same except in furtherance of its duties under this Agreement), except: (i) to SL Green on the condition that SL Green observe the requirements of this Section 6(b) as it applies to the Manager; (ii) in accordance with the Origination Agreement, Outsource Agreement and Asset Servicing Agreement; (iii) with the prior written consent of the Board of Directors; (iv) to legal counsel, accountants and other professional advisors; (v) to appraisers, financing sources and others in the ordinary course of the Company's business; (vi) to governmental officials having jurisdiction over the Company; (vii) in connection with any governmental or regulatory filings of the Company or disclosure or presentations to Company investors; or (vii) as required by law or legal process to which Manager or any Person to whom disclosure is permitted hereunder is a party. The foregoing shall not apply to information which

has previously become available through the actions of a Person other than Manager not resulting from Manager's violation of this Section 6(b). The provisions of this Section 6(b) shall survive the expiration or earlier termination of this Agreement for a period of one year.

7. **Obligations of Manager; Restrictions**.

(a) Restrictions. Manager shall refrain from any action that, in its sole judgment made in good faith, (i) is not in compliance with the Investment Guidelines, (ii) would adversely affect the status of the Parent as a REIT, or (iii) would violate any law, rule or regulation of any governmental body or agency having jurisdiction over the Company or that would otherwise not be permitted by the Company's Governing Instruments. If Manager is ordered to take any such action by the Board of Directors, Manager shall promptly notify the Board of Directors of Manager's judgment that such action would adversely affect such status or violate any such law, rule or regulation or Governing Instruments. Notwithstanding the foregoing, Manager, its affiliates and their respective members, stockholders, partners, managers, directors, officers, employees and agents shall not be liable to the Parent, the Operating Partnership or any Subsidiary, the Board of Directors or any of the Company's stockholders, members or partners for any act or omission by Manager, its managers, directors, officers, employees or agents taken in good faith or except as provided in Section 11 hereof.

(b) Board of Directors Review. The Board of Directors will periodically review the Investment Guidelines and the Company's investment portfolio but will not review each proposed investment, except as set forth below. Investments must be approved as follows, unless otherwise agreed by Manager and the Board of Directors: an investment committee of the Board of Directors must unanimously approve all transactions involving investments of (i) $35 million or more with respect to first mortgage loans, (ii) $30 million or more with respect to subordinated interests in whole loans, and (iii) $20 million or more with respect to mezzanine loans, preferred equity and commercial real estate properties net leased to tenants; approval by the full Board of Directors is required for investments (i) over $75 million with respect to first mortgage loans, (ii) over $65 million with respect to subordinated interests in whole loans, (iii) over $55 million with respect to mezzanine loans, and (iv) over $50 million with respect to preferred equity and commercial real estate properties net leased to tenants. Manager will have full discretion to invest on behalf of the Company with respect to investments under (i) $35 million with respect to first mortgage loans, (ii) $30 million with respect to subordinated interests in whole loans and, (iii) $20 million with respect to mezzanine loans, preferred equity and commercial real estate properties net leased to tenants. Approval limits are based on the investment amount less any origination fees, discounts or other up-front fees the Company receives in connection with the investment. Manager can rely upon the direction of the Secretary of the Board of Directors to evidence the approval of the Board of Directors. Notwithstanding the foregoing, any Investment entered into with an affiliate of Manager shall be approved by a majority of the Independent Directors.

(c) Insurance. Manager shall maintain "errors and omissions" insurance coverage and such other insurance coverage which is customarily carried by property, asset and investment managers performing functions similar to those of Manager under this Agreement with respect to assets similar to the assets of the Company, in an amount which is comparable to that customarily maintained by other managers or servicers of similar assets.

8. **Compensation**.

(a) Manager shall receive an annual management fee equal to 1.75% of Stockholders' Equity. The annual management fee shall be calculated on a weighted average basis and paid in cash monthly in arrears. Manager shall make available the monthly calculation of the base management fee to the Company within fifteen (15) days following the last day of each calendar month, and the Company shall pay Manager the base annual management fee within five business days thereafter.

(b) In connection with any and all CDOs formed, owned or controlled, directly or indirectly, by the Company, the Manager shall receive management, service and similar fees equal to (i) 0.25% per annum of the book value of the assets owned, directly or indirectly, by managed transitional CDOs, (ii) 0.15% per annum of the book value of the assets owned, directly or indirectly, by managed non-transitional CDOs, (iii) 0.10% per annum of the book value of the assets owned, directly or indirectly, by static CDOs that own primarily non-investment grade bonds, and (iv) 0. 05% per annum of the book value of the assets owned, directly or indirectly, by static CDOs that own primarily investment grade bonds. For the purposes of this Section 8(b), a "managed transitional" CDO shall mean a CDO that is actively managed, has a reinvestment period and initially owns primarily first mortgage loans that are secured primarily by non-stabilized real estate assets that are expected to experience substantial net operating income growth. For the purposes of this Section 8(b), a "managed non-transitional" CDO shall mean a CDO that is actively managed, has a reinvestment period and initially owns primarily first mortgage loans that are secured primarily by stabilized real estate assets that are not expected to experience substantial net operating income growth.

9. **Expenses**. The Company shall pay all of its expenses and shall reimburse Manager for its documented expenses incurred on the Company's behalf in accordance with this Agreement (collectively, the "Expenses"). Expenses include all costs and expenses which are expressly designated elsewhere in this Agreement as the Company's expenses, together with the following:

(a) expenses incurred in connection with any issuance of securities, and transaction costs incident to investment activity and financings;

(b) travel and out-of pocket expenses incurred in connection with the origination, purchase, financing, refinancing, sale or disposition of an Investment;

(c) costs of professional fees including, but not limited to, legal, accounting, tax, auditing and other similar services performed for the Company;

(d) compensation and expenses, including liability insurance, for the Company's directors;

(e) compensation and expenses of the Company's custodian and transfer agent;

(f) costs associated with establishing and maintaining bank accounts and credit facilities, other indebtedness or securities offerings;

(g) costs associated with any computer hardware or software used for the Company;

(h) costs and expenses incurred contracting with third parties, including affiliates of Manager, and including expenses under agreements for servicing and outsourcing described under the Asset Servicing Agreement and Outsource Agreement;

(i) all other costs associated with the Company's business and operations, including, but not limited to, costs of acquiring, owning, protecting, maintaining, developing and disposing of investments, including appraisal, engineering and environmental studies, reporting, audit and legal fees;

(j) all insurance costs, including all costs related to insurance for the Company's directors, except for those related to Manager for itself and employees acting on Manager's behalf;

(k) expenses for offices of the Company and of the Manager including furniture, fixture and equipment expenses;

(l) expenses connected with interest payments and dividends made or caused to be made by the Company's Board of Directors;

(m) expenses incurred in connection with communications to holders of securities of the Company and other bookkeeping and clerical work, including without limitation, all costs of preparing and filing SEC reports, all listing costs, costs of preparing and distributing annual reports and proxy materials; and

(n) all expenses actually incurred by Manager which are reasonably necessary for the performance by Manager of its duties and functions in accordance with the terms of this Agreement.

Manager is not entitled to be reimbursed for wages, salaries and benefits of its officers and employees. Subject to any required Board of Directors approval, Manager may retain third parties including accountants, legal counsel, real estate underwriters, brokers, among others, on the Company's behalf, and be reimbursed for such services. The provisions of this Section 9 shall survive the expiration or earlier termination of this Agreement to the extent such expenses have previously been incurred or are incurred in connection with such expiration or termination.

10. **Expense Reports and Reimbursements**. Manager shall prepare a statement documenting the Expenses incurred during, and deliver the same to the Company within forty-five days following the end of each fiscal quarter. Expenses incurred by Manager on behalf of the Company shall be reimbursed by the Company within forty-five days following delivery of the expense statement by Manager. The provisions of this Section 10 shall survive the expiration or earlier termination of this Agreement.

11. **Limits of Manager Responsibility; Indemnification**. Pursuant to this Agreement, Manager will not assume any responsibility other than to render the services called for hereunder and will not be responsible for any action of the Company's Board of Directors in following or declining to follow its advice or recommendations. Manager and its affiliates and their respective members, stockholders, partners, managers, directors, officers, employees and agents will not be liable to the Parent, the Operating Partnership, any Subsidiary, any of their directors,

officers, stockholders, managers, owners or partners for acts or omissions performed or not performed in accordance with and pursuant to this Agreement, except by reason of acts or omissions constituting bad faith, willful misconduct, gross negligence or reckless disregard of Manager's duties under this Agreement. The Company agrees, to indemnify Manager and its affiliates and their respective members, stockholders, partners, managers, directors, officers, employees and agents with respect to all expenses, losses, actual damages, liabilities, demands, charges and claims arising from acts or omissions of Manager performed in good faith in accordance with and pursuant to this Agreement and not resulting from the willful misconduct, gross negligence or reckless disregard of Manager. Manager agrees to indemnify Company and its directors and officers with respect to all expenses, losses, actual damages, liabilities, demands, charges and claims arising from acts of Manager constituting bad faith, willful misconduct, gross negligence or reckless disregard of its duties under this Agreement, as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. The provisions of this Section 11 shall survive the expiration or earlier termination of this Agreement.

12. **No Joint Venture**. Nothing in this Agreement shall be construed to make the Company and Manager partners or joint venturers or impose any liability as such on either of them.

13. **Term; Termination**.

(a) Term. This Agreement shall remain in full force through December 31, 2009, unless terminated by the Company or Manager as set forth below, and shall be renewed automatically for successive one (1) year periods thereafter, until this Agreement is terminated in accordance with the terms hereof.

(b) Non-Renewal. Either party may elect not to renew this Agreement at the expiration of the initial term or any renewal term for any or no reason by notice to the other party at least six (6) months prior to the end of the term.

(c) Termination by the Company. The Company may terminate this Agreement effective thirty (30) days after notice of termination from the Parent and the Operating Partnership to Manager in the event that any act of fraud, misappropriation of funds, or embezzlement against the Company or other willful and material violation of this Agreement by Manager in its corporate capacity (as distinguished from the acts of any employees of Manager which are taken without the complicity of any of the executive officers of Manager or SL Green); provided, that with respect to a willful and material violation of this Agreement only, such willful and material violation continue for a period of thirty (30) days after written notice thereof specifying such violation and requesting that the same be remedied in such thirty (30) day period.

(d) Termination by Manager. Manager may terminate this Agreement effective upon thirty (30) days prior written notice of termination to the Company in the event that the Company shall default in the performance or observance of any material term, condition or covenant in this Agreement and such default shall continue for a period of thirty (30) days after written notice thereof specifying such default and requesting that the same be remedied in such thirty (30) day period.

(e) Termination Fees. In the event this Agreement is not renewed by the Company under Section 13(b) or is terminated under Section 13(d), the Company shall pay Manager on the termination date a termination fee equal to two times the sum of the higher of the aggregate annual fees paid under this Agreement to Manager plus the higher of the aggregate annual fees paid under the Asset Servicing Agreement to the Servicer thereunder, in both instances in either of the two calendar years immediately preceding the effective date of the termination; provided, however, that if in connection with such termination the Company acquires the Manager or the Manager's business and, as a result, becomes self-managed pursuant to a separate agreement (the "Internalization Agreement") between or among the Manager, its members or/and their respective affiliates and the Company, no termination fee shall be due and payable to the Manager pursuant to this Section 13(e). In such event, the consideration to be paid for such internalization shall be as set forth in the Internalization Agreement. The Company's obligation to pay a termination fee shall survive the termination of this Agreement.

(f) Survival. If this Agreement is terminated pursuant to this Section 13, such termination shall be without any further liability or obligation of either party to the other, except as otherwise expressly provided herein.

14. **Action Upon Termination or Expiration of Origination Period**. From and after the effective date of termination of this Agreement pursuant to Section 13, Manager shall not be entitled to compensation for further services under this Agreement but shall be paid all compensation accruing to the date of termination, reimbursement for all Expenses and a termination fee, if applicable. Upon such termination or expiration, Manager shall reasonably promptly:

(a) after deducting any accrued compensation and reimbursement for Expenses to which it is then entitled, pay over to the Company all money collected and held for the account of the Company pursuant to this Agreement;

(b) deliver to the Board of Directors a full accounting, including a statement showing all payments collected and all money held by it, covering the period following the date of the last accounting furnished to the Board of Directors with respect to the Company and through the termination date; and

(c) deliver to the Board of Directors all property and documents of the Company provided to or obtained by Manager pursuant to or in connection with this Agreement, including all copies and extracts thereof in whatever form, then in Manager's possession or under its control.

15. **Reserved**.

16. **Release of Money or other Property Upon Written Request**. Manager agrees that any money or other property of the Company held by Manager under this Agreement shall be held by Manager as custodian for the Company, and Manager's records shall be clearly and appropriately marked to reflect the ownership of such money or other property by the Company. Upon the receipt by Manager of a written request signed by a duly authorized officer of the Company requesting Manager to release to the Company any money or other property then held by

Manager for the account of the Company under this Agreement, Manager shall release such money or other property to the Company within a reasonable period of time, but in no event later than thirty (30) days following such request. Manager shall not be liable to the Parent, the Operating Partnership, any Subsidiary or any of their respective directors, officers, stockholders, managers, owners or partners for any acts or omissions by the Company in connection with the money or other property released to the Company in accordance with the terms hereof. The Company shall indemnify Manager and its affiliates and their respective members, stockholders, partners, managers, directors, officers, employees and agents against any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever which arise in connection with Manager's release of such money or other property to the Company in accordance with the terms of this Section 16. Indemnification pursuant to this Section 16 shall be in addition to any right to indemnification under Section 11.

17. **Notices**. Unless expressly provided otherwise in this Agreement, all notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received when delivered against receipt or upon actual receipt of (a) personal delivery, (b) delivery by a reputable overnight courier, (c) delivery by facsimile transmission against answerback, or (d) delivery by registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

If to the Parent or the Operating Partnership:	Gramercy Capital Corp. 420 Lexington Avenue New York, New York 10170 Attention: Office of General Counsel
If to Manager:	GKK Manager LLC c/o SL Green Realty Corp.

420 Lexington Avenue
New York, New York 10170
Attention: General Counsel

Any party may change the address to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this Section 17 for the giving of notice.

18. **Binding Nature of Agreement; Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns as provided in this Agreement.

19. **Entire Agreement; Addendum; Amendments**. This Agreement and the Addendum contain the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter of this Agreement and the Addendum. The express terms of this Agreement and the Addendum control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms of this Agreement and the Addendum. This Agreement and the Addendum may not be modified or amended other than by an agreement in

writing signed by the parties hereto. For avoidance of doubt, the parties hereto acknowledge that notwithstanding the restatement of the Original Management Agreement, the Addendum continues to be in full force and effect.

20. **Governing Law**. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed, interpreted and enforced in accordance with the internal laws of the State of New York, without regard to conflicts of laws principles thereof.

21. **Indulgences, Not Waivers**. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

22. **Titles Not to Affect Interpretation**. The titles of sections, paragraphs and subparagraphs contained in this Agreement are for convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation of this Agreement.

23. **Execution in Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts of this Agreement, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

24. **Provisions Separable**. The provisions of this Agreement are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

25. **Principles of Construction**. Words used herein regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires. All references to recitals, sections, paragraphs and schedules are to the recitals, sections, paragraphs and schedules in or to this Agreement unless otherwise specified.

26. **Assignment; Change of Control of the Manager**. Manager may not assign its duties under this Agreement except as described in this Section 26. The Manager may assign this Agreement, the Manager's duties hereunder or direct or indirect interests in the Manager so long as the assignee or Manager, as the case may be, shall be controlled, directly or indirectly, by SL Green Realty Corp. For the avoidance of doubt, for the purposes of this Section 26, SL Green Realty Corp. shall include any successor to SL Green Realty Corp., whether by merger,

consolidation or similar business combination transaction, however characterized. Furthermore, in the event the owners of Manager seek to assign this Agreement or sell interests in the Manager which will transfer to a person not affiliated with SL Green the power to direct or control the Manager, Manager shall notify the Company as to the terms and conditions on which such assignment or transfer is proposed to be made (the "Transfer Notice") at least thirty (30) days prior to the proposed completion of such assignment or transfer. The Company shall have thirty (30) days to (i) match such offer, in which event Manager or its owners shall assign or transfer the interest to the Company on the same terms and conditions as set forth in the Transfer Notice or (ii) cause a third party to match such offer, in which event Manager or its owners shall assign or transfer the interest to such third party on the same terms and conditions as set forth in the Transfer Notice, in each case within thirty (30) days after such matching offer. If the Company does not match the offer or cause a third party to match the offer within thirty (30) days after the Transfer Notice is sent, Manager or its owners shall be free to consummate the transaction described in the Transfer Notice. No transfer or assignment may be proposed hereunder unless the transferee has, at the time of the Transfer Notice, (i) at least five years' experience managing assets of the type in which the Company invests or intends to invest and (ii) at least $500 million of such assets under management.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

GKK MANAGER LLC

a Delaware limited liability company

By: ______________________________
Name:
Title:

GRAMERCY CAPITAL CORP.
a Maryland corporation

By: ______________________________
Name:
Title:

GKK CAPITAL LP
a Maryland limited partnership

By: ______________________________
Name:
Title:

Exhibit 10.2

AMENDED AND RESTATED
ORIGINATION AGREEMENT

THIS AMENDED AND RESTATED ORIGINATION AGREEMENT (this "Agreement"), dated as of April 19, 2006 is made by and between Gramercy Capital Corp., a Maryland corporation (the "Parent"), and SL Green Operating Partnership, L.P., a Delaware limited partnership ("SL Green OP" and, with its parent SL Green Realty Corp., a Maryland corporation, and subsidiaries and other entities controlled by either of them, "SL Green").

RECITALS

WHEREAS, the Parent and GKK Capital LP, a Delaware limited partnership (the "Operating Partnership" and collectively with the Parent and subsidiaries and other entities controlled by either of them, the "Company") engaged GKK Manager LLC, a Delaware limited liability company (the "Manager"), and a subsidiary of SL Green to provide management services to the Company pursuant to that certain Management Agreement dated as of August 2, 2004, as amended and restated as of the date hereof (the "Management Agreement") by and among the Parent, the Operating Partnership and the Manager; and

WHEREAS, the Parent and SL Green OP entered into an origination agreement dated as of August 2, 2004, to address certain elements of the relationship between the Company and SL Green, including rights to acquire fixed income investments and SL Green OP's ownership in the Parent or the Operating Partnership (the "Original Origination Agreement");

WHEREAS, the Parent and SL Green OP wish to amend and restate the Original Origination Agreement in its entirety.

AGREEMENT

NOW THEREFORE, in consideration of the mutual agreements herein set forth and intending to be legally bound, the parties hereto agree that the Original Origination Agreement shall be amended and restated in its entirety as follows:

1. Limits on Origination by SL Green.

(a) Except as otherwise set forth in paragraph (b) below:

(i) SL Green will not originate, acquire or participate in Fixed Income Investments. "Fixed Income Investments" means debt obligations or interests in debt obligations bearing a fixed rate of return and collateralized primarily by real property or interests in real property located in the United States; and

(ii) SL Green will not originate, acquire or participate in Preferred Equity Investments which bear a fixed rate of return relating primarily to real property or interests in real property located in the United States, unless the Company has determined not to pursue a particular Preferred Equity Investment opportunity. "Preferred Equity Investments" are investments in preferred stock, preferred shares, preferred interests in partnerships or limited

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liability companies or other equity securities which are, by their terms, given a preference in returning capital in liquidation, upon bankruptcy or otherwise.

(b) Notwithstanding paragraph (a), SL Green may:

(i) retain any Fixed Income Investments and/or Preferred Equity Investments it owns or has committed to own as of the date hereof and any Fixed Income Investments and/or Preferred Equity Investments owned or committed to be owned, as of the date of a business combination, change of control or other similar transaction, by companies that are acquired by SL Green or with respect to which SL Green engages in such a transaction; provided, however, that SL Green shall not acquire companies or businesses engaged primarily in Gramercy's primary business activities;

(ii) in connection with any Fixed Income Investment, Preferred Equity Investment or interest in real property which SL Green owns at any given time, SL Green may originate, acquire or participate in Fixed Income Investments and/or Preferred Equity Investments in connection with the sale, recapitalization or restructuring (however characterized) of any such investment or interest;

(iii) originate, acquire or participate in Fixed Income Investments and/or Preferred Equity Investments that provide a rate of return tied to or measured by, the cash flow, appreciation or both of the underlying real property or interests in real property;

(iv) originate, acquire or participate in any investment which is considered Distressed Debt as of the date on which SL Green originates, acquires or participates in such investment or SL Green enters into a binding contract therefor. "Distressed Debt" is a Fixed Income Investment where (A) there is a payment default, (B) there is an acceleration, bankruptcy or foreclosure, (C) a default is highly likely because the loan-to-value ratio is over 100% or (D) the debt service on such debt exceeds the available cash flow from the underlying collateral or of the borrower both on a current and projected basis; and

(v) modify, amend, supplement, extend, refinance or restructure any portion of the investments in item (i), (ii), (iii) or (iv) above, including, but not limited to, changes in principal, additional investment, rate of return, maturity or redemption date, lien priority, collateral, return priority, guarantor and/or borrower.

2. Limits on Company Origination. The Company will not:

(i) acquire real property or interests in real property located in metropolitan New York or Washington, D.C. (except by foreclosure or similar conveyance resulting from a Fixed Income Investment);

(ii) originate, acquire or participate in any investments described in Section 1(b)(iii) above or any investment which is considered Distressed Debt as of the date on which such investment is made, in each case where more than 75% by value of the underlying collateral is real property or interests in real property that are located in metropolitan New York or Washington, D.C.; or

(iii) originate, acquire or participate in any investments described in Sections 1(b) (ii) or (v) above.

3. Purchase Rights/Rights of First Offer.

(a) Purchase Rights -- Properties.

(i) When the Company acquires a direct or indirect ownership interest in real property or interests in real property located in metropolitan New York or Washington, D.C. (any such interest being an "Acquired Property") by foreclosure, similar conveyance or transfer in lieu thereof (a "Proceeding"), prior to the Company selling such Acquired Property, SL Green may purchase the Acquired Property at a price equal to the unpaid principal balance of the Fixed Income Investment giving rise to the Proceeding on the date the Company foreclosed or acquired the Acquired Property, plus unpaid interest at the last stated contract (non-default) rate and, to the extent payable by the borrower under the initial documentation evidencing the Fixed Income Investment, legal costs incurred by the Company directly related to the conveyance of the Acquired Property and the fee, if any, due upon the repayment or prepayment of the Fixed Income Investment which is commonly referred to as an "exit fee" (but not including default interest, late charges, prepayment penalties (however denominated), extension fees, "kicker" interest or other premiums of any kind), through the date of SL Green's purchase ("Par Value").

(ii) If the Company seeks to sell an Acquired Property within one year following the acquisition of such Acquired Property and receives a bona fide third party offer to acquire the Acquired Property for cash which offer the Company desires to accept, SL Green will have a first right to purchase the Acquired Property at the lower of the Par Value or the third party's offer price prior to the Company accepting such offer. The Company will give prompt written notice to SL Green of its election to sell an Acquired Property, and of receipt of a bona fide third party offer (together with a copy of any written third party offer).

(iii) If an Acquired Property is not sold within one year of the date of its acquisition by the Company, SL Green has the right to purchase the Acquired Property at its appraised value. The appraised value will be determined as follows: the Company will select an appraiser and SL Green will select an appraiser, who will each appraise the Acquired Property. These two appraisers jointly will select a third appraiser, who will then choose one of the two appraisals as the final appraised value.

(iv) If SL Green elects to exercise a purchase right set forth in (i) – (iii) above, SL Green shall send written notice of such election to the Company, setting forth the calculation of the proposed purchase price and the desired closing date, which shall be between 15 and 45 days after such notice. If an appraiser is required, such notice shall also set forth the appraiser selected by SL Green. Unless the Company objects to the purchase price calculation, the sale to SL Green of the Acquired Property shall be consummated on the proposed closing date or as soon thereafter as feasible. Upon consummation, the Company shall deliver all leases, files and other documents related to such property. All sales shall be on an as-is, where-is basis with no representations or warranties made by the Company, except that the Company shall represent and warrant to the effect that (i) it has requisite power and authority to transfer the Acquired Property to SL Green and (ii) the interest conveyed by the Company in the Acquired Property is free and clear of liens (other than liens in place at the time the Company acquired such Acquired Property).

In the case of a sale under (iii), the Company will promptly appoint an appraiser. The two selected appraisers shall complete their appraisals within 20 days and submit their appraisals to the third appraiser selected jointly by them. The third appraiser shall select one of the appraisals within ten (10) days thereafter, and the appraised value shall be the price at which SL Green shall have the right to

purchase the Acquired Property. All appraisers shall have a minimum of ten (10) years' experience in appraising property similar to, and in the area of, the Acquired Property, and shall be MAI certified.

(b) Right of First Offer -- Distressed Debt. If at any time the Company plans to sell any interest it owns in Distressed Debt (the "Offered Asset"), the Company shall first give SL Green written notice of the terms and conditions, including the price and any other material terms and conditions on which the Company is willing to sell the Offered Asset. SL Green shall have the right, exercisable by written notice to the Company within ten (10) business days after the date the notice was delivered to the Company, to agree to purchase the Offered Asset upon the terms and conditions contained in the notice. If SL Green exercises such right, then the Company shall sell the Offered Asset to SL Green on such terms and conditions, and subject to customary representations and warranties. In the event that SL Green does not exercise its right as aforesaid, the Company shall have the right to sell the Offered Asset to any other person within six (6) months thereafter at not less than 99% of the offered price and otherwise on substantially the same terms and conditions as were offered to SL Green. If the Offered Asset is not sold in such time frame or otherwise as aforesaid, then any plan by the Company to sell such Offered Asset shall again be subject to this Section 3(b). In the event that SL Green shall have exercised its right to purchase the Offered Asset and SL Green defaults in the purchase of the Offered Asset on the agreed terms, SL Green shall be deemed to have waived its rights under this Section with respect to the Offered Asset, and the Company shall thereafter have the right to sell the Offered Asset to any other person without restrictions.

(c) Right of First Offer -- Fixed Income or Preferred Equity Investment. If at any time SL Green plans to sell to a third party any Fixed Income Investment or Preferred Equity Investment (the "Offered Investment"), SL Green shall, unless the Offered Investment is held in a joint venture, first give the Company written notice of the terms and conditions, including the price and any other material terms and conditions on which SL Green is willing to sell to a third party the Offered Investment, provided, however, that if SL Green is required to obtain any other party's consent in connection with any sale of an Offered Investment, then Gramercy's right of first offer provided in this Section 3(c) shall be subject to such consent. The Company shall have the right, exercisable by written notice to SL Green, to purchase the Offered Investment within ten (10) business days (the "Offer Period") after the date the notice was delivered to the Company, upon the terms and conditions contained in the notice, without regard to any proposed closing date for any third party contained in such notice. If the Company exercises such right, then the Company shall purchase the Offered Investment within the Offer Period on such terms and conditions, and subject to customary representations and warranties. In the event that the Company does not purchase the Offered Investment as aforesaid, SL Green shall have the right to sell the Offered Investment to a third party within six (6) months thereafter at not less than 99% of the offered price and otherwise on substantially the same terms and conditions as were offered to the Company, without regard to the Offer Period. If the Offered Investment is not sold in such time frame or otherwise as aforesaid, then any plan by SL Green to sell such Offered Investment shall again be subject to this Section 3(c). In the event that the Company shall have exercised its right to purchase the Offered Investment and the Company defaults in the purchase of the Offered Investment on the agreed terms, the Company shall be deemed to have waived its rights under this Section 3(c) with respect to the Offered Investment, and SL Green shall thereafter have the right to sell the Offered Investment to any other person without restrictions. Notwithstanding anything in the foregoing to the contrary, the provisions of this Section 3(c) shall not apply to any sale, transfer, conveyance or similar event, of a Fixed Income Investment or Preferred Equity Investment to the debtor or issuer, as the case may be, or any of their affiliates.

4. SL Green's Right to Purchase Additional Shares/Units. If after the date hereof the Company desires to sell or issue or cause to be sold or issued any shares of the Company's common stock, $.001 par value (the "Shares"), common units of limited partnership interest in the Operating Partnership ("Units") or other securities convertible into or exchangeable for Shares or Units ("Convertible

Securities") in connection with any private or public offering, any merger, consolidation or similar business combination transaction or any sale of all or substantially all of the assets of the Parent or the Operating Partnership, SL Green shall have the right (but not the obligation) to purchase up to 25% of any such Shares, Units or Convertible Securities, as the case may be. The Company shall give SL Green at least five days' written notice of any proposed sale or issuance setting forth all of the material terms thereof, and SL Green shall confirm in writing its intention to purchase, and the number of Shares, Units or Convertible Securities, as the case may be, SL Green intends to purchase, not more than three days after such notice is received. If SL Green shall fail to confirm its intent to purchase as required in the previous sentence, its right to purchase Shares, Units or Convertible Securities, as the case may be, in that sale or issuance, as applicable (but not any future sale or issuance), shall be waived. Any purchase by SL Green under this Section 4 shall be in cash at the same price per Share, Unit or Convertible Security, as the case may be, to be received by the Company, and with the same representations, warranties and other terms and conditions as are offered to other purchasers, and SL Green's purchase shall close simultaneously with sales or issuances to other purchasers.

5. REIT Status. The Parent shall use its best efforts to operate as a real estate investment trust (a "REIT") under Section 856 of the Internal Revenue Code of 1986, as amended (the "Code") during each taxable year.

6. Protective TRS Election. The Parent shall make an annual protective election jointly with SL Green Realty Corp. ("SLG REIT") for the Parent to be a "taxable REIT subsidiary," as defined in Section 856(l)(1) of the Code, of SLG REIT by executing an Internal Revenue Service Form 8875 (or any successor form), which election shall state that it is to be effective only if the Parent does not qualify as a REIT for any period covered by such election. The Parent shall deliver such executed form to SLG REIT with respect to each year no later than January 21 of each year for execution and filing by SLG REIT.

7. Legal Opinion. Not later than January 21 of each year, the Parent, at its cost, shall cause its tax counsel, which shall be Clifford Chance US LLP or such other law firm of national reputation as is reasonably acceptable to SLG REIT, to issue an opinion to SLG REIT to the effect that, for the period commencing January 1 and ending on December 31 in the preceding year, the Parent has qualified as a REIT and the Parent's method of operating will enable the Parent to continue to qualify as a REIT. Such opinion shall be in form and substance reasonably satisfactory to SL Green, may rely on customary assumptions and representations from the Parent as to its organization, ownership and method of operating, and shall provide that counsel to SLG REIT may rely on such opinion for purposes of such counsel's opinion as to the status of SLG REIT as a REIT. The Parent, at its cost, also shall cause such tax counsel, from time to time, to issue such an opinion to SLG REIT within ten (10) business days of its receipt of a request therefor from SLG REIT.

8. Other Parent Obligations.

(a) The Parent or its successor, as the case may be, shall provide in its bylaws for a continued election that Title 3, Subtitle 7 of the Corporations and Associations Article of the Annotated Code of Maryland (or any successor statute) shall not apply to any acquisition of Shares of the Parent or its successor, as the case may be, by SL Green, with respect to Shares (or other securities convertible into or exchangeable for Shares) (i) presently owned by SL Green, (ii) acquired in the future by SL Green in connection with the rights granted to SL Green pursuant to Section 4 of this Agreement or any other agreement with the Company, or (iii) acquired pursuant to any approval or consent of the Parent's Board of Directors. For the avoidance of doubt, the Parent or its successor, as the case may be, shall in no way alter or amend its bylaws to adversely affect such election, with respect to such Shares (or other securities convertible into or exchangeable for Shares) owned by SL Green as described in the preceding sentence;

(b) The Parent or its successor, as the case may be, shall not adopt any resolution amending, altering or repealing, or take any action with the effect of amending, altering or repealing, the resolution exempting Parent from the provisions of Title 3, Subtitle 6 of the Corporations and Associations Article of the Annotated Code of Maryland (or any successor statute) (the "Business Combination Act") in a manner that would have the effect of making SL Green an interested stockholder (as defined in the Business Combination Act) or preventing or delaying any business combination (as defined in the Business Combination Act) involving SL Green, with respect to Shares (or other securities convertible into or exchangeable for Shares) (i) presently owned by SL Green, (ii) acquired in the future by SL Green in connection with the rights granted to SL Green pursuant to Section 4 of this Agreement or any other agreement with the Company, or (iii) acquired pursuant to any approval or consent of the Parent's Board of Directors; and

(c) For so long as the Parent's Shares shall be listed on the New York Stock Exchange, the Parent shall obtain stockholder approval for the preemptive rights granted to SL Green pursuant to Section 4 of this Agreement, and shall obtain such stockholder approval at least once during each subsequent five-year period that begins one day after the end of the preceding five-year period. In order to effectuate the foregoing, the Parent shall include a proposal for its stockholders to approve the preemptive rights granted to SL Green pursuant to Section 4 of this Agreement, in its proxy statement in respect of the last annual stockholder meeting that is to be held by the Parent during any such five-year period.

9. Term. This Agreement shall remain in full force and effect throughout the term of the Management Agreement as extended in accordance therewith, and terminate (a) simultaneously with the expiration or earlier termination of the Management Agreement or (b) on 30 days' notice by SL Green to the Company in the event that neither SL Green nor any of its affiliates shall be the managing member of the Manager. In the event of a termination pursuant to Section 8(b) hereof or termination of the Management Agreement pursuant to Section 13(c) of the Management Agreement, then the terms and conditions

of Section 1 shall survive such termination for a period of one year with respect only to any potential investment described in Section 1 as to which, at the time of termination, Manager has commenced due diligence. Further, the terms and conditions of Sections 5, 6, and 7 hereof shall survive the termination of this Agreement and the Management Agreement for as long as SL Green continues to own or has the right to acquire pursuant to outstanding convertible securities at least 10% of the Shares of the Parent then outstanding.

10. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and mailed, faxed or delivered by hand or courier service:

(a) If to the Company, to:

Gramercy Capital Corp.
420 Lexington Avenue
New York, New York 10170
Attention: Office of General Counsel

(b) If to SL Green, to:

SL Green Operating Partnership, L.P.
420 Lexington Avenue
New York, New York 10170
Attention: General Counsel

11. Entire Agreement. Except for the applicable provisions of the Management Agreement, this Agreement shall constitute the entire agreement among the parties relating to the subject matter hereof and shall supersede all other prior or contemporary agreements, understandings, negotiations and discussions whether oral or written.

12. Amendment and Modification. Neither this Agreement nor any of the terms or provisions hereof may be changed, supplemented, waived or modified except by a written instrument executed by the parties hereto (or in the case of a waiver, by the party granting such waiver).

13. Counterparts. This Agreement may be executed in two or more counterparts, each of which may be signed by any of the parties hereto, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

14. Governing Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by, construed, interpreted and enforced in accordance with the internal laws of the State of New York, without regard to any conflicts of laws principles thereof.

15. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable, this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

GRAMERCY CAPITAL CORP.

By: ______________________________
Name:
Title:

SL GREEN OPERATING PARTNERSHIP, L.P.

By: ______________________________
Name:
Title:

Exhibit 10.3

AMENDED AND RESTATED
ASSET SERVICING AGREEMENT

THIS AMENDED AND RESTATED ASSET SERVICING AGREEMENT (this "Agreement"), dated as of April 19, 2006, is made by and between GKK Manager LLC, a Delaware limited liability company (the "Manager"), and SLG Gramercy Services LLC, a Delaware limited liability company ("Servicer").

WHEREAS, Manager provides management services to Gramercy Capital Corp., a Maryland corporation (the "Parent"), and GKK Capital LP, a Delaware limited partnership (the "Operating Partnership" and collectively with the Parent and subsidiaries and other entities controlled by either of them, the "Company"), pursuant to that certain Management Agreement dated as of August 2, 2004, by and among the Parent, the Operating Partnership and the Manager, as amended and restated as of the date hereof (the "Management Agreement");

WHEREAS, the Manager desires to engage Servicer to manage and service certain assets of the Company;

WHEREAS, Servicer is willing to perform the services described herein on the terms and conditions hereinafter set forth;

WHEREAS, the Manager and Servicer entered into the original asset servicing agreement as of August 2, 2004 (the "Original Asset Servicing Agreement"); and

WHEREAS, the Manager and Servicer desire to amend and restate the Original Asset Servicing Agreement in its entirety.

AGREEMENT

NOW THEREFORE, in consideration of the mutual agreements herein set forth and intending to be legally bound, the parties hereto agree that the Original Asset Servicing Agreement shall be amended and restated in its entirety as follows:

1. <u>Services</u>.

(a) Servicer agrees to provide the following asset management services (the "Services") to the Manager upon request with respect to the Serviced Assets (as defined in Section 3):

(i) issuing bills and payment notices, and making all reasonable efforts to collect all payments called for under the terms and provisions of the Serviced Assets, and shall follow such collection procedures as are in accordance with generally applicable servicing practices;

(ii) establishing, and maintaining during the term of this Agreement, the Company Account (as defined in the Management Agreement), and any sub or related accounts in connection therewith (collectively, the "Accounts"). The Accounts shall relate solely to the Serviced Assets, and funds in the Accounts shall be held in trust by the Servicer for the benefit of the Manager and shall not be commingled with any other moneys. The Servicer shall notify the Manager in writing of the location and account number of the Accounts and shall thereafter give the Manager written notice of any change of the location or account number of the Accounts promptly following the date of such change;

(iii) depositing into the Accounts all payments on account of principal of the Serviced Assets, including any principal prepayments thereon and all payments on account of interest or yield on the Serviced Assets, (including any default interest or late charges), any exit fees and any other amounts received with respect thereto (including, without limitation, any amounts received in connection with the liquidation or other conversion of a Serviced Asset);

(iv) making withdrawals from the Accounts of amounts on deposit therein for (without duplication) the following purposes:

(1) to pay any amount deposited in the Accounts in error to the Person entitled thereto;

(2) to pay to itself its fees due hereunder and to reimburse itself for any other amounts owed to it pursuant to the Agreement;

(3) after the withdrawal pursuant to the immediately preceding clause (2), to distribute to the Manager any amounts remaining in the Accounts; and

(4) to clear and terminate the Accounts upon termination of this Agreement;

(v) preparing and distributing to Manager, on the date on which any distribution is made to the Manager a report setting forth each Serviced Asset (a) the servicing fee paid on such date, (b) any other amounts paid to the Servicer on such date, and (c) any amounts of principal interest, yield, default interest, late charges, exit fees and any other amounts distributed to Manager on such day;

(vi) processing requests for approvals and consents received by Servicer in connection with the Serviced Assets for leases and draw requests from escrow accounts and reserve funds;

(vii) monitoring compliance with insurance requirements;

(viii) monitoring real estate tax and insurance escrow deposits;

(ix) reviewing periodic budgeting and financial reporting under the Serviced Assets; and

(x) issuing customary reporting with respect to each of the Serviced Assets and the portfolio of all Serviced Assets, and as may be required of the Manager under the Management Agreement.

(b) In addition to the Services, the Manager may request Servicer to be appointed as a special servicer or sub-servicer to a special servicer in respect of any Serviced Asset. To the extent Servicer accepts such appointment, the Servicer agrees to provide the following special asset management services (the "Special Services") to the Manager:

(i) reviewing loan files of the Serviced Assets to: (A) assess the Company's rights in and to collateral securing the subject loans, including bank accounts, letters of credit and funds held in escrow; and (B) identify guarantees, other credit support and additional sources of equity, if any;

(ii) conducting due diligence with respect to the Serviced Assets with an emphasis on exit strategies and exploring, developing and implementing strategic opportunities and plans to restructure debt and equity positions;

(iii) reviewing current operating statements of profit and loss and past and current rent rolls to assess operating and financial performance and the impact of existing and potential financial and operational issues relating to the collateral for the Serviced Assets;

(iv) recommending short- and long-term strategic alternatives for the management and disposition of the Serviced Assets based on the relevant market and market trends;

(v) overseeing rehabilitation projects and assessing whether new appraisals or environmental assessment or physical needs reports are necessary with respect to the collateral for the Serviced Assets;

(vi) formulating appropriate courses of action and conducting negotiations among all concerned parties regarding the workout of Serviced Assets;

(vii) structuring workout proposals and preparing analyses indicating the viability thereof;

(viii) evaluating liquidity concerns and capital adequacy and reserve requirements and performing liquidity analyses of properties and ownership entities with respect to the collateral for the Serviced Assets;

(ix) preparing and delivering such reports relating to the Serviced Assets as Manager shall reasonably request; and

(x) performing such other services as may be required from time to time for management and other activities relating to the Serviced Assets as the Manager shall reasonably request.

2. Term. This Agreement shall remain in full force and effect throughout the term of the Management Agreement as extended in accordance therewith and terminate simultaneously with the expiration or earlier termination of the Management Agreement, except that Servicer may terminate this Agreement at any time on 60 days notice to Manager.

3. Fees.

(a) Servicer shall receive fees for Services rendered under this Agreement equal to 0.15% per annum of the Book Value of each Serviced Asset, except that the fees shall be 0.05% per annum of the Book Value of each Serviced Asset that constitutes a credit tenant lease asset or non-investment grade bond. "Book Value" means the book value of a Serviced Asset as reflected in the Company's most recent financial statements. "Serviced Assets" means the fixed income investments of the Company, other than (i) any securities which are rated investment grade by a nationally recognized

rating agency, unless the investment grade bonds have a first-loss position; (ii) securities (whether or not rated) issued by any corporation which are not secured by any pledge of collateral; or (iii) any securities issued by the U.S. government or other temporary investments, such as commercial paper or money market investments, made by the Company, provided, however, that for purposes of this definition, fixed income investments shall include the Company's credit tenant lease assets. The fee shall be calculated and paid monthly on or before the fifth day following each month end. Manager shall be directly obligated to pay accrued fees hereunder, whether or not reimbursed by the Company for such fees as contemplated by the Management Agreement.

(b) To the extent Servicer accepts appointment as a special servicer or sub-servicer to a special servicer, Servicer shall receive additional fees in such amounts as are customary for fees paid to third parties in similar instances, which are approved by the Independent Directors of the Parent. Such fees shall be agreed upon by Servicer and such Independent Directors on a case-by-case basis. The Manager and Servicer shall share equally any fees received by Manager or Servicer for performance of Special Services (but not any Servicer Termination Payment (as defined below)).

(c) To the extent Manager receives any payment from the Company on account of a termination of the Management Agreement, and such payment is based in part upon the fees for Services and/or Special Services (the "Services Termination Payment"), the Servicer shall be entitled to fifty percent of the Services Termination Payment.

4. Confidentiality.

(a) Servicer shall keep confidential any nonpublic information obtained relating to the Serviced Assets and its performance of the Services and shall not disclose any such information (or use the same except in furtherance of its duties under this Agreement), except as permitted or contemplated by, and subject to the limitations in, the Management Agreement. The provisions of this Section 4(a) shall survive the expiration or earlier termination of this Agreement.

(b) Promptly after the expiration or earlier termination of this Agreement, Servicer shall return to Manager all confidential and proprietary information provided to or obtained by Servicer pursuant to or in connection with this Agreement and the performance of the Services hereunder, including all copies and extracts thereof in whatever form, in its possession or under its control.

5. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and mailed, faxed or delivered by hand or courier service:

(a) If to Manager, to:

GKK Manager LLC
c/o SL Green Realty Corp.
420 Lexington Avenue
New York, New York 10170
Attention: General Counsel

(b) If to Servicer, to:

SLG Gramercy Services LLC
c/o SL Green Realty Corp.
420 Lexington Avenue

New York, New York 10170
Attention: President and General Counsel

6. Cooperation; Further Assistance. Each party hereto shall cooperate with and provide assistance to the other parties consistent with the terms and conditions hereof to enable (a) the full performance of all obligations hereunder, and (b) the review and audit of books and records as they relate to the provision of the Services; such cooperation and assistance to include, without limitation, providing the other parties and their respective representatives and agents (including, without limitation, outside auditors) with reasonable access, during normal business hours and upon reasonable advance notice, to its employees, representatives and agents and its books, records, offices and properties relating to the Services.

7. Entire Agreement. Except for the applicable provisions of the Management Agreement, this Agreement shall constitute the entire agreement among the parties relating to the subject matter hereof and shall supersede all other prior or contemporary agreements, understandings, negotiations and discussions whether oral or written.

8. Amendment and Modification; Assignment. Neither this Agreement nor any of the terms or provisions hereof may be changed, supplemented, waived or modified except by a written instrument executed by the parties hereto (or in the case of a waiver, by the party granting such waiver). Servicer shall have the right to assign, sub-contract or delegate its rights and obligations hereunder to one or more entities which (a) meet in all material respects the then applicable rating criteria issued by Standard & Poor’s for rated servicers of mortgage-backed securities and (b) are reasonably acceptable to the Manager.

9. Counterparts. This Agreement may be executed in two or more counterparts, each of which may be signed by any of the parties hereto, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

10. Governing Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by, construed, interpreted and enforced in accordance with the internal laws of the State of New York, without regard to any conflicts of laws principles thereof.

11. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable, this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of hereof and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

12. Definitions and Interpretation.

(a) Defined Terms. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Management Agreement.

(b) Singular and Plural Forms. The use herein of the singular form shall also denote the plural form, and the use herein of the plural form shall denote the singular form, as in each case the context may require.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first written above.

GKK MANAGER LLC

By: ________________________
Name:
Title:

SLG GRAMERCY SERVICES LLC

By: ______________________________
Name:
Title:

Exhibit 99.1

FOR IMMEDIATE RELEASE

CONTACT
Gregory F. Hughes
Chief Financial Officer
(212) 594-2700

SL GREEN REALTY CORP. REPORTS
FIRST QUARTER FFO OF $1.08 PER SHARE

First Quarter Highlights

- **Increased first quarter FFO to $1.08 per share (diluted) from $0.99 during the first quarter of 2005, an increase of 9.1%.**
- **Signed 65 office leases totaling 539,399 square feet during the first quarter.**
- **For office leases signed during the first quarter, increased average office starting rents by 16.7% over previously fully escalated rents reflecting escalating upward trend in rents.**
- **Recognized combined same-store GAAP NOI growth of 6.6% during the first quarter.**
- **Finished the quarter at 95.2% occupancy, down from 96.7% at the end of the fourth quarter. Excluding 485 Lexington Avenue, where the net-lease with Teachers Insurance and Annuity Association expired, occupancy was 96.5% at both December 31, 2005 and March 31, 2006.**
- **Completed the acquisition of a leasehold interest in 521 Fifth Avenue for $210.0 million.**
- **Identified Ian Schrager and RFR Holding LLC as residential development partners for One Madison-Clock Tower. The Company retained a 30% interest in the property.**
- **Completed 485 Lexington Avenue recapitalization by refinancing the property with a $390 million loan, which resulted in the Company's economic stake increasing from 30% to 50%.**
- **Received $7.4 million in dividends and fees from our investment in, and management arrangements with, Gramercy Capital Corp. (NYSE: GKK) including a $1.2 million incentive fee earned during the quarter. GKK's first quarter included record production of $484.8 million in loans.**
- **Gramercy's board of directors approved an extension to the management agreement through December 2009.**
- **Reached agreement to sell the New Jersey office portfolio held through Gale/Green venture.**

Summary

New York, NY, April 24, 2006 - SL Green Realty Corp. (NYSE: SLG) today reported funds from operations available to common stockholders, or FFO, of $50.4 million, or

$1.08 per share, for the first quarter ended March 31, 2006, a 9.1% increase over the same quarter in 2005.

Net income available to common stockholders totaled $23.7 million, or $0.54 per share for the quarter ended March 31, 2006, an increase of $0.8 million over the same period in 2005.

All per share amounts are presented on a diluted basis.

Operating and Leasing Activity

For the first quarter of 2006, the Company reported revenues and EBITDA of $125.2 million and $67.2 million, respectively, increases of $25.1 million (or 25.1%) and $6.1 million (or 9.9%), respectively, over the same period in 2005, largely due to strong leasing activity at 625 Madison Avenue and 750 Third Avenue as well as the new acquisitions in 2005 and 2006, including, 28 West 44th Street (February 2005), an additional interest in 19 West 44th Street (June 2005) and 521 Fifth Avenue (March 2006). Same-store GAAP NOI on a combined basis increased by 6.6% for the quarter when compared to the same quarter in 2005, with the wholly-owned properties increasing 8.7% to $45.8 million during the first quarter and the joint venture properties increasing by 2.6% to $23.2 million.

Average starting office rents of $37.74 per rentable square foot for the first quarter represented a 16.7% increase over the previously fully escalated rents.

Occupancy for the portfolio decreased from 96.7% at December 31, 2005 to 95.2% at March 31, 2006. During the quarter, the Company signed 71 leases totaling 566,406 square feet, with 65 leases and 539,399 square feet representing office leases.

Significant leasing activities during the first quarter included:

- Renewal and expansion with Ross Stores, Inc. for approximately 142,204 square feet at 1372 Broadway.
- New lease with CBS Broadcasting for approximately 65,000 of additional space at 555 West 57th Street.
- New lease with Endurance Reinsurance for approximately 33,500 square feet at 750 Third Avenue.
- Renewal with HQ Global Workplaces for approximately 25,000 square feet at 100 Park Avenue.

Real Estate Investment Activity

During the first quarter of 2006, the Company announced acquisitions totaling approximately $240.0 million.

Investment activity announced during the first quarter included:

- The Company entered into a long term operating net leasehold interest in 521 Fifth Avenue – a 40-story, 460,000-square-foot office building – with an ownership group led by RFR Holding LLC, RFR, which retained fee ownership of the property. The Company also purchased an option to acquire fee ownership of the property in five years for $15.0 million. Assuming the Company exercises

its option, the total cost would be $225 million. The acquisition was financed with a $140.0 million loan and proceeds drawn under our revolving credit facility.

- The Company, along with Credit Suisse, Ian Schrager and RFR entered into a joint venture arrangement for the redevelopment and residential conversion of One Madison Avenue's North Tower, also known as "The Clock Tower." Under the terms of the venture, the Company will retain a 30% interest in the Clock Tower. The arrangement provides Ian Schrager and RFR with the ability to increase its ownership interest if certain incentive return thresholds are achieved.

Financing and Capital Activity

In January 2006, the Company, through a joint venture with The City Investment Fund, L.P., or CIF, and The Witkoff Group, recapitalized 485 Lexington Avenue. The joint venture obtained a $390.0 million three year loan, which bears interest at LIBOR plus 1.35%, and which can be extended for an additional two years. HSH Nordbank AG, New York Branch fully underwrote the $390.0 million financing. The initial funding of the loan was approximately $293.0 million which was used to repay the existing loan, return 100% of the partners invested capital and provide for a return on capital that exceeded the performance thresholds established with CIF. The balance of the loan will be used to fund the remaining renovations, lease up and tenant improvements for the building. As a result of exceeding the performance thresholds established with CIF, the Company's economic stake in the property increased from 30% to 50%. The Company used its portion of the refinancing proceeds to repay its 2005 unsecured revolving credit facility and for new investments.

Structured Finance Activity

The Company's structured finance investments totaled $466.2 million on March 31, 2006, an increase of $66.1 million over the balance at December 31, 2005. The structured finance investments currently have a weighted average maturity of 6.6 years. The weighted average yield for the quarter ended March 31, 2006 was 10.3%, consistent with the yield for the quarter ended December 31, 2005.

During the first quarter 2006, the Company originated $65.9 million of structured finance investments with an initial yield of 9.1%. This includes an investment in a New York City commercial office property, which Gramercy elected not to make.

In March, 2006, Mack-Cali Realty Corporation agreed to acquire The Gale Company's interests in the New Jersey properties constituting the Bellmeade portfolio, which interests are in substantially all of the entities in which the Company has a $75.0 million preferred equity investment. As a result of this transaction, the Company expects that a substantial portion of its preferred equity investment will be repaid. This transaction, which is subject to customary closing conditions, is expected to close during the second quarter of 2006.

Investment In Gramercy Capital Corp.

At March 31, 2006, the Company's investment in Gramercy Capital Corp., or Gramercy, totaled $93.6 million. Fees earned from various arrangements between the Company and Gramercy totaled approximately $4.7 million for the quarter ended March 31, 2006, including an incentive fee of $1.2 million earned as a result of Gramercy's FFO

exceeding the 9.5% annual return on equity performance threshold. The Company's share of FFO generated from its investment in Gramercy totaled approximately $3.2 million for the quarter ended March 31, 2006.

The Company's marketing, general and administrative, or MG&A, expenses includes the consolidation of the expenses of its subsidiary GKK Manager LLC, the entity which manages and advises Gramercy. For the quarter ended March 31, 2006, the Company's MG&A includes approximately $2.6 million of costs associated with Gramercy.

Dividends

During the first quarter of 2006, the Company declared quarterly dividends on its stock as follows:

- $0.60 per share of common stock. Dividends were paid on April 14, 2006 to stockholders of record on the close of business on March 31, 2006.

- $0.4766 and $0.4922 per share on the Company's Series C and D Preferred Stock, respectively, for the period January 15, 2006 through and including April 14, 2006. Distributions were made on April 14, 2006 to stockholders of record on the close of business on March 31, 2006. Distributions reflect regular quarterly distributions, which are the equivalent of an annualized distribution of $1.90625 and $1.96875, respectively.

Conference Call and Audio Webcast

The Company's executive management team, led by Marc Holliday, President and Chief Executive Officer, will host a conference call and audio web cast on Tuesday, April 25, 2006 at 2:00 p.m. ET to discuss first quarter financial results.

The conference call may be accessed by dialing (800) 299-0433 Domestic or (617) 801-9712 International. No pass code is required. The live conference will be simultaneously broadcast in a listen-only mode on the Company's web site at www.slgreen.com.

A replay of the call will be available through Tuesday, May 2, 2006 by dialing (888) 286-8010 Domestic or (617) 801-6888 International, using pass code 28087701.

Supplemental Information

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

Company Profile

SL Green Realty Corp. is a self-administered and self-managed real estate investment trust, or REIT, that predominantly acquires, owns, repositions and manages a portfolio of Manhattan office properties. As of March 31, 2006, the Company owned 29 office properties totaling 18.6 million square feet. SL Green's retail space ownership totals 219,200 square feet at seven properties. The Company is the only publicly held REIT that specializes exclusively in this niche.

To be added to the Company's distribution list or to obtain the latest news releases and other Company information, please visit our website at www.slgreen.com or contact Investor Relations at 212-216-1601.

Disclaimers

Non-GAAP Financial Measures

During the quarterly conference call, the Company may discuss non-GAAP financial measures as defined by SEC Regulation G. In addition, the Company has used non-GAAP financial measures in this press release. A reconciliation of each non-GAAP financial measure and the comparable GAAP financial measure (net income) can be found on pages 6 and 8 of this release and in the Company's Supplemental Package.

Forward-looking Information

This press release contains forward-looking information based upon the Company's current best judgment and expectations. Actual results could vary from those presented herein. The risks and uncertainties associated with forward-looking information in this release include the strength of the commercial office real estate markets in New York, competitive market conditions, unanticipated administrative costs, timing of leasing income, general and local economic conditions, interest rates, capital market conditions, tenant bankruptcies and defaults, the availability and cost of comprehensive insurance, including coverage for terrorist acts, and other factors, which are beyond the Company's control. We undertake no obligation to publicly update or revise any of the forward-looking information. For further information, please refer to the Company's filing with the Securities and Exchange Commission.

SL GREEN REALTY CORP.
STATEMENTS OF OPERATIONS-UNAUDITED
(Amounts in thousands, except per share data)

	Three Months Ended March 31, 2006	2005
Revenue:		
Rental revenue, net	$ 86,186	$ 70,555
Escalations & reimbursement revenues	15,637	11,634
Preferred equity and investment income	13,479	11,147
Other income	9,917	6,776
Total revenues	125,219	100,112
Equity in net income from unconsolidated joint ventures	9,968	12,059
Expenses:		
Operating expenses	30,890	23,858
Ground rent	5,008	4,516
Real estate taxes	19,124	14,455
Marketing, general and administrative	12,986	8,238
Total expenses	68,008	51,067
Earnings Before Interest, Depreciation and Amortization (EBITDA)	67,179	61,104
Interest expense	18,850	17,194
Amortization of deferred financing costs	714	793
Depreciation and amortization	16,784	14,041
Net income from Continuing Operations	30,831	29,076
Income from Discontinued Operations, net of minority interests	—	379
Gain on sale of Discontinued Operations, net of minority interests	—	—
Equity in net gain on sale of interest in unconsolidated joint ventures	—	—
Minority interests	(2,130)	(1,576)
Preferred stock dividends	(4,969)	(4,969)
Net income available to common shareholders	$ 23,732	$ 22,910
Net income per share (Basic)	$ 0.55	$ 0.56
Net income per share (Diluted)	$ 0.54	$ 0.54
Funds From Operations (FFO)		
FFO per share (Basic)	$ 1.11	$ 1.02
FFO per share (Diluted)	$ 1.08	$ 0.99
FFO Calculation:		

Net income from continuing operations	$	30,831	$	29,076
Add:				
Depreciation and amortization		16,784		14,041
FFO from Discontinued Operations		—		512
FFO adjustment for Joint Ventures		7,980		6,082
Less:				
Dividend on perpetual preferred stock		(4,969)		(4,969)
Depreciation of non-real estate assets		(268)		(181)
FFO before minority interests – BASIC and DILUTED	$	50,358	$	44,561
Basic ownership interest				
Weighted average REIT common shares for net income per share		42,858		41,302
Weighted average partnership units held by minority interests		2,311		2,531
Basic weighted average shares and units outstanding for FFO per share		45,169		43,833
Diluted ownership interest				
Weighted average REIT common share and common share equivalents		44, 297		42,629
Weighted average partnership units held by minority interests		2,311		2,531
Diluted weighted average shares and units outstanding		46,608		45,160

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

		March 31, 2006 (Unaudited)		December 31, 2005
Assets				
Commercial real estate properties, at cost:				
Land and land interests	$	270,351	$	288,239
Buildings and improvements		1,365,554		1,440,584
Building leasehold and improvements		695,601		481,891
Property under capital lease		12,208		12,208
		2,343,714		2,222,922
Less accumulated depreciation		(231,561)		(219,295)
		2,112,153		2,003,627
Cash and cash equivalents		20,535		24,104
Restricted cash		59,489		60,750
Tenant and other receivables, net of allowance of $9,491 and $9,681 in 2006 and 2005, respectively		21,011		23,722
Related party receivables		6,329		7,707
Deferred rents receivable, net of allowance of $9,450 and $8,698 in 2006 and 2005, respectively		80,249		75,294
Structured finance investments, net of discount of $3,601 and $1,537 in 2006 and 2005, respectively		466,173		400,076
Investments in unconsolidated joint ventures		533,145		543,189
Deferred costs, net		77,145		79,428
Other assets		106,303		91,880
Total assets	$	3,482,532	$	3,309,777
Liabilities and Stockholders' Equity				
Mortgage notes payable	$	912,262	$	885,252
Revolving credit facility		156,645		32,000
Term loans		525,000		525,000
Derivative instruments at fair value		—		—
Accrued interest		7,706		7,711
Accounts payable and accrued expenses		69,079		87,390
Deferred revenue/gain		30,759		25,691
Capitalized lease obligation		16,292		16,260
Deferred land lease payable		16,469		16,312
Dividend and distributions payable		31,408		31,103
Security deposits		28,218		24,556
Junior subordinate deferrable interest debentures held by trusts that issued trust preferred securities		100,000		100,000
Total liabilities		1,893,838		1,751,275
Commitments and contingencies		—		—
Minority interest in other partnerships		34,693		25,012
Minority interest in operating partnership		68,982		74,049
Stockholders' Equity				
7.625% Series C perpetual preferred shares, $0.01 per value, $25.00 liquidation preference, 6,300 issued and outstanding at March 31, 2006 and December 31, 2005, respectively		151,981		151,981
7.875% Series D perpetual preferred shares, $0.01 per value, $25.00 liquidation preference, 4,000 issued and outstanding at March 31, 2006 and December 31, 2005, respectively		96,321		96,321
Common stock, $0.01 par value 100,000 shares authorized, 43,133 and 42,456 issued and outstanding at March 31, 2006 and December 31, 2005, respectively		431		425
Additional paid - in capital		983,144		959,858
Accumulated other comprehensive income		19,750		15,316
Retained earnings		233,392		235,540

Total stockholders' equity	1,485,019	1,459,441
Total liabilities and stockholders' equity	$ 3,482,532	$ 3,309,777

SL GREEN REALTY CORP.
SELECTED OPERATING DATA-UNAUDITED

	March 31, 2006	March 31, 2005
Operating Data: (1)		
Net rentable area at end of period (in 000's)	18,620	17,359
Portfolio percentage leased at end of period	95.2%	95.7%
Same-Store percentage leased at end of period	96.3%	96.3%
Number of properties in operation	29	29
Office square feet leased during quarter (rentable)	539,399	415,806
Average mark-to-market percentage-office	16.7%	4.9%
Average starting cash rent per rentable square foot-office	$ 37.74	$ 40.60

(1) Includes wholly owned and joint venture properties.

SL GREEN REALTY CORP.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES*
(Amounts in thousands, except per share data)

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
Earnings before interest, depreciation and amortization (EBITDA):	$ 67,179	$ 61,104
Add:		
Marketing, general & administrative expense	12,986	8,238
Operating income from discontinued operations	—	684
Less:		
Non-building revenue	(18,905)	(14,230)
Equity in net income from joint ventures	(9,968)	(12,059)
GAAP net operating income (GAAP NOI)	51,292	43,737
Less:		
Operating income from discontinued operations	—	(684)
GAAP NOI from other properties/affiliates	(5,492)	(901)
Same-Store GAAP NOI	$ 45,800	$ 42,152

* See page 6 for a reconciliation of FFO and EBITDA to net income.

Exhibit 99.2

SL Green Realty Corp.
First Quarter 2006
Supplemental Data
March 31, 2006

SL GREEN REALTY CORP.

SL GREEN REALTY CORP.

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

- SL Green's common stock is listed on the New York Stock Exchange, and trades under the symbol SLG.

- SL Green maintains an internet site at **www.slgreen.com** 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 Investor Relations at investor.relations@slgreen.com or at 212-216-1601.

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

The following discussion related to the consolidated financial statements of the Company should be read in conjunction with the financial statements for the quarter ended March 31, 2006 that will subsequently be released on Form 10-Q to be filed on or before May 10, 2006.

TABLE OF CONTENTS

CORPORATE PROFILE

SL Green Realty Corp. (the "Company") was formed on August 20, 1997 to continue the commercial real estate business of S.L. Green Properties Inc. founded in 1980 by Stephen L. Green, our current Chairman. For more than 25 years SL Green has been engaged in the business of owning, managing, leasing, acquiring and repositioning office properties in Manhattan. The Company's investment focus is to create value through the acquisition, redevelopment and repositioning of Manhattan office properties and releasing and managing these properties for maximum cash flow.

Looking forward, SL Green Realty Corp. will continue its opportunistic investment philosophy through three established business lines: investment in long-term core properties, investment in opportunistic assets and structured finance investments. With the formation of Gramercy Capital Corp., or Gramercy, (NYSE: GKK) in 2004, there will be a reduced focus on direct structured finance investments by the Company. This three-legged investment strategy will allow SL Green to balance the components of its portfolio to take advantage of each stage in the business cycle.

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

FINANCIAL HIGHLIGHTS

FIRST QUARTER 2006
UNAUDITED

FINANCIAL RESULTS

Funds From Operations, or FFO, available to common stockholders totaled $50.4 million, or $1.08 per share for the first quarter ended March 31, 2006, a 9.1% increase over the same quarter in 2005 when FFO totaled $44.6 million, or $0.99 per share.

Net income available for common stockholders totaled $23.7 million, or $0.54 per share (diluted) for the first quarter ended March 31, 2006. Net income available to common stockholders totaled $22.9 million, or $0.54 per share in the same quarter in 2005.

Funds available for distribution, or FAD, for the first quarter 2006 increased to $0.80 per share (diluted) versus $0.65 per share (diluted) in the prior year, a 23.1% increase.

The Company's dividend payout ratio was 55.5% of FFO and 75.4% of FAD before first cycle leasing costs.

All per share amounts are presented on a diluted basis.

CONSOLIDATED RESULTS

Total quarterly revenues increased 25.1% in the first quarter to $125.2 million compared to $100.1 million in the prior year. The $25.1 million growth in revenue resulted primarily from the following items:

- $7.8 million increase from 2006 and 2005 acquisitions,
- $12.1 million increase from same-store properties,
- $2.9 million increase in other revenue, which was primarily due to fees earned from Gramercy ($0.9 million), and
- $2.3 million increase in preferred equity and investment income.

The Company's earnings before interest, taxes, depreciation and amortization, or EBITDA, increased by $6.1 million (9.9%) to $67.2 million. The following items drove EBITDA improvements:

- $4.6 million increase from 2006 and 2005 acquisitions.
- $3.7 million increase from same-store properties.
- $2.3 million increase in preferred equity and investment income. The weighted-average structured finance investment balance for the quarter increased to $453.1 million from $363.2 million in the prior year. The weighted-average yield for the quarter was 10.3% compared to 10.4% in the prior year.
- $2.1 million decrease from the equity in net income from unconsolidated joint ventures primarily due to our investments at 1515 Broadway ($2.6 million), 1250 Broadway ($0.5 million) and One Madison Avenue-South Building ($0.5 million). This was partially offset by increases at Gramercy ($1.5 million).
- $4.7 million decrease from higher MG&A expense. This is primarily due to higher compensation costs at GKK Manager LLC which is consolidated into the accounts of SL Green.

- $2.3 million increase in non-real estate revenues net of expenses, primarily due to fee income from Gramercy ($0.9 million).

FFO before minority interests improved $5.8 million primarily as a result of:

- $6.1 million increase in EBITDA,
- $1.9 million increase in FFO from unconsolidated joint ventures,
- $1.7 million decrease from higher interest expense, and
- $0.5 million decrease from discontinued operations and non-real estate depreciation.

<u>SAME-STORE RESULTS</u>

Consolidated Properties

Same-store first quarter 2006 GAAP NOI increased $3.6 million (8.7%) to $45.8 million compared to the prior year. Operating margins after ground rent decreased from 50.7% to 48.2%.

The $3.6 million increase in GAAP NOI was primarily due to:

- $8.1 million (11.7%) increase in rental revenue primarily due to improved leasing,
- $2.9 million (26.0%) increase in escalation and reimbursement revenue primarily due to electric reimbursements,
- $1.0 million (93.5%) increase in other income, and
- $4.9 million (19.2%) increase in operating expenses, primarily driven by increases in utilities and ground rent expense, and
- $3.5 million (24.7%) increase in real estate taxes.

Joint Venture Properties

Joint Venture properties first quarter 2006 GAAP NOI increased $0.6 million (2.6%) to $23.2 million compared to the prior year. Operating margins after ground rent decreased from 56.4% to 54.3%.

The $0.6 million increase in GAAP NOI was primarily due to:

- $0.6 million (1.7%) increase in rental revenue primarily due to improved leasing,
- $1.9 million (28.0%) increase in escalation and reimbursement revenue primarily due to electric reimbursements and real estate tax and operating expense recoveries,
- $0.4 million (872.7%) increase in other income,

- $0.7 million (8.7%) increase in real estate taxes, and

- $1.6 million (16.4%) increase in operating expenses primarily driven by increases in utilities and insurance.

STRUCTURED FINANCE ACTIVITY

As of March 31, 2006, our structured finance and preferred equity investments totaled $466.2 million. The weighted average balance outstanding for the first quarter of 2006 was $453.1 million. During the first quarter of 2006 the weighted average yield was 10.3%.

During the first quarter 2006, the Company originated $65.9 million of structured finance investments with an initial yield of 9.1%. This includes an investment in a New York City commercial office property, which Gramercy elected not to make.

In March, 2006, Mack-Cali Realty Corporation agreed to acquire The Gale Company's interests in the New Jersey properties constituting the Bellmeade portfolio, which interests are in substantially all of the entities in which the Company has a $75.0 million preferred equity investment. As a result of this transaction, the Company expects that a substantial portion of its preferred equity investment will be repaid. This transaction, which is subject to customary closing conditions, is expected to close during the second quarter of 2006.

QUARTERLY LEASING HIGHLIGHTS

Vacancy at December 31, 2005 was 603,960 useable square feet net of holdover tenants. During the quarter, 598,601 additional useable office, retail and storage square feet became available at an average escalated cash rent of $35.80 per rentable square foot. Space available to lease during the quarter totaled 1,214,649 useable square feet, or 6.5% of the total portfolio.

During the first quarter, 65 office leases, including early renewals, were signed totaling 539,399 rentable square feet. New cash rents averaged $37.74 per rentable square foot. Replacement rents were 16.7% higher than rents on previously occupied space, which had fully escalated cash rents averaging $32.33 per rentable square foot. The average lease term was 6.7 years and average tenant concessions were 2.1 months of free rent with a tenant improvement allowance of $12.91 per rentable square foot.

The Company also signed 6 retail and storage leases, including early renewals, for 27,007 rentable square feet. The average lease term was 9.6 years and the average tenant concessions were 5.1 months of free rent with a tenant improvement allowance of $1.55 per rentable square foot.

REAL ESTATE ACTIVITY

Real estate investment transactions entered into during the first quarter totaled approximately $240.0 million and included:

- The Company entered into a long term operating net leasehold interest in 521 Fifth Avenue – a 40-story, 460,000-square-foot office building – with an ownership group led by RFR Holding LLC, RFR, which retained fee ownership of the property. The

  Company also purchased an option to acquire fee ownership of the property in five years for $15.0 million. Assuming the Company exercises its option, the total cost would be $225 million. The acquisition was financed with a $140.0 million loan and proceeds drawn under our revolving credit facility.

- The Company, along with Credit Suisse, Ian Schrager and RFR entered into a joint venture arrangement for the redevelopment and residential conversion of One Madison Avenue's North Tower, also known as "The Clock Tower." Under the terms of the venture, the Company will retain a 30% interest in the Clock Tower. The arrangement provides Ian Schrager and RFR with the ability to increase its ownership interest if certain incentive return thresholds are achieved.

Investment In Gramercy Capital Corp.

At March 31, 2006, the Company's investment in Gramercy was $93.6 million. Fees earned from various arrangements between the Company and Gramercy totaled approximately $4.7 million for the quarter ended March 31, 2006, including an incentive fee of $1.2 million earned as a result of Gramercy's FFO exceeding the 9.5% annual return on equity performance threshold. The Company's share of FFO generated from its investment in Gramercy totaled approximately $3.2 million for the quarter ended March 31, 2006.

The Company's marketing, general and administrative, or MG&A, expenses include the consolidation of the expenses of its subsidiary GKK Manager LLC, the entity which manages and advises Gramercy. For the quarter ended March 31, 2006, the Company's MG&A includes approximately $2.6 million of costs associated with Gramercy.

FINANCING/ CAPITAL ACTIVITY

In January 2006, the Company, through a joint venture with The City Investment Fund, L.P., or CIF, and The Witkoff group, recapitalized 485 Lexington Avenue. The joint venture obtained a $390.0 million three year loan, which bears interest at LIBOR plus 1.35%, and which can be extended for an additional two years. HSH Nordbank AG, New York Branch fully underwrote the $390.0 million financing. The initial funding of the loan was approximately $293.0 million which was used to repay the existing loan, return 100% of the partners invested capital and provide for a return on capital that exceeded the performance thresholds established with CIF. The balance of the loan will be used to fund the remaining renovations, lease up and tenant improvements for the building. As a result of exceeding the performance thresholds established with CIF, the Company's economic stake in the property increased from 30% to 50%. The Company used its portion of the refinancing proceeds to repay its 2005 unsecured revolving credit facility and for new investments.

Dividends

On March 22, 2006, the Company declared a dividend of $0.60 per common share for the first quarter 2006. The dividend was payable April 14, 2006 to stockholders of record on the close of business on March 31, 2006. This distribution reflects the regular quarterly dividend, which is the equivalent of an annualized distribution of $2.40 per common share.

On March 22, 2006, the Company also approved a distribution on it's Series C preferred stock for the period January 15, 2006 through and including April 14, 2006, of $0.4766 per share, payable April 14, 2006 to stockholders of record on the close of business on March 31, 2006. The distribution reflects the regular quarterly distribution, which is the equivalent of an annualized distribution of $1.90625 per Series C preferred stock.

On March 22, 2006, the Company also approved a distribution on it's Series D preferred stock for the period January 15, 2006 through and including April 14, 2006, of $0.4922 per share, payable April 14, 2006 to stockholders of record on the close of business on March 31, 2006. The distribution reflects the regular quarterly distribution, which is the equivalent of an annualized distribution of $1.96875 per Series D preferred stock.

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

	As of or for the three months ended				
	3/31/2006	12/31/2005	9/30/2005	6/30/2005	3/31/2005
Earnings Per Share					
Net income available to common shareholders - diluted	$ 0.54	$ 0.48	$ 0.87	$ 1.31	$ 0.54
Funds from operations available to common shareholders - diluted	$ 1.08	$ 1.02	$ 1.13	$ 1.02	$ 0.99
Funds available for distribution to common shareholders - diluted	$ 0.80	$ 0.67	$ 0.83	$ 0.69	$ 0.65
Common Share Price & Dividends					
At the end of the period	$ 101.50	$ 76.39	$ 68.18	$ 64.50	$ 56.22
High during period	$ 103.09	$ 77.14	$ 70.10	$ 66.05	$ 59.74
Low during period	$ 77.70	$ 63.80	$ 64.76	$ 55.38	$ 52.70
Common dividends per share	$ 0.60	$ 0.60	$ 0.54	$ 0.54	$ 0.54
FFO Payout Ratio	55.53%	58.65%	47.70%	52.99%	54.73%
FAD Payout Ratio	75.40%	89.03%	64.78%	78.57%	82.90%
Common Shares & Units					
Common shares outstanding	43,133	42,456	41,942	41,830	41,622
Units outstanding	2,263	2,427	2,502	2,512	2,531
Total shares and units outstanding	45,396	44,883	44,444	44,342	44,153
Weighted average common shares and units outstanding - basic	45,169	44,596	44,426	44,303	43,833
Weighted average common shares and units outstanding - diluted	46,608	45,820	45,674	45,505	45,160
Market Capitalization					
Market value of common equity	$ 4,607,694	$ 3,428,612	$ 3,030,192	$ 2,860,059	$ 2,482,282
Liquidation value of preferred equity	257,500	257,500	257,500	257,500	257,500
Consolidated debt	1,693,907	1,542,252	1,626,640	1,493,753	1,315,315
Consolidated market capitalization	$ 6,559,101	$ 5,228,364	$ 4,914,332	$ 4,611,312	$ 4,055,097
SLG portion JV debt	1,111,160	1,040,265	911,959	928,334	564,945
Combined market capitalization	$ 7,670,261	$ 6,268,629	$ 5,826,291	$ 5,539,646	$ 4,620,042
Consolidated debt to market capitalization	25.83%	29.50%	33.10%	32.39%	32.44%
Combined debt to market capitalization	36.57%	41.20%	43.57%	43.72%	40.70%
Consolidated debt service coverage	3.55	3.53	3.70	3.54	3.65
Consolidated fixed charge coverage	2.45	2.39	2.55	2.40	2.43
Combined fixed charge coverage	1.95	1.93	2.07	2.03	2.16
Portfolio Statistics					
Directly owned office buildings	22	21	21	21	21

Joint venture office buildings	7	7	7	8	8
	29	28	28	29	29
Directly owned square footage	9,805,000	9,345,000	9,345,000	9,345,000	9,164,000
Joint venture square footage	8,814,900	8,814,900	8,814,900	9,079,900	8,195,000
	18,619,900	18,159,900	18,159,900	18,424,900	17,359,000
Quarter end occupancy-portfolio	95.2%	96.7%	96.0%	95.9%	95.7%
Quarter end occupancy- same store - wholly owned	96.1%	96.0%	94.9%	95.3%	95.0%
Quarter end occupancy- same store - combined (wholly owned + joint venture)	96.3%	96.5%	96.0%	96.5%	96.3%

	As of or for the three months ended				
	3/31/2006	12/31/05	9/30/2005	6/30/2005	3/31/2005
Selected Balance Sheet Data					
Real estate assets before depreciation	$ 2,343,714	$ 2,222,922	$ 2,183,267	$ 2,049,820	$ 1,859,431
Investments in unconsolidated joint ventures	$ 533,145	$ 543,189	$ 659,860	$ 638,336	$ 579,194
Structured finance investments	$ 466,173	$ 400,076	$ 400,049	$ 396,862	$ 375,099
Total Assets	$ 3,482,532	$ 3,309,777	$ 3,352,330	$ 3,154,845	$ 2,932,962
Fixed rate & hedged debt	$ 1,254,116	$ 1,255,141	$ 1,256,095	$ 1,256,978	$ 1,025,315
Variable rate debt	439,791	287,111	370,545	236,775	290,000
Total consolidated debt	$ 1,693,907	$ 1,542,252	$ 1,626,640	$ 1,493,753	$ 1,315,315
Total Liabilities	$ 1,893,838	$ 1,751,275	$ 1,821,699	$ 1,668,824	$ 1,483,395
Fixed rate & hedged debt-including SLG portion of JV debt	$ 1,768,857	$ 1,741,225	$ 1,732,776	$ 1,756,389	$ 1,245,569
Variable rate debt - including SLG portion of JV debt	1,036,210	841,292	805,823	665,698	634,691
Total combined debt	$ 2,805,067	$ 2,582,517	$ 2,538,599	$ 2,422,087	$ 1,880,260
Selected Operating Data					
Property operating revenues	$ 101,823	$ 94,975	$ 92,075	$ 87,771	$ 82,189
Property operating expenses	55,022	48,442	48,660	44,427	42,829
Property operating NOI	$ 46,801	$ 46,533	$ 43,415	$ 43,344	$ 39,360
NOI from discontinued operations	—	—	—	117	684
Total property operating NOI	$ 46,801	$ 46,533	$ 43,415	$ 43,461	$ 40,044
SLG share of Property NOI from JVs	$ 32,130	$ 31,595	$ 32,770	$ 29,813	$ 23,527
SLG share of FFO from Gramercy Capital	$ 3,168	$ 3,205	$ 2,610	$ 2,164	$ 1,143
Structured finance income	$ 13,479	$ 11,267	$ 10,652	$ 11,925	$ 11,147
Other income	$ 9,917	$ 8,352	$ 16,899	$ 6,156	$ 6,776
Marketing general & administrative expenses	$ 12,986	$ 11,965	$ 13,418	$ 10,594	$ 8,238
Consolidated interest	$ 18,850	$ 20,100	$ 20,580	$ 19,479	$ 17,366
Combined interest	$ 34,428	$ 34,642	$ 33,487	$ 29,930	$ 23,422
Preferred Dividend	$ 4,969	$ 4,969	$ 4,969	$ 4,969	$ 4,969
Office Leasing Statistics					
Total office leases signed	65	55	58	71	55
Total office square footage leased	539,399	963,087	341,458	386,134	415,806
Average rent psf	$ 37.74	$ 46.89	$ 43.79	$ 43.49	$ 40.60
Escalated rents psf	$ 32.33	$ 38.99	$ 41.68	$ 42.75	$ 38.69
Percentage of rent over escalated	16.7%	20.3%	5.1%	1.7%	4.9%
Tenant concession packages psf	$ 12.91	$ 39.57	$ 30.74	$ 14.65	$ 31.64
Free rent months	2.1	6.2	2.7	2.3	4.6

COMPARATIVE BALANCE SHEETS

Unaudited
($000's omitted)

	3/31/2006	12/31/2005	9/30/2005	6/30/2005	3/31/2005
Assets					

Commercial real estate properties, at cost:					
Land & land interests	$ 270,351	$ 288,239	$ 288,080	$ 264,696	$ 224,943
Buildings & improvements fee interest	1,365,554	1,440,584	1,408,858	1,301,193	1,135,318
Buildings & improvements leasehold	695,601	481,891	474,121	471,723	472,558
Buildings & improvements under capital lease	12,208	12,208	12,208	12,208	12,208
	$ 2,343,714	$ 2,222,922	$ 2,183,267	$ 2,049,820	$ 1,845,027
Less accumulated depreciation	(231,561)	(219,295)	(205,443)	(192,249)	(179,180)
	$ 2,112,153	$ 2,003,627	$ 1,977,824	$ 1,857,571	$ 1,665,847
Other Real Estate Investments:					
Investment in unconsolidated joint ventures	533,145	543,189	659,860	638,336	579,194
Structured finance investments	466,173	400,076	400,049	396,862	375,099
Assets held for sale	—	—	—	—	16,486
Cash and cash equivalents	20,535	24,104	14,193	1,978	16,789
Restricted cash	59,489	60,750	56,215	62,136	53,410
Tenant and other receivables, net of $9,491 reserve at 3/31/06	21,011	23,722	21,928	18,011	16,174
Related party receivables	6,329	7,707	3,598	3,978	4,519
Deferred rents receivable, net of reserve for tenant credit loss of $9,450 at 3/31/06	80,249	75,294	73,983	70,064	64,074
Deferred costs, net	77,145	79,428	68,518	60,700	55,041
Other assets	106,303	91,880	76,162	45,209	86,329
Total Assets	**$ 3,482,532**	**$ 3,309,777**	**$ 3,352,330**	**$ 3,154,845**	**$ 2,932,962**

	3/31/2006	12/31/2005	9/30/2005	6/30/2005	3/31/2005
Liabilities and Stockholders' Equity					
Mortgage notes payable	$ 912,262	$ 885,252	$ 866,640	$ 770,023	$ 600,315
Unsecured & Secured term loans	525,000	525,000	525,000	525,000	425,000
Revolving credit facilities	156,645	32,000	135,000	98,730	290,000
Derivative Instruments-fair value	—	—	—	1,078	—
Accrued interest	7,706	7,711	7,589	6,909	5,768
Accounts payable and accrued expenses	69,079	87,390	77,329	66,759	60,869
Deferred revenue	30,759	25,691	25,596	16,406	19,558
Capitalized lease obligations	16,292	16,260	16,228	16,166	16,106
Deferred land lease payable	16,469	16,312	16,179	16,043	15,883
Dividend and distributions payable	31,408	31,103	28,176	28,122	28,026
Security deposits	28,218	24,556	23,962	23,588	21,870
Junior subordinated deferrable interest debentures	100,000	100,000	100,000	100,000	—
Total Liabilities	$ 1,893,838	$ 1,751,275	$ 1,821,699	$ 1,668,824	$ 1,483,395
Minority interest in other partnerships	34,693	25,012	14,493	724	702
Minority interest in operating partnership (2,263 units outstanding) at 3/31/06	68,982	74,049	76,625	76,061	74,557
Stockholders' Equity					
7.625% Series C Perpetual Preferred Shares	151,981	151,981	151,981	151,981	151,981
7.875% Series D Perpetual Preferred Shares	96,321	96,321	96,321	96,321	96,321
Common stock, $.01 par value 100,000 shares authorized, 43,133 issued and outstanding at 3/31/06	431	425	419	418	416
Additional paid – in capital	983,144	959,858	936,923	928,900	918,810
Accumulated other comprehensive income	19,750	15,316	13,691	6,118	15,164
Retained earnings	233,392	235,540	240,178	225,498	191,616
Total Stockholders' Equity	$ 1,485,019	$ 1,459,441	$ 1,439,513	$ 1,409,236	$ 1,374,308
Total Liabilities and Stockholders' Equity	**$ 3,482,532**	**$ 3,309,777**	**$ 3,352,330**	**$ 3,154,845**	**$ 2,932,962**

COMPARATIVE STATEMENTS OF OPERATIONS

Unaudited
($000's omitted)

	Three Months Ended		Three Months Ended	Three Months Ended
	March 31, 2006	March 31, 2005	December 31, 2005	September 30, 2005
Revenues				
Rental revenue, net	$ 86,186	$ 70,555	$ 78,126	$ 75,717

Escalation and reimbursement revenues	15,637	11,634	16,849	16,358
Investment income	13,479	11,147	11,267	10,652
Other income	9,917	6,776	8,352	16,899
Total Revenues, net	**125,219**	**100,112**	**114,594**	**119,626**
Equity in net income from unconsolidated joint ventures	9,968	12,059	10,706	13,250
Operating expenses	30,890	23,858	28,048	28,452
Ground rent	5,008	4,516	5,249	4,922
Real estate taxes	19,124	14,455	15,145	15,286
Marketing, general and administrative	12,986	8,238	11,965	13,418
Total Operating Expenses	**68,008**	**51,067**	**60,407**	**62,078**
EBITDA	**67,179**	**61,104**	**64,893**	**70,798**
Interest	18,850	17,194	20,100	20,580
Amortization of deferred financing costs	714	793	875	1,887
Depreciation and amortization	16,784	14,041	16,379	15,317
Income Before Minority Interest and Items	**30,831**	**29,076**	**27,539**	**33,014**
Income from discontinued operations	—	379	—	—
Gain on sale of discontinued operations	—	—	—	—
Equity in net gain on sale of joint venture property	—	—	—	11,550
Minority interest	(2,130)	(1,576)	(1,734)	(2,265)
Net Income	**28,701**	**27,879**	**25,805**	**42,299**
Dividends on perpetual preferred shares	4,969	4,969	4,969	4,969
Net Income Available For Common Shareholders	**$ 23,732**	**$ 22,910**	**$ 20,836**	**$ 37,330**
<u>Earnings per Share</u>				
Net income per share (basic)	$ 0.55	$ 0.56	$ 0.49	$ 0.89
Net income per share (diluted)	$ 0.54	$ 0.54	$ 0.48	$ 0.87

COMPARATIVE COMPUTATION OF FFO AND FAD

Unaudited

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

		Three Months Ended March 31, 2006	Three Months Ended March 31, 2005	Three Months Ended December 31, 2005	Three Months Ended September 30, 2005
Funds from operations					
Net Income before Minority Interests and Items		$ 30,831	$ 29,076	$ 27,539	$ 33,014
Add:	Depreciation and amortization	16,784	14,041	16,379	15,317
	FFO from discontinued operations	—	512	—	—
	FFO adjustment for joint ventures	7,980	6,082	8,130	8,549
Less:	Dividends on preferred shares	4,969	4,969	4,969	4,969
	Non real estate depreciation and amortization	268	181	205	207
	Funds From Operations	**$ 50,358**	**$ 44,561**	**$ 46,874**	**$ 51,704**
	Funds From Operations - Basic per Share	**$ 1.11**	**$ 1.02**	**$ 1.05**	**$ 1.16**
	Funds From Operations - Diluted per Share	**$ 1.08**	**$ 0.99**	**$ 1.02**	**$ 1.13**
Funds Available for Distribution					
FFO		$ 50,358	$ 44,561	$ 46,874	$ 51,704
Add:	Non real estate depreciation and amortization	268	181	205	207
	Amortization of deferred financing costs	714	793	875	1,887
	Non-cash deferred compensation	2,296	983	1,086	1,086
Less:	FAD adjustment for Joint	2,440	5,012	5,658	5,206

Ventures				
FAD adjustment for discontinued operations	—	(11)	—	—
Straight-line rental income and other non cash adjustments	5,622	4,948	2,427	4,181
Second cycle tenant improvements	3,967	4,148	5,626	4,310
Second cycle leasing commissions	3,972	2,904	1,159	2,601
Revenue enhancing recurring CAPEX	289	22	595	73
Non- revenue enhancing recurring CAPEX	259	76	2,696	440
Funds Available for Distribution	**$ 37,087**	**$ 29,418**	**$ 30,879**	**$ 38,073**
Diluted per Share	**$ 0.80**	**$ 0.65**	**$ 0.67**	**$ 0.83**
First Cycle Leasing Costs				
Tenant improvements	1,391	138	5,065	2,459
Leasing commissions	3,073	895	3,179	214
Funds Available for Distribution after First Cycle Leasing Costs	**$ 32,623**	**$ 28,385**	**$ 22,635**	**$ 35,400**
Funds Available for Distribution per Diluted Weighted Average Unit and Common Share	$ 0.70	$ 0.63	$ 0.49	$ 0.78
Redevelopment Costs	$ 1,936	$ 429	$ 5,124	$ 2,971
Payout Ratio of Funds From Operations	**55.53%**	**54.73%**	**58.65%**	**47.70%**
Payout Ratio of Funds Available for Distribution Before First Cycle Leasing Costs	**75.40%**	**82.90%**	**89.03%**	**64.78%**

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Unaudited

($000's omitted)

	Series C Preferred Stock	Series D Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	TOTAL
Balance at December 31, 2005	**$ 151,981**	**$ 96,321**	**$ 425**	**$ 959,858**	**$ 235,540**	**$ 15,316**	**$ 1,459,441**
Net Income					28,701		28,701
Preferred Dividend					(4,969)		(4,969)
Exercise of employee stock options and redemption of units			5	16,560			16,565
Stock-based compensation fair value				739			739
Cash distributions declared ($0.60 per common share)					(25,880)		(25,880)
Comprehensive Income - Unrealized gain of derivative instruments						4,434	4,434
Dividend reinvestment plan				3,421			3,421
Deferred compensation plan			1	269			270
Amortization of deferred compensation				2,297			2,297
Balance at March 31, 2006	**$ 151,981**	**$ 96,321**	**$ 431**	**$ 983,144**	**$ 233,392**	**$ 19,750**	**$ 1,485,019**

RECONCILIATION OF SHARES AND UNITS OUTSTANDING, AND DILUTION COMPUTATION

	Common Stock	OP Units	Stock-Based Compensation	Sub-total	Preferred Stock	Diluted Shares
Share Count at December 31, 2005	**42,455,829**	**2,426,786**	**—**	**44,882,615**	**—**	**44,882,615**
YTD share activity	677,281	(163,489)		513,792		513,792
Share Count at March 31, 2006 - Basic	**43,133,110**	**2,263,297**	**—**	**45,396,407**	**—**	**45,396,407**
Weighting Factor	(274,619)	47,230	1,438,979	1,211,590		1,211,590
Weighted Average Share Count at March 31, 2006 - Diluted	**42,858,491**	**2,310,527**	**1,438,979**	**46,607,997**	**—**	**46,607,997**

TAXABLE INCOME

Unaudited

($000's omitted)

	Three Months Ended	
	March 31, 2006	March 31, 2005
Net Income Available For Common Shareholders	$ 23,732	$ 22,910
Book/Tax Depreciation Adjustment	4,205	891
Book/Tax Gain Recognition Adjustment	—	—
Book/Tax JV Net equity adjustment	(1,060)	106
Other Operating Adjustments	(144)	(695)
C-corp Earnings	(960)	(571)
Taxable Income (Projected)	**$ 25,773**	**$ 22,641**
Dividend per share	$ 0.60	$ 0.54
Estimated payout of taxable income	100%	99%
Shares outstanding - basic	43,133	41,622

Payout of Taxable Income Analysis:
Estimated taxable income is derived from net income less straightline rent, free rent net of amortization of free rent, plus tax gain on sale of properties, credit loss, straightline ground rent and the difference between tax and GAAP depreciation. The Company has deferred the taxable gain on the sales 29 West 35th Street, 17 Battery Place South, 90 Broad Street, 50 West 23rd Street, 1370 Broadway,1412 Broadway, 17 Battery Place North and 1466 Broadway through 1031 exchanges. In addition, the Company has deferred substantially all of the taxable gain resulting from the sale of an interest in One Park Avenue.

JOINT VENTURE STATEMENTS

Balance Sheet for Unconsolidated Property Joint Ventures
Unaudited
($000's omitted)

	March 31, 2006		March 31, 2005	
	Total Property	SLG Property Interest	Total Property	SLG Property Interest
Land & land interests	$ 671,724	$ 295,034	$ 486,338	$ 206,876
Buildings & improvements fee interest	2,835,766	1,240,468	2,033,873	869,856
Buildings & improvements leasehold	20,060	9,027	—	—
	3,527,550	1,544,529	2,520,211	1,076,732
Less accumulated depreciation	(170,920)	(80,141)	(108,639)	(52,495)
Net Real Estate	3,356,630	1,464,388	2,411,572	1,024,237
Cash and cash equivalents	56,652	24,417	53,898	24,092
Restricted cash	24,862	11,445	35,978	16,078
Tenant receivables, net of $2,014 reserve at 3/31/06	10,053	4,922	6,559	3,312
Deferred rents receivable, net of reserve for tenant credit loss of $2,201 at 3/31/06	61,342	29,412	40,525	19,931
Deferred costs, net	79,410	33,422	33,173	15,442
Other assets	44,678	18,592	21,557	9,900
Total Assets	**$ 3,633,627**	**$ 1,586,598**	**$ 2,603,262**	**$ 1,112,992**
Mortgage loans payable	$ 2,496,212	$ 1,111,160	$ 1,336,728	$ 564,945
Derivative Instruments-fair value	—	—	25	14
Accrued interest payable	11,198	4,875	5,358	2,225
Accounts payable and accrued expenses	65,266	28,610	59,598	26,708
Security deposits	6,509	3,064	9,783	4,492
Contributed Capital (1)	1,054,442	438,889	1,191,770	514,608
Total Liabilities and Equity	**$ 3,633,627**	**$ 1,586,598**	**$ 2,603,262**	**$ 1,112,992**

As of March 31, 2006 the Company has ten unconsolidated joint venture interests including a 55% interest in 1250 Broadway, a 50% interest in 100 Park Avenue, a 16.67% interest in 1 Park Avenue, a 68.5% economic interest in 1515 Broadway increased from 55% in December 2005, a 45% interest in 1221 Avenue of the Americas, a 50% economic interest in 485 Lexington Avenue increased from 30% in January 2006, a 55% interest in the South Building of 1 Madison Avenue, a 30% interest in the Clock Tower of 1 Madison Avenue, a 10% interest in 55 Corporate Drive and a 45% interest in 379 West Broadway. These interests are accounted for on the equity method of accounting and, therefore, are not consolidated into the company's financial statements.

As we have been designated as the primary beneficiary under FIN 46(R), we have consolidated the accounts of the following four joint ventures including a 50% interest in 1551/1555 Broadway and 21 West 34th Street, a 50% interest in 141 Fifth Avenue, a 45% interest in 1604 Broadway and a 50% interest in 25-29 West 34th Street.

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(1) Contributed capital includes adjustments to capital to reflect our share of capital based on implied sales prices of partially sold or contributed properties. Our investment in unconsolidated joint venture reflects our actual contributed capital base.

JOINT VENTURE STATEMENTS

Statements of Operations for Unconsolidated Property Joint Ventures
Unaudited
($000's omitted)

	Three Months Ended March 31, 2006		Three Months Ended December 31, 2005	Three Months Ended March 31, 2005	
	Total Property	SLG Property Interest	SLG Property Interest	Total Property	SLG Property Interest
Revenues					
Rental Revenue, net	$ 88,456	$ 42,590	$ 40,929	$ 75,632	$ 33,911
Escalation and reimbursement revenues	18,992	9,052	8,374	13,952	6,526
Investment and other income	1,861	978	679	293	161
Total Revenues, net	**$ 109,309**	**$ 52,620**	**$ 49,982**	**$ 89,877**	**$ 40,598**
Expenses					
Operating expenses	$ 24,724	$ 11,977	$ 11,048	$ 20,884	$ 9,746
Ground rent	225	101	26	—	—
Real estate taxes	17,417	8,412	7,313	15,914	7,325
Total Operating Expenses	$ 42,366	$ 20,490	$ 18,387	$ 36,798	$ 17,071
GAAP NOI	**$ 66,943**	**$ 32,130**	**$ 31,595**	**$ 53,079**	**$ 23,527**
Cash NOI	**$ 59,949**	**$ 29,394**	**$ 28,947**	**$ 46,471**	**$ 20,543**
Interest	30,461	15,578	14,542	15,100	6,056
Amortization of deferred financing costs	1,433	771	737	1,012	473
Depreciation and amortization	17,653	8,452	8,303	13,859	6,081
Net Income	**$ 17,396**	**$ 7,329**	**$ 8,013**	**$ 23,108**	**$ 10,917**
Plus: Real estate depreciation	17,653	8,452	8,300	13,859	6,081
Funds From Operations	**$ 35,049**	**$ 15,781**	**$ 16,313**	**$ 36,967**	**$ 16,998**
FAD Adjustments:					
Plus: Non real estate depreciation and amortization	$ 1,433	$ 771	$ 737	$ 1,012	$ 473
Less: Straight-line rental income and other non-cash adjustments	(6,992)	(2,733)	(2,464)	(6,507)	(2,983)
Less: Second cycle tenant improvement	(827)	(402)	(2,262)	(1,392)	(666)
Less: Second cycle leasing commissions	(197)	(59)	(1,331)	(3,370)	(1,816)
Less: Recurring CAPEX	(50)	(17)	(338)	(36)	(20)
FAD Adjustment	**$ (6,633)**	**$ (2,440)**	**$ (5,658)**	**$ (10,293)**	**$ (5,012)**

Gramercy Joint Venture Statements

Unaudited

($000's omitted)

Balance Sheets

	March 31, 2006	December 31, 2005
Assets		
Cash	$ 46,001	$ 70,576
Loans and other lending investments, net	1,543,643	1,205,745
Investment in joint ventures	57,373	58,040
Operating real estate, net	53,059	51,173
Other assets	103,568	84,276
Total Assets	**$ 1,803,644**	**$ 1,469,810**
Liabilities and Stockholders' Equity		
Repurchase agreement	$ 377,193	$ 117,366

Collateralized debt obligation	810,500	810,500
Mortgage note payable	41,000	41,000
Other liabilities	43,560	28,540
Junior subordinated deferrable interest debentures	150,000	100,000
Total Liabilities	**1,422,253**	**1,097,406**
Minority interest in operating real estate	5,000	—
Stockholders' Equity		
Total stockholders' equity	376,391	372,404
Total Liabilities and Stockholders' Equity	**$ 1,803,644**	**$ 1,469,810**
Total Outstanding Shares	**22,818**	**22,803**
Total SLG Shares	**5,668**	**5,668**
SLG Investment in Gramercy at Cost	**$ 93,619**	**$ 93,619**

Income Statements

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
Revenues		
Investment Income	$ 31,879	$ 10,250
Rental Revenue - net	914	—
Other income	4,197	440
Total revenues	36,990	10,690
Expenses		
Interest	17,721	2,801
Management fees	3,523	1,668
Incentive fees	1,193	—
Depreciation and amortization	455	22
Marketing, general and administrative	2,770	1,633
Provision for loan loss	—	—
Total expenses	25,662	6,124
Income from continuing operations before equity in net loss of unconsolidated joint ventures and taxes	11,328	4,566
Equity in net loss of unconsolidated joint ventures	(727)	—
Income from continuing operations before taxes	10,601	4,566
Provision for taxes	(47)	—
Net income available to common shareholders	**10,554**	**4,566**
Plus: Real estate depreciation	2,117	—
FFO	**$ 12,671**	**$ 4,566**
SLG share of net income	**$ 2,639**	**$ 1,143**
SLG share of FFO	**$ 3,168**	**$ 1,143**

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
GKK Manager		
Base management income	$ 2,237	$ 1,213
Other fee income	1,692	750
Marketing, general and administrative expenses	(1,947)	(1,417)
Net Income before minority interest	1,982	546
Less: minority interest	(669)	(135)
SLG share of GKK Manager net income	1,313	411
Servicing and administrative reimbursements	782	464
Net management income and reimbursements from Gramercy	$ 2,095	$ 875

SELECTED FINANCIAL DATA
Capitalization Analysis
Unaudited
($000's omitted)

	3/31/2006	12/31/2005	9/30/2005	6/30/2005	3/31/2005
Market Capitalization					
Common Equity:					
Common Shares Outstanding	43,133	42,456	41,942	41,830	41,622
OP Units Outstanding	2,263	2,427	2,502	2,512	2,531
Total Common Equity (Shares and Units)	**45,396**	**44,883**	**44,444**	**44,342**	**44,153**
Share Price (End of Period)	$ 101.50	$ 76.39	$ 68.18	$ 64.50	$ 56.22

Equity Market Value	**$ 4,607,694**	**$ 3,428,612**	**$ 3,030,192**	**$ 2,860,059**	**$ 2,482,282**
Preferred Equity at Liquidation Value:	**257,500**	**257,500**	**257,500**	**257,500**	**257,500**
Real Estate Debt					
Property Level Mortgage Debt	912,262	885,252	866,640	770,023	600,315
Outstanding Balance on - Term Loans	525,000	525,000	525,000	525,000	425,000
Outstanding Balance on – Secured Credit Line	—	—	—	67,000	125,000
Outstanding Balance on – Unsecured Credit Line	156,645	32,000	135,000	31,730	165,000
Junior Subordinated Deferrable Interest Debentures	100,000	100,000	100,000	100,000	—
Total Consolidated Debt	1,693,907	1,542,252	1,626,640	1,493,753	1,315,315
Company's Portion of Joint Venture Debt	1,111,160	1,040,265	911,959	928,334	564,945
Total Combined Debt	**2,805,067**	**2,582,517**	**2,538,599**	**2,422,087**	**1,880,260**
Total Market Cap (Debt & Equity)	**$ 7,670,261**	**$ 6,268,629**	**$ 5,826,291**	**$ 5,539,646**	**$ 4,620,042**
Availability under Lines of Credit					
Senior Unsecured Line of Credit	329,275(A)	453,920	359,612	264,270	131,000
Term Loans	—	—	—	—	—
Secured Line of Credit	—	—		58,000	—
Total Availability	**$ 329,275**	**$ 453,920**	**$ 359,612**	**$ 322,270**	**$ 131,000**

(A) As reduced by $14,080 letter of credit

Combined Capitalized Interest	**$ 4,291**	**$ 2,388**	**$ 2,161**	**$ 1,016**	**$ —**
Ratio Analysis					
Consolidated Basis					
Debt to Market Cap Ratio	25.83%	29.50%	33.10%	32.39%	32.44%
Debt to Gross Real Estate Book Ratio (1)	72.65%	69.76%	74.92%	70.02%	64.94%
Secured Real Estate Debt to Secured Assets Gross Book (1)	72.62%	75.60%	75.41%	75.39%	66.77%
Unsecured Debt to Unencumbered Assets-Gross Book Value (1)	54.55%	44.28%	55.21%	45.26%	52.09%
Joint Ventures Allocated					
Combined Debt to Market Cap Ratio	36.57%	41.20%	43.57%	43.72%	40.70%
Debt to Gross Real Estate Book Ratio (1)	72.37%	69.82%	69.46%	66.69%	60.33%
Secured Debt to Secured Assets Gross Book (1),(2)	72.25%	72.17%	67.56%	67.52%	58.98%

(1) Excludes property level capital obligations.
(2) Secured debt ratio includes only property level secured debt.

SELECTED FINANCIAL DATA
Property NOI and Coverage Ratios
Unaudited
($000's omitted)

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005	Three Months Ended December 31, 2005	Three Months Ended September 30, 2005
Property NOI				
Property Operating NOI	$ 46,801	$ 39,360	$ 46,533	$ 43,415
NOI from Discontinued Operations	—	684	—	—
Total Property Operating NOI - Consolidated	46,801	40,044	46,533	43,415
SLG share of Property NOI from JVs	32,130	23,527	31,595	32,770
GAAP NOI	**$ 78,931**	**$ 63,571**	**$ 78,128**	**$ 76,185**
Less: Free Rent (Net of Amortization)	2,221	3,713	1,526	2,024
Net FAS 141 Adjustment	789	693	845	587
Straightline Revenue Adjustment	6,358	4,716	2,902	5,753

Plus:	Allowance for S/L tenant credit loss	933	1,298	291	1,253
	Ground Lease Straight-line Adjustment	157	160	136	136
	Cash NOI	**$ 70,653**	**$ 55,907**	**$ 73,282**	**$ 69,210**
Components of Debt Service and Fixed Charges					
Interest Expense		19,039	17,368	20,284	20,760
Fixed Amortization Principal Payments		1,025	895	954	883
	Total Consolidated Debt Service	**20,064**	**18,263**	**21,238**	**21,643**
Payments under Ground Lease Arrangements		4,851	4,356	5,113	4,786
Dividend on perpetual preferred shares		4,969	4,969	4,969	4,969
	Total Consolidated Fixed Charges	**29,884**	**27,588**	**31,320**	**31,398**
Adjusted EBITDA		**78,102**	**67,658**	**74,980**	**80,141**
Interest Coverage Ratio		**3.72**	**3.84**	**3.70**	**3.86**
Debt Service Coverage Ratio		**3.55**	**3.65**	**3.53**	**3.70**
Fixed Charge Coverage Ratio		**2.45**	**2.43**	**2.39**	**2.55**

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

		Three Months Ended March 31, 2006	Three Months Ended March 31, 2005	%	Three Months Ended December 31, 2005	Three Months Ended September 30, 2005
Revenues						
	Rental Revenue, net	77,872	69,741	12%	71,091	70,616
	Escalation & Reimbursement Revenues	14,252	11,314	26%	15,522	14,926
	Investment Income	227	146	55%	229	200
	Other Income	2,326	1,341	73%	1,078	725
	Total Revenues	**94,677**	**82,542**	**15%**	**87,920**	**86,467**
Expenses						
	Operating Expense	25,828	21,278	21%	23,224	24,002
	Ground Rent	4,912	4,516	9%	4,912	4,922
	Real Estate Taxes	17,742	14,224	25%	14,152	14,357
		48,482	**40,018**	**21%**	**42,288**	**43,281**
	EBITDA	**46,195**	**42,524**	**9%**	**45,632**	**43,186**
	Interest Expense & Amortization of Financing costs	10,954	10,277	7%	11,152	11,169
	Depreciation & Amortization	14,312	13,088	9%	14,266	13,669
	Income Before Minority Interest	20,929	19,159	9%	20,214	18,348
Plus:	Real Estate Depreciation & Amortization	14,302	13,077	9%	14,257	13,659
	FFO	**35,231**	**32,236**	**9%**	**34,471**	**32,007**
Less:	Non – Building Revenue	395	372	6%	421	381
Plus:	Interest Expense & Amortization of Financing costs	10,954	10,277	7%	11,152	11,169
	Non Real Estate Depreciation	10	11	-9%	9	10
	GAAP NOI	**45,800**	**42,152**	**9%**	**45,211**	**42,805**
Cash Adjustments						
Less:	Free Rent (Net of Amortization)	1,998	2,466	-19%	(736)	1,650
	Straightline Revenue Adjustment	3,273	2,815	16%	2,141	2,584
	Rental Income - FAS 141	285	285	0%	293	293
Plus:	Allowance for S/L tenant credit loss	680	950	-28%	110	894
	Ground Lease Straight-line Adjustment	87	160	-46%	87	136
	Cash NOI	**41,011**	**37,696**	**9%**	**43,710**	**39,308**
Operating Margins						
	GAAP NOI to Real Estate Revenue, net	48.23%	50.71%		51.61%	49.21%
	Cash NOI to Real Estate Revenue, net	43.19%	45.35%		49.89%	45.19%
	GAAP NOI before Ground Rent/Real Estate Revenue, net	53.40%	56.15%		57.21%	54.87%

Cash NOI before Ground Rent/Real Estate Revenue, net	48.27%	50.59%		55.40%	50.69%

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

		Three Months Ended March 31, 2006	Three Months Ended March 31, 2005	%	Three Months Ended December 31, 2005	Three Months Ended September 30, 2005
Revenues						
	Rental Revenue, net	33,438	32,881	2%	33,118	32,999
	Escalation & Reimbursement Revenues	8,654	6,760	28%	8,535	7,523
	Investment Income	335	63	433%	110	81
	Other Income	433	47	820%	450	2,371
	Total Revenues	**42,860**	**39,751**	**8%**	**42,212**	**42,974**
Expenses						
	Operating Expense	11,240	9,653	16%	11,155	10,861
	Ground Rent	—	—		—	—
	Real Estate Taxes	8,128	7,474	9%	7,582	7,481
		19,367	**17,127**	**13%**	**18,737**	**18,342**
	EBITDA	**23,493**	**22,624**	**4%**	**23,475**	**24,632**
	Interest Expense & Amortization of Financing costs	10,040	5,777	74%	8,856	6,694
	Depreciation & Amortization	5,990	5,621	7%	5,918	6,278
	Income Before Minority Interest	7,463	11,226	-34%	8,701	11,660
Plus:	Real Estate Depreciation & Amortization	5,990	5,621	7%	5,918	5,876
	FFO	**13,453**	**16,847**	**-20%**	**14,619**	**17,536**
Less:	Non – Building Revenue	340	66	413%	117	84
Plus:	Interest Expense & Amortization of Financing costs	10,040	5,777	74%	8,856	6,694
	Non Real Estate Depreciation	—	—		—	402
	GAAP NOI	**23,153**	**22,558**	**3%**	**23,358**	**24,548**
Cash Adjustments						
Less:	Free Rent (Net of Amortization)	(151)	1,318	-111%	(414)	170
	Straightline Revenue Adjustment	1,204	1,772	-32%	1,164	1,316
	FAS 141	245	245	0%	245	245
Plus:	Allowance for S/L tenant credit loss	123	319	-61%	51	261
	Ground Lease Straight-line Adjustment	—	—	0%	—	—
	Cash NOI	**21,979**	**19,542**	**12%**	**22,416**	**23,080**
Operating Margins						
	GAAP NOI to Real Estate Revenue, net	54.29%	56.39%		55.42%	57.17%
	Cash NOI to Real Estate Revenue, net	51.54%	48.85%		53.19%	53.56%
	GAAP NOI before Ground Rent/Real Estate Revenue, net	54.29%	56.39%		55.42%	57.17%
	Cash NOI before Ground Rent/Real Estate Revenue, net	51.54%	48.85%		53.19%	53.56%

DEBT SUMMARY SCHEDULE

Unaudited
($000's omitted)

Fixed rate debt	Principal O/S Outstanding	Coupon	2006 Principal	Maturity Date	Due at Maturity	As-Of Right	Earliest Prepayment

	3/31/2006		Repayment			Extension	
Secured fixed Rate Debt							
125 Broad Street	74,572	8.29%	803	Oct-07	73,341	—	Open
673 First Avenue	34,306	5.67%	657	Feb-13	28,984	—	Feb-06
70 W. 36th Street	11,359	7.87%	214	May-09	10,629	—	Open
711 Third Avenue	120,000	4.99%	—	Jun-15	120,000	—	Mar-15
220 E 42nd Street	210,000	5.24%	—	Nov-13	182,394	—	Dec-06
420 Lexington Avenue	116,879	8.44%	2,284	Nov-10	104,691	—	Open
625 Madision Avenue	102,000	6.27%	166	Nov-15	78,595	—	Open
	669,116	**6.32%**	**4,124**		**598,634**		
Secured fixed Rate Debt-Other							
Wells Fargo Secured Term Loan (Libor + 125 bps) (1)	160,000	4.12%	—	May-10	160,000	—	—
	160,000	**4.12%**	—		**160,000**		
Unsecured fixed rate debt							
Wells Fargo Unsecured Term Loan (Libor swap + 125bps) (2)	325,000	4.64%	—	Aug-09	325,000	—	Aug-07
Junior Subordinated Deferrable Interest Debentures	100,000	5.61%	—	Jun-15	100,000	—	—
	425,000	**4.87%**	—		**425,000**		
Total Fixed Rate Debt/Wtd Avg	**1,254,116**	**5.55%**	**4,124**		**1,183,634**		
Floating rate Debt							
Secured floating rate debt							
Wells Fargo Secured Term Loan (Libor + 125 bps)	40,000	5.84%	—	May-10	40,000	—	—
1551/1555 Broadway & 21 W. 34th Street (Libor + 200 bps) (3)	92,992	6.53%	—	Aug-08	92,992	—	Open
141 Fifth Avenue (Libor + 225 bps) (3)	10,154	6.85%	—	Sep-07	10,154	Sep-10	—
521 Fifth Avenue (Libor + 162.5 bps)	140,000	6.55%	—	Oct-08	140,000	—	Open
	283,146	**6.45%**	—		**283,146**		
Unsecured floating rate debt							
Senior Unsecured Line of Credit (Libor + 95 bps)	156,645	5.69%	—	Aug-08	156,645	Aug-09	Open
	156,645	**5.69%**	—		**156,645**		
Total Floating Rate Debt/Wtd Avg	**439,791**	**6.18%**	—		**439,791**		
Total Debt/Wtd Avg	**1,693,907**	**5.71%**	**4,124**		**1,623,425**		
Weighted Average Balance & Interest Rate	**1,627,466**	**5.68%**					

SUMMARY OF JOINT VENTURE DEBT

	Principal O/S							
Joint Venture Debt	**Gross Principal**	**SLG Share**						
1250 Broadway (Libor + 120bps)	115,000	63,250	5.73%	—	Aug-06	63,250	Aug-09	Open
1221 Avenue of Americas (Libor + 75bps) (4)	170,000	76,500	5.56%	—	Dec-10	76,500	Dec-08	Open
1515 Broadway (Libor + 90 bps)	625,000	343,750	5.46%	—	Nov-07	343,750	Jul-09	Open
1 Park Avenue	238,500	39,830	5.80%	—	May-14	39,830	—	Open
100 Park Avenue (3)	135,998	67,863	6.52%	—	Nov-15	63,626	—	Open
485 Lexington Ave (Libor + 135bps)	305,112	91,534	5.96%	—	Jan-09	91,534	Jul-09	Open
1 Madison Avenue - South Building	686,905	377,798	5.91%	2,536	Dec-20	220,755	—	Jun-20
1 Madison Avenue - Clock Tower (Libor + 160bps)	120,859	36,258	6.26%	—	Nov-07	36,258	Nov-08	Nov-06
55 Corporate Drive (Libor + 215bps)	86,000	8,600	6.54%	—	Jun-07	8,600	Jun-10	Dec-06
379 West Broadway (Libor + 225bps) (3)	12,838	5,777	6.85%	—	Dec-07	5,777	Dec-10	—
Total Joint Venture Debt/Wtd Avg	**2,496,212**	**1,111,160**	**5.80%**	**2,536**		**949,880**		
Weighted Average Balance & Interest Rate with SLG JV debt		**2,692,734**	**5.72%**					

(1) There is a LIBOR swap on this loan of 2.33% through May 2006 and 4.65% from May 2006 through December 2008.
(2) WF term loan consists of three tranches which mature in June 2008 and a fourth tranch which matures in August 2009. The blended rates on the step -up swaps for this loan are as follows: 3.57% on $100mm, 3.51% on $35mm, 3.95% on $65mm, and 4.21% on $125mm.
(3) Committed amount for 1551/1555 Broadway and 21 West 34th Street is $103.9mm, for 141 Fifth Avenue is $12.58mm, for 1 Madison Avenue is $205.1mm , for 100 Park is $175mm and for 379 West Broadway is $13.25mm.
(4) A swap at a LIROR of 4.76% was placed on $65mm of the loan through 2010.

SUMMARY OF GROUND LEASE ARRANGEMENTS

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

Property	2006 Scheduled Cash Payment	2007 Scheduled Cash Payment	2008 Scheduled Cash Payment	2009 Scheduled Cash Payment	Deferred Land Lease Obligations (1)	Year of Maturity
Operating Leases						
673 First Avenue	3,010	3,010	3,010	3,010	15,413	2037
1140 Avenue of Americas (2)	348	348	348	348	—	2016(3)
420 Lexington Avenue (2)	7,074	7,074	7,074	7,074	—	2008(4)
711 Third Avenue (2) (5)	1,550	1,550	1,550	1,550	939	2032
461 Fifth Avenue (2)	2,100	2,100	2,100	2,100	—	2027(6)
625 Madison Avenue (2)	4,613	4,613	4,613	4,613	—	2022(7)
1604 Broadway (2)	2,350	2,350	2,350	2,350	117	2021(8)
Total	**21,045**	**21,045**	**21,045**	**21,045**	**16,469**	
Capitalized Lease						
673 First Avenue	1,416	1,416	1,416	1,416	16,292	2037

(1) Per the balance sheet at March 31, 2006

(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.
(6) The Company has an option to purchase the ground lease for a fixed price on a specific date.
(7) Subject to renewal at the Company's option through 2054.
(8) Subject to renewal at the Company's option through 2036.The Company has a 45% interest in this property.

STRUCTURED FINANCE

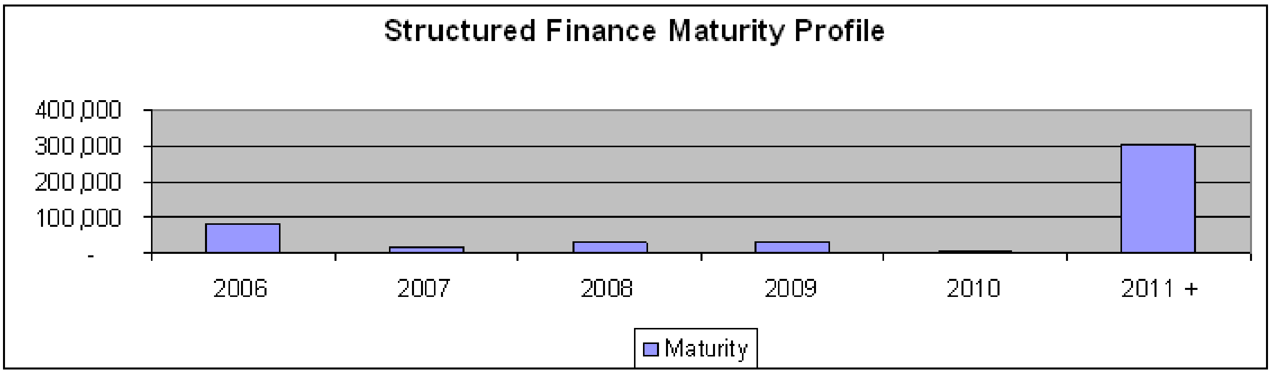
($000's omitted)

	Assets Outstanding	Wtd Average Assets during quarter	Wtd Average Yield during quarter	Current Yield	Libor Rate
12/31/2004	350,027	332,936	10.00%	10.25%	2.40%
Originations/Accretion (1)	222				
Preferred Equity	25,000				
Redemptions /Amortization	(150)				
3/31/2005	375,099	363,189	10.43%	10.69%	2.87%
Originations/Accretion (1)	58,250				
Preferred Equity	6,125				
Redemptions /Amortization	(42,612)				
6/30/2005	396,862	413,571	10.27%	10.26%	3.34%
Originations/Accretion (1)	—				
Preferred Equity	58,000				
Redemptions /Amortization	(54,813)				
9/30/2005	400,049	398,433	10.26%	10.34%	3.86%
Originations/Accretion (1)	152				
Preferred Equity	—				
Redemptions /Amortization	(125)				
12/31/2005	400,076	399,889	10.43%	10.44%	4.39%
Originations/Accretion (1)	61,127				
Preferred Equity	5,000				
Redemptions /Amortization	(30)				
3/31/2006	466,173	453,085	10.27%	10.57%	4.83%

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

Type of Investment	Quarter End Balance(1)	Senior Financing	Exposure Psf	Wtd Average Yield during quarter	Current Yield
Junior Mortgage Participation	$ 139,790	$ 991,500	$ 247	10.43%	10.82%
Mezzanine Debt	$ 157,258	$ 454,000	$ 289	9.20%	9.45%
Preferred Equity	$ 169,125	$ 3,175,000	$ 133	11.21%	11.59%
Balance as of 3/31/06	$ 466,173	$ 4,620,500	$ 194	10.27%	10.57%

Current Maturity Profile (2)



(1) Most investments are indexed to Libor and are prepayable at dates prior to maturity subject to certain prepayment penalties or fees.
(2) The weighted maturity is 6.6 years.

SELECTED PROPERTY DATA

			Usable	% of Total	Occupancy (%)					Annualized	Annualized Rent		Total
Properties	**SubMarket**	**Ownership**	**Sq. Feet**	**Sq. Feet**	**Mar-06**	**Dec-05**	**Sep-05**	**Jun-05**	**Mar-05**	**Rent ($'s)**	**100%**	**SLG**	**Tenants**
PROPERTIES 100% OWNED													
"Same Store"				%	%	%	%	%	%	$	%	%	
1140 Avenue of the Americas	Rockefeller Center	Leasehold Interest	191,000	1	100.0	97.1	97.1	97.1	96.3	9,207,636	2	2	25
110 East 42nd Street	Grand Central North	Fee Interest	181,000	1	94.5	96.5	89.6	91.3	88.9	6,781,980	2	1	27
125 Broad Street	Downtown	Fee Interest	525,000	3	100.0	100.0	100.0	100.0	100.0	18,377,100	5	3	4
1372 Broadway	Garment	Fee Interest	508,000	3	86.4	84.1	84.1	99.2	99.4	15,985,536	4	3	24
220 East 42nd Street	Midtown	Fee Interest	1,135,000	6	99.5	99.5	99.6	99.0	97.9	39,554,928	10	7	40
286 Madison Avenue	Grand Central South	Fee Interest	112,000	1	100.0	99.8	98.8	96.9	93.6	4,113,504	1	1	39
290 Madison Avenue	Grand Central South	Fee Interest	37,000	0	100.0	100.0	100.0	100.0	100.0	1,440,468	0	0	4
292 Madison Avenue	Grand Central South	Fee Interest	187,000	1	99.7	99.7	99.7	99.7	99.7	7,951,380	2	1	21
317 Madison Avenue	Grand Central	Fee Interest	450,000	2	93.7	93.7	86.4	85.2	86.9	17,944,392	5	3	88
420 Lexington Ave (Graybar)	Grand Central North	Operating Sublease	1,188,000	6	97.4	97.1	97.0	96.5	96.4	53,089,044	14	9	255
440 Ninth Avenue	Garment	Fee Interest	339,000	2	99.4	100.0	100.0	100.0	100.0	10,972,596	3	2	13
461 Fifth Avenue	Midtown	Leasehold Interest	200,000	1	89.7	89.7	89.7	89.7	90.3	10,778,316	3	2	17
470 Park Avenue South	Park Avenue South/Flatiron	Fee Interest	260,000	1	96.9	93.8	93.1	93.8	91.1	9,649,188	3	2	28
555 West 57th Street	Midtown West	Fee Interest	941,000	5	100.0	100.0	100.0	100.0	100.0	27,930,576	7	5	18
625 Madison Avenue	Plaza District	Leasehold Interest	563,000	3	91.7	91.7	83.3	77.0	76.4	35,913,708	9	6	39
673 First Avenue	Grand Central South	Leasehold Interest	422,000	2	77.8	77.8	77.8	80.8	80.8	10,775,652	3	2	10
70 West 36th Street	Garment	Fee Interest	151,000	1	95.2	96.1	96.7	96.7	98.2	4,275,888	1	1	28
711 Third Avenue	Grand Central North	Operating Sublease (1)	524,000	3	100.0	100.0	99.3	98.7	98.1	23,055,108	6	4	19
750 Third Avenue	Grand Central North	Fee Interest	780,000	4	98.0	100.0	100.0	100.0	100.0	33,613,008	9	6	18
Subtotal / Weighted Average			**8,694,000**	**47**	**96.1**	**96.0**	**94.9**	**95.3**	**95.0**	**$ 341,410,008**	**89**	**59**	**717**
Adjustments													
19 West 44th Street	Midtown	Fee Interest	292,000	2	98.1	96.8	95.8	92.2	92.2	10,847,196	3	2	67
28 West 44th Street	Midtown	Fee Interest	359,000	2	95.0	94.2	93.1	84.9	86.8	12,220,356	3	2	72
521 Fifth Avenue	Midtown	Leasehold Interest	460,000	2	97.4	—	—	—	—	17,584,728	5	3	52
Subtotal / Weighted Average			**1,111,000**	**6**	**96.8**	**95.4**	**94.3**	**88.2**	**89.2**	**$ 40,652,280**	**11**	**7**	**191**
Total / Weighted Average Properties 100% Owned			**9,805,000**	**53**	**96.2**	**96.0**	**94.9**	**94.8**	**94.6**	**$ 382,062,288**	**100**	**66**	**908**
PROPERTIES < 100% OWNED (Unconsolidated)													
"Same Store"													
1 Park Avenue - 16.7%	Grand Central	Fee Interest	913,000	5	97.8	97.8	97.8	97.8	97.1	36,187,212		1	18
1250 Broadway - 55%	Penn Station	Fee Interest	670,000	4	95.8	95.8	95.5	95.3	94.8	22,235,892		2	35
1515 Broadway - 55%	Times Square	Fee Interest	1,750,000	9	100.0	100.0	100.0	99.6	99.6	81,771,600		10	12
100 Park Avenue - 50%	Grand Central South	Fee Interest	834,000	4	89.7	92.7	92.7	91.5	91.5	32,602,128		3	37
1221 Avenue of the Americas - 45%	Rockefeller Center	Fee Interest	2,550,000	14	96.5	96.5	96.2	97.7	97.7	127,658,088		10	24
Subtotal / Weighted Average			**6,717,000**	**36**	**96.7**	**97.0**	**96.9**	**96.7**	**96.6**	**$ 300,454,920**		**26**	**126**
Adjustments													
485 Lexington Avenue - 30%	Grand Central North	Fee Interest	921,000	5	71.2	100.0	100.0	100.0	100.0	32,376,144		3	6
1 Madison Avenue - 55%	Park Avenue South	Fee Interest	1,176,900	6	97.5	97.5	97.5	95.5	-	54,807,984		5	2
Subtotal / Weighted Average			**2,097,900**	**11**	**86.0**	**98.6**	**98.6**	**97.5**	**100.0**	**$ 87,184,128**		**8**	**8**
Total / Weighted Average Properties Less Than 100% Owned			**8,814,900**	**47**	**94.1**	**97.4**	**97.3**	**96.9**	**97.0**	**$ 387,639,048**		**34**	**134**
Grand Total / Weighted Average			**18,619,900**	**100**	**95.2**	**96.7**	**96.0**	**95.9**	**95.7**	**$ 769,701,336**			**1,042**
Grand Total - SLG share of Annualized Rent										**$ 576,387,620**		**100**	
Same Store Occupancy% - Combined			**15,411,000**	**83**	**96.3**	**96.5**	**96.0**	**96.5**	**96.3**				
(1) Including Ownership of 50% in Building Fee.													
RETAIL & DEVELOPMENT PROPERTIES													
1 Madison Avenue - Clock Tower - 30%	Park Avenue South	Fee Interest	220,000	50	—	—	—	—	—	N/A	N/A	N/A	N/A
1551-1555 Broadway - 50%	Times Square	Fee Interest	23,600	5	—	—	—	—	—	N/A	N/A	N/A	N/A
1604 Broadway - 45%	Times Square	Leasehold Interest	41,100	9	17.2	17.2	—	—	—	2,090,340	26	12	2
21 West 34th Street - 50%	Herald Square/Penn Station	Fee Interest	20,100	5	25.0	100.0	—	—	—	577,572	7	4	1
25-27 West 34th Street - 50%	Herald Square/Penn Station	Fee Interest	21,700	5	30.7	—	—	—	—	943,788	12	6	3
29 West 34th Street - 50%	Herald Square/Penn Station	Fee Interest	29,300	7	74.4	—	—	—	—	1,042,896	13	6	7
379 West Broadway - 45%	Cast Iron/Soho	Leasehold Interest	62,006	14	100.0	100.0	—	—	—	2,651,040	33	15	7
141 Fifth Avenue - 50%	Flat Iron	Fee Interest	21,500	5	100.0	100.0	100.0	—	—	749,232	9	5	4
Total / Weighted Average Retail/Development Properties			**439,306**	**100**	**N/A**	**N/A**	**N/A**	**—**	**—**	**8,054,868**	**100**	**47**	**24**

LARGEST TENANTS BY SQUARE FEET LEASED

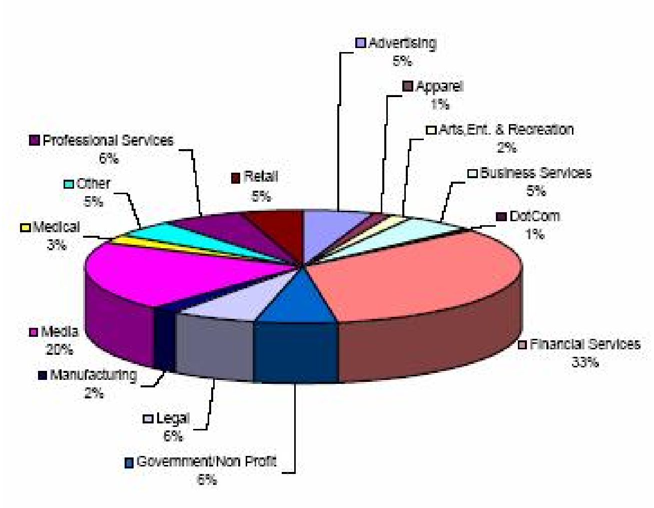
Wholly Owned Portfolio + Allocated JV Properties

Tenant Name	Property	Lease Expiration	Total Leased Square Feet	Annualized Rent ($)	PSF Annualized	% of Annualized Rent	SLG Share of Annualized Rent($)	% of SLG Share of Annualized Rent	Credit Rating (1)
Viacom International, Inc.	1515 Broadway	2008, 2010, 2012, 2013 & 2015	1,375,776	$ 68,068,908	$ 49.48	8.8%	$ 46,593,168	8.1%	BBB
Credit Suisse Securities (USA), LLC	1 Madison Avenue	2020	1,123,879	53,923,716	$ 47.98	7.0%	29,658,044	5.1%	A+
Citigroup, N.A.	125 Broad Street, 1 Park Avenue, 750 Third Avenue & 485 Lexington Avenue	2007, 2010 & 2017	645,896	27,891,876	$ 43.18	3.6%	19,847,813	3.4%	AA+
Morgan Stanley & Co. Inc.	1221 Ave.of the Americas	Various	496,249	31,512,876	$ 63.50	4.1%	14,180,794	2.5%	A+
Societe Generale	1221 Ave.of the Americas	Various	486,663	23,697,324	$ 48.69	3.1%	10,663,796	1.9%	AA-
Omnicom Group	220 East 42nd Street & 420 Lexington Avenue	2008, 2009, 2010 & 2017	480,802	16,037,076	$ 33.35	2.1%	16,037,076	2.8%	A-
The McGraw Hill Companies, Inc.	1221 Ave.of the Americas	Various	420,328	18,443,640	$ 43.88	2.4%	8,299,638	1.4%	A+
Advance Magazine Group	750 Third Avenue, 485 Lexington Avenue	2021	342,720	12,686,556	$ 37.02	1.6%	11,437,950	2.0%	
Visiting Nurse Service of New York	1250 Broadway	2006 & 2018	290,741	8,476,824	$ 29.16	1.1%	4,662,253	0.8%	
The City University of New York - CUNY	555 West 57th Street & 28 West 44th Street	2006, 2010, 2011, 2015 & 2016	233,580	7,678,716	$ 32.87	1.0%	7,678,716	1.3%	
New York Presbyterian Hospital	555 West 57th Street & 673 First Avenue	2006, 2009, & 2021	231,888	7,230,468	$ 31.18	0.9%	7,230,468	1.3%	
C.B.S. Broadcasting, Inc.	555 West 57th Street	2013 & 2017	231,585	7,315,692	$ 31.59	1.0%	7,315,692	1.3%	BBB
BMW of Manhattan	555 West 57th Street	2012	227,782	4,089,852	$ 17.96	0.5%	4,089,852	0.7%	
Teachers Insurance & Annuity Association	485 Lexington Avenue & 750 Third Avenue	2006, 2008, 2009 & 2015	216,155	9,715,644	$ 44.95	1.3%	9,109,986	1.6%	AAA
The Travelers Indemnity Company	485 Lexington Avenue	2016	210,609	10,530,450	$ 50.00	1.4%	5,265,225	0.9%	A+
Polo Ralph Lauren Corporation	625 Madison Avenue	2019	186,000	9,114,000	$ 49.00	1.2%	9,114,000	1.6%	BBB
The Columbia House Company	1221 Ave.of the Americas	Various	175,312	8,180,916	$ 46.66	1.1%	3,681,412	0.6%	B2
The Mt. Sinai Hospital and NYU Hospital Centers	1 Park Avenue & 625 Madison Ave.	2013, 2015 & 2016	173,741	6,782,964	$ 39.04	0.9%	1,724,136	0.3%	
The Segal Company	1 Park Avenue	2009	157,947	6,757,428	$ 42.78	0.9%	1,126,463	0.2%	
J & W Seligman & Co., Incorporated	100 Park Avenue	2009	148,726	5,813,760	$ 39.09	0.8%	2,906,880	0.5%	AAA
Sonnenschein, Nath & Rosenthal	1221 Ave.of the Americas	Various	147,997	7,091,676	$ 47.92	0.9%	3,191,254	0.6%	
Ross Procurement, Inc.	1372 Broadway	2016	138,130	4,292,472	$ 31.08	0.6%	4,292,472	0.7%	BBB
Altria Corporate Services	100 Park Avenue	2007	136,118	6,727,860	$ 49.43	0.9%	3,363,930	0.6%	BBB+
Metro North Commuter Railroad Co.	420 Lexington Avenue	2008 & 2016	134,687	4,317,012	$ 32.05	0.6%	4,317,012	0.7%	AAA
Tribune Newspaper	220 East 42nd Street	2010	134,208	4,282,296	$ 31.91	0.6%	4,282,296	0.7%	A-
Total			**7,171,743**	**$ 302,591,094**	**$ 42.19**	**39.3%**	**$ 240,070,327**	**33.6%**	
Wholly Owned Portfolio + Allocated JV Properties			**18,619,900**	**$ 769,701,336**	**$ 41.34**		**$ 576,387,620**		

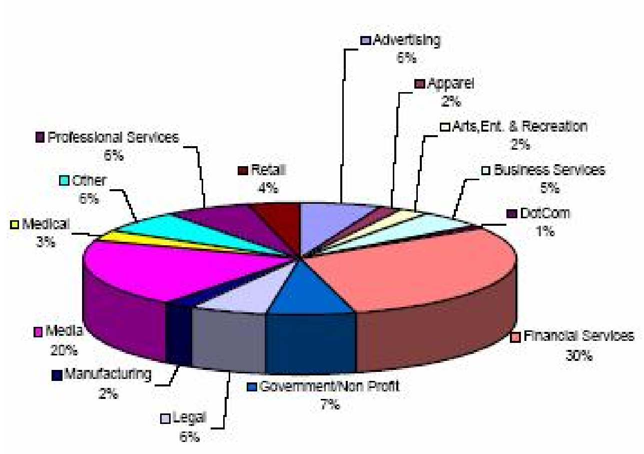
(1) - 60% of Portfolio's Largest Tenants have investment grade credit ratings. 26% of SLG Share of Annualized Rent is derived from these Tenants.

TENANT DIVERSIFICATION

Based on Base Rental Revenue



Based on Square Feet Leased



Leasing Activity

Available Space

Activity	Building Address	# of Leases	Usable SF	Rentable SF	Rent/Rentable SF ($'s)(1)
Vacancy at 12/31/05			**603,960**		
Add: Acquired Vacancies	**521 Fifth Avenue**		**12,088**		
Space which became available during the Quarter (A):					
Office					

317 Madison Avenue	2	6,744	6,744	$ 38.13
485 Lexington Avenue	4	269,286	269,286	$ 39.21
750 Third Avenue	1	77,281	77,281	$ 41.19
100 Park Avenue	3	60,646	64,018	$ 30.89
286 Madison Avenue	2	7,785	7,964	$ 30.22
555 West 57th Street	4	54,290	55,967	$ 29.61
70 West 36th Street	4	10,475	10,475	$ 28.74
470 Park Ave South	3	24,400	24,400	$ 33.19
1140 Sixth Avenue	1	5,900	6,798	$ 36.13
110 East 42nd Street	1	3,559	3,559	$ 25.84
19 West 44th Street	4	11,178	11,178	$ 35.05
28 West 44th Street	3	6,223	6,223	$ 28.84
711 Third Avenue	1	4,975	5,100	$ 35.83
440 Ninth Avenue	1	19,650	20,000	$ 26.40
420 Lexington Avenue	6	21,651	26,009	$ 38.80
Total/Weighted Average	**40**	**584,043**	**595,002**	**$ 36.33**
Retail				
70 West 36th Street	1	5,668	5,668	$ 17.89
Total/Weighted Average	**1**	**5,668**	**5,668**	**$ 17.89**
Storage				
317 Madison Avenue	1	208	263	$ 21.50
70 West 36th Street	1	4,008	4,008	$ 15.00
286 Madison Avenue	1	505	505	$ 25.50
100 Park Avenue	1	1,928	1,928	$ 15.88
1 Park Avenue	1	154	154	$ 13.64
440 Ninth Avenue	1	2,087	2,982	$ 10.00
Total/Weighted Average	**6**	**8,890**	**9,840**	**$ 14.23**
Total Space became Available during the Quarter				
Office	**40**	**584,043**	**595,002**	**$ 36.33**
Retail	**1**	**5,668**	**5,668**	**$ 17.89**
Storage	**6**	**8,890**	**9,840**	**$ 14.23**
	47	**598,601**	**610,510**	**$ 35.80**
Total Available Space		**1,214,649**		

(1) Escalated Rent is calculated as Total Annual Income less Electric Charges

(A) - Includes expiring space, relocating tenants and move-outs where tenants vacated. Excludes lease expirations where tenants heldover.

Leasing Activity

Leased Space

Activity	Building Address	# of Leases	Term (Yrs)	Usable SF	Rentable SF	New Cash Rent / Rentable SF(1)	Prev. Escalated Rent/ Rentable SF(2)	TI / Rentable SF	Free Rent # of Months
Available Space as of 12/31/05				**1,214,649**					
Office									
	317 Madison Avenue	2	5.2	6,816	8,044	$ 41.29	$ 32.36	$ 38.17	1.2
	485 Lexington Avenue	1	10.6	4,369	4,369	$ 50.00	$ 39.21	$ 55.00	7.5
	750 Third Avenue	4	12.2	62,000	62,000	$ 50.48	$ 41.19	$ 34.18	7.0
	100 Park Avenue	2	4.2	37,949	40,388	$ 44.92	$ 31.52	$ 1.62	—
	286 Madison Avenue	2	3.0	7,964	8,413	$ 31.35	$ 28.61	$ 4.45	—
	555 West 57th Street	4	11.5	54,290	64,733	$ 36.00	$ 26.44	$ 25.00	4.0
	70 West 36th Street	3	7.9	9,097	9,546	$ 26.29	$ 33.70	$ 16.60	3.3
	470 Park Ave South	3	5.8	18,167	19,677	$ 29.55	$ 33.04	$ 5.92	2.3
	1140 Sixth Avenue	2	5.0	11,453	11,309	$ 38.29	$ 36.13	$ 7.11	0.8
	1372 Broadway	1	9.8	11,822	12,129	$ 36.00	$ —	$ 54.24	7.0
	19 West 44th Street	5	3.3	14,873	15,527	$ 34.96	$ 33.72	$ 2.52	1.4
	28 West 44th Street	5	4.9	9,174	8,161	$ 36.03	$ 30.86	$ 30.34	2.0
	711 Third Avenue	1	4.2	4,975	5,100	$ 36.53	$ 35.83	$ —	1.0
	440 Ninth Avenue	1	6.5	19,650	23,121	$ 27.59	$ 22.84	$ 22.75	3.0
	420 Lexington Avenue	9	2.9	24,882	28,834	$ 36.32	$ 41.77	$ 10.97	2.0
	Total/Weighted Average	**45**	**7.8**	**297,481**	**321,351**	**$ 38.90**	**$ 33.22**	**$ 20.32**	**3.3**
Retail									
	470 Park Ave South	1	15.5	14,461	16,132	$ 30.99	$ —	$ 2.60	6.0
	70 West 36th Street	1	10.0	5,668	5,905	$ 26.04	$ 17.89	$ —	4.0
	Total/Weighted Average	**2**	**14.0**	**20,129**	**22,037**	**$ 29.66**	**$ 17.89**	**$ 1.90**	**5.5**
Storage									
	70 West 36th Street	1	10.0	4,008	4,034	$ 15.00	$ 15.00	$ —	4.0
	317 Madison Avenue	2	9.3	272	431	$ 20.00	$ —	$ —	—
	286 Madison Avenue	1	2.6	505	505	$ 26.00	$ 25.50	$ —	—
	Total/Weighted Average	**4**	**9.2**	**4,785**	**4,970**	**$ 16.55**	**$ 16.17**	**$ —**	**3.2**
Leased Space									
	Office (3)	**45**	**7.8**	**297,481**	**321,351**	**$ 38.90**	**$ 33.22**	**$ 20.32**	**3.3**
	Retail	**2**	**14.0**	**20,129**	**22,037**	**$ 29.66**	**$ 17.89**	**$ 1.90**	**5.5**
	Storage	**4**	**9.2**	**4,785**	**4,970**	**$ 16.55**	**$ 16.17**	**$ —**	**3.2**
	Total	**51**	**8.2**	**322,395**	**348,358**	**$ 37.99**	**$ 32.66**	**$ 18.87**	**3.5**
Total Available Space @ 3/31/06				**892,254**					
Early Renewals									
Office									
	317 Madison Avenue	3	5.2	4,339	4,604	$ 38.35	$ 35.03	$ 5.08	—
	220 East 42nd Street	1	1.0	13,194	13,194	$ 35.82	$ 35.84	$ —	—
	1250 Broadway	1	1.8	4,819	5,346	$ 40.00	$ 33.82	$ —	—
	555 West 57th Street	1	7.0	7,015	8,160	$ 36.00	$ 20.49	$ —	1.0
	70 West 36th Street	3	5.1	16,934	17,618	$ 28.00	$ 25.28	$ 0.89	—
	470 Park Ave South	1	5.4	9,735	9,860	$ 29.00	$ 30.66	$ 29.34	5.0

1372 Broadway	1	5.7	126,001	130,075	$ 36.00	$ 29.64	$ —	—
110 East 42nd Street	1	5.0	13,238	13,238	$ 43.00	$ 43.45	$ —	—
19 West 44th Street	3	6.3	6,838	7,331	$ 34.80	$ 38.55	$ 14.60	—
28 West 44th Street	1	1.3	888	888	$ 40.25	$ 39.72	$ —	—
420 Lexington Avenue	4	2.6	6,636	7,734	$ 45.39	$ 40.55	$ —	—
Total/Weighted Average	**20**	**5.1**	**209,637**	**218,048**	**$ 35.91**	**$ 31.15**	**$ 2.00**	**0.3**
Renewals								
Expired/Renewed	**12**	**4.2**	**58,307**	**61,388**	**$ 39.91**	**$ 32.25**	**$ 2.98**	**0.2**
Early Renewals Office	**20**	**5.1**	**209,637**	**218,048**	**$ 35.91**	**$ 31.15**	**$ 2.00**	**0.3**
Total	**32**	**4.9**	**267,944**	**279,436**	**$ 36.79**	**$ 31.39**	**$ 2.21**	**0.3**

(1) Annual Base Rent
(2) Escalated Rent is calculated as Total Annual Income less Electric Charges
(3) Average starting office rent excluding new tenants replacing vacancies is $39.10/rsf for 291,137 rentable SF.
Average starting office rent for office space (leased and early renewals, excluding new tenants replacing vacancies) is $37.74/rsf for 509,185 rentable SF.

ANNUAL LEASE EXPIRATIONS

Year of Lease Expiration	Consolidated Properties: Number of Expiring Leases (2)	Consolidated Properties: Rentable Square Footage of Expiring Leases	Consolidated Properties: Percentage of Total Leased Sq. Ft.	Consolidated Properties: Annualized Rent of Expiring Leases	Consolidated Properties: Annualized Rent Per Leased Square Foot of Expiring Leases $/psf (3)	Consolidated Properties: Year 2006 Weighted Average Asking Rent $/psf	Joint Venture Properties: Number of Expiring Leases (2)	Joint Venture Properties: Rentable Square Footage of Expiring Leases	Joint Venture Properties: Percentage of Total Leased Sq. Ft.	Joint Venture Properties: Annualized Rent of Expiring Leases	Joint Venture Properties: Annualized Rent Per Leased Square Foot of Expiring Leases $/psf (3)	Joint Venture Properties: Year 2006 Weighted Average Asking Rent $/psf
In 1st Quarter 2006 (1)	28	68,171	0.70%	$ 2,210,136	$ 32.42	$ 42.67	3	7,994	0.10%	$ 241,260	$ 30.18	$ 61.20
In 2nd Quarter 2006	34	163,652	1.67%	$ 7,108,308	$ 43.44	$ 50.22	1	6,689	0.08%	$ 66,888	$ 10.00	$ 38.00
In 3rd Quarter 2006	33	163,746	1.67%	$ 5,914,368	$ 36.12	$ 38.69	6	106,454	1.30%	$ 4,802,940	$ 45.12	$ 50.11
In 4th Quarter 2006	25	106,615	1.09%	$ 3,821,004	$ 35.84	$ 46.11	2	64,685	0.79%	$ 2,831,904	$ 43.78	$ 58.18
Total 2006	**120**	**502,184**	**5.13%**	**$ 19,053,816**	**$ 37.94**	**$ 44.56**	**12**	**185,822**	**2.26%**	**$ 7,942,992**	**$ 42.75**	**$ 52.96**
In 1st Quarter 2007	30	76,940	0.79%	$ 2,996,508	$ 38.95	$ 48.90	2	4,281	0.05%	$ 182,916	$ 42.73	$ 38.43
In 2nd Quarter 2007	37	147,495	1.51%	$ 5,840,916	$ 39.60	$ 43.70	3	212,592	2.59%	$ 14,594,268	$ 68.65	$ 68.47
In 3rd Quarter 2007	34	89,452	0.91%	$ 4,006,656	$ 44.79	$ 48.54	3	25,260	0.31%	$ 626,988	$ 24.82	$ 38.36
In 4th Quarter 2007	20	85,956	0.88%	$ 3,461,556	$ 40.27	$ 85.10	3	159,480	1.94%	$ 7,810,512	$ 48.97	$ 55.50
Total 2007	**121**	**399,843**	**4.08%**	**$ 16,305,636**	**$ 40.78**	**$ 54.68**	**11**	**401,613**	**4.89%**	**$ 23,214,684**	**$ 57.80**	**$ 61.11**
2008	128	788,621	8.05%	$ 31,002,852	$ 39.31	$ 45.47	19	521,769	6.36%	$ 22,019,784	$ 42.20	$ 61.86
2009	97	719,792	7.35%	$ 32,002,740	$ 44.46	$ 47.60	20	566,541	6.90%	$ 26,956,176	$ 47.58	$ 53.58
2010	143	1,629,528	16.64%	$ 64,824,216	$ 39.78	$ 44.03	19	1,310,637	15.97%	$ 62,716,848	$ 47.85	$ 62.83
2011	74	638,685	6.52%	$ 29,858,460	$ 46.75	$ 47.75	6	143,083	1.74%	$ 6,568,728	$ 45.91	$ 53.40
2012	52	774,610	7.91%	$ 23,673,000	$ 30.56	$ 40.03	10	233,527	2.85%	$ 9,405,628	$ 40.28	$ 51.95
2013	48	859,563	8.78%	$ 32,568,576	$ 37.89	$ 44.04	7	1,089,987	13.28%	$ 55,090,296	$ 50.54	$ 65.52
2014	30	382,514	3.91%	$ 14,071,656	$ 36.79	$ 42.66	11	170,671	2.08%	$ 13,675,512	$ 80.13	$ 98.21
2015	45	615,597	6.29%	$ 25,465,236	$ 41.37	$ 46.75	13	440,652	5.37%	$ 17,435,520	$ 39.57	$ 44.76
Thereafter	84	2,481,867	25.34%	$ 93,236,100	$ 37.57	$ 52.61	23	3,140,765	38.28%	$ 142,612,880	$ 45.41	$ 73.68
	942	**9,792,804**	**100.00%**	**$ 382,062,288**	**$ 39.01**	**$ 47.09**	**151**	**8,205,067**	**100.00%**	**$ 387,639,048**	**$ 47.24**	**$ 65.61**

(1) Includes month to month holdover tenants that expired prior to 3/31/06
(2) Tenants may have multiple leases.
(3) Represents in place annualized rent allocated by year of maturity.

SUMMARY OF REAL ESTATE ACQUISITION ACTIVITY POST 1997

	Property	Type of Ownership	Submarket	Net Rentable sf	% Leased: at acquisition	% Leased: 3/31/2006	Acquisition Price ($'s) (1)
1998 Acquisitions							
Mar-98	420 Lexington	Operating Sublease	Grand Central	1,188,000	83	97	$ 78,000,000
Mar-98	1466 Broadway	Fee Interest	Times Square	289,000	87	N/A	$ 64,000,000
Mar-98	321 West 44th	Fee Interest	Times Square	203,000	96	N/A	$ 17,000,000
May-98	711 3rd Avenue	Operating Sublease	Grand Central	524,000	79	100	$ 65,600,000
Jun-98	440 9th Avenue	Fee Interest	Penn Station	339,000	76	99	$ 32,000,000
Aug-98	1412 Broadway	Fee Interest	Times Square South	389,000	90	N/A	$ 82,000,000
				2,932,000			**$ 338,600,000**
1999 Acquisitions							
Jan-99	420 Lexington Leasehold	Sub-leasehold	Grand Central	—	—	—	$ 27,300,000
Jan-99	555 West 57th - 65% JV	Fee Interest	Midtown West	941,000	100	100	$ 66,700,000
May-99	90 Broad Street - 35% JV	Fee Interest	Financial	339,000	82	N/A	$ 34,500,000
May-99	The Madison Properties:	Fee Interest	Grand Central				$ 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	96	$ 93,000,000
Nov-99	555 West 57th - remaining 35%	Fee Interest	Midtown West	—		100	$ 34,100,000
				2,285,800			**$ 305,600,000**
2000 Acquisitions							
Feb-00	100 Park Avenue	Fee Interest	Grand Central	834,000	97	90	$ 192,000,000
Dec-00	180 Madison Avenue	Fee Interest	Grand Central	265,000	90	N/A	$ 41,250,000
Contribution to JV							
May-00	321 West 44th	Fee Interest	Times Square	203,000	98	N/A	$ 28,400,000
				1,302,000			**$ 261,650,000**
2001 Acquisitions							
Jan-01	1370 Broadway	Fee Interest	Times Square South	255,000	97	N/A	$ 50,500,000
Jan-01	1 Park Avenue	Various Interests	Grand Central	913,000	97	98	$ 233,900,000
Jan-01	469 7th Avenue - 35% JV	Fee Interest	Penn Station	253,000	98	N/A	$ 45,700,000
Jun-01	317 Madison	Fee Interest	Grand Central	450,000	95	94	$ 105,600,000
Acquisition of JV							

Interest							
Sep-01	1250 Broadway - 49.9% JV (2)	Fee Interest	Penn Station	670,000	98	96	$ 126,500,000
				2,541,000			**$ 562,200,000**
2002 Acquisitions							
May-02	1515 Broadway - 55% JV	Fee Interest	Times Square	1,750,000	98	100	$ 483,500,000
							$ 483,500,000
2003 Acquisitions							
Feb-03	220 East 42nd Street	Fee Interest	Grand Central	1,135,000	92	100	$ 265,000,000
Mar-03	125 Broad Street	Fee Interest	Downtown	525,000	100	100	$ 92,000,000
Oct-03	461 Fifth Avenue	Leasehold Interest	Midtown	200,000	94	90	$ 60,900,000
Dec-03	1221 Ave of Americas -45% JV	Fee Interest	Rockefeller Center	2,550,000	99	97	$ 1,000,000,000
				4,410,000			**$ 1,417,900,000**
2004 Acquisitions							
Mar-04	19 West 44th Street -35% JV	Fee Interest	Midtown	292,000	86	98	$ 67,000,000
Jul-04	750 Third Avenue	Fee Interest	Grand Central	779,000	100	98	$ 255,000,000
Jul-04	485 Lexington Avenue - 30% JV	Fee Interest	Grand Central	921,000	100	71	$ 225,000,000
Oct-04	625 Madison Avenue	Leasehold Interest	Plaza District	563,000	68	92	$ 231,500,000
				2,555,000			**$ 778,500,000**
2005 Acquisitions							
Feb-05	28 West 44th Street	Fee Interest	Midtown	359,000	87	95	$ 105,000,000
Apr-05	1 Madison Ave - 55% JV	Fee Interest	Park Avenue South	1,177,000	96	98	$ 803,000,000
Apr-05	1 Madison Ave	Fee Interest	Park Avenue South	267,000	N/A	N/A	$ 115,000,000
Jun-05	19 West 44th Street -remaining 65%	Fee Interest	Midtown	—		98	$ 91,200,000
Jul-05	1551/1555 Broadway & 21 West 34th Street - 50% JV	Fee Interest	Times Square / Penn Station	43,700	N/A	N/A	$ 102,500,000
Sep-05	141 Fifth Avenue - 50% JV	Fee Interest	Flatiron District	21,500	90	100	$ 13,250,000
Nov-05	1604 Broadway - 45% JV	Leasehold Interest	Times Square	41,100	17	17	$ 4,400,000
Dec-05	379 West Broadway - 45% JV	Leasehold Interest	Cast Iron / Soho	62,006	100	100	$ 19,750,000
				1,971,306			**$ 1,229,950,000**
2006 Acquisition							
Jan-06	25-29 West 34th Street - 50% JV	Fee interest	Herald Square / Penn Station	51,000	56	56	$ 30,000,000
Mar-06	521 Fifth Avenue	Leasehold Interest	Midtown	460,000	97	97	$ 210,000,000

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(1) Acquisition price represents purchase price for consolidated acquisitions and purchase price or imputed value for joint venture properties.
(2) Current ownership interest is 55%. (From 9/1/01-10/31/01the company owned 99.8% of this property.)

SUMMARY OF REAL ESTATE SALES ACTIVITY POST 1999

	Property	Type of Ownership	Submarket	Net Rentable sf	Sales Price ($'s)	Sales Price ($'s/SF)
2000 Sales						
Feb-00	29 West 35th Street	Fee Interest	Penn Station	78,000	$ 11,700,000	$ 150
Mar-00	36 West 44th Street	Fee Interest	Grand Central	178,000	$ 31,500,000	$ 177
May-00	321 West 44th Street - 35% JV	Fee Interest	Times Square	203,000	$ 28,400,000	$ 140
Nov-00	90 Broad Street	Fee Interest	Financial	339,000	$ 60,000,000	$ 177
Dec-00	17 Battery South	Fee Interest	Financial	392,000	$ 53,000,000	$ 135
				1,190,000	**$ 184,600,000**	**$ 156**
2001 Sales						
Jan-01	633 Third Ave	Fee Interest	Grand Central North	40,623	$ 13,250,000	$ 326
May-01	1 Park Ave - 45% JV	Fee Interest	Grand Central South	913,000	$ 233,900,000	$ 256
Jun-01	1412 Broadway	Fee Interest	Times Square South	389,000	$ 90,700,000	$ 233
Jul-01	110 E. 42nd Street	Fee Interest	Grand Central	69,700	$ 14,500,000	$ 208
Sep-01	1250 Broadway (1)	Fee Interest	Penn Station	670,000	$ 126,500,000	$ 189
				2,082,323	**$ 478,850,000**	**$ 242**
2002 Sales						
Jun-02	469 Seventh Avenue	Fee Interest	Penn Station	253,000	$ 53,100,000	$ 210
				253,000	**$ 53,100,000**	**$ 210**
2003 Sales						
Mar-03	50 West 23rd Street	Fee Interest	Chelsea	333,000	$ 66,000,000	$ 198
Jul-03	1370 Broadway	Fee Interest	Times Square South	255,000	$ 58,500,000	$ 229
Dec-03	321 W 44th Street	Fee Interest	Times Square	203,000	$ 35,000,000	$ 172
				791,000	**$ 159,500,000**	**$ 202**
2004 Sales						
May-04	1 Park Avenue (2)	Fee Interest	Grand Central South	913,000	$ 318,500,000	$ 349
Oct-04	17 Battery Place North	Fee Interest	Financial	419,000	$ 70,000,000	$ 167
Nov-04	1466 Broadway	Fee Interest	Times Square	289,000	$ 160,000,000	$ 554
				1,621,000	**$ 548,500,000**	
2005 Sales						
Apr-05	1414 Avenue of the Americas	Fee Interest	Plaza District	111,000	$ 60,500,000	$ 545
Aug-05	180 Madison Avenue	Fee Interest	Grand Central	265,000	$ 92,700,000	$ 350
				376,000	**153,200,000**	

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(1) Company sold a 45% JV interest in the property at an implied $126.5mm sales price.
(2) Company sold a 75% JV interest in the property at an implied $318.5mm sales price.

SUPPLEMENTAL DEFINITIONS

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

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

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

Fixed charge is the total payments for interest, principal amortization, ground leases and preferred stock dividend.

Fixed charge coverage is adjusted EBITDA divided by fixed charge.

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

Funds from operations (FFO) is defined under the White Paper approved by the Board of Governors of NAREIT in April 2002 as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring and sales of properties, plus real estate depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures.

Interest coverage is adjusted EBITDA divided by total interest expense.

Junior Mortgage Participations are subordinate interests in first mortgages.

Mezzanine Debt Loans are loans secured by ownership interests.

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

Preferred Equity Investments are equity investments entitled to preferential returns that are senior to common equity.

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

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

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

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

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

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

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

CORPORATE GOVERNANCE

Stephen L. Green
Chairman of the Board

Marc Holliday
CEO and President

Gregory F. Hughes
Chief Financial Officer

Andrew Mathias
Chief Investment Officer

Gerard Nocera
Chief Operating Officer

Andrew S. Levine
General Counsel and Secretary

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SL Green Realty Corp. is followed by the analysts listed above. Please note that any opinions, estimates or forecasts regarding SL Green Realty Corp.'s performance made by these analysts are theirs alone and do not represent opinions, forecasts or predictions of SL Green Realty Corp. or its management. SL Green Realty Corp. does not by its reference above or distribution imply its endorsement of or concurrence with such information, conclusions or recommendations.

FOR IMMEDIATE RELEASE

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SL Green's Retail Investment Program Moves Forward with More Midtown Acquisitions

Privately Negotiated Transaction Near Rock Center Results from Existing Structured Finance Investment

Adjacent Sites on 34th Street to be Assembled to Unlock Value

New York, NY – April 25, 2006 – **SL Green Realty Corp. (NYSE: SLG)**, announced today it has acquired the fee interests for two retail properties located at 25-27 West 34th Street and 29 West 34th Street in a joint venture with Jeff Sutton. In addition it has contracted to make an investment in 609 Fifth Avenue, an office and retail property in which Jeff Sutton has and will maintain an ownership interest.

The investment in 609 Fifth Avenue values the property at $182 million. The building occupies the corner of 49th Street and Fifth Avenue near Rockefeller Center, one of Midtown Manhattan's premier commercial locations. It is the site of the spectacularly successful American Girl Store that opened in 2003 and that currently produces over 50 percent of the property's income. The store's lease runs through March 2018. Overall, the property is currently 98.5 percent occupied. The office tenants include DZ Bank, Shelby Collum Davis and Reebok International.

The non-marketed transaction capitalizes on SL Green's structured-finance investment in the property, which led to this opportunity.

Andrew Mathias, Chief Investment Officer for SL Green, stated, "Our ability to make this investment was directly linked to the structured finance investment we made in 2003. At the time, we believed particularly in Jeff Sutton's vision for the retail space. And our confidence paid off — the store has become one of New York's top shopping destinations."

The 34th Street buildings were acquired for a total cost for $30 million. They have a combined square footage of approximately 51,000 square feet.

As with other retail and mixed-use properties that have been acquired by SL Green and Sutton, the partners intend to make capital improvements and otherwise reposition the two properties to unlock their full potential value.

Located between Fifth Avenue and Avenue of the Americas, the properties are adjacent to 21 West 34th Street, a building that SL Green/Sutton acquired in July 2005.

The transactions reflect a further expansion of SL Green's retail real estate investment program. The program is designed to acquire undervalued retail opportunities on standalone sites or as part of commercial projects, and represents one of several initiatives to add incremental value to the Company's core Manhattan office property investment portfolio.

In December 2005, SL Green and Mr. Sutton acquired a 90 percent interest in 1604 Broadway, a retail property located on a prime corner in Manhattan's Times Square. In a separate transaction, the partners acquired the leasehold interest in 379 West Broadway, a classic office/retail property in New York City's Cast Iron Historic District. Previously, in June 2005, the partners acquired adjoining buildings at 1551 and 1555 Broadway, along with the retail building at 21 West 34th Street and a mixed-use property at 141 Fifth Avenue. All have provided repositioning opportunities, utilizing SL Green's financial resources and redevelopment expertise along with the proven retail real estate experience of Mr. Sutton.

SL Green Chief Executive Officer Marc Holliday commented, "These latest acquisitions demonstrate the combined ability of SL Green and Jeff Sutton to locate and acquire sets of properties in the best retail locations". Mr. Holliday noted, "The growth of retail rents in Manhattan has outpaced even the midtown office rents that continue to escalate".

# # #

Company Profile
SL Green Realty Corp. is a self-administered and self-managed real estate investment trust, or REIT, that predominantly acquires, owns, repositions, and manages a portfolio of Manhattan office properties. As of March 31, 2006, the Company owned 29 office properties totaling 18.6 million square feet. SL Green's retail space ownership totals 219,200 square feet at seven properties. The Company is the only publicly held REIT that specializes exclusively in this niche.

To be added to the Company's distribution list, or to obtain the latest news releases and other Company information, please visit our website at www.slgreen.com or contact Investor Relations at 212-216-1601.

Forward-looking Information
This press release contains forward-looking information based upon the Company's current best judgment and expectations. Actual results could vary from those presented herein. The risks and uncertainties associated with forward-looking information in this release include the strength of the commercial office

real estate markets in New York,

competitive market conditions, unanticipated administrative costs, timing of leasing income, general and local economic conditions, interest rates, capital market conditions, tenant bankruptcies and defaults, the availability and cost of comprehensive insurance, including coverage for terrorist acts, and other factors, which are beyond the Company's control. We undertake no obligation to publicly update or revise any of the forward-looking information. For further information, please refer to the Company's filing with the Securities and Exchange Commission.

Exhibit 99.4

FOR IMMEDIATE RELEASE

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Andrew Mathias
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SL Green Announces Sale of Two Midtown Office Properties

NEW YORK, NY – April 25, 2006 – SL Green Realty Corp. (NYSE:SLG) announced today that it has entered into an agreement to sell two non-core midtown office properties for a total of $63 million, or approximately $420 per square foot, to Kenneth Aschendorf and Berndt Perl of APF Properties. At closing, which is anticipated by the 2nd quarter of 2006, the company expects to recognize a gain in excess $30 million.

The properties are located at 286 Madison Avenue and 290 Madison Avenue, in the vicinity of Grand Central Station. The former is a 22-story, 112,000-square-foot tower facing on 40th Street, while the other is a six-story building with approximately 37,000 rentable square feet. The buildings are 99.8% and 100% leased, respectively.

Andrew Mathias, Chief Investment Officer for SL Green, stated, "We continue to look for opportunities to realize gains on our non-core investments and recycle capital into high-quality properties that we believe will deliver superior growth. This sale was timed to take advantage of the continued strength of property pricing in the Grand Central submarket."

Richard Baxter and Ron Cohen of Cushman & Wakefield acted as exclusive agents for SL Green.

# # #

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