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SL Green Announces Sale of Two Manhattan Properties

NEW YORK--(BUSINESS WIRE)-- SL Green Realty Corp. (NYSE:SLG), New York City's largest commercial property owner and an S&P 500 company, today announced two transactions with an aggregate value of \$649 million:

- 1) An agreement to sell the leased fee interest in 885 Third Avenue for a gross sale price of \$453 million; and
- 2) An agreement to sell the recently-completed Pace University dormitory tower at 33 Beekman Street for a gross sale price of \$196 million. SL Green owns the property in a joint venture.

SL Green acquired the leased fee interest in 885 Third Avenue in a joint venture in 2007 at a gross asset valuation of \$317 million and subsequently fully consolidated its position in 2010 at a gross asset valuation of \$352 million. As part of the transaction, SL Green will retain a preferred equity position. The sale, executed at a capitalization rate of 3.8%, will generate net proceeds to SL Green of approximately \$45 million, after giving consideration to the retained preferred equity interest and the in-place mortgage of \$267.7 million, which is scheduled to mature in 2017. The sale is expected to be completed in the fourth quarter of 2015, subject to customary closing conditions.

33 Beekman was jointly developed by SL Green and the Naftali Group. It houses 772 dormitory beds, and features a public plaza and ground-floor retail and amenity space used by the university. The project is SL Green's second successful dormitory development for Pace, following on the heels of a 609-bed dormitory and retail project at 180 Broadway, which was completed and delivered in early 2013. The sale, executed at a capitalization rate of 3.9%, will generate net proceeds to SL Green of approximately \$64 million. The sale is expected to be completed in the first half of 2016, subject to customary closing conditions.

SL Green's Co-Chief Investment Officer, David Schonbraun, commented, "These sales are a continuation of our previously announced strategy in connection with funding our acquisition of 11 Madison Avenue through the sale of non-core and complex assets. The sale of 885 Third Avenue is the realization of our third successful investment in a Manhattan leased fee position, including Two Herald Square and 292 Madison Avenue, while the sale of 33 Beekman further evidences the strength of SL Green's internal development team and their ability to construct high quality properties that can meet the unique needs of space users."

He continued, "There continues to be strong demand from both foreign and domestic capital sources for New York City commercial real estate, and we intend to continue to take advantage of market conditions to maximize shareholder returns by selling mature assets and redeploying the proceeds into more accretive investments."

About SL Green Realty Corp.

SL Green Realty Corp., an S&P 500 company and New York City's largest office landlord, is a fully integrated real estate investment trust, or REIT, that is focused primarily on acquiring, managing and maximizing value of Manhattan commercial properties. As of June 30, 2015, SL Green held interests in 120 Manhattan buildings totaling 44.1 million square feet. This included ownership interests in 29.0 million square feet of commercial buildings and debt and preferred equity investments secured by 15.1 million square feet of buildings. In addition to its Manhattan investments, SL Green held ownership interests in 37 suburban buildings totaling 5.9 million square feet in Brooklyn, Long Island, Westchester County, Connecticut and New Jersey. For more information, please visit: <http://slgreen.com/>

Forward-looking Statement

This press release includes certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are intended to be covered by the safe harbor provisions thereof. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, are forward-looking statements. Forward-looking statements are not guarantees of future performance and we caution you not to place undue reliance on such statements. Forward-looking statements are generally identifiable by the use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," "project," "continue," or the negative of these words, or other similar words or terms. Forward-looking statements contained in this press release are subject to a number of risks and uncertainties, many of which are beyond our control, that may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by forward-looking statements made by us. Factors and risks to our business that could cause actual results to differ from those contained in the forward-looking statements are described in our

filings with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of future events, new information or otherwise.

SLG-A&D

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