



**RE: SL Green Realty Corp ("SL Green Realty Corp" or the "Company")
2006 Preferred C Stock Dividend Allocation**

January 15, 2007

Dear Investor:

In response to the request for a breakdown of our 2006 declared/paid dividends between income, capital gains and return of capital on our Series C Preferred Stock, the following represents the allocation that supports your Form 1099.

The total amount of cash distributions to be reported on the 2006 Form 1099 is \$1.9064 per share of which \$1.402488 per share is taxable as ordinary dividend income and \$0.503912 per share is taxable as long-term capital gains.

For the 2006 tax year, the Company declared/paid cash distributions to its shareholders as follows (all per share amounts):

<u>Date of Declaration</u>	<u>Date of Payment</u>	<u>Amount Declared</u>	<u>2006 Amount Distributed</u>	<u>Amount Deemed Distributed In 2006</u>	<u>Ordinary Taxable Income</u>	<u>Long Tem Capital Gains</u>
12/02/2005	1/17/2006	\$0.476600	\$0.476600	-	-	-
03/23/2006	4/14/2006	0.476600	0.476600	\$0.476600	\$0.350622	\$0.125978
06/16/2006	7/14/2006	0.476600	0.476600	0.476600	0.350622	0.125978
09/21/2006	10/13/2006	0.476600	0.476600	0.476600	0.350622	0.125978
12/04/2006	1/12/2007	0.476600	0.000000	0.476600	0.350622	0.125978
Total		\$2.383000	\$1.906400	\$1.906400	\$1.402488	\$0.503912

There is no difference between the dividend actually distributed in 2006 (\$1.9064/share) and the dividend deemed distributed in 2006 (\$1.9064). The January 2007 dividend payment (\$0.4766) is deemed to be paid in 2006. For tax purposes, a distribution declared in the fourth quarter of a tax year and paid in the first month of the subsequent tax year is treated as paid in the prior year to the extent of the Company's earnings. As a result, the distribution of \$0.4766 per share which was declared in December 2006, but paid in January 2007, was treated as paid in 2006. The taxable nature of the \$0.4766 per share distribution declared in 2006 (but paid in 2007) consists of \$0.350622 of ordinary income and \$0.125978 of long-term capital gains.

The \$1.402488 of ordinary income represents \$1.051866 per share from dividends paid in 2006 and \$0.350622 per share from dividends paid in 2007. The \$0.503912 of long-term capital gains represents \$0.377934 per share from dividends paid in 2006 and \$0.125978 per share from dividends paid in 2007.

Of the \$1.402488 amount reported as ordinary dividend, \$0.067108 represents short-term capital gain dividends. There is no amount that is a qualified dividend. Of the \$0.503912 amount reported as long-term capital gains, the amount that is Unrecaptured Section 1250 gain is \$0.027748 per share.

If you should have any questions or need further information, please feel free to call me at (212) 594-2700.

Sincerely

Gregory Hughes
Chief Financial Officer



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